

ITEM NUMBER: C 35/05/16

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 03 MAY 2016

MC 14/05/16 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION, OF A PORTION OF VACANT ERF 44096, MITCHELLS PLAIN AT SAMANTHA STREET, LENTEGEUR, FOR BUSINESS 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 a Portion of Erf 44096, Mitchells Plain, situated at Samantha Street, Lentegeur, in extent approximately 1 558 m², zoned Local Business Zone 2: Local Business (LB2), lettered ABCDEFG on Plan LIS 1455v0 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 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 disposal of a Portion of Erf 44096, Mitchells Plain, as described in (a)(i) above
- (c) a Portion of Erf 44096, Mitchells Plain, 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 asset 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.

RECOMMENDATIONS OF THE IMMOVABLE PROPERTY ADJUDICATION COMMITTEE TO COUNCIL: 7 APRIL 2016

IPAC 44/03/2016 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY PUBLIC COMPETITION, OF A PORTION OF VACANT ERF 44096, MITCHELLS PLAIN AT SAMANTHA STREET, LENTEGEUR, FOR BUSINESS PURPOSES

MC 14/05/16 VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE VERKOOP, DEUR OPENBARE MEDEDINGING, VAN 'N GEDEELTE VAN DIE ONBEBOUDE ERF 44096, MITCHELLS PLAIN, GELÛE IN SAMANTHASTRAAT, LENTEGEUR VIR BESIGHEIDSDOELEINDES

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUTHENGISWA, NGOKOKHUPHISWANO LOLUNTU, KWESIQEPHU SESIZA-44096 ESIVULELEKILEYO ESISE-MITCHELLS PLAIN, KWI-SAMANTHA STREET, E-LENTEGEUR KULUNGISELELWA IMIBANDELA YENDAWO YEZOSHISHINO

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 a Portion of erf 44096, Mitchells Plain, situated at Samantha Street, Lentegeur, in extent approximately 1 558 m², zoned Local Business Zone 2: Local Business (LB2), shown lettered ABCDEFG on Plan LIS 1455v0, 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 disposal of a Portion of erf 44096, Mitchells Plain, as described in (a)(i);
- c) A Portion of erf 44096, Mitchells Plain, 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 asset be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
 - i) Die Raad besluit dat 'n gedeelte van erf 44096, Mitchells Plain, geleë te Samanthastraat, Lenteguur, ongeveer 1 558 m² groot, plaaslikesakesone 2: plaaslike sake (LB2) gesoneer, aangetoon met die letters ABCDEFG op plan LIS 1455v0, nie vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie;
 - ii) Die Raad bevestig dat die billike markwaarde van die bate beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat verkry 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, gepromulgeer op 22 Augustus 2008, die Raad die vervreemding van 'n gedeelte van erf 44096, Mitchells Plain, soos beskryf in (a)(i) in beginsel goedkeur;
- c) 'n Gedeelte van erf 44096, Mitchells Plain, deur openbare mededinging vervreem word, onderworpe aan voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid sal ople;
- d) Enige wins of verlies vir die munisipaliteit as gevolg van die oordrag van die bate, ingesluit word by die munisipaliteit se aansuiweringsbegroting (artikel 28 en 87 van die MFMA), indien daar nie in die goedgekeurde jaarlikse begroting daarvoor voorsiening gemaak 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 malithabathe isigqibo sokuba isisza-44096, esise-Mitchells Plain, kwi-Samanta Street, e-Lenteguur, esibukhulu obumalunga ne-1 558 m², esicandwe njengoommandla-2 ongezoshishino: ummandla woshishino lwendawo (LB2), obonakaliswe ngoonobumba abakhulu u- ABCDEFG kwiplani engu- LIS 1455v0, masingafuneki nganto ukuba sibonelele ngomlinganiselo othile weenkonzo ezingundoqo 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 Agasti 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-44096, esise- Mitchells Plain, njengoko kucaciswe ku-(a) (i) ngentla apha;

- c) Isiza-44096, e-Mitchells - Plain, ... helwe 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

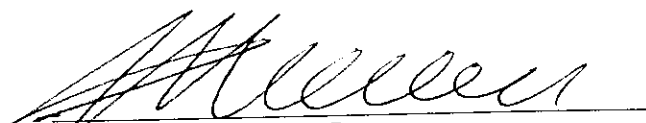
It is noted that this resolution is in line with Supply Chain Management Policy.



MR RICHARD WOOTTON
EMPLOYEE NO: 10207948
CHAIRPERSON : IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE

DATE: 7/4/16

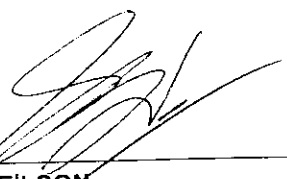
COMMENT:



DIRECTOR : LEGAL SERVICES
LUNGELO MBANDAZAYO

DATE: 2016 -04- 11

COMMENT:



ALDERMAN IAN NEILSON
MAYORAL COMMITTEE MEMBER : FINANCE

DATE: 14/6/16

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 A PORTION OF VACANT ERF 44096, MITCHELLS PLAIN AT SAMANTHA STREET, LENTEGEUR, FOR BUSINESS PURPOSES

ONDERWERP: VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE VERKOOP, DEUR OPENBARE MEDEDINGING, VAN 'N GEDEELTE VAN DIE ONBEBOUDE ERF 44096, MITCHELLS PLAIN, GELEË IN SAMANTHA STRAAT, LENTEGEUR VIR BESIGHEIDSDOELEINDES

ISIHLOKO: ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUTHENGISWA, NGOKOKHUPHISWANO LOLUNTU, KWESIQEPHU SESIZA-44096 ESIVULELEKILEYO ESISE-MITCHELLS PLAIN, KWI-SAMANTHA STREET, E-LENTEGEUR KULUNGISELELWA IMIBANDELA YENDAWO YEZOSHISHINO

[G3126]

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 approval from Council to proceed with the sale by public competition of portion erf 44096, Mitchells Plain, in extent 1 558 m², situated at Samantha Street, Lentegaur, zoned Local Business Zone 2: Local Business (LB2), shown on plan LIS 1455v0 (**Annexure A**).

5. FOR DECISION BY

- This report is for decision by Council

The legal provision for this non-delegable authority can be found in section 14 of the Municipal Finance Management Act, Act 56 of 2003 and regulation 5 of the Municipal Asset Transfer Regulations of 2008.

6. EXECUTIVE SUMMARY

This report is submitted in order to obtain authority from Council to proceed with the sale by public competition of a Portion of erf 44096, Samantha Street, Lenteguur, shown on the attached plan LIS 1455v0 (**Annexure A**).

The subject property has been included in the Property Disposal Programme as it has been found to be 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 a Portion of erf 44096, Mitchells Plain, situated at Samantha Street, Lenteguur, in extent approximately 1 558 m², zoned Local Business Zone 2: Local Business (LB2), shown lettered ABCDEFG on Plan LIS 1455v0, not be required for the provision of the minimum level of basic municipal services;
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- 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.

DISCUSSION/CONTENTS**7.1. Background**

The purpose of this report is to obtain authority for the sale of vacant Portion erf 44096, Samantha Street, Lentegeur, Mitchells Plain by public competition, in order to allow the development of the property for business purposes in accordance with Council's Disposal Management System.

Portion erf 44096 is a rectangular site on a key corner in Lenteguur with large frontage onto Samantha Street. It has a Local Business Zone 2: Local Business (LB2) zoning and is expected to be developed to provide a mix of retail and residential space.

8.2 Public Participation

In accordance with the authority obtained from the Director: Property Management on 6 October 2015, Council's intention to dispose of the subject property was advertised as follows:

Advertising	Cape Times & Burger	16 October 2015
	Provincial & National Treasury	16 October 2015
	Ward Councillor	16 October 2015
	Subcouncil Chair & Manager	16 October 2015
Outcome	Objections	No
	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 (approved 26 August 2010), permits the disposal of immovable property.
- (ii) A resolution to proceed with the disposal 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, Act 56 of 2003.
- (ii) The disposal 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 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 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 a gain on receipt of 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 proceeds as well as rates and taxes following the development of the property. A desktop valuation estimates the market value of the property to be R750 000 (see **Annexure B**).

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 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 Council's intention to alienate a Portion of erf 44096, Samantha Street, Lenteguur, Mitchells Plain 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 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 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, 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).

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 proposal was circulated to all relevant planning and service branches of the City. There were no objections, but conditions of transfer were stipulated by the following departments:

- Transport for Cape Town (TCT): All new Development Proposals on the erf, subsequent to the proposed disposal thereof, must be submitted to this department for evaluation and approval in terms of vehicular access points, on-site parking requirements etc. No vehicular access to and from Morgenster Road may be permitted - access is only to be from Samantha Street.
- Electricity: A 20x14 building substation site is required by this department. The portion for this substation shall be rezoned and registered in favour the City - this shall be level, shall not be traversed by any other services and shall provide 24 hour vehicular access from a public road.


9. **SUBCOUNCIL RECOMMENDATION**

Subcouncil 10 on 18 January 2016 (See Item 10SUB15/1/2016 attached as **Annexure C**) resolved to recommend the sale of vacant Portion erf 44096, Mitchells Plain.

ANNEXURES

Annexure A: Plan LIS 1455v0
Annexure B: Valuation report dated 16 September 2015
Annexure C: Subcouncil recommendation (Item 10SUB15/1/2016)

FOR FURTHER DETAILS CONTACT:

NAME	JASON TOAY
CONTACT NUMBERS	(021) 400 4981
E-MAIL ADDRESS	jason.toay@capetown.gov.za
DIRECTORATE	FINANCE
FILE REF NO	14/3/6/3/1260/A22
SIGNATURE : MANAGER PROPERTY DEVELOPMENT	 08.03.2016

Comment:

Ruby Gelderbloem

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

NAME RUBY LEONI GELDERBLOEMDATE 2016-03-11

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 CHARLYNNE ARENOSETEL 021 400 1265DATE 15-03-2016

Comment:

Certified as legally compliant:

Based on the contents of the report: *CA*