

**APPLICATION FOR PERMISSION
UNDER SECTION 16 OF THE TOWN PLANNING ORDINANCE**

APPLICATION NO. A/I-PC/12

Applicant : Well Power Electronics Limited represented by Kenneth To & Associates Limited

Site : Lot 678 in D.D. Peng Chau, Peng Lei Road, Peng Chau

Site Area : About 5,200m²

Lease : (a) A lease term of 50 years commencing from 27.9.2012.
(b) The lot or any part thereof or any building or part of any building erected or to be erected thereon shall not be used for any purpose other than for non-industrial (excluding residential care home, godown, office, hotel and petrol filling station) purposes.

Plan : Approved Peng Chau Outline Zoning Plan (OZP) No. S/I-PC/12

Zoning : “Other Specified Uses” annotated “Comprehensive Residential Development including a Commercial Complex” (“OU(Comprehensive Residential Development including a Commercial Complex)”)
(a) Maximum domestic Gross Floor Area (GFA) of 3,200m²
(b) Maximum non-domestic GFA of 2,000m²
(c) Maximum site coverage (SC) of 50%
(d) Maximum building height (BH) of 2 storeys (6m for domestic portion and 8m for non-domestic portion)

(Development at the Site requires submission of layout plan including various development parameters and design requirements for the approval of the Town Planning Board (the Board))

Application : Proposed Comprehensive Residential Development and a Commercial Complex with a Boutique Hotel

1. The Proposal

- 1.1 The applicant seeks planning permission for proposed comprehensive residential development and a commercial complex with a boutique hotel at the application site (the Site) (**Plans A-1 to A-3**). The Site falls within an area zoned “OU(Comprehensive Residential Development including a Commercial

Complex)” zone on the OZP. According to the Notes of the OZP for the “OU(Comprehensive Residential Development including a Commercial Complex)” zone, ‘Flat’, ‘House’, ‘Eating Place’, ‘Shop and Services’ and ‘Hotel’ uses are Column 2 uses which require planning permission from the Board. The Notes of the OZP also stipulates that an applicant applying for permission for development within this zone shall prepare a layout plan including various development parameters and design requirements for the approval of the Board.

- 1.2 According to the supporting planning statement, the proposed development comprises a domestic portion in the west with domestic GFA not more than 3,200m² and a non-domestic portion in the east with non-domestic GFA not more than 2,000m². The domestic portion comprises 33 two-storey residential blocks providing 40 residential units. The non-domestic portion comprises a two-storey commercial block. The 1/F and part of the G/F will be used as a boutique hotel with non-domestic GFA of about 1,710m² providing 49 guestrooms while the remaining part of the G/F will be used for retail uses with non-domestic GFA of about 290m² (**Drawings A-1, A-2 and A-4**).
- 1.3 According to the supplementary information submitted by the applicant, there is no hotel GFA concession. The proposed rooftop garden on the commercial portion (i.e. shown as Greenery Area on **Drawing A-3**) will be solely for the use of the residents of the domestic portion and the guests of the hotel. There will be 28 bicycle parking spaces provided within the proposed development, which are solely for the use of residents of the domestic portion and guests of the hotel.
- 1.4 According to the tree survey plan and landscape master plan, 107 new trees will be planted along the site boundary and roof-top garden at the Site. Landscaped area will be provided within the residential areas and on the roof of the commercial complex. A strip of tree and shrub planting (1.5m wide) is proposed along the western boundary wall of the Site facing the waterfront promenade providing shade and visual amenity to the visitors at the promenade (**Drawings A-5, A-6 and A-7**).
- 1.5 According to the Traffic Impact Assessment (TIA) submitted by the applicant (**Appendix Id**), the passengers generated by the proposed development would be minimal and could be handled by the existing ferry services. The total estimated additional passengers generated from the proposed development in AM peak-making time are only 8 (5 from the residential portion + 3 from the hotel portion). The impact on the ferry service due to the proposed hotel portion is minimal. The TIA concludes that the proposed development under application is considered acceptable in traffic engineering point of view. According to the supplementary information submitted by the applicant (**Appendix Ig**), the maximum number of overnight staff for the proposed development is 5 in view of its limited scale. In order to minimise the impact on the passenger demand of the ferry service in critical hours, the applicant would consider adjusting the shift work schedule. In case there is impact on the passenger demand in whichever sailings of service from Peng Chau to Central in the morning session due to the overnight staff, the applicant is also prepared to arrange chartered ferry service to cater for the transport need of the staff whenever necessary.

1.6 The Site is the subject of two previous planning applications (No. A/I-PC/5 and No. A/I-PC/8) submitted by the same applicant. The two previous applications were approved by the Rural and New Town Planning Committee (the Committee) on 19.4.2013 and 27.2.2015 respectively. According to the previously approved scheme (A/I-PC/8), the provision of the commercial complex at the Site will be important in serving the neighbourhood in the north-western part of Peng Chau. Compared with the latest approved scheme, the proposed uses within the non-domestic block (the commercial complex) have been changed from ‘Shop and Services’/‘Eating Place’ to ‘Hotel’ and ‘Shop and Services’/‘Eating Place’. The blocking layout and development parameters of the domestic portion are the same as those under the approved scheme of Application No. A/I-PC/8. According to the layout plans submitted by the applicant, there are also changes in emergency vehicular access (EVA) of the proposed development and the proposed southern access to the Site has been cancelled comparing to the latest approved scheme (i.e. A/I-PC/8) (**Drawings A-1** and **A-2**). A comparison of the major development parameters of the latest approved scheme and the current scheme is summarised as follows:

| Development parameters | Latest Approved Scheme (A/I-PC/8) | Current Scheme (A/I-PC/12) |
|---|---|--|
| Site Area | 5,200m ² | 5,200m ² |
| GFA Domestic Non-domestic | Not more than 3,200m ² Not more than 2,000 m ² | About 3,200m ² About 2,000m ² (Hotel (including common/supporting facilities): not more than about 1,710m ² ; shop and services and/or eating place: not more than about 290m ²) |
| PR Domestic Non-domestic | 0.6154 0.3846 | 0.6154 0.3846 |
| SC | Not more than 50% | Not more than 50% |
| BH Domestic Non-domestic | 6m 8m | 6m 8m |
| Number of Storeys Domestic Non-domestic | 2 2 | 2 2 |
| Number of Blocks Domestic Non-domestic | 33 1 | 33 1 |
| Number of Units Domestic Non-domestic | 40 10 shops and food & beverage (F & B) area | 40 49 guestrooms and shopping arcade |
| Average Flat Size | About 80m ² | About 80m ² |
| Cycle Parking Spaces | 14 | 28 |

| | | |
|-----------------|--|--|
| Landscaped Area | Not less than 1,040m ² (within the residential portion and roof garden of the commercial complex) | Not less than 1,040m ² (within the residential portion and roof garden of the commercial complex) |
|-----------------|--|--|

- 1.7 Construction of the proposal under the last approved scheme is in progress. If the application is approved, the applicant will proceed with the new set of General Building Plan submission. It is envisaged that the proposed hotel will be completed by 2019.
- 1.8 In support of the application, the applicant has submitted the following documents:
- (a) Application form received on 20.6.2017 **(Appendix I)**
 - (b) Supporting planning statement including retail viability analysis, architectural drawings and tree preservation and landscape proposal on 20.6.2017 **(Appendix Ia)**
 - (c) A letter attached with replacement pages for the supporting planning statement received on 20.6.2017 **(Appendix Ib)**
 - (d) A letter providing supplementary information received on 22.6.2017 **(Appendix Ic)**
 - (e) Further information (FI) including response to comments of relevant government departments, TIA and response to public comments received on 11.10.2017 **(Appendix Id)**
[accepted but not exempted from publication and recounting requirements]
 - (f) FI including response to comments of relevant government department received on 22.11.2017 **(Appendix Ie)**
[accepted and exempted from publication and recounting requirements]
 - (g) FI including response to comments of relevant government department received on 21.12.2017 **(Appendix If)**
[accepted and exempted from publication and recounting requirements]
 - (h) FI including response to comments of relevant government department received on 16.1.2018 **(Appendix Ig)**
[accepted and exempted from publication and recounting requirements]
- 1.9 The application was originally scheduled for consideration by the Committee of the Board on 11.8.2017. On 11.8.2017 and 8.12.2017, the Committee agreed to defer making a decision on the application for 2 months each as requested by the applicant to allow time for preparation of a FI to address departmental comments. The applicant has submitted FI as detailed in paragraph 1.8. 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 the supporting planning statement and the supplementary information at **Appendices Ia and Id** respectively. They are summarised as follows:

- (a) the proposed retail GFA (about 290m²) is adequate to provide immediate daily services for the adjoining neighbourhood, including the “Residential (Group B)” (“R(B)”) site yet to be developed. According to the retail viability analysis submitted by the applicant, the existing shops at the central part of Peng Chau are already adequate to serve the residents of the whole Peng Chau. There is no particular attraction in Peng Chau for holiday goers and/or tourists;
- (b) the demand of retail shops in the north-western part of Peng Chau is limited. Shopping pattern of local residents is mainly concentrated around the central part of Peng Chau where the ferry pier and supportive Government, institution or community (GIC) facilities are located. It is not expected that local residents will go to north-western part of Peng Chau merely for consumption;
- (c) there is potential for boutique hotel use at the Site. There are Tin Hau Temple, Hung Shing Temple, Tung Wan (the beach), and Finger Hill on Peng Chau suitable for leisure walk and short visit. The ferry services connecting with Mui Wo, Chi Ma Wan, Cheung Chau and Discovery Bay altogether provide alternatives trips for local and foreign visitors;
- (d) the provision of various types of residential units to serve various types of users is retained and is almost completed;
- (e) the proposed uses are in line with the planning intention of the “OU(Comprehensive Residential Development including a Commercial Complex)” zone;
- (f) the scheme of the proposed development is basically in compliance with all key design requirements under the Special Conditions of the Tender Notice and the approved OZP;
- (g) the proposed development is compatible with the urban design context of the surrounding areas. A slightly stepped height profile from the inner part towards the western part facing the waterfront is proposed;
- (h) no adverse impact is expected on the local neighbourhood by the proposed boutique hotel due to its small scale. Also, no adverse landscape impact is expected with implementation of the landscape proposal; and
- (i) the TIA concludes that the proposed development under application is considered acceptable in traffic engineering point of view.

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

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

4. Previous Applications

The Site is the subject of two previous planning applications (No. A/I-PC/5 and No. A/I-PC/8) which were also submitted by the same applicant of this application. The two previous applications were approved with conditions by the Committee on 19.4.2013 and 27.2.2015 respectively mainly on grounds that the development proposal was in line with the planning intention and development restrictions of the “OU” zone, and concerned government departments had no objection to the proposed development.

5. Similar Application

There is no similar application within the “OU(Comprehensive Residential Development including a Commercial Complex)” zone in Peng Chau.

6. The Site and Its Surrounding Areas (Plans A-1 to A-3, photos on Plans A-4 to A-6)

6.1 The Site is:

- (a) located at the north-western part of Peng Chau North; and
- (b) currently under development.

6.2 The surrounding areas have the following characteristics:

- (a) the Site is bounded by a waterfront promenade to the west, Peng Lei Road to the east, two service roads to the north and south connecting Peng Lei Road and the waterfront promenade;
- (b) to the north of the Site, there are two “Open Space” (“O”) sites and a “Green Belt” (“GB”) site covered by trees and shrubs. To the further north, there is a low-rise and low-density private residential development (Sea Crest Villa), which is zoned “Residential (Group C)1” (“R(C)1”) and subject to a maximum PR of 0.75, a maximum SC of 40% and a maximum BH of 3 storeys (9m);
- (c) to the immediate east of the Site, there is the Former Great China Match Factory, which is zoned “R(B)” and subject to a maximum GFA of 21,580m² and a maximum BH of 8 storeys (24m). The Former Great China Match Factory site is now a bare site;

- (d) to the immediately south of the Site, there is another low-rise and low-density private residential development (Paloma Bay), which is zoned “R(C)2” and subject to a maximum PR of 0.75, a maximum SC of 40% and a maximum BH of 2 storeys (6m). Kam Peng Estate and Peng Lai Court within the “Residential (Group A)4” (“R(A)4”) zone are located to the further south; and
- (e) to the west is a waterfront promenade leading to Tai Lei Island to the north and Peng Chau Ferry Pier to the South (about 300m to the Site).

7. Planning Intention

- 7.1 The general planning intention of the Peng Chau OZP is primarily to protect the natural landscape, the rural character and car-free environment of Peng Chau and Tai Lei Island. The undisturbed natural coastlines and uplands should be protected from development. Residential development should be confined to the established development nodes and village areas with supporting GIC facilities and infrastructure. The existing low-rise low-density character should be retained, and to this end, future development or redevelopment should be up to the existing and committed intensities.
- 7.2 The “OU(Comprehensive Residential Development including a Commercial Complex)” zone is primarily intended for a low-rise and low-density comprehensive residential cum commercial development. The zoning is to facilitate appropriate planning control over the development mix, scale, design, layout and provision of development.
- 7.3 The Explanatory Statement of the OZP states that in order to achieve a better living environment, commercial facilities would be accommodated in a stand-alone building preferably along the pedestrian route along the eastern frontage of the Site with pure residential use at the waterfront.

8. Comments from Relevant Government Departments

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

Land Administration

- 8.1.1 Comments of the District Lands Officer/Islands, Lands Department (DLO/Is, LandsD):

- (a) Major development restrictions contained in the lease are summarized as below:

| | | |
|------|---|--|
| User | : | Non-industrial (excluding residential care home, godown, office, hotel and petrol filling station) |
|------|---|--|

| | | |
|--------------------------|---|--|
| Maximum Domestic GFA | : | 3,200m ² |
| Maximum Non-Domestic GFA | : | 2,000m ² |
| Maximum SC | : | 50% of the Lot |
| Maximum BH | : | 6m above the mean formation level (Private residential) 8m above the mean formation level (Non-industrial (excluding residential care home, godown, office, hotel and petrol filling station)) |
| Maximum number of Storey | : | Not exceed two storey |

- (b) The applicant proposes to use part of the non-domestic GFA (1,710m²) for boutique hotel providing 49 number of guestrooms. The proposal does not comply with the permitted uses under the lease. If the application is approved by the Board, the lot owner has to apply for a lease modification to implement the scheme. LandsD would process the application in the capacity of a landlord and if the application is approved, it will be subject to such terms and conditions, including payment of premium as considered appropriate. There is no guarantee on the approval of the lease modification.

Traffic

8.1.2 Comment of the Commissioner for Transport (C for T):

- (a) At present, Peng Chau is served by two licensed ferry services, namely, Central – Peng Chau and inter-islands (Peng Chau – Mui Wo – Chi Man Wan – Cheung Chau) and a kaito service between Peng Chau/Trappist Monastery and Discovery Bay. The Central – Peng Chau ferry service is the only ferry route plying between Peng Chau and the urban area. According to the surveys conducted in 2016 and 2017, the service level of the ferry route is adequate to meet the passenger demand in general.
- (b) The additional passenger demand generated by the proposed development may lead to full loading to some sailings of the ferry service between Peng Chau and Central during peak hours on weekdays, Saturdays, Sundays and public holidays. Some passengers may not be able to board on the first sailing and need to wait for over 30 minutes for the next sailing. In other words, the existing service level of Central – Peng Chau ferry route may not be sufficient to cater for the additional passenger demand during the peak hour periods on weekdays, Saturdays, Sundays or public holidays. The project proponent should consider providing chartered ferry service, tour service or other possible options for their patrons or other possible options.

- (c) In response to C for T's concern and comments on additional passenger demand due to the hotel staff as well as the patrons of the hotel especially in tour group, the applicant submitted FI and responds that the existing service level is unlikely to be affected during the operation phase of the proposed development since the proposed development is limited in scale and there will only be 5 overnight staff (maximum). The applicant also indicates that in order to minimise the impact on the ferry service in critical hours, consideration would be given to adjust the shift work schedule of its staff. Moreover, the applicant is prepared to arrange chartered ferry service to cater for the transport need of its staff whenever necessary. For the passenger demand arising from tour groups, the applicant submitted FI and commits to provide chartered ferry service for tour groups wherever necessary. To conclude, although C for T has concern about the impact on the existing ferry service, the responses and proposed arrangement of chartered ferry service for staff and tour groups provided by the applicant in the FI submission are acceptable, and C for T has no adverse comment on the application.

Environment

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

- (a) No objection to the captioned planning application from the environmental planning perspective.
- (b) Since part of the non-domestic building will be changed to 'Hotel' use which may generate additional sewage, the project proponent shall submit an updated sewerage impact assessment (SIA) to assess the potential impact on the existing public sewerage system and propose necessary mitigation measures to Drainage Services Department (DSD) and Environmental Protection Department (EPD) for vetting.

Urban Design and Visual

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

No objection to the application.

Landscape

8.1.5 Comments of the CTP/UD&L, PlanD:

- (a) No in-principle objection to the subject planning application.
- (b) CTP/UD&L has concern regarding the communal open space which is regarded as provision of open space in accordance with Chapter 4 of the Hong Kong Planning Standard and Guidelines (HKPSG) and

should be accessible to the residents with functional recreational uses and barrier free access. Nevertheless, such concern could be addressed at the design stage in case the subject application will be eventually approved by the Board.

- (c) Should the Board approve the application, an approval condition should be included in the permission requiring the applicant to submit and implement a revised landscape proposal including tree preservation proposal to the satisfaction of the Director of Planning or of the Board.

Building Matters

8.1.6 Comments of the Chief Building Surveyor/New Territories East 1 & Licensing, Buildings Department (CBS/NTE1&L, BD):

No in-principle objection under the Buildings Ordinance (BO) to the proposed use on the application site subject to the following comments:

- (a) the proposed hotel use should be subject to favourable comments from relevant departments including TD. The applicant should satisfy all the prerequisites under PNAP APP-40, including provision of reception counter, storerooms for linen, administration office, staff toilets, centralized air-conditioning and hot water systems, facilities ancillary to the functions of a hotel, etc., before hotel concessions under Building (Planning) Regulation 23A may be granted;
- (b) a development comprising houses and commercial block is under construction on site. The sustainable building design requirements and pre-requisites under PNAP APP-151 & 152 would be applicable to the proposed conversion if GFA concessions are claimed for any green/amenity features and/or non-mandatory/ non-essential plant rooms;
- (c) before any new building works are to be carried out on the application site, the prior approval and consent of the Building Authority (BA) should be obtained, otherwise they are Unauthorized Building Works (UBW). An Authorized Person should be appointed as the co-ordinator for the proposed building works in accordance with the BO;
- (d) detailed comments under the BO on individual sites for private developments such as permissible PR, SC, EVA, natural lighting and ventilation, private streets, and/or access roads, open space, barrier free access and facilities, compliance with the sustainable building design guidelines, etc., will be formulated at the building plan submission stage; and
- (e) if the proposed use under application is subject to the issue of a licence, the applicant should be reminded that any existing structures on the application site intended to be used for such purposes are

required to comply with the building safety and other relevant requirements as may be imposed by the licensing authority.

Fire Safety

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

- (a) No specific comment on the application subject to fire service installations (FSIs) and water supplies for firefighting being provided to the satisfaction of Fire Services Department. Detailed fire safety requirement will be formulated upon receipt of formal submission of general building plans.
- (b) The arrangement of EVA shall comply with Section 6, Part D of *The Code of Practice for Fire Safety in Buildings 2011* which is administered by BD.

Hotel and Guesthouse Licensing Aspect

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

- (a) Hong Kong registered 58.47 million visitor arrivals in 2017. Amongst them, 48% (27.9 million) were overnight visitors. Hotel occupancy rate in the past decade in general stood at a high level of over 80%. To enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, it is necessary to ensure the provision of adequate hotel facilities.
- (b) The proposed hotel development in Peng Chau will help increase the provision of hotel facilities, broaden the range of accommodation for our visitors, and support the development of tourism and hotel industries. In this regard, C for Tourism has no objection to the proposed hotel development at the application site provided that it is agreeable to all relevant government departments, and that the applicant is able to meet all requirements laid down by the relevant departments.
- (c) C for Tourism is also of the view that PlanD would consider whether the application site is suitable for hotel use, taking into account the planning intention of the site and its surrounding areas, and relevant government departments would comment on the technical feasibility of the proposed hotel development.

8.1.9 Comments of the Chief Officer (Licensing Authority), Home Affairs Department (CO(LA), HAD):

- (a) No objection to the application under the Hotel and Guesthouse Accommodation Ordinance (HAGAO).

- (b) The applicant shall submit a copy of the occupation permit for the proposed hotel when making an application under the HAGAO.
- (c) The proposed licensing area should be physically connected.
- (d) The applicant shall observe the 'A Layman's Guide to Licence applications' under the HAGAO.
- (e) The FSI provisions for the hotel should comply with the Code of Practice for Minimum Fire Services Installation and Equipment.
- (f) The licensing requirements will be formulated after inspections by our Building Safety Unit and Fire Safety Team upon receipt of an application under HAGAO.

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

- (a) Director of Agriculture, Fisheries and Conservation;
- (b) District Officer (Islands), Home Affairs Department;
- (c) Director of Housing;
- (d) Director of Leisure and Cultural Services;
- (e) Chief Engineer/Construction, Water Supplies Department;
- (f) Chief Highways Engineer/New Territories East, Highways Department;
- (g) Commissioner of Police;
- (h) Director of Food and Environmental Hygiene; and
- (i) Chief Engineer/Hong Kong and Islands, Drainage Services Department.

9. Public Comments Received During Statutory Publication Period

9.1 On 27.6.2017 and 11.10.2017, the application and the 1st FI were published for public inspection. During the first three weeks of the statutory public inspection periods, which ended on 18.7.2017 and 10.11.2017 respectively, a total of 529 public comments objecting to the application were received from Peng Chau Land Reclamation Concern Group (**Appendix IIa**), a member of Islands District Council (**Appendix IIb**), the Incorporated Owners of Sea Crest Villa, Peng Chau (**Appendix IIc**), and local residents and individuals (**Appendix IId**). 21 public comments from local and individuals supporting the application (**Appendix IIe**) and 20 public comments providing views on the application (**Appendix II f**) were received. Samples of the public comments objecting to the application submitted in the form of standard letters are at (**Appendices IIg, IIh and Ili**). All the public comments received are deposited at the Board's Secretariat for Members' reference.

9.2 The comments are summarised as follows:

Supporting views

- (a) Shop spaces of 2,000m² are considered excessive and oversupply of shops is anticipated due to inadequate demand. Currently the 1/F of existing Peng Chau Market is closed. The proposed hotel can make a better use of land resource.

- (b) The proposed hotel can support the local tourism industry and create momentum to Peng Chau's local economy.
- (c) The proposed hotel is small in scale, and will accommodate less than 100 persons when it is fully occupied. The impacts generated are insignificant and there is no evidence that public order will be worsened if a hotel is built.
- (d) Currently the ferry services between Peng Chau and Central are about two-third of their full capacity even during rush hours. More passengers brought by the proposed hotel can better utilise the remaining capacity and will ease the pressure of ferry service operator to raise fare. Besides, tourists may not use the ferry service at the rush hours.

Objecting views

- (e) Peng Chau is not a major tourist spot and there is no demand for hotel in Peng Chau. There are existing hotels in Mui Wo and Discovery Bay. The hotel rooms may be converted into residential uses ultimately.
- (f) The provision of supportive services in Peng Chau, including power supply, police forces, medical services, public transports (especially ferry services to Central) cannot support the additional local/foreign tourists brought by the proposed hotel. The infrastructure in Peng Chau is insufficient to handle additional traffic. The daily lives of local residents will be adversely affected. The tranquil atmosphere and the public order of Peng Chau will be disturbed.
- (g) The existing shops and restaurants in Peng Chau cannot sufficiently meet the demand of local residents. They can only provide supports to the residents' basic daily needs. Most of the local residents need to go to Central or Discovery Bay to shop.
- (h) It is expected that sufficient demand will be built up in the future to support a shopping arcade. The northwestern part of Peng Chau will be the most densely populated area of the whole Peng Chau as there are several existing and planned residential developments.
- (i) The Site is designated for non-industrial (excluding residential care home, godown, office, hotel and petrol filling station) purposes in accordance with the Government's documentations regarding the tender of the Site.
- (j) The assumptions and figures in the TIA have underestimated the accumulate impacts of the potential guided tours caused by the proposed hotel development. The forecast of ferry service demand is seriously underestimated. There are concerns on the submitted TIA regarding the traffic demand assessment. The TIA submitted by the applicant is not qualified to support the claim of minimal impact on traffic demand.

10. Planning Considerations and Assessments

- 10.1 The general planning intention of the Peng Chau OZP is primarily to protect the natural landscape, the rural character and car-free environment of Peng Chau and Tai Lei Island. Residential development should be confined to the established development nodes and village areas with supporting GIC facilities and infrastructure. Development of tourism is not the planning intention of the OZP.
- 10.2 The Site is zoned “OU” annotated “Comprehensive Residential Development including a Commercial Complex”, the planning intention of which is primarily for a low-rise and low-density comprehensive residential cum commercial development. The proposed commercial complex included in this “OU” zone is mainly for provision of commercial facilities to serve local residents at the existing/planned residential developments in Peng Chau North.
- 10.3 The Site was disposed by tender in 2012. The relevant development parameters including maximum GFA, SC and BH as stipulated in the Notes of the OZP for the “OU” zone were incorporated, where appropriate, into the Conditions of Sale of the Lot. Under the Conditions of Sale, hotel is excluded from the permitted use. According to the previously approved scheme (A/I-PC/8), the provision of the commercial complex at the Site will be important in serving the neighbourhood in the north-western part of Peng Chau. Compared to the previously approved scheme No. A/I-PC/8, the current application mainly involves changes in the stand-alone commercial complex for the provision of ‘Hotel’ (1,710m²) and ‘Shop and Services’/‘Eating Place’ (290m²) instead of ‘Shop and Services’/‘Eating Place’ (not more than 2,000m² for the whole commercial complex). All other major development parameters remain the same. Under the subject “OU(Comprehensive Residential Development including a Commercial Complex)” zone, the non-domestic GFA is included to allow provision of commercial facilities (in the form of a commercial/shopping complex) serving the Site and the existing/planned residential developments in Peng Chau North, including the planned residential development (with a domestic GFA of 21,580m²) to its immediate east across Peng Lei Road. The proposed ‘Hotel’ to take up most of the allowable non-domestic GFA is not in line with the planning intention of the “OU” zone. There is no strong justification in the submission for a departure from the planning intention.
- 10.4 Although the proposed ‘Hotel’ use within the commercial complex is not incompatible with the nearby residential developments and the applicant has submitted a retail viability analysis to justify the proposed conversion of non-domestic GFA from ‘Shop and Services’/‘Eating Place’ uses to mainly ‘Hotel’ use, it should be noted that most of the existing shops and restaurants in Peng Chau are located on the ground floor of village houses along Peng Chau Wing On Street, Peng Chau Wing On Side Street and Ping Chau Wing Hing Street serving the Peng Chau Central catchment area. In terms of distance, these shops and restaurants are about 300m – 580m to the south-east of the Site and the nearby existing/planned residential developments (**Plan A-7**). At present, although there is a local convenience shop (only some 30-40m²) in Kam Peng Estate (zoned “R(A)4”), it is relative small in size and is provided within the public housing estate to serve the residents. It should be noted that the other nearby “R(B)” and

“R(C)” sites are for pure residential developments without any ‘Shop and Services’/‘Eating Place’ uses therein. In view of the above, the proposed commercial complex upon its completion will be the only sizeable commercial facility to serve the Peng Chau North catchment area which is predominantly occupied by existing/planned residential developments with limited/no provision of shop and services. In addition, the proposed ‘Hotel’ use is likely to induce extra demand for ‘Shop and Services’/‘Eating Place’ provisions.

- 10.5 While C for T considers that the applicant’s proposal acceptable on traffic aspect, since part of the non-domestic building will be changed to ‘Hotel’ use which may generate additional sewage, DEP considers that the project proponent should submit an updated SIA to assess the potential impact on the existing public sewerage system and propose necessary mitigation measures, to DSD and EPD for vetting.
- 10.6 The public comments supporting/objecting to the application are noted. Assessments in paragraphs 10.1 to 10.5 above are relevant.

11. Planning Department’s Views

- 11.1 Based on the assessments made in paragraph 10 and having taken into account the public comments in paragraph 9, the Planning Department does not support the application for the following reason:

The proposed development comprising residential development and a commercial complex with a boutique hotel therein will affect the provision of commercial/retail facilities and is not in line with the planning intention of the “OU” zone, which is primarily for low-rise and low-density comprehensive residential cum commercial development. There are no strong justifications to warrant a departure from this planning intention.

- 11.2 Alternatively, should the Committee decide to approve the application, it is suggested that the permission shall be valid until 9.2.2022, and after the said date, the permission shall cease to have effect unless before the said date, the development permitted is commenced or the permission is renewed. The following conditions of approval and advisory clauses are also suggested for Members’ reference:

Approval Conditions

- (a) the submission and implementation of a revised Landscape Proposal including a Tree Preservation Proposal to the satisfaction of the Director of Planning or of the Town Planning Board;
- (b) the design and provision of water supplies for fire fighting and fire service installations to the satisfaction of the Director of Fire Services or of the Town Planning Board;

- (c) the submission of SIA to the satisfaction of the Director of Environmental Protection or of the Town Planning Board; and
- (d) the implementation of the local sewerage upgrading/sewerage connection works/mitigation measures identified in the SIA in planning condition (c) above to the satisfaction of the Director of Drainage Services or of the Town Planning Board.

Advisory Clauses

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

12. Decision Sought

- 12.1 The Committee is invited to consider the application and decide whether to grant or refuse to grant permission.
- 12.2 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.
- 12.3 Alternatively, should the Committee decide to reject the application, Members are invited to advise what reason(s) for rejection should be given to the applicant.

13. Attachments

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| Appendix I | Application form received on 20.6.2017 |
| Appendix Ia | Supporting planning statement including retail viability analysis, architectural drawings and tree preservation and landscape proposal on 20.6.2017 |
| Appendix Ib | A letter attached with replacement pages for the supporting planning statement received on 20.6.2017 |
| Appendix Ic | A letter providing supplementary information received on 22.6.2017 |
| Appendix Id | FI including response to comments of relevant government departments, TIA and response to public comments received on 11.10.2017 |
| Appendix Ie | FI including response to comments of relevant government department received on 22.11.2017 |
| Appendix If | FI including response to comments of relevant government department received on 21.12.2017 |
| Appendix Ig | FI including response to comments of relevant government department received on 16.1.2018 |
| Appendix IIa | Public comments from Peng Chau Land Reclamation Concern Group |
| Appendix IIb | Public comments from a member of Islands District Council |
| Appendix IIc | Public comments from the Incorporated Owners of Sea Crest Villa, Peng Chau |

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| Appendix II d | Public comments from local residents and individuals objecting to the application |
| Appendix II e | Public comments from local residents and individuals supporting the application |
| Appendix II f | Public comments providing views on the application |
| Appendices II g, II h & II i | Sample of Standard Letters |
| Appendix III | Advisory clauses |
| Drawing A-1 | Ground Floor Plan (Comparison between A/I-PC/8 & A/I-PC/12) |
| Drawing A-2 | 1 st Floor Plan (Comparison between A/I-PC/8 & A/I-PC/12) |
| Drawing A-3 | Roof Plan |
| Drawing A-4 | Section Plan |
| Drawings A-5 & A-6 | Tree Survey Plan |
| Drawing A-7 | Landscape Master Plan |
| Plan A-1 | Location Plan |
| Plan A-2 | Site Plan |
| Plan A-3 | Aerial Photo |
| Plans A-4, A-5 & A-6 | Site Photos |
| Plan A-7 | Site Plan (showing the distances between existing retail facilities at Peng Chau Central (i.e. Peng Chau Wing On Street) and the residential development sites at Peng Chau North) |

**PLANNING DEPARTMENT
FEBRUARY 2018**