

8. MUNICIPAL LEASES: COMMUNITY HALLS/FACILITIES MANAGED BY THIRD PARTIES

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Divisional Manager: Property Management

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1. Executive Summary

To provide information to the Executive Mayor on the municipal leases for the community halls/facilities managed by third parties.

2. Service Delivery and Budget Implementation Plan - IGNITE

Planning and Development
Property Management

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Promotion of tourism, economic and social development

4. Delegated Authority

Executive Mayor

5. Legal Requirements

- Municipal Asset Transfer Regulations (R. 878 of 2008)
- Administration of Immovable Property Policy of the Overstrand Municipality, as amended

6. Background/Discussion/Evaluation/Conclusion

Background/Evaluation

The Municipality has the following lease agreements/ consents on record with regards to community halls/facilities within the Overstrand which are managed by third parties.

Nr	Name	Erf	Area
1.	Pringle Bay Ratepayers Association	1772	Pringle Bay
2.	Betty's Bay Ratepayers Association	2416	Betty's Bay
3.	Sjechinah Christian Centre	1179	Hawston
4.	De Wetsaal Bestuurskomitee	2506	Onrustrivier
5.	Sandbaaisaal Bestuurskomitee	2820	Sandbaai

6.	Mount Pleasant Business Centre Committee	243	Hermanus
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The relevant information regarding the above are as follows:

A: Pringle Bay Ratepayers Association

Property: A portion of Erf 1772 Pringle Bay (±3000m² in extent), situated at 3 Buffels Road, Pringle Bay as indicated on the locality map attached marked Annexure A.

Current lease period: 9 (nine) years and 11 (eleven) months commencing on 1 October 2020 and expiring on 31 August 2030.

Current rental amount: R217.00 (VAT included)

Specific lease conditions:

5.1. *The Leased Premises, together with the existing buildings and other structures thereon as well as such buildings and other structures as may be erected in accordance with the provisions of this lease, shall be used exclusively for the sole **purpose of managing, leasing, supervising and maintaining the Pringle Bay Community Hall as a community project.***

6.5. *The LESSEE shall annually submit to the LESSOR audited financial statements which shall also contain a complete inventory of all the LESSOR's movable items at or in the hall. It is recorded that, as the date of the last person signing this lease, the LESSOR owns the movable items listed in Annexure B. The LESSEE must inform the LESSOR of any changes that must be made to this inventory.*

6.6. *Any profit after provisions in respect of maintenance and improvements have been made must be paid to the LESSOR on an annual basis.*

The audited financial statements were received on 15 January 2024 (1 November 2022 – 31 October 2023).

7.7. *An official from the Building Department of the Overstrand Municipality must submit an annual report to determine whether maintenance is being performed to the satisfaction of the LESSOR.*

The annual report regarding maintenance was received on 24 November 2023.

8.1. *For the duration of this lease the Lessee shall:*

8.1.1. *pay to the LESSOR the monthly insurance premium in respect of any buildings and/or structures erected and/or to*

be erected on the Leased Premises and the LESSOR shall insure the buildings and/or structures on the Leased Premises against damage;

The insurance is being levied on the municipal account. The current amount is R100.05 (VAT included).

14.1. The LESSEE will be responsible for payment of the normal services charges and tariffs for any municipal services or availability fees provided to the Leased Premises, whether at the request of the LESSEE or not. The LESSEE shall not be responsible for the payment of property rates.

Refuse and sewerage are levied on the account. Clarity must be obtained as why water services are not levied. The municipal account is paid up to date.

19.1. The Pringle Bay Community Hall situated on the Leased Premises must be made available to the LESSOR free of charge for official meetings and functions.

19.2. Should the Property be required for use by the LESSOR for emergency purposes, for example accommodation of people or storage of supplies during incidents of unrest or disaster, the LESSOR will inform the LESSEE of same on short notice and in writing. In cases where the Property is used by the LESSOR for emergency purposes, the LESSEE may apply for the write back of the rental, rates and taxes, services charges and associated expenses incurred by the LESSEE during this period, subject to substantiating proof of the expense as well as of why these expenses were deemed to be necessary. Each application will be evaluated on a case by case basis.

General notes:

The conditions of the lease agreement are being adhered to.

The Constitution is filed on record. The committee members as on 22 December 2022 are:

- Chairperson: Elmarie Strydom
- Vice Chair: Bertie Vorster
- Secretary: Heather Morkel
- Treasurer: Michael Meyer

Portfolio members:

- Firefighting: Clayton Francis & Pieter Janse van Rensburg
- Conservancy: David Lees-Rolfe
- Development: Vic Prins

- Communication: Ilse Meyer
- Pringle Post: James Burns

No notice of a change in the members has been received since December 2022. The constitution stipulates as follows as to membership:

“5. *MEMBERSHIP*

- (a) *Ordinary membership shall be open to:*
 - (i) *all ratepayers owning property within the area of Pringle Bay Township as defined in sub-clause 3 (a) above; and*
 - (ii) *subject to the provisions as to voting rights pertaining to members as set out in clause 7(h), the spouse of any ratepayer who is a natural person.*
 - (iii) *for the purposes of subperson with whom the ratepayer is in a permanent relationship.*
- (b) *Application for membership shall be made in writing to the Secretary and signed by the applicant.*
- (c) (i) *The Executive Committee shall consider all applications for membership and shall in their discretion admit applicants to membership and enrol them as members of the Association.*
 - (ii) *If at any time after the admission of an applicant to membership it shall appear that he has been admitted under a misrepresentation or mistake, the committee shall have the power to cancel such admission. The person whose election is thus cancelled in terms of this clause shall cease to be a member of the Association and his name shall be erased from the register of members and he shall have no claim against the association for damages, return of entrance fee or subscription, on any grounds whatsoever, but the committee shall be entitled to make such ex gratia refund of such entrance fee or subscription.*
- (d) *Honorary members may be elected by the members present at a general meeting.”*

The financial year of the committee is from 1 November to 31 October of each year. The last audited financial statements were received on 15 January 2024 (1 November 2022 – 31 October 2023). The audited financial statements for the 2023/2024 financial year will be requested after due date thereof.

B: Betty’s Bay Ratepayers Association (Crassula Hall)

Property: Erf 2416 Betty’s Bay (1982m² in extent), situated at Crassula Avenue, Betty’s Bay as indicated on the locality map attached marked Annexure B.

Current lease period: 9 (nine) years and 11 (eleven) months commencing on 1 November 2015 and expiring on 30 September 2025.

Current rental amount: R215.98 (VAT included) – old CPI escalation

Specific lease conditions:

5.1 *The said land, together with the existing buildings and other structures thereon as well as such buildings and other structures which may be erected in accordance with the provisions of this agreement, shall be used exclusively for the **purpose of recreational and related activities [including inter alia the following: craft markets, boot and foot sales for local organisations, exercise classes, independent Electoral Commission (IEC) registrations and elections, together with wedding receptions and birthdays, etc.] will be allowed on the leased land and no other activities will be allowed on the leased land.***

The purpose of the lease is not as specific to indicate that the property is managed as a community hall.

6.8 *The **LESSEE** undertakes for the currency of this lease to pay to the **LESSOR** the monthly insurance premium in respect of any buildings and/or structures erected or any buildings and/or structures to be erected in accordance with this agreement on the land which they are utilising. The buildings and/or structures will be insured against damage or loss by the **LESSOR** in terms of this lease.*

The insurance is being levied on the municipal account. The current amount is R92.43 (VAT included).

11.1 *The **LESSEE** undertakes that it will be responsible for payment at the normal rates, taxes and tariffs for any municipal services or availability fees provided to the land hereby leased, whether at the request of the **LESSEE** or not.*

Water, refuse and sewerage are levied on the account. The municipal account is paid up to date.

16. **SUB-LETTING**

16.1 *The **LESSEE** may sublet/make available the property to prospective individuals and organisations of the community provided that:*

16.1.1 *The tariffs to be charged shall be determined in the consultation with the **LESSOR**.*

16.1.2 *Such sub-lease/us of is subject in all respects to the provisions of the main lease agreement entered into between the **LESSEE** and the **LESSOR** as well as the*

LESSOR's Administration of Immovable Property Policy as may be amended from time to time.

- 16.1.3 The **LESSOR** is indemnified against any claims from such prospective lessees/users in terms of the sub-leasing/use of the property.
- 16.1.4 The sub-lease may only be for recreational and related activities in line with the utilisations of the property depicted in Clause 5 above.
- 16.1.5 Preference will be given to the local community.
- 16.1.6 Sub-leasing of the **LESSOR's** property shall be per approved activity and shall not be on a permanent basis.

17. RECORDAL

- 17.1 It is recorded that the **LESSEE** will make available the premises to the **LESSOR** at no cost.

General notes:

The lease agreement does not have the requirement of annual statements to be submitted nor building control inspections to be done. The conditions of the lease agreement are being adhered to.

The constitution is filed on record. The current committee members as on 13 December 2022 are:

- Chairman: Wayne Jackson
- Vice Chairman: Rob Boyd
- Secretary: Karon Scholefield
- Treasurer: Adrian de Kock
- Jorika Rabie
- Graeme McGill
- Wendy Lucas
- Barbara Jenman
- Laura Brown
- Cheryl Gleeson
- Tammy Fernandes
- Claudele Jackson

No notice of a change in the members has been received since December 2022. The constitution stipulates as follows regarding membership:

"The following are eligible for membership:

- (a) Any person (and his or her spouse) who owns property in Betty's Bay, or the small holding area surrounding the town;
- (b) A maximum of two (2) persons in the event of joint or syndicated ownership of any properties;

