

Steering Committee on Review of the Urban Renewal Strategy

Economic Impact Assessment Study on the Urban Renewal Authority's Urban Regeneration Projects

Purpose

This paper reports on the proposed engagement of a consultant to undertake an economic impact assessment study on the URA's urban regeneration projects.

Background

2. Further to the Steering Committee's deliberation at the last meeting on the need to conduct an economic impact assessment of the revitalised areas to provide an enhanced assessment framework for urban regeneration projects to replace the traditional direct cost and benefit analysis of individual projects, the URA is making preparations to take the matter forward.

3. The URA will proceed to engage an expert consultant following our consultant engagement procedures, beginning with an invitation for "expression of interest" (EoI) to be issued to a list of prospective consultants drawn from the private sector as well as from the academia. Once a consultant on the list indicates acceptance of invitation, and furnishes the URA with information on the proposed consulting team's qualifications, including relevant track record in conducting similar studies, we will draw up a short-list of consultants, and the process of formal submission and assessment of proposals will follow.

Scope of Work

4. The objective of the study is to assess the economic impact of the URA's urban regeneration projects on the local district economy as well as on the wider economy by way of case study. A draft project scope which contains the draft assessment framework and a draft list of key elements to be covered by the study is attached at **Annex**.

5. The Tsuen Wan Town Centre redevelopment project is proposed for the case study. It is because the subject project is situated in an area where there are comparatively less urban regeneration activities other than the URA project, thus making it easier to identify and attribute the economic changes in the vicinity to the Tsuen Wan Town Centre project. Furthermore, as the Tsuen Wan Town Centre project is a relatively new project, the consultant should have less difficulty in locating the necessary data to compare the economic activities in the project area and its vicinity before and after the project.

Timetable

6. The tentative timetable for the consultancy is as follows:

- (i) Issuance of EoI –mid July 2009
- (ii) Return of EoI – 27 July 2009
- (iii) Invitation to tender – 3 August 2009
- (iv) Return of Tender – 17 August 2009
- (v) Tender award – 24 August 2009

7. It is expected that the study will take about four months to complete with an interim report available in November 2009, and the final report submitted by the end of January 2010.

Advice sought

8. Members' views are sought on the proposed scope of work, the proposed case study and the proposed timetable for the Economic Impact Assessment study.

Urban Renewal Authority
July 2009

**Scope of Work
for
Economic Impact Assessment Study on
The Urban Renewal Authority's Regeneration Projects**

1. Objective

The objective of this study is to assess the economic impact of the URA's regeneration projects on the local district economy as well as the wider economy by way of case study.

2. Assessment Framework

In proposing the methodology for the assessment, the Consultant should take into account the following framework:

- (i) An assessment of the general economic conditions of the project site selected for the case study and its vicinity before the commencement of the project ('the Project') should be the starting point. This will provide the necessary backdrop for the assessment.
- (ii) Economic impact brought about by the Project will be different at various stages of the implementation of the urban regeneration project. The assessment should consider all such impact during the project delivery stage (at commencement and during construction) and since the completion of the Project. This is necessary in order to track the ebb and flow of the economic impact resulting from the Project.
- (iii) The main focus areas in the assessment should include:
 - The Property sector (prices/rental)
 - The Business sector (nature of business/volume of business /patronage of business)
 - Employment (opportunities/income levels)
 - Government revenue (stamp duty/rates)

- (iv) The direct economic impact will give rise to a host of indirect and induced economic impact that should all be taken into account in the assessment.
- (v) The assessment should make reference to territorial trends to establish the existence of any local trend due to the redevelopment.

3. Key elements that should be covered in the assessment

- (i) Job creation and changes in the income levels both within the Project site and in the vicinity;
- (ii) Changes in the business volume, business nature and patronage of business as a result of the Project both within the Project site and in the vicinity;
- (iii) Changes in the real estate prices and rental levels within the Project area and its vicinity before the commencement, during the implementation and after the completion of the Project;
- (iv) Changes in Government revenue within the Project site and the vicinity;
- (v) Indirect economic impact generated during the project delivery stage, and after the completion of the Project;
- (vi) Induced economic impacts associated with the spending of those who derive incomes both directly and indirectly as a result of the Project; and
- (vii) The wider impact of the development of the Project site on the local district community and the wider economy (for example, local regeneration effects in terms of bringing forward developments in the vicinity of the Project).