

LEGCO QUESTION NO. 16 (Written Reply)

Asked by: Hon LEUNG Fu-wah

Date of meeting: 22 January 2003

Replied by: Secretary for Housing,
Planning and Lands

Question:

Regarding applications made by non-profit-making organizations to modify the use of land which was originally granted to them at a nominal land premium, will the Government inform this Council of:

- (a) the criteria for vetting and approving such applications; and
- (b) the number of cases approved in the past three years and the details of each case, including the name of the applicant, the original and newly approved uses, the area and the land value based on the new use?

Reply :

President,

- (a) Land granted to non-profit making organisations at nominal or concessionary land premium is approved by the Executive Council, or approved under its delegated authority. This includes land granted for non-profit making educational institutions, social welfare institutions, and community, recreational and religious uses.

Since these land grants are provided on a nominal or concessionary premium basis, they are subject to more stringent lease conditions, such as non- alienation of the land and strict user clauses.

Where sites granted for social service purposes are not utilised to their full development potential, the grantees can apply for lease modification

to redevelop their sites for more optimal land utilization and to provide improved facilities. Under such circumstances, permission may be given for a commercial element to be included in the redevelopment scheme, if the following criteria are met:

- (i) the redevelopment should be within the terms of the grantee's Memorandum and Articles of Association, or the terms of the relevant Ordinance for organisations incorporated by statute;
- (ii) the grantee is accountable for income derived from its share in the development, and income from the commercial element is applied to purposes acceptable to Government;
- (iii) the project would be in the public interests e.g. reducing the need for Government's subvention;
- (iv) the redevelopment should aim to provide maximum possible benefit in terms of the provision of "Government/Institution/Community" (GIC) facilities compatible with the overall commercial viability of the project. The inclusion of a commercial element must not be detrimental to the GIC facilities to be provided;
- (v) where appropriate, Government has the right to seek accommodation in the redevelopment for its own use (e.g. offices) or for other public purposes, such as accommodation for other voluntary agencies; and
- (vi) joint venture partners for the redevelopment should be chosen on a competitive basis by a procedure acceptable to Government.

Lease modifications for such redevelopments will require the Executive Council's approval. The lease modification premium for the commercial element in the redevelopment will be charged at full market value.

- (b) In the past three years, there was not any approved case of modification of the land granted to non-profit making organisations.