

**For information
on 20 November 2006**

FMAG/10/2006

**Consultative Committee on the
Core Arts and Cultural Facilities of the
West Kowloon Cultural District**

Financial Matters Advisory Group

**Preliminary Costs/Revenues Estimate of the Core Arts and
Cultural Facilities under Private Sector Involvement Scenarios**

Purpose

This paper reports on the progress of the preparation of estimated costs and revenues of the proposed arts and cultural facilities in the West Kowloon Cultural District (WKCD) under Private Sector Involvement (PSI) scenarios.

Preliminary Costs and Revenues Estimate

2. Based on the discussion on the PSI scenarios at the 3rd FMAG meeting held on 27 October 2006, the Financial Advisor (FA) has prepared a preliminary estimate of the costs and revenues of the proposed Core Arts and Cultural Facilities (CACF) under the PSI scenarios, using the same development parameters and key assumptions adopted for the preparation of the Public Sector Comparator (PSC). At this stage, the estimated costs and

revenues are presented in non-risk adjusted nominal base costs at 2006 prices. The FA will further analyse the financial implications of the proposed CACF over an assumed projection period as in the case of the PSC. The FA will present the preliminary costs and revenues estimate at the meeting.

Advice Sought

3. Members are requested to note and comment on the FA's preliminary costs and revenues estimate.

**Financial Matters Advisory Group Secretariat
November 2006**