



Appeal turned down on Yoido project - Hyun Jin Moon

August 16, 2012

SEOUL, Aug. 16 (UPI) -- A South Korean High Court decision dismissing a lawsuit will allow the construction of the Parc1 project on Seoul's Yoido Island to proceed.

The multibillion-dollar project, which is to include two 885-foot office buildings, a hotel and shopping area, has been on hold since Tongil Foundation filed suit in a contract dispute. Tongil Foundation, which is a branch of the Unification Church, owns the land on which the project is to be built. Project planners signed a 99-year lease with Tongil.

Tongil alleged in a lawsuit filed in October 2010 the contract with project developer Y22 Project Financing Investment was invalid.

The suit was dismissed by a lower court in July 2011 and appealed to the High Court. The High Court dismissed the appeal Aug. 1.

Parc1 officials said in a release the project is about 20 percent complete and, because of the nearly two-year suspension, construction is expected to be completed by the end of 2015 or early in 2016.

"The business value of Parc1 had already been proven by the successful negotiations in procuring financing in 2010," a Parc1 representative said in the release. "Y22 was unable to close financing due to the legal action taken by the Tongil Foundation and not due to the commercial viability and economic value of Parc1.

"The financial institutions involved have been closely monitoring the situation since the beginning of the litigation process. Therefore, we do not expect any major difficulty in resuming financing."

The Parc1 release stated Tongil would appeal to the Supreme Court to protect what it termed "holy land."

Y22 said the move is a ploy to delay development of Parc1 and deplete the developer's resources. It also questioned why Tongil made the allegation of "holy land" only three years after the project began.

UCI, which owns UPI, has an interest in Y22.