

Information Technology and Broadcasting Panel

Progress of the Cyberport Project

Purpose

A This paper updates Members on the progress in the Cyberport Project. A chart showing the position of the key activities of the Cyberport Project as at 30 April 2000 is at Annex A. Highlights of the more important developments are set out in the ensuing paragraphs.

Gazettal of the Cyberport Project (Item 1-3 of the Chart)

2. At the meeting on 14 February 2000, the Administration reported that –

- a) the amendments to the Pokfulam Outline Zoning Plan were gazetted under the Town Planning Ordinance on 30 April 1999. 14 objections and one representation were received during and after the statutory objection period respectively. These were considered by the Town Planning Board (TPB) on 29 October 1999 and the grounds of the objections were considered not valid. The rezoning proposal was approved by the Executive Council (ExCo) on 14 December 1999 and was gazetted on 24 December 1999;
- b) the roadworks were gazetted on 30 April 1999 under the Roads (Works, Use and Compensation) Ordinance. Six objections were received during the statutory objection period. Those objections were considered by ExCo on 26 October 1999 and the grounds of the objections were considered not valid; and
- c) the proposed sewage submarine outfall and temporary jetties were gazetted on 30 April 1999 under the Foreshore and Seabed (Reclamations) Ordinance. One objection was received. It was considered, and rejected by, ExCo on 26 October 1999.

B The Panel requested the Administration to provide a paper setting out in greater detail the objections received and the justifications for turning down these objections. The information is now provided in Annex B to this Paper.

Infrastructural Works (Items 4-11 of the Chart)

3. The majority of the infrastructural works (except for the Northern Access Road) have been entrusted by the Territory Development Department to Carlyle International Limited (Carlyle). The advance treatment works and the road works are in progress. After completing an environmental impact assessment study, Carlyle has decided not to pursue its proposal to construct the Southern Access Road by blasting rock excavation and to fall back on the conventional rock excavation method.

Superstructure Construction (Items 12-20 of the Chart)

4. The overall design of the Cyberport buildings is being finalised. Piling works for phase I will start in mid-June 2000.

Project Agreement (Item 21 of the Chart)

5. We expect to sign the Project Agreement with Pacific Century Group soon, and we propose to brief this Panel on the main terms of the Project Agreement at the next meeting to be held in June.

Management (Items 22-30 of the Chart)

6. The Cyberport will be operated in accordance with prudent commercial principles. The title of the land earmarked for the Cyberport project will be vested in a limited company which we have set up for this purpose, namely Hong Kong Cyberport Development Holdings Limited. The Financial Secretary Incorporated (FSI) is the sole owner of this Holdings Company which in turn holds two wholly-owned subsidiaries. The first subsidiary, which is named "Hong Kong Cyberport Management Company Limited", will take a sub-lease of the Cyberport Portion while the second subsidiary, which is named "Hong Kong Cyberport (Ancillary Development) Limited", will be assigned with the Residential Portion. These three FSI-owned companies will sign the Project Agreement with PCG and will grant the Development Right to PCG by mid-2000.

7. So far, 15 multinational corporations have signed letters of intent to become anchor tenants. They are Cisco, CMGI, Hewlett-Packard, Hikari Tsushin, Hua Wei, IBM, Legend, Microsoft, Oracle, Pacific Convergence Corporation, Portal, Silicon Graphics, Softbank, Sybase, and Yahoo!. Another 105 companies have registered their interest in becoming tenants. At the meeting on 14 February 2000, Members requested the Administration to provide further details about these companies, including: the companies which

had already/had not set up their offices in Hong Kong; the nature of their existing business and future business after becoming tenants of the Cyberport; and the sizes of their existing offices and new offices in the Cyberport. Whilst we have been collecting information from anchor tenants and prospective tenants, not all of them agreed to publicise information they had submitted. The information which we have collected from the companies which had given consent is summarised in Annex C.

C

Marketing and Promotion (Items 31-34 of the Chart)

8. Active marketing will be launched when we announce our admission criteria and application procedures in the latter half of 2000. In the meantime, we maintain close liaison with prospective tenants and other interested groups. They have been informed of the latest developments of the Cyberport project through our quarterly newsletters and our website. We will continue to organise discussion forums to collect comments on the detailed specifications of the Cyberport as well as the tenancy considerations and admission criteria. An on-line chat room has been set up since February this year for those companies which have registered interest in becoming Cyberport tenants to chat among themselves and with us on the Project and other matters which may be of interest to them.

Information Technology and Broadcasting Bureau
May 2000

Objections received upon the Gazettal of the Cyberport project

I. Town Planning Ordinance (TPO)

Objection Serial No. (main subject of objection)	Key Points of Objector's Proposal	Justification for Rejection
1. (Route 7)	The Objector proposed different forms of transportation such as high speed capacity ski lift, light railway and mass transit railway.	The TIA study for the Cyberport development concluded that with the improvement to several existing road junctions, the existing road network would be able to cope with the traffic generated by the Cyberport development. The TPB noted that road transport and rail link served different types of transport needs and that Route 7 and not be replaced by a rail.
2. (Route 7)	The objector proposed the deletion of the proposed Route 7 or amending its alignment and grade.	The proposed Route 7 is a separate project. The Cyberport development is not contingent upon the construction of Route 7. The TPB recognised that Route 7 was an essential strategic transport infrastructure required to alleviate traffic congestion in the Southern District and to meet the long term demand of the District.
3. (Cyberport)	Lowering the height limit for Sub-areas 3 and 4 to a level lower than the respective section of Pok Fu Lam Road.	The Town Planning Board (TPB) noted that the panoramic views of some of the flats of Chi Fu Fa Yuen and Pok Fu Lam Gardens would be affected by the high-rise buildings of the Cyberport development. However, the TPB was of the view that, given the considerable distance between Pokfulam Gardens/Chi Fu Fa Yuen and the Cyberport development, the proposed building heights of the Cyberport development were not unacceptable. In order to maintain the development potential and design concept of the Cyberport development, it would not be appropriate to reduce the building height restrictions for Sub-areas 3 and 4, nor to revise the layout as proposed by some of the objectors.
4. (Cyberport)	The Objectors proposed that the maximum height should be kept below the level of Pok Fu Lam Road.	

5. (Cyberport)	Deferring the initial phases of Cyberport until the completion of Route 7 from Western District to Aberdeen and reducing the maximum height allowed for Sub-areas 3 & 4.	[Please see comments at (2) - (4) above.]
6. (Route 7)	Reducing the scope of the draft OZP drastically.	In order to maintain the development potential and design concept of the Cyberport development, it would not be appropriate to reduce the scope of OZP.
7. (Impact to Pokfulam Kennel)	The Objector proposed to further amend the OZP by rezoning Lot IL 8842 to residential use.	The kennels on Lot IL 8842 are located in a relatively secluded location and should not be affected by the Cyberport development. The objector's plan for future development would be more appropriate to be considered in the form of a rezoning request.
8. – 14. (Cyberport/ Route 7)	Not stated	N.A.

II. Roads (Works, Use and Compensation) Ordinance (RO)

Objection Serial No.	Key Points of Objection	Justification for Rejection
1. & 2.	The Objector was concerned about the traffic and environmental impacts of the proposed Cyberport development on the Pokfulam district.	The TIA study for the Cyberport development concluded that with the improvement to several existing road junctions, the existing road network would be able to cope with the traffic generated by the Cyberport development. The TIA study also concluded that the proposed Cyberport development would not be dependent upon the provision of the proposed Route 7.

<p>3.</p>	<p>The Objector objected to the construction of the proposed road works and Route 7 on environmental grounds.</p>	<ul style="list-style-type: none"> - The proposed Route 7 is a separate project. The Cyberport development is not contingent upon the construction of Route 7. - The EIA study for the Cyberport project concluded that with the implementation of the recommended mitigation measures, including the provision of noise barriers and low noise surfacing at critical sections of the roads, the noise and air quality impacts arising during and after the construction would comply with the established standards and guidelines. An environmental audit and monitoring programme has also been recommended in the EIA study to ensure compliance with the EIA recommendations. The EIA report was approved by EPD subsequent to public inspection and endorsement by the Advisory Council on the Environment (ACE).
<p>4.</p>	<p>The Objector concerned that the existing access from Kong Sin Wan Tsuen to Baguio Villa would be affected by the proposed road works.</p>	<p>The Objector's concern is not valid, as access between Kong Sin Wan Tsuen and Baguio Villa would be maintained at all times.</p>
<p>5.</p>	<p>The Objector claimed that the proposed works would adversely affect the current use of land as kennels and his plan for future development.</p>	<p>[See comments under (I)(7) above.]</p>
<p>6.</p>	<p>The objector objected the proposed access road from Sha Wan Drive on the ground that it would affect the residential environment. The objector subsequently withdrew her objection.</p>	<p>N.A.</p>

III. Foreshore and Sea-bed (Reclamations) Ordinance (F&SO)

The same Objector has lodged objections under the two other Ordinances referred to in (I) [Serial No. 8] and (II) [Serial No. 1] above and the objection was rejected for the reasons stated therein.

Information Technology and Broadcasting Bureau
May 2000

**Detailed information about the
operations of those companies which have
registered interest in becoming tenants of the Cyberport**

	<u>No. of Companies</u>
(1) Total number of companies indicated interest in becoming tenants :	
(a) Signed letters of interest to become anchor tenants (Anchor Tenants)	15
(b) Registered interest with ITBB to become tenants (Tenants)	105
	<hr/> 120
(2) Number of companies responded to our request for more detailed information for disclosure to public :	
(a) Anchor Tenants	5
(b) Tenants	45
	<hr/> 50
(3) Number of companies which have already set up offices in Hong Kong :	
(a) Companies which have set up offices in Hong Kong	44
(b) Companies which have not set up offices in Hong Kong	6
	<hr/> 50
(4) The nature of the existing business of the companies :	
(a) Internet	17
(b) Information Services	8
(c) Software	10
(d) Others (e.g. networking, telecommunications, content)	7

(e) A combination of (a), (b), and (c)	8
	<hr/> 50
(5) The nature of business of the companies in the Cyberport :	<u>No. of Companies</u>
(a) Expansion of current business	43
(b) Developing new elements in the Cyberport	7
	<hr/> 50
(6) Sizes of the existing offices of the companies in Hong Kong :	
(a) at or below 1,000m ²	30
(b) 1,001m ² – 2,000 m ²	4
(c) 2,001 m ² – 3,000 m ²	6
(d) over 3,000 m ²	3
	<hr/> 43*
(7) Sizes of the new offices of the companies in the Cyberport :	
(a) at or below 1,000m ²	35
(b) 1,001m ² – 2,000 m ²	5
(c) 2,001 m ² – 3,000 m ²	0
(d) over 3,000 m ²	4
	<hr/> 44*

Note: * Some companies do not provide information on sizes of their existing offices and/or new offices in the Cyberport

