

ITEM NUMBER: C 65/03/15

**RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2015**

**MC 33/03/15 PROPOSED GRANTING OF IN-PRINCIPLE DECISION FOR THE DISPOSAL OF VACANT ERF 43793, SITUATED AT 95 HLANGA CRESCENT, KHAYELITSHA, ZONED GENERAL BUSINESS 4**

It is **RECOMMENDED** that:

- (a) in terms of section 14(2)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, erf 43793 Khayelitsha, situated at 95 Hlanga Crescent, Khayelitsha, in extent 2 086 m<sup>2</sup>, be regarded as not being required for the provision of the minimum level of basic municipal services and can be disposed of
- (b) in terms of regulation 5(1)(b) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council approve in principle the disposal of Erf 43793 as described in (a) above
- (c) Erf 43793 be disposed of by public competition, subject to the conditions to be imposed by the Director: Property Management in exercise of her delegated authority, including branch conditions as set out in paragraph 8.3 of the report on the agenda
- (d) any gain or loss incurred by the municipality in respect of the transfer of an asset be included in the adjustment budget of the municipality (section 28 and 87 of the MFMA), if not budgeted for in the approved annual budget
- (e) it be confirmed that, when considering the alienation of the land at less than market value, as provided for in section 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, the contents of regulation 13(2) of the Municipal Asset Transfer Regulations have duly been taken into consideration
- (f) it should be noted that the intention is to consider the application received from the Salvation Church to purchase the property for the development of an extension to their current church which is located on Erf 43801, Khayelitsha, adjacent to the subject property.

IPAC 16/02/2015 PROPOSED GRANTING OF IN-PRINCIPLE DECISION FOR THE  
DISPOSAL OF VACANT ERF 43793, SITUATED AT 95 HLANGA  
MC 33/03/15 CRESCENT, KHAYELITSHA, ZONED GENERAL BUSINESS 4

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO  
NGOKOMTHETHO-SISEKO KOKUNIKEZELWA KWESIZA-43793,  
ESIKWANOMBOLO-95 HLANGA, CRESCENT, EKHAYELITSHA,  
ESIMISELWE NJENGESAKHEKO SOLUNTU YEZOSHISHINO-4  
NGOKUPHANGALELEYO

VOORGESTELDE VERLENING VAN GOEDKEURING IN BEGINSEL VIR  
DIE VERVREEMDING VAN ONBEOUDE ERF 43793, GELEË TE  
HLANGASINGEL 95, KHAYELITSHA, GESONEER ALGEMENE  
BESIGHEID 4

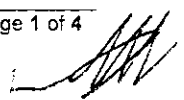
Property Management representative was present to answer any question  
for clarity

#### RECOMMENDATIONS

Not delegated: for decision by Council:

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

- a) In terms of section 14(2)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, erf 43793 Khayelitsha, situated at 95 Hlanga Crescent, Khayelitsha, in extent 2 086 m<sup>2</sup>, be regarded as not being required for the provision of the minimum level of basic municipal services and can be disposed of .
- b) In terms of regulation 5(1)(b) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council approve in principle the disposal of erf 43793 as described in a).
- c) Erf 43793 be disposed of by public competition, subject to the conditions to be imposed by the Director: Property Management in exercise of her delegated authority, including branch conditions as set out in paragraph 8.3.
- d) Any gain or loss incurred by the municipality in respect of the transfer of an asset be included in the adjustment budget of the municipality (section 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.
- e) It be confirmed that, when considering the alienation of the land at less than market value, as provided for in section 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, the contents of regulation 13(2) of the Municipal Asset Transfer Regulations have duly been taken into consideration.
- f) It should be noted that the intention is to consider the application



received from the Salvation Church to purchase the property for the development of an extension to their current church which is located on Erf 43801 Khayelitsha, adjacent to the subject property.

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## IZINDULULO

Ngokwezizathu eziqulunqwe kwingxelo kundululwe ukuba:

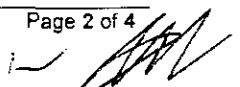
- a) Ngokungqinelana necandelo-14(2)(a) no-(b) oMthetho wobuRhulumente boMmandla ojongene noLawulo lweeMali zikaMasipala (MFMA) ongunomb.56 wango-2003, isiza-43793 esikwanombolo-95 Hlanga Crescent eKhayelitsha esibukhulu obumalunga nama-2086 m<sup>2</sup>, masithathwe njengesingafunekiyo ukuba sibonelele ngeenkono ezingundoqo zikamasipala kwaye mazithengiswe.
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweeMpahla kaMasipala (MATR) (R.878) omiselwe ngowama-22 Agasti 2008, iBhunga maliphumeze ukunikezelwa kwesiza-43793, njengoko kucacisiwe kumhlathi-a).
- c) Isiza-43793, masinikezelwe ngokokhuphiswano loluntu ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo kuquka nemiqathango yesetyeana njengoko kuqulunqwe kumhlathi-8.3.
- d) Ukuba nayiphina inzuzo okanye ilahleko ethe yenzeka kumasipala ngokujoliswe kutshintshelo lwempahla, mayiqukwe kulungelelwaniso lohlahlo-lwabiwo-mali lukamasipala (ngokweCandelo-28 nelama-87 e-MFMA), ukuba ayibhajethelwanga kuhlahlo-lwabiwo-mali lonyaka oluphunyeziweyo.
- e) Kufuneka kuqinisekisiwe ukuba xa kuthathelwa ingqalelo ukunikezelwa komhlaba ongaphantsi kwexabiso lasemakethi, njengoko kubonelelwe kwicandelo-15.3 loMgaqo-nkqubo weBhunga ongoLawulo lweePropati ezithile ezingenakususwa weSixeko saseKapa, kuthi kuthathelwe ingqalelo iziqulatho zomgaqo-13(2) weMigaqo engokuTshintshelwa kweeMpahla zikaMasipala.
- f) Kufuneka kuqwalaselwe ukuba injongo kukuthathela ingqalelo isicelo esifunyenwe kwabe-Salvation Church sokuthenga ipropati belungiselela ukuphuhlisa ulwandiso kwicawe yabo esele imiselwe apho ikwisiza-43801, eKhayelitsha, esimelene nepropati le ichaphazelekayo.

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

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

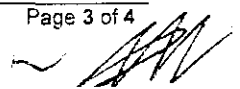
- a) Ingevolge artikel 14(2)(a) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, erf 43793, Khayelitsha, geleë in Hlangasingel 95, Khayelitsha, 2 086 m<sup>2</sup> groot, beskou word as nie vereis vir die voorsiening van die minimum vlak van



basiese munisipale dienste nie en vervr 358 vord.

- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, die Raad die vervreemding van erf 43793, soos in a) beskryf, in beginsel goedkeur.
- c) Erf 43793 vervreem word deur middel van openbare mededinging, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê, insluitende takvoorwaardes soos uiteengesit by paragraaf 8.3.
- d) Enige wins of verlies wat die munisipaliteit as gevolg van die oordrag van 'n bate ly, ingesluit word by die munisipaliteit se aansuiweringsbegroting (artikel 28 en 87 van die MFMA) indien daar nie in die goedgekeurde jaarlikse begroting daarvoor begroot is nie.
- e) Daar bevestig word dat daar, wanneer die vervreemding van grond teen minder as markwaarde oorweeg word, soos bepaal by artikel 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendomme, behoorlik van die inhoud van regulasie 13(2) van die regulasies oor die oordrag van munisipale bates kennis geneem is.
- f) Daarvan kennis geneem moet word dat die bedoeling is om die aansoek te oorweeg wat van die Salvation-kerk ontvang is vir die koop van die eiendom vir die ontwikkeling van 'n uitbreiding aan hul bestaande kerk wat op erf 43801, Khayelitsha, aangrensend aan die betrokke eiendom, geleë is.

**ACTION: M SIMS; 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: 19/2/15

COMMENT:

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DIRECTOR : LEGAL SERVICES  
MR LUNGELO MBANDAZAYO

DATE: 24/02/2015

COMMENT:

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ALDERMAN IAN NELSON  
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 25/2/15

COMMENT:

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**REPORT TO IMMOVABLE PROPERTY  
ADJUDICATION COMMITTEE**



**CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD**

Making progress possible. Together.

**DATE: 2015/01/26**

1. **ITEM NUMBER :**
2. **SUBJECT**  
**PROPOSED GRANTING OF IN-PRINCIPLE DECISION FOR THE DISPOSAL OF VACANT ERF 43793, SITUATED AT 95 HLANGA CRESCENT, KHAYELITSHA, ZONED GENERAL BUSINESS 4**

**ONDERWERP**  
**VOORGESTELDE VERLENING VAN GOEDKEURING IN BEGINSSEL VIR DIE VERVREEMDING VAN ONBEOUDE ERF 43793, GELEË TE HLANGASINGEL 95, KHAYELITSHA, GESONEER ALGEMENE BESIGHEID 4**

**ISIHLOKO**  
**ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO KOKUNIKEZELWA KWESIZA-43793, ESIKWANOMBOLO-95 HLANGA, CRESCENT, EKHAYELITSHA, ESIMISELWE NJENGESAKHEKO SOLUNTU YEZOSHISHINO-4 NGOKUPHANGALELEYO**

**LSU E3205  
14/3/4/3/896/A37**

3. **STRATEGIC INTENT**

**SFA 1: THE OPPORTUNITY AND CARING 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 3.2</b>	Ensure increased access to innovative human settlement for those who may need it
Programme 3.2(b)	Use property/land to leverage social issues

#### 4. PURPOSE

The purpose of this report is to obtain an in-principle decision from Council for the disposal of City-owned vacant land being Erf 43793 in extent 2086m<sup>2</sup>, 95 Hlanga Crescent Khayelitsha, zoned General Business 4, shown on the attached locality plans LIS 1142v0 (Annexure A).

It should be noted that following the in-principle decision, it is intended to advertise the proposed sale calling for alternate proposals and thereafter to consider the application submitted by the Salvation Church to purchase the property for use as a Place of Worship.

#### 5. FOR RECOMMENDATION BY

This report is for decision by Council

The legal provision for this non-delegable authority can be found in Section 14 of the Municipal Finance Management Act No. 56 of 2003 and Regulation 5 of the Municipal Asset Transfer Regulations of 2008.

#### 6. EXECUTIVE SUMMARY

PURPOSE OF REPORT	To obtain an in-principle decision from Council to proceed with the sale of Erf 43793, zoned General Business 4, for community use.			
Property description	Erf 43793			
Site extent	2087m <sup>2</sup>			
Current zoning	General Business 4			
Current usage	Vacant			
Proposed usage	Place of worship			
Public participation outcome	No Objections			
WARD Cllr Xolani Sotashe	NOTICE	DATE 23 October 2014	WARD	24
Viable	Yes	X	No	
Recommended decision	Approval	X	Refusal	

## 7. RECOMMENDATIONS

Not delegated: for decision by Council:

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

- 7.1 In terms of section 14(2)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, erf 43793 Khayelitsha, situated at 95 Hlanga Crescent, Khayelitsha, in extent 2 086 m<sup>2</sup>, be regarded as not being required for the provision of the minimum level of basic municipal services and can be disposed of .
- 7.2 In terms of regulation 5(1)(b) of the Municipal Asset Transfer Regulations (MATR) (R. 878), promulgated on 22 August 2008, Council approve in principle the disposal of erf 43793 as described in 7.1).
- 7.3 Erf 43793 be disposed of by public competition, subject to the conditions to be imposed by the Director: Property Management in exercise of her delegated authority, including branch conditions as set out in paragraph 8.3.
- 7.4 Any gain or loss incurred by the municipality in respect of the transfer of an asset be included in the adjustment budget of the municipality (section 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.
- 7.5 It be confirmed that, when considering the alienation of the land at less than market value, as provided for in section 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, the contents of regulation 13(2) of the Municipal Asset Transfer Regulations have duly been taken into consideration.
- 7.6 It should be noted that the intention is to consider the application received from the Salvation Church to purchase the property for the development of an extension to their current church which is located on Erf 43801 Khayelitsha, adjacent to the subject property.

## AANBEVELINGS





Nie gedelegeer nie: vir besluitneming deur die Raad:

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

- 7.1 Ingevolge artikel 14(2)(a) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003, erf 43793, Khayelitsha, geleë in Hlangasingel 95, Khayelitsha, 2 086 m<sup>2</sup> groot, beskou word as nie vereis vir die voorsiening van die minimum vlak van basiese munisipale dienste nie en vervreem kan word.
- 7.2 Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR) (R. 878), gepromulgeer op 22 Augustus 2008, die Raad die vervreemding van erf 43793, soos in a) beskryf, in beginsel goedkeur.
- 7.3 Erf 43793 vervreem word deur middel van openbare mededinging, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê, insluitende takvoorwaardes soos uiteengesit by paragraaf 8.3.
- 7.4 Enige wins of verlies wat die munisipaliteit as gevolg van die oordrag van 'n bate ly, ingesluit word by die munisipaliteit se aansuiweringsbegroting (artikel 28 en 87 van die MFMA) indien daar nie in die goedgekeurde jaarlikse begroting daarvoor begroot is nie.
- 7.5 Daar bevestig word dat daar, wanneer die vervreemding van grond teen minder as markwaarde oorweeg word, soos bepaal by artikel 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendomme, behoorlik van die inhoud van regulasie 13(2) van die regulasies oor die oordrag van munisipale bates kennis geneem is.
- 7.6 Daarvan kennis geneem moet word dat die bedoeling is om die aansoek te oorweeg wat van die Salvation-kerk ontvang is vir die koop van die eiendom vir die ontwikkeling van 'n uitbreiding aan hul bestaande kerk wat op erf 43801, Khayelitsha, aangrensend aan die betrokke eiendom, geleë is.

**IZINDULULO**Aziqunyaziswanga: Isigaibo seseBhunga:

Ngokwezizathu eziqulunqwe kwingxelo kundululwe ukuba:

- |     |                 |                    |             |             |
|-----|-----------------|--------------------|-------------|-------------|
| 7.1 | Ngokungqinelana | necandelo-14(2)(a) | no-(b)      | oMthetho    |
|     | wobuRhulumente  | boMmandla          | ojongene    | noLawulo    |
|     | zikaMasipala    | (MFMA)             | ongunomb.56 | wango-2003, |
|     |                 |                    |             | isiza-43793 |



- esikwanombolo-95 Hlanga Crescent eKhayelitsha esibukhulu obumalunga nama-2086 m<sup>2</sup>, masithathwe njengesingafunekiyo ukuba sibonelele ngeenkono ezingundoqo zikamasipala kwaye mazithengiswe.
- 7.2 NgokoMgaqo-5(1)(b) weMgaqo engokuTshintshelwa kweMpahla kaMasipala (MATR) (R.878) omiselwe ngowama-22 Agasti 2008, iBhunga maliphumeze ukunikezelwa kwesiza-43793, njengoko kucacisiwe kumhlathi-a).
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- 7.4 Ukuba nayiphina inzuzo okanye ilahleko ethe yenzeka kumasipala ngokujoliswe kutshintshelo lwempahla, mayiqukwe kulungelelwaniso lohlahlo-lwabiwo-mali lukamasipala (ngokweCandelo-28 nelama-87 e-MFMA), ukuba ayibhajethelwanga kuhlahlo-lwabiwo-mali lonyaka oluphunyeziweyo.
- 7.5 Kufuneka kuqinisekisiwe ukuba xa kuthathelwa ingqalelo ukunikezelwa komhlaba ongaphantsi kwexabiso lasemakethi, njengoko kubonelelwe kwicandelo-15.3 loMgaqo-nkqubo weBhunga ongoLawulo lwePropati ezithile ezingenakususwa weSixeko saseKapa, kuthi kuthathelwe ingqalelo iziqulatho zomgaqo-13(2) weMgaqo engokuTshintshelwa kweMpahla zikaMasipala.
- 7.6 Kufuneka kuqwalaselwe ukuba injongo kukuthathela ingqalelo isicelo esifunyenwe kwabe-Salvation Church sokuthenga ipropati belungiselela ukuphuhlisa ulwandiso kwicawe yabo esele imiselwe apho ikwisiza-43801, eKhayelitsha, esimelene nepropati ie ichaphazelekayo.

## 8. DISCUSSION/CONTENTS

### 8.1 BACKGROUND:

Erf 43793 Khayelitsha is a vacant portion of land which is registered in the name of the City of Cape Town, is 2086m<sup>2</sup> in extent and situated at 95 Hlanga Crescent, Khayelitsha.

The property is zoned as General Business 4 and it is intended to dispose of the property in terms of its existing land use rights.



An application for consent use for erf 43/93 to permit a community facility, place of instruction and place of worship, has also been approved, in terms of Act 4 of 1984, subject to certain conditions.

A notice advising that Council is considering alienating the property in question was placed in the Cape Times, Die Burger on 14 March 2014, and no objections were received. Community organisations, as well as the relevant Ward Councillor and Sub Council Chairperson, were informed on 14 March 2014 and 19 March 2014 respectively.

The Salvation Church has submitted an application to purchase the property for the development of a place of worship as their current church located on Erf 43801 Khayelitsha, which is adjacent to the subject property, is too small due to membership growth. They also state that the land will allow the development and implementation of various programs and activities for the community.

It should therefore be noted that should Council approve the in-principle decision for the disposal of the subject Erf 43793, it is intended to consider the application submitted by the Salvation Church to purchase the property for use as a Place of Worship. In this regard, the proposed disposal of the property to the Salvation Church will then be advertised for comment, objections and alternative proposals in accordance with Council's Disposal Management System and the results thereof will be submitted to Council for a decision.

## 8.2 PUBLIC PARTICIPATION

In accordance with the authority obtained from the Director: Property Management on 09 February 2014, Council's intention to dispose the subject property was advertised as follows:

Advertising	Cape Times & Burger	14 March 2014
	Prov & Nat Treasury	19 May 2014
	Ward Councillor (Mthwalo Mkutswana)	19 May 2014
	SubCouncil Chair (Xolani Sotashe) SubCouncil Manager (Goodman Rowana)	19 May 2014
	Community organisation(s)	14 March 2014
Outcome	Objections	No
	Ward Councillor's support	Yes

## 8.3 CONSULTATION WITH SERVICE BRANCHES:



The proposal was circulated to all relevant planning and service branches of the City for comment.

All branches, i.e. Environmental Health, Solid Waste, Social and Early Development, Human Settlements, Roads and Stormwater and Eskom support the application.

Three other service branches, i.e. Water & Sanitation, Spatial Planning & Urban Design and Town Planning, are in support of the proposal, subject to certain conditions being imposed in some instances. These conditions inter alia include the following:

**Department Water & Sanitation: (Mr Larry Cronje – 021 3601127)**

Any alterations or deviations to water and sanitation services necessary as a consequence of the proposal or requested by the purchaser, will be carried out at the purchaser's cost; that no structure be constructed over any municipal service and that a servitude with a minimum width of 3m be registered over such a service at the cost of the applicant.

**Department of Spatial Planning and Urban Design : (Nigel Titus – 021 400-9429)**

Supports the application subject to the following which will be incorporated in the Deed of Sale:

- (i) any boundary treatment complies with the Boundary Walls and Fences policy 2009;
- (ii) the development of the site complies with the Urban Design Policy 2013;
- (iii) not more than 50% of the site is utilised for parking purposes.

**Town Planning**

Approval granted subject to building plans being submitted to Planning and Building Development Management.

## **8.4 CONSTITUTIONAL AND POLICY IMPLICATIONS**

8.4.1 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;

8.4.2 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 until repealed.

8.4.3 A resolution to proceed with the disposal of this property is supported by the applicable legislation and policies.

## 8.5 LEGAL IMPLICATIONS

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

8.5.2 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) permits the disposal of immovable property.

8.5.3 The disposal of municipal capital assets is governed by Chapter 2 of Municipal Asset Transfer Regulations (R.878) in effect from 1 September 2008 (MATR).

8.5.4 Council may in terms of **Reg 5(1)(b)(i) of the MATR** transfer or dispose of non-exempted capital assets after it has - in a meeting open to the public - made the determinations required by Sec 14(2)(a) and (b) of the MFMA:

- The erven (assets) are not needed for basic municipal services;
- Considered the fair market value of the assets and the economic and community value i.e. social upliftment to be received in exchange for the assets.

8.5.5 In terms of **Reg 7 of the MATR**, Council must take into account a number of factors (highlighted in bold) when considering any proposal to transfer or dispose of non-exempted capital assets, and it is herewith confirmed that:

**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)**

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

**Factor B: Loss or gain expected to result from proposed transfer**



Council will not make a loss, but gain in future rates and taxes, and will stimulate economic growth.

**Factor C: Significant economic or financial cost or benefit to municipality/ compensation**

Council will receive a financial benefit in the form of the sales price as well as rates and taxes following the development of the property. A market valuation dated 17 September 2014 estimates the market value of the said property R196 000.00 (see Annexure B).

In terms of The Management of Certain of the City of Cape Town's Immovable Property Policy, with particular reference to "Immovable property may be alienated to social care users, the purchase price payable shall, unless otherwise stated by Council, be fixed between 10% and 25% of market value, subject to a reversionary clause be registered against the title deed of the property". It is recommended that the property be disposed of at 25% of the value which equates to R49 000.00 ex VAT.

**Factor D: Management of risk**

No operational and control risk to the City.

**Factor E: Impact on credit rating, financial position, cash flow of municipality**

No impact on the credit rating, financial position or cash flow of the Municipality.

**Factor F: Limitations and conditions attached to capital assets**

As per 8.3

**Factor G: Cost of transfer or disposal**

The normal costs related to advertisements and land surveying if applicable, will be incurred by Council. The purchasers will be responsible for the transfer costs.

**Factor H: Transfer of liabilities and reserve funds associated with the asset**

None

**Factor I: Stakeholder comments and recommendations**



The Council's intention to alienate Erf 43793 was duly advertised to the public in the Cape Times and Die Burger on 14 March 2014. The relevant Sub-Council Chairperson, Sub-Council Co-ordinator, Ward Councillors, National and Provincial Treasury, ratepayers associations and Regional Offices were notified for comment and notification purposes. No objections were received to the intended alienation.

**Factor J: Views from National and Provincial Treasury**

No comments were received.

**Factor K: Strategic, legal, and economic interests**

None of these interests will be compromised through alienation of the assets in fact they will be supported.

**Factor L: Compliance with legislative regime that is applicable to proposed transfer or disposal**

Alienation of these assets is compliant with the MFMA, Municipal Asset Transfer Regulations, Reg 12(1), and Council's Policy on Immovable Property.

8.5.6 In terms of Reg 13 (2) of the MATR, Council must take into account a number of factors (highlighted in bold) when considering any proposal to transfer or dispose of non-exempted capital assets at less than fair market value, and it is herewith confirmed that:

- **Factor A: The interests of (i) The State and (ii) the local Community have been taken into account:**
  - (i) It is in the interest of the State to dispose of the land at less than fair market value
  - (ii) It is in the interest of the Community that the capital asset be made available to them at less than fair market value
- **Factor B: The (i) strategic and (ii) economic interests of the City including the long-term effect of the decision on the City:**
  - (i) The disposal fulfils two of the City's Strategic goals, being a City of Opportunity and a Caring City.
  - (ii) This disposal is not intended to generate an economic return for the City but it is intended to generate a social return for the community. The long-term effect of the decision is continued social support and community upliftment.



- **Factor C: The Constitutional rights and legal interests of all affected parties:**  
None of these interests will be compromised through the alienation of the capital asset in fact they will be supported.
- **Factor D: whether the parties to the transfer should carry more weight than the interest of the local community.**  
The disposal will not prejudice the local community; it will in fact be in their interest as the capital asset will be used for community/social purposes.
- **Factor E: whether the local community would be better served if the capital asset is transferred at less than fair market value, as opposed to a transfer of the asset at fair market value.**  
The transferee and community's interests are aligned and if the capital asset is not disposed of at less than fair market value it severely reduces the affordability by NPO's/NOG's to purchase the asset so that they may develop and use it for community purposes.

## 8.6 FINANCIAL IMPLICATIONS

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

## 8.7 SUSTAINABILITY IMPLICATIONS

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

## 8.8 STAFF IMPLICATIONS

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?      No      Yes  
x     

## 8.9 RISK IMPLICATIONS

No operational and control risk to the City.


## 8.10 ANNEXURES

Annexure A: LIS 1142v0  
Annexure B: Valuation report  
Annexure C: Subcouncil minute dd16/10/14





**FOR FURTHER DETAILS CONTACT:**

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DIRECTORATE	FINANCE
FILE REFERENCE	14/3/4/3/896/A37
SUBCOUNCIL	Sub Council (24)
WARD COUNCILLOR	Mthwalo Mkutswana

  
**MANAGER: SPECIAL PROJECTS & STRATEGIC ASSETS**  
**MICHAEL SIMS**


Comments:

Tel. 021 400 5766  
 Date: 28/1/2015

  
**DIRECTOR: PROPERTY MANAGEMENT**  
**RUBY GELDERBLOEM**

Comments:

Tel. 021 400 1361  
 Date: 2015-02-03

  
**FINANCE: EXECUTIVE DIRECTOR**  
**KEVIN JACOBY**

Comments:

Tel. 021 400 3265  
 Date 10.02.2015

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**

Comments:

NAME: A.S. Dmansay  
 Tel. (021) 400 9586.  
 Date: 16.02.15

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