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# Tamilnadu Urban Infrastructure Financial Services Limited

## Executive Summary

### City Corporate Cum Business Plan For Sirkazhi Municipality

March 2009

## 1.1 Town profile

Sirkazhi is a **2nd grade** municipality in Tamil Nadu, and is located in **Nagapattinam district**. The town is spread over an area of 13.21sq.km and is divided into 24 wards. Of the total land area within the Municipal limits, about 30.80% is classified as developed area.

### Population

Year	1991	2001	2008 (estimated)	2011 (projected)	2016 (projected)	2021 (projected)	2031 (projected)
<b>Population</b>	28980	32228	34769	35919	37874	39936	44387

**No of slums: 15**

**Slum population: 8702 (17.5% of total population)**

### Economic base

- Mainly service sector oriented economy (Taluk HQ)
- Main agriculture crop- Paddy
- Administrative importance of the town on the rise

### Issues identified at stakeholder consultation

- Need for replacing water supply pipelines
- Lack of UGD coverage and need to include surrounding 4 panchayats in any proposal of UGD.
- Lack of storm water drains-desilting existing drains needed.
- Need for developing bypass roads planned and approved in city master plan.
- In addition to the 15 slums which are present in the municipal area, there are 8 more which are not notified and are on the land area owned by the Temple trust. Notification of these slums would help the Municipality in providing civic amenities therein.
- 15 Burial grounds need basic civic infrastructure in terms of compound walls, lighting facilities
- Inadequate housing facilities for conservancy workers.
- Inadequately developed vegetable market. The current market is on rented land and the Municipality instead intends to acquire land and develop organized marketing facilities therein.
- Up-gradation of bus shelters- and development of lodging facilities in surrounding vacant plots.
- Unrealized potential of religious tourism.
- 26 parks (as approved in Master plan) need to be developed.

### Vision

***“A town with enhanced quality of life with developed physical and social infrastructure, increased employment opportunities, and a sustainable healthy environment.”***

## 1.2 Assessment of civic services

As a part of the City Corporate cum Business Plan (CCBP), the infrastructure service levels in the town have been assessed. The current level of service provision has been compared with norms as recommended by CPHEEO and on the basis of other similar studies. The following table shows the comparison between the existing service standards and that prescribed in the norms. In instances where the existing service standards do not match the norms, the same has been highlighted. In all the services listed below, there are shortages and these need to be met by provision of necessary infrastructure.

Indicator	Existing Level	Unit	Desired Level
<b>Water Supply</b>			
Daily Water Supply	58	litres per capita per day (lpcd)	135
Treatment Capacity	0	% of water	100
Roads covered with distribution	77	% of total road	85
Elevated storage capacity	75	% of water	33
<b>Sewerage</b>			
Sewerage network coverage	0	% of total road	80
Sewerage Treatment (against generation)	0	% of sewerage	100
<b>Roads &amp; Transportation</b>			
Per-capita road length	1.70	mt	1.75
Share of road-CC	12	% of total road	20
Share of road-BT	84	% of total road	80
Spacing between lamp posts	32	mt	30
<b>SWM</b>			
Solid waste collection	87	% of waste	100
<b>Storms water drain</b>			
Road length covered by storm	10	% of total road	130
Share of drain type-pucca open	0	% of total road	70
Share of drain type-pucca closed	0	% of total road	60

## 1.3 Assessment of ULB's finances

The following table shows the finances of the Municipality over the last five years. The revenue account of the Municipality has been in a deficit over the last two years of assessment. The average operating ratio (revenue expenditure/ revenue income) has been 0.77

Items	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Revenue Account</b>					
Income	185.78	248.23	171.59	230.56	228.99
Expenditure	163.88	143.02	160.13	170.20	166.32
<b>Surplus Deficit</b>	<b>21.90</b>	<b>105.20</b>	<b>11.46</b>	<b>60.35</b>	<b>62.67</b>

- The Municipality's dependency on grants has been at 54%.
- Property tax collection efficiency has been low at 64%.
- Water charges collection efficiency has been at 79%
- Establishment expenditure of the Municipality has been high at 46% of the revenue income

- Outstanding debt liability of the Municipality is Rs 191 lakhs

## 1.4 Capital Investment Plan for the town

### ▪ Capital investment required for identified projects (*at escalated prices*)

- Investment required from 2008-09 to 2012-13 : Rs.86.46 crores
- Investment required beyond 2012-13 to 2031 : Rs.13.26 crores

On the basis of the assessment of civic infrastructure in the town, projects have been identified for the town to meet the current and future need of 2016 population, the investment of the same needs to be done by the year 2012-13. The list of these projects which are necessary for the development of the town have been listed below.

Project component	Capacity / size	Project Cost
<b>Water supply</b>		<b>Total Investment required: Rs 9.79 Crores</b>
I. Source/ system capacity augmentation	- 3.99 MLD	- Rs 2.00 crores
II. Treatment capacity augmentation	- 5.99 MLD	- Rs 1.80 crores
III. Distribution network expansion	- 10.84 km	- Rs 1.08 crores
IV. Refurbishment of old Distribution Network	- 9.10 km	- Rs 0.73 crores
V. Elevated storage	- 0.20 MLD	- Rs 0.02 crores
VI. Metering System	- for all connections	
<b>Sewerage and sanitation</b>		<b>Total Investment required: Rs 33Crores</b>
I. UGD network development	-	- As per DPR cost
II. Treatment capacity development (STPs)		
III. Pumping machinery (Intermediate pumping stations/ transmission mains)		
<b>Transportation (road, street light, bus stand)</b>		<b>Total Investment required: Rs 23.61Crores</b>
I. Up gradation of roads	- 1.99 km BT to CC - 1.79 km WBM to BT - 0.44 km Earthen to BT	- Rs 1.02 crores

Project component	Capacity / size	Project Cost
II. Construction of new roads	- 1.41 km CC - 5.64 km BT - 616 nos	- Rs 1.55 crores
III. Installation of new lamp posts		- Rs 0.30 crores
IV. Public transport improvements (Upgradation of new bus stand, traffic junction improvements etc)		- Rs 1.78 crores
V. Road improvements (Construction of ROBs, widening etc)		- Rs 16 crores
VI. Land acquisition	- 29.65 acres	- Rs 2.97 crores
<b>Storm Water Drainage</b>		<b>Total Investment required: Rs 12.59 Crores</b>
I. Drains New Formation	- 85.66 km	- Rs 12.50 crores
II. Drain upgradation	- 0.60 km	- Rs 0.09 crores
III. Desilting & Strengthening of Primary Drains		
<b>Solid waste management</b>		<b>Total Investment required: Rs 1.92 Crores</b>
I. Acquiring new disposal site and development of land fill infrastructure	- 10.13 acres	- Rs 0.09 crores
II. New vehicles for primary and secondary disposal	- 20 nos	- Rs 0.20 crores
III. Construction of public toilets	- 86 seats	- Rs 0.43 crores
IV. Other infrastructure		- Rs 1.21 crores
<b>Slum development</b>		<b>Total Investment required: Rs 1.81 Crores</b>
I. Housing	As per IHSDP project report	- Rs. 1.81 crores
II. Physical Infrastructure (Roads, drains etc)		
III. Social Infrastructure facilities		
<b>Commercial / non-commercial / other amenities</b>		<b>Total Investment required: Rs 23.13 Crores</b>

Project component	Capacity / size	Project Cost
I. Market development-shopping office complexes, vegetable/fish market,	- 30 units	- Rs 0.65 crores
II. Construction of houses for sanitary workers	- 78 units	- Rs 1.56 crores
III. Marriage halls	- 1 unit	- Rs 0.10 crores
IV. Gasifier crematorium	- 1 unit	- Rs 0.40 crores
V. Park development		- Rs 16.71 crores
VI. Educational institutions		- Rs 2.50 crores
VII. Construction of arch gates	- 2	- Rs 0.20 crores
VIII. Landuse planning, other works		- Rs 0.65 crores

- **Projects under other agency's purview**

- Development of religious tourism in town by building on the potential for temple tourism – Sirkazhi temple trust, State tourism department, RDMA

- **Projects already in pipeline/ DPR prepared**

- UGD proposal prepared

## 1.5 Investment sustenance capacity

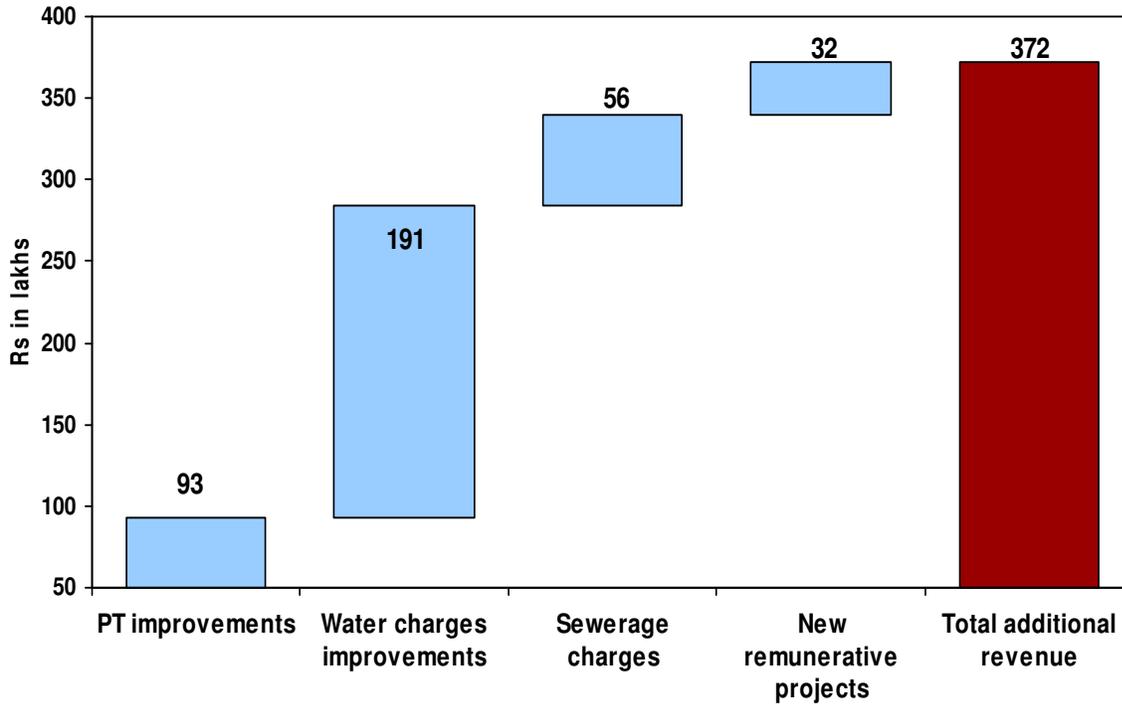
The ULB can sustain only Rs 0.65 crores of investment in base case scenario. Following reforms are suggested for improvement in sustenance capacity.

Property tax	
Collection efficiency	85%
Regular rate revision <sup>1</sup>	25% every 5 year
Water Supply	
Network coverage	90% properties over a 3 year period starting 2008-09
Collection efficiency	85%

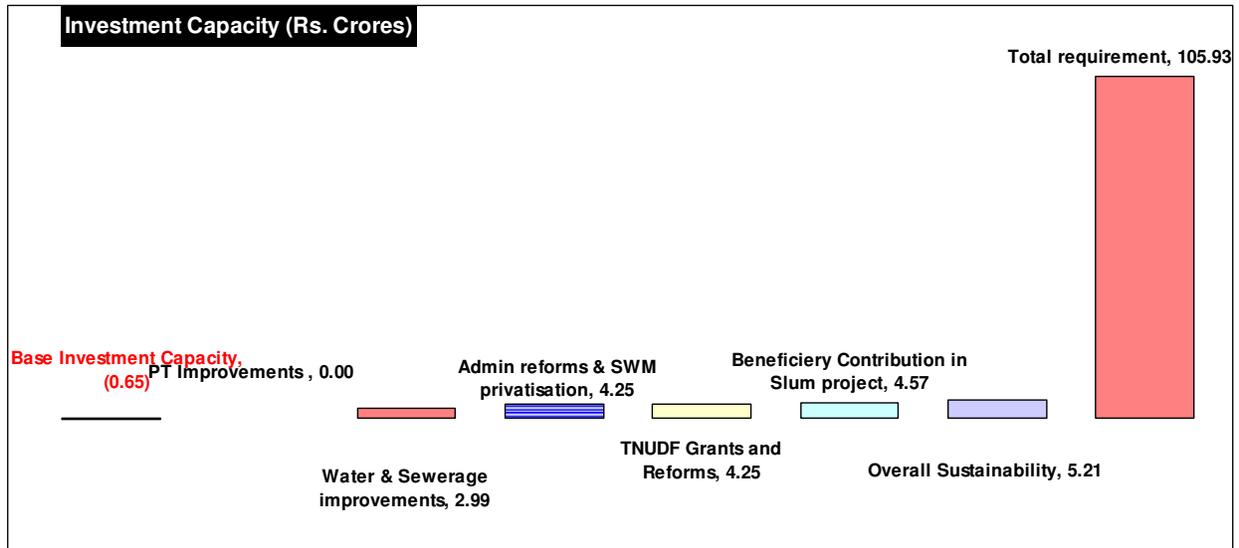
<sup>1</sup> This rate has been recently revised by ULB - Residential 15% and commercial 40%

Initial rate revision	50% in the year 2008-09
Regular rate revision	25% every 3 years
<b>UGD</b>	
Network coverage	90% of Water HSCs by 2011-12
Introduction of sewerage charges	50% of Water Charges during 2009-10
Regular rate revision	25% every 3 years
Collection efficiency	85%

All the reform measures & remunerative projects together amount for additional revenue of Rs 3.72 crores over next five years



The ULB's borrowing capacity increases if the improvement measures are taken and thus it can sustain Rs 5.21 crores of investment



## 1.6 Funding pattern

S. No	Mode of Funding	Fund Sources	Base Case	Improved Case
			Rs. Crores	
Identified Investment till 2012-13 - Constant			105.93	
Identified Investment till 2012-13 - Current			138.81	
Sustainable Investment till 2012-13 (%)			1%	4.92%
Sustainable Investment till 2012-13 (In Rs. crores)- constant			0.63	5.21
1	TNUDF Grant	TNUDF	0.25	2.05
2	Loan	TNUDF/ World Bank	0.49	4.09
3	Loan	FI		-
4	Own sources	Municipality	0.08	0.68
5	Beneficiary Contribution	User	0.00	0.01
<b>Total (Current prices in Rs. Crores)</b>			<b>0.83</b>	<b>6.83</b>

## 1.7 Priority projects under sustenance capacity

Priority projects (core civic)	
▪ Water Supply	: Rs 5.21 crores