

APPLICATION FOR PERMISSION
UNDER SECTION 16 OF THE TOWN PLANNING ORDINANCE

APPLICATION NO. A/H3/436

<u>Applicant</u>	Sheen Honour Limited represented by Llewelyn Davies Hong Kong Ltd.
<u>Site</u>	36 Gage Street, Sheung Wan, Hong Kong
<u>Site Area</u>	About 88.1m ²
<u>Lease</u>	Inland Lot (IL) 62 S.B ss.2
<u>Plan</u>	Approved Sai Ying Pun & Sheung Wan Outline Zoning Plan (OZP) No. S/H3/31
<u>Zoning</u>	“Residential (Group A)9” (“R(A)9”) - a maximum building height (BH) of 120mPD or the height of the existing building, whichever is the greater - a minimum setback of 1m from the lot boundary fronting Gage Street shall be provided
<u>Application</u>	Proposed Office, Shop and Services and Eating Place

1. The Proposal

- 1.1 The applicant seeks planning permission for a proposed 21-storey office development with shop and services/eating place on G/F to 2/F at 36 Gage Street, Sheung Wan (the Site). The Site falls within an area zoned “R(A)9” on the approved Sai Ying Pun & Sheung Wan OZP No. S/H3/31 (**Plan A-1**). According to the Notes of the “R(A)9” zone, while ‘Office’, ‘Shop and Services’ and ‘Eating Place’ uses are always permitted on the lowest three floors of the building, planning permission from the Town Planning Board (the Board) is required for ‘Office’ use above the lowest three floors.
- 1.2 In support of the application, the applicant submitted the following documents:
- (a) Application form received on 2.3.2018 (Appendix I)
 - (b) Planning Statement received on 2.3.2018 (Appendix Ia)

- (c) Further Information (FI) dated 8.3.2018 providing clarifications on the proposed non-domestic gross floor area (GFA) submitted by the Applicant **(Appendix Ib)**
- (d) FI dated 6.4.2018 providing responses to departmental comments, revised drainage and sewerage impact assessment and additional technical details on traffic impact assessment submitted by the Applicant **(Appendix Ic)**
(not exempted from publication and recounting requirements)
- (e) FI dated 13.4.2018 providing responses to comments from the Commissioner for Heritage's Office and Antiquities and Monuments Office, and major public comments submitted by the Applicant **(Appendix Id)**
- (f) Applicant's letter dated 25.5.2018 requesting deferment of consideration of the application **(Appendix Ie)**
- (g) FI dated 27.7.2018 providing responses to the Planning Department's comments submitted by the Applicant **(Appendix If)**

1.3 The main development parameters and floor uses of the proposed development are set out below:

Site Area	88.1 m ² (about)
Non-domestic Plot Ratio (PR)	Not more than 15
Total non-domestic GFA	Not more than 1,321.5 m ²
- Office	- about 1,110 m ²
- Shop and Services/Eating Place	- about 211.5 m ²
No. of Blocks	1
Building Height (BH)	Not more than 120mPD at main roof
No. of Storeys	Not more than 21
Site Coverage (SC) below 15m	Not more than 85%
Building Setback	More than 1 m from the lot boundary
Parking Spaces and Loading/Unloading (L/UL) Facilities	Nil
Major Uses by floor:	
G/F to 2/F	Shop and Services/Eating Place
3/F	Mechanical Floor
4/F to 21/F	Office

1.4 The indicative floor layouts and section plan are shown at **Drawings A-1 to A-9**.

1.5 No car parking spaces and L/UL facilities will be provided in the proposed development. Instead, the applicant proposes that the development could use the lay-bys at Site A and Site B of the Urban Renewal Authority (URA) Peel Street/Graham Street Development Scheme (H18 Scheme), located about 15m and 70m away to the south-east of the Site (**Plan A-2**).

- 1.6 The Grade 1 historic structure of Pak Tsz Lane is located at the rear of the buildings at 34-36 Gage Street with an existing passage through the Site to Gage Street (**Plan A-3**). While the original old houses of Pak Tsz Lane have been demolished, the granite steps and the adjoining wall capped by coping concrete are believed to be the original built structure of Pak Tsz Lane (**Plan A-5**). The applicant proposes to re-provide the existing passageway through the Site (**Plan A-8**) with their existing construction materials (i.e. reinforced concrete column and beam structural frame, reinforced concrete floor slabs and brick in-fill walls). As indicated on the G/F layout plan (**Drawing A-1**), a ramp is proposed to replace the step at the passageway's entrance fronting Gage Street to overcome the existing level difference between the Site and Gage Street. A new plaque with material and style of characters matching the early 20th century signage design will replace the existing plastic plaque (**Plan A-8**, Photo 5).
- 1.7 The applicant proposes to provide a setback area of not less than 15% with more than 1m setback from the lot boundary along Gage Street to satisfy respectively the Sustainable Building Design Guidelines and the setback requirement stipulated on the OZP.
- 1.8 In support of the application, the applicant has also submitted technical assessments including a Traffic Impact Assessment (TIA), an Environmental Assessment (EA), a Heritage Impact Study Report (HISR), and a Drainage and Sewerage Impact Assessment.
- 1.9 It is expected that the proposed development would be completed by 2022.
- 1.10 The application was received on 2.3.2018 and was originally scheduled for consideration by the Metro Planning Committee (the Committee) on 1.6.2018. On 1.6.2018, at the request of the applicant, the Committee decided to defer making a decision on the application pending the submission of FI by the applicant. The latest FI was submitted by the applicant on 27.7.2018 (**Appendix Ie**). The application is thus scheduled for consideration by the Committee at this meeting.

2. Justifications from the Applicant

The justifications put forth by the applicant in support of the application are detailed in Section 8 of the planning statement in **Appendix Ia** and in the FI at **Appendix If**. They are summarised as follows:

- (a) there is currently a shortage of office supply in Hong Kong, especially in the central business district (CBD). The proposed development can provide office space of a reasonable scale to meet the demand of office spaces and support Small and Medium Enterprises (SMEs) by providing an option for them to be situated in the CBD;
- (b) the existing building on the Site is a 5-storey residential building located in a prime location in the CBD. It has potential to be redeveloped to maximise the permissible PR of the Site. The proposed development could also achieve synergy with URA projects in the vicinity, such as the Central Market Revitalisation Project and the H18 Scheme where an office/hotel development is being developed at Site C;

- (c) the proposed development generally meets the main planning criteria specified in Town Planning Board Guidelines No.5 (TPB PG-No.5) – “Application for Office Development in Residential (Group A) Zone under Section 16 of the Town Planning Ordinance” in that:
 - (i) the proposed development would not cause adverse traffic impact;
 - (ii) the proposed development is well served by public transport and is in close proximity to the Sheung Wan and Central/Hong Kong MTR stations;
 - (iii) the proposed development is compatible with existing and planned land uses as a commercial cluster is found in close proximity along Wellington Street and Queen’s Road Central;
 - (iv) the proposed office development will be operating with air-conditioning system and is hence less susceptible to air and noise pollution than a residential development; and
 - (v) the proposed development would be purposely designed for office uses. There is no risk of subsequent illegal conversion to domestic units or other uses;
- (d) the Site is located in an area where vibrant retail and dining activities are found in the vicinity during the daytime and at night. The proposed development would supplement the commercial activities in the vicinity and create synergy with the retail and dining activities in the surroundings;
- (e) the proposed development has fully respected the historic interest by providing a connection to No.1-2 Pak Tsz Lane, and the existing passageway through the Site leading to Pak Tsz Lane will be re-provided. The proposed passageway will follow the original setting with a better out-look, an improved walking environment, a clear signage and building finishes that match the neighbourhood;
- (f) technical considerations on traffic, environmental, drainage, sewerage and heritage impacts have been duly considered to ascertain the technical feasibility of the proposed scheme. No insurmountable problems are envisaged and all technical departments have no objection to the proposal;
- (g) the Site is under the sole ownership of the applicant. The proposed development can be implemented in a timely manner;
- (h) according to the 2006 and 2016 census, Central and Western District is experiencing a decrease in population and is not suffering from a shortage of housing supply. Limiting the Site to residential use may not be in line with the demographic trend in Hong Kong;
- (i) similar planning applications (no. A/H3/402 and A/H3/432) for commercial/office developments with shops on lower floors within the “R(A)” zone have been approved by the Board; and

- (j) there is currently a shortage of land not only for housing but also for other economic activities. Hence, the proposed office development at the Site is equally important for the sustainable development of Hong Kong.

3. Compliance with the “Owner’s Consent/Notification” Requirements

The applicant is the sole “current land owner”. Detailed information would be deposited at the meeting for Members’ inspection.

4. Background

The Site and its surrounding area were previously zoned “Commercial/Residential” (“C/R”) on the draft OZP No. S/H3/23 (**Plan A-4**). On 7.5.2010, draft OZP No. S/H3/24 incorporating amendments to rezone the subject “C/R” site to “Commercial” (“C”) and “R(A)” was exhibited for public inspection, with a view to providing a clear planning intention for these sites. Sites on the western side of Gage Street were rezoned to “R(A)9”, while sites at Gage Street adjoining Graham Street and those on both sides of Wellington Street were rezoned to “C”. Since then, the zonings of these sites have remained unchanged.

5. Town Planning Board Guidelines

- 5.1 The Town Planning Board Guidelines for Application for Office Development in “Residential (Group A)” Zone under Section 16 of the Town Planning Ordinance (TPB PG-No. 5) are relevant to this application. The relevant assessment criteria are summarised as follows:
 - (a) the site should be sufficiently large to achieve a properly designed office building;
 - (b) there should be adequate provision of parking and L/UL facilities within the site in accordance with HKPSG and to the satisfaction of the Transport Department (TD). For sites with narrow frontage, where on-site L/UL requirement cannot be met, the applicant should demonstrate that there are alternative locations for L/UL facilities to the satisfaction of TD
 - (c) the site should be at an easily accessible location, e.g. close to the Mass Transit Railway Station or well served by other public transport facilities;
 - (d) the proposed office development should not cause congestion and disruption to the traffic flow of the locality;
 - (e) the proposed office building should be compatible with the existing and planned land uses of the locality and it should not be located in a predominantly residential area; and
 - (f) the proposed office development should be purposely designed for office/commercial uses so that there is no risk of subsequent illegal conversion to substandard domestic units or other uses.

5.2 In general, the Board will give favourable consideration to planning applications for office developments which produce specific environmental and planning gains, for example, if the site is located near to major sources of air and noise pollution such as a major road, and the proposed office development is equipped with central air-conditioning and other noise mitigation measures which make it less susceptible to pollution than a residential development. Other forms of planning gain which the Board would favour in a proposed office development would include public open space and community facilities required in the planning district.

6. Previous Application

There is no previous application at the Site.

7. Similar Applications

There are 15 similar applications for office developments within the “R(A)” zone of the Sai Ying Pun & Sheung Wan OZP (**Plan A-1**). All applications except A/H3/402, A/H3/432 and A/H3/438 were processed before 2012. Out of these, 10 applications (i.e. Nos. A/H3/153, A/H3/154, A/H3/177, A/H3/192, A/H3/214, A/H3/221, A/H3/247 and A/H3/328, A/H3/402 and A/H3/432) were approved with conditions and 5 applications (i.e. Nos. A/H3/190, A/H3/207, A/H3/211, A/H3/377 and A/H3/438) were rejected. The applications that were rejected by the Board were mainly due to the reasons that the proposed development was not compatible with the residential nature of the surrounding area; the adverse traffic impacts caused; the proposed development is not in line with the planning intention of the “R(A)” zone; approval of the application would result in a reduction of housing supply; the applicant has failed to demonstrate that the site is not conducive to residential development; and the setting of an undesirable precedent. Details of the applications are provided at **Appendix II**.

8. The Site and its Surroundings (Plans A-2, A-5 to A-9)

8.1 The Site is:

- (a) located at Gage Street between Hollywood Road and Wellington Street. It is in the area that is generally known as SOHO;
- (b) occupied by a 5-storey residential building built in the 1960s with a retail shop on G/F. The historic structure of Pak Tsz Lane runs through the south-eastern part of the Site;
- (c) adjoined by the Gage Street Refuse Collection Point; and
- (d) within walking distance to the main public transport facilities including buses and public light bus on Queen’s Road Central (about 100m away), the Sheung Wan MTR station (about 300m away), and the Central-Mid-Levels Escalator (about 150m away)(**Plan A-1**)

8.2 The surrounding area has the following characteristics:

- (a) the street block bounded by Gage Street, Peel Street, Hollywood Road and Aberdeen Street is predominantly a mixed use area with shops and restaurants on the ground floor and mainly residential uses above. The Pak Tsz Lane Park is located at the rear of the existing building;
- (b) predominantly commercial developments are found on both sides of Wellington Street which is about 80m away, to the north-east; and
- (c) the URA Development Scheme of Peel Street/Graham Street (the H18 Scheme) is located to the east of the Site (**Plan A-2**). It comprises of 3 sites where Site A and Site B will be developed for mainly residential use with community/commercial/market facilities on G/F, while Site C will be developed for office and hotel uses. The scheme is scheduled to be completed by 2023/24.

9. Planning Intention

The “R(A)” zone is intended primarily for high-density residential developments. Commercial uses are always permitted on the lowest three floors of a building or in the purpose-designed non-residential portion of an existing building.

10. Comments from Relevant Government Departments

10.1 The following government departments have been consulted and their views on the application are summarised as follows:

Land Administration

10.1.1 Comments of the District Lands Officer/Hong Kong West and South, Lands Department (DLO/HKW&S, LandsD):

- (a) the lease governing the lot is subject to restrictions including non-offensive trades clause. It is noted that “eating places” are proposed within the proposed development. For any building or any part or parts thereof to be used for the purpose of “eating places”, an application for licence to remove several offensive trades from the non-offensive trades clause is required;
- (b) the current proposal does not conflict with the lease conditions governing the Site save and except for the aforesaid non-offensive trade restriction, and so, if the application is approved by the Board, the applicant is not required to seek lease modification from LandsD to implement it except for the aforesaid offensive trade licence. Therefore, any planning conditions, if imposed by the Board, cannot be written into the lease through lease modification;
- (c) there is no lease requirement imposed on the lot owner to provide a public passageway within the Site to connect Pak Tsz Lane and Gage

Street. We therefore have no comment on the proposed re-provisioning of the existing passage within the Site; and

- (d) it is noted that a Grade 1 Historic Building, i.e. Pak Tsz Lane, Sheung Wan Hong Kong (Serial No. N24), is situated within the Site.

Traffic Aspect

10.1.2 Comments of the Commissioner for Transport (C for T):

- (a) no comment on the nil provision of parking spaces for the proposed development in view of the site constraints and the justification provided by the applicant;
- (b) as residential development is already permitted at the Site, it is considered that the proposed office use will not generate significant adverse traffic impact; and
- (c) a pedestrian passageway together with a staircase connecting Pak Tsz Lane Park with a clear width not less than the existing provision should be maintained. This requirement should be specified as an approval condition.

Building Aspect

10.1.3 Comments of the Chief Building Surveyor/Hong Kong West, Buildings Department (CBS/HKW, BD):

- (a) detailed assessment on the proposal could only be made at formal submissions stage; and
- (b) given the limited information provided in the application document, BD reserves their comment on the following:
 - (i) determination of site areas, including the inclusion of existing right of way into the site area, for the purpose of PR and SC calculations under Building (Planning) Regulations (B(P)R) 20 & 21;
 - (ii) building over the right of way, to which the Buildings Ordinance s.31(1) is applicable;
 - (iii) compliance with Practice Note for Authorised Persons, Registered Structural Engineers and Registered Geotechnical Engineers (PNAP) APP-151 and APP-152 in case application(s) for the related GFA concessions and/or modification for SC under PNAP APP-132;
 - (iv) the major façade served by the Emergency Vehicular Access (EVA) being less than one-fourth of the total length of all the perimeter walls of the building, to which B(P)R 41(D) is application; and

- (v) the Means of Escape/ Means of Access arrangement.

Sewerage Aspect

10.1.4 Comments of the Chief Engineer/Hong Kong & Islands, Drainage Services Department (CE/HK&I, DSD):

- (a) it is noted from Table 1 that the design flow for office is 80 litre/employee/day. In order to ensure that the sewerage system under planning will be sustainable, 280 litre/employee/day (i.e. the sum of the unit flow factor of employee and the unit flow of commercial activities under general – territorial average) shall be used unless otherwise justified. Please review; and
- (b) the SIA for the development needs to meet the full satisfaction of the Sewerage Infrastructure Group (SIG) of the Environmental Protection Department (EPD), the planning authority of sewerage infrastructure. DSD's comments on the SIA are subject to views and agreement of EPD.

Environmental Aspect

10.1.5 Comments of the Director of Environmental Protection (DEP):

- (a) as office developments are normally provided with centralized air conditioning system, the applicant/Authorized Persons should be able to select a proper location for fresh-air intake at the detailed design stage to avoid exposing future occupants from unacceptable environmental nuisances/impact; and
- (b) should the Board approve this application, approval conditions requiring the applicant to submit a SIA to the satisfaction of DEP or of the Board; and to implement the local sewerage upgrading/sewerage connection works identified in the SIA to the satisfaction of the Director of Drainage Services or of the Board are recommended to be included in the planning permission.

Fire Safety Aspect

10.1.6 Comments of the Director of Fire Services (D of FS):

- (a) no in-principle objection to the application subject to fire service installations and water supplies for firefighting being provided to the satisfaction of D of FS;
- (b) detailed fire services requirements will be formulated upon receipt of formal submission of general building plans; and
- (c) as no details of the EVA have been provided, comments could not be offered at the present stage. Nevertheless, the applicant is advised to observe the requirements of EVA as stipulated in Section 6, Part D of

the Code of Practice for Fire Safety in Building 2011 which is administrated by BD.

Urban Design & Visual Aspect

10.1.7 Comments of the Chief Town Planner/Urban Design and Landscape, Planning Department (CTP/UD&L, PlanD):

it is noted that the proposed BH of 120mPD at main roof level is within the prevailing BH restriction. The proposal also meets the setback requirement as stated in the Remarks of the “R(A)9” zone of the OZP.

10.1.8 Comments of the Chief Architect/Central Management Division 2, Architectural Services Department (CA/CMD2, ArchSD):

- (a) no comment from visual impact point of view; and
- (b) it is noted that the proposed use, development massing and intensity may not be incompatible with the adjacent developments.

Landscape Aspect

10.1.9 Comments of CTP/UD&L, PlanD:

- (a) the proposed development is considered not incompatible with the urban landscape character since medium to high-rise developments are common in the vicinity;
- (b) there are no existing significant landscape resources within the Site, and adverse landscape impact due to the proposed development is not anticipated;
- (c) there is no landscape/greening treatments for the proposed development. The applicant should explore and maximise the provision of greening to improve the landscape and visual amenity in this application as far as practical; and
- (d) the applicant is recommended to improve the walking environment at street level and the passage connecting to No. 1-2 Pak Tsz Lane.

Heritage Aspect

10.1.10 Comments of the Commissioner for Heritage (CHO) and the Antiquities and Monuments Office (AMO), Development Bureau (DEVB)

- (a) no comment on the proposed development as the applicant has committed to do the following:
 - (i) re-provide a free right of way to Pak Tsz Lane taking into account the concerns of AMO;

- (ii) preserve the setting of the entrance passage at No. 36 Gage Street to Pak Tsz Lane (the “Passageway”);
 - (iii) fully respect the character of the Passageway, including but not limited to its width, height, location and alignment within the lot;
 - (iv) preserve as far as possible the flight of steps within the Passageway leading to Pak Tsz Lane;
 - (v) not to disturb the integrity of the flight of steps and related structures of Pak Tsz Lane outside the application site; and
 - (vi) to replace the existing plastic plaque with a new plaque with material and style of the English lettering and Chinese characters matching the early 20th century signage design;
- (b) for better preservation of Pak Tsz Lane, the building plans for the project should be submitted to AMO for comments;
 - (c) prior to the commencement of any works, the applicant should be required to provide photographic and cartographic records of the existing Passageway to Pak Tsz Lane to AMO for record purpose; and
 - (d) AMO should be allowed to conduct 3D scanning of the existing passageway before commencement of any works.

Others

10.1.11 Comments of the Director of Food and Environmental Hygiene (DFEH):

no objection to the application provided that the proposed development will not impede the operation of the Gage Street Refuse Collection Point at all times.

10.1.12 Comments of the Commissioner for Tourism (C for Tourism):

the Tourism Commission, in collaboration with LCSD and Central & Western District Council, is taking forward the revitalisation of Dr Sun Yat-sen Historical Trail project as a major initiative for developing cultural and heritage tourism. The revitalised Trail, featuring 16 newly created artworks along the historic spots of the Trail was launched on 26.4.2018 and will become a new tourism attraction to entice visitors looking for in-depth tourist experience in Hong Kong. Two of the new artworks of the revitalised Trail will be located in the Pak Tsz Lane Park which is adjacent to the Site. The applicant/developer should ensure that the construction works as well as the new building would not form any obstruction to visitors' access to the artworks and have any adverse impact on the environment adjacent to the artworks.

10.1.13 The following departments have no objection to/no comment on the application:

- (a) Project Manager (South), Civil Engineering and Development Department;
- (b) Head of Geotechnical Engineering Office, Civil Engineering and Development Department ;
- (c) Chief Highway Engineer/Hong Kong, Highways Department ;
- (d) Chief Engineer/Development (2), Water Supplies Department;
- (e) Senior Inspector of Road Management Office (Traffic Hong Kong Island), Hong Kong Police Force;
- (f) District Operations Officer (Central District), Hong Kong Police Force; and
- (g) District Officer (Central and Western), Home Affairs Department

11. Public Comments Received During Statutory Publication Period

11.1 During the statutory publication period of the application (ended on 3.4.2018) and FI (ended on 8.5.2018), a total of 18 comments were received. Amongst the public comments received, there are 7 supporting comments from individuals; 7 opposing comments from individuals; and 1 opposing comment from the Central & Western Concern Group. The remaining 3 comments from individuals have not indicated whether they support or object to the application. A full set of the public comments received are at **Appendix III** for Members' reference.

11.2 The major grounds of public comments received can be summarised as follows:

Supporting Comments

- (a) the hygiene and security of the existing passageway are poor. The proposed redevelopment of the existing building can improve the management of the passageway;
- (b) the condition of the existing building is poor and there is a need for redevelopment;
- (c) given the prime location of the Site in the SOHO area, the Site has great potential to be further developed. The proposed office development can meet the pressing demand for office space for SMEs; and
- (d) the proposal can increase the supply of office space, while conserving the historic structure.

Opposing Comments

- (e) conversion of residential building to commercial use is incompatible with the adjacent residential buildings, and the Site should be retained for residential use, as there is a shortage of residential flats in Hong Kong;
- (f) the surrounding area is already densely developed and the road network is already extremely congested. The neighbourhood cannot support additional retail and commercial development;

- (g) the proposed height and PR of the development are out of context with the character of the area and would create a wall effect and prevent air ventilation;
- (h) the assumption that there is sufficient capacity of lay-bys provided near Site B of URA's H18 project is doubtful, since development at Site B is yet to be completed or occupied. The acceptance of the applicant's argument that there is provision of lay-bys nearby may set an undesirable precedent for other planning applications;
- (i) the proposal will threaten the historical setting, atmosphere and ambiance of the lane running through the existing building. Besides, the applicant provided little information about the conservation approach that the development will adopt; and
- (j) it would set a precedent effect if the application is approved.

12. Planning Considerations and Assessment

- 12.1 The applicant proposes to redevelop the existing 5-storey residential building at the Site into a 21-storey office building with eating place and shop and services on the lowest three floors. The applicant also proposes to re-provide the existing passageway in association with Pak Tsz Lane within the Site. The proposed BH of the development is 120mPD which is within the BH restriction of the OZP and a setback of more than 1m from the lot boundary fronting Gage Street has been proposed to meet the requirement stipulated on the OZP.
- 12.2 The "R(A)9" zone is intended primarily for high-density residential development with commercial uses always permitted on the lowest three floors of a building or in the purpose-designed non-residential portion of an existing building. In view of the planning intention of the "R(A)9" zone and the current shortage of housing land to meet the pressing housing needs of the community, sites planned for residential use should be developed in general for its zoned use upon redevelopment unless with strong justifications.
- 12.3 The Site is located in a mixed-use neighbourhood within the wining and dining area of SOHO. While the proposed office development with shop and services/eating places on the lowest three floors is considered not incompatible with the surrounding developments, it is not fully in line with the planning intention of "R(A)9" zone. Moreover, as the Site is currently used for residential purposes, approval of the application would result in a reduction of housing supply.
- 12.4 The Site has an area of only 88.1m². With the need to provide a setback fronting Gage Street, a lift shaft, staircases and other utilities, the effective area per floor available for office, shop and services/eating place use would be relatively small (ranged from 18m² to 32m²). In this regard, the proposed development does not comply entirely with assessment criterion (a) of the TPB PG-No.5 in that the site should be sufficiently large to achieve a properly designed office building.
- 12.5 While all relevant government departments have no objection to the proposed office development, the applicant has not demonstrated that the Site is not conducive to residential development. Hence, the application does not warrant special consideration.

- 12.6 While the applicant has cited two similar applications for commercial/office developments with shops on lower floors (A/H3/402 and A/H3/432) that were approved by the Board, it should be noted that the two applications have their unique background and context in that they involved the same site (at 2-4 Shelley Street) which was surrounded on 3 sides by existing commercial buildings, and planning permission was first granted in 2012, before the policy to address the pressing need for housing was in place. Each case should be considered by the Board on its individual merits.
- 12.7 As mentioned in paragraph 4 above, the Site together with its surrounding area along Gage Street were rezoned from “C/R” to “R(A)9” in 2010. Having considered the predominant residential nature of the existing developments in the area, the planning intention at that time was to maintain the area for residential use. Hence approval of the application would set an undesirable precedent for other residential sites in the same “R(A)9” zone.
- 12.8 There are public comments raising concerns on the appropriateness of the proposed development, the adverse impact on the historic structure, the traffic impact caused, the wall effect, the excessive BH and development intensity and the precedent effect of proposed development. There are also public comments in support of the application as the proposal could increase the supply of office floor space and improve the management of the passageway. The views given in paragraphs 12.2 to 12.7 above and the comments of the relevant government departments in paragraph 10 are relevant.

13. Planning Department’s Views

- 13.1 Based on the assessment made in paragraph 12 and having taken into account the public comments mentioned in paragraph 11, PlanD does not support the application for the following reasons:
- (a) the proposed office development is not in line with the planning intention of the “R(A)9” zone which is for high-density residential developments. The approval of the application would result in a reduction of housing supply;
 - (b) the applicant has failed to demonstrate that the Site is not conducive to residential development; and
 - (c) approval of the application would set an undesirable precedent for similar applications in the same “R(A)9” zone. The cumulative effect of approving such applications would aggravate the shortfall in the supply of housing land.
- 13.2 Should the Committee decide to approve the application, it is suggested that the permission shall be valid until 21.9.2022, and after the said date, the permission shall cease to have effect unless before the said date, the development permitted is commenced or the permission is renewed. The following conditions of approval and advisory clauses are also suggested for Members’ reference:

Approval Conditions

- (a) the reprovision of a pedestrian passageway together with a staircase connecting to Pak Tsz Lane Park at the existing location with a clear width not less than that of the existing passageway to the satisfaction of the Commissioner for Transport or of the Town Planning Board;
- (b) the submission of proposal for the reprovisioned entrance passage at No. 36 Gage Street to Pak Tsz Lane (which runs through the site), as proposed by the applicant, to the satisfaction of the Antiquities and Monuments Office or of the Town Planning Board;
- (c) the provision of photographic and cartographic records of the existing passage at No. 36 Gage Street to Pak Tsz Lane to the satisfaction of the Antiquities and Monuments Office or of the Town Planning Board;
- (d) the submission of a revised Sewerage Impact Assessment (SIA) to the satisfaction of the Director of Environmental Protection or of the Town Planning Board;
- (e) the implementation of the local sewerage upgrading/sewerage connection works as identified in the SIA to the satisfaction of the Director of Drainage Services or of the Town Planning Board; and
- (f) the provision of water supplies for fire fighting and fire service installations to the satisfaction of the Director of Fire Services or of the Town Planning Board;

Advisory Clause

The recommended advisory clauses are attached at **Appendix IV**.

14. Decision Sought

- 14.1 The Committee is invited to consider the application and decide whether to grant or refuse to grant permission.
- 14.2 Should the Committee decide to approve the application, Members are invited to consider the approval condition(s) and advisory clause(s), if any, to be attached to the permission, and the date when the validity of the permission should expire.
- 14.3 Alternatively, should the Committee decide to reject the application, Members are invited to advise what reason(s) for rejection should be given to the applicant.

15. Attachments

Appendix I	Application form received on 2.3.2018
Appendix Ia	Supporting Planning Statement received on 2.3.2018
Appendix Ib	Further Information dated 8.1.2018
Appendix Ic	Further Information dated 6.4.2018
Appendix Id	Further Information dated 13.4.2018
Appendix Ie	Applicant's letter for deferment dated 25.5.2018
Appendix If	Further Information dated 27.7.2018
Appendix II	Similar s.16 planning applications
Appendix III	Public comments

Appendix IV	Advisory Clauses
Drawings A-1 to A-9	Floor plans and section plan submitted by the applicant
Plan A-1	Location Plan
Plan A-2	Site Plan
Plan A-3	Site Plan for Pak Tsz Lane (Grade 1 Historic Structure)
Plan A-4	Location Plan on previous OZPs
Plans A-5 to A-9	Site Photos

**PLANNING DEPARTMENT
SEPTEMBER 2018**