

ITEM NUMBER: C 60/03/15

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2015

MC 58/03/15 AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN TERMS OF THE MUNICIPAL ASSET TRANSFER REGULATION (MATR) IN RESPECT OF PROCESS FOR THE GRANTING OF RIGHTS TO USE CONTROL AND/OR MANAGE A PORTION OF ERF 367, CAPE TOWN (STRAND STREET QUARRY)

It is **RECOMMENDED** that, in terms of regulation 34(3) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council authorises the public participation process relating to the intended granting of rights to use, control and/or manage a portion of Erf 367, Cape Town.

SPIPAC
17/03/2015

AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION
PROCESS IN TERMS OF THE MUNICIPAL ASSET TRANSFER
REGULATION (MATR) IN RESPECT OF PROCESS FOR THE
GRANTING OF RIGHTS TO USE CONTROL AND/ OR MANAGE A
PORTION OF ERF 367, CAPE TOWN, (STRAND STEET QUARRY)

MC 58/03/15

ISIGUNYAZISO SOKUQALISA NGENKQUBO YENTATHO- NXAXHEBA
YOLUNTU NGOKUPHATHELENE NENKQUBO YEMIGAQO
ENGOKUTSHINTSHELWA KWEMPAHLA KAMASIPALA (MATR)
NGOKUNIKEZELWA KWAMALUNGELU OKUSETYENZISWA,
ULAWULO NOKUPHATHWA KWESIQEPHU SESIZA 367, ESISEKAPA,
(strand stReet quarry)

MAGTIGING OM MET 'n PROSES VAN OPENBARE DEELNAME TE
BEGIN VIR DIE TOEKENNING VAN DIE REGTE VIR DIE BEHEER EN/OF
BESTUUR VAN 'N GEDEELTE VAN ERF 367, KAAPSTAD
(STRANDSTRAAT-STEENGROEF) INGEVOLGE DIE PROSES
VOLGENS DIE REGULASIES OOR DIE OORDRAG VAN MUNISIPALE
BATES (MATR)

Property Management representatives were present to answer any
questions for clarity.

RECOMMENDATIONS

Not delegated: for decision by Council:

For the reasons set out in the report it is recommended that:

In terms of regulation 34(3) of the Municipal Asset Transfer Regulations
(MATR) (R. 878), promulgated on 22 August 2008, Council authorises the
public participation process relating to the intended granting of rights to use,
control and/or manage a portion of Erf 367, Cape Town.

IZINDULULO

Ngokwezizathu eziqulunqwe kwingxelo kundululwe ukuba:

Ngokomgaqo-34(3) weMigaqo engokuTshintshelwa kweMpahla kaMasipala
(MATR) (R. 878), owamiselwa ngowama-22 Agasti 2008, iBhunga
maligunyazise inkqubo engentatho-nxaxheba yoluntu ephathelene
nokunikezelwa nokunikezelwa kwamalungelo okusetyenziswa, ulawulo
nokuphathwa kwesiqephu sesiza-367, eKapa.

AANBEVELINGS

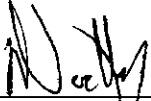
Nie gedelegeer nie: vir besluitneming deur die Raad:

Op grond van die redes wat in die verslag uiteengesit is, word daar
aanbeveel dat:

Ingevolge regulasie 34(3) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, die Raad magtiging verleen vir die proses van openbare deelname ten opsigte van die voorgenome toekenning van die regte vir die gebruik, beheer en/of bestuur van 'n gedeelte van erf 367, Kaapstad.

ACTION: A HUMAN; R GELDERBLOEM

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: 17/3/15


COMMENT:



DIRECTOR : LEGAL SERVICES
MR LUNGEL0 MBANDAZAYO

DATE: 17/03/2015

COMMENT:



ALDERMAN IAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 17/3/15

COMMENT:



REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

DATE

LCP 723

ITEM NUMBER :

1. SUBJECT

AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN TERMS OF THE MUNICIPAL ASSET TRANSFER REGULATION (MATR) IN RESPECT OF PROCESS FOR THE GRANTING OF RIGHTS TO USE CONTROL AND/ OR MANAGE A PORTION OF ERF 367, CAPE TOWN, (STRAND STREET QUARRY)

ONDERWERP

MAGTIGING OM MET 'N PROSES VAN OPENBARE DEELNAME TE BEGIN VIR DIE TOEKENNING VAN DIE REGTE VIR DIE BEHEER EN/OF BESTUUR VAN 'N GEDEELTE VAN ERF 367, KAAPSTAD (STRANDSTRAAT-STEENGROEF) INGEVOLGE DIE PROSES VOLGENS DIE REGULASIES OOR DIE OORDRAG VAN MUNISIPALE BATES (MATR)

ISIHLOKO

ISIGUNYAZISO SOKUQALISA NGENKQUBO YENTATHO- NXAXHEBA
YOLUNTU NGOKUPHATHELENE NENKQUBO YEMIGAQO
ENGOKUTSHINTSHELWA KWEMPAHLA KAMASIPALA (MATR)
NGOKUNIKEZELWA KWAMALUNGELO OKUSETYENZISWA, ULAWULO
NOKUPHATHWA KWESIQEPHU SESIZA 367, ESISEKAPA, (STRAND STREET QUARRY)

F1197

2. STRATEGIC INTENT

- Opportunity City

SFA.1: THE OPPORTUNITY CITY

Objective 1.5	Leverage the City's assets to drive economic growth and sustainable development
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3. PURPOSE

The purpose of this report is to obtain authority from Council to commence with a public participation process in terms of the Municipal Asset Transfer Regulations (MATR) with regard to Council's intention to grant rights to use, control and/or manage a portion of Erf 367, Cape Town (known as the "Strand Street Quarry") located in Strand Street, Cape Town.

4. FOR DECISION BY

This report is for decision by:

- Council in terms of Regulation 34(3) of the Municipal Asset Transfer Regulation (MATR). - The relevant property (capital asset) has a value in excess of R 10 million and the granting of a long term right (>3 years) is proposed.

5. EXECUTIVE SUMMARY

It is the City's intention to call for proposals from the private sector for the granting of rights to use, control and/or manage a portion of Erf 367, Cape Town, known as the Strand Street Quarry. It is a requirement in terms of the MATR that Council authorises the public participation process.

Should Council, subsequent to the public participation process, approve in principle the granting of rights to use, control and/or manage a portion of Erf 367, Cape Town, the lessee to whom the rights will be granted, will be secured by means of a competitive two-phased bidding process.

The final granting of the right to the successful bidder will however be subject to such bidder obtaining, where required, the necessary land-use (rezoning and subdivision), environmental, heritage and other approvals.

6. RECOMMENDATIONS

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Not delegated: for decision by Council:

It is recommended that:

In terms of regulation 34(3) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council authorises the public participation process relating to the intended granting of rights to use, control and/or manage a portion of Erf 367, Cape Town.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

Ingevolge regulasie 34(3) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, die Raad magtiging verleen vir die proses van openbare deelname ten opsigte van die voorgenome toekenning van die regte vir die gebruik, beheer en/of bestuur van 'n gedeelte van erf 367, Kaapstad.

ISINDULULO

Asigunyaziswanga: isiggibo seseBhunga:

Kundululwe ukuba:

Ngokomgaqo-34(3) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR) (R. 878), owamiselwa ngowama-22 Agasti 2008, iBhunga maligunyazise inkqubo engentatho-nxaxheba yoluntu ephathelene nokunikezelwa nokunikezelwa kwamalungelo okusetyenziswa, ulawulo nokuphathwa kwesiqephu sesiza-367, eKapa.

7. DISCUSSION/CONTENTS

Erf 367, Cape Town, is approximately 114 405 m² in extent and is located in the Bo-Kaap on the corner of Strand and Castle streets, Cape Town. The property is owned by the City of Cape Town.

The property can be divided into three functional portions. (Refer to Annexure "A")

- 1) The built-up area to the east of the property accommodating primarily the electricity department (depot and electrical high voltage step-down transformer), metro-police and other users (referred to as Area A). Certain of these buildings utilised as part of the electricity depot will become available in 2017 once the electricity staff have relocated to a building currently being renovated.
- 2) A level portion of land approximately 14 474m² in size and previously utilised as a sport facility (referred to as Area B);
- 3) The quarry slope and the land above the quarry which is subject to a land transfer agreement between the City and the Table Mountain National Parks (referred to as Area C).

It is the City's intention to call for proposals from the private sector for the granting of **rights to use, control and/or manage a portion (Area B) of Erf 367, Cape Town.** In terms of Regulation 34(3) of the MATR, only the municipal council may authorize the public participation process for the granting of rights to use, control and/or manage municipal property if the capital asset has a value in excess of R 10 million and a long term right (>3 years) is proposed to be granted.

Areas A and C for reasons mentioned above, will be excluded from the intended granting of rights.

The Department Property Management has at this stage no reason to believe that Area B is required for the provision of the minimum level of basic municipal services. This will however be confirmed in the subsequent in-principle approval report to Council.

The City will follow a two-stage competitive bidding process in selecting the lessee for Area B. This will involve, firstly, a call for proposals from the private sector in respect of the use of the property which will, inter alia, require from the bidders to provide the City with an urban design framework of their proposed development. The City will then evaluate the proposals and will select the most appropriate and acceptable proposal(s), if any, and call for the selected parties to submit financial proposals for consideration by the City.

Erf 367, Cape Town, has a split zoning providing for public open space, community facilities and municipal purposes. The property is also located in an area with cultural and heritage significance. Access to the property is problematic as it would be expensive and difficult to provide direct access of Strand Street.

Furthermore, portions of Erf 367, Cape Town, have been identified in the Table Mountain National Park (TMNP) Signal Hill, Kloof Nek and Tafelberg Road Development Framework as an alternative gateway into Table Mountain via a mechanical people mover (funicular) to Lion's Head. It is foreseen that this proposal by TMNP will probably not be implemented within the next 5 to 10 years.

The granting of rights to a successful bidder will be subject to the lessee first obtaining, where necessary, all the required land-use (rezoning and subdivision), environmental, heritage and other approvals and removing and/or amending, where applicable, of any scheduled or title deed conditions. Any additional infrastructure and services requirements will be for the cost of the lessee.

As the property currently has limited development rights and since it is at this stage unclear what development rights may be obtained, a desk-top valuation was based on the lowest possible land-use (parking purposes) for Area B for the purposes of determining a value as required by the MATR. A value of more than R 10 million was determined.

8. Constitutional and Policy Implications

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 granting of property rights in 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.

9. Sustainability Implications

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

10. Legal Implications

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 alienation and letting of immovable property.

Regulation 34(3)(a) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, stipulates that Council must authorise the public participation process where the capital asset has a value in excess of R 10 million and the granting of a long term right (>3 years) is proposed .

Regulation 34(3)(b) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, stipulates that a request to Council for authorisation of a public participation process must be accompanied by an information statement stating:

1) The reasons for the proposal to grant long-term right to use, control or manage the relevant capital asset.

The property is currently underutilized and requires regular policing and maintenance at a cost to the City.

2) Any expected benefits for the municipality that may result from the granting of the right;

By granting the right to a third party, the City will receive a lease income from the use of the property, while the holder of the right will also be responsible for the maintenance, upkeep and the securing of the property.



3) Any expected proceeds to be received by the municipality from the granting of the right;

By granting the right to a third party, the City will receive a lease income from the use of the property by the holder of the right. The lease amount will be determined based on the future approved land-use.

4) Any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.

There will be no loss to the City in granting the right. Expected benefits and gain is discussed in 2) and 3) above. The property (asset) will be retained by the City after the right has expired.

11. Staff Implications

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

No

12. Other Services Consulted

The following service branches have to date been consulted regarding this project:

Economic, Environment and Spatial Planning

Peter van Heerden (Spatial Planning and Urban Design) (2015-03-12):

Releasing the abovementioned City owned site for a RFQ, is highly problematic and will be extremely contentious, for the following reasons, namely that:

- the site currently falls within the City's Heritage Conservation Zone and any development proposal will be subject to the assessment of any Heritage Parameters that currently exist.
- the site is part of the Bo-Kaap, which is currently being declared a Grade I Heritage Resource.

Any proposal will therefore be subject to the approval of the South African Heritage Resources Agency and endorsed by Heritage Western Cape in terms of the National Heritage Resources Act 25 of 1999.

Any development proposal will also be subject the Provincial Spatial Development Framework (Statutory Report), Table Bay District Plan (Spatial Development Plan & Environment Management Framework) October 2012 (approved Structure Plan in terms of section 4 (10) of the Land Use Planning Ordinance 15 Of 1985), Municipal Zoning Regulations and any existing Heritage and Planning studies relating to the Strand Street Quarry sites.

- the Strand Street Quarry site is currently subject to an existing Heritage Impact Assessment Phase 1 (2010), which takes cognisance of the fact that the site was mined from 1660 - 1905 through the various Colonial periods, using forced labour and hence Slaves, whom in turn introduced Islam to South Africa.

The Quarry sites are consequently of extremely high national historic, cultural, spiritual and conservation significance and any development proposal must indicate that the guidelines identified in the HIA Phase I, are being adhered to.

Recommendations made in the HIA Phase 1 (2010) include *inter-alia*, that:

- the rock faces of the Quarry sites be maintained as a dominant feature of the Quarries reflecting the first historical presence of Colonialists in SA.
- the rock faces of the Strand Street Quarry not be obscured with new structures in any way.
- no new structures go beyond the present Urban Edge and that the Strand Street Quarry be maintained as open space.

Currently, the City Electricity Depot and Admin offices are located within Erf 367 and fall within the Urban Edge boundary, hereby not compromising the parameters, set by the HIA.

The Step-down Transformer on Husdon Street (off Strand Street) will remain as a Spatial Fix, with the re-location of the Administration Offices to Beaufort House in Bree Street at the end of 2017.

Once relocated, the possibility exists to accommodate a Gateway into the Table Mountain National Park with a "People Mover" Funicular, to the crest of Signal Hill.

The Strand Street Playing Field abutting the Depot/Gateway will continue to act as open space as identified by the HIA Phase 1.

- the Planning Guidelines for the Strand Street Quarry as adopted by Council in 2008 make reference to the fact that accessibility to the site must is extremely problematic and needs to be resolved as part of any redevelopment.



The Electricity Depot currently will not allow access to the Strand Street playing field via the Depot site as the functional integrity of the Depot must be secured at all times.

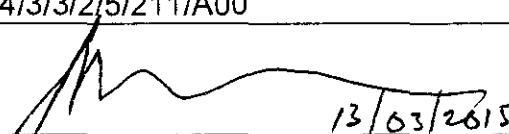
Currently SPUD has identified a Strand Street Quarries Planning Investigation Report (13 March 2015) which is currently being assessed and will be shortly circulated to all the Departments for information.

ANNEXURES

Annexure A: Locality Plan LIS 1329v0

FOR FURTHER DETAILS CONTACT:

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NAME	Sally Chambers
CONTACT NUMBERS	021 400 2236
E-MAIL ADDRESS	Sally.chambers@capetown.gov.za
DIRECTORATE	Finance
FILE REF NO	14/3/3/2/5/211/A00
SIGNATURE :	
MANAGER: PROPERTY DEVELOPMENT:	
ANDRE HUMAN	

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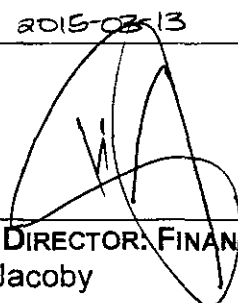
Comment:



DIRECTOR: PROPERTY MANAGEMENT
 Mrs. Ruby Gelderbloem

NAME _____

DATE 2015-03-13



EXECUTIVE DIRECTOR: FINANCE
 Mr. Kevin Jacoby

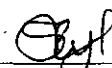
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DATE 16.03.2015.

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 16.03.2015

Comment:

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

