

**立法會**  
***Legislative Council***

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**Public Works Subcommittee of the Finance Committee  
of the Legislative Council**

**Minutes of the 16<sup>th</sup> meeting  
held in Conference Room 1 of the Legislative Council Complex  
on Wednesday, 24 February 2016, at 8:30 am**

**Members present:**

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)  
Hon Frankie YICK Chi-ming, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon LEUNG Yiu-chung  
Hon Emily LAU Wai-hing, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon Starry LEE Wai-king, JP  
Hon CHAN Hak-kan, JP  
Dr Hon LEUNG Ka-lau  
Hon WONG Kwok-kin, SBS  
Hon IP Kwok-him, GBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung

Hon Albert CHAN Wai-yip  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon WU Chi-wai, MH  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Dr Hon Elizabeth QUAT, JP  
Hon TANG Ka-piu, JP  
Dr Hon CHIANG Lai-wan, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Member attending:**

Hon MA Fung-kwok, SBS, JP

**Members absent:**

Hon Alice MAK Mei-kuen, BBS, JP  
Hon Dennis KWOK  
Dr Hon Fernando CHEUNG Chiu-hung

**Public officers attending:**

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>3</sup>
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)

Mr Maurice LOO Kam-wah	Deputy Secretary for Development (Planning and Lands)2
Mr TANG Kin-fai, JP	Assistant Director of Environmental Protection (Environmental Assessment)
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Ms Angela LEE Chung-yan	Deputy Secretary for Home Affairs (2)
Ms Elaine MAK Tse-ling	Principal Assistant Secretary for Home Affairs (Culture)1
Mr Victor TAI Sheung-shing	Chief Architect (Central Management Division 2) Architectural Services Department
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands)1
Mr Daniel CHUNG Kum-wah, JP	Director of Civil Engineering and Development
Mr LAM Sai-hung, JP	Project Manager (Hong Kong Island and Islands) Civil Engineering and Development Department
Mr David LO Kwok-chung	Chief Engineer (Islands) Civil Engineering and Development Department
Ms Jacinta WOO Kit-ching	Assistant Director (New Territories) Planning Department
Ms Donna TAM Yin-ping	District Planning Officer (Sai Kung and Islands) Planning Department

**Attendance by invitation:**

Ms Winsome CHOW	Chief Executive Hong Kong Arts Development Council
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**Clerk in attendance:**

Ms Sharon CHUNG	Chief Council Secretary (1)2
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**Staff in attendance:**

Ms Anita SIT	Assistant Secretary General 1
Mr Raymond CHOW	Senior Council Secretary (1)6
Ms Christina SHIU	Legislative Assistant (1)2
Ms Christy YAU	Legislative Assistant (1)7
Ms Clara LO	Legislative Assistant (1)8

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Action

The Chairman advised that there were four funding proposals on the agenda for the meeting. The first two items were those carried over from the previous meeting of the Subcommittee on 17 February 2016. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council, they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

**Head 703 – Buildings**

<b>PWSC(2015-16)54</b>	<b>71RE</b>	<b>Development of Arts Space and a permanent office of the Hong Kong Arts Development Council at ex-Aberdeen Fire Station site</b>
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2. The Chairman said that the proposal, i.e. PWSC(2015-16)54, was to upgrade 71RE to Category A at an estimated cost of \$348.6 million in money-of-the-day ("MOD") prices for the development of arts space and arts facilities, as well as a permanent office of the Hong Kong Arts Development Council ("HKADC") at the ex-Aberdeen Fire Station site. The Panel on

Home Affairs ("the Panel") had been consulted on the proposal on 13 November 2015. Panel members supported the Administration's submission of the proposal to the Subcommittee for consideration. At the request of the Panel, the Administration had provided supplementary information to the Panel on 26 November 2015. A report on the gist of the Panel's discussion had been tabled at the meeting.

#### Implementation approach and site selection of the project

3. The Subcommittee noted that the proposed arts space, arts facilities and permanent office of HKADC would be incorporated within a land sale site in Wong Chuk Hang which was previously occupied by the ex-Aberdeen Fire Station ("the Site"). The Administration would, through land sale conditions, require the future developer of the Site to design, construct and fit out the arts space, arts facilities and the HKADC office, and would reimburse the developer of the actual cost of design and construction, subject to a pre-determined financial ceiling established with reference to the design and construction costs of the facilities as if they were to be designed and constructed by the Administration.

4. Mr Albert CHAN and Mr LEUNG Kwok-hung questioned the justification for adopting such an implementation approach for the proposed project. In particular, they were concerned about the selection of the developer for developing the Site, and the monitoring on the developer's design and construction works, as well as the expenditures on the construction works, including whether the future developer would put the construction works out to tender to minimize the construction cost. Mr WU Chi-wai questioned whether the implementation approach for the project would affect the proceeds from the sale of the Site.

5. Mr Albert CHAN expressed objection to the selection of the Site for implementing the proposed project. In his opinion, the location was not easily accessible by residents of the New Territories. Ms Cyd HO enquired about the justification for providing a permanent office for HKADC and for selecting the Site for the said purpose.

6. In response, Deputy Secretary for Home Affairs (2) ("DSHA(2)") advised that in discussing the long-term development of the Site, the Southern District Council had proposed that some space should be reserved for arts and cultural uses in the future development at the Site. The Site had been included in the 2015-2016 Land Sale Programme. Since the Site was very close to the "ADC Artspace" and the vicinity was a popular location for visual and media artists to set up their studios and private galleries, developing a new arts space with a focus on visual and media art forms in the

future development at the Site would create a cluster effect. The provision of a permanent office for HKADC would enable HKADC to develop in stable environment, thereby enhancing its support for the arts community. Upon completion by the developer, the arts and office facilities within the scope of the proposed project would be taken over by the Administration and held in the name of the Financial Secretary Incorporation. The Administration would then enter into an agreement with HKADC for the management of the arts space and arts facilities, and for leasing the office space.

7. Deputy Secretary for Development (Planning and Lands)<sup>2</sup> advised that the Site would be disposed of by public tender in accordance with the established procedures of government land sale. The requirement for implementing the proposed project would be incorporated into the land sale conditions, and interested developers would submit tenders for the Site taking into account such conditions.

8. Chief Architect (Central Management Division 2), Architectural Services Department ("CA(CMD2)/ASD") supplemented that the developer would be required to submit to the Administration a written statement certified by an Authorized Person specifying the monies expended by the developer on the design and construction of the facilities in accordance with the land sale conditions. The Administration would vet and scrutinize the written statement and other relevant documentation and determine whether any monies specified in the statement formed part of the actual cost of design and construction. After the Administration was satisfied that the monies specified in the statement were the actual cost of design and construction for the project, it would reimburse the developer of the Site the actual cost of design and construction, subject to the pre-determined financial ceiling.

9. Dr Kenneth CHAN sought elaboration on the leasing arrangement of the proposed permanent office of HKADC. DSHA(2) advised that HKADC would be required to pay rent to the Administration for its permanent office at the Site. The rent would be set according to the market rate, and similar to the existing practice, the rent would be met by Government recurrent subvention to HKADC.

Admin

10. Mr Albert CHAN requested the Administration to provide information about similar projects in the previous five years in which government or public facilities were incorporated within a land sale site, and the financial ceiling for reimbursing the actual costs of design and construction of the facilities to the private developers.

11. Pointing out that there were many ex-school premises which had been left vacant for a long period, Mr WU Chi-wai, Dr KWOK Ka-ki and Mr Alan LEONG considered that the Administration should make good use of these vacant school premises by refurbishing them for use as arts space and the permanent office of HKADC. They criticized the lack of coordination among government bureaux/departments in the use and disposal of vacant school premises. Mr SIN Chung-kai suggested that the Administration should convert restored historic buildings for use as arts space and the permanent office of HKADC. Mr MA Fung-kwok enquired whether the Administration was exploring other possibilities for setting up more arts spaces and facilities.

12. DSHA(2) responded that there would be collaboration between the Tai Po District Council and HKADC to convert a vacant school building in Tai Po into an arts centre catering for performing arts activities. The Administration had also converted a Grade II historic building on Oil Street in North Point into the Oil Street Art Space. The Administration and HKADC would continue to explore suitable venues for the provision of arts space to support the development of local arts groups and artists.

Admin

13. At the request of Mr Alan LEONG and Mr WU Chi-wai, the Administration would provide information on --

- (a) the mechanism for the use and disposal of vacant school premises, and whether the Administration had explored the use of such premises for the proposed development of arts space and the permanent office of HKADC;
- (b) a list of the locations of vacant school premises and the possible use of each of the premises; and
- (c) the plan and timetable for the provision of arts facilities to support the development of local arts groups and artists.

14. In response to Dr KWOK Ka-ki's enquiry about the "ADC Artspace", DSHA(2) clarified that the establishment of the "ADC Artspace" was made possible by the sponsorship of a private developer which leased space at a below-market rate to HKADC.

15. Mr WONG Kwok-hing supported the project. He called on the Administration to step up publicities on the new arts space and arts facilities to be provided at the Site after the completion of the project.

Design of the proposed facilities and office

16. Mr Christopher CHUNG declared that he was an ex-member of HKADC and expressed support for the proposed project. Mr Christopher CHUNG, Mr CHAN Chi-chuen, Mr LEUNG Kwok-hung and Mr WU Chi-wai enquired about the respective floor areas of the arts facilities and HKADC's office. Dr Kenneth CHAN enquired whether there would be car parking spaces and loading bays for use by HKADC and the artists.

17. DSHA(2) advised that the total net operational floor area of the project was 2 780 square metres ("m<sup>2</sup>"). The major facilities included 28 artist studios for leasing to artists (1 140 m<sup>2</sup>), an exhibition gallery (500 m<sup>2</sup>), an arts information centre (140 m<sup>2</sup>), other ancillary facilities (such as store rooms) (100 m<sup>2</sup>), as well as the permanent office of HKADC (900 m<sup>2</sup>). The area to be occupied by the permanent office of HKADC was the same as that of the office HKADC would move in shortly and complied with the accommodation standard of the Government Property Agency. The Technical Schedule to be appended to the land lease would list out the design and technical requirements of the Administration for the developer to comply with in the design and construction for providing the arts and office facilities. At the request of Mr CHAN Chi-chuen, the Administration undertook to provide a summary of the details of the design and technical requirements.

Admin

18. Mr Tony TSE expressed support for the proposed project. He suggested that the layout and design of the exhibition gallery should allow flexibility for dividing the whole area into several smaller sections, so that more exhibitions of smaller scales could be held at the same time, thus providing more opportunities for the young and emerging artists. DSHA(2) took note of Mr TSE's suggestion.

19. Mr MA Fung-kwok declared that he was a former Chairman of HKADC. He expressed support for the provision of a permanent office for HKADC. Referring to the proposed 28 artist studios for leasing to artists, Mr MA suggested that the Administration should consider increasing the maximum permitted non-domestic plot ratio of the Site to allow more artist studios and arts facilities to be provided, so as to achieve better economy of scale in the operation of the arts space and arts facilities.

20. DSHA(2) responded that the maximum permitted non-domestic plot ratio of the Site was 15. The ultimate total construction floor area of the private development would be subject to the final design proposal of the future developer. She supplemented that the proposed design would



facilitate the management of the arts space and arts facilities by HKADC since the permanent office of HKADC would be located at the same site.

Cost of the project

21. Mr CHAN Chi-chuen asked whether the ceiling of the design and construction costs to be reimbursed to the future developer of the Site would be the estimated project cost, i.e. \$348.6 million in MOD prices. DSHA(2) advised that the estimated project cost included the cost for contingencies and purchase of furniture and equipment, which was not part of the design, construction and fitting-out cost to be reimbursed to the future developer.

22. Mr Alan LEONG enquired, given that the proposed project would be part of the development at the Site and the design of the arts space, arts facilities and HKADC's office was not yet available, how the estimated building cost and foundation cost for the project, as given in paragraph 12 of the discussion paper, were made. CA(CMD2)/ASD replied that the aforesaid costs had been worked out based on the assumption that the government facilities, i.e. the arts space, arts facilities and HKADC office, were designed and constructed by the Government at the Site.

Leasing arrangements of the arts space

23. Referring to a similar arts space project in Yau Ma Tei in which the tenants were reluctant to move out from the premises upon completion of their tenancy, Mr Christopher CHUNG enquired about the leasing arrangements of the proposed arts space to be provided under the project. Mr CHAN Chi-chuen asked for elaboration on the mechanism for selection of artist tenants for the proposed artist studios, including the selection criteria, the marking scheme, etc.

24. DSHA(2) and Chief Executive, HKADC ("CE/HKADC") responded that upon completion of the construction, the arts space and arts facilities would be operated and managed by HKADC with a view to supporting the development of local artists and promoting the development of community arts. The artist studios would be leased to visual artists and media artists at an affordable rent on tentatively two-year tenancies under a support scheme to be operated by HKADC. HKADC would make reference to the mechanism of the "ADC Artspace" in formulating the details of the tenant selection criteria and the vetting procedures for the proposed arts space and arts facilities to be provided under the project. HKADC would set up an assessment panel to vet the tenancy applications. The panel would comprise representatives from different sectors of the local arts community, in particular the visual arts and media arts sectors. The selection of tenants

Admin/  
HKADC

would mainly be based on the applicants' artistic standards, proposed use of the space, and information related to the final set of criteria used for the arts space scheme. CE/HKADC undertook to provide written information on the mechanism for selection of artist tenants of the proposed artist studios to be provided under the project. In respect of Mr Christopher CHUNG's remark, CE/HKADC supplemented that the relevant tenant of the arts space project in another arts space administrated by HKADC in Yau Ma Tei had vacated the premises, and HKADC had entered into a new two-year tenancy with another art group.

Admin/  
HKADC

25. In response to Mr CHAN Chi-chuen's enquiry about the review procedures for unsuccessful applicants, CE/HKADC said that in case of rejection due to improper handling procedures or incorrect information, applicants could request a review on the decision within one month after receiving a formal written notification on the application result. All review cases would be referred to the Review Committee of HKADC. Mr CHAN Chi-chuen requested HKADC to provide information about the number of review cases in relation to the leasing of arts space considered by the Review Committee, and the success rate of review cases.

26. Pointing out that there were 10 art-form groups under HKADC, Ms Cyd HO enquired about the reasons for designating the proposed arts space for use by the visual arts and media arts sectors. She also expressed concern about the possible impact of the project on the rental levels of the industrial premises in Wong Chuk Hang, which was a popular location for artists to set up their studios and private galleries.

27. DSHA(2) reiterated that since the Site was close to the "ADC Artspace" and the vicinity was a popular location for visual and media artists to set up their studios and private galleries, developing a new arts space with a focus on visual and media art forms in the future development at the Site would create a cluster effect.

Admin

28. Ms Cyd HO requested the Administration to provide information about the views received by HKADC from the arts community on the proposed project.

*[At 10:22 am, the Chairman proposed that the meeting be extended 15 minutes to 10:45 am. No member raised any objection.]*

Voting on PWSC(2015-16)54

29. There being no further questions from members on the item, the Chairman put the proposal PWSC(2015-16)54 to vote. At the request of

Mr Albert CHAN, the Chairman ordered a division and the division bell was rung for five minutes. Twenty-five members voted for, eight members voted against the proposal, and four members abstained. The votes of individual members were as follows --

*For:*

Mr CHAN Kam-lam  
Mr Abraham SHEK  
Prof Joseph LEE  
Mr Andrew LEUNG  
Ms Starry LEE  
Dr LEUNG Ka-lau  
Mr Michael TIEN  
Mr Frankie YICK  
Mr CHAN Han-pan  
Mr LEUNG Che-cheung  
Dr Elizabeth QUAT  
Dr CHIANG Lai-wan  
Mr Tony TSE  
(25 members)

Mr TAM Yiu-chung  
Mr WONG Kwok-hing  
Mr Jeffrey LAM  
Mr WONG Ting-kwong  
Mr CHAN Hak-kan  
Mr WONG Kwok-kin  
Mr Steven HO  
Mr Charles MOK  
Miss CHAN Yuen-han  
Mr KWOK Wai-keung  
Mr TANG Ka-piu  
Mr Christopher CHUNG

*Against:*

Mr LEE Cheuk-yan  
Ms Cyd HO  
Mr Albert CHAN  
Mr CHAN Chi-chuen  
(8 members)

Mr LEUNG Yiu-chung  
Mr LEUNG Kwok-hung  
Ms Claudia MO  
Dr KWOK Ka-ki

*Abstain:*

Mr Albert HO  
Ms Emily LAU  
(4 members)

Mr James TO  
Mr SIN Chung-kai

30. The Chairman declared that the proposal was endorsed by the Subcommittee.

31. Mr LEUNG Kwok-hung requested that this item, i.e. PWSC(2015-16)54, be voted on separately at the relevant Finance Committee meeting.

**Head 707 – New Towns and Urban Area Development**  
**PWSC(2015-16)55    786CL    Tung Chung New Town Extension**

32. The Chairman said that the proposal, i.e. PWSC(2015-16)55, was to upgrade part of 786CL to Category A at an estimated cost of \$729.5 million in MOD prices for engaging consultants to undertake the detailed design and site investigation works for the implementation of Tung Chung New Town Extension ("TCNTE"). The Panel on Development had been consulted on the proposal on 22 December 2015. Panel members supported the Administration's submission of the proposal to the Subcommittee for consideration. Pursuant to Panel members' requests, the Administration had provided supplementary information at Enclosure 6 to PWSC(2015-16)55. A report on the gist of the Panel's discussion had been tabled at the meeting.

### Connectivity of Tung Chung

33. Mr Michael TIEN opined that, when the Administration sought members' support for a proposal on a land development project, it was important for the Administration to provide sufficient information about the planning of the transport infrastructure in the development area. He was concerned about the adequacy of transport facilities to be provided in TCNTE. He queried whether the Administration had, in assessing the transport needs of the future residents of TCNTE, taken into account the new passenger demand for railway transport arising from the commissioning of the third runway of the Hong Kong International Airport ("HKIA") and the Hong Kong-Zhuhai-Macau Bridge ("HZMB"). Referring to the Administration's plan to increase the train frequencies on the Tung Chung Line ("TCL") and the Airport Express Line ("AEL") at peak hours to 24 and eight trains per hour respectively, Mr TIEN expressed doubt on the feasibility of the plan given : (a) that the departure points of the trains involved three different stations (i.e. the Airport, Tung Chung and Tsing Yi); and (b) the increase in service headway resulting from the MTR Corporation Limited's plan to expand the AEL trains to 10 passenger cars.

34. Director of Civil Engineering and Development responded that the connectivity of Tung Chung ("TC") would be mainly supported by railway transport and supplemented by non-rail transport. It was envisaged that the capacity of TCL could be increased by upgrading the signal system and constructing an overrun tunnel. The proposed new railway system and road network to be developed in Lantau in the long run would further enhance the connectivity of TC as well as North West New Territories. Project Manager (Hong Kong Island and Islands), Civil Engineering and Development Department supplemented that the hourly patronage for the section of TCL between Tung Chung and Tsing Yi during the morning peak hours (in the direction from Tung Chung to Hong Kong) was expected to increase from 5 800 (passengers) in 2013 to 19 500 in 2036. The estimation of the increase, i.e. some 14 000 passengers per hour in patronage, had taken into

account the planned development of North Lantau, and the commissioning of the third runway of HKIA and HZMB.

Provision of ancillary facilities

35. Mr LEUNG Kwok-hung expressed concern about the adequacy of ancillary facilities to be provided in TCNTE, and queried whether sufficient local employment opportunities could be created for the future residents of TCNTE. Noting that certain areas in TCNTE were reserved for office use, Mr LEUNG enquired about the methodology adopted by the Administration in assessing the demand for Grade A office.

36. Deputy Secretary for Development (Planning and Lands)<sup>1</sup> responded that the Administration proposed to further expand the existing Tung Chung New Town into a new town of a larger scale with more comprehensive planning that could provide adequate community and other ancillary facilities to support a population capacity of 270 000. TCNTE would also provide some 877 000 m<sup>2</sup> gross floor area for office, retail and hotel uses, creating some 40 000 jobs. In addition, more job opportunities would be generated as a result of the future development of the North Commercial District of HKIA, the commissioning of the third runway, and the topside development on the artificial island for the Hong Kong-Zhuhai-Macao Bridge Border Crossing Facilities.

37. There being no other business, the meeting ended at 10:45 am.