

Kyiv detention center construction via PPP mechanism

Project Overview

- Public-Private Partnership mechanism provides for construction of new penitentiary facility (detention center) by Private Partner in Kotsyubynske, 1 Zaliznychna St. (territory of Irpin correction centre №132).

Parameters of new facility: capacity for 2000 inmates, namely: 1800 detainees incl. 200 women; 100 minors; additionally 100 prisoners with life imprisonment (maximum security); and 100 for maintenance works.

Estimated total construction cost for a new facility is USD \$20 million, including taxes.

The Private Partner Compensation mechanism provides the obtaining of ownership rights for the property complex and the land plot (3 ha) of existing old detention center in Kyiv located at 13 Degtyarivska St. (close to city center). Given land plot has all connections to utilities and is ideal for construction of business class residential-office estate. City Major and local government supports project and will assist with construction permits. Also, budget financing for construction of first stage is available on amount of 95 mln. UAH.

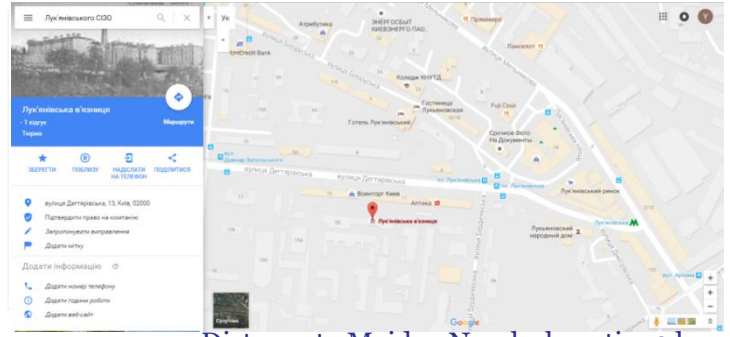
- Targeted clients and markets: RE developers, banks/funds interested in RE investments in Kyiv
- Type of investments required: construction of new penitentiary facility using own/debt resources.

Resources and Services






- The first stage (470 inmates) construction documentation incl. architectural documentation and budget financing is at place, as well as land plot and all utilities required.
- Project team that started given project from scratch, prepared all legal, technical and financial documentation, does a fund raising and manages the project will support investor on all stages.

Other

- Potential investors should consider all PPP proposals (Kyiv, Lviv, Odesa, etc. by MoJ of Ukraine) to find the best own configuration.
- Pre-feasibility study and all the documentation can be found at sif-iiss.org of IISS supported by EBRD



Key Project Indicators

-  Investment – **USD 20 million**
-  IRR – **12 % (penitentiary & residential)**
-  Payback period – **4 years (after 1st stage)**
-  Profitability index – **1,09 (1,69)**
-  Planned capacity – **100 000 m2 (residential)**

Land

Area	Land plot area in sq. m–29,6k
Legal status	Owned
Intended purpose of the use	State Partner - Penitentiary Private Partner - Residential
Current usage	Detention center
Project considerations	No historical heritage, additional research required

Infrastructure

Distance to routes/ key infrastructure, incl.:	
• airports	7 km (airport Zhulyany)
• ports	not applicable
• railroads	3 km (central railway station)
• city centre	3 km
Distance to utility infrastructure, incl.:	Already available connections
• water	450 m3/day
• electricity	1260 kW
• sewerage	450 m3/day
• heat	1125 Gcal/hour