

**For Discussion
on 7 November 2011**

LEGISLATIVE COUNCIL PANEL ON FINANCIAL AFFAIRS

**Construction of Trade and Industry Tower
in Kai Tak Development Area**

PURPOSE

This paper seeks Members' views on the proposal to construct the Trade and Industry Tower¹ ("TI Tower"), a joint-user government office building in the Kai Tak Development Area ("KTDA").

PROPOSAL AND PROJECT SCOPE

2. The Kai Tak Planning Review, completed in November 2007, has recommended a mix of Government, Institution and Community ("GIC") facilities, including a government office building, to serve KTDA and surrounding areas. To follow up on the recommendation of the proposed government office buildings, we propose to construct the TI Tower in KTDA on a site of around 8 300 square metres ("m²") at the North Apron of KTDA. The site plan is at **Enclosure**.

3. Subject to the final design, the proposed TI Tower will consist of 22 storeys, providing a total net operational floor area² ("NOFA") of around 33 000 m². The proposed scope of the project covers –

- (a) government offices and ancillary property management facilities of around 32 400 m² for 10 bureaux and departments ("b/ds"), comprising the Education Bureau, Census and Statistics Department, Customs and Excise Department, Highways Department, Hongkong Post, Labour Department, Lands Department, Social Welfare

¹ The proposed building was referred to as the Kai Tak Government Offices at previous planning and public consultation stages. As more than one government office building may be planned for KTDA, we propose to name the proposed building after the Trade and Industry Department, the major user department, for easy identification.

² NOFA is the floor area actually allocated to the users of a building for carrying out the intended activities. Unlike the construction floor area which takes into account all areas within the building structure envelope, NOFA does not include areas for toilets, bathrooms and showers, lift lobbies, stair halls, public/shared corridors, stairwells, escalators and lift shafts, pipe/services ducts, refuse chutes and refuse rooms, balconies, verandas, open decks and flat roofs, loading/unloading areas, mechanical plant rooms, etc.

Department, Student Financial Assistance Agency, and Trade and Industry Department; and

- (b) a community hall of about 600 m², comprising a multi-purpose hall (with stage) with seating capacity of 450 persons, a stage store room, a stage meeting room, male and female dressing rooms, a conference room as well as ancillary facilities, including a management office, a store room for office, a baby care room and toilets.

JUSTIFICATIONS

4. The proposed TI Tower will bring about the following benefits –

- (a) the proposed TI Tower will complement other GIC facilities in KTDA providing a range of public services to the community in East Kowloon. Of the 10 b/ds to be housed in the proposed TI Tower, seven will provide frontline services to the public, including employment and labour relation services, student finance, postal services, support and advisory services for small and medium-sized enterprises, referral of welfare services, teacher registration and land administration services for railway projects. The project will also promote the development of KTDA and contribute to the objective of energising East Kowloon as announced in the 2011-12 Policy Address;
- (b) of the 33 000 m² NOFA for the proposed TI Tower, about 42% will be used to accommodate all the departments currently housed in the Trade and Industry Department Tower (“TID Tower”) in Mong Kok. This will allow the release of the TID Tower, which is located in a prime location, for more gainful use; and
- (c) the project can provide de-leasing opportunities for the Government. About half of the 33 000 m² NOFA will be used for housing b/ds currently scattered in leased accommodation (mainly in Southeast Kowloon). The estimated annual saving in rental expenditure is about \$50 million.

5. The proposed community hall will stand on its own on the site, right next to the proposed government office building. Kowloon City has a population of approximately 366 000. At present there is no government-run community hall in the Kowloon City district. Together with the community hall to be completed in 2013 under the joint-user complex at Bailey Street, the proposed community hall in this project will provide facilities and venue for organising community activities for various bodies in the Kowloon City district. These include about 130 Mutual Aid Committees established by residents of public housing estates and private residential buildings together with 1 064 Owners’ Committees/Corporations of private residential buildings,

as well as about 120 local organisations and 57 non-governmental organisations in the district. Apart from providing a venue for community building activities, the proposed community hall will also serve as a temporary/cold/heat shelter when the need arises.

PROJECT DELIVERY

6. The project will be implemented using the Design and Build (“D&B”) approach under which the contractor selected through competitive bidding will be responsible for the design and construction of the proposed TI Tower in accordance with the Employer’s Requirements. The design of the project will address a number of issues including integration with the surrounding environment, visual impact, air ventilation, pedestrian traffic, etc. The site will be connected to the neighbourhood by elevated walkways, a pedestrian subway and pedestrian passages at ground level. The proposed TI Tower will also conform to the Government’s policy on barrier-free access and energy conservation.

7. On energy conservation, the project has been selected as one of the two energy efficiency demonstration projects of public works to try out more energy efficient designs and technologies. Apart from using energy efficient features commonly adopted in government building projects³, the project will incorporate specific environmental and energy efficient features, including task lighting, sun tracking light pipes and lift power regeneration system. The proposed TI Tower will also be connected to the District Cooling System at KTDA for air-conditioning. Furthermore, it will adopt renewable energy technologies including photovoltaic system, solar hot water system and suntubes, as well as other environmental features such as automatic refuse collection system, rainwater recycling system for landscape irrigation and use of low-emitting materials. For green features, the overall greening ratio will be more than 30%, and vertical and roof-top greening will be adopted.

8. The increased emphasis on energy conservation and greening for this project is in line with the “Green City” concept of KTDA. The project will be assessed by the Leadership in Energy and Environmental Design certification program, which is an internationally recognised building environmental assessment system for building design, construction and operation. We aim at achieving at least a Gold rating.

PROJECT ESTIMATE

9. We estimate that the capital cost of the project will be around \$2,645.1 million in money-of-the-day prices.

³ These include building energy management system for large installations, heat wheels for heat energy reclaim of exhaust air, automatic demand control for fresh air supply and car park ventilation, light-emitting diode exit signs, T5 energy efficient fluorescent tubes with electronic ballast and lighting control by occupancy sensors and daylight sensors, as well as services-on-demand control for escalator (on-off) control.

IMPLEMENTATION PLAN

10. We have completed the tender assessment for the D&B contract of the project. Subject to funding approval of the Finance Committee (“FC”), we plan to start the construction works for the proposed TI Tower in January 2012 for completion in December 2014.

PUBLIC CONSULTATION

11. We consulted the Housing and Infrastructure Committee of the Kowloon City District Council on 18 June 2009 and Wong Tai Sin District Council on 7 July 2009. Members generally supported the project.

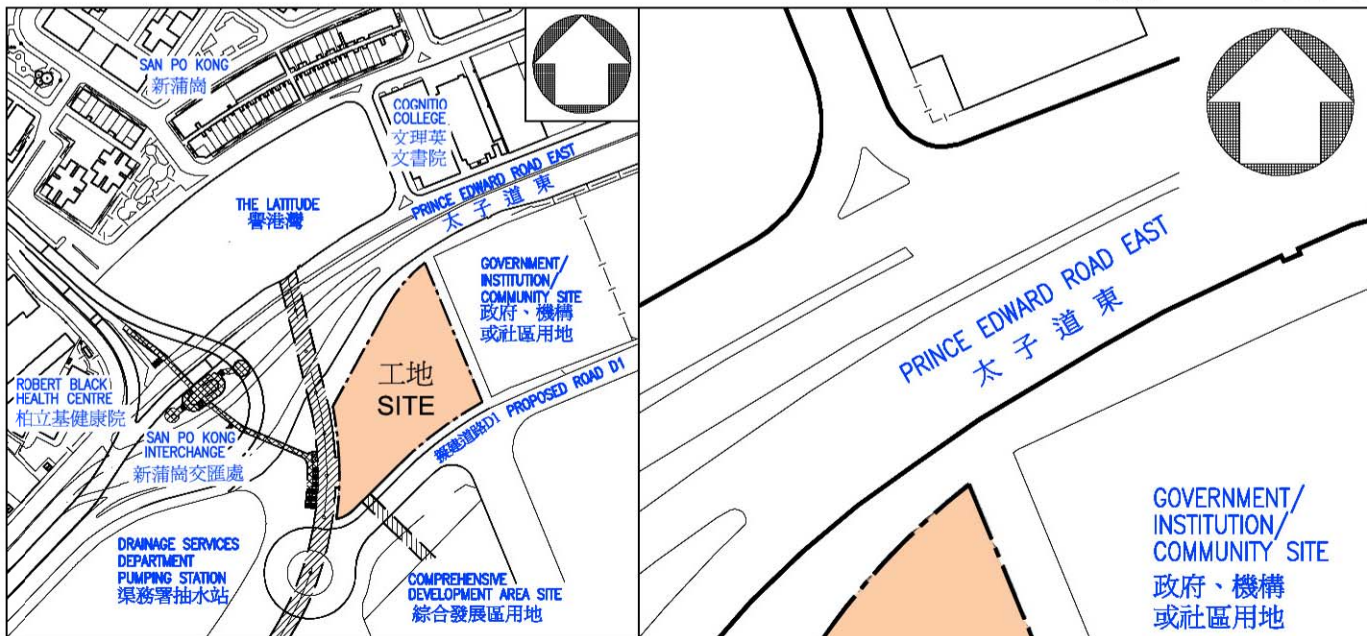
WAY FORWARD

12. We plan to submit the proposal for Public Works Subcommittee’s endorsement and FC’s approval on 14 December 2011 and 6 January 2012 respectively.

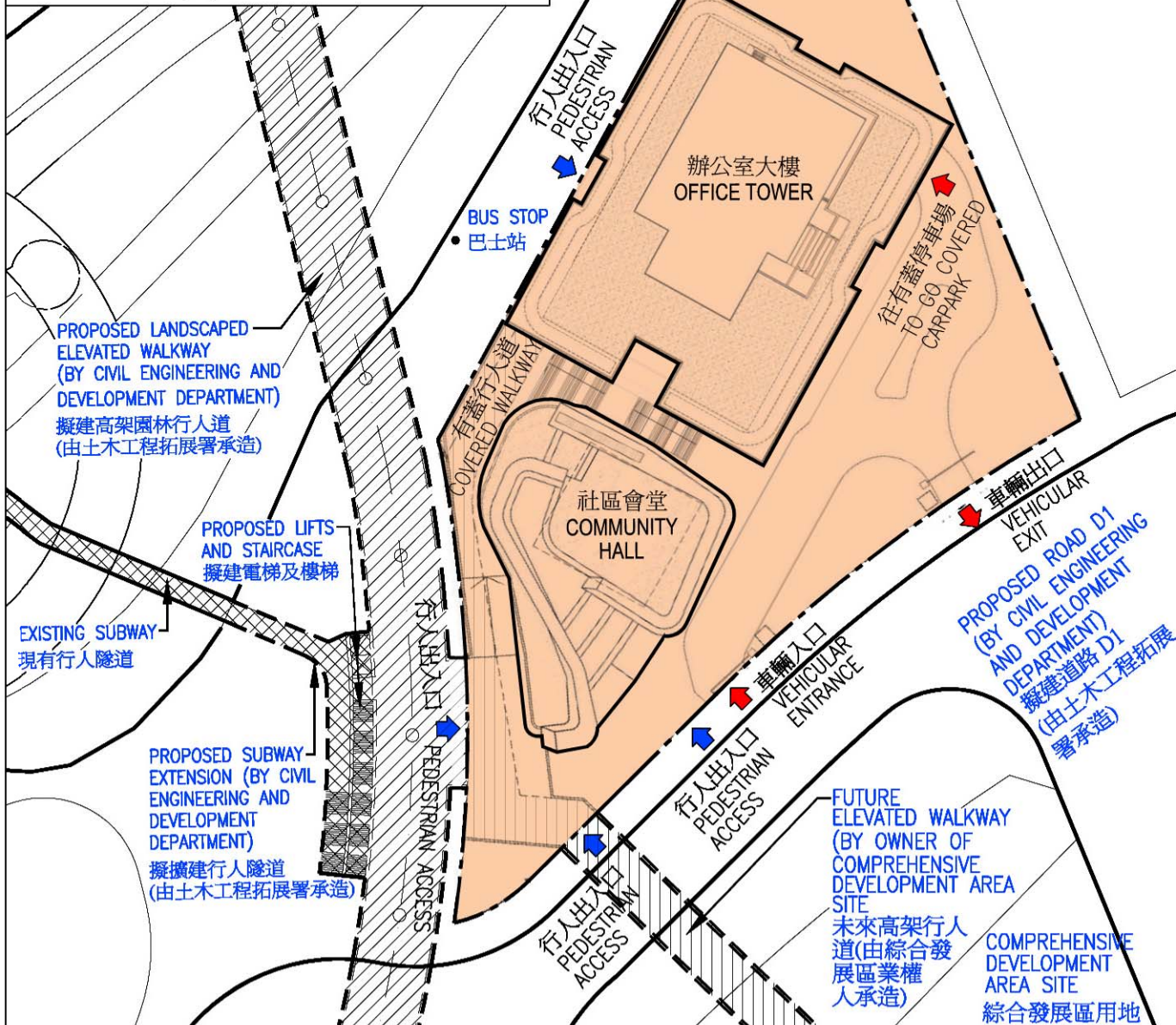
ADVICE SOUGHT

13. Members are invited to support the Administration’s proposal to construct the proposed TI Tower in KTDA.

**Financial Services and the Treasury Bureau
October 2011**



LOCATION PLAN 位置圖 SCALE 比例 1 : 5000



109KA CONSTRUCTION OF TRADE AND INDUSTRY TOWER IN KAI TAK DEVELOPMENT AREA 在啓德發展區興建工業貿易大樓	drawn by 繪圖 BILLY CHOW	date 日期 28/10/2011	drawing no. 圖號 PMB1/7179/LP002	scale 比例 1 : 1000
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