

DIGITAL 21 STRATEGY ADVISORY COMMITTEE

Implementation of Data Centre Facilitation Measures

This paper updates Members on the initiatives to promote data centre development since the last meeting held on 23 February 2012.

Use of Industrial Buildings for Data Centres

2. The Financial Secretary announced in the 2012-13 Budget the following two measures to facilitate the development of data centres by making better use of existing industrial buildings or industrial lots -

- (a) Government would exempt the waiver fees for changing parts of eligible industrial buildings to data centre use. This measure applies to all tiers of data centres.
- (b) For the development of high-tier data centres involving lease modification of industrial lots (e.g. redeveloping existing industrial buildings into high-tier data centres), the premium will be assessed on the basis of actual development intensity and high-tier data centre use.

Annex

Lands Department (LandsD) promulgated a Practice Note on 18 June 2012 to set out the application requirements and procedures of the two measures. The application period started on 25 June 2012 and will last until 31 March 2016. To expedite the process, a designated team in LandsD will handle the applications. The Data Centre Facilitation Unit (DCFU) of OGCI will provide technical advice to LandsD to assist in the vetting process.

3. For changing part of an industrial building for data centre use, the waiver application procedure is similar to that for the current “Information Technology and Telecommunications” waiver, except that the waiver fee will be exempted. The applicant is required to pay a cost-recovery administrative fee of \$87,800 for each application.

4. For development of high-tier data centres involving lease modification on industrial lots, the applicant is required to provide documents (e.g. the conceptual design of the data centre) to show that the proposed development is intended to be a high-tier data centre as generally described in the Practice Note. LandsD would assess the premium for the data centre part of the development on the basis of high-tier data centre use. If the redevelopment comprises non-data centre parts, the premium for those parts would be assessed according to established practice.

Data Centre Site in Tseung Kwan O (TKO)

5. Since 2010, the Hong Kong Science and Technology Parks Corporation has made available over 10 hectares of land in the TKO Industrial Estate for developing high-tier data centres, of which 3.5 hectares was allocated in 2011. The Chief Executive announced in the 2011-12 Policy Address that about two hectares of land in TKO had been reserved for data centre development. We will submit an application to the Town Planning Board this month for its approval of data centre development on the first site of about 1 hectare. The site will be available for open bidding by mid-2013. The Conditions of Sale for the site will be tailor-made for high-tier data centre use, and the tender reserve price will also be assessed on that basis.

Other Facilitation Measures

Goods Vehicle Parking Requirement

6. The study on parking requirement for goods vehicles for data centres commissioned by OGCIO and Transport Department (TD) was completed in March 2012. Since May 2012, TD has been assessing goods vehicle parking requirements for data centres with a new internal guideline developed based on the findings of the study. Under this new guideline for data centres, the number of goods vehicle parking spaces for data centres required would be reduced by 50% or more as compared with the requirement under the Hong Kong Planning Standards and Guidelines. This new guideline is welcomed by the trade.

Green Practices

7. In March 2012, OGCIO's Data Centre Facilitation Unit (DCFU) published summarised information on the Buildings Energy Efficiency Ordinance (Cap. 610) enacted in November last year to facilitate industry's compliance. Exemplary green data centre practices promulgated by DCFU for reference and adoption by government bureaux and departments are also shared in OGCIO's website to promote green awareness among the industry. In the next quarter, DCFU is planning to launch a thematic web page on enhancing energy efficiency for data centres. The web page will cover the latest international practices with respect to better energy-efficiency in data centre operations.

Stepping Up Publicity

8. DCFU has handled over 100 enquiries since its establishment in July last year. It has also assisted a number of overseas companies in their plan to set up data centres in Hong Kong. One of them is establishing a data centre of over 150 000 square feet.

9. To step up publicity, DCFU will organise a seminar on 13 July 2012 to introduce the Government's strategy to foster data centre development, highlighting the two facilitation measures mentioned in paragraph 2 above. We will invite operators and end users, data centre consultants, infrastructure and services integrators, surveyors, planners as well as trade associations to take part.

Advice Sought

10. Members are invited to note the progress and advise on the initiatives set out above.

**Office of the Government Chief Information Officer
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