

DATE: 14 MAY 2020

**REPORT TO: ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT PORTFOLIO
COMMITTEE**

1. ITEM NUMBER EAM 18/06/20

2. SUBJECT

**MONITORING REPORT ON THE IMPLEMENTATION OF THE INVESTMENT
INCENTIVES IN THE TARGETED GEOGRAPHIC AREAS OF CAPE TOWN –
QUARTER 1: 2019/20**

**MONITERINGSVERSLAG OOR DIE IMPLEMENTERING VAN
INVESTERINGSAANSPORINGS IN DIE GETEIKENDE GEOGRAFIESE
GEBIEDE VAN KAAPSTAD – KWARTAAL 1: 2019/20**

**INGXELO YEKOTA YOKUQALA-1 KOWAMA-2019/20 ENGOKUBEKI'LISO
NGOKUMALUNGA NOKUMISELWA KWEMIBANDELA ENGENKUTHAZO
YOTYALO – MALI KWIMIMANDLA EKUJOLISWE KUYO YASEKAPA**

[L3487]

3. DELEGATED AUTHORITY

In terms of delegation

This report is

- Committee name** : Economic Opportunities and Asset Management
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

The City of Cape Town at an Economic Growth and Infrastructure cluster meeting held on 14 March 2013 resolved to develop a set of investment incentives for the City. The scheme consisted of a pilot located in the Atlantis Industrial area and was followed by a city-wide policy covering the rest of the metropolitan area. The

report containing the package of incentives for the Atlantis pilot scheme was approved by Council on 29 May 2013.

The Atlantis incentives scheme continues to be implemented and will be repealed when Council approves new spatially targeted geographic areas. This was a condition of the approval of the investment Incentives Policy (No. 12506) approved by Council on 31 May 2018. The report recommending the new targeted areas to Mayco and Council will serve before Council in Quarter 2 of the 2019/20 financial year. Until then Atlantis remains the only targeted geographic area in Cape Town that offers investment incentives.

This report serves to inform Mayco of the progress made and impacts achieved through the implementation of the Atlantis investment incentives during quarter 1 (July to September) of 2019/20.

Take-up of Atlantis incentives:

The following table summarises the uptake of the Atlantis investment incentives for the period 1 July 2019 to 30 September 2019:

NON-FINANCIAL INCENTIVES		2019/20 (Q1)	
Measure		Number uptake	
Atlantis Investment Facilitation Office (consultations)		34	
Single-point investment facilitation services		7	
Building plan application fast tracking		1	
Land-use application fast tracking		1	
Biodiversity offsets		0	
TOTAL		43	
FINANCIAL INCENTIVES		2019/20 (Q1)	
Measure		Number uptake	Value of uptake
Building plan scrutiny fee exemptions		9	R 107 207.00
Land-use application fee exemptions		1	R 635.30
DC deferral/debt write off		0	R 0
Electricity tariff subsidy		0	R 0
TOTAL		10	R 107 842.30

During quarter 1 of 2019/20, Atlantis investors took up a total of 53 investment incentives. This uptake comprised of 43 non-financial, and 10 financial incentives to the value of R107 842.30. These incentives were mostly taken up by existing companies expanding their facilities.

The incentivised Atlantis Time of Use (TOU) electricity tariff was discontinued at the end of June 2019. Investor wishing to migrate to the new Investment Incentive Tariffs for a 2-year period (as determined in the new policy) would need to apply for that tariff. These new tariffs are subject to the approval by Council of the spatially

targeted areas for incentives (scheduled for Quarter 2 2019/20). As a consequence of this, there were no electricity incentives taken up in the Atlantis industrial area in Quarter 1 2019/20.

The incentives scheme continues to generate interest in Atlantis as a potential investment destination. Combined with the early stages of the SEZ implementation, there has been an increase in the number of potential investors interested in accessing the incentives and/or investing in Atlantis, especially the green technology sector.

Financial Implications

None Opex Capex

Capex: New Projects

Capex: Existing projects requiring additional funding

Capex: Existing projects with no additional funding requirements

Policy and Strategy

Yes No

Legislative Vetting

Yes No

Legal Compliance

Staff Implications

Yes No

Risk Implications

Yes No

5. RECOMMENDATIONS

It is recommended that:

- a) The monitoring report regarding the implementation of the investment incentives in quarter 1: 2019/20 in the targeted geographic area of Atlantis Industrial, be noted.

Daar word aanbeveel dat:

- a) Daar kennis geneem word van die moniteringsverslag oor die implementering van die investeringsaansporings in die geteikende geografiese gebied van Atlantis Industria gedurende kwartaal 1: 2019/20.

Kundululwe ukuba:

- a) Makuqwalaselwe ingxelo yekota yokuqala-1 kowama-2019/20 engokubeki'liso engokumalunga nokumiselwa kwemibandela engenkuthazo yotyalo-mali kwimimandla ekujoliswe kuyo yase-Atlantis Industrial.

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ANNEXURES

FOR FURTHER DETAILS CONTACT

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