



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

**REPORT TO SUBCOUNCIL 03**

LC22154

**1 ITEM NUMBER 03SUB 19/05/19**

**2 SUBJECT**

**PROPOSED LEASE OF PORTION OF CITY OWNED LAND, BEING PORTION OF ERF 1281 GOODWOOD, SITUATED AT CORNER OF PLATTEKLOOF ROAD AND GIEL BASSON DRIVE, MONTE VISTA, GOODWOOD: SOUTH AFRICAN SCOUTS ASSOCIATION OF WESTERN AREA – 1<sup>ST</sup> MONTE VISTA SCOUT GROUP (019-215-NPO)**

**2 ONDERWERP**

**VOORGESTELDE VERHURING VAN 'N GEDEELTE GROND IN STADSBESIT, NAAMLIK GEDEELTE VAN ERF 1281 GOODWOOD, GELEË OP DIE HOEK VAN PLATTEKLOOFWEG EN GIEL BASSON-RYLAAN, MONTE VISTA, GOODWOOD SOUTH AFRICAN SCOUTS ASSOCIATION OF WESTERN AREA – 1<sup>ST</sup> MONTE VISTA SCOUT GROUP**

**2 ISIHLOKO**

**ISIPHAKAMISO SENGQESHISO NGESIQEPHU SOMHLABA WESIXEKO, OSISIQEPHU SESIZA 1281 EGOODWOOD, ESIME KWIKONA YE-PLATTEKLOOF ROAD NE-GIEL BASSON DRIVE, MONTE VISTA, GOODWOOD: KWABE-SOUTH AFRICAN SCOUTS ASSOCIATION OF WESTERN AREA – 1<sup>ST</sup> MONTE VISTA SCOUT GROUP**

**K2045**

**PTMS NO: 130002283**

**File Ref No: TYG14/3/6/1/2/1281/1**

**(Category 3)**

**3 DELEGATED AUTHORITY**

- ☒ The report is for comment by Subcouncil to the competent authority in terms of Part 24, Delegation 10(1).

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- ☒ In terms of delegation Part 27B paragraph 22 (8), the following delegation was conferred upon the City Manager. The City Manager has sub-delegated this delegation to the Director: Property Management.

"To approve the granting of rights to use, control or manage capital assets: Capital assets less than R10 million, longer than 3 years (<R10 million and > 3 years) and capital assets more than R10 million, not longer than 3 years (>R10 million and <3 years) for the following categories:

- a) Social Care Leases: Leases to Social Care organisations) NPOs, NGOs, sports organisations not for profit) at a tariff rental as approved by Council annually.
- b) Non-viable gardening and security leases: Leases of non-viable portion(s) of municipal land to adjacent land owners at a tariff rental as approved by Council annually."

Provided that this delegation may only be exercised after considering the comment from the Sub-council in whose area of jurisdiction the capital is situated.

- ☒ Final delegation lies with Director: Property Management.

#### 4 EXECUTIVE SUMMARY

PURPOSE OF REPORT	To consider the proposed lease of portion of City land being a portion of Erf 1281 Goodwood to the South African Scouts Association – 1 <sup>st</sup> Monte Vista Scout Group for the purpose of scouting activities.	
Site extent	2 758 m <sup>2</sup>	
Submission date	12 February 2015 (Backlog item)	
Current zoning	Open Space 2: Public Open Space	
Current usage	Scout activities	
Proposed usage	Scout activities	
WARD CLLR	NOTICE DATE	WARD
F Ah-Sing	04 October 2018	55
TOD Assessment	This application does not need to undergo the Comprehensive TOD Assessment as the extent is ≤ 5000 m <sup>2</sup> with a lease period of more than 5 years.	
Internal department comments	No objections were received from the internal branches, subject to the conditions contained in paragraph 5 below.	
Public participation outcome summary	Advertised in the Cape Argus and Die Burger on 21 September 2018. No alternative proposals were received. One objection was received, as discussed under paragraph 6.1.	

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Viable	Yes	X	No	
	During the public participation process, alternative proposals were called for. No alternative proposals were received.			
Recommended decision	Approval	X	Refusal	
Regulation 34(1) In-principle approval	Granted by Executive Director : Assets and Facilities Management in terms of delegated authority Part 27 (22)(7) after 7 July 2017			
Factors motivating recommendation:	<ul style="list-style-type: none"> <li>• The leasing of the land will relieve Council of the maintenance and security burden</li> <li>• An income will be generated</li> <li>• The applicant has been providing this service to the local community for the past 22 years from this property</li> </ul>			
Strategic intent	<b>SFA 1 : an OPPORTUNITY City of Cape Town</b>			
	Objective 1.5	Leverage the City's assets to drive economic growth and sustainable development		
	Programme 1.5(a)	City strategic assets investigation		

## 5 RECOMMENDATIONS FOR CONSIDERATION AND COMMENT BY THE RELEVANT SUBCOUNCIL

It is recommended that the lease of a portion of City owned land, being a portion of Erf 1281 Goodwood, situated at the corner of Platteklouf Road and Giel Basson Drive, Monte Vista, Goodwood, shown hatched and lettered ABCDEF on the attached Plan No TA 963v0 and marked **Annexure A**, in extent approximately 2758 m<sup>2</sup>, to the South African Scouts Association – 1<sup>st</sup> Monte Vista Scout Group (019-215-NPO) or their successors in title, be approved subject to inter alia the following conditions, that:

- A tariff rental of R883,48 per annum excluding VAT calculated at the rate applicable at the time of transaction be payable. Rates not applicable;
- The rental will be adjusted annually in terms of the rental tariff structure as approved by Council;
- The lease will endure for a period of ten years;
- The property be used for scouting activity purposes only;
- Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- Subject to compliance with any other statutory requirements;
- No compensation will be payable for any improvement made to the property.

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- h) The applicant must at all times comply with all relevant legislation regarding the control and management of noise on the property and may not cause a disturbance to adjacent property owners;
- i) Subject to all Fire and Safety Regulations being complied with.

## 5 AANBEVELINGS VIR OORWEGING EN KOMMENTAAR DEUR DIE BETROKKE SUBRAAD

Daar word aanbeveel dat die verhuring van 'n gedeelte Stadsgrond, naamlik 'n gedeelte van erf 1281, Goodwood, geleë op die hoek van Plattekloofweg en Giel Basson, Monte Vista, Goodwood, gearseer en aangetoon deur die letters ABCDEF op die aangehegte plan no. TA 963v0, gemerk bylae A, ongeveer 2 758 m<sup>2</sup> groot, aan die South African Scouts Association – 1st Monte Vista Scout Group (019-215-NPO), of hulle regsopvolgers, goedgekeur word onderworpe onder andere aan die volgende voorwaardes dat:

- a) 'n Tariefhuurbedrag van R883,48 per jaar, BTW uitgesluit, bereken teen die koers wat ten tye van die transaksie geld, betaalbaar is; Eiendomsbelasting is nie van toepassing nie;
- b) Die huurbedrag jaarliks aangepas sal word volgens die huurtariefstruktuur soos deur die Raad goedgekeur;
- c) Die huurooreenkoms vir 'n tydperk van tien jaar sal duur;
- d) Die eiendom slegs vir Padvinderydoeleindes gebruik word;
- e) Onderworpe aan die verdere voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid oplê;
- f) Onderworpe aan die nakoming van enige ander statutêre vereistes;
- g) Geen vergoeding betaalbaar sal wees vir enige verbeteringe aan die eiendom nie.
- h) Die aansoek te alle tye aan alle toepaslike wetgewing oor die beheer en bestuur van geraas op die eiendom voldoen en nie 'n steurnis vir aangrensende eienaars veroorsaak nie;
- i) Onderworpe aan nakoming van alle brand- en veiligheidsregulasies.



## 5 IZINDULULO UKUBA ZIQWALASELWE KWAYE KUVAKALISWE ULUVO LIBHUNGANA ELIFANELEKILEYO

Kundululwe ukuba makuphunyezwe ingqeshiso yesiqephu somhlaba weSixeko, osisiqephu sesiza-1281 esiseGoodwood, esime kwikona ye-Plattekleof Road neGiel Basson Drive, Monte Vista, Goodwood, esibonakaliswe ngemigca ekrweliweyo noonobumba ABCDEF kwiplani eqhotyoshelweyo engunombolo 963v0 ephawulwe njengesihlomelo A, esibukhulu bumalunga nama-2758 m<sup>2</sup>, kwabakwa- South African Scouts Association – 1st Monte Vista Scout Group 019-215-NPO) okanye abangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke phakathi kwezinye izinto kule miqathango ilandelayo yokuba:

- a) Makuhlawulwe ixabiso lerenti elingama- R883.48 ngonyaka ngaphandle kweRhafu-ntengo ebalwe ngokwexabiso elisetyenziswayo ngexesha lonaniselwano. Iintlawulo zobuhlali azisebenzi;
- b) Irenti iyakuthi ilungelelaniswe rhoqo ngonyaka ngokungqinelana nesakheko samaxabiso njengoko siphunyezwe liBhunga;
- c) Ingqeshiso iza kuhlala isithuba seminyaka elishumi;
- d) Ipropati mayisetyenziselwe imidlalo engokuskawuta (scouting) kuphela;
- e) Ngokuxhomekeke kweminye imiqathango eza kumiselwa nguMlawuli: woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- f) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;
- g) Akusayi kuhlawulwa mbuyekezo ngophuculo oluthe lwenziwa kwipropati;
- h) Umfaki-sicelo kufuneka ngawo onke amaxesha athobele yonke imithetho efanelekileyo ephathelene nokulawulwa kwengxolo kwipropati kwaye akufunekanga enze ingxolo ephazamisayo kubanini bepropati amelene nabo;
- i) Ngokuxhomekeke ekuthotyelweni kwayo yonke iMigaqo engeMililo noKhuseleko.

## 6 DISCUSSION/CONTENTS

### 6.1 BACKGROUND:

An application was received from the South African Scouts Association – 1<sup>st</sup> Monte Vista Scout Group to lease a portion of City owned land, being a portion of Erf 1281 Goodwood, as indicated ABCDEF on Plan No TA 963v0 attached as **Annexure A**. The property is to be used for scouting activity purposes. The lease, if approved, will be concluded with the Scouts South Africa, a registered NPO under registration number 019-215 NPO.

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The property has been occupied by the applicant in terms of a lease with the City since 1996. The facility is used to provide an opportunity for children and young adults to participate in the Scout Development Programme which is designed to focus on intellectual, social, physical and spiritual growth of the participants. In addition, other community focused programmes are also presented e.g. National Aids, Life Skills, Vocational Studies and Poverty Alleviation programmes.

As the property is deemed to be a viable property, a call for alternative proposals was made during the public participation process. No alternative proposals were received.

One objection was received from Mr D Maritz. The main thrust of the objection is that the property owners adjacent to the scout hall are exposed to an unacceptable level of noise during functions held at the scout hall over weekends. Mr Maritz requested that this matter be noted and that the City must ensure that the lease agreement contains a specific clause regulating the noise and nuisance factors to adjacent landowners. The City responded to Mr Maritz to state that the lease agreement will, as a matter of course, contain a clause addressing the concerns of noise and nuisance. On 23 October 2018 a response was received from Mr Maritz, a copy of which is attached at **Annexure B**. The objection is deemed to be adequately dealt with.

During the currency of the lease period the agreement of lease will contain a clause that, in the event that Council requires the land for the provision of basic municipal services, a notice period of two months will apply.

The property is registered in the name of the name of Platteklouf Estate & Investment Company (Pty) Ltd in terms of Deed of Transfer No T11693/1954 and vests in the City of Cape Town. The property is zoned as Open space 2: Public Open Space.

## **6.2 CONSULTATION WITH INTERNAL BRANCHES:**

The various Council Departments were consulted and have no objection to the lease subject to the conditions set out in paragraph 5 above which will form part of the lease agreement:

## **6.3 VALUATION**

- 6.3.1 The application category fits within the tariff structure of the City approved on 30 May 2018;
- 6.3.2 An annual rental tariff of R883,48 excl. VAT, subject to increase in accordance with the City's tariff structure as approved by Council and as may be amended from time to time, will be payable.

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## **6.4 CONSTITUTIONAL AND POLICY IMPLICATIONS**

- 6.4.1 The proposal complies with Section 14 of the Municipal Finance Management Act No.56 of 2003 in that the relevant branches of Council have confirmed that the land is not required for the provision of the minimum level of a basic municipal service.
- 6.4.2 Chapter C of Council's policy relating to the Management of certain of the City of Cape Town's Immovable Property (approved 26 August 2010), permits the leasing of immovable property.

## **6.5 FINANCIAL IMPLICATIONS**

All costs involved in this transaction will be for the Applicant's account.

## **6.6 TAX COMPLIANCE**

In terms of the City's Supply Chain Management Policy, approved by Council on 29 March 2017 (C22/03/17), paragraph 92.3 stipulates the City may not consider a bid or quote unless the bidder who submitted the bid or quote has submitted a valid tax clearance certificate certifying that the provider's tax matters are in order.

In terms of the City's Supply Chain Management Policy, approved by Council on 29 March 2017 (C22/03/17), paragraph 93 stipulates "Irrespective of the procurement process, the City may not make any award above R15 000,00 to a person who's tax matters have not been declared by the SARS to be in order."

Paragraphs 372 – 375 of the afore-mentioned policy deal with the sale and letting of City owned immovable property and are silent on the SARS requirement. Property Management adopted the principle as per paragraph 93 above and applicants need to submit a SARS clearance certificate or exemption certificate for the sale of all City Owned immovable property. Except for tariff based rentals, which do not exceed R15 000,00 all applicants need to submit a SARS clearance or exemption certificate for the leasing of City owned immovable property.

This transaction is tariff based and does not exceed R15 000,00 and as such the requirements for a SARS clearance or exemption certificate is not applicable.

## **6.7 FINANCIAL DUE DILIGENCE**

The applicant's debt profile has been verified and it is confirmed that the debt profile is not in arrears.



## 6.8 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City?

No ☒ Yes ☐

## 6.9 LEGAL IMPLICATIONS

### 6.9.1 Regulation 36 of the MATR

In terms of the above Regulation, Council must take into account a number of factors (highlighted in bold) when considering any proposed granting of rights to use, control or manage municipal capital assets, and it is herewith confirmed that:

**Whether asset may be required for the municipality's own use during the period for which the right is to be granted**

Council's service branches confirmed that the asset is not required for own purposes.

**Extent to which any compensation to be received, estimated value of improvements or enhancements to party the right is granted to will be required to make, economic or financial benefit to the City**

Council will receive a financial benefit in the form of a tariff rental to the amount of R883,48 per annum excluding VAT calculated at the rate applicable at the time of transaction be payable, as well as rates and taxes, if applicable.

### **Management of Risk**

No operational or control risk to the City.

### **Stakeholder comments and recommendations**

The Director: Property Management, in terms of her delegated powers, has approved the public participation process as required, resulting in the proposed lease being advertised in the Cape Argus and Die Burger on 21 September 2018. Alternative proposals were also called for during this process. Closing dates for objections were 22 October 2018. Copies of the advertisement were sent to the Ward Councillor, Manager and Chairperson of the relevant Sub-Council and registered local community organisations. No alternative proposals were received. One objection was received from Mr Maritz but the objection was adequately dealt with.

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## **Views from National and Provincial Treasury**

In terms of Regulation 34 of the MATR the subject property falls within the category of a capital asset in respect of which the proposed right to be granted has a value less than R10 million and a period exceeding 3 years (Non-Significant Property Right). National and Provincial Treasury have been notified. No comments or objections were received.

## **Strategic, Legal and Economic Interests**

None of these interests will be compromised through the granting of the right to use, control or manage the asset. In fact, they will be supported.

## **Compliance with Legislative Regime that is Applicable to the Proposed Granting of the Right**

Granting of the right to use, control or manage the asset is compliant with the Municipal Finance Management Act, Municipal Asset Transfer Regulations and Council's policy on the management of certain of the City of Cape Town's immovable property.

### **6.9.2 Section 12.5 of the Management of Certain of the City of Cape Town's immovable property Policy**

In accordance with the above, alternative proposals were called for during the public participation process. No alternative proposals were received.

When an application for an unsolicited property transaction is received in respect of a social care property, the following factors may be taken into account in order to justify not following a competitive process:

#### **Whether the applicant has historically enjoyed a Property Right granted by the City and, if so, for how long**

The applicant has been in occupation of the property since 1996 in terms of a lease agreement with the City.

#### **The terms and conditions of such use**

The property may be used as for scouting activity purposes only and for no other purpose. The maintenance of the property is the responsibility of the applicant (current lessee).

#### **The exact nature of the social care or community purpose**

The facility is used to provide an opportunity for children and young adults to participate in the Scout Development Programme which is designed to focus on intellectual, social, physical and spiritual growth of the participants. In addition, other community focused programmes are also presented e.g. National Aids, Life Skills, Vocational Studies and Poverty Alleviation programmes.

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**Whether the applicant in the past made improvements to the Property and, if so, the value of such improvements**

The scout hall located on the property was constructed with funding obtained by the South African Scout Association. Prescribed maintenance, as per the lease agreement, has also been funded by the applicant.

**Whether or not the City is satisfied with the manner in which the applicant gives effect to the social care purpose**

The City is satisfied with the manner in which the applicant gives effect to the social care purpose.

**5.1 STAFF IMPLICATIONS**

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

**ANNEXURES**

Annexure A: Plan No TA 250v0  
Annexure B: Objections and responses

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**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	GERDA DU PLESSIS <i>Mother - 180219</i>
<b>CONTACT NUMBERS</b>	021 444 4985
<b>E-MAIL ADDRESS</b>	SUSARAH.DUPLESSIS@CAPETOWN.GOV.ZA
<b>DIRECTORATE</b>	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
<b>FILE REF No</b>	TYG14/3/6/1/2/1281/1
<b>MANAGER: PROPERTY HOLDING</b> RACHEL SCHNACKENBERG	<i>Schnackenberg 19-02-2019</i>

20 MAR 2019

*J Gelderbloem*  
**DIRECTOR : PROPERTY MANAGEMENT IN HER  
 CAPACITY AS EXECUTIVE DIRECTOR : ECONOMIC  
 OPPORTUNITIES & ASSET MANAGEMENT NOMINEE**

NAME RUBY GELDERBLOEM

DATE 2019.03.07

Comment:

**LEGAL COMPLIANCE**

NAME Patricia Davis

TEL (021) 400-1549

DATE 15.03.2019

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

☐ NON-COMPLIANT

Comment:

**Certified as legally compliant:**

**Based on the contents of the report.** *PD*

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\_\_\_\_\_  
MANAGER: SUBCOUNCIL (3)

\_\_\_\_\_  
JDJA BRAND

\_\_\_\_\_  
TEL NO (021)444-4862

\_\_\_\_\_  
DATE

9/4/2019

**COMMENT:**

1. Herewith confirm that the relevant delegation is quoted in item.
2. The recommendation is/are subject to Subcouncil decision.
3. Author of report was notified that item is on agenda and in terms of delegation 1(5) requested to attend the Subcouncil meeting.

  
\_\_\_\_\_  
SUBCOUNCIL CHAIRPERSON

\_\_\_\_\_  
COUNCILLOR HELEN CARSTENS

\_\_\_\_\_  
TEL NO (021) 444-4865

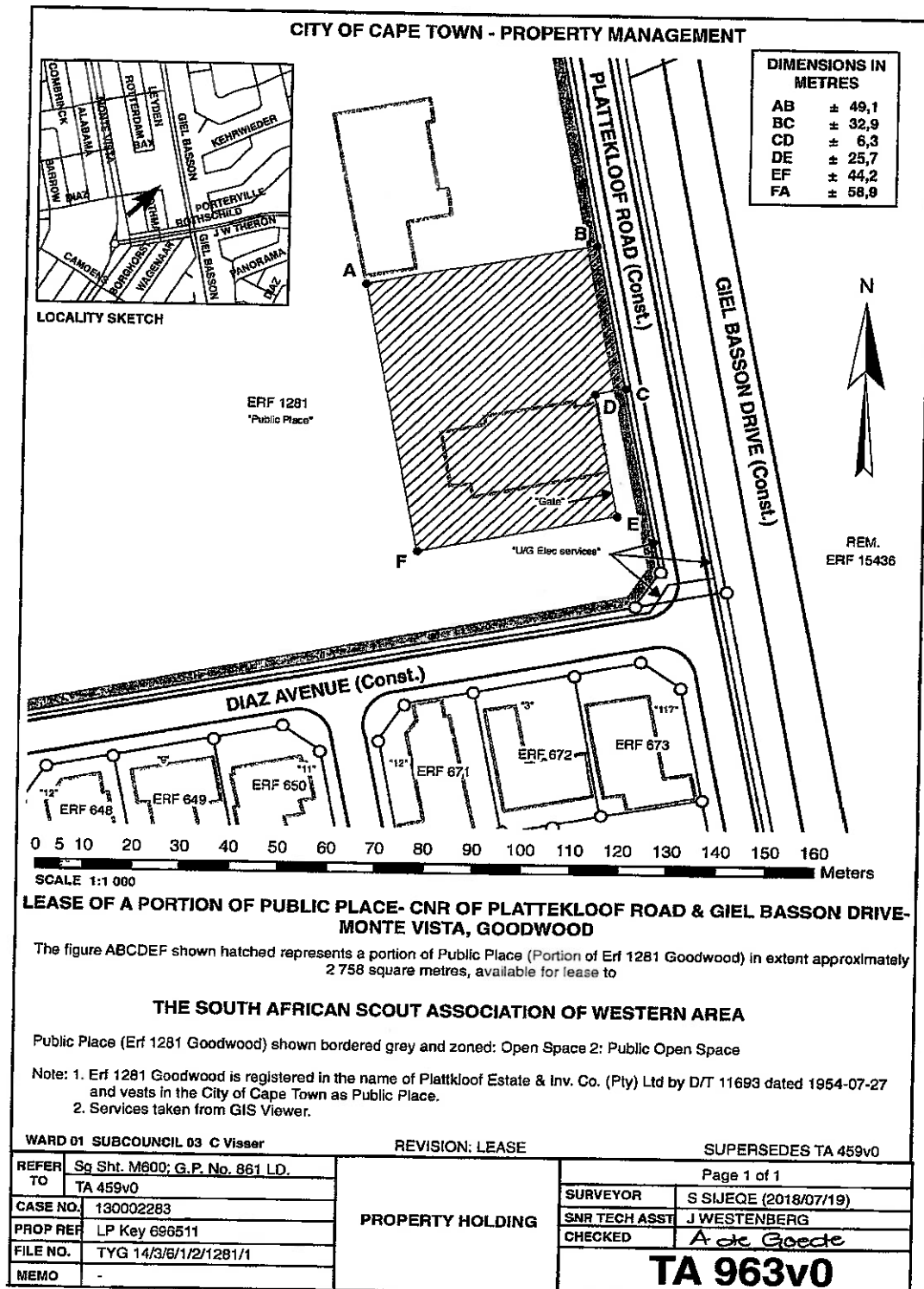
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DATE

9/4/19

**COMMENT:**

\_\_\_\_\_  
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# ANNEXURE A



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## ANNEXURE B

### Gerda Du Plessis

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**From:** Louise/Denver <lmaritz@mweb.co.za>  
**Sent:** Tuesday, 23 October 2018 8:25 AM  
**To:** Gerda Du Plessis  
**Subject:** RE: APPLICATION TO RENEW AGREEMENT OF LEASE FOR PORTION OF ERF 1281 GOODWOOD

Good morning Ms du Plessis

Many thanks for accepting my submission.

Your acceptance, understanding and support is much appreciated.

Thank you for allowing me the opportunity to address you should the need arise.

Yours sincerely

Denver Maritz

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**From:** Gerda Du Plessis [mailto:[Susarah.DuPlessis@capetown.gov.za](mailto:Susarah.DuPlessis@capetown.gov.za)]  
**Sent:** 23 October 2018 06:34 AM  
**To:** Denver  
**Subject:** RE: APPLICATION TO RENEW AGREEMENT OF LEASE FOR PORTION OF ERF 1281 GOODWOOD

Good morning Mr Maritz,

Thank you for the comments submitted in respect of the proposed renewal of the 1<sup>st</sup> Monte Vista Scout lease.

Please be advised that the lease agreement will, indeed, contain specific conditions pertaining to the use of the property. I trust that this will address any current problems you may be experiencing. Should the lease be granted and you experience any further problems of this nature, please feel free to contact me and we will address any complaints you may have.

I trust that you will find the above in order.

Kind regards

**Gerda du Plessis**

Section Head: Leasing

Property Holding Branch (Tygerberg Region)

Property Management Department

1<sup>st</sup> Floor, Property Management, De Grendel Building, Goodwood Administration Offices  
Cnr Voortrekker and De Villiers Road, Goodwood

Tel: 021 444 4985

E-mail Address: [Susarah.duplessis@capetown.gov.za](mailto:Susarah.duplessis@capetown.gov.za)



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**From:** Denver [<mailto:lcmaritz@mweb.co.za>]

**Sent:** Monday, 22 October 2018 6:56 PM

**To:** Gerda Du Plessis <[Susarah.DuPlessis@capetown.gov.za](mailto:Susarah.DuPlessis@capetown.gov.za)>

**Subject:** APPLICATION TO RENEW AGREEMENT OF LEASE FOR PORTION OF ERF 1281 GOODWOOD

Good evening Susarah

Attached please find my submission.

Many thanks

Denver Maritz

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