

ITEM NUMBER: C 31/05/16

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 03 MAY 2016

MC 10/05/16 PROPOSED GRANTING OF AN IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION, OF VACANT ERVEN 9643, 9221 AND 9223, PAROW FOR GENERAL BUSINESS ZONE 1 PURPOSES

It is **RECOMMENDED** that:

- (a) in terms of sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
 - (i) Council resolve that vacant Erf 9643 situated at Alexandra Road, Parow and Erven 9221 and 9223 situated at King Edward Road, Parow, in extent approximately 496 m², 992 m² and 493 m² respectively, zoned Utility, lettered ABCD, ABFG and BCDE respectively on Plans LIS 1442v0 and LIS 1403v0 attached as Annexures A1 and B respectively 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 value 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 (R.878, promulgated on 8/08/2008)(MATR), Council approve in principle the sale of Erven 9643, 9221 and 9223 Parow as described in (a)(i) above
- (c) Erven 9643, 9221 and 9223 Parow be sold by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority
- (d) any gain or loss incurred by the municipality in respect of the transfer of an asset be included on the adjustment budget of the municipality (sections 28 and 87 of MFMA), if not budgeted for in the approved annual budget.

IPAC 40/03/2016 PROPOSED GRANTING OF AN IN-PRINCIPLE APPROVAL FOR THE SALE,
BY PUBLIC COMPETITION, OF VACANT ERVEN 9643, 9221 AND 9223,
PAROW FOR GENERAL BUSINESS ZONE 1 PURPOSES

MC 10/05/16 VOORGESTELDE TOEKENNING VAN 'N BEGINSSELGOEDKEURING VIR DIE
VERKOOP, PER OPENBARE MEDEDINGING, VAN ONBEOUDE ERF 9643,
9221 EN 9223, PAROW VIR ALGEMEENSAKESONE-1-DOELEINDES

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-
SISEKO SOKUTHENGISWA NGOKOKHUPHISWANO LOLUNTU KWEZIZA
EZIVULELEKILEYO EZINGU- 9643, 9221 NO-9223, EZISE-PAROW
UMBANDELA WOMMANDLA-1 ONGEZOSHISHINO NGOKUPHANGALELEYO

*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 sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA) Act 56 of 2003:
 - i) Council resolves that va cant erf 9643 situated at Alexandra Road, Parow and erven 9221 and 9223 situated at King Edward Road, Parow, in extent approximately 496 m², 992 m² and 493 m² respectively, zoned utility, shown lettered ABCD, ABFG and BCDE respectively on Plans LIS 1442v0 and LIS 1403v0 be regarded as not being required for the provision of the minimum level of basic municipal services;
 - ii) Council confirm that the fair market value 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 (R.878, promulgated on 8/08/2008)(MATR), Council approve in principle the sale of erven 9643, 9221and 9223 Parow as described in (a)(i);
- c) Erven 9643, 9221and 9223 Parow be sold by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Any gain or loss incurred by the municipality in respect of the transfer of an asset be included on the adjustment budget of the municipality (sections 28 and 87 of MFMA), if not budgeted for in the approved annual budget.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur, Wet 56 van 2003 (MFMA):
 - i) Die Raad besluit dat die onbeboude erf 9643, geleë te Alexandraweg, Parow, en erf 9221 en 9223, geleë te King Edwardweg, Parow, onderskeidelik ongeveer 496 m², 992 m² en 493 m² groot, gesoneer as nutsdienssone en aangetoon deur onderskeidelik die letters ABCD, ABFG en BCDE op plan LIS 1442v0 en LIS 1403v0, geag word as nie benodig vir die voorsiening van die minimum vlak van basiese munisipale dienste nie;
 - 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 bates beskryf in (a)(i) ontvang sal word, in aanmerking geneem is;
- b) Ingevolge regulasie 5(1)(b) van die Munisipale Bate-oordragregulasies (MATR), R.878 gepromulgeer op 22 Augustus 2008, die Raad beginselgoedkeuring verleen vir die verkoop van erf 9643, 9221 en 9223 Parow, soos in (a)(i) beskryf;
- c) Erf 9643, 9221 en 9223 Parow deur middel van openbare mededinging vervreem word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid sal opleë;
- d) Enige wins of verlies vir die munisipaliteit as gevolg van die oordrag van 'n bate, 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.

IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho woLawulo lweziMali zikaMasipala ongunomb.56 wango-2003:
 - i) IBhunga malithabathe isigqibo sokuba isiza-9643 esise-Alexandra Road, e-Parow neziza-9221 no-9223 ezise-King Edward Road, e-Parow, ezibukhulu obumalunga nama-496 m², 992 m² no-493 m² ngokulandelelana, ezicandwe njengommandla wenkonzo eluncedo, ezibonakaliswe ngoonobumba abakhulu u-ABCD, ABFG no-BCDE ngokulandelelana kwiplani engu-LIS 1442v0 no-LIS 1403v0, mazithatyathwe njengezingeyomfuneko ukuba zibonelele ngomlinganiselo weenkonzo ezingundoqo zikamasipala;
 - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi leempahla njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifumaneke ngokutshintshelwana kweempahla 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 kweziza-

9643, 9221 no-9223 ezise-Parow njengoko kucacisiwe ku-(a)(i);

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- c) Iziza-9643, -9221 o-9223 ezise-Parow, mazithengiswe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) 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 RICHARD WOOTTON
EMPLOYEE No: 10207948
CHAIRPERSON : IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE

DATE: 7/4/16

COMMENT:

DIRECTOR : LEGAL SERVICES
LUNGELO MBANDAZAYO

DATE: 2016 -04- 11

COMMENT:

ALDERMAN IAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 14/4/16

COMMENT:



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

LCP 943

REPORT TO IMMOVABLE PROPERTY ADJUDICATION COMMITTEE

1. ITEM NUMBER :

SUBJECT: PROPOSED GRANTING OF AN IN-PRINCIPLE APPROVAL FOR THE SALE, BY PUBLIC COMPETITION, OF VACANT ERVEN 9643, 9221 AND 9223, PAROW FOR GENERAL BUSINESS ZONE 1 PURPOSES

ONDERWERP : VOORGESTELDE TOEKENNING VAN 'N BEGINSELGOEDKEURING VIR DIE VERKOOP, PER OPENBARE MEDEDINGING, VAN ONBEOUDE ERF 9643, 9221 EN 9223, PAROW VIR ALGEMEENSAKESONE-1-DOELEINDES

ISIHLOKO : ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUTHENGISWA NGOKOKHUPHISWANO LOLUNTU KWEZIZA EZIVULELEKILEYO EZINGU-9643, 9221 NO-9223, EZISE-PAROW UMBANDELA WOMMANDLA-1 ONGEZOSHISHINO NGOKUPHANGALELEYO

LSU: G3135

2. STRATEGIC INTENT

SFA 1: THE OPPORTUNITY CITY

Objective 1.5	Leverage the City's assets to drive economic growth and sustainable development
Programme 1.5(a)	City strategic assets investigation

3. PURPOSE

To obtain Council's in-principle approval to proceed with the sale by public competition of City-owned vacant land being erven 9643, 9221 and 9223 Parow, in extent approximately 496 m², 992 m² and 493 m² respectively, for business purposes.

4. 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.

5. EXECUTIVE SUMMARY

PURPOSE	To obtain Council's in-principle approval for the sale by public competition of City-owned vacant land erven 9643, 9221 and 9223 Parow for business purposes.	
Property description	Erven 9643, 9221 and 9223 Parow	
Site extent	496 m ² , 992 m ² and 493 m ²	
Current zoning	Utility	
Current usage	Vacant land	
Proposed usage	General Business Zone 1	
Desktop value	R375 000 (erf 9643), R600 000 (erf 9221) and R375 000 (erf 9223) excluding VAT	
Public participation outcome summary	No objections	
WARD COUNCILLOR Richard O' Connell	NOTICE DATE 20 October 2015	WARD 26

6. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) In terms of sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA) Act 56 of 2003:
 - i) Council resolves that vacant erf 9643 situated at Alexandra Road, Parow and erven 9221 and 9223 situated at King Edward Road, Parow, in extent approximately 496 m², 992 m² and 493 m² respectively, zoned utility, shown lettered ABCD, ABFG and BCDE respectively on Plans LIS 1442v0 and LIS 1403v0 be regarded as not being required for the provision of the minimum level of basic municipal services;
 - ii) Council confirm that the fair market value 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 erven 9643, 9221 and 9223 Parow as described in (a)(i);

- c) Erven 9643, 9221 and 9223 Parow be sold by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Any gain or loss incurred by the municipality in respect of the transfer of an asset be included on the adjustment budget of the municipality (sections 28 and 87 of 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 Wet op Munisipale Finansiële Bestuur, Wet 56 van 2003 (MFMA):
- i) Die Raad besluit dat die onbeboude erf 9643, geleë te Alexandraweg, Parow, en erf 9221 en 9223, geleë te King Edwardweg, Parow, onderskeidelik ongeveer 496 m², 992 m² en 493 m² groot, gesoneer as nutsdienssone en aangetoon deur onderskeidelik die letters ABCD, ABFG en BCDE op plan LIS 1442v0 en LIS 1403v0, geag word as nie benodig vir die voorsiening van die minimum vlak van basiese munisipale dienste nie;
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- b) Ingevolge regulasie 5(1)(b) van die Munisipale Bate-oordragregulasies (MATR), R.878 gepromulgeer op 22 Augustus 2008, die Raad beginselgoedkeuring verleen vir die verkoop van erf 9643, 9221 en 9223 Parow, soos in (a)(i) beskryf;
- c) Erf 9643, 9221 en 9223 Parow deur middel van openbare mededinging vervreem word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid sal opleë;
- d) Enige wins of verlies vir die munisipaliteit as gevolg van die oordrag van 'n bate, 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.

IZINDULULO

Azigunyaziswanga: isiqqibo seseBhunga:

Kundululwe ukuba:

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 - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi leempahla njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifumaneka ngokutshintshelwana kweempahla ezicaciswe ku-(a)(i);
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- c) Iziza-9643, 9221 no-9223 ezise-Parow , mazithengiswe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) 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.

7. DISCUSSION/CONTENTS

7.1. Background

The above erven in Parow have been identified for sale and included in the Property Management Disposal Programme for the 2015/2016 financial year.

Project 1: ERF 9643, ALEXANDRA ROAD, PAROW (Annexure A)

The subject property is situated in Alexandra Road, Parow. The property is currently zoned Utility and will be rezoned to General Business Zone 1 and measures approximately 496m².

Project 2: ERF 9221, KING EDWARD ROAD, PAROW (Annexure B)

The subject property is situated in King Edward Road, Parow. The property is currently zoned Utility and will be rezoned to General Business Zone 1 and measures approximately 992m².

Project 3: ERF 9223, KING EDWARD ROAD, PAROW (Annexure B)

The subject property is situated in King Edward Road, Parow. The property is currently zoned Utility and will be rezoned to General Business Zone 1 and measures approximately 493m².

It is intended to rezone the properties to accommodate business development.

8.2 Public Participation

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

Advertising	Cape Times & Burger	16 October 2015
	Provincial & National Treasury	20 October 2015
	Ward Councillor	20 October 2015
	Subcouncil Chair & Manager	20 October 2015
Outcome	Objections	None
	Ward Councillor's support	Yes

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.
- (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

- (i) The proposal complies with section 14 of the Municipal Finance Management Act, Act 56 of 2003.
- (ii) The sale of municipal capital assets is governed by Chapter 2 of the 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;
- The fair market value of the assets and the economic and community value to be received in exchange for the assets have been considered.

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 assets are 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 in receipt of fair market value, future rates and taxes.

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 future rates and taxes in respect of the property. Desktop valuations (**Annexures C-E**) carried out by Property Management's Market Valuations Branch estimates the Market value of the properties to be in the region of R375 000 (erf 9643), R600 000 (erf 9221) and R375 000 (erf 9223) exclusive of VAT and transfer costs.

Factor D: Management of risk

No operational or control risk to the City

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

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.

BA

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 erven 9643, 9221 and 9223 Parow, was duly advertised to the public in the Cape Times and Die Burger on 16 October 2015. The relevant subcouncil Chairperson, subcouncil co-ordinator, Ward Councillors, Ratepayers Associations and Regional Offices were notified. 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

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

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

Alienation of these assets is compliant with the MFMA, Municipal Asset Transfer Regulations, Reg. 12(1).

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 properties was circulated to the relevant departments of the City and to external departments for comment. No objections were received.

ERF 9221

Asset Management and Maintenance Development- Willie Liebenberg- 021 444 7118-

- The corners of the erf at the road intersections should allow for splays (min. 3x3m, preferably 5x5m) to improved shoulder sightlines at the intersections (road safety improvement).

TCT: Transport (TIA)- Daniel Potgieter- 021 444 8891

- The property boundary of Erf 9221 will have to be amended to create a 6 meter x 6 meter splay on the north western and south western corner of the property, in order to create safe sight lines on the corner of Carstens Street with King Edward Roads and with Alexandra Road.
- Access to these properties shall be to the satisfaction of the Transport Impact Assessment & Development Control Section of TCT, when developed.

ERF 9643

Telkom- Janice Fortes- 021 414 5582

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

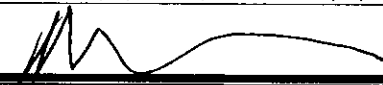
9. SUBCOUNCIL RECOMMENDATION/COMMENTS

Subcouncil 4 on 21 January 2016 noted the proposed sale of vacant erven 9643, 9221 and 9223, Parow. (See Item 04SUB 30/01/2016) attached as **Annexure F**).

10. ANNEXURES

Annexure A1:	LIS 1442v0
Annexure A2:	Telkom Plan
Annexure B:	LIS 1403v0
Annexure C:	Desktop valuation erf 9643 dated 9 December 2015
Annexure D:	Desktop valuation erf 9221 dated 9 December 2015
Annexure E:	Desktop valuation erf 9223 dated 9 December 2015
Annexure F:	Subcouncil minutes (item 04SUB 30/01/2016)

FOR FURTHER DETAILS CONTACT:

NAME	Nastassja Tandy
CONTACT NUMBERS	(021) 400 1163
E-MAIL ADDRESS	Nastassja.tandy@capetown.gov.za
DIRECTORATE	FINANCE
FILE REF NO	HO14/3/4/3/1180/A47 & 14/3/4/3/1181/A47
SIGNATURE : MANAGER PROPERTY DEVELOPMENT	 18.03.2016


MS

Comment:



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

NAME _____
 DATE 2016-03-18

- 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 CHARLYNNE ARENDOSE
 TEL 021 400 1265
 DATE 24-03-2016

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