

For discussion on
24 February 2009

Legislative Council Panel on Development

Revitalising Historic Buildings Through Partnership Scheme

PURPOSE

This paper aims to report to Members on the selection results of the seven buildings included under Batch I of the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme) as well as the way forward.

BACKGROUND

2. We last reported to Members on 19 December 2008 the progress on the implementation of various heritage conservation initiatives, including the Revitalisation Scheme, since the announcement of the “Heritage Conservation Policy” in the 2007-08 Policy Address. The Revitalisation Scheme invites non-profit making organisations (NPOs) with charitable status under section 88 of the Inland Revenue Ordinance to apply for adaptive re-use of selected government-owned historic buildings in the form of social enterprise. Details of the Revitalisation Scheme were set out in the Legislative Council Paper No. CB(2)637/07-08(03) dated 20 December 2007.

ASSESSMENT OF THE APPLICATIONS

3. The Government launched the Revitalisation Scheme on 22 February 2008. For the first batch, seven buildings were available for application:

- (a) Old Tai O Police Station;
- (b) Fong Yuen Study Hall;
- (c) Lai Chi Kok Hospital;
- (d) Lui Seng Chun;
- (e) North Kowloon Magistracy;

- (f) Mei Ho House; and
- (g) Old Tai Po Police Station.

A total of 114 applications were received. An Advisory Committee on Revitalisation of Historic Buildings (AC) was formed in May 2008 to vet the applications. The Committee comprises ten non-official and three official members who are professionals and experts in the fields of historical research, architecture, surveying, social enterprise, finance etc.

4. The AC has visited all the seven buildings under Batch I and held 16 meetings from mid June 2008 to early February 2009 to vet the applications. It examined and assessed the applications in accordance with a marking scheme (set out clearly in the application materials), which comprises the following five aspects:

<u>Aspects of assessment</u>	<u>Weightings</u>
1. <u>Reflection of historical value and significance:</u> how the proposal can bring out the historical value or significance of the building; plan to transform the historic building into unique cultural landmark.	20%
2. <u>Heritage preservation:</u> conceptual plan on conservation and design concept, schedule of accommodation, retention of architectural authenticity, name(s) of technical advisor(s), satisfaction of modern day requirements (e.g. compliance with Buildings Ordinance), capital costs of renovation of the historic building and the financial support required (if any) from Government for meeting the capital costs.	20%
3. <u>SE operation:</u> project objectives, general project description, benefits to the community or social value, target clients, demand for service(s) to be provided, degree of public access to the historic buildings and number of jobs to be created.	20%
4. <u>Financial viability:</u> business plan, projected income and expenditure statement, starting	20%

<u>Aspects of assessment</u>	<u>Weightings</u>
costs, cash flow projection, assumptions and bases of calculations on sales volume, staff cost projection, cost control measures, financial sustainability, source of non-government funding and the financial support required (if any) from Government for meeting the starting costs and operating deficits.	
5. <u>Others:</u> history, objectives, core services provided, sources of income, institutional set up, management capabilities and past experience of the applicant etc.	20%

5. There were two rounds of assessment. The first round was conducted based on the information provided in the application forms. After the first round assessment, the Committee has shortlisted 14 applications to enter the second round selection. The details of applications received and shortlisted for the second round selection are as follows:

Historic Building	No. of Applications	
	Received for 1st round selection	Shortlisted for 2nd round selection
Old Tai O Police Station	5	2
Fong Yuen Study Hall	8	1
Lai Chi Kok Hospital	10	2
Lui Seng Chun	30	2
North Kowloon Magistracy	22	3
Mei Ho House	16	3
Old Tai Po Police Station	23	1
Total	114	14

6. In the second round selection, the shortlisted applicants were required to submit further information on their proposals including more detailed technical submissions, cost estimates with detailed breakdowns and the basis of various assumptions, etc. The AC has also met with the representatives of each shortlisted applicant to gather first-hand information on their proposals and to raise questions on different aspects of their projects. Via the Scheme Secretariat provided by the Commissioner for Heritage's Office (CHO) under Development Bureau (DEVB), the AC has also sought views from various

----- bureaux/departments on the proposals as appropriate. A table setting out the major events and the vetting process for the Revitalisation Scheme is at Annex 1. It should be noted that the AC had held 16 meetings spanning almost 90 hours on the vetting of these applications and that the vetting process was robust and comprehensive.

RECOMMENDATIONS ON APPLICATIONS

7. Based on the AC's thorough assessment and careful consideration of the merits of all shortlisted applications, the Secretary for Development (SDEV) has accepted the AC's recommendations for the following six historic buildings:

(a) Old Tai O Police Station

The selected applicant, Hong Kong Heritage Conservation Foundation Limited, proposes to turn the Old Tai O Police Station into a boutique hotel. It will comprise:

- 9 suites;
- a roof top café;
- a library;
- an exhibition area to display the history of the former police station; and
- other ancillary facilities.

It will promote heritage eco-tours and organize cultural workshops at Tai O.

(b) Fong Yuen Study Hall

The selected applicant, Social Service Department, Yuen Yuen Institute, proposes to turn Fong Yuen Study Hall into a tourist and education centre. It will comprise:

- a fishermen's museum;
- a multi-purpose room for classes and activities; and
- other ancillary facilities.

It will organize eco-tours and Chinese cultural and arts courses.

(c) Lai Chi Kok Hospital

The selected applicant, Hong Kong Institution for Promotion of Chinese Culture, proposes to turn Lai Chi Kok Hospital into a centre for the promotion of Chinese culture and national education (which are closely related). It will comprise:

- 19 classrooms;
- exhibition halls;
- a hostel of 85 guest rooms;
- landscaped gardens; and
- other ancillary facilities.

It will organize educational courses and cultural exchange programmes both locally and in conjunction with overseas institutions.

(d) Lui Seng Chun

The selected applicant, Hong Kong Baptist University, proposes to turn Lui Seng Chun into a Chinese medical healthcare centre. It will comprise:

- 5 consultation rooms;
- a shop selling Chinese herbs and herb tea;
- exhibition area on the history of the building (in the verandah);
- a roof-top herbal garden; and
- other ancillary facilities.

It will provide Chinese medical consultation, acupuncture and massage services. Students of the School of Chinese Medicine of the Baptist University will also come here for internship purpose.

(e) North Kowloon Magistracy

The selected applicant, SCAD Foundation (Hong Kong) Limited, proposes to turn North Kowloon Magistracy into an art and design school. It will be a branch campus of SCAD in Asia [Note: SCAD represents The Savannah College of Art and Design in the United States.]. Another branch campus of SCAD is in Lacoste, France. It will comprise:

- approximately 40 classrooms;
- a lecture hall;

- a digital studio;
- 16 faculty and staff offices;
- a library;
- an art gallery;
- exhibition area on the history of the building; and
- other ancillary facilities.

It will provide 1,500 full time student places for local and overseas students for the study of various courses related to digital media, etc. Part time courses may also be arranged.

(f) Mei Ho House

The selected applicant, Hong Kong Youth Hostels Association, proposes to turn Mei Ho House into a Youth Hostel. It will comprise:

- 124 hostel rooms of varying sizes;
- a café and a convenience store;
- function rooms;
- a museum on the history of public housing in Hong Kong; and
- other ancillary facilities.

It will organize guided cultural tours, set up a Mei Ho “alumni network” comprising former residents of Shek Kip Mei. In developing the museum on the history of public housing in Hong Kong, it will work closely with the Housing Department.

----- Details of the assessment of the selected projects are at Annex 2.

8. The financial implications, estimated work programme and job creation impact of these six projects are set out in the table below:

Historic Building	Selected Project	Govt. subsidy for Capital Cost (\$'M)	Govt. subsidy for SE operation (\$'M)	Anticipated Renovation Period (months)	Project Commissioning Time	Job Creation		
						During Renovation Period	Upon Project Commissioning	
							Full Time	Part Time
Old Tai O Police Station	Tai O Heritage Hotel	\$64.9	Not Required	18	End 2011	103	10	10
Fong Yuen Study Hall	"Fong Yuen Study Hall" – Tourism & Chinese Cultural Centre cum Ma Wan Residents Museum	\$7.9	\$1.9	12	Mid 2011	21	6	40
Lai Chi Kok Hospital	HK Cultural Heritage	\$193.9	\$2	21	First Half of 2012	262	53	47
Lui Seng Chun	HK Baptist University Chinese Medicine & Healthcare Centre – Lui Seng Chun	\$24.8	\$2.6	18	Early 2012	71	27	0
North Kowloon Magistracy	SCAD HK Campus	Not Required	Not Required	15	Mid 2011	220	147	67
Mei Ho House	Mei Ho House as City Hostel	\$192.3	\$4.4	18	Early 2012	290	42	63
Total		\$483.8	\$10.9	NA	NA	967	285	227

Old Tai Po Police Station

9. The AC did not recommend any of the 23 applications received in respect of the Old Tai Po Police Station to SDEV. Of the 23 applications received, the vast majority pertains to making use of the building as camp site, facilities for conducting courses/activities or for exhibition/office purposes. The AC found the quality of most of these applications not satisfactory for one reason or another:

- (a) the applicants have failed to explain why their projects have to be housed in this historic building;
- (b) technical information provided is insufficient to facilitate a reasonable assessment of the proposals; and
- (c) the applicants have failed to provide sufficient evidence to back up their business plans and thus be able to prove its long term financial viability.

Based on the information in the application forms, and against the five aspects of assessment criteria stated in paragraph 4 above, the AC had only shortlisted one application to enter the second round selection. Upon detailed vetting of the second round submission of this application, the AC considered the proposal could not meet the high threshold required to justify the extent of Government support. Considering that the Old Tai Po Police Station is located in a nice setting with a good size, and that the capital cost involved for renovating this site of 6,500 square meters will be significant, the AC advised that it was worthwhile to conduct another round of application so as to try to find one that can meet the high threshold required. As such the AC did not recommend selecting the only shortlisted applicant. Instead, it recommended putting this building into the next batch of the Scheme.

BENEFITS OF THE SELECTED PROJECTS

10. All the projects selected are able to deliver the dual objectives of the Revitalization Scheme, i.e. preserving these historic buildings and at the same time putting them for use in the best interest of the community. Public access to these revitalised historic buildings is assured. These heritage projects would create about 1,000 jobs during construction and upon commissioning, about 500 jobs (including both full time and part time). Other benefits of the projects include:

- (a) apart from heritage conservation, the projects contribute to HKSARG's other policy objectives in the fields of arts and culture, creative industries, tourism, traditional Chinese medicine, etc.;
- (b) as most of these heritage buildings are located in relatively older districts, these revitalisation projects will create a positive impact on the local community through injecting new economic activities, providing some sort of catalytic effect. For instance, we are confident that the Tai O boutique hotel proposal will create a new landmark and attract more visitors to Tai O. Similarly, the three revitalisation projects in Sham Shui Po (namely North Kowloon Magistracy, Lai Chi Kok Hospital and Mei Ho House) will provide diversity and help attract new inflow of people to the area, thus injecting vitality and a breath of freshness to a relatively old district; and

- (c) in line with increasing emphasis placed on area-based improvements, some of these projects will have synergy with existing facilities or complement Government's planned efforts. For instance, the Tai O project will fit in well with an estimated \$600 million investment the Government intends to spend in giving Tai O a major facelift to enhance its tourism appeal and local economy. The Fong Yuen Study Hall will enrich visitors' experience to Ma Wan with a Phase I park in operation and Phase 2 facilities being planned. In the Sham Shui Po district, the new arts and culture uses at North Kowloon Magistracy and the Lai Chi Kok Hospital, as well as hostel facilities in the Mei Ho House project will naturally have good synergy with the Jockey Club Creative Arts Centre (JCCAC) in the vicinity.

OBSERVATIONS

11. We have conducted a most fruitful exercise and are much encouraged by the very positive response received. We have a few observations from that experience which would provide useful references for our future work in putting heritage buildings to good use. These are:

- (a) the renovation cost for historic buildings is very high. There is a strong justification for Government to provide capital grants to meet the renovation cost if these government-owned historic buildings were to be put to good use. The Scheme with its funding commitment is welcomed by interested NPOs as fund raising of the needed scale to undertake these projects is not always possible. We believe that this is the single most important factor accounting for the quantity and quality of proposals received under Batch I;
- (b) adequate space, whether within the heritage building or the site or the vicinity, would provide more room for creativity and innovation, and greater benefits to the community. This is illustrated in, for example, a glassed roof to provide a restaurant at the Tai O Heritage Hotel and a sitting-out area in the rear courtyard at Mei Ho House. In future, we should try to look for such opportunities. For example, we are planning to include some vacant government land next to a heritage building zoned for open space use into the site boundary for revitalisation in taking forward Batch II;
- (c) it is definitely not an easy task to plan and run a sustainable social enterprise while

preserving the heritage value of a historic building. Hence, the AC has taken much time and effort to select the most appropriate projects which will stand a reasonable chance of success in fulfilling the dual objectives of the Revitalisation Scheme.

WAY FORWARD

12. SDEV has granted approval-in-principle to the recommended projects. With this, the selected NPOs will proceed with pre-tender preparation and funds will be committed:

- (a) undertaking various pre-tender work including the conducting of site investigation and technical studies if necessary, completion of detailed design and necessary administrative procedures similar to other capital works projects, etc;
- (b) For some of the projects (Fong Yuen Study Hall, Lai Chi Kok Hospital and Mei Ho House), seeking planning permission from the Town Planning Board for the proposed uses; and
- (c) preparing the submission for seeking funding approval from the Public Works Sub-committee/Finance Committee of the Legislative Council. (Note: In the case of Fong Yuen Study Hall, as it is a minor works project, there will be no such need. Also in the case of North Kowloon Magistracy, the successful applicant has undertaken to bear the capital cost itself.) Prior to submission of Public Works Sub-committee paper for each project, we will consult the Development Panel as appropriate.

13. CHO will work closely with the selected applicants in taking forward the funding proposals and render necessary assistance in complying with the various required administrative and statutory procedures. We will also need to discuss with the applicants on the drafting of the tenancy and service agreements. Upon project commissioning, CHO will monitor the operation of social enterprise closely, e.g. conducting inspections as well as scrutinising audited accounts.

ADVICE SOUGHT

14. Members are requested to note the selection results of Batch I of the Revitalisation Scheme and the proposed way forward.

Development Bureau

February 2009

Major Events and Vetting Process for the Revitalisation Scheme

Date	Event
Oct 2007	On 10 October 2007, the Chief Executive announced the heritage conservation policy in his 2007-2008 Policy Address, including the introduction of a new scheme (later named as the “Revitalising Historic Buildings Through Partnership Scheme” or the “Revitalisation Scheme”) for adaptive re-use of government-owned historic buildings by non-profit-making organisations (NPOs) through the operation of social enterprises.
	On 11 October 2007, a Legislative Council Brief on “Heritage Conservation Policy”, which set out inter alia the general framework of the Revitalisation Scheme, was issued to Members.
	DEVB announced the list of seven buildings under Batch I of the Revitalisation Scheme via distribution of pamphlets and loading on DEVB’s heritage conservation website.
	DEVB held two forums on heritage conservation policy to seek views on, inter alia, implementation of the Revitalisation Scheme.
Nov 2007	DEVB briefed NPOs and professional bodies at a public forum and sought views on the implementation of the Revitalisation Scheme. More than 200 participants from around 100 NPOs and professional bodies attended.
	DEVB briefed the Antiquities Advisory Board and sought views on the implementation of the Revitalisation Scheme
Nov 2007 – Feb 2008	DEVB prepared the resource kits for the seven historic buildings.
Jan 2008	DEVB consulted the Legislative Council Panel on Home Affairs on the implementation of the Revitalisation Scheme. Members supported the introduction of the Scheme.

Date	Event
Jan – May 2008	DEVB conducted the “Public Awareness Campaign on Heritage Conservation” which included exhibitions at eight locations around Hong Kong on the heritage conservation policy as well as the Revitalisation Scheme.
Feb 2008	On 1 February 2008, DEVB proposed to the Finance Committee of Legislative Council to create a new non-recurrent commitment of \$100 million to meet non-works related expenditure in implementing the Revitalisation Scheme for five years. The Finance Committee approved the proposal.
	On 22 February 2008, DEVB invited NPOs to apply for revitalisation of the seven historic buildings under Batch I of the Revitalisation Scheme.
Mar 2008	DEVB arranged open days for NPOs and the media to visit each of the seven historic buildings.
Apr 2008	DEVB conducted a workshop for interested NPOs to explain the guidelines to application. More than 200 participants from around 110 NPOs attended.
	DEVB set up the Commissioner for Heritage’s Office to take forward the heritage conservation policy and implement the Revitalisation Scheme.
May 2008	SDEV appointed the Advisory Committee on Revitalisation of Historic Buildings (AC).
	On the deadline of application on 21 May 2008, DEVB received 114 proposals from various NPOs for revitalising the seven historic buildings under Batch I of the Revitalisation Scheme.
Jun – Jul 2008	The AC conducted site visits to the seven historic buildings.
Jul – Nov 2008	<u>First Round Selection</u> <ul style="list-style-type: none"> The AC convened several meetings to select 14 shortlisted applicants for entering the second round selection. Shortlisted applicants were required to

Date	Event
	<p>submit further detailed technical and financial information on their proposals.</p> <ul style="list-style-type: none"> • Shortlisted applicants were arranged to further visit and inspect the seven buildings to facilitate preparation of their second round submissions.
Sep 2008 – Feb 2009	<p><u>Second Round Selection</u></p> <p>The AC convened various meetings, including interviewing the 14 shortlisted applicants, to vet their further submissions. It finally drew up recommendations for the selection of applicants for the various historic buildings.</p>
Feb 2009	All recommendations on selection of applicants were submitted by the AC to SDEV.
	Approval-in-principle letters issued by SDEV to all selected applicants.
	On 17 February 2009, DEVB announced the selection results of the Batch I of the Revitalisation Scheme via a press conference.
	On 24 February 2009, DEVB will brief the Development Panel on the selection results.

Details of Assessment of Selected Projects

Old Tai O Police Station

Project: Tai O Heritage Hotel

Applicant: Hong Kong Heritage Conservation Foundation Limited

I. Basic Information on Historic Building and No. of Applications Received

Old Tai O Police Station

- Address: Shek Tsai Po Street, Tai O, Lantau Island
- Gross Floor Area: 1,000 m²
- Year Built: 1902
- Grading: Grade III
- Possible Uses: Boutique hotel, café, museum, eco-tourism

- Total No. of Applications Received: 5
- No. of Applications Entering 2nd Round: 2

II. Basic Information on Selected Project

- Scope and Benefits:
 - Transforms the building into a themed boutique hotel with colonial-style architecture and 9 suites in beautiful rural seaside. The fishing village setting offers a unique natural environment and hospitality experience.
 - Promotes Tai O as an eco-tourist destination with high cultural, historical and environmental values.
 - Engages the local community in the revitalisation of historic buildings and provides employment opportunities to local residents.
- Capital Cost: Around \$64.9 million
- Government Subsidy Required for Social Enterprise Operation: Nil

- Anticipated Breakeven Time: End of Year 1
- Job Creation: 103 jobs during renovation period and 10 full-time and 10 part-time jobs for local residents upon project commissioning
- Estimated Flow of People: Around 61,000 headcounts per year for the first three years.
- Anticipated Renovation Period: Around 18 months
- Anticipated Project Commissioning Time: End of 2011

III. Reasons for Selecting the Project

Overall:

- Very good ratings on the following 4 aspects: reflection of historical value and significance, heritage preservation, social enterprise operation and financial viability and good rating on other considerations.
- On other considerations, although the selected applicant is a new non-profit-making organisation (NPO) established in December 2007, it aims to protect heritage buildings and promote the conservation and appreciation of heritage and historic places. Its directors also have rich experience in the design and management of many heritage building conservation and revitalisation projects in Singapore.

Individual Aspects:

Reflection of Historical Value and Significance

- Highly captures architectural quality and offers innovative ways to conserve, recover and capitalise the cultural significance of the building while retaining the highest degree of authenticity.
- Confident that upon commissioning, the project can establish the building as a unique landmark in the district.
- Establishes a publicly accessible heritage library/museum and an exhibition area displaying the history of the building and Tai O, and arranges eco-tours to the heritage sites in the vicinity.

Heritage Preservation

- Shows extremely thorough understanding of the site and conservation

guidelines, and successfully strikes a balance between its historic merits and modern-day requirements.

- Quality of submission is high. The project consultant was responsible for the revitalisation project of Bethanie in Pokfulam which won a UNESCO Heritage Award in 2008.
- Creates an iconic tourist attraction.
- Provides quality space for the hotel by retaining the deck in the rear portion of the building.

Social Enterprise Operation

- Has a positive effect on the long-term Government revitalisation plans for Tai O and brings vitality to the local economy.
- Promotes and synergises heritage and environmental conservation as well as tourism.
- Helps preserve Tai O's unique cultural traditions.
- Engages the local community, through tour guide training and language programmes targetting at local or nearby residents.

Financial Viability

- Anticipated Breakeven Time: End of Year 1
- Detailed and sound justifications are provided on anticipated patronage and financial projections.

Other Considerations

- A new NPO established in December 2007 which aims to protect and maintain heritage buildings, and promote the conservation and appreciation of heritage and historic places, and their importance in our community.
- Members of the Board of Directors have rich experience in the design and management of many heritage building conservation and revitalisation projects in Singapore, including Fullerton Hotel & Resorts, Far East Square, Fullerton Waterboat House, Albert Court Hotel, Clifford Pier, The Fullerton Bay Hotel, One Fullerton and The Customs House.

- It is noted that the NPO is related to a business enterprise in Hong Kong. This will be a case to demonstrate tripartite co-operation among Government, business and the community in promoting social enterprise.

Fong Yuen Study Hall

Project: “Fong Yuen Study Hall” – Tourism and Chinese Cultural Centre cum Ma Wan Residents Museum

Applicant: Social Service Department, The Yuen Yuen Institute

I. Basic Information on Historic Building and No. of Applications Received

Fong Yuen Study Hall

- Address: Tin Liu Tsuen, Ma Wan, Tsuen Wan
- Gross Floor Area: 140 m²
- Year Built: 1920 – 1930
- Grading: Not yet graded
- Possible Uses: Small library, study room, community uses

- Total No. of Applications Received: 8
- No. of Applications Entering 2nd Round: 1

II. Basic Information on Selected Project

- Scope and Benefits:
 - Establishes a Ma Wan Residents Museum cum Centre in promotion of Chinese culture and tourism.
 - Introduces the history and culture of Ma Wan fishing industry to visitors.
 - Increases public awareness on ecological protection.
 - Promotes Chinese culture and arts.
 - Promotes the local economy and provides job opportunities.

- Capital Cost: Around \$7.9 million
- Government Subsidy Required for Social Enterprise Operation: Around \$1.9 million
- Anticipated Breakeven Time: Year 3
- Job Creation: 21 jobs during renovation period and 6 full-time and 40

part-time jobs with priority given to fishermen and the disadvantaged upon project commissioning.

- Estimated Flow of People: Around 27,000 headcounts per year for the first three years.
- Anticipated Renovation Period: Around 12 months
- Anticipated Project Commissioning Time: Mid of 2011

III. Reasons for Selecting the Project

Overall:

- Very good ratings on the following 3 aspects: heritage preservation, social enterprise operation and other considerations, good rating on historical significance and satisfactory rating on financial viability.
- On financial viability, it is noted that the building is relatively small and situated in a far away location; hence attaining financial sustainability is not an easy task. However, the selected applicant will make extra effort to boost its patronage rate by aligning with nearby tourist attractions such as Noah's Ark. Given the great effort of the applicant which is a renowned NPO, the project stands a good chance of succeeding.

Individual Aspects:

Reflection of Historical Value and Significance

- Sets up a museum to display the history of Ma Wan fishery and organises story-telling of fishermen's lives and customs by local fishermen.
- Fishermen to perform demonstrations of mast raising, salted fish preservation and net knitting and invites visitors participation.
- Arranges eco-tours guided by indigenous residents to let tourists experience the process of fishing and fish cultivation by traveling on fish rafts; visiting primitive forest and historic sites of Ma Wan Island.
- Arranges education programmes of Chinese culture and arts.

Heritage Preservation

- Complies with modern-day regulations at a reasonable cost despite various site constraints such as poor site access and sunken site.
- Upgrades existing footpath to enhance site access and provides barrier free access by installing an internal lift.
- Makes use of special technical design to improve the drainage system since the historic building is located at a sunken site.
- Shows good thought with its proposed design concept and its proposed use shows contextual linkage with the local community.

Social Enterprise Operation

- Achieves synergy effect with tourist attractions nearby such as Ma Wan Park Phase I, including the Noah's Ark and in due course, Ma Wan Park Phase II.
- Raises ecological awareness of the public and promotes economy at district level.
- Fosters social harmony in the area through the organisation of eco-tours in which local fishermen will be engaged.

Financial Viability

- Anticipated Breakeven Time: Year 3
- Detailed and sound justifications are provided on anticipated patronage and financial projections.

Other Considerations

- A traditional non-profit-making organisation established in 1953 and has been a charitable institution since 1956; its social service department was established in 1974.
- Provides a wide range of services, including social, education and cultural services.
- Possesses rich experience in providing social services to the elderly and the underprivileged.
- Is able to solicit strong support from local organisations.

Lai Chi Kok Hospital

Project: The Hong Kong Cultural Heritage

Applicant: Hong Kong Institution for Promotion of Chinese Culture

I. Basic Information on Historic Building and No. of Applications Received

Lai Chi Kok Hospital

- Address: No. 800 Castle Peak Road, Lai Chi Kok, Kowloon
- Gross Floor Area: 6,500 m²
- Year Built: 1921 – 1924
- Grading: Grade III
- Possible Uses: Holiday camp, hostel, arts and cultural village, educational institute

- Total No. of Applications Received: 10
- No. of Applications Entering 2nd Round: 2

II. Basic Information on Selected Project

- Scope and Benefits:
 - Sets up a cultural hostel with 85 guest rooms and Chinese landscaped gardens.
 - Conserves the heritage building and historic values of the site and its neighboring communities.
 - Promotes Chinese culture and national education, which are closely related to each other.
 - Organises various Chinese cultural education programmes, cultural exchanges, study tours, forums and workshops.
 - Encourages social engagement and promotes social harmony as well as the local economy.

- Capital Cost: Around \$193.9 million
- Government Subsidy Required for Social Enterprise Operation:

Around \$2 million

- Anticipated Breakeven Time: Year 3
- Job Creation: 262 jobs during renovation period and 53 full-time and 47 part-time jobs with priority given to low-income groups and single parents in the district upon project commissioning.
- Estimated Flow of People: Around 115,000 headcounts per year for the first three years.
- Anticipated Renovation Period: Around 21 months
- Anticipated Project Commissioning Time: First half of 2012

III. Reasons for Selecting the Project

Overall:

- Very good ratings on all the following 4 aspects: reflection of historical value and significance, heritage preservation, social enterprise operation, and other considerations and good rating on financial viability.
- On financial viability, it is noted that the selected applicant needs to make huge efforts to enhance the attractiveness of its courses in order to generate a level of patronage sufficient to ensure the project's sustainability. It is also noted that it had strong financial support from various sources.

Individual Aspects:

Reflection of Historical Value and Significance

- The design of the Chinese landscaped garden is compatible with the original colonial architecture and will transform the heritage site into an interesting cultural landmark.
- Establishes a conservation gallery and a heritage gallery to display the history of the former hospital and the Lai Chi Kok district.
- Allows free public access which will encourage public appreciation of the historical value and significance of the heritage site.

Heritage Preservation

- The site area is the largest among the historic buildings under the Revitalisation Scheme. The area is about 32,000 m² with more than 15 blocks on 3 different levels. They will be connected by tower lifts and bridges.
- Combines modern design with Chinese cultural and architectural elements.
- Demonstrates very thorough research and suggest effective measures in overcoming site constraints.
- Preserves the heritage site and gives it a new lease of life. The project cost is fair with clear and detailed estimates provided.

Social Enterprise Operation

- Brings a new lease of life to the Lai Chi Kok Hospital and attracts visitors to the district.
- Helps promote heritage, national education and Chinese culture in the territory and achieves synergy effect.
- Facilitates cultural exchanges between Hong Kong, Mainland & overseas.

Financial Viability

- Anticipated Breakeven Time: Year 3
- Detailed and sound justifications are provided on anticipated number of patronage/students and financial projections.

Other Considerations

- Established in 1985, the applicant links intellectuals and scholars in different places and promotes cultural work.
- Aims to advocate, introduce and promote Chinese culture; promote communication between cultural circles in Hong Kong and overseas; promote Chinese cultural development, facilitate cultural exchanges between Hong Kong, Mainland and foreign countries.
- Its services include publications of books and journals on cultural researches; organisation of academic conferences, seminars and cultural study tours; organisation of lectures, exhibitions and

performances, etc.

Lui Seng Chun

Project: Hong Kong Baptist University Chinese Medicine and Healthcare Centre – Lui Seng Chun

Applicant: Hong Kong Baptist University

I. Basic Information on Historic Building and No. of Applications Received

Lui Seng Chun

- Address: No. 119 Lai Chi Kok Road, Mong Kok, Kowloon
- Gross Floor Area: 600 m²
- Year Built: 1931
- Grading: Grade I
- Possible Uses: Chinese medicine shop, social services centre, display centre

- Total No. of Applications Received: 30
- No. of Applications Entering 2nd Round: 2

II. Basic Information on Selected Project

- Scope and Benefits:
 - Establishes a Chinese medicine and healthcare centre.
 - Provides diversified Chinese medical healthcare services to the local community.
 - Enhances Chinese medical knowledge of the public and helps train up talents of Chinese medicine.
 - Turns Lui Seng Chun into a unique tourist spot as well as a historical and cultural landmark.

- Capital Cost: Around \$24.8 million
- Government Subsidy Required for Social Enterprise Operation: Around \$2.6 million
- Anticipated Breakeven Time: Year 3

- Job Creation: 71 jobs during renovation period and 27 full-time jobs upon project commissioning.
- Estimated Flow of People: Around 137,000 headcounts per year for the first three years.
- Anticipated Renovation Period: Around 18 months
- Anticipated Project Commissioning Time: Early 2012

III. Reasons for Selecting the Project

Overall:

- Very good ratings on all the following 4 aspects: reflection of historical value and significance, heritage preservation, social enterprise operation and other considerations and good rating on financial viability.
- On financial viability, the sustainability of financial operation depends very much on the quality of the medical services and the number of patients visiting the clinic. As the selected applicant has vast experience in running TCM clinics, it should be able to deploy the resources and staff within its own network.

Individual Aspects:

Reflection of Historical Value and Significance

- Revitalises Lui Seng Chun as a Chinese medicine and healthcare centre and reflects the history of the building.
- Restores the architectural merits of the building as far as possible.
- Sets up a small exhibition area to display the history of the building and also various Chinese medicines.
- Arranges a guided tour to introduce the history of Lui Seng Chun to its visitors.

Heritage Preservation

- The building will be fitted with glass window glazing to solve the severe problem of noise at the site without adversely compromising the authenticity of the building.

- Makes good use of the verandah as waiting and exhibition areas and uses the internal parts as the consultation rooms to protect patients' privacy given the area on each floor is small.
- Re-uses and re-installs as far as possible the floor tiles and other original materials to restore the original look of the building.
- Builds a passenger lift, additional staircases and other communal services at the internal part and backyard of the building respectively to meet modern-day building code and to keep the original architectural merits.

Social Enterprise Operation

- Provides good Chinese medicine and healthcare services, in particular to the local community and promote Chinese medicine.
- Offers free of charge medical consultations and discounted medication to recipients of Comprehensive Social Security Assistance.
- Attracts new visitors to the district and helps bring new energy to the local economy.
- Achieves synergy between Chinese medicine service and heritage
- Engages local residents through organising Chinese medicine festivals, exhibitions, health talks and offering free and concessionary medical consultations.

Financial Viability

- Anticipated Breakeven Time: Year 3
- Detailed and sound justifications are provided on anticipated number of patients/visitors and financial projections.

Other Considerations

- The applicant is the first university to offer higher education in Chinese medicine in Hong Kong. It established its first Chinese medicine clinic in 1997 and started to offer a degree programme in Chinese medicine in 1998.
- Provides a wide range of services, including teaching, research and

clinical services with an aim of advancing Chinese medicine internationally.

- Runs four Chinese medicine clinics alone and four others in collaboration with the Hospital Authority. It is also experienced in revitalising historic buildings, for example, by converting the Ex. Royal Air Force Station, a Grade I historic building, into its Academy of Visual Arts, and the decommissioned Shek Kip Mei Factory Estate into the Jockey Club Creative Arts Centre.

North Kowloon Magistracy

Project: SCAD Hong Kong Campus

Applicant: SCAD Foundation (Hong Kong) Limited

I. Basic Information on Historic Building and No. of Applications Received

North Kowloon Magistracy

- Address: No. 292 Tai Po Road, Sham Shui Po, Kowloon
- Gross Floor Area: 7,530 m²
- Year Built: 1960
- Grading: Not yet graded
- Possible Uses: Educational institute, training centre, antiquities and art gallery

- Total No. of Applications Received: 22
- No. of Applications Entering 2nd Round: 3

II. Basic Information on Selected Project

- Scope and Benefits:
 - Establishes a branch campus of the Savannah College of Art and Design (SCAD) providing 1,500 student places at tertiary level.
 - Establishes Hong Kong and North Kowloon Magistracy as a pre-eminent site for the study of digital media in Asia.
 - Offers globally recognised digital media programmes and increasing educational diversity and opportunities to Hong Kong.
 - Helps promote Hong Kong as a centre of creative industries

- Capital Cost: Nil
- Government Subsidy Required for Social Enterprise Operation: Nil
- Anticipated Breakeven Time: Year 3

- Job Creation: 220 jobs during renovation period and 147 full-time and 67 part-time jobs upon project commissioning.
- Estimated Flow of People: Around 130,000 headcounts per year for first five years.
- Anticipated Renovation Period: Around 15 months
- Anticipated Project Commissioning Time: Mid of 2011

III. Reasons for Selecting the Project

Overall:

- Very good ratings on social enterprise operation and other considerations and good ratings on reflection of historical value and significance, heritage preservation and financial viability.
- On reflection of historical value and significance, the parent organisation of the selected applicant possesses substantial experience in adaptively re-using historic buildings in the U.S.A. The parent organisation has confirmed it would fully support SCAD-HK in the project.
- On financial viability, the sustainability of the project operation depends on whether target enrolment of students is met while containing costs. With SCAD's good track record, the project stands a reasonable chance of succeeding.

Individual Aspects:

Reflection of Historical Value and Significance

- Retains the façade, an important and distinguishing exterior element, and helps maintain the original character of the building.
- Opens parts of the building to the public and sets up a gallery to display the history of the historic building.
- Hosts a website showcasing the original North Kowloon Magistracy building in comparison with the new SCAD-Hong Kong campus.
- Produces a conservation documentary to capture the entire conservation process of the building.

Heritage Preservation

- Houses approximately 40 classrooms, 1 lecture hall, 1 digital studio, 16 faculty and staff offices, 1 library, 1 art gallery, 2 computer laboratories, student office, administrative facilities, etc.
- Retains one court room with all original fittings and fixtures.
- Converts two original court rooms into Digital Studio and Lecture Hall thereby making good use of the high head room.
- Retains as many as possible the original walls, finishes, fixtures and significant architectural features. It will also adopt a neat and simple approach of circulation for the public and the users, while works of art will be placed in common areas.
- Implements a variety of green measures such as use of high efficiency lighting and fixtures fabricated from sustainable materials.

Social Enterprise Operation

- Promotes Hong Kong as a regional art and design educational hub and improves Hong Kong's global competitiveness in digital media and creative industries.
- Achieves synergy with the nearby Jockey Club Creative Arts Centre;
- Engages the local community through the offering of summer programmes to local students.
- Helps promote Hong Kong as a centre for creative industries.
- Adds an international dimension to the Sham Shui Po district
- Brings in 1,500 local and overseas students to the district which will help revitalise the old community.

Financial Viability

- Anticipated Breakeven Time: Year 3
- Detailed and sound justifications are provided on anticipated number of students and financial projections.

Other Considerations

- Founded in 1978 in Georgia, the Savannah College of Art and Design (SCAD) is a renowned art and design institution in the United States. To represent its presence in Hong Kong, it established SCAD

Foundation (Hong Kong) Limited in May 2008.

- Has nearly 7,700 students and 1,500 staff on its main campus in Savannah, Georgia. It has a branch campus in Atlanta with 1,600 students and has a residential study abroad facility in Lacoste in South of France. In total, SCAD has over 9,300 students.
- Has rich experience in organising art and design programmes as well as provides volunteerism and public service in the United States. Many buildings of SCAD campuses are converted from heritage buildings with history of over 100 years.

Mei Ho House

Project: Mei Ho House as City Hostel

Applicant: Hong Kong Youth Hostels Association

I. Basic Information on Historic Building and No. of Applications Received

Mei Ho House

- Address: Block 41, Shek Kip Mei Estate, Sham Shui Po, Kowloon
- Gross Floor Area: 6,750 m²
- Year Built: 1954
- Grading: Grade I
- Possible Uses: Art Centre, youth hostel

- Total No. of Applications Received: 16
- No. of Applications Entering 2nd Round: 3

II. Basic Information on Selected Project

- Scope and Benefits:
 - Establishes a youth hostel and brings out the value of Mei Ho House through the preservation of its character defining elements.
 - Revitalises and up-keeps the building through adaptive re-use and transforms it into a unique cultural landmark.
 - Organises regular guided tours.
 - Manages the tangible and intangible heritage by engaging local elderly to recount stories of the past.
 - Benefits the Sham Shui Po District community socially and economically.

- Capital Cost: Around \$ 192.3 million
- Government Subsidy Required for Social Enterprise Operation:

Around \$4.4 million

- Anticipated Breakeven Time: End of Year 1
- Job Creation: 290 jobs during renovation period and 42 full-time and 63 part-time jobs for local residents upon project commissioning.
- Estimated Flow of People: Around 104,000 headcounts per year for the first three years.
- Anticipated Renovation Period: Around 18 months
- Anticipated Project Commissioning Time: Early 2012

III. Reasons for Selecting the Project

Overall:

- Very good ratings on the following 3 aspects: reflection of historical value and significance, heritage preservation, and other considerations and good ratings on social enterprise operation and financial viability.
- On social enterprise operation, it is able to engage the local community, and provide affordable accommodation to visitors from all over the world.
- On financial viability, the sustainability of project operation depends very much on whether the selected applicant can achieve target occupancy rates and room tariff. With the vast experience of the applicant in hostel operation, this project stands a good chance of becoming sustainable.

Individual Aspects:

Reflection of Historical Value and Significance

- Preserves the building's original spatial configuration and transforms original living units into hostel rooms without major alterations.
- Retains 5 units of original dwellings as sample rooms for museum purposes.
- Sets up a museum to display the history of public housing in Hong Kong.
- Transforms the building into a cultural landmark with commendable concept of preserving the intangible heritage, such as the lifestyle of public housing residents.

- Helps enhance overseas and local visitors' understanding of the historic building as well as the lifestyle of public housing residents in Hong Kong in the past.

Heritage Preservation

- The design and proposed use is compatible with the history of the building. The hostel will provide 109 twin/double bedrooms, 9 dormitories, 2 family rooms and 4 rooms for people with disabilities.
- The central connecting block will be re-constructed to provide a stronger structure with disabled lift, firemen's lift and new communal facilities. The re-construction of the central block can retain architectural authenticity on the one hand while meeting modern-day requirements.
- The introduction of the sitting-out area in the rear courtyard will facilitate the organisation of performances and functions and provide an entertainment venue for local residents.
- Demonstrates a good understanding of the history of the premises which is well reflected in the design concept.

Social Enterprise Operation

- Successfully revitalises Mei Ho House and continues its original function with a new life. It can also create a fairly large number of low-skilled jobs targetting at the underprivileged in the district.
- Helps add an international dimension to the project, synergises heritage and tourism and attracts new visitors to the Sham Shui Po district with the network of the applicant's parent organisation spanning over 80 countries of the parent organisation.
- Strengthens a sense of history and belonging in the local community by setting up an "alumni network" of Mei Ho House residents.

Financial Viability

- Anticipated Breakeven Time: End of Year 1
- Detailed and sound justifications are provided on anticipated room occupancy and financial projections.

Other Considerations

- The Hong Kong Youth Hostels Association was established in 1973. It has a history of 35 years in operating hostels in the territory with the objective of providing simple overnight accommodation for visitors and promoting international travel and friendship.
- Currently, it runs seven hostels in the territory and is affiliated with the International Youth Hostel Federation.
- Governed by an Executive Committee comprising members from different sectors.
- A City Hostel Working Group including conservation experts has been formed by the Executive Committee to oversee the project.