

APPLICATION FOR PERMISSION
UNDER SECTION 16 OF THE TOWN PLANNING ORDINANCE

APPLICATION NO. A/KC/454A

<u>Applicant</u>	PCCW Solutions Limited represented by Knight Frank Petty Limited
<u>Site</u>	Cargo Consolidation Complex, 43 Container Port Road, Kwai Chung
<u>Site Area</u>	About 2,655.6m ²
<u>Lease</u>	<p>Kwai Chung Town Lot (KCTL) 340</p> <p>(a) To expire on 30.6.2047</p> <p>(b) Restricted to cargo consolidation and godown purposes excluding offensive trades</p> <p>(c) Spaces shall be provided for the parking and loading/unloading of vehicles (including private cars, light vans, lorries and containers on trailers with prime movers) <i>in accordance with the requirements specified under the lease conditions</i></p> <p>(d) <i>The maximum plot ratio of any building erected on the lot shall be calculated with reference to the schedule stipulated under the lease conditions which specifies a maximum plot ratio of 9.5 for building exceeding 135 feet in height</i></p>
<u>Plan</u>	Draft Kwai Chung Outline Zoning Plan (OZP) No. S/KC/29
<u>Zoning</u>	<p>“Industrial” (“I”)</p> <p>[Subject to a maximum total plot ratio (PR) of 9.5 and a maximum building height (BH) of 90mPD, or the PR/BH of the existing building, whichever is the greater]</p>
<u>Application</u>	Proposed Minor Relaxation of PR Restriction for the Permitted ‘Information Technology and Telecommunications Industries (Data Centre)’ Use

1. The Proposal

- 1.1 The applicant seeks planning permission for minor relaxation of PR restriction from 9.5 to about 10.269 for the proposed ‘Information Technology and Telecommunications Industries (Data Centre)’ use on the G/F and 1/F of the existing industrial building at the application site (the Site), namely Cargo Consolidation Complex (**Plan A-1**). The Site, which is zoned “I” on the OZP, is subject to a maximum PR of 9.5 among other development restrictions. While the proposed ‘Information Technology and Telecommunications Industries (Data Centre)’ is always permitted within the “I” zone, planning permission from the Town Planning Board (the Board) for minor relaxation of PR restriction from 9.5 to about 10.269 to facilitate the proposed development is required.

- 1.2 According to the applicant, majority of the floor users (9 out of 16 storeys) within the building are currently used as data hall and ancillary meeting room with the remaining five storeys as godown. Parking and loading/unloading (L/UL) facilities are located on the G/F and 1/F of the building. The proposal is to convert the existing parking and L/UL facilities on portion of the G/F and the whole 1/F for the proposed data centre use. After the conversion, the associated utilities of the data centre, including switch room and transformer room, will be accommodated together with the re-designated parking and L/UL facilities on the G/F. The 1/F will become an enclosed floor to accommodate data centre facilities including 24-hour network servers, ancillary computer equipment, chiller plant, generator room and emergency power supplies for computer services. The layout plans of the proposed data centre on G/F and 1/F of the Site are indicated on **Drawings A-1 to A-4**.
- 1.3 Upon completion of the conversion work, the total gross floor area (GFA) of the whole development will result in a PR of about 10.269, which exceeds the maximum PR of 9.5 under the OZP by about 0.769 (i.e. about 8.1%). Development parameters of the proposal are set out as below:

Site Area	About 2,655.6m ²		
Existing Total GFA	About 25,222.717m ²		
Existing PR	About 9.498		
Building Height	About 84.02m		
No. of Storeys	16		
Site Coverage (SC)	100%		
Proposed Additional GFA	G/F	Associated Utilities of the Data Centre	About 112.5m ²
	1/F	Data Centre	About 1,934.365m ²
	Total	About 2,046.865m ² (+ about 8.1%)	
Proposed Total GFA	About 27,269.582m ² (i.e. existing 25,222.717m ² + proposed 2,046.865m ²)		
Proposed PR	About 10.269		

- 1.4 After conversion, the parking and L/UL facilities for the development will be wholly provided on the G/F (**Drawing A-1**). There would be 18 additional private carparking spaces with a total of 23. The lorry and container parking spaces would be reduced by 6 and 3 respectively. Comparison of the existing and proposed layout plans on G/F and 1/F is at on **Drawings A-3 and A-4**:

Type (Dimension (LxWxH))	Number of Carparking Spaces			Change (b-a)	
	Existing (a)		Proposed (b)		
Type of Carparking Facilities	G/F	1/F	Total	G/F	
Private Car (5m x 2.5m x 2.3m)	-	5	5	23	+18
Motorcycle (2.4m x 1m x 2.4m)	0	-	0	2	+2

Lorry (7.65m x 2.5m x 4.75m)	-	10	10	LGV Parking Spaces (7m x 3.5m x 3.6m)	2	-6
				LGV L/UL Spaces (7m x 3.5m x 3.6m)	2	
Container (15m x 3.1m x 4.8m)	6	-	6	HGV Parking Spaces (11m x 3.5m x 4.7m)	1	-3
				HGV L/UL Spaces (11m x 3.5m x 4.7m)	2	

1.5 In support of the application, the applicant has submitted the following documents:

- (a) Application Form received on 18.7.2018 with letter (**Appendix I**) dated 17.7.2018 enclosing a revised layout plan
- (b) Letter received on 18.7.2018 enclosing the Supporting (**Appendix Ia**) Planning Statement
- (c) Letter from the applicant's representative dated (**Appendix Ib**) 24.8.2018 requesting for deferment
- (d) Letter from the applicant's representative dated (**Appendix Ic**) 26.10.2018 enclosing a table of responses to departmental comments (R-to-C table), revised Traffic Impact Assessment (TIA) and revised floor plan [*The FI was accepted but not exempted from publication and recounting requirements.*]
- (e) Letter from the applicant's representative dated (**Appendix Id**) 14.12.2018 enclosing a R-to-C table and revised TIA [*The FI was accepted but not exempted from publication and recounting requirements.*]

1.6 The application was originally scheduled for consideration by the Metro Planning Committee (the Committee) on 7.9.2018. On 7.9.2018, upon the request of the applicant, the Committee agreed to defer a decision on the application for two months to allow time for preparation of further information. The application is 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 **Appendices Ia, Ic and Id** which are summarised as follows:

Responding to Government Policy

- (a) The proposed conversion of the existing industrial building could contribute to the Government's policy on boosting the development of innovation and technology industry. Further development of data centre in the subject building could act as the backbone to the digital growth in Hong Kong.

Meeting the Demand of Data Centre

- (b) With the robust growth in cloud computing, artificial intelligence and big data analytics, Hong Kong has a strong demand for data centres in recent years. The proposed conversion at the subject building would further support the growth of digital business in Hong Kong.

In Line with the Planning Intention and Compatible with the Surrounding Area

- (c) The proposed conversion for additional data centre space is in line with the planning intention of the “I” zone. As the other floors in the subject building have been primarily converted to data centres, the proposed conversion is considered compatible with the subject building.
- (d) The subject building is located at the southern fringe of Kwai Chung industrial area. As compared with the traditional industrial uses, the proposed conversion is non-polluting in nature and would not generate air/noise/odour/visual pollution or other nuisances to the subject building and the surrounding area. Adverse environmental impact to the surrounding areas is not envisaged.
- (e) As the proposed data centre is back-of-the-house in nature while the proposed alteration of parking spaces and L/UL areas complies with the requirements in the Hong Kong Planning Standards and Guidelines (HKPSG), the proposed conversion would not generate any adverse traffic impact to the subject building and the surrounding area.

Optimal Location for Developing Data Centre

- (f) The optimal operation of data centre requires a comprehensive set of infrastructures and locational attributes, particularly the sufficiency and stability of power supply and accessibility to multiple telecommunications networks. While there will be sufficient provision of electricity to the subject building, such provision is not likely to affect the electricity supply to the original users in the district and the territory. The subject building is also located in the high-density area with existing data centres and the subject building can utilise the current telecommunications networks for a more effective use.

Utilisation of the Land Resources

- (g) Majority of floors at the subject building are currently being used as data centre while the G/F and 1/F are under-utilised due to low parking and logistics demand. The proposed conversion would utilise the land resources effectively by providing additional data centre facilities with high standard of reliability, security, efficiency and quality. The proposed relaxation of PR restriction from 9.5 to about 10.269 (an increase of 0.769) is only an 8.095% increase, which should be considered minor in nature. It would not result in an increase of the overall development bulk and building height of the existing development.

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

The applicant is not the “current land owner” but has complied with the 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) by obtaining the land owner’s consent. Detailed information would be deposited at the meeting for Members’ inspection.

4. Previous Application

There is no previous planning application at the Site considered by the Board.

5. Similar Applications (Plan A-1)

- 5.1 There are 19 similar applications for minor relaxation of PR restriction of various industrial buildings within the “I” zone on the Kwai Chung OZP mainly for office/retail and industrial-office developments. The applications were submitted between 1991 and 1998 when there was no provision in the Notes of the OZP to exempt the bonus PR from PR calculation. 16 out of these 19 applications were approved with conditions and the remaining three cases were rejected by the Committee. The approvals were granted mainly on the grounds that the minor relaxation of PR was required to accommodate the bonus PR arising from Government resumption of part of the industrial sites for road widening purpose.
- 5.2 There were three applications (A/KC/144, A/KC/208 and A/KC/213) rejected by the Committee on 19.11.1993, 26.7.1996 and 20.12.1996 respectively. Application No. A/KC/144 was rejected on the ground that the road widening reserves for the proposed development was not in line with the proposal of the Transport Department. Application No. A/KC/208 for a proposed office building and minor relaxation of PR to 11.4 was rejected on the ground that the proposed relaxation of PR restriction was not considered as minor. Application No. A/KC/213 to convert an existing industrial building to office/retail uses with minor relaxation of PR to 10.208 was rejected upon review on the ground that the proposed development did not comply with the planning intention of the application site which was zoned “I”.

6. Town Planning Board Guidelines

The Town Planning Board Guidelines for Use/Development within “Industrial” Zone (TPB PG-No. 25D) promulgated in September 2007 are relevant in the following aspects:

- (a) it should be demonstrated that there is a genuine need for the proposed use under application and no suitable alternative accommodation can be found in the vicinity. The location and scale of the proposed use should be justified on operational grounds;
- (b) there should be an adequate provision of parking and loading/unloading facilities within the site in accordance with the Hong Kong Planning Standards and Guidelines

and to the satisfaction of the Transport Department. The inclusion and operation of the proposed commercial use should not adversely affect the traffic conditions in the local road network; and

- (c) the Fire Services Department (FSD) should be satisfied on the risks likely to arise or increase from the proposed commercial use under application. Owing to fire safety concern, the aggregate commercial floor areas on the ground floor of an existing industrial/I-O building with and without sprinkler systems should as a general principle not exceed 460m² and 230m² respectively. For any application which would result in a slight exceedance of the relevant floor area limit, the applicant has to demonstrate that the fire safety concern can be satisfactorily addressed, and each case will be considered by the Board on its own merits. The above limits on commercial floor area do not apply to uses which are ancillary to or for the purposes of supporting the industrial activities and the routine activities of the workers in the industrial or I-O building. These uses include bank, fast food counter (sited at street level without seating accommodation and licensed as food factory), electrical shop (selling electrical accessories usually with repairing services and small in scale), local provisions store (selling cigarettes, drinks, canned food and other local convenience goods, and small in scale) and showroom in connection with the main industrial use.

7. The Site and Its Surrounding Areas (Plans A-1 to A-2 and photos on Plans A-3 to A-4)

7.1 The Site is:

- (a) a 16-storey industrial building, namely Cargo Consolidation Complex, located at the southern fringe of Kwai Chung industrial area bounded by Container Port Road, Kwai Tai Road and Kwai Hong Street;
- (b) the G/F and 1/F of the Site are currently used as carparks and L/UL spaces with building utilities;
- (c) most of the floors (i.e. nine floors) within the building have been used as data centre which are operated by the applicant. The current uses of the subject industrial building are summarized as follows:

Floor	Current Uses
15/F	Technical support staff room and ancillary meeting room
11/F to 14/F	Godown
10/F	Technical support staff room
3/F to 9/F	Data hall
2/F	Godown
1/F	Car park
G/F	Car park

7.2 The surrounding areas have the following characteristics:

- (a) situated within a cluster of industrial, commercial and logistics developments;

- (b) to the immediate southeast is an open-air carpark;
- (c) to the immediate south and southwest are the flyovers of Tsuen Wan Road and railways for Airport Express and Tung Chung Line;
- (d) to its further south is Kwai Chung Container Terminal;
- (e) to the immediate west and northwest are industrial and godown buildings including Kerry Warehouse (Kwai Chung) and Golden Industrial Building; and
- (f) to the immediate north is Ha Kwai Chung Electricity Sub-station.

8. Planning Intention

The planning intention of the “I” zone is primarily for general industrial uses to ensure an adequate supply of industrial floor space to meet demand from production-oriented industries. Information technology and telecommunications industries and office related to industrial use are always permitted in the “I” zone.

9. Comments from Relevant Government Departments

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

Innovation and Technology

9.1.1 Comments of the Office of the Government Chief Information Officer (OGCIO):

- (a) data centres are critical infrastructure for the internet-driven economic development of Hong Kong. Data centres provide essential support for the operations of Hong Kong’s pillar industries such as banking, financial services, logistics and transportation. The demand for data centre services, driven by the increasing use of cloud computing and big data analytics, will grow significantly in the coming years. The availability of sufficient data centre spaces in Hong Kong is essential for maintaining Hong Kong’s competitiveness and continuous economic development as an international business and financial service hub; and
- (b) the Government is committed to fostering Hong Kong as a prime location for data centres in the region. OGCIO welcomes companies to build their data centres in Hong Kong, which would help address the increasing demand of data centre spaces in Hong Kong.

Land Administration

9.1.2 Comments of the District Lands Officer/Tsuen Wan & Kwai Tsing, Lands Department (DLO/TW&KT, LandsD):

- (a) the proposal does not comply with the special conditions mentioned in New Grant No. 5424. If planning approval is given, the owner of the Lot may apply to the Lands Department (“LandsD”) for a temporary waiver in accordance with Lands Department Practice Note Nos. 3/2012, 3/2012A and 3/2012B at nil waiver fee for the change of use of part of the existing building as data centre for the life time of the existing building or until expiry or termination of the New Grant of the Lot, whichever is the earlier (“Data Centre Waiver”). However, the Data Centre Waiver will primarily waive the Government’s right to enforce the user restriction in the New Grant. To effect the proposal, the owner of the Lot will have to submit separate lease modification for other terms contained in the New Grant (i.e. the PR restriction and parking and L/UL requirements) which will be processed by LandsD separately. The lease modification may take such form and contain such conditions as LandsD may consider appropriate for the case including, among others, payment of a premium. He advises that the proposal will only be considered upon receipt of formal applications from the lot owner. There is no guarantee that the applications, if received by LandsD, will be approved and he reserves his comment on such. The applications will be considered by LandsD acting in the capacity as the landlord at its sole discretion. In the event that the applications are approved, it would be subject to such terms and conditions as LandsD may consider appropriate; and
- (b) regarding paragraph 2.3 in the Supporting Planning Statement (**Appendix Ia**), the date of New Grant No. 5424 should be “2 February 1977” while the site area of the Lot should be 2,655.60 m².

Traffic

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

- (a) he has no objection to the application from traffic engineering point of view; and
- (b) the applicant is reminded that sufficient space within the Site should be provided for manoeuvring of vehicles. In addition, no vehicle is allowed to queue back to or reverse onto/from public road at any time.

9.1.4 Comments of the Chief Highway Engineer/NT East, Highways Department (CHE/NTE, HyD):

- (a) it is noted that two out of three existing run-in/outs will be closed; and
- (b) he has no comment from highway maintenance point of view on the application subject to TD's comment on the TIA and the conversion from these run-in/outs to footpath up to Highways Department's satisfaction.

Fire Safety

9.1.5 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 fire-fighting being provided to his satisfaction; and
- (b) detailed fire services requirements will be formulated upon receipt of formal submission of general building plans.

District Officer's Comments

9.1.6 Comments of the District Officer (Kwai Tsing), Home Affairs Department (DO(K&T), HAD):

- (a) no comment on the application from community point of view; and
- (b) his office has posted the application on the notice boards of District Office, the Kwai Fong Community Hall and the Lai King Community Hall from 27.7.2018 to 17.8.2018 and from 2.11.2018 to 23.11.2018 respectively. No comment on the application has been received.

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

- (a) Chief Architect/Central Management Division 2, Architectural Services Department (CA/CMD2, ArchSD);
- (b) Chief Building Surveyor/New Territories West, Buildings Department (CBS/NTW, BD);
- (c) Chief Engineer/Construction, Water Supplies Department (CE/C, WSD);
- (d) Chief Engineer/Mainland South, Drainage Services Department (CE/MS, DSD);
- (e) Commissioner of Police (C of P);
- (f) Director of Environmental Protection (DEP)
- (g) Director General of Trade and Industry (DG of TI); and
- (h) Project Manager/New Territories West, Civil Engineering and Development Department (PM/NTW, CEDD).

10. Public Comments Received During Statutory Publication Period

On 27.7.2018, 2.11.2018 and 28.12.2018, the application / further information were published for public inspection. During the statutory public inspection period, a total of three public comments were received (**Appendix II**). The first public comment received is in fact related to a rezoning application for columbarium use, which is irrelevant to the subject application. A Kwai Tsing District Council member indicates no comment on the application and another Kwai Tsing District Council member strongly supports the application.

11. Planning Considerations and Assessments

- 11.1 The Site falls within an area zoned “I” at the southern fringe of Kwai Chung industrial area which is intended for general industrial uses to ensure an adequate supply of industrial floor space to meet demand from production-oriented industries. The Site is currently occupied by an industrial building with a non-domestic GFA of about 25,222.717m² and PR of about 9.498. Nine out of 16 floors of the building are being used for data centre purpose with the remaining five floors for godown uses and two floors for carparking and L/UL purposes. On top of carparking and L/UL facilities on G/F and 1/F, ‘Information Technology and Telecommunications Industries’ use is always permitted in the “I” zone. Hence, the proposed data centre is considered in line with the planning intention of the “I” zone, and not incompatible with the existing dominant uses within the same development.
- 11.2 The applicant proposed to convert the current L/U and carparking facilities accommodated at the G/F and 1/F for data centre use. This will result in a PR of about 10.269 which exceeds the maximum PR of 9.5 for the “I” zone under the OZP. The proposed minor relaxation of PR restriction from 9.5 to about 10.269 by an increase of 0.769, which is equivalent to an increase in GFA of about 2,047m², is considered minor in nature (i.e. an increase of about 8.1%). Besides, with no increase in the overall development bulk and building height of the existing development, the proposal would not result in adverse visual impacts.
- 11.3 Since the development is mainly surrounded by a mix of industrial, logistics, commercial and warehouse uses, the proposed conversion is considered not incompatible with the surrounding uses from the land use compatibility point of view.
- 11.4 There is an increasing global demand for data services and knowledge-based economy while data centres are essential infrastructure to sustain Hong Kong’s long-term economic growth. The Government is committed to fostering Hong Kong as a prime location for data centres in the region. OGCIO supports the proposal since it would help address the increasing demand of data centre spaces in Hong Kong. The proposal has the merit of facilitating the development for data centre to sustain the development in this field.
- 11.5 The minor relaxation of PR restriction for the proposed conversion will not cause any significant adverse environmental, sewage, drainage, visual, infrastructural and fire safety impacts on the subject building and surrounding area. The

proposed data centre use, which is relatively clean in nature and requires less staff for operation, will generally induce less environmental and traffic impact as compared with other industrial uses. Concerned Government departments consulted including DEP, CE/MS, DSD, D of FS, C of P do not have objection to/adverse comment on the application from environmental, infrastructure and fire services perspectives. Approval condition in relation to fire service installations is recommended as suggested by relevant department. Besides, C for T has no objection to the proposal from traffic point of view. In this connection, it meets the criterion set out in the TPB PG-No. 25D that the provision of parking and L/UL facilities for the proposed development within the "T" zone should be adequate and to the satisfaction of C for T.

- 11.6 Regarding the public comments as detailed in paragraph 10 above, the planning assessments above and departmental comments in paragraph 9 are relevant.

12. Planning Department's Views

- 12.1 Based on the assessments made in paragraph 11 and taken into account the public comment mentioned in paragraph 10, the Planning Department has no objection to the application.
- 12.2 Should the Committee decide to approve the application, it is suggested that the permission shall be valid until 1.2.2023, 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 is also suggested for Members' reference:

Approval Conditions

- (a) the minor relaxation of plot ratio is granted for the proposed development for the life time of the building; and
- (b) the provision of fire service installations and water supplies for fire-fighting before commencement of the proposed development to the satisfaction of the Director of Fire Services or of the Town Planning Board.

Advisory Clause

The suggested advisory clause is attached at **Appendix III**.

- 12.3 There is no strong reason to recommend rejection of the application.

13. Decision Sought

- 13.1 The Committee is invited to consider the application and decide whether to grant or refuse to grant permission.
- 13.2 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.

- 13.3 Alternatively, should the Committee decide to reject the application, Members are invited to advise what reasons for rejection should be given to the applicants.

14. Attachments

Appendix I	Application form received on 18.7.2018 with letter dated 17.7.2018 enclosing a revised layout plan
Appendix Ia	Supporting Planning Statement attached to the Application Form received on 18.7.2018
Appendix Ib	Letter from the applicant's representative dated 27.8.2018 requesting for deferment
Appendix Ic	Letter from the applicant's representative dated 26.10.2018 enclosing a R-to-C table, revised TIA and revised floor plan
Appendix Id	Letter from the applicant's representative dated 14.12.2018 enclosing a R-to-C table and revised TIA
Appendix II	Public comment received
Appendix III	Recommended Advisory Clauses
Drawings A-1 to A-2	Layout Plans
Drawings A-3 to A-4	Comparison of existing and proposed layout plans on G/F and 1/F
Plan A-1	Location Plan
Plan A-2	Site Plan
Plans A-3 to A-6	Site Photos

**PLANNING DEPARTMENT
FEBRUARY 2019**