

**For discussion
on 2 May 2002**

**SUBCOMMITTEE TO FOLLOW UP THE
OUTSTANDING CAPITAL WORKS PROJECTS
OF THE FORMER MUNICIPAL COUNCILS**

**Progress Report on
3370RO - Hammer Hill Road Park**

PURPOSE

This paper aims to brief Members on the progress of the Hammer Hill Road Park project.

BACKGROUND

2. The Hammer Hill Road Park project is one of the ex-Provisional Municipal Councils (PMCs) capital works projects that Government has committed to implement upon the dissolution of the two PMCs. An amount of \$177 million has been earmarked for this project. The site of this project is located right in front of the Chi Lin Nunnery Monastic Complex. When we briefed Members in February 2000 and April 2000 respectively on this project, most Members were in support of a Chinese garden design compatible with the nunnery complex, so that the entire area could be developed into a landmark of Chinese culture and heritage, as well as a tourist attraction that is of strategic value to Hong Kong.

3. In the light of Chi Lin's experience and knowledge in Tang style design and construction, at the meeting in June 2000, Members also endorsed a proposal to discuss with Chi Lin for the delivery of the project within a budget of \$177 million (MOD price), which is the funding level earmarked for this project based on the original design of a district park approved by the former Provisional Urban Council. We have since discussed with Chi Lin on issues such as the proposed design of the park, cost estimate and proposed entrustment

arrangements.

DESIGN OF THE PARK

4. Chi Lin has completed a feasibility study for the project and forwarded to us a proposed design of the park.. As a classical Chinese garden, the main theme of the park is the creation of a natural setting, and promotion of Chinese culture and heritage. The park will be developed according to unique Tang dynasty style architectural and landscaping works. The design of the park is characterized by matured old trees, landscape planting, feature rocks, water features and Tang Dynasty style architectures. Visitors of the park will be able to appreciate how man may live in harmony with nature and how Chinese heritage is subsumed in the overall design of the park. The area of the park will be slightly enlarged to provide parking spaces for coaches. Apart from the design concept, we have been discussing with Chi Lin key issues relating to site constraints, technical and costs matters. We have also considered issues such as accessibility to the park and possible traffic impact. The park will be well served by the Mass Transit Railway and other means of transport. The proposed Shatin to Central Line will also have a station at Diamond Hill. Ample parking spaces are also available in nearby commercial premises. Appropriate traffic management measures will also be introduced if necessary. At the invitation of Wong Tai Sin District Council, Chi Lin briefed the District Council on the proposed design of the park on 15 January 2002 and the District Council overwhelmingly supported the design proposal.

5. To apprise Members of the proposed project design, representatives from Chi Lin will give a presentation at this meeting.

PROJECT COST ESTIMATES

6. The cost estimate of the original design of a simple Chinese garden as approved by the former Provisional Urban Council is \$177 million (MOD price). As the park has been substantially upgraded from a district park to an SAR-wide recreational, cultural and tourist attraction and has been slightly enlarged, the revised cost estimate of the project based on Chi Lin's present design is \$245 million, which is \$68 million more than the original budget. The Architectural Services Department has vetted and confirmed the estimated cost of \$245 million.

7. In order to deliver the project within the original budget of \$177 million (MOD price), we are pleased to have obtained the support of Chi Lin to contribute the balance in the form of donations. The project can be split into two major portions for the purpose of accounting. Portion I works, representing the design work and basic infrastructure works, will be funded by Government at an estimated cost of \$177 millions at MOD prices. Portion II works, comprising the add-on works like the Tang Dynasty style buildings and pavilions/matured old trees/feature rocks/Bonsais etc., will be contributed by Chi Lin in the form of donations at an estimated cost \$68 million. In any event, Government's total commitment for the entire project will be capped at \$177 million at MOD prices.

ENTRUSTMENT ARRANGEMENTS

8. Subject to the necessary approvals within Government and funding approval from the Finance Committee, we propose to entrust the design, construction and site supervision works of the project to Chi Lin as Chi Lin has demonstrated its experience and expertise in developing classical Tang dynasty style buildings. The park would be handed over to Government upon completion, which will remain a public park wholly owned by Government.

9. We would discuss with Chi Lin details of the proposed entrustment to ensure proper monitoring and smooth delivery of the project. For example, in order to ensure a high degree of certainty in terms of defining the project scope as well as monitoring the project cost, we would require Chi Lin to finalize the detailed design for the project and seek approval from Government before tendering for construction commences. Besides, prior approval should be sought from Government for any design and contract variations or supplementary agreements, and any financial implications arising from these changes should be absorbed within the project cost unless they are to be borne by Chi Lin. Chi Lin will also be required to comply with Government tendering rules in respect of all works for which Government funds are used and provide a financial guarantee at least up to the estimated value of the works under Portion II works. Chi Lin would complete the design and construction works within a stipulated timeframe (it is estimated that the construction works would take 30 months to complete). A committee comprising representatives of Government and Chi Lin will be set up to monitor the project.

WAY FORWARD

10. Meanwhile, we are working on the details of the proposed entrustment in the context of a draft entrustment agreement and will maintain close liaison with Chi Lin during the process. We aim to seek funding approval from the Public Works Subcommittee and the Finance Committee to upgrade the project to Category A of the Public Works Programme by the end of 2002.

Leisure and Cultural Services Department
Home Affairs Bureau
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