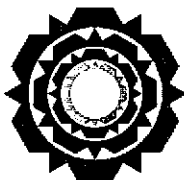


ITEM NUMBER: C 28/01/20

***RECOMMENDATION FROM THE EXECUTIVE MAYOR TOGETHER WITH THE
MAYORAL COMMITTEE: 14 JANUARY 2020***

**MC 36/01/20 AUTHORISATION TO COMMENCE WITH A PUBLIC
PARTICIPATION PROCESS IN RESPECT OF THE PROPOSED
GRANTING OF RIGHTS TO USE, CONTROL OR MANAGE
PORTION OF REMAINDER ERF 99939, CAPE TOWN KNOWN AS
THE CAPE TOWN MARKET**

It is **RECOMMENDED** that, in terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations 2008, Council authorizes the City Manager to conduct the public participation process for proposed granting of the rights to use, control, or manage a portion of Remainder Erf 99939, Cape Town, known as the Cape Town Market.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

LC24119

1 ITEM NUMBER: MC 36/01/20

2 SUBJECT:

AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN RESPECT OF THE PROPOSED GRANTING OF RIGHTS TO USE, CONTROL OR MANAGE PORTION OF REMAINDER ERF 99939 CAPE TOWN KNOWN AS THE CAPE TOWN MARKET

ONDERWERP:

MAGTIGING OM VOORT TE GAAN MET 'N OPENBAREDEELNAMEPROSES TEN OPSIGTE VAN DIE VOORGESTELDE TOEKENNING VAN REGTE GEBRUIK, BEHEER OF BESTUUR VAN GEDEELTE VAN RESTANT ERF 99939 KAAPSTAD BEKEND AS DIE KAAPSTAD-MARK

ISIHLOKO:

UGUNYAZISO LOKUQALISWA KWENKQUBO ENGENTATHO-NXAXHEBA YOLUNTU NGOKUJOLISWE KWISIPHAKAMISO SOKUVUNYELWA KWAMALUNGELO OKUSETYENZISWA KOLAWULO OKANYE KOKUPHATHWA KWESIQEPHU SENTSALELA YESIZA-99939 ESISEKAPA ESAZIWA NGOKUBA YI-CAPE TOWN MARKET

Translation Reference: L2611
File Reference CT14/2/2/1/2/181/A45

3. DELEGATED AUTHORITY:

- Chapter 4, Regulation 33(3)(b)(ii) of the Municipal Asset Transfer Regulations (R878) in effect from 1 September 2008 ("MATR"), provides that the granting of a property right must be treated as a transfer in terms of Chapter 2 of the MATR when the period granted exceeds the economic usefulness of the capital asset and which would require the asset, in order to remain economically useful, to be substantially upgraded, altered or replaced during the period of which the right is granted.
- In terms of Chapter 2, Regulation 5(3) of the MATR, a Municipal Council may authorize the City Manager to conduct a public participation process for transfer or disposal of non-exempt capital assets, when the capital asset has a value in excess of R50 million.

JTH

This report is for decision by the Council.

- ☒ Immovable Property Adjudication Committee
- ☒ The Executive Mayor together with the Mayoral Committee (MAYCO)
- ☒ Council

4. EXECUTIVE SUMMARY:

PURPOSE OF REPORT	To obtain authority from Council to commence a public participation process with respect to the granting of rights to use, control, or manage a capital asset, namely a portion of remainder Erf 99939, Cape Town, Gunners Circle, Epping, known as the Cape Town Market.			
PROPERTY DESCRIPTION	A portion of remainder Erf 99939 Cape Town. (Plan LIS2269 attached marked "Annexure A").			
PROPERTY LOCATION	110 Gunners Circle, Epping Industria 1, Cape Town			
WARD/SUBCOUNCIL	Sub council: 15		Ward: 53	
SITE EXTANT	30.18 hectares.			
VIABLE	YES	X	NO	
LAND USE ZONING	General Industrial 2			
CURRENT USAGE	Fresh produce market.			
PROPOSED USAGE	Fresh produce market.			
APPLICATION DESCRIPTION	Long term lease (30 years)			

7/11/11

FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> • Securing a significant strategic economic asset in the form of a functioning fresh produce market; • Market related rental income and revenue from rates and municipal services will be generated. • Better utilization of City-owned strategic assets. 	
MARKET RELATED RENTAL	Current rental is R18 500 000 per annum (including VAT) i	
MARKET VALUE (EX VAT)	R250 000 000.00 (Excluding VAT) – Refer to Annexure B for Valuation Report	
STRATEGIC INTENT	IDP	
	SFA 1: An Opportunity City	1.1 (g) Leverage the City's assets, to rationalize and optimally utilize City assets to stimulate economic benefit for Cape Town.
	ODTP	
	Optimization & Rationalization	The optimal utilization of Council facilities.
	SDF	
	Area Plan	Optimisation and commercialisation of the property does not deviate from SDF objectives

5. DISCUSSION/CONTENTS:

5.1 BACKGROUND:

The former Municipality of Cape Town established the Epping Market in 1961 on portion of remainder Erf 99939, Epping Industria 1, Cape Town. The property is developed with 120 843m² of buildings and outdoor covered areas, which includes, inter alia, a fresh produce market hall, refrigerated ripening rooms, food wholesaler's, retail outlets, a truck stop, and related administration offices.

The City of Cape Town operated the market as a City Department until 2004, when the City sold the business of the Epping Market, by way of an open tender, to Cape International Fresh Produce Trading (Pty) Ltd for the purchase consideration of R16 million. In terms of the Agreement of Sale the City sold the business assets, namely specified contracts, stock and goodwill.

In terms of the tender award the City on 24 February 2004 entered into a lease agreement for the property with the aforesaid company for a period of 20 years at an initial annual rental of R6 000 000. Current monthly rental is R1 539 659.60, which as per the lease agreement is subject to annual escalation.

Subsequent to the conclusion of the lease the lessee rebranded themselves as Cape Town Market (Pty) Ltd.

Although the current lease expires in February 2024, it is considered prudent to procure a new lease of the property to ensure there is no interruption to the ongoing market operations from the current lease to the new lease. The function of the market within the regional food distribution system is important with regards to food security for the people of Cape Town, as the majority of the fresh produce that moves through the Market is purchased by small to medium traders who on sell to the greater community of Cape Town.

Recognising the strategic value of the Cape Town fresh produce market, the City is initiating a process to ensure the long term continuation of the important economic and social role the market has within the Cape Metropolitan area.

5.2 CONSULTATION WITH BRANCHES

The proposed lease was circulated to all the relevant City services branches and external stakeholders for comments. There were no objections received. Appropriate conditions to be included in the lease agreement, where applicable. The summary of comments is attached as Annexure C.

5.3 FACTORS MOTIVATING RECOMMENDATION

- 5.3.1 The aim of this project is to leverage the City asset through asset rationalisation and optimisation in order to ensure economic benefit for the City;
- 5.3.2 A market related rental income will be generated;
- 5.3.3 Optimisation of City-owned strategic assets

5.4 VALUATION

The City's valuers have provided an estimated market value of the property at R250 000 000 excluding VAT (attached as Annexure B).

Current monthly rental is R1 539 659.60 (including VAT) which is subject to annual escalation of 60% of the average prime rate of interest in terms of the current lease agreement until February 2024.

5.5 CONSTITUTIONAL AND POLICY IMPLICATIONS

- 5.5.1 The proposal complies with Section 14 of the Municipal Finance Management Act No. 56 of 2003 in that the relevant branches of Council

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have confirmed that the land is not required for the provision of the minimum level of a basic municipal service.

- 5.5.2 Chapter C of Council's policy relation to the Management of Certain of the City of Cape Town's Immovable Property, as approved by Council on 26 August 2010 (C54/08/10) permits the granting of immovable property rights.

5.6 LEGAL COMPLIANCE

The Municipal Asset Transfer Regulations (R878) in effect from 1 September 2008 (MATR) Chapter 4, Regulation 33(3)(b)(ii), states:

"The granting by a municipality or municipal entity of a right to use, control or manage a capital asset must for the purposes of these Regulations be dealt with in terms of Chapter 2 or 3 as if such granting of a right is a transfer within the meaning of that Chapter, if the right -

- (a) is granted for an indefinite period or;
- (b) is granted for a period which exceeds –
 - (i) the useful life of the capital asset; or
 - (ii) the economic usefulness of the capital asset and which require the asset, in order to remain economically useful, to be substantially upgraded, altered or replaced during the period for which the right is granted."

The proposal is to grant the rights to use, manage and control Remainder Erf 99939, Cape Town for a period of 30 years. The lessee will be obliged to effect permanent improvements of the capital asset for business purposes. Based on the proposed lease duration and the proposed usage, wear and tear on the envisaged improvements is anticipated, which would require the lessee to upgrade, alter or replace thereof at their own cost and in line with the City's consent. The aforementioned will ensure that the subject property continues to generate optimal financial returns to the City within a safe operational environment to its users.

Due to the extent of capital expenditure the lessee will be obliged to incur in order to substantially upgrade the facility, Chapter 2 of the MATR applies to this proposal.

Chapter 2, Regulation 5(1)(a) of the MATR states:

"A municipality may transfer or dispose of a non-exempted capital asset only after –

- (a) the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act."

Regulation 5(3) states-

- "(a) Only the municipal council may authorise the public participation process referred to in subregulation (1)(a)
- (b) A request to the municipal council for authorization of a public participation process must be accompanied by an information statement stating-
 - (i) The valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;

JMH

- (ii) The reasons for the proposed transfer or disposal of the asset;
- (iii) Any expected benefits to the municipality that may result from the transfer or disposal;
- (iv) Any expected proceeds to be received by the Municipality resulting from the transfer or disposal;
- (v) Any expected gain or loss that will be realized or incurred by the Municipality arising from the transfer or disposal."

An information statement relating to the above is attached as Annexure D.

6 RECOMMENDATION:

For a decision by Council:

It is recommended that:

In terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations 2008, Council authorizes the City Manager to conduct the public participation process for proposed granting of the rights to use, control, or manage a portion of remainder Erf 99939, Cape Town, known as the Cape Town Market.

AANBEVELINGS

Vir besluitneming deur die Raad:

Daar word aanbeveel dat:

Ingevolge regulasie 5(3)(a) van die regulasies oor die oordrag van munisipale bates (2008), die Raad die Stadsbestuurder magtig om met die openbaredeelnemingsproses te begin vir die voorgestelde toestaan van die regte vir die gebruik, beheer of bestuur van 'n gedeelte van restant erf 99939, Kaapstad, bekend as die Kaapstad-mark.

IZINDULULO

Isigqibo seseBhunga:

Kundululwe ukuba:


Ngokomgaqo-5(3)(a) weMigaqo engokuNikezelwa kweMpahla kaMasipala wango-2008, iBhunga maligunyazise uMphathi weSixeko ukuba aqhube inkqubo engentatho-nxaxheba yoluntu ngokujoliswe kwisiphakamiso sokuvunyelwa kwamalungelo okusebenzisa, olawulo okanye okuphathwa kwesiqephu sentsalela yesiza-99939, esiseKapa, esaziwa ngokuba yi-Cape Town Market.

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ANNEXURES:

Annexure A: Proposed lease plan LIS 2269
 Annexure B: Market Valuation Report
 Annexure C: Departmental/branch Comments
 Annexure D: Information Statement / Draft Advertisement

FOR FURTHER DETAILS, CONTACT:

NAME	Gary Nevin
CONTACT NUMBERS	021 400 3038
E-MAIL ADDRESS	Gary.nevin@capetown.gov.za
DIRECTORATE	Economic Opportunities and Asset Management
FILE REF NO	CT 14/2/2/1/2/181/A45]
ACTING MANAGER: PROPERTY TRANSACTION MANAGEMENT	Liezl Emsley  30.12.2019

**DIRECTOR: PROPERTY MANAGEMENT IN HER CAPACITY AS NOMINEE FOR
 THE EXECUTIVE DIRECTOR: ECONOMIC OPPORTUNITIES AND ASSET
 MANAGEMENT**


DIRECTOR: PROPERTY MANAGEMENT

Comment:


NAME: RUBY GELDERBLOEM

DATE: 2019.12.31

LEGAL COMPLIANCE

☒ REPORT COMPLIANT WITH THE PROVISIONS OF
 COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS
 AND ALL LEGISLATION RELATING TO THE MATTER

☐ NON-COMPLIANT



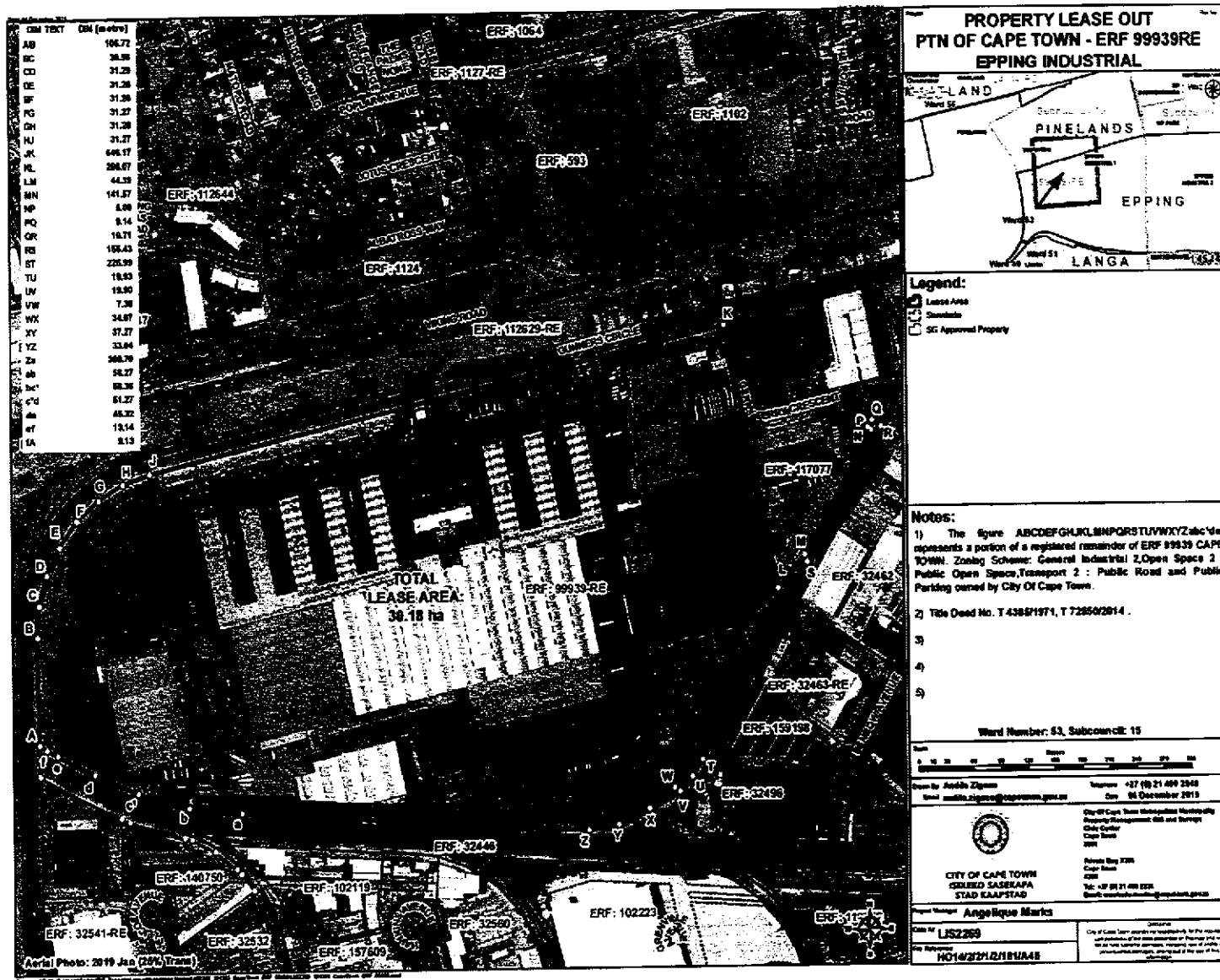
NAME: Jean-Mari Holt

TEL: 021 400 2753

DATE: 02/01/2020

Comment:

certified as legally compliant:
 based on the contents of the report





**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

**ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
PROPERTY MANAGEMENT**

Garth Johnson
Professional Valuer

T: 021 400 2831 F: 021 419 5303
E: Garth.Johnson@capetown.gov.za
Job no: 8043

DATE	2019-12-18
TO	Manager: Property Transaction Management
ATTENTION	Mike Sims

VALUATION REPORT

DESKTOP MARKET VALUATION OF REMAINDER ERF 99939 CAPE TOWN, WHICH HOUSES THE CAPE TOWN MARKET AT EPPING, REQUIRED FOR AUTHORITY TO ADVERTISE AND/OR IN-PRINCIPAL APPROVAL

1. Brief and Background

We were requested by Mike Sims, Manager: Property Transaction Management, to determine the market value of Remainder Erf 99939 Cape Town (hereafter 'the subject property'), a General Industrial 2 (GI2) zoned stand measuring 30,8720ha (as per Deeds Office records), which houses the Cape Town Market, at Epping Industria. The valuation is required in order to obtain authority to advertise and/or in-principle approval.

Note: Our Brief actually stipulates that we are to determine the land value, but it was confirmed with Gary Nevin, Project Manager: Property Transaction Management, that we are to value both the land and buildings (although, as it will follow from this report, the buildings probably contribute negligibly to value).

2. Date of Valuation

2019-12-31

3. Date of Inspection

A physical inspection was not deemed necessary at this stage of the process, although we did make use of aerial photos and other imagery. We also have prior knowledge about the Cape Town Market from previous work done relating thereto.

4. Caveats

The reader should note the following:

- (i) The valuation is for internal requirements only and must not be made available to the public without prior written consent from the Acting Head: Market Valuations.
- (ii) All values in this report exclude VAT.
- (iii) This report has been prepared in conformity with recognized standard procedure regarding the disposal of City property.

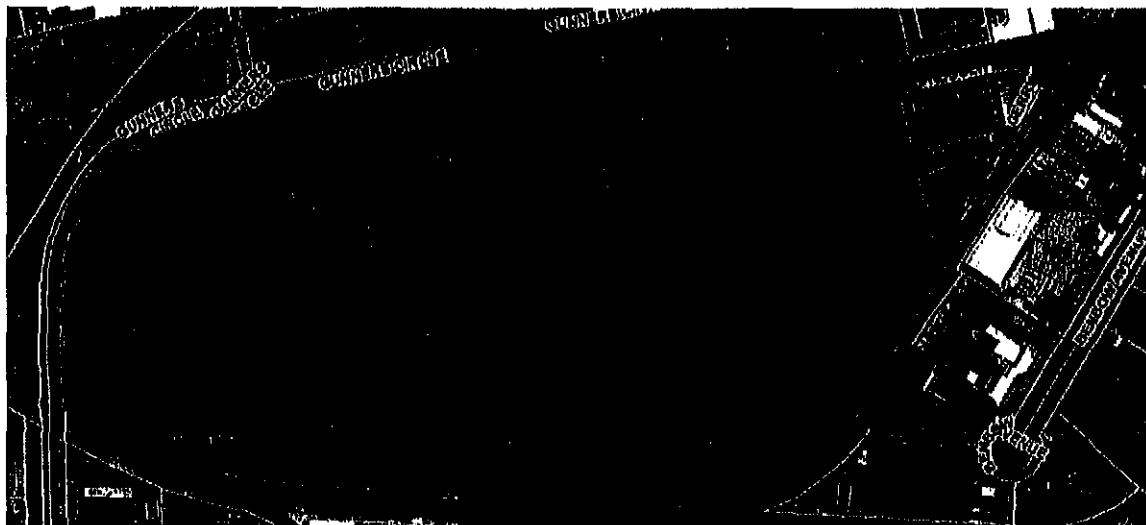
http://teamsites.capetown.gov.za/sites/finpropmanpi/Valuations/Users/garth.johnson/2019/Epping/1218_Desktop_Rem Erf 99939 Epping Industria_CT Market_D.docx

- (iv) We did not have sight of any title deeds and assume that it contains no encumbrances that negatively affect value.
- (v) The subject property is subject to a long term lease(s), which we did not have sight of and which was not taken into account for purposes of this valuation.
- (vi) This is a desktop valuation and therefore for indicative purposes only. A more comprehensive valuation should be requested *before* transfer/lease.

5. Salient information

The most relevant property information is listed in the following table.

Salient information of the subject property		
Description	Remainder Erf 99939 Cape Town	
Address	Gunners Circle, Epping Industria	
Owner	City of Cape Town	
Zoning	General Industrial 2	
Site extent	30,8720 ha	
Improvements	Various, mostly industrial, but also some office, buildings, canopies, et cetera, that make up the Cape Town Market. From previous dealings with the subject property, we are aware that the buildings are generally old (e.g. lots of asbestos roofing) and functionally obsolete and do not meet international standards for such facilities – i.e. most of the current buildings probably have no value to a potential buyer (or actually detract from value as it will probably be demolished by a buyer).	
GV2018	Although we did not have sight of the GV 2018 valuation, it would follow from the breakdown (see below) that almost the entire property is subject to a (registered) long lease: --- Lease over Erf 99939-Re 28,5057 ha R101 200 000 --- Erf 99939-Re 30,8720 ha R198 627 306	
Branch comments	None received.	



6. Approach to Valuation

We were tasked with determining the market value of the subject property, which is defined by International Valuation Standards Committee (IVSC) as:

The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties acted knowledgeably, prudently and without compulsion.

Implicit in the market value of a property is the notion of highest and best use, which the IVSC defines as:

The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

7. Highest and best use

The highest and best use of the subject property is deemed for Industrial use, which is in line with its current use. However, as noted, due to physical, functional and possibly even economic obsolescence, the time for redevelopment is ripe, which is normally reflected in the fact that the land value is close (if not greater) than the improved value.

8. Method of Valuation

We used the following methods to estimate the market value of the subject property:

- i. We applied the income capitalisation method, which involves deducing the market value of the subject property (i.e. buildings and land) based on its expected future rental income stream. More specifically, this method involves estimating the net normalised market rental income for Year 1 (i.e. the 12 months subsequent to valuation date) and capitalising it by a market related income yield.
- ii. Based on discussions with the operator a few years ago, and knowing how old the current improvements are (not only physically, but functionally), it is highly likely that were the subject property ever to be sold on the open market, the buyer would almost certainly demolish the top structures and redevelop it. Hence, we also valued the land using the comparable sales method and a basic residual land value calculation.

The comparable sales method entails the following steps:

- o Identifying recent sales transactions of similar properties in the same neighbourhood (or further afield if need be) for which information is available.
- o Comparing the comparable properties' value-forming characteristics with those of the subject property, viz. location, stand size, etc.
- o Adjusting the sales price of the comparable properties for effluxion of time between their sales dates and valuation date.
- o Deducing the value of the subject property after taking due cognisance of all

incomparable characteristics and their potential influence on the sale's price.

The residual land value method entails one putting yourself in the shoes of a developer and, based on a realistic development proposal, estimating the likely cash inflows (i.e. sales income) and likely cash outflows (i.e. internal and external infrastructure costs, Development Contributions (DCs), building costs, professional fees, developers profit, etc.) over the duration of the project. The difference between the cash inflows and outflows, i.e. the residual, is what the developer can afford to pay for the land.

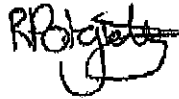
9. Conclusions

Based on the evidence, we deem the market value of subject property in the order of R250 000 000 (excluding VAT).

Important: This is a desktop valuation and is for indicative purposes and hence should not be used for purposes of transacting, in which case a more comprehensive analysis will be undertaken. Notwithstanding the above and to allow for the efflux in time, the market value is to be reassessed if the transaction is not approved by the relevant decision making authority of Council within 24 months from date of valuation (i.e. by 2021-12-31).



Garth Johnson
Principal Professional Valuer



Rosanna Potgleter
Acting Head: Market Valuations

2019-12-19



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ECONOMIC OPPOTUNITIES AND ASSET MANAGEMENT
PROPERTY MANAGEMENT
PROTERTY TRANSACTION MANAGEMENT

TECHNICAL INVESTIGATION CONTROL SHEET

PROPERTY	Portion of remainder Erf 99939, Epping Industria 1
Extent	30.18 ha
Zoning	General Industrial 2
Title Deed No.	T4385/1971, T72550/2014
Disposal Plan No.	LIS 2269
Date comments requested	04/12/2019
Closing date for comments	20/12/2019

Department	Comments
TRANSPORT	
Forward Planning	No objection
Transport Planning	No objection
Transport Impact Assessment	No comment
Roads Infrastructure Management	No objection, subject to statutory conditions
SPATIAL PLANNING AND ENVIRONMENT	
Coastal Management	No comment
Environmental Management and Heritage	No comment
Biodiversity	No objection
Urban Catalytic investment	No objection
Urban Planning and Design	No comment
Development Management	No comment

HUMAN SETTLEMENTS AND IMPLEMENTATION	
Land and Forward Planning	No comment
Housing Implementation	No objection
Land Reform	No comment
COMMUNITY SERVICES AND HEALTH	
Recreation and Parks	No comment
Social Development & Early Childhood Development (SDECD)	No objection
City Health	No comment
Planning & Development & PMO	No objection
SAFETY AND SECURITY	
Fire Services	No objection
Traffic and coordination	No objection
Law Enforcement	No objection
ECONOMIC OPPOTUNITIES AND ASSET MANAGEMENT	
Property Management: Immovable Property Planning	No objection
Property Management: Property Holding	No objection
Property Management: Disposal	No objection
Property Management: Optimisation and Rationalisation	No objection
Facilities: Facilities Management and Maintenance	No objection
WATER AND WASTER SERVICES	
Water and Sanitation	No objection, subject to statutory conditions
Solid Waste Management	No comment
ENERGY	
Electrical Generation and Distribution Engineering	No objections, subject to standard development conditions.
EXTERNAL DEPARTMENTS	
ESKOM	No objection
TELKOM SA LTD	No objection, however if services are affected for any developments, subject to statutory conditions.



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

Making progress possible. Together.

**PTMS013
Advert for Municipal Notice**

Notice is hereby given that the City of Cape Town will, in terms of the provisions of the Local Government Municipal Finance Management Act, and the associated Municipal Asset Transfer Regulations, and the Policy on the Management of certain of the City of Cape Town's Immovable Property, approved by Council on 26 August 2010, consider transfer or disposal by way of a long term leasing of portion of remainder of Erf 99939, Cape Town, known as the Cape Town Market, to Cape Town Market (Pty) Ltd

Details are as follows:

Portion of remainder of Erf 99939, Cape Town:

- **Applicant:** Cape Town Market (Pty) Ltd
- **Extent of lease area:** Lease Area 30.18 ha
- **Rental:** Commercial market related (currently R18.5 million per annum)
- **Purpose:** Fresh produce market, fruit and vegetable wholesalers
- **Lease term:** 30 years

Information Statement:

- a) **The valuation of the capital asset to be transferred or disposed by way of a long term lease, and the method of valuation used to determine that valuation.**
The value of the property, land and buildings, valued using the income capitalisation method at the highest and best use being for industrial purposes, is deemed by the City's professional valuers to be in the order of R250 000 000 excluding VAT.
- b) **The reasons for proposal to transfer or disposal of this immovable property asset by way of a long term lease:**
The property is currently leased to Cape Town Market (Pty) Ltd for the purpose of conducting the business of a fresh produce market for a period of twenty years ending in February 2024. As a primary distributor of basic food items at the lowest price the market plays an important economic and social role in ensuring availability and affordability of safe and nutritious food. In recognition of the strategic value of the fresh produce market in this central location the City is proposing to initiate a process to ensure the continuation of the market for the long term.
- c) **The expected benefit to the municipality, which may result from the transfer or disposal of the property by way of a long term lease of the property:**
The Cape Town Market contributes to food distribution, food security, and directly and indirectly serves as a large-scale job creator in the informal sector. Securing the long term future of the market will allow for the Cape Town Market to continue to play this important economic and social role within the Cape Metropolitan area.
- d) **The expected proceeds receivable by the Municipality resulting from the transfer or disposal of the property by way of a long term lease of the property:**
The current lease is a commercial lease which returns a monthly rental income as well as an additional sum based on the annual turnover of the market. It is proposed this

rental model will form the basis for any property transaction involving the long term future of the market.

e) **The expected gain or loss, which will be realised or incurred by the Municipality arising from the transfer or disposal by way of a long term lease:**

Securing a significant strategic economic asset in the form of a functioning fresh produce market; and

Refurbishment and recapitalisation of the market to maintain compliance with current and future standards applicable to fresh produce markets.

For further details of the transaction please contact (telephone) or e-mail@capetown.gov.za between 08h30 and 15h00 on weekdays.

Any comments/objections to the proposal must be submitted in **writing**, together with reasons therefore, to the above email or COCT, Civic Centre, 12 Hertzog Boulevard, Cape Town 8000 attention, Property Management before (60 days from date of advert)

Lungelo Mbandazayo
CITY MANAGER

File ref: ZFILEREFN

Instructions for Publication: Cost Centre No: 19050017

Insert Date of Publication

The Cape Argus
Die Burger

USER_FULLNAME

NAME OF OFFICIAL

SIGNATURE

DATE

**RECOMMENDATIONS OF THE SPECIAL IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE TO COUNCIL: 07 JANUARY 2020**

LCP 1058

SPIPAC04/01/2020 **AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN RESPECT OF THE PROPOSED GRANTING OF RIGHTS TO USE, CONTROL OR MANAGE PORTION OF REMAINDER ERF 99939 CAPE TOWN KNOWN AS THE CAPE TOWN MARKET**

MAGTIGING OM VOORT TE GAAN MET 'N OPENBAREDEELNAMEPROSES TEN OPSIGTE VAN DIE VOORGESTELDE TOEKENNING VAN REGTE GEBRUIK, BEHEER OF BESTUUR VAN GEDEELTE VAN RESTANT ERF 99939 KAAPSTAD BEKEND AS DIE KAAPSTAD-MARK

**UGUNYAZISO LOKUQALISWA KWENKQUBO
ENGENTATHO-NXAXHEBA YOLUNTU NGOKUJOLISWE
KWISIPHAKAMISO SOKUVUNYELWA KWAMALUNGELO
OKUSETYENZISWA KOLAWULO OKANYE
KOKUPHATHWA KWESIQEPHU SENTSALELA YESIZA-
99939 ESISEKAPA ESAZIWA NGOKUBA YI-CAPE TOWN
MARKET**

Property Management representative was present to answer any question for clarity

EXECUTIVE SUMMARY

PURPOSE OF REPORT	To obtain authority from Council to commence a public participation process with respect to the granting of rights to use, control, or manage a capital asset, namely a portion of remainder Erf 99939, Cape Town, Gunners Circle, Epping, known as the Cape Town Market.
PROPERTY DESCRIPTION	A portion of remainder Erf 99939 Cape Town. (Plan LIS2269 attached marked "Annexure A").

2 27/1/20

PROPERTY LOCATION	110 Gunners Circle, Epping Industria 1, Cape Town			
WARD/SUBCOUNCIL	Sub council: 15		Ward: 53	
SITE EXTANT	30.18 hectares.			
VIABLE	YES	X	NO	
LAND USE ZONING	General Industrial 2			
CURRENT USAGE	Fresh produce market.			
PROPOSED USAGE	Fresh produce market.			
APPLICATION DESCRIPTION	Long term lease (30 years)			
FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> • Securing a significant strategic economic asset in the form of a functioning fresh produce market; • Market related rental income, revenue from rates and taxes will be generated. • Better utilization of City-owned strategic assets. 			
MARKET RELATED RENTAL	A market related rental of R18 500 000.00 per annum (including VAT) is expected.			
MARKET VALUE (EX VAT)	R250 000 000.00 (Excluding VAT) – Refer to Annexure B for Valuation Report			
	IDP			

STRATEGIC INTENT	SFA 1: An Opportunity City	1.1 (g) Leverage the City's assets, to rationalize and optimally utilize City assets to stimulate economic benefit for Cape Town.
	ODTP	
	Optimization & Rationalization	The optimal utilization of Council facilities.
	SDF	
	Area Plan	Optimisation and commercialisation of the property does not deviate from SDF objectives

RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

In terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations 2008, Council authorizes the City Manager to conduct the public participation process for proposed granting of the rights to use, control, or manage a portion of remainder Erf 99939, Cape Town, known as the Cape Town Market.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

Ingevolge regulasie 5(3)(a) van die regulasies oor die oordrag van munisipale bates (2008), die Raad die Stadsbestuurder magtig om met die openbaredeelnemingsproses te begin vir die voorgestelde toestaan van die regte vir die gebruik, beheer of bestuur van 'n gedeelte van restant erf 99939, Kaapstad, bekend as die Kaapstad-mark.

2 11/11

IZINDULULO

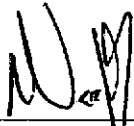
Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

Ngokomgaqo-5(3)(a) weMigaqo engokuNikezelwa kweMpahla kaMasipala wango-2008, iBhunga maligunyazise uMphathi weSixeko ukuba aqhube inkqubo engentatho-nxaxheba yoluntu ngokujoliswe kwisiphakamiso sokuvunyelwa kwamalungelo okusebenzisa, olawulo okanye okuphathwa kwesiqephu sentsalela yesiza-99939, esiseKapa, esaziwa ngokuba yi-Cape Town Market.

ACTION: M SIMS; R GELDERBLOEM

It is noted that this resolution is in line with Supply Chain Management Policy.



MR RICHARD WOOTTON
EMPLOYEE NO: 10207948
CHAIRPERSON : IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE

COMMENT:

DATE:

7/1/2020



LEGAL COMPLIANCE

COMMENT:

DATE:

07/01/2020

Confirmed as legally compliant. JMH.
Based on the contents of the report.