For discussion on 15 October 2018

TFK/07/2018

Proposed Market Sounding Exercise for the Hung Hom Urban Park

PURPOSE

This note aims to seek Members' views on the scope of the proposed market sounding exercise for exploring the possibility of developing the Hung Hom Urban Park by way of public-private partnership (PPP).

BACKGROUND

2. The Harbourfront Commission endorsed in May 2017 to include the Hung Hom Urban Park project as one of the initiatives to be supported by the \$500 million dedicated funding earmarked for harbourfront enhancement. Having regard to the objective of enhancing the diversity of our harbourfront, the planning parameters and existing conditions of the site, as well as its surrounding areas (see paragraphs 3-8 below), we see the merits of exploring the potential of involving external organizations in implementing the project under a PPP approach. This would help tap into the creativity and expertise of parties outside the Government in designing, constructing and operating the site.

PLANNING PARAMETERS, EXISTING CONDITIONS AND SURROUNDING ENVIRONMENT

Planning Parameters

3. The site has an area of about 2.2 hectare (see **Annex A**) and is currently zoned "Open Space" under the Approved Hung

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Hom Outline Zoning Plan No. S/K9/26 (OZP). It is fronted by a 170 metre harbourfront promenade, which forms part of a 4 kilometre-long continuous promenade running from the Star Ferry Pier and harbourfront facilities/attractions (including the Hong Kong Cultural Centre, the Hong Kong Museum of Art, and the Avenue of Stars etc.) in Tsim Sha Tsui, to the Laguna Verde in Hung Hom.

Annex B), this zone is intended primarily for the provision of outdoor open-air public space for active and/or passive recreational uses serving the needs of local residents as well as the general public. Apart from passive recreational uses such as park and garden, picnic area and playground/playing field that are always permitted, there are other more active uses including place of entertainment, place of recreation, sports or culture, eating place, as well as shop and services that require planning approval from the Town Planning Board (TPB).

Existing Conditions

- 5. The site is currently occupied by the following facilities (see their respective locations at **Annex A**)
 - (a) an open-air public transport interchange (PTI): the PTI contains a bus and mini-bus terminus, a taxi stand and a general loading / unloading area. It has been tentatively scheduled for relocation to the nearby Kerry Hotel Hong Kong site (see paragraph 6(b) below) in the fourth quarter (Q4) of 2018;
 - (b) <u>a short-term tenancy (STT) coach park</u>: this coach park is about 2 070m² in size. The current STT

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shall expire in February 2019 and the Transport Department (TD) is considering the way forward, with a view to phasing it out from the harbourfront in due course;

- (c) <u>a STT cross-border coach terminus</u>: the terminus is about 2 380m² in size. This direct grant STT is currently renewed on a quarterly basis. TD has already informed the tenant (粤港直通巴士) to start exploring an alternative site for the facility to make way for the Urban Park project; and
- (d) <u>Wa Shun Street Sitting-out Area</u>: this facility is currently managed by the Leisure and Cultural Services Department (LCSD).

Surrounding Environment

- 6. The site is being surrounded by numerous completed developments (**Annex C**) along the Hung Hom harbourfront
 - To the North and East of the site: there are four (a) major developments. To the immediate north is which Whampoa Garden, is the а Comprehensive Development Area (CDA). Along the harbourfront are the Harbourfront **Landmark**, which is a residential development; One Harbourfront and Two Harbourfront. which is a commercial development comprising two commercial buildings; as well as the Harbour Grand Kowloon Hotel. Specifically, Whampoa Garden CDA comprises residential blocks with certain self-contained commercial facilities, including a large shopping mall (i.e. the

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Wonderful World of Whampoa), some community facilities and open space;

- (b) To the West of the site: there are two CDAs for commercial development along the harbourfront (CDA(1) and CDA(2)) housing the **Kerry Hotel Hong Kong** and **One HarbourGate** (a mixed retail and office development) respectively with a total gross floor area (GFA) of 12 200 m² for 'eating place/shop and services' amongst others. At the hinterland side are two residential developments, namely the **Stars by the Harbour** and the **Harbour Place**, as well as **a primary school**; and
- (c) <u>Harbourfront side</u>: at the harbourfront side of Kerry Hotel Hong Kong and One HarbourGate is an existing promenade managed by the LCSD. Upgrading of the promenade, along with the construction of an open space in Kin Wan Street, has been included in the 'Open Space at Hung Hom Waterfront' project under the Home Affairs Bureau (HAB)'s 'Five-Year Plan for Sports and Recreation Facilities'.
- 7. In terms of water-land interface, there is the *Hung Hom* (*North*) *Ferry Pier* by the waterfront side of the site, providing a licensed ferry service between Hung Hom and North Point. Further down is the *Hung Hom* (*South*) *Ferry Pier*. As reported to the Harbourfront Commission (HC) Task Force on Harbourfront Developments on Hong Kong Island at its meeting on 7 September 2018, TD has recently invited interested parties to express their interest in operating two licensed ferry routes, one of them plying between Hung Hom and Central and the other one running as an in-harbour circular service. Both ferry

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routes will use the South Pier as a berthing point. The prospective operators are also invited to submit proposals on beautifying the South Pier, and incorporating suitable commercial elements to enhance vibrancy of the harbourfront. By the deadline of 27 September 2018, two proposals were received. TD will study the proposals and consult relevant stakeholders, including the HC, on the detailed service proposal in due course. Tentatively, TD plans to invite tender for the service in early 2019. On the other hand, there is also **a set of public land steps** along the harbourfront.

8. As regards land and rail transportation, the open-air PTI currently operating on the site, as set out in paragraph 5(a) above, will be relocated to the Kerry Hotel Hong Kong in end 2018. The PTI will continue to provide bus and minibus services for travelling from Hung Hom to various districts in Kowloon and the New Territories. The site is only about 3-minute walk away the MTR Whampoa Station.

DEVELOPMENT OPPORTUNITIES

- 9. In view of the above conditions, we see the opportunities of turning the site into a unique and interesting harbourfront -
 - (a) Large site with planning flexibility: the site is about 2.2 hectare in size. Together with the various permissible uses in its OZP, there is much room for innovation in its planning and construction. If things run smoothly, the existing facilities could be relocated / phased out by the Q1 2019 the earliest, vacating the entire site for further development;

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- (b) Diverse environment with different users: the site is surrounded by diverse types of development, providing a wide range of potential users from different walk of life at different time of the day and week, including local residents (mostly couples and families), office workers, hotel visitors, and weekend shoppers etc.;
- (c) <u>Convenient transport network</u>: the site is easily accessible by both road-based and rail-based public transport. Water transport would be further enhanced with the new ferry route and in-harbour circular service; and
- (d) Complementary development with neighbouring facilities: on a local context, the adjacent Hung Hom Ferry Piers would soon be revitalised with the new ferry and in-harbour circular services. nearby HAB's Space at Hung 'Open Hom Waterfront' project would also be implemented in the near future. If the Urban Park could be developed with interesting characters and elements, it would certainly multiply the attractiveness of the entire area. On a regional context, the site sits in the mid-way of the waterfront running from Tsim Sha Tsui to Hung Hom. Its development would not only complete, but also enhance, the regional harbourfront jigsaw.
- 10. The majority of the open space in the district are being used or planned for mainly passive recreational purposes. Taking advantage of its harbourfront location, transport connectivity as well as diversified development in the locality bringing different people, locals and tourists alike, to the

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waterfront area, we see merits in exploring the feasibility of an alternative design, development and management model with private sector involvement for the site, rather than the Government's traditional build and operate approach. This would help tap into their creativity and expertise in designing, constructing and operating the site to the benefit and in favour of its users. These external organizations could be business entities or non-governmental organizations (NGOs), profit-making or not.

MARKET SOUNDING EXERCISE

- 11. To ascertain market interest in taking part in the PPP project and collect ideas from the market on both the overall PPP approach and the best potential uses of the site, we propose launching a market sounding exercise with the following principles/considerations—
 - (a) in compliance with the OZP and the Harbour Planning Principles and Guidelines, the project should create a sense of place and a quality harbourfront for public enjoyment, catering for all walks of life and bringing people to the harbourfront;
 - (b) existing promenades fronting the site should continue to be open to the general public at all times, while the remaining area should also be managed in open style so as to create a welcoming environment for members of the public and draw people to the harbourfront;

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- (c) the north-south and east-west connectivity across the site should be enhanced, so that the developments and facilities surrounding the site could be integrated with each other, adding vibrancy to the whole Hung Hom harbourfront area;
- (d) there should be suitable community involvement at key stages of the PPP process;
- (e) given the close proximity of the site with nearby residential development, particularly the Lily Mansions of Whampoa Garden, visual impact as well as noise and and other nuisance should be minimised
- (f) uses proposed should be those permissible with or without TPB's permission under the OZP (see Schedule of Uses in Annex **B**). While revenue-generating activities might bring vibrancy to the site, they should also suit the diverse needs of local residents and the general public. should complement rather than overlap with those already available in the surrounding areas. instance, given the abundance of retail facilities in the vicinity, it is not the intent of the Government to create a retail-oriented shopping street with shops and eating places at the site;
- (g) while the Hong Kong Planning Standards and Guidelines stipulates as a general guideline that the building site coverage of a district open space should not exceed 10%, ideas that might require higher building site coverage for bringing greater

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diversity to the harbourfront are welcomed¹;

- (h) the Government will retain ownership of the site. In other words, rather than selling the site, the Government may lease it out for a reasonably long period that can render the project commercially viable. It is Government's intention to set up a continual monitoring system with some form of public participation to ensure that the site is developed and managed in the public interests; and
- the project is expected to be self-sustainable on an (i) on-going basis with the possibility of sharing revenue with the Government after the development has been up and running for number of years. The operator is responsible for designing, developing, managing and maintaining Responses to the market sounding may include ideas exercise on support facilitation required of Government in realising the project.

WAY FORWARD

12. Having regard to Members' comments, we will finalize the document for the market sounding exercise before launching it by the end of this year.

For reference, the eating place/shop and services/place of entertainment facilities within the various parts of the Art Park of the Western Kowloon Cultural District have site coverages ranging from 16% to 19%.

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ADVICE SOUGHT

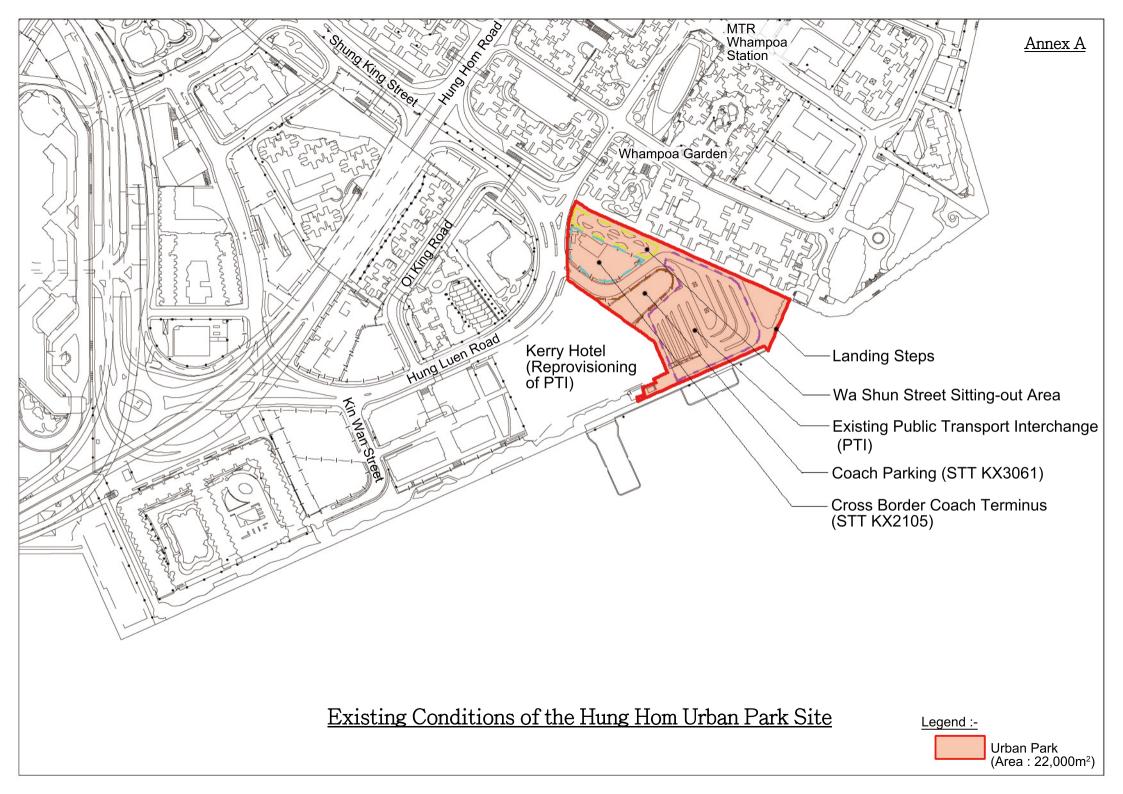
13. Members are invited to give views on the scope of the market sounding exercise in paragraph 11 above, and offer views on the potential uses and activities of the Hung Hom Urban Park.

HARBOUR OFFICE
DEVELOPMENT BUREAU
October 2018

ENCLOSURES

| Annex A | Location Plan and Existing Conditions of the Site |
|---------|---|
| Annex B | Permitted Uses under OZP |

Annex C Surrounding Environment of the Site



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OPEN SPACE

| | Column 2 |
|--------------------------------------|--|
| Column 1 | Uses that may be permitted with or |
| Uses always permitted | without conditions on application |
| • • | to the Town Planning Board |
| | |
| Aviary | Cable Car Route and Terminal Building |
| Barbecue Spot | Eating Place |
| Field Study/Education/Visitor Centre | Government Refuse Collection Point |
| Park and Garden | Government Use (not elsewhere specified) |
| Pavilion | Holiday Camp |
| Pedestrian Area | Mass Transit Railway Vent Shaft and/or |
| Picnic Area | Other Structure above Ground Level other |
| Playground/Playing Field | than Entrances |
| Promenade | Pier |
| Public Convenience | Place of Entertainment |
| Sitting Out Area | Place of Recreation, Sports or Culture |
| Zoo | Private Club |
| | Public Transport Terminus or Station |
| | Public Utility Installation |
| | Public Vehicle Park |
| | (excluding container vehicle) |
| | Religious Institution |
| | Service Reservoir |

Planning Intention

Shop and Services Tent Camping Ground

Utility Installation for Private Project

This zone is intended primarily for the provision of outdoor open-air public space for active and/or passive recreational uses serving the needs of local residents as well as the general public.

