

APPLICATION FOR PERMISSION
UNDER SECTION 16 OF THE TOWN PLANNING ORDINANCE

APPLICATION NO. A/FSS/268

- Applicant** : King Tak Enterprises Group Limited
- Premises** : 5/F (Part), Yanjing Building, 11 On Lok Mun Street, On Lok Tsuen, Fanling, New Territories
- Floor Area** : About 64m²
- Lease** : New Grant No. 13145
Restricted, inter alia, for (a) industrial or godown purposes or both; (b) offices ancillary and directly related to an industrial operation; or (c) any combination of items (a) and (b)
- Plan** : Approved Fanling/Sheung Shui Outline Zoning Plan (OZP) No. S/FSS/22
- Zoning** : “Industrial” (“I”)
[Maximum plot ratio (PR) of 5.0 and a maximum building height of 65mPD (excluding basements) or the PR and the height of the existing building(s) whichever is the greater]
- Application** : Proposed Office (Money-lending Business – Back Office)

1. The Proposal

- 1.1 On 19.3.2018, the applicant submitted an application to seek planning permission to use the application premises (the Premises) for proposed ‘Office (Money-lending Business – Back Office)’ use. The Premises occupies part (64m²) of the 5/F of an existing industrial building, namely, Yanjing Building, at 11 On Lok Mun Street, Fanling. The Premises falls within an area zoned “I” on the approved Fanling/Sheung Shui OZP No. S/FSS/22 (**Plan A-1**). According to the Notes of the OZP for the “I” zone, ‘Office (not elsewhere specified)’ is a Column 2 use within the “I” zone and requires planning permission from the Town Planning Board (the Board).
- 1.2 According to the applicant, the Premises only covers an area of 64m² of the 5/F of the building, which mainly consist of three rooms and corridor space. The proposed layout plan submitted by the applicant is at **Drawing A-1**.
- 1.3 The Premises is the subject of a previous application (No. A/FSS/251) for the same use submitted by the same applicant approved by the Committee on 11.11.2016. The planning permission was revoked on 11.2.2018 due to failure

to comply with the approval condition on the provision of fire service installations (FSI).

- 1.4 In support of the application, the applicant has submitted the following documents:
- (a) Application form with a proposed layout plan received on 19.3.2018 (**Appendix I**)
 - (b) Supplementary information received on 20.3.2018 (**Appendix Ia**)
 - (c) Further information (FI) received on 27.4.2018 with responses to departmental comments (**Appendix Ib**)
 - (d) FI received on 7.5.2018 with minor clarification on the progress of submission and provision of FSI (**Appendix Ic**)

2. Justifications from the Applicant

The justifications put forth by the applicant in support of the application set out in the application form (**Section 9 of Appendix I**), supplementary information (**Appendix Ia**) and further information (**Appendix Ic**) are summarized as follows:

- (a) The whole industrial building is currently used by the applicant for warehouse and related uses (storage of beverage). To diversify the business, the applicant planned to establish money-lending business in different districts. Due to high market rent, the applicant can only afford renting small shops for money lending business. A separate back-office is required for file storage, credit review and technical support. The applicant proposed to convert a small part (about 64m²) of the 5/F of the building as back-office for the money-lending business;
- (b) the proposed use would only be a back-office use and no direct money lending services would be provided at the Premises;
- (c) the remaining part of the 5/F of the industrial building is currently used as ancillary office for the applicant's beer and beverages making business. The proposed back-office is compatible with this ancillary office use;
- (d) there is no suitable alternative accommodation can be found in Fanling; and
- (e) the installation of FSI was completed on 5.2.2018. However, due to Chinese New Year holiday, their contractor was not able to submit documentation in time for compliance with the approval condition of the previous application.

3. Compliance with the "Owner's Consent/Notification" Requirements

The applicant is the sole "current land owner" of the Premises. Detailed information

would be deposited at the meeting for Member's inspection.

4. Background

Area Assessment of Industrial Land in the Territories

In view of the concern on the utilization of the industrial buildings in the territory as well as the changing needs of the industrial and business sectors, Planning Department (PlanD) conducted the 'Area Assessment of the Industrial Land in the Territory' (Area Assessments) since 2000. On 14.8.2015, the Board noted the findings, key observations and recommendation of the latest 2014 'Area Assessments'. For On Lok Tsuen Industrial area, it is recommended, amongst others, that the whole area should be retained as "I" zone to cater for the strong demand for general logistics/warehousing.

5. 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 to this application. For a proposed commercial use in an industrial building or on the upper floors of an I-O building, the relevant assessment criteria are summarized below:

- (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 should be satisfied on the risks likely to arise or increase from the proposed commercial use under application.

6. Previous Applications

- 6.1 The building, where the Premises is located, is the subject of 5 previous planning applications (Nos. A/FSS/64, 98, 107, 141 and 251). Four applications involve proposed wholesale conversion of the building for commercial/office uses. On 6.2.1998, application No. A/FSS/98 for proposed industrial-office use with lowest three levels for retail and restaurant was rejected by the Committee mainly on the considerations that the proposed development did not comply with the then TPB Guidelines No. 4A for 'Application for Composite Industrial-office (I-O) Buildings in Industrial Zone' in that the proposed commercial gross floor area (GFA) with a plot ratio of 2.15 and 43% of total GFA exceeds the levels

stipulated in the Guidelines¹, and absence of buffer floor separating the commercial and I-O portions; and, the proposed commercial GFA was considered excessive and out of proportion with the I-O floor space of the subject building.

- 6.2 The other three applications for industrial-office use (No. A/FSS/64) and commercial-office uses (Nos. A/FSS/107 and 141) were approved with conditions by the Committee (on 13.1.1995, 3.7.1998 and 11.1.2002 respectively) mainly on the grounds that the proposed development generally complied with the TPB Guidelines for ‘Application for Composite Industrial-Office (I-O) Buildings in Industrial Zone’; it would alleviate the possible interface problems between the industrial building and the adjacent primary school; the industrial workers would benefit from the provision of commercial uses of the proposed development; and, the approval of applications would not set an undesirable precedent as the subject site was largely surrounded by non-industrial uses. However the planning permissions lapsed on 13.1.1997, 3.7.2001 and 11.1.2005 respectively.
- 6.3 The Premises is also the subject of a previous application (No. A/FSS/251) for the same use submitted by the same applicant. The application was approved by the Committee on 11.11.2016 mainly on the grounds that the proposed development complies with relevant the Town Planning Board Guidelines, there was no alternative office building or suitable alternative accommodation in the vicinity; the proposed back-office use is not incompatible with the ancillary office use of the remaining part of the 5/F of the subject building; there would not be any adverse impacts on the environment, traffic and concerned departments have no adverse comment/objection to the application. The planning permission was revoked on 11.2.2018 due to failure to comply with the approval condition on the provision of FSI.
- 6.4 Details of the applications are summarized at **Appendix II** and their locations are shown on **Plan A-1**.

7. Similar Applications

- 7.1 There are a total of 15 similar applications for office use at various premises within On Lok Tsuen “I” zone. 14 applications (Nos. A/FSS/36, 40, 43, 46, 47, 48, 50, 51, 53, 57, 68, 196, 226 and 265) were approved by the Committee between 1992 and 2018. All applications (except No. A/FSS/36) were approved mainly on the considerations that the proposed office uses generally complies with the relevant Town Planning Board Guidelines; and the proposed offices would not result in a substantial reduction in the overall provision of industrial floor space in the building and in the district as a whole.
- 7.2 Apart from No. A/FSS/196 which applied for a temporary office, all other applications applied for permanent planning permissions. Despite permanent

¹ The TPB Guidelines No. 4A for ‘Application for Composite Industrial Office (I-O) Buildings in Industrial Zone’ was issued in January 1994. Subsequently, with the amendments to the User Schedule of the “I” zone, I-O buildings has been permitted as of right, the Guidelines No. 4A was considered no longer relevant and have been deleted since September 2003 (According to TPB Guidelines No. 25B).

planning permissions were sought, approvals for office use on a temporary basis for a period of 3 years were granted for all applications (except No. A/FSS/36) so as to allow the Committee to better monitor the provision of industrial floor space in the area.

- 7.3 Amongst the 14 approved applications, planning application Nos. A/FSS/226 and A/FSS/265 were for similar back-office use. They were approved by the Committee on 12.12.2014 and 16.3.2018 respectively mainly on the consideration that the proposed development complies with relevant Town Planning Board Guidelines, there was no alternative office building or suitable alternative accommodation in the vicinity; there would not be any adverse impacts on the environment, traffic and concerned departments have no adverse comment/objection to the application. The former planning permission was revoked on 12.9.2015 due to failure to comply with approval condition on the submission of FSI proposal.
- 7.4 The remaining application (No. A/FSS/15) was rejected by the Committee on 25.5.1990, mainly for the reasons that the proportion of office use, which amounts to over 80% of the total usable floor area, was greatly in excess of the limit normally permitted by the Board in respect of ancillary office use within industrial buildings, and a significant portion of the proposed office use is unrelated to industrial operation.
- 7.5 Details of the applications are summarized at **Appendix III** and their locations are shown on **Plan A-1**.

8. The Premises and Its Surrounding Areas (Drawing A-1, Plans A-1 and A-2 and photos on Plans A-3 , Plan A-4a and Plan A-4b)

8.1 The Premises

- (a) is located on part of 5/F of Yanjing Industrial Building (**Plan A-1, Plan A-3 and Plan A-4a**); and
- (b) is currently occupied by office furniture but not in operation (**Plan A-4b**). According to the applicant (**Appendix Ia**), the remaining area of 5/F is used as ancillary office for the warehouse.

8.2 The subject building:

- (a) is a 6-storey industrial building built in 2006 and mainly used by the applicant for warehouse use;
- (b) has the following existing uses:

Floor	Main Uses
G/F	Lobby, carpark, loading and unloading area

Floor	Main Uses
1/F	Canteen
2/F	Warehouse
3/F	Warehouse, ancillary showroom
4/F	Warehouse
5/F	The Premises and ancillary office to warehouse use

(c) is accessible via On Lok Mu Street; and

(d) located at the western part of On Lok Tsuen Industrial Area in Fanling.

8.3 The building is surrounded by a primary school, Pui Ling School Of The Precious Blood (寶血會培靈學校), On Lok Tsuen Playground, warehouses and workshops (**Plan A-2**). The Luen Wo Hui residential neighbourhood is to its west across Sha Tau Kok Road.

9. Planning Intention

The planning intention of “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 also always permitted in this zone.

10. Comments from Relevant Government Departments

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

Land Administration

10.1.1 Comments of the District Lands Officer/North, Lands Department (DLO/N, LandsD):

(a) The Premises is situated within the Lot as governed by New Grant No. 13145 as varied by a Modification Letter dated 24.1.2007 (“the New Grant”). The Lot is restricted, inter alia, for (a) industrial or godown purposes or both; (b) offices ancillary and directly related to an industrial operation; or (c) any combination of items (a) and (b). As the proposed use is not allowed under the New Grant, the registered lot owner applied for a temporary waiver to permit the use of the premises as money-lending office; and

(b) the said temporary waiver has been approved and commenced on 1.6.2017 with a term of one year certain and thereafter annually.

He has no adverse comment on the application.

Building Matters

10.1.2 Comments of the Chief Building Surveyor/New Territories West, Buildings Department (CBS/NTW, BD):

- (a) He has no objection to the application;
- (b) the applicant is advised to consult building professionals, e.g. authorized person (AP) on the layout for compliance with the Building Ordinance (BO) so that adequate Means of Escape (MOE) and Means of Access (MOA) are provided as stipulated in Code of Practice on Fire Safety in Building 2011;
- (c) barrier free access and accessible toilet should be provided in compliance with Design Manual: Barrier Free Access 2008; and
- (d) detailed comments under BO would be provided at building plan submission stage.

Fire Safety

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

He has no in-principle objection to the application provided that the proposed office is used as back office and shall not involve direct provision of customer services or goods.

He notes that the submission of FSI proposal for the premises has been approved by his department on 23.11.2017. The provision of FSI has also been complied with based on the submitted documents (**Appendices I and Ic**). He considers further submission regarding FSI is not required unless there is change in layout. Notwithstanding the above, the applicant should seek comment from Buildings Department on whether formal submission of building plans for the alteration is required.

Traffic

10.1.4 Comments of the Assistant Commissioner for Transport/New Territories (AC for T/NT):

He considers that the application can be tolerated from traffic engineering point of view. He has no comment on the application subject to the condition that no additional traffic flow will be generated/attracted.

District Officer's Comments

10.1.7 Comment of the District Officer (North), Home Affairs Department (DO(N), HAD):

He has consulted the locals from 4.4.2018 to 18.4.2018. The Chairmen of Fanling Industrial Centre Owner's Cooperation (OC) supported the proposal. The Chairman of Fanling District Rural Committee, the incumbent North District (NDC) member and the N.T. North District Manufacturers' Association of Hong Kong Limited had no comment on the proposal. The OC Chairmen of On Tai Industrial Centre, On Hing Industrial Centre and Techno Centre did not reply to the consultation.

10.2 The following Government departments have no objection to/no comments on the application:

- (a) Chief Engineer/Construction, Water Supplies Department;
- (b) Chief Engineer/Mainland North, Drainage Services Department;
- (c) Director of Environmental Protection;
- (d) Chief Highway Engineer / New Territories East; and
- (e) Commissioner of Police.

11. Public Comments Received During the Statutory Publication Period

On 27.3.2018, the application was published for public inspection. During the three weeks of the statutory public inspection period, which ended on 18.4.2017, four public comments from two members of the NDC, the chairman of the Fanling District Rural Committee (FDRC) and a public from the Pui Ling School of the Precious Blood (**Appendices IV-1 to IV-4**) were received. Three comments from members of the NDC and the chairman of the FDRC have no comment on the application. The remaining one comment from the public objected to the application mainly on the grounds that the proposed money-lending office would cause security problem to the Pui Ling School of the Precious Blood next to the subject building.

12. Planning Considerations and Assessments

12.1 The applicant sought planning permission for using a premises of about 64m² on 5/F of an existing industrial building for proposed 'Proposed Office (Money-lending Business – Back Office)' use. The planning intention of the "I" zone is to reserve land primarily for general industrial uses to ensure adequate supply of industrial floor space to meet demand from production-oriented industries. The proposed back-office use in the subject industrial building within the "I" zone requires planning permission from the Board.

12.2 The applicant, who is also the current land owner, intends to establish a subsidiary company for money-lending business in the subject building to diversify the business activities. According to the applicant, there no suitable

alternative premises to accommodate the proposed back-office in the vicinity. The proposed back-office is considered not incompatible with the ancillary office use of the remaining part of the 5/F of the subject building. The proposed office use generally complies with the Town Planning Board Guidelines for Development within the “I” zone (TPB PG-NO. 25D).

- 12.3 In view of the scale of the proposed office (64m²) and its nature of operation (i.e. back-office with no direct provision of customer services), no significant adverse traffic and environmental impacts are anticipated. Relevant departments, including AC for T/NT and DEP, have no objection to or adverse comment on the application. D of FS has no objection to the application from fire safety point of view. The proposed back-office use generally complies with the Town Planning Board Guidelines for Development within the “I” zone (TPB PG-No. 25D) in that there is a genuine need for the proposed back-office use and no suitable alternative accommodation can be found in the vicinity, and no adverse impact would be induced from fire safety, traffic and environmental considerations.
- 12.4 The Premises is also the subject of a previous application (No. A/FSS/251) for the same use submitted by the same applicant. On 11.11.2016, the application was approved by the Committee with conditions on the submission and provision of FSI. While the approval condition on the submission of FSI proposal had been complied with on 4.12.2017, the planning permission was revoked on 11.2.2018 due to failure to comply with the approval condition on the provision of FSI. According to the applicant, the installation of FSI was completed on 5.2.2018. However, due to Chinese New Year holiday, their contractor was not able to submit documentation in time for compliance with the approval condition. In response to the FI submitted on 7.5.2018 (**Appendix Ic**), D of FS considers that both submission and provision of FSI have been complied with, further submission regarding FSI is not required unless there is change in layout.
- 12.5 There are 14 similar applications for office use at premises units within On Lok Tsuen area approved by the Committee mainly on the considerations that the proposed office use generally complied with the relevant Town Planning Board Guidelines and the proposed offices would not result in a substantial reduction in the overall provision of industrial floor spaces in the building and in the district as a whole. On 16.3.2018, the Committee approved a similar application No. A/FSS/265 for back-office use mainly on the grounds that the application complied with the relevant Town Planning Board Guidelines, there was no alternative office building or suitable alternative accommodation in the vicinity, and there would not be any adverse impact on the environment, traffic and concerned departments have no adverse comment / objection to the application. Approval of the current application is consistent with the Committee’s previous decision on approved similar applications for office use in the same “I” zone within On Lok Tsuen.
- 12.6 While the applicant is applying for a proposed office use on a permanent basis, taking into account the recommendation of the 2014 Area Assessments to retain On Lok Tsuen as “I” zone to cater for the strong demand for general logistics / warehousing, it is recommended that a temporary approval of three years be

granted instead of a permanent permission so as to allow the Committee to better monitor the provision of industrial floor space in the area.

- 12.7 Four public comments were received from two members of NDC and the chairman of FDRC and a public from the Pui Ling School of the Precious Blood. The two members of the NDC and the chairman of FDRC supported or had no comment on the application. A public from the Pui Ling School of the Precious Blood objected to the application mainly on the grounds that the proposed money-lending office would cause security problem. The application is for back-office use and the Commissioner of Police has no adverse comment. Planning considerations and assessments above are relevant.

13. Planning Department's View

- 13.1 Based on the assessments made in paragraph 12 and having taken into account the public comment as mentioned in paragraph 11, the Planning Department considers that the proposed back-office use can be tolerated for a period of 3 years.
- 13.2 Should the Committee decide to approve the application, it is suggested that the permission shall be valid on a temporary basis for a period of three years until 18.5.2021. The recommended advisory clauses are attached at **Appendix V** for Members' reference.
- 13.3 Alternatively, should the Committee decide to reject the application, the following reasons for rejection are suggested for Members' consideration:
- (a) the proposed office use is not in line with the planning intention of "I" zone which is intended for general industrial uses to ensure an adequate supply of industrial floor space to meet demand from production-oriented industries; and
 - (b) the application does not comply with the Town Planning Board Guidelines for Development within the "I" zone (TPB PG-No. 25D) in that the applicant has not demonstrated that there is a genuine need for the proposed office use and no suitable alternative accommodation can be found in the vicinity.

14. Decision Sought

- 14.1 The Committee is invited to consider the application and decide whether to grant or refuse to grant permission.
- 14.2 should the Committee decide to reject the application, Members are invited to advise what reason(s) for rejection should be given to the applicant; and

- 14.3 Alternatively, 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.

15. Attachments

Appendix I	Application form received on 19.3.2018
Appendix Ia	Supplementary information received on 20.3.2018
Appendix Ib	Further Information received on 27.4.2018
Appendix Ic	Further Information received on 7.5.2018
Appendix II	Previous Applications
Appendix III	Similar s16 Applications for Office Use within the same "I" zone on the approved Fanling/Sheung Shui OZP No. S/FSS/22
Appendices IV-1 to IV-4	Public Comments
Appendix V	Recommended advisory clauses
Drawing A-1	Floor Layout Plan of the Premises as submitted by the applicant
Plan A-1	Location Plan
Plan A-2	Site Plan
Plan A-3	Aerial Photo
Plans A-4a and A-4b	Site Photos