

**For discussion
on 8 December 2020**

**Legislative Council Panel on Food Safety and Environmental Hygiene
Market Modernisation Programme Project
in Aberdeen Market and Related Arrangements**

Purpose

This paper seeks Members' views on the proposed overhaul project of Aberdeen Market under the Market Modernisation Programme (MMP) of the Food and Environmental Hygiene Department (FEHD) and other related arrangements.

Background

2. The Financial Secretary announced in the Budget Speech in February 2018 that \$2 billion would be earmarked for launching a 10-year MMP to carry out hardware improvement works for public markets under the FEHD¹. We aim to improve the operating environment of public markets to benefit the community at large, particularly providing market patrons with a more pleasant shopping environment and more choices of fresh food provisions, and facilitating tenants to do business through improved market design and facilities². In addition to the implementation of the MMP for the improvement of market hardware, we will consider how to implement new management measures in a bid to enhance the overall competitiveness of markets.

3. The overhaul of Aberdeen Market is the pioneering project of the MMP³.

¹ Apart from the MMP, the FEHD is taking forward six new market projects which are at different stages of planning. They include the development of new public markets in Tin Shui Wai (TSW), Tung Chung Town Centre, Tseung Kwan O, Kwu Tung North New Development Area (NDA), Tung Chung New Town Extension and Hung Shui Kiu NDA. Besides, FEHD Skylight Market (formerly known as TSW temporary market) located in TSW is expected to commence operation in the second half of December 2020.

² Apart from the MMP, the FEHD has also implemented other measures to improve the shopping environment of markets. For instance, the FEHD promotes contactless payment among market stall tenants under the Anti-epidemic Fund.

³ In identifying candidates for projects of different scales under the MMP, the Government will consider the geographical location and distribution of the markets, condition of facilities, business viability, community needs and tenants' readiness, etc. In particular, we would seek to ensure that the location of the markets to be covered under the MMP is conducive to their future business viability, and that there is a reasonable spread of such markets across the territory to benefit the community at large. Apart from the overhaul of the Aberdeen Market, we also plan to overhaul Yeung Uk Road, Ngau Tau Kok and Kowloon City Markets and to carry out minor refurbishment or improvement works for around 10 public markets in different districts across the territory. We are consulting the tenants concerned on the overhaul or improvement projects. Some minor refurbishment or improvement works have commenced with the support of tenants.

Aberdeen Market is situated in the Aberdeen Municipal Services Building of Southern District and occupies four storeys (site and location plan at **Enclosure 1**) with an area of 6 178 square metres (m²) and a total of 335 stalls at present. Commissioned in 1983, the market was primarily used to re-site tenants of the old Aberdeen Market and hawkers in the district of the time. Subject to constraints at the site area, the design of most stalls and the passageways in the market can hardly meet tenants' current needs for space for daily operation and the existing facilities are also aging, affecting the shopping environment and leading to management issues.

The works project and estimated cost

The works project

4. Public markets are one of the major sources of fresh food provisions for the general public, which should be kept decent, clean, neat and tidy without being unduly upmarket. We also hope that public markets can serve a greater social function, for example, through making room for installation of seating so that the general public can enjoy the public space and markets can serve as gathering spots for the public in addition to offering choices of fresh food provisions for them.

5. The scope of works of the overhaul of Aberdeen Market mainly covers the following:

- (a) re-configuring the overall layout of the market and the cooked food centre, including re-planning the stalls, widening the passageways, escalators and entrances;
- (b) installing air-conditioning system, two new accessible lifts and two new goods lifts for exclusive use by the market, as well as upgrading other building services installations;
- (c) refurbishing the façade of the market;
- (d) refurbishing the refuse collection point including the provision of new facilities designated for recycling of discarded foam boxes; and
- (e) other miscellaneous improvements, including the provision of more public space and seating, a baby care room, a breast-feeding room as well as storage space for tenants, increasing the number of toilets and upgrading of the barrier-free facilities, etc.

The artist's impression of the works project is at **Enclosure 2**.

Trade mix

6. The overhaul project involves large-scale alteration of stalls and enlargement of their areas as well as widening of passageways and upgrading of barrier-free facilities. Besides, after considering stakeholders' views and reviewing the current operation, we propose to provide a number of new facilities⁴ during the overhaul of Aberdeen Market. Under such circumstances, adjusting the number of existing stalls is unavoidable.

7. As public markets are one of the major sources of fresh food provisions for the general public, we will re-organise the trade mix of the overhauled market with a focus on food-related stalls to maintain the overall competitiveness of the market. Under current planning, we expect that the overhauled market will provide around 150 stalls (including 35 large stalls, 106 small stalls and 9 cooked food stalls) and the average size of each stall will increase. For example, the area of large stalls (selling fish, meat, poultry, siu mei and lo mei) will increase by about 30% to 15 m², whereas that of small stalls (selling vegetables, fruits, and other dry goods and wet goods, etc.) will approximately double to 6.75 m².

Estimated cost

8. The proposed project was upgraded to Category B in 2020. The capital cost of the project is estimated to be about \$254 million in money-of-the-day prices.

Public consultation

9. FEHD has been liaising closely with tenants and relevant stakeholders including the Market Management Consultative Committee (MMCC) in respect of the MMP project in Aberdeen Market. After consolidating the views collected from members of the District Development and Housing Committee of the Southern District Council (SDC) in August 2019, the FEHD further consulted the MMCC, SDC members concerned and tenant representatives of the trade in September 2019 on the initial idea of the market overhaul project, arrangements during the works period and options of the concessionary arrangement, etc. The FEHD met with each existing tenant of Aberdeen Market again between October and December 2019 and explained to them the enhanced options in detail and collected the forms for confirmation of intention from all tenants in early this year.

10. In February 2020, the FEHD briefed the Environment, Hygiene and Healthcare Committee (EHHC) of the SDC on the details and work progress of

⁴ Including an additional passenger lift and goods lifts for exclusive use of the market, and a designated room for the recycling process of discarded foam boxes, etc.

the overhaul project of Aberdeen Market, and listened to the views of members on the proposed scope of works, major design features and measures during the works period, etc. The EHHC agreed in principle to the MMP project in Aberdeen Market. In September 2020, FEHD reported the latest progress of the works project to the EHHC and presented the detailed layout design of the overhauled market.

11. Apart from the above, we conducted district consultation about the MMP through the Southern District Office in May 2020 and received no objection. The FEHD and ArchSD attended a tripartite case conference on the MMP held by the Legislative Council along with SDC in June 2020 to exchange views on the works project. The attendees took note of the project details. We will maintain communication with the MMCC and relevant stakeholders in taking forward the project.

Environmental implications

12. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499) and will not cause long-term environmental impact. We have included in the project estimates the cost to implement suitable mitigation measures during site works to control short-term environmental impacts. These measures include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities as well as frequent cleaning and watering of the site.

Implementation

13. Subject to the support of the Panel, we plan to submit the proposal to the Public Works Subcommittee of the Legislative Council for consideration and seek funding approval from the Finance Committee (FC) in the first half of 2021. Depending on the actual circumstances, our target is to commence the overhaul works in Q3 2021. The tenants have preliminarily agreed to full closure of the market for 14 months for the works to proceed. We will explore on whether the project programme could be further shortened. During the works period, we will take appropriate measures⁵ to minimise the impact on stakeholders and

⁵ The measures include :

- (a) issuing letters to the licensees of supermarkets and fresh provision shops near Aberdeen Market before commencement of the works, in the hope that they will increase the supply of related commodities to cater for the needs of the residents;
- (b) staff of FEHD closely monitoring the situation of obstruction of pavements and roads by articles placed by shops in Aberdeen, stepping up inspections and liaising with the relevant departments in prosecuting offenders to ensure that the streets are free from obstruction;
- (c) taking measures to reduce noise and impact during the works period; and
- (d) liaising with the Transport Department to explore ways to enhance the transport services provided by some public transport operators to and from the markets in the area (e.g. Tin Wan Market, Ap Lei Chau

residents in the vicinity as far as possible.

Other related arrangements

14. Under the terms of existing tenancies of market stalls, the landlord (i.e. the FEHD) and tenants are not required to make any compensation to the other party for tenancy termination with a written notice of not less than one month. Nevertheless, considering that the co-operation of tenants can facilitate the smooth implementation of market development or consolidation plans⁶ for achieving the objectives of optimising land uses, benefitting the public and promoting district development, which meets the overall interest of the community, the Government would consider making concessionary arrangements, including providing a one-off ex-gratia payment to tenants who choose to close down the business or relocate to the vacant stalls of designated FEHD markets to continue operation.

15. To allow timely disbursement of ex-gratia payments to the tenants affected by market development or consolidation plans as appropriate, we propose to create a non-recurrent commitment of \$100 million. Subject to the Panel's views on the proposal, we plan to seek funding approval from the Legislative Council in accordance with established procedures. Since the annual cash flow is essentially demand driven, it will depend on factors such as the actual progress of implementing the market development or consolidation plans, number of affected tenants and the preference of the tenants concerned, etc. We will reflect the non-recurrent expenditure required in the estimates of the relevant years.

Advice sought

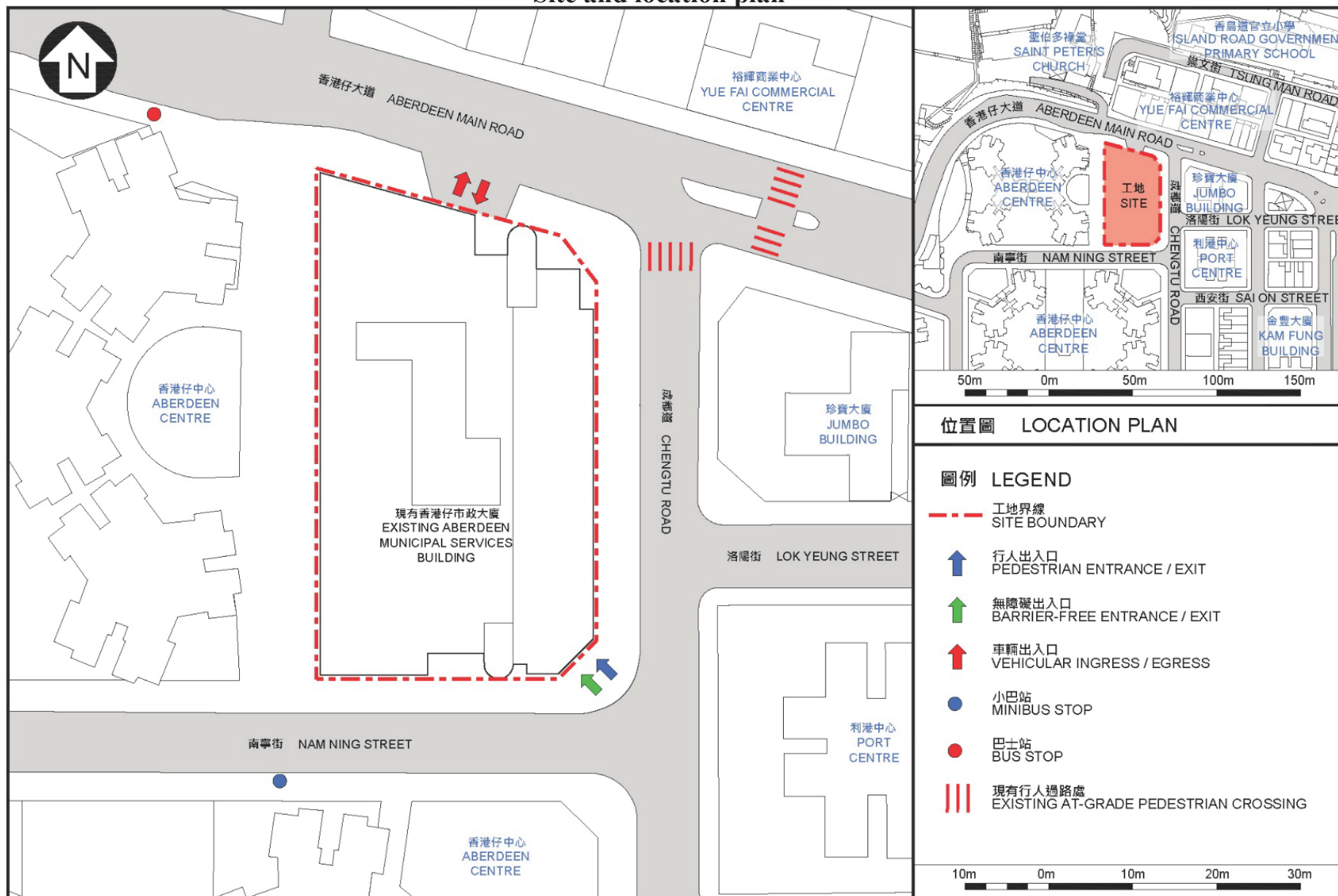
16. Members are invited to support to and provide comments on the proposals of overhaul project in Aberdeen Market and the creation of a non-recurrent commitment.

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Market and Yue Kwong Road Market), so as to facilitate local residents in purchasing daily necessities.

⁶ The market development or consolidation plans refer to overhaul or reprovisioning of public markets under the MMP (for instance, Aberdeen, Yeung Uk Road, Ngau Tau Kok and Kowloon City Markets), or closure or consolidation of markets due to low patronage or high vacancy rates, etc. (for instance, Choi Hung Road Market).

Site and location plan



工地平面圖
SITE PLAN

35NM
香港仔街市及熟食中心現代化計劃
MODERNISATION OF ABERDEEN MARKET CUM COOKED FOOD CENTRE

ARCHITECTURAL
SERVICES
DEPARTMENT 建築署

Artist's impression of the completed works project



本項目
工程範圍
WORKS
EXTENT
UNDER
THIS PROJECT

從東面望向大樓的構思透視圖
PERSPECTIVE VIEW FROM EAST DIRECTION (ARTIST'S IMPRESSION)

構思圖
ARTIST'S
IMPRESSION

35NM
香港仔街市及熟食中心現代化計劃
MODERNISATION OF ABERDEEN MARKET CUM COOKED FOOD CENTRE

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