

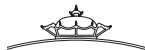
An aerial, high-angle view of a city at night. The city is densely packed with buildings of various heights and styles, interspersed with green trees. A major highway or expressway runs diagonally across the lower half of the image, with long, bright light trails from vehicles indicating traffic flow. The overall lighting is a mix of the cool blues and purples of night city lights and the warm yellows and oranges of the traffic light trails.

# 07

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## *Economic Development Strategy*





Chapter 07  
**ECONOMIC  
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Introduction

Aims and Objectives

The Approach

## 7.1. Introduction

Spatial planning is explained as one of the vital tools in achieving economic development of a city or country. Mainly the interaction between spatial patterns and dynamics of economic activities are taken into consideration in the preparation stage of Development Plans. The Capital City Development Plan has identified the need of an Economic Development Strategy for the planning area during its problem and potential identification stage. In reference to Volume I – Capital City Development Plan, it is identified that there are potential economic activities within the planning boundary.

### 7.1.1. Aims and Objectives

To address the above mentioned potential, the Capital City Development Plan has introduced an achievable strategic goals as below:

**Strategic Goal** — *“A place that prospers with smooth and efficient urban systems and smart urban facilities”*

**Objective** — *“To increase the efficiency of interaction of commercial activities by clustering economic space by 2030.”*

This Strategic Goal has created an economic supportive objective in view of the current concentration level of economic activities on real ground.

### 7.1.2. The Approach

In recent Years “**Cluster Strategic Intervention**” has become a popular economic development approach among Policy makers and economic practitioners. Therefore, the strategy shall perform as a guiding framework for such interventions. The strategy has identified clusters as a geographic Concentration of competing and collaborating firms that tend to active space base development.

The overall developments in the area shall elevate Kotte-Sri Jayawardenapura and its surrounding areas while adding value through cluster approach to create new clusters within the planning boundary to improve the overall business Space.

## 7.2. Scope of the Economic Development Strategy

- *The Scope of this economic development strategy covers an assessment of current issues, prospects, priorities and proposals for development of the main Nodes and Corridors.*
- *It Includes indirect employment generation, economic base, transportation and land use and other infrastructure improvement.*
- *All strategic projects, proposed in this Section of the Economic Strategies are expected to serve the Planning area within the time durations specified in Chapter 1 of the Development Plan. Situations beyond these time durations will have to be dealt with timely updating of the Development Plan.*
- *The Strategy contains implementation strategies.*

### Chapter 07 ECONOMIC DEVELOPMENT STRATEGY

#### Scope of the Economic Development Strategy

#### Identification of Main Economic Driving Clusters in Planning Boundary

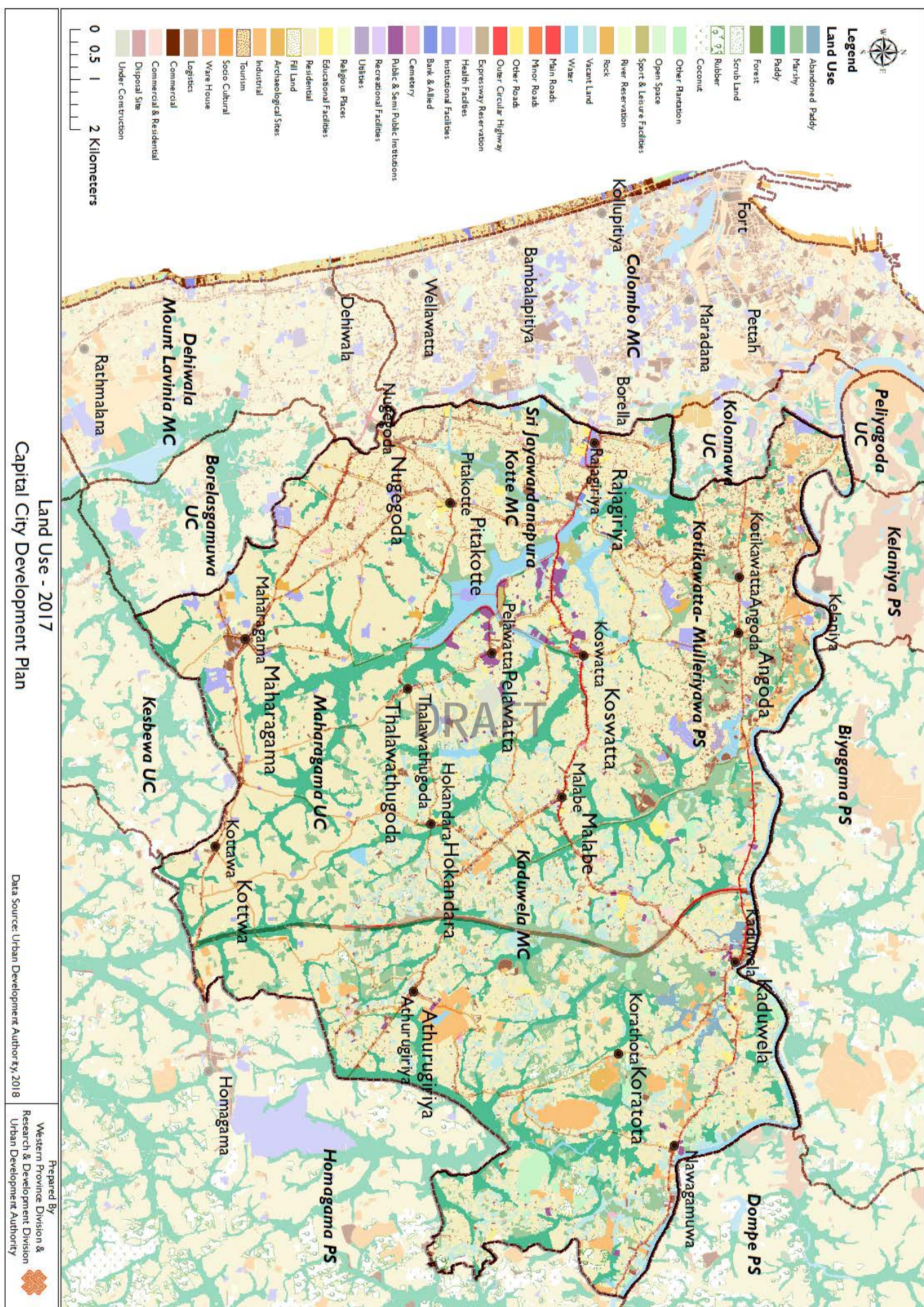
## 7.3. Identification of Main Economic Driving Clusters in Planning Boundary

The land extent of the capital city is approximately 165 Sq.km. It consists of a large administrative and commercial space in the Western Province. It further possesses active

Industrial and agriculture space. The Land Use Map of Capital City Area – 2017 indicates the geographical variations of the planning boundary. Capital City Development Plan consists of four local authorities within a demarcated communal boundary. When economic drivers of these four local authorities are considered individually, key natural resources such as wetlands and water bodies are recognized with supportive retail activities, industrial warehouse and other prominent clusters.

As emphasized previously, geographical variations and formation of the urban setting in the Capital City provides significant opportunities for the city to evolve with existing natural and physical capacities. According to the resource profiles in the four local authorities, each local authority has identified its special economical features as below.





Map 7.1: Land Use Map Of Planning Area – 2017

Source: Western Province Division and Research & Development Division, UDA 2018



**Kotikawaththa Mulleriyawa PS** — Kotikawaththa is a fast developing administrative, commercial and residential area. It is known for its natural features. According to the given statistics summary, the total land is approximately 7% covered by wetland and water bodies.

The composition of the economic activities includes commercial and retail, institutional, industrial and agriculture activities. These Economic activities possess equal spatial cover (average 1% - 2%) in the Kotikawaththa Local Authority. However, the supreme influential activities are industrial warehouses, service suppliers, retail activities and agricultural activities. (Kolonnawa DSD, 2015)

**Mahragama UC** — The economy of the Maharagama Urban Council is primarily driven by industrial and commercial activities. According to Maharagama UC Resource Profile, apparel industry in wholesale and retail performs as a major economic force of the area. When the land use composition of the area is referred, the agriculture land share contains 13.38%, commercial and retail land share contains 9.6%, established institutional office space land contains 2%-3% and large, medium and small scale industrial land allocation is 1% -2%. (Resource Profile - Maharagama, 2015)

**Sri Jayawardhanapura Kotte MC** — The main economic drivers of the Sri Jayawardenapura Kotte MC Area are basically considered on two factors including the identification of land use composition of the area and economic activity functionality in the area. Accordingly, land use composition shares 8% for commercial space, 2% for administrative institutional space, 1% for industrial space and small portion for agricultural space. When commercial activeness of the area is considered, the main economic drivers are service providers including administrative and retail wholesale services, industrial sector services and agricultural sector services. (Resource Profile - Sri Jayawardhanapura Kotte, 2015)

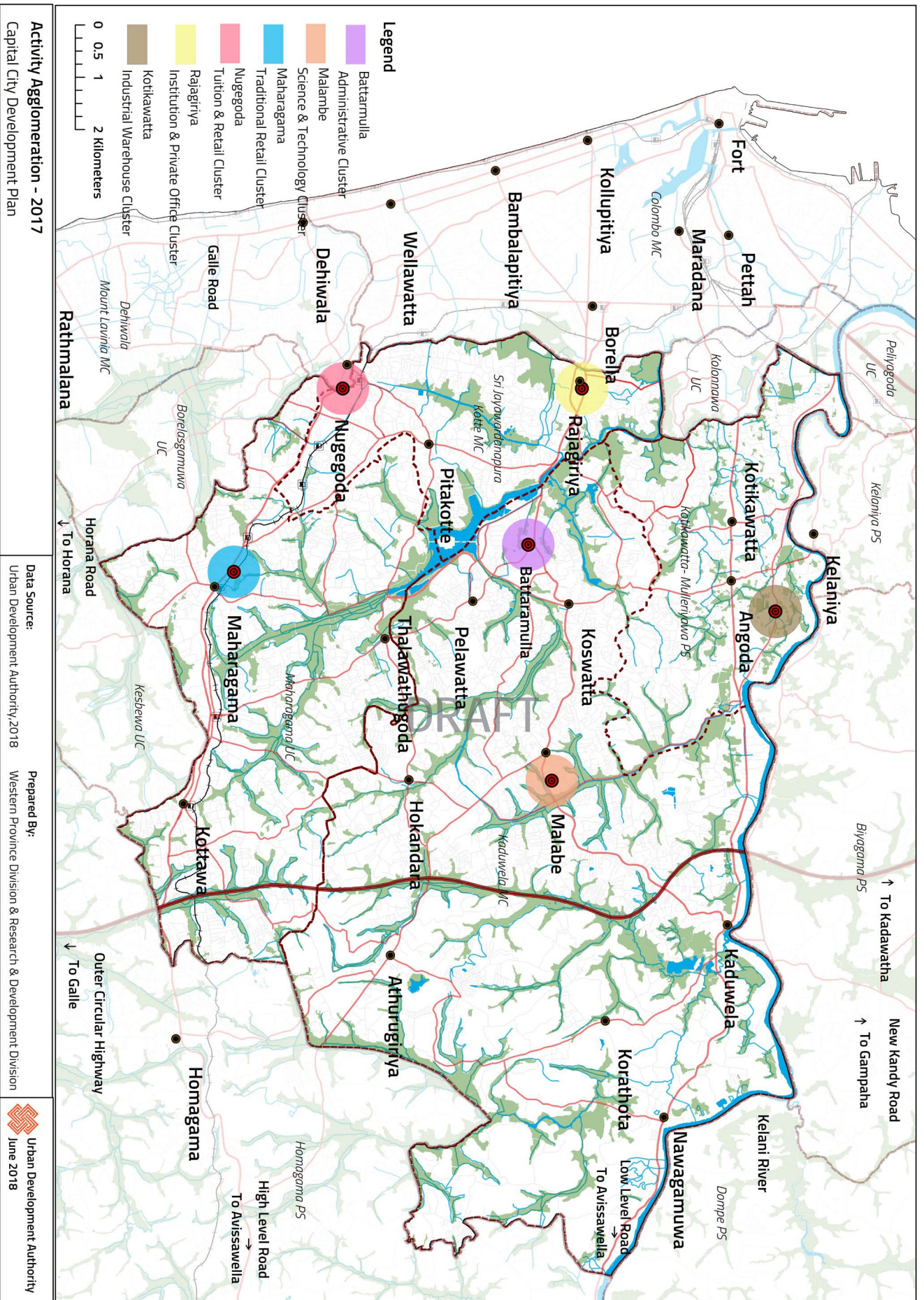
**Kaduwela MC** — Based on the detailed land use map of the region, it can be recognized that Kaduwela MC is covered with 8% of commercial space, 4% of administrative institutional space, 2% of industrial space and 3% of agricultural space. According to observations and other statistics, Kaduwela MC Area's economy is driven by commercial retail services, administrative office services, agriculture and mainly macro and micro scale industries.

## Chapter 07 ECONOMIC DEVELOPMENT STRATEGY

### Identification of Main Economic Driving Clusters in Planning Boundary

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**Map 7.2: Identified Economic Agglomeration Nodes In Planning Area**  
Source: Western Province Division and Research & Development Division, UDA 2018



A detailed assessment of the economic environment in Capital City Planning Area has highlighted urban nodes and corridors with certain characters. It further exhibits certain characters spread along the nodes and corridors of the Capital City and the economic positioning of various urban nodes in the Capital City. According to *Map 7.2*, economic dynamics of the capital region can be elaborated as follow:

These percentages show land share within the identified nodes from the total land use. (1.5km radius from the town center)

<i>Administrative Cluster</i>	21%
<i>Science &amp; Technology Institution Cluster</i>	6%
<i>Tuition &amp; Retail Cluster</i>	14%
<i>Traditional Wholesale Retail Cluster</i>	17%
<i>Institution &amp; Office cluster</i>	26%
<i>Industry &amp; warehouse Cluster</i>	25%

The findings of the analysis along with secondary data reveal the key economic growth drivers of the Capital City are primarily defined by the commercial retail and wholesale activities, agglomeration of administrative and office space investments, macro and micro scale industrial warehouse Investments in the area and significant investments in the science and technology education.

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## 7.4. Predictions on Economic Development

Diversified economic space expansion prediction in the Capital City according to The Business as Usual Scenario is depicted as below,

Zone	Resident space %	Commercial Space %	Office Space%	Industrial Space %	Other Space %
Executive Resident Zone	80	11	1	0.4	7
Administrative Zone	71	18	7	0.1	4
Commercial Zone	59	37	3	1	1
Office Zone	62	18	17	1	1
Knowledge Zone	59	29	5	1	7
Transition Zone	95	3	0.2	1	1
Industrial Belt	77	10	0	11	2
Industrial Zone	63	3	1	31	3
Residential Zone	83	5	0.7	9	3
Total Area	69	20	4	4	3

**Table 7.1:** Prosed Space distribution in year 2030

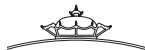
Source: Western Province Division and Research & Development Division, UDA 2018

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Identification of Main  
Economic Driving Clusters  
in Planning Boundary

Predictions on Economic  
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**Strategic Intervention for  
Economic Development  
Strategy**

**Major Strategic Economic  
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## 7.5. Strategic Intervention for Economic Development Strategy

The Economic Development Strategy is driven by ‘Profit enhancement through agglomeration’. It emphasizes the need of increasing the amenity value and promoting the strategic advantage of agglomeration based development. Accordingly, The Economic Strategy includes 4 strategic interventions which support the achievement of Strategic Goal 3. The purpose of The Economic Development Strategy is to provide planning and economic guide for the Capital City Development Plan. The strategic interventions can be explained as below:

1. *Strategic Intervention 1: Nodes and Commercial Corridors Development*
2. *Strategic Intervention 2: Economic Infrastructure Development*
3. *Strategic Intervention 3: Industrial Development*
4. *Strategic Intervention 4: Cluster Space Economy Promotion through Anchoring Projects*

## 7.6. Major Strategic Economic Development Projects

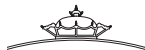
### **Strategy Intervention 1:** Nodes and Commercial Corridors Development

#### **Strategic Project 1: Commercial Node Classification**

A node is a point of intersection/connection within a network. In an environment where all devices are accessible through the network, these devices are all considered nodes. This commercial node classification is done using Node –Place Analysis. The concept of nodes works on several levels, but concisely defined, nodes are major centers. These guidelines and strategies may apply to properties fronting Arterial roads in nodes, as identified in the Node Place Analysis.







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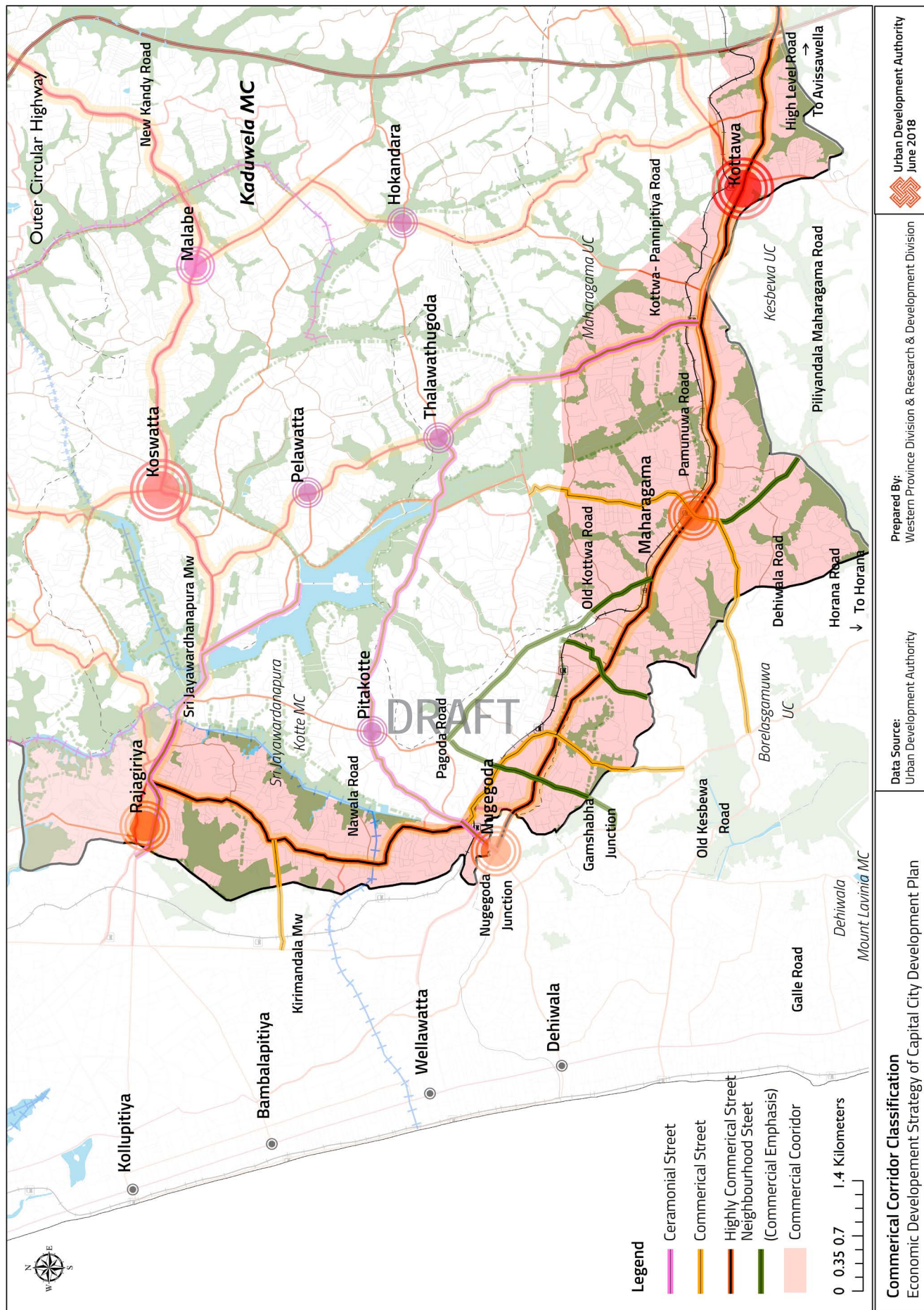
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**Strategic Project 2: Commercial Corridor Classification**

The purpose of the city wide Corridor and Node Development is to provide planning, economic and design guidelines and directions to the Corridors in Capital City. Corridors in the Capital City Development Plan are defined as areas of street oriented uses which incorporate a mix of retail, employment and residential uses, developed at overall greater densities, located along arterial roads serving as major transit routes by analyzing the integration levels of the roads with different economical activities composition. Corridors connect Nodes and other important areas of activity within the city which are intended to be key locations for residential intensification. The planning team has identified four types of street classification considering the integration level and existing use of the corridors for the Corridor Development Strategy in Capital City Development Plan. (Refer Annexures of classified roads under Commercial Corridors list.)

1. *High Commercial Street (Urban Functional Highways)*
  - *Mixed used buildings, with vertical density, ground floor live work / commercial spaces / continuous retail development*
  - *Create active street frontages – sideways activity & sidewalk cafes*
  - *Good public transportation (Different Modes)*
2. *Commercial Street (Arterial Roads, Wetland Roads)*
  - *Create active street frontages – Sideway Activity & Sidewalk Cafes*
  - *Wide tree lines with pavement paths.*
3. *Neighborhood Street (Sub Arterial Roads, Wetland Roads)*
  - *Tree lined boulevards and generous sidewalks to promote walking as the prominent mean of circulation*
4. *Convenience Street*
  - *All types of commercial activities located on this street*





**Map 7.4 Commercial Street Classification In Capital City**  
Source: Western Province Division and Research & Development Division, UDA 2018



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### Strategic Intervention 2: Economic Infrastructure Development

Infrastructure is the basic requirement of economic development. It does not directly produce goods and services but facilitates production in primary, secondary and tertiary economic activities by creating external economies. It is an accepted fact that, the level of economic development in any country directly depends on the development of infrastructure. Through the strategy, the planning team provides different infrastructure provisions emphasizing main physical infrastructure components.

This strategy refers to strategic Projects, which comes under the previous Development strategies of CCDDP. Following strategic interventions connects with other plans as emphasized below,

1. *Connected road network system*
2. *Alternative transport modes development*
3. *Multi model hub developments*
4. *Telecommunication & other infrastructure facilities*
5. *Optimum use of environmental features*
6. *IT education related Infrastructure facilities development*

### Strategy Intervention 3: Industrial Development

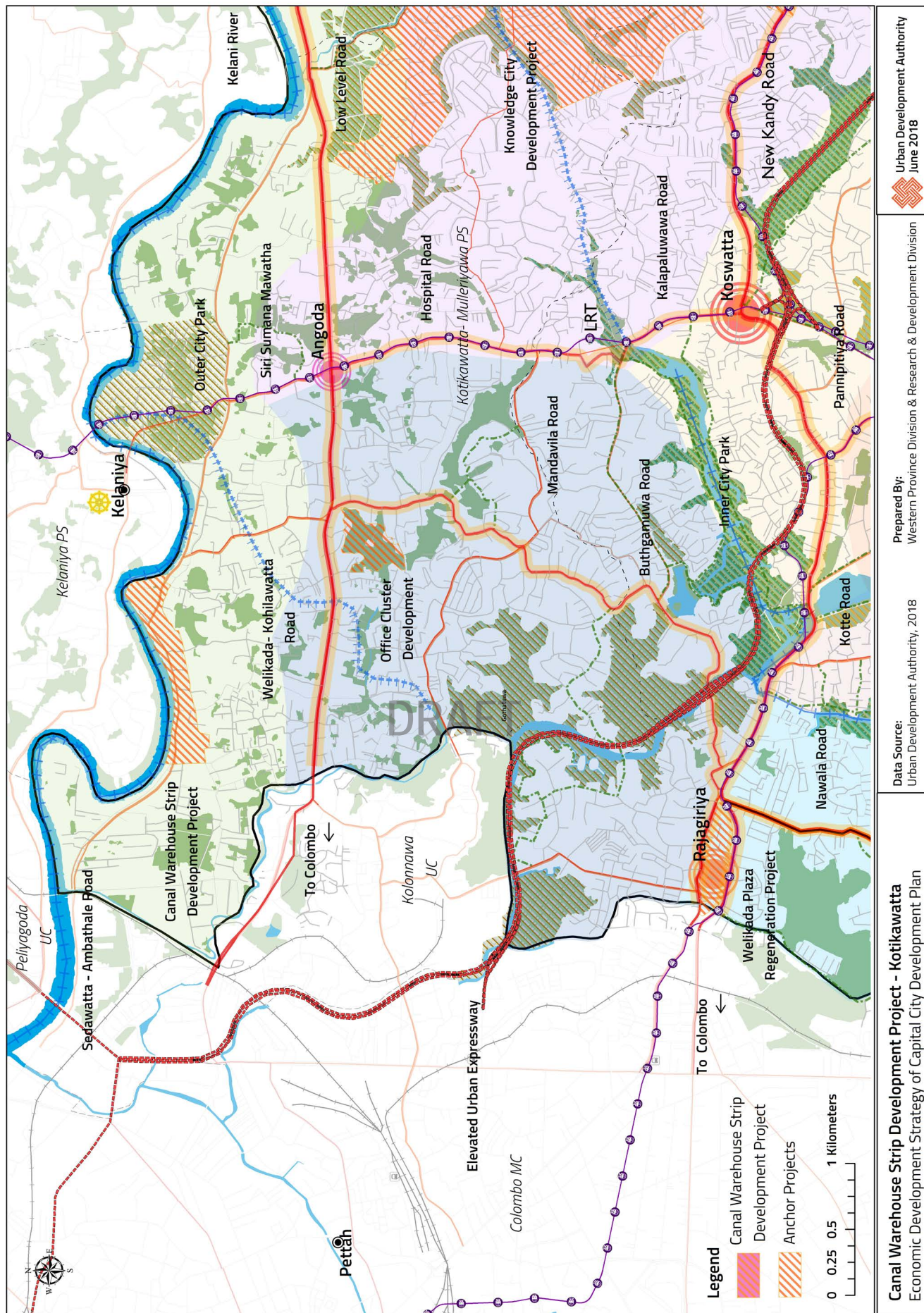
Requirement of the Industrial Development Strategic Intervention is to identify industrial spaces clearly on the capital city boundary. It demarcates special industrial zones and forms special regulations to promote and guide the industrial zones. Accordingly, Abathale and Sedawatte are promoted for warehouse industry purposes while Korathota Town Area is promoted for mixed industries. In particular, special guide regulations are provisioned to regulate the home based industries. Equivalently, anchor projects are introduced to make an efficient industrial cluster within the planning boundary.

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Outer Ring – River base Warehouse Strip Development Project  SIII-E-9	Sedawaththa Ambathale Corridor Strip (1.5km)	Regenerate the existing warehouse industry spread along the area and enhance scenic beauty of the Kelani River with the continuation of the project initiative 'Water Esplanade' proposed by CCDDP.	1,263,885 sq.ft

**Table 7.2:** Strategic Anchor Project 1

**Source:** Western Province Division and Research & Development Division, UDA 2018





Map 7.5: Anchor Project 1 - River Base Warehouse Development  
Source: Western Province Division and Research & Development Division, UDA 2018





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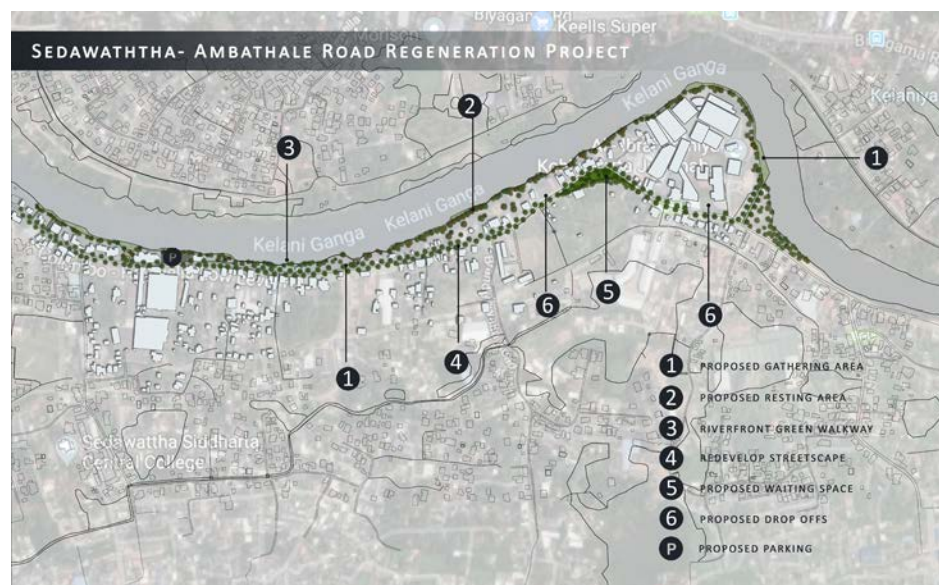


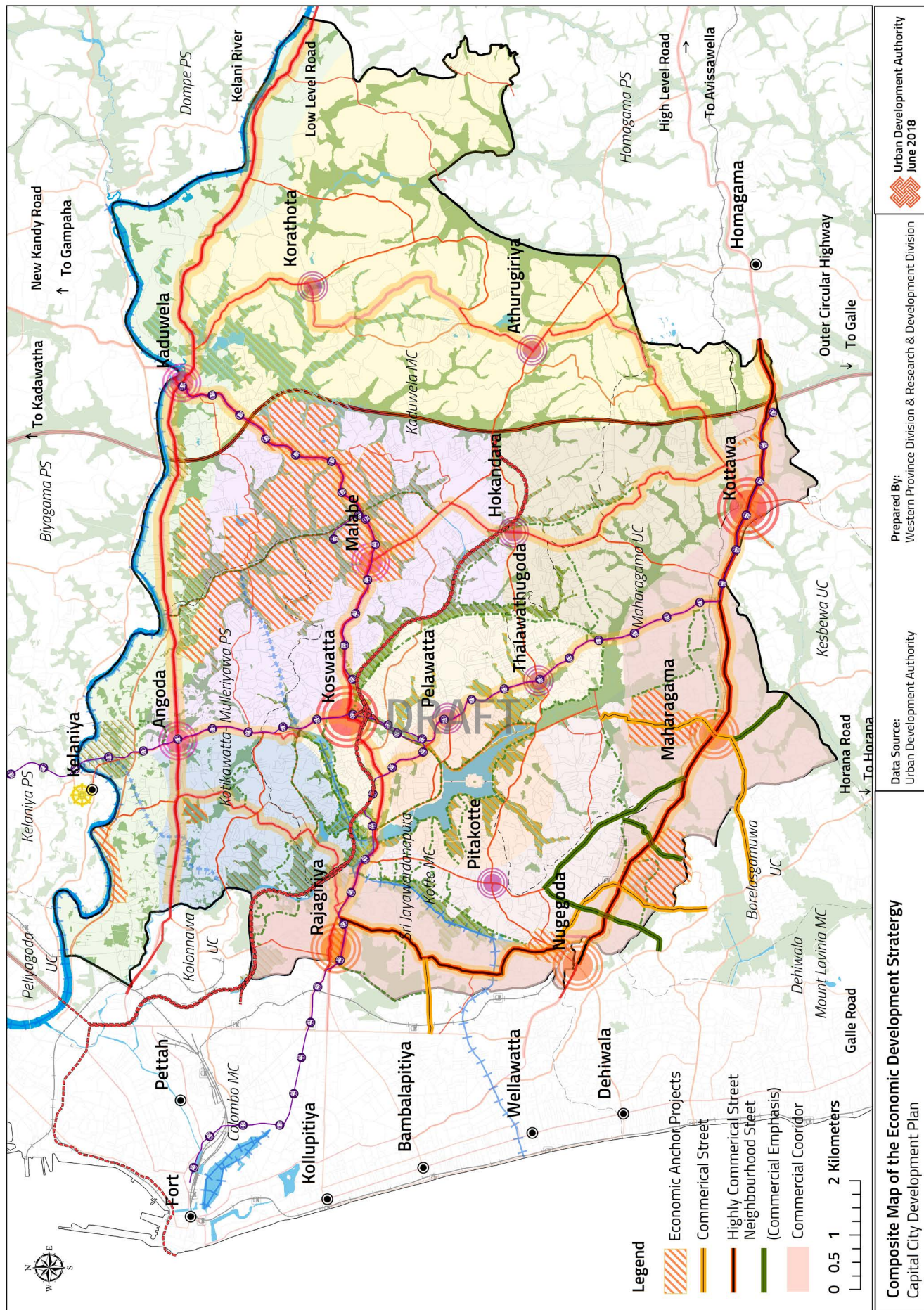
Figure 7.1: Anchor Project 1 River Base Warehouse Strip  
Source: Western Province Division and Research & Development Division, UDA 2018

### Strategic Anchor Project 1:

#### Strategic Intervention 4: Cluster Space Economy Promotion through Strategic Anchor Projects

The major economic growth drivers of economic development and the main economic clusters in the city have been analyzed to understand the pattern of economic development and clustering on techniques based on Suitability Analysis. Suitability Analysis was done using certain criteria to promote the recognized clusters and increase efficiency of interaction in commercial activities by clustering of economic space plan will allocate anchor projects, which will help to accelerate the existing cluster efficiency with the collaboration of other economic strategies with the infrastructure provision.





Map 7.6 COMPOSITE MAP OF ECONOMIC Development Strategy WITH IDENTIFIED ANCHOR PROJECTS  
Source: Western Province Division and Research & Development Division, UDA 2018





## Major Strategic Economic Development Projects

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Office Cluster Development SI-E-1	Kotikawaththa	Town Center Development Project including a majority of Office Space, Institution	Office & Institution Space = 440,000 sqft.  Retail Commercial Space = 190,000 sqft

**KOTIKAWATHTHA OFFICE SPACE DEVELOPMENT PROJECT**

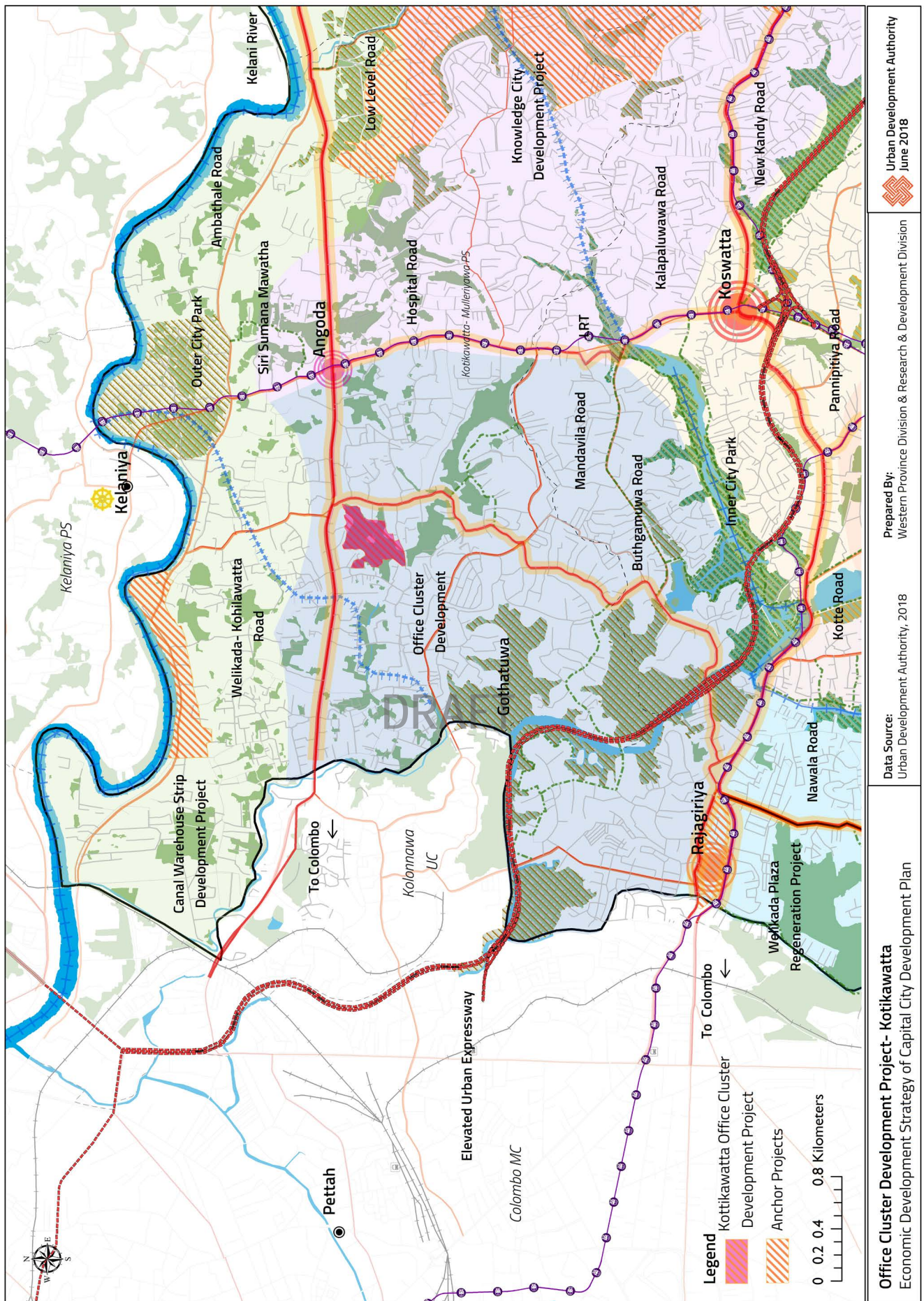
- ① PROPOSED COMMERCIAL ZONE
- ② PROPOSED MIXED DEVELOPMENT AREAS
- ③ PROPOSED OUTDOOR DINNING AREA
- ④ PROPOSED CHILDREN'S PARK
- ⑤ PROPOSED GATHERING AND WAITING SPACE
- ⑥ PROPOSED ADMINISTRATIVE AREA
- ⑦ PROPOSED MARKET AREA
- ⑧ PROPOSED LAKE AREA
- ⑨ PROPOSED JOGGING TRACK
- P PROPOSED PARKING AREAS

Landmarks and locations labeled on the map include: Ambatale Rd, Mahabudingamuwa, Kottakumbura, Sanasa Society, Pizza Hut, Kottakumbura, Kottakumbura Public Library, Vimalaramba Maha Viharaya, Sports Ground, Pravarada Groceries, and various roads like Galle Rd, Thero Rd, and Wimala Rd.



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**Map 7.7: Map Of Anchor Project 2 Outer Ring Office Cluster Development Project**  
**Source:** Western Province Division and Research & Development Division, UDA 2018





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**Strategic Anchor Project 3:**  
**Outer Ring – Special Mixed Development Zone**

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Special Mixed Development Zone SI-E-3	Rajagiriya Community Node – Welikada plaza area	Welikada Plaza area regeneration for Mixed Development Activities.	Commercial & Retail Space Development = 800,000 sqft.  Residential Space = 200,000 sqft

**Table 7.4: Strategic Anchor Project 3**

Source: Western Province Division and Research & Development Division, UDA 2018



**Figure 7.3: ANCHOR PROJECT 3- OUTER RING SPECIAL MIX DEVELOPMENT Layout**

Source: Western Province Division and Research & Development Division, UDA 2018









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**Strategic Anchor Project 4:**  
Nugegoda Super Market Area Regeneration Project

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Nugegoda Super Market Area Regeneration Project SII-E-7	Nugegoda Super Market	Super Market area regeneration for Mixed Development Activities.	Office Space Development = 100,000 sqft.  Commercial & Retail Space Development= 120,000 sqft  Residential Space = 97,000 sqft

**Table 7.5:** Strategic Anchor Project 4

**Source:** Western Province Division and Research & Development Division, UDA 2018



**Figure 7.4:** Map Of Anchor Project 4- Nugegoda Super Market Area Regeneration Project

**Source:** Western Province Division and Research & Development Division, UDA 2018









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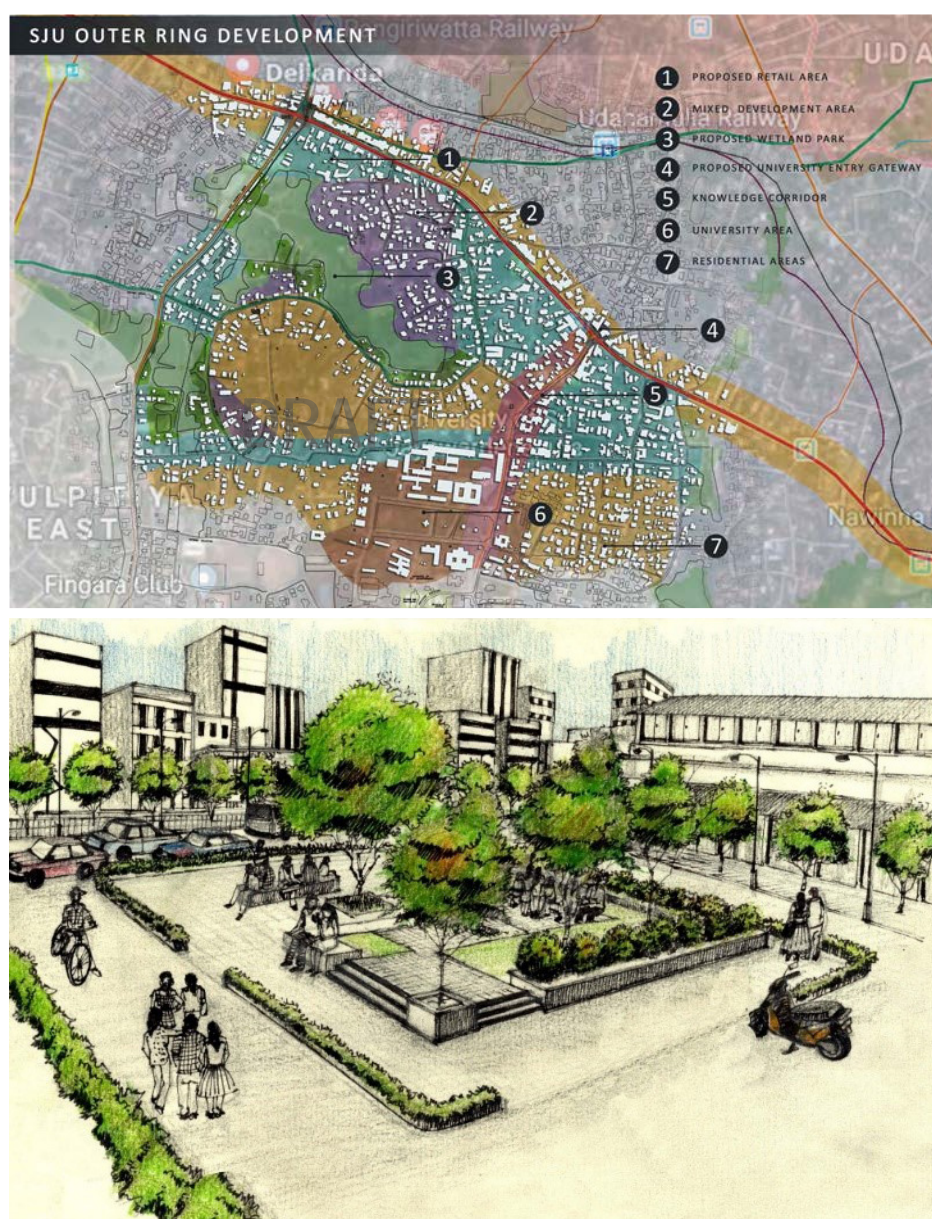
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**Strategic Anchor Project 5:**  
University District Development Project

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
University District Development Project SII -E-8	Sri Jawardenapura University buffer	Area revitalization project including 3 components, Commercial Revitalization, Accessibility Improvement and Design Framework	Commercial & Retail Space Development: 1,800,000

**Table 7.6:** Strategic Anchor Project 5

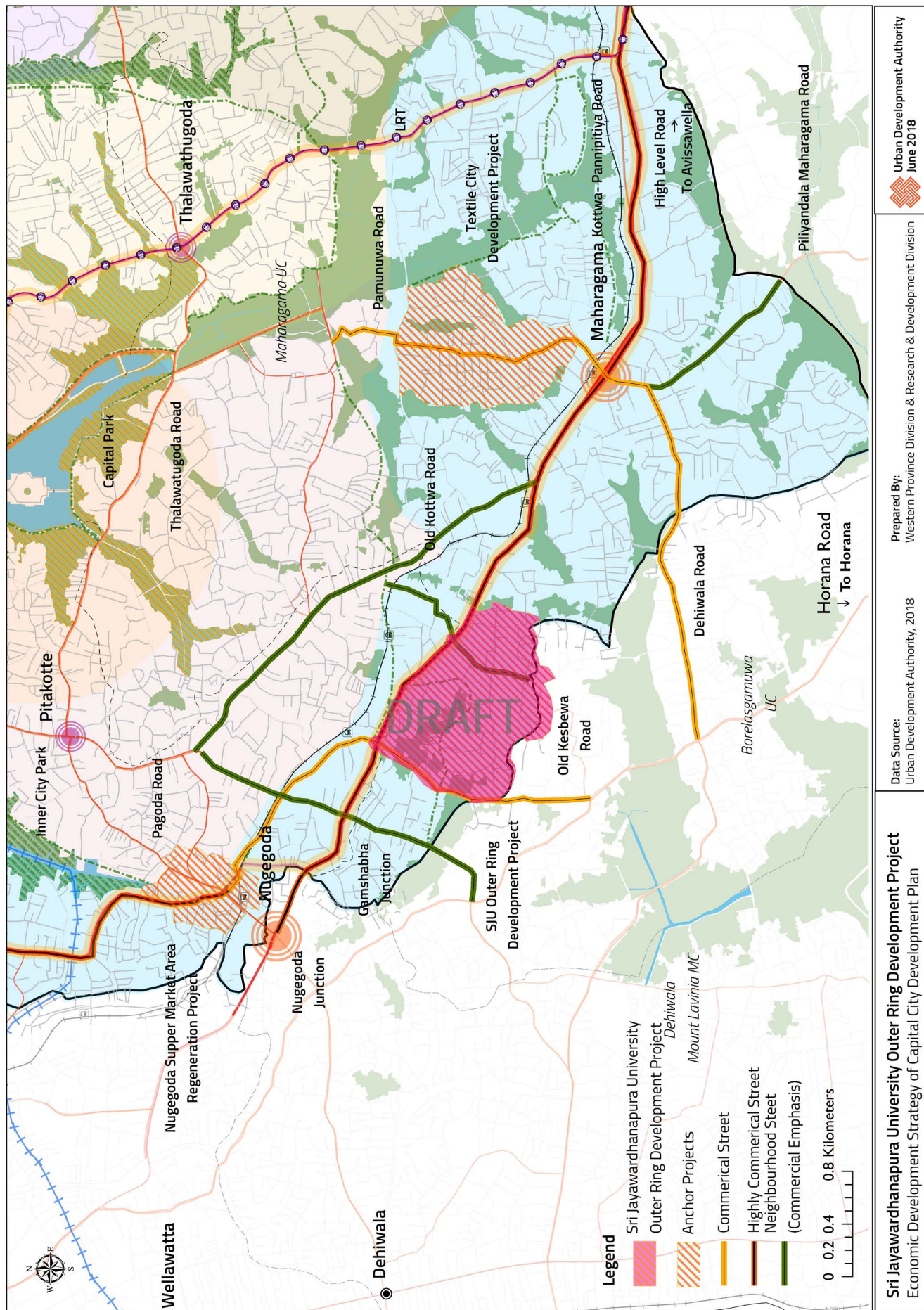
Source: Western Province Division and Research & Development Division, UDA 2018



**Figure 7.5:** Anchor Project 5- University District Development Layout

Source: Western Province Division and Research & Development Division, UDA 2018





**Map 7.10: MAP OF ANCHOR PROJECT 5-UNIVERSITY DISTRICT DEVELOPMENT PROJECT**  
Source: Western Province Division and Research & Development Division, UDA 2018





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**Strategic Anchor Project 6:**  
**Textile Park Development**

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Textile Park Development SI-E-2  (Project by Western Province Division - UDA)	Pamunuwa, Mahragama	Facilitate area for wholesale and retail development	Commercial & Retail Space Development: 2000  Other Service area Development (Sq. ft) : 2000

**Table 7.7: Strategic Anchor Project 6**

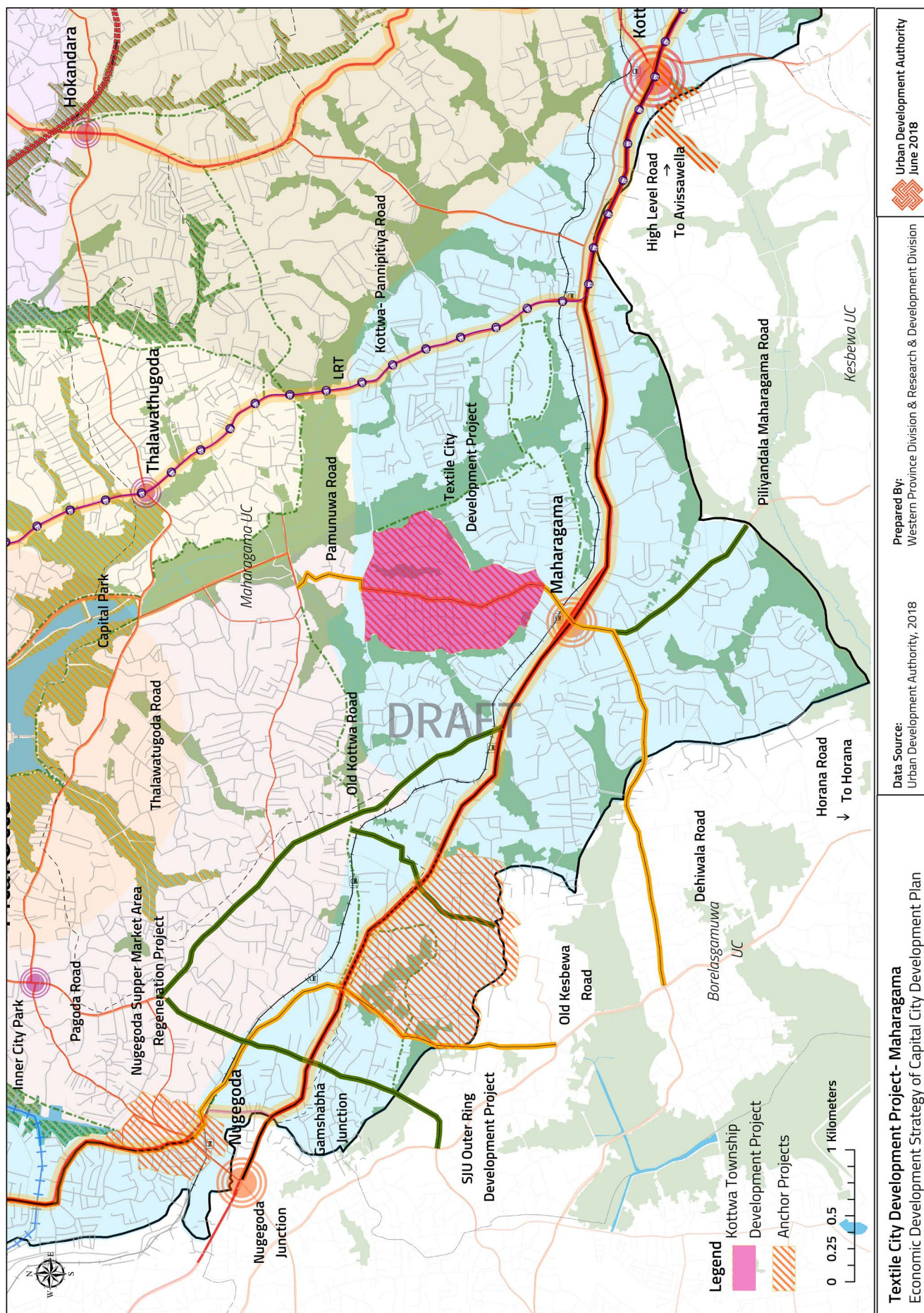
Source: Western Province Division and Research & Development Division, UDA 2018



**Figure 7.6: Anchor Project 6- Pamunuwa Textile Park Development Layout**

Source: Western Province Division and Research & Development Division, UDA 2018





Map 7.11: Map Of Anchor Project 6 - Pamunuwa Textile Parke Development  
Source: Western Province Division and Research & Development Division, UDA 2018



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**Strategic Anchor Project 7:**  
**Knowledge City Development Project**

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Knowledge City Development Project  SIII-E-10  Project incorporated from Megapolice Development Plan	Malabe	Make Provisions to develop as an Information Technology and Higher Educational Hub	Commercial & Retail Space Development: 1,900,000 (foot Print)  School & Higher Educational Space & Residential Space

**Table 7.8:** Strategic Anchor Project 7

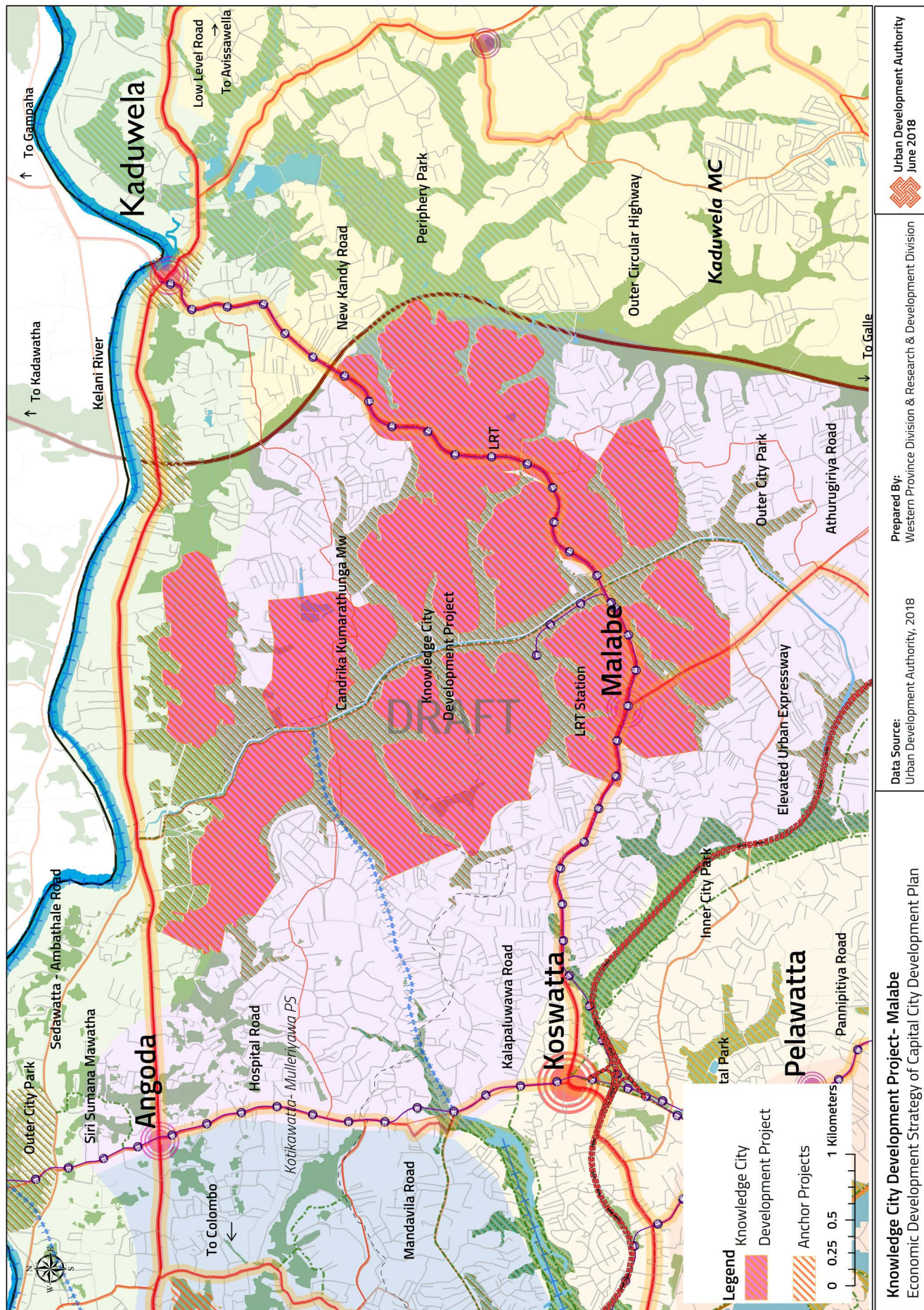
**Source:** Western Province Division and Research & Development Division, UDA 2018



**Figure 7.7:** Expected Image Of Anchor Project 7 - Knowledge City

**Source:** Western Province Division and Research & Development Division, UDA 2018





Map 7.12: Map Of Anchor Project 7 - Knowledge City Development Project  
Source: Western Province Division and Research & Development Division, UDA 2018





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**Strategic Anchor Project 8:**  
**Kottawa Township Development Project**

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Township Development Project  SII-E-4  SII-E-5 Project from Western Province, UDA)	Kottawa Town center,  Mahragama Town center	Mixed development including Bus Stand Relocation Project with commercial and residential space development.	Space calculation includes in Makubura Development Project

**Table 7.9:** Strategic Anchor Project 8

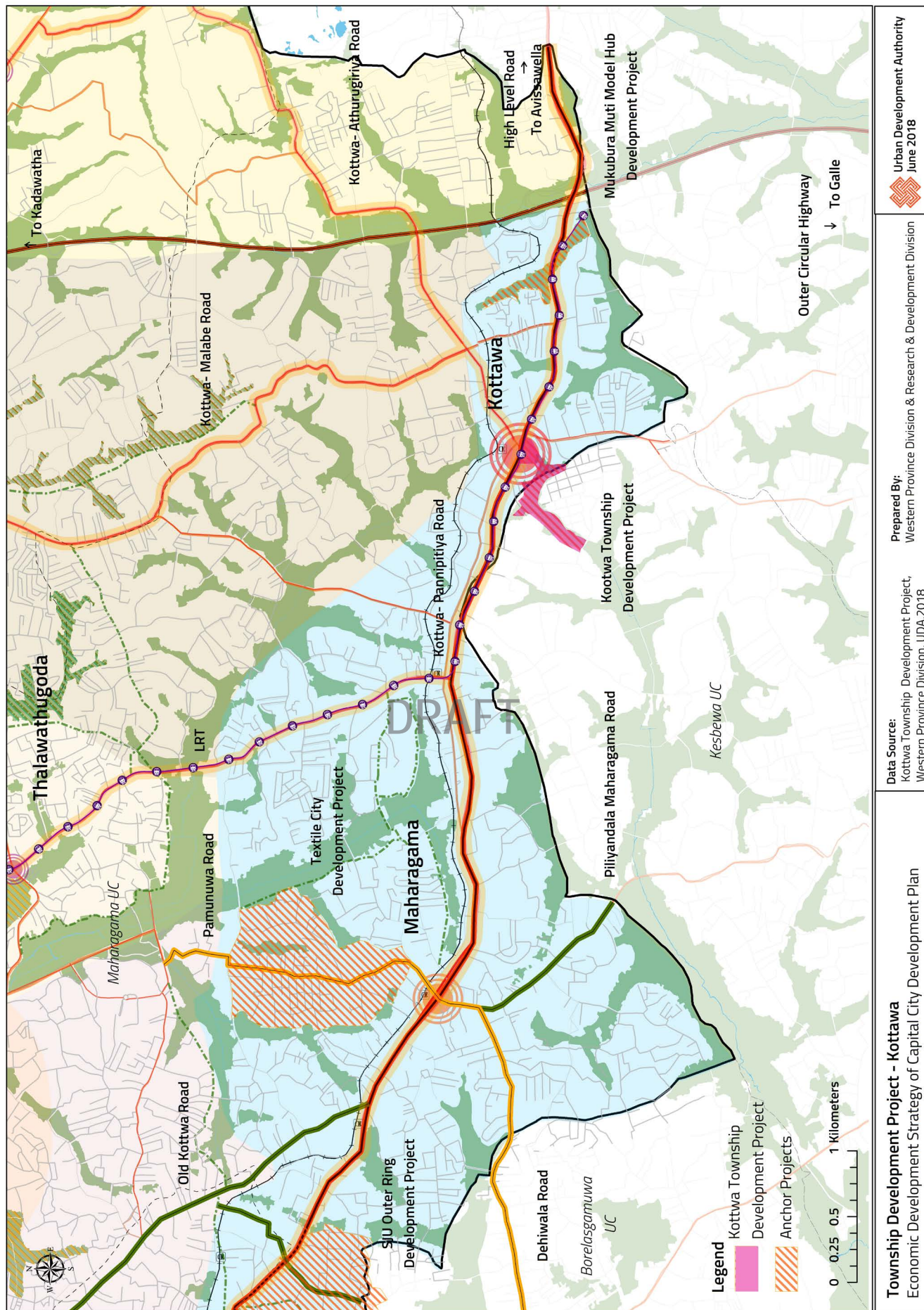
**Source:** Western Province Division and Research & Development Division, UDA 2018



**Figure 7.8:** Anchor Project 8 - Kottawa Township Development Project Layout

**Source:** Western Province Division and Research & Development Division, UDA 2018





Map 7.13: Map Of Anchor Project 8 - Knowledge City Development Project  
Source: Western Province Division and Research & Development Division, UDA 2018





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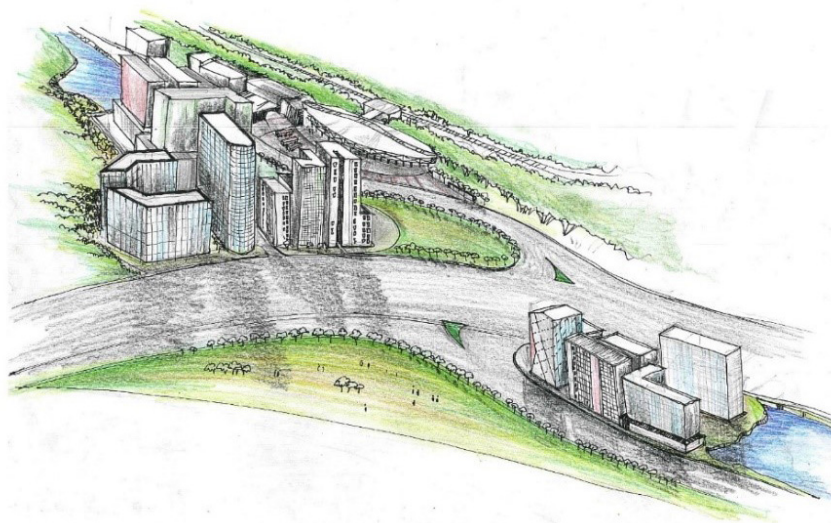
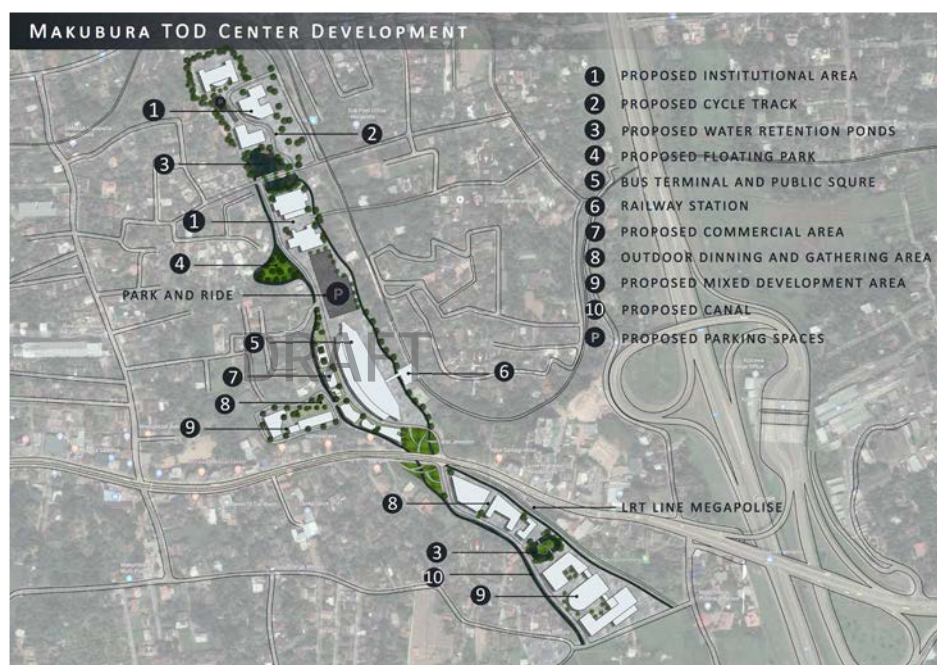
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**Strategic Anchor Project 9:  
Makubura Transit Orient Development**

Name of the Anchor Project & Project Code	Location	Type of Development	Expected Land Extent (Foot Print)
Transition Orient Development SI-T-2	Makubura, Kottawa	Introduce different transport modes with Mixed Development Activities	Office Space Development (Sq. ft): 200,000 Commercial & Retail Space Development (Sq.ft): 800,000 Residential Space Development (Sq.ft): 200,000 (Foot Print)

**Table 7.10:** Strategic Anchor Project 9

**Source:** Western Province Division and Research & Development Division, UDA 2018



**Figure 7.9:** Anchor Project 9 - Makubura TOD Development Layout

**Source:** Western Province Division and Research & Development Division, UDA 2018









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Impacts of Strategic  
Economic Development  
Projects

## 7.7. Impacts of Strategic Economic Development Projects

The economic performance impact of above mentioned anchor projects were carried out based on two criteria;

1. *Additionally, added commercial space through the anchor projects (This space does not denote in the space added via business as usual method)*
2. *Additional Employment generation through the government intervention.*

Total added Spaces via Anchor Projects	Total Added Space	Total Gross employment generation
Total Added Commercial & Retail sqft	27 million	50,160 (20%)
Total Added Institution sqft	4.2 million	3,901 (10%)
Total Added Private Office sqft	1 million	1,548 (50%)
Total Regenerate Industry Warehouse sqft	1.2 million	445 (20%)
Total Added Residential Sqft	1.3 million	

Table 7.11: Added Space for Capital City through Anchor Projects

Source: Western Province Division and Research & Development Division, UDA 2018

- *Total Direct Gross Employment Generation through the anchor projects = 56,054*
- *Total labour force participation = 36.24% (2016)*
- *Natural Growth Rate L.F.P = 44.6% (2030)*
- *Total labour force participation expansion = 50.86% (2030) (Planning Area)*