

COUNCIL OF THE CITY OF CAPE TOWN

25 MARCH 2015

ITEM NUMBER: C 59/03/15

*RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2015*

**MC 28/03/15    AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS: PROPOSED SALE BY PUBLIC COMPETITION OF ERF 32511, (PORTION OF ERF 112629), GUNNERS CIRCLE, EPPING**

It is **RECOMMENDED** that, in terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR) (R. 878}, promulgated on 22 August 2008, Council authorise the public participation process of Erf 35211, (Portion of Erf 112629), Epping.

IPAC 04/02/2015      AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION  
PROCESS: PROPOSED SALE BY PUBLIC COMPETITION OF ERF 32511,  
MC 28/03/15      (PORTION OF ERF 112629), GUNNERS CIRCLE, EPPING

UGUNYAZISO LOKUQALISA INKQUBO YENTATHO-NXAXHEBA  
YOLUNTU: ISIPHAKAMISO SOKUTHENGISA NGOKOKHUPHISWANO  
LOLUNTU ISIZA 32511, (ISIQEPHU 112629), GUNNERS CIRCLE, EPPING

MAGTIGING OM MET 'N OPENBAREDEELNAMEPROSES TE BEGIN:  
VOORGESTELDE VERKOOP, PER OPENBARE MEDEDINGING, VAN ERF  
32511 (GEDEELTE VAN ERF 112629), GUNNERS-SIRKEL, EPPING

*Property Management representative was present to answer any question for  
clarity*

#### RECOMMENDATION TO COUNCIL

Not delegated: for decision by Council:

It is recommended that:

- a) In terms of regulation 5(3) (a) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council authorise the public participation process of erf 35211 (portion of erf 112629).

#### ISINDULULO

Asigunyaziswanga: isiqqibo seseBhunga:

Kundululwe ukuba:

- a) Ngokomgaqo 5(1)(a) weMigaqo yokuTshintshelwa kweeMpahla zikaMasipala, (MATR), R. 878 owabhengezwa ngomhla wama-22 Agasti 2008), iBhunga maligunyazise inkqubo yentatho-nxaxheba yoluntu yesiza-35211 (isiqephu sesiza-112629).

#### AANBEVELING

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

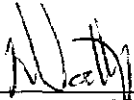
- a) Die Raad ingevolge regulasie 5(3)(a) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, magtiging verleen vir die openbaredeelname proses ten opsigte van erf 35211 (gedeelte van erf 112629).

**ACTION: T LEWIS ; A HUMAN; R GELDERBLOEM**



It is noted that this recommendation is in line with Supply Chain Management Policy and IPAC delegations.

263



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

DATE: 6/2/15

COMMENT:

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DIRECTOR : LEGAL SERVICES  
MR LUNGELO MBANDAZAYO

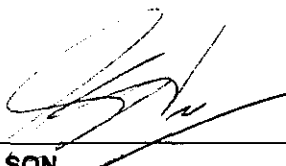
DATE: 18/09/2015

COMMENT:

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ALDERMAN IAN NEILSON  
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 19/2/2015

COMMENT:

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

2. **SUBJECT**

**AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS:  
PROPOSED SALE BY PUBLIC COMPETITION OF ERF 32511, (PORTION OF ERF  
112629), GUNNERS CIRCLE, EPPING**

**ONDERWERP**

**MAGTIGING OM MET 'N OPENBAREDEELNAMEPROSES TE  
BEGIN: VOORGESTELDE VERKOOP, PER OPENBARE MEDEDINGING, VAN ERF  
32511 (GEDEELTE VAN ERF 112629), GUNNERS-SIRKEL, EPPING**

**ISIHLOKO**

**UGUNYAZISO LOKUQALISA INKQUBO YENTATHO-NXAXHEBA YOLUNTU:  
ISIPHAKAMISO SOKUTHENGISA NGOKOKHUPHISWANO LOLUNTU ISIZA  
32511, (ISIQEPHU 112629), GUNNERS CIRCLE, EPPING**

**E7138**

3. **STRATEGIC INTENT**

**SFA 1: THE OPPORTUNITY CITY**

<b>Objective 1.2</b>	Provision and maintenance of economic and social infrastructure to ensure infrastructure-led growth and development
Programme 1.2(b)	Investigation and analysis of all strategic assets
<b>Objective 1.5</b>	Leverage the City's assets to drive economic growth and sustainable development
Programme 1.5(a)	City strategic assets investigation

#### 4. PURPOSE

To obtain authority to commence with a public participation process terms of the Municipal Asset Transfer Regulations of Erf 32511 (portion of erf 112629), Gunners Circle, Epping. The property is considered to be a high value asset (R50 mil < ) and would require Council's authority to commence with the public participation.

#### 5. FOR DECISION BY

- This report is for decision by Council in terms of regulation 5(3) (a) of the Municipal Asset Transfer Regulation (MATR).

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#### 6. EXECUTIVE SUMMARY

This report is submitted in order to obtain authority from Council to proceed with a public participation process with regards to the proposed sale by public competition of Erf 32511 (portion of erf 112629) in extent 15.4 ha, situated on Gunners Circle, Epping zoned Open Space 2: Public Open, shown on the attached LIS disposal plan No. 1200v0 (**Annexure A**).

The subject property have been identified in terms of the Property Disposal Programme, as being surplus to Council's requirements and as being available for sale by public tender.

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#### 7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) In terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council authorise the public participation process of erf 35211 (portion of erf 112629).

**7. AANBEVELINGS**

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

- a) Die Raad ingevolge regulasie 5(3)(a) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, magtiging verleen vir die openbaredeelneme proses ten opsigte van erf 35211 (gedeelte van erf 112629).

**7. ISINDULULO**

Asigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) Ngokomgaqo 5(3)(a) weMigaqo yokuTshintshelwa kweMpahla zikaMasipala, (MATR), R. 878 owabhengezwa ngomhla wama-22 Agasti 2008), iBhunga maligunyazise inkqubo yentatho-nxaxheba yoluntu yesiza-35211 (isigephu sesiza-112629).

**8. DISCUSSION/CONTENTS****Background**

Erf 32511, Gunners Circle, Epping have been identified for sale and included in the Property Management Disposal Programme for the 2014/2015 financial year.

The subject property is located along the cape Flats railway line between the Langa to the south and Epping Industrial to the north and measures ± 15,4ha in extent.

Stretched in a west-east configuration between the railway line and gunners Circle to the north, the site is on average only some 100-150m wide.

In May 2014 the Department Spatial Planning and Urban Design undertook a bulk service investigation and land preparation for the subject property.



The need for a detailed investigation of the future of Erf 32511 arose out of the City's Table Bay District Plan and Environmental Management Framework.

Erf 32511 is strategically located with good public transport access within an area of considerable need for a range of urban opportunities (including housing and employment), yet development is also potentially constrained through its elongated narrow shape and presence of various underground services.

Several high voltage underground electrical cables are located on Erf 32511. To ensure access and safeguard these high voltage cables, two servitudes will be required.

The Disposal section intends to rezone, subdivide and register the services servitude, then dispose of the property through an open and competitive process for mixed us purposes.

## 9 **Constitutional and Policy Implications**

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 disposal of immovable property;

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

In terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council may authorise the public participation process

A resolution to proceed with the public participation process of this property is supported by the applicable legislation and policies.

## 10 **Sustainability Implications**

Does the activity in this report have any sustainability implications for the City?

No  Yes

## 11 **Legal Implications**

The proposal complies with Section 14 of the Municipal Finance Management Act No.56 of 2003.



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 disposal of immovable property.

The disposal of municipal capital assets is governed by Chapter 2 of MATR.

In terms of Reg 5(3) of the MATR, Council must take into account a number of factors (highlighted in bold ) when authorizing the public participation process, and it is herewith confirmed that:

**i. The valuation of the capital asset to be transferred or disposed and the method of valuation used to determine that valuation**

A desktop valuation estimates the market value of the properties to be as follows: (See **Annexure B** attached)

<b>ERF</b>	<b>VALUE (ex VAT)</b>
<b>ERF 32511 (ptn of erf 112629)</b>	<b>R60 600 000.00</b>

The comparable sales method was used.

**ii. The reason for the proposal to transfer or dispose of the capital asset**

Council's service branches confirmed that the asset is not required for own purposes.

**iii. Any expected benefits to the municipality that may result from the transfer or disposal**

Council will receive a financial benefit in the form of the sales price as well as rates and taxes following the development of the properties.

**iv. Any expected proceeds to be received by the municipality from the transfer or disposal ; and**

The City will receive the proceeds of the sale i.e. R60 600 000.00 as well rates and taxes in the form of rates and taxes following from the development of the property.

**v. Any expected gain or loss that will be realized or incurred by the municipality arising from the transfer or disposal.**



Council will not make a loss, but gain in receipt of fair market value, future rates and taxes, and will stimulate economic growth.

## 9 **Staff Implications**

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

No

Yes

## 10 **Risk Implications**

No operational and control risk to the City.

## 11 **Other Services Consulted**

The proposed sale of the properties was circulated to the relevant departments of the City and to external departments for comment. No objections were received; however the following departments have stipulated conditions of sale:

### **Economic Development**

- The area immediately north of Langa Station has existing informal trading.
- The Sub Council has requested that these informal trading activities be formalised.
- It is therefore requested that the area immediately north of Langa Station be kept for municipal purposes for a combination of public space upgrade, landscaping and informal

### **Property Holding**

- Property Holding is in the process of renewing a lease in the name of K9 Training Centre and Kennels.
- This lease will affect the proposed sub-division of erf 32511

### **Telkom**

- Infrastructure will be affected.
- Should alterations or relocation of existing infrastructure be required, such work will be done at the request and cost of the applicant.

### **Fire and Rescue Service**

- We are currently looking for land to accommodate a re-location of our existing Epping Fire Station (cnr Viking and Vanguard drive) to accommodate a long term proposal of re-developing the existing fire station into a Fire training facility, and re-locating the fire station component to another site.

### **Electricity**

- To ensure access and safeguard these high voltage cables, two servitudes will be required.
- The applicant shall provide, at his own cost, the internal electrical reticulation and street lighting serving the specific subdivision.

### **Water and Sanitation**

The Reticulation Branch of the Water and Sanitation Department supports the application subject to the following conditions:

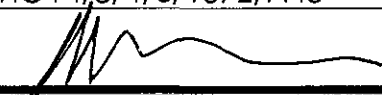
- No development can commence until the Northern Areas Collector Sewer has been completed
- No sub-division will be cleared unless servitudes are registered of the existing services traversing the property, namely Sewer and Water.
- The approval of the Civil Engineers design for the entire site with regard to the bulk sewers if services are to be relocated.
- Approval of the SDP

### **Transport for Cape Town (Maintenance)**

This department has no objections subject to the following conditions:

- A services servitude must be registered over the stormwater line which runs along Gunners' Circle edge of the site.
- Development contributions will apply when the site is rezoned.
- Traffic studies to be undertaken to determine access requirements (spacings) for the subdivisinal areas before the subdivisinal areas are finalised, as well as upgrades to Gunner's circle and surrounding roads that will be necessitated by the future development of erf 32511.
- The residential development is the least favoured option as the area does not lend itself to high pedestrian activity, especially if the targeted residents are in the low income group, who rely on public transport and walking to get around.

FOR FURTHER DETAILS CONTACT:

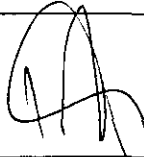
NAME	MARSHA HELDSINGER
CONTACT NUMBERS	(021) 4003903
E-MAIL ADDRESS	Marsha.Heldsinger@capetown.gov.za
DIRECTORATE	FINANCE
FILE REF NO	HO14/3/4/3/1072/A45
SIGNATURE : MANAGER PROPERTY DEVELOPMENT	

Comment:

  
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**DIRECTOR: PROPERTY MANAGEMENT**  
 RUBY GELDERBLOEM

NAME \_\_\_\_\_

DATE 2014-12-11 \_\_\_\_\_

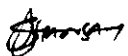


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**EXECUTIVE DIRECTOR: FINANCE**  
 KEVIN JACOBY

Comment:


NAME \_\_\_\_\_

DATE 12.12.2014 \_\_\_\_\_

  
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**LEGAL COMPLIANCE**  
 AS. DIANSOY  
 (021) 4004536  
 12-12-14

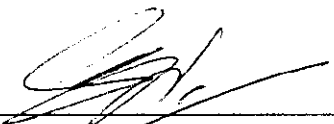
REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

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

NAME \_\_\_\_\_  
TEL \_\_\_\_\_  
DATE \_\_\_\_\_

Comment:  
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**MAYORAL COMMITTEE MEMBER**  
ALDERMAN IAN NIELSON

COMMENT:  
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\_\_\_\_\_

NAME \_\_\_\_\_  
DATE 18/12/2014

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**ANNEXURES**

Annexure A: Disposal plan LIS 1200v0

Annexure B: Valuation report dated 22 September 2014