

# CONCEPT NOTE FOR KING GEORGE MEMORIAL CULTURAL CENTER AND SPORTS STADIUM MOSHI MUNICIPALITY



## 1. The Project Name

*Construction of King George Memorial Cultural Center and Sports Stadium.*



An Inspirational concept from AT&T - Cowboys Stadium (source: [www.google.com](http://www.google.com))

## 2. Project Location:

*The proposed project is located at Soweto ward, within Moshi Municipal Council in Moshi District, Kilimanjaro region. It is accessible by tarmac roads from Moshi Arusha highway, Sabasaba road from the East and Khambhaita Road to the East. The plot size is 15.70 hectares and is owned by Moshi Municipal Council.*



## 3. Statement of the Problem

*The proposed stadium is located at the foot of Mount Kilimanjaro and close to the tourist's attractions such as Ngororongoro, Manyara, Serengeti and Tarangire. The proposed sports stadium is an investment project earmarked to unlock the land values along the Northern Western part of the Moshi Municipal. The Stadium capacity is expected to be 90,000 seats. The project is expected to give answer to many cultural and sports issues such as training, sports tourism etc for East and Central Africa region. It is aimed at providing sports camping for international players who can integrate their sports training and tourism around Mount Kilimanjaro, and the Northern tourist's corridor.*

## 4. Project Description

*The proposed stadium is a state of the art modern stadium and cultural center with cultural and education facility, outdoor and indoor sports facility and recreational services.*

## Development Plans

*The project is in line with Moshi Municipal strategic plan and the proposed new master plan to improve shopping malls within the Municipality.*

## 5. Project Objectives

1. *To have a state of the art sport stadium facility.*
2. *To put in place stadium facility for various functions for the municipal residents, local visitors and tourists.*
3. *To improve the municipal revenues.*

## 6. Project cost and revenues

- i). *The estimated project cost is 1.6 Billion USD. Project PPP period of (50 years)*
- ii). *The identifiable revenue streams expected from the project include but not limited to.*
  - *Stadium fees and charges*
  - *Selling of merchandise*
  - *Advertisement fees*
  - *Food and beverages*
  - *Rental Spaces*

## 7. Role of the Private Sector

<b>PPP Options:</b> <ul style="list-style-type: none"> <li>• Type (e.g., service, management, lease, BOT, concession)</li> <li>• Services and/or infrastructure to be delivered by private sector</li> </ul>	<p>Private Sector to assist by way of Design, Build, Operate and Transfer</p> <p>Design, Build, Operation &amp; Maintenance</p>
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Replaces Value for Money and the team requests answers to the following key issues:

8. Could the PPP achieve value for money, adequate risk transfer, expertise, innovation, technical capacity, private sector financing?

9. What are the potential PPP structures i.e. (service, management, lease, BOT, Concession)?

10. What are the PPP project components (design, construct, finance, manage, maintain. Operate)?

11. Affordability

*To be determined by feasibility study, business plan and financial model of the project.*

12. Risk assessment

Risk/Possible Allocation:	#	Risk Name	Risk Description	Risk Allocation			Explanation
				Shared	Govt	Private	
	1	Land availability & acquisition	Uncertainty over land ownership, cost of acquisition and relocation of existing tenants		x		Land unsuitability
	2	Construction	Escalation on costs at construction			x	Additional expenses as a result of exchange rate impact on procurement
	3	Procurement	Delayed project completion as a result of procurement delays			x	
	4	Design	Project performance standards and design specifications fall short of required project needs	x			
	5	Water Supply	Failure of adequate water supply for production				Source of water will largely be from drilled well and rain water supply in lieu of DAWASCO pipeline supply
	6	Interest Rate	Interest rate escalation			x	Interest rate differentials on debt pricing increasing repayment burden
	7	Supply of cattle and shoats	Insufficient supply			x	
	8	Power outages	Frequent power outages	x			Back up generator to be provided
	9	Demand	Possibility of demand erosion in the event that other municipalities proceed to develop their own		x		
	10	Social	Impact from project location				
	11	Environmental	Project may cause environmental impact on the surrounding natural resources	x			

	12	Operations	Inability of project to function and operate fully as anticipated			x	
	13	Maintenance	Project assets are not properly maintained			x	
	14	Force Majeure	The project is unable to perform due to terrorism, riots, war or natural catastrophes	x			
	15	Transfer	The condition of the project's assets at the end of the contract term when they are transferred back to Government is not in compliance with the PPP contract maintenance & performance standards			x	
	16	Health & Safety Permits/Licenses	Inability to meet or comply with the regulations and standards on health and safety			x	
	17	Ancillary Features	Ancillary infrastructure services that the project needs such as approach roads, energy & water transmission interconnection facilities etc are not provided and completed on time		x		

*To be determined by feasibility study, business plan and financial model of the project.*

### 13. Stakeholders analysis

*To be determined by feasibility study, business plan and financial model of the project.*

### 14. Challenges

*To be determined by feasibility study, business plan and financial model of the project.*

### 15. Legal requirement

*The Land in which the project is to be constructed has Title Deed No. 5283 and is free from encumbrances.*

### 16. Council approval

*The proposed project has been approved by Finance Committee and Full Council on 3/6/2014 muht. Na 135/214 and 10/7/2014 Muht. Na 7/2014 respectively.*

