

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

7QW – Revitalisation Scheme – Revitalisation of Mei Ho House as City Hostel

Members are invited to recommend to Finance Committee the upgrading of **7QW**, entitled “Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel” to Category A at an estimated cost of \$209.5 million in money-of-the-day prices.

PROBLEM

Mei Ho House would be revitalised as City Hostel by the selected non-profit-making organisation (NPO), the Hong Kong Youth Hostels Association (HKYHA), 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

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 **7QW** to Category A at an estimated cost of \$209.5 million in money-of-the-day (MOD) prices for the selected NPO to carry out the revitalisation works for the project.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of works under **7QW** proposed to be upgraded to Category A in this submission comprises revitalisation of Mei Ho House as City Hostel for accommodating the following facilities –

- (a) 129 dormitory rooms, including 107 double/twin rooms, eight four-bed family rooms, ten eight-bed rooms and four twin-bed rooms for the disabled;
- (b) Mei Ho House of Livelihood (previously known as Museum of Public Housing);
- (c) a canteen-style common room with kitchen;
- (d) a reception area;
- (e) a sitting-out area;
- (f) amenities/communal space;
- (g) office areas;
- (h) store rooms; and
- (i) other ancillary facilities, e.g. lifts, toilets, plant rooms, etc.

4. The site plan is at Enclosure 1. Photos of the existing Mei Ho House are at Enclosure 2. Artist's impressions of the proposed Hostel after revitalisation are at Enclosure 3 and floor plans are at Enclosures 4 to 7. The elevations of the building are at Enclosure 8. Subject to approval of Finance Committee (FC), we plan to commence construction works in December 2010 for completion by July 2012. The Hostel will commence operation in the third quarter of 2012.

/JUSTIFICATION

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 title 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 the tenancy agreement to ensure that the level of service and the provision of public access stated in their proposals were fully complied with. For Mei Ho House, the HKYHA was selected to undertake the preservation and revitalisation works to adapt the Mei Ho House into City Hostel.

Preservation of Building with Historic and Architectural Value

7. Mei Ho House of Shek Kip Mei Estate was among the first six-storey resettlement blocks built in 1954 after the Shek Kip Mei fire. It has been left vacant since 2004. The building has been deteriorating and, hence, requires maintenance from time to time.

8. Mei Ho House is characterised by two identical wings linked up by a cross piece forming a H-shaped plan. As most of the resettlement blocks have been demolished, Mei Ho House is the only Mark I¹ H-shaped resettlement block remaining. Mei Ho House was accorded Grade 1 status in 2005 by the Antiquities Advisory Board (AAB) in recognition of its historical significance and architectural merit. Under the current review of the grading of 1 444 historic buildings by the AAB, Mei Ho House is proposed to be a Grade 2 historic building.

/Benefits

¹ 'Mark I' was a reference to a standard design of resettlement block which resembles the letter 'H'. It consists of two linear blocks connected by a central block forming a H-shaped plan.

Benefits of the Project

9. The project will generate the following benefits –
- (a) The Hostel will benefit the local community and local economy by offering hostel accommodation for budget travellers looking for wholesome, safe and clean accommodation at affordable prices. The client base includes international backpackers, Mainland visitors, local youth groups, low-budget business travellers buying goods from wholesalers in Sham Shui Po, etc.;
 - (b) HKYHA hopes to strengthen ‘family’ as a core social value in Sham Shui Po by developing the Mei Ho ‘Alumni Network’, which offers opportunities for former residents of the Shek Kip Mei Estate to interact with local youth and visitors, to share their life experience and to inspire resilience among our youth;
 - (c) The Mei Ho House of Livelihood will occupy the ground floor and the first floor of one of the wings of Mei Ho House. The first floor will accommodate sample residential units which are restored to their original condition and furnished as in the 1950’s. Since Mei Ho House marks the beginning of public housing development in Hong Kong, the opportunity will be taken to display the lifestyle of public housing tenants in this type of buildings in the early days; and
 - (d) HKYHA will operate City Hostel as a SE, organise guided tours and workshops in the Mei Ho House of Livelihood to promote the history of Mei Ho House, public housing in Shek Kip Mei and the history of rooftop school. There will be free public access to the Mei Ho House of Livelihood on the ground floor, sample residential units on the first floor, outdoor areas and the courtyard so that visitors may appreciate this historic building. HKYHA plans to adopt a district-based planning approach to create synergy between Mei Ho House and other heritage spots in the vicinity, such as the Former North Kowloon Magistracy, Lui Seng Chun, Lei Cheng Uk Han Tomb, Sam Tai Tsz Temple and Pak Tai Temple, etc. Joint regional programmes, including guided tours covering these heritage spots, will be organised. These tours will be led by local residents in need of part-time employment. They will help introduce the life of the local community in the early days, the commercial vibrancy of this wholesale and retail area, and the early architecture of Sham Shui Po.

/FINANCIAL

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the project to be \$209.5 million in MOD prices (please see paragraph 13 below), broken down as follows –

	\$ million	
(a) Demolition and site clearance	8.1	
(b) Piling and foundation	1.9	
(c) Building	94.5	
(d) Building services	34.9	
(e) Drainage	3.4	
(f) External works and landscaping	7.0	
(g) Additional energy conservation measures	1.1	
(h) Furniture and equipment	18.9	
(i) Consultants' fees for tender assessment and contract administration	4.3	
(j) Remuneration of resident site staff	3.0	
(k) Contingencies	17.7	
Sub-total	194.8	(in September 2009 prices)
(l) Provision for price adjustment	14.7	
Total	209.5	(in MOD prices)

/HKYHA

HKYHA 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 of consultants' fees and resident site staff costs in man-months is at Enclosure 9.

11. Pre-contract consultancies and detailed design for the project are well underway. Subject to the finalisation of the detailed design and FC's approval for the project, HKYHA intends to invite bids for the tender of the construction works in September 2010.

12. The total construction floor area (CFA) of **7QW** is 7 600 m². The estimated construction unit cost, represented by the building and building services costs, is \$17,026 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 mid-20th century and is now in a dilapidated condition. The estimated cost reflects the cost of works necessary for revitalising this historic building into a hostel with facilities comparable to a two to three star hotel rating. The works would also allow the hostel 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 re-construction of the central core.

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

Year	\$ million (Sept 2009)	Price adjustment factor	\$ million (MOD)
2010 – 11	11.2	1.02700	11.5
2011 – 12	138.3	1.06551	147.4
2012 – 13	35.5	1.10813	39.3
2013 – 14	9.8	1.15246	11.3
	—————		—————
	194.8		209.5
	—————		—————

/14.

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. HKYHA will award the contract on a lump-sum basis because the scope can be clearly defined in advance. We will allow for price adjustments in the contract.

15. HKYHA 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 maintenance of 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 \$187,000.

PUBLIC CONSULTATION

16. HKYHA briefed the Sham Shui Po District Council on the project on 5 May 2009 and Members were supportive of the proposal.

17. HKYHA 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 Ordinance (Cap. 499). It will not cause any long-term environmental impact. HKYHA has included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts.

20. During construction, HKYHA 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.

21. At the planning and design stages, HKYHA 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, HKYHA 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 minimise the disposal of inert construction waste at public fill reception facilities². HKYHA will encourage the contractor to maximise the use of recycled / recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

22. At the construction stage, HKYHA 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. HKYHA will ensure that the day-to-day operations on site comply with the approved plan. HKYHA will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. HKYHA 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. HKYHA estimates that the project will generate in total about 3 050 tonnes of construction waste. Of these, HKYHA will reuse about 235 tonnes (7.7%) of inert construction waste on site and deliver 2 390 tonnes (78.4%) of inert construction waste to public fill reception facilities for subsequent reuse. HKYHA will dispose of the remaining 425 tonnes (13.9%) 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 \$117,655 (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne³ at landfills).

ENERGY CONSERVATION MEASURES

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

/(a)

² 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.

³ 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.

- (a) heat recovery fresh air pre-conditioners in air-conditioned office space for heat energy reclaim from exhaust air;
- (b) T5 energy efficient fluorescent tubes with electronic ballast and lighting control by occupancy sensors / daylight sensors;
- (c) light emitting diode (LED) type exit signs;
- (d) automatic on/off switching of lighting and ventilation fan inside lifts; and
- (e) intelligent card key system for dormitory rooms.

25. For greening features, HKYHA will provide planters in external sitting-out areas and landscape greening for environmental and amenity benefits.

26. The total estimated additional cost for adoption of the above features is around \$1.1 million (including \$0.5 million for energy efficient features), which has been included in the cost estimate for this project. The energy efficient features will achieve 5.4% energy savings in the annual energy consumption with a payback period of about four years.

LAND ACQUISITION

27. The project does not require land acquisition.

HERITAGE IMPLICATIONS

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

/BACKGROUND

BACKGROUND INFORMATION

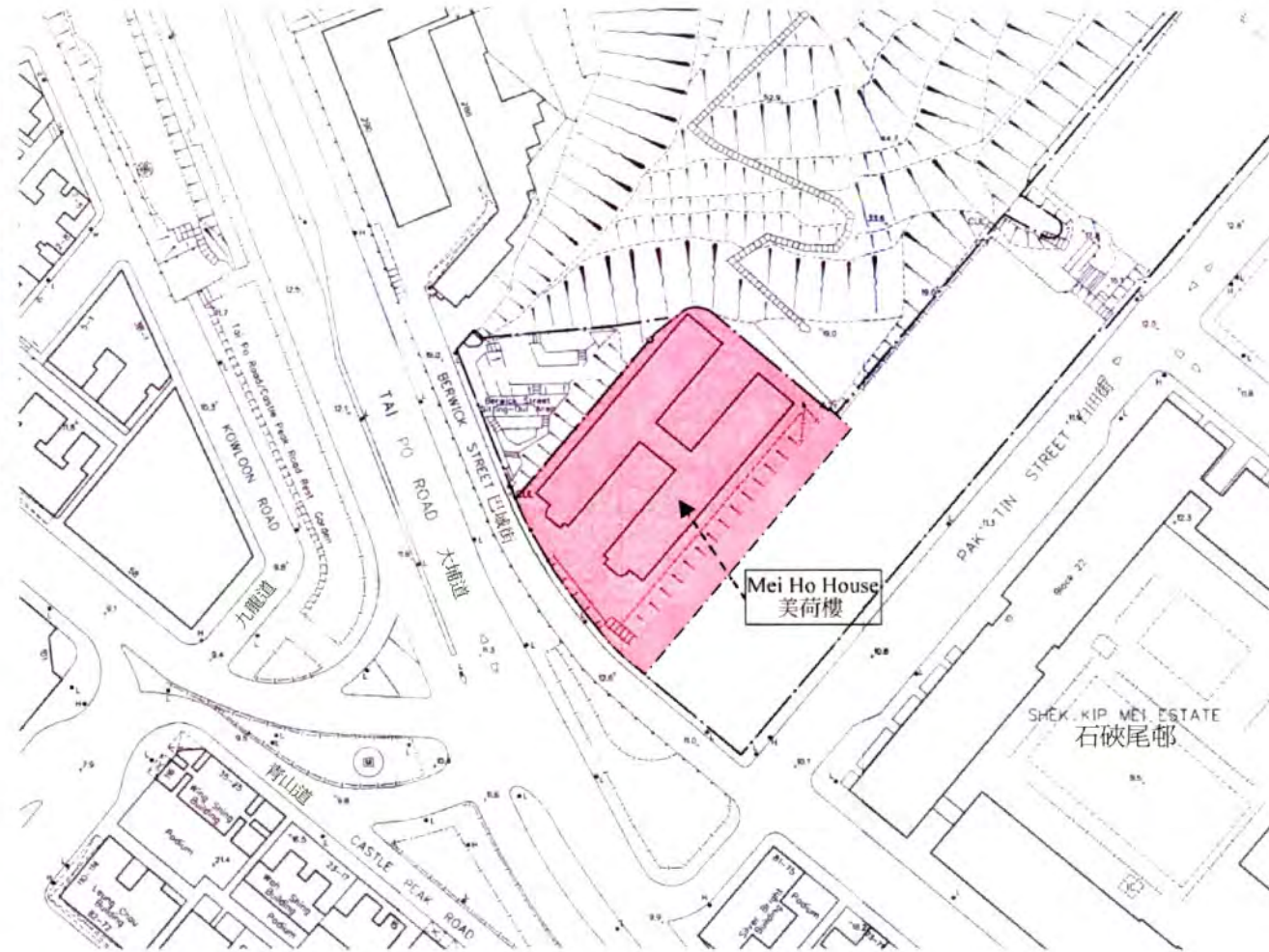
29. We upgraded **7QW** to Category B in April 2009. Part of **7QW** was upgraded to Category A in July 2009 under delegated authority at an estimated cost of \$10.83 million in MOD prices for HKYHA to carry out the pre-contract consultancies (which included detailed architectural, heritage conservation, town planning, structural, geotechnical, building services, landscaping design, quantity surveying services and tender documentation) and minor investigation for **7QW**.

30. 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.

31. The project will not involve any tree removal. HKYHA will incorporate a planting proposal as part of the project, including an estimated quantity of 16 trees and shrubs in planters.

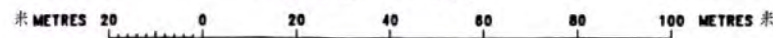
32. We estimate that the project will create about 150 jobs (comprising 17 professional/technical staff and 133 labourers), providing a total employment of 2 700 man-months.

Development Bureau
May 2010



SITE AREA: ABOUT 3 140 SQUARE METRES 工地面積: 約 3 140 平方米

比例 SCALE 1 : 1000



Site Plan 工地位置圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel

7QW - 活化計劃 - 活化美荷樓為城市旅舍



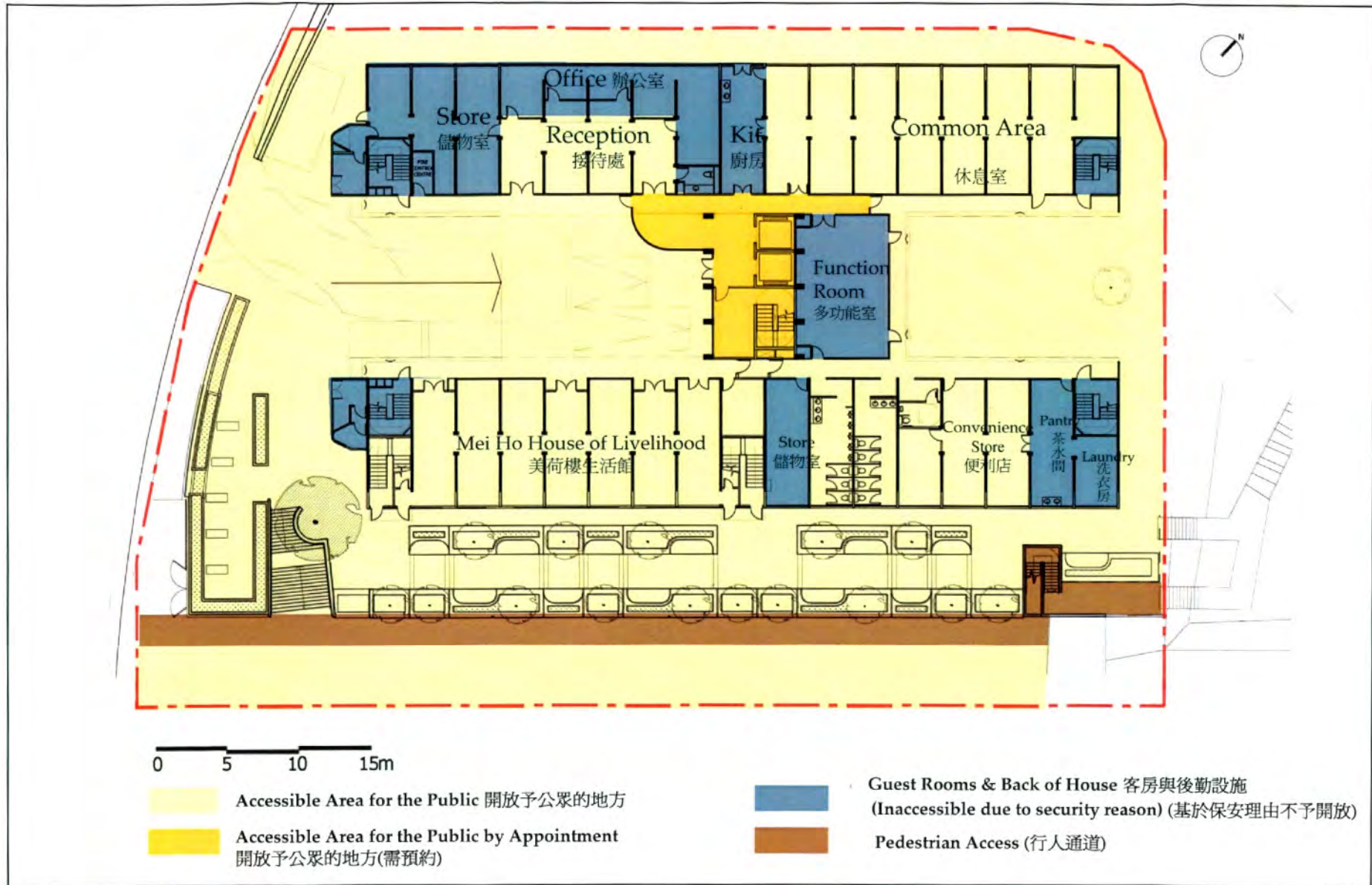
Existing Building 樓宇現貌

7QW - Revitalisation Scheme – Revitalisation of Mei Ho House as City Hostel
7QW - 活化計劃 - 活化美荷樓為城市旅舍



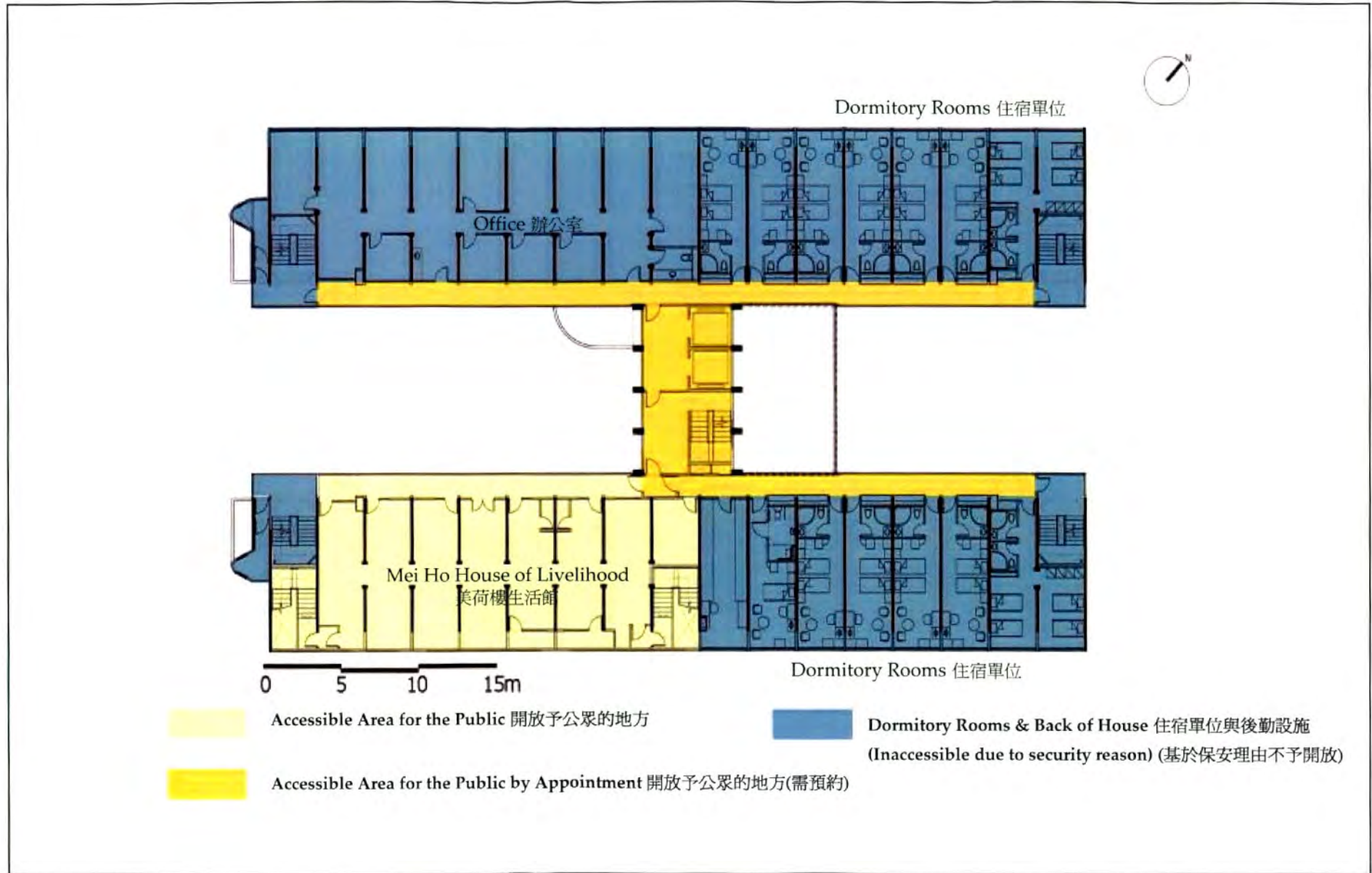
Artist's Impressions of Mei Ho House 美荷樓外觀構思圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel
7QW - 活化計劃 - 活化美荷樓為城市旅舍



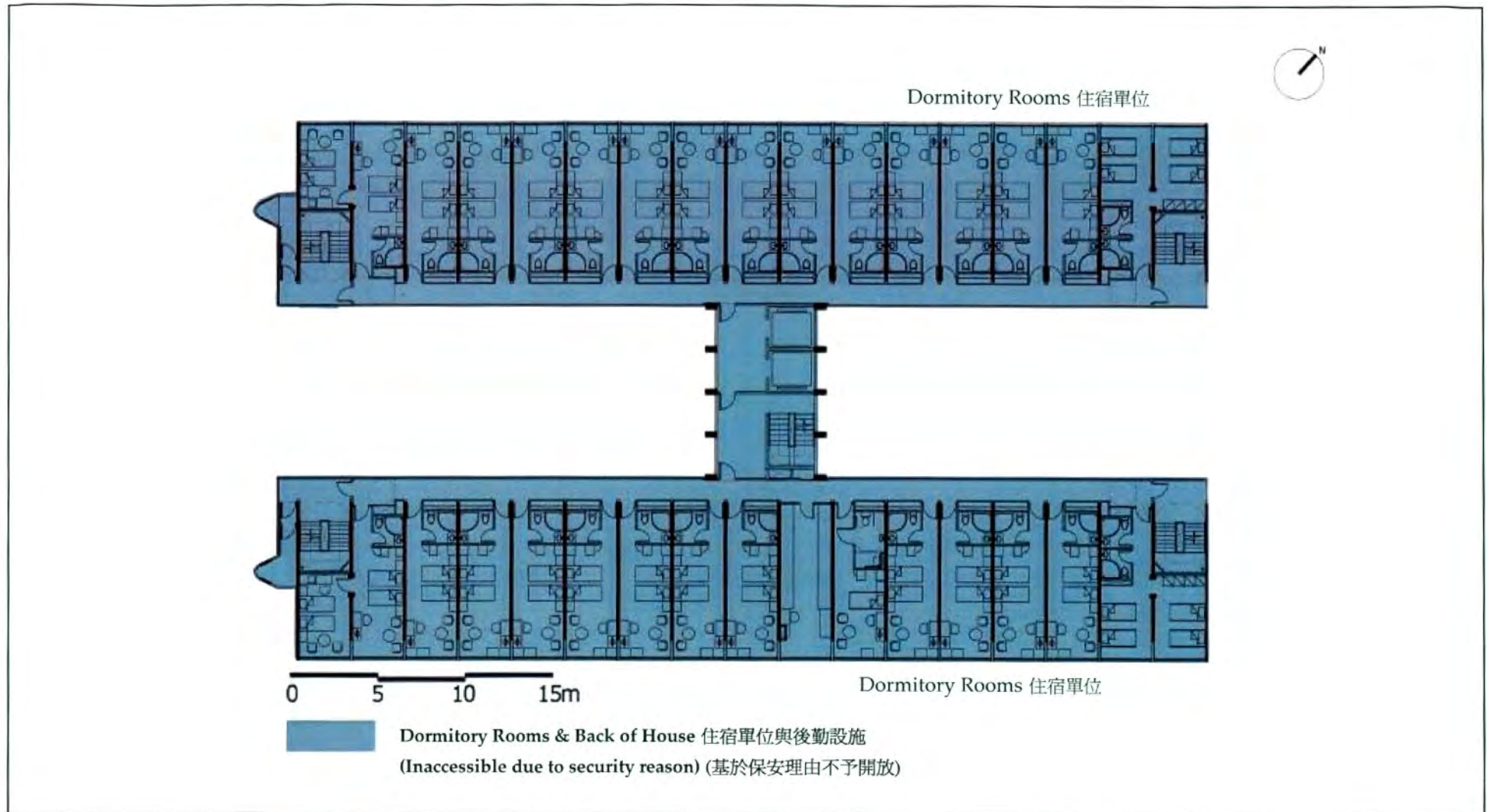
Ground Floor Plan 地面平面圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel
 7QW - 活化計劃 - 活化美荷樓為城市旅舍



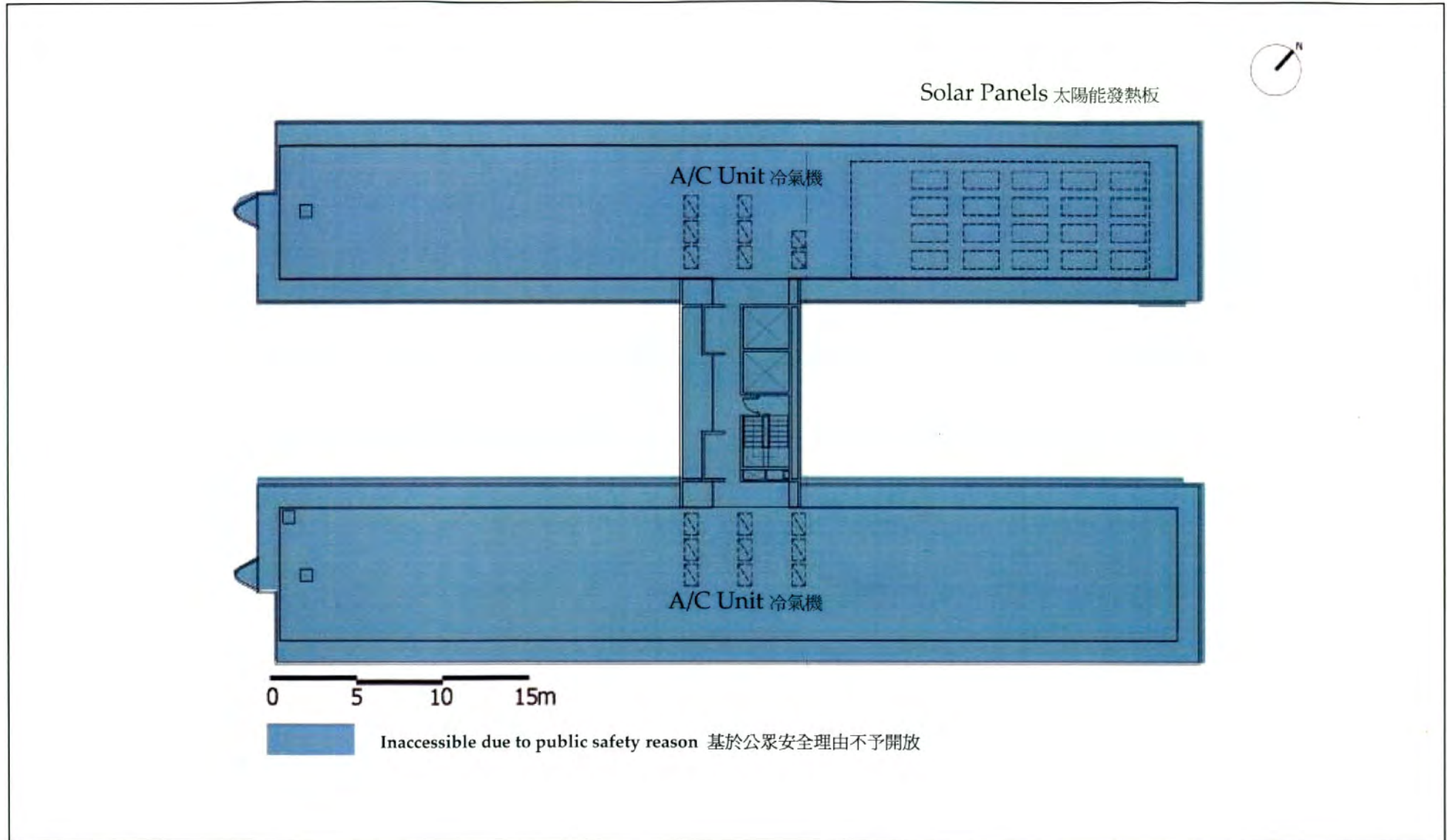
First Floor Plan 一樓平面圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel
7QW - 活化計劃 - 活化美荷樓為城市旅舍



Second to Fifth Floor Plan 二樓至五樓平面圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel
7QW - 活化計劃 - 活化美荷樓為城市旅舍



Roof Plan 天台平面圖



Side Elevation 側面立視



Front Elevation 正面立視

Elevations 立視圖

7QW - Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel
7QW - 活化計劃 - 活化美荷樓為城市旅舍

Enclosure 9 to PWSC(2010-11)10

7QW – Revitalisation Scheme - Revitalisation of Mei Ho House as City Hostel

Breakdown of estimates for consultants' fees and resident 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 Technical	31 21	38 14	2.0 2.0
				Sub-total	4.3
(b)	Remuneration of resident				
	site staff (Note 2)	Technical	96	14	1.6
				Sub-total	3.0
				Total	7.3

* 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 HKYHA and agreed by the C for H. D Arch S has examined the figures and considered them acceptable. For resident site staff costs, HKYHA will only know the actual costs after completion of the construction works.