Proceedings of the 4th Meeting of the State Level Single Window Agency for PPP projects held on September 9, 2008 at 3.30 PM under the Chairmanship of the Chief Secretary to Government of Karnataka

Members present: List enclosed

Principal Secretary, IDD extended welcome to the Members present.

Subject No. 1 Confirmation of the Proceedings of the 3rd State Level Single Window Agency for PPP projects held on April 1, 2008.

Read and confirmed.

Subject No. 2 Review of action taken on the Proceedings of 3rd State Level SWA for PPP projects held on April 1, 2008.

2.1. Capacity building of officers dealing with PPP projects

The Principal Secretary IDD informed that Administrative Training Institute, Mysore has accepted to co-ordinate in the Capacity building for the Officers of various departments and organizations during 2008-09 also. The first three slots will be conducted during October and November 2008 and the fourth slot is to be coordinated soon. SLSWA noted the same.

2.2. Additional Allocation for Project Development Fund (PDF)

The Principal Secretary IDD informed that Gol has been requested to release funds from India Infrastructure Project Development fund (IIPDF) for development of projects. The proposal sent by the State Government was referred back seeking clarification and the same has been attended and suitable reply has been sent to Gol on 13-08-08.

2.3. MoU with GoI

The Principal Secretary IDD informed that both the Consultants i.e. MIS expert and PPP expert have reported on 27-02-08 & 26-05-08 respectively and are functioning in the PPP Cell. SLSWA noted the same.

2.4 Development of Honnavar Port in District Uttara Kannada and a Modern Sea Port at 1st Stage Malpe on Build Own Operate Share and Transfer (BOOST) basis

The Principal Secretary IDD informed Single Window Agency that the two Projects on the Development of Honnavar Port in District Uttara Kannada and a Modern Sea Port at 1st Stage Malpe on Build Own Operate Share and Transfer (BOOST) basis by the Port Department approved in the 3rd SLSWA for PPP projects was placed before the
15th State High Level Clearance Committee Meeting held on 21/08/2008 at 10.30 a.m. at ‘Krishna’ Bangalore, under the Chairmanship of the Hon’ble Chief Minister of Karnataka and the same has been approved. The proposals will be forwarded to GoI after the SHLCC proceedings are received.

3. Projects for consideration and approval

a) Development of Traffic and Transit Management Centre (TTMC) at Hebbal on DBOT basis.

The Senior Associate – Transaction Advisory Services, Ernst & Young made a detailed presentation on behalf of the Project Sponsoring Agency- Bangalore Metropolitan Transport Corporation (BMTC), on the above project. The Consultant made a presentation on TTMC-concept, project background, project location, project overview, Financials, Timeframe, State support, lease-cum-development agreement. The project developer will undertake the project design with certain minimum development obligations.

The Principal Secretary, Transport on behalf of the sponsoring authority mentioned that the project requires state support in two areas viz. Floor Area Ratio (FAR) for T&T should be increased to 3.25, from current value of 1.5; and ancillary land use should be increased to between 40-50% from the current value of 5% to make the project viable. The Principal Secretary UDD clarified that T&T can have 3.25 FAR as per the CDP and an ancillary land use of 40% can be considered. After detailed deliberations it was approved that maximum of 45% of the total built up area be considered for ancillary land use. (Total built up area would include parking area specifically exempt for calculation of FAR).

Principal Secretary IDD, queried on how the cost of project transaction is being met. BMTC informed that it will charge 2% of the bid value to the winning bidder for project development cost. The project consultant would undertake the transaction process for the project fee of Rs.5 lakh and 0.5% of the winning bid value.

Chief Secretary enquired on the availability of land as a key input to the project. BMTC placed on record that the project will be spread over an area of 7 acres and 38 guntas of which only 4 guntas are under legal dispute. The title to rest of the land belongs to BMTC and the project can proceed without the disputed portion of the land.

Finance Secretary enquired on traffic impact the project will have, and BMTC agreed to undertake Traffic Impact Study independently. The project should also undertake the Environmental Impact Assessment study and should also obtain the approval.

The SLSWA members felt that the project should take the shape of a top class transit facility and not be a real estate project.
After discussions, it was decided as follows:

1. FAR of TTMC and KSRTC will depend upon the road width abutting to the property.
2. Permissible land use [R2, U2, C3, I3] shall not exceed 45% of the total FAR area. As per the Revised Master Plan-2015, Multi-Level Car Parking (MLCP), Stair case, ramp etc are exempted from FAR.
3. A committee will be constituted with Principal Secretary IDD, Finance Secretary, Secretary of project sponsoring department and experts to advise the finer details of the project structuring, Draft Concession Agreement for initial 3-4 projects before project documents are standardized to form the Model Concession Agreement. The committee may invite experts in the field of transport, traffic police and other related areas.
4. Detailed studies for traffic impact, environmental impact should be undertaken and necessary approval may be obtained.
5. The project should be designed with 30 years of concession period with a rebid option thereafter. The first right of refusal should be available to the incumbent concessionaire.
6. The project should incorporate a Monitoring plan before the project goes for bidding with provision for appointment of an Independent Engineer to oversee.
7. The project concession agreement should contain customer facility norms and standards of operation where the bidder should create separate fund for maintenance of services and have third party for inspection of such services.
8. BMTC may include following provisions in the transaction documents
   a. Car parking fees to be determined transparently
   b. Car park to be reserved for the transit passengers
   c. Car Park to include facilities for two wheeler as well
   d. Adequate facility for pedestrian transit users should be provided as per the need

b) Development of Traffic and Transit Management Centre at Chikkanagamangala on BOT basis.

The Senior Vice President, IL&FS made a brief presentation on the above project on the following areas- Project Development: Objectives, Salient Features and Key Tasks, Site Location, Proposed Development, Minimum Development Obligations (MDO), Project structure & Benefits to BMTC, Comprehensive Activity Schedule, Govt. Support, Bus Terminal Projects experience. The presentation did not contain the project financials and viability as pointed out by Secretary (B&R), Finance Department.

SLSWA advised that BMTC makes the required project development preparation for Traffic and Transit Management Centre at Chikkanagamangala with project financials and risk analysis and place the same before the SLSWA for approval.
4. Amendment to earlier approved projects:

2nd Stage development of Karwar Port through Private Participation under “BOOST” concept:

Director of Ports & Inland Water Transport informed that the proposal of the Department of Public Works, Ports & IWT for the 2nd Stage development of Karwar Port in PPP mode under the Design – Build – Own – Operate – Transfer (DBOOT) pattern was discussed and approved in the 2nd SLSWA for PPP projects under BOOT basis. The proposal was approved as “BOOST” in the G.O. No: PWD 274 PSP 2007, Bangalore dated:21-02-08. Accordingly, the PPP project was placed before The State High Level Clearance Committee.

Director of Ports & Inland Water Transport informed that project be further processed under BOOST basis, which the SLSWA noted.

The meeting ended with a Vote of Thanks to the Chair.

Sd/-
(Sudhakar Rao)
Chief Secretary,
Chairman of the State Level Single Window Agency for PPP Projects.

(D.S. Vishwanath)
Director
Infrastructure Development Department
## LIST OF MEMBERS PRESENT IN THE MEETING HELD ON 09/09/2008 UNDER THE CHAIRMANSHIP OF THE CHIEF SECRETARY TO GOVERNMENT OF KARNATAKA ON THE 4th STATE LEVEL SINGLE WINDOW AGENCY FOR PPP PROJECTS.

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<td>1.</td>
<td>Chief Secretary to Government.</td>
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<td>2.</td>
<td>Dr. L. Shanthakumari Sundar, I.A.S. Additional Chief Secretary &amp; Development Commissioner.</td>
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<td>4.</td>
<td>Sri. K. Jyothi Ramalingam, I.A.S. Principal Secretary, Urban Development Department.</td>
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<td>5.</td>
<td>Sri. Upendra Tripathy, I.A.S. Principal Secretary, Transport Department.</td>
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<td>6.</td>
<td>Sri. Ajay Seth, I.A.S. Secretary (B&amp;R), Finance Department.</td>
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<td>7.</td>
<td>Sri. Syed Zameer Pasha, I.A.S. Managing Director, BMTC.</td>
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<td>Sri. S. S. Pattanashetti, Additional Secretary, Representing Principal Secretary, Commerce &amp; Industries Department.</td>
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<td>Sri. Sukumar T, Secretary, PWD.</td>
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<td>Sri. M. A. Basith, Senior Director, Representing for Principal Secretary, Planning Department.</td>
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<td>Captain R Mohan, Director of Ports &amp; Inland Water Transport.</td>
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<td>Sri. V. Sathyanarayan, Representing Managing Director, iDeCK.</td>
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<td>13.</td>
<td>Sri. T. B. Renuka Prasad, Deputy Secretary &amp; Director (I/c) IDD.</td>
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