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**Panel on Planning, Lands and Works
and Panel on Home Affairs**

West Kowloon Cultural District

Background Brief

Purpose

This paper sets out the background to the development of the West Kowloon Cultural District (WKCD) and views expressed by members of the Panel on Planning, Lands and Works (PLW Panel) and Panel on Home Affairs (HA Panel) on the development.

WKCD site

2. The proposed WKCD is a waterfront site of 40 hectares at the southern tip of the West Kowloon Reclamation (WKR). The WKR is one of the ten Airport Core Programme projects primarily aimed to provide land for a transport corridor to accommodate the West Kowloon Highway, Airport Railway and connection for the Western Harbour Crossing. The southern portion of WKR was originally zoned for a regional park (13.79 hectares), commercial (5.02 hectares) and residential (0.77 hectares) development as well as other open spaces (7.94 hectares) and government, institution and community (1.45 hectares) uses.

3. To serve the developments in the southern part of WKR, the Administration submitted a funding proposal to the Public Works Subcommittee (PWSC) on 23 September 1998 for the construction of a complementary road network and associated drainage and sewerage works at an estimated cost of \$914 million. The funding proposal was recommended by PWSC and approved by the Finance Committee on 16 October 1998.

Development of a Performance Venue

4. In October 1998, the Chief Executive (CE) announced in his Policy Address the planning of a new state-of-the-art Performance Venue on WKR as a catalyst to upgrade Hong Kong's image as an Asian entertainment capital. In February 1999, the Hong Kong Tourist Association published the Final Report of the Study on the Feasibility of a New Performance Venue for Hong Kong. The Study concluded that Hong Kong needs a new international performance venue to meet growing demand for such a facility, to support the development of arts and culture in Hong Kong, to promote event tourism as well as to promote Hong Kong as the event capital of Asia. The Study also identified a site of 5.5 hectares on WKR for the purpose of building a performance venue and suggested that the entire southern section of WKR should be developed into a new arts, culture and tourist district which would create a critical mass of activities around the new performance venue.

Replanning of southern part of WKR

5. In his Policy Address of 1999 the CE undertook to create a new look for the Victoria Harbour such that the future waterfront promenade would provide arts, cultural and entertainment opportunities that would enrich the quality of life and attract tourists with the unique local culture. For this purpose, the CE also announced its plan to hold an open competition to enlist the help of local and overseas professionals. On 16 November 1999, the CE in Council ordered that the use of the southern portion of WKR should be fundamentally reviewed to facilitate the development of a world-class integrated arts, cultural and entertainment district.

6. On 18 November 1999, the Administration briefed the PLW Panel of its decision to review the land uses of the southern portion of WKR for the development of a world-class integrated arts, cultural and entertainment district. To facilitate the development, the Administration also decided to delete part of a then existing works contract on WKR that would be affected by the replanning of the area. The contract in question comprised mainly roads, footbridges and drainage works, with a contract sum of \$299 million. According to the Administration, the value of completed works which might become abortive was estimated to be about \$24 million. Some PLW Panel members supported the replanning decision. Some members, however, considered that since the contract in question commenced only in December 1998, if the Administration had made better planning and co-ordination, the financial loss arising from the abortive works would have been avoided. To address the Panel's concern, the Administration subsequently provided a note to the Finance Committee to explain the review of the land uses and deletion of part of the road and infrastructure works contracts.

7. On 13 December 1999, the Administration briefed the HA Panel on the development of a performance venue on WKR. Members expressed concerns that Government's cultural policy might be dictated by the infrastructure development and that the development on WKR might become a property development under the guise of an integrated arts, cultural and entertainment district.

WKR Concept Competition

8. On 9 March 2000, the Administration briefed members of the PLW Panel on the details of the WKR Concept Competition. The Administration then stressed that there was no linkage between the Competition and the eventual development right of the area and that it would not be bound in any way to develop WKR in accordance with the winning design. In response to members, the Administration advised that there were divided views among the development industry and relevant professionals on whether the development right of WKR should be granted to one developer. Small developers objected to granting the development right of WKR to one developer and considered that the Administration should reserve the flexibility of disposing of the land of WKR in separate packages. Large developers, however, had not expressed strong view over the issue. The Administration then advised members that it had yet to decide how the development right of WKR would be disposed of.

9. In April 2001, the Administration launched the open Concept Competition to invite conceptual plans for the development of the southern tip of WKR into an integrated arts, cultural and entertainment district. The Concept Competition attracted a total of 161 entries from local and overseas participants. The result of the Competition was announced in February 2002. The first prize was awarded to the submission by a team led by Foster and Partners (Foster scheme). The PLW Panel was informed of the outcome of the Concept Competition by way of an information paper in April 2002.

10. In September 2002, the Administration set up a Steering Committee for Development of the West Kowloon Cultural District (Steering Committee), chaired by the Chief Secretary for Administration, to plan and guide the implementation of the West Kowloon Cultural District (WKCD) project.

11. In October 2002, the Administration announced the decision of the Steering Committee to adopt in principle the Foster scheme with some modifications as the conceptual basis for the masterplan for the WKCD.

12. In March 2003, the Administration announced its intention to invite development proposals for the WKCD from the private sector in mid-2003.

Invitation for Proposals

13. On 5 September 2003, the Administration launched the Invitation for Proposals (IFP) for the development of the WKCD. The IFP invites, among other things, submission of a preliminary masterplan based on the development brief and supporting technical, financial and operation proposals, including the amount of land premium offered, if any, and a comprehensive business plan setting out a strategy for establishing the WKCD as a world class arts, cultural and entertainment attraction. The IFP also requires proponents to demonstrate that they have sound financial backing, the ability to finance their proposed level of investment and a sustainable financing plan.

14. Under the IFP, proponents are required:

(a) to provide the following core arts and cultural facilities:

- Theatre Complex comprising three theatres with seating capacities of at least 2,000, 800 and 400 seats, respectively;
- Performance Venue with a seating capacity of at least 10,000 seats;
- Museum Cluster comprising four museums of differing themes with total Net Operating Floor Area of at least 75,000 square metres;
- Art Exhibition Centre with Net Operating Floor Area of at least 10,000 square metres;
- Water Amphitheatre; and
- At least four Piazza Areas.

(b) to provide the canopy proposed in the Foster scheme, covering at least 55% of the development area; and

(c) to demolish and re-provision the Tsimshatsui Fire Station Complex.

It is stated in the IFP that the Government's baseline which is intended as a base reference for proponents in drawing up their proposals assumes a plot ratio of 1.81. Proponents may submit proposals deviating from the development parameters stipulated in the Government's baseline.

15. The successful proponent will be required to plan, design, finance, construct, procure, fit out and complete the WKCD and subsequently operate, maintain and manage the core art and cultural facilities for a period of 30 years.

A land grant of the site for a term of 50 years in favour of the successful proponent will be executed at such time as Government considers appropriate after the execution of the project agreement.. It is expected that construction works will commence by April 2006 and the core arts and cultural facilities will operate in phases from 2010 onwards. The deadline for submission of proposals is noon, 19 March 2004.

Members' concerns

16. At the PLW meeting on 4 July 2003 when the IFP for the WKCD was discussed, members expressed the following concerns:

- (a) the possibility of poor response to the IFP due to the need for substantial capital investment;
- (b) the technical feasibility and maintenance problems of the proposed canopy;
- (c) the need for a museum cluster as there are already many museums;
- (d) the mode of management of arts and cultural facilities in the WKCD;
- (e) the charging policy for use of the facilities in the WKCD; and
- (f) the rationale for providing residential development in the WKCD.

17. A chronology of events relating to the WKCD is in **Appendix I**. A list of relevant papers with their hyperlinks at the LegCo Website is in **Appendix II**.

Chronology of events relating to West Kowloon Cultural Development

- October 1998 The Chief Executive (CE) announced in his policy address that the Administration was planning for a new, state-of-the-art performance venue on the West Kowloon Reclamation (WKR)
- 23 September 1998 The Public Works Subcommittee (PWSC) recommended the upgrading to Category A of part of 332CL, entitled "West Kowloon Reclamation - southern area, phase 4 and remaining roadworks stage 2" at an estimated cost of \$914 million in money-of-day prices
- 16 October 1998 The Finance Committee approved the funding of part of 332CL as recommended by PWSC
- October 1999 The CE announced in his policy address the plan of the Administration to develop a major performance venue in the WKR and to hold an open competition to enlist the help of local and overseas professionals
- 16 November 1999 The CE in Council ordered that the use of the southern portion of the WKR should be fundamentally reviewed to facilitate the development of a world class integrated arts, cultural and entertainment district
- 18 November 1999 The Administration explained to the Panel on Planning, Lands and Works (PLW Panel) the decision to review the land uses of the southern portion of WKR for the development of a world class integrated arts, cultural and entertainment district and to delete part of an existing road and infrastructure works contract
- 13 December 1999 The Administration briefed the Panel on Home Affairs on the planning of a performance venue on WKR

- 20 December 1999 The Administration issued a note to the Finance Committee to explain its decision to review the land uses of the southern portion of WKR and the deletion of part of a road and infrastructure works contract
- 9 March 2000 The Administration briefed the PLW Panel on the holding of an open competition for WKR
- 6 April 2001 The launch of WKR Concept Plan Competition
- 28 February 2002 Announcement of the winning entries of the WKR Concept Plan Competition
- 19 April 2002 The Administration provided an information note to PLW Panel to report the outcome of the WKR Concept Plan Competition
- September 2002 A Steering Committee for Development of the West Kowloon Cultural District (WKCD) was established
- 4 July 2003 The Administration briefed PLW Panel on its intention to issue an Invitation For Proposals for the Development of WKCD
- 5 September 2003 The Administration launched an Invitation For Proposals for the Development of the WKCD.
- 19 March 2004 Deadline for submission of proposals

West Kowloon Cultural District

List of relevant papers

| Council/Committee | Date of meeting | Paper |
|-------------------|-------------------|--|
| PWSC | 23 September 1998 | PWSC(98-99)17 (http://www.legco.gov.hk/yr98-99/english/fc/pwsc/papers/pw230917.pdf) LC Paper No. PWSC26/98-99 (http://www.legco.gov.hk/yr98-99/english/fc/pwsc/minutes/pw230998.htm) |
| FC | 16 October 1998 | FCR(98-99)33 (http://www.legco.gov.hk/yr98-99/english/fc/fc/minutes/fcmn1610.htm) |
| PLW Panel | 18 November 1999 | LC Paper No. CB(1)1065/99-00 (http://www.legco.gov.hk/yr99-00/english/panels/plw/minutes/pl181199.pdf) |
| FC | -- | FCRI(1999-2000)18 (http://www.legco.gov.hk/yr98-99/english/fc/fc/papers/fi99-18e.pdf) |
| HA Panel | 13 December 1999 | Paper No. CB(2)587/99-00(01) (http://www.legco.gov.hk/yr99-00/english/panels/ha/papers/587e01.pdf) LC Paper No. CB(2)1456/99-00 (http://www.legco.gov.hk/yr99-00/english/panels/ha/minutes/ha131299.pdf) |

| Council/Committee | Date of meeting | Paper |
|-------------------|-----------------|---|
| PLW Panel | 9 March 2000 | LC Paper No. CB(1)1103/99-00(03) (http://www.legco.gov.hk/yr99-00/english/panels/plw/papers/a1103c03.pdf) LC Paper No. CB(1)1187/99-00 (Presentation Printout) LC Paper No. CB(1)1822/99-00 (http://www.legco.gov.hk/yr99-00/english/panels/plw/papers/letter0903.pdf) LC Paper No. CB(1)1595/99-00 (http://www.legco.gov.hk/yr99-00/english/panels/plw/minutes/pl090300.pdf) |
| PLW Panel | 8 May 2002 | LC Paper No. CB(1)1616/01-02 (http://www.legco.gov.hk/yr99-00/english/panels/plw/papers/plw0309cb1-1616-e.pdf) |
| PLW Panel | 4 July 2003 | LC Paper No. CB(1)2104/02-03(03) (http://www.legco.gov.hk/yr02-03/english/panels/plw/papers/plw0704cb1-2104-3e.pdf) LC Paper No. CB(1)2351/02-03 (http://www.legco.gov.hk/yr02-03/english/panels/plw/minutes/pl030704.pdf) |