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Final Report

Heritage Park, Belgaum

iDeCK

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1. Introduction

Belgaum District is well known for its diverse cultural heritage, favorable agro-climatic conditions, industries, educational institutions and tourist spots. It is well connected by air, road and rail. The city of Belgaum is popularly knows as the second capital of the state of Karnataka. The aforementioned aspects have made Belgaum popular as industrial and tourist destination and have influenced the tourist population inflow into the city.

Belgaum lies near the borders of Maharashtra and Goa. Due to its location, Belgaum has acquired the finer points and cultural influences from both its neighbors. Belgaum is a charming blend of the old and the new and presents a fine union of the old as well as the modern day culture and lifestyles. The city has the blend of the local Kannada culture that creates a rich heritage, which is unique in its manifestation. It is famous for its history and natural beauty and is known as Malendu or Rain Country.

1.1 Need for the Project

Urban heritage of Belgaum has a significant influence on the socio-economic and cultural profile. The tourism & heritage industry directly or indirectly provides a means of livelihood to many people. Urban heritage is classified under two categories, viz., tangible heritage which includes buildings and physical elements of architectural and historical significance, and intangible heritage, comprising movable artefacts, handicrafts, folklore, myths, legends, spirituality, traditional knowledge, rites and rituals, festive events, visual and performing arts, music, literature, language, dialects, traditional medicine, culinary traditions etc. which are intimately linked to the built heritage.

Belgaum has many important tourist and heritage places to visit which form a part of tangible heritage. At the same time Belgaum has a strong intangible heritage but it does not have a definite place to portray the same at a well defined location.

Also there is always a need felt for open green spaces which form a breathing space for the developing cities. Most of the places which exhibit the art and culture are enclosed spaces. There is a great need felt for a unified spaces which showcases intangible heritage in the back ground of nature.

Belgaum Urban Development Authority (BUDA) intends to develop the existing Vaccine Depot housing the famous Vaccine Institute spread over an area of about 156 acres into a Heritage Park. The need is felt for the project to cater address the following requirements.

- Sustaining the environment & greenery.
- Preserving the charm and culture of the city.
- Providing improved urban services.
- Catering to the needs of the urban poor.
- Improvement of human resource quality.

BUDA intends to develop the proposed Heritage Park through Private Sector Participation (PSP) on an appropriate Public Private Partnership (PPP) framework.

1.2 Objective for the development

The objectives for the development of the project are:

- To preserve and portray Belgaum's heritage.
- To provide a platform for the city's craftsmen to exhibit their art to national and International audience and also generate employment opportunities for the same.
- To create urban green space for the citizens through the concept of "Community Park".

1.3 Approach and Methodology

The project shall involve preparation of broad Master Plan to integrate and conserve the existing facilities and build new facilities. Based on the visual surveys and interactions with the concerned stakeholders, major cost and revenue centers shall be estimated. Financial analysis in terms of IRR and NPV estimations will be done to estimate the viability of the project. The approach and methodology can be summarized as shown below.

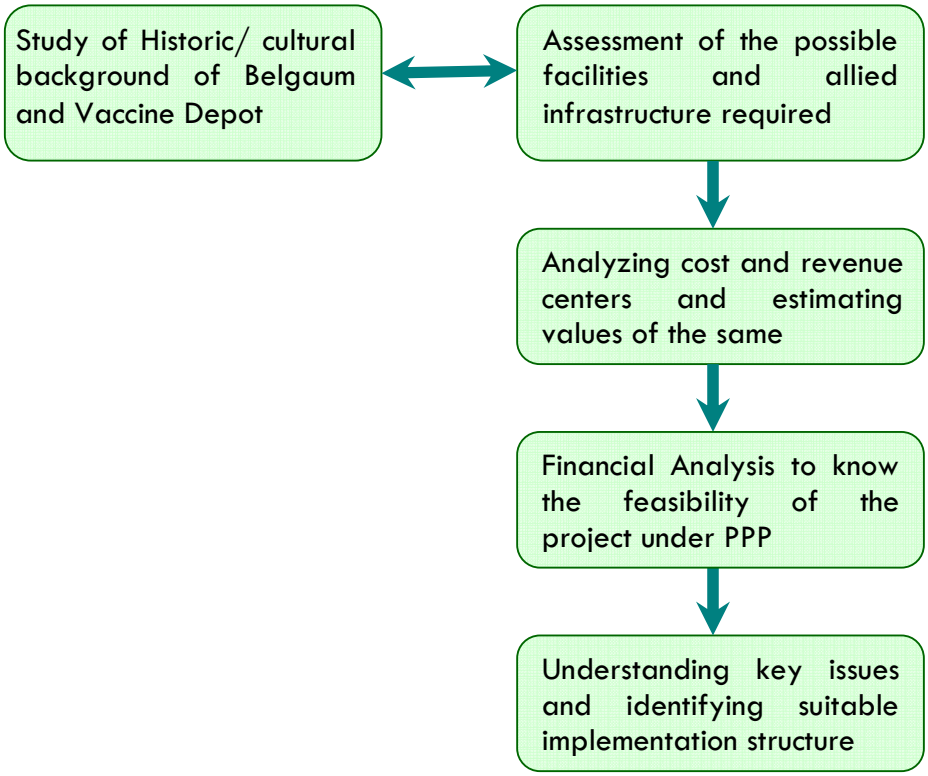


Figure 1: Approach and Methodology

1.4 Factors affecting feasibility of the project

The factors that may have an impact on the feasibility of the project are:

- As per the G.O. No. AKUKA 84 CGM 2009 dated July 6, 2009, a Botanical Garden should be developed on the identified site and the G.O. does not refer to development of any built form. This may have an impact on the feasibility of the project. Please refer to **Annexure -1** for the same.

- The interpretation of Heritage and Tourism industry trends as presented in this report is based on rapid market survey and interactions with limited key players namely government stakeholders, market traders, small scale industrialists involved in the business of tourism. Hence, they are indicative of the situations prevalent at the time of conducting the study.

- The study is based on market information, whether from public and private sources, and it has been ensured to the best of its ability, the correctness and the validity of the same, by cross checking from various sources.

2. About the location

Figure 2: Location of Belgaum

Belgaum is a town in northwest Karnataka, India and is the headquarters of Belgaum district. The district is bound by Bagalkot district on the East, Dharwad and Uttar Kannada district on the South, Maharashtra and Goa states on the West and Maharashtra state on the North. Belgaum is situated 502 km from Bangalore and is the Divisional Head quarter of North Karnataka. It is also known as Belgaavi in Karnataka and Belgaon in Maharashtra.

The geographical area of Belgaum district is 13415 sqkm and Belgaum city is 98.04 sqkm. the population of the town as per Census 2001 is 3,99,600 .

2.1 Tangible Heritage in Belgaum

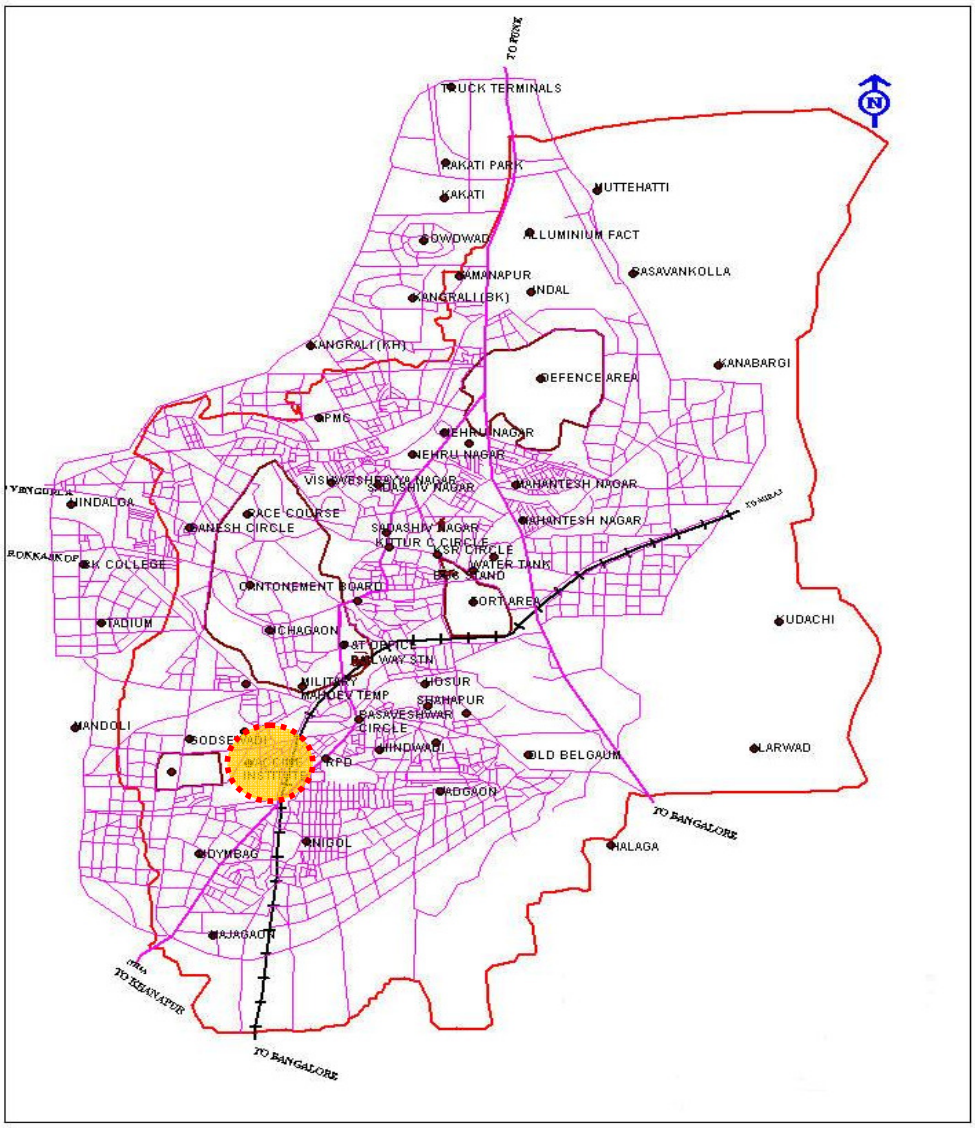
Belgaum city and district is endowed with rich cultural and historical heritage with its picturesque forts, temples, churches, mosques, basties and mutts noted for their archaeological and historic importance. The district is also blessed with fascinating rivers, beautiful water falls, enchanting hill ranges, evergreen forests and lakes, which makes the place a world of scenic beauty. Following are the three major places of tourist interest in the Belgaum city.

- **Belgaum Fort:**
  It is ancient architectural pre-muslim monument where mosques and temples co-exist in perfect harmony. The fort was built in the 12th century A.D by the local Ratta rulers. It was renovated and built on by successive rulers who ruled Belgaum from time-to-time. The Belgaum Fort is unique for a myriad of religious shrines within its ramparts. At the entrance, two shrines devoted to Ganapathi and Durga exist in harmony with the two ancient mosques, the Safa Masjid and the Jamia Masjid.
- **Kamala Basti:**
  Located inside the Belgaum Fort are two Jain bastis built in the Late Chalukyan style. Of these, the more famous is the Kamala basti, built in 1204. The Kamala Basti has a huge protruding lotus (Kamala) in its ceiling and houses the idol of the twenty-second Jain Teerthankara Neminatha.

- **St. Mary's Church:**
  The St. Mary's church in Belgaum boasts of an awe-inspiring architecture. Built in 1869, the gothic stone structure of the church features imposing stained glass windows. Biblical drawings adorn the walls of the church.

2.2 About the Site: Vaccine Depot, Belgaum

The site i.e. Belgaum Vaccine Depot is located in the heart of the city and spreads to about 100 acres. The site is at a distance of about 19 Km from Belgaum Airport, about 7 Km from City Bus Station and about 2.5 Km from city Railway station. Vaccine Depot is a mini exotic forest and has about 3700 varieties of medicinal plants and has a potential to be preserved as a natural reserve. The site has lush greenery and a seasonal natural drain flows during rainy season and has potential for being developed as a landscape element. The site is a treasure of exotic flora and fauna.



There are 64 existing buildings out of which some of the buildings are nearly 100 years old. The buildings are used as offices of the District Health Officer and storage facilities for various vaccines. The details of the existing buildings in the site are as follows:

Table 1: Current facilities at Vaccine Depot

S. NO.	PARTICULARS	NUMBER OF BUILDINGS
1	Buildings occupied	46
2	Buildings vacant	16
3	Buildings in deteriorated condition	02
	Total number of existing buildings	64

The current facilities are spread over an area of 23 acres and BUDA has estimated that another 27 acres will be required for future developments. The estimated area to be covered under the Heritage Park is 100 acres.

Figure 3: Existing building at Vaccine Depot

2.3 Heritage Park- Concept

The proposed Heritage Park is an integrated campus to promote heritage, tourism development and create recreational space for the city as well as surrounding region. While it is generally understood that heritage typically means the living arts and crafts typical to the region, the definition has been extended to many other aspects of culture

normally not associated in the public realm. These additional parameters for cultural definition include rituals, festivals, agriculture & land husbandry, cuisine, built form, architecture, etc, among many others.

The principle concept of the Heritage Park is one of sustainable development. This is expressed in many dimensions spanning several layers. The focus of the sustainable design process is to achieve an aesthetic response to the program, while minimizing the ecological footprint of the development and conserving the existing built form.

Conceptually, the Heritage Park works as a unified campus that showcases every aspect of the regional culture in a tangible, physical and visual manner, allowing people to experience the many facets of living heritage first hand.

The proposed heritage park shall have integral elements to promote art and culture blended with amusement related activities. Heritage Park is envisaged to cater to the needs of all age groups. The overall development of the area is envisaged in following zones.

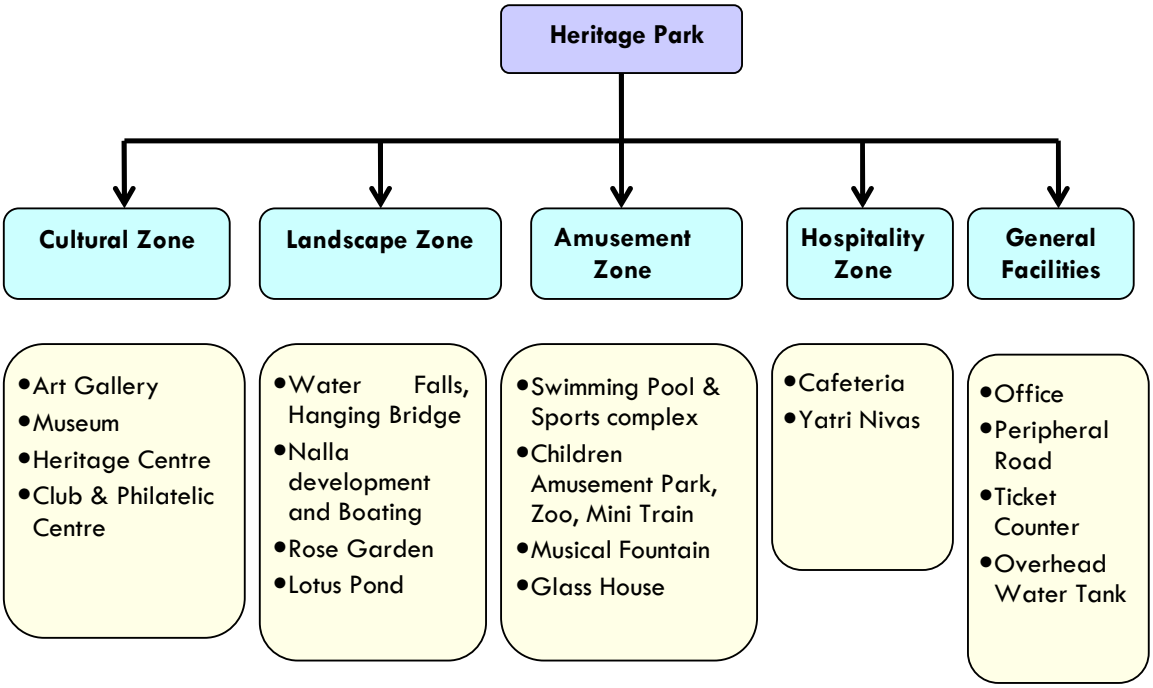


Figure 4: Facilities in the proposed Heritage Park

The bubble diagram representing the overall zoning of activities is given in the figure below.

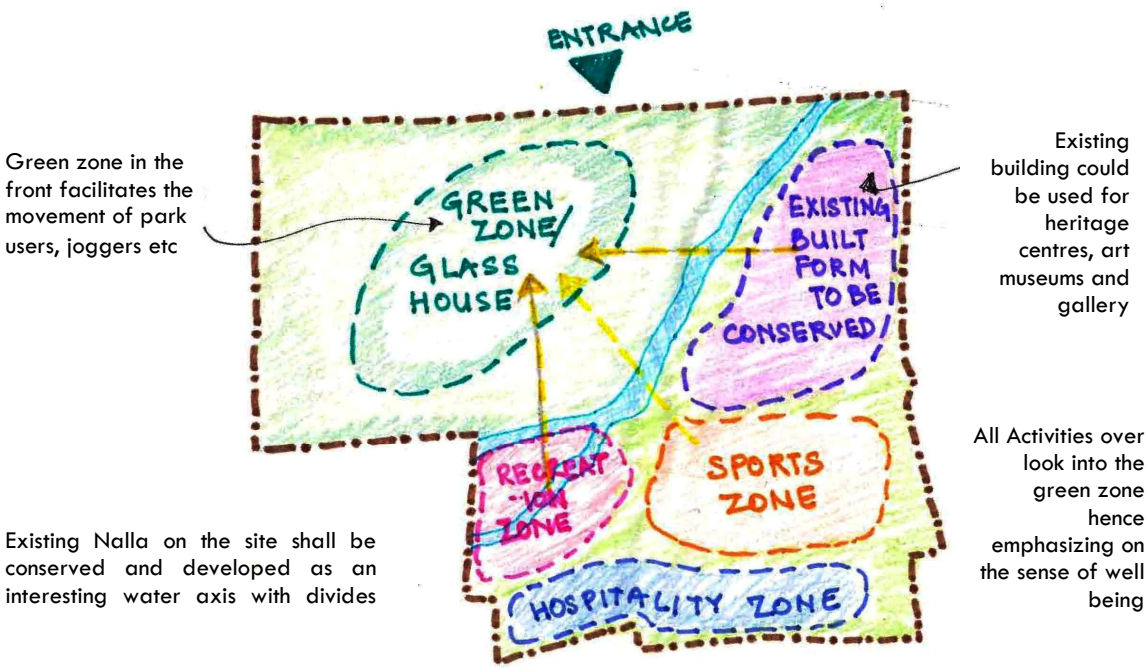


Figure 5: Concept of proposed Heritage Park

2.4 Salient Design Features

Some of the salient features to be considered for designing the Heritage Park are as listed below.

- The issue of sustainable development should be dealt with in a comprehensive manner with the goal of maintaining as low an ecological footprint as deemed feasible and retaining the existing built form.
- Clusters of low rise, high density developments are proposed to minimize construction footprint and increased infrastructure efficiency. For this purpose the existing buildings in the site shall be restored and renovated and the construction of new structures shall be minimized.
- Conservation of existing greenery and indigenous vegetation is proposed to improve biodiversity, negate chemical fertilizer use, improve soil health, reduce water and resource use, support insect & bird life, etc
- A comprehensive water management policy to harvest, use, recycle and conserve water with the aim of achieving self sufficiency at the site level has been proposed.

The following conceptual view represents the proposed Art Gallery, Heritage Centre, and Museum which shall be the existing buildings conserved, restored and renovated to house these activities.

Figure 6: View of proposed Art Gallery, Heritage Centre and Yatri Nivas

The existing buildings shall be restored and conserved to house facilities like heritage center, art gallery and museum. The process of repair, restoration and rehabilitation shall include the following:

- Removal of portions of cracked masonry walls and piers and rebuilding them in richer mortar.
- Addition of reinforcing mesh on both -faces of the cracked wall, holding it to the wall through spikes or bolts and then covering it suitably.
- Injecting epoxy like material, which is strong in tension, into the cracks in walls, columns, beams, etc.
- Patching up of defects such as cracks and fall of plaster.
- Repairing doors, windows, replacement of glass panes.
- Checking and repairing electric wiring.
- Checking and repairing water pipes and plumbing services.
- Re-building non-structural walls, smoke chimneys, boundary walls, etc.
- Re-plastering of walls as required.
- Rearranging disturbed roofing tiles.
- Relaying cracked flooring at ground level.
- Redecoration, whitewashing, painting, etc.

The picture below shows the view of the developed water body circumscribed by the semi-covered walking pavement. Hanging bridge is also proposed with the development of lotus pond on the site.

Figure 7: View of developed water body

Health and Service Department along with BUDA have prepared a conceptual layout for the development which is provided as **Annexure 2**.

3. Project Financials

The Heritage Park would be an integral mix of Heritage Structures, Green space and recreational facilities like Amusement Park, children's park and Sports Complex. It shall also have a Yatri Niwas for the visitors who would like to have an extended stay. It proposed Heritage Park shall provide breathing space in the heart of the city.

It is proposed to restore and renovate the existing buildings for the facilities like office, cafeteria, art gallery, museum and heritage centre. The cost of renovation and restoration of the existing buildings to be used for these facilities are included in capital cost.

This chapter would cover estimations of project cost of the proposed Heritage Park, revenues from facilities proposed and its financial viability.

3.1 Project Facilities

Facilities related to Culture/Heritage:

The proposed facilities are Art Gallery, Museum, Heritage Centre, Club & Philatelic Centre. The Philatelic Centre would showcase the collection of stamps, covers, postal history, postal stationery, collectibles, revenues & stamp papers. It would also auction some of the items on regular intervals.

The art gallery would help local artists showcase their artworks here. The Art Gallery would help in the recognition and promotion of emerging talent, creating an awareness of art amongst old and new collectors by showcasing good quality art works and providing a platform for interaction between artists and collectors.

Museum and Heritage Centre would help showcase the history and importance of Vaccine Depot. It would also highlight the culture of Belgaum, its historic importance and contributions made by people of Belgaum etc.

Development of Landscaped Park:

Nalla (seasonal spring), boating, hanging bridge, musical fountain, rose garden, water falls etc would be developed as a part of landscaped Park.

The park shall include seating, public art, water features, gathering spaces and significant open lawn areas surrounded by shops and restaurants. The existing seasonal Nalla is proposed to be widened. It is proposed to make it 10 meters wide and 7 meters deep. The musical fountain, water falls, lotus pond and rose garden would be major attractions of the park.

Facilities for Amusement:

An Amusement Park is proposed in the site which would have various rides and a mini train. A Sports Complex with facilities for many outdoor as well as indoor sports and a swimming pool would also be developed.

3.2 Project Cost

The assumptions related to area of the facilities used for calculating the Project Cost are as listed below.

Table 2: Assumptions for calculation of Project Cost

S. NO.	PARTICULARS	AREA (SQM)
1	Art Gallery	250
2	Museum	250
3	Heritage Centre	300
4	Club and Philatelic Centre	875
5	Sports Complex with Swimming Pool	15,600
6	Glass House	465
7	Office	1,200
8	Cafeteria	465
9	Lotus Pond	10,000
10	Rose Garden	2,362

The total Project Cost is estimated at around Rs. 26.2 Crore. The detailed break down of the Project Cost is as shown below.

Table 3: Detailed Break-down of Project Cost

S. NO.	COST COMPONENTS	COST (RS. IN LAKH)
1	**Facilities related to Culture/ Heritage**	
	Art Gallery	19.1
	Museum	19.1
	Heritage Centre	22.9
	Club & Philatelic Centre	105.2
2	**Development of Green Park**	
	Water Falls, Hanging Bridge	81.2
	Nalla development and Boating	101.5
	Rose Garden	5.1
	Lotus Pond	3.3
	Musical Fountain	50.8
	Medicinal Plants	10.2
	New Plants and trees	5.1
	Landscaping	15.2

3	**Facilities for Amusement**	
	Swimming Pool & Sports complex	812.0
	Children Amusement Park	152.3
	Mini Train	76.1
	Yatri Nivas	54.8
	Glass House	101.5
4	**Support Facilities**	
	Ticket Counter	1.6
	Overhead Water Tank	10.0
5	**General Facilities**	
	Office	91.8
	Cafeteria	35.5
	Peripheral Road	73.7
6	**Other Facilities**	
	Restoration of buildings	10.2
	Compound Wall	86.3
	Pure Drinking water stations	10.2
	Internal Roads	245.8
	Water and Sanitation Facilities	58.1
	Electricity	58.1
	Street Furniture and Lighting	45.7
7	**Pre-operative Expenses**	23.6
	Total Hard Cost	**2386.0**
8	Contingency Cost	71.6
9	Financing Charges	11.9
10	IDC	124.5
	Total Project Cost	**2594.0**

The basis for the cost assumptions of major facilities like water falls, hanging bridge, swimming pool and sports complex are given in the **Annexure 3.** The costs of musical fountain, mini train, amusement park etc are arrived from the quotation of the suppliers. It is assumed for calculation purposes that the project is financed by 40% equity and 60% debt. The details of financing are as shown below.

Table 4: Details of Project Financing

S. NO.	PARTICULARS	VALUE
1	Debt to Equity Ratio	60:40
2	Project Cost (Rs. Crore)	25.94
3	Debt	15.56
4	Equity	10.38
5	Interest Rate	16%

3.3 Project Revenues

The revenues would come from different sources like entry ticket for the park, ticket charges for Amusement Park rides and membership charges for Sports and Swimming facilities would be the major sources of revenue. Also a common ticket charges for visiting Art Gallery, Museum, Heritage Center, Club and Philatelic center is proposed.

Revenues would also come from Mini Train, Boating, Tonga Ride, Cafeteria, Rent from Stalls, Yatri-Nivas, Parking and Advertisement.

The assumptions for calculating Project Revenues are as listed below.

Table 5: Revenue Assumptions

NO.	PARTICULARS	VALUE
1	Average footfalls on weekdays	500 persons
2	Average footfalls on weekends	1200 persons
3	Entry ticket price	Rs. 35 per person
4	Common ticket price for Art Gallery, Museum, Heritage Center, Club and Philatelic center	Rs. 40 per person
5	Expected number of members for Sports Complex Facilities	500 members
6	Membership charges per month for Sports Complex Facilities	Rs. 500 per member
7	Annual Escalation in revenues	5 %

The footfall assumptions are based on the article on Mega Parks published in the Financial Express and attached in the **Annexure 4.** Based on the above assumptions the revenues are calculated for a period of 30 years after two years of construction. The expected revenue for the first year is Rs. 2.8 Crore. The details of the revenues are as shown below.

Table 6: Detailed Break-down of Expected Project Revenues

NO.	PARTICULARS	YEAR 3	YEAR 10	YEAR 20	YEAR 32
1	Entry Ticket	89.2	125.5	204.4	367.1
2	Amusement Park	40.8	57.4	93.4	167.8
3	Art Gallery, Museum, Heritage Center, Club and Philatelic center	30.6	43.0	70.1	125.9
4	Sports Complex and Swimming Pool	30.0	42.2	68.8	123.5
5	Boating	5.7	8.1	13.1	23.6
6	Tonga	2.5	3.6	5.8	10.5
7	Mini Train	10.2	14.3	23.4	42.0
8	Yatri Nivas	13.7	19.3	31.4	56.3
9	Cafeteria	18.0	25.3	41.3	74.1
10	Stalls	1.2	1.7	2.8	4.9
11	Parking	5.1	7.2	11.7	21.0
12	Advertisement	12.0	16.9	27.5	49.4

13	Office Rentals	38.8	54.5	88.8	159.5
	Total Revenues	**297.7**	**418.9**	**682.4**	**1225.5**

The Operation and Maintenance expenses are taken as 10% of the Project Revenues with escalation of 3 % a year.

3.4 Project Viability

The project IRR is lower than the common benchmark of 15% for a private player to invest in the project. The reasons likely for this are:

- The expected facilities to be developed are very versatile as well as Greenfield and require huge investment.
- At the same time the expected footfalls assumed are not sufficient to make project financially viable.

To analyze the viability of the project, various scenarios are been considered so as to arrive at the right mix of development options which can make the project financially viable for a private player to invest. The project returns were checked for different scenarios after dropping certain facilities. The details of the same are as shown below.

Table 7: Detailed Break-down of Expected Project Revenues

NO.	PARTICULARS	PROJECT COST	ANNUAL CONCESSION PAYMENT	PROJECT IRR
1	With all facilities	Rs. 26.2 crore		11.7%
2	All Facilities except Glass House, Club & Philatelic Centre, Water Falls and Hanging Bridge	Rs. 22.9 crore	Rs 8 Lakh per Annum	12.7%
3	All facilities except Sports Complex and Swimming Pool	Rs. 16.1 crore	Rs 10 Lakh per Annum	15.0%
4	All Facilities except Sports Complex, Swimming Pool, Glass House, Club & Philatelic Centre, Water Falls and Hanging Bridge	Rs. 12.9 crore	Rs 55 Lakh per Annum	15.0%

It is apparent from the above table that the project is expected to be financially viable if certain facilities are not developed. These facilities may be given as mandatory facilities in the project.

4. Environmental and Social Impact of the Project

Some of the quantitative impacts of the proposed Heritage Park are as listed below.

Table 8: Benefits of Heritage Park

S. NO	BENEFITS DESCRIPTION	QUANTITATIVE IMPACTS
1	Conservation of the existing facilities of Vaccine Depot	The Vaccine Depot is more than 100 years old institute. Some of the existing buildings are since the time of establishment of the institute which will be conserved. The conservation shall have a positive impact on the heritage of the City. The old buildings can be preserved and renovated to house museum, art gallery and cafeteria which can showcase the history of Belgaum as well as act as a center to promote and exhibit culture.
2	Promotion of intangible Heritage	Intangible Heritage comprises movable artifacts, handicrafts, folklore, visual and performing arts, music, literature, language, traditional medicine, culinary traditions etc which are intimately linked to the built heritage. Positive impact on the cultural profile of the city. Art and heritage of the City is conserved.
3	Employment	The tourism & heritage industry directly or indirectly provides a means of livelihood to a number of people of Belgaum and neighbouring places. The people benefited include tour operators, artisans, performing artists, handicraftsmen, hoteliers, dealers in antique items and traditional artists.
4	Income for poorer sections	Creation of direct and indirect employment for poorer section of the society and would get opportunity to make earnings.
5	Micro Climate	The urban open spaces having green cover assist in reducing the temperature by providing shade and shadow. Parks and open spaces are important

		determinant in microclimate of urban spaces, along with the vegetation and topography. Also the Vaccine Depot site has a large number of medicinal plants which need to be conserved and utilized for the betterment of the society.
6	Environment Improvement	Open green spaces will absorb noise and air pollution and provide breathing space for the city
7	Improved Quality of life etc	Reduced air pollution, water pollution would result in hygienic living standards. The provision of amusement park shall act as a recreation space for the local people as well as visitors.

5. Market Assessment

The stakeholders involve in the process of development of Heritage Park look capital investment, long term operation and maintenance and risk sharing mechanism with the private player. A private player is expected to design, engineer, finance, construct, operate, maintain and transfer the developed park after a specified period. The major stakeholders involved in the process are:

- Health and Welfare Department, Belgaum
- Belgaum Municipal Corporation
- District Administration, Belgaum
- Belgaum Urban Development Authority

5.1 SWOT Analysis

The SWOT analysis for taking up development of Heritage Park under a PPP framework is as follows:

STRENGTHS	WEAKNESS
• Private Partners are involved for the development of Heritage Park where operations and maintenance capital investment and commercial Risk can be shared or transferred entirely on to the private partner. • Can help in promoting new concepts, designs and efficiencies in lake conservation. • Can maximize service to citizens at an affordable price with optimal use of government Funds. • The development of the project shall create a common platform for exhibiting the art	• Involvement of Private Partners leads to commercialization of public / natural assets. • The concern of amusement with construction of theme parks, entertainment venues and shopping malls tend to have a negative impact on urban biodiversity and exclude the under privileged.

OPPORTUNITIES	THREATS
• Private partner can bring in activities such as amusement park, jogging track, children's park, theme park, water parks, and nature walks etc. would help in accruing revenue all the year round. • A developed park is an ideal location for holding environmental conferences and probably even other environment or nature related symposiums. • Developing small bird parks, butterfly parks, a variety of flower beds not only maintains the flora and fauna of the area but would also add to the scenic beauty of the lake and would further enhance the attractiveness of the park.	• The creation of a hotel and commercial utility in an area that is exclusively meant to be retained as an ecological habitat and public commons leads to land use violation. • The manner in which the parks are being developed could kill the biodiversity, reducing the biological productivity and valuable species.

6. Structure of the Project

Various structures are analyzed to arrive at the possible development structure for the project. The possible structures, their merits & demerits are as listed below.

Table 9: Project structures, their merits and demerits

STRUCTURE	MERITS	DEMERITS
Concession Structure (BOT)	• Ownership of the property vests with BUDA at all times. • Bidder is allowed flexibility to develop the area in accordance with bye laws and in adherence to the minimum requirements set by BUDA • No marketing responsibility to BUDA • The land and the facilities developed on it would be transferred back to BUDA at the end of the concession period • Assured and fixed revenue stream • Uniform quality of services • Risk of time bound completion and revenue risk is transferred to the Bidder	• Time for development may increase slightly • All risk borne by bidder and may require higher returns • Skills required for contract management
Lease cum Sale Structure	• Ownership of the Land would be vested with BUDA for a stipulated period of time. • The development risk to be borne by the Developer. • No marketing responsibility to BUDA	• Developer would have to pay a huge upfront payment to BUDA • Mortgage rights would not be exercisable by the developer, although the Land acquisition cost would be borne by the developer • Land acquisition cost to be borne by the private developer. • BUDA losses ownership of the land after the project development. • All risk to be borne by the private developer during the development of the project
Joint Venture Structure	• Combination of sale and lease • BUDA could realize a portion of the revenues upfront	• BUDA loses ownership over part of the site area. • Some portion of O&M and marketing responsibility. transferred to BUDA • Allocation of space a major issue • Possibility of BUDA share being of inferior quality • In case of pre-termination, handover could lead to prolonged disputes

A structure can be finalized based on the project cost, the initial investment anticipated, and the intended contribution by the stakeholders after subsequent discussions. The structure will also depend on the financial viability of the project.

6.1 Project Configuration

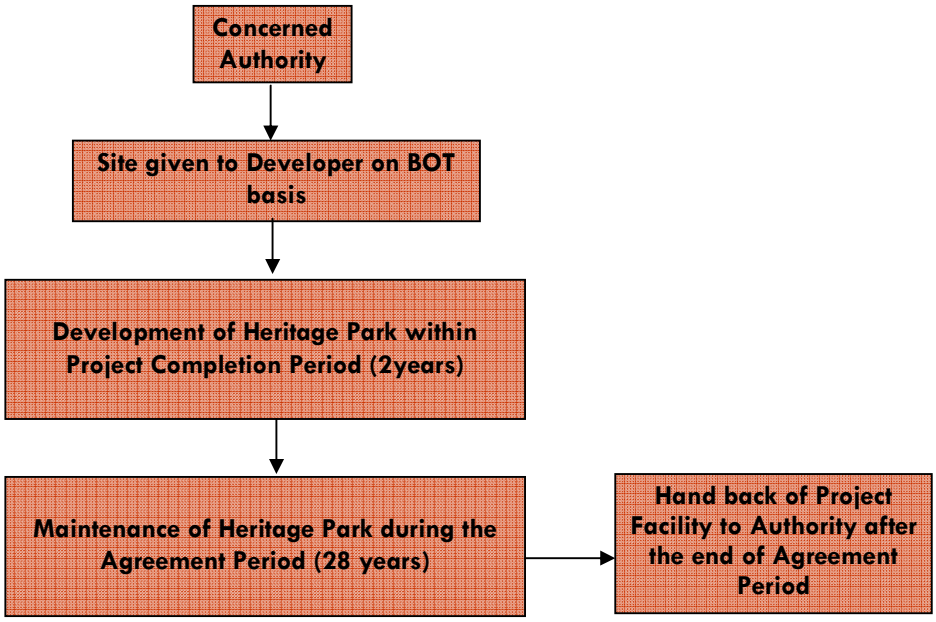
a. The requirements of Concerned Authorities from the project include the following:

- The site should be handed back to them after the Agreement Period.
- The site cannot be sold further to any other developer.
- The site cannot be mortgaged for any loans etc.
- Quarterly payments should be paid to the Concerned Authority from the developer.

b. Keeping these factors in consideration, it is proposed that the Project be developed through private sector participation on Build, Operate and Transfer (BOT) basis.

c. Under the proposed development structure, the developer shall be required to mobilize finances, design, construct and operate and maintain the Project Facilities as per the norms set out by Authority and under other applicable laws. The Project Facilities to be provided by the developer shall be specified in the Project Development and Implementation Agreement.

The period of agreement shall commence from the date of signing the Project Development and Implementation Agreement and end after thirty years including the period of construction.



6.2 Project Implementation Scheme

Mode of Implementation

a. The mobilization of finances would be the responsibility of the private developer. The entire finance required for developing the Project would have to be raised by the private developer within a pre-specified time frame. Therefore, Authority would not be responsible for raising the funds for meeting the initial capital expenditure.

b. The risk of adhering to the Applicable Law would be passed on to the private developer.

c. The risk of time-bound completion of the project would be passed on to the private developer. Since the revenue streams for the private developer from the Project would commence only after completion of the Project, it would be in the interest of the private developer to complete the project as early as possible.

d. The risk of over-runs in construction cost and operational expenses would be passed on to the private developer. Since the private developer is responsible for the implementation of the project, any increase in cost of the project would also be borne by him.

Selection of Private Developer

It is proposed to select suitable private developer for the Project through a transparent bidding process as per the provisions of the Karnataka Transparency in Public Procurement Act, 1999. The proposed process for selection of the private developers has been outlined below.

A single stage (two cover) bidding process is proposed to be adopted. The bid documents shall comprise a Request for Proposal Document (RfP) and a Project Development and Implementation Agreement.

a. Request for Proposal Document

- RfP shall comprise the description of the bidding process, eligibility criteria, evaluation criteria, selection methodology and the format for the financial offer.

- **Eligibility criteria:** The Bidders eligible for participating in the bidding process shall be any one of the following three categories:

  Category 1: A single Business Entity defined as a company incorporated under the Companies Act, 1956 and if it is a foreign company under an equivalent law abroad.

Category 2: In case the Bidder, which is a Business Entity (hereinafter called as "Lead Member") intends to associate with another Business Entity (hereinafter called as "Associate member") it could do so but with them a valid Memorandum of Understanding (MoU) formalising such an arrangement should be in place. This joint entity shall hereinafter be referred as "Consortium."

An individual or proprietorship Concern or a partnership firm is not eligible to apply for the project either on their own or as part of a consortium.

The evaluation criteria shall be related experience (implementation of similar projects) and financial capability. The bidders would need to meet the threshold criteria of related experience and financial capability.

Selection Methodology

i. Under the proposed structure, bid parameter for selection of the developer could be payments payable to Concerned Authority by the developer.
ii. The developers would be required to quote the payment in their financial offer. The payments could be payable quarterly.
iii. For the purpose of evaluation, the bidder quoting the highest quarterly payment would be the preferred bidder.

6.3 Salient Features of the Project Development and Implementation Agreement

The salient features of the Project Development and Implementation Agreement include the following:

a. Concerned Authority would handover the site, free from encumbrance, to the Second Party within a pre-specified period from the date of signing of the Project Development and Implementation Agreement.
b. The Second Party is authorized to design, finance, construct, operate and maintain the Project Facilities at the site.
c. The period of agreement would commence from the date of signing the Project Development and Implementation Agreement and end on the expiry of thirty years including period of construction.
d. The Second Party needs to obtain all permits as required under the Applicable Laws and be in compliance thereof during the Agreement Period and comply with all Applicable Laws.
e. The Second Party needs to complete the construction of the Project Facilities within a pre-specified time frame.
f. Concerned Authority would nominate / identify an engineer (Concerned Authority's Representative) for monitoring the construction activities and ensuring adherence to the O&M requirements. Concerned Authority's Representative shall be responsible for independently review, monitoring obligations of the Second Party.

g. The Second Party shall deliver to Concerned Authority, a performance security for due and punctual performance of its obligations, in the form of a bank guarantee amounting to _____ (could be equal to annual payment). The performance security could be valid for a period of 12 months.

h. Second Party would pay the payments quarterly as per his Proposal (Financial Offer). The payments could be increased by 3% over the previous amount for every one year, continuing till the end of Agreement Period.

i. The Second Party shall have the right to further sub-let/licence the Project or any part thereof to third parties and to collect from such parties, sub-let fees, license fees, maintenance charges and other amounts during the Agreement Period.

j. The Second Party shall on the date of expiry of the Project Development and Implementation Agreement hand back vacant and peaceful possession of the project facility to Concerned Authority free of cost and in good condition.

k. The Second Party shall at its cost and expense, purchase and maintain by due re-instatement or otherwise, during the Agreement Period all insurances in respect of the Project in accordance with Good Industry Practice.

l. A Project Engineer (PE) shall be appointed for monitoring compliance of Developer to performance obligations. The obligations of the project Engineer will be as follows:

- Concerned Authority will recommend the list of probable project engineers for the project.
- The term of Project Engineer will be up to completion of 1 year after Commercials Operations Date.
- The fees of the Project Engineer shall be borne By Concerned Authority.

m. The following events shall constitute an event of default by the Second Party unless such event has occurred as a result of a Force Majeure Event or Concerned Authority Event of Default

- The Second Party has failed to make any payment on due date and more than 30 days have elapsed since such default;
- The Second Party has failed to complete the Project within the stipulated / approved time frame
- The Second Party has utilised the site for any other activity other than permitted under the Second Party agreement.

n. Any of the following events shall constitute an event of default by Concerned Authority("Concerned Authority Event of Default"), when not caused by a Second Party Event of Default:

- Concerned Authority is in material breach of any of its obligations under this agreement and has failed to cure such breach within 60 (sixty) days of receipt of notice thereof issued by the Second Party.
- Concerned Authority has repudiated this Agreement or otherwise expressed its intention not to be bound by this Agreement.

o. **Termination Payments**

Upon termination of this agreement on account of Second Party event of default, Second Party shall be entitled to receive from Concerned Authority termination payment equal to one year payment.

Upon termination of this agreement on account of Concerned Authority event of default, the Second Party shall be entitled to withdraw the performance security, if subsisting, and receive from Concerned Authority; termination payment equal to two years payment.

Event	Amount	Performance Security
Concerned Authority's Event of Default	equal to two years payment	To be released
Second Party's Event of Default	equal to one year payment	To be appropriated
Force Majeure – Insurable	Nil	To be released
Force Majeure – Non – Insurable	70% of Book Value	To be released
Government action	120% of Book Value	To be released

Concerned Authority would have no obligation towards compensation for loss of employment, continuance or regularization of employment, absorption or re-employment on any ground, in relation to any person employed or engaged by the Second Party.

p. **Hand back Process**

The process of hand back of the site to the Concerned Authority after the end of Agreement Period will be as follows:

- The developer will submit hand back guarantee to Concerned Authority 24 months before expiry of the agreement.
- A joint inspection will be carried out 12 months prior to expiry of the agreement.
- The Concerned Authority will prepare list of items to be handed over by the developer to Concerned Authority prior to hand back process.
- Concerned Authority shall carry out any works not done by Developer and deduct from hand back guarantee.

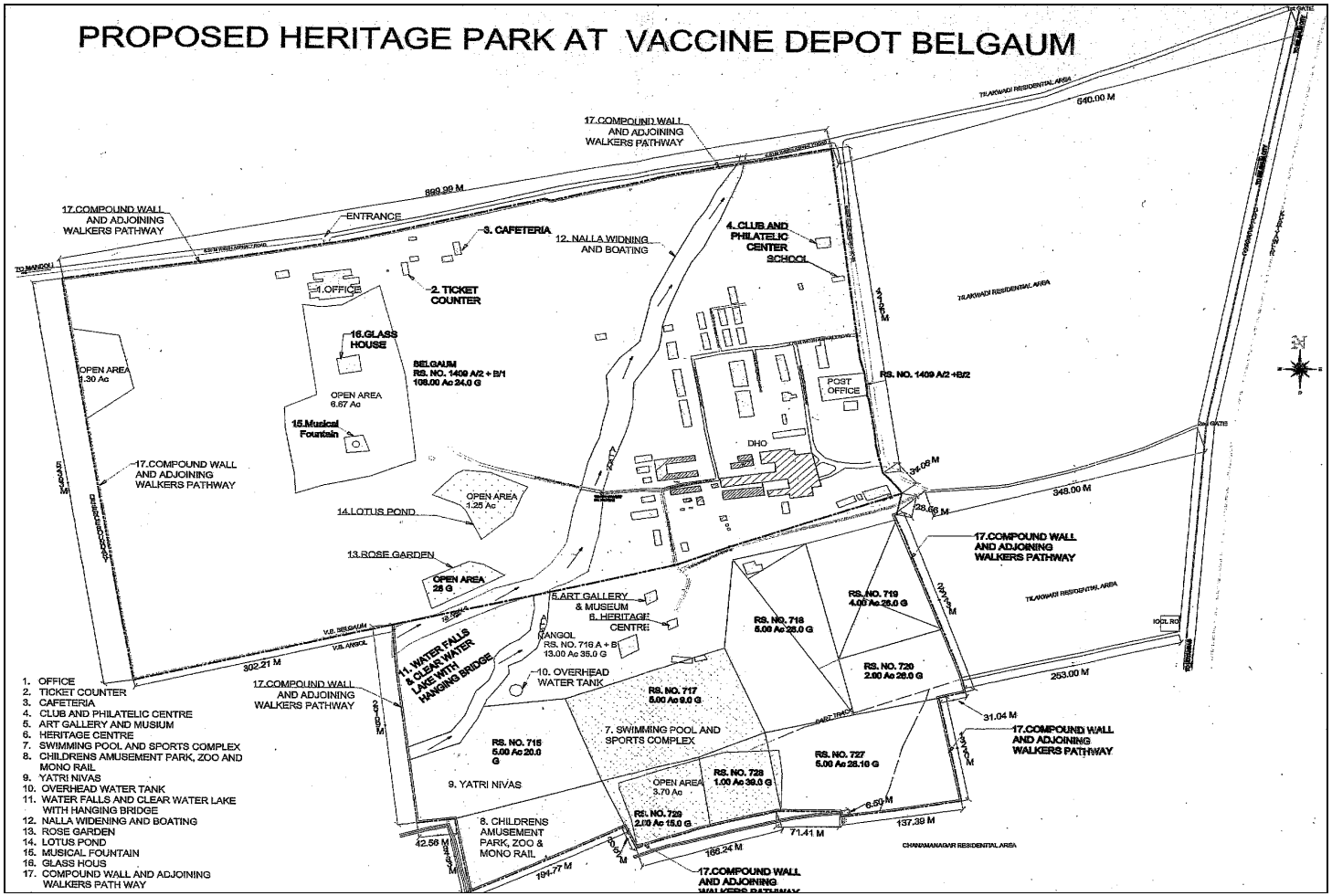
7. Issues and Concerns

Following issues need to be addressed while setting up the Heritage Park.

- The area is covered with various varieties of medicinal trees. These need to be conserved and the existing flora and fauna should be maintained while setting up new facilities.
- The old buildings which exist on the site need to be conserved. Their best possible use should be envisaged and the same should be integrated in the master plan.
- All clearance related to land should be received at the earliest.
- There are various stakeholders like Health Department, Belgaum Urban Development Authority, Belgaum DC and Belgaum Municipal Corporation who are involved in the process, seeking approval from the same is a time consuming and tedious process.

Annexure 1: Copy of G.O. Dated 29-06-09

Annexure 2: Conceptual Layout



Annexure 3: Historical Significance of the Site

Historical significance of the site

The Belgaum Vaccine Depot also known as Vaccine Institute was started by Captain F.H.G. Hutchinson for manufacturing Small Pox vaccine in 1904 under the then Government of Bombay Province. The institute was shifted to its present premises in Tilakwadi following completion of building construction works in 1909.

Figure 8: The Vaccine Depot Site

The institute was manufacturing 40 million doses of freeze dried small pox vaccine and supplying all over the country and to neighboring countries as well. During 1954, the vaccine was changed from cow-calf to sheep-based. Following reorganization of States, the administration of institute came under the control of Government of Karnataka in 1956. In 1968, the vaccine was changed from sheep to buffalo calf and the production capacity was increased to 47 million doses in 1974 — one third of total requirement of the country.
The manufacturing of the vaccine was cut down in 1977 in view of zero incidence of small pox in the country and completely stopped in 1978. Yet, during the same year, the

activities of the institute switched over to manufacture of neural tissue anti-rabies vaccine (NTV).

Initiatives on experimental works connected with preparation of Tetanus Toxoid and Diphtheria fraction were also taken up in 1985. The building needs to be developed considering the historical and monumental role played by it. It can be developed for tissue culture processes.

Annexure 4: Articles used as reference

1. Article in Times of India on 11 May 2009

Jamnagar to have world class sports complex

The coastal town of Jamnagar will have a world class sports complex near Lakhota lake within two months. The complex, to come up on 13569.38 sq mt of land at an estimated cost of Rs 7 crore, is being developed on public-private partnership (PPP) model.

An MoU was signed between Vishwanath Vyayam Pracharak Mandal (VVPM) and Jamnagar Municipal Corporation (JMC) for the complex. VVPM has given 10125.46 sq m of land for the project while the rest was given by JMC. The construction cost of about Rs 4 crore will be borne by the civic body. The sports complex, on completion, will be managed by VVPM.

Jamnagar municipal commissioner KN Bhatt said, the sports complex was on the verge of completion. He added that an indoor stadium would be an integral part of the project. The complex will have a swimming pool of international standard, a children's swimming pool, three badminton courts, table tennis room, carom and chess halls, billiards, snooker and pool table facilities, courts for squash and basketball. For outdoor games, there will be athletic track, cricket pitches, hockey, football and handball grounds on a sprawling landscape, added Bhatt.

The grounds and swimming pools have been named after former rulers of erstwhile Navanagar state, including Ranjitsinhji, Digvijaysinhji and Shatrushailyasinhji. The royal family had donated the land to VVPM six decades ago.

"The aim is to promote sports in the town and provide world class facilities to budding players. The complex will be managed by 16 trustees. Shatrushailyasinhji is the patron. Others who will manage the show are members of VVPM, mayor, standing committee chairman, municipal commissioner, leader of Opposition in JMC, chairman of primary education committee, and two other members to be nominated by JMC," said Jagdish Thakker, one of the trustees from VVPM.

2. Article in The Hindu on May 05, 2006

Artificial waterfall at Akkulam to be opened next week

Thiruvananthapuram: The 15-metre-high artificial waterfall constructed by the Thiruvananthapuram District Tourism Promotion Council (DTPC) on the slopes of the hillock in Akkulam tourist village will be commissioned next week.

The waterfall, which will assume the shape of a pyramid when switched on, has been built at a cost of Rs.30 lakhs by the DTPC. The waterfall has been constructed on the slopes of the hillock facing the swimming pool and children's park of the tourist village.

A permanent illumination has also been set up so that the tourists stepping into the village after sunset can enjoy the beauty of the waterfall. Both sides of the waterfall will be given a face-lift, with potted plants being placed there. The authorities have also provided space beneath the waterfall for revellers to take bath.

"All the civil works have been completed. Only the finishing works and the installation of a pump are to be completed. The artificial waterfall will be thrown open to the public next week," DTPC secretary N. Subramoniam told The Hindu.

The water to be used will be made available from the pool adjacent to the swimming pool of the tourist village. The water will be purified in the plant since the authorities are making arrangements for the revellers to take bath beneath the waterfall. Initially, the waterfall will not use the purified water from the plant.

The DTPC officials hope to woo tourists in large numbers to the tourist village once the artificial waterfall is commissioned. The authorities hope to attract a chunk of the revellers going to see the waterfalls in neighbouring Tamil Nadu to the tourist village here.

The DTPC authorities have decided to play the latest hit songs from Malayalam, Hindi and Tamil films to attract the young to the musical fountain at the tourist village. The musical fountain in the village can be viewed during daytime.

3. Article in The Hindu on August 09, 2005

Work on hanging bridge in Muvattupuzha to begin by October

Launch of the work on a hanging bridge at the `triveni sangamam' in Muvattupuzha, the place where the Thodupuzha River meets the confluence of the Kaaliyaar-Kothayar rivers, is awaiting the green signal from the Tourism Department.

Soil testing

Soil testing is over and structural details of the three-arm bridge, with a view tower and restaurant at the centre, are ready.

"The Tourism Department has accepted the proposal in principle. Work will start once the working committee of the department gives the green signal for the project. In all probability, the work will start by October," said District Collector A.P.M. Mohammed Hanish.

"The Tourism Department is expected to finance the project, which is expected to cost anywhere between Rs. 80 lakhs and Rs. 1 crore. The architect is yet to submit the cost estimate for the structure," said Mr. Hanish, who is the chairman of the District Tourism Promotion Council.

Chairman of the Muvattupuzha Municipality M.A. Saheer said that he would visit the State capital this week to seek the Tourism Department's permission to start the construction work. "The structure at the centre of the three arms of the bridge will be three-storeyed. The bridge will make Muvattupuzha a centre of tourist attraction. This is in sync with the State Government's attempt to develop eastern regions of Ernakulam district," he said.

Our aim is to attract tourists to the facilities at the hanging bridge and other places of attraction in the area, such as the renovated Municipal Park, the Children's Park in the heart of the town and the check dam proposed in the Muvattupuzha River. A boat service can be started connecting these places and nearby tourist spots, Mr. Saheer said.

The proposal for the bridge was made 25 years ago. It was also prominently mentioned in a master plan prepared for the town some time ago.

4. Article in The Financial Express on 6 January, 2007

Fun Parks- mega bucks

Who needs Disneyland when you have us?" questions Rakesh Babbar, the managing director of IRPPL (International Recreation Parks Pvt. Ltd.), the company behind the upcoming Entertainment City in the heart of Noida. The Entertainment City, spread over 150 acres and being set up at an investment of Rs.1100 crore, represents a new class of parks that are under construction or are being planned around the country. Larger, better and with the costliest 'rides' around, they reflect a change in not only how park operators and real estate developers think about amusement parks, but also how state governments perceive them.

Other upcoming projects include two planned by ISKCON, one at Vrindavan in Dwaraka, at an investment of Rs.1000 crores over 600 acres of land and one at Bangalore at an investment of Rs.350 crores. The themes for the two parks would revolve around the stories of Krishna. The religious theme is held in common with a Rs.100 crore park being promoted by the Saagar family at Haridwar. Revolving around the epic Ramayana, the park to be called 'Ganga Dham' will be situated on the banks of the Ganga.

But it isn't only spiritual theme parks that are making the running. IRPPL have also built a 62-acre park in Rohini, Delhi at an investment of Rs.200 crores. Called 'Adventure Island', the park is set to officially open later this year. Chandigarh too will be getting its own mega park in the next 3 years. To be developed and operated by Gurgaon-based Unitech, the park would be spread over 73 acres and have an initial investment of Rs.250 crores. The south too hasn't been immune to the action with the WonderLa park on the outskirts of Bangalore. Built over 83 acres and promoted by the V-Guard group, the park has already been in operation for a year.

The amusement park industry, around Rs.3000 crores now, has been growing at 25% per annum over the last 5 years, according to industry estimates. There are around 150 parks in India, with 10-15 coming up over the next few years.These include the mega parks with investments of more than Rs.100 crores. At present, industry experts say around 10 percent of the parks represent investments of around Rs.30-60 crores. Another 10 percent are spread over 10-20 acres representing investments of Rs.10-25 crores. The rest are spread over 3-5 acres and represent investments of under Rs.5 crores.

Amusement parks in India usually have long break-even periods of 7-10 years but Babbar is bullish about his own park. "The rise in middle class incomes and the fact that we are in the heart of the city, means we won't have that long a gestation period," says Babbar. The fact that the park will be centrally located makes it unique among amusement parks, most of which are located on the city outskirts. That's because governments usually allot land outside city limits, and most developers choose to construct parks on government land, as it is cheaper than buying their own at market rates.

The 150 acres on which the Noida entertainment park is based was provided by the Noida authority and is one of the few cases where a government has recognised an amusement park's need for a prime location to succeed. Local governments encourage the establishment of amusement parks, hoping they will drive domestic tourism, and let the local economy benefit from the money flowing in.

Those looking to come into the amusement park business come from a varied range of businesses. For example, one of the bidders for the Chandigarh theme park project was a consortium which included the retail giant Pantaloon. But they are usually alliances between an amusement park operator from India or abroad, and a real estate developer. IRPPL, for example, is 50:50 joint venture between International Amusement, who operate Appu Ghar in Delhi, and Unitech. Allying with international park operators like Disneyland and Sentosa of Singapore gives a branding advantage, according to K. Srinivas Gupta, the chairman of the southern region of the IAAPI (Indian Association of Amusement Parks and Industry).

Big regional groups looking for a higher profile also feature in the amusement park business. The V-Guard group in Kerala, for example, built its success on the back of voltage stabilisers, and now has amusement parks in Kerala and Karnataka. Says Gupta, "for such groups, the amusement parks aren't their primary source of business. It's more a diversion for them, than a way of diversifying their business. But they also tend to be more passionate about it."

Of the initial investment in a park, typically 60 percent goes into buying the land and the development of the site while the rest goes into the equipment and the various rides. Industry experts say that if the park is to be set around a theme, site development could even go up to 80 percent of the costs. In the case of the Noida entertainment city, according to the IRPPL general manager of corporate finance, Rajan Narula, the main components of their initial investment were Rs.110 crore for the land while Rs.180 crores was spent in developing the site.

The adoption of a theme by a park is important as most parks would tend to have the same rides, and the theme would help differentiate them. According to Gupta, 'theming' provides that little extra people are looking for. "People want an escape from reality and their normal day-to-day lives for 8-10 hours, and for that you have to provide an overall experience. You can't do that by just focusing on rides," says Gupta.

When constructing a park, promoters can choose to source the rides from within India at a cost of Rs.10-15 crores, or they could choose to import it from countries in Europe like Switzerland and Italy for 10 times the cost. A typical amusement park's expenditure would be dominated by energy costs that can go up to 50 percent. Other significant heads are the salaries and maintenance of rides.

When it comes to the revenues, there are usually four sources - the collections at the gate, food & beverage sales, advertising, and merchandising sales. The gate receipts that a park generates are determined to a large extent by the location of the park and the kind of footfall it has.

While parks in Tier II and III towns would have footfalls of around 50,000 to a lakh in a year, parks in bigger cities would have footfalls in the range of 5-6 lakhs with the mega-parks expecting around 10 lakhs. According to industry experts, parks in big cities can typically expect about 1 percent of the local population and 10-15 percent of tourists to visit in a year.

While prices for entry tickets for smaller parks would be around Rs.100, for the bigger parks, tickets would range from Rs.300 to Rs 500. The amusement park industry is one that does most of its business on weekends and holidays- in a year around 80 percent of the business is done in 200 days.

According to an industry expert, Indians usually don't spend much at a park so the entry ticket price usually represents the maximum a park would get out of a visitor. In smaller parks, on an entry ticket of Rs.100, only a further Rs.10 would be spent in the park whereas in the US, for a $50 entry ticket, $50 more can be expected to be spent by a visitor.

As for the future of the industry, Rajen Shah, the president of the IAAPI, feels that would be dependent on the classification of the industry as 'social infrastructure' with its resulting tax benefits. He argues that even if profit may be the motive for the industry, there are various social benefits for a community from having an amusement park around. Gupta on the other hand, suggests a lesson could be learnt by the industry from Orlando in the US. There, Disneyland and dozens of other parks co-exist and develop synergies with the hospitality industry. He recommends Goa and the Andaman & Nicobar Islands as sites that could be developed by the government as entertainment destinations

Annexure 5: Quotations for setting up facilities

SUPER Amusement Games

Royal Family Train

- SPECIFICATIONS OF Amusement Royal Family Train

SIZE: Eng. 8'x 4', Bog. 9'x 4' Height 6.75ft

(A) Engine:

> Capacity:48 kids or 36 adult.
> Fiber & mettle structure.
> 5HP motor, two phase.
> Locomotive operation from engine itself and not from platform.
> 48V to 55V supply to the track
> Driving Wheel size: 12" diameter = 4pc
  Other Wheels 10" diameter = 28pc

Price-Rs.11,50,000 /- (1 Engine + 3 Coach with Roof)

(B) Track:

Track broad 3feet MS T-section, size 50 x 50 x 6 mm, erected over wooden sleepers. Size: 4' x 3" x 3", fitted with special design of fishplate made from Metal casting material.

Price-Rs.900 /- Per Running Ft.