

**CM: Re-zoning PGCC site 'too risky and costly'**  
**Malaysiakini.com**  
**May 14, 2008**  
**Athi Veerangan**

The Penang government stands to suffer financially if it was to re-convert the Penang Turf Club-owned land - earmarked by the previous administration for the RM25 billion Penang Global City Centre (PGCC) project - back to its original 'recreational' status.  
MCPX

lim guan eng interview 290408 02"Since there could be a tricky court wrangle, the state government is not prepared to take the legal risk and incur huge losses financially as a consequence," Chief Minister Lim Guan Eng (left) told journalists at his office in Komtar today.

According to him, the zoning of the earmarked land can be reclassified under Section 11 of the Town and Country Planning Act 1976. However, if the landowner was dissatisfied with the re-zoning, he has the legal right under the Act to issue a 'notice of purchase' to compel the state government to buy the land.

Since the land was re-gazetted on June 28 last year under the Penang Structural Plan 2020 as a 'new development zone', the state government could be forced to buy the land at an exorbitant market price.

After the turf club land was re-zoned from its original 'recreation and open space' status, its value could have skyrocketed to much more than the RM488 million PGCC developer Abad Naluri Sdn Bhd had agreed to pay PTC for the 103.6 hectares site.

teng hock nan nam 040507Yesterday, former state executive councillor Dr Teng Hock Nan (right) had argued that the new state government could re-classify the plot of land if it does not agree with its present status.

In response, Lim said the onus was really on the previous administration to explain how this could be done without any serious legal and financial consequences.

Lim also could not resist taking a swipe at former chief minister Dr Koh Tsu Koon for his decision to re-classify the turf club land, which was originally a recreational site, after Abad Naluri came up with the PGCC proposal.

He said the state planning committee must agree to the project plan before the town and country planning department can classify or re-classify the zoning of a site.

Since Koh was the committee's previous chairperson, Lim said the former chief minister should explain why the PTC site was re-zoned.

"What was the public interest at stake that the state government needed to re-zone the land? At the same time, why was the prime minister invited to launch a project yet to be approved by the local municipality?" he asked.

The PTC land in Jalan Batu Gantong, Georgetown, which has been registered under a grade one grant, was re-gazetted as a new development zone last year - a move believed to be expedited for the PGCC project.

## **Koh should now come forward**

Under a deal between landowner PTC and developer Abad Naluri, the turf club was to be relocated to Batu Kawan in the mainland.

The PGCC, located in the heart of Georgetown, has been billed as the country's largest private sector development project. It is also the single-biggest component of the Northern Corridor Economic Region development plan, launched last August.

Mirroring the Kuala Lumpur City Centre, the PGCC boasts of two five-star hotels, a performing arts centre, retail complex, two office towers, residential properties, world-class convention centre, observatory tower, parking space, monorail transportation and public arena.

penang global city centre 170907 buildingsThe PGCC project was controversial because Abad Naluri is an associate company of Equine Capital Bhd controlled by businessman Patrick Lim, who is known to be a close friend of PM Abdullah Ahmad Badawi. Equine Capital holds 25 percent of Abad Naluri.

Since it is a private land, and with the project plan yet to be approved and the state government unwilling re-zone it, it is now up to Abad Naluri and PTC to decide on the type of 'new development' it intend to carry out.

"The present state government is open to any proposed development so long it serves public interests," said Lim.

Brushing aside Teng's personal attacks against him, Lim advised the former exco to stay aside and let his ex-boss, Koh, clarify the issues at stake.

"And he needs to do it as soon as possible," said Lim.

Teng had earlier lambasted Lim for being either "naive or playing politics" on the PGCC issue.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
Source : <http://www.malaysiakini.com/news//82874>