

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

731CL – Infrastructure works for housing sites adjacent to Lung Ping Road at Tai Wo Ping, Shek Kip Mei

Members are invited to recommend to Finance Committee the upgrading of **731CL** to Category A at an estimated cost of \$781.4 million in money-of-the-day prices for the provision of necessary infrastructure for two housing sites adjacent to Lung Ping Road at Tai Wo Ping, Shek Kip Mei.

PROBLEM

We need to provide necessary infrastructure to ensure timely delivery of two housing sites (LS-SSP-0012 and LS-SSP-0013) adjacent to Lung Ping Road at Tai Wo Ping, Shek Kip Mei.

PROPOSAL

2. The Director of Civil Engineering and Development, with the support of the Secretary for Development, proposes to upgrade **731CL** to Category A at an estimated cost of \$781.4 million in money-of-the-day (MOD) prices for construction of the necessary infrastructure to facilitate land disposal in 2015-16 of the housing sites LS-SSP-0012 and LS-SSP-0013 adjacent to Lung Ping Road at Tai Wo Ping, Shek Kip Mei.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of **731CL** comprises –
- (a) construction of a single two-lane road of about 0.45 kilometre (km) long on bridge structures (Bridges Nos. 2 to 4) and at-grade connecting the vehicular ingress/ egress point of Site No. LS-SSP-0013 with the westbound carriageway of Lung Cheung Road;
 - (b) construction of two single lane roads of total length about 0.53 km on bridge structure (Bridge No. 1) and at-grade connecting the eastbound carriageway of Lung Cheung Road and the proposed single two-lane road in (a);
 - (c) geotechnical works, including slope stabilisation works, check dam and retaining walls; and
 - (d) ancillary works including associated footpaths, vehicle ingress/egress points, drainage, sewerage, water mains and landscaping works.

Plans showing the proposed works are at Enclosure 1.

4. Subject to funding approval of the Finance Committee, we plan to commence the proposed works in June 2013 for staged completion in 2016.

JUSTIFICATION

5. To ensure adequate supply and timely delivery of suitable housing sites for land disposal, the Government has identified the subject sites (i.e. LS-SSP-0012 and LS-SSP-0013) with a total area of about 32 416 square metres as potential sale sites for private residential development. The sites are located at the mid-hill of Beacon Hill north of Lung Cheung Road at Tai Wo Ping, Shek Kip Mei. The two sites were gazetted as residential use under the Town Planning Ordinance (Cap. 131) on 15 June 2012 upon approval by the Chief Executive in Council on 5 June 2012.

6. We need to provide necessary infrastructure to serve the development in the two housing sites. Part of the proposed works (including Bridges Nos. 1 to 3 and associated works) providing access to and from Lung Cheung Road eastbound is targeted for completion in the first quarter of 2016 to facilitate land disposal in 2015-16. The remaining works covering Bridge No. 4 and associated works providing access to and from Lung Cheung Road westbound will be completed by end 2016. The proposed road scheme will provide direct and convenient access between the subject sites and Lung Cheung Road, thereby saving travelling time in addition to minimising the traffic and environmental impacts on the nearby residential areas. Depending on the actual progress of works, we will make the best endeavour to release one of the subject housing sites for land disposal earlier than 2015-16. Temporary access through the works site for shared use by the developer of the above housing site before completion of the proposed works will be provided.

FINANCIAL IMPLICATIONS

7. We estimate the capital cost of the proposed works to be \$781.4 million in MOD prices (please see paragraph 8 below), broken down as follows –

	\$ million
(a) Road works	68.5
(b) Bridge works	326.7
(c) Geotechnical works	97.3
(d) Ancillary works	35.4
(e) Environmental mitigation measures	2.6
(f) Consultants' fee for	5.9
(i) contract administration	3.2
(ii) management of resident site staff	2.7
(g) Remuneration of resident site staff	53.1

/(h)

		\$ million	
	(h) Contingencies	<u>54.0</u>	
	Sub-total	643.5	(in September 2012 prices)
	(i) Provision for price adjustment	<u>137.9</u>	
	Total	<u>781.4</u>	(in MOD prices)

Due to insufficient in-house resources, we propose to engage consultants to undertake contract administration and site supervision of the proposed works. A breakdown of the estimate for consultants' fees and resident site staff costs by man-months is at Enclosure 2.

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

Year	\$ million (Sept 2012)	Price adjustment factor	\$ million (MOD)
2013 – 2014	82.6	1.06250	87.8
2014 – 2015	133.4	1.12625	150.2
2015 – 2016	162.1	1.19383	193.5
2016 – 2017	130.8	1.26545	165.5
2017 – 2018	79.8	1.34138	107.0
2018 – 2019	<u>54.8</u>	1.41180	<u>77.4</u>
	<u>643.5</u>		<u>781.4</u>

/9.

9. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period from 2013 to 2019. Subject to funding approval, we will deliver the works under standard re-measurement contract because the quantities of works involved will vary depending on actual ground conditions. The contract will provide for price adjustments.

10. We estimate the annual recurrent expenditure arising from the proposed works to be about \$1.7 million.

PUBLIC CONSULTATION

11. Taking into account the views of local residents, we presented the finalised road scheme to Sham Shui Po District Council on 27 October 2009 and received no objection.

12. We gazetted the proposed roadworks and sewerage works under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Water Pollution Control (Sewerage) Regulation (Cap. 358) on 5 and 12 August 2011 respectively. No objection was received. The notice of authorisation was gazetted on 4 November 2011.

13. We consulted the Legislative Council Panel on Development on 7 January 2013 on the proposed works. Members of the Panel on Development generally supported the project and requested supplementary information which has been provided in our letter to the Legislative Council Secretariat at Enclosure 3.

ENVIRONMENTAL IMPLICATIONS

14. The proposed works are not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). We have conducted a Preliminary Environmental Review (PER) which concludes that the proposed works would not cause any long-term adverse environmental impact with the implementation of mitigation measures. The Director of Environmental Protection has no adverse comment on the PER findings.

/15.

15. For short-term impacts caused by the proposed works during construction, we will control noise, dust and site run-off nuisances to within established standards and guidelines through implementation of mitigation measures under the works contract. These measures include frequent watering of the site to reduce emission of fugitive dust, the use of movable noise barriers/enclosures and silenced plant to reduce noise generation, and the use of temporary drains to discharge site runoff. We have included \$2.6 million (in September 2012 prices) in the project estimate for provision of necessary environmental mitigation measures.

16. At the planning and design stages, we have considered the alignment, design level and construction method of the proposed works to reduce the generation of construction waste where possible. In addition, we will require the contractor to reuse inert construction waste (e.g. excavated soil and rock fill) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities¹. We will encourage the contractor to maximise the use of recycled/recyclable inert construction waste and the use of non-timber formwork to further reduce the generation of construction waste.

17. At the construction stage, we will require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved plan. We will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

/18.

¹ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

18. We estimate that the project will generate a total of about 74 704 tonnes of construction waste. Of these, we will reuse about 44 828 tonnes (60.0%) of inert construction waste on site and deliver about 24 528 tonnes (32.8%) of inert construction waste to public fill reception facilities for subsequent reuse. We will dispose of the remaining 5 348 tonnes (7.2%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites is estimated to be \$1.3 million for this project (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne² at landfills).

HERITAGE IMPLICATIONS

19. The proposed works will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interests and Government historic sites identified by the Antiquities and Monuments Office.

TRAFFIC IMPLICATIONS

20. The traffic impact on Lung Cheung Road due to the proposed works and developments at the subject sites is assessed to be minimal. Temporary traffic arrangements (TTAs), including lane closures will be implemented to facilitate the construction works. To minimise the adverse traffic impact, works inevitably requiring lane closures will be carried out at night or during non-peak hours as far as practicable. A traffic management liaison group comprising representatives of the Hong Kong Police Force, the Transport Department and other concerned government departments will be set up to assess the TTAs.

LAND ACQUISITION

21. The proposed works will not require any land acquisition.

/BACKGROUND

² This estimate has taken 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 m³), nor the cost to provide new landfills (which is likely to be more expensive) when the existing ones are filled.

BACKGROUND INFORMATION

22. We upgraded **731CL** to Category B in September 2007. We have engaged consultants in June 2008 to undertake the site investigation and detailed design for the project. The cost of site investigation works and the consultancy fees of \$13.41 million is charged to block allocation Subhead **7100CX** “New towns and urban area works, studies and site investigations for items in Category D of the Public Works Programme”. We have completed the site investigation and design for the proposed works.

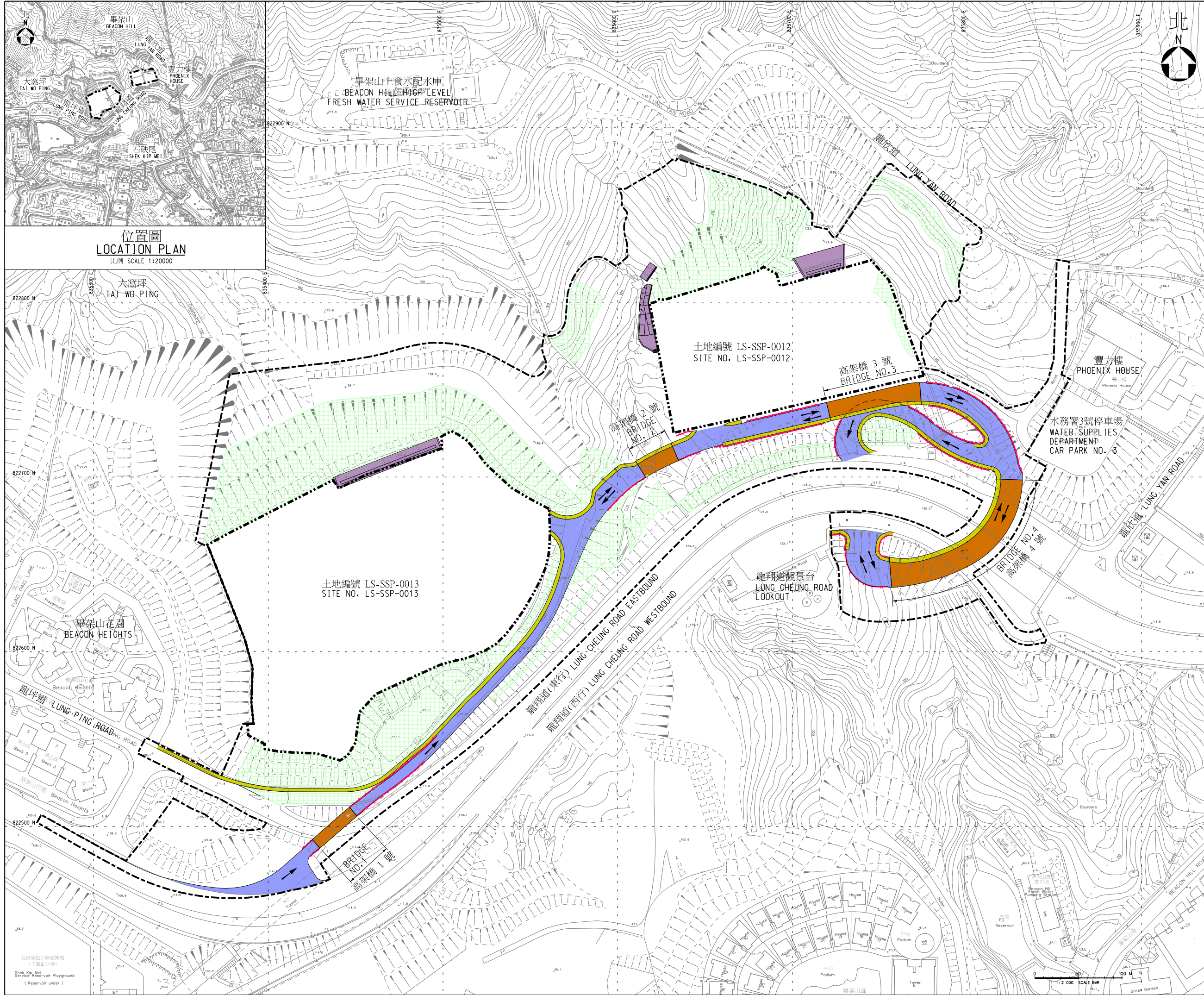
23. The proposed works will involve felling of 621 trees. All the trees to be removed are not important trees³. Four trees will be transplanted within the project site. We will incorporate planting proposals as part of the project, including 757 trees for on-site compensatory planting.

24. We estimate that the proposed works will create about 259 jobs (208 for labourers and another 51 for professional/technical staff) providing a total employment of 8 530 man-months.

Development Bureau
January 2013

³ “Important trees” refers to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –

- (a) trees of 100 years old or above;
- (b) trees of cultural, historical or memorable significance e.g. Fung Shui trees, trees as landmark of monastery or heritage monument, and trees in memory of an important person or event;
- (c) trees of precious or rare species;
- (d) trees of outstanding form (taking account of the overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
- (e) trees with a trunk diameter equal to or exceeding 1.0 metre (m) (measured at 1.3 m above ground level), or with a height/canopy spread equal to or exceeding 25 m.



- 圖例 LEGEND :**
- 施工區界限
LIMIT OF WORKS AREA
 - 地段界線
LOT BOUNDARY
 - 擬建之地面行車道
PROPOSED AT-GRADE ROAD
 - 擬建之高架行車道
PROPOSED ELEVATED ROAD
 - 擬建之地面及高架行人路
PROPOSED AT-GRADE / ELEVATED FOOTPATH
 - 擬建之斜坡鞏固工程
PROPOSED SLOPE STABILIZATION WORKS
 - 擬建之攔沙壩
PROPOSED CHECK DAM
 - 擬建之擋土牆
PROPOSED RETAINING WALL
 - 行車線 (每一箭咀表示一條行車線)
TRAFFIC LANE (ONE ARROW REPRESENTS ONE LANE)

**位置圖
LOCATION PLAN**
比例 SCALE 1:20000

工程名稱 Project Title
工務計劃項目第731CL號
石硤尾大窩坪龍坪道旁的房屋用地
基礎設施工程
PWP ITEM NO. 731CL
INFRASTRUCTURE WORKS FOR
HOUSING SITES ADJACENT TO
LUNG PING ROAD AT TAI WO PING,
SHEK KIP MEI

圖則名稱 Plan Title
平面圖
GENERAL LAYOUT PLAN

**圖則編號
Plan No.**
249496/SK/275

辦事處 Office
九龍拓展處
KOWLOON DEVELOPMENT OFFICE

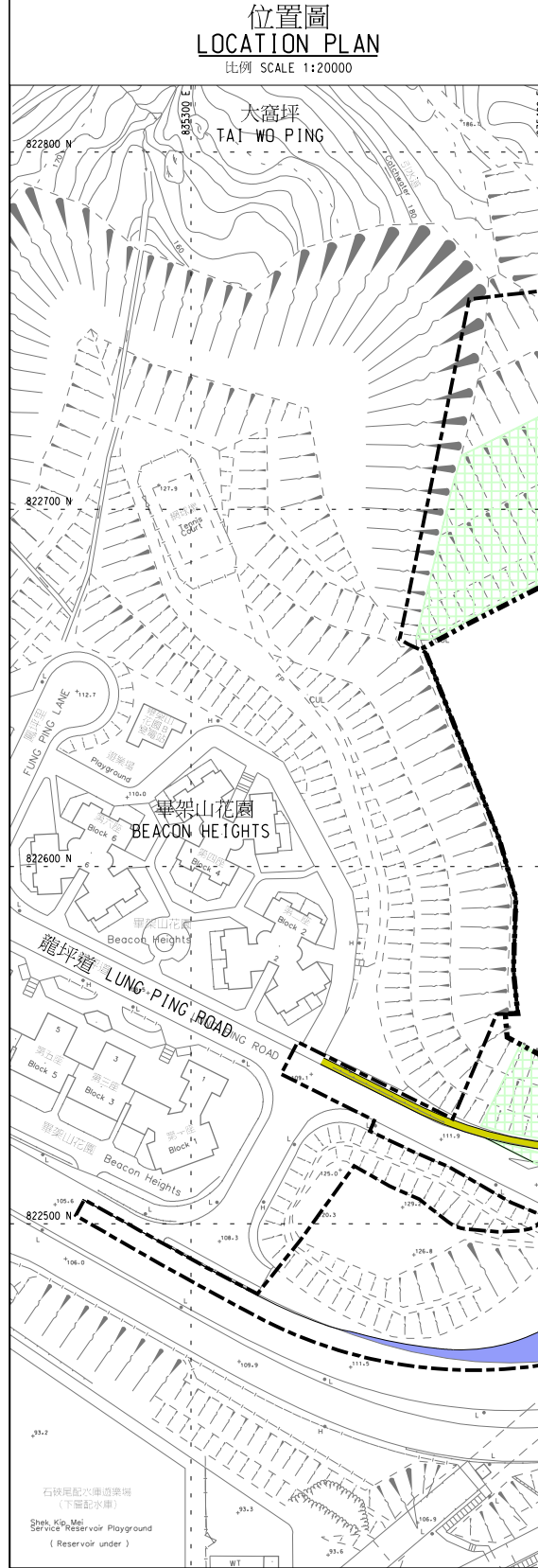
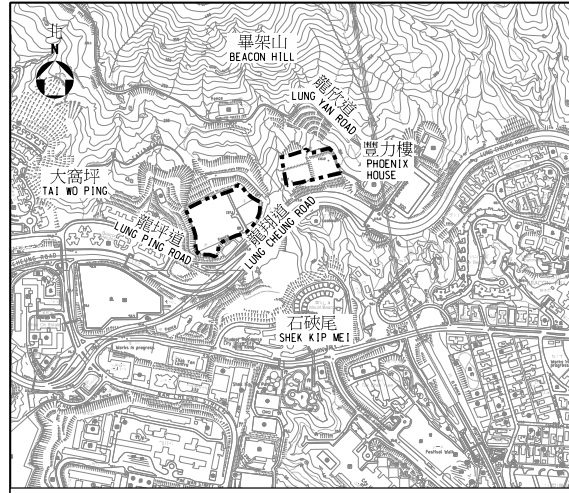
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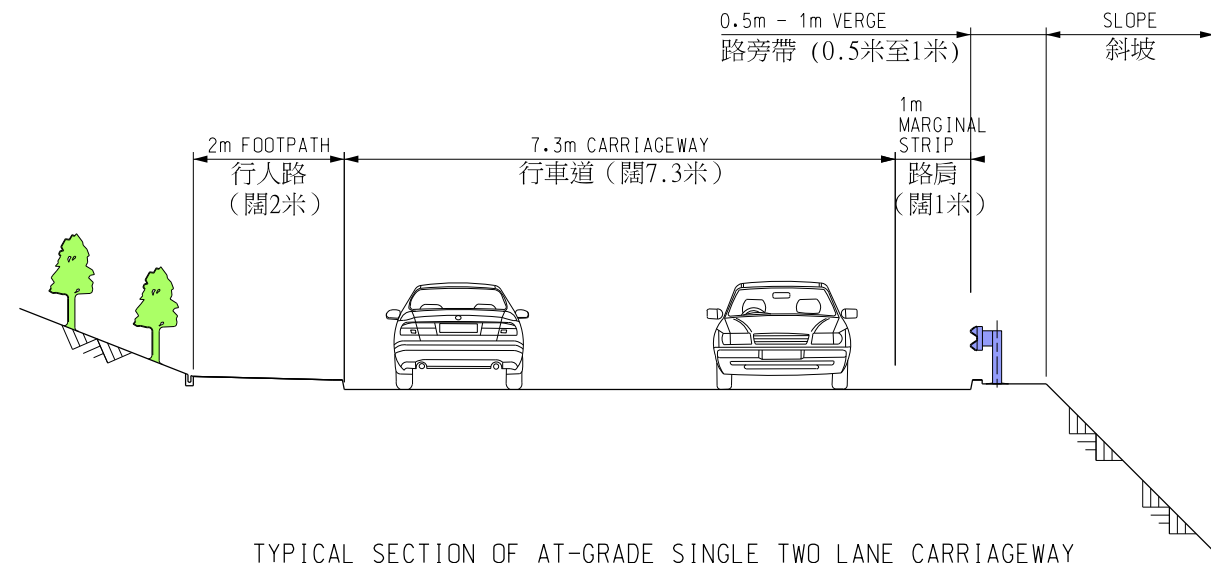
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九龍拓展處
KOWLOON DEVELOPMENT OFFICE

**土木工程拓展署
CIVIL ENGINEERING AND
DEVELOPMENT DEPARTMENT**





TYPICAL SECTION OF AT-GRADE SINGLE TWO LANE CARRIAGEWAY
地面不分隔雙線行車道切面圖

土地編號 LS-SSP-0012
SITE NO. LS-SSP-0012

龍翔道觀景台
LUNG CHEUNG ROAD
LOOKOUT



BRIDGE Nos.3 AND 4 PHOTOMONTAGE
高架橋三號及四號構想圖

工程名稱 Project Title
工務計劃項目第731CL號
石硤尾大窩坪龍坪道旁的房屋用地
基礎設施工程
PWP ITEM NO. 731CL
INFRASTRUCTURE WORKS FOR
HOUSING SITES ADJACENT TO
LUNG PING ROAD AT TAI WO PING,
SHEK KIP MEI

圖則名稱 Plan Title
切面圖及構想圖
SECTIONS AND PHOTOMONTAGE

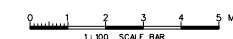
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DEVELOPMENT DEPARTMENT



**731CL – Infrastructure works for housing sites
adjacent to Lung Ping Road at Tai Wo Ping, Shek Kip Mei**

**Breakdown of the estimates for consultants' fees and resident site staff costs
(in September 2012 prices)**

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$million)
(a)	Consultants' fees for contract administration ^(Note 2)	--	--	--	3.2
				Sub-total	3.2
(b)	Resident site staff costs ^(Note 3)				
		236	38	1.6	24.8
		865	14	1.6	31.0
				Sub-total	55.8
Comprising –					
(i)	Consultants' fee for management of resident site staff				2.7
(ii)	Remuneration of resident site staff				53.1
				Total	59.0

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS point to estimate the cost of resident site staff supplied by the consultants. (As at now, MPS salary point 38 = \$65,695 per month and MPS salary point 14 = \$22,405 per month).
2. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreement. The construction phase of the assignment will only be executed subject to Finance Committee's approval to upgrade **731CL** to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.

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28 January 2013

Clerk to the Panel on Development
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr Fred Pang)

Dear Mr Pang,

**Panel on Development
Follow-up Action on the Discussion
at the Meeting held on 7 January 2013 –
731CL Infrastructure works for housing sites adjacent to Lung Ping Road at
Tai Wo Ping, Shek Kip Mei**

At the meeting of the Panel on Development on 7 January 2013, Members requested the Administration to take follow-up actions in respect of the captioned project, namely :-

- (a) to provide information about vacant private residential units of area over 100 square metres in the market, including the number and the vacancy rate;
- (b) to address members' concerns about the shortage in housing supply, the Administration was requested to –
 - (i) review the land use, including the suitability for public housing development, and the development parameters, such as the plot ratio and development intensity, for the two concerned housing sites to make more efficient use of land resources; and
 - (ii) study whether potential sites without necessary infrastructure could be put up for sale to developers in order to expedite the supply of housing land to the market, and whether provisions requiring the successful developer to undertake the necessary infrastructural and road works could be incorporated in the land lease to save public money.

The relevant information is set out in ensuing paragraphs.

Information on private residential units with size larger than 100 square metres

According to the Rating and Valuations Department in June 2012, in mid-2012, the overall number of vacant domestic units and the number of vacant domestic units with saleable area of or over 100 square metres were 44 103 units and 6 922 units respectively; and the corresponding vacancy rate was 4% and 8.2% respectively.

Information on increasing the development intensity

On increasing the development intensity of the two subject sites, we have reviewed the case and found that the scope of doing so is constrained by –

- (a) the need to be compatible with the land use and setting of adjacent areas which are characterised by low-density private residential developments;
- (b) the severe traffic noise impact arising from Lung Cheung Road where mitigation at source (i.e. erection of noise barrier) is not feasible because the works would occupy part of the traffic lanes and affect seriously the traffic flow; and
- (c) greater building height with possible on-site noise mitigation measures at the subject sites, which would result in adverse visual impact and poor air ventilation. Previous consultations suggested that there would be strong objection from the local community to high density development on these sites.

Given the same considerations above, we consider that these two sites are not suitable for high density residential development including subsidised housing.

Information on requesting the developer to conduct the infrastructure works

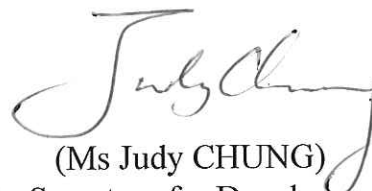
Implementation of the proposed works under the Public Works Programme is considered to be a more appropriate and effective way to take the development forward as we are able to secure early commencement of the works in June 2013 for timely completion as scheduled, which will also benefit users of Lung Ping Road. If the proposed works are to be undertaken by the future developers of the subject housing sites, there will be greater uncertainty in the implementation programme for the following reasons –

- (a) the availability of developer is subject to the prevailing market conditions and their interest in taking up the proposed works;

- (b) additional lead time is required by the developer to take up and review the design, site investigation and contract arrangements for the proposed works and to obtain approval from relevant authorities to proceed with the construction, meaning that the commencement and completion of the proposed works would considerably be later than June 2013 and the staged completion in 2016 respectively;
- (c) the developer has similar need to make use of the subject housing sites as temporary works areas, storage areas and casting yards for the proposed works, meaning that the programme for the building works is unlikely to be advanced; and
- (d) furthermore, if the proposed works are to be undertaken by the developer under the land sale conditions, there will be greater uncertainty in the implementation programme. There will not be any saving in public money because the costs of the proposed works will be duly reflected in the land premium to be offered by the developer.

Subject to the works progress, we will make the best endeavour to release one of the subject housing sites for land disposal earlier than 2015-16, with temporary access for shared use to be provided before completion of the proposed works.

Yours sincerely,



(Ms Judy CHUNG)
for Secretary for Development

c.c.

DCED (Attn.: Mr. Norman Heung)
D of Plan (Attn.: Mr. Wilson Chan)
D of Lands (Attn.: Ms Rita Lai)