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Panel on Development

Meeting on 25 May 2010

Updated background brief on Kai Tak Development

Purpose

This paper provides background information on the Kai Tak Development (KTD) and a summary of the major views and concerns expressed by Members during recent discussions at the committees of the Legislative Council (LegCo).

2. For background information and discussions in LegCo in respect of the preceding planning stages for KTD, please refer to the background brief on the same subject (LC Paper No. CB(1)570/08-09(04)) and **Appendix I**.

Background

3. Following the ruling given by the Court of Final Appeal in January 2004 on the legal principle regarding reclamations in the harbour, the Administration carried out extensive public engagement between 2004 and 2006 under the Kai Tak Planning Review Study. After three rounds of public engagement, the Administration had arrived at the development scheme for Kai Tak which was incorporated into the statutory Kai Tak Outline Zoning Plan (OZP) (Kai Tak OZP No. S/K22/2) approved by the Chief Executive in Council on 6 November 2007¹.

4. According to the Administration, the vision for Kai Tak is to develop it into "a Distinguished, Vibrant, Attractive and People-oriented area by the Victoria Harbour". The total planning area of KTD spans over 320 hectares, covering the 280-hectare ex-airport site and its adjoining areas. According to the Explanatory Statement of the approved OZP, the total population to be

¹ Details of the representations and comments received from the public and the Town Planning Board's relevant deliberations are given in the Legislative Council Brief on "Approved Kai Tak Outline Zoning Plan No. S/K22/2" issued by the Planning Department in November 2007.

accommodated in the development area is estimated to be about 86 000. The land use distribution in the area is as follows --

Land use zonings	Area (hectares)
Commercial	17.04
Comprehensive Development Area	5.61
Residential (Group A)	10.40
Residential (Group B)	19.85
Residential (Group C)	6.07
Government, Institution or Community	36.05
Open Space	97.69
Other specified uses	58.50

5. The Administration has advised that the total estimated capital cost for the various projects is over \$100 billion. Given the scale and complexity of KTD, the projects have been grouped into three packages, namely Packages A, B and C, for completion by 2013, 2016 and 2021 respectively. The major components under the three packages are shown in **Appendix II**.

Major views and concerns of Members

Implementation plan

6. At the meeting of the Panel on Development (DEV Panel) on 20 January 2009, the Administration provided Members with an overview of the implementation plan for KTD and the scope of the first batch of seven infrastructure projects related to KTD. Members conducted a site visit to the Kai Tak Approach Channel (KTAC) on 26 February 2009 during which the Administration introduced and demonstrated the bio-remediation treatment for tackling the environmental problems at KTAC. Subsequently, at the meeting of the DEV Panel on 31 March 2009, the Administration briefed Members on the proposal to part-upgrade four items to Category A, at a total estimated cost of about \$1,185 million in money-of-the-day (MOD) prices, for the detailed design and construction of infrastructure in KTD, and detailed design of environmental improvement works to KTAC. On the recommendation of the Public Works Subcommittee (PWSC) made at its meeting on 6 May 2009, the Finance Committee (FC) approved the funding proposals for the four items on 22 May 2009.

Environmental problems of the Kai Tak Approach Channel and Kwun Tong Typhoon Shelter

7. On the proposed measures to tackle the environmental problems of KTAC and Kwun Tong Typhoon Shelter (KTTS), individual Members expressed the following views and concerns --

- (a) whether the Administration's "three-pronged" approach, i.e. interception of polluted discharges in the hinterland of KTD, application of bioremediation treatment on sediments to oxidize the smelly sulphides and the creation of a 600-meter opening at the former runway, could really solve the long-standing environmental problem of KTAC and KTTS;
- (b) untimely opening of the runway in the absence of adequate support data could lead to disastrous result such as spill-over of polluted water from KTAC to the To Kwa Wan waterfront; the Administration should not proceed with the creation of a 600-metre opening at the former Kai Tak runway until the effectiveness of the first two steps of the improvement works had been ascertained; and
- (c) adoption of the bio-remediation method for treatment of KTAC warranted support as the method had proved to be effective in the treatment of Shing Mun River.

8. According to the Administration, after completion of the works to intercept polluted discharges and the bio-remediation treatment of the sediments in KTAC and KTTS, the Administration will monitor closely the effectiveness of these works in improving the water quality in the area. The findings on improvements in the water quality will be conveyed to the relevant District Councils and LegCo Panels for reference and discussion, before the Administration decides to proceed to create the 600-meter opening in the former Kai Tak runway. The Administration is confident that with the completion of the interception and bio-remediation works, the water quality and sediments in KTAC and KTTS will be greatly improved in 2013. As it is necessary to address the concerns of local residents, the Administration will ascertain the effectiveness of the measures before proceeding to open up the former Kai Tak runway².

District cooling system

9. On 15 December 2008, the Administration consulted the Panel on Environmental Affairs on the funding proposal for the provision of a district cooling system (DCS) at KTD at an estimated cost of \$1,671 million in MOD prices. On the recommendation of PWSC made at its meeting on 7 May 2009, FC approved the proposal on 5 June 2009.

² In response to Members' requests during various discussions, the Administration has provided supplementary information on the proposed measures to tackle the environmental problem at KTAC and KTTS vide LC Papers No. CB(1)1121/08-09(01), CB(1)1375/08-09(01) and FC129/08-09.

10. During the discussions, Members were mainly concerned about the subscription rate of DCS by private non-domestic developments at KTD, which in turn would have bearing on the tariff level and hence the viability of the system.

11. According to the Administration, DCS would be operated under the "Design, Build and Operate" mode. Connection to DCS for private non-domestic developments in KTD would be on a voluntary basis. The provision of the DCS service will be subject to payment of a tariff, which will be set at a level to ensure that the Administration can recover the capital and operating costs over the project life. To encourage the subscription to the DCS service, its tariff rate will be set at a level that is competitive with the charge of other forms of air-conditioning, including that of self-installed water-cooled air-conditioning systems using cooling towers, which is currently one of the most cost-effective air-conditioning systems available in the market. The Administration will introduce a new legislation into LegCo for the Administration to charge tariff for the provision of the DCS service. The Administration is also conducting a consultancy study to take stock of overseas experience and work out the suitable charging structure, tariff levels and adjustment mechanism. The actual tariff levels will have to take into account the actual outturn price of the tender for the DCS project.

Cruise terminal

12. On 29 March 2010, the Administration consulted the Panel on Economic Development on the funding proposal for the construction of the cruise terminal building and ancillary facilities at KTD at an estimated cost of \$5,852.1 million in MOD prices. On the recommendation of PWSC made at its meeting on 14 April 2010, FC discussed and approved the proposal on 30 April 2010. During the discussions, individual Members expressed concerns over a series of issues including toilet facilities and car parking spaces, tender arrangements and selection of designs, impact on job market and tourism, future operation, and also transport infrastructure and greening measures.

13. The Administration had provided the following response at these meetings --

- (a) the ratio of female to male toilet facilities was already higher than the required standard;
- (b) there would be sufficient parking spaces for private vehicles and loading and unloading areas;
- (c) the Administration had consulted the cruise industry on the design requirements of the cruise terminal;

- (d) 2 940 jobs would be created and the Administration did not intend to import foreign labour for the project, and land was available for manufacturing pre-fabricated building units locally for the cruise terminal;
- (e) the cruise terminal would be run by an operator selected through international tendering, it would compare favourably with other cruise terminals in Asian cities and be conducive to promoting the cruise and tourism industries, and part of the cruise terminal could be used for holding exhibitions during low seasons;
- (f) there would be sufficient greening, including rooftop and road-side greening; and
- (g) land had been reserved for an environmentally friendly transport system in KTD.

Latest development

14. The Administration will brief the DEV Panel on the progress of KTD at the meeting on 25 May 2010.

Relevant papers

15. A list of relevant papers with their hyperlinks is in **Appendix III**.

Council Business Division 1
Legislative Council Secretariat
19 May 2010

Previous discussions on the Kai Tak Development in 2008 and 2009

General planning issues

On the general planning for KTD, individual Members expressed the following views and concerns --

- (a) What measures the Administration would take to ensure that KTD would be implemented according to the planning objectives and parameters of the approved development scheme;
- (b) The latest planning scheme had deviated from the original vision of bringing improvement to the old districts (e.g. Hung Hom, To Kwa Wan and Wong Tai Sin) as there was a lack of provision in public housing estates. It would be a waste of land and public resources to include the provision of a Multi-purpose Stadium Complex in KTD, as such facility should be located in less busy areas to facilitate crowd management and dispersal;
- (c) The Administration should improve the design to enhance connectivity between KTD and adjacent districts to facilitate revitalization of old areas, and the carriageway network should be located away from the waterfront promenades to enhance the space for public enjoyment;
- (d) More government departments should be accommodated in KTD with a view to establishing a one-stop government service centre in KTD; and
- (e) There should be sufficient medical and community facilities to meet the needs of KTD, and the road infrastructure and community facilities should be completed in time to serve the residents of the public rental housing implemented in Package A.

2. On planning control, the Administration advised that the approved OZP provided statutory regulation on the land uses and planning parameters for the developments in KTD. The Administration was exploring new modes of planning control for the West Kowloon Cultural District and would consider whether such new modes were applicable to KTD.

3. On connectivity between KTD and neighbouring districts, the Administration advised that a comprehensive pedestrian system comprising underground shopping streets, landscaped elevated walkways, footbridges,

subways and enhanced at-grade crossings had been planned. Altogether, 21 major pedestrian connection points were proposed under KTD with spacing in the range of 200 to 600 metres. The Administration would explore the opportunity to conduct design competition for some proposed pedestrian connections. Further, the proposed Environmentally Friendly Transport System would reduce the vehicular traffic in Kai Tak and greatly enhance connection with the old neighbourhoods.

4. On waterfront promenades, the Administration advised that there would be a landscaped deck along the runway to provide a relaxing walking environment and to shield the adjacent residential developments from traffic noise. Except for certain isolated sections, the waterfront promenades in KTD would not have adjoining major roads. The Administration would make appropriate provision in the upcoming design to enhance their pedestrian accessibility and strengthen the architectural input in the design. Responding to a member's suggestion of holding a design competition for the waterfront development of KTD, the Administration advised that it was contemplating an open design competition on the landscaped pedestrian deck along the waterfront of KTD.

5. As regards government offices in KTD, the Administration advised that a review was underway to examine whether to relocate government departments at prime sites, such as those currently accommodated at the three government office towers in Wan Chai. If it was subsequently considered that more government departments should be relocated to KTD, the required sites would be available.

6. The Administration assured members that there would be sufficient facilities for the public rental housing residents who would move into KTD during the first stage of its implementation. A site had been reserved for a district hospital and the implementation timetable would depend on the relevant policy bureau and the progress of other necessary infrastructure projects¹.

Provision of temporary public facilities at Kai Tak Development

7. Some Members suggested that the Administration should make use of those sites not being occupied for development to provide temporary public facilities at KTD. The Administration advised that a temporary 200-metre waterfront promenade at the Kwun Tong Public Cargo Working Area would be completed by end 2009. In the coming few years, most of the land within KTD would be needed for works-related purposes. Nevertheless, it would explore the opportunity of making use temporary sites near the existing urban fabric for public enjoyment taking into account accessibility and period of availability.

¹ Subsequent to the meeting of the Panel on Development on 20 January 2009, the Administration has provided supplementary information on the planned facilities to be developed on the Government, Institution or Community (GIC) sites in the KTD vide LC Paper No. CB(1)1121/08-09(01).

Taxi bridge over Kai Tak Approach Channel

8. Responding to some Members' concern about the future arrangements for the existing taxi bridge over KTAC which was 225 metres long connecting the former runway with the Kowloon Bay area, the Administration advised that with closely spaced supporting pillars, the bridge would cause obstruction to water flow and water sports activities in KTAC. The Administration's plan was to replace the bridge with a new one which would provide more headroom above sea level with fewer or no pillars.

Improvement works for Kai Tak Approach Channel

9. During the discussion at the PWSC meeting on 6 May 2009, some Members expressed concern on whether the Administration had accurately presented in its submission the outcome of the consultation with the Kowloon City District Council on the proposed improvement works for KTAC. At Members' request, the Research and Library Services Division prepared an information note (IN17/08-09) on the views and concerns about KTDC raised by LegCo Members and Kowloon City District Council.

10. A Member raised concern about the possible adverse impact of the proposed projects on the operation of KTTS and asked whether the relevant trade had been adequately consulted on the matter. The Administration advised that currently about 70% of the area designated for sheltering of vessels. By making use of the non-designated area, there would be room to devise temporary arrangements to accommodate working space in KTTS and adjacent waters for the proposed works. The marine trade was engaged in the planning review stage of KTD, and the Administration would continue to engage the trade during the detailed design stage.

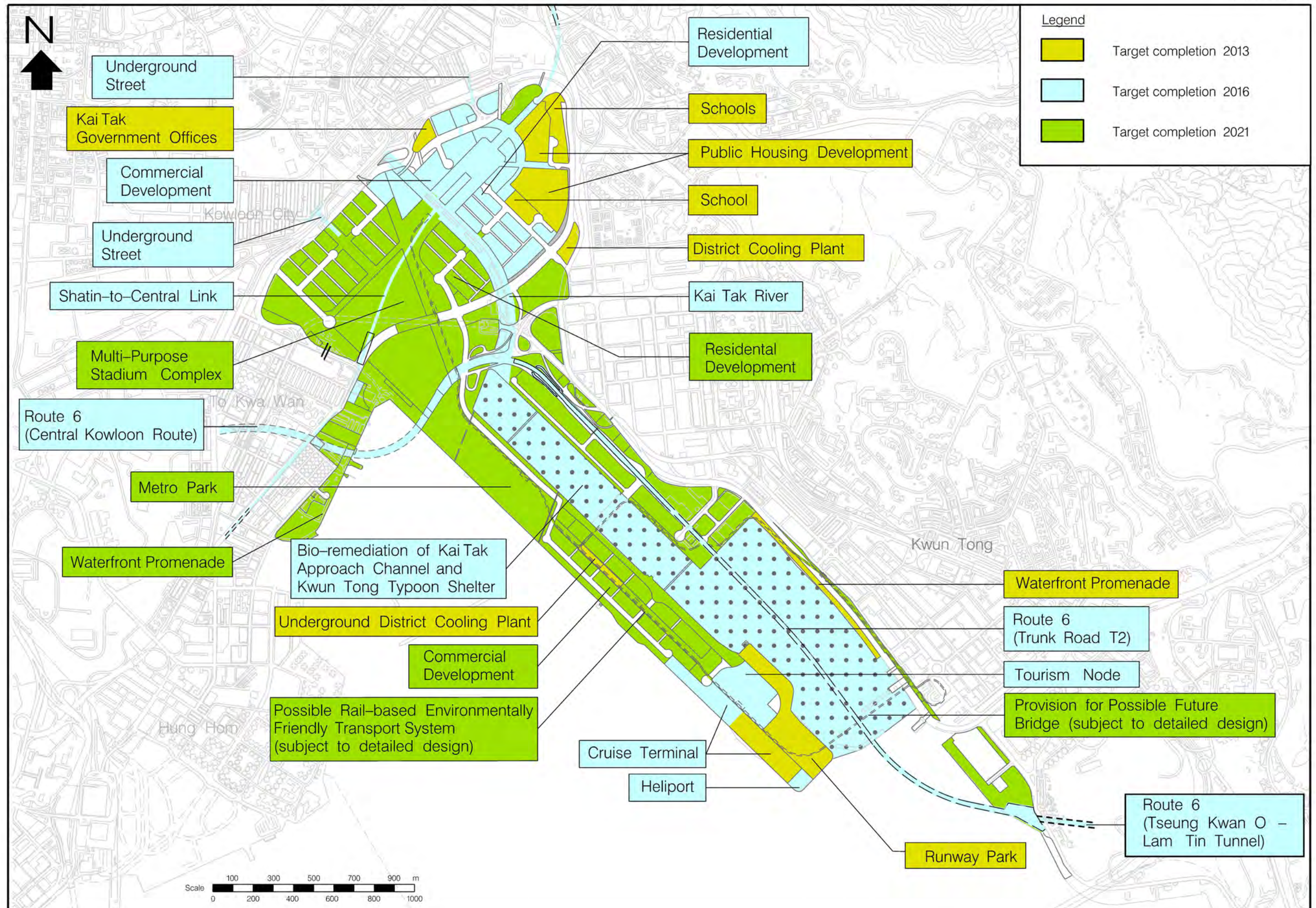
11. On a Member's concern as to how the Administration would continue to conduct public engagement when implementing KTD, the Administration advised that the implementation of KTD would be an evolving and interactive process. It would conduct public engagement as appropriate for individual projects such as the runway park and the environmentally friendly transport system.

Staffing support for the Kai Tak Development

12. On 8 December 2008, the Administration consulted the DEV Panel on its proposal of creating one supernumerary Chief Engineer post in the Kowloon Development Office of the Civil Engineering and Development Office to oversee the administration, planning and implementation of the proposed infrastructure works for KTD. Some Members expressed support for the Administration's proposal because it would help expedite the implementation of infrastructural projects to create employment opportunities. However, some other Members

expressed concern about the Administration's intention to create eight permanent directorate posts and 16 supernumerary directorate posts in various policy bureaux and departments in the 2008-2009 legislative session. They were of the view that the Administration should consider its staffing requirement in a holistic way and questioned whether the necessary staffing could be provided through internal redeployment. On the recommendation of the Establishment Subcommittee made at its meeting on 14 January 2009, FC approved the staffing proposal on 13 February 2009.

13. At the DEV Panel meeting on 24 November 2009, the Administration briefed Members on its proposal to set up a dedicated Kai Tak Office, to be headed by a Project Manager at D2 rank, to enhance the delivery of KTD. While supporting the Administration's proposal, a Member was concerned whether the proposed post was pitched at the appropriate rank for performing the intended coordination role with counterparts in various government bureaux/departments. While appreciating the need for establishing Kai Tak Office in view of the tremendous scale of KTD, another Member opined that the Administration should not abuse the arrangement of creating special offices and additional posts for implementation of infrastructure projects. The Administration advised that it had adopted a rather restrained approach, seeking to create only one D2 post which was pitched at the appropriate rank. Apart from the office bearer, the Kai Tak Supervisory Team and a committee on engineering matters would also perform a cross-bureau/department coordination role. There were precedents of establishing dedicated offices such as the New Airport Projects Co-ordination Office and the Railway Development Office in Highways Department for implementation of large scale infrastructure projects. On the recommendation of the Establishment Subcommittee made at its meeting on 13 January 2010, FC approved the staffing proposal on 5 February 2010.



Kai Tak Development – Major Components of Packages A, B and C

Kai Tak Development

List of relevant papers

Committee	Date of meeting	Reference
Panel on Development	8 December 2008	<p>Administration's paper on "Proposed creation of two supernumerary posts of Chief Engineer in the Civil Engineering and Development Department" (LC Paper No. CB(1)319/08-09(02)) http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev1208cb1-319-2-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)611/08-09) http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20081208.pdf</p>
Panel on Environmental Affairs	15 December 2008	<p>Administration's paper on District Cooling System at the Kai Tak Development (CB(1)363/08-09(03)) http://www.legco.gov.hk/yr08-09/english/panels/ea/papers/ea1215cb1-363-3-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)604/08-09) http://www.legco.gov.hk/yr08-09/english/panels/ea/minutes/ea20081215.pdf</p>
Establishment Subcommittee (ESC) Finance Committee (FC)	14 January 2009 13 February 2009	<p>Administration's paper on "Proposed creation of two supernumerary posts of Chief Engineer (D1) in Civil Engineering and Development Department for a period of five years with effect from 1 April 2009 to oversee the administration, planning and implementation of the proposed infrastructure works for Kai Tak Development and Liantang/Heung Yuen Wai Boundary Control Point projects respectively" (EC(2008-09)17)</p>

Committee	Date of meeting	Reference
		<p>http://www.legco.gov.hk/yr08-09/english/fc/esc/papers/e08-17e.pdf</p> <p>Minutes of meetings (LC Papers No. ESC26/08-09 and FC148/08-09)</p> <p>http://www.legco.gov.hk/yr08-09/english/fc/esc/minutes/esc20090114.pdf</p> <p>http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090213.pdf</p>
Panel on Development	20 January 2009	<p>Administration's paper on "The implementation plan for the Kai Tak Development" (LC Paper No. CB(1)570/08-09(03))</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0120cb1-570-3-e.pdf</p> <p>Background brief on "Kai Tak Development" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)570/08-09(04))</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0120cb1-570-4-e.pdf</p> <p>Minutes of meeting (LC Paper No. LC Paper No. CB(1)1948/08-09)</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090120.pdf</p> <p>Follow-up paper (LC Paper No. LC Paper No. CB(1)1121/08-09(01))</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0120cb1-1121-1-e.pdf</p>
Panel on Development	31 March 2009	<p>Administration's paper on "Implementation of Kai Tak Development - infrastructure and environmental improvement to Kai Tak Approach Channel" (LC Paper No. CB(1)1125/08-09(04))</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0331cb1-1125-4-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1964/08-09)</p> <p>http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090331.pdf</p>

Committee	Date of meeting	Reference
		<p>Follow-up paper (LC Paper No. CB(1)1375/08-09(01)) http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0331cb1-1375-1-e.pdf</p>
<p>Public Works Subcommittee (PWSC)</p>	<p>6 May 2009</p>	<p>Administration's papers on --</p> <p>"711CL Kai Tak development-advance infrastructure works for developments at the southern part of the former runway" (PWSC(2009-10)20) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/papers/p09-20e.pdf</p> <p>"469CL Kai Tak development-infrastructure at north apron area of Kai Tak Airport" (PWSC(2009-10)21) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/papers/p09-21e.pdf</p> <p>"465CL Kai Tak development-Kai Tak approach channel and Kwun Tong typhoon shelter improvement works and 702CL Kai Tak development-remaining infrastructure works for developments at the former runway" (PWSC(2009-10)22) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/papers/p09-22e.pdf</p> <p>Minutes of meeting (LC Paper No. PWSC97/08-09) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/minutes/pwsc20090506.pdf</p>
<p>PWSC</p>	<p>7 May 2009</p>	<p>Administration's paper on "45CG District cooling system at the Kai Tak Development" (PWSC(2009-10)24) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/papers/p09-24e.pdf</p> <p>Minutes of meeting (LC Paper No. PWSC112/08-09) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/minutes/pwsc20090507.pdf</p>

Committee	Date of meeting	Reference
FC	22 May 2009 5 June 2009	<p>Administration's papers on "Recommendations of the Public Works Subcommittee on Public Works Programme and Capital Subvention Projects" (FCR(2009-10)14 and FCR(2009-10)19)</p> <p>http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-14e.pdf http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-19e.pdf</p> <p>Minutes of meetings (LC Papers No. FC156/08-09 and FC7/09-10)</p> <p>http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090522.pdf http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090605.pdf</p>
Panel on Development	24 November 2009	<p>Administration's paper on "Enhancing the delivery of Kai Tak Development" (LC Paper No. CB(1)396/09-10(05))</p> <p>http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev1124cb1-396-5-e.pdf</p> <p>Paper on Kai Tak Development prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)396/09-10(06))</p> <p>http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev1124cb1-396-6-e.pdf</p> <p>Minutes of the meeting (LC Paper No. CB(1)1124/09-10))</p> <p>http://www.legco.gov.hk/yr09-10/english/panels/dev/minutes/dev20091124.pdf</p>
ESC FC	13 January 2010 5 February 2010	<p>Administration's paper on "Proposed creation of one supernumerary bi-disciplinary post of Government Engineer/Government Architect (D2) in Civil Engineering and Development Department with effect from 1 March 2010 up to 31 March 2014 to head the Kai Tak Office to be set up under the Kowloon Development Office to lead and oversee the coordination and implementation of Kai Tak Development" (EC(2009-10)15)</p> <p>http://www.legco.gov.hk/yr09-10/english/fc/esc/papers/e09-15e.pdf</p>

Committee	Date of meeting	Reference
		<p>Minutes of meeting (LC Paper No. ESC22/09-10) http://www.legco.gov.hk/yr09-10/english/fc/esc/minutes/esc20100113.pdf</p>
<p>Panel on Economic Development</p>	<p>29 March 2010</p>	<p>Administration's paper on cruise terminal building works of the new cruise terminal (LC Paper No. CB(1)1439/09-10(09)) http://www.legco.gov.hk/yr09-10/english/panels/edev/papers/edev0329cb1-1439-9-e.pdf</p> <p>Paper on the development of new cruise terminal facilities at Kai Tak prepared by the Legislative Council Secretariat (updated background brief) (LC Paper No. CB(1)1439/09-10(10)) http://www.legco.gov.hk/yr09-10/english/panels/edev/papers/edev0329cb1-1439-10-e.pdf</p> <p>Minutes of meeting (LC Paper No. 1668/09-10) http://www.legco.gov.hk/yr09-10/english/panels/edev/minutes/edev20100329.pdf</p>
<p>PWSC FC</p>	<p>14 April 2010 30 April 2010</p>	<p>Administration's paper on "7GA Cruise terminal building and ancillary facilities for the Kai Tak cruise terminal development" (PWSC(2010-11)1) http://www.legco.gov.hk/yr09-10/english/fc/pwsc/papers/p10-01e.pdf</p> <p>Minutes of meeting (LC Paper No. PWSC60/09-10) http://www.legco.gov.hk/yr09-10/english/fc/pwsc/minutes/pwsc20100414.pdf</p>