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RECONSTRUCTION AND OPERATION OF THE SPORT AND RECREATIONAL COMPLEX „POD ČERVENÝM KAMENEM“

I. General project information

Project	Reconstruction and operation of the sport and recreational complex "Pod Červeným kamenem"
Public authority	City of Kopřivnice
Strategy	The Authority's strategy is to build a whole complex of sporting grounds, with the possibility of sports and recreational activities.
Project aim	The main project goal is to increase the attractiveness of the whole sport facility "Pod červeným kamenem" and to build and operate the complex all year round; the complex can be used by athletes as well as for leisure time activities of local residents and tourists.
Project description	<p>A new concept of the sport and recreational complex is being prepared, based on the overall cultivation of the environment as an urban leisure park that combines diverse sports and recreational activities.</p> <p>The modernization of the sport and recreational complex will include a wellness center and water attractions, which sporting grounds will remain in the same places and will be gradually modernized. The cinder playground will be replaced with turf, the operation of the swimming pool and the ski slope will be improved, the speedway will be cancelled, the number of volleyball courts will be reduced and the number of tennis courts increased. It is also proposed to build a new summer arena and a football pitch for the young.</p> <p>The project exploits the appeal of the surroundings (Beskydy, protected monuments); the combination of an active holiday with wellness stays and rehabilitation would bring higher numbers of tourists and related effects, such as higher demand for services, increased employment and increased prestige of the city.</p>
Status	A feasibility study has been finished. At present, the Authority is considering an alternative solution with lower costs for the city. The modified project will be submitted to the city council for approval.
Capital value	The investment costs are about CZK 150 to 400 million, depending on the option considered.

II. Envisaged characteristics of the PPP project

Note

The information contained below (*) is just a preliminary projection made by the Authority and shall not be in any case deemed as binding.

PPP form*

The form of DBFO is being contemplated.

Contract duration*

At present, the expectation is 25 – 30 years.

Risk transfer*

The private partner will especially bear the building, financing and service availability risks, and partly also the demand risk (for commercial activities).

**Payment mechanism*
and Method of financing**

The crucial source of income should be infrastructure availability payments and income from accompanying commercial activities. At present, alternative modes of financing are prepared and the project's investment costs and lifetime costs are reduced. Taking into account the city's current budget possibilities, one of the possible solutions is to involve a private company through direct ownership, e.g. of a commercial accommodation facility. The city of Kopřivnice is currently contemplating alternative sources of project financing and the degree of involvement of a private partner in the project.

Project schedule*

Year	2009				2010				2011				2012				2013			
Activities / quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Preparation of Outline Business Case (OBC)																				
OBC approval																				
Selection of concessionaire																				
Execution of Project Agreement (MF's opinion)																				
Construction commencement																				
Operation commencement																				

** Published subject to Kopřivnice's approval.

**PPP Centrum
Czech Republic**

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All information about this project was approved by the City.