APPLICATION FOR PERMISSION UNDER SECTION 16 OF THE TOWN PLANNING ORDINANCE

APPLICATION NO. A/KC/488

Applicant: Prime Zone Limited represented by PlanPlus Consultancy Limited

<u>Site</u>: 11-19 Wing Yip Street, Kwai Chung

Site Area : About 3,214m²

Lease : Kwai Chung Town Lot No. 288

(a) held under New Grant No. 5312 dated 11.11.1974

(b) to be expired on 30.6.2047

(c) for industrial and/or godown purposes excluding offensive trade

Plan : Approved Kwai Chung Outline Zoning Plan (OZP) No. S/KC/30

[currently in force]

Draft Kwai Chung OZP No. S/KC/29

[at the time of application]

Zoning : "Industrial" ("I")

(a) maximum plot ratio (PR) of 9.5

(b) maximum building height (BH) of 120 meters above Principle Datum (mPD)

(c) a 15m-wide building gap from Wing Yip Street to Kwai On Road where no new development (except minor addition, alteration and/or modification not affecting the BH of the existing building) or redevelopment of an existing building shall exceed the maximum BH restriction of 18mPD

[No change in zoning and development restrictions for the Site under the two aforesaid OZPs]

<u>Application</u>: Proposed Minor Relaxation of PR Restriction for Wholesale

Conversion for Permitted Information Technology and

Telecommunications Industries Use (Data Centre)

1. The Proposal

- 1.1 The applicant seeks planning permission for proposed minor relaxation of PR restriction from 9.5 to 10.19 (i.e. + 7.3%) for wholesale conversion of an existing industrial building (IB) to a Tier III or above data centre¹ at 11-19 Wing Yip Street, Kwai Chung (the Site), which falls within an area zoned "I" on the approved Kwai Chung OZP No. S/KC/30 (**Plan A-1**). According to the Notes of the OZP of the "I" zone, 'Information Technology and Telecommunication Industries' is a Column 1 use which is always permitted. Minor relaxation of the PR restriction may be considered by the Town Planning Board (the Board) on application under section 16 of the Town Planning Ordinance (the Ordinance).
- According to the applicant, the proposed wholesale conversion is mainly through alteration and modification works, under which the BH of existing building in terms of the number of storeys and mPD will remain the same. The total gross floor area (GFA) upon wholesale conversion will be increased from 27,299.6m² to 32,733m² as some floor areas will be converted from the existing carparking/ loading/unloading (U/UL) areas and ancillary uses (not GFA countable for the current cold storage use under Building (Planning) Regulations (B(P)R)) to data centre use and associated facilities, including transformer bays, fuel tank room, cable riser room and plant rooms etc. (GFA countable for the proposed data centre) (**Drawings A-19** to **A-20** and **A-25**). To accommodate a new transformer bay at the southern portion at G/F, part of the floor slabs of G/F to 2/F will be demolished, resulting in a reduction in GFA of about 375m² (**Drawings A-20** to **A-22**). Given the above changes and upon wholesale conversion, the total GFA of the data centre is about 32,733m² with a PR of 10.19, which exceeds the PR restriction of 9.5 under OZP by about 7.3%.
- 1.3 Greening features in the form of vertical greening from 1/F to 3/F along the building façade at Wing Yip Street and edge planters at 3/F are proposed (**Drawings A-26** to **A-29**). The existing pedestrian entrance and vehicular run-in/out of the Site will remain at the same location at Wing Yip Street (**Drawings A-2** and **A-20**). Besides, there will be a revision of the internal layout of carparking and L/UL at G/F and LG/F, and that a new car lift serving between these two floors are proposed (**Drawings A-1** to **A-2** and **A20** to **A-21**).
- 1.4 Floor plans and schematic section submitted by the applicant are shown at **Drawings A1** to **A18**. A comparison of the development parameters of the existing building and the proposed scheme upon conversion are as follows:

Data centres are classified into four tiers according to serviceability levels and building requirements. Hightier data centres encompass those classified as Tier III or above.

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	Existing Building [1](I)	Proposed Scheme (II)	Difference (II) – (I)
Site Area	3,214.4m ² [2]	About 3,214m ²	No change
PR	8.49	Not more than 10.19	+ 7.3% ^[3] (or + 0.69 based on PR restriction of 9.5 under OZP)
Total GFA	Total: 27,299.6m ^{2[2]}	Total: 32,733m ² • LG/F: + 2,453m ² (fuel tank room, plant room, transformer bay) • G/F: + 2,453m ² (fuel tank room, plant room, plant room, transformer bay) • 1/F: -130m ² • 2/F: -245m ² • 3/F-13/F: No Change • R/F: +555m ² (cable riser room) • UR/F: +347m ² (machine room)	+5,433m ²
• Below 15m	89.35%	Not more than 90%	No change
• Above 15m	59.85%	Not more than 60%	No change
No. of Storeys	15 (including one level of basement)	15 (including one level of basement)	No change
BH (at main roof level)	84.36mPD	84.36mPD	No change
Main Uses by Flo	or		
LG/F	Parking & L/UL	Parking & L/UL, Transformer Bay, Fuel Tank Room, Electrical Riser Room	
G/F	Parking & L/UL, General Office	Parking & L/UL, Cable Riser /Electrical Riser Room	
1/F		Cable Riser Room	
2/F	Cold Storage	General Office, Mechanical, Electrical and Plumbing (MEP) Infrastructure	DT/A
3/F	Warehouse	Transformer Bay, MEP Infrastructure	N/A
4/F to 10/F		Data Hall, MEP Infrastructure	
11/F to 13/F		Generator Room	
R/F	Store Room, Pump Room, E&M facilities, Caretaker's quarters, Canteen	Cooling Tower, Chiller, Generator	

UR/F	Machine room, Water Tank	Machine room, Water Tank		
Parking & L/UL Space				
Private Car	16	33	+17	
Motorcycle	-	4	+4	
• LGV	$15^{[4]}$	6 (Parking: 3; L/UL: 3)	-9	
• HGV	$1^{[4]}$	3 (Parking: 1; L/UL: 2)	+2	

- [1] Information extracted from the previously approved building plan dated 21 July 1977
- [2] Figures shown on the building plan are in square feet
- [3] An increase PR of 1.7 as compared with the PR of existing building
- [4] The number of L/UL provision is provided by the applicant and not specified on the approved building plan
 - 1.5 In support of the application, the applicant has submitted the following documents:
 - (a) Application form received on 16.11.2021 (Appendix I)
 - (b) Supporting Planning Statement (SPS) with architectural (**Appendix Ia**) layout received on 16.11.2021
 - (c) Further Information (FI) received on 24.1.2022 and (**Appendix Ib**) 31.1.2022 providing responses to departmental comments, including Sewerage Impact Assessment (SIA) and Traffic Impact Assessment (TIA)*
 - (d) FI received on 7.3.2022 and 8.4.2022 providing response to (**Appendix Ic**) departmental comments, including revised SIA and TIA*
 - (e) FI received on 10.5.2022 and 19.5.2022 providing response (**Appendix Id**) to departmental comments, including revised SIA and TIA*
 - (f) FI received on 30.6.2022 and 6.7.2022 providing response (**Appendix Ie**) to department comments, including replacement pages of TIA and clarifications on the proposed noise impact mitigation and greenery features#

Remarks:

- * accepted but not exempted from publication and recounting requirement
- # accepted and exempted from publication and recounting requirement
- 1.6 On 14.1.2022, the Metro Planning Committee (the Committee) of the Board agreed to defer making a decision as requested by the applicant. Upon receipt of FI on 19.5.2022, the application is scheduled for consideration by the Committee at this meeting.

2. <u>Justifications from the Applicant</u>

The justifications put forth by the applicant in support of the application are set out in the SPS and FIs at **Appendices Ia** to **If** which are summarised as follows:

(a) the proposed development is in line with the Government's Policy to develop Hong Kong into an International Innovation and Technology Hub. The proposed data centre is designed to meet the latest standard for such development, facilitating a timely provision of high-tier data centre floor space and digital development of various industries;

- (b) the proposed data centre as the "Information Technology and Telecommunication Industry" is a Column 1 use within the "I" zone, which is generally in line with the planning intention primarily for general industrial uses;
- (c) the proposed development would facilitate the transformation of the Central Kwai Chung Industrial Area (CKCIA) from a traditional industrial hub to an industrial/business area;
- (d) the application for minor relaxation of PR restriction by about 7.3% is considered minor and the wholesale conversion for a permitted data centre use is consistent with the similar application (No. A/KC/454), which was approved with conditions by the Committee on 1.2.2019;
- (e) greening features in the form of vertical greening and edge planters for improving the façade of the building;
- (f) the submitted TIA and SIA demonstrate that the proposed development would generate no adverse impacts from traffic and sewerage aspects; and
- (g) in view of the proposed public housing development at Kwai On Factory Estate Site, the applicant has committed to impose mitigation measures to minimise the possible noise impact on the proposed housing development.

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 Application

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

5. Similar Application

There is no similar application for proposed minor relaxation of PR restriction for wholesale conversion for permitted 'Information Technology and Telecommunications Industries (Data Centre)' use within the "I" zone on the Kwai Chung OZP. However, there is an application (No. A/KC/454) for minor relaxation of PR restriction for partial conversion of the G/F and 1/F of an existing IB for permitted 'Information Technology and Telecommunications Industries (Data Centre)' use within the "I" zone on the Kwai Chung OZP, which was approved with conditions by the Committee on 1.2.2019. The application was approved mainly on the consideration that the proposed conversion was in line with the planning intention of the "I" zone and not incompatible with the existing dominant uses within the same building and surrounding areas; the proposed relaxation of PR restriction would not have significant adverse impacts on the surrounding areas.

Details of the application is summarised at **Appendix II** and its location is shown on **Plan A-1**.

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

6.1 The Site:

- (a) is currently occupied by a 15-storey IB, namely Brilliant Cold Storage Management Ltd;
- (b) abuts Wing Yip Street to its south, where the pedestrian and vehicular accesses are located (**Plan A-2**);
- (c) is within the CKCIA between Tai Lin Pai Road and Castle Peak Road, which is predominantly occupied by IBs;
- (d) is served by various modes of public transport including buses and public light buses on Kwai Chung Road. MTR Kwai Hing Station is located at about 350m to the northwest of the Site (**Plan A-7**).

6.2 The surrounding areas have the following characteristics:

- (a) to the northeast, to the immediate east and to the north across Wing Yip Street are IBs within the same "I" zone;
- (b) to the immediate west is Kwai On Factory Estate, which is planned for redevelopment by the Housing Authority for public housing use as announced by the 2019 Policy Address (**Plan A-2**);
- (c) to the west across Tai Lin Pai Road are other clusters of "Other Specified Uses" annotated "Business" zone which are mainly occupied by IBs and individual redeveloped office buildings including Kowloon Commerce Centre (**Plan A-1**); and
- (d) to the further north is the "Open Space" ("O"), namely Central Kwai Chung Park.

7. 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, office related to industrial use, and selected uses akin to industrial production and would not compromise building and fire safety are also always permitted in this zone.

8. Comments from Relevant Government Departments

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

Policy Perspective

8.1.1 Comments of the Office of the Government Chief Information Officer (OGCIO), Innovation and Technology Bureau (ITB):

data centres are critical information and communication technologies infrastructure for development of digital economy and smart city in Hong Kong. The Government has been committed to promoting Hong Kong as the prime location for data centres in the Asia Pacific. The proposed minor relaxation of PR restriction would make available more floor space for various data centre facilities including data halls, IT racks or cabinets and electrical and mechanical facilities, etc. It could thus fulfil the growing demand of data centres and meet the industry trend. Subject to the approval of the relaxation of PR restriction, the wholesale conversion of the existing aged IB into a 15-storey data centre, if materialised, would contribute to addressing the growing demand for high-tier data centres in Hong Kong and benefit the innovation and technology sector development.

Land Administration

- 8.1.2 Comments of the District Lands Officer/Tsuen Wan & Kwai Tsing (DLO/TW&KT), Lands Department (LandsD):
 - (a) the Site falls within Kwai Chung Town Lot No. 288, which is held under New Grant No. 5312 dated 11.11.1974 with the lease term expiring on 30.6.2047. The site area is about 34,600ft² according to the setting out plan No. NT 2756-S dated 4.12.1974. In accordance with the Lease, the Lot shall be used for industrial and/or godown purposes excluding offensive trade and no building shall be erected on the Lot except a factory or factories and/or a warehouse or warehouses, ancillary offices and such quarters as may be required for watchmen or caretakers. Spaces shall be provided for parking, L/UL of motor vehicles at the rate of not less than 1 vehicle for each 10,000ft² or part thereof of GFA or not less than 1 vehicle for each 5,000ft² or part thereof of the site area, whichever is the greater. There is no restriction on GFA, SC or BH under the Lease; and
 - (b) the proposed development for a data centre contravenes the user restriction under the Lease. If planning approval is given, the lot owner should apply for a lease modification/waiver from LandsD prior to the implementation of the proposed development. Upon receipt of a lease modification/waiver application it will be considered by LandsD acting in the capacity as landlord at its sole discretion. There is no guarantee that any application will be approved. In the

event that an application is approved, it will be subject to such terms and conditions as the Government shall see fit, including, among others, the payment of premium and administrative fee; and

(c) other detailed comments are at **Appendix III**.

Building Matters

- 8.1.3 Comments of the Chief Building Surveyor/New Territories West, (CBS/NTW), Buildings Department (BD):
 - (a) detailed comments under the Buildings Ordinance will be given during the building plan submission stage; and
 - (b) other detailed comments are at **Appendix III**.

Traffic

- 8.1.4 Comments of the Commissioner for Transport (C for T):
 - (a) no in-principle objection to the application from traffic engineering perspective given that:
 - the TIA illustrated that the traffic impact arising from the subject redevelopment to the adjacent road network within the area of influence would be acceptable; and
 - (ii) the applicant demonstrated that the redevelopment proposal would accommodate the high-end provision of parking and L/UL facilities within the redevelopment;
 - (b) should the application be approved, it is suggested to impose the following approval condition:
 - the design and provision of parking facilities, L/UL spaces and vehicular access for the proposed development to the satisfaction of C for T or of the Board; and
 - (c) the following advisory clauses are also suggested:
 - (i) the double deck mechanical parking system should be well maintained in an operable condition; and
 - (ii) proper signage should be added to clearly indicate the pedestrian access.

- 8.1.5 Comments of the Chief Highway Engineer/NT West, Highways Department (CHE/NTW, HyD):
 - no comment on the application from highways' maintenance point of view subject to the:
 - (a) C for T has no further comment from traffic engineering perspective on the TIA; and
 - (b) the proposed modification roadworks and the modification works should be constructed as per HyD's standard.

Environment

- 8.1.6 Comments of the Director of Environment Protection (DEP):
 - (a) no objection to the application as:
 - (i) the applicant has committed to conduct a fixed plant noise impact assessment (NIA) at the approval condition stage should the application be approved; and
 - (ii) the SIA concluded that no adverse impact on the existing sewerage system is anticipated after upgrading works to be implemented by the applicant. Approval condition on the submission of an updated SIA to address the potential change in actual usage of the proposed development is required.
 - (b) it is recommended to impose the following approval conditions:
 - (i) the submission of a NIA and the implementation of the noise mitigation measures identified therein to the satisfaction of DEP or of the Board:
 - (ii) the submission of an updated SIA to the satisfaction of DEP or of the Board; and
 - (iii) the implementation of the local sewerage upgrading/sewerage connection works identified in the updated SIA to the satisfaction of the Director of Drainage Services or of the Board.

Electrical and Mechanical Aspect

- 8.1.7 Comments of the Director of Electrical and Mechanical Services (DEMS):
 - (a) no comment from regulatory services perspective; and
 - (b) other detailed comments are at **Appendix III**.

Visual and Landscape Aspects

- 8.1.8 Comments of the Chief Town Planner/Urban Design and Landscape, Planning Department (CTP/UD&L, PlanD):
 - (a) the Site is currently occupied by an existing IB without any landscape resources. The proposed use is not incompatible with the surrounding environment. Hence, she has no objection to the application from landscape planning perspective; and
 - (b) other detailed comments are at **Appendix III**.
- 8.1.9 Comments of the Chief Architect/Central Management Division 2, Architectural Services Department (CA/CMD2, ArchSD):
 - (a) since the proposed BH does not exceed the BH restriction as permitted under OZP, he has no comment from architectural and visual impact point of view; and
 - (b) other detailed comments are at **Appendix III**.
- 8.2 The following Government departments have no objection to/comment on the application:
 - (a) Chief Engineer/Construction, Water Supplies Department (CE/C, WSD);
 - (b) Chief Engineer/Mainland South, Drainage Services Department (CE/MS, DSD);
 - (c) Commissioner of Police (C of Police);
 - (d) Director-General of Trade and Industry (DG of TI);
 - (e) Director of Fire Services (D of FS);
 - (f) District Officer (Kwai Tsing), Home Affairs Department (DO(K&T), HAD); and
 - (g) Project Manager (West), Civil Engineering and Development Department (PM(W), CEDD).

9. Public Comments Received During Statutory Publication Period

During the statutory public inspection periods, two public comments from an individual were received (**Appendix IV**). The individual commenter expressed concern on the proliferation of data centres which gives rise to greenhouse gas emissions, and that no building setback and greenery has been proposed for the development.

10. Planning Considerations and Assessments

10.1 The application is for minor relaxation of PR restriction from 9.5 to 10.19 for wholesale conversion of an existing IB to the permitted data centre at the Site zoned "I". The proposed development is generally in line with the planning intention of

the "I" zone, which is primarily for general industrial uses. The BH (i.e. 84.36mPD/15-storey) will remain the same upon wholesale conversion, which is within the BH restriction of 120mPD under OZP.

Policy Aspect

10.2 There is an increasing global demand for data services and knowledge-based economy while data centre 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 advised that the proposed minor relaxation of PR would make available more floor space for various data centre facilities and could thus fulfil the growing demand of data centres and meet the industry trend. DG of TI also has no objection to the application. Approval of the application would facilitate the development of data centre to sustain the advancement in this field.

Relaxation of PR Restriction

10.3 The proposed conversion works mainly involves alteration and modification of internal layouts of the existing building, resulting in an increase in the total GFA and PR of the data centre development after conversion. The additional GFA mainly involves the conversion of those floor areas for the existing carparking/U/UL areas and other ancillary uses (not GFA countable under B(P)R) for current cold storage use to the proposed data centre use and associated facilities (GFA countable). There is no increase of the overall building bulk and scale of the building. In addition, greening features in the form of vertical greening and edge planters are proposed (**Drawings A-26** to **A-29**). CTP/UD&L, PlanD considers that the proposed wholesale conversion is not incompatible with the surrounding environment from landscape perspective. CA/CMD2, ArchSD also has no adverse comment from architectural and visual impact point of view. In this regard, the proposed relaxation of PR restriction is considered not unacceptable.

Technical Aspects

10.4 In support of the application, the applicant has also submitted various technical assessments, including TIA and SIA, to demonstrate that the proposed development would not cause adverse traffic and sewerage impacts to the surrounding areas. C for T has no in-principle objection to the application subject to the incorporation of approval conditions set out in paragraphs 11.2(a) below. DEP also has no objection to the application subject to the incorporation of approval conditions on the noise impact and sewerage aspects as set out in paragraphs 11.2(b) to (d) below. Other relevant Government departments, including WSD, FSD and EMSD, have no objection to/adverse comments on the application.

Lifetime of Existing Building

10.5 The current application is for minor relaxation of PR for wholesale conversion of an existing IB to the permitted data centre. Should the Committee decide to

approve the application, the approval would be for lifetime of the existing building only. Upon redevelopment, the Site would need to conform with the zoning and development restrictions on the OZP in force at the time of redevelopment which may not be the same as those of the existing building. An advisory clause at **Appendix VI** is recommended in this regard.

Public Comments

10.6 Regarding the public comments received, the above planning assessments and departmental comments in paragraph 8 are relevant.

11. Planning Department's Views

- 11.1 Based on the assessments made in paragraph 10 above and having taken into account the public comments mentioned in paragraph 9 above, the Planning Department has no objection to the application.
- 11.2 Should the Committee decide to approve the application on the terms of the application as submitted to the Board, it is suggested that the permission shall be valid until 15.7.2026, 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 suggested for Members' reference:

Approval Conditions

- (a) the design and provision of parking facilities, loading/unloading spaces and vehicular access for the proposed development to the satisfaction of the Commissioner for Transport or of the Town Planning Board;
- (b) the submission of a Noise Impact Assessment and the implementation of the noise mitigation measures identified therein to the satisfaction of the Director of Environmental Protection or of the Town Planning Board;
- (c) the submission of an updated Sewerage Impact Assessment 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 identified in the updated Sewerage Impact Assessment 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 V**.

11.3 Alternatively, should the Committee decide to reject the application, the following reason for rejection is suggested for Members' reference:

the applicant fails to demonstrate that there are sufficient planning justifications for the proposed minor relaxation of PR restriction.

12. <u>Decision Sought</u>

- 12.1 The Committee is invited to consider the application and decide whether to grant or to 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

Appendix I Application Form received on 16.11.2021

Appendix Ia Supporting Planning Statement received on 16.11.2021

Appendix Ib

Appendix Ic

Appendix Id

FI received on 24.1.2022 and 31.2.2022

FI received on 7.3.2022 and 8.4.2022

FI received 10.5.2022 and 19.5.2022

Appendix Ie

FI received on 30.6.2022 and 6.7.2022

Appendix II Similar Application

Appendix III Detailed Government Comments

Appendix IV Public Comments

Appendix V Recommended Advisory Clauses

Drawings A-1 to **A-17** Floor Plans

Drawing A-18 Schematic Section

Drawing A-19 to **A-25** Comparison of GFA Accountable between the Existing

and Proposed Use

Drawing A-26 o **A-29** Proposed Greening Features

Plan A-1 Location Plan
Plan A-2 Site Plan
Plans A-3 and A-6 Site Photos

Plan A-7 Pedestrian Access Network in Kwai Chung

PLANNING DEPARTMENT JULY 2022