

Parallel Session 4B – Station Management and Financing

# Qom Railway station development using PPP model - Global experience: Prague main station

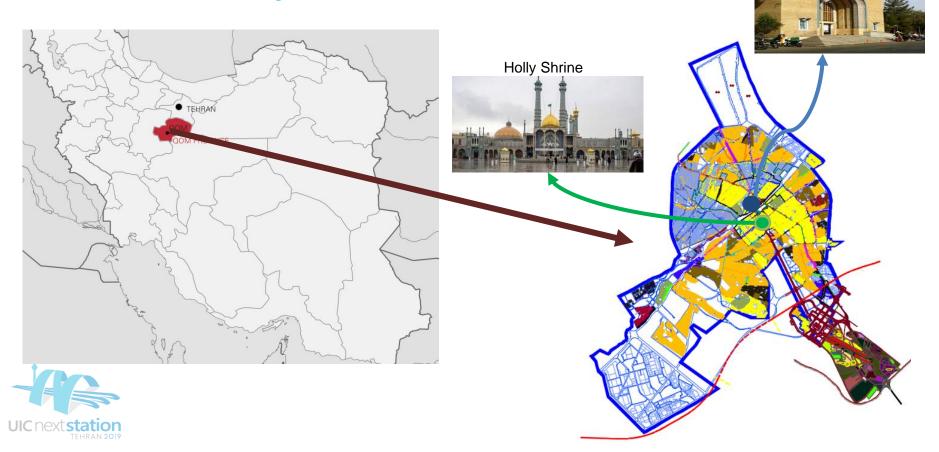


Seyed Mehdi Hosseini

RAI

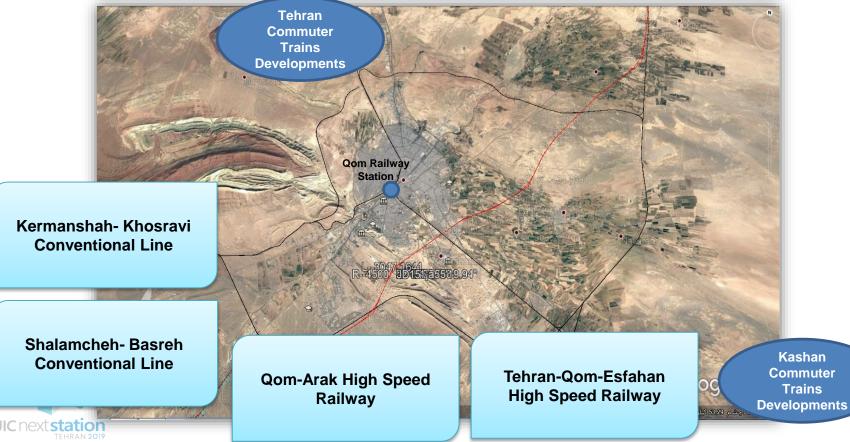
Technical Deputy of Logistics Director Office

**Qom Railway Station** 



**Qom Railway Station** 

## **Future Developments in Qom Railway Station**

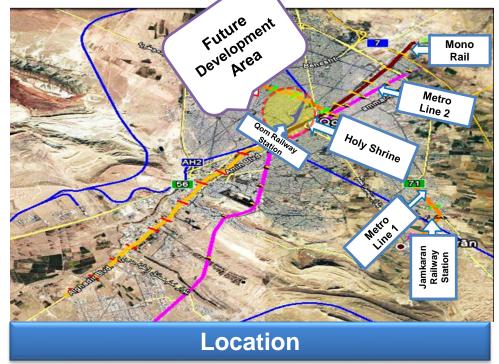


## The importance of development



### Capacity

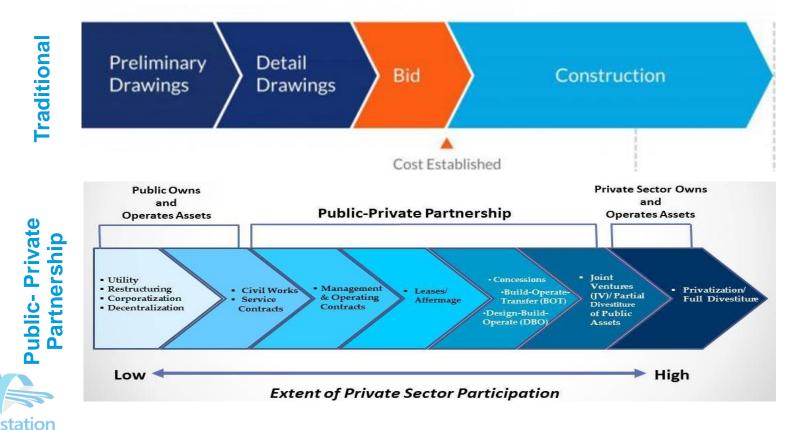




Number of Passenger: 2 million per year Passenger Hall space: 600 m2

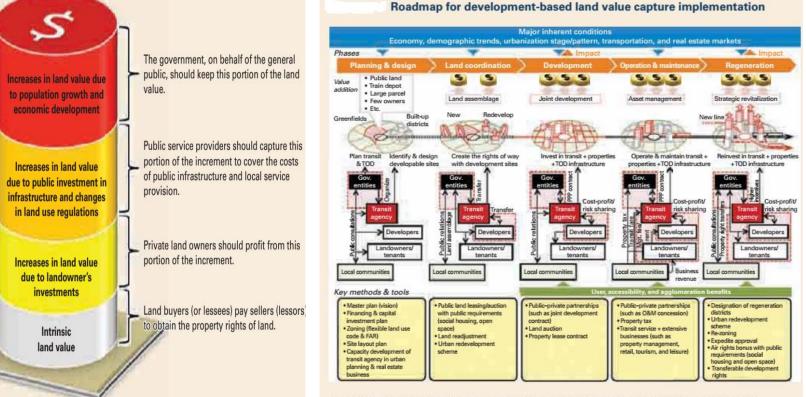


## **Financing Methods for project implementation**



UIC nex

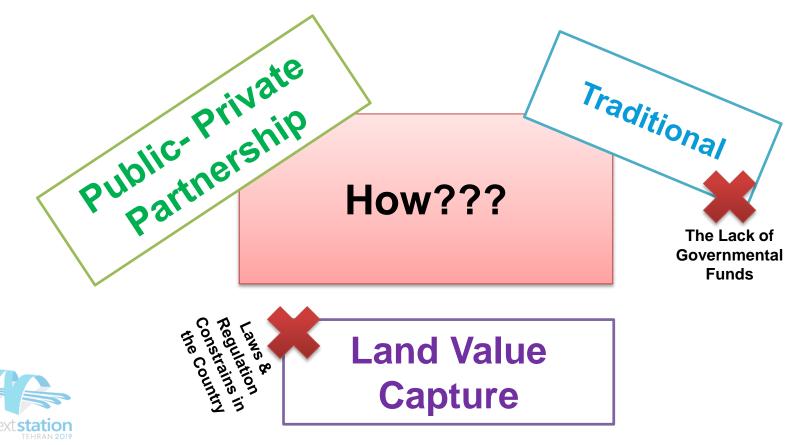
## **Financing Methods for project implementation**



Note: FAR = floor area ratio; O&M = operation and maintenance; TOD = transit-oriented development.

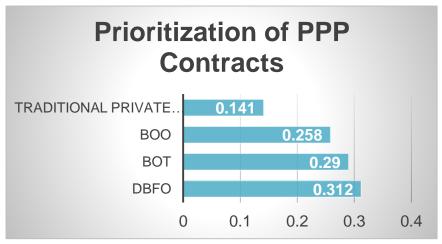
**UIC** next station

## **Financing Methods for project implementation**



## Appropriate PPP model for railway projects in Iran

- Reduction of changes in laws
- Paying the bills from the government
- Increase of the applicability of government guarantees
- Ease of receiving loans
- Ease of receiving related insurances
- Being clear in the ownership of project
- Supply of quality and standards
- Supply of equipment
- Selection of appropriate private sector
- Environmental preservation
- Ease of maintenance and repair
- Decrease of operating costs
- Commitment of the parties to their obligations
- Proper distribution of authorities and responsibilities between parties
- Increase of project profitability

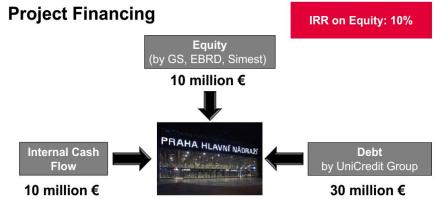


## **Prague Central Station**



# **Key Terms of PPP deal**

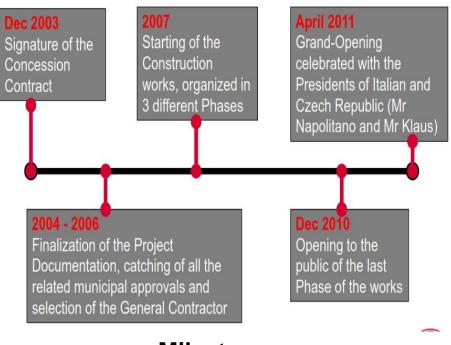
- The Czech Railways ("CD") was seeking for a professional subject able to renovate and manage their major hub: Project Fina Prague Central Station,
- Based on selection process, CD signed with Grandi Stazioni a Long Term Concession Contract (40 Years) in respect of Prague Central Station, on Dec. 2003,
- Grandi Stazioni invests in the refurbishment of the Station and then manages that vs its right to commercially exploit the premises,
- Grandi Stazioni pays a Concession Fee to CD.





# What happened?

- GS was awarded a 30-year concession by ČD in December 2003
- Began renovation in 2006
- First part was opened in 14 April 2011
- Work on the older part of the building faced problem
- Target completion date of 2013 was extended by three years to October 2016
- GS had requested a further extension of the deadline to autumn 2018
- On October 6 2016 SŽDC gave notice that the lease would be terminated

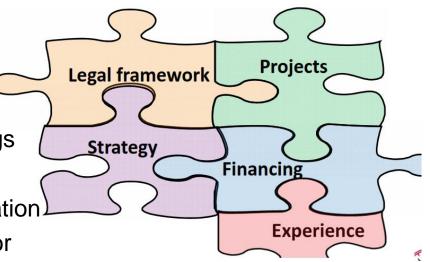


#### Milestones



## What should we do?

- Do enough study
- Have a technical study for historical buildings
- Have a complete market research study
- Focus more on time schedule & cost estimation
- Choose the appropriate financing method for the project
- Clear all the misunderstanding in contract
- Get to know all the important Stakeholders





# Thank you for your kind attention



Email: <u>Hosseini meh@rai.ir</u> Hosseini.m57@gmail.com Office: +982155128187