

**Public Works Subcommittee
Meetings on 4 and 10 June 2014**

**List of issues requiring follow-up actions by the Administration
before the relevant meeting of the Finance Committee**

<u>Item</u>	<u>Issues</u>
PWSC (2014-15)10	1. At the request of Hon Gary FAN, the Administration will provide a written response to reports about possible execution of reclamation works outside the prescribed works area of the construction of the Hong Kong boundary crossing facilities (HKBCF) island of the Hong Kong-Zhuhai-Macao Bridge (HZMB).

The Administration's response:

The reclamation works have been carried out in accordance with the relevant gazettals. To facilitate the reclamation works of the HZMB HKBCF reclamation contract, the Contractor had temporarily occupied some of the works area permitted under Marine Department Notice for manoeuvring of construction plant and associated temporary environmental and safety measures. As some of the reclamation works have been completed, the Contractor is in the process of removing the associated construction plants and temporary measures off the site.

2. At the request of Hon Tony TSE, the Administration will provide information about the consultancy study on the construction of the HKBCF island, including the time and cost of the study, and the recommendations of the study on the commercial facilities to be developed on the island.

The Administration's response:

A consultancy was commissioned at end 2010 to carry out the detailed design and supervision of construction for the HKBCF's superstructures including various passenger and cargo clearance facilities, roads and transport facilities and other associated facilities with a lump sum fee of \$328 million. As part of this consultancy, a study was conducted to explore the provision of some commercial activities such as retail and catering services within the HKBCF to meet the immediate needs of passengers. The study recommended that some commercial and retail facilities should be provided at the Passenger Clearance Building (PCB) to serve and meet passengers' need.

3. At the request of Hon WU Chi-wai, to justify the basic need for the proposed commercial development on the HKBCF island, the Administration will provide information and data about the current shortage of commercial floor space (including floor space for hotels and retail facilities) in the area near the Hong Kong International Airport (HKIA) to meet the demand of the arriving visitors.

The Administration's response:

With the rising population, economic growth and the increase in the number of visitors, there is a growing demand for commercial floor area (including retail, hotel and office) in Hong Kong. From 2003 to 2013, the population increased by about 7% from 6.76 million to 7.22 million¹, while the GDP has increased by 55% in real term² and the number of visitors increased by 250% from 15.53 million³ to 54.30 million⁴, of which 25.66 million⁴ are overnight visitors. Looking ahead, according to the "Assessment Report on Hong Kong's Capacity to Receive Tourists", visitors to Hong Kong will be over 70 million in 2017, representing about 30% increase from 2013⁵.

In terms of supply, despite the increase in the floor space for private commercial (17%) and office uses (15%)⁶ and the number of hotel rooms (80%)⁵ from 2003 to 2013, the vacancy rates for private commercial and office uses remained low and the hotel occupancy rate remained high. As at 2013, the vacancy rates of private commercial and office were 7.2% and 7% respectively⁶, while the hotel occupancy rate was 89%⁷, reflecting the high demand for such land uses.

With the proximity to the HKIA, the HKBCF island will serve as a gateway between Hong Kong and the Pearl River Delta West, and therefore has good potential for developing a major cluster of commercial and other economic uses to meet some of the territorial demand, facilitate the development of "bridgehead economy" and contribute to Hong Kong's overall economic development. Possible developments include retail, dining,

1 Census and Statistics Department, HKSAR Government, <http://www.censtatd.gov.hk/hkstat/sub/sp150.jsp?tableID=001&ID=0&productType=8>

2 Census and Statistics Department, HKSAR Government, <http://www.censtatd.gov.hk/hkstat/sub/sp250.jsp?tableID=030&ID=0&productType=8>

3 Census and Statistics Department, HKSAR Government, "Hong Kong Annual Digest of Statistics 2004 - Summary of Key Statistics", <http://www.statistics.gov.hk/pub/B10100032004AN04B0600.pdf>

4 Hong Kong Tourism Board, http://www.tourism.gov.hk/english/statistics/statistics_perform.html

5 Commerce and Economic Development Bureau, HKSAR Government, "Assessment Report on Hong Kong's Capacity to Receive Tourists" (Dec 2013), pages 9 and 24

http://www.tourism.gov.hk/resources/english/paperreport_doc/misc/2014-01-17/Assessment_Report_eng.pdf

6 Rating and Valuation Department, HKSAR Government, "Property Market Statistics"

http://www.rvd.gov.hk/en/property_market_statistics/completions.html

7 "Hotel Room Occupancy Report", May 2014, published by Hong Kong Tourism Board

entertainment, hotels, creative industries, logistics industry and columbarium, etc. It is expected that the proposed commercial and other economic development will enhance the synergy among the Airport North Commercial District, AsiaWorld-Expo, HKIA, the proposed Third Runway Project, and other tourist destinations on Lantau.

Moreover, due to the proximity to the HKIA and Tung Chung New Town, the proposed commercial and other economic development will divert some Mainland and Macao tourists from the busy districts in the urban area.

4. With regard to the reports that barges and marine mechanical plant for construction works are deployed outside the prescribed works area of the construction of the HKBCF island of HZMB, Dr Hon Fernando CHEUNG enquired whether the Administration had conducted any assessment on the impact caused by the deployment of such construction plant on the marine environment. The Administration undertook to provide the relevant information.

The Administration's response:

The reclamation works have been carried out in accordance with the relevant gazettals. To facilitate the reclamation works of the HZMB HKBCF reclamation contract, the Contractor had temporarily occupied some of the works area permitted under Marine Department Notice for manoeuvring of construction plant and associated temporary environmental and safety measures. As some of the reclamation works have been completed, the Contractor is in the process of removing the associated construction plant and temporary measures off the site.

Highways Department (HyD) has employed Independent Environmental Checkers to verify the monitoring results and environmental performance while Environmental Protection Department (EPD) staff also conducted visits to the site to check if environmental mitigation measures were implemented in accordance with the Environmental Permit (EP) requirements and relevant environmental ordinances. An independent Environmental Project Office has also been set up at the commencement of the construction of the HZMB local projects in compliance with the EP requirements to oversee the cumulative environmental impacts arising from the HZMB local projects and other concurrent projects in the adjoining area.

5. At the request of Hon Albert CHAN, the Administration will provide detailed information about the land uses on the HKBCF island as permitted on the current Outline Zoning Plan.

The Administration's response:

The HKBCF island of HZMB is zoned "Other Specified Use" annotated "Boundary Crossing Facilities" ("OU(BCF)") on the approved Chek Lap Kok Outline Zoning Plan No. S/I-CLK/12 (the OZP). The planning intention for the zone is primarily for the development of the boundary crossing facilities and related activities for the HZMB. The zoning and the permitted uses are for the HKBCF to accommodate the planned facilities as well as to meet the operational requirements. According to the Notes of the OZP, the permitted uses are set out in Column 1 of the Notes for the "OU" zone. "Eating Place" and "Shops and Services" are in Column 1 to reflect the existing plan for the provision of such types of commercial uses within the future PCB.

An extract of the Notes of the "OU" zone is at **Appendix**.

6. At the request of Hon WU Chi-wai, the Administration will provide information about hotel room supply and the occupancy rate in Tung Chung and the airport area.

The Administration's response:

There is currently one hotel located in Tung Chung New Town and two within the airport area. Together with the two other at the Hong Kong Disneyland and one at Discovery Bay, the hotels provide a total of about 3 600 rooms.

The list of hotels and number of rooms on Lantau Island are tabulated below –

	No. of hotel rooms
<u>Chek Lap Kok</u>	
Regal Airport Hotel (富豪機場酒店)	1 171
Hong Kong SkyCity Marriott Hotel (香港天際萬豪酒店)	658
<u>Tung Chung</u>	
Novotel Citygate Hong Kong (諾富特東薈城酒店)	440
<u>Disneyland</u>	
Disney's Hollywood Hotel (迪士尼好萊塢酒店)	600
Hong Kong Disneyland Hotel (香港迪士尼樂園酒店)	400
<u>Discovery Bay</u>	
Auberge Discovery Bay Hong Kong (香港愉景灣酒店)	325
<u>TOTAL</u>	<u>3 594</u>

(Sources: Official websites of the above hotels or online hotel room booking agents)

According to the latest "Hotel Room Occupancy Report - April 2014" published by Hong Kong Tourism Board, the hotel room occupancy rate for the whole Islands District is 88%⁷ in 2013.

7. At the request of Hon LEUNG Chi-cheung, the Administration will provide information about the impact of the construction works at the HKBCF island on the ecological environment of *Plecoglossus altivelis* (香魚) at Tai Ho Wan.

The Administration's response:

Plecoglossus altivelis has been considered in the Environmental Impact Assessment of HKBCF. This species is known to be found in the freshwater in Tai Ho Stream which is the only site of occurrence of this species in Hong Kong or Guangdong. As the HKBCF project is far from Tai Ho Stream, it is considered that the *Plecoglossus altivelis* will not be affected by the HKBCF Project.

8. At the request of Dr Helena WONG, the Administration will provide information about whether the number of visitor arrivals in 2017, i.e. over 70 million (per year), as projected in the latest Assessment Report on Hong Kong's Capacity to Receive Tourists, has included the daily patronage of 55 850 passengers⁸ (or around 20 million per year) to HKBCF as projected by the Administration.

The Administration's response:

The Government completed an "Assessment Report on Hong Kong's Capacity to Receive Tourists" (Assessment Report) at the end of last year. With reference to the existing growth trend of visitor arrivals and assuming a steady growth of Mainland and short-haul visitor arrivals, as well as a very mild growth from long-haul markets, the Assessment Report estimated that visitor arrivals in 2017 would exceed 70 million.

The daily patronage of 55 850 passengers to the HKBCF includes local visitors. In coming up with the estimates in the Assessment Report, we have taken into account the commissioning of a few cross-boundary major infrastructure projects including the HKBCF in the coming years.

9. At the request of Dr Fernando CHEUNG, the Administration will provide information, including the reasons, such as whether there were changes to works/contract requirements, resulting in the extension of deadlines for submission of tenders for works

contracts associated with the construction of the HKBCF island.

The Administration's response:

Extension of tender closing date is not uncommon during the tendering period of engineering contracts. In fact, as the works involved in the HKBCF superstructures and infrastructures contracts are of large scale and are complicated in nature, potential tenderers who were interested in bidding the contracts were thorough in examining the requirements of the contracts. Therefore, the potential bidders raised enquiries on some content of the tender documents and sought clarifications from the HyD. In response to the enquiries, the HyD had to make some corresponding amendments to the tender documents. As a result, a number of potential tenderers requested for extension of tender period so as to allow more time for them to study the amendments and prepare their tenders. Having considered the requests from the potential tenderers, the HyD decided to extend the tender closing dates and the arrangements had been accommodated in the tendering programme.

10. At the request of Hon Alan LEONG, the Administration will provide information about the statutory town planning process to go through in the circumstance that after conducting the proposed planning, engineering and architectural study (770CL), the Administration would propose to proceed with commercial development on the HKBCF island through topside and underground space development.

The Administration's response:

The HKBCF island is currently zoned "Other Specified Use" zone annotated "Boundary Crossing Facilities" ("OU(BCF)") on the approved Chek Lap Kok Outline Zoning Plan No. S/I-CLK/12 (the OZP). The planning intention for the zone is primarily for the development of the boundary crossing facilities and related activities for HZMB. The zoning and the permitted uses are for the HKBCF to accommodate the planned facilities as well as to meet the operational requirements. According to the Notes of the OZP, only such types of commercial uses as "Eating Place" and "Shops and Services" are permitted in the zone. The zone is subject to maximum building height restrictions ranging from 15mPD to 45mPD.

Subject to the outcome of the proposed Study, the "OU(BCF)" zoning might need to be revised to reflect the revised planning

intention, recommended uses and development parameters. Should the Administration proceed with a major commercial development, or any other type of economic development, on the HKBCF island, amendments to the OZP would be required in accordance with the statutory planning procedures. There are provisions for the public to make representations and comments to the Town Planning Board (the Board) within the two-month exhibition period of the amendments to the OZP, and to make comments on the representations received during the 3-week public inspection period that follows. The persons who have submitted representations or comments may attend the hearing to be held by the Board or its Representation Hearing Committee (RHC) and be heard by the Board/RHC. After the hearing, the Board/RHC will decide whether to propose amendments to the draft plan to meet the representations. Upon completion of the representation consideration process, the Board is required to submit the draft plan incorporating the amendments, together with the representations, comments and further representations to the Chief Executive in Council for approval within nine months of the expiry of the 2-month plan exhibition period.

Furthermore, regarding the scope of the development to be proposed on the HKBCF island, some PWSC members when considering PWSC(2014-15)10 suggested other possible uses including development of creative industries, logistics industry and columbarium, etc., be included in the scope of the Study. We noted Members' concerns and agreed that apart from commercial development, the Study will also ascertain the feasibility of other economic activities. The scope of the Study as detailed in paragraph 3(a) of PWSC(2014-15)10 is expanded to study the development of other economic activities in addition to commercial development as originally proposed. FCR(2014-15)46 was issued on 3 July 2014 to reflect the Administration's undertaking in expanding the scope of the Study.

OTHER SPECIFIED USES (Cont'd)

Column 1 Uses always permitted	Column 2 Uses that may be permitted with or without conditions on application to the Town Planning Board
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For “Boundary Crossing Facilities” only

Ambulance Station Boundary Crossing Facilities Eating Place Fire Station Government Refuse Collection Point Petrol Filling Station Pier (Government use only) Police Station Public Convenience Public Transport Terminus or Station Public Utility Installation Radar, Navigational Aid, and Communication Devices Radar, Telecommunications Electronic Microwave Repeater, Television and/or Radio Transmitter Installation Sewage Treatment/Screening Plant Shop and Services Utility Installation for Private Project	Government Use (not elsewhere specified)
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