Invitation for Expression of Interest

for

Boosting the Vibrancy of the Ancillary Commercial Areas and Public Space at Kai Tak Cruise Terminal

Tourism Commission
Culture, Sports and Tourism Bureau
The Government of the Hong Kong Special Administrative Region
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I. Introduction

- 1. On 30 December 2024, the Culture, Sports and Tourism Bureau (CSTB) promulgated the Development Blueprint for Hong Kong's Tourism Industry 2.0, to which the Action Plan on Development of Cruise Tourism (Action Plan) formed an Appendix. The Action Plan sets out five strategies and 17 action measures to foster the development of Hong Kong as Asia's hub for international cruise.
- 2. As one of the strategies, CSTB aims to elevate the function of Kai Tak Cruise Terminal (KTCT) as a cruise terminal for all. Amongst other action measures, CSTB launches this invitation for expression of interest (EOI) from interested parties to identify feasible proposals to boost the vibrancy of the ancillary commercial areas and public space thereat.

II. <u>Site Information</u>

KTCT

- 3. KTCT, located at the former Kai Tak Airport Runway and commenced operation in 2013, is an infrastructure specifically built to accommodate large cruise ships. It provides essential operational space to accommodate simultaneously two large cruise ships with maximum gross tonnage of 220 000 each and a total passenger capacity of 8 400. The space, which is inside a three-storey terminal building, includes an 850-metre-long apron area; waiting and baggage halls; security check areas; customs, immigration and quarantine areas; transportation area, parking facilities; and office areas, etc. A map of KTCT is at **Appendix I**.
- 4. While the majority of the space of KTCT is designed for cruise operation, it provides 5 600m² of ancillary commercial areas. The ancillary commercial areas are mainly at three different locations
 - (a) 2/F South adjacent to Check-in Hall A: comprises two shops (S201 and S202);

- (b) 2/F North adjacent to Check-in Hall B: comprises two shops (N205 and N206); and
- (c) **Rooftop**: comprises <u>three shops</u>, two in the south (S301 and S302) and one in the north (N305).
- 5. There is also some public space in KTCT
 - (a) the **Kai Tak Cruise Terminal Park** at rooftop, with a 360-degree harbour view;
 - (b) the **North Podium Garden** on 2/F overlooking the former Kai Tak Runway. The open-air planter area at the North Podium Garden will be converted into a new event space of about 1 600m² for outdoor events and activities such as fairs, performances and art exhibitions by end of 2025; and
 - (c) the **South Podium Garden** also on 2/F overlooking Lei Yue Mun.

The public space is open every day between 7:00 a.m. to 11:00 p.m. and has served as venue for various community activities by Government departments and community groups. Since mid-March 2025, such space has further been transformed into "Inclusive Parks for Pets" whereby members of the public can visit with their pets under leash.

6. The size and current use of the seven shops and the public space mentioned above, and their respective management agents, are at **Appendix II**.

New Opportunities in KTCT and Surrounding Areas

7. Apart from cruise operations, we have seen opportunities for introducing new and innovation commercial and community activities to the ancillary commercial areas and public space to attract more people flow to KTCT and create synergy with nearby developments. Specifically –

- (a) Non-cruise events: Some parts of KTCT, such as its waiting halls, baggage halls and apron, can be used as event venues such as conventions, exhibitions and other activities, in particular during non-peak season when fewer cruise ships are at berth, thereby making better use of the facilities. In 2024, non-cruise events included, among others, an international financial conference, a jewellery brand event, a car brand event and advertisement filming, etc. Recently, through the efforts of the Hong Kong Tourism Board, KTCT has been selected as the venue of "The World's 50 Best Bars" awards ceremony, a prestigious annual event for the global bar scene, to be held in October this year;
- (b) Kai Tak Sports Park (KTSP): Officially opened on 1 March 2025, KTSP provides Hong Kong with diversified as well as state-of-the-art venues for hosting various sports and entertainment events and offers a one-stop sports, leisure, catering and shopping experience for citizens and tourists. KTSP is only five-minutes away from KTCT by car. Meanwhile, a harbourfront promenade between KTSP and KTCT has also been set up recently, and it has become a popular route for strolling and jogging;
- (c) <u>"Youth Post" hostel</u>: The Home and Youth Affairs Bureau has selected the operator of "Youth Post" hostel, creating opportunities for youth cultural, arts and sports exchanges which promote exchange among Mainland, overseas and local young people, and stimulate creativity. The "Youth Post" hostel is at the Kai Tak Community Isolation Facility adjacent to KTCT and is targeted to commence operation by phases from the second half of 2025. The Government will build a pedestrian crossing between the "Youth Post" hostel and KTCT to facilitate the use of public transport as well as shops and services at KTCT by residents and visitors of "Youth Post" hostel; and
- (d) <u>Gradual population intake of nearby residential</u> <u>developments</u>: 11 land lots along the former Kai Tak Runway were sold by way of tender between 2018 and 2021 for residential

developments. They are being completed progressively starting from 2022, bringing additional population and demand for shops and services in the area.

Transport connectivity

- 8. In tandem with the gradual completion of various developments in the Kai Tak Development Area, transport connectivity of KTCT has improved progressively. Specifically
 - (a) Public transport: Currently, there are four franchised bus routes and one green minibus route servicing KTCT, connecting Kai Tak MTR Station, a number of MTR stations in the vicinity, the West Kowloon High Speed Rail Station, as well as the Yau Tsim Mong area. The Transport Department has planned to introduce two new franchised bus routes, i.e. Citybus route 20X (providing express service to Hung Hom and Tsim Sha Tsui) and route 22S (providing service to Kai Tak MTR Station and Sung Wong Toi MTR Station). They will come into service at an appropriate juncture subject to the progress of development and population intake of the Kai Tak Runway Area. On weekends and public holidays, there are also ferry services plying between the Kai Tak Runway Park Pier and North Point/Kwun Tong;
 - (b) <u>Car park</u>: KTCT currently has 112 car parking spaces open for public use;
 - (c) **Road network**: The Central Kowloon Route project is expected to be completed by the end of 2025, which will significantly shorten the journey time between KTCT and West Kowloon; and
 - (d) <u>Smart and Green Mass Transit System</u>: In the longer run, the Government plans to introduce the smart and green mass transit system (SGMTS) of about 3.5 kilometres long in the Kai Tak Development Area, connecting the former Kai Tak runway area, including KTCT, to Kai Tak MTR Station. The target is to invite tender for SGMTS in 2025 and award the contract in 2026 for completion in around 2031.

Tenancy agreement with the Terminal Operator

9. The cruise operation areas and the ancillary commercial areas¹ are managed and operated by Worldwide Cruise Terminals (Hong Kong) Ltd. (WCT) under a tenancy agreement with the Government. The tenancy agreement will end in May 2028, and so will the leases with various existing tenants of shops in the ancillary commercial areas (leases are entered into with the WCT). CSTB is reviewing the scope, terms and conditions of the tenancy agreement, and will roll out a tender exercise by end of 2025. At the moment, some shops are vacant (i.e. S202 and S301 on the map at Appendix I), and subject to discussion with the Government and WCT, the shops concerned can be used immediately.

III. Objective of the Expression of Interest Exercise

- 10. Through tripartite collaboration among the Government, business and the community, CSTB invites proposals from companies and organisations on better utilising the ancillary commercial areas and public space of KTCT, thereby bringing the advantages of KTCT as an infrastructure benefitting the development of cruise tourism, the vibrancy of the adjacent area and Kai Tak community as well as Hong Kong as a whole into full play. Indeed, a vibrant KTCT will enhance the overall tourism offerings and contribute to overall tourism development in Hong Kong.
- 11. In particular, in order to realise the vision of elevating the function of KTCT as a cruise terminal for all, CSTB is looking for proposals on operation and utilisation of the ancillary commercial areas and public space which will
 - (a) create greater convenience and better experience for cruise visitors, including cruise passengers and crew members on shore leaves, as well as other patrons of KTCT such as participants of non-cruise events;

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¹ The North Podium Garden and South Podium Garden are managed separately by a building management company.

- (b) create synergies in between KTCT, KTSP and the "Youth Post" hostel; and
- (c) benefit the residential community of Kai Tak.
- 12. We welcome proposals to consolidate all the ancillary commercial areas and public space as aforementioned for operation and management by one single operator. We also welcome proposals from companies or organisations which prefer to operate and manage part(s) of the ancillary commercial areas as well as public space. Proposals from smaller entities (as well as young entrepreneurs) which are more interested in operating individual shop(s) or holding short term events in KTCT are also welcome.

IV. Specific Areas to Invite Expression of Interest

- 13. Interested parties are invited to submit proposals with details of their operations and business model to demonstrate the proposals' feasibility. In particular, their proposals should address the following aspects -
 - (a) Taking into account the location of KTCT, cruise operation, and developments in the surrounding vicinity, what kind of activities (business activities and/or community activities) are suitable and commercially viable for operation in the ancillary commercial areas and public space at KTCT? What are the main drivers behind the proposals?
 - (b) Will the proposals take up all of the ancillary commercial areas and public space? If not, what are the particular areas which will be utilised and why?
 - (c) Whether and how will the proposals create synergy with the cruise and non-cruise operations at KTCT and also the nearby infrastructures such as KTSP and the "Youth Post" hostel? Whether and how will the activities enhance visitation to and vibrancy of KTCT and the vicinity?

- (d) What is the suitable duration of lease for the ancillary commercial areas and public space? In terms of rental, is a fixed rent, fixed rent cum variable rent (as a percentage of gross receipt), or variable rent mechanism more conducive to attracting suitable commercial operations and achieving commercial viability?
- (e) Can the proposals contribute to encouraging and supporting young people in pursuing their entrepreneurship to try out their business plans, say by offering a short term rent-free period (e.g. six months), or at concessionary rental to young entrepreneurs²?
- (f) What are the other views and suggestions to the Government to elevate the function of KTCT as a cruise terminal for all?

V. <u>Invitation of Expression of Interest</u>

- 14. An interested party must return two copies of the prescribed REPLY FORM attached hereto ("Reply Form") in Appendix III, and duly signed together with the required information and documents stated The submission could therein. be made by (ktcteoiproposal@cstb.gov.hk), or by post or by hand to the Tourism Commission, 11/F, Hong Kong Li-Ning Building, 218 Electric Road, Fortress Hill, Hong Kong ON or BEFORE 18 July 2025 6:00 p.m. (Hong Kong time). In case it is submitted by post or by hand, it shall be placed in envelope(s) to be marked "Confidential" and labelled "Expression of Interest for Boosting the Vibrancy of the Ancillary Commercial Areas and Public Space at Kai Tak Cruise Terminal".
- 15. Apart from commercial entities, CSTB also welcomes proposals from
 - (a) non-profit-making organisations;
 - (b) organisations related to art and culture, creative industry, sports

² Making reference to the Hong Kong Housing Authority's "Well Being · Start-Up Programme".

and tourism; and

- (c) young entrepreneurs.
- 16. When devising its proposal, interested party is invited to take due regard to the followings
 - (a) The proposal should align with CSTB's objectives in paragraphs 10-12 above;
 - (b) The proposal should be financially viable, environmentally sustainable and acceptable to the community;
 - (c) Use(s) proposed should be those permissible with or without permission of the Town Planning Board under the relevant Outline Zoning Plan (OZP). Extract of the OZP is at **Appendix IV**;
 - (d) The proposal should be technically feasible. If additional building structures are proposed for the public space, it is worth to note that in general, the current loading of the public space is only allowed for building of light structures such as shelters and pavilions;
 - (e) The Government will retain ownership of KTCT. With the expiration of the existing tenancy agreement by May 2028, the Government may grant a tenancy for part or part(s) of the ancillary commercial areas and/or the public space and/or together with the operation of the cruise terminal for a period it deemed fit; and
 - (f) It is the Government's intention to set up a continual monitoring system to ensure that KTCT is being operated and managed in the public interests. Key performance indicators for monitoring and maintaining high performance could be introduced.

- 17. A briefing-cum-site visit will be arranged on **3 June 2025 p.m.** at KTCT to help interested parties to better understand this document to facilitate their preparation of the EOI. To attend the briefing-cumsite visit, please complete the enrolment form at <u>Appendix V</u> and return it to CSTB by email (<u>ktcteoibriefing@cstb.gov.hk</u>) no later than <u>6:00 p.m. on 26 May 2025</u> (Hong Kong time).
- 18. For any matter relating to this invitation, please write to CSTB by email to ktcteoienquiry@cstb.gov.hk. Interested party should note that CSTB will only answer enquires of a general nature, and any statement, whether oral or written, made and any action taken by any Government officer or employee in response to any enquiry made by an interested party shall be for guidance and reference purpose only.
- 19. The submission of any EOI by an interested party shall be taken to be an acceptance of the terms of this invitation.
- 20. Any interested party, whether or not a submission is made, should note that
 - (a) The particulars in this invitation are provided on a non-committal basis and subject to change by the Government without prior notification. For the avoidance of doubt, any submission received will serve as a reference only and may or may not be considered or taken into account by the Government when considering the way forward of KTCT;
 - (b) This invitation is not a tender exercise, nor part of the tender exercise, but a structured way to obtain market interest. The ideas and suggestions received through this invitation 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 of KTCT. Any interested party has no claim whatsoever against the Government relating to any subsequent use of the ideas and suggestions. Neither the Government nor any interested party will be bound by any response to this invitation;

- (c) Interested parties should make their 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 this invitation. Interested parties 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 advices. Interested parties should consult their own professional advisors as to financial, legal, tax or other matters concerning the invitation;
- (d) 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;
- (e) Interested parties shall be solely responsible for the fees, costs and expenses incurred in preparing for and responding to this invitation, or subsequent responses or initiatives on the part of any interested party. Interested parties 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 interested party for any such fees, costs, expenses, loss or damage whatsoever arising out of or in connection with this invitation; and
- (f) The Government reserves all its rights, without prior consultation or notice, not to proceed further with this invitation and/or the subsequent tender exercise (if any) at the Government's absolute discretion without giving the reason for such action.

VI. <u>Intellectual Property Rights</u>

- 21. All submissions shall be the original works of the interested party and shall not contain any materials infringing any party's Intellectual Property Rights. Interested parties shall indemnify and keep the Government fully and effectively indemnified of whatsoever nature arising from or incurred by reason of any such infringement or alleged infringement.
- 22. In making the proposal, an interested party shall be deemed to have granted to the Government a freely transferable, exclusive, perpetual, worldwide, royalty-free and irrevocable licence (and sub-licensable) to use, adapt and modify the ideas and proposals submitted and all Intellectual Property Rights subsisting in the submissions for all purposes in respect of or in connection with this invitation. Interested parties shall, if required by the Government, do all things and execute all instruments or documents for the purpose of conferring the rights and interest on the Government.

VII. <u>Disclaimer</u>

- 23. Whilst the information contained in this invitation has been prepared in good faith, it does not claim to be comprehensive or to have been independently verified. Neither the Government nor any of its employees, agents or advisors accepts any liability or responsibility as to, or in relation to, the adequacy, accuracy or 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 company or consortium; 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, or omission from this invitation is expressly disclaimed. Map(s) and plan(s) enclosed with this invitation is for the purposes of illustration and identification only and is subject to change.
- 24. 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 employees, agents or advisors to any company or consortium to submit a proposal. The interested party should make its own independent assessment of the information contained in this invitation and must satisfy itself of the development and business potential of its proposal and the accuracy, completeness or meaning of any information and/or statement contained in the proposal. No representation or warranty is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained in this invitation.

- 25. Neither this invitation nor any submission received by the Government in response to this invitation should be taken to constitute or form part of any invitation to tender or tender or contract or binding agreement or understanding by or with the Government. The Government reserves its right to amend, add to or delete any information contained in this invitation at any time without prior notification and without giving any reasons.
- 26. 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.
- 27. The Government does not have any obligation to enter into any negotiations or discussions with any respondent in relation to this invitation on an exclusive or non-exclusive basis.
- 28. In submitting a proposal to this invitation, an interested party agrees to abide by the provisions of this invitation including all Appendices.
- 29. The Government reserves the right, without prior consultation or notice, to change the content of this invitation. The Government is not obliged to inform interested parties of any update or change of any of the information in this invitation made or that comes to its knowledge after the issue of this invitation. Nothing in this invitation or any activities in connection therewith shall result in any

legal obligation or liability on the part of the Government.

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