

## **LCQ2: Development project at the former Explosives Magazine site**

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Following is a question by Dr the Hon Kwok Ka-ki and a reply by the Secretary for Home Affairs, Dr Patrick Ho, in the Legislative Council today (March 2):

### *Question:*

Part of the structure on the former Explosives Magazine site at Justice Drive at Admiralty is a Grade I historical building. The Executive Council resolved in December 2002 to give its support in principle for a private treaty grant ("PTG") of this site at a nominal premium to the Asia Society Hong Kong Centre (the Asia Society) for setting up an arts and cultural centre for multi-purpose uses. The estimated cost of this development project was \$200 million, to be wholly funded by the Asia Society itself. It is noted that the confirmed donation to the project so far is a contribution of \$102.5 million by the Hong Kong Jockey Club Charities Trust only, and all the contributions may eventually come from local donors. In this connection, will the Government inform this Council:

- (a) of the approaches the Asia Society said in 2002 it would adopt for raising funds for this project and whether the Asia Society undertook at that time to raise most of the funds from overseas; if the Asia Society gave such an undertaking, whether it has assessed if Asia Society's application to the Hong Kong Jockey Club Charities Trust for a donation of over \$100 million constitutes a promise broken; and the latest progress of the relevant fund-raising efforts of the Asia Society regarding the development project;
- (b) of the progress of the development project, and how the Government monitors the implementation of the project by the Asia Society;
- (c) whether the Government, when examining and approving the project for development and preservation of this historical building, provided all interested parties with equal opportunities for participation; whether it has reviewed the appropriateness of this arrangement; and whether it will adopt a fair and open approach instead of granting PTGs when handling, in future, development projects for other historical buildings?

### *Reply:*

Madam President,

My reply is as follows:

(a) The Asia Society Hong Kong Centre (the Society) is a non-profit making organisation that has been established in Hong Kong for almost 15 years. In applying for the use of the former Explosives Magazine site for setting up a multi-purpose arts and cultural centre, the Society has indicated to the Government that they would raise funds for the project estimated to be about \$200 million. It has not stated in its application that funds for the project would be raised from overseas. In fact, in its presentation of the project to the Central and Western District Council (C&W DC) on May 16, 2002, the Society advised that funds for the project would mainly come from local benevolent organisations and individuals interested in promoting the development of local culture. In a Legislative Council brief on the project issued on December 20, 2002, this Council was informed that the Society would raise funds to implement the project. The Society has not given any undertaking that it would raise most of the funds from overseas. Recently, the Society indicated to the Government that they had received pledges from organisations and individuals exceeding \$205 million for the project. These include a grant of \$102.5 million from the Hong Kong Jockey Club Charities Trust, and donations amounting to about \$100 million from private trusts and foundations, private corporations as well as individuals, local and overseas.

(b) The Society has appointed professional consultants of various disciplines to undertake the work and completed the required impact assessment studies such as heritage impact assessment, ecological impact assessment, environmental assessment, tree assessment, traffic impact assessment and geotechnical impact assessment. It obtained planning permission from the Town Planning Board for the development and the Antiquities Advisory Board's endorsement of the heritage conservation plan in October 2002 and December 2004 respectively. At the request of the C&W DC, the Society briefed the District Council on the latest development of the project in November 2004. It has also scheduled a site visit for the District Council members later this month.

No land grant has yet been made. Should the land grant proceed, the Government's requirements for the project, such as opening the facilities to the public and the use of the facilities for the intended purposes, will all be included in the land grant document to ensure that the implementation of the project is in accordance with the agreed terms. As in the case of other development projects involving heritage sites, relevant government procedures will be in place to monitor the implementation of this project. Subject to the Executive Council's final approval of the proposed land grant, compliance of the requirements will be enforced in accordance with established practice.

(c) It is common for non-profit making organisations to apply to the Government for a private treaty grant of land for the provision of facilities that facilitate the promotion of the policies of the

bureaux concerned. We think that Hong Kong's built heritage is a testimony to our unique past and is irreplaceable. If a development proposal involves a historical building, the Government will, apart from considering whether the proposal is conducive to its policy, also examine in detail whether the proposal will respect and promote the historical building's architectural style, uphold its historical and cultural significance, give full play to its function of reviving the collective memory of the public, give an old building a new use, and adapt to modern life and the community for public enjoyment. We hope that through revitalisation and re-use of historical buildings, we can enhance Hong Kong's historical ambience, raise the public's awareness of our heritage and history, strengthen the public's sense of belonging and social cohesion, realise the peripheral benefits of historical buildings, promote cultural tourism, enhance Hong Kong's attraction as a world city and promote the sustainable development of the city's culture.

An application must have the policy support of the relevant bureau before it will be processed by the Lands Department. During the planning process, the community's views will be duly considered. The Lands Department will also consult relevant government departments to ensure that the relevant development proposal complies with their respective requirements.

As far as the former Explosives Magazine site is concerned, the Government has not received any other development proposals apart from the formal application from the Society and a few enquiries from other organisations. We consider it worth supporting in view of the following four factors:

- (a) the development proposal can put the site to beneficial use without incurring public expenditure on the construction and operation costs;
- (b) it can help bring a new cultural scene to the community;
- (c) it is compatible with the cultural ambience of the surrounding area; and
- (d) the project proponent is a non-profit making organisation.

The Government will continue to process future development proposals for other historical buildings in an open manner and on a fair basis, and each proposal will be considered on its own merits.

Ends/Wednesday, March 2, 2005

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