

ITEM NUMBER: C 50/04/21***RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 APRIL 2021***

MC 57/04/21 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED VACANT ERF 28367, (UNREGISTERED PORTION OF REMAINDER ERF 9075 GOODWOOD), SITUATED AT 265 HALT ROAD, ELSIES RIVER, GOODWOOD, ZONED LOCAL BUSINESS 2

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 28367 Goodwood, (unregistered portion of remainder Erf 9075, Goodwood), situated at 265 Halt Road, Elsies River in extent approximately 852 m², zoned Local Business 2, shown lettered ABCD on Plan LIS 2266 attached as Annexure A 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, in-principle approval be granted for the transfer of Erf 28367, Goodwood as described in (a)(i) above
- (c) Erf 28367, Goodwood 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 and recommendations provided by Provincial Treasury, be noted.

RECOMMENDATIONS OF THE IMMOVABLE PROPERTY ADJUDICATION COMMITTEE TO COUNCIL: 25 MARCH 2021

IPAC 17/03/2021

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED VACANT ERF 28367, (UNREGISTERED PORTION OF REMAINDER ERF 9075 GOODWOOD), SITUATED AT 265 HALT ROAD, ELSIES RIVER, GOODWOOD, ZONED LOCAL BUSINESS 2

MC 57/04/21

VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE VERKOOP DEUR OPENBARE MEDEDINGING, VAN ONBEOUDE ERF 28367 IN STADSBESIT (ONGEREGISTREERDE GEDEELTE VAN RESTANT ERF 9075 GOODWOOD), GELEË TE , HALTWEG 265, ELSIESRIVIER, GOODWOOD, GESONEER PLAASLIKE SAKE 2

**ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO
NGOKOMTHETHO-SISEKO SOKUTHENGISWA NGOKWENKQUBO
YOKHUPHISWANO LOLUNTU, KWESIZA 28367 ESINGENANTO.
(ISIQEPHU ESINGABHALISWANGA SENTSALELA YESIZA9075
EGOODWOOD, ESIME KWA-265 HALT ROAD, ELSIES RIVER
GOODWOOD, ESICANDWE NJENGOMMANDLA WOSHISHINO
LWENGINGQI 2**

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 via a virtual Skype meeting 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 obtain in-principle approval from Council for the transfer by way of a public competitive process of City-owned vacant Erf 28367, Goodwood (unregistered portion of remainder erf 9075 Goodwood).			
PROPERTY DESCRIPTION	Erf 28367, Goodwood (unregistered portion of remainder erf 9075 Goodwood) is a vacant site situated in the proximity of improved residential properties.			
PROPERTY LOCATION	The subject property is situated at 265 Halt Road, Elsies River, Goodwood			
AREA	3	SUBCOUNCIL	4	WARD 30

SITE EXTENT	Approximately 852 m ² , shown lettered ABCD on attached plan LIS 2266 (Annexure A)			
VIABLE	YES	x	NO	
CURRENT ZONING	Local Business 2			
CURRENT USAGE	Vacant and undeveloped			
PROPOSED USAGE	Business/commercial purposes which aligns with its current zoning			
INTERNAL AND EXTERNAL STAKEHOLDERS 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/commercial purposes. (Annexure B).			
PUBLIC PARTICIPATION				
AUTHORITY FOR PUBLIC PARTICIPATION	Authority granted	Director: Property Management	Date	23/10/2020
PUBLIC PARTICIPATION PROCESS	Date of advertising	13/11/2020 and 18/11/2020	Public comments	No comments received.
WARD COUNCIL COMMENTS	Date of notification	20/11/2020	Comment	The Ward Councillor noted the intended proposal
SUBCOUNCIL COMMENTS	Date of submission	21/01/2021	Comment	Proposal recommended by Subcouncil - refer to Annexure C for Subcouncil 4 Resolution
FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> ▪ The sale of the land will relieve Council of the maintenance burden; ▪ A market-related income will be generated; ▪ The sale will enable better utilization of City land; ▪ Vacant land will be developed to its highest and best use. 			
STRATEGIC INTENT	INTEGRATED DEVELOPMENT PLAN (IDP)			
	SFA 1: An Opportunity City	Objective 1.1 (g) Leverage the City's assets, to rationalise and optimally utilise City assets to stimulate economic benefit for Cape Town.		
	ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION (ODTP)			
	Optimisation & Rationalisation	The optimal utilisation of Council assets		
	SPATIAL DEVELOPMENT FRAMEWORK (SDF)			
	Area Plan	The development of the property for business purposes is in line with the SDF		
	TRANSIT ORIENTATED DEVELOPMENT (TOD)			
Category 1	The property is too small to have any TOD (Transport Orientated Development) potential. The site is located along Halt Road, which is regarded as an activity route. Therefore, there is no objection to the disposal of the subject property for the purpose of residential development.			

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 28367 Goodwood, (unregistered portion of remainder Erf 9075 Goodwood), situated at 265 Halt Road, Elsie's River in extent approximately 852 m², zoned Local Business 2, shown lettered ABCD on the attached Plan LIS 2266 (**Annexure A**), not be 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 28367, Goodwood as described in (a)(i);
- c) Erf 28367, Goodwood 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 and recommendations provided by Provincial Treasury, 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 28367 Goodwood, (ongeregistreerde gedeelte van restant erf 9075 Goodwood), geleë te Haltweg 265, Elsie'srivier ongeveer 852 m² groot, gesoneer plaaslike sake 2, aangetoon deur die letters ABCD op die aangehegte plan LIS 2266 (bylae A), 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 in ruil vir die bate beskryf in (a)(i) ontvang sal word, in aanmerking geneem 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 28367, Goodwood, beskryf in (a)(i), in beginsel goedkeur;

- c) Erf 28367, Goodwood, 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 en aanbevelings deur die provinsiale tesourie.

IZINDULULO

Isiqqibo seseBhunga:

Kundululwe ukuba

- a) Ngokwecandelo-14(2)(a) no-(b) loMthetho woLawulo lweziMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
 - i. IBhunga malithabathe isiqqibo sokuba isiza-28367 esiseGoodwood (isiqephu esingabhaliswanga sentsalela yesiza 9075 eGoodwood), esime kwa-265 Halt Road, Elsies River esibukhulu obumalunga nama-852 m², esicandwe njengommandla woshishino lwengingqi 2, esibonakaliswe ngoonobumba ABCD kwiplani enguLIS 2266 (isihlomelo A), asifuneki nganto ukuba sibonelele ngeenkonzo ezingundoqo zikamasipala;
 - ii. IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifumaneke ngokutshintshelwana kweempahla ezichazwe ku-(a)(i);
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa 28367 Goodwood njengoko kuchazwe ku-(a) (i);
- c) Isiza-28367, esiseGoodwood masitshintshelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi imiselwe nguMlawuli woLawulo lwePropati ngokwamagunya wakhe awagunyaziselweyo.
- d) Makuqwalaselwe izimvo kunye nezindululo ezinikezelwe nguNondyobo wePhondo.

ACTION: A HUMAN; R GELDERBLOEM

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

R Wootton

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

COMMENT:

DATE: 30 March 2021

Joan-Mari Holt
Digitally signed by
Joan-Mari Holt
Date: 2021.04.06
16:11:52 +02'00'

LEGAL COMPLIANCE

COMMENT:

Certified as legally compliant based on
the contents of the report.

DATE: _____



REPORT TO IPAC/ MAYCO/ COUNCIL

DATE

1. ITEM NUMBER

2. SUBJECT

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED VACANT ERF 28367, (UNREGISTERED PORTION OF REMAINDER ERF 9075 GOODWOOD), SITUATED AT 265 HALT ROAD, ELSIES RIVER, GOODWOOD, ZONED LOCAL BUSINESS 2

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ISIHLOKO

ISIPHAKAMISO SOKUNIKEZELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUTHENGISWA NGOKWENKQUBO YOKHUPHISWANO LOLUNTU, KWESIZA 28367 ESINGENANTO. (ISIQEPHU ESINGABHALISWANGA SENTSALELA YESIZA9075 EGOODWOOD, ESIME KWA-265 HALT ROAD, ELSIES RIVER GOODWOOD, ESICANDWE NJENGOMMANDLA WOSHISHINO LWENGINQI 2

[LSU: M2238]

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 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 only transfer immovable property after;

- (a) the Council has made a determination that the asset is not required for the provision of basic municipal purposes 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) Approved in principle that the asset may be transferred.

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5. DISCUSSION/CONTENT

5.1 BACKGROUND

Erf 28367, (unregistered portion of Erf 9075 Goodwood) situated at 265 Halt Road, Elsie's River, Goodwood is vacant, undeveloped and not utilized for any purpose. Situated within an existing residential area, the subject property is zoned Local Business 2 and measures approximately 852 m² in extent as shown on the attached plan LIS 2266 (**Annexure A**). It is intended that the subject property will be transferred for business/commercial purposes via public competitive process, in exchange of a fair market value to be received by the City.

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 the relevant branch comments is attached hereto as **Annexure B** and branch comments will form part of the conditions of sale, where applicable. Amongst other, the following department provided comments below:

5.2.1 Roads Infrastructure & Management - Louise du Toit

This department has no objection to the disposal of vacant Erf 28367 (no municipal services affected), however please take note of the following:

- a) Only left-in, left-out access will be permitted due to the dual carriageway with median
- b) There are constraints with regards to access to the property – an existing bus stop and electrical kiosk/mini-substation.

5.2.2 SUBCOUNCIL 4 RESOLUTION 04SUB 16/1/2021

On 21 January 2021, a report pertaining to the proposed granting of in principle approval for the intended transfer of the subject property was presented to Subcouncil 4 for noting and comments. Subcouncil 4 resolved to recommend the proposed transfer of Erf 28367, (unregistered portion of Remainder Erf 9075 Goodwood), situated at 265 Halt Road, Elsie's River, Goodwood, refer to **Annexure C** for Subcouncil 4 Resolution

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/commercial purposes.

5.3 PUBLIC PARTICIPATION

In accordance with the authority obtained from the Director: Property Management on 23 October 2020, Council's intention to sell the subject property was advertised and relevant parties were notified as follows:

ADVERTISING AND NOTIFICATION		
Advertising	The Cape Argus, Die Burger newspapers and City's "Have Your Say" web portal	13 November 2020
	Tygerburger - Goodwood Community newspaper	18 November 2020
Notification	Provincial & National Treasury	20 November 2020
	Sub-council Manager, Sub-council Chairperson, Ward Councillor and relevant Property Holding Regional office	
Outcome	Provincial Treasury office provided comments and recommendations, refer to Annexure D . Ward 30 Councillor noted the intended proposal, No objections were received.	

5.4 VALUATION

The City's Professional Valuers were requested to determine the market valuation of the subject property. The subject property was valued as at 30 April 2020. In this regard the following is of relevance:

The 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 was applied in valuing the property, which entail 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, zoning restrictions, etc.
- iii) Adjusting the sale's price of the comparable properties for effluxion of time between their sale's date and valuation date (if deemed necessary).
- 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 the market value of the subject property is deemed appropriate at this stage of the MATR process carried out.

It was concluded that the market value of Erf 28367 is in the order of **R 850 000 (excluding VAT)**.

Although 8% escalation rate per annum is applied on Valuers' estimation, it is to be noted that, effective 1 April 2020, escalation rate has been adjusted from 8% to 5% due to COVID-19 global pandemic.

Notwithstanding the above estimated sales price, and to allow for the efflux in time, 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 from date of valuation (i.e. as from 2020-11-01) 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 2022-04-30).

The escalation rate has been adjusted to 5% from 1 April 2020 on account of the global pandemic (Covid 19) and the resultant economic fallout, which has dampened growth prospects for the property market.

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 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 the municipality's own use at 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 revenue 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 financial benefits in the form of the sales price as well as future rates revenue in respect of the property. The desktop value of the property, using the comparable sales method is estimated to be in the region of **R 850 000 (excluding VAT)**.

The transfer price shall escalate at 5% per annum compounded annually on a pro rata basis commencing from date of valuation (i.e. as from 2020-11-01) 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 2022-04-30).

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 against 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 capital asset or the transfer or the disposal of the asset, and the consequences of any potential non-compliance with those conditions;

Only left-in and left-out access will be permitted due to the dual carriageway with median. There are limitations pertaining to access as a result of an existing bus stop and electrical kiosk/mini substation.

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 Cape Argus, Die Burger and City's "Have Your Say" web portal on 13 November 2020. Furthermore, on 18 November 2020, advert was placed on Tygerburger- Goodwood community newspaper. The relevant Subcouncil chairperson, Subcouncil manager, Ward Councillor, Property Holding Regional Offices were notified on 20 November 2020. Ward 30 Councillor noted the intended proposal. No objections to the intended transfer were received. No comments or representations were received.

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

The Provincial Treasury has in principle no objection against the City's intention to transfer the municipal asset Erf 28367, subject that the requirements of the applicable legislative prescripts have been satisfied and the comments stated on **Annexure D** have been considered.

The Accounting Officer needs to have satisfied all due processes and procedures stipulated in the City's SCM policy that conform with Section 112 of the Act, chapter 2 of the MATR, 2003 and the Local Government MSA, 2000 when considering the transfer of City land.

No views or recommendations were received from National Treasury on the proposed transfer of Erf 28367 Goodwood.

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

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 28367 Goodwood, (unregistered portion of remainder Erf 9075 Goodwood), situated at 265 Halt Road, Elsie's River in extent approximately 852 m², zoned Local Business 2, shown lettered ABCD on the attached Plan LIS 2266 (**Annexure A**), not be 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 28367, Goodwood as described in (a)(i);

- c) Erf 28367, Goodwood 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 and recommendations provided by Provincial Treasury, 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 28367 Goodwood, (ongeregistreerde gedeelte van restant erf 9075 Goodwood), geleë te Haltweg 265, Elsiesrivier ongeveer 852 m² groot, gesoneer plaaslike sake 2, aangetoon deur die letters ABCD op die aangehegte plan LIS 2266 (**bylae A**), 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 in ruil vir die bate beskryf in (a)(i) ontvang sal word, in aanmerking geneem 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 28367, Goodwood, beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 28367, Goodwood, 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 en aanbevelings deur die provinsiale tesourie.

IZINDULULO

Isigqibo seBhunga:

Kundululwe ukuba:

- a) Ngokwecandelo-14(2)(a) no-(b) loMthetho woLawulo lweziMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
 - i) IBhunga malithabathe isigqibo sokuba isiza-28367 esiseGoodwood (isiqephu esingabhaliswanga sentsalela yesiza 9075 eGoodwood), esime kwa-265 Halt Road, Elsies River esibukhulu obumalunga nama-852 m², esicandwe njengommandla woshishino lwengingqi 2, esibonakaliswe ngoonobumba ABCD kwiplani enguLIS 2266 (isihlomelo A), asifuneki nganto ukuba sibonelele ngeenkonzo ezingundoqo zikamasipala;
 - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifumaneke ngokutshintshelwana kweempahla ezichazwe ku-(a)(i);
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa 28367 Goodwood njengoko kuchazwe ku-(a) (i);

- c) Isiza-28367, esiseGoodwood masishintshelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi imiselwe nguMlawuli woLawulo lwePropati ngokwamagunya wakhe awagunyaziselweyo.
- d) Makuqwalaselwe izimvo kunye nezindululo ezinikezelwe nguNondyabo wePhondo.


ANNEXURES

- Annexure A** : Plan – LIS 2266
Annexure B : Summary of branch comments
Annexure C : Subcouncil resolution (Item 04SUB 16/1/2021)
Annexure D : Provincial Treasury Comments & Recommendations

FOR FURTHER DETAILS CONTACT:

NAME	PHAKAMILE KHATSOLO	CONTACT NUMBER	021 400 7436
E-MAIL ADDRESS	PHAKAMILE.KHATSOLO@CAPETOWN.GOV.ZA		
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT	FILE REF NO	HO14/3/4/3/1725/A36

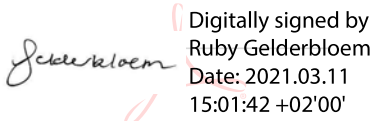
MANAGER: PROPERTY ACQUISITIONS AND DISPOSALS

NAME ANDRE HUMAN COMMENT:
 DATE 09/03/2021
 SIGNATURE 

ACTING DIRECTOR: PROPERTY MANAGEMENT

NAME RACHEL SCHNACKENBERG COMMENT:
 DATE
 SIGNATURE  Digitally signed by Rachel Schnackenberg Date: 2021.03.10 18:16:07 +02'00'

ACTING EXECUTIVE DIRECTOR: ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT

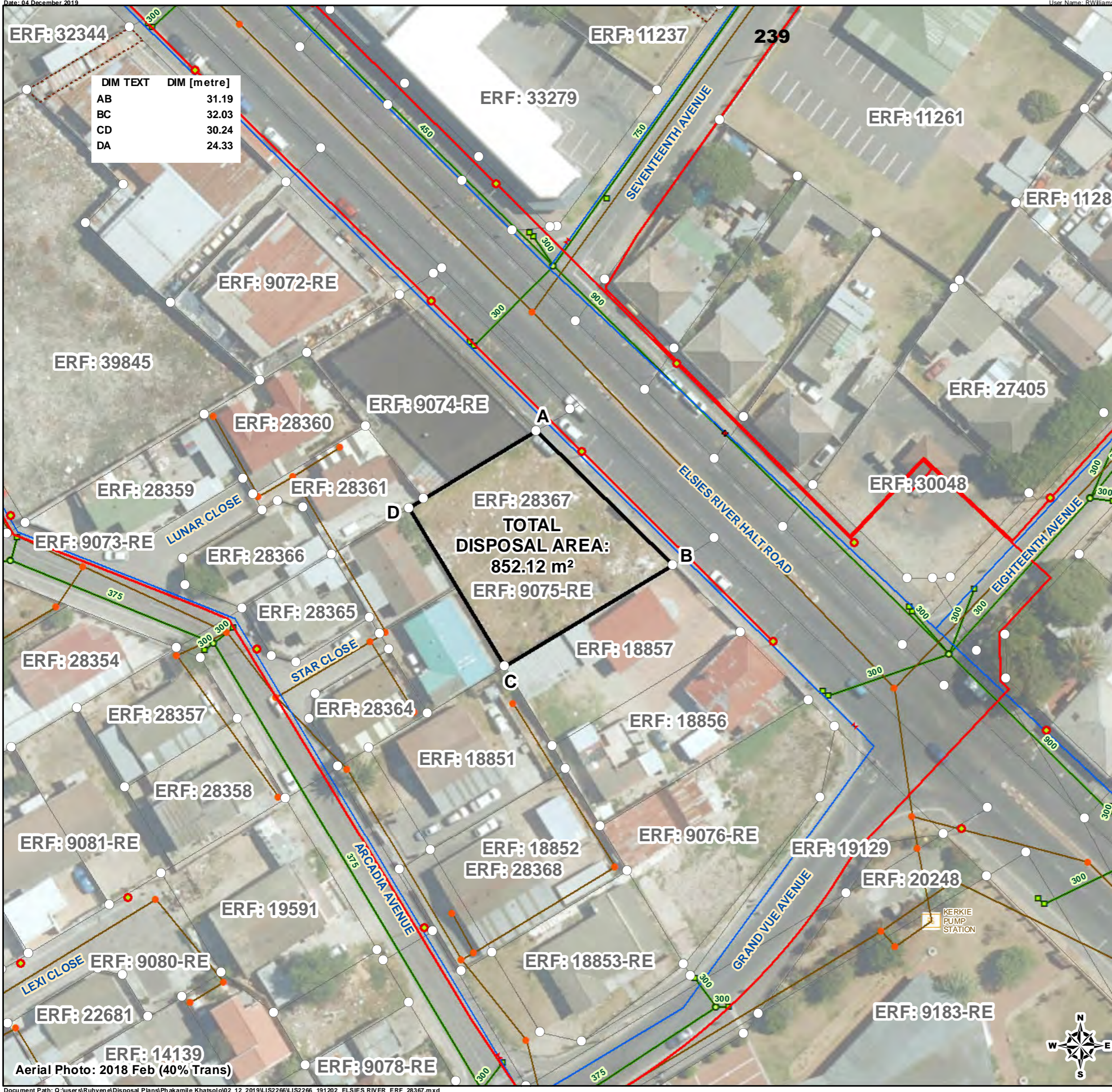
NAME RUBY GELDERBLOEM COMMENT:
 DATE
 SIGNATURE  Digitally signed by Ruby Gelderbloem Date: 2021.03.11 15:01:42 +02'00'

LEGAL COMPLIANCE

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

NAME COMMENT:
 DATE Joan- Digitally signed by Joan-Mari Holt
 SIGNATURE **Mari Holt** Date: 2021.03.16 13:08:29 +02'00'

Certified as legally compliant based on the contents of the report.



DIM TEXT	DIM [metre]
AB	31.19
BC	32.03
CD	30.24
DA	24.33

PROPERTY DISPOSALS GOODWOOD - ERF28367 ELSIES RIVER



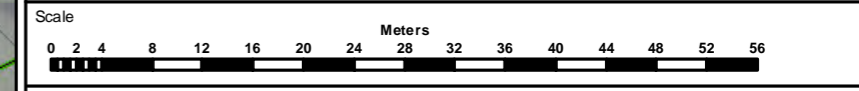
Legend:

- Disposal Area
- Streetlight
- Elec - Underground Cables
- Water - Hydrants Reticulation
- Water - Valves Reticulation
- Water - Mains Reticulation
- Sewer - Manholes
- Sewer - Mains Reticulation
- Pump Station
- STW - Manhole
- Catchpit
- STW - Pipe
- Servitude
- SG Approved Property


Notes:

- 1) The figure ABCD represents ERF 28367 GOODWOOD, in extent of 852.12 m², a portion of a registered remainder of ERF 9075 GOODWOOD. Zoning Scheme: Local Business 2 : Local Business owned by City Of Cape Town.
- 2) Title Deed No. T9622/1981.
- 3)
- 4)
- 5)

Ward Number: 30, Subcouncil: 4



Drawn By: **RUHVENE WILLIAMS** Telephone: **+27 (0) 21 400 4678**
 Email: **Ruhvene.Williams@capetown.gov.za** Date: **04 December 2019**



City Of Cape Town Metropolitan Municipality
 Property Management: GIS and Surveys
 Civic Center
 Cape Town
 8001

Private Bag X298
 Cape Town
 8300
 Tel: +27 (0) 21 400 2226
 Email: mashudu.mudau@capetown.gov.za

Project Manager: **PHAKAMILE KHATSOLO**

Case Nr: **LIS2266**
 File Reference: **HO14/3/4/3/1725/A36**

Disclaimer
 City of Cape Town accepts no responsibility for the accuracy or completeness of the data presented on this map and will not be held liable for damages, including loss of profits or consequential damages, arising out of the use of this information.



ECONOMIC OPPORTUNITIES & ASSETS MANAGEMENT
PROPERTY MANAGEMENT

Phakamile Khatsolo
Clerk: Property Disposals

E: Phakamile.Khatsolo@capetown.gov.za
File ref: 14/3/4/3/1725/A36

2019/12/11

TECHNICAL INVESTIGATION CONTROL SHEET	
PROPERTY	ERF 28367, 265 ELSIES RIVER HALT ROAD, GOODWOOD
Extent	± 852 m ²
Zoning	Local Business 2
Title Deed No.	T9622/1981
Disposal Plan No.	LIS 2266
Date comments requested	20.11.2019
Reminder	09.12.2019
Closing date for comments	11.12.2019

Department	Official	Response received Date	Comments
ELECTRICITY	Susan Nel	11.12.2019	The subject property falls under Eskom Management
ESKOM	Wayleave	19.03.2020	No objections

WATER AND SANINATION MANAGEMENT	Chwayita Macakati	13.12.2019	<p>The Department of Water and Sanitation has not identified any intended use for the abovementioned property.</p> <p><u>Services affected</u></p> <p>No services affected.</p> <p><u>Infrastructure spare capacity for potential future development</u></p> <p>Given that, the future development intention for the property is yet to be confirmed, confirmation of spare capacity of the existing infrastructure cannot be provided at this stage.</p> <p><u>Wastewater branch</u></p> <p>The property falls under the catchment of the Borchers Quarry Wastewater Treatment Works.</p>
SOLID WASTE MANAGEMENT	Rosina Lesoetsa/ Chantel Erlank	02.12.2019	The Solid Waste Department has NO OBJECTION with the Application from the Property Management Department for the PROPOSED SALE OF VACANT ERF 28367, GOODWOOD.
DEVELOPMENT MANAGEMENT	Darrel Stevens	21.11.2019	This office has no objection to the sale / disposal of the subject property.
SPATIAL PLANNING AND ENVIROMENT: ENVIROMENT & HERITAGE MANAGEMENT	Faieza Abrahams & Rashaad Samaai	11.12.2019	No response
SPATIAL PLANNING AND ENVIROMENT DIRECTORATE URBAN PLANNING & MECHANISM	Gert Kruger	20.11.2019	The property is too small to have any TOD (Transport Orientated Development) potential. The site is located along Halt Road, which is regarded as an activity route. Therefore, there is no objection to the disposal of the subject property for the purpose of residential development.

SPATIAL PLANNING AND ENVIROMENT COASTAL MANAGEMENT	Gregg Oeelfse	11.12.2019	Not a Coastal Management matter
TRANSPORT BUILT ENVIRONMENT MANAGEMENT	Günther Röhlandt	11.02.2020	No objection with the proposal.
TRANSPORT PLANNING & CONCEPTUAL DESIGN	Glenwin Sampson	29.11.2019	With reference to the CITP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch has no objection to the disposal of Erf 28367 Halt Road, Elsie's River.
ROADS INFRASTRUCTURE & MANAGEMENT	Louise du Toit	12.03.2020	This department has no objection to the disposal of vacant Erf 28367 (no municipal services affected), however please take note of the following: 1. Only left-in, left-out access will be permitted due to the dual carriageway with median 2. There are constraints w.r.t. access to the property – an existing bus stop and electrical kiosk/minibus.
HUMAN SETTLEMENTS IMPLEMENTATION LAND & FORWARD PLANNING	Lwazi Nobaza	21.11.2019	No Objection to the proposed
COMMUNITY SERVICES & HEALTH CITY HEALTH	Virginia De Azevedo/ Noluyanda Bobotyane	12.03.2020	This department has no objection to the approval of the above mention, however the following must be adhered to if deemed necessary 1. Compliance with the National Building Regulation Standard Act (Act No. 103 of 1977). Building plans must be submitted for any new building(s) or alterations to the existing building(s). All requirements set by the department must be compiled with. 2. Compliance with the Noise Control Regulation P.N. 200/2013 as promulgated under the Environmental Conservation Act, 1989 (Act 73 of 1989) by not creating a disturbing noise and/or noise nuisance to surrounding property owners. In this regard it must be noted that any noise producing plant or equipment must be adequately muffled. 3. Compliance with the National Environment Management: Air Quality Act (Act No. 39 of 2004) and City of Cape Town Air Quality Management By-Law, 2010. 4. Compliance with the City of Cape Town Environmental Health By Law No. 13333 of 2003.

			<p>5. Should the premises be used for a category of business which is required to be licensed in terms of the Business Act No. 70 of 1991 i.e. Sale and Supply of Meals; Health and Entertainment; etc., then application must be made for the relevant Business License.</p> <p>7. Should be prepared or handled then application must be made for the certificate of Acceptability for food premises in terms of regulation R638 of 2018 – General Hygiene Requirements for Food Premises and the transportation of Food.</p> <p>8. The Director: City Health reserves the right to call for a full Environmental Impact Assessment and/or additional requirements if so wanted.</p>
COMMUNITY SERVICES & HEALTH PLANNING AND DEVELOPMENT & PMO	Elizabet Dimitrova	19.03.2020	No objections
RECREATION AND PARKS: CEMETRY PLANNING	Nabeel Bassadien	19.03.2020	No objections
COMMUNITY SERVICES & HEALTH RECREATION AND PARKS	Phila Nkosinkulu	09.03.2020	<p>The Recreation and Parks Department has no objection to the sale for the following reasons:</p> <p>1. The site was intended to accommodate business and not social facilities. It is further zoned for general business.</p> <p>2. The location is not ideal for social facilities, neither does it have the characteristics to become a functional park.</p> <p>3. The proposal has no direct impact on Recreation and Parks.</p>
SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Nomfundo Mdingi	20.11.2019	No objections from our office.
PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING	Deidre Khan	19.03.2020	No objections
PROPERTY MANAGEMENT PROPERTY HOLDING	Aldré de Goede	20.11.2019	Tygerberg Region has no objection to the proposed disposal of Erf 28367 Goodwood.

PROPERTY MANAGEMENT PROPERTY HOLDINGS (IMPROVED PROPERTIES AND LEASE- INS	Isaac Martin	21.11.2019	No Objection to the proposed
PROPERTY MANAGEMENT TRANSVAAL REAL ESTATE SERVICE OP	Andile Langalibalele	11.12.2019	No response
PROPERTY TRANSACTION MANAGEMENT	Nabilah Jaffa	19 .12.2019	Please note Property Transaction Management of Property Management Department has no objection to the proposed sale of vacant Erf 28367, 265 Elsie River, Halt Road, Goodwood.
PROPERTY MANAGEMENT: OPTIMISATION AND RATIONALISATION	Godfrey Van Wyk	20.11.2019	Property O&R has no objection to the proposed sale of the property.
FACILITIES MANAGEMENT	Alan Pharo/ Kelvin Baron	21.11.2019	No objection to your proposed sale of erf 28367, 265 Halt Road Elsie River Goodwood.
SPACE MANAGEMENT	Tejal Singh	11.12.2019	No response
FLEET MANAGEMENT	Alesia Bosman	11.12.2019	No response
SAFETY AND SECURITY TRAFFIC & CO-ORDINATION	Kevin Heckrath	26.11.2019	Traffic Services don't have any objection with the disposal of ERF 28367.
SAFETY AND SECURITY FIRE SERVICES	Ian Schnetler	25.11.2019	No objection from Fire and Rescue to the proposal.
SAFETY AND SECURITY EVENTS	Leonora De Souza-Zilwa Mariana Opperman Terrence Isaacs	11.12.2019	No response
SAFETY AND SECURITY LAW ENFORCEMENT SERVICES	Rudolf Wiltshire	11.12.2019	No comments/objections from Law Enforcement.

SAFETY AND SECURITY FINANCE (STRATEGIC MANAGEMENT)	Moses Matthyse & Adiel Albertyn	11.12.2019	No response
TELKOM SA LTD	Jesse Skippers	11.12.2019	<p>Openserve approves the proposed work indicated on your drawing in principle. This approval is <u>valid for 12 months only</u>, after which reapplication must be made if the work has not been completed.</p> <p>Any changes or deviations from the original planning during or prior to construction must immediately be communicated to this office.</p> <p>Approval is granted, subject to the following conditions.</p> <p>As per sketch attached, Openserve infrastructure will be affected, consequently the conditions below and the attached legend will apply.</p> <p>Should alteration or relocation of existing infrastructure be required, such work will be done at the request and cost of the applicant.</p> <p>Please notify this office within 21 days from this letter of acceptance and if any alternative proposal is available or if a recoverable work should commence.</p> <p>It would be appreciated if this office can be notified within 30 days of completion of the construction work. Confirmation is required on completion of construction as per agreed requirements.</p>

The Subcouncil at its meeting of 21/01/2021 resolved as follows and no further feedback is required:

Report Subject	PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED VACANT ERF 28367, (UNREGISTERED PORTION OF REMAINDER ERF 9075 GOODWOOD), SITUATED AT 265 HALT ROAD, ELSIES RIVER, GOODWOOD, ZONED LOCAL BUSINESS 2
Meeting Date	21/01/2021
Date Sent	05/02/2021
Directorates	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
Author	Ardela van Niekerk; Phakamile Khatsolo;
Delegation Information	10(1)
Agenda Item No	04SUB 16/1/2021
Preamble	
Resolution	Approved
Resolution Details	<p>RESOLVED TO RECOMMEND</p> <p>Subcouncil 4 resolved that the Proposed Granting of In-Principle Approval for the sale, by way of a Public Competitive Process, of City-Owned Vacant Erf 28367, (Unregistered Portion of Remainder Erf 9075 Goodwood), situated at 265 Halt Road, Elsie's River, Goodwood, Zoned Local Business 2 BE APPROVED, subject <i>inter alia</i> to the following conditions, that;</p> <p>a. In terms of section 14 (2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:</p> <ol style="list-style-type: none"> i. Council resolves that Erven 28367 Goodwood, (unregistered portion of remainder Erf 9075 Goodwood, situated at 265 Halt Road, Elsie's River in extent approximately 852 m², zoned Local Business 2, shown lettered ABCD on the attached Plan LIS 2266 (Annexure A), not be required for the provision of the minimum level of basic municipal services; ii. Council confirm that 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. <p>b. In terms of regulation 5(1)(b) of the Municipal Asset Transfer Regulations (MATR), R878 promulgated on 22 August 2008, Council approves in principle the transfer Erf 8367, Goodwood as described in (a)(i);</p> <p>c. Erf 8367, Goodwood 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.</p> <p>d. The comments and recommendations provided by Provincial Treasury, be noted.</p>
How Resolved	Consensus

Reference number: 24/2/1/5

Enquiries: Nolutando Makholwa

The City of Cape Town
8th floor Civic Centre
12 Hertzog Blvd
Cape Town
8001

Tower Block Building,
2nd Floor,
4 Dorp Street,
Cape Town
8001

03 December 2020

Attention:

The City Manager: Mr. Lungelo Mbandazayo
The Chief Financial Officer: Mr. Kevin Jacoby
The Director of Supply Chain Management: Mr. Basil Chimsany
The Head of Property Disposal: Ms. Tania Lewis
The Property Disposal Clerks: Mr. Phakamile Khatsolo

RE: PROPOSED TRANSFER OF MUNICIPAL ASSET BY MEANS OF PUBLIC COMPETITIVE PROCESS OF PORTION OF ERF 28367 (UNREGISTERED PORTION OF REMAINDER ERF 9075 DURBANVILLE), ELSIES RIVER HALT ROAD, GOOWOOD ZONED LOCAL BUSINESS 2.

1. PURPOSE

1.1. To provide comments and recommendations to the City of Cape Town hereafter referred to as the "City" with regards to the proposal to transfer a municipal asset in terms of Section 14 of the Municipal Finance Management Act, 2003 (MFMA), Chapter 2 of the Municipal Asset Transfer Regulations, 2008, regulation 5 (MATR).

2. BACKGROUND

2.1. The City of Cape Town indicated its intention to transfer the City land in a memorandum sent to the municipal stakeholders dated. The Provincial Treasury received a correspondence soliciting comments by the 17 November 2020 regarding a proposal to transfer the City's capital asset through a public competitive process.

2.2. The City of Cape Town provided the following documents:

- 2.2.1. Public Participation Advertisement;
- 2.2.2. Comments from the City's external Stakeholders;
- 2.2.3. Locality plan of the subject Property; and
- 2.2.4. Memorandum to stakeholders.

3. ISSUE

- 3.1. The Provincial Treasury to provide comments pertaining the proposed transfer of a municipal asset (Erf: 28367) through a public competitive process in terms of Chapter 2, Regulation 5, MATR, 2005.

4. COMMENTS

- 4.1. Regulation 6(b) of the MATR, requires Accounting Officers to solicit the view and recommendations of the Provincial Treasury regarding proposals for transfers or disposal of non-exempted capital assets. The views and recommendations expressed by Provincial Treasury are subject to comments, inputs or recommendations by local community and other interested persons being taken into consideration.

- 4.2. Prevalent to Regulation 12(1) of the MATR, 2003, the City must ensure that the transfer of the City land is in accordance to SCM Regulation 40, 2005 and that transfer agreements between the City and the receiving private part must only be concluded by a way of written agreement.

- 4.3 Council should take into consideration the mandatory requirements in terms of Regulation 7 of the MATR before an in-principal decision is made on the transferring of non-exempted municipal assets by means of a competitive bidding process. The Municipality need to take cognisance of the following when considering the transfer of non-exempted municipal asset:

- The valuation of the municipal asset to be transferred and the method of valuation used to determine that value;
- The reasons for the proposal to transfer the municipal asset;
- Any exempted benefits to the municipality that may result from the transfer;
- Any expected proceeds to be received by the Municipality from the transferring of the non-exempted asset;
- Any gain or loss that will be realised or incurred by the Municipality arising from the transferring of the non-exempted assets;
- Management of any risk;
- Impact of its credit rating and ability to raise further borrowing in future;
- Conditions attached to the non-exempted asset;
- Transfer of any liabilities and reserves; and
- The impact of the municipality's strategic, legal and economic interest which applies to Regulation 7, 10 and 12 (5) of the MATR.

- 4.4 Provincial Treasury reiterates the importance of adherence to the requirements of regulation 17 and 18 (MATR), 2008 pertaining to transfer agreement between the City and the receiving private sector party. Additionally, the City must keep a register of all its immovable property to ensure adequate paper trail for audit purposes.

- 4.5 The Municipal Council must consider any views and comments expressed or representations made by the local community and any other interested parties prior to granting the approval of the proposal.

- 4.6 The Municipality's attention is also drawn to Regulation 44 of the SCM Regulations and due diligence must be performed on the purchaser of the asset, to ensure compliance to the legislative prescripts.

5 RECOMMENDATIONS

- 5.3 The Accounting Officer needs to have satisfied all due processes and procedures stipulated in the City's SCM policy that conform with Section 112 of the Act, chapter 2 of the MATR, 2003 and the Local Government MSA, 2000 when considering the transfer of City land.

5.4 The Provincial Treasury has in principle no objection against the City's intention to transfer the municipal asset Erf 28367, subject that the requirements of the applicable legislative prescripts have been satisfied and the above-mentioned comments have been considered.

We trust that you find the above in order.

Yours Sincerely

LETITIA SALLIES
DEPUTY DIRECTOR: LOCAL GOVERNMENT: SUPPLY CHAIN MANAGEMENT
PROVINCIAL TREASURY