



# CONCESSION PROJECT ON CREATION, FINANCING AND OPERATION OF THE CAPITAL CONSTRUCTION FACILITY “Khabarovsk Bypass Highway, 13-42 km”



**Ministry  
of Economic Development  
of Khabarovsk Krai**

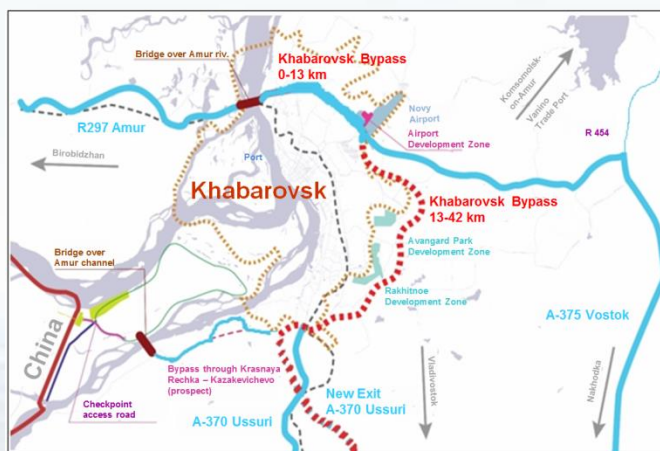


**Project  
Management  
Agency**

**PMA Limited Company  
Comprehensive Project  
Advisor**

## KHABAROVSK BYPASS HIGHWAY

- The Government of Khabarovsk Krai and the Ministry of Economic Development of Khabarovsk Krai invite all persons interested to participate in an open tender for the the right to conclude a concession agreement for the capital construction facility “Khabarovsk Bypass Highway, 13-42 km” (the “Project”).
- The goal of the Project is to improve transport accessibility and technical condition of the Khabarovsk transportation infrastructure by diverting transit transport from the city and by ensuring a connection between federal roads (A-370 Ussuri highway, R-297 Amur highway and A-375 Vostok highway), as well as to attract non-budget investments for purposes of developing the transportation infrastructure of the city and the region.



## TECHNICAL AND ECONOMIC PARAMETERS OF THE FACILITY

Type of construction	New construction
Road class	High-speed highway
Road category	IB
Road length (km)	26.864
Rated speed (km/h)	120
Number of lanes	4
Earthwork width (m)	28.5; 27.5
Pavement width (m)	2x7.5
Shoulder width (m)	3.75
Median strip width (m)	6.0; 5.0
Surface type and pavement type	Heavy duty, asphalt concrete
Bridges and overpasses (no. / l.m)	24 / 2058.63
Number of multi-level road interchanges	5
Number of toll collection points	5



## LEGAL SCHEME FOR PROJECT IMPLEMENTATION

- The Project is being implemented based on Resolution No.971-rp of the Government of Khabarovsk Krai “On concluding a concession agreement for the capital construction facility ‘Khabarovsk Bypass Highway, 13-42 km’” dated 19.12.2015 by holding an open tender for the right to conclude a concession agreement under Federal Law No.115-FZ “On concession agreements” dated 21.07.2005
- Term of the concession agreement: 15 years (including 3 years for creation of the Facility and 12 years of operation).

### Concessionaire

- Creates the Facility
- Raises financing
- Arranges toll collection
- Carries out operation and technical maintenance of the Facility

### Grantor

- Provides design documentation
- Transfers land plots
- Co-finances capital expenses
- Pays Grantor’s Availability Payment

## PROJECT FINANCING AND PAYMENT MECHANISM

- **Capital investments** into the construction of the Facility are assessed in the amount of 37 963 mln rubles (including VAT, based on prices as of 31.12.2015).
- The Project provides for co-financing of capital investments out of regional and federal budget funds (Co-financing of the Road Construction Costs) in the amount not exceeding 24 220 mln rubles (not including VAT, based on prices as of 31.12.2015).
- **The payment mechanism** provides for the Grantor to make payments (Grantor’s Availability Payment) and for the Concessionaire to collect toll fees from users in favor of the Grantor. Main parameters of the payment mechanism are as follows:
  - The Grantor’s Availability Payment is paid only at the operational stage. The maximum aggregate amount of the Grantor’s Availability Payment is 17 385 mln rubles (not including VAT, based on prices as of 31.12.2015). It is allocated by operation year as required by the Tender Documentation.
  - **The Grantor’s Availability Payment** is structured as follows:
    - **Operational portion** – expenses on ensuring compliance with the established transport and operational indicators, maintenance of the Facility, day-to-day repairs, operation of the automated traffic management control system and toll collection system, maintenance of a special project company, operation-related activities and other types of works/services as set forth by the concession agreement, as well as other related expenses other than payments of taxes and levies.
    - **Debt portion** – expenses on repaying the principal amount under the senior debt, cost of raising and servicing the debt.
    - **Shareholder portion** – expenses on returning equity and ensuring required return for the Concessionaire, as well as payments of taxes and levies.
  - **Income** generated from toll fees for passing through toll sections of the Facility is collected fully in favor of the Grantor.



## EVENTS RELATED TO THE PROJECT

- The Tender Documentation for the open tender was published on December 30, 2015 on the official web site of the Russian Federation <https://www.torgi.gov.ru/> and on the official web site of the Grantor <https://www.khabkrai.ru/>.
- An announcement of the open tender was published on December 30, 2015 in the Priamurskie Vedomosti newspaper.
- The Project road show will be held on February 05, 2016 in Baltshug Kempinski hotel, Moscow.

## CONTACTS

- Please address all issues related to this investment opportunity to:
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