



**ORDINARY MEETING OF THE MAYORAL
COMMITTEE**

**GEWONE VERGADERING VAN DIE
BURGEMEESTERSKOMITEE**

**INTLANGANISO YESIQHELO YEKOMITI
KASODOLOPHU**

A G E N D A

I-AJENDA

**DATE / DATUM / UMHLA : 27 MARCH / MAART / MATSHI
2023
BANQUETING HALL,
CIVIC CENTRE
HERMANUS**

TIME / TYD / IXESHA : 10:00

MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND

Office of the Municipal
Manager
Municipal Offices
HERMANUS

20 March 2023

NOTICE TO ALL ALDERMEN AND COUNCILLORS

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of the **MAYORAL COMMITTEE** will be held in the **BANQUETING HALL, CIVIC CENTRE, HERMANUS** on **MONDAY, 27 MARCH 2023** at **10:00** to consider the items set out in the attached agenda.

D O'NEILL
MUNICIPAL MANAGER

20 Maart 2023

KENNISGEWING AAN ALLE RAADSHERE EN RAADSLEDE

KENNIS WORD HIERMEE GEGEE dat 'n **GEWONE VERGADERING** van die **BURGEMEESTERSKOMITEE** gehou sal word in die **BANKETSAAL, BURGERSENTRUM, HERMANUS** op **MAANDAG, 27 MAART 2023** om **10:00** vir oorweging van die items op die meegaande agenda.

D O'NEILL
MUNISIPALE BESTUURDER

20 Matshi 2023

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

INTLANGANISO YESIQHELO YEKOMITI KASODOLOPHU WE-OVERSTRAND

OKU KUKWAZISA ukuba intlanganiso **YESIQHELO yeKOMITI KASODOLOPHU**, iza kuba se **I-BANQUETING HALL, kwiZiko, eHERMANUS** Umvulo **UMHLA, 27 MATSHI 2023** ngeye-**10:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

D O'NEILL
UMPHATHI KAMASIPALA

AGENDA/...

1. OPENING

2. APPLICATIONS FOR LEAVE OF ABSENCE

3. CONFIRMATION OF MINUTES

3.1 Minutes of an **Ordinary Meeting** of the **Mayoral Committee** held on **Tuesday, 14 February 2023 at 10:00**

4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE EXECUTIVE MAYOR / DEPUTY EXECUTIVE MAYOR

5.**GANSBAAI: ALIENATION OF A PORTION OF REMAINDER ERF 210 GANSBAAI (SITUATED IN INDUSTRY CIRCLE, GANSBAAI), ±5HECTARES IN EXTENT, BY MEANS OF A COMPETITIVE PROCESS**

A Le Roux
28 November 2022

Manager: Property Administration

(028) 316-5623

1. Executive Summary

To notify Council of the in-principle approval obtained from Council on 23 September 2009 for the alienation of Remainder Erf 210 Gansbaai (extension of industrial area), ±5ha (FIVE HECTARES) in extent (hereinafter referred to as “the Property”), for industrial purposes by means of a competitive process.

The locality of the Property is indicated on locality plan attached per “Annexure A”.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Planning
Property Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
The encouragement of structured community participation in the matters of the municipality

4. Delegated Authority

None

5. Legal Requirements

- Administration of Immovable Property Policy of the Overstrand Municipality, as amended
- Local Government: Municipal Finance Management Act, Act 56 of 2003 (“MFMA”)
- Municipal Asset Transfer Regulations (R. 878 of 2008)
- Municipal Supply Chain Management Regulations (Notice 868 of 30 May 2005)
- Overstrand Municipality Supply Chain Management Policy, as amended

6. Background/Discussion/Evaluation/Conclusion

Background/Discussion

Council on 23 September 2009 approved in principle the alienation of Erf 210 Gansbaai (extension of industrial area) by means of a public participation process, subject to the final approval of council and only after the provisions of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003), the conditions of the Asset Transfer Regulations dated 1 September 2008, the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality, the Land Use Planning Ordinance No. 15 of 1985 the Municipal Ordinance , 1974 (Ordinance No. 20 of 1974) and any other applicable legislation have been complied with. The minutes of the ordinary Meeting of the Council is attached per "Annexure B".

The Property is located between the existing industrial hub of Gansbaai and the residential extension of Masakhane. The location of the Property lends itself to be incorporated into the existing industrial area as the industrial extension. Access to the Property is directly from the existing industrial area.

The proposal is to make a size of ±5ha (FIVE HECTARES) available to be subdivided and developed in ±40 (FORTY) industrial erven. The development of the proposed area is linked to an existing approved development plan, and already has Environmental Assessment (EA) approval which must be complied with.

There is an existing electrical servitude on the eastern side of the Property.

As there is a need for industrial erven and as the Property is suited for industrial purposes, it is recommended that it be made available in the open market by means of a competitive process.

Evaluation

A. Evaluation in terms of the Administration of Immovable Property Policy of the Overstrand Municipality

The following conditions of said policy apply to this report:

Paragraph 9.1(a): *"The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA decided on reasonable grounds that the immovable property is not needed to provide the minimum level of basic municipal services."*

That cognisance be taken that the subject Property is not needed for the provision of the minimum level of basic municipal services as Council has already decided on in 2009.

Paragraph 9.1(b): *“The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA considered the fair market value of the immovable property and the economic and community value to be received in exchange for the immovable property in accordance with Section 14(2) of the MFMA.”*

HCB Valuations and Services (Proprietary) Limited determined the market related value of the Property on 1 December 2022 at an amount of R200.00/m² (TWO HUNDRED RAND) (VAT excluded) (PER SQUARE METRE) whereas 5ha (FIVE HECTARES) results in a market related value at an amount of R10,000,000.00 (TEN MILLION RAND) (VAT excluded).

Paragraph 9.1(c): *“The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA has as a consequence to 9.1(a) and (b) above approved in principle that the immovable property may be transferred or disposed of, and the method of disposal or transfer.”*

Due to the approval being obtained in 2009, the purpose of this report is inform Council that the decision to alienate the Property by means of a competitive process was already obtained.

Paragraph 28: *“All costs pertaining to a transaction shall be borne by the successful bidder/purchaser, e.g. survey, advertisements, valuation, rezoning, relocation or provision of services where necessary, etc. The Municipality may, however, waive its right to claim the costs should it be to its advantage to bear the costs.”*

The successful bidder will be liable for all costs pertaining to the transaction, excluding the cost for the valuation of the property. Costs for the successful bidder will include, but is not limited to, a Section 14 advertisement, transfer costs, connection of services and any other costs pertaining to the transaction.

Paragraph 29: *“Should existing services need to be relocated or secured by means of the registration of a servitude in favour of the Municipality as a result of the alienation of the immovable property, all related costs shall be for the account of the successful bidder/purchaser.”*

No services need to be relocated and no servitude needs to be registered.

Paragraph 32. *“Save with prior approval, the immovable property alienated may only be used for the purpose for which it was*

originally sold and purposes permitted by town planning scheme regulations pertaining to such purposes.”

A clause to this effect will be included in any deed of sale to be entered into between the Municipality and the successful bidder.

Paragraph 34: “A 10% deposit of the agreed/tendered purchase price will be due and payable by the purchaser/successful bidder within 10 days of date of request in writing thereof by the Municipality.”

A clause to this effect will be included in any deed of sale to be entered into between the Municipality and the successful bidder.

Paragraph 35: “Interest on the purchase price, as from date of signature of the deed of sale, must be charged by the Municipality should payment or transfer be delayed due to an action or failure on the part of the successful bidder/ purchaser.”

A clause to this effect will be included in the deed of sale to be entered into between the Municipality and the successful bidder.

B. Advertisement/Notification

The necessary advertisement in terms of Section 14 of the MFMA will be published after the tender is duly awarded. The successful bidder will be liable for the costs of the Section 14 advertisement.

Conclusion

That Council notes the approval obtained in 2009 for the alienation of a portion of Remainder Erf 210 Gansbaai (±5ha in extent) be alienated for industrial purposes by means of a competitive process, at not less than the market related value.

Furthermore, it is recommended that the successful bidder/ be liable for all costs, excluding the costs for the valuation of the Property. Subsequent costs will entail the aforementioned Section 14 advertisement, transfer costs and connection of services.

7. Financial Implications

The Municipality stands to gain a market related purchase price to the minimum of R200.00/m² in extent (VAT excluded) for the Property.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Due to the passing of time from when the approval was obtained, updated comments were requested from the relevant internal departments.

Manager: Engineering Services: Mr R Andrews

"If the sale is approved:

- 1. The existing municipal services have to stay intact and can't be compromised. If any of the existing services need to be relocated, it will be done by the applicants at his cost, and to the satisfaction of the Director: Infrastructure and Planning. Servitudes should be registered for all municipal services on private property.*
- 2. The developer will only utilized the existing roads/accesses and no new additional roads/accesses will be created without the written approval of the Senior Manager: Engineering Services.*
- 3. Bulk Contribution Levies will be charged according to the Overstrand Bulk Contribution Levy Policy and the prescribed tariffs as contained in Council's budget. These tariffs are subject to annual adjustment. Levies will be payable prior to the submission of building plans (for sectional title units / commercial buildings) or rates clearance being issued (for free-standing properties).*
- 4. The developer will be responsible for the construction and provision of all municipal services to the proposed development, including all connection fees and investigation levies for municipal services.*
- 5. The developer must enter into a service level agreement with the Municipality."*

Senior Manager: Operational Services: Mr T Marx

"The Department: Operational Services, Hermanus, do not have any objection with regards to this application."

Senior Superintendent Projects Electrical Services Hermanus: Mr J Klem

"The Electrical department does not have any objections. The availability of service connection will be 60Amp single phase 230volt."

Manager: Environmental Services: Ms P Aplon

"The site does not fall within any of the Environmental Overlay Zone layers or wetland areas. The developer must adhere t the conditions as set out in the

Environmental Authorization (previously Record of Decision) dated 29/09/2008.”

10. Annexures

Annexure A: Locality Map

Annexure B: Minutes: Ordinary Meeting of the Council 23 September 2009

RECOMMENDATION TO THE COUNCIL:

1. that Council's approval of 23 September 2009 for the alienation of a portion of Remainder Erf 210 Gansbaai ±5ha (FIVE HECTARES) in extent by means of a competitive process for industrial purposes at a market related price **be noted**; and
2. that it is hereby confirmed by Council that the municipal property herewith envisaged to be alienated is not required for the provision of basic municipal services in terms of paragraph 5 of the Administration of Immovable Property Policy approved by Council on 25 November 2015 and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

RESPONSIBLE OFFICIAL :

W MURTZ

TARGET DATE FOR IMPLEMENTATION :

14 APRIL 2023

TARGET DATE TO INFORM APPLICANT :

28 APRIL 2023

TARGET DATE TO INFORM OBJECTOR :

N/A

ANNEXURE A



OVERSTRAND MUNICIPALITY

PTN REMAINDER ERF 210 GANSBAAI

Date: 2023/03/06

5.6**OVERSTRAND : MUNICIPAL LAND IDENTIFIED FOR SALE : PRINCIPLE APPROVAL****(ITEM 10 PAGE 206 : INFRASTRUCTURE, PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO – MAYORAL COMMITTEE MEETING : 23 SEPTEMBER 2009)****RESOLVED (UNANIMOUSLY)**

1. that the sale of the following even by a public participation process, **be approved in principle**, subject to the final approval of council and only after the provisions of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003), the conditions of the Asset Transfer Regulations dated 1 September 2008, the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality, the Land Use Planning Ordinance No. 15 of 1985 the Municipal Ordinance, 1974 (Ordinance No. 20 of 1974) and any other applicable legislation have been complied with:
 - (a) Erf 210, Gansbaai (primary school Masakhane) at the values to be determined and which will be tabled at the meeting
 - (b) Erf 210, Gansbaai (aqua culture near harbour)
 - (c) Erf 210, Gansbaai (affordable housing)
 - (d) Erf 210, Gansbaai (extension of industrial area)**
 - (e) Erf 328, Gansbaai (residential development)
 - (f) Erf 611, Gansbaai (medical centre and possible hotel)
 - (g) Erf 966, Gansbaai (residential development)
 - (h) Erf 109, Van Dyksbaai (Kleinbaai) (residential or other appropriate use)
 - (i) Erf 456, Franskraal (single residential)
 - (j) Erf 1070, De Kelders (low density nature conservation development)**
 - (k) Erven 1245 to 1249 and 1298, De Kelders (residential development)
 - (l) Erven 1286, 1290, and 1291, De Kelders (residential development)
 - (m) Erf 6408, Kleinmond (Municipal Stores)

