

For discussion on
20 April 2011

Legislative Council Panel on Development

400IO — Transformation of the Former Police Married Quarters on Hollywood Road into a Creative Industries Landmark

PURPOSE

This paper seeks Members' support for the funding application for the transformation of the Former Police Married Quarters on Hollywood Road (PMQ) into a creative industries landmark.

BACKGROUND

The site

2. The PMQ site, located at 35 Aberdeen Street, Central, has an area of about 6 100 m². It is bounded by Hollywood Road to the northeast, Staunton Street to the southwest, Aberdeen Street to the southeast and Shing Wong Street to the northwest (a location map is at [Annex A](#)). The site is currently zoned as "Other Specified Uses (Heritage Site for Creative Industries and Related Uses)".

3. The PMQ site was the home of the Central School, the first government school established in 1862 at Gough Street and subsequently moved to the PMQ site in 1889. The Central School buildings were severely damaged during the World War II and were demolished in 1948 to give way to the development of the Police Married Quarters now occupying the site. The quarters, opened in 1951, were the first police quarters for Chinese married rank and file officers in Hong Kong. They have become vacant since 2000.

4. The PMQ site comprises 2 quarters buildings, Block A of eight storeys and Block B of seven storeys, and a two-storey Junior Police Call

House (JPC House¹). Architecturally, the quarters blocks are of functional design, reflecting the architecture of the modern movement. The design of these two buildings and the JPC House is a direct fulfilment of functional requirements, with the construction and materials clearly reflecting the architecture of their age. These three buildings were accorded a Grade 3 status by the Antiquities Advisory Board (AAB) in November 2010.

5. The Antiquities and Monuments Office conducted an archaeological investigation at the PMQ site in 2007 and confirmed that there were remnants of the former Central School underneath the site. The PMQ site was subsequently listed as a site of archaeological interest.

Revitalisation of the PMQ site

6. In the 2007-08 Policy Address, the Chief Executive announced that the PMQ site would be removed from the List of Sites for Sale by Application (Application List) for one year, pending proposals on its revitalisation. Following extensive consultation with stakeholders (including the Legislative Council (LegCo) Panel on Home Affairs, the Central and Western District Council (C&WDC), the AAB, the Tourism Strategy Group, the Travel Industry Council, the Urban Renewal Authority and the Hong Kong Institute of Architects) and a three-month public engagement exercise held in February to May 2008, the Chief Executive announced in his 2008-09 Policy Address Government's decision to formally remove the PMQ site from the Application List and revitalise it for creative industries² and education purposes.

7. Capitalising on the proximity of the PMQ site to a wide array of historic sites and buildings in Central, the existing cluster of cultural and creative industries establishments (e.g. antique shops and galleries) in the vicinity of Hollywood Road as well as the colourful cultural landscape of

¹ The JPC House was originally the recreation centre of the Police Married Quarters in 1951. It was converted into the Junior Police Call House in 1981.

² Creative industry is one of the six new economic areas that the Government seeks to drive forward. Developing creative clusters in the community and turning them into focal points of creative activities is one of the key development strategies for promoting the further development of these industries.

the SoHo and Lan Kwai Fong areas, Government brought together three objectives for the PMQ project, namely heritage conservation, promotion of creative industries and provision of local open space. The revitalised PMQ site will not only manifest the historical significance of the site, but also meet the community's need for more quality open space and create synergy between the site and various heritage, cultural and tourist attractions in the area.

8. The PMQ project is one of the eight projects under the "Conserving Central" initiative announced in the Chief Executive's 2009-10 Policy Address. In March 2010, the Development Bureau and the Commerce and Economic Development Bureau jointly invited proposals from non-profit making organisations for transforming the PMQ site into a creative industries landmark. Of the revitalisation proposals received, the proposal submitted jointly by the Musketeers Education and Culture Charitable Foundation Limited (the Musketeers Foundation) and three co-applicants, namely the Hong Kong Polytechnic University, the Hong Kong Design Centre and the Hong Kong Design Institute of the Vocational Training Council, to transform the site into the "PMQ" (原創坊) was considered to be most capable of meeting the project objectives of conserving the heritage site, transforming it into a creative industries landmark and providing landscaped open space for the local community. In November 2010, following a competitive selection process and on the recommendation of the Advisory Committee on Revitalisation of Historic Buildings, the Secretary for Development granted an approval-in-principle for the "PMQ" project³.

THE "PMQ" PROJECT

Project concept and objectives

9. The "PMQ" project aims to create a creative industries landmark, with a focus on the design sector, which cuts across various creative industries. Upon the completion of the revitalisation works, the PMQ site will provide 130 studios (including units at concessionary rent for

³ We reported the selection result of the Invitation for Proposals exercise for the transformation of the PMQ site to the LegCo Panel on Development on 23 November 2010 vide LegCo Paper No. CB(1)467/10-11(04).

start-up designers) for young designers and createpreneurs to engage in creative design-related activities, and to display and retail their creative products. In addition, the project will provide the following support facilities –

- (a) an indoor multi-function hall called “i-Cube”, a semi-covered events space and a display gallery for organising a large variety of promotional and exchange activities (e.g. fashion shows, trade fairs, design marts, industry conferences and seminars, etc.) to foster the development of the creative industries;
- (b) lodges for designers-in-residence; and
- (c) a creative resources centre for designers and createpreneurs to access knowledge and market information, and to obtain counselling on business development.

These facilities will encourage interaction, collaboration and partnership between local and non-local creative industries, and help generate business opportunities. They will also foster interaction between the creative community and members of the public. Complementary commercial facilities, such as food and beverage facilities, and 1 600 m² of landscaped open space⁴, will also be provided in the project.

10. To manifest the historical value of the built and archaeological heritage of the PMQ site, the three historic buildings of the Former Police Married Quarters and the archaeological remains of the Central School will be preserved. An underground interpretation area will be provided underneath the central courtyard for the display and public appreciation of the remnants of the former Central School as well as the interpretation of the history of the PMQ site. Guided tours will be organised to link up

⁴ The landscaped open space will comprise a public open space (POS) on the fourth plateau (i.e. the lowest platform on which the JPC House is located), a garden on the roof top of the i-Cube, and POS at the southeast and the northeast corners of the second plateau (i.e. the middle platform on which the two quarters blocks are located).

this heritage site with the cultural cluster in the area, including the Dr Sun Yat-sen Historical Trail, Kom Tong Hall, Man Mo Temple and the Central Police Station Compound. Public seminars and workshops, etc. will be held to promote the PMQ site as an unique creative and cultural landmark.

Project implementation

11. To expedite the implementation of the “PMQ” project, we have adopted a new partnership model under which the Architectural Services Department (ArchSD) will carry out the conservation and revitalisation works (including the essential structural strengthening works, building services works, construction of the i-Cube, the canopy over the central courtyard and the underground interpretation area, etc.) under the Public Works Programme. These works are required to conserve and upgrade the historic site in order to meet modern-day requirements (e.g. building and safety requirements under the Buildings Ordinance, barrier-free access, fire safety provisions, etc.) and the functional requirements of the “PMQ” project. The Musketeers Foundation has pledged to contribute \$110 million in money-of-the-day (MOD) prices, including \$17 million to the conservation and revitalisation works, and \$93 million to the internal renovation works, procurement of furniture and equipment, hiring of pre-operation staff and the future operation costs.

12. The Musketeers Foundation has set up a special purpose company, which has acquired charitable status under section 88 of the Inland Revenue Ordinance (Cap. 112), for the implementation of the project and future day-to-day operation of the revitalised site. It will form a management committee, comprising senior management of the Musketeers Foundation, representatives of the Hong Kong Polytechnic University, the Hong Kong Design Centre and the Hong Kong Design Institute of the Vocational Training Council as well as independent renowned and competent members of the creative industries, to deliver the specified objectives of the “PMQ” project.

13. To facilitate longer-term business planning for the project, Government will enter into a tenancy agreement with the above-mentioned special purpose company on a fixed term of 10 years, renewable for another five years. For the delivery and future operation of the revitalised facilities at the PMQ site, any net operating surplus arising from the operation of the “PMQ” project will be shared between Government and the operator every five years on a 50/50 basis⁵. It is not an objective of the “PMQ” project to maximise profit and the Musketeers Foundation has committed to ploughing back its share of the net operating surplus for the operation of the creative industries landmark.

Scope of works

14. The scope of works under the “PMQ” project comprises conservation and renovation works as well as construction of new structures for accommodating the following facilities -

- (a) 130 studios to be converted from original units of the two quarters blocks(i.e. Blocks A and B);
- (b) six lodges to be converted from original units of Block B for use by designers-in-residence;
- (c) a creative resource centre to be converted from original units of Block B;
- (d) construction of the i-Cube, an elevated high-headroom multi-function hall of about 600 m² and finished with a transparent enclosure, in the rear of the central courtyard. The i-Cube will create an indoor space for organising events for the

⁵ Government’s portion will be returned to the General Revenue Account whereas the Musketeers Foundation will be required to re-invest its portion into the project.

promotion of the creative industries or other activities, while minimising the noise impact on the neighbourhood. There will be a landscaped garden of about 600 m² on the roof top of the i-Cube for public enjoyment and pedestrian inter-connection between the two quarters blocks;

- (e) construction of a light-weight transparent canopy across the two quarters blocks at the upper floor in the front part of the central courtyard. The canopy and the elevated i-Cube together will provide about 1 000 m² of covered space for holding non-noise generating events in the central courtyard;
- (f) a high-headroom roof restaurant/café of about 900 m², finished with a light-weight and transparent enclosure, to be converted from the original top-floor units of Block B;
- (g) construction of an underground interpretation area of about 230 m², finished with a solid concrete enclosure, underneath the central courtyard;
- (h) landscaped open space of about 800 m² on the fourth plateau (i.e. the lowest platform next to Hollywood Road) and another 200 m² at the southeast and the northeast corners of the second plateau (i.e. the middle platform on which the two quarters blocks are located);
- (i) re-provisioning of three original openings⁶ of the former Central School, and construction of a new pedestrian opening at Staunton Street near its junction with Shing Wong Street to enhance accessibility and connectivity of the Site; and

⁶ The three pedestrian entrances/exits that were used at the time of the Central School are located at Aberdeen Street, Staunton Street and Shing Wong Street.

- (j) other supporting/ancillary facilities, including provision of a display gallery, shops, food and beverage facilities (at the two quarters blocks and the JPC House), store rooms, lifts, lavatories, etc.

Photographs of the existing buildings in the PMQ site and artistic impressions of the “PMQ” project are at **Annex B**.

Project cost estimate

15. The total capital cost of the project is estimated at about \$577.1 million in MOD prices. The Musketeers Foundation will fund part of the works (mainly architectural improvements to the Government’s base case) at a total cost of \$17 million in MOD prices. We plan to seek funding approval for the revitalisation project at an estimated cost of \$560.1 million in MOD prices⁷ from the Public Works Subcommittee (PWSC) and the Finance Committee (FC) of the LegCo in June and July 2011 respectively, with a view to commencing the conservation and revitalisation works in early 2012 and completing them by end 2013. A broad breakdown of the capital cost is at **Annex C**.

16. The cost of structural maintenance of all buildings and facilities and the maintenance of slopes and retaining walls within the PMQ site will be borne by Government. The Musketeers Foundation is responsible for the costs of all other maintenance works, including the renovation works carried out by it.

Heritage implications

17. This “PMQ” project is required to carry out a Heritage Impact Assessment (HIA) in accordance with the prevailing requirements on

⁷ This cost estimate is subject to further refinement. The finalised project cost to be funded by Government will be reflected in the submissions to the PWSC and the FC for funding approval.

heritage conservation. The AAB considered the HIA Report, which comprised an Archaeological Impact Assessment and a Built Heritage Impact Assessment, submitted by the ArchSD and the Musketeers Foundation at its meeting on 22 March 2011 and gave its support. The ArchSD will ensure that the conservation and revitalisation works as well as any necessary mitigation measures will comply with the requirements set out in the HIA Report. The ArchSD has consulted tree experts on the preservation of stonewall trees within the PMQ site at the design stage and will implement appropriate tree protection measures during construction.

18. The Musketeers Foundation has undertaken to ensure full compliance with the requirements stipulated in the HIA Report with regard to the future operation and maintenance of the PMQ site, the historic buildings and the underground remnants of the former Central School thereat, as well as the interpretation of its history.

Benefits of the “PMQ” project

19. The PMQ project will generate the following benefits -
- (a) bringing together the existing vibrant cluster of cultural and creative industries establishments along Hollywood Road and in the SoHo and Lan Kwai Fong areas, the project will provide a focal point for the creative activities and develop a creative atmosphere in the community. It will serve as a platform for different creative establishments to carry out creative work, and to display and market their creative products. Events will be organized throughout the year to attract locals and visitors;
 - (b) the project aims to preserve the three historic buildings at the PMQ site and the foundation remnants of the Central School. The underground interpretation area underneath the central

courtyard will help manifest the historical value of the built and archaeological heritages of the site. It will provide an opportunity for the general public to see the remnants of the Central School at close range and appreciate different layers of history associated with the Former Police Married Quarters and the Central School. The guided tours to be organised by the Musketeers Foundation will link up this heritage site with the cultural cluster in the vicinity, namely the Dr Sun Yat-sen Historical Trail and other built heritage in Central;

- (c) the PMQ site will provide a range of facilities, including landscaped open space of 1 600 m², a display gallery and supporting food and beverage facilities, etc. for public enjoyment. Free public access will be allowed to the three historic buildings, the foundation remnants of Central School and the landscaped open space. The creative studios in the PMQ site will also welcome free visits by members of the public; and
- (d) the project will create about 265 jobs during construction and 130 full-time and part-time jobs upon commissioning. We anticipate that the PMQ project will create about 630 jobs in the creative industries through employment by the future tenants of the studios. It will thus benefit creative talents, small and medium-sized creative establishments, the neighbourhood and the community as a whole, and provide a driving force for the creative industries in Hong Kong.

PUBLIC CONSULTATION

20. We reported the selection result of the Invitation for Proposals exercise for the transformation of the PMQ site into a creative industries

landmark, along with the progress of our other revitalisation projects to this Panel on 23 November 2010. Members generally supported the Administration's efforts in heritage conservation, the Revitalising Historic Buildings Through Partnership Scheme and other revitalisation projects now underway.

21. We consulted the C&WDC on the "PMQ" project on 3 March 2011 and held an informal exchange session with DC Members on 15 March 2011. The project received a majority support of the C&WDC.

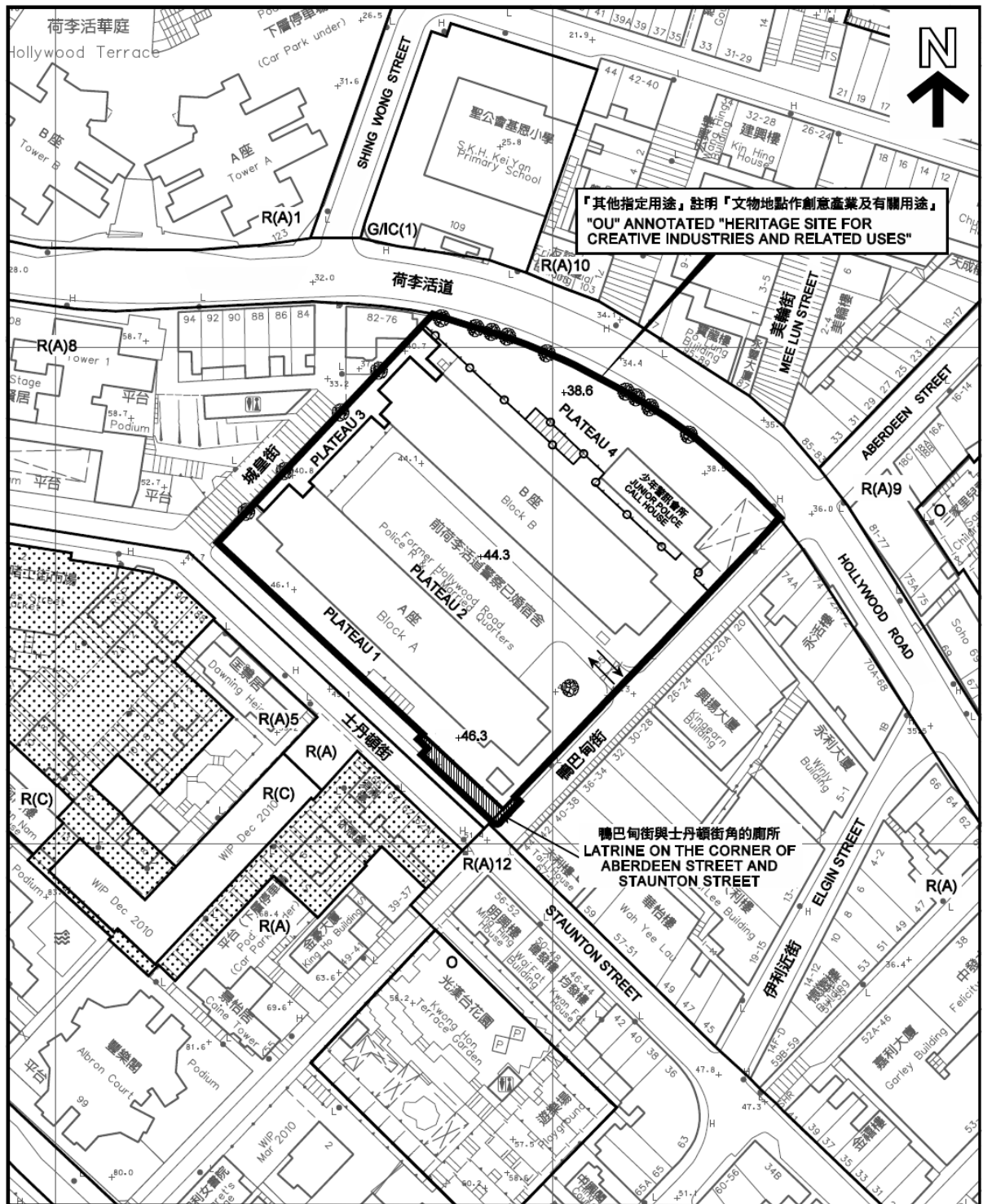
22. On 22 March 2011, ArchSD consulted the AAB on the HIA Report for the revitalisation project and received its support.

ADVICE SOUGHT

23. Members' support is sought for the funding application for transforming the PMQ site into a creative industries landmark under Item 400IO of the Public Works Programme before we seek the approval of the PWSC and the FC of the LegCo in June and July 2011 respectively.

Development Bureau

April 2011



Site Plan
of the Former Police Married Quarters on Hollywood Road
 荷李活道前已婚警察宿舍
 平面圖



Central Courtyard Inside Elevation 中庭的內視立面



Uphill Elevation on Hollywood Road 從荷李活道上望的仰視立面



Central Courtyard Inside Elevation 中庭的內視立面

Artistic Impressions of the "PMQ" Project 活化後的「原創坊」項目模擬圖



Uphill Elevation on Hollywood Road 從荷李活道上望的仰視立面

Artistic Impressions of the "PMQ" Project 活化後的「原創坊」項目模擬圖

Annex C

Broad Breakdown of the Capital Cost for the Conservation and Revitalisation of the PMQ Site

	(HK\$ million)	
(a) Site works	5.9	
(b) Piling and building works	322.9	
(c) Building services works	89.0	
(d) Drainage and external works	23.8	
(e) Consultants' fee and resident site staff	6.5	
(f) Contingencies	43.8	
Sub-total:	491.9	(in September 2010 Prices)
(g) Provision for price adjustment	85.2	
Total capital cost:	577.1	(in MOD Prices)
(h) minus \$17.0 million (in MOD prices) contribution from Musketeers Foundation ¹	(17.0)	
Total amount of fund required:	560.1	(in MOD Prices)

¹ The Musketeers Foundations undertakes to fund architectural improvements to Government's base case at a total cost of \$17 million (in MOD prices), out of its \$110 million contribution in support of the project.