

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

2QW – Revitalisation Scheme - Revitalisation of the Former Lai Chi Kok Hospital into Jao Tsung-I Academy/The Hong Kong Cultural Heritage

Members are invited to recommend to Finance Committee the upgrading of **2QW**, entitled “Revitalisation Scheme - Revitalisation of the Former Lai Chi Kok Hospital into Jao Tsung-I Academy/The Hong Kong Cultural Heritage” to Category A at an estimated cost of \$223.5 million in money-of-the-day prices.

PROBLEM

The Former Lai Chi Kok Hospital (the Hospital) would be revitalised into a centre for the promotion of Chinese culture, namely the Jao Tsung-I Academy/The Hong Kong Cultural Heritage (the Academy) by the selected non-profit-making organisation (NPO), The Hong Kong Institute for Promotion of Chinese Culture (HKIPCC), under the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme). As provided for under the Revitalisation Scheme, Government will meet the cost of the revitalisation works via a capital subvention under the Capital Works Reserve Fund.

/PROPOSAL

PROPOSAL

2. The Commissioner for Heritage (C for H), with the support of the Secretary for Development and on the advice of the Director of Architectural Services (D Arch S), proposes to upgrade the remaining part of **2QW** to Category A at an estimated cost of \$223.5 million in money-of-the-day (MOD) prices for the selected NPO to carry out the revitalisation works for the project.

PROJECT SCOPE AND NATURE

3. The scope of works under **2QW** proposed to be upgraded to Category A in this submission comprises revitalisation of the Hospital into the Academy for accommodating the following facilities –

- (a) two exhibition halls;
- (b) a performance hall;
- (c) courtyards/covered outdoor performance stage and outdoor activities area;
- (d) a recreation centre;
- (e) two information centres and a reading room;
- (f) 20 studios/classrooms;
- (g) 89 hostel rooms;
- (h) a reception, ticketing/front desk and shop;
- (i) two cafés/restaurants;
- (j) a kitchen; and
- (k) other ancillary facilities, e.g. lifts, toilets, storage, plant rooms, etc.

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4. The site plan is at Enclosure 1. A bird's eye view of the Academy after revitalisation is at Enclosure 2. Floor plans are at Enclosures 3 to 5 and the elevations of the buildings are at Enclosure 6. Subject to approval of Finance Committee (FC), we plan to commence construction works in October 2010 for completion by June 2012. The Academy will commence operation in the fourth quarter of 2011 in phases. Details of the timetable are set out in paragraph 9(d) below.

JUSTIFICATION

Policy Objective of Adaptive Re-Use of Historic Buildings

5. In February 2008, we invited NPOs with charitable status under section 88 of the Inland Revenue Ordinance (Cap.112) to apply for adaptive re-use of selected government-owned historic buildings in the form of social enterprises (SE) under the Revitalisation Scheme. The Scheme aims to achieve the dual objectives of preserving historic buildings and making these available for public use. The selection of NPO for each project followed a vigorous and competitive process and was carried out upon the advice of an Advisory Committee comprising experts from various fields.

6. Under the Revitalisation Scheme, the selected NPOs would become "agents of heritage conservation" for Government as they would not hold title to the land/building, and their SEs would operate in the government-owned historic buildings on a tenancy basis. Moreover, the performance of the SE would be closely monitored through the terms of tenancy agreement to ensure that the level of service and the provision of public access stated in their proposals were fully complied with. For the Former Lai Chi Kok Hospital, the HKIPCC was selected to undertake the preservation and revitalisation works to adapt the Hospital into the Hong Kong Cultural Heritage for the promotion of Chinese culture. In honour of the world-renowned eminent scholar in Chinese culture, Professor Jao Tsung-I, the Administration announced on 30 December 2009 that the building will be named as Jao Tsung-I Academy/The Hong Kong Cultural Heritage.

Preservation of Building with Historic and Architectural Value

7. The Hospital was built between 1921 and 1924 as a prison. Subsequently, it was used as a hospital and then as a residential rehabilitation centre before its closure in mid-2004. The site has been left vacant since then. The buildings have been deteriorating and, hence, require maintenance from time to time.

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8. The Hospital compound comprises a cluster of over 20 building blocks of Utilitarian style, spreading over three zones (namely the lower, middle and upper zones). Most of the buildings are installed with a Chinese double-tile roofing system, showing influence of local Chinese craftsmanship. The buildings in the compound have been accorded a Grade 3 status by the Antiquities Advisory Board (AAB) in recognition of their architectural merit and the historical significance of the site.

The Benefits of the Project

9. The project will generate the following benefits –

- (a) The project aims to provide a good environment with natural landscape in the urban area for visitors to learn more about Chinese culture and history, in reflection of Professor Jao's dedication to education work in the field of Chinese culture and arts. The Academy will become a unique cultural landmark for both local citizens and tourists;
- (b) We expect that the Academy will attract more visitors to the area and bring vitality to the local economy. To enable the public to appreciate this beautiful cluster of historic buildings, arrangements will be made to facilitate public access to the exhibition areas, information centre and reading room, shop, Chinese courtyards, covered outdoor performance stage and outdoor activities area free-of-charge. The other areas, including unoccupied hostel rooms, studios, classrooms and performance hall, will be opened to the public during guided tours and on open days;
- (c) HKIPCC will operate the Academy as a SE, organising Chinese cultural courses, workshops, performances, tours and conferences to promote traditional Chinese culture. It will also develop new programmes or workshops with local operators as necessary. These activities will enhance public appreciation of traditional Chinese culture, especially among young people. The hostel rooms will provide accommodation for overseas and local exchange groups and individuals participating in programmes or workshops held at the Academy; and

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- (d) To allow the public an early opportunity to appreciate and enjoy the Academy, the Academy will commence operation in two phases. Renovation works for the lower zone including the exhibition halls for displaying Professor Jao's art collections, his achievements and the history of the Hospital, will commence in October 2010 for completion by August 2011. The lower zone will then commence operation in the fourth quarter of 2011. Renovation works for the remaining parts of the site will commence in October 2010 for completion by June 2012. These remaining parts of the site will commence operation in the third quarter of 2012.

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the project to be \$223.5 million in MOD prices (please see paragraph 13 below), broken down as follows –

	\$ million
(a) Demolition and site clearance	2.4
(b) Slope works and piling for disabled access lifts and connection bridges	7.8
(c) Building	77.0
(d) Building services	25.5
(e) Drainage	5.0
(f) External works and landscaping	24.7
(g) Installation of disabled access lifts and connection bridges	8.5
(h) Additional energy conservation measures	1.7
(i) Furniture and equipment	27.2

/(j)

		\$ million	
(j)	Consultants' fees	4.5	
	(i) tender assessment and contract administration	4.3	
	(ii) management of resident site staff	0.2	
(k)	Remuneration of resident site staff	4.1	
(l)	Contingencies	18.8	
	Sub-total	207.2	(in September 2009 prices)
(m)	Provision for price adjustment	16.3	
	Total	223.5	(in MOD prices)

HKIPCC will engage consultants (including architects, structural engineers, building services engineers, quantity surveyors and heritage conservation consultants) to undertake tender assessment, contract administration and site supervision of the project. A detailed breakdown of the estimates of consultants' fees and resident site staff costs by man-months is at Enclosure 7.

11. Pre-contract consultancies and detailed design for the project are near completion, with tender documentation under preparation. Subject to FC's approval for the project, HKIPCC intends to invite bids for the tender of the construction works in July 2010.

12. The total construction floor area (CFA) of **2QW** is 6 789 m². The construction unit cost, represented by the building and building services costs, is estimated to be \$15,098 per m² of CFA in September 2009 prices. We consider the unit cost reasonable as the works involve the preservation and adaptive reuse of a cluster of historic buildings, which were built in the early 20th century and are now in dilapidated conditions. The estimated cost reflects the cost of works necessary for revitalising these buildings into an Academy with an up-to-standard exhibition,

/performance

performance and workshop facilities for promoting Chinese culture and displaying Professor Jao's valuable art collection. The works would also allow the Academy to comply with modern-day requirements under the Buildings Ordinance (Cap. 123) and heritage conservation requirements of the Antiquities and Monuments Office (AMO), and has made allowance for construction difficulties anticipated for this hilly site.

13. Subject to approval, we will phase expenditure as follows –

Year	\$ million (Sept 2009)	Price adjustment factor	\$ million (MOD)
2010 – 11	31.0	1.02700	31.8
2011 – 12	98.1	1.06551	104.5
2012 – 13	68.1	1.10813	75.5
2013 – 14	5.3	1.15246	6.1
2014 – 15	4.7	1.19856	5.6
	<hr/>		<hr/>
	207.2		223.5
	<hr/>		<hr/>

14. We have derived the MOD estimate on the basis of Government's latest forecast of trend rate of change in the prices of the public sector building and construction output for the period from 2010 to 2015. HKIPCC will award the contract on a lump-sum basis because the scope can be clearly defined in advance. We will allow for price adjustments in the contract.

15. HKIPCC is responsible for the future maintenance of the historic buildings and the site at their own cost during the tenancy period of six years. The maintenance of the undisturbed slopes (i.e. slopes not affected by the revitalisation works) and the structural repairs of the historic buildings will be borne by Government. We estimate that the annual recurrent expenditure for the maintenance of the slopes and the structural repair works upon completion of the project will be \$0.67 million.

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PUBLIC CONSULTATION

16. HKIPCC briefed the Sham Shui Po District Council on the project on 5 May 2009 and 4 May 2010 respectively, and Members were supportive of the proposal.

17. HKIPCC consulted the AAB on its Heritage Impact Assessment (HIA) for the revitalisation project on 27 October 2009 and received its support.

18. We consulted the Legislative Council (LegCo) Panel on Development on 30 March 2010 and Members generally supported the project.

ENVIRONMENTAL IMPLICATIONS

19. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). The consultant engaged by HKIPCC completed a Preliminary Environmental Review (PER) for **2QW** in May 2009. The PER recommended the provision of 6mm pane well gasketed windows and air-conditioning in all hostel rooms, including those exposed to traffic noise exceeding the limits recommended in the Hong Kong Planning Standards and Guidelines. HKIPCC has included the costs of implementing the above mitigation measures (\$6.6 million) in the overall project estimate.

20. During construction, HKIPCC will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and provision of wheel-washing facilities.

21. At the planning and design stages, HKIPCC has considered measures to reduce the generation of construction waste where possible. These measures include the use of metal site hoardings and signboards, and retention of the existing structures and materials. In addition, HKIPCC will require the contractor to reuse inert construction waste (e.g. excavated soil) on site or in other suitable construction

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sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities¹. HKIPCC will encourage the contractor to maximize the use of recycled / recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

22. At the construction stage, HKIPCC will also require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. HKIPCC will ensure that the day-to-day operations on site comply with the approved plan. HKIPCC will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. HKIPCC will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

23. HKIPCC estimates that the project will generate in total about 2 538 tonnes of construction waste. Of these, HKIPCC will reuse about 50 tonnes (2%) of inert construction waste on site and deliver 2 418 tonnes (95.3%) of inert construction waste to public fill reception facilities for subsequent reuse. HKIPCC will dispose of the remaining 70 tonnes (2.7%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites for this project is estimated to be \$74,036 (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne² at landfills).

ENERGY CONSERVATION MEASURES

24. This project has adopted various forms of energy efficient features, including –

- (a) T5 energy efficient fluorescent tubes with electronic ballast and lighting control by occupancy sensors and daylight sensors;

/(b)

¹ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

² This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills (which is likely to be more expensive) when the existing ones are filled.

- (b) solar power landscape light;
- (c) timer control for public/external lighting; and
- (d) light-emitting diode (LED) light for ceiling mounted downlight / EXIT sign.

25. For greening features, we will provide lawn areas at the courtyards and landscape greening for environmental and amenity benefits.

26. The total estimated additional cost for adoption of the above features is around \$5.4 million (including \$1.7 million for energy efficient features), which has been included in the cost estimate for this project. The energy efficient features will achieve 7% energy savings in the annual energy consumption with a payback period of about eight years.

LAND ACQUISITION

27. The project does not require land acquisition.

HERITAGE IMPLICATIONS

28. As required under prevailing requirements, this project is subject to an HIA. The HIA report in the form of a Conservation Management Plan was considered by the AMO of the Leisure and Cultural Services Department, which had no objection to the report. HKIPCC also consulted the AAB on the HIA report for this project at its meeting on 27 October 2009 and received its support. HKIPCC will ensure that the construction works, mitigation measures, future maintenance and interpretation of the site history to be carried out will comply with the requirements stipulated in the HIA report. In case of any amendment to the scheme to tie in with the detailed design to be developed, HKIPCC will further consult the AMO and the AAB and formulate additional mitigation measures as necessary to ensure that any possible impact on the heritage site is acceptable from the conservation perspective.

/BACKGROUND

BACKGROUND INFORMATION

29. We upgraded **2QW** to Category B in April 2009. Part of **2QW** was upgraded to Category A in August 2009 under delegated authority at an estimated cost of \$11.81 million in MOD prices for HKIPCC to carry out the pre-contract consultancies (which included detailed architectural, heritage conservation, structural, geotechnical, building services, landscape design, quantity surveying services and tender documentation) and minor investigation for **2QW**.

30. Details of the Revitalisation Scheme were set out in LegCo Paper No. CB(2)637/07-08(03), which was discussed by the LegCo Panel on Home Affairs on 2 January 2008.

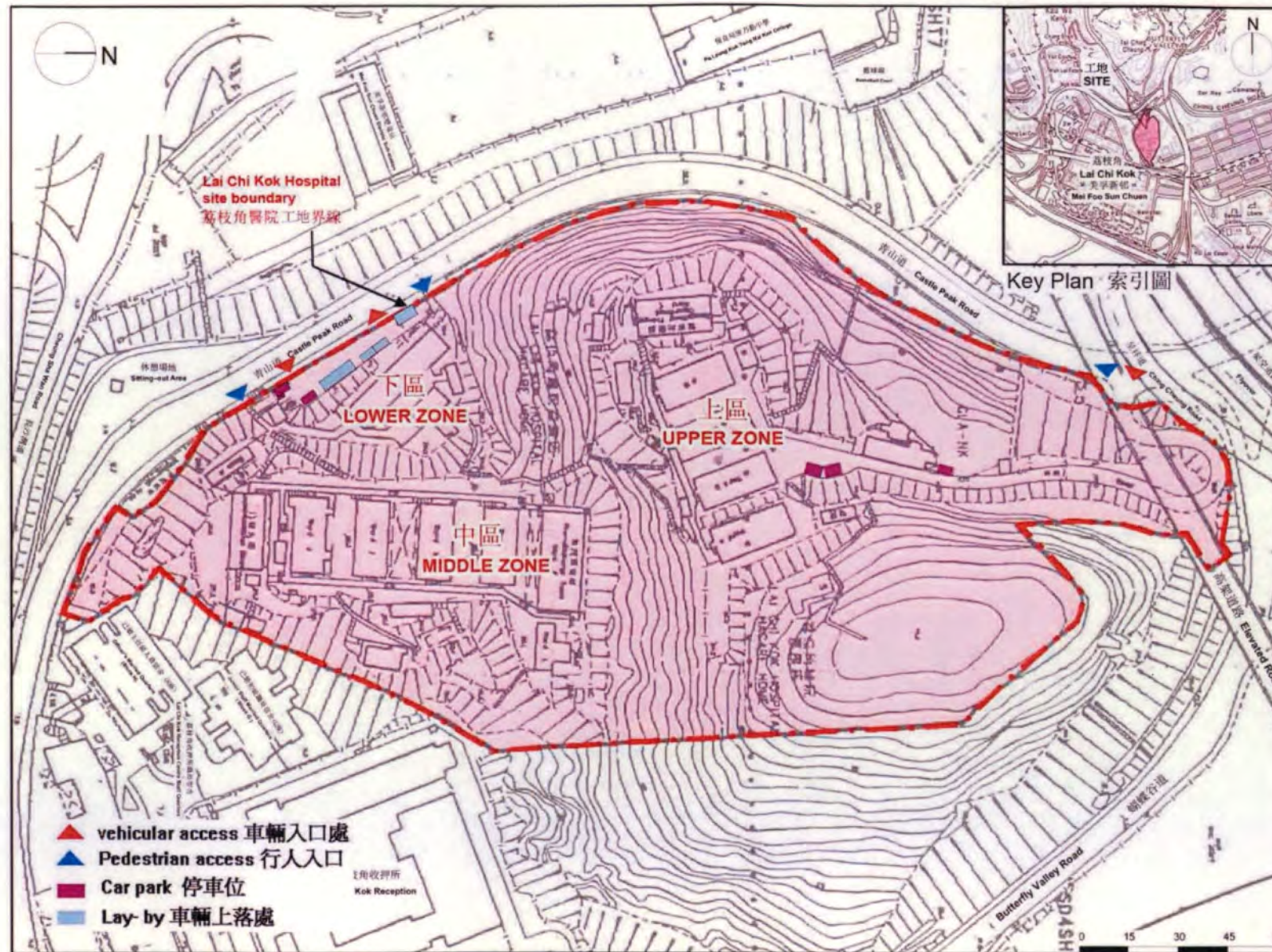
31. The project will involve removal of three trees, including two trees to be felled and one tree to be replanted, within the project site. The tree removal is required mainly to provide for the building services facilities at the same location to cater for the new adaptive re-use. All trees to be removed are not important trees³. We will incorporate a planting proposal as part of the project, including an estimated quantity of 100 trees, 1 000 shrubs, 1 000 annuals and about 40m² of grassed area.

32. We estimate that the project will create about 195 jobs (comprising 20 professional/technical staff and 175 labourers), providing a total employment of 3 680 man-months.

Development Bureau
May 2010

³ “Important trees” refer to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria -

- (a) trees of 100 years old or above;
- (b) trees of cultural, historical or memorable significance e.g. Fung Shui tree, tree as landmark of monastery or heritage monument, and trees in memory of an important person or event;
- (c) trees of precious or rare species;
- (d) trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
- (e) trees with trunk diameter equal or exceeding 1.0 metre (measured at 1.3 metre above ground level), or with height/canopy spread equal or exceeding 25 metres.



SITE PLAN 工地位置圖

2QW - REVITALISATION SCHEME – REVITALISATION OF THE FORMER LAI CHI KOK HOSPITAL INTO JAO TSUNG-I ACADEMY /THE HONG KONG CULTURAL HERITAGE

2QW - 活化計劃 - 活化前荔枝角醫院為饒宗頤文化館/香港文化傳承



BIRD'S EYE VIEW OF THE ACADEMY AFTER REVITALISATION 活化後的文化館的鳥瞰圖

2QW - REVITALISATION SCHEME – REVITALISATION OF THE FORMER LAI CHI KOK HOSPITAL INTO JAO TSUNG-I ACADEMY /THE HONG KONG CULTURAL HERITAGE

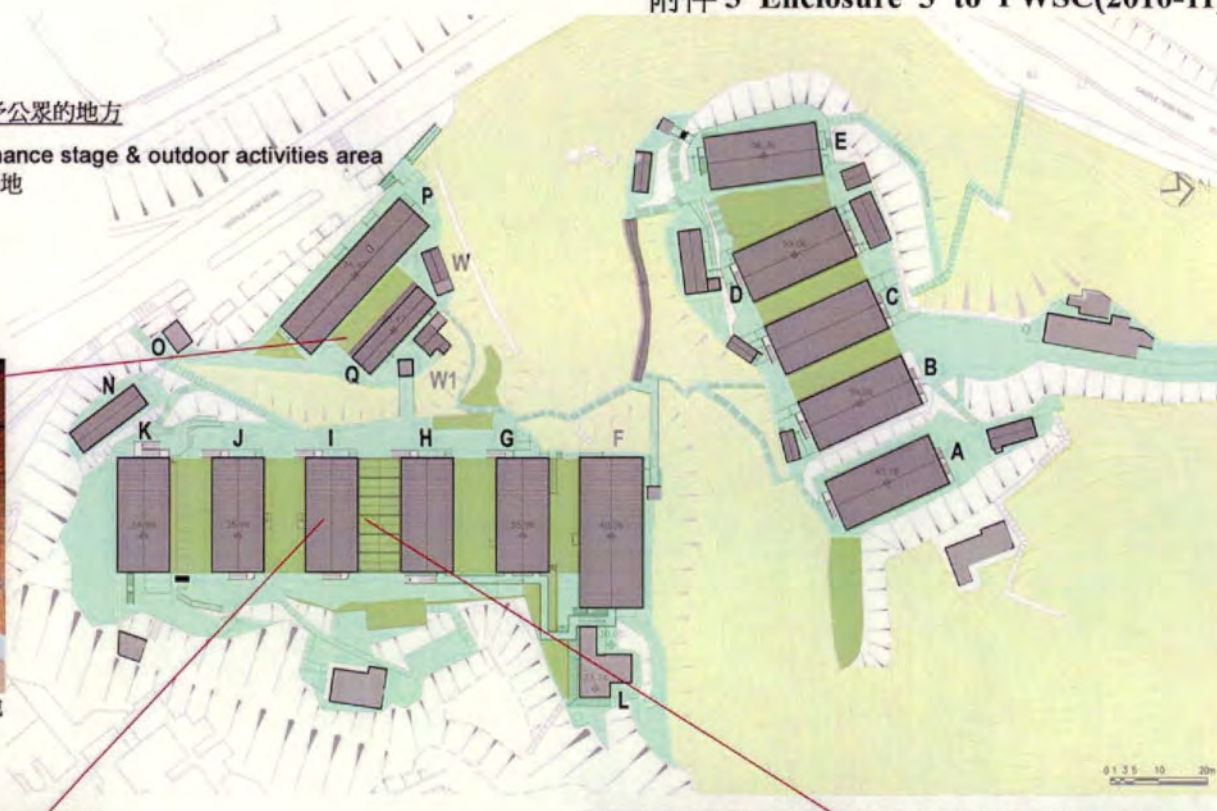
2QW - 活化計劃 - 活化前荔枝角醫院為饒宗頤文化館/香港文化傳承

Area Accessible for Public 開放予公眾的地方

- Courtyard/ Covered outdoor performance stage & outdoor activities area
庭園/ 有蓋戶外表演場地及戶外活動場地
- Other outdoor area 其他戶外場地
- Other greenery 其他綠化場地



Courtyard/ Outdoor activities area 庭園/ 戶外活動場地



Performance hall 綜藝館

ROOF PLAN

天台平面圖



Covered outdoor performance area 有蓋戶外表演場地



GROUND FLOOR PLAN 地下平面圖

Area Accessible for Public 開放予公眾的地方

- Exhibition halls 展覽館
- Cafés/ restaurants 咖啡室/ 餐廳
- Information centre & reading room 資料館及閱讀室
- Courtyard/ Covered outdoor performance stage & outdoor activities area
庭園/ 有蓋戶外表演場地及戶外活動場地
- Other outdoor area 其他戶外場地

Area Accessible for Guided Tours 開放予導賞團的地方

- Hostel use (accessible for Guided Tours if unoccupied)
旅舍用途 (開放未入住的旅舍予導賞團)
- Studios/ classrooms 工作室/ 課室
- Performance hall 綜藝館
- Recreation centre 休閒娛樂活動館

Area inaccessible due to public safety 基於公眾安全不予開放的地方

- Other ancillary facilities 其他輔助設施



Area Accessible for Public 開放予公眾的地方

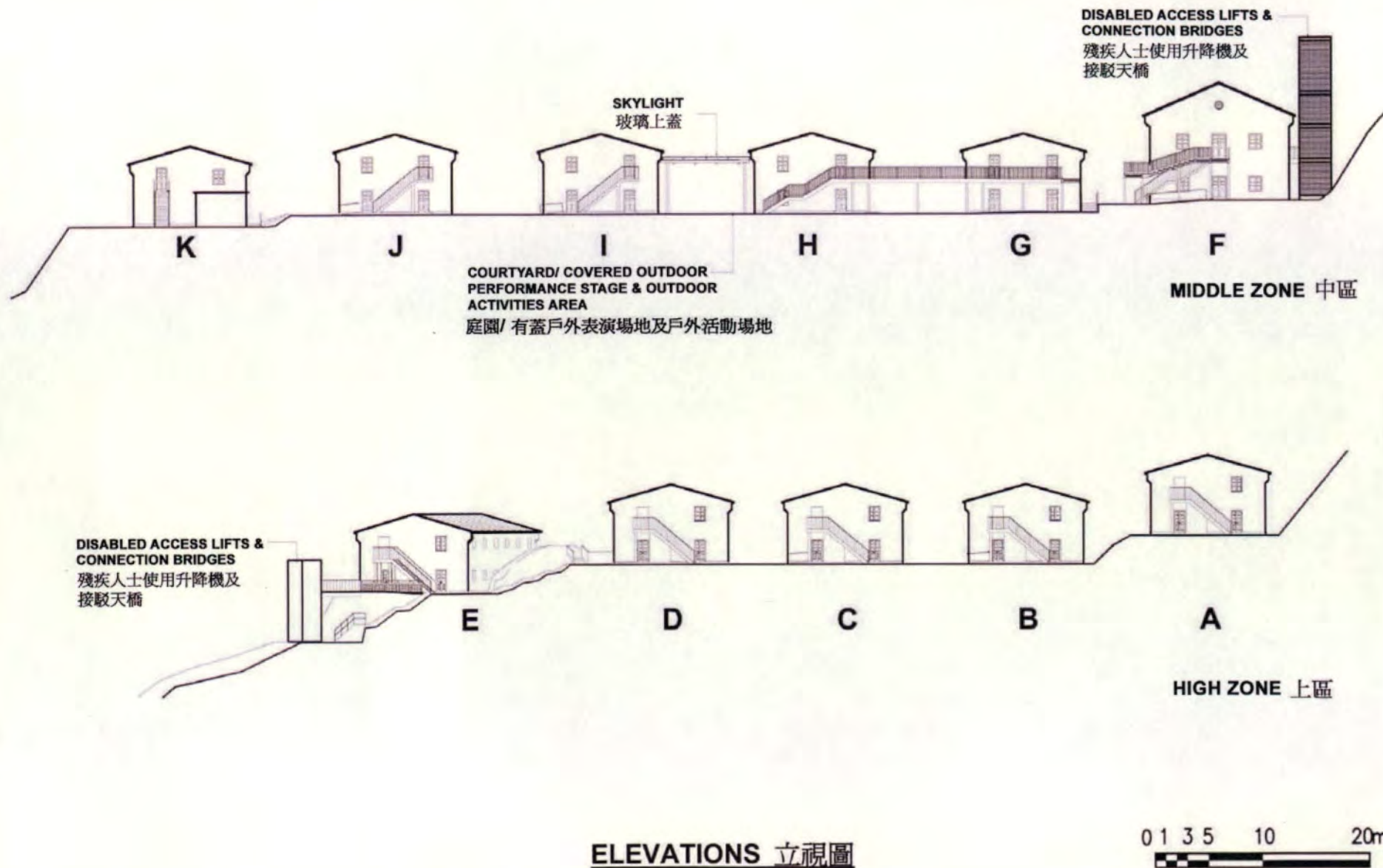
- Exhibition halls 展覽館
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- Other outdoor area 其他戶外場地

Area Accessible for Guided Tours 開放予導賞團的地方

- Hostel use (accessible for Guided Tours if unoccupied) 旅舍用途 (開放未入住的旅舍予導賞團)
- Studios/ classrooms 工作室/課室
- Recreation centre 休閒娛樂活動館

Area inaccessible due to public safety 基於公眾安全不予開放的地方

- Other ancillary facilities 其他輔助設施



2QW - REVITALISATION SCHEME – REVITALISATION OF THE FORMER LAI CHI KOK HOSPITAL INTO JAO TSUNG-I ACADEMY /THE HONG KONG CULTURAL HERITAGE

2QW - 活化計劃 - 活化前荔枝角醫院為饒宗頤文化館/香港文化傳承

Enclosure 7 to PWSC(2010-11)6

2QW – Revitalisation Scheme - Revitalisation of the Former Lai Chi Kok Hospital into Jao Tsung-I Academy/The Hong Kong Cultural Heritage

Breakdown of estimates for consultants' fees and resident site staff costs (in September 2009 prices)^(Note 1)

		Estimated man-months	Average MPS* Salary Point	Multiplier (Note 1)	Estimated Fee (\$ million)
(a) Consultants' staff costs for tender assessment and contract administration	Professional	21	38	2.0	2.4
	Technical	47	14	2.0	1.9
				Sub-total	4.3
(b) Resident site staff costs (Note 2)	Professional	2	38	1.6	0.2
	Technical	130	14	1.6	4.1
				Sub-total	4.3
Comprising -					
(i) Consultants' fees for management of resident site staff					0.2
(ii) Remuneration of resident site staff					4.1
Total					8.6

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs including the consultants' overheads and profits, as the staff will be employed in the consultants' offices. A multiplier of 1.6 is applied to the average MPS salary point to arrive at the full staff costs for resident site staff supplied by the consultant. (As at now, MPS point 38 = \$57,280 per month and MPS point 14 = \$19,835 per month)
2. The figures given above are based on estimates prepared by HKIPCC and agreed by the C for H. D Arch S has examined the figures and considered them acceptable. For resident site staff costs, HKIPCC will only know the actual costs after completion of the construction works.