

APPLICATION FOR AMENDMENT OF PLAN
UNDER SECTION 12A OF THE TOWN PLANNING ORDINANCE

APPLICATION NO. Y/H15/12

- Applicant** : Tendo Limited represented by Masterplan Limited
- Plan** : Draft Aberdeen & Ap Lei Chau Outline Zoning Plan (OZP) No. S/H15/32 (in force during submission of application)
- Approved Aberdeen & Ap Lei Chau OZP No. S/H15/33 (gazetted on 31.8.2018)
- Site** : 111 Lee Nam Road, Ap Lei Chau
- Site Area** : 5,538m² (about)
- Lease** : Ap Lei Chau Inland Lot No. 124
- User: “Industrial or Godown or both”, and portions of 5/F of the lot are restricted for the purpose of a “data centre” by the Waiver Letter dated 22.1.2014
- Zoning** : “Other Specified Uses” annotated “Business (3)” (“OU(B)3”)
- restricted to a maximum building height (BH) of 100mPD, or the height of the existing building, whichever is the greater
- Proposed Amendment** : To rezone the application site from “OU(B)3” to “Residential (Group E)” (“R(E)”) with a maximum BH restriction of 100mPD

1. The Proposal

- 1.1 The applicant proposes to rezone 111 Lee Nam Road (the site) from “OU(B)3” on the approved Aberdeen & Ap Lei Chau OZP No. S/H15/33 to “R(E)” for a private residential development (**Plan Z-1**).
- 1.2 According to the indicative scheme submitted by the applicant, the proposed development comprises four 25-storey residential blocks on top of a 2-storey podium and 2 levels of basement car park. The maximum BH of the proposed development is 100mPD at the main roof level.
- 1.3 The major development parameters of the indicative scheme are as follows:

Rezoning Area (about)	5,538m ²
Plot Ratio (PR) (based on development site area)	6.0
- Domestic	5.5
- Non-domestic	0.5
Gross Floor Area (GFA)	33,228m ²
- Domestic	30,459m ²
- Non-domestic	2,769m ²
Proposed Site Coverage (SC)	
- Domestic	40%
- Non-domestic	65%
No. of Blocks	4
BH	100mPD (main roof level)
No. of Storeys	25 storeys on top of 2-storey podium and 2 basement levels
Total No. of Flats	448
Design Population	(about) 1,344
Average Flat Size	(about) 68m ²
Car parking Spaces	
- Residential Parking	156 (including 3 accessible parking spaces)
- Visitor Parking	20
- Retail Parking	14 (including 1 accessible parking space)
- Motorcycle	7
Loading/Unloading Facilities	
- For Residential	4 (for Heavy Goods Vehicles)
- For Retail	3 (for Light Goods Vehicles) + 1 (Heavy Goods Vehicles)

- 1.4 The location and site plans, floor plans, sections, landscape plans and photomontages submitted by the applicant are at **Drawings Z-1 to Z-16**.
- 1.5 In support of the application, the applicant has submitted the following documents:
- (a) Application form received on 13.4.2018 **(Appendix I)**
 - (b) Supplementary Planning Statement (SPS) **(Appendix Ia)**
 - (c) Further information (FI) received on 24.8.2018 **(Appendix Ib)** providing responses to public and departmental comments with a new Vacancy Survey Report, new greenery coverage calculation, new Visual Appraisal, revised architectural layouts and Landscape Master Plan, revised technical assessment reports including Environmental Assessment; Sewerage and Drainage

Impact Assessment (SIA & DIA) and Traffic Impact Assessment (TIA).

(accepted and not exempted from publication and recounting requirements)

- (d) FI received on 19.11.2018 providing responses to **(Appendix Ic)** comments; revised SIA & DIA and revised TIA to address departmental comments.

(accepted and not exempted from publication and recounting requirements)

- (e) FI received on 17.1.2019 providing responses to **(Appendix Id)** comments.

(accepted and exempted from publication and recounting requirements)

2. **Justifications from the Applicant**

The justifications put forth by the applicant in support of the application are detailed in the SPS and further information at **Appendices Ia to Id**. They can be summarised as follows:

Expedite the Short-term Housing Supply Policy

- (a) The site is owned by a single owner, the proposed development will help to provide about 448 private flats to expedite the housing supply in the short term to meet the market demand for starter flats;
- (b) the proposed residential development is also in-line with the government's policy in supplying more housing flats to meet the demand for housing.

Compatible Land Use with Residential Character of Ap Lei Chau Island

- (c) The proposed development is compatible with the residential character of the Ap Lei Chau which is predominantly residential use;
- (d) the proposed development intensity in terms of PR and BH would be within the general planning restrictions of the intended use;
- (e) the proposed residential development would provide opportunities for landscape and streetscape beautification at podium level.

Transformation of the Immediate Area to Residential Character

- (f) In 2016, the Town Planning Board (the Board) agreed to rezone the site from "Industrial" ("I") to "OU(B)3" and the rezoning of a site less than 70m west of the site from "Other Specified Use" annotated "Cargo Handling Area" ("OU(Cargo Handling Area)"), "Government, Institution or Community" ("G/IC") and "I" to "Residential (Group A)4" ("R(A)4") with a PR of 6 and a maximum BH of 110mPD. The rezoning has transformed the immediate area of

the site to a residential character, and indicated that the area is suitable for residential development.

Compatible with the Immediate Residential Character

- (g) The site is within walking distance, about 600m, from the MTR South Horizons Station making it suitable for residential use;
- (h) the proposed residential development is compatible with the immediate residential character, in terms of a similar land use, development intensity and accessibility to MTR station.

An Undesirable Location for Business

- (i) The site is located at Ap Lei Chau Business Area (ALCBA) (formerly known as Ap Lei Chau West Industrial Area), which is a remote corner at the western side of Ap Lei Chau accessible by one road and is isolated from the city centre and other commercial districts. As ALCBA is bounded by the Lamma Channel on one side and hillsides at the remaining three sides, there is no scope for further expansion of the area to create the critical mass to form a comprehensive business area;
- (j) in comparison with the ALCBA, the Wong Chuk Hang Business Area (WCHBA) (formerly known as Wong Chuk Hang Industrial Area), which was rezoned from “I” to “OU(B)” zone in 2001, has more competitive advantages in terms of its location and scale. WCHBA has easy access to:
 - (i) extensive highway and road network;
 - (ii) MTR Wong Chuk Hang Station for connection to wider MTR network and other public transport networks;
 - (iii) future public transport terminus and shopping area in the future comprehensive development of MTR Wong Chuk Hang Depot;
 - (iv) a new, large mixed-use development at the adjacent comprehensive development of MTR Wong Chuk Hang Depot with new population influx;
 - (v) entertainment venues, such as Ocean Park, hotel facilities and open space; and
 - (vi) wider connection with other business in the area.
- (k) WCHBA has further been identified as the major node in Southern District for business development in the “Review of Land Requirement for Grade A Offices, Business and Industrial Uses” conducted in 2017 (2017 Review). Given the locational advantage and supply of office floor space in WCHBA, it would be difficult for ALCBA to compete or attract business development.

Outlook for General Business Uses in Southern District

- (l) The 2017 Review concluded that WCHBA is the major node in Southern District to congregate and development while Ap Lei Chau is out of the scope for any existing, planned or potential nodes for industries and the market demand for “general business” uses would move towards a surplus of floor space supply, in the short, medium and long-term;

- (m) the findings of the 2017 Review indicated that WCHBA would become the core area for general business to development and the remnant “OU(B)” zones (including the site) at Ap Lei Chau would become obsolete and fade out as supply would be sufficient in these Business Areas.

Government’s 2014 Area Assessments of Industrial Land in the Territory

- (n) The site, including the Electric Tower, Horizon Plaza, Harbour Industrial Centre and Oceanic Industrial Centre, is amongst a cluster of five industrial buildings which had been included in a series of government studies on “Area Assessments of Industrial Land in the Territory” over the years and the latest assessment was completed in 2014 (2014 Area Assessments). The result of the 2014 Area Assessments showed that there was a drop in vacancy rate of the buildings from 15% in 2008, 29% in 2012 and 2% in 2013. However, it should be noted that the sharp drop in 2013 was mainly due to the large intake of floor space in the site while vacancy rate of other buildings remained stable. Moreover, the vacancy survey conducted by the applicant in 2018 indicates that there is a high vacancy rate at the Harbour Industrial Centre and Oceanic Industrial Centre (53.61% and 62.29% respectively);
- (o) the recommendation of rezoning the Ap Lei Chau West Industrial Area (ALCWIA) from “I” to “OU(B)” in the 2014 Area Assessments was based on the premise that the majority of the buildings in the area have been converted to non-polluting industrial and office use. However, the recommendations did not consider the planning circumstances favourable for residential development and the site constraints that limit the potential for a business area, including:
 - (i) the transformation of the immediate area at the site to residential character and supporting open space facilities;
 - (ii) the convenient access to the South Horizons MTR Station;
 - (iii) the significant market demand for general business uses to be concentrated at a more desirable location at the nearby WCHBA; and
 - (iv) the immediate topographic constraints and the remote location of the “OU(B)” zones on Ap Lei Chau.

Similar Planning Circumstances of a Rezoning Application in Ap Lei Chau

- (p) In 1999, the Board considered a rezoning application for a site at Ap Lei Chau Praya Road (No. Z/H15/P11) from “I” to “Comprehensive Development Area” (“CDA”). While the Board did not agree to the rezoning proposal to “CDA” zone, the Board agreed to rezone that site to “Residential (Group E)1” (“R(E)1”) with PR5 for better planning control. That site was subsequently developed into a private residential development (i.e. “Larvotto”). Similar planning considerations can be applied to the current application:
 - (i) both sites are isolated at a dead-end road;
 - (ii) largely phased out of on-site industrial activities;
 - (iii) surrounded by mainly residential developments; and
 - (iv) has reasonably good redevelopment potential (i.e. buildings are in single or relatively unified ownership).

Less Impact Compared to Previously Approved Office Redevelopment

- (q) The site is the subject of a rezoning application (No. Y/H15/10) from “T” to “OU(B)”, which was approved by the Metro Planning Committee (the Committee) of the Board on 27.3.2015, for development of an office tower. The impact and risk of current proposal for residential development is less intensive than the approved office development. The proposed residential development would be more desirable in terms of minimizing the impact and risk on the existing infrastructure capacity and surroundings. A comparison of the two schemes is shown in the table below:

Parameters	Proposed Residential Scheme (A)	Previously Approved Office Scheme (Y/H15/10): (B)	Difference (A – B)
Plot Ratio (PR)	6	15	-9 (-40%)
Total GFA (m ²)	33,228	83,070	-49,842 (-40%)
Site Coverage	40% (Domestic) 65% (Non-domestic)	- 65% (Non-domestic)	0
BH (mPD)	100mPD	100mPD	0
Private Car Parking Spaces	190	330	-140 (-58%)
Motorcycle	7	34	-27 (-79%)
Loading/ Unloading	8	40	-32 (-80%)

Supported by Technical Assessments

- (r) Technical assessments on traffic impact, quantitative risk, noise impact, air quality, sewerage impact, drainage impact and visual impact have been carried out and demonstrated that the proposed residential development is technically feasible and would not create unacceptable impacts to the surroundings.

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

As the applicant is the sole owner of the site, the “owner’s consent/notification” requirements as set out in the Town Planning Board Guidelines on Satisfying the “Owner’s Consent/Notification” Requirements under Sections 12A and 16 of the Town Planning Ordinance (TPB PG-No. 31) is not applicable to the application.

4. Previous Application

The site is the subject of a rezoning application (No. Y/H15/10) from “T” to “OU(B)3” for office development with a maximum BH restriction of 100mPD which was approved by the Committee on 27.3.2015.

5. Background

- 5.1 A planning application (No. A/H15/192) for wholesale conversion of an existing industrial building (Horizon Plaza) for commercial uses at a site immediate to the north of the site across Lee Hing Street was approved with conditions by the Committee on 30.5.2003 (**Plan Z-2**). The industrial building at that site was subsequently converted into retail outlets.
- 5.2 The Ap Lei Chau West Industrial Area (ALCWIA), including the site, was covered by the Study on Area Assessments of Industrial Land in the Territory undertaken by the Planning Department (PlanD) in 2008. According to the findings of the “Report on Area Assessments 2009 of Industrial Land in the Territory” (2009 Area Assessments) completed by PlanD in 2010, ALCWIA was considered suitable to be rezoned from “I” to “OU(B)”, as it would provide more flexibility in the use of the industrial land to allow for a mix of non-polluting industrial uses, information technology and telecommunications industries, office and other commercial uses. The findings of the 2009 Area Assessments were endorsed by the Board on 17.9.2010.
- 5.3 A rezoning application (No. Y/H15/10) of the site from “I” to “OU(B)3” for office development was submitted by the same applicant of the current application on 30.7.2014. Taking into account the findings of the 2009 Area Assessments and the changing character of the area, the Committee approved the rezoning application (No. Y/H15/10) on 27.3.2015.
- 5.4 Subsequently, the findings of the 2014 Area Assessments (completed in August 2015) had concurred with the recommendations of the 2009 Area Assessments that ALCWIA was suitable to be rezoned from “I” to “OU(B)” as the area was gradually transforming into warehouse/storage, office and manufacturing/workshop uses. The proposed amendments of the OZP for ALCWIA, amongst other amendment items (i.e. the residential site at Lee Nam Road), were agreed by the Committee on 4.12.2015 and the amended OZP (No. S/H15/30) with the entire area of ALCWIA (including the site) rezoned from “I” to “OU(B)3” and “OU(B)4” was gazetted on 24.12.2015. ALCWIA was later renamed ALCBA to reflect the changing character of the area.

6. The Application Site and Its Surrounding Areas (Plans Z-1 to Z-5)

- 6.1 The site is:
- (a) situated towards the end of Lee Nam Road which is a dead-end road and falls within ALCBA which is bounded by three roads, namely Lee Nam Road to the southwest, Lee Hing Street to the north and northeast and Lee King Street to the southeast;
 - (b) located near the waterfront facing East Lamma Channel;
 - (c) occupied by the Dah Cheong Hong Motor Services Centre with 15 storeys comprising workshop, storage and ancillary office uses; and

- (d) north-western corner of the site falls within the 500m Consultation Zone of the Potential Hazardous Installation (PHI) No. 5 (Liquefied Petroleum Gas (LPG) and Oil Product Transit Depot) (**Plan Z-1**).

6.2 The surrounding areas have the following characteristics:

- (a) the area is predominantly occupied by industrial buildings. It is situated at the end of Lee Nam Road and is isolated from other residential developments on Ap Lei Chau, such as South Horizons, the Oasis and Lee Tung Estate etc.;
- (b) there are 5 buildings within ALCBA. To the north across Lee Hing Street is the retail outlets, i.e. Horizon Plaza. According to the latest site survey, the remaining industrial buildings are mainly occupied by warehouse/storage and office uses with some manufacturing/workshop uses;
- (c) to the northeast across Lee Hing Street is the Electric Tower used by HK Electric as an office and an electric sub-station;
- (d) to the southwest across Lee Nam Road towards the waterfront is the Hong Kong Island Road Safety Centre of Hong Kong School of Motoring;
- (e) to the northwest of the site across Lee Nam Road is a site zoned “Residential (Group A)4” (“R(A)4”), which is under construction for a private residential development. To the further northwest is the LPG and Oil Product Transit Depot and the private residential development of South Horizons; and
- (f) to the further north and east is Yuk Kwai Shan (Mount Johnston) which is zoned “GB”.

8. Planning Intention

The “OU(B)” zone is intended primarily for general business uses which is to allow flexibility in the use of existing industrial and industrial-office (I-O) buildings as well as in the development of new buildings for commercial and clean industrial uses. A mix of information technology and telecommunications industries, non-polluting industrial, office and other commercial uses are always permitted in new “business” buildings. Less fire hazard-prone office use that would not involve direct provision of customer services or goods to the general public is always permitted in existing industrial or I-O buildings.

9. Comments from Relevant Government Departments

The following government departments have been consulted and their views on the planning application and the public comments received are summarised as follows:

Land Administration Aspect

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

- (a) the site, Ap Lei Chau Inland Lot No. 124, is held under a Conditions of Sale No. 12209 dated 28.4.1992 as varied or modified by a Modification Letter dated 6.4.2009 and a Waiver Letter dated 22.1.2014. The lot is restricted for the purpose of “industrial or godown or both”, and portions of 5/F of the lot are restricted for the purpose of a “data centre” by the Waiver Letter dated 22.1.2014. Hence, the proposed residential use together with commercial and clubhouse facilities are in breach of the lease conditions; and
- (b) should the planning application is approved by the Board, the applicant should be reminded that a lease modification would be required to implement the proposal. Upon receipt of the lease modification, LandsD will consider the application in its private capacity as landlord and there is no guarantee that a lease modification will be approved. The lease modification, if approved, will be subject to such terms and conditions, including payment of and other applicable fees, to be imposed by LandsD at its sole discretion.

Traffic Aspect

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

He has no comments on the TIA for the rezoning application. However, he noted from the TIA that the captioned development together with two other planned developments (i.e. Ap Lei Chau Inland Lot No. 136 and Hotel and Electricity Supply Installation at 2 Yi Nam Road) will exhaust significant portion of the reserved capacity of road junctions (i.e. Ap Lei Chau Bridge Road/Ap Lei Chau Drive, Ap Lei Chau Bridge Road/Lee Chi Road, Lee Nam Road/Lee Hing Street). In particular, Ap Lei Chau Bridge Road/Lee Chi Road junction cannot cater for the cumulative traffic impact arising from the rezoning of the ALCBA from “OU(B)3” and “OU(B)4” to “R(E)” with a plot ratio 5 unless major traffic improvements to the aforesaid junctions. A detailed TIA should be conducted if the entire ALCBA is rezoned for other type of developments.

Environmental Aspect

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

He has no objection to the rezoning proposal from “OU(B)3” to “R(E)” from environmental planning perspective, as any environmental issues could be addressed at the s.16 stage of the proposed residential development. There is no insurmountable environmental problem from the proposed residential development anticipated.

Building Aspect

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

He has no in-principle objection to the application under the Buildings Ordinance and detailed comments on the proposal can only be made at the general building plan submission stage.

Fire Safety Aspect

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

- (a) no in-principle objection to the captioned application subject to fire service installations and water supplies for firefighting being provided to the satisfaction of this Department. EVA arrangement shall comply with section 6, Part D of the Code of Practice for Fire Safety in Buildings 2011 administered by BD; and
- (b) detailed fire safety requirements will be formulated upon receipt of formal submission of general building plans.

Visual and Landscape Aspect

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

- (a) no objection to the rezoning application from the landscape planning and urban design/visual impact point of view; and
- (b) the applicant is reminded to ensure the provision of open space to meet the requirements laid down in the Hong Kong Planning Standards and Guidelines.

Land Use Aspect

9.7 Comments of the Chief Town Planner/Housing and Office Land Supply (CTP/HOLS), PlanD:

- (a) under the 2014 Area Assessments it has been pointed out that the existing industrial building (IB) stock in the “I” and “OU(B)” zones would not be able to meet the projected industrial floor space requirement in industrial buildings. There are shortfalls of floor space in IBs in the short, medium and long terms, taking into account the trend of the increasing usage of the floor space in IBs for non-industrial uses such as warehouse, office and retail activities. While the manufacturing sector has been dwindling over years, there are certain industries relating to local consumption and supporting operations and functions of the city that need to stay in Hong Kong. Besides, the existing IB stock may also serve some of the demand for possible return of certain manufacturing industries or related operations from the Mainland;
- (b) in the 2014 Area Assessments, it has been recommended that a cautious approach should be adopted to review the existing industrial land stock in certain land use zones including “I” and “OU(B)” zones for the following reasons:

- (i) a substantial amount of industrial land has already been rezoned to “OU(B)” and other zonings since 2001 to cater for the changing needs of the community;
 - (ii) both vacancy rates of IBs in “I” and “OU(B)” areas have decreased while the usage for both industrial and non-industrial uses in both types of areas has stabilised. The industrial areas in these two zones therefore still contribute to economic activities;
 - (iii) more active transformation to non-industrial use has occurred in “OU(B)” areas in the last five years, while relatively slower pace of new development and redevelopment has been found in “I” area during the same period;
 - (iv) there is still a continued genuine need for industrial floorspace for the wide range of economic activities from traditional industrial uses to other industrial-related services/office uses;
 - (v) sufficient floor space in IBs needs to be provided to particularly meet the increasing demand for general logistics and warehousing use as well as the demand from manufacturing business relating to local consumption and supporting operations and functions of the city; and
 - (vi) floors pace for appropriate types of activities should be retained in different areas to help achieve a better balance in the distribution of population and employment.
- (c) On the other hand, according to the 2014 Area Assessments, for “I” areas that have already been undergoing relatively more active transformation in the last five years, including ALCWIA where the site is located, consideration could be given to rezoning the areas to “OU(B)” to further facilitate their transformation and provide more job opportunities. It is noted that a s.12A application (No. Y/H15/10) covering the site was approved by the Board on 27.3.2015.
- (d) It is noted that the applicant has conducted a vacancy survey on the three IBs in the “OU(B)3” zone of Ap Lei Chau, namely the “Dah Chong Hong (Motor Service Centre) Limited Ap Lei Chau Service Centre” on the site, Harbour Industrial Centre and Oceanic Industrial Centre. The vacancy rate (by floor area) of the latter two IBs as reported in the survey are 53.61% and 62.29% respectively. As compared with the vacancy rates of the two IBs under the 2014 Area Assessments of 5.82% and 4.56% respectively, the vacancy rates of the two IBs have increased significantly, though it is worthwhile to note that the methodologies adopted in the applicant’s survey and 2014 Area Assessments are different i.e. based on saleable area instead of GFA. We have, however, no comments on the vacancy survey report submitted by the applicant.
- (e) In the FI, it is mentioned that the 2014 Area Assessments is not applicable to the current application as it is a review up to 2014 with no consideration on the latest relevant context. Since 2000, PlanD has undertaken four rounds of Area Assessments in 2000, 2005, 2009 and 2014 to obtain an

updated overview on the utilization of existing IBs for future planning of industrial land in the territory. There has been no change in the recommendations for the concerned area since the 2014 Area Assessments. The next round of Area Assessments is planned in 2019.

- (f) With respect to the applicant's comment that the 2014 Area Assessments has not considered the remote site location and planning circumstances that have occurred after 2015 in particular the commissioning of the MTR South Island Line (East) (SIL(E)) and the proposed residential development adjacent to the site, these factors have in fact all been mentioned and considered in the 2014 Area Assessments, as shown in the report under the recommendation section for Ap Lei Chau West "Industrial" area which stated that "taking advantage of the changing circumstances of the surrounding area, there is potential for further transformation of the area to non-industrial use. It is therefore recommended to retain the recommendation of the 2009 Area Assessments by rezoning the "I" area to the north of Lee Nam Road to "OU(B)" to provide more flexibility in the use of the land in the area". The statutory planning procedures for the rezoning were completed in 2016.

9.8 Comments of the Chief Town Planner/Strategic Planning (CTP/SP), PlanD:

- (a) No comments on the Vacancy Survey Report;
- (b) The Review of Land Requirement for Grade A Offices, Business and Industries Uses (the Review) was undertaken to provide input to the Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030. Two of the major objectives of the Review were (i) to review and update the demand forecast and land requirement of five types of economy land uses, namely CBD Grade A Offices, Non-CBD Grade A Offices, General Business, Industries and Special Industries; and (ii) to review the supply and devise broad strategies to meet the projected land demand in short, medium and long term, and identify potential solution spaces to address the projected shortfalls;
- (c) ALCWIA was covered in the Review and included in the supply and demand analysis mentioned above. The cluster was not specifically indicated in Figure 15 of the SPS only because its total floor space (i.e. about 0.26 million m² GFA according to the 2014 Area Assessments) was below the criteria of 0.5 to 1 million m² set out in the Remarks of the Figure. As such, we do not agree to the conclusion in para. 6.26 of the SPS that "*Ap Lei Chau Island is out of scope for any existing, planned or potential nodes for industries*". In addition to the graph on supply and demand of "General Business" in Fig. 16 of the SPS, she considers that similar analysis on "Industries" which was estimated to have a shortfall of floor space in the short, medium and long term, 0.8%, 3.61% and 5.09% respectively, under the Review should also be relevant to the application.

District Officer's Comments

9.9 Comments of the District Officer (Southern), Home Affairs Department (DO(S), HAD):

- (i) no comment on the application;
- (ii) no comment from the public was received during the public consultation period; and
- (iii) at the 16th Southern District Council (SDC) meeting held on 10.5.2018, two motions were passed:
 - 1) SDC strongly urges the Board to reject the rezoning application and requests the land use of the site for business purpose be maintained; and
 - 2) SDC strongly objects to the rezoning of the site from “OU(B)3” to “R(E)”.

The minutes of the SDC Meeting held on 10.5.2018 is attached in **Appendix II**.

9.10 The following government departments have no comment on the application:

- (a) Chief Architect/Central Management Division 2, Architectural Services Department (CA/CMD2, ArchSD);
- (b) Commissioner of Police;
- (c) Head of the Geotechnical Engineering Office, Civil Engineering and Development Department (H(GEO), CEDD);
- (d) Chief Engineer/Construction, Water Supplies Department (CE/C, WSD);
- (e) Chief Engineer/Hong Kong & Islands, Drainage Services Department (CE/HK&I, DSD);
- (f) Chief Highway Engineer/Hong Kong, Highways Department;
- (g) Director of Electrical and Mechanical Services;
- (h) Director-General of Trade and Industry (DG of TI); and
- (i) Project Manager/Hong Kong Island & Islands, CEDD.

10. Public Comments Received During Statutory Publication Period

10.1 During the statutory publication periods of the application (ended on 18.5.2018), 1st FI dated 24.8.2018 (ended on 28.9.2018) and 2nd FI dated 19.11.2018 (ended on 21.12.2018), a total of 1,370 public comments were received. Of which, 17 submitted by individuals are supportive or have no objection to, while 265 providing comments and 9 without making any comments were also submitted by individuals.

10.2 The remaining 1,079 (including 74 standard letters from petition launched by Legislative Councillors Tanya Chan and Au Nok-hin) were submitted by Legislative Councillors Tanya Chan and Au Nok-hin, SDC, Southern District Councillors Judy Chan Ka-pui and Pauline Yam, 民主黨南區黨團, HK Electric Co. Ltd, South Horizons Concern Group (海怡關注組), South Horizons Estate Owners' Committee and individuals and they all objected to the application. The public comments are attached in **Appendix III** and the major views are summarized as follows:

Supportive

- (a) the proposed residential development would help to stabilise the rising price of residential flats;
- (b) the proposed residential development would help to increase the supply of residential flats and ease the demand for housing;
- (c) the society should stop arguing on land supply matters but to take real action in addressing the shortage of housing; and
- (d) use of the site for residential development is better than other development such as hotel which brings in transient population.

Objecting

- (a) Lee Nam Road is the only access to Electric Tower located at Lei Hing Street which is a major operation hub for HK Electric. The premises houses the System Control Centre, where the electricity supply signals are centralised and monitored, and Emergency Operation Team which provides emergency repairing to ensure reliable supply to the customers. With the increase number of vehicle accessing Lee Nam Road, the possibility of road blocking by traffic accidents would also increase affecting the operation of HK Electric and reliability to customers. Widening of Lee Nam Road would be needed to minimise the impact of road blockage;
- (b) Ap Lei Chau is a small island and is already over-populated. The additional population from the proposed development will further overtax the existing facilities such as open space, G/IC and commercial facilities (e.g. shops and restaurants) and adversely affect the living conditions and environment of the island;
- (c) Lee Nam Road is a single carriageway and would not be able to support the additional traffic and population. Roads and traffic on Ap Lei Chau are already very congested. Cumulative effect of additional traffic from the proposed hotel development in South Horizons and the current application will further aggravate the traffic situation on the island. There is insufficient parking space in the area and the proposed development will cause more illegal parking in the area;
- (d) Ap Lei Chau Bridge the only road link connecting the island to the outside. Should there be serious accident happened to or on the Bridge, the island will be cut out from the outside and residents will be stranded without help;
- (e) MTR SIL(E) has only three carriages per train and there is no room for expansion. It would not be able to cope with the additional demand. Moreover, bus services to Ap Lei Chau have been reduced after the opening of the SIL(E) leaving local residents very limited choice in public transportation;
- (f) the site was rezoned for commercial development very recently. By applying for another rezoning request, the applicant/developer is acting on bad faith

and is not responsible. They should not change its mind so fast for profit seeking;

- (g) the proposed development, if approved, will cause a domino effect triggering other rezoning proposals in the surrounding sites which would bring more people into the area;
- (h) the 2014 Area Assessments has pointed out that there are shortfalls of floor space in IBs in the short, medium and long terms. The applicant was wrong to conclude that the business area in Ap Lei Chau would become obsolete and fade out and the rezoning of the site would result in a loss in employment opportunities;
- (i) the applicant has downplayed the traffic demand, risk of a landslide and potential interface problem between the proposed residential development and the surrounding industrial establishment. The applicant has not addressed the potential pollution impacts that it might cause during the redevelopment of the site;
- (j) the proposed development, which is a fair walking distance away from the MTR South Horizons Station and has ample supply of parking space, would likely be a high class residential development and residents would likely to use their private vehicles as a mean of transportation or rely on shuttle bus services to the MTR Station bringing more traffic congestion in Lee Nam Road and Ap Lei Chau. Moreover, the high class residential development would not help to address demand for affordable housing from the general public; and
- (k) the Government is breaking its promise that the rezoning of the ex-Hong Kong School of Motoring site would be the last residential development in Ap Lei Chau.

Comments

Most of the comments are very similar to the objecting reasons as listed above. In addition, the following comments are noted:

- (a) supports the proposal in-principle but there should be conditions imposed in the lease requiring 15% of the total GFA to be used for G/IC facilities i.e. nursery and non-profitable residential care home for elderly; and require the development to provide a fixed number flats for subsidised housing;
- (b) residential development is acceptable but the Government should provide the needed G/IC, open space and transport facilities to Ap Lei Chau to support the residents; and
- (c) instead of permitting more development in Ap Lei Chau, the Government should first consider ways to solve the traffic problems in Ap Lei Chau including widening the Ap Lei Chau Bridge or building a new bridge/tunnel to link up Ap Lei Chau with the district traffic network.

11. Planning Considerations and Assessment

- 11.1 The application is to rezone the site from “OU(B)3” to “R(E)” to facilitate a private residential development. As mentioned in paragraph 5 above, the site together with other sites in ALCBA was originally zoned “I”. The area was considered suitable to be rezoned to “OU(B)” in the 2009 Area Assessments. The findings of the 2014 Area Assessments concurred with that of the 2009 Area Assessments and concluded that ALCWIA had been undergoing active transformation since the completion of the 2009 Area Assessments and the vacancy rate was only 2.4% when compared to the Territorial average of 3.5%, which indicated that the area was actively used. In view that ALCWIA was gradually transforming into warehouse/storage, office and manufacturing/workshop uses, it was rezoned from “I” to “OU(B)3” and “OU(B)4” in December 2015 to promote business development. The area was also renamed ALCBA to reflect the changing character of the area.
- 11.2 It is noted that the applicant has conducted a vacancy survey on the subject IB and the two adjacent IBs. While the vacancy rate as revealed by the survey varies significantly from those reported in the 2014 Area Assessments, it should be noted that PlanD will undertake another round of Area Assessments in 2019 and a more updated overview of the utilization of existing IBs including the site for industrial and business uses will be made available to facilitate a holistic review of the business situation of the area. In any event, as ALCBA has only been rezoned to “OU(B)” for just about three years, the area is still undergoing a transition from an industrial area into a business area and the full effect of the transformation of the area is yet to be fully materialized. Taking WCHBA as a reference, which was rezoned to “OU(B)” in 2001, it has taken a gradual course of transformation of almost two decades before reaching its current stage of development.
- 11.3 While WCHBA would serve as one of the primary nodes of employment in the Southern District, ALCBA offers an alternative for those seeking other locations to suit their general business operation or budget and could serve as a secondary employment centre. In this regard, ALCBA is a vibrant employment centre with a mixture of active office, retail and non-polluting manufacturing activities such as pharmaceutical production, food production, winery and workshops. As recommended in the 2014 Area Assessments, floor space for appropriate types of activities should be retained in different areas to help achieve a better balance in the distribution of population and employment. Hence, the retention of the “OU(B)” zone in ALCBA would help to spread out the distribution of employment and residential places in the Southern District and the “OU(B)” zone is appropriate to reflect the character of the area. There is no strong justification for deviating from the planning intention of the area for general business uses and for rezoning the site for residential use.
- 11.4 The site is located in the centre of ALCBA at the southern tip of Ap Lei Chau. While most of the concerned departments have no adverse comments on the technical assessments of the rezoning application, C for T advises that according to the applicant’s TIA, the proposed development and other planned developments in the area will exhaust significant portion of the reserved capacity of major road junctions in the vicinity. In particular, Ap Lei Chau Bridge Road/Lee Chi Road junction cannot cater for the cumulative traffic impact if

ALCBA is to be rezoned from “OU(B)3” and “OU(B)4” to “R(E)” unless there are major traffic improvements to the critical junctions.

- 11.5 The proposed rezoning is considered piece-meal in nature and its approval would set an undesirable precedent for other similar applications in the area. The cumulative impact of such approvals would diminish the function of ALCBA as an employment centre in the area and result in adverse traffic impact on the surrounding area.

Public Comments

- 11.6 It is noted that there are public comments supporting and objecting to the application. The departmental comments and planning assessments in paragraph 9 and 11.2 to 11.5 above are relevant.

12. Planning Department’s Views

- 12.1 Based on the assessment made in paragraph 11 and having taken into account the public comments mentioned in paragraph 10, PlanD does not support the proposed rezoning of the site from “OU(B)3” to “R(E)” with a maximum BH restriction of 100mPD for the following reasons:

- (a) the “OU(B)3” zone is appropriate to reflect the planning intention of the area to promote general business uses and to generate employment. There is no strong justification for rezoning the site to residential use; and
- (b) the approval of the application for piecemeal rezoning of the site for residential use would set an undesirable precedent for other similar applications in ALCBA and the cumulative impact of such approvals would diminish the function of ALCBA as an employment centre in the area and would result in adverse traffic impact on the surrounding area.

- 12.2 Should the Committee decide to agree to the subject application by rezoning the site to “R(E)”, an amendment to the OZP will be submitted to the Committee for agreement prior to gazetting under section 5 of the Ordinance after reference back of the OZP for amendment by the Chief Executive in Council. The applicant should be advised to take note of the departmental comments as stated in this paper.

13. Decision Sought

- 13.1 The Committee is invited to consider the application and decide whether to agree, partially agree, or not to agree to the application.
- 13.2 Should the Committee decide not to agree to the application, Members are invited to advise what reason(s) for the decision should be given to the applicant.

14. Attachments

Appendix I

Application form received on 13.4.2018

Appendix Ia	Supplementary Planning Statement
Appendices Ib	Further information submitted by the Applicant received on 24.8.2018
Appendices Ic	Further information submitted by the Applicant received on 19.11.2018
Appendices Id	Further information submitted by the Applicant received on 17.1.2019
Appendix II	Extract of Minutes of Meeting of Southern District Council held on 10.5.2018
Appendix III	Public Comments
Drawing Z-1	Master Layout Plan submitted by the applicant
Drawings Z-2 to Z-7	Floor plans and sections submitted by the applicant
Drawings Z-8 to Z-11	Landscape plans submitted by the applicant
Drawings Z-12 to Z-16	Photomontage submitted by the applicant
Plan Z-1	Location plan
Plan Z-2	Site plan
Plan Z-3	Aerial photo
Plans Z-4 and Z-5	Site photos

**PLANNING DEPARTMENT
FEBRUARY 2019**