

**For discussion
on 24 February 2009**

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**PWP Item No. 735CL - Planning and engineering study on development of
Lok Ma Chau Loop : consultants' fees and site investigation**

PURPOSE

This paper briefs Members on the proposal to upgrade **735CL** entitled “Planning and engineering study on development of Lok Ma Chau Loop: consultants’ fees and site investigation” to Category A at an estimated cost of \$33.7 million in money-of-the-day (MOD) prices for carrying out a planning and engineering study (P&E Study) and associated site investigation works for the proposed development of the Lok Ma Chau Loop (the Loop).

PROJECT SCOPE AND NATURE

2. The scope of **735CL**, which we propose to upgrade to Category A comprises –

- (a) detailed planning and engineering studies for the Loop and adjacent areas including preparation and confirmation of the feasibility of the Recommended Outline Development Plan (RODP), the Recommended Layout Plan (RLP) and the preliminary design of the associated engineering infrastructure works, and formulation of implementation strategies;
- (b) environmental impact assessments (EIA) including heritage impact assessment for the development and associated engineering infrastructure;
- (c) public engagement exercises in relation to the formulation of the development proposals; and
- (d) associated site investigation including supervision.

3. A location plan showing the study area of the proposed Loop development is at **Enclosure 1**.

4. We plan to commence the P&E Study in June 2009 for completion in 28 month's time. The Study will formulate sustainable and feasible planning and development proposals for the Loop. Planning and technical assessments on the land use, environmental, cultural heritage, traffic, infrastructure, engineering, air ventilation, landscape and urban design aspects of the recommended proposals will be thoroughly carried out in the study process.

BACKGROUND AND JUSTIFICATION

5. Located within the boundary area, the Loop (with a land area of about 87 ha) is near the major transport nodes including the Lok Ma Chau Boundary Control Point, the Lok Ma Chau Station of the Lok Ma Chau Spur Line and the San Tin Interchange. To the north of the Loop across Shenzhen (SZ) River is Huanggang Boundary Control Point. To the southwest is the Mai Po Nature Reserve and to the east is Hoo Hok Wai which is mainly used as fish ponds (**Enclosure 2**).

6. The Loop is to the north of the old course of the Shenzhen River and was within the administrative boundary of SZ before the river was re-aligned in 1997. It had been used as a dumping ground for mud extracted from the river training works, some of which were contaminated. As a result of the training of SZ River, the Loop now lies to the south of the re-aligned river course. The 'Order of the State Council of the PRC No. 221' (中華人民共和國國務院令第221號) in 1997 provides that after the realignment of SZ River, the administrative boundary of the HK Special Administrative Region (HKSAR) follows the new centre line of the river. As such, the Loop currently falls within the administrative boundary of HKSAR and is subject to the laws of HKSAR.

7. In the "Hong Kong 2030: Planning Vision and Strategy" completed in October 2007, the Loop was identified as an area having potential for special uses pertinent to its boundary location. In the Chief Executive's 2007-08 Policy Address, the development of the Loop was identified as one of the ten major infrastructure projects for economic growth and to meet future development needs.

8. In view of the unique history of the Loop which was within the SZ's jurisdiction before 1997, HK and SZ Governments have agreed to jointly develop the site for mutual benefits of the two cities. At the first meeting of the "HK-SZ Joint Task Force on Boundary District Development" on 10 March 2008, co-chaired by the Secretary for Development and the Executive Vice Mayor of SZ Municipal Government, it was agreed that both sides would, on the principles of co-study and co-development, conduct a joint study on the planning, environment

and engineering feasibility for the development of the Loop (i.e. the P&E Study) and its cost would be shared by both sides.

9. In June and July 2008, the planning authorities of HK and SZ separately consulted the general public, major stakeholders and experts on the future development of the Loop. Among the public views received, higher education, hi-tech research and development (R&D) facilities, and creative industries gained wide public support on both sides. As promulgated in the 2008-09 Policy Address, we are now assessing these proposals in greater depth and consulting stakeholders on the feasibility of various proposals.

10. At the HK-SZ cooperation meeting on 13 November 2008, the two Governments signed a cooperation agreement on the undertaking of the P&E Study. It was also agreed that higher education might be developed as the leading use in the Loop, with some elements of hi-tech R&D facilities and creative industries. This would provide impetus for human resources development in South China, enhance the competitiveness of the Pearl River Delta, and benefit the long-term economic growth of the two cities.

11. At the 12th Working Meeting of the HK-Guangdong Cooperation Joint Conference on 21 January 2009, the Chief Secretary for Administration stated, amongst others, that to tie-in with the Framework for Development and Reform Planning for Pearl River Delta Region (珠江三角洲地區改革發展規劃綱要) in supporting the establishment of prestigious higher education institutions in the Pearl River Delta, the Government will work closely with the SZ authorities to establish universities and research institutions of international and advanced standard in the Loop. We will be engaging the universities on the way to take forward the development proposals.

12. On 22 April 2008, we briefed the Development Panel on, inter alia, the latest development of the Loop and informed Members that HK and SZ intended to carry out a comprehensive study on the land use planning, environment and engineering feasibility for the development. On 15 November 2008, Members of this Panel and other LegCo Members were briefed on the latest development of the Loop in the visit to the Frontier Closed Area.

STUDY FRAMEWORK

13. The objective of the P&E Study is to formulate a comprehensive plan for the development of the Loop to the mutual benefit of both HK and SZ, confirm the feasibility of developing the Loop for the identified land use, and recommend the necessary transport and engineering infrastructure.

14. The P&E Study will comprise an integrated planning and engineering study, an EIA and associated site investigation works on the recommended land use

proposal for the Loop and its supporting infrastructure. A review of the land uses alongside such supporting infrastructure in the adjoining areas will also be carried out. It will be divided into two stages with Stage 1 focusing on the planning aspect and Stage 2 on the engineering aspect. The Study will conduct detailed technical assessments and formulate RODP and RLP for the Loop based on the preferred land use option. As the Loop falls within the administrative boundary of the HKSAR, all works and development are subject to the laws of HK, including the EIA Ordinance (EIAO). 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.

15. The P&E Study is a Designated Project under Schedule 3 of the EIAO. Some individual projects such as roads and sewage pumping stations for the Loop development are Designated Projects under Schedule 2 of the EIAO. These projects would require Environmental Permits prior to construction and operation. To facilitate an expedited study with an early public engagement process, the EIA study would be included as part of the Study.

16. There will be close co-ordination among the concerned Bureaux/departments on the interface between the P&E Study and other relevant on-going and forthcoming studies in the area, notably the Study on Land Use Planning for the Closed Area, the P&E Studies for the New Development Areas at Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling and at Hung Shui Kiu, as well as the Investigation and Preliminary Design Study for the development of Liantang/Heung Yuen Wai Boundary Control Point and its connecting roads.

PUBLIC ENGAGEMENT IN THE STUDY PROCESS

17. The findings of the public engagement exercise collected in June/July 2008 would provide useful inputs to the P&E Study in formulation of conceptual land use options. Comprehensive public engagement will be undertaken as an integral part of the P&E Study. We will engage the Legislative Council, Heung Yee Kuk (HYK), relevant District Councils (DCs), local communities, environmental groups and other stakeholders in the course of the Study.

18. The P&E Study includes 2 stages of public engagement. The objective of Stage 1 Public Engagement (about 2 months) is to collect public views and aspirations on the conceptual land use options and preliminary ODPs. It will provide inputs for formulating the preferred land use option and preparing draft RODP. After conducting detailed technical assessments and EIA, more detailed LPs will be prepared. The Stage 2 Public Engagement (about 2 months) will engage the public in discussing the RODP and detailed LPs for the preferred land use option and obtain feedback to facilitate refinement of the RODP and RLP.

FINANCIAL IMPLICATIONS

19. We estimate the capital costs for the whole of the P&E Study to be \$54.7 million (in MOD prices) with a breakdown of the costs at **Enclosure 3**. As the Study is jointly commissioned by HK and SZ, the total cost of the Study will be shared by both sides on the principles of : (i) the cost for study of the Loop (i.e. Area A at Enclosure 1, about 87 ha in area) to be shared equally between HK and SZ, and (ii) the cost for study of the area outside the Loop in HK (i.e. Area B at Enclosure 1, about 182 ha in area) to be paid by HK alone.

20. The cost for the P&E Study to be borne by HK will be funded by **735CL**. We estimate the capital costs of **735CL** to be \$33.7 million in MOD prices.

21. For Members' information, SZ will commission a separate study for the area to the north of the Loop in SZ (i.e. Area C at Enclosure 1, about 167 ha in area) at its own cost.

PUBLIC CONSULTATION

22. We consulted the Sheung Shui Rural Committee (RC) and San Tin RC on 9 December 2008 on the proposed P&E Study. Members of both RCs in general did not express objection to the proposed P&E Study.

23. We consulted the North DC and Yuen Long DC on 11 December 2008 and the Town Planning Board (TPB) on 12 December 2008 on the proposed P&E Study. Members of both DCs and TPB in general supported the proposal to conduct the P&E Study and urged for its early completion.

24. We consulted the HYK on 16 December 2008 on the proposed P&E Study. Members of the HYK in general supported the proposal to conduct the P&E Study and requested that development for areas adjacent to the Loop should also be considered in the P&E Study.

ENVIRONMENTAL, HERITAGE AND LAND IMPLICATIONS

25. The P&E Study will not have any environmental implications. However, the development to be covered by the proposed Study and some individual projects such as roads and sewage pumping stations require an EIA study under the EIAO for the development and associated engineering infrastructures. In the EIA study, we will require the consultants to conduct assessments for the development proposals. We will carry out the statutory EIA under the P&E Study and assess the

environmental acceptability of the proposals and, where necessary, formulate appropriate mitigation measures in accordance with the requirements of the EIAO. The EIA study will in particular examine the issue of contaminated mud in the Loop including undertaking contaminated mud assessment and recommend measures to mitigate the likely environmental concerns.

26. The proposed site investigation works and preliminary design consultancy 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. We also undertake to implement the standard pollution control clauses during construction, as promulgated by the Director of Environmental Protection.

27. The P&E Study will not affect any heritage site, nor require land acquisition. A Heritage Impact Assessment (HIA) will be conducted under the P&E Study for the proposed development of the Loop. 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.

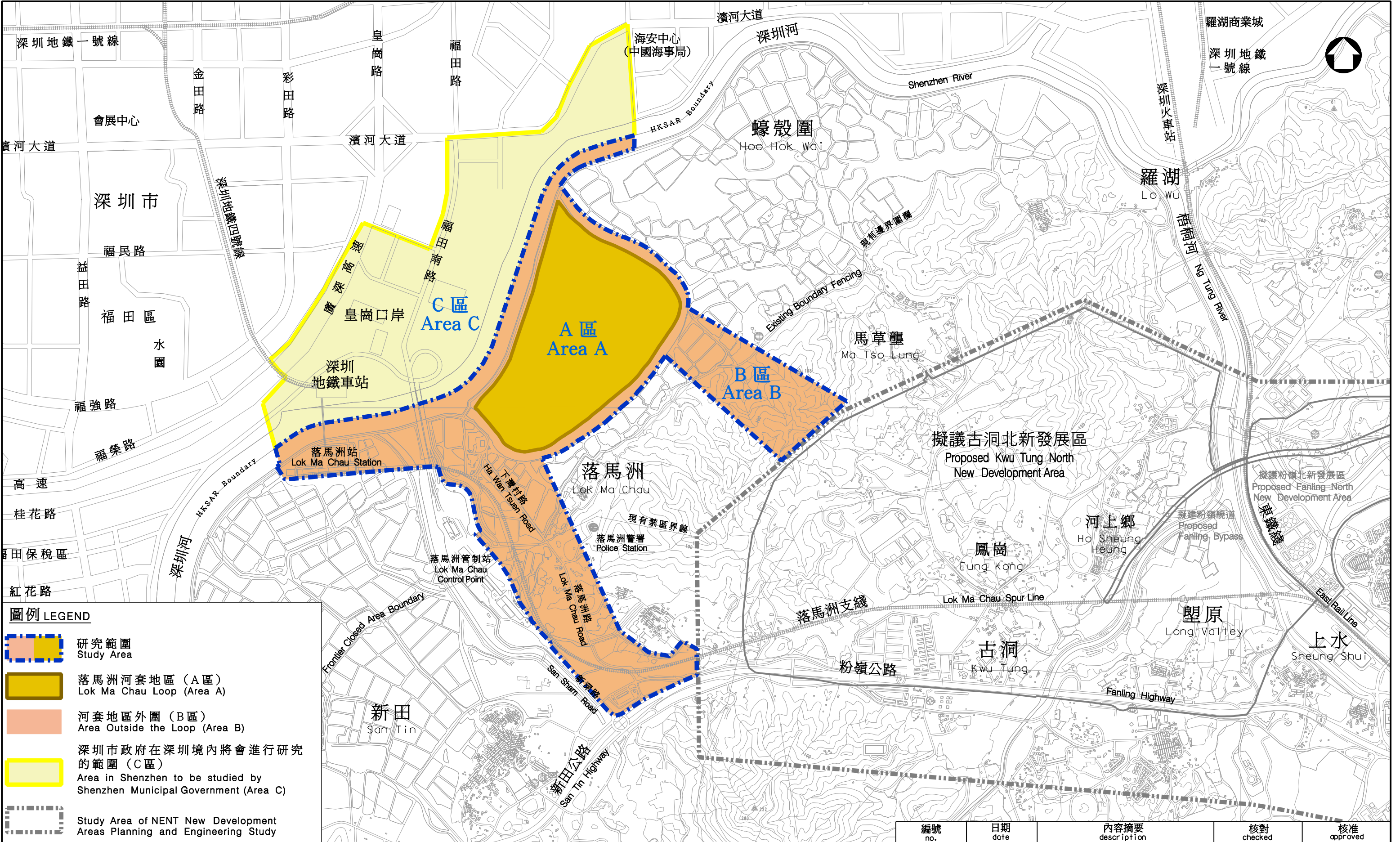
WAY FORWARD

28. Members are invited to support our proposal for upgrading of **735CL** for consideration by the Public Works Subcommittee scheduled for April 2009.

ATTACHMENT


- Enclosure 1 The Study Area for Development of Lok Ma Chau Loop
- Enclosure 2 Lok Ma Chau Loop and Surrounding Areas
- Enclosure 3 Estimate of capital costs for the P&E Study

Development Bureau
February 2009



二〇〇八至二〇〇九年度發展事務委員會文件 DEVELOPMENT PANEL SUBMISSION 2008/2009					修訂 REVISION	
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落馬洲河套地區發展規劃及工程研究： 顧問費及地盤勘測 - 研究範圍位置圖 PLANNING AND ENGINEERING STUDY ON DEVELOPMENT OF LOK MA CHAU LOOP: CONSULTANTS' FEES AND SITE INVESTIGATION - STUDY AREA LOCATION PLAN					K S LO	SIGNED
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					Y F TANG	SIGNED
					核准 approved	簽署 initial
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	Y C LAM	SIGNED	29.12.2008	735CL		
	Y F TANG	SIGNED	10.02.2009	NOT TO SCALE		
	C S LIU	SIGNED	12.02.2009	NTN 2259		

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The estimate of capital costs for the P&E Study is made up as follows :

	<u>Total Cost</u> (\$ million) (in MOD Prices)
(a) Study Area A (i.e. study area inside the Loop)	42.0
(b) Study Area B (i.e. study area outside the Loop in Hong Kong)	12.7
(c) Cost of the whole of the P&E Study [(c) = (a) + (b)]	54.7
(d) Cost to be funded by 735CL [(d) = (a)/2 + (b)]	33.7