For discussion on 1 March 2001

Subcommittee to Follow Up the Outstanding Capital Works Projects of the Former Municipal Councils

Retrofitting of Air-Conditioning to Existing Markets and Cooked Food Centres

Purpose

This paper reports on the present position regarding the projects to retrofit air-conditioning system (A/C) to 19 existing markets and cooked food centres (CFCs).

Background

At the Subcommittee meeting held on 7 December 2000, we advised Members of our intention to include 19 projects to retrofit A/C to existing markets and CFCs into Category C of the Public Works Programme (PWP) and to prioritise the projects on the basis of the six criteria set out in Paragraph 11 of LC Paper No. CB(2)411/00-01(02). We also indicated that the implementation would be subject to technical feasibility, and earmarking of funds would be subject to the normal resource allocation mechanism under the Public Works Programme. This paper reports on the progress made so far.

Setting of priorities

- 3. We are assessing the relative priorities of the 19 projects based on the following criteria and will consult Members in April:
 - a) Future redevelopment plan;
 - b) Availability of air-conditioned market or CFC facilities to residents in vicinity;

- c) Strategic location of market or CFC facilities;
- d) Existing ventilation conditions;
- e) Site constraints and technical difficulties; and
- f) Views of stall lessees.

Consultation with Market Lessees

- 4. We strongly believe that the A/C retrofitting projects should not proceed unless there is majority support from the lessees concerned. A mechanism for inviting the views of the market lessees is proposed at **Annex**. We are considering a percentage of majority of 75% to 90% to ensure that the project receives overwhelming support from the lessees, given its possible impact on their business during the works period and the subsequent financial impact on them. Besides, if a low percentage of majority (say 51%) is chosen, there may be a risk that should some of the lessees leave during the works period, the supporting rate would be brought down to below 50% by the time the project is completed.
- 5. We will brief the market lessees clearly on all implications of A/C retrofitting, e.g. recovery of recurrent costs, arrangements during the works period, etc. They will be informed of the estimated cost of monthly A/C charges payable by them and be requested to give an undertaking to pay such charges monthly when the A/C system is in place.

Food and Environmental Hygiene Department February 2001

Retrofitting of A/C to 19 Existing Markets and CFCs Mechanism for Inviting Views of Market Lessees

FEHD to consult Market Management Consultative Committee (MMCC) of individual markets with details on: Estimated range of recurrent cost (electricity and maintenance) to be borne by stall lessees. Proposed arrangements during the works period, e.g. stall relocation/alterations, temporary closure, duration of rent free period etc. If NOT endorsed by MMCC If endorsed by MMCC 1. Consult individual stall lessees through: briefings on the project letter delivered to individual stalls Registered mail to lessees' home address Project not to proceed. Notices/posters at prominent locations within the market If lessees do not reply, it will be assumed that they do not agree with the project. 2. Project to proceed only if over 75% to 90% (see analysis in covering paper) of stall lessees agree to the Administration's proposal and sign a legally binding undertaking to that effect. 3. The remaining lessees will be allowed to rent vacant stalls in other public markets without A/C.