

Annexure H: Erf 2187, Greenpoint: Information Statement in terms of MATR Regulation 5(3)(b)

MATR Regulation 5(3)(b) requires that a request to Council for the authorization of a public participation process must be accompanied by an information statement.

- i. *The valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;*

The City's Professional Valuers conducted a desktop valuation of the subject property on 24 June 2024, where it was estimated that the highest and best fair market value of the subject property is in the order of R680 000 000.00 (excluding VAT).

- ii. *The reasons for the proposal to transfer or dispose of the capital asset;*

Through cross-directorate communication and decision-making it has been confirmed that the asset to be disposed of or transferred is underutilized and that the majority of the property will not be required for the municipality's own use at a later date. Community Services & Health have confirmed that the facilities currently occupying the site can be relocated. The Sea Point library, minor hall and civic centre complex will be investigated for adaptive re-use to possibly integrate these structures into the larger development opportunity.

The proposal will facilitate more efficient use of the capital asset by maximizing the land use potential and intensity of the site according to highest and best use. The City will be catalyzing further economic growth which can be leveraged to generate revenue to support public investment where it is most needed. Thereby realizing the IDP objective 1 to increase jobs and investment in the Cape Town Economy.

- iii. *Any expected benefits to the municipality that may result from the transfer or disposal;*

- The subject property presents a unique opportunity to leverage the competitive advantage and desirability of the Atlantic Seaboard through a high intensity mixed use urban development.
- The development will further activate the existing Sea Point Main Road and Helen Suzman public transport corridors where the City has invested the operation of the MyCiti bus service.
- The potential scale and value of the development will enhance and further add considerable economic value to the rates base payable to the City in perpetuity.
- The financial benefit in a form of purchase price, rates and taxes revenue, and development charges will enable the City to exercise its mandate of providing services to communities in a sustainable manner and to promote socio-economic development within its jurisdiction area.
- The site, if leveraged appropriately, would enable the delivery of a proportion of market affordable residential within a fully integrated land use mix.

- iv. *Any expected proceeds to be received by the municipality resulting from the transfer or disposal;*

The City could expect to receive the fair market value in exchange for the transfer of the capital asset with an accompanying 'basket of rights' to allow for high intensity mixed use development.

- v. *Any expected gain or loss that will be realized or incurred by the municipality*

arising from the transfer or disposal.

The opportunity cost of not leveraging this vastly under-utilised strategic asset will result in long term losses to the City of Cape Town due to land sales and on-going rates revenue foregone.

The City stands to gain substantial infrastructure upgrades through the payment of development charges if the development proceeds and on-going utility sales to the end users of the development.

The normal costs related to advertisements will be incurred by Council. The purchaser will be responsible for the professional fees and development costs of the capital asset.