

For information

Legislative Council Panel on Education

**Leasing of the Former Royal Air Force Station on Kwun Tong Road
to the Hong Kong Baptist University**

Purpose

This paper informs Members of the Administration's decision to lease the former Royal Air Force Station (FRAFS) on Kwun Tong Road, which consists of two Grade I historic buildings, to the Hong Kong Baptist University (HKBU) at nominal rental for a term of 10 years, mainly for the operation of publicly-funded programmes offered by its Academy of Visual Arts (AVA).

Background

2. In 2004, the University Grants Committee (UGC) approved HKBU's proposal to introduce new programmes in visual arts, to be offered under the newly established AVA of the university. HKBU then began planning for the construction of a purpose-designed building within its main campus in Kowloon Tong to house the AVA together with the School of Communication (SC) on a long-term basis. With the recommendation of the Public Works Subcommittee, the Finance Committee of the Legislative Council approved in July 2007 the funding for the construction of the Communication and Visual Arts (CVA) Building, which eventually cost \$237 million. According to HKBU's plan, the design of the CVA Building has catered for the special needs of the AVA (e.g. high headroom and heavy loading space) and would create synergy among the creative media, digital graphic production and other disciplines. Construction of the CVA Building has been completed in 2010 and the building has been in use.

3. In search for a temporary venue for the operation and teaching activities of the AVA, HKBU submitted an application to the Government in October 2004 to use the FRAFS. After vetting all applications, the Government signed a tenancy agreement with HKBU for the latter to rent the premises from 1 September 2005 as AVA's temporary campus. The initial lease lasted for five years, i.e. till 31 August 2010. Taking into account HKBU's needs for decanting space amidst its campus development for

implementation of the New Academic Structure (NAS), the lease was later extended for another two years until 31 August 2012 under the same terms. Under the agreement, HKBU had to pay a monthly rental of \$50,000 and was responsible for the renovation and costs arising from building and slope maintenance within the premises. Taking into account the renovation cost of \$19.1 million HKBU had contributed to the premises, together with the monthly rent of \$50,000, HKBU effectively paid about \$280,000 per month during the period from 2005 to 2012, and the amount was generally in line with the market rental level based on 2005 prices.

4. In considering further extension of the lease beyond 31 August 2012, the Administration and HKBU underwent several rounds of discussion. Noting HKBU's efforts in revitalising the FRAFS and its academic space shortfall of some 5 000 m² in net operational floor area (NOFA) by the 2014/15 academic year, the Administration decided to give HKBU the first opportunity to put up a proposal for using the FRAFS on a long-term basis for the purpose of arts and culture education and promotion and to make the best use of the Grade 1 historic buildings. In this connection, we were mindful that HKBU's original plan was to house its AVA in its newly completed purpose-designed on-campus CVA Building, supported by public funds of \$237 million. It would therefore be incumbent on HKBU to provide justifications for using the entire FRAFS in addition to the new space available in the CVA Building. Pending the submission and consideration of HKBU's proposal, it was agreed that the existing lease should be extended for one more year under the same terms so that all parties could plan the long-term use of the FRAFS in a holistic manner.

Proposal by HKBU

5. HKBU submitted a proposal to the Administration for the use of both the CVA Building and the FRAFS for visual arts-related teaching purposes on a long-term basis, on the premise that the two locations serve different functions and purposes:

- (a) the CVA Building only has limited outdoor space, which is required for some of the AVA's activities such as sculpture and ceramics. After the implementation of the NAS, the studios in the CVA Building are running on a tight schedule and there is a shortage of common facilities in the CVA Building. Besides, additional space is required to meet the increasing demand for student places in the AVA and General Education (GE) courses in the visual arts discipline;
- (b) notwithstanding the original plan to achieve synergy with the

construction of a purpose-built CVA building, HKBU advises that the two separate locations of CVA and FRAFS would also have synergetic effect. The CVA Building, which is equipped with the required electrical and mechanical provision to support technical processes and enable teaching, is ideal for teaching and learning activities (with the exception of ceramics and sculpture activities which would require more flexible/outdoor space). The FRAFS will be best used for research and development, and the site shall provide studios for final-year students and open studio space for students of all year groups to develop their visual practice outside class hours. HKBU also advises that the continued operation and availability of special facilities and equipment of the AVA in the CVA Building will continue to enable complementarities and cooperation between the AVA and the SC under the same roof; and

- (c) The space in the CVA Building spared by the FRAFS could be redeployed for general classroom purpose, to house classrooms-cum-studios for GE classes, a studio for the SC, as well as some student commons.

Lease arrangement and conditions

6. The Administration has consulted various stakeholders on the long term use of the FRAFS, including the UGC Secretariat, relevant Government departments, the respective District Council / Area Committee members, etc. After balancing the need of HKBU and proposals for other competing uses, the Administration has decided to sign a 10-year tenancy and service agreements with HKBU regarding the FRAFS, as part of the Administration's commitment to meeting UGC-funded institutions' outstanding requirements for publicly-funded academic space.

7. The tenancy and service agreements of the FRAFS were signed in late August 2013. Salient points are highlighted below:

- (a) the lease is from 1 September 2013 up to 31 August 2023, at a nominal rental of \$1.00 (if demanded) per month. HKBU will be responsible for all necessary conversion/renovation, operating and maintenance works at its own expense;
- (b) HKBU shall use the FRAFS to run UGC-funded programmes, mainly in relation to the visual arts discipline, or otherwise with prior approval from the Government;

- (c) the floor space of FRAFS, amounting to over 2,000 m² of NOFA, will be fully counted towards HKBU's UGC-funded space inventory; and
- (d) HKBU will at its own expenses provide and maintain information panels for the historic buildings of the FRAFS at a prominent location and to allow public access to the open space free of charge during the opening hours. The university also needs to arrange a minimum of four guided tours to the graded buildings per year for the general public free of charge, with at least two of them to be arranged during weekends.

Remaining space shortfall of HKBU

8. As a result of the above, the outstanding academic space requirements of HKBU up to the 2014/15 academic year will be reduced to some 2 000 m². To address the remaining academic space shortfall together with HKBU's outstanding requirements for around 1 300 publicly-funded student hostel places, the Administration has already earmarked the northern portion of the site of the former Hong Kong Institute of Vocational Education (Lee Wai Lee) on Renfrew Road, Kowloon Tong, for HKBU's campus expansion. If HKBU can make the best use of this new site for development, its outstanding requirements for publicly-funded hostel places and academic space will be fully met.

Education Bureau
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