



## Magarpatta: building a city with rural-urban partnership

**Ranesh Nair** Posted online: Wed May 26 2010, 03:53 hrs

Magarpatta is a shining example of how urban areas can expand to accommodate the needs of urbanisation without hurting the interests of rural landowners through forced or unfair acquisition. Magarpatta is a 430 acre area located in the outskirts of the city of Pune, which itself is spread over an area of 60,000 acres. It has been part of the Pune Municipal Corporation since 1960, even though it was in the agricultural zone. Magarpatta has been developed over the past 10 years within the Pune metropolitan region as a modern sustainable urban habitat by the original inhabitants who were farming their ancestral land in that area. Today, with its emphasis on environment-friendly development, high quality of urban services, excellent modern facilities for education and health, and state-of-the-art working conditions, this city is home to over 35,000 residents and a working population of 65,000.

The Magar clan, a community of 120 farmers in the outskirts of Pune, owned agricultural lands that had fragmented through the years. In the 1990s, they saw a surge in activity in the vicinity of their landholdings as the pressure of urbanisation led to widespread construction in the suburban areas of Pune. Building Magarpatta city on their agricultural lands with a view to sharing the gains in the appreciation of land value was the farmers' answer to the challenges posed by these developments.

A crucial decision of the Magar community was to organise themselves to set up the Magarpatta Township Development and Construction Company, which prepared a city plan for Magarpatta. Preparation of such a plan is a precondition for obtaining permission for change of land use, something which is otherwise done by developers after they acquire land from agriculturists. The Magar farmers pooled their land with each landowner becoming a shareholder in the company in proportion to the value of his/her land in the total. The land cost was determined as a percentage of sale proceeds as and when accrued. The master plan of the proposed township was submitted to the Pune Municipal Corporation and the government of Maharashtra in 1993, and approvals obtained in 2000.

We drove around the city with Satish Magar, the energetic 50-year-old chairman of the development company who is from a landowning Magar family. The progressive outlook of his landowning family meant that he had the benefit of western urban education in school and followed it up with graduation from the agricultural college of Pune.

We were struck by the pollution-free and clean urban environment and impressed with the manner in which meticulous plans for the delivery of urban services were being executed. Almost 30 per cent of the area of the city has been reserved for greens, and the city is home to Aditi Gardens which is now the largest garden in Pune, covering 25 acres. The city is designed around the concept of walk to work, walk to shop, and walk to school, with

a view to making access a central feature and minimising the pressure on urban transportation.

Satish Magar pointed out that over 240 tonnes of garbage (household and commercial) is separated at source per month. About 170 tonnes of biodegradable waste is used for vermiculture and biocompost. A network of sewage treatment plants with capacity ranging from 0.25 to 3 million litres per day caters to the waste water treatment needs of the township. Rainwater harvesting is done through pipes under the pavements. Over 7,000 solar collectors are deployed to heat approximately 9 lakh litres of water every day, resulting in savings of 1.48 crore electricity units per year.

The City Council of Magarpatta has 105 elected representatives, of which 35 per cent are women. The council highlights the concerns of residents, but the decision-making rests with the development company. Mahesh Zagade, municipal commissioner, Pune was happy that the township imposes no burden on the corporation and rather contributes to the revenue by paying taxes and other charges levied by the Pune Municipal Corporation.

It is not surprising that the state of the art Cybercity Magarpatta IT Park has attracted global IT giants such as Accenture, John Deere, Aviva and Patni to the city. With 6 million square feet of IT space, the city has created direct employment for 60,000 professionals and indirect employment for another 20,000 persons. Magarpatta houses Pune's fastest growing business centre spread over an area of 85 acres, and a shopping and commercial complex spread over about 12 acres.

Satish Magar was very appreciative of the role played by B.G. Deshmukh, former chief secretary of Maharashtra and subsequently cabinet secretary and former private secretary to Prime Minister Rajiv Gandhi. Deshmukh was the guide and patron for this ambitious endeavour. What he did not point out and we learnt subsequently was the role played by Magar himself in organising the farmers of the area to understand and appreciate the opportunity. The Draft Development Plan, prepared in 1982, had showed Magarpatta as future urbanisable zone, which meant that the government could acquire the land at any time. After 1987, when the Magarpatta area was redesignated, Magar and a few others started the development company, and sought permission to develop the land. The result is what we see today.

The erstwhile farmers of Magarpatta have been full partners in growth. Money from the land was used only for asset creation, thereby creating a safety net for the next generation. All farmers agreed to use part of the value of their land to buy flats and shops in the township, thereby ensuring lease rentals for them — akin to proceeds from a crop after a harvesting season. All funding for the new business ventures came from banks. Over 250 entrepreneurs have emerged from the Magar community in non-agricultural ventures thanks to considerable guidance and training by the Magarpatta Development Company. These first generation entrepreneurs account for a gross annual turnover in the range of Rs 150-200 crore. Filmmaking/shooting as a revenue source generates around Rs 70-80 lakh per year for the company. The business strategy of the company has ensured that a farmer with one acre of land at the time of its formation, today earns a dividend of about Rs 15 to 16 lakh per year.

The social integration of the farming community with the residents of the township was carefully planned. Allocation of flats for the farmers was done such that they were located in different parts of the township. Today, it is difficult to differentiate the farmer community from other residents.

The Magarpatta Township Development and Construction Company is now spreading its wings and transitioning to a project execution company for similar projects outside of Magarpatta. They promoted the creation of Nanded city, a township of 700 acres, which is located at a distance of 17 kilometres from Magarpatta. The new company

is held 51 per cent by the Magarpatta Group and 49 per cent by the landowners of Nanded. They have adopted modern ways of living and also modern attitudes towards their women and girls.

Magarpatta city is listed by the Maharashtra Economic Development Council as being among the top 10 success stories of the state. The city won the first prize in the Maharashtra IT Awards in the IT Infrastructure category in 2004. The concept also won accolades in the 2008 Sydney World Congress of Metropolis.

We need many more Magarpattas if we are to provide for the urbanisation that rapid economic growth will bring. We hope that the lead given by this remarkable endeavour will be followed by many others.

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*Views are personal.*

*This is the 5th in a monthly series on urban infrastructure issues*