

For discussion
on 25 April 2005

Legislative Council Panel on Economic Services
Tourist District Enhancement Programme - The Peak

Purpose

This paper seeks Members' support for the proposed Tourism District Enhancement Programme for the Peak.

Problem

2. There is a need to enhance the appeal of the Peak as a premier attraction of Hong Kong.

Proposal

3. The Director of Architectural Services (D Arch S), with the support of the Secretary for Economic Development and Labour, proposes to upgrade **391RO** to Category A at an estimated cost of \$142.6 million in money-of-the-day (MOD) prices to implement the improvement works in the Peak.

Background

4. To enhance and sustain Hong Kong's attractiveness as a premier tourist destination, the Tourism Commission (TC) has since 2000 embarked on a Tourism District Enhancement Programme (The Programme)¹. The Peak, being a "must-see" attraction to our visitors, has also been identified for improvement under the Programme.

¹ Projects implemented under this Programme include the improvement works in Sai Kung and Lei Yue Mun waterfront which were completed in 2003; the Central and Western District Enhancement Scheme which is targeted for completion in 2005; the Stanley Waterfront Improvement Project and the Tsim Sha Tsui Promenade Beautification Scheme, both of which have commenced in August 2004.

5. In 2002, the Hong Kong Tourism Board conducted a consultancy study on “Improvement and Further Development of the Peak as a Visitor Attraction” which recommended, inter alia, the “Victorian” theme be adopted for the enhancement works at the Peak. The enhancement project will include streetscape improvement to the open plaza outside Peak Galleria and various walking trails, landscape enhancement to Mount Austin Playground and Victoria Peak Garden, and the use of a de-commissioned Peak Tram cabin as a Visitor Information Centre.

6. D Arch S has completed the detailed design for the project in April 2005 and is preparing the tender documents.

Document attached

7. To facilitate Members’ consideration of the proposed works in detail, a copy of our draft submission to the Public Works Sub-Committee is attached at Annex.

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Tourism Commission
Economic Development and Labour Bureau
April 2005

For discussion
on 11 May 2005

PWSC(2005-06)XX

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Recreation, Culture and Amenities – Open spaces

391RO – Tourist District Enhancement Programme – The Peak

Members are invited to recommend to Finance Committee the upgrading of **391RO** to Category A at an estimated cost of \$142.6 million in money-of-the-day prices for improvement works at the Peak.

PROBLEM

There is a need to enhance the appeal of the Peak as a premier attraction of Hong Kong.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Economic Development and Labour, proposes to upgrade **391RO** to Category A at an estimated cost of \$142.6 million in money-of-the-day (MOD) prices for implementing the improvement works in the Peak.

PROJECT SCOPE AND NATURE

3. The project site of **391RO** is about 66 930 square metres (m²). The scope comprises –

- (a) The Peak's commercial core and a section of Findlay Road between Peak Road and the Lions View Point Pavilion (the Lions Pavilion) (Site A) – 5 140 m²

- (i) streetscape improvement¹;
 - (ii) enhancement of the open space by reducing the number of levels, repaving the whole piazza and relocating some of the planters to open up the view and create more usable space for outdoor activities;
 - (iii) provision of a visitor information centre at the open space;
 - (iv) renovation of the Lions Pavilion; ; and
- (b) Findlay Path and Old Peak Road Round Walk (Site B) – 5 300 m²
- (i) streetscape improvement;
 - (ii) refurbishment of the staircase leading from Old Peak Road to the public toilets in the Peak Tower, and
- (c) Lugard Road and Harlech Road Round Walk (Site C) – 11 630 m²
- (i) streetscape improvement;
 - (ii) enhancement of two lookout points by installing Victorian-style lighting, shelter, litter bins, railings, seating, etc; and
- (d) Mount Austin Road, Mount Austin Playground, the Former Gate Lodge and Victoria Peak Garden (Site D) – 40 850 m²
- (i) streetscape improvement to Mount Austin Road;
 - (ii) improvement to Mount Austin Playground and Victoria Peak Garden by converting the existing toilet, pavilion and kiosk into Victorian style structures;

¹ Streetscape improvement includes repaving or resurfacing of roads; repaving or making good of footpaths; landscape improvement; improvement of street lightings, railings and handrails; and provision of bollards, directional and interpretative signage, rubbish bins, seating facilities, etc.

(iii) refurbishment of the Former Gate Lodge for display of photos of the Peak from the Victorian era and beautification of the adjacent open space; and

(e) The Governor's Walk (Site E) – 4 010 m²

- streetscape improvement.

4. A site plan for Sites A to E is at Enclosure 1. Views of Sites A to E (artist's impression) are at Enclosures 2 to 5. To address the concern of property owners, local residents and transport providers over the possible impact of the construction works on tourist visitation and business of shops/restaurants in the vicinity, we will implement the project by phases. We plan to start the renovation work at the Lions Pavilion in September 2005, to be followed by the improvement works for Site A and the Mount Austin Playground in Site D in February 2006. When Site A is about to be re-opened to the public, we will start the improvement works for Sites B, C and E as well as Mount Austin Road in Site D in July 2006; and those at the Victoria Peak Garden in Site D in November 2006. We expect the project would be completed by December 2007.

JUSTIFICATION

5. The Tourism Commission (TC) has worked closely with the Hong Kong Tourism Board (HKTB), the tourism trade and the Tourism Strategy Group (TSG)² to devise a strategy to guide the long-term development of tourism in Hong Kong. To enhance Hong Kong's attractiveness as Asia's premier destination for leisure and business visitors, TC continuously implements new tourism projects and also enhances existing tourist attractions.

6. The Peak is the top tourist attraction in Hong Kong: it is a 'must-see' tourist attraction. The opening of themed restaurants and attractions at the commercial core in recent years has further enhanced the appeal of the Peak. TC has already launched the Visitor Signage Improvement Scheme in the Peak. Transport Department (TD) has implemented the pedestrianisation of Findlay Road. We need to bring further improvement to the Peak area to sustain and further enhance its appeal to both the locals and visitors.

7. In 2002, HKTB commissioned a "Study on the Improvement and Further Development of the Peak as a Visitor Attraction" (the Study) to examine

² The Tourism Strategy Group consists of representatives of the tourism trade to consider and make recommendations to the Government in respect of tourism development from a strategic perspective.

opportunities to further enhance the Peak's role as a prime visitor attraction. The Study suggested that a unified design style be adopted in line with the history of the Peak and its unique setting. It considered that the Victorian style of architecture was the most appropriate and representative of the Peak and therefore recommended that this be adopted as the theme of the project. The improvement works included in the projects will create three new tourism nodes at the Mount Austin Playground, the Former Gate Lodge and Victoria Peak Garden respectively. The enhancement works will improve the capacity of the Peak area and alleviate over-crowdedness. This will help disperse the visitors from the commercial core area and will lengthen the visitors' stay on the Peak with enhanced experience through a more diverse but integrated attraction portfolio. A longer stay is always conducive to tourism expenditure and hence improves the viability of a tourism attraction.

FINANCIAL IMPLICATIONS

8. We estimate the cost of the project to be \$142.6 million in MOD prices (see paragraph 10 below), made up as follows –

	\$ million	
(a) Building services	19.1	
(b) External works	107.0	
(c) Soft landscaping works	1.8	
(d) Consultant's fees for contract administration	1.0	
(e) Contingencies	12.8	
Sub-total	141.7	(in September 2004 prices)
(f) Provisions for price adjustment	0.9	
Total	142.6	(in MOD prices)

9. We propose to engage a consultant to undertake contract administration of the project. A breakdown of the estimate for the consultant's fees is at Enclosure 6. We consider the estimated project cost reasonable as compared with similar projects undertaken by the Government.

10. Subject to approval, we will phase the expenditure as follows –

Year	\$ million (Sept 2004)	Price adjustment factor	\$ million (MOD)
2005 – 06	20.0	1.00450	20.1
2006 – 07	48.0	1.00576	48.3
2007 – 08	55.0	1.00576	55.3
2008 – 09	11.0	1.00576	11.1
2009 – 10	7.7	1.00953	7.8
	<u>141.7</u>		<u>142.6</u>

11. We have derived the MOD estimates on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2005 to 2010. We will deliver the works in the following manner –

- (a) we will carry out the renovation of the Lions Pavilion using our existing term contractor so as to ensure that works can commence as early as possible and can be phased out as stated in paragraph 4 above; and
- (b) we will deliver the remaining works under this project through a lump-sum contract because we can clearly define the scope of the works in advance, leaving little room for uncertainty. The contract will not provide for price adjustments because the contract period will not exceed 21 months.

12. The annual recurrent expenditure of the project is being worked out.

PUBLIC CONSULTATION

13. We consulted relevant stakeholders including TSG; the Central and Western District Council (C&WDC); Culture, Leisure and Social Affairs Committee and Working Group on Development of Tourism and Local Community Economy of the C&WDC; Chung Wan and Mid-Levels Area Committee; Peak Tramways Company Limited; Hang Lung Properties Limited; Peak Association; and the Peak residents affected by the project. The proposed improvement works are agreeable to the parties concerned. However, there are

some comments on the traffic condition in the Peak area. These are addressed in the ensuing paragraphs.

14. According to HKTB, the estimated number of visitors to the Peak in 2004 is 4.5 million. It is projected that the number of visitors will increase to about 5 million by the time the project is completed in 2007. According to the Study, more than 50% of tourists go to the Peak by Peak Tram, about 21% use other means of public transport including buses, minibuses, taxi; about 7% go by private cars and about 22% by tour coaches.

15. At present, public transport services are able to cope with the existing demand. If the increase in demand warrants, the capacity of Peak Tram can be increased by 17%; the capacity of the other modes of public transport can also be increased by 33%. In view that the commuting patterns between the Peak residents and normal visiting hours of tourists are different, and that control measures will be implemented at road junctions as and when necessary to ensure smooth traffic flow, it is envisaged that the increase in public transport services, if so required, can be reasonably managed without the need to widen the roads.

16. In addition to 27 on-street parking spaces in the Peak area, the Peak Galleria provides more than 400 parking spaces for private cars, over 20 parking spaces for coaches, and another 32 loading / unloading spaces for public use. Upon completion of the project, the number of tour coaches calling at the Peak is expected to increase from 5 to 9 vehicles per hour on weekdays and from 10 to 14 vehicles per hour on weekends. The number of parking spaces and loading and unloading bays should be able to cope with the projected demand.

17. During weekends, Sundays, Public Holidays, Golden Weeks and special occasions, the Police will ensure that special arrangements are in place to cope with the increased traffic. These include restriction of access to Mount Austin Road by all vehicles including private cars, temporary conversion of on-street parking spaces for private cars into coach parking spaces, etc. In addition, the travel trade has adopted measures to avoid aggravating the traffic condition, such as scheduling the tours to avoid weekend visits and taking the tours to the Peak by Peak Tram instead of by coaches. TD will continue to monitor the traffic and transport conditions of the Peak and work closely with relevant public transport operators to ensure smooth traffic in the Peak area.

18. *[We also consulted Members of the Legislative Council Panel on Economic Services on the proposed project on 25 April 2005.]*

ENVIRONMENTAL IMPLICATIONS

19. This is not a designated project under the Environmental Impact Assessment Ordinance. The project will not cause long term environmental impact. During construction, we will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contract. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

20. At the planning and design stages, we have considered measures to reduce the generation of construction and demolition (C&D) materials. We have introduced more prefabricated building elements into the project design to reduce temporary formwork and construction waste. These include proprietary fittings and fixtures. We will use suitable excavated materials for filling within the project site to minimise off-site disposal. In addition, we will require the contractor to use metal site hoardings and signboards so that we can recycle and reuse these materials in other projects.

21. We will require the contractor to submit waste management plan (WMP) for approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. We will ensure that the day-to-day operations on site comply with the approved WMP. We will control the disposal of public fill and C&D waste to designated public filling facilities and landfills respectively through a trip-ticket system. We will require the contractor to separate public fill from C&D waste for disposal at appropriate facilities. We will record the disposal, reuse and recycling of C&D materials for monitoring purposes.

22. We estimate that the project will generate about 29 700 cubic metres (m³) of C&D materials. Of these, we will reuse about 10 300 m³ (34.7%) on site, 17 400 m³ (58.6%) as fill in public filling areas³ and dispose of 2 000 m³ (6.7%) at landfills. The notional cost of accommodating C&D waste at landfill sites is estimated to be \$250,000 for this project (based on a notional unit cost⁴ of \$125/m³).

³ A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering and Development.

⁴ This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills (which are likely to be more expensive) when the existing ones are filled. The notional cost estimate is for reference only and does not form part of this project estimate.

LAND ACQUISITION

23. The project does not require land acquisition.

BACKGROUND INFORMATION

24. We upgraded **391RO** to Category B in March 2005. We engaged a consultant to produce model and graphical works and another consultant to carry out a topographical survey for the project at a total cost of \$91,000 in March 2005. We charged this amount to block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme". The consultants have completed the topographical survey in April 2005 and we expect the consultants to complete the model and graphical works in May 2005. D Arch S is finalising the tender documents with in-house staff resource.

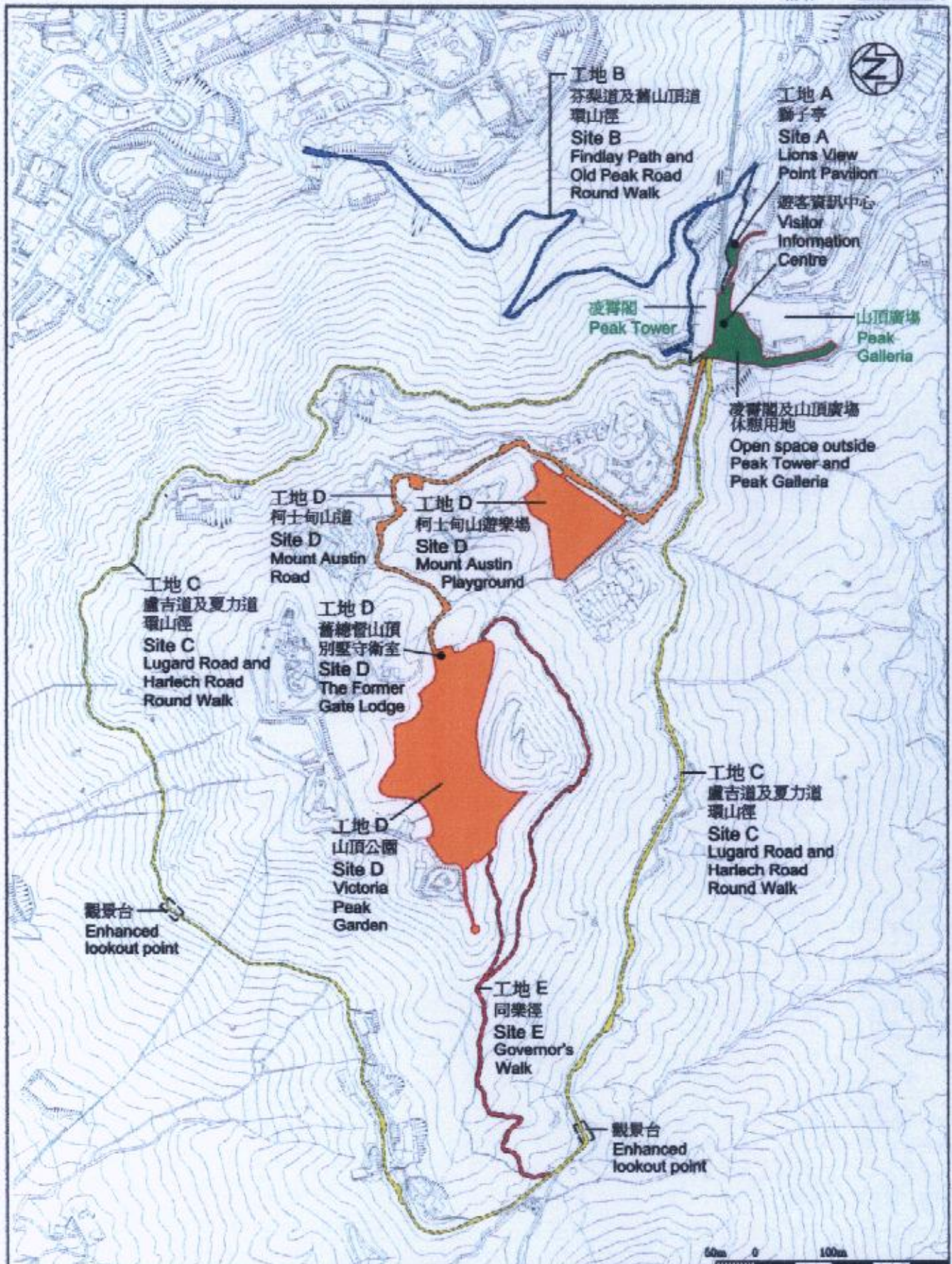
25. The proposed improvement works will involve relocation of 47 trees within the project site. None of these fall into the definition of important trees⁵. We will incorporate planting proposals as part of the project, which will include an addition of about 80 trees, 6 500 shrubs and 180 m² of grassed area.


26. We estimate that the proposed works will create about 125 jobs (115 for labourers and another 10 for professional/technical staff) providing a total employment of 2 150 man-months.

Tourism Commission
Economic Development and Labour Bureau
May 2005

⁵ Important trees refer to trees on the Register of Old and Valuable Trees, and any other trees which meet one or more of the following criteria –

- (a) trees over 100 years old;
- (b) trees of cultural, historical or memorable significance;
- (c) trees of precious or rare species;
- (d) trees of outstanding form; or
- (e) trees with trunk diameter exceeding one metre (measured at one metre above ground level).



title 391R0 旅遊區改善計劃 - 山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK 發展藍圖 LAYOUT PLAN	drawn by Y.S. LAI	date 11-3-2005	drawing no. PMB/6692/XA101	scale 1:5000
	approved W.K. LAI	date 11-3-2005	 建築署 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH			


現狀 EXISTING CONDITION

工地A - 凌霄閣對出的休憩用地
SITE A - PEAK COMMERCIAL CORE



方案 PROPOSAL




title 391RO 旅遊區改善計劃－山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA102	scale N.T.S.
	approved THOMAS WAN	date 11.03.05	 ARCHITECTURAL SERVICES DEPARTMENT	
	office ARCHITECTURAL BRANCH			

現狀 EXISTING CONDITION 工地B, C & E -環山徑
SITE B, C & E - ROUND WALK



方案 PROPOSAL



title 391RO 旅遊區改善計劃－山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA104	scale N.T.S.
	approved THOMAS WAN	date 11.03.05		
	office ARCHITECTURAL BRANCH			 ARCHITECTURAL SERVICES DEPARTMENT


現狀 EXISTING CONDITION

工地D - 柯士甸山遊樂場
SITE D - MT. AUSTIN PLAYGROUND



方案 PROPOSAL




title 391RO 旅遊區改善計劃－山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA103	scale N.T.S.
	approved THOMAS WAN	date 11.03.05		
	office ARCHITECTURAL BRANCH	 ARCHITECTURAL SERVICES DEPARTMENT		

現狀 EXISTING CONDITION 工地D - 山頂公園 SITE D - VICTORIA PEAK GARDEN



方案 PROPOSAL



title 391RO 旅遊區改善計劃－山頂 TOURIST DISTRICT ENHANCEMENT PROGRAMME - THE PEAK	drawn by BILLY CHOW	date 11.03.05	drawing no. PMB/6692/XA105	scale N.T.S.
	approved THOMAS WAN	date 11.03.05	 ARCHITECTURAL SERVICES DEPARTMENT	
	office ARCHITECTURAL BRANCH			

391RO – Tourist District Enhancement Programme – The Peak

Breakdown of estimate for consultant’s fees

Consultants’ staff cost		Estimated man-months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$million)
Contract administration	Professional	3.7	38	2.0	0.4
(Note 2)	Technical	16.7	14	2.0	0.6
				Total	1.0

*MPS = Master Pay Scale

Note

- (1) A multiplier of 2.0 is applied to the average MPS point to estimate the full staff costs including the consultant’s overheads and profit, as the staff will be employed in the consultant’s office. (As at 1 January 2005, MPS point 38 = \$54,255 per month and MPS point 14 = \$18,010 per month.)

- (2) We will only know the actual man-months and actual fees after we have selected the consultant through the usual competitive bidding system.