

**Public Works Subcommittee Meeting on 7 June 2017**

**PWP Item No. 786CL – Tung Chung New Town Extension**

**Reclamation and Advance Works**

At the request of the Chairman of the Public Works Subcommittee (PWSC), the Government provides supplementary information in respect of the request made by Hon CHU Hoi-dick (shown in *italics* below) vide his letter of 7 June 2017. After consulting relevant policy bureaux and departments, the Government's consolidated reply is set out below.

**Documents of Feasibility Studies**

*“My request was for the original copies of the feasibility study report, but not the Executive Summary. As the feasibility study report was prepared by the consultants using public funds, the report, or with some of the sensitive information shaded, e.g. sensitive commercial information and third party information, should be able to be disclosed to the Committee and the public. Would the Government please note that information of public matters is an important part of freedom of speech and is clearly within the scope of human rights.*

*I hope that the Government will be able to provide full text of the original copy of the feasibility study report to the Committee before each project item discussion.*

*I note that four reports are mentioned in DEVB's reply letter, i.e. LC Paper No. PWSC184/16-17(01). I would like to thank the Civil Engineering and Development Department (CEDD) for providing the relevant information, and hope that, apart from these 4 investigation reports, the full text of the feasibility study report could also be provided to the Committee.”*

2. The relevant feasibility study report is the final report under consultancy study contract (No. CE 32/2011(CE)), namely the “Planning and Engineering Study on the Remaining Development in Tung Chung – Feasibility

Study”. We are currently reviewing the report documents and will provide a sanitized copy, after shading commercial or sensitive information according to the established practice, at CEDD’s office for public inspection and to the Legislative Council (LegCo) for Members’ perusal.

### **Implementation Programmes of Tung Chung East (TCE) and Tung Chung West (TCW)**

***“The meaning of paragraph 9 of DEVB’s reply letter, i.e. LC Paper No. PWSC184/16-17(01) is unclear. Please clearly inform the Committee the details of funding proposals, including planned dates, for TCE and TCW projects respectively. Alternatively, please provide the implementation programmes for the Tung Chung New Town Extension Project.”***

3. Overall speaking, the first population intake for the Tung Chung New Town Extension (TCNTE) project is planned for 2023 at TCE, and the whole project is scheduled for completion in 2030. When the relevant detailed design and statutory procedures are completed, we will seek funding approval of LegCo in phases, as mentioned in paragraph 10 of LC Paper No. PWSC184/16-17(01). The scope of the remaining funding proposals mainly covers the land formation works in TCW, remaining supporting infrastructure in TCE and TCW, as well as supervision costs of the construction works. Our goal is to take forward the TCNTE Project in full steam to provide land for development use as soon as possible.

4. As the detailed design of the relevant works on site formation, roads, drainage, sewage and water supply is still on-going, the project estimates, as well as detailed works packaging and implementation programme are not available at this stage. According to the established procedure, upon completion of the detailed design for the road and sewerage works in the Extension Area (including TCE and TCW) in stages, we will need to carry out the statutory gazette procedures under relevant ordinance(s) and commence the land resumption procedure for TCW, before seeking funding approval from LegCo. Hence, the detailed arrangement and schedule of the remaining funding applications are not available at this stage.

## **Market**

***“Referring to Development Bureau’s reply on paragraphs 11-17 on LC Paper No. PWSC 184/16-17(01), please provide a plan showing the location of the facilities, especially the market, for consideration of this Committee. There is no proposed market at the “Government, Institution or Community” or “Education” sites from any plan in the Stage 3 Public Engagement Digest.”***

5. For the Tung Chung New Town, there are at present market facilities and other fresh provision retail shops such as the wet markets in Yat Tung Estate and Fu Tung Estate. Two additional wet markets are to be provided within public housing developments in Areas 56 and 39 of Tung Chung, which are under construction and due for completion by 2017 and 2018 respectively. The Housing Authority will consider the provision of market or other retail facilities in the future public housing development projects if necessary.

6. According to the Tung Chung Extension Area Outline Zoning Plan (OZP), “Market” use is always permitted in both “Government, Institution or Community” and “Residential (Group A)” sites. The Government has preliminarily identified a suitable site in the east of Tung Chung New Town East Extension Area for the construction of a sizable public market. The exact location of the site is still subject to detailed design and study, and hence cannot be shown on plan. The proposed site is close to the proposed TCE MTR Station, thus enhancing its connectivity with the existing Tung Chung MTR Station and the proposed TCW MTR Station. The proposed site is also located in the vicinity of public transport interchange(s) and therefore more accessible to the public. It can cater for not only the needs of the residents in the new development area, but also the needs of the population in the Tung Chung area. The relevant policy bureaux and departments will work closely together to take forward the project during the detailed design and implementation stages of the TCNTE.

## **Commercial Sites**

***“Commercial land in TCE is considered excessive and its function would overlap with the Topside Development of Hong Kong Boundary Crossing Facilities Island (HKBCF) of Hong Kong- Zhuhai- Macao Bridge (HZMB)***

*(5 000 000ft<sup>2</sup> commercial gross floor area (GFA)) and North Commercial District (NCD) (over 10 hectares). Will the Administration inform the difference in commercial uses under these three projects, and consider reducing the commercial land in TCE to build more subsidised housing and resolve the housing problem?*

*The same issue was raised to Establishment Subcommittee, hoping that the Development Bureau would provide justifications for using commercial land to the Committee as soon as possible. As I understand, many local job opportunities can be created upon the development of the commercial sites at the Topside Development of HKBCF of HZMB and NCD. Please provide the calculations of commercial GFA required for North Lantau.”*

7. The proposed commercial development of TCE has taken into account the development opportunities brought by the “bridgehead economy” upon completion of existing and future infrastructures, including the Airport Three Runway System, HZMB and Tuen Mun – Chek Lap Kok Link (TM-CLKL), as well as the synergy effect brought by the existing and planned development projects in the surrounding areas such as AsiaWorld-Expo, NCD and the Topside Development at HKBCF of HZMB. According to the information from the Airport Authority Hong Kong, the Phase 1 development of NCD is mainly for hotel and retail use, whilst the land use of the Topside Development at HKBCF of HZMB is currently under study and the public will be consulted at appropriate time. Given the strategic location of Tung Chung and to achieve better agglomeration and synergy effect, we have adjusted the planning of commercial land use in TCE<sup>(1)</sup> by increasing the proposed office GFA (500 000m<sup>2</sup>) to create a large office node, slightly reducing the GFA of regional retail facilities (163 000m<sup>2</sup>) and proposing a hotel of 1 000 rooms (50 000m<sup>2</sup>) to capitalise on the development opportunities of North Lantau. Besides, local retail facilities (114 000m<sup>2</sup>) will also be provided to serve local residents.

8. Commercial development in TCE mainly includes the “Metro Core Area” (Area 113) and three commercial sites (Areas 57, 129 and 130) forming a commercial belt along the North Lantau Highway. These sites, located near the proposed TCE Railway Station and the public transport interchange(s) with convenient transport connections, have the potential for high density commercial

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<sup>(1)</sup> The total commercial GFA of TCNTE will be 877 000m<sup>2</sup>, which includes 827 000m<sup>2</sup> and 50 000m<sup>2</sup> in TCE and TCW respectively.

development. To take advantage of the scenic view of the waterfront, Area 128 is planned for hotel development with a GFA of 50 000m<sup>2</sup> (about 1 000 rooms) including retail, dining and tourism related facilities so as to create a vibrant waterfront. Based on the past experiences on New Town developments, day-time activities of commercial facilities would increase vibrancy of the new development areas, while over-reliance on housing development would lead to an imbalanced community. Reducing commercial development in Tung Chung will also directly reduce job opportunities to be brought by the TCNTE and the economic activities as well as district vibrancy, and it is not desirable from the planning point of view.

9. In addition, there are several major infrastructures in the close proximity of the TCE area including Hong Kong International Airport, TM-CLKL, North Lantau Highway (NLH), etc. which impose environmental constraints particularly noise impact on the developments in the area. To optimise the development potential in the area, the proposed commercial sites (Areas 57, 113, 129 and 130) are carefully planned to help alleviate the rail and traffic noise impact of Tung Chung Line (TCL) and NLH on the residential developments to the north. This will ensure a proper layout for land utilisation and strike a balance between the needs of housing and economic development. As such, it is considered inappropriate to rezone the concerned sites from commercial to residential use from the planning and environmental perspectives. In addition, the planned population and number of flats at Tung Chung are constrained by infrastructure and traffic capacities as well as the provision of supporting facilities. Deletion or reduction of commercial sites could not significantly increase the amount of residential development. On the contrary, if there is no commercial development along TCL and NLH, some residential developments near the railway and highway would have to be reduced due to noise and air quality impacts, unless a large scale noise barrier is constructed.

10. The commercial GFA (about 877 000m<sup>2</sup>) provided for the TCNTE project will create more than 40 000 job opportunities, which will balance the needs for housing, social development and economic activities, thereby promoting a well-planned community for Tung Chung. In fact, the proposed number of flats and public-private housing mix (63:37) are in line with the overall recommendation of the Long Term Housing Strategy and match the needs of Tung Chung. Should there be reduction in commercial GFA, the public aspiration for balanced development of Tung Chung New Town cannot be met and diverse job opportunities for local employment cannot be provided.

## **Area Near MTR Station and Provision of Shopping Facilities for Local Residents**

*“The “Other Specified Uses” (“OU”) site next to the proposed TCE station, i.e. the Metro Core Area with a building height restriction of 185m and a plot ratio of 8.8, will likely be developed as a commercial building. Based on a site area of about 8 hectares, the estimated floor area will be over 7 000 000ft<sup>2</sup>. Even if some of the floor areas are allocated for the provision of public transport interchange, the interest involved will be enormous.*

*Based on past experiences, development for this type of commercial building will either involve the MTR Corporation Limited (MTRCL) as the land sale agent, or the Government to provide land to the MTRCL, allowing MTRCL to develop and invite developers to submit tender and pay the premium.*

*(1) Please specify the expected mode of development for this “OU” site. If the Government is under discussion with MTRCL and cannot provide the information, please specify the discussion schedule with MTRC, and advise how this Committee and the public could be involved in the discussion.*

*(2) Assuming the Metro Core Area will be developed to shopping malls and commercial buildings for the middle class, but there will be at least 50,000 grassroots living in PRH of TCE, please specify if there will be shopping facilities similar to those operating by the Housing Authority allowing grassroots citizens to shop at cheaper price level?”*

11. According to the Transport and Housing Bureau (THB), having regard to the indicative implementation window recommended in the Railway Development Strategy 2014, THB has invited the MTRCL to submit a proposal for the TCW Extension and TCE Station in early January 2017. The Government will evaluate the proposal when received in due course. In line with the established procedures, prior to the finalisation of any new railway schemes, the Government will consult the public, including the Legislative Council and the concerned District Council, on the detailed alignment, locations of stations, mode of implementation, cost estimate, mode of financing and actual implementation timetable.

12. Located to the north of TCE Railway Station, Area 113 (with an area of about 7.96 ha) falls within an area zoned “Other Specified Uses” annotated

“Commercial and Residential Development cum Public Transport Interchange” on the Tung Chung Extension Area OZP, with a maximum plot ratio of 8.8 and an estimated total GFA of about 600 000m<sup>2(2)</sup> (including domestic and non-domestic GFA of 410 000m<sup>2</sup> and 190 000m<sup>2</sup> respectively), which will be for private development. The land lease will stipulate that future development should be governed by the Master Layout Plan to be submitted by the project proponent to the satisfaction of the Director of Lands to ensure proper design of the development and the provision of public facilities, connection and space.

13. In addition to the provision of office and regional retail facilities, local retail facilities (GFA of about 114 000m<sup>2</sup>) are planned in TCE along the Linear Parks and the main streets forming key pedestrian spines and activities corridors. They are intended to create street vibrancy and enhance the activities on the ground floor and provide opportunities for local residents to open up small business, and to create a generous spatial experience where retail and dining are combined with the open spaces for recreation and leisure. It is proposed that some commercial facilities including shop and services and eating place are to be provided at the frontage of public housing sites, especially along pedestrian corridors and green walkways to encourage street life and to provide local commercial facilities serving the local residents.

### **Housing Mix Ratio**

***“Although the Housing Authority is not accountable to the Committee, the Chairman and Vice-chairman of the Housing Authority, i.e. the Secretary for Transport and Housing and Permanent Secretary for Transport and Housing (Housing), should be involved in the forthcoming discussion of this item so as to note, convey and respond to the comments of this Committee to Housing Authority.”***

14. We note that a copy of the Member’s letter has been sent to THB, and trust that they already noted member’s comments.

15. According to THB, currently the ratio between public rental housing (PRH) and subsidised sale flats (SSF) in the Tung Chung New Town is about 75:25. Among the 25 700 public housing flats proposed in TCE, the

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<sup>(2)</sup> The total GFA is calculated based on a net site area of 6.88ha with reduction of road area.

preliminary proposed ratio between PRH and SSF is about 70:30. The actual ratio will be determined in the detailed design stage, taking into account the housing needs of the society and the situation of housing supply at the time.

16. According to the Long Term Housing Strategy promulgated in December 2014, two of the major strategic directions are to build more PRH units and to provide more SSFs. In this regard, in considering the ratio between the supply of PRH and SSF, the Government needs to balance the continued demand of the grassroots for PRH and the home ownership aspirations of low-to-middle income families. Indeed, SSFs also provide an opportunity for PRH tenants whose financial conditions have been improved to achieve home ownership, thereby releasing their PRH units for PRH applicants so as to meet the different housing demand of Hong Kong citizens.

**Development Bureau**

**Planning Department**

**Civil Engineering and Development Department**

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