

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

4QW - Revitalisation Scheme - Revitalisation of Lui Seng Chun as the Hong Kong Baptist University Chinese Medicine and Healthcare Centre

Members are invited to recommend to Finance Committee the upgrading of **4QW**, entitled “Revitalisation Scheme - Revitalisation of Lui Seng Chun as the Hong Kong Baptist University Chinese Medicine and Healthcare Centre” to Category A at an estimated cost of \$24.7 million in money-of-the-day prices.

PROBLEM

Lui Seng Chun would be revitalised into a centre for the promotion of Chinese medicine – namely the Hong Kong Baptist University Chinese Medicine and Healthcare Centre by the selected non-profit-making organisation (NPO), the Hong Kong Baptist University (HKBU), under the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme). As provided for under the Revitalisation Scheme, Government will meet the cost of the revitalisation works via a capital subvention under the Capital Works Reserve Fund.

/PROPOSAL

PROPOSAL

2. The Commissioner for Heritage (C for H), with the support of the Secretary for Development and on the advice of the Director of Architectural Services (D Arch S), proposes to upgrade the remaining part of **4QW** to Category A at an estimated cost of \$24.7 million in money-of-the-day (MOD) prices for the selected NPO to carry out the revitalisation works for the project.

PROJECT SCOPE AND NATURE

3. The scope of works under **4QW** proposed to be upgraded to Category A in this submission comprises the revitalisation of Lui Seng Chun into the HKBU Chinese Medicine and Healthcare Centre for accommodating the following facilities –

- (a) a Chinese medicine and herbal tea retail shop;
- (b) a Chinese medical consultation room;
- (c) an acupuncture consultation room and an acupuncture treatment room;
- (d) a bone-setting consultation room and a bone-setting treatment room;
- (e) patient waiting areas;
- (f) a Chinese medicine pharmacy;
- (g) a herb brewing room and a herb storage room;
- (h) a roof-top Chinese medicinal herbs garden;
- (i) a multi-media display area;
- (j) a seminar room;
- (k) lobby/reception areas;
- (l) an office;

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- (m) a courtyard; and
- (n) other ancillary facilities, e.g. toilets, a lift, sterilisation room, locker room, server room and plant rooms, etc.

4. The site plan is at Enclosure 1. Photos of the existing Lui Seng Chun are at Enclosure 2. Artist's impressions of the proposed HKBU Chinese Medicine and Healthcare Centre are at Enclosure 3, and floor plans are at Enclosures 4 to 8. The elevations of the building are at Enclosure 9. Subject to approval of the Finance Committee (FC), we plan to commence construction works in December 2010 for completion by December 2011. The Centre will commence operation in the first quarter of 2012.

JUSTIFICATION

Policy Objective of Adaptive Re-Use of Historic Buildings

5. In February 2008, we invited NPOs with charitable status under section 88 of the Inland Revenue Ordinance (Cap.112) to apply for adaptive re-use of selected government-owned historic buildings in the form of social enterprise (SE) under the Revitalisation Scheme. The Scheme aims to achieve the dual objectives of preserving historic buildings and making these available for public use. The selection of NPO for each project followed a vigorous and competitive process and was carried out upon the advice of an Advisory Committee comprising experts from various fields.

6. Under the Revitalisation Scheme, the selected NPOs would become Government's agents of heritage conservation as they would not hold titles to the land/buildings; and their SEs would operate in the government-owned historic buildings on a tenancy basis. Moreover, the performance of the SEs would be closely monitored through the terms of tenancy agreement to ensure that the level of service and provision of public access stated in their proposals would be fully complied with. For Lui Seng Chun, the HKBU was selected to undertake the preservation and revitalisation works to adapt Lui Seng Chun into the HKBU Chinese Medicine and Healthcare Centre for the promotion of Chinese medicine.

/Preservation

Preservation of Building with Historic and Architectural Value

7. Lui Seng Chun was built in 1931 under the ownership of Mr. Lui Leung. The ground floor of the building was occupied by a Chinese bone-setting medicine shop named “Lui Seng Chun” while the upper floors became living quarters for members of the Lui family. It has been left vacant since 1980 and the ownership of the building was transferred to the Government in 2003. The building has been deteriorating and, hence, requires maintenance from time to time.

8. Lui Seng Chun is a typical ‘Tong-lau’ (Chinese tenement) building, featuring deep verandahs and a stone plaque bearing the Chinese name of the medicine shop at the top of the building. The building has been accorded a Grade 1 status by the Antiquities Advisory Board (AAB) in recognition of its architectural merit and the historical significance of the site.

Benefits of the Project

9. The project will generate the following benefits –

- (a) The Chinese Medicine and Healthcare Centre will benefit the local community by offering quality Chinese medical consultation services with quotas for the low-income group and the elderly at concessionary fees. The Centre will also provide other community services such as communal health education and programmes/workshops for the promotion of Chinese medicine; and
- (b) The Centre will become an attraction to both tourists and locals. HKBU will liaise with the Hong Kong Tourism Board to promote the revitalised Lui Seng Chun as a tourist attraction, thus bringing business opportunities to the area. HKBU will link up the revitalised Lui Seng Chun with other historic sites nearby and organise public tours jointly with their operators. There will be free public access to the Chinese medicine and herbal tea retail shop, the multi-media display area and the courtyard on the ground floor so that visitors can appreciate this historic building. Guided tours of the building will also be arranged by advance booking, provided that it does not affect the main operation of the Centre.

/FINANCIAL

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the project to be \$24.7 million in MOD prices (please see paragraph 13 below), broken down as follows –

		\$ million	
(a)	Demolition and site clearance	1.0	
(b)	Foundation	1.7	
(c)	Building	10.2	
(d)	Building services	4.4	
(e)	Drainage	0.3	
(f)	External works	0.6	
(g)	Additional energy conservation measures	0.2	
(h)	Furniture and equipment	0.7	
(i)	Consultants' fees for tender assessment and contract administration	1.0	
(j)	Remuneration of resident site staff	0.9	
(k)	Contingencies	2.1	
	Sub-total	23.1	(in September 2009 prices)
(l)	Provision for price adjustment	1.6	
	Total	24.7	(in MOD prices)

/HKBU

HKBU will engage consultants (including architects, structural engineers, building services engineers, quantity surveyors and heritage conservation consultants) to undertake tender assessment, contract administration and site supervision of the project. A detailed breakdown of the estimates for consultants' fees and resident site staff costs in man-months is at Enclosure 10.

11. Pre-contract consultancies and detailed design for the project are near completion, with tender documentation under preparation. Subject to FC's approval for the project, HKBU intends to invite bids for the tender of the construction works in August 2010.

12. The total construction floor area (CFA) of **4QW** is 762 m². The construction unit cost, represented by the building and building services costs, is estimated to be \$19,160 per m² of CFA in September 2009 prices. We consider the unit cost reasonable as the works involve the preservation and adaptive reuse of a historic building, which was built in the early 20th century. The estimated cost reflects the cost of works necessary for revitalising this historic building into the HKBU Chinese Medicine and Healthcare Centre with display areas for showing the history of Chinese Medicine. The works would also allow the Centre to comply with modern-day requirements under the Buildings Ordinance (Cap. 123) and heritage conservation requirements of the Antiquities and Monuments Office (AMO), and has made allowance for construction difficulties anticipated for this site.

13. Subject to approval, we will phase expenditure as follows –

Year	\$ million (Sept 2009)	Price adjustment factor	\$ million (MOD)
2010 – 11	1.3	1.02700	1.3
2011 – 12	16.6	1.06551	17.7
2012 – 13	5.0	1.10813	5.5
2013 – 14	0.2	1.15246	0.2
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	23.1		24.7
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14. We have derived the MOD estimate on the basis of Government's latest forecast of trend rate of change in the prices of the public sector building and construction output for the period from 2010 to 2014. HKBU will award the contracts on a lump-sum basis because the scope can be clearly defined in advance. We will allow for price adjustments in the contract.

15. HKBU is responsible for the future maintenance of the historic building and the site at their own cost during the tenancy period of six years. The structural repairs of the historic building will be borne by Government. We estimate that the annual recurrent expenditure for the structural repair works upon completion of the project will be \$12,000.

PUBLIC CONSULTATION

16. HKBU briefed the Yau Tsim Mong District Council on the project on 27 August 2009. Members were supportive of the proposal.

17. HKBU consulted the AAB on its Heritage Impact Assessment (HIA) for the revitalisation project on 2 March 2010 and received its support.

18. We consulted the Legislative Council (LegCo) Panel on Development on 27 April 2010 and Members generally supported the project.

ENVIRONMENTAL IMPLICATIONS

19. The project is not a designated project under the Environmental Impact Assessment (EIA) Ordinance (Cap. 499). The Project will not cause long-term environmental impact. HKBU has included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts.

20. During construction, HKBU will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and provision of wheel-washing facilities.

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21. At the planning and design stages, HKBU has considered measures to reduce the generation of construction waste where possible. These measures include the use of metal site hoardings and signboards, and retention of the existing structures and materials. In addition, HKBU will require the contractor to reuse inert construction waste (e.g. excavated soil) on site or in other suitable construction sites as far as possible, in order to minimize the disposal of inert construction waste at public fill reception facilities¹. HKBU will encourage the contractor to maximize the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

22. At the construction stage, HKBU will also require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. HKBU will ensure that the day-to-day operations on site comply with the approved plan. HKBU will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. HKBU will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

23. HKBU estimates that the project will generate in total about 130 tonnes of construction waste. Of these, HKBU will reuse about 73 tonnes (56.2%) of inert construction waste on site and deliver 51 tonnes (39.2%) of inert construction waste to public fill reception facilities for subsequent reuse. HKBU will dispose of the remaining six tonnes (4.6%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites for this project is estimated to be \$2,127 (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne² at landfills).

/ENERGY

¹ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

² This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills, (which is likely to be more expensive) when the existing ones are filled.

ENERGY CONSERVATION MEASURES

24. This project has adopted various forms of energy efficient features, including –

- (a) variable refrigerant volume air-conditioning system;
- (b) T5 energy efficient fluorescent tubes with electronic ballast control by occupancy sensors and day light sensors;
- (c) light emitting diode (LED) type exit sign; and
- (d) automatic on/off switching of lighting and ventilation fan inside the lift.

25. For renewable energy technology, HKBU will install photovoltaic system and solar hot water system to provide renewable energy for environmental benefits.

26. For greening features, HKBU will provide lawn areas at the courtyard and landscape greening for environmental and amenity benefits.

27. The total estimated additional cost for adoption of the above features is around \$0.24 million (including \$0.09 million for energy efficient features), which has been included in the cost estimate for this project. The energy efficient features will achieve 4.47% energy savings in the annual energy consumption with a payback period of about three years.

LAND ACQUISITION

28. The project does not require land acquisition.

HERITAGE IMPLICATIONS

29. As required under prevailing requirements, this project is subject to an HIA. The HIA report in the form of a Conservation Management Plan was considered by the AMO of the Leisure and Cultural Services Department, which

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had no objection to the report. HKBU also consulted the AAB on the HIA report for this project at its meeting on 2 March 2010 and received its support. HKBU will ensure that the construction works, mitigation measures, future maintenance and interpretation of the site history to be carried out will comply with the requirements stipulated in the HIA report. In case of any amendment to the scheme to tie in with the detailed design to be developed, HKBU will further consult the AMO and the AAB and formulate additional mitigation measures as necessary to ensure that any possible impact on the heritage site is acceptable from the conservation perspective.

BACKGROUND INFORMATION

30. We upgraded **4QW** to Category B in April 2009. Part of **4QW** was upgraded to Category A in August 2009 under delegated authority at an estimated cost of \$1.96 million in MOD prices for HKBU to carry out the pre-contract consultancies (which included detailed architectural, heritage conservation, town planning, structural, geotechnical, building services, landscape design, quantity surveying services and tender documentation) and minor investigation for **4QW**.

31. Details of the Revitalisation Scheme were set out in LegCo Paper No. CB(2)637/07-08(03), which was discussed by the LegCo Panel on Home Affairs on 2 January 2008.

32. The project will not involve removal of trees.

33. We estimate that the project will create about 38 jobs (comprising 5 professional/technical staff and 33 labourers), providing a total employment of 470 man-months.

Development Bureau
May 2010

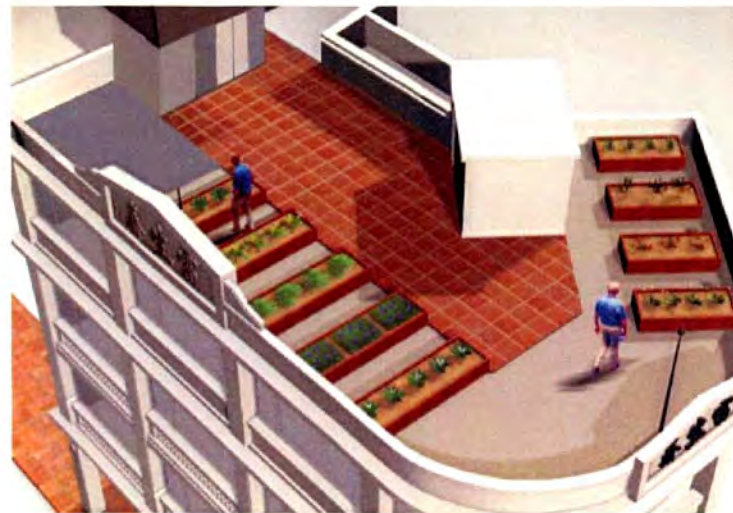




Existing Building
樓宇現貌

4QW-Revitalisation Scheme – Revitalisation of Lui Seng Chun as the HKBU Chinese Medicine and Healthcare Centre

4QW-活化歷史建築伙伴計劃 - 活化雷生春為香港浸會大學中醫藥保健中心



Artist's Impressions after Revitalisation
活化後的外觀構思圖

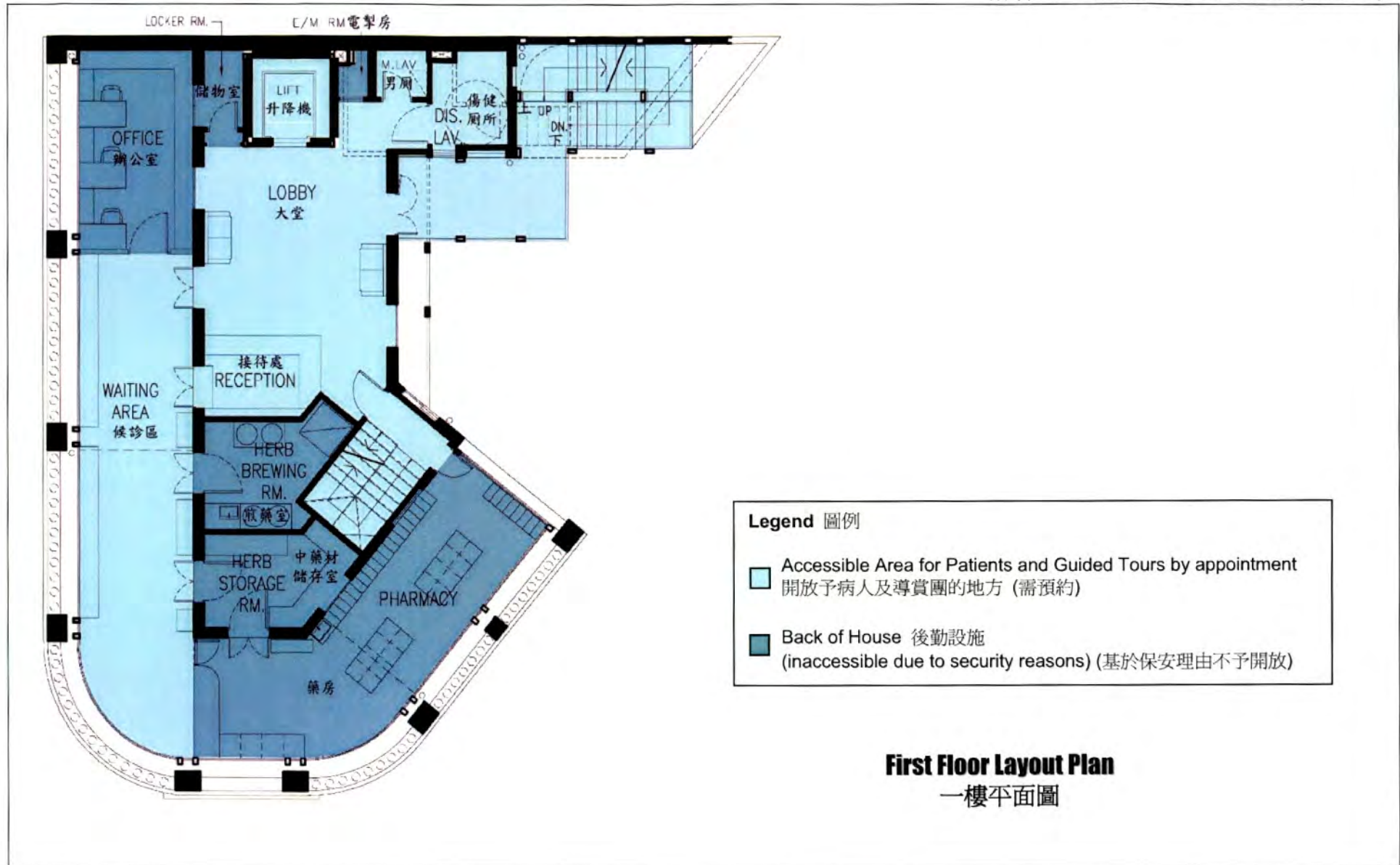
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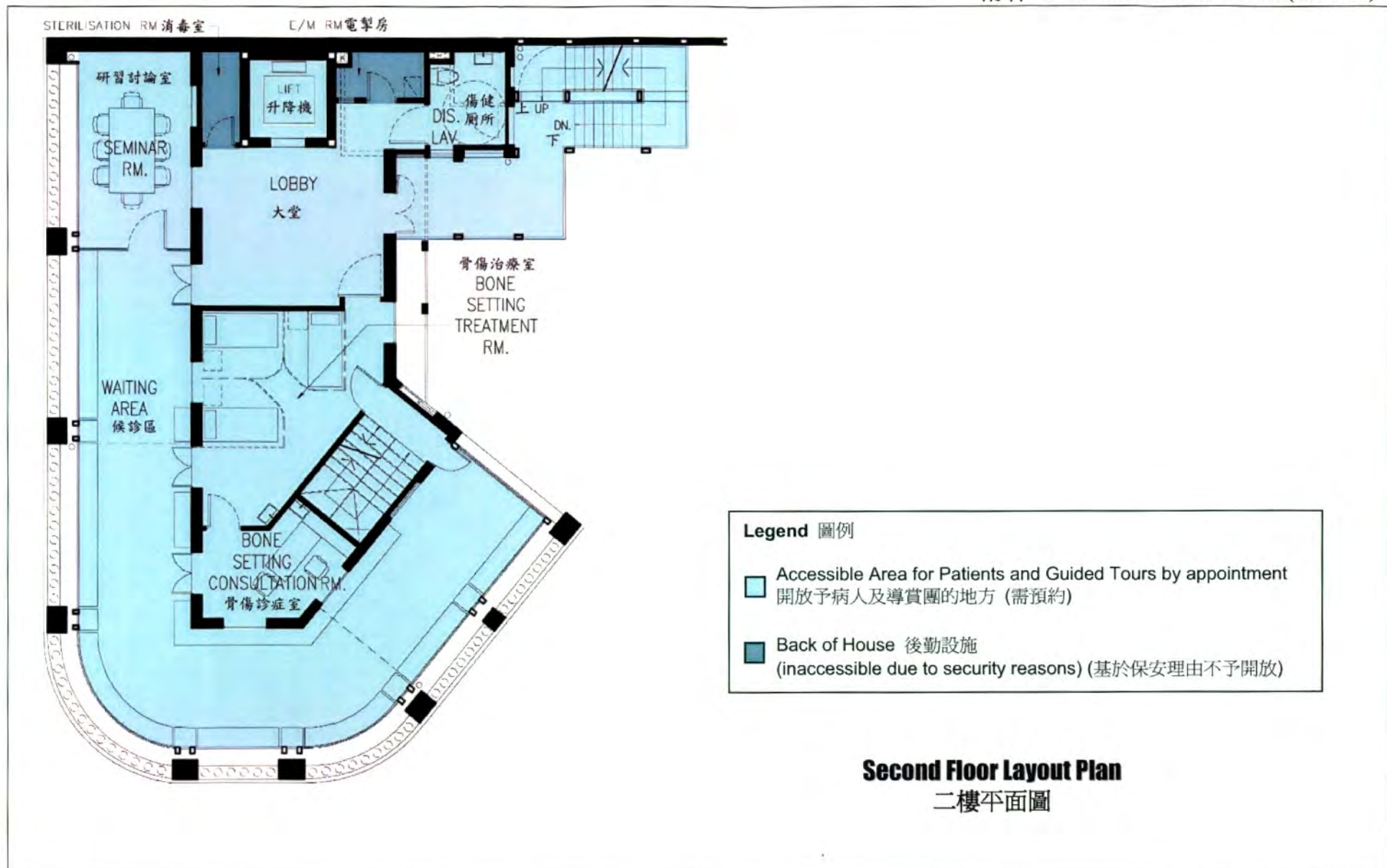
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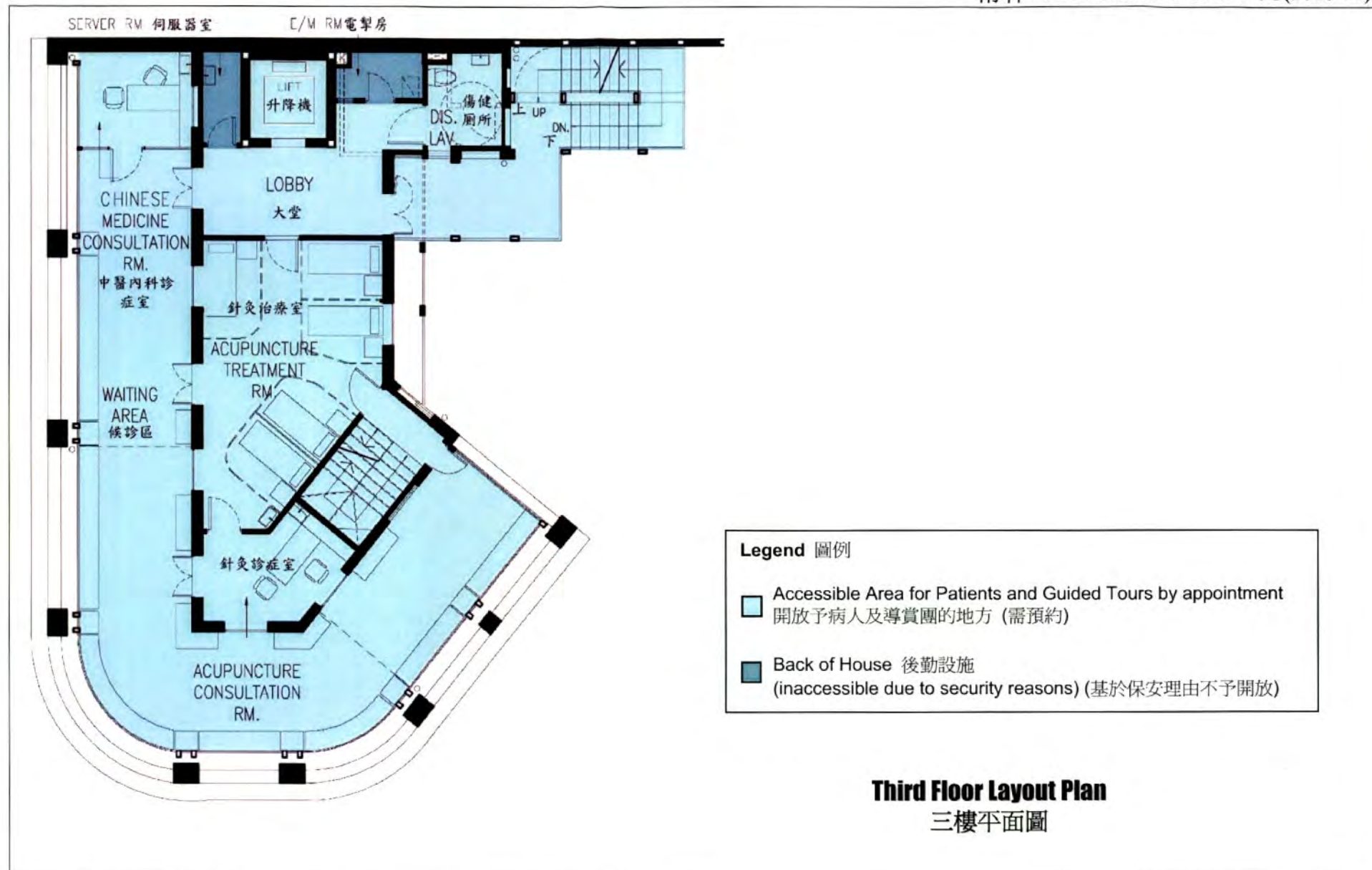
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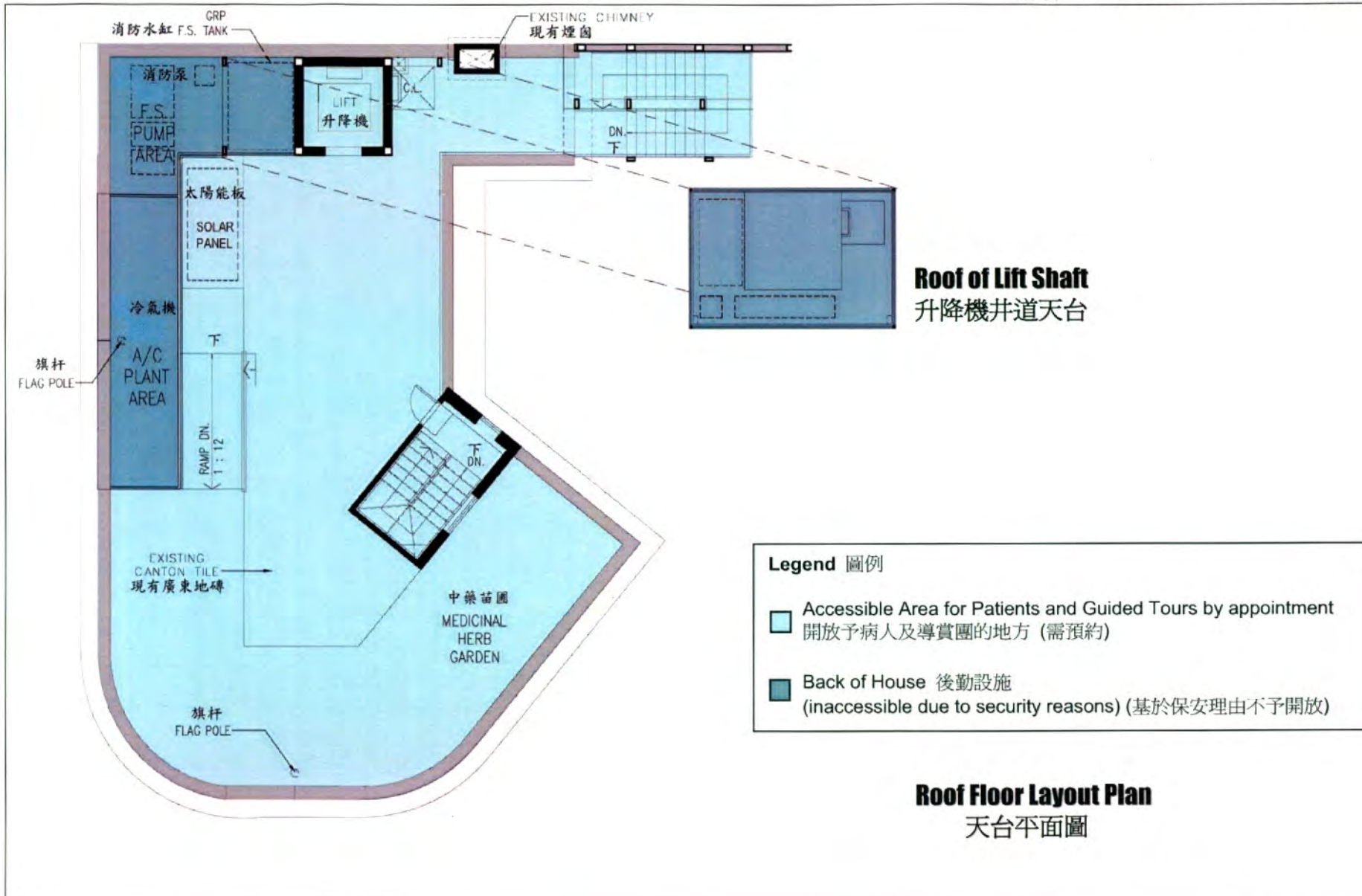
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Facing Lai Chi Kok Road 向荔枝角道



Facing Tong Mi Road 向塘尾道

Elevations 立視圖

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4QW – Revitalisation Scheme - Revitalisation of Lui Seng Chun as the Hong Kong Baptist University Chinese Medicine and Healthcare Centre

Breakdown of estimates for consultants' fees and residential site staff costs (in September 2009 prices)

		Estimated man-months	Average MPS* Salary Point	Multiplier (Note 1)	Estimated Fees (\$ million)
(a) Consultants' staff costs for tender assessment and contract administration	Professional	5	38	2.0	0.6
	Technical	11	14	2.0	0.4
				Sub-total	1.0
(b) Remuneration of resident site staff costs (Note 2)	Technical	27	14	1.6	0.9
				Sub-total	0.9
Total					1.9

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs including the consultants' overheads and profits, as the staff will be employed in the consultants' offices. A multiplier of 1.6 is applied to the average MPS salary point to arrive at the full staff costs for resident site staff supplied by the consultant. (As at now, MPS point 38 = \$57,280 per month and MPS point 14 = \$19,835 per month)
2. The figures given above are based on estimates prepared by HKBU and agreed by the C for H. D Arch S has examined the figures and considered them acceptable. For resident site staff costs, HKBU will only know the actual costs after completion of the construction works.