

TOWN PLANNING BOARD

**Minutes of 732nd Meeting of the
Metro Planning Committee held at 9:00 a.m. on 8.12.2023**

Present

Director of Planning
Mr Ivan M. K. Chung

Chairman

Mr Wilson Y.W. Fung

Vice-chairman

Ms Sandy H.Y. Wong

Mr Franklin Yu

Mr Daniel K.S. Lau

Mr Ricky W.Y. Yu

Professor Roger C.K. Chan

Mr Ben S.S. Lui

Mr Timothy K.W. Ma

Professor Bernadette W.S. Tsui

Assistant Commissioner/Urban, Transport Department
Mr Chow Bing Kay

Chief Engineer (Works), Home Affairs Department
Mr Paul Y.K. Au

Principal Environmental Protection Officer (Territory South),
Environmental Protection Department
Miss Queenie Y.C. Ng

Assistant Director/Regional 1,
Lands Department
Ms Trevina C.W. Kung

Deputy Director of Planning/District
Mr C.K. Yip

Secretary

Absent with Apologies

Mr Stanley T.S. Choi

Ms Lilian S.K. Law

Professor Jonathan W.C. Wong

In Attendance

Chief Town Planner/Town Planning Board
Ms Josephine Y.M. Lo

Town Planner/Town Planning Board
Mr Tommy T.W. Wong

Agenda Item 1

Confirmation of the Draft Minutes of the 731st MPC Meeting

[Open Meeting]

1. The draft minutes of the 731st MPC meeting conducted by way of circulation of papers to all Members were confirmed without amendments.

Agenda Item 2

Matter Arising

[Open Meeting]

2. The Secretary reported that there were no matters arising.

Deferral Cases

Section 16 Applications

[Open Meeting (Presentation and Question Sessions Only)]

Presentation and Question Sessions

3. The Secretary reported that there were two cases requesting the Town Planning Board to defer consideration of the applications. Details of those requests for deferral, Members' declaration of interests for individual cases and the Committee's views on the declared interests were in **Annex 1**.

Deliberation Session

4. After deliberation, the Committee decided to defer decisions on the applications as requested by the applicants pending submission of further information, as recommended in the Papers.

Tsuen Wan and West Kowloon District

Agenda Item 3

Section 12A Application

[Open Meeting (Presentation and Question Sessions Only)]

Y/KC/16 Application for Amendment to the Approved Kwai Chung Outline Zoning Plan No. S/KC/32, To rezone the Site from “Other Specified Uses” annotated “Container Terminal” to “Other Specified Uses” annotated “Container Terminal (1)” and to amend the Notes of the zone applicable to the Site, Hutchison Logistics Centre, 18 Container Port Road South, Kwai Chung, New Territories
(MPC Paper No. Y/KC/16A)

5. The Secretary reported that the application site (the Site) was located in Kwai Chung. Mr Stanley T.S. Choi had declared an interest on the item for being a supervisor of a primary school in Kwai Chung. The Committee noted that Mr Stanley T.S. Choi had tendered an apology for being unable to attend the meeting.

Presentation and Question Sessions

6. The following representatives from the Planning Department (PlanD) and Transport and Logistics Bureau (TLB) and the applicant’s representatives were invited to the meeting at this point:

PlanD

Mr Derek P.K. Tse - District Planning Officer/Tsuen Wan and West Kowloon (DPO/TWK)

Mr W.C. Lui - Senior Town Planner/ Tsuen Wan and West Kowloon (STP/TWK)

TLB

Ms Joanne S.M. Chu - Principal Assistant Secretary for

Transport and Logistics (PAS/T&L)

Ms Brenda W.Y. Sin - Senior Town Planner (Transport and Logistics) Port, Maritime & Logistics

Ms Cecilia S.Y. Fung - Senior Economist (Transport and Logistics) Port, Maritime & Logistics

Applicant's Representatives

Omaha Investments Limited - Mr Ezra Wong

- Mr Nicol Yau

KTA Planning Limited - Mr David Fok

- Ms Anson Ying

7. The Chairman extended a welcome and explained the procedures of the meeting. He then invited PlanD's representatives to brief Members on the background of the application.

8. With the aid of a PowerPoint presentation, Mr W.C. Lui, STP/TWK, briefed Members on the background of the application, the proposed rezoning of the Site from "Other Specified Uses" annotated "Container Terminal" ("OU(CT)") to "OU(CT)1" with amendment to the respective Notes to facilitate the proposed conversion of 6/F of the distribution centre in Hutchison Logistics Centre (HLC) located in Terminal 4 of the Kwai Tsing Container Terminals (KTCT) into a data centre, departmental and public comments, and the planning considerations and assessment as detailed in the Paper. PlanD did not support the application.

[Mr Paul Y.K. Au joined the meeting during PlanD's presentation.]

9. The Chairman then invited the applicant's representatives to elaborate on the application. With the aid of a PowerPoint presentation, Mr David Fok, the applicant's representative, made the following main points:

- (a) under the “Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035” and the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, Hong Kong was positioned as an international financial, transportation and trade centre and an international innovation and technology hub. Such strategic positions in the Greater Bay Area were identified as opportunities for Hong Kong to capitalise on under the Hong Kong 2030+ - Towards a Planning Vision and Strategy Transcending 2030 (HK2030+) as reflected under its territorial spatial development strategy;
- (b) the concept of ‘Industry 4.0’, comprising data centres, smart factories, modern industrial estates and innovation and technology parks, as introduced in HK2030+ could facilitate the modernisation of logistics industry;
- (c) integration of logistics use and data centre was in line with the three of the strategies set out in the “Action Plan on Modern Logistics Development”, i.e. to promote digitalisation and smart logistics development in the industry, to build and promote the high-end and innovative industry image, and to promote interconnectivity of logistics data for enhancing industry competitiveness. The proposed data centre at the Site could serve to facilitate the future development of logistics industry which heavily hinged on the use of information technology;
- (d) a range of facilities were required to support the development of modern logistics industry, such as data centre and automated system, and there were also structural requirements for a modern logistics centre, such as high headroom, heavy floor loading, stable electricity supply, and direct ramp access. As HLC at the Site was purposely built as a logistics centre, it could largely fulfil the operational needs and structural requirements of a modern logistics centre, except without any data centre;
- (e) the Site had been zoned “OU(CT)” for container terminal and associated

port back-up uses on the first outline zoning plan covering Kwai Chung District since 1971. Since then, various uses had been incorporated in the Notes of the “OU(CT)” zone, including ‘Industrial Use’ in Column 2, which allowed more flexibility for efficient use of land at the Site;

- (f) in the 2000s, the term ‘Data Processing Centre/Computer Centre’ was introduced and subsumed under the broad use term of ‘Information Technology and Telecommunication Industries’ (‘IT&TI’) use, which was considered compatible and complementary with industrial uses and hence, such use was incorporated as a Column 1 use for “Industrial” (“I”) and “OU” annotated “Business” (“OU(B)”) zones. However, for “OU(CT)” zone, ‘Industrial Use’ remained a Column 2 use without including ‘IT&TI’;
- (g) without jeopardising the long-term planning intention of “OU(CT)” zone, the applicant proposed to designate the Site as sub-area (a) of the subject “OU(CT)” zone with ‘IT&TI (for partial conversion of existing building in sub-area (a) only)’ incorporated as a Column 2 use. The indicative scheme in the application was preliminary, and if the current rezoning application was agreed, the applicant would submit a more detailed proposal under a s.16 application for the Town Planning Board (the Board)’s consideration and approval; and
- (h) all technical departments had no adverse comments on the application, reflecting that the proposed rezoning was technically feasible.

[Ms Sandy H.Y. Wong and Mr Franklin Yu joined the meeting during the presentation of the applicant’s representative.]

10. As the presentations of PlanD’s representative and the applicant’s representative had been completed, the Chairman invited questions from Members.

Government Policies on Land Use Planning of KTCT and Modern Logistics Development

11. The Vice-chairman and some Members raised the following questions:

- (a) the salient factors in determining the use of land and whether the demand

for a particular use would be assessed on a territorial basis;

- (b) the significance of policy directives in determining the use of land;
- (c) if the data centre was ancillary to logistics facilities, whether the concept of ‘single site, multiple use’ was applicable in the consideration; and
- (d) whether TLB would maintain its objection to the application if the applicant confirmed that the proposed data centre would support solely the logistics industry.

12. In response, Mr Derek P.K. Tse, DPO/TWK, PlanD made the following main points:

- (a) various factors should be taken into account in land use planning. As for KTCT, taking into account the overall development strategy of container terminal, suitable land had been reserved for container terminal and container-related uses near KTCT. In addition, numerous uses had been incorporated as Column 1 uses of “I” and “OU(B)” zones in response to the emerging market needs. To cope with the demand for data centre, dedicated land had been reserved for data centre uses in suitable locations, including Tseung Kwan O and the Hong Kong Science Park;
- (b) container terminal was a very unique use and the development of KTCT was mainly policy-driven. Professional advice from relevant government bureaux/departments (B/Ds) was required to determine the optimal use of land and/or facilities in KTCT. To allow greater flexibility to meet the changing development context, land uses in KTCT were regulated by the OZP with the Column 1 and 2 uses specified in the Notes and restrictions on development parameters were mainly administrated via land leases;
- (c) according to the covering Notes of the OZP, uses directly related and ancillary to the permitted uses and developments within the same zone were always permitted and no planning permission was required. While the

applicant's representative claimed that the proposed data centre was ancillary to the container terminal or related use (such as logistics facilities) during the presentation, this point had not been explicitly mentioned in the applicant's submission in support of the application. Such ancillary uses, if accepted by relevant B/Ds, could be allowed under the current zoning and processed under established mechanisms, such as lease modification; and

- (d) as "OU(CT)" zone was dedicated for container terminal as driven by policy, and hence, relevance of certain type of use to container terminal and related uses was a more important consideration than the development initiative of 'single site, multiple use'.

13. In response, Ms Joanne S.M. Chu, PAS/T&L, TLB said that should there be genuine need for data centre to support logistics facilities, such data centre use could be considered as ancillary uses, which could be processed via the established mechanism, e.g. lease modification, and planning permission would not be required. TLB could not render policy support to data centre not directly related to the operation of logistics industry at KTCT. According to the views of TLB and operators of modern logistics industry, it was not necessary to co-locate a data centre and logistics facilities within the same building. While data centres could be accommodated within any industrial buildings, logistics use was location-sensitive and the Site being located within KTCT, the only container terminal in Hong Kong, had provided precious floor space to support the port and logistics industry. Loss of logistics floor space in KTCT could not be compensated by floor spaces in other parts of the territory. The different locational requirements between a data centre and logistics uses should be carefully considered in assessing the subject application for an individual data centre within KTCT, even if the proposed data centre was intended to serve the logistics industry.

14. The Chairman asked TLB's representative if there was any response to the applicant's claim that the application was in line with the Government's 'Action Plan on Modern Logistics Development'. In response, Ms Joanne S.M. Chu, PAS/T&L, TLB reiterated that the proposed data centre had no direct relationship to modern logistics industry. Whilst the use of information technology was encouraged, data centres, which could be located in other areas, did not merit a need for co-location with logistics facilities. The

precious floor area in KTCT should be reserved for uses that were directly related to container terminal and port/logistics operations.

'IT&TI' Use as a Permitted Use in "I" Zone

15. A Member enquired about the rationale for allowing data centre use in "I" zone. In response, Mr Derek P.K. Tse, DPO/TWK, PlanD, said that in 2001, the Board reviewed to expand the scope of permissible uses in "I" zone to cope with the development needs due to restructuring of industry with the emergence of information technology and telecommunications in Hong Kong. The broad use term of 'IT&TI' was introduced, taking into account the operational requirements of 'IT&TI' uses (including data centre), such as high headroom, heavy floor loading, stable electricity supply, etc., and it was considered suitable to accommodate 'IT&TI' use within industrial buildings. Hence, 'IT&TI' use (including data centre) was incorporated as a Column 1 use of "I" zone accordingly.

Existing HLC and the Proposed Data Centre

16. Some Members raised the following questions:
- (a) whether the proposed rezoning reflected the high vacancy rate of HLC or the diminishing demand for logistics facilities;
 - (b) the business model of the proposed data centre and whether the proposed data centre would serve different users from different sectors or would be ancillary to logistics facilities;
 - (c) whether the entire building of HLC would be converted to data centre and there was any plan for the future use of the Site if the proposed data centre was considered unsuccessful;
 - (d) whether the applicant was aware of the possible relocation of KTCT, and the plan for the proposed data centre at the Site would be affected; and
 - (e) whether policy support was sought from the Innovation, Technology and

Industry Bureau (ITIB).

17. In responses, Messrs Nicol Yau and David Fok, the applicant's representatives, made the following main points:

- (a) the occupancy rate of HLC was nearly 100% in the past few years. However, it was expected that the utilization rate would decrease in the long run due to uncertain market conditions. The application aimed at providing long-term flexibility for using part of the Site as a data centre, which might not be implemented shortly;
- (b) currently, the applicant rented several premises in Kwai Chung for establishment of data centres, which were operated in various business models. From business point of view, data centre and logistics facilities could be highly integrated as a single corporation, as the operation of e-commerce required support from both big data and logistics facilities, with Amazon and Alibaba as the examples. However, it was difficult to differentiate whether the data centre was ancillary to the logistics services or an individual service for different business users. Hence, the proposed rezoning under the application could allow a higher degree of flexibility;
- (c) the utilisation rate of HLC was very high, and the applicant would continue to develop and enhance the logistics facilities thereat, expand their client base and offer high-end and digital logistics services. The applicant had no intention to convert other floors or the whole of HLC for data centre use;
- (d) the applicant was not informed of the relocation of KTCT, and they would review the implementation plan for the proposed data centre before commencement, should the current application be agreed by the Committee; and
- (e) the applicant had not proactively consulted ITIB for seeking policy support.

18. Regarding consultation with ITIB, Mr Derek P.K. Tse, DPO/TWK, PlanD said that comments from ITIB had been sought and incorporated in paragraph 9.1.2 of the Paper.

In gist, ITIB had no objection to the application, but stated that they were not in the position to support the proposed rezoning as it might be subject to land use policy under the purview of other government bureaux.

19. In response to the Vice-chairman's question on whether the scale of the proposed data centre was comparable to other data centres in the territory, Mr Derek P.K. Tse, DPO/TWK, PlanD said that there was no detailed information on hand about the floor areas of other data centres in the territory. That said, the floor area of about 66,600m² for the proposed data centre was comparable to the total floor area of a purpose-built data centre in the Kwai Chung area on a smaller site.

Co-location of Data Centre and Logistics Facilities

20. The Vice-chairman and some Members raised the following questions:

- (a) as data transmission between a data centre and a logistics centre was not location-bound, the benefits of or the need for co-locating a data centre with the logistics facilities at KTCT, instead of utilising the existing data centres in adjoining areas like Tsuen Wan or Kwai Chung to support the logistics facilities; and
- (b) whether there was any information on the demand for co-location of data centre and logistics centre at KTCT and any successful precedents or overseas examples, e.g. Singapore, which highlighted the synergy between data processing, logistics and container port.

21. In responses, Messrs Nicol Yau and David Fok, the applicant's representatives, made the following main points:

- (a) while data transmission between places via cloud was not location-bound, proximity of data centre and logistics facilities was preferred in terms of management and maintenance efficiency. As a modern logistics centre would require both a distribution centre and a data centre, the proposed co-location of a data centre with HLC at KTCT could create synergy effect.

It could stimulate the utilisation of data centre by the logistics industry, which in turn enhance operation efficiency and facilitate the modernisation of logistics industry in Hong Kong. In addition, one-stop services could be provided to any business which simultaneously required the services from the logistics industry and the data centre, which could attract comparable international corporations to set up operation in HLC. Big data was a valuable asset for automation and distribution of goods. Proximity of data centre and logistics centre was beneficial to the tenants and/or operators of logistics centres for easy management of the big data. The proposed data centre could facilitate the automation of logistics industry in future; and

- (b) whilst there was no data indicating the demand of co-location of data centre at KTCT, there was a keen demand for data centre in Hong Kong and the demand for data centre complementary to logistics industry would increase.

22. As the applicant's representatives had no further points to raise and there were no further questions from Members, the Chairman informed the applicant's representatives that the hearing procedure of the application had been completed and the Committee would deliberate on the application in their absence and inform the applicant of the Committee's decision in due course. The Chairman thanked PlanD's representatives and the applicant's representatives for attending the meeting. They left the meeting at this point.

Deliberation Session

23. The Chairman remarked that the application was to incorporate 'IT&TI' use as a Column 2 use of the subject "OU(CT)" zone. A s.16 application to the Board for seeking planning permission was required for the proposed data centre, if the rezoning proposal was agreed. In considering the current application, Members could take into account whether the proposed data centre use was in line with the planning intention of the "OU(CT)" zone, which was a policy-driven land use zoning for development of container terminal. Unlike other zonings, such as "Residential (Group A)" or "Commercial", which were mainly market-driven, land use of the subject "OU(CT)" zone largely hinged on the views of relevant B/Ds. TLB considered that the proposed data centre was not relevant to container terminal/logistics operations at KTCT. The loss of logistics floor space could not be

compensated in other parts of the territory and the Site should be retained for operations of the container terminals and related port back-up uses. The demand for a data centre might not necessarily warrant the co-location with logistics facilities. Besides, there were several proposed developments of data centre in Kwai Chung area that had been processed under the town planning regime. The Chairman then invited Members' views on the application.

24. Members generally considered that the application should not be agreed and had the following views on the application:

- (a) it was the Government's policy to retain KTCT, including the Site, for container terminal and related uses, such as logistics uses. With the strong policy intention as elucidated by the relevant government representatives, there were reasonable grounds to keep the dedicated uses of the Site;
- (b) the applicant failed to provide strong justifications on the imminent need for and the merits of co-locating a data centre and the logistics facilities at the Site; and
- (c) the applicant failed to provide information on the business models and operation modes of the proposed data centre, leaving the genuine intention of the proposed rezoning and the development plan for the Site ambiguous.

25. A Member shared that there were merits of putting data centre and logistics uses in close proximity in respect of management and maintenance as well as security, as it involved shorter transmission pipelines between the two uses and less risk and exposure to damage. That said, as the Site was dedicated for container terminal and logistics use under strong policy directive and there existed other suitable locations for data centre use, the proposed rezoning was not supported.

26. A Member further pointed out that 'IT&TI' use was proposed as a Column 2 use of the "OU(CT)1" zone and a s.16 application was thus required for the proposed data centre, but the applicant might still change their plan and convert more than one floor space for data centre use. In that regard, the Chairman remarked that the application proposed 'IT&TI (for partial conversion of existing building in sub-area(a) only)' be incorporated as a Column 2 use of the proposed "OU(CT)1" zone, and the "partial conversion" was not clearly specified. Theoretically the applicant could apply to the Board for using more than one floor for data

centre use at the Site.

27. After deliberation, the Committee decided not to agree to the application for the following reason:

“the Site forms an integral part of the “Other Specified Uses” annotated “Container Terminal” (“OU(CT)”) zone which is intended primarily to cater for the development of container terminals and the associated port back-up facilities. The proposed data centre development is not directly related to the port/logistics operations in the Kwai Tsing Container Terminals. The existing “OU(CT)” zone as stipulated in the Notes of the Kwai Chung Outline Zoning Plan for the Site is considered appropriate and there is no strong justification to rezone the Site to make provision for accommodating data centre use. Land use flexibility for the provision of data centre has been allowed in other appropriate zonings.”

Agenda Item 6

Any Other Business

[Open Meeting]

28. There being no other business, the meeting closed at 10:20 a.m..

**Minutes of 732nd Metro Planning Committee
(held on 8.12.2023)**

Deferral Cases

(a) Request for Deferment by Applicant for Two Months

Item No.	Application No.*	Times of Deferment
4	A/KC/505	1 st
5	A/K7/121	1 st

Declaration of Interests

The Secretary reported the following declaration of Interests:

Item No.	Members' Declared Interests	
4	The application site was located in Kwai Chung.	- Mr Stanley T.S. Choi for being a supervisor of a primary school in Kwai Chung
5	The application site was located in Ho Man Tin.	- Mr Stanley T.S. Choi for owning properties in Ho Man Tin

The Committee noted that Mr Stanley T.S. Choi had tendered an apology for being unable to attend the meeting.

**Refer to the agenda at https://www.tpb.gov.hk/en/meetings/MPC/Agenda/732_mpc_agenda.html for details of the planning applications.*