

For discussion on
28 April 2009

Legislative Council Panel on Development

**Revitalising Historic Buildings Through Partnership Scheme -
Conversion of Old Tai O Police Station into Tai O Heritage Hotel**

PURPOSE

This paper aims to seek Members' support for the proposed conversion of Old Tai O Police Station (the Police Station) into a boutique hotel under the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme) before we submit the funding application to the Public Works Subcommittee (PWSC) / Finance Committee (FC) for approval.

BACKGROUND

2. In February 2008, we invited 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 (SE) under the Revitalisation Scheme. The Scheme aims to achieve the dual objectives that historic buildings will be preserved and at the same time be made available for use in the best interest of the community. Details of the Revitalisation Scheme were set out in the Legislative Council Paper No. CB(2)637/07-08(03) dated 20 December 2007.

3. Following a vigorous and competitive process, and upon the advice of an Advisory Committee comprising experts from various fields, we selected six NPO projects under Batch I of the Revitalisation Scheme and reported the selection results to Members vide Legislative Council Paper No. CB(1)816/08-09(03). During discussions at the Panel meeting on 24 February 2009, Members noted that the selected NPOs would in fact become "agents of heritage conservation" for the Government as they would not hold title to the land/building; their SEs would operate on those Government-owned

historic buildings on a tenancy basis. Moreover, the performance of their SEs would be closely monitored through the terms of service/tenancy agreements to ensure that the level of service and provision of public access stated in their proposals were fully complied with. For Old Tai O Police Station, the successful applicant was Hong Kong Heritage Conservation Foundation Limited (HCF). Its proposal is to convert the Police Station into the Tai O Heritage Hotel (the Project). Details on the selection of the Project are at ----- **Annex I.**

4. As provided for under the Revitalisation Scheme, selected NPOs would, subject to LegCo's FC/PWSC approval, be given a capital grant to meet the cost of renovation. We have accordingly devised the procedures for delivery of capital works ----- under the Revitalisation Scheme. They are explained at **Annex II.** In general, capital works of the Scheme will be delivered under Head 708 of the Capital Works Reserve Fund in the form of a capital subvention. These capital works will be monitored in the same way as other subvented projects funded under Head 708.

THE PROJECT

The Building

5. The Police Station was built in 1902 to reinforce the police presence on Lantau Island. After various developments over the years, it was eventually closed in December 1996 and has been left vacant since then. The conditions of the Police Station have been deteriorating and it requires maintenance from time to time.

6. The Police Station, comprising two separate blocks, is considered to be an excellent example of the typical "colonial-style" police station of the period. In recognition of the historical significance and architectural merit of the Police Station, the Antiquities Advisory Board (AAB) accorded Grade III status to the Building in 1988. The AAB is currently considering the Antiquities and Monuments Office (AMO)'s recommendation to upgrade the Building to Grade II.

The Project Scope

7. The Project aims to capture the architectural quality and to conserve,

recover and capitalise the historical significance of the building. It will revitalise the Building by converting it into a boutique hotel to provide the following facilities -

- (a) nine suites;
- (b) a café/restaurant;
- (c) a library;
- (d) an exhibition area; and
- (e) other ancillary facilities.

A site plan of the Police Station and a perspective view of the proposed boutique hotel are attached at **Annexes III** and **IV** respectively.

The Benefits

8. The Project will generate the following benefits:

- (a) The boutique hotel will become an iconic tourist attraction and a unique cultural landmark. It will serve as a tourist centre for hotel guests and day visitors. To enable the public to appreciate this beautiful historic building, free public access will be given to its outdoor areas, library, exhibition area and gift shop. Other areas including unoccupied guest rooms and all public areas of the hotel will be opened during daily guided tours and on open days. This will attract visitors to the Police Station and bring to it a new lease of life;
- (b) HCF will operate the boutique hotel as a SE, develop new programmes or cultural workshops with local operators and residents as necessary, and assist in promoting eco-tours. HCF will also co-operate with local participants to launch a quarterly event, the Tai O Food Expo, aiming at making it a signature cultural event in Tai O. To further involve the local community and to ensure that operation of the hotel and activities organized are indeed welcomed by the public, HCF has set up a committee to advise it in taking forward the project. Apart from members of the Tai O Rural Committee and the Islands District Council, the advisory committee also comprises experts in the fields of historical and cultural

research, heritage conservation, environmental protection and eco-tourism, etc.; and

- (c) The Project aims to achieve synergy with the concept plan for overall improvement of the Tai O area through the creation of jobs and injection of new economic activities. The concept plan is being prepared by Government based on the design concepts collected through the Design Competition for the Revitalisation of Tai O. The purpose is to conserve the cultural heritage and natural environment of Tai O and at the same time enhance its tourism appeal and local economy. Implementation of the concept plan is targeted to commence in 2010 in phases for completion in 2013.

PROJECT ESTIMATES AND IMPLEMENTATION PLAN

9. The estimated cost of the Project is about \$64.9 million at September 2008 prices as stated in Legislative Council Paper No. CB(1)816/08-09(03). We have obtained approval from delegated authority for the detailed design to proceed and there may be slight adjustments to the final estimated cost to be sought from PWSC.

10. Subject to funding approval of the FC, the construction of the Project is expected to commence in January 2010 for completion by June 2011. An early start of works will sustain the momentum of our ongoing efforts in revitalising historic buildings, create the much-needed jobs and bring vitality to Tai O in tandem with the overall plan of improvement of Tai O.

11. We estimate that the Project will create about 103 jobs during construction comprising 10 professional/technical staff and 93 labourers, providing a total employment of 1,600 man-months. Also, ten full-time and ten part-time jobs will be created upon commissioning of the hotel.

HERITAGE IMPLICATIONS

12. As required under prevailing requirements, this project is subject to a Heritage Impact Assessment (HIA). The HIA Report in the form of a Conservation Management Plan (CMP) was completed and considered by AAB at its meeting on 15 April 2009. Members were supportive of the proposal.

PUBLIC CONSULTATION

Panel on Development

13. We reported to the Panel the selection results of the six buildings, including the Police Station, under Batch I of the Revitalisation Scheme on 24 February 2009. Members were in general supportive of the Scheme and our efforts to revitalise these historic buildings through the selected projects.

Antiquities Advisory Board

14. As mentioned in paragraph 12 above, AAB was consulted at its meeting held on 15 April 2009 on the HIA Report and Members were supportive of the proposal.

Islands District Council

15. HCF briefed the Islands District Council on the Project on 6 April 2009 and Members were supportive of the proposal.

Tai O Rural Committee

16. HCF also briefed the Tai O Rural Committee on 4 September 2008 and Members were supportive of the proposal.

ADVICE SOUGHT

17. Subject to Members' support of the Project, we plan to submit the funding application to PWSC at its meeting on 10 June 2009.

Development Bureau
April 2009

Details of Assessment of Old Tai O Police Station

Selected Applicant: Hong Kong Heritage Conservation Foundation Limited (HCF)

I. Basic Information on the 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 - Conversion of Old Tai O Police Station into Tai O Heritage Hotel

- 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 (HCF) 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.

**Delivery of Capital Works under
the Revitalising Historic Buildings Through Partnership Scheme
(Revitalisation Scheme)**

Capital works of the Revitalisation Scheme will be delivered under Head 708 with Government providing capital subvention to the selected non-profit-making organisations (NPOs) in implementing conversion works to historic buildings. Details are as follows:

- (a) Policy Bureau: Development Bureau
- (b) Works Agent: The selected NPO
- (c) Technical Adviser of Government: Architectural Services Department
- (d) Funding Application: Funding application will be submitted to Finance Committee (FC) or approving authorities with delegated power from FC under the established mechanism.

Government will also be responsible for expenditure on pre-contract works (e.g. site survey, heritage impact assessment, preparation of detailed design, etc.) and this will be acquired through established mechanism.

- (e) Appointment of Consultants and Contractors: The selected NPO will appoint consultants and contractors from Government approved lists through established guidelines.
- (f) Monitoring: The selected NPO will submit regular progress reports to Government. The latter will carry out site inspections / hold progress review meetings with the NPO as necessary.



SITE PLAN 位置圖

REVITALISATION SCHEME – CONVERSION OF OLD TAI O POLICE STATION INTO TAI O HERITAGE HOTEL
活化歷史建築伙伴計劃 – 改建舊大澳警署為大澳文物酒店



PERSPECTIVE OF TAI O HERITAGE HOTEL
大澳文物酒店透視圖

REVITALISATION SCHEME – CONVERSION OF OLD TAI O POLICE STATION INTO TAI O HERITAGE HOTEL
活化歷史建築伙伴計劃 – 改建舊大澳警署為大澳文物酒店