### 7.3.2 FAURE AGRI VILLAGE ON FARM NO. 1081/3, STELLENBOSCH DIVISION: APPLICATION FOR DESIGNATION OF LAND AND TO REGULATE THE SUBDIVISION OF SUCH LAND AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH IN TERMS OF THE PROVISION OF LAND AND ASSISTANCE ACT, 1993 (SUBSTITUTED BY ACT 26 OF 1998)

# 1. PURPOSE OF REPORT

To enable Council to provide informed comments to the Department: Rural Development and Land Reform on the application for subdivision and designation of land for the proposed Faure Agri Village on Farm No. 1081/3, Stellenbosch (See **APPENDIX 1**). Application for the development was made to the Minister of Rural Development and Land Reform (RD&LR) in terms of the Land Reform: Provision of Land and Assistance Act 1993, Act 126 of 1993 (as amended).

# 2. BACKGROUND

The development of agricultural hamlets and housing for farm workers has been an issue since 2010, when meetings were held with the MEC for Agriculture, the local councillors, municipal officials and representatives of the agricultural community. At these meetings the concern about the lack of housing provision for farm workers were raised and discussed and this was made a municipal focus.

The Manager: Property Management (Mr Piet Smit) presented a report to the council on possible development options and projects for farm worker housing and the agricultural sector and the Western Cape Department of Agriculture considered furthering the matter through agreements to provide such housing. Asla Devco was provisionally appointed as the developer for the agricultural sector as a turnkey developer, with full power of attorney to act on behalf of the agricultural sector.

At the last meeting held with the agricultural sector on 15 September 2010 at Elsenburg, alternative sites for the possible development of agricultural hamlets and housing were discussed, as a follow-up to the previous meeting, held on 04 August 2010, where the Municipality was widely represented, including the then Mayor, councillors Leon De Villiers, Paul Biscombe and Johanna Serdyn, project managers from IHS (Feziwe Ngquba and Natasha Siyengele), an engineering representative (Kobus Fourie) and planning (Dupré Lombaard). At this meeting it was confirmed that the Municipality would make land available for the development of farm worker housing. It was agreed that the development agent (of the Stellenbosch Agricultural Society), in consultation with the municipal officials, would make recommendations on what land is best suited for the proposed development and give feedback on expected project programmes and costs.

In response thereto, various possibilities were discussed with various officials in the Municipality. From these discussions it was clear that new nodes or hamlets could not be feasibly developed or maintained. With the limited resources available to the municipality, all development would have to fit into the existing urban structure, i.e. become part of the existing projects, like Jamestown, Klapmuts, Lanquedoc and

Vlottenburg. Other opportunities were discussed, e.g. De Novo and Koelenhof, where the municipality does not own land, but where private developers could incorporate housing opportunities into private developments.

The Agricultural Society (through the appointed turnkey service provider) agreed to undertake relevant surveys that would inform the possible development. It was assumed that farm worker housing would cater for predominantly three groups, namely:

- low income farm workers requiring subsidy housing;
- lower middle income farm workers who would not qualify for subsidies and require housing in the GAP-market; and
- retired workers who need housing in proximity of community facilities.

The basic premise was that the farmers financially support the workers by contributing to the development of houses, i.e. that services and land be sourced from the municipality and the private sector. In addition thereto, the housing should not be once-off housing, but rather a long term place of residence where farm workers can reside. The intention was to create suitable stable and secure environments where the workers pay for their services and maintain the properties in a manner that would cause them to retain their value. As workers retire, they would have to move into the retirement complexes, i.e. the housing numbers would remain more or less stable in time to come, but the retirement units would grow.

#### 3. DISCUSSION

# 3.1 Request for comments:

Council received a request from Faure Agri Village (Pty) Ltd to submit a letter of municipal support for their under-mentioned application on the Meerlust Estate (Stellenbosch) to the Department: Rural Development and Land Reform, hence this informative report.

# 3.2 Detail of application to the Department: Rural Development and Land Reform:

Application was made to the Land Reform Department in terms of clause 2(1)(c) and (4) of Act 126 of 1993 for;

- the subdivision of Farm No. 1081/3 into Portion A (8.8064ha), Portion B (0.2105ha) and a Remainder;
- the subdivision of Farm No. 1081/5, Stellenbosch into Portion C (3.2229ha), Portion D (17.5985ha) and Portion E (0.2869ha);
- The consolidation of Portion C and E for the Remainder of Farm NO. 1081/3, Stellenbosch;
- The consolidation of Portion A, B and D (26.6ha) to establish a Agri Village consisting of 7 private open spaces, a 1.67ha sports area, 199 erven for affordable houses, 232 erven for middle income houses, 49 existing houses which will be upgraded for senior staff members and a community facility (See APPENDIX 2 for the subdivisional plan and APPENDIX 3 for the site development plan).

### 3.2 Comments from internal departments:

**Directorate: Engineering Services** – The Manager: Development Services and Project Management in a letter to the consulting engineers (See **APPENDIX 4**) indicate that the Stellenbosch Municipality would not be able to provide the proposed development with bulk water and sewer services and recommend that the development should obtain the aforementioned services from the City of Cape Town.

**Directorate:** Integrated Human Settlement and Property – This project doesn't form part of the approved Housing Pipeline for the next 10 years as submitted to the Provincial Department of Human Settlements. However to the extent that it addresses some of the housing challenges in our jurisdiction, it is supported.

Although the comments as depicted by the Engineering – and Spatial Planning Department is correct and factual, the challenges facing farmers and their employees with regards to on and off farm development becomes even more complex and a solution will have to be sort. It is further intended that this component of the housing backlog (farmworker housing) will feature in the Human Settlements Plan (HSP) being developed.

**Manager:** Spatial Planning, Heritage & Environment – The department in a comprehensive comment is of the opinion that the proposed development departs from the current approved spatial development policy and question the sustainability of the development in the long run in the Stellenbosch Municipal area. Further that the development on agricultural land on the municipal boundary with City of Cape Town will put unbearable pressure on Stellenbosch Municipality to accommodate urban sprawl spilling over from City of Cape Town. The incorporation of the agricultural land or portions thereof into the municipal area of City of Cape Town could rather be recommended considering that Stellenbosch Municipality cannot efficiently and economically service the proposed development, considering that services will mostly be supplied from City of Cape Town (See APPENDIX 5).

3.3 Planning and Economic Development Directorate Comments: Land use planning is an important tool for balancing investment and development opportunities with responsible environmental management, conservation and community aspirations. The need for the development of residential opportunities for the Faure farming community on the boundary between Stellenbosch Municipality and City of Cape Town and in close proximity to their work environment and public transport systems is acknowledged. Not only that, but the proposed Faure farmworker village is within 500 m of the Faure station. It is also abutting Baden Powell Drive where it enters the Stellenbosch municipal area. Directly to the west is the De Wynlande Estate, consisting of medium density residential, high density residential and office complexes. To the south of various medium and high density residential developments that form part of the City of Cape Town. Effectively, it abuts the Cape Town urban edge on two sides.

Considering the principles of the Stellenbosch Municipal Spatial Development Framework, amongst others the establishment of high-

density residential nodes in proximity of major transport infrastructure and in particular train stations, the need to create residential development in proximity of job opportunities and the need for the conservation of agricultural land, then the development proposal could be supported.

Through municipal spatial planning and land use management principles council is responsible to ensure that its strategic objectives are met, but needs to control development to ensure sustainable cities and towns so that:

- important natural resources are preserved;
- urban settlement is contained to ensure that roads and other infrastructure such as water, sewerage, power, and telecommunications are provided efficiently;
- community services, facilities and open space are fairly distributed; and
- incompatible land uses are separated.

If land uses and development were not controlled, we would almost certainly see extensive urbanization of the rural/urban edge of cities and lack of community infrastructure.

As mentioned, the main way of controlling land development in the Stellenbosch Municipal area is through the adopted spatial development frame work and town planning schemes. In this instance however the spatial development framework could be interpreted in one of two ways, namely:

- that the principles be implemented, effectively causing the municipality to support the development proposal; or
- that the spatial structuring be considered and that development of this potential node be refused or not supported, in view of the inefficiencies from a services perspective.

Considering that Stellenbosch Municipality cannot efficiently and economically service a development in this area, as confirmed by the Stellenbosch Municipal Engineering Services (See **APPENDIX 4**), the view was expressed that it would be more desirable to include the subject land portions into the municipal area of City of Cape Town. However, such incorporation would erode the Stellenbosch municipal area and cause it to lose valuable land for development and/or agricultural purposes.

Taking into consideration the fact that the subject property is located on the western rural border of Stellenbosch Municipality, the eastern urban border of City of Cape Town and therefore far from any Stellenbosch Municipal Urban Edge, the proposed application lends itself for incorporation into the adjacent urbanized municipal area of City of Cape Town, should council consider the proposed land uses desirable. However, this would be in contradiction to the refusal of the development abutting the western urban edge in the Brackenfell/Kuils River area considered by Council at its second meeting on 5 October 2016.

#### 4. CONCLUSION

In view of the above it is clear that Council would have to take a policy decision on this matter. It should be kept in mind that Council is not the decision-maker but can merely provide comment on an application to the Minister of Rural Development and Land Reform.

The Minister will probably consider the common good of the greater community and not of one municipality versus the other. Thus, if there is good reason and motivation and a significant private sector investment and contribution in the proposed development, it is assumed that the Minister would probably approve of the proposed development. Moreover, the Minister would probably assess the situation in view of the municipality's spatial development framework and strategic objectives.

The financial implications of the proposed development cannot be fully quantified, in view of the uncertainties surrounding it. What is clear is that a development at such outlying node cannot be effectively serviced and it would incur significant long-term financial losses for the municipality.

The municipality should not allow the erosion of its scarce resources and therefore the proposed development cannot be supported in its current form and with the limited information and options available for consideration.

Council must therefore decide on one of the following:

- On the one hand Council must decide whether, or not to implement its planning principles and strategic objectives, as well as to honour its undertakings to various stakeholders since 2010. The proposed development is in proximity of major transport infrastructure and justifies the development of a node. However, the proposed development is of low density nature and the densities should be increased to ensure sufficient threshold populations to justify the investment in infrastructure, including but not limited to the transport infrastructure, the future municipal services infrastructure and the required social infrastructure. In such instance the municipality would have to purchase municipal services infrastructure capacity from the City of Cape Town and redistribute same for purposes of the development. The municipality would then have to provide solid waste removal services and other community and social services to the area, with obvious long-term costs. It is unlikely that such development would make sufficient financial contribution to the municipality to justify service delivery and long-term expenditure.
- On the other hand, Council must confirm that it is not in a position to provide services to the area in an efficient manner and that the development rather be incorporated into the City of Cape Town, from where services would in any event be rendered. If this be the case, then at least the Minister should be requested to approve of our high density residential development, so as not to underutilise the very scarce and costly resources such as land and transport infrastructure.

#### 5. LEGAL IMPLICATIONS

See APPENDIX 6.

### 6. FINANCIAL IMPLICATIONS

The financial implications of the development are as yet uncertain. The municipality has no budgetary provision for any services for the area, nor for the extension of its operational area to incorporate a development in this position. On the other hand, it is a private sector development, in which instance all costs related to the provision of services for the account of the developer and the municipality would only have an obligation to incorporate it into its operational budget.

**FINANCIAL SERVICES comment:** – Finance cannot support the Item, because:

- The planned development is outside the urban edge (Spatial Development Framework).
- The agriculture and tourism character of WC024 will be eroded.
- The SDF can only be amended through due process with public participation and not through ad-hoc council approvals.
- The Manager for spatial planning; heritage and environment does not support the development.
- The development includes 199 erven for affordable houses and 232 erven for middle income houses which forms the majority of the proposed development. A concern is whether these properties will be affordable to farm workers.
- The benefit of the rates and taxes will go to CoCT and not Stellenbosch Municipality.
- The municipal budget requirement and prioritization is unclear.

#### APPENDICES

- Appendix 1: Application submitted for comment
- Appendix 2: Proposed sub divisional Plan
- Appendix 3: Proposed site development plan
- Appendix 4: Directorate Engineering Services comments
- Appendix 5: Manager: Spatial Planning, Heritage & Environment comments
- Appendix 6: Legal comment

#### RECOMMENDED

- (a) that the application in terms of clause 2(1)(c) and (4) of the Provision of Land and Assistance Act (Act 126 of 1993) for;
  - the subdivision of Farm No. 1081/3 into Portion A (8,8064ha), Portion B (0,2105ha) and a Remainder;
  - the subdivision of Farm No. 1081/5, Stellenbosch into Portion C (3,2229ha), Portion D (17,5985ha) and Portion E (0,2869ha);
  - The consolidation of Portion C and E for the Remainder of Farm NO. 1081/3, Stellenbosch;
  - The consolidation of Portion A, B and D (26,6ha) to establish a Agri Village consisting of 7 private open spaces, a 1,67ha sports area, 199 erven for affordable houses, 232 erven for middle income houses, 49 existing houses which will be upgraded for senior staff members and a community facility (See APPENDIX 2 for the subdivisional plan and APPENDIX 3 for the site development plan) is not supported;

- (b) that the amendment of the municipal boundary between Stellenbosch Municipality and City of Cape to incorporate the above-mentioned consolidation of Portion A, B and D (26.6ha), Portions of Farm No. 1081/3 and 1081/5, Stellenbosch into the municipal area of City of Cape not be supported;
- (c) that the applicant and the Department of Rural Development and Land Reform together with the municipality consult on a development proposal that is beneficial to all parties concerned and would not set a precedent for development on or in proximity of the Stellenbosch municipal boundary; and
- (d) that the matter be referred back to Council for consideration of alternative proposals and feedback on the consultation referred to in recommendation (c) above within six months of the decision, or at such date that the Minister decides on the matter if the Department is not willing to further consult with the municipality and the applicant.

Meeting:	5 <sup>th</sup> Council: 2017-01-25	Submitted by Directorate:	Planning and Economic Development
Ref No:	1081/3 S	Author:	D Lombaard
		Referred from:	Маусо:2017-01-18

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# FAURE AGRI VILLAGE (Edms) Bpk.

Maatskappy nr.: 2008/024211/07



26 August 2015

THE CHIEF DIRECTOR

THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Private Bag X9159

Cape Town, 8000

Dear Sir / Madam

RE: FAURE AGRI VILLAGE - APPLICATION FOR DESIGNATION OF LAND AND TO REGULATE THE SUB-DIVISION OF SUCH LAND AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH - IN TERMS OF THE "PROVISION OF LAND AND ASSISTANCE ACT, 1993 (Substituted by Act 26 of 1998)"

# 1. THE APPLICATION:

Application for the designation of land for the purposes of settlement made available for those purposes by the owner thereof, regulate sub-division of such land and to provide for matters connected therewith, in terms of Clause 2 (1) (c) and (4) of the Provision of Land and Assistance Act, 1993, Act 126 of 1993.

# 2. DEVELOPMENT OF DESIGNATED LAND:

The development of the designated land will be undertaken by ASLA Devco (Implementing Agent), who, in terms of Clause 4 (6) of the Act, has signed a development agreement with Faure Agri Village (Pty) Ltd (Owner).

ASLA Devco has access to a broad range of skills, support and resources. This experience and access to resources has created a unique competitive edge over other developers, with the resultant quality advantage passed on to the client.

ASLA Devco's experience in property development ranges over a wide spectrum from subsidy housing to upmarket commercial developments and has a proven track record in the provision of community driven subsidy housing, 35,000 houses since 1995.

ASLA Devco provides a complete one-stop service, from the identification and acquisition of land, up to the transfers of individual erven and handing over the house to the end user.

Please refer to Annexure A attached for the Development Agreement.

### 2.1 LOCATION OF THE PROPERTY:

The property is located in the Cape Winelands District Municipality, Division of Stellenbosch, Western Cape Province with the Eersteriver on the eastern boundary, Faure Station on the southern boundary, Baden Powel road on the western boundary and the existing Meerlust farm to the north.

Please refer to Annexure B for location plan.

# 2.2 DESCRIPTION OF THE PROPERTY:

Portion 6, a portion of portion 3 of the Farm Meerlust 1081/3, IN STELLENBOSCH REGISTRATION DIVISION, IN THE WESTERN CAPE PROVINCE in extent of 26.4 hectares.

#### 2.3 PARTITION PLAN:

The current sub-divisional plan will be altered to accommodate the latest cadastral boundaries and the empowerment project's latest layout, as discussed with the Stellenbosch Municipality and Department of Agriculture.

# 2.4 SURVEYING:

The Implementing Agent, through their Land Surveyor, shall arrange for plans and diagrams to be prepared and submitted to the surveyor-general for approval.

Please refer to Annexure C, indicating the intended sub-division of the land.

The figure ABCDEFGHJKMNPQR represents the current portion 5 of the Farm Meerlust. Figures A and B need to be sub-divided off portion 3 of the Farm Meerlust and figures C and E are to be consolidated back to portion 3 of Meerlust.

# 3. EMPOWERMENT OF BENEFICIARIES:

Meerlust is one of the best known wine estates in the wine industry and have a long history of investing in their workforce.

In addition to the opportunity to obtain ownership of their dwellings, the aim of the Meerlust Empowerment project is to afford 72 individuals the opportunity to improve their social status by obtaining land for commercial farming and utilizing it in partnership with their mentor shareholder (Meerlust).

Beneficiaries and members of the Empowerment Trust are summarized below:

- Number of Individuals 72
- People to benefit including children under 18 180
- Number of women 33
- Applicants between ages 18 and 35 28
- Disabled persons 1
- Retired persons 5

With the empowerment project, Meerlust aims to share land and profits out of agricultural activities with their loyal workforce. The participants are part of the Meerlust Empowerment Trust, who owns a share in farming operations and a bottling and storage facility.

The project is financially sound and sustainable in the long-term. The beneficiaries will receive both sort- and long-term benefits.

Please see attached **Annexure D** for the Trust Deed of the Meerlust Empowerment project.

# 4. BENEFITS TO FARM WORKERS:

**Background Information** - The farmworkers are part of the sustainable land reform project on Meerlust farm which involves a land acquisition and empowerment project for the farm workers of Meerlust estate and farmworkers of other nearby farms.

**Ownership** - The land reform process has primarily been earmarked to establish an agri-village to provide the farm workers of Meerlust Estate and surrounding farms with the opportunity to obtain ownership of their dwellings. The aim is to give each family the opportunity to own their own home.

**Location -** Meerlust, is one of the oldest and most historic wineries in South Africa, established in 1692. The name "Meerlust" means "Pleasure of the Sea," and is located 3.5 kilometers from False Bay, which is part of the Atlantic Ocean.

Due to the favourable locality and availability of land, the owners have consented to requests from properties in the area, to extent the village to also make provision for ownership for workers from surrounding farms.

**Income** - The project, through the Meerlust Empowerment Trust provides for an independent business which will generate income and profits out of agricultural activities to the individuals and members of the Trust.

Beneficiaries will share in profits generated through the following activities:

- Cultivation of quality wine grapes
- Development of own wine labels
- Operating bottling and wine storage facility
- Cattle farming and grazing
- Housing

**Accomodation facilities -** The proposed Agri Village will bring much needed accommodation and other facilities to the doorstep of occupants. These facilities will include private open spaces, sports areas, housing, community facilities and a shop.

**Upliftment** - The project affords these individuals an opportunity to obtain an interest through the Meerlust Empowerment Trust in the two companies which will conduct commercial farming as well as a business venture, and utilising it in partnership with Meerlust.

Skilled support has been included throughout to ensure the success of the project. Although 72 individuals have been given this opportunity to improve their financial and social circumstances the project will ultimately benefit 180 people when dependants are included.

The development will be used for the social upliftment of farm workers, retired workers and children of farm workers. The farm workers will access to hot and cold water, accommodation, medical facilities, school facilities as well as the use of farm vehicles for visits to town, churches and sports events.

**Training** - The participants of the Trust are well informed about the responsibilities and commitments that come with the ownership and management of a business. They have all committed themselves to further training to understand the principle of empowerment and the management of the business.

The participants have all received intensive training and will further be training in business management, financial management, human resources, technical aspects and administrative duties.

# 5. DETAILS OF DEVELOPMENT:

The land uses to be accommodated in the village includes dwelling units, units for retirement purposes, shop/business, community centre, daycare centre, sports facilities and roads. All of the above mentioned facilities will be part of a secure type of development and will be available for the use of farm workers and their families.

The development will consist of 7 private open spaces, a 1.67ha sports area, 199 erven for affordable houses, 232 erven for middle income houses, 49 existing houses which will be upgraded for senior staff members and a community facility.

See attached Annexure 'B' for the Draft Layout Plan.

### 6. SUPPORTING INFORMATION:

- **6.1** The Faure Agri Village proposal falls in line with the Stellenbosch Municipality Council concept of rural settlements and acceptance of farm workers as a specific focus area for housing delivery. Also the concept of partnerships with the private sector in provision of housing, especially for farm workers.
- **6.2** In our request for designation of land, we do not require a financial contribution from the Department in respect of the transfer of the land. (as set out in Clause 10(1) of the Act)

#### 7. BULK AND EXTERNAL SERVICES:

We have an engineer's report, indicates the existing and proposed external service reticulation as obtained from the various authorities and reports. The report will be updated during future planning and final design phases.

The water and sewerage reticulation can be incorporated with the existing De Wijnlanden development.

The development is on the intersection between the following 3 different service providers – City of Cape Town Metropolitan Municipality (Somerset West and Kuilsriver) and Stellenbosch that falls in the Cape Winelands District Municipality.

Please refer to the attached Annexure 'E' for the Engineers Report.

#### 7.1 Water:

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The water infrastructure can be connected to the De Wijnlanden infrastructure.

#### 7.2 Sewer:

Sewerage network can be connected to the De Wijnlanden infrastructure. The existing municipal sewerage treatment works at Stellenbosch is approximately 12km from this development.

# 7.3 Stormwater:

The Eerste river is on the eastern boundary of the development and will be utilized for stormwater discharge.

# 7.4 Electrical:

A bulk electricity point is available from the existing ESKOM infrastructure near the site.

# 8. PURPOSE OF THE APPLICATION

# 8.1 The purpose of this application is to obtain approval of the following in terms of THE PROVISION OF LAND AND ASSISTANCE ACT, 1993 (Act 126 of 1993)

- 8.1.1 <u>Clause 2 (1) (c)</u>: For the designation of land, which has been made available for the purpose of land reform thereof (Section 2(1) (c) of the Act 126 of 1993). The land referred to is described as *Portion 6, a portion of portion 3 of the Farm Meerlust 1081/3,* IN STELLENBOSCH REGISTRATION DIVISION, IN THE WESTERN CAPE PROVINCE in extent of 26.4 hectares.
- 8.1.2 <u>Clause 2 (4)</u>: That in terms of Section 2 (4) of the Act that the laws governing the subdivision of agricultural land shall not apply on *Portion 6, a portion of portion 3 of the Farm Meerlust 1081/3,* IN STELLENBOSCH REGISTRATION DIVISION, IN THE WESTERN CAPE PROVINCE in extent of 26.4 hectares.
- 8.1.3 <u>Clause 5:</u> For the subdivision of the designated land *Portion 6, a portion of portion 3 of the Farm Meerlust 1081/3,* IN STELLENBOSCH REGISTRATION DIVISION, IN THE WESTERN CAPE PROVINCE in extent of 26.4 hectares.
- 8.1.4 <u>Clause 9 (8)</u>: That Sections 17(1) and (2) of the Deeds Act (Act 47 of 1937) shall not apply and no transfer duty or stamp duty shall be payable in respect of:
  - (a) the transfer of ownership of land referred to in section 2(1)(a) and (b) or
  - (b) acquisition of land or a right in land by any person contemplated in Section 10: Provided that section 17(1) and (2) of the Deeds Registries Act, 1937 shall apply in respect of the acquisition of land contemplated in Section 10(1)(d).

This application in terms of THE PROVISION OF LAND AND ASSISTANCE ACT, 1993 (Act 126 of 1993) is submitted on behalf of Faure Agri Village (Pty) Ltd by :

NAME: Albertus Nicolaas De Waal

ID: 4202045024088

**POSITION: DIRECTOR** 

NAME: Joseph Kennith Muller

ID: 7106255209080

**POSITION: DIRECTOR** 

SIGNATURE:....

SIGNATURE:

DATE: .....





