For discussion on 26 February 2008

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

North East New Territories New Development Areas Planning and Engineering Study

PURPOSE

This paper briefs Members on -

- (a) the key issues that will need to be addressed in the North East New Territories (NENT) New Development Areas (NDAs) Planning and Engineering Study (P&E Study) and the proposed public engagement approach for the P&E Study; and
- (b) the proposal to upgrade **726CL** (currently titled Review studies on North East New Territories new development areas: consultants' fees and site investigation) to Category A at an estimated cost of about \$50.8 million in money-of-the-day (MOD) prices to carry out the P&E Study for the proposed NDAs in NENT.

PROJECT SCOPE AND NATURE

- 2. The scope of **726CL**, which we propose to upgrade to Category A comprises
 - (a) detailed planning and engineering studies including preparation of Recommended Outline Development Plans (RODPs) and Recommended Layout Plans (RLPs), confirmation of the feasibility of the RODPs and the RLPs, carrying out preliminary design of engineering works, and formulation of implementation strategies for the NDAs;
 - (b) environmental impact assessments (EIA) including heritage impact assessment for the NDA development and associated engineering infrastructure;
 - (c) public engagement exercise to involve stakeholders in the formulation of the RODPs and RLPs; and

- (d) associated site investigation including supervision.
- A location plan showing the study area of the proposed NDAs is at 3. Enclosure 1.
- We plan to commence the P&E Study in June 2008 for completion in 30 months' time. The Study will formulate sustainable and feasible planning and development framework for the implementation of the NDAs in NENT. Various planning and technical assessments on the environmental, heritage, traffic, engineering, air ventilation and urban design impacts of the recommended proposals will be thoroughly carried out in the study process.

BACKGROUND AND JUSTIFICATION

- 5. The Planning and Development Study on NENT (the NENT Study), completed in 2003, identified Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling as suitable NDAs and confirmed their feasibility based on findings of various planning, engineering and environmental assessments. In light of the slower growth of population and housing demand, the NDA proposals were shelved, pending a comprehensive review of the need for strategic development areas in the "Hong Kong 2030: Planning Vision and Strategy" (the HK2030 Study).
- The HK2030 Study updates the territorial development strategy for Hong Kong with a view to recommending a spatial development pattern to respond to various social, economic and environmental needs in the next 20 to 30 years. The HK2030 Study has been completed and the findings were promulgated to the public in October 2007. The HK2030 Study recommends proceeding with Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs (the Three-in-One Scheme) and the Hung Shui Kiu NDA to address the long-term housing demand and provide employment.
- The HK2030 Study proposes to stagger the implementation of the two NDA schemes for better resource utilization i.e. planning, land clearance and works management, and that the Three-in-One Scheme will proceed first. recommends that NDAs shall be developed for multiple purposes, including the provision of land for housing, education and community facilities, improvement of the rural environment, better protection of resources of high conservation value, and timely development of land for special industries¹ and open storage uses, etc.
- 8. The Chief Executive announced in the 2007-08 Policy Address that we will embark on planning and engineering studies for the two NDA schemes. In

Special Industries refer to industries with clean and high value-added industrial processes.

October 2007, we briefed the Panel on the initiatives of Development Bureau in the Policy Address and Policy Agenda.

9. In November 2007, we further briefed the Panel on the environmentally friendly and energy efficient measures relating to the implementation of the NDAs. Members' views received included that the railway network should be expanded and dependency on road traffic should be reduced; the quality of living in the NDAs was of significant importance; measures should be introduced to enhance the living standard of existing residents; and medium development density should be adopted.

NEED FOR THE STUDY

- 10. Since the completion of the NENT Study in 2003, there have been substantial changes in the planning circumstances and public aspiration. The following issues are identified as having implications on the development parameters and layout as originally put forth under the NENT Study -
 - (a) public aspirations for a better living environment;
 - (b) new land use requirements (for examples, higher educational uses and special industries);
 - (c) changes in public housing requirements and policy;
 - (d) changes in territorial demand for commercial and industrial land; and
 - (e) variations to the requirement of Government, Institution or Community facilities due to changes in the population profile.
- As a long lead-time of at least 12 to 13 years² is required for implementing NDAs, an early start of the P&E Study is critical. We propose to kick off the process by embarking on the P&E Study for the Three-in-One Scheme, which will take into account the latest circumstances and make reference to the findings and recommendations of the NENT Study completed in 2003. Owing to insufficient in-house resources, we propose to engage consultants to carry out the P&E Study and to supervise the associated site investigation works.

The lead-time includes the time for planning and engineering study, statutory procedures and consultation, design and construction of engineering infrastructure, and design and construction of housing blocks and necessary community facilities to the first population intake.

KEY ISSUES AND STUDY APPROACHES

12. Having considered the views of Members in our previous consultations and other public views received, we have identified some key issues relating to the planning, design and implementation of the NDAs, which would need to be addressed in the course of the study process. They are set out as follows:

Development Intensity and Population Capacity

(a) the HK2030 Study assumes that the NDAs could accommodate 0.35 million population. To meet the rising public aspiration for lower density development and quality living environment and to capitalize on the planned railway infrastructure, the optimal development intensity in the NDAs will need to be assessed critically;

Balanced Housing Mix

(b) the appropriate proportion of public rental housing and private housing in the NDAs will need to be assessed prudently for the development of balanced communities;

Provision of Supporting Facilities

(c) having regard to past experience of our new towns, we need to ensure that supporting community facilities and services would be provided in a timely manner to serve future residents of the NDAs, with a view to strengthening the social network. We will engage academics, sociologists and practitioners in community services in the study process to provide expert advice on the social aspects of the NDA development;

Provision of Employment Opportunities

- (d) population-related economic/social facilities such as local retail, services and community facilities will be planned for the NDAs. These uses, together with the commercial/business/industrial activities that will take place on sites identified for such purposes, would generate employment opportunities for the residents within the NDAs as well as for the existing nearby new town dwellers;
- (e) as most of the job opportunities are still concentrated in the main urban areas, we will put more emphasis on enhancing accessibility to the main urban areas in the planning of NDAs.

Reservation has already been made for a new rail station at Kwu Tung North. Apart from railway service, other public transport facilities will be adequately provided to offer residents choices of transport mode for commuting to the main urban areas:

Land Resumption and Clearance

(f) the NDAs cover mainly private land amidst scattered villages, some of which are occupied by non-recognized village settlements, domestic squatters or various forms of business undertakings. Whilst land resumption and clearance would be inevitable, the social and economic disruptions created need to be carefully managed;

Private Sector Participation

(g) a large proportion of land in the NDAs is under private ownership. We will consider innovative approaches for the implementation of the NDAs, including public/private partnership so as to reduce the scope of land resumption. The participation of the private sector must be commensurate with the overall planning concept of the NDAs and in the public interest. The approach must be fair, equitable, open and in compliance of the relevant legislations;

Heritage and Ecological Conservation

(h) there has been rising public aspiration for striking a proper balance between development and conservation of heritage and ecology. The Study would commence with baseline studies on heritage and ecology to identify protection areas from the heritage and ecological conservation perspective; and

Environmentally Friendly Communities

(i) there is public expectation that newly planned areas should be more environmentally friendly in terms of carbon emission, energy-saving, waste re-cycling and greening. Emphasis will be given in the Study to examine these aspects and innovative and pragmatic measures under the principle of sustainable development will be proposed.

PUBLIC ENGAGEMENT

- 13. Comprehensive public engagement will be undertaken as an integral part of the P&E Study. We will engage the Legislative Council, North District Council, local communities, environmental groups and other stakeholders during various stages of the Study.
- 14. A three-stage public engagement approach is proposed :
 - (a) Stage 1 to engage the public at an early stage to generate discussions. The focus will be on the objectives and principles, constraints/opportunities, design principles and key issues relating to the development of the NDAs. The public will also be engaged in deriving the conceptual development options. This stage of public engagement will provide inputs for preparing preliminary layouts for the NDAs (the Preliminary Outline Development Plans [ODPs]);
 - (b) Stage 2 to engage the public in discussing the Preliminary ODPs, which will form a basis for more detailed engineering feasibility studies and environmental impact assessment. Recommended layouts for the NDAs (the Recommended ODPs) will then be formulated; and
 - (c) Stage 3 to brief the public on the rationale and how public views are incorporated into the Recommended ODPs, and obtain feedback to facilitate finalization of layout plans and proposals.

FINANCIAL IMPLICATIONS

15. We estimate the capital costs of **726CL** to be \$50.8 million in MOD prices, made up as follows –

			<pre>\$ million</pre>
(a)	Site	e investigation works	7.2
(b)	Co	nsultants' fees for	34.9
	(i)	supervision of site investigation (\$1.2m)	

- (ii) planning and engineering study (\$25.1m)
- (iii) environmental impact assessment study (\$8.6m)

(c)	Models and consultation displa materials	y 4.1	
(d)	Contingencies	4.6	
	Tota	al 50.8	(in MOD

prices)

ENVIRONMENTAL, HERITAGE AND LAND IMPLICATIONS

The proposed consultancy and site investigation will not have any 16. environmental, heritage and land implications as set out at **Enclosure 2**. However, the scale of the development covered by the proposed consultancy requires an EIA under the EIA Ordinance, hence an EIA Study is included in the proposed consultancy.

PUBLIC CONSULTATION

- 17. During the course of the NENT Study, we conducted an extensive public consultation exercise between October 1999 and March 2000 on the draft RODP involving various stakeholders and community groups through consultation meetings and public forums. The responses showed that the locations of the NDAs were generally supported.
- We also consulted the public in 2003/2004 under the HK2030 Study 18. on the NDA proposals in the context of the territorial spatial development pattern. There was general support for providing a better living environment which could be effected through the development of NDAs. Some people commented that the development of NDAs could provide greater diversity of density, design of built forms and greater flexibility for adopting environmental measures and facilities.
- 19. We consulted the North District Council and the Town Planning Board on 14 February and 15 February respectively on the proposed P&E Study, and will report to the Panel the results of the consultation. Subject to Members' support, we will seek funding approval from the Public Works Sub-committee and Finance Committee in April and May.

ADVICE SOUGHT

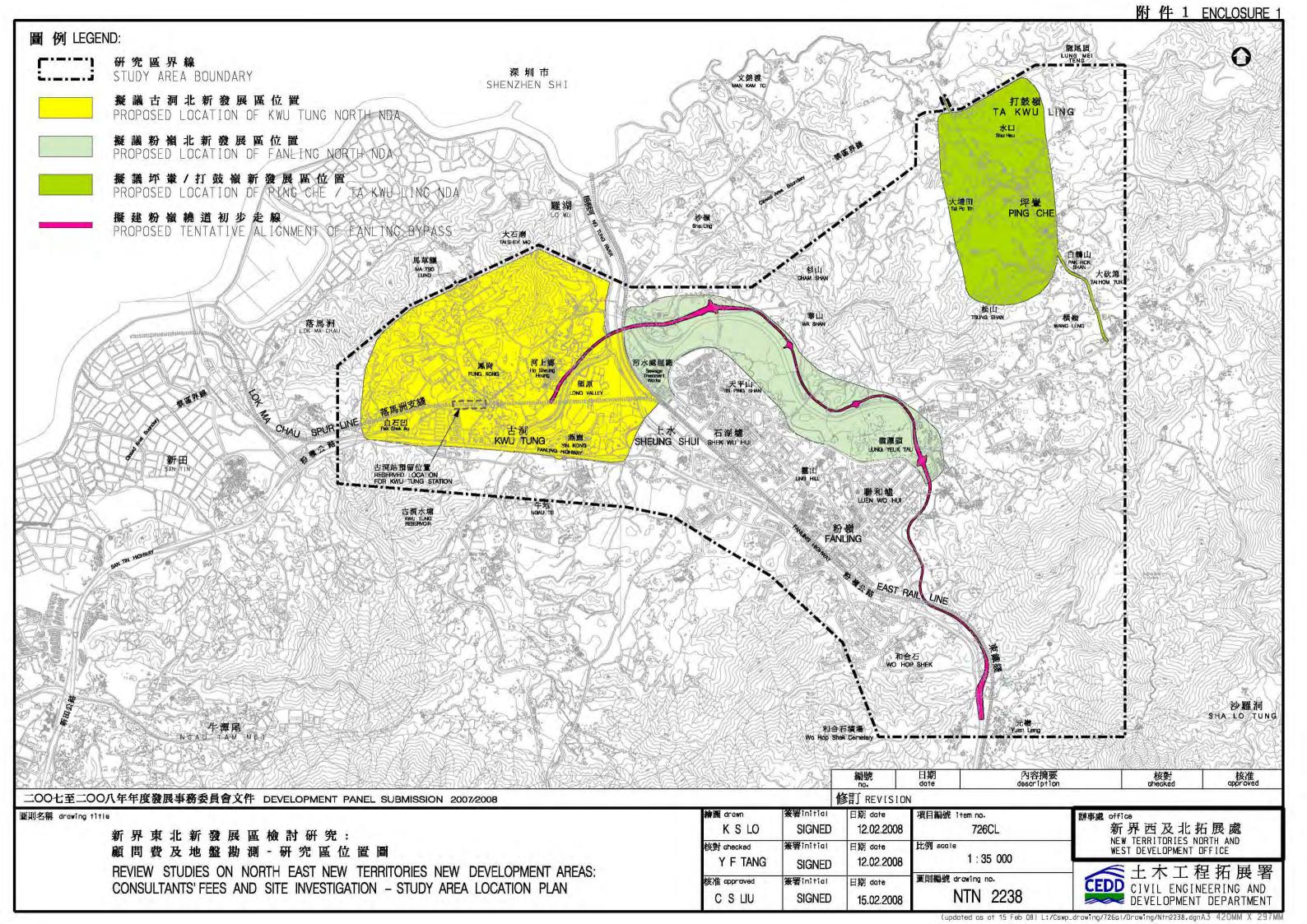
- 20. Members are invited to give views on the key issues relating to the planning, design and implementation of the NDAs, and the proposed public engagement approach as set out above. Members' views will be taken into account in the forthcoming P&E Study.
- 21. Members are also invited to support our proposal for upgrading of **726CL** for consideration by the Public Works Subcommittee in April 2008 and for funding approval by the Finance Committee in May 2008.

ATTACHMENT

Enclosure 1 Location Plan of the NENT NDAs

Enclosure 2 Environmental, Heritage and Land Implications

Development Bureau February 2008



North East New Territories New Development Areas Planning and Engineering Study

Environmental, Heritage and Land Implications

ENVIRONMENTAL IMPLICATIONS

The carrying out of the Planning and Engineering Study (P&E Study) on North East New Territories NDAs will not have any environmental implications. The proposed site investigation works to be carried out as part of the Study will only generate very little construction waste. We will require the consultants to fully consider measures to minimise the generation of construction waste and to reuse/recycle construction waste as much as possible in the future implementation of the construction projects.

2. The development to be covered by the proposed P&E Study, which is a Designated Project under Schedule 3 of the EIA Ordinance, requires an Environmental Impact Assessment (EIA) study under the EIA Ordinance for the whole study area. The EIA study will conduct assessments for the development proposals, taking into account the latest circumstances and the previous findings of the EIA report completed in 2003 for the NENT Study. There are also some individual projects such as Fanling Bypass and sewage pumping station works for the NDA developments, which are Designated Projects under Schedule 2 of the EIA Ordinance. They would require Environmental Permits prior to construction and operation. We will carry out the necessary EIAs under the P&E Study and assess the environmental acceptability of the proposals and where necessary, formulate appropriate mitigation measures.

HERITAGE IMPLICATIONS

3. The carrying out of the P&E Study will not affect any heritage site. A Heritage Impact Assessment (HIA) will be conducted under the Study for the proposed developments of the NDAs. The proposed HIA will cover all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

4. The proposed site investigation works will not require land acquisition. The P&E Study will examine the extent of land acquisition required for implementation of the NDAs.