

ITEM NUMBER: C 45/05/14

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 MAY 2014

MC 11/05/14 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE SALT RIVER BUSINESS IMPROVEMENT DISTRICT (SRBID)

It is **RECOMMENDED** that:

- (a) the City of Cape Town determine the area as reflected in the body of the report on the agenda, to be declared a special rating area (SRA), known as the Salt River Business Improvement District (SRBID), in terms of the Special Rating Area By-Law, 2012
- (b) the City of Cape Town approve the application submitted by Dawid Swart, the registered owner of Erf 16400, Salt River, to establish an SRA in the SRBID area in terms of Section 8.1(a) of the By-law
- (c) the objections to the establishment of the SRBID be noted but not upheld for the reasons discussed in the report on the agenda
- (d) the City of Cape Town impose the levying of an additional rate of R0,002393 on commercial properties in the SRBID in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004, after Section 10 of the By-law has been met
- (e) a Finance Agreement be concluded between the City of Cape Town and the SRBID Management Committee in terms of Section 12(6) of the by-law.



REPORT TO COUNCIL

DATE

1. ITEM NUMBER : MC 11/05/14

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE SALT RIVER BUSINESS IMPROVEMENT DISTRICT (SRBID)

ONDERWERP

AANSOEK OM DIE BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) BEKEND AS DIE SOUTRIVIER-SAKEVERBETERINGSDISTRIK (SRBID)

ISIHLOKO

ISICELO SOKUMISEWLA KOMMANDLA ONEERHAFU EZIZODWA OWAZIWA NGOKUBA SISITHILI SOKUPHUCULWA KOSHISHINO SASE-SALT RIVER

[E1865]

3. STRATEGIC INTENT

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

4. PURPOSE

To declare the Salt River area a Special Rating Area called Salt River Business Improvement District (SRBID).

5. FOR NOTING BY / FOR DECISION BY

- This report is for noting only/information only.
- This report is for consideration/decision by:

6. EXECUTIVE SUMMARY

In terms of the Special Rating Area By-Law, Council has received an application to determine a SRA in the SRBID area.

The application complies with all legal aspects as per the SRA By-Law in terms of process and majority support.

The Steering Committee obtained 54% support for the Business Plan and only two objections were received. These have been noted but not upheld for the reasons set out in the report.

An additional rate of R0,002393 will be levied on commercial properties within the SRBID in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004.

This report recommends that the application be approved and that a SRA be declared in the Salt River Business Improvement District (SRBID) after Section 10 of the By-law is met. A Finance Agreement will be concluded between the City of Cape Town and the SRBID Management Committee.

7. RECOMMENDATIONS

It is recommended that:

- a) The City of Cape Town determine the area as reflected in the body of this report to be declared a special rating area (SRA), known as the Salt River Business Improvement District (SRBID), in terms of the Special Rating Area By-law, 2012.
- b) The City of Cape Town approve the application submitted by Dawid Swart, the registered owner of erf 16400, Salt River, to establish an SRA in the SRBID area in terms of section 8.1(a) of the by-law.
- c) The objections to the establishment of the SRBID be noted but not upheld for the reasons discussed in the report.
- d) The City of Cape Town impose the levying of an additional rate of R0,002393 on commercial properties in the SRBID in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004, after section 10 of the By-law has been met.
- e) A Finance Agreement be concluded between the City of Cape Town and the SRBID Management Committee in terms of section 12(6) of the By-law.

AANBEVELINGS

Daar word aanbeveel dat:

- a) Die Stad Kaapstad bepaal dat die gebied soos weerspieël in die inhoud van hierdie verslag as 'n spesiale-aanslaggebied (SRA), bekend as die Soutrivier-sakeverbeteringsdistrik (SRBID), verklaar word ingevolge die Verordening op Spesiale-aanslaggebiede, 2012.
- b) Die Stad Kaapstad die aansoek ingedien deur Dawid Swart, die geregistreerde eienaar van erf 16400, Soutrivier, goedkeur om 'n SRA in die SRBID-gebied tot stand te bring ingevolge artikel 8.1(a) van die verordening.
- c) Daar kennis geneem word van die besware teen die totstandkoming van die SRBID, maar dat dit op grond van die redes wat in die verslag bespreek word, nie gehandhaaf word nie.
- d) Die Stad Kaapstad die heffing van 'n bykomende tarief van R0,002393 op kommersiële eiendomme in die SRBID instel ingevolge artikel 22(1)(b) van die Wet op Plaaslike Regering: Munisipale Eiendomsbelasting (MPRA), Wet 6 van 2004, nadat daar aan artikel 10 van die verordening voldoen is.
- e) 'n Finansiële ooreenkoms tussen die Stad Kaapstad en die SRBID-bestuurskomitee gesluit word ingevolge artikel 12(6) van die verordening.

IZINDULULO

Kundululwe ukuba:

- a) ISixeko saseKapa masimisele ummandla obonakaliswe kumxholo wale ngxelo njengommandla oneerhafu ezizodwa, owaziwa ngokuba siSithli sokuPhuculwa koShishino sase-Salt River, ngokungqinelana noMthetho kaMasipala ojongene neMimandla yeeRhafu eziZodwa, 2012.
- b) ISixeko saseKapa masiphumeze isicelo esingeniswe ngu-Dawid Swart, umnini obhalisiweyo wesiza 16400, Salt River, sokumisela uMmandla weeRhafu eziZodwa kwiSithili sokuPhuculwa koShishino sase-Salt River, ngokungqinelana necandelo 8.1(a) loMthetho kamasipala.
- c) Makuqwalaselwe izichaso kumiselo lweSithili soPhuhliso loShishino sase-Salt River kodwa zingaxhaswa ngokwezizathu ezixoxwe kwingxelo.
- d) ISixeko saseKapa masimisele ukuhlawulwa komrhumo owongezelelweyo we-R0,002393 ngeepropati zoshoshino esikwiSithili soPhuculo loShishino sase-Salt River ngokungqinelana necandelo 22(1)(b) loMthetho ojongene neeRhafu eziZodwa zikaMasipala woRhulumente weNgqinqi: , uMthetho 6 wango-2004, ngexabiso lepropati emva kokuqwalaselwa kwecandelo10 lalo mthetho kamasipala.
- e) Makuqunjelwe isivumelwano sezimali phakathi kweSixeko saseKapa neKomiti yoLawulo lweSithili soPhuculo loShishino yase-Salt River ngokungqinelana necandelo 12(6) loMthetho kaMasipala.

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 levies.

Accordingly a 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, attached as Annexure A, which includes the following:

- Motivation Report, Implementation Plan and Budget.
- Property database of all properties eligible to pay the additional rate with an indication of who supported the application and verified by the ISL Department.
- An affidavit from the applicant that more than 50% of the property owners supported the formation of the SRA
- Public meetings advertisements, Minutes, Presentation and Public perception survey report.

The applicant applied in terms of Section 8.1(a) of the SRA By-law for a SRA

The Steering Committee obtained 54% support that comprises of 148 erven out of the 273 properties within the proposed SRA.

The application 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.

Two objection letters were received for erven 11786 and 11861, Salt River owned by the same owner. When he was advised that the Steering Committee will engage with him he indicated that he did not want to meet as he:

- is happy with the services currently offered by Council; and
- does not need the additional services that will push up his monthly expenses that cannot be afforded.

As spelt out by the applicant in the Business Plan of SRBID 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.

As per the urban management survey and the majority support obtained from the other property owners it clearly shows that the area needs to

stem and turn around the spiral of urban decay setting in and the two objections could therefore not be upheld.

The applicant complied with all the requirements for setting up a SRA as per the By-law for establishment of a SRA.

An SRA additional rate of R0,002393 has been calculated on the total municipal valuation of all the commercial properties within the SRBID area to enable Council to collect the SRBID first year budget of R 2 575 258. This SRA additional rate will be implemented as from 1 July 2014 after Section 10 of the By-law is met. This SRA additional rate will be considered for approval as part of the Council budget process and will be implemented as from 1 July 2014. A Finance Agreement will be concluded between the City of Cape Town and the SRBID Management Committee.

All documentation relating to the SRBID application will be available for scrutiny at the Council meeting.

8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City? No Yes

This application adheres to the goals, targets and commitments where applicable as set out in the IMEP (Integrated Metropolitan Environmental Policy), as approved by Council in October 2001.

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 and Policy

8.4. Staff Implications

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

No

8.5. Other Services Consulted

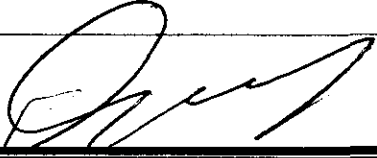
None

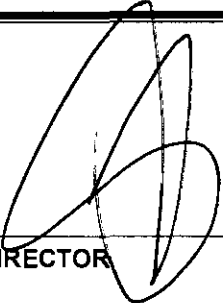
ANNEXURES

- Annexure A - Application to establish a SRA in the SRBID area
- Annexure B - Public participation process (adverts)




FOR FURTHER DETAILS CONTACT:

NAME	Runan Rossouw
CONTACT NUMBERS	(021) 400-5148
E-MAIL ADDRESS	Runan.Rossouw@capetown.gov.za
DIRECTORATE	Finance: ISL
FILE REF NO	
SIGNATURE : DIRECTOR George van Schalkwyk Date	 25/4/2014


 EXECUTIVE DIRECTOR
 NAME Kevin Jacoby
 DATE 25.04.2014

Comment:

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


 LEGAL COMPLIANCE
 NAME AS Dransart
 TEL (021) 400 4532
 DATE 29-4-14

NON-COMPLIANT

Comment:

Certified as legally compliant:
Based on the contents of the report.



A. G. Rm

EXECUTIVE DIRECTOR: COMPLIANCE AND
AUXILIARY SERVICES (ED: CAS)

SUPPORTED FOR ONWARD SUBMISSION
TO MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

DATE

30/4/14

COMMENT:

COMMENT:

[Signature]

MAYORAL COMMITTEE MEMBER

NAME Alderman Ian Neilson

DATE 5/5/14