

NOTE FOR FINANCE COMMITTEE

West Kowloon Reclamation - Review of Land Uses and Deletion of Proposed Road and Infrastructural Works

INTRODUCTION

This Note informs Members of the Government's decision to fundamentally review the land-uses of the southern portion of West Kowloon Reclamation (WKR) for the development of a world-class integrated arts, cultural and entertainment district; and to facilitate this by deleting the remaining works in the existing road and infrastructure works contract on WKR (WK28/98).

BACKGROUND

2. The WKR is one of the ten Airport Core Programme projects primarily aimed to provide land for a transport corridor to accommodate the West Kowloon Highway, Airport Railway and connection for the Western Harbour Crossing. The southern portion of WKR, measuring about 40 hectares (the project area) is currently zoned under the South West Kowloon Outline Zoning Plan for a regional park (13.79 hectares), commercial (5.02 hectares) and residential (0.77 hectare) development as well as other open space (7.94 hectares) and government, institution and community (1.45 hectares) uses (see Annex A).

3. In October 1998, the Chief Executive announced in his Policy Address the planning of a new state-of-the-art Performance Venue (PV) on WKR as a catalyst to upgrade Hong Kong's image as an Asian entertainment capital. The preliminary findings of a consultancy study commissioned by the Hong Kong Tourist Association (HKTA) on the Development of a PV in Hong Kong suggested that one of the possible sites for the PV was within the planned regional park on WKR. While the PV could be accommodated in WKR without significantly affecting the planned land-uses of adjoining sites, we have, after careful consideration, concluded that from the overall land-use planning and commercial viability points of view, to develop a PV in isolation would not be

appropriate. Our experience with the Hong Kong Colliseum and the Hong Kong Stadium underlines the importance for the PV to be complemented by other arts, cultural and entertainment facilities. The clustering effect would greatly enhance the commercial viability of individual projects. The HKTA's consultancy study (completed in February 1999) also recommended the development of the area into a new art, culture and tourist district which would create a critical mass of activities around the PV.

4. After further consideration within the Government and consultation with all relevant professional institutes and key stakeholders, the Government came to the view that replanning the project area would be essential to fully develop the potential of this prime waterfront area for the long-term benefit of Hong Kong. This policy intention was then announced in the Chief Executive's Policy Address in October 1999 when the Government undertook to hold an Open Competition on the future development and urban design of the waterfront to create a new look for the Victoria Harbour. To pursue this policy undertaking, we have promptly decided to delete those parts of an existing works contract that would be affected by the replanning of the project area.

FUNDING OF THE EXISTING WORKS CONTRACT

5. On 16 October 1998, the Finance Committee approved the funding for upgrading to Category A of part of 332 CL, entitled "West Kowloon Reclamation - southern area, phase 4 and remaining roadworks, stage 2" at an estimated cost of \$914 million. The works are divided into three separate contracts with different commencement dates (shown at Annex B), as follows -

- | | | |
|-----|--|--------------------------------|
| (a) | WK28/98 (roads, drainages and footbridges) | December 1998 to June 2001 |
| (b) | CV/97/09 (YM6 Reclamation) | January 1999 to September 2001 |
| (c) | WK32 (road, drainages and sewerage works) | July 2003 to December 2005 |

The Government's decision to replan the project area would only affect parts of WK28/98. WK28/98 comprises mainly roads (including D13, SR6, SR7 and SR8), footbridges and drainage works, with a contract sum of \$299 million. The contract value for the portion of works that fall within the project area is about \$210 million.

CONSIDERATION

6. In pursuing a fundamental review of the land uses in the project area, we have considered the possibility of retaining some, if not all, of the planned road and infrastructure works which might serve the needs of the future arts, cultural and entertainment district. However, we consider that the existing road layout would likely be incompatible with the future entertainment district. Road D13 now being built bisects the project area into two narrow strips of land. The west end of D13 leads to the Public Cargo Working Area near the Yau Ma Tei Typhoon Shelter. This will attract goods vehicles and container truck traffic to pass through the heart of a new arts/cultural/entertainment district and clearly this would be undesirable. Retaining the roads and infrastructure works planned on past assumptions would impose inappropriate and unnecessary constraints for prospective participants in the Open Competition that we are planning for the project area. Such constraints would limit the freedom and restrict the room of imagination of participants and thus would defeat the primary objective of holding an Open Competition. It would therefore be a mistake to adhere to such road layout designed in 1992 in the clear knowledge that the planning assumptions upon which such roads were designed are no longer valid.

7. According to existing plans, about 25% of this strategic piece of land would be dedicated to open roads. Throughout the recent public debate over a number of major development projects, most notably the South East Kowloon Development and the Central Reclamation Phase III, considerable criticism was directed against the disproportionate amount of land taken up by open roads. We fully appreciate the great public demand to reduce the mileage of roads to be built and, where possible, to submerge them or put them in tunnel. The land freed up for development as a result of the reduction of open roads could also possibly bring greater economic benefit to Hong Kong.

8. In line with our current principles of town and transport planning, visitors to the area will be encouraged to use public transport. Both the Airport Express Kowloon Station and the future West Rail Terminus are located within walking distance to the area. Developments in the area should therefore be designed to facilitate as much pedestrianisation as possible. In redesigning this area, the two sets of conventional footbridges under the contract could be replaced by inter-connecting underground or overhead walkways. For illustration purposes only, two conceptual plans for the project area have been prepared at Annex C to show the possible differences in the overall development schemes with (C1) and without (C2) the existing planned roads.

FINANCIAL IMPLICATIONS

9. Up to mid November 1999 when the Government decided to delete the proposed works, the value of completed works which might become abortive was estimated to be about \$24 million. The Government's decision to delete the works concerned would avoid expenditure on the remaining works worth \$160 million, which if carried out would most likely become abortive. A breakdown of the works completed and to be retained, works completed but to be abandoned and works to be deleted is at Annex D. The Government informed the Legislative Council Panel on Planning, Lands and Works and the contractor concerned respectively on 18 and 19 November 1999 of its decision to replan the project area and to delete works yet to commence under contract WK28/98. The contractor concerned has claimed for damages arising from the deletion of the affected works covering site and office overheads and loss of profit. As negotiations are continuing, it would be premature to publish an estimate of the eventual amount of damages payable.

10. The likely abortive works already completed will be left in-situ and some portion thereof might still be utilised depending on the new design of the project area.

Planning, Environment and Lands Bureau
December 1999

Annex A
附件 A

Regional Park
區域公園



Open Space
休憩用地



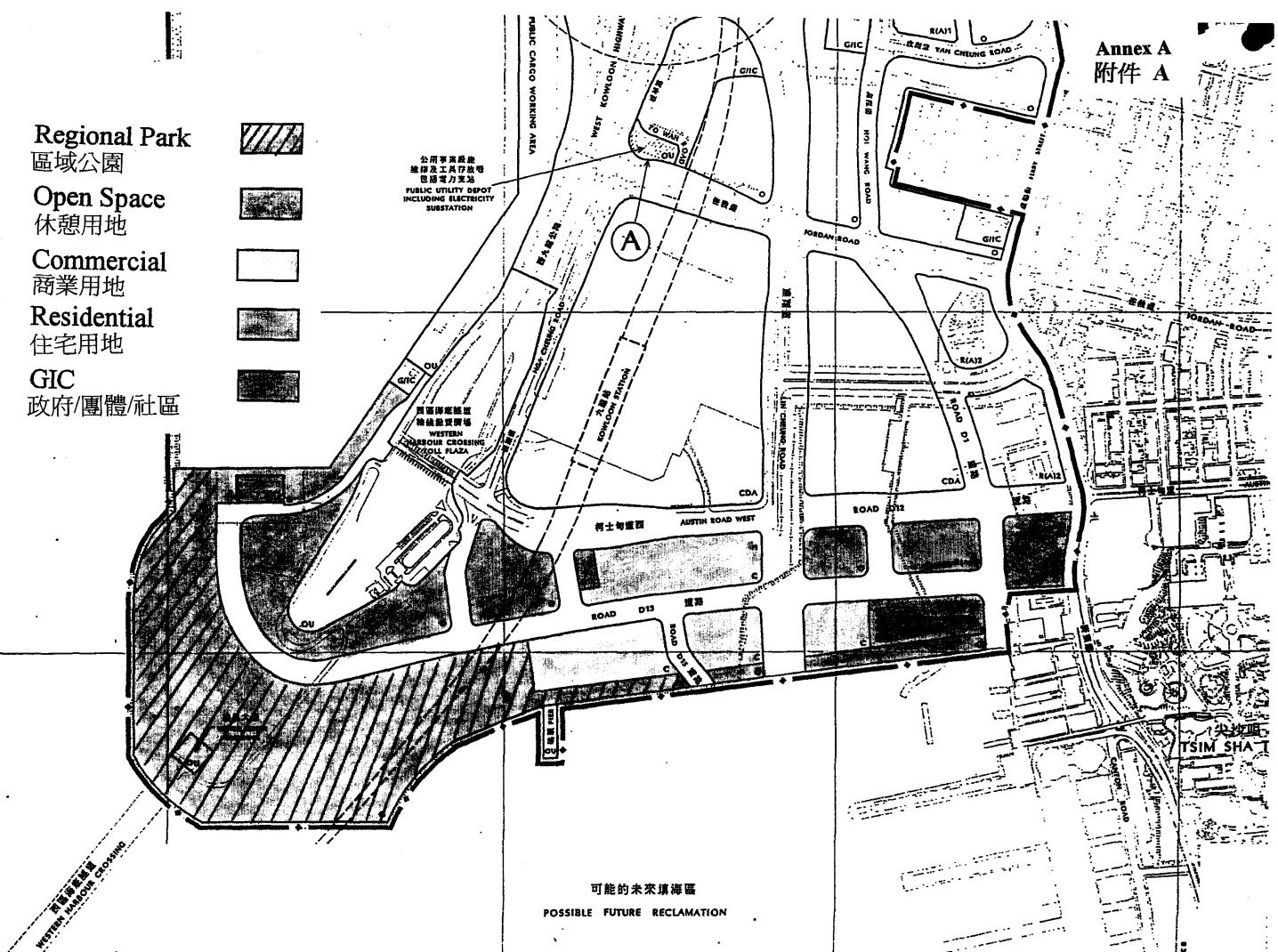
Commercial
商業用地



Residential
住宅用地



GIC
政府/團體/社區



LEGEND

圖例

CONSTRUCTION PERIOD

修建時間

WK 28/98

Dec 1998 – June 2001

一九九八年十二月至二零零一年六月

CV/97/09/(YM6)

Reclamation

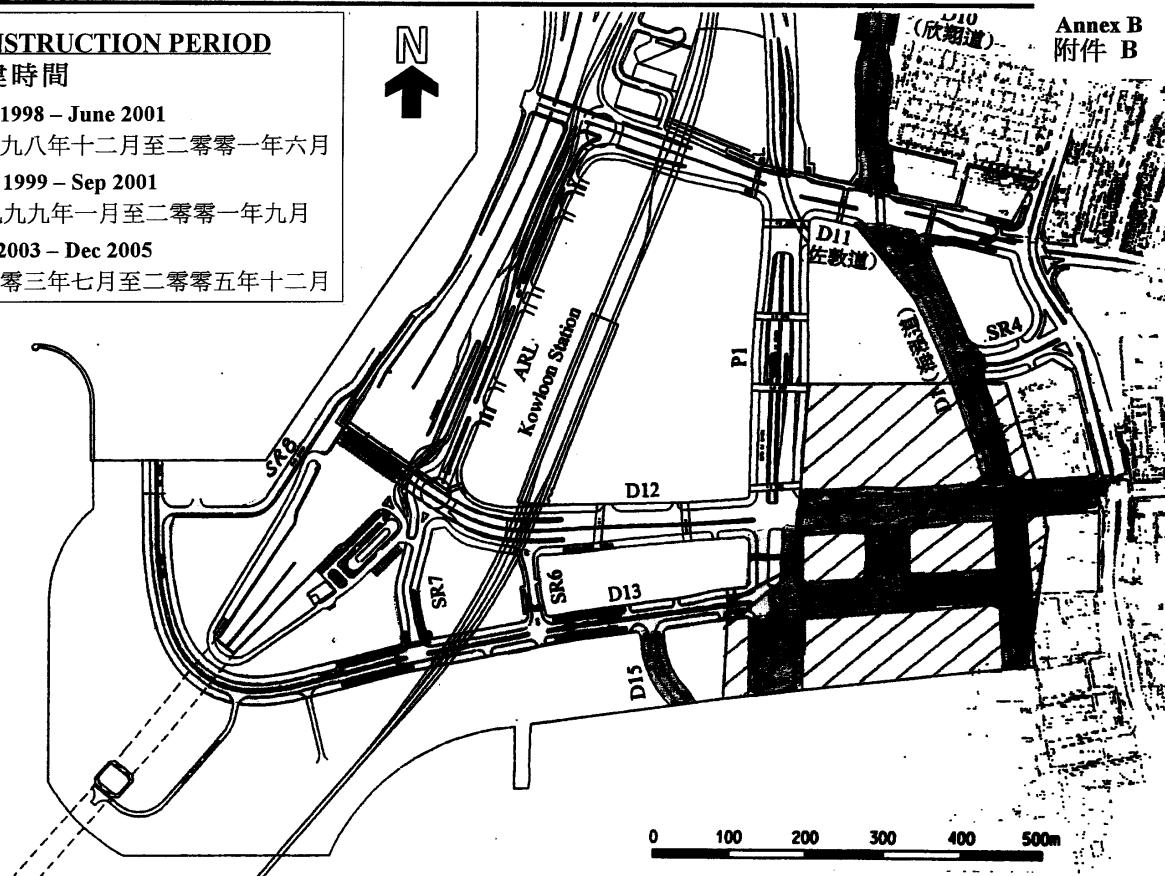
Jan 1999 – Sep 2001

一九九九年一月至二零零一年九月

WK 32

Jul 2003 – Dec 2005

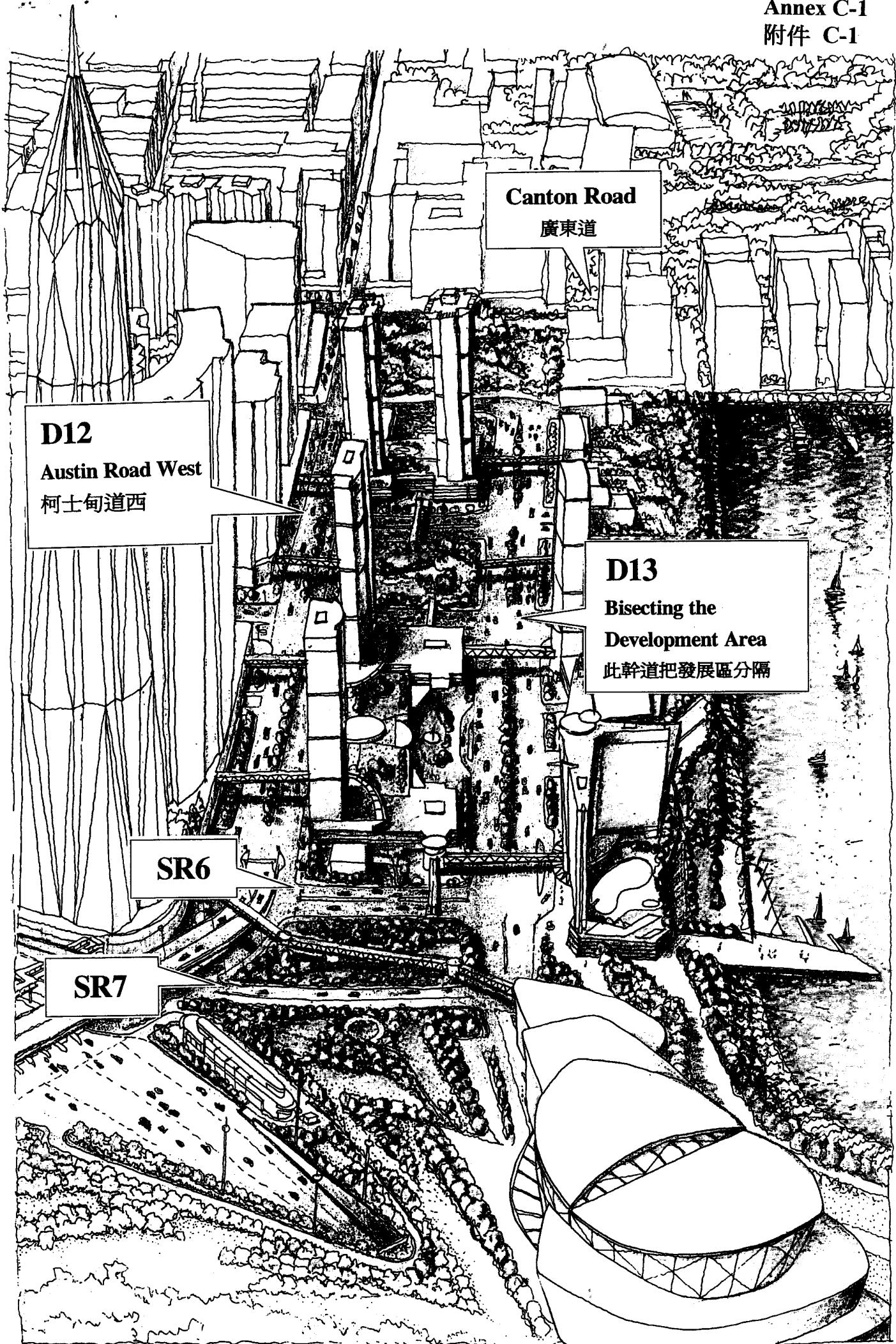
二零零三年七月至二零零五年十二月

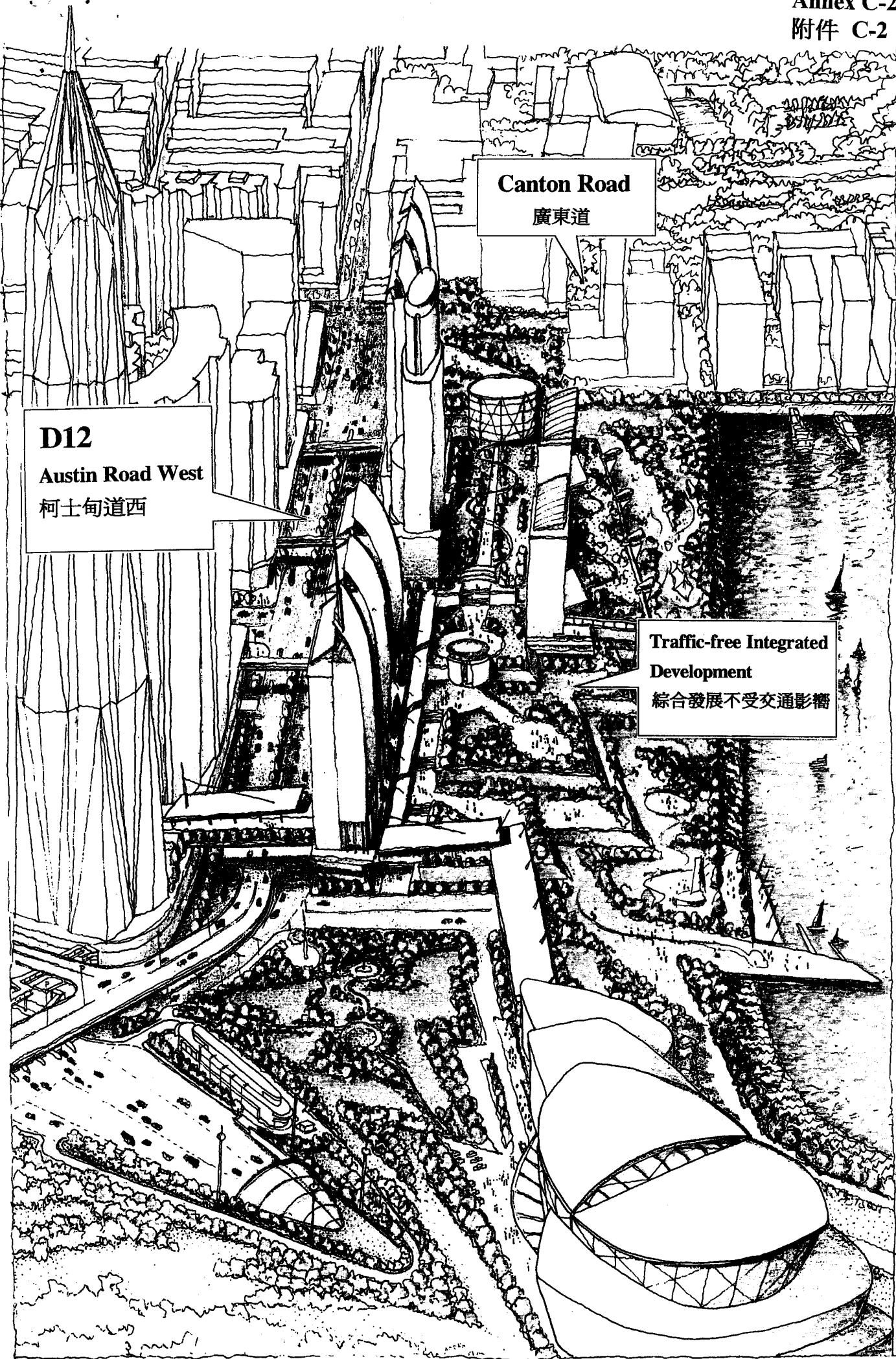


圖則名稱 drawing title

**West Kowloon Reclamation –
Road network near West Harbour Crossing**
西九龍填海 – 西區海底隧道附近的公路網

繪圖 drawn S.M. Mo	簽署 initial 	日期 date 22-06-99	項目編號 item no.	辦事處 office 九龍拓展處 KOWLOON DEVELOPMENT OFFICE
核對 checked S.Y. LEUNG	簽署 initial 	日期 date 22-06-99	比例 scale As shown	
批准 approved H.T. Tang	簽署 initial 	日期 date 22-06-99	圖則編號 drawing no. K 127	拓展署 TERRITORY DEVELOPMENT DEPARTMENT





**Break-down of the Works Under Contract WK28/98
which would be Affected by the Review of Land Uses
in the Southern Part of West Kowloon Reclamation
(as at mid November 1999)**

(1) Works completed and to be retained

- Dredging and reclamation (0.7 ha)	\$17.5M
- Stormwater outfall (1 No.)	\$2.5M
- MTRC cooling mains (800 m)	<u>\$6.0M</u>
	= \$26.0M

(2) Works completed but to be abandoned

- Footbridge 1 (foundations only)	\$12.0M
- At grade roadworks (D13, SR6, SR7, SR8 formation and drains)	\$8.0M
- Watermains	<u>\$4.0M</u>
	= \$24.0M
(1) + (2)	= \$50.0M

(3) Works to be deleted

- Footbridge 1 (superstructure only)	\$48.0M
- Footbridge 2	\$55.0M
- At grade roadworks (D13, SR6, SR7, SR8 road base and pavements)	\$40.0M
- Watermains	<u>\$15.5M</u>
- Soft landscaping works	\$1.5M
	= \$160.0M
(1) + (2) + (3) Total	= \$210M

Note: The remaining works under contract WK28/98 valued at \$89 million and located outside the area in question will not be affected.