Project No 2
CONSTRUCTION OF MULTI MODAL TRANSPORT HUB (MMTH) – COLOMBO FORT/PETTAH

1. Project implementation agency: Urban Development Authority
2. Estimated project cost; US $ 7 billion
4. Development model: Joint Venture under PPP system
5. Implementation period: 7 Years

Project Location:

Project will be located using Colombo Fort Railway Station and Pettah Manning Market sites. Entire project area covers with the following three sites.

i. **Fort Area:** Through the entire colonial period and even after gaining of independence, the area has been the centre of trade and business activities in Sri Lanka and was the centre of administration. However, at present, it is mainly the business district of the country, shifting the administrative centre to Sri Jayawardenepura Kotte, Battaramulla. The proposed development site of the MMTH is located centering the Fort railway station.

There are many offices and large buildings in this area, such as the World Trade Centre and Headquarters of all Commercial Banks and the Central Bank. It is also noted that there are many colonial style buildings maintaining as archeological sites, some of which have been renovated nicely.

ii. **Pettah Area:** Pettah is famous for its open air bazaars and markets, and it's the busiest commercial area in Sri Lanka. The area is spread across the northern side of the development area. The buildings are not large, many of them are 3 or 4 story buildings and small retail shops occupy this area.

iii. **Manning Market:** This is the biggest wholesale vegetable market in Colombo next to the railway station. The land covers nearly 2 ha in size and will be used for a part of MMTH. In order to resolve the over-crowded situation of Manning Market (Vegetable Market) and other wholesale and retail shops in Pettah area, plans are underway to relocate it in Peliyagoda.
In order to make the entire project, a technically and financially feasible investment, it is proposed to include the following development sites to be included within the single MMTH site. These are:

iv. Sebastian Mawatha Private Bus Stand
v. Goonasingha Mawatha western Province Private Bus Stand
vi. Central Transport Bus Stand,
vii. Chalmers Grannery’s Warehousing Site

Background of the Project:

At present there is no connectivity of passenger transport systems. Even though Colombo Pettah and Fort centralizes all forms of passenger transport modes, Railway transport and Bus Transport together with road taxi systems, passengers travel by one system cannot change to another system without undergoing severe hardships. There are three locations where passenger bus stands are located, viz. Central Transport Board bus terminal in Pettah, Western Province private bus terminal in Gunasinghepura, Pettah and National Transport Corporation private bus terminal in Bastian Mawatha, Pettah. Distance from one bus terminal another is half kilometer, a passenger travelled from rail to change to a bus has to walk almost about one kilometer to reach his destination. In addition, local busses transporting passengers within an outside Colombo City limits has no prescribed terminal and used to park some place and start its destination as a round trip travel.

Colombo city is rapidly transforming into a metropolitan complex and mix of variety of activities, a place of increasing higher volume of traffic and multi models of traffic, and more and more social, economic and environment activities creating many social and cultural issues. The emerging needs and urban issues, for a more integrated transport network creates an opportunity for the development of interchange hub facilities, which can serve as the gateway to the city. It also needs facilitating efficient interchange from one mode of transport to another. This interchange Hub can become the fulcrum of inter-modality and provide seamless journeys and accessibility for all, and further promoting the appeal for an efficient public transport system.

With the visioning of Megapolis development plan, provision for smart space allocation for urban life, infrastructure and smart connectivity to the national and local contexts is crucially important. As a solution for the current government urban development policy, megapolis plan highlighted the importance
and the role of Fort/Pettah existing multimodal transport cluster transforming into a mono centric Transport HUb with smart mix of urban uses with the vision of city within the City.

**Rationale of the Project:**

A feasibility study was carried out by JICA in 2014 on the establishment of a Multi Modal Hub at Pettah/Fort, Colombo. The study conceptualized the MMTH as a single building complex comprised of a Transport Hub, Market Place, and Urban Park. This study was reviewed by the Megapolis Transport Planning Committee in 2015. While the Committee is in broad agreement with the concept and design recommended by the JICA study, however, adopting the current Mega developments and national economic and social priorities there were initiatives to develop the transport hub covering the following aspects.

The vision of the Western Region Megapolis Planning Project (WRMPP), in general, is to promote the intense infection and integration of land use and transportation, while the rate of growth in the Western Province is developed to take the entire country to a developed country. In this context, Colombo Downtown has been identified as the “Central Business District” of the country and as the focal point for servicing and developing into the “Multi Modal Transit Hub”. In addition, the Plan encourages opportunities for intensification and redevelopment of existing buildings, land areas and infrastructure transforming the area as vibrant, attractive, world class, brand city center for all.

**Urban Planning and Urban Design:**

- Pedestrian friendly and walkable City Hub,
- Mainstreaming of public transportation system,
- Opening up the city economy by unlocking key sites for world class living environment,
- Prioritizing social integration,
- Integrating the Lake front for economic, social, & environmental sustainability,
- Preserving & celebrating the urban heritage,

**Transport:**

- LRT system (Light Rail Transit) to be introduced to Colombo and its suburbs by linking Colombo MMTH accommodating LRT station within the Colombo Hub,
- Intra-provincial buses do not need a separate parking area; short term parking will be required for these buses and the Colombo MMTH should feed by local busses which collect the passengers from surrounding MMTH,
- Provisions must be made in the MMTH to accommodate a boat station at the Beira Lake Waterfront, in line with the proposed Inland Water Transport System under the Megapolis Transport Plan,
- Port Expressway will link with the proposed development area even though it will not physically ramped out to the Pettah area.

Forecasts show by 2030, Colombo City will be the commercial hub of South Asia and an International Tourist Center. Population in Colombo will be consisting of mainly a touring population visiting from
the rest of the world and other parts of the country employed in commercial enterprises. The transport facilities have to be provided to a visiting population with transfer facilities to be moved from one mode of transport to another. The MMTH will therefore be the most promising investment fulfilling the transport demand of the social fabric in future Sri Lanka.

Project Objectives:

The size of a multi modal hub is dependent on the volume of passenger flow, the types of transport modes that need to be catered to, and the role it plays in local and regional context. The planned MMTH will cater to a large number of persons travelled by different modes through different transport corridors. At present, all passengers travelling through four rail corridors (coming from Chilaw – Colombo, Polgahawela – Colombo, Avissawella – Colombo and Matara/Galle – Colombo) and from busses using highway corridors to Pettah/Fort. All these transport corridors/routes, including those operating within the city and suburbs as circular routes, connect with Pettah/Fort as the focal point. The planned MMTH, therefore, proposes to develop to meet the following objectives.

i. To develop as the passenger transfer centre:
ii. To develop as the Gateway to Colombo City:
iii. To coordinate with high density mixed development in the City
iv. To create minimize traffic congestion within the City
v. To provide easy pedestrian access

Project Components

Planned MMTH consists of three main components, namely

i. Transport interchange
ii. High density mixed development, and
iii. Public open spaces.

The transport interchange is created to gather and distribute passengers as efficiently as possible by linking outward-bound urban passenger transport facilities, such as railway stations, LRT stations, as well as various inner-city transport systems, such as buses, taxis, three wheelers etc. Proposed MMTH also features people-oriented amenities and services, such as restaurants, cafes, barrier free facilities, offices, customer service centers, entertainment centers, internet connectivity, to make the travel experience more enjoyable and meaningful.

Apart from transport network integration, the interchange hub can also feature high density mixed development towers where world class commercial and retail facilities are linked with surrounding mixed-use development close-by. This integration maximizes land use through resource sharing, minimizes travel requirements to satisfy other requirements and makes a journey to the City more convenient. The visioning process of MMTH reflects the transport interchange and high density development project components are proposed to integrate in feasibility study and detail design.
Public open spaces are located next to the MMTH, just in front of Beira Lake, and other open spaces close to Fort Pettah area. Gall Face Ground and present Air Force Ground would be two other open places available for public use in the vicinity.

**Economic & Social Viability**

Planned Colombo Pettah/Fort Multi Modal Transport Hub (MMTH) will be to establish a place of connecting all modes of transport in the country together with future economic activities such as tourism, retail trade, professional services, creative industries, engineering and entertainment, allowing Sri Lanka’s principal talents capitalizing inter and intra regional and foreign markets. It will be an economically vigorous region of Sri Lanka that generates more in public revenue than making public expenditure in the country.

As mentioned earlier, the present passenger transport services commences from four places in the heart of Colombo; the rail passenger transport from Colombo Fort Rail Station; public bus passenger transport from Central Bus Terminal in Pettah; private inter provincial bus transport from Bastian Road Terminal and private provincial passenger transport from Gunasighapura Terminal. These four terminals are located quite a long distance from one place to another and commuters arriving/departing from one terminal and change to another terminal has to walk a quite a long distance of almost half kilometer through heavy vehicle traffic. Other than the rail terminal and public sector bus terminal, other two private bus terminals do not provide detailed information about destinations and, therefore, frequently commuters have go from one place to the other to look for busses reaching their final destinations. In addition, the city transport system and several other short distance but routes do not have a exact starting point and therefore, operate as circular trips. The other important public transport mode, taxis, do not have parking places and used to park all corners of streets creating immense difficulties to the traveling public.

The planned MMTH in Pettah/Fort is a reasonably acceptable solution to the passenger transport system to the entire passenger population of the country, where the proposed MMTH will be functioning as the country’s central transport system. With the introduction of the proposed Light Rail Transit (LRT) system in Colombo and suburbs, those passengers will have a better coordinating system to meet their transport needs.

The Western Region Megapolis Transport Plan proposes a set of new transport projects/routes to improve the passenger transport system in the Western Region. Electrification of the main railway line from Panadura to Venyangoda in the 1st phase and extending the same line to Polgahawela in the 2nd phase, electrification and double tracking of Kelani Valley line from Colombo to Avissawella, Establishing of another electrified railway line from Dematagoda to battaramulla, new railway line from Kottawa to Horana, establishment of LRT system as a circular line and another 6 lines along the main transport corridors, and establishing new expressways to ease both passenger and goods transport in Colombo and suburbs include the new Transport Plan. Since all these systems coordinate through Pettah/Fort area, the MMTH linking all the existing and planned transport networks centralizes the connectivity of all transport systems with different locations and different modes.
Since all passenger transport modes are connecting with Pettah/Fort MMTH, commuters do not have to walk from one location to another and could change within MMTH itself to travel to their destination. Information and guidance for the transfer will be provided easily. Although the benefits cannot be easily determined, it is possible to estimate the economic value of such benefits through saving of commuter time and money, in addition to other benefits people could enjoy at the MMTH and complexes attached to it. The transport operators may also benefit from improved connectivity. Their lagging time in the prescribed locations and ability to operate on standard time tables provide better facilities to operators. Accordingly, more efficient utilization of existing assets will be achieved, while identifying areas for new capacity generation without creating over capacities and, in the long run, a role for changing to ration at times of peak congestion.

The population projections show that the expected population in the Western Region Megapolis in 2030 will be about 8.8 million. This will be approximately 40% of country’s population. Of the total population, the highest density will automatically be the Colombo Business District (CBD), where the population number will be approximately 2.8 million with a density of more than 20,000 per sq. km. The number of passenger trips generated by this population may be several times the total population. It is assumed that the proposed MMTH will provide better transportation as well as transfer facilities from one mode to another, while per capita income of Western Province people may reach equivalent to the level of developed countries.

The establishment of Pettah/Fort MMTH together with the implementation of other 8 Transport Hubs within Western Region will no doubt contribute positively to this transformation and come as a package development of other facilities such as living apartments, office spaces, and commercial complexes together with pooling of cinemas, entertainment places for other popular events for the use of commuters and general public. All the above components have to be packaged into one project and each component could construct as a series of building complexes with combinations of different services. The spread of space for each of these activities depends on the total operational size of each Hub, especially the MMTH, and the extent of public services proposed to provide within each hub. The types and volumes of public services provided in the MMTH determine the annual cost of operation and maintenance (O & M) cost of it. The annual revenue stream of the operating organization of MMTH should be equivalent to the above O & M cost plus the profit margin to meet the cost of investment. It is important to note that the O & M cost includes the annualized cost of capital investment in terms of interest to be paid on capital loans. This amount should flow into the project as annual revenue.

The development of Pettah/Fort MMTH will therefore be a strategic investment of Western Region Megapolis where a long term approach is needed with an infrastructure development policy suitable to predict land use planning in CBD area. Also proposed MMTH may develop the future transport strategy that considers interfaces of different modes of transport including transformation of private to public transport system. The concurrent establishment of regional transport hubs in the identified areas will encourage this important transformation that will ultimately derive a set of national economies in terms of saving of fuel, reduction of traffic congestions within the urban areas and saving of commuter time focusing improvement of labour productivity. It also defines the priority investment decisions to the Ministry of transport between road infrastructure needs and railway infrastructure development. Although the financial cost of rail infrastructure development is comparatively high, the economic cost of such
development is lower in terms of time length of use, the per capita cost of operation and maintenance, and average user cost per capita. Similarly, the development of MMTH together with other regional transport hubs will be a multifaceted development option not only to create direct economic impacts but to determine on future investment requirements.

**Stakeholders of the Project**

There are several stakeholders for the Pettah/Fort MMTH. Other than the public sector institutions who owns land as investors of the project there are several other stakeholders having positive and negative impacts of the project. There are several parties adversely affecting their present livelihoods and employment due to project implementation. A large number of traders who are having a trading volume with hundreds thousands of rupees per day and involved in wholesale trade and small traders who are selling vegetables on daily basis and a large number of other traders of Manning town vegetable market and a large number fancy traders by the sides of private bus terminals and the CTB bus terminal and areas in between these sites include one set of stakeholders. With the acquisition of their business premises, these traders may think that their businesses were severely affected due to the construction of MMTH even though every one of them would be finally given permanent alternative sites inside the MMTH they may have adverse comments on the development project. Traders of present world market will also affect adversely. However, since the volume of trade presently enjoying these traders could be clearly benefitted as a result of relocation. There could be organized objections as a result of these adverse impacts.

The bus operators will also affect to a certain extent and could be considered as a negative stakeholder of MMTH project. In fact, bus operators will get better chances as a result of the new MMTH and they do not have to unnecessarily operate busses after the construction of MMTH. However, their unethical earning sources will be damaged could be more disciplinary in bus operations. All commuters may be satisfied about the services provided after the establishment of operations of MMTH, since they do not have to run around for busses and transfer to other vehicles due to the new operations. Taxi commuters will also be satisfied because they have a reserved route and a controlled and guided tour system.

There will be several adversely affecting people working in the private bus terminals. They earn money from bus operators as controllers and will not have any chance to continue with similar activities after the commencement of operations of MMTH. There are other persons who earn a day to day living through functioning as mobile fruit sellers, walking operators and couriers providing some services and earning an income.

There are other people affecting the development of Pettah/Fort MMTH. These are the vehicle operators who will be adversely affected by not having vehicle parking space in the Pettah and Fort areas. Presently two main land sites using as car parks will be taking over for project development. The Charmers Granaries owned by UDA with a land area of 4 ha and land in Pettah depicted as no. 8 in Map 1 owned by Colombo Lands with an extent of 0.89 ha are the two main lands use as car parks. Since parking space is not available in Colombo, until such time few multi-storied car parks are constructed, vehicle owners will face immense difficulties as a result of non availability of parking space.

**Land Availability**

The blocks of land given in table 2 below have been identified for the establishment of proposed Pettah/Fort MMTH. The map showing the land identified is presented in figure 1.
Table 2: Lands identified for the establishment of MMTH

<table>
<thead>
<tr>
<th>No.</th>
<th>Lot No.</th>
<th>Present Occupant</th>
<th>Present Use</th>
<th>Ownership</th>
<th>Extent (ha)</th>
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<tr>
<td></td>
<td></td>
<td>Lands for Vesting</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>01</td>
<td>People’s Bank</td>
<td>Leased by Railway</td>
<td>Government/CGR</td>
<td>0.13</td>
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<tr>
<td>2</td>
<td>02</td>
<td>Sampath Bank</td>
<td>Leased by Railway</td>
<td>Government/CGR</td>
<td>0.12</td>
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<tr>
<td>3</td>
<td>03</td>
<td>Postal Dept.</td>
<td>Mail Exchange Centre</td>
<td>Government/Postal Dept.</td>
<td>1.21</td>
</tr>
<tr>
<td>4</td>
<td>04</td>
<td>Lanka Sathosa</td>
<td>Vehicle Yard &amp; Stores</td>
<td>Government/CWE</td>
<td>1.39</td>
</tr>
<tr>
<td>5</td>
<td>05</td>
<td>Shops along Olcott Mawatha</td>
<td>Fancy Shops</td>
<td>Government/CGR</td>
<td>0.89</td>
</tr>
<tr>
<td>6</td>
<td>06</td>
<td>Bastian Mawatha Bus Terminal</td>
<td>Bus Terminal</td>
<td>Government/CGR</td>
<td>1.66</td>
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<tr>
<td>7</td>
<td>09</td>
<td>Railway Department</td>
<td>Railway Station, Rail Tracks, Office, Stores, Workshop, etc.</td>
<td>Government/CGR</td>
<td>11.83</td>
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<td></td>
<td></td>
<td><strong>Sub Total</strong></td>
<td></td>
<td><strong>17.23</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lands for Acquisition</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>07</td>
<td>Bodhiraja Mawatha Market</td>
<td>Fancy Shops</td>
<td></td>
<td>0.51</td>
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<tr>
<td>9</td>
<td>08</td>
<td>Cooperative Dept.</td>
<td>Office &amp; Shops</td>
<td></td>
<td>0.76</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>Colombo Lands Co.</td>
<td>Car Park &amp; Shops</td>
<td></td>
<td>0.89</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>CTB Bus Terminal</td>
<td>CTB Bus Terminal and Buildings</td>
<td>99 Year lease by UDA</td>
<td>1.47</td>
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<tr>
<td>12</td>
<td>12</td>
<td>Gunasinghepura Bus Terminal</td>
<td>Private Bus Terminal</td>
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<tr>
<td>13</td>
<td>15</td>
<td>Colombo Lands Co.</td>
<td>Bus Terminal</td>
<td></td>
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<tr>
<td>14</td>
<td>13</td>
<td>People’s Park Shopping Complex</td>
<td>Shopping Complex &amp; Car Park</td>
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<td>1.07</td>
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<tr>
<td>15</td>
<td>14</td>
<td>Commercial</td>
<td>Shops, Banks, Hotels, etc.</td>
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<td><strong>Sub Total</strong></td>
<td></td>
<td><strong>6.47</strong></td>
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<tr>
<td></td>
<td></td>
<td>Lands of UDA</td>
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<td></td>
<td></td>
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<tr>
<td>16</td>
<td>16</td>
<td>Manning Market</td>
<td>Vegetable Wholesale Market</td>
<td>UDA</td>
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<td>17</td>
<td>17</td>
<td>Charmers Granaries</td>
<td>Car Park</td>
<td>UDA</td>
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<tr>
<td>18</td>
<td>18</td>
<td>World Market</td>
<td>Textiles and Fancy Shops</td>
<td>UDA</td>
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<tr>
<td></td>
<td></td>
<td><strong>Sub Total</strong></td>
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<td><strong>6.85</strong></td>
<td></td>
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<td><strong>Grand Total</strong></td>
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<td><strong>30.55</strong></td>
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Total extent available for MMTH will be 30.55 ha. As depicted in the table, UDA land ownership will be 6.85 ha and UDA land leased out to other uses is 5.12 ha.
Environmental Sustainability

The implementation of Pettah/Fort Multi Modal Transport Hub of Colombo will have an overall impact on the environment. The large number of commuters pass through the hub to reach their destinations throughout the will be several hundred thousand a day using different modes of transport. Other than the passengers, thousands of other people will be visiting the MMTH complex and other housing, office and commercial complexes attached/linked to MMTH complex. The facilities available in the MMTH and other complexes will provide enjoying and entertaining facilities, in addition to fulfilling their requirements. Unless the possible environment impacts are properly managed, final outcomes during the project implementation period would be negative and non-manageable.

During the project construction stage, the impact on environment will always be negative due to air pollution, as a result of material loading and unloading, concrete mixing and other labour work. Since this will be a massive construction site consisting of several components of construction works, the total number of workers employed in all the sites would be large so that the impact on moving population and traffic in the area being congested. In order avoid such public disturbances, an effective work site management system without disturbing the work process need to be implemented. The Fort Railway Station is a historically valuable site with an archeological interest and every attempt should be taken to preserve that site without causing damages. Waste management should be a major concern in the site.

Much more environmental concerns have to be implemented during the project operation period due to the large number of people daily visiting through MMTH. It is not possible to forecast the negative and positive impacts of MMTH operations now and as a result, a detailed environmental impact assessment study has to be carried out at the time of project implementation. It will also become a basic requirement to conduct a detailed study to estimate the possible users and the number of visitors of MMTH prior to its implementation. In fact without such a study, it may not be possible to conduct a proper and detailed environmental impact assessment together with solid waste generation, use of sign boards and guiding ways to direct commuters to different transport routes etc.

Estimated Cost

Preliminary cost estimate of the completion of MMTH has been calculated as approximately US $ 7 billion. However, packaged project considered that the developer needs not to find resources for the construction of the total project at its commencement.

Project could be implemented stage-by-stage basis, where the cost recovery potential through sale of outputs (for example buildings with mixed development components) could be implemented initially and thereafter moving on to other components such as revenue potential is high with rental arrangements and finally to end up with components to be developed for just service provision. In other words, the construction of the entire complex could be planned on cost recovery basis and costs recovered from one section to be used for financing of other components. Accordingly, the initial fund requirement of the whole MMTH construction will not be more than US $ 3 billion or so.
Time Period for Implementation

The project implementation period of MMTH may not be less than seven years, of which the investor has to spend a minimum of two years to conduct the comprehensive feasibility study and preparing the engineering Designs, both will require a period of at least two years. The construction period will be not less than 7 years but could be reduced provided the investor rush up to undertake the immediate selling components initially while the feasibility and designs of other components are being carried out. Accordingly, in practical terms, the project will be implemented in stage-wise basis depending recovery of cost of selected components.