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**Joint Subcommittee to Monitor the Implementation of  
the West Kowloon Cultural District Project**

**Meeting on 21 April 2017**

**Updated background brief on the implementation of  
the integrated basement for the West Kowloon Cultural District**

**Purpose**

This paper summarizes the major views and concerns of members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project formed in the Fifth Legislative Council ("the former Joint Subcommittee"), the Public Works Subcommittee ("PWSC") and the Finance Committee ("FC") of the Fifth Legislative Council ("LegCo") on issues relating to the implementation of the integrated basement for the West Kowloon Cultural District ("WKCD").

**Background**

The integrated basement for the West Kowloon Cultural District

2. The integrated basement is an integral component of the "City Park" conceptual plan forming the basis for the Development Plan for WKCD. It is also an essential feature to meet the statutory minimum requirement of providing 23 hectares of public open space in WKCD as specified in the South West Kowloon Outline Zoning Plan. This design enables traffic to be put underground thereby freeing up the site for cultural use and public enjoyment. It also enhances the walking environment at-grade. Acknowledging that the integrated basement had not been envisaged when the upfront endowment was

granted to the WKCD Authority ("WKCDA") in 2008,<sup>1</sup> the Administration advised the former Joint Subcommittee in July 2013 that it would fully fund the capital works of the main integrated basement<sup>2</sup> as general enabling works to facilitate the development of the WKCD project.

#### First stage of design and advance works of the integrated basement

3. In May 2014, the Administration briefed the former Joint Subcommittee on the funding application for the first stage of design and advance works of the integrated basement in relation to Zone 3A and Zone 3B at an estimated cost of \$304.5 million in money-of-the-day ("MOD") prices. A site plan showing the first and second stages of the works of the integrated basement and the various zones is in **Appendix I**. The funding proposal on this project had been on the agenda of PWSC from 24 June to 17 December 2014. PWSC's discussion on the proposal did not start during the said period because of PWSC's engagement in the examination of other funding proposals on its agendas. On 5 January 2015, the Administration wrote to the then PWSC Chairman<sup>3</sup> proposing that the funding application be withdrawn, after considering the urgency of the project. According to the Administration, WKCDA had decided to charge the costs of the works to its endowment fund. The Administration would seek FC's approval for transferring the costs associated with the first stage of design and advance works of the integrated basement to WKCDA, in recognition of the works it had undertaken. According to the Administration,<sup>4</sup> the significant delay in obtaining FC's approval for the funding proposal had serious knock-on effects on the construction costs and development programmes of M+ and the Lyric Theatre Complex.

#### Second stage of design, site investigation and construction works of the integrated basement

4. In May 2015, the Administration consulted the former Joint Subcommittee on its proposal to upgrade part of PWP Item No. 763CL to Category A, at an estimated cost of \$2,919.5 million in MOD prices, for

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<sup>1</sup> In July 2008, FC approved a one-off upfront endowment of \$21.6 billion in MOD prices for WKCDA to implement the WKCD development covering arts and cultural facilities, retail/dining/entertainment facilities, public open space and certain transport facilities.

<sup>2</sup> The main integrated basement is the central portion between Xiqu Centre and M+.

<sup>3</sup> [LC Paper No. PWSC 67/14-15\(01\)](#)

<sup>4</sup> [PWSC\(2015-16\)30](#)

transferring the costs to WKCD as mentioned in paragraph 3, and implementing the second stage of design, site investigation and construction works of the integrated basement. The scope of the works under this funding proposal is in **Appendix II**. The proposal was endorsed by PWSC in June 2015 and approved by FC in July 2015. To PWSC, the Administration provided an updated timeline for the funding applications for the integrated basement and associated public infrastructure works ("PIW") (**Appendix III**). The second stage of works was scheduled to commence by the fourth quarter of 2015 for substantial completion in the first quarter of 2019.

5. In view of the exceptionally high degree of integration amongst the various facilities in the integrated basement, the Administration entrusted to WKCD the first stage and part of the second stage of works in Zones 3A and 3B of the integrated basement to be carried out concurrently with the implementation of M+ and the Lyric Theatre Complex. According to the Administration,<sup>5</sup> Zone 2A of the integrated basement would be developed with the topside developments, including the Centre for Contemporary Performance, some other arts and cultural facilities and hotel/office/residential ("HOR") sites to be delivered in stages following completion of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") project. Zone 2B of the integrated basement was planned to be developed by the prospective developer(s) of the HOR sites on the topside. The implementation of Zone 2C of the integrated basement, as well as the topside developments including the core arts and cultural facilities (viz. Batch 3 facilities) and HOR sites, would be reviewed at a suitable juncture.

### **Members' views and concerns**

6. The major views and concerns expressed by Members on the implementation of the integrated basement for WKCD at the meetings of the former Joint Subcommittee, PWSC and FC of the Fifth LegCo are summarized in the ensuing paragraphs.

### Funding arrangements for the integrated basement

7. Some Members noted with concern that the cost estimate of the implementation of main integrated basement had increased from more than \$10 billion as advised by the Administration in July 2013 to around

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<sup>5</sup> [PWSC\(2015-16\)30](#)

\$23 billion inclusive of design and site investigation,<sup>6</sup> a rough cost estimate given in May 2014. Noting that the Administration would fully fund the capital works of the integrated basement, some Members queried why PIW for WKCD as well as the integrated basement had not been accounted for in the Administration's funding submission to FC for the provision of the one-off upfront endowment in 2008 and whether it was an attempt to cover up the overspending of the WKCD project.

8. The Administration explained that the integrated basement for WKCD had not been planned in the recommendations of the Consultative Committee on the Core Arts and Cultural Facilities of WKCD.<sup>7</sup> It emerged as a key feature of the "City Park" conceptual plan in 2011 and was one of the major factors for the cost escalation of the WKCD project. The funding proposal for the upfront endowment submitted to FC in 2008 proposed that WKCDA would cover the design and construction costs for the arts and cultural facilities with the endowment fund, while other communal and government facilities and related engineering works for supporting the whole WKCD would be undertaken by the Government. The rough cost estimate of around \$23 billion for the main integrated basement and the associated PIW was derived in mid-2013 based on WKCDA's preliminary basement layout plans/site investigation results and the assumption that the construction of the whole integrated basement would be completed in one go by 2020. The Administration would be in a better position to provide up-to-date estimates for the whole integrated basement project when the detailed design and construction programmes for the different phases of the basement were firmed up.

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<sup>6</sup> According to the paper ([LC Paper No. CB\(2\)1591/13-14\(03\)](#)) provided by the Administration to the former Joint Subcommittee in May 2014, of this \$23 billion, about \$19 billion in MOD prices contributes to the cost of the foundations and substructure of the integrated basement for the topside developments. The remaining balance of about \$4 billion is for the cost of PIW and protection works for the Airport Express tunnels and the associated foundations and substructure there.

<sup>7</sup> Following the discontinuation of the Invitation for Proposals process for developing WKCD in February 2006, the then Chief Executive appointed in April 2006 the Consultative Committee on the Core Arts and Cultural Facilities of WKCD to re-examine and re-confirm, if appropriate, the need for the core arts and cultural facilities in WKCD as well as the financial implications of developing and operating these facilities. The Consultative Committee submitted a [recommendation report](#) to the then Chief Executive in June 2007.

### Cost shared by private developers

9. Some Members questioned the justification for the funding for the preliminary design and site investigation for Zone 2B of the integrated basement, in view of the plan that the topside facilities of Zone 2B were mainly HOR developments to be developed by private developers.<sup>8</sup> Some sought information on the cost-sharing arrangement between the Government and private developers for the development of the portions of the integrated basement for the HOR sites in WKCD.

10. The Administration advised that the basement under Zone 2B would be developed by the prospective developer(s) of HOR sites on the topside. It was necessary to carry out the proposed preliminary design and site investigation for Zone 2B of the integrated basement for control and cost estimate purposes. The apportionment of the integrated basement cost between the Government and private developers would correspond approximately to the ratio of WKCDA and Government's facilities (including infrastructure works) to HOR developments in terms of floor areas.

### Impact of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project

11. Noting that the site of Zones 2A to 2C of the integrated basement was being used as a works area of the XRL project, some Members expressed concern about the impact of the delay of the XRL project on the implementation of the integrated basement, in particular Zone 2A.

12. The Administration advised that, to reduce the impact of the delay in handing over the works area of the XRL project to WKCDA for development, WKCDA had adopted a pragmatic approach by developing the arts and cultural facilities in batches. Batches 1 and 2 facilities that were being/to be developed included M+ and the Lyric Theatre Complex (in the area around the Artist Square on top of the integrated basement at Zones 3A and 3B), the Park (with Arts Pavilion), Freespace (Black Box and Outdoor Stage) and the Xiqu Centre. The development of the area around the Artist Square (referred to as the Artist Square Development Area) would enable early

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<sup>8</sup> There are new developments regarding the development right for the HOR sites. In his Policy Address, the Chief Executive announced that the Administration had decided to provide WKCDA with an enhanced financial arrangement by granting it the government-owned development rights of the HOR portion of WKCD. WKCDA may develop the HOR facilities jointly with the private sector through open tender and a Build-Operate-Transfer arrangement, and share rental revenue from such facilities to sustain the operation of WKCD. Details about the enhanced financial arrangement are given in the [LegCo Brief](#) on the subject issued to Members on 19 January 2017.

delivery of a 'mini-WKCD' for public enjoyment. According to the MTR Corporation Limited ("MTRCL"), it was expected that the works area above Zones 2A to 2C of the integrated basement would be handed over to the Administration/WKCDA in phases between 2017 and 2018. The Administration and WKCDA would continue to liaise closely with MTRCL on the schedule of handover of the works area.

13. In response to Members' enquiries about an estimate of the additional cost for the WKCD project incurred each year due to the delay in the XRL project, the Administration advised that it would engage consultants to carry out the design and supervise the site investigation of essential basement structures and associated works for Zones 2A, 2B and 2C of the integrated basement. When the designs and implementation programmes as well as the project costs of the integrated basement and topside developments were available, the Administration could provide an estimate of the additional cost involved in the WKCD development arising from the delay in the return of the work sites in Zones 2A, 2B and 2C.

#### Feasibility of independent operation of the integrated basement at Zones 3A and 3B

14. Some Members queried whether it would be a waste to construct Zones 3A and 3B of the integrated basement if some other portions of the basement, such as Zones 2A and 2C, would eventually not be implemented for one reason or another. The Administration affirmed that Zones 3A and 3B of the integrated basement could be operated independently even if other zones of the basement could not be implemented eventually.

#### Management issues

15. On Members' concern about the air quality and temperature as well as the future management of the integrated basement, the Administration and WKCDA assured Members that due regard would be given to the underground air quality and temperature in formulating the detailed design of the integrated basement. The Administration also advised that while it was preliminarily planned to entrust the management of the entire basement to WKCDA to enhance the overall management efficiency, the issue of whether separate funding would be provided to WKCDA to subsidize the management costs would require further study.

### **Latest development**

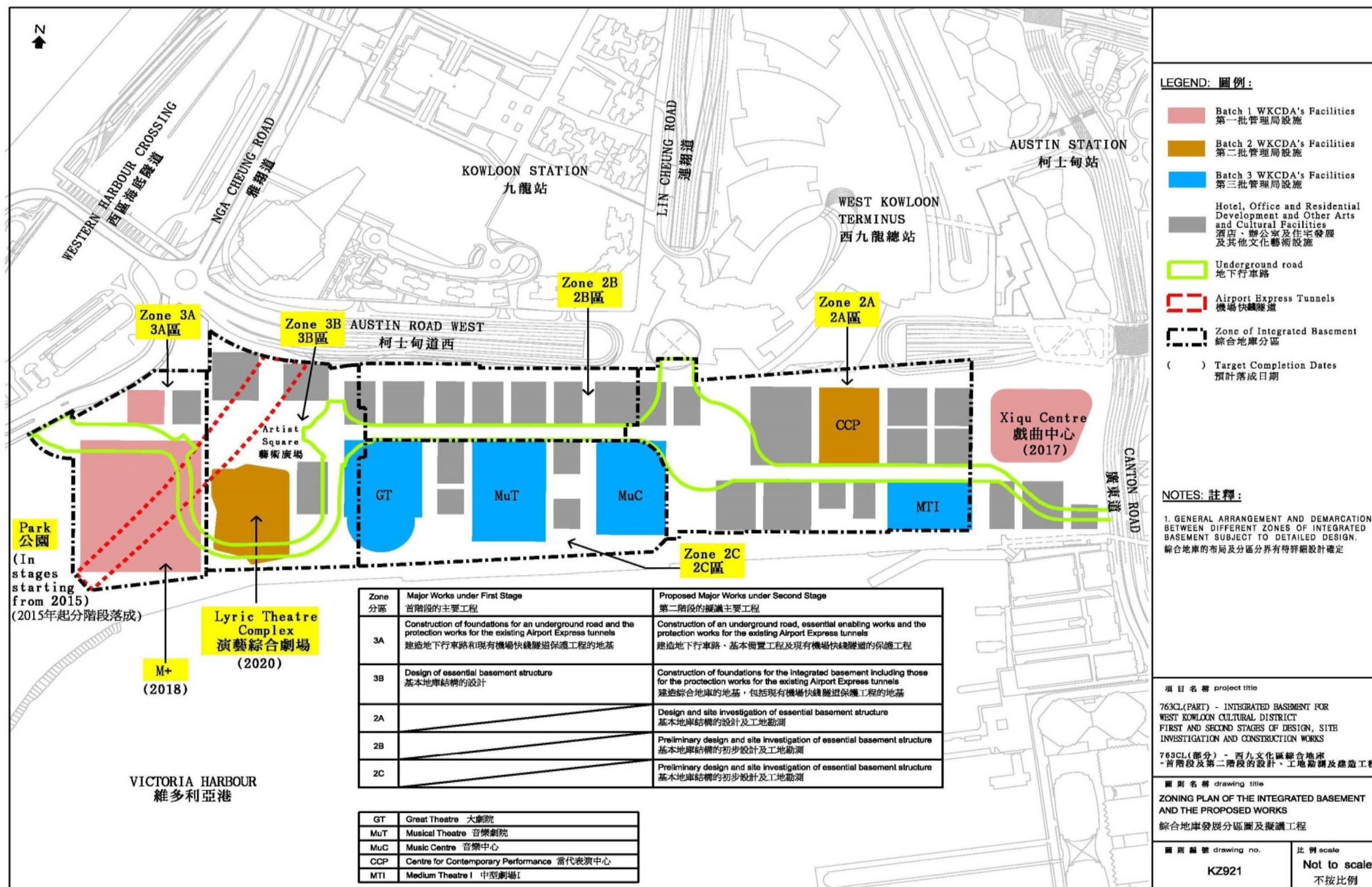
16. At the meeting of the Joint Subcommittee to be held on 21 April 2017, the Administration will seek the Joint Subcommittee's support for constructing the remaining section of the underground road and associated works in Zone 3A of the integrated basement and the remaining works and essential enabling works for supporting the topside development in Zone 3B.

### **Relevant papers**

17. A list of the relevant papers on the LegCo website is in **Appendix IV**.

Council Business Division 1  
Legislative Council Secretariat  
13 April 2017

西九文化區綜合地庫首階段及第二階段工程的工地平面圖  
Site plan of the first and second stages of the works of  
the integrated basement for West Kowloon Cultural District





**Scope of the works of 763CL (part)  
proposed to be upgraded to Category A (as at May 2015)**

**(A) First stage of design and advance works of the integrated basement, covering the following major items:**

- (i) construction of the foundations for both an underground road and the protection works for the existing Airport Express tunnels ("AET") in Zone 3A of the integrated basement, necessary environmental mitigation measures, and related monitoring and auditing works; and
- (ii) design of essential basement structure<sup>9</sup> and associated works for Zone 3B of the integrated basement including preparation of tender documents and assessment of tenders for the construction works.

**(B) Second stage of design, site investigation and construction works of the integrated basement, covering the following major items:**

- (i) construction of an underground road of about 140 m long in Zone 3A of the integrated basement, associated ancillary works including footpaths, pick-up/drop-off area, electrical and mechanical works, plant rooms, means of escape/means of access for firefighting and rescue, and essential enabling works for the remaining section of the underground road in Zone 3A<sup>10</sup> of the integrated basement;
- (ii) protection works for the existing AET<sup>11</sup> in Zone 3A;

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<sup>9</sup> Essential basement structure generally includes structural elements of the integrated basement such as walls, floor and ceiling slabs, columns and beams, as well as other associated works.

<sup>10</sup> Essential enabling works in Zone 3A mainly cover the essential basement structure to enable the construction of the remaining section of underground road and associated ancillary works in Zone 3A.

<sup>11</sup> Protection works for the existing AET mainly cover structural elements spanning over the tunnels to avoid imposition of extra loads from the integrated basement and topside developments on the tunnels.

- (iii) construction of the foundations<sup>12</sup> for Zone 3B of the integrated basement including those for the protection works for the existing AET;
- (iv) design and site investigation of essential basement structure and associated works for Zone 2A of the integrated basement, including preparation of tender documents and assessment of tenders for the construction works;
- (v) preliminary design and site investigation of essential basement structures and associated works for Zones 2B and 2C of the integrated basement; and
- (vi) necessary environmental mitigation measures, and related monitoring and auditing works for construction and site investigation works in sub-paragraphs (i) to (v) above.

The Administration will retain the remainder of 763CL in Category B. The scope of the remainder mainly comprises:

- (i) construction of the remaining section of underground road and associated works in Zone 3A;
- (ii) remaining foundation works and main works including underground road, AET protection works and essential basement structures in Zone 3B;
- (iii) construction of underground road and essential basement structure in Zone 2A; and
- (iv) detailed design, site investigation and construction of essential basement structure and construction of underground road in Zone 2B.

Source: [LC Paper No. CB\(2\)1463/14-15\(05\)](#) and [PWSC\(2015-16\)30](#)

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<sup>12</sup> The foundations are to support the integrated basement and topside developments in Zone 3B.

**Timeline for the funding applications for the integrated basement and associated public infrastructure works ("PIW") in coming years up to 2017 (as at June 2015)**

	WKCD facilities / developments to be affected	Rough cost estimates of funding to be sought (in MOD prices)	Tentative schedule of funding applications
		Integrated basement and associated PIW	
<p>(a) First stage of design and advance works mainly comprising:</p> <ul style="list-style-type: none"> <li>(i) construction of the foundations for both an underground road and the protection works for the existing Airport Express tunnels in Zone 3A of the integrated basement; and</li> <li>(ii) design of essential basement structure and associated works for Zone 3B of the integrated basement.</li> </ul>	<p>M+ (at Zone 3A), Lyric Theatre Complex, Artist Square and Hotel/Office/Residential ("HOR") sites including Retail/Dining/Entertainment ("RDE") facilities (at Zone 3B) and HOR sites including RDE facilities and arts and cultural facilities of WKCDA (at Zones 2A and 2B)</p>	<p>About \$2.9 billion</p>	<p>Mid-2015</p>
<p>(b) Second stage of design, site investigation ("SI") and construction works mainly comprising:</p> <ul style="list-style-type: none"> <li>(i) construction of an underground road, associated ancillary works and essential enabling works in Zone 3A of the integrated basement;*</li> <li>(ii) protection works for the existing Airport Express tunnels in Zone 3A of the integrated basement;</li> <li>(iii) construction of the foundations for Zone 3B of the integrated basement including those for the protection works for the existing Airport Express tunnels;</li> </ul>			

**Timeline for the funding applications for the integrated basement and associated public infrastructure works ("PIW") in coming years up to 2017 (as at June 2015)**

	WKCD facilities / developments to be affected	Rough cost estimates of funding to be sought (in MOD prices)	Tentative schedule of funding applications
		Integrated basement and associated PIW	
(iv) design and SI of essential basement structure and associated works for Zone 2A of the integrated basement; ^ and (v) preliminary design and SI of essential basement structures and associated works for Zones 2B and 2C of the integrated basement			
(c) Construction of basement structures, underground road and associated PIW in Zone 3B and remaining section of the underground road in Zone 3A.	Lyric Theatre Complex, Artist Square (at Zone 3B)	About \$3 billion	2016/17
(d) Construction of basement structures, underground road and associated PIW in Zone 2B	HOR sites including RDE facilities and arts and cultural facilities of WKCDA (at Zone 2B)	About \$4 billion	2016/17

\* *As no objection was received during the statutory objection period, it is proposed to include PIW in Zone 3A under the scope of the second-stage works of the funding application [PWSC\(2015-16\)30](#).*

^ *The basement under Zone 2A will be developed by the Government after completion of the XRL project. Together with the topside development, the basement under Zone 2A will be delivered in stages starting from 2022 subject to the programme of XRL.*

Source: [PWSC\(2015-16\)30](#)

**Implementation of the integrated basement  
for the West Kowloon Cultural District**

**List of relevant papers**

Committee	Date of meeting	Paper
Former Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project	28.5.2014 Item II	<a href="#">Agenda</a> <a href="#">Minutes</a>
	24.11.2014 Item II	<a href="#">Agenda</a> <a href="#">Minutes</a>
	12.1.2015 Item III	<a href="#">Agenda</a> <a href="#">Minutes</a>
	19.5.2015 Item III	<a href="#">Agenda</a> <a href="#">Minutes</a>
Public Works Subcommittee	16.6.2015 Item 3	<a href="#">Agenda</a> <a href="#">Minutes</a>  <a href="#">The Administration's response to members' concerns raised at the meeting</a>
Finance Committee	10.7.2015 Item 1	<a href="#">Agenda</a> <a href="#">Minutes of meeting at 4:43 pm</a> <a href="#">Minutes of meeting at 7:11 pm</a>