

CHAPTER 1

BACKGROUND OF THE WEST KOWLOON CULTURAL DISTRICT PROJECT

“As the heart of Hong Kong’s 21st century urban culture, West Kowloon cultural district should aim to enliven the city’s cultural life and animate the people’s participation. It should reflect the ideals of equality and public participation in its physical, emotional and intellectual accessibility for both locals and visitors to the city.... It should be a place that grows with time, is able to meet the challenges and needs as a cosmopolitan city in the new century, encourages exchange and cultural development in the long run, and places emphasis on values beyond the purely commercial and utilitarian.”

(extract from “Vision of the Culture and Heritage Commission”, Annex 5, WKCD Concept Plan Competition Document, April 2001)

1.1 The idea of developing the site of West Kowloon Reclamation into an arts and cultural district was first mooted and discussed in the late 1990s. In April 2001, the Government formally launched an international Concept Plan Competition to invite conceptual proposals for the development of the West Kowloon Reclamation into an integrated arts, cultural and entertainment district. The objective is, through the development, “to enhance Hong Kong’s position as Asia’s premier centre of arts, culture and entertainment and create a new look for Victoria Harbour”. A Jury, headed by Lord Rothschild with members who are renowned personalities or local/overseas experts in

relevant professions, was formed to adjudicate the conceptual proposals received.

1.2 In February 2002, after a vigorous assessment process, the Jury awarded the first prize to the submission led by Foster and Partners (out of a total of 161 entries from various parts of the world). The winning entries were then put on display at 12 locations in the whole territory from March to October 2002. Simultaneously, Home Affairs Bureau (HAB) and Leisure and Cultural Services Department (LCSD) conducted a series of consultation sessions with the arts, cultural, business and tourism sectors on the arts and cultural facilities in the West Kowloon Cultural District.

1.3 In order to take forward the project from this conceptual stage, a Steering Committee for Development of West Kowloon Cultural District (WKCD) under the chairmanship of the Chief Secretary for Administration (CS) was set up in September 2002. It was tasked to plan and guide the implementation of the WKCD project. The winning entry by Foster and Partners was used as the basis to develop a masterplan, with modifications made according to the views expressed in discussion sessions with the arts and cultural sector and ideas in other winning entries.

1.4 During this early development stage of WKCD, Hong Kong was facing a chronic economic downturn arising from the Asian financial turmoil, one that was almost unprecedented in Hong Kong's history. This in turn had led to a very tight fiscal situation, with a budgetary deficit reaching \$60 billion in 2002 and \$70 billion in 2003. Unemployment rate reached 8% in early 2003. The outbreak of SARS made the situation worse. Under these circumstances, while early implementation of the WKCD project would bring relief in creating jobs and boosting the economy and confidence, any major public investment might raise concerns. It was then concluded that the best way was to tap private investment. Accordingly, the Government decided to launch an Invitation for Proposals (IFP) in mid-2003 for developing WKCD so as to generate market-driven private sector financing to take forward the project. On a practical and operational front, it was believed

that involving the private sector could bring in new ideas of managing and operating arts and cultural facilities, enhance cost effectiveness, as well as facilitate integration between arts and cultural facilities with retail/dining/entertainment (RDE) facilities for better people flow and patronage in the district. When the Administration briefed the LegCo Planning, Lands and Works Panel on the project before the launch of the IFP, it was well received and the Administration was urged to take forward the WKCD project with determination.

1.5 The IFP was formally launched in September 2003. It was expected that the WKCD project with state-of-the-art facilities could make Hong Kong the most vibrant hub for culture, arts and entertainment in the region, offer a wide range of cultural and leisure pursuits to locals and visitors, and build a creative hub for local artists to further develop their talents. In order to achieve these objectives, proponents must comply with a number of Mandatory Requirements, mostly on the Core Arts and Cultural Facilities (CACF) in the district. These Mandatory Requirements and other major development parameters set out in the IFP are outlined in **Annex A**.

1.6 When the IFP closed in June 2004, five proposals were received. After preliminary screening, three of them had complied with all the Mandatory Requirements and were accepted for further assessment.

1.7 By this time, the Hong Kong economy had begun to recover and having experienced SARS and its aftermath, people were much more concerned about the quality of the living environment, and expressed a greater desire to participate in public affairs. Despite previous consultations before the launching of the IFP, the community started to express diverse views over different aspects of the IFP. Many were concerned about the single development approach and a lack of control over the plot ratio in WKCD; some professionals had reservations over the mandatory provision of a huge canopy over this prime harbourfront site, and some arts and cultural critics claimed that there were insufficient discussions over the proposed arts and cultural facilities in

WKCD, as well as the cultural policy underpinning the provision of such facilities.

1.8 In order to obtain further feedback on the three screened-in proposals, the Government announced in March 2004 that a public consultation exercise would be organized to solicit public views on these screened-in proposals and other aspects of WKCD. The public consultation lasted from December 2004 to June 2005. There were extensive consultation activities and an independent consultant was also engaged to analyse the public views received. According to the findings of the independent consultant, most people were still in support of developing the West Kowloon Reclamation site into an integrated arts and cultural district and that this should commence as soon as possible. However, on how to take the project forward, considerable resistance was recorded against the single development approach and the high density development put forward by the Proponents on this harbourfront site. The community was also generally in favour of the setting up of a dedicated and non-profit-making statutory body to oversee the project, instead of purely relying on a contractual relationship between the Government and a private developer. A motion was also passed by LegCo in January 2005 to ask the Government to set up a statutory West Kowloon Cultural District development authority.

1.9 Having carefully considered public views received, the Government announced in October 2005 that additional parameters would be imposed on the original IFP in order to address the concerns expressed during the public consultation exercise. These include, inter alia, setting a plot ratio of 1.81 for the site, limiting the residential development in the site to 20% of the total Gross Floor Area, requesting the successful Proponent to pay \$30 billion upfront for setting up an independent foundation to ensure the sustainability of the arts and cultural (and other communal) facilities in the district, and to set up a statutory body to take forward the project. The three screened-in Proponents were invited to indicate whether they would still be interested in pursuing the WKCD project under these additional parameters.

1.10 In early 2006, the Proponents replied to the Government but none of them gave a clear and positive response. In view of the fact that it would not be realistic to meet public aspirations on the one hand and provide sufficient market appeal for the private sector on the other through the IFP process, the Government decided to discontinue the IFP process in February 2006, and started to formulate an alternative route for taking forward the WKCD project.

1.11 According to opinion surveys and views received in the public consultation exercise, the public supported early implementation of the WKCD as a matter of principle, despite reservations on various aspects of the project. There was a strong indication that the Government should not abandon the project. In this connection, in plotting an alternative route of development of WKCD, the following factors were taken into account –

- (a) making the best use of past efforts;
- (b) preserving the vision for developing a world class integrated cultural district;
- (c) retaining the designation of the project area for a cultural district; and
- (d) upholding the recommendations of the Culture and Heritage Commission on the development of WKCD, in particular the principles of “partnership”, “community driven” and “people-oriented” as stated in its Policy Recommendation Report.

1.12 In order to lay a solid foundation for the new route to develop WKCD, it is necessary to re-examine and re-confirm if appropriate the need for the CACF of the WKCD. Against this background, the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District and its three Advisory Groups (namely Performing Arts and Tourism Advisory Group, Museums Advisory Group and Financial Matters Advisory Group) were appointed by the Chief Executive in April 2006.