



Iloilo City Terminal Public Market

Project Brief

June 2021



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INFORMATION SUMMARY

Project	Iloilo City Terminal Public Market Project
Indicative Project Cost	PhP 2.02 Billion ¹
Implementing Agency	Local Government of Iloilo City
Project Description	<p>The Project involves the design, finance and construction of the mixed-use building of the Terminal Public Market, operation and maintenance of the commercial spaces, and maintenance of the whole facility.</p> <p>Potential revenue sources for the private sector proponent may include rental fees from public market and commercial spaces, cargo-handling charges, vehicular docking charges, warehousing/cold storage rental charges, bulk hauling and terminal fees, and parking fees.</p>
Project Objectives	<p>The Project aims to provide the City with a sustainable multi-use complex that will boost business activities and preserve the economic value of the Old Central Business District. The Project also aims to revitalize the local economy in order to generate jobs and provide opportunities for growth of businesses and enhance sanitary practices in the public markets which will benefit the health and well-being of the citizens.</p>
Procurement Mode	Solicited
PPP Structure	Joint Venture
Legal Framework	Regulation Ordinance No. 2019-524 or the Integrated PPP Code of Iloilo City
Cooperation Period	30 years ¹
Region	Western Visayas
Sector	Agriculture / Food Security
Status	On-going conduct of business case

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¹ Subject to the finalization of the business case

ILOILO CITY TERMINAL PUBLIC MARKET PROJECT

Introduction

The Public-Private Partnership (PPP) Center of the Philippines is a government agency tasked with facilitating the implementation of the country's PPP programs and projects. It provides advisory services and technical assistance to various government agencies on the development and implementation of PPP projects.

Iloilo City (the "City") is governed by the Local Government Code of 1991 (Republic Act No. 7160), which provides in its Implementing Rules and Regulations, Article 66, that local government units may enter into joint venture agreements and other cooperative arrangements with the private sector to engage in the delivery of certain basic services, capacity building, and livelihood projects, develop local enterprises to improve productivity and income, spur industrialization, promote ecological balance, and enhance the economic and social well-being of the people.

On August 14, 2019, the City signed a Memorandum of Agreement (MOA) with the PPP Center to collaborate in developing, procuring, and implementing the City's PPP projects. As a result, the City and the PPP Center agreed to conduct the Business Case for the Iloilo City Terminal Public Market Project, through Technical Assistance Agreement² dated August 14, 2019.

Project Area

Iloilo City is a highly urbanized city comprised of 180 barangays, with a total land area of 7,834 hectares. Iloilo City is the center of education and trade in the Province of Iloilo. It has an estimated population of 450,000 as of 2015, and annual average population growth rate of 1.48% since 2000. It is considered as the regional center of Western Visayas and this is evidenced by a significant increase in day-time population of up to 800,000 because of the influx of people going in and out of Iloilo City for school, work, or trade.

As a gateway to other places in the island and as a preferred Meetings, Incentives, Conventions, and Exhibitions (MICE) destination today, Iloilo City also generates tourism related activities and businesses year-round. In 2019, the city was recognized by the Philippine Chamber of Industry as the Most Business-Friendly Urbanized City outside of Metro Manila. In addition, Iloilo City is being promoted as a smart city, not only for its digital infrastructure supporting Business Process Outsourcing (BPO) companies, but also because of its innovative approach to healthcare, construction, education, safety and security, and governance.

Another driver of the Iloilo City's economy is the booming infrastructure development in the region. Few of the notable infrastructure projects of Iloilo City includes the expansion of the Iloilo International Airport in Cabatuan, the modernization of Port of Dumangas, the development of the Panay-Guimaras-Negros Bridge network, the proposed development of the Jibao-an Flyover and Buhang Road, the gearing up for the construction of a the Php 400 million multi-level legislative and parking building near the city hall, the plan to build a mid-rise condominium which

² The TAA also includes the preparation of business case for the development of the Iloilo City Central Public Market (CPM) under PPP. CPM is the second largest public market in Iloilo City and considered as a heritage market that sits in the heart of the Old Central Business District. Based on the work plan, the bidding for the Terminal Public Market will be prioritized.

will house public servants, and the development of the Php 38 million Iloilo City Action and Response Center (ICARE) command center, the headquarters for the metropolis' emergency operations.

The real estate industry also enjoys a promising momentum in Iloilo City. Real estate developers such as Megaworld is leading the construction scene in terms of residential and commercial projects³. Despite this scene, there are still many opportunities for other industries and market players within the City for diverse projects.

Effective 2022, local government units (LGUs) will have an increased Internal Revenue Allotment (IRA) with reference to the Supreme Court (SC) Ruling on the Mandanas-Garcia Case.⁴ The Department of Budget and Management most recently presented an Executive Order detailing the devolution of certain functions of the national government to local governments to adjust to the projected jump in IRA. Thus, the development of and expenditures for local infrastructure, agriculture, social welfare, health care and livelihood, among others, are devolved to the LGUs. With this, Iloilo City will have additional funding support in implementing its local infrastructure initiatives.

Project Background

The City is managing seven (7) public markets ranging from small to huge which clearly demonstrate how markets are integral to the residents' lives. Among these public markets, the Terminal Public Market (TPM) is considered as the largest public market in Iloilo City.

The existing structures of the TPM with a total of 1,089 stalls was built from 2001 to 2003 by the City. It sits in an approximately 1.78 hectares of land in the city proper and located in the prime commercial area near government centers and offices. TPM is also 450 meters and 700 meters away from Robinsons Place and Gaisano Capital Guanco, respectively.

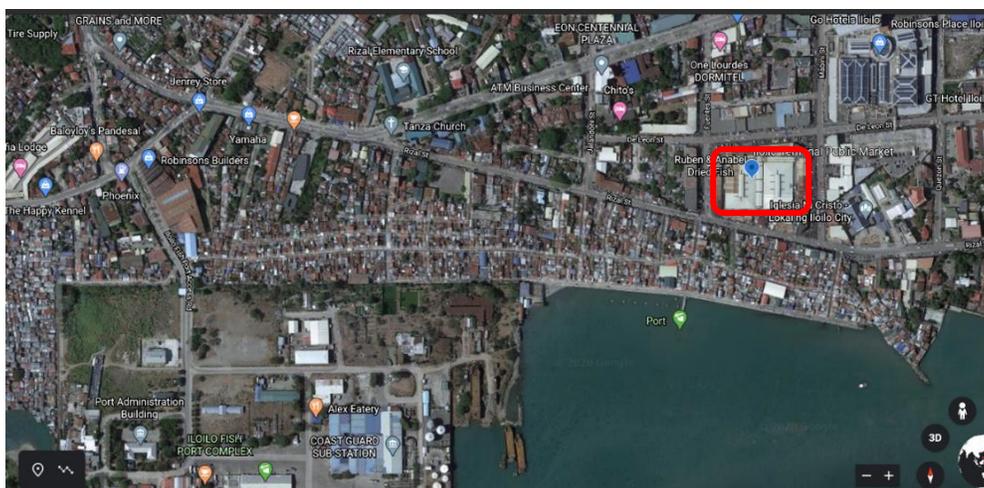


Figure 1. Vicinity of the Terminal Public Market⁵

³ <https://www.lamudi.com.ph/journal/iloilo-trend-report-2019/>

⁴ The SC ruled that the just share of LGUs from national taxes is not limited to "national internal revenue taxes" collected by the Bureau of Internal Revenue but includes collections (customs duties) by the Bureau of Customs.

⁵ Source: Google Earth Version 9.3.105.0

TPM is also the biggest source of fruits and vegetables sold as wholesale and functions as a retail market for locals with its rich variety of produce. It is the busiest market with 24-hour operation and considered as the main market in the Iloilo Province as well as in the entire Panay island.

TPM is the main source of food and other items which are considered more affordable compared to shopping malls within the surrounding vicinity. In many localities, the public market is center for livelihood and are important sources of employment. The market also supports other businesses and institutions such as hotels, restaurants, resorts, and farming, among others.



Figure 2. Existing Structure of Iloilo City Terminal Public Market

Due to the current condition of TPM, and in order to increase economic activities in the Old Central Business District (CBD), the City identified and proposed the Iloilo City Terminal Public Market Project through a PPP arrangement.

Project Description and Scope

The Project will be undertaken through a Joint Venture arrangement under the Integrated PPP Code of Iloilo City. The Project aims to provide the City with a sustainable multi-use market complex that will boost business activities, as well as preserve the economic value of the Old Central Business District of Iloilo City. Moreover, the Project aims to:

- Revitalize the local economy in order to generate jobs and provide opportunities for growth of businesses;
- Optimize the value of land assets of the City located in prime commercial areas;
- Preserve and enhance the Old CBD and its heritage value and spruce up tourist destinations; and

- Enhance sanitary practices in the public markets which will benefit the health and well-being of the citizens.

The Project involves the development of TPM into a six-storey mixed-use building, with the first and second floors being occupied by the public market to be operated and managed by the City, while the third to sixth floors will be occupied by commercial establishments to be operated and managed by the private sector proponent. Among the locators of the commercial spaces initially identified are for retail goods, food and beverages, office spaces and food processing, e.g. processed meat products, dried/preserved fruits, etc., ice-making and cold storage. The Project shall also include provision for delivery/loading/unloading docks, parking spaces, public transport terminal, solid waste management facility and sewage treatment plant.

The Project has an indicative cost of Php 2.02 billion. Potential revenue sources for the private sector proponent may include rental fees from public market and commercial spaces, cargo-handling charges, vehicular docking charges, warehousing/cold storage rental charges, bulk hauling and terminal fees, and parking fees.

Private Sector Involvement

The private sector is expected to design, finance, develop/construct the mixed-use building, operate and maintain the commercial establishments, and maintain the whole facility for a period of 30 years, subject to the finalization of the business case.

Project Status and Timeline

The Project is currently subject to the conduct of a business case. Bidding for the Project is expected to commence in August 2021 until December 2021, while the target award is in January 2022.