

**Public Works Subcommittee
Meeting on 1 December 2015**

**18QW – Revitalisation Scheme – Revitalisation of
the Bridges Street Market into Hong Kong News-Expo**

**List of issues requiring follow-up actions
to be taken by the Administration**

**(A) Recurrent cost for the maintenance and operation of the new lift
within the project site**

Under the Revitalising Historic Buildings Through Partnership Scheme (the “Revitalisation Scheme”), non-profit-making organisations (“NPOs”) are invited to apply for adaptive re-use of selected government-owned historic buildings to provide services or run business in the form of social enterprise. In their applications, amongst other things, NPOs are required to provide detailed plans on how the historic buildings will be preserved and their historical significance showcased effectively, how the social enterprise will be operated to achieve financial sustainability, and how the community will benefit from and enjoy the revitalised buildings.

The selection of NPO for each project follows a vigorous and competitive process and is carried out upon the advice of the Advisory Committee on Revitalisation of Historic Buildings (the “Advisory Committee”) which largely comprises non-official members and experts from various fields, including historical research, architecture, surveying, social enterprise, finance, etc. The assessment criteria include (a) reflection of historical value and significance; (b) technical aspects; (c) social value and social enterprise operation; (d) financial viability; and (e) management capability and other considerations. As such, the proposed services/business of the selected NPOs for projects under the Revitalisation Scheme have been assessed and are deemed to be financially viable in the first three years of operation by the Advisory Committee. In addition to assessing applications under the Revitalisation Scheme, the Advisory Committee is also responsible for

monitoring the subsequent operation of the selected NPOs.

The new lift in the revitalised Bridges Street Market falls within the project site, and is designed to be used by visitors of the Hong Kong News-Expo. Notwithstanding, the public can also use this lift for travelling between Bridges Street and Wing Lee Street, but they first need to enter the building and pass through the ground floor. Hence, the public can only use this lift during the operating hours of the Hong Kong News-Expo.

In line with all other projects under the Revitalisation Scheme, Hong Kong News-Expo Limited (“HKNE Ltd.”) is responsible for the future maintenance of the revitalised building and all facilities including the subject lift within the site at its own cost during the tenancy period. The maintenance of the structural elements of the building including structural walls, columns, beams and slabs, as well as the undisturbed slope will be borne by the Government. From the experience of other projects under the Revitalisation Scheme, the recurrent cost for the maintenance and operation of a lift of comparable size ranges from \$2,500 to \$4,600 per month, and is considered affordable by HKNE Ltd. in accordance with its annual budget. Similar to other projects under the Revitalisation Scheme, where justified, the Government may provide a one-off grant to meet the starting cost and/or deficits of the Hong Kong News-Expo in the first two years of operation at a ceiling of \$5 million.

(B) Action that the Administration will take to ensure the financial sustainability of the proposed project so that its operation will not be terminated upon the completion of the three-year tenancy agreement

The operation of Hong Kong News-Expo including its financial performance will be reviewed regularly during the term of the tenancy agreement. In line with all other projects under the Revitalisation Scheme, HKNE Ltd. is required to submit annual business and financial plans, annual audited financial statements as well as various progress reports on a half-yearly basis to the Administration, which will in turn be reported to the Advisory Committee. From time to time, the Advisory

Committee gives advice to the NPOs concerned on the operation of the projects, and the suggestions are readily taken on board. For the specific project of the Hong Kong News-Expo, given the vigorous and competitive assessment process set out in (A) above, we are confident of its long-term financial viability beyond its initial three-year operation.

The Development Bureau (“DEVB”) helps promote the revitalised historic buildings under the Revitalisation Scheme by organising various kinds of publicity and public education activities, such as exhibitions, open days, seminars, etc. Complimentary pamphlets introducing the revitalised historic buildings are distributed at the featured buildings, exhibition venues and DEVB’s supporting organisations during the event period. Events and activities organised by the revitalised historic buildings are also publicised in our heritage conservation website (www.heritage.gov.hk) and bi-monthly newsletters. These promotional activities aim to showcase and encourage the public to appreciate these valuable and unique assets of our community and to draw more visitors to these revitalised historic buildings, hence generating more revenue through visitors’ spending on the services provided by the NPOs.

Development Bureau
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