

For discussion on
7 June 2021

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

Update on the Development of Zone 2
of the West Kowloon Cultural District

PURPOSE

This paper updates Members on the development of Zone 2 of the West Kowloon Cultural District (WKCD or the District).

BACKGROUND

2. The West Kowloon Cultural District Authority (WKCDA or the Authority) has been implementing the Development Plan (DP) of WKCD approved by the Chief Executive-in-Council in January 2013¹. The Integrated Basement (IB) of WKCD is an integral component of the DP. The IB concept puts vehicular traffic, parking and loading/unloading facilities, plant rooms and utilities all underground thereby creating a pedestrian-friendly environment at ground level for public enjoyment and direct connections amongst various facilities at podium level.

3. The IB, covering an area of 254,000 sqm is implemented by phases. The IB is divided into Zones 2 and 3 and further subdivided into Zones 2A, 2B, 2C, 3A and 3B. The IB in Zone 3A forming part of the M+ Project has been substantially completed in February 2021, and the IB in Zone 3B is currently under construction for completion in 2024. Zone 2 of IB (IBZ2) has the largest area of about 200,000 sqm, located between the Xiqu Centre

¹ The DP was subsequently approved by the Town Planning Board in November 2014 for minor relaxation of maximum Gross Floor Area (GFA) and building height restrictions under Section 16 of the Town Planning Ordinance to optimise the development potential of the WKCD site. The approved maximum total development GFA is 851,400 sqm with a Plot Ratio of 2.08. The building height restrictions for certain sites have been relaxed by +7 mPD to +14 mPD within the height bands of +50 mPD and +70mPD as stipulated on the WKCD DP, whilst those in front of Kowloon Station remained unchanged.

to the east and the Artist Square Towers (AST) in Zone 3B to the west², as shown in **Annex A**.

4. At the Finance Committee (FC) meeting of the Legislative Council (LegCo) on 5 January 2018, \$3,178.4 million was approved for the “Integrated Basement for West Kowloon Cultural District – third stage of construction works”³ (FC paper No. FCR (2017-18)42). Subsequently, the LegCo FC approved on 20 March 2020 an additional sum of \$17,472.3 million for the detailed design and site investigation of the essential basement structure for Zones 2B and 2C of IB and the construction of foundation works for IBZ2, construction of essential basement structure and Underground Road (UR) in IBZ2 (FC Paper No. FCR (2019-20)38).

5. IBZ2 consists of two main basement floor levels and a mezzanine, viz B1/F, B2M/F, B2/F and a major portion of a public UR. IBZ2 alone will provide over 1,300 car parking spaces, 26 coach parking spaces and 150 loading/unloading bays to support the operation of the topside developments. Topside developments of IBZ2 include arts and cultural facilities (ACF), Hotel/Office/Residential (HOR) and Retail/Dining/Entertainment (RDE) developments.

UPDATE ON ZONE 2 DEVELOPMENT

Planning of Topside Developments in Zone 2

6. The topside HOR/RDE developments will provide long-term income stream to support the operations of the ACF venues and facilities in WKCD. Since a large portion of the HOR/RDE developments is located in Zone 2, completion of the IBZ2 is crucial for the financial sustainability of WKCD.

7. The Authority has been proactive in enhancing the development mix and revenue potential of the topside HOR/RDE developments in Zone 2 whilst working within the parameters of the DP. The preliminary layout of Zone 2 topside developments is

² Latest developments of Zone 3B, including the AST, have been reported to the LegCo Joint Sub-committee at its meeting on 3 May 2021.

³ The scope mainly comprises construction of foundation works, essential basement structure and UR of IB in Zone 3B and associated works.

shown in **Annex B**. Given its close proximity to the traditional shopping corridor along Canton Road, Zone 2A will be developed with greater emphasis on RDE, as well as more flexible and creative building design so as to create larger variation in local planning theme and maximise its revenue potential. As for Zone 2B, small building sites have been amalgamated to provide more efficient floor plates, with the focal point on a vibrant Avenue blending with Zones 2B/C, whilst connecting Zones 2A and 3B, thus maintaining the vibrancy of the District based on the planned urban design concept.

8. As for the ACF in Zone 2C comprising three venues, i.e. the Music Centre, Great Theatre and Musical Theatre, the Authority is reviewing the development programme and exploring possible financing options, taking into account the construction costs of the planned facilities, the financial situation of WKCDA and the requirements of the local arts scene and relevant stakeholders. In the meantime, the IBZ2 essential basement structure and UR will be planned in such a way that they could support future developments of these ACF venues.

Design of IBZ2 and UR

9. The topside developments in Zone 2 will have to develop on the basis of the detailed design of the IBZ2 essential basement structure and UR, which are public infrastructure works, to be provided by WKCDA under the entrustment of the Government. The detailed design of the IB/UR in Zone 2A has been largely completed, whilst the detailed design for the IB/UR in Zones 2B and 2C is scheduled to commence in mid-2021 and targeted for substantial completion in Q3 2022.

Construction Works of IBZ2 and UR

10. In order to minimise the interface risks during construction stage and the related problems such as delay in handover, claims for damages and loss of profits among different contracting parties involved in the IBZ2/UR and topside development works, the Authority will adopt a parallel approach to deliver IBZ2/UR in tandem with the HOR/RDE topside developments in Zone 2. Under this parallel approach, the selected topside developers will take up the role of “contractors” of WKCDA to construct the IBZ2 and UR. In other words, the selected developers, after open tendering, will be given early possession of the sites so that they can plan and integrate their design of topside

developments with that of the IBZ2/UR and to commence construction of both components earlier, as compared to the original sequential approach whereby WKCD will complete the IBZ2/UR first before handing over the sites to the topside developers.

11. In addition, the topside developers will be responsible for funding the associated Mechanical, Electrical and Plumbing and Architectural Builder's Works and Finishes (MEP and ABWF) works of IBZ2 which are not covered by the funding approved by the FC. The benefits of this parallel approach are that the Authority will have earlier completion of and revenue sharing from the topside HOR/RDE developments in Zones 2A and 2B. WKCD will continue to act as the overall project manager to oversee the construction of IBZ2/UR works undertaken by the topside developers. The Authority will be reimbursed by the Government for the actual costs incurred in relation to the construction of the entrusted part of IBZ2/UR works undertaken by the developers, subject to a financial ceiling estimated based on the design of the entrusted works.

Construction Programme of IBZ2/UR

12. WKCD is preparing a phased implementation plan to identify works packaging strategies and contract arrangements for the construction of IBZ2/UR works and the topside developments by the topside developers based on the parallel approach.

13. WKCD anticipates that the Zone 2 sites will be handed over to the topside developers in phases starting from 2022 under the parallel approach, for completion of the IBZ2/UR works in phases starting from 2025/26, and completion of the topside HOR/RDE developments in phases commencing in 2028. The overall topside developments programme can be shortened by about two years.

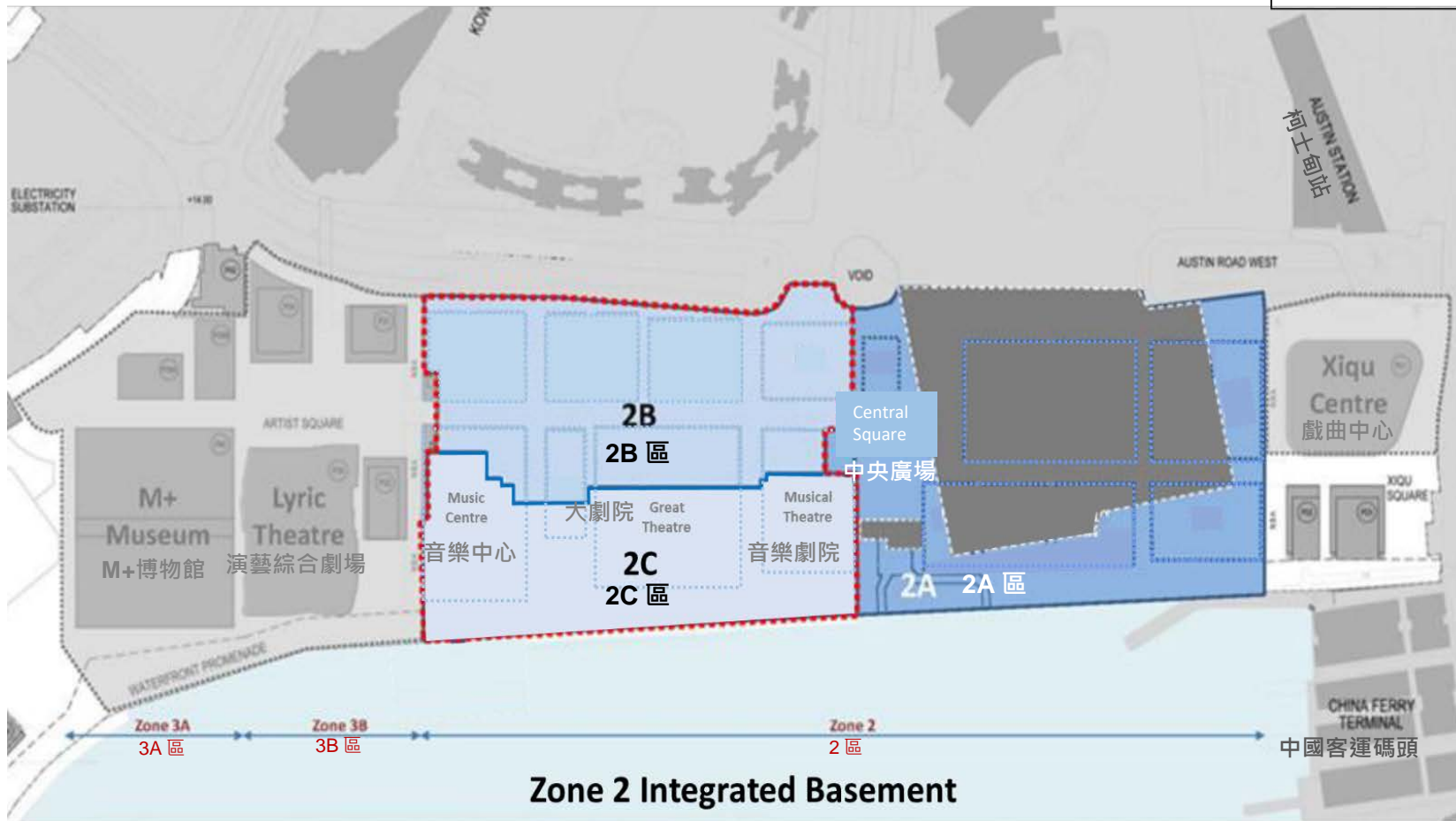
ADVICE SOUGHT

14. Members are invited to note the update of Zone 2 development of WKCD.

West Kowloon Cultural District Authority
June 2021

Zone 2 Integrated Basement of WKCD

FOR INDICATION ONLY



Zone 2 Integrated Basement

綜合地庫 2 區

Preliminary Layout of Zone 2 Topside Developments in WKCD

