

ITEM NUMBER: C 16/03/15

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 FEBRUARY 2015

MC 22/02/15 **PROPOSED CLOSURE AND DISPOSAL OF A PORTION OF A PUBLIC ROAD ADJACENT TO ERVEN 608 AND 750, RUSTDAL, RUBICON CLOSE, RUSTDAL: GOLDEN TREAT PROPERTIES (PTY) LTD**

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) it be confirmed that, in terms of Section 14 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, the property shown lettered ABCDEFG on Plan ET 247 attached as Annexure A to the report on the agenda, not be required to provide the minimum level of basic municipal services
- (c) Council approve of the closure of the abovementioned property, being a public road, in terms of Section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property
- (d) Council approve of the alienation of the subject land, in extent $\pm 1836 \text{ m}^2$, to Golden Treat Properties (Pty) Ltd, or its successor(s)-in-title, subject to the following conditions, that:
 - (i) the property be sold at a market-related sale price of R1 100 000, excluding VAT of 14% where applicable, being R154 000 (R1 254 000 in total);
 - (ii) the sale price will escalate at 5% per annum compounded annually on a pro rata basis commencing six months from the effective date of the valuation, i.e. 31 August 2013. Accordingly the recommended purchase price is to be adjusted from 1 March 2014, i.e. $5\% \div 12 \text{ months} \times \text{number of months after the 6 month period}$;
 - (iii) the transaction be subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority *inter alia* that:
 - (aa) all costs related to the transaction be borne by the applicant;
 - (bb) the subject property of land be subdivided and consolidated with Erven 608 and 750, Rustdal;

- (cc) the water services and electricity services present over the subject portion of land be relocated at the cost of the applicant.

MC 22/02/15

IPAC 09/11/2014 PROPOSED CLOSURE AND DISPOSAL OF A PORTION OF A PUBLIC ROAD ADJACENT TO ERVEN 608 AND 750, RUSTDAL, RUBICON CLOSE, RUSTDAL: GOLDEN TREAT PROPERTIES (PTY) LTD

ISIPHAKAMISO SOKUVALWA NOKUNIKEZELWA KWESIQEPHU SENDLELA YOLUNTU EMELENE NEZIZA-608 NO-750, E-RUSTDAL, RUBICON CLOSE, RUSTDAL: KWABE-GOLDEN TREAT PROPERTIES PTY LTD

VOORGESTELDE SLUITING EN VERVREEMDING VAN 'N GEDEELTE VAN 'N OPENBARE PAD AANGRENSEND AAN ERWE 508 EN 750, RUSTDAL, RUBICONSLOT, RUSTDAL: GOLDEN TREAT PROPERTIES (EDMS.) BPK

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) It be confirmed that, in terms of section 14 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, the property shown lettered ABCDEFG on the attached plan ET 247, marked annexure A not be required to provide the minimum level of basic municipal services;
- c) Council approve of the closure of the abovementioned property, being a public road, in terms of section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property;
- d) Council approve of the alienation of the subject land, in extent \pm 1836 m², to Golden Treat Properties (Pty) Ltd, or its successor in title subject to the following conditions:
 - i) The property be sold at a market-related sale price of R1 100 000, excluding VAT of 14% where applicable, being R154 000 (R1 254 000 in total);

- ii) The sale price will escalate at 5% per annum compounded annually on a pro rata basis commencing six months from the effective date of the valuation, i.e. 31 August 2013. Accordingly the recommended purchase price is to be adjusted from 1 March 2014, i.e. $5\% \div 12 \text{ months} \times \text{number of months after the 6 month period}$;
- iii) The transaction be subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority inter alia that:
 - aa) All costs related to the transaction be borne by the applicant;
 - bb) The subject property of land be subdivided and consolidated with erven 608 and 750 Rustdal;
 - cc) The water services and electricity services present over the subject portion of land be relocated at the cost of the applicant.

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) Makuqinisekiswa ukuba ngokwecandelo-14 loMthetho wobuRhulumente boMmandla ongoLawulo lweziMali zikaMasipala onguNomb.56 wango-2003, ipropati ebonakaliswe ngoonobumba abakhulu u-ABCDEFG kwiplani eqhotyoshelweyo engu-ET 247 ephawulwe kwisihlomelo-A ayifuneki nganto ukubonelela ngomlinganiselo weenkonzo ezingundoqo zikamasipala;
- c) IBhunga maliphumeze ukuvalwa kwepropati ekhankanywe ngentla apha eyi-Public Road, ngokwesolotya-6 loMthetho kaMasipala ophathelene nokuPhathwa nezoLawulo lweePropati ezingenakususwa zeSixeko saseKapa;
- d) IBhunga maliphumeze ukunikezelwa kwalo mhlaba uchaphazelekayo, obukhulu obumalunga ne $\pm 1836 \text{ m}^2$, kwabe-Golden Treat Properties (Pty) Ltd, okanye kwabangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke kule miqathango ilandelayo:
 - i) Ukuba ipropati mayithengiswe ngexabiso eliphathelene nelasemakethi elili-R1 100 000, ngaphandle kweRhafu-ntengo engama-R154 000 (apho iyonke ili-R1 254 000);
 - ii) Ukuba ixabiso lentengiso liyakuthi linyuke nge-5% ngonyaka eliqukaniswe rhoqo ngonyaka ngokommiselo owahlukeneyo

ukuqalela kwiinyanga ezi-6 ukususela kumhla woqingqo-maxabiso ongowama-31 Agasti 2013. Ixabiso lentengiso elivunyiweyo kufuneka lilungelelaniswe ngokufanelekileyo ukususela ngowo-1 Matshi 2014, (5% ÷ iinyanga ezili-12 x ngenani leenyanga emva kwesithuba seenyanga ezi-6) kwakhona olu qingqo-maxabiso kufuneka luphengululwe ukuba alumiselwanga kwiinyanga ezili-18 ukususela kumhla woqingqo-maxabiso;

- iii) Ukuba unaniselwano maluxhomekeke kweminye imiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo; ngokuxhomekeke:
 - aa) Ukuba zonke iindleko eziphathelene kunaniselwano ziyakuthi zibeluxanduva lomfaki-sicelo;
 - bb) Ukuba ipropati le yomhlaba ochaphazelekayo mayahlulwa- hlulwe kwaye idityaniswe kwiziza-608 no-750 e-Rustdal;
 - cc) linkonzo zamanzi nezombane ezikhoyo kwisiqephu somhlaba lo uchaphazelekayo kufuneka zifuduswe ngokweendleko 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) Ingevolge artikel 14 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet 56 van 2003, dit bevestig word dat die eiendom met die letters ABCDEFG aangedui op die aangehegte plan ET 247, gemerk bylae A, nie vereis word om die minimum vlak van basiese munisipale dienste te verskaf nie.
- c) Die Raad die sluiting van die bogenoemde eiendom, naamlik 'n openbare pad, goedkeur ingevolge artikel 6 van die Verordening met betrekking tot die Bestuur en Administrasie van die Stad Kaapstad se Onroerende Eiendom;
- d) Die Raad die vervreemding van die onderhawige grond, ongeveer 1 836 m² groot, aan Golden Treat Properties (Edms.) Bpk, of sy regsopvolgers, goedkeur onderworpe aan die volgende voorwaardes dat:
 - i) Die eiendom verkoop word teen 'n markverwante verkoopprijs van R1 100 000, BTW van 14% uitgesluit, waar van toepassing, naamlik R154 000 (R1 254 000 in totaal);
 - ii) Die verkoopprijs met 5% per jaar sal styg wat jaarliks op 'n pro

rata-grondslag saamgestel word en bereken sal word vanaf ses maande ná die waardasiedatum, d.w.s. 31 Augustus 2013. Die aanbevole koopprys sal dus vanaf 1 Maart 2014 aangepas moet word (d.w.s. $5\% \div 12$ maande \times getal maande na die tydperk van ses maande). Hierdie waardasie sal hersien moet word indien dit nie binne 18 maande vanaf die waardasiedatum in werking gestel word nie;

- iii) Die transaksie onderworpe sal wees aan sodanige verdere voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid opleë, onder andere dat:
 - aa) Alle koste wat met die transaksie verband hou, deur die aansoeker gedra word;
 - bb) Die onderhawige eiendom onderverdeel en met erwe 608 en 750 Rustdal gekonsolideer moet word;
 - cc) Die water- en elektrisiteitsdienste oor die onderhawige gedeelte van die grond op onkoste van die aansoeker verskuif word.

ACTION: R SCHNACKENBERG; R GELDERBLOEM

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

085

Wootton

COMMENT:

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

DATE: 15/1/15

Lungelo Mbandazayo

DIRECTOR : LEGAL SERVICES
MR LUNGELO MBANDAZAYO

DATE: 21/01/2015

SUPPORTED FOR ONWARD SUBMISSION TO
MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

Neilson

COMMENT:

ALDERMAN IAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 28/1/2015



IPAC 09/11/2014

LCR673

REPORT TO IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE

DATE:

1. **ITEM NUMBER :** To be inserted by Executive Support

2. **SUBJECT**

PROPOSED CLOSURE AND DISPOSAL OF A PORTION OF A PUBLIC ROAD
ADJACENT TO ERVEN 608 AND 750, RUSTDAL, RUBICON CLOSE,
RUSTDAL: GOLDEN TREAT PROPERTIES (PTY) LTD

ONDERWERP

VOORGESTELDE SLUITING EN VERVREEMDING VAN 'N GEDEELTE VAN
'N OPENBARE PAD AANGRENSEND AAN ERWE 508 EN 750, RUSTDAL,
RUBICONSLOT, RUSTDAL: GOLDEN TREAT PROPERTIES (EDMS.) BPK.

ISIHLOKO

ISIPHAKAMISO SOKUVALWA NOKUNIKEZELWA KWESIQEPHU SENDLELA
YOLUNTU EMELENE NEZIZA-608 NO-750, E-RUSTDAL, RUBICON CLOSE,
RUSTDAL: KWABE-GOLDEN TREAT PROPERTIES PTY LTD

LSU E2033

OB-14/3/4/3/56

PH 2014/0549 (Category 1)

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 an application received for the closure and disposal of a portion of erf 352 Rustdal (portion of Public Road) to Golden Treat Properties (Pty) Ltd the registered owners of abutting erven 608 and 750, Rustdal or their successors in title.

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 an application received for the closure and disposal of a portion of erf 352 Rustdal (portion of Public Road) to Golden Treat Properties the registered owners of abutting erven 608 and 750, Rustdal or their successors-in-title.			
Property description	Portion of Erf 352 Rustdal			
Applicant	Golden Treat Properties (Pty) Ltd			
Site extent	±1836 m ²			
Current zoning	Public Street			
Current usage	Public Street granting access to erven 608 and 750 Rustdal			
Proposed usage	Industrial purposes			
Application description	Closure and disposal of a portion of erf 352 Rustdal for consolidation with erven 608 and 750 Rustdal			
Submission date	18 January 2012			
Circulation date	21 February 2012			
Comments	Took a long time to obtain the relocation costs for the Eskom services			
Public participation outcome summary	No objections			
WARD Cllr B van Dalen	NOTICE	DATE	WARD	
		13 December 2013		14
Viable	Yes		No	X
Recommended decision	Approval	X	Refusal	

7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) It be confirmed that, in terms of section 14 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, the property shown lettered ABCDEFG on the attached plan ET 247, marked annexure A not be required to provide the minimum level of basic municipal services;
- b) Council approve of the closure of the abovementioned property, being a public road, in terms of section 6 of the By-law relating to the Management and Administration of the City of Cape Town's Immovable Property;
- c) Council approve of the alienation of the subject land, in extent \pm 1836 m², to Golden Treat Properties (Pty) Ltd, or its successor in title subject to the following conditions
 - i) The property be sold at a market-related sale price of R1 100 000, excluding VAT of 14% where applicable, being R154 000 (R1 254 000 in total);
 - ii) The sale price will escalate at 5% per annum compounded annually on a pro rata basis commencing six months from the effective date of the valuation, i.e. 31 August 2013. Accordingly the recommended purchase price is to be adjusted from 1 March 2014, i.e. 5% \div 12 months x number of months after the 6 month period;
 - iii) The transaction be subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority inter alia that:
 - aa) All costs related to the transaction be borne by the applicant;
 - bb) The subject property of land be subdivided and consolidated with erven 608 and 750 Rustdal;
 - cc) The water services and electricity services present over the subject portion of land be relocated at the cost of the applicant.

7. AANBEVELING

Nie gedeleger nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Ingevolge artikel 14 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet 56 van 2003, dit bevestig word dat die eiendom met die letters ABCDEFG aangedui op die aangehegte plan ET 247, gemerk bylae A, nie vereis word om die minimum vlak van basiese munisipale dienste te verskaf nie.
- b) Die Raad die sluiting van die bogenoemde eiendom, naamlik 'n openbare pad, goedkeur ingevolge artikel 6 van die Verordening met betrekking tot die Bestuur en Administrasie van die Stad Kaapstad se Onroerende Eiendom;
- c) Die Raad die vervreemding van die onderhawige grond, ongeveer 1 836 m² groot, aan Golden Treat Properties (Edms.) Bpk, of sy regsopvolgers, goedkeur onderworpe aan die volgende voorwaardes dat:
 - i) Die eiendom verkoop word teen 'n markverwante verkoopprijs van R1 100 000, BTW van 14% uitgesluit, waar van toepassing, naamlik R154 000 (R1 254 000 in totaal);
 - ii) Die verkoopprijs met 5% per jaar sal styg wat jaarliks op 'n pro rata-grondslag saamgestel word en bereken sal word vanaf ses maande ná die waardasiedatum, d.w.s. 31 Augustus 2013. Die aanbevole koopprijs sal dus vanaf 1 Maart 2014 aangepas moet word (d.w.s. $5\% \div 12 \text{ maande} \times \text{getal maande na die tydperk van ses maande}$). Hierdie waardasie sal hersien moet word indien dit nie binne 18 maande vanaf die waardasiedatum in werking gestel word nie;
 - iii) Die transaksie onderworpe sal wees aan sodanige verdere voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegerde bevoegdheid oplê, onder andere dat:
 - aa) Alle koste wat met die transaksie verband hou, deur die aansoeker gedra word;
 - bb) Die onderhawige eiendom onderverdeel en met erwe 608 en 750 Rustdal gekonsolideer moet word;
 - cc) Die water- en elektrisiteitsdienste oor die onderhawige gedeelte van die grond op onkoste van die aansoeker verskuif word.

7. IZINDULULO

Azigu nyaziswanga: Senzelwe isiqqibo seBhunga:

Kundululwe ukuba:

- a) Makuqinisekiswa ukuba ngokwecandelo-14 loMthetho wobuRhulumente boMmandla ongoLawulo lweziMali zikaMasipala onguNomb.56 wango-2003, ipropati ebonakaliswe ngoonobumba abakhulu u-ABCDEFGH kwiplani eqhotyoshelweyo engu-ET 247 ephawulwe kwisihlomelo-A ayifuneki nganto ukubonelela ngomlinganiselo weenkondo ezingundoqo zikamasipala;
- b) IBhunga maliphumeze ukuvalwa kwepropati ekhankanywe ngentla apha, eyi-Public Road, ngokwesolotya-6 loMthetho kaMasipala ophathelene nokuPhathwa nezoLawulo lwePropati ezingenakususwa zeSixeko saseKapa;
- c) IBhunga maliphumeze ukunikezelwa kwalo mhlaba uchaphazelekayo, obukhulu obumalunga ne $\pm 1836 \text{ m}^2$, kwabe-Golden Treat Properties (Pty) Ltd, okanye kwabangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke kule miqathango ilandelayo:
 - i) Ukuba ipropati mayithengiswe ngexabiso eliphathelene nelasemakethi elili-R1 100 000, ngaphandle kweRhafu-ntengo engama-R154 000 (apho iyonke ili-R1 254 000);
 - ii) Ukuba ixabiso lentengiso liyakuthi linyuke nge-5% ngonyaka eliqukaniswe rhoqo ngonyaka ngokommiselo owahlukeneyo ukuqalela kwiinyanga ezi-6 ukususela kumhla woqingqo-maxabiso ongowama-31 Agasti 2013. Ixabiso lentengiso elivunyiweyo kufuneka lilungelelaniswe ngokufanelekileyo ukususela ngowo-1 Matshi 2014, ($5\% \div$ iinyanga ezili-12 \times ngenani leenyanga emva kwesithuba seenyanga ezi-6) kwakhona olu qingqo-maxabiso kufuneka luphengululwe ukuba alumiselwanga kwiinyanga ezili-18 ukususela kumhla woqingqo-maxabiso;
 - iii) Ukuba unaniselwano maluxhomekeke kweminye imiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo; ngokuxhomekeke:
 - aa) Ukuba zonke iindleko eziphathelene kunaniselwano ziyakuthi zibeluxanduva lomfaki-sicelo;
 - bb) Ukuba ipropati le yomhlaba ochaphazelekayo mayahlulwa-hlulwe kwaye idityaniswe kwiziza-608 no-750 e-Rustdal;
 - cc) Iinkonzo zamanzi nezombane ezikhoyo kwisiqephu somhlaba lo uchaphazelekayo kufuneka zifuduswe ngokweendleko zomfaki-sicelo.



8. DISCUSSION/CONTENTS

8.1 BACKGROUND:

The owners of erven 608 and 750 Rustdal adjacent to portion of remainder erf 352 Rustdal applied to purchase a non-viable portion of the Public Street adjacent to their property from the City and incorporate it into their property for warehouse purposes. The intention is to consolidate the three portions of land as it is in any event utilized as a single land unit.

The City's By-Law Relating to the Management and Administration of the City of Cape Town's Immovable Property (Promulgated 28 February 2003 PG 5988) allows for the closure of public streets.

The application to purchase was circulated to all the relevant Services Branches for comment. No objections were raised by any of the Branches.

The proposed closure and disposal of the subject property was duly advertised and no objections were received.

The subcouncil for the area has also recommended the proposal – see annexure B.

8.2 CONSULTATION WITH BRANCHES:

Comments on the proposed purchase were obtained from the Services Branches and all were in support of the proposal subject to the specific requirement of the Department:

Planning and Building Development Management:

Who commented that the specific portion be rezoned, but as this condition was imposed prior to the implementation of the new Zoning Scheme of the City of Cape Town, it is no longer applicable as the portion shall be deemed to fall into the same zone as that of the abutting land belonging to such owner.

Eskom

A servitude needs to be registered for the existing cable and the mini substation or the services must be relocated. The applicant has opted to have the services relocated.

Water and Sanitation

Water pipes and meters to be relocated at the cost of the applicant.

8.3 FACTORS MOTIVATING RECOMMENDATION:

- 8.3.1 The portion of public road is not required for municipal purposes.
- 8.3.2 Council's financial burden in respect of maintaining the property will be alleviated.
- 8.3.3 The portion of land cannot be sold per public competition as it is not developable on its own and can only be utilized by the owner of the adjacent erven, i.e. the applicant.
- 8.3.4 Compensation in the amount of R1 100 000, excluding VAT, will accrue to the City.

8.4 PUBLIC PARTICIPATION

Advertising	Cape Times & Burger	10 January 2014
	Prov & Nat Treasury	3 December 2013
	Notices to adj owners	4 December 2013
	Ward councillor	3 December 2013
	Subcouncil Chair & Manager	3 December 2013
	Community organisation(s)	
Outcome	Objections	No
	Ward Councillor's support	None received

8.5 VALUATION

The City's Professional Valuers on 31 August 2013 assessed the value of the Subject Property at R1 100 000 excluding VAT (if applicable). The valuation synopsis is attached to the report as annexure C.

8.6 VAT

VAT will be levied at the standard rate.

8.7 BLACK ECONOMIC EMPOWERMENT (BEE) STATUS

The applicant is not from a previously disadvantaged grouping.

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

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) applies.

8.9 FINANCIAL IMPLICATIONS

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

8.10 TAX COMPLIANCE

A SARS Tax Clearance Certificate is attached as annexure D.

8.11 FINANCIAL DUE DILIGENCE

The applicants' debt profiles have been verified and it is confirmed that they are not in arrears.

8.12 SUSTAINABILITY IMPLICATIONS

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

8.13 LEGAL IMPLICATIONS

Sec 7 of the MATR

Council must take into account a number of **factors** when considering any proposed transfer or disposal of non-exempted municipal capital assets:

Factor A: Whether asset is required for municipality's own use at later date (also Sec 14(1), Sec 14(2)(a) and Sec 90(1) of MFMA)

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 R1 100 000,00 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 her 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 will be transferred.

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 10 January 2014. Closing date for objections was 10 February 2014. 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. 12783) 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 Public Places.

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.

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

- The land in question which vests in the City as Public Street, will need to be closed and transferred to the City before it can be disposed of;
- Erf 352 must be subdivided;
- The subject property will need to be consolidated with the applicant's adjoining Erven 608 and 750 Rustdal, , to form a single holding, respectively

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

Annexure A: Plan ET247

Annexure B: Subcouncil Resolution

Annexure C: Valuation synopsis

Annexure D: SARS Tax Clearance Certificate

FOR FURTHER DETAILS CONTACT:

NAME	Dirk Maree (Anneke Klue)	<i>[Signature]</i>
CONTACT NUMBERS	021 900 1732	
E-MAIL ADDRESS	Anneke.klue@capetown.gov.za	
DIRECTORATE	FINANCE	
FILE REF NO	OB 14/3/4/3/56	121-10-2014
SIGNATURE : DIRECTOR	<i>[Signature]</i>	2014-10-29

[Signature]

Comment:

CHIEF FINANCIAL OFFICER

NAME Kevin Jacoby
 DATE 03.11.2014

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

[Signature]
 LEGAL COMPLIANCE

NON-COMPLIANT

NAME Sarah van Zyl
 TEL 021 400 5446
 DATE 05.11.2014

Comment:

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

[Signature]