



GOVERNO DO ESTADO DE SÃO PAULO

Secretaria de Desenvolvimento Econômico

**Public Consultation: International Center for Technology and
Innovation (CITI II) - Innovation District**



CITI

International Center
for Technology and
Innovation

Public
Consultation*

* This presentation refers to the documents of Public Consultation No. 01/2022, available in:
<https://www.desenvolvimentoeconomico.sp.gov.br/transparencia/editais-e-deliberacoes/>

INTERNATIONAL CENTER FOR TECHNOLOGY AND INNOVATION (CITI SP) CONTEXTUALIZATION



A priority programme for the State

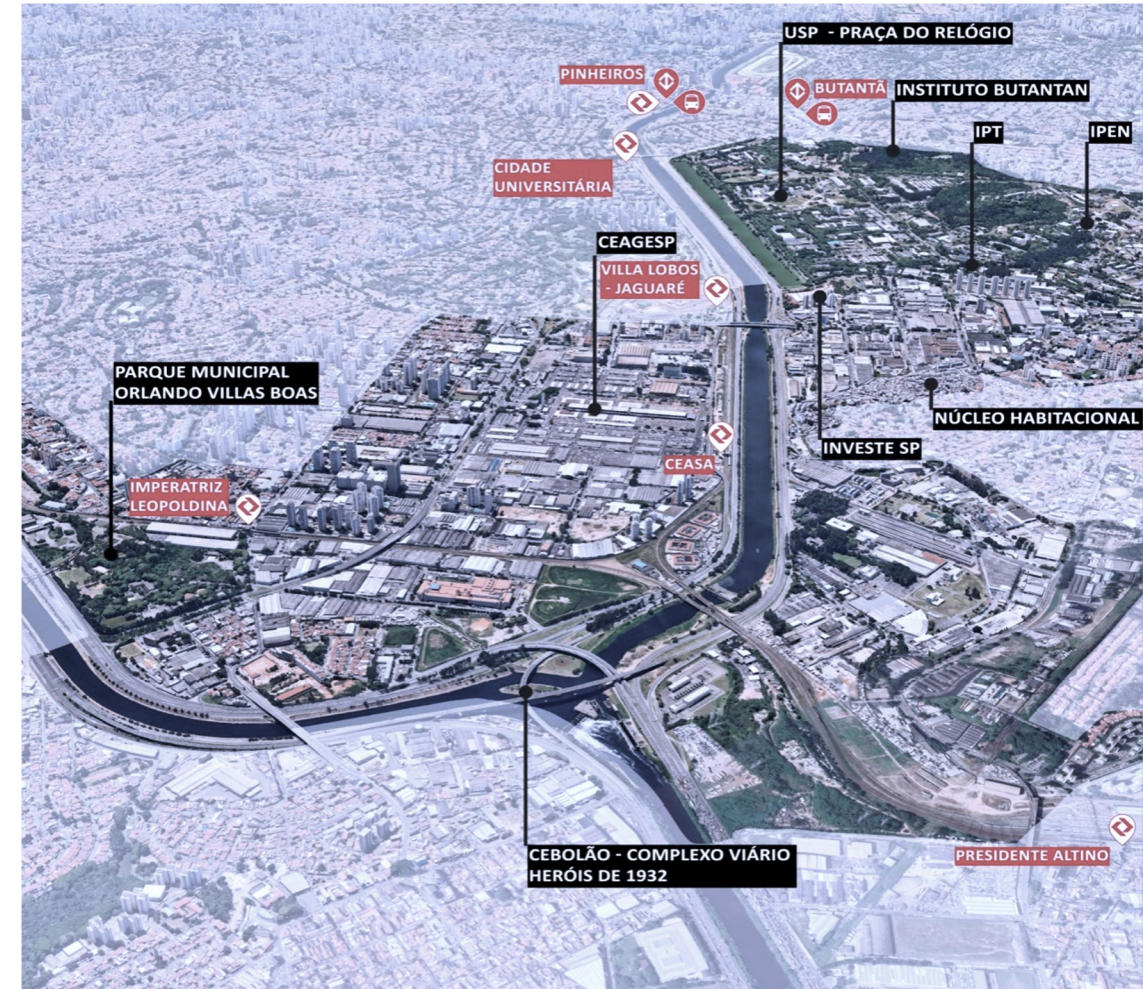
Part of the Multiannual Plan 2020-2023

Objective: to reposition the State within the global ECOSYSTEM of CT&I through the implementation of an Innovation District with social, economic, urban and infrastructure conditions capable of promoting organic interaction between government, universities, research institutes, laboratories, development agencies, leading companies, startups, creative industries, incubators and accelerators

Phases:

CITI I: IPT Open Experience ✓

CITI II: Innovation District





Purpose: to catalyze the interaction of the actors of the innovation ecosystem of São Paulo | generate innovative business for real-world | participate in the global innovation ecosystem



Vision of the future: São Paulo's international role in solving global problems | innovation for solving relevant problems of society and the competitiveness and productivity of the Brazilian economy | interaction space



Target audiences: national and international companies | national and international universities and research institutes | funding and financing bodies | entrepreneurs and startups | national and international researchers surrounding population



Strategic objectives: to generate business resulting from | expand the innovation effort of large and medium-sized enterprises | support the development of startups | to expand São Paulo's insertion in the international dynamics of innovation | support initiatives for talent development among children and young people



What should not be: it should not be just a management space for laboratory infrastructure and physical spaces | should not be a strictly physical environment

SUCCESS STORIES



REFERENTIAL PHYSICAL-SPATIAL PROJECT

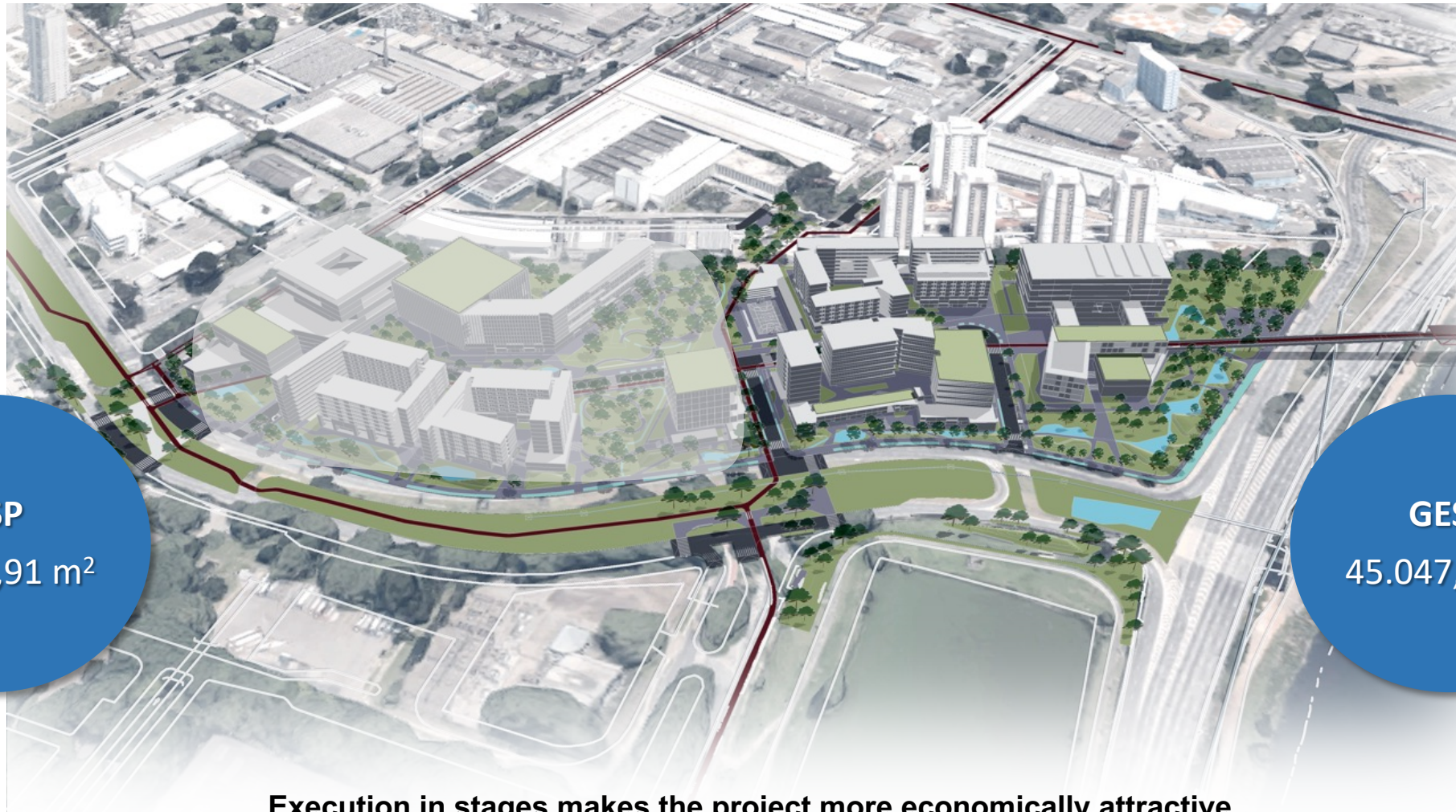
EXECUTION OF THE 1ST STAGE



Focus on science, technology and innovation, with life sciences, commercial mix-use, services and residential buildings



REFERENTIAL PHYSICAL-SPATIAL PROJECT EXECUTION OF THE 1ST STAGE



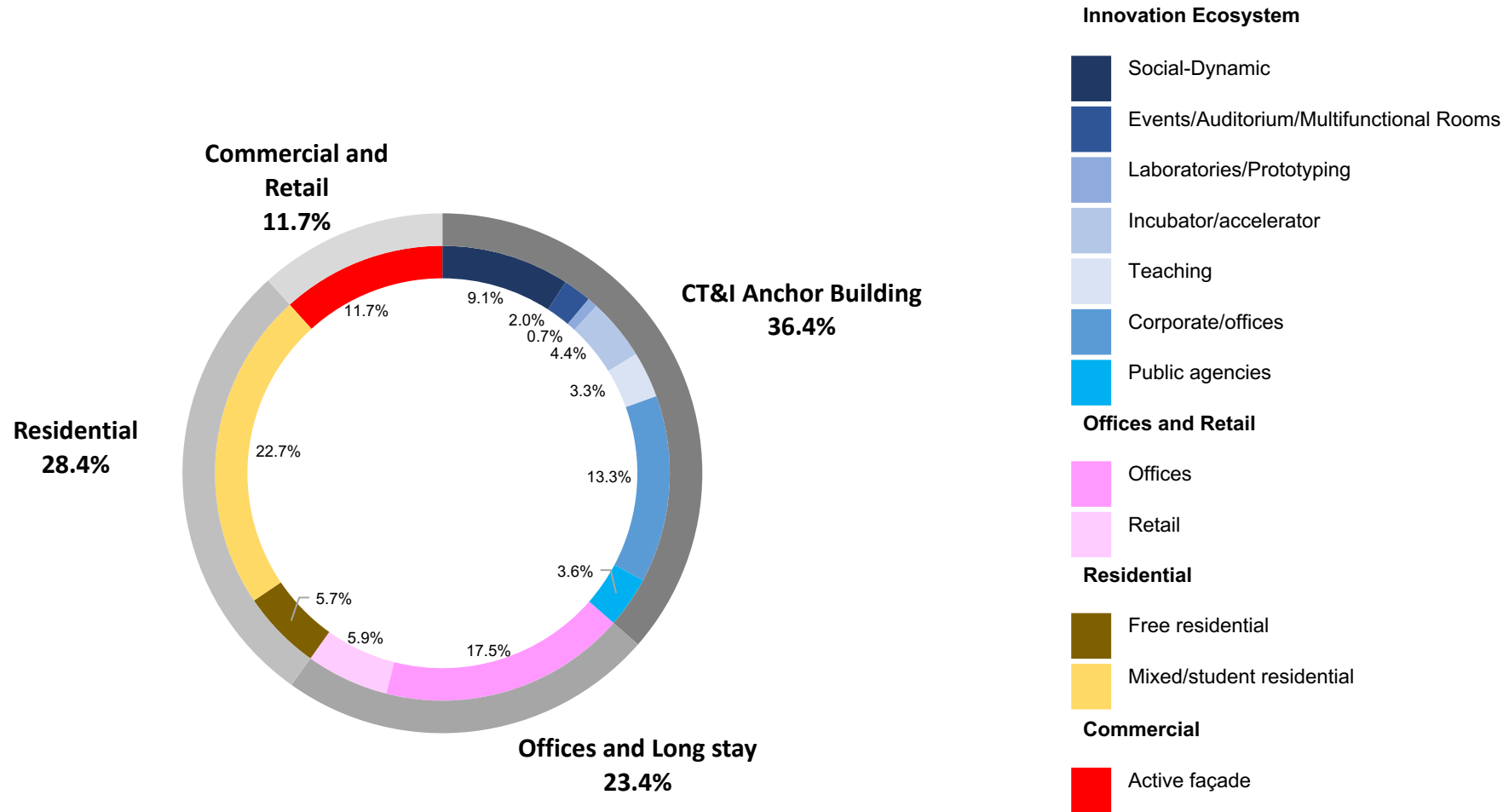
USP
39.356,91 m²

GESP
45.047,66 m²

Execution in stages makes the project more economically attractive

REFERENTIAL PHYSICAL-SPATIAL PROJECT

DISTRIBUTION OF THE AREA ACCORDING TO THE TYPE OF USE



DEALERSHIP

MANDATORY INVESTMENTS



Parceling of the area: transformation of the gleba into lots, as required by urban legislation, with mandatory destination public area, from 30% to 40% of the area of the



Execution of urbanization works: asphalt, sidewalk, landscaping, infrastructure networks: water, sewage, drainage, energy and data,

as well as operation and maintenance of the total area



Construction of CT&I equipment(s) and development of complementary and support activities: offices, shops and food



Construction of cycle walkway: integration of the innovation district to the other bank of the river for access to cptm / METRÔ aiming at the valorization of the project, in addition to bringing safety and improving mobility and traffic



Construction of complementary uses to the activity of CT&I: especially residential use, in terms accepted by municipal legislation



CAPEX of mandatory investments (R\$ 230.2 MM)

R\$ 8.5 MM for installment and urbanization of the total area

R\$ 38.3 MM for the cycle catwalk

R\$ 183.4 MM for CT&I buildings and support

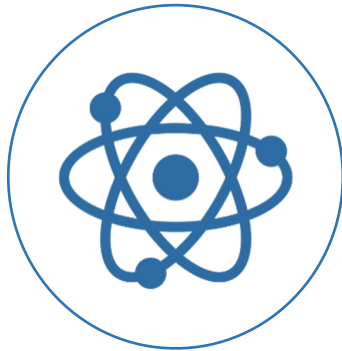
DEALERSHIP REMUNERATION



Granting of use of public good for implementation of innovation district in CITI II

Premise: there will be no budgetary resources involved

Potential forms of revenue exploitation



CT&I Business



Rent areas



Commercial exploitation of
reversible equipment



Sale of areas*

*State Law 16.338/2016 already authorizes the disposal of land gesp (art. 11)

DEALERSHIP

REFERENCE GENERAL TIMELINE



Phasing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 35
	2023	2024	2025	2026	2027	2028	2029	2057
License of the installment of the area and registration of lots in the real estate registry	█	█						
Infrastructure works* and cycle walkway			█					
Authorization for disposal of gesp area				█				
Property licensing**				█				
Electrical licensing of CT&I equipment(s)				█				
Construction of CT&I equipment(s)					█	█		
Start of operation based on the increased buildings in the area***							█	
End of the concession								█

* E.g. asphalt, sidewalk, landscaping, infrastructure networks (water, sewage, drainage, energy, data)

** There is only revenue forecast of real estate development after the end of the installment of the area, registration of lots in the real estate registry and licensing of buildings in the city hall
 CT&I activities that do not depend on buildings may be explored from the beginning of the contract term (e.g. CT&I platform)

DEALERSHIP

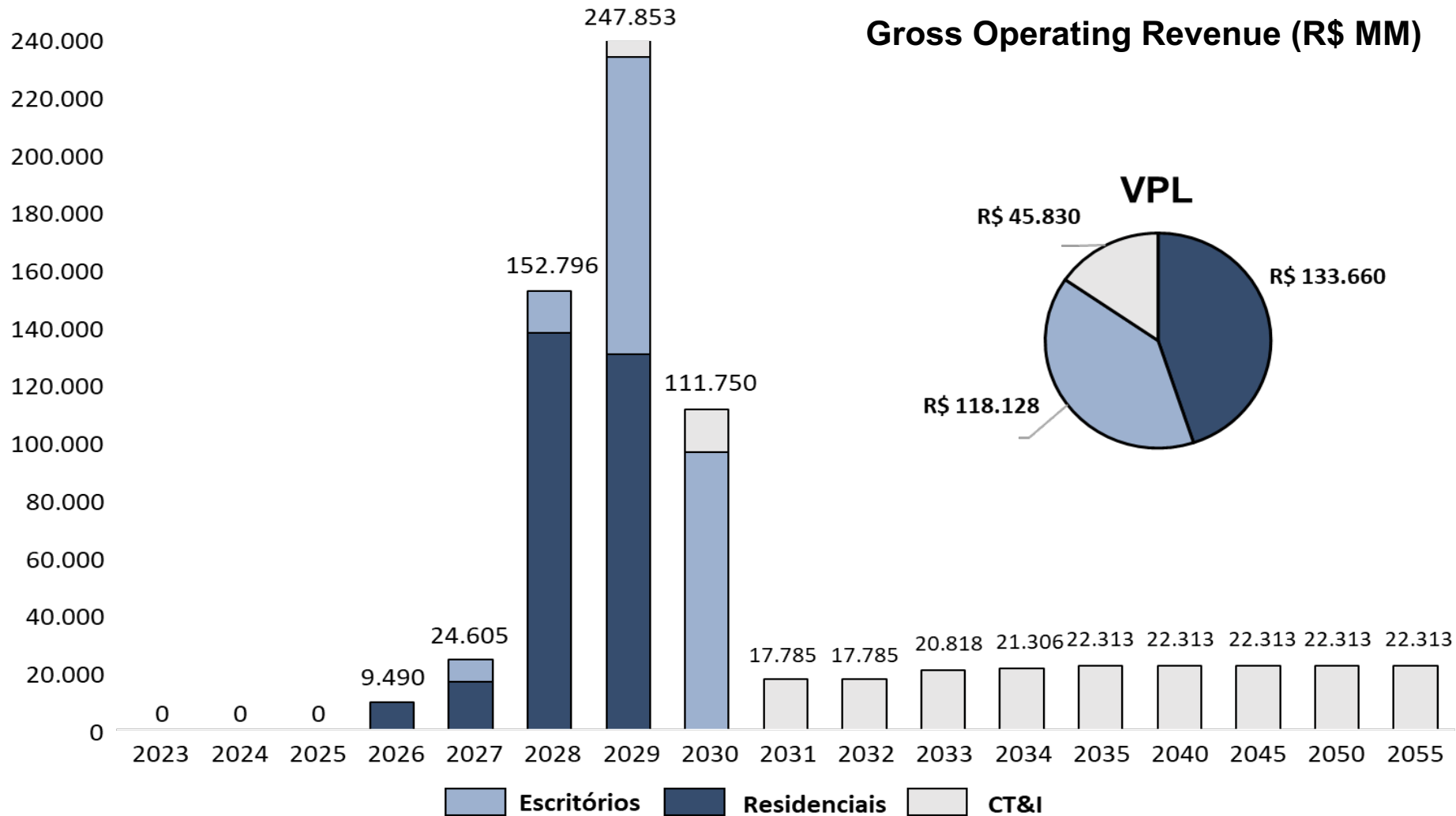
RULES FOR DIVESTMENT



- Transfer of gesp land to the concessionaire of 58.59% of the net area of lots resulting from the rectification and installment to be made on the ground
- The transfer of ownership of the area to the concessionaire will be done in stages, after the fulfillment of the following milestones:
 - 33.3% of the net area of the lots resulting from the rectification and installment of the land will be transferred when the CONCESSIONAIRE has completed the rectification, the installment and delivered to cycle walkway for use, referred to in ANNEX II (ESTIMATE THAT OCCURS IN YEAR 3 OF THE CONCESSION)
 - 33.3% of the net area of the lots resulting from the rectification and installment of the land will be transferred when the CONCESSIONAIRE has completed 50% of the execution of the works of the anchor buildings of CT&I referred to in ANNEX II
 - and 33.3% of the net area of the lots resulting from the rectification and installment of the land will be transferred when the CONCESSIONAIRE has completed 100% of the execution of the works of the anchor buildings of CT&I, referred to in ANNEX II
- There is equivalence between the investments to be made by the concessionaire and the current value of the area that will be transferred
- 41.41% of the net area of lots resulting from the rectification and installment to be done on gesp land will be reverted to gesp at the end of the concession. It is in this area that the concessionaire is expected to build the anchor buildings of CT&I

ECONOMIC AND FINANCIAL MODELING

OPERATIONAL ASSUMPTIONS



Revenue

Disposal (residential + offices) corresponds to 84.6% of the total (LMV)

Residential sales price limited by family income: R\$ 10,400/m² to 11,500/m²

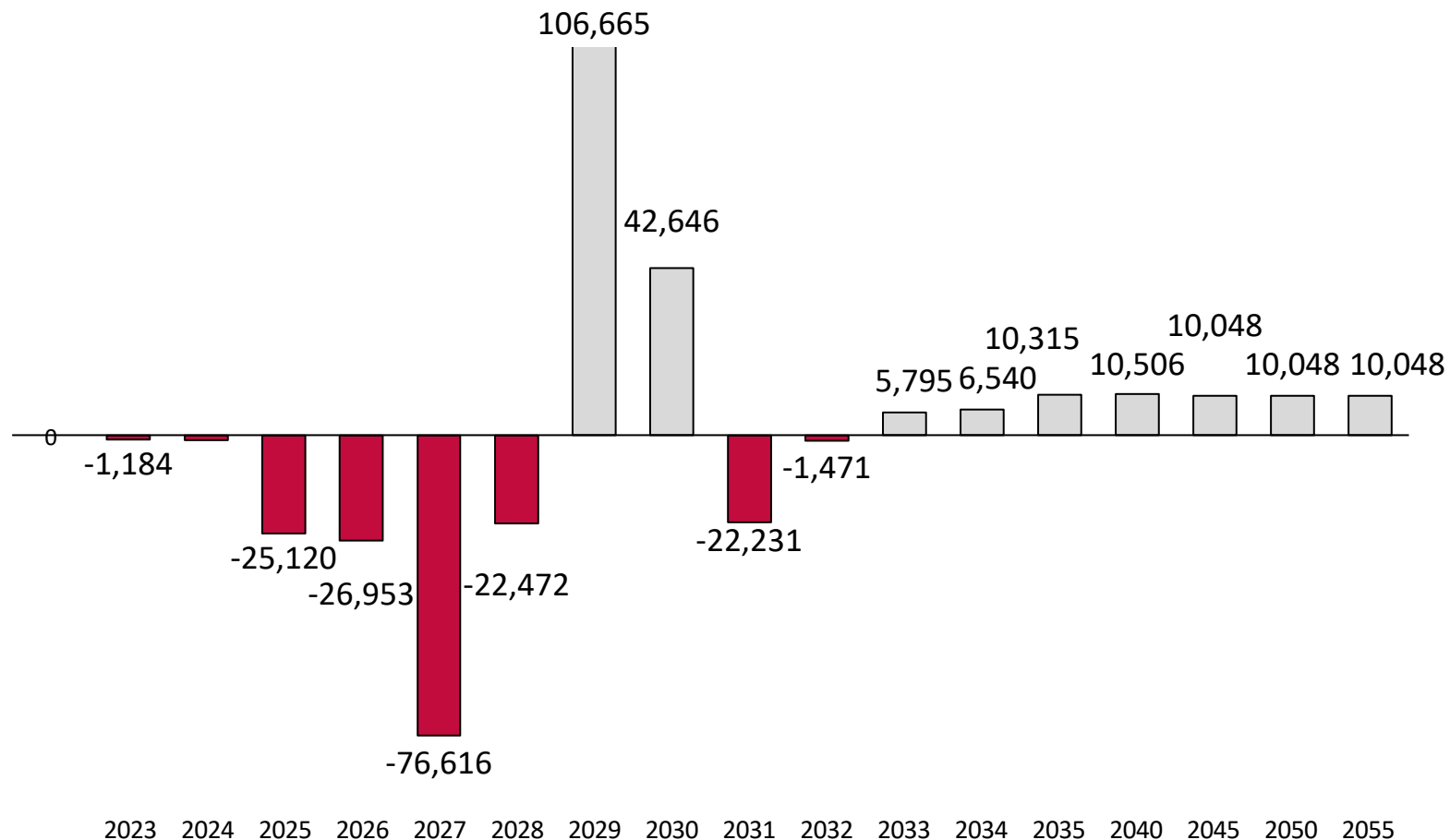
Reference price of sales offices considered according to market valuation for high added value area: R\$ 15,500.00 (risk of medium demand and conditioned to the proper functioning of CT&I)

CT&I Operating Revenue Mix: set rental, coworking, events, incubator, retail, parking, education and public agency

ECONOMIC AND FINANCIAL MODELING FINDINGS



Project Cash Flow (R\$ MM)



Item	Projeto
TIR Real (a.a.)	9,71%
VPL flux	151 mil
Payback	14,5 anos

WACC estimated according to best practices with use of the Deleveraged Real Estate Beta (Development) – other premises aligned with latest competitions

Cash flow concentrated in the first 10 years (installment, investments and disposal)

Long-term flow of approximately R\$ 10 million per year – efficient operation of CT&I – at first, no reinvestment was estimated, conservation only (OPEX)

ECONOMIC AND FINANCIAL MODELING

SUMMARY



Term	35 years old
Investments (includes non-required)	R\$ 486.3 million Installment and cycle walkway: R\$ 46.8 million Equipment granted (ICU): R\$ 183.4 million Disposal: R\$ 256.1 million
Operating Revenue	R\$ 1.1 billion Equipment granted (ICU): R\$ 615.8 million (over 35 years) Disposal: R\$ 518.2 million (over the first 8 years)
Operating Costs	R\$ 348.46 million Equipment granted (ICU): R\$ 281.6 million Disposal: R\$ 66.9 million
WACC	9,79%

* Tax Regime: Real Profit (concession) and RET (disposal)

BIDDING

GENERAL ASPECTS



- **Type: International Competition**
- **Criteria:**
- **Higher variable grant, to be paid by the concessionaire to the guarantor, during the concession period, corresponding to the highest percentage (%) on the total gross revenue obtained by it from the exploitation of the concession**
- **The notice set the maximum percentage of 5 % acceptable as a variable grant, to avoid unenforceable proposals**
- **There will be no bidding phase**
- **Any tie in the maximum percentage will be resolved with the fixed grant offer**
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BIDDING DOCUMENTATION



- Draft of the notice
 - Draft of the contract for the granting of public good
- I. Attachments
 - II. Concession area
 - III. Specifications
 - IV. Referential physical-spatial design
 - V. Performance indicators
 - VI. Inspection notebooks and penalties
 - VII. Term of delivery of the public good
 - VIII. Draft account management contract (centralizing account)
 - IX. Documents of the company of specific purpose
 - X. Payment of minimum share capital
 - XI. Demobilization and transition guidelines
 - XII. Insurance plan and insurance policies
 - XIII. Models for bidding
 - XIV. Glossary
 - XV. B3 Procedures Manual
 - XVI. Ct&I innovation and strategy design referential
 - XVII. Presentation



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Thank you!