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Increasing Revenue for Metropolitan Corporation Islamabad

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I. INTRODUCTION

Devolution in Pakistan is an evolving subject. Even as we speak fresh local government law is being debated and developed for legislation sometime this year.

Devolution in Pakistan is moving in the direction of the expectations for city management in the rest of the world (see Box1). The debate on local government is sporadic but converging to the placing of responsibility for public service delivery primarily on the local government. Consensus is developing around key social services—school education, basic health care, water and sanitation as well as development and maintenance of key infrastructure for citizen welfare and happiness (e.g., community services, entertainment, libraries, sports etc.)—being primarily in the domain of the local government.

Box 1: **City Government—Expectations Worldwide**

- Sustained economic development: Growth and Jobs
  - Legal and regulatory environment for a healthy investment environment.
  - Neighbourhood commercial and entrepreneurship for all segments of society (Shopping malls, flexible space, public space, Poor commerce and living).
- A healthy and safe environment for all
  - Crime and pollution free.
  - Infrastructure for developing and maintaining mental (libraries, community centres, space for intellectual activity and entertainment) and physical health (Sports, gyms, tracks, trails etc.).
- Inclusive neighbourhoods
  - Housing and commerce for all
  - Mixed diverse neighbourhoods.
- Equal opportunity for all
  - Jobs and entrepreneurship opportunities for all strata
  - Schooling health and development opportunities for all.
- Citizen participation for better cities.
  - Visions, programmes and development owned by all
  - Governance model that allows citizen participation at all levels.

While the functions and responsibilities of the local government are evolving, there is also an important need to consider their finances to be able to perform this variety of tasks that will be required of them. Here we will review Islamabad's finances in light of emerging demands of local government intensify (Box 1). As a new city, Islamabad has relied on sale of land for development for much of its history. With the growing needs of a settled population, it will have to seek a more robust system of finances to meet the needs of the population is in Box 1.

The UN SDGs have made the development of sustainable cities and communities an Important goal for the coming 15 years by noting that

> "Cities are hubs for ideas, commerce, culture, science, productivity, social development and much more. At their best, cities have enabled people to advance socially and economically. With the number of people living within cities projected to rise to 5 billion people by 2030, it's important that efficient urban planning and management practices are in place to deal with the challenges brought by urbanisation."

The UNDP also notes that cities management must develop policies to create jobs and prosperity without straining land and resources. For this they have to be able to deal with urban challenges such as congestion, provision of basic services, developing policies to allow the private sector to supply needed housing, while also developing and maintaining necessary infrastructure. They also recognise cities are always faced with issues of managing waste and pollution to maintain a healthy and sustainable environment.

Thus, urbanisation presents a large number of challenges for all especially as cities grow rapidly as in Pakistan. City management is one of the more complex management tasks in the world as it needs to address many challenges in an ever-changing environment.

To meet with this challenge, city financial managers must be innovative in developing revenue streams. This is why we will review the Islamabad financial model learning from the rest of the world. And reviewing Islamabad's advantages to outline several streams that could be unlocked to provide for the needs of a large city that Islamabad has become.

II. DUALITY IN THE ADMINISTRATIVE STRUCTURE OF ISLAMABAD CAPITAL TERRITORY

The local government structure was established in the Federal Capital through Islamabad Capital Territory Local Government Act 2015. The Act led to the development of a Metropolitan Corporation and union councils for the city's governance, to operate concurrent to the Capital Development Authority (CDA). The responsibility for the planning, development and maintenance of the Master Plan for Islamabad stayed with CDA according to the rules set out in the CDA Ordinance 1960 and the ICT Zoning Regulations 1992. This includes land management, state development and building control and regulation while MCI was delegated the responsibility for managing and providing municipal services and infrastructure, regulating markets and promoting cultural, social and economic development activities (see Box 2 for details).

Box 2: MCI Functions

The detail list of MCI's functions as specified by the Local Government Act are as follows:

(a) Implement rules and bye-laws governing public utilities;
(b) Approve development schemes for beautification of urban areas;
(c) Enforce all municipal laws, rules and bye-laws governing its functioning;
(d) Develop integrated system of water reservoirs, water sources, treatment plants, drainage, liquid and solid waste disposal, sanitation and other municipal services;
(e) Assist in the provision of relief in natural disasters;
(f) Execute and manage development plans;
(g) Provide relief for widows, orphans, poor, persons in distress, children and persons with disabilities;
(h) Promote technological parks, and cottage, small and medium size enterprises;
(i) Prevent and remove encroachments;
(j) Regulate affixing of sign-boards and advertisements;
(k) Provide, manage, operate, maintain and improve municipal infrastructure and services, including

    (i) Water supply
    (ii) Sewage and its treatment and disposal
    (iii) Storm water drainage
    (iv) Sanitation
    (v) Solid waste collection
    (vi) Roads and streets
    (vii) Street lighting
    (viii) Playgrounds, open spaces, graveyards
    (ix) Slaughter houses.

(l) Prepare financial statements and present them for audit;
(m) Urban renewal programmes;
(n) Develop and maintain museums, art galleries, libraries, community and culture centres;
(o) Conserve historical and cultural sites;
(p) Undertake landscape, monuments and municipal ornamentation;
(q) Maintain regional markets and commercial centres;
(r) Maintain a comprehensive database and information system and provide public access to it on nominal charges;
(s) Regulate dangerous and offensive articles;
(t) Collect approved taxes, fees, rates, rents, tolls, charges, fines and penalties;
(u) Organise sports, cultural, recreational events, fairs and shows, cattle fairs and cattle markets;
(v) Regulate markets and issue licenses, permits and grant permissions;
(w) Manage properties, assets and funds vested in the local government;
(x) Develop and manage schemes;
(y) Maintain municipal records and archives.

As a result of the division of labour that followed the Local Government Act, majority of the productive tax base remained with CDA while the expenditure accruing public services became the responsibility of MCI. The primary revenue streams for the city remained sale of commercial and residential land, building control remains with CDA while some regulation fee and licensing are with MCI. While the legal framework clearly divided some roles, other functions were only partially divided leading to ambiguity in the division of labour, assets and responsibilities.

As a result of CDA's historical role, size and resources, it remains the entity responsible for developing schemes, constructing roads and developing the infrastructure for water and sanitation. Once developed, these are handed over to MCI for operational management by charging user fees. However, within the legal framework MCI can also develop schemes and roads but because of lack of resources it is unable to do so.

In addition, while CDA under the 1960 Ordinance was responsible for only a selected number of sectors, the Local Government Act 2015 has expanded the region under the jurisdiction of MCI. This has led to a number of new rural areas being included in the administrative boundaries of MCI where MCI is now responsible for all planning and development of land, infrastructure and public services, increasing the burden on its limited pool of resources.

This duality in the administrative structure of the city means that

(1) MCI which has the mandate of city administration is likely to remain in deficit dependent on financing from either the CDA or the GOP. It will be hard to plan services or to maintain a level of quality service in the city.
(2) Like in the rest of the country, the division between the CDA and the MCI seems to be that of development and operations. At the city level it has to be seen if this will prevent cohesive and integrated development.
(3) In Particular, the current arrangement will not allow the management of assets to be optimised for yield to the benefit of the community.

III. CAPITAL DEVELOPMENT AUTHORITY BUDGET

Table 1 presents the CDA budget as presented in their budget estimates 2018-19. We should note the following here.

(1) MCI is shown as a subsidiary of CDA in the budget. Of its Rs 34 billion budget, CDA shows an expenditure item of Rs 6.3 Billion for MCI salaries and operational expenditures.
(2) CDA's expenditures in 2018-19 are expected to be about Rs 34.3 billion, while its revenues are about Rs 23.7. However, last year (2017-18) was estimated to be Rs 37 billion but turned out to be Rs 20 billion mainly because of a shortfall in revenue from auctions. **Clearly auctions are not a certain stream of revenue.**

Table 1

CDA's Budget Estimates 2018-19 at a Glance

Rs. In (M)

S. No.	Description	Budget Estimate 2017-18	Revised Estimate 2017-18	Budget Estimate 2018-19	Annex
	I. GOVERNMENT GRANTS AND CDA RECEIPTS				
A.	**Government Grant**	**2,796.82**	**2,021.87**	**10,575.42**	
	(i) PSDP	599.82	160.89	8,378.42	
	(ii) Maintenance Grant	2,197.00	1,860.98	2,197.00	
B.	**CDA's Sources**	**29,347.50**	**14,390.29**	**23,768.06**	Annex-1
	(i) Self-Financing A/c	26,379.77	10,145.97	19,978.06	
	(ii) Revenue Account.	2,967.73	4,244.32	3,790.00	
	Total	**32,144.32**	**16,412.16**	**34,343.48**	
	II. EXPENDITURE				
A.	**Government Grant**	**2,796.82**	**2,021.87**	**10,575.42**	Annex-II
	PSDP	599.82	160.89	8,378.42	Annex-III
	Maintenance Grant	2,197.00	1,860.98	2,197.00	
B.	**CDA's Sources**	**29,175.07**	**12,063.80**	**23,565.22**	Annex-IV
	(i) Self-Financing A/c	20,588.09	3,868.75	13,364.71	Annex-V
	(ii) Revenue Account.	8,586.98	8,195.05	10,200.51	Annex-VI
C.	**MCI's Expenditure**	**5,999.64**	**5,999.64**	**6,397.78**	
	(i) Pay and Allowances.	4,006.21	4,006.21	4,286.78	
	(ii) Non-Development Exp.	1,993.43	1,993.43	2,111.00	
	Total	**37,971.53**	**20,085.31**	**40,538.42**	
	1. Dev: Expenditure [A (i)+B(i)]	**21,187.91**	**4,029.65**	**21,743.13**	
	2. Non Dev: Expenditure A(ii)+ B(ii)+C	**16,783.62**	**16,055.66**	**18,795.29**	

Source: Capital Development Authority Finance Wing (Budget Estimates 2018-19 and Revised Estimates 2017-18).

(3) The shortfall in CDA expenditures is financed by the GOP—an amount of Rs 10.58 billion. About Rs 2.1 billion is given to CDA to maintain government buildings (Secretariat, Parliament, President in Islamabad). **Hopefully this management contract is profitable for CDA. Currently it is shown as a wash indicating that CDA is not paid a management fee.**

(4) The remaining Rs 8.4 billion is financed out of the PSDP for development projects in ICT. The PSDP allocations are for mainly for the development of some infrastructure as well as official housing in ICT.

(5) There is a deficit of Rs 6.2 billion in the CDA budget which is equal to the requirements of the MCI. GOP finances this deficit to cover the operations of the MCI.

(6) In 2017-18 the total finances raised by CDA were Rs 23.7 billion. Of this 6 billion were spent on salaries within CDA. MCI has salaries of another Rs 4 billion making the combined salary bill about Rs 10 billion about 42 percent of CDA revenue.

(7) In the revenue account, CDA's largest source of revenue is property tax and transfer fee from plots. Revenue generated from open auction of commercial plots and balance receipts from previous auctions is expected to be about Rs 10.5 billion in the year 2018-19. It should be noted that in previous years auctions generated only Rs 1.8 billion while the budget estimate was Rs 9.5 billion. **The projections on auctions need to be assessed with care as CDA is running out of land as per the master plan** (see Appendix).

IV. FINANCING SOURCES FOR METROPOLITAN CORPORATION ISLAMABAD

The fourth schedule of ICT Local Government Act 2015 outlines the following sources for local government taxation:

- Taxes and other levies by Union Councils
  - Entertainment tax on dramatical and theatrical shows
  - Fees for registration and certification of births and marriages
  - Fees on the services provided by the union councils
  - Rate for the execution or maintenance of any work of public utility like lighting of public places, drainage, conservancy and water supply
  - Community tax for the conservation of public work of general utility
  - Fee for licensing of professions and vocations
  - Any other tax or levy authorised by the Government
- Taxes and other levies by the Municipal Corporation
  - Water rate
  - Drainage rate
  - Conservancy rate
  - Fee for approval of building plans, erection and re-erection of buildings
  - Fee for change of land use of a land or building
  - Fee for licenses, sanctions and permits
  - Fee on the slaughter of animals
  - Tax on professions, trade, callings and employment
  - Market fees
  - Tax on sale of animals in cattle market
  - Toll tax on roads, bridges and ferries maintained by MCI
  - Fee at fairs and industrial exhibitions
  - Fee for specific services rendered by the Metropolitan Corporation
  - Tax for the construction or maintenance of any work of public utility

- Parking fee
- Water conservancy charge from the owner or occupier of the house
- Tax on installation of base transceiver station / tower
- Any other tax or levy authorised by the government

There are two main departments under MCI that collect revenue;

(1) Revenue Department and
(2) Directorate of Municipal Administration (DMA).

The Revenue Department is responsible for collecting taxes from three sources; (1) property tax, (2) water charges, and (3) conservancy charges that includes sanitation, sewerage, road maintenance, street lights etc. These taxes are levied on the basis of covered area multiplied by the established rates that are governed by the category of land, for instance residential, commercial, industrial, government institutions etc.

Last year estimates for revenue are:

- Property tax: Rs 860 million.
- Water and conservancy charges: Rs 250 million.
- Total revenue from these two sources is Rs 1,110 million.

MCI has taken the bold step of revising some of the tax rates in Islamabad after a long time to raise the expectation of revenue. The revised tax rates as of 1st July 2019 is estimated to considerably increase the revenue of MCI. Some additional revenue is also estimated from bottled water plants after the recent order of Supreme Country to levy a tax of Rs 1 per litre on water consumption. The revenue department also plans to install meters to estimate water consumption by companies and levy taxes accordingly—a welcome step in a water-short country.

The Directorate of Municipal Administration (DMA) collects the following:

- Advertising—banners, wall pastings etc.
- Renting out open spaces for commercial use such as weekend markets.
- Trade license and permits for stalls.
- Marriage and birth certificates.
- Parking spaces.
    - Four parking spaces, few bus stops and shuttle service in diplomatic enclave have user fees imposed on them, generating a revenue of Rs 20 to 30 million only.
- Annual cattle market.
    - Generated a revenue of Rs 70 million this year.

- Telecom towers.
    - Total towers are more than 200 but a large number of them are also illegally installed. Around Rs 60 to 70 million have been earned this year from towers.

V. AN ANALYSIS OF THE REVISED MCI RATES

It is important that the rates of property tax rates have been revised upward and the estimate for increased revenue is about an additional Rs 1 billion. However, MCI officials are fully aware that this is an initial step to reform the tax system. There are several issues that need to be addressed in moving from where we are to a tax system more in line with market forces. Some considerations are:

(1) The levies are not related the market valuations but purely on basis of square footage of land and covered area.
(2) Location too seems to not matter in this calculation whereas valuation and use of property clearly depends on location.
(3) Similarly, the differences been residential and commercial are also not reflective of market conditions.

Given that Islamabad real estate, both in valuation and rentals, is the most expensive in the country and among the most valuable in the world, the expected revenue of Rs 2 billion does suggest that there is room for improvement.

VI. WHAT CAN WE LEARN FROM THE WORLD?

Cities have traditionally been very creative in seeking finance to make their cities grow. Many financial instruments and early property tax ideas arose in the medieval cities seeking to expand trade and merchant profits. Modern cities are experiencing rapid growth and increased demands of modern complex and dense urbanisation. They have developed many important methods for raising funds to meet their needs. These funding approaches also have the advantage of increasing citizen participation. Let us review some of these.

1. **Property taxes** based on low rates on market valuations. However, because property has nowhere to go the urge to excessively tax it must be resisted. Such excessive taxation could kill the local economy adversely affecting employment and investment. With this in mind the following principles must be borne in mind in making property tax policy and rates.

1.1. **With such taxation, it is incumbent on city administrators to seek to make policies that will make valuations grow or at a minimum prevent sharp decline in values.**

1.2. Tax rates should be kept low so that the amount of property taxation is not out of sync with resident incomes.

1.3. In order to find market valuations, city administration must develop a real estate market where transactions, market inventory and valuations are visible. Without this, valuations will have no credibility and will be resisted. **City admin must seek to develop a real estate market which makes real estate liquid and not tied up and subject to prey by local mafias.**

1.3.1. *City zoning necessary for alleviating congestion and pollution, can lead to a 'regulatory taking' if not readily changed with evolving conditions and demands of the city.* Property-holders and cities will both lose if zoning can be captured by vested interest and valuations and real estate development held back.[1]

1.3.2. *It is important to note that property taxes vary in importance from city to city, but they are never the bulk of city taxes.* Figures 1 and 2 show the structure of taxes from Toronto and the cities of California. Property tax is 32 percent and 13 percent respectively.

1.3.3. So, whereas it is important to optimise city taxes on the basis of the above principles, MCI must develop other more diverse and resilient sources of revenue. However, as we will see MCI can do much more to gradually increase property taxes.

2. Utility payments are a major source of revenue for cities: 14 percent in Toronto and 27 percent on average in California cities. These user charges are based on actual metered usage and at reasonable rates. Such charges are equivalent to the use of property and in some sense a good compliment to the property tax.

3. User fees for a privilege/benefit of a service/product such as planning permits, development fees, parking permits, user fees, copying fees, recreation classes, etc., are an importantsource of revenue in major cities. Such fees constitute 4 percent in Toronto and 12 percent in California.

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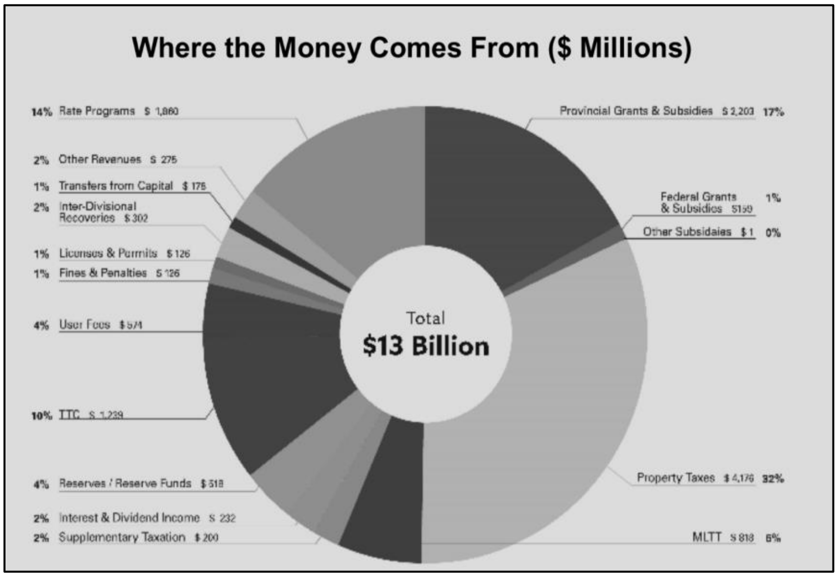
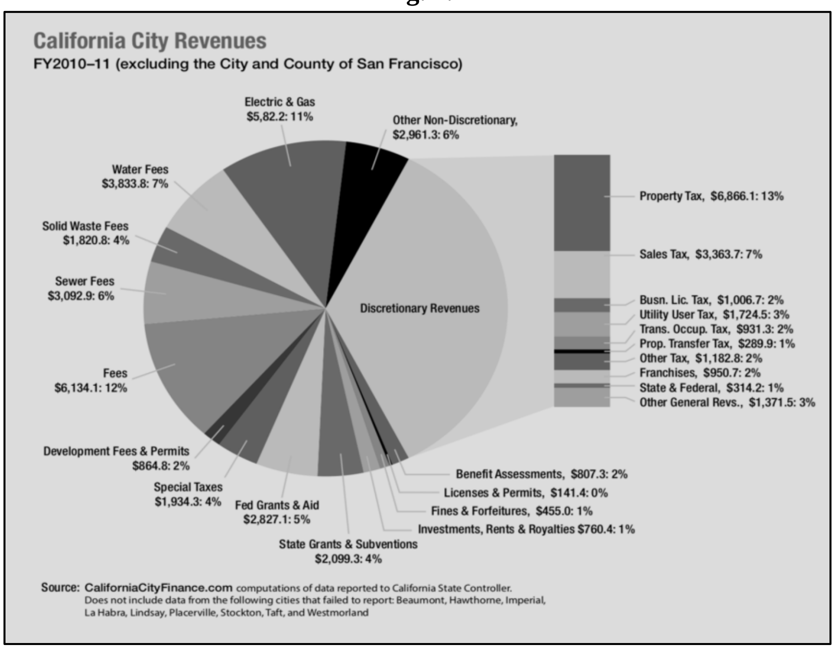
[1]"**Regulatory taking** is a situation in which a government regulation limits the uses of private property to such a degree that the regulation effectively deprives the property owners of economically reasonable use or value of their property to such an extent that it deprives them of utility or value of that property, even though the regulation does not formally divest them of title to it." Wikipedia.

Fig. 1. Toronto



https://www.cacities.org/Resources-Documents/Education-and-Events-Section/MCXF/2016-Handouts/City-Finances-What-You-Need-To-Know

Fig. 2.



https://www.cacities.org/Resources-Documents/Education-and-Events-Section/MCXF/2016-Handouts/City-Finances-What-You-Need-To-Know

4. As Box 3 shows cars are an important source of revenue for cities**. It shows that in the 25 largest cities in the US, Most of which are much smaller than Islamabad collect about $ 5 billion in revenue from cars**. Note there are many avenues for collecting user fees from car as shown in Box 3.

Box 3: Cars as a Source of Revenue in the World

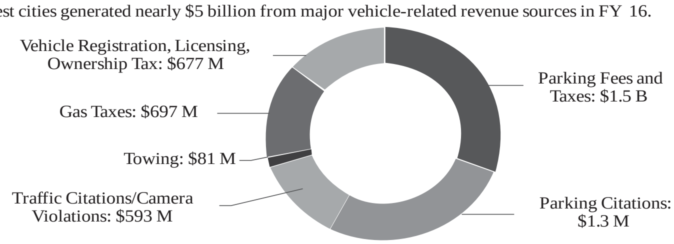
Cars are a substantial source of revenue for city governments through

(1) Charges for Parking on street and parking lots
(2) Congestion charges in cities like London, Dubai, Singapore, Stockholm etc.
(3) FasTrack charges for express lanes to alleviate congestion
(4) Registration license fees
(5) Traffic violations
(6) Gasoline taxes where applicable.

Intelligent uses of charging for car use can be an important source of revenue. Below is an estimate of the yield from car use which is seen to be well over 5 billion US dollars in the 25 largest cities.

How Revenues Break Down

The 25 largest cities generated nearly $5 billion from major vehicle-related revenue sources in FY 16.



Traffic citation revenues were unavailable from four cities, Gas Tax revenues exclude general sales taxes on gasoline and include state shared registration fees for Detroit and Denver.

http://www.governing.com/topics/finance/gov-cities-traffic-parking-revenue-driverless-cars.html

5. **Creating Value:** History has shown that the real purpose of urban agglomeration is to create value. **Value is generated everywhere, even in slums, as people come together to find creative ways to live, trade, produce, entertain, build community, services and mobility.** City value generation and growth can be an important source of finance for not only city finances but for the city output and the output of the economy as a whole.

- Good city management must be mindful of this proposition and be mindful of the values generated by the city and seek ways to tap into them. **This requires city planning and administration to be**

forward-looking to anticipate through research trends and developments in the city. What kind of migration is taking place into or out of the city? What services are in demand? How should real estate and city services be developed to support the organic growth of the city?

- There are several ways to think of using this proposition to maximise city value not just to city finances, but also to the citizens from the city. Some of these are:

5.2. **Urban regeneration/ neighbourhood development:** Cities such as London, New York, Barcelona, Berlin have used the policy of change and evolution very cleverly. They have used neighbourhood regeneration in line with the emerging patterns of demand to optimise value in cities. **They have allowed zoning and building laws to change so that neighbourhoods could densify, gentrify, allow more commerce, build better community to increase the value.** In New York Brooklyn and in London East End, which were deteriorating neighbourhoods with crime and declining values are now valuable and rapidly growing neighbourhoods contributing to the city in every way.

6. **Land Value capture** is a policy approach that allows communities and cities to recover and reinvest increases in value that arise from urban development projects. For example, in Washington DC the expansion of the metro has been accompanied with focused encouragement of high rise missed use development at all stops to develop housing and commerce at those stops.

    6.1.1. Such development can happen along developing corridors of commerce and traffic. **Tools for making it happen are rezoning, flexible building laws, public private partnerships.**

7. **Developing assets:** Cities also develop assets for value creation and city development. These in turn develop better city life and at times promote tourism. **Cities have used convention centres, exhibitions, sporting events and major architectural land marks to create evaluable assets that uplift a city as well as create value and attract tourism.** In Pakistan Lahore too is making incipient efforts with the walled city and the tourist bus.

    - New York is making a huge expansion in its convention centre with accompanying hotels and commercial infrastructure even though it is one of the most expensive cities in the world.[2] Medellin curtailed its crime wave by building public transport curbing cars and building social infrastructure.[3]

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[2] http://www.successfulmeetings.com/Strategy/Meeting-Strategies/What-Convention-Centers-Add-to-Cities-Memphis-Miami-Las-Vegas/

[3] https://www.telegraph.co.uk/travel/destinations/south-america/colombia/articles/medellin-murder-capital-to-hipster-destination/

8. **Wealth of cities:** An Important concept in managing cities for wealth creation for all—individuals, cities and the country—is the understanding of the wealth of a city. **It has been estimated that most of national wealth is situated in cities in terms of real estate, creativity, entrepreneurship and markets.** If not managed properly, this wealth does not grow inhibiting economic and employment growth.

   - Cities and nations remain ignorant of their wealth because they are so busy managing their cash-flows. Yet the city has large amounts of assets that are poorly managed for yield. For example, may cities own vast tracts of land given over to suboptimal uses. Houses for officials on very valuable land, airports, railway and metro stations, offices that have over time become very valuable are all examples of wasted assets of a city. **Redevelopment, rezoning and relocating are asset management tools to expand the city balance sheet.**
   - Cites have no idea of their wealth or their balance sheet.

     "Consider a city like Boston, which by its own accounting does not appear to be particularly wealthy. The city reported total assets worth \$3.8 billion in 2014, of which \$1.4 billion is in real estate. The city's liabilities of \$4.6 billion exceed its assets, but this valuation largely underestimates the true value of the public assets. Using accounting conventions followed by most cities in the United States, Boston reports assets at book value, valued at historical costs. If it used the International Financial Reporting Standards, which require the use of market value, to assess the city's holdings, the assets' worth would be significantly higher than currently reported. In other words, the city is operating without fully leveraging its hidden wealth."[4]

Through better management cities are able to tap into their wealth for much needed infrastructure of development needs.

"A few cities have been very successful in setting up independent and professional holding companies or funds to manage their commercial wealth and help finance infrastructure investments—Copenhagen's City and Port Company and Hamburg's HafenCity, for example. MTR Corporation (originally, Mass Transit Railway Corporation), in Hong Kong SAR, funded and managed not only the vast investment in the city's rail infrastructure but also the large housing estates and shopping complexes incorporated into its stations. In addition, MTR pays a substantial dividend to the city, providing an income for the government that has been deployed to pay off existing debt and develop other assets."[5]

[4]https://www.imf.org/external/pubs/ft/fandd/2018/03/detter.htm
[5]https://www.imf.org/external/pubs/ft/fandd/2018/03/detter.htm

9. **The Importance of User Fees:** Finally, a survey of city fiscal conditions shows that user and other fees are increasingly an Important source of finance (see Figure 3). While property taxes were increased in about 20 percent of the cities, user and other fees were increased in more than 40 percent of them and there were many forms of fees that were levied and recovered.

Fig. 3.

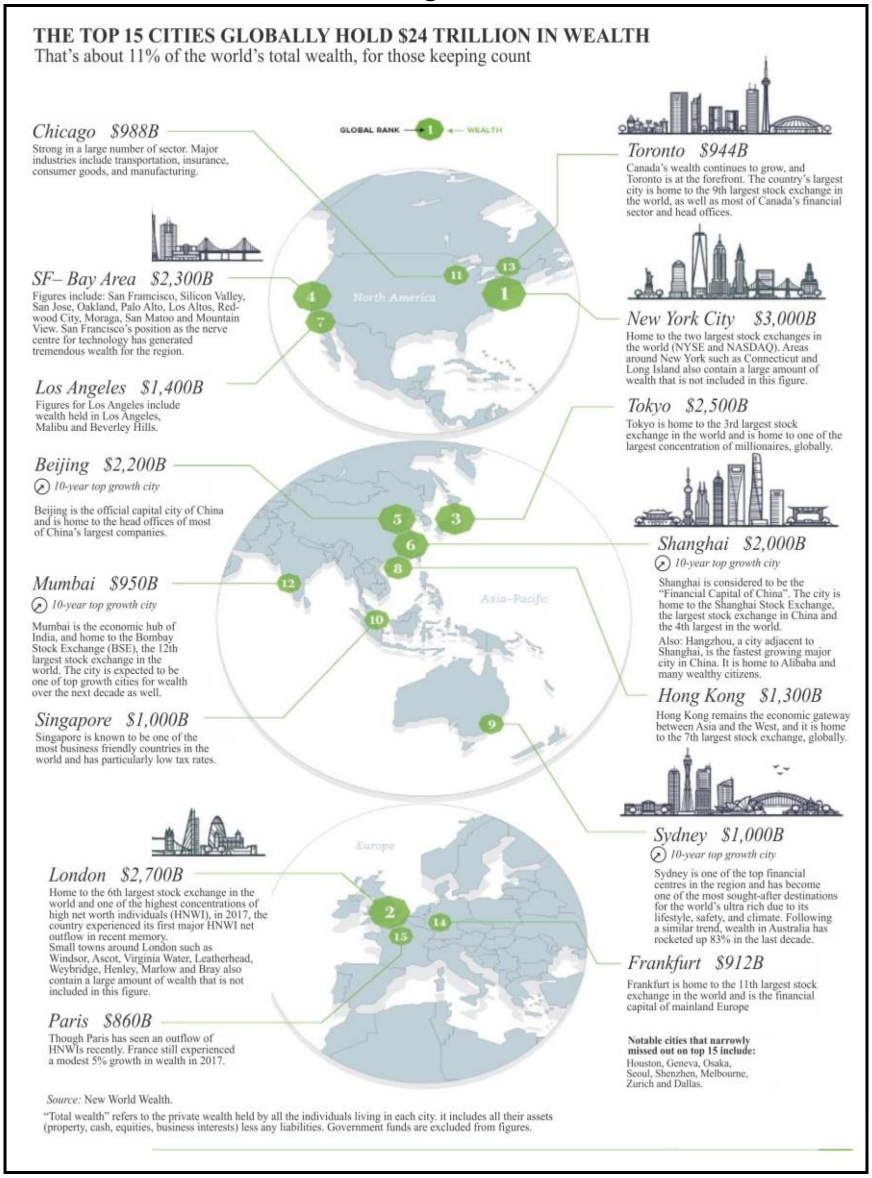

Fig. 4.

	Decrease	Increase
Fee Levels	1%	41%
Property Tax Rate	10	22
Level of Impact Fees	2	20
Number of Fees	1	20
Other Tax Rate	1	9
Sales Tax Rate	1	6
Tax Base	4	6
# of Other Taxes	1	4
Income Tax Rate	1	1

City fiscal conditions.
https://www.nlc.org/sites/default/files/2016-12/City%20Fiscal%20Conditions%202016_1.pdf

VII. DEVELOPING A REVENUE PLAN FOR ISLAMABAD

1. Institutional Setting

MCI is a new entity and while CDA is the traditional regulatory cum development agency that nurtured Islamabad from its inception. **Now that it is a big capital city almost fully developed with land development declining in importance, perhaps it is time to consider a coherent governance strategy.** It is wise to develop such a strategy around budget and financing issues. Islamabad finances as well as public service provision will improve substantially if the is consolidation and rationalisation of the budget, the agencies and public service delivery were carefully evaluated. Since this is beyond the scope of this study, I will leave this here.

2. Property Taxes

MCI has taken steps to develop a property tax system along with utility fees. The first set of increases are indeed worthy of praise as they seek to break the logjam of vested interests and the traditional approach used to develop the city. Now it is important to gradually develop more market-based rates.

(a) Property taxes must be related to market valuations which will vary by

(i) Location,
(ii) Use—e.g. residential, commercial, community, etc.
(iii) Possible economic gain such as rent and capital gains.

(b) When fixing rates due consideration has to be given to incomes and ability of people to sustain the increase. There is no point in forcing a fire-sale of property through poor tax policy.

The property tax system should be a market that allows for swift, transparent and credible transactions. **City administration should make a policy goal of establishing a real estate market which is transparent in its inventory for sale, the transactions as they take place and the swift exchange of property.** This will help increase valuations and eventually the revenue collected. It is a matter of proper regulation for market development.

There is a lot of room for development here as currently, less than 10 percent of MCI/CDA revenue comes from this source.

Census says that the Number of Pucca houses in Islamabad is about 1.1 million. Assuming the average value to be Rs 1 million (assuming the bulk of these are for poorer houses), the valuation of the real estate stock would be about Rs 1 trillion. Setting property taxes at .5 percent of value the estimated tax could be about 5 billion.

We have no estimates for commercial real estate. Currently we can assume that it can be no less than residential real estate.

3. Utility Fees

Currently, utility fees are charged on a system that is a derivative of the current system for property tax. The authorities are appropriately trying to design a system based on proper metering and charging on the basis of actual use. This would certainly increase the yield as it is rolled out. Assuming metering will give utility yield of about .05 percent of value, the potential from metering should be about Rs 1 billion.

4. User Fees

This is an area where considerable progress can be made. Currently, cars, cattle, bazar fees, rights of passage, tolls and other licenses including telephone towers, constitute only about Rs 200 million about 1 percent of the CDA/MCI budget.

Designing and collecting user fees is a matter of design imagination and building a consensus. There are a number of areas where user fees can be collected that are untapped. Take cars for example, a primitive parking method that is based on earlier forms of rent-seeking (outsourced collection) is both leading to sub-optimal collection as well as huge parking loads on streets causing congestion. Today with technology there is no need for outsourcing: cameras and mobile collections can solve the problem.

The design of parking policy begins with clearly designated parking spots for street parking and a clear policy that parking beyond designate spots is not allowed**. The principle is that the street is public property and that car-owners are renting it from the collective for a particular period of time.**

With street parking, its cost and supply clearly defined, parking lots can become a business. Currently elastic supply of whimsical street parking at little or no cost, makes parking lots unviable. Box 4 shows estimates of possible revenues from parking charges and they can be seen to be non-trivial, possibly 20 billion rupees.

Box 4: Possible Revenue from Cars

1. Street Parking: Designated spots on streets. No parking beyond these spots.
   a. If 50,000 such spots at Rs 100 an hour between 7am-10PM 6 days a week
   b. 50 percent occupancy
   c. Revenue =Rs 11.7 billion
2. Parking lots: 10 in city with 20,000 capacity total at 1000 a day
   a. With 50 percent occupancy
   b. Revenue: 3.6 billion
3. FasTrack: Fast lanes during rush and other areas to alleviate congestion and rationalise traffic. % arteries in Islamabad average of 100 Rs affecting 20,000 cars a day. Revenue 7.3 billion.

Like all the cities in Pakistan Islamabad is also trying to old school trying to expand rods, build underpasses, overpasses and bypasses at considerable expense to alleviate traffic congestion. As can be seen from the current budget, there is a large investment in road broadening by the federal PSDP. Elsewhere in the world, such investments are considered after other alternatives are considered. **The most important form of traffic control has been seen to be paid parking in cities which rationalises use of the car because of costs at destination.**

- Perhaps the One alternative that the world uses is *fastrack*—paid fast lanes for users who have a need to go fast to their destinations. These lanes clear congestion as well as for revenue raising. Box 5 shows that in Islamabad Rs 7.3 trillion could be raised through *fastrack* implementation. This is not only for revenue measurement, but also for alleviating congestion and preventing further environmental degradation.
- Another important initiative for the development of city, providing residents with employment and livelihood opportunities is shown in Box 5. **By allowing small roadside commerce not only small entrepreneurship will be facilitated, a possible Rs 1 billion revenue could be collected.**

Box 5: Possible Revenue from Small Street Commerce

An inclusive approach to city development is to allow street commerce for poor entrepreneurs. Even mature cities like New York, London, Singapore, DC and Paris allow a large amount of street commerce. Not only is this a revenue item, it also makes for better city living and a more cohesive and inclusive community.

If Islamabad allowed this through licensing a well-organised street kiosk system through the city, it could make substantial revenues. For example of there were 30,000 such kiosks with a daily rent of Rs 100, the revenue would be about 1 billion rupees.

Of course, the employment, social and economic benefits will be huge. In addition, it will be an attraction for the city's diplomatic community.

5. Asset Ownership and Management

Does Islamabad own assets in its vicinity? Assets such as

(c) Jinnah Convention Centre,
(d) Jinnah Sports Stadium,
(e) China Centre,
(f) Shakaparian?
(g) Monal and Neighbouring Areas.

Box 6. Asset Utilisation

	Daily Use	Revenue
a. Jinnah Convention Centre	100,000	30,000,000
b. Jinnah Sports Stadium	100,000	30,000,000
c. China Centre	50,000	15,000,000
d. Shakaparian?	20,000	6,000,000
e. Monal and Neighbouring Areas	20,000	6,000,000
f. Zoo	30,000	9,000,000
g. PCNA	20,000	6,000,000
	340,000	102,000,000

In some cases, the assets are owned by ministries who have no interest in value maximisation. Most of these assets have been created using public funds and are clearly not used for commercial purposes. **It is fair to assume that commercial utilisation of these assets should yield at least the more than the current interest rate. Surprisingly, there is no inventory of prime assets in**

Islamabad. Yet there seems to be an impetus to create more assets without worrying about the yield and utilisation of those assets.[6]

Add to this the various health centres, hospitals and educational institutes. While these are obviously primarily centres of social welfare, could they if properly managed yield some earnings is a possibility that must be considered.

The main point to be made is that the city has developed assets over time but without a clear focus on using the assets for maximum yield. Such assets must be inventoried, and efforts made to improve their management. **It is important to note that assets can be better managed for both yield and improving citizen' lives.** In some case city administration will accept a lower yield by policy to improve life in the city.

6. Increasing Value through Urban Regeneration

Values of land in Islamabad have risen to among the highest in the world. At the same time, there is an extreme shortage of all manner of real estate such as space for shopping, schooling, office, commercial, warehouse, entertainment, hotel, enterprise and many others. These shortages are considered to be indicative of an urgent need to revisit zoning regulations. Islamabad was designed to be a low-density suburban capital city of only officials and diplomats. The subsequent large influx of migration was clearly not anticipated. **The old zoning now needs revisiting as it is holding back city development and hence the ability to tax**.[7]

The zoning laws of Islamabad has restricted growth in commercial activity and simultaneously discouraged the development of affordable housing schemes. By restricting high rise buildings and mixed use of land it has curtailed economic activity as the private players are unable to afford the cost of land. Excessive layers of red tape further discourage private players from adopting innovative business models for maximum utilisation of their land holding. A land purchased for an approved commercial activity cannot be utilised for any other business without prior permission from the CDA which is granted only if the request seems to be compliant to the Master Plan and zoning regulations.

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[6] The city of Islamabad has a number of assets that could be better utilised for generating higher amounts of revenue. Public buildings and commercial sites such as Jinnah Convention Centre, Pak China Centre, National Art Gallery, Lake View Park and Jinnah Sports Stadium not only have the potential to develop the city into a vibrant, creative and cultural destination but also hold significant untapped potential for revenue generation. Renting out these public spaces to private sector can generate economic activity while also increasing revenue through shared profits.

[7]Building regulations of CDA restrict the development of high-rise buildings. This has not only increased real estate value significantly for the common man but also eliminated an important source of revenue for the local government. Allowing for the development of apartments in high rise buildings and formalising the regulations for transfer of apartment ownership can be an important source of revenue for the local government. As housing prices are quickly becoming unaffordable, the low- and middle-income classes will eagerly opt for the apartment-based living arrangement.

Restrictive zoning is driving residents out into suburbs in search of affordable housing causing the city boundaries to expand and burden the capacity and resources of local government. **The inflexible zoning laws that have not been updated with the changing needs of the city restricting growth in productivity and potential revenue streams for the local government.**

Rezoning could increase value and the tax base of MCI (see Box 7). Some examples are:

- Blue Area which is a planned linear hub of commercial activity in the city could be rezoned for expanded broader commercial area through multi-purpose modern high-rise building structures to increase economic activity while also increasing revenue base for MCI.
- Allowing older fully developed sectors to from single family structures to multi-family apartment structures could increase value, availability of much needed housing as well as the revenue base of the city.
- Renew the sectoral markets which use large tracts of land for a suburban village vision and do not provide space for city department stores and warehouses.
- Allow more mixed used walkable space in high-rise neighbourhoods.
- Make flats the unit of living in most areas of the city.
- Allow more neighbourhood commercial activity (offices, shops, entertainment etc) to develop to alleviate congestion and allow value to develop more evenly.

Much of these initiatives will merely be a process of giving in to emerging trends in the city. **Urban regeneration must be an instrument for first improving city life and as result of this improved life bettering city finance.**

Box 7: Efficient Use of Land

The amount of revenue that a piece of land can generate is contingent upon its efficient use and allocation. A prime example of it is the provided by the contrast between the revenue being generated by the Centaurus mall versus the entire Blue Area. The commercial hub in the centre of the city, known as Blue Area, is estimated to generate a total of Rs 79 million annually through property, water and conservancy charges. In contrast, the three towers of Centaurus mall occupying a much smaller land area is generating Rs 15 million from advertisement, Rs 18 million from property, water and conservancy charges, and Rs 5.6 million annually from 700 apartments. This equates to a total of 38.6 million being generated from the mall of Centaurus alone. The difference between the revenues in line with occupied land area highlight how a strategically planned commercial use of land can generate much higher revenue. Centaurus mall is generating half as much revenue as Blue Area but occupying a much smaller area in comparison to Blue Area.

7. Land Value Capture

While the metro has been built, the stops of the metro remain as before. **At this stage the MCI should facilitate the area around the metro stops to be rezoned for densification into high value and high rise, mixed-use development.** This would have many positive advantages including increasing revenues and investment in Islamabad.

8. Public-Private Partnerships for Creating Assets and Managing Assets

The private sector is ready and eager to engage in creating assets. MCI needs to figure out a clear and transparent legal and regulatory framework to do this in an environment of suspicion.

The current CDA Ordinance 1960 does not allow CDA to enter into a public-private partnership. However, efforts are ongoing to amend the Ordinance and allow CDA to enter into PPP. On the other hand, MCI has the legal option to enter into a PPP and it aim to use it as a tool to enhance revenue. **A PPP framework should allow the cost and user fee to be split between public and private partner.** Public-private partnership in sectors such as health can improve services while also developing into a revenue stream. MCI has eight to ten dispensaries under its ownership which can be turned into diagnostic centres through partnership with the private sector where a mutually agreed percentage of profit is given to MCI. Similarly, MCI also has an allocated land for educational institute which can be turned into a vocational training institute in partnership with the private sector.

If it can, the private sector will create and manage assets that will yield revenue going forward. Possibilities are:

- Chairlift to Monal and beyond,
- Islamabad eye—a ferris wheel,
- Developing more ridge entertainment like Monal.

9. Promoting Tourism

Islamabad being the city that frequently hosts foreign delegations and connects the Country's famous northern destinations to the local tourists from Southern regions, it has a lot of potential to generate revenue from the hospitality and tourism industry. Unfortunately, it has failed to capitalise on it by promoting and developing a vibrant tourist industry that can attract a large inflow of foreign tourists.

The local government can generate extensive amount of revenue from hospitality industry by developing and promoting more tourist attractions in the city. Most tourist destinations around the world charge entry fees from tourist attractions such as museums, historical buildings, cruise or bus tours, underground sea life etc. Not only does Islamabad lack such sites, the already existing locations such as Lok Virsa, Monument, Margalla Hills, Shakarparian and Saidpur Village are also not effectively promoted to attract more international tourists. These destinations are important to display Pakistan's cultural heritage while also promoting revenue generating activity by the private sector.

In capitals around the world, souvenir shops starting from the airport display brochures with information on packages for tourists to explore the city. The New Islamabad Airport provides no such information to attract foreigners coming into the country. Moreover, a city bus service could also be initiated to provide a tour of all the sites in the city. A proposal was also given to establish Cable Car service from Zero Point to Monal Restaurant as a source of revenue for the local government.

With only two large hotels, Serena Hotel and Marriott, and the campaign against guesthouses, the city is not equipped to host a large number of tourists. A higher number of luxury hotels can also generate a lot of revenue for the local government through property tax, water and conservancy charges and bed tax. Unfortunately, an exorbitantly high cost of land discourages most investors highlighting the need to reduce real estate value. Discussion with Chamber of Commerce also revealed that foreign investors seeking to learn about Pakistan's exports and potential for investment do not have a well-established Expo Centre to visit and explore Pakistani products.

VIII. POSSIBILITIES

This is more a scoping study than a definitive and careful assessment of the revenue potential for Islamabad. What we can see clearly even from this scoping study is:

(a) The revenue potential is quite large as can be seen from Box 8 which puts very rough and crude estimates together. **It seems that with proactive management and unified governance structure, Islamabad could collect over Rs 28 Billion.**

(b) To make this happen, several new revenue streams will have to be developed. Th**is will require changes at several levels in the vision, organisation and capacity of CDA.**

(c) ***The good news is that this revenue model is based on a win-win strategy, where investment, employment, commerce and many other economic outcomes will improve sharply.***

(d) This is the way most modern cities are managed. **If and when Pakistan adopts city based local governments, this approach to managing cities and increasing their revenues and outputs must be studied in all cities**. Clearly this is the path to the country's development and accelerating economic growth.[8,9]

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[8]See Framework for Economic Growth which did recommend this approach https://www.theigc.org/wp-content/uploads/2016/08/Planning-Commission-2011-Final-Report.pdf

[9]See also https://www.researchgate.net/publication/325755941_Looking_Back_How_Pakistan_became_an_Asian_Tiger_in_2050

(e) Like most Pakistani cities Islamabad is stretching into a sprawl where daily commutes are stretching beyond 50 kilometres. Yet the city lacks adequate space for housing, commercial, retail warehousing and many other urban activities. **The only way forward is as suggested here to change strategies from the earlier approach of new-city development to what is being suggested here—regenerating and densifying developed city space to provide for the needs of a mature city.**

(f) Finally, CDA can no longer rely only auctions of land in new sectors that it has developed. **Regeneration and discovering new services, user charges and activities is the way forward.**

Box 8. Rough Estimates of Potential Revenue

		17/18	18/19	Potential
			(Million Rs)	
Property		860	1800	
	Residential			5000
	Commercial			5000
Utilities		250	500	1000
Fees				
	Parking	30	30	3600
	Cattle	70	80	100
	Towers Tele	70	80	100
	Shuttle Diplomatic Area	30	30	40
	Transfer Fees	2200	2300	3000
	Ads Banners etc.	20	20	40
	Other (Markets, Licenses etc.)	30	30	50
	Small Vender Initiative			1000
Fastrac/Tolls		5		8000
Regeneration/ Rezoning				1000
Asset Utilisation				102
Fresh Asset through PPP				100
Land Value Capture				500
				28732

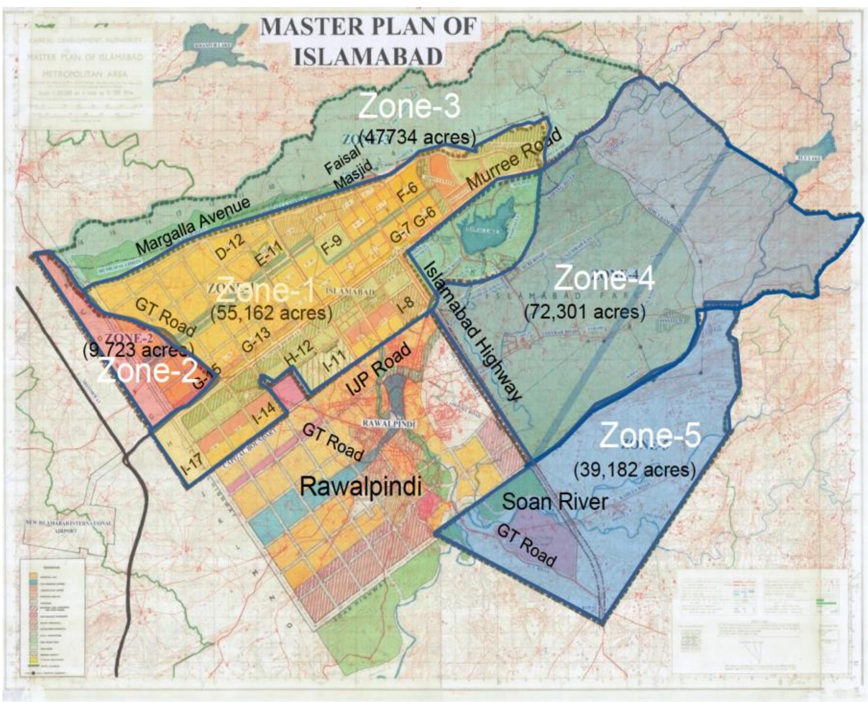
ANNEX 1

The Master Plan of Islamabad

In the Master Plan approved on 26th October 1960, Islamabad was divided into three areas; (1) Islamabad, (2) National Park and (3) Rawalpindi & Cantonment. A total area of 906 Km^2 was declared as the capital in 1963 with Rawalpindi and Cantonment excluded from the Master Plan. The 1992 ICT Zoning Regulations, divided Islamabad into 5 zones;

- Zone 1 is to be acquired and developed by CDA
- Zone 2 and 5, and sector E-11 in Zone 1 are reserved for private housing schemes
- Zone 3 is national park
- Zone 4 is for agro-farming, universities and institutions for research and development.

In 2010, certain amendments were made to the ICT Zoning Regulations where Zone 4 was further divided into four sub-zones to also allow for residential and commercial housing schemes, institutions, IT Parks and recreational sites. A new Commission has been set up to review and update the Master Plan.

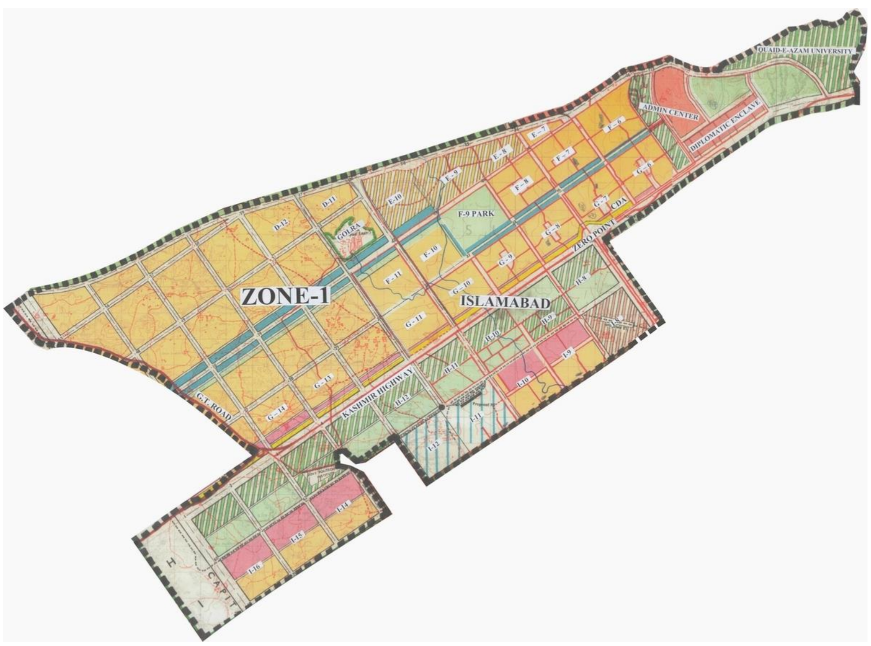


The size of each zone is as follows:

Zone	Acres	Km^2
1	54,958.25	222.4081
2	9,804.92	39.6791
3	50,393.01	203.9333
4	69,814.35	282.5287
5	39,029.45	157.9466

Zone 1

The Islamabad Master Plan allocates 745 acres for each residential sector, with each sector divided into four sub-sectors and planned with a commercial centre in each, including schools, mosques, parks and shops. The sectors where residential areas have developed now includes D and E-sectors, G-sectors and F-sectors shown on the map of Zone 1, excluding the park in F-9. Recent developments have also taken place in D-11 and D-12 and the CDA has also allocated sectors H-14 to H-17 and I-14 to I-17 across G.T road for urban schemes development.



For commercial activity, the main city centre was designated in Zone 1 called the ‘Blue Area’. In addition, the markets in each residential sector, shopping centres/ malls and some wholesale and retail businesses have also flourished overtime.

The eastern side of the city was allocated for prominent public buildings including secretariat, PM's House, Parliament etc. This area is mapped as Admin Centre in Zone 1. The H-Sector in largely Zone 1 is allocated for higher education institutes and research centres as well as some public institutions such as Chambers of Commerce and Industry.

The Mauve Area comprises of a strip of medium rise buildings allocated for government offices and ministries and residences for government employees. It runs through the sectors of G-6 to G-13 along the Kashmir Highway.

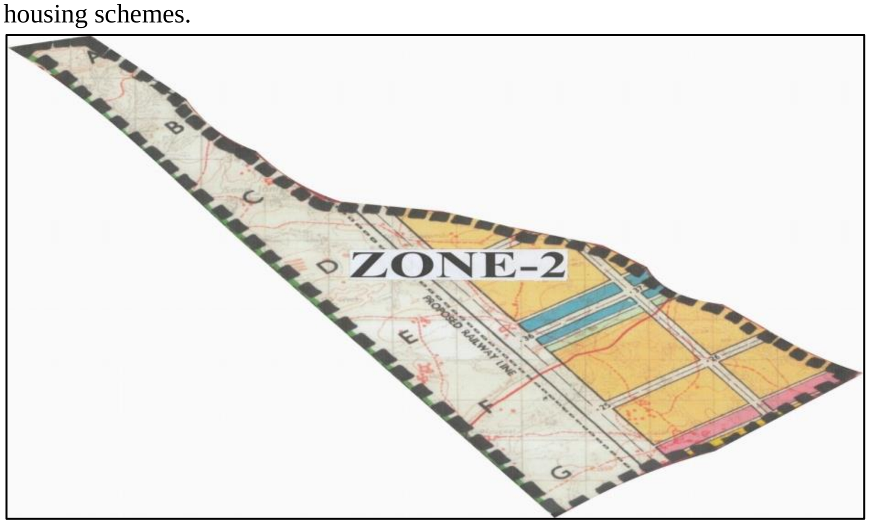
For the development of services and manufacturing industries, sector I-9, I-10 and some areas in the south of G-sectors were allocated. While I-9 and I-10 is primarily for industrial development, the sectors in the south of G-series are for small scale service-oriented businesses. Heavy manufacturing and pollution causing industries are not allowed in I-9 and I-10.

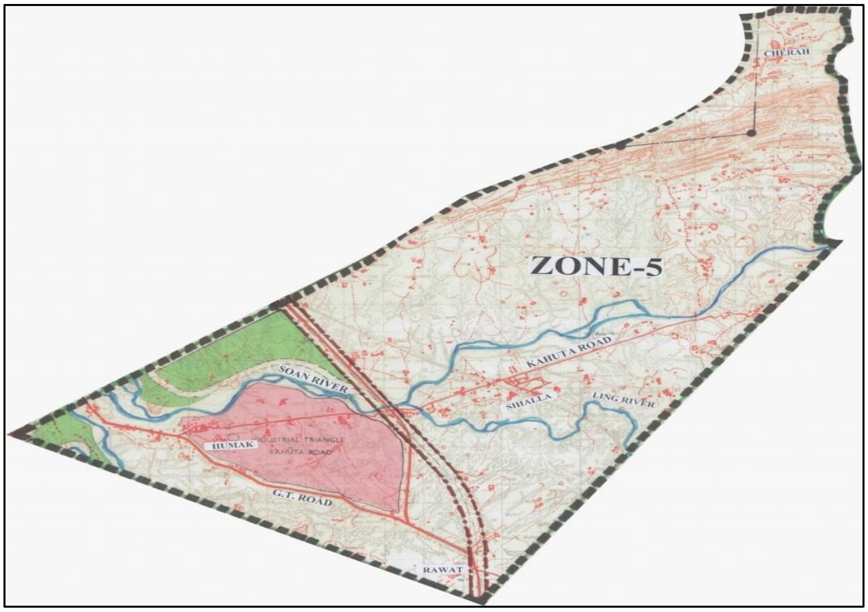
Within educational institutes, distinction is made between primary and secondary schools, and universities. While primary and secondary schools are developed in each sector, universities are mostly in the H-sectors, with some 20 small campuses spread across the city. The universities in H-sectors include:

- Quaid-i-Azam University, spread over an area of 1500 acres,
- National University of Science and Technology, spread over an area of 745 acres,
- International Islamic University, spread on an area of 745 acres,
- Allama Iqbal Open University, spread over an area of 150 acres,
- COMSAT University, spread over an area of 58 acres.

Zone 2 and 5

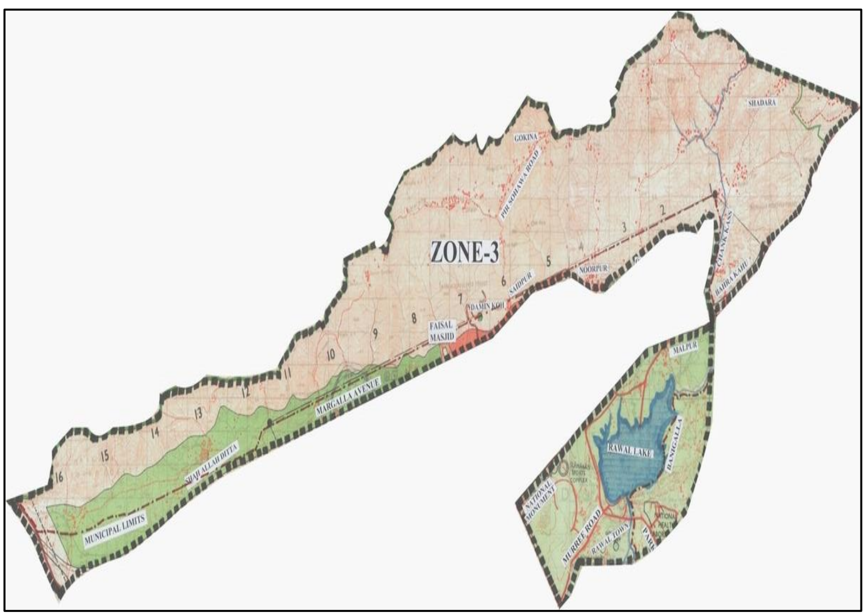
Zone 2 and 5, in addition to Sector E-11 in Zone 1 are designated for private housing schemes.





Zone 3

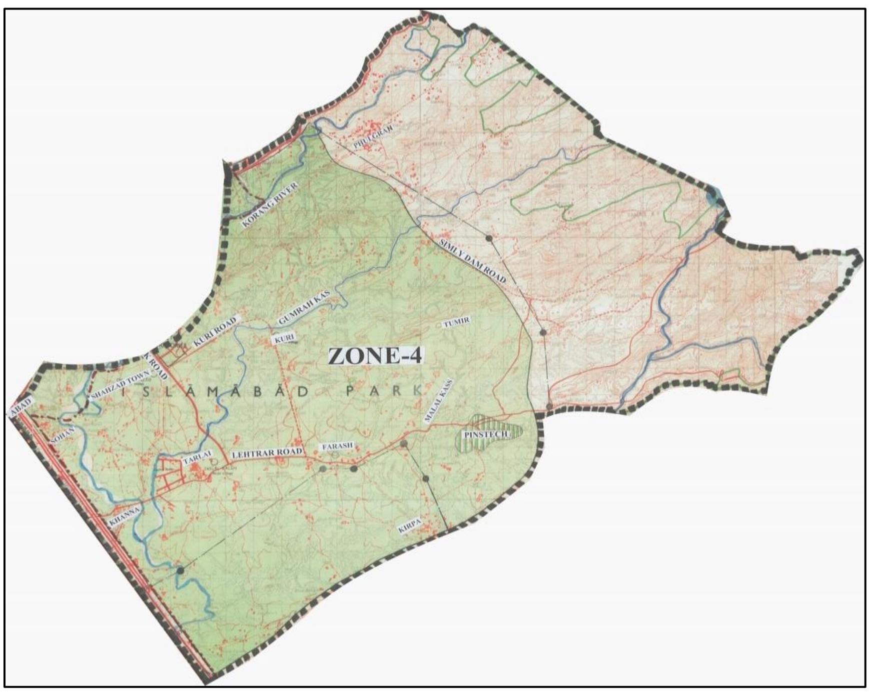
Zone 3 is the designated ‘National Park’ for Islamabad. It includes the Margalla Hills and some parks that are being maintained by CDA such as the Rawal Lake Park and Shakarparian.

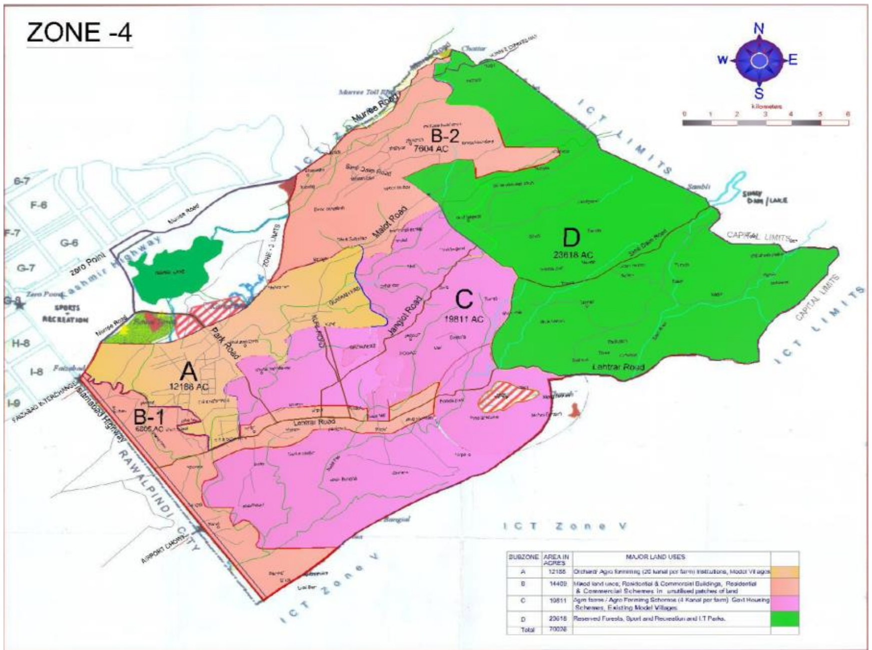


Zone 4

In the ICT Zoning Regulations developed in 1992, Zone 4 was designated for agro-farming activities, universities and R&D institutions. However, with the amendment in zoning regulations that took place in 2010, zone 4 was further divided into 4 sub-zones. The size and land use of each sub-zone is as follows:

Sub-zones	Area (in acres)	Land use
A	12,188	• Agro-farming, orchard schemes. • Institutions, villages and public housing schemes.
B	12,941	• Residential and commercial housing schemes (public and private); apartments, institutions and regulated expansion of villages.
C	21,279	• Agro-farming, orchard schemes, institutions and IT Parks • Public sector housing schemes, village upgradation and regulated expansion of villages.
D	23,618	• Agro-farming, orchard schemes. • Reserved forests, nature conservation projects, sports and recreational area (with hotels, cultural centres, theatres, playgrounds and parks). • Golf courses, polo ground, country club, water sports, swimming pool and gliding and jogging tracks.





Rural and Urban Division in ICT Zoning Regulations 1992

Zones		**Area**	**Location**	**Development Pattern**
Urban	1	55162 acres (223.3 sq. km)	Sectoral area up to G. T. road and H-14 to H-17 and I-14 to I-17 across G.T road	CDA's urban schemes
	2	9723 acres (39 sq. km)	Bounded by G.T road in north, northeast, north of Kashmir Highway and capital limits in the west. And G-15 to G-17, F-15 to F-17, E-15 to E-17, D-16 to D-17, C17, B17 & A-17	Private housing schemes
Rural	3	47734 acres (193.2 sq. km)	Margalla Hills, other protected ranges, forest areas and un-acquired land between Margalla Hills & north of Murree road. Also includes 2 Km radius of Rawal Lake and Shakarparian.	Preservation and conservation areas
	4	72301 acres (292.5 sq. km)	South of Rawal Lake and East of Islamabad Highway. It excludes part of Margalla Hills National Park & Rawal Lake	Sports, recreation, institutions, villages and agro-farming
	5	39182 acres (158.5 sq. km)	Around Soan River	Private housing schemes

Possible Areas for New Development

The Zone 4 of Islamabad remains largely under-developed with unregularised housing societies developing in the zone. Proper planning can be done for expanding commercial activity in the zone along with developing regularised housing societies.

Islamabad Water Supply System

The city is supplied water through both surface and ground water resources. The surface water sources include Simly Dam, Khanpur Dam and some other small dams. The ground water is extracted and supplied through 191 tubewells from where water is first transported to filtration plans before supplying to citizens through distribution lines. CDA has also installed 37 filtration plants to provide clean drinking water.

Transport Infrastructure

- Highways – 1200’ wide.
- Inter-sectoral roads – 600’ wide.
- Major roads – 150’ to 200’ wide.
- Streets – 20’ to 70’ wide.
- The New Islamabad Airport has been constructed approx. 20 Km away from city centre. A BRT system will be developed soon to connect airport to the city.
- Islamabad is located on the main railway line that connects Peshawar, Lahore and Karachi.
- As per Master Plan, railway station was planned in I-8 and I-11 but was never developed.
- Railway line was also planned to run along Islamabad Highway up to Sector I-8 and along Kashmir Highway but it was never constructed.
- Construction of an urban railway along Islamabad Highway is planned.

ANNEX 2

Goal 11: Sustainable Cities and Communities

- By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

- By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
- Strengthen efforts to protect and safeguard the world's cultural and natural heritage.
- By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
- By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.
- Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.
- By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.
- Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials.

ANNEX 3

Further details for support of Revenue Enhancement Strategies for CDA/MCI

Institutional/Governance

Islamabad Metropolitan Corporation should lead the city governance while raising different business/management subsidiaries within it while having business foresight/planning and models for each entity. CDA be left with doing building control, development control and physical on-site project development. These subsidiaries may include:

(1) Public mass transit service and transit stations (intra & inter-city).
(2) Parks, landscape and horticulture.

(3) Parking management.
(4) Waste management.
(5) Water and Waste Water.
(6) Business Licensing/Permits (even for night time activities in public lots, kiosks, mobile businesses etc.).
(7) City estates/asset management.
(8) Conference/Public gathering facilities.
(9) Advertisement.
(10) Sports.
(11) Hospitality and Tourism Management.
(12) Manufacturing Industrial Management.

Database/Inventory Development

MCI/CDA must develop a detailed GIS based inventory of businesses/ revenue slots within their legal/jurisdictional ambit, such as:

(1) Total floor space commercial/residential/business/institutional etc. (approved/unapproved).
(2) Type/number/location of each business in city.
(3) Education/research.
(4) Leisure and green spaces.
(5) Public Gathering/Assembly/Conference facilities.
(6) Sports facilities.
(7) Tourism/Ecological Areas.
(8) Parking Spaces (both public/private).
(9) Industries along with gross areas under production facilities.
(10) BRT and Public Transport Facilities (including terminals/transit routes).

Regulation, Tariffs and Licensing Fee Rationalisation

City authorities must consider revision of different tariffs and fee (for licensing, services, utilities and permits) especially of building permits for commercial spaces and suburban housing schemes to promote densification/regeneration within city core.

Building and zoning regulations must also be revised to promote construction activity and enhance revenue.

Research Collaboration with Academia/Universities

City institutions must develop active linkages with universities/academia/ researchers to research different avenues for collaborative city development and also measure to for public disclosure through web portal.

City must also develop a City Monitoring/Control Room to improve its management on priority bases.