

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局

香港花園道美利大廈



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6 April 2005

Miss Odelia LEUNG  
Clerk to Subcommittee  
Legislative Council Secretariat  
Legislative Council Building  
8 Jackson Road  
Central, Hong Kong

Dear Miss LEUNG,

### **Subcommittee on West Kowloon Cultural District Development**

I refer to your letter of 23 March 2005, the Appendix of which sets out the information on the development of the West Kowloon Cultural District (WKCD) requested by the Subcommittee on WKCD Development at its 4<sup>th</sup> meeting.

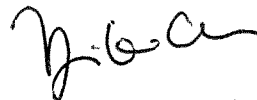
2. As mentioned in paragraphs 64 and 65 of the Annex to Paper No.WKCD-103 (issued via LC Paper No.CB (1) 1090/04-05 on 12 March 2005) on "West Kowloon Cultural District and Public Private Partnerships", the WKCD development process has been carefully crafted to suit the specific circumstances of this unique, large-scale and complex project. Maximum flexibility has been built in for the present stage of the IFP process so as to encourage innovation by the private sector and allow the Government to shape the WKCD in light of assessment findings and public views. Without prescribing all the relevant development parameters at this stage, such as plot ratios and development mix, detailed specifications for the core arts and cultural facilities as well as their services to be provided, it is not possible for us to

provide any meaningful estimates on land sales proceeds or the capital and recurrent expenditure of the arts and cultural facilities under the conventional procurement approach.

3. Nevertheless, as stated in paragraph 8 of the Annex to Paper No.WKCD-103, the Government continues to endeavour to achieve good value for money. We took into consideration various studies before the launch of the IFP. We devised the IFP requirements and the assessment criteria in accordance with our policy objectives for developing the WKCD. We will put in place optimal risk allocation arrangements; maintain a fair, open and competitive bidding process; negotiate with the proponent(s) for the best possible deal; and continue to monitor the private sector's delivery of services.

4. At a later stage of the IFP process when the preferred proponent has prepared a masterplan with detailed development parameters, we shall be in a position to prepare the estimates in question. As undertaken by the Chief Secretary for Administration earlier, we shall arrange for the full disclosure of all the financial information, subject to the Government's negotiation position not being compromised. The information would include, after obtaining the proponents' consent, all financial proposals submitted by screened-in proponents on 19 June 2004, and subsequent revisions if any, as well as the final financial package of the selected proposal. The information will also include the estimates requested by the Subcommittee.

Yours sincerely,



( Arsene YIU )  
for Secretary for Housing, Planning and Lands