

**AGENDA of the
Portfolio Committee : Planning & Development
4 February 2025
(Also the agenda for the Mayoral Committee Meeting : 10 February 2025)**

**2.
KLEINMOND HARBOUR DEVELOPMENT**

**R Kuchar
16 January 2025**

Divisional Manager: Town & Spatial Planning

028 313 8900

1. Executive Summary

To inform Council on the background of Kleinmond Harbour Development and the status of the Development of the Community project within the harbour precinct.

2. Service Delivery and Budget Implementation Plan - IGNITE

Planning and Development
Property Management & Town and Spatial Planning

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

From 2003 to 2011 various negotiations have been ongoing for the sale and development of the Kleinmond Harbour area. The final agreement between the Municipality and Wharfside however was finalised during 2015.

**AGENDA of the
Portfolio Committee : Planning & Development
4 February 2025
(Also the agenda for the Mayoral Committee Meeting : 10 February 2025)**

This entailed that Wharfside would pay the Municipality the grand sum of R21million for the properties purchased in the harbour.

The money would then be allocated as follows:

<u>Method of payment</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Item funded</u>
	<u>14 Months</u>	<u>23 Months</u>	<u>31 Months</u>	
Cash	R300 000	R300 000	R400 000	Contribution to community structures and development on Erf 5456 around harbour
Cash		0		Contribution towards fish processing facility
In lieu of cash	R6 700 000	R3 400 000		Bulk Infrastructure
In lieu of cash		R3 300 000	R6 600 000	Harbour upgrading
TOTAL	R7 000 000	R7 000 000	R7000 000	R21 000 000

The bulk infrastructure and the upgrade of the harbor has been concluded.

However, the R1million was allocated to Kleinmond Community Investment Holdings (Pty) Ltd ("KCIH") (community structure). In addition to the R1million, Erf 8643 Kleinmond (the "property") was sold to KCIH for R1 in order for KCIH to develop for the benefit of the community. See locality map attached marked Annexure A.

Of the R1million allocated, the first tranche of R300 000 was paid to KCIH in order to do planning for the community facilities. KCIH had to provide proof how the funds were spent before they could access the remaining R700 000.

After various requests no sufficient proof was provided and no further payments were made.

KCIH also became defunct in the period reneging the agreement to develop Erf 8643 as well as not paying rates and taxes on said erf.

The Council during 2020 resolved to repossess Erf 8643 and transfer it back to Council in order to develop it for the benefit of the community. Erf 8643 was formally registered in the name of the Municipality on 22 September 2020.

After the property was transferred back to the Municipality and after consultation with the community it was decided that the remaining R700 000

**AGENDA of the
Portfolio Committee : Planning & Development
4 February 2025
(Also the agenda for the Mayoral Committee Meeting : 10 February 2025)**

of the R1million will be used to erect a fence around Erf 8643. For this an amount of ±R200 000 was spent to fence the erf.

The remaining R500 000 was allocated to fund the planning of the facilities for the community which included fisherman's houses on the seafront of the harbour.

DISCUSSION

As only R500 000 remained of the initial R1 million, it is proposed that these funds be used for the planning of the community structure(s) on a portion of Erf 5456 Kleinmond (see locality map attached marked Annexure B). Mr D Hendricks to engage with the community to determine the priorities. Further that funding be sealed to implement the plans.

As the Municipality can only enter into a possible direct lease agreement with a registered community structure, the structure needs to be finalised to form a legal entity. Once this legal structure is registered, the process for the leasing of the community structure(s) on a portion of Erf 5456 Kleinmond can be commenced with by the Property Management Division.

7. Financial Implications

The remainder of the R500 000 to be used for planning of the community structure(s) on a portion of Erf 5456 Kleinmond. The finalized plans to be costed. Different sources for the funding of structures need to be investigated to expedite the implementation thereof.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

RECOMMENDATION TO COUNCIL:

1. that the remainder R500 000 be used toward the planning of the envisaged community structure(s) in Kleinmond;
2. that the community liaise with Mr D Hendricks regarding the needs and the vision for the structure(s); and

**AGENDA of the
Portfolio Committee : Planning & Development
4 February 2025
(Also the agenda for the Mayoral Committee Meeting : 10 February 2025)**

3. that the community formalise themselves into a registered legal entity in order to submit an application to the Municipality to lease the community structure(s).

RESPONSIBLE OFFICIAL :

R KUCHAR

TARGET DATE FOR IMPLEMENTATION :

25 FEBRUARY 2025

TARGET DATE TO INFORM APPLICANT :

N/A

TARGET DATE TO INFORM OBJECTOR :

N/A

**AGENDA of the
Portfolio Committee Meeting : Planning & Development
4 February 2025
(Also the Agenda for the Mayoral Committee : 10 February 2025)**

**2.
KLEINMOND HARBOUR DEVELOPMENT**

**R Kuchar Divisional Manager: Town & Spatial Planning
16 January 2025**

028 313 8900

THIS MATTER SERVED BEFORE THE PLANNING & DEVELOPMENT PORTFOLIO COMMITTEE ON 4 FEBRUARY 2025, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:

RECOMMENDATION TO COUNCIL:

1. that the remainder R500 000 be used toward the planning of the envisaged community structure(s) in Kleinmond;
2. that the community liaise with Mr D Hendricks regarding the needs and the vision for the structure(s); and
3. that the community formalise themselves into a registered legal entity in order to submit an application to the Municipality to lease the community structure(s).

RESPONSIBLE OFFICIAL :

R KUCHAR

TARGET DATE FOR IMPLEMENTATION :

25 FEBRUARY 2025

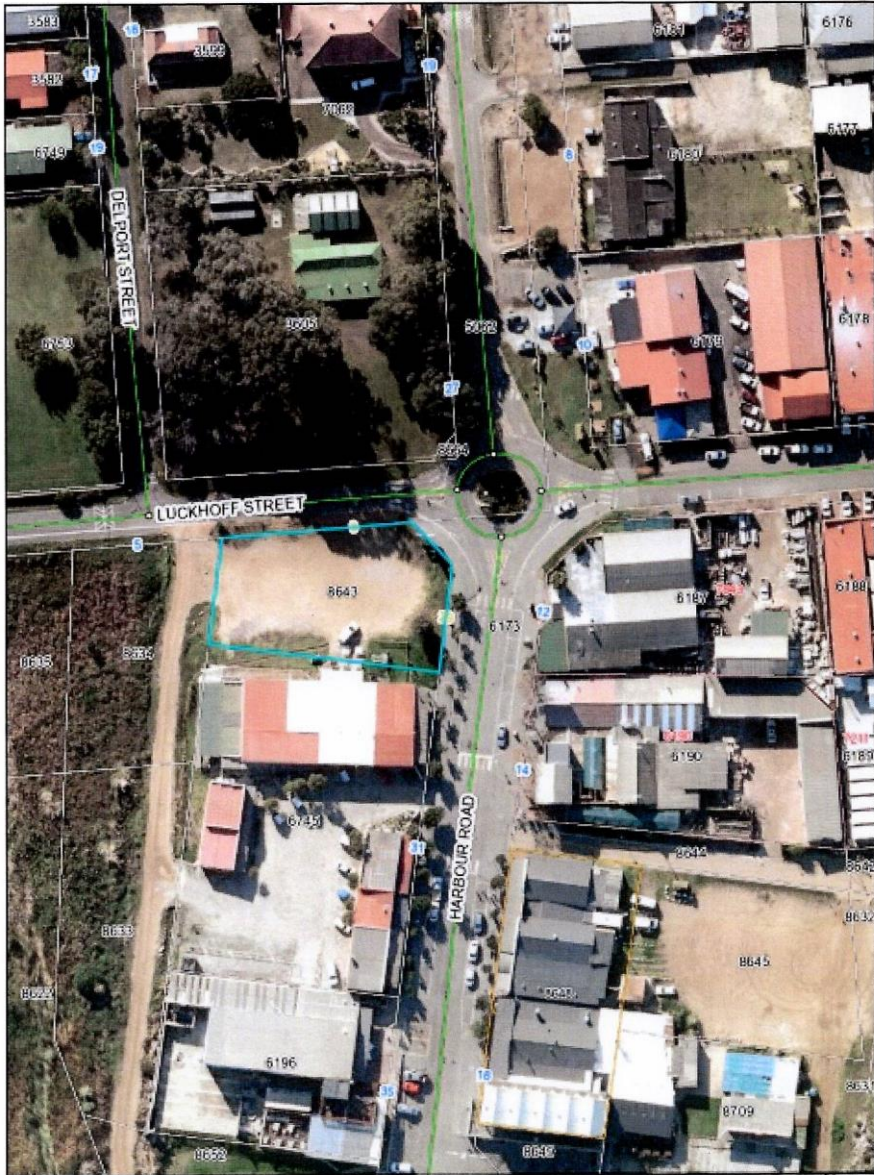
TARGET DATE TO INFORM APPLICANT :

N/A

TARGET DATE TO INFORM OBJECTOR :

N/A

ANNEXURE A



OVERSTRAND
MUNICIPALITY

Erf 8643 Kleinmond

Date: 2025/01/20

ANNEXURE B



OVERSTRAND
MUNICIPALITY

Erf 5456 Kleinmond

Date: 2025/01/20