

LCQ4: Bringing vibrancy to Kwun Tong waterfront

Following is a question by the Hon Tang Ka-piu and a reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (November 1):

Question:

The Government granted in 2016 the operation of "Fly the Flyover 01, 02 and 03" sites situated by the Kwun Tong Promenade (the Site) to HKALPS Limited (HKALPS) for creativity, arts and cultural uses for a period of four years, with a view to bringing vibrancy to the Kwun Tong waterfront. HKALPS has developed the Site as VESSEL. However, there are views pointing out that due to the low usage rate of VESSEL resulting from its complicated booking procedures and high venue rentals, the Kwun Tong waterfront has been underutilised, thus failing to create sufficient social values and economic benefits. In this connection, will the Government inform this Council:

- (1) of the annual income (including government subsidies such as special subsidies during the epidemic) and expenditure of HKALPS since it was granted operation of the Site;
- (2) whether the Government has, upon expiry of the first four-year operation period of the Site, assessed whether VESSEL can achieve the objective of bringing vibrancy to the Kwun Tong waterfront, and invited other arts groups to operate the Site; if so, of the details; if not, the reasons for that; and
- (3) whether it has plans to introduce diversified cultural tourism experience projects at the Kwun Tong waterfront (e.g. setting up a night market on a long-term basis, as well as bringing in marine restaurants or retro floating seafood restaurants) and revitalise adjacent waterfront areas yet to be developed (e.g. building a yacht club in Yau Tong Bay); if so, of the details; if not, the reasons for that?

Reply:

President,

My replies to the various parts of the question are as follows:

(1) The "Fly the Flyover Operation" under the Kwun Tong Bypass is run by the Energizing Kowloon East Office (EKEO) and the operator under a partnership approach. By way of the Operation, vacant government sites beneath Kwun Tong Bypass were converted into spaces for creative, arts and cultural uses, to provide leisure and entertainment space for the public and add vibrancy and local character to the Kwun Tong waterfront, facilitating the development of the second core business district in Kowloon East (KE).

In October 2016, the EKEO signed the tenancy agreement with the HKALPS

to operate the sites of the "Fly the Flyover Operation" (the venue). The HKALPS is a recognised non-profit making organisation and operates the venue in a self-financing mode. Under this mode, the operator can set charges to other hirers for renting out the venue for commercial and other kind of activities while the income generated shall be ploughed back into the operating expenses of the venue. The government facilities at the venue together with all the surplus made shall be returned to the Government after expiry of the tenancy. The major sources of income of the venue operation include venue rents, sponsorship from charity trust funds to carry out various activities and special subsidies from the Government during the pandemic. Total annual incomes ranged from about \$3 million to more than \$7 million. Major expenditures include staff wages, cleaning and security expenses and insurance fees, etc. Total annual expenditures in the past few years ranged from about \$4 million to more than \$7 million. Losses were recorded in the first four years of operation, and surpluses have been recorded since 2021.

(2) The EKEO has been closely monitoring the operation of the HKALPS and they have to submit to the EKEO on a monthly basis the venue's usage report and details of events organised, while half-yearly and year-end reports listing out events organised, occupancy rates of the venue and improvement proposals, financial statement as well as the plan and proposals for the coming year are also required to be submitted to the EKEO.

Through collaboration with more than 300 organisations, the HKALPS has established an extensive network in KE and long-term partnership with social welfare, commercial, local and school organisations over the past few years. Upon establishing a unique branding and image, the venue has become a popular place for hosting various events for the public.

During the first four years of operation, over 700 large and small-scale events were held at the venue (that is, three to four events per week on average). Large-scale events include the international dragon boat championships in 2018, social enterprise carnival in 2019 and Social Innovation Experience in 2020. Other events include arts festivals, exhibitions, bazaars and urban farming experience, which cater for different interests and needs of the public. Besides, the venue provides a platform for nurturing diverse creative talents. The public are free to carry out busking, photo shooting, skateboarding, bike riding, hip hop dancing, street workout, etc, at the venue when not being rented out. Since early this year when the society resumed normalcy, utilisation of the venue has started to increase. Recently, the operator has co-organised with the Development Bureau (DEVB) a series of "Night Vibes Hong Kong" events, which are well received by the public.

Taking into consideration the HKALPS's performance and achievement in their first four years of operation, the DEVB renewed the tenancy with the HKALPS in May 2021 for another four years until the end of May 2025 based on the "option to renew" clause in the tenancy agreement. The HKALPS also commits to further strengthen creative, arts and culture development, as well as green living, in response to community aspirations and needs in the four years after renewal. We plan to select the operator for the next term by open

tender, which is to be conducted one year before expiry of the renewed tenancy (the middle of next year) and the details of tendering will be announced in due course.

(3) We have been endeavouring to connect the waterfront promenades and provide high-quality public space at both sides of the Victoria Harbour, so as to put equal emphasis on both quality and quantity.

In terms of "quantity", we will focus on developing the promenades in Kowloon in future, including opening promenades of over five kilometres in KE in 2028 or before, covering areas such as Kai Tak Development Area, Kwun Tong, Cha Kwo Ling and Yau Tong. This would extend the opened promenades from about three km at present to over eight km. Moreover, another 3.6 km of the waterfront in KE would be developed along with future development. Among them, the majority of the waterfront areas in Yau Tong Bay are located in private land lots, whose land owners are required under the Outline Zoning Plan to provide a public waterfront promenade during development. We will also amend the zoning in future so as to allow the land owner of the designated land lot within the area to provide marina related landside facilities through planning applications.

As regards the "quality", apart from the activities that form part of the "Night Vibes Hong Kong", various organisations have also organised water-related activities at Kwun Tong Promenade recently. The gradual opening of more facilities in KE will also enrich the nearby harbourfront areas. For example, the Dining Cove, with about 3 000 square metres, will be situated to the south of the Kai Tak Sports Park facing the Victoria Harbour. The adjacent Kai Tak Basecamp, with about more than 15 000 sq m, will also provide leisure space and viewing stations. The above two projects are both expected to be completed in 2024. We will continue to make good use of the harbourfront sites to provide diversified activities and facilities, and will take into consideration the different demands from the public as users during the process.