**ITEM NUMBER: C 49/04/21** 

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 APRIL 2021

MC 56/04/21 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES

#### It is **RECOMMENDED** that:

- (a) in terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - (i) it be resolved that Erf 8975 situated at 10 Tambo Road, Gugulethu in extent approximately 372 m², zoned General Business 4 shown lettered ABC on Plan LIS 2023 attached to the report on the agenda, is not required for the provision of the minimum level of basic municipal services;
  - (ii) it be confirmed that the fair market value of the asset described in (a)(i) and the economic and community value to be received in exchange for the asset 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, inprinciple approval be granted for the transfer of Erf 8975, Gugulethu as described in (a)(i) above
- (c) Erf 8975, Gugulethu be transferred by way of public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority
- (d) the comments provided by Subcouncil 11 on the proposed transfer of Erf 8975, Gugulethu, be noted.

RECOMMENDATIONS OF THE IMMOVABLE PROPERTY ADJUDICATION COMMITTEE TO COUNCIL: 05 NOVEMBER 2020

IPAC 12/11/2020

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES

MC 31/01/21

VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE OORDRAG DEUR OPENBARE MEDEDINGING VAN ONBEBOUDE ERF 8975, GELEË IN TAMBOWEG 10, GUGULETHU, VIR SAKEDOELEINDES

MC 56/04/21

ISIPHAKAMISO SOKUVUNYELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUNIKEZELWA NGOKOKHUPHISWANO LOLUNTU, KWESIZA-8975 ESIVULELEKILEYO ESIKWA-10 TAMBO ROAD, EGUGULETHU, KULUNGISELELWA IMIBANDELA YOLUNTU

Property Management representative was present to answer any question for clarity

"The lockdown implemented in terms of National Disaster Regulations has resulted in the IPAC committee not being able to meet in a conventional meeting format. The report was distributed to all member for consideration.

The following member indicated by e-mail that they supported the recommendation:

Richard Wootton Thembinkosi Siganda Willem Van Gass

The nominated representation from Legal Services, Dawid Joubert indicated that he has no legal reservations in respect of the report.

#### **EXECUTIVE SUMMARY**

PURPOSE OF REPORT	To inform Subcouncil 11 of the City's intention to obtain in-principle approval from Council for the transfer by public competitive process of City-owned vacant Erf 8975, Gugulethu		
PROPERTY DESCRIPTION	Erf 8975, Gugulethu is a rectangular, vacant site situated within improved residential properties.		
PROPERTY LOCATION	10 Tambo Road, Gugulethu		
AREA	3 SUBCOUNCIL 11 WARD 44		
SITE EXTENT	Approximately 372m², shown lettered ABC on attached plan LIS 2023 ( <b>Annexure A</b> ) is vacant.		
VIABLE	YES x NO		
CURRENT ZONING	General Business 4		

IPAC 12/11/2020

RW

CURRENT USAGE	Vacant, with illegal movable structures					
PROPOSED USAGE	Business purposes					
INTERNAL BRANCH COMMENTS	The proposed transfer of the property was circulated for internal and external stakeholder's comments, and it emerged that the property will not be required for provision of basic municipal services, therefore it can be transferred for business purpose. ( <b>Annexure B</b> ).					
	PUBLIC PARTICIPATION					
AUTHORITY FOR PUBLIC PATICIPATION	Authority granted	Director: Property Management		Date	30/10/2018	
PUBLIC PARTICIPATION PROCESS	Date of advertising	10/11/2018 & 15/11/2018		Public comments	No objections received.	
WARD COUNCIL COMMENTS	Date of notification	15/11/2018		Comment	No comment received.	
SUBCOUNCIL COMMENTS	Date of submission	28/02/2020		Comments	Not Supported – refer  Annexure C for minutes of meeting	
FACTORS MOTIVATING DECISION	<ul> <li>The sale of the land will relieve Council of the maintenance burden;</li> <li>A market-related income will be generated;</li> <li>The sale will enable better utilization of City land;</li> <li>Vacant land will be developed to its highest and best use.</li> </ul>					
	INTERGRAT	INTERGRATED DEVELOPMENT PLAN (IDP)				
	SFA 1: An (	Opportunity	Objective 1.1 (g) Leverage the City's assets, to rationalise and optimally utilise City assets to stimulate economic benefit for Cape Town.			
	ORGANISA PLAN (ODT	_	DEVELOPMENT AND TRANSFORMATION			
	Optimisation Rationalisati	on		The optimal utilisation of Council assets		
	SPATIAL DI	EVELOPME		AMEWORK (S		
STRATEGIC	Area Plan		The development of the property for busines purposes is in line with the SDF			
INTEND	TRANSIT O	RIENTATE	DEVI	ELOPMENT (T	OD)	
	Category 1		Gugu subje poten Land small poten confli	opment) strated lethu proposed ct property is itial (i.e. Catego Disposal TOD size(372m²) a itial. There a cts of this applic	OD (transit oriented gic screening of Erf 8975 It to be disposed of, the found to have no TOD bry 1 in terms of the TDA Assessment), due to its nd lack of consolidation are also no apparent cation with the provisions blanning policy.	

#### RECOMMENDATIONS

#### For decision by Council:

It is recommended that:

- a) In terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - Council resolve that Erf 8975, situated at 10 Tambo Road, Gugulethu in extent approximately 372 m², zoned General Business 4 shown lettered ABC on the attached Plan LIS 2023, not be required for the provision of the minimum level of basic municipal services;
  - ii) Council confirm that the fair market value of the asset described in (a)(i) and the economic and community value to be received in exchange for the asset 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 transfer of Erf 8975, Gugulethu as described in (a)(i);
- c) Erf 8975, Gugulethu be transferred by way of public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority.
- d) The comments provided by Subcouncil 11 on the proposed transfer of Erf 8975, Gugulethu be noted.

#### **AANBEVELINGS**

#### Vir besluitneming deur die Raad:

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 8975, geleë in Tamboweg 10, Gugulethu, ongeveer 372 m² groot, gesoneer algemene sake 4, aangetoon deur die letters ABC op die aangehegte plan LIS 2023, nie benodig word vir die voorsiening van die minimum vlak basiese munisipale dienste nie;
  - ii) Die Raad bevestig dat die billike markwaarde van die bate beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat ontvang sal word in ruil vir die bate beskryf in (a)(i) oorweeg is.
- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR), R.878, afgekondig op 22 Augustus 2008, die Raad die oordrag van erf 8975, Gugulethu, beskryf in (a)(i), in beginsel goedkeur;

RW

- c) Erf 8975, Gugulethu, oorgedra word deur openbare mededinging, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê.
- d) Daar kennis geneem word van die kommentaar deur Subraad 11 oor die voorgestelde oordrag van Erf 8975, Gugulethu.

#### IZINDULULO

#### Isigqibo seseBhunga:

#### Kundululwe ukuba

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho wobuRhulumente boMmandla ongoLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wango-2003:
  - i) IBhunga lithabatha isigqibo sokuba isiza-8975, 10 Tambo Road, eGugulethu, esibukhulu obumalunga nama-372 m², esicandwe njengendawo yoshishino 4, esibonakaliswe ngoonobumba abakhulu u-ABC kwiplani engu-LIS 2023 eqhotyoshelweyo, asifuneki nganto ukubonelela ngomlinganiselo weenkonzo ezingundogo zikamasipala;
  - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi 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 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-8975, esiseGugulethu, njengoko kukhankanywe ku-(a) (i) ngentla apha;
- c) Isiza-8975, esiseGugulethu, masinikezelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo.
- d) Makuqwalaselwe izimvo ezivezwe liBhungana 11 ngokujoliswe kwisiphakamiso sokutshintshelwa kwesiza 8975, esiseGugulethu.

#### **ACTION: A HUMAN; R GELDERBLOEM**

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

RW

R Wootton  MR RICHARD WOOTTON  EMPLOYEE NO: 10207948		_ COMMENT:	
	SON: IMMOVABLE PROPERTY TION COMMITTEE		
DATE:	27 November 2020		
Jacon Car	Digitally signed		
Liebenbe	m Digitally signed by Jason Sam er Liebenberg Date: 2020.11.27		
9	12:37:13 +02'00'	COMMENT:	
LEGAL COM	MPLIANCE	Certified as legally compliant based on the contents of the report	
5.475			
DATE:			



#### REPORT TO IPAC/ MAYCO/ COUNCIL

DATE

#### 1. ITEM NUMBER

#### 2. SUBJECT

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, ZONED GENERAL BUSINESS 4 (GB 4)

#### **ONDERWERP**

VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE OORDRAG DEUR OPENBARE MEDEDINGING VAN ONBEBOUDE ERF 8975, GELEË IN TAMBOWEG 10, GUGULETHU, GESONEER ALGEMENE SAKE 4 (GB 4),

#### **ISIHLOKO**

ISIPHAKAMISO SOKUVUNYELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUNIKEZELWA NGOKOKHUPHISWANO LOLUNTU, KWESIZA-8975 ESIVULELEKILEYO ESIKWA-10 TAMBO ROAD, EGUGULETHU, ESICANDELWE USHISHINO JIKELELE 4 (GB 4)

[LSU: L1092]

#### 3. DELEGATED AUTHORITY

#### 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 (MATR).

In terms of the provisions of the Municipal Finance Management Act (MFMA) and the associated Municipal Asset Transfer Regulations (MATR), the City may transfer ownership of a capital asset only after the municipal council in a meeting open to the public;

- a) has made the determinations that on reasonable grounds the asset is not needed to provide the minimum level of basic municipal service and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset; and
- b) has as a consequence of the above determinations approved in principle that the asset may be transferred.

#### 4. EXECUTIVE SUMMARY

PURPOSE OF	To obtain in-principle approval from Council for the transfer by a public				
REPORT	competitive process of City-owned vacant Erf 8975, Gugulethu				
PROPERTY	Erf 8975, Gugulethu is a rectangular, vacant site situated within improved residential properties.				
DESCRIPTION PROPERTY	residential pro	penies.			
LOCATION		Situated at 10 Tambo Road, Gugulethu			
AREA		COUNCIL		11	WARD 44
SITE EXTENT			wn lette	ered ABC on a	ttached plan LIS 2023
\	(Annexure A) i	s vacant.		\	
VIABLE	YES	4	X	NO	
CURRENT ZONING	General Busine				
CURRENT USAGE	Vacant, with il		e structu	ures	
PROPOSED USAGE	Business purpo				data at fau tatawa at awa at
INTERNAL BRANCH COMMENTS	external stakel	nolder's comr or provision of	ments, a basic r	nd it emerged t nunicipal servic	ulated for internal and hat the property will not es, therefore it can be
	PUBLIC PARTIC	IPATION			
AUTHORITY FOR PUBLIC PARTICIPATION	Authority granted	Director: Pr Managemer	operty nt	Date	30/10/2018
PUBLIC PARTICIPATION PROCESS	Date of advertising	10/11/2018 & 15/11/2018		Public comments	No objections received.
WARD COUNCIL COMMENTS	Date of notification	15/11/2018		Comment	No comment received.
SUBCOUNCIL COMMENTS	Date of submission	19/02/2020		Comments	Not Supported – refer to <b>Annexure C</b> for minutes of meeting
FACTORS MOTIVATING DECISION	<ul><li>A market-re</li><li>The sale wil</li></ul>	elated income I enable bette	e will be er utiliza		
	INTERGRATED I				
	SFA 1: An (		Objective 1.1 (g) Leverage the City's assets, to rationalise and optimally utilise City assets to stimulate economic benefit for Cape Town.		
			MENT AND TRANSFORMATION PLAN (ODTP)		
	Optimisation Rationalisation	& 1	The optimal utilisation of Council assets		
	SPATIAL DEVEL		<b>NEWORK</b>	(SDF)	
					he property for business
	Area Plan		The development of the property for business purposes is in line with the SDF		
STRATEGIC INTENT	TRANSIT ORIEN	TATED DEVELO			
Category 1		Gugu subject poter Land small poter conflict	opment) strates lethu proposed at property is t atial (i.e. Catego Disposal TOD size(372m²) an atial. There a	OD (transit oriented gic screening of Erf 8975) It to be disposed of, the found to have no TOD ory 1 in terms of the TDA Assessment), due to its d lack of consolidation are also no apparent cation with the provisions Idanning policy.	

#### 5. DISCUSSION/CONTENT

#### 5.1 BACKGROUND

Erf 8975, situated at 10 Tambo Road, Gugulethu in extent approximately 372 m², (see **Annexure A** for locality plan) has been identified for transfer and included in the Property Management Disposal Program. Located within existing residential properties, the subject property is occupied with temporary informal structures and encroached on by fencing enclosing adjacent erf 8974. The site is zoned General Business 4 (GB4) which is in line with its highest and best use zoning. The informal structure will be removed prior to the initiation of competitive process. The presence of the structures has been confirmed during a site visit which took place on 30 October 2019.

#### 5.2 CONSULTATION WITH INTERNAL DEPARTMENTS AND EXTERNAL STAKEHOLDERS

The various Council Departments and external stakeholders were consulted and have no objection to the sale of the property. A summary of branch comments is attached as **Annexure B** and any branch requirements will form part of the conditions of sale, where applicable. The subject property is found to have no TOD potential (i.e. Category 1 in terms of the TDA Land Disposal TOD Assessment), due to its small size(372m²) and lack of consolidation potential.

Below is a comment received from;

#### TDA: Asset Management and Maintenance: Johan Snyman

- Property requires a 3×3metre splay to be created and cut off as road reserve at the road intersection, and that the stormwater pipes traversing part of the erf be protected by a servitude.
- Registration of servitude is required to accommodate water infrastructure traversing through erf along Duma Close. Servitude dimensions will need to be 750mm from the centre of the pipe on either side of the pipe.

#### Subcouncil 11 Resolution (11SUB 15/2/2020)

On 19 February 2020, a report pertaining to the proposed in principle intention to transfer the erf was presented to Subcouncil 11 for noting and comments. Subcouncil 11 resolved not to support the proposal to transfer the subject property for business purposes, on the grounds that putting out the property for disposal based on its background would not support the use of the site for community purposes. Their view is that the community need far outweighs sale of the property for business purposes, (refer to **Annexure C** for Subcouncil resolution).

In this regard, it should be noted that the subject property is zoned General Business 4, which allows various community usages in terms of City's Planning By-Law (2015)

The proposal complies with Section 14 of the Municipal Finance Management Act, Act 56 of 2003, in that the relevant branches of Council have confirmed that the subject property is not required for the provisions of the minimum level of basic municipal services and therefore can be transferred for business purposes.

#### 5.3 PUBLIC PARTICIPATION

In accordance with the authority obtained from the Director: Property Management on 30 October 2018, Council's intention to sell the subject property was advertised as follows:

ADVERTISING AND NOTIFICATION			
Advertising Weekend Argus and Die Burger;		10 November 2018	
Advertising	Vukani - Community Newspaper	15 November 2018	
	Provincial & National Treasury	15 November 2018	
Notification	Sub-council Manager, Sub-council Chairperson & Ward Councillor	15 November 2018	
Outcome	No objections or comments were received.		

#### 5.4 VALUATION

The City's Professional Valuers were requested to undertake a desktop market valuation of the subject property. The subject property was valued as at 31 October 2020. In this regard the following is of relevance:

The desktop market value of the subject property, which is defined by International Valuation Standards Committee (IVSC) as:

The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties acted knowledgeably, prudently and without compulsion.

Implicit in the market value of a property is the notion of highest and best use, which the IVSC defines as:

The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

The comparable sales method in valuing the property was applied, which entails the following steps:

- i) Identifying recent sales transactions of similar properties in the same neighbourhood (or further afield if need be) for which information is available.
- ii) Comparing the comparable properties' value-forming characteristics with those of the subject property, viz. location, stand size, etc.
- iii) Adjusting the sale's price of the comparable properties for effluxion of time between their sale's date and valuation date.
- iv) Deducing the value of the subject property after taking due cognisance of all incomparable characteristics and their potential influence on the sale's price.

It should be noted that a desktop valuation, which is deemed appropriate at this stage of the MATR process was carried out. A more comprehensive analysis will be undertaken closer to, and prior to, the property being transferred.

It was concluded that the market value of the subject property is in the order of **R300 000** (excluding VAT) (or roughly R800/m<sup>2</sup>).

Notwithstanding the above, and to allow for the efflux in time, the following escalation and validity period have been applied to the valuation:

- a. The transfer price shall escalate at 5% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. as from 2021-05-01) until date of registration.
- b. The market value is to be reassessed if the transaction is not approved by the relevant decision making authority of Council within 24 months from date of valuation (i.e. by 2022-10-31)).

A more comprehensive analysis of the market valuation of the property will be undertaken for the purposes of transacting.

#### 5.5 CONSTITUTIONAL AND POLICY IMPLICATIONS

- The proposal complies with Section 14 of the Municipal Finance Management Act, Act 56 of 2003, in that the relevant branches of Council have confirmed that the land is not required for the provision of the minimum level of basic municipal services;
- 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.

#### 5.6 FINANCIAL IMPLICATIONS

All costs involved in this transaction will be for the Purchaser's account.

#### 5.7 SUSTAINABILITY IMPLICATIONS

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

No ⊠ Yes □

#### 5.8 LEGAL COMPLIANCE

The proposal complies with section 14 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA);

The sale of municipal capital assets is governed by Chapter 2 of the MATR.

Council may, in terms of **Reg 5(1)(b) 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 section 14(2)(a) and (b) of the MFMA:

- The erf (asset) is not needed for provision of 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 **Regulation 7 of the MATR**, the municipal council must, when considering any proposed transfer or disposal of a non-exempted capital asset in terms of regulation 5(1)(b), take into account the factors highlighted in bold below:

### Factor A: Whether the capital asset may be required for municipality's own use at a later date;

Council's service branches have confirmed that the asset is not required for its own purposes. (refer to **Annexure B**) for inter-departmental comments.

## Factor B: The expected loss or gain that is expected to result from the proposed transfer or disposal;

Council will not make a loss, but a gain on receipt of market value for the transfer of the subject property and future rates and the sale revenue will stimulate economic growth.

## Factor C: The extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to municipality;

Council will receive a financial benefit in the form of the sales price as well as future rates revenue in respect of the subject property. The desktop market value of the subject property using comparable sales method is estimated to be in the region of **R300 000** (excluding VAT).

Notwithstanding the above, and to allow for the efflux in time, the transfer price shall escalate at 5% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. as from 2021-05-01) until date of registration.

The market value is to be reassessed if the transaction is not approved by the relevant decision making authority of Council within 24 months from date of valuation (i.e. by 2022-10-31).

### Factor D: The risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interest;

The rewards are anticipated in a form of future rates revenue. There is no envisaged operational or control risk anticipated to the City' interest.

## Factor E: The effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;

The proposed intention in relation to the subject property will attribute positively into the financial position of the City, through sales income, future rates revenue anticipated. The envisaged transaction is not expected to have negative impact on the credit rating of the City, due to anticipated cash inflows.

## Factor F: Any limitations or conditions attached to the capital asset or the transfer or the disposal of the asset, and the consequences of any potential non-compliance with those conditions;

- 3x3 m splay need to be subdivided off from the property, at the intersection.
- Registration of servitude is required to accommodate water infrastructure traversing through erf along Duma Close. Servitude dimensions will need to be 750mm from the centre of the pipe on either side of the pipe.

#### Factor G: The estimated cost of the proposed 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: The transfer of any liabilities and reserve funds associated with the capital asset;

None.

Factor I: Any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;

The Council's intention to sell the subject property was duly advertised to the public in The Weekend Argus and Die Burger on 10 November 2018, and in Vukani newspaper on 15 November 2018, for public participation. The relevant Subcouncil chairperson, Subcouncil manager, Ward Councillor, Regional Offices were notified. No objections to the intended transfer were received during this process.

Factor J: Any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant Provincial Treasury;

No views or recommendations were received.

Factor K: The interests of any affected organ of State, the municipality's own strategic, legal and economic interests and the interests of the local community;

None of these interests will be compromised through the proposed intention - in fact they will support these interests through enhancing City's strategic objectives, and promoting socio-economic development for the benefit of the local communities.

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

The proposed transfer of the asset is compliant with the MFMA, Municipal Asset Transfer Regulations, Reg. 12(1) and Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property (2010).

#### 5.9 STAFF IMPLICATIONS

Does your report impo	act on staff resources,	budget, grading,	remuneration, c	الد
designation, job desc	ription, location or you	ur organisational st	ructure?	

No	
Yes	

#### 6. RECOMMENDATIONS

#### For decision by Council

It is recommended that:

- a) In terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - i) Council resolves that Erf 8975, situated at 10 Tambo Road, Gugulethu in extent approximately 372 m², zoned General Business 4, shown lettered ABC on the attached Plan LIS 2023, is not required for the provision of the minimum level of basic municipal services;
  - ii) Council confirms that the fair market value of the asset described in (a) (i) and the economic and community value to be received in exchange for the asset 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 approves in principle the transfer of Erf 8975, Gugulethu as described in (a)(i);
- c) Erf 8975, Gugulethu be transferred by way of public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority.
- d) The comments provided by Subcouncil 11 on the proposed transfer of Erf 8975, Gugulethu be noted.

#### **AANBEVELINGS**

#### Vir beslissing deur die Raad

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 8975, geleë in Tamboweg 10, Gugulethu, ongeveer 372 m² groot, gesoneer algemene sake 4, aangetoon deur die letters ABC op die aangehegte plan LIS 2023, nie benodig word vir die voorsiening van die minimum vlak basiese munisipale dienste nie;
  - ii) Die Raad bevestig dat die billike markwaarde van die bate beskryf in (a) (i) en die ekonomiese en gemeenskapswaarde wat ontvang sal word in ruil vir die bate beskryf in (a) (i) oorweeg is.
- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR), R.878, afgekondig op 22 Augustus 2008, die Raad die oordrag van erf 8975, Gugulethu, beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 8975, Gugulethu, oorgedra word deur openbare mededinging, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê.
- d) Daar kennis geneem word van die kommentaar deur subraad 11 oor die voorgestelde oordrag van erf 8975, Gugulethu.

#### IZINDULULO

#### Isigqibo seBhunga:

#### Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho wobuRhulumente boMmandla ongoLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wango-2003:
  - i) IBhunga lithabatha isigqibo sokuba isiza-8975, 10 Tambo Road, eGugulethu, esibukhulu obumalunga nama-372 m², esicandwe njengendawo yoshishino 4, esibonakaliswe ngoonobumba abakhulu u-ABC kwiplani engu-LIS 2023 eqhotyoshelweyo, asifuneki nganto ukubonelela ngomlinganiselo weenkonzo ezingundogo zikamasipala;
  - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi 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 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-8975, esiseGugulethu, njengoko kukhankanywe ku-(a) (i) ngentla apha;
- c) Isiza-8975, esiseGugulethu, masinikezelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo.
- d) Makuqwalaselwe izimvo ezivezwe liBhungana 11 ngokujoliswe kwisiphakamiso sokutshintshelwa kwesiza 8975, esiseGugulethu.

#### **ANNEXURES**

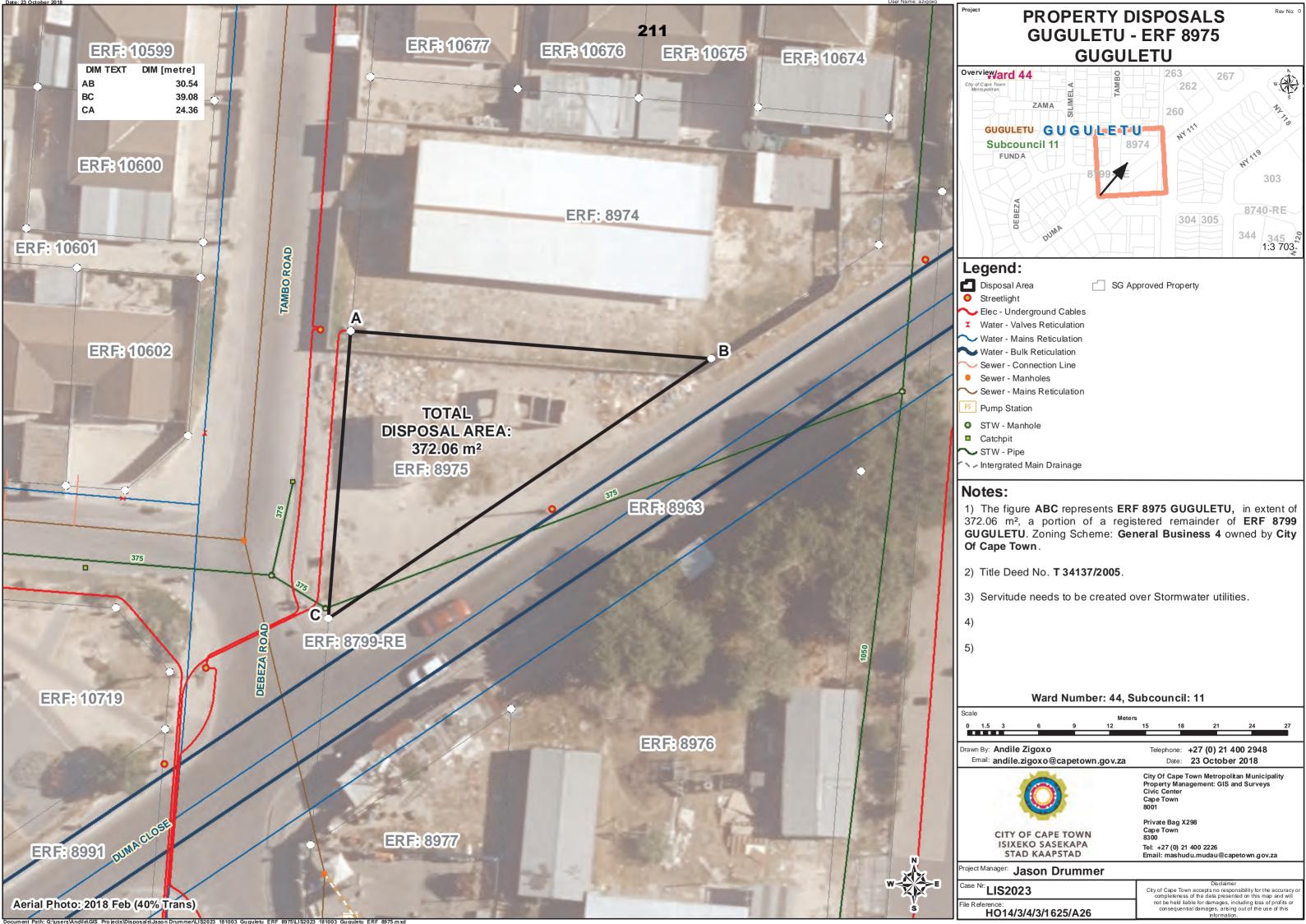
Annexure A: Plan - LIS 2023

Annexure B: Summary of branch comments for Erf 8975, Gugulethu

**Annexure C**: Subcouncil resolution (Item 11SUB 15/2/2020)

#### FOR FURTHER DETAILS CONTACT:

Name	PHAKAMILE KHATSOLO	Contact Number	021 400 7436
E-mail Address	PHAKAMILE.KHATSOLO@CAPETOWN.GOV.ZA		
Directorate	ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT	File Ref No	HO 14/3/4/3/1625/A26
MANAGER: I	PROPERTY ACQUISITIONS AND DISPOSAL  ANDRE HUMAN	<b>S</b> COMME	NT.
	ANDRE HOW IN	CONTINE	1111.
Date	Digitally signed by Andre		
Signaturi	A I II Human		
Name	RUBY GELDERBLOEM	COMMENT:	
Date	Digitally signed by Ruby		
Signature	Science Gelderbloem Date: 2020.10.27 11:03:19 +02'00'		
LEGAL COM			
Counc	PLIANCE		
	PLIANCE  COMPLIANT WITH THE PROVISIONS OF CIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL TION RELATING TO THE MATTER UNDER ERATION.	□ Non-Complia	NT
	Compliant with the provisions of cil's Delegations, Policies, By-Laws and <u>all</u> tion relating to the matter under	□ NON-COMPLIA  COMMENT:	NT
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## PROPERTY DISPOSALS ASSETS & FACILITATION MANAGEMENT

#### **Jason Drummer**

Clerk: Property Disposals

**E**: Jason.drummer@capetown.gov.za File ref: 14/3/4/3/1625/A26

#### 2018/7/19

TECHNICAL INVESTIGATION CONTROL SHEET			
PROPERTY	rf 8975, 10 Tambo Road, Gugulethu (LIS: 654512)		
Extent	372 m <sup>2</sup>		
Zoning	eneral Business 4 (GB4)		
Title Deed No.	34137/2005		
Disposal Plan No.	S 2023		
Date comments requested	18.7.2018		
Reminder	01.7.2018		
Closing date for comments	07.8.2018		

Department	Official	Response received Date	Comments
TDA: DEVELOPMENT MANAGEMENT	Donald Suttle	7.8.2018	No objections.

TDA: ASSET MANAGEMENT AND MAINTENANCE	Johan Snyman Fatiema Benjamin	19.7.2018 7.8.2018	3x3m splay be cut off for road reserve and the rest then can be sold.  We hereby confirm that the existing TDA: Asset Management and Maintenance infrastructure are affected within the portion of land proposed for sale.  After a site investigation, it was discovered the location of the pipe on CityMap viewer was incorrect and the pipe traverses through the erf along Duma Close.  We have no objection with the sale of erf 8975, subject to registration of services servitude to accommodate the storm water infrastructure traversing through the erf along Duma Close.
TDA: URBAN INTEGRATION	Kier Hennessy	1.8.2018	Based on a TOD (transit oriented development) strategic screening of Erf 8975 Gugulethu proposed to be disposed of, the subject property is found to have no TOD potential (i.e. Category 1 in terms of the TDA Land Disposal TOD Assessment), due to its small size(372m²) and lack of consolidation potential. There are also no apparent conflicts of this application with the provisions of the City's spatial planning policy.
TDA: IMPACT ASSESMENT & DEVELOMENT CONTROL	Bill Jones	18.7.2018	Supports the disposal.
TDA URBAN INTEGRATION SUSTAINABLE URBAN MANAGEMENT	Mervyn August	28.11.2019	This communication serves to inform Property Management that the Human Settlement Directorate has no objections to the sale of the subject property.
TDA: BUILT ENVIRONMENT MANAGAMENT INFRASTRUCTURE MANAGEMENT & INVESTMENT	Glenwin Sampson	2.8.2018	With reference to the CITP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch of TDA: Urban Catalytic Investment has no objection to the disposal of Erf 8975, Tambo Road, Gugulethu as the property is not required for future road network improvements.
TDA: ENVIROMENTAL MANAGEMENT ENVIROMENT AND HERITAGE MANAGEMENT	Rashaad Samaai	14.8.2018	My Department has no objection to the abovementioned application since the property is transformed and has no environmental and heritage conservation value.  My Department reserves the right to revise its comment based on any new information received.
TDA: INTEGRATED TRANSPORT IMPLEMENTATION	Kamiel Velloo	20.7.2018	We do not have an objection to the proposed sale.  However, given that the erf is essentially a triangle, we would encourage that the erf boundary at the road intersection be amended to include a splay at the intersection to ensure

			adequate line of sight for all road users as well as allow some space for pedestrian walkway and services. The sharp edge should in essence be cut back at this location and morph into a trapezium or similar to provide the appropriate sight distance and space between road edge and erf boundary.
TDA: ENVIRONMENTAL MANAGEMENT COASTAL MANAGEMENT	Gregg Oelofse	16.7.2018	Non-Coastal matter, no comment required.
FINANCE	Danie Malan	-	No response.
SOCIAL SERVICES: RECREATION AND PARKS	Cythna Minaar	2.8.2018	No objection.
SOCIAL SERVICES SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Moses Vusi	18.7.2018	SDECD Area 3 office has no objection in the disposal of the said erf

SOCIAL SERVICES CITY HEALTH	Silulami Magwayi	2.8.2018	Endorsement/Condition of Approval:  1. The premises must be made to comply with the requirements of the Tobacco Product Control Act, 1993 (Act No.83 of 1993) and Notice Relating to Smoking of Tobacco in public places, Regulation No R975 dated 29 September 2000.  2. Compliance with the Noise Control Regulations PN. 200/2013 as promulgated under the Environmental Conservation Act, 1989 (Act 73 of 1989) by not creating a disturbing noise and or nuisance to surrounding property owners.  3. Should the premises be used for a category of business which is required to be licenced in terms of the Business Act No.71 of 1991 ie Sale and Supply of Meals, Health and Entertainment etc then applications must be made for the relevant business licence. Should food be handled then the application must also be made for a Certificate of Acceptability for food premises in terms of Regulation R638 dated 22 June 2018.  4. An integrated waste management approach must be used that is based on waste minimisation and should incorporate reduction, recycling, reuse and disposal where appropriate. Any solid waste shall be disposed of at a landfill site, licenced in terms of Section 20 of the Environmenta Conservation Act, 1989 (Act No 73 of 1989).  5. Sanitary facilities (one water closet and one hand wash basin) to be provided for every 12 persons or part thereof as well as separate facilities for males and females so as to conform with the provisions of the National Building Regulations and Building Standard Shart 1933 P.N. date 30 June 2003.
SOCIAL SERVICES PLANNING AND DEVELOPMENT & PMO	Leeroy May Bradley Burger	07.08.2018	No response.
SAFETY AND SECURITY FIRE SERVICES	Ian Schnetler	18.7.2018	No objections from Fire and Rescue Service.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION LAW ENFORCEMENT SERVICES	Shaun Graham Smith	18.7.2018	No objection to sale from Law enforcement services
SAFETY AND SECURITY  LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION  TRAFFIC SUPPORT SERVICES: TRAFFIC	Nokwanele Sinduku	7.8.2018	Please be informed that Traffic Services has no objections against sale of Erf 8975 as per attached circulation.

AREA BASED SERVICE DELIVERY	Wilfred Solomons Johannes	-	No response.
AFM: FACILITIES MANAGEMENT CENTRALISED FACILITIES MANAGEMENT AND MAINTENANCE PLANNING	Kelvin Baron	20.7.2018	We have no objection to your Department's intention to sell the aforementioned property erf 8975 10 Tambo Road Gugulethu.
AFM PROPERTY MANAGEMENT PROPERTY HOLDING	Bongiwe Mali- Swelindawo	30.7.2018	Please note that our Region has no objectives nor comments
PROPERTY TRANSACTION MANAGEMENT	Samuel Mukori	19.7.2018	No Objections
AFM PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING	Deidre Khan	20.8.2018	The subject area proposed for disposal is erf 8975 Gugulethu, zoned GB4.  IPP's has no objection to the disposal. In the event that transfer occurs, IPP must be notified in order to ensure that the City's Immovable Property Asset Register (IPAR) is updated. Furthermore, we bring to your attention that an Accountable Department must be designated in accordance with the Immovable Property Asset Management Policy (C06/12/15):  7.4 The Immovable Property Asset Register is a core component of the IPAMF and shall be established and maintained by the Property Management Department with the objective of –  (a) Being the repository for the management and storage of data specific to immovable property assets and rights in property owned by the City of Cape Town;

			(c) Being the definitive record of the City's immovable property assets and which Directorates and Departments are accountable for such assets.  The immovable property asset has not been subject to an immovable property asset management performance assessment.
AFM: PROPERTY MANAGEMENT TRANSVERSAL REAL ESTATE SERVICES	Faried Shariff	-	No response.
ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING	Susan Nel	21.8.2018	This Department has no objection to the proposal subject to the condition that any alterations or deviations to electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.
ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING REVENUE MANAGEMENT	Mervin John Carol Adams	-	No response.
INFORMAL SETTLEMENTS WATER AND SANITATION ALL BRANCHES	Chwayita Macakati	17.8.2018	Use of land No need for this site has been identified by the Department.  Services affected There are none of our services on the land are affected.  Service capacity for development of land once sold Water and sewer demands for a potential development have not been provided therefore, confirmation of service capacity cannot be fully given at this stage.  Bulk Water No bulk water pipelines or infrastructure under the control of the City of Cape Town's Bulk Water Branch is directly affected by the proposed property sale.  Conditions  Once a development is proposed, a formal application must be made in this regard to the Reticulation District Head.  Development Contributions may be payable, not checked at this stage, but can be resolved with the Reticulation District Head.
CORPORATE SERVICES	Thembelani Mangena Wallied Taliep	-	No response.

INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES INFORMAL SETTLEMENTS AND BACKYARDS INFORMAL SETTLEMENTS ENGINEERING SERVICE	Susan Groenewald	6.8.2018	Informal Settlements do not have any objection regarding the application, not suitable for our market.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES SOLID WASTE MANAGEMENT	Rosina Lesoeta	6.8.2018	The sale of land is supported on condition that activities that is planned for the land be in line with environmental legislation. The zoning of the land is currently General Business 4 the waste management activity (should this be the proposed development outlook) should be considered wrt the current zoning. The property is not required for the provision of waste management services, the proposed sale is therefore supported. ITO the city map illegal dumping or some sort of informal storage or sorting on site can be seen; if this is the intended use, then all required environmental processes must be complied with. Requirements for
TELKOM SA LTD	SkippJE1@telkom.co.za	-	No response.

#### **SUBCONCIL 11 RESOLUTION - ERF 8975 GUGULETHU**

The Subcouncil at its meeting of 19/02/2020 resolved as follows and no further feedback is required:

Report Subject	PROPOSED GRANTING OF IN -PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES
Meeting Date	19/02/2020
Date Sent	28/02/2020
Directorates	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
Author	Phakamile Khatsolo;
Delegation Information	10(1)
Agenda Item No	11SUB 15/2/2020
Preamble	
Resolution	Refused, Comment
Resolution Details	TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES  Ms Etieen Tyman informed the members that the purpose of the report is to inform Subcouncil 11 of the City's intention to obtain in-principle approval from Council for the transfer by public competitive process of City-owned vacant Erf 8975, Gugulethu  Clir A Moses informed the members that the Community asked to put up an Informal Structure to do their work from a site visit to be scheduled with Ward Councillor. The Subcouncil requested to be engaged prior to initiating the disposal of proposed properties and dispensing disposal list to Subcouncil.  Ald. Antonio van der Rheede requested that the Line Department engage the Subcouncil before the time and he requested that the Subcouncil be issued with the disposal list of properties.  Clir L Gungxe informed the members that the Line Department is not fulfilling the wishes of the community. He agreed that Subcouncil need analysis of properties to be disposed.  .s  RESOLVED  The Subcouncil members unanimously agreed that the Subcouncil Not Support the item in principle agreement, putting out the property for disposal based on background not supporting, the Community need far outweighs sale of the property.  Action: Phakamile Khatsolo; E Tyman
How Resolved	Consensus
I IOW KESOIVEG	COL19G119O3

## MC 31/01/21 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975 SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES

The Mayco Member for Economic Opportunities & Asset Management, Ald. J Vos, proposed that the report on the agenda, be referred back for further engagement with the relevant Subcouncil.

The above proposal was duly supported.

**RESOLVED** that the report on the proposed granting of in-principle approval for the transfer, of vacant Erf 8975, Gugulethu, be referred back for further engagement with the relevant Subcouncil.

ACTION: P KHATSOLO; A HUMAN; R SCHNACKENBERG; R GELDERBLOEM

# 11SUB PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE 17/3/2021 TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 8975, SITUATED AT 10 TAMBO ROAD, GUGULETHU, FOR BUSINESS PURPOSES

Charlene Delcarme informed the members that the purpose of the report is to inform Subcouncil 11 of the City's intention to obtain in-principle approval from Council for the transfer by public competitive process of City-owned vacant Erf 8975, Gugulethu.

The report item 11SUB15022020 served at the Subcouncil meeting held 19 February 2020 extract of resolution; The Subcouncil members unanimously agreed that the Subcouncil Not Support the item in principle agreement, putting out the property for disposal based on background not supporting, the Comunity need far outweighs sale of the property.

She further informed the members that the report served at Mayco Committee meeting item MC31/01/2021; resolved that the report on the proposed granting of in-principle approval for the transfer, of vacant Erf 8975, Gugulethu, be referred back for further engagement with the relevant Subcouncil.

She informed the members that the disposal list of properties was emailed to the Subcouncil Manager and the Disposed via auction this year. The current zonning General Business 4.

Cllr A Moses informed the members that the transfer goes through public competion process and he is happy with the public participation advertising and notification in Argus, Die Burger and Vukani Community Newspaper. He move that particular process go ahead and support the transfer by public competion process of City-owned vacant Erf 8975, Gugulethu.

#### **RESOLVED**

The Subcouncil members **SUPPORT** the recommendation

- a) In terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - Council resolve that Erf 8975, situated at 10 Tambo Road, Gugulethu in extent approximately 372 m², zoned General Business 4 shown lettered ABC on the attached Plan LIS 2023, not be required for the provision of the minimum level of basic municipal services;
  - ii) Council confirm that the fair market value of the asset described in (a)(i) and the economic and community value to be received in exchange for the asset 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 transfer of Erf 8975, Gugulethu as described in (a)(i);
- c) Erf 8975, Gugulethu be transferred by way of public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority.

**Action:** Charlene Delcarme