

RFP25-RED 002

**REQUEST FOR PROPOSALS
FOR
LEASE AND DEVELOPMENT OF PUBLIC LANDS IN
ROTA, MP
*(former Rota Resort and Country Club)***



INFORMATION PACKET

INTRODUCTION AND GENERAL BACKGROUND

The Commonwealth of the Northern Mariana Islands (CNMI) Government's Department of Public Lands (DPL) is soliciting sealed proposals in support of its fiduciary duty to select a company or individual that is most capable of providing DPL the highest return from the use of certain public land described under the Property Description section of this RFP information package.

DPL serves as the trustee of public lands and is responsible for the management and disposition of all public lands in the CNMI. DPL has the duty to maximize financial returns from the use of public lands. By law, the Department of Public Lands may lease public lands for up to 40 years, and with legislative approval, may extend the lease for an additional 15 years. Consistent with its fiduciary duty to its beneficiaries, DPL must make a leasing decision to enter into a new lease on the most favorable terms to DPL that the market will bear.

This RFP does not commit the CNMI or the DPL to award a contract or pay any costs incurred in the preparation of the proposal or attendance at meetings with the CNMI or DPL staff.

OBJECTIVE

DPL's principal objective of this RFP is to lease public land in Rota, MP to a qualified company or individual capable of providing DPL the highest financial return from the anticipated commercial use and development.

For purposes of this RFP, DPL is seeking a proposal that provides the greatest overall financial benefit to DPL based on the evaluation and selection criteria of this RFP.

PROPERTY DESCRIPTION

The public land to be leased is the following property located in Agusan, Rota (the former Rota Resort property):

- **Lot No. 410 R 02 containing 12,964 square meters, more or less in Agusan, Rota,**
- **Lot No. 410 R 03 containing 9,119 square meters, more or less in Agusan, Rota,**
- **Lot No. 412 R 04 containing 930,755 square meters, more or less in Agusan, Rota,**
- **Lot No. 412 R 15 containing 340,729 square meters, more or less in Agusan, Rota**

Overviews of the property are attached as Exhibits A-1, A-2, and A-3:

Note:

1. Portions of Lot No. 412 R 13 (163 sqm.) and Lot No. 412 R 14 (1,133 sqm.) have been temporarily parceled out due to soil contamination; however, upon clean up and clearance from BECQ, these parcels may be available to include in the lease through an amendment.
2. Lot No. 403 R 01 (50,000 sqm.) is private land within the lease premises and not part of the lease. Any and all improvements within the private property are not included in the lease.
3. Water wells situated on adjacent private properties service the lease premises. Lessee will need to contract for water rights with the adjacent private property owners or reroute pipelines or construct new water wells within the lease premises.

Proposers shall be allowed to view the property and shall be provided general information on the property including photographs, land maps, and boundary descriptions upon request to DPL.

Proposers are encouraged to obtain additional information regarding the property from publicly available sources.

LEASE DESCRIPTION

DPL proposes to grant the successful bidder a commercial lease on a “triple net” basis for an initial term of up to 40 years with a possibility of an extension of an additional 15 years conditioned on the satisfactory performance of the lessee in the initial term as determined by DPL and approved by the CNMI Legislature. The lease will be on the form attached as Exhibit B. Below are the basic lease payment terms:

Minimum¹ annual rent amounts due shall be the following:

- I. Basic Rent equal to 5.00% per year of the Appraised Fair Market value of the fee simple interest, as is, adjusted every five years based on an updated appraisal, **plus**
- II. Additional Rent equal to a percentage of Business Gross Receipts (BGR) based on the following schedule starting in year one (1) of the lease;

Percentage of BGR Lease Payment Schedule

Tier	BGR Per Year		% of BGR	Minimum In Tier
	From	To		
1	\$ -	\$ 50,000.49	1.50%	
2	\$ 50,000.50	\$ 100,000.49	1.45%	\$ 750
3	\$ 100,000.50	\$ 200,000.49	1.39%	\$ 1,445
4	\$ 200,000.50	\$ 400,000.49	1.34%	\$ 2,780
5	\$ 400,000.50	\$ 800,000.49	1.28%	\$ 5,340
6	\$ 800,000.50	\$ 1,600,000.49	1.22%	\$ 10,240
7	\$ 1,600,000.50	\$ 3,200,000.49	1.17%	\$ 19,520
8	\$ 3,200,000.50	\$ 6,400,000.49	1.11%	\$ 37,280
9	\$ 6,400,000.50	\$12,800,000.49	1.06%	\$ 71,040
10	\$12,800,000.50	and Over	1.00%	\$135,040

- III. Public Benefit Contribution. In addition to the annual base rent and BGR, a contribution of in-kind service or monetary donation that will benefit the people of the Northern Marianas Descent (NMD) and the community.

¹ This is the minimum amount that must be offered for a proposal to be considered responsive and advantageous to DPL and its beneficiaries. Proposers should indicate the proposed amounts they are willing to pay as Base Rent and Additional Rent equal to or in excess of these minimums.

PROPOSAL CONTENT AND LAYOUT

Proposals submitted must contain the following information in the order listed below and proposers will be subjected to DPL's regulations attached as Exhibit C. Proposers who do not follow these guidelines or submit incomplete information may be disqualified.

***Proposal, attachment and exhibits must be in English. Documents in other languages will not be translated and will be considered invalid.**

I. Identification & Background Information

- a. A cover letter signed by an officer of the applicant who is authorized to discuss and commit the applicant to a contractual agreement with the DPL.
- b. The applicant's name, email address, business postal address, contact name, telephone and fax number(s), and email address.
- c. A brief history of the applicant including: organization, business operations engaged in, size of applicant's business, office locations, and evidence of experience in and knowledge of the industry of the proposed development. Specify the office location where the work associated with the project would be performed.
- d. Certified entity formation documents, a certificate of incumbency, and transactional authorizations of the applicant and related parties. If the applicant or any related party is not a domestic entity or resident individual, such party shall first be domesticated and authorized to do business in the Commonwealth.
- e. The names of the officers, directors, and principal shareholders or members of the applicant, including all real parties in interest. Include a list of owners having an ownership interest in the applicant of 10% or greater.
- f. The applicant's organizational chart showing the relationship of parent companies, subsidiaries, and related parties involved in the funding and operations of the proposed development.
- g. Identification of key contacts including agent(s), representative(s) or attorney(s) who will be authorized and responsible for regular communication with DPL.

II. Corporate Resolutions, and Authorizations

- a. A corporate resolution authorizing the company to negotiate and enter into a lease agreement for the properties and designating authorized signatories for the lease.
- b. A corporate resolution from each related party identifying its authorized signatory and authorizing the related party to provide full financial support for the proposed project and to guarantee applicant's obligations under the lease agreement;
- c. Written authorization to obtain information from banks, investment banks, etc. sufficient for DPL to verify the applicant's standing with financiers or equity partners.

III. Business and Development Plan, Time Schedule of Completion of Project

- a. A business plan that includes the following:
 - i. A description of the proposed business and operations, including a concise statement of the intended use of the property;
 - ii. The applicant's plan to continue operating the existing facilities;
 - iii. The cost of construction to improve existing facilities or build new facilities, including the total amount of investment proposed and the cost per phase if construction will occur in multiple phases;
 - iv. Proposed method of financing (i.e. self-financing, bank loan, etc.) and an attestation as to the legal nature of the funds;
 - v. Pro-forma financial statements including profit and loss statements, cash flow, and balance sheets for the first five (5) years of the proposed development, and showing projected business gross revenues of each activity to be conducted for the fifteen (15) years of operations, and total revenues from all revenue generating activities, including subletting;
 - vi. Opportunities, risks, who or what is the competition in the industry, market analysis, financial viability, and operational issues;
 - vii. The applicant's plan for continuing the employment of personnel operating the existing facilities; and
 - viii. An estimated number of jobs required for operations (total full time equivalents) along with recruiting plans.
- b. Preliminary master plan:
 - i. Development plan describing the elements of improvements to existing facilities or each new structure to be constructed;
 - ii. If existing improvements will be replaced with new improvements, provide plans for removal and disposal of demolished or excavated materials including a timeline of intended progress;
 - iii. Architectural renderings showing the proposed layout, elevations, how situated on the property, and landscaping plans;
 - iv. Timeline of construction progress through completion, including a Gantt chart showing the construction timeline;
 - v. Provide an outline or strategy for how construction will be executed, taking into account the need for sufficient laborers and technical personnel which may require recruitment from outside the CNMI; and

IV. Financial Standing and Capability

- a. Documentary evidence that the applicant is in good standing with its creditors, the Division of Revenue and Taxation, and all licensing and regulatory agencies.
- b. Five year pro forma financial statements and financial statements of applicant's guarantors, related parties, or equity investors/shareholders (with audited statements required for companies with business gross revenues of \$500,000 or greater);
- c. Verifiable evidence of availability of funds (funds on deposit, letter of credit, loan commitment, or similar concrete evidence of ability to pay upon execution of a lease: 1) first year's annual rent; 2) advance one-year annual

rent as security deposit; and 3) 5% of total construction, development, start of operations costs. In addition, evidence of combined net worth of applicant and related parties to cover 30% the proposed development cost with current free cash to cover at least 150% of basic rent, and evidence of liquid capital (cash or cash equivalents) to cover 20% of construction cost or attestation from a reputable investment bank experienced in similar projects on applicant's ability to raise 10% of the capital required to fund the development.

V. Proposed Rent Payments

- a. The applicant's proposed rental rates in excess of the minimums stated in the Lease Description section of this RFP package for determining 1) the annual percentage of Appraised Fair Market Value, and 2) the annual Percentage of BGR Lease Payments, respectively.
- b. Projected rent payment per year based on the applicant's proposed rates, including BGR projections starting in year one of operations including rental income the applicant anticipates to receive from subtenants and the potential BGR of subtenants.

Note: The winning party will be held to their BGR projections through a minimum rent provision which will be calculated based upon revenues of not less than 80% of projected BGR.

VI. Written Confirmation from Proposer

- a. To provide DPL a good faith deposit to start and complete the project. The amount shall be 5.00% of the total development/construction cost or deliver to the DPL a Performance or Completion Bond, Stand by Letter of Credit, or a combination of both covering 100% of the cost proposed development. Upon DPL certification of project completion, these funds will be reimbursed or may be credited towards lease payment
- b. The applicant's willingness and agreement to enter into a lease in the form attached as **Exhibit B** as modified to include the applicant's proposed rents in excess of minimum and the applicant's additional proposed public benefits.
- c. Agreement by all related parties to issue a guarantee.

VII. Disclosure of any potential conflict of interest and any ongoing litigation that might affect the applicant's ability to carry out its operations.

A checklist of these submission requirements is included in Exhibit C. In the event of any discrepancy between that checklist and the requirements listed here in and/or in DPL's regulations, the requirements listed in DPL's regulations shall control.

EVALUATION AND SELECTION CRITERIA:

Proposals will be evaluated based on their completeness as described in the Proposal Content and Layout section of this RFP based on the following criteria:

I. Evaluation Criteria

1. 40% - Lease revenues to DPL in absolute dollars. Additional consideration will be given to applicants who propose to pay rent in excess of the minimum rates stated above.
2. 20% - Amount of Investment Proposed. The cost of construction of the development (and anticipated value of improvements) to be invested as proposed is a major factor that will be considered and will be evaluated in comparison with overall merit of proposals.
3. 20% - Financial Capability, Evidence of Availability of Funds and Readiness to begin construction. The applicant's creditworthiness and ability to fund the proposed development.
4. 10% - The applicant's experience in the industry of tourism, hotel management, food and beverage and marketing.
5. 5% - Improvement / Development Plan: Site Plan (Conceptual Schematic Layout), Business Plan, Operation Plans (Financial Projections: profit & loss statement 15 yrs.), Time Schedule for project commencement, and consistency of the proposed development with DPL's land use plan and other applicable land use laws and regulations; and
6. 5% - Proposed public benefit contribution.

II. Selection

In the event the top two responsive and responsible proposals are similarly beneficial to DPL, DPL may request more information from both applicants for clarification purposes, or both applicants may be included on DPL's shortlist of candidates and interviews may be conducted with each applicant to determine a final selection.

DPL shall always request a best and final offer on the amount of rents payable and public benefit options before selecting the final proposal.

Final selection will be made by the Secretary of Public Lands with input from a review committee to be constituted by reviewers comprised of DPL staff and/or as appointed by the Secretary.

SUBMISSION DEADLINES

Questions from applicants regarding the contents of the RFP packet must be received, **no later than 4:00 pm on April 18, 2025 ChST** and must be submitted in writing via mail, email or facsimile to Mr. Richard S. Villagomez, Acting Secretary, Department of Public Lands at the following address:

Department of Public Lands
P.O. Box 500380

Saipan, MP 96950
Telephone number(s): (670) 234-3751/52/53
Facsimile number: (670) 234-3755
Email: dpl@dpl.gov.mp

Questions and DPL's response will be summarized and compiled, and shared with all proposers in a "Question and Answer" format.

All proposals must be submitted to the DPL Office, 2nd Floor, Joeten Dandan Building by **2:00 p.m. on June 23, 2025 ChST**. Proposals must be sealed and marked "**RFP25 – RED002: LEASE & DEVELOPMENT OF PUBLIC LAND IN ROTA, MP**" and contain (1) original and five (5) copies of the proposals. Failure to submit the required number of copies may be cause for rejection or disqualification of a proposal.

A non-refundable Administrative Processing Fee of \$5,000.00 must be paid upon submission of proposal. Payment can be made at the DPL Cashier and a copy of the receipt attached to the submission.

Proposers may withdraw or make modifications to its proposal prior to the submission deadline by notifying the Secretary in writing. Proposer may submit a new or amended proposal submitted on or before the deadline.

DPL reserves the right to reject any or all proposals and to waive any imperfection in any proposal, if, in its opinion to do so would be in the best interest of DPL and its beneficiaries. All proposals shall become the property of DPL.

IMPORTANT INFORMATION TO PROPOSERS:

Before an award is granted, DPL may modify or cancel the RFP for any or no reason.

All proposals shall be accorded fair and equal treatment with respect to any opportunity for discussion and revisions of proposals and such revisions may be permitted after submission and prior to award for the purpose of obtaining the best and final offer. In conducting discussions, there shall be no disclosure of any information derived from any of the competing proposals submitted.

All responses to this RFP should take into account any and all taxes, including excise tax, or fees which will be the obligation of the company or individual awarded the 40-year term of Lease Agreement with DPL for public land.

EXHIBIT A-1

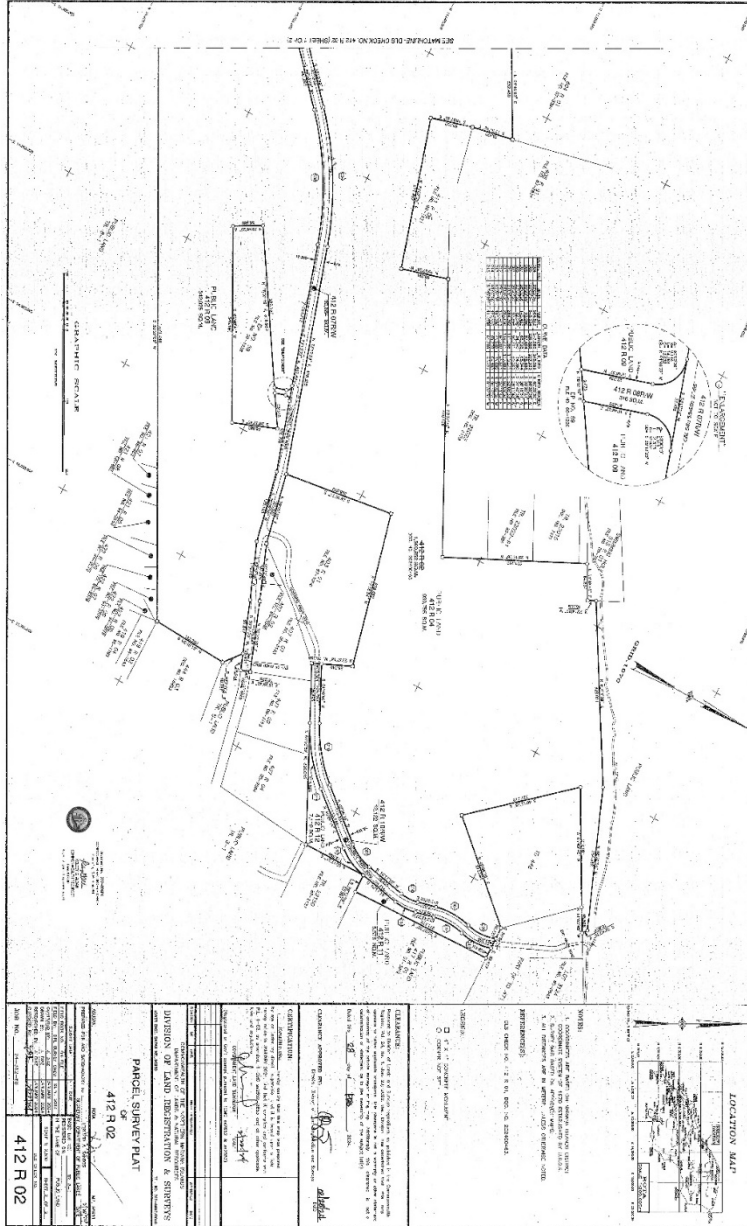


EXHIBIT A-2

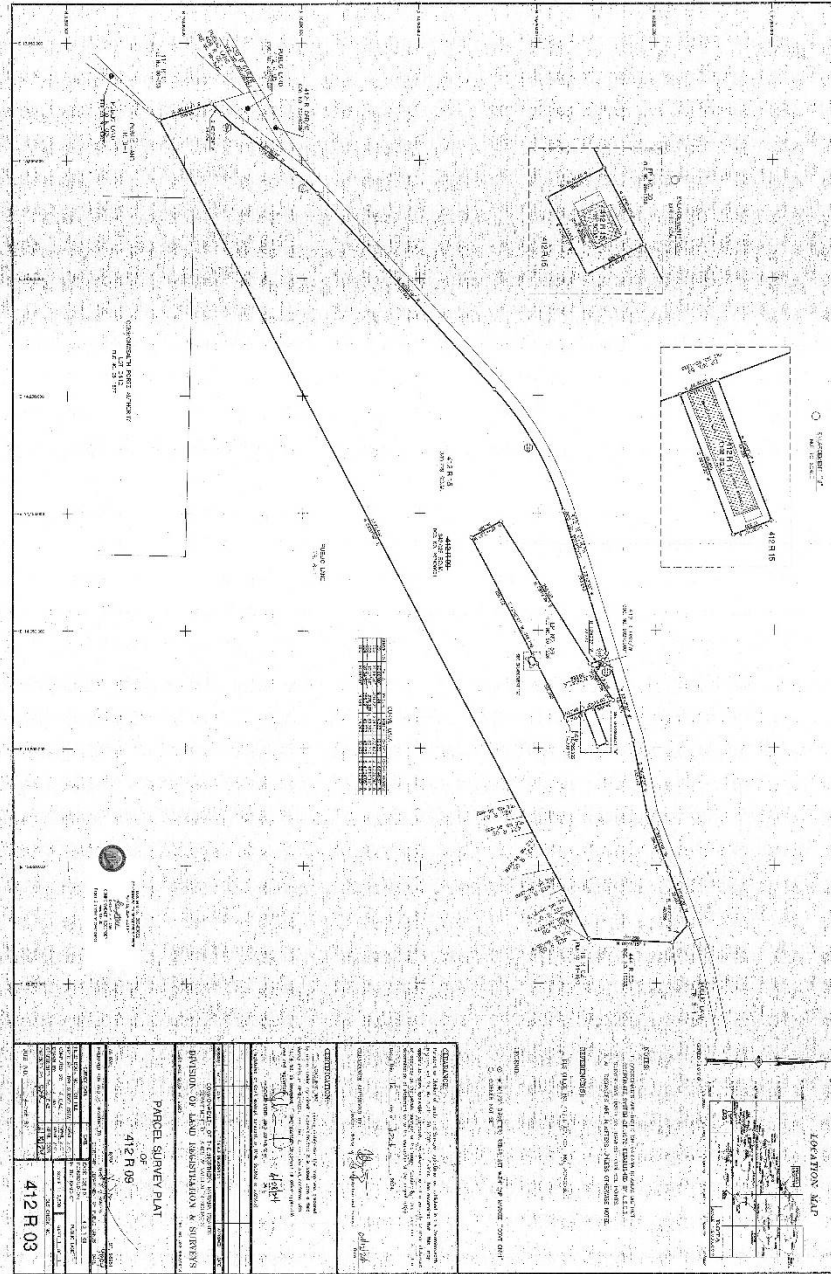


EXHIBIT A-3

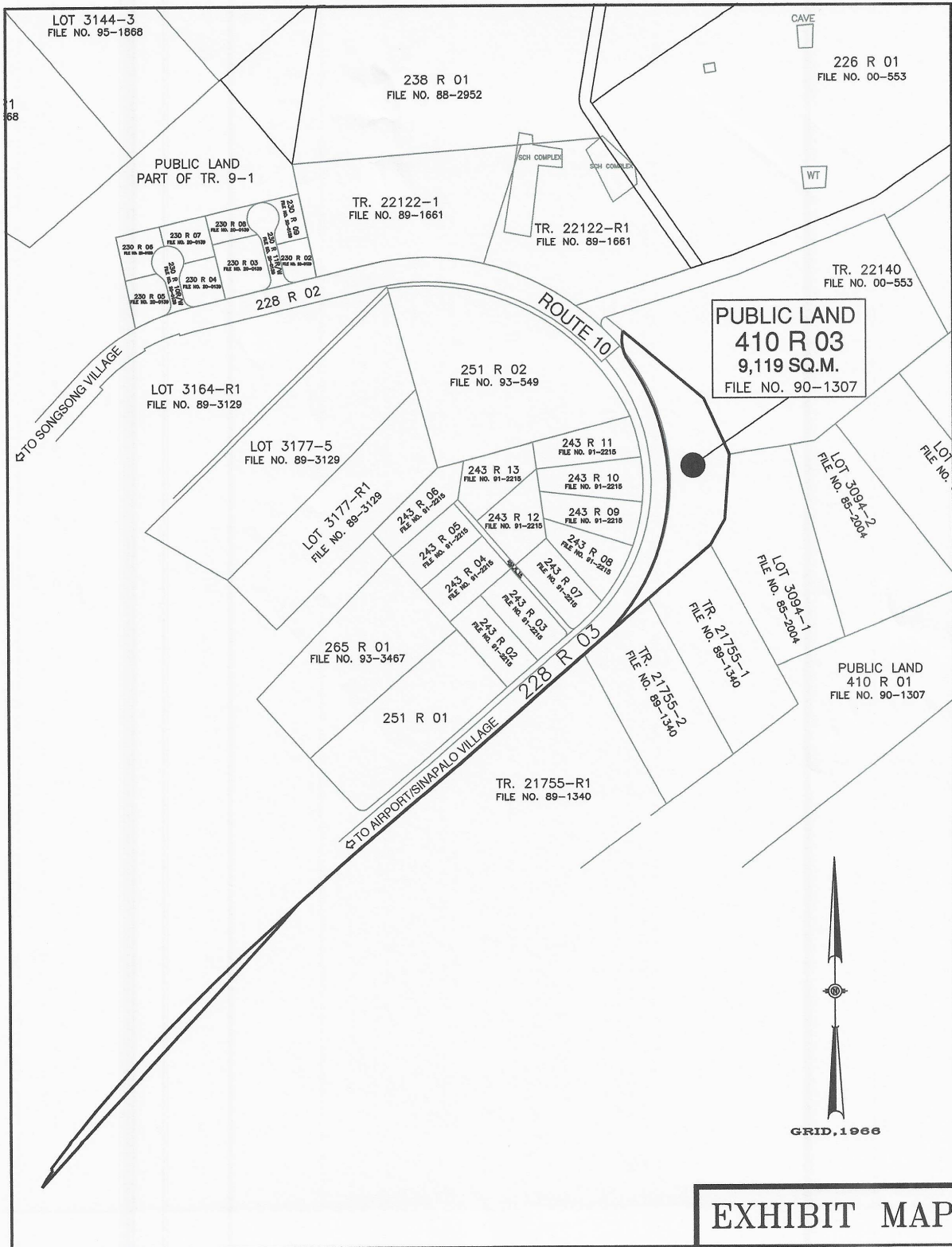


EXHIBIT B

Lease Agreement Template

EXHIBIT C

I. Identification & Background Information

	Cover letter signed by authorized officer
	Applicant's name, email, mailing address, contact name, phone & fax
	History of applicant including organization, operations, size, office locations, experience in industry
	Entity formation documents
	Names of officers, directors, shareholders/members, and owners with >10% interest
	Org chart showing relationship to parent companies, subsidiaries, related parties

II. Corporate Resolutions & Authorizations

	Corporate resolution from applicant authorizing negotiations & identifying signatory
	Corporate resolution from related parties authorizing full financial support and guarantee & identifying signatory
	Written authorization to obtain information from banks to verify standing

III. Business & Development Plan, Time Schedule and Completion of Project

Business plan

	Description of proposed business and intended use
	Any plans to continue operating existing facilities
	Cost for improvements & new construction, by phases and total
	Method of financing & statement of legal nature of funds
	Five year pro-forma financial statement for applicant, including profit and loss statement, cash flow, balance sheets
	Opportunities, risks, competition, market analysis, viability, issues
	Personnel
	Number of FTEs for operation & recruiting plans

Preliminary master plan

	Development plan describing all improvements & new structures
	Removal & disposal plan for demolition, including timeline
	Architectural renderings with layout, elevations, site plan, landscaping
	Timeline of construction progress with Gantt chart
	Statement regarding labor, technical personnel & recruitment

IV. Financial Standing & Capability

	Evidence of good standing with Rev & Tax and other regulatory agencies
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	Five year pro forma financial statement for related parties
	Evidence of ability to deposit on lease execution first year's rent + security deposit (equal to first year's rent) + 5% total construction and startup costs
	Evidence of combined net worth of applicant and related parties to cover 30% of development cost with free cash to cover at least 150% of basic rent
	Evidence of liquid capital to cover 20% construction cost (or ability to raise 10%)

V. Proposed Rental Payments

	Statement of proposed Base Rent % (must be 5% or higher)
	Statement of proposed Additional Rent % (must be regulatory amounts or higher)
	BGR projections for first 15 years, including subletting
	Statement of estimated Additional Rent \$ amounts

VI. Written Confirmation from Proposer

	Confirmation of willingness to provide good faith deposit
	Confirmation of willingness to enter into lease in Exhibit B
	Agreement by all related parties to issue a guarantee

VII. Disclosures

	Statement of potential conflict of interest
	Statement of ongoing litigation