

Office Building Acquisition Plan of the Zhongzheng Branch, National Taxation Bureau of Taipei, Ministry of Finance

A. Plan Origin

Formerly known as Guting Office (Guting Office and Chengzhong Office were integrated to establish Zhongzheng Office on January 1, 1991 due to adjustments to Taipei City's administration areas. In January 2010, Zhongzheng Office was renamed Zhongzheng Branch and is hereinafter referred to as the Zhongzheng Branch), Zhongzheng Branch subordinated to National Taxation Bureau of Taipei, Ministry of Finance and agencies subordinated to Taipei City Government moved to Guting District Administration Center (that is, the Taipei City Zhongzheng District Office, which is above the old Nanmen Market at No. 8, Section 1, Roosevelt Road, Zhongzheng District, Taipei City; hereinafter referred to as the Old Nanmen Market Building) in January 1983. In 2013, the Old Nanmen Building was assessed and determined as having insufficient seismic capacity and high chloride ion content in concrete (commonly known as the sea-sand house). In addition, some areas of the target object have steel corrosion, concrete spalling, and damage and cracks on beam column walls and floors.

Upon approval of the reconstruction plan jointly submitted by Taipei City Zhongzheng District Administration Center Management Committee and Zhongzheng District Office in 2014, Zhongzheng Branch moved to the temporary office building located at No. 2, Chaozhou Street, Zhongzheng District, Taipei City at the end of December 2016 to comply with the "Taipei City Zhongzheng Administration Center Relocation Plan" of Zhongzheng District Office. A total of 34% of the said building is owned by the country as a national non-public use real estate, whereas the rest 66% is leased from Bank of Taiwan Co., Ltd. with an annual rent of NTD14,994,000. Nevertheless, as the building is rather old (obtained the use permit in 1998), it requires not only relatively high renovation and maintenance costs, but its seismic capacity is also questionable. An inquiry was sent to the National Property Administration, Ministry of Finance and received a reply that there was no suitable office

building that could be used as a substitute. Therefore, based on the evaluation, moving to New Nanmen Building to operate with Taipei City Zhongzheng District Administration Center in a joint office environment is the ideal solution due to its great convenience to the citizens and a relatively lower cost. Compared with other solutions, such as continuing to lease the current property (NTD1,273,676,000), leasing another property (NTD1,762,800,000) or purchasing another office building (NTD797,806,000), buying the New Nanmen Building is the cheapest option, as it costs only NTD327,099,000 (NTD327,099,000 = The sum of the building purchase price, which is NTD248,499,000 + The land rent for 60 years, which is NTD78,600,000).

B. Implementation

I. The New Nanmen Building purchased by Zhongzheng Branch is primarily a steel structured building co-developed with the MRT system with five floors underground and 12 floors aboveground. The project organizer is the Taipei City Market Administration Office. The 3rd floor to the 12th floor will be used as the Zhongzheng District Administration Center and 10 government agencies will move in. With respect to the construction costs, Taipei City Market Administration Office has prepared a budget to pay for the construction fee, and administrative agencies to be moved to the center shall prepare a five-year budget that starts from 2023 to purchase the building from Taipei City's Property Development Fund. Zhongzheng Branch will purchase the 3rd floor based on the titled floor area of 3,073.58 m² (including exclusive area and public facility area; MRT facility area excluded). In total, Zhongzheng Branch shall pay NTD248,499,000 for the construction, NTD42,078,000 of which shall be paid in 2023, NTD47,907,000 shall be paid per year from 2024 to 2026, NTD62,700,000 shall be paid in 2027. Due to the failure to receive gratuitous appropriation of land, Zhongzheng Branch shall, according to the annual rent notified by the Market Development Fund in charged by Taipei City Market Administration Office, formulate the budget to pay for it on an annual

basis.

II. Achieve the following goals:

- (1) Completely eliminate the security concerns of the old office building to protect staff members and citizens' lives and safety.
- (2) Plan a perfect service space and facilities to provide citizens with high quality taxation services.
- (3) Suitably plan the space for all personnel in accordance with the "Office Space and Area Planning Principles for Executive Yuan and Its Subordinated Agencies" established by the Executive Yuan; and adopt a complex functional design to effectively use limited space to create a good working environment and traffic flow. This will help to enhance staff members' morale and enhance the administrative efficiency.
- (4) Adopt friendly and safe building and equipment planning to facilitate the convenience and rationality of use and location security; and create a barrier-free environment to meet specific use needs (ex., gender-specific needs) and facilitate the access of the elderly and people with disabilities to public space.
- (5) Implement environmental protection, energy-saving, and carbon-reduction measures.

C. Expected benefits

I. Direct benefits: By purchasing New Nanmen Building as the office building, Zhongzheng Branch will obtain the building ownership and save rent costs. Assuming that all conditions remain the same (i.e., without considering the discount rate and annual rent growth rate) and on the premise that the minimum service life of office buildings built with steel frame and reinforced concrete is 60 years as specified in "Property and Goods Standard Classification," the purchase will help National Treasury to save an enormous expenditure.

II. Indirect benefits:

- (1) Provide citizens and staff members with a convenient and friendly public service (or office) environment

This plan has designed and established a barrier-free space in accordance with Building Technical Regulations, providing the elderly, children, citizens with disabilities, and staff members with a friendly public service (or office) environment. Besides, considering the needs of people of different genders, sexual orientations, and gender identities, the building is installed with gender-friendly facilities to optimize citizens and staff members' convenience and access to these facilities. This also directly reduces the costs of relevant labeling and labor assistance costs; lessens the probability of having an accident during the use due to the unfriendly environment; and enhances users' identity, avoiding an increase in related risk costs.

- (2) The joint office environment can improve administrative efficiency: By purchasing the New Nanmen Building and forming a joint office environment, Zhongzheng Branch can enhance its contacts with other administrative and tax collection units and facilitate taxpayers' handling of administrative affairs. That is, this will save citizens' time and expense of traveling back and forth while increasing the Branch's administrative efficiency.

III. Intangible benefits:

- (1) Enhance environmental quality: New Nanmen Building not only manages to maintain public safety by constructing a new building in place of the originally dangerous public building, but also plans to launch various policies (ex., "no garbage allowed on the ground," "waste classification and reduction," and "dry and wet waste separation"), e-commerce, contemporary logistics, and so on. Integrated with the renowned hundred-year-old market, the administration center will also introduce modernization and urban aesthetics to enhance environmental quality.
- (2) Facilitate economic development: Expounding "The Heartbeats of Taipei," the architectural design of New Nanmen Building not only resonates with its location at the intersection of MRT Tamsui Line,

Xindian Line, and Wanda Line, but also highlights the traffic flow and convenience to various businesses due to its close connection with the pulse of the city and enhances the vitality of public space. It is expected that the building will attract people from Taipei City and nearby districts of New Taipei City (ex., Xindian District, Zhonghe District, and Yonghe District) to come here for business activities or public services. Apart from bringing external benefits to people living in nearby districts, it will also gradually prosper the region, improve quality of life, and promote economic development.

- (3) Great convenience to the transport: The move back to the original office site, which is near the MRT Chiang Kai-Shek Memorial Hall Station, has met citizens' expectations due to its easy access to the public transportation system. In the future, this region will become an intersection of MRT Wanda Line, Tamshui-Xinyi Line, and Songshan-Xindian Line, enabling citizens living in nearby districts to come here to enjoy the convenient and high-quality public service. As Zhongzheng Branch had been operating in Old Nanmen Building for over 30 years, moving back to the original site will meet local people's expectations due to their habits and an easy access to related services.