



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

ANNEXURE 3

CITY IMPROVEMENT DISTRICTS

ADDITIONAL RATES

2022/23 BUDGET (MAY 2022)



CITY IMPROVEMENT DISTRICTS (CIDs) ADDITIONAL RATES 2022/2023

Each CID must submit a budget to the City annually in terms of the Special Rating Areas (SRA) By-Law. This budget must be in accordance with the approved business plan of the CID and be approved by the company members at an Annual General Meeting (AGM) or Members Meeting. The budgets for 2022/23 for all existing CIDs included in the table below were all approved in terms of this requirement prior to submission to the City for inclusion in the City's budget document. The CIDs have a 5-year budget as per their approved Business Plan and as such cannot anticipate future development or valuation fluctuations due to successful appeals etc. Communities are informed from the outset regarding the impact of valuation fluctuations on CID budgets and also individual contributions. Accordingly, various scenarios materialize in later years where the CID budget may be spread over a broader community thus reducing the burden on individuals. Similarly, successful appeals could result in a larger than anticipated burden on other individuals due to the valuation base reducing concomitant to annual budget increases. The impact on individuals is extensively modelled to ensure that it does not exceed the original approved impact as per the 5-year budget and if greater than the budget growth it remains within the threshold of affordability and sustainability.

In all cases the budgets were modelled and reviewed by the CID Branch in terms of compliance and affordability which included the impact on individual properties.

The amount of any additional rate levied in a CID area is determined by Council. The additional rate is a debt owing to the City and is payable and collected in the same manner as any other property rates imposed by Council. Two different categories of property are identified when imposing an additional rate in a CID, namely Residential and Non-residential. The SRA Policy, as approved by Council, further clarifies that any non-residential property with a municipal valuation of 50% or more of the total municipal valuation of the CID it is located in will not fund more than 25% of the budget. At this stage, this scenario only exists in the Glosderry CID. Following the tabling of the budget in March, the valuation for the only property linked to the Glosderry >50% additional rate was adjusted downwards from R777 000 000 to R643 420 000 which necessitated an increase in the additional rate on that property to ensure that the Glosderry CID budget can be collected in 2022/23 without burdening the other property owners.

All the CIDs approved their budgets unanimously at their Member's meetings. Nine CIDs (Beaconvale, Epping, Montague Gardens-Marconi Beam, Northpine, Observatory, Penzance Estate, Voortrekker Road Corridor, Vredekleof and Woodstock) applied for a new 5-year term commencing on the 1st of July 2022. At their AGMs, members voted unanimously in favour for the continuation of the CIDs. These are included in the table below as approved by Council on 28 April 2022 (Items C11/04/22 to C19/04/22).

The Observatory Improvement District (OBSID) approved an above inflationary budget increase of 18.5% at its Annual General Meeting as part of its new business plan to improve the level of services in the area. The resulting increase in the additional rate will be limited to 4.0% due to supplementary valuations that have increased the total property valuation for the OBSID thereby spreading the impact of the budget increase across a broader base.



One application was received for the establishment of a new CID, namely Parow East Industrial, included in the table below, and was approved by Council at its meeting on 31 March 2022 (Item C15/03/22).

The additional rates for 2022/23, expressed as Rand-in-the-rand and based on the total property valuation per CID, are submitted for Council approval.

CID Additional Rates are rated at 15% for VAT. Additional Rates below are shown as a rate-in-the-Rand.

City Improvement District	2022/23 Budget R	2022/23 Residential Additional Rate R	2022/23 Non-Residential Additional Rate R
Airport Industria	5,551,038	N/A	0.002217
Athlone	N/A	N/A	N/A
Beaconvale	4,359,866	N/A	0.002620
Blackheath	3,904,986	N/A	0.001474
Boston	4,185,410	0.001171	0.001863
Brackenfell	3,867,371	N/A	0.002617
Cape Town Central City	93,942,411	0.001398	0.002455
Claremont	12,214,784	0.000485	0.001744
Elsies River	3,696,000	N/A	0.003388
Epping	13,204,012	N/A	0.001494
Fish Hoek	1,254,509	0.000602	0.001910
Glosderry	2,069,626	0.000485	0.003101 > 50% = 0.000589
Green Point	10,376,573	0.000391	0.002185
Groote Schuur	8,732,896	N/A	0.001684
Kalk Bay and St James	2,335,043	0.000494	0.001748
Little Mowbray / Rosebank	2,463,524	0.000587	0.001462
Llandudno	4,384,538	0.000772	0.000861
Lower Kenilworth	1,648,465	0.000868	0.002041
Maitland	4,192,821	N/A	0.002185
Mitchells Plain Town Centre	2,200,771	0.000448	0.003480
Montague Gardens-Marconi Beam	8,393,858	N/A	0.000864
Mount Rhodes	679,998	0.001486	0.001854
Muizenberg	2,820,000	0.001081	0.002841
Northpine	2,665,753	0.001315	0.001965
Oakwood / Hughenden / Meadows	968,058	0.001493	0.001817
Observatory	8,875,590	0.000930	0.002328
Oranjekloof	8,393,989	0.000423	0.002255
Overkloof	517,616	0.001584	0.001638
Paarden Eiland	5,644,932	N/A	0.001174
Parow East Industrial	1,775,206	N/A	0.002880
Parow Industria	6,082,581	N/A	0.001855
Penzance Estate	1,337,172	0.001617	0.003154
Salt River	4,764,548	N/A	0.002019
Scott Estate & Baviaanskloof	3,042,766	0.001084	0.001565
Sea Point	7,862,521	0.000698	0.001974



Somerset West	3,729,034	N/A	0.003237
Stikland Industrial	5,537,800	N/A	0.001941
Strand	1,618,943	N/A	0.003588
Triangle Industrial	2,857,540	N/A	0.002902
Tyger Valley	4,448,901	N/A	0.001615
Voortrekker Road Corridor	25,932,900	N/A	0.002687
Vredeklouf	3,944,681	0.001818	0.002144
Welgemoed	4,189,934	0.000745	0.001277
Woodstock	6,800,773	N/A	0.001246
Wynberg	6,795,312	0.001325	0.003581
Zeekoevlei Peninsula	647,980	0.002062	0.002519
Zwaanswyk	1,268,240	0.000786	0.000801

Note: Additional Rates are reflected exclusive of VAT. VAT inclusive rates can be found in the City's Tariffs, Fees and Charges book.