



# Concept Symposium 2016

## Governing the Front-End of Major Projects

### The governance of mega airport construction projects in China



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We will introduce the governance of mega airport construction projects in China from three aspects as following:

Firstly, we will introduce the approval procedure of the government for the mega airport construction projects. Specifically including: the classifications of mega airport construction projects; the ways of permission of the Chinese government on mega airport construction projects; The major provisions of the construction permit of different class and permission way; The relevant government departments who control the key points of the construction permit.

Secondly, we will introduce the organization governance of mega airport construction projects in China by analyzing the projects of Shanghai Hongqiao Airport terminal two and Shanghai Hongqiao Transport Hub. These projects have solved the problems of decision-making coordination, schedule coordination, design coordination and construction interface coordination of multi participation subjects in the project implementation stage by using the governance mechanisms called “one conference, three platforms”.

Thirdly, we will introduce a procedure of removal in China by analyzing the projects of Shanghai Hongqiao Airport terminal two and Shanghai Hongqiao Transport Hub. It is an effective way of governance to harmonize contradictions between the people demolished and the projects by sharing the value of the construction of large projects with these people.

Key words: governance, mega airport construction projects in China, construction procedure, coordination



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# **The Governance of Mega Airport Construction Projects in China**

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# Content



## Approval procedure

- The government governance of mega airport project

## One conference, three platforms

- An organization governance mechanism for multi owner mega project

## Three apartments for each relocated family

- A realization way that the relocated families can share the future value of the mega project.

## Summary and discussion

- Three challenges

# 1 . Approval procedure



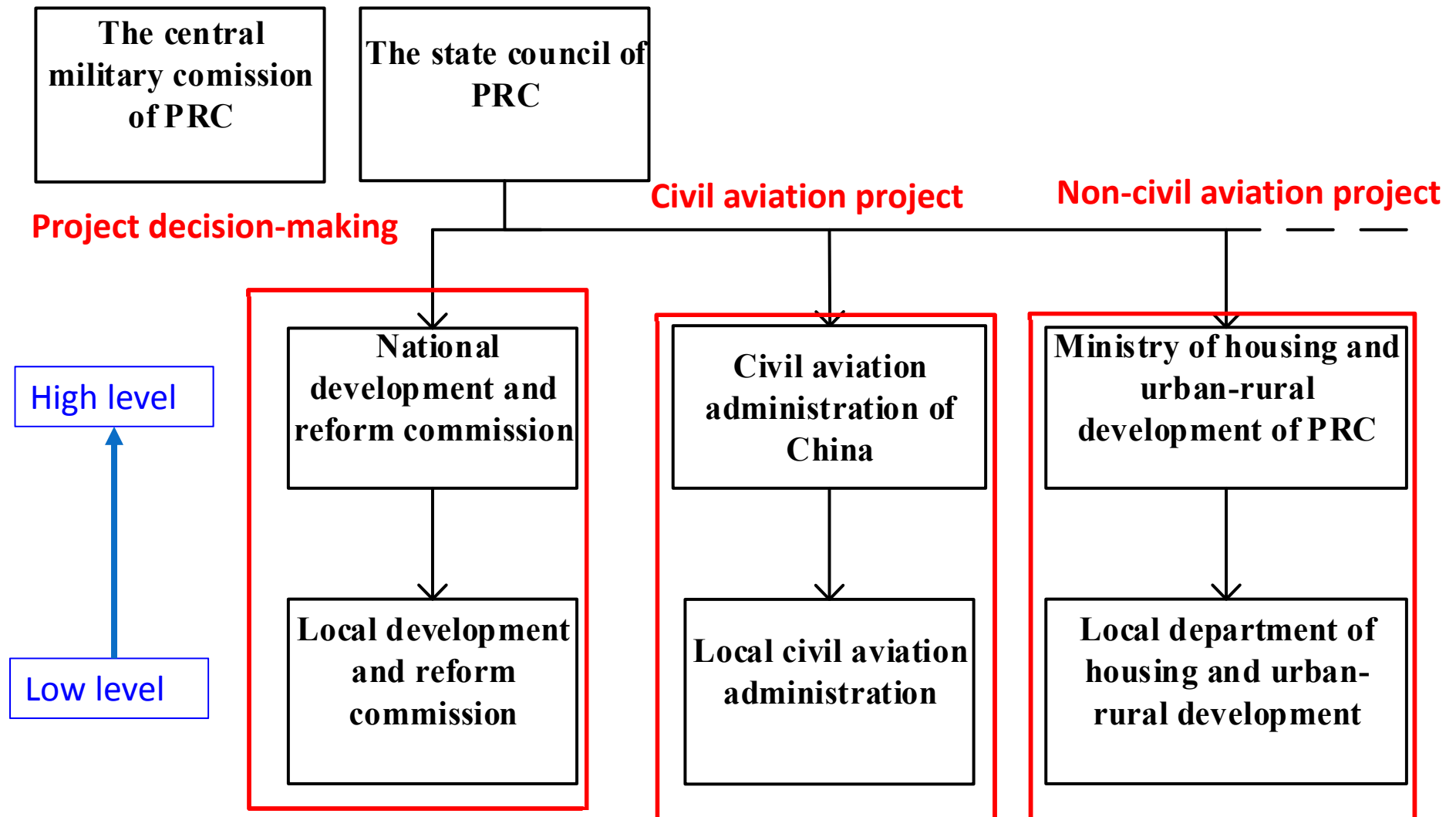
## Classification of airport project or sub-project

Criteria	Class name
<b>Whether the investment come from government</b>	Government investment project
	Non-government investment project
<b>Whether it needs new site selection</b>	New airport project
	Expanded or reconstructed airport project
<b>Whether it belongs to civil aviation</b>	Civil aviation project: runway, control tower
	Non-civil aviation project: municipal road, power supply

# 1 . Approval procedure



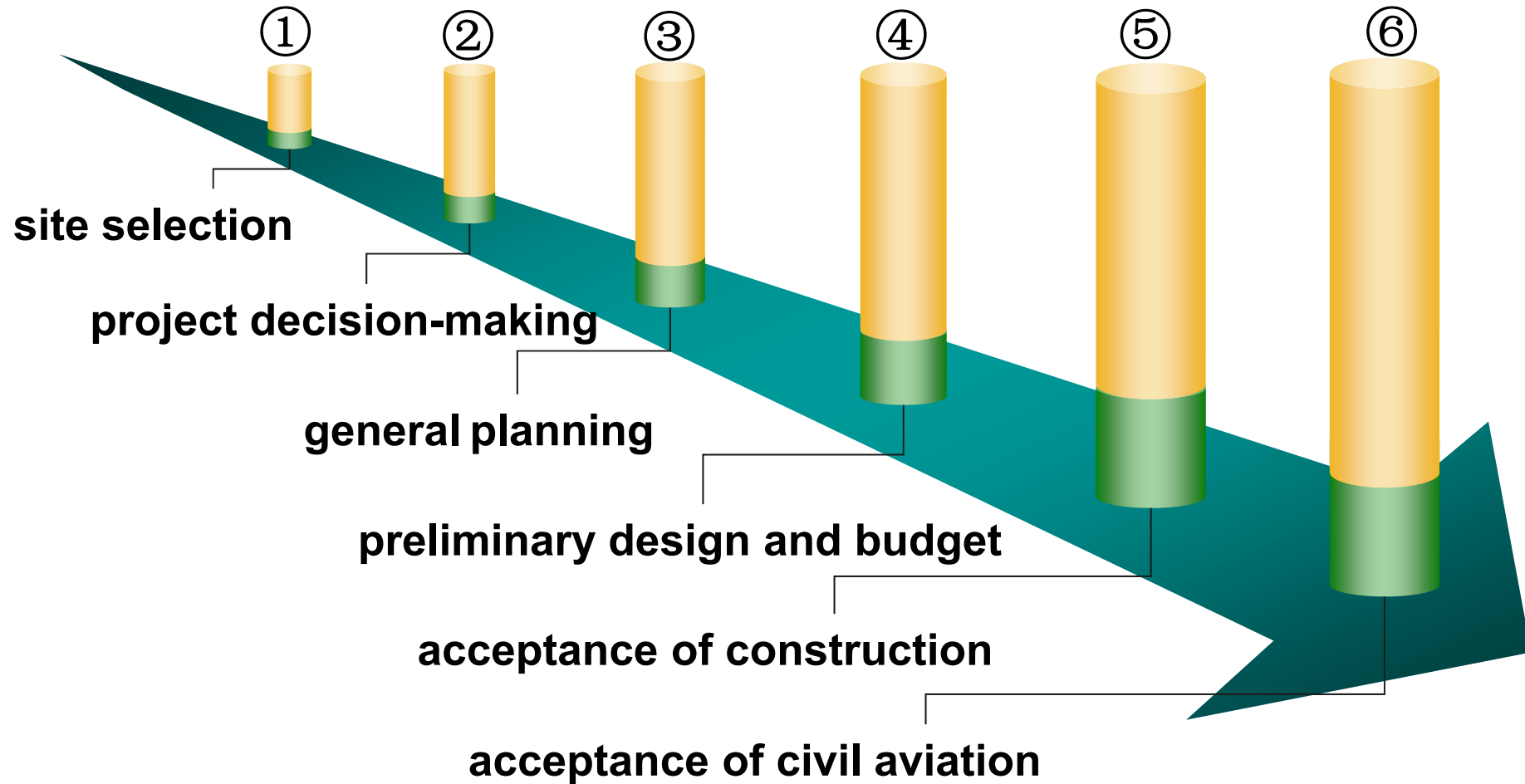
## The approval body of airport project



# 1 . Approval procedure



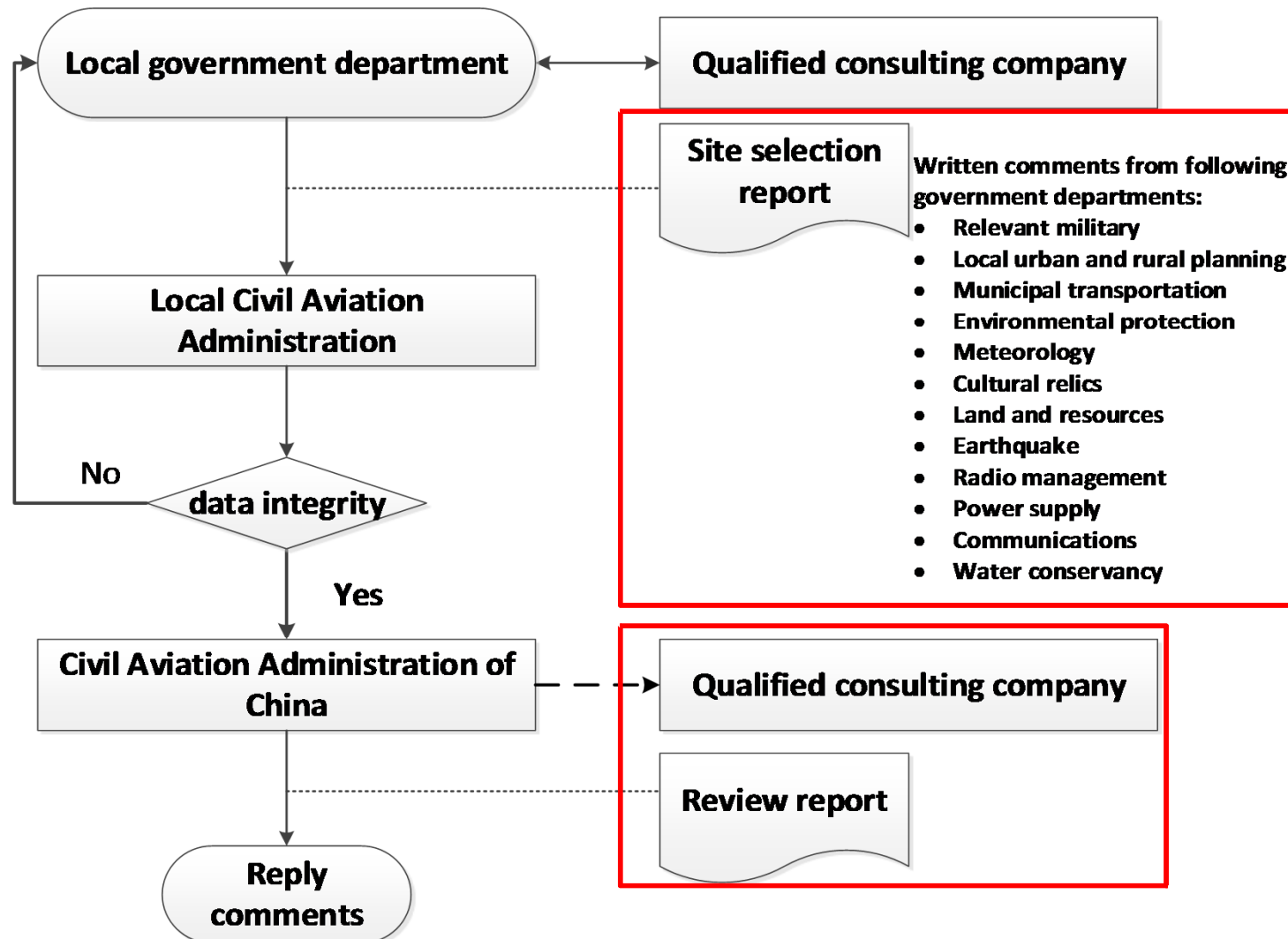
## The approval procedure of new airport



# 1 . Approval procedure



## ① Site selection

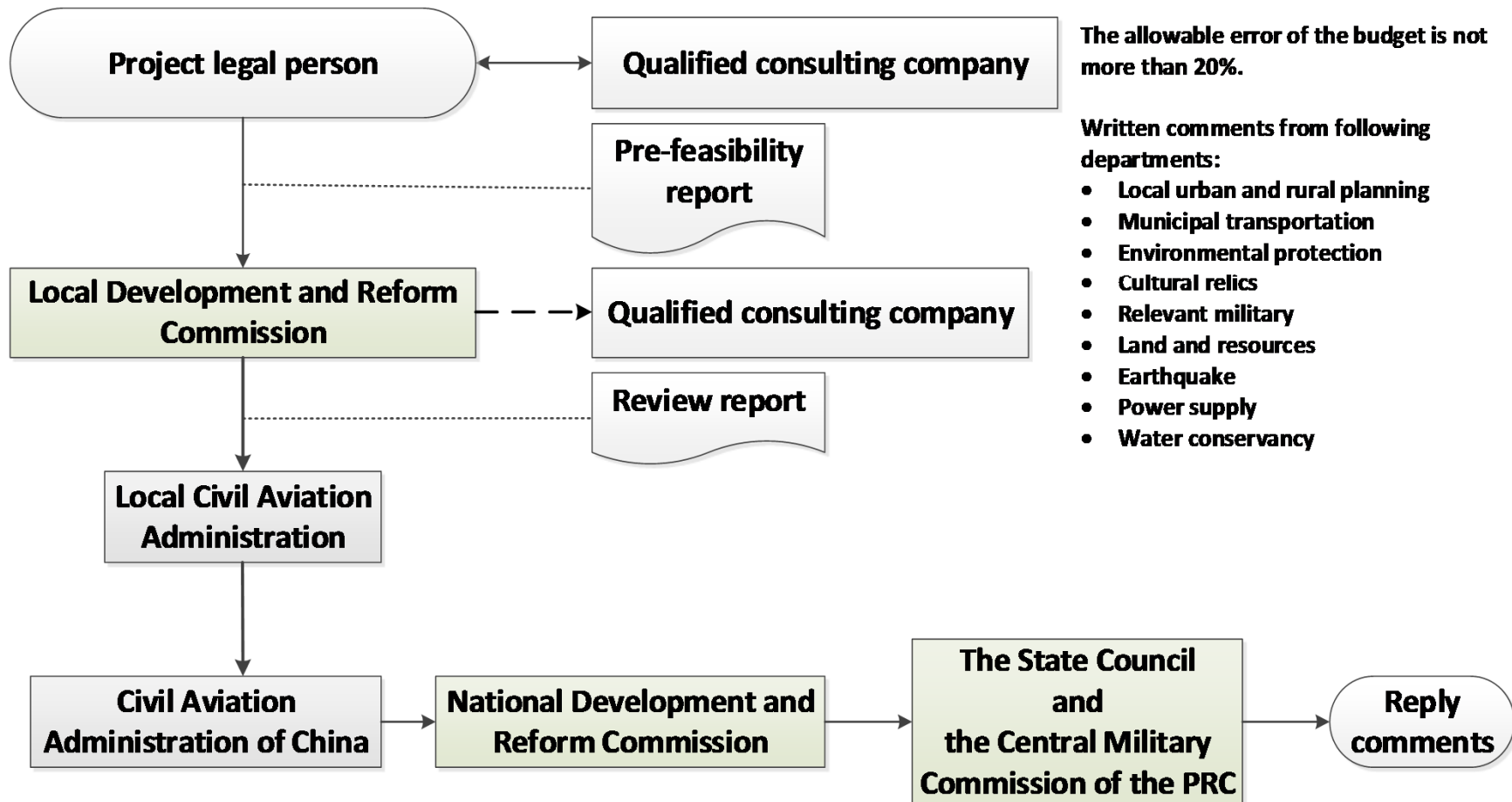


# 1 . Approval procedure



## ② Project decision-making

### ■ Government investment project: Pre-feasibility



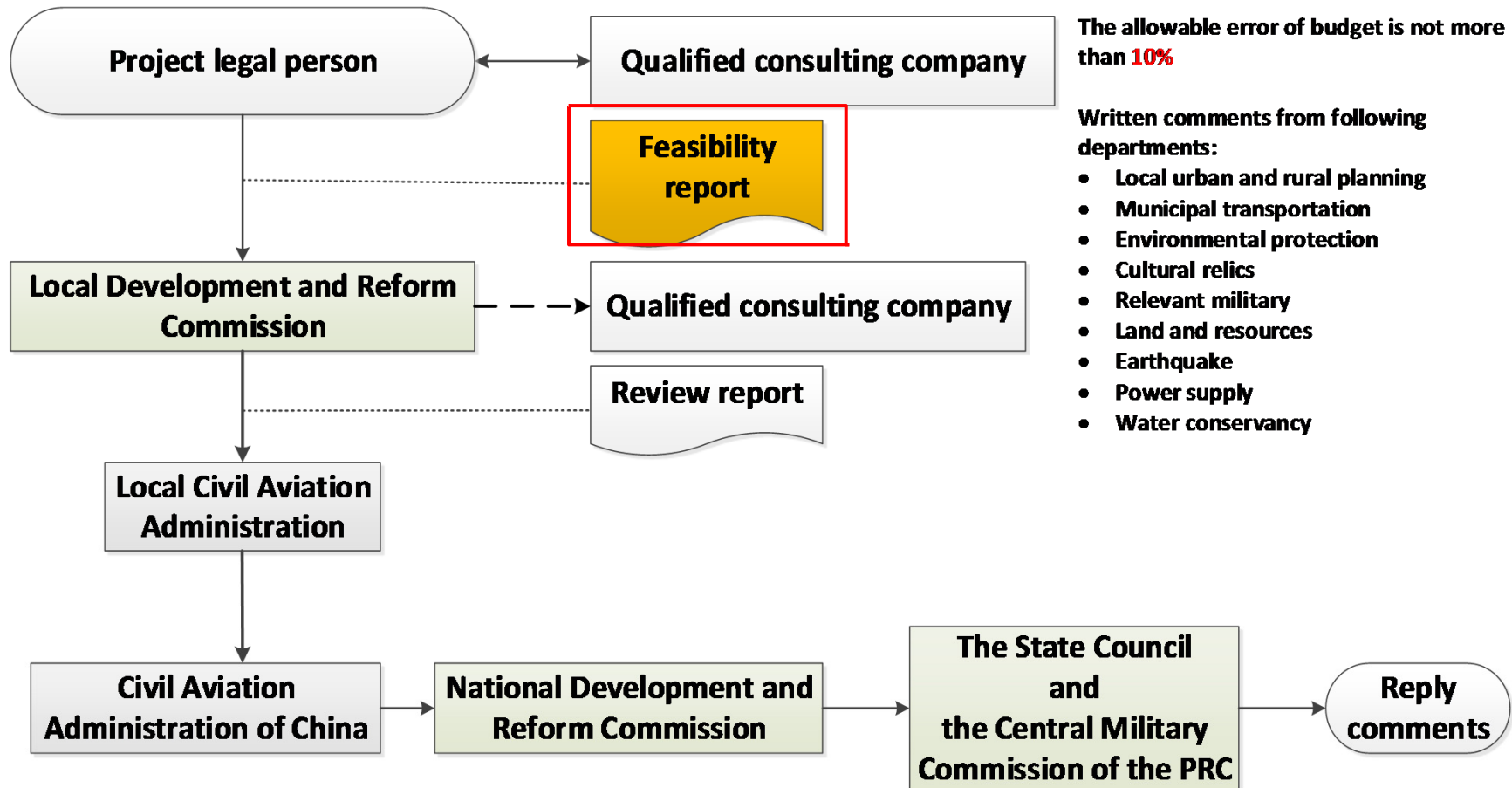


# 1 . Approval procedure



## ② Project decision-making

### ■ Government investment projects: Feasibility

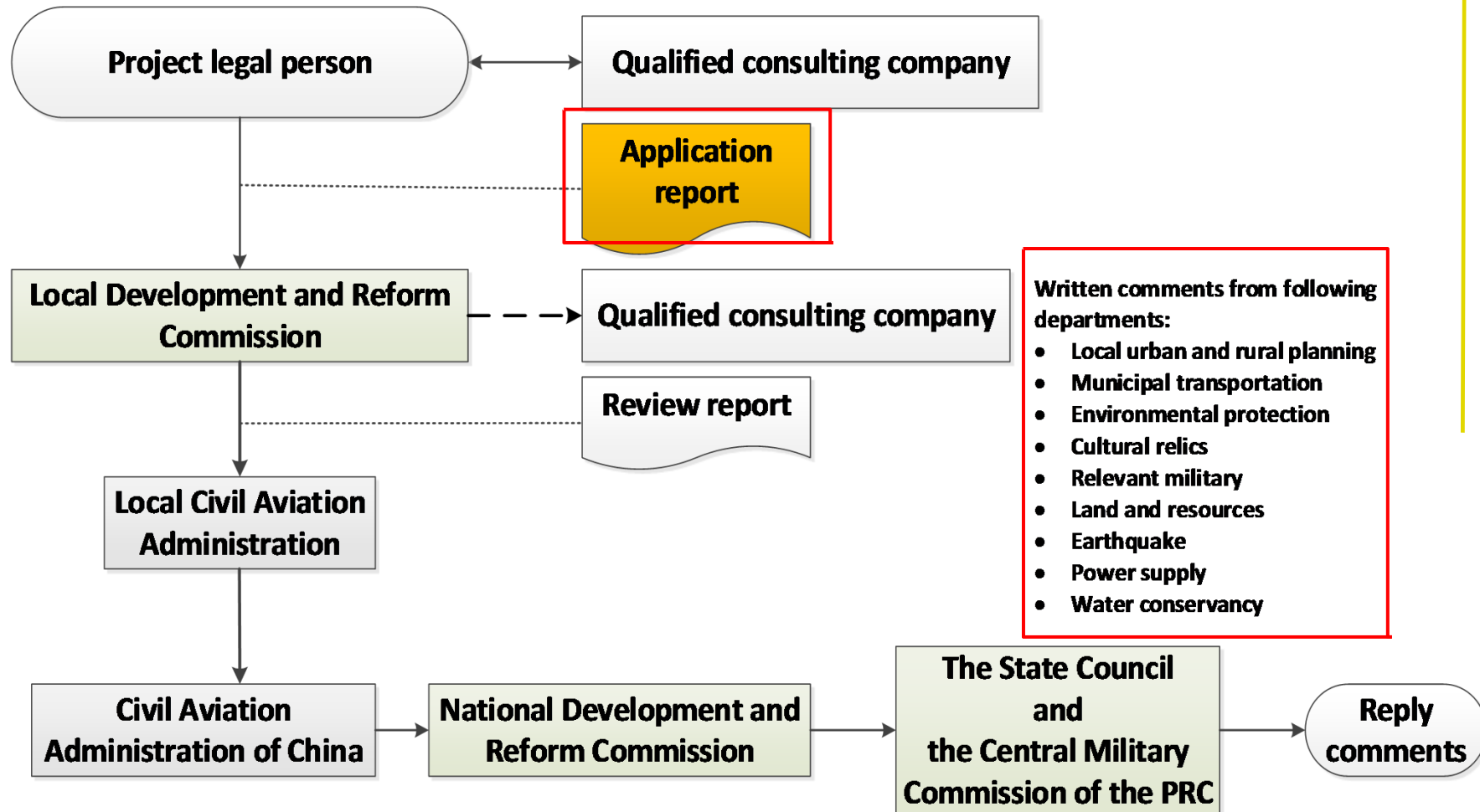


# 1 . Approval procedure



## ② Project decision-making

### ■ Non government investment projects: Application approval



# 1 . Approval procedure



## ③ General planning

- Determine the forecast of passenger throughput and cargo throughput.
- Determine the detailed layout and arrangement of each functional area.
- The approval body is Local Civil Aviation Administration and Civil Aviation Administration of China.

## ④ Preliminary design and budget

- Preliminary design is depth design based on the general planning.

# 1 . Approval procedure



- **The preliminary design budget is the basis of annual investment plan.**
- **For government investment project, the preliminary design budget is the basis of the allocation of government funds.**
- **For civil aviation project, the approval body is Local Civil Aviation Administration, and Civil Aviation Administration of China.**
- **For non-civil aviation project, the approval body is Local Department of Housing and Urban-rural Development and Ministry of Housing and Urban-rural Development.**

# 1 . Approval procedure



## ⑤ Acceptance of construction

- **The approval body is Local Department of Housing and Urban-rural Development, and Ministry of Housing and Urban-rural Development.**

## ⑥ Acceptance of civil aviation

- **The approval body is Local Civil Aviation Administration, and Civil Aviation Administration of China.**

## 2 . One conference, three platforms



Discovery  
CHANNEL



## 2 . One conference, three platforms

Hongqiao  
Airport Terminal 2

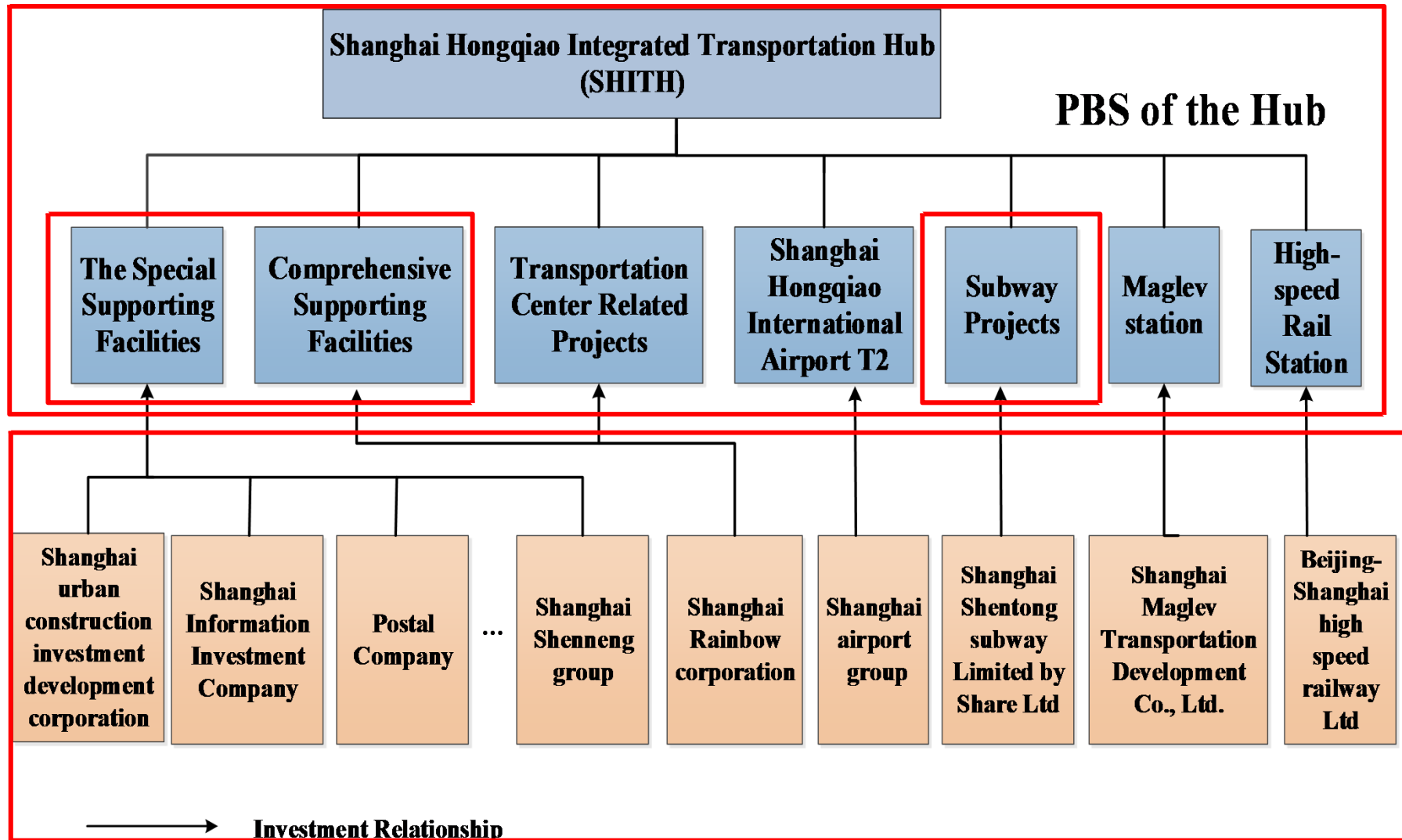
East Transportation  
Center

Maglev Rail station

High-speed  
Rail station

West Transportation  
Center

## 2. One conference, three platforms





## 2 . One conference, three platforms



How to coordinate the different interfaces of investment, construction and operation?

How to make key decision? And how to coordinate major conflicts?

How to coordinate the design institutes delegated by different owners?

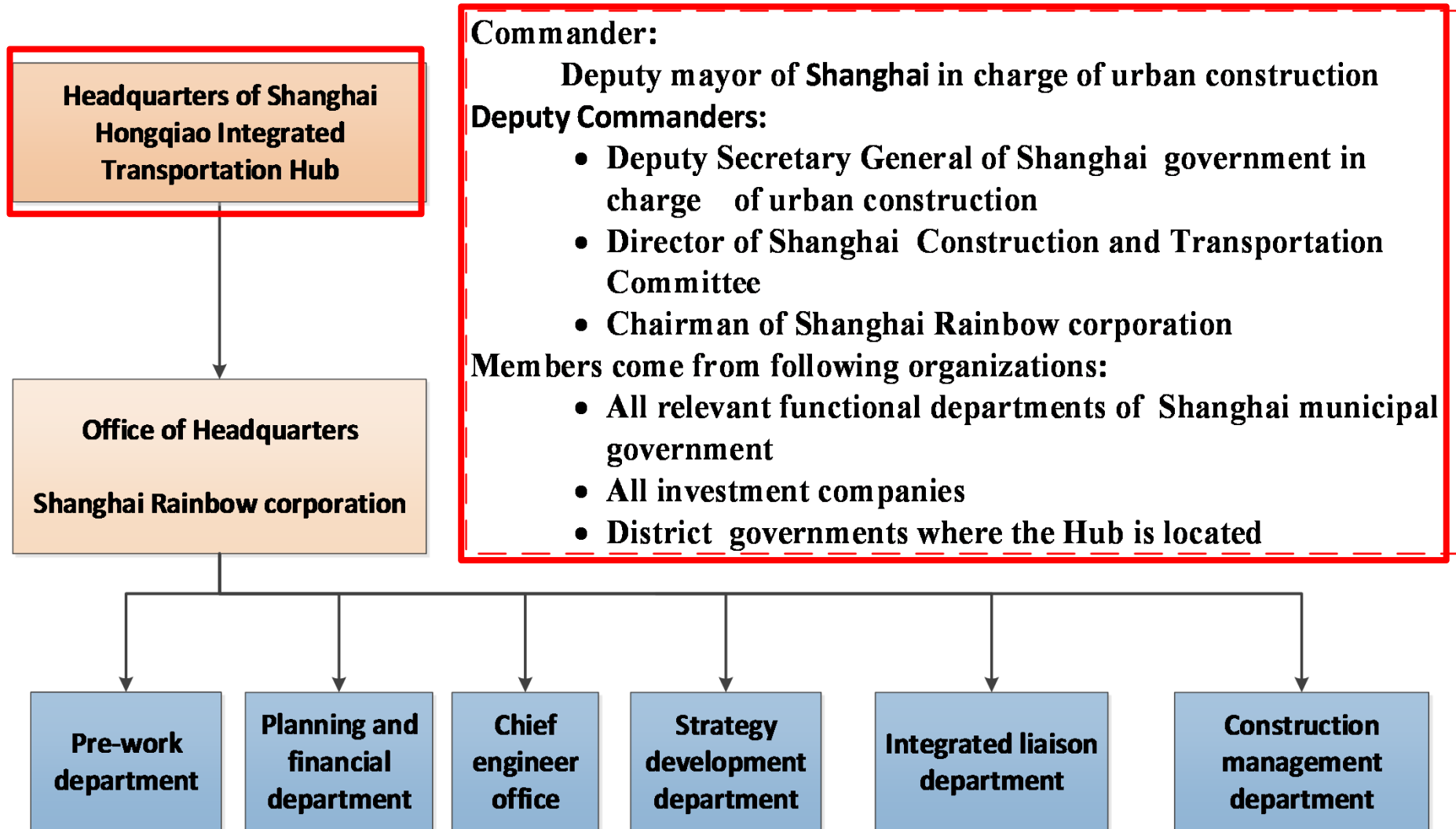
How to coordinate the dynamic construction site layout?

How to coordinate the project progress?

## 2 . One conference, three platforms



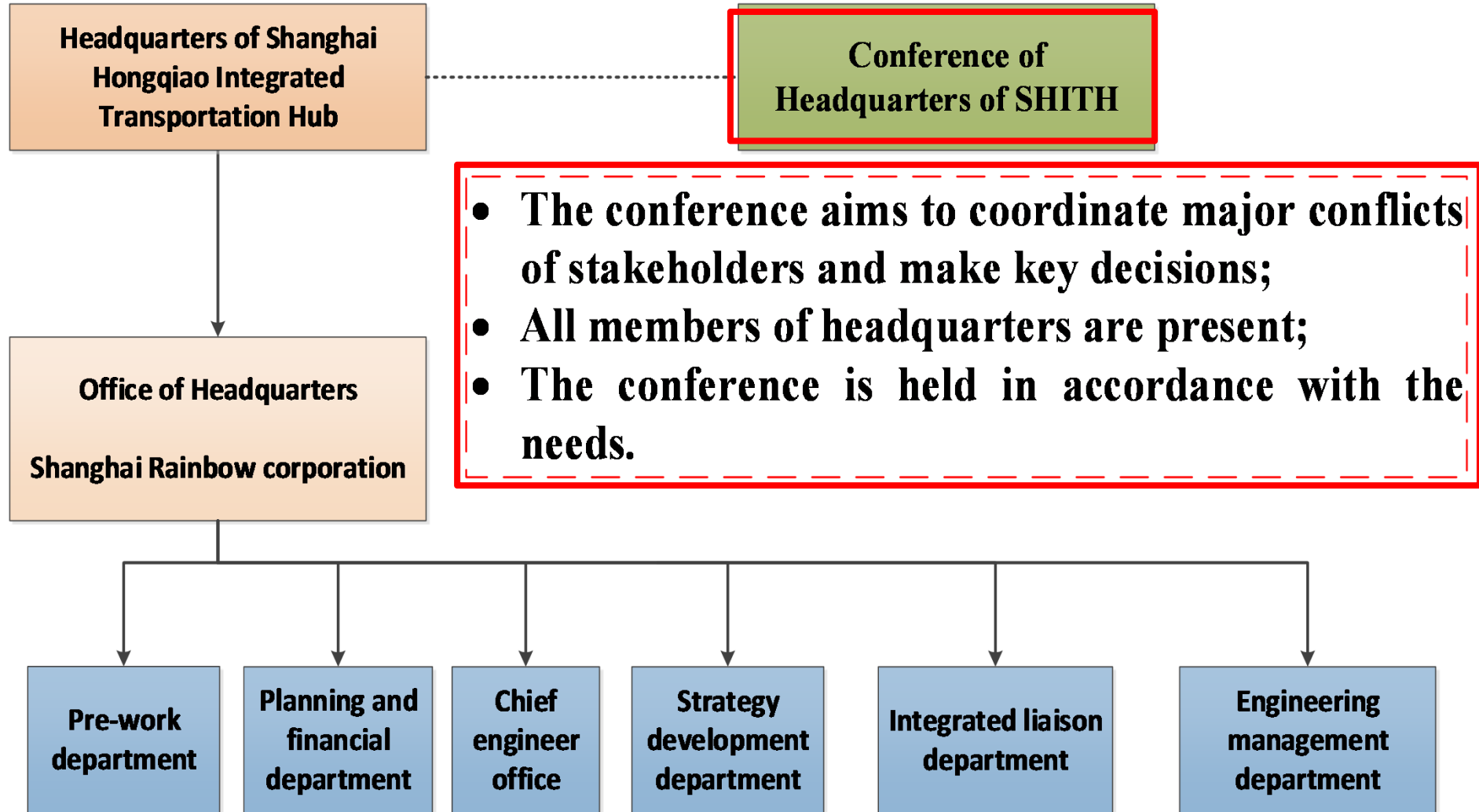
### The organization arrangement from shanghai municipal government



## 2 . One conference, three platforms



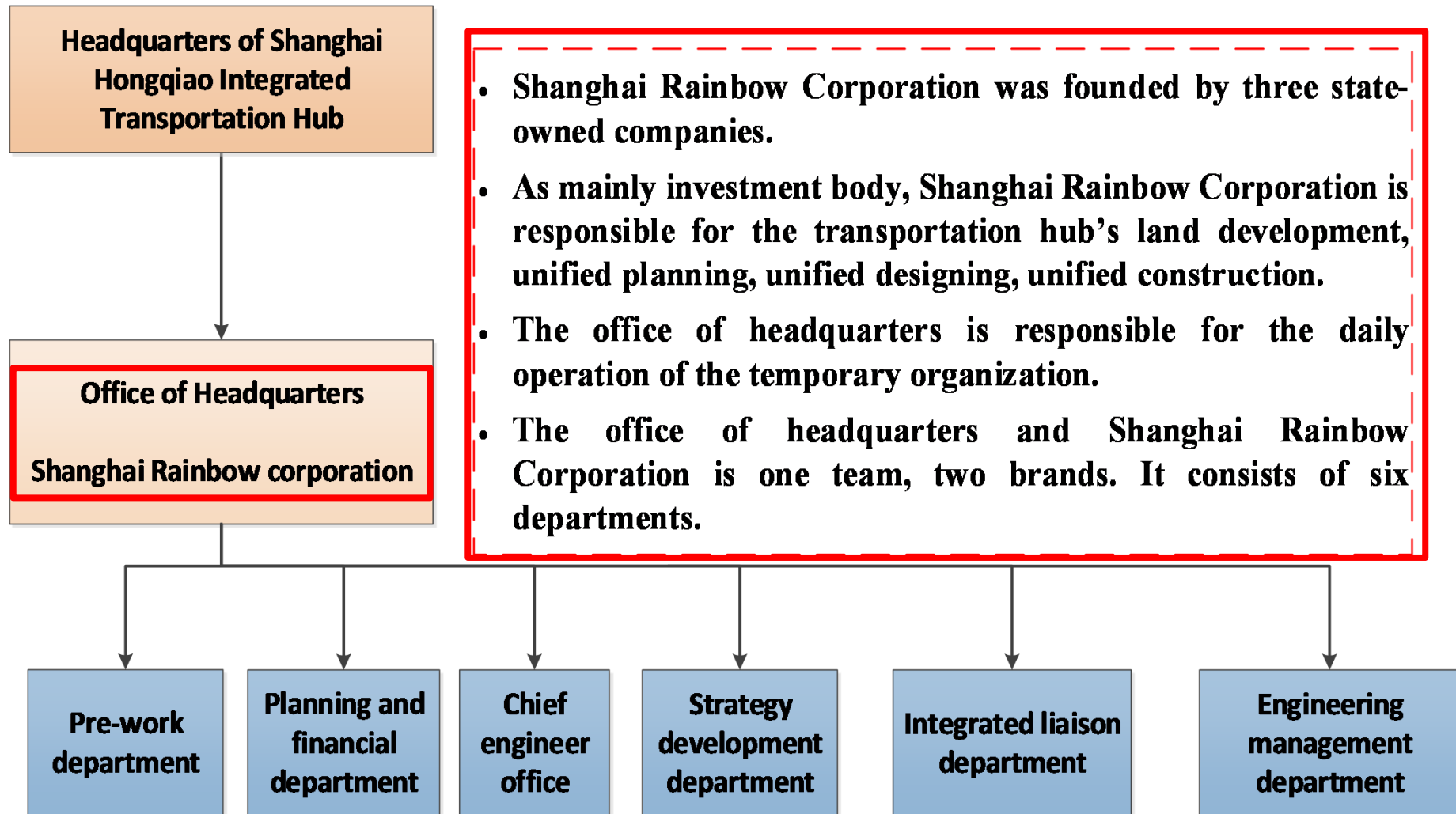
The organization arrangement from shanghai municipal government



## 2 . One conference, three platforms



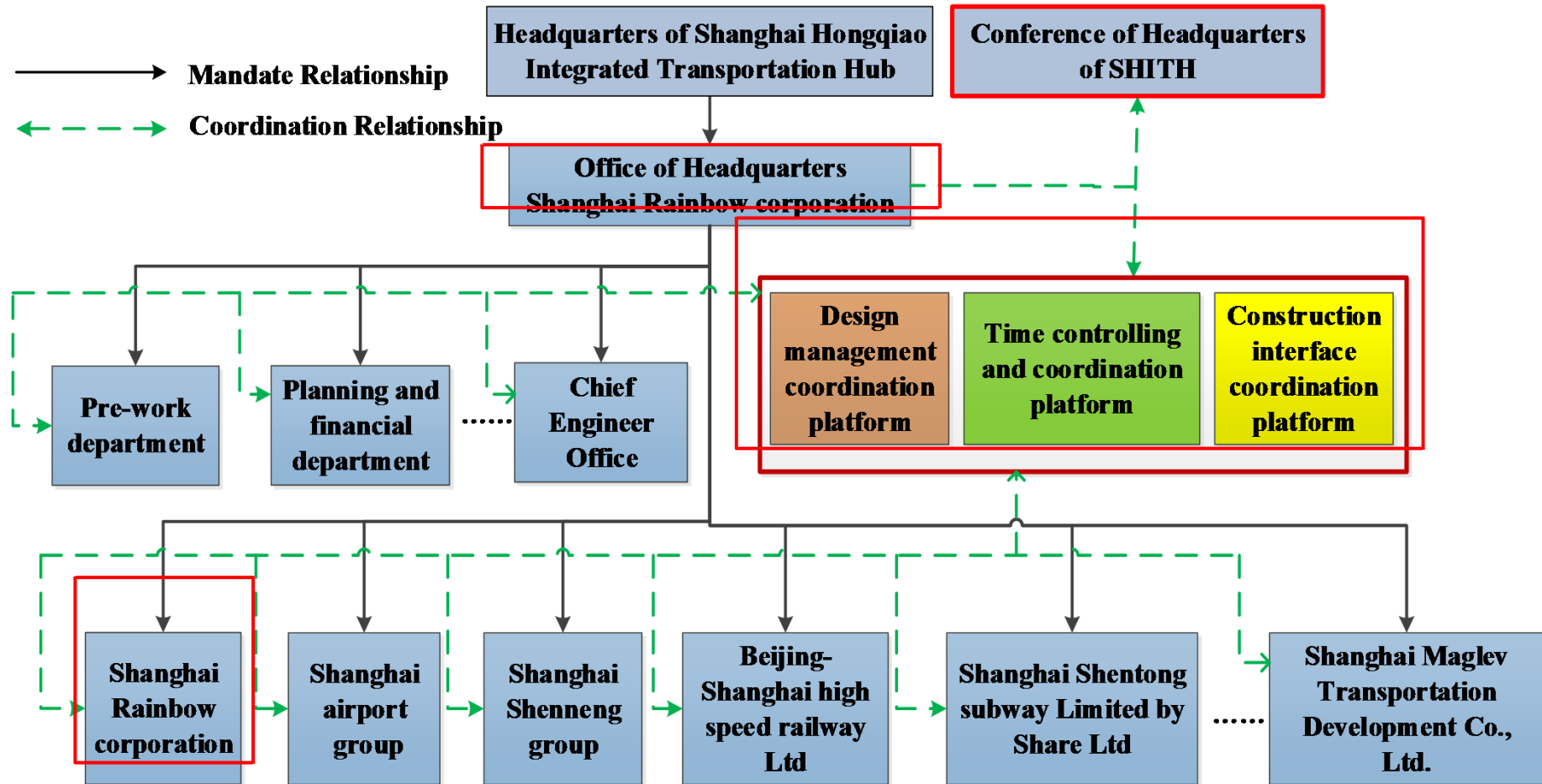
### The organization arrangement from shanghai municipal government



# 2. One conference, three platforms



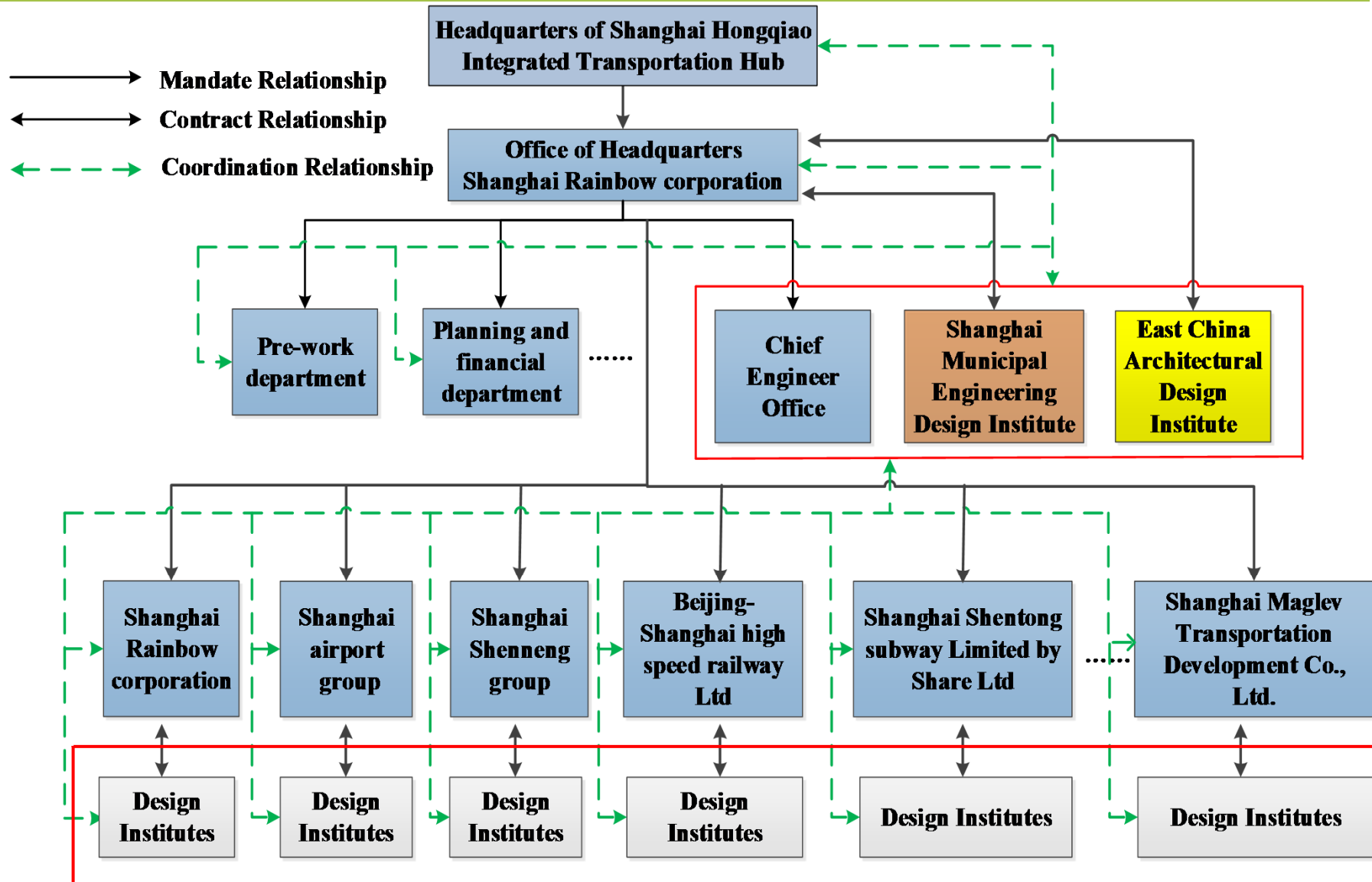
## The mechanisms arrangement from Shanghai Rainbow Corporation



# 2. One conference, three platforms



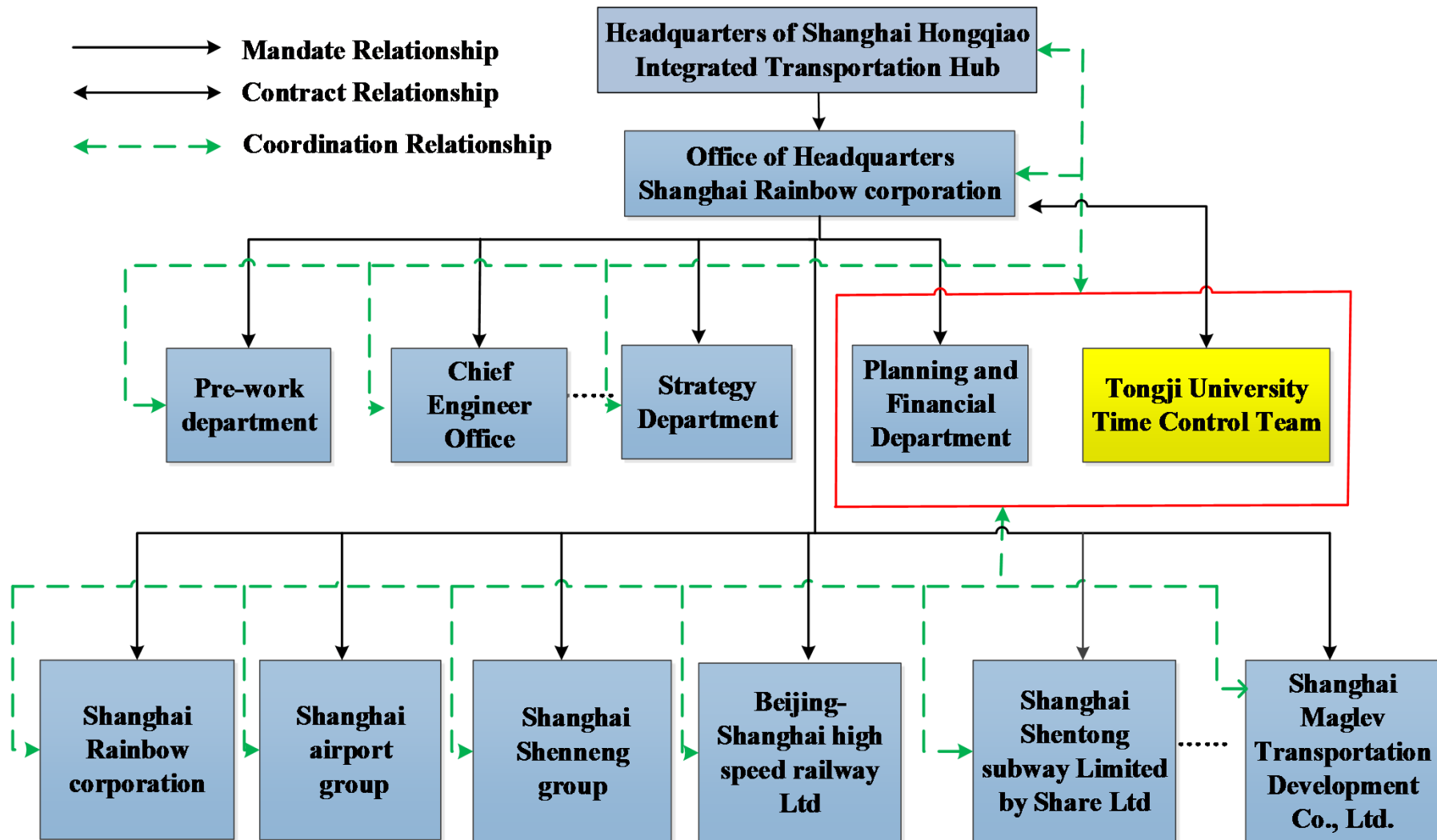
## ① Design management coordination platform



# 2. One conference, three platforms



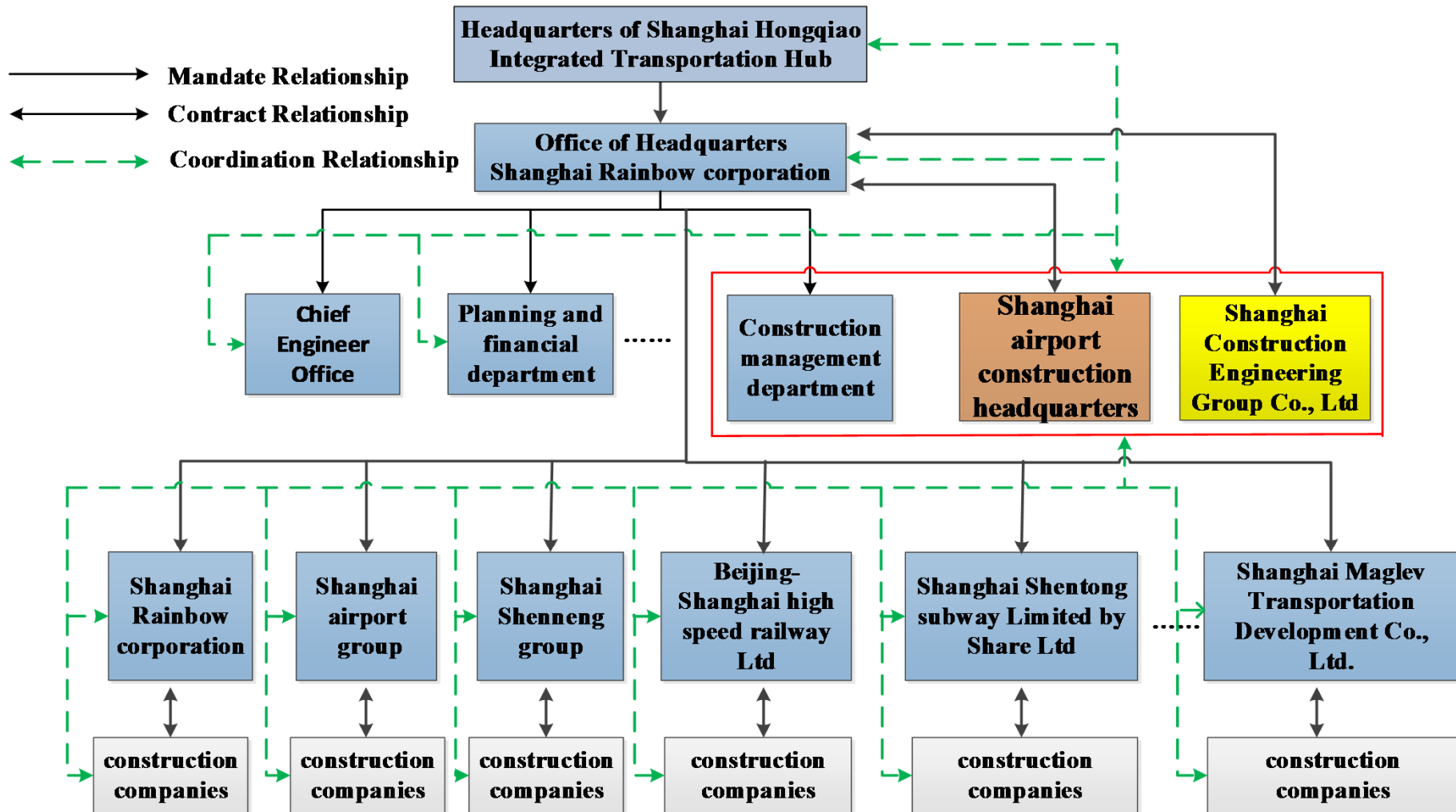
## ② Time controlling and coordination platform



# 2. One conference, three platforms



## ③ Construction interface coordination platform

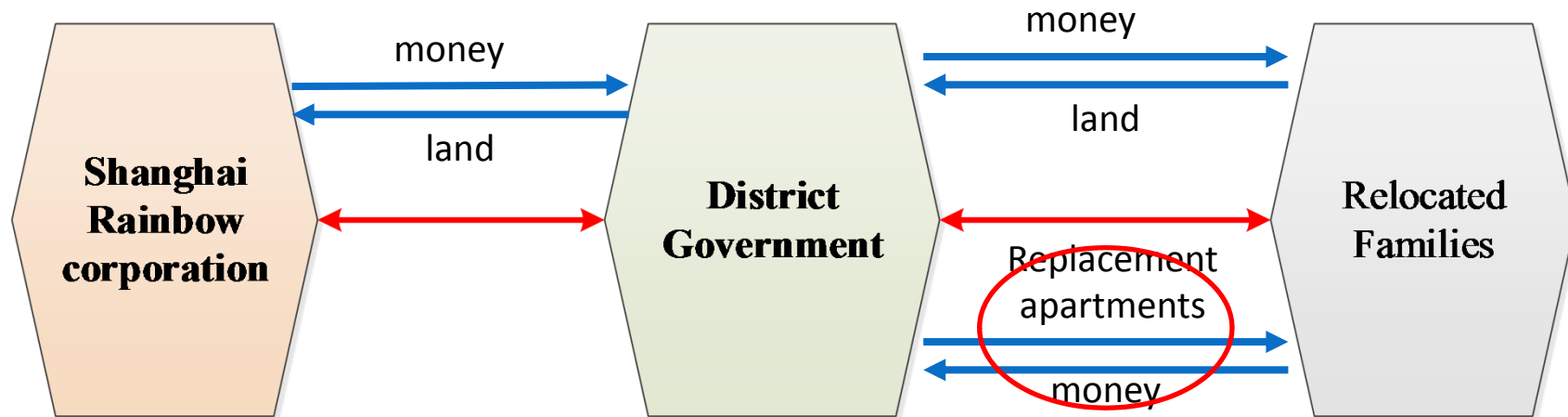




# 3 . Three apartments for each relocated family



### 3 . Three apartments for each relocated family



- ① Shanghai Rainbow corporation delegated district government to deal with land acquisition and relocation;
- ② District government solicited the opinions of the relocated families to develop a compensation scheme.

The original housing demolition compensation and replacement housing transactions were carried out respectively.

### 3 . Three apartments for each relocated family



When district government determined each family can have a replacement housing of 260 square meters, the relocated families suggested that the district government should provide large, medium and small apartments, rather than an apartment of 260 square meters.

District government adopted the views of the relocated families.



- 3 bedrooms 1 living room :120 m<sup>2</sup>
- 2 bedrooms 1 living room :80m<sup>2</sup>
- 1 bedroom 1 living room :60m<sup>2</sup>

### 3 . Three apartments for each relocated family



Type of apartment Area(m <sup>2</sup> )	replaced price (\$/m <sup>2</sup> )	Recent sale price (\$/m <sup>2</sup> )	Recent rent (\$/Month)
120	479.36	5992	674.1
80	479.36	5992	524.3
60	479.36	5992	449.4

260 square meters of replacement housing is larger than the most families' original housing area. The relocated families' housing conditions have been improved.

The relocated families live one apartment by themselves. The other two apartments can be rented or sold. The expected rental and sales price growth of the apartments reflect the relocated families share the increased value of the megaproject.

# 4 . Summary and discussion



## Challenge 1: different opinions on approval procedure

### The Owner's Perspective

- The owners complain approval procedure is complex and time-consuming.

### The Public's Perspective

- The public complain the approval procedure can't control the noise and other pollution.

**There is a dilemma:** the owner hopes to simplify the approval procedure while the public hope to strengthen the approval procedure.



**What should the government do?**

**How to make innovation on government approval procedure?**

## 4 . Summary and discussion



### **Challenge 2: multiple investors and complex interface**

Most new mega airport projects are transportation hubs which include subway, high-speed rail station, municipal road, parking building and so on in China.

Some projects are public, the others are profitable. these projects correspond to different investors.



**How to use the government method and market method to coordinate the investment interface, construction interface and operation interface?**

## 4 . Summary and discussion



### **Challenge 3: development and conflicts**

Although mega airport project promotes the local economic development, the conflict still exist between the relocated families and mega airport project.

One of the main reasons is relocated families haven't share the reasonable benefits of the mega airport project.



**How to share the results of the local economic development with the relocated families ?**



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**Thank You for Your Attention**

**All Questions are Welcome!**