This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

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Underground Parking and Commercial Services Center, San Borja, Peru

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On this page: *A case study on Underground Parking and Commercial Services Center, San Borja, Peru. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

The District of San Borja, a vibrant center for commercial activity in Lima, Peru, suffered a high deficit of public parking. To help alleviate this problem, the District elected to pursue a PPP to deliver much-needed underground parking.

Project Structure

The project emerged from an unsolicited proposal that would be self-financed by the private partner, meaning the project was expected to generate its own revenue sufficient to recover costs and provide a suitable rate of return without any public financing or guarantees. The proposed contract covers a period of 32 years and the project has an estimated investment value of USD 13,479,600.

Under the project agreement, the private partner would undertake to design, finance, build, operate, maintain, and transfer a facility comprising 14,320 square meters of underground space that would function as a three-story parking and service center. The space is located below a public park and the completed facility would include 353 parking spaces (9160 m3) and commercial enterprises such as banks and pharmacies (5180 m3). It is estimated that 2800 vehicles would use the parking center on a daily basis. It is also estimated that the construction phase will create 600 to 800 jobs and that, thereafter, the project operations will produce about 40 permanent jobs.

The proposed contract would entitle the municipality to an 8 percent share of the gross income, before sales tax, from the parking fees and rental income from commercial space. The private party would have the exclusive right to set and negotiate prices on both the parking and commercial rental operations.

Lessons Learned

Two concession agreements concerning the construction of the parking and service center and concerning the usufruct and surface rights were approved by the municipal parliament for signature on 18 December 2018,

but the contract signing is yet to be confirmed.94 Nonetheless, this project highlights the possibility of optimizing limited space in dense, urban areas by considering underground development projects.

Related Content

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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

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