

**POLICY TO RENT OUT FHA PROPERTIES/LAND/BUILDINGS ETC FOR THE ERECTION OF PERMANENT/IMMOVABLE, TEMPORARY/MOVABLE, AND OTHER AMENITIES.**

The procedure to rent out FHA properties/Government Land (on ground rental basis), and the procedure for processing of Rent Agreement with the (would be) owner/s of the permanent/immovable building/structure such as Shops, Hotels/Motels, Restaurants, etc. or Temporary/Movable building/structure such as Kiosk, Vendor stalls, Khokhas, Plant nurseries etc. and/or other amenities for the use of Government Land for such activities on ground rental basis is prescribed as under:

**I. NEW INSTALLATIONS**

1. The Authority (Frontier Highway Authority-FHA) shall notify, and disseminate through Advertisement in local newspapers, the Government Land and shall invite Expression of Interest (EOI) for the development of that land, from the general public (individuals, joint ventures, consortiums, firms/companies, societies, private or public agencies etc.).
2. The interested party (individual, firm, consortium etc.) shall submit an application in the form of a "Technical and Financial Proposal". The proposal shall comprise of the following:

**i. Copy of National Identity Card**

Attested photocopies of National Identity Card of the applicant/s (individual owners, agents, dealers or authorized representative of the interested party).

**ii. Proposed Locations**

The applicant (interested party) shall submit the precise location of proposed building/structure and/or other amenity along with the detailed layout plans, drawings and photographs (if required). The interested party shall contact the respective Deputy Director for guidance and pinpointing the locations within the FHA Right of Way (ROW).

Six (06) copies of the layout plan of the proposed building/structure (Shops, Hotels/Motels, Restaurants, Kiosks, Vendor stalls, Khokhas etc. and other amenities) shall be provided with the application.

- (a) Distance of the proposed building/structure and other amenities, signboard, cut-of-drain, and other building features from the center of the nearest carriageway, the edge of the berm and the Right of Way (ROW) line.
- (b) Distance of the nearest existing bridge, building/structure, amenities, horizontal or vertical curve or any other sight obstruction.



iii. **Dimensions of plot**

The plot size can vary as per Government land available in FHA Right of Way (ROW). The interested party (person, partners, firm, private or public agency etc.) shall propose their plans within the boundaries and limits specified by the Authority. The following details regarding the plan/dimensions of plot shall however be provided.

- (a) The area of the land to be rented out shall be clearly mentioned in area units (square feet or square meters) on the plan accompanying the proposal and which shall make part of the agreement ensued.
- (b) The plan must, to the possible extent, be of geometrically proportionate dimensions.

iv. **Development of Building/Structure, Amenities and other related works**

- (a) Development of Buildings/Structures, other amenities and its related works will be the responsibility of the successful applicant. FHA will approve the building plans and drawings as per conditions set forth.
- (b) The building must to the possible extent be aesthetically good looking and must conform to the other buildings/structures in the vicinity.
- (c) The successful applicant/s shall submit an undertaking (on Rs.100/- stamp paper) to the Authority that he/she/they will complete all the construction as per Government conditions set forth.

v. **Safety Specifications**

- (a) The effect of proposed building/structure or/and amenities on the flow of traffic and highway safety.

If the proposed site (building/structure/amenity) is likely to interfere with the smooth flow of traffic; hamper highway safety, create a problem or aggravate an existing problem, or cause a physical or visual obstruction due to its proximity to a bridge, culvert, or horizontal or vertical curve, the case shall be sent to the Director (Maintenance), FHA along with all plans and recommendations for decision.

vi. **Road User Facilities**

The Applicant/Interested Party shall illustrate in its proposal, which sort of Road User Facilities will be developed by them.

Depending on the nature of business/amenity the interested party shall provide the following road user facility:

- a. Ladies and Gents Toilet.
- b. Drinking water.
- c. Construction of Cutoff Drain.
- d. Reverse slope of approach road.
- e. Fire-fighting equipment; etc.

In addition, the Applicant (Individual, Firm or Agency) may include any other facility they consider necessary for road users.

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vii. **Technical Proposal**

- (a) The Technical Proposal shall include a detail methodology for establishing of shop, hotel, motel, restaurant, kiosks, khokha, vendor stalls and other amenities etc.
- (b) The nature of the business, its establishment and running shall be specified with all technical details.

viii. **Financial Proposal**

The Financial offer shall be in the form of annual ground rental charges. The offer must be made keeping in view the period of agreement, as specified in Para (ix) (a) and (ix) (b) of this policy.

The annual ground rental charges must be at the minimum equal to or more than 5% of the assessed and notified value of land by the District Revenue Officer in case of Immovable Property, and 2½% in case of Movable Property. These charges shall be paid in advance for the first three years, and annually afterwards or as prescribed by the authority in the rent agreement. The annual ground rental charges shall be subject to increase as per periodic increase (if any) in the assessed value of the land.

ix. **Agreement Period**

- (a) Immovable Property/Permanent Structures like shops, hotels, motels, restaurants etc. etc.

The rent agreement shall be for a period of maximum of 3 years or for the period prescribed by the Authority. Value of the land shall be assessed every three (3) years and the rent agreement shall be renewed accordingly after every three years.

- (b) Movable Property/Temporary Structures like Plant Nurseries, Kiosks, Khokhas, Vendor stalls etc. etc.

The rent agreement shall be for a period of maximum of 3 years or for the period prescribed by the authority and value of the land shall be assessed every three (3) years or as prescribed by the authority. The rent agreement shall be renewed accordingly after every three years.

x. **Ground Rental Charges**

The ground rental charges shall be assessed as follows:

Immovable Property / Permanent Building like shop, hotel, motel, restaurant, other structure and amenities etc.

Equal or more than 5% of the land value assessed and notified by the District Revenue Officer or any other person/body prescribed by the Authority for this purpose.

Movable Property/Temporary Building or structure like plant nurseries, khokhas, vendor stalls, orchards, kiosks etc.

Equal or more than 2½% of the land value assessed and notified by the District Revenue Officer or any other person/body prescribed by the Authority for this purpose.



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Movable Property/Temporary Building or structure like plant nurseries, khokhas, vendor stalls, orchards, kiosks etc.

Equal or more than 2½% of the land value assessed and notified by the District Revenue Officer or any other person/body prescribed by the Authority for this purpose.



**xi. Registration/NOC Fee**

The Registration/NOC fee shall be Rs.20,000/- for Immovable Property/ Permanent Building and amenities and Rs.10,000/- for Movable Property/ Temporary Buildings and Structures. The Registration/NOC fee shall be deposited in favour of Managing Director, FHA account and shall be non-refundable.

**xii. a) Bank Guarantee**

The Financial Proposal must be accompanied by an irrevocable Bank Guarantee from a scheduled bank in favour of Managing Director, Frontier Highway Authority, Peshawar with a validity period of one year from the last date of submission of the proposal. The amount of the Bank Guarantee (Rs. 33/- per sft presently or as prescribed by FHA), shall be the performance guarantee on part of the successful applicant to ensure construction of cut-off drain, approach road and slope thereof, development of road users facilities such as ladies and gents toilet, drinking water cooler, fire fighting equipment and all other conditions set forth in the bank guarantee or undertaking or as in No Objection Certificate from the Authority. In case the applicant fails to construct the buildings/structures as foreseen in the Technical Proposal and as agreed upon by the stakeholders during the period of validity of the Bank Guarantee, the Authority has the right to forfeit the Bank Guarantee in its favour. The Applicant shall otherwise submit an application to the Authority supported by tangible reasons of delay in construction, for extension in execution of proposal. The applicant after getting approval from the Authority shall be authorized to extend the validity period of Bank Guarantee for another year.

**b) Security Deposit**

Security Deposit equal to the yearly rent of the Property/Land/Building/ Structure etc. shall be deposited in favour of Managing Director, FHA. The Security Deposit shall be refundable at the time of vacation of the Property/Land/Building/Structure etc. after adjustments of the utility bills and cost of damages occurred to the property during the tenancy period. In case of renewal of the contract agreement the security deposit shall be enhanced in accordance with the renewed rent.

**xiii. Agreement**

An agreement on a stamp paper of Rs.200/- would be duly executed between the parties. The expenses of providing the stamp paper shall be borne by the tenant/applicant. Where the land is to be rented to a Governmental agency, it shall be exempted from the stamp duty.

**xiv. Termination Notice in Case of Any Dispute**

In case of any dispute, either party shall have the right to terminate the Contract Agreement after serving ninety (90) days notice for termination to the other party.

**xv. Termination of contract in Public Interest**

Should it become necessary in the public interest to terminate the contract at any time, the owner/agent/dealer/representative of the Immovable/Movable property or other amenity shall remove all the buildings/structures and clear the plot within thirty (30) days of the notice from the Authority at his/her/their own expenses and without any compensation whatsoever on this account.



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## **II. ALREADY ESTABLISHED INSTALLATIONS**

- i. The annual ground rent at the following rates or as prescribed by the Authority for already established installations within the FHA right of way shall be charged with effect from July 1, 2001.

Immovable Property / Permanent Building like shop, hotel, motel, restaurant, other structure and amenities etc.	Equal or more than 5% of the land value assessed and notified by the District Revenue Officer or any other person/body prescribed by the Authority for this purpose.
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Movable Property/Temporary Building or structure like plant nurseries, khokhas, vendor stalls, orchards, kiosks etc.	Equal or more than 2½% of the land value assessed and notified by the District Revenue Officer or any other person/body prescribed by the Authority for this purpose.
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## **III. METHODOLOGY OF PAYMENT**

All payments shall be made in favour of Managing Director, Frontier Highways Authority, Peshawar through Bank Draft.