

REPORT TO SUBCOUNCIL 6

6622307

- 1 ITEM NUMBER **06SUB31/05/19**
2 SUBJECT

PROPOSED LEASE OF RESIDENTIAL PROPERTY, BEING ERVEN 5141 AND 5142, SITUATED AT 7 MEATH STREET, BELLVILLE: MES MOULD EMPOWER SERVE NCP

ONDERWERP

VOORGESTELDE VERHURING VAN RESIDENSIËLE EIENDOM ERWE 5141 & 5142, GELEË TE MEATHSTRAAT 7, BELLVILLE: MES MOULD EMPOWER SERVE NCP

ISIHLOKO

ISIPHAKAMISO SOKUQESHISWA KWEPROPATI YOKUHLALA ESISIZA-5141 & 5142, 7 MEATH STREET, E-BELLVILLE: KWABE- MES MOULD EMPOWER NCP

LSU K2883

PTMS NO: 130001202

File Ref No: TYG 14/3/6/1/2/5141

(Category 3)

3 **DELEGATED AUTHORITY**

- ☒ The report is for comment by Subcouncil to the competent authority in terms of Part 24, Delegation 10(1).
- ☒ In terms of delegations Part 27B paragraph 22 (6), 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, manage or control capital assets of a value less than R10 million and for a period not longer than 3 years, provided that this delegation may only be exercised after considering the comments of the Sub-council in whose area of jurisdiction the capital asset is situated.

☒ Final delegation lies with Director: Property Management.

4 EXECUTIVE SUMMARY

PURPOSE OF REPORT	to consider the application by MES (Mould Empower Serve) to lease erven 5141 and 5142, 7 Meath Street, Bellville for job rehabilitation purposes.		
Site extent	± 633 m ²		
Submission date	14 December 2018		
Current zoning	Single Residential 1		
Current usage	Job rehabilitation		
Proposed usage	Job rehabilitation		
Internal circulation date	8 February 2019		
Internal department comments	No Objection received		
Public participation outcome summary	Advertised in the Cape Argus and Die Burger on 25 May 2018 No objections were received.		
WARD CLLR	NOTICE DATE		WARD
Brendan v/d Merwe	07-03-2019		3
Viable	Yes		No
	The subject City Land is considered to be non-viable, as it is affected by a Road Scheme		
Recommended decision	Approval	x	Refusal
Regulation 34(1) In-principle approval	Granted by Director: Property Management in terms of delegated authority prior to 5 January 2017		
Factors motivating recommendation:	<ul style="list-style-type: none"> Council will receive a financial benefit in the form of a approved Council tariff 		
	Objective 1.5	Leverage the City's assets to drive economic growth and sustainable development	
	Programme 1.5(a)	City strategic assets investigation	

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5 RECOMMENDATIONS FOR CONSIDERATION AND COMMENT BY THE RELEVANT SUBCOUNCIL

It is recommended that the lease of Erf 5141 & 5142 situated at 7 Meath Street, Bellville shown hatched on the aerial photograph marked **Annexure A**, in extent approximately $\pm 633\text{m}^2$, to MES (Mould Empower Serve) NCP, be approved subject to inter alia the following conditions, that:

- a) Tariff of R 883.48 per annum, plus VAT, being R 132.52 (in total R1 016.00)
- b) Subject to any increase in terms of tariff structure as determined from time to time by Council.
- c) The lease will endure for a period of three years
- d) The property be used for job rehabilitation only;
- e) The rental is exclusive of all municipal services i.e water and electricity, inclusive of rates;
- f) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- g) Subject to compliance with any other statutory requirements;
- h) No compensation will be payable for any improvement made to the property.
- i) The lessee is to ensure that the necessary land use permissions, if applicable, are in place for the duration of the lease period.

AANBEVELINGS VIR OORWEGING EN KOMMENTAAR DEUR DIE BETROKKE SUBRAAD

Daar word aanbeveel dat die verhuring van erf 5141 & 5142, geleë te Meathstraat 7, Bellville, gearseer op die lugfoto gemerk bylae A, ongeveer 633 m^2 groot, aan MES (Mould Empower Serve) NCP, goedgekeur word onderworpe aan onder meer die volgende voorwaardes dat:

- a) Huurbedrag van R883.48 per jaar, plus BTW, naamlik R132.52 (R1 016 in totaal) betaalbaar is;
- b) Onderworpe aan enige verhoging wat betref die huurbedrag vir verhuurde grond soos van tyd tot tyd deur die Raad bepaal word;

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- c) Die huurooreenkoms vir 'n tydperk van drie jaar sal duur;
- d) Die eiendom slegs vir werkrehabilitasie gebruik word;
- e) Alle munisipale dienste, d.w.s. water en elektrisiteit, word by die huurbedrag uitgesluit;
- f) Onderworpe aan sodanige verdere voorwaardes wat die direkteur: eiendombestuur ingevolge haar gedelegeerde magtiging oplê;
- g) Onderworpe aan die nakoming van enige ander statutêre vereistes;
- h) Geen vergoeding betaal sal word vir enige verbetering wat aan die eiendom aangebring word nie;
- i) Die huurder moet toesien dat die nodige grondgebruikmagtigings vir die duur van die huurtydperk verkry is, indien van toepassing.

IZINDULULO ZOKUBA ZIQWALASELWE KWAYE KUHLONYULWE KUZO LIBHUNGANA ELIFANELEKILEYO

Kundululwe ukuba makuphunyezwe uqeshiso lwesiza-5141 & 5142, 7 Meath Street, e-Bellville, esibonakaliswe ngomzobbo wefoto ethwetyulwe emoyeni ophawulwe **kwisihlomelo-A**, esibukhulu obumalunga nama-±633 m², kwabe-MES (Mould Empower Serve) NCP ngokuxhomekeke kule miqathango ilandelayo, yokuba:

- a) Makuhlawule irenti engama-R883.40 ngonyaka, kuquka iRhafu-ntengo eli-R132.52 (apho iyonke ili-R1 016);
- b) Ngokuxhomekeke kulo naluphina unyuso, ngokungqinelana nerenti ejoliswe kumhlaba woqeshiso njengoko kuthi kugqitywe ngokwamaxesha ngamaxesha liBhunga;
- c) Ukuba ipropati iya kusetyenziselwa iinjongo zezolimo kuphela;
- d) Ipropati le iyakuthi isetyenziselwe imibandela eyindawo yezokhyuseleko kuphela;
- e) Irenti ayibandakanyi zonke iinkonzo zikamasipala, umzekelo ezamanzi nombane;
- f) Ngokuxhomekeke kweminye imiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyazisiweyo;
- g) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;

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- h) Akukho mbuyekezo iyakuthi ihlawulwe ngalo naluphina uphuculo oluthe lwenziwa kwipropati;
- i) Lowo uqeshiselweyo kufuneka aqinisekise ukuba kuthi kumiselwe iimvume zokusetyenziswa komhlaba ezifanelekileyo, ukuba kuyimfuneko, kwisithuba sokuqhubeka kqeshiso.

6 DISCUSSION/CONTENTS

6.1 BACKGROUND:

This improved property is a residential unit and is encumbered by a Road Scheme. Road scheme properties are acquired for future road widening purposes.

The current occupant, MES Mould Empower Serve NPC (MES) submitted an application to regularise their occupancy. MES is a registered non-profit organisation and manages various community programmes. MES collaborates with other stakeholders, to address challenges faced by street people and established the "Grow Job Rehabilitation Programme". The main focus of this programme by MES is to reintegrate street people back into society. They also encourage their clients to be responsible, independent, and self-sustainable with the aim to mitigate the current homelessness in the Bellville area.

Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property Paragraph 12.5.1 also applies in the instance as the property is being used for community purposes.

The proposed lease agreement will contain a clause, that in the event Council does require the land, a two months cancellation period will be given.

6.2 CONSULTATION WITH INTERNAL BRANCHES:

The City's Transport and Urban Development Authority Department was consulted and have no objection to the lease, with no further conditions to be imposed. See annexure B, attached to this report.

6.3 VALUATION

An annual rental tariff of R 883.48 per annum, plus VAT, being R 132.52 (in total R1 016.00) 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.

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.

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 <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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6.9 LEGAL IMPLICATIONS

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 branche 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 R 883.48 per annum, plus VAT, being R 132.52 (in total R1 016.00)

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 25 May 2018. Closing dates for objections were 25 June 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 objections were received.

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 not exceeding 3 years (Non-Significant Property Right). National and Provincial Treasury have been notified. No Objections 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.

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Compliance with Legislative Regime that is Applicable to Proposed Granting of Rights

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.

6.10 STAFF IMPLICATIONS

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

No ☒

Yes ☐

JMH

ANNEXURES

- Annexure A: Sketch plan (TA417 v 0)
- Annexure B: TDA Comment
- Annexure C: Tax Clearance Certificate
- Annexure D: NPO Certificate

FOR FURTHER DETAILS CONTACT:

NAME	ALEXANDER MATIESIE
CONTACT NUMBERS	021 444 4979
E-MAIL ADDRESS	ALEXANDER.MATIESIE@CAPETOWN.GOV.ZA
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT NOMINEE
FILE REF NO	TYG 14/3/6/1/2/5141
MANAGER: PROPERTY HOLDING RACHEL SCHNACKENBERG	<i>Schnackenberg</i>

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

NAME RUBY GELDERBLOEM

DATE 2019.03.28

Comment:

Johal
LEGAL COMPLIANCE

NAME

Jean-Mari Holt

TEL

021 400 2753

DATE

02/04/2019

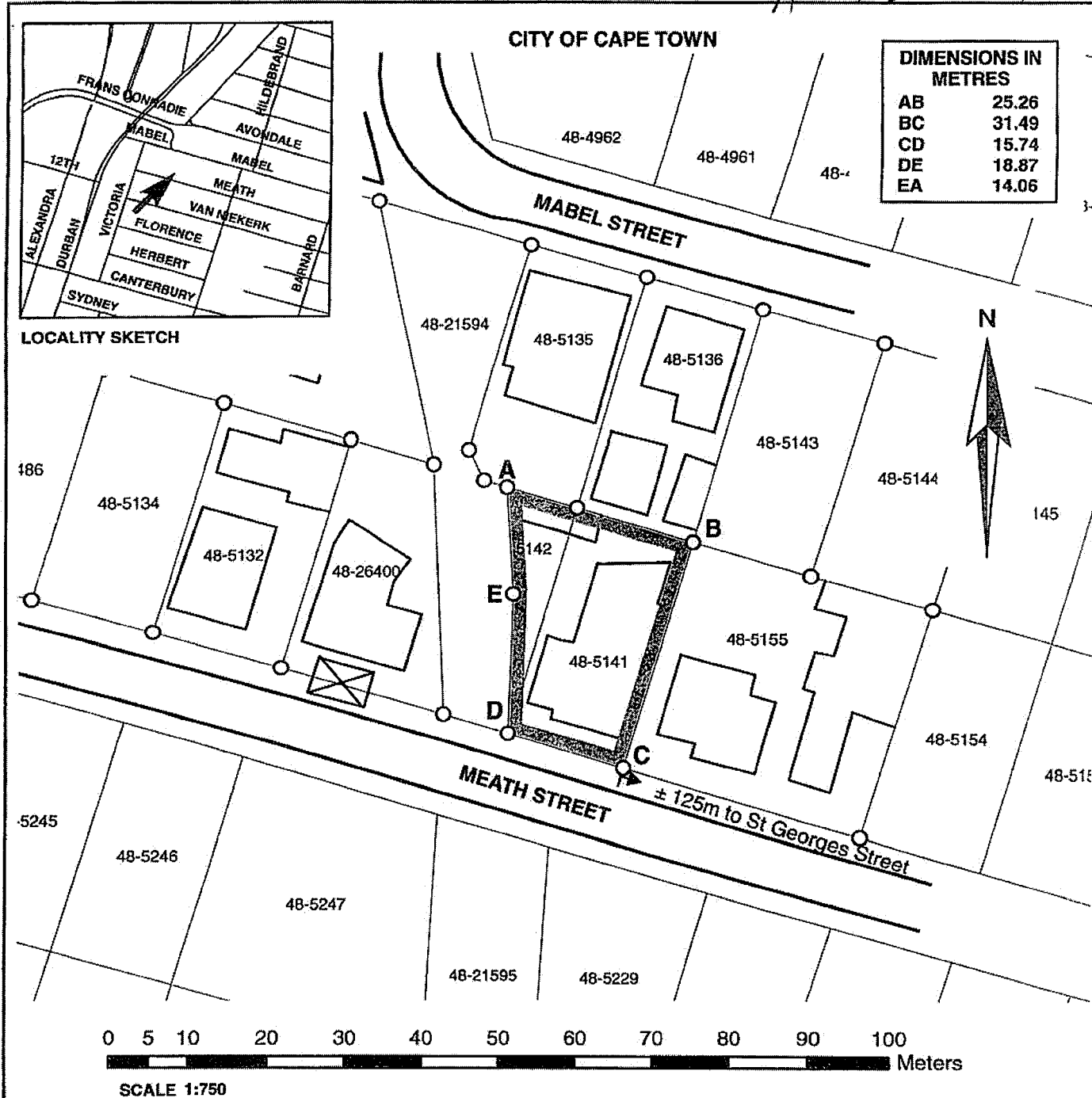
☐ REPORT COMPLIANT WITH THE PROVISIONS OF
 COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS
 AND ALL LEGISLATION RELATING TO THE MATTER
 UNDER CONSIDERATION.

☐ NON-COMPLIANT

Comment: *Approved as legally compliant:
 signed on the behalf of the Council*

*Whilst Sec 12.5.1 of the Policy on the
 Management of Certain of the CoCT's
 Immovable Property has been quoted,
 sec 13.1 of the Policy finds application.*

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LEASE OF CITY LAND - MEATH STREET - BELLVILLE

The figure ABCDE shown bordered grey represents City Land, Erven 5141 and 5142 Bellville in extent 633 square metres available for lease to

METRO EVANGELIESE SORG

City Land zoned: Single Residential

Note: Erf 5141 Bellville is registered in the name of the City of Tygerberg by D/T 85180 dated 2000-10-10.
Erf 5142 Bellville is registered in the name of the City of Tygerberg by D/T 73973 dated 2000-09-04.

WARD 3 SUBCOUNCIL 3 B Van Der Merwe

REFER TO	M589	PROPERTY HOLDING TYGERBERG REGION	SURVEYOR	D. ABRAHAMS (2014-08-06)
CASE NO.			SNR TECH ASST	
PROP REF			CHECKED	<i>Ade Goede</i>
FILE/REC.	TYG 14/3/6/1/2		TA 417 v 0	
MEMO				

Annexure B

Alexander Matiesie

From: Glenwin Sampson
Sent: 15 March 2019 02:31 PM
To: Alexander Matiesie
Subject: RE: Request for comment: Proposed lease of Erf 5141, Oakdale, Bellville
Attachments: Erf 5141 Meath St Oakdale Bellville (Google Earth).JPG

To Property Management:

With reference to the CIP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch has no objection to the lease of Erf 5141, Meath Street, Oakdale, Bellville on condition that a 6 month cancellation clause are included in the lease agreement as this property is affected by the Durban Road Corridor Scheme.

Regards,

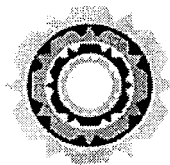
Glenwin Sampson

o.b.o. Johan G Meyer Pr Eng.

Principal Engineer: Planning & Conceptual Design
18th Floor, Civic Centre
12 Hertzog Boulevard

Tel : 021 400 3851

E-mail : JohanG.Meyer@Capetown.gov.za



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

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From: Rameez Fataar
Sent: Friday, March 08, 2019 11:53 AM
To: Alexander Matiesie; Glenwin Sampson
Cc: Johan G Meyer
Subject: RE: Request for comment: Proposed lease of Erf 5141, Oakdale, Bellville

Hi Glenwin,

Please attend to the lease application in the email below.

Hi Alexander,

Please send all lease/disposal requests to Glenwin Sampson in future.

Thank you

ANNEXURE C:



Tax Clearance Certificate Number:
070012/2019/A002610C09

Tax Clearance Certificate - Good Standing.

Enquiries
0800 00 SARS (7277)
Approved Date
2019-01-18
Expiry Date
2020-01-18

Company registration number 1989/004921/08
Income Tax 0959513145
MES MOULD EMPOWER SERVE NPC
VAT 4230152334
MES MOULD EMPOWER SERVE NPC
PAYE 7490720457
MES MOULD EMPOWER SERVE NPC
Trading Name MES

It is hereby confirmed that, on the basis of the information at the disposal of the South African Revenue Service (SARS), the above-mentioned taxpayer has complied with the requirements as set out in the Tax Administration Act.

This certificate is valid until the expiry date reflected above, subject to the taxpayer's continued tax compliance. To verify the validity of this certificate, contact SARS through any of the following channels:

- via eFiling
- by calling the SARS Contact Centre
- at your nearest SARS branch

This certificate is issued in respect of the taxpayer's tax compliance status only, and does not address any other aspect of the taxpayer's affairs.

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ANNEXURE: D

	
CERTIFICATE OF REGISTRATION OF NONPROFIT ORGANIZATION	
In terms of the Nonprofit Organisation Act, 1997, I am satisfied that	
MES Mould Empower Serve NPC	
_____ (name of the organisation)	
meets the requirements for registration.	
The organisation's name was entered into the register on 06 January 2003 (date)	
Registration number 023-603 NPO	 Department of Social Development
Director's signature 	