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Panel on Development

Meeting on 28 June 2012

**Updated background brief on redevelopment
of the West Wing of the former Central Government Offices**

Purpose

This paper provides background information on the Administration's redevelopment scheme for the West Wing of the former Central Government Offices ("the CGO West Wing"), and summarized members' concerns and views on relevant issues.

The "Conserving Central" initiative

2. The Chief Executive announced the "Conserving Central" initiative in his 2009-2010 Policy Address, which aims to preserve social, historical and architectural features in Central while adding new life and vibrancy to the area. The eight projects under "Conserving Central" are --

- (a) New Central Harbourfront;
- (b) Central Market;
- (c) Former Police Married Quarters on Hollywood Road;
- (d) Central Police Station Compound;
- (e) Central Government Offices;
- (f) Murray Building;

- (g) Former French Mission Building; and
- (h) Hong Kong Sheng Kung Hui Compound.

3. The Administration briefed the Panel on Development ("the Panel") on the "Conserving Central" initiative at the meeting on 27 April 2010. The Panel further discussed the subject with the Administration on 25 May 2010. In respect of the CGO project, the site covers an area about 1.81 hectares, and is located in the core of the Central Business District and falls within a "Government, Institution or Community ("G/IC") zone on the draft Central District Outline Zoning Plan No. S/H4/13 ("the OZP"). The CGO buildings comprise the Main, East and West Wings. The Administration's plan is to preserve the Main and East Wings for the use by the Department of Justice and demolish and redevelop the West Wing.

Original redevelopment scheme for the West Wing of the former Central Government Offices

4. In view of relocation of offices in the former CGO buildings to the new Central Government Complex at Tamar by the end of 2011, the Antiquities and Monuments Office has commissioned heritage conservation architects, led by Mr Michael MORRISON, to conduct a historical and architectural appraisal of the former CGO buildings. The appraisal, completed in September 2009, recommended the preservation of the Main and East Wings for appropriate new uses and the demolition of the CGO West Wing (which has been assessed as having low historic and architectural value), and suggested that part of the West Wing site be developed as a public park.

5. On 26 October 2010, the Administration briefed the Panel on the proposed scheme to redevelop the CGO West Wing. The major features of the proposed scheme included --

- (a) Development of over two-thirds of the CGO West Wing site in the eastern portion into a public open space with an area of about 6 800 m², and the remaining one-third at the western end into a commercial building providing a total gross floor area ("GFA") of 28 500 m² of Grade A office space and a shopping centre of GFA of 13 500 m².
- (b) The new public open space would become an integral part of a greenery network linking the natural green slopes from the

Government House down to Ice House Street and Battery Path.

- (c) The lower part of the proposed commercial building would be covered by a green façade with vegetation, and together with the vegetated slopes along Battery Path, would become a green focus in Central. Part of the shopping centre and the car parking and loading/unloading facilities would be accommodated through excavation below the Lower Albert Road level; and
 - (d) To ensure that the future development would be compatible with the surrounding developments, a building height restriction of 150mPD would be imposed. Moreover, the CGO West Wing site will be rezoned from "G/IC" to "Comprehensive Development Area" ("CDA") in the OZP.
6. To collect views from the public and interested parties on the proposed redevelopment of the CGO West Wing, the Administration conducted a public consultation from September to end of December 2010.

Revised redevelopment scheme for the West Wing of the former Central Government Offices

7. After the public consultation in 2010, the Administration has revised the redevelopment scheme. On 22 November 2011, the Administration briefed the Panel on the revised scheme, which had the following major features --

- (a) The total GFA to be developed from the site was reduced from about 42 000m² in the original scheme to about 40 300m² in the revised scheme, with reduction of plot ratio from about 7.34 to about 7.05.
- (b) The new public open space would be increased by 11% from 6 800 m² to 7 600 m². To be designed and built by the developer, the public open space would be owned by the Government. It would be handed over to the Leisure and Cultural Services Department for management and maintenance upon completion.

- (c) The Grade A office tower with a maximum building height of 150 mPD and total GFA of 28 500 m² proposed in the original scheme would be retained. The Administration had invited the Securities and Future Commission ("SFC") and the Hong Kong Exchanges and Clearing Limited ("HKEx") to consider becoming anchor tenants in the office tower to enhance Central's status and image as a core financial district. The external façade design of the office tower would adopt an architectural style and language similar to the CGO Main Wing.
- (d) The shopping centre proposed in the original scheme would be replaced by G/IC cum ancillary office uses. Among the total GFA of about 11 800 m² in that portion, some 3 800 m² would be earmarked for allocation to local, regional and/or international organizations, and the commercial GFA in that portion would be reduced to around 2 000 m². The G/IC accommodation would be built by the developer and handed back to the Government. A green terrace design would be adopted for the external façade to provide natural light for the ancillary offices in that portion.
- (e) Due to deletion of the proposed shopping centre from the redevelopment scheme, less traffic would be generated. Car parking and loading/unloading spaces would be reduced from 164 and 32 to 93 and 13 respectively.
- (f) The CGO West Wing site would be sold by open tender. The Administration would adopt a "two-envelope" approach with due weight accorded to technical and design aspects other than price in the tender assessment.
- (g) The Administration would propose amendments to the OZP to the Town Planning Board for rezoning the CGO West Wing site to a CDA. The public could make representations and comments on the OZP amendments in accordance with the Town Planning Ordinance.

Discussion by the Panel on Development from 2010 to 2012

8. The Panel discussed with the Administration the original and revised redevelopment schemes for the CGO West Wing at the meetings on

26 October 2010, 14 October and 22 November 2011, and 28 February 2012. A special meeting was held on 23 November 2010 to receive views from deputations. The major views and concerns expressed by members and parties are summarized in the ensuing paragraphs.

Preservation of the Government Hill and ownership of the site

9. Some members and deputations such as conservation groups expressed grave concern over the demolition of the CGO West Wing. They felt strongly that since the Government Hill was a place of political, religious and military significance, any move to "break it up" would adversely affect the completeness of an important landmark which had been in existence for over 150 years. They believed that the Government Hill belonged to the Hong Kong people and should not be sold to give way for private developments. There was grave concern that the Administration could not regulate private developments in an effective way within the CGO West Wing site in future, and that the redevelopment scheme would repeat the bitter experiences of private developments in CDAs, such as Cheung Kong Centre and the Former Marine Police Headquarters. Some members urged the Administration to withdraw the proposal and preserve the Government Hill. There was a suggestion to turn the West Wing into an archive for displaying Hong Kong's past and future infrastructure developments.

10. On the other hand, some members and professional groups and redevelopment concern groups expressed support for the original redevelopment scheme. There were views that Hong Kong should be highly selective in selecting best historic sites/buildings for conservation, and the retention of the East and Main Wings, which was of higher historical and architectural value in comparison with the West Wing, would achieve the conservation purpose.

11. As regards the revised redevelopment scheme, some members considered that the Administration had made improvement on the plan and allowed sufficient time for the public to give views on the proposal. They opined that, given the dilapidated condition of the building, its low archaeological and historic value, and the need to address acute shortage of Grade A office space in Central, the CGO West Wing should be demolished and redeveloped. On the other hand, some members held the view that the area of Grade A office space to be provided under the revised scheme would not be significantly larger than that to be generated through renovating the West Wing. Moreover, preserving and renovating the

West Wing would be a more environmental-friendly way to increase office space in Central.

Request for conducting a new appraisal for the CGO West Wing

12. Noting that the appraisal on the former CGO buildings conducted by Mr Michael MORRISON in 2009 was more on the architectural and historic aspects of the buildings, some members urged the Administration to consider engaging an independent consultant to carry out a more comprehensive appraisal on the former CGO covering other aspects of the buildings including their cultural significance, and conducting another round of public consultation with new options on the basis of the outcome.

Adoption of the "two-envelope" approach

13. Some members expressed grave concern about adopting a "two-envelope" approach for the tender under the revised scheme. As the CGO West Wing site was close to the Cheung Kong Centre, they were worried that the redevelopment scheme would provide the consortium with an opportunity to extend its influence into the Government Hill, thus giving rise to another incident of "land monopoly" or "developer hegemony".

14. On the other hand, some members expressed support for the "two-envelope" approach and believed that it was an effective means to ensure good project designs and heritage conservation for the redevelopment scheme. As there would be high transparency in the tender process, there should not be any concern about "conspiracy" between the Administration and developers. Some members suggested that the assessment exercise be entrusted to a fully independent team comprising the necessary professionals and experts in the field who commanded public respect so that the best balance between aspects of technicality, design and price could be struck for the project.

Provision of accommodation for statutory organizations in the revised redevelopment scheme

15. Some members proposed that, other than SFC and HKEx, the Administration should invite statutory bodies such as the Mandatory Provident Fund Schemes Authority, the Equal Opportunities Commission, and the Office of the Privacy Commissioner of Personal Data to be anchor tenants in the new office tower or to use the G/IC floor space at the site.

Provision of environment-friendly facilities and communal facilities at the site

16. Some members requested the Administration to consider providing more environment-friendly facilities in the Government Hill and Central through the CGO West Wing redevelopment scheme, for instance, the construction of cycle tracks as well as parking facilities for bicycles and environmental vehicles. Moreover, the Administration should explore the possibility of providing stalls and related facilities in the redeveloped CGO West Wing site for social enterprises to operate.

17. In addition to the provision of a large public open space at the site, the Administration should strive to provide public access to as many areas as possible within the site for public enjoyment. For instance, the roof-top and sky gardens in the office tower should be open to the public. Besides, communal facilities, such as conference rooms, should be provided for use by the general public at reasonable charges for holding community activities like seminars/public forums, or as exhibition space displaying items to recap the collective memories about the Government Hill.

Recent development

18. At its meeting on 23 November 2011, the Antiquities Advisory Board ("AAB") agreed that its Expert Panel would assess the grading of the three buildings (Main Wing, East Wing and West Wing) of the former CGO and accord priority to the assessment¹.

19. At the Council meeting of 13 June 2012, Hon Tanya CHAN's raised a question to the Administration on whether it would revise the demolition plan for the CGO West Wing if the building was eventually declared a Grade 1 building by AAB. The Secretary for Development ("SDEV") replied that the Expert Panel of the AAB had, at its meeting held on 31 May 2012, suggested that the three buildings should be graded in accordance with their different heritage value, with the Main Wing accorded a Grade 1 status, East Wing a Grade 2 status, West Wing a Grade 3 status, and the whole CGO site a Grade 1 status. The suggestion would be submitted to AAB for consideration on 14 June 2012. SDEV added that while historic buildings of different gradings had their own corresponding development and conservation options, this did not mean

¹ Source: Press release issued by the Development Bureau on 24 November 2011 -- http://www.devb.gov.hk/en/publications_and_press_releases/press/index_id_6894.html

that no development was allowed. She maintained that the demolition and redevelopment of the West Wing, which was considered of lower historic value, was consistent with the economic aim of increasing office supply in Central and would improve the efficiency of the city space and design².

20. In the morning of 14 June 2012, SDEV announced the Administration's final plan for redeveloping the CGO West Wing. Under the plan, the Administration would drop its earlier proposal to rezone part of the G/IC site to a CDA and would retain ownership of the West Wing site intended for office development. A Build-Operate-Transfer ("BOT") mode would be adopted to partner with the private sector to redevelop the West Wing. The Government would retain ownership of the site and the successful bidder for the BOT contract to be selected through a public tender would fund, design, construct and operate the new building in exchange for receiving rental income in the course of the BOT agreement. The Administration would launch an Expression of Interest exercise later this year to gauge market interest. The views and suggestions received from potential bidders would be taken into account in finalizing the terms and conditions of the tender documents. It was expected that public tender for the BOT would take place in the first half of 2013³.

21. At the meeting of AAB held in the afternoon of 14 June 2012, AAB preliminarily accorded the whole CGO site, the Main Wing and the East Wing a Grade 1 status, and the West Wing a Grade 2 status. The Antiquities and Monuments Office would conduct a one-month public consultation on the preliminary gradings. Among controversies over AAB's grading of the West Wing, Mr Bernard Charnwut CHAN, Chairman of AAB, announced on 18 June 2012 his resignation from the chairmanship of the Board.

22. The Administration will brief the Panel on its latest plan for the redevelopment of the former CGO West Wing on 28 June 2012.

² Source: Question No. 4 at the Council meeting of 13 June 2012 and the Administration's reply -- http://www.devb.gov.hk/en/legco_matters/replies_to_legco_questions/index_id_7194.html

³ Source: Press release issued by the Development Bureau on 14 June 2012 -- http://www.devb.gov.hk/en/publications_and_press_releases/press/index_id_7202.html

Relevant papers

23. A list of relevant papers with their hyperlinks is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
26 June 2012

Appendix

Redevelopment scheme for the West Wing of the Central Government Offices

List of relevant papers

Date of meeting	Committee	Papers/Minutes of meeting
21 October 2009	Panel on Development	<p>Administration's paper on initiatives of Development Bureau in the 2009-10 Policy Address and Policy Agenda (LC Paper No. CB(1)30/09-10(01)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev1021cb1-30-1-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)397/09-10) http://www.legco.gov.hk/yr09-10/english/panels/dev/minutes/dev20091021.pdf</p>
27 April 2010	Panel on Development	<p>Administration's paper on Conserving Central (LC Paper No. CB(1)1666/09-10(05)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev0427cb1-1666-5-e.pdf</p> <p>Paper on heritage conservation prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)1666/09-10(04)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev0427cb1-1666-4-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)2248/09-10) http://www.legco.gov.hk/yr09-10/english/panels/dev/minutes/dev20100427.pdf</p>

Date of meeting	Committee	Papers/Minutes of meeting
25 May 2010	Panel on Development	Motion on "Conserving Central" proposed by Hon KAM Nai-wai at the meeting held on 27 April 2010 (LC Paper No. CB(1)1797/09-10(01)) http://www.legco.gov.hk/yr09-10/chinese/panels/dev/papers/dev0427cb1-1797-1-ec.pdf Minutes of meeting (LC Paper No. CB(1)2602/09-10) http://www.legco.gov.hk/yr09-10/english/panels/dev/minutes/dev20100525.pdf
26 October 2010	Panel on Development	Administration's paper on Conserving Central (LC Paper No. CB(1)2867/09-10(01)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/devcb1-2867-1-e.pdf Paper on Conserving Central – redevelopment scheme of West Wing, Central Government Offices prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)155/10-11(08)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1026cb1-155-8-e.pdf Minutes of meeting (LC Paper No. CB(1)736/10-11) http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101026.pdf
23 November 2010	Panel on Development	Administration's paper on Conserving Central (LC Paper No. CB(1)2867/09-10(01)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/devcb1-2867-1-e.pdf Paper on Conserving Central -- redevelopment scheme of West Wing, Central Government Offices prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)155/10-11(08)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1026cb1-155-8-e.pdf

Date of meeting	Committee	Papers/Minutes of meeting
		Minutes of meeting (LC Paper No. CB(1)1652/10-11) http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101123a.pdf
14 October 2011	Panel on Development	Administration's paper on initiatives of the Development Bureau in the 2011-2012 Policy Address and Policy Agenda (LC Paper No. CB(1)35/11-12(01)) http://www.legco.gov.hk/yr11-12/english/panels/dev/papers/dev1014cb1-35-1-e.pdf Minutes of meeting (LC Paper No. CB(1)798/11-12) http://legco.gov.hk/yr11-12/english/panels/dev/minutes/dev20111014.pdf
22 November 2011	Panel on Development	Administration's paper on redevelopment of West Wing of Central Government Offices (LC Paper No. CB(1)346/11-12(08)) http://www.legco.gov.hk/yr11-12/english/panels/dev/papers/dev1122cb1-346-8-e.pdf Paper on redevelopment scheme for the West Wing of the Central Government Offices prepared by the Legislative Council Secretariat (Updated background brief) (LC Paper No. CB(1)346/11-12(09)) http://www.legco.gov.hk/yr11-12/english/panels/dev/papers/dev1122cb1-346-9-e.pdf Minutes of meeting (LC Paper No. CB(1)1091/11-12) http://www.legco.gov.hk/yr11-12/english/panels/dev/minutes/dev20111122.pdf
28 February 2012	Panel on Development	Administration's paper on progress report on heritage conservation initiatives (LC Paper No. CB(1)1116/11-12(03)) http://www.legco.gov.hk/yr11-12/english/panels/dev/papers/dev0228cb1-1116-3-e.pdf

Date of meeting	Committee	Papers/Minutes of meeting
		<p>Paper on heritage conservation prepared by the Legislative Council Secretariat (Updated background brief) (LC Paper No. CB(1)1116/11-12(04)) http://www.legco.gov.hk/yr11-12/english/panels/dev/papers/dev0228cb1-1116-4-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1874/11-12) http://www.legco.gov.hk/yr11-12/english/panels/dev/minutes/dev20120228.pdf</p>