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Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 28 March 2014**

Minor relaxation of the development intensity of the West Kowloon Cultural District site

Purpose

This paper summarizes the major views and concerns expressed by members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") on the proposal of the West Kowloon Cultural District Authority ("WKCD") for minor relaxation of the development intensity of the West Kowloon Cultural District ("WKCD") site.

Background

2. By virtue of section 21 of the West Kowloon Cultural District Authority Ordinance (Cap. 601) ("WKCDAO"), WKCD is responsible for preparing a Development Plan ("DP") for WKCD, the main purpose of which is to lay out the WKCD area and set apart the land for various arts and cultural facilities; for other land uses such as commercial, hotel, retail and public open spaces; and for internal infrastructural projects. WKCD submitted the DP to the Town Planning Board ("TPB") for consideration in December 2011 in accordance with WKCDAO. The draft DP was gazetted for public inspection under the Town Planning Ordinance (Cap. 131) ("TPO") in March 2012, and was approved by the Chief Executive in Council in January 2013.

3. According to the Administration, the DP prepared by WKCD has complied with the development parameters for WKCD as specified in the South West Kowloon Outline Zoning Plan, which include a maximum plot ratio of

1.81, not more than 20% of the total plot ratio for residential use, provision of not less than 23 hectares of public open space, and maximum building heights ranging from 50 to 100 metres above Principal Datum. Under the DP, development control for each sub-zone is stipulated in terms of maximum gross floor area ("GFA") and building height restrictions.

4. At its meeting on 29 November 2013, the Joint Subcommittee was advised that WKCDA intended to submit an application for minor relaxation of GFA and/or building height restrictions of the WKCD site under section 16 of TPO. The Joint Subcommittee was subsequently briefed on WKCDA's proposal at the meeting on 24 January 2014. Members noted that under the proposal, the total GFA of the WKCD site would be increased by 15%, which was equivalent to an increase of the plot ratio of WKCD from 1.81 to 2.08. Members were also advised that subject to the results of the technical assessments conducted on the impacts of the proposal, WKCDA aimed to submit the application to TPB by March 2014 with a view to obtaining approval in May 2014.

Members' concerns

5. The major views and concerns raised by members of the Joint Subcommittee on WKCDA's proposal for minor relaxation of the development intensity of the WKCD site at the meetings on 29 November 2013 and 24 January 2014 are summarized in the ensuing paragraphs.

Objective of the proposal

6. Some members expressed support in principle for increasing the plot ratio of WKCD from 1.81 to 2.08 (i.e. 15% increase) to optimize the development potential of the WKCD site. Pointing out that the maximum domestic plot ratio for urban areas was around 7, some members considered the magnitude of the proposed increase too small and suggested that consideration be given to further increasing the plot ratio of WKCD. Hon MA Fung-kwok suggested that the plot ratio of WKCD should be further increased to between 2.5 and 3, so as to allow the provision of more arts and cultural facilities in WKCD, bring more visitors to the WKCD site, generate more revenues for the Government and WKCDA to meet the rising capital costs of the WKCD project, and increase the land supply in Hong Kong for various uses.

7. The Administration explained that increasing the plot ratio of WKCD from 1.81 to between 2.5 and 3 would be a major deviation from the approved DP of WKCD, and would also have significant traffic and visual impacts as well as building height implications on WKCD and its surrounding areas. Furthermore, any substantial amendment to DP would affect the implementation timetable of the WKCD project. The Administration considered the current proposal of WKCD, which only sought to apply for minor relaxation of the development intensity of WKCD under section 16 of TPO without requiring any major revamp of the approved DP, more prudent and appropriate.

8. Some members sought clarification whether the proposed minor relaxation of the development intensity of WKCD was intended to generate more revenue to address the problem of cost overrun of the WKCD project. Hon Cyd HO expressed the view that, given that the land value of the part of the WKCD site for hotel, office and residential ("HOR") developments had increased sharply in recent years, the Government should deploy the increased revenue to be generated from the disposal of such HOR sites to meet the increased capital costs of the WKCD project, which would obviate the need to increase the plot ratio of WKCD to generate additional revenue. Hon Alan LEONG considered that the revenue generated from the disposal of the additional HOR GFA arising from the proposal should facilitate more favourable consideration by the Government to injecting additional funding into the WKCD project where the situation warranted.

9. The Administration stressed that while the additional GFA for retail, dining and entertainment ("RDE") uses arising from the proposal would help generate more rental proceeds for WKCD, the main purpose of the proposal was to provide more arts and cultural facilities ancillary to or in support of the core arts and cultural venues in WKCD, and not to boost WKCD's revenue. The additional HOR GFA generated under the proposal would also help meet the acute demand for land in the urban areas.

10. The Administration also pointed out that as stated in its funding submission to Legislative Council ("LegCo") for the provision of \$21.6 billion upfront endowment to WKCD for the WKCD project in 2008, the land sale proceeds from the disposal of the HOR sites in WKCD would become the Government's General Revenue, the use of which would be determined having regard to the funding needs of different bureaux/departments and the overall funding priorities set by the Government. The Administration further advised that while the proceeds from the disposal of the HOR sites in WKCD could not be designated to be used for financing the WKCD project, the Government would consider the appropriate form of support to be rendered to facilitate the

WKCD development should the need for additional funding arise in future. In this regard, the Government had committed to fully fund the capital works of the integrated basement as general enabling works to facilitate the development of the whole WKCD project.

11. Some members took the view that the Administration and WKCD should provide information on the estimated cost to be borne and income to be received respectively by the Government and WKCD arising from the additional GFA generated from the proposal, so as to facilitate members and the public to assess the cost-effectiveness of the proposal.

12. According to the Administration, as there was no timetable at the moment for the disposal of such additional HOR sites, it would be difficult to draw up a realistic estimate of the land sale proceeds to be generated. As regards the additional GFA which would be allocated to WKCD, while estimates could be made on the construction cost for and income to be generated from such additional facilities, such estimates might not be of much reference value as it was not yet known when such facilities would be built. The Administration stressed that the proposal was predicated on the idea of providing more arts and cultural facilities for the arts community and the public, rather than the need to achieve full cost-recovery.

Traffic impact and building height implication of the proposal

13. Some members expressed concern that the proposed increase in the development intensity of WKCD might add pressure on the already heavy traffic in the West Kowloon area and urged WKCD to carefully study the traffic impact of the proposal. WKCD responded that a full range of technical assessments were being carried out by its consultant on the traffic, environmental, air ventilation, visual impacts and building height implications of the proposal to ascertain that the proposal would not generate unacceptable impacts on WKCD and its surrounding areas before submission of the application to TPB. According to WKCD's initial assessment, the proposed 15% increase in the development intensity of WKCD would unlikely generate any adverse impact on the traffic of WKCD and its surrounding areas. At the request of the Joint Subcommittee, the Administration and WKCD undertook to brief the Joint Subcommittee on the results of the technical assessments conducted on the proposal when they were available.

14. Members were generally of the view that WKCD should seek to maintain the building height profile as envisaged in the approved DP of WKCD and ensure that only minor relaxation of the current building height restrictions would be sought where necessary. Some members suggested that given the building height restrictions on WKCD, WKCD should explore developing the

underground space of WKCD to maximize the development potential of the site.

15. WKCDA assured the Joint Subcommittee that only minor increase in the height of a few buildings in WKCD would be considered. To ensure that the basic development parameters underpinning the approved DP would continue to be complied with, WKCDA had requested its design consultants to maintain the original design concepts under the approved DP and seek to keep to a minimum any requirements for relaxation of the building height restrictions. The building height restrictions for developments near the waterfront, which were mainly arts and cultural facilities, would be kept unchanged. WKCDA would work jointly with the Government to maximize the development potential of the WKCD site within the constraints imposed by the approved DP.

Uses of the additional GFA generated

16. Concern was expressed whether the additional GFA generated from the proposed minor relaxation of the development intensity would be vested in WKCDA. Hon CHAN Yuen-han considered that the additional GFA generated should be devoted solely to arts and cultural uses to meet the aspirations of the local arts community.

17. The Administration explained that under the approved DP, about 50% of the total GFA would be deployed for HOR uses and the relevant sites would be disposed of separately by the Government, whereas the remaining about 50% of the total GFA would be vested in WKCDA for the development of arts and cultural facilities as well as RDE facilities. With the proposed 15% increase in the total GFA of the WKCD site, the GFA of different land uses would be increased on a pro-rata basis to ensure a balanced development mix for WKCD. The increase of the non-HOR GFA would enable the development of more arts and cultural facilities, such as hostel/hotel for visiting artists, rehearsal facilities/offices for arts groups and creative space for young people and artists, which would benefit both artists and practitioners of the creative industries.

18. Some members expressed concern whether WKCD would be able to draw sufficient visitors to the site day and night, given the large area of the WKCD site and the provision of mainly arts and cultural facilities on the site. They suggested that the Administration and WKCDA should capitalize on the proximity of WKCD to various major public transport nodes and develop WKCD as a major tourist attraction in Hong Kong. It is also suggested that in planning the use of the additional GFA arising from the proposed minor relaxation of the development intensity of WKCD, WKCDA should consider

injecting more tourism elements into WKCD and providing more RDE facilities, especially at the podium level, to enhance the appeal of WKCD to tourists.

19. WKCDA advised that various activities and pre-opening programmes had been held on the WKCD site since 2012 to bring people to WKCD and raise public awareness of the future uses of the site. To make WKCD a destination of choice in Hong Kong for both local people and tourists, WKCDA would operate the arts and cultural facilities day and night and would attach importance to enhancing the tourism appeal of WKCD through organizing different events on the WKCD site. Apart from arts and cultural facilities, a variety of RDE uses as well as HOR developments had been planned to create vibrancy in WKCD both day and night. WKCDA was confident that with the completion of the Park, Xiqu Centre and M+ in 2015-2017 and taking advantage of the transport services provided by the various major transport nodes adjacent to WKCD, WKCD should be able to build a critical mass of audience progressively. WKCDA would also pursue its discussion with relevant government departments on the provision of marine access to the WKCD site, with a view to bringing visitors from Hong Kong Island and other parts of Hong Kong.

Latest development

20. The Administration and WKCDA will brief the Joint Subcommittee on the results of the technical assessments conducted in relation to the planning application for minor relaxation of development intensity of the WKCD site at the meeting on 28 March 2014.

Relevant papers

21. A list of the relevant papers on the LegCo Website is in the **Appendix**.

**Relevant papers on
Minor relaxation of the development intensity of
the West Kowloon Cultural District site**

Committee	Date of meeting	Paper
Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project	25.2.2013 Item III	Agenda Minutes
	8.4.2013 Item II	Agenda Minutes
	3.7.2013 Item II	Agenda Minutes
	29.11.2013 Item III	Agenda Minutes
	24.1.2014 Item II	Agenda

Council Business Division 2
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