For discussion on 19 May 2015

# Legislative Council Panel on Home Affairs and Panel on Development Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project

#### <u>Implementation of the Integrated Basement and</u> Infrastructure Works for the West Kowloon Cultural District

#### **PURPOSE**

This paper seeks Members' support for the funding applications for the first and second stages of design, site investigation and construction works of the integrated basement under **763CL(part)** and the first construction package of the infrastructure works under **754CL(part)** for the West Kowloon Cultural District (WKCD).

#### **BACKGROUND**

2. The Finance Committee (FC) of the Legislative Council (LegCo) approved on 4 July 2008 a one-off upfront endowment of \$21.6 billion 1 for the West Kowloon Cultural District Authority (WKCDA) to implement the WKCD development covering cultural facilities, the arts and retail/dining/entertainment (RDE) facilities, public open space and certain transport facilities within the District. As stated in the funding application for the endowment fund as approved by FC (vide PWSC(2008-09)31), other communal and government facilities and related engineering works, such as roads, drainage, fire station, public pier and other ancillary facilities to support the whole WKCD (including residential, commercial and hotel developments) would be undertaken by the Government with funding approval for such works to be sought separately.

<sup>&</sup>lt;sup>1</sup> In 2008 Net Present Value which is equivalent to \$21.6 billion in money-of-the-day prices.

- 3. In January 2013, FC approved the upgrading of **753CL** "Infrastructure Works for West Kowloon Cultural District, phase 1 design and site investigation" to Category (Cat) A at an estimated cost of \$478 million in money-of-the-day (MOD) prices. The Government has entrusted to WKCDA the design and site investigation of those government infrastructure works as they are integrated with WKCDA's facilities (including the underground road and associated works within the integrated basement). The above design and site investigation works are proceeding in stages.
- 4. The integrated basement is an integral component of the Foster + Partners' Conceptual Plan which forms the basis for the Development Plan for WKCD. It is also an essential feature to meet the statutory minimum requirement of providing 23 hectares of public open space in WKCD as specified in the South West Kowloon Outline Zoning Plan. This design enables traffic to be put underground thereby freeing up the site for cultural use and public enjoyment and enhancing the walking Acknowledging that the integrated environment at-grade. basement was not envisaged when the upfront endowment was granted to WKCDA in 2008, the Government announced in June 2013 that it would fully fund the capital works of the main integrated basement as general enabling works to facilitate the development of the WKCD project, subject to FC's funding approval. This would allow WKCDA to focus on delivering the arts and cultural facilities.
- 5. In March 2014, the Government created a Cat D item for the design of the advance works and site investigation works for Zone 3B of the integrated basement at an estimated cost of \$27.3 million in MOD prices under **Subhead 7100CX** "New towns and urban area works, studies and investigations for items in Cat D of the Public Works Programme". It has entrusted the works under this item to WKCDA. The zoning plan of the integrated basement is shown in **Enclosure 1**.
- 6. At the Joint Subcommittee to Monitor the Implementation of the WKCD Project (Joint Subcommittee) meeting held on 28 May 2014, we sought Members' support for our first funding application for the first stage of design and advance works of the integrated basement in relation to Zone 3A and Zone 3B under **763CL** (see paragraph 13 below for details). Members did not object to the funding application

which was then submitted to the Public Works Subcommittee (PWSC) in June 2014 for upgrading to Cat A at an estimated cost of \$304.5 million in MOD prices. Nonetheless, the funding application was still awaiting consideration by PWSC by the end of 2014. As the significant delay in obtaining PWSC/FC's approval for the first stage of design and advance works of the integrated basement had serious knock-on effects on the construction costs and development programmes of the M+ and Lyric Theatre Complex, the WKCDA Board approved, as an exceptional and one-off arrangement, for WKCDA to charge the costs of the works concerned to its endowment fund. Accordingly, the Government withdrew the funding application (vide PWSC(2014-15)37) on 5 January 2015.

7. At the Joint Subcommittee meeting held on 12 January 2015. Members were updated on the progress implementation of the integrated basement for WKCD and the timeline for the relevant funding applications. Members were also informed of the alternative funding arrangement adopted by WKCDA for the first stage of design and advance works of the integrated basement as mentioned in paragraph 6 above, and that when submitting its next funding application in mid-2015, the Government planned to seek FC's approval of the costs associated with the first stage of works for transfer to WKCDA, in recognition of the works undertaken on behalf of the Government.

#### LATEST IMPLEMENTATION PROGRAMME OF WKCD

- 8. Members were informed at previous Joint Subcommittee meetings that WKCDA would, in view of its latest financial situation, adopt a pragmatic approach to implement the WKCD project in a timely and cost-effective manner with its facilities to be delivered in batches.
- 9. Batches 1 and 2 of WKCDA's facilities include, among others, the Park (with Arts Pavilion), Freespace (Black Box and Outdoor Stage), Xiqu Centre, M+ and Lyric Theatre Complex. The construction works for Arts Pavilion has commenced with target completion in 2016. The Park and Freespace are under detailed design and are planned to be completed in 2017. The Xiqu Centre, with main construction works commenced in December 2014, is targeted for completion in mid-2017. The

detailed design of the M+ museum is substantially completed and the construction works are targeted for completion in the second half of 2018. The design of the Lyric Theatre Complex commenced in May 2014 with construction targeted for completion by end 2020. To facilitate earlier public enjoyment of the open space, a temporary tree nursery park is under construction and planned for opening in the second half of 2015.

- 10. The area around the Artist Square, which includes M+, Lyric Theatre Complex and some hotel/office/residential (HOR) sites on top of the integrated basement at Zones 3A and 3B (referred to as the Artist Square Development Area (ASDA)) presents a good opportunity for early development into a "mini-WKCD". The ASDA, with target completion by around 2020, will form a precinct supported by a balanced mix of land uses including core arts and cultural facilities (CACF), office and residential developments, other arts and cultural facilities (OACF) and RDE facilities. The public spaces in ASDA, including the interfacing area with the Park, open space at the Artist Square and the waterfront promenade, will be developed to create a sense of place for the general public and to bring vibrancy to the area.
- 11. Zone 2A of the integrated basement will be developed with the topside developments, including the Centre for Contemporary Performance (CCP), some OACF and HOR sites to be delivered in stages following completion of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project. Zone 2B of the integrated basement is planned to be developed by prospective developer(s) of the HOR sites on the topside. The implementation of Zone 2C of the integrated basement, as well as the topside developments including the CACF and HOR sites, will be reviewed at a suitable juncture.

#### INTEGRATED BASEMENT AND INFRASTRUCTURE WORKS

#### **Project Scope of the Funding Application**

12. To dovetail the phased implementation of WKCD and support its early phase of development especially the commissioning of the Park, Xiqu Centre, M+ and Lyric Theatre Complex, we propose to part-upgrade the first and second

stages of design, site investigation and construction of the integrated basement under **763CL(part)** and the first construction package of the infrastructure works under **754CL(part)** as follows –

- (a) to upgrade **763CL(part)** to Cat A, entitled "Integrated Basement for West Kowloon Cultural District –first and second stages of design, site investigation and construction works", at an estimated cost of about \$2.9 billion in MOD prices; and
- (b) to upgrade **754CL(part)** to Cat A, entitled "Infrastructure Works for West Kowloon Cultural District, phase 1 first construction package", at an estimated cost of about \$0.8 billion in MOD prices.
- (I) 763CL "Integrated Basement for West Kowloon Cultural District – first and second stages of design, site investigation and construction works"
- 13. The part of **763CL** which we propose to upgrade to Cat A (the first stage and proposed second stage of works under **763CL(part)**) comprises
  - (a) The first stage of design and advance works of the integrated basement, covering the following major items
    - (i) construction of the foundations for an underground road and for the protection works for the existing Airport Express tunnels in Zone 3A of the integrated basement, necessary environmental mitigation measures, and related monitoring and auditing works; and
    - (ii) design of essential basement structure and associated works for Zone 3B of the integrated basement including preparation of tender documents and assessment of tenders for the construction works.

- (b) The proposed second stage of design, site investigation and construction works of the integrated basement, covering the following major items
  - (i) construction of an underground road, the protection works for the existing Airport Express tunnels, ancillary works including footpaths, pick-up/drop-off area, electrical and mechanical works, plant rooms, means of escape, means of access for firefighting and rescue, and essential enabling works in Zone 3A of the integrated basement;
  - (ii) construction of the foundations for Zone 3B of the integrated basement including those for the protection works for the existing Airport Express tunnels;
  - (iii) design and site investigation of essential basement structure and associated works for Zone 2A of the integrated basement, including preparation of tender documents and assessment of tenders for the construction works;
  - (iv) preliminary design and site investigation of essential basement structures and associated works for Zones 2B and 2C of the integrated basement; and
  - (v) necessary environmental mitigation measures, and related monitoring and auditing works for construction works in sub-paragraphs (i) to (iv) above.

Plans showing the first stage and second stage of works under **763CL(part)** are at **Enclosure 1**. With FC's approval of the funding application and upgrading of the item to Cat A, the Government will transfer the costs for the first stage of design and advance works for the integrated basement to WKCDA, and commence the second stage of works as detailed in the ensuing paragraphs.

#### <u>Second Stage Design, Site Investigation and Construction</u> Works of the Integrated Basement

### (a) Construction Works for Zone 3A (paragraph 13(b)(i) above)

To tie in with the construction programme of the M+ which is targeted by WKCDA for commencement of the main construction works in the third quarter of 2015, it is necessary to implement in parallel the proposed works as mentioned in paragraph 13(b)(i) above which are highly integrated with the Among others, the proposed works mainly M+ structure. include the construction of a section of about 0.1 kilometre long underground road, the protection works for the existing Airport Express tunnels, ancillary works including footpaths, pickup/drop-off area, electrical and mechanical works, plant rooms, means of escape, means of access for firefighting and rescue, and essential enabling works for the remaining section of the underground road in Zone 3A (which is planned for construction at a later stage in conjunction with the main works for Zone 3B of the integrated basement).

## (b) Foundation Works for Zone 3B (paragraph 13(b)(ii) above)

15. The Lyric Theatre Complex undertaken by WKCDA is also highly integrated with Zone 3B of the integrated basement. To meet the target completion date of the Lyric Theatre Complex by end 2020, it is necessary to commence in the fourth quarter of 2015 the proposed foundation works in Zone 3B of the integrated basement, in order to allow adequate lead time for the construction of both the main works for Zone 3B of the integrated basement and the Lyric Theatre Complex.

## (c) Design and Site Investigation for Zones 2A, 2B and 2C (paragraphs 13(b)(iii)&(iv) above)

16. To align with the latest phased implementation plan of the WKCD venues and facilitate early disposal of the HOR sites, the main integrated basement in Zones 2A to 2C will be implemented in phases as follows:

#### Zone 2A

(i) The basement under Zone 2A will be developed by the Government after completion of the XRL project, with the topside developments, including the CCP, some OACF and HOR sites, with a view to delivering them in stages starting from 2022. The proposed design and site investigation for Zone 2A of the integrated basement would need to be carried out by the fourth quarter of 2015 tentatively.

#### Zone 2B

(ii) The basement (including the respective section(s) of the main Avenue at the southern part and the road at basement level) under Zone 2B will be developed by the prospective developer(s) of HOR sites on the topside. It is necessary to carry out the proposed preliminary design and site investigation for Zone 2B of the integrated basement as mentioned in paragraph 13(b)(iv) above for control and cost estimate purposes. The preliminary design for Zone 2B will form the basis of the necessary design requirements of the integrated basement in Zone 2B to be undertaken by the prospective developer(s) of HOR sites on the topside.

#### Zone 2C

- (iii) While there is currently no funding and concrete programme for the Batch 3 facilities (including Music Centre, Musical Theatre and Great Theatre) and the implementation of this portion of the integrated basement as well as the topside developments will be reviewed at a suitable juncture, it is still necessary to carry out the proposed preliminary design and site investigation for Zone 2C of the integrated basement as mentioned in paragraph 13(b)(iv) above for cost estimate purpose as well as to ensure compatibility with the phased implementation of Zones 2A and 2B of the integrated basement.
- 17. We will retain the remainder of **763CL** in Cat B, with scope covering the remaining works of the integrated basement to be implemented in phases to support the WKCD development.

## (II) 754CL "Infrastructure Works for West Kowloon Cultural District, phase 1 – first construction package"

- 18. The part of **754CL** which we propose to upgrade to Cat A (the proposed works under **754CL(part)**), as the first construction package of public infrastructure works outside the integrated basement to match the commissioning of the Park, Xiqu Centre and ASDA, comprises
  - (a) construction of an at-grade road and two lay-bys linking with Austin Road West, and associated underground protection works for Western Harbour Crossing;
  - (b) construction of drainage, sewerage and water supply systems, including reconstruction of three sections of existing seawall for the purposes of upgrading an existing drainage outfall and constructing two drainage outfalls, for the development of the Park, ASDA and Xiqu Centre;
  - (c) ancillary works including footpaths, mechanical and electrical works and landscaping works; and
  - (d) necessary environmental mitigation measures, and related monitoring and auditing works.

A plan showing the proposed works under **754CL(part)** is at **Enclosure 2**.

19. To facilitate commissioning of the early batches of WKCDA's facilities especially the Park, Xiqu Centre and ASDA, it is necessary to carry out the proposed works under **754CL(part)** as mentioned in paragraph 18 above. The proposed works under **754CL(part)** mainly comprise the construction of an at-grade dual 2-lane road of about 0.6 kilometre long linking with Austin Road West and Nga Cheung Road; two lay-bys of total length of about 0.3 kilometre at Austin Road West; associated underground protection works for Western Harbour Crossing; drainage, sewerage and water supply systems for the development of the Park, ASDA and Xiqu Centre; ancillary works including footpaths, mechanical and electrical works, and landscaping works; as well as necessary

environmental mitigation measures, and related monitoring and auditing works. Completion of these infrastructural works are pre-requisite to the issue of occupation permits for the Park in 2017 and M+ in 2018.

20. We will retain the remainder of **754CL** in Cat B, with scope covering the construction of the remaining public infrastructure works to be implemented to suit the phased WKCD development.

#### **Entrustment to WKCDA and Engagement of Consultants**

- 21. In view of the exceptionally high degree of integration amongst the various facilities in the integrated basement, the Government will entrust to WKCDA the first stage and part of the proposed second stage of works under 763CL(part) (as mentioned in paragraph 13(a) and paragraph 13(b)(i), (ii) and the relevant part of (v)) and the proposed works under 754CL(part) (the proposed entrusted works) to be carried out concurrently with the implementation of the Park, Freespace, M+ and Lyric Theatre Complex. It would be impractical for WKCDA to design and construct the Park, Freespace, M+ and Lyric Theatre Complex, and for the Government to separately undertake the design and construction of the proposed entrusted works located within the same sites. significant interfacing issues, a segregated approach will not only increase the costs and time required for the design and construction of the proposed entrusted works, but will also incur delay to the implementation programmes of the Park, Freespace, M+ and Lyric Theatre Complex. To avoid the above potential problems, we consider it necessary and cost-effective to entrust to WKCDA the design and construction of the proposed entrusted works which will need to be carried out in conjunction with the implementation of the Park, Freespace, M+ and Lyric Theatre Complex in a holistic manner. WKCDA will be reimbursed for the actual costs incurred in relation to management and supervision of the proposed entrusted works subject to ceiling figures.
- 22. Due to insufficient in-house resources, we propose to engage consultants to carry out the design and supervise the site investigation of essential basement structure and

associated works for Zones 2A, 2B and 2C of the integrated basement under **763CL(part)**.

#### **Next Steps**

Subject to Members' views, and to tie in with the target completion dates of the early batches of WKCDA's facilities, we plan to seek PWSC's endorsement and FC's approval within the current legislative session for the first stage and the proposed second stage of works under **763CL(part)** and the proposed works under **754CL(part)**, with a view to transferring the costs for the first stage of works under **763CL(part)** to WKCDA and commencing the proposed works under **763CL(part)** and **754CL(part)** in the third quarter of 2015 for completion in phases by 2019.

#### **PUBLIC CONSULTATION**

- 24. We consulted the Yau Tsim Mong District Council (YTMDC) on the proposed works under **763CL(part)** on 24 April 2014, 21 August 2014 and 26 February 2015, and on the proposed works under **754CL(part)** on 21 August 2014. YTMDC generally supported the proposal.
- 25. In relation to **763CL(part)**, we gazetted the proposed underground road in Zone 3A and Zone 3B of the integrated basement under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) on 13 February 2015. No objection was received during the statutory period. The authorization notice was gazetted on 30 April 2015.
- 26. The proposed works under **754CL(part)** included, inter alia, the reconstruction of three sections of the existing seawall in WKCD for the purposes of upgrading an existing drainage outfall and constructing two drainage outfalls, which were gazetted under the Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) on 9 January 2015. One objection was received during the statutory period, which was unconditionally withdrawn. The authorization notice was gazetted on 30 April 2015.

27. The proposed roadworks and sewerage works under **754CL(part)** were gazetted respectively under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Water Pollution Control (Sewerage) Regulation (Cap. 358) both on 13 February 2015. No objection was received during the statutory period. The authorization notice was gazetted on 30 April 2015.

#### **ENVIRONMENTAL IMPLICATIONS**

- 28. engineering feasibility study of the WKCD development is a designated project under Schedule 3 of the Environmental Impact Assessment Ordinance (EIAO), requiring an EIA report to be approved under the EIAO. The proposed works under **763CL(part)** forming part of the WKCD development cover an underground road serving WKCD which is a designated project under Schedule 2 of the EIAO, requiring an environmental permit for its construction and operation. The proposed works under 754CL(part) are not designated projects under Schedule 2 of the EIAO but form part of the WKCD development. In November 2013, the EIA report for the WKCD development which includes the proposed works under both 763CL(part) and 754CL(part) was approved with a condition under the EIAO, and an environmental permit was obtained for the construction and operation of the underground road. The EIA report concluded that the environmental impact the proposed works under both **763CL(part) 754CL(part)** can be controlled to within the criteria under the EIAO and the Technical Memorandum on EIA process. shall implement the mitigation measures as recommended in approved EIA report. The mitigation recommended for the construction phase mainly include adoption of quieter equipment and movable noise barriers or noise insulating fabric to minimize construction noise impact, and regular watering of the site and provision of wheel-washing facilities for dust control.
- 29. At the planning and design stages, we have considered the design level and construction method of the proposed works under both **763CL(part)** and **754CL(part)** to reduce the generation of construction waste where possible. In addition, we will require the contractors to reuse inert construction waste (e.g. excavated soil and broken concrete) on site or in other

suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities <sup>2</sup>. We will encourage the contractors to maximise the use of recycled / recyclable inert construction waste and the use of non-timber formwork to further reduce the generation of construction waste.

30. At the construction stage, we will require the contractors to submit plans for approval setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved plans. We will require the contractors to separate the inert portion from noninert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

#### HERITAGE IMPLICATIONS

31. The proposed works under both **763CL(part)** and **754CL(part)** will not affect any heritage sites, 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 ACQUISITION

32. The proposed works under both **763CL(part)** and **754CL(part)** do not require any private land acquisition.

Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

#### **ADVICE SOUGHT**

33. Members are invited to note and provide support for the proposed part-upgrading of **763CL** and **754CL** to Cat A at estimated costs of about \$2.9 billion and \$0.8 billion in MOD prices respectively.

Home Affair Bureau May 2015





