

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

752CL – Planning and engineering study for housing sites in Yuen Long south – consultants' fees and site investigation

Members are invited to recommend to Finance Committee the upgrading of **752CL** to Category A at an estimated cost of \$49.5 million in money-of-the-day prices for carrying out a planning and engineering study and the associated site investigation works for housing sites in Yuen Long south.

PROBLEM

We need to examine the potential for public and private housing developments in Yuen Long south (YLS) so as to expand our land resources to meet the medium and long-term housing needs of the territory.

PROPOSAL

2. The Director of Civil Engineering and Development, on the advice of the Director of Planning and with the support of the Secretary for Development, proposes to upgrade **752CL** to Category A at an estimated cost of \$49.5 million in money-of-the-day (MOD) prices to engage consultants to undertake a planning and engineering study and the associated site investigation works for housing sites in YLS (the proposed Study).

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of **752CL** comprises –
 - (a) detailed planning and engineering study for housing sites in YLS, including preparation of the Preliminary Outline Development Plan, the Recommended Outline Development Plan, the Recommended Layout Plans and the preliminary design of the associated engineering infrastructure works, confirmation of feasibility of development proposals for the housing sites, and formulation of implementation strategies;
 - (b) environmental impact assessment (EIA) on the development proposals for the housing sites and associated engineering infrastructure;
 - (c) community engagement exercises in relation to the formulation of development proposals for the housing sites; and
 - (d) associated site investigation including supervision.

A location plan showing the proposed Potential Development Areas (PDAs) and the study area is at Enclosure 1. Within the proposed PDAs of 200 hectares, potential housing sites will be identified in the proposed Study for public and private housing developments¹. The study area encompasses a wider area of 1 500 hectares (including the PDAs) to ensure the integrity and accuracy of the technical assessments.

4. Subject to the approval of Finance Committee, we plan to commence the proposed Study by December 2012 for completion by June 2015. The proposed Study will be jointly commissioned by the Civil Engineering and Development Department and the Planning Department.

JUSTIFICATION

5. At present, YLS, comprising the rural land south of Yuen Long Highway, is generally characterised by haphazard low-density housing, informal

/industrial

¹ The location and extent of the PDAs as shown in Enclosure 1 are tentative and subject to adjustment during the course of the proposed Study.

industrial activities and open storage. Located in proximity to Yuen Long, Tuen Mun and Tin Shui Wai new towns, and the proposed new development area in Hung Shui Kiu, as well as connected with the urban areas by strategic road links including Route 3 and Yuen Long Highway, the area has the potential to accommodate more housing developments with higher development intensity. However, the existing supporting infrastructure (including roads, drainage, sewerage, water supply and utilities) is not adequate to support the population of future housing development.

6. The 2011-12 Policy Address announced that the Administration would explore the possibility of converting into housing land some 150 hectares of agricultural land in North District² and Yuen Long currently used mainly for industrial purposes or temporary storage, or even deserted. We propose to carry out the proposed Study to review the development potential of the area in YLS (mainly the PDAs shown in Enclosure 1), with a view to identifying housing sites in the PDAs for private and public housing purposes.

7. The proposed Study will formulate sustainable and feasible development proposals for housing sites in YLS. It will also recommend the necessary engineering infrastructure works to serve the future population in YLS, and the implementation approach by taking into account the land ownership pattern³ and public comments received during the community engagement exercises of the Study. Planning and technical assessments on the land use, environmental, cultural heritage, traffic, infrastructure engineering, air ventilation, landscape and urban design aspects, etc. of the recommended proposals will be thoroughly carried out in the study process. Community engagement exercise will be undertaken as an integral part of the proposed Study. We will engage the Legislative Council (LegCo), Yuen Long District Council, relevant Rural Committees, local community, environmental concern groups and other stakeholders during various stages of the proposed Study. Taking into account the long lead time required for implementation of the development proposals for the housing sites and associated engineering infrastructure⁴, an early start of the proposed Study is necessary.

/FINANCIAL

² The studies for housing sites in the North District (i.e. the planning and engineering studies for Kwu Tung South and Sheung Shui Area 30 and the engineering feasibility study for Kong Nga Po) will be funded by block allocation.

³ A majority of the land in the PDAs is under private ownership.

⁴ The required lead-time covers that for the proposed Study, statutory procedures and consultation, land resumption and site clearance, design and construction of engineering infrastructure, and design and construction of housing blocks and necessary community facilities to support the first population intake.

FINANCIAL IMPLICATIONS

8. We estimate the capital costs of **752CL** to be \$49.5 million in MOD prices (please see paragraph 9 below), broken down as follows –

		\$ million
(a) Consultants' fees for		26.5
(i) planning and engineering study	19.8	
(ii) EIA	5.0	
(iii) supervision of site investigation works	1.7	
(b) Site investigation works		10.0
(c) Miscellaneous expenses for community engagement exercises ⁵		1.7
(d) Contingencies		3.8
	Sub-total	42.0 (in September 2011 prices)
(e) Provision for price adjustment		7.5
	Total	49.5 (in MOD prices)

Owing to insufficient in-house resources, we propose to engage consultants to carry out the proposed Study and supervise the associated site investigation works. A breakdown of the estimate for consultants' fees by man-months is at Enclosure 2.

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

/Year

⁵ Miscellaneous expenses for community engagement exercises will include publicity materials and pamphlets, video films, services of facilitators, provision of venues and facilities, etc.

Year	\$ million (Sept 2011)	Price adjustment factor	\$ million (MOD)
2012 – 2013	1.5	1.05325	1.6
2013 – 2014	10.5	1.11118	11.7
2014 – 2015	17.0	1.17229	19.9
2015 – 2016	9.3	1.23677	11.5
2016 – 2017	3.7	1.30479	4.8
	<hr/> 42.0 <hr/>		<hr/> 49.5 <hr/>

10. We have derived the MOD estimate on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period 2012 to 2017. Subject to funding approval, we will engage consultants to undertake the proposed consultancy on a lump sum basis with provision for price adjustment as the consultancy period will exceed 12 months. We will deliver the site investigation works under a standard re-measurement contract because the quantity of works involved may vary depending on actual ground conditions. The contract for site investigation works will provide for price adjustment.

11. The proposed Study will not give rise to any recurrent expenditure.

PUBLIC CONSULTATION

12. We consulted the Ping Shan Rural Committee and the Shap Pat Heung Rural Committee (SPHRC) on 7 and 9 March 2012 respectively. Both Committees raised no objection to our proposal to conduct the proposed Study. The SPHRC requested that some abandoned agricultural land within the study area should also be considered for housing developments in the proposed Study.

/13.

13. We consulted the Town Planning and Development Committee of the Yuen Long District Council on 14 March 2012. The Committee was generally in support of the proposed Study. Some members reiterated the SPHRC's request as mentioned in paragraph 12 above. We advised that the consultants would take into account their comments and other public comments received during the course of the proposed Study, including reviewing the potential of other land within the study area for housing developments.

14. We consulted the LegCo Panel on Development at its meeting on 22 May 2012 on the proposal to conduct the proposed Study and the key issues to be examined. Members raised no objection to our proposal.

ENVIRONMENTAL IMPLICATIONS

15. The proposed Study is a designated project under Schedule 3 of the EIA Ordinance (Cap. 499) (i.e. major designated projects requiring environmental impact assessment reports). For the implementation of individual projects which are Schedule 2 designated projects (such as new roads, major improvements to existing roads and sewage pumping stations) these projects will require Environmental Permits prior to construction and operation. We will conduct an EIA under the proposed Study for the proposed developments and associated engineering infrastructure to meet the requirements under the EIA Ordinance. We have included \$5 million (in September 2011 prices) in the cost estimate for conducting the EIA.

16. The proposed Study will 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.

HERITAGE IMPLICATIONS

17. The proposed Study will not affect any heritage site, i.e. 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

LAND ACQUISITION

18. The proposed Study and the associated site investigation works will not require any land acquisition. The proposed Study will examine the implementation approach for developing housing sites in YLS and the extent of land acquisition required for implementation of the development proposals and the associated engineering infrastructure.

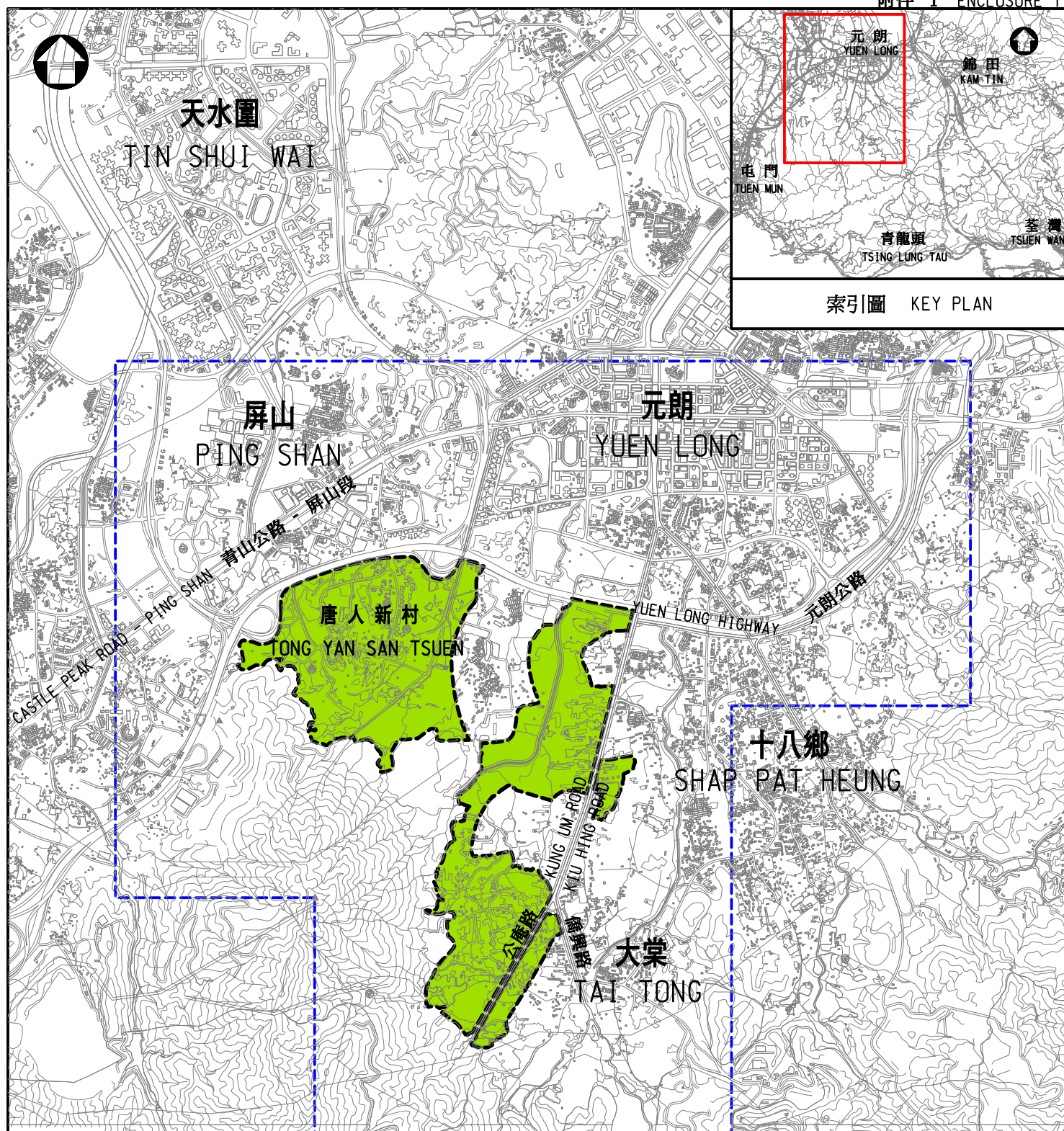
BACKGROUND INFORMATION

19. We included **752CL** in Category B in September 2011.

20. The proposed Study will not directly involve any tree removal or planting proposals. We will take into account the need for tree preservation during the planning and design stages of construction projects that are proposed under the proposed Study. We will also incorporate tree planting proposals, where possible, in the construction phase in future.

21. We estimate that the proposed Study will create about 27 jobs (six for labourers and another 21 for professional/technical staff) providing a total employment of 625 man-months.

Development Bureau
June 2012



圖例
LEGEND:



擬議具發展潛力地區初步位置及範圍
TENTATIVE LOCATION AND EXTENT OF
THE PROPOSED POTENTIAL DEVELOPMENT AREAS



研究範圍初步界線
TENTATIVE STUDY AREA BOUNDARY

0 400 800 1200 1600 2000m

編號 no.	日期 date	內容摘要 description	核對 checked	核准 approved
-----------	------------	---------------------	---------------	----------------

修訂 REVISION

圖則名稱 drawing title

元朗南房屋用地規劃及工程研究
- 具發展潛力地區位置圖
PLANNING AND ENGINEERING STUDY
FOR HOUSING SITES IN YUEN LONG
SOUTH - POTENTIAL DEVELOPMENT
AREAS LOCATION PLAN

繪圖 drawn P.K. SO	簽署 initial SIGNED	日期 date 04.06.2012	項目編號 item no. 7752CL	辦事處 office 新界西及北拓展處 NEW TERRITORIES NORTH AND WEST DEVELOPMENT OFFICE
核對 checked K.H. HO	簽署 initial SIGNED	日期 date 04.06.2012	比例 scale 1 : 30 000	
核准 approved K.M. LAU	簽署 initial SIGNED	日期 date 04.06.2012	圖則編號 drawing no. NTW Z1468	土木工程拓展署 CEDD CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT

Enclosure 2 to PWSC(2012-13)35

752CL – Planning and engineering study for housing sites in Yuen Long south – consultants’ fees and site investigation

Breakdown of the estimates for consultants’ fees (in September 2011 prices)

Consultants’ staff costs (Note 1)			Estimated man- months	Average MPS* salary point	Multiplier (Note 2)	Estimated fees (\$ million)
(i)	Planning and engineering study	Professional	99	38	2.0	12.4
		Technical	175	14	2.0	7.4
(ii)	Environmental impact assessment	Professional	24	38	2.0	3.0
		Technical	47	14	2.0	2.0
(iii)	Supervision of site investigation works	Professional	8	38	2.0	1.0
		Technical	16	14	2.0	0.7
Total						26.5

* MPS = Master Pay Scale

Notes

- The actual man-months and fees will only be known when we have selected the consultants through the usual competitive fee bid system.
- A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff cost including the consultants’ overheads and profit as the staff will be employed in the consultants’ offices. (As at now, MPS salary point 38 = \$62,410 per month and MPS salary point 14 = \$21,175 per month.)