

Consultation Panel
of the West Kowloon Cultural District Authority

**Minutes of the Twenty-Eighth Meeting of the Consultation Panel
of the West Kowloon Cultural District Authority**

Date : 2 September 2019 (Monday)
Time : 12:00 noon
Venue : Board Room, West Kowloon Cultural District Authority,
Units 608-613, Level 6, Core C, Cyberport 3, 100 Cyberport Road,
Hong Kong

Members Present:

Chairman

Dr Rosanna WONG Yick-ming

Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

Mr CHING Cheung-ying, MH

Mr Jason WONG Chun-tat, JP

Mr Andy HO Wing-cheong

Ms Yolanda NG Yuen-ting, MH

Mr Chris IP Ngo-tung, JP

Prof Lena LEE

Ms Anita GIDUMAL

Prof Derek COLLINS

Mr Christopher Wicky CHEUNG

Secretary:

Ms Jacqueline LEE

Senior Executive Assistant,
Legal and Secretarial

In Attendance:

Home Affairs Bureau (“HAB”)

Mrs Angelina CHEUNG FUNG Wing -ping, JP

Acting Permanent

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Mr Eric CHENG Siu-fun	Secretary for Home Affairs Principal Assistant Secretary for Home Affairs (WKCD)
Mr Charvis LI Sui-fung	Assistant Secretary for Home Affairs (WKCD)
<u>West Kowloon Cultural District Authority (the "Authority")</u>	
Mr Duncan PESCOD, GBS, JP	Chief Executive Officer
Dr William CHAN	Chief Commercial Officer
Ms Judy KWAN	General Manager, Communications and Public Affairs
Mr Norman HEUNG, BBS	Administrative Assistant of Board Chairman of WKCD
Mr SM LIN	General Manager, Construction Projects

Absent with Apologies:

Mr Henry CHAN Chi-chiu, MH, JP
Mr Wyborn LEUNG Wai-hong
Mr CHOW Yick-hay, BBS, JP
Mr Kyrus SIU King-wai
Ms Mimi CHEUNG Yee-may

Opening Remarks

The Chairman welcomed Members in particular the new Member Prof Derek COLLINS, the representatives of the Authority and HAB to the Twenty-Eighth meeting of the Consultation Panel.

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Agenda Item 1 - Update on the Progress of the ACE Development Package
(WKCDA CP/01/2019)

2. The Chairman noted the Authority had been actively pushing forward the Hotel/Office/Residential (HOR) developments in the West Kowloon Cultural District (“WKCD”) and the first of these would be the Art, Commerce and Exhibitions (“ACE”) Project. The Authority will adopt an open and competitive tendering method to select private sector partners to develop the ACE project under a Build-Operate-Transfer arrangement (“BOT”).

3. By way of a PowerPoint presentation, Dr William CHAN reported on the latest development of the ACE Project. The Project was covered by the Enhanced Funding Arrangement (EFA) announced by the Government in 2017. The project would be developed by way of a BOT with the operational period not less than 35 years including a maximum of 5 years as the development phase. As to the selection of private sector partner, an expression of interest (the “EOI”) invitation had been issued with the end on 26 August 2019. Taking into account the outcome of the EOI, a tender would be issued and awarded in Q4 2019 and Q3 2020 respectively. By adopting this development approach, the Authority was looking to achieve objectives including utilisation of expertise of private developer, generation of a financial return, diversification of risk and integration with the planning and design of other arts and cultural facilities within WKCD.

(Ms Yolanda NG joined the meeting at 12:15 p.m.)

(Mr CHING Cheung-ying joined the meeting at 12:18 p.m.)

4. Dr William CHAN further informed Members of the key specification of the Exhibition Centre (the “EC”), hotel and rental office, and retail, dining and entertainment (“RDE”) facilities of the ACE Project including their gross area and rating etc. Consistent with the development of the region into a self-contained district for work and entertainment, the EC and RDE were purposely designed to provide space for international events and exhibitions; and to support the development of the whole WKCD respectively.

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(Mr Chris IP joined the meeting at 12:25 p.m.)

5. Regarding the governance of the Project, Dr William CHAN advised that the Authority had established the Public Private Partnership Projects Committee to oversee projects operating under BOT. The Authority also had put in place the Procurement Guidelines applicable to PPP projects.

6. The Chairman thanked Dr William CHAN for the presentation and invited Members to provide comments and ask questions.

7. In response to Prof Lena LEE's question, Dr William CHAN confirmed that the size of the EC, as set out in the Development Plan, was limited to a maximum size of 47,000 sqm. The forecast of 132,500 sqm by year 2028 represented the expected demand at peak periods in Hong Kong. The Chairman noted that the exhibition and event space to be supplied by the Project would already satisfy a significant share of the total demand from 2025 to 2028.

8. Ms Anita GIDUMAL asked about the area for the hotel. Dr William CHAN confirmed that 21,000 sqm was the minimum gross floor area and, depending on their financial calculations, developers were flexible to adjust the combinations.

9. Ms Anita GIDUMAL further recalled during the previous discussion Mr Duncan PESCOD had informed Members of the development of transport link and she would like to receive the latest update on the pedestrian crossing and the ferry as they were important to the hotels. Mr Duncan PESCOD agreed that accessibility was crucial to the hotels and reported that the Authority were working with the Highways Department to put a formal link into the highway in order to improve the road network immediately adjacent to the ACE complex. Secondly, a provision of road to come across from Austin Road was also under consideration. Thirdly, in terms of pedestrian link, the most important part would be the Artist Square Bridge (the "ASB"). Its foundation in WKCD was almost completed and it was now pending for government funding for the bridge. Mr Duncan PESCOD hoped contractor could be appointed for the ASB at the next meeting of the Development

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Committee to keep the West Kowloon Project moving forward in order to ensure a comprehensive transport network would be ready for the opening of M+ Museum.

10. Mr Duncan PESCOD added that there would be a pier near the M+ Museum and the Lyric Complex. The Authority was also studying the possibility of having another pier to serve the ACE Project. To address Ms Anita GIDUMAL's query, Mr Duncan PESCOD said the piers would be government piers and would not be operating under BOT.

11. Mr Duncan PESCOD repeated again that the ASB was considered as the first priority concerning the transport network planning; however, the timing of receiving its funding approval from the Legislative Council was uncertain. The Chairman echoed transport arrangements should match with the timeline of the commencement of operation phase of the facilities in WKCD.

12. Mr CHING Cheung-ying, Mr Andy HO and Prof Lena LEE showed their concerns for the construction and operation of the Project in particular the Project delivering, social responsibility and BOT period etc. To address the issues, Mr Duncan PESCOD advised that terms on delivery and late penalty, including forfeiture of the Project, were already been put in the EOI and would also be repeated in the tender exercise, notably, timely delivery of the ACE Project prior to the opening of other commercial facilities would be a prime covenant. Moreover, the developer would be subject to performance reviews throughout the operation period. Penalties would apply in case they failed to meet the specified key performance indicators (the "KPIs"). Such an approach was intended to transfer appropriate risk to the developer. Dr William CHAN further added that there would be KPIs and guidelines for developer to observe cultural programmes would have the priority.

13. Mr Duncan PESCOD emphasised that the ACE Project was a commercial operation, and therefore there would not be any subsidies. The proposed operation period of 30 years was considered reasonable as it would be a minimum period for developer investing in a capital-intensive project under the income sharing arrangement to enjoy a return.

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14. Prof Derek COLLIINS led the discussion to the future employment prospect for young people within WKCD as the Project offered considerable hope for the next generation in cultural profession. He therefore raised a question whether the Government would introduce any cultural professional manpower requirement along the line with the development plan of WKCD and set aside tertiary education resource on training young people in Hong Kong who were pursuing cultural professions. Ms Yolanda NG opined that there must be such arrangement in place. Mr Duncan PESCOD commented that the Government had estimated some 20,000 job opportunities would be created at time the West Kowloon Project was first announced, but he believed 30,000 to 35,000 jobs would be a more realistic estimation. In terms of encouragement, the Authority was looking to create an education facility within WKCD. Mr Duncan PESCOD concurred that local universities must be on board and the Authority had already approached universities and colleges for support; however, the Government should design the policy in terms of requirement. The Chairman shared the view that local universities should get ready as everyone in the Hong Kong community had an ownership of WKCD. Moreover, Hong Kong needed young people who were interested in art and cultural industry.

15. Mrs Angelina CHEUNG shared some relevant information with Members that Hong Kong Arts Development Council conducted relevant surveys on arts and culture development from time to time. Although it was difficult to make manpower planning for the diverse art and cultural industries, the Government, in addition to the West Kowloon Project, had been investing heavily in promoting arts and cultural development. In terms of training, for example, Government had introduced a scheme to provide training for art administrators to meet the manpower needs of the industry in Hong Kong. Mr Ronald ARCULLI also observed that the Government had been putting great deal of importance in the West Kowloon Project in term of provision of endowment fund and land which demonstrated their commitment to art and cultural development. This also revealed their medium to long term development and policy objective was not only to map Hong Kong a financial & commercial centre but also to put it becoming a cultural and tourist centre.

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Agenda Item 2 - Progress Report of the Working Group on Youth and Community Engagement

16. By way of a PowerPoint presentation, Ms Yolanda NG briefed Members the results of the Community Engagement Project (the “CEP”) in 2018-19 and the progress of the CEP for 2019-20.

17. In 2018-19, the Working Group on Youth and Community Engagement (the “Working Group”) organised 3 events with different district councils (the “DCs”) at WKCD including:-

- (i) ***Kowloon City Art Festival @ West Kowloon (23 and 24 February 2019)*** – co-organised with Kowloon City District Council and engaged 1a Group Limited as the programme partner;
- (ii) ***Eastern Ethos Express @ West Kowloon (17 March 2019)*** – co-organised with Eastern District Council and engaged Merit Minds as the programme partner; and
- (iii) ***Open Up Tuen Mun @ West Kowloon (24 March 2019)*** – co-organised with Tuen Mun District Council and engaged Active Concept as the programme partner.

18. Ms Yolanda NG reported that all events were well received and the number of participants for each event was within or above its expected range. A variety of programmes ranging from exhibitions, art markets and workshops was included in the 3 events which brought the community characteristics into WKCD.

19. The Working Group also conducted a survey from the 214 questionnaires received from the events. The results revealed areas such as popularity, accessibility and public exposure of WKCD from a local community perspective; the reasons for participation; and the attractiveness of the events.

20. Ms Yolanda NG further noted a synergy effect brought by the CEP. During the dates of the events, the visitation of Noguchi Danh Vo at M+ Pavilion reached its highest recorded numbers during the exhibition period from 16 November

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2018 to 24 March 2019.

21. Ms Yolanda NG continued the report by showing some news clippings and marketing materials of the events initiated by the co-organising DCs and the marketing staff.

22. The Working Group had successfully scheduled 3 events for 2019-20 which would be co-organised with Tai Po District Council, Islands District Council and Kwun Tong District Council. The Working Group reviewed the proposals of the 3 coming events at its meeting held on 30 August 2019.

23. Ms Yolanda NG concluded the report by informing Members the Working Group would be conducting an interim review on the CEP for the past 3 years from 2016-2019 with main focus on project design, financial arrangement and overall effectiveness to evaluate the current arrangement. Ms Yolanda NG reported that invitations and questionnaires had been sent to programme partners, Working Group Members and involved District Offices to participate the review.

24. The Chairman thanks Ms Yolanda NG for the report and invited Members to provide comments and to ask questions,

25. In response to Mr CHING Cheung-ying's question, Ms Yolanda NG advised that the DCs were not only participating CEP in names. The Working Group was required to work with the Authority, District Offices and the DCs for approvals and planning. Depending on the involved DCs, the procedure would be different.

26. Mr Andy HO, Ms Anita GIDUMAL and Mr Chris YIP noticed the events were 1 to 2 days long and therefore doubted their effectiveness and sustainability. Ms Yolanda NG replied that the goal would be to build up relationships with all 18 districts in Hong Kong and there were 8 remaining. She agreed that more resources would be needed. Mr Chris YIP opined that the CEP should be a start, the Authority should not rely on DCs for resources. Mr Ronald ARCULLI echoed that if the event involved multiple DCs, the Authority should take the role to organise and liaise

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with the DCs. The Chairman further suggested that in addition to the CEP with local communities, the Authority should prepare its own story line to increase exposure so as to improve the current public perception of isolation and overspending towards WKCD.

27. Mr Duncan PESCOD advised that the CEP was not the only channel for the Authority to encourage community engagement. To support the CEP and to enhance the sustainability of community engagement, the Authority had been using different channels to promote the CEP events and holding learning and participating programmes. While awaiting for the opening of M+ Museum, M+ Rover, a travelling creative studio, had been touring schools for the past 3 years. Mr Duncan PESCOD shared the same view that building up community engagement was the job of WKCD and assured Members that the Authority would continue working on it. The Authority took note of comments from Members.

Agenda Item (3) Any Other Business

(a) Construction Site of L1 Works Contract for Lyric Theatre Complex and the Extended Basement

28. By way of presentation, Mr SM LIN updated Members on the flooding incident concerning the construction site of L1 works contract.

29. Mr SM LIN briefed Members on the location and size of the affected area of the leakage occurred on 25 July 2019. The leakage was stopped the same day after grouting. After filled the sinkhole, the concrete structure was examined by using ground radar scanning. Space white voids were then filled. Construction works were resumed a week ago.

30. The Chairman urged the Authority to ensure the construction safety.

31. Mr CHING Cheung-ying commented that as a Member he was informed of the incident by the media. He further suggested the Authority to provide Members with timely updates on WKCD-related incidents of public concern. The

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Chairman concurred and opined that the Authority should investigate the cause of incident. Mr Duncan PESCOD agreed and advised that the investigation was ongoing.

32. Mr Ronald ARCULLI also agreed that it was important to provide Members with timely updates but suggested Members refer the press to Mr Duncan PESCOD who could address questions consistently in the capacity as the Chief Executive Officer of WKCD.

(b) Next Meeting

33. The Secretariat would contact Members to schedule the next meeting to be held in November 2019.

34. There being no other business, the meeting was adjourned at 1:15 p.m.

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