

BFC OPTION SCHEMES

1. The successful tenderer has a choice of 3 option schemes if he decides to purchase the BFC site in phases. The choice of the option scheme must be made within 28 days of award of the BFC site. The 3 option schemes are as follows :

Table 1: Option Schemes

Option Schemes	Option Period* (years)	Option Fees (%)
Scheme A	6	6
Scheme B	8	8
Scheme C	10	10

* Period from the date of award of BFC tender to the expiry of the option.

2. The option fees to be paid are computed as follows:

Option fees = option fee % x tender bid in \$psm GFA x GFA for subsequent phases.

3% of the option fee percentage paid can be used to offset part of the land premium for purchases of the subsequent phases.

3. To ensure a reasonable rate of progress in the development of the BFC site, the successful tenderer is required to purchase at least 50% of the maximum allowable GFA within half of the option period. If the developer fails to do so, the option will lapse and he will lose all rights to the subsequent phases and GFA.
4. The land price for the subsequent phases will vary with changes in the land price proxy at the date of exercise of the option. The formula for computing the land price is as follows:

Land Price

= tender bid in \$psm GFA x GFA for the phase purchased x (1+50% of the change in the land price proxy)

where, the land price proxy is the average of the commercial development charge rates in 7 sectors in the Downtown Core Planning Area as shown in Annex 3. The change in land price proxy is computed as follows:

Change in Land Price Proxy =

$$\frac{\text{Proxy on Date of Exercise of Option} - \text{Proxy on Tender Award Date}}{\text{Proxy on Tender Award Date}}$$