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## DRAFT PRE-FEASIBILITY REPORT

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# DEVELOPMENT OF SPORTS, LEISURE & RECREATION CENTRE IN PERIPHERALS OF BENGALURU ON PPP MODEL

To



**Infrastructure Development Department  
Government of Karnataka**

March 16, 2010

**SUBMITTED BY:**

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## I. Introduction

### 1.1 Background

- a. **Infrastructure Development Department (IDD), Government of Karnataka (GoK)** is the Infrastructure arm of GoK with the primary objective of facilitating development of infrastructure projects across Karnataka.
- b. The IDD has identified a pipeline of infrastructure projects to be taken up across the State with the objective of optimum utilization of the State Government's financial resources; the IDD has proposed to explore the development of the projects identified on Public Private Partnership (PPP) basis.
- c. The IDD recognizes that depending upon the nature and type of Projects, some may not be financially viable or attractive to developers for development of PPP basis and may require Viability Gap Funding (VGF) or other State / Central support.
- d. **IDD** wishes to develop a State-of-the-Art **Sports, Leisure & Recreational Centre** in peripherals of Bengaluru on Public Private Partnership (PPP) Model.
- e. The proposed Sports, Leisure & Recreational Centre would endeavour the growth of sports activities in the City / State and invite sports enthusiasts from various parts of Karnataka as well as India to utilize the finest infrastructure and take Indian sports standards to a competitive level.
- f. In order to assess if the above project would be *prima facie* feasible for development on PPP basis and its financial self-sustainability or otherwise, IDD proposed to conduct a Pre-feasibility study for the same.
- g. IDD, vide its letter no.: ID/89/ITS/2009 dated 14.10.2009, has entrusted the Pre-Feasibility Study for the development of the proposed Sports, Leisure & Recreation Centre on Public Private Partnership (PPP) model to **KSIIDC-IL&FS Project Development Company Limited (KIPDC)**.
- h. While the objective of the Pre-feasibility Study would be to assess the broad project viability for development on PPP basis and to arrive at the project implementation options including if the same would require VGF or other State / Central support, the IDD has agreed in principle to mandate the project development of the viable projects identified to the advisory agency doing the

project pre-feasibility on single source basis at “no cost basis” to IDD. A project success fees as agreeable to IDD would however be permitted to be charged and recovered from the selected developer for the project.

- i. However, if this Project is found to be viable for development only with financial assistance/VGF from GoI, then the project development and bid process management related work of this Project would be bid out by IDD as per GoI guidelines for PPP projects, in which KIPDC would also be eligible to participate.

## 1.2 Objectives & Scope of Work of the Assignment

- a. The primary objective of this assignment is to prepare:
  - i. Pre-feasibility study report - The objective of the analysis is to determine the market potential and feasibility of Sport, Leisure & Recreation Centre, which will ultimately serve as the basis for the business plan and economic impact analysis to support funding of this project by public or both the public & private entities simultaneously on PPP format.
  - ii. Assess the potential market demand for the project;
  - iii. Ascertain the scale of magnitude of the project;
  - iv. Determine the most appropriate site or sites for the facility, including potential for co-located facilities;
  - v. Forecast order-of-magnitude capital and operating costs & income;
  - vi. To quantify the operating income that is expected to be generated from various components of the project;
  - vii. Estimate economic benefit to the community this type of facility may yield;
  - viii. Plan of Action for initiating next steps of project development and bid process management of the Project
- b. Scope of Work of the assignment would broadly cover:
  - i. Demand Analysis of various Sports in Karnataka and Bengaluru in particular;
  - ii. Examining the need & demand for such Project;
  - iii. Broad overview of Project Concept & its components;

- iv. Preparation of preliminary ball-park Project financials with sensitivity analysis on Key Performance Parameters of the Business and pre-feasibility financial assessment of the Project;
  - v. Preliminary recommendations of possible Project Structure, Project Development Framework;
  - vi. Initial list of critical requirements to establish the Project viz., list of Govt. approvals, clearances, VGF and other support requirements;
  - vii. Way Forward.
- c. The assignment would involve the following broad tasks to achieve the set objectives and scope of work:
- i. Secondary research & analysis of the Sports segment & region
  - ii. Primary study & understanding, including finding feasible location for the project;
  - iii. Interaction with officials of respective departments/district administration as may be required to understand and appreciate the need for the Project;
  - iv. Interaction with select few key stakeholders & end users of the Project viz., Sports Infrastructure Developers, retail chains, sports association, clubs, schools, etc;
  - v. Co-ordination and collection of information from IDD, KSIIDC and GoK departments, as may be required, for carrying out the Project;
  - vi. Preparation of preliminary Financial Model for preliminary financial assessment with sensitivity analysis on key business drivers;
  - vii. Preparation of Pre-feasibility Study report for the Project encompassing the scope of work of the assignment, including site suggestion;
  - viii. Presentation of the salient features of the pre-feasibility study of the Project to IDD officials for approval/comments/suggestions;
  - ix. Submission of final Pre-feasibility Study report for the Project to IDD;
- d. As part of the assignment, KIPDC would submit the following reports/presentations to IDD:
- 1) **Inception Report:** Inception report containing the assignment objectives, scope of work, approach and methodology for carrying out this study. The present status of the report- **Submitted**.
  - 2) **Draft Pre-feasibility Report:** Draft pre-feasibility Report for development of the Project encompassing the scope of work mentioned above.

- 3) **Presentation on Draft Pre-feasibility Report:** A presentation covering the major findings and recommendations of the assignment shall be made to officials of KSIIDC, IDD and other departments as may be invited by IDD.
- 4) **Final Pre-feasibility Report:** KIPDC will submit final pre-feasibility report for the Project after incorporating the changes/comments suggested by IDD and other departments during the above-mentioned presentation and in writing.

### 1.3 Role of KSIIDC-IL&FS Project Development Company (KIPDC)

The Role of KIPDC while carrying out the Pre-feasibility Studies has been to:

- Conduct project pre-feasibility study for development of the proposed project on PPP and include the project concept, need for the project in Bengaluru, identify site for the project, preliminary market / demand assessment, broad financial feasibility / viability, implementation framework, recommendation of nodal agency for the project at individual locations, role of nodal agency & IDD and way-ahead.
- The Pre-feasibility essentially focuses on the viability of the project on PPP with / without State / Central Govt. support, segregation of projects / locations requiring VGF support and project development approach for projects proposed to be taken up for project development by KIPDC.
- The Pre-feasibility study will be carried out with intent of location analysis and assessment of viability for development at Sports, leisure & recreation complex at Bengaluru location.

### 1.4 Approach & Methodology

**Activities required to be carried out by KIPDC would include:**

- Development of project concept
- Determine the potential market demand for the project which includes sport segment analysis;
- Desk study for location(s) analysis, sector study, review of statistic / data already available
- Determine the optimal site and size for the project and determine the appropriate project structuring module for the project;
- Interact with the officials of concerned Department;

- Co-ordination for correspondence by KSIIDC / IDD with respective department in case of procuring information related to the pre-feasibility study;
- Preliminary project structuring and viability assessment;
- Summarizing of the Pre-feasibility assessment in the form of a report alongwith recommendation to IDD;
- Preparation of requisite presentations to IDD;
- Incorporating the IDD's suggestions/modification in the final pre-feasibility report.

As a part of the project documentation, KIPDC would submit the following to IDD:

- 1) Inception Report
- 2) Draft Pre-feasibility Report
- 3) Presentation on Draft Pre-feasibility Report
- 4) Final Pre-feasibility Report
- 5) Presentation on Final Pre-feasibility Report



## II. Sport, Leisure & Recreation

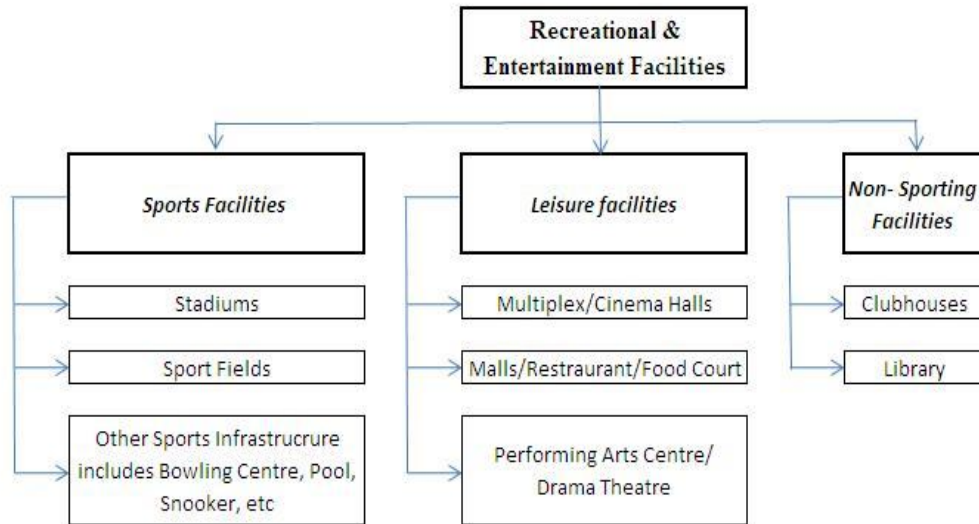
### 2.1 Overview

Talking of the busy life style people have especially in city like Bengaluru, which has seen the fastest economic upsurge in the last two decades and still experiencing, effectively leaving the citizen with no time for physical activities.

Majorly people spend their lives either at their workstation with minimal movements whatsoever or in their spare time they recreate with such activities which again provide minimal movements. On thorough analysis seriously our lifestyle is hugely flawed and which is being indicated by increase in number of diabetic, heart, depression, slip disc, osteoporosis patients, etc. This life style seriously lacks a sportive & physical activity which is so important to enhance one's power and adaptability to cope with the stressful and busy life style. This again demands a good state of art sports facility centre where people can come for recreation, relaxing and at the same time include some physical activities in their flawed life style.

On analysing the segment of entertainment to create a need for a sport, leisure & recreation centre, Sports still remains the primary tool to offer the most of the entertainment to society. One can't underestimate the critical role sport and physical activities playing in everyone's life.

Apart from sport the Globalization has had a deep impact on India in many positive and negative ways. It creates technology-driven industries yet spurs the migration of Indians with technical skills to other countries, creating a "brain-drain" at home. Likewise, globalization has impacted the recreational culture in India, and more specifically new ways of entertainment & recreation has also evolved in India. The following flow-chart attempts to explain the entertainment segment's categories and sub categories:



Bengaluru city is flooded with the second type of category of entertainment i.e Leisure Facilities. There are some more than 20 small and large sized malls in the city. Few major Malls of Bengaluru are:

- Forum Mall;
- Garuda Mall;
- Total Mall;
- Forum Value Mall;
- Bengaluru Central;
- Gopalan Factory Outlet Mall;
- Sigma Mall; etc.


and no less than 10-12 malls are coming in the near future which includes:

- Gopalan Mall at Old Madras Road;
- The Pavilion at Church Street off Brigade Road;
- Arcade on Whitefield road; etc.

Thus one can easily conclude that the leisure section of Bengaluru is well supplied with so many malls in the city. But on thorough inspection the other two sections Sports Facilities & Non-Sporting Facilities are not that well supported.

## 2.2 Sports Infrastructure in Bengaluru

Sports infrastructure in Bengaluru is fine and one can say that there are few centres in the sport section which provides quality infrastructure for that section of society which considers sports as a professional career. In these centres the facilities, approach & interest seems to be more career oriented. The following tables & charts briefs about the sports related infrastructure in the city:

Stadium Type of facility	Location & Description
Kanteerava Indoor Stadium Indoor Stadium	Kanteerava Indoor Stadium is a new landmark in the city of Bengaluru. The stadium, with an area of about 10800 m <sup>2</sup> , has a seating capacity of 4000 spectators and can be used of all types of sports and cultural events. Designed in the shape of an ellipse in plan view, the new stadium has a reinforced concrete roof instead of a more conventional fibre-glass roof.
Koramangala Indoor Stadium Indoor Stadium	This is a famous Government Auditorium located in Koramangala
St. Joseph Boys Cricket Ground Outdoor Stadium	The school has two play grounds one in the school campus while the other is the cricket ground on MG Road. The cricket ground is solely used for cricket training. All other sporting events take place in the ground within in the school campus.
KSLTA Stadium, Cubbon Park Outdoor Stadium	Karnataka State Lawn Tennis Association (KSLTA) is a primary centre for Lawn Tennis in the state. KSLTA conducts regular coaching sessions for different age groups.
	Originally named the Karnataka State Cricket Association Stadium, the ground was eventually renamed after M Chinnaswamy, who was the president of the Indian board from 1977 until 1980, and was involved in the administration of Karnataka cricket for close to four decades. The foundation for the construction of the stadium was laid in May 1969 and building began in 1970.
M.Chinnaswamy Stadium Outdoor Stadium	
SPT Sports Cricket Ground Outdoor Stadium	Sarjapur Road
B R Ambedkar stadium Outdoor Stadium	Basaveshwaranagar Main Road

Gallerske Outdoor Stadium	
Kanteerava Outdoor Stadium Outdoor Stadium	Richmond Road

<b>CRICKET CLUBS &amp; COACHING CENTRES</b>		
	Bengaluru City Cricket Club	Cambridge Road
	Karnataka Institute of Cricket	Near Ulsoor Lake
	Bengaluru City Cricket Club	New Tippasandra
	K S C A Cricket Academy	Bengaluru GPO
	Basavanagudi Cricket Academy	K. H. Road
	Brijesh Patel Cricket Academy	Lavelle Road
	National Cricket Academy	Bengaluru GPO
	Star Cricketers XI	Padmanabha Nagar
	Imtiaz Ahmed Cricket Academy	Brigade Road
	Brittania Roger Binny Cricket Academy	Indira Nagar
	Sirurpark Sports Club	Gandhinagar
<b>HOCKEY</b>		
	Karnataka State Hockey Association	
<b>GOLF</b>		
	Bengaluru Golf Club	Sankey Road
	Army Staff College and Centre	Golf Course, Domlur
	Eagleton Golf Club	Bengaluru - Mysore Highway,
	Karnataka Golf Association	Golf Avenue, Kodihalli
<b>TENNIS</b>		
	Karnataka State Lawn Tennis Association	Cubbon Park
	Garden City Tennis Clinic	Bellary Road,
	Tennis Advantage	Koramangala
	Tennis Village (C G K Bhupathi & Mahesh Bhupathi)	Malleswaram
	KIMS Tennis Academy	(Indian Gymkhana Club) Frazer Town,

	Kinesis Tennis Academy	HAL II Stage
<b>BADMINTON</b>		
	Malleswaram Association	Malleswaram
	Prakash Padukone Badminton Academy	Vasanthanagar
	Karnataka Badminton Association	Millers Tank Bed Area
	Canara Union	Malleswaram
<b>HORSE RIDING</b>		
	Equestrian Centre for Excellence	Sadashiva Nagar
	The Princess Academy of Equitation	Sadashiva Nagar
	The Embassy International Riding School	Bengaluru Viswavidyalaya
	Bengaluru Amateur Riders Institute	Race Course Road
<b>BILLIARDS &amp; SNOOKER</b>		
	KSBA	Miller Tank Bed Area
<b>ADVENTURE SPORTS</b>		
	Agni Aerosports Adventure Academy	Bellary Road
	CARE (Centre for Adventure & Rejuvenation of Environment)	Malleswaram
	General Thimayya National Academy of Adventures	Nrupathunga Road
	Jungle Camps & Adventures	Jayanagar
	Manav	Hebbal
	Merlin Nature Club	J P Nagar
	NAT VENTURE	Basaweshwarnagar,
	Ozone	Kumara Park (W)
	SAHAS	Ganesh Prasad Kirloskar Colony, 1st Stage
	The Adventurers	Rajajinagar
	Venture Adventure Club	Yelahanka
	Wildcraft India	Jayanagar,
	Wild Track Nature Awareness & Adventure Camp	Prakash Nagar
	Z Axis	V V Puram,
	Adreno	Vijayanagar

	Angel	Mahalaxmi Layout,
	Bengaluru Aerosports	Sahakar Nagar Post,
	Institute for Nature Resources, Conservation, Education, Research & Training	Seshadripuram
	Jungle Lodges & Resorts	M G Road
	Nataraja Gurukula Adventure Academy	Somanahalli Post
	Nature Surf Adventurers	Mahalakshmpuram,
	Sports Promotion Team	Koramangala
	The Karnataka Mountaineering Association	Gandhinagar
	The Wild	Jayanagar
	Vertigo Expeditions Pvt Ltd.	Richmond Road
	World Wide Fund for Nature India	Infantry Road
	Woody Adventures	Madhav Nagar,
	Youth Hostel Association of India (YHAI)	K R Road
	Youth Hostel Association of India (YHAI),	Off Queens Road
	YHAI (State Unit)	Jayanagar,

Such facilities in the city have its impact over the Karnataka's performance in sports festival of National Games.

Deciphering Karnataka's performance in 2007 National Games, state has earned total of 71 medals out of which 21 are golds and silver each and rest are bronze. Interestingly 19 gold medals were earned through swimming itself. Major contribution of these medals count goes to Bengaluru city as in the sports related infrastructure is mainly concentrated in Bengaluru which also played host to the 4th National Games of India in the year 1997.

Karnataka's Performance in National Games 2007:

Games	Gold	Silver	Bronze	Total
Athletic	1	1	0	2
Badminton	0	0	2	2
Cycling	0	0	1	1
Fencing	0	2	3	5

Kabaddi	0	0	1	1
Kho-Kho	0	1	0	1
Diving	0	1	1	2
Shooting	0	0	1	1
Swimming	19	13	15	47
Taekwondo	0	3	3	6
Tennis	1	0	2	3
<b>Total</b>	<b>21</b>	<b>21</b>	<b>29</b>	<b>71</b>

### 2.3 Government of Karnataka Initiatives

In addition to the Bengaluru's sport infrastructure, the above medal count for Karnataka should also be credited to the talent; dedication of Karnataka's athletes and also to the states support to infrastructure in Karnataka which has majorly been concentrated in Bengaluru. But now Government of Karnataka has allocated funds around Rs. 100 Crore under the 12th Finance Commission to Department of Youth & Sports with an objective to improve the sports infrastructure across Karnataka. The funds were released in four stages (2006-2007, 2007-2008, 2008-2009 and 2009-2010). Department of Youth & Sports have envisaged the need for common infrastructure for various sports in a form of Stadia, so they have decided to exhaust this fund in the construction of Stadia throughout the Karnataka.

As per the available information the Department is constructing more than 150 stadias and most of the work has been finished.

City	Total Project Cost (in Rs. Lakh)	No. Of Stadiums	Types of Stadiums
Bagalkot	62.88	2	Taluk Stadiums
Bengaluru Rural	108.97	3	Taluk Stadiums
Bengaluru Urban	1254.2		Hockey Stadium, Kitchen, Dev. Of Kanteerava, Girls Hostel, Classrooms, etc
Belgaum	481.57	7	Taluk Stadiums, Synthetic Track
Bidar	388	6	Taluk Stadiums, Indoor Stadium, Synthetic Track

Bijapur	346.78	3	Taluk Stadiums, Indoor Stadium, Velodrome
Chamarajanagar	66.64	1	Taluk Stadiums
Chikkaballapur	329.34	5	Taluk Stadiums, Swimming Pool
Chikkamagalur	140.5	1	District Ground, Sports Hostel
Chitradurga	966.74	8	Taluk Stadiums, Swimming Pool, Synthetic Track, Yuvabhawan
Dakshina Kannada	209.31	3	Taluk Stadiums
Davangere	203.9	6	Taluk Stadiums, Swimming Pool, Indoor Stadium
Dharwad	217.37	3	Taluk Stadiums, Indoor Stadium, Gymkhana Grounds
Gadag	513.52	5	Taluk Stadiums, Synthetic Track
Gulbarga	300.84	6	Taluk Stadiums, Swimming Pool
Hasan	373.75	6	Taluk Stadiums, Indoor Stadium
Haveri	312.51	6	Taluk Stadiums
Kodago	894.24	4	District Stadiums, School Sports Centre, Yuvabhawan, Synthetic Track
Kolar	395.87	5	Taluk Stadiums, Indoor Stadium, Sports Hostel
Koppal	235.42	3	Taluk Stadiums, Sports Hostel
Mandya	248.48	5	Taluk Stadiums
Mysore	150.24	4	Taluk Stadiums
Raichur	352.05	5	Taluk Stadiums, District Stadium
Ramanagaram	331.75	4	Sports Centre, Taluk Stadiums, Swimming Pool
Shimoga	170.12	3	Taluk Stadiums
Tumkur	321.75	4	Sports Hostel, Taluk Stadiums



Udupi	34	1	Taluk Stadiums
Uttar Kannada	141.9	4	Taluk Stadiums
Multi Gym	58.2	50	50 Centres

## 2.4 Demographics & Demand

As mentioned above the sport infrastructure of city generally provides quality infrastructure for that section of society which considers sports as a professional career. In these centres the facilities, approach & interest seems to be more career oriented.

This creates and establishes a demand for such centre which promotes a concept to provide an opportunity for that segment of society who play games/sports for entertainment, fun, and rejuvenation rather than take games as career. A place where families come and the few members of the family plays a game of tennis/golf/squash or a swim while the other members mainly wife and kids can also hang around in the food court, club house, etc.

Many benefits are also derived from the investment in sport, leisure and recreation opportunities have a positive impact on the regeneration of urban centres, which includes:

- Building a strong community spirit;
- Providing opportunities for young people to develop lifelong skills;
- Increasing the motivation and self esteem of young people;
- Reducing crime levels;
- Providing strong tools in the fight against drugs;
- Attracting people from outside the area to work and participate in newly developed communities;
- Improving the health and lifestyle of people in the local community;
- Increasing the economic profile of the area.

The rationale for a concept of development of Sport, Leisure & Recreation centre should be grounded in quantifiable demand. To assess this demand and for undertaking the need analysis through demographic statistics, the following segment of population should be kept under thorough consideration which includes:

- Men & Women
- Economically well-off population
- School Children

- Disabled population

The following demographic profile of the city will help in assessing the demand:

Bengaluru is India's third most populous city and fifth-most populous urban agglomeration. Bengaluru is one of the most socially-economically advantageous areas in India.

The current profile of the city is:

- Total Population: 6537124
- Migrant Population: 62%
- Literacy Rate: 83%
- Total Households 1460697
- Households without toilet: 92,313
- Male Population: 3426599
- Female Population: 3110525
- Disabled population: 94228
- IT professionals in Bengaluru: 3.5 Mn

***Inferences drawn from the above data:***

- Out of the total number of households of Bengaluru, 92313 households probably belong to economically very low section of the society. This section is not among the target segment for the sport, leisure & recreation centre.
- 10% of the households of the total economically well off section of society, are upper middle income group and above.

Thus the computation for the total target households comes out to be

**(Total Household-BPL Households)\*10% = 1.35 lakhs**

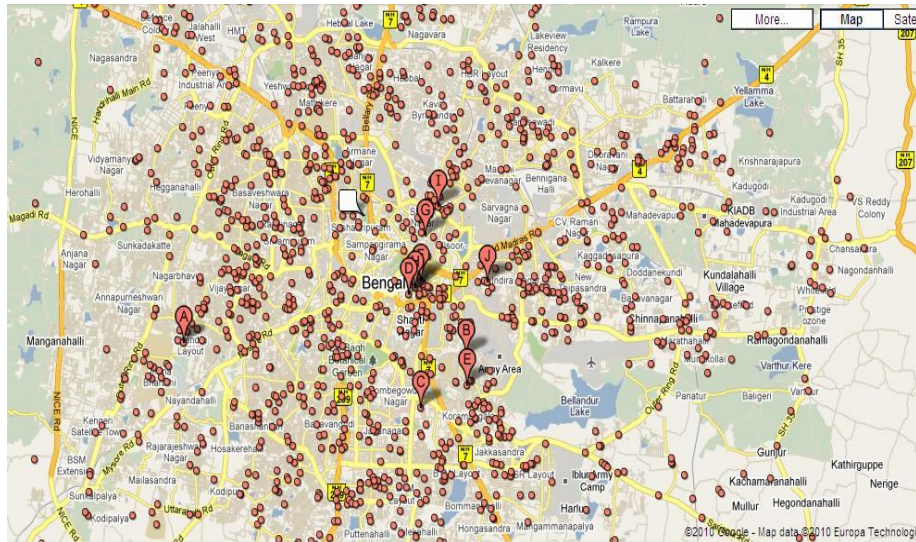
- In terms of target population, Total numbers of IT professional in the city are 3.5 lakhs. 60% of this entire population is certainly the target segment for the centre which makes out to be around 2 lakhs.

School's Statistics of the city is:

The current profile of the city is:

- Secondary School: 1076
- Higher Secondary School: 131
- *Schools with ICSE syllabus: 103*

- Schools with CBSE syllabus: 91
- Schools with International syllabus: 29



**Fig I- Red circles denote schools while Red parachutes denote International schools, Bengaluru.**

The following references can be drawn from the school's statistics:

- The children of ICSE, CBSE and International syllabus will be considered under the target segment of the proposed Sport, Leisure & Recreation centre.
- Average number of students of school is around 800 students.
- Total students from the ICSE, CBSE and International types of syllabus makes 180,000 students.
- The population of the above mentioned students indicates and validates the above assumption of around 1.2-1.4 lakhs households to be the target section for the sport, leisure & recreation centre.

### III. Project Objective

The objective of the Pre-feasibility study analysis is to determine the market potential and feasibility of Sport, Leisure & Recreation Centre. , which will ultimately serve as the basis for the business plan and economic impact analysis to support funding of this project by public or both the public & private entities simultaneously on PPP format. The highlighted areas through which the study will lead to conclusion:

- Assess the potential market demand for the project;
- Ascertain the scale of magnitude of the project;
- Determine the most appropriate site or sites for the facility, including potential for co-located facilities;
- Forecast order-of-magnitude capital and operating costs & income;
- Estimate economic benefit to the community this type of facility may yield;

## IV. The Project Concept

### 4.1 Background

Over the last two decades, the role that destination tourism attractions, such as Sports facilities, play in their communities has changed markedly. Whereas two decades ago, the common tactic was to develop single-purpose facilities with the intent to serve the one possible cross section of a local community, today's facilities are often developed with the intent of attracting a multi-purpose niche of visitors to an area and, as such, are marketed based on their ability to generate economic activity. As this has occurred, society has also become more mobile and time constraints for families much greater, which has translated to the rise of short duration, purpose-driven family trips that coincide with tournament and competition lengths. For communities, the single-purpose entertainment and sports market has led to changes in development strategies and the emergence of facilities and attractions that offer specialized, distinct, and fee-for-service amenities that appeal to everyone. In addition to the factors mentioned above, the following characteristics have also contributed to this evolution:

- For sports facilities that are typically not self supporting, the rationale for development is often combined with the value it creates for the community through increased visitation, and thus, fiscal return based on increased lodging, restaurants, or retail spending. In this instance, sports facilities can be positioned as an economic development vehicle, rather than a community resource, although certainly the local residents use and benefit from its presence.
- The quantum of funds needed to supplement the infrastructure and other urban development projects is too high to be solely borne by the government is almost impossible. Thus for the smooth and efficient functioning of selected public sector functions can be operated as enterprise systems (e.g. use fees to minimize operating support) or on PPP basis.
- PPP trend is most notable in sports facility operations where recent fiscal constraints have led to increased reliance on revenue self-generation for sports facility initiatives.

The above changing trends and culture creates a demand for developing a Sport, Leisure & Entertainment centre, where families come and the few members of the family plays a game of tennis/golf/squash or a swim while the other members generally wife and kids can also hang around in the food court, club house, etc.

This will also satisfy Bengaluru's requirement of state of art sports infrastructure, and at the same time treated as a fun centre for the every member of a family. The concept can be summarised as a complete fun & entertainment package for every visitor of the centre irrespective of age, sex or interest.

The broad components of the centre will be consists of three zones

## 4.2 ZONE I

This **Sport Zone** will provide the state of art facilities for various sports inducted in the centre. The sports included in the centre are those for which a strong affinity persists in local area but seriously lacks sports infrastructure needed. The list of sports includes:

- Soccer / Rugby / Baseball
- Cricket
- Golf
- Lawn Tennis
- Skating, etc

The Sports Zone will primarily provide state of art:

- Standard size Soccer/ Rugby/Cricket/ Baseball/Hockey Field;
- 18 hole Golf course;
- Lawn Tennis academy providing world class training ;
- 2 Skating Rings.

## 4.3 ZONE II

This can be termed as **Utility Zone** which will provide the complementary services for the multi sport recreation facility. This includes parking space, cafeteria, sports equipment stores, Clubhouse for activities related to Golf, Kitchen for tournaments and other events, etc.

#### 4.4 ZONE III

**Entertainment/Leisure Zone** will cater to the entertainment demands of the visitors. Still to maintain the essence of the Sports, Leisure & Recreation Centre only those recreational activities or programmes have been added which somehow or other are related to sports. With this intent it is proposed to make available following leisure programmes:

- Bowling Alley;
- Go carting;
- Health & Sports Clinic;
- Food court with big multimedia screens showing biographies, live International matches, and also telecasting the matches/tournaments being scheduled in the Sport zone of Sports, Leisure & Recreation Centre. The other characteristics of these food courts/ restaurants in the Zone III will serve the favourite dishes of famous sports celebrities.

The prime objectives behind setting up of Zone III is with the intent of attracting a multi-purpose niche of visitors to an area and, as such, are marketed based on their ability to generate economic activity and thus leading to project viability. From the other perspective such type of zone is also needed for the visitors who would accompany their children who come to participate in any sport. The time when kids/children are engaged with his/her game, the accompanying visitor can also be provided with something wherein they can enjoy their waiting time.

## V. Participatory Sporting Trends & Facilities Proposed for Sports Zone

For the Sports, Leisure & Recreation Centre, the challenges inherent in developing new destination attractions such as a sports/entertainment complex ,supporting games like Golf, Lawn Tennis, Skating. etc, is to design a specialized but flexible facility that will accommodate enough demand (e.g. attract visitors and events) to justify development, and to ensure that this facility is distinct in relation to other regional, or even national offerings. The underlying intent is to create a total destination package that builds on current offerings such as the Sports Complexes, Food courts, surrounding golf courses, and introduces a new level of appeal that extends the economic role and contribution of travel and tourism to this Sports, Leisure & Recreation Centre at Bengaluru. In analyzing the potential for a youth-oriented sporting complex in Bengaluru, we first addressed the following framework questions:

- Is there sufficient market demand to support the infrastructure for suggested sports?

An examination of the market demand of every sport which have been inducted in the Sports, Leisure & Recreation Centre is vital for the complex, particularly when the attraction is geared toward a specific segment of society. So the analysis of market demand will cover each and every sport inducted in the complex, so as to provide a strong thrust for the induction of a particular sport.

### 5.1 Components of ZONE I and Participatory Trend of Sport in Bengaluru

#### 5.1.1 GOLF:



India bags the honour of being the first country outside Britain to adopt the game of Golf. Playing golf in India is an interesting experience due to the diversity of its golf courses. The ambience of each golf course spread wide through the mountains, plains, and deserts and also at the beach resorts; is quite unique; characterized by its culture and history. These distinguishing golf courses have made India an ideal destination for Golf.



As per the findings of Research and Survey of Markets by a Dublin, Ireland market research firm has claimed **“Golf Market In India And China Will Be Growing Over 28% Annually In The Next Five Years”** This proves that there is a huge affinity for Golf which is going to see an upsurge in the coming years.

Generally Golf is considered to be a elite’s game and incidentally Bengaluru which is a home to millions of elites as in most of the global IT companies have their branches in Bengaluru.



Talking about Bengaluru, city itself is in huge demand of Golf courses. Presently Bengaluru has four Golf courses which still remains short on the supply side. The following list indicates the presence of Golf Courses & Clubs near Bengaluru

- Karnataka Golf Association, 1, Golf Avenue, Kodihalli, Bengaluru - 560 008  
Ph: 080 25298841/45-47/25299282
- Bengaluru Golf Club, High Grounds, Sankey Road, Bengaluru - 560 052  
Ph: 080-22281876, Fax: 080-22257997
- Army Staff College and Centre, Golf Course, Domlur, Bengaluru, Karnataka
- Eagleton Golf Club, 29th Km, Bengaluru - Mysore Highway, Bidadi Industrial Area, Bengaluru.  
Telefax: 22632222, Mobile: 9845691121 / 9845074687 / 9845074688

All this clubs offer membership for different categories which generally includes Permanent Membership for a lifetime, Corporate Membership for 10 to 20 years with an upper cap of not more than two persons, One Year Membership.

The rates range for different membership from 50k to 1000k. And on an average each Golf club receives some 600 to 1000 applications for membership annually.

Presently India’s average number of club members is up to 1,300 people, ranking the most in the world. Thus the above market assessment and statistics proves that the Country and in particular Bengaluru needs a state of art world class Golf Course & Clubhouse. This Golf support will not only provide a Golf course for the veteran golf playing community rather will also offer Golf

training for people who have affinity for the sport but they are untrained in the sport.

### 5.1.2 LAWN TENNIS:



Sport is a great unifying force. It gives young people confidence and direction on and off the field. It creates winning attitudes and positive mindsets, births passion and ignites healthy competition. Cricket, India's favourite sport thrives because of extensive funding and the love people have for it. However, at the India a team level, it only provides opportunities for a limited number of champion players.

Tennis is different- it is an individual sport, allowing many more people the chance to shine, to carve out their own paths in the race for rankings.

Tennis is no longer seen as an elitist sport in India- it has now grabbed the interest of kids from every corner of country. India has had superb players over the years, but now, young, cool, inspirational role models like Mahesh Bhupathi, Leander Paes and Sania Mirza performing brilliantly in the world arena has youngsters all over the country enthused with the spirit and commitment to take up this most challenging of games. Sania's tremendous rise and talented play in the last few years has made her a superstar, and an excellent role model, especially for girls in India.



India is also host to four international annual tennis events- two WTA events and two ATP events which have brought down international greats such as Martina Hingis, Martina Navratilova, Tommy Robredo, and Tomas Berdychm to the delight of Indian tennis enthusiasts.

Even though we have the latent potential, we have some superb trainers and we even have resources and equipment available. But unfortunately there is the fact of minimal, ad hoc government or association support for tennis in India. Compare this to the UK, the US and China who have established and well-oiled systems to identify and nurture sportspersons. The UK has a budget of over 15 million pounds per annum for tennis alone. But unfortunately no such budget is allocated for the game inspite of being blessed with the talent like Mahesh, Paes. Sania, etc.

Bengaluru has its own share of such lawn tennis academy but still demands many more. The list is as follows:

- Karnataka State Lawn Tennis Association Cubbon Park, Bengaluru GPO, Bengaluru 560001.  
Ph: 080-2869797
- FIST (FOUNDATION FOR INDIAN SPORTING TALENT), # 339, 1<sup>st</sup> Floor, 1st Main Road, Cambridge Layout, Ulsoor, Bengaluru 560 008.
- Tennis Village (C G K Bhupathi & Mahesh Bhupathi), 183/4 Tindlur Road, Vidyarayanpura Post, Malleswaram, Bengaluru 560003  
Ph: 23641747
- KIMS Tennis Academy, 5 Wheeler Road, (Indian Gymkhana Club) Frazer Town, Bengaluru 560005
- KINESIS SPORTS PVT.LTD., 1630, 6th Main, E-Block, AECS Layout, Whitefield, Bengaluru - 560037  
Phone: +91-80-41162962/41482020.  
E-mail: info@kinesisnet.com, <http://www.kinesisnet.com>
- Tennis Advantage, Koramangala, Bengaluru 560034  
Phone: 31845296
- Garden City Tennis Clinic, Bellary Road, (Maharaja Jayachamraja Wodeyar Tennis Centre), Malleswaram, Bengaluru 560003  
Phone: 23467421

The above long list of tennis academies in Bengaluru proves that there is a huge population which has a strong affinity for the game of tennis, not only as a sport rather as a career too. But most of the academies are based in highly developed area of the city i.e central and south east of Bengaluru.



This induced an idea to include Lawn Tennis in the peripherals of Bengaluru which could serve the public of neglected regions of Bengaluru in terms of lawn tennis academies.

The Sports, Leisure & Recreation Centre at Bengaluru will provide a Lawn tennis academy which will provide world class eight deco turf tennis courts and support in the form of training, global exposure and expert guidance to young people who wants to pursue the game as a professional career. The

academy will offer its world class services to those who opt to pay a reasonable amount to avail such world class state of art training and associated services.

### 5.1.3 SKATING:

Skating in India is largely looked upon as a pass-time and mere fascination for children. But when it comes to competition it takes on a whole new dimension. Indian team is now participating at various international tournaments.

It is very obvious with good coaches and infrastructure it's just a matter of time (with such high participation), that game will take a speedy pick up. Karnataka State has produced maximum international skaters for India, more than 30 to 35 skaters are International skaters. M.S. Rakshith Gowda is a two time International skater who representing V.M.R.S.Club in Mysore.



Skating is indeed one of the fastest growing sports in India. But, many cities do not have a single dedicated rink and rather have to share the sports in common areas or practicing at dead end roads during night time. In order to take the effort and performance further and to bring an end to this dangerous style of skating

on roads and dead ends, the complex will induct 2 skating rink.

### 5.1.4 CRICKET/HOCKEY/SOCCER/RUGBY/ BASEBALL:

#### 5.1.4.1 CRICKET

Cricket is the de facto national sport of India, and its development has been closely tied up with the history of the country, mirroring many of the political and cultural developments around issues such as caste, religion and nationality. Though cricket is indubitably the most popular sport in India, it is not the nation's official national sport (a distinction held by field hockey). But cricket which is now no less than a religion for our nation and the demand for cricket fields are ever increasing. Leading local cricket clubs and associations have now and then demanded for many more cricket grounds.



With the new stadiums coming in the capital it would go a long way in harnessing the budding cricketing talents in the state which will take the legacy forward which Karnataka & Bengaluru carry in the field of cricket and

would also create a positive environment for the future of the game.

#### 5.1.4.2 HOCKEY

**H**ockey is the national game of India. Welcome to the HARSH reality. Yes hockey is the national game of India and probably more than 50% of the population would be unaware of this fact due to the fact that this has been over shadowed by the most popular game called Cricket. There were no sponsors of the game and the only thing which it survived on was the meagre government grants given to IHF. The game lacks a proper physical infrastructure to a great extent.



Hockey players want better facilities as everyone believe the standards are the 'lowest bar none' in the country. The facilities provided are of an extremely poor standard.

In a survey done with a sample size of 100 people, the major reasons for the downfall of Indian Hockey was tried to determine. The findings of survey are given below:

S. No.	Sub Factors	Agree (%)	Disagree (%)	Undecided (%)
1	Lack of quality games teachers in schools	100	0	0
2	Lack of quality coaches	100	0	0
3	Lack of media support(Television, News, Radio, Magazines)	100	0	0
4	Unfair means at junior level competi	100	0	0
5	Lack of special incentives (jobs, educational, advancement, scholarships, awards etc)	96	04	0
6	Lack of International level standard facilities	100	0	0
7	Lack of nutritional support	100	0	0
8	Lack of psychological preparation (dedication, devotion, killing	100	0	0

	instinct, determination )			
9	Unfair means in selection of players	100	0	0
10	No technical / tactical improvement against the standard game of world (selfish game pattern, lack of team combination )	100	0	0
11	Lack of physical fitness	100	0	0
12	Lack of astro-turf hockey grounds	100	0	0
13	Lack of short term / long term planning	100	0	0
14	Lack of funds and incentives on the part of the government where traditionally hockey players have not been produced	100	0	0
15	Low allocation of funds to sports	100	0	0
16	Mis-utilization of funds	100	0	0
17	Players lost interest in the game	62	32	06

From the above survey it is very clear that the root of the case is the poor infrastructure, almost no facilities, no proper administration, no effort to groom the sport at the school level.

Hockey is not considered as the game of elite class. It is basically a game patronised by middle classes. Now middle classes have also started sending their children to Public schools which basically cater to the needs and interests of elite class and thus do not encourage the game. As a result middle class children are not getting the opportunity of playing hockey at school level. Lower middle class and lower class children who form the bulk of school children in Govt. Schools are unable to afford the game at higher level even if they get some chance to play the game at school level.

An infrastructure can be proposed which could help the students with interest in our national game and who have the talent which needs nurturing, proper infrastructure and coaching. So with this intention we propose a small hockey academy where not only field will be provided to practise rather a proper

coaching program will also run under an able guidance of expert coaches to all those who have the passion and talent for the game.

#### 5.1.4.3 SOCCER

In terms of television audiences, football is pretty popular in India also in terms of absolute number of viewers. If not anything, it is becoming fashionable among Indian youth to support some club even if they don't know a thing about football and this in turn leads to many people getting hooked for playing the sport. So in terms of viewership yes the popularity of football is growing.



However in terms of domestic football the situation is not exactly same. Quite a few states are really into football; namely Goa, West Bengal and Kerala. The stadiums have a descent viewership for the matches between East Bengal, Mohun Bagan, Churchill and Dempo. In the streets, the game has always had a cult following, and many sports commentators acknowledge domestic soccer out performs domestic cricket in India. A final league match between Mohun Bagan and East Bengal in Kokata's Salt Lake stadium attracted 130,000 fans. But it is virtually unheard of that fans have actually travelled with the team for matches as it happens in Europe.

This disconnect between the growth of soccer in terms of viewership and as a playing sport on the field is huge and this disparity could be transformed with adequate infrastructure facilities.



It is yet to be seen if the domestic league in India will gain support and be able to grow talented Indian soccer players to be able to qualify India for the World Cup in the future. It is now unclear what the future effects globalization will have on the sporting culture of India.

The sorry state of affairs for the game is highlighted by the fact that the Indian team has to go to other countries to practice, as there isn't a single stadium in the country which could be deemed world class.

So to promote a game which has such a high viewership, steps should be taken to encourage more players to take up the game. Experts firmly believe that

nation has great talent in soccer maintaining players are provided with the good infrastructure, state of art facilities.

#### 5.1.4.4 RUGBY

India has been identified as a 'target country,' along with China and Mexico by International Rugby Board, Greg hails from Hawkes Bay on the east coast of New Zealand's north island. Presently rugby is being played in 32 different cities spread throughout the entire nation from Kashmir in the north to Kerala in the south, and from Mumbai in the west to Assam in the east as per the statistics of the Mr. Greg Davey, Development Manager, for Indian Rugby Football Union (I.R.F.U.).



According to IRFU 51 senior clubs who compete in the annual championship in three divisions of 12 teams. Growth of the sport over the last three years has been quite phenomenal with an increase in clubs from 20 to 51 and an increase in active adult players from 5,000 to 17,000.

The interest in the game in schools is even more astonishing. There are currently development programmes in 322 schools with 250 more on a waiting list. Mr. Davey has a full-time staff of 23, including four IRB educators who strive to service this enormous demand on their resources. With its history of British rule rugby was until recently as an elitist sport. That however is no longer the case. Efforts are being made to resurrect rugby in the traditional fee paying schools and being also taken to the government schools.

Many programs for the game are being also fully supported and sponsored by the Sports Authority of India. Players come from all walks of life, and India determined to build for the future has turned its back on importing players of Indian heritage for national & international competition.

The national team for rugby has not fulfilled anywhere near its potential only because of issues like funding, lack of experienced coaches, added to the huge distances which players have to travel for grounds, which are so less for the





game, in order to train themselves have all hindered progress.

Opportunity for the growth of rugby in India is only a matter of increasing exposure to the game. So again infrastructure is needed for the promotion and encouragement of the game of Rugby.

#### 5.1.4.5 BASEBALL



Baseball, which is now an Olympic sport, is played in many other countries, especially in Latin America (particularly Cuba), Europe, and Japan where it has a huge following. It was first introduced to Japan by an American, Horace Wilson, in 1872. The professional game has existed for some 50 years. There are two leagues, Central and Pacific, and a total of 12 teams. American clubs often tour Japan at the close of the regular season. At school and university level, it is extremely popular. Each summer 4,000 secondary schools take part in the All Japan Baseball Tournament, which is held near the city of Osaka. And it is played in India too.....

#### BASEBALL INDIA AT A GLANCE

- The Amateur Baseball Federation of India was formed in Dec 1983.
- First National Baseball Championship was organized in Feb 1985 at New Delhi.
- The Federation was affiliated with the Baseball Federation of Asia & International Baseball Federation in 1985.
- The Federation was recognized by National Federation by the Ministry of Y/A & Sports, Govt. of India in 1991.
- The Indian team participated in the Asian Baseball Championship in 1987 at Tokyo & in 1989 Seoul.
- The Indian Baseball team won the Bronze Medal in 1st Asian cup Baseball Championship in 1995 held at Manila, Phillipines.
- The Federation organized 3rd Asian Cup Baseball Championship in 1999 at Chandigarh and got Silver Medal.

- The Federation has sent baseball team 11yr, 15 yr & 17 yr in the Asian Baseball Championship held at Tokyo, Seoul and Taipei in which Indian team performed well.
- Baseball was introduced in School National Games in 1999 by School Games Federation of India.
- The Federation was recognized by Indian Olympic association in 2002.
- SAI Introduced Certificate Course for baseball in NIS in 2003.



- Baseball Clinic conducted by MLB coaches at Chandigarh in 2006 - Chennai and Hyderabad in 2007
- 26 States Affiliated. Associations to its credit.

The Baseball game has been included in the school game by the **School Games Federation of India** since 1998. The Federation succeeded to introduce Baseball game at Grass Route Level. Sports Authority of India has introduced certificate course for Baseball Coaches at N.I.S Patiala. Thus again many more efforts and infrastructure is needed to take forward the game.

To cater the infrastructure needs of the above sports (Cricket, Soccer, Rugby and Baseball) a big playground is being proposed. The ground will be on par with the best grounds. It will provide the facilities and services to the Indian sports community, and attract events that may have previously bypassed Bengaluru city. The ground will provide the ultimate arena for sports events and a home for the local community to come and support their states team, and inspire future generations to be a part of the Karnataka sporting culture.

The Sports, Leisure & Recreation Centre at Bengaluru can provide an icon for the city, a place with which people will identify, it can be a tangible focus of community consciousness and social bonding, a place representing urban pride, a place where one feels part of something important, a place to share and enjoy with friends. It can be a place for sports education & training, venue for sports events, venue for entertainment, providing a total experience for all who

visit, from the players to the event organizers, through to the average spectators – so they will want to return again and again.

The development of such a state of art facility should be carried with the objective of:

- Development and coordination of sport and sports competitions
- Improve the physical fitness and recreational education of the people of Bengaluru and Karnataka.
- Educating youth through sport practised in accordance with Olympism - Develop and implement a comprehensive, coordinated program for the management, promotion and scheduling of a wide range of national and international athletic training and competitive opportunities that maximize the utilization of the state of art sports infrastructure facilities.
- Encouraging and supporting initiatives blending sport with culture and education
- Facilitate functional and economical sports facilities in cooperation with national or international bodies

The vision for a world class facility will be more than just a standalone development that opens for events, it should be integrated into the fabric of the urban environment and be part of, and help to create its surrounding community – whether that be residential, a sporting precinct or commercial. It can effectively provide a stimulus for urban renewal or regeneration. Thus with this objective the Sports, Leisure & Recreation Centre at Bengaluru will also be complemented by **ENTERTAINMENT ZONE AND UTILITY ZONE**.

## 5.2 Components of Entertainment Zone & Utility Zone

### 5.2.1 TEN POINT BOWLING ALLEY:



The modern, indoor game of bowling has long been seen as a sport of the working classes. As the sport became increasingly regulated and generally gained in prestige. Although it has

not shed its working class image entirely, today bowling is no longer only a unisex sport, and is enjoyed by people the world over.

It is not so that, it is entirely a working class game, the sport's image among the upper classes can also be enhanced by the opening of more luxurious and elegant alleys. Bengaluru which has a good mix of working class and higher upper income class, the game is bound to receive extraordinary demand.

The existing alleys in the city are more or less full to their capacities on weekends and holidays. And also attract descent crowd on weekdays. The inclusion of the game is also on the basis that bowling is treated as sport by a large wing of society and also considered as one of the most affordable entertainment apart from regular movie watching and food.

### 5.2.2 GO CARTING:

Roaring engines, screeching spins, sharp contours, thundering speeds...the adventure and glamour of motorsports have always turned on the passions for billions, around the world including Bengaluru. People in Bengaluru have the craze and frenzy for the sport, and they are offering to spend money maintaining the facilities are offered.

The other interesting part of this attraction is one don't need to get intensive training and scout out sponsors to experience this fun...thanks to Go-carting, the down-to-earth cousin of motor racing. Induction of this fun-sport will definitely increase the attraction for the Sport, Leisure & Recreation Centre and will also boost up the revenue sources of the complex.



### 5.2.3 SELF-CONTAINED UNDERWATER BREATHING APPARATUS (SCUBA) DIVING:

Scuba Diving, the adventure sport in the fascinating world under water, is a major contributor to the tourism economy of every tropical nation with a coastline. But the passion to have that experience in non coastal places is still a dream.

Scuba diving may be performed for a number of reasons, both personal and professional. Most people begin though recreational diving, which is performed purely for enjoyment and has a number of distinct technical disciplines to

increase interest underwater, such as cave diving, wreck diving, ice diving and deep diving.



Thus, with the intent to provide the facility for the scuba lovers in the city itself this facility is also inducted. This is definitely treated as a fun sport across the world though there are professional scuba divers also employed for oil exploration, naval diving, including the repair and inspection of boats and ships, salvage of wrecks or underwater fishing, like spear fishing.

#### 5.2.4 SPORTS MEDICINE CLINIC:

The healthcare facility for athlete is in very nascent stages in the country and very few dedicated centres are found across the country. Sporting activities, where injuries are like part & parcel of the game, such type of clinic with the objective of providing the state of the art with comprehensive medical facility for athlete is a necessity.



Sports medicine clinic is a specialized establishment placed within the sport, leisure & recreation centre to provide every athlete to get high level of modern sports medicine care. In order to nurture the career of an athlete at an affordable price, so that they can excel in performance of any sport at international level, this facility can be a boon.

#### 5.2.5 HEALTH SPA:

A health spa is wellness in its purest form and the concept of the Spa is towards pampering, wellness, anti stress, preventive and curative treatments based on the Indian ayurvedic practices.



Health Spas offer a gamut of authentic and traditional wellness treatments and experiences in most traditional yet modern way. Spas discover natural therapy through the combination of traditional ayurveda and innovations.

Sessions at health Spas offer relaxation and rejuvenation to create a balance between body, mind and soul.

It will consist of ayurveda therapy rooms which are traditionally designed with an individual shower and steam room where the therapist delivers pampering & dreamy treatments.

### 5.2.6 SPORT ACCESSORIES OUTLET & FOOD COURT:



This section will be a leading specialist store dedicated to providing the latest high performance sportswear and accessories to athletes of major sports at every level of ability and interest

This section also houses a food court dedicated to the demands of the visitors of the Entertainment Zone.

Thus, summarising the entire multi sports recreation facility centre will be consisting of three zones. **ZONE I**-This **Sport Zone** will provide the state of art facilities for various sports inducted in the centre. Out of these sports majorly those sports have been included for which a strong affinity persists in local area but they seriously lacks sports infrastructure needed for the respective sports.

**ZONE II** and **ZONE III**, the utility zone and entertainment zone respectively is established with the intent to provide a place where those visitors, who have come to along with the visitors came to visit the sports zone, can rejuvenate, enjoy and fun around the provide offerings of bowling, go carting, health spa & food court. This zone also houses sports clinic is a dedicated establishment which will take care of medical issues/injuries of the athletes.

## VI. Site Options & Implementation Framework Options

### 6.1 Site Options:

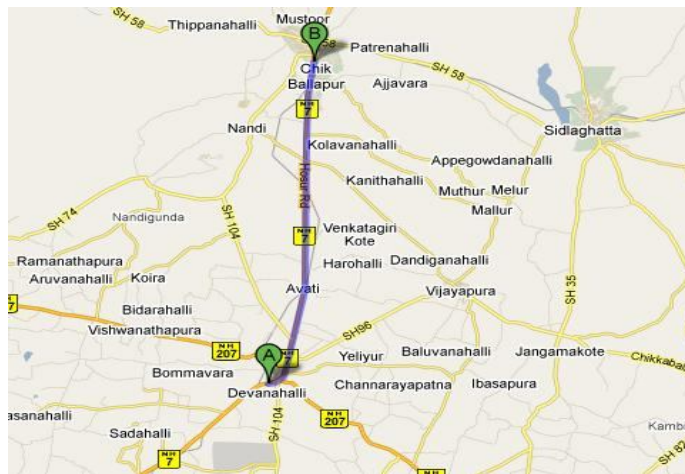
An assessment of peripherals of Bangalore was carried to identify tentative zones for locating the Sport, Leisure & Recreation centre.

Given the proposed infrastructure is almost 61 Hectares with the following bifurcation

- Golf + Clubhouse - 50.00 ha
- Sports Zone - 8.00 ha
- Utility + Entertainment Zone - 3.25 ha

, the availability of the land within the city limits of Bengaluru is a very difficult proposition when the city is on the verge of reaching saturation point in terms of land availability. Under this consideration, a site was examined in conjunction with the land requirement for this project.

**Fig-II: Chik Ballapur distance from New International Airport, Bengaluru at Devanahalli .**



As per the discussions with the officials of Department of Youth & Sports, department approached Government with a proposal to develop sports city on land (around 600 acres) at Chikballapur.

The development of Sport, Leisure & Recreation centre can be taken up in the mentioned land of ChikBallapur. The facility proposed by Department of Youth & Sports of developing a Sports City in the area will be well complemented by a facility like Sport, Leisure & Recreation Centre.

Chikballapur is just 20 mins drive or 22 km in distance from the New International Airport of Bengaluru at Devanahalli. The advantages and disadvantages related to the identified land are as follows:

**MERITS:**

- Good connectivity in future, owing to the close distance of the proposed site with the New International Airport.
- New facility will be receive greater appreciation and attraction, especially for the offering like GOLF; Lawn Tennis; health Spa, from the air travelers of New International Airport and will add on the estimated demand for the sport, leisure & recreation centre.
- Will be of its kind of centre in Bengaluru, promoting sport and entertainment under a common roof.
- IT concentration in Bengaluru will again augment the demand for the proposed centre.

**DEMERITS:**

- Presently, huge distances from many residential localities of Bengaluru.
- Increased operational expenditure of the sport, leisure & recreation centre due to the connectivity issues.
- Complexities involved in the operation & maintenance of the project.

## 6.2 Implementation Framework Option- PPP Format:

The Sport, Leisure & Recreation Centre would be most amenable to PPP structuring, because of the following factors:

- a. Package of great entertainment: the developers are generally reluctant to take up the entirely sports based projects on PPP due to high capex and less returns. But the proposed Sport, Leisure & Recreation centre is not specifically a hard core sports infrastructure project, rather it is a combo pack of sport entertainment plus usual lifestyle entertainment such as food court, bowling centre, go carting, health spa which generally promise of good returns over the concession periods receive better appreciation from the developer/implementation.
- b. Good Returns over Investment (ROI): The preliminary financial analysis and appraisal of the project suggest good return over the investment made on the project.
- c. An instrument for Sustainable Development: Holistic approach towards appropriate collaboration of sustained 'Public Interest' and provides an



attractive commercial option to Private Sector Developer for meeting the social needs of today.

- d. PPP for Private Efficiency and Capital: The PPP arrangement would redefine structuring and provisioning of services, would enhance competition, induct efficiencies in financing, construction, O&M, service delivery etc. the induction of a private sector partner accompanied with regulatory reforms shall attract private investments, improve the quality of services & supplies, achieve consumer satisfaction levels and at competitive prices.
- e. Equitable risk allocation: Suitable packaging of roles and responsibilities of prime stakeholders of this development shall help the Government in meeting its set objectives and yet provide private sector with returns over its investments, thus balancing and mitigating risks pertaining to the project.

### 6.3 Benefits of PPP in Sports Infrastructure

Public-Private-Partnership (PPP) projects in sports infrastructure would meet some of the following criteria and support the development of sports facilities for the athletes in the country:

- (i) It will support the achievement of the Karnataka Sports Authorities,
- (ii) It will promote sports which has a huge demand among the public but minimal or no infrastructure for such sport.
- (iii) It will focus on supporting efficient resource development, and
- (iv) It will respond to the economic and social needs of the country's population
- (v) It will encourage the development of business models that can be scaled up and copied and will be commercially sustainable
- (vi) It will help in enhancing, developing and delivering sporting opportunities to communities throughout the region

#### 6.3.1 REDUCE INITIAL CAPITAL INVESTMENT:

The sport, leisure & recreation centre would need development over a large area and will be a capital intensive project. In such a sort a development private player will be appointed who will be responsible for contributing start up capital and will be paid back through servicing fees and other sources of income during the concession period, which will be atleast 20 years. Government is not usually required to pay initial capital and/or provide debt guarantees.

A shift from traditional model of fully relying on public funding favours sustainable development, particularly when governments are facing budget constraints and at the same time are under strong pressure to improve service levels.

In the state of Karnataka, Sports Authority of India has approached various private sector business organisations for setting up national and regional academies in specific sports disciplines to nurture and develop Indian talent. The development of the proposed facility will bring the confidence of developers in other sports related project in the format of Public Private Partnership.

#### 6.3.2 **RISK SHARING:**

In traditional tendering projects, the public sector absorbs virtually all the risks involved. PPPs enable us to allocate many kinds of risks associated with projects to the parties who are best equipped to deal with them.

The financial institutions usually provide capital for the projects, they introduce strong discipline on monitoring the project's progress. Service quality throughout the life of the projects can also be secured through clear output-based specifications, linking payment to performance and paying service fees by instalments.

#### 6.3.3 **IMPROVED SERVICE QUALITY & REDUCED OPERATION COST:**

Compared with the public sector, the private sector is more capable / flexible to apply new technologies. One of the major pitfalls of the traditional design-and-build model is that construction companies are not responsible for on-going operation or maintenance of the facilities. They usually fail to take a whole of life approach i.e. to consider the impacts on long term operation and infrastructure management.

#### 6.3.4 **INCREASED REVENUE SOURCES:**

The private sector is more capable of generating revenue. PPPs obviously can make full use of their strengths. Many PPP projects in India, especially culture and sports facilities sell the naming rights of buildings to private sponsors. All possible sources of revenue has been estimated and very reasonable projection have been made for the same, which indicates very good and sound sources of high revenue stream and overall very attractive returns over the investments

Since the private sector is already involved at the beginning, many more “revenue generating” designs / plans could be incorporated at the design/construction stage.

## 6.4 Project Challenges

The main challenges pertaining to such project are as follows:

- a. Demand risk mitigation: Proper demand assessment in order to realize the returns from the project to the developer.
- b. Defining roles and responsibility for the concerned departments: Establishment of close co-ordination among the concerned departments, responsible for construction of such facility. Defining the role and responsibility very specifically for each concerned department so as to avoid any conflict of interest.
- c. Value maximization: Arriving at the best mix, which aims at maximizing benefits to the government and yet attracts and sustains commercial interest of the private sector developer.
- d. Minimum Building Obligations Risk: Implementation of project on PPP carries the risk of alteration in the entire concept of the project. As mentioned above the developers are reluctant to take up the capital-intensive sports infrastructure projects due to less returns, could reduce the area allocated to develop the sports facility under the sport zone section.
- e. Abandonment risk: To ensure that the selected developer undertakes complete project implementation to avoid abandonment risk.

## VII. Project Financials

### 7.1 General

The proposed project is multifaceted as compared to other DBFOT projects and has been strategically planned with approach to make it self-sustainable .

Thus the preliminary financial analysis for a Sports/Recreation/Leisure Centre in the peripherals of Bengaluru has been carried out based on the assumptions arrived from preliminary market assessment carried out for the similar projects. The Financial Viability of the Project is assessed with respect to the key parameters such as Project FIRR and Equity Internal Rate of Returns (IRR).

The viability analysis includes the identification of revenue and expenditure streams. Revenues will be from Training, Academies, Lease Rental and other commercial activities, while the expenditure would be primarily on account of Capital and O&M costs.

In this section an initial framework for a business plan for the Sports/Recreation/Leisure Complex has been done. To set the context, the financial analysis makes the following observations.

1. Since this project is on PPP format from the perspective of the economics associated with the project are based on the selected concessionaire as the owner and operator of the Sports/Recreation/Leisure Centre for a concession period of 15 years which includes the construction period. The construction period is considered as 3 years.

The balance of this section outlines financial projections and financial analysis for the project.

### 7.2 Capital Cost and Operation & Maintenance Assumption

Following set of assumptions are considered for the Financial Assessment of the package that includes general assumptions, area assumptions and specifications.

#### 7.2.1 GENERAL ASSUMPTIONS:

Site Details & Physical Characteristics	
Construction Period	3 years
Total Area Available for Sports zone	57.45 ha
Total Area Available for entertainment zone	3.24 ha
Total Area Available	60.69 ha
Concession Period	15 years

Area Calculations	
Land Area - GOLF + CLUBHOUSE	<b>50</b> ha
Land Area - TENNIS ACADEMY	<b>0.38</b> ha
Land Area – FIELD (Max. Area among the five sports considered)	<b>7.07</b> ha
Rugby	1.25 ha
Soccer	1.23 ha
Cricket	7.07 ha
Hockey	0.5 ha
Baseball	3.23 ha
Land Area - LEISURE + UTILITY ZONE	<b>3.23</b> ha

Product Mix Assumptions			
Total Area for Development -LEISURE + UTILITY ZONE	%	Area (Acre)	Area( Sq. Mt)
Roads & Open spaces	35 %	2.8	11331.19
Commercial	30 %	2.4	9712.45
Shops	70 %	1.68	6798.71
Food Court	30 %	0.84	3399.35
Health Spa+ Aquatic Centre+ Bowling+ Go carting	30 %	2.4	9712.45
Amenities	05 %	0.4	1618.74
Total Area for Development	100 %	8	32374.85

Parking Requirement			
Open	60%		
Stilt	40%		
Parking Space	No. of	Open	Stilt



	Cars		
	5750	3450	2300
Required Parking surface (open)	18	Sq Mt/per car	
Required Parking surface (Stilt)	23	Sq Mt/per car	
Total Parking Space (Open)	62100	Sq. Mt	668438.81
Total Parking Space (Stilt)	52900	Sq. Mt	569410.83

Cost Inputs		
Land Development Cost	8	Rs./Sq ft
Other Associated cost	5	Rs./Sq ft
Mall/Multiplex	1600	Rs/ Sq. Ft
Parking Stilt	600	Rs./Sq Ft
Revenue Inputs		
Shops- Lease rent	45	Rs./Sq ft
Food Court- Lease rent	50	Rs./Sq ft
Parking Charges		
Weekdays (per bay)	5	Rs/ Hour
Weekends (per bay)	8	Rs/ Hour
Total Parking Hours per day	12	Hours
Parking Escalation	20 %	Every 4th year
Total Weekdays in an Year	257	days
Total Weekends in an Year	108	days

Operational Assumptions		
Cost Escalation	5 %	Every year
Periodic Expenses for Real Estate Property	3 %	Every 10th year

Taxation Rates	
Income Tax	33.99 %
Minimum Alternate Tax (MAT)	11.33 %

Financing Assumptions	
-----------------------	--

Debt	50 %
Equity	50 %
Rate of Interest	12%
Moratorium	3 years
Loan period	11 years

### 7.2.2 PRELIMINARY COST ESTIMATION:

The preliminary cost estimates are based on the preliminary market surveys carried out for the identified Cities. The landed project cost is estimated considering the cost involved in Construction, Project Development Fees, Interest during construction, Cost of Approvals & Sanctions and Pre-operative cost & contingencies etc. Following Tables shows the breakup of the Capital Cost:

Project Cost	Mn Rs
Cost of Golf Course	180
Cost of Tennis Academy	42.54
Cost of Land Development Field	4.53
Cost of Ten pin Bowling Alley	27.50
Shops	175.63
Skating Rink-2 Nos.	4.00
Food Court	87.82
Go Carting	70.00
Scuba Diving pool / Aquatic Reef	75.00
Heath Spa & Sports Medicine Centre	100.00
Parking	0.00
<b>Sub Total</b>	<b>767.02</b>
<b>IDC</b>	<b>74.37</b>
<b>Pre-Operative &amp; Preliminary Expenses (@ 10%)</b>	<b>151.07</b>
<b>Landed Project Cost</b>	<b>918.09</b>

### 7.2.3 POTENTIAL REVENUE ESTIMATION:

The components of revenue potential are very important from the viability aspect of project. In this project we have considered following sources of revenue:

- **GOLF-** Revenue will be earned through the membership fees. There will be three different categories of membership
  - ✓ Permanent/Lifetime Membership – Rs. 2 Lakhs
  - ✓ Corporate Membership – Rs. 5 Lakhs
  - ✓ Temporary/One Year Membership – Rs. 40,000

*The fees will be treated with an increment of 25% annually.*

Details of revenue earned for first five years from COD:

CATEGORY	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Average No. of Lifetime/Permanent Membership Annually	125	150	180	216	250
Average No. of Temporary/One year Membership Annually	175	210	252	302	200
Average No. of Corporate Membership(15 years for 2 members) Annually	25	30	36	43	50
Fees of Lifetime/Permanent Membership Annually (in Mn Rs)	0.2	0.25	0.31	0.39	0.49
Fees of Temporary/One year Membership Annually (in Mn Rs)	0.04	0.05	0.06	0.08	0.10
Fees of Corporate Membership Annually (in Mn Rs)	0.5	0.63	0.78	0.98	1.22
<b>Total Annual Fees</b>	<b>44.50</b>	<b>66.75</b>	<b>100.13</b>	<b>149.96</b>	<b>202.64</b>

- Lawn Tennis Academy-** Tennis Academy is set up to provide an opportunity to those children with a genuine interest and an inherent desire to learn tennis. However, to achieve an international standard, several levels have to be climbed, sustained and surpassed. This Tennis Academy can provide its students the opportunity and the encouragement to reach those levels by charging minimal fees. So this also becomes a source of income.

- ✓ Regular Classes – Rs. 8000/month
- ✓ Summer Camps – Rs. 12000/month

*The fees will be treated with an increment of 10% annually.*

Details of revenue earned for first five years from COD:

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Regular</b>					
<b>Number of Coaches</b>	3.00	3.00	3.00	3.00	4.00
Number of Admissions (15 students per coach)	45.00	45.00	45.00	45.00	60.00
Average Monthly Fees	8000.00	8800.00	9680.00	10648.00	11712.80
<b>Summer Camps</b>					
Number of admissions	200.00	200.00	200.00	200.00	200.00
Average Monthly Fees	12000.00	13200.00	14520.00	15972.00	17569.20
<b>Total Annual Fees</b>	<b>33.12</b>	<b>36.43</b>	<b>40.08</b>	<b>44.08</b>	<b>50.60</b>



- **Playing Field-** The field will be provided on charge of Rs. 5000 for 10 hrs (0800-1900 hrs).

Details of revenue earned for first five years from COD:

Field	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Occupancy per week	100%	100%	100%	100%	100%
Reservation Prices	5000.00	5000.00	5000.00	6000.00	6000.00
<b>Total</b>	<b>0.52</b>	<b>0.52</b>	<b>0.52</b>	<b>0.62</b>	<b>0.62</b>

- **Bowling Alley-** 10 lane Bowling alley comes under the Entertainment Zone. So the sole purpose of this facility is to provide fun and entertainment at the competitive prices. By gathering the information from the existing alleys, we have proposed to keep a charge of Rs. 125 per game. The charge will be escalated annually according to the benchmark charges prevailing in the sector. For the purpose of calculation certain assumptions have been considered. The alley will have a lineage of 24 (lineage means number of games per day per lane).



Details of revenue earned for first five years from COD:

Bowling Alley	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Lineage per lane per day	24.00	25.00	25.00	25.00	25.00
Lanes	10.00	10.00	10.00	10.00	10.00
Price per game (in Rs.)	125.00	125.00	125.00	175.00	175.00
<b>Weekdays</b>					
Occupancy	55%	55%	55%	55%	55%
<b>Weekends</b>					
Occupancy	75%	80%	85%	90%	95%
Other Income	0.75	0.75	0.75	0.75	0.75
<b>Total</b>	<b>289.52</b>	<b>5.17</b>	<b>5.17</b>	<b>6.93</b>	<b>6.93</b>

- **Go Carting-** Roaring engines, screeching spins, sharp contours, thundering speeds...the adventure and glamour of motorsports have always turned on the passions for billions, around the world including Bengaluru. People in Bengaluru have the craze and frenzy for the sport, and they are offering to spend money maintaining the facilities are offered.



The other interesting part of this attraction is one don't need to get intensive training and scout out sponsors to experience this fun...thanks to Go-Carting, the down-to-earth cousin of motor racing.

Induction of this fun-sport will definitely increase the attraction for the Sport, Leisure & Recreation Centre and will also boost up the revenue sources of the complex.

Details of revenue earned for first five years from COD:

<b>Go Carting</b>					
Time of a ride	0.333333				
Operating Hours in a day	8				
Number of rides in a day	24				
	<b>Yr1</b>	<b>Yr2</b>	<b>Yr3</b>	<b>Yr4</b>	<b>Yr5</b>
Average Price of ride per lap (in Rs.)	40	40	40	50	50
<b>Weekdays</b>					
Occupancy	55%	55%	55%	55%	55%
<b>Weekends</b>					
Occupancy	75%	80%	85%	90%	95%
Other Income	0.25	0.25	0.25	0.25	0.5
<b>Total</b>	<b>0.46</b>	<b>0.47</b>	<b>0.47</b>	<b>0.54</b>	<b>0.79</b>

- Scuba Diving-** Scuba Diving, the adventure sport in the fascinating world under water, is a major contributor to the tourism economy of every tropical nation with a coastline. But the passion to have that experience in non coastal places is still a dream. So to provide the facility for the scuba lovers in Bnaglore itself this facility is also inducted.



Details of revenue earned for first five years from COD:

<b>Scuba Diving</b>					
	<b>Yr1</b>	<b>Yr2</b>	<b>Yr3</b>	<b>Yr4</b>	<b>Yr5</b>
Price Per dive (in Rs.)	200	200	200	200	250
Number of visitors/ per day	50	50	65	65	65
<b>Weekdays</b>					
Occupancy	55%	55%	55%	55%	55%
<b>Weekends</b>					
Occupancy	75%	80%	85%	90%	95%
Other Income	1	1	1	1	1
<b>Total</b>	<b>3.22</b>	<b>3.28</b>	<b>4.03</b>	<b>4.10</b>	<b>4.96</b>

- Complementary Facilities-** Other Complementary facilities include **the Shop & Food Court** and **Health Spa & Sports Clinic**.

Shops within the complex will only cater to the sports related items such as Sports gear for different games, sports accessories, etc. Similarly Food Court will provide the Food items, but the unique thing about the Food court in the Complex that it will be a theme based Food court. The theme based Food court consists of menu that will majorly include the favourite dishes of famous sports celebrities. However the revenue from this source is taken as the rentals coming from providing the space for the food court and shops.

The food court will also perform as a temporary kitchen to provide the healthy & dietary food to athletes during the tournaments held in the centre.

The complex will also offer a Health Spa and Sports Clinic. Sports Clinic will provide medical support to patients suffering with sports related injuries and ailment.

The revenue details of the above mentioned **Shop & Food Court** and **Health Spa & Sports Clinic** for the first five years from the COD are given below:

Shop & Food Court					
	Yr1	Yr2	Yr3	Yr4	Yr5
Occupancy- Shops	70%	90%	90%	100%	100%
Occupancy- Food Court	80%	85%	90%	100%	100%
Lease deposit	19.08	3.80	0.46	2.59	0.00
<b>Total</b>	<b>95.39</b>	<b>98.95</b>	<b>101.43</b>	<b>119.27</b>	<b>121.34</b>

Health Spa & Sports Hospital					
	Yr1	Yr2	Yr3	Yr4	Yr5
Spa- Average Price	Rs1,200				
Number of visitors per day	10	15	15	15	15
Income from sports clinic	2	2	2	2	2
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

**Total Revenues-** Details of revenue earned for first five years from COD:

	Yr1	Yr2	Yr3	Yr4	Yr5
<b>Grand Total - Revenues</b>	<b>191.01</b>	<b>222.84</b>	<b>263.26</b>	<b>338.33</b>	<b>400.95</b>
<b>NPV-Revenues</b>	<b>Rs. 2990.45 Million</b>				
<b>Project FIRR (Pre-tax)</b>	<b>25.37 %</b>				
<b>Project FIRR (Post-tax)</b>	<b>19.41 %</b>				
<b>Equity FIRR</b>	<b>26.95 %</b>				

### 7.3 Recommendations

On the basis of the findings of the pre-feasibility study which includes the most important financial analysis of the project's estimated construction and O&M cost and projection of project revenue cash flows, it is recommended that the project is viable on a PPP basis maintaining land is provided at zero cost to the developer. The demand analysis of the end users of the sport, leisure & recreation centre also validates the claims of viability of the project but with certain issues and challenges which have to be addressed during the detailed project development study for the development of the Sport, Leisure & Recreation Centre.

## VIII. Keys to Success

### 8.1 Key Stakeholders

The key stakeholders identified for the development of Sport, Leisure & Recreation Centre in developing Cities of Karnataka are:

- **Project Sponsor** – Department of Youth & Sports, Government of Karnataka
- **Nodal Department** - Urban Development Department / Sports Department
- **Facilitating Department** - Infrastructure Development Department
- Department of Youth Service Centre
- Sports Authority of India
- Karnataka Olympics Association
- BBMP

For the successful implementation of the projects, the Infrastructure Development Department along with the Project Advisors and the Urban Development Department would require to convene a joint meeting of the heads of the Sports Authorities.

The project sponsor along with the Project Advisors will be required to take the lead in co-ordinating with the individual agencies involved for identification of locations and for seeking the requisite clearances

### 8.2 Essential issues to be addressed

The following have been identified to be key issues for the success in developing of a Sport, Leisure & Recreation Centre and effective utilization of the same

- Maintaining the basic intent and essence of the project.
- Establishment of close co-ordination among the concerned departments, responsible for construction of such facility. Defining the role and responsibility very specifically for each concerned department so as to avoid any conflict of interest.
- Minimum Development Obligation issues are to be addressed very minutely at the preparation of concession agreement stage.
- Encouraging schools & colleges to use the facility at minimal charges
- Joint inspections of location and review with key stakeholders

### 8.3 Role of Project Sponsor

The Department of Youth & Sports shall be responsible to provide the right to use land free of encumbrance to the Developer for developing the Project components. The land required for creating the Project Facilities would be required to be given on Development and Management Rights to the Developer over the Authorization Period in terms of the Authorization Agreement supported by Development and Management Agreement (DMA).

The Sports Authority will be required to facilitate availability of infrastructural support/ services and ensure effective coordination between all government departments to provide timely approval and clearances. Government support/ facilitation would be required in the following:

- Ensuring availability of requisite infrastructural support/ services, viz. power supply, improving existing road etc at the project location.
- Providing all clearances and approvals for development of Integrated sports infrastructure and supportive facilities and other commercial components for development and operation.

### 8.4 Clearances and Sanctions

The following clearances and sanctions for the proposed project from various agencies would be required in the future course of implementation action:

- Concerned Municipal Authority
- Public Work Department (PWD)
- State Electricity Board
- Water Supply & Sewerage Board
- Urban Development Authority
- Other agency as deemed necessary

### 8.5 Risk Allocation and Mitigation

Appropriate risk mitigation structures would have to be evolved for the Project. Various risks associated with the Project and broad mitigation structure is explained below:

#### 8.5.1 DESIGN AND DEVELOPMENT RISK:

This risk is being looked at being mitigated by the designs being finalized based on the utility of the sports facility and the users profile.

#### 8.5.2 CONSTRUCTION RISK:

This can lead to delays in completion. Effective clauses in the Authorisation Agreement and ensuring timely clearances and handing over of sites are some ways of mitigating this risk.

#### 8.5.3 DEMAND RISK:

These risks arise from the project if there is no established demand for the Project. However in this case, a Pre-feasibility has been carried out to assess the viability of the project based on the demand for the revenue generating components for the project.

Thus partial risks are eliminated on the basis of the results & findings of the Pre-feasibility study.

#### 8.5.4 COMMERCIAL RISK/ REVENUE RISK:

These risks arise from existing and future competition, effectiveness in utilizing space and management of facilities. With the involvement of Private Sector in marketing, O&M and management and attractive incentives structures linked with Project success, risk would be transferred to the Developer.

#### 8.5.5 POLITICAL RISK:

These can be mitigated by effective legal documentation and insurance.

#### 8.5.6 ENVIRONMENTAL RISK:

Considering the size of the project and the design parameters essentially being considered the project to be environment friendly to the extent possible, this risk is not envisaged.

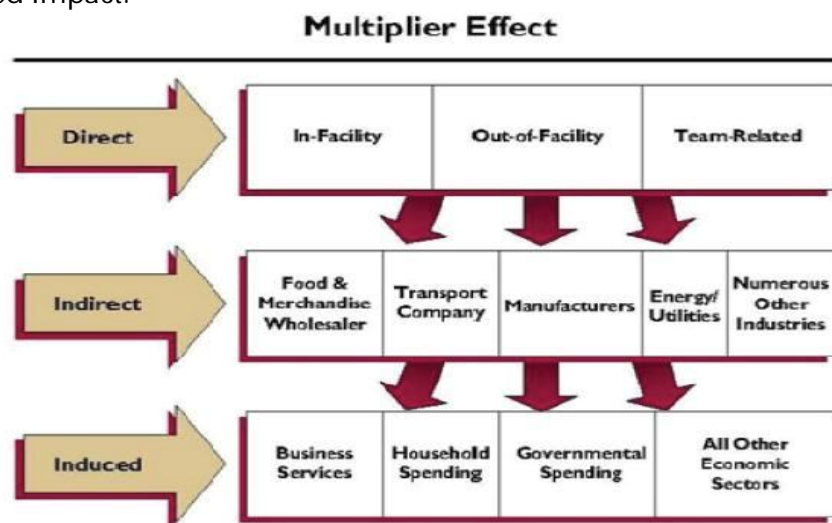
## IX. Sports, Recreation, Entertainment Complex-Economic & Financial Impact

### 9.1 Economic & Financial Impact

This section analyzes the economic and fiscal benefit that would be generated from the development of Sports, Leisure & Recreation Centre at Bengaluru.

The economic and fiscal impact analysis is based on event demand and attendance projections of the Sports, Leisure & Recreation Centre at Bengaluru. The levels of impacts are described as follows with the help illustration below:

- **Direct impacts** - are an expression of the spending that occurs as a direct result of the events and activities that occur in the Sports, Leisure & Recreation Centre. For example, a spectator's or participants' expenditures on food and on purchase of sports accessories are a direct economic impact.
- **Indirect impacts** - consist of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in these facilities. For example, a spectator's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect economic impact.
- **Induced impacts** - represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the Food Court may have more personal income as a result of the centre's attendee's visit. The amount of the increased income the waiter spends in the local economy is considered an induced impact.





- **Personal income** – measures increased employee and worker compensation related to the events being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses the employees of local businesses share in the increased outputs.
- **Employment impact** – measures the number of jobs supported in the study area (Bengaluru in our case) related to the spending generated as a result of the events occurring in the Sports, Leisure & Recreation Centre at Bengaluru, arena, and local attractions. Employment impact is stated in a number of full-time equivalent jobs. Thus employee generation will take place which will in turn validate Employment Impact.

This analysis differentiates impacts from spending by people coming from out of Bengaluru and by local residents, defined as follows:

- **Net New Spending** - is spending by out-of-town attendees, exhibitors, and other visitors who come from outside of Bengaluru, (i.e., other parts of Karnataka and India), which represents the amount of “New Rupee” that flow into the respective economies.
- **Transfer Spending** - Spending by those who live in the market area represents “transfer” spending. For example, a resident of Bengaluru who attends an event would transfer income from one sector of the City’s economy to another, and therefore is not bringing new rupee into the City economy. Nevertheless, they are part of the economic activities generated by the Sports, Leisure & Recreation Centre at Bengaluru- Bengaluru.

This analysis depicts the total impacts of the Sports, Leisure & Recreation Centre, as expressed through net new spending to Bengaluru and moreover for the economy of country and transfer spending impacts.

## X. Way Ahead

### 10.1 Proposal

KIPDC proposes to take up the Project Development for development of Sports/Leisure/Recreation centre on PPP format including identification of location in close co-ordination with the project sponsor, facilitating agencies and other City administrations.

KIPDC proposes to provide advisory services for the implementation of Sports/Leisure/Recreation centre identified as an innovative sports infrastructure development program of the Government of Karnataka.

### 10.2 Project development approach by KIPDC

Project development comprises of end-to-end responsibility commencing from project conceptualisation, identification of location for setting up of the Sport, Leisure & Recreation Centre along with the stakeholders (BBMP/ BDA, SAI, Yavanika, KOA, PWD, etc), technical and financial viability assessment, project packaging, risk analysis and legal review, concession agreements, assisting the Government of Karnataka (GoK) till the identification and selection of the most suitable private sector developer for the project.

KIPDC shall undertake the project structuring and bid process management for selecting the most suitable developer to finance, design, construct, operate and maintain the subject project for around 20-30 years and with a view to facilitating PPP format. Bid process management shall be taken up in a speedy, competitive and transparent manner.

Location wise strategy would be developed including bunching of financially viable and non- viable sports facilities in order to maximize gains for the government. The government shall provide the selected private sector developer with development rights and permissible advertisement rights to recover its investments. Subsequent to the completion of the concession period, the asset would be returned back to the GoK by the developer.

Another essential requirement of successful project development would be to create awareness amongst likely developers through proactive marketing strategy. Project development cycle is expected to be around 6-9 months.

### 10.2.1 SCOPE OF PROJECT DEVELOPMENT:

In order to successfully implement the project, certain essential requirements as listed hereunder are enumerated:

- a. **Location Identification:** Identification of suitable project locations in coordination with BBMP, Town Planning Department, PWD, KOA, YAVANIKA or any other agency as deemed necessary. The basis for location of a Sports facility shall be the accessibility to National Games, access to the athletes and to the students of various schools and colleges in Karnataka. Project location identification also includes proximity of related synergies that may be factored while project development and structuring.
- b. **Project Development & Benchmarking Bid Values:** KIPDC would provide its professional expertise to undertake project development including project feasibility and structuring exercise in order to develop the most suitable PPP model and exploring the viability options. Based on the viability of the various proposed packages, KIPDC would arrive at the benchmarking of Bid Values for each of the packages for optimum returns to the GoK.
- c. **Procurement of Developer:** Undertaking in a speedy manner, competitive and transparent bid process management in order to select the most suitable private sector partner for this project. Private Sector Developers for the packages shall be selected through transparent bidding based on highest premium to GoK. KIPDC shall draft the concession agreement to be entered into by the GoK with the Private Sector Developer and facilitate in signing of the same

## 10.3 Implementation Plan

KIPDC proposes to take up the Project Development for the development of the Sport, Leisure & Recreation Centre in the peripherals of Bengaluru in the following Phases:

### 10.3.1 PHASE-I:

In the Phase-I, it is proposed to identify the ideal location in the peripherals of the city along with the sports facilities proposed for the infrastructure. The best suited location will be considering the factors such as the accessibility to the athletes, to the National/International sports meets, accessibility to the supporting infrastructure procurement process for selection of private sector developer for the same.

### 10.3.2 PHASE-II:

In the Phase-II, it is proposed to take up the project development for the following:

- Proposing additional Indoor/Outdoor stadiums for sports that need attention and lack facilities in the state

## 10.4 Role of Infrastructure Development Department

- Approval of Pre-feasibility Study carried out and recommendations to the Sports Authority of Karnataka, BBMP and the KOA for implementation of the Sport, Leisure & Recreation Centre with KIPDC as project development advisor.
- Take up the implementation of the Sport, Leisure & Recreation Centre in the identified location
- Act as facilitating arm to the GoK, Sports Authority and the BBMP.
- Assist Sports Authority in meetings with other departments, viz: BBMP, PWD, etc

## 10.5 Role of Sports Department

- Mandate the Project Development for development of Sport, Leisure & Recreation Centre in the peripherals of the City on PPP format to KIPDC
- Take up the implementation of the Sport, Leisure & Recreation Centre with the assistance of IDD and KIPDC
- Identify specific location in the city for implementation of the Sport, Leisure & Recreation Centre
- Seek necessary clearances from other stakeholders

## XI. IL&FS IDC/KIPDC Experience:

IL&FS IDC experience in Sports/Social infrastructure projects is summarized below:

### 11.1 IL&FS IDC initiatives in the sector

IL&FS IDC has also forayed into the domain of sports infrastructure in the backdrop of the upcoming Commonwealth games in Delhi in 2010. It has become increasingly clear that a concerted effort and a partnership between the public and private sectors is imperative for creation and sustainability of sports infrastructure, so far neglected by both sectors. IL&FS and IL&FS IDC are pursuing initiatives with various State Governments to develop sustainable social infrastructure projects in a Public-Private-Partnership (PPP) framework. The following projects have been implemented / ongoing by IIDC:

- 34th National Games, 2007, Housing Complex, Ranchi  
Government of Jharkhand (GoJ) envisages development of a self-contained township at Ranchi with quality infrastructure in the State, supporting and complimenting the 34th National Games, February 2007.  
Government of Jharkhand, through Department of Sports, Art, Culture and Youth Affairs has executed a Memorandum of Agreement with IL&FS Infrastructure Development Corporation (IIDC), for undertaking the project development activity comprising of project preparation and management for implementation, alongwith procurement of the Real Estate Developer.
- National Games Village, Hyderabad  
The project involved structuring, project development and process management of the National Games Village Project, Hyderabad. The Games Village covering 1.3 million sft of living space (1,000 dwellings) with additional common facilities for 10,000 athletes and officials for National Games 2002, has been successfully developed on a commercial format on Government land.
- Sports Academy in Jharkhand
- Development of Burton Park as Integrated Sports cum Commercial, Residential & Entertainment Complex, Jalandhar  
Government of Punjab, through Department of Local Government (DoLG) wishes to upgrade / develop the Burton Park which is spread over an area of 63 Acres and is located in the heart of Jalandhar City at GT Road near HMV College. It is also

proposed to develop International Standard Cricket Stadium and allied facilities at Jalandhar.

IL&FS IDC have completed the preliminary survey of proposed site for developing Integrated Sports cum Commercial Complex.

IL&FS IDC offers comprehensive process management in a phased manner to deliver sports infrastructure projects in a PPP framework. In partnership with the State Governments and government agencies, it creates replicable commercial prototypes across the entire State. As a Project Developer, it creates appropriate project structures, achieves technical/ financial close for the projects and finally, works on bringing in operators to maintain facilities over the project life.

## XII. Case Studies

### 12.1 PPP in Sports Infrastructure Projects

Although there are no exact models for the Sports, Leisure & Recreation Centre at Bengaluru proposed for Bengaluru, comparable facilities have been analyzed to provide a picture of the feasibility and revenue of the Sports, Leisure & Recreation Centre at Bengaluru, Bengaluru.

Some of the program models presented below are run by private entities, while some are run by public sector entities, such as Bengaluru. Given today's economic environment, it may benefit the Bengaluru Sports, Leisure & Recreation Centre at Bengaluru to consider some form of public-private partnership whereby it could benefit considerably from minimal incremental risk.

While there is no one exact "comparable" facility, each one has characteristics that are relevant to the planning of the proposed Sports, Leisure & Recreation Centre at Bengaluru, and these characteristics are highlighted in the following text.

The facilities analyzed are:

1. Libertyville Sports, Leisure & Recreation Centre at Bengaluru, Libertyville, Illinois;
2. Sports City, Bhopal;
3. Singapore Sports Hub;
4. Boo Williams Sportsplex, Hampton, Virginia;
5. Mass Premier Courts, Foxboro, Massachusetts.

#### 12.1.1 LIBERTYVILLE SPORTS COMPLEX-LIBERTYVILLE, ILLINOIS:

Libertyville Sports Complex– Libertyville, Illinois

This facility, which opened in 2002, is owned and operated by the City of Libertyville, Illinois and serves the community by hosting leagues, sporting events, and promotes fitness and wellness through classes and other programs.

The facility offers the following:

- 8 full-size, synthetic-rubber basketball/volleyball courts.
- Fitness centre offering a full range of free weight and aerobic equipment, including an indoor quarter-mile running/walking track, personal training, group fitness classes, and a kids' club.

- 28-foot, 360-degrees climbing wall, the largest indoor climbing wall in the U.S., based on total climbing area. With a rating of 5.10 out of a possible 5.14, the wall climbing is the third most difficult wall climbing in the U.S.
- 12,000-square-foot golf learning centre  
Featuring an outdoor, heated, year-round golf range.
- Batting cages.
- 5,850 square feet of meeting rooms for corporate events and parties.
- 2,600-square-foot family entertainment centre.



### ***Development & Financing***

The facility was funded through the issuance of \$25 million in general obligation bonds. The bonds were used for land acquisition (\$5 million, 48 acres) and construction and development (\$20 million). The debt service for the bonds is paid through revenues generated by the facility, with any shortfalls coming from the city's general fund.

### ***Tournaments and Facility Rental***

The facility offers multiple sports leagues throughout the year and for various age groups. For adults (18 years and older), the Sports, Leisure & Recreation Centre at Bengaluru offers basketball, co-recreation volleyball, flag football, softball, and soccer. Leagues vary in size and length, but typically are offered between one and three seasons, and range from 8 to 10 game seasons, with the more competitive leagues offering multiple divisions (women's 30+, men's open, men's 30+, and men's 40+).

Fees for the leagues vary depending on the sport, residency of the players and time of registration. Teams can qualify for resident pricing (15 percent discount) if at least 50 percent of the team resides in Libertyville. Early registration can also qualify a team for a 5 percent discount. League dues range from \$495 per team up to \$1,095 per team depending on the sport. There are also various special events held throughout the year, such as a one-day tournament for different sports, with entry fees in the \$125 per team range.

To complement its adult leagues, the facility also offers a variety of activities for children. Children can participate in youth sports classes, which offer leagues and



instruction for children of all ages. Young children can take classes that work on a range of sports and skills, while older kids can sign up for sport specific instruction and leagues. Climbing classes are also offered on the rock wall. These classes range from \$45 to \$155 depending on the age of the participant. The facility also offers two leagues for youths, a basketball and indoor soccer league. Rates for teams are approximately \$1,230 to \$1,700 depending on the league and residency. The boys' leagues run 11 games, with the girls' leagues running 8. These weekly leagues keep the facility well occupied throughout most of the year.

Other uses come from day passes, and rental of specific equipment or courts. Rates range from \$55 per hour to rent a batting tunnel, to \$185 per hour to rent a full soccer field. The climbing mountain can also be rented for \$225 per hour.

The facility projects that it receives over 1 million visitors annually.

### ***Fitness Center***

The fitness center offers state-of-the-art equipment, training, and classes for all ages. Fees range from \$515 for an annual platinum membership to \$59 per month for a monthly platinum membership. Fourmonth passes can be purchased for \$200, and there are discounts for family plans, seniors, and Libertyville residents. Platinum memberships include free group fitness classes, access to the climbing mountain, open gym when available, and access to all equipment. Daily passes can also be bought for \$10 that include access to the climbing mountain. The staff indicated that approximately one quarter of the Libertyville Sports, Leisure & Recreation Centre at Bengaluru revenue is generated by the fitness center.

### **12.1.2 SPORTS CITY, BHOPAL:**

Sports City, Bhopal (the first such project in the country on PPP). The site at **Satgarhi** village, Bhopal was successfully bid out to **Essel Infraprojects Ltd.** The total area of the site is 172 acres and includes development of Sports infrastructure (Cricket stadium, Aquatic stadium, Multi-purpose hall, etc) on 50 acres and a Golf Course, residential and commercial infrastructure on 122 acres. The sports infrastructure will be developed on a Build-Transfer basis (with the concessionaire having the Right of First Refusal for the O&M after completion of construction) and the Real Estate infrastructure will be on a BOOT basis for 99 years. The Project Development of this project was successfully carried out by IL&FS Infrastructure Development Corporation Ltd.

### **12.1.3 SINGAPORE SPORTS HUB:**

The Singapore Sports Hub (SSH) is believed to be the first and largest Public-Private-Partnership (PPP) sports infrastructure project in the world.

The Sports Hub will be Singapore's premier land and sea sports, entertainment and lifestyle hub with integrated programming. A unique cluster development of integrated world-class sports facilities within the city, it will play a critical role in accelerating the development of sports industry, excellence and participation and take sports to the next level in Singapore.

Located on a 35ha site in Kallang, the Sports Hub will include the following facilities:

- A new 55,000-capacity National Stadium with a retractable roof;
- A 6,000-capacity indoor Aquatic Centre that meets world tournament standards;
- A 3,000-capacity multi-purpose arena which will be scalable and flexible in layout;
- 41,000 sq m of commercial space
- A Water Sports Centre
- The existing 12,000-capacity Singapore Indoor Stadium; and
- Supporting leisure and commercial developments

With its world-class facilities, the Sports Hub will be the Centre for Singapore's elite athletes and high performance management as well as an ideal location for sports and entertainment events, sports administration, and sports and recreation businesses.

It will help to create a critical mass of international, regional and local sports federations and associations, sports medicine and sports science service providers, sports related training and education service providers, sports companies' sales and marketing headquarters, and retail outlets.

Located within the city, the Sports Hub is well connected to the Mass Rapid Transit network, major expressways and is only 15 minutes from the Singapore Changi International airport.

The Sports Hub is also located next to the Marina Bay area and is poised to ride on the wave of exciting developments at Marina Bay like the Marina Bay Sands Integrated Resort, Marina Barrage, Singapore Flyer and the floating platform at Marina Bay.

The Hub is the first and largest sports facilities infrastructure Public-Private-Partnership (PPP) projects in the world. It is also Singapore's largest and flagship PPP project of this nature.

The Singapore Government is fully committed to this project and is looking forward to working with private sector partners to capitalise on its full potential.

#### 12.1.4 BOO WILLIAMS SPORTSPLEX – HAMPTON, VIRGINIA:



Boo Williams Sportsplex, located in Hampton, Virginia, is a large, indoor Sports, Leisure & Recreation Centre at Bengaluru that hosts events, tournaments, and clinics for a wide range of indoor sports. The 135,000- square-foot facility, which opened in March of 2008, includes the following amenities:

- 8 tournament basketball courts.
- 12 competition volleyball courts.
- 1 competition indoor field-hockey Fields.
- 200-meter, six-lane indoor track with IAFF (spell out) certified synthetic Surface long jump, pole vault, triple Jump, and shot put areas.
- Two separate playing pavilions of 61,000 square feet and 31,000 square feet within the facility.
- 2 training rooms.
- Banquet rooms.
- 4,238-square-foot concession area.



The facility can be configured in multiple ways depending on the needs of the user. The space is dividable with floor-to-ceiling dividers, and can be configured depending on how many courts or how much space is needed. Further, there is retractable seating for 4,000 spectators, a registration room, a dedicated meeting room, and an operation center with high-speed internet access and fax and media capabilities.

The private facility is the creation of Boo Williams, a local native to Hampton Virginia. The \$13.5 million facility was funded by Williams and other private investors. The City of Hampton also contributed infrastructure to the project.

The facility rents its space out typically on a per-court, per-hour basis. Currently prices range from \$35 per court/per hour during the week, and \$50 per court/per hour Friday through Sunday. Management indicated that prices change to reflect economic conditions. Rental of the facility accounts for only a small portion of revenues. The primary drivers of revenues are concessions and merchandise that is for sale in the facility. The Sportsplex also receives a small portion of ticket sales to larger tournaments.

### 12.1.5 MASS PREMIER COURTS –FOXBORO, MASSACHUSETTS:



The facility is privately owned by Mass Premier Courts LLC. It was completed just in time for the 2004-2005 basketball season, designed for Amateur Athletic Association (AAA) and Amateur Athletic Union (AAU) tournaments, recreation and competitive basketball leagues, and other sports rentals. AAU tournaments serve a wide range of age groups for various sports; the age range for basketball is 7 to 19. The 70,000-square-foot complex features:

- 6 regulation-size basketball courts.
- A 4,000-square-foot concession and lounge area overlooking the courts on the first floor.
- An 8,000-square-foot mezzanine located in the middle of the structure providing a clear view of all court activities.
- A 13,200-square-foot indoor batting cage area, as well as a pro shop with baseball and softball equipment.
- Other amenities include fully outfitted locker rooms, a multi-purpose room and weight training area.

Mass Premier Courts is also available for camps, clinics and sports-themed birthday parties. Strength and conditioning programs designed for the more serious athlete are also offered. Two of the six courts are high-quality maple and the remaining four are all synthetic surface.

#### ***Tournaments and Facility Rental***

The facility plays host to various tournaments throughout the year. Senior staff estimate that there are approximately 20 self-promoted tournaments a year geared towards AAU; however, there are third-party tournament promoters that consume the remaining weekends of the year. The facility is driven by weekend tournaments, which on average consist of 50 teams with approximately 10 to 12 players per team. The facility's run at a maximum capacity with a 72-team tournament; however its biggest tournament of the year is a 127-team high school girls' state tournament. This event is so large it has to supplement its space for some of the games with a local facility that has four courts as well as with some local high school gyms.

The pricing for each tournament and league fluctuates due to type, length, or age group. Tournaments typically range from \$225-\$425 per team.

Aside from tournaments held at the facility, there are numerous leagues, camps, and clinics that generate revenue for Mass Premiere. League dues typically run \$550 per team or \$85 per person for recreational leagues (in this format teams are formed from the pool of players who sign up). Various camps and clinics are also held that typically cost \$345 per person.

Basketball instruction is another service offered; rates vary based on whether group or private instruction is preferred. Finally, the facility offers children's programs for children aged 16 months through ten-year olds. Programs range from extreme sports clinics for older children, to age appropriate supervised play areas for the younger children.