



**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 : 30 MAY / MEI / MEYI 2022
AUDITORIUM, CIVIC CENTRE
HERMANUS

TIME / TYD / IXESHA : 10:00

MUNICIPALITY / MUNISIPALITEIT / UMASIPALA WE-OVERSTRAND

Office of the Municipal
Manager
Municipal Offices
HERMANUS

24 May 2022

NOTICE TO ALL ALDERMEN AND COUNCILLORS

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of the **MAYORAL COMMITTEE** will be held in the **AUDITORIUM, CIVIC CENTRE, HERMANUS** on **MONDAY, 30 MAY 2022** at **10:00** to consider the items set out in the attached agenda.

D O'NEILL
MUNICIPAL MANAGER

24 Mei 2022

KENNISGEWING AAN ALLE RAADSHERE EN RAADSLEDE

KENNIS WORD HIERMEE GEGEE dat 'n **GEWONE VERGADERING** van die **BURGEMEESTERSKOMITEE** gehou sal word in die **ODITORIUM, BURGERSENTRUM, HERMANUS** op **MAANDAG, 30 MEI 2022** om **10:00** vir oorweging van die items op die meegaande agenda.

D O'NEILL
MUNISIPALE BESTUURDER

24 Meyi 2022

ISAZISO ESIYA KUBO BONKE OOCEBAKHULU NOOCEBA

INTLANGANISO YESIQHELO YEKOMITI KASODOLOPHU WE-OVERSTRAND

OKU KUKWAZISA ukuba intlanganiso **YESIQHELO yeKOMITI KASODOLOPHU**, iza kuba se **I-ODITHORIYAM, kwiZiko, eHERMANUS** Umvulo **UMHLA, 30 MEYI 2022** ngeye-**10:00** ukuqwalasela imicimbi ekule ajenda iqhotyoshelwe apha.

D O'NEILL
UMPHATHI KAMASIPALA

AGENDA/...

OVERSTRAND MUNICIPALITY

MAYORAL COMMITTEE MEETING

30 May 2022

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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 **Monday, 25 April 2022 at 10:00**

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

5. MUNICIPAL OWNED IMMOVABLE PROPERTIES IDENTIFIED FOR SALE AND LEASE BY MEANS OF A COMPETITIVE PROCESS - INVESTMENT CONFERENCE

7/2/3

A Le Roux

13 May 2022

Manager: Property Administration

(028) 316 5623

1. Executive Summary

To inform Council of the Properties identified to be presented to possible investors at the Investment Conference scheduled to be held on 23 and 24 June 2022.

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
Creation and maintenance of a safe and healthy environment
Promotion of tourism, economic and social developments

4. Delegated Authority

None

5. Legal Requirements

- Local Government: Municipal Finance Management Act (Act 56 of 2003) ("MFMA")
- Municipal Asset Transfer Regulations (R. 878 of 2008) ("MATR")
- Administration of Immovable Property Policy of the Overstrand Municipality, as amended

6. Background/Discussion/Evaluation/Conclusion

Background

The Overstrand Municipality started a campaign to attract investors to invest in the Overstrand to the benefit of the community. If more investment is done in the Overstrand, more job opportunities can be created, etc.

It is proposed that an investment conference is held to promote the Overstrand and, more specifically, to inform possible investors of investment

opportunities on municipal owned immovable properties. The said conference is to take place on 23 and 24 June 2022 and will be widely advertised.

Discussion

After an extensive investigation was done, the following municipal owned immovable properties were identified to be made available by means of a competitive process for sale or leasing at market related prices/rental.

LEASE

1. Portion of Remainder Erf 4771 Hermanus (Grotto Beach) – Restaurant and related

The tender for the development of the Grotto Beach area is currently in the specifications stage and will be advertised as soon as possible after the investment conference. The portion of Remainder Erf 4771 Hermanus which will be made available consist of the areas indicated in the locality map below. The grassed open area/recreational area above the Dutchies Restaurant may not be developed. Site A is the area which was previously used as the “Old Nautilus restaurant” and Site B is the building in which the Dutchies Restaurant is being operated. The proposed lease period is 25 (TWENTY-FIVE) years. A valuation to obtain the market related rental must still be done.



2. Portion of Erf 775 Fisherhaven – Holiday Resort and related

The subject portion of Erf 775 Fisherhaven is approximately 1,6066ha (ONE COMMA SIX ZERO SIX SIX HECTARES) in extent. It is currently leased to the Lake Marina Yacht Club. The proposed lease period must still be finalised as a long-term lease (longer than nine years eleven

months) will entail specific additional processes (i.e. closure of public place, etc.). It is however preferred that a 25 (TWENTY-FIVE) year lease period be considered. A valuation to determine the market related rental must still be done.



3. Portion of Erf 5462 Kleinmond - Holiday Resort

The relevant portion of Erf 5462 Kleinmond is approximately 11,1488ha (ELEVEN COMMA ONE FOUR EIGHT EIGHT HECTARES) in extent and where the current Kleinmond Caravan Park is situated on. The proposed lease period is 25 (TWENTY-FIVE) years. The market related rental was determined in January 2022 at an amount of R620.00/ha (SIX HUNDRED AND TWENTY RAND PER HECTARE) (VAT excluded) per month.



4. Portion of Erf 4831 Hermanus and a Portion of Erf 5327 Hermanus - Public Resort (De Mond Caravan Park)

The combined size of the lease area is $\pm 10,64$ ha (TEN COMMA SIX FOUR HECTARES) of which a Portion of Erf 4831 Hermanus is $\pm 9,94$ ha (NINE COMMA NINE FOUR HECTARES) and a Portion of Erf 5327 Hermanus is $\pm 0,70$ ha (ZERO COMMA SEVEN ZERO HECTARES). The proposed lease period is 45 (FOURTY-FIVE) years. A valuation to obtain the market related rental must still be done.



SALE

1. Portion of Remainder Erf 4771 Hermanus (Next to OK, Voëlklip) – Residential development

The size of the relevant portion must still be finalised as a portion of this is currently part of the buffer area for Fernkloof and is planned to be included into Fernkloof. The current zoning is Open Space Zone 2 Public Open Space which means that a land use application will be required. This application will entail a closure, rezoning as well as a subdivision. The existing built environment has a density of 10 to 20 units per hectare. A valuation must still be done.



2. Portion of Erf 4833 Hermanus (Lakeview) - Retirement Village

Erf 4833, Kleinrivier 62,8571ha (SIXTY-TWO COMMA EIGHT FIVE SEVEN ONE HECTARES) in extent, of which only a portion of $\pm 11-15$ ha can be made available. The current zoning is split between Resort Zone: Holiday Resort (RZ), Open Space Zone 2: Public Open Space and Open Space Zone 1: Nature Reserve (OS1). The site is in Hermanus, Kleinrivier, next to Seventh Avenue, and north of the R43, a portion of the R43 also runs through the property.



3. Unregistered Erf 11440 Hermanus - Offices

The property is 1,4590ha (ONE COMMA FOUR FIVE NINE ZERO HECTARES) in extent and zoned Business Zone III: Local Business,

limited to office use only. There are water pipelines crossing the property and municipal production and test boreholes on the property. It is situated at the entrance to Hermanus opposite the municipal stores. Council has already in approved in 2011 the sale of the property by means of a competitive process.



4. Portions of Erf 210 Gansbaai - Aquaculture

These two portions consist of unregistered Erf 3898 Gansbaai, 3,0794ha (THREE COMMA ZERO SEVEN NINE FOUR HECTARES) in extent, and Unregistered Erf 3899 Gansbaai, 3,0848ha (THREE COMMA ZERO EIGHT FOUR EIGHT HECTARES) in extent. The current zoning is of the two portions is Undetermined Zone. Council has already in November 2012 approved the sale of the properties by means of a competitive process.



5. Erf 1886 Franskraalstrand – Town Housing

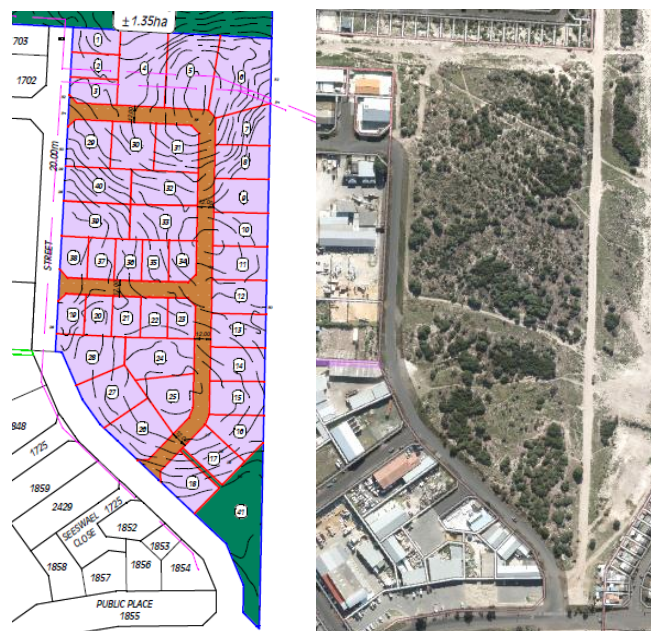
The size of the property is 1,5447 (ONE COMMA FIVE FOUR FOUR SEVEN) Hectares in extent and the current zoning is Undetermined

Zone. In order to accommodate the development of a town housing complex, the property will need to be rezoned to General Residential Zone 1: Town Housing. Council has already in August 2021 approved the sale of the property by means of a competitive process. The market related price was determined in July 2021 at an amount of R2,200,000.00 (TWO MILLION TWO HUNDRED THOUSAND RAND) (VAT excluded).



6. Portion of Erf 210 Gansbaai - Industrial

This portion is located between the existing industrial hub of Gansbaai and the residential extension of Mashakane. The location of the property lends itself to be incorporated into the existing industrial hub as the industrial extension. Access to the portion is directly from the existing industrial area. The proposal is to make a size of ± 5 ha (FIVE HECTARES) available to be subdivided and developed in approximately 40 industrial erven. The development of the proposed area is linked to an existing approved development plan, and already has EA approval which must be complied with. Council approval must still be obtained after a valuation is done to determine the market related purchase price.



7. Erf 1070 De Kelders (use to be confirmed)

The size of the property is 7,8544HA (SEVEN COMMA EIGHT FIVE FOUR FOUR) Hectares in extent and the current zoning is Open Space Zone 1: Nature Reserve. It also includes the unregistered servitude road servicing the neighbouring property. Council has already in September 2009 approved the sale of the property by means of a competitive process for a low-density nature conservation development. A new valuation will have to be obtained.



8. Unregistered Erf 12308 (a portion of Erf 384) Hermanus - Medical facilities and related community purposes

Unregistered Erf 12308 Hermanus (a portion of Erf 384 Hermanus), 7338m² (SEVEN THOUSAND THREE HUNDRED AND FIFTY EIGHT SQUARE METRES) in extent, is situated on the corner of Church Street

and Albertyn Street, Westcliff, Hermanus with a zoning of Community Zone1: Medical related facilities. Council in October 2021 approved the sale of the property by means of a competitive process for medical facilities and related community facilities. The market related value of the property was on 10 September 2021 determined at an amount of R7,841,000.00 (SEVEN MILLION EIGHT HUNDRED FORTY-ONE THOUSAND RAND) (VAT excluded).



Evaluation

The processes as stipulated in the Overstrand Municipality's Administration of Immovable Property Policy (2015) must be followed. The properties can only be made available by means of a competitive process at a market related rental / purchase price, the latter to be determined by a registered valuer. In most instances, town planning approvals must still be obtained, and in some instances the successful developer will have to obtain the rights. The majority of the properties listed have already in-principle approvals in place as required by the relevant policy.

In all instances reports will serve again before either the Council (sale) or the Executive Mayor (lease) regarding each of the properties identified once the competitive processes are finalised.

Conclusion

Taking the above into consideration, it is recommended that Council takes note of the following properties to be presented at the proposed Investment Conference to be held on 23 and 24 June 2022:

1. Lease
 - (a) Portion of Remainder Erf 4771 Hermanus (Grotto Beach) – Restaurant and related
 - (b) Portion of Erf 775 Fisherhaven – Holiday Resort and related

- (c) Portion of Erf 5462 Kleinmond - Holiday Resort
- (d) Portion of Erf 4831 Hermanus and a Portion of Erf 5327 Hermanus - Public Resort (De Mond Caravan Park)

2. Sale

- (a) Portion of Remainder Erf 4771 Hermanus (Next to OK, Voëlklip) – Residential development
- (b) Portion of Erf 4833 Hermanus (Lakeview) - Retirement Village
- (c) Unregistered Erf 11440 Hermanus – Offices
- (d) Portions of Erf 210 Gansbaai – Aquaculture
- (e) Erf 1886 Franskraalstrand – Town Housing
- (f) Portion of Erf 210 Gansbaai – Industrial
- (g) Erf 1070 De Kelders (use to be confirmed)
- (h) Unregistered Erf 12308 (a portion of Erf 384) Hermanus - Medical facilities and related community purposes

7. Financial Implications

Council stands to gain market related purchase prices and rental amounts for the properties identified. Once developed, rates, taxes and services charges will be payable to the Municipality.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

None

RECOMMENDATION TO THE COUNCIL:

that Council **takes note** of the following municipal owned immovable properties to be presented at the proposed Investment Conference to be held on 23 and 24 June 2022:

1. Lease:

- (a) Portion of Remainder Erf 4771 Hermanus (Grotto Beach) – Restaurant and related
- (b) Portion of Erf 775 Fisherhaven – Holiday Resort and related
- (c) Portion of Erf 5462 Kleinmond - Holiday Resort
- (d) Portion of Erf 4831 Hermanus and a Portion of Erf 5327 Hermanus - Public Resort (De Mond Caravan Park)

2. Sale:

- (a) Portion of Remainder Erf 4771 Hermanus (Next to OK, Voëlklip) – Residential development
- (b) Portion of Erf 4833 Hermanus (Lakeview) - Retirement Village
- (c) Unregistered Erf 11440 Hermanus – Offices
- (d) Portions of Erf 210 Gansbaai – Aquaculture
- (e) Erf 1886 Franskraalstrand – Town Housing
- (f) Portion of Erf 210 Gansbaai – Industrial
- (g) Erf 1070 De Kelders (use to be confirmed)
- (h) Unregistered Erf 12308 (a portion of Erf 384) Hermanus - Medical facilities and related community purposes

RESPONSIBLE OFFICIAL :**A LE ROUX
R KUCHAR****TARGET DATE FOR IMPLEMENTATION :****PROCESS****TARGET DATE TO INFORM APPLICANT :****N/A****TARGET DATE TO INFORM OBJECTOR :****N/A**