

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Kowloon Development

Civil Engineering – Land development

719CL – Kai Tak development – engineering review

711CL – Kai Tak development – advance infrastructure works for developments at the southern part of the former runway

Members are invited to recommend to Finance Committee –

- (a) the upgrading of **719CL** to Category A at an estimated cost of \$87.5 million in money-of-the-day prices;
- (b) the upgrading of part of **711CL**, entitled “Kai Tak development – investigation and detailed design for advance infrastructure works for developments at the southern part of the former runway”, to Category A at an estimated cost of \$38.0 million in money-of-the-day prices; and
- (c) the retention of the remainder of **711CL** in Category B.

/PROBLEM

PROBLEM

We need to carry out an engineering review for the Kai Tak development (KTD). We also need to carry out investigation and detailed design for the advance infrastructure works for the proposed developments at the southern part of the former runway in Kai Tak.

PROPOSAL

2. The Director of Civil Engineering and Development, with the support of the Secretary for Housing, Planning and Lands and the Secretary for Economic Development and Labour, proposes to upgrade **719CL** and part of **711CL** to Category A at estimated costs of \$87.5 million and \$38.0 million respectively in money-of-the-day (MOD) prices to engage consultants to undertake an engineering review for the KTD, including preliminary preparatory work for the early development of the cruise terminal, and to carry out investigation and detailed design for the advance infrastructure works for the proposed developments at the southern part of the former runway in Kai Tak.

PROJECT SCOPE AND NATURE

3. The scope of **719CL** comprises –
- (a) a study to confirm the detailed engineering feasibility of the revised Preliminary Outline Development Plan (PODP) of the KTD (the Feasibility Study);
 - (b) preliminary preparatory work for the early development of the cruise terminal in Kai Tak (the Preparatory Work); and
 - (c) associated site investigation and supervision.

(hereinafter collectively referred to as the Engineering Review)

4. The main purpose of item 3(a) above is to confirm the detailed engineering feasibility of various components in the revised PODP and to produce a Recommended Outline Development Plan (RODP) for the future developments in Kai Tak. Under the Feasibility Study, we will carry out studies for KTD covering

/aspects

aspects of transport and traffic, marine, drainage and sewerage, water supply, environmental impacts, landscaping, costing and implementation. The findings of the Feasibility Study will be used to produce the RODP and the associated detailed layout plans, urban design plans, master landscape plans, together with the preliminary design for engineering works packages, their cost estimates and implementation programmes. The Feasibility Study will also provide the engineering support required for the relevant statutory procedures for advance works packages such as the infrastructure for the committed public housing sites¹ and a government office building in the former north apron of Kai Tak.

5. The Preparatory Work in relation to the cruise terminal² will facilitate satisfactory completion of the associated Schedule 2 environmental impact assessment (EIA) and relevant statutory procedures, as well as formulation of necessary technical requirements, assessment criteria and expert advice for the future land tender exercise for the cruise terminal development.

6. The revised PODP for KTD, showing also the likely extent of site formation cum marine works of the cruise terminal, is at Enclosure 1.

7. The scope of **711CL** comprises –

- (a) construction of approximately 2 kilometres (km) of a dual 2-lane district distributor including associated pedestrian deck;
- (b) provision of a sewage pumping station and rising mains;
- (c) improvements to related existing bridge, roads and junctions;

/(d)

¹ The two committed public housing sites are planned to be completed in phases, starting from 2012/13 the earliest.

² This mainly involves studies and design for the site formation cum marine works of the cruise terminal including modification of existing seawall, construction of a berthing quay deck, seabed dredging, relocation and reprovisioning of affected existing marine facilities, and associated environmental monitoring and audit work.

- (d) construction of associated local roads, transport facilities, drainage, sewerage, watermains and landscaping works;
- (e) relocation and reprovisioning of existing facilities including the Marine Vessel Traffic Services radar and fireboat berthing facilities; and
- (f) an environmental monitoring and audit work for works mentioned in sub-paragraphs (a) to (e) above,

all for serving the proposed developments³ at the southern part of the former runway in Kai Tak.

8. The part of **711CL** which we now propose to upgrade to Category A includes –

- (a) detailed design of the works described in paragraphs 7(a) to (f) above including the associated Schedule 2 environmental impact assessments (EIAs);
- (b) associated site investigation and supervision; and
- (c) preparation of tender documents and assessment of tenders.

_____ A site plan showing the proposed advance infrastructure works is at Enclosure 2. Alignments of the roads may be adjusted in the course of detailed design having regard to findings of the Engineering Review including outcomes of the associated environmental impact assessments.

9. We plan to commence the Engineering Review in early 2007 for completion in early 2010. We also plan to carry out the investigation and detailed design of the advance infrastructure works in conjunction with the Engineering Review, with a view to commencing the construction works in 2009.

/JUSTIFICATION

³ The southern part of the former runway in Kai Tak is earmarked on the PODP for developments such as cruise terminal, tourism node, hotels, residential developments and runway park.

JUSTIFICATION

10. During various stages of the public participation process conducted under the Planning Review (see paragraphs 26 and 27 below), the general public aspiration is in favour of the early implementation of the KTD. We therefore need to carry out as soon as possible the Feasibility Study under **719CL** to confirm the engineering feasibility of the recommendations of the revised PODP to realize the full development potential of the vacant land in Kai Tak and its benefits to the hinterland.

11. According to consultancy studies on Hong Kong's cruise market and cruise terminal facilities development conducted by the Tourism Commission, Hong Kong will require an additional berth between 2009 and 2015, and one to two further berths beyond 2015 to sustain its development as a regional cruise hub. With the availability of new cruise terminal facilities and appropriate marketing strategies, the studies estimate that the economic benefits, depending on the growth scenarios, may reach \$1.4 billion to \$2.2 billion per annum by 2020. It will also support some 6 900 to 10 900 employment opportunities by 2020. The public, in general, supports the development of the cruise terminal at Kai Tak.

12. We intend to invite land tender in late 2007 for the development of the cruise terminal (which comprises two alongside berths capable of receiving mega cruise vessels of up to 100 000 displacement tonnes) in Kai Tak, with a view to commissioning in 2012 the first cruise berth to capture the growth of the regional cruise market. With the Preparatory Work under **719CL**, we can secure the early development of the cruise terminal by completing the relevant statutory procedures including the Schedule 2 EIA requirements to provide certainty before we proceed with the land tender exercise. The Preparatory Work will also formulate technical requirements and assessment criteria for the cruise terminal development to facilitate the land tender exercise and allow early implementation of the cruise terminal.

13. We also need to carry out the detailed design of the advance infrastructure works as soon as possible in order to commence in 2009 the infrastructure construction for the proposed developments at the southern part of the former runway, with a view to completing the infrastructure works in time to serve these developments.

/14.

14. Due to insufficient in-house resources, we propose to engage consultants to carry out the Engineering Review and the detailed design for the advance infrastructure works, including preparation of tender documents and assessment of tenders, and to supervise the associated site investigation works.

FINANCIAL IMPLICATIONS

15. We estimate the capital costs of **719CL** and the part of **711CL** to be \$87.5 million and \$38.0 million respectively in MOD prices (see paragraph 16 below), made up as follows –

	\$ million		
	719CL	711CL	
(a) Site investigation works	18.8	7.7	
(b) Consultants' fees for	56.2	25.6	
(i) supervision of site investigation	1.3	0.9	
(ii) engineering review	54.9	-	
(iii) detailed design	-	20.1	
(iv) preparation of tender documents and assessment of tenders	-	4.6	
(c) Physical models and display materials	2.3	-	
(d) Contingencies	7.7	3.3	
Sub-total	85.0	36.6	(in September 2006 prices)
(e) Provision for price adjustment	2.5	1.4	
Total	87.5	38.0	(in MOD prices)

/A

_____ A breakdown by man-months of the estimates for consultants' fees is at Enclosure 3.

16. Subject to approval, we will phase the expenditure as follows –

Year	\$ million (Sept 2006)		Price adjustment factor	\$ million (MOD)	
	719CL	711CL		719CL	711CL
2006 - 2007	0.5	0.2	1.00000	0.5	0.2
2007 - 2008	28.3	4.0	1.01250	28.7	4.1
2008 - 2009	25.6	12.0	1.02769	26.3	12.3
2009 - 2010	19.6	16.0	1.04310	20.4	16.7
2010 - 2011	11.0	4.4	1.05875	11.6	4.7
	<u>85.0</u>	<u>36.6</u>		<u>87.5</u>	<u>38.0</u>

17. We have derived the MOD estimate on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2006 to 2011. Subject to approval, we will award the proposed consultancy on a lump sum basis with provision for price adjustments in the consultancy agreement as the duration of the consultancy will exceed 12 months. We will tender the site investigation works under a standard re-measurement contract because the quantity of works involved may vary depending on actual ground conditions.

18. The proposed site investigation works and consultancy have no recurrent financial implications.

/PUBLIC

PUBLIC CONSULTATION

19. The Planning Review (see paragraphs 26 and 27 below) has adopted an extensive public participatory approach⁴. During the process, the general public and the relevant District Councils are in favour of the early implementation of the KTD.

20. The planned developments at the southern part of the former runway, including the development of a cruise terminal, and the required infrastructure have undergone the above mentioned public participatory process. In general, the public supports the development of the cruise terminal and tourism node in the southern part of the former runway in Kai Tak. The industry also urges for early development of the cruise terminal.

21. We consulted the Legislative Council Panel on Planning, Lands and Works on 24 October 2006 in respect of the proposed consultancy and site investigation works. Panel Members in general supported the Engineering Review and the detailed design of the advance infrastructure works.

ENVIRONMENTAL IMPLICATIONS

22. The proposed consultancy and site investigation will not have any environmental implications. However, the scale of the development covered by the proposed consultancy requires an EIA study under the EIA Ordinance for the whole KTD, which is a Designated Project under Schedule 3 of the EIA Ordinance, to update the previous findings of the EIA report completed in 2001 for the previous Southeast Kowloon Development scheme, taking into account the latest development proposals. There are also some individual projects such as the dredging works associated with the Cruise Terminal, which are designated projects under Schedule 2 of the EIA Ordinance and require Environmental Permits prior to their construction and operation. We will carry out the necessary EIAs in parallel to the Engineering Review and the detailed design to assess the environmental acceptability of the proposals and where necessary, formulate appropriate mitigation measures.

/23.

⁴ The Stage 1 Public Participation to engage the public on the community vision on Kai Tak was completed in November 2004. The Stage 2 Public Participation to gauge the public views on the Outline Concept Plans was completed in January 2006. The Stage 3 Public Participation on the draft PODP was completed in August 2006.

23. The proposed site investigation works and consultancy will only generate minimal quantity of construction and demolition (C&D) materials. We will require the consultants to plan and design the works to minimise the generation of C&D materials, and to reuse and recycle C&D materials as much as possible in the future construction works.

LAND ACQUISITION

24. The proposed site investigation works and consultancy will not require land acquisition.

BACKGROUND INFORMATION

25. We included **711CL** and **719CL** in Category B in December 2004 and June 2006 respectively.

26. Arising from the Court of Final Appeal's judgement with regard to harbour reclamation, the Administration decided in January 2004 to conduct a comprehensive review on KTD (formerly known as "South East Kowloon development (SEKD)"), comprising a Planning Review and an Engineering Review, based on a no-reclamation scenario as a starting point.

27. The revised PODP prepared under the Planning Review was released in October 2006. The broad scope and requirements of the infrastructure for the proposed developments at Kai Tak have been defined and assessed under the Planning Review.

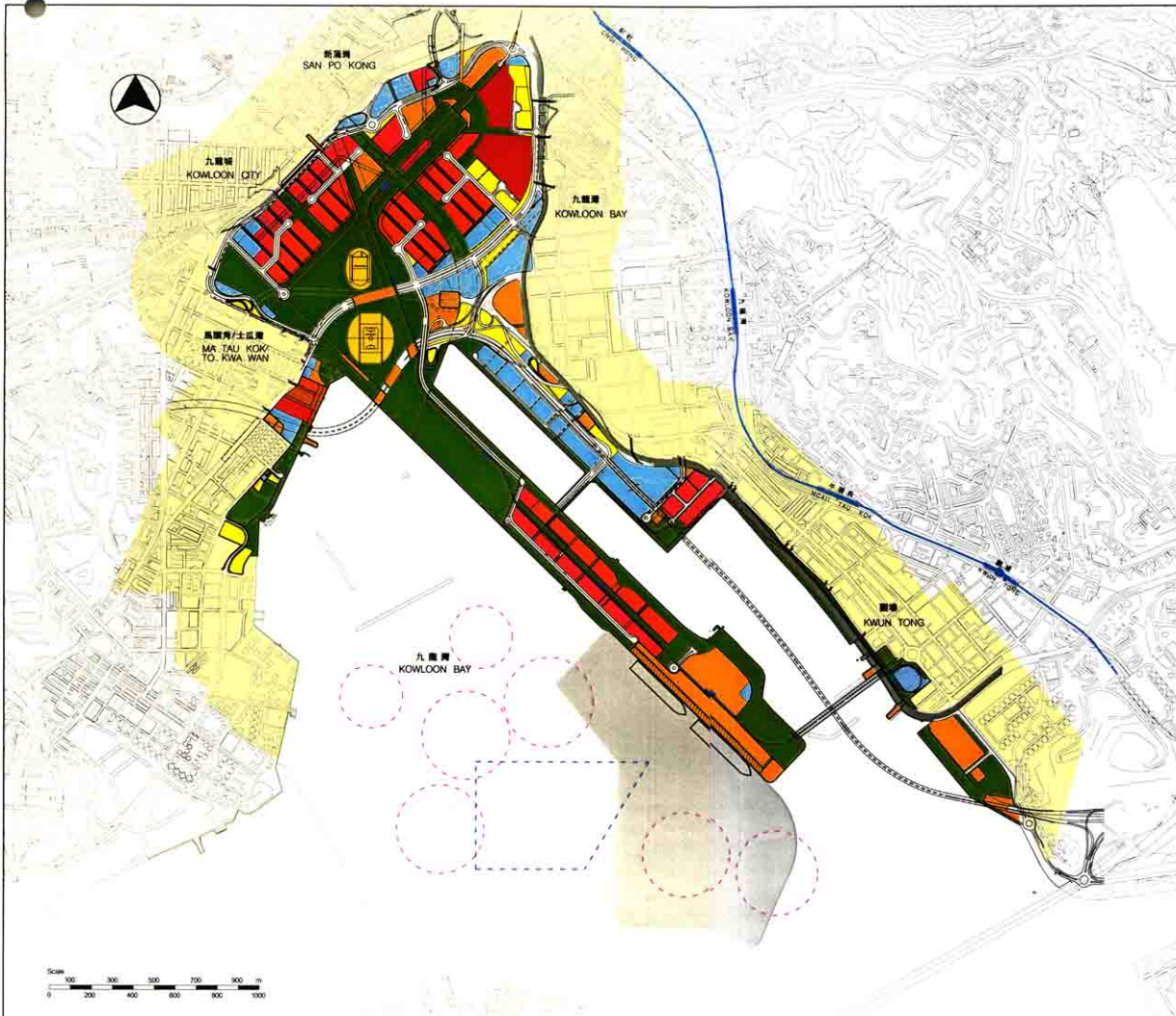
28. A draft Kai Tak Outline Zoning Plan (OZP), which was prepared on the basis of the revised PODP, was submitted to the Town Planning Board (TPB) at its meeting on 10 November 2006 to replace the approved Kai Tak (North) and (South) OZPs. TPB agreed to exhibit the draft Kai Tak OZP for public inspection under the Town Planning Ordinance.

29. At the Public Works Subcommittee (PWSC) meeting held on 31 October 2001, some Members suggested and the Administration agreed to include information in future SEKD PWSC submissions on the progress, scope and approved project estimates of all the SEKD PWP items. The information is at Enclosure 4.

30. The proposed upgrading will not involve any tree removal or planting proposals.

31. We estimate that the proposed consultancy and site investigation will create about 90 jobs (72 professional/technical staff and 18 labourers) providing a total employment of 2 050 man-months.

Housing, Planning and Lands Bureau
November 2006



圖例 LEGEND :

- 土地用途
SCHEDULE OF USES
- 商業
COMMERCIAL
 - 公共屋宇
SPECIAL RESIDENTIAL
 - 住宅發展密度第一區
RESIDENTIAL - ZONE 1
 - 住宅發展密度第二及第三區
RESIDENTIAL - ZONES 2 & 3
 - 政府、機構或社區
GOVERNMENT, INSTITUTION OR COMMUNITY
 - 教育
EDUCATION
 - 休憩用地
OPEN SPACE
 - 美化市容
AMENITY
 - 其他指定用途
OTHER SPECIFIED USES
- 道路、交界處等
ROADS, JUNCTIONS ETC
- 須遷移的現有政府繫泊浮標
EXISTING GOVERNMENT MOORING BUOY TO BE RELOCATED
- 須遷移的現有東面檢疫及入境船隻錨地
EXISTING EASTERN QUARANTINE & IMMIGRATION ANCHORAGE TO BE RELOCATED
- 海墘改建及碼頭平台
SEAWALL RECONSTRUCTION AND BERTHING QUAY DECK
- 浚挖海床範圍
SEABED DREDGING AREA

姓名 Name	簽署 Initial	日期 date
繪圖 drawn	C.F. NG	signed 13.11.2006
核對 checked	F.S. SH	signed 13.11.2006
核准 approved	K.M. YUNG	signed 13.11.2006

2006年至2007年年度工務小組委員會文件
PWSC Submission 2006 - 2007

項目編號 item no.	719CL
---------------	-------

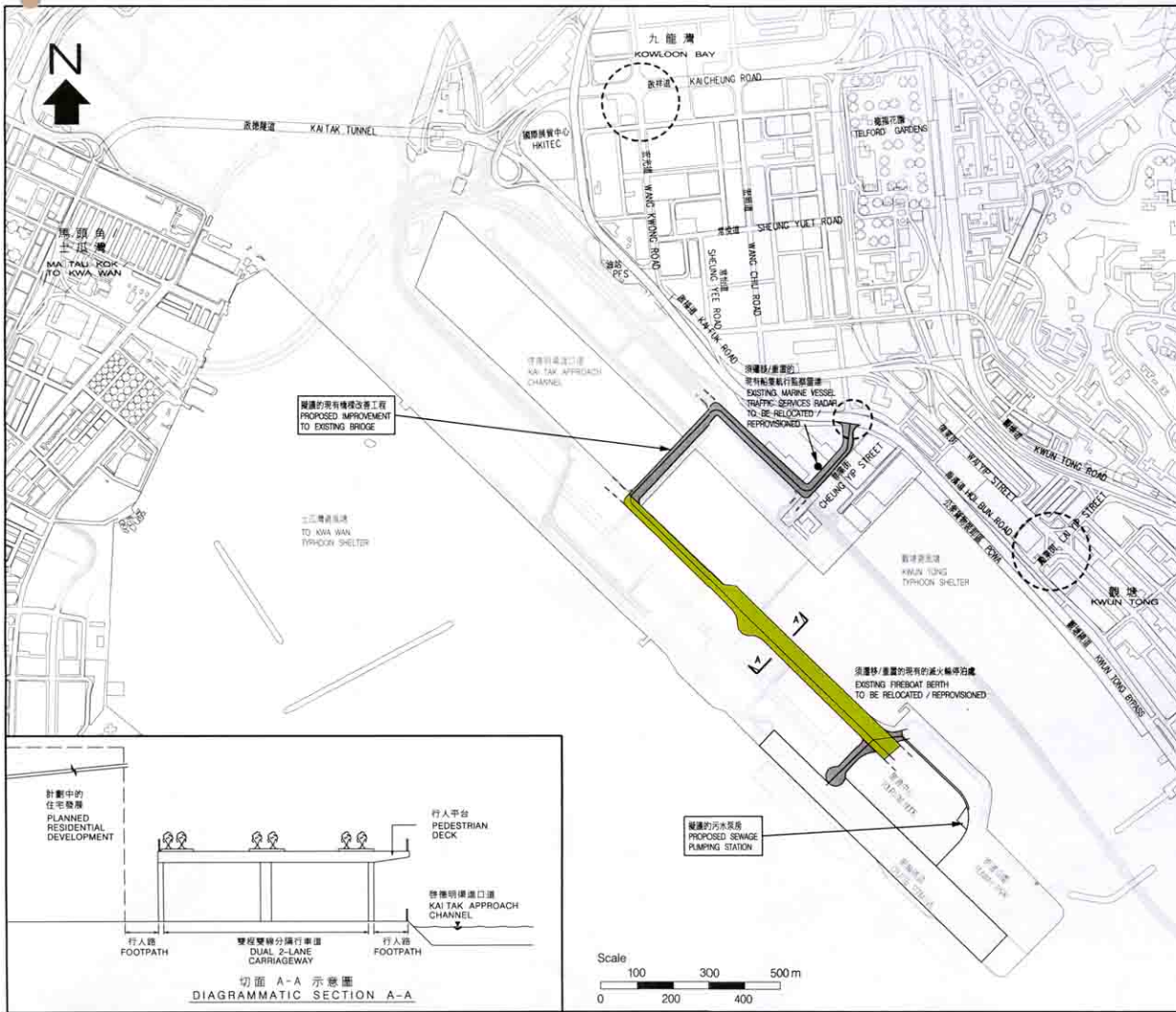
圖則名稱 drawing title

啓德發展計劃 - 工程檢討
KAI TAK DEVELOPMENT - ENGINEERING REVIEW
初步發展大綱圖
PRELIMINARY OUTLINE DEVELOPMENT PLAN

圖則編號 drawing no.	比例 scale
KZ 458	As shown

辦事處 office
九龍拓展處
KOWLOON DEVELOPMENT OFFICE





- 圖例 LEGEND :**
- 擬議的地面道路
PROPOSED AT GRADE ROAD
 - 擬議的地面道路(其上設有行人平台)
PROPOSED AT GRADE ROAD
(WITH PEDESTRIAN DECK ON TOP)
 - 擬議的主要路口改善
PROPOSED IMPROVEMENT
TO MAJOR ROAD JUNCTION
 - 擬議的污水泵/供水管/排水管/排污管
PROPOSED SEWAGE RISING MAINS /
WATER MAINS / DRAINS / SEWERS

繪圖 drawn	姓名 Name	簽署 initial	日期 date
核對 checked	W.L. Leung	signed	13 Nov 2006
核准 approved	F.S. Shi	signed	13 Nov 2006
	K.M. Yung	signed	13 Nov 2006

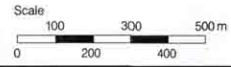
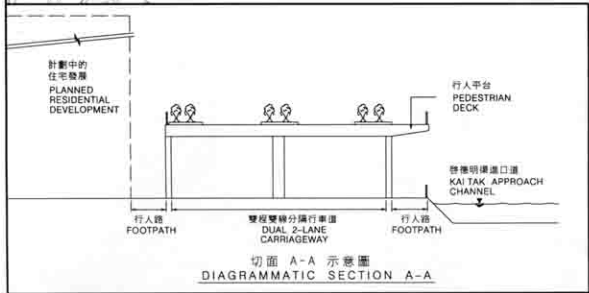
2006年及2007年年度工程小組委員會文件
PWSC Submission 2006 - 2007

項目編號 item no.	711CL
---------------	-------

圖則名稱 drawing title
啓德發展計劃 -
前跑道南面發展項目的前期基礎設施工程：
工程範圍
KAI TAK DEVELOPMENT -
ADVANCE INFRASTRUCTURE WORKS
FOR DEVELOPMENTS AT THE SOUTHERN
PART OF THE FORMER RUNWAY：
PROJECT SCOPE

圖則編號 drawing no.	比例 scale
KZ 459	1 : 10 000

辦事處 office
九龍拓展處
KOWLOON DEVELOPMENT OFFICE



Enclosure 3 to PWSC(2006-07)46

**719CL – Kai Tak development – engineering review
and
711CL – Kai Tak development – advance infrastructure works
for developments at the southern part of the former runway**

Breakdown of estimate for consultants' fees

Consultants' staff costs		Estimated man-months		Average MPS* salary point	Multiplier (Note 1)	Estimated fees (\$ million)	
		719CL	711CL			719CL	711CL
(a) Supervision of site investigation	Professional	12.0	8.0	38	2.0	1.3	0.9
(b) Engineering review	Professional	375.0	-	38	2.0	40.7	-
	Technical	394.0	-	14	2.0	14.2	-
(c) Detailed design and tendering process	Professional	-	185.0	38	2.0	-	20.1
	Technical	-	129.0	14	2.0	-	4.6
Total consultants' staff costs (Note 2)						56.2	25.6

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS point to estimate the full staff cost including the consultants' overheads and profit for staff employed in the consultants' offices. (As at 1 January 2006, MPS pt. 38 = \$54,255 per month and MPS pt. 14 = \$18,010 per month)
2. The actual man-months and fees will only be known when we have selected the consultants through the usual competitive fee bid system.

List of PWP items in Category A relating to Kai Tak Development

PWP Item No.	440CL
Project title:	South East Kowloon development – comprehensive feasibility study
Date of upgrading to Category A:	April 1995
Approved project estimate:	\$220 million
Project scope:	The project comprises a comprehensive feasibility study for the whole South East Kowloon area, as well as associated laboratory testing and site investigation works.
Brief account of progress:	(a) The comprehensive feasibility study has been completed. The land use proposals recommended in the study have been translated into the amended Kai Tak (North) and Kai Tak (South) Outline Zoning Plans which were gazetted in August 2001. Several amendments were subsequently made to meet some of the objections received. The Chief Executive in Council approved the OZPs on 25 June 2002 and notification of the approval was gazetted on 5 July 2002. (b) The project account has been finalised.

* * *

PWP Item No.	494CL (part upgraded from 469CL)
Project title:	South East Kowloon development at Kai Tak Airport – decontamination and site preparation
Date of upgrading to Category A:	February 1998
Approved project estimate:	\$316.9 million

Project scope: (a) ground decontamination at the north apron of Kai Tak Airport (NAKTA);

(b) demolition of existing buildings and structures in the northern part of NAKTA; and

(c) breaking up of the existing apron slab and land formation at NAKTA for housing development.

Brief account of progress: (a) The civil engineering contract covering the above works was completed in April 2002.

(b) Post-decontamination monitoring works were completed in December 2003.

(c) The project account has been finalised.

* * *

PWP Item No. **694CL** (part upgraded from **469CL**)

Project title: South East Kowloon development at Kai Tak Airport – consultants' fees and site investigation

Date of upgrading to Category A: November 2001

Approved project estimate: \$115.9 million

Project scope: Site investigation works and detailed design for –

(a) about 6 kilometres box culverts;

(b) new roads including flyovers and pedestrian streets, and upgrading of existing roads and associated drainage, sewerage and watermains;

(c) five sewage pumping stations and rising mains to convey sewage to the existing To Kwa Wan sewage treatment plant;

- (d) drainage maintenance depots along with provision of plant and equipment for servicing the drainage culverts in NAKTA;
- (e) open space development and landscaping works;
- (f) demolition of remaining ex-airport facilities, including the passenger terminal building and Kai Tak car-parking building and decontamination of land underneath the buildings; and
- (g) provision of necessary environmental mitigation measures and implementation of an environmental monitoring and audit (EM&A) programme.

Brief account of progress:

- (a) Consultancy started in January 2002.
- (b) Detailed design for demolition of the passenger terminal building and associated structures remaining in NAKTA has been completed.
- (c) Detailed design for roads and drainage works has not yet been finalized, pending review of the planned developments in NAKTA.

* * *

PWP Item No.	693CL (part upgraded from 465CL)
Project title:	South East Kowloon development – consultants’ fees and site investigation for Kai Tak Approach Channel reclamation
Date of upgrading to Category A:	November 2001
Approved project estimate:	\$63.8 million
Project scope:	Site investigation works and detailed design for – <ul style="list-style-type: none"> (a) treatment of the contaminated sediments (including pilot tests and post-treatment monitoring) in Kai Tak Approach Channel (KTAC);

- (b) reclamation works in KTAC;
- (c) new drainage systems (including widening and extension of Kai Tak Nullah and Jordan Valley box culvert, advance work for future road tunnels underneath the box culverts) and improvements to existing drainage systems necessitated by the proposed reclamation in KTAC;
- (d) demolition of the existing airport taxiway bridge across KTAC;
- (e) provision of necessary environmental mitigation measures and implementation of an EM&A programme; and
- (f) field surveys and environmental studies for different scenarios of Kai Tak development.

Brief account of progress:

- (a) Consultancy started in January 2002.
- (b) In the light of the Court of Final Appeal's ruling on harbour reclamation under the Protection of the Harbour Ordinance, the consultancy had been suspended since December 2003 and was terminated in July 2006.

* * *

PWP Item No.	699CL (part upgraded from 482CL)
Project title:	South East Kowloon development – consultants' fees and site investigation for Kowloon Bay reclamation and engineering works
Date of upgrading to Category A:	July 2002
Approved project estimate:	\$105.7 million
Project scope:	Site investigation works and detailed design for –

- (a) treatment of contaminated sediments (including post-treatment monitoring) at the seabed of Kowloon Bay;
- (b) reclamation for about 61 hectares of land in Kowloon Bay;
- (c) construction of a new seawall, breakwater, and marine facilities including public landing steps;
- (d) demolition of existing breakwaters and marine facilities including Kowloon City vehicular ferry pier, passenger ferry pier and public pier;
- (e) construction of new drainage culverts and improvements to existing hinterland drainage systems necessitated by the proposed reclamation in Kowloon Bay;
- (f) upgrading of existing roads and construction of new roads, a road tunnel, pedestrian streets, footbridges and pedestrian subways with associated drainage, sewerage and water works;
- (g) construction of public transport facilities;
- (h) construction of sewage holding facilities adjacent to the existing To Kwa Wan sewage treatment works and sewage pumping stations;
- (i) relocation of the existing Eastern Quarantine and Immigration Anchorage and mooring buoys within Kowloon Bay;
- (j) provision of landscaping works at the proposed reclamation area;
- (k) provision of environmental protection measures; and
- (l) implementation of an EM&A programme.

Brief account of progress: (a) Consultancy started in December 2002.

(b) In the light of the Court of Final Appeal's ruling on harbour reclamation under the Protection of the Harbour Ordinance, the consultancy had been suspended since December 2003 and was terminated in July 2006.

* * *

PWP Item No. **708CL** (part upgraded from **469CL**)

Project title: South East Kowloon development – site preparation and drainage works at north apron area of Kai Tak Airport

Date of upgrading to Category A: February 2004

Approved project estimate: \$119.1 million

Project scope: (a) construction of about 600 metres of a twin-cell box culvert and decommissioning of an existing culvert;

(b) demolition of the passenger terminal building, the Kai Tak car-parking building and associated structures, along with related land decontamination; and

(c) implementation of an EM&A programme for the works mentioned in items (a) to (b) above.

Brief account of progress: (a) Works contract commenced in April 2004.

(b) The works are substantially complete in September 2006.