

ITEM NUMBER: C 09/04/16

*RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 APRIL 2016*

**MC 28/04/16 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE LITTLE MOWBRAY ROSEBANK IMPROVEMENT DISTRICT (LMRID)**

It is **RECOMMENDED** that:

- (a) the City of Cape Town determine the area as reflected in the body of the report on the agenda as a special rating area (SRA), known as the Little Mowbray Rosebank Improvement District (LMRID), in terms of the Special Rating Area By-law, 2012 as amended
- (b) the City of Cape Town approve the application submitted by Rae Wolpe and Lindsay Alistair MacKenzie Kennedy, to establish a SRA in the LMRID area in terms of section 8.1(a) of the By-law
- (c) the City of Cape Town impose the levying of an additional rate on properties in the LMRID from 1 July 2016 in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004. The residential component be charged an additional rate of R0,000652 and the commercial component be charged an additional rate of R0,001293
- (d) Chapter 2 of the By-law, as well as paragraphs 9.6, 11 and 15 of the Special Rating Area Policy be implemented.



REPORT TO COUNCIL

DATE 2016-04-19

1. ITEM NUMBER : MC 28/04/16

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE LITTLE MOWBRAY ROSEBANK IMPROVEMENT DISTRICT (LMRID)

ONDERWERP

AANSOEK OM BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) BEKEND AS DIE LITTLE MOWBRAY-ROSEBANK-VERBETERINGSDISTRIK (LMRID)

ISIHLOKO

ISICELO SOKUBHENGEZWA KOMMANDLA ONGEERHAFU EZIZODWA (SRA) OWAZIWA NGOKUBA SISITHILI SOPHUCULO SASE-LITTLE MOWBRAY ROSEBANK (LMRID)

G4630

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

4. PURPOSE

To declare the Little Mowbray and Rosebank area a Special Rating Area (SRA) called Little Mowbray Rosebank Improvement District (LMRID).

5. FOR NOTING BY / FOR DECISION BY

- This report is for noting only/information only.
- This report is for consideration/decision by:

JM

## 6. EXECUTIVE SUMMARY

In terms of the Special Rating Area By-law, Council has received an application to determine a SRA in the Little Mowbray and Rosebank area.

The application complies with all legal aspects as per the SRA By-law and SRA Policy for process and majority support.

The Steering Committee obtained a 66.8% (658 / 985) support from property owners for the proposed LMRID Business Plan and 6.7% (66 / 985) objected to the establishment of the SRA.

As per the perception survey, Business Plan and objections it is clear that the LMRID area is not an area in distress but rather a well-developed area with good community structures that look after this area. The need for an SRA is to ensure that this is maintained/built upon as the bicycle patrols and other community initiatives are struggling as they are subject to voluntary contributions and/or involvement by the residents.

This report recommends that the application be approved and that a SRA be declared in the proposed Little Mowbray and Rosebank area called the Little Mowbray Rosebank Improvement District (LMRID).

An additional rate will be levied on all properties within the proposed LMRID area from 1 July 2016 in terms of Section 22(1)(b) of the Local Government Municipal Property Rates Act (MPRA), Act 6 of 2004.

That the ISL Department ensure compliance with Chapter 2 of the SRA By-law and paragraphs 9.6, 11 and 15 of the SRA Policy.

## 7. RECOMMENDATIONS

It is recommended that:

- a) The City of Cape Town determine the area as reflected in the body of this report as a special rating area (SRA), known as the Little Mowbray Rosebank Improvement District (LMRID), in terms of the Special Rating Area By-law, 2012 as amended.
- b) The City of Cape Town approve the application submitted by Rae Wolpe and Lindsay Alistair MacKenzie Kennedy, to establish a SRA in the LMRID area in terms of section 8.1(a) of the By-law.
- c) The City of Cape Town impose the levying of an additional rate on properties in the LMRID from 1 July 2016 in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004. The residential component be charged an additional rate of R0,000652 and the commercial component be charged an additional rate of R0,001293.

- d) Chapter 2 of the By-law as well as paragraphs 9.6, 11 and 15 of the SRA Policy be implemented.

## AANBEVELINGS

Daar word aanbeveel dat:

- a) Die Stad Kaapstad die gebied soos weergegee in die teks van hierdie verslag as 'n spesiale-aanslaggebied (SRA) bepaal, bekend as die Little Mowbray Rosebank-verbeteringsdistrik (LMRID), ingevolge die Verordening op Spesiale-aanslaggebiede, 2012 soos gewysig.
- b) Die Stad Kaapstad die aansoek wat deur Rae Wolpe en Lindsay Alistair MacKenzie Kennedy ingedien is, om 'n SRA in die LMRID-gebied te vestig, ingevolge artikel 8.1(a) van die Verordening goedkeur.
- c) Die Stad Kaapstad die heffing van 'n bykomende tarief op eiendomme in die LMRID vanaf 1 Julie 2016 instel ingevolge artikel 22(1)(b) van die Wet op Plaaslike Regering: Wet op Munisipale Eiendomsbelasting, Wet 6 van 2004. Die residensiële komponent met 'n bykomende koers van R0,000652, en die kommersiële komponent met 'n bykomende koers van R0,001293 aangeslaan word.
- d) Hoofstuk 2 van die Verordening asook paragraaf 9.6, 11 en 15 van die SRA-verordening in werking gestel word.

## IZINDULULO

Kundululwe ukuba:

- a) ISixeko saseKapa masibhengeze ummandla njengoko ubonakaliswe kumbindi wengxelo njengommandla ongeerhafu ezizodwa (SRA), owaziwa njengokuba siSithili soPhuculo sase-Little Mowbray Rosebank (LMRID), ngokungqinelana noMthetho kaMasipala ongoMmandla weeRhafu ezizodwa wango-2012 njengoko ulungisiwe.
- b) ISixeko saseKapa masiphumeze isicelo esingeniswe ngu-Rae Wolpe no-Lindsay Alistair MacKenzie Kennedy, sokumisela i- SRA kummandla we-LMRID ngokungqinelana necandelo-8.1(a) loMthetho kaMasipala.
- c) ISixeko saseKapa masinyanzelise umrhumo olixabiso elongezelelekileyo kwii-propati ezizodwa ezikummandla oyi-LMRID ukususela ngowo-1 Julayi 2016, ngokungqinelana necandelo-22(1)(b) loMthetho wobuRhulumente boMmandla ongamaXabiso eePropati zikaMasipala (MPRA) ongunomb.6 wangowe-2004. Icandelo lendawo yokuhlala malihlawuliswe ixabiso elongezelelekileyo elingu-R0,000652 necandelo lohwebo lihlawuliswe ixabiso elongezelelekileyo elingu-R0,001293.
- d) Makumiselwe iSahluko-2 soMthetho lo kaMasipala kunye nemihlathi-9.6, 11 no-15 yoMgaqo-nkqubo ongoMmandla ongeerhafu ezizodwa (i-SRA).

## 8. DISCUSSION/CONTENTS

### 8.1. Constitutional and Policy Implications

Property owners within the Little Mowbray and Rosebank area respectively, identified the need to take ownership of their area and assist the City to create a friendly environment within which to conduct business and to live. The two groups were introduced to each other and joined forces to take advantage of the scale of benefits by having a single SRA with a single management body as the combined area could be served by the same service providers at reduced costs and it would have a well-defined mutual boundary which included a business area to which both groups laid claim. A Steering Committee was formed to pursue the SRA model which allows property owners to provide additional municipal services to improve and upgrade their area. These services will be funded from additional property rates to be collected from the property owners in the area. The Steering Committee consists of property owners in the area.

Under the guidance of the ISL Department the Steering Committee followed the SRA establishment process as set out in sections 4 to 7 of the SRA By-law and paragraphs 4 to 10 of the SRA Policy.

The Business Plan was presented to the property owners within the proposed LMRID at a public meeting held on 15 July 2015 after which the obtaining of support commenced. The Steering Committee held an additional public meeting on 31 August 2015. This allowed for further opportunity to discuss the proposal and clarify issues of concern.

During the period of gathering support a review of the property database found that private properties valued at R1000 were marked as exempt and sectional title units owned by the same owner but grouped as one for billing purposes, were allocated only one "vote". This was incorrect as all registered properties have a right to participate in the establishment process irrespective of size or value. The properties were reinstated which increased the total number of eligible properties from 923 to 985. As this affected the support required (554 to 591) the due date to submit the application was extended from 30 September 2015 to 12 October 2015 by ISL.

The Steering Committee submitted an application for Council to consider in terms of section 8 of the SRA By-Law. The application included support from 659 properties (66.9%) and is attached as Annexure A and includes the following:

- Application letter
- Feasibility study
- Section A - The Motivation Report, 5 year Implementation Plan and 5 year Budget.
- Section B - Property database of all properties eligible to pay the additional rate with an indication of who supported the application - included as part of Annexure C.

The written consent forms will be made available on request.

- Section C - An affidavit from the applicant that more than 60% of the property owners support the formation of the SRA.
- Section D - Public meeting advertisements, minutes of public meeting, public meeting presentation.

The Service Departments were requested to comment on the SRA proposed services relevant to their functions and how it is aligned to their respective IDP and SDBIPs (Refer Annexure B). No such comments were forthcoming from any of the departments so it is assumed that the proposed LMRID business plan aligns with the functions of the respective departments whom they will interact with should the application to establish be successful.

After the application was lodged with the City the consent forms were verified to ensure the application was valid. Annexure C reflects the consent which shows that 60 consent forms were not accepted and these were referred back to the Steering Committee for remedial action as it was their intention to support the establishment of the SRA. A property that consented was not correctly captured on the consent schedule submitted with the application as reflected in the comments column as it was allocated a single vote which was corrected to two votes. A further 5 consent forms were received with the application but were not reflected in the voting schedule. These consents were subsequently taken into account in the verification of the application. Without the 60 but with the additional 6 consents included the application remained valid with 605 out of the 985 properties (61.4%) supporting the initiative. Of these 60 consents 57 were corrected and included in the final consent total. These were not included in the initial validation. During the objection phase a further 2 consents were received which increased the support to 658 (66.8%).

The application was advertised for comments and objections on 26 October 2015 (Annexure D) as required by section 7 of the SRA By-law and paragraph 9.5 of the SRA Policy. This notice also informed all property owners of a further public meeting which was held on 13 January 2016. Minutes of this public meeting is included as part of Annexure D.

As a consequence of the deferral of the date of submission to apply for the establishment of LMRID, the objection period was extended by some 6 weeks and ran from 26 October 2015 until 22 January 2016 to accommodate absences of property owners due to the festive period and school holidays.

Annexure C indicates the final verification of consent and objections after the public participation process finished on 22 January 2016. The final consent and objections can be summarised as follows:

Little Mowbray Rosebank Improvement District		
Total properties	985	100%
Votes required	591	60%
Properties supporting	658	66.8%
Properties not supporting	66	6.7%

The final consent and objections can also be summarized per area to show the distribution of community participation:

	Total Properties	Objections Received	%	Final Consent	%
Little Mowbray	436	38	8.7%	303	69.5%
Rosebank	482	28	5.8%	302	62.7%
Business area	67	0	0%	53	79.1%
<b>Total</b>	<b>985</b>	<b>66</b>	<b>6.7%</b>	<b>658</b>	<b>66.8%</b>

The 66 objections received include 6 objections which previously supported the establishment of the LMRID as well as 2 late objections. The Steering Committee was required to engage with the 66 objectors as per paragraph 9.5.3 of the SRA Policy. Whilst some property owners own more than one property each property is deemed to be an objector as the voting is based on one vote per property. The Steering Committee extended an invite to all objectors to discuss their objections to ensure that all understand the SRA proposal and processes that needs to be followed. Ten consultations took place, 28 declined and 28 did not respond at all. A summary of the objection points, minutes and/or comments of the Steering Committee is attached as Annexure E.

The minutes of all such meetings had to be signed by the attendees including the objector to confirm that it is an accurate reflection of what was discussed. The Steering Committee also commented on objections where the objector declined a meeting. It is alleged that some objectors felt intimidated to attend such a meeting as the perception was that objectors may be victimised and that other property owners were co-erced into supporting the establishment of the LMRID. Upon hearing of this being flouted as a large scale occurrence, ISL requested that affidavits be submitted by such property owners so that it can be investigated. Only one such affidavit was forthcoming from a property owner which was countered by an affidavit from the Steering Committee member alleged to have been forceful. In the absence of further affidavits this matter was not pursued as it was considered to be hearsay given the various origins and subsequent lack of property owners allegedly having experienced such treatment coming forward despite ISL's undertaking to investigate same. The Steering Committee vehemently deny any allegations of coercion.

Many of the objections revolve around affordability, unnecessary services as the current services levels are deemed to be satisfactory, having to pay twice for the same service, vague budgets and benefits, flawed processes, concerns as to what would happen to existing service levels from the City and SAPS should the SRA be successful, controls and accountability, lack of communication and confusion regarding the historical role of the Rosebank Neighbourhood Watch as opposed to the LMRID Steering Committee were members served on both these bodies.

The SRA By-law, SRA Policy and other mandatory information was shared at the public meetings and have been available on the LMRID website. The process deals with property owners and not associations or representative groups; which was communicated to all from the onset. However it appears that some residents rely on local communication and do not refer to daily newspapers where advertisement and notices calling for meetings were placed.

All the objections and/or comments of the Steering Committee and related communications are available electronically on the Council agenda and on the attached CD (refer Annexure F).

A group was formed by the objectors who had their own website where they shared information and aired their concerns. They approached ISL for clarity on a variety of aspects of the establishment and governance which was subsequently shared via their website for general information. Most of this information is contained in the mandatory documentation that was available on the LMRID website. There are clearly too distinct groups of which the objectors are the minority but as stated above many of the concerns of the objectors were either addressed and/or the information available on the website. ISL attended all the public meetings and dealt with technical issues and matters of clarity.

As per the perception survey, Business Plan and objections it is clear that the LMRID area is not an area in distress but rather a well-developed area with good community structures that look after this area. The need for an SRA is to ensure that this is maintained/built upon as the bicycle patrols and other community initiatives are struggling as they are subject to voluntary contributions and/or involvement by the residents.

The applicant complied with all the legislative processes and majority support as required in the SRA By-law and SRA Policy for residential and non-residential properties.

The SRA additional rate is calculated on the total municipal valuation as determined on 1 August 2015 for commercial and residential properties within the LMRID area to enable the City to collect the LMRID's first year budget of R 1 768 528. The SRA additional rate will be implemented from 1 July 2016 after Section 10, 11 and 12 of the By-law are met. This SRA additional rate will be considered for approval by Council and will be implemented from 1 July 2016. The residential component will attract an additional rate of 0,000 652 Rand-in-the-rand and the commercial component will be charged an additional rate of R0,001 293.

## 8.2. Sustainability Implications

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

No  Yes

This application adheres to the goals, targets and commitments where applicable as set out in the IMEP (Integrated Metropolitan Environmental Policy), as approved by Council in October 2001.

## 8.3. Legal Implications

- Municipal Property Rates Act No.6 of 2004
- Municipal Finance Management Act No.56 of 2003
- Special Rating Area By-law and Policy



**8.4. Staff Implications**

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

No

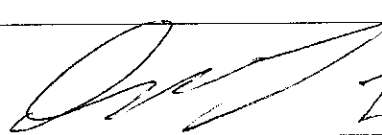
**8.5. Other Services Consulted**

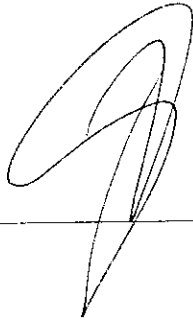
The proposed Business Plan of LMRID was circulated to all relevant Service Departments requesting them to ensure compliance in terms of the Directorate SDBIPS and IDP (Annexure B). No comments were received.

**ANNEXURES**

- Annexure A - Application to establish a SRA in the LMRID area.
- Annexure B - Email to Service Departments dated 26 November 2015.
- Annexure C - Validation of consent and objections.
- Annexure D - Notice of submission of application to establish the LMRID requesting comments and objections.
- Annexure E - Summary of objection points, minutes and/or comments of the Steering Committee.
- Annexure F - Detailed objections and minutes of meetings held with objectors and/or comments where objectors declined meetings. (On CD)

**FOR FURTHER DETAILS CONTACT:**

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CONTACT NUMBERS	(021) 400-1872
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DIRECTORATE	Finance: ISL
FILE REF NO	
SIGNATURE : DIRECTOR George van Schalkwyk Date	 24/3/2016



Comment:

EXECUTIVE DIRECTOR

NAME Kevin Jacoby

DATE 29 March 2016

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

NON-COMPLIANT

Comment:



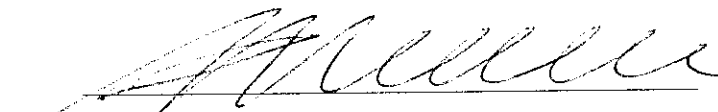
LEGAL COMPLIANCE

NAME Joan-Mari Holt

TEL 021 400 2753

DATE 29/03/2016

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

*Acting*  
  
EXECUTIVE DIRECTOR: CORPORATE SERVICES AND COMPLIANCE (ED: CORC)

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR  / MAYCO  / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

DATE 2016 -03- 31



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**MAYORAL COMMITTEE MEMBER**

COMMENT:

NAME Alderman Ian Neilson

DATE 4/4/2016

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