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**Government of Odisha**  
**Tourism Department**



**ODISHA**  
INDIA'S BEST KEPT SECRET.

ଓଡ଼ିଶା ପର୍ଯ୍ୟଟନ  
ପର୍ଯ୍ୟଟନ ଭବନ, ଲୁଇସ ରୋଡ଼,  
ଭୁବନେଶ୍ୱର-୭୫୧୦୧୪

No. 1577 / TSM, Bhubaneswar, Dated 11.02.2021

TCT-COOD-MISC-0013-2019

### **NOTIFICATION**

#### **SUB: GUIDELINES FOR LEASING OF TOURISM PROPERTIES**

Department of Tourism, Government of Odisha has developed a number of accommodation properties – namely Panthanivas, Panthashala, Panthika, Yatri Niwas, AranyaNivas, Tourist Reception Centres etc. – across key tourist locations in the State. While the land parcels are strategic and scenic at most places, the developments on the land parcels are not of good quality and do not help Government of Odisha realise the tourism and commercial potential of the destination. The existing developments are also gross under-utilisation of the land parcels.

In effect, the destinations are not promoted owing to lack of quality star-category accommodation and as result, the State receive slow spending tourists who do not contribute significantly to the State's tax collection and hence economy. This also results in lack of adequate and sustainable livelihood opportunities for locals in the tourism and hospitality sector.

Government of Odisha has decided to lease out its accommodation properties owned by Department of Tourism to interested and eligible private operators for effective operations and maintenance, as well as augmentation and redevelopment in specific cases, where the land parcel has not been optimally utilised. The lessee will be permitted and obligated to develop the property into a star-category accommodation to ensure optimum utilisation of the land parcel.

It has been observed in the 24<sup>th</sup> meeting of Empowered Committee of Infrastructure (ECI), held on 27.09.2013 under chairmanship of Chief Secretary, that the leasing of Department of Tourism Properties is in the nature of leasing/ licensing and substantially not of PPP in nature. Such bidding process shall not be put up to the ECI for approval.

Pursuant to the decision taken in the 24<sup>th</sup> meeting of the ECI, DoT had issued notification no. T-Cord-II(PPP)-9/15/3177/TSM dated 25.02.2015, which lays down guidelines for leasing of DoT properties.

This notification shall supersede the earlier notification no.T-Cord-II(PPP)-9/15/3177/TSM dated 25.02.2015, from the date of publishing in official gazette.

## Guidelines:

- The terms and conditions of lease approved by ECI in their 6<sup>th</sup> meeting held on 27.12.2008 shall be the broad framework for leasing of DoT properties
- DoT shall work towards leasing out existing properties such as Panthanivas, Panthika, Panthasala, Yatri Niwas, Aranya Nivas, Wayside Amenity Centres, heritage properties, restaurants etc. to either reputed hospitality players or companies/ organisations with substantial net worth for augmentation, redevelopment, operations and maintenance
- Since most of the properties are smaller in size with limited commercial viability, and with some of them not being operational, feasibility studies for the same may not be appropriate and cost effective. Potential bidders may conduct their own due diligence and market assessment and potentiality & value of the property will be market-driven and reflected in the competitive bid result
- Since the properties of DoT shall only be leased out for a specific period of time and not sold outright, no base price may be fixed for DoT properties.
- Bids for properties will be invited with upfront fees quoted by the bidders as the bid parameter/ bid criteria.
- 10% of the upfront fee quoted by the bidder will be paid by bidder as annual rent for the lease period. The annual rent shall be escalated every 2 years to factor in inflation, and the escalation percentage shall be specified in the bid document. The escalation process shall also be applicable in the extension period of the lease (30 years or 10 years, as may be the case)
- Both experienced players in the Tourism and Hospitality sector, as well as new players with double the net worth requirements for experienced players, shall be allowed to participate in the bidding process
- The period of lease shall be as follows:
  - Where the property is of substantial size, such as Panthanivas, Panthika, Panthasala, Yatri Niwas, Aranya Nivas, Wayside Amenity Centres, heritage properties, and bidder has to invest substantial equity in development, redevelopment, augmentation and operations & management of property, the period of lease shall be 30 years + 30 years (extendable upon satisfactory operations and fulfilment of Minimum Development Obligations (MDOs) during the initial 30 year period).
  - For smaller properties such as restaurants, PCC, TRC, TIC etc. where the bidder has to primarily operate and maintain the existing property without substantial investment, the lease period shall be 10+10+10 years, with interim review of O&M and fulfilment of MDOs during the 10 years.
  - After completion of the specified lease period, the property shall revert to DoT on 'As-is-where-is' basis
- The selected bidder shall co-brand the property, in consultation with DoT. Uniform branding template of Odisha Tourism shall be used across all leased properties.
- The eligibility criteria and Minimum Development Obligations (MDO) for each property shall be finalised by a committee chaired by Director Tourism and comprising of Joint Secretary, F.A.-cum-Joint Secretary and Joint Director/ Deputy Director/ Asst. Director in charge of infrastructure. The MDOs shall be fixed to ensure optimum utilisation of the land parcel and development of a star-quality accommodation.
- The bid shall be widely publicised on DoT website and published in at least one leading Odia daily and one National English daily

- The committee chaired by Director Tourism and comprising of Joint Secretary, F.A.-cum-Joint Secretary and Joint Director/ Deputy Director/ Asst. Director in charge of infrastructure shall evaluate the bids received and recommend to Secretary Tourism for his considered view before taking Government approval for issue of Letter of Award (LoA) and signing of Lease-cum-Development Agreement (LDA).
- The model LDA shall be vetted by Law Department

By Order of the Governor



(Vishal Ku. Dev)  
Principal Secretary to Govt.

Memo No. 1578 /TSM, Date: 11.02.2021

Copy forwarded to the Gazette Cell, Commerce & Transport Department, Lok Seva Bhavan, Bhubaneswar for information and necessary action.

They are requested to publish the Notification in the next issue of Extraordinary Odisha Gazette and supply 50 copies to this Department for reference.

  
Director & Addl. Secretary to Govt.

Memo No. 1579 /TSM, Date: 11.02.2021

Copy forwarded to P.S. to Hon'ble Chief Minister, Odisha / P.S. to the Hon'ble Minister, Tourism for kind information of Hon'ble Chief Minister, Odisha and Hon'ble Minister, Tourism respectively.

  
Director & Addl. Secretary to Govt.

Memo No. 1580 /TSM, Date: 11.02.2021

Copy forwarded to O.S.D. to Chief Secretary, Odisha / P.S. to DC-cum-ACS / P.S. to Principal Secretary, Tourism Deptt. for kind information of Chief Secretary, DC-cum-ACS and Principal Secretary, Tourism respectively.

  
Director & Addl. Secretary to Govt.

Memo No. 1581 /TSM, Date: 11.02.2021

Copy forwarded to P.S. to Principal Secretaries / Commissioner-cum-Secretaries of all Departments for kind information and necessary action.

  
Director & Addl. Secretary to Govt.


Memo No. 1582 /TSM, Date: 11.02.2021

Copy forwarded to CMD, IDCO / MD, IPICOL / MD, OTDC Ltd. / all Collectors & District Magistrates for information and necessary action.

  
Director & Addl. Secretary to Govt.

Memo No. 1583 /TSM, Date: 11.02.2021

Copy forwarded to all ADTs / Tourist Officers for information and necessary action.

  
Director & Addl. Secretary to Govt.

Memo No. 1584 /TSM, Date: 11.02.2021

Copy forwarded to all Branch Officers, Tourism Department for information and necessary action.

  
Director & Addl. Secretary to Govt.

Memo No. 1585 /TSM, Date: 11.02.2021

Copy forwarded to the Heads of Portal Group, IT Centre, Lok Seva Bhavan / Computer Cell of Tourism Department for information & necessary action.

They are requested to upload the Notification in website of Tourism Department for general information.

  
Director & Addl. Secretary to Govt.