

Compromise needed on West Kowloon

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The development of iconic arts projects often involves controversy, delay and amendments to carefully laid plans. The Sydney Opera House, for example, was completed only after its Danish designer quit rather than accept changes, and local architects took over.

Controversy has certainly dogged the West Kowloon Cultural District project. Two months ago, the government dropped the single-developer concept in response to public pressure. But this was not enough to pacify the Legislative Council, which has rejected the modified approach. Now, it seems, two of the three shortlisted bidders are demanding further changes – and may pull out if their wishes are not granted. There is a danger that this important project may not get off the ground. The government and legislature will have to resolve their differences if the project is not to go back to square one. **The administration and the bidders have compelling reasons to work things out, so that six years of planning does not go to waste.**

Initially, a single developer was to build and operate a cluster of arts and entertainment facilities for 30 years before handing them to the government, in return for development rights for a prime waterfront site valued at tens of billions of dollars. This financially free-standing, land-for-arts deal sparked allegations of improper transfer of benefits to the successful bidder, without legislative scrutiny. **The arts community was upset that a property developer would get to determine the project's cultural content.**

In dropping the single-developer approach and **deciding to set up a statutory authority to manage the cultural facilities**, the government made a significant revision of the way the project is to be funded and built. The winning bidder is to develop only 65 per cent of the 40-hectare area – with the rest to be auctioned – and pay \$30 billion into a trust to fund the running of the project. At the same time, the government also capped the residential and commercial elements.

The new conditions try to ensure the cultural district will still be designed and built as an integrated project. They do not satisfy those, including lawmakers, who feel that the whole project should be built and managed by a public authority. But that would have meant further delays for a project that has clear public support. **The proposed public-private partnership is still the best way to proceed.**

However, two bidders are now said to want proceeds of the land auction to be used to subsidise construction of cultural venues, the proposed giant canopy and an automatic people-mover; the \$30 billion to be reduced to a lower figure and the winner to be allowed to bid in the land auctions. These demands are a reminder of concerns that have been raised already. **These include whether the trust fund idea can really be sustainable and critics' fears that the cost of building and maintaining the giant canopy will be crippling.**

The government's difficulties arise from suspicions that the arts hub is really another commercial property project. It was right to make changes, even if they have not been sufficient to dispel such suspicions. But now the government is caught in the middle, between the Legislative Council and the developers. **It is not surprising that the bidders are seeking the most favourable conditions they can obtain.** They were, after all, invited to bid on the understanding that more attractive terms would be on offer.

However, under the new arrangements, bidding consortiums have to compete not just on their designs but also on their financial proposals. This still leaves the government some room for negotiation, while ensuring the details are settled fairly for all the stakeholders concerned.

Meanwhile, **the administration and Legco should work together to make the best possible appointments to the statutory authority, which should take part in choosing the winning bidder.** Such a compromise could help the vision of a regional cultural metropolis become a reality sooner rather than later.