For discussion on 10 May 2021

Legislative Council Panel on Development

Development of the New Territories North

PURPOSE

This paper briefs Members on the following funding applications in relation to the development of the New Territories North (NTN):

Investigation and Detailed Design for First Phase Development

(a) Upgrading of part of **852CL** to Category A at an estimated cost of \$793.8 million in money-of-the—day (MOD) prices for engaging consultants to undertake investigation and detailed works design for the First Phase Development of the NTN covering the San Tin/Lok Ma Chau Development Node and the land to be released from the Lok Ma Chau Boundary Control Point (LMC BCP) (**Enclosure 1**); and

<u>Planning and Engineering Study for Remaining Phase</u> <u>Development</u>

(b) Upgrading of **854CL** to Category A at an estimated cost of \$200.8 million in MOD prices for engaging consultants to undertake planning and engineering study (P&E Study) for the Remaining Phase Development of the NTN (**Enclosure 2**).

OVERVIEW

2. Under the Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 (Hong Kong 2030+ Study) promuglated in October 2016, the NTN has been identified as one of the two strategic growth areas to meet Hong Kong's long-term social and economic needs. The Preliminary Feasibility Study on Developing the NTN (Preliminary NTN Study) completed in 2018 recommended that through comprehensive planning and more efficient use of abandoned agricultural and brownfield land, the development of the NTN would be a significant source of land supply for building new communities and developing modern industries and industries preferring locations near boundary crossings to the Mainland, while improving the living environment of the area.

¹ The other strategic growth area identified is East Lantau Metropolis.

Commanding a strategic boundary location, with easy access to Shenzhen and the eastern part of Guangdong, the NTN developments will be the new anchor on the Northern Economic Belt and the Eastern Knowledge and Technology Corridor proposed under the Hong Kong 2030+ to tap into the fast growing regional economy at Greater Bay Area and meet the economic challenges ahead.

- 3. After examining the development opportunities and constraints of a large stretch of land in NTN, the Preliminary NTN Study identified three Potential Development Areas (PDAs), viz (i) San Tin/Lok Ma Chau Development Node (STLMC DN), (ii) the NTN New Town (covering Heung Yuen Wai, Ping Che, Ta Kwu Ling, Hung Lung Hang and Queen's Hill); and (iii) Man Kam To (MKT) Logistics Corridor, as essential sources of land supply to meet the long-term housing, social and economic needs of Hong Kong beyond 2030. The Preliminary NTN Study also proposed that to capitalize the opportunities arising from the proposed Northern Link (NOL) and San Tin Station, the STLMC DN should proceed first.
- 4. The Chief Executive in her Policy Address 2018 directed that the studies on developing brownfield sites in the NTN should be advanced. The Government also announced in February 2019 its full acceptance of the eight land supply options recommended by the Task Force on Land Supply, which included developing the NTN. Adopting the phased development approach and considering the relatively higher concentration of brownfield operations in STLMC DN, the Government commenced the feasibility study of STLMC DN (i.e. the First Phase Development of the NTN) in September 2019. On the basis of this feasibility study which is now largely completed, we propose to commence investigation and detailed design for the STLMC DN, and to do so in tandem with detailed planning and design of the NOL being conducted by the MTR Corporation Limited (MTRCL) so as to optimize the development potential of the area.
- 5. For the Remaining Phase Development of the NTN covering the NTN New Town and MKT Logistics Corridor, we also propose to conduct a P&E study as early as possible to speed up land supply. The P&E study will confirm the suitable land uses, development scale and required infrastructure with all necessary detailed technical assessments.

PUBLIC CONSULTATION

6. We have consulted the local stakeholders on the proposal to carry out the aforesaid design/study for the NTN development and they in general have not raised objection to the proposal but have expressed comments on various aspects. Details are set out in the relevant section of the respective enclosures.

WAY FORWARD

7. Members are invited to consider the funding applications in relation to the development of NTN as set out in paragraph 1 above. Subject to Members' comments, we plan to consult the Public Works Subcommittee on the funding applications and seek the approval of the Finance Committee in the second quarter of 2021.

Development Bureau Civil Engineering and Development Department Planning Department May 2021

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land Development PWP Item No. 852CL – First Phase Development of the New Territories North - San Tin / Lok Ma Chau Development Node (STLMC DN)

PROJECT SCOPE AND NATURE

The part of **852CL** (the "Investigation and Design Project"), which we propose upgrading to Category A, comprises –

- (a) detailed investigation study including formulation of Recommended Outline Development Plan (RODP) and Recommended Layout Plan (RLP), environmental impact assessment (EIA) under the EIA Ordinance, various technical assessments and preliminary design of works for the STLMC DN and the land to be released from the Lok Ma Chau Boundary Control Point (LMC BCP);
- (b) public engagement in relation to the formulation of the RODP and RLP;
- (c) detailed design as well as preparation of tender documents and assessment of tenders for the works described in paragraph 4(a) to (c) below; and
- (d) associated site investigation works as well as supervision.
- 2. The location plan showing the proposed boundary of the STLMC DN including the land to be released from the LMC BCP is at **Annex 1** to this Enclosure.
- 3. Subject to funding approval of the Finance Committee (FC), we plan to commence the Investigation and Design Project in the latter half of 2021 for completion of the different tasks progressively in 24 months' to 52 months' time¹. To meet this schedule, we plan to invite tenders in the second quarter of 2021, but the contracts will only be awarded after obtaining funding approval from the FC.
- 4. We will retain the remainder of **852CL** for the construction works in Category B, which mainly covers –

¹(a) and (b) in the first paragraph would take 24 months while (c) and (d) would take 42 months; and some of tasks would be carried out in parallel.

- (a) site clearance and formation (including land decontamination works) of about 300 hectares (ha) of land, subject to refinement during the investigation study, for housing, community, commercial and other developments as well as engineering infrastructure;
- (b) engineering infrastructure works including road works, drainage, sewerage, waterworks, pumping stations, fresh water and flushing water service reservoirs, sewage treatment works, and landscaping works; and
- (c) environmental mitigation measures for the works mentioned in (a) to (b) above.
- 5. Funding for the remainder of **852CL** will be sought upon substantial completion of the investigation and detailed design.

JUSTIFICATION

6. The Government commenced the Feasibility Study of STLMC DN in September 2019. It has reviewed the broad land use concepts proposed under the Preliminary NTN Study having regard to the latest planning circumstances, locational advantages of the STLMC DN and opportunities arising from developments in Shenzhen and nearby areas. The Feasibility Study has been substantially completed and an initial land use plan (Annex 2), a planning and engineering framework including the broad development parameters, urban design master plan, road and sewerage network and supporting infrastructural requirements have been proposed for the STLMC DN. The STLMC DN covers a total area of about 320 ha² including over 80 ha of brownfield sites and about half of the land is private land. According to the initial land use plan, STLMC DN can support residential developments with about 31 000 flats for accommodating about 84 000 people; and economic and employment uses including innovation and technology³, commercial and retail/dining/entertainment creating about 64 000 job opportunities. The proposals are subject to review and change under investigation and design. STLMC DN will not only increase land and housing supply and create job opportunities, but will also improve the environment through redevelopment of

² The STLMC DN under the Feasibility Study has not yet included the over 20 ha of land at the existing LMC BCP (see paragraph 9 below).

³ The proposed innovation and technology development in the Development Node mainly includes an enterprise and technology park providing space for advanced manufacturing with supporting uses. It will create synergy with the Hong Kong and Shenzhen Innovation and Technology Park at LMC Loop, and reinforces Hong Kong's position as an International Innovation and Technology Hub in the Guangdong-Hong Kong-Macao Greater Bay Area.

brownfield sites and promote better home-job balance. In addition, in pursuit of a green and sustainable community with a range of government, institution or community (GIC) facilities, we will incorporate smart, green and resilient initiatives in the development proposal.

- 7. To take forward the STLMC DN development and to advance the land production, we need to further develop the details of the preliminary proposals formulated under the Feasibility Study. We will refine the initial land use plan to formulate the RODP/ RLP delineating the detailed land uses, vehicular accesses, pedestrian ways, planning parameters such as building height and plot ratio for specific land plots, carry out various technical assessments⁴, conduct public engagement, complete the required statutory and administrative procedures, and formulate the detailed design of the supporting engineering infrastructures works including site formation levels, road alignment and configurations, drainage works, sewerage facilities, etc. as early as possible.
- 8. Upon substantial completion of the Investigation and Design Project, we will seek funding approval for commencement of works. We target to have the first population intake in STLMC DN in 2032. The major population and employment intake will tie in with the implementation programme of the proposed NOL and San Tin Station which are expected to be in operation in 2034.
- 9. As stated in the 2020 Policy Address, the Central Government supports the implementation of customs, immigration and quarantine co-location arrangement at the redeveloped Huanggang Port in Shenzhen, which would release over 20 ha of land at the existing LMC BCP for other uses. The Government reported to the LegCo Panel on Security on 2 March 2021 that consensus had been reached with the Shenzhen Municipal Government on the implementation of co-location arrangement. The LegCo on 24 March 2021 passed a government motion on taking forward the co-location arrangement. As the land to be released adjoins the northern part of the STLMC DN, the released land will be included into the STLMC DN for comprehensive review and planning as well as design of the engineering infrastructure works, so as to optimize the development potential of the area.

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the Investigation and Design Project to be about \$793.8 million in MOD prices.

⁴ The technical assessments concern various aspects including traffic and transport, ecology, sewerage, drainage, water supply, air ventilation, landscape and visual, geology and land decontamination.

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PUBLIC CONSULTATION

11. We consulted the Yuen Long District Council (YLDC) on 17 March 2021 on the Investigation and Design Project. Members of YLDC expressed comments on various issues, including transport support and location of the proposed San Tin Station, interface with existing villages and communities, provision of infrastructure and government, institution or community facilities, implementation mechanism, consultation approach, etc. In this regard, the location of the proposed San Tin Station was indicative at this stage and subject to further review. The issues raised would be reviewed and studied in detail in the Investigation and Design Project. Further details would be available after the detailed investigation study. We will conduct further engagement with relevant stakeholders and provide the relevant information to them when ready. We are arranging to consult the San Tin Rural Committee and will continue to engage other relevant stakeholders in taking forward the Investigation and Design Project.

ENVIRONMENTAL IMPLICATIONS

- 12. The proposed Investigation and Design Project is a designated project under Schedule 3 of the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499). Development proposals under the STLMC DN would also involve designated projects under Schedule 2 of the EIAO which will require Environmental Permits for their construction and operation. We will, as part of the proposed Investigation and Design Project, conduct the EIA studies to comply with the requirements of the EIAO.
- 13. The associated site investigation works will only generate very little construction waste. We will require the consultants to fully consider measures to minimize the generation of construction waste and to reuse/recycle construction waste as much as possible during construction stage.

HERITAGE IMPLICATIONS

14. The Investigation and Design Project including the associated site investigation works will not affect any heritage sites, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

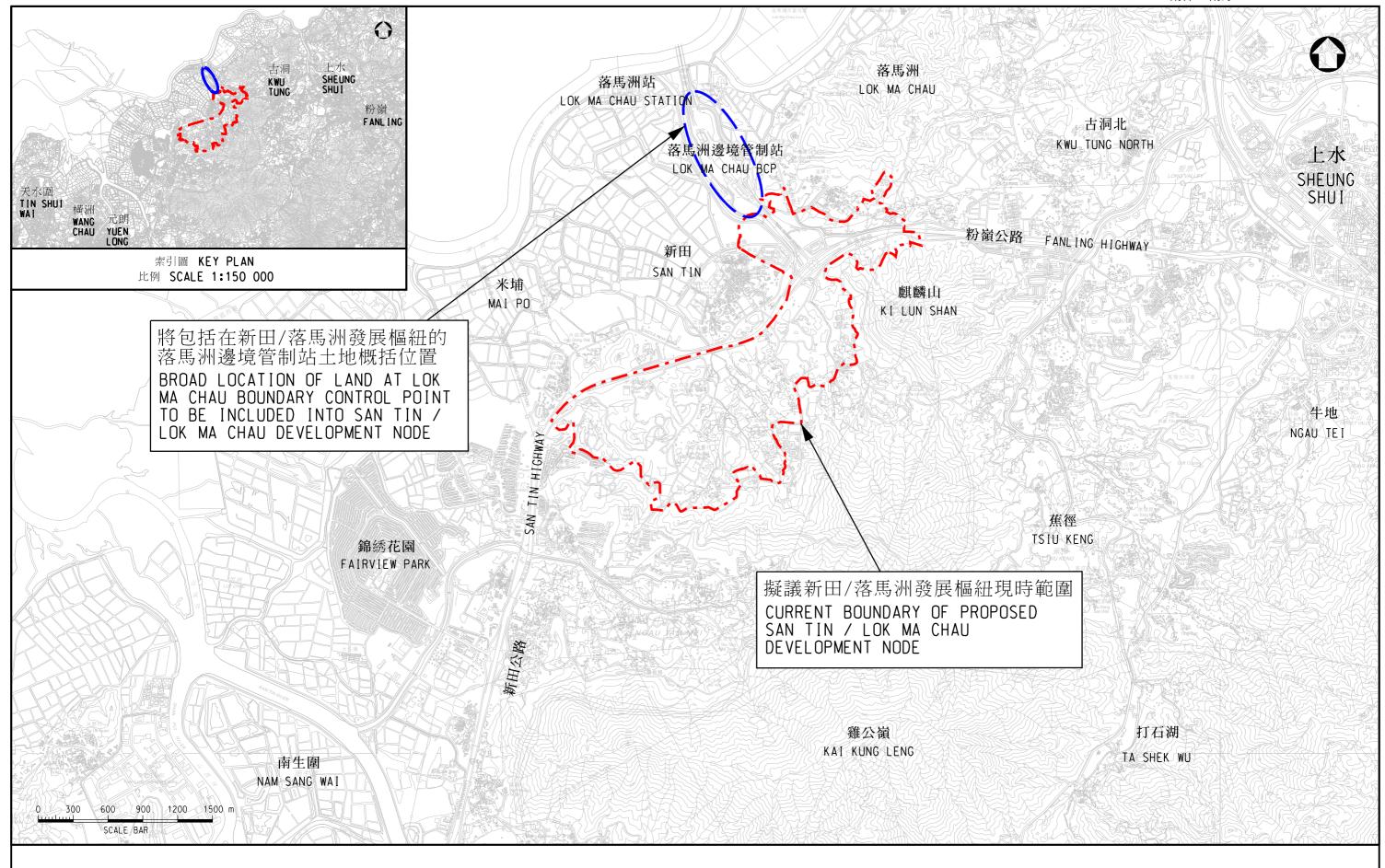
LAND ACQUISITION

15. The proposed Investigation and Design Project is essentially a study hence will not require any land acquisition. The details and scope of land acquisition for the STLMC DN will be ascertained under the Investigation and Design Project.

BACKGROUND INFORMATION

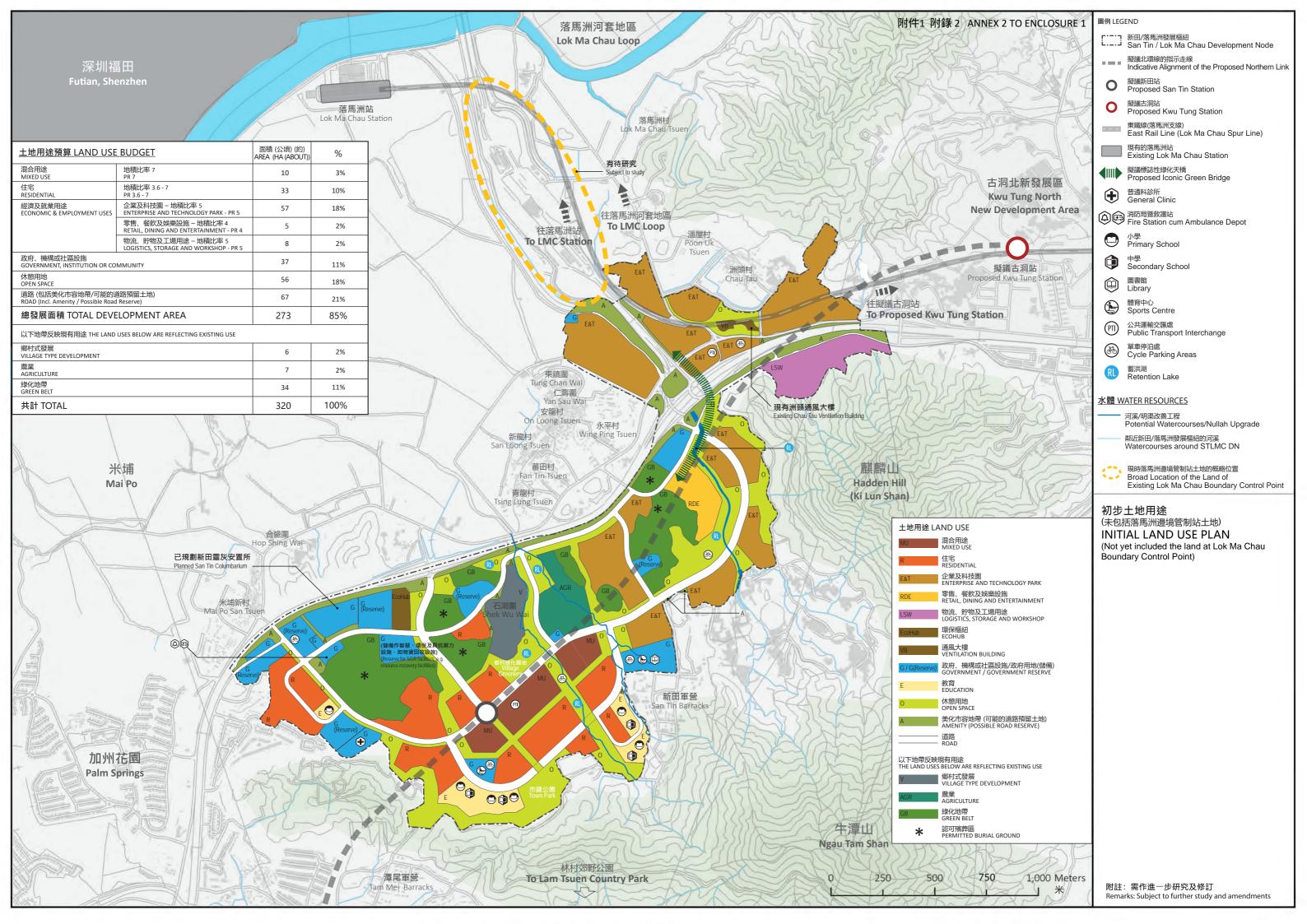
- 16. The Preliminary NTN Study was commissioned in 2014 under the block allocation **Subhead 7100CX** "New towns and urban area works, studies and investigation for items in Category D of Public Works Programme" at a total cost of about \$20.63 million in MOD prices. The preliminary concepts for the NTN development were promulgated in the Hong Kong 2030+ Study public engagement in 2016 and the Final Report and Executive Summary of the Preliminary NTN Study were published in February 2018.
- 17. The Feasibility Study for the STLMC DN was commissioned in September 2019 under the block allocation **Subhead 7100CX** "New towns and urban area works, studies and investigation for items in Category D of Public Works Programme" at a total cost of about \$18.98 million in MOD prices. The Feasibility Study has been substantially completed.
- 18. We upgraded **852CL** to Category B in September 2020.
- 19. The Investigation and Design Project with the associated site investigation works will not directly involve any tree removal or planting proposals. We will require the consultant to take into consideration the need for tree preservation during the planning and design stages of the project. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

Development Bureau Civil Engineering and Development Department Planning Department May 2021



新界北第一階段發展-新田/落馬洲發展樞紐位置圖

FIRST PHASE DEVELOPMENT OF THE NEW TERRITORIES NOTRH - SAN TIN / LOK MA CHAU DEVELOPMENT NODE LOCATION PLAN



HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land Development

PWP Item No. 854CL – Remaining Phase Development of the New Territories North (NTN) – Planning and Engineering Study for NTN New Town and Man Kam To

PROJECT SCOPE AND NATURE

The proposed scope of the Planning and Engineering Study (the P&E Study) under **854CL** comprises –

- detailed planning and engineering studies for the proposed NTN (a) New Town¹ and MKT Logistics Corridor (the Remaining Phase Development), including formulation of the Preliminary Outline Development Plan (PODP), Recommended Outline Development Plan (RODP) and Recommended Layout Plan (RLP), conducting various technical assessments and environmental impact engineering infrastructure assessment. ascertaining the requirements, preparing the implementation strategies/programme phasing and preliminary design of the associated engineering infrastructure works:
- (b) public engagement to collect public views and gauge public response to recommendations of the P&E Study; and
- (c) associated site investigation works as well as supervision.
- 2. The location plan showing the proposed tentative boundary of the Remaining Phase Development is at **Annex 1** to this Enclosure. The exact boundary of the development areas will be subject to review under the P&E Study taking into account the updated planning circumstances. The areas adjoining the development areas, which may affect or be affected by the proposed developments, will be included for technical assessments under the P&E Study.
- 3. Subject to funding approval of the Finance Committee (FC), we plan to commence the P&E Study in the latter half of 2021 for completion in about 36 months. To meet this schedule, we plan to invite tenders for the P&E

NTN New Town covers Heung Yuen Wai, Ping Che, Ta Kwu Ling, Hung Lung Hang and Queen's Hill.

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Study in the second quarter of 2021, but the contract will only be awarded after obtaining funding approval from the FC.

JUSTIFICATION

- 4. According to the Preliminary NTN Study, subject to enhancement in transport infrastructure, the NTN New Town and MKT Logistics Corridor, of about 1,140 ha (including about 160 ha of brownfield sites) with about half of the area being private land, have potential of accommodating a population of not less than 200 000 and providing about 134 000 job opportunities mainly from innovation and technology, commercial, logistics and retail/dining/entertainment uses. The aforesaid two potential development areas (PDAs) will not only increase land and housing supply and create job opportunities, but will also improve the rural environment through redevelopment of brownfield sites and promote better home-job balance.
- The Preliminary NTN Study formulated the broad land use concepts including broad technical assessments for the whole NTN The proposed P&E Study will work out the detailed developments. development proposal, taking into consideration the latest planning circumstances including the land use requirements and the public/private housing ratio in the latest Long Term Housing Strategy. Notably, it will fully consider the locational advantages of the two PDAs at the boundary area and the opportunities arising from developments in Shenzhen and the Greater Bay Area. In this connection, the Study will pay full regard to the development in the regional context including the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035", the latter raises for the first time the support for Hong Kong to enhance its status as an international innovation and technology hub. The study will also consider the implementation of "East in East out, West in West out" strategy which would rationalise the traffic flow of cross-boundary goods vehicles. In view of the above, the development area, scale and land uses under the Preliminary NTN Study are subject to change.
- 6. The NTN New Town and MKT Logistics Corridor are expected to be materialised progressively in the medium to long term and phased development would be explored under the study for early implementation. The P&E Study should consider the strategic roles and functions of the NTN area, and the planning of the PDAs should be forward-looking with flexibility for changes over the years in terms of Hong Kong's future social and economic needs.

- The overall objectives of the P&E Study are to recommend suitable land uses and development parameters and the required supporting infrastructures, and to formulate RODP(s) for the NTN New Town and MKT Logistics Corridor to guide the detailed planning and implementation of the future developments and infrastructure works. The P&E Study will also ascertain the sustainability of the land use proposals in terms of traffic and other infrastructure facilities, environment, urban design, government, institution or community (G/IC) facilities and open space/amenities, taking into account, amongst others, the recommended measures to enhance liveability in the Hong Kong 2030+ Study.
- 8. The P&E Study will also explore how to make the NTN New Town more people-oriented, connected, healthier and sustainable with a liveable environment through adopting a Smart, Green and Resilient City strategy optimizing development density to foster urban-rural-nature integration.

FINANCIAL IMPLICATIONS

9. We estimate the capital cost of the P&E Study to be about \$200.8 million in MOD prices.

PUBLIC CONSULTATION

- 10. We consulted the Ta Kwu Ling District Rural Committee (TKLDRC), the Fanling District Rural Committee (FDRC), the Sheung Shui District Rural Committee (SSDRC), the Sha Tau Kok District Rural Committee (STKDRC) and the North District Council (NDC) on the proposal to commisson the P&E Study in March and April 2021.
- 11. The Rural Committees and NDC in general had no objection to the P&E Study for the Remaining Phase Development. They expressed comments on various aspects relating to the NTN New Town and MKT Logistics Corridor including traffic impact; transport and other necessary infrastructure support; the opportunities arising from developments in Shenzhen and the Greater Bay Area; provision of retail, educational, community and social welfare facilities; local tourism; impact on the local residents, villagers, farmers and brownfield operators; compensation and rehousing/relocation arrangements; development programme as well as public engagement timing and content. We will conduct further engagement with relevant stakeholders and provide the relevant information to them when ready.

ENVIRONMENTAL IMPLICATIONS

- 12. The P&E Study is a designated project under Schedule 3 of the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499). Development proposals to be formulated would also involve designated projects under Schedule 2 of the EIAO which will require Environmental Permits for their construction and operation. We will conduct the EIA studies to comply with the requirements of the EIAO.
- 13. The associated site investigation works will only generate very little construction waste. We will require the consultant to fully consider measures to minimize the generation of construction waste and to reuse/recycle construction waste as much as possible during the construction stage.

HERITAGE IMPLICATIONS

14. The P&E Study including the associated site investigation works will not affect any heritage sites, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

15. The P&E Study will not in itself require any land acquisition. The need and extent of land acquisition for the proposed developments will be ascertained under the P&E Study.

BACKGROUND INFORMATION

- 16. The Preliminary NTN Study was commissioned in 2014 under the block allocation **Subhead 7100CX** "New towns and urban area works, studies and investigation for items in Category D of Public Works Programme" at a total cost of about \$20.63 million in MOD prices. The preliminary concepts for the NTN development were promulgated in the Hong Kong 2030+ Study public engagement in 2016 and the Final Report and Executive Summary of the Preliminary NTN Study were published in February 2018.
- 17. We upgraded **854CL** to Category B in September 2020.

18. The P&E Study with the associated site investigation works will not directly involve any tree removal or planting proposals. We will require the consultant to take into consideration the need for tree preservation during the planning and design stages of the project. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

Development Bureau Civil Engineering and Development Department Planning Department May 2021

新界北餘下階段發展-新界北新市鎮及文錦渡位置圖

REMAINING PHASE DEVELOPMENT OF THE NEW TERRITORIES NORTH (NTN)-NTN NEW TOWN AND MAN KAM TO LOCATION PLAN