

ITEM NUMBER : C 16/03/12

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 06 MARCH 2012

MC 06/03/12 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE VOORTREKKER ROAD CORRIDOR AREA

AANSOEK OM BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) IN DIE VOORTREKKERWEGKORRIDOR-GEBIED:

ISICELO ESINGOKUGQITYWA KOMMANDLA WEERHAFU EZIZODWA (SRA) OKUMMANDLA WEKHORIDO ESE-VOORTREKKER ROAD

RECOMMENDED that:

- (a) in terms of the Special Rating Area (SRA) By-Law, the City of Cape Town determine the area as reflected in the body of the report on the agenda to be declared a Special Rating Area called Voortrekker Road Corridor Improvement District (VRCID)
- (b) in terms of Section 9 of the SRA By-Law, the City of Cape Town approve the application submitted by Mr Hardus Zevenster, being the registered owner of Erf 4366, Parow to establish a SRA in the VRCID area and that it be declared a SRA.
- (c) for the reasons discussed in the report on the agenda, Council note but not uphold the objection to the establishment of the VRCID
- (d) the City of Cape Town impose an additional rate in terms of Section 22(1)(b) of the MPRA on property value after Section 10 of the SRA By-Law has been met
- (e) in terms of Section 12(6) of the SRA By-Law, a Finance Agreement be concluded between the City of Cape Town and the VRCID Management Committee.

AANBEVEEL dat:

- (a) die Stad Kaapstad ingevolge die SRA-verordening bepaal dat die gebied wat in die liggaam van die verslag op die agenda aangedui word, tot 'n spesiale-aanslaggebied verklaar word en as die Voortrekkerwegkorridor-verbeteringsdistrik (VRCID) bekend staan.
- (b) die Stad Kaapstad ingevolge artikel 9 van die SRA-verordening goedkeuring verleen aan die aansoek ingedien deur mnr Hardus Zevenster, die geregistreerde eienaar van erf 4366, Parow, om

- 'n SRA in die VRCID-gebied te stig en dat dit tot 'n SRA verklaar word.
- (c) daar kennis geneem van die beswaar teen die stigting van die VRCID maar dit weens die redes in die verslag bespreek, nie gehandhaaf word nie.
 - (d) die Stad Kaapstad 'n bykomende heffing ingevolge artikel 22(1)(b) van die MPRA op eiendoms waarde instel nadat daar aan artikel 10 van die SRA-verordening voldoen is.
 - (e) 'n finansiesooreenkoms ingevolge artikel 12(6) van die SRA-verordening tussen die Stad Kaapstad en die VRCID-bestuurskomitee gesluit word.

KUNDULULWE ukuba:

- (a) ngokoMthetho kaMasipala ongeMimandla yeeRhafu eziZodwa (SRA), isiXeko saseKapa masithabathe isigqibo ngommandla obonakaliswe embindini wengxelo ekwi-ajenda sokuba ubhengezwe njengoMmandla weerhafu eziZodwa obizwa ngokuba sisiThili soPhuculo lweKhorido ese-Voortrekker Road (VRCID)
- (b) ngokweCandelo-9 loMthetho kaMasipala onge-SRA, isiXeko saseKapa masiphumeze isicelo esingeniswe nguMnu Hardus Zevenster, ongumnini obhalisiweyo weSiza-4366, esise-Parow sokuba kumiselwe i-SRA kummandla we-VRCID kwaye kwakhona ubhengezwe njenge-SRA.
- (c) ngokwezizathu ezixoxwe kwingxelo ekwi-ajenda, iBhunga maliqwalasele kodwa lingasichasi isichaso esichasene nokumiselwa kwe-VRCID
- (d) isiXeko saseKapa masimisele irhafu esisongezelelo ngokweCandelo-22(1)(b) lwe-MPRA kwixabiso lepropati emva kokuba kuye kwathotyelwa iCandelo-10 loMthetho kaMasipala onge-SRA
- (e) ngokweCandelo-12(6) loMthetho kaMasipala onge-SRA, makuqukunjelwe isiVumelwano esingeziMali esipahakathi kwesiXeko saseKapa neKomiti yoLawulo lwe-VRCID.

REPORT TO COUNCIL

1. ITEM NUMBER : **MC 06/03/12**

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE VOORTREKKER ROAD CORRIDOR AREA:

ONDERWERP

AANSOEK OM BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) IN DIE VOORTREKKERWEGKORRIDOR-GEBIED:

ISIHLOKO

ISICELO SOKUMISELWA KOMMANDLA OHLAWULISWA IRHAFU EKHETHEKILEYO KUMMANDLA WEPASEJI EKWI-VOORTREKKER ROAD:

LSU: C0270

3. **PURPOSE**

To approve a Special Rating Area along the Voortrekker Road Corridor that encompasses the businesses along the activity spines of the Bellville and Parow areas (VRCID).

4. **FOR DECISION BY**

Council

5. **EXECUTIVE SUMMARY**

- 5.1 In terms of the Special Rating Area By-Law, Council has received an application to determine a Special Rating Area (SRA) in the VRCID area.
- 5.2 The application complies with all legal aspects as per the By-Law.
- 5.3 That the objection is noted but not upheld for the reasons discussed in the report.

- 5.4 That an additional rate be levied in terms of Section 22 of the MPRA and approved by Council during the Budget process.

This report recommends that the application be approved and that a SRA be declared for the VRCID area.

6. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) in terms of the SRA By-Law, the City of Cape Town determine the area as reflected in the body of this report to be declared a SRA called Voortrekker Road Corridor Improvement District (VRCID).
- b) in terms of Section 9 of the By-Law, the City of Cape Town approve the application submitted by Mr Hardus Zevenster, being the registered owner of Erf 4366, Parow to establish a SRA in the VRCID area and that it be declared a SRA.
- c) The objection to the establishment of the VRCID be noted but not upheld for the reasons discussed in the report.
- d) the City of Cape Town impose an additional rate in terms of Section 22(1)(b) of the MPRA on property value after Section 10 of the By-Law has been met.
- e) in terms of Section 12(6) of the By-Law a Finance Agreement be concluded between the City of Cape Town and the VRCID Management Committee.

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) die Stad Kaapstad ingevolge die SRA-verordening bepaal dat die gebied wat in die liggaam van hierdie verslag aangedui word, tot 'n SRA verklaar word en as die Voortrekkerwegkorridor-verbeteringsdistrik (VRCID) bekend staan.
- b) die Stad Kaapstad ingevolge artikel 9 van die verordening goedkeuring verleen aan die aansoek ingedien deur mnr Hardus Zevenster, die geregistreerde eienaar van erf 4366, Parow, om 'n SRA in die VRCID-gebied te stig en dat dit tot 'n SRA verklaar word.
- c) daar kennis geneem van die beswaar teen die stigting van die VRCID maar dit weens die redes in die verslag bespreek, nie gehandhaaf word nie.



- d) die Stad Kaapstad 'n bykomende heffing ingevolge artikel 22(1)(b) van die MPRA op eiendoms waarde instel nadat daar aan artikel 10 van die verordening voldoen is.
- e) 'n finansiesooreenkoms ingevolge artikel 12(6) van die verordening tussen die Stad Kaapstad en die VRCID-bestuurskomitee gesluit word.

Aziqunyaziswanga: isigqibo seseBhunga

Kundululwa ukuba:

- a) ngokwemigaqo yoMthetho kaMasipala olawula iMimandla eHlawuliswa iRhafu eKhethekileyo, isiXeko saseKapa masimisele le ndawo ebonakaliswe kumxholo wale ngxelo ukuba ibhengezwe njengeNdawo eHlawuliswa iRhafu eKhethekileyo neyaziwa ngokuba siSithili soPhuculo kwiPaseji ekwi-Voortrekker Road.
- b) ngokwemigaqo yeCandelo 9 loMthetho kaMasipala, isiXeko saseKapa masiphumeze isicelo esingeniswe nguMnu. Hardus Zevenster, nongumnini obhalisiweyo weSiza 4366, eParow sokumisela uMmandla oHlawuliswa iRhafu eKhethekileyo kwingingqi ye-VRCID kunye nokuba le ndawo mayibhengezwe njengoMmandla oHlawuliswa iRhafu eKhethekileyo.
- c) mayiqwalaselwe kodwa mayingaxhaswa inkcaso efunyenweyo ekumiselweni kwe-VRCID ngenxa yezizathu ekuboniswene ngazo kule ngxelo.
- d) isiXeko saseKapa masimisele irhafu eyongeziweyo ngokwemigaqo yeCandelo lama-22(1)(b) le-MPRA kwixabiso lepropati emva kokuba kuthotyelwe iCandelo 10 loMthetho kaMasipala.
- e) Ngokwemigaqo yeCandelo 12(6) loMthetho kaMasipala makuqunjelwe iSivumelwano sezeMali phakathi kwesiXeko saseKapa neKomiti yoLawulo lwe-VRCID.

7. DISCUSSION/CONTENTS

7.1 Constitutional and Policy Implications

The City of Cape Town, as with most of the major cities in South Africa, is grappling with the challenge of providing an equitable level of service to all its inhabitants. It acknowledges that property owners within an area require a mechanism to create a friendly environment and to enhance its current service delivery capacity. The SRA model allows property owners to organize additional municipal services to improve and upgrade the SRA with the additional rates levied on commercial properties.

Accordingly the Steering Committee was formed to pursue the process of establishing an SRA under the guidance of the ISL Department.

The Steering Committee submitted an application (limited area), attached as Annexure A, which includes the following:

- Motivation report, Implementation Plan and Budget (Section A)
- Property database of all properties to pay the additional rate with an indication of who supported the application and verified by the ISL Department (Section B)
- An affidavit from the applicant that more than 50% of the property owners support the formation of the SRA (Section C)
- Public meetings advertisements, Minutes, Presentation and Public perception survey report (Section D)

The applicant applied in terms of Section 9 of the SRA By-Law for a limited SRA and demonstrated to the satisfaction of the ISL Department that the level of services to be provided did not reduce and the budget has been reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed SRA.

The application (limited area) had been advertised for comments and objections and was available for scrutiny at the offices of the City and the Steering Committee. Advertisements attached as Annexure B

One objection letter was received and the Steering Committee engaged with the objector. The letter and minutes of the meeting is attached as Annexure C.

The objector stated in his objection letter that he believed that the VRCID services are not required in his area and that the proposed services are only required in the Bellville CBD. During the subsequent meeting with the Steering committee he indicated that he had experienced some problems previously but currently has none. As spelt out by the applicant in the Business Plan of the VRCID the only way to halt the down ward spiral of decay is to establish a sustainable and well managed urban manage process.

The application of the VRCID complied with all the requirements for setting up a Special Rating Area as per the By-Law for the establishment of special rating areas.

An additional SRA rate needs to be calculated on the total municipal valuation of all the commercial properties within the VRCID area to enable Council to collect the VRCID's first year budget of R 11 106 701.00. This additional SRA rate will be approved as part of the Council budget process and be implemented as from 1 July 2012.

7.2 Environmental implications

Does your report have any environmental implications:

No

Yes



7.3 Legal Implications

- Municipal Property Rates Act No.6 of 2004
- Municipal Financial Management Act No.56 of 2003
- Special Rating By-Law

7.4 Staff Implications

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

No

Yes

7.5 Risk Implications

None

7.6 Other Services Consulted

None

ANNEXURES


Annexure A - Application to establish a SRA in the VRCID (Limited) area.

- Business Plan (Section A)
- Property database (Section B)
- Affidavit of applicant (Section C)
- Public meeting info and perception survey (Section D)

Annexure B - Public participation process.

Annexure C - Objection letter and minutes of meeting between the objector and the Steering Committee.

FOR FURTHER DETAILS CONTACT:

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CONTACT NUMBERS	(021) 400-1872
E-MAIL ADDRESS	Eddie.Scott@capetown.gov.za
DIRECTORATE	Finance: ISL
FILE REF NO	
SIGNATURE : DIRECTOR	



Sayed

LEGAL COMPLIANCE

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

NAME Riciana Sayed
 TEL 021 400 4508
 DATE 20/02/2012

Comment:
Certified as legally compliant:
Based on the contents of the report. *[Signature]*

[Signature]
 EXECUTIVE DIRECTOR
 Acting CFO : Johan Steyt N. Lepheana

Comment:

DATE 15.02.2012

MAYORAL COMMITTEE MEMBER
 Aid Ian Neilson *[Signature]*

COMMENT:
Supported.

NAME _____
 DATE 22/2/2012