

**Subcommittee to study the
Urban Renewal Authority White Bill**

**Disposal of Land Resumed under the
Lands Resumption Ordinance (Cap. 124)
by the Urban Renewal Authority**

Introduction

The aim of this paper is to set out the background and purpose of Clause 25 (“Disposal of land resumed under Lands Resumption Ordinance”) of the Urban Renewal Authority Bill (White Bill) for Members’ reference.

Background

2. Clause 6(2)(o) of the Urban Renewal Authority Bill provides that the Urban Renewal Authority (URA) may:

“grant, sell, convey, assign, surrender, yield up, demise, let, transfer or otherwise dispose of any land or building, messuages, tenements, vessels, goods and chattels for the time being owned or held by the Authority on such terms and conditions as the Authority thinks fit;”.

3. As any land resumed under the Lands Resumption Ordinance is resumed for a public purpose, the URA should not be allowed to dispose of such land at its own discretion.

4. Accordingly, Clause 25 of the White Bill provides that:

“(1) The Authority shall not sell or dispose of land it has assembled for a development scheme or a development project which includes land resumed under the Lands Resumption Ordinance (Cap. 124) unless prior approval for such sale or disposal has been granted by the Chief Executive in Council.

(2) The Chief Executive in Council shall have the power to determine whether the Authority may sell or dispose of the entire area or only part of the area of the development scheme or the development project.”

The purpose of this Clause is to ensure that any such disposal of land is for a public purpose and in the public interest.

Modes of Implementation

5. In order to give the URA flexibility in implementing redevelopment projects, it may:

- (a) implement a project on its own (i.e., acting as developer);
- (b) implement a project in association with a joint venture partner or partners; or

- (c) implement a project by selling the land (whole or part of it) to a private developer or dispose of it by some other means (e.g. land exchange).

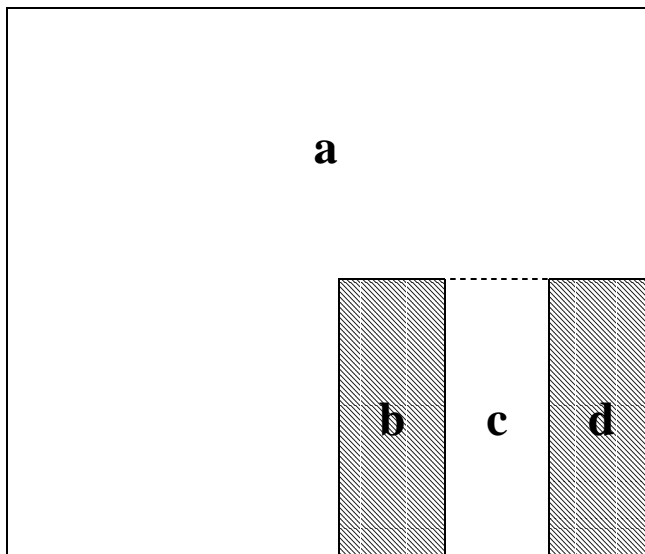
6. As regards (c) above, the intention is that resumed land may only be sold or disposed of for a public purpose. The Chief Executive in Council will determine whether the URA's proposal to sell or dispose of resumed land is for a public purpose.

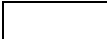

Illustrative Cases

7. To illustrate how the "public purpose" principle will be interpreted or applied by the Planning, Environment and Lands Bureau, two examples are provided below:

- (a) Case A – Sale to a Private Developer

Site Plan A



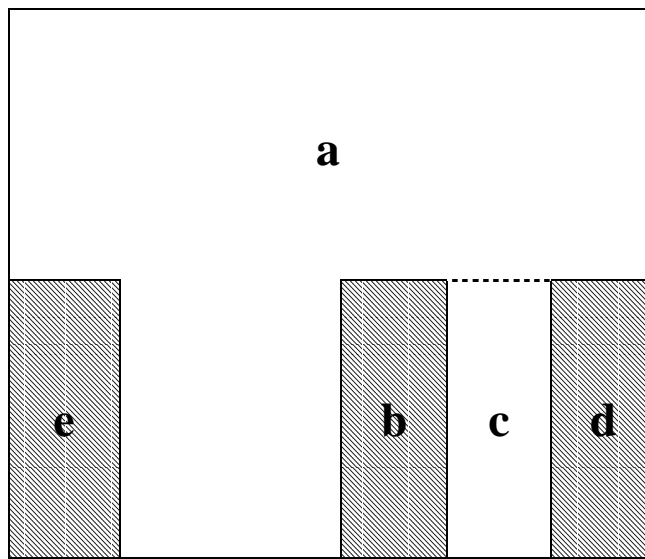
-  URA redevelopment project (a + c)
-  Sites owned by a private developer (b + d)



Sites (a) and (c) are land resumed under the Lands Resumption Ordinance for a URA redevelopment project and sites (b) and (d) are wholly owned by a private developer. To avoid the piecemeal redevelopment of sites (b) and (d), it may be in the public interest for URA to sell site (c) to the private developer so that sites (b), (c) and (d) can be redeveloped together. In this case, the private developer must be prepared to pay a fair price for the land.

From a planning point of view, redeveloping sites (b), (c) and (d) together is in the “public interest” since it prevents fragmented redevelopment. It is a “win-win-win” situation for the URA, the private developer and the community.

(b) Case B – Land Swap with a Private Developer

Site Plan B



-  URA redevelopment project (a + c)
-  Sites owned by a private developer (b + d + e)

Sites (a) and (c) are land resumed under the Lands Resumption Ordinance for a URA redevelopment project and sites (b), (d) and (e) are wholly owned by a private developer. To avoid the piecemeal redevelopment of sites (b), (d) and (e), it may be in the public interest for the URA to swap site (c) with the private developer for site (e) so that:

- (i) sites (a) and (e) can be redeveloped together by the URA; and
- (ii) sites (b), (c) and (d) can be redeveloped together by the private developer.

From a planning point of view, the land swap is in the “public interest” since it prevents fragmented redevelopment. It is a “win-win-win” situation for the URA, the private developer and the community.

Role of URA

8. The role of the URA is to implement the Government’s urban renewal strategy and the 20-year urban renewal programme. Although the URA may sell or dispose of land resumed under the Lands Resumption Ordinance, it will only do so if it is for a public purpose and in the public interest.

Planning, Environment and Lands Bureau

30 November 1999