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**Paper for the House Committee meeting
on 24 June 2005**

**Proposed overseas duty visit by
the Subcommittee on West Kowloon Cultural District Development**

Purpose

This paper seeks the permission of the House Committee under rule 22(t) of the House Rules for the Subcommittee on West Kowloon Cultural District Development (the Subcommittee) to conduct an overseas duty visit to Spain in September 2005.

Reasons for conducting the overseas duty visit

2. The Subcommittee was set up by the House Committee on 21 January 2005 to study issues relating to the development of West Kowloon Cultural District (WKCD). The areas of study include the mode of public-private partnership and financing arrangements in taking forward the WKCD project, as well as the overseeing mechanism to ensure achievement of objectives and effective management of resources. In the course of its study, the Subcommittee has found it necessary to make reference to overseas experience in undertaking major capital projects of this nature. For this purpose, the Subcommittee has requested the Research and Library Services Division (RLSD) to conduct research on the management, operation and financing of comparable arts and cultural facilities in overseas countries. According to the RLSD's research, the case of Abandoibarra in Spain is found to be comparable to WKCD in terms of nature and scale of the project.

3. The Abandoibarra project is a successful attempt made by the Spanish Government to regenerate a polluted city left out by deindustrialization and economic decline into a cultural district. Abandoibarra is a waterfront district located in the heart of the metropolitan area of Bilbao, which is the capital of the Bizkaia Province in Northern Spain. The Abandoibarra project is similar to the WKCD project in many aspects, such as scale of development, emphasis on culture in strategic urban planning, making a waterfront site into a new icon

for culture and leisure, and integration of the commercial and residential development into the cultural facilities. In addition, public-private-partnership was adopted in the construction and management of Guggenheim, a monumental museum in Abandoibarra. A comparison of the Abandoibarra project and the WKCD project is in **Appendix I**.

4. Having considered the relevancy of the Abandoibarra project to the WKCD project, the Subcommittee considers it worthwhile to conduct an overseas duty visit to study the Abandoibarra experience with a view to facilitating members' consideration of the way in taking forward the WKCD project. The objectives of the proposed duty visit are as follows:

- (a) to study the experience in the development and implementation of the Abandoibarra Project, in particular its financing, operation and management;
- (b) to study the experience in the development, operation, management and financing of the Guggenheim Museum Bilbao which is the centrepiece of the Abandoibarra Project; and
- (c) to exchange views with the relevant parties involved in the development and implementation of the Abandoibarra Project.

Timing of the proposed overseas duty visit

5. The Subcommittee proposes to conduct the duty visit from 18 to 23 September 2005. Subject to further discussion with the host organizations, a preliminary programme of the proposed duty visit is in **Appendix II**.

Membership of the delegation

6. In considering the membership of the delegation, the Subcommittee takes note of the House Committee's decision on 11 May 2001 about the participation of non-committee Members. The Subcommittee follows the principles that priority should be given to members of the committee and that the delegation should be of a manageable size in order not to create difficulties in logistical arrangements. As the experience of the Abandoibarra project will provide valuable reference for mapping the way forward for the WKCD project which is of wide public concern, the Subcommittee considers that the visit should be open to non-Subcommittee members.

7. In response to the circular calling for membership, seven members including six Subcommittee members and one non-Subcommittee member have indicated interest in participating in the proposed overseas duty visit. A list of the Members joining the overseas duty visit is in **Appendix III**.

Funding arrangement

8. In accordance with the funding arrangement endorsed by the House Committee and approved by the Legislative Council Commission, the expenditure of each member will be deducted from his own account of \$55,000 for use in a 4-year term for overseas duty visits organized by committees, other than the Parliamentary Liaison Committee. Any expenditure incurred in one term in excess of \$55,000 has to be paid by the Member personally. If by the end of the a term, there are unused balances on Members' overseas duty visit accounts, the funds available will be used to pay those Members who have expended more than their allocation, in proportion to their excess qualifying expenditure.

9. A preliminary estimate of the expenditure to be incurred by each Member participating in the proposed overseas duty is around \$30,000 (business class air fare) or \$17,000 (economy class air fare). The estimate is prepared on the basis of standard expenditure level. Extra costs arising from the upgrading of the standard entitlement by individual Members will be borne by the Members themselves. A breakdown of the estimated expenditure is in **Appendix IV**.

Advice sought

10. The House Committee's permission is sought for the Subcommittee to conduct the overseas duty visit as proposed.

**Comparison between the West Kowloon Cultural District Project and
the Abandoibarra Project**

	The West Kowloon Cultural District Project¹	The Abandoibarra Project
Location	<ul style="list-style-type: none"> • A waterfront site on the West Kowloon Reclamation. 	<ul style="list-style-type: none"> • A waterfront site located in the heart of the metropolitan area of Bilbao.
Site Area	<ul style="list-style-type: none"> • 40 hectares. 	<ul style="list-style-type: none"> • 38.5 hectares.
Objective	<ul style="list-style-type: none"> • Enhancing Hong Kong's position as a world city of culture. 	<ul style="list-style-type: none"> • Regenerating Bilbao.
Selection of concept plan	<ul style="list-style-type: none"> • Selecting a conceptual plan through an international concept competition. 	<ul style="list-style-type: none"> • Selecting a conceptual plan through an international concept competition.
Core facilities	<ul style="list-style-type: none"> • Three theatres; • A performance venue; • A cluster of four museums; • An art exhibition centre; • A water amphitheatre; • At least four piazza areas; and • A canopy covering at least 55% of the development area. 	<ul style="list-style-type: none"> • Two museums; • A conference and concert hall; • University facilities; • Shopping and leisure areas; and • Office buildings, and luxury housing units.
Responsible organization	<ul style="list-style-type: none"> • A single private developer. 	<ul style="list-style-type: none"> • A private firm held by public authorities.
Development theme	Using culture as development theme, and integrating commercial and residential	<ul style="list-style-type: none"> • Using culture as development theme, and integrating commercial and

¹ Information is based on Invitation for Proposals, Development of West Kowloon Cultural District, Hong Kong.

	The West Kowloon Cultural District Project¹	The Abandoibarra Project
	development into the arts, cultural and leisure facilities.	residential development into the arts, cultural and leisure facilities.
Development approach	<ul style="list-style-type: none"> • A single-package development approach is adopted. The selected developer designs, finances and completes the development, and operates, maintains and manages the core arts and cultural facilities. 	<ul style="list-style-type: none"> • A multi-package development approach is adopted. The land is divided into smaller land parcels for leasing to different developers for development.
Financing	<ul style="list-style-type: none"> • The arts and cultural facilities are financed by proceeds from sales of residential and commercial property on the site. 	<ul style="list-style-type: none"> • The arts and cultural facilities are financed by proceeds from sales of lands on the site.
Mode of land disposal	<ul style="list-style-type: none"> • Land grant. 	<ul style="list-style-type: none"> • Land sale.

Subcommittee on West Kowloon Cultural District Development

Overseas duty visit

Preliminary itinerary* for a 6-day programme to Abandoibarra, Spain
(The trip to start on 18 September 2005)

Routing: Hong Kong – Bilbao – Hong Kong

Date	Sun (18/9/2005)	Mon (19/9/2005)	Tue (20/9/2005)	Wed (21/9/2005)	Thu (22/9/2005)	Fri (23/9/2005)
<i>Flight schedule in am</i>	—	Arrive Bilbao at 09:30	—	—	—	—
<i>Activities</i>		Visit facilities in Abandoibarra Project (Part I)	Meeting with Bilbao City Council officials Meeting with Bilbao Ria 2000	Visit Guggenheim Museum Meeting with management of Guggenheim Museum Meeting with arts and cultural groups	Visit facilities in Abandoibarra Project (Part II) Meeting with other relevant parties of the Abandoibarra Project	<i>(Flight)</i>
<i>Flight schedule in pm</i>	Depart HK at 23:25	—	—	—	Depart Bilbao at 20:35	Arrive HK at 17:05
<i>Place to spend night</i>	On plane	Hotel in Bilbao	Hotel in Bilbao	Hotel in Bilbao	On plane	--

Note: * Itinerary subject to discussion with the relevant parties

Subcommittee on West Kowloon Cultural District Development

**Overseas duty visit to Abandoibarra in Spain
(as at 22 June 2005)**

The following members have indicated that they will join the overseas duty visit to Abandoibarra in Spain:

Hon Alan LEONG Kah-kit, SC (Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Margaret NG
Hon Timothy FOK Tsun-ting, GBS, JP
Dr Hon KWOK Ka-ki
Hon Patrick LAU Sau-shing, SBS, JP

Non-Subcommittee Member

Hon TAM Heung-man

Appendix IV

Subcommittee on West Kowloon Cultural District Development

Estimated expenditure for the proposed overseas duty visit to Abandiobarra in Spain from 18 to 23 September 2005

Items	Estimated expenses HK\$ (per person)	
	<u>Business Class</u>	<u>Economy Class</u>
<i>Airfare</i>	\$22,660	\$9,470
<i>Hotel Accommodation in Bilbao</i> ^{Note 1}	\$3,270	\$3,270
<i>Meal and other allowances in Bilbao</i> ^{Note 2}	\$2,180	\$2,180
<i>Airport Tax</i>	\$1,010	\$1,010
<i>Travel insurance</i>	\$250	\$250
<i>Total</i> ^{Note 3}	\$29,370	\$16,180

Note 1 The standard subsistence allowance for Spain is EUR185. The accommodation allowance is calculated at 60% of the standard subsistence figure. Exchange rate of EUR1 at HK\$9.8055 is used for calculation purpose.

Note 2 The standard subsistence allowance for Spain is EUR185. The meal allowance is calculated at 40% of the standard subsistence figure.

Note 3 Other expenditure including hospitality, local group transportation, interpretation services and souvenirs will be charged against other votes of the Secretariat.