

**AGENDA of the
Portfolio Committee : Investment & Infrastructure
7 June 2023
(Also the agenda for the Mayoral Committee Meeting : 12 June 2023)**

**4.
ERF 1179 HAWSTON: RECOMMENDATION TO USE THE PROPERTY AS AN
EXTENSION OF THE HAWSTON THUSONG CENTRE**

**A Le Roux
30 March 2023**

Manager: Property Administration

(028) 316-5609

1. Executive Summary

To obtain approval from Council to use the building on Erf 1179 Hawston, known as the “Selfboustoor”, as an extension of the Hawston Thusong Centre. See the locality maps attached as Annexures “A1&2”.

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
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

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

6. Background/Discussion/Evaluation/Conclusion

Background/Discussion/Evaluation

The Sjechinah Christelike Sentrum leased Erf 1179 Hawston (the “Property”) from the Overstrand Municipality for community purposes for the period October 2001 to 31 July 2021. Sjechinah applied for a renewal of the lease agreement and on 13 April 2021 the delegated authority, being the Municipal Manager, rejected the renewal application of Sjechinah and decided that Erf 1179 Hawston should rather be leased by means of a competitive process as there were various interest in the Property.

**AGENDA of the
Portfolio Committee : Investment & Infrastructure
7 June 2023
(Also the agenda for the Mayoral Committee Meeting : 12 June 2023)**

Sjechinah applied to retain occupation of the Property until such time as the tender process has been finalized, effectively this means an extension to the lease period. Sjechinah's main motivation for the extended occupation is that in the event of it vacating the Property by 31 July 2021 without the tender process having been finalised, it would be left vacant and vulnerable to vandalism and other possible criminal activities. Sjechinah further also confirmed that the organisation will abide by the decision to vacate once the tender process has been finalised. Sjechinah's assertion is correct. In the experience of the Property Administration Department, property left vacant is often quickly vandalised and falls into ruin and therefore this request was approved.

The tender for the lease of the Property was advertised twice and the necessary processes were followed. The tender could not be awarded either of the times as there were technical and compliance issues with the bidders and bids received, leading to the tender not being able to be awarded to any of the bidders. There are still parties interested in the lease of the Property, being the Sjechinah Christian Centre, who currently occupies the Property, and the Catapult Foundation (Ms L Kensley/ Ms Bruinders) however, one cannot say with certainty whether their bid will be acceptable if the tender is advertised again.

The Property Administration Department was copied in an email from the Coordinator: Multi-Purpose Centre, Ms Ronell Salies, to the Manager: Social Development for the use of the Property as an extension of the Thusong Centre Services. In her email dated 25 January 2023 she motivates the request as follows:

"Previously we discussed the possibility of including the selfboustoor as an extension to Thusong. Currently the Thusong Centre is utilized by government departments and works on a booking system. Therefore, it is difficult to have set capacity building programs and social programs at the Thusong Centre example the older persons club meets twice a week on Mondays and Wednesdays. They must change their meeting dates every time there is another booking at Thusong. They also then have to pack up all the equipment for activities.

I also had numerous requests about youth and children's programs at Thusong however we cannot give specific days to this.

Some stakeholders also request a smaller venue for training sessions as the acoustic in the big hall is sometimes very bad for workshops.

I would like to suggest that we investigate the possibility of putting the selfboustoor as additional venue to Thusong."

**AGENDA of the
Portfolio Committee : Investment & Infrastructure
7 June 2023
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The response from the Manager: Social Development replied on 3 March 2023 was

“We have not yet lodged a request with Anja.

I have discussed it with the Director and provided him with an overview of the facility.

To strengthen our case, we will need to develop a business plan for use of the Thusong.

Will keep you updated if any decisions in this regard is made.”

As an internal need was identified for the use of the Property, which must be considered before the Property is made available to the public again by means of a competitive bidding process, the matter was referred to the Municipal Manager who advised that the matter be presented to the Portfolio Committee and subsequently Council to decide on the future of the Property.

Conclusion

Taking the above into consideration, it is requested that Council decides whether:

1. The Property must be made available to the public by means of a competitive bidding process at a minimum rental of R193.00 (ONE HUNDRED AND NINETY-THREE RAND) (VAT INCLUDED) per month (approved tariff for the 2022/2023 financial year), or
2. The Property must be allocated to the Directorate: Economic and Social Development & Tourism as an extension of the Thusong Centre in Hawston, to be managed by Ms Ronell Salies as the Coordinator: Multi-Purpose Centre, who has indicated that she is willing to broaden her functions.

7. Financial Implications

The estimated income to be received in rental for one year at the current tariff will be R2,316,00 (TWO THOUSAND THREE HUNDRED AND SIXTEEN RAND) (VAT INCLUDED). If an annual escalation of 6% is used, the estimated income for a period of 9 years and 11 months can be R32,013.44 (THIRTY-TWO THOUSAND AND THIRTEEN RAND AND FORTY FOUR CENTS). Services charges are excluded from the calculation. The lessee will be responsible for the maintenance of the Property, excluding major repairs needed.

**AGENDA of the
Portfolio Committee : Investment & Infrastructure
7 June 2023
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The responsible Directorate will have to budget for the maintenance of the Property, which amount cannot be quantified as yet. The Municipality will however gain more income from the various bookings that the Municipality will receive for the use of the hall. Another advantage is that the Property can be made available more fairly and to various organisations. The tariffs for the Thusong Hall can be used for Property, these tariffs currently being:

S40J	<u>Kleinmond Civic Center Hall, & Hawston Thusong Centre</u>		
S40J1	Deposit (refundable) Government Imbizos & Government Meetings.	602,00	no vat
S40J2	Deposit (refundable): Hawston Thusong Centre	1 087,00	no vat
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	759,13	873,00
S40J4	Church Services per day	105,22	121,00
S40J5	Funeral Tea (three hours)	138,26	159,00
S40J6	Government Imbizos (per day)	2 339,13	2 690,00
S40J7	Non-fundraising events for Schools, other training institutions and sport & recreation	277,39	319,00
S40J8	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per	334,78	385,00
S40J9	Meetings: Local CBO's, NGO's, Non-fund-raising indoor sports per hour (only large groups > 30) - (No Deposits)	32,17	37,00
S40J10	Preparation for event - per hour	79,13	91,00
S40J11	Non-fundraising: Parties, weddings, indoor sports, etc. per daytime or evening	380,00	437,00
S40J12	Tariff for events continuing after midnight (24h00) per hour	233,04	268,00
S40J13	Sound OR Lighting Equipment per event (each item) per hour	116,52	134,00
S40J14	Use of kitchen (per event per day)	366,09	421,00
S40J15	Use of kitchen for water jugs and glasses or tea cups & sauces (per event per day)	53,04	61,00

8. Staff Implications

If the Property is to be managed by the Municipality, the Coordinator: Multi-Purpose Centre, Ms R Salies, as well as the Manager: Social Development will have more functions to attend to.

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexures A1 & 2: Locality Maps

RECOMMENDATION TO THE COUNCIL:

that Council **approves** either that:

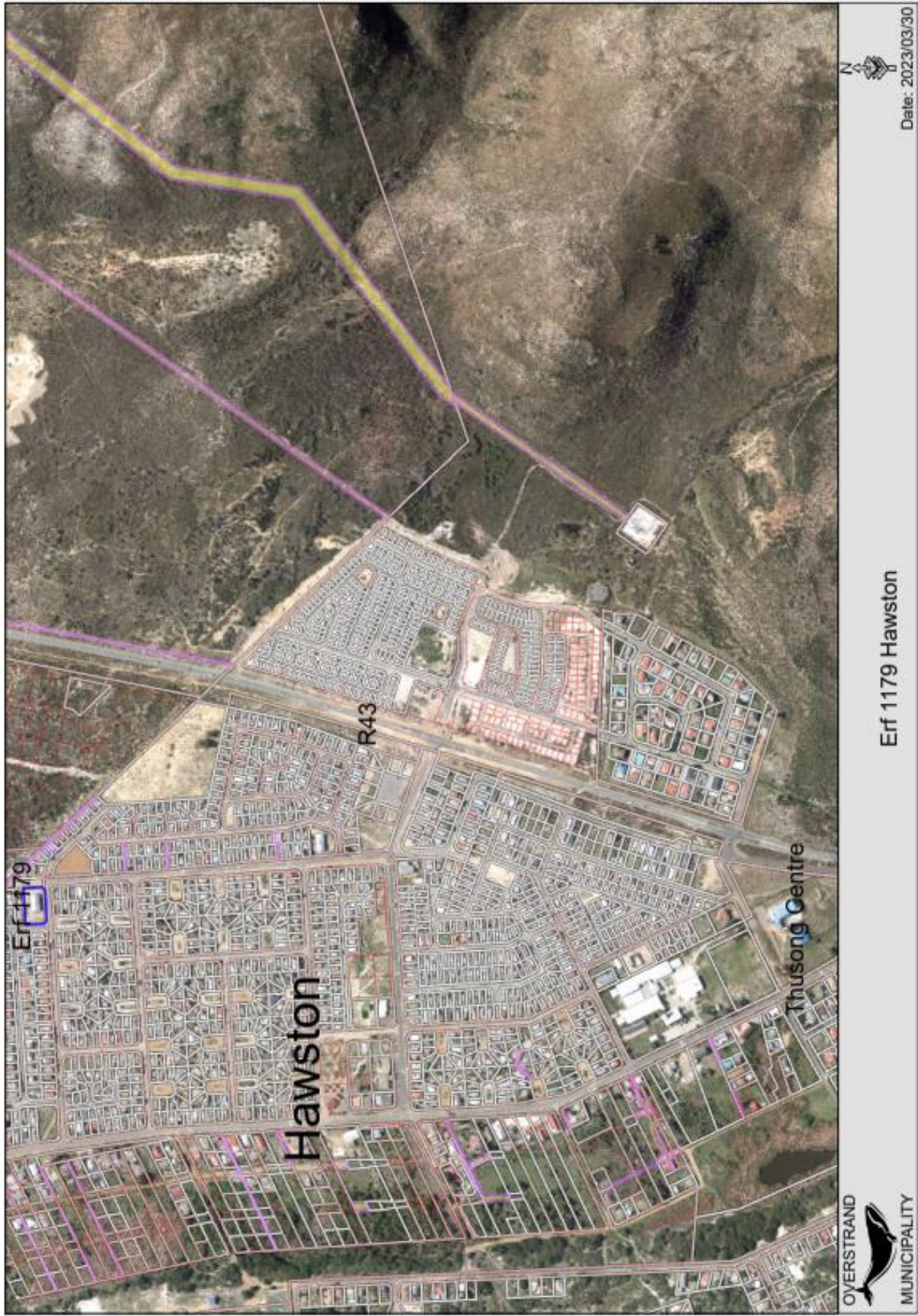
1. Erf 1179 Hawston be made available to the public for lease by means of a competitive bidding process for a period of 9 (NINE) years and 11 (ELEVEN) years; **or**
2. Erf 1179 Hawston be managed by the Municipality as an extension of the Thusong Centre.

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RESPONSIBLE OFFICIAL :	M ERASMUS
TARGET DATE FOR IMPLEMENTATION :	30 JULY 2023
TARGET DATE TO INFORM APPLICANT :	15 JULY 2023
TARGET DATE TO INFORM OBJECTOR :	N/A

ANNEXURE A1





Date: 2023/03/30

Erf 1179 Hawston

