

## 香港特別行政區政府

## The Government of the Hong Kong Special Administrative Region

## 發展局(規劃地政科)

香港添馬添美道二號  
政府總部西翼十七樓

Development Bureau  
(Planning & Lands Branch)

17/F, West Wing  
Central Government Offices  
2 Tim Mei Avenue, Tamar

本局檔號 Our Ref. DEVB(PL-UR) 36/02/03 Pt.14

來函檔號 Your Ref.

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25 January 2013

Clerk to the Panel on Development  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  
(Attn: Ms Sharon Chung)

Dear Ms Chung,

**Panel on Development  
Follow-up Action on the Discussion  
at the Meeting Held on 27 November 2012**

At the meeting of the Panel on Development on 27 November 2012, Members requested further information relating to PWP Item No. 111KA - Government, Institution or Community Facilities in the Kwun Tong Town Centre Redevelopment – Additional Medical and Health Facilities. I have pleasure in enclosing the information as below –

- (a) A set of plans at Attachment 1 on the layout design of the medical and health facilities (with additional floor areas) to be reprovisioned at Yuet Wah Street and the Kwun Tong Road/Hoi Yuen Road Roundabout;
- (b) The estimated average construction unit cost at which the Administration would reimburse the Urban Renewal Authority (URA) for the provision of the additional floor areas at the reprovisioned medical and health facilities at Yuet Wah Street and the Kwun Tong Road/Hoi Yuen Road Roundabout is **\$28,490** per square metre of construction floor area (in September 2012 prices); and

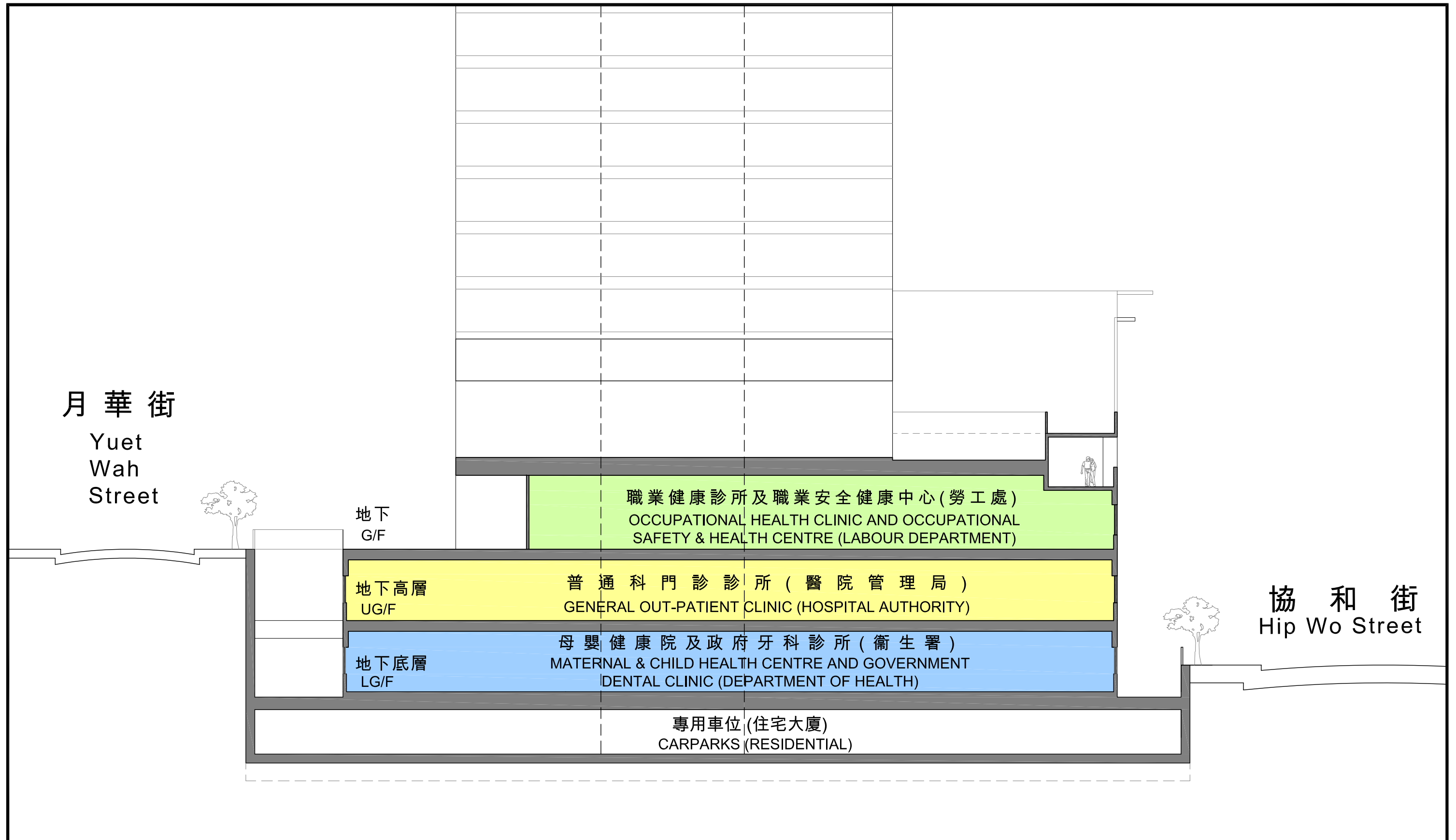
- (c) A note at Attachment 2 setting out the Urban Renewal Authority's funding responsibility for the reprovisioning of the existing medical and health facilities.

Yours sincerely,



(Winnie So)  
for Secretary for Development

c.c. Director of Civil Engineering & Development (Attn: Mr Janson Wong)

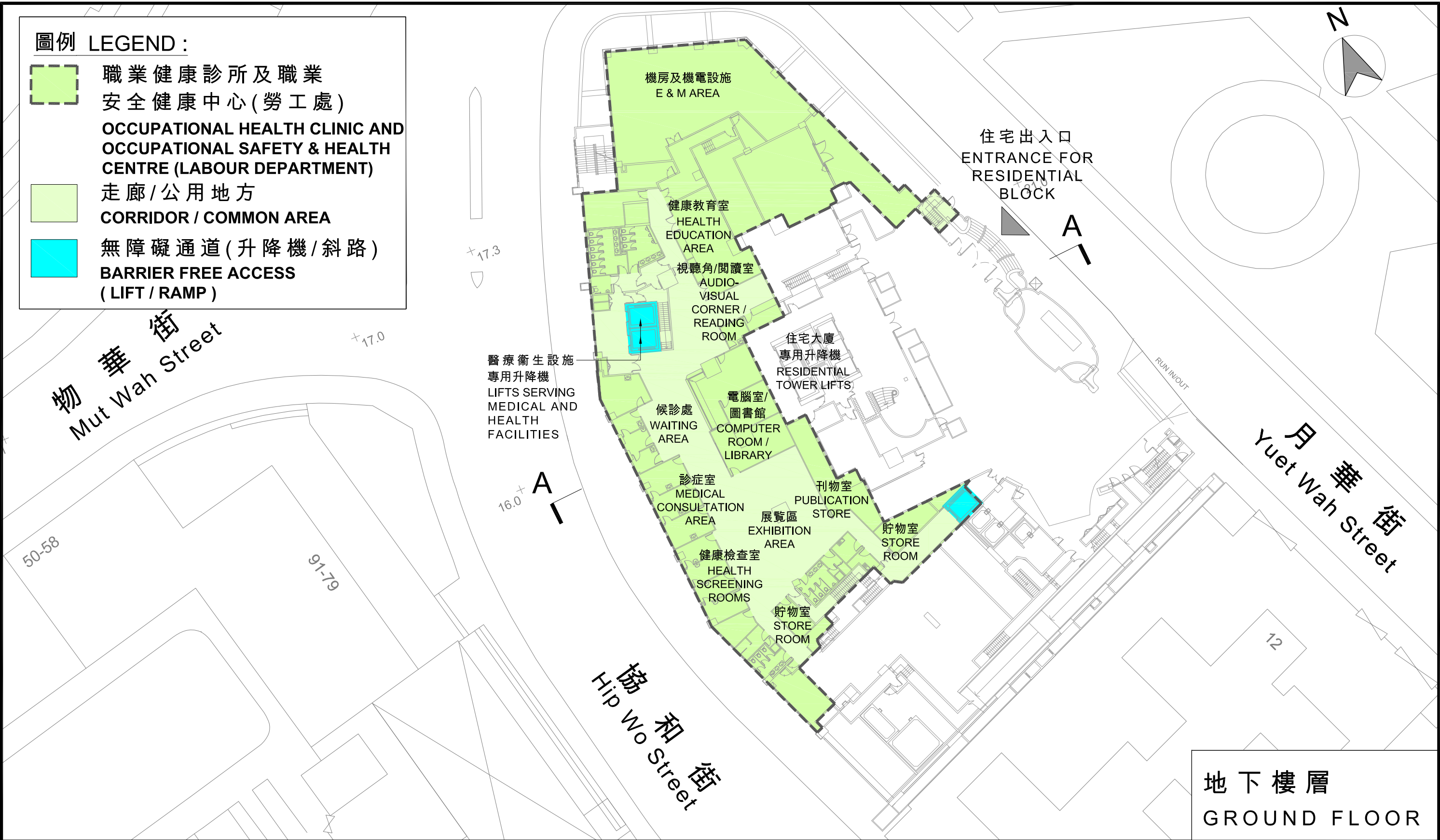


2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title 工務計劃項目第7111KA號 - 觀塘市中心重建計劃中重置的政府、機構/社區設施 - 增置醫療衛生設施 月華街發展用地剖面圖A-A PWP ITEM NO.7111KA - GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN CENTRE REDEVELOPMENT - ADDITIONAL MEDICAL AND HEALTH FACILITIES Section A-A of Yuet Wah Street Site	繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.	辦事處 Office  九龍拓展處 KOWLOON DEVELOPMENT OFFICE
	C.K. WONG	SIGNED	24.01.2013	111KA	
	核對 Checked	簽署 Initial	日期 Date	比例 Scale	圖則編號 Drawing no. KZ740
K.K. WU	SIGNED	24.01.2013	N.T.S.		
核准 Approved	簽署 Initial	日期 Date	土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT 		
H.K. CHAN	SIGNED	24.01.2013			

圖例 LEGEND :

- 職業健康診所及職業安全健康中心(勞工處)  
OCCUPATIONAL HEALTH CLINIC AND OCCUPATIONAL SAFETY & HEALTH CENTRE (LABOUR DEPARTMENT)
- 走廊/公用地方  
CORRIDOR / COMMON AREA
- 無障礙通道(升降機/斜路)  
BARRIER FREE ACCESS (LIFT / RAMP)



地下樓層  
GROUND FLOOR

2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

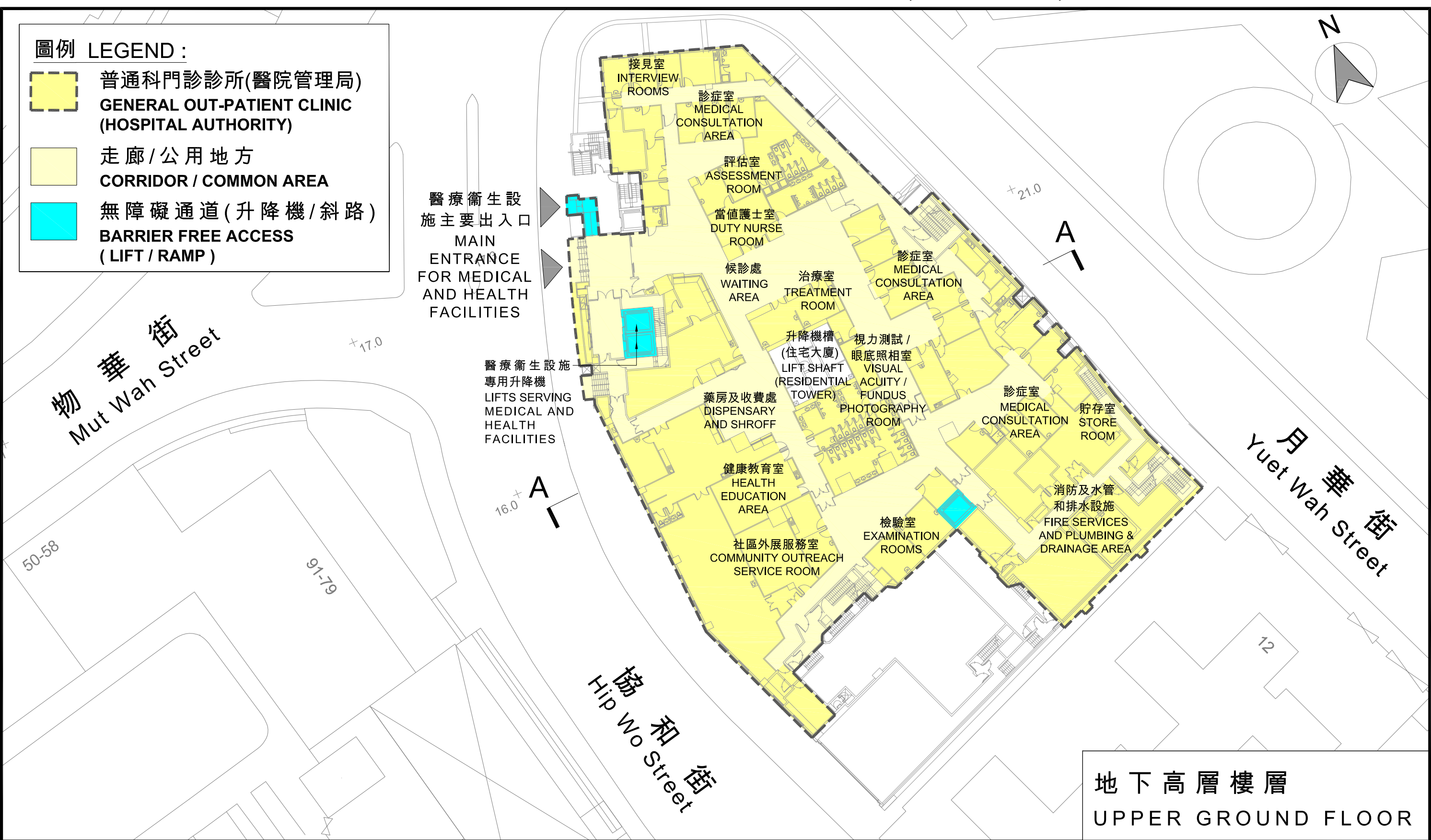
圖則名稱 Drawing Title 工務計劃項目第7111KA號 - 觀塘市中心重建計劃中重置的政府、機構/社區設施 - 增置醫療衛生設施 月華街發展用地地下樓層平面圖 PWP ITEM NO.7111KA - GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN CENTRE REDEVELOPMENT - ADDITIONAL MEDICAL AND HEALTH FACILITIES Floor Plan of Yuet Wah Street Site (Ground Floor)	繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.	辦事處 Office  九龍拓展處 KOWLOON DEVELOPMENT OFFICE
	C.K. WONG	SIGNED	24.01.2013	111KA	
	核對 Checked	簽署 Initial	日期 Date	比例 Scale	N.T.S.
	K.K. WU	SIGNED	24.01.2013	N.T.S.	
核准 Approved	簽署 Initial	日期 Date	圖則編號 Drawing no.	土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT	
H.K. CHAN	SIGNED	24.01.2013	KZ743		

圖例 LEGEND :

- 普通科門診診所(醫院管理局)  
GENERAL OUT-PATIENT CLINIC  
(HOSPITAL AUTHORITY)
- 走廊/公用地方  
CORRIDOR / COMMON AREA
- 無障礙通道(升降機/斜路)  
BARRIER FREE ACCESS  
(LIFT / RAMP)

醫療衛生設施  
主要出入口  
MAIN  
ENTRANCE  
FOR MEDICAL  
AND HEALTH  
FACILITIES

醫療衛生設施  
專用升降機  
LIFTS SERVING  
MEDICAL AND  
HEALTH  
FACILITIES



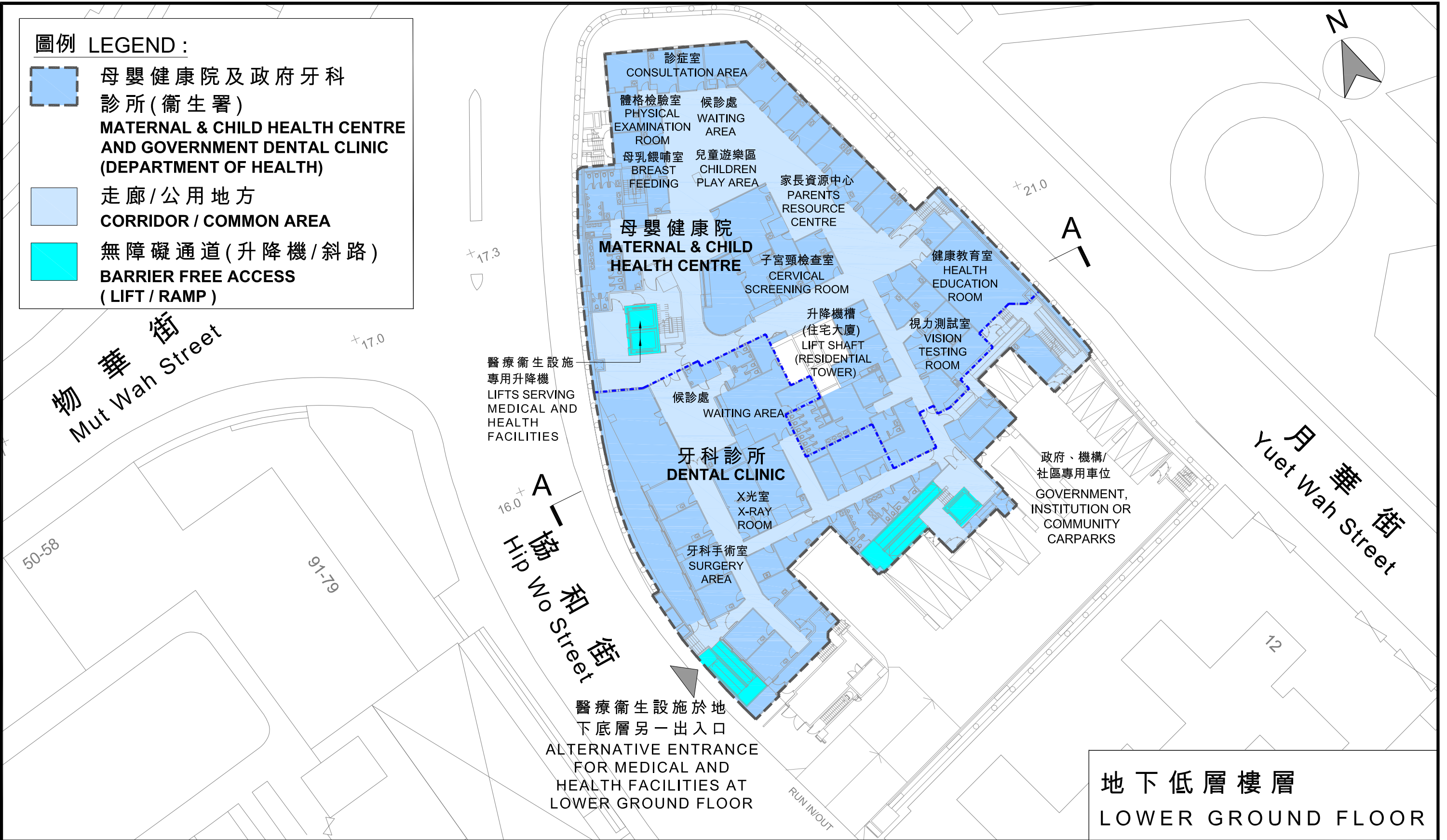
地下高層樓層  
UPPER GROUND FLOOR

2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title 工務計劃項目第7111KA號 - 觀塘市中心重建計劃中重置的政府、機構/社區設施 - 增置醫療衛生設施 月華街發展用地地下高層樓層平面圖 PWP ITEM NO.7111KA - GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN CENTRE REDEVELOPMENT - ADDITIONAL MEDICAL AND HEALTH FACILITIES Floor Plan of Yuet Wah Street Site (Upper Ground Floor)	繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.	辦事處 Office
	C.K. WONG	SIGNED	24.01.2013	111KA	九龍拓展處 KOWLOON DEVELOPMENT OFFICE
	核對 Checked	簽署 Initial	日期 Date	比例 Scale	
	K.K. WU	SIGNED	24.01.2013	N.T.S.	
核准 Approved	簽署 Initial	日期 Date	圖則編號 Drawing no.	土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT	
H.K. CHAN	SIGNED	24.01.2013	KZ742		

圖例 LEGEND :

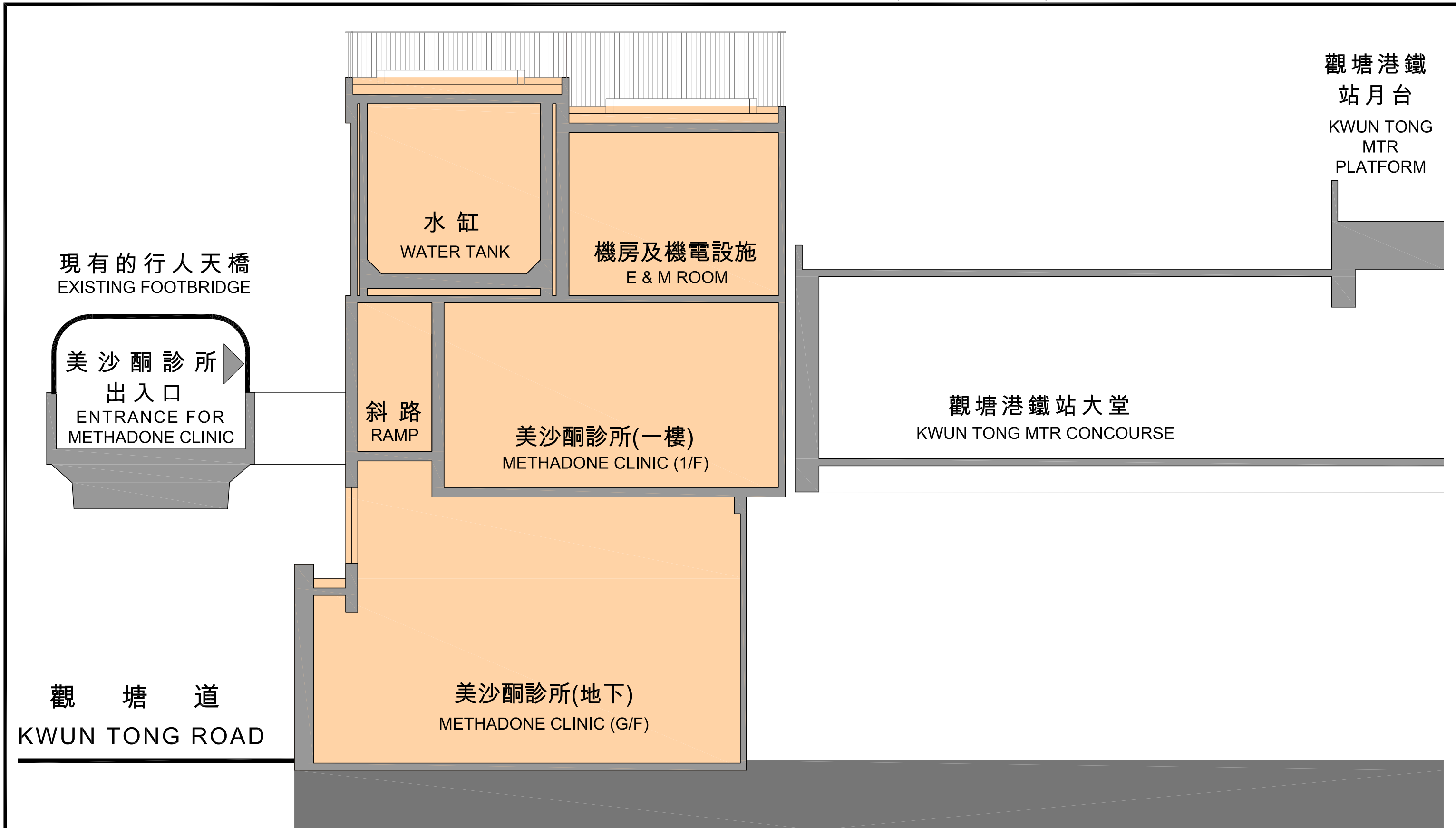
-  母嬰健康院及政府牙科診所 (衛生署)  
MATERNAL & CHILD HEALTH CENTRE AND GOVERNMENT DENTAL CLINIC (DEPARTMENT OF HEALTH)
-  走廊/公用地方  
CORRIDOR / COMMON AREA
-  無障礙通道 (升降機/斜路)  
BARRIER FREE ACCESS (LIFT / RAMP)



地下低層樓層  
LOWER GROUND FLOOR

2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title 工務計劃項目第7111KA號 - 觀塘市中心重建計劃中重置的政府、機構/社區設施 - 增置醫療衛生設施 月華街發展用地地下低層樓層平面圖 PWP ITEM NO.7111KA - GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN CENTRE REDEVELOPMENT - ADDITIONAL MEDICAL AND HEALTH FACILITIES Floor Plan of Yuet Wah Street Site (Lower Ground Floor)	繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.	辦事處 Office  九龍拓展處 KOWLOON DEVELOPMENT OFFICE
	C.K. WONG	SIGNED	24.01.2013	111KA	
	核對 Checked	簽署 Initial	日期 Date	比例 Scale	圖則編號 Drawing no. <b>KZ741</b>
K.K. WU	SIGNED	24.01.2013	N.T.S.		
核准 Approved	簽署 Initial	日期 Date	 土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT		
H.K. CHAN	SIGNED	24.01.2013			



2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title  
 工務計劃項目第7111KA號 -  
 觀塘市中心重建計劃中重置的政府、機構/社區設施 -  
 增置醫療衛生設施  
 美沙酮診所剖面圖B-B  
 PWP ITEM NO.7111KA -  
 GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN  
 CENTRE REDEVELOPMENT  
 - ADDITIONAL MEDICAL AND HEALTH FACILITIES  
 Section B-B of Methadone Clinic

繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.
C.K. WONG	SIGNED	24.01.2013	111KA
核對 Checked	簽署 Initial	日期 Date	比例 Scale
K.K. WU	SIGNED	24.01.2013	N.T.S.
核准 Approved	簽署 Initial	日期 Date	圖則編號 Drawing no.
H.K. CHAN	SIGNED	24.01.2013	KZ744

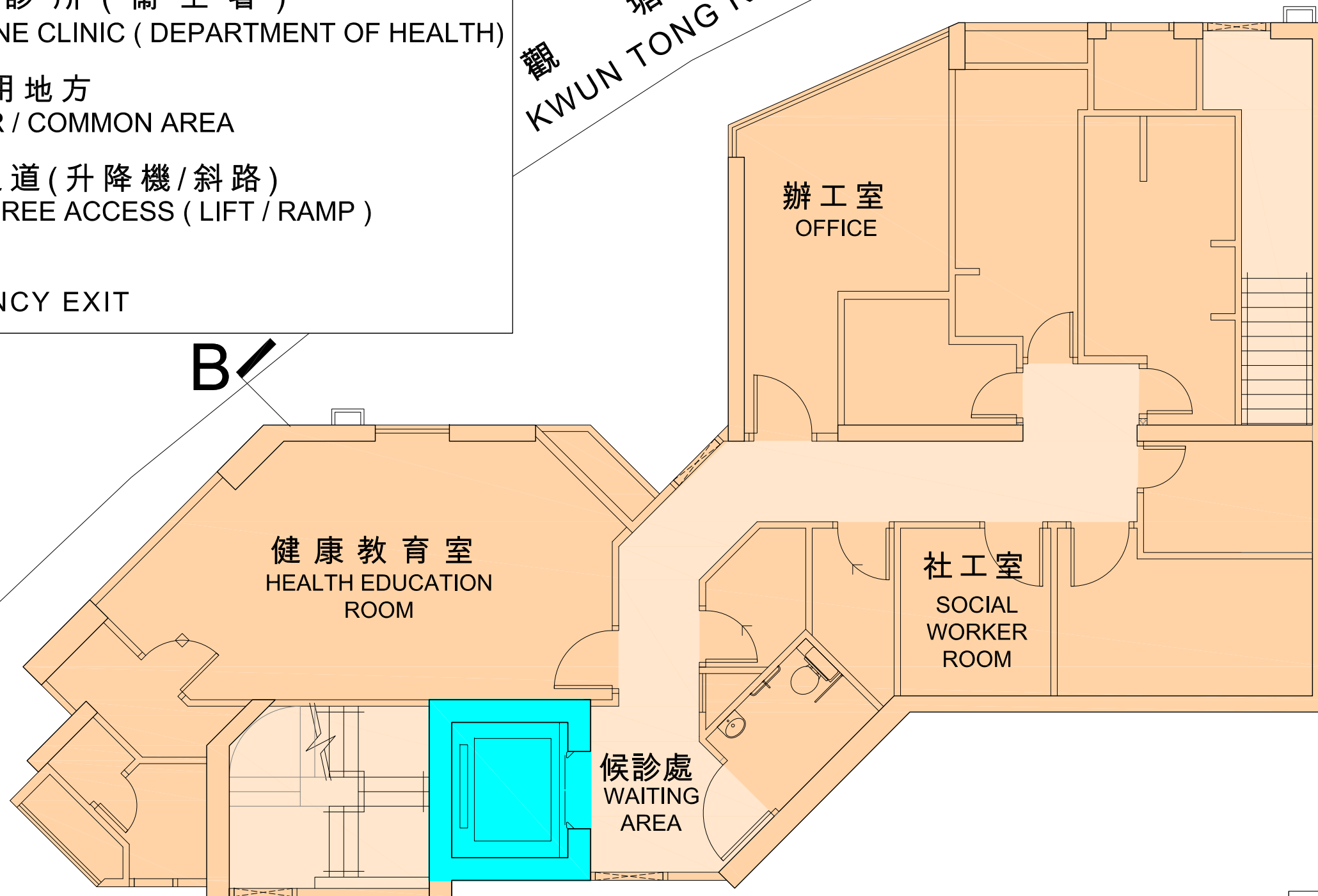
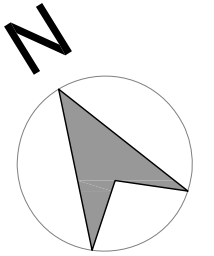
辦事處 Office  
 九龍拓展處  
 KOWLOON DEVELOPMENT OFFICE

 土木工程拓展署  
 CIVIL ENGINEERING  
 AND DEVELOPMENT DEPARTMENT

**圖例 LEGEND :**

- 美沙酮診所 ( 衛生署 )  
METHADONE CLINIC ( DEPARTMENT OF HEALTH)
- 走廊 / 公用地方  
CORRIDOR / COMMON AREA
- 無障礙通道 ( 升降機 / 斜路 )  
BARRIER FREE ACCESS ( LIFT / RAMP )
- 緊急出口  
EMERGENCY EXIT

觀塘道  
KWUN TONG ROAD



地下樓層  
GROUND FLOOR

2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title  
工務計劃項目第7111KA號 -  
觀塘市中心重建計劃中重置的政府、機構/社區設施 -  
增置醫療衛生設施  
美沙酮診所地下樓層平面圖  
PWP ITEM NO.7111KA -  
GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN  
CENTRE REDEVELOPMENT  
- ADDITIONAL MEDICAL AND HEALTH FACILITIES  
Floor Plan of Methadone Clinic (Ground Floor)

繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.
C.K. WONG	SIGNED	24.01.2013	111KA
核對 Checked	簽署 Initial	日期 Date	比例 Scale
K.K. WU	SIGNED	24.01.2013	N.T.S.
核准 Approved	簽署 Initial	日期 Date	圖則編號 Drawing no.
H.K. CHAN	SIGNED	24.01.2013	KZ745

辦事處 Office  
九龍拓展處  
KOWLOON DEVELOPMENT OFFICE

 土木工程拓展署  
CIVIL ENGINEERING  
AND DEVELOPMENT DEPARTMENT



圖例 LEGEND :

- 美沙酮診所  
(衛生署)  
METHADONE CLINIC  
(DEPARTMENT OF HEALTH)
- 走廊/公用地方  
CORRIDOR / COMMON AREA
- 無障礙通道  
(升降機/斜路)  
BARRIER FREE ACCESS  
(LIFT / RAMP)

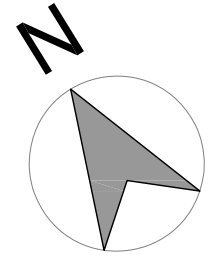
B /

美沙酮診所出入口

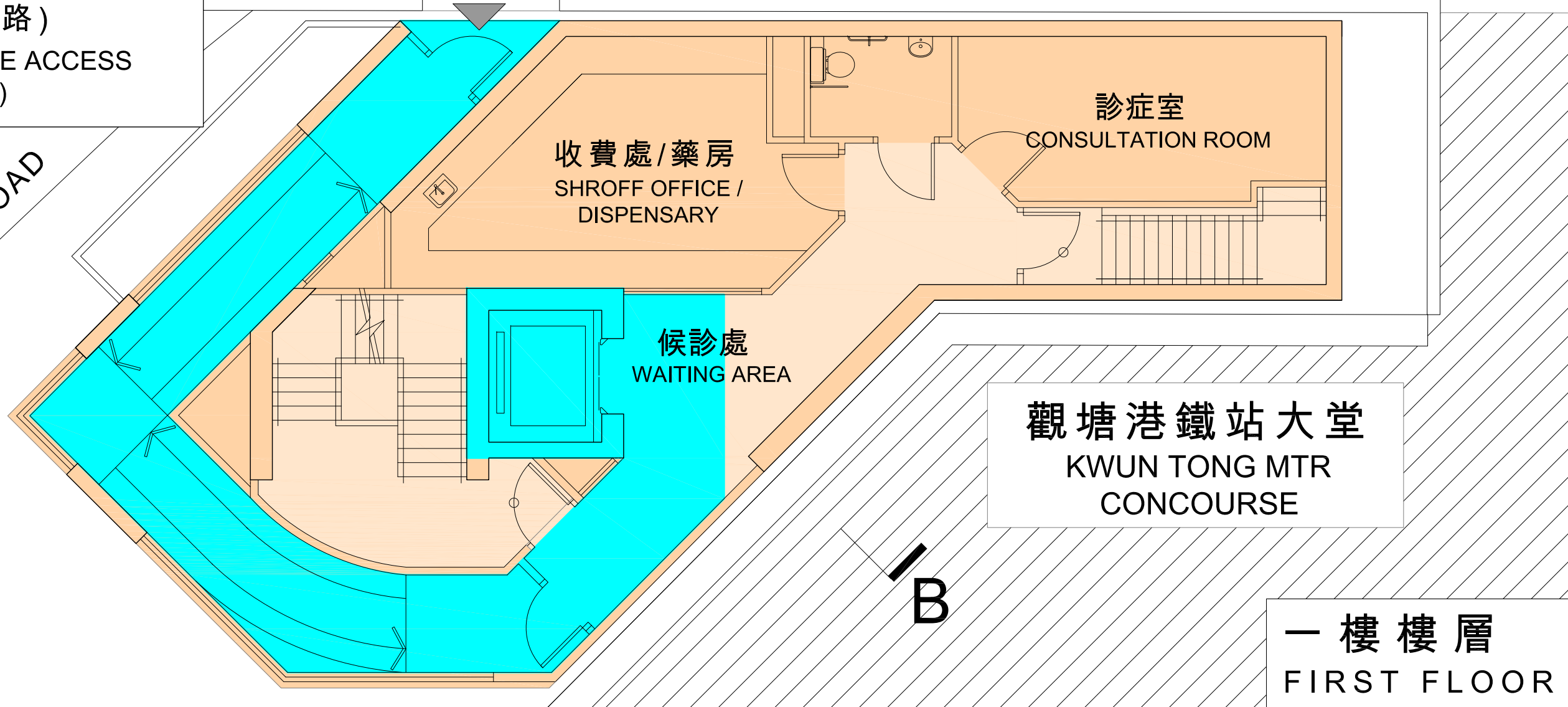
ENTRANCE FOR  
METHADONE CLINIC

現有的行人天橋

EXISTING FOOTBRIDGE



觀塘道  
KWUN TONG ROAD



觀塘港鐵站大堂  
KWUN TONG MTR  
CONCOURSE

一樓樓層  
FIRST FLOOR

2012年至2013年年度工務小組委員會文件 PWSC Submission 2012 - 2013

圖則名稱 Drawing Title  
工務計劃項目第7111KA號 -  
觀塘市中心重建計劃中重置的政府、機構/社區設施 -  
增置醫療衛生設施  
美沙酮診所一樓樓層平面圖  
PWP ITEM NO.7111KA -  
GOVERNMENT, INSTITUTION OR COMMUNITY FACILITIES IN THE KWUN TONG TOWN  
CENTRE REDEVELOPMENT  
- ADDITIONAL MEDICAL AND HEALTH FACILITIES  
Floor Plan of Methadone Clinic (First Floor)

繪圖 Drawn	簽署 Initial	日期 Date	項目編號 Item no.
C.K. WONG	SIGNED	24.01.2013	111KA
核對 Checked	簽署 Initial	日期 Date	比例 Scale
K.K. WU	SIGNED	24.01.2013	N.T.S.
核准 Approved	簽署 Initial	日期 Date	圖則編號 Drawing no.
H.K. CHAN	SIGNED	24.01.2013	KZ746

辦事處 Office  
九龍拓展處  
KOWLOON DEVELOPMENT OFFICE

 土木工程拓展署  
CIVIL ENGINEERING  
AND DEVELOPMENT DEPARTMENT

**Urban Renewal Authority's Funding Responsibility for  
the Reprovisioning of the Existing Medical and Health Facilities at  
the Kwun Tong Jockey Club Health Centre**

**Financial Arrangements of the Urban Renewal Authority**

The Urban Renewal Authority (URA) was set up in 2001 to replace the ex-Land Development Corporation (LDC) as a body corporate established by statute to improve the standard of housing and the built environment of Hong Kong by undertaking and facilitating urban renewal. It is tasked, inter alia, to achieve better utilisation of land in the dilapidated areas of the built environment of Hong Kong, prevent the decay of the built environment of Hong Kong by promoting the maintenance and improvement of buildings, and also preserve buildings, sites and structures of historical, cultural or architectural interest.

2. When the Bills Committee considered the Urban Renewal Authority Bill in 2000, it reckoned that sufficient resources should be provided to URA so as to make the future urban renewal programme a success. A package of both financial and non-financial tools was considered necessary to enhance the financial viability of URA projects, particularly in a less exuberant property market. The aim is to enable the urban renewal programme to be self-financing in the long run.

3. Section 10(4) of the Urban Renewal Authority Ordinance (URAO) (Cap 563) stipulates that URA “shall exercise due care and diligence in the handling of its finances.” The new Urban Renewal Strategy (URS) promulgated in February 2011 provides that URA’s “long-term objective of a self-financing urban renewal programme will continue to be upheld”.

4. In June 2002, after the establishment of URA, the Finance Committee of the Legislative Council (LegCo) approved the following financial support for URA –

- (a) a \$10 billion capital injection into URA for implementation of the urban renewal programme; and
- (b) all urban renewal sites for new projects set out in the URA's Corporate Plans and Business Plans to be approved by the Financial Secretary (FS) from time to time may be granted to URA at nominal premium, subject to URA satisfying FS of the need therefore.

### **Compensation and Ex gratia Payment at Land Resumption in the Urban Areas**

5. To allay public concerns over compulsory resumption of land for URA projects, during the examination of the Urban Renewal Authority Bill in 2000, the Bills Committee supported that the affected owners of URA projects should be paid a fair and reasonable compensation. Under the prevailing arrangements at the time, upon resumption, a statutory compensation based on the fair market value of the resumed properties was payable to owners of domestic properties. An ex gratia allowance in the form of Home Purchase Allowance (HPA), in whole or in part, depending on occupancy status, would be paid to the owners of domestic properties on top of the statutory compensation. Owner-occupiers of domestic properties were eligible for full HPA, the amount of which was set at the difference between the value of a notional replacement flat (assessed on the basis of a 10-year old flat of a size similar to the resumed flat and in similar locality) and the fair market value of the resumed flat. The compensation and ex gratia allowance for owners of domestic properties had since been enhanced. In March 2001, the Finance Committee of LegCo approved that upon resumption, owner-occupiers of domestic properties would be eligible for a package comprising the open market value of the resumed property and HPA assessed on the basis of a 7-year old flat instead of a 10-year old flat. As regards non-domestic properties, under the prevailing arrangements at the time, the affected owner-occupiers would be offered the open market value of their properties plus an ex gratia allowance, or an option to claim business loss, if substantiated. The Bills Committee agreed with the Administration's proposal to explore fixing the business loss at a certain percentage of the value of the non-domestic properties. In March 2001, the Finance

Committee of LegCo approved that for owner-occupiers of non-domestic properties, apart from the open market value of the resumed properties, they would be paid an ex gratia allowance equivalent to four times the amount of the rateable value of the resumed properties.

6. The URA's acquisition policy broadly follows the Government package offered at resumption as described above. In addition, URA also provides various other types of allowances to the affected owners and/or occupiers. Examples include the Incidental Cost Allowance and Ex gratia Business Allowance (EGBA).

### **Kwun Tong Town Centre Redevelopment Project**

7. The Kwun Tong Town Centre Redevelopment Project is one of the 25 announced but yet to be commenced projects of ex-LDC. It is the largest single redevelopment scheme URA has undertaken. The project, commenced in March 2007, involves about 1 657 property interests and covers about 5.3 hectares of land in five Development Areas. The whole project is expected to complete by 2021, yielding a total of about 2 000 residential flats with total domestic Gross Floor Area (GFA) at about 160 000 sq m, office/ retail/hotel GFA at about 210 000 sq m, Government, Institution and Community (GIC) facilities with GFA at about 31 000 sq m, and Public Open Space (POS) at about 8 700 sq m.

8. URA has estimated that the total development cost of the project would exceed \$30 billion, incurring a project deficit.

### **Further Information on URA's Funding Responsibility for the One-for-One Reprovisioning of the Existing Medical and Health Facilities at the Kwun Tong Jockey Club Health Centre**

(i) Background for the one-for-one reprovisioning arrangement, including whether that is an existing policy, whether there are precedents and the consultation process

9. URA is required to reprovision Government facilities (including the Kwun Tong Jockey Club Health Centre) which will be affected by the Kwun Tong Town Centre Redevelopment Project. The scale of

reprovisioning is on a one-for-one basis. This basis is considered fair, equitable and straight forward by both the Government and URA. For Members' reference, the Government has also adopted the same principle of one-for-one reprovisioning when dealing with facilities affected by other Government projects. A recent example was the reprovisioning of the International Mail Centre (IMC) from Hung Hom to Kowloon Bay by the Government to make way for the construction of the Shatin to Central Link (SCL). In this case, as the SCL tunnels will pass through and clash with the foundations of IMC at Hung Hom, to facilitate construction of the tunnels, the existing IMC in Hung Hom will be demolished and reprovisioned to Kowloon Bay. As Hongkong Post also proposed to relocate its sorting facilities currently accommodated at the General Post Office in Central to Kowloon Bay, additional floor area was sought at Kowloon Bay. The cost of the expanded area required by Hongkong Post was not paid by the Government, but funded by the Post Office Trading Fund. Please refer to PWSC(2010-11)35 for details.

10. The one-for-one reprovisioning arrangement for the Kwun Tong Jockey Club Health Centre was duly discussed and agreed at the Inter-departmental Working Group (comprising representatives of URA and various Government bureaux and departments) which was convened and met in 2006-2007. URA had consulted the Kwun Tong District Council on the Kwun Tong Town Centre project on a number of occasions between 2007 and 2010, including the proposed reprovisioning and additional provision at the Kwun Tong Jockey Club Health Centre upon relocation, and obtained the District Council's support.

(ii) Comparison between URA's one-for-one reprovisioning arrangement for relocation of government facilities and its compensation offered to shop owners affected by the Kwun Tong Town Centre (KTTC) Redevelopment Project

11. As stated in paragraph 6 above, URA's acquisition and ex gratia payment policy broadly follows the Government's compensation offer at land resumptions in the urban areas. Details of URA's prevailing policy for non-domestic properties are as follows. An owner-operator affected by a redevelopment project will receive the open market value of his property and an ex gratia payment which amounts to 35% of the open

market value of the non-domestic property or four times the rateable value of the property, whichever is the higher. These payments should enable the owner-operator to relocate to alternative premises for continued operation. For owners who have left their non-domestic premises vacant or who have rented out their properties, apart from the open market value of their properties, they will also receive 10% of the open market value of their properties or one time their rateable values, whichever is higher, as ex gratia payment. Tenant operators, on the other hand, will be offered ex gratia payments which amount to three times the rateable value of the properties.

12. Operators, both owner-operators and tenant-operators alike, will also be eligible for an EGBA which varies with the length of the business operation in the concerned properties before the freezing survey conducted by URA at the commencement of the redevelopment project. The amount of EGBA payable is pegged at the rate of 0.1 times the rateable value of the property for each year of the affected operator's continuous operation in the property concerned up to a maximum of 30 years, and subject to a maximum amount of \$500 000 and a minimum amount of \$70 000. Operators may choose to claim for business loss from URA in lieu of the ex gratia allowance and EGBA. Where appropriate, URA will also assist the affected shop operators to find suitable alternative premises to continue their business. At resumption, affected owners will be offered a statutory compensation and ex gratia allowance by the Government. Any party not satisfied with the package offered by the Government may lodge claims with the Lands Tribunal.

13. During the URS Review conducted between 2008 and 2010, the Steering Committee for the URS Review duly considered the option of a "shop-for-shop" offer for shopowners affected by URA redevelopment projects similar to the "flat-for-flat" option for owner-occupiers of residential property but found it infeasible. It is noted that each shop is different in terms of location, size and operational needs, and as URA must comply with the land and planning conditions and must meet various building regulations, fire and safety requirements in its redevelopments, it will not be possible to guarantee the provision of similar shop spaces in the redevelopment project to accommodate the affected shop operators. Furthermore, offering shop owners a shop in

the future development several years down the road would not meet the owner-operators' primary concern for uninterrupted business. As businesses need to build customer bases, if the shops in question have relocated elsewhere and established another clientele during the redevelopment period, it is very unlikely that the owner-operators will want to move back after redevelopment.

14. URA's prevailing compensation and ex gratia payment policy for non-domestic properties is considered flexible enough to meet the shop owners' requirements. Owner-operators will be able to re-establish business within or outside Kwun Tong as they wish with the cash compensation.

15. Contrary to business operation, the GIC facilities, which are district-based facilities providing service to the local community, must be relocated in the same district so that the affected government services can continue to be provided to the local community in an uninterrupted manner.

16. To compare the one-for-one reprovisioning arrangement for affected GIC facilities with the prevailing URA acquisition policy for affected shopowners is not comparing like with like. That said, we reckon that in both cases, URA's objective is still to enable both the Government and the shopowners to continue uninterrupted operation and, in case of disruption to the latter, to compensate for such disruption.

(iii) Whether the Administration will review the Urban Renewal Authority Ordinance (Cap 563) in respect of the compensation for shop owners, so that they would be entitled to the compensation arrangements for relocating Government facilities

17. As explained above, there are practical difficulties in providing "shop-for-shop" as an alternative option to cash compensation for shop owners affected by URA redevelopment projects. URA's prevailing acquisition policy for non-domestic properties is considered more flexible and should be maintained.

(iv) The potential profits that URA would make by developing the site

previously used as the Kwun Tong Government Offices and the site currently used by the Kwun Tong Jockey Club Health Centre, which are at excellent locations, in exchange for reprovisioning affected Government facilities on a one-for-one basis

18. As explained in paragraph 8 above, URA had estimated a total development cost of \$30 billion for the Kwun Tong Town Centre Redevelopment Project which was expected to incur a deficit. In line with the existing practice, URA will disclose detailed financial information on those completed individual projects to the LegCo Panel on Development in its annual work report. As the Kwun Tong Town Centre Redevelopment Project is still in progress, URA cannot provide meaningful financial estimates of the project at this juncture.

19. As pointed out in paragraph 4 above, it is part of the Government's financial support for URA that land premium for redevelopment sites would be waived so that the long term objective of a self-financing urban renewal programme can continue to be upheld. Under the mode of operation of URA, any surplus from an individual redevelopment project is being ploughed back to support other deficit projects and initiatives under its overall urban renewal programme.

(v) The reasons for not requiring URA to bear the costs for constructing the proposed additional floor space at the reprovisioned medical and health facilities, as in other cases where developers were required to provide additional facilities with the development of a site previously used as Government facilities

20. As set out in an earlier discussion paper on "Provision of Public Facilities in Private Developments – The Way Forward" (CB(1)1634/08-09(08)) submitted to the LegCo Panel on Development on 26 May 2009, the capital cost of GIC facilities situated on a site zoned "Comprehensive Development Area" (CDA) which are needed to meet government policy objectives, such as child care centres, welfare facilities and schools and public transport terminus, should be met by the Administration. In practice, this could take the form of an entrustment and reimbursement approach where a private developer undertaking



development on the CDA site would be entrusted to construct the facilities. The Government will reimburse the developer for the actual construction cost, subject to a pre-determined financial ceiling worked out with reference to the construction costs of the facilities if they were to be constructed by the Government. Upon completion, the facility would be handed back to the Government for operation and management. The exception would be in the case of reprovisioning of *existing* facilities arising from redevelopment initiated by private developers in which case it would normally follow that the capital costs would be paid by the developer. This is because were it not for the redevelopment initiated by the private owners, the status quo would have remained unchanged and the capital costs for reprovisioning would not have arisen. It is clear from the paper that in situations of redevelopment, reprovisioning would be on the basis of the *existing* facilities. There are no requirements that the private developer has to provide for facilities additional to the existing provision which it has displaced.

- (vi) Whether the one-for-one reprovisioning arrangement will be adopted in future projects on Government sites undertaken by URA or private developers

21. As explained in paragraphs 9, 10 and 20 above, the principle of one-for-one reprovisioning for the *existing* facilities affected by the redevelopment project is considered fair and equitable and should be adopted as far as possible. We will however maintain flexibility should future cases of reprovisioning arise.

Development Bureau  
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