For discussion on 22 September 2023 TFHK/05/2023

Proposed Enhancement in Temporary Commercial Concession at Waterfront at Central & Western and Wan Chai Districts

PURPOSE

This paper seeks Members' views on The "Star" Ferry Company, Limited ("Star Ferry")'s proposal to (a) grant two additional areas at (i) G/F of the Central Terminal Building (239.36 m²) and (ii) Observation Deck of the Wan Chai Ferry Pier (591.4 m²) for temporary commercial activities; and (b) relax the conditions for commercial activities in the prescribed areas.

BACKGROUND

2. Star Ferry has been providing cross-harbour ferry services between Tsim Sha Tsui and Central/Wan Chai since its establishment in 1898. Not only does the Star Ferry provide the most economical means to cross the harbour, it has also become one of the most remarkable icons of the city and its harbour. National Geographic Traveler named the Star Ferry crossing as one of 50 "places of a lifetime" while TripAdvisor also rated Star Ferry as #1 of "Things to Do in Hong Kong".

3. With effective from 1 April 2018, Star Ferry extended the franchise of the ferry services for another 15 years and is authorised to use (a) Kowloon Point Ferry Pier (i.e. the Tsim Sha Tsui Ferry Pier), (b) Wan Chai Ferry Pier; and (c) Central Pier No.7 and Central Terminal Building. To allow Star Ferry to generate more non-farebox revenue in order to improve the Company's financial sustainability as well as relieve the pressure for fare increases, the Government allows Star Ferry to grant commercial concessions at piers, subject to certain conditions on maximum number of activities allowed per year and maximum number of areas allowed to be used, etc. The non-farebox revenue so generated would be used to cross-subsidise Star Ferry's

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franchised ferry service in order to sustain its financial viability, as it has been running on losses since 2018.

THE PROPOSAL

Key considerations

4. Star Ferry believes that the granting of commercial concessions should have a dual purpose of generating non-farebox income to improve its financial situation and promote public participation in the harbourfront. To achieve this, Star Ferry proposes to collaborate with non-profit organisations as part of their commercial concessions at piers to champion various causes. For instance, to support local organic agriculture and promote environmental awareness, Star Ferry would partner with local farmers to organise weekend markets that provide a platform for them to sell their home-grown, organic farm products and traditional snacks while allowing visitors to enjoy a welcoming and inclusive atmosphere. Additionally, Star Ferry would invite musical groups to provide free music performances/busking along the waterfront promenade for public enjoyment, creating a lively and vibrant atmosphere that enhances the experience of all visitors. These initiatives would also provide more opportunities for local cultural groups to showcase their talents at the prime harbourfront site.

5. Star Ferry has been successful in using the harbourfront area in hosting a variety of activities in the past, with overwhelming interests from different organisers and business partners in hiring the venue.

6. Looking ahead, as a participant in the "Happy Hong Kong" campaign, Star Ferry has scheduled the Joyful Winter Harbourfront Festival in around November 2023. The festival will feature various booths, including specialist food stalls and handicraft and souvenir booths, as well as music performances and activities held alongside the harbourfront. The festival is expected to attract some 10 000 daily visitors to the harbourfront area for a fun and enjoyable experience while taking in the beautiful view of the Victoria Harbour. For discussion

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7. However, the current limit of 60 event days per year and restriction of commercial use to two out of four designated areas per day have greatly limited the types and duration of events that can be held, thus hindering the business prospects of Star Ferry. To improve the financial viability of Star Ferry and sustain this iconic symbol of the harbour, it is imperative to expand its non-farebox income sources. Relaxing the conditions for commercial activities at Star Ferry's piers is one of the most direct and immediate solutions.

8. If the proposal outlined in the following paragraphs is approved, Star Ferry could generate an additional income of \$0.8 to \$1.5 million per year to cross-subsidise its ferry services. Moreover, relaxing the relevant conditions could attract more people to the harbourfront area.

Proposed enhancements

9. Against the above, Star Ferry's proposal on the enhancement in temporary commercial concession will cover two major aspects. The detailed proposal, as well as a comparison with the existing conditions, is set out in **Annex A**. Firstly, in terms of prescribed areas, it is suggested to allocate two additional areas for granting commercial concessions –

(a) **G/F of the Central Terminal Building** (i.e. the area connecting Central Pier No.7 and Central Pier No.8; with an area of 239.36 m²): the central harbourfront area is the vibrant heart of Hong Kong, attracting crowds day and night.

Together with the existing Areas 1-4 permitted to be used for commercial concessions (see **Annex B** for the floor plan), the integrated Central Pier area would be most suitable for hosting events that are intended to draw a large crowd, such as weekend/holiday markets, cultural and music performances, exhibitions, as well as commercial activities such as corporate events, press conferences, product launches and cocktail receptions; and

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(b) **Observation Deck of Wan Chai Ferry Pier** (with an area of 591.4 m²): as compared to the Central harbourfront area, the Wan Chai Ferry Pier receives fewer visitors.

Nonetheless, the Observation Deck is well-positioned to host activities such as performances, wedding, outdoor dining activities, cocktail receptions, etc., as these activities can attract more visitors to the underutilised Wan Chai Observation Deck without creating disturbance to the at-grade public area.

The locations of the two additional areas are shown in **Annex C**, including the Observation Deck of Wan Chai Ferry Pier on Page 3 and the G/F of the Central Terminal Building on Page 7.

10. Secondly, it is also proposed to relax the conditions governing the commercial activities (e.g. frequency, prescribed area) to optimise the use and management of facilities and services within the pier boundary. These proposed enhancements, including increasing the maximum number of activities in each area, increasing the cumulative days of activities in each area, and lifting the restriction of the maximum number of areas allowed to be use on any one day, will allow additional concession activities and generate more non-farebox revenue while providing the public with more opportunities for enjoyment and leisure.

Other considerations

11. In order to ensure the harbourfront area remains enjoyable for the public, there will be no fixed structure enclosing the prescribed area during temporary activities. These activities will generally be open to the public, except for specific events such as weddings, private parties, dining activities, and commercial shooting. While there may be some opportunities for private events, these are expected to be relatively infrequent, and we do not anticipate any negative impact on the public as a result.

HARBOUR PLANNING PRINCIPLES

12. We consider that the proposal aligns with the Harbour

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Planning Principles in the following aspects –

(a) Vibrant Harbour and Public Enjoyment

The proposed plan aims to establish a stronger link between the Hong Kong Observation Wheel, the seasonal events at Central Harbourfront Event Space, and Wan Chai, thus HarbourChill at reinforces the continuous city landmark along the harbourfront area. Furthermore, the plan seeks to enliven the harbourfront by providing a variety of public leisure and recreational facilities, while also showcasing the cultural heritage and tourism potential of Hong Kong. The public road access will remain unchanged, ensuring continued physical access to the harbour; and

(b) Proactive Harbour Enhancement

As demonstrated above, Star Ferry serves not only as a means of public transportation, but also holds significant cultural importance as a historical icon of the The proposed markets and activities along the city. harbourfront are expected to become an attractive photo opportunity for visitors and tourists. while simultaneously enhancing the experience of taking the ferry service and visiting the harbour. The diverse range of events planned will draw more locals and tourists alike to enjoy the breathtaking view of Victoria Harbour, contributing to the beautification of the harbourfront in a harmonious manner.

VIEWS SOUGHT

13. As a public transportation operator and a crucial player in Hong Kong's tourism industry, Star Ferry strongly supports the creation of an exciting and diverse harbourfront environment that offers visitors a vibrant and diverse experience and creates synergy with the surrounding area. The proposal by Star Ferry would be conducive to these aims. Members are invited to give views on the proposal mentioned above and comments will then

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be conveyed to Star Ferry and relevant bureaux/departments for consideration.

ATTACHMENTS

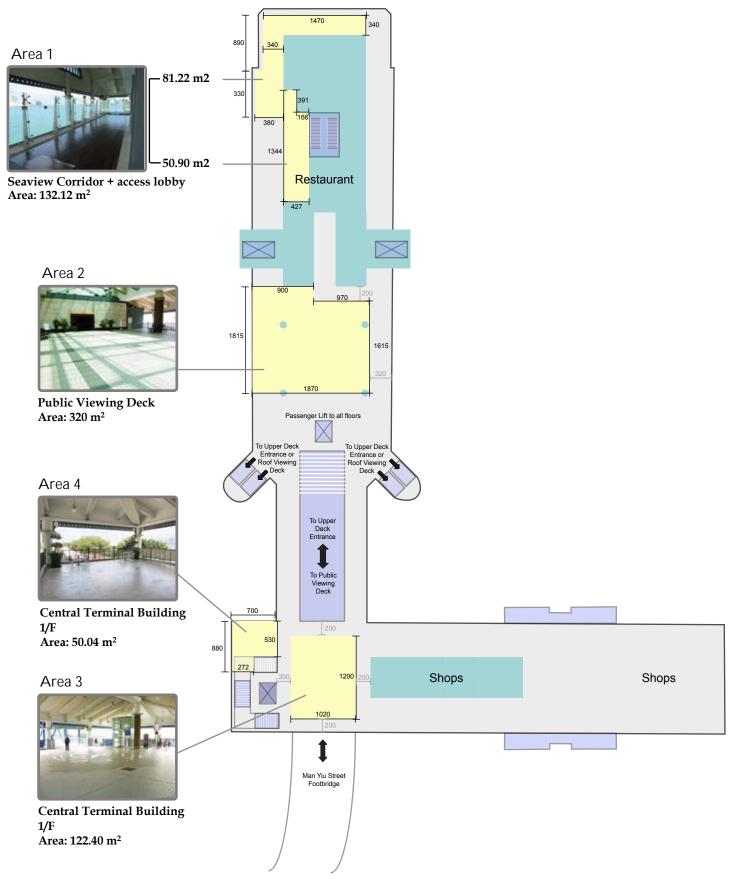
Annex A	Comparison of the existing conditions and Star Ferry's proposal	
Annex B	Floor Plan of Area 1-4	
Annex C	Details on Temporary Commercial Concession	

THE "STAR" FERRY COMPANY, LIMITED September 2023

Conditions	Existing	Proposed
Permitted	Total 4 Areas at	Central Pier
areas	Central Pier:	Additional area:
	Area 1 (1/F) – 81.22	Area 5 (G/F) –
	$m^2 + 50.9 m^2$	239.36m ²
	Area 2 $(1/F) - 320 m^2$	
	Area 3 (1/F) –	Total: 863.92m ²
	$122.4m^2$	
	Area 4 (1/F) –	<u>Wan Chai Ferry Pier</u>
	$50.04m^2$	Additional Area:
		Observation Deck –
	Total: 624.56m²	591.4 m ²
	The locations of Areas	Total: 591.4 m ²
	1 - 4 are at Annex A .	
Maximum		Number of activities
number of	_	shall not exceed 5 per
activities in		month or 60 per year
each area		•
(excluding	consecutive days for	-
time for venue		0,
set up and		
reinstatement)		shall not exceed 1 per
		month or 12 per year
	(not more than 5	•
	consecutive days for	-
0 1 1	each activity)	each activity)
Cumulative	Cumulative days of	-
days of activities in		
each area	month OR not	exceed 15 days each month AND shall not
cacii alca	exceeding 60 days a	
	year	CALLEU IOU UAYS A YEAI
	Jour	For the months when
		there are public
		holidays for Chinese
		New Year, Easter and
		Christmas : Cumulative
		days of activities shall
		not exceed 20 days each
		month AND shall not
		exceed 180 days a year

Maximum	2 out of 4 areas	No restriction
number of		
areas allowed		
to be used on		
any one day		

STAR FERRY CENTRAL PIER VENUE PIER 7



Annex C



Temporary Commercial Concession

Weekend Market

Commercial Shooting

Kiosk with Light Refreshment

Outdoor Wedding Ceremony

More to come...

The "Star" Ferry Company, Limited

- Incorporated in 1898 and celebrating our 125th Anniversary this year
- More than just a public transportation mean only but a globally well-recognized travel experience

The National Geographic Traveler named the ferry crossing as "1 of 50 places of a lifetime"

8 consecutive years by Tripadvisor as traveler's choice and certificate of excellence; rated as #1 of 1,420 Things to do in Hong Kong

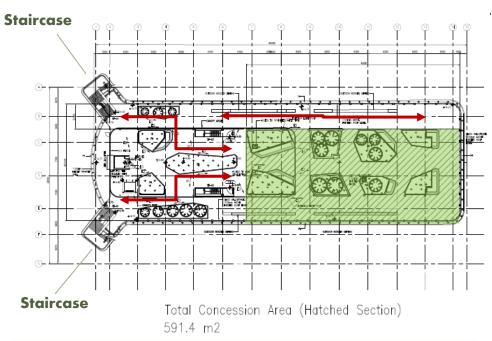
Time Out rated the star ferry ride as 1 of the top 50 Things to do in Hong Kong

Lifestyle Asia listed the ride as 1 of 20 most Incredible Things to do in Hong Kong

 Only ferry service operator in town with pier presence on both sides of the harbour with close proximity to 3 CBDs



Wanchai Observation Deck







Roof Top Space

- Harbour Chill already with sufficient public area for enjoyment of the Victoria Harbour View. Incremental value for roof top entirely for public use to be limited
- On a contrary, allowing it to be used more for temporary commercial events to be compliment to the Pier 1929 downstairs
- Through road access will be maintained 🗧





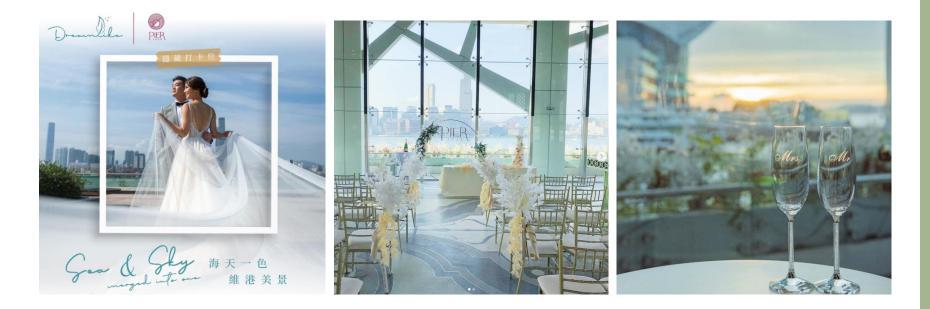
Observation Deck







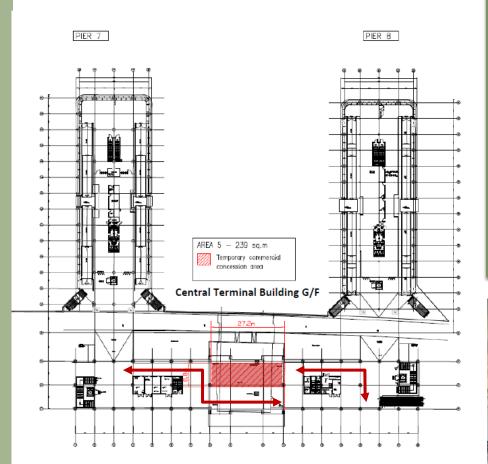
A public landscaped observation deck with cover, at the roof to provide a vantage point for Victoria Harbour and the promenades on both side of the Harbour for the enjoyment of the public and to add vibrancy and lively atmosphere to the harbour-front.







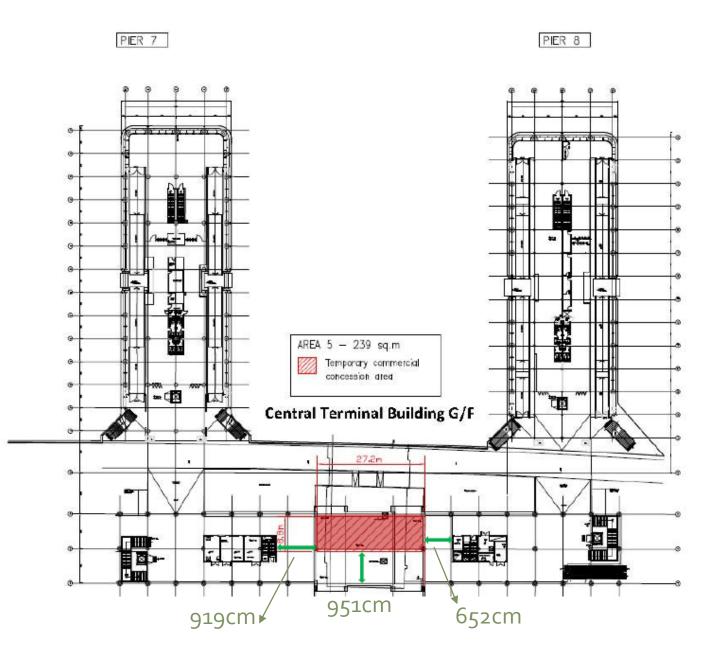
G/F, Central Terminal Building

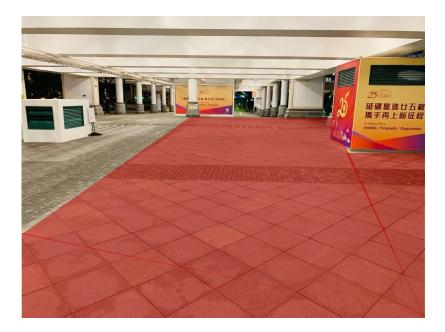


CTB G/F Covered Area

- Space severely underutilized and no commercial activities possible in the area
- Apply for allowing temporary commercial activities or even some permanent kiosks for improving the overall retail offering (Pier + CTB) while forming a better connection with the Ferris Wheel as the new city landmark
- Through road access will be maintained
- Anticipated visitor capacity : 200 free traffic flow per event



















(Baby Shark) 香港版M @海港城 "Baby Shark" Hong Kong Official MV @Harbour City Hatow City (134 ワ か Share …











THANK YOU