

ITEM NUMBER: C 41/05/16

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 03 MAY 2016

MC 20/05/16 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERVEN 6036 AND 6037, DE KEUR ROAD, DURBANVILLE, FOR SINGLE RESIDENTIAL 1: CONVENTIONAL HOUSING (SR1) 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 Erven 6036 and 6037, De Keur Road, Durbanville, in extent approximately 1029 m² and 1091 m² respectively, zoned Single Residential 1: Conventional Housing (SR1), lettered ABCEFD on Plan LIS 1454v0 attached as Annexure A to the report on the agenda, not be 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 6036 and 6037, De Keur Road, Durbanville, as described in (a)(i) above
- (c) Erven 6036 and 6037, De Keur Road, Durbanville, be disposed of 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 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 50/03/2016

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERVEN 6036 AND 6037, DE KEUR ROAD, DURBANVILLE, FOR SINGLE RESIDENTIAL 1: CONVENTIONAL HOUSING (SR1) PURPOSES

MC 20/05/16

VOORGESTELDE TOEKENNING VAN BEGINSELGOEDKEURING VIR DIE VERKOOP VAN ONBEOUDE ERF 6036 EN 6037, DE KEURWEG, DURBANVILLE, VIR ENKELRESIDENSIEEL 1: KONVENSIONELEBEHUISINGSDOELEINDES DEUR OPENBARE MEDEDINGING

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO SOKUTHENGISWA NGOKOKHUPHISWANO LOLUNTU KWEZIZA EZIVULELEKILEYO EZINGU-6036 NO-6037, DE KEUR ROAD, E-DURBANVILLE, KULUNGISELEWA INDAWO YOKUHLALA ENGU-1: IMIBANDELA YEZINDLU ZENGUQULELO (SR1)

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 resolve that erven 6036 and 6037, De Keur Road, Durbanville, in extent approximately 1029m² and 1091m² respectively, zoned Single Residential 1 Conventional Housing (SR1), shown lettered ABCEFD on Plan LIS 1454v0 (**Annexure A**), not be 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 6036 and 6037, De Keur Road, Durbanville, as described in (a)(i);
- c) Erven 6036 and 6037, De Keur Road, Durbanville, be disposed of 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 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

146

Nie gedelegeer nie: vir besluitneming deur die Raad en vir kennisname :

Daar word aanbeveel dat:

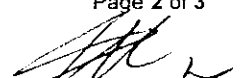
- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
 - i) Die Raad besluit dat erf 6036 en 6037, De Keurweg, Durbanville, onderskeidelik ongeveer 1 029 m² en 1 091 m² groot, as enkelresidensieel 1: konvensionele behuising (SR1) gesoneer, met die letters ABCEFD op plan LIS 1454v0 (bylae A), nie benodig word vir die voorsiening van die minimum vlak van basiese munisipale dienste nie;
 - ii) Die Raad bevestig dat die billike markwaarde van die bates beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat ontvang sal word in ruil vir die bates beskryf in (a)(i) oorweeg 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 vervreemding van erf 6036 en 6037, De Keurweg, Durbanville, beskryf in (a)(i), in beginsel goedgekeur;
- c) Erf 6036 en 6037, De Keurweg, Durbanville, deur middel van openbare mededinging vervreem word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid oplê;
- d) Enige wins of verlies wat die munisipaliteit as gevolg van die oordrag van die bates 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.

IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga :

Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho woLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wango-2003:
 - i) IBhunga lithabatha isigqibo sokuba iziza-6036 no-6037, De Keur Road , e-Durbanville, ezibukhulu obumalunga nama-1029 m² no-1091 m², ezicandwe njengendawo yokuhlala-1 ezizindlu zeqela (SR!), ezibonakaliswe ngoonobumba abakhulu u- ABCEFD kwiplani engu-LIS 1454v0 (isihlomelo-A), azifuneki nganto ukuba zibonelele ngomlinganiselo othile ongundoqo weenkonzoz 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) NgokoMigaqo-5(1)(b) yeMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 Agasti 2008,



iBhunga maliphumeze ngokomthetho ukunikezelwa kweziza-6036 no-6037, De Keur Road, e-Durbanville, njengoko kukhankanywe ku-(a) (i) ngentla apha;

147

- c) Iziza-6036 no-6037 De Keur Road, Durbanville, mazinikezelwe ngokokhuphiswano lwethenda yoluntu, ngokuxhomekeke kwimiqathango ethe xhaxhe 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

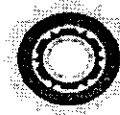
COMMENT:

ALDERMAN JAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 14/9/16

COMMENT:

**REPORT TO IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE**



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

Making progress possible. Together.

1. **ITEM NUMBER :** To be inserted by executive support

2. **SUBJECT: PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERVEN 6036 AND 6037, DE KEUR ROAD, DURBANVILLE, FOR SINGLE RESIDENTIAL 1: CONVENTIONAL HOUSING (SR1) PURPOSES**

ONDERWERP: VOORGESTELDE TOEKENNING VAN BEGINSSELGOEDKEURING VIR DIE VERKOOP VAN ONBEBOUDE ERF 6036 EN 6037, DE KEURWEG, DURBANVILLE, VIR ENKELRESIDENSIEEL 1: KONVENSIONELEBEHUISINGSDOELEINDES DEUR OPENBARE MEDEDINGING

ISIHLOKO: ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO SOKUTHENGISWA NGOKOKHUPHISWANO LOLUNTU KWEZIZA EZIVULELEKILEYO EZINGU-6036 NO-6037, DE KEUR ROAD, E-DURBANVILLE, KULUNGISELEWA INDAWO YOKUHLALA ENGU-1: IMIBANDELA YEZINDLU ZENGUQULELO (SR1)

LSUG3130

3. **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

4. **PURPOSE**

To obtain Council's in-principle approval to proceed with the sale by public competition of the following City-owned vacant land:

TMA

Erf	Extent	Zoning
6036	1029m ²	Single Residential 1: Conventional Housing (SR1)
6037	1091m ²	Single Residential 1: Conventional Housing (SR1)

5. FOR DECISION BY

This report is for decision by Council:

6. EXECUTIVE SUMMARY

This report is submitted in order to obtain authority from Council to proceed with the sale by public competition of vacant erven 6036 and 6037, De Keur Road, Durbanville, in extent approximately 1029m² and 1091m², respectively, zoned Single Residential 1, Conventional Housing (SR1), shown lettered ABCEFD on plan LIS 1454v0 (**Annexure A**).

The subject properties have been included in the Property Disposal Programme as it is surplus to Council's requirements and available for sale by public competition.

7. 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 resolve that erven 6036 and 6037, De Keur Road, Durbanville, in extent approximately 1029m² and 1091m² respectively, zoned Single Residential 1 Conventional Housing (SR1), shown lettered ABCEFD on Plan LIS 1454v0 (**Annexure A**), not be 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 6036 and 6037, De Keur Road , Durbanville, as described in (a)(i);

- c) Erven 6036 and 6037, De Keur Road, Durbanville, be disposed of 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 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 gedeleeger nie: vir besluitneming deur die Raad en vir kennisname :

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
 - i) Die Raad besluit dat erf 6036 en 6037, De Keurweg, Durbanville, onderskeidelik ongeveer 1 029 m² en 1 091 m² groot, as enkelresidensieel 1: konvensionele behuising (SR1) gesoneer, met die letters ABCFD op plan LIS 1454v0 (bylae A), nie benodig word vir die voorsiening van die minimum vlak van basiese munisipale dienste nie;
 - ii) Die Raad bevestig dat die billike markwaarde van die bates beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat ontvang sal word in ruil vir die bates beskryf in (a)(i) oorweeg 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 vervreemding van erf 6036 en 6037, De Keurweg, Durbanville, beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 6036 en 6037, De Keurweg, Durbanville, deur middel van openbare mededinging vervreem word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedeleegerde bevoegdheid opleë;
- d) Enige wins of verlies wat die munisipaliteit as gevolg van die oordrag van die bates 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.

IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga :

Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho woLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wango-2003:
- i) IBhunga lithabatha isigqibo sokuba iziza-6036 no-6037, De Keur Road , e-Durbanville, ezibukhulu obumalunga nama-1029 m² no-1091 m², ezicandwe njengendawo yokuhlala-1 ezizindlu zeqela (SR!), ezibonakaliswe ngoonobumba abakhulu u- ABCEFD kwiplani engu-LIS 1454v0 (isihlomelo-A), azifuneki nganto ukuba zibonelele ngomlinganiselo othile ongunoqo weenkonzozo zikamasipala;
 - 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);
- b) NgokoMigaqo-5(1)(b) yeMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 87B owamiselwa ngowama-22 Agasti 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kweziza-6036 no-6037, De Keur Road, e-Durbanville, njengoko kukhankanywe ku-(a) (i) ngentla apha;
- c) Iziza-6036 no-6037 De Keur Road, Durbanville, mazinikezelwe ngokokhuphiswano lwethenda yoluntu, ngokuxhomekeke kwimiqathango ethe xhaxhe eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) Nayiphina ingeniso okanye ilahleko kumasipala ngokujoliswe ekutshintshelweni kwempahla, mayiqukwe kulungeletaniso lohlahlo-lwabiwo-mali lukamasipala (amacandelo-28 nele-87 le-MFMA) ukuba ayibhajethelwanga kuhlahlo-lwabiwo-mali lonyaka oluphunyeziweyo.

8. DISCUSSION/CONTENTS

8.1 Background

The Property Development Division has compiled a five-year program of land sales, the Property Release Program, to be implemented between July 2012 and June 2017, based on factors and priorities such as readiness for sale, demand for erven and Council's strategic objectives. The properties on the Program were extracted from the broad database of Council erven that have been identified for possible alienation. From the Program, erven 6036 and 6037, De Keur Road, Durbanville, have been identified for early release.

Vacant erven 6036 and 6037, Durbanville are, adjacent erven situated in the high-income suburb of Durbanville. The properties are currently vacant and undeveloped. It is zoned Single Residential 1: Conventional Housing (SR1) and are expected to be developed in line with their current zoning, for residential purposes.

The erven have been valued at R950 000.00, and R950 000 .00 respectively, based on the comparable sales valuation method. Erven 6036 and 6037 are shown on Locality plan **(Annexure A)**.

8.2 Public Participation

In accordance with the authority obtained from the Director: Property Management on 5 October 2015, Council's intention to sell the subject properties was advertised as follows:

Advertising	Cape Times & Burger	16 October 2015
	Provincial & National Treasury	21 October 2015
	Ward councillor	21 October 2015
	Subcouncil Chair & Manager	21 October 2015
Outcome	No objections	

8.3 Constitutional and Policy Implications

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 sale of immovable property;

A resolution to proceed with the sale of this property 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 No.56 of 2003.
- ii) The sale of municipal capital assets is governed by Chapter 2 of MATR.

City of Cape Town's By-Law 2015 promulgated on the 11 December 2015.

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

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 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 fair market value, future rates and taxes, and the sale 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 prices as well as future rates and taxes in respect of the properties. The desktop valuation reports (**Annexure B**) estimate the value of the properties to be in the region of R950 000.00 (erf 6036) and R950 000.00 (erf 6037), excluding VAT and transfer costs.

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

Factor F: Limitations and conditions attached to capital assets

Conditions recommended by the service branches will be included in the sales agreement.

Factor G: Cost of transfer or disposal

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 asset

None

Factor I: Stakeholder comments and recommendations

The City's intention to alienate vacant erven 6036 and 6037, De Ker Road, Durbanville, was duly advertised to the public in the Cape Times and Die Burger on 16 October 2015. The relevant subcouncil Chairperson, subcouncil Manager, Ward Councillors, Ratepayers Associations and Regional Offices were notified for comment. No objections 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 alienation of the asset - in fact they will be supported.

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

Alienation of this asset is compliant with the MFMA and the Municipal Asset Transfer Regulations, Reg. 12(1), and management of certain of the City of Cape Town's Immovable Property Policy.

City of Cape Town's By-Law 2015 promulgated on the 11 December 2015.

8.6 Staff Implications

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

No

8.7 Risk Implications

No operational and 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; however the following departments have provided comments:

Environmental and Heritage Management – Kim Mathhee -021 9806148

- Recommended the retaining of the two large existing trees facing Ruitershoogte Avenue, as they are mature and add to the aesthetic value of erf 6037.

9. SUBCOUNCIL RECOMMENDATION

Subcouncil 7 on 24 January 2016 (See Item 7SUB 24/1/16) attached as **Annexure C)** resolved to recommend the sale of vacant Erven 6036 and 6037, Durbanville.

ANNEXURES

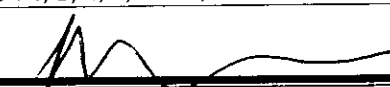
Annexure A: Plan LIS 1454v0

Annexure B: Desktop valuation dated 2015-09-30

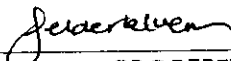
Annexure C: Subcouncil recommendation 7SUB24/01/16

TMH

FOR FURTHER DETAILS CONTACT:

NAME	Marsha Heldsinger
CONTACT NUMBERS	(021) 400 3903
E-MAIL ADDRESS	Marsha.Heldsinger@capetown.gov.za
DIRECTORATE	FINANCE
FILE REF NO	HO14/3/4/3/1171/A64
SIGNATURE : MANAGER PROPERTY DEVELOPMENT	 16.03.2016

Comment:


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

NAME _____

DATE

2016-03-18

LEGAL COMPLIANCE

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

NON-COMPLIANT

NAME

Joan-Mari Holt

TEL

021 400 2753

DATE

22/03/2016

Comment:

Certified as legally compliant. ^{JMH}
 Based on the contents of the report.