

LEGISLATIVE COUNCIL BRIEF

DEVELOPMENT OF THE WEST KOWLOON CULTURAL DISTRICT: SCREENING RESULT OF PROPOSALS

INTRODUCTION

At the meeting of the Executive Council on 9 November 2004, the Council ADVISED and the Chief Executive ORDERED that -

- (a) the proposals submitted by World City Culture Park Limited, Sunny Development Limited and Dynamic Star International Limited for the development of the West Kowloon Cultural District (WKCD), which have met the mandatory requirements stipulated in the Invitation for Proposals (IFP), should be screened in; and
- (b) the proposals submitted by Swire Properties Limited and LAM, Sze-tat for the development of the WKCD, which do not meet the mandatory requirements stipulated in the IFP, should be screened out.

The recommendation at (a) is conditional on the proposals' continuous compliance with the mandatory requirements¹.

JUSTIFICATIONS

Screening of Proposals

2. On 5 September 2003, the Administration announced the IFP for the development of the WKCD, and invited proposals for the planning, design, financing, construction, procuring, fitting out, completion and subsequent operation, maintenance and management of the development of the WKCD. The IFP sets out a development brief. That provides proponents with adequate flexibility in design, but also

¹ These do not include those mandatory requirements which have been spent (e.g. submission of proposals by 19 June 2004); but include those which either require to be performed in future (e.g. project-related requirements) or require to be satisfied historically but final verification of which cannot be conclusive at this stage (e.g. relevant development experience).

A
B

includes a number of mandatory requirements which the proponents must meet in order to ensure that the end product becomes a world class cultural facility as well as an architectural icon of Hong Kong. The mandatory requirements relating to proponent's capability and those which are project-related are summarized at Annex A. The IFP has stated in its Important Note (Extract at Annex B) that proposals which fail to comply with any of the mandatory requirements will be treated as non-conforming proposals and will not be considered further by Government.

The Screening Process

3. We received five proposals by the deadline of 19 June 2004, as follows -

Proponents	Name
A	World City Culture Park Limited
B	Sunny Development Limited
C	Swire Properties Limited
D	Dynamic Star International Limited
E	LAM, Sze-tat

4. A team headed by Project Manager/Kowloon (Civil Engineering and Development Department) and senior officers from relevant bureaux and departments then undertook the screening tasks, with a colleague from the Independent Commission Against Corruption observing all deliberations of the screening team. Where ambiguities or discrepancies were identified in the proposals, the screening team had sought necessary clarifications from concerned proponents. After careful deliberations, the screening team concluded that -

- (a) proposals A, B and D have met the mandatory requirements as stipulated in the IFP and should be screened in; and
- (b) proposals C and E do not meet the mandatory requirements as stipulated in the IFP and should be screened out.

The conclusion at (a) is conditional on the proposals' continuous compliance with the mandatory requirements².

5. Proposal C does not meet some of the project-related³

² Please refer to footnote 1 on Page 1.

³ Please refer to Annex A.

mandatory requirements in the following ways –

- (a) the proposed theatre complex, museum cluster and art exhibition centre are to be located outside the WKCD; and
- (b) the proponent will not provide the canopy.

6. Proposal E does not meet any of the project-related mandatory requirements and fails to demonstrate the proponent's capability for undertaking the project.

7. The Proposals Evaluation Committee chaired by the Permanent Secretary for Housing, Planning and Lands (Planning and Lands) has endorsed the screening result. The Steering Committee for Development of the WKCD, chaired by the Chief Secretary for Administration, has done likewise.

IMPLICATIONS OF THE PROPOSAL

8. The screening of proposals is in conformity with the Basic Law, including the provisions concerning human rights. It has no financial, civil service, economic, productivity, environmental or sustainability implications. Implementation of a proposal may have implications in these areas and the associated implications will be assessed as required at the appropriate time. As far as sustainability implications are concerned, detailed assessment will be carried out as early as possible such that relevant implications will be taken into account in the subsequent selection process.

PUBLIC CONSULTATION

9. As explained in the IFP document, we have followed the normal practice of conducting the assessment process in strict confidence. Overriding commercial sensitivities and the public interest are at stake. The screening process did not involve any public consultation.

10. To enhance public interest and ownership of the WKCD project, the Administration will consult the public on the three conforming proposals. The public consultation, scheduled to commence in mid December 2004, aims to –

- (a) provide an open and transparent forum to enable the general public to view the proposals which have passed the stage one assessment process; and
- (b) obtain views from the public on these proposals and to take

their views into account in the selection process.

11. Public consultation will be conducted by way of exhibitions of the proposals which have satisfied the mandatory requirements, including details of the technical aspects and the proposed arrangements regarding operation, maintenance and management of the various facilities. We shall enlist views from the public through comment cards and a dedicated website. We shall also hold discussion forums during the exhibition period to solicit more focused views from the public on the different proposals. The relevant proponents will participate fully in all public consultation events. We will also invite them to present their proposals to the Legislative Council Planning, Lands and Works Panel and Home Affairs Panel, and possibly other appropriate forums.

12. The Administration will take all collected public views into consideration in our subsequent negotiations with the Proponents and during the selection process. We shall also make public all views received as long as there is no objection from the relevant authors.

PUBLICITY

13. The Chief Secretary for Administration will make a statement in the Legislative Council to announce the screening result and the public consultation on 10 November 2004. He will hold a media conference later that day and issue a press release soon afterwards. A spokesman will be available to explain the screening process, the benefits of the WKCD project and the public consultation arrangements.

EQUIRIES

14. Please contact Mr Danny Lau, Principal Assistant Secretary (Planning and Lands) 5 at 2848 2568 for enquiries on this subject.

Housing, Planning and Lands Bureau
10 November 2004

Summary of Mandatory Requirements

- Proposals which fail to comply with any of the mandatory requirements will be treated as non-conforming proposals and will not be considered further by Government.
- The mandatory requirements relating to proponent's capability and those which are project-related are as follows:

Proponent's Capability Requirements

- The proponent must have and be shown to have relevant direct experience within or outside Hong Kong in:
 - (i) developing at least one mixed-use property development with a total construction cost of not less than HK\$3 billion adjusted to current prices, with the basis of adjustment shown; and
 - (ii) managing office and/or retail developments with a total Gross Floor Area (GFA) of not less than 250 000 square metres at any one time, with at least one such development exceeding a GFA of 100 000 square metres; and
 - (iii) marketing and leasing of property developments with a total GFA of not less than 250 000 square metres at any one time, with at least one such development exceeding a GFA of 100 000 square metres.

Project-related Requirements

- The provision of the core arts and cultural facilities as follows:
 - (i) Theatre complex comprising three theatres with seating capacities of at least 2 000, 800 and 400 seats, respectively;
 - (ii) Performance venue with a seating capacity of at least 10 000

seats;

- (iii) Museum cluster comprising four museums of differing themes with total net operating floor area of at least 75 000 square metres;
 - (iv) Art exhibition centre with net operating floor area of at least 10 000 square metres;
 - (v) Water amphitheatre; and
 - (vi) At least four piazza areas.
- The provision of the canopy covering at least 55% of the development area.
 - The demolition and re-provisioning of the Tsim Sha Tsui Fire Station Complex.

Extract of the IMPORTANT NOTE of the Invitation for Proposals

- “1.2 The observance of this **IMPORTANT NOTE** shall be **MANDATORY** on the part of Proponents and any counterproposal by a Proponent on any terms contained in this **IMPORTANT NOTE** shall render the Proposal non-conforming.”
- “2.4 ... the following **MANDATORY REQUIREMENTS MUST** be observed and complied with. Proposals which fail to comply with any of these **MANDATORY REQUIREMENTS** will be treated as non-conforming Proposals and will not be considered further by Government ... ”
- “2.6 Proponents should note that only when a Proponent and its Proposal have complied with all the **MANDATORY REQUIREMENTS** ... will Government proceed with the further assessment of such Proposal.”