

The Government of the Hong Kong Special Administrative Region

政府總部
發展局
香港花園道美利大廈



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13 June 2011

Clerk to Panel, Legislative Council Secretariat
Panel on Development
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

(Attn. : Mr. Simon CHEUNG)

Dear Mr. CHEUNG,

Panel on Development

Follow-up to Meeting on 20 April 2011

PWP Item No. 3400IO -- Transformation of the former police married quarters on Hollywood Road into a creative industries landmark (“PMQ”)

Thank you for your email of 6 May 2011, referring to us a submission of 19 April 2011 (LC Paper No. CB(1)2096/10-11(01)) from the Central and Western Concern Group (C&WCG) on the captioned project. The submission asked that the Panel should not recommend funding support of the “PMQ” project until the Town Planning Board has granted permission to the planning application for the project.

Members of the Panel may wish to note that after deliberation at its 440th Meeting held on 15 April 2011, the Metro Planning Committee of the Town Planning Board (MPC) approved the planning application, on the terms of its application as submitted to the Town Planning Board, under section 16 of the Town

Planning Ordinance (TPO). An extract of the minutes of the 440th MPC Meeting is attached at the Annex for Members' reference.

During its deliberation of the planning application, the MPC had considered the public views received on the application, including those from C&WCG, as well as Planning Department's assessment. To recapitulate, the main concerns raised by C&WCG are set out below –

- (a) The existing buildings should be preserved as they are.
- (b) The Government's policy directive will not be achieved as a portion of the space will be used for commercial purpose.
- (c) The proposal does not adopt a sustainable design approach.
- (d) The i-Cube is large and would adversely affect the wall trees and other existing walls.
- (e) The landscaped open space to be provided at the i-Cube should not be included in the open space calculation due to the restriction on public access.
- (f) The lift at the rear portion of the plateau immediately above Hollywood Road (the lower plateau) should be moved towards Aberdeen Street.
- (g) As the underground latrine is located outside the project site, it should be deleted from the proposal.
- (h) The provision for restaurants was substantial.
- (i) The provision of public facilities and public open space (POS) was not adequate. The landscape design focused on the function of the area rather than the provision of recreational/public facilities.
- (j) The application does not provide adequate information on the operation/management of the site and the financial outlay of the applicant.

Relevant comments made by Planning Department in its assessment in response are set out below –

- (a) The proposal is to develop the site into a creative industries landmark. All three existing buildings, including Block A, Block B and Junior Police Call House (JPC House), will be revitalised and preserved to provide facilities for uses related to creative industries. These are in line with the planning intention of the subject “Other Specified Uses” (“OU”) zone which is to preserve, restore and re-use the site for creative industries.
- (b) The proposed new structures require permission by the MPC are to support the development of creative industries at the site. The revitalisation proposal, which seeks to minimise the disturbance to the quarters buildings and the architectural remnants of the former Central School, was supported by the Antiquities Advisory Board. The architectural remnants of the former Central School will be preserved in-situ for public appreciation via the underground interpretation area and the new structures are initiatives to preserve the heritage and put it into active use which is in line with the heritage conservation policy.
- (c) The project adopts a sustainable design approach in the light of its preservation of Block A, Block B and JPC House for adaptive re-use, keeping most of the existing window design at both ends of typical living units as well as maintaining the design of the open balcony facing the central courtyard.
- (d) The i-Cube will provide a multi-function hall for different types of events, was in line with the Government’s intention to promote creative industries and revitalise the site. The applicant’s assessment demonstrated that the proposed works will not have insurmountable impacts on the existing trees. As a precautionary measure, a tree expert has been engaged to assess the impact of the proposed works, to formulate and monitor the implementation of tree preservation measures.
- (e) The proposal meets the requirement of providing not less than 1 200 m² of POS as stipulated under the Outline Zoning Plan (OZP). The POS would be landscaped and not covered. Covered area will not be counted towards the POS requirement. The applicant is committed to opening the POS for not less than 16 hours every day, including Sundays and public holidays. The POS will principally be located at-grade at the lower plateau and the middle plateau. The

public can access the POS on the roof of i-Cube via the lifts of Block A, Block B and the lower plateau during opening hours.

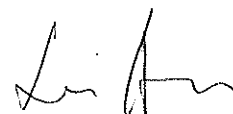
- (f) The alternative proposal from C&WCG to move the lower plateau lift towards Aberdeen Street will affect the integrity of the existing granite steps which is a key feature of the remnants of the former Central School, involve major addition works to the existing JPC House and affect the rubble wall.
- (g) Regarding the underground latrine which falls outside the boundary of the subject "OU" zone, there is a provision in the Notes of the OZP allowing minor adjustments to the boundary between zones in the course of detailed planning. The applicant has confirmed that the parapet wall of the public latrine at Aberdeen Street will be salvaged and stored properly for future restoration, if necessary.
- (h) As regards the future operation, management and financial outlay of "PMQ" project, 56% of the space of "PMQ" will be devoted to studios/offices and studio/shops at concessionary rent for start-up designers and creative entrepreneurs, 21% for communal creative use and 23% for commercial use. The commercial facilities, including complementary food and beverage facilities, book store, creative product shops, etc., are required to serve the basic needs of visitors/tenants and to sustain the financial viability of "PMQ". A wide range of facilities, including display galleries and the underground interpretation area, will be provided for public enjoyment free of charge. Government is responsible for the revitalisation and conservation works for the transformation of the PMQ site into a creative industries landmark. Following completion of these works, the selected applicant will take over the revitalised site for internal renovation and fitting-out works at its own expenses. Government will enter into a tenancy agreement with the Musketeers Foundation to stipulate its responsibility. In essence, Musketeers Foundation will be generally responsible for all future management, operation of the PMQ site and its revitalised facilities, including the POS management but excluding the repair works of the structures and retaining walls which will be borne by Government. Musketeers Foundation will set up a management committee to facilitate the discharge of this responsibility. The revitalised facilities at the PMQ site will be operated in the form of a social enterprise. It is not the objective of the project to maximise profit. In the event of any net operating surplus arising from the operation of the project, it will be

shared between the Government and the applicant. Musketeers Foundation, has committed to ploughing back its share of the net operating surplus for the operation of the creative industries landmark.

C&WCG also enquired about the nature of Musketeers Foundation's contribution to the "PMQ" project. As stated in paragraphs 11 and 14 of the LC Paper No. CB(1)1909/10-11(04), the Musketeers Foundation has pledged to contribute \$110 million in money-of-the-day (MOD) prices to the project, including \$17 million to the conservation and revitalisation works, and \$93 million to the internal renovation works, procurement of furniture and equipment, hiring of pre-operation staff and the future operation costs. It is a donation and will not be recovered from the project.

We take this opportunity to seek Members' continuous support to the "PMQ" project in view of many benefits to the community as set out in paragraph 19 of LC Paper No. CB(1)1909/10-11(04). Should the Panel require further information on the captioned project, please feel free to contact the undersigned or my colleague Mr L. C. Shek at 2848 6217.

Yours sincerely,



(Laura ARON)

Commissioner for Heritage
Development Bureau

Encl. Annex

TOWN PLANNING BOARD

Extracts from

**Minutes of 440th Meeting of the
Metro Planning Committee held at 9:00 a.m. on 15.4.2011**

Present

Director of Planning
Mr. Jimmy C.F. Leung

Chairman

Mr. K.Y. Leung

Vice-chairman

Mr. Raymond Y.M. Chan

Professor C.M. Hui

Mr. Clarence W.C. Leung

Mr. Laurence L.J. Li

Mr. Roger K.H. Luk

Professor S.C. Wong

Assistant Commissioner for Transport (Urban),
Transport Department
Mr. David To

Assistant Director (Environmental Assessment),
Environmental Protection Department
Mr. C.W. Tse

Assistant Director/Kowloon, Lands Department
Ms. Olga Lam

Deputy Director of Planning/District

Secretary

Miss Ophelia Y.S. Wong

Absent with Apologies

Ms. Maggie M.K. Chan

Mr. Felix W. Fong

Mr. Maurice W.M. Lee

Dr. Winnie S.M. Tang

Professor P.P. Ho

Ms. Julia M.K. Lau

Professor Joseph H.W. Lee

Ms. L.P. Yau

Assistant Director(2), Home Affairs Department
Mr. Andrew Tsang

In Attendance

Assistant Director of Planning/Board
Mr. C.T. Ling

Chief Town Planner/Town Planning Board
Miss H.Y. Chu

Town Planner/Town Planning Board
Ms. Karina W.M. Mok

Agenda Item 4

Section 16 Application

[Open Meeting (Presentation and Question Sessions Only)]

A/H3/401 Proposed New Developments Associated with the
 ‘Creative Industries Landmark’ in “Other Specified Uses” annotated
 “Heritage Site for Creative Industries and Related Uses” zone,
 Former Police Married Quarters, Hollywood Road, Central
 (MPC Paper No. A/H3/401)

22. Mr. Laurence L.J. Li, being a member of the Antiquities Advisory Board (AAB), declared an interest in this item as the buildings of the Former Police Married Quarters were Grade 3 historic buildings and the underground latrine at the corner of Staunton Street and Aberdeen Street was a proposed Grade 2 structure to be considered by the AAB. The Committee considered that Mr. Li’s interest was indirect and hence agreed that he could be allowed to stay at the meeting.

Presentation and Question Sessions

23. Ms. April K.Y. Kun, STP/HK, presented the application and covered the following aspects as detailed in the Paper :

- (a) background to the application;
- (b) according to the Notes for the subject “Other Specified Uses” (“OU”) annotated “Heritage Site for Creative Industries and Related Uses” zone, all uses proposed within the ‘creative industries landmark’ (CIL) at the subject site were always permitted. However, four proposed new developments associated with the CIL required planning permission from the Town Planning Board. They comprised (i) an underground interpretation area for exhibition of the history and evolution of the former Central School; (ii) i-Cube to serve as a multi-function hall for different types of events/activities and as a circulation link between Blocks A and B; (iii) a roof-top restaurant for pre- and post-function cocktail party; and (iv) E&M facilities on Plateau 1;

[Mr. Clarence W.C. Leung returned to join the meeting at this point.]

- (c) departmental comments – concerned government bureaux/departments had no objection to or adverse comments on the application;
- (d) during the statutory publication period of the application, 125 public comments were received which were summarised below:

- 45 commenters supported the revitalisation project and/or the proposed new developments mainly on the grounds that the proposal met the Government’s policy directive for a “heritage site for the creative industries and related uses” and helped promoting Hong Kong as Asia’s creative hub. The heritage buildings would be preserved. The proposal was compatible with the nearby developments and would have

no adverse impacts on the surrounding areas. There was a well balance of commercial space, event/studio facilities and landscaped area;

- 74 commenters raised objection to or expressed grave concerns on the application. The major grounds were that the buildings should be preserved as they were. The Government's policy directive would not be achieved as over 25% of the space would be used for commercial purpose. The design of facilities had not adopted a sustainable design approach. The i-Cube was too large and would adversely affect wall trees and existing walls. It should not be included in open space calculation due to the restriction in public access. The lower level elevator should be moved to Aberdeen Street so that the lower platform could be used as a children's playground. While there were too many restaurants, the provision of public facilities and public open space (POS) was lacking. The landscape design focused on the function of the area rather than the provision of recreational/public facilities. There was no information on the operation/management of the site and financial outlay of the applicant. As the underground latrine was located outside the boundary of the subject "OU" zone, it should be deleted from the proposal; and

- six commenters provided comments on the application. Their views included that more cafes should be provided; the studios should be opened to artists 24 hours daily; young artists should be involved in site management; a flexible rental scheme should be adopted; part of the studios could be rented to the public/school; and part of the site should be used for elderly housing;

[Mr. Raymond Y.M. Chan returned to join the meeting at this point.]

- (e) the District Officer (Central and Western) advised that at the two meetings held on 3.3.2011 and 15.3.2011, the majority of the Central and Western District Council (C&WDC) members supported the objectives of the proposal. Some members requested to reserve some space for community

uses whilst some raised concerns about tree preservation, operation model and financial sustainability of the project. Some members also suggested to establish an advisory committee so that community views could be incorporated as appropriate. The revitalization proposal was subsequently circulated to the C&WDC members. As at 29.3.2011, 11 members indicated support for the proposal, seven objected to the proposal and one had not replied; and

- (f) the Planning Department (PlanD)'s views – PlanD had no objection to the application based on the assessments in paragraph 11 of the Paper which were summarised below :

Compliance with planning intention

- the proposal was for the development of CIL for revitalizing the historic buildings and providing facilities for creative industries to take place. It was in line with the planning intention of the subject "OU" zone which was to preserve, restore and re-use the site for creative industries. The four proposed new developments were to support the development of creative industries at the site;

- the architectural remnants of the former Central School would be preserved in-situ and for public appreciation via the development of the underground interpretation area. The proposed development was an initiative to preserve the heritage and put it into active use again. The initiative was thus in line with the heritage conservation policy. The i-Cube, which would provide a multi-function hall for different types of events, was in line with the Government's intention to promote creative industries and revitalize the site. The roof-top restaurant was considered not incompatible with the surrounding land uses which were predominantly residential in nature with some ground floor shops and restaurants. It could be patronized by the public and would not deprive the public of the opportunity to enjoy the historic buildings. The proposed E&M facilities were required to meet the functional needs of the site and would be placed at a visually least sensitive location;

- the four proposed new developments, with a gross floor area (GFA) of 1,730m², were small in scale. The total GFA of the whole development also complied with the maximum GFA restriction of 20,000m² as stipulated under the Outline Zoning Plan (OZP);

Preservation Aspect

- all three historic buildings, including Block A, Block B and JPC Building, would be preserved. The applicant had refined the design of the roof-top restaurant to retain the existing building façades of 6/F of Block B in whole. The Antiquities and Monuments Office pointed out that the proposal had adequately complied with the Conservation Guidelines. The Commissioner for Heritage supported the proposal as it was capable of meeting the objectives of conserving and revitalizing the site. The proposal, which had minimized the disturbance to the quarters and former Central School, was also supported by the Antiquities Advisory Board;

Visual, Tree Preservation, Landscape and POS Aspects

- although the proposal involved an increase in the building height of Block B from 67mPD to 71mPD to accommodate the roof-top restaurant, it was well within the stipulated building height restriction of 75mPD. As the JPC Building would be preserved, the non-building area at the eastern corner of the site would not be provided, which was acceptable as allowed for in paragraph 8.6(j)(iii) of the Explanatory Statement of the OZP. No additional structure would be erected on that area. Relevant government departments considered that the proposed new developments would not result in adverse visual impact and the i-Cube could create new spatial experience and enhance connectivity between Blocks A and B;
- the applicant's assessment demonstrated that the proposed works would not have insurmountable impacts on the existing trees. As a precautionary measure, a tree expert would be engaged to assess the impact of the proposed works, to formulate and monitor the implementation of tree preservation measures;

- the proposal had met the requirement of providing not less than 1,200m² of POS as stipulated under the OZP. The applicant would be responsible for the management/operation of the POS. The POS would be landscaped and open to the sky. The applicant was committed to opening the POS for not less than 6 hours each day, including Sundays and public holidays. The public could access to the POS at the roof of i-Cube through the elevators of Blocks A and B during the opening hours. The Chief Town Planner/Urban Design and Landscape, PlanD considered that the landscape design of the POS on the rooftop of i-Cube could be further improved. An approval condition requiring the submission and implementation of tree preservation proposal, landscape master plan and quarterly tree monitoring reports was thus recommended in paragraph 12.2(c) of the Paper;

Other Technical Aspects

- the proposal did not involve car parking spaces. The proposed loading/unloading bay and disabled drop-off would unlikely cause adverse traffic impact. The proposed development would unlikely generate adverse environmental and sewerage impacts. Relevant approval conditions relating to the implementation of traffic management and crowd control measures as well as the submission of a geotechnical report and implementation of the necessary geotechnical remedial works had been recommended in paragraphs 12.2(a) and (b) of the Paper;

Public Comments

- 56% of the GFA of the proposed CIL was for studios/offices/shops at concessionary rent for start-up designers, 21% was for communal/creative use and 23% was for commercial use. The commercial facilities including complementary food and beverage facilities, bookstores, creative product shops, etc. were required to serve the basic needs of visitors/tenants and to sustain the financial viability of the CIL;

- it was originally envisaged that the JPC Building would be demolished and the area concerned would be for POS use. As the JPC Building would now

be preserved from the heritage conservation point of view, part of the POS requirement was to be met by the proposed POS (about 460m²) at the roof-top of i-Cube. However, the majority of the POS would still be located at-grade, with about 840m² at Plateau 4 and about 100m² at Plateau 2. The total POS and greening area within the site were about 1,400m² and 1,500m² respectively. The central courtyard at G/F, including the covered area under i-Cube, was not counted towards the POS calculation. A wide range of facilities, including display galleries and underground interpretation area, would be made available for public enjoyment at no cost;

- the design of the i-Cube with glassy exterior and column-less interior could achieve transparency and visual penetration. Its location was sensitively selected to be located in-between two existing blocks to minimize the potential visual impact and to preserve the outlook of the heritage buildings when viewing from most directions;
- the proposal to move the lower level elevator to Aberdeen Street would affect the integrity of the existing steps which was a key feature of the remaining foundation of the former Central School, involve major addition works to the existing JPC Building and affect stone wall trees;
- the applicant advised that the project had adopted a sustainable design approach. Block A, Block B and JPC Building were generally preserved for adaptive re-use except minor modifications/additions for upgrading to meet the current requirements and new functional needs. Most of the existing window design at both ends of the typical units would be kept. For most of the typical floors, the design of the open balcony facing courtyard would also be maintained and cross ventilation in Blocks A and B was possible;
- the Government was responsible for the modification and conversion works to the existing premises in the early phase. The applicant would then take up the site for all internal renovation and fitting works at its own costs. A management committee would be set up to oversee the daily management,

operation and maintenance of the premises. The Government would enter into a tenancy agreement with the applicant. Any net operating surplus arising from the operation of the project would be shared between the Government and the applicant. The Musketeers Foundation had committed to ploughing back its share of the net operating surplus for the operation of the CIL; and

- although a small portion of the latrine fell outside the boundary of the subject "OU" zone, there was a provision in the covering Notes of the OZP allowing boundaries between zones be subject to minor adjustments as detailed planning proceeded. The applicant confirmed that the parapet wall at Aberdeen Street would be salvaged and stored properly for future restoration, if necessary.

24. Members had no question on the application.

Deliberation Session

25. After deliberation, the Committee decided to approve the application, on the terms of the application as submitted to the Town Planning Board (TPB). The permission should be valid until 15.4.2015, and after the said date, the permission should cease to have effect unless before the said date, the development permitted was commenced or the permission was renewed. The permission was subject to the following conditions :

- (a) the implementation of the traffic management and crowd control measures, as proposed by the applicant, to the satisfaction of the Commissioner for Transport or of the TPB;
- (b) the submission of a geotechnical report and the implementation of the necessary geotechnical remedial works identified therein in respect of all permanent retaining wall including the Underground Interpretation Area as well as the underground latrine and the associated access to the satisfaction of the Director of Civil Engineering and Development or of the TPB;

- (c) the submission and implementation of tree preservation proposal, landscape master plan and quarterly tree monitoring reports to the satisfaction of the Director of Planning or of the TPB; and
- (d) the provision of water supplies for firefighting and fire service installations to the satisfaction of the Director of Fire Services.

26. The Committee also agreed to advise the applicant of the following :

- (a) to note the comments of the Chief Town Planner/Urban Design and Landscape, Planning Department in paragraph 9.1.10 of the Paper regarding the public open space on top of i-Cube; and
- (b) to note the comments of the Head of Geotechnical Engineering Office, Civil Engineering and Development Department in paragraph 9.1.13 of the Paper regarding the requirement to forward any stabilization/upgrading works to the retaining walls to the Antiquities Monuments Office for comments.

[The Chairman thanked Ms. April K.Y. Kun, STP/HK, for her attendance to answer Members' enquiries. Ms. Kun left the meeting at this point.]