

**Article Name:** Mr Lim Hng Kiang at the Press Conference on Integrated Resort at Marina Bay  
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**Lim Hng Kiang:** Now as you all are aware, in April this year, the government announced that we will have two integrated resorts, one at Marina Bay and the other at Sentosa. So since April, the various agencies led by the STB have been working very hard. They have put out the draft RFP or Request for Proposals. They've put it out to the various people who are interested. We have received feedback and we've been working through this feedback. So we have now finalised the RFP and we will launch the RFP for Marina Bay on the 15 Nov. And this exercise will close in towards the end of March next year. And then we will evaluate.

Now in working out the RFP, we have to strike a balance because the Marina Bay site is a very critical site in our city. So it must abide by very important planning and design parameters. At the same time, the IR is a very critical component of our tourism strategy so there are certain strategies or targets that we'd like the proposers to consider. Balanced with this of course we want to give as much flexibility to the proposers and as much creativity that they can bring to bear on the projects. So we have to strike this balance.

Afterwards, URA and STB will give you a briefing and then you'll understand this balance.

Now there's one item which I will like to elaborate and that is the land price for the Marina Bay RFP. We have decided to proceed on a fixed land price approach.

Why is this so? If I may take you back to why we embarked on the integrated resort in the first place, this is because we believe that the IR is a very important component of our tourism strategy. We want to double the tourist arrivals, we want to triple the tourism receipts and the IR is an important part of this strategy. So the IR must bring to Singapore significant economic benefits otherwise the government would not have embarked on the IR.

So when we put out the land, if it was a normal tender like what we do for, say, a tender for a hotel site, we believe these external economic benefits, these economic externalities are not completely captured in the land price and therefore the better approach is to have a fixed land price and let the proposers with the fixed land price have the certainty of what they have to pay for the land and then demonstrate through their proposals the best concept for Singapore. So what we are looking for is the best IR concept and not the highest land price because we believe that the benefit to Singapore lies not just in the high land price but in the total IR concept that these proposers can bring for Singapore.

So the analogy would be, say, petrochemical projects on Jurong Island. You know, we don't tender but because we are developing a cluster, we look for the right companies that fit into what we want to develop in the petrochemical cluster in Jurong Island and then the site is awarded to them on a fixed land price basis. So that's the same thinking for the Marina Bay site.

But at the same time, we must get a fair price for the land, so how do we go about it? To determine this fair value for the Marina Bay site, the government engaged a team of professional valuers comprising Knight Frank Singapore and CB Richard Ellis from Las Vegas. Together, these two companies have both the expertise and the experience on other international IRs, land sale transactions as well as local knowledge of Singapore property market.

In deriving the land price, the valuers looked at the possible business models of the eventual IR development including the potential revenue from the hotel, the retail, the gaming, the convention, the leisure and the entertainment facilities as well as the public attractions in the IR and the cost of developing and operating these facilities. They also considered other conditions such as the 30-year casino concession period, the 10-year exclusivity period of the casino licence and the area to be set aside for the development of a public attraction at the bayfront promontory.

So based on their professional judgment, the valuers have recommended S\$1.2 billion as a fair valuation of the Marina IR site. The government and the President have accepted this as the fair price.

So with the setting up of the parameters in the RFP such that we want to get the maximum creativity from the various proposers in developing the most compelling IR concept for Singapore, we are now set to launch this and we look forward to the exciting proposals for the IR at the Marina Bay.

Let me now ask Bow Tan to address you on the other aspects of the IR.

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