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**Legislative Council Panel on Transport
Subcommittee on matters relating to railways**

KOWLOON SOUTHERN LINK

INTRODUCTION

At the last meeting of the Subcommittee on Matters Relating to Railways of the Legislative Council Panel on Transport on 19 November 2004, we updated Members on the progress of the proposed Kowloon Southern Link (KSL). Regarding the provision of an additional station at Canton Road (CAR), we informed Members that the Kowloon-Canton Railway Corporation (KCRC) and Wharf Estates Development Limited (Wharf) were continuing with their discussion on the provision of a CAR Station upon the future redevelopment of Wharf's property on Canton Road. We told Members that, in order to gazette the changes so arising from the future provision of the CAR Station together with the other changes that we proposed to make to address the objections received during the previous gazetting exercise, and to avoid unduly delaying the KSL project, a deadline of 30 November 2004 had been set for the KCRC and Wharf to reach agreement or otherwise. We undertook to inform Members of the result of the discussion between the KCRC and Wharf.

PROGRESS OF DISCUSSION BETWEEN KCRC AND WHARF

2. By the deadline of 30 November 2004, the KCRC and Wharf had not reached agreement on the provision of a CAR Station despite the immense efforts of the Government, the KCRC and Wharf over the past few months.

Annex The KCRC has submitted a report at **Annex**.

NEXT STEPS

3. As we have explained to Members, the KSL scheme proposed in the Railway Development Strategy 2000 which was promulgated in May 2000 does not have a CAR station. It only has one station at West Kowloon in-between the West Rail Nam Cheong Station and the East Rail East Tsim Sha Tsui Station. The strategic function of the KSL is to link up the West Rail and the East Rail. It will also provide an efficient link for residents in the North

West New Territories to access the Tsim Sha Tsui area directly. The provision or otherwise of a CAR Station will not affect the strategic value of the KSL.

4. In view of the above development, we will proceed with the planning of the KSL without a CAR Station. We will gazette in the middle of this month the changes that address some of the objections raised during the last gazetting exercise. Our plan remains to begin construction of the KSL in mid-2005 for completion in 2009. The KSL will run from the existing West Rail Nam Cheong Station to the existing East Rail East Tsim Sha Tsui Station with one station in-between at West Kowloon.

5. For the convenience of passengers, the KCRC will provide a pedestrian subway to connect the existing underground pedestrian walkway system, which was opened together with the commissioning of the East Rail Tsim Sha Tsui Extension last October, with the existing underground walkway (Peking Road Subway) linking the junction of Peking Road and Kowloon Park Drive with Canton Road. With that new pedestrian subway, passengers can reach Canton Road in about 9 to 11 minutes after getting off the East Rail at its East Tsim Sha Tsui Station instead of 11-13 minutes at present when they have to cross Hankow Road and Ashley Road before reaching the Peking Road Subway.

6. Members are invited to note the contents of this paper.

Environment, Transport and Works Bureau
December 2004

KOWLOON SOUTHERN LINK

Progress of Discussions between KCRC and Wharf on a possible Canton Road (CAR) Station

1. At its meeting on 3 June 2004, the Subcommittee on Matters Relating to Railways of the Legislative Council Panel on Transport asked KCRC and Wharf to jointly examine the possibility of constructing a CAR Station.
2. Immediately following the meeting, the study was initiated and a 3-tier hierarchy was set up to manage the process
 - Steering Group, chaired by the ETWB
 - Technical Group, chaired by the HyD
 - Technical Workshops, chaired by KCRC

At each level there was participation by KCRC and Wharf with their consultants together with government representatives.

3. The study was sub-divided into 3 phases
 - constraints, layout design and compliance with standards
 - constructability, programme and cost
 - commercial implications
4. The initial studies investigated a CAR station concourse located within and below the existing basement of Harbour City (“the Basement Scheme”). The concourse was to be located between the foundations to the existing tower blocks, occupy minimal space at ground and mezzanine levels and to be constructed whilst the buildings remained occupied and in use.
5. After about 8 weeks of intensive studies by the team, it was concluded that, by extending the concourse into Canton Road, it would be possible to design a layout which would satisfy the minimum operational requirements although not being the ideal configuration.
6. Following the second stage of the study, it was concluded that the structure would take not less than 5 years to construct and throughout that period there would be considerable disruption and disturbance to Harbour City and Canton Road which would be virtually impossible to mitigate. Furthermore, the study identified a significant number of extremely high potential construction risks, the occurrence of any one of which could have catastrophic impacts.

7. At the meeting of the Steering Group on 3 September 2004, it was decided that the Basement Scheme should not be pursued further.
8. The team then reverted to the examination of earlier proposals which would require the demolition of part of Harbour City to allow construction of the concourse (“the Redevelopment Scheme”).
9. After a brief review of a number of options, it was concluded that the appropriate location for the CAR Station would be between the Marco Polo Gateway and Prince Hotels, on the site of the existing World Finance Centres, North and South Towers. This location is optimal in relation to the station platforms and it was confirmed that a satisfactory concourse could be constructed in conjunction with a future development.
10. In order to construct a future CAR Station, it is necessary to enlarge the size of the tunnels and carry out certain enabling works as part of the first phase of KSL construction.
11. At the meeting on 3 September 2004, the Steering Group requested the parties to commence discussion on the commercial aspects. A number of meetings were held at which both parties discussed their positions.
12. Wharf indicated to KCRC on 9 November 2004 that, subject to appropriate Government approvals, they were likely to be able to commit for KCRC to start construction of the CAR station concourse inside Harbour City within 3 – 5 years of an agreement with KCRC. However, KCRC were to bear the construction costs in full.
13. KCRC advised Wharf on 12 November 2004 of their position that Wharf should share the cost of construction on the CAR Station and had to undertake to reimburse the full cost of the enabling works if the site was not available for construction of the CAR Station within a reasonable agreed time frame.
14. On 12 November 2004, Wharf advised KCRC of their offer which was limited to making the site available but without commitment to time scale, and undertaking to reimburse the lower of 25% of the cost of the enabling works or HK\$125 million in the event that they did not make the site available within an agreed time frame.
15. KCRC advised Wharf on 25 November 2004 that KCRC maintained its position as stated to Wharf on 12 November 2004.

16. Wharf responded to KCRC on 26 November 2004 that their position remained unchanged.
17. On 30 November 2004, senior staffs of KCRC and Wharf met in a last ditch to resolve their differences. Both sides re-confirmed that their positions remained unchanged. On 1 December 2004, KCRC confirmed to Wharf that KCRC were prepared to consider building the CAR Station only on the basis that the cost of construction was shared between Wharf and KCRC. KCRC also confirmed their requirement for a firm undertaking from Wharf that Wharf would reimburse KCRC the full cost of the enabling works should Wharf fail to make the site required for constructing the CAR Station available within an agreed time frame. KCRC and Wharf agreed that Wharf would reply by 2 December 2004.
18. Wharf responded on 2 December 2004 stating that they were prepared to recommend to their board to undertake to reimburse in full the cost of the enabling works should Wharf fail to make the required site available for the CAR Station within an agreed time frame subject to the Government's approval of the general building plan incorporating the CAR Station in the future. However, Wharf would not entertain any request for cost sharing, and noted that since the two sides could not come to an agreement, there would be no CAR Station.

Kowloon-Canton Railway Corporation
December 2004