

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Subventions - Miscellaneous

1QG - Tourist District Enhancement - pilot scheme in Central and Western District

Members are invited to recommend to Finance Committee to approve a new commitment of \$60.4 million in money-of-the-day prices for improving tourist attractions in the Central and Western District.

PROBLEM

We need to sustain our competitiveness as one of the most popular travel destinations in Asia. As a means of doing so, we propose to enhance Hong Kong's tourist attractions under the Tourist District Enhancement Programme (TDEP).

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Economic Services, proposes to create a new commitment at an estimated cost of \$60.4 million in money-of-the-day (MOD) prices for improvement works to existing tourist attractions at various locations in the Central and Western District (C&WD) as a pilot scheme under the TDEP.

/PROJECT

PROJECT SCOPE AND NATURE

3. The project comprises the following enhancement works to existing tourist attractions at various locations in C&WD -

- (a) streetscape improvements for Upper Lascar Row, Ladder Street and Hollywood Road to enhance the special identity and character of the area which is famous for its richness of Chinese arts and crafts and strong local flavour. Improvement works include street repaving, redesign of street lighting, erection of signage and information boards, and related landscaping works;
- (b) improving signage and interpretative facilities of the Sun Yat-sen Historical Trail;
- (c) signage and streetscape improvements for the Central-Mid-Level Escalator (the Escalator) and the area south of Hollywood Road¹ to attract more tourists to use the Escalator to access places of interest nearby. Improvement works comprise the provision of signage, information boards and special street lighting facilities;
- (d) signage and streetscape improvements for the Lan Kwai Fong Area to enhance its image and to add interest to the areas nearby. Enhancement works include street repaving, special street lighting facilities, information boards, a footpath to connect Wo On Lane to Lok Hing Lane Sitting-out Area as well as redevelopment of the existing Lok Hing Lane Sitting-out Area; and
- (e) provision of information boards along the elevated walkway network and at the ground level entrance points to promote the use of an all-weather shopping trail in Central through existing covered walkway network.

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¹ The area south of Hollywood Road is broadly defined by Old Bailey Street, Hollywood Road, Peel Street and Caine Road.

A site plan is at Enclosure 1. We plan to start the enhancement works in March 2000 for completion in May 2003.

4. The works will be carried out by phases to minimise disruptions to tourists and residents. Most of the less disruptive work such as the erection of signage and map boards would be carried out within the first 12 months of the contract. Road/footpath excavation and construction works, mainly at Lan Kwai Fong and Upper Lascar Row, will be staggered and scheduled in a way which will avoid the concentration of excavation works during peak tourist seasons and festival periods such as the Christmas, the New Year and the Chinese New Year.

JUSTIFICATION

5. The proposal is a pilot scheme of the district-based tourist improvement plans with a view to promoting Hong Kong as a key tourist destination highlighted in the 1998 Policy Commitments of the Secretary for Economic Services.

6. Hong Kong is the most popular city destination in Asia as reflected in the Tourism Market Trends published by the World Tourism Organization. However, our competitors in the region have been upgrading their tourism infrastructure in a bid to capture a greater market share. Against this rising competition, and the fact that tourists now look for more sophisticated attractions, we must take strategic steps to maintain, as well as to increase, the interest of our visitors in order to sustain our competitiveness. One of the means is to improve existing tourist attractions by upgrading and developing tourist-related infrastructure and facilities. This will enrich visitors' experience in Hong Kong and help induce more tourists to visit or re-visit Hong Kong.

7. We propose enhancements in C&WD as a pilot scheme because of its many existing tourist attractions, potential for further tourism development, accessibility and rich historical background. The District has long been regarded as representing the identity and image of Hong Kong - a place where East-meets-West, and the old blends in with the new. It is also a place where the historical legacy and thriving local street life of Hong Kong abound while at the same time state-of-the-art architecture and fashionable culture are found. In addition, it is the financial, administrative and civic hub of Hong Kong with a full range of

/dining

dining, shopping, leisure and cultural facilities. Experience in this pilot scheme will help us consider how the district enhancement programme may be extended to other tourism areas in Hong Kong.

8. The interesting physical and cultural contrasts found in C&WD attracted around three million visitors, representing about one-third of all visitors in 1998. Recent figures indicate that each month around 200 000 to 300 000 visitors visit such popular attractions in C&WD as Lan Kwai Fong, Man Mo Temple and Western Market.

9. We propose to improve existing tourist attractions in C&WD by upgrading directional signage, amenities, streetscape, street lighting and interpretative facilities at five popular locations as mentioned in paragraph 3 above.

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the project to be \$60.4 million in MOD prices (see paragraph 11 below), made up as follows -

	\$ million	
(a) Site works	5.0	
(b) Building services	9.3	
(c) Drainage and external works	29.7	
(d) Soft landscaping works	1.0	
(e) Consultants' fees for	1.5	
(i) contract administration	0.9	
(ii) site supervision	0.6	
(f) Contingencies	4.7	
Sub-total	51.2	(at December 1998 prices)

/(g)

(g) Provisions for price adjustment	9.2	
	60.4	(in MOD prices)
Total	60.4	

A breakdown by man months of the cost estimates for consultants' fees is at Enclosure 2.

11. Subject to Finance Committee's approval, we will phase the expenditure as follows -

Year	\$ million (Dec 1998)	Price adjustment factor	\$ million (MOD)
2000 - 2001	5.3	1.05814	5.6
2001 - 2002	13.4	1.11104	14.9
2002 - 2003	11.2	1.16660	13.1
2003 - 2004	9.0	1.22493	11.0
2004 - 2005	12.3	1.28617	15.8
	51.2		60.4

12. We derived the MOD estimates on the basis of the Government's latest forecast of trend labour and construction prices for the period 2000 to 2005. Since the project involves relatively simple works, we will use the existing term contractors of the Architectural Services Department (ArchSD) to carry out the improvement works.

13. We estimate the additional annual recurrent expenditure for the project to be about \$3.2 million.

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PUBLIC CONSULTATION

14. We consulted the Central and Western Provisional District Board in September 1999. Members fully supported the project and asked that the improvement works be implemented as soon as possible.

15. An Information Paper on this project has been circulated to Members of the Legislative Council Panel on Economics Services on 4 January 2000. Members do not have any adverse comments on the proposal so far.

ENVIRONMENTAL IMPLICATIONS

16. The Director of Environmental Protection completed an Environmental Review for the project in November 1999 and concluded that the works will have no long term environmental impacts. For short term impact during construction, D Arch S will implement standard pollution control measures, including the use of silencers, mufflers, as well as frequent cleaning and watering of the site.

17. We estimate that about 2 050 cubic metres of public fill will be delivered to public filling facilities and a small quantity of construction and demolition waste will be disposed at landfills. We have taken into account at the planning and design stages the need to minimise the generation of construction and demolition materials as much as possible. We will require the contractor under the contract to take appropriate mitigation measures, e.g. waste segregation, re-use of excavated materials on site or from other sites as filling material, and management of day-to-day operations in accordance with the method statement to be drawn up to govern waste disposal. In addition, we will encourage the contractor to use non-timber formwork, hoarding and other temporary works. We will control the disposal of public fill to designated public filling facilities through a trip ticket system, and record the disposal, re-use and recycling of construction and demolition materials for monitoring purposes.

LAND ACQUISITION

18. The project does not require land acquisition.

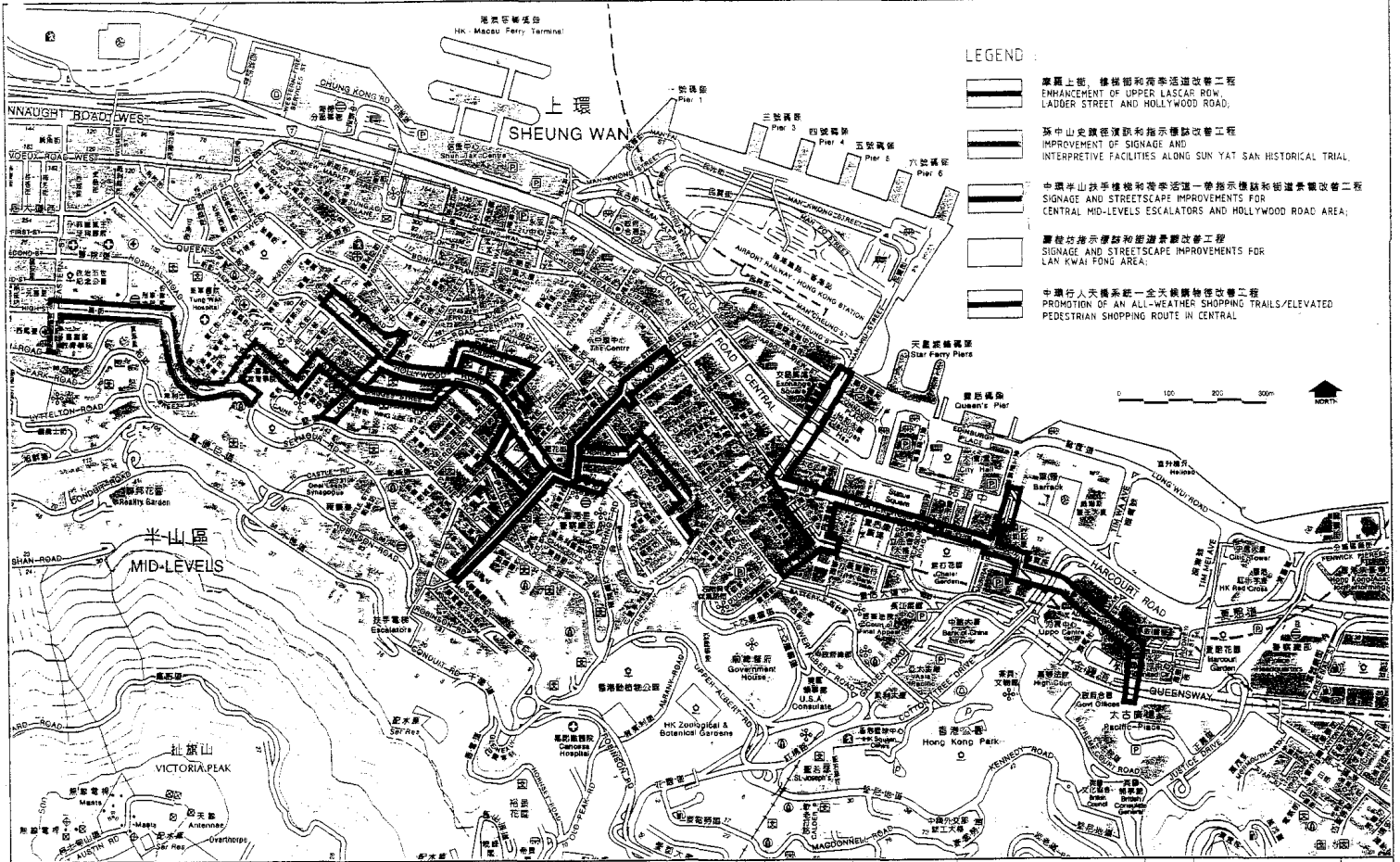
/BACKGROUND

BACKGROUND INFORMATION

19. We upgraded **1QG** to Category B in September 1998. Hong Kong Tourist Association (HKTA) completed a consultancy study on the feasibility of enhancement of existing tourist attractions in C&WD in April 1999. We engaged consultants to carry out a topographic survey and to prepare sketch designs, detailed design and contract documentation at an estimated cost of \$3.3 million. This amount was charged to ArchSD departmental expenses **Subhead 111** "Hire of services and professional expenses". The consultants completed the topographic survey, sketch design and detailed design. The preparation of contract documentation is in progress.

Economic Services Bureau
January 2000

(PWSC0216/WIN8)




位置平面圖
LOCATION PLAN

title 100
旅遊區改善計劃 -
中西區試驗計劃
TOURIST DISTRICT ENHANCEMENT -
PILOT SCHEME IN CENTRAL &
WESTERN DISTRICT

drawn by	date
approved	date
office	

A.R. LENCITTI CA/2
ARCHITECTURAL BRANCH

drawing no.	scale
AB/6209/XA001	1:7000
 ARCHITECTURAL SERVICES DEPARTMENT	

**1QG - Tourist District Enhancement -
pilot scheme in Central and Western District**

Breakdown of estimates of consultants' fees

			Estimated man months	Average MPS* salary point	Multiplier factor	Estimated fee (\$million)
(I)	Contract administration					
(a)	Landscape architectural discipline	Professional	3.3	40	2.4	0.5
		Technical	4.0	16	2.4	0.2
(b)	Structural engineering discipline	Professional	0.7	40	2.4	0.1
		Technical	2.0	16	2.4	0.1
					Sub-total	0.9
(II)	Site supervision					
(a)	Landscape architectural discipline	Professional	2.8	40	1.7	0.3
		Technical	2.8	16	1.7	0.1
(b)	Structural engineering discipline	Professional	0.9	40	1.7	0.1
		Technical	2.8	16	1.7	0.1
					Sub-total	0.6
					Total	1.5

MPS = Master Pay Scale

Notes

1. A multiplier factor of 2.4 is applied to the average MPS point to arrive at the full staff costs including the consultant's overheads and profit, as the staff will be employed in the consultant's offices. A multiplier factor of 1.7 is applied in the case of site staff supplied by the consultant. (At 1.4.1998, MPS pt. 40 = \$62,780 p.m. and MPS pt. 16 = \$21,010 p.m.)

2. The consultants' fees for the work during the construction stage formed an optional part of the lump sum price quoted by the consultants selected to carry out the sketch design, detailed design and contract documentation mentioned in paragraph 19 of the paper. Subject to Members' approval to create a new commitment for **1QG**, the Director of Architectural Services will direct the necessary works to be carried out.

(PWSC0216/WIN8)