

ITEM NUMBER : C 19/03/13

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2013

MC 25/03/13 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE GLOSDERRY AREA (LIMITED AREA)

RECOMMENDED that:

- (a) in terms of the Special Rating Area (SRA) By-Law, the City of Cape Town determine the area as reflected in the body of the report on the agenda to be declared a SRA called Glosderry City Improvement District (GCID)
- (b) in terms of Section 9 of the SRA By-Law, the City of Cape Town approve the application submitted by Pres Les Pty Ltd, being the registered owner of Erven 53201 and 159270, to establish a SRA in the GCID area and that it be declared a SRA
- (c) in terms of Section 22(1)(b) of the Municipal Property Rates Act (Act No. 6 of 2004), the City of Cape Town impose an additional rate on property value after Section 10 of the SRA By-Law has been met
- (d) in terms of Section 12(6) of the SRA By-Law, a Finance Agreement be concluded between the City of Cape Town and the GCID Management Committee.

1. ITEM NUMBER : MC 25/03/13

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE GLOSDERRY AREA (LIMITED AREA):

ONDERWERP

AANSOEK OM DIE BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) IN DIE GLOSDERRY-GEBIED (BEPERKTE GEBIED):

ISIHLOKO:

**ISICELO SOKUMISELWA KOMMANDLA ONEERHAFU EZIZODWA
KUMMANDLA WOSHISHINO WASE-GLOSDERRY (INDAWO
ELINGANISELWEYO):**

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

4. PURPOSE

To declare the Glosderry area (Limited Area) a Special Rating Area called the Glosderry City Improvement District (GCID).

5. FOR DECISION BY

Council

6. EXECUTIVE SUMMARY

- 6.1 In terms of the Special Rating Area By-Law, Council has received an application to determine a Special Rating Area (SRA) in the GCID area.
- 6.2 The application complies with all legal aspects as per the By-Law.

- 6.3 No objections to the establishment of the GCID were received.
- 6.4 That an additional rate be levied in terms of Section 22 of the MPRA and approved by Council during the Budget process.

This report recommends that the application be approved and that a SRA be declared for the GCID area.

7. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) in terms of the SRA By-Law, the City of Cape Town determine the area as reflected in the body of this report to be declared a SRA called Glosderry City Improvement District (GCID).
- b) in terms of Section 9 of the By-Law, the City of Cape Town approve the application submitted by Pres Les Pty Ltd, being the registered owner of Erven 53201 and 159270, to establish a SRA in the GCID area and that it be declared a SRA.
- c) the City of Cape Town impose an additional rate in terms of Section 22(1)(b) of the MPRA on property value after Section 10 of the By-Law has been met.
- d) in terms of Section 12(6) of the By-Law a Finance Agreement be concluded between the City of Cape Town and the GCID Management Committee.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) ingevolge die SRA-verordening, die Stad Kaapstad bepaal dat die gebied in die liggaam van hierdie verslag aangedui as 'n SRA verklaar word, en as die Glosderry-stadsverbeteringsdistrik (GCID) bekend staan.
- b) ingevolge artikel 9 van die Verordening, die Stad Kaapstad goedkeuring verleen aan die aansoek ingedien deur Pres Les (Edms) Bpk, synde die geregistreerde eienaar van erf 53201 en 159270, om die stigting van 'n SRA in die GCID-gebied, en dat dit as 'n SRA verklaar word.
- c) die Stad Kaapstad 'n bykomende heffing ingevolge artikel 22(1)(b) van die MPRA op eiendomswaarde instel nadat daar aan artikel 10 van die Verordening voldoen is.
- d) 'n finansiesooreenkoms ingevolge artikel 12(6) van die Verordening tussen die Stad Kaapstad en die GCID-bestuurskomitee gesluit word.

IZINDULULO

Azigunyaziswanga Isiqqibo seseBhunga:

Kundululwe ukuba:

- a) NgokoMthetho kaMasipala ojongene neMimandla eneeRhafu eziZodwa, isiXeko saseKapa masimisele indawo ebonakaliswe kwisiqu sale ngxelo njengoMmandla oneRhafu eYodwa owaziwa ngokuba siSithili sesiXeko soPhuculo loShishino sase-Glosderry.
- b) Ngokungqinelana neCandelo 9 loMthetho kaMasipala, isiXeko saseKapa masiphumeze isicelo esingeniswe ngabe-Pres Les Pty Ltd, abangabanini ababhaliwayo beZiza 53201 ne-159270, ukuba bamisele uMmandla oneRhafu eYodwa kummandla weSithili sesiXeko soPhuculo loShishino wase-Glosderry
- c) IsiXeko saseKapa masimisele irhafu eyongezelelweyo ngokweCandelo 22(1)(b) loMthetho ojongene namaXabiso eePropati zikaMasipala ngexabiso lepropati emva kokuthotyelwa kweCandelo 10 loMthetho kaMasipala.
- d) Makuqunjelwe isiVumelwano seziMali ngokweCandelo 12(6) loMthetho kaMasipala phakathi kwesiXeko saseKapa kwakunye neKomiti yoLawulo lweSithili sesiXeko soPhuculo loShishino sase--Glosderry.

8. DISCUSSION/CONTENTS

8.1 Constitutional and Policy Implications

The City of Cape Town, as with most of the major cities in South Africa, is grappling with the challenge of providing an equitable level of service to all its inhabitants. It acknowledges that property owners within an area require a mechanism to create a friendly environment and to enhance its current service delivery capacity. The SRA model allows property owners to organize additional municipal services to improve and upgrade the SRA with the additional rates levied on commercial properties.

Accordingly the Steering Committee was formed to pursue the process of establishing an SRA under the guidance of the ISL Department.

The Steering Committee submitted an application (limited area), attached as Annexure A, which includes the following:

- Motivation report, Implementation Plan and Budget (Section A)



- Property database of all properties to pay the additional rate with an indication of who supported the application and verified by the ISL Department (Section B)
- An affidavit from the applicant that more than 50% of the property owners support the formation of the SRA (Section C)
- Public meetings advertisements, Minutes, Presentation and Public perception survey report (Section D)

The applicant applied in terms of Section 9 of the SRA By-Law for a limited SRA and demonstrated to the satisfaction of the ISL Department that the level of services to be provided did not reduce and the budget has been reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed SRA.

The Steering Committee obtained 52.4% support that composes of 33 erven out of the 63 properties within the limited area.

The application (limited area) had been advertised for comments and objections and was available for scrutiny at the offices of the City and the Steering Committee. Advertisements attached as Annexure B.

No objections were received from the property owners against the establishment of the SRA.

As spelt out by the applicant in the Business Plan of the GCID the only way to halt the down ward spiral of decay is to establish a sustainable and well managed urban management process. The SRA concept proved itself to be one of the better joint ventures between Council and Property owners to combat urban decay on a wide front without Council neglecting/shifting its primary duties.

The application of the GCID complied with all the requirements for setting up a Special Rating Area as per the By-Law for the establishment of special rating areas.

An additional SRA rate needs to be calculated on the total municipal valuation of all the commercial properties within the GCID area to enable Council to collect the GCID's first year budget of R1 048 454. This additional SRA rate will be considered for approval as part of the Council budget process and be implemented as from 1 July 2013.

8.2 Environmental implications

Does your report have any environmental implications:

No

Yes



8.3 Legal Implications

- Municipal Property Rates Act No.6 of 2004
- Municipal Financial Management Act No.56 of 2003
- Special Rating Area By-Law

8.4 Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

8.5 Risk Implications

None

8.6 Other Services Consulted

None


ANNEXURES

Annexure A - Application to establish a SRA in the GCID (Limited) area.

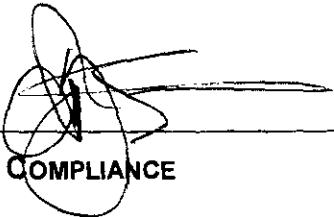
- Business Plan (Section A)
- Property database (Section B)
- Affidavit of applicant (Section C)
- Public meeting info and perception survey (Section D)

Annexure B - Public participation process.

FOR FURTHER DETAILS CONTACT:

NAME	Eddie Scott
CONTACT NUMBERS	(021) 400-1872
E-MAIL ADDRESS	Eddie.Scott@capetown.gov.za
DIRECTORATE	Finance: ISL
FILE REF No	
SIGNATURE : DIRECTOR	





LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME

Jean Roman

Comment:

TEL

(024) 400 2753

Certified as legally compliant:

DATE

01. 03. 2013

Based on the contents of the report. 



EXECUTIVE DIRECTOR
CFO : Kevin Jacoby

Comment:

DATE

26/02/2013.

COMMENT:

MAYORAL COMMITTEE MEMBER
Ald Ian Neilson

NAME

DATE

1/3/2013