

ITEM NUMBER: C 12/03/15

**RECOMMENDATION FROM THE EXECUTIVE MAYOR: 03 FEBRUARY 2015**

**MC 07/02/15 PROPOSED LEASE OF CITY LAND, BEING ERF 6899, BELLVILLE:  
BOSTON PRIVATE SCHOOL (MEYER FAMILY EDUCATION TRUST)**

It is **RECOMMENDED** that the lease of City land, being Erf 6899, Bellville, situated at Stockenström Street, Bellville, shown hatched and lettered ABCD on sketch TA227v0 attached as Annexure B to the report on the agenda, in extent approximately 2 254m<sup>2</sup>, to Boston Private School, owner of Erf 6898, Bellville, or its successors-in-title, be approved subject *inter alia* to the following conditions, that:

- (a) a market-related rental of R4 650 per month excluding VAT of 14% where applicable, being R651 (in total R5 301) be payable;
- (b) the lease will endure for a period of ten years, subject thereto that the rental be reviewed after five years;
- (c) the rental will escalate at 8% per annum from 1 June 2014;
- (d) the property be used for parking purposes only;
- (e) subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- (f) subject to compliance with any other statutory requirements;
- (g) all outstanding accounts with the City of Cape Town must be settled (if applicable) before a lease agreement will be concluded;
- (h) the applicant must submit a tax clearance certificate before a lease agreement will be concluded.

MC 07/02/15

IPAC 16/11/2014 PROPOSED LEASE OF CITY LAND, BEING ERF 6899 BELLVILLE:  
BOSTON PRIVATE SCHOOL (MEYER FAMILY EDUCATION TRUST)

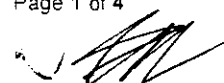
ISIPHAKAMISO SOQESHISO SOMHLABA WESIXEKO, OSISIZA-6899  
BELLVILLE: KWABESIKOLO SABUCALA SASE-BOSTON (MEYER  
FAMILY EDUCATION TRUST)

VOORGESTELDE VERHURING VAN 'N GEDEELTE STADSGROND,  
NAAMLIK ERF 6899 BELLVILLE: BOSTON-PRIVAAT SKOOL  
(MEYER-GESIN- OPVOEDKUNDIGE TRUST)

The Committee noted that the in principle approval in terms of  
Regulation 34(1)(b) was granted by the Director : Property Management in  
terms of her delegated authority.

**RECOMMENDED TO COUNCIL** that the lease of City land, being erf 6899,  
Bellville, situated at Stockenström Street, Bellville, shown hatched and  
lettered ABCD on the attached sketch TA227v0, marked **annexure B**, in  
extent approximately 2 254 m<sup>2</sup>, to Boston Private School , owner of erf  
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following conditions that:

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- h) The applicant must submit a tax clearance certificate before a lease agreement will be concluded.

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## IZINDULULO

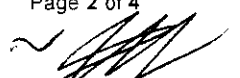
Kundululwe ukuba makuphunyezwe ukuqeshiswa komhlaba weSixeko osisiqephu sesiza-6899, esise-Bellville, e-Stockenstrom Street, e-Bellville, esibonakaliswe ngomzobo nangoonobumba abakhulu u- ABCD kumzobo oqhotyoshelweyo ongu- TA227v0, ophawulwe kwisihlomelo-B, esibukhulu obumalunga nama-2 254 m<sup>2</sup>, kwabe-Boston Private School, abangabanini besiza-6898, Bellville, okanye kwabangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke ekuthotyelweni kwale miqathango ilandelayo, yokuba:

- a) Makuhlalulwe ixabiso larenti elilili-R4 650 ngonyaka, ngaphandle kweRhafu-ntengo eli-14%, engama-R651 (apho ili-R5 301);
- b) Uqeshiso luyakuthi luqhubekeke isithuba seminyaka elishumi, ngokuxhomekeke ekubeni ukuba irenti iyakuthi iphengululwe emva kweminyaka emihlanu;
- c) Irenti iyakuthi inyuke nge8% ngonyaka ukususela ngowo-1 Juni 2014;
- d) Ipropati iyakuthi isetyenziselwe imibandela yokupaka isithuthi kuphela;
- e) Ngokuxhomekeke kweminye imiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyazisiweyo;
- f) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;
- g) Zonke ii-akhawunti ezingekahlawulwa kwiSixeko saseKapa kufuneka zihlawuliwe (ukuba kuyimfuneko) phambi kokuba kuqukunjelwe isivumelwano soqeshiso;
- h) Umfaki-sicelo kufuneka engenise isatifiketi sokukhululelwa kwirhafu phambi kokuba kuqukunjelwe isivumelwano soqeshiso.

## AANBEVELING

Daar word aanbeveel dat die verhuring van stadsgrond, naamlik erf 6899, Bellville, geleë te Stockenstromstraat, Bellville, gearseer en aangetoon met die letters ABCD op die aangehegte skets TA227v0, gemerk bylae B, ongeveer 2 254 m<sup>2</sup> groot, aan die Boston- privaat skool, eienaar van erf 6898, Bellville, of sy regsopvolgers, goedgekeur word onderworpe onder andere aan die volgende voorwaardes dat:

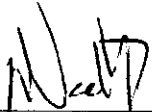
- a) 'n Markverwante huurbedrag van R4 650 per maand, 14%-BTW uitgesluit waar van toepassing, naamlik R651 (R5 301 in totaal), betaalbaar is;



- b) Die huurooreenkoms vir 'n tydperk van tien jaar sal duur, onderworpe aan die hersiening van die huurbedrag ná vyf jaar;
- c) Die huurbedrag jaarliks vanaf 1 Junie 2014 met 8% sal styg;
- d) Die eiendom slegs vir parkeerdoeleindes gebruik word;
- e) Onderworpe aan sodanige verdere voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid oplê;
- f) Onderworpe aan die nakoming van enige ander statutêre vereistes;
- g) Alle uitstaande rekeninge met die Stad Kaapstad vereffen moet word (indien van toepassing) voordat 'n huurooreenkoms gesluit sal word.
- h) Die aansoeker 'n belastingklaringsertifikaat moet indien voordat 'n huurooreenkoms gesluit sal word.

**ACTION: R SCHNACKENBERG; R GELDERBLOEM**

**It is noted that this resolution is in line with Supply Chain Management Policy.**




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**MR RICHARD WOOTTON**  
**EMPLOYEE NO: 10207948**  
**CHAIRPERSON : IMMOVABLE PROPERTY**  
**ADJUDICATION COMMITTEE**

DATE:

9/12/14

COMMENT:

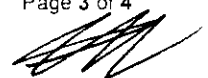
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COMMENT:

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DIRECTOR : LEGAL SERVICES  
MR LUNGELO MBANDAZAYO

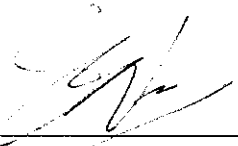
DATE: 09/12/2014

COMMENT:

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ALDERMAN IAN NEILSON  
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 7/1/2015



IPAC 16/11/2014

LCP  
678/4

REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

DATE: 2015-02-03

1. ITEM NUMBER :

2. SUBJECT

PROPOSED LEASE OF CITY LAND, BEING ERF 6899 BELLVILLE: BOSTON PRIVATE SCHOOL (MEYER FAMILY EDUCATION TRUST)

2. ONDERWERP:

VOORGESTELDE VERHURING VAN 'N GEDEELTE STADSGROND, NAAMLIK ERF 6899 BELLVILLE: BOSTON-PRIVAAT SKOOL (MEYER-GESIN-OPVOEDKUNDIGE TRUST)

2. ISIHLOKO:

ISIPHAKAMISO SOQESHISO SOMHLABA WESIXEKO, OSISIZA-6899 BELLVILLE: KWABESIKOLO SABUCALA SASE-BOSTON (MEYER FAMILY EDUCATION TRUST)

LSUE3054  
W 14/3/6/1/2/6899 (-48-)  
PH 2014/0551 (Category1)

3. STRATEGIC INTENT

SFA 1: an OPPORTUNITY CITY

Objective 1.5	Leverage the City's assets to drive economic growth and sustainable development
Programme 1.5(a)	City strategic assets investigation

4. PURPOSE

To consider the application by Boston Private School to lease Erf 6899, Bellville, for parking purposes.

5. FOR NOTING BY / FOR DECISION BY

This report is for consideration by

- The Immoveable Property Adjudication Committee (IPAC) who has accepted the recommendations. See Annexure "A".



## 6. EXECUTIVE SUMMARY

PURPOSE OF REPORT	To consider the application by Boston Private School to lease Erf 6899 Bellville, for parking purposes.			
Property description	Erf 6899 Bellville			
Applicants	Boston Private School (Meyer Family Education Trust)			
Site extents	2254 m <sup>2</sup>			
Current zoning	Single Residential			
Current usage	Vacant			
Proposed usage	Parking purposes			
Application description	Lease of Erf 6899 Bellville, Stockenstrom Street, Bellville			
Submission date	27 March 2013			
Circulation date	12 June 2013			
Comments	The lease application was circulated to the various departments and was supported by all.			
Public participation outcome summary	The lease was advertised for objections and no objections were received.			
Viability	Yes		No	X
WARD Cllr Brendan van der Merwe Current	NOTICE	DATE	WARD 03	
Recommended decision	Approval	X	Refusal	

## 7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that the lease of City land, being erf 6899, Bellville, situated at Stockenstrom Street, Bellville, shown hatched and lettered ABCD on the attached sketch TA227v0, marked **annexure B**, in extent approximately 2 254 m<sup>2</sup>, to Boston Private School, owner of erf 6898, Bellville, or its successors in title, be approved subject inter alia to the following conditions that:

- a) A market-related rental of R4 650 per month excluding VAT of 14% where applicable, being R651 (in total R5 301) be payable;
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- f) Subject to compliance with any other statutory requirements;
- g) All outstanding accounts with the City of Cape Town must be settled (if applicable) before a lease agreement will be concluded;
- h) The applicant must submit a tax clearance certificate before a lease agreement will be concluded.

## 7. AANBEVELING

Nie gedelegeer: Vir besluitneming deur die Raad.

Daar word aanbeveel dat die verhuring van stadsgrond, naamlik erf 6899, Bellville, geleë te Stockenstromstraat, Bellville, gearseer en aangetoon met die letters ABCD op die aangehegte skets TA227v0, gemerk bylae B, ongeveer 2 254 m<sup>2</sup> groot, aan die Boston-privaat skool, eienaar van erf 6898, Bellville, of sy regsopvolgers, goedgekeur word onderworpe onder andere aan die volgende voorwaardes dat:

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## 7 IZINDULULO

Azigu nyaziswanga: Isigqibo seseBhunga:

Kundululwe ukuba makuphunyezwe ukuqeshiswa komhlaba weSixeko osisiqephu sesiza-6899, esise-Bellville, e-Stockenstrom Street, e-Bellville, esibonakaliswe ngomzobo nangoonobumba abakhulu u- ABCD kumzobo oqhotyoshelweyo ongu- TA227v0, ophawulwe kwisihlomo-B, esibukhulu obumalunga nama-2 254 m<sup>2</sup>, kwabe-Boston Private School, abangabanini besiza-6898, Bellville, okanye kwabangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke ekuthotyelweni kwale miqathango ilandelayo, yokuba:

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## 8. DISCUSSION/CONTENTS

### 8.1 BACKGROUND:

This is a new lease application.

The applicant operates a school on their property, specialising in and for the needs of children with learning disabilities. The school does not have adequate on-site parking and this brings about traffic chaos, especially at peak hours.

In recent years it became common practice for parents to drop off and collect their children themselves at school, for safety reasons. They furthermore argue that public transport to and from schools are unreliable, unsafe and in many instances non-existing.

Given the above the school is desirous to lease a track of viable vacant municipal owned land (erf 6899 Bellville) with limited access and an odd triangular shape (limiting the development potential) directly abutting their property (erf 6898 Bellville).

In view of the above, it stands to reason that drop offs and collection of the children should be done in a safe and secure manner. The leasing of the track of land to the school, will present them with the opportunity to create such safe and secure environment.

In this exceptional case the City is in a position to contribute in a meaningful way, to the safety and security of these children.—Therefore to engage in a competitive bidding process would not serve any useful purpose and would not be in the interest of the broader community.

Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property Paragraph 12.5.2. also applies in this instance namely as an exceptional circumstances case. Further detail on pages 6 and 7.

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

### 8.2 CONSULTATION WITH BRANCHES:

All branches were consulted and the application was supported.

### 8.3 FACTORS MOTIVATING RECOMMENDATION:

8.3.1 The leasing of the land will relieve Council from the maintenance burden;

8.3.2 A market related rental income of R4650 per month (excluding VAT) will be generated;

8.3.3 Better utilization of City land.

#### 8.4 PUBLIC PARTICIPATION

Advertising	Cape Times & Burger	25 April 2014
	Prov & Nat Treasury	25 April 2014
	Notices to adj owners	25 April 2014
	Ward councillor	25 April 2014
	Subcouncil Chair & Manager	25 April 2014
	Community organisation(s)	25 April 2014
Outcome	Objections	None
	Ward Councillor's support	No response

#### 8.5 VALUATION

8.5.1 The application category does not fit within the tariff structure of the City approved on 28 May 2014;

8.5.2 The City's Professional Valuers on 30 November 2013 assessed the rental value of the Subject Property at R4650 per month excluding VAT of 14% where applicable being R651.00 ( in total R5301.00) .The valuation synopsis is attached to this report as "Annexure C";

8.5.3 The above valuation included a condition that if it is not implemented within 6 months from date of valuation, the rental would need to be adjusted by 8% per annum.

Formula is rental times 8% divide by 12 months times period of delay.

#### 8.6 VAT

VAT will be levied at the standard rate.

#### 8.7 BLACK ECONOMIC EMPOWERMENT (BEE) STATUS

The applicants are not from a previous disadvantage group.

#### 8.8 CONSTITUTIONAL AND POLICY IMPLICATIONS

8.8.1 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.

8.8.2 Council's By-Law (LA 12783) relating to the Management and Administration of the City of Cape Town's Immovable Property as published on 28 February 2003 (Section 4) allows the leasing of immovable property.

- 8.8.3 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;

Paragraph 12.5.2. of the Policy is quoted:

**Exceptional Circumstances**

Where it is impractical or impossible to follow one or more of the Competitive Processes referred to in paragraphs 12.2 to 12.4 above, and where paragraph 12.5.1. is not applicable, the following factors are considered:

- A. Pursuant to the Property Transaction, whether the Property will be used for a public purpose by the City's local community;

It is a given fact that most schools does not have adequate on- site parking. Parking at schools, especially at peak hours mornings and afternoons, result in chaos in certain instances.

Inadequate public transport and safety of children compell most parents to drop and pick up their children at schools . In this instance the property will be used for public purpose by the local community.

- B. Whether the City is satisfied that the Property Transaction will be exceptionally beneficial to, or have exceptional cost advantages for, the City;

The transaction will be exceptional beneficial to the City as it provides secured parking and as such promote the safety and education of the children.

- 8.8.4 Policy on the management of Council's Immovable Property, approved 20 June 2005 (MC 29/06/05) , amended 19 October 2005 (MC 31/10/05), promulgated 3 February 2006 (PG 6340: LA 32323).

**8.9 FINANCIAL IMPLICATIONS**

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

**8.10 TAX COMPLIANCE**

The applicant has been requested to provide Council with a Tax Clearance Certificate. The lease agreement will not be concluded until the relevant Certificate has been received.



**8.11 FINANCIAL DUE DILIGENCE**

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

**8.12 SUSTAINABILITY IMPLICATIONS**

Does the activity in this report have any sustainability implications for the City? No  Yes

**8.13 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 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 market related rental to the amount of R4650 per month excluding VAT of 14% where applicable, being R651 (in total R5301) 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 initiation of the public participation process and a call for alternative proposals as required, resulting in the proposed lease being advertised in the Cape Times and Die Burger on 25 April 2014. The closing date for objections and alternative proposals were 26 May 2014. The above confirmed that both processes have been complied with. 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 or alternative proposals 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 exceeding 3 years (Non-Significant Property Right). National and Provincial Treasury have been notified.

### 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 Proposed Transfer or Disposal

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.

#### 8.14 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:	Subcouncil Resolution
Annexure B:	Sketch Plan
Annexure C:	Valuation Synopsis



FOR FURTHER DETAILS CONTACT:

NAME	Kobus Coetzer	
CONTACT NUMBERS	021-5901619	
E-MAIL ADDRESS	Kobus.Coetzer@capetown.co.za	
DIRECTORATE	FINANCE	
FILE REF NO	Tyg 14/3/6/1/2/6899	K21102014
SIGNATURE : DIRECTOR	<i>[Signature]</i> 2014-10-30	

CHIEF FINANCIAL OFFICER  
[Kevin Jacoby]

Comment:

NAME

DATE

05-11-2014

*[Signature]*

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

NON-COMPLIANT

LEGAL COMPLIANCE

NAME

TEL

DATE

A.S. Jansen

(021) 400 6586

20-11-14

Comment:

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

*[Signature]*