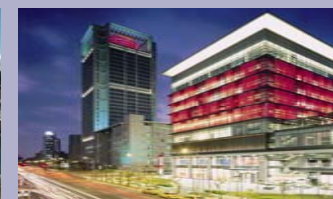


Urban Regeneration

International Conference on
Tender Invitation
Conference Guide

URBAN REGENERATION

Taiwan. R. O. C.



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1. PREFACE

The Executive Yuan enacted the “Urban Regeneration Acceleration Scheme” in 2006, which aims to promote government-led regeneration projects, setup one-stop service, provide relevant infrastructure subsidies and assist in existing construction demolition. The objectives of the scheme are to enhance urban infrastructure and the living environment as well as stimulate growth of the economy.

The Construction and Planning Agency, Ministry of Interior (CPAMI) has selected projects with the most business incentives and designated them for tender in an effort to attract private investment in urban regeneration, and thereby accelerate the national urban regeneration process.

(I) Goals and Objectives

Urban Regeneration is one of the most important policies of the national economy framework. In an effort to promote urban regeneration, the government has contributed considerable resources to accomplish the following goals:

(a) Create Sustainable Development

By renovating and reconstructing the substandard neighborhood, the city is expected to regain its energy and sustainability.

(b) Improve Living Quality

According to official statistics, as of 2000, over 840,000 residential buildings were older than 40 years, which implied that in certain areas, the need to reform the environment was inevitable. Thus, through urban regeneration, the living quality of city habitants is expected to improve significantly.

(c) Utilize Public Land

To further utilize public land, the CPAMI coordinated with the related public offices to release government-owned land that contains large under-developed area with the most business incentives for urban regeneration.

(d) Stimulate Economic Growth

Many countries in the world have adopted urban regeneration as the means to improve a city’s competitiveness. By issuing policy and business incentives, the government aims to attract private investment in urban regeneration, and therefore stimulate economic expansion.

(II) List of Urban Regeneration Projects

(currencies in NTD)

Project	Location	Tender Area (Ha.)	Estimated Investment (billion)	Mode	Estimated Announcement Date
The Southeast Side of Heping Island Waterfront Urban Regeneration Project	Keelung City	1.92	2.5	A1	02/2010
Star of Yilan Urban Regeneration Project	Yilan County	2.4	3.6	B	12/2009
Railway & Harbor-oriented Mixed-Use Project – The Keelung Railway Station & Wharf W2, W3	Keelung City	7.03	10.9	B	03/2010
Commercial Mixed-Use Project – Kaohsiung Lingang Railway Line Area	Kaohsiung City	1.82	6	B	05/2010
Midtown Residential Neighborhood Project – Taipei Municipal Zhongshan Girls High School South Area	Taipei City	0.93	6.5	A1	03/2010
Commercial & Residential Mixed-Use Project – Tinghsing Military Camp	Taipei City	1.08	4.6	A1	12/2010
Tainan Feiyuan Village Urban Regeneration Project	Tainan City	3.51	3.8	C	03/2010
Fengyuan Railway Station Area Urban Regeneration Project	Taichung County	1.98	5.7	A2	07/2010
Hsinchu Railway Station Area Urban Regeneration Project	Hsinchu City	5.73	16	A2	07/2010
Taichung City No.2 Sport Zone Area Urban Regeneration Project	Taichung City	10.56	12.3	A2	07/2010
Hualung 1st Village Urban Regeneration Project	Yilan County	2.67	1.7	A1	12/2010
Xindian RSEA's Factory Area Urban Regeneration Project	Taipei County	6.04	17.8	A2	12/2010
MRT Liuzhangli Station Area Urban Regeneration Project	Taipei City	0.70	4.1	A1	12/2010

NOTE: The above information might change with the official tender documents. Estimated investment equals to the project cost, royalty excluded.



2. INTRODUCTION ON FOREIGN INVESTMENT

Foreign investment in Taiwan is subject to the approval of Investment Commission, Ministry of Economic Affairs; investors shall organize a company in Taiwan in accordance with the Company Law..

- Investment Commission, Ministry of Economic Affairs Website:
<http://www.moeaic.gov.tw>

(I) Regulation

Foreign investment is primary regulated by the Statute for Investment by Foreign Nationals. R.O.C government has applied little restriction on foreign investment. According to the statistics published by the Department of Investment Services, MOEA, over 95% industries are opened to foreign investment; only the following industries are prohibited:

- (a) Those which may negatively affect national security, public order, good customs and practices, or national health; and**
- (b) Those which are prohibited by the law.**

Item	Content	Note
Investment	Require approval from the Investment Commission, MOEA.	Case review duration Invested capital less than NTD 500 million: approx. 2~4 days. Invested capital between NTD 500 ~ 1000 million: approx. 3~5 days. Invested capital more than NTD 1000 million: approx. 14~30 days.
Prohibited Industries	Negatively listed	In accordance with the <u>Negative List for Investment by Overseas Chinese and Foreign Nationals</u>
Company Shares	No restriction	
Land	Through creation of superficies or ownership acquisition.	
Tax Incentives	Preferential dividends withholding rate, inheritance tax relief (oversea Chinese only)	In accordance with the <u>Statute For Investment By Foreign Nationals and Statute For Investment By Overseas Chinese</u>

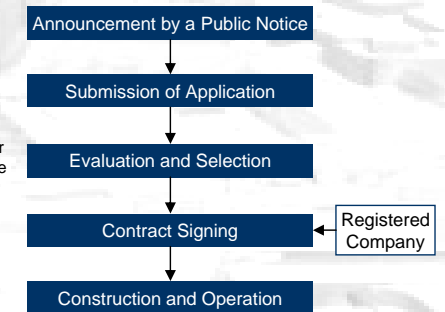
(II) Foreign investment procedure

Base on the official tender documents, foreign investors can participate in urban regeneration by organizing a special purpose entity (SPE), or through a registered company in Taiwan. In both cases, however, the investor needs to organize a company in accordance with the Company Law of Taiwan to be an eligible applicant.

(a) by organizing a special purpose entity (SPE)

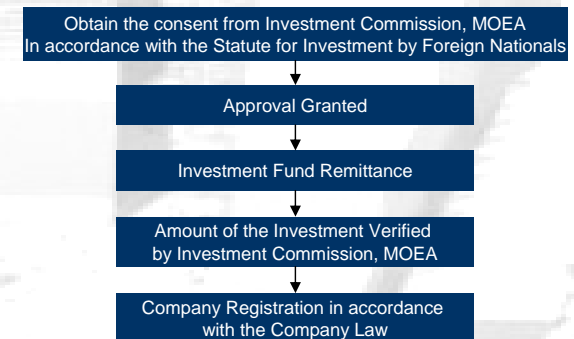


(b) through a registered company



See below for the Procedure to Organize a Company in Taiwan

(c) Procedure of foreign funds organizing a company in Taiwan



NOTE: above are simplified procedures; foreign investment shall follow the designated procedure in accordance with the Statute For Investment By Foreign Nationals and other applicable laws.



3. INVESTMENT PROCEDURE AND INCENTIVES

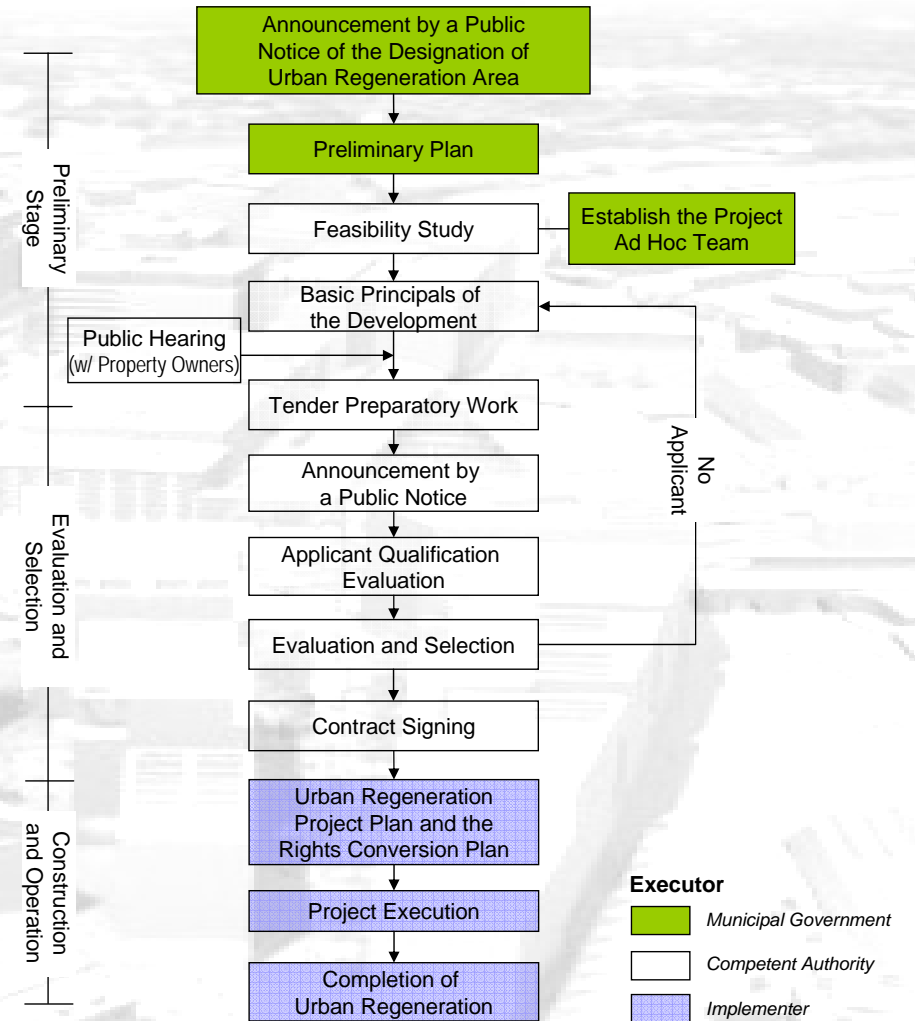
(I) Introduction

Government-led urban regeneration projects, depends on the project's characteristics such as the complexity of the land ownership, status of the existing construction and the market capacity, can be undertaken through one of the following 4 modes:

A. Rights Conversion

A1. Rights Conversion (simple)

- **Mode:** Applicable to projects with existing construction of fewer and simpler ownership, where the investor is capable of handling regeneration matters such as demolition and construction solely. The restriction on Article 22 of the Urban Renewal Act shall be exempt.
- **The Authorities Shall:** Finish conducting the preliminary plan as well as designating the urban regeneration area before the public notice, constitute the basic principals of the development, and arrange public hearing with existing property owners.
- **The Investors Shall:** Prepare the project plan proposal and apply to the competent authority of the urban regeneration project; once being selected as the best applicant and the project implementer, the investor shall constitute the urban regeneration project plan and the rights conversion plan, and then carry out the project accordingly.



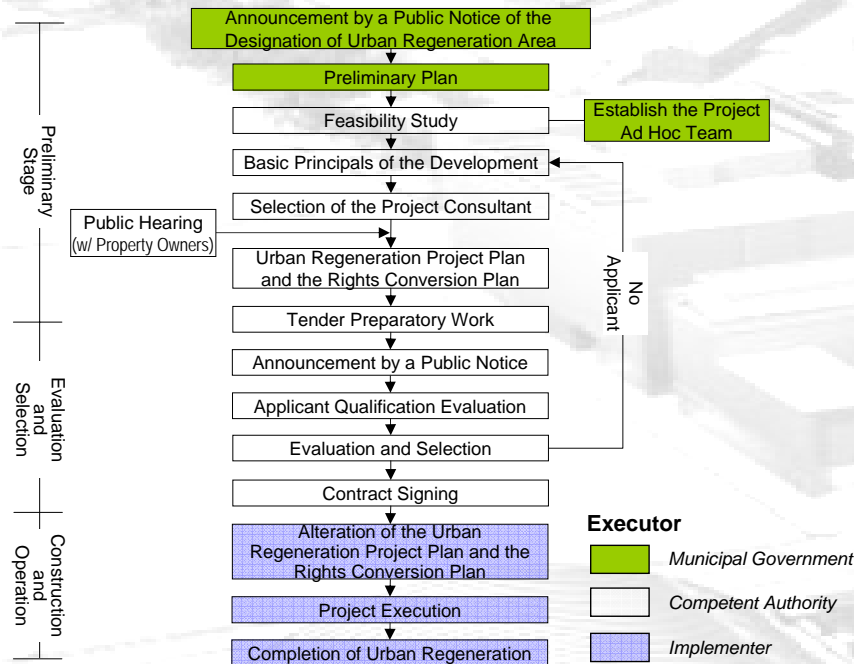
[Investment Procedure - A1 Rights Conversion (simple)]



3. INVESTMENT PROCEDURE AND INCENTIVES

A2. Rights Conversion (complex)

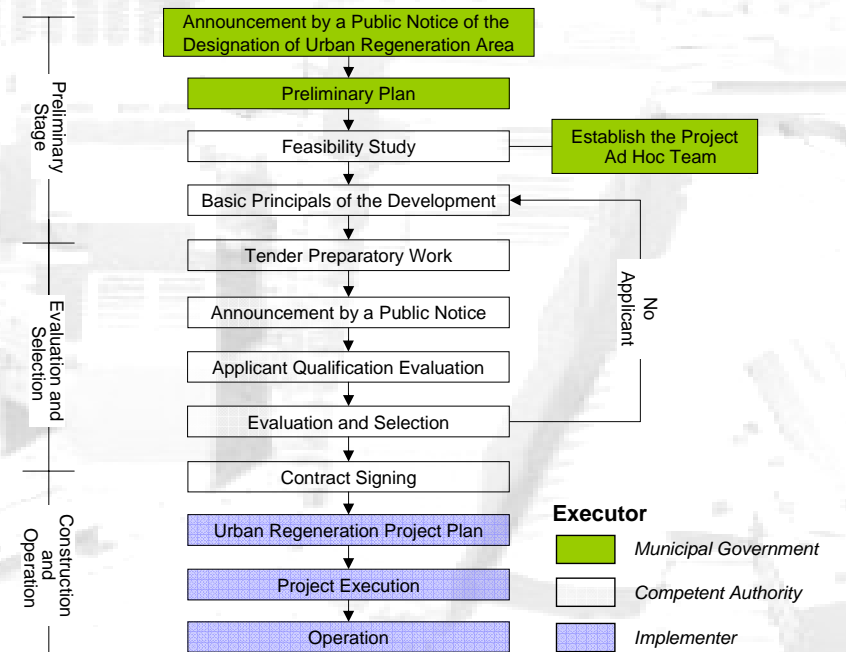
- Mode:** The project is to be undertaken through a 2-stage process; applicable to projects with complex existing construction and ownership. During the 1st stage, the government authority in charge will structure the urban regeneration project plan and the rights conversion plan, as well as consolidate agreement within the current property owners before the public notice is given.
- The Authorities Shall:** Finish conducting the preliminary plan, designating the urban regeneration area, and structuring the basic principals of the development before the public notice is given. The authorities shall also be the project implementer and constitute the urban regeneration project plan and the rights conversion plan.
- The Investors Shall:** Prepare the project plan proposal and apply to the competent authority of the urban regeneration project; once being selected as the best applicant and the project implementer, the investor shall arrange public hearings with the existing property owner(s). The urban regeneration project plan and the rights conversion plan might be altered based on the needs of the developer.



[Investment Procedure - A2. Rights Conversion (complex)]

B. Creation of Superficies

- Mode:** Applicable for projects within a special institutional area with all land/property being public-owned. Investors can participate in the urban regeneration project through registering the superficieses on the land.
- The Authorities Shall:** Finish conducting the preliminary plan, designating the urban regeneration area, and structuring the basic principals of the development before the public notice is given.
- The Investors Shall:** Prepare the project plan proposal and apply to the competent authority of the urban regeneration project; once being selected as the best applicant and the project implementer, the investor shall constitute the urban regeneration project plan, register the superficieses on the land, and then carry out the plan accordingly.



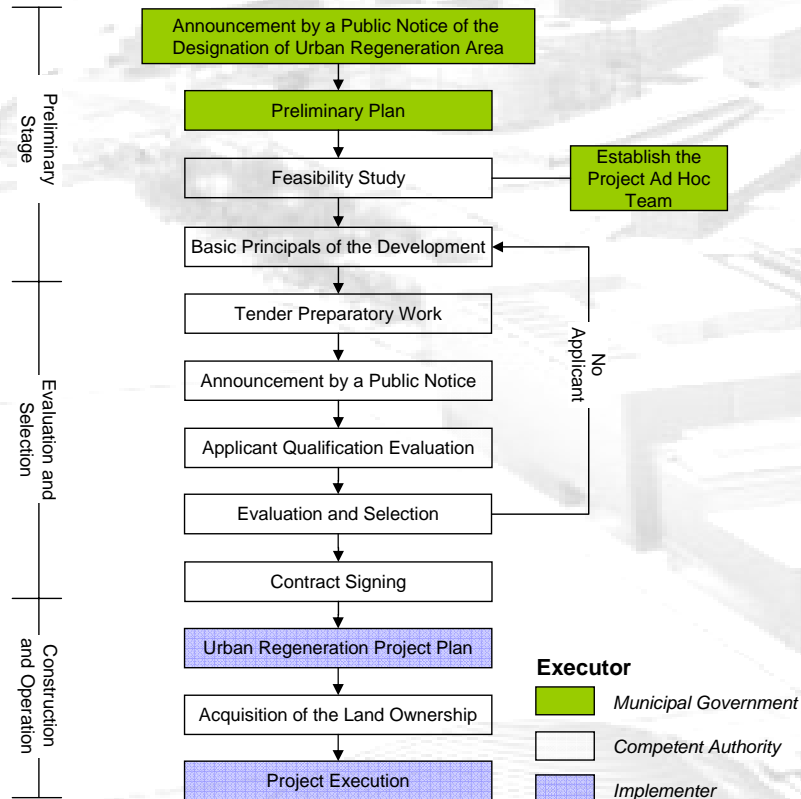
[Investment Procedure – B. Creation of Superficies]



3. INVESTMENT PROCEDURE AND INCENTIVES

C. Land Sold by Tendering

- **Mode:** Public-owned land being sold through tender process.
- **The Authorities Shall:** Finish conducting the preliminary plan, designating the urban regeneration area, and structuring the basic concepts of the development before the public notice is given.
- **The Investors Shall:** Prepare the project plan proposal and apply to the competent authority of the urban regeneration project; once being selected as the best applicant and the project implementer, the investor shall constitute the urban regeneration project plan, acquire the land ownership, and then carry out the plan accordingly.



[Investment Procedure – C. Land Sold by Tendering]

(II) Governmental Policies Support

To attract private investors to participate in urban regeneration, the government has offered the following incentives:

A. Prioritize the Construction of Relevant Infrastructure

The designated urban regeneration area is given the priority for government budget funding for relevant infrastructure such as landscaping, and the construction of roads and bridges.

B. Assign Additional Building Bulk

The government has amended the legislation to expand the scope of qualifications that allow for additional plot ratio. The relevant amendments allow for the inclusion of green-building, wheelchair-accessible buildings and those with eco-building design.

C. Provide Low-Interest-Rate Loan

The Executive Yuan has made provisions for some NTD 200 billion (USD 6.15 billion) worth of low-interest-rate loans as the source of the funds needed for urban regeneration and relevant preparatory work.

D. Simplify the Application Procedure

(1) Establish the Project Ad Hoc Team which specializes in investment problem resolution.

The Project Ad Hoc Team is assembled by the representatives of the central and municipal government, the project office, and the property owners; it is a team that specializes in integrating opinions from all relevant bodies, and reducing the obstacles that investor may encounter during private participation.

(2) Establish one-stop service, and expedite the urban regeneration process

One-stop service provides a synergy of consultancy services such as urban regeneration application, tender preparatory work, as well as the evaluation and selection of the investor.

(3) Simplify and standardize the application procedure.



4. PROJECTS

(I) Railway & Harbor-oriented Mixed-Use Project – The Keelung Railway Station & Wharf W2, W3

Embark Keelung Harbor

Increasing Leisure Activities in Keelung Harbor Vicinity

Keelung City is connected to Taipei metropolitan area through National Freeway NO.1 (approx. a 30 mins drive by car), and its city center is situated east of the Keelung Train Station. According to official statistics, Keelung city had a total of 700,000 visits in 2008, among which 350,000 arrived via Keelung Harbor, a 30% increase from the previous year.

(A) Scope of Tender

- Renewal Unit 1
- Land use: harbor special purpose area (60,900 m²) plaza (9,360 m²)
- Imposed plot ratio:
harbor special purpose area
BCR: 50% FAR: 300%

NOTE: BCR: building coverage ratio; FAR: floor area ratio

Scope of Tender

Property Owner	Area(m ²)
Keelung Harbor Bureau	32,019
Armaments Bureau	1,851
Taiwan Railways Administration	28,679
National Property Administration	1,520
Keelung City Government	4,284
Private Ownership expropriated by Keelung City Government	1,907
SUM	70,260

NOTE: Scope of Tender is subject to the official tender documents

(B) Concept: a New Business Hub

- Enhance the city's ability as a transit hub
- Become a seaside leisure city
- Re-create the water-front space
- Build an user-friendly environment

(C) Mode: B. Creation of Superficies

The Keelung city government will evaluate and select the project implementer and grant a 50-year superficies.

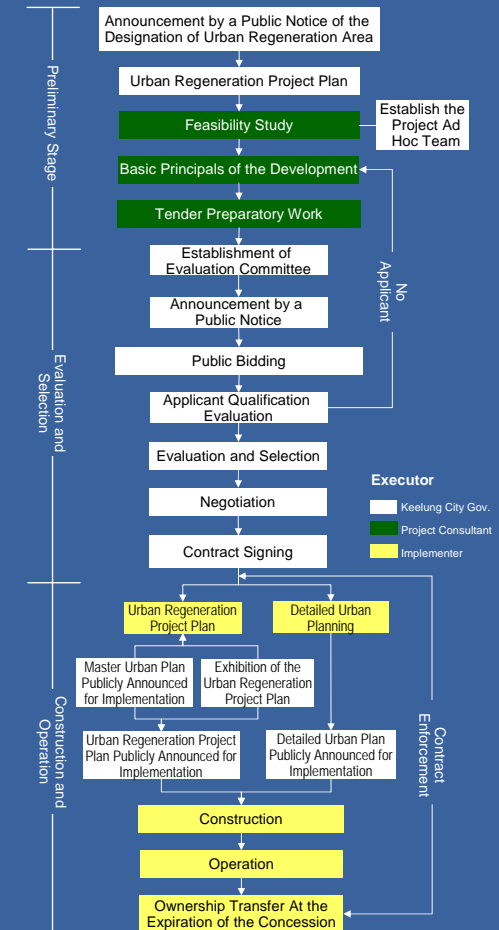
- 1st Stage: evaluate the applicant(s)' qualification.
- 2nd Stage: the applicant(s)' project plan proposal(s) and the proposed royalty will be given an overall review and the best applicant will be selected at this stage.
- The best applicant shall constitute the urban regeneration project plan, and then carry out the plan accordingly.

(D) Timeframe

- Scheduled announcement date: 03/2010
- Competent Authority: Keelung city government
- Website: <http://twur.cpami.gov.tw/>



SOURCE: Keelung City Gov.





4. PROJECTS

(II) Commercial Mixed-Use Project – Kaohsiung Lingang Railway Line Area

Kaohsiung Harbor, the Center of Kaohsiung's Waterfront Leisure Activities

Adjacent to Kaohsiung harbor, the project has numerous tourist spots nearby, including Love River, the Former British Consulate at Dagou, Wharf NO.12, and Kaohsiung Fisherman's Wharf. Public transportation is accessible through KRTC (subway) orange line.

(A) Scope of Tender

- Renewal Unit 1
- Imposed plot ratio:
cultural special purpose area
BCR: 60% FAR 490%

NOTE: BCR: building coverage ratio; FAR: floor area ratio

Scope of Tender

Property Owner	Area(m ²)	Ratio
Taiwan Railways Administration	4,850.00	26.59%
Kaohsiung Harbor Bureau	13,391.75	73.41%
SUM	18,241.75	100%

NOTE: Scope of Tender is subject to the official tender documents

(B) Concept: an Integrated Living and Commercial Community

- Revitalize urban functions
- Promote tourism
- Re-define waterfront space

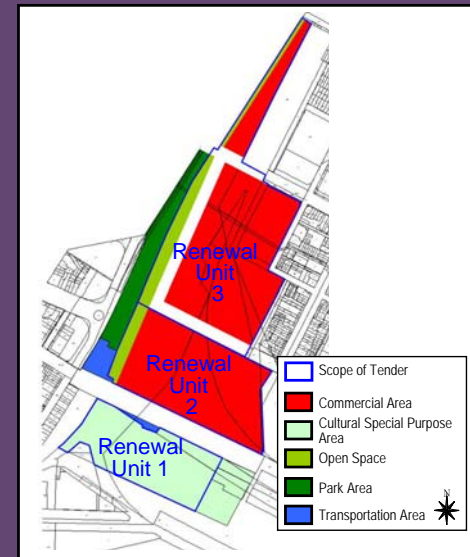
(C) Mode: B. Creation of Superficies

The Kaohsiung city government will evaluate and select the project implementer and grant a 50-year superficies.

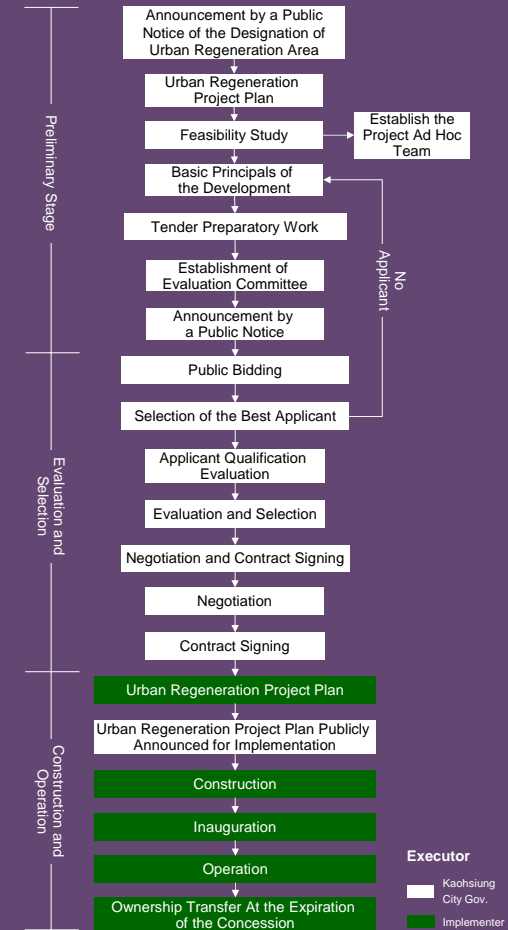
- 1st Stage: evaluate the applicant(s)' qualification.
- 2nd Stage: review the applicant(s)' project plan proposal(s) and select the best applicant.
- The best applicant shall constitute the urban regeneration project plan, and then carry out the plan accordingly.

(D) Timeframe

- Scheduled announcement date: 05/2010
- Competent Authority: Kaohsiung city government
- Website: <http://twur.cpami.gov.tw/>



SOURCE: <http://map.www.gov.tw/>





4. PROJECTS

(III) Midtown Residential Neighborhood Project – Taipei Municipal Zhongshan Girls High School South Area

Located in Taipei City Center with Quality Urban Amenities

Situated in Taipei city center, the project is sitting on Nanjing business district and Zhongxiao commercial district. Additionally, with premium schools and abundant open space nearby, the neighborhood has been one of the most privileged residential district in Taipei.

(A) Scope of Tender

- Total tender area of 9,256 m², with 95.07% public-owned and the other 4.93% private-owned land property.
- Land use: including commercial area, residential area, and transportation area. Restriction on BCR and FAR applies, in accordance with the Urban Planning Act and Urban Renewal Act.

NOTE: BCR: building coverage ratio; FAR: floor area ratio

Scope of Tender

Property Owner	Area (m ²)
National Property Administration	1,650
CPAMI and the other 8 private property owner	687
Taiwan Railways Administration	6,228
Taipei City Government	631
SUM	9,256

NOTE: Scope of Tender is subject to the official tender documents

(B) Concept: an Intelligent Living Community

- Utilize the neighborhood advantages and create a premium residential community.

- Introduce the concept of “urban hazards mitigation” to formulate an intelligent living community.
- An eco-community with less carbon production and energy consumption
- Introduce LEED certification

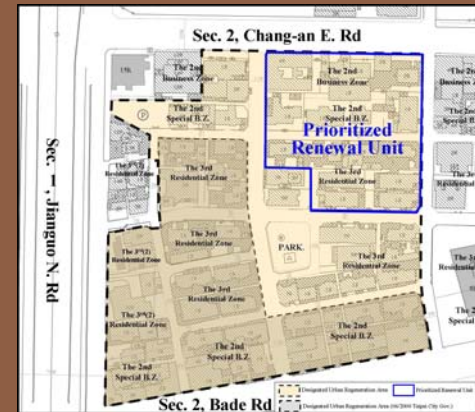
(C) Mode: A1. Rights Conversion

The CPAMI will evaluate and select the project implementer.

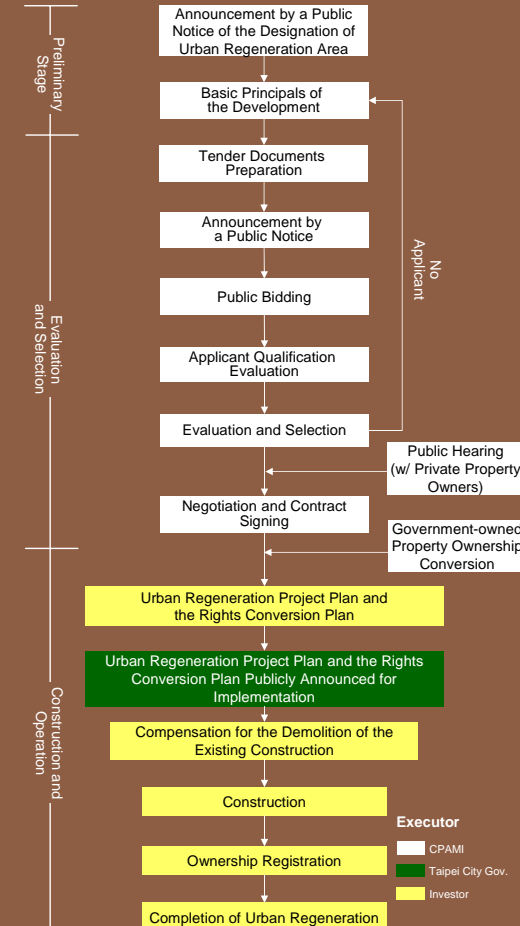
- 1st Stage: evaluate the applicant(s)' qualification
- 2nd Stage: review the applicant(s)' project plan proposal(s) and select the best applicant.

(D) Timeframe

- Scheduled announcement date: 03/2010
- Competent Authority: CPAMI
- Website: <http://twur.cpami.gov.tw/>



Location





4. PROJECTS

(IV) Commercial & Residential Mixed-Use Project – Tinghsing Military Camp

Northern Business Center

Conveniently Located in the Heart of Taipei City

The project can be easily accessed through Taipei SonShan Airport, MRT - Zhongshan junior high school station, and JianGuo expressway. In addition, a 6.5 hectare park and numerous schools are in the neighborhood. The nearby business district has formed one of the international companies clusters, where the grade A offices have comparably low vacancy rate.



(A) Scope of Tender

- Total tender area: 10,842 m²
- Land use: including commercial area, residential area, and transportation area. Restriction on BCR and FAR applies, in accordance with the Urban Planning Act and Urban Renewal Act.

NOTE: BCR: building coverage ratio; FAR: floor area ratio

Scope of Tender

Property Owner	Area(m ²)	Ratio
ROC (Central Gov.)	9,589	88.45%
Taipei City	177	1.63%
Private Property Owner	1,076	9.92%
SUM	10,842	100%

NOTE: Scope of Tender is subject to the official tender documents

(B) Concept: Taipei's Northern Business Center

- Integrated business, hotel, and residential community.
- Include open space and green walkway that connect the MRT station and the 6.8 hectare park
- Create a LOHAS lifestyle and improve urban living environment

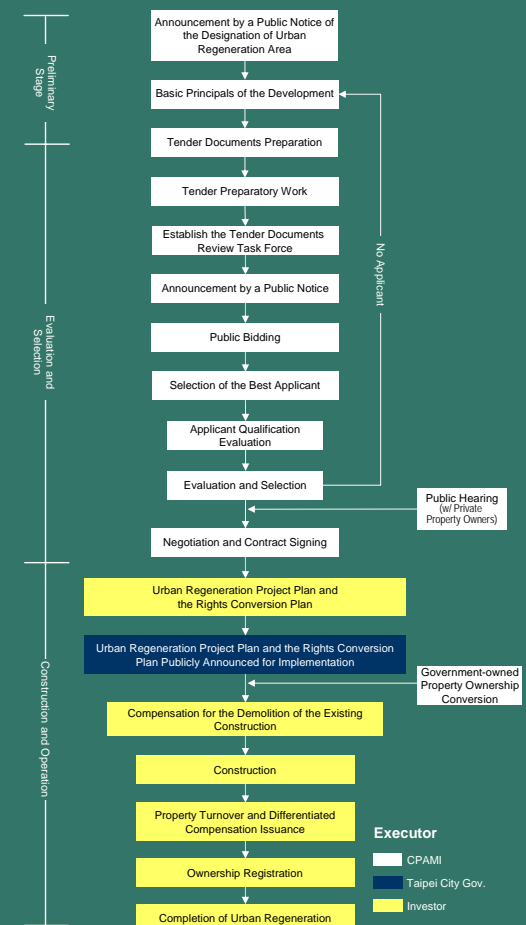
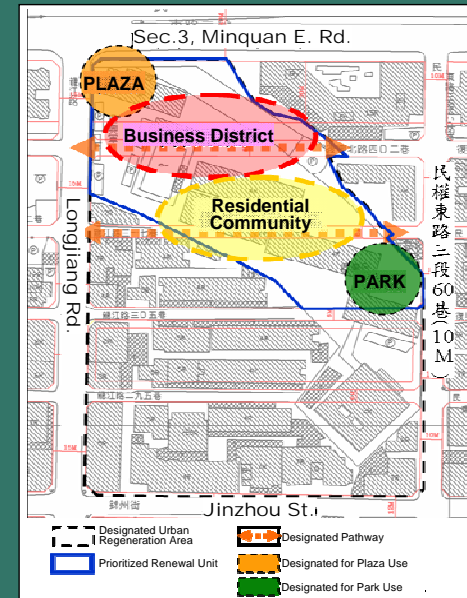
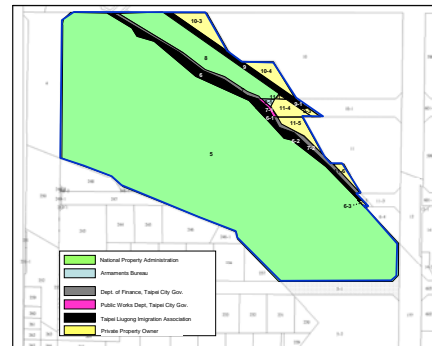
(C) Mode: A1. Rights Conversion

The CPAMI will evaluate and select the project implementer.

- 1st Stage: evaluate the applicant(s)' qualification.
- 2nd Stage: review the applicant(s)' project plan proposal(s) and select the best applicant.

(D) Timeframe

- Scheduled announcement date: 12/2010
- Competent Authority: CPAMI
- Website: <http://twur.cpami.gov.tw/>



NOTE

