

ITEM NUMBER: C 13/03/15

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 FEBRUARY 2015

MC 19/02/15 PROPOSED CLOSURE AND ALIENATION OF CITY-OWNED IMMOVABLE PROPERTY: PORTIONS OF ERVEN 13961 AND 13343, CAPE TOWN (A PUBLIC STREET AND PUBLIC OPEN SPACE) SITUATED OFF DUNDONALD STREET, WOODSTOCK: QUINTUS ALEXIS BOSCH

It is **RECOMMENDED** that:

- (a) condonation and ratification be granted for the in principle approval in terms of Regulation 5(1)(b)(ii) together with the final approval in terms of recommendation (d) below
- (b) Council resolve in terms of Section 14 of the Local Government Municipal Finance Management Act, Act 56 of 2003, that the property is not required to provide the minimum level of basic municipal services
- (c) in terms of the provisions of Section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property, portions of Erven 13961 and 13343, Cape Town (public street and public open space situated off Dundonald Street, Woodstock) as indicated on Plan STC 2118 attached as Annexure A to the report on the agenda, be closed
- (d) portions of Erven 13961 and 13343, Cape Town (a public street and public open space situated off Dundonald Street, Woodstock) shown lettered ABCD on Plan STC 2118 attached as Annexure A to the report on the agenda, in extent approximately 75 m², be alienated to Quintus Alexis Bosch, or his successor(s)-in-title, subject *inter alia* to the following conditions, that:
 - (i) a market-related purchase price of R35 000 excluding VAT of 14% where applicable, being R4 900 (in total - R39 900), be payable;
 - (ii) the purchase price be adjusted on the basis of 5% per annum compounded annually on a pro rata basis commencing six months after date of valuation (i.e. 5% ÷ 12 months × number of months after the six-months period). Accordingly the above purchase price is to be adjusted as from 01-03-2014;
 - (iii) rates and municipal charges, if applicable, be levied;

- (iv) subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority, including that all incidental costs will be borne by the purchaser;
- (v) compliance with any other statutory requirements;
- (vi) no building or structure may be erected on the subject property;
- (vii) any proposed access to the property from Dundonald Street must be taken from the easternmost point of the property;
- (viii) only visually permeable fencing will be allowed;
- (ix) any alterations or deviations to electricity services as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.

MC 19/02/15

IPAC 04/11/2014 PROPOSED CLOSURE AND ALIENATION OF CITY-OWNED IMMOVABLE PROPERTY: PORTIONS OF ERVEN 13961 AND 13343, CAPE TOWN (A PUBLIC STREET AND PUBLIC OPEN SPACE) SITUATED OFF DUNDONALD STREET, WOODSTOCK: QUINTUS ALEXIS BOSCH

ISIPHAKAMISO SOKUVALWA NOKUNIKEZELWA KOMHLABA WESIXEKO OYIPROPATI ENGENAKUSUSWA OZIZQEPHU ZEZIZA-13961 NO-13343, EZISEKAPA (ISITALATO SOLUNTU NOMTHABALALA WEBALA LOLUNTU) EZIKWI-DUNDONALD STREET, E-WOODSTOCK: KU-QUINTUS ALEXIS BOSCH

VOORGESTELDE SLUITING EN VERVREEMDING VAN ONROERENDE EIENDOM IN DIE STAD SE BESIT: GEDEELTES VAN ERF 13961 EN 13343, KAAPSTAD ('N OPENBARE STRAAT EN OPENBARE OOR RUIMTE) GELEë UIT DUNDONALDSTRAAT, WOODSTOCK: QUINTUS ALEXIS BOSCH

The Committee requested that the in principle clause be included in the recommendations.

RECOMMENDED TO COUNCIL that:

- a) Condonation and ratification be granted for the in principle approval in terms of Regulation 5(1)(b)(ii) together with the final approval in terms of Recommendation d) below;
- b) Council resolve in terms of section 14 of the Local Government Municipal Finance Management Act, Act 56 of 2003, that the property is not required to provide the minimum level of basic municipal services.
- c) In terms of the provisions of section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property, portions of Erven 13961 and 13343, Cape Town (public street and public open space situated off Dundonald Street, Woodstock) as indicated on the attached plan STC 2118 marked annexure A, be closed.
- d) Portions of erven 13961 and 13343, Cape Town (a public street and public open space situated off Dundonald Street, Woodstock) shown

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lettered ABCD on the attached plan STC 2118 marked annexure A, in extent approximately 75 m², be alienated to Quintus Alexis Bosch or his successor(s) in title, subject inter alia to the following conditions, that:

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- i) A market-related purchase price of R35 000 excluding VAT of 14% where applicable, being R4 900 (in total R39 900), be payable.
- ii) The purchase price be adjusted on the basis of 5% per annum compounded annually on a pro rata basis commencing six months after date of valuation (i.e. $5\% \div 12 \text{ months} \times \text{number of months after the six-months period}$). Accordingly the above purchase price is to be adjusted as from 01-03-2014.
- iii) Rates and municipal charges, if applicable, be levied.
- iv) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority, including that all incidental costs will be borne by the purchaser.
- v) Compliance with any other statutory requirements.
- vi) No building or structure may be erected on the subject property.
- vii) Any proposed access to the property from Dundonald Street must be taken from the easternmost point of the property.
- viii) Only visually permeable fencing will be allowed.
- ix) Any alterations or deviations to electricity services as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.

IZINDULULO

Kundululwe ukuba:

- a) Makuvunyelwe ukwamkelwa nokulungiswa kulungiselelwa ukuphunyezwa ngokomthetho-siseko, ngokungqinelana noMgaqo-5(1)(b)(ii) kunye nokuphunyezwa okokugqibela kwesindululo-d) ngezantsi apha;
- b) IBhunga liggibe ngokwecandelo-14 loMthetho wobuRhulumente boMmandla ongoMthetho woLawulo lweziMali zikaMasipala ongunomb.56 wango-2003, ukuba ipropati ayisafuneki nganto ukubonelela ngomlinganiselo othile weenkondo ezingundoqo zikamasipala.
- c) Ngokwemimiselo yesolotya-6 loMthetho kaMasipala ophathelene nokuPhathwa nezoLawulo lwePropati kaMasipala engenakususwa, makuvalwe iziqephu zeziza-13961 no-13343, esiseKapa (isitalato soLuntu nomthabalala webala, ezikwi-Dundonald Street, e-Woodstock), njengoko kubonakalisiwe kwiplani engu-STC 2118, ephawulwe kwisihlomelo-A.

- d) Makunikezelwe iziqephu zeziza-13961 no-13343 eziseKapa (isitalato soluntu nomthabalala webala loluntu ezikwi-Dundonald Street, e-Woodstock) ezibonakaliswe ngoonobumba abakhulu u- ABCD kwiplani eqhotyoshelweyo engu- STC 2118 ephawulwe kwisihlomelo-A, ezibukhulu obumalunga nama-75 m², ku- Quintus Alexis Bosch okanye kwabangena ezihlangwini zakhe ngokwetayitile, ngokuxhomekeke ekuthotyelweni kwale miqathango ilandelayo, yokuba:

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- i) Makuhlawulwe ixabiso eliphathelene nelasemakethi elingama-R35 000, ngaphandle kweRhafu-ntengo eli-14%, engama-R4 900 (apho iyonke ingama-R39 900).
- ii) Ixabiso lentengiso malilungelelaniswe ngokommiselo we-5% ngonyaka oqukaniswe rhoqo ngonyaka ngokwekota apho ithi iqalise iinyanga ezintandathu emva komhla woqingqo-maxabiso (umzekelo i-5% yahlulwahlulwe ngeenyanga ezili-12 kwaye iphindaphindwe ngenani leenyanga emva kwesithuba seenyanga ezintandathu). Makulungelelaniswe ngokufanelekileyo ixabiso lentengiso elingentla apha ukususela ngowo-1 Matshi 2014.
- iii) Makuhlawulwe iirhafu neentlawulo zikamasipala, apho kufanelekileyo.
- iv) Ngokuxhomekeke kwimiqathango ethe xhaxhe eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo, kuquka zonke iindleko eziphathelene noku ziyakuthi zibeluxanduva lomthengi.
- v) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo engeminye yomthetho.
- vi) Akukho sakhiwo okanye isakheko esivumelekileyo ukuba sakhiwe kwipropati le ichaphazelekayo.
- vii) Nasiphina isiphakamiso sokungena kwi-Dundonald Street ukuya kwipropati, kufuneka senziwe ukususela kweyona ndawo isempuma yepropati.
- viii) Kuyakuthi kuvunyelwe kuphela ubiyelo ngocingo othi ubone ngaphaya kwalo.
- ix) Naluphina uguqulelo okanye utenxo kwiinkonzo zombane olufunekayo ngenxa yesiphakamiso, okanye ngenxa yokuba lucelwe ngumfaki-sicelo, luyakuthi luqhutywe ngokwendleko zomfaki-sicelo.

AANBEVELING

Daar word aanbeveel dat:

- a) Kondonering en bekragtiging toegestaan word vir goedkeuring in beginsel ingevolge regulasie 5(1)(b)(ii), tesame met die finale goedkeuring in ooreenstemming met aanbeveling d) hier onder;

- b) Die Raad ingevolge artikel 14 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet 56 van 2003, besluit dat die eiendom nie vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie. 020
- c) Ingevolge die bepalings van artikel 6 van die Verordening op die Bestuur en Administrasie van die Stad Kaapstad se Onroerende Eiendom, gedeeltes van erf 13961 en 13343, Kaapstad ('n openbare straat en openbare oop ruimte geleë uit Dundonaldstraat, Woodstock) soos aangedui op die aangehegte plan STC 2118, gemerk bylae A, gesluit word.
- d) Gedeeltes van erf 13961 en 13343, Kaapstad ('n openbare straat en openbare oop ruimte geleë uit Dundonaldstraat, Woodstock), aangetoon deur die letters ABCD op die aangehegte plan STC 2118, gemerk bylae A, ongeveer 75 m² groot, vervreem word aan Quintus Alexis Bosch of sy regsopvolgers, onderworpe aan onder meer die volgende voorwaardes, naamlik dat:
- i) 'n Markverwante koopprys van R35 000, 14%-BTW ingesluit waar van toepassing, synde R4 900 (altesaam R39 900), betaal word.
 - ii) Die koopprys aangepas word teen 5% per jaar, jaarliks pro rata saamgesteld, vanaf ses maande na die waardasiedatum (d.w.s. $5\% \div 12 \text{ maande} \times \text{aantal maande na die tydperk van ses maande}$). Die bogenoemde koopprys moet gevolglik van 01-03-2014 aangepas word.
 - iii) Eiendomsbelasting en munisipale gelde gehef word, indien van toepassing.
 - iv) Onderworpe aan enige verdere voorwaardes opgelê deur die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid, insluitend dat alle bykoste deur die koper gedra sal word.
 - v) Onderworpe aan die nakoming van enige ander statutêre vereistes.
 - vi) Geen gebou of struktuur op die onderhawige eiendom opgerig mag word nie.
 - vii) Enige voorgestelde toegang na die eiendom vanuit Dundonaldstraat vanuit die mees oostelike punt van die eiendom moet geskied.
 - viii) Slegs deursigtige omheining toegelaat sal word.
 - ix) Enige verandering of afwykings ten opsigte van elektrisiteitsdienste wat as gevolg van die voorstel nodig is of deur die aansoeker versoek word, sal op die aansoeker se koste uitgevoer word.

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

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

DATE: 15/1/15

COMMENT:

DIRECTOR : LEGAL SERVICES
MR LUNGELO MBANDAZAYO

DATE: 21/01/2015

- SUPPORTED FOR ONWARD SUBMISSION TO
MAYOR / MAYCO / COUNCIL
- NOT SUPPORTED
- REFERRED BACK

COMMENT:

ALDERMAN JAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 28/1/2015

COMMENT:



REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

DATE:

1. ITEM NUMBER : To be inserted by Executive Support

2. SUBJECT

PROPOSED CLOSURE AND ALIENATION OF CITY-OWNED IMMOVABLE PROPERTY: PORTIONS OF ERVEN 13961 AND 13343, CAPE TOWN (A PUBLIC STREET AND PUBLIC OPEN SPACE) SITUATED OFF DUNDONALD STREET, WOODSTOCK: QUINTUS ALEXIS BOSCH

2. VOORGESTELDE SLUITING EN VERVREEMDING VAN ONROERENDE EIENDOM IN DIE STAD SE BESIT: GEDEELTES VAN ERF 13961 EN 13343, KAAPSTAD ('N OPENBARE STRAAT EN OPENBARE OOP RUIMTE) GELEë UIT DUNDONALDSTRAAT, WOODSTOCK: QUINTUS ALEXIS BOSCH

2. ISIPHAKAMISO SOKUVALWA NOKUNIKEZELWA KOMHLABA WESIXEKO OYIPROPATI ENGENAKUSUSWA OZIZQEPHU ZEZIZA-13961 NO-13343, EZISEKAPA (ISITALATO SOLUNTU NOMTHABALALA WEBALA LOLUNTU) EZIKWI-DUNDONALD STREET, E-WOODSTOCK: KU-QUINTUS ALEXIS BOSCH

LSU:E3387
CT14/3/4/3/78/00/13961
PH 2014/0542 (Category 4)

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 proposed closure and alienation of City-owned immovable property being portions of Erven 13961 and 13343, Cape Town, a public street and Public Open Space, situated off Dundonald Street, Woodstock to Quintus Alexis Bosch.

5. FOR NOTING BY / FOR DECISION BY

This report is for consideration by

- the Immovable Property Adjudication Committee (IPAC)
- the Executive Mayor together with the Mayoral Committee
- Council

6. EXECUTIVE SUMMARY

PURPOSE OF REPORT	To consider the proposed closure and alienation of City-owned immovable property being portions of Erven 13961 and 13343, Cape Town, a public street and Public Open Space, situated off Dundonald Street, Woodstock to Quintus Alexis Bosch.			
Property description	Portions of Erven 13961 and 13343, Cape Town			
Applicant	Quintus Alexis Bosch			
Site extent	75 m ²			
Current zoning	Public Street and Public open space			
Current usage	Vacant Land			
Proposed usage	Security and access			
Application description	Purchase			
Submission date	18 May 2006			
Circulation date	22 August 2006			
Comments	The applicant delayed the matter by failing to respond timeously to requests to attend to making payments, and provide the necessary SARS documents.			
Public participation outcome summary	The proposed disposal was advertised in the press on 20 April 2012. No objections were received.			
WARD Cllr Brett Herron	NOTICE	DATE	WARD	
		20-04-2012		57
Viable	Yes		No	X
Recommended decision	Approval	X	Refusal	

7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) Council resolve in terms of section 14 of the Local Government Municipal Finance Management Act, Act 56 of 2003, that the property is not required to provide the minimum level of basic municipal services.

- b) In terms of the provisions of section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property, portions of Erven 13961 and 13343, Cape Town (public street and public open space situated off Dundonald Street, Woodstock) as indicated on the attached plan STC 2118 marked annexure A, be closed.
- c) Portions of erven 13961 and 13343, Cape Town (a public street and public open space situated off Dundonald Street, Woodstock) shown lettered ABCD on the attached plan STC 2118 marked annexure A, in extent approximately 75 m², be alienated to Quintus Alexis Bosch or his successor(s) in title, subject inter alia to the following conditions, that:
- i. A market-related purchase price of R35 000 excluding VAT of 14% where applicable, being R4 900 (in total R39 900), be payable.
 - ii. The purchase price be adjusted on the basis of 5% per annum compounded annually on a pro rata basis commencing six months after date of valuation (i.e. $5\% \div 12 \text{ months} \times \text{number of months after the six-months period}$). Accordingly the above purchase price is to be adjusted as from 01-03-2014.
 - iii. Rates and municipal charges, if applicable, be levied.
 - iv. Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority, including that all incidental costs will be borne by the purchaser.
 - v. Compliance with any other statutory requirements.
 - vi. No building or structure may be erected on the subject property.
 - vii. Any proposed access to the property from Dundonald Street must be taken from the easternmost point of the property.
 - viii. Only visually permeable fencing will be allowed.
 - ix. Any alterations or deviations to electricity services as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.

7. AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Die Raad ingevolge artikel 14 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet 56 van 2003, besluit dat die eiendom nie vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie.
- b) Ingevolge die bepalings van artikel 6 van die Verordening op die Bestuur en Administrasie van die Stad Kaapstad se Onroerende Eiendom, gedeeltes van erf 13961 en 13343, Kaapstad ('n openbare straat en openbare oop ruimte geleë uit Dundonaldstraat, Woodstock) soos aangedui op die aangehegte plan STC 2118, gemerk bylae A, gesluit word.
- c) Gedeeltes van erf 13961 en 13343, Kaapstad ('n openbare straat en openbare oop ruimte geleë uit Dundonaldstraat, Woodstock), aangetoon deur die letters ABCD op die aangehegte plan STC 2118, gemerk bylae A, ongeveer 75 m² groot, vervreem word aan Quintus Alexis Bosch of sy regsopvolgers, onderworpe aan onder meer die volgende voorwaardes, naamlik dat:
 - i. 'n Markverwante koopprys van R35 000, 14%-BTW ingesluit waar van toepassing, synde R4 900 (altesaam R39 900), betaal word.
 - ii. Die koopprys aangepas word teen 5% per jaar, jaarliks pro rata saamgesteld, vanaf ses maande na die waardasiedatum (d.w.s. $5\% \div 12 \text{ maande} \times \text{aantal maande na die tydperk van ses maande}$). Die bogenoemde koopprys moet gevolglik van 01-03-2014 aangepas word.
 - iii. Eiendomsbelasting en munisipale gelde gehef word, indien van toepassing.
 - iv. Onderworpe aan enige verdere voorwaardes opgelê deur die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid, insluitend dat alle bykoste deur die koper gedra sal word.
 - v. Onderworpe aan die nakoming van enige ander statutêre vereistes.
 - vi. Geen gebou of struktuur op die onderhawige eiendom opgerig mag word nie.

- vii. Enige voorgestelde toegang na die eiendom vanuit Dundonaldstraat vanuit die mees oostelike punt van die eiendom moet geskied.
- viii. Slegs deursigtige omheining toegelaat sal word.
- ix. Enige verandering of afwykings ten opsigte van elektrisiteitsdienste wat as gevolg van die voorstel nodig is of deur die aansoeker versoek word, sal op die aansoeker se koste uitgevoer word.

7. IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) IBhunga liggqibe ngokwecandelo-14 loMthetho wobuRhulumente boMmandla ongoMthetho woLawulo lweziMali zikaMasipala ongunomb.56 wango-2003, ukuba ipropati ayisafuneki nganto ukubonelela ngomlinganiselo othile weenkonzozo ezingundoqo zikamasipala.
- b) Ngokwemimiselo yesolotya-6 loMthetho kaMasipala ophathelene nokuPhathwa nezoLawulo lwePropati kaMasipala engenakususwa, makuvalwe iziqephu zeziza-13961 no-13343, esiseKapa (isitalato soLuntu nomthabalala webala, ezikwi-Dundonald Street, e-Woodstock), njengoko kubonakalisiwe kwiplani engu-STC 2118, ephawulwe kwisihlomelo-A.
- c) Makunikezelwe iziqephu zeziza-13961 no-13343 eziseKapa (isitalato soluntu nomthabalala webala loluntu ezikwi-Dundonald Street, e-Woodstock) ezibonakalisiwe ngoonobumba abakhulu u- ABCD kwiplani eqhotyoshelweyo engu- STC 2118 ephawulwe kwisihlomelo-A, ezibukhulu obumalunga nama-75 m², ku- Quintus Alexis Bosch okanye kwabangena ezihlangwini zakhe ngokwetayitile, ngokuxhomekeke ekuthotyelweni kwale miqathango ilandelayo, yokuba:
 - i. Makuhlawulwe ixabiso eliphathelene nelasemakethi elingama-R35 000, ngaphandle kweRhafu-ntengo eli-14%, engama-R4 900 (apho iyonke ingama-R39 900).
 - ii. Ixabiso lentengiso malilungelelaniswe ngokommiselo we-5% ngonyaka oqukaniswe rhoqo ngonyaka ngokwekota apho ithi iqalise iinyanga ezintandathu emva komhla woqingqo-maxabiso (umzekelo i-5% yahlulwahlulwe ngeenyanga ezili-12 kwaye iphindaphindwe ngenani leenyanga emva kwesithuba seenyanga ezintandathu). Makulungelelaniswe ngokufanelekileyo ixabiso lentengiso elingentla apha ukususela ngowo-1 Matshi 2014.
 - iii. Makuhlawulwe iirhafu neentlawulo zikamasipala, apho kufanelekileyo.

- iv. Ngokuxhomekeke kwimiqathango ethe xhaxhe eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo, kuquka zonke iindleko eziphathelene noku ziyakuthi zibeluxanduva lomthengi.
- v. Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo engeminye yomthetho.
- vi. Akukho sakhiwo okanye isakheko esivumelekileyo ukuba sakhiwe kwipropati le ichaphazelekayo.
- vii. Nasiphina isiphakamiso sokungena kwi-Dundonald Street ukuya kwipropati, kufuneka senziwe ukususela kweyona ndawo isempuma yepropati.
- viii. Kuyakuthi kuvunyelwe kuphela ubiyelo ngocingo othi ubone ngaphaya kwalo.
- ix. Naluphina uguqulelo okanye utenxo kwiinkonzo zombane olufunekayo ngenxa yesiphakamiso, okanye ngenxa yokuba lucelwe ngumfaki-sicelo, luyakuthi luqhutywe ngokwendleko zomfaki-sicelo.

8. DISCUSSION/CONTENTS

8.1. BACKGROUND:

An application was made by Quintus Alexis Bosch, the registered owner of Erf 13344, Cape Town, to purchase portions of Erven 13961(a Public Street) and 13343 (a Public Open Space), Cape Town situated off Dundonald Street, Woodstock in extent approximately 75m². The property is currently vacant land and the applicant intends to use it for access and security purposes.

Due to the small extent of the subject property it is regarded as being non-viable land which cannot be sold by public competition and only has value to the abutting landowners.

The application to purchase was circulated to all the relevant Branches for comment. No objections were raised by the Branches to the proposed closure and disposal of the subject property.

The proposed disposal of the subject property was duly advertised in terms of the stipulations of the By-Law relating to the Management of the City of Cape Town's Immovable Property in two local newspapers on 20 April 2012, inviting the public to lodge written comments. A notice in this regard was also served on the relevant ward councillor and sub-council. No objections were received to the proposed closure and disposal.

The recommendation was considered by sub-Council 15 on 17 September 2014 and it was unanimously resolved to support the recommendation to approve the application. The extract from the minutes of the sub-Council meeting is attached hereto marked Annexure B.

8.2. CONSULTATION WITH BRANCHES:

The application was circulated to the relevant branches of Council. The alienation of the property is supported subject to the following conditions:

i) Electricity

Any alterations or deviations to electricity services as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.

ii) Transport Impact Assessment and Development Control

Any proposed access from Dundonald Street to the land in question would best be taken from the easternmost point of the property. Any access proposal to Dundonald Street must be submitted to this Branch for approval.

iii) Land Use Management

A condition must be added to the Title deed excluding any building or structure on the subject property.

iv) Urban Design

- The subject property may only be fenced with visually permeable fencing, i.e. no solid boundary walls.
- The transformer must still have 24hour separate access

It has been confirmed that the land in question is no longer required for any Municipal purposes. The proposal therefore complies with Section 14 of the Municipal Finance Management Act, No 56 of 2003.

8.3. FACTORS MOTIVATING RECOMMENDATION:

- i) The closure and disposal of the land will relieve Council of the maintenance burden.
- ii) Market related compensation in the amount of R35 000 excluding VAT, will accrue to the City.
- iii) Due to the small extent of the subject property it cannot be sold by public competition and only has value to the abutting land owners.
- iv) No objections were received against the sale of the land.
- v) The alienation will allow for better utilisation of the property.

8.4 PUBLIC PARTICIPATION

Advertising	Cape Times & Burger	20 April 2012
	Prov & Nat Treasury	20 April 2012
	Notices to adj owners	20 April 2012
	Ward councillor	20 April 2012
	Subcouncil Chair & Manager	20 April 2012
	Community organisation(s)	n/a
Outcome	Objections	No objection received
	Ward Councillor's support	Supported

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 31 August 2013 assessed the value of the Subject Property at R35 000.00 excluding VAT (if applicable). Valuation synopsis is attached to the report as Annexure C.

8.5 VAT

VAT will be levied at the standard rate.

8.6 BLACK ECONOMIC EMPOWERMENT (BEE) STATUS

The applicant is from a previously disadvantaged 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 disposal of immovable property.
- 8.8.3 Chapter B 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 alienation of immovable property;
- 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

In terms of the City's Supply Chain Management Policy, approved by Council on 31 July 2013, paragraph 85 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 359 - 361 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 85 above and applicants need to submit a SARS clearance or exemption certificate for the sale of all City owned immovable property.

The applicant has complied with the aforesaid provisions of paragraph 85. See Tax Clearance attached hereto as Annexure D.

8.11 FINANCIAL DUE DILIGENCE

The applicant's debt profile has been verified 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

8.13.1 Regulation 7 of the Municipal Asset Transfer Regulations (MATR)

In terms of the above Regulation, Council must take into account a number of factors (highlighted in bold) when considering any proposed transfer or disposal of non-exempted capital assets:

Factor A: Whether the capital asset may be required for municipality's own use at a later date.

This proposal complies with Section 14 of the Local Government Municipal Finance Management Act No. 56 of 2003 in that the relevant branches of Council have confirmed in writing that the asset is not needed to provide the minimum level of basic municipal services.

Factor B: The expected loss or gain that is expected to result from the transfer or proposed disposal.

The expected gain to result from the proposed disposal is fair market value and future rates and taxes.

Factor C: The extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to municipality.

Council will receive a financial benefit in the form of market related purchase price as well as rates and taxes following the development of the property. The market value of the property has been determined to be R35 000, 00 excluding VAT.

Factor D: The risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests.

No operational or control risk to the City.

Factor E: The effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow.

None.

Factor F: Any limitations and conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions.

The sale agreement will contain terms and conditions as imposed by the Director: Property Management in terms of delegated authority.

Factor G: The estimated cost of the proposed transfer or disposal.

The purchaser will be responsible for the transfer costs.

Factor H: The transfer of liabilities and reserve funds associated with the capital asset.

No liabilities and reserve funds are associated with the capital asset.

Factor I: Any comments or representations on the proposed transfer or disposal received from the local community and other interested persons.

The Director : Property Management, in terms of her delegated powers, approved the public participation process as required, resulting in the proposed disposal being advertised in the Cape Times and Die Burger on 20 April 2012. Closing date for objections was 21 May 2012. Copies of the advertisement were sent to the Ward Councillor, Chairperson of the relevant Sub-Council and registered local community organisations. No objections were received.

Factor J: Any written views and recommendations on the proposed transfer or disposal by National Treasury and the relevant Provincial Treasury.

The asset considered for disposal is not a "high value" asset, as defined in the MATR. No objections / comments were received from National and Provincial Treasury.

Factor K: The interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community.

None of these interests will be compromised as a result of the alienation of the asset; in fact, it will be supported.

Factor L: Compliance with legislative regime applicable to the proposed transfer or disposal.

- 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) permits the sale of Immovable Property.
- Council's By-Law (LA.2783) relating to the Management and Administration of the City of Cape Town's Immovable Property as published on 28 February 2003 (Section 6) permits the closure of Public Streets and Passages.
- The proposal complies with Section 13.1 of the Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, approved by Council on 26 August 2010, which allows for the direct sale of non-viable property which can only be utilized by one or more adjacent landowners, without any competitive process having been followed, on the basis that no purpose would be served by a competitive process.

The proposal complies with the provisions of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Asset Transfer Regulations published in Government Gazette No R. 878 dated 22 August 2008.

8.13.2 **Should the recommendation contained in this report be adopted by Council, the following statutory processes will need to be undertaken:**

- 8.13.2.1. The subject property vests in the City of Cape Town and must be registered as such in terms of Section 31 of the Deeds Registries Act No 47 of 1937.
- 8.13.2.2. The subject property must be closed and subdivided once Council agrees to the disposal.
- 8.13.2.3. The portion of land must be consolidated with the applicant's adjoining Erf 13344 Cape Town to form a single holding.

8.14 STAFF IMPLICATIONS

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

No

ANNEXURES

- A – Plan STC 2118
- B - Extract from Subcouncil 15 Minute
- C – Valuation synopsis
- D – Tax Clearance Certificate



FOR FURTHER DETAILS CONTACT:

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FILE REF NO	CT14/3/4/3/78/00/13961	<i>21-10-2014</i>
SIGNATURE : DIRECTOR	<i>Handwritten signature</i>	<i>2014-10-28</i>

Comment:

CHIEF FINANCIAL OFFICER
[Kevin Jacoby]

NAME

DATE

28.10.2014

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

Sarah van Zyl

TEL

021 400 5446

DATE

29.10.2014

Comment:

Certified as legally compliant:
Based on the contents of the report.