

ITEM NUMBER: C 13/03/17

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 MARCH 2017

MC 21/03/17 APPLICATION TO EXTEND THE TERM OF THE VOORTREKKER ROAD CORRIDOR IMPROVEMENT DISTRICT (VRCID) FROM 01 JULY 2017 TO 30 JUNE 2022

It is **RECOMMENDED** that:

- (a) the extension of the Voortrekker Road Corridor Improvement District (VRCID) term from 01 July 2017 to 30 June 2022, be approved in terms of section 15 of the Special Rating Area By-law, 2012, as amended
- (b) the VRCID's new 5-year Business Plan for the period 01 July 2017 to 30 June 2022, be approved
- (c) the City of Cape Town imposes the levying of an additional rate on properties in the VRCID from 01 July 2017, in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004.



REPORT TO : Council

DATE : 2017 -03- 2 0

1. ITEM NUMBER MC 21/03/17

2. SUBJECT

APPLICATION TO EXTEND THE TERM OF THE VOORTREKKER ROAD CORRIDOR IMPROVEMENT DISTRICT (VRCID) FROM 1 JULY 2017 TO 30 JUNE 2022

AANSOEK OM VERLENGING VAN DIE TERMYN VAN DIE VOORTREKKERWEGKORRIDOR-VERBETERINGSDISTRIK (VRCID) VAN 1 JULIE 2017 TOT 30 JUNIE 2022

ISICELO SOKWANDISWA KWEXESHA LOKUSEBENZA KWESITHILI SOPHUCULO LOLUNTU SASE-VOORTREKKER ROAD CORRIDOR (VRCID) UKUSUSELA NGOWO-1 JULAYI 2017 UKUYA KOWAMA-30 JUNI 2022

LSU H4325

3. DELEGATED AUTHORITY

In terms of delegation

This report is

- Committee name:
- The Executive Mayor ito Delegated authority
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

DISCUSSION

The Voortrekker Road Corridor Improvement District (VRCID) was established in 2012 and is applying for their first term renewal as the current term expires on 30 June 2017.

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In terms of Section 15 of the Special Rating Area By-law - promulgated as per Provincial Notice No. 7015/2012 as amended (SRA By-law), Council received an application to extend the term of the VRCID from 1 July 2017 to 30 June 2022 (attached as annexure A).

VRCID conducted an urban management survey during April 2016 to measure the impact of the VRCID as experienced by property owners.

The results from the survey were used to formulate the new Business Plan, comprising of a Motivation Report, Implementation Plan and Budget which reflects the funding required to provide a higher level of service delivery as identified in the survey.

Some of these enhanced services will include more intervention opportunities for homeless persons with two additional field workers for social development as well as making provision for more funding towards joint projects with NGOs in the area. The current informal recycling project will be formalised in a more structured way and will incorporate a social development element.

The proposed budget increase for the first year is 11.5% and there after a year on year increase of 8%. This budget is funded by the property owners and collected by the City in a sustainable manner as additional rates. This is as per the MPRA section 22 which facilitates some cross subsidisation as contributions are proportionately based on property values. The additional rates are modelled and capped to ensure affordability and sustainability in continued service delivery.

The impact of the budget increase will be limited to 10% on commercial properties due to the growth of the valuation base as a result of new developments in the area.

Chapter 1 of the SRA By-law requires that property owners are included in a consultation process before the renewal application is submitted to the City. Accordingly the Annual General Meeting (AGM) held on 29 November 2016 was advertised in the daily newspapers on 9 November 2016 (refer annexure B). The term extension formed part of the agenda of the AGM and all relevant documents were made available through the VRCID website to all property owners.

The term extension as per the new VRCID Business Plan (1 July 2017 to 30 June 2022) was approved by the VRCID Board and presented to property owners as per the AGM draft minutes – point 10 (refer annexure C) as informed through the successes achieved in the previous term as evidenced in the Chairman's Annual Report.

The proposed term extension was circulated to all relevant Service Departments requesting them to ensure compliance in terms of the IDP. Only the Social Development and Early Childhood Development Directorate responded indicating

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that the VRCID social development programme supports an indicator in the SDBIP of SDECD (refer annexure D). No other comments were forthcoming from any of the Departments so it is assumed that the proposed new VRCID Business Plan aligns with the functions of the respective Departments with whom they will interact should the application to extend the term be successful.

4.1. Financial implications None Opex Capex

Capex: New Projects

Capex: Existing projects requiring additional funding

Capex: Existing projects with no additional funding requirements

Legal Compliance

4.2. Staff Implications Yes No

5. OUTCOMES OF DISCUSSIONS WITH MAYCO MEMBER

No comment.

6. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) Council approve, in terms of section 15 of the Special Rating Area By-law, 2012, as amended, the extension of the Voortrekker Road Corridor Improvement District (VRCID) term from 1 July 2017 to 30 June 2022.
- b) Council approve the VRCID's new 5 year Business Plan for the period 1 July 2017 to 30 June 2022.
- c) The City of Cape Town imposes the levying of an additional rate on properties in the VRCID from 1 July 2017 in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004.

Nie gedelegeer nie: vir besluitneming deur die Raad:

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Daar word aanbeveel dat:

- a) Die Raad ingevolge artikel 15 van die Verordening op Spesiale-aanslaggebiede, 2012, soos gewysig, goedkeuring verleen vir die verlenging van die termyn van die Voortrekkerwegkorridor-verbeteringsdistrik (VRCID) van 1 Julie 2017 tot 30 Junie 2022.
- b) Die Raad die VRCID se nuwe vyfjaar-sakeplan vir die tydperk 1 Julie 2017 tot 30 Junie 2022 goedkeur.
- c) Die Stad Kaapstad die heffing van 'n bykomende tarief vir eiendomme in die VRCID vanaf 1 Julie 2017 oplê ingevolge artikel 22(1)(b) van die Wet op Plaaslike Regering: Wet op Munisipale Eiendomsbelasting (MPRA), Wet 6 van 2004.

Azigunyaziswanga: isigqibo seseBhunga:

Kundululwe ukuba:

- a) IBhunga maliphumeze, ngokwecandelo-15 loMthetho kaMasipala ongoMmandla ongeerhafu ezizodwa wango-2012 njengoko ulungisiwe, ukwandiswa kwexesha lokusebenza kweSithili soPhuculo loLuntu sase- Voortrekker Road Corridor (VRCID) ukususela ngowo-1 Julayi 2017 ukuya kowama-30 Juni 2022.
- b) IBhunga maliphumeze isicwangciso sendlela yokusebenza esitsha seminyaka emihlanu se-VRCID kwisithuba esisusela kowo-1 Julayi 2017 ukuya kowama-30 Juni 2022.
- c) ISixeko saseKapa masinyanzelise umrhumo olixabiso elongezelelekileyo kwii-propati ezikummandla we-VRCID ukususela ngowo-1 Julayi 2017, ngokungqinelana necandelo-22(1)(b) loMthetho wobuRhulumente boMmandla ongamaXabiso eePropati zikaMasipala (MPRA) ongunomb.6 wangowe-2004.

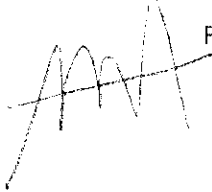
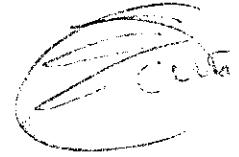
ANNEXURES

- Annexure A: VRCID Business Plan for the period 1 July 2017 to 30 June 2022
- Annexure B: Advertisements of AGM
- Annexure C: VRCID AGM agenda and draft minutes
- Annexure D: Email to relevant Service Departments

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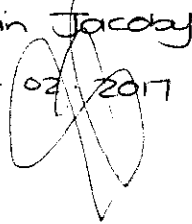
FOR FURTHER DETAILS CONTACT

NAME Runan Rossouw CONTACT NUMBER 021 400 5148
 E-MAIL ADDRESS Runan.Rossouw@capetown.gov.za
 DIRECTORATE Finance FILE REF No
 SIGNATURE : DIRECTOR

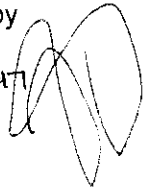
EXECUTIVE DIRECTOR

NAME Kevin Jacoby COMMENT:
 DATE 17.02.2017
 SIGNATURE



EXECUTIVE DIRECTOR: FINANCE

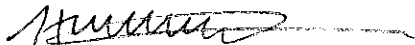
NAME Kevin Jacoby COMMENT:
 DATE 17.02.2017
 SIGNATURE



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 Ncumisa Willie COMMENT:
 DATE 23 February 2017
 SIGNATURE



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

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