

DRAFT SUBJECT TO THE VUDA BOARD 184

Subject: VUDA- Mega Housing Projects-submitted for approval of proposed residential town ship with world class amenities at Rushikonda Layout.

AGENDA:

VUDA proposes to develop Mega Housing Projects by establishing self-contained communities with State-of-the-art amenities. There is a need to develop housing infrastructure for balanced distribution of population as projected in our Master Plan. The main emphasis is on LMIG apartment units and Independent houses by focusing the life style related infrastructure to improve the quality of life.

Accordingly, a subject has been placed before VUDA Board vide subject No.97 and resolved to take up the Mega Housing Projects dated 14.5.2003 under the name and style C.M's VUDA model Township Development."

LOCATION :-

- Mega housing at Rushikonda Lay out in S.NO 336 part of Madhurawada, located 1 km away from Beach Road, abutting 80' wide road connecting Beach Road, on the foothills of Bavikonda. It has a commanding panoramic view of sea waters, sand dunes and green areas, since it is in hill slopes.

Total extent of land at Rushikonda (lay out), proposed is ac.50-00cts

BACK GROUND

An extent of Ac.188.89,raw land has been handover to VUDA by the Government vide GO MS No.431,MA d/26-9-1995 out of a total Ac. 201.59 proposed. Out of which Ac. 123.11cts. have been developed as layout and plots auctioned in the year 1998 and the balance area(Ac. 80.80 Cts) is of hillocks and natural gaddas which can not be carved into

plottable area with smaller extent plots. Those unused hillock areas are named as bulk lands and left for future use. The plottable area is developed as layout and is developed with BT roads, drains, UG sewerage and Street electrification. But there is no development of residential houses even though the strength of infrastructural facilities is strong.

THE OBJECTIVE

Considering the potentiality of the land VUDA planning to promote live activity through proposed residential township with world class amenities and to safe guard the interest of the infrastructural facilities already provided. The earlier concept of satellite towns is also to be strengthened with this proposal and it allows to develop the surrounding areas of Rushikonda in comprehensively in urban planning context.

An undeveloped bit of Ac.40-00cts of bulk land-1 in Rushikonda VUDA lay-out facing beach front is proposed to be added for construction of independent duplex houses with private partnership to the earlier proposed Ac.10.00 . An extent of Ac. 50.00 in Rushikonda lay out is available for ready development.

SALIENT FEATURES:

- Extant of proposed site: Ac. 50.00
- It is an Horizontal development of housing project, designed with single storied or duplex type houses as Independent houses, Row Housing, Semi- detached and a few apartments. It is supported with Club House, Cottages, Commercial areas, open spaces and recreational facilities. The details are as given below:
 - Total no. of units : 406
 - Apartments : 60 plinth area / unit : 1400sft

Independent houses	:		
a) unit in 360 sq. yards	:	138	plinth area /unit :2600sft
b) unit in 450 sq. yards	:	107	plinth area /unit :3000sft
Row Housing	:	71	plinth area / unit : 1600sft
Cottages	:	30	plinth area / unit : 1200sft

• **Project Cost : Rs. 104.00 Crores**

Apartments each unit : Rs. 12.60 lakhs

Independent houses :

a) unit in 360 sq. yards : Rs. 31.00 lakhs

b) unit in 450 sq. yards : Rs. 36.00 lakhs

Row Housing each unit : Rs. 16.00 lakhs

Other Amenities(club House, swimming pool, commercial, recreational, land development etc.) : Rs. 378.60 lakhs

- The treatment is a unique architectural blend of commercial, health, environmental, entertainment and residential components.
- The design and plan to be incorporated Club House, The Plaza, The Community Centre, The Gym, The Recreational Play Courts and The health Centre apart from the living areas.
- Under ground Cable for Electrification, under ground Water Supply Lines, Under Ground Drainage and Sewerage would be Provided.

SELECTION PROCESS AND THE ACTION TAKEN UP BY VUDA :

To firm up the concept, our officers along with Chairman and Vice- Chairman, VUDA visited and studied the similar type of projects executed by Bengal Ambuja Cements, Kolkata and the project being executed by APHB – Singapore firm at Pocharam, Hyderabad on JVC partnership and other independent housing projects.

An advertisement has been given in Economic times dated 25.6.2003 and repeated on 2.7.2003 calling for **expression of interest** and to submit pre-feasibility reports by interested private agencies on or before 15th July, 2003. Reputed builders from Builders Association of India are invited through letters d/ 23-05-03. The eligibility criteria have been fixed that the intending agency should have experience in mega housing projects having adequate expertise.

In response to the advertisement both from news paper Ads and web site, 10 firms have expressed their interest to join with VUDA as joint partners, the interested agencies visited sites and furnished their offers.

A Singapore Based firm M/S Evan Lim & Co PTE Ltd. visited VUDA sites on 30-06-03 and expressed their willingness to submit pre feasibility project report to VUDA on Mega Housing Projects. Bengal Ambuja Housing Development Ltd Kolkata contacted through e-mails to express their interest and project details are sent on 23-06-03. M/s Nahal Chand Laloo Chand, Mumbai, expressed their interest through FAX message, asking project details and details sent on 23-06-03. M/s CESMA International, a Singapore based company visited and expressed interest on Vadlapudi site to take up housing project and SVEC Constructions submitted pre feasibility report proposal on 11-7-03. Ambience Properties Limited Hyderabad submitted feasibility project report showing interest on Rushikonda project site d/14-07-03. M/s Evan Lim & Co, Singapore firm

presented project proposals in power point presentation for Madhurawada project. M/s LANCO, Hyderabad, M/s IVRCL infrastructure ltd. Hyderabad shown their interest on Vadlapudi site by submitting the report and a soft copy in CD.

Data relating to site condition and other technical aspects were supplied to the interested firms besides arranging visits to sites by VUDA.

The following 4 firms have only submitted pre-feasibility reports before 15th july 2003 and placed before the technical committee besides detailing their plans for the appreciation of Planning Wing and Engineering wing officials of VUDA by way of a power point presentation :

1. EVAN LIM & Co Pvt Limited
SINGAPORE
2. SVEC Constructions Limited
HYDERABAD-500 001
3. IVRCL Infrastructures & Projects Limited
HYDERABAD.
4. Ambience Properties Limited
SECUNDERABAD-500 003

An Evaluation/technical committee constituting experts locally representing architects, builders, urban planners, engineers, internal auditors, legal counsels and financial institutions was involved to evaluate and short list the offers preliminarily vide proceedings Rc.no.1161/G3/03 d/14-07-03.

A pre-bid meeting has been convened by the evaluation / technical committee.

The firms were further asked to submit concept drawings and financial proposals by 4th of August 2003. The short listed firms as at Sl.No.(1) and Sl.No. (4) above have submitted concept proposals and financial proposals for Madhurawada and

Rushikonda projects respectively. Their proposals supported by documents indicating their profile, works executed so far and financial status are submitted. It is further referred to standing council and Auditors of VUDA for opinion and to frame suitable terms and conditions in the interest of VUDA.

Meanwhile, a web design has been prepared d/23-7-03 with details of Mega Housing Project and released through VUDA Web site WWW.vuda.org and E-Mail megahousing@hotmail.com. All the NRIs of Vizag city were also E-mailed by collecting addresses from the local associations as a marketing strategy and to assess the demand (survey) with an indication that VUDA proposes to build a mega housing project in association with a multi national Construction company without specifying the company in the absence final confirmation of bids / offer. While designing the web site, care has been taken to ascertain the need of the visitor to the site to be a prospective allottee, So far 2000 registrations had expressed interest in the demand registration survey of Madhurawada project and on over all, 6500 hits were noticed 6082 visitors have indicated this choice to own a flat ever since the website was launched on 23-7-03. Thus, there is going to be heavy demand within and outside the country for the proposed project. It is, however proposed to ensure demand in full before execution of the project in a phased manner.

Considering the progress of the project, a contour survey has been conducted and completed. Jungle clearance at project site have entrusted to M/s Agro industries Development Corporation, Visakhapatnam and completed.

Simultaneously, continued dialogue with internal auditors and standing counsel for VUDA has been initiated to work out terms and conditions for the proposed joint venture project with private participation for the benefit of the organization. M/s Y.Narayana Murthy & Company Chartered Accounts and internal auditors for VUDA, are of the opinion, that to go in for a tri-partriate agreement based on the developer concept.

The proposed land (Ac.50.00) for development can be handed over to the joint venture partner for designing, building and construction of the units. The total sale proceeds arising out of the sale of units can be shared (7.5% to VUDA and 92.5% to Developer) between the partners on agreed principle of sharing mutually, considering land cost component by setting-off the land cost as per basic value / registration value. From the affront costs (unit cost) payable in installments by the prospective buyers of flats / units – allottee – credited with ESCROW a/c to be opened by the developer can be utilized for the project execution. The VUDA will have the total control and supervisory rights by way of constituting committee which two members will be nominated by the VUDA and other members by the developer. The VUDA will handover the site to the developer by appointing a person (official), who will be authorized and empowered to transfer the undivided and unspecified share of land for the flat owners after completion of the project. The marketing will be totally (100%) taken up by the developer and VUDA's good will as primarily a source of strength.

Marketing is contemplated engaging an independent marketing Agency over and above the normal efforts to be made by the joint venture partners. Going by the general enquiries and queries by way of E-mail and website, it is hoped that overwhelming response is there in the market as received the response of demand survey conducted. The legal experts including standing counsel for the VUDA are on the job of working out legal documents including a draft MOU on the proposed joint venture agreement to protect VUDA's interest in all respects and aspects.

The project proposals and Draft MOU prepared for M/s Ambience Properties Ltd, Hyderabad and Singapore Agency are submitted to Infrastructure Authority on 14-8-2003. In this connection the Chairman, Infrastructure Authority, Hyderabad had visited mega Housing project sites on 26-10-03. The project proposals are presented before expert committee by Vice-Chairman VUDA and evaluated, approved in the meeting held at the office of the Chairman, Infrastructure

Authority, Hyderabad, on 07-11-2003. The same has been intimated to Principal Secretary to Government Andhra Pradesh, Hyderabad for necessary support and to notify under Mega projects.


PROJECT ECONOMICS AND FEASIBILITY:

VUDA as a facilitator provides the un developed raw land of worth Rs.1.64 crores (Which includes RS. 40,000/- per acre; Rs. 3.00 crores paid to R&E towards Bhimili beach Road Development, Rs. 1.50 crores towards shifting of pipe lines paid to MCV. Ect. Of total land costs vide GO MS No.413, d/ 26-09-1995) to the developer without sale obligation. It is agreed to take up - 100 % marketing by the developer and a minimum of Rs. 7.50 crores are assured to VUDA besides achieving the development of Rushikonda area in urban development context. VUDA is benefited by Rs. 6.00 crores setting apart the land cost (could be reimbursed which is already paid @ Rs3.28lakhs per acre to government).

Therefore, VUDA will be in a position to develop the land to achieve the objectives set forth in the preamble and be in a position to get the assured returns / amount while the developer will be in a position to design and built quality dwelling units with no investment of land. The subject has been placed before the VUDA Board for necessary approvals.

VUDA Resolution No.184 dt. 10-1-2004

Resolved to approve the proposals of residential township with world-class amenities at Rushikonda layout.


CHAIRMAN.
VUDA