

Minutes of Meeting and Clarifications on Queries

Development of Tourism Project at Veli, Thiruvananthapuram, (Kerala)

Subject: Pre Application conference of Development of Tourism Project at Veli, Thiruvananthapuram, (Kerala)

Date & Time: 7th December, 2009, 1430 Hrs

Venue: Conference Room , Hotel Samudra, Kovalam, Thiruvananthapuram

Attendees:

TRKL

1. Mr. T. K. Manzoor, Managing Director
2. Mr. Vinod Kumar.K, Project Manager
3. Mr. Naju Mohammed, Asst. Project Manager

IL&FS IDC

1. Mr. Harikesh P. C., Asst. Vice President
2. Mrs. Raji.R, Manager

BIDDERS

1. Mr. M.R.Narayanan, Committee Member, South Kerala Hoteliers Forum.
2. M.V.Venkateswaran, Assistant General Manager, K Raheja Group,(Chalet Hotels Ltd)
3. Mr. Chirag Savla, Executive Assistant to MD, Oberoi Constructions.
4. Mr. P.I.Thomas, General Manager, Holiday Group of Companies.
5. Mr. Manoj Varma, Manager- Legal, Holiday Group of Companies.
6. Mr. Vikas Vasudevan, Manager- Planning, Holiday Group of Companies.
7. Mr. S.R.Joy, Manager, Lulu Group International Pvt Ltd.
8. Maj. Mohanan, Regional Director, Lulu Group International Pvt Ltd.
9. Mr. Nishad, Director, Lulu Group International Pvt Ltd.
10. Mr. Harish, Secretary to MD, Lulu Group International Pvt Ltd.
11. Mr. P.S.Suresh Kumar, Southern Fun City.
12. Mr. C.M.Yoshith, Southern Fun City.
13. Mr. Balagopal, Southern Fun City.
14. Mr. N.Mahesh, Architect Consultant, Air Travel Enterprises.
15. Mr. U.V.Jose, Director, Air Travel Enterprises.
16. Mr. Sadeesh, CFO, Air Travel Enterprises.

Proceedings:

1. The meeting was presided by Shri. T. K. Manzoor, Managing Director, MD Tourist Resorts (Kerala) Limited. On behalf of Govt. of Kerala and TRKL, he welcomed the representatives of the bidders for the meeting.
2. Mr. Harikesh P. C., Assistant Vice President, IL&FS Infrastructure Development Corporation presented the clarifications to the written queries submitted by the bidders to TRKL, prior to the pre application meeting. The bidder's queries submitted and their corresponding responses are enclosed as Annexure-I.
3. The Bidder's were given an opportunity raise further queries and the clarifications for them were provided by the representatives of TRKL and IL&FS IDC. The queries raised during the pre-application meeting and the clarifications for the same are enclosed as Annexure – II.
4. The Managing Director, TRKL and the Asst. Vice President IL&FS IDC thanked all the participants and informed them that the clarifications to the queries will be send to all the bidders.
5. The pre application meeting concluded by 4.00 pm.

Queries Received prior to pre application meeting and its Clarifications

1. Does the Successful Bidder have the flexibility in choosing Project Components with reference to the ones mentioned 1.1.3 of the RFQ Document?
The primary components with the minimum requirements as specified in the clause 1.1.3 of the RFQ document are mandatory, with the developer having flexibility to build over and above the minimum requirement.

However, the other optional project components as specified in the clause 1.1.3 of the RFQ document are only suggestive in nature, and the developer is free to develop any other project components, subject to inclusion of the same in the Master plan and approval of the same with TRKL.
2. Kindly provide more details regarding the Development Zoning, Restrictions, Regulations, Ownership and other developmental details of the site identified for the project.
The plot II of the site has been reported in "CRZ Category 2". The development would have to comply with the CRZ guidelines issued for the Category 2.
The site is in the Municipal limits of the Trivandrum Municipal Corporation and all byelaws of Kerala Municipal Building Rules area applicable.
 1. **Current Landuse – Green**
 2. **Proposed Landuse – Commercial**
 3. **Maximum Permissible Ground coverage - 65%**
 4. **Maximum Permissible FAR – 2.5**
FAR On payment of Additional fees – 4
 5. **Height Restriction - as per AAI norms.**
3. The mode of lease and lease period is not mentioned. We would request to consider a lease period of 90 years as in the case of ICC, Akkulam as the investment required for the project will be more than 100 crores. The project also will have long amortization period.

The land will be leased to the SPV to be formed by the Developer, however the lease period will be finalized in the RFP stage. Your suggestion for lease period is noted.
4. Access to the site from the main road shall be 6 lane with landscaped median etc as the daily footfall expected to the project area will be more than 10000 and is likely to generate heavy traffic flow.
TRKL will take up the matter with PWD and LSG Dept.
5. Water supply to the site need to be provided as required
TRKL/ GoK will assist the selected Developer in getting the water connection to the site.
6. 110 KVA power supply at site need to be ensured
TRKL/ GoK will assist the selected Developer in getting the power supply to the site.
7. A good portion of the site is presently wetland and permissions under KLU Act need to be ensured for filling up the land on agreed time schedule.
TRKL will assist the developer in obtaining the necessary permissions if required at the site, for land filling.
8. Appropriate Zoning regulation use as multi-use zoning shall be given as the project will comprise assembly, commercial, recreational and special residence uses.
Noted.
9. Building license and permit from Local body shall be ensured on agreed time schedule
Obtaining the building license and permit from Local Body is the responsibility of the selected developer, however TRKL will offer all assistance for the same.
10. Access and Use to lake to be permitted for creating aquariums, fountains etc
This is not under the purview of TRKL, hence cannot comment on this at stage.
11. Permission for mortgaging the land as security for debt sourcing need to be committed by the Government
Permission for mortgaging the land as security for debt sourcing shall be ensured as per the provisions of the concession agreement.

12. Effective lease period shall start only from the date of receiving all the statutory permits and approvals for starting the construction including land filling with a further gestation period of 3 years.
Suggestion noted, however as this will be finalized at the RFP stage, we cannot comment on this now.
13. Project implementation may be allowed in 3 phases of 2 years each and the lease amount will have to be phased in the sliding plan
Noted, Project implementation may be allowed in phases however as this will be finalized at the RFP stage, we cannot comment on this now.
14. CRZ implications - since Akkulam lake is dividing the land which is situated opposite to the main land (4 acres) and tourist village.
The Plot II of the site is reported under "CRZ Category 2". The development in this plot (around 4 acres) would have to comply with the guidelines issued for the Category 2. However initial feedback received from the SCZMA confirms that construction upto the existing building line will be allowed in Plot II.

Plot 1 will not be affected.
15. Land use - current status to my knowledge is agricultural land. As you will appreciate, conversion of agricultural/paddy/wet land is very difficult as per the new Land amendment Act, enacted in December last. What help we could expect from Government on this?
The site has been acquired for developing the tourism project, even though current land use is reported under Green Category. TRKL will assist in the conversion of the land use. TRKL already had initiated discussions in this connection with the concerned depts.
16. Whether permission would be granted to construct a bridge over the lake to access the beach and tourism village.
Yes, TRKL will assist in getting permission for the construction of a pontoon bridge to access the beach.
17. What is the floor price for land.
The floor price will be fixed and informed during the RFP stage.
18. Lease term - whether it is 90 years or less.
The lease period will be finalized in the RFP stage.
19. Access Roads - Although there are two main accesses from Shankumukam and from All Saints' College, the current road is not wide enough. Whether widening of these Roads is undertaken as part of the project?
TRKL will take up the matter with PWD and LSG Dept.
20. The leading consortium partner will be a hotel or a Resort owner who may own 2 or 3 hotels or Resorts within the group. Can the net worth criteria be made by taking all the assets of the various hotels owned by the same group?
The lead consortium partner shall have an equity share of at least 26% in the consortium (refer clause 2.2.5 (c) of the RFQ document. Refer clause 2.2.3 of the RFQ document for the computation of the net worth.
21. The key member in the consortium will own 26% and the balance shares will be held by different hotels who may invest the amounts ranging from Rs. 5 lakh to Rs. 10 lakhs. We hope that it will be enough that the key consortium member will meet the net worth criteria.
The lead consortium partner shall have an equity share of at least 26% in the consortium (refer clause 2.2.5 (c) of the RFQ document).

In case of a Consortium, the financial capacity of those members, who have an equity share of at least 26% each in such Consortium, should satisfy the above conditions of eligibility (refer clause 2.2.2 (C) of the RFQ document).
22. Are CRZ stipulations applicable for the plot of land? Since Veli is coming under the Corporation limits, is it exempted from CRZ considerations?
The Plot II of the site is reported under "CRZ Category 2". The development in this plot (around 4 acres) would have to comply with the guidelines issued for the Category 2. However initial feedback received from the SCZMA confirms that construction up to the existing building line will be allowed in Plot II.

Plot 1 will not be affected.

23. We hope that it is enough that EMD or Bank Guarantee for Rs. 30 lakhs is stipulated in the second stage after short listing.
Yes, the Bank Guarantee is for the RFP stage.

Annexure-2

Queries Received during pre application meeting and its Clarifications

1. The Lease Period of the land for the project should be 90 years as the investment was high. The Lease period should be specified before the next stage as the Business Plan and Viability for the project were depended on the lease structure.
The Lease period/Concession Period will be finalized and clearly specified in the RFP document.
2. The formalities and approvals for land use conversion should be completed before the signing of the agreement.
The formalities for Land Use conversion process has been initiated by TRKL, but this can be completed only after the submission of masterplan and concept layout.
3. Whether the project would be approved under the single window clearance mechanism.
The possibility of project approval under the single window clearance mechanism will be explored.
4. What are the definite commitments TRKL offers to developers, with time limits specified, for obtaining various approvals and sanctions.
At RFP stage, the obligations of the Concessional authority would be specified.
5. Apprehension was raised as the development of a tourism project was proposed to be executed earlier by a different entity and would there be any legal claims from the previous developer.
It is elucidated that no legal issues has been reported in this regard, so far.
6. What are the Bidding parameters for the RFP stage of the project?
The Bidding parameters and structuring options of the project have not been finalized and the same would be finalized based on the response and suggestions received during the pre-application conference.
7. Whether TRKL will be part of SPV to be formed with the developer.
The project structure is yet to be finalized and GOK/TRKL will take a decision regarding its participation in the SPV to be formed for project development before the RFP stage.