

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION
DEVELOPMENT BUREAU

Market Sounding Exercise
Development of Urban Park at
Hung Hom Harbourfront

22nd January, 2019

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Market Sounding Exercise

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THIS IS NOT A PROCUREMENT/TENDERING EXERCISE

1. INTRODUCTION

- 1.1 The Victoria Harbour is a natural asset for all the people of Hong Kong. It is the common vision of the Government of the Hong Kong Special Administrative Region (**the Government**) and the Harbourfront Commission (**HC**) to make the harbourfront more vibrant and attractive for public enjoyment. In this connection, in continual partnership with HC, the Government is committed to enhancing the “hardware” facilities of the harbourfront, gradually building up waterfront promenades on both sides of the Victoria Harbour, and enhancing its accessibility for connecting with the people. The Government is also injecting new ideas into the “software” components such as harbourfront management, so as to meet the diversified needs of both locals and tourists on the usage of the harbourfront. Specifically, as opposed to adopting the prevailing approach which the Government takes a predominant role in respect of design, building and management, the Government is keen to seize the opportunity to test and explore different development and management models involving external organisations.
- 1.2 The Government acting through the Development Bureau (**DEVB**) is exploring the potential to design, build and manage the Hung Hom Urban Park (**the Project**) by a partnership approach between public and private sectors, as an alternative to the conventional design-build-operate approach by Government. As illustrated by overseas examples, more collaboration between both sectors will likely produce highly desirable results in the planning, design, development, management and operation of harbourfront facilities, which would otherwise not be available in projects that are taken forward solely by either sector. The approach allows both the public and private sectors to do what they are best for. In collaboration with key stakeholders, Government defines service requirements and monitors compliance thereby ensuring that the key social objective of public enjoyment of the harbourfront would continue to be achieved. The private sector, known for its creativity, provides innovative designs and responsive solutions, as well as flexible management modes, making our harbourfront more fun and enjoyable for all.

- 1.3 The objectives of this Market Sounding Exercise (**the Exercise**) are three-fold - to collect innovative ideas on possible uses of the site including how the charging of such uses if any would balance the need between public enjoyment and financial viability; to ascertain the level of market interests towards developing the site under the partnership approach; and to obtain suggestions on key features of the partnership approach in terms of contract duration, financing and revenue sharing arrangement, etc. between public and private sectors. Responses received will help the Government decide the overall development concept for the Project, the viability of the partnership approach, as well as the key contractual terms and conditions required for a publicly acceptable and financially viable model.

2. PLANNING PARAMETERS, EXISTING CONDITIONS AND SURROUNDING ENVIRONMENT

2.1 The project site has an area of about 2.2 hectares and is located at the south of Hung Luen Road. It has a 170m waterfront promenade at the south fronting the Hung Hom (North) Ferry Pier (**HHNFP**). It will form a part of a 4km-long promenade connecting Tsim Sha Tsui 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. The site plan of the Urban Park is at **Appendix I**.

2.2 The proposed project site is zoned “Open Space” under the Hung Hom Outline Zoning Plan (OZP) (No.: S/K9/26). The permitted uses within the zone as set out in column 1 and column 2 of the Notes of the OZP are extracted at **Appendix II**. Regarding the planning intention, 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 recreation, sports or culture, eating place, place of entertainment, as well as shop and services, that require permission from the Town Planning Board (**TPB**).

2.3 The site is currently occupied by the following facilities -

- (a) a short-term tenancy (STT) coach park: this coach park is about 2 070m² in size. The Transport Department (**TD**) is considering the way forward, with a view to phasing it out from the harbourfront in due course;
- (b) a STT cross-border coach terminus: 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 (粵港直通巴士) to start exploring an alternative site for the facility to make way for the Project; and
- (c) Wa Shun Street Sitting-out Area: this facility is currently managed by the Leisure and Cultural Services Department (**LCSD**).

There was once an open-air public transport interchange (PTI) which was relocated to the nearby Kerry Hotel Hong Kong site (see paragraph 2.4 below) in January 2019

2.4 To the West of the site: there are two Comprehensive Development Areas (**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 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*.

- 2.5 To the North and East of the site: there are four major developments. To the immediate north, there is a CDA housing *the Whampoa Garden development*; along the harbourfront, there is one residential development, *the Harbourfront Landmark* and a commercial development comprising two commercial buildings, *the One Harbourfront and Two Harbourfront* and a hotel, *Harbour Grand Kowloon*. Specifically, the Whampoa Garden CDA comprises residential blocks with certain ancillary facilities, including a large shopping mall i.e. the Wonderful World of Whampoa, some community facilities and open space.
- 2.6 Harbourfront side: at the harbourfront side of Kerry Hotel Hong Kong and One HarbourGate, there 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’.
- 2.7 In terms of water-land interface, there is the *HHNFP* by the harbourfront side of the site, providing a licensed ferry service between Hung Hom and North Point. Further down is the *Hung Hom (South) Ferry Pier (HHSFP)*. TD had 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 routes will use the South Pier as a berthing point. Prospective operators were also invited to submit proposals on beautifying the South Pier, and incorporating suitable commercial elements to enhance vibrancy of the harbourfront. By end of September 2018, two proposals were received. TD is studying the proposals and consulting 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 landing steps* along the harbourfront.
- 2.8 As regards land and rail transportation, the open-air PTI originally operating on the site, as set out in paragraph 2.3 above, was relocated to the Kerry Hotel Hong Kong in January 2019. The new 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.

3. VISION AND MISSION

3.1 The Government has been adopting the partnership approach in harbourfront enhancement wherever appropriate. One hugely successful example is the Central Harbourfront Event Space. In support of the Government and HC's common vision for a more vibrant and attractive harbourfront, the Government is exploring the potential of adopting the partnership approach involving tripartite collaboration among the Government, the private sector and the community for the Project, as an alternative to the conventional design-build-operate approach by the Government¹. As illustrated by overseas examples in London, Singapore and Sydney, the partnership approach if appropriately engaged can deliver highly desirable results for harbourfront development. With the benefit of responses received from the Exercise, we are aiming to derive a partnership approach that can provide highly anticipated facilities drawing people to the harbourfront and enhancing their experience while delivering a reasonable financial return to induce and sustain private sector participation. The Project should adopt a place-making approach to create a sense of place and turn the site into a unique, quality and interesting harbourfront that is easily accessible and managed in an open style, catering for all walks of life and bringing people to the harbourfront.

¹ The HC was established in July 2010 to advise the Government on harbourfront planning, design, management and other related matters with the objective of fostering and facilitating the development of the Victoria Harbourfront. The HC has been of the view that a vibrant harbourfront requires wider involvement of non-governmental entities in management, whether these be private firms, NGOs, for profit or not for profit.

4. ROLES AND RESPONSIBILITIES / MANAGEMENT ARRANGEMENTS

- 4.1 It is the Government intention to look for a suitable partnership arrangement that will balance the requirements of the external organisations to ensure that the Project is financially viable and attracts the best possible candidates, against preserving the community's interests and providing facilities that will entice people of all walks of life to the harbourfront, to make it a place for Hong Kong people and tourists alike to enjoy. To stimulate as many ideas as possible from this exercise, different private sector bodies including commercial entities, community groups, social enterprises, community-based trusts, special purpose companies and other different kinds of non-governmental organisations are welcomed to submit their proposals.
- 4.2 The Government has an open mind on issues, arrangements and options relating to the partnership approach for this Project, on the basis that the private operator is responsible for designing, developing, managing and maintaining the site. The Government will decide on the best potential uses of the site and the partnership approach after analysing submissions received during the Exercise.

5. DEVELOPMENT OPPORTUNITIES

5.1 Having regard to the site conditions in paragraph 2 above, we consider that the site has following potentials to be developed into a unique and interesting harbourfront-

- (a) Site with planning flexibility: the site is about 2.2 hectares in size. Together with the various permissible uses of the zone under the OZP, there is room for innovation in its planning and design. If things run smoothly, the existing facilities could be relocated / phased out by end 2019, vacating the entire site for further development.;
- (b) Diverse environment with different users: the site is surrounded by diverse developments, providing a wide range of potential users from different walk of life at different time of the day and week, including local residents, office workers, hotel visitors, and weekend shoppers etc.;
- (c) Convenient transport network: the site is easily accessible by both road-based and rail-based public transport. Water transport would be further enhanced after the new ferry route re-opens and in-harbour circular service commence operation in the near future; and
- (d) Complementary development with neighbouring facilities: on a local context, the adjacent HHSFP would soon be revitalised with the commencement of operation of the new ferry and in-harbour circular services. The nearby HAB's 'Open Space at Hung 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 harbourfront running from Tsim Sha Tsui to Hung Hom. Its development would not only complete, but also enhance, the regional harbourfront jigsaw.

5.2 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 harbourfront area, we see merits in exploring the feasibility of an alternative design, development and management model with involvement of external organisations for the site, rather than the Government's traditional design-build-operate approach. This would help tap into their creativity and expertise in designing, developing and operating the site to the benefit and in favour of its users.

6. MARKET SOUNDING EXERCISE

- 6.1 The objectives of the Exercise are three-fold - to collect innovative ideas on possible uses of the site including how the charging of such uses if any would balance the need between public enjoyment and financial viability ; to ascertain the level of market interests towards developing the site under the partnership approach ; and to obtain suggestions on key features of the partnership approach in terms of contract duration, financing and revenue sharing arrangement, etc.
- 6.2 The proposal to be submitted should be in line with the following principles / considerations -
- (a) in compliance with the OZP and the Harbour Planning Principles and Guidelines², the Project should adopt a place-making approach to 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 opened to the general public at all times, while the hinterland side of the site should also be managed in an open style so as to create a welcoming environment for members of the public and drawing people to the harbourfront;
 - (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 Project;
 - (e) given the close proximity of the site with nearby residential developments, particularly the Lily Mansions of Whampoa Garden, visual impact (including heights of structures) as well as noise and other nuisance should be minimised. Traffic impact should also be well taken into account;
 - (f) uses proposed should be those permissible with or without TPB's permission under the OZP (see **Appendix II**). While attractions, activities and events might bring vibrancy to the site, they should also suit the diverse needs of local residents and the general public. They should complement rather than overlap with those already available in the surrounding areas. For instance, given the abundance of retail and dining facilities in the vicinity and from the perspective

² <https://www.hfc.org.hk/en/links/index.html>

of creating a diverse harbourfront and catering the needs of the citizens, the site should mainly be used for developing facilities other than retail and dining;

- (g) while the Hong Kong Planning Standards and Guidelines issued by the Planning Department 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 diversity to the harbourfront and meeting the needs of the local community are welcomed;
- (h) the Government will retain ownership of the site. The Government may grant a right to use the site for a reasonably long period that can render the Project financially 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;
- (i) the Project is expected to be self-sustainable on an on-going basis with the possibility of sharing revenue with the Government after the development has been up and running for a number of years. The operator is responsible for designing, developing, managing and maintaining the site. Responses to the Exercise may include ideas on support or facilitation required of Government in realising the Project;
- (j) key performance indicators for monitoring and maintaining high performance could be introduced; and
- (k) for the consideration of the sewage treatment of the current HHNFP and the future development of the HHSFP, provision for the drainage should be allowed. Opportunities should also be explored to re-provide within the site the New Hung Hom Ferry Pier Public Toilet.

6.3 This invitation is NOT a pre-qualification exercise to shortlist or pre-qualify any potential bidders for the Project. The Exercise is not a tender exercise but a structured way to obtain market feedback on possible options for the Government's consideration. Interested parties who do not submit any response to this Exercise will not be barred from taking part, or prejudiced against, in any subsequent competitive bidding exercise. Neither the Government nor any respondent will be bound by any response to the Exercise.

6.4 A press release on the Exercise was issued on 22 January, 2019. A briefing session for interested parties will also be held on 14 February 2019. A copy of the full set of documents relating to the Exercise and details of the briefing session has also been uploaded to DEVB's website

(https://www.devb.gov.hk/en/issues_in_focus/mse_hung_hom_urban_park_development/index.html). Interested parties who wish to participate in the Exercise should provide the relevant information as stipulated in **Appendix III** to this brief.

- 6.5 Interested parties are asked to note that detailed and lengthy submissions are not necessary at this stage. Nonetheless, we welcome respondents' provision of pertinent information on their capability and all relevant views and suggestions on assisting the Government to develop the Project.
- 6.6 All information and views provided by respondents in the Exercise will not be individually identified and will NOT be considered in any future tender evaluation exercise. Information gathered will be used to establish the most suitable approach to develop this Project, including a partnership approach. The information gathered may be used by the Government, in the original form or in a modified form as may be considered appropriate by the Government, in formulating the way forward for the subsequent tender exercise.
- 6.7 Each respondent should make its own independent assessment of the information contained in this invitation after making such investigation and taking such professional and other advice as may be prudent in order to assess the risks and benefits and to prepare its response for the Exercise. Respondents should not construe the contents of this invitation, or any other communication by or on behalf of the Government or any of its officers, agents or advisors, as financial, legal, tax or other advice. Respondents should consult their own professional advisors as to financial, legal, tax or other matters concerning the Project.
- 6.8 This invitation is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Government or any of its officers, agents or advisors to any potential respondent to submit any responses.
- 6.9 Each respondent shall be solely responsible for the fees, costs and expenses incurred in preparing for and responding to the Exercise, or subsequent responses or initiatives on the part of any respondent. Respondents may be requested, at their own costs and expenses, to attend an interview and arrange for a presentation to clarify any points made in their submission if necessary. The Government will under no circumstances be liable to any respondent for any such fees, costs, expenses, loss or damage whatsoever arising out of or in connection with the Exercise.
- 6.10 Some aspects of this invitation may require clarification, amplification or correction. The Government reserves the right without prior consultation or notice, to modify, amend and revise any provision of this invitation and to issue addenda to such effect

at any time. Any addenda, amendments, additional information or changes to this invitation will be notified and posted to https://www.devb.gov.hk/en/issues_in_focus/mse_hung_hom_urban_park_development/index.html. Respondents are required to check the Website regularly. No representation, warranty or undertaking is given by the Government as to the accuracy and completeness of any information provided or posted. The Website is not guaranteed a secure site. If a respondent experiences difficulty in accessing or is in doubt as to the security of the Website, assistance may be sought in the manner set out in **Appendix III**. The Government also reserves the right to suspend, postpone or cancel the Exercise at any time.

- 6.11 The Government reserves the right to contact the respondents to follow-up, discuss, and/or make clarifications on the responses and/or invite their further ideas, views and suggestions on the Project. Respondents may be invited to meeting(s) relating to the Exercise and the Project as necessary. All information discussed will be recorded. Respondents are allowed to retain anonymity of the information discussed at the interviews upon request. To ensure anonymity, all records of any such interviews will be coded (e.g. Company ABC).
- 6.12 Respondents are asked to note that under the Licence (see paragraph 8.1 below) information provided during the Exercise including written responses and views and information obtained during subsequent meetings may be used or modified for use by the Government in drawing up the documentation for the subsequent competitive bidding exercise for the Project and other purposes as provided in the Licence. Subject to the Licence, all information and views provided in the Exercise will be kept in confidence.

7. NOTES ON PERSONAL DATA PROVIDED BY RESPONDENTS

- 7.1 The personal data provided in the Exercise will be used by the Government for the purposes of the Exercise, including processing the response/submission and communication with the respondent. The provision of personal data in the Exercise is voluntary.
- 7.2 The personal data provided in the Exercise may be disclosed to other Government bureaux, departments or authorised organisations for the purposes mentioned above.
- 7.3 The data subject has the right to request access to and to request the correction of the personal data as provided for in sections 18 and 22 of and data protection principle 6 of Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). The data subject's right to request access includes the right to request to be supplied with a copy of the personal data.
- 7.4 Enquiries concerning the personal data collected in this Exercise, including the making of requests to access to and to correct personal data, should be addressed to Mr. Henry Lai, Assistant Secretary (Harbour) 1, Harbour Office, Development Bureau.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 Respondents are required to sign the Licence attached at **Appendix IV** and return such signed Licence to the Government with their submissions. **Failure to return a signed Licence with a response will render the response not to be considered at all by the Government.**
- 8.2 For the purpose of the Licence, the Government agrees that it will upon demand by a respondent pay HK\$1 (as referred to in Clause 3 of the Licence) to the respondent.
- 8.3 For the avoidance of doubt and as provided in the Licence, the Government shall be entitled, without any further reference to or consent of the respondents, to disclose to any third party or to make copies of any or all of the responses in the Exercise and disclose to any third party any views, ideas and suggestions as discussed at interviews conducted for the purpose of considering or exploring the practicality of responses and to make copies of the records of such interviews, and to keep copies of the same for record purposes.

9. **DISCLAIMER**

- 9.1 While this invitation has been prepared in good faith, the information contained in this invitation does not claim to be comprehensive or to have been independently verified. Neither the Government nor any of its officers, agents or advisers accepts any liability or responsibility as to, or in relation to, the adequacy, accuracy and completeness of the information contained in this invitation or any other written or oral information which is, has been or will be provided or made available to any respondent; nor do they make any representation, statement or warranty, expressed or implied, with respect to such information or to the information on which this invitation is based. Any liability in respect of any such information or inaccuracy in this invitation or omission from this invitation is expressly disclaimed. In particular, no representation or warranty is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained in this invitation. Nothing in this invitation nor any other written or oral information which is, has been, or will be provided or made available to any respondent should be relied on as a representation, statement or warranty as to the intention, policy or action in future of the Government, its officers or agents.
- 9.2 This invitation is for seeking ideas, views and suggestions only and does not create any legal obligations on the Government. Nothing in this invitation constitutes any commitment by the Government to any respondent in respect of responses which may be submitted, nor does it guarantee that participation of external organisations will be implemented in any manner or form.
- 9.3 Should the Government proceed with the Project beyond this market sounding stage, the Government may conduct an open tender exercise or any other type of tendering or adopt any procurement strategy as the Government sees fit for the Project.
- 9.4 The Government does not have any obligation to enter into any negotiations or discussions with any respondent in relation to the Project on an exclusive or non-exclusive basis.
- 9.5 In submitting a response to the Exercise, the respondent agrees to abide by the provisions of this invitation including all Appendixes and the Licence (referred to in paragraph 8.1 above).