

DEVELOPMENT OF URBAN CENTRES AND ITS STAKEHOLDERS

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Railway Land Development Authority (RLDA)

The Planning Commission during its 9th Five-Year Plan highlighted the need for additional resource development for railways through non-tariff methods and stated “Railways being owners of vast tracks of lands, can supplement their financial resources by certain non-tariff measures like utilisation of land/air-space for commercial purposes”. Thus, the Railway Land Development Authority (RLDA) was constituted in 1989 by an amendment to the Railways Act. It is a statutory body under the Ministry of Railways that aims to develop land/air space entrusted to it on sound commercial principles for the generation of non-tariff revenue and creation of assets for the Indian Railways. The Indian Railways (IR) has approximately 43,000 hectares of vacant land. The zonal railways will identify the land which is not required for operational purposes in the foreseeable future and the details thereof would be advised to Railway Board. These identified plots will then be entrusted to RLDA for their commercial development in phases. The Railway Development Land Authority is working on four major projects, namely - Commercial and Residential Development, Multifunctional Complex, Colony Re-development and Station Development.

For commercial development, the sites that were found to be viable were leased out to transparent bidders after feasibility consultation studies by professional consultants. Around 21 Commercial Sites were leased out for 45/99 years to various developers with realised/expected revenue of approximately Rs. 1,700 crores for Railway. As of April 2021, almost 85 identified sites are at different phases of development (Invitation of e-Bids, completion of Architectural survey of the site, issuance of LoA, etc.). For Residential Development, the RLDA has to acquire prior permission from the Railway Board.

The responsibility for development of Multi-Functional Complexes (MFC) has been entrusted to PSUs (IRCON, RITES, RVNL) and private sector. These Multi-Functional Complexes would provide various

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facilities like ATMs, hotels, restaurants, food stalls, PCOs, dispensary, parking and various other similar facilities to rail users at the railway stations. Sites are being offered on 30-45 years lease on upfront lease premium or Revenue Sharing basis, through MoU to PSUs, and through open bidding process to the private sector. Ministry of Railways sanctioned 67 sites in 2009-10 and 93 MFC sites in 2010-11. As of 8th June, 2021 action (like site evaluation, commissioning of site, signing of agreements etc) has been taken on 123 sanctioned sites. Some of these sites have also been deferred by the Railway Board vide letter dated 11th March, 2021.

Most Railway stations and Railway colonies are located at the heart of the city and therefore hold immense potential to develop real estate to fund the railways. However, most of these Railway colonies are 50-60 years old and in abysmal condition. Even with best efforts by the railways to maintain these quarters, its residents are not satisfied with its condition. The former Railway Minister Pawan Kumar Bansal during the Budget Speech for 2013-14, stated that the development and construction of staff quarters have been hampered due to funding constraints. The feasibility studies were taken up and the report of the same submitted to the railways. As these colonies are located in prime locations of the cities and have unutilised FSI (Floor Space Index) therefore they are financially viable on PPP model. The redevelopment would be done according to the Development plan of the respective city.

Finally, one of the major projects undertaken by RLDA is the redevelopment of stations. Railway Board has entrusted RLDA with re-development of 10 Railway Stations through NBCC (Gomti Nagar Railway Station, Lucknow UP; Charbagh Railway Station, Lucknow UP; Tirupati Railway Station, Chittoor District A.P.; Nellore Railway Station, Nellore District, A.P.; Puducherry Railway Station; Ernakulam Railway Station, Kochi, Ernakulam District, Kerala; Kota Railway Station, Kota District, Rajasthan; Madgaon Railway Station, South Goa District, Goa; Delhi Sarai Rohilla and Thane Railway Station, Thane District, Maharashtra) and one station through IRCON (Delhi Safdarjung). The schemes under station re-development project will work with the Smart City Mission launched by the Government of India. The project will encompass congestion free non-conflicting entry exit to the station premises, segregation of arrival/departure of passengers, adequate concourse without overcrowding, integration of both sides of city wherever feasible, integration with other modes of transport system like Bus, Metro, etc. user friendly international signage etc. The cost of the entire project is to be met by leveraging commercial development of spare railway land/airspace in and around the station.

The RLDA also has the authority to set up Special Purpose Vehicles (SPVs) and Joint Ventures (JVs) for development projects after obtaining requisite approvals. As a result, on 12th April, 2012, a special purpose vehicle namely Indian Railway Stations Development Corporation Limited (IRSDC) was set up. It is a Joint Venture Company of Rail Land Development Authority and IRCON, with Rail India Technical and Economic Service (RITES) being recently added as the third promoter with 24 per cent equity stake. The enhanced paid up capital is held by IRLDA, IRCON and RITES in the ratio of 50:26:24. The IRSDC has to carry out functions such as the re-development of existing and new railway stations which would include improving passenger facilities by re-developing platforms, station building, circulating areas, etc., development of real estate on Railway/Government land, look after various aspects of projects (planning, designing, construction, improvement, commissioning, operation, maintenance and financing) and various services relating to it (marketing, collecting revenues etc.), and carry out railway infrastructure related projects using various PPP models – Build Operate Transfer (BOT), Build Own Operate Transfer (BOOT), Build Lease Transfer (BLT), etc. The IRSDC therefore serves as an important instrument to enable optimal utilisation of railway land, improve the performance of the existing assets, as well as tap the real-estate and economic potential for future developments. It holds the potential to generate new sources of revenue for the Railways by unlocking economic value of underdeveloped or unutilised/underutilised railway assets, making it a way of asset monetisation.

The National Monetisation Plan (NMP) unveiled in Union Budget 2021-22 and launched on 23rd August 2021 announced asset monetisation plans for railway stations, passenger train operations, hill railways, goods sheds, dedicated freight corridors, track infrastructure etc. The RLDA and IRSDC will look after the development of 400 railway stations, which have been divided in three categories; Tier 1 having 50 stations with capital expenditure around 500 crore per station, Tier 2 having 100 stations with capital expenditure of Rs 300 crore per station and Tier 3 having 250 stations having capital expenditure of around Rs 85 crore per station. The categorisation has been done based on their commercial potential and potential scale for development. This monetisation will happen in phases, with 44 stations being monetised in first year, and 120 stations each in subsequent three years. The IRSDC currently has 12 projects in the planning stage - Nagpur, Gwalior, Amritsar, Sabarmati, Shivaji Nagar, Surat, Baiyyappanahalli, Gandhinagar (Jaipur), Kanpur, Thakurli, Anand Vihar and Chandigarh stations. Nagpur, Gwalior, Amritsar, Sabarmati, Shivaji Nagar, Surat and Baiyyappanahalli will be implemented in PPP model while,

Gandhinagar (Jaipur), Kanpur, Thakurli, Anand Vihar and Chandigarh station will be developed under EPC model. The Bijwasan Station's Master Plan has been approved and the project is ongoing. Two projects, namely Habibgang Station and Gandhi Nagar Station in Gujarat (inaugrated on 16th July 2021) have been completed. Both Stations have been re developed to be a multi-modal transit hub and are equipped with world class amenities to make travel easy and safe for everyone, including the differently abled persons.