

Joint Venture for the People

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Introduction

“Joint Venture” is a generally accepted term in the commercial world, but when spoken about by government officials, these have become dirty words. It has often been said that, in any government initiated joint venture project, no matter how carefully thought out it may be, it is the private sector or “non-government” partner who will eventually emerge as the winner, and government the loser. Worse still, there is always the conspiracy theory that government is putting up certain joint venture projects merely to appease certain big names in the private sector, and people immediately jump to the conclusion that there is an attempt of collusion between government and those big names. Sadly, public misconceptions have slowed down the pace of many worthwhile joint venture projects like, for example, the “Mixed Development Scheme” conceived by the Housing Authority some years ago.

The Land Development Corporation (LDC) is not a government body. It was set up 12 years ago as a corporate body under the auspices of the LDC Ordinance, with an one-off cash injection of \$31 million from Government. Operating under prudent commercial principles as required by the Ordinance, the LDC has survived and prospered until these days. With limited resources, cash especially and certainly initially, the LDC has successfully implemented all of its urban renewal projects, mostly in the form of joint ventures with leading developers. Looking around the completed LDC projects, one will readily notice the tremendous improvements to the environmental quality which these projects have brought about. Evidently it is not just the developers or the users of the buildings, but the whole community, who will benefit from these sustainable developments for many generations to come.

An extract of the LDC Vision Statement is as follows:-

“ur aim is to undertake projects which minimize disruption to people’s livelihood and social networks, meet the needs and aspirations of the people affected, and result in clear benefits to the community.”

LDC has always put “people” first and foremost in its mind when it plans and implements its joint venture projects, and it has always taken a caring and sharing approach when dealing with people. A prudent commercial sense, coupled with a “people first” approach, are the key success factors of LDC’s joint venture projects in the past. These same two factors should help to lay a solid foundation for the Urban Renewal Authority (URA) in future.

By way of an example of a hypothetical urban renewal project, this paper explores the diversity of interests of the stakeholders involved, identifies the common grounds for these stakeholders to work together, and proposes ways and means of moving forward urban renewal projects while satisfying the interests of the various stakeholders.

The Site

The site for the case study is in Mong Kok Central, adjacent to the West Kowloon Reclamation site. It is bounded by Mong Kok Road on the north, Nathan Road and the Mong Kok MTR Station on the east, Ferry Street on the west, and Dundas Street on the south (see Figure 1). It has a gross area of 20 hectares.

The site falls outside the nine target areas which Government has committed the future URA to venture into for its initial urban renewal projects. The study was conducted by LDC’s own planning team, with due regard given to the findings of related planning and infra-structural studies for the fringe areas completed by Government previously.

The study area is not one of the most densely populated in Hong Kong. Some of the existing buildings are for commercial use, some are low-rise (9-storeys), and some have been torn down to make way for new development. Approximately 61% of the buildings were completed before 1969, and most of these are badly in need of refurbishment or complete redevelopment.

A row of pre-war buildings along Shanghai Street is worth preserving in the interest of conservation of buildings of historic, architectural and cultural interest. Depending on the structural conditions of the buildings, they could be retained and refurbished, or alternatively the building facades could be preserved.

The People

At present, some 29,000 people live in the study area. A rather significant proportion of them are singletons (29.5%) and doubletons (21.5%), and this contributes to the rather small average household size (2.7 persons). The elderly population constitutes about 5% of the total, while children at primary school age constitutes about 14%. The average income of the working population is \$10,000 per person per month.

On-street hawkers are making good business in some of the busiest and most congested streets in the area. Workshop operators fill the ground floor space of the old buildings, inducing loading and unloading activities which in turn generate traffic congestions in yet another major part of the district (see Figure 2).

There is at present no primary school in the area. Some school children have to travel a long way to schools outside. People living in the area have virtually very little open space to enjoy. In any case, the pockets of open space which exist have been rendered unfit for their purpose due to incompatible activities (e.g. workshops) in the neighbourhood and traffic fumes and noise.

The Stakeholders

Any proposals for an urban renewal exercise for the area would obviously affect the life and livelihood of the people who live and work in there. Apart from these people, there are a whole lot of others who have their own vested interests. A list of the principal "stakeholders" is as follows:-

<u>Stakeholders</u>	<u>Interests</u>
a) Elderly Residents	Local rehousing for them to stay among friends and in the neighbourhood they are familiar with,

<u>Stakeholders</u>	<u>Interests</u>
b) Singletons and Doubletons	Decent accommodation close to locations where there are ample job opportunities,

c) Average Families	Decent accommodation in a pleasant environment with good facilities for schools, shops and public transport,
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d) Shop Operators & Hawkers	Improved business opportunities in either existing or new locations,
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e) Owners of Domestic and Commercial Premises	Reasonable compensations for their investments, opportunities for re-investing in new developments within the area,
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f) HK SAR Government	Successful implementation of declared policies on urban renewal, housing for the elderly, recreation and culture, preservation of historical buildings, creating job opportunities, revitalising the tourist industry, etc.,
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g) LDC/URA	Successful implementation of urban renewal projects with the full support of Government and the community, improvement to the environment and creating sustainable development for the long term,
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h) Housing Authority/ Housing Society	Suitable sites in the urban area to satisfy the demands for local rehousing for various target groups (i.e. elderly, 1P/2P, etc.),
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i) Elderly Commission	Provision of a comprehensive range of service for the elderly, including self-contained and hostel type accommodations within the same locality,
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j) Antiquity Advisory Board	Preservation of buildings of historical and cultural interests,
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|-------------------------------------|---|
| k) HK Tourists Association | Opportunities for revitalising the tourist industry by way of, e.g., creating new focal points, |
| l) District Boards | Satisfying local aspirations for decent housing and usable open space, resolving local environmental issues and traffic problems, |
| m) MTRC, Bus and Mini-bus Operators | Good business returns from increase in patronage while maintaining an efficient operation, |
| n) The Developer | Achieving reasonable returns on their investments, acquiring good public image as a reliable company sensitive to community need. |

The Common Grounds

Obviously all the stakeholders involved have their own agenda and priority, but clearly they are facing problems which they cannot effectively resolve if they work in isolation. The LDC, for example, was handicapped previously by having to redevelop relatively small sites without the mandate to plan and control future development in the wider area. Given the need to optimize the use of the small sites in a commercially prudent manner, it was not possible for the LDC to completely satisfy the demands of some stakeholders. The future URA will have the ability to monitor and control the planning framework and development programme for the target areas in a macro scale, and this will provide opportunities for identifying common grounds for all stakeholders to resolve their individual problems by working together with the URA. Examples of these are:-

- | <u>Problems</u> | <u>Possible Solutions</u> |
|--|---|
| a) Local rehousing for elderly residents | - By allowing phased development within the overall planning framework, self-contained and hostel type accommodation can be provided within the study area, |
| b) Housing for singletons and doubletons | - Opportunities exist in the neighbouring West Kowloon Reclamation site for rehousing the singletons and doubletons, whose places of work may have already been relocated elsewhere, e.g. those who worked before in the existing fruit market nearby, |
| c) Housing for the average families | - Affordable housing can be provided by the Housing Authority/Housing Society at the West Kowloon Reclamation site or in later phases of development within the same site. They can be built either separately by these agencies or in the form of joint ventures with the URA. Understandably at the initial stages, some may have to move out to other districts, |
| d) Relocating shops and hawkers | - By suitably phasing the development, existing shops and on-street hawkers can be reprovisioned in new accommodation within the study area, |
| e) Reinvestment opportunities | - A comprehensive replanning of the whole study area will offer the |

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| for the owners | affected owners the opportunities to reinvest in properties according to their own choice and preferred timing, |
| f) Implementation of declared policies | - With comprehensive planning, a single authority (URA) in control, and community support, there should be an extremely good chance of Government to succeed. |
| g) Accomplishing environmental improvement and sustainable | - A comprehensive plan and master programme will provide the platform for fostering fruitful partnerships development with other stakeholders involved. What could not be achieved on small plots of land in the past will, when putting them together to form a macro scale development, become attractive prepositions for joint ventures in future. |
| h) New sites for public housing in the urban area | - Suitable sites for housing for the elderly, etc., can be made available within the study area, with supporting facilities for the elderly to be provided nearby. Other types of public housing may be considered, e.g., in the form of mixed development, should there be such demands from other stakeholders, |
| i) Elderly housing and facilities in the urban area | - Same as (a) and (b) above, |
| j) Preserving historical buildings | - Preservation of historical buildings can be done in a financially viable manner through “exchange of plot ratios“ between plots of land within the study area, |
| k) Sites and objects of interest for revitalising tourism | - The comprehensive master plan will allow the re-creation of traditional shops in a new surrounding as well as the regeneration of historical buildings to become favourite tourist spots, |
| l) Local interests on open spaces, environmental and traffic issues | - These interests can all be well catered for within the master plan. Details and sequence of development can be refined subject to comments from the District Boards, |
| m) Improved efficiency in public transport | - The master plan will form the basis for removing existing traffic congestions, improving pedestrian flows, and inducing increased patronage from within and outside the study area, |
| n) Developers’ | - With URA’s undertaking to control |

interests in
achieving
reasonable
returns on
investments

and monitor the development
within the study area in
accordance with the published
master plan and programme,
developers will be able to invest
with a fair degree of certainty.
They will also be better able to
adapt to other stakeholders' need
while at the same time enhancing
their own public image.

The Vision

Having duly considered the stakeholders' individual interests and common grounds, the LDC planning team has put together a set of proposed urban renewal concepts for revitalising the study area (see Figure 3 and Figure 4). Initially the LDC vision entails:-

- a) providing a total of 520,000 m² GFA of new residential floor areas for private and public housing, including housing for the elderly,
- b) providing a total of 86,000 m² GFA of new retail floor areas in distinctly identifiable shopping precincts, i.e., the "Market Square" which caters for daily necessities, the "Trendy Square" which caters for fashionable goods, and the "Nostalgic Corner" which allows the continuous existence of traditional trades,
- c) providing a total of 35,000 m² GFA of floor areas for community facilities, including those which cater for the elderly and other age groups, as well as the cultural and recreational needs of the community,
- d) a central spine which provides the "green lung" and a traffic free pedestrian corridor from north to south,
- e) the central spine links the residential, commercial and community spaces, and it provides the meeting place and market place for local residents, visitors and tourists,
- f) the "Market Square" adjacent to the central spine allows indoor and outdoor spaces for reprovisioning the existing street hawkers and flea/night markets, as well as the wet and dry goods needed by the local residents,
- g) the "Trendy Square" which is also adjacent to the central spine provides facilities for the young and the young at heart, e.g., ice-skating, bowling, cinemas, and trendy commodities,
- h) food courts, cafeteria and restaurants are located in both the "Market Square" and the "Trendy Square",
- i) the "Nostalgic Corner" caters for the reprovisioning of existing marine/light engineering workshops and related outlets, and it provides an additional attraction to the tourists,
- j) elevated pedestrian concourses and wide underpasses connect the main parts of the proposed development and provide the linkages to MTR stations and buses/mini-buses termini,
- k) the redevelopment of the study area in phases to allow the optimum flexibility for joint ventures and "mixed developments".

Conclusion

Government's announcement of its plans for the URA has opened up new horizons for participation by all sectors of the community. "Joint Venture" will not be just a contract between the URA and the developer. "Joint Venture" should be a total commitment by all parties involved, including the people and all the other stakeholders.

From its proven track record, the LDC has demonstrated that its mission on urban renewal can be successfully accomplished by placing emphasis on "people", and by adopting a caring and sharing approach. This paper provides glimpses of an example of LDC's vision for the future. Apart from Mong Kok Central, there are many other study areas worth pursuing. The area in an around Hollywood Road is a case in point.

The technical solution to urban renewal problems should be relatively simple and easy to work out. People are much more complex, and people will become the main obstacles if they are not handled carefully. Much will need to be done to dismantle the mental and physical barriers of the stakeholders involved. Once this is done, the common ground for joint ventures will surely provide the basis for a win-win situation for all.

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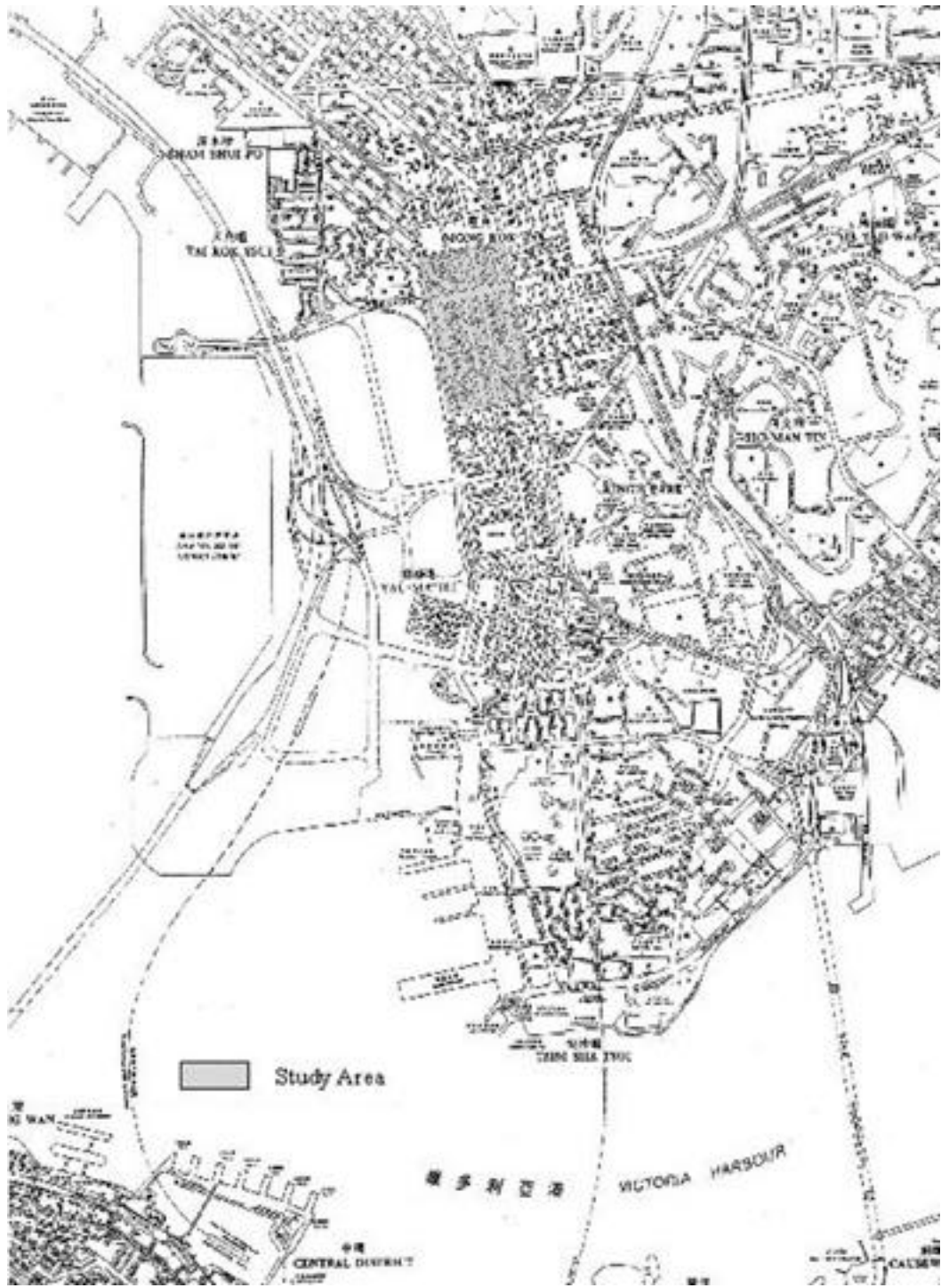


Figure 1 Location

Plan

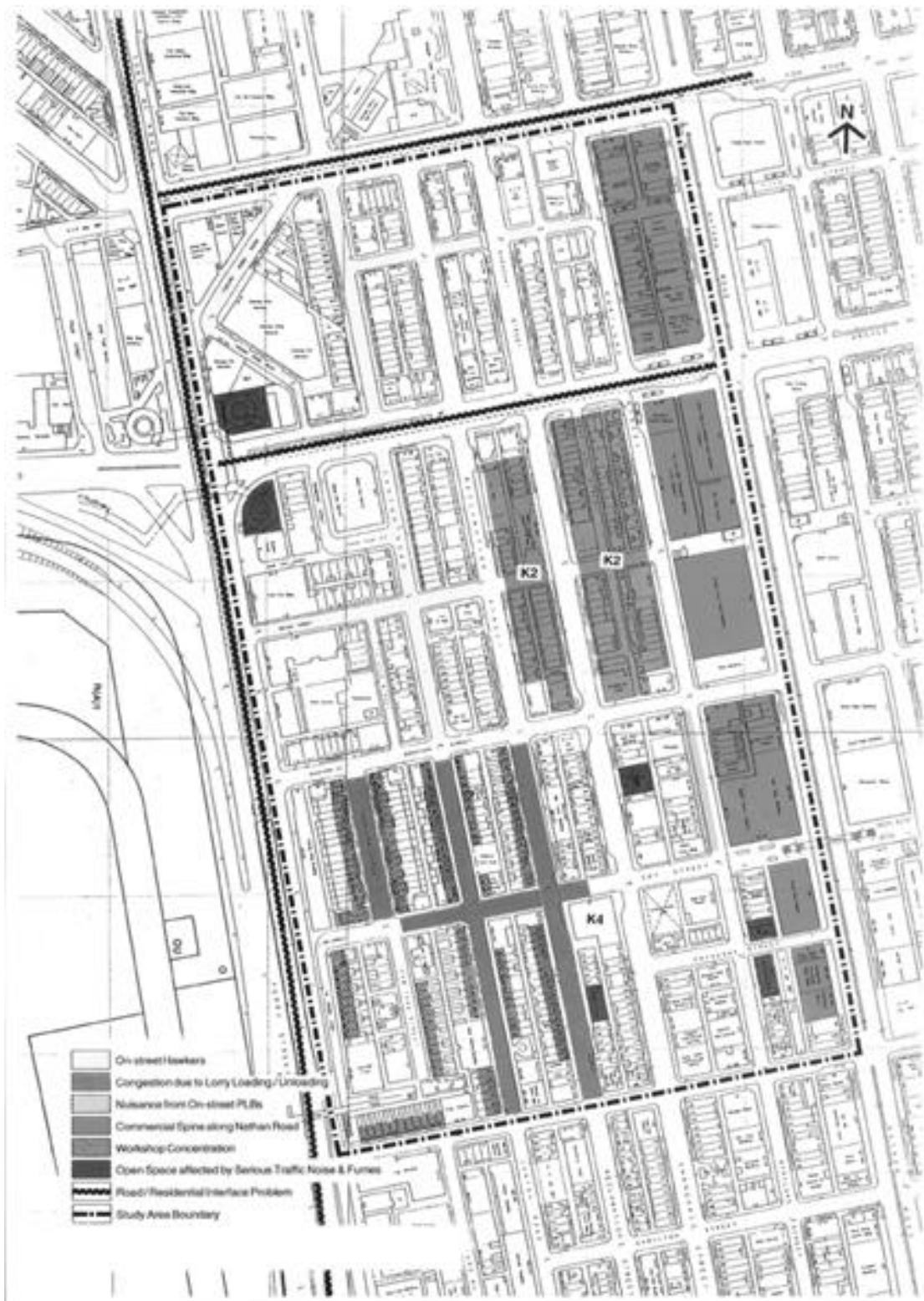


Figure 2 Key Environmental & Land Use Issues

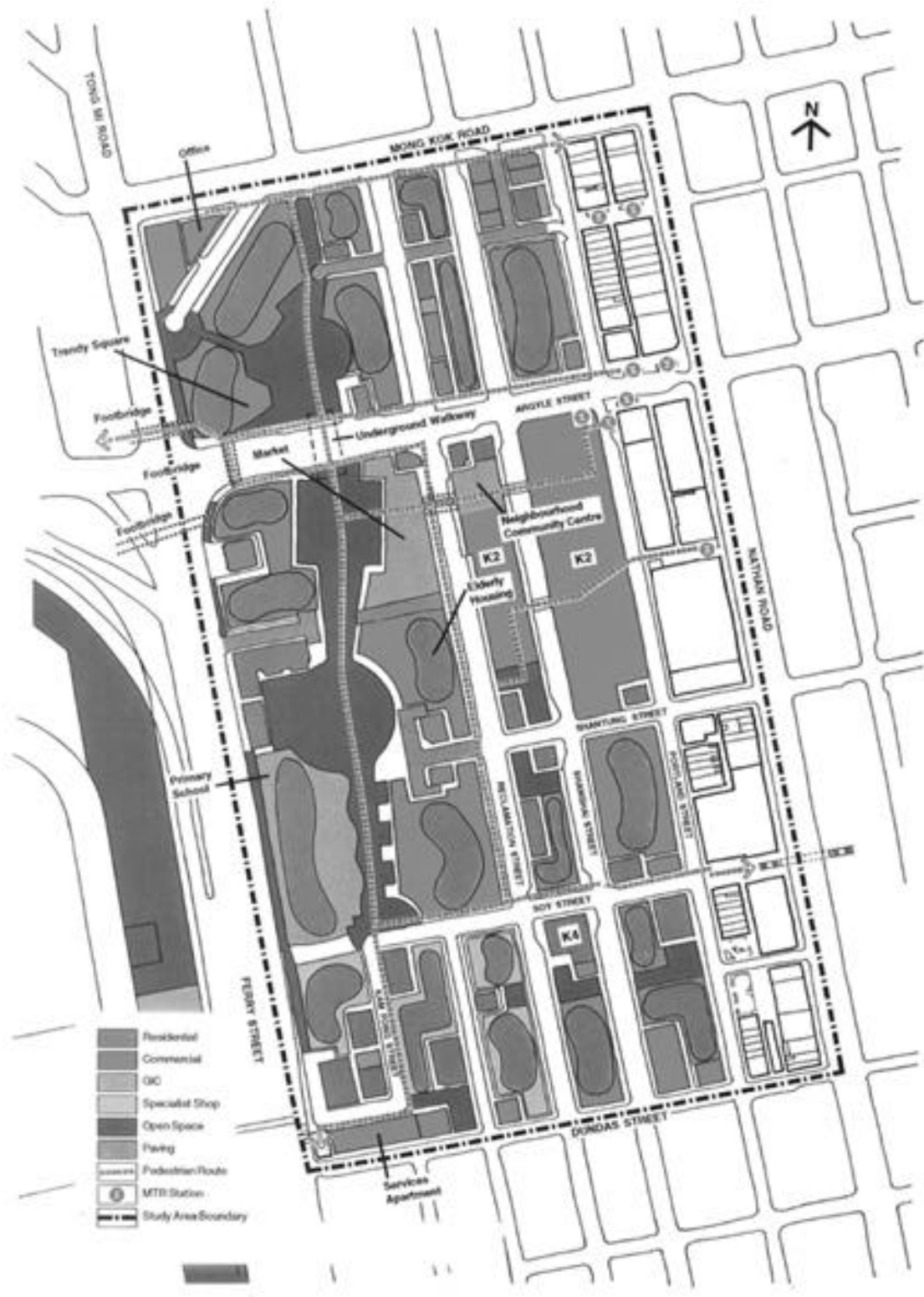


Figure 3 Preferred Land Use Concept Diagram

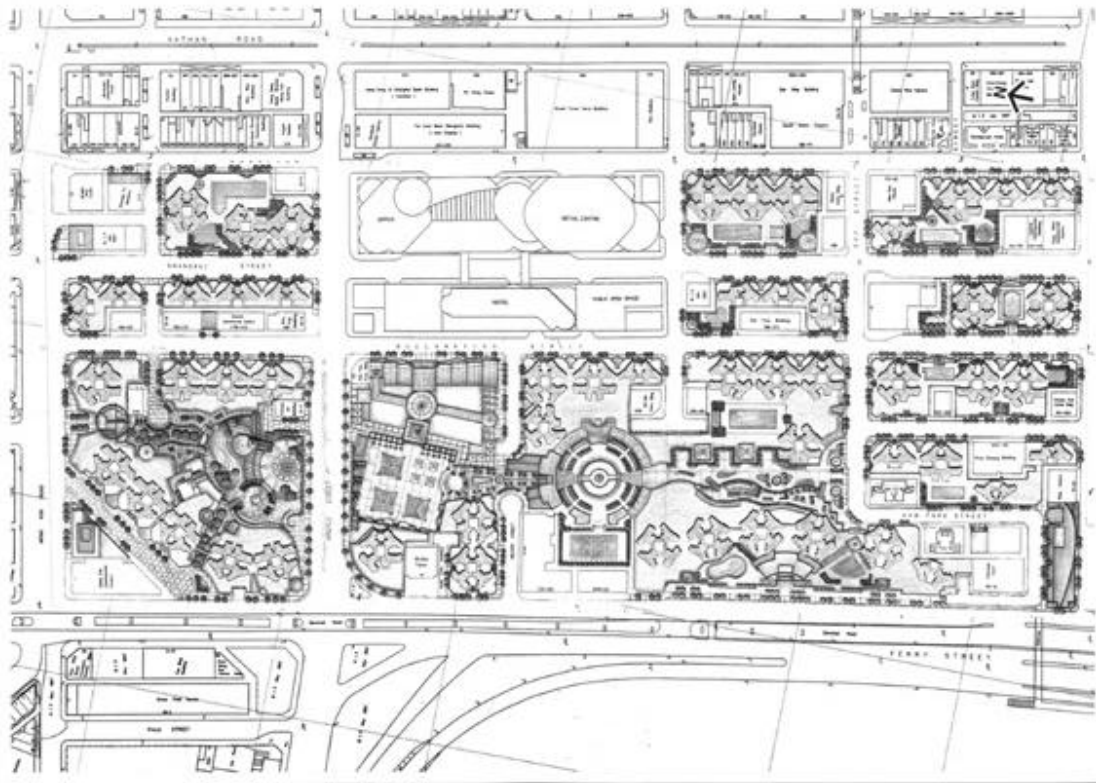


Figure 4 Illustrative Design Concept