

LEGISLATIVE COUNCIL BRIEF

PROPOSED PRIVATE TREATY GRANT OF ADDITIONAL GOVERNMENT LAND AND ASSOCIATED LEASE MODIFICATION OF RBL 1020 AND THE EXTENSION THERETO TO THE OCEAN PARK CORPORATION

INTRODUCTION

At the meeting of the Executive Council on 19 December 2006, the Council ADVISED and the Chief Executive ORDERED that -

- A
- (a) a Private Treaty Grant (PTG) of about 67,100 m² of Government land at Ocean Park Road and Brick Hill as shown in Annex A should be made to the Ocean Park Corporation (OPC) by way of lease extension on the terms set out in paragraph 10 below; and
 - (b) an associated modification of the lease conditions of RBL 1020 and The Extension thereto should be made on the terms as set out in paragraph 11 below.

JUSTIFICATIONS

Additional Land for the Entry Plaza

2. In October 2005, the Executive Council endorsed the Redevelopment Plans for the Ocean Park (Redevelopment Plans) under which the boundary of the Ocean Park (the Park) would be extended. The extension is to include a piece of Government land of about 21,010m² now occupied by the driving school and a bus terminus at Wong Chuk Hang (the area) so as to enable the development of an enhanced entry plaza for the Ocean Park. The justifications for the extension are -

- (a) there is limited flat land within the existing boundary of the Ocean Park for further development;
- (b) the extension is required for the development of an enhanced entry plaza at podium level and parking areas at the ground level to cope with the projected increase in patronage upon redevelopment; and
- (c) with the extended area, works for the redevelopment can be carried out in phases more smoothly to facilitate the continual operation of the Ocean Park during the entire redevelopment process.

3. OPC has subsequently submitted an application to the Town Planning Board (TPB) for rezoning the area from “Government, Institution or Community” and “road” to “Other Specified Uses” annotated “Ocean Park”. The application was agreed by TPB in November 2005, and there was no public objection to the rezoning during the gazettal period under section 5 of the Town Planning Ordinance.

4. The affected site at Wong Chuk Hang is let to the Hong Kong School of Motoring Limited (HKSM) under a Short Term Tenancy (STT). It needs to be vacated for the purpose of the Redevelopment Plans. A replacement STT site near the Ap Lei Chau Industrial Area was awarded to the New Horizon School of Motoring Limited (a company related to HKSM) on 16 June 2006 through public tender for setting up a new driving school. The Administration has issued notice to HKSM to terminate the STT for the Wong Chuk Hang driving school site.

5. To tie in with the Redevelopment Plans, the Wong Chuk Hang driving school site will have to be granted to OPC by February 2007. The Administration is closely monitoring the development of the new driving school at Ap Lei Chau and the activities related to the return to Government of the Wong Chuk Hang driving school site so that OPC can proceed with the redevelopment as scheduled.

B 6. The extension of Ocean Park boundary also affects an existing bus terminus in Wong Chuk Hang. OPC has proposed to relocate the bus terminus to the west along Ocean Park Road as shown outlined red in Annex B. The road scheme was authorized under the Roads (Works, Use and Compensation) Ordinance in September 2006. OPC plans to commence construction works for the new terminus in February 2007 with a view to completing it in end 2007.

Inclusion of a Small Strip of Land

B 7. To facilitate the construction of an internal driveway within the Ocean Park, OPC has also requested for the grant of a small strip of land of about 270 m² along the western boundary of the existing granted lot as shown coloured yellow at Annex B. The concerned area is currently part of a slope feature, and OPC intends to remove the slope feature to build the internal driveway.

Additional Stratum of Land for the Underground Cable Car System

A 8. Under the Redevelopment Plans, OPC will construct an underground cable car system to serve as an amusement park ride as well as provide in-park connection between the Waterfront and the Summit to complement the existing cable car system. The proposed underground tunnel will pass through the Government land at Brick Hill as shown in Annex A. To facilitate the development and use of the underground cable car system, the grant of an underground stratum of Government land of about 45,820 m² to OPC is necessary.

9. As the proposed alignment falls within the “Green Belt” zone, OPC has applied to TPB for a planning permission for the construction of the underground cable car system. TPB approved the application in June 2006.

BASIC TERMS OF EXTENSION TO LEASED AREA

10. The Executive Council approved the lease extension on the following basic terms as contained in the land grant document -

- (a) Site Area : About 67,100 m² (subject to survey)
- (b) User : A non-profit-making Oceanarium and Park; and such purposes other than the Park (including but not restricted to, commercial advertising, amusements, concerts, water shows, variety shows, exhibitions, rides, cinema and theatre shows) as may first be approved in writing by the Director of Lands¹
- Additional stratum of land: An underground cable car system
- (c) Term : Up to 21 December 2047²
- (d) Premium : \$1,000
- (e) Annual Rent : 3% of the ratable value of the additional land from time to time
- (f) Administrative fee : Nil
- (g) Commence to operate : 48 months from the date of Agreement or such other period as may be approved by the Director of Lands
- C (h) Other main conditions : As detailed in Annex C, including cessation or diminution of user clause and restriction on alienation clause

¹ Same as lease conditions of granted lot RBL 1020 and The Extension thereto.

² Same as lease conditions of granted lot RBL 1020 and The Extension thereto.

D

11. The existing Ocean Park is within the granted lot RBL No.1020 and The Extension thereto³ and RBL No. 1085⁴. The required land set out in paragraphs 2 to 9 above will form the Second Extension to RBL No.1020 and The Extension thereto (Second Extension). In parallel with the grant of the Second Extension, OPC will surrender an area of about 6,750 m² of RBL No.1020 and The Extension thereto, as shown in Annex D, for the development of the new bus terminus and associated roads. Modification of some of the existing lease conditions of RBL No. 1020 and The Extension thereto will also be required to effect the redevelopment. The major terms and conditions for lease modification are set out in E Annex E. A Deed of Surrender and Lease Modification will be processed accordingly.

12. The grant of the Second Extension will be at nominal premium to accord with the current policy adopted in the land grant for non-profit-making bodies for the reason that the proposed grant is to allow OPC, which is a non-profit-making body, to implement the Redevelopment Plans with an objective to enhance the Ocean Park's statutory function as a public recreational and educational park, as laid down in the Ocean Park Corporation Ordinance (OPC Ordinance).

OTHER OPTIONS

13. Options other than PTG are not appropriate for the case.

IMPLICATIONS OF THE PROPOSAL

F

14. The economic, financial, environmental and sustainability implications of the proposed PTG are set out in Annex F. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It has no civil service and productivity implications.

³ RBL No. 1020 was granted in March 1977 at nil premium for a term of 75 years commencing from 22 December 1972. The Extension thereto (First Extension) was granted in April 1984 at nil premium for a term of 75 years commencing from 22 December 1972.

⁴ RBL No. 1085 was granted in December 1987 at a nominal premium (\$1000) for a term until 30 June 2047.

PUBLIC CONSULTATION

15. The Tourism Strategy Group, the Southern District Council and the Legislative Council Panel on Economic Services were consulted on the Redevelopment Plans, and they are supportive of the Plans. The Southern District Council was also consulted on the relocation of the driving school from Wong Chuk Hang to Ap Lei Chau, and the relocation of the bus terminus. It supports the proposals.

PUBLICITY

16. A spokesman will be available to answer media and public enquiries.

BACKGROUND

17. The Ocean Park was officially open to the public in 1977. Its construction was funded by the Hong Kong Jockey Club while its land was provided by Government at nominal or nil premium. On 1 July 1987, the Ocean Park ceased to be a subsidiary of the Hong Kong Jockey Club and became a statutory body incorporated under the OPC Ordinance. One of OPC's major statutory functions is to manage the Ocean Park as a public recreational and educational park.

18. In October 2005, the Executive Council endorsed the Redevelopment Plans which would turn the Ocean Park into a world-class marine-themed attraction. In December 2005, the Finance Committee of the Legislative Council approved the proposed funding arrangement for the Redevelopment Plans under which the Government will support 50% of the \$5.55 billion project cost through the provision of a subordinated loan of \$1,387.5 million to OPC and a guarantee of \$1,387.5 million for its commercial loan and interest. In June 2006, OPC entered into agreements with Government and commercial banks for the loans.

19. OPC has already commenced redevelopment works within its existing boundary. According to the Redevelopment Plans, redevelopment will be delivered in eight marketable phases. New products will be introduced in each phase with the first product being made available by early 2007 and other rides/attractions in phases by 2012/13.

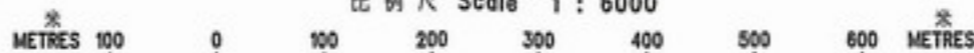
ENQUIRIES

20. Enquiries may be directed to Miss Patricia So, Assistant Commissioner for Tourism, Economic Development and Labour Bureau on 2810 3137.

Economic Development and Labour Bureau
22 December 2006



以粉紅色標明的面積約為21280平方米
 COLOURED PINK AREA 21 280 SQUARE METRES (ABOUT)
 以粉紅色綴黑斜線標明的面積約為45820平方米
 COLOURED PINK HATCHED BLACK AREA 45 820 SQUARE METRES (ABOUT)
 比例尺 Scale 1 : 6000



只作識別用 FOR IDENTIFICATION PURPOSES ONLY

地政總署 港島西及南區地政處
 District Lands Office, Hong Kong West and South
 Lands Department
 圖則由地政總署製圖
 Plan Prepared by District Survey Office, Hong Kong

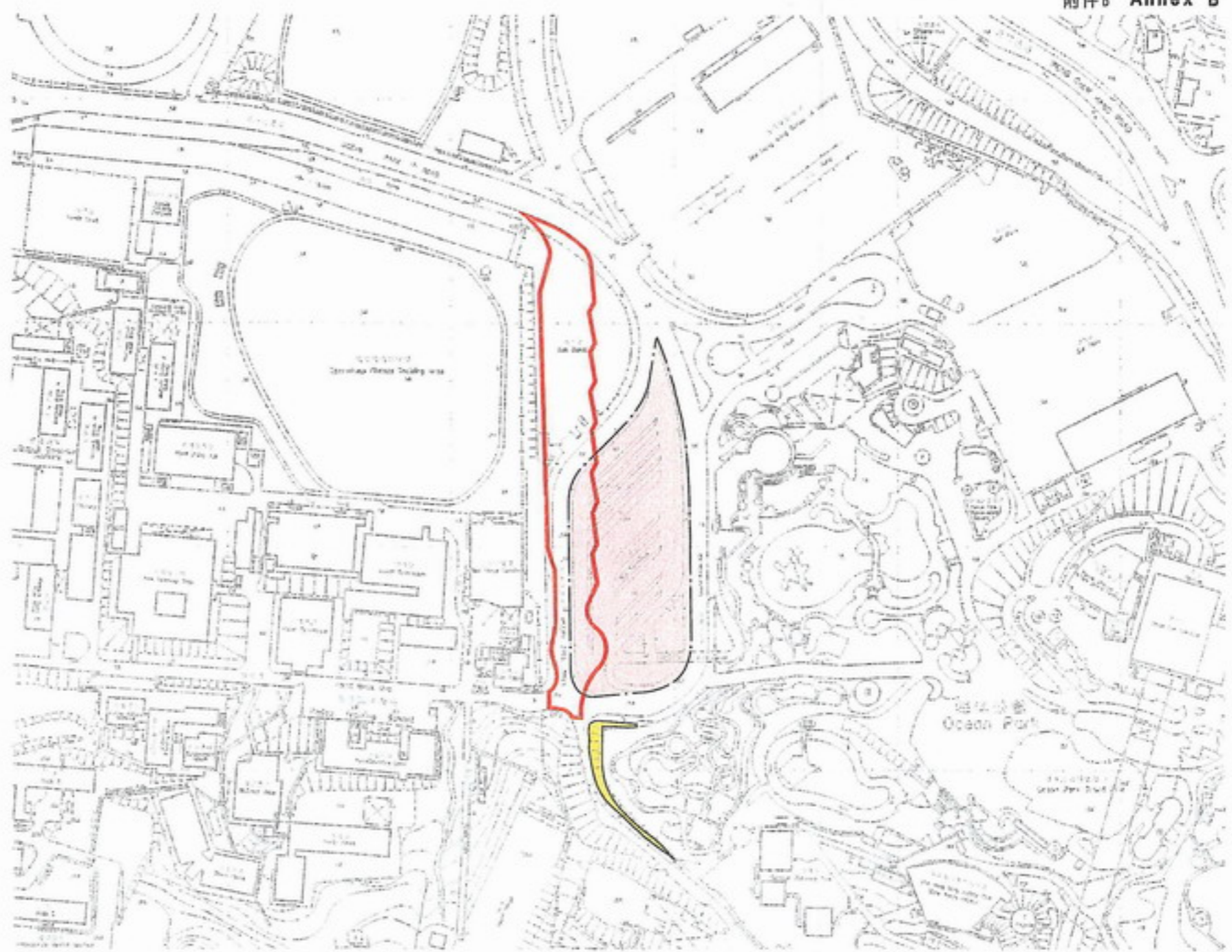
位置圖
 擬議之鄉郊建屋地段編號1020及增批部份的第二次增批部份的圖則
 LOCATION PLAN
 PLAN SHOWING THE PROPOSED 2nd EXTENSION TO
 RBL No.1020 & THE EXTENSION THERETO

檔案編號 File No. DLO/HS 31/SHPT/82(C) II
 測量圖編號 Survey Sheet No. 11-SW-0, 15-NW-B
 發展新圖編號 Layout Plan No.
 參考圖編號 Reference Plan No.
 圖則編號 PLAN No. HKM7901-1-X



比例 Scale 1 : 20000

-  現有巴士總站
EXISTING BUS TERMINUS
-  重置的巴士總站及海洋公園路
RE-PROVISIONED BUS TERMINUS AND OCEAN PARK ROAD
-  一小塊狹長形的土地
A SMALL STRIP OF LAND



比例尺 Scale 1 : 2000
METRES 50 0 50 100 150 200 METRES

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 地政總署 港島西及南區地政處
 District Lands Office, Hong Kong West and South Lands Department
 香港測量師學會
 Plan Prepared by District Survey Office, Hong Kong

位置圖
 現有巴士總站及重置的巴士總站及海洋公園路的圖則
LOCATION PLAN
PLAN SHOWING THE EXISTING BUS TERMINUS
AND THE RE-PROVISIONED BUS TERMINUS AND OCEAN PARK ROAD

檔案編號 File No. DLO/HS 31/SHPT/82(C) II
 測量圖編號 Survey Sheet No. 11-SW-24D & 25C
 發展藍圖編號 Layout Plan No.
 參考圖編號 Reference Plan No.
 圖則編號 PLAN No. HKM7901-2-X

**OTHER MAIN DEVELOPMENT CONDITIONS
FOR PRIVATE TREATY GRANT**

- (i) Cessation or diminution of user
- (ii) Protection of Mass Transit Railway
- (iii) Waterworks reserve
- (iv) Anchor maintenance
- (v) Other minor revisions/updating considered appropriate by LACO, LandsD

Footnote: The restriction on alienation in the parent lease will apply to this second extension



位置 LOCATION



比例 Scale 1 : 20000

由鄉郊建屋地段編號1020及增批部份交還的土地
 AREA TO BE SURRENDERED
 FROM RBL No.1020 & THE EXTENSION THERETO



比例尺 Scale 1 : 2000



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地政總署 港島西及南區地政處
 District Lands Office, Hong Kong West and South
 Lands Department
 圖則由地政總署製
 Plan Prepared by District Survey Office, Hong Kong

位置圖
 由鄉郊建屋地段編號1020及增批部份交還的土地
 LOCATION PLAN
 AREA TO BE SURRENDERED FROM RBL No.1020 & THE EXTENSION THERETO

檔案編號 File No. DLO/HS 31/SHPT/82(C) II
 測量圖編號 Survey Sheet No. 11-SW-24D & 25C
 發展藍圖編號 Layout Plan No.
 參考圖編號 Reference Plan No.
 圖則編號 PLAN No. HKM7901-3-X

MAJOR TERMS AND CONDITIONS FOR LEASE MODIFICATION

- (i) Formation of Green Area : To construct those portions of future public roads and public bus terminus on the area shown edged green on the Modification plan within 48 months from the date of the Agreement or such other extended periods as may be approved by the Director of Lands (“the Director”).
- (ii) Vehicular access : - Between points XYZ as shown on the Modification plan or at such other points as may be approved by the Director;
- Between points UVW and RTS as shown on the Modification plan or at such other points as may be approved by the Director for administration purposes or emergency uses of the Park.
- (iii) Parking requirement : The following number of parking spaces or such other number as may be approved by the Director shall be provided :-
- 550 spaces for motor vehicles, each measuring 2.5m(w) x 5m(l) with headroom of 2.4m;
- 6 spaces for motor vehicles for disabled persons, each measuring 3.5m(w) x 5m(l) with headroom of 2.4m;
- 28 spaces for motor cycles, each measuring 1m(w) x 2.4m(l) with headroom of 2.4m; and
- 100 spaces for tour buses, each measuring 3.5m(w) x 12m(l) with headroom of 3.8m.
- (iv) Loading and unloading, and picking up and setting down requirement : The following number of loading/ unloading and picking up/ setting down spaces or such other number as may be approved by the Director shall be provided :-
- 7 spaces for motor vehicles, each measuring

2.5m(w) x 5m(l) with headroom of 2.4m;

- 5 spaces for taxis, each measuring 2.5m(w) x 5m(l) with headroom of 2.4m (with 10 nos. of spaces for taxi queuing);
- 9 spaces for tour buses, each measuring 3.5m(w) x 12m(l) with headroom of 3.8m;
- 2 spaces for light goods vehicles, each measuring 3.5m(w) x 7m(l) with headroom of 3.6m;
- 2 spaces for medium/heavy goods vehicles, each measuring 3.5m(w) x 11m(l) with headroom of 4.7m; and
- 3 spaces for franchised buses, each measuring 3.5m(w) x 12m(l) with headroom of 6m.

(v) Drainage Reserve

- : - No structure or support for any structure shall be erected within the areas of drainage reserve as shown coloured pink hatched black and pink hatched black stippled blue and marked "D.R." on the Modification plan (the Pink Hatched Black and Pink Hatched Black Stippled Blue Area).
- Subject to prior written consent of the Director on such terms and conditions as he may impose, a building or structure or support for part of a building or structure may be permitted over or within the Pink Hatched Black and Pink Hatched Black Stippled Blue Area.
- Subject to prior written consent of the Director on such terms and conditions as he may impose, the grantee may divert all public drainage system including drains, and sewers within the Pink Hatched Black and Pink Hatched Black Stippled Blue Area at their own cost and to the satisfaction of the Director of Drainage Services.

- (vi) Provision of temporary public transport facilities within the 2nd Extension area or the boundary of RBL No. 1020 & Ext.
- (vii) No rock crushing.
- (viii) Damage to services.
- (ix) Right of access to water mains.
- (x) Right-of-way to the Adjacent Land.
- (xi) Formation of the Yellow Stippled Black Area for public open space and emergency vehicular access purposes.
- (xii) Protection of highways structures within the Yellow Stippled Black Area.
- (xiii) Cessation or diminution of user clause (existing clause to be updated).
- (xiv) Other minor revisions/updating considered appropriate by LACO, LandsD.

IMPLICATIONS OF THE PRIVATE TREATY GRANT

Financial Implications

1. The additional land for the entry plaza is now occupied by a driving school and a bus terminus. The rental income from the driving school is \$281,667 per month and hence the financial implication arising from the termination of the driving school is insignificant. However, the proposal to grant the additional land, which could otherwise be used for alternative purpose, at nominal or nil premium to the Ocean Park Corporation (OPC) would lead to land revenue forgone. As for the re-provisioning of the bus terminus, the cost will be absorbed by OPC in the redevelopment budget and therefore there will be no additional financial implication to the Government. Regarding the land to be granted for developing the underground cable car system, the strip of Government land falls within the “Green Belt” zoning and there is currently no revenue generating from it.

Economic Implications

2. The broadbrush economic assessment indicates that the redevelopment project will bring about net additional quantifiable economic benefits of around \$40 to \$48 billion in present value terms over 40 years. On employment creation, the redevelopment project will generate around 2,600 to 4,000 additional full-time equivalent jobs in the Hong Kong economy in 2008/09, rising to around 11,300 to 12,800 in 2021/22.

Environmental Implications

3. The redevelopment of the Ocean Park is a designated project under Schedule 2 of the Environmental Impact Assessment (EIA) Ordinance (Cap.499). The EIA report for the project was approved under the EIA Ordinance on 12 July 2006 and an Environmental Permit was issued to OPC on 28 July 2006. The EIA report concluded that the environmental impacts of the project can be controlled to within the criteria under the EIA Ordinance and the Technical Memorandum on EIA Process. OPC will implement the measures recommended in the approved EIA report.

Sustainability Implications

4. The proposal to redevelop the Ocean Park will boost the tourist industry of Hong Kong and enhance the competitiveness of Hong Kong as a preferred tourist destination in the region. It will also help promote public awareness of marine conservation and contribute towards the sustainability principle of enhancing the vibrancy of Hong Kong's recreational opportunities, leisure activities and cultural vibrancy.