

2017

PROPOSED LOGISTIC PARK AT WELISARA



CONCEPTUAL PLAN



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பெருநகரம் மற்றும் மேல் மாகாண அபிவிருத்தி அமைச்சு
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PROPOSED LOGISTIC PARK AT WELISARA - CONCEPTUAL PLAN

1. Introduction

Strategic location and access to business opportunities are considered as specific advantages that Sri Lanka has, to become a world class logistic hub [within the top 30 in Logistic Performance Index (LPI) rankings by 2020]. As identified in master plan of the Ministry of Megapolis and Western Development, the Logistic Corridor is located beside the Colombo-Negombo main road, in the close proximity to Colombo International Port & Katunayake International Airport. Boundaries of the Logistic Corridor are; Colombo – Katunayake Expressway (E 03) from West, Seeduwa - Kotugoda main road from North, Rail way Line from East and Wattala – Hunupitiya main road from South. It is aimed to grow logistics industries and manage the sporadic existing logistic activities. Logistic Corridor envisioned to be the premier transport and logistics strip of the silk route. It will consolidate and link the existing and potential logistics activities in the Western Region and the country as a whole. Analyzing the future development patterns & current logistic operations, it has been identified that the concepts of Logistic Parks are needed to be applied within the logistic corridor.

Locations such as Bloemandhal (within port premises), Peliyagoda, and Welisara-Mabola are being identified to be developed in the chronological order to establish port related Logistic Parks/Logistic Centers, to meet the futuristic logistic demand. At present, development plans are in progress with regard to the establishment of port related Logistic Centers at Bloemandhal, and Peliyagoda area. Therefore, establishing a port related Logistic Park in Welisara area has become the need of the hour, to cater the expected logistic demand in the coming years. There are many constrains, such as excessive land cost, and difficulty in finding a sizable alternative land in the proximity of Welisara-Mabola area, to establish a port related Logistic Park.

Proposed Logistic Park project at Welisara is spreading across a land stretch of (approximately **171** acres) as depicted in the **Figure 1**. Further, it is proposed to be developed in **four** phases (**Phase I**-Development of a Cargo Village by Acquisition, Relocation, Development/improvements to the existing explosive storage currently



utilized by tri services, police and government explosive unit and the race track utilized by Sri Lanka Navy, **Phase II**-Marshy area to be developed as a world class wetland park model, including road and railway developments/ improvements to facilitate external linking, **Phase III**-Acquisition, Relocation, Development/improvements to the existing logistic hangers utilized by Sri Lanka Navy for logistics/explosive storage and open space, **Phase IV**- Acquisition, Relocation, Development of the existing space utilized by Sri Lanka Navy (for Volunteer Naval Headquarters and Volunteer base). Logistic Park expected to enhance entire logistic operation in Sri Lanka, to a very competitive level while improving the quality and efficiency of the services to the consignees with the international level services and standards. The early implementation of this Logistic Park will surely pave the way, to integrate Sri Lanka into the global value and supply chain, and transform Sri Lankan economy with more imports and exports as never before. This will create adequate spaces for manufacturing, value additions, warehousing, exports/imports, Multi Country Consolidation (MCC), and logistic service providers. Multi model connectivity such as dedicated roads, expressways and railway links are some of the important components to be included within the Logistic Park for smooth freight handling and transportation.





Figure 1: Proposed Logistic Park – Welisara

Proposed Logistic Park is expected to assist the Sri Lankan government to;

- a. Enhance the efficiency of the logistic and warehouse operation
- b. Increase efficiency of the port related cargo handling process.
- c. Ease traffic congestion of the Western region of Sri Lanka to a reckonable level
- d. Enhance the multi model container transportation system
- e. Reduce transportation related emmissions

2. Goals of the Proposed Logistic Park

- a. Improve the port related logistic performance.
- b. Become competitive in the Asian region with the ever growing logistic demand.
- c. Create value addition facilities for related logistic industries.

3. Objectives of the Proposed Logistic Park

- a. To systematically consolidate and link logistics activities to minimize congestion and to maximize efficiency.
- b. To develop a logistic cluster close to port of Colombo, to accommodate warehouse facilities, value addition, container stacking facilities, storage, collection and local level distribution of cargo.
- c. To demarcate and develop areas for ancillary facilities, residential development and environmental up gradation.

4. Components expected at the Proposed Logistic Park

Warehouses, Storage facilities, Container depot, Cooling facilities, Freight forward zone; Consolidation, Value-added activities (such as assembling, processing, packaging, labeling), Administration center, Security office, Banking ,Financial ,Postal & Communication service area, Research & Development center, Fuel/Gas station, Vehicle maintenance center- Work Shop (Garage/Service station Etc...), Firefighting/ Rescue facilities, Medical center, Education & Training center, Parking facilities, Grid substation, Restaurants, Convention center, Container handling Facility, Security & Custom clearance facilities, Warehouses / Storage facilities, Weighing center, Office space, Sewerage disposal system inclusive Treatment plant, Storm water retention ponds, Water treatment plant / Water storage tank, and Solid waste management facility area, are some of the components expected at the Proposed Logistic Park.

Core section of the Logistic Park is expected to be created by relocating the existing explosive storage area at Welisara including current race course and buffer zone (**Figure 2**) to a less populated area (recommend Meerigama area earmarked for Industrial park, however final decision to be taken as per the joint decision by the experts from tri services, police and the government explosives unit).



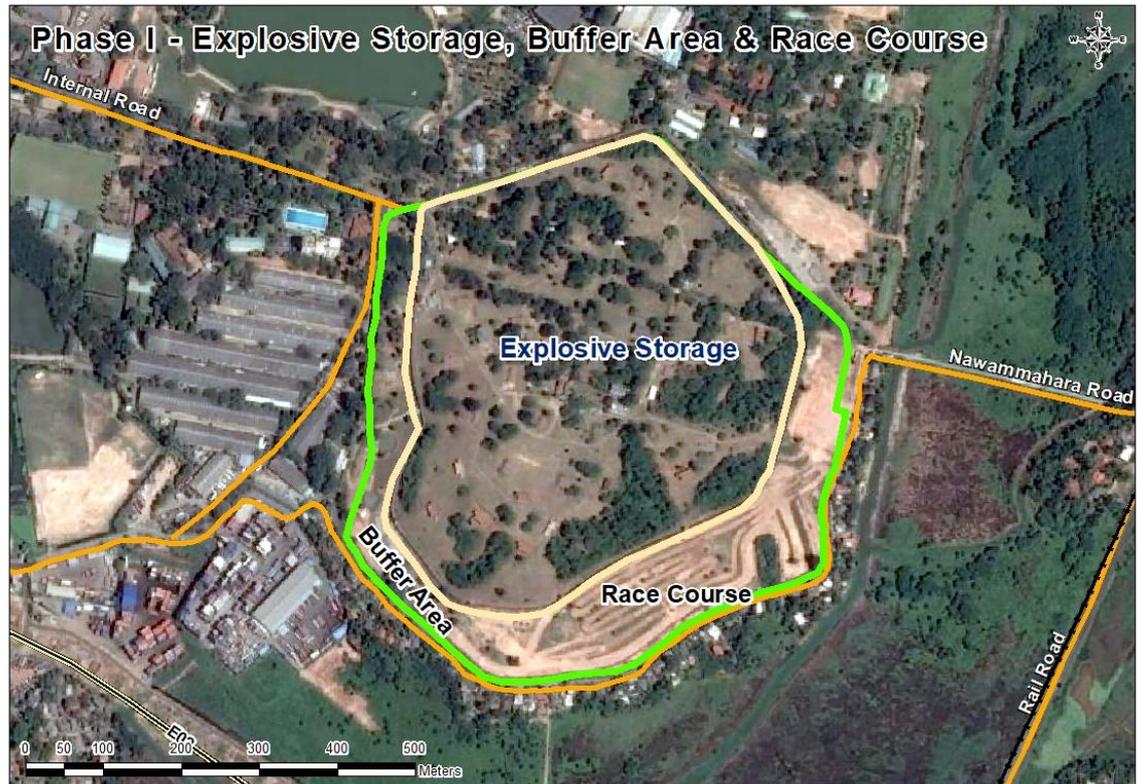


Figure 2 : Phase I (Explosive Storage, Race Course & Buffer Area)

Auxiliary sections of the Logistic Park are expected to be created by acquiring the set of logistic hangers/storages, administration/training areas currently occupied by Sri Lanka Navy-SLNS Mahasen, Volunteer Naval Headquarters and SLNS Lanka respectively [Figure 3]. A comprehensive proposal to be obtained from Sri Lanka Navy through Ministry of Defense for their relocations along with related cost and duration (recommend Meerigama area earmarked for Industrial park, however final decision to be taken by the Ministry of Defense in consultation with the Sri Lanka Navy). Further, it is planned to convert the marshy area depicted in Figure 3, as a wetland park. Railway linkage between Logistic Park and main railway line, widening of existing Nawammahara road expected to be in cooperated across the wetland park.

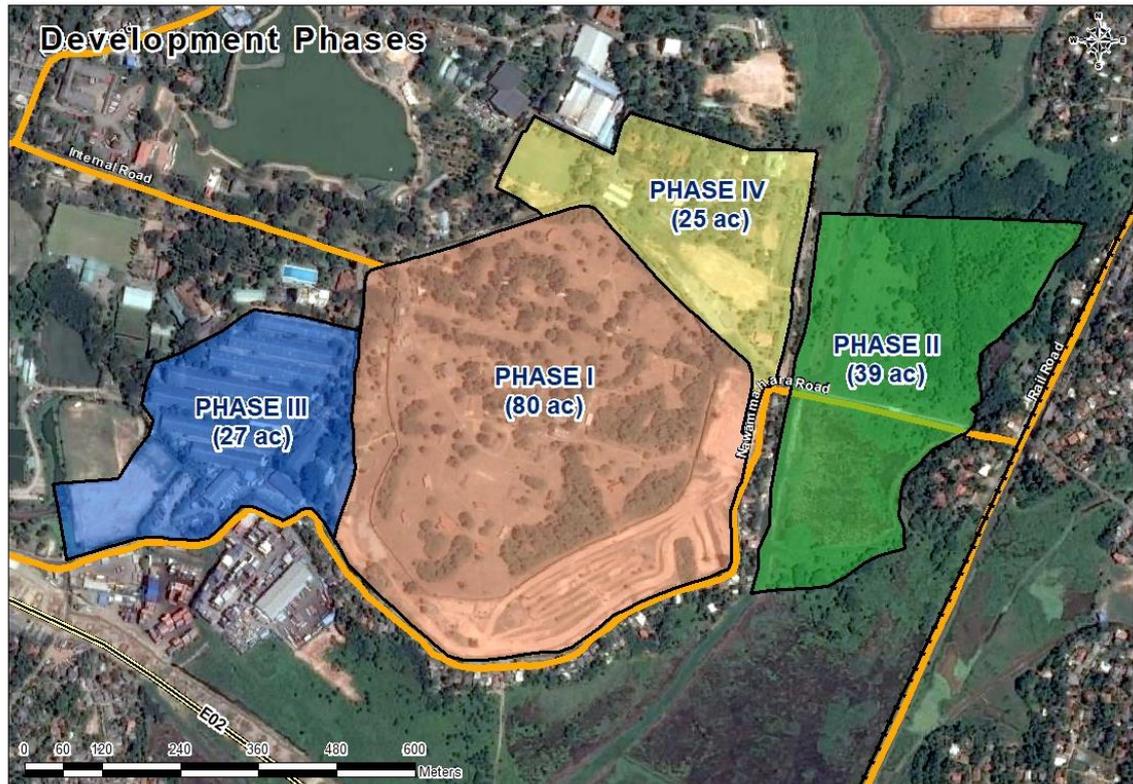


Figure 3: Development Phases

It is proposed to develop the core section of the Logistic Park (**Figure 2 / Phase I of Figure 3**) as the initial step of the Project. Following salient points were taken into consideration in selecting the land to accommodate core section of the Logistic Park;

- a. Welisara explosive storage is situated close to Peliyagoda-Puttlam (AA003) road at the heart of the proposed Logistic Corridor.
- b. The land is owned by the government Sri Lanka (Sri Lanka Navy), therefore the acquisition of the land is trouble free than acquisition from private parties.
- c. The extent of the land is adequate for the proposed Logistic Park with other amenities. Also the land is undivided.
- d. Furthermore, the proposed land has access from different transportation modes. It is in close vicinity of Peliyagoda-Puttlam highway (AA003), Colombo-Katunayake expressway (E03), Outer-circular expressway (E02), Colombo-

Polgahawela railway line (close to Ragama railway station) as depicted in **Figure 4**.



Figure 4 : Accessibility to the Proposed Project Area

- e. Future plans to develop Ragama station and its proximity to a multi model facility as depicted in **Figure 5**. The proposed logistic park would be benefited by the Ragama multi-model facility by the extensions/ enhancement of transportation modes such as railway



Figure 5 : Ragama Multi-Model Facility & Welisara Logistic Park

- f. Current location of the explosive storage possess a great threat to the surrounding area because an unexpected explosion can be devastating since it is situated in the heart of a highly populated (**Figure 6**) and industrial area, further it is very close to several strategic/ economic hubs which are highly influential to the economy of the country as shown in the **Figure 7** (such as Colombo port -11km, Kerawalapitiya Power Station - 3.9 km, Ceylon Petroleum Storage Terminal - 3.9 km, Kelanithissa Power Station - 7.7 km. etc.) . The threat is increased as the structures of the existing explosive storage tunnels are functionally obsolete.

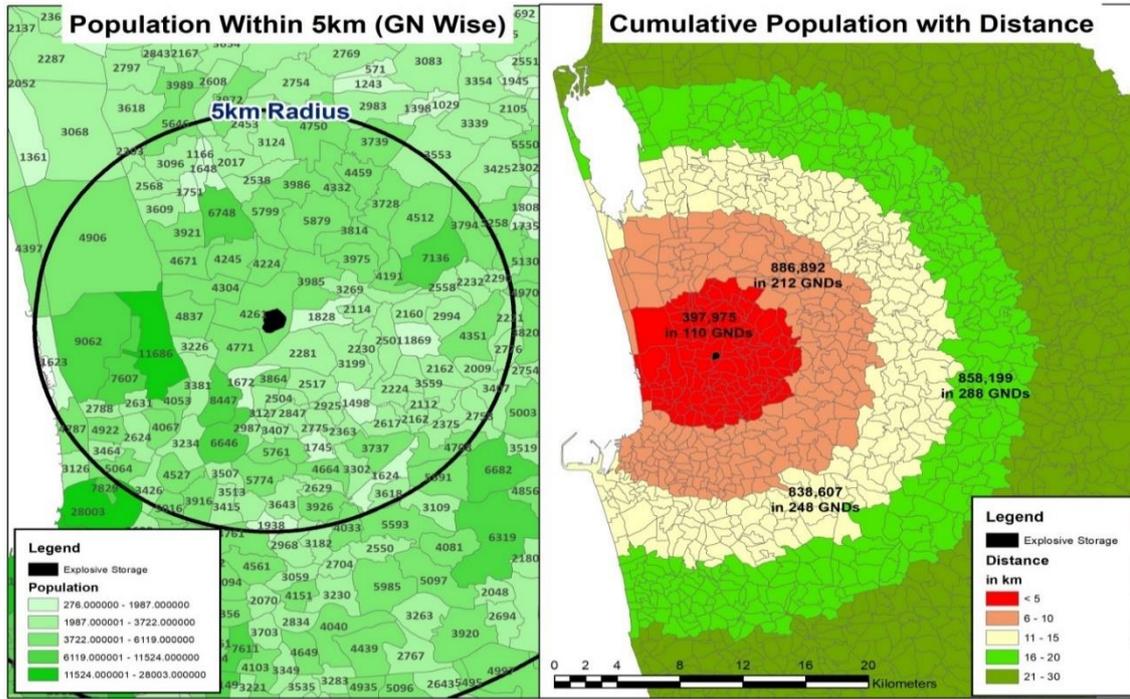


Figure 6 : Grama Niladhari Division wise Population Around Explosive Storage with Distance

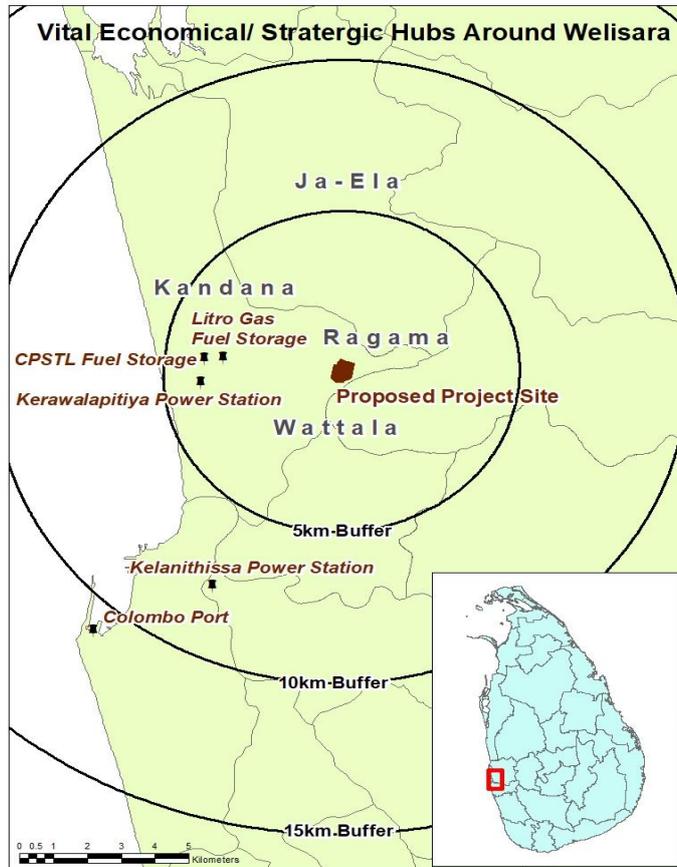


Figure 7 : Strategic/ Economic Hubs Around Welisara

- g. When mass scale development is planned in and around Colombo it is of paramount importance to shift these type of extra vulnerable locations to a remote area.
- h. Proximity of Logistic Park Welisara area is dominant with following health facilities.

Teaching hospitals

- Colombo North Teaching Hospital, Ragama
- National Hospital for Respiratory Diseases (Welisara Chest Hospital)
- Welisara Rheumatology and Rehabilitation Hospital, Ragama

Divisional hospitals (type A)

- Kandana Divisional Hospital, Kandana

Primary medical care units

- Vijaya Kumaratunga Memorial Hospital, Seeduwa
- Ja Ela divisional Hospital
- Several Government and private hospitals also located around the Ragama area including Navy General hospital Welisara, Hemas, Browns, Lesions & Peoples.

Other than that the area has many schools with diversified backgrounds. Further in the surrounding area the local security is guaranteed by Ragama, Welisara and Wattala Police Stations (**Figure 8**).



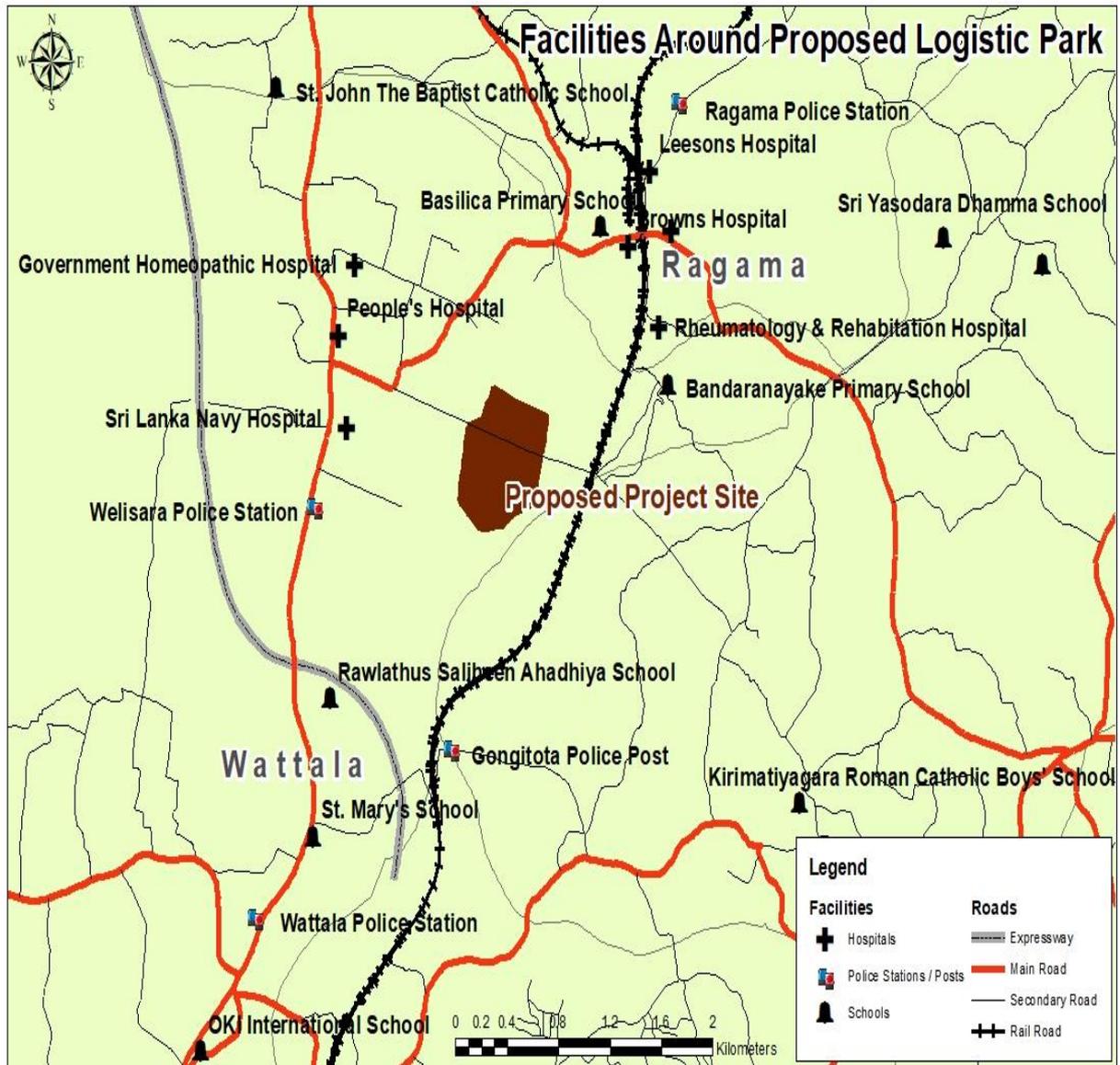


Figure 8: Facilities around Welisara

5. Necessary steps identified to be implemented prior to the development

- a. To obtain the concurrence from Security Council for relocation of the existing explosive storage at Welisara to a less populated area.
- b. To call for a comprehensive report comprising the total relocation plan along with expected cost and duration, from a high level board comprising of relevant experts from tri services, police and government bodies handling explosives), to reserve

the land area for the development of Proposed Logistic Park at Welisara by the Ministry of Megapolis and Western Development (MM & WD).

- c. To obtain the necessary approvals for the above 10 b.
- d. To allocate/acquire necessary land area suggested vide above 10 b.
- e. To develop all the infrastructure needed to facilitate the proposed relocation at Meerigama or elsewhere as suggested and approved.
- f. To relocate the existing explosive storage at Welisara as suggested vide above 10 b
- g. To clear the land area for the intended development of the Proposed Logistic Park.

6. Project Scope

Total land area for the intended development of the Proposed Logistic Park is approximately 80 acres (inclusive of race course and buffer area). The Proposed Logistic Park will be comprised of components such as cargo village, middle income housing, infrastructure and greenery/landscape. It is planned to allocate **50%** of the land area for the **Cargo Village (approx. 40 acres)**, **20%** for the **middle income housing (approx. 16 acres)**, **20%** for the **infrastructure (approx. 16 acres)** and **10%** of the land area for the **greenery/ landscape (approx. 08 acres)** as illustrated by **Figure 9**

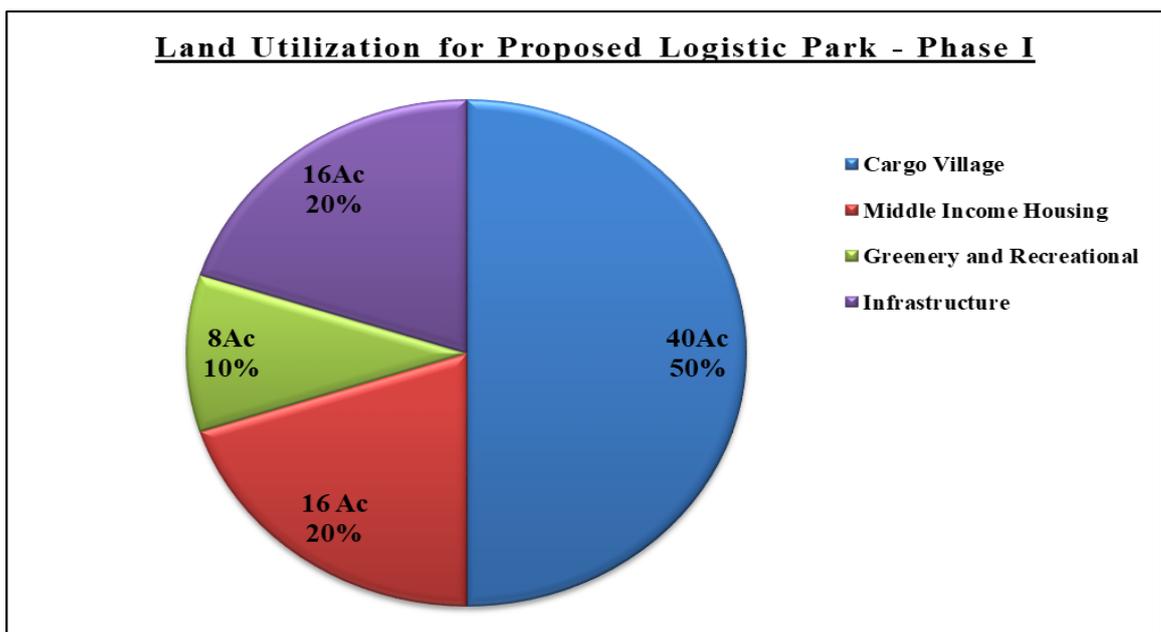


Figure 9: Land Utilization for Proposed Logistic Park

- a. **Cargo Village-** Warehouses, Storage facilities, Container depot, Cooling facilities, Freight forwards zone; Consolidation, Value-added activities (such as assembling, processing, packaging, labeling), Administration center, Security office, Banking ,Financial ,Postal & Communication service Area, Fuel/ Gas station, Vehicle maintenance center- Work Shop (Garage/ Service station Etc...), Waste water treatment plant, Firefighting/ Rescue facilities, Medical center, Education & Training center, Parking facilities, Grid substation, Restaurants, Convention center, Railway terminal, Container handling facility, Security & Custom clearance facilities, Warehouses / Storage facilities, Weighing center, Office space, Parking facilities, Sewerage pumping station / Treatment plant, Storm water retention ponds, Water treatment plant / Water storage tank, and Solid waste management facility area, are some of the components expected at the proposed cargo village.
- b. **Middle Income Housing-**This component is planned to generate additional revenue, which will be utilized for lowering the project expenditure expected from the government budget. Total land area for the Middle income housing is expected to be approx. 16 acres and planned to build 16 high rise buildings incorporating basement car parks. Minimum of 2650 (12 units per floor x14 floors excluding basement x16 high rise buildings) Middle Income Housing units are expected from this project component. A profit of approx. **LKR 5300 Mn.** (2650 housing unitsx2 Mn.) will be generated to the government of Sri Lanka, to enable un-interrupted support for future developments/ investments to the next phases of the proposed Logistic Park with minimum burden to the Treasury.
- c. **Infrastructure-** Facilities such as (minimum 40 feet wide internal road network, extension of railway tracks to connect main railway line, terminals, power, water tanks and supply, drainage network, waste, sewer and IT infrastructure etc.)
- d. **Greenery /landscape-**Approx. 08 Acres will be developed as a greenery /landscape to mitigate urban heat and to provide aesthetic value.



7. Development Plan -Phase 1

Stage I: Necessary acquisitions/vesting of land area to the Urban Development Authority (UDA) for the development.

Stage II: Development of infrastructure

To prepare detailed plans and construction of appropriate buildings/infrastructure facilities to accommodate and support the high level functioning of the Cargo Village and to be finally decided by the UDA.

Stage III: Development of New High Rise Buildings for middle income housing

To prepare detailed plan and to sequentially construct 16 high rise buildings (15 floors inclusive of basement car park) and to be finally decided by the UDA.

Stage IV: Development of Railway line and roads

To prepare detailed plans and construction of railway line, road network and related facilities and to be finally decided by the SLR/RDA.

Stage V: Development of Cargo Village

To prepare detailed plans and construction of buildings/infrastructure facilities required to accommodate Cargo Village and to be finally decided by the UDA.

Stage VI: Establishment of greenery /landscape.

To prepare detailed plan to have a world class greenery and landscape (Jack trees are expected to be planted right around the perimeter to generate a cooler environment, to provide protection from lightening and to partially support world food security initiative) in the surrounding of the proposed Cargo Village and to be finally decided by the UDA in consultation Central Environmental Authority (CEA).



8. Estimated Cost of the Project by GOSL Funds and Investor's Funds

Development of Logistic Park –Phase I at Welisara		
Project Activities	TEC (Rs. Mn.)	TEC (US \$ Mn.)
Design and preparation of detailed Master Plan with necessary approvals	15.0	0.1
Payment of compensation/building cost for relocation of explosive storage	2,000.0	12.9
SUB Total	2,015.0	13.0
Contingencies 10%	2,01.5	1.3
Total GOSL funds	2,216.5	14.3
Development [40 Acres approx.] and construction of appropriate buildings/infrastructure facilities to accommodate and support the high level functioning of the Cargo Village	2,000.0	12.9
Development [16 Acres approx.] and construction of 16 High Rise Buildings for middle income housing (15 floors inclusive basement car park)- 2650x5 =13250	13250.0	85.48
Development [16 Acres approx.] and construction of railway line, road network and related facilities	1250.0	8.06
Development [8.0 Acres approx.] and Establishment of greenery /landscape inclusive entrance and exit gates	250.0	1.61
SUB Total	16750.0	108.05
Contingencies 10%	1675.0	10.8
Total Investor's Funds	18425.0	118.85
Total GOSL + Investor's Funds	20641.5	133.15

Notes: *US \$ equal to Rs.155.00

*TEC – Total Estimated Cost

*The development cost involves all necessary expenditure for design Procurement and construction of the infrastructure facility

