

Concept Note Template for PPP projects

The below template is prepared to provide guidance to various Departments of the Government of Karnataka for preparation of 'Concept Note' for their proposed PPP projects. The aspects mentioned in this template can be discussed internally in the Departments and information can be collected on the same. If these aspects are covered under the Concept Note, it would support KKRDB to gain an understanding of the project, so that they can assist the Departments/ Deputy Commissioners or Additional Deputy Commissioners of 7 district, in selection of Transaction Advisor and further implementation of the project.

S. No.	Sections	Details
1	Project concept	<p>Please provide an understanding on:</p> <ol style="list-style-type: none"> 1. 'Need' of the project. 2. Role of the private entity who will implement/ operate the project 3. Type of private entity which shall be suitable for project implementation/ operations. For example, real estate developer, infrastructure firm, hospital operators, hospitality/ hotel operators, large retailers (such as Decathlon, Big Bazaar, etc.), ETP operators, parking operators, etc. 4. Demand aspects of the project 5. Possible revenue streams in the project <p><i>For example, for a 'stadium redevelopment project', the need of the project is to develop good infrastructure for sports in the city and to improve the current condition of the sporting facilities in the stadium. Role of the private entity would be to finance the refurbishment/ renovation of the facilities and develop ancillary facilities like food court. The private entity would also operate and maintain the project for 30 years.</i></p>
2	Site conditions	<p>Please provide details on:</p> <ol style="list-style-type: none"> 1. Extent of land of the project site 2. Location coordinates and address of the site 3. Details on the condition of the site in terms of number and type of existing structures, built-up areas of the existing structures, zoning/ use premises (such as industrial/ commercial/ residential/ mix use) 4. Pictures of the site, if available 5. In case of brownfield assets (such as existing hospital/ hotel/ park/ etc.), please provide existing usage of the asset 6. Any concerns on the site which may affect the project such as 'no approach road', 'highly undulated land', 'site contains natural water body or stream', 'HT transmission

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		lines passing through the site', etc.
3	Project commercials	<p>Please provide broad level understanding on:</p> <ol style="list-style-type: none"> 1. Demand aspects of the project 2. Possible revenue streams in the project <p><i>For example, for a 'stadium redevelopment project', broad level demand aspects can be provided based on the existing footfalls seen at the stadium on a daily/ monthly/ yearly basis, the type of sports being played regularly, etc. Possible revenue streams can comprise of membership fees, price of those memberships (if any), daily rentals for the sports facilities, rentals to schools/ sports clubs for training/ practice, general rentals for events, etc.</i></p>
4	Project components	<p>Project components would include development components (new construction/ development) and renovation components (any improvement to be made on existing assets).</p> <p><i>For example, for a 'stadium redevelopment project', project components would include each type of sports facilities available/ to be developed (tennis court, cricket ground, football turf, swimming pool, etc.), F&B area, space for convention center, garden/ park, open space, internal roads, etc.</i></p>
5	Project cost	<p>The Departments may provide a broad level costing of the project in terms of capital expenditure expected in the project and any major recurring costs expected in the project.</p>
6	Project background	<p>The Departments may provide the status of the project or any background (or reasons for inception), based on which the project was proposed. The Departments may also submit the efforts undertaken till now with regards to the project.</p>
7	Basis for PPP	<p>The Department may provide the reasoning behind implementation of project on a PPP basis. This may include:</p> <ol style="list-style-type: none"> 1. Private sector efficiencies for development and operations 2. Private sector funding capabilities 3. Risk taking ability of the private sector 4. Higher revenue generation by implementing the project on PPP basis with respect to implementation by the Government agencies directly