

LEGISLATIVE COUNCIL BRIEF

Facilitating Provision of Pedestrian Links by the Private Sector

INTRODUCTION

At the meeting of the Executive Council on 15 December 2015, the Council ADVISED and the Chief Executive ORDERED that –

- (a) the mechanism, as set out in paragraphs 9 to 14 below, should be adopted to facilitate early implementation of planned pedestrian links to enhance connectivity and walkability in the city. The essence is to provide a suitable incentive to the private sector by way of waiving the land premium payable for lease modification for provision of the pedestrian links to help achieve a comprehensive pedestrian network for the overall benefits of the community; and
- (b) Kowloon East (KE) should be used as a pilot area for implementation and consideration be given to extending the policy to other districts, where justified.

JUSTIFICATIONS

Existing Policy

2. Under the existing policy, projects for provision of pedestrian links are proposed and implemented either by the Government, usually through public works, or by the private sector as private sector initiatives. They are subject to different treatments as set out below.

3. Public pedestrian links: The provision of public pedestrian links by the Government through public works is normally initiated by the Government and justified by necessity considerations based on the forecast pedestrian flows while other considerations such as road safety, availability of alternative walkways, cost effectiveness and public opinions will also be taken into account. Considerations such as enhancing walkability, connectivity and improving the walking environment and comfort are not expressly accounted for. The implementation timeframe of such facilities as public works depends on many factors, inter alia, availability of capital funding and recurrent resources for the relevant works departments for the design and construction as well as the subsequent management and

maintenance (M&M). In the past, a comprehensive pedestrian network, particularly if it involves elevated and/or underground links, usually takes a long time from initial planning to final completion.

4. On many occasions, public pedestrian links built by the Government place staircases and lifts of footbridges/subways on public footpaths which reduces the already limited public space in the built-up areas. Where it is considered that connection of a public walkway system to the existing pedestrian network through a private development is necessitated and justified, especially when there is no other feasible standalone alternative available or such alternative is considered cost-ineffective, subject to technical feasibility this may be effected by creation of easement under Cap. 370 by the Government in respect of such connection and/or requirement for connection to be specified in the land sale conditions (if applicable), or the terms of lease modification if the opportunity arises for an existing development.

5. Pedestrian links initiated by the private sector: If private landowners, property owners or developers (referred to as “landowners” below) want to provide additional pedestrian links for their developments to connect with an existing public walkway system or other existing infrastructures/developments (e.g. MTR stations, public transport interchanges or other nearby buildings with existing footbridges/subways), they have to apply for permissions/approvals. For footbridge/subway scheme, it would require gazetting and authorisation under the Roads (Works, Use and Compensation) Ordinance (Cap. 370). Quite often the additional links would also require lease modifications for which the concerned landowners have to apply to the Lands Department (LandsD). In accordance with the general land administration arrangements, such lease modification applications, if approved, would be subject to, amongst other terms, payment of full market value land premium that would reflect the enhancement in land value arising from enhanced connectivity via additional pedestrian links. Subject to the authorisation of the proposed scheme, the additional pedestrian links would usually be built and maintained by the landowners. Where a landowner sees benefits in connecting his own building/development to the public walkway system, the proposal would normally be regarded as a private pedestrian link subject to the arrangements outlined above.

Public Expectation for Enhancing Walkability

6. Under the current arrangements, enhancing walkability through improving the walking environment and pedestrian comfort is not a major consideration for the provision of public pedestrian links. This does not accord with the global trend of developing more liveable cities where walkability would be a major consideration. To advance further, the benefits of improving the quality of pedestrian journeys in terms of comfort and convenience, or seizing opportunities for connections with private developments and destinations which could create synergy and increase the

vibrancy of an area must be considered. Enhancing walkability would encourage people to walk more, reduce vehicular traffic and the associated social costs and environmental impacts, while generating larger public good in promoting a greener, healthier and more sustainable low carbon community, apart from bringing benefits to private developments. It also provides a safer walking environment for elderly people and persons with physical disabilities by keeping them away from at-grade signalised crossings. Nowadays, there is increasing expectation from the public that the pedestrian network in the city should be convenient, pleasant and comfortable, and should reach out to more potential users by connecting with nearby developments and other existing walkway systems. A walkable community is an important component of smart growth and a key feature of a smart city. We need to review the existing policy and consider adopting a more pragmatic approach to facilitate private sector proposals for early provision of planned pedestrian links to enhance walkability and promote the quality of living.

Public Walkway System with Private Participation

7. From an urban planning perspective, in a highly compact and vertical city like Hong Kong, the justifications for developing a public walkway system would need to take account of, apart from forecast pedestrian flows, various walkability factors such as safety, comfort, convenience, time efficiency and cost effectiveness, etc. This is especially the case in those built-up urban areas with a high concentration of socio-economic activities, where the development is already dense, the at-grade roads and pavements are already congested, the pedestrian flows are high, and the public good for improving connectivity and enhancing walkability especially with mass transport infrastructures is evident. In such circumstances, a well-planned, well-designed and well-managed public walkway system with pedestrian links to private properties could improve connectivity and walkability of the area as a whole, benefit the public who frequent the area, and in turn generate public good in terms of comfort, convenience, efficiency to pedestrians, even if such a system might not be fully justified in the foreseeable future solely on account of forecast pedestrian flows. KE, which is undergoing a rapid urban transformation process from an old industrial area to becoming the second core business district (CBD2) in Hong Kong, is a good example of such case. However, the public good that a walkway system could generate and the justifications for policy intervention to facilitate such development would require careful assessment and analysis. There should be a sound basis for considering the provision of such facilities in the context of a comprehensive pedestrian network formulated by relevant studies.

Benefits of Private Initiatives

8. For privately initiated footbridges or subways connecting private developments, the landowners might liaise amongst themselves and apply to LandsD for necessary lease modifications. Generally speaking, private landowners would initiate proposals for such walkway systems only if such

proposals are beneficial to their own developments. Such privately initiated proposals, if also found justifiable from the public connectivity perspective, may have the following benefits –

- (a) If provision of 24-hour barrier-free access inside the developments is technically feasible and commercially beneficial for the landowners, and the landowners are willing to incorporate the requirement to provide such access into the Government leases concerned, it may obviate the need to place staircases and lifts on public footpaths and the limited public space would not be further reduced. The provision of access points through private developments may also result in better walkability and avoid duplicative provision of facilities (e.g. barrier-free access facilities).
- (b) Funding and resources for the walkway system might be provided upfront by the private sector. Implementation of such walkway system by the private sector might take a shorter time to complete when compared to government public works. The public could enjoy early provision of the walkway system. Under the current arrangements, the cost for the construction of the pedestrian connections would in principle be deducted or reflected through the land premium payable for the necessary lease modification or land transaction (e.g. land sale).

Implementation with Kowloon East as a Pilot Area

9. Achieving a comprehensive walkway system often requires collaboration between the public and private sectors, particularly in the built-up areas. As part of the Energizing KE (EKE) initiative to facilitate the transformation of the area, which includes the old industrial areas/buildings in Kwun Tong and Kowloon Bay, into Hong Kong's CBD2, the EKE Office (EKEO) has been exploring the establishment of a comprehensive walkway network to connect major transport nodes, private developments and nearby attraction points through studies on pedestrian environment improvement schemes. For instance, the Kowloon Bay Business Area Pedestrian Environment Improvement Study (the KBBA Study) has formulated a comprehensive walkway network which would be best achieved through a collaborative approach with a mix of public and private pedestrian connections to enhance walkability in the area. We will introduce a pilot scheme for walkway system development in the two business areas in KE, namely the Kowloon Bay and Kwun Tong Business Areas, under which the private sector could be engaged to achieve a win-win situation for earlier implementation of pedestrian links.

10. Proposals to establish a comprehensive pedestrian network in the scheme area should normally be based on technical studies and assessments on the pedestrian environment conducted and agreed among relevant

bureaux and departments (B/Ds), taking into consideration not only pedestrian flows but also other relevant factors including walkability, connectivity, safety, comfort and convenience of pedestrian, for incorporation into the relevant Outline Development Plan (ODP) for implementation. ODPs are departmental plans which serve as administrative guidance for government departments to follow upon endorsement and can be promulgated to the public. Pedestrian environment improvement studies, apart from proposing a comprehensive pedestrian network for the respective study areas, also identify the timing of implementation of the most essential pedestrian links which must be in place by a certain design year under study in order to maintain a desirable level of service for pedestrians for the Government to prioritise implementation through public works projects. To reap a wider benefit for the community through achieving a comprehensive pedestrian network within a shorter timeframe, incentives should be provided to landowners for implementation of the pedestrian links in the scheme area as set out below:

- (a) Any land premium arising from lease modifications necessary for implementing the pedestrian links incorporated into the ODP would be waived, with the landowners initiating to design and build these connections at their own cost. The application for lease modification should be submitted within 3 years after the approval and promulgation of the relevant ODP for the KBBA incorporating these pedestrian links. A mid-term review during the 3-year period would be conducted by the Development Bureau (see paragraph 15 below). Subject to any extension of time that might be allowed by the Chief Executive in Council upon consideration of the review, the current practice where land premium is payable for lease modification required to permit provision of pedestrian links by the private sector would be followed when the period for waiving land premium comes to an end.
- (b) Where lease modification is required, it should be stipulated in the modified lease that the landowner is required to provide a pedestrian link with connection to the building erected or to be erected on the lot to impose a continuous obligation for such provision including upon redevelopment. As a norm, 24-hour barrier-free access to the connections of footbridges/subways and public footpaths shall be stipulated in the modified lease.
- (c) As a general rule, the landowners would be required to bear the M&M responsibilities and related costs of the pedestrian links provided by them. The Government would welcome better specifications for the pedestrian links.
- (d) Where the proposed pedestrian links involve multiple-ownership and small property owners at the time of lease modification application, in order to ensure better M&M, the landowners could initiate a request to the Government to take up the M&M

responsibilities of the links over government land after completion of construction. Subject to the agreement by the Government, including acceptance of the proposed design and other specifications for the links, such as 24-hour unimpeded maintenance access to facilitate the Government's maintenance works, the landowners should pay a one-off payment to the Government to cover the M&M costs (including structural maintenance) up to the expiry of the relevant leases or up to the year when the links would in any case be required to be provided by the Government based solely on the forecast pedestrian flows, whichever is the earlier. The Government would only take up the M&M responsibilities as a last resort to ensure effective M&M of the pedestrian links.

- (e) For those links that the Government will take up the M&M responsibilities, the landowners will be required to re-deliver the links to the Government on demand via lease obligations.

11. The incentive can achieve a “win-win” situation, whereby (i) waiving of land premium would provide a strong incentive for landowners to design and construct the pedestrian links earlier than otherwise by the Government; (ii) the public would enjoy early provision of a more comprehensive pedestrian network with better connectivity and walkability; (iii) with private sector involvement, there would be an advantage of minimising the need to provide public landings, staircases and lifts on public footpaths which would reduce the limited public space on ground; and (iv) government revenue from rates and stamp duties would likely rise in tandem with the enhanced value of the properties that would be more easily accessible by the pedestrian links.

12. As territory-wide application of the incentive scheme would have wide implications, we will initially take forward in KE, particularly for the built-up areas of KBBA and Kwun Tong Business Area (KTBA), as a pilot area under the EKE policy initiative to facilitate the transformation of KE and for which two pedestrian environment improvement studies have already been initiated by EKEO. There is growing public expectation to improve walkability in KE in terms of a pedestrian friendly environment through the provision of direct and comfortable pedestrian links to improve connectivity from the major public transport nodes towards the two business areas and the waterfront. With the two studies, it is necessary and feasible to establish a comprehensive pedestrian network for each of the business areas, with sufficient information to back up the pilot scheme for implementation. The KBBA Study has been basically completed, and the study findings and recommendations include a comprehensive pedestrian network for KBBA. The study for KTBA started in May 2014 and similar findings and recommendations will be available in 2016. The comprehensive pedestrian network for KBBA and KTBA will be incorporated into the relevant ODPs.

13. The incentive will encourage landowners to submit proposals for provision of pedestrian links to form a comprehensive pedestrian network, generate synergy among the developments in the two business areas and create catalytic effects for the transformation of KE into CBD2. It is significant not only as an infrastructure provision to improve connectivity in the district, but also demonstrates the Government's commitment to facilitate and expedite the transformation of KE.

14. If the proposals initiated by landowners are generally in line with the alignments shown on the ODPs but with minor adjustments to suit the actual site conditions, such proposals to be submitted with the necessary lease modification applications may be processed by the LandsD and accepted subject to the agreement by relevant B/Ds. When landowners propose to provide additional links to connect their buildings to the planned pedestrian network, the Government would assess the proposals on a case-by-case basis to ensure that the links are convenient and can enhance walkability in that particular area and bring benefits to the public at large. Any additional links proposed within the 3-year application period with support from pedestrian environment improvement studies could be submitted to the Government for consideration. Subject to the agreement by concerned B/Ds, such links would be incorporated into the relevant ODP as an update of the planned comprehensive pedestrian network. EKEO would take up a coordination role to facilitate discussions among B/Ds and collaborate with PlanD to make submissions to CPLD for endorsement of the additional links and incorporation into the relevant ODP. Upon endorsement of the new pedestrian links, the applicant can apply to waive any land premium arising from the necessary lease modification within the same 3-year application period.

MID-TERM REVIEW

15. A mid-term review of the new policy will be conducted to assess the effectiveness of the pilot scheme in KE 2 years after the approval of the ODP incorporating the comprehensive pedestrian network for KBBA, and about 1 year after the approval of the ODP for KTBA, which is expected to be in 2018. The Government could then determine whether the approach is effective, whether any extension of time would be allowed in KE, and also assess whether and how such approach would be extended to other parts of Hong Kong if justified by similar pedestrian environment improvement studies. The likely read-across implications have to be carefully considered in the review on the implementation of the pilot scheme in KE.

16. In the meantime, the Development Bureau would keep an open mind to similar proposals for provision of pedestrian links in other districts or areas. Such proposals would be handled on a case-by-case basis by the

Development Bureau in consultation with concerned B/Ds, having regard to the experience of the pilot scheme in KE. Reference to the mechanism under this paper would be made in assessing whether certain proposals would have merits from the perspective of the overall benefit to the community having regard to relevant pedestrian environment improvement studies prepared by the Government and/or the landowners.

IMPLICATIONS OF THE PROPOSAL

A 17. The proposal has financial, civil service, economic, environmental and sustainability implications as set out at **Annex A**. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The proposal has no gender, family and productivity implications and has no binding effect of any legislation.

PUBLIC CONSULTATION

18. Early implementation of the elevated walkway system (EWS) proposed by a consortium of private developers, which forms part of the proposed comprehensive pedestrian network in Kowloon Bay, has been urged by the Kwun Tong District Council (KTDC) during KTDC meetings and regular contacts with the KTDC members since November 2012. A Legislative Council (LegCo) Case Conference was held in April 2013 and the LegCo members also urged the Government to assist in expediting the implementation of the EWS. KTDC and the general public were also consulted in May/June 2013, November 2013, December 2014 and September 2015 during the public engagement activities of the KBBA and KTBA Studies. KTDC members and the public in general supported the objective to enhance walkability.

19. The LegCo Panel on Development will be briefed on this as part of the new initiatives under the 2016 Policy Address. Briefings for relevant advisory boards/committees including the Land and Development Advisory Committee, KTDC and other stakeholders including relevant professional institutes will be arranged. Further public consultation, including during the process of gazetting the pedestrian links under the Roads (Works, Use and Compensation) Ordinance, will be carried out during implementation and also for any subsequent changes or additional links.

PUBLICITY

20. The initiative was announced by the Chief Executive in the 2016 Policy Address on 13 January 2016. Apart from the issuance of this LegCo brief, a spokesperson will be available to handle the media and public enquiries.

ENQUIRIES

21. Enquiries on this brief may be directed to Ms Winnie Ho, Deputy Head of EKEO, at 3904 1618.

BACKGROUND

Relevant Policy Initiatives

22. The four key strategies of the EKE policy initiative, as shown in the latest EKE Conceptual Master Plan (CMP) 4.0, are “Connectivity”, “Branding”, “Design” and “Diversity”. Connectivity is the most important key to the success of the complex urban transformation process of KE. In the 2014, 2015 and 2016 Policy Addresses, the sustainability concept of “walkability” in KE through improving connectivity and enhancing the pedestrian environment to facilitate the transformation of KE into CBD2 was reiterated. Specifically, it is mentioned in the 2015 Policy Address that this includes studying measures to facilitate the provision of elevated walkways by the private sector.

Development Bureau

21 January 2016

IMPLICATIONS OF THE PROPOSAL

Financial and Civil Service Implications

1. For KBBA, the **total construction cost** for the planned pedestrian links (including lifts/escalators) is estimated to be **about \$855 million**, excluding those links which are intended to be provided by the Government or through stipulating relevant requirements in new land sale sites. The estimated **recurrent cost** for M&M of these links (including lifts/escalators) is **about \$4.5 million** per year. Moreover, compared with the scenario that the pedestrian links are built by the Government, there may also be potential savings from avoiding claims arising from easement.
2. While the proposed mechanism involves the waiving of land premium would have revenue implications, the proposal would bring huge social, economic and environmental benefits of enhancing walkability and connectivity, reducing vehicular traffic and the associated social costs and environmental impacts, promoting a greener, healthier and more sustainable low carbon community, and catering for the needs of our ageing population, which should all be taken into consideration although they are not readily quantifiable.
3. On civil service implications, under the resource allocation mechanism, departments may incur recurrent costs should they become responsible for managing and maintaining the concerned pedestrian links as agreed by the Government as a last resort. . The amount will be capped at the ceiling of the one-off payment by the landowners which should tie in with the design and detailed specifications of the pedestrian links as approved by relevant B/Ds.

Economic Implications

4. The proposal will enable earlier implementation of the comprehensive pedestrian network to enhance connectivity and walkability. Taking Kowloon East as the pilot area will generate synergy for adjacent developments and create a catalytic effect on the successful transformation of Kowloon East into another attractive CBD to increase commercial and office land supply to sustain the long-term economic development of Hong Kong. Yet the proposed waiving of land premium will also lead to foregone Government revenue.

Environmental Implications

5. The proposed pedestrian links are not designated projects under the Environmental Impact Assessment Ordinance (Cap. 499). They will not cause long-term environmental impact. During the construction stage, the contractors employed by the private landowners will implement suitable pollution control measures to mitigate the construction environmental impacts. In the long run, the proposed comprehensive pedestrian network will enhance the pedestrian connectivity and walkability. This will encourage more people walking and less traffic. Therefore a positive implication on our environment is anticipated.

Sustainability Implications

6. The scheme will expedite the implementation of a convenient and safe pedestrian network, which helps relieve the at-grade pedestrian demand as well as improve the overall walking environment and road safety. The enhanced pedestrian connectivity and walkability in the area will also encourage people to walk more and reduce the use of vehicles, contributing to a healthy and sustainable low carbon community.