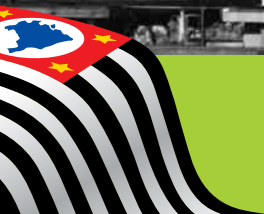


CASA PAULISTA

THE PUBLIC-PRIVATE PARTNERSHIP FOR HOUSING

**INVESTMENT OF US\$ 2,3 BILLION OPENS
A NEW ERA IN DOWNTOWN SÃO PAULO**



A WORLD CALLED SÃO PAULO

The State of São Paulo is widely known as the most important economic and industrial center in the Southern Hemisphere and the largest business hub in Latin America. It is the region's capital of innovation and technology, and a world leader in environmental preservation and agribusiness.

São Paulo also stands out for its Public-Private Partnerships (PPPs) and concessions, with over two decades of successful results, and for having the most significant portfolio of current projects among emerging countries - a total of 15 projects - amounting to US\$ 25,3 billion (BRL 50,5 billion).

Learn more about the State of São Paulo and find out why this is the best place to invest:

- **19th largest economy in the world** and **2nd largest in South America** (accounting for 33% of Brazil's GDP)
- **42 million inhabitants living** in an **area the size of the UK**
- **The country's largest employer** and **consumer market**
- **The largest port** (Santos) and the **largest airport** (São Paulo/Guarulhos - Governador André Franco Montoro) **in South America**
- **World's largest producer of sugar, sugarcane ethanol and oranges**
- **Energy mix: 52% renewables,** one of the cleanest in the world
- **Investment in R&D: 1.64% of GDP** (the largest in Latin America)



IN THE PUBLIC-PRIVATE PARTNERSHIP AND CONCESSION PROGRAM OF THE STATE, GOVERNMENT AND PRIVATE INITIATIVE WORK TOGETHER

Our mission is to expand the infrastructure, logistics and public services in the State of São Paulo. We want to bring the private sector into a successful partnership with the State Government in order to do more, better and at lower costs.

Through the **Expression of Interest from the Private Sector (MIP)**, a recent initiative by the Government (Decree No. 57.289/2011), the private sector may submit proposals of new projects to be included in the Public-Private Partnership Program. By identifying a business opportunity, the investor may put forward a proposal to the State, presenting studies and surveys that show the importance and the need for the project they wish to implement.

For the Government, this is a fast, economic and transparent way to attract domestic and foreign investors for projects of interest to the State, highlighting the innovative ideas that the private sector has to offer. For the companies, it is an excellent opportunity to propose a project that will bring great financial returns and many benefits for the population of São Paulo.

Since 2012, the **World Bank** partners with the Government of São Paulo in the assessment and the modeling of the PPP projects submitted through the MIP. The PPP program of the State is managed by the Secretariat of Planning and Regional Development (PPP Unit) and by the PPP Management Council, which is headed by the Secretary of Planning and Regional Development with the participation of the Secretaries of Treasury; Executive Office of the Governor; Sanitation and Water Resources; Economic Development, Science and Technology; and the Attorney General of São Paulo.

STATE OF SÃO PAULO PLANNED INVESTMENTS IN THE MULTI-YEAR PLAN (2012-2015):

**1. STATE TREASURY
US\$ 47.3 BILLION**

**2. PUBLIC-PRIVATE PARTNERSHIPS
US\$ 18.5 BILLION**

WHAT TYPES OF PPPS?

According to Brazilian law, there are two types of PPPs: Administrative Concession and Sponsored Concession (Law 11.079/2004). In both cases, the investor implements and operates the projects, which are remunerated by the State for a minimum period of five years and a maximum of 35 years.

Administrative Concession

In this modality, the government allows the private initiative to explore a service from which the State is a direct or indirect user. The payment to the private sector comes exclusively from the State as there is no collection of tariffs from end users.

Sponsored Concession

It is characterized by a concession agreement for services or public works where there is the collection of tariffs from end users and also the payment by the State.

According to Brazilian law, a PPP distinguishes itself from a regular concession (Law 8987/1995), as in the latter the cost of using the service provided by the private party is borne exclusively by the users of the service and not by the state.

8 STEPS TOWARDS THE ESTABLISHMENT OF A PPP:

1. SUBMISSION OF PRELIMINARY PROPOSALS
2. APPROVAL OF PROPOSALS
3. STUDY OF PROPOSALS
4. MODELING OF PROJECTS
5. PUBLIC CONSULTATION
6. INVITATION TO TENDER
7. CONTRACT
8. IMPLEMENTATION



The city of São Paulo is the 4th most important recipient of investment in the world

- **11,3 million inhabitants occupying 1.523 km² and producing a US\$ 266 billion GDP**
- **One of the most relevant cultural centers in the world, housing 160 theaters, 110 museums, 97 cultural centers and 263 concert and exhibition halls**
- **12 million tourists and 90 thousand events annually**
- **150 nationalities present, 255 shopping centers, 15 thousand restaurants and 410 hotels**
- **The world's second largest helicopter fleet**
- **Subway network covering 74 km and 64 stations, with additional 55 km and 51 new stations after completion of the current extension project**
- **Host city of the FIFA World Soccer Cup opening match in 2014**



**ONLY 3% OF THE POPULATION
LIVE IN DOWNTOWN, WHERE
17% OF JOBS ARE CONCENTRATED.**

Despite its efficient mass transportation system, intense cultural and gastronomic life, diversified street retail, good public education and health services as well as a dynamic business and banking activity, over the years the São Paulo city center has deteriorated and its residents have fled the area, like so many other large urban centers around the globe.

São Paulo has not been spared this degradation process.

In an effort to invert this scenario once and for all, the State Government has allied itself with the private sector, the City authorities and the Federal Government to implement a comprehensive and original urban requalification and repopulation project in São Paulo's central region, underpinning the rail transport and the extensive job market available in the area.

CASA PAULISTA

**THE HOUSING PPP WILL
ENSURE THE REHABILITATION
OF THE CENTRAL REGION
OF ONE OF THE WORLD'S
MOST VIBRANT CAPITALS**



HOUSING CONSTRUCTION

INVITATION TO TENDER: JUNE 2013
CONTRACT: OCTOBER 2013

PPP ADMINISTRATIVE CONCESSION

**CONSTRUCTION OF 20,221 HOUSING UNITS
FOR LOW-INCOME FAMILIES**

INVESTMENT:
BRL 4,6 BILLION (estimate)

**DURATION: 20 YEARS - 2 TO 6 YEARS FOR THE COMPLETION
OF THE PROJECTS; 14 TO 18 FOR OPERATION**

CURRENT STAGE: IN PUBLIC CONSULTATION

INTERNATIONAL COMPETITION:
LOWEST ANNUITY PAYMENT



Casa Paulista: new ventures in downtown São Paulo

This is the most significant housing investment in São Paulo in 30 years. The projects under this PPP initiative include the largest number of housing units in the entire country. The proposal aims to promote improved quality of life for workers in the city center, by offering homes close to their workplaces and endowed with urban infrastructure equipment. The initiative will help to rehabilitate degraded areas, create jobs and income to the extent that enterprises will have spaces for trade and services, and improve the urban transport system.

The project has the support of private enterprise and the three spheres of government. In addition to the contributions of the state and local governments, entrepreneurs can obtain part of their funding through the federal program.

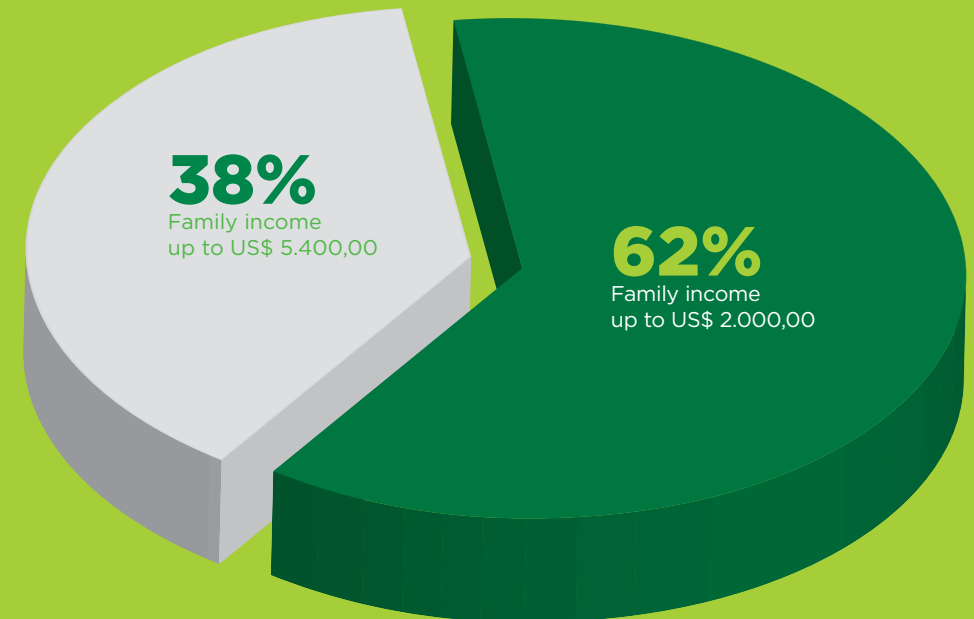
CONCESSION AND BUSINESS MODEL

THE CASA PAULISTA PUBLIC-PRIVATE PARTNERSHIP INVOLVES:

- LAND ACQUISITION
- PROJECT DESIGN
- CONSTRUCTION OF HOUSING, INFRASTRUCTURE AND PUBLIC FACILITIES
- PROVISION OF SERVICES OF SOCIAL WORK
- CONSERVATION AND CONDOMINIUM MANAGEMENT

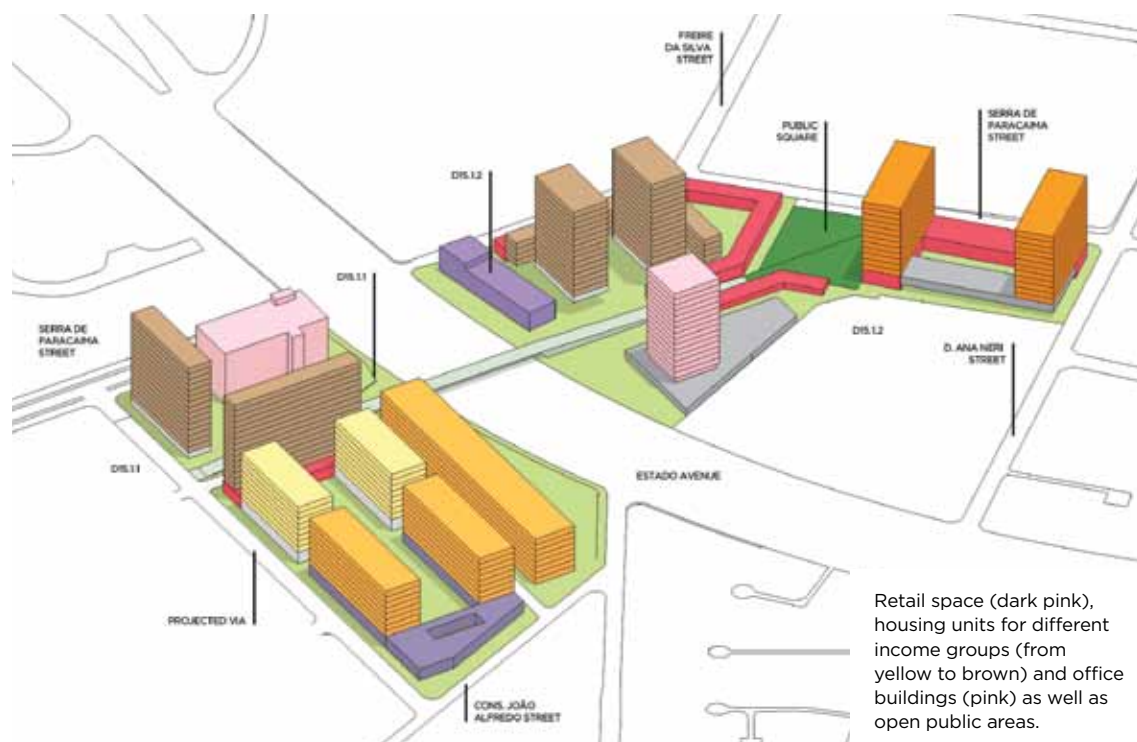
TARGET GROUPS

The project's beneficiaries are workers in the city center who are not homeowners, in the 1-to-16 minimum-wage bracket, covering a wide and diversified community of individuals from different social groups. Contributions from the households shall be compatible with their ability to honor the payments, and regulated according to the rules of the financial institutions appointed by the private partners.



URBAN MODEL

The Casa Paulista model privileges spaces that allow for wide pedestrian areas and buildings close to pedestrian access as in cities such as Barcelona, New York or Paris. The project envisages buildings close to pedestrian access offering retail on the ground floor, as well as housing and office space in the buildings, wide pedestrian pathways and green areas.



- **ARCHITECTURAL DIVERSITY**

Within the same complex, each building shall feature its unique architecture, creating its own identity.

- **FIGHTING URBAN SEGREGATION**

Homogeneous or standard architectural solutions that have no roots in the region shall be avoided.

- **AVOIDING THE CLOSED COMMUNITY MODEL**

The projects shall avoid the construction of communities enclosed within walls, which detract from the vitality and safety of the public urban area.

- **CLOSENESS TO TRANSPORTATION NETWORKS**

The idea is to exploit the existing rail, subway and bus transportation networks in an attempt to foster the integration of the projects and the creation of local communities around the different public transport stations.

- **QUALITY OF LIFE**

The projects shall include the creation of boulevards that will function as public spaces adapted to leisure activities such as walking, jogging, etc. Additionally, the projects should provide small squares or regional centers, around which local retail and neighborhood ties can be developed.

- **MULTIPLE USE**

In order to foster social and urban integration, the ground floors of the buildings should be prepared to house retail, services and light industry.

A NEW ERA FOR THE SÃO PAULO DOWNTOWN REGION

- **REQUALIFICATION AND REPOPULATION OF THE CENTRAL REGION**
- **NEW PURPOSES FOR THE CENTRAL REGION WITH AREAS FOR LEISURE, WORK AND LIVING**
- **BRINGING HOUSING CLOSER TO THE WORKPLACE**
- **OPTIMIZATION OF URBAN INFRASTRUCTURE**
- **DIVERSIFICATION OF INCOME TIERS**
- **INCREASED AVAILABILITY OF SOCIAL INTEREST HOUSING**
- **PROMOTING CITIZENSHIP IN SAFER ENVIRONMENTS**



Perspective illustration of the Casa Paulista intervention

This public policy project is oriented by urban principles based on collective interest and economic advantages for the investor community. In this project, the different layers of government (state, municipal and federal administrations) are aligned around a common objective which combines the contribution of the public and the private sectors (including construction companies, financial institutions and funds).

Casa Paulista does more than providing 20 thousand social housing units: it also creates public spaces such as parks, boulevards and bike lanes intended to promote interaction, social dynamics and a sense of community and citizenship. Additionally, it will provide multiuse spaces by combining housing with retail, services, culture and entertainment, promoting around-the-clock activities that contribute to constant human activity which tends to drastically reduce criminality and violence. As a project, Casa Paulista contributes to creating an organic, functional and inclusive area, with excellent architecture and pleasant urban environment, something which can only be achieved through the synergy of the public administration, the market and the citizens.



SÃO PAULO STATE GOVERNMENT

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Guilherme Afif Domingos

Vice-Governor

SECRETARIAT FOR HOUSING

Silvio Torres

State Secretary

Marcos Penido

Deputy State Secretary

Reinaldo Iapequino

Casa Paulista Undersecretary

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