

## ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

### HEAD 703 – BUILDINGS

#### Recreation, Culture and Amenities – Open spaces

#### 391RO – Tourist District Enhancement Programme – The Peak

Members are invited to recommend to Finance Committee the upgrading of **391RO** to Category A at an estimated cost of \$142.6 million in money-of-the-day prices for improvement works at the Peak.

### PROBLEM

There is a need to enhance the appeal of the Peak as a premier attraction of Hong Kong.

### PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Economic Development and Labour, proposes to upgrade **391RO** to Category A at an estimated cost of \$142.6 million in money-of-the-day (MOD) prices for implementing the improvement works at the Peak.

### PROJECT SCOPE AND NATURE

3. The project scope of **391RO**, which involves five sites with a total area of 66 930 square metres (m<sup>2</sup>) comprises –

/(a) .....

- (a) Site A (area : 5 140 m<sup>2</sup>) – The Peak’s commercial core and a section of Findlay Road between Peak Road and the Lions View Point Pavilion (the Lions Pavilion)
  - (i) streetscape improvement<sup>1</sup>;
  - (ii) enhancement of the open space by reducing the number of levels, repaving the whole piazza and relocating some of the planters to open up the view and create more usable space for outdoor activities;
  - (iii) provision of a visitor information centre at the open space;
  - (iv) renovation of the Lions Pavilion; and
- (b) Site B (area : 5 300 m<sup>2</sup>) – Findlay Path and Old Peak Road Round Walk
  - (i) streetscape improvement;
  - (ii) refurbishment of the staircase leading from Old Peak Road to the public toilets in the Peak Tower; and
- (c) Site C (area : 11 630 m<sup>2</sup>) – Lugard Road and Harlech Road Round Walk
  - (i) streetscape improvement;
  - (ii) enhancement of two lookout points by installing Victorian-style lighting, shelter, litter bins, railings, seating, etc; and
- (d) Site D (area : 40 850 m<sup>2</sup>) – Mount Austin Road, Mount Austin Playground, the Former Gate Lodge and Victoria Peak Garden
  - (i) streetscape improvement to Mount Austin Road;

/(ii) .....

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<sup>1</sup> Streetscape improvement includes repaving or resurfacing of roads; repaving or making good of footpaths; landscape improvement; improvement of street lightings, railings and handrails; and provision of bollards, directional and interpretative signage, rubbish bins, seating facilities, etc.

- (ii) improvement to Mount Austin Playground and Victoria Peak Garden by converting the existing toilet, pavilion and kiosk into Victorian style structures;
  - (iii) refurbishment of the Former Gate Lodge for display of photos of the Peak from the Victorian era and beautification of the adjacent open space; and
- (e) Site E (area : 4 010 m<sup>2</sup>)
- (i) streetscape improvement to the Governor's Walk

4. A layout plan indicating the location of Sites A to E is at Enclosure 1. Photo montages giving artistic views of Sites A to E before and after the improvement works are at Enclosures 2 to 5. To minimise the possible impact of the construction works on tourist visitation and business of the shops/restaurants in the vicinity, we will implement the project by phases. We plan to start the renovation work at the Lions Pavilion in September 2005, to be followed by the improvement works for Site A and the Mount Austin Playground in Site D in February 2006. When Site A is about to be re-opened to the public, we will start the improvement works for Sites B, C and E as well as Mount Austin Road in Site D in July 2006; and those at the Victoria Peak Garden in Site D in November 2006. We expect the project would be completed by December 2007.

## JUSTIFICATION

5. The Tourism Commission (TC) has worked closely with the Hong Kong Tourism Board (HKTB), the tourism trade and the Tourism Strategy Group (TSG)<sup>2</sup> to devise a strategy to guide the long-term development of tourism in Hong Kong. To enhance Hong Kong's attractiveness as Asia's premier destination for leisure and business visitors, TC continuously implements new tourism projects and enhances existing tourist attractions.

6. The Peak is the top tourist attraction in Hong Kong, a 'must-see' for visitors. The opening of themed restaurants and attractions at the commercial core in recent years has enhanced the appeal of the Peak. TC has already

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<sup>2</sup> The Tourism Strategy Group consists of representatives of the tourism trade to consider and make recommendations to the Government in respect of tourism development from a strategic perspective.

launched the Visitor Signage Improvement Scheme in the Peak and Findlay Road has been turned into a full-time pedestrianised area. We intend to bring further improvement to the Peak area to sustain and further enhance its appeal to both locals and visitors as well as to improve the capacity of the Peak area and alleviate over-crowdedness.

7. In 2002, HKTB commissioned a “Study on the Improvement and Further Development of the Peak as a Visitor Attraction” (the Study) to examine opportunities to further enhance the Peak as a prime visitor attraction. The Study suggested that a unified design style be adopted in line with the history of the Peak and its unique setting. It considered that the Victorian style of architecture was the most appropriate and representative of the Peak and therefore recommended that this be adopted as the theme of the project. We propose to create three new tourism nodes at the Mount Austin Playground, the Former Gate Lodge and Victoria Peak Garden respectively which also help disperse visitors from the commercial core area. Upon completion, these new nodes will help lengthen the visitors’ stay on the Peak with enhanced experience through a more diverse but integrated attraction portfolio. A longer stay is always conducive to tourism expenditure and hence improves the viability of a tourism attraction. According to HKTB, the average per diem spending of overnight visitors in Hong Kong was \$1,200 in 2004. If we can lengthen some of the visitors’ stay by half a day on the Peak, the potential benefits to our economy as a whole will be enormous.

## FINANCIAL IMPLICATIONS

8. We estimate the cost of the project to be \$142.6 million in MOD prices (see paragraph 10 below), made up as follows –

	<b>\$ million</b>
(a) Building services	19.1
(b) External works	106.1
(c) Soft landscaping works	1.8
(d) Consultant’s fees for contract administration	1.0
(e) Furniture and equipment <sup>3</sup>	0.9

/(f) .....

<sup>3</sup> Based on an indicative list of furniture and equipment items and their estimated prices.

(f) Contingencies	12.8	
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Sub-total	141.7	(in September 2004 prices)
(g) Provisions for price adjustment	0.9	
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Total	142.6	(in MOD prices)
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9. We propose to engage a consultant to undertake contract administration of the project. A breakdown of the estimate for the consultant's fees is at Enclosure 6. We consider the estimated project cost reasonable as compared with similar projects undertaken by the Government.

10. Subject to approval, we will phase the expenditure as follows –

Year	\$ million (Sept 2004)	Price adjustment factor	\$ million (MOD)
2005 – 06	20.0	1.00450	20.1
2006 – 07	48.0	1.00576	48.3
2007 – 08	55.0	1.00576	55.3
2008 – 09	11.0	1.00576	11.1
2009 – 10	7.7	1.00953	7.8
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	141.7		142.6
	<hr/>		<hr/>

11. We have derived the MOD estimates on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2005 to 2010. We will deliver the works in the following manner –

- (a) we will carry out the renovation of the Lions Pavilion using our existing term contractor so as to ensure that works can commence as early as possible and can be phased out as stated in paragraph 4 above; and

/(b) .....

- (b) we will deliver the remaining works under this project through a lump-sum contract because we can clearly define the scope of the works in advance, leaving little room for uncertainty. The contract will not provide for price adjustments because the contract period will not exceed 21 months.

12. The annual recurrent expenditure of existing facilities will increase from \$2.5 million to \$2.6 million upon completion of **391RO**, and that of the new facility is estimated to be \$2.1 million.

### **PUBLIC CONSULTATION**

13. We consulted the major stakeholders including TSG; the Central and Western District Council (C&WDC) and its Culture, Leisure and Social Affairs Committee and Working Group on Development of Tourism and Local Community Economy; Chung Wan and Mid-Levels Area Committee; Peak Tramways Company Limited; Hang Lung Properties Limited ; Peak Association<sup>4</sup> ; and the Peak residents affected by the project. The proposed improvement works are agreeable to the parties consulted. However, there are some comments on the traffic condition in the Peak area. These are addressed in the ensuing paragraphs.

14. According to HKTb, the estimated number of visitors to the Peak in 2004 is 4.5 million. It is projected that the number of visitors will increase to about 5 million by the time the project is completed in 2007. According to the Study, more than 50% of tourists go to the Peak by Peak Tram, about 22% by tour coaches, about 21% use other means of public transport including buses, minibuses, taxi and about 7% by private cars.

15. At present, public transport services are able to cope with the existing demand. If the increase in demand warrants, the Peak Tram service can increase its frequency by 17% and other public transport operators can increase their services by 33%. Given that the commuting patterns between the Peak residents and normal visiting hours of tourists are different, and that control measures will be implemented at road junctions as and when necessary to ensure smooth traffic flow, it is envisaged that the increase in public transport services, if so required, can be reasonably managed without the need to widen the roads.

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<sup>4</sup> Peak Association consists of representatives of the business operators and developers of the Peak area; shop operators of the Peak Tower and Peak Galleria.

16. In addition to 27 on-street parking spaces in the Peak area, the Peak Galleria provides more than 400 parking spaces for private cars, over 20 parking spaces for coaches, and another 32 loading / unloading bays for public use. Upon completion of the project, the number of tour coaches calling at the Peak is expected to increase from 5 to 9 vehicles per hour on weekdays and from 10 to 14 vehicles per hour on weekends. The number of parking spaces and loading and unloading bays should be able to cope with the projected demand.

17. During weekends, Sundays, Public Holidays, Golden Weeks and special occasions, the Police will put in place special traffic management measures like restricting access to Mount Austin Road by all vehicles (except those belonging to local residents) temporary conversion of on-street parking spaces for private cars into coach parking spaces, etc. In addition, the travel trade has adopted measures to avoid aggravating the traffic condition, such as scheduling tours to avoid weekend visits and taking the tours to the Peak by Peak Tram instead of by coaches. TD will continue to monitor the traffic conditions of the Peak and work closely with relevant public transport operators to ensure smooth traffic in the Peak area.

18. We consulted the Legislative Council Panel on Economic Services on the proposed project on 25 April 2005. Members supported the project but requested the Administration to strengthen the Victoria appeal in the design of Victoria Peak Garden, consider measures to bring more visitors to Victoria Peak Garden and increase toilet provision if practicable.

19. The Administration has reviewed the design of Victoria Peak Garden and has now added more masonry work and Victorian style elements in the kiosk, toilet and the four pavilions. The photo montage is at Enclosure 5. On the other concerns raised by Members of the ES Panel, the Administration has the following response –

- (a) Mount Austin Road is the only access from the Peak commercial core area to Victoria Peak Garden. In considering the development of Victoria Peak Garden, the issue of accessibility was thoroughly considered. As widening of Mount Austin Road will entail substantial geotechnical and construction works, the option of enhancing the transport connection was not pursued. The option of constructing a footpath linking Mount Austin Playground and Victoria Peak Garden was also explored. Different alignments were looked into but were found technically not feasible due to the steep gradient of the slope, complex geotechnical issues and extensive felling of trees. After consultation with C&WDC and Peak

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residents and a site visit with C&WDC Members, the proposal to construct the footpath was dropped. The general consensus was that the natural environment should be preserved and visitors should be encouraged to walk up Victoria Peak Garden. To encourage visitors to go up to the Victoria Peak Garden, the route will be packaged as a walking trail with interim stops at Mount Austin Playground and the former Gate Lodge. We will improve the streetscape of Mount Austin Road, install directional signage with information on the walking distance to direct visitors to these new nodes. HKTB will arrange suitable promotion of this walking trail to visitors;

- (b) The public toilets in Peak Tower and Peak Galleria provide 52 toilet cubicles in the Peak commercial core area. There are also four public toilets along the Old Peak Road, Harleah Road and Lugard Road Round walks, at Mount Austin Playground and Victoria Peak Garden providing another 22 toilet cubicles. The Administration considered that the toilet facilities adequate to meet the current demand with ample spare capacity most of the time, except for some sudden rush by tour visitors within a short period. The problem is more on the lack of signage rather than inadequacy of the facility. The Administration will provide additional signage on the locations of the existing toilets under this project; and
- (c) The Administration will monitor the traffic condition along the section of Peak Road between Magazine Gap Road and Peak Galleria and will consider suitable improvement measures where necessary and practicable.

## **ENVIRONMENTAL IMPLICATIONS**

20. This is not a designated project under the Environmental Impact Assessment Ordinance. We undertake to implement the standard control measures during construction, as promulgated by the Director of Environmental Protection.

21. At the planning and design stages, we have considered measures to reduce the generation of construction and demolition (C&D) materials. We have introduced more prefabricated building elements into the project design to reduce temporary formwork and construction waste. These include proprietary fittings and fixtures. We will use suitable excavated materials for filling within the project site to minimise off-site disposal. In addition, we will require the contractor to use metal site hoardings and signboards so that we can recycle and reuse these materials in other projects.



22. We will require the contractor to submit waste management plan (WMP) for approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. We will ensure that the day-to-day operations on site comply with the approved WMP. We will control the disposal of public fill and C&D waste to designated public filling facilities and landfills respectively through a trip-ticket system. We will require the contractor to separate public fill from C&D waste for disposal at appropriate facilities. We will record the disposal, reuse and recycling of C&D materials for monitoring purposes.

23. We estimate that the project will generate about 29 700 cubic metres (m<sup>3</sup>) of C&D materials. Of these, we will reuse about 10 300 m<sup>3</sup> (34.7%) on site, about 17 400 m<sup>3</sup> (58.6%) as fill in public filling areas<sup>5</sup> and dispose of about 2 000 m<sup>3</sup> (6.7%) at landfills. The notional cost of accommodating C&D waste at landfill sites is estimated to be \$250,000 for this project (based on a notional unit cost<sup>6</sup> of \$125/m<sup>3</sup>).

## LAND ACQUISITION

24. The project does not require land acquisition.

## BACKGROUND INFORMATION

25. We upgraded **391RO** to Category B in March 2005. We engaged a consultant to produce model and graphical works and another consultant to carry out a topographical survey for the project at a total cost of \$91,000 in March 2005. We charged this amount to block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme". The consultants have completed the topographical survey in April 2005 and we expect the consultants to complete the model and graphical works in May 2005. D Arch S is finalising the tender documents with in-house staff resources.

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<sup>5</sup> A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering and Development.

<sup>6</sup> This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m<sup>3</sup>), nor the cost to provide new landfills (which are likely to be more expensive) when the existing ones are filled. The notional cost estimate is for reference only and does not form part of this project estimate.

26. The proposed improvement works will involve relocation of 47 trees within the project site. None of these fall into the definition of important trees<sup>7</sup>. We will incorporate planting proposals as part of the project, which will include an addition of about 80 trees, 6 500 shrubs and 180 m<sup>2</sup> of grassed area.

27. We estimate that the proposed works will create about 125 jobs (115 for labourers and another 10 for professional/technical staff) providing a total employment of 2 150 man-months.

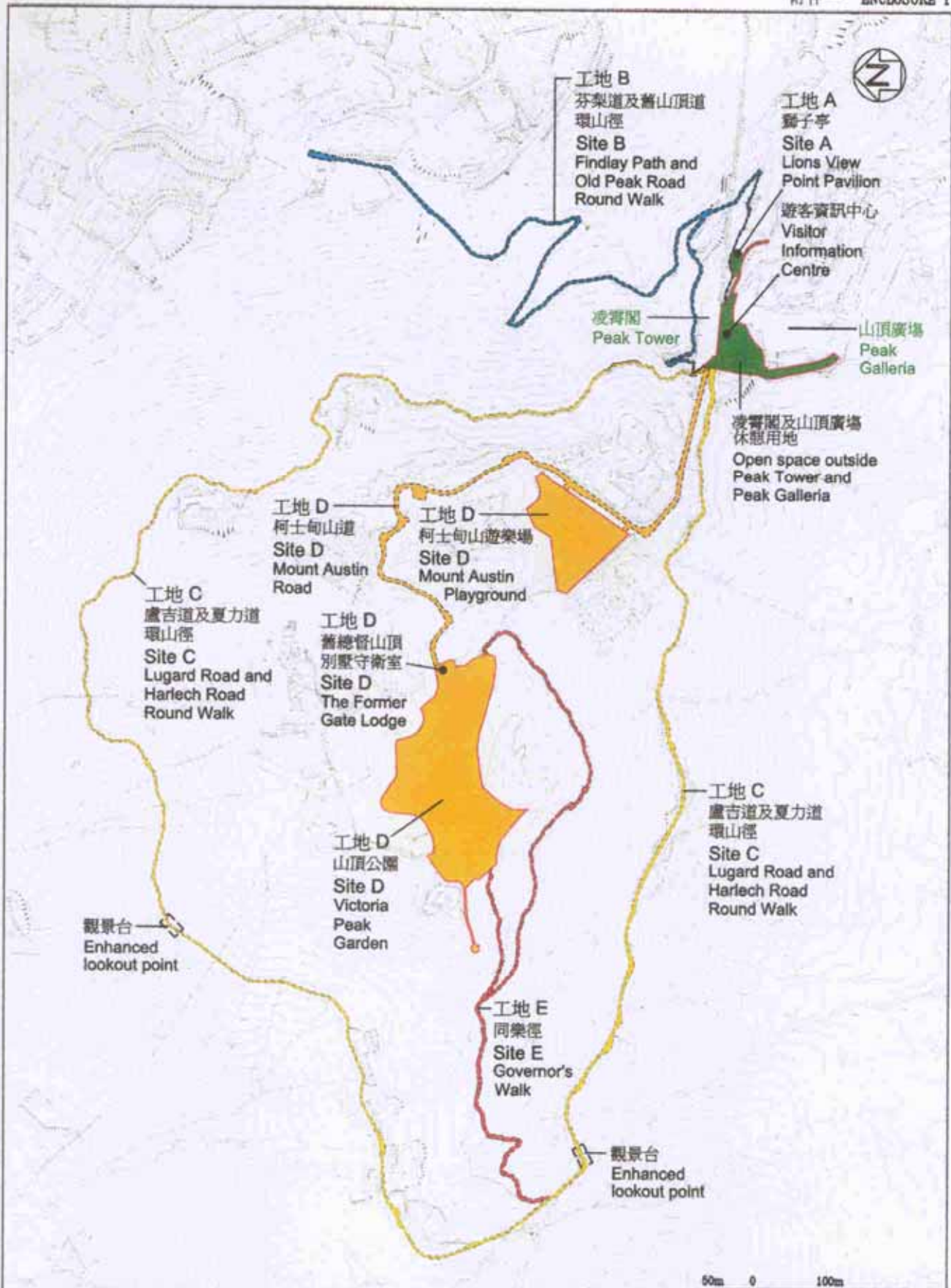
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Tourism Commission  
Economic Development and Labour Bureau  
May 2005

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<sup>7</sup> Important trees refer to trees on the Register of Old and Valuable Trees, and any other trees which meet one or more of the following criteria –

- (a) trees over 100 years old;
- (b) trees of cultural, historical or memorable significance;
- (c) trees of precious or rare species;
- (d) trees of outstanding form; or
- (e) trees with trunk diameter exceeding one metre (measured at one metre above ground level).



title 391R0 旅遊區改善計劃 - 山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK 發展藍圖 LAYOUT PLAN	drawn by Y.S. LAI	date 11-3-2006	drawing no. PMB/6692/XA101	scale 1:5000
	approved W.K. LAI	date 11-3-2006	 建築署 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH			

現狀 EXISTING CONDITION

工地A - 淺灣閣對出的休憩用地  
SITE A - PEAK COMMERCIAL CORE

改善後的情況 WITH PROPOSED ENHANCEMENT



site 381RO  
旅遊區改善計劃 - 山頂  
TOURIST DISTRICT ENHANCEMENT  
PROGRAMME - THE PEAK

drawn by BILLY CHOW

date  
11.03.05drawing no.  
PMB/6692/XA102scale  
N.T.S.

approved THOMAS WAN

date  
11.03.05office  
ARCHITECTURAL BRANCH

ARCHITECTURAL  
SERVICES  
DEPARTMENT




現狀 EXISTING CONDITION

工地 B, C & E - 環山徑  
SITE B, C & E - ROUND WALK



改善後的情況 WITH PROPOSED ENHANCEMENT




site 391RO 旅遊區改善計劃—山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA103	scale N.T.S.
	approved THOMAS WAN	date 11.03.05	 ARCHITECTURAL SERVICES DEPARTMENT	
	office ARCHITECTURAL BRANCH			

現狀 EXISTING CONDITION      工地D - 柯士甸山遊樂場  
 SITE D - MT. AUSTIN PLAYGROUND



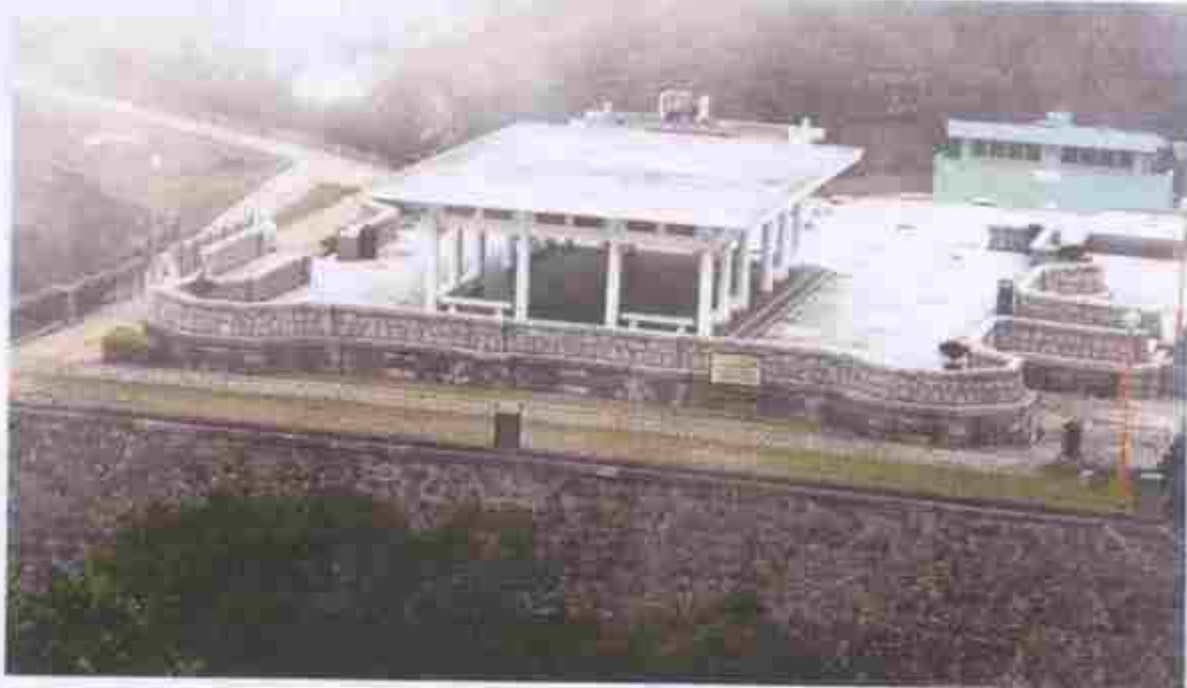
改善後的情況 WITH PROPOSED ENHANCEMENT



title 391RD 旅遊區改善計劃—山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by    BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA104	scale N.T.S.
	approved    THOMAS WAN	date 11.03.05	 ARCHITECTURAL SERVICES DEPARTMENT	
	office ARCHITECTURAL BRANCH			



現狀 EXISTING CONDITION 工地D - 山頂公園 SITE D - VICTORIA PEAK GARDEN



改善後的情況 WITH PROPOSED ENHANCEMENT




維多利亞式的花園  
Garden in Victorian Style



四個維多利亞式的涼亭，將建在前山頂別墅的四角，並連接有蓋行人道。

There will be four Victorian style pavilions built upon the four corners of the former Summer Residence to be connected by a colonnade.

91e 391RO 旅遊區改善計劃—山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA105	scale N.T.S.
	approved THOMAS WAN	date 11.03.05	 ARCHITECTURAL SERVICES DEPARTMENT	
	office ARCHITECTURAL BRANCH			

**391RO – Tourist District Enhancement Programme – The Peak**

**Breakdown of estimate for consultant’s fees**

<b>Consultants’ staff cost</b>		<b>Estimated man-months</b>	<b>Average MPS* salary point</b>	<b>Multiplier (Note 1)</b>	<b>Estimated fee (\$million)</b>
Contract administration	Professional	3.7	38	2.0	0.4
(Note 2)	Technical	16.7	14	2.0	0.6
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				Total	1.0
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\*MPS = Master Pay Scale

Note

- (1) A multiplier of 2.0 is applied to the average MPS point to estimate the full staff costs including the consultant’s overheads and profit, as the staff will be employed in the consultant’s office. (As at 1 January 2005, MPS point 38 = \$54,255 per month and MPS point 14 = \$18,010 per month.)
  
- (2) We will only know the actual man-months and actual fees after we have selected the consultant through the usual competitive bidding.