

Potential PPP Projects for Puerto Rico

PROJECT	DESCRIPTION	PROJECT TYPE / PAYMENT METHOD	ESTIMATED INVESTMENT (\$ MM)*	QUALITY OF LIFE BENEFITS	GOVERNMENT BENEFITS
TRANSPORTATION					
Express Lanes on Existing Roads	Convert certain lanes of certain highways and roads into express lanes or managed lanes. Those express lanes will be improved and maintained by a private partner. The high traffic segments of high traffic to be considered as express lanes include certain sections of the following roads: PR-52, PR-30, PR-18 (Las Américas Expressway), PR-26 (Baldorioty de Castro), PR-2 (Hatillo to Aguadilla).	Type: “Brownfield” with building activity. Payment method: Toll / Lawsuit risk.	\$25-\$200 MM	<i>Quality of life benefits:</i> the projects are directed to relieve traffic congestion and provide more reliable alternatives for the circulation of vehicles. These express lanes may also be used by public transport such as bus rapid transit vehicles. In addition, these express lanes provide a clear and safe path for emergency vehicles such as ambulances and firetrucks in times of high traffic.	<i>Government benefits:</i> Reduce operating costs and capital for the ACT and provide some level of income for the Government. This project could relieve the traffic congestion to certain destinations.
Parking Structures in Urban Centers	Carry to out a PPP project PPP for a group or certain parking structures. Consider lots and buildings located downtown. Could also Packages of parking also include parking in the street.	Type: Mix of “Brownfield” and “Greenfield”. Payment method: Paid by users.	\$25-\$150 MM	<i>Quality of life benefits:</i> offers safe, clean and up-to-date parking facilities to the residents of PR. Finding parking can be a big headache every day and can also be dangerous for users.	<i>Government benefits:</i> reuse of abandoned areas to provide parking, greater mobility and accessibility to urban centers and municipal government offices.

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Improvements to Cruise Ports	Carry out significant capital investment improvements in the cruise ports to better serve visitors and local users. Assess the need to improve facilities to better serve the users of cruises. Project will require close collaboration of the cruise companies. Transfer the design, construction and maintenance of the operational facilities to the private sector.	Type: "Brownfield" and construction activities Payment method: Paid by users (cruise fees)	\$20-\$75 MM	<i>Quality of life benefits:</i> strengthen the maritime tourism industry and increase the number of cruises in PR. Facilitate maritime trade with PR.	<i>Government benefits:</i> reduce operational costs and capital improvements requirements. Raise the status of PR as a key tourism destination.
Improvements to cargo ports.	Carry out substantial capital investment improvements at the cargo ports and ensure its transformation into major logistics centers. Evaluate potential agreements with dealers related to cargo ports. The project will require close cooperation between the cargo companies. Transfer the design, construction and maintenance of operational facilities to the private sector.	Type: "Brownfield" with building activity Payment method: fees or user taxes (cargo companies)	\$20-\$75 MM	<i>Quality of life benefits:</i> strengthen maritime trade and the transformation of cargo ports into safe and updated logistics centers.	<i>Government benefits:</i> reduce operational expenses and capital improvements requirements. Ensure the efficiency of maritime trade in Puerto Rico and the region.

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Operation and Maintenance contracts for certain airports regional	Consider granting PPP concession contracts or Operations and Maintenance contracts (O & M) for the regional airports that have Certificate 139 (commercial airport license) from the FAA	Type: "Brownfield" with capital improvements Payment method: taxes or user contributions	\$20-\$75 MM	<i>Quality of life benefits:</i> provide a more efficient network of regional airports that can also improve the commercial offer within these airports	<i>Government benefits:</i> reduce operational costs and requirements for improvement of capital for an extended network of regional airports. Generate savings to the Ports Authority
ENERGY PROJECTS					
Adaptation and/or improvement of existing PREPA plants	Update power plants and increase its efficiency, transferring the risk of design, construction and maintenance to the private sector.	Type: "Brownfield" with building activities Payment method: payment for availability (taking in consideration the savings) and the budgetary neutrality. Pay private partner based on the reliability and quality of the service to the customer. Explore the option to equip the plants for the use of liquefied natural gas.	\$50-\$150 MM	<i>Quality of life benefits:</i> improvement of service reliability, which could reduce the costs of electricity, improve the safety conditions for workers and reduce gas emissions to the environment.	<i>Government benefits:</i> improve the efficiency of PREPA plants, transfer risk to the private sector, reducing the costs of government agency and finally to undertake PREPA transformation projects.

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New Costa Sur gas plant	Evaluate the feasibility of replacing 1-4 Costa Sur units with a new natural gas plant. This project was evaluated as a PPP in 2010. Currently the 1-4 Costa Sur projects are damaged and out of service	Type: "Greenfield" project Payment method: Payment by availability	\$200-\$500 MM	<i>Quality of life benefits:</i> improve the reliability of the service, which could reduce the costs of electricity, improve the safety conditions for workers and reduce gas emissions to the environment	<i>Government benefits:</i> increase efficiency of the PREPA plants, transfer risks to the private sector, reduce costs of the government agency, and finally undertake PREPA transformation projects.
WATER PROJECTS					
Improve existing drinking water and treatment plants	Upgrade treatment plants to comply with the requirements of the Decree of Consent and modernize systems. Transfer the design, construction, and some aspects operational and maintenance to the private sector.	Type: "Brownfield" with building activity Payment method: Payment by availability (taking into consideration savings obtained from obsolete plants retired from service)	\$50-\$200 MM	<i>Quality of life benefits:</i> improve the reliability of the service for the population, and comply with the requirements of the Decree of Consent.	<i>Government benefits:</i> increase the efficiency of the PRASA plants, transfer significant risks towards the private sector, reduce government agency expenses, and comply with the Decree of Consent.
Automatic measuring to reduce the loss of revenue from water leakage	Allow private investment in the update of a measurement system to significantly improve the registration of water and optimize the billing of water and its production.	Tipo: "Brownfield" con requisitos de inversión para equipos Payment method: Combination of payment by availability and new income based on more efficient billing and collections.	\$75-\$350 MM	<i>Quality of life benefits:</i> eliminates the excess of billing by service, improves the utilization of the water resource, and improves customer service	<i>Government benefits:</i> optimized production levels due to the reduction of non-revenue water, reduces costs, gets new revenues, investment in improvements to the technology, and considers other water resources.

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TECHNOLOGY PROJECTS					
Electronic management of traffic violations and security	Reviving a project that was successfully tested in 2011-2012 that removes the paper and manual processing of traffic violations. The project provides with mobile electronic that allow processing of speeding and other violations.	Type: "Brownfield" Payment method: by user, payment of traffic violations	\$10-\$25 MM	<i>Quality of life benefits:</i> facilitates the payment of traffic violations for drivers (no need to go to CESCOS), significant increase in the safety of the police officers and combat crime more effectively.	<i>Government benefits:</i> reducing traffic violations, facilitates revenue from traffic violations, new revenues that are lost due to outdated procedures, improves the detention of dangerous traffic offenders and criminals, improves the safety of police officers.
Establishing data centers	Explore establishing one or more data centers to meet the technological needs of the government	Type: "Brownfield"/ "Greenfield" projects Payment method: payments based on savings and non-government income.	\$100-\$150 MM	<i>Quality of life benefits:</i> citizens will experience more and improved essential government services	<i>Government benefits:</i> generates economies, provides on-line services, reduces operational costs reducing the personnel in offices that cater to the public and the efficiency of services
SOCIAL INFRASTRUCTURE					
Reinventing the public schools system	Evaluate the possibility of renewing one public school by municipality and to convert it in a "magnet" school. The project is viable only if it reduces the number of existing public schools. The project will only be affordable from obtaining enough savings by reducing the number of schools.	Type: "Brownfield" project Payment method: public funds	\$234-\$500 MM	<i>Quality of life benefits:</i> improves the school infrastructure for thousands of students by aligning education with the conditions of the 21st century.	<i>Government benefits:</i> generates savings, concentrates and consolidates, reduces the number of schools to obtain savings, and go one step further to update the academic system in Puerto Rico.

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Justice and Detention Centers facilities	Evaluate the possibility of consolidating detention centers through the improvement of certain facilities. This project is feasible only if a reduction in the existing number of installations is carried out.	Type: "Brownfield"/ "Greenfield" Payment method: public funds	\$120-\$175 MM	<i>Quality of life benefits:</i> provides improved conditions for detainees in PR and promotes the rehabilitation and social reintegration.	<i>Government benefits:</i> generates savings, reduces the number of penitentiaries or detention centers, and strengthens rehabilitation and social reintegration programs
New medical center for Puerto Rico	Evaluate a major renovation and improvement of the existing Puerto Rico Medical Center. Transfer the design, construction, and maintenance of the operational facilities to the private sector. Incorporate elements of real estate and commercial project to make it affordable. Project will have to generate savings, which will be redirected to the project.	Type: "Brownfield" Payment method: Combination of user fees (commercial element) and availability of funds (based on generated funds)	\$100-\$250 MM	<i>Quality of life benefits:</i> improves the physical conditions of the facilities of the main medical center of PR (particularly the trauma center), improves the experience of patients and their families when they visit the Medical Center.	<i>Government benefits:</i> obtain savings, improve medical services to the population and improve conditions for medical staff.
OTHER					
Rest areas	Evaluate the possibility of establishing a limited number limited of rest stops along the major roads in PR.	Type: "Greenfield" Payment method: Payment by user	\$10-\$25 MM	<i>Quality of life benefits:</i> providing a rest area with facilities suitable for drivers. Provide security services such as police, physicians, and emergency management services.	<i>Government benefits:</i> Generate additional revenue, generate economic activity through services that the private sector would offer to motorists in general.

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Reinvent the property registry office	The property registry office is affiliated with the Department of Justice. It requires significant technological improvements in order to better serve the residents and the private sector in the real estate. Evaluate an important transformation of the mortgage law in PR in order to "free " from the land registry and allow private companies to run the registry. " Evaluate models used in Canada and Spain.	Type: "Brownfield" Payment method: fees and payments made by users	\$5-\$25 MM	<i>Quality of life benefits:</i> provide services in a diligent and efficient manner for residents in and out of PR, which are easily accessible online and via phone ("PPPs") applications.	<i>Government benefits:</i> Reduce operational costs and eliminate "bottlenecks" in the processing of properties. Use technology and communications to update critical services.
Reinvent the system on property taxes (CRIM)	Evaluate a technology Project for the collection of property	Type: "Brownfield" Payment method: combination of taxpayers' payments and more efficient debt collection	\$20-\$30 MM	<i>Quality of life benefits:</i> improve and facilitate the process of payment of property taxes, greater efficiency of services to the public and greater reliability of data to the taxpayer.	<i>Government benefits:</i> new revenues that are lost due to outdated procedures, and improve the detection of tax evasion.

* Amount of investment requires review and analysis and should not be taken as a final and reliable quantity.