

Tathya

Smart City to Raise Bonds

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In order to generate more funds for development of Smart Cities, the Bhubaneswar and Rourkela Urban Bodies will have to float Municipal Bonds and raise rates of Taxes.

Union Secretary Urban Development Rajiv Gauba has accordingly advised the State Government, so they these new Urban Institutions will be able to fund the projects.

While congratulating the Odisha Government for its proactive steps in actively participating in Smart City Mission, Mr. Gauba in his letter has said that the State Government and Ministry of Urban Development (MoUD) will have to jointly act towards the goal of bringing in about a meaningful change in the Urban Landscape in the State.



Mr. Gauba informed the State Government that MoUD has already shortlisted Transaction Advisors (TA) s to advise the Smart City Authorities to float Municipal Bonds.

These Bonds will be floated for raising funds for taking up Smart Projects like development of Main roads as Smart Roads, Smart Water Supply and Smart Power supply in the Smart Cities.

Mr. Gauba said that while floating Bonds is necessary to generate more funds, Smart Cities will have to bring in reforms like Property Tax, Advertisement Tax and Value Capture Financing (VCF) for augmenting revenues, which will help these new organizations in enhancing their Credit worthiness.

An expert said that as over 60 Percent of the funding for Smart City Projects will have to be brought in from outside sources, these new initiatives will be taken up by the Smart Cities.

Mr. Gauba has said that MoUD is monitoring the progress of the Smart Cities and by this time at least 40 Percent of the Projects under respective Smart Cities should be started in case of the First Round clearance. At least 98 Smart Cities including Bhubaneswar was cleared in Phase I.

He said that development of main roads as Smart Roads, redevelopment of streets and junctions for which designs have already been prepared will have to be taken up.

Similarly performance based contracts for management of Smart Water Supply systems and integrated control and command centre having all modules will in place.

Mr. Gauba has urged the authorities to expedite the preparation of Detailed Project Report (DPR) s and begin the tendering process of these above projects within a month period.

In fact Bhubaneswar Smart City authorities are proactively taking up the projects, thanks to initiative of Krishan Kumar. Chairman Bhubaneswar Municipal Corporation (BMC).

Dr.Kumar is the Managing Director of Smart City Limited, Bhubaneswar, which is also eyeing for World Smart City Award.

Union Secretary Mr. Gauba has urged the State Government to expedite the process of establishing a Special Purpose Vehicle (SPV) and Project Monitoring Committee (PMC) for Rourkela Smart City, which was cleared in the Phase II by the MoUD.