

ITEM NUMBER: C 19/04/16

**RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 APRIL 2016**

**MC 39/04/16 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERF 2150, GAYLEE AT 1 METERENS CRESENT, FOR COMMUNITY PURPOSES**

It is **RECOMMENDED** that:

- (a) In terms of Section 14(2)(a) and (b) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - (i) Council resolve that vacant land being Erf 2150, Gaylee, 1 Meterens Crescent, approximately 5244 m<sup>2</sup> in extent, zoned Community Zone 2: Regional (CO2), shown lettered ABCDE on Plan LIS 1359v0 attached as Annexure A to the report on the agenda, be regarded as not being required for the provision of the minimum level of basic municipal services;
  - (ii) Council confirm that the fair market values of the assets described in (a)(i) above and the economic and community value to be received in exchange for the assets described in (a)(i) above have been considered.
- (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 sale of Erf 2150, Gaylee, 1 Meterens Crescent, as described in (a)(i) above
- (c) Erf 2150, Gaylee, 1 Meterens Crescent, be sold by public competition at a discounted value for community and/or social care purposes as provided for in terms of Clause 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority
- (d) Council confirm that when considering the sale of the properties at less than market value as provided for in terms of Clause 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 MATR have been duly taken into account
- (e) any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (Sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

IPAC 25/03/2016

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY  
PUBLIC COMPETITION OF VACANT ERF 2150, GAYLEE, 1 METERENS  
CRESCENT, FOR COMMUNITY PURPOSES

MC 39/04/16

VOORGESTELDE VERLENING VAN BEGINSELGOEDKEURING VIR DIE  
VERKOOP PER OPENBARE MEDEDINGING VAN ONBEOUDE ERF 2150,  
GAYLEE, METERENSSINGEL 1, VIR GEMEENSKAPSDOELEINDES

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOKOMTHETHO-  
SISEKO SOKUTHENGISA NGOKOKHUPHISWANO LOLUNTU ISIZA 2150,  
GAYLEE, 1 METERENS CRESCENT, NGEENJONGO ZENDAWO YOLUNTU

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

### RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) In terms of section 14(2)(a) and (b) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - (i) Council resolve that vacant land being erf 2150, Gaylee, 1 Meterens Crescent, approximately 5244 m<sup>2</sup> in extent, zoned Community Zone 2: Regional (CO2), shown lettered ABCDE on Plan LIS 1359v0 (**Annexure A**), be regarded as not being required for the provision of the minimum level of basic municipal services; and
  - (ii) Council confirm that the fair market values of the assets described in (a)(i) and the economic and community value to be received in exchange for the assets described in (a)(i) have been considered;
- 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 sale of erf 2150, Gaylee, 1 Meterens Crescent, as described in (a)(i);
- c) Erf 2150, Gaylee, 1 Meterens Crescent, be sold by public competition at a discounted value for community and/or social care purposes as provided for in terms of clause 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Council confirm that when considering the sale of the properties at less than market value as provided for in terms of clause 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 MATR have been duly taken into account; and
- e) Any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Plaaslike Regering: Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
  - (i) Die Raad besluit dat onbeboude grond, naamlik erf 2150, Gaylee, Meterenssingel 1, ongeveer 5244 m<sup>2</sup> groot, gesoneer as gemeenskapsone 2: streek (CO2), aangetoon met die letters ABCDE op plan LIS 1359v0 (**bylae A**), nie as nodig beskou word vir die verskaffing van die minimum vlak basiese munisipale dienste nie; en
  - (ii) Die Raad bevestig dat die billike markwaarde van die bates wat in (a)(i) beskryf word en die ekonomiese en gemeenskapswaarde wat in ruil vir die bate wat in (a)(i) beskryf word, ontvang staan te word, in aanmerking geneem is;
- 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 verkoop van erf 2150, Gaylee, Meterenssingel 1, soos in (a)(i) beskryf, in beginsel goedkeur;
- c) Erf 2150, Gaylee, Meterenssingel 1, per openbare mededinging verkoop word teen 'n afslagwaarde vir gemeenskaps- en/of maatskaplikesorgdoeleindes soos bepaal ingevolge klousule 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendom, onderworpe aan voorwaardes wat die direkteur: eiendomsbestuur in die uitoefening van haar gedelegeerde bevoegdheid oplê;
- d) Die Raad bevestig dat by oorweging van die verkoop van eiendomme teen minder as markwaarde soos bepaal in klousule 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendom, die inhoud van regulasie 13(2) van die MATR behoorlik in aanmerking geneem is; en
- e) Enige wins of verlies vir die munisipaliteit ten opsigte van die oordrag van bates in die aansuiweringsbegroting van die munisipaliteit ingesluit word (artikels 28 en 87 van die MFMA), indien daar nie in die goedgekeurde jaarlikse begroting daarvoor voorsiening gemaak is nie.

**IZINDULULO**Azigunyazisanga: isigqibo seseBhunga


Kundululwe ukuba:

- a) Ngokwecandelo 14(2) (a) no(b) loRhulumente woMmandla: ojongene noLawulo lweeMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
  - (i) IBhunga malithabathe isigqibo sokuba umhlaba ongenanto osisiza-2150, Gaylee, 1 Meterens Crescent esibukhulu bumalunga ne-5244m<sup>2</sup>, esicandwe njengeZowuni 2 yendawo yoluntu: ingingqi (CO2), nesibonakaliswe ngoonobumba ABCDE kwisicwangciso LIS 1359v0 (isihlomelo A) asiyomfuneko ukuba sibonelele ngomlinganiselo othile

- weenkonzo ezingundoqo zikamasipala;
- (ii) IBhunga maliqinisekise ukuba kuthathelwa ingqalelo ixabiso lemarike elifanelekileyo lezinto zexabiso ezicaciswe ku-(a)(i) nexabiso lezoqoqosho noluntu eliza kufunyanwa ngotshintshiselwano ngezinto zexabiso ezicaciswe ku-(a)(i);
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 Agasti 2008, iBhunga maliphumeze ngokomthetho-siseko ukuthengiswa kwesiza-2150, Gaylee, 1 Meterens Crescent njengoko kucaciswe ku-(a)(i);
- c) Isiza-2150, Gaylee, 1 Meterens Crescent, masithengiswe ngokokhuphiswano loluntu ngexabiso elehlisiweyo ngeenjongo zokukhathalela uluntu ngokungqinelana negatya 15.3 loMgaqo-nkqubo weBhunga omalunga noLawulo lweePropati eziThile eziNgenakususwa zeSixeko saseKapa, ngokuxhomekeke kwimiba eza kumiselwa nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) IBhunga maliqinisekise ukuba xa kuthathelwa ingqalelo ukunikezelwa kweeproptai ezingaphantsi kwexabiso lasemakethi, njengoko kubonelelwe kwisolotya-15.3 loMgaqo-nkqubo weBhunga ongoLawulo lweePropati ezithile ezingenakususwa weSixeko saseKapa, ziye zathathelwa ingqalelo iziqukatho zoMgaqo-13(2) weMigaqo engoTshintshelo lweMpahla kaMasipala (MATR); kwakhona
- e) Nayiphina ingeniso okanye ilahleko kumasipala ngokujoliswe ekutshintshelweni kwempahla, mayiqukwe kulungelelaniso lohlahlo-lwabiwo-mali lukamasipala (amacandelo-28 nele-87 le-MFMA) ukuba ayibhajethelwanga kuhlahlo-lwabiwo-mali lonyaka oluphunyeziweyo.

**ACTION: A HUMAN; R GELDERBLOEM**

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

  
 \_\_\_\_\_  
**MR THEMINKOSI SIGANDA**  
**EMPLOYEE NO: 10020234**  
**ACTING CHAIRPERSON : IMMOVABLE PROPERTY**  
**ADJUDICATION COMMITTEE**

DATE: 27/03/2016

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

*[Handwritten Signature]*

**DIRECTOR : LEGAL SERVICES  
MR LUNGELO MBANDAZAYO**

COMMENT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: 2016 -03- 18

*[Handwritten Signature]*

**ALDERMAN IAN NEILSON  
MAYORAL COMMITTEE MEMBER : FINANCE**

COMMENT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: 22/3/2016



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

Making progress possible. Together.

## REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

### 1. ITEM NUMBER:

### 2. SUBJECT: PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERF 2150, GAYLEE, 1 METERENS CRESCENT, FOR COMMUNITY PURPOSES

**ONDERWERP: VOORGESTELDE VERLENING VAN BEGINSSELGOEDKEURING VIR DIE VERKOOP PER OPENBARE MEDEDINGING VAN ONBEOUDE ERF 2150, GAYLEE, METERENSSINGEL 1, VIR GEMEENSKAPSDOELEINDES**

**ISIHLOKO: ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOKOMTHETHO-SISEKO SOKUTHENGISA NGOKOKHUPHISWANO LOLUNTU ISIZA 2150, GAYLEE, 1 METERENS CRESCENT, NGEENJONGO ZENDAWO YOLUNTU**

**G4322**

### 3. STRATEGIC INTENT

#### SFA 1: THE OPPORTUNITY CITY

<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 Council's in-principle approval to proceed with the sale by public competition of City-owned vacant land, being erf 2150, Gaylee, 1 Meterens Crescent, approximately 5244 m<sup>2</sup> in extent, to be used for community purposes.

**5. FOR DECISION 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, Act 56 of 2003 and regulation 5 of the Municipal Asset Transfer Regulations of 2008.

**6. EXECUTIVE SUMMARY**

PURPOSE	To obtain Council's in-principle approval for the sale by public competition of City-owned vacant land, erf 2150, Gaylee, 1 Meterens Crescent	
Property description	Erf 2150, Gaylee	
Site extent	5244 m <sup>2</sup>	
Current zoning	Community Zone 2: Regional (CO2)	
Current usage	Vacant land	
Proposed usage	Community	
Desktop value discounted in terms of policy	R180 000 excluding VAT	
Public participation outcome summary	No objections	
WARD COUNCILLOR Bert Van Dalen	NOTICE DATE 29 September 2015	WARD 14

**7. RECOMMENDATIONS**

Not delegated: for decision by Council

It is recommended that:

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- (i) Council resolve that vacant land being erf 2150, Gaylee, 1 Meterens Crescent, approximately 5244 m<sup>2</sup> in extent, zoned Community Zone 2: Regional (CO2), shown lettered ABCDE on Plan LIS 1359v0 (**Annexure A**), be regarded as not being required for the provision of the minimum level of basic municipal services; and
  - (ii) Council confirm that the fair market values of the assets described in (a)(i) and the economic and community value to be received in exchange for the assets described in (a)(i) have been considered;

- 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 sale of erf 2150, Gaylee, 1 Meterens Crescent, as described in (a)(i);
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- e) Any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Plaaslike Regering: Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
  - (i) Die Raad besluit dat onbeboude grond, naamlik erf 2150, Gaylee, Meterenssingel 1, ongeveer 5244 m<sup>2</sup> groot, gesoneer as gemeenskapsone 2: streek (CO2), aangetoon met die letters ABCDE op plan LIS 1359v0 (**bylae A**), nie as nodig beskou word vir die verskaffing van die minimum vlak basiese munisipale dienste nie; en
  - (ii) Die Raad bevestig dat die billike markwaarde van die bates wat in (a)(i) beskryf word en die ekonomiese en gemeenskapswaarde wat in ruil vir die bate wat in (a)(i) beskryf word, ontvang staan te word, in aanmerking geneem is;
- 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 verkoop van erf 2150, Gaylee, Meterenssingel 1, soos in (a)(i) beskryf, in beginsel goedkeur;
- c) Erf 2150, Gaylee, Meterenssingel 1, per openbare mededinging verkoop word teen 'n afslagwaarde vir gemeenskaps- en/of maatskaplikesorgdoeleindes soos bepaal ingevolge klousule 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendom, onderworpe aan voorwaardes wat die direkteur: eiendomsbestuur in die uitoefening van haar gedelegeerde bevoegdheid opleë;



- d) Die Raad bevestig dat by oorweging van die verkoop van eiendomme teen minder as markwaarde soos bepaal in klousule 15.3 van die Raad se beleid oor die bestuur van sekere van die Stad Kaapstad se onroerende eiendom, die inhoud van regulasie 13(2) van die MATR behoorlik in aanmerking geneem is; en
- e) Enige wins of verlies vir die munisipaliteit ten opsigte van die oordrag van bates in die aansuiweringsbegroting van die munisipaliteit ingesluit word (artikels 28 en 87 van die MFMA), indien daar nie in die goedgekeurde jaarlikse begroting daarvoor voorsiening gemaak is nie.

## IZINDULULO

### Azgunyazisanga: isigqibo seseBhunga

Kundululwe ukuba:

- a) Ngokwecandelo 14(2) (a) no(b) loRhulumente woMmandla: ojongene noLawulo lweeMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
- (i) (i) IBhunga malithabathe isigqibo sokuba umhlaba ongenanto osisiza-2150, Gaylee, 1 Meterens Crescent esibukhulu bumalunga ne-5244m<sup>2</sup>, esicandwe njengeZowuni 2 yendawo yoluntu: ingingqi (CO<sub>2</sub>), nesibonakaliswe ngoonobumba ABCDE kwisicwangciso LIS 1359v0 (isihlomelo A) asiyomfuneko ukuba sibonelele ngomlinganiselo othile weenkonzongezingundoqo zikamasipala;
  - (ii) (ii) IBhunga maliqinisekise ukuba kuthathelwa ingqalelo ixabiso lemarike elifanelekileyo lezinto zexabiso ezicaciswe ku-(a)(i) nexabiso lezoqoqosho noluntu eliza kufunyanwa ngotshintshiselwano ngezinto zexabiso ezicaciswe ku-(a)(i);
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 Agasti 2008, iBhunga maliphumeze ngokomthetho-siseko ukuthengiswa kwesiza-2150, Gaylee, 1 Meterens Crescent njengoko kucaciswe ku-(a)(i);
- c) Isiza-2150, Gaylee, 1 Meterens Crescent, masithengiswe ngokokhuphiswano loluntu ngexabiso elehlisiweyo ngeenjongo zokukhathalela uluntu ngokungqinelana negatya 15.3 loMgaqo-nkqubo weBhunga omalunga noLawulo lweePropati eziThile eziNgenakususwa zeSixeko saseKapa, ngokuxhomekeke kwimiba eza kumiselwa nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) IBhunga maliqinisekise ukuba xa kuthathelwa ingqalelo ukunikezelwa kweeproptai ezingaphantsi kwexabiso lasemakethi, njengoko kubonelelwe kwisolotya-15.3 loMgaqo-nkqubo weBhunga ongoLawulo lweePropati eziThile ezingenakususwa weSixeko saseKapa, ziye zathathelwa ingqalelo iziqulatho zoMgaqo-13(2) weMigaqo engoTshintshelo lweMpahla kaMasipala (MATR); kwakhona

e) Nayiphina ingeniso okanye ilahleko kumasipala ngokujoliswe ekutshintshelweni kwempahla, mayiukwe kulungelelaniso lohlahlo-lwabiwo-mali lukamasipala (amacandelo-28 nele-87 le-MFMA) ukuba ayibhajethelwanga kuhlahlo-lwabiwo-mali lonyaka oluphunyeziweyo.

## 8. DISCUSSION/CONTENTS

### 8.1. Background

Erf 2150, Gaylee, 1 Meterens Crescent has been identified for sale and has been included in the Property Management Disposal Programme for the 2015/16 financial year.

The property is zoned Community Zone 2: Regional (CO2) and measures approximately 5244 m<sup>2</sup> in extent as shown on the attached plan (**Annexures A**). It is intended to dispose of the property with its current zoning.

### 8.2. Public Participation

In accordance with the authority obtained from the Director: Property Management on 15 July 2015, Council's intention to sell the subject property was advertised as follows:

Advertising	Cape Times & Burger	21 August 2015
	Provincial & National Treasury	29 September 2015
	Ward Councillor	29 September 2015
	Subcouncil Chair & Manager	29 September 2015
Outcome	Objections	No
	Ward Councillor's support	No comment was received

### 8.3. Constitutional and Policy Implications

- (i) Chapter B of Council's policy relating to the Management of certain of the City of Cape Town's Immovable Property, as approved by Council on 26 August 2010 (C54/08/10), permits the sale of immovable property; and
- (ii) A resolution to proceed with the sale of these properties is supported by the applicable policies.

### 8.4. Sustainability Implications

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

## 8.5. Legal Implications

- (ii) The proposal complies with section 14 of the Municipal Finance Management Act (MFMA), Act 56 of 2003; and
- (iii) The sale of municipal capital assets is governed by Chapter 2 of the Municipal Asset Transfer Regulations (MATR);

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

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

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 sell non-exempted capital assets and it is herewith confirmed that:

### **Factor A: Whether assets are 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 have confirmed that the asset is not required for its own purposes.

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

Council will not make a loss, but will gain on receipt of discounted market value, future rates and taxes, and the sale will facilitate social support infrastructure and social returns.

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

Council will receive a financial benefit in the form of the sale price as well as future rates and taxes in respect of the property.

A desktop valuation (**Annexures B**) carried out by Property Management's Market Valuations Branch estimates the market value of the properties to be in the region of R720 000 exclusive of VAT and transfer costs.

Since it is intended to sell the site for community purposes, it is recommended it be sold at 25% of market value i.e. R180 000 as provided for in Council's Policy on the Management of Certain of the City's Immovable Property (Chapter B, section 15.3), which allows for the disposal of social care sites at purchase prices of between 10% and 25% of the fair market value, subject to a reversionary clause being registered against the title of the property should the asset not be utilised for social purposes.

**Factor D: Management of risk**

There is no operational or control risk to the City

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

There is no impact

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

None

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

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

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

None

**Factor I: Stakeholder comments and recommendations**

The Council's intention to alienate erf 2150, Gaylee, 1 Meterens Crescent, was duly advertised to the public in the Cape Times and Die Burger on 21 August 2015.

The proposed sale of the property was circulated to the Subcouncil Manager, Subcouncil Chairperson, Ward Councillor, Ratepayers Associations as well as the relevant departments of the City and to external departments for their comment.

No objections to the intended alienation were received.

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

No comments were received.

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

Strategic, legal, and economic interests will not be compromised through the alienation of the asset; in fact they will be supported.

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

The alienation of the asset is compliant with the Municipal Finance Management Act and the Municipal Asset Transfer Regulations.

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 sell 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 City to sell the land at less than fair market value; and
- (ii) It is in the interest of the community that the capital assets be made available to it 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 sale fulfils two of the City's strategic goals, being a City of Opportunity and a Caring City; and
- (ii) This sale is not intended to generate economic returns for the City, but it is intended to generate a social return for the community.

A positive long-term effect is expected on the City in that sites utilised for social purposes result in more stable communities with fewer social problems; thereby saving the City's resources.

**Factor C: The Constitutional rights and legal interests of all affected parties:**

The constitutional rights and interests of affected parties will not be compromised through the sale of the asset.

**Factor D: Whether the parties to the transfer should carry more weight than the interest of the local community and how individual interests are weighed against the collective interest:**

The sale will not prejudice the local community; in fact it will be in their interest as the asset will be used for community/social purposes. The interests of the community take precedence over those of individuals in that the assets will be required to be used to serve the community in perpetuity.

**Factor E: Whether the local community would be better served if the capital assets are transferred at less than fair market value, as opposed to a transfer of the assets at fair market value.**

The transferee and community's interests are aligned; if the capital assets are sold at fair market value, it would severely reduce the ability of NPO's/NGO's to purchase the assets in order to develop and use them in terms of their intended land use rights.

**8.6. Staff Implications**

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

No

**8.7. Risk Implications**

No operational or control risk to the City

**8.8. Other Services Consulted**

The proposed sale of the property was circulated to the relevant departments of the City and to external departments for their comment. All the departments offered no objection to the proposal; however, the Environmental Resource Management Department has stipulated the following condition:

(i) Environmental Resource Management Department: Philip Smith (021) 850 4047

Any proposed development on the property will trigger the following activities identified in terms of section 38 of the National Heritage Resources Act, Act 25 of 1999:

- Section 38(1)(c)(i): Any development or other activity which will change the character of a site exceeding 5000 m<sup>2</sup> in extent; and
- Section 38(1)(a): The construction of a road, wall, power line, pipeline, canal or other similar form of linear development of barrier exceeding 300mm in length.

As a result no development may take place until a Record of Decision (RoD) in support of the proposal has been obtained from the Provincial Heritage Authority i.e. Heritage Western Cape(HWC).

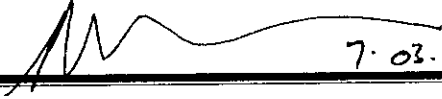
**9. SUBCOUNCIL RECOMMENDATION/COMMENTS**

Subcouncil 21 on 22 January 2016 noted the sale of erf 2150, Gaylee, 1 Meterens Crescent. See Item 21SUB 26/01/2016 attached as **(Annexure C)**.

**ANNEXURES**

Annexure A: Plan LIS 1359v0  
 Annexure B: Desktop Valuation Report dated 2015-06-22  
 Annexure C: Subcouncil minutes (item 21SUB 26/01/2016)

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Siyabonga Mgquba
<b>CONTACT NUMBERS</b>	(021) 400 5368
<b>E-MAIL ADDRESS</b>	Siyabonga.Mgquba@capetown.gov.za
<b>DIRECTORATE</b>	FINANCE
<b>FILE REF NO</b>	HO14/3/4/3/1097/A71
<b>SIGNATURE : MANAGER PROPERTY DEVELOPMENT</b>	 7.03.2016

Comment:

*Ruby Gelderbloem*

**DIRECTOR: PROPERTY MANAGEMENT IN HER  
CAPACITY AS NOMINEE FOR THE EXECUTIVE  
DIRECTOR: FINANCE  
RUBY GELDERBLOEM**

NAME RUBY GELDERBLOEM  
DATE 2016-03-09

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

*Charlyne Argonose*

**LEGAL COMPLIANCE**

NAME CHARLYNNE ARGNOSE  
TEL 021 400 1265  
DATE 10/3/2016

Comment:

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

*CA*