

LCQ17: Assisting in the relocation of brownfield operations affected by development projects

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (June 14):

Question:

San Tin Technopole, which the Government has proposed to build, covers a total development area of 627 hectares. The project is to be developed in two phases, with the first and second phases of land resumption work to commence by the end of next year and two years later respectively. As only 16 ha of land in San Tin Technopole has been reserved for logistics, storage and workshop purposes, existing brownfield operators at San Tin have therefore expressed worries that the absence of alternative sites and the very short timeframe for relocation will ultimately lead to the disappearance of brownfield operations supporting the port and logistics industry as well as the emergence of a gap in the logistics services supply chain, thus failing to realise the objective of enhancing Hong Kong's status as an international maritime centre as set out in the National 14th Five-Year Plan or even affecting Hong Kong's status as an aviation hub. In this connection, will the Government inform this Council:

(1) whether it has projected the number of brownfield operators affected by the land resumption work for San Tin Technopole, the areas of land and the number of employees involved, with a breakdown by first and second phases of land resumption work as well as business type of relevant operators;

(2) given that the Government will develop logistics operations on the 16-ha reserved logistics land and construct a multi-storey building for modern industries (MSB) to accommodate the brownfield operators affected by the Government's development; of the anticipated development timetable for such MSB;

(3) given that of the 72 ha of land reserved by the Government at Hung Shui Kiu/Ha Tsuen and Yuen Long South New Development Areas (NDAs), 69 ha will be used for developing an MSB which will be available for leasing by the brownfield operators affected by the development projects, but only three sites near Yuen Long Industrial Estate will be available in the market this year the soonest, of the expected time to make such MSB available for leasing in the market and how the needs of different types of brownfield operations will be met; apart from those three sites, of the timetable for making the remaining sites (including the two sites at Hung Shui Kiu/Ha Tsuen NDA first-phase development) available; and

(4) for the brownfield operators affected by the San Tin Technopole development, apart from providing them with financial subsidies, of the Government's support measures to mitigate the impact on them in order to ensure that there will not be any gap in the logistics supply chain?

Reply:

President,

The development of the Northern Metropolis, including San Tin Technopole, will inevitably affect brownfield operations currently operating within the development area. We understand that affected operators may require not only ex-gratia compensation but also non-monetary assistance in relocating their businesses. As we reported a basket of assistance measures to the Legislative Council (LegCo) Panel on Development (the Panel) on April 25, 2023, we recognise that the Government may not be able to provide one-for-one or seamless relocation arrangements, but the Development Bureau (DEVB) will strengthen coordination with relevant departments to assist affected brownfield operators in finding alternative sites through multiple channels. Please refer to the responses in parts (3) and (4) below for details and the latest progress of these measures. We are happy to consider any further suggestions from members.

On the other hand, we briefed the Panel on the land use proposal of San Tin Technopole on May 23, 2023. Under the proposal, three sites of logistics land of around 16 hectares in total will be provided, on which multi-storey buildings for modern industries (MSBs) may be developed to promote industrial development, accommodate some of the brownfield operations affected by the Government's clearance operation, and facilitate their business upgrading and transformation. Moreover, we have reserved a total of 72 ha of land in Hung Shui Kiu/Ha Tsuen and Yuen Long South New Development Area (NDA) for industrial and logistics use, and have planned MSB developments near Yuen Long InnoPark.

A reply to various parts of the question raised by the Hon Frankie Yick is as follows:

(1) According to preliminary estimate, a total of around 126 ha of brownfield operations will be affected by the San Tin Technopole development. The development, to be implemented in two phases, will affect about 72 ha of brownfield sites in phase 1 and about 54 ha in phase 2. The businesses mainly include logistics, vehicle maintenance, carpark, storage and warehouse. Information such as the numbers of operators and employees involved will only be available after the conduct of the pre-clearance survey by the Lands Department (LandsD) later.

(2) We expect that land resumption for phase 1 development will start from the fourth quarter of 2024, and from 2026 for phase 2 development. Of the 16 ha of logistics land, two sites fall within phase 1 development and one site falls within phase 2 development. The formation works of the three sites will be completed from 2026 the earliest. The construction of MSBs is expected to

be completed in phases starting from 2030/31 the earliest.

(3) and (4) We will shortly invite expression of interest from developers for the first batch of five sites in Hung Shui Kiu/Ha Tsuen NDA and near Yuen Long InnoPark. We aim at rolling out the five sites as early as possible for tender progressively from this year till the first half of 2024, and expect that the first batch of MSBs will be completed in 2027/28 the earliest. As for other land reserved for MSBs in the Hung Shui Kiu/Ha Tsuen NDA and Yuen Long South NDA, site formation works are expected to be completed in phases starting from 2025. We will examine the feasibility of releasing the land to the market earlier.

Since the planning and construction of MSBs take time, and not all brownfield operations can be relocated to MSBs, we will continue to provide assistance to affected business operators (including the brownfield operators affected by the San Tin Technopole development) through the following measures:

(i) arranging for the LandsD to reach out to affected operators at the soonest possible juncture to brief them on the concrete departure timeframe and various means of assistance provided by the Government, and offer appropriate assistance with reference to the operators' preference. Besides, the Community Liaison Service Team commissioned by the LandsD will explain the rehousing and compensation arrangements to the business operators and provide appropriate assistance;

(ii) providing monetary compensation to allow affected operators to plan ahead for departure and meet the necessary costs. If the operators are also the owners of the relevant site(s), they will receive compensation for the land resumed in addition to the ex-gratia allowances (EGAs) payable to them. If the proposed Amendment Bill on streamlining development procedures is approved by the LegCo as scheduled in July 2023, once the land resumption of a project is approved by the Chief Executive-in-Council under the Lands Resumption Ordinance (Cap 124), the Government may proceed with land reversion and disbursement of compensation without having to wait for funding approval for the relevant works. This includes disbursing EGA as soon as practicable by the LandsD to operators whose eligibility has been confirmed. The above measures would provide more robust support to eligible affected operators;

(iii) providing advice on planning and lands matters to operators, including the provision of reference information to business operators on sites that are more likely feasible in accommodating brownfield operations. While the affected operators are identifying alternative sites for reprovisioning of their business, we hope to channel brownfield operations to areas that are more suitable for such uses. In this connection, the Guidelines (TPB PG-No. 13G) for Application for Open Storage and Port Back-up Uses under Section 16 of the Town Planning Ordinance were revised in April this year to incorporate 320 ha of land into areas where permission is more likely to be given, among which approximately 135 ha are currently unused and mainly private land, providing additional sites in accommodating brownfield operations. We have

organised and published the information on these sites for reference of brownfield operations; and

(iv) identifying more government land suitable for letting specifically to affected brownfield operators by way of short-term tenancy through tender.

Furthermore, with a view to stepping up support to the operators, the DEVB has recently, through internal manpower deployment, set up a dedicated multi-disciplinary team to provide operators with one-stop services, including coordinating different departments to assist operators seeking reprovisioning in submitting planning applications, undertaking relevant preliminary preparatory work, and obtaining relevant approvals from other departments as soon as possible to implement the relocation arrangements upon securing the planning permission. We have also set up a dedicated page on the DEVB's website

(www.devb.gov.hk/en/issues_in_focus/assistance_to_brownfield_operators/index.html) in May this year to provide one-stop information to affected brownfield operators, including compensation arrangements, sites that may be considered for relocation, planning and other application procedures, government land that is let by way of short-term tenancy through tender, and contact details of the multi-disciplinary team and relevant departments, etc.