

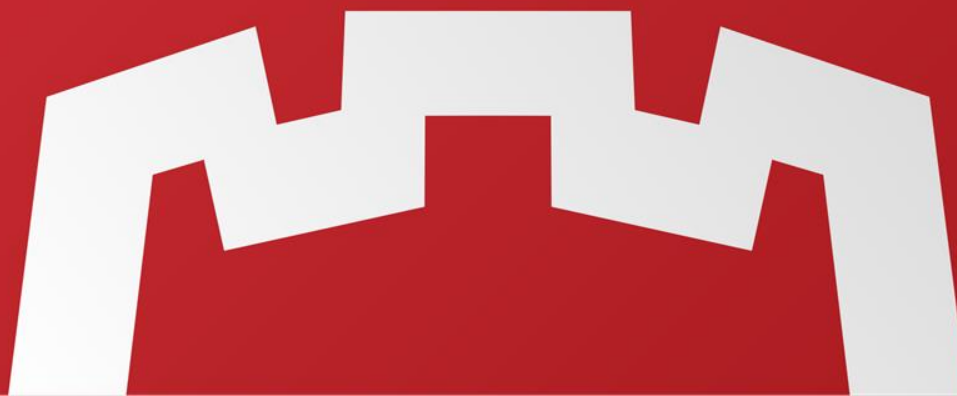


VILNIUS

MULTIFUNCTIONAL HEALTH, EDUCATION, CULTURE AND BUSINESS SUPPORT COMPLEX

Concession project summary

October, 2016



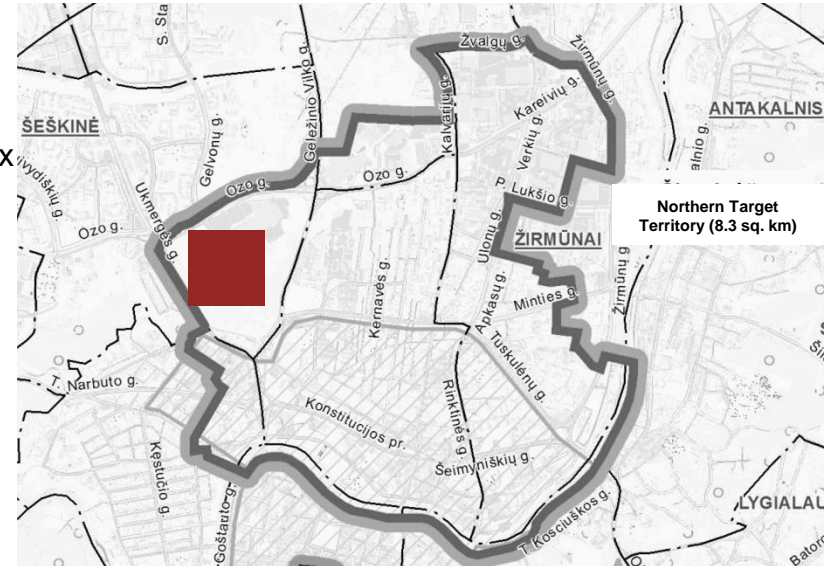
Project Context and Location

Context

- 1986 – 2011 development as a National Stadium
- 2013 decision to implement as a Multifunctional Complex under the PPP
- 2014 investment plan preparation
- 2015 tender documentation preparation

Location

- Northern Target Territory of Vilnius city
- Integrated Territory of Vilnius city
- Possibility to utilise EU Structural Funds



Current Situation



Project Information

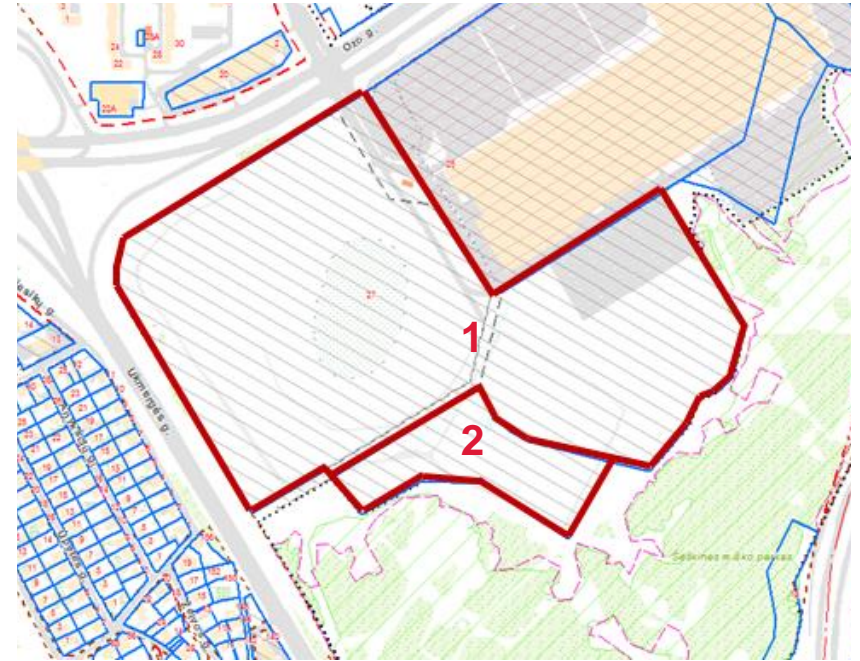


Project Owners	Vilnius City Municipal Government Administration (hereinafter– the Municipality / VCMGA) Department of Physical Education and Sports under the Government of the Republic of Lithuania(hereinafter– DPES)
Project Aim	To create a multifunctional infrastructure that responds to the needs of the population
Project Model	Concession
Project Term	Up to 25 years <ul style="list-style-type: none">• 3 years for Multifunctional Complex development• 22 years for service provision
Infrastructure	<ul style="list-style-type: none">• Re-organisation of abandoned territory• Infra-structure for common-use utilities• Infra-structure for communal parkland and common-use infrastructure• Kindergarten (at least 300 children)• Infrastructure for a cultural education centre and library (up to 1600 sq. m)• Sports infrastructure facilities intended for non-formal education activities• Sports Museum (up to 1500 sq. m.)• Public cultural and sports events infrastructure (at least 15 000 fixed seats)
Capital Investment	EUR 88.4 M (VAT 21% incl.)
EU Structural Funds	Expected to be utilised for the functionally independent objects within the Multifunctional Complex listed above (with the exception of the Public cultural and sports events infrastructure (stadium))
Integrity	<ul style="list-style-type: none">• Tackling problems related to the Northern Target Territory of Vilnius city• Combining public and commercial services

Project Site Information



Object	Land Plot No 1	Land Plot No 2
Adress	Ozo st. 27, Vilnius	Ukmerges st., Vilnius
Cad. No	0101/0020:212	0101/0020:211
Area, sq.m	203,945	24,873
Purpose of use	public/ commercial territory	public/ recreational territory
Height of permissible buildings	between 12 and 35 m	up to 12 m
Development density	up to 80%	up to 40%
Development intensity	3	1



Preliminary Information on Infrastructure*



Object	Description	Capital investment, EUR M (VAT excl.)
Abandoned territory and common-use infrastructure	<ul style="list-style-type: none"> • Depends on individual technical solution 	10.9
Kindergarten	<ul style="list-style-type: none"> • At least 300 children (7,420 sq. m) 	3.6
Infrastructure of a cultural education centre and library	<ul style="list-style-type: none"> • Cultural and educational centre and library (1,200 sq. m) • Communications and information centre and library (200 sq. m) • Intellectual education premises (200 sq. m) 	4.5
Sports infrastructure facilities intended for non-formal education activities	<ul style="list-style-type: none"> • 4 multipurpose gyms (7,000 sq. m) • Rhythmic gymnastics gyms (1,750 sq. m) • Boxing, wrestling & physical fitness gyms (500 sq. m) • 1 athletics stadium (14,000 sq. m) • 2 football stadiums (21,250 sq. m) • 1 athletics (football) field (10,625 sq. m) 	16.4
Sports museum	<ul style="list-style-type: none"> • Exhibition hall and meetings and educational areas (1,500 sq. m) 	4.1
Public cultural and sports events infrastructure (stadium)	<ul style="list-style-type: none"> • At least 15.000 fixed spaces 	33.6
Total:		73.1 (88.4 VAT incl.)

* Parameters are indicative and based on the feasibility study

Project Activities Allocation



Object	Construction / Establishment / Re-organisation	Equipment	Maintenance of engineering network	Maintenance	Management	Operation
Abandoned territory	PC	-	-	-	-	-
Infra-structure for common-use utilities	PC	PC	PC	PC	PC	PC
Infra-structure for communal parkland and common-use infrastructure	PC	PC	PC	PC	PC	PC
Kindergarten	PC	PC	PC	PC	VCMGA	VCMGA
Infrastructure of a cultural education centre and library	PC	PC	PC	PC	VCMGA	VCMGA
Sports infrastructure facilities intended for non-formal education activities	PC	PC	PC	PC	PC & VCMGA	PC & VCMGA
Sports museum	PC	PC	PC	PC	DPES	DPES
Public cultural and sports events infrastructure (stadium)	PC	PC	PC	PC	PC	PC

Activities allocated to Project Company

Activities allocated to Vilnius City Municipal Government Administration or its authorized establishment

Activities allocated to Department of Physical Education and Sports or its authorized establishment

Commercial Activity Carried out by Project Company



Commercial activity

- Carried out in the Public cultural and sports events infrastructure (stadium), Sports infrastructure facilities intended for non-formal educational activities and within the general infrastructure of Multifunctional Complex (or premises that can be specially designed for this purpose)
- At Project Company's risk
- Allowed by the Contract and Specifications – ensures the aims of the project (sports, culture and related activities)
- In line with the provision of public services
- Detailed in tender proposal and specifically addressed during the negotiations

Additional property used for commercial activity

- Movable property (equipment, furniture) in the Multifunctional Complex
- At Project Company's risk and costs
- The ownership retains within the Project Company throughout the period of the Contract and afterwards

Operation and Management of Infrastructure



Object	Ownership Right	Operation and management legal background
Land plots	Republic of Lithuania	Entrusted to VCMGA
Kindergarten	VCMGA	Lending right to VCMGA
Infrastructure of a cultural education centre and library	VCMGA	Lending right to VCMGA
Sports infrastructure facilities intended for non-formal education activities	VCMGA	Rental right to PC (or lending right if permitted by existing regulation) Except for the hours specified in the Specifications when VCMGA or its authorized establishment can use the infrastructure
Sports museum	VCMGA	Lending right to DPES
Public cultural and sports events infrastructure (stadium)	VCMGA	Rental right to PC (or lending right if permitted by existing regulation) Except when public cultural and sports events are organized by DPES or its authorized establishment
Additional movable property	PC	Ownership right to PC

Project company

Vilnius City Municipal Government Administration or its authorized establishment
Department of Physical Education and Sports or its authorized establishment

Activities Financing



Object	Construction / Establishment / Arrangement / Equipment			Maintenance		Operation and management	
	VCMGA	DPES	EU	VCMGA	PC	VCMGA	PC
Territory	VCMGA	DPES	EU	VCMGA	PC	VCMGA	PC
Infra-structure for common-use utilities	VCMGA	DPES	EU	VCMGA	PC	VCMGA	PC
Infra-structure for communal parkland and common-use infrastructure	VCMGA	DPES	EU	VCMGA	PC	VCMGA	PC
Kindergarten	VCMGA	DPES	EU	VCMGA	PC	VCMGA	
Infrastructure of a cultural education centre and library	VCMGA	DPES	EU	VCMGA	PC	VCMGA	
Sports infrastructure facilities intended for non-formal education activities	VCMGA	DPES	EU	VCMGA	PC	VCMGA	PC
Sports museum	VCMGA	DPES	EU	DPES	PC	DPES	
Public cultural and sports events infrastructure (stadium)	DPES			VCMGA	PC	VCMGA & DPES	PC
Additional movable property	PC			PC		PC	

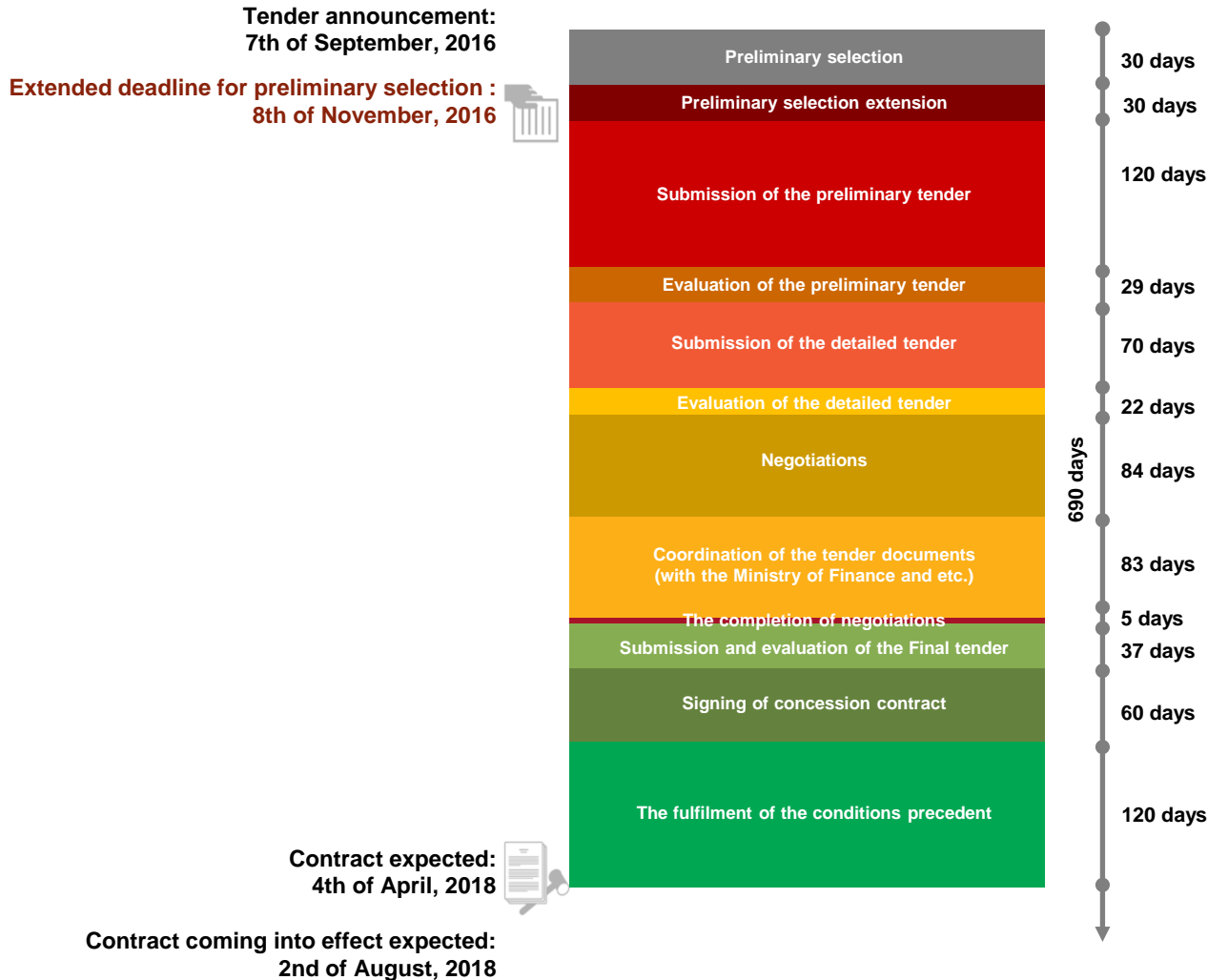
Project Company

Vilnius City Municipal Government Administration or its authorized establishment

Department of Physical Education and Sports or its authorized establishment

EU Structural Funds

Preliminary Timeline of Tendering Procedures





Preliminary Selection



RANGE	REQUIREMENT	VALUE
GENERAL	<ul style="list-style-type: none"> • No conviction against the head of administration and the accountant of the tenderer • No final judgement against the tenderer in the past 5 years for participating in a criminal organization • No bankruptcy, winding-up, arrangements with creditors, suspension or limitation of operations • No proceedings regarding restructuring, bankruptcy, out-of-court bankruptcy or forced liquidation • No serious professional misconduct of the tenderer • Obligations related to the payment of taxes, except for social insurance contributions, of the tenderer • Obligations related to the payment of social insurance contributions of the tenderer • Information about tenderer's compliance with the requirements • Certification and right to perform special building construction works 	<ul style="list-style-type: none"> • No unexpired or non-annulled convictions • No final judgement delivered • Not bankrupt or in the process of being wound up, no arrangements with creditors, no operations suspension or limitation • No restructuring, bankruptcy, out-of-court bankruptcy or forced liquidation proceedings • No serious professional misconduct • Have been fulfilled • Have been fulfilled • No false information allowed • Must be certified and have the right

Preliminary Selection

RANGE	REQUIREMENT	MINIMUM VALUE
 <p>ECONOMIC AND FINANCIAL</p>	<ul style="list-style-type: none"> • Average annual income from construction and installation works (within the last 5 financial years) • Net profit (within the last 3 financial years) • Ability to finance the project 	<ul style="list-style-type: none"> • EUR 36.5 M (VAT excl.) • Positive or equal to zero • EUR 88.4 M (VAT incl.)
 <p>TECHNICAL AND PROFESSIONAL</p>	<ul style="list-style-type: none"> • Experience of at least 1 properly completed construction contract of a building falling within the category of special buildings "non-residential buildings" (within the last 10 years) • Experience of at least one properly completed / in progress contract for the management and operation of a sports and/or cultural complex designed to host sports and/or cultural events (within the last 3 years) • Experience of planning the activities of sports and/or cultural events in a sports facility (within the last 3 years) • Project manager for the special building (buildings group: non-residential buildings) 	<ul style="list-style-type: none"> • EUR 25.8 M VAT excl. (construction works on the same object can be performed under several construction contracts) • Contract performed for at least 12 consecutive months within sports and/or cultural complex that comprises a facility(ies) for sports and/or cultural events with at least 10,000 fixed seats • Sports facility with at least 10,000 fixed seats (several facilities) • Average of at least 3 international sports and/or cultural events per year • At least 1 football and/or track and field event • Average annual revenue from the activity at least EUR 2 M (VAT excl.) • University or equivalent degree • At least 3 years Professional experience of designing buildings classified as special buildings • Managerial experience of the designing of at least 1 completed UEFA Category 4 or equivalent sports facility with at least 10,000 fixed seats

Contents of the Tender

Solution

- **Urban and architectural solution of the Multifunctional Complex**

Land plots (development) scheme and principles; architectural association that integrates the Multifunctional Complex within the landscaping and existing built-up urban environment; approximate dimensions and shapes of the Multifunctional Complex, its height characteristics (number of floors and their height), materials intended for the finishing of the facades and their proposed color schemes; the functionality of the proposed architectural solution (interior solutions), multi-functionality and versatility of the internal spaces etc.

- **Description of the Multifunctional Complex functionality**

Land plots built-up (development) scheme; planning – spatial solutions of the Multifunctional Complex; proposals on the organization of motor and pedestrian traffic, parking and garaging

- **Description of the Multifunctional Complex compliance with the functional and technical specifications set out in the Specification**

- **Description of how the Solution complies with the requirements of the legal acts implementing Specific Task 7.1.1 of Priority 7 of 2014–2020 European Union Funds Investment Action Programme**

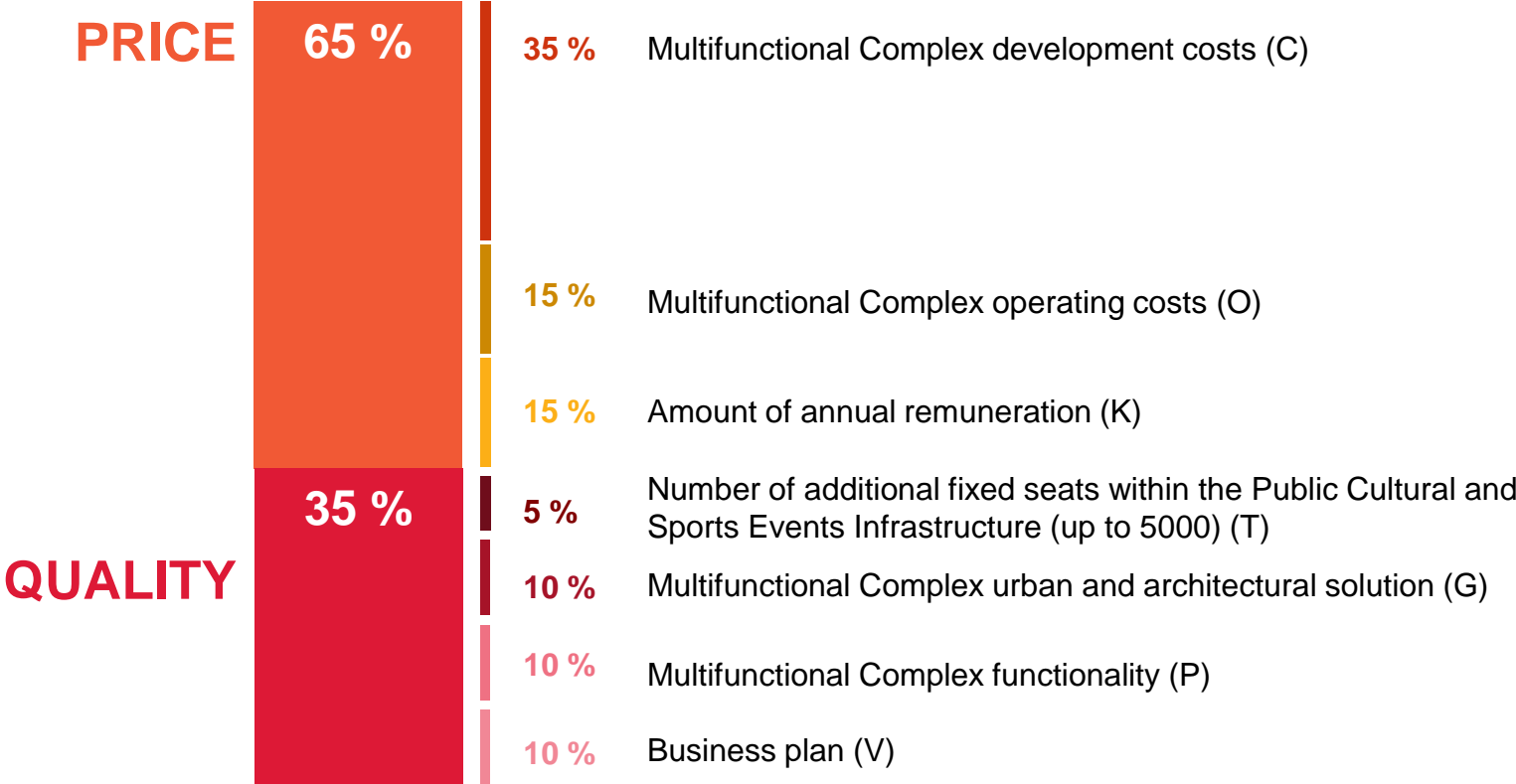
- **Description of services provision**

Comments on the tendering conditions (together with preliminary and detailed tender)

Annual remuneration

Financial business model

Evaluation Criteria



Annual remuneration

$$M = M1 + M2 + M3$$

M1	The costs of provision of the Multifunctional Complex and the new property	<ul style="list-style-type: none"> ▪ Intended for: <ul style="list-style-type: none"> ▪ financing entity cash flows ▪ equity cash flows ▪ Paid over 3 years as of the date of the services provision commencement
M2	Compensation of the provision of the Multifunctional Complex Services	<ul style="list-style-type: none"> ▪ Intended for: <ul style="list-style-type: none"> ▪ services provision costs ▪ reinvestments needed for the objects ▪ administrative and management costs ▪ Does not include: <ul style="list-style-type: none"> ▪ utilities services costs within the Multifunctional Complex ▪ operation and maintenance costs of the Sports museum and the additional movable property ▪ Cannot exceed the maximum annual amount payable provided in Resolution No 1-326 of 3 February 2016 of Vilnius City Council
M3	Costs of servicing the Sports Museum and events organized within the framework of the Public Cultural and Sports Events Infrastructure	<ul style="list-style-type: none"> ▪ Intended for: <ul style="list-style-type: none"> ▪ servicing costs of events organized by the Ministry of Culture of the Republic of Lithuania or, where necessary, by other public authorities within the framework of the Public Cultural and Sports Events Infrastructure (maximum 20 days per year) ▪ operation and maintenance costs of the Sports museum