

BN raps council for 'lopsided' deal
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By Phuah Ken Lin

How can MPPP allow this agreement to go through? They have just signed away hundreds of millions of ringgit to a developer. The clauses protect the developer and we are considering taking legal action against MPPP. — Datuk Teng Hock Nan State Barisan Nasional working committee chairman

GEORGE TOWN: The state Barisan Nasional has taken the Penang Island Municipal Council (MPPP) to task for approving the controversial RM250 million subterranean Penang International Convention and Exhibition (sPICE) Centre project in Relau here.

Its working committee chairman, Datuk Dr Teng Hock Nan, said yesterday there were many loopholes in the terms included by MPPP.

"The terms are very lopsided and very clearly in favour of the developer.

"By approving the project, the MPPP is now seen to be putting the developer's interest above the public at the expense of the rate payers, with the latter gaining an estimated windfall of about RM500 million."

Dr Teng said the BN legal team tasked to scrutinise the agreement discovered that the developer was granted a privilege to build an extra 1,500 housing units over the next 30 years, with an option for them to extend the period for another 30 years.

He said in the agreement, the developer would be given land by the MPPP to construct 450 units of low medium cost houses to be sold at a minimum price of RM72,500 within the next 20 years.

Dr Teng said MPPP had also agreed to set aside prime land worth about RM40 million to the developer for RM13 million for the construction of a five-star hotel.

"How can MPPP allow this agreement to go through?"

"They have just signed away hundreds of millions of ringgit to a developer.

"The clauses protect the developer and we are considering taking legal action against MPPP," Dr Teng said at the state BN headquarters in Bayan Baru here.

Dr Teng claimed that the developer was also exempted from paying any assessment and quit rent charges for the sPICE Centre project.

"The agreement is a rip-off of the assets and rights of Penangites for up to 60 years."

The proposed sPICE Centre will be built partially beneath the ground, featuring a basement car park and a green park on the roof top.

The agreement was signed on Aug 19 by MPPP and developer Eco Meridian, a wholly-owned subsidiary of SP Setia.

The project is expected to be completed by 2014.

The deal includes a 2.8ha public park, refurbishing, repairing and upgrading the Penang International Sports Arena (Pisa) and the Aquatic Centre as well as construction of a new hotel, retail outlets and a car park.

Meanwhile, state Town and Country Planning, Housing and Art committee chairman Wong Hon Wai said MPPP would gather public feedback about the project before making an announcement.

Wong said MPPP would announce the SPICE project after the concession agreement public viewing period had lapsed next month.

"The state executive councillors will hold a meeting to deliberate on the project based on MPPP's feedback," Wong said.

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