



SAN JUAN: THE ECONOMIC ENGINE OF PUERTO RICO

**Hon. Jorge Santini Padilla
Mayor of San Juan**

Introduction and objectives:

- Bring potential investors up to date as to the financial and development status of our current administration.
- Inform potential investors of the development plans for the city for our third term, 2009-2012,... and beyond.
- Further expand and maintain the confidence of potential investors in the City of San Juan.

Improving the City's Financial situation:

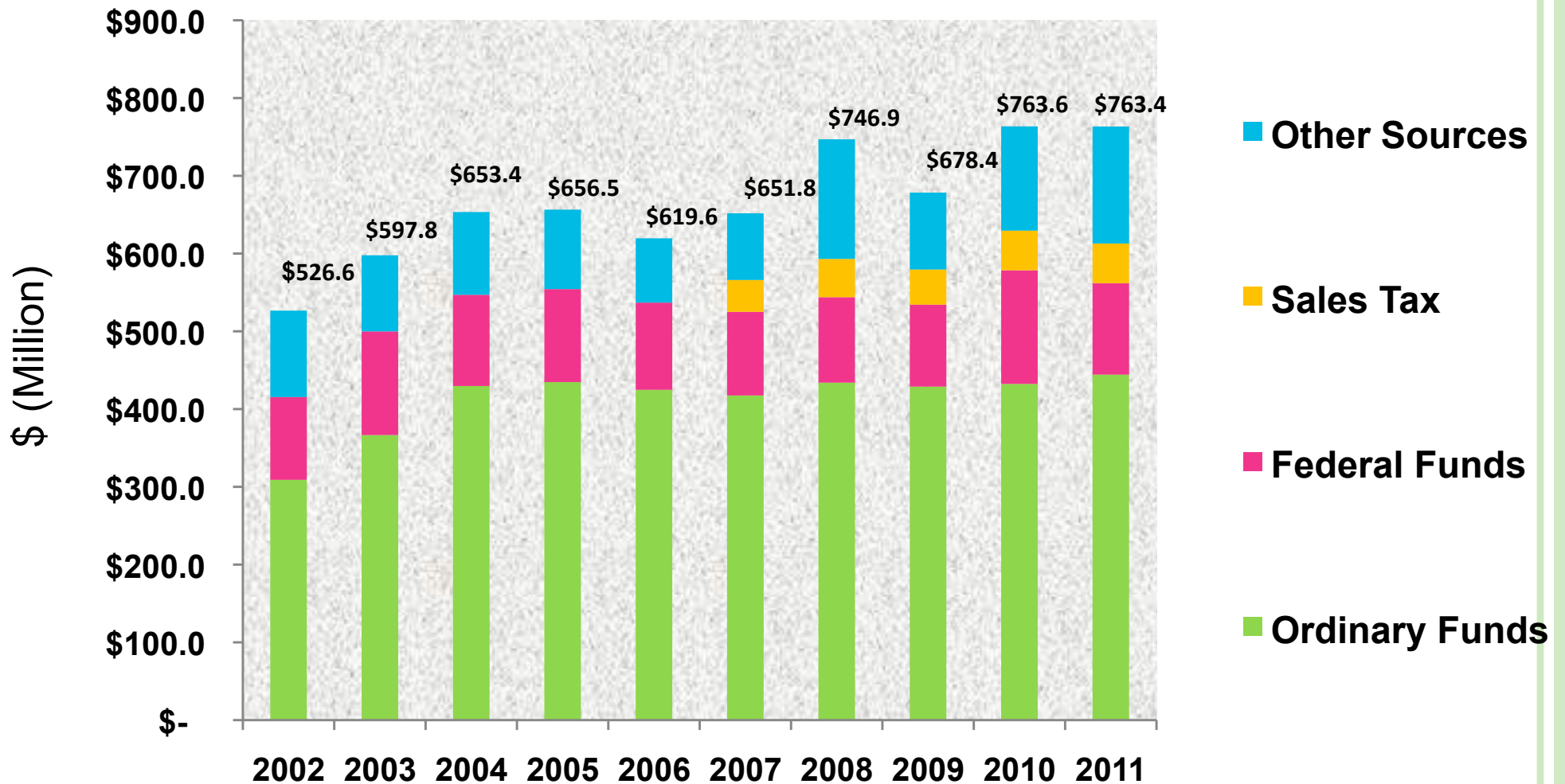
- Improved collection of general City taxes by approximately 50% from 2001 to 2008.
- Reduced the size of the payroll by approving an “Early Retirement Program” that allowed 1,200 employees to retire.
- Reduced the number of consulting contracts and streamlined the existing ones
- Improved and reengineered the invoicing of services provided by the City
- Strict monitoring of the City's finances by establishing efficient reporting on a quarterly basis.

The City of San Juan as Puerto Rico's Economic Engine.

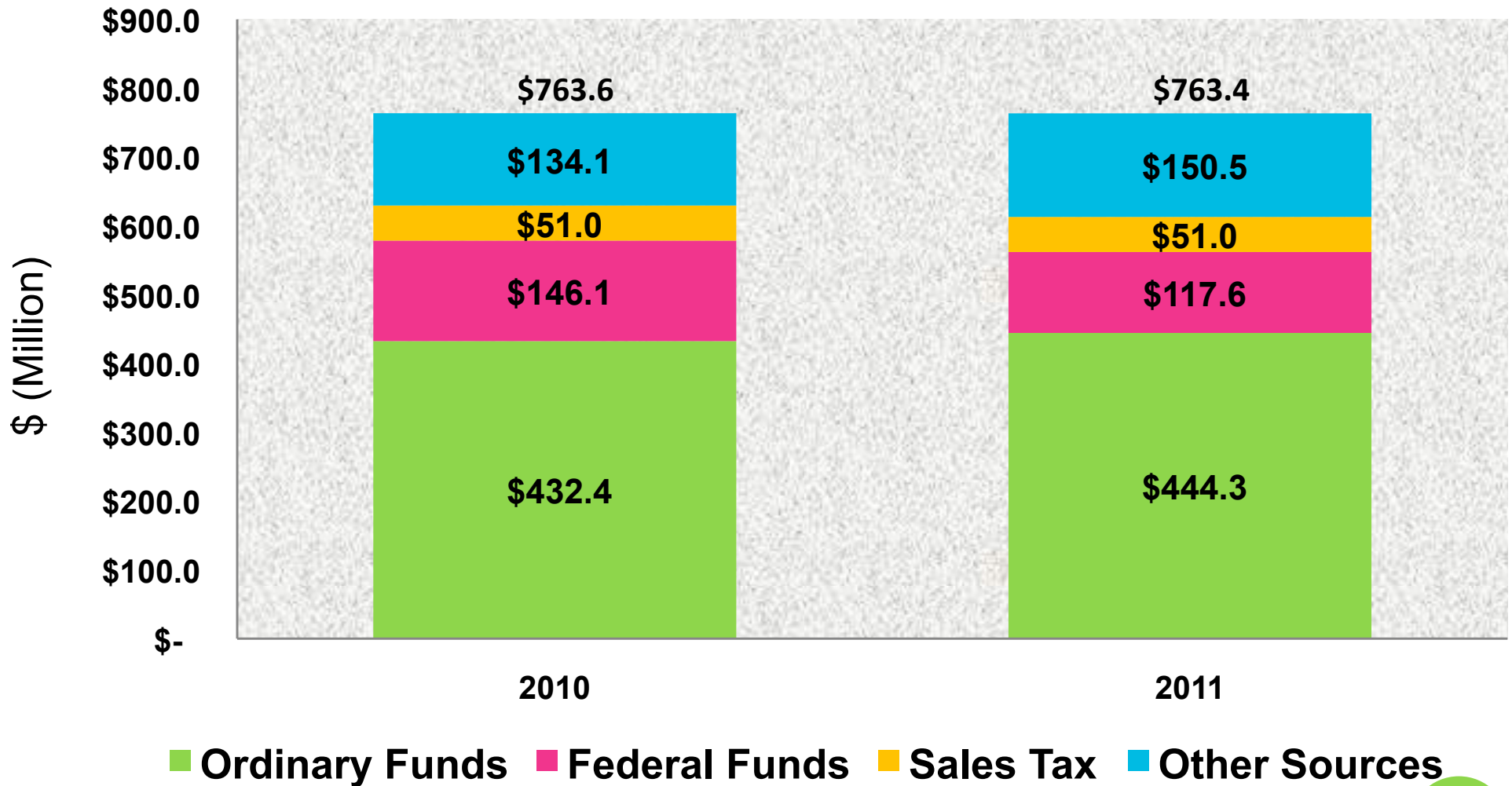
The City of San Juan has taken an aggressive approach towards its economic development strategies. The mission is to restart an economic pulse. The City is currently ready for this task since it continues to work, supported by the following foundation:

- An improved and accelerated permit process since the City has the authority to approve permits at the municipal level.
- The implementation of our integral development plan for the City, including infrastructure and re-development projects, that will foster the creation of new jobs and private investment.

Fiscal Years 2002 – 2011 Budget

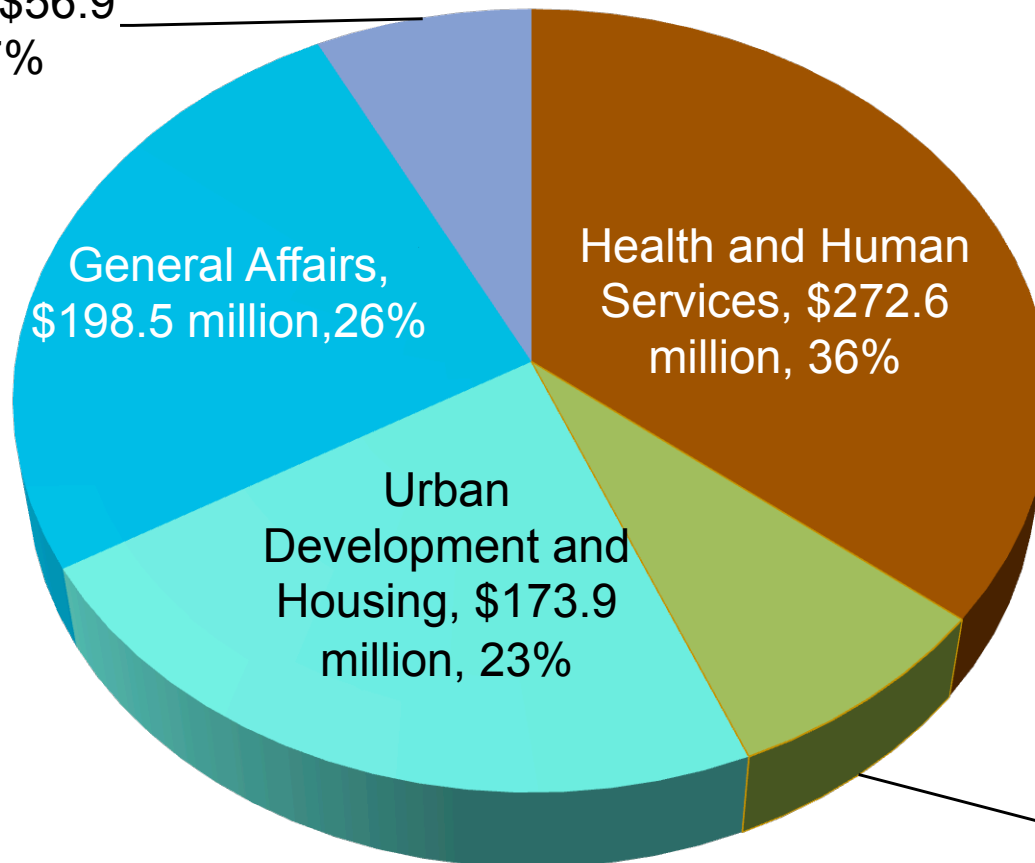


Fiscal Years 2010 – 2011 Budget



Fiscal Years 2011 Budget

Management and
Legislation, \$56.9
million, 7%



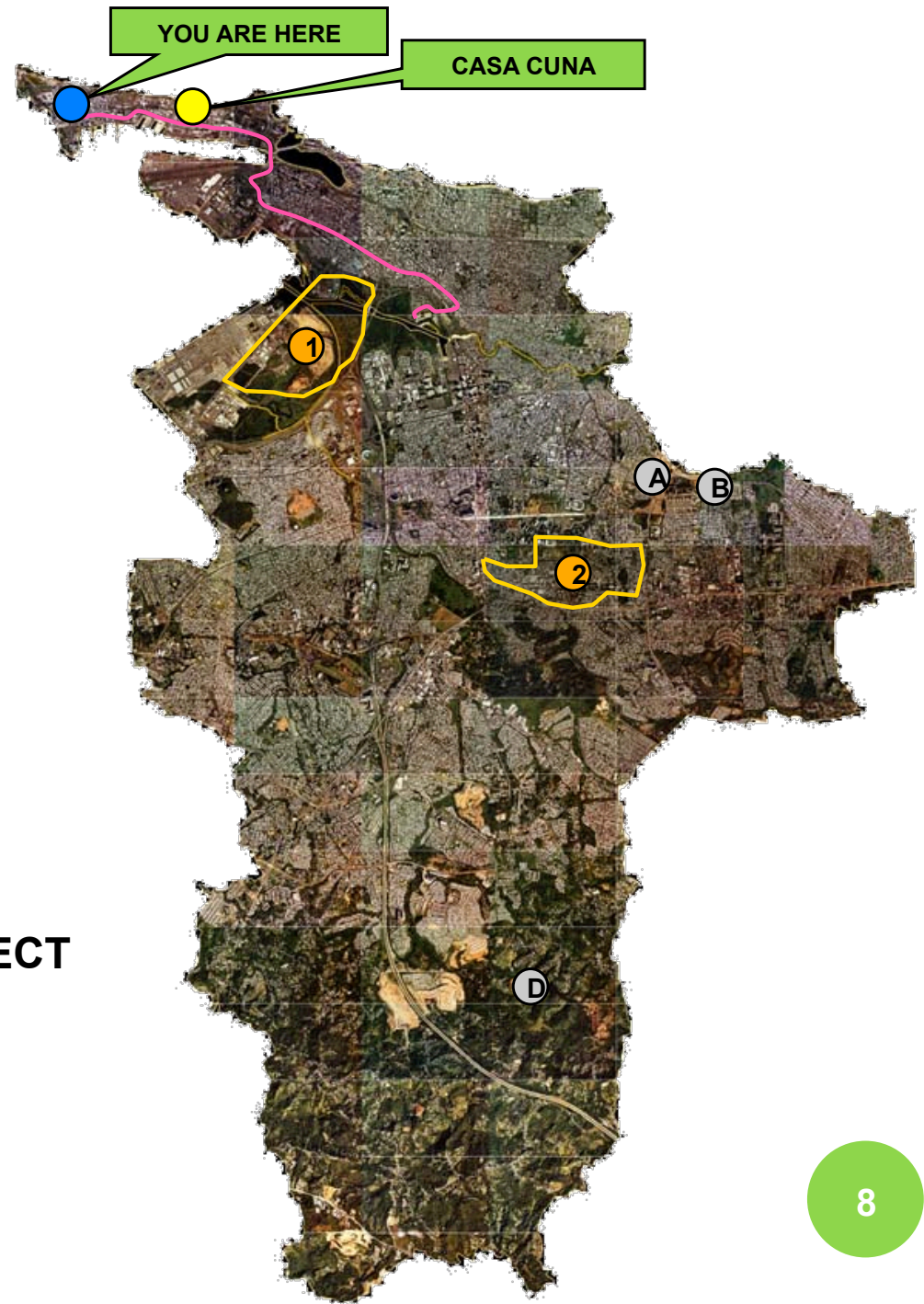
Health and Human
Services, \$272.6
million, 36%

General Affairs,
\$198.5 million, 26%

Urban
Development and
Housing, \$173.9
million, 23%

Public Safety,
\$61.4 million, 8%

THE CITY OF SAN JUAN: HIGH IMPACT AREAS OF OUR STRATEGIC DEVELOPMENTS



LEGEND:

- LIGHT TRAIN
- 1 JFK RE-DEVELOPMENT DISTRICT
- 2 RIO-2012 RE-DEVELOPMENT PROJECT

OTHERS:

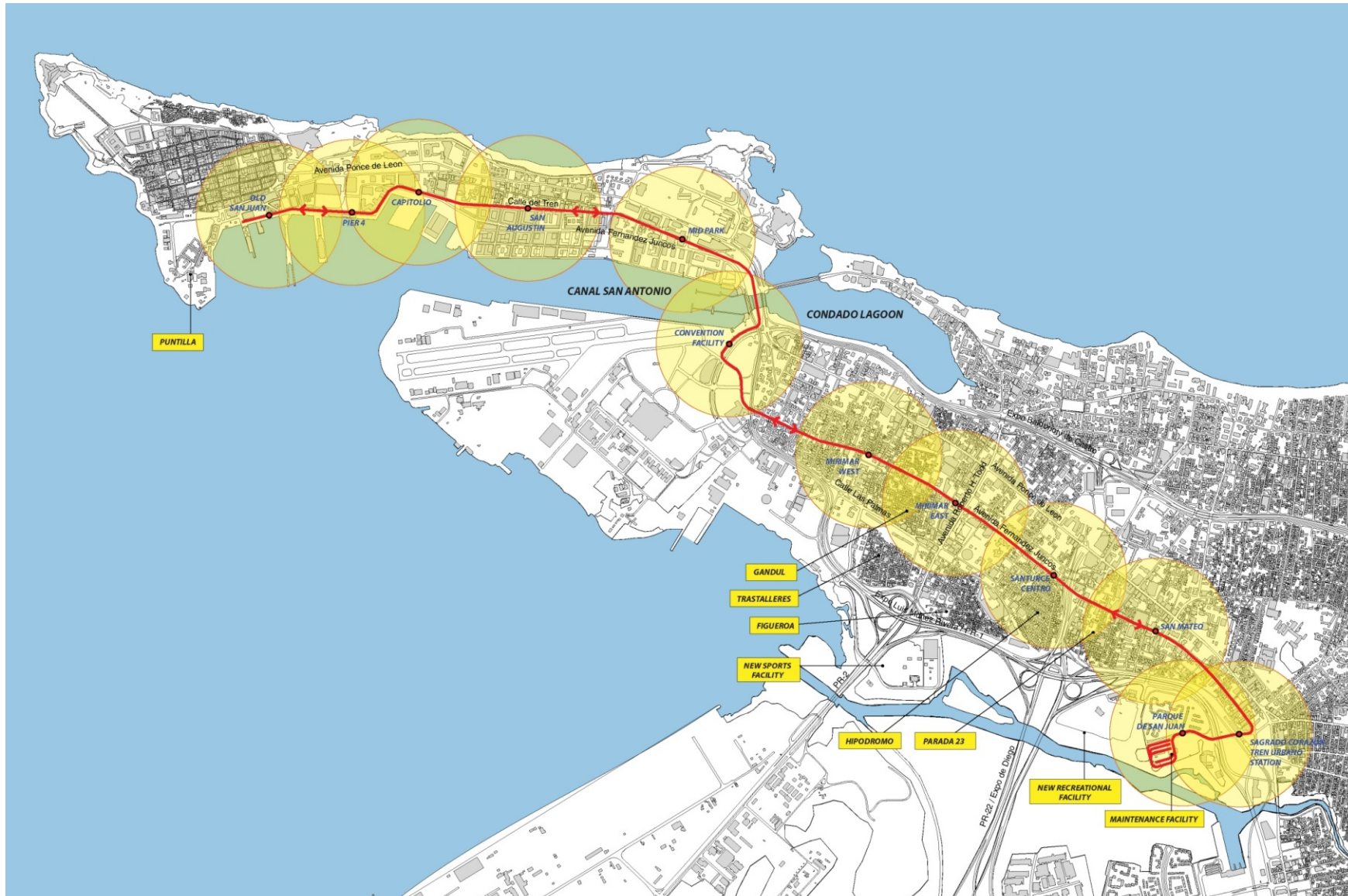
- A SCHOOL OF SAN JUAN
- B SCHOOL FOR ATHLETES
- C LAS CURÍAS

THE SAN JUAN LIGHT RAIL SYSTEM



- Critical extension of Tren Urbano to connect Sagrado Corazon and Old San Juan, Puerta de Tierra, Santurce, Minillas, Convention Center, Condado, via a light rail system.
- Will feature full intermodality.

- Designed to carry 40,000 passengers daily.
- Feasibility study is complete
- Conversations with federal agencies is on going as well as meetings with Congressmen in order to achieve Federal appropriations and ARRA funding.
- Preferred alignment runs on Fernandez Juncos and Calle del Tren
- Will inject economic vitality to Santurce Sector
- Length of alignment: 5 miles
- Number of stations: 12
- Estimated investment: \$350.0 MM





JFK Re-development District

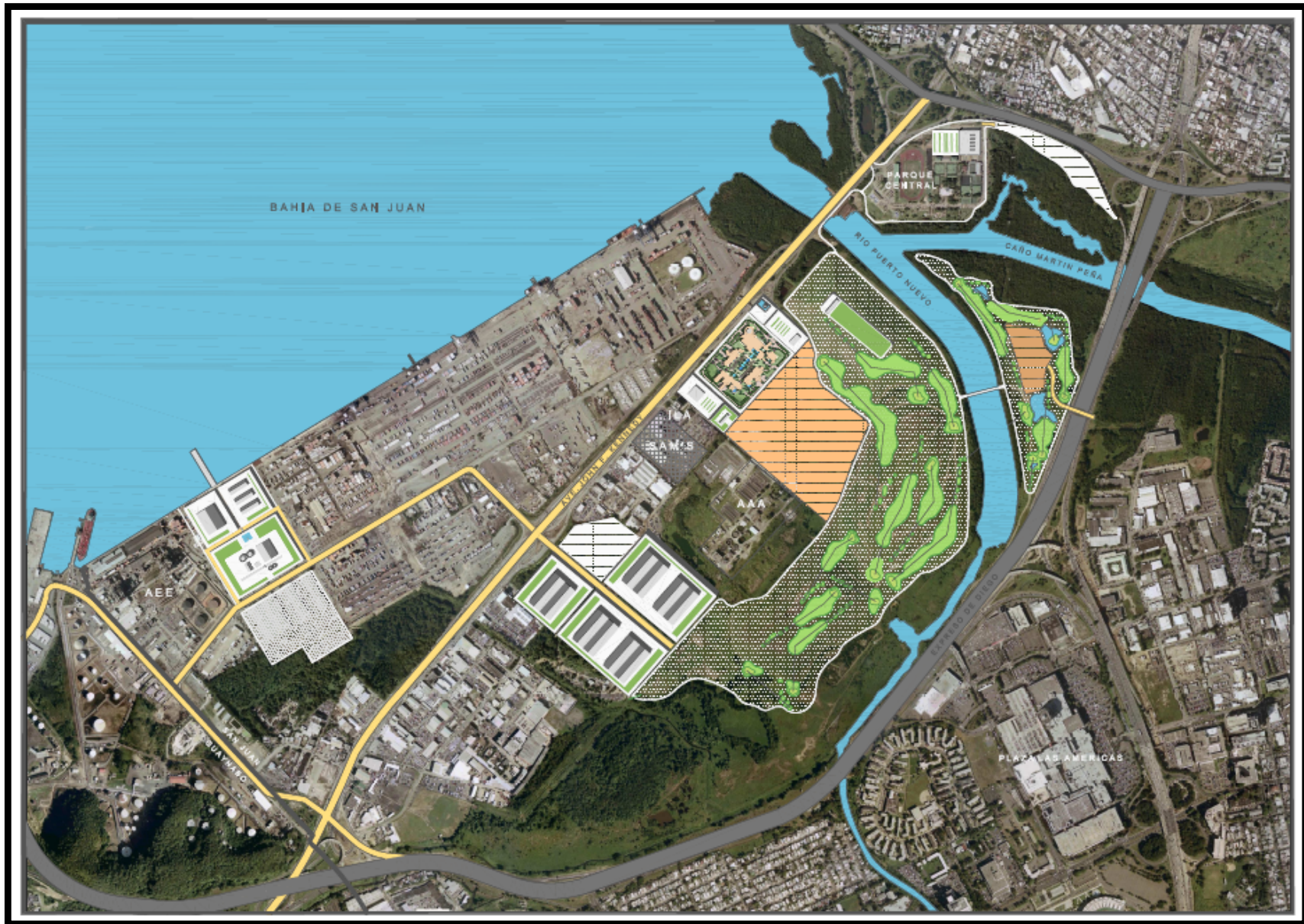


- A series of projects geared towards the rehabilitation and development of the former City Landfill – 200 + acres and the JFK Avenue Corridor. Characteristics include:
- Adoption of Kennedy Avenue
- 18 hole Golf Course
- Linear Walkway and Bicycle Paths with Short and Long Routes

This platform for the strategic economic developments is designed to create an economic influx to the area mixing retail, distribution, tourism, and recreation. The projects included are:

- Central Market
- Hotels
- Wildlife Museum
- Waste to Energy Plant
- Methane to Natural Gas Plant

AN OVERVIEW OF THE DISTRICT



Bayside... The Future.





Bayside I:

- **Site capacity: 9+ acres**
- **Total Investment: \$125+ MM**
- **Status: Pre-Project Approved**
- **Uses:**
 - **531 condo/loft housing units**
 - **40,000 sq. ft commercial spaces**
 - **Marina/boardwalk**

Bayside II:

- **Site capacity: 5+ acres**
- **Uses:**
 - **Housing**
 - **Tourist Facilities**
 - **Public Parking**



1 JFK - THE CENTRAL FOOD DISTRIBUTION MARKET



JFK - THE CENTRAL FOOD DISTRIBUTION MARKET

Concept:

- Central Food Distribution Market
- Develop the “San Juan Brand” of products – fruits, produce, poultry, meats and fish market
- A food distribution hub for the Caribbean Region
- Offer local producers access to markets
- Creation of value added enterprises
- Development of food distribution, service support, and packaging enterprises
- Provide the existing businesses with new, state-of-the-art refrigerated facilities to be able to access new markets and increase their profitability.
- Estimated Investment: \$20,000,000

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JFK - NATURAL WILDLIFE MUSEUM



NATURAL WILDLIFE MUSEUM (TODAY)



NATURAL WILDLIFE MUSEUM (Description):

- Exhibits with recreated natural habitats and narrated explanations of each one of the animals
- First “green building” in Puerto Rico
- Solar panels will be installed to provide energy and water collection systems
- 55,000 sq. ft. facility, 93,600 sq. ft. plaza and fountain
- Largest of its kind in this Hemisphere
- Increase appreciation and understanding of wildlife
- Status: 95% completion
- Estimated investment \$25.0 MM

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JFK - WASTE CONVERSION PLANT

- Will provide electricity to all of the projects to be developed in the JFK Re-Development District, assuring reliability at a reduced price
- Will create an additional source of income to the City as negotiations with other municipalities will materialize to dispose their waste in our plant
- Any excess electricity will be sold to PREPA.



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JFK - WASTE CONVERSION PLANT



- Status:
0% Construction.
- Estimated Investment:
\$500 MM.



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JFK - SAN JUAN RENEWABLE ENERGY PLANT



- The proposal is to use the methane gas produced at the closed landfill to generate electricity that will be used at the Wildlife Museum.
- This will reduce emission of lethal gases harmful to the atmosphere and public health.

1 JFK - PORT OF SAN JUAN



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- The city of San Juan recently established the San Juan Port Commission proposing that the City can manage and operate some of the marine terminals owned by the Ports Authority
 - Piers 15 and 16
 - Hangar 21 (South Isla Grande)
- This transfer will:
 - Foster the development of new maritime trades, such as ship repair, shore side trades, etc.
 - Will promote growth of break bulk cargo sector (critical for construction materials for the island)

1 JFK - LAS COROZAS



- Site Capacity 11+ Acres
- Mixed Recreational Use potential: Skating rink, bicycle areas, Bow and arrow, gazebos, and jogging trails.

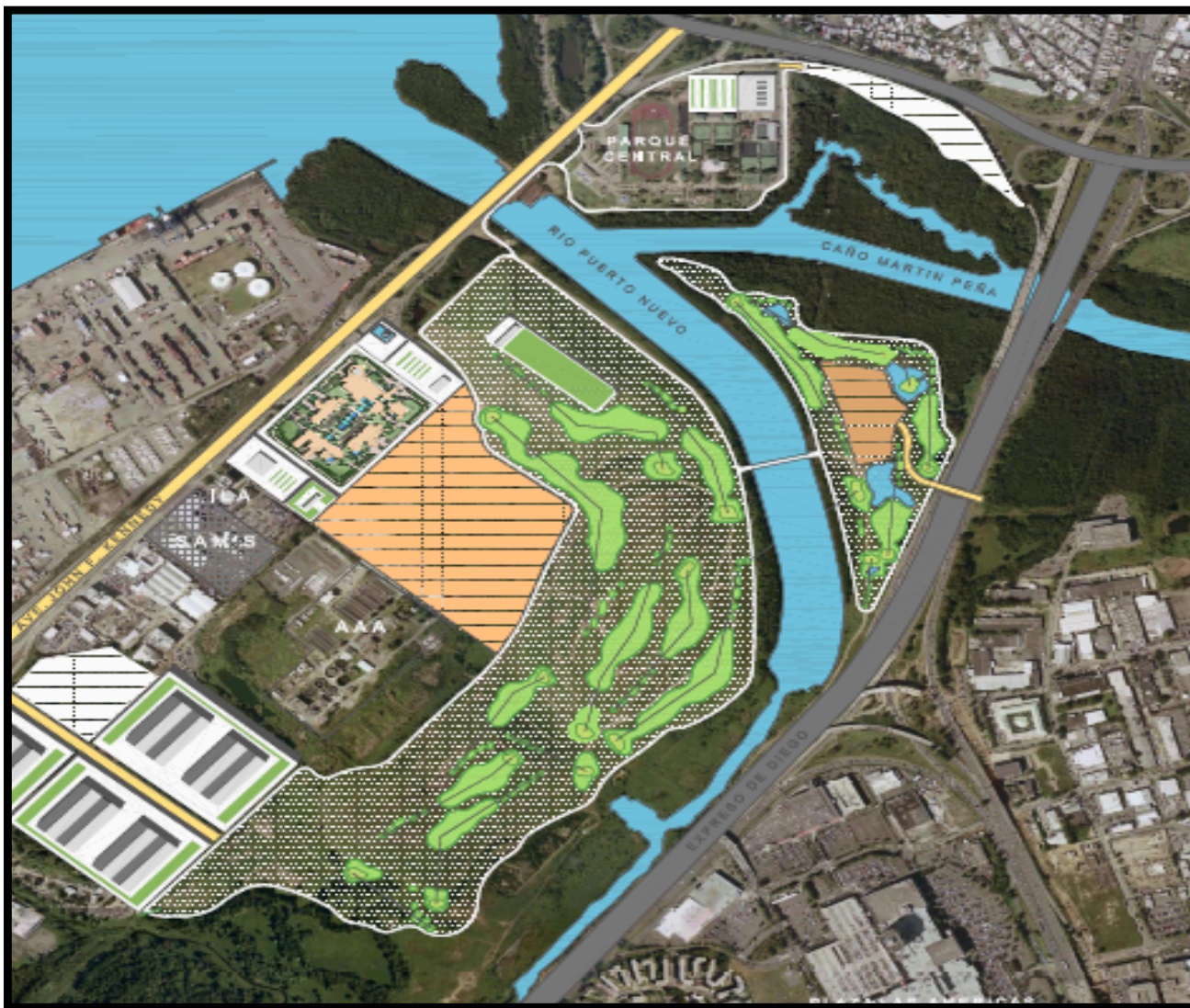


JFK - SAN JUAN AS BICYCLE AND PEDESTRIAN FRIENDLY CITY

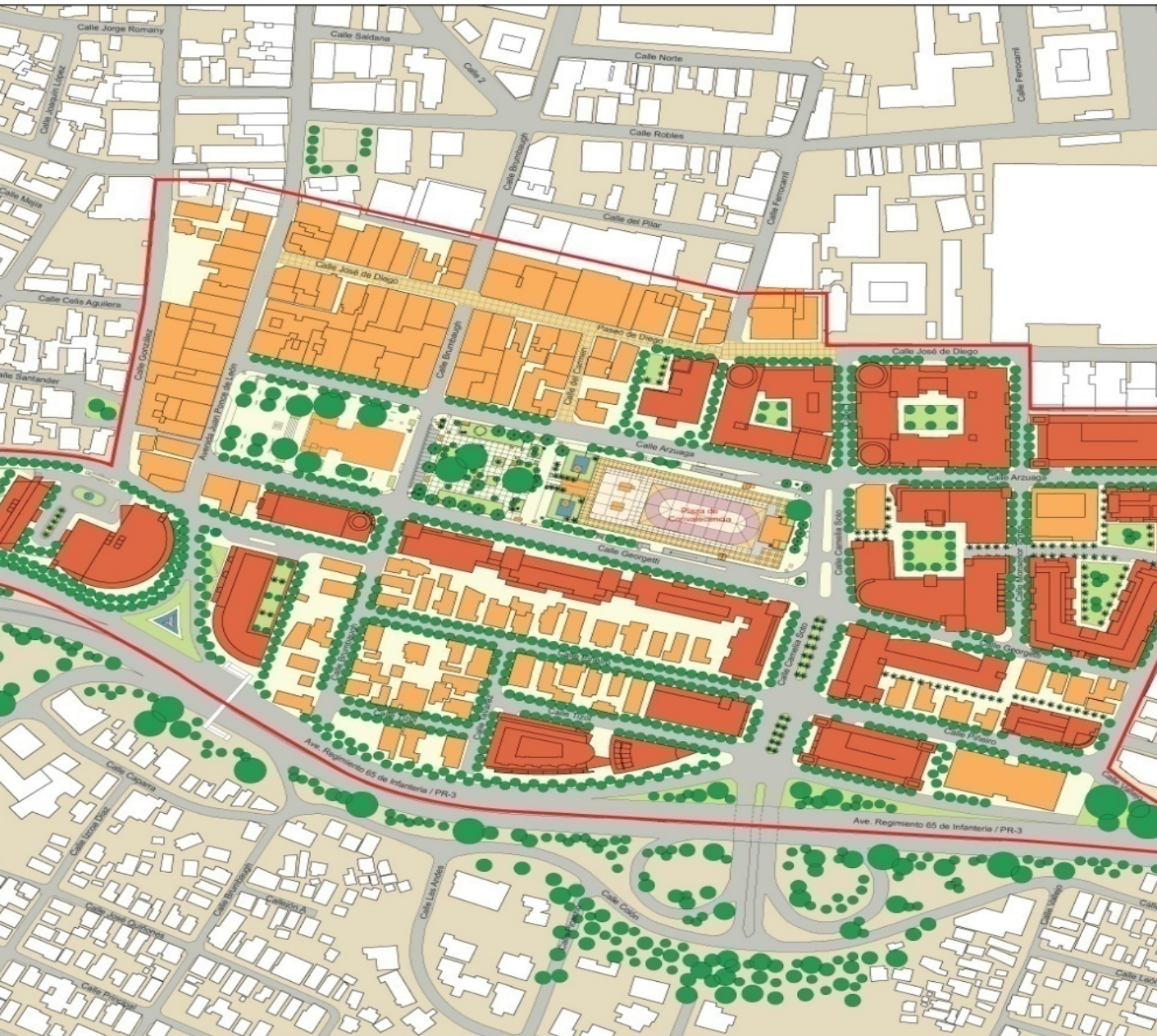
- Trails for the use of bicycles are being identified and developed, for example around the Golf Course site
- “San Juan Peatonal” has been approved to finally transform Old San Juan as a pedestrian City
- Identification and construction of a new “green route” that will connect Old San Juan to Rio Piedras by the planting of more than 5,000 trees
- San Juan – “the Walkable City”

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JFK - SAN JUAN AS BICYCLE AND PEDESTRIAN FRIENDLY CITY



2 RIO 2012 – Redevelop & Revitalize



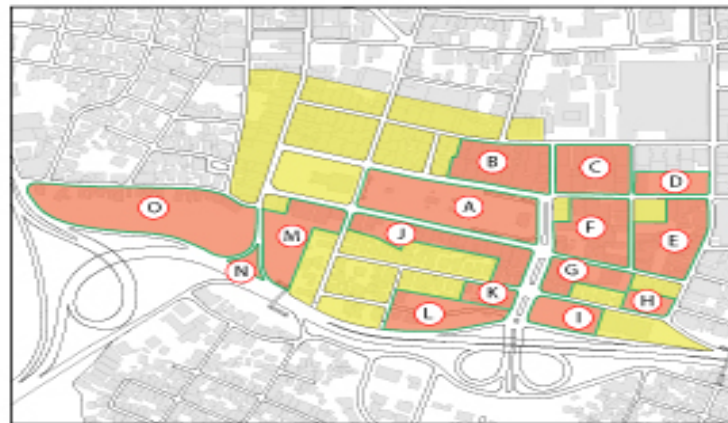
- An award winning master plan, which was prepared by Antonio Di Mambro.
- The largest redevelopment project in Puerto Rico's recent history
- Complete reconstruction of Puerto Rico's largest town square ("Plaza Convalecencia")
- Repopulation of Rio Piedras (from 2,000 people to 8,000 when completed)

Areal View





- 1,300 new housing units and mixed commercial spaces
- Over a million square feet of office and commercial space
- 3,200 parking spaces
- 17 blocks of redevelopment; 37 acres
- Total estimated investment: \$1.0 Billion



Parcel Location Map

Plaza de la Convalecencia



Rio
PIEDRAS

2012



Plaza de la Convalecencia



Plaza de la Convalecencia





A

The School of San Juan





SCHOOL OF SAN JUAN

- Completely bilingual and currently offering from kindergarten to fourth grade levels.
 - Technology oriented classrooms.
 - Language and computer laboratories.
 - “Sold out” – Only 40 students were selected from 463 applicants this year.
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- We recently inaugurated the expansion to the school’s facilities providing classrooms for up to the eighth grade.
 - Investment opportunities are currently being studied regarding the future expansion of the school to include high school.



SCHOOL FOR ATHLETES



- Starts in Seventh Grade continuing to twelve, offering up to twelfth grade.
- Promotes and stimulates young students with sports abilities. 165 students enrolled. “Sold Out” – 55 students were selected from 275 applicants this year.
- Maintains a full academic curriculum.
- Intensive bilingual education.



"ADOLFO DONES" ECOTOURISM PARK AND OBSERVATION TOWER



- Multiple uses recreational area and ecotourism pier in the San Juan Bay Estuary organization. The keystone of the future utilization of Laguna San Jose passive recreation area.
- The multiple uses include jogging trails, cycling trails, sport fishing, and the San Juan Bay Estuary head quarters.

Estimated Investment: \$300,000.00

D Ecotourism Park Las Curias

The multiple uses include jogging trails, cycling trails, sport fishing, and the San Juan Bay Estuary head quarters.

Total Estimated Investment: \$2,160,000



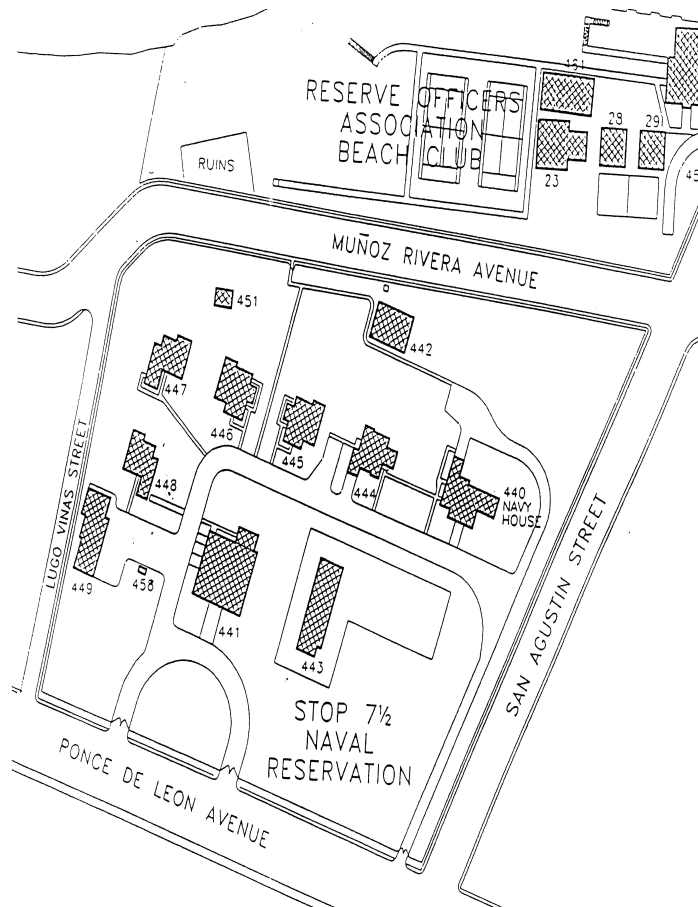
La Casa Cuna de San Juan



- The first phase attends to 13 children, while aspiring to attend to 60 children in the future in the complex's 6 residences.
- Has a general pediatric health clinic on site. Providing general and emergency laboratories, scheduled vaccination, and respiratory therapies.

This program was created in order to have these children attain their full emotional, cognitive, social, and motor development. We also promote the placement of these minors in permanent homes.

La Casa Cuna de San Juan



La Casa Cuna de San Juan stands on what used to be a Naval Base on Stop 7½, in the area known as ***Puerta de Tierra***, just at the entrance of ***Old San Juan***.

The surplus property, with a market value estimated in \$40 million, was transferred to the City of San Juan after participating in a proposal reviewing process by the federal government.

La Casa Cuna de San Juan



The mission of the program is to promote the well-being and improve the quality of life of the participants in a safe environment in which they are provided with everything that is necessary for them to attain their full emotional, cognitive, social and motor development. Also, we promote the placement of these minors in permanent homes in which they will continue to develop and where their dignity as human beings is safeguarded.