



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2023-09-27

NOTICE OF A SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2023-09-27 AT 10:00

| | | |
|--------------------|--|--|
| TO | The Speaker, Cllr Q Smit [Chairperson] The Executive Mayor, Ald GMM Van Deventer The Deputy Executive Mayor, Cllr JS Fasser The Council Whip, Cllr P Crawley | |
| COUNCILLORS | RA Adams J Andrews Ald JC Anthony ZJ Dalling MM Danana I De TAILLERFER R Du Toit A Ferns E Groenewald AJ Hanekom RB Hendrikse P Johnson J Joon O Jooste X Kalipa N Mananga-Gugushe C Manuel EP Masimini NE Mcombring XL Mdemka NM Mkhontwana | RS Nalumango NR Ndalasi CD Noble L Nkamisa M Nkopane N Ntsunguzi N Olayi WC Petersen RO Pheiffer WF Pietersen MG Rataza Ald JP Serdyn MJ Slabbert SR Schäfer A Tomose RB Van Rooyen M Van Stade CA Van Wyk E Vermeulen J Williams |

Notice is hereby given in terms of Section 29, read with Section 18(2) if the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that a **SPECIAL MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held via **MS TEAMS** on **WEDNESDAY, 27 SEPTEMBER 2023** at **10:00** to consider the items on the Agenda.

**SPEAKER
CLLR Q SMIT**

A G E N D A
SPECIAL MEETING OF COUNCIL
OF STELLENBOSCH MUNICIPALITY

2023-09-27

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| 1. | OPENING AND WELCOME |
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| 4.1 | MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR AUGUST 2023 |

Collaborator No: 756501

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 2023

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1. **SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR AUGUST 2023**
 2. **PURPOSE**

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2023/2024 to report the deviations to Council.
 3. **DELEGATED AUTHORITY**

Council

FOR NOTING.
 4. **EXECUTIVE SUMMARY**

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2023/2024) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during August 2023.
 5. **RECOMMENDATION**

that Council notes the deviations as listed for the month of August 2023.
 6. **DISCUSSION / CONTENTS**
 - 6.1. **Background/Legislative Framework**

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may allow the accounting officer—

(a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity and include as a note to the annual financial statements.

6.2. Discussion

Reporting the deviations as approved by the Accounting Officer for August 2023:

The following deviations were approved with the reasons as indicated below:

| DEVIATION NUMBER | CONTRACT DATE | NAME OF CONTRACTOR | CONTRACT DESCRIPTION | REASON | SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED | TOTAL CONTRACT PRICE R |
|------------------|---------------|-----------------------------|--|---|--|------------------------------------|
| D/SM 01/24 | 04/08/2023 | Sanitech a division of Waco | Provision of hygienic services for Stellenbosch Municipality | Exceptional case and it is impractical or impossible to follow the official procurement processes | The provision of hygiene services to the Municipality is vital for the health and safety of the staff and the public that utilise Municipal facilities, specifically the ablution facilities. Over the years, the Municipality outsourced such services successfully via the tendering process and this year was no different. Tender BSM 81/20 lapsed on 30 June 2023. A new tender was advertised (BSM 99/23) on 2 June 2023 with a closing date of 3 July 2023. The intention was to appoint a new service provider during the month of July 2023. The municipality received 9 bids, but none of the bidders was compliant with the pre-qualification conditions and the tender was subsequently cancelled. A new tender process is | R121,602,18 (Incl.VAT) Monthly Fee |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | <p>underway and will take up to three months for a service provider to be appointed.</p> <p>The new service provider must install products like hand sanitiser holders, toilet roll holders and sanitary bins, hand towel holders and it is not practical and possible to follow the normal procurement process whilst running the tender process again.</p> <p>It is envisaged that the new tender will be awarded in three months, hence the deviation to appoint a service provider will only be applicable from 1 August 2023 till 31 October 2023 or until a new service provider is appointed.</p> <p>Sanitech a division of Waco Africa provided the hygienic services for the period 1 July 2020 till 30 June 2023. Their sanitary equipment is still installed in the Municipality's ablution facilities. It is impractical to follow another process to appoint a service provider whilst we readvertise the tender.</p> |
|--|--|--|--|--|--|

6.3 Legal Implications

The regulation applicable is:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.

6.4 Staff Implications

No staff implications.

6.5 Previous / Relevant Council Resolutions

None

6.6 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level. The auditor general also audit the deviations during the yearly audit.

6.7 Comments from Senior Management

The item was not circulated for comment except to Municipal Manager

6.7.1 Municipal Manager

Supports the recommendations.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 6.1

that Council notes the deviations as listed for the month of August 2023.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| NAME | Dalleel Jacobs |
| POSITION | Senior Manager: Supply Chain Management |
| DIRECTORATE | Financial Services |
| CONTACT NUMBERS | 021 808 8528 |
| E-MAIL ADDRESS | Dalleel.Jacobs@stellenbosch.gov.za |
| REPORT DATE | 07 September 2023 |

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| 5. | CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER] |
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|------------|---|
| 5.1 | PROTECTION SERVICES: [PC: CLLR R PHEIFFER] |
|------------|---|

NONE

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|------------|---|
| 5.2 | SPORTS, YOUTH AND CULTURE: [PC: CLLR JC ANTHONY] |
|------------|---|

NONE

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|------------|---|
| 5.3 | CORPORATE SERVICES: [PC: CLLR L NKAMISA] |
|------------|---|

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| 5.3.1 | RETURN ITEM COMMENTS RECEIVED AFTER PUBLIC PARTICIPATION PROCESS: INFORMATION STATEMENT: TRANSVALIA COMPLEX |
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Collaborator No: 755779

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 2023

1. SUBJECT: RETURN ITEM COMMENTS RECEIVED AFTER PUBLIC PARTICIPATION PROCESS: INFORMATION STATEMENT: TRANSVALIA COMPLEX

2. PURPOSE

To inform Council about the comments that was received after the public participation process with the publication of the information statement regarding potential developments at the Transvalia Complex and for Council to resolve on the way forward.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

The Transvalia complex as it is commonly known consists of erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160. Erven 1125 and 1130 is used as a street and provides access to the private erven situated adjacent to it. Erf 825 provides access to the Stelkor complex and is mainly used for parking for the middle of town as the Checkers centrum lies across the street.

The "Dorp Street flats" currently rented to the IEC (unit 1) and used as office space for the Informal Settlements Department and some of Infrastructure Directorate (PMU) staff, are situated along Dorp Street and is located on portions of erven 1123, 1133, 1128, 1134, 1142. These buildings are heritage buildings and to make any changes to them will require approval from Heritage Western Cape. All heritage approvals will have to be obtained.

Any development will have to take the need of parking into account and will have to not only supply parking for the development, but also the same amount of parking that is currently available to the residents and visitors that make use of the parking area will still have to be available to the public. The areas that are used as streets and to provide access should ideally be subdivided from any area that is put out for development, consolidated, and not form part of any development proposals.

The development requirements for the area within which the erven are situated must be considered as far as height and depth of any underground development is concerned. It must compliment the architectural character of Stellenbosch and be sensitive to the historic character of the existing buildings. The Municipality does not want to dispose of the erven in question by selling them, but rather providing a long-term lease to the developer that will be doing the development that will fit into the business district and will contribute to the economic upliftment of the area like for example restaurants, tourist accommodation.

As the development will mean additional traffic on that corner a traffic impact study will probably be required. How pedestrians can be incorporated, and the non-motorised transport plan must be indicated in any proposal. The development must maximise the economic development opportunities in the area and stimulate economic activity within the town and therefore allow for business, tourism, and accommodation. The erven will likely need to be rezoned and any application in this regard will have to follow the normal process. The information statement was published in July 2023 with a closing date of 22 August 2023. (**ANNEXURE 1**). Several enquiries were made and arrangements were made with the property management section to visit the area. We received three (3) inputs. (**ANNEXURE 2**). There were no objections to the proposals in the information statement.

The IEC lease one of the units for office space.

Should Council resolve to continue with the proposal as on 23 November 2022 a tender will be put out. The tender will be awarded subject to a final decision by Council to dispose of the property and the item will be brought back to council at that stage.

5. RECOMMENDATIONS

- (a) that Council identifies the erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160 is not needed for Municipal Services;
- (b) that Council in principle approve of the disposal of the property to a qualified bidder sourced through a competitive supply chain process through a long-term lease; and
- (c) that the tender specifications comply with the submissions in the information statement that was published and the content of this item.

6. DISCUSSION

6.1 Background

The Transvalia complex as it is commonly known consists of erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160. A copy of the map indicating the erven is attached as (**APPENDIX 1**). It is located within the central business district of Stellenbosch town and in the historic core of Stellenbosch. The front part adjacent to Dorp Street is zoned for general residential purposes and the "Dorp Street flats" is currently used as office space whilst unit 1 is leased to the IEC.

6.2 Discussion

Erven 1125 and 1130 is used as a street and provides access to the private erven situated adjacent to it. Erf 825 provides access to the Stelkor complex and is mainly used for parking for the middle of town as the Checkers centrum lies across the street. It is unclear why some of the erven was not consolidated especially the portions used for a road and access to other erven.

The "Dorp Street flats" currently rented to the IEC (unit 1) and used as office space for the Informal Settlements Department and some of Infrastructure Directorate (PMU) staff, are situated along Dorp Street and is located on portions of erven 1123, 1133, 1128, 1134, 1142. These buildings are heritage buildings and to make any changes to them will require approval from Heritage Western Cape.

Any development will have to take the need of parking into account and will have to not only supply parking for the development, but also the same amount of parking that is currently available to the residents and visitors that make use of the parking. The areas that are used as streets and to provide access should ideally be subdivided from any area that is put out for development, consolidated and not form part of any development proposals.

The development requirements for the area within which the erven are situated must be considered as far as height and depth of any underground development is concerned. It must compliment the architectural character of Stellenbosch and be sensitive to the historic

character of the existing buildings. The Municipality does not want to dispose of the erven in question by selling them, but rather providing a long-term lease of 30 years to the developer that will be doing the development.

As the development will mean additional traffic on that corner a traffic impact study will probably be required. How pedestrians can be incorporated, and the non-motorised transport plan must be indicated in any proposal. The development must maximise the economic development opportunities in the area and stimulate economic activity within the town and therefore allow for business, tourism, and accommodation. The erven will likely need to be rezoned and any application in this regard will have to follow the normal process.

This complex was the subject of the infamous tender 34 and an initial decision by Council to sell the erven to Fusion Properties was not proceeded with on 23 April 2014. Fusion Properties instituted legal action against the Municipality after Council resolved not to continue with the sale and the provisional award of the tender, to the amount of R32 115 000 for alleged damages. The court case has still not been resolved.

The information statement was published in July 2023 with a closing date of 22 August 2023. (**ANNEXURE 1**). Several enquiries were made and arrangements were made with the property management section to visit the area. We received three (3) inputs. Inputs were received from Stellenbosch Interest Group; Attebury and Kamnandi Group - **ANNEXURE 2**. There were no objections to the proposals in the information statement.

6.2.2 Ownership

The ownership of the property's vests in Stellenbosch Municipality.

6.3 Financial Implications

In 2010 it was valued at R16 050 000 and the sell-out value was determined at R161 893 915 over three and a half years. The residual value was determined at R20 900 000. The properties that council resolve to form part of the lease will have to be re-evaluated as no reliance can be placed on the more than 10-year-old valuations.

6.4 Legal Implications

This complex was part of tender 34 and an in-principle decision by Council to sell the erven under discussion to was not proceeded with on 23 April 2014. Fusion Properties, to whom the bid was provisionally awarded, instituted legal action against the Municipality after Council resolved not to continue with the sale, to the amount of R32 115 000 million for alleged damages. The court case has still not been resolved.

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

- “1)a) *The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and*
- b) *The municipal Council has approved in principle that the right may be granted.*
- 2) *Sub-regulation (1)(a) must be complied with only if:*
 - a) *the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and*
 - b) *a long-term right is proposed’.*
- “3) a) *Only a Municipal Council may authorise the public participation process referred to in sub-regulation (a)*
- b) *a request to the Municipal Council for the authorisation of a public participation process must be accompanied by an Information Statement*, stating:*
 - i) *the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;*
 - ii) *any expected benefit to the municipality that may result from the granting of the right;*
 - iii) *any expected proceeds to be received by the municipality from the granting of the right; and*
 - iv) *any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right’.*

Council also needs to resolve on whether the properties are needed for Municipal Functions before there can be a decision to dispose of them either through selling or a long-term lease.

Council is currently leasing unit 1 of the Dorp Street complex to the IEC and is in the process of renewing the lease agreement.

Staff from Informal Settlements Department and Infrastructure Directorate (PMU) is temporarily using the other units for office accommodation and some changes and upgrades were done to accommodate them.

6.5 Staff Implications

The staff that currently use the buildings as temporary office accommodations will have to be relocated. There are no other staff implications.

6.6 Previous / Relevant Council Resolutions**9TH COUNCIL MEETING: 2022-11-23: ITEM 11.3.3****RESOLVED** (majority vote)

- (a) that Council provisionally identifies the erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160 is not needed for Municipal Services; and
- (b) that the information statement be approved for public participation.

Cllrs RB Hendrikse; C Noble and M van Stade requested that their votes of dissent be minuted.

6.7 Risk Implications

The risks are addressed through the item.

6.8 Comments from Senior Management

No new comments were requested as this is a return item. The comments contained in the previous item were as follows:

6.8.1 Director Planning and Economic Development

The development potential of the existing structures is limited whilst the retention of the “parking area” is critical in terms of its location in the centre of town and its role as public parking is self-explanatory. Should Council succeed in closing Church Street and other streets, in future, this public parking area will become even more important as it is in walking distance of all amenities and mostly tourist related business in the centre of the town.

6.8.2 Director Infrastructure Services

Infrastructure Services has no objection to the wording of the Information Statement above. Possible Traffic Impact Assessment (TIA) and consideration to the Non-Motorised Transport (NMT) principles are contained in the body of the text.

6.8.3 Director Financial Services

The item is supported. A service provider will be appointed to determine the market related rental.

6.8.4 Director Community and Protection Services

None received.

6.8.4 Municipal Manager

Supports the item.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 7.3.5

- (a) that Council identifies the erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160 is not needed for Municipal Services;
- (b) that Council in principle approve of the disposal of the property to a qualified bidder sourced through a competitive supply chain process through a long-term lease; and
- (c) that the tender specifications comply with the submissions in the information statement that was published and the content of this item.

ANNEXURES:

Annexure 1: Information statement

Annexure 2: Comments received.

FOR FURTHER DETAILS CONTACT:

| | |
|-------------------------------|--|
| <i>NAME</i> | Annalene de Beer |
| <i>POSITION</i> | Director |
| <i>DIRECTORATE</i> | Corporate Services |
| <i>CONTACT NUMBERS</i> | 021-8088018 |
| <i>E-MAIL ADDRESS</i> | Annalene.deBeer@stellenbosch.gov.za |
| <i>REPORT DATE</i> | 2023-09-07 |

ANNEXURE 1



INFORMATION STATEMENT IN RELATION TO A LONG TERM LEASE OF PORTIONS OF THE TRANSVALIA COMPLEX (ERVEN 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160 STELLENBOSCH)

1. PURPOSE

The purpose of this statement is to provide the prescribed information in terms of regulation 34 and 35 of the Asset Transfer Regulations, published in terms of Section 168 of the Local Government: Municipal Finance Act (R878, 22 August 2008), to the public to provide input on during the public participation process.

2. BACKGROUND

2.1 Existing Contractual arrangements

Stellenbosch Municipality owns erven 825, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160, Stellenbosch and is currently leasing unit 1 of the "Dorpstreet flats" to the IEC.

It has been a long time vision of the Municipality to use the land in a manner to create economic activity in the historic centre of Stellenbosch. Some of the erven is also providing access to adjacent private properties as well as parking at the Steikor centre. Due to the historic area it is situated in any proposed development will have to take that into account.

3. DISCUSSION

3.1 Public Participation Process

Council intend to request proposals to lease the land on a long term lease to an entity/person to develop which development must include parking for the development as well as the same amount of parking currently available to the public, tourist accommodation, other tourist attractions like a restaurant taking the historic area and the historic nature of the existing buildings into account. Permission will have to be obtained for the development and any possible changes to the historic buildings from Heritage Western Cape. No office accommodation is intended as part of the development proposals.

The public may submit written inputs on the term of the lease as well as the proposed development that is intended before a final decision is made,

In terms of the Asset Transfer Regulations, before Council can make a decision on whether to make rights on Municipal property available to a party, the Municipal Manager must first conduct a public participation process in terms of the provisions of the MFMA.

The Item that served before Council on 23 November 2022 is available on the website for perusal.

3.2 Information Statement

In terms of regulation 35, the Municipal Manager, when making public the proposal to grant the relevant long term right(s), must also make available the Information Statement referred to in regulation 34.

In terms of regulation 34 an Information Statement must consist of the following:

- i) the reason for the proposal to grant a long-term right to use, control or manage the relevant capital asset;
- ii) any expected benefit to the municipality that may result from the granting of the right;
- iii) Any expected proceeds to be received by the municipality from the granting of right; and
- iv) Any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.

3.2.1 Reason(s) for proposal to grant a long term right to use, control or manage the relevant capital asset

The Transvalia complex has long been regarded as ideal opportunity to breathe some economic upliftment of the area. It is situated in the centre of the historic area in Stellenbosch and the need for some tourist accommodation and other tourist attractions will benefit the greater Stellenbosch town.

3.2.2 Expected benefits to the municipality that may result from the granting of the right

The facilities will provide much needed space for economic activity like tourist accommodation, restaurants and parking for visitors to Stellenbosch. The residents can also benefit from using the facilities.

3.2.3 Expected proceeds to be received by the Municipality from the granting of the right

The erven will be much more efficiently used bringing economic activity to the area and will remain in the ownership of the municipality. Money from the leasing of the erven and the development will benefit the whole of the municipality.

3.2.4 Expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.

The aim of the proposed long-term lease is to use the facilities that is already there namely the "Dorpstreet flats" as possible tourist accommodation in a friendly amended form with the permission of Heritage Western Cape and provide better and safer parking to residents visiting the area as well as for the development in line of policies. The third party will be responsible for the costs of the development and all the upkeep of the area and facilities as well as security around the area.

3.3 Location and context



3.4 Public Comment invited:

The public are herewith invited to provide input/comment/alternative proposals to the municipality on the intended proposal to request proposals for the development of The "Transvalia complex (erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142, and 1160 Stellenbosch) on the basis of a long term lease with the objective of creating an economic upliftment in the area by creating tourist facilities including a restaurant and tourist accommodation as well as enough parking for the development and the current parking on the site for the public. Comment must reach the offices of the Municipality on or before 22 August 2023 and must be addressed to the Municipal Manager via email at Municipal_Manager@stellenbosch.gov.za. Any queries can be directed to Me A de Beer @ (021) 808 8018 or Annalene.deBeer@stellenbosch.gov.za

ANNEXURE 2



Belangegroep Stellenbosch Interest Group

interestgroupstellenbosch@gmail.com

2023-08-22

Municipal Manager
Stellenbosch
Municipal.manager@stellenbosch.gov.za

Dear Madam

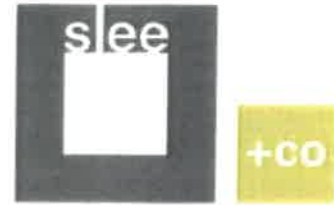
Proposed Long Term Lease: Transvalia (Erven 825, 1123, 1125, 1130, 1133, 1128, 1129, 1124, 1134, 1142 and 1160)

The Stellenbosch Interest Group supports the proposal in principle. Attention must be given to the very high significance of the historic buildings and the central position of the area within the historic core. The tender document must clearly state appropriate parameters relating to bulk, height, building lines etc, as well as guidelines relating to architectural design and landscaping. A heritage architect and landscape planner must be appointed.

Your attention is drawn to the fact that final plans for the development will have to be approved by Heritage Western Cape.

Kind regards

Patricia Botha
(Chairperson)



22 August 2023

Dear MM,

RE : INTEREST IN THE LONG-TERM LEASE OF PORTIONS OF THE TRANSVALIA COMPLEX

I hereby confirm our firm interest to participate in the process and possibility to enter into an agreement with the Stellenbosch municipality to redevelop and manage the said property. Firstly, we would like to commend the municipality for starting a process on this land, as we strongly believe in the potential of this iconic site which is currently under-utilized.

Atterbury will be working in partner with Slee & Co on this opportunity. Both Atterbury and Mr. Johann Slee are current owners of property in Dorpstraat and have a vested interest and passion for the historic hub of this iconic town. Atterbury is the owner of La Gratitude Herehuls (2nd oldest building in Stellenbosch and National monument) and Mr. Slee is the owner of Dorpstraat 101. Both these properties were restored over the last couple of years. Atterbury is also a co-owner of the ISA Carstens residence which is adjacent to the Transvalia complex.

We have successfully entered into various long-term leases over the years and understand the model. The term of the lease is however important. The longer the term, the more investment capital can be utilized to unlock the most potential and value. Although a 99year lease is preferred, we would only consider leases that are longer than 50 years.

It is further proposed that a monthly rental is payable to the municipality which is based on a fixed percentage of the income received from users.

In terms of use we would consider the following:

- Restoring the existing buildings for retail and restaurant uses on ground floor with the possibility of "hotel" type uses as well. The site has the potential to create a "Dorpsplein" in the quad area between the existing buildings and the parking at the back. The first floors will predominantly be utilized for short term accommodation, albeit hotel use or more self-catering, short-term use.
- It would be preferred to add some additional bulk above the garages for hotel or residential uses
- Possible parking deck to be considered – depending on the feasibility. Obviously replace any existing parking and add required parking for additional bulk
- There is also the possibility to move the whole ISA Carstens campus of circa 3 000m² from its current location on Pleinstraat to this site. This will be dependent on the municipality's appetite for additional bulk on the site.

We do realize the historic sensitivity of these buildings and are aware of the heritage processes that would need to be followed. Together we have a track record of creating very nice spaces whilst respecting the heritage value of Stellenbosch and specifically Dorpstraat. A lot of in-depth reports and studies would need to be conducted to do a proper proposal.

Please include us in any further communication in this regard. We are more than happy to engage with the municipality to further explore this opportunity and find a workable solution that can benefit both parties, as well as the broader community of Stellenbosch and the tourism industry.

For more information on Atterbury or Slee & Co, please visit our websites:

www.atterbury.co.za

www.slee.co.za

Kind Regards,

Gerit van den Berg

It's a matter of association

atterbury.co.za



17 August 2023

Ms Geraldine Mettler
Municipal Manager
Stellenbosch Municipality
Municipal.Manager@ Stellenbosch.gov.za
ATTENTION: The Municipal Manager

PROPOSAL FOR THE TRANSVALIA HERITAGE SITE TRANSFORMATION INTO A SOUTH AFRICAN FLAVOURED MIXED-USE DEVELOPMENT IN STELLENBOSCH

Executive Summary:

We are pleased to present a comprehensive proposal for the transformation of a historic heritage site in Stellenbosch into a vibrant mixed-use development that celebrates the rich cultural heritage of South Africa while meeting the needs of modern urban life. This project aims to create a destination that encompasses traditional South African flavours, ambience, and crafts, while offering a blend of culinary experiences, a tourist business Hub, backpacker accommodations, and a special retail zone for local businesses. Our proposal aligns with the vision of preserving the past while embracing the future, creating a unique destination that appeals to both locals and tourists.

Project Overview:

- **Site Selection:** The heritage site, with its historic significance and central location in Stellenbosch, provides an ideal canvas for the development's implementation. The project will meticulously preserve and restore the site's architectural heritage, ensuring the integration of modern infrastructure while maintaining its historical integrity.
- **Culinary Enrichment:** The heart of the development will feature a cluster of restaurants, each offering a specific traditional South African flavour. From Cape Malay cuisine to braais (barbecues) celebrating local meats, visitors will embark on a culinary journey that showcases the diverse tastes of South Africa. The restaurants will be designed to reflect the unique ambience of different regions within the country, fostering an immersive experience.
- **Tourist Business Hub:** The development will house a state-of-the-art tourist business Hub that provides a hub for information, bookings, and concierge services. This Hub will serve as a gateway to Stellenbosch and its surroundings, offering visitors a seamless experience while exploring the area.

- **Backpacker Accommodations:** To cater to budget-conscious travellers, the project will include a contemporary and comfortable backpacker accommodation facility. The design will prioritize sustainability and cultural immersion, allowing travellers to engage with local traditions and customs.
- **Local Business Retail Zone:** A dedicated retail zone will be established within the development, exclusively showcasing products crafted by local businesses. This area will act as a platform for artisans, designers, and entrepreneurs to sell their wares, fostering economic growth within the community.

Project Benefits:

1. **Cultural Celebration:** The project will celebrate South Africa's rich cultural heritage, providing a space for locals and tourists alike to immerse themselves in the country's traditions and flavours.
2. **Economic Empowerment:** The local business retail zone will bolster the local economy by promoting entrepreneurship and small-scale industries, creating jobs and supporting local artisans.
3. **Tourism Attraction:** The development's unique offering of culinary diversity, cultural experiences, and convenient tourist services will elevate Stellenbosch's position as a must-visit destination.
4. **Historical Preservation:** Through meticulous restoration, the project will preserve the historical significance of the heritage site, ensuring that its stories continue to be told for generations to come.

Implementation and Timeline:

1. **Design and Planning:** 6 months
2. **Permitting and Approvals:** 3 months
3. **Restoration and Construction:** 12 months
4. **Interior Fit-out and Retail Setup:** 3 months (concurrent)
5. **Marketing and Pre-launch Activities:** 6 months (concurrent)

Phase 2: Parking Area Upgradation

In addition to the comprehensive proposal outlined above, we recognize the importance of addressing the parking needs to ensure the success of the mixed-use development in Stellenbosch. As part of a phased approach, Phase 2 will focus on the enhancement and expansion of the parking area to accommodate the influx of visitors that the vibrant new destination is expected to attract.

Project Overview:

- **Parking Expansion:** The parking area upgradation will include the expansion of the existing parking facility to accommodate a higher number of vehicles. The design will prioritize efficient space utilization while maintaining a seamless flow of traffic within the development.
- **Aesthetic Integration:** The parking area will be seamlessly integrated into the overall design aesthetic of the development, ensuring that it complements the heritage site's architecture and the cultural atmosphere of the destination.
- **Sustainability Measures:** The upgradation will incorporate sustainable features such as solar-powered lighting, rainwater harvesting, and permeable paving to align with modern environmental standards.

Benefits:

1. **Visitor Convenience:** Adequate and well-organized parking facilities will enhance the visitor experience, encouraging longer stays and repeat visits.
2. **Traffic Flow:** The expanded parking area will alleviate congestion in the vicinity and ensure a smooth traffic flow, benefiting both visitors and the local community.
3. **Environmental Considerations:** The integration of sustainable features will contribute to the development's eco-friendliness and align with global efforts towards sustainability.

Conclusion:

The proposed mixed-use development will transform a heritage site in Stellenbosch into a dynamic and culturally immersive destination, offering a blend of culinary experiences, a tourist business Hub, backpacker accommodations, and a platform for local businesses. This project aligns with Stellenbosch's commitment to preserving its rich history while embracing progress and innovation.

The addition of Phase 2, which focuses on the upgrading and expansion of the parking area, underscores our commitment to providing a comprehensive solution that caters to the needs of visitors and residents alike. By addressing parking concerns, we aim to create a well-rounded, accessible, and sustainable mixed-use development that seamlessly integrates cultural experiences, culinary delights, retail opportunities, and essential amenities.

This phased approach ensures that every aspect of the development is carefully considered and executed to contribute positively to Stellenbosch's economic growth, tourism appeal, and community enrichment. We appreciate the opportunity to present this extended vision and are eager to collaborate on realizing this transformative project.

We believe that this development will contribute significantly to the local economy, tourism, and community growth while becoming a source of pride for both residents and visitors. We look forward to the opportunity to work collaboratively and bring this visionary project to life.

Yours sincerely



Johann Grobler
Director
Kamnandi Developments (Pty) Ltd

The essence of life is planting a tree, knowing you will never sit in its shade.

| | |
|------------|--|
| 5.4 | FINANCIAL SERVICES: (PC: CLLR J FASSER) |
|------------|--|

NONE

| | |
|------------|--|
| 5.5 | HUMAN SETTLEMENTS: (PC: CLLR R DU TOIT) |
|------------|--|

NONE

| | |
|------------|--|
| 5.6 | INFRASTRUCTURE SERVICES : (PC : CLLR P JOHNSON) |
|------------|--|

| | |
|--------------|---|
| 5.6.1 | AMENDMENT OF THE DEVELOPMENT CHARGE TARIFF FOR THE “OUTDOOR DINING / FUNCTION AREA” CATEGORY |
|--------------|---|

Collaborator No:

IDP KPA Ref No: *Good Governance and Compliance*

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 2023

1. SUBJECT: AMENDMENT OF THE DEVELOPMENT CHARGE TARIFF FOR THE “OUTDOOR DINING / FUNCTION AREA” CATEGORY

2 PURPOSE

To obtain Council's approval for the deletion of the development charges for “outdoor dining/function area” calculated based on m² for all areas (Stellenbosch Town/ Klapmuts/ Dwarsrivier/ Franschoek/ Raithby/ Polkadraai/ Koelenhof) and the amendment of the Development Charge “Outdoor Function / Picnic Area” tariff calculated based on number of persons for all areas (Stellenbosch Town/ Klapmuts/ Dwarsrivier/ Franschoek/ Raithby/ Polkadraai/ Koelenhof).

3. DELEGATED AUTHORITY

For decision by the Municipal Council, in terms of Clause 7.9 and Clause 8 of the Stellenbosch Municipality Development Charges Policy 2023/24.

4. EXECUTIVE SUMMARY

This Item is not to be confused with the current outdoor dining items which are currently being presented to Council though delegated authority to the Executive Mayor in consultation with the Mayoral committee regarding compliances by existing facilities for outside dining.

This item refers primarily to new developments where the developer requests the approval for a communal outdoor function / picnic area within the development or estate, and the Development Charge tariff in the tariff book applicable to that area is stipulated in the tariff book approved by Council for the financial year 2023/2 read with stipulated in the Municipality's Development Charges Policy. In terms of Clause 7.9 of the current approved Council DC policy, the Municipality may review the DC's by means of a Council resolution to correct any gross errors discovered in the determination of DC's as long as the amendments is a reduction of the tariff and not an increase.

The currently approved development charges (DC's) tariffs makes provision for "OUTDOOR DINING / FUNCTION AREA" for the areas (Stellenbosch Town/Klapmuts/Dwarsrivier/Franschhoek/Raithby/Polkadraai/Koelenhof) and is twofold. It is either calculated per 100m² or per number of person with certain factors that must be taken into account. The latter is based on a trip generation of 3 trips per person/day for the roads factor, a factor for water of 0.100 and 0.070 for sewerage. After receiving numerous challenges from Applicants related to these factors and claiming that the tariffs makes these type of land uses unfeasible, an investigation was done by the Municipality, to identify if there was any scientific merit for such claims.

The proposed amendment to Council will deal with the following:

- The study conducted by the Consultants to identify / motivate the merit of the Applicants;
- Council to take note of the actual impact on the infrastructure services, namely water, sewer and roads, which informs the determination of the DC tariff;
- It is recommended that Council approves the amendment of the Development Charge "OUTDOOR DINING /FUNCTION AREA" tariff. Administration.
- It is further recommended that the tariff calculation based on 100m² be deleted as it is not needed.

5. RECOMMENDATIONS

- (a) that factors used for Development Charges for "OUTDOOR DINING / FUNCTION AREA" be amended as follows:
- Roads factor (Trip generation rate) be changed to 0.5 trips per person per day.
 - Water factor changed to 0.05 kl/day per person
 - Sewer factor changed to 0.035kl/day per person;
- (b) that the total Development Charge tariff for this category, Outdoor Function/ Picnic Area, be recalculated based on these factors; and
- (c) that the outdoor dining/function area category (per area) should be omitted from the current Development Charge tariff table.

6. DISCUSSION / CONTENTS

6.1 Background

The Municipal Fiscal Powers and Functions Amendment Bill 2020, published for public comment during 2020, provides for a uniform, consistent, transparent and equitable basis on which municipalities can calculate and levy development charges on developers. The Amendment Bill requires that development charges are paid by both the public and private sectors, in order to ensure that a substantial portion of municipal bulk infrastructure investment can be financed on a 'user pays' principle, with the needs of poor households directly and transparently supported through public subsidies, including intergovernmental transfers.

A Development Charge ('DC') is a once-off capital charge to recover the actual cost of external infrastructure required to accommodate the additional impact of a new development on engineering services. A Development Charge calculation is triggered by a land use change/ development application that will, if approved, intensify the municipal infrastructure demand. The threshold is the level up to which a new land use is deemed to have the same infrastructure impact as the existing permissible use and is determined based on a technical assessment.

The Development Charges policy is an important tool to provide economic infrastructure and to ensure sustainable infrastructure investment in all the required engineering services. It provides the key details of the Municipality's Development Charges for Engineering Services, covering water, roads, stormwater, sewerage, solid waste and electricity. Please note that the policy is not applicable to outdoor dining leases.

Development Charges (DCs) are paid by new developments for the additional impact that such development has on the municipality's bulk engineering infrastructure.

The Municipality has received numerous challenges on the "OUTDOOR DINING/FUNCTION AREA" Development Charge in the recent past.

The currently approved Development Charges (DCs) for "OUTDOOR DINING/FUNCTION AREA" when it is calculated based on number of persons is based on a trip generation of 3 trips per person per day. This trip generation influences the amount of the roads Development Charge, which is the main driver of the total Development Charges which also includes water, sewer, stormwater, solid waste and community facilities components. There is a second development charge in the tariff book for the same areas and the same category but calculated based on 100m². The latter charge is no longer needed and just confuse the situation.

Upon receiving numerous challenges from owners related to the factors used and claiming that it makes these type of land uses unfeasible, an investigation was done by the Municipality and our appointed Development Contribution consultants to identify if there was any scientific merit for such claims.

6.2 Discussion

The trip generation rate of 3 trips per day per person was based on typical restaurant demands and conversion factors between GLA and seats (persons). This is not an accurate conversion, since the number of seats at a picnic venue is typically less per m², than the seats in a restaurant. This is because seating at a picnic venue is typically more spread out than in a restaurant where the space is more confined. In other words, less people are accommodated per square meter at a picnic venue, than in a conventional restaurant. In addition, the number of sittings per week of an outdoor venue is also less than indoor restaurants. This means that the overall trip generation per square meter should be less for a picnic area than for a restaurant. The following calculation, done from first principles illustrates how this number is achieved:

- Average occupancy per vehicle = 4 persons
- Weighted average turnover per day per week = 0.929 (rounded to 1.0) based on 2 turnovers on weekends and 0.5 on weekdays
- Resultant trips per day per person = 0.46 (rounded to 0.5)

| | days | turnover |
|------------------------|------|----------|
| weekend | 2 | 2 |
| weekdays | 5 | 0.5 |
| weighted average | 7 | 0.929 |
| occupancy | | 4 |
| unit rate per person = | | 0.46 |

#

The outcome of this exercise illustrates that the actual usage of this type of land use varies significantly from the usage of the approved Development Charges tariff table, and there is therefore scientific merit for the amendment thereof. This scenario is consistent with clause 8.3 of the DC Policy, which provides criteria for the adjustment of approved DC tariffs.

It is therefore proposed that the:

- **Roads factor (Trip generation rate) be changed to from 3 to 0.5 trips per person per day (rounded up from 0.46).**

Similarly, a similar conversion must apply to water and sewer as well (this is essentially based on a reduced number of sittings for these areas compared to restaurants):

- **Water factor changed from 0.1 to 0.05 kl/day per person**
- **Sewer factor changed from 0.035 to 0.035kl/day per person**

It is also recommended that the outdoor dining/function area category (per area) should be omitted from the table, and applications/approvals converted to “per person” capacity – to simplify and DC calculations and to maintain consistency in DC calculations for various applications.

In terms of the DC tariffs, the following table indicates the recommended changes:

Current tariffs calculated based on the number of persons:

| Stellenbosch Town | | | | | | | | | | | | | | | |
|--|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Outdoor Dining/Function Area (persons) | persons | 0.100 | R 3 134 | 0.070 | R 2 414 | 0.001 | R 207 | 0.003 | R 293 | 3.000 | R 20 117 | 0.130 | R 223 | R 26 389 | |

| Area: Klapmuts | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 978 | 0.070 | R 2 229 | 0.001 | R 70 | 0.003 | R 293 | 3.000 | R 19 803 | 0.130 | R 223 | R 23 595 | |

| Area: Dwarsrivier | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 3 406 | 0.070 | R 1 782 | 0.001 | R 97 | 0.003 | R 293 | 3.000 | R 24 217 | 0.130 | R 223 | R 29 999 | |

| Area: Franschoek | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 2 969 | 0.070 | R 2 545 | 0.001 | R 151 | 0.003 | R 293 | 3.000 | R 25 852 | 0.130 | R 223 | R 32 033 | |

| Area: Raithby | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 1 045 | 0.070 | R 952 | 0.001 | R 152 | 0.003 | R 293 | 3.000 | R 39 481 | 0.130 | R 223 | R 42 148 | |

| Area: Polkadraai | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 2 831 | 0.070 | R 1 958 | 0.001 | R 58 | 0.003 | R 293 | 3.000 | R 31 071 | 0.130 | R 223 | R 36 532 | |

| Area: Koelenhof | | | | | | | | | | | | | | | |
|---|---------|----------------|------------|----------------|------------|-------------------|-----------------|----------------------|------------------|-------------------------------|------------|---------------------|----------------|----------|--|
| Land Use | | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | | |
| | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | Unit Cost | | | |
| Description | Unit | Water Factor | Water Cost | Sewer Factor | Sewer Cost | Stormwater Factor | Stormwater Cost | Solid Waste Factor | Solid Waste Cost | Roads Factor | Roads Cost | Community Factor | Community Cost | Total | |
| Commercial Outdoor Dining/Function Area (persons) | persons | 0.100 | R 2 463 | 0.070 | R 1 793 | 0.001 | R 117 | 0.003 | R 293 | 3.000 | R 12 115 | 0.130 | R 223 | R 17 005 | |

Proposed tariffs calculated based on the number of persons

| Area: Stellenbosch Town | | | | | | | | | | | | | | | | |
|-------------------------|------------------------------|---------|----------------|---------|----------------|---------|-------------------|-------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 1 567 | 0.035 | R 1 207 | 0.001 | R 207 | 0.003 | R 293 | 0.500 | R 3 353 | 0.130 | R 223 | R 6 850 | |

| Area: Klapmuts | | | | | | | | | | | | | | | | |
|----------------|------------------------------|---------|----------------|-------|----------------|---------|-------------------|------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 489 | 0.035 | R 1 115 | 0.001 | R 70 | 0.003 | R 293 | 0.500 | R 3 300 | 0.130 | R 223 | R 5 490 | |

| Area: Dwaarsrivier | | | | | | | | | | | | | | | | |
|--------------------|------------------------------|---------|----------------|---------|----------------|-------|-------------------|------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 1 703 | 0.035 | R 891 | 0.001 | R 97 | 0.003 | R 293 | 0.500 | R 4 636 | 0.130 | R 223 | R 7 234 | |

| Area: Franschoek | | | | | | | | | | | | | | | | |
|------------------|------------------------------|---------|----------------|---------|----------------|---------|-------------------|-------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 1 484 | 0.035 | R 1 273 | 0.001 | R 151 | 0.003 | R 293 | 0.500 | R 4 309 | 0.130 | R 223 | R 7 733 | |

| Area: Raithby | | | | | | | | | | | | | | | | |
|---------------|------------------------------|---------|----------------|-------|----------------|-------|-------------------|-------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 523 | 0.035 | R 476 | 0.001 | R 152 | 0.003 | R 293 | 0.500 | R 6 580 | 0.130 | R 223 | R 8 248 | |

| Area: Polkadraai | | | | | | | | | | | | | | | | |
|------------------|------------------------------|---------|----------------|---------|----------------|-------|-------------------|------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 1 465 | 0.035 | R 979 | 0.001 | R 58 | 0.003 | R 293 | 0.500 | R 5 178 | 0.130 | R 223 | R 8 196 | |

| Area: Koelenhof | | | | | | | | | | | | | | | | |
|-----------------|------------------------------|---------|----------------|---------|----------------|-------|-------------------|-------|----------------------|-------|-------------------------------|---------|---------------------|-------|---------|--|
| Land Group | Description | Unit | Water (kl/day) | | Sewer (kl/day) | | Stormwater (ha°C) | | Solid Waste (t/week) | | Roads & Transport (trips/day) | | Community (persons) | | Total | |
| | | | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | Factor | Cost | | |
| Commercial | Outdoor Dining/Function Area | persons | 0.050 | R 1 232 | 0.035 | R 896 | 0.001 | R 117 | 0.003 | R 293 | 0.500 | R 2 019 | 0.130 | R 223 | R 4 780 | |

6.3 Financial Implications

The financial implication means that a recalculation of the Development Charge amount and would represent a fairer and more realistic Development Charge and also make new developments with “OUTDOOR DINING / FUNCTION AREA” land uses more feasible.

The Developers would still pay a Development Charge according to their actual impact on municipal services at a reduced rate. The request is that it be made retrospective from 1 July 2023 for the 2023/24 financial year.

6.4 Legal Implications

Tariff may be amended downwards. The recommendations in this report comply with Council’s policies and all applicable legislation.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

Item 8.2 of Council Meeting 24 May 2023: medium term revenue and expenditure framework for the financial periods 2023/24 – 2025/26.

6.7 Risk Implications

By approving this recommendation, the risk of appeals and/or legal action by aggrieved Developer’s against the Municipality is less likely, because the revised Development Charge can be scientifically justified and is regarded as fair and equitable to all parties.

6.8 Comments from Senior Management:

Comments not requested from other Director's

6.8.4 Chief Financial Officer

Section 28 (6) of the Municipal Finance Management Act 56 of 2003 (MFMA):

Municipal tax and tariffs may not be increased during a financial year.

The proposed amended is not an increased in a municipal tariff and therefore allowed for in terms of the MFMA.

Although the amendment does not have a material financial implication to the municipality, it will form part of the Mid-year Performance Assessment.

6.8.5 Municipal Manager

Supports the item.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 7.6.2

- (a) that the development charges tariff for "outdoor dining/function area" for all the areas (Stellenbosch Town/ Klapmuts/ Dwarsrivier/ Franschoek/ Raithby/ Polkadraai/ Koelenhof) calculated per 100m² be deleted from the tariff tables;
- (b) that the factors for the development charges tariff "outdoor dining/function area " for all the areas (Stellenbosch Town/ Klapmuts/ Dwarsrivier/ Franschoek/ Raithby/ Polkadraai/ Koelenhof) calculated per number of persons be amended as follows:
 - Roads factor (Trip generation rate) be changed to 0.5 trips per person per day.
 - Water factor changed to 0.05 kl/day per person
 - Sewer factor changed to 0.035kl/day per person
- (c) that the amended factors indicated in b) be used to calculate the factors regarding "roads; water and sewer" when calculating the tariff for development charges for outdoor dining/function area per persons from 1 July 2023 for the 2023/24 financial year; and
- (d) That the wording in the tariff book tables for the category of "outdoor dining/function" calculated per person be amended and replaced with "Outdoor Function / Picnic Area" calculated per person.

ANNEXURES

None

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| NAME | Shane Chandaka |
| POSITION | Director |
| DIRECTORATE | Infrastructure Services |
| CONTACT NUMBERS | 021 808 8213 |
| E-MAIL ADDRESS | Shane.chandaka@ Stellenbosch.gov.za |
| REPORT DATE | 14 September 2023 |

| | |
|--------------|---|
| 5.6.2 | RETURN ITEM: TRANSFER OF THE PORTIONS OF FARM 502 OWNED BY STELLENBOSCH MUNICIPALITY TO THE PROVINCIAL GOVERNMENT OF THE WESTERN CAPE, FOR ROAD PURPOSES |
|--------------|---|

Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 2023

1. SUBJECT: RETURN ITEM: TRANSFER OF THE PORTIONS OF FARM 502 OWNED BY STELLENBOSCH MUNICIPALITY TO THE PROVINCIAL GOVERNMENT OF THE WESTERN CAPE, FOR ROAD PURPOSES

2. PURPOSE

To consider valuations carried out on portions of Farm 502 for the transfer of the land owned by Stellenbosch Municipality to Provincial Government of the Western Cape (PGWC), for road purposes.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

Farm No. 502 is located just south of Stellenbosch and is surrounded by agricultural areas, Annandale Road which belongs to the Provincial Government of the Western Cape (PGWC), runs through portions of Farm 502. The PGWC had intended to widen the road, and additional portions of land were required to accommodate the widening.

In 2016 the PGWC commissioned valuations for the various portions of Farm 502, that would be required for the widened road reserve. On the 7th of June 2016 the Provincial Government Western Cape submitted to the Municipality, an Acquisition Letter requesting that Council respond, and indicate whether Council has any objection to the transfer of the land, **see ANNEXURE A**. Although the correspondence was received by the Municipality, the Municipality did not however submit a response to the Acquisition Letter at the time.

During 2017 and 2018 the Provincial Government Western Cape proceeded to relocate fence lines to accommodate the widening of the road. The upgrade and widening of Annandale Road commenced in 2018 and was completed in 2019.

Follow-up Acquisition Letters were received by the Municipality in March 2022 and September 2022 **see ANNEXURE B**, indicating that Provincial Government Western Cape is prepared to compensate the Municipality an amount of R884 085.00. This amount is however based on a valuation carried out by the PGWC in 2016, **see ANNEXURE C**.

In November 2022 Council decided, amongst others, that new valuations were be obtained, and that a public participation process be followed. The Municipality subsequently commissioned new valuations, the value of the new 2023 valuations amounts to R1 121 755, **see ANNEXURE D**. It should also be noted that when the public notice was advertised, no comments or inputs were received, **see ANNEXURE E**.

5. RECOMMENDATIONS

- (a) that Council notes that a public participation process was followed and that no comments were received;

(b) that council decides whether the 2016 valuation is acceptable at R884 085.00 or whether Council should submit the 2023 valuation (R1 121 755.00) to Provincial Government Western Cape for further consideration; and

(c) that the Municipal Manager be authorized to conclude the deed of sale.

6. DISCUSSION / CONTENTS

6.1 Background

Farm No. 502 is located just south of Stellenbosch and is surrounded by agricultural areas, Annandale Road which belongs to the Provincial Government of the Western Cape (PGWC), runs through portions of Farm 502. The Provincial Government Western Cape had intended to widen the road, and additional portions of land was required to accommodate the widening.

6.2 Discussion

In 2016 the PGWC commissioned valuations for the various portions of Farm 502, that would be required for the widened road reserve. On the 7th of June 2016 the PGWC submitted to the Municipality, an Acquisition Letter requesting that Council respond, and indicate whether Council has any objection to the transfer of the land, **see ANNEXURE A**. Although the correspondence was received by the Municipality, the Municipality did not however submit a response to the acquisition letter.

During 2017 and 2018 the Provincial Government Western Cape (PGWC) proceeded to relocate fence lines to accommodate the widening of the road. The upgrade and widening of Annandale Road commenced in 2018 and was completed in 2019.

Follow-up Acquisition Letters were received by the Municipality in March 2022 and September 2022 **see ANNEXURE B**, indicating that PGWC is prepared to compensate the Municipality at a total amount of R884 085.00. This amount is however based on a valuation carried out by the PGWC in 2016, **see ANNEXURE C**.

In November 2022 Council decided, amongst others, that new valuations be obtained, and that a public participation process be followed. The Municipality subsequently commissioned new valuations, the value of the new 2023 valuations amounts to R1 121 755, **see ANNEXURE D**. It should also be noted that when the public notice was advertised, no comments or inputs were received, **see ANNEXURE E**.

The PGWC has the opinion that the 2016 valuation should be used because formal proceedings then commenced and because reminders were periodically sent to the Municipality. The PGWC also stated that, should Council not find the 2016 valuation acceptable a fully motivated valuation report, for compensation claimed, should be forwarded to the Department or consideration.

6.3 Financial Implications

The municipality will receive income based on the latest valuation of the subject property. This can only be determined after the new valuations are obtained.

6.4 Legal Implications

6.4.1 MFMA

In terms of section 14(1) a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

In terms of subsection (2), a municipality may transfer ownership or otherwise dispose of a capital asset other than those contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-

- (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

6.4.2 Asset Transfer Regulation (ATR)

6.4.2.1 Transfer or disposal on non-exempted capital assets

In terms of Regulation 5(1)(b) a municipal Council may transfer or dispose of a non-exempted capital asset only after-

- a) the accounting officer has in terms of regulation 6 conducted a public participation* process to facilitate the determinations a municipal council must make in terms of Section 14(2)(a) and (b) of the Act; and
- b) the municipal council-
 - i) has made determinations required by section 14(2) (a) and (b)* and
 - ii) has, as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

6.4.2.2 Consideration of proposals to transfer or dispose of non-exempted capital assets

In terms of Regulation 7 the municipal council must, when considering any proposed transfer or disposal of a non-exempted capital asset in terms of regulation 5(1)(b)(i) and (ii), take into account—

- (a) whether the capital asset may be required for the municipality's own use at a later date;
- (b) the expected loss or gain that is expected to result from the proposed transfer or disposal;
- (c) the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality;
- (d) the risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests;
- (e) the effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;
- (f) any limitations or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;
- (g) the estimated cost of the proposed transfer or disposal;

- (h) the transfer of any liabilities and reserve funds associated with the capital asset;
- (i) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons; (if applicable)
- (j) any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury; (if applicable)
- (k) the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and
- (l) compliance with the legislative regime applicable to the proposed transfer or disposal.

6.4.2.3 Conditional approval of transfer or disposal of non-exempted capital assets

Further, in terms of Regulation 11, an approval in principle in terms of regulation 5(1)(b)(ii) or 8(1)(b)(ii) that a non-exempted capital asset may be transferred or disposed of, may be given subject to any conditions, including conditions specifying—

- (a) the way in which the capital asset is to be sold or disposed of;
- (b) a floor price or minimum compensation for the capital asset;
- (c) whether the capital asset may be transferred or disposed of for less than its fair market value, in which case the municipal council must first consider the criteria set out in regulation 13(2); and
- (d) a framework within which direct negotiations for the transfer or disposal of the capital asset must be conducted with another person, if transfer or disposal is subject to direct negotiations.

6.4.2.4 Transfer or disposal of non-exempted capital assets to be in accordance with disposal management system

In terms of Regulation 12(1); if approval has been given in terms of regulation 5(1)(b)(ii) that a non-exempted capital asset may be transferred or disposed of, the relevant municipality may transfer or dispose of the asset only in accordance with its disposal management system, irrespective of—

- (a) the value of the capital asset; or
- (b) whether the capital asset is to be transferred to a private sector party or an organ of state.

*In the case of Stellenbosch Municipality, the Policy on the Management of Council-owned property is deemed to be the disposal management system.

6.4.2.5 Compensation for transfer of non-exempted municipal capital assets

In terms of Regulation 13, the compensation payable to a municipality for the transfer of a non-exempted capital asset must, subject to sub regulation (2)—

- (a) be consistent with criteria applicable to compensation set out in the disposal management system of the municipality or municipal entity; and

If a municipality on account of the public interest, in particular in relation to the plight of the poor, intends to transfer a non-exempted capital asset for less than its fair market value, the municipality must, when considering the proposed transfer, take into account—

- (a) the interests of—
 - (i) the State; and
 - (ii) the local community;
- (b) the strategic and economic interests of the municipality or municipal entity, including the long-term effect of the decision on the municipality or entity;
- (c) the constitutional rights and legal interests of all affected parties;
- (d) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
- (e) whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.

6.4.2.6 Transfer agreements

In terms of Regulation 17, a municipality may transfer assets approved for transfer to a private sector party or organ of state, only by way of a written transfer agreement concluded between the transferring municipality and the receiving private sector party or organ of state.

A transfer agreement must set out the terms and conditions of the transfer, including, as a minimum—

- (a) a sufficient description of the capital asset being transferred in order to identify the asset;
- (b) particulars of any subsidiary assets that are transferred with the capital asset;
- (c) particulars of any liabilities transferred with the asset;
- (d) the amount of compensation payable to the municipality or municipal entity for the transfer of the asset or assets, and the terms and conditions of payment; and
- (e) the effective date from which the risk and accountability for the asset or assets is transferred to the receiving private sector party or organ of state.

6.4.3 Policy on the management of Council-owned property

6.4.3.1 General principles

In terms of paragraph 7.2.1, unless otherwise provided for in the policy, the disposal of Viable Immovable property shall be effected-

- a) by means of a process of public competition; and
- b) at market value except when the public interest or the plight of the poor demands otherwise.

6.4.3.2 Methods of disposal

In terms of paragraph 9 the type of tender may vary, depending on the nature of the transaction. The following options may be considered:

- a) Outright tender, e.g residential erven;
- b) Call for proposals, e.g social care erven.

6.5 Staff Implications

No staff is affected.

6.6 Previous / Relevant Council Resolutions:

COUNCIL MEETING: 2022-11-23: ITEM 11.6.4

RESOLVED

- a) that Council notes that the subject portions of Farms 502AA; 502AB; 502AC; 502ADN; 502BH; 502BK; 502AE; 502AF (**Appendix 4**) is not required for the provision of basic municipal services;
- b) that new valuations be obtained for consideration when the item is returned after public participation (**Appendix 2**);
- c) that Council considers the community value (increased mobility of commuters) that will be gained as a result of the transfer (**Appendix 4**);
- d) that Council approves the transfer of the subdivided portions of Farms 502AA; 502AB; 502AC; 502ADN; 502BH; 502BK; 502AE; 502AF 502 (**Appendix 4**) in principal;
- e) that the intention to transfer the subdivided portions of Farms 502AA; 502AB; 502AC; 502ADN; 502BH; 502BK; 502AE; 502AF, be advertised for public comment;
- f) that, after the public participation process, the comments be considered by Council, before a final decision is made; and
- g) that the Municipal Manager then be authorized to conclude the deed of sale (**Appendix 3**).

6.7 Risk Implications

The transfer of the subject property will not attract any additional risk and liabilities for the Municipality.

6.8 Comments from Senior Management

No comments requested as it is a return item.

6.8.1 Director: Corporate Services

The recommendations are supported. The deed of sale must clearly identify the portions of the subdivided portions that are affected.

6.8.2 Municipal Manager

Supports item.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 7.6.3

- (a) that Council notes that a public participation process was followed and that no comments were received;
- (b) that Council decided to accept the 2016 valuation to the amount of R884 085.00 to Provincial Government Western Cape for further consideration; and
- (c) that the Municipal Manager be authorized to conclude the deed of sale.

APPENDICES

ANNEXURE A: ACQUISITION LETTER (2016)

ANNEXURE B: FOLLOW UP ACQUISITION LETTERS (2022)

ANNEXURE C: 2016 VALUATION

ANNEXURE D: 2023 VALUATION

ANNEXURE E: PUBLIC NOTICE

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| Name | Shane Chandaka |
| Position | Director |
| Directorate | Infrastructure Services |
| Contact Numbers | 021 808 8213 |
| E-mail Address | Shane.Chandaka@ Stellenbosch.gov.za |
| Report Date | 6 September 2023 |

ANNEXURE A



Western Cape
Government

Transport and Public Works

Liezel Smit
Roads & Transport Management: Road Rights
Email: Liezel.Smit@westerncape.gov.za
tel: +27 21 483 5874 fax: +27 21 483 2841
PO Box 2603, Cape Town, 8000
Room 3-03, 9 Dorp Street, Cape Town, 8001

Reference: TPW 16/8/2/2-3/DR1050/4

The Municipal Manager
Stellenbosch Municipality
C/o Mr P Smit
Posbus 17

STELLENBOSCH

7599

[For Attention: Mr Piet Smit] [Piet.Smit@stellenbosch.gov.za]

Dear Sir

CONTRACT C921: UPGRADING OF DIVISIONAL ROAD 1050, ANNANDALE ROAD WITH MR168 (NEAR LYNEDOCH): ACQUISITION OF LAND: REMAINDER OF THE FARM NO 502, STELLENBOSCH

1. You are hereby informed that this Department now requires an additional area of $\pm 1,8469$ ha (sketch No4) of Remainder of the Farm No 502, Stellenbosch, for the upgrading of Divisional Road 1050 (Annandale Road). The subject portion of land is indicated in red on the attached sketch plan No 4. According to information obtained from the Cape Town Deeds Office, the Remainder of the Farm No 502, Stellenbosch, is registered in the name of the Municipality Stellenbosch by virtue of Deed of Transfer No T36696/2006. In terms of the provisions of Chapter 3 of the Constitution it is clear that the acquisition of the subject portion of land should therefore be finalized in the spirit of co-operative governance.
2. Should your Council wish to claim any compensation in respect of the subject portion of land, this Department is prepared to compensate your Council according to the market value of the subject portion of land. Although I can (at this stage) not provide you with an indication of what the market value of the subject portion of land is, I can however mention that this Department is in the process of appointing independent valuers to undertake a thorough market research into the market value of properties in the area and to provide him with valuation reports in respect of the properties affected by the project. As soon as the valuation report in respect of the subject property has been received from the appointed valuer, your Council will be informed according to the findings contained there-in. This Department is in addition to the market value of the subject portion of land,

also prepared to pay all the costs associated with this transaction, e.g. survey-, transfer-, consolidation costs, etc

3. It would be appreciated if you could (as soon as possible) provide this Department with your indication as to whether or not your Council (in principle) has any objection to the alienation of the subject portion of land to this Department for road purposes.
4. Your Council early response with regard to this Department request would be appreciated.

Y. V.
for **CHIEF DIRECTOR: ROAD NETWORK MANAGEMENT**

DATE: *2016.06.13*

PROPERTY EIENDOM REMAINDER OF THE FARM No. 502, STELLENBOSCH SKETCH SKETS No. 4

ROAD STATUS DIVISIONAL ROAD 1050 RESERVE WIDTH 20m (Min.)
 PADSTATUS RESERWEWYDTE

NAME OF JOB ANNANDALE
 NAAM VAN TAAK

COMPILATION PLAN H1597 SURVEY PLAN DR 1050 FULL SURVEY
 SAAMGESTELDE OPMETINGS DRAWING 3D REV2.DGN

NOTA BENE

IN TERMS OF SECTION 35 (4) (a) OF ORDINANCE 19/1976 NO COMPENSATION IS PAYABLE FOR THE PORTION OF EXISTING ROAD RESERVE SITUATE WITHIN THE NEWLY EXPROPRIATED ROAD RESERVE. (SEE 2 BELOW)

LET WEL

INGEVOLGE ARTIKEL 35 (4) (a) VAN ORDINANSIE 19/1976 IS GEEN VERGOEDING BETAALBAAR VIR DIE GEDEELTE BESTAANDE PADRESERWE WAT BINNE DIE NUWE ONTEIENDE PADRESERWE GELEE IS NIE. (SIEN 2 HIERONDER)

| | | | | | |
|---|---|---|-----------|------------------------------------|-----------|
| 1 | TOTAL AREA OF NEW ROAD RESERVE TOTALE GROOTTE VAN NUWE PADRESERWE | | 4,5049 Ha | | |
| 2 | PORTION OF EXISTING ROAD RESERVE WITHIN NEW ROAD RESERVE GEDEELTE BESTAANDE PADRESERWE BINNE NUWE PADRESERWE | | 2,6580 Ha | | |
| 3 | DIFFERENCE BETWEEN 1 AND 2 ABOVE IN RESPECT OF WHICH COMPENSATION CAN BE CLAIMED AS SET OUT IN 4 BELOW. VERSKIL TUSSEN 1 EN 2 HIERBO WAARVOOR VERGOEDING GEEIS MAG WORD SOOS IN 4 HIERONDER UITEENGESIT. | | 1,8469 Ha | | |
| 4 | ONVERBETERDE GROND UNIMPROVED LAND 1,5820 Ha | BEWERKTE GROND CULTIVATED LAND 0,2534 Ha (GRAZING) 0,0115 Ha | " " " | BESPROEIDE GROND IRRIGATED LAND | " ~ " " |
| | BOORDE ORCHARDS | WINGERD VINEYARD | " " " " | PLANTASIE PLANTATION | C " C " C |

NOTE:

THE FOLLOWING ARE AFFECTED:

- ± 1,8m HIGH PRECAST WALL (64m LONG RAZOR FENCE ON TOP).
- ± 171 SMALL TREES WITH IRRIGATION ALONG THE FENCE (LHS).
- 34 BEEFWOOD TREES (LHS).
- AN ACCESS ROAD AND A GATE.
- A SIGNBOARD IS WITHIN THE EXISTING ROAD RESERVE.

FIELD CHECKED BY P. SPENCE
 VELD NAGESIEN DEUR
 DATE APRIL 2016
 DATUM

PROVINCIAL ADMINISTRATION : WESTERN CAPE
 DEPARTMENT OF TRANSPORT & PUBLIC WORKS
 ROAD NETWORK MANAGEMENT BRANCH

PROVINSIALE ADMINISTRASIE : WES-KAAP
 DEPARTEMENT VAN VERVOER & OPENBARE WERKE
 TAK PADNETWERKBESTUUR

FILE NO. TPW 1618/212-3/DR1050/4

SKETCH NO. 4

PROPERTY REMAINDER OF THE FARM No. 502

SITUATE IN THE ADMINISTRATIVE DISTRICT OF STELLENBOSCH

IN EXTENT GROOTTE 9,9894 Ha

OWNED BY STELLENBOSCH MUNICIPALITY

TRANSFER NO. T36696/2006

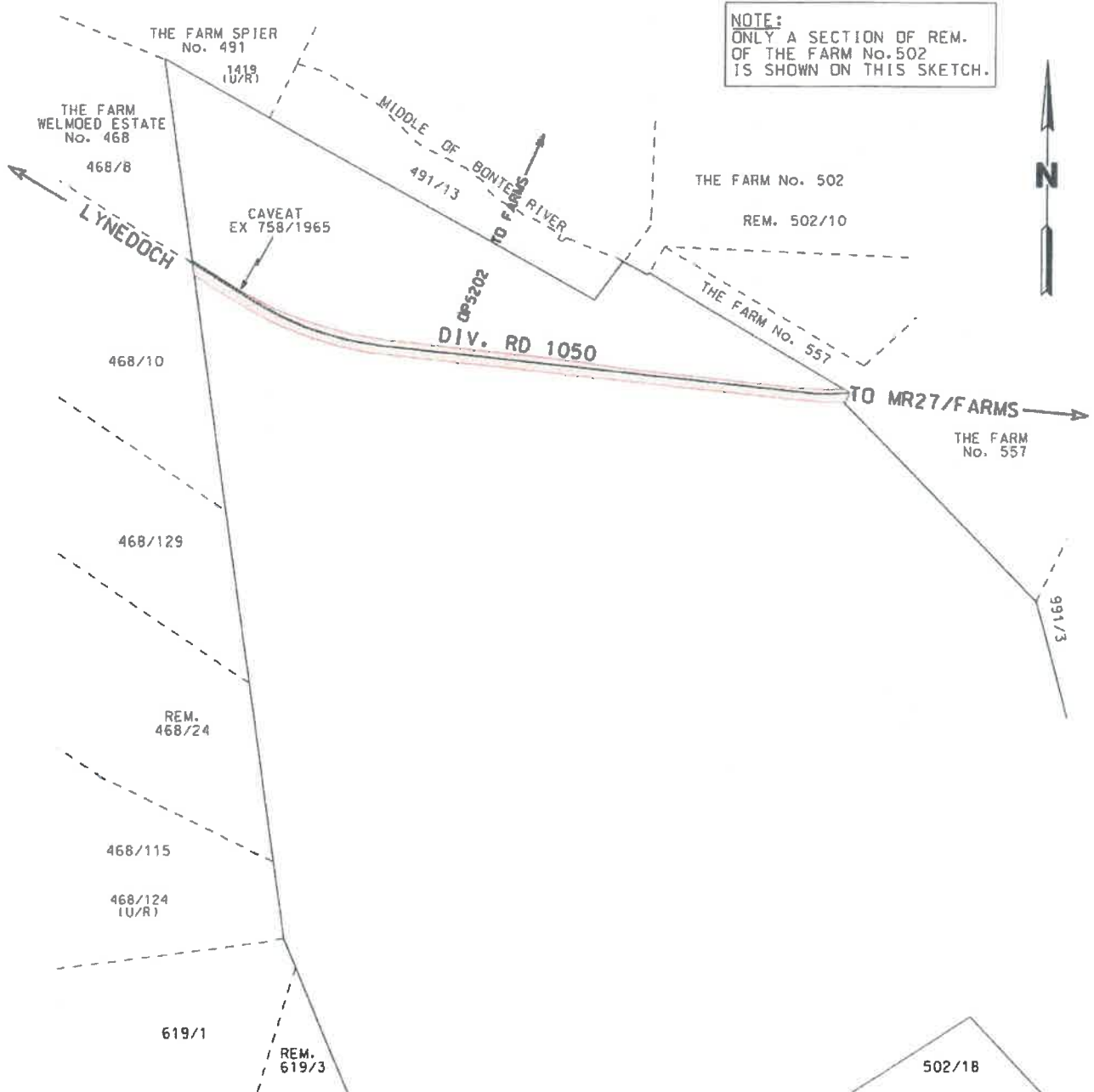
THE EXPROPRIATED PORTION, IN RED, IS APPROXIMATELY 4,5049 Ha

IN EXTENT GROOT 4,5049 Ha

S.G. DIAGRAM NO. 9133/1957

S.G. COMPILATION NO. M3155; M3188; M3169

L.G. KAART NO. 9133/1957 L.G. SAMESTELLING NO. M3155; M3188; M3169



SCALE SKAAL 1 15000

COMPILATION BY SAMESTELLING DEUR C. DE BRAAK

DATE DATUM JANUARY 2016 AA

ENDORSEMENTS

1. The District Roads Engineer
SUIDER PAARL
2. The Chief Engineer: Road Design
Mr WM Silbernagl [wally.silbernagl@westerncape.gov.za]
3. The Assistant Director: Road Rights
Mr PJ Pienaar [**Pieter.Pienaar@westerncape.gov.za**]
4. Mr JJ Rossouw [**Johan.Rossouw@westerncape.gov.za**]
5. WSP /Parsons Brickerhoff, Transport and Infrastructure, Africa
The Pavillion, 1st Floor
Corner Portswood & Beach Rd, Waterfront
CAPE TOWN
8000
Attention: Mr Jaco Louw [Jaco.Louw@WSPGroup.co.za]
Contract C921: Upgrading of DR1050: Annandale Road I/S Mr168 (Near Lynedoch)
6. TPW 16/8/2/2-29/DR1050

ANNEXURE B



Ref: TPW 16/8/2/2-3/DR1050/4

The Municipality Manager
Stellenbosch Municipality
C/o Ms Geraldine Mettler
P.O. Box 17
STELLENBOSCH
7599

[For Attention: Mrs Geraldine Mettler] [municipal.manager@stellenbosch.gov.za]

Dear Mrs Mettler

CONTRACT C921: UPGRADING OF DIVISIONAL ROAD 1050, ANNANDALE ROAD WITH MAIN ROAD 168 (NEAR LYNEDOCH): ACQUISITION OF LAND: REMAINDER OF THE FARM NO 502, STELLENBOSCH: COMPENSATION OFFER

1. I refer to this Department's even-numbered acquisition letter dated 13 June 2016 as well as Mr Piet Smit electronic message dated 17 June 2016 (copies attached).
2. To date no further response has been received from your Council. The Department is therefore eager to conclude this long outstanding matter and has subsequently decided to proceed by making your Council a compensation offer for the subject portions of land affected- should your Council of course require any compensation for the land.
3. Your Council may be aware of the fact that the Department appointed independent valuers, JJ Neethling Property Valuers to assist in the determination of the market value of the subject portions of the relevant property affected by this project. Based on the valuation report received, it is evident that the market value of the subject portions of land, on the date of the acquisition letter, viz 13 June 2016 amounted to tariffs of R650,000.00/ha [0,2534ha cultivated land (grazing) & 0,0115ha cultivated land] and R450,000.00/ha [1,5820ha unimproved land].
4. In view of the above, the Department is therefore prepared to compensate your Council at a total amount of R884,085.00, which is calculated as follows, in respect of the subject portions of land-

4.1 **Sketch no 4**

Land:

| | |
|---|-----------------------|
| 0,2534ha cultivated land (grazing) @ R650,000.00/ha | = R 164,710.00 |
| 0,0115ha cultivated land @ R650,000.00/ha | = R 7,475.00 |
| 1,5820ha unimproved land @ R450,000.00/ha | = <u>R 711,900.00</u> |

Total (Sketch No 4) = R 884,085.00

5. Consequently, your Council is hereby requested to inform me whether your Council intends claiming compensation in respect of the subject portions of land or not? Should your Council wish to claim compensation, it will be appreciated if you could inform me whether the total amount of R884,085.00 is acceptable to your Council or not? This is to enable me to submit the matter to the Western Cape Provincial Minister of Transport and Public Works for consideration/approval. However, if this amount is not acceptable, a fully motivated valuation report for the tariffs/compensation amount claimed by your Council in this regard (which has been obtained at its own costs), should be forwarded to the Department for consideration.
- 5.1 Should the total amount of R884,085.00 be acceptable to your Council, I hereby attach a draft deed of sale [between Stellenbosch Municipality and the Roads Trustees] which was prepared by the Department in respect of the subject portions of the property, viz. Remainder of the Farm No 502, Stellenbosch which are required for the upgrading of Divisional Road 1050, Annandale Road for road purposes. It will be appreciated if you could study the draft deed of sale and let me know if it meets your Council's requirements and if there are any amendments required. Please return the draft deed of sale back to me in order for me to forward it to the Department's Legal Services department for vetting, whereafter the necessary submission to the Minister will be prepared for consideration/approval.
6. Your Council's response in the above matter, would be appreciated.

Yours faithfully



for **DEPUTY DIRECTOR-GENERAL: ROADS**

DATE: 07-03-2022



ENDORSEMENTS:

1. The District Roads Engineer

SUIDER-PAARL

Mr Elroy Smith [Elroy.smith@westerncape.gov.za]

2. The Chief Engineer: Geometric Design

Mr M Hendrickse [Michael.Hendrickse2@westerncape.gov.za]

3. The Acting Deputy Director: Road Ownership & Expropriation

Mr PJ Pienaar [Pieter.Pienaar@westerncape.gov.za]

4. **Mr JJ Rossouw** [Johan.Rossouw@westerncape.gov.za]

5. JJ Neethling [jjneeth@breede.co.za]

6. TPW 16/8/2/2-3/DR1050

7. WSP Consulting

Cnr Portswood & Beach Rd, Waterfront

CAPE TOWN

8000

Attention: Mr Jaco Louw [Jaco.Louw@WSPGroup.co.za]





Western Cape
Government

Transport and Public Works
Roads Branch
Road Ownership & Expropriation
Johan J Rossouw

Johan.Rossouw@westerncape.gov.za | Tel: +27 21 483 2108

Fax: +27 21 483 2841

Ref: TPW 16/8/2/2-3/DR1050/4

The Municipality Manager
Stellenbosch Municipality
C/o Ms Geraldine Mettler
P.O. Box 17
STELLENBOSCH
7599

[For Attention: Mrs Geraldine Mettler] [municipal.manager@stellenbosch.gov.za]

Dear Mrs Mettler

CONTRACT C921: UPGRADING OF DIVISIONAL ROAD 1050, ANNANDALE ROAD WITH MAIN ROAD 168 (NEAR LYNEDOCH): ACQUISITION OF LAND: REMAINDER OF THE FARM NO 502, STELLENBOSCH: COMPENSATION OFFER

1. I refer to my former colleague, Mrs Liezel Smit (not working any longer for this Department) electronic message dated 7 March 2002 with attachments (copy attached).
2. It will be appreciated if you can inform this Department as soon as possible what further progress has been done in this regard.
3. Your Council's urgent response in the above matter, would be appreciated.

Yours faithfully

for **DEPUTY DIRECTOR-GENERAL: ROADS**

DATE: 2022-09-28

ENDORSEMENTS:

1. The District Roads Engineer
SUIDER-PAARL
Mr Elroy Smith [Elroy.smith@westerncape.gov.za]

2. The Chief Engineer: Geometric Design
Mr M Hendrickse [Michael.Hendrickse2@westerncape.gov.za]

3. The Acting Deputy Director: Road Ownership & Expropriation
Mr PJ Pienaar [Pieter.Pienaar@westerncape.gov.za]

4. JJ Neethling [jjneeth@breede.co.za]

5. TPW 16/8/2/2-3/DR1050

6. WSP Consulting
Cnr Portswood & Beach Rd, Waterfront
CAPE TOWN
8000

Attention: Mr Jaco Louw [Jaco.Louw@WSPGroup.co.za]



ANNEXURE C

VALUATION REPORT No. 4.

Sketch Plan 4, Route DR1050.

1- DESCRIPTION OF THE PROPERTY.

The subject property is described in Title Deed No. T36696/2006 as follows:

Remainder of the Farm No. 502

Extent 9,9894 Ha.

Extent according to the records of the Stellenbosch Municipality: 682,74 Ha
(Information Mr Piet Smit).

| | |
|--------------|---------------|
| Municipality | Stellenbosch |
| Province | Western Cape. |

2 – REGISTERED OWNER.

Stellenbosch Municipality.

3 - ZONING.

Agricultural Zone 1.

4 - SERWITUDE, RIGHTS AND CONTRACTS.

As far as has been possible to determine, there are no servitudes or rights registered over the subject property that may significantly impact the market value. The subject property is being let by the owner. The details of the rental contracts are not known to me.

5 – GENERAL DESCRIPTION.

5.1 Location:

The acquired portions are located on the Annandale Road, Route DR1050. See the Location map in the general report.

5.2 Topography and rainfall:

The topography of the land is in general flat with a slight incline. The subject property is in the Boland Winter Rainfall Area and has an average rainfall of 650 to 700mm per annum. Most of the rain falls in the winter.

5.3 Highest and best use:

The subject property is eminently suitable as a cropping/livestock farm and is currently being used as such. In my opinion this current use represents the highest and best use.

6 – ACQUISITION.**6.1 Portions that are being effected:**

The portions needed, Route DR1050.

Remainder of the Farm no. 502, Stellenbosch RD.

Portion marked in red on Sketch Plan 4.

Area:

| | |
|---------------------------|-----------|
| Unimproved land | 1,5820 Ha |
| Cultivated land (grazing) | 0,2534 Ha |
| Cultivated land | 0,0115 Ha |

Sketch Plan 4, compiled by C De Braak, is attached.

6.2 Purpose of acquirement:

The Provincial Administration of the Western Cape needs the above mentioned portions in order to increase the existing road reserve. See Sketch Plan 4.

6.3 Description of site:**Improvements**

The site in question is agricultural land and the following improvements are affected by the acquirement:

- ±1.8m high precast wall (64m long razor fence on top)
- ± 171 small trees with irrigation along fence (LHS)
- 34 beefwood trees (LHS)
- An access road and gate
- A signboard is within the existing road reserve

Land

The soil is a deep sandy soil and has in my opinion medium agricultural potential. The acquired property is made up of cultivated land, and unimproved land. The cultivated areas are considered irrigation land.

PROPERTY EIGENDOM: REMAINDER OF THE FARM No 502, STELLENBOSCH SKETCH SKETS NO. 4
 ROAD STATUS PAASTATUS: DIVISIONAL ROAD 1050 RESERVE WIDTH RESERWEWYDTE: 20m (Min.)
 NAME OF JOB NAAM VAN TAAK: ANNANDALE
 COMPILATION SAAMGESTELDE PLAN: H1597 SURVEY OPMETINGS PLAN: DR 1050 FULL SURVEY DRAWING 3D REV2 DGN

NOTA BENE

IN TERMS OF SECTION 35 (42 (1)) OF ORDINANCE 19/1976 NO COMPENSATION IS PAYABLE FOR THE PORTION OF EXISTING ROAD RESERVE SITUATE WITHIN THE NEWLY EXPROPRIATED ROAD RESERVE. (SEE 2 BELOW)

LET WEL

INGEVOLGE ARTIKEL 35 (42 (1)) VAN ORDINANSIE 19/1976 IS GEEN VERGOEDING BETALBAAR VIR DIE GEDEELTE BESTAANDE PADRESERWE WAT BINNE DIE NUWE ONTEIGENDE PADRESERWE GELEE IS NE. (SIE 2 HIERONDER)

| | | | |
|---|---|---|------------------------------------|
| 1 | TOTAL AREA OF NEW ROAD RESERVE TOTALE GROOTTE VAN NUWE PADRESERWE | | 4,5049 Ha |
| 2 | PORTION OF EXISTING ROAD RESERVE WITHIN NEW ROAD RESERVE GEDEELTE BESTAANDE PADRESERWE BINNE NUWE PADRESERWE | | 2,6580 Ha |
| 3 | DIFFERENCE BETWEEN 1 AND 2 ABOVE IN RESPECT OF WHICH COMPENSATION CAN BE CLAIMED AS SET OUT IN 4 BELOW. VERSKE TUSSEN 1 EN 2 MERBO WAARVOOR VERGOEDING GEEIS MAG WORD SOOS IN 4 HIERONDER LITEENGESIT. | | 1,8469 Ha |
| 4 | ONVERBEERDE GROND UNIMPROVED LAND 1,5820 Ha | BEWERKTE GROND CULTIVATED LAND 0,2534 Ha (GRAZING) 0,0115 Ha | BESPROEIDE GROND IRRIGATED LAND |
| | BOOROE ORCHARDS | WINGERO VINEYARD | PLANTASE PLANTATION |

NOTE:

THE FOLLOWING ARE AFFECTED:

- ± 1.8m HIGH PRECAST WALL (64m LONG RAZOR FENCE ON TOP).
- ± 171 SMALL TREES WITH IRRIGATION ALONG THE FENCE (LHS).
- 34 BEEFWOOD TREES (LHS).
- AN ACCESS ROAD AND A GATE.
- A SIGNBOARD IS WITHIN THE EXISTING ROAD RESERVE.

FIELD CHECKED BY P SPENCE
 VELD NAGESIEN DEUR P SPENCE
 DATE APRIL 2016
 DATUM AA2

PROVINCIAL ADMINISTRATION : WESTERN CAPE
 DEPARTMENT OF TRANSPORT & PUBLIC WORKS
 ROAD NETWORK MANAGEMENT BRANCH

PROVINSIALE ADMINISTRASIE : WES-KAAP
 DEPARTEMENT VAN VERVOER & OPENBARE WERKE
 TAK PADNETWERKBESTUUR

FILE NO. TPW 16/8/2/2-3/DR1050/4
 LEER NO.

SKETCH NO. 4
 SKETS NO.

PROPERTY REMAINDER OF THE FARM No 502
 EIENDOM

IN EXTENT 9,9894 Ha
 GROOTTE

SITUATE IN THE ADMINISTRATIVE DISTRICT OF STELLENBOSCH
 GELEË IN DIE ADMINISTRATIEWE DISTRIK VAN

TRANSFER NO. T36696/2006
 TRANSPORT

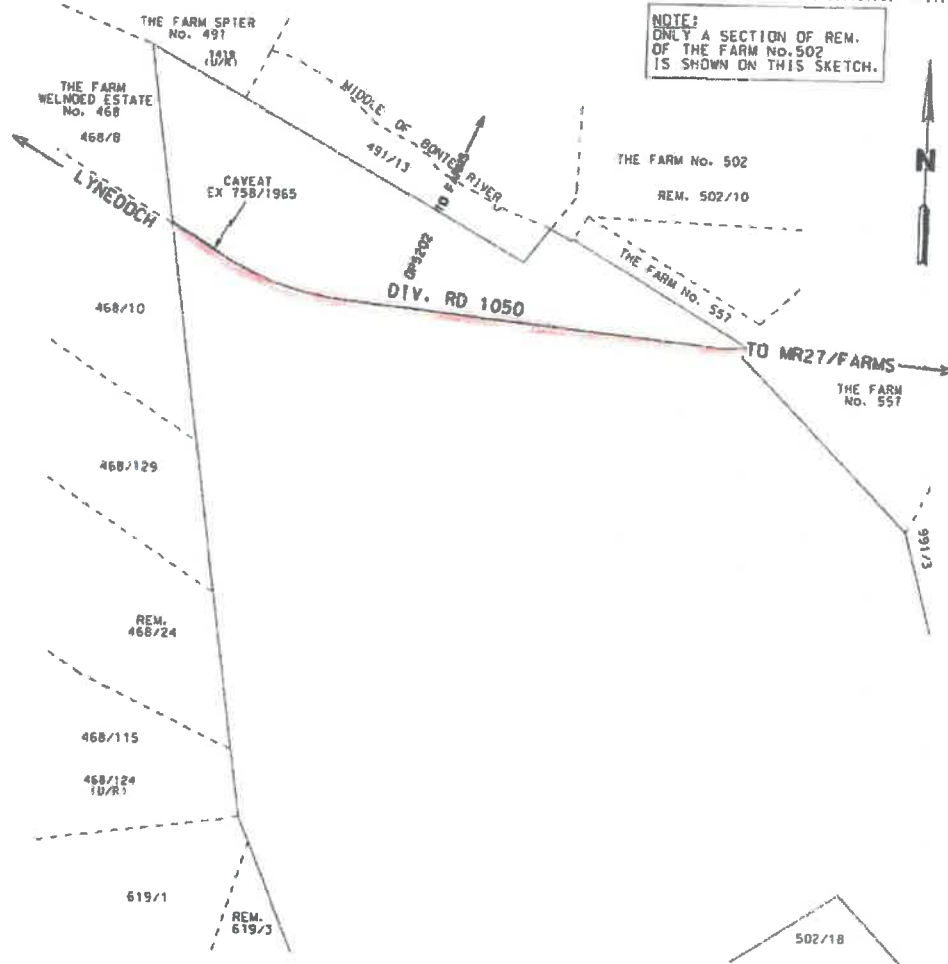
OWNED BY STELLENBOSCH MUNICIPALITY
 EIENDOM VAN

THE EXPROPRIATED PORTION, IN RED, IS APPROXIMATELY 4,5049 Ha
 DIE ONTEIENDE GEDELTE, ROOIGEKLEUR, IS ONGEVEER

IN EXTENT GROOT
 GROOT

S.G. DIAGRAM NO. 9133/1957
 L.G. KAART NO.

S.G. COMPILATION NO. M3155, M3188, M3169
 L.G. SAMESTELLING NO.



SCALE 1:15000
 SKAAL

COMPILATION BY C. DE BRAAK
 SAMESTELLING DEUR

DATE JANUARY 2016
 DATUM

AA

Acquired sites on the 1,4 to 3,0km mark.



Cultivated land/Grazing.



Unimproved land.



Beefwood trees and small trees (Kei apple.)



Precast fence.



Acces road and gate.

7 – VALUATION.

7.1 Method of valuation.

The direct comparable approach will be used to determine the market value of the acquired portions. In addition solatium for obligatory acquisition is added.

7.2 Comparability.

The land of the subject property compares well with the cultivated/unimproved/ irrigation land of the comparable transactions listed in paragraph 2.7 and 2.8 of the General Report in respect of:

- Location
- Agricultural potential
- Type of soil

An adjustment in the price/ha is made to compensate for the difference in dates of transactions and effective date of valuation.

A further adjustment in the price/ha must be made in view of the poorer location of the subject property. The two transactions listed in paragraphs 2.6 and 2.7 are situated on the slopes of the Helderberg, above the R44. It therefore has a cooler climate and higher agricultural potential soil. This would ensure high quality grapes. Potential buyers, especially foreign buyers, are willing to pay a premium for property in this locality.

The fact that the unimproved land has the potential to be cultivated and irrigated, must also be taken into consideration.

7.3 Conclusion.

Taking all value forming factors into consideration, I am of the opinion that a market related compensation for the affected portions would be as follows:

The cultivated land of the expropriated portion compares well with the cultivated lands listed in paragraph 2.8 which refers. The area of the expropriated portion that is marked as pasture is not cultivated pasture but a natural herbage.

Cultivated land R650,000/ha

The unimproved land of the expropriated portion compare well with the unimproved land referred to in paragraphs 2.7 and 2.8. This is used as reference.

Unimproved land R450,000/ha

The owner will have to be informed that he needs to provide the Department with two quotes for the replacement of the improvements that exist on the affected portion as well as evidence that such improvements are legal.

Wind breaks and small trees can be compensated as follows:

| | |
|-----------------------------|------------|
| 171x Small tree (Key apple) | R350 x 171 |
| 34x Beefwood trees | R350 x 34 |

Solatum is added.

7.4 Assumptions.

The areas as indicated on the Sketch Plan is taken as correct.

8 - EXPLANATION OF MARKET NORMS

Whenever a valuer values a property, the issue at stake is to determine a value that attaches to the rights that are vested in the property as well determining what benefits ownership/occupation represents. Any future uses, facilities or income that the property may have must be taken into account during the process of valuation. At the same time the property must be compared with other comparable investment opportunities. In other words the objective of the valuation process is to determine a value that represents a point of balance between supply and effective demand.

CALCULATION OF MARKET VALUE.

Remainder of the Farm No. 502, Stellenbosch RD.

Site of Sketch Plan 4.

| | | |
|-----------------------------|----------------------------|--------------------|
| Cultivated land (grazing) | 0,2534 ha @ R 650,000/ha = | R164,710.00 |
| Cultivated land | 0,0115 ha @ R 650,000/ha = | R 7,475.00 |
| Unimproved land | 1,5820 ha @ R 450,000/ha = | <u>R711,900.00</u> |
| | | R884,085.00 |
| Solatum @ 10% of R100,000 = | | R 10,000.00 |
| Solatum @ 5% of R400,000 = | | R 20,000.00 |
| Solatum @ 3% of R384,085 = | | <u>R 11,522.55</u> |
| Compensation | | R925,607.55 |

CERTIFICATE

I, Johannes Josua Neethling, hereby certify that I have identified and inspected the above property as the one indicated to me and that a willing buyer would pay the amount of **R925,607.55 (Nine Hundred and Twenty Five Thousand Six Hundred and Seven Rand and Fifty Five cent)** in the open market for the acquired portions to a willing seller on the date of the Notice of Acquisition.

Signed at Wolseley on the 25th day of July 2016.



Handwritten signature of JJ Neethling in black ink, written over a horizontal line. The signature is stylized and cursive.

**JJ Neethling Property Valuers (Cell no.0845103256)
Professional Associated Valuer (South Africa)-Reg.No.6300/5
Registered with the SA Council for the Property Valuers Profession.
Member of the South African Institute of Valuers**



JJ NEETHLING
Professional Property Valuers

VALUATION REPORT OF
AGRICULTURAL PROPERTY BEING EXPROPRIATED
ANNANDALE ROAD
STELLENBOSCH
DR1050
Sketch Plans 3 & 4

| | |
|-------------------------|--|
| Prepared for | Road Network Management Western Cape |
| Prepared by | J.J. Neethling |
| Cell number | 0845103256 |
| Telephone number | 023-2310835 |
| E-mail address | jjneeth@breede.co.za |

DECLARATION

I, the undersigned, Johannes Josua Neethling, hereby declare as follows:

- a) That, according to the requirements stipulated in Article 20(2)(a) of the Act on the Property Valuers Profession 2000 (Act no. 47 of 2000), I am registered with the South African Council for the Property Valuers Profession. Registration Number 6300/5.
- b) That I have the necessary knowledge and experience of valuation of fixed properties and that I can therefore, in accordance with the ethics of the valuers profession, value fixed properties as required by the law.
- c) That during the process of valuation I have considered the various factors impacting on the value.
- d) I have no current or future vested interest in the subject property.

GENERAL REPORT

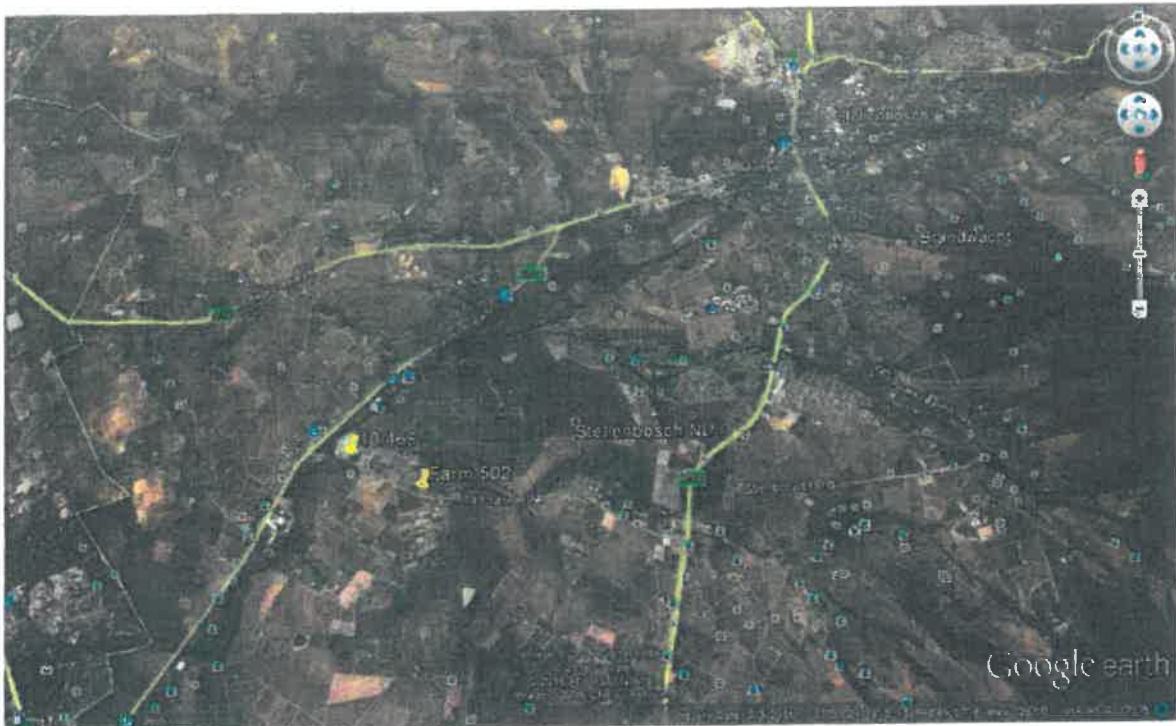
1- GENERAL.

1.1. Instruction:

On the 6th of July 2016 I was instructed, in writing, by Me Liezel Smit of Road Network Management to determine the market value of the expropriated properties on Route DR1050.

The valuation report must include the following information:

- a.) The market value as on the date of notice of expropriation which in this case is 13 June 2016.
- b.) The expropriated properties must be physically inspected by the valuer and must be further elucidated by coloured photographs.
- c.) Transactions used in the report must be analyzed and it must be clearly stated which price components are being used in the calculation of the specific expropriations.
- d.) Should any of the expropriated portions include improvements, the market value of such improvements must be taken into consideration.
- e.) According to Clause 12, (5), (f) of the Expropriation Act 63 of 1975, the dispossessed may not acquire any gain from the expropriation through any subdivision that takes place as a result of the expropriation. Therefore the principle of "the smaller the size of the property, the higher the price/Ha" is not applicable in the case of expropriations.
- f.) DR1050, Annandale Road, is indicated on the attached location map and the erf numbers of the expropriated sites are also shown.



Location Map.

1.2. Purpose of Valuation:

The purpose of this valuation is to determine a reasonable market value for compensation of the expropriated portions as explained in paragraph 1.1 as on the date of Notice of Expropriation.

1.3. Definition of Market Value:

For the purposes of this valuation I limit myself to unmovable property. It is necessary to make this distinction as unmovable property differs from other property in the sense that it is seldom that 2 unmovable properties would be identical.

South African Definition:

The current definition of market value as used in the context of South African law is as follows:

" The amount that would be realised for a property in the open market on the date of transaction if a willing seller sells to a willing buyer. "

Market Value is defined by the International Valuation Standards Committee as follows:

" The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeable prudently and without compulsion. "

1.4. Method of Valuation:

Various methods can be used to determine the market value of fixed property. These methods can be classified as follows:

- a) Direct comparable method
- b) Income based method
- c) Cost based method
- d) Combination of, or variation of, the above three.

For the purposes of this valuation report I will briefly discuss the direct comparable approach as this is the only appropriate method that can be used to determine the market value of land.

Property prices are determined by the market. Prices arise as a result of an interaction between buyers and sellers where the buyer represents the demand and the seller the supply. In other words when the demand is high, prices rise and when the demand is low prices fall. The reverse holds true for supply.

The sale of comparable properties is generally considered the most reliable yardstick to determine market value.

In the case of *Minister of Water Affairs vs. Mostert*, 1966 4 SA 690 (A) 723 F, the judge made the following ruling:

"Despite the fact that land has not a fixed market price or sales value, and that each parcel of land would differ from the next, even if adjacent, it would still appear that the most reliable yardstick would be comparable transactions of properties sold even though there would be varying factors that are unique to each property."

The direct comparison method is also recognized in the court of law in SA as a true method of valuation. (*Estate Marks vs Pretoria City Council* 1969 3 SA 227A, 253H-254B).

In order to determine the market value of the expropriated portion, I will use the direct comparable approach. Clause 12(2) of the Expropriation Act 63 of 1975 makes provision for the value of the land as well as any real financial loss incurred.

Clause 12(2) states as follows:

Notwithstanding anything to the contrary contained in this Act there shall be added to the total amount payable in accordance with subsection (1), an amount equal to –

- (a) ten per cent of such total amount, if it does not exceed R100,000; plus
- (b) five per cent of the amount by which it exceeds R100,000, if it does not exceed R500,000; plus
- (c) three per cent of the amount by which it exceeds R500,000, if it does not exceed R1,000,000; plus
- (d) one per cent (but not amounting to more than R10,000) of the amount by which it exceeds R1,000,000.

Solatium is calculated up to a maximum of R55,000 and constitutes an additional allowance paid in respect of obligatory acquisition.

1.5. Date of Inspection:

12 & 13 July 2016.

I physically inspected the said properties on this date.

1.6. Effective Date of Valuation:

The market value of the expropriated portions is calculated as at **13 June 2016**, date of Notification of Expropriation.

1.7. To the best of my knowledge all the information used in this report is correct and has been supplied to me by the land owners and the Road Network Management. All calculations made and conclusions drawn are based on this information. I also obtained further information through Lightstone and conversations with estate agents working in the area.

2- MARKET RESEARCH.

During my market research I identified the following market transactions of agricultural land in the subject area. As far as I was able to determine, these transactions were market value as per definition. Further to this research I also had conversations with estate agents working in the subject area.

2.1 Portion 7 of Farm No. 555, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 4,2833 Ha |
| Date of Transaction | 20/03/2012 |
| Sales Price | R 5,700,000 |

Description of property.

This property is an irrigated unit and the buyer is an adjacent land owner. The property is considered a lifestyle unit. It is situated within a 10km radius of the subject property. This property is also one of the properties that are affected by the expropriations on Annandale Road. There are no built improvements on the property.

Soil Potential:

The soil of the property is sandy and is in my opinion medium potential agricultural land. The property is used to propagate indigenous trees.

Analysis of transaction:

| | | |
|----------------------|----------------------------|----------------------|
| Land | 4,2833ha @ R1,330,000/ha = | R5,700,000 (rounded) |
| Built infrastructure | | None |

2.2 Portion 1 of Farm No. 1392, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 4,8001 Ha |
| Date of Transaction | 29/01/2014 |
| Sales Price | R 4,800,100 |

Description of property.

This property is an irrigated unit and the buyer is an adjacent land owner. The property is considered a lifestyle unit but was purchased for the purposes of cultivating vines. The property is situated on the Annandale Road, ±1,5km before the R44. There are no built improvements on the property.

Soil Potential:

The soil of this property is a red sandy loam soil and is in my opinion a medium to high potential agricultural soil. The soils have the potential to produce high quality wine grapes.

Analysis of transaction:

| | | |
|----------------------|----------------------------|------------|
| Irrigation soil | 4,8001ha @ R1,000,000/ha = | R4,800,100 |
| Built infrastructure | | None |

2.3 Portion 4 of Farm No. 516, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 4,3973 Ha |
| Date of Transaction | 24/06/2016 |
| Sales Price | R20,620,000 |

Description of property.

This is a lifestyle unit operated as a guest house. The property is improved with a 5 bedroom homestead (489m²), 5x cottages (480m²) and outbuildings of 60m². The property is very well situated.

Soil Potential:

The soil is a sandy irrigation soil of a medium agricultural potential.

Analysis of Transaction

| | | |
|--------------------------------------|----------------------------|-----------------------|
| Land | 4,3973ha @ R1,600,000/ha = | R 7,040,000 (rounded) |
| Buildings and guest house facilities | | R13,580,000 |

2.4 Portion 49 of Farm No. 510, Stellenbosch RD.

| | |
|---------------------|------------|
| Extent | 0,5894 Ha |
| Date of Transaction | 24/11/2015 |
| Sales Price | R1,800,000 |

Description of property.

The property is not developed and has a very good location. It can be considered as a small holding or a potential building site. This property gives a very good indication what the market is willing to pay for a building opportunity in a rural area. The property is situated close by the subject property.

Soil Potential:

The soil of the property is sandy. There is sufficient water to irrigate the available land.

Analysis of transaction:

| | | |
|----------------------|----------------------------|----------------------|
| Land | 0,5894ha @ R3,100,000/ha = | R1,830,000 (rounded) |
| Built infrastructure | | None |

2.5 Portion 8 of Farm No. 100, Stellenbosch RD.

| | |
|---------------------|------------|
| Extent | 6,8523 Ha |
| Date of Transaction | 12/05/2014 |
| Sales Price | R8,000,000 |

Description of property.

The property is a lifestyle unit with some agricultural activities. It is improved with a homestead (180m²), 2x cottages (290m²), storage space (110m²), swimming pool and tennis court. The property is situated on the outskirts of Stellenbosch, along the R44 on the Paarl side.

Soil Potential

The soil of the property is a red sandy loam type and has in my opinion a medium to high agricultural potential. It has the potential to produce high quality plums and pears.

Cultivations:

The property is improved with 1,5ha of pear and 1,5ha of plum orchards. The orchards produce good yields that compare favourably with that of the area.

Analysis of Transaction

| | | |
|------------------------------|--------------------------|----------------------|
| Land | 6,8523ha @ R935,000/ha = | R6,400,000 (rounded) |
| Establishment costs orchards | 3,00ha @ R200,000/ha = | R 600,000 |
| Built infrastructure | | R1,000,000 |

2.6 Portion 1, 9 and 11 of Farm No. 1531, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 99,1576 Ha |
| Date of Transaction | 02/03/2013 |
| Sales Price | R42,500,000 |

Description of property.

This property is a wine estate with its own cellar. It is improved with a 5 bedroom homestead of 350m², 2x cottages (110m² each), 3x garages, office/workshop (250m²), 9x staff cottages with community hall and a big swimming pool. The wine cellar has a capacity of 400 ton. The property is located in the Blaauklippen area.

Soil Potential

The soil of the property is a red sandy loam soil and has in my opinion a medium to high agricultural potential. It has the potential to yield good quality wine grapes.

Cultivations:

The property has been improved with 17,0ha of cultivated vineyards. The cultivar choice and harvest spread are good. The vineyards produce yields that compare well with the average of the area.

Analysis of Transaction

| | | |
|--------------------------|---------------------------|-----------------------|
| Vineyards | 17,00ha @ R1,200,000/ha = | R20,400,000 |
| Unimproved land/mountain | 82,1576ha @ R 80,000/ha = | R 6,570,000 (rounded) |
| Farm buildings | | R 2,500,000 |
| Cellar with equipment | | R13,030,000 |

2.7 Portion 8 of Farm No. 571, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 16,6897 Ha |
| Date of Transaction | 10/12/2014 |
| Sales Price | R51,300,000 |

Description of property.

This property is a wine estate with its own cellar. The wine cellar has a capacity of 600 ton. The farm buildings consist of a manor house (420m²), outbuildings and four staff cottages. The property is located in the Helderberg/Eikendal area.

Soil Potential

The soil of the property is a red sandy loam soil and has in my opinion a medium to high agricultural potential. It has the potential to yield good quality wine grapes.

Cultivations:

The property has been improved with 10,5ha of cultivated vineyards. The cultivar choice and harvest spread are good. The vineyards produce yields that compare well with the average of the area.

Analysis of Transaction

| | | |
|-----------------------|---------------------------|-----------------------|
| Vineyards | 10,50ha @ R1,600,000/ha = | R16,800,000 |
| Unimproved land | 6,1897ha @ R 400,000/ha = | R 2,500,000 (rounded) |
| Farm buildings | | R 5,500,000 |
| Cellar with equipment | | R26,500,000 |

2.8 Remainder of Farm No. 1323, Stellenbosch RD.

| | |
|---------------------|-------------|
| Extent | 18,5474 Ha |
| Date of Transaction | 02/04/2012 |
| Sales Price | R11,592,000 |

Description of property.

This property is poorly developed wine grape farm. The current owner bought the property to run horses on it. At the time of the transaction there was no built infrastructure on the property. The property is situated along the R44, between the turnoffs to Annandale and Firgrove.

Soil Potential

The soil of the property is sandy and is in my opinion medium potential agricultural land.

Cultivations:

The property has been improved with 6,5ha of cultivated vineyards. The cultivar choice

and harvest spread are good. The vineyards produce yields that compare well with the average of the area. Most of the hectares is either cultivated or unimproved land.

Analysis of Transaction

| | | |
|-----------------|--------------------------|----------------------|
| Vineyards | 6,50ha @ R 850,000/ha = | R5,525,000 |
| Cultivated land | 6,00ha @ R 600,000/ha = | R3,600,000 |
| Unimproved land | 6,0474ha @ R408,000/ha = | R2,467,000 (rounded) |
| Farm buildings | | None |

3 – DISCUSSION OF TRANSACTIONS.

3.1 The soils described in the transactions listed in paragraph 2.1 to 2.8 are comparable with the soil of the subject properties with minor differences in agricultural potential.

3.2 All of the comparable transactions listed in paragraph 2 are of properties that are situated close by the subject properties.

3.3 In my opinion the transactions listed in paragraph 2, can with the necessary adjustments, be considered a reliable yardstick with which to determine the market value of the expropriated portions.

3.4 The transactions listed in paragraph 2 represent a spectrum of small holdings, lifestyle units and economically viable agricultural units. This is the same spread of property types as those that are being affected by the expropriations. The type of property of the affected expropriated property is based on the relevant types as described in paragraph 2.

4 – ESTABLISHMENT COSTS

4.1 Vineyards.

During my market research I spoke to agriculturalists that work in the subject area. They all agreed that the current establishments costs for trellised vineyards would run in the vicinity of ±R250,000/ha.

Factors influencing these establishment costs are:

- Choice of cultivar
- Trellis system
- Type of irrigation
- Type of soil preparation done.

4.2 Olives.

During my market research I spoke to agriculturalists that work in the subject area. They all agreed that the current establishments costs for olives would run in the vicinity of ±R200,000/ha.

Factors influencing these establishment costs are:

- Choice of cultivar
- Plant spacing
- Type of irrigation
- Type of soil preparation done.

4.3 Strawberries

During my market research I spoke to agriculturalists that work in the subject area. They all agreed that the current establishments costs for irrigated strawberries in mini tunnels would run in the vicinity of ±R400,000/ha.

4.4 Established trees and hedges

During my market research I spoke to two tree growers in the Stellenbosch area. I obtained the following information regarding the cost of relocation of established trees as well as the value of different tree varieties in different sizes.

Relocation of established trees.

Small trees (500 litter)

| | | |
|---------------|---------------|------------------|
| Cost of tree | R4,500 | |
| Planting cost | <u>R1,300</u> | <u>R5,800.00</u> |

Medium trees (1,000 litter)

| | | |
|---------------|---------------|------------------|
| Cost of tree | R6,500 | |
| Planting cost | <u>R1,500</u> | <u>R8,000.00</u> |

Large trees (2,000 litter)

| | | |
|---------------|----------------|-------------------|
| Cost of tree | R22,000 | |
| Planting cost | <u>R 5,000</u> | <u>R27,000.00</u> |

Relocation of an established Hedge and wind breaks.

Eugenia, Key apple and beefwoods.

| | | |
|-----------------------------------|----------------|----------------|
| Cost of plant/tree | R115.00 | |
| Planting cost | R 35.00 | |
| Feeding and watering for ±4 years | <u>R200.00</u> | <u>R350.00</u> |

ANNEXURE D

VALUATION REPORT

PORTIONS OF REMAINDER
FARM 502
ANNANDALE ROAD
STELLENBOSCH RD



HCB Property Valuations

38 Long Street
Moorreesburg
7310
Tel: 022 433 2035
Email: admin@hcb.co.za

LIMITATIONS AND RESTRICTIONS

This valuation report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is valued free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering information is assumed to be correct. The plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the valuation report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-compliance is stated, defined and considered in the valuation report.
9. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespassing unless noted in this report.



Signature

LIMITATIONS AND RESTRICTIONS

This valuation report has been made with the following general limiting conditions.

1. The apportionment, if any, of the total valuation figure in this report between land and improvements applies only under the stated client instructions and is hypothetical. The separate allocations for land and buildings must not be used in conjunction with any other valuation and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the valuer, and in any event only with proper written qualification and only in its entirety.
3. The valuer herein by reason of this valuation is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor part of the contents of this report (especially conclusions as the value, the identity of the valuer, or the firm with which the valuer is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the valuer.
5. Neither the whole nor any part of this valuation report or certificate or any reference thereto may be included in any published document, circular or statement, or published in any way without the valuer's written approval of the form and context in which it may appear. The publication shall deem to include references in company accounts and/or director's reports or any other company statement or circular.
6. The valuation is prepared on the basis that full disclosure of all information and facts which may affect the valuation, has been made to the valuer and no liability or responsibility will be accepted whatsoever for the valuation unless such full disclosure has been made.
7. This valuation is solely for the use of the party to whom it is addressed in accordance with the instructions. Reliance on it by any third party cannot be regarded as reasonable and no responsibility to any third party is or will be accepted for the whole or any part of the valuation.
8. The valuer has no personal interest in the property.
9. In the unlikely event of the client incurring any losses due to negligence of the valuers, valuers in training and assistants, the aggregate amount of the damages recoverable against the valuer shall not exceed the fee for providing the service.



Signature

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1. INTRODUCTION

I, Coenraad Botha, registered as a Professional Valuer in terms of the Property Valuers Profession Act 47 of 2000, do hereby certify that I have identified the subject properties referred to in this report and have obtained all the necessary information to determine the market value thereof.

➤ *See Annexure 1 for Valuer Certificates*

1.1 Instruction

An instruction was received from Yolande van den Berg of Stellenbosch Municipality, to attend to the valuation of Portions of Remainder Farm 502, Annandale Road, situated in Stellenbosch RD. The purpose of the valuation is to determine the open market valuation of the portions at a rate/Ha tariff as on 1 June 2023. Provincial Administration of the Western Cape needs these portions to increase the existing road reserve.

➤ *See Annexure 4&5 for locality*

1.2 Date of Valuation

The date of valuation as instructed by the client is 1 June 2023.

1.3 Date of Inspection

The property was inspected on 10 July 2023.

2. TITLE DEED DESCRIPTION

➤ *See Annexure 2 for Copy of Property Report*

2.1 Title Deed

The property report does not indicate the Title Deed Number, as it is not available.

2.2 Description

The portion can be described as “Portions Of Remainder Farm 502, Annandale Road, Stellenbosch RD, Western Cape”. Hereafter in the report we will refer to these portions as “subject portions”.

2.3 Owner

The property report indicates the owner of the subject portions as Stellenbosch Municipality.

2.4 Extent

The full extent of the subject property as per the property report is 2 178 789m², however, this valuation report will be applicable to three portions with the following extents:

| | |
|---------------------------|-----------|
| Unimproved Land | 1,5820 Ha |
| Cultivated Land (Grazing) | 0,2534 Ha |
| Cultivated Land | 0,0115 Ha |

Note: These extents were supplied by Stellenbosch Municipality.

2.5 Purchase Price

Not relevant to this report, because it will not have an impact on Market Value.

2.6 Surveyor General Information

HCB could not find any discrepancies regarding the ground layout with the Surveyor General Information.

2.7 Title Deed Conditions

HCB did not have sight of the Title Deed; thus, we cannot comment on a restrictive condition it may hold.

3. LOCAL, PROVINCIAL AND CENTRAL GOVERNMENT INFORMATION

3.1 Local Authority

This property falls under the jurisdiction of the Stellenbosch Municipality, situated in the Western Cape.

3.2 Zoning: Agricultural Zone 1

This was confirmed on the Stellenbosch Municipal Official Website under Zoning Schemes.

Use Zone Table

201. Land use within this zone

(1) The following land uses are permitted in this zone:

| Primary Uses | Additional Uses (not exceeding threshold in this chapter and subject to technical approval) | Consent Uses (Application required) |
|--|--|---|
| <ul style="list-style-type: none"> • Agricultural building (≤2000m²) • Agriculture • Dwelling house • Forestry • Natural environment • Occasional use (one event/year) • Private road • Polytunnel (≤2000m²) • Second dwelling • Employee housing (one unit) | <ul style="list-style-type: none"> • Agricultural building (>2000m²) • Agricultural industry (<2000m²) • Bed and breakfast establishment • Employee housing (exceeding one unit) • Guest house • Home day care centre • Home occupation practice • Polytunnel (≥2001m² and ≤5000m²) • Rooftop base telecommunication station • Tourist dwelling units • Tourist facility (existing buildings) | <ul style="list-style-type: none"> • Abattoir • Additional dwelling units (max 4) • Airfield • Airstrip • Agricultural Industry (≥2000m²) • Camping site • Day care centre • Freestanding base telecommunication station • Helicopter landing pad • Intensive feed farming • Kennel • Market • Occasional use (> one event/year) • Plant nursery • Polytunnel (>5000m²) • Renewable energy structure • Service trade • Tourist accommodation establishment • Tourist facility (new buildings or exceeding threshold) • Any additional use exceeding the threshold set out in this chapter |

3.3 Municipal Valuation

Municipal Valuation of the Subject Portions is not relevant in this report.

4. PHYSICAL DESCRIPTION**4.1 Location**

This farm is located on the Root 44 leading to Somerset West and Strand, right next to the De Zalze Golf Estate and across from the Root 44 Market. It stretches over the Annandale Road. It is easily accessible.

➤ *See Annexure 5 for Locality Plan*

4.2 Infrastructure

It was noted that all infrastructure is available to the surrounding erven and services are available. Subject Portion is vacant agricultural land.

4.3 Land

Subject property is flat and ground conditions are good, therefore our findings that the topography will not affect market value.

The relevant portions of Farm 502, Stellenbosch RD, consists of the following:

| | |
|---------------------------|-----------|
| Unimproved Land | 1,5820 Ha |
| Cultivated Land (Grazing) | 0,2534 Ha |
| Cultivated Land | 0,0115 Ha |

➤ *Annexure 4 indicates the portions that this valuation is applicable to.*

4.4 Improvements

The Subject Portions currently have no improvements.

5. MARKET ANALYSIS

The definition "Market Value" as laid down by the International Valuation Standards Council is: *"The estimated amount for which an asset should exchange, on the date of valuation, between a willing buyer and a willing seller, in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."*

6. METHOD OF VALUATION

This method, which is regarded as the most accepted method for the valuation of immovable assets, will be applied. The valuation requires that the open market value of the subject property as at the date of valuation is defined. It measures the value of an asset by comparing recent sales or offerings of similar or substitute property and related market data. However, it is rarely possible to find such evidence relating to identical assets.

Market Value can be defined as the most likely price a willing buyer will pay a willing seller for the subject property on the date of the valuation without any pressure or influences from either party, taking into consideration external market tendencies as well as inherent facts regarding the subject property.

7. ESTABLISHMENT OF COMPARABLES**7.1 Highest and Best use**

Definition: *“The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible and which result in the highest value of the property being valued”*. Therefore, it could be argued that the highest and best use of a property is, which is physically possible, appropriately justified, legal permissible, financially feasible and which result in the best value of the property to be valued.

Due to the location, current zoning, and use, it is my opinion that the highest and best use is agricultural activities.

7.2 Comparable Properties

The following sales were noted, investigated, and used to arrive at an Open Market Valuation of the Subject Property on 1 June 2023:

| Farm | Area | Extent | Date | Sale Price |
|-------------|-----------------|---------------|-------------|-------------------|
| 555/9 | Stellenbosch RD | 4,4ha | 2021/01/11 | R11 000 000-00 |
| 991/3 | Stellenbosch RD | 10ha | 2021/02/24 | R14 500 000-00 |
| 566/1 | Stellenbosch RD | 9,4ha | 2022/05/29 | R15 000 000-00 |
| 468/9 | Stellenbosch RD | 9,2ha | 2019/03/11 | R6 400 000-00 |
| 1537/1 | Stellenbosch RD | 1,8ha | 2020/02/14 | R6 000 000-00 |
| 468/24 | Stellenbosch RD | 35,5ha | 2019/02/23 | R39 000 000-00 |
| 491/2 | Stellenbosch RD | 105,9ha | 2017/09/04 | R30 000 000-00 |
| 510/6 | Stellenbosch RD | 19,8ha | 2018/08/31 | R19 000 000-00 |

7.3 Calculation and Conclusion

Based on the sales and the differences observed when compared to the subject property, we are of the opinion that the subject property would likely obtain offers of between R650 000-00/ha and R1 000 000-00/ha.

I believe the following is applicable to these portions:

| | | |
|---------------------------|-----------|------------------|
| Unimproved Land | 1,5820 Ha | @ R550 000-00/Ha |
| Cultivated Land (Grazing) | 0,2534 Ha | @ R950 000-00/Ha |
| Cultivated Land | 0,0115 Ha | @ R950 000-00/Ha |

As per our instruction, it is my opinion that the above-mentioned tariffs are applicable.

8. CERTIFYING OF VALUE

I hereby certify that I have identified the subject property and obtained all the necessary information to determine the market valuation thereof.

Accordingly, I hereby certify that in my opinion, to the best of my knowledge, skill and expertise, the value of the subject property on 1 June 2023 to be:

| | | |
|---------------------------|-----------|------------------|
| Unimproved Land | 1,5820 Ha | @ R550 000-00/Ha |
| Cultivated Land (Grazing) | 0,2534 Ha | @ R950 000-00/Ha |
| Cultivated Land | 0,0115 Ha | @ R950 000-00/Ha |



Hendrik Coenraad Botha
Professional Valuer
Registration Number: 5601

15 August 2023
Date of Signature

9. CAVEATS

This valuation has been prepared on the basis that full disclosure of all Information and factors which may affect the valuation have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the Valuation unless such full disclosure has been made.

9.1 Valuation Standard

This valuation has been prepared in accordance with the guidelines of the South African Institute of Valuers for valuation reports.

9.2 Statutory Notices and Unlawful Use

We have assumed that the property and its value are unaffected by any statutory notice or condition of Title where Title Deeds have not been inspected, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

9.3 Confidentiality

This valuation is produced exclusively for Stellenbosch Municipality and for the specific purpose to which it refers. It may be disclosed to your other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

9.4 Non-Publication

Kindly note that neither the whole nor any part of this report, nor any reference thereto maybe included in any published document, circular or statement, nor published in any way without our prior written approval at to the form or context in which it may appear.

10. ANNEXURES

10.1 Annexure 1 – Valuer Certificates



SOUTH AFRICAN COUNCIL FOR THE
**PROPERTY VALUERS
PROFESSION**

This is to certify that

HENDRIK COENRAAD BOTHA

is registered as

Professional Valuer

**In terms of section 20(2)(a) of the
Property Valuers Profession Act, 2000**

DATE OF REGISTRATION AS: Professional Valuer: 28 January 2020

DATE OF ISSUE: 13 February 2020

PERIOD OF VALIDITY: 28 January 2020 - 30 June 2024



MC Seatz
Registrar



REGISTRATION No: 5601



Hendrik Coenraad Botha
Professional Valuer

VALUATION REPORT – PORTIONS OF REMAINDER FARM 502, ANNANDALE ROAD, STELLENBOSCH RD

10.2 Annexure 2 – Copy of Property Report



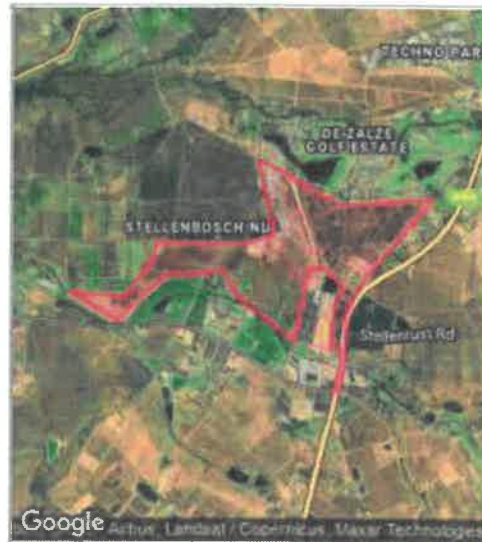
Hcb Valuations - Moorreesburg
Helen Louwrens

Email: helenlouwrens@gmail.com
Cell: 081 473 3707

Tel: 022 433 2035



Tel: 022 461 768
Email: steve@hcb.co.za
PO Box 247, Malmesbury, 7400



| PROPERTY INFORMATION | | | |
|----------------------|---------------------------|------------------|--------------------------|
| Erf | 502 | GPS | 18 218621°E 33 983106°S |
| Township | STELLENBOSCH RD | Extent | 2 178 788 m ² |
| Address | 502 FARM 1020 FARM 502 | Cadastral extent | 2 178 788 m ² |
| Suburb | STELLENBOSCH RURAL | Usage | Farm |
| Municipality | STELLENBOSCH | Type | |
| Province | WESTERN CAPE | Zoning | |
| | | Zoning Desc | |

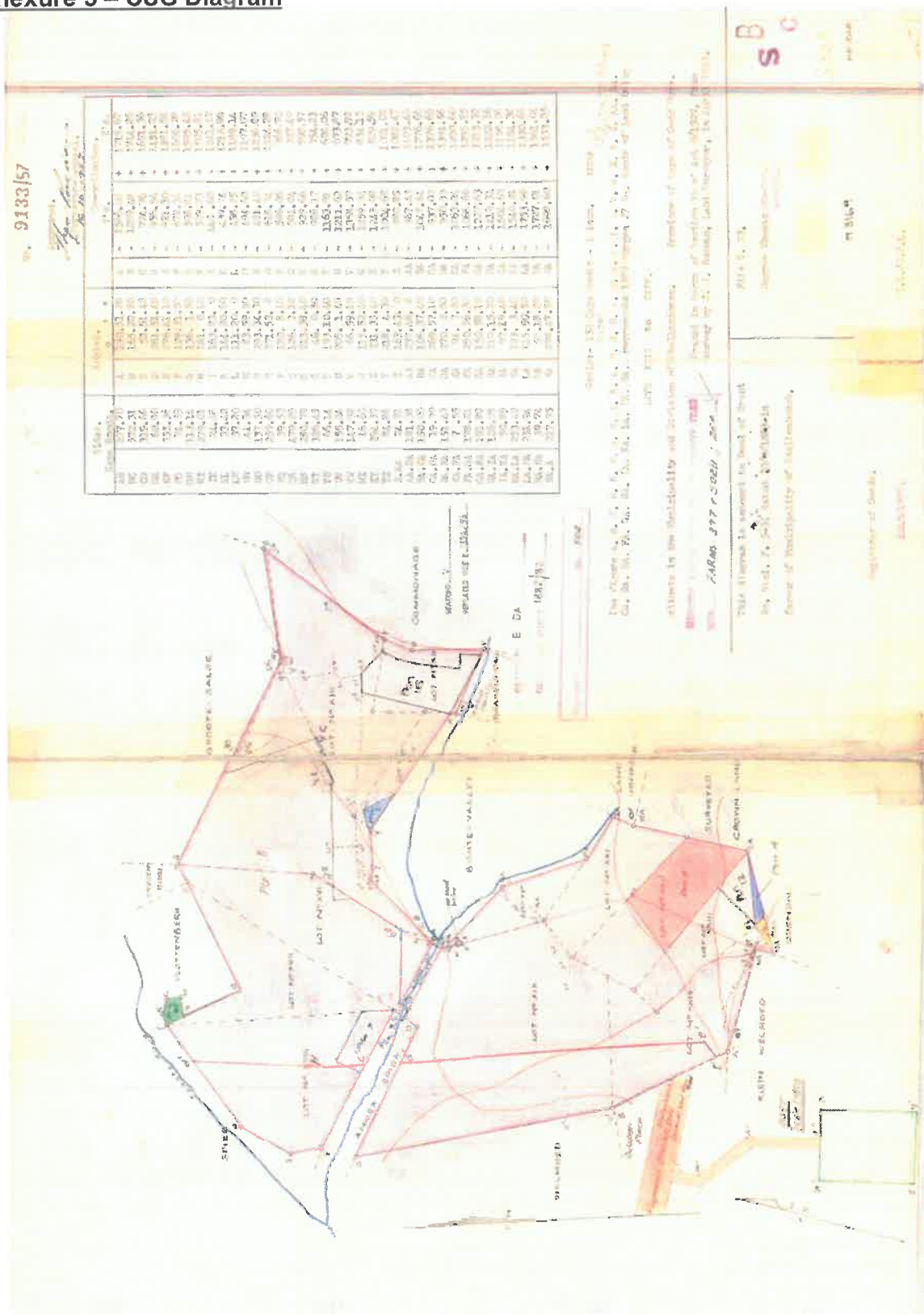
| MUNICIPAL VALUATION | |
|---------------------|---|
| Total Value | - |
| Valuation Year | - |

| SALE INFORMATION | | | |
|------------------|---|-------------|---|
| Owner | - | Title Deed | - |
| Sale Price | - | Bond Holder | - |
| Sale Date | - | Bond Amount | - |
| Registered | - | Sale Type | - |

| ACCOMMODATION | | | | | |
|------------------|---|-----------------|---|------------------|---|
| Condition | - | Age | - | Building Extent | - |
| Bed Rooms | - | Reception Rooms | - | Alarm | - |
| Bath Rooms | - | En Suite | - | Pool | - |
| Study | - | Domestic Accom. | - | Garden | - |
| Garages | - | P Bays/C Ports | - | Borehole | - |
| Special Features | - | | - | Perim Security | - |
| | | | | Tennis Court | - |
| | | | | Sprinkler System | - |
| | | | | Outside Accom. | - |

VALUATION REPORT – PORTIONS OF REMAINDER FARM 502, ANNANDALE ROAD, STELLENBOSCH RD

10.3 Annexure 3 – CSG Diagram

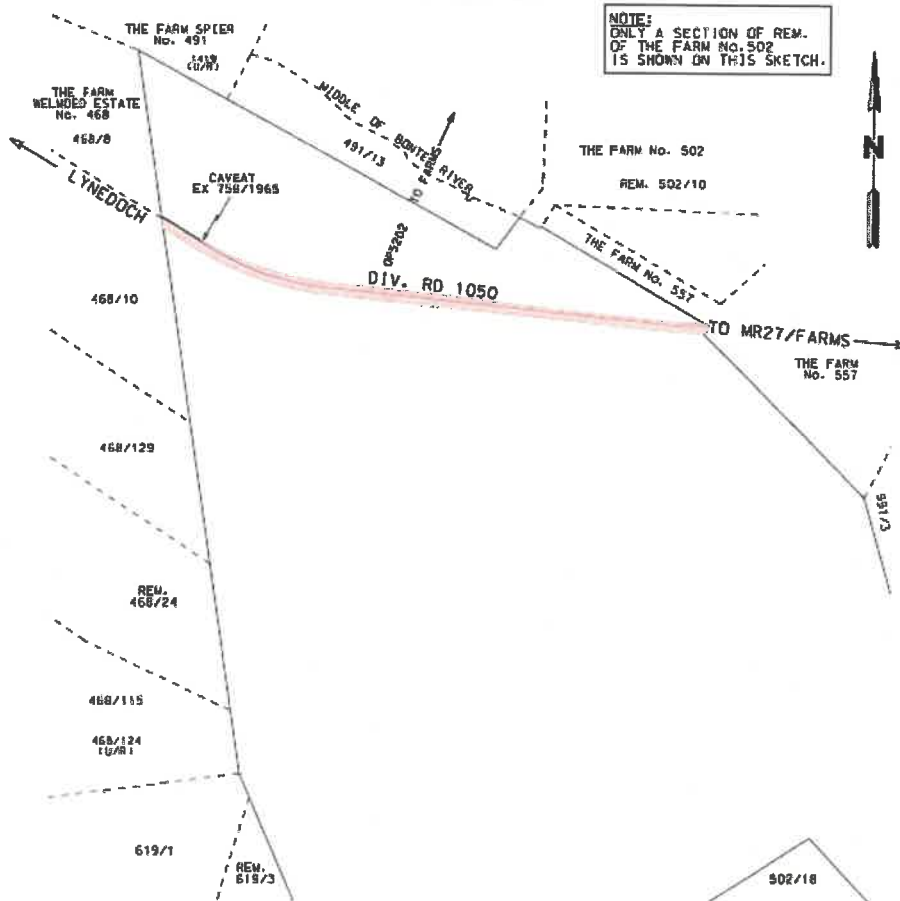


VALUATION REPORT – PORTIONS OF REMAINDER FARM 502, ANNANDALE ROAD, STELLENBOSCH RD

10.4 Annexure 4 – Sketch of Subject Portion

PROVINCIAL ADMINISTRATION : WESTERN CAPE PROVINSIALE ADMINISTRASIE : WES-KAAP
 DEPARTMENT OF TRANSPORT & PUBLIC WORKS DEPARTEMENT VAN VERVOER & OPEERBARE WERKE
 ROAD NETWORK MANAGEMENT BRANCH TAK PADNETWERKBESTJUR

FILE NO. _____ SKETCH NO. 4
 LEER NO. _____ SKETS NO. _____
 PROPERTY REMAINDER OF THE FARM No. 502
 EIENDOM _____
 SITUATE IN THE ADMINISTRATIVE DISTRICT OF STELLENBOSCH IN EXTENT 9,9894 Ha
 GELEEF N DE ADMINISTRATIEWE DISTRIK VAN _____ GROOTTE _____
 OWNED BY STELLENBOSCH MUNICIPALITY TRANSFER NO. T36696/2006
 EIENDOM VAN _____ TRANSPORT NO. _____
 THE EXPROPRIATED PORTION, IN RED, IS APPROXIMATELY 4,5049 Ha IN EXTENT 4,5049 Ha
 DIE ONTEIENDE GEDEELTE, ROOIGEKLEUR, IS ONGEVEER _____ GROOTTE _____
 S.G. DIAGRAM NO. 9133/1957 S.G. COMPLETION NO. M3155; M3188; M3169
 L.G. KAART _____ L.G. SAMESTELLING NO. _____



SCALE 1:15000
 SKAAL _____

COMPILATION BY G. DE BRAAK
 SAMESTELLING DEUR _____
 DATE JANUARY 2016
 DATUM _____ AA

10.5 Annexure 5 – Aerial Photography of Subject Portion



10.6 Annexure 6 – Valuation Certificate**HCB****Valuations and Services (Pty) Ltd****HEAD OFFICE**

38 Long Street, Moorreesburg, 7310

T: +27(0)22 433 2035 M: +27(0)83 663 2140 E: admin@hcb.co.za***Valuation Certificate***

| | |
|-----------------------------------|------------------------------------|
| Client: | Stellenbosch Municipality |
| Farm Number: | Portions of the Remainder Farm 502 |
| Title Deed Number: | Undetermined |
| Area/Town: | Stellenbosch RD |
| Owner: | Mun Stellenbosch |
| Date of Valuation: | 1 August 2023 |
| Reference Number: | STEL/ANNANDALE/502 |
| Valuation Amount: | |
| Unimproved Land | R550 000-00/Ha |
| Cultivated Land (Grazing & Other) | R950 000-00/Ha |
| Current Zoning: | Agricultural Zone 1 |

Comments:

| |
|--|
| This Valuation Certificate must be read in conjunction with the attached Valuation Report. |
|--|

Hendrik Coenraad Botha
Professional Valuer
Registration Number: 5601

ANNEXURE E



4'ers show how its done, or not... on the golf course

Members of the 4'ers Association of Southern Africa, an organisation for former members of Round Table, participated in the association's second annual golf tour last week. Members from all over the country, Germany and Holland showed their golfing prowess (in some cases lack of it) at the Stellenbosch Golf Club on Friday and De Zalze Estate golf course on Saturday. The overall winner was Rikus Badenhorst from Stellenbosch (fourth from right, behind). Next year's event will be hosted by the 4'ers in Gauteng.

Dorpskalender/Town Calendar

FRIDAY 31 MARCH

■ Stellenbosch: **LÜCKHOFF HIGH SCHOOL** presents an end of term event with Elginaires Langarm Band from 19:00. Tickets cost R100 per person and is available at the school.
 ■ Stellenbosch: Elke laaste Vrydag van die maand verkoop **UTOPIA** vars skons, gebak deur die tehuis se sjef. Die eerste verkope word by Utopia se hoofingang, Dorpstraat 162, om 10:30 gehou. Kom kry 'n skon, neem die prag in van die bure - die Moederkerk se argitektuur en die Kweekskool se asemrowende tuin.

SATERDAG 1 APRIL

■ Pniël: Die **PNIËL CONGREGATIONAL KERKBASAAR** word op 1 April op die Kerkplein gehou. Die sierwaens beweeg van 08:30 af en die amptelike verrigtinge begin om 09:30. Mense van oral word soos altyd verwag. Gemeentelede is al 'n geruime tyd hard besig om vir die groot dag voor te berei. Indien jy op soek is na gebak uit die boonste rakke, sal jy gewis nie teleurgestel word nie. Hierdie "outydse basaar" moet nie misgeloop word nie. Skakel die kerkkantoor by 021 885 1300 vir nog inligting.
 ■ Stellenbosch: **E'BOSCH HERITAGE PROJECT** in collaboration with Stellenbosch Academy of Sport (SAS), will be presenting a coaching workshop session for interested candidates 18 and older at the **MARKÖTTER SPORTGROUNDS** between 08:30 and 16:00.

Certificates will be issued to successful candidates after the event. For more info contact Carol Lakay via WhatsApp or call 061 595 4085 or send an email to carol@ebosch.co.za

■ Stellenbosch: Join in the fun at **KLEIN JOOSTENBERG EVENTS VENUE**, just outside Stellenbosch, for the exciting Mommy & Me Pregnancy, Baby and Toddler Market from 1 - 2 April between 09:00 and 16:00. Tickets cost R50 for adults (children under 12 free) and are available at the doors or on Webtickets.

■ Stellenbosch: Join in the fun at **FAMILIËR** from 12:00 till 15:00 and learn how to make your own paraben free, skin loving soap, lip-balm and body butter to take home. The cost is R450 and includes croissants with cheese and coffee/tea. WhatsApp to book 079 700 9543 as space is limited.

WEDNESDAY 5 APRIL

■ Stellenbosch: **STELLENBOSCH UNIVERSITY MUSEUM** presents the Wednesday Art Walkabouts, an initiative of the museum to educate and share its art collections with the public. The Wednesday Art Walkabouts are free to members of the public and will be hosted at the Stellenbosch University Museum, 52 Ryneveld Street, Stellenbosch, from 13:00 - 14:00. The theme of the Art Walkabout is drawing. RSVP to usmuseum@sun.ac.za or call 021 808 3029.



NOTICE FOR PUBLIC COMMENT TRANSFER PORTIONS OF FARM 502 TO THE PROVINCIAL GOVERNMENT OF THE WESTERN CAPE Notice No. 38/2023

Notice is hereby given, in terms of the Municipal Council's Resolution, Item 11.6.1 taken at the 7th Council Meeting held on 24 August 2022, transfer of portions of Farm 502 along Annandale Road (owned by Stellenbosch Municipality) to the Provincial Government of the Western Cape (PGWC) for road purposes.

The PGWC had requested that sliver portions (small and narrow portions) of Farm 502 be transferred and incorporated into the new road reserve of Annandale Road. Annandale road had subsequently been widened and the fence-line had been relocated to the proposed position.

Subdivided portions of Farm 502 namely 502AA; 502AB; 502AC; 502ADN; 502BH; 502BK; 502AE; 502AF are affected. The effects of the proposed transfers are negligible due to the small size of the portions being transferred, current operations on these properties are also not impacted.

Community benefits include a more efficient and safer road network for residents and commuters, and the PGWC has indicated that Stellenbosch Municipality will be compensated for the transfers at market value. The Municipality has in principle approved the subdivision and transfer of the requested portions.

The Municipality hereby invites comment / input from the public for the proposed transfer of portions of Farm 502 to the PGWC. Any comments / inputs or request for further detail may be forwarded to: engineering.services@stellenbosch.gov.za or submitted at the following address: Second Floor, Ecclesia Building; 71 Plein Street; Stellenbosch.

Final comments / inputs must be submitted on or before 02 May 2023. Any person who is unable to read and write or have any sight disability, will be assisted by an official at the above-mentioned address, should they not be able to provide comments on their own accord.

Geraldine Mettler
Municipal Manager
27/03/2023

TAFELBERG MEUBELS

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expert Here for you.

Koop ook aanlyn @ www.tafelberg.co.za **mobicred**

Geldig by alle Wes-Kaapse takke tot Maandag 10 April 2023 • Terwyl voorraad hou

wonderlike PAAS-FEES winskopies

Alle takke OOP Maandag 10 April 2023 vanaf 9vm - 4nm

| | | | | | | | | | | | | | | | | |
|--|---|---|--|-----|--------|--------|--------|--------|--------|--|--------|--------|--------|----------|--------|--------|
|  <p>BOSCH Invented for life</p> <p>1.2L 'CompactClass' KOFFIEMAKER TKA3A031</p> <ul style="list-style-type: none"> - 1100 watt - Uitswaai filter - Drup stop funksie - Wit <p>was R759 R499</p> |  <p>DeLonghi</p> <p>GAS VERWARMER IR3010</p> <ul style="list-style-type: none"> - 3 Hitte verstellings - 'Anti-frost' funksie - Geïntegreerde handvatsels <p>was R3-099 R2 699</p> | | | | | | | | | | | | | | | |
| <p>SAMSUNG</p>  <p>'2.1ch B-SERIES SOUNDBAR' HW-B450</p> <ul style="list-style-type: none"> - 300 watt - Koordlose Basluidspreker - 'Bass Boost' - 2 Jaar waarborg <p>was R3-499 R2 499</p> |  <p>LG Life's Good</p> <p>SMART TV UHD TV</p> <p>55" UHD 4K SMART TV 55UQ75001LG</p> <ul style="list-style-type: none"> - x3 - x1 - 2 Jaar Waarborg <p>was R9-499 R8 999</p> | | | | | | | | | | | | | | | |
| <p>Home Connect</p>  <p>BOSCH Invented for life</p> <p>13-PLEK SKOTTELGOED-WASSER - SMS6HC101Z</p> <ul style="list-style-type: none"> - Eetgerei laai - 6.7L Waterverbruik - 'ExtraDry' funksie - Vlekvrye Staal afwerking - 3 Jaar waarborg <p>was R12-999 R10 999</p> |  <p>AEG</p> <p>60cm INGEBOUDE OOND - B0835702XV</p> <ul style="list-style-type: none"> - 57L Oond kapasiteit - 7 Multifunksie oond - Vlekvrye Staal afwerking - 3 Jaar waarborg <p>was R6-299 R4 499</p> | | | | | | | | | | | | | | | |
|  <p>DEFY</p> <p>60cm GAS / ELEKTRIESE STOOF - DGS602</p> <ul style="list-style-type: none"> - 4 Gasbranders - 56L Multifunksie oond - Swart & Silwer afwerking - 3 Jaar waarborg <p>was R7-899 R7 499</p> |  <p>LG Life's Good</p> <p>610L SY-AAN-SY KOELKAS VRIESKAS KOMBINASIE GC-L257JVL</p> <ul style="list-style-type: none"> - met VS & WATERBEDRENER - 'Smart inverter' kompressor met 10 Jaar waarborg - H: 1790mm x W: 735mm x D: 913mm - Platinum Silver afwerking - 2 Jaar waarborg <p>was R29-999 R21 999</p> | | | | | | | | | | | | | | | |
|  <p>MIRO REEKS Grey - Witte - Alleur - Inligting - Smidknap - Zwart</p> <p>2m 'SIDEBOARD' was R14-999 R12 499</p> |  <p>2.1m EETKAMERTAFEL was R13-499 R11 499</p> | | | | | | | | | | | | | | | |
|  <p>1.6m PLASMA EENHEID was R9-999 R8 499</p> |  <p>1.3m KOFFIETAFEL was R5-499 R4 499</p> | | | | | | | | | | | | | | | |
| <p>Truform</p>  <p>BUDGET BEDSTELLE 8% ekstra vir XL</p> <p>was nou</p> <table border="0"> <tr> <td>Enkel</td> <td>R3 899</td> <td>R2 999</td> </tr> <tr> <td>3/4</td> <td>R4 299</td> <td>R3 499</td> </tr> <tr> <td>Dubbel</td> <td>R5 099</td> <td>R3 999</td> </tr> </table> | Enkel | R3 899 | R2 999 | 3/4 | R4 299 | R3 499 | Dubbel | R5 099 | R3 999 | <p>Rest Assured</p>  <p>MELODY BEDSTELLE 8% ekstra vir XL</p> <p>was nou</p> <table border="0"> <tr> <td>Dubbel</td> <td>R8 599</td> <td>R6 999</td> </tr> <tr> <td>Koningin</td> <td>R9 299</td> <td>R7 499</td> </tr> </table> | Dubbel | R8 599 | R6 999 | Koningin | R9 299 | R7 499 |
| Enkel | R3 899 | R2 999 | | | | | | | | | | | | | | |
| 3/4 | R4 299 | R3 499 | | | | | | | | | | | | | | |
| Dubbel | R5 099 | R3 999 | | | | | | | | | | | | | | |
| Dubbel | R8 599 | R6 999 | | | | | | | | | | | | | | |
| Koningin | R9 299 | R7 499 | | | | | | | | | | | | | | |
| <p>SOMERSET-WES 021 840 1440</p> | <p>NOORDER-PAARL 021 871 1552</p> | <p>OOP 7 DAE 'N WEEK</p> <p>mobicred</p> <p>bsmart</p> <p>VOORDELEDE GRATIS PARKERING</p> | <p>TV LISENSIE & ID BENODIG MET DIE AANKOOP VAN ENICE TV</p> <p>Ook aanvaar al die vernaamste kredietkaarte, RCS, binnar-kaarte</p> <p>Bestuur behou die reg voor om voorraad te beperk - 8F & W</p> | | | | | | | | | | | | | |

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|------------|---|
| 5.7 | PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J WILLIAMS) |
|------------|---|

NONE

| | |
|------------|--|
| 5.8 | PLANNING AND LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR C VAN WYK) |
|------------|--|

| | |
|--------------|---|
| 5.8.1 | RETURN ITEM: REQUEST FOR THE APPROVAL FOR THE FINAL DRAFT STELLENBOSCH MUNICIPALITY EVENTS AND OUTDOOR DINING OVERLAY ZONE IN ORDER TO BE INCLUDED WITHIN THE STELLENBOSCH MUNICIPALITY ZONING SCHEME BY-LAW, 2019 |
|--------------|---|

Collaborator No: 755783

IDP KPA Ref No: Valley of Opportunity

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 2023

1. SUBJECT: RETURN ITEM: REQUEST FOR THE APPROVAL FOR THE FINAL DRAFT STELLENBOSCH MUNICIPALITY EVENTS AND OUTDOOR DINING OVERLAY ZONE IN ORDER TO BE INCLUDED WITHIN THE STELLENBOSCH MUNICIPALITY ZONING SCHEME BY-LAW, 2019

2. PURPOSE

To provide Council with the pertinent facts in order to obtain approval of the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone that would be included as part of the Stellenbosch Municipality Zoning Scheme By-law, 2019.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Directorate: Planning & Economic Development compiled a Draft Events and Outdoor Dining Overlay Zone, with the assistance of Planning Partners.

The purpose of the abovementioned overlay zone is specifically to deal with land use rights associated with events and outdoor dining within the Stellenbosch Municipality, whereas the current zoning scheme bylaw only permitted the land use activity of occasional use to one event per year on properties zoned Mixed Use and Agricultural. The problem arose where event organisers and coordinators spent months preparing for an event, and then get by tripped by land use issues at the late stage of planning an event. Events has become an ever-increasing activity within the Stellenbosch Municipal Area, specifically within the Central Business District Areas and on farms, and the demand has increased significant post the COVID-19 pandemic.

It must be noted that the zoning scheme was promulgated during 2019, and at the time the events activities were not as prevalent, and therefore only one event was permitted per annum on a property. Events has however become a frequent activity and therefore the municipality as noticed through request from the industry and the various tourism organisations that we must amend the land use management process, as well as the permitting process as set out in terms of the Stellenbosch Municipality Events By-law, 2016. In essence, currently there are two (2) statutory processes, which must be concluded.

The proposed overlay zone will remove to a large extent one of the processes, and therefore only the process as required in terms of the Safety at Sports and Recreational Events, Act 2 of 2010 must be obtained.

At the 15th Council Meeting dated 26 July 2023, Council resolved that the draft Stellenbosch Municipality Events and Outdoor Overlay Zone be advertised to solicit public comments, and thereafter will be evaluated and resubmitted to Council for decision. The subject overlay was advertised in the Eikestadnuus on 03 August 2023, with a closing date of 02 September 2023, it must however be noted that the closing date falls in the weekend and therefore to commenting period is extended to the Monday, 04 September 2023. Copy of the advertised attached as **APPENDIX 2** to this report.

Please note that no comments were received during the public participation process.

5. RECOMMENDATIONS

- (a) that Council take note of the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone was advertised for a period of 30 days, and that copies of the proposed overlay was placed at the venues as indicated in the advertisement, copy attached as **APPENDIX 2** to this report;
- (b) that Council **approves and adopts** the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone, attached as **APPENDIX 1**; and
- (c) that Council **approves** that the Final Draft Stellenbosch Municipality be promulgated and incorporated into the Stellenbosch Municipality Zoning Scheme By-law, 2019.

6. DISCUSSION / CONTENTS

6.1 Background

Stellenbosch Municipality submitted a proposal to Western Cape Government's Department of Economic Development & Tourism ("DEDAT") as part of the Ease of Doing Business Programme to assist the municipality in developing an Events and Outdoor Dining Overlay Zone.

DEDAT approved the Municipality's proposal and committed funding for the Compilation of the said by-law with the intension of improving the economic growth within the Municipal Area by reducing red-tape. DEDAT as part of the Ease of Doing Business Fund appointed Planning Partners, a town planning consultancy to assist the municipality with the Compilation of the said overlay zone.

The Project Inception Meeting was held on 21 November 2022, and at this meeting the problem statement was formulated and the programme to engage with the relevant stakeholder were developed. The Consultant Team with the core municipal officials held a number of stakeholder engagements with the statutory approval organisations and departments (include SAPS, Municipal permitting office, relevant internal and external commenting bodies to such applications) and also representatives involved in the events and tourism industries within the municipal area.

6.2 Discussion

The draft overlay zone aims to provide additional land use rights to the zoning categories as contained within the Zoning Scheme By-law, 2019. These additional rights are specifically as a result of the land use activity of events and outdoor dining, being characteristic to the Stellenbosch Municipal Area and provides the much-needed economic incentives for businesses.

The proposed overlay zone was drafted through obtaining the inputs from a number of stakeholders, which included the statutory approval bodies, and the relevant internal and external departments.

The proposed overlay zone therefore aims to reduce red-tape, by dealing with the applications through a single process, which would be the events permitting process, in the case of events and through the application to lease municipal land, in the case of outdoor dining. This overlay zone only deals with the land use rights as stipulated within the applicable zoning scheme by-law and does not exempt any applicant from applying to any other legislation applicable to said land use activities.

Public Participation Process

On 27 July 2023, Council resolved that the Department advertise the subject overlay zone for public comment, and during the advertising period, only a question of clarity from the Stellenbosch University was received. The comment related whether this process means that event permit still must be obtained and also enquired whether a map of the different zones is available.

Response: It must be noted that Municipality duly responded that the current events by-law is still applicable, and the process as set out in the Events Bylaw must still be followed. The process only deals with the land use rights.

Response: The overlay zone is applicable to the zoning category as contained within the zoning scheme, and therefore the applicable zoning of the property permits additional rights on a property(ies) in terms of this overlay zone.

It must also be noted that the above question was not directed to the email address as indicated on the advertisement but was duly responded to by the Municipality.

6.3 Financial Implications

There are no financial implications in respect of the drafting, or this report and the compilation of the draft overlay zone was funded by DEDAT as part of the Ease of Doing Business Fund.

6.4 Legal Implications

The recommendations in this report comply with Council's policies and all applicable legislation.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

15TH COUNCIL MEETING: 2023-07-26: ITEM 11.8.1

RESOLVED (majority vote with 7 abstentions)

- (a) that Council takes note of the Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone. Copy attached as **APPENDIX 1** to this report; and
- (b) that Council **approves** that the draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone, be subjected to the legislative Public Participation Process in terms of the Local Government Municipal Systems Act No. 32 of 2000 for a period of thirty (30) days, whereafter such comments, if any, will be evaluated and resubmitted to Council for approval, adoption and promulgation of the overlay zone and included in the Stellenbosch Municipality Zoning Scheme By-law.

Councillor J Andrews requested that his vote of dissent be minuted.

6.7 Risk Implications

The risks are addressed through the content of the report.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 7.8.1

- (a) that Council take note of the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone was advertised for a period of 30 days, and that copies of the proposed overlay was placed at the venues as indicated in the advertisement, copy attached as **APPENDIX 2** to this report;
- (b) that Council **approves and adopts** the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone, attached as **APPENDIX 1**; and
- (c) that Council **approves** the Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone and approves that it be promulgated and incorporated into the Stellenbosch Municipality Zoning Scheme By-law, 2019.

APPENDICES

Appendix 1: Advertisement

Appendix 2: Final Draft Stellenbosch Municipality Events and Outdoor Dining Overlay Zone

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| NAME | Craig Alexander |
| POSITION | <i>Senior Manager: Development Planning</i> |
| DIRECTORATE | <i>Planning and Economic Development</i> |
| CONTACT NUMBERS | <i>021 808 8196</i> |
| E-MAIL ADDRESS | Craig.alexander@stellenbosch.gov.za |
| REPORT DATE | <i>8 September 2023</i> |

APPENDIX 1



NOTICE: 08/2023

**PUBLIC NOTICE: INTERESTED AND AFFECTED PARTIES
CALL FOR PUBLIC COMMENT ON THE DRAFT EVENTS AND OUTDOOR DINING OVERLAY
ZONE WHICH WILL BE INCORPORATED INTO THE AMENDED STELLENBOSCH
MUNICIPALITY ZONING SCHEME BYLAW, 2019**

Notice is hereby given that Council intends to amend the Stellenbosch Municipality Zoning Scheme Bylaw, 2019 to include the Draft Events and Outdoor Dining Overlay Zone. Interested and affected parties are hereby invited to submit written comments on the Draft Events and Outdoor Dining Overlay Zone during the 30 days advertising period.

You are hereby invited to submit written comments in connection with the aforementioned by electronic mail to the office of the Manager: Economic Development and Tourism at sharon.pedro@stellenbosch.gov.za on or before 2 September 2023.

The Draft Events and Outdoor Dining Overlay Zone, which will form part of the amended Stellenbosch Municipality Zoning Scheme Bylaw, 2019 will be available on the Stellenbosch Municipality's website (www.stellenbosch.gov.za) and hard copies will be available at the local libraries and at satellite offices as reflected in the table below.

| AREA | PLACE |
|------------------|---|
| Stellenbosch CBD | Library, Plein Street, Stellenbosch PMU Building (Mark Street) Ward 7: Jan Marais Eco Centre Ward 10: Lapland (Municipal Building) |
| Franschhoek | Ward Office: Ward 1 (Mooiwater Building) Ward Office: Ward 2 (Groendal Community Hall) |
| Kylemore | Kylemore Ward Office |
| Pniël | Library, Main Road, Pniël Pniël Ward Office |
| Wemmershoek | Ward 3: Wemmershoek Ward Office (Community Hall) |
| Jamestown | Jamestown Library Jamestown Ward Office |
| Cloetesville | Cloetesville Ward Offices (Ward 16 and 17) Library, Vredelust Street, Cloetesville, Stellenbosch |
| Ida's Valley | Ward Office: Ward 5 (Ida's Valley Sport Ground) Ward Office: Ward 6 (Library, Rustenburg Rd.) Library, Sonnebloem Street, Ida's Valley, |
| Kayamandi | Kayamandi Ward Offices (Kayamandi Corridor) Library, Masithandane Street, Kayamandi, Stellenbosch |
| Vlottenburg | Vlottenburg Ward Office (Vlottenburg Primary School) |
| Klapmuts | Klapmuts Ward Office (Klapmuts Multi-Purpose Centre) |
| Ward 19 | De Novo Ward Office (Primary School in De Novo) |

Enquiries or requests for more information on the process may be directed to Economic Development and Tourism Section: Sharon Pedro Tel: (021) 808-8974 or E-mail: Sharon.pedro@stellenbosch.gov.za during normal office hours.

KENNISGEWING: 08/2023

**OPENBARE KENNISGEWING: BELANGHEBBENDE EN GEAFFEKTEERDE PARTYE WORD
GENOOI OM KOMMENTAAR OOR DIE KONSEPGELEENTHEDE EN BUITELUG-EET-
OORLEGSONE WAT GEÏNKORPOREER SAL WORD IN DIE STELLENBOSCH MUNISIPALITEIT
GEWYSIGDE SONERINGSSKEMA VERORDENING VAN, 2019**

Hiermee word kennis gegee dat die Raad van voorneme is om die Stellenbosch Munisipaliteit Soneringskema Verordening, 2019 te wysig om die Konsepgeleentehede en Buitelug-Eet-Oorlegsone in te sluit. Belanghebbende en geaffekteerde partye word hiermee uitgenooi om skriftelike kommentaar op die Konsepgeleentehede en Buitelug-Eet-Oorlegsone gedurende die 30 dae-advertensiedperk in te dien.

U word hiermee uitgenooi om skriftelike kommentaar in verband met die bogenoemde per elektroniese pos by die kantoor van die Bestuurder: Ekonomiese Ontwikkeling en Toerisme by sharon.pedro@stellenbosch.gov.za voor of op 2 September 2023 in te dien.

Die Konsepgeleentehede en Buitelug-Eet-Oorlegsone, wat deel sal vorm van die gewysigde Stellenbosch Munisipaliteit Soneringskema Verordening, 2019 sal op die Stellenbosch Munisipaliteit se webwerf (www.stellenbosch.gov.za) beskikbaar wees en harde kopieë sal by die plaaslike biblioteke en die satellietkantore beskikbaar wees soos aangedui in die tabel hieronder.

| GEBIED | PLEK |
|--------------------------------|---|
| Stellenbosch Sentrale Sakekern | Biblioteek, Plein Straat, Stellenbosch PMU Gebou (Mark Straat) Wyk 7: Jan Marais Ekosentrum Wyk 10: Lapland (Munisipale Gebou) |
| Franschhoek | Wyk Kantoor: Wyk 1 (Mooiwater Gebou) Wyk Kantoor: Wyk 2 (Groendal Gemeenskap Saal) |
| Kylemore | Kylemore Wyk Kantoor |
| Pniël | Biblioteek, Hoofstraat, Pniël Pniël Wyk Kantoor |
| Wemmershoek | Wyk 3: Wemmershoek Wyk Kantoor (Gemeenskap Saal) |
| Jamestown | Jamestown Biblioteek Jamestown Wyk Kantoor |
| Cloetesville | Cloetesville Wyk Kantoor (Wyk 16 en 17) Biblioteek, Vredelust Straat, Cloetesville, Stellenbosch |
| Idas Vallei | Wyk Kantoor: Wyk 5 (Idas Vallei Sport Grond) Wyk Kantoor: Wyk 6 (Biblioteek, Rustenburg Straat) Biblioteek, Sonnebloem Straat, Idas Vallei, |
| Kayamandi | Kayamandi Wyk Kantoor (Kayamandi Korridor) Biblioteek, Masithandane Straat, Kayamandi, Stellenbosch |
| Vlottenburg | Vlottenburg Wyk Kantoor (Vlottenburg Laerskool) |
| Klapmuts | Klapmuts Wyk Kantoor (Klapmuts Veeldoeninge Sentrum) |
| Wyk 19 | De Novo Wyk Kantoor (Laerskool in De Novo) |

Navrae en versoeke vir meer inligting oor die proses kan gerig word aan die Ekonomiese Ontwikkeling en Toerisme eenheid: Sharon Pedro Tel: (021) 808-8974 of per Epos: Sharon.pedro@stellenbosch.gov.za tydens normale kantoor ure.

APPENDIX 2

CHAPTER 30: EVENTS AND OUTDOOR DINING OVERLAY ZONE

275. Zone name and designation on map

- (1) The Events and Outdoor Dining Overlay zone may be referred to by the code (EODO) and shall cover the entire area of the Stellenbosch Municipality's zoning map.

276. Purpose of the zone

- (1) The purpose of the Events and Outdoor Dining Overlay zone is to facilitate the hosting of events and outdoor dining on public streets in certain circumstances, with the aim of promoting the tourism and leisure sector as a key driver of local economic development, as well as to enhance the cultural and social cohesion of communities, while protecting the amenity on which these activities rely.
- (2) A person may only organise an event with a valid permit issued by the Municipality as regulated in the Stellenbosch Municipality Events Permitting By-Law. "Event" has the same meaning as contemplated in subject By-Law.
- (3) Provide for a clear distinction between "events" and "occasional use" events, as contemplated in section 30.
- (4) Notwithstanding the intention for the overlay zone to be less restrictive with regards to the hosting of events and promoting outdoor dining on public streets, the overlay zone gives the Municipality a mechanism whereby additional measures and conditions can be imposed which can assist to avoid potential adverse impact of events and outdoor dining on the receiving environment and mitigate such impacts where they cannot be avoided.

277. Definitions in this chapter

In this Chapter, unless the context indicates otherwise, the following words shall have the meaning assigned to them below:

"calendar year" (*kalenderjaar*) means a period of twelve months from January 1 to December 31;

"event" (*gebeurtenis*) means sporting, entertainment, recreational, educational, religious, cultural, exhibitional or similar activity, that is accessible to the general public and is hosted either at a specific place (i.e. on a single property) or along a specified route, and which is of a temporary nature, and which can occur on a specific day or on consecutive days for a limited period, and excludes functions such as weddings;

"event organizer" (*gebeurtenisorganiseerder*) has the same meaning contemplated in the Stellenbosch Municipality Events By-law;

"linear event" (*linêre gebeurtenis*) means an event along a route taken from a starting point to a destination during which the event takes the form of either a recreational activity or a procession, and which may traverse a single property or a number of properties, and includes marathon, trail running, cycling and mountain biking (including E-bikes) events, but excludes the use of motorized vehicles;

"outdoor dining" (*buitelug ete*) means dining outdoors on sidewalks or a portion of public street with tables, chairs, and other furnishings for the purpose of selling, offering for sale, and serving food and beverages in an area set up directly outside the confines of a property with land use rights for a business premises (or equivalent);

“place-bound event” (*plekgebonde gebeurtenis*) means an event that takes place at a specific venue, or on a specific property;

“temporary structure” (*tydelike struktuur*) means a non-permanent structure constructed purely on a temporary basis for a specific period, which shall require building plan approval (if applicable) and which shall be demolished on completion of the event for which it was erected.

277. General provisions

- (1) The primary, additional and consent uses, and development parameters set out in the applicable base zone remain applicable to any land unit subject to this overlay zone, unless varied in the provisions provided in this chapter.
- (2) Purpose-built tracks, buildings, and infrastructure to be used for events requires land use approval for the facility or amenity as contemplated in subsection (1).
- (3) Events contemplated in this chapter are exempt from the provisions of section 30(1).
- (4) A maximum of 12 events per calendar year can be hosted on an individual property, irrespective of the event being a linear event or place-bound event as contemplated in this chapter, unless otherwise stipulated in this chapter. A calendar year means a period of twelve months from January 1 to December 31.
- (5) Any event occurring on a property that takes direct access from a proclaimed road shall provide effective traffic control for safe access off such road to the on-site parking area, to the satisfaction of the Municipality.
- (6) Any event contemplated in this chapter may involve the construction of temporary structures to facilitate the hosting of such event. Temporary structures or non-permanent structures constructed purely on a temporary basis for a specific period, shall require building plan approval and shall be demolished on completion of the event for which it was erected.
- (7) Commercial services at the same venue that are not directly associated with the event, and which is not an event-related activity shall require prior land use approval for such activity.
- (8) No event can be both a “linear event” and a “place-bound event”, and the Municipality’s Development Management Department has the sole discretion to determine the specific type of an event as contemplated in this chapter.

278. Linear events

- (1) A linear event means an event along a route taken from a starting point to a destination during which the event takes the form of either a recreational activity or a procession, and which may traverse a single property or a number of properties, and includes marathon, trail running, cycling and mountain biking (including E-bikes) events, but excludes the use of motorized vehicles.
- (2) An unlimited number of linear events shall be permitted in the following zones:
 - (a) Community zone;
 - (b) Transport Facilities zone;
 - (c) Public Road and Parking zone; and
 - (d) Public Open Space zone.
- (3) An unlimited number of linear events shall be permitted in the following zones, provided that the total number of people involved in the event, including any support staff or spectators are limited to the capacity of the venue or do not exceed 1000 people, whichever is the lesser:
 - (a) Education zone;
 - (b) Private Open Space zone;
 - (c) Agriculture and Rural zone; and

- (d) Natural Environment zone.
- (4) For a linear event involving more than 1000 people, including any support staff or spectators associated with such event, a maximum number of 12 events per calendar year shall be permitted on a property with a zoning stipulated in subsection (2).
- (5) A linear event occurring on a property with a zoning stipulated in subsection (2) may not exceed:
 - (a) a maximum of 3 consecutive days; and
 - (b) a cumulative number of 12 days in a calendar year.
- (6) A linear event occurring on a property with a zoning stipulated in subsections (2)(c) and 2(d):
 - (a) must make use of existing routes, farm tracks and infrastructure;
 - (b) must include the provision of sufficient on-site parking for all vehicles associated with the event, or to the satisfaction of the Municipality; and
 - (c) may not involve any motorized vehicles.
- (7) A linear event occurring on a property with a zoning stipulated in subsection 2(a) does not include ancillary events typically associated with the primary uses thereon such as any school related functions.

279. Place-bound events

- (1) A Place-bound event means an event that takes place at a specific venue, or on a specific property.
- (2) An unlimited number of place-bound events shall be permitted in the following zones:
 - (a) Community zone;
 - (b) Transport Facilities zone;
 - (c) Public Road and Parking zone; and
 - (d) Public Open Space zone.
- (3) A maximum of 12 place-bound events per calendar year shall be permitted on a property in the following zones:
 - (a) Education zone;
 - (b) Private Open Space zone; and
 - (c) Agriculture and Rural zone.
- (4) A place-bound event occurring on a property with a zoning stipulated in subsection (2) may not exceed:
 - (a) a maximum of 3 consecutive days; and
 - (b) a cumulative number of 12 days in a calendar year.
- (5) Notwithstanding subsection (2), a place-bound event occurring on a property with a zoning stipulated in subsection (2)(c) that involves any amplified music such as an outdoor music concert, rave or festival, shall not be permitted to extend beyond 18h00.
- (6) A place-bound event occurring on a property with a zoning stipulated in subsections (2)(b) and 2(c):
 - (a) must make use of existing facilities, amenities, and infrastructure; and
 - (b) must include the provision of sufficient on-site parking for all vehicles associated with the event, or to the satisfaction of the Municipality.
- (7) A place-bound event occurring on a property with a zoning stipulated in subsection (2)(a) does not include ancillary events typically associated with the primary uses thereon such as any school related functions.
- (8) All place bound events, regardless of the base zoning of the property on which such event takes place, shall not continue past 22h00 without prior written permission as part of the

event permit.

280. Specific provisions: outdoor dining

- (1) Outdoor dining means dining outdoors on sidewalks or a portion of public street with tables, chairs, and other furnishings for the purpose of selling, offering for sale, and serving food and beverages in an area set up directly outside the confines of a property with land use rights for a business premises (or equivalent)
- (2) Outdoor dining shall be permitted as a primary use right on a property zoned Public Road and Parking zone, subject to the following conditions:
 - (a) The location of the outdoor dining area must be directly abutting the confines of a property with land use rights in place for a business premises or equivalent.
 - (b) The outdoor dining area must be compliant with the technical specifications and guidelines provided in the Policy on Outdoor Dining, Trading and the use of Public Places for Commercial Ventures and Display, or any such subsequent policy or directive as the Municipality may adopt.
 - (c) The owner of a property incorporating an outdoor dining area as contemplated in this chapter must enter into a written agreement with the Municipality.
 - (d) Only temporary structures specified in the written agreement contemplated in paragraph (c) shall be permitted and shall be subject to building plan approval where applicable.
 - (e) Should a written agreement as contemplated in paragraph (c) not be concluded between the relevant parties, the Municipality may institute enforcement proceedings, either –
 - (i) as contemplated in section 273 of this By-law; or
 - (ii) in accordance with the Municipality's Roads and Streets By-law.

| | |
|-------|--|
| 5.9 | COMMUNITY SERVICES:(PC: CLLR X KALIPA) |
| 5.9.1 | GRANT IN AID POLICY REVIEW |

Collaborator No: 755699

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: Mayco: 13 September 2023 & Special Council: 27 September 202

1. SUBJECT: GRANT IN AID POLICY REVIEW

2. PURPOSE

To illicit comments from Senior Management for suggested changes to the Grant in Aid Policy prior to submitting same to Council for approval.

3. DELEGATED AUTHORITY

For approval by Council.

4. EXECUTIVE SUMMARY

Feedback reports and comments received during the April 2023 period for comments on the draft budget raised concern and led the department to reconsider the Grant in Aid policy with specific reference to:

- a. Consequences relating to misappropriation of funds and
- b. The misuse of the comment/appeal period after the closing date for applications.

The recommended changes in the attached GiA Policy (**ANNEXURE 1**) aims to address the above concerns.

5. RECOMMENDATIONS

- (a) that the Revised Grant in Aid Policy be approved in principle, whereafter it be advertised for public comments; and
- (b) that all comments received be brought back to council for final approval of the Revised Grant in Aid Policy.

6. DISCUSSION / CONTENTS

6.1 Background

The Grant in Aid policy is reviewed annually as part of the suite of policies with financial implications. The review serving at council during the May 2023 council meeting include the following changes:

- a. General changes to correct language use contributing to clarity throughout the policy
- b. Defining the concept of emerging organization not requiring audited financial statements as organization not older than 5 years of the application in question.
- c. Including churches as PBO's as bodies used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged in as far as alleviating the burden on municipal cemeteries to erect "Memorial Walls".

-
- d. Clarifying the responsibility of applicants to respond to the Call for Proposals by RSVP'ing to attend the compulsory clarification meeting.
 - e. Health Category: Including services aimed at addressing mental health within communities/schools.
 - f. Environment Category: Include facilities created to alleviate the burden on municipal cemeteries.
 - g. Services for persons living on the street: Create opportunities for organisations other than Night Shelters to apply for Category B applications to include the following services for persons living on the streets: "Provision of social relief and healthy living, trauma, mental and substance support, job rehabilitation, skills development, job creation, readiness and placement services specifically for persons on the streets"
 - h. Inclusion of specific mandatory template to use for feedback reports which will
 - a. Assist with standardization of assessments of feedback reports and
 - b. Assist organization to include all required information in feedback reports.

6.2 **Discussion**

No comments were received by the due date on the above-mentioned changes. After internal discussions based on the previous funding feedback reports and appeals relating to non-recommended applications, the department felt it prudent to review the policy again prior to the next round of Grant in Aid applications.

The concerns raised relates to governance of smaller community-based organisations who has been in existence for many years, but who clearly operate outside their own constitutions. Although it being important that the municipality should assist smaller organisations, it cannot do so outside the framework of the MFMA. Furthermore, it is incumbent on the municipality to build capacity within these smaller organisations with a focus on governance and financial management to contribute towards the sustainability of said organisations. For this reason, the following further changes to the Grant in Aid policy are recommended for approval.

- a. Clarification under definitions relating to the seriousness of discrepancies between the funding application and what the funds end up being used for, explaining the prerogative of the municipality to decide on the sanction to apply. (Section 1: Definitions)
- b. Confirming that although a Category B application is approved for a period of three years, the applicant MUST reapply for each of the three years to ensure provision is made for funding on each of the approved annual budgets. (Paragraph 7.13)
- c. Clarification of the purpose of the comment and appeal period to exclude appeals based on applicants own mistakes. (Paragraph 8.4)
- d. Clarification that misappropriation of donations will result in sanction from the municipality including returning of funds and/or exclusion from access to funding for a period of 5 years. (Paragraph 8.5)

6.3. **Financial Implications**

Financial implications as per approved budget.

6.4 **Legal Implications**

The recommendations in this report comply with Council's policies and all applicable legislation.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

Annual Grant in Aid Policy approval.

6.7 Risk Implications

Risks are addressed through the content of the report.

6.8 Comments from Senior Management**6.8.1 Director Community and Protection Services**

Support the item.

6.8.2 Chief Financial Officer

Support the item.

6.8.3 Municipal Manager

Support the item.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO SPECIAL COUNCIL: 2023-09-18: ITEM 7.9.3

- (a) that the Revised Grant in Aid Policy be approved in principle, whereafter it be advertised for public comments; and
- (b) that all comments received be brought back to council for final approval of the Revised Grant in Aid Policy.

ANNEXURES

Annexure A: Grant in Aid Policy Review

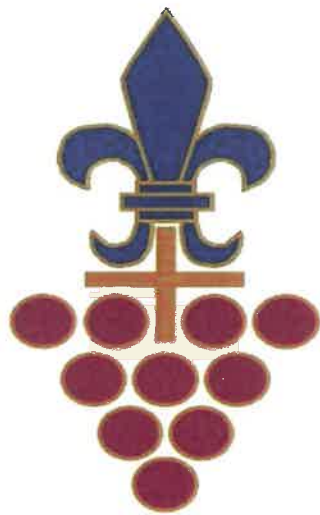
Annexure B: Minutes Community Development Committee Meeting 2023-08-03

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--------------------------------------|
| NAME | Michelle Aalbers |
| POSITION | Manager Community Development |
| DIRECTORATE | Community and Protection Services |
| CONTACT NUMBERS | 8408 |
| E-MAIL ADDRESS | Michelle.aalbers@stellenbosch.gov.za |
| REPORT DATE | 30-08-2023 |

ANNEXURE A

STELLENBOSCH MUNICIPALITY



GRANT-IN-AID POLICY

2023/2024



STELLENBOSCH MUNICIPALITY
GRANT-IN-AID POLICY
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1. DEFINITIONS

"Appendix A" means the application form for Grant-in-Aid, detailed more fully below, and provided for in clause 5.2.

"Appendix B" refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

"Capacity building" Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment.

"Community Based Organization (CBO)" are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams including, but not limited to – health care, environment, quality of education, access to technology, access to spaces and information.

"Early Childhood Development ("ECD") Facility" means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children's Amendment Act, 41 of 2007.

"Emerging Organisations" are organisations which have been established within the past five years of the application in question.

"Grant-in-aid" means a grant-in-aid or allocation, as referred to in Section 12, 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

"Local Agenda 21" means the international program, adopted by South Africa to put sustainable development into practice.

"Memorandum of agreement (MOA)" means the agreement entered into between the municipality and any organisation or body which receives a Grant-in-Aid in terms of this Policy and **Appendix A**.

"Non-governmental organisation (NGO)" means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

"Non-profit company (NPC)" means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

"Non-profit organisation (NPO)" means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and

property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

"**Stellenbosch Environmental Management Framework (SEMF)**" means legal and moral obligations of Stellenbosch Municipality as it relates to the environment, and provides a dynamic vision, goals and objectives, and spatial and strategic directives towards giving effect to such obligations.

"**Seriousness of discrepancies**" means that the following not exclusive matters will be taken into consideration when council exercise their prerogative to determine the level of sanction:

- The level of perceived misguidance and misrepresentation
- The level of perceived premeditation linked to the discrepancy
- The discrepancy is criminal in nature

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2. PURPOSE, AIMS AND OBJECTIVES

- 2.1. This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC), Public Benefit Organisations (PBO's) in so far as to alleviate the burden on municipal cemeteries and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12, 17 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 2.2. The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality's Integrated Development Plan (IDP), in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships. Priority ward needs as identified through Council's IDP MUST be the guiding factor in developing these partnerships.
- 2.3. Grant-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being WC024.
- 2.4. Grant-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the Stellenbosch community and town to create an enabling environment for community development.

3. LEGAL FRAMEWORK

All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and

that are not in contradiction to the above.

4. RESTRICTIONS

- 4.1. The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Grant-in-Aid and no payment may be made under this policy to individuals. Council may however set aside a specific amount from which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.
- 4.2. The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.
- 4.3. Grants will only be made for services rendered in the WCO24.
- 4.4. Transfers made to categories A and B
 - 4.4.1. Transfers provided for those listed in Category A below may be made to a maximum of R40 000-00 per organisation or body per annum.
 - 4.4.2. Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue. Consideration for grants larger than R 40 000, 00 requires audited financial statements, schedule of ~~estimated~~ annual costs linked to a business plan as provided for in 6 below. The decision to grant an amount more than R 40 000,00 is solely at the discretion of council and subject to available funds.
- 4.5. Grant-in-Aid transfers/payments shall be restricted to deserving organisations and bodies serving, especially those working with the poor/aged/youth/disabled/women/children, as per the eligible categories in 6.2, provided that such organisations or bodies:
 - 4.5.1. Operate as a separate legal entity and are recognised as such by South African legislation;
 - 4.5.2. Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
 - 4.5.3. Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.
- 4.6. No Grant-in-Aid may be made to any political body, rate payers association or for any religious purposes.
- 4.7. No grant will be allocated, under this policy, to organisations or bodies in cases where

a member of Council, an official of Stellenbosch Municipality or close relatives of said individuals receive any financial or other gain.

- 4.8. Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 4.9. An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

5. PUBLIC ADVERTISEMENT

- 5.1. The advertisements must meet the following requirements:
 - 5.1.1. The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals.
 - 5.1.2. This advert must be placed in time to complete all relevant processes prior to the approval of the annual draft budget or any adjustment budget in order to invite public comment on the proposed donations prior to the approval of the final or adjustment budget.
 - 5.1.3. Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who the proposal should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications/proposals, including the prescribed forms.
 - 5.1.4. Advertisements must clearly specify the dates, times and venues of the compulsory briefing sessions as well as the RSVP dates for these sessions. Only organisations who responded to the advertisement by confirming their interest to attend will be accommodated in the compulsory sessions.
 - 5.1.5. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure.
 - 5.1.6. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that **no late submissions will be considered.**
- 5.2. Only applications made on the prescribed form, being **Appendix A**, may be considered.
- 5.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and after the attendance of a compulsory briefing session and that have not signed a Memorandum of Agreement with the Municipality.

6. GENERAL GUIDELINES AND CATEGORIES

6.1. General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in –

- 6.1.1. Category A will be considered on an annual basis ; and
- 6.1.2. Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.
- 6.1.3. Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.
- 6.1.4. Funding applications however will not be considered in the following instances:
 - (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
 - (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
 - (iii) Where only an individual will benefit;
 - (iv) For political or ratepayers organisations/groupings or religious purposes;
 - (v) Projects outside the boundaries of the Municipality;
 - (vi) Where expenses have already been incurred,
 - (vii) Where an applicant did not attend the compulsory clarification session as advertised, and
 - (viii) Where applications were received after the due date and time for submissions.
- 6.1.5. Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, bursaries, payments in lieu of rates or other municipal charges except for where the transport and nutrition is intended for beneficiaries/participants in the projects in question. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.
- 6.1.6. Subsequent requests from applicants to cover overspending on projects will not be considered.

6.2. Categories Eligible for Grant-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

Category A

6.2.1. Health

Projects/programmes include the following but are not limited to:

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;
- (ii) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (iii) Promotive and preventative services to infants, children and women.
- (iv) Counseling for mental health issues experienced in poorer communities and/or schools.

6.2.2. Environment

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting "Greening of the City"; to promote swimming skills and water safety.

Projects/programmes include the following but are not limited to:

- (i) Voluntary rescue organisations;
- (ii) Facilities created to alleviate the burden on municipal cemeteries
- (iii) Lifesaving clubs and swimming organisations;
- (iv) Environmental groups/organisations; and
- (v) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (vi) Projects which further the Council's aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
 - o Riverine corridors;
 - o Biodiversity;
 - o Natural and built environment;
 - o Heritage resources;
 - o Quality urban spaces;
 - o Ecological conservation areas;
 - o Urban agricultural complexes;
 - o Bioregional planning;
 - o Nature area management;
 - o Wetlands;
 - o Local Agenda 21 projects

6.2.3. Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness. Projects/programmes

include the following but are not limited to:

- (i) Waste reduction and awareness;
- (ii) Educational programmes/projects addressing litter and waste handling;
and
- (iii) Waste minimisation solutions.

6.2.4. Social Development

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.

Projects/programmes include the following but are not limited to:

- (i) Poverty alleviation;
- (ii) Urban renewal;
- (iii) Capacity building of communities;
- (iv) Youth development;
- (v) Women and gender development;
- (vi) Early childhood development;
- (vii) Street people programmes;
- (viii) Arts and culture programmes
- (ix) Facilitation of public participation processes; arts and culture programmes
- (x) Development of disabled persons, and
- (xi) Development of elderly people

6.2.5. Sports and Recreation

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to:

- (i) Local sport and recreation clubs;
- (ii) School sport teams
- (iii) Local sport and recreation councils or associations
- (iv) Informal sport and recreation groups; and
- (v) Community and non-government organisations.

Category B

6.2.6. Services for persons living on the street

Purpose: Provision of shelter and other services for vulnerable individuals living on the street, without homes, in the need of assistance. The Municipality aims to reduce the number of people living on the streets of Stellenbosch and as such the organisation or body's goals should align with this vision. Further

the Municipality aims to reduce the socio-economic effects of poverty on the community of Stellenbosch. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

Projects/programmes must include the following but are not limited to:

- (i) Provision of basic services (overnight facility, shower, morning and evening meals)
- (ii) Provision of social work services inclusive of referrals
- (iii) Provision of social relief and healthy living, trauma, mental and substance support, job rehabilitation, skills development, job creation, readiness and placement services specifically for persons on the streets
- (iv) Family re-integration services
- (v) Social support
- (vi) Community work programmes
- (vii) Facility maintenance (Infrastructure and operational equipment)

6.2.7. **Projects aligned to the strategic objectives of the municipality as described in the IDP**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

Projects/programmes include the following strategic objectives but are not limited to:

Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.

- (i) Valley of Possibility
- (ii) Green and Sustainable Valley
- (iii) Dignified Living
- (iv) Safe Valley
- (v) Good Governance and Compliance

7. APPLICATION PROCEDURE

Applications and proposal for Grant-in-Aid must be on the prescribed form stated in 5.2 above, a copy of which is attached hereto as **Appendix A for Category A and B**. Applications must be accompanied by a covering letter on the letterhead of the

organisation or body, signed by the head of the organisation or body and must include the following information.

- 7.1. The applicant's legal name and a brief description of the applicant organisation's or body's business;
- 7.2. if the applicant claims to be a non-profit organisation, the registration number and the certificate;
- 7.3. the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;
- 7.4. a contact name, full street address, telephone number and an e-mail address;
- 7.5. if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;
- 7.6. a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project;
- 7.7. if the request is for general support, the organisation's or body's overall budget must be included;
- 7.8. references, independent of the applicant and its executive;
- 7.9. most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations;
- 7.10. a summary of past achievements;
- 7.11. a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds; and
- 7.12. notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm;
- 7.13. Applications for Category B **must** include a schedule of annual costs for a three year period, a three year business plan and audited financial statements. Note that although a Category B application is approved for a period of three years, the application MUST be renewed through repeated annual applications to ensure provision in the budget of subsequent financial years.

8. OBLIGATIONS OF THE APPLICANT

- 8.1. The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds must be used as outlined in the application form.
- 8.2. The organisation or body shall report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities on the prescribed template (**Appendix B**).
- 8.3. The applicant must attend a compulsory workshop on the Grant-in-Aid policy and application procedure prior to submission of the application.
- 8.4. The applicant is responsible to confirm the outcome of the application after the approval of the draft budget and lodge an appeal prior to the closing date for comments on the budget if they are of the opinion that the municipality has made a mistake with the assessment of the application. Applicants cannot lodge appeals based on their own mistakes during the application process.
- 8.5. If successful with the application, the applicant must spend funds according to the approved Grant-in-Aid funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or (at the discretion of the municipality depending on the nature and seriousness of the discrepancy) the applicant being excluded from future applications for a period of 5 years.

9. RIGHTS OF THE MUNICIPALITY

- 9.1. The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 9.2. The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 9.3. The Municipality has the right not to give a Grant-in-Aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 9.4. The Municipality will run proposed donations through a public participation process before final awards are made.

10. AGREEMENT

Before any funds are transferred to an organisation an agreement (**Appendix C**) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

11. DEVIATION

This policy constitutes the entire framework for Grant-in-Aid and no deviation will be entertained.

12. COMMENCEMENT

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.



STELLENBOSCH

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX A
(Category A & B)

APPLICATION FOR GRANT-IN-AID: 2024/25

NOTE: ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY

| PLEASE COMPLETE THE FOLLOWING (Incomplete applications will not be considered.) | | | |
|--|--|-----------------------|--|
| A | REGISTERED NAME OF ORGANISATION | | |
| | | | |
| B | DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED: (include a brief description of the business or activities of the organization) | | |
| | | | |
| | | | |
| | | | |
| | | | |
| C | ADDRESS OF REGISTERED ORGANISATION | | |
| | PHYSICAL ADDRESS | POSTAL ADDRESS | |
| | | | |
| | | | |
| | | | |
| | | | |
| | CODE: | CODE: | |
| D | CONTACT DETAILS (Details of the person to contact regarding this GIA application) | | |
| | NAME & SURNAME: | | |
| | POSITION: | | |
| | TEL: () | | |
| | MOBILE: | ALTERNATIVE: | |
| | EMAIL ADDRESS: | | |

| E REGISTRATION: | | | |
|---|-----------------|------------|-----------|
| Is the organization registered as a NP/NG Organisation / NPC / PBO? | | YES | NO |
| If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable) | | | |
| F BOARD/COMMITTEE MEMBERS OF THE ORGANISATION: (List ALL Board/Committee Members of the Organisation) Insert a separate page if the space is not enough). | | | |
| 1 | NAME & SURNAME: | | |
| | POSITION: | | |
| | ADDRESS: | | |
| | | | |
| | CONTACT NUMBER: | | |
| 2 | NAME & SURNAME: | | |
| | POSITION: | | |
| | ADDRESS: | | |
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| | CONTACT NUMBER: | | |
| 3 | NAME & SURNAME: | | |
| | POSITION: | | |
| | ADDRESS: | | |
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| | CONTACT NUMBER: | | |
| 4 | NAME & SURNAME: | | |
| | POSITION: | | |
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| 5 | NAME & SURNAME: | |
| | POSITION: | |
| | ADDRESS: | |
| | CONTACT NUMBER: | |
| 6 | NAME & SURNAME: | |
| | POSITION: | |
| | ADDRESS: | |
| | CONTACT NUMBER: | |
| 7 | NAME & SURNAME: | |
| | POSITION: | |
| | ADDRESS: | |
| | CONTACT NUMBER: | |
| 8 | NAME & SURNAME: | |
| | POSITION: | |
| | ADDRESS: | |
| | CONTACT NUMBER: | |
| 9 | NAME & SURNAME: | |
| | POSITION: | |
| | ADDRESS: | |
| | CONTACT NUMBER: | |

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|---|-----------------|-----|--|----|
| 10 | NAME & SURNAME: | | | |
| | POSITION: | | | |
| | ADDRESS: | | | |
| | | | | |
| | CONTACT NUMBER: | | | |
| G PREVIOUS FUNDING: | | | | |
| Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously? | | | | |
| If yes for which financial year? | | | | |
| What amount was received? | | | | |
| Did you submit Financial Reports for the funds received? | | | | |
| Do you receive any other sources of funding? (If YES please provide details) | | | | |
| | | | | |
| | | | | |
| H CATEGORY A: | | | | |
| For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X) | | | | |
| HEALTH | | | | |
| ENVIRONMENT | | | | |
| SOLID WASTE | | | | |
| SOCIAL DEVELOPMENT | | | | |
| SPORTS & RECREATION | | | | |
| CATEGORY B: | | | | |
| For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X) | | | | |
| STREET PEOPLE SERVICES | | | | |
| PROJECTS RELATED TO WARD PRIORITIES IN THE IDP (Please specify) | | | | |
| | | | | |
| | | | | |
| I REQUEST FOR FUNDING: | | | | |
| Is funding required for the ensuing year? | | YES | | NO |
| Is funding required for a specific project? (If YES attach details separately) | | YES | | NO |
| Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget) | | YES | | NO |
| Budgeted amount requested | | | | |
| Duration of project? | | | | |

| | | | | | | |
|---|--|--|--------|--|--------|--|
| If Category B Application | | | | | | |
| Total amount requested for 3 year period | | | | | | |
| Annual amounts requested: | Year 1 | | Year 2 | | Year 3 | |
| J SERVICE FOCUS | | | | | | |
| Ward number/s in which services are delivered: | | | | | | |
| Which Ward Priority/ies are addressed through the service: (Please provide details below) | | | | | | |
| | | | | | | |
| | | | | | | |
| Describe the services for which funds are requested: | | | | | | |
| | | | | | | |
| | | | | | | |
| Which Municipal Strategic Goal/s is linked to the services: (Please mark with a X) | | | | | | |
| Valley of Possibility | | | | | | |
| Safe Valley | | | | | | |
| Dignified Living | | | | | | |
| Good Governance and Compliance | | | | | | |
| Green and Sustainable Valley | | | | | | |
| K THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications) (Please use this form as a check-list, to ensure that you comply to the specified requirements) | | | | | | |
| 1 | AUDITED FINANCIAL STATEMENTS (A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months) | | | | | |
| 2 | ORGANISATIONAL CONSTITUTION (A signed and dated copy of the Organisation's Constitution, as well as a signed copy of the Minutes of the AGM/Special Meeting, to verify the acceptance of the Constitution.) | | | | | |
| 3 | PROJECT PROGRAMME/BUSINESS PLAN (A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide). <ul style="list-style-type: none"> ❖ Full details of the proposal/project/business plan including objectives; ❖ The number of people who will benefit and how the project/program will contribute or enhance the strategic objectives of Stellenbosch Municipality; ❖ The project/program commencement and completion dates; ❖ Information on the total costs of the project/program budget; ❖ A breakdown of costs and an outline of any contributions by fundraising and / or own contributions; ❖ A list of all other sources of funding together with the assessments; ❖ A summary of past achievements; ❖ Reference independent of the applicant and its executive/board or committee members. | | | | | |
| 4 | SIGNED AND STAMPED CREDITOR CONTROL FORM (An original signed copy of a correctly completed Creditors Control form of the Stellenbosch Municipality or an electronic generated confirmation of bank details created through online banking) | | | | | |
| 5 | ACCOUNT ON EXPENDITURE FOR PRECEDING FUNDING (If you have received funding from Stellenbosch Municipality previously, expenditure of the funds received needs to be accounted for with this new application). Please refer to Section M for the format. | | | | | |
| 6 | PROOF OF REGISTRATION/AFFILIATION (Attach a copy of the organisation's Registration Certificate of Affiliation) | | | | | |

| | |
|-----------|---|
| L | REQUIREMENTS CATEGORY B APPLICATIONS (Please note that Category B applications MUST adhere to the following requirements and those listed under section K, except where indicated otherwise.) |
| 1 | AUDITED FINANCIAL STATEMENTS A copy of the latest audited financial statements must be included in the application. Category B applications MUST submit their latest audited financial statements. Statements signed off by the treasurer, chairperson or other delegated party will not be accepted. |
| 2 | THREE YEAR BUSINESS PLAN See the requirements for the business plan as listed under section K as guideline. NOTE: Category B applications MUST provide a clear proposal for a period of three years. Each year must be indicated separately and be costed per annum indicating all expenditure against the projected measurable outcomes. Outcomes must be listed into how they will be reported on and measured on a monthly basis. |
| M | FORMAT FOR FEEDBACK REPORT |
| 1 | Narrative report on the project including numbers reached, outcomes reached, evaluation of the project indicating successes and failures/lessons learned. |
| 2 | Pictures of the project/program. |
| 3 | Financial report on expenditure regarding previous donation separate from the annual financial statements. (Attach proof of expenditure). |
| N | THE FOLLOWING SHALL APPLY: |
| 1 | The allocation of Grant-In-Aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. |
| 2 | An applicant who has been registered as a NPC, NGO, NPO or PBO with the necessary proof thereof, submitted together with this application. |
| 3 | Applicants must in their submission clearly indicate/specify and motivate what the funds will be utilized for. |
| 4 | The Grant-In-Aid must be exclusively utilized for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. |
| 5 | Applicants must in their submission satisfy the Council of their ability to execute the project successfully. |
| 6 | Organisations who have already received financial or other assistance from the Council during the previous financial year MUST specify same in their application. |
| 7 | No funding will be considered for political groupings, ratepayers organisations or for religious purposes.. |
| 8 | No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. |
| 9 | Projects outside the boundaries of the Council will not be considered. |
| 10 | Expenditure that will not be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food (unless intended for the beneficiaries) or entertainment expenses of any kind, staff salaries including bonuses, bursaries and payments in lieu of rates or other municipal charges. |
| 11 | Subsequent requests from the applicants to cover overspending on projects will not be considered. |
| 12 | Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act no. 56 of 2003 which inter alia stipulates that the organization or body has to:- <ul style="list-style-type: none"> ❖ Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting financial management and auditing requirements as may be contained in such an agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programs of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. ❖ Report at least once a year on the actual expenditure of the amount allocated to it. Should monthly allocations be made, monthly reports will be required. |
| 13 | The Council reserves the right not to give a Grant-In-Aid to any organization applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again. |
| 14 | Funding will not be considered where a project or organization is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified. |
| 15 | Funding will not be considered where in Council's opinion, an organization received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year. |
| 16 | Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attach to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and Section 67(1) of the Municipal Finance Management Act, 2003 (MFMA). |
| 17 | Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grant-In-Aid Policy must be consulted for the sake of completeness). |

| O DECLARATION OF INTEREST: | |
|--|--|
| The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: | |
| Name & Surname: | |
| Designation: | |
| Name & Surname: | |
| Designation: | |
| P UNDERTAKING: | |
| <p>I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a Grant-in-Aid as set out above and in the GIA Policy have been read and is understood and will be complied with.</p> <p>I/We also declare that the organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.</p> <p>Thus completed and signed at Stellenbosch on this ____ day of _____ 20 ____ .</p> <p>_____ Chairperson/Authorised Representative Secretary/Duly Authorised Signatory</p> | |
| Q PLEASE TAKE NOTE: (Completed application forms, together with all the required supporting documentation must be posted to): | |
| <p>The Director: Community and Protection Services P O Box 17 Stellenbosch 7599</p> <p>Or hand delivered to:</p> <p>The Manager: Community Development 21 Simonsberg Road Stellenbosch 7600</p> <p>The submission of applications closes at 13H00 on the closing date as per the advertisement.</p> | |

| | | | | | |
|--|--|------------|-----------|--------------------------|--------------------------|
|  STELLENBOSCH MUNICIPALITY GRANT IN AID FEEDBACK REPORT | Appendix B | | | | |
| FOR FUNDING RECEIVED FOR THE PERIOD: 20 ____ / 20 ____ | | | | | |
| ORGANISATION NAME _____ | | | | | |
| TOTAL AMOUNT AWARDED | R _____ | | | | |
| DATE OF RECEIPT _____ | | | | | |
| WAS THE MONEY USED FOR THE REASON STATED IN APPLICATION | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 50px; text-align: center;">YES</td> <td style="width: 50px; text-align: center;">NO</td> </tr> <tr> <td style="text-align: center;"> <input type="checkbox"/> </td> <td style="text-align: center;"> <input type="checkbox"/> </td> </tr> </table> | YES | NO | <input type="checkbox"/> | <input type="checkbox"/> |
| YES | NO | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| please tick box | | | | | |
| If NO please provide the reasons below and <u>attach proof</u> of permission to deviate: | | | | | |
| _____ | | | | | |
| Please describe how the Grant funding was used by your organisation AND indicate the number of beneficiaries and the benefit gained by the community/beneficiaries. | | | | | |
| _____ | | | | | |
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PROOF OF EXPENDITURE LIST

| NO | ITEM DESCRIPTION | SUPPLIER | TOTAL COST | RECEIPT NUMBER |
|----|------------------|----------|------------|----------------|
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TOTAL EXPENSES

R

| | PRINT NAME | SIGNATURE | DATE |
|----------------------------|------------|-----------|------|
| COMPILED BY TREASURER | | | |
| APPROVED BY CHAIRPERSON | | | |

- ATTACH COPIES OF PROOF OF ALL EXPENDITURE LISTED ABOVE
- ATTACH COPIES OF PICTURES DEPICTING THE ITEMS/ACTIVITIES FOR WHICH FUNDING WAS USED



STELLENBOSCH
 STELLEN BOSCH • PN I E L • FR ANSC HHOE K
 MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX C

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

 (hereafter called the "**BENEFICIARY**")

Herein represented by _____ in his/her capacity as _____,
 being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
- (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

- 1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of
R..... (.....), being a donation for the period **01 July 20...** to **30 June 20...** to the **BENEFICIARY**.
- 1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

| | | |
|-------------------------------|---|--|
| Account number | : | |
| Name of financial institution | : | |
| Name of account holder | : | |
| Branch code | : | |
| Type of account | : | |
- 1.3 The all-inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

- 2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in its bank account.
- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.

3. SPECIFIC CONDITIONS

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

4. DECLARATION OF INTEREST

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

5. ACQUISITION OF ASSETS

5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-

5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and

5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa.

6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**. Failure to comply may result in not considering applications for grants from the **BENEFICIARY** for a period of 5 years.

8. INDEMNIFICATION

8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The MUNICIPALITY:

Town House
Plein Street
Stellenbosch
7600

10.2.2 The BENEFICIARY:

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile/ electronic mail be deemed to have been received by the addressee on the day following the date of dispatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission/ electronic mail, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

Signed at Stellenbosch on this _____ day of _____ 20....

.....
for the **MUNICIPALITY**

WITNESS: 1.
2.

Signed at Stellenbosch on this _____ day of _____ 20....

.....
for the **BENEFICIARY**

WITNESS: 1.
2.

ANNEXURE B



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref: 3/4/3/5/3/4

2023-08-03

MINUTES

COMMUNITY DEVELOPMENT COMMITTEE MEETING

2023-08-03 AT 12:00

MINUTES
COMMUNITY DEVELOPMENT COMMITTEE MEETING
2023-08-03
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| 2.2 | DISCLOSURE OF INTERESTS | |
| 3. | APPLICATION FOR LEAVE OF ABSENCE | |
| 4.1 | CONFIRMATION OF MINUTES | |
| | The minutes of the Community Development Committee Meeting: 2023-08-03 is attached | |
| | FOR CONFIRMATION | |
| 4.2 | REPORT/S BY THE DIRECTOR: COMMUNITY DEVELOPMENT COMMITTEE RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS MEETINGS | |
| | NONE | |
| 5. | REPORTS FROM COMMUNITY DEVELOPMENT | |
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| 6. | REPORTS SUBMITTED BY THE MUNICIPAL MANAGER | |
| | NONE | |
| 7. | NOTICES OF MOTIONS AND NOTICES OF QUESTIONS RECEIVED BY THE MUNICIPAL MANAGER | |
| | NONE | |
| 8. | CONSIDERATION OF URGENT MATTERS | |
| | NONE | |
| 9. | MATTERS TO BE CONSIDERED IN-COMMITTEE | |
| | NONE | |

MINUTES COMMUNITY DEVELOPMENT COMMITTEE MEETING 2023-08-03

| | |
|-----------|----------------------------|
| 1. | OPENING AND WELCOME |
|-----------|----------------------------|

The Chairperson welcomed all present at the Community Development Committee meeting.

| | | |
|------------|---|------------------|
| 2.1 | COMMUNICATION BY THE CHAIRPERSON | (3/4/3/6) |
|------------|---|------------------|

THAT THERE HAS BEEN SOME CHANGES IN THE SECTION 80 COMMITTEE, ADDED WHICH WAS NEVER PART OF THE PORTFOLIO COMMITTEE MEETING. THE COMMUNITY DEVELOPMENT DEPARTMENT, THE NAME OF THIS PORTFOLIO COMMITTEE SHOULD BE COMMUNITY DEVELOPMENT AND NOT COMMUNITY SERVICES.

| | | |
|------------|--------------------------------|------------------|
| 2.2 | DISCLOSURE OF INTERESTS | (3/6/2/2) |
|------------|--------------------------------|------------------|

NONE

| | |
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| 3. | APPLICATION FOR LEAVE OF ABSENCE |
|-----------|---|

NONE

| | |
|-----------|--------------------------------|
| 4. | CONFIRMATION OF MINUTES |
|-----------|--------------------------------|

| | | |
|-------------|---|----------------------|
| 4.1. | CONFIRMATION OF THE MINUTES: COMMUNITY DEVELOPMENT COMMITTEE | (3/4/3/5/2/4) |
|-------------|---|----------------------|

The minutes of the Community Development Committee Meeting: 2023-08-03 is attached.

FOR CONFIRMATION

| | |
|--------------|---|
| 5. | REPORTS FROM COMMUNITY DEVELOPMENT COMMITTEE |
| 5.1 | NON-DELEGATED MATTERS |
| 5.1.1 | GRANT IN AID POLICY REVIEW |

Collaborator No: 753443
 IDP KPA Ref No: Dignified Living: Municipal Focus Area 21
 Meeting Date: 3 August 2023

1. SUBJECT: GRANT IN AID POLICY REVIEW

2. PURPOSE

To illicit comments from Senior Management for suggested changes to the Grant in Aid Policy prior to submitting same to Council for approval.

3. DELEGATED AUTHORITY

For approval by Council.

4. EXECUTIVE SUMMARY

Feedback reports and comments received during the April 2023 period for comments on the draft budget raised concern and led the department to reconsider the Grant in Aid policy with specific reference to:

- a. Consequences relating to misappropriation of funds and
- b. The misuse of the comment/appeal period after the closing date for applications.

The recommended changes in the attached GiA Policy (ANNEXURE 1) aims to address the above concerns.

COMMUNITY DEVELOPMENT COMMITTEE: 2023-08-03: ITEM: 5.1.1

RESOLVED

- a) That the Community Development Portfolio Committee supports the changes to the Grant in Aid Policy and recommends to the Executive Mayor that it be tabled for consideration at the next Mayoral Committee meeting.
- b) That once approved in principle, the revised Grant in Aid Policy be advertised for public comments, whereafter it must be brought back for final approval.

MINUTES COMMUNITY DEVELOPMENT COMMITTEE MEETING 2023-08-03

| | |
|------------|--------------------------|
| 5.2 | DELEGATED MATTERS |
|------------|--------------------------|

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| 5.2.1 | COMMUNITY DEVELOPMENT MONTHLY REPORT: MAY 2023 |
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Collaborator No: 752393

IDP KPA Ref No: Dignified Living: Municipal Focus Area 21

Meeting Date: 3 August 2023

1. SUBJECT: COMMUNITY DEVELOPMENT MONTHLY REPORT: MAY 2023

2. PURPOSE

To present to the Portfolio Committee the monthly report relating to the functions and activities of the Department: Community Development for the period: May 2023.

3. DELEGATED AUTHORITY

For information to Portfolio Chairperson and the Municipal Manager

4. EXECUTIVE SUMMARY

The Department: Community Development is responsible for service delivery to vulnerable groups. The monthly report account for the activities and programmes as implemented by the Community Development Department for the above-mentioned period.

COMMUNITY DEVELOPMENT COMMITTEE : 2023-08-03: ITEM: 5.2.1

RESOLVED

that the Community Development Committee take **note** of the Outstanding Council Resolutions as of May 2023.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| NAME | <i>Michelle Aalbers</i> |
| POSITION | <i>Manager Community Development</i> |
| DIRECTORATE | <i>Community and Protection Services</i> |
| CONTACT NUMBERS | <i>8408</i> |
| E-MAIL ADDRESS | <i>Michelle.aalbers@ Stellenbosch.gov.za</i> |
| REPORT DATE | <i>06-07-2023</i> |

MINUTES COMMUNITY DEVELOPMENT COMMITTEE MEETING 2023-08-03

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| 5.2.2 | COMMUNITY DEVELOPMENT MONTHLY REPORT: JUNE 2023 |
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Collaborator No: 753445

IDP KPA Ref No: Dignified Living: Municipal Focus Area 21

Meeting Date: 3 August 2023

1. SUBJECT: COMMUNITY DEVELOPMENT MONTHLY REPORT: JUNE 2023

2. PURPOSE

To present to the Portfolio Committee the monthly report relating to the functions and activities of the Department: Community Development for the period: June 2023.

3. DELEGATED AUTHORITY

For information to Portfolio Chairperson and the Municipal Manager

4. EXECUTIVE SUMMARY

The Department: Community Development is responsible for service delivery to vulnerable groups. The monthly report account for the activities and programmes as implemented by the Community Development Department for the above-mentioned period.

COMMUNITY DEVELOPMENT COMMITTEE : 2023-08-03: ITEM: 5.2.2

RESOLVED

that the Community Development Committee take **note** of the Outstanding Council Resolutions as of June 2023.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| NAME | <i>Michelle Aalbers</i> |
| POSITION | <i>Manager Community Development</i> |
| DIRECTORATE | <i>Community and Protection Services</i> |
| CONTACT NUMBERS | <i>8408</i> |
| E-MAIL ADDRESS | <i>Michelle.aalbers@stellenbosch.gov.za</i> |
| REPORT DATE | <i>06-07-2023</i> |

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| 6. | REPORTS SUBMITTED BY THE MUNICIPAL MANAGER |
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NONE

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| 7. | NOTICES OF MOTIONS AND NOTICES OF QUESTIONS RECEIVED BY THE MUNICIPAL MANAGER |
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NONE

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| 8. | URGENT MATTERS |
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NONE

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| 9. | MATTERS TO BE CONSIDERED IN-COMMITTEE |
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NONE

The meeting adjourned at 12:30

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

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| 5.10 | RURAL MANAGEMENT: (PC: CLLR J JOON) |
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NONE

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| 5.11 | MUNICIPAL MANAGER |
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NONE

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| 6. | REPORTS SUBMITTED BY THE EXECUTIVE MAYOR |
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| 6.1 | RETURN ITEM: THE FUTURE USE OF ERVEN RE/279, RE/119 AND FARM 181/0 FOR POSSIBLE ALTERNATIVE ENERGY GENERATION |
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Collaborator No:

KPA Ref No: GOOD GOVERNANCE

Meeting Date: 27 September 2023

1. SUBJECT: RETURN ITEM: THE FUTURE USE OF ERVEN RE/279, RE/119 AND FARM 181/0 FOR POSSIBLE ALTERNATIVE ENERGY GENERATION PROJECTS

2. PURPOSE

To provide Council with the comments from the Participation Process in order to consider the in principle approval the future use of RE/279, RE/119 and Farm 181/0 for alternative energy generation projects through long term leases of the sites for a period of up to 50 years (as required in n Regulation 34(3)(b)).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

As part of Stellenbosch Municipality's loadshedding mitigation strategy, the Municipality is investigating possible sites on which alternative energy can be generated from.

Stellenbosch Municipality who is the owner of Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN (Opposite Landfill site – Devonvalley) X Erven RE/119 (Idas Valley site) x Farm 181/0 (the sites) (Area below Kayamandi Reservoir) has been identified by administration as possible suitable sites from where alternative energy can be generated.

The size of each site is:

According to the standard norms, 1 hectare is required for the generation of 1 Megawatt (MW) energy from Solar Photovoltaic (PV). The estimated energy capacity from the identified sites can be estimated as follows:

- Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN (Opposite Landfill site – Devonvalley) - (Solar PV – Size of Erf = 40.1 hectares = 40 MW
- Erven RE/119 (IdasValley/Botmaskop site) – (Biomass - Size of Erf = 419.4 hectares can be quantified once the process unfolds
- Farm 181/0 (Area below Kayamandi Reservoir) – (Solar PV – Size of Farm = 50 Hectares = 50 MW

The municipality's proposed intention with the identified sites is to procure Independent Power Producers who will through long-term lease agreements with the Municipality generate alternative electricity for municipal consumption.

5. RECOMMENDATION: FOR CONSIDERATION

- 5.1 that Council takes note of the comments received during the public participation process as well as the municipality's response, attached hereto as Appendix "B";
- 5.2 that Council confirms that erven RE/279, RE/119 and Farm 181/0, Stellenbosch as land not needed to provide the minimum level of basic municipal services;
- 5.3 that Council in principle approves the future use of RE/279, RE/119 and Farm 181/0 for alternative energy generation projects through long-term leases of the sites for periods of up to 50 years;
- 5.4 that Council mandates the administration to commence with the legislative process to procure Independent Power Producers who will through long-term lease agreements with the municipality generate alternative electricity for municipal consumption; and
- 5.5 that when the procurement process is completed the matter be brought back to council for a final decision on the disposal of the erven through long term leases.

6. DISCUSSION / CONTENTS

6.1 Discussion

As part of Stellenbosch Municipality's loadshedding mitigation strategy, the Municipality is investigating possible sites on which alternative energy can be generated.

Stellenbosch Municipality who is the owner of Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN (Opposite Landfill site – Devonvalley) X Erven RE/119 (Idas Valley site) x Farm 181/0 (Area below Kayamandi Reservoir) has identified these erven as possible suitable sites from where alternative energy can be generated.

The size of each site is:

According to the standard norms, 1 hectare is required for the generation of 1MW energy from Solar PV. The estimated energy capacity from the identified sites can be estimated as follows:

Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN (Opposite Landfill site – Devonvalley) - (Solar PV – Size of Erf = 40.1 hectares = 40 MW

- Erven RE/119 (IdasValley/Botmaskop site) – (Biomass - Size of Erf = 419.4 hectares can be quantified once the process unfolds
- Farm 181/0 (Area below Kayamandi Reservoir) – (Solar PV – Size of Farm = 50 Hectares = 50 MW

At a Special Council meeting on 27 June 2023, Council resolved that erven RE/279, RE/119 and Farm 181/0, Stellenbosch is land not needed to provide the minimum level of basic municipal services. Furthermore, Council approved the public participation process for propose future use of RE/279, RE/119 and Farm 181/0 for alternative energy generation projects through long term leases of the sites for a period of up to 50 years as well as the information statement (Annexure “A”).

The period for the public participation process ended on 16 August 2023 and four individuals/organizations submitted comments. The municipality also received comments from the Western Cape Provincial Government. omments were requested from National Treasury, however at the time of writing the item National Treasury’s comments were still outstanding

The comments and the municipality’s response are attached as Annexure “B” to the item.

The comments and responses are summarized in the table below:

| No | Name | Comment | Response from the department on comment made |
|----|-----------------------------------|---|---|
| 1. | Stellenbosch Interest Group (SIG) | SIG indicates that it welcomes initiatives for the generation of renewable energy. The location must be appropriate, where it will not be to the possible detriment of the environment or other important attributes of Stellenbosch. | The comment is noted and will be taken into consideration with the drafting of the specifications for the request for proposals. |
| 2. | | <p>Farm 119RE: Image is attached which illustrate the location and topography of Farm 119RE.</p> <p>The Helshoogte Road traverse Farm 119RE from the west shortly after it leaves the built-up area to where it adjoins the Del Aire-Graff Estate and the broader valley. The buildings on Del Aire, including its guest suites overlook Farm 119 RE and the broader valley.</p> <p>The 5m contour lines in the image illustrate the steep slopes and ravines which characterise the terrain.</p> <p>The Helshoogte Road is a listed Grade II scenic route, one of the most beautiful entrance routes to Stellenbosch. The entire Farm 119RE is situated in a Grade II heritage landscape (of province significance).</p> | The Remainder of Farm 119 is zoned Agriculture and Rural. Parts of the relevant property have been heavily degraded. In principle, from an environmental planning point of view, a proposal for a plant that generates energy from bio-mass in the Idas Valley nature area could be supported as the site contains a large volume of alien vegetation that needs to be removed. This support would, however, be subject to the relevant equipment- and plant specifications, size (footprint) of the plant site required, plant placement, - emissions, noise expected to be generated as well as the operational requirements. |

| No | Name | Comment | Response from the department on comment made |
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| | | <p>The Idas Valley Plantations is made up of plantation on the steep slopes of the rolling foothills. It stretches on both sides on the Helshoogte pass, rehabilitated land is seen from the road up towards Bothma's kop.</p> <p>Although there has not been much progress with the rehabilitation process through which the original fynbos would have a chance to become re-established, the presence of invasive plant species cannot be used as motivation for any other land uses on Farm 119RE.</p> <p>Careful consideration needs to be given to the visual impact that will take place should the biomass on the property be used to generate electricity. It is necessary to determine whether it would be cost effective to generate electricity on Erf 119RE in relation to the negative visual impact which will arise from harvesting biomass on the property.</p> | The comments will be taken into consideration with the drafting of the specifications for the request for proposals. |
| 3. | Franklin Adams | Indicates that the notice is compulsory in terms of Regulation 34 of the Asset Transfer Regulation, published in terms of Section 168 of the MFMA | The comment is noted. |
| 4. | | He is aware that the Accounting Officer also see this notice as just a formality and that no matter public inputs his comment will only be noted. | This comment is not correct and without any basis. The Regulation prescribed the process that needs to be followed and a public participation process needs to be followed. All comments received must be considered by the Municipality, prior to deciding on the matter. |
| 5. | | Have no objection to the possibilities of alternative energy because the community need more cost effective and sustainable energy. | This comment is noted. |
| 6. | | Have a fundamental problem that public land be utilised for this purpose which will benefit a private company which is project driven. | This is a municipal initiative to address the negative effect of loadshedding and municipal land should be utilised for this purpose. The land will be lease from the Municipality by the successful tenderer. |
| 7. | | Reference is made to the fact that customers in general will have a potential benefit but this is supposed to be a given. This takes into account the urgent intervention by the National Government to reduce the negative impact of loadshedding. | This comment is noted. |

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| 8. | | The Municipality's mandate is not to generate energy but rather to distribute it. | The negative effect of loadshedding on members of the community, education, businesses, healthcare obliged the Municipality to look at other options to address this issue. |
| 9. | | A competitive process to excess these erven as advertised should be followed. In terms of the MFMA and Supply Chain Policy a fair, equitable, transparent and competitive process should be followed. Will this be done? | A tender process will be followed as envisaged in the MFMA and Supply Chain Management Policy. |
| 10. | | This is public land. What will the economic benefits be for the local previously disadvantage communities through job opportunities, services as well as skills and training? | The objective of the process is to limit the negative effect of loadshedding on members of the community, education, businesses and healthcare. The comments will be taken into consideration with the drafting of the specifications for the request for proposals. |
| 11. | | Will there be a condition by the municipality for a local Black Equity Partner to also financially benefitting out of this public land? | A tender process will be followed as envisaged in the MFMA and Supply Chain Management Policy. The tender process will be fair, equitable, transparent, and cost-effective. Local Enterprises consisting of Black Equity Partners can submit a tender for the use of the properties. |
| 12. | | Provision should be made for alternative appropriate land within WCO24 , e.g Paradyskloof and Brandwaght. | The properties currently identified by the Municipality is the most appropriate for the intended purpose. Should the need however arise the Municipality will investigate and consider alternative appropriate land within WCO24 area. |
| 13. | | The Municipality should advertise for call for proposals. The leases should be reduce to only twenty years. The leases must be market related. There must be a condition of approval for a black BBEE company and or community trust consist of youth, women, disable and military veterans to ensure equality shares and value to the broader community. There must be a condition of approval to ensure benefits for local labourers, skills and training. With the procurement of goods and services there should also be given preferences to local SMME's from Previously Disadvantage Communities. | These issues will be attended too in terms of the tender process to be embarked upon in terms of the Supply Chain Management processes. |
| 14. | | The MM should first conduct information sessions with effected communities before any decisions made by Council and or administration. | This is the purpose of the information statement advertised to obtain inputs from the community and its members. No information sessions are required. |

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| 15. | | There should be elected a Project Steering Committee consist of local communities that should play an oversight role in partnership with the service provider and or preferred bidder. | The Supply Chain Management process to be followed will make provision for oversight by the Municipality. There is no need for communities to be involved in the Supply Chain Management processes. |
| 16. | Friends for Stellenbosch Mountains | Object to the granting of long-term leases of Erf RE/119, Farm 181/0 and SBP279/CN and 279/DN for the following reasons: | |
| 17 | | Support of renewable energy generation: The objection pertains to land use issues, not to the generation of renewable energy. FSM supports the rapid and large-scale convention from current unsustainable power generation to renewables. These convention to renewables may not, come at the expense of environmental damage or monopolistic practices. Use of sites for generation may not violate the law either. | Noted. The relevant zoning applications will be submitted to allow for renewable energy generation on the proposed sites. |
| 18 | | Erf Re 119: This site is physical completely unsuitable for development of any kind: 1. It comprises mountain fynbos; 2. The upper part of Farm 119 is declared Mountain Catchment area; 3. RE/119 ranges in elevation from 300m to 600m above sea level. It is steep and highly visible from the entire Idas Valley, Rustenberg and beyond; 4. The visual impact would significantly degrade the historical landscape and tourism potential of the Helshoogte Pass region; 5. RE/119 is divided in two by a deep gully which is even steeper than the surrounding slopes. Overall, the steep and rutted character of RE/119 would make it very expensive and inefficient to build and maintain any infrastructure | A lot depends on the detail-, specifications of the plant and equipment and its operational requirements. Until this is known it is premature to declare the relevant property as unsuitable for the implementation of the proposed project. |
| 19 | | Biomasss and Public Participation: The Information Statement is extremely vague about the intended land use for Erf RE/119. The single word "biomass" appears, with no context, no plan, and no specifics. The public notice of 11 July 2023 therefore does not deserve to be called an "Information Statement" since it contains so little information as to be useless. It is impossible for the public to provide appropriate comment based on the single word "Biomass". Hence the conditions for a meaningful public participation process as set out in the Asset Transfer Regulations and the Municipal Systems Act have not been satisfied. | We do not agree with this statement. This is the public participation process embarked upon by the Municipality. No additional public participation process is required. Biomass is the result of the many alien vegetation on the site, however the form in which it will be utilised will depend on the proposals submitted in the Supply Chain Management process. |

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| | | | From an environmental planning point of view "biomass" (in this instance) is understood to be alien vegetations that Stellenbosch Municipality, as landowner of the relevant property (and numerous surrounding land that contains alien vegetation) needs to remove, either as prescribed by law or to restore the land to fynbos. |
| 20 | | <p>Biomass is a new ballgame: FSM objects in principle to any lease or development involving biomass until the specifics are made known. If SM has those specifics at hand then a new Information Statement with those specifics must be published. If SM has no specific proposal, the any contract or development based on nothing but the single word "Biomass" amounts to negligence and to misleading Council, Treasury and the public.</p> <p>FSM is very much in support of a transition to renewable energy sources. SM has no experience, however, in biomass energy generation and has no right to sign 50-year lease agreements until it has completed an in-dept feasibility study of the issues involved, followed by a specific biomass energy proposal tailored to the results of the study.</p> | <p>We do not agree with this statement. Biomass is the proposed use on the site as a result of the many alien vegetation on the site, however the specific form in which it will be utilised will depend on the proposals submitted in the Supply Chain Management process. Therefore Council, Treasury and the public are not misled.</p> <p>The purpose of this process is to obtain in principle approval from Council to lease the proposed sites for energy generation purposes so that a contractor with the applicable knowledge and experience can be appointed.</p> <p>The comment will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process.</p> |
| 21 | | <p>Biomass questions: Given the complete absence of information, FSM must resort to questions and guesswork.</p> <ol style="list-style-type: none"> 1. If the intention of the word "Biomass" in the Information Statement is to burn existing on-site wood residues and waste, then Erf RE/119 is quite unsuitable. The available biomass on Erf RE/119 consist mainly of eucalyptus, which is listed as a Category 1b invasive species, meaning that the law prohibits growing, breeding or in any way propagating the eucalyptus. The limited supply of eucalyptus on Erf RE/119 will run out within a few years at most. 2. If the intention is for RE/119 to provide a site for a biomass boiler so as to burn wood residues and | <p>The different options will be considered during the Supply Chain Management process to be embarked upon as to whether to burn onsite wood residues and waste/biomass boiler/plantation of fast-growing biomass crops. The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process. The legislative requirements will be complied with and the necessary approvals will be obtained where necessary and applicable.</p> |

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| | | <p>waste from the entire WC24, then again RE/119 is quite unsuitable. A biomass boiler needs a hectare or two to function, not the 419 hectares comprising RE/119. The obvious placement for such functions would be near the existing landfill sites, not high up on a mountain slope.</p> <p>3. If the intention is to put up a plantation of fast-growing biomass crops, then any lease agreement must be preceded by a detailed analysis of the ecological, water and economic implications.</p> <p>i) Ecological issues include the long-term viability of any proposed species on the Botmanskop mountain slopes, the associated destruction of existing natural vegetation, the potential that such crop may itself become invasive, associated soil degradation on the steep slopes, and the fact that RE/119 abuts the Hottentotsholland Nature Reserve.</p> <p>ii) Water is a critical factor. If such proposed fast-growing crop needs to be irrigated, a feasibility study must show how that water supply will be secure for the decades to come in an era of worsening droughts.</p> <p>iii) Economic issues include the cost of pumping water by 100m or more up the mountain slopes, the risk of wildfires destroying the crops, and the higher cost of transporting wood waste to RE/119 as compared to the obvious placement near the existing landfill site.</p> | <p>The relevant equipment and plant specifications, size of the plant site required, plant placement, -emissions, noise expected to be generated as well as the operational requirements will be considered on whether the Remainder of Farm 119 is feasible or not</p> |
| 22 | | <p>Farm 181/0: One half of Farm 181/0 forms part of the Papegaaiberg Protected Area. The whole purpose of a protected area is to prevent development of precisely the kind proposed by the SM information statement. Development even a part of a declared Protected Area is unlawful in terms of the Protected Areas Act and associated regulations.</p> | <p>A portion of Farm 181 is located within Papegaaiberg Nature Reserve (declared in terms of the National Environmental Management: Protected Areas Act [57 of 2003]). The remainder is located outside of this declared area and may be considered for the proposed project. The utilisation of this part would not be unlawful.</p> |

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| | | The other half of Farm 181/0 is directly adjacent to Kayamandi. It remains to be demonstrated by SM how dozens of hectares of valuable solar panels and installations would survive for more than weeks at a time on this half. | These comments are noted. Security measures can be implemented should the need therefor arises. |
| 23 | | SBP 279/BN, 279/CN and 279/DN: No detail information on these erven. FMS object, however until such time as it can be demonstrated that these sites are more suitable than the alternatives set out below. | The identified sites are more suitable as the alternative sites identified. For instance, the Golf Club site is under a long-term lease and cannot be utilised for this purpose. Farm RE/16531 cannot be utilised as an alternative. |
| 24 | | Presence of alien invasive plants: The presence and density of alien invasive plants on any of the proposed land units is irrelevant to the consideration of the leases. The Biodiversity Act states unequivocally that the land owner (in this case Stellenbosch Municipality) is responsible for controlling and eradicating invasives on all its land. If alien invasives are found on the land units in question, that is an indictment of SM as not having complied with the law. Unlawful activity or negligence can never motivate a development proposal. | The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process. The legislative requirements will be complied with, where necessary and applicable. |
| 25 | | Alien clearing costs and responsibility: Should SM go ahead and lease out the land which still contains alien invasives, then the legal and fiscal responsibility for alien clearing will (depending on the terms of the lease) either remain with SM or devolve to the lessee. In both cases, the financial implications for the full duration of the lease would have to form part of any lease agreement. Should the onus for alien clearing be placed on the lessee, it still remains the responsibility of SM to enforce the terms of such alien clearing clauses. Not enforcing lease terms would once again mean that SM is in violation of its own agreement and the Biodiversity Act. | The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process as well as the lease agreement entered into between the respective parties. |
| 26 | | Possible alternatives for renewable energy generation; There are a number of viable alternatives for large-scale renewable generation within Stellenbosch town and vicinity: 1. Farm RE/16531 of 68 hectares currently comprises the Stellenbosch Golf Club. This land unit would be much more suited for renewable generation than any of those being proposed in the notice of 11 July. The economic "benefits" of the golf course are in dispute, since these benefits accrue only those who are already | The Golf Club is leased in terms of a long-term lease agreement. These rights cannot be terminated. Therefor Farm RE/16531 cannot be utilised as an alternative. |

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| | | <p>well off. The economic benefits of 68 hectares of solar power generation far outweigh any “benefits” due to golf course operation and associated tourism.</p> <p>2. Biomass production and/or burning could potentially be sited on a number of land units which are more easily accessible, would have a much smaller environmental impact and be more economically viable, than RE/119.</p> <p>3. Fiscal policy and by-laws are the most effective tools for achieving a rapid and large-scale transition to renewable energy. Private co-generation and tax credit for private owners are not hard to implement, can be achieved rapidly and would significantly reduce the need for Eskom power. The consequent reduction in loadshedding entails massive economic benefits for Stellenbosch residents. Stellenbosch Municipality is supposed to prioritise the economic wellbeing of its residents over serving a small elite of external contractors. Most urgently, SM should roll out an improved by-law and take fiscal measures to strongly encourage co-generation of renewables stied on the thousands of hectares of rooftops in this town</p> | <p>This comment is noted.</p> <p>Solar systems for example are expensive and cannot be afforded or implemented by the poor. As a result, thereof Stellenbosch Municipality is prioritising the economic wellbeing of its residents with the proposed implementation of the alternative energy generation projects.</p> |
| 27 | | <p>Loadshedding is cited as a primary motivation for the development proposal. That is short-sighted and misleading. Perhaps loadshedding will be mitigated or ended within a few years by the energy transition happening on national level? Perhaps rooftop co-generation may in itself solve loadshedding? The real motivation for renewable energy is not loadshedding but climate change.</p> | <p>Loadshedding and it negative effects on the WCO24 area, its communities, education, hospitals and business is the reason for this proposal. To allege that loadshedding will be solved in the next few years on national level is speculative at best and it indicate that the Municipality should rather be reactive then proactive.</p> |
| 28 | | <p>No Monopoly: A long term energy strategy for Stellenbosch must not be monopolistic. Stellenbosch Municipality must allow and encourage large-scale renewable energy generation not just on municipal land, but permit private landowners to do so also. Eskom has shown what happens when a power generation monopoly develops. Naturally private renewable power proposals must go through the same vetting processes which we have already set out.</p> | <p>Your comment is noted. However, the Municipality is currently focussing on municipal land for the proposed intention.</p> |

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| 28 | | <p>Corruption: As pointed out by many, the potential of long term leases for corruption is high. We point to Karpowership, proposed nuclear power stations and similar long-term expensive single-item projects which provide a breeding ground for corruption between officialdom and well-connected capital. Fifty years is a long time. It is highly likely that any 50-year lease signed by Stellenbosch Municipality would fall prey to similar dynamics in the coming years and decades.</p> | <p>This is speculative at best. There will be a written lease agreement in place in terms of which the relationship between the contractor and the Municipality will be regulated and monitored.</p> |
| 29 | Provincial Treasury | <p>Following a thorough review of the information statement and accompanying documentation provided, Provincial Treasury can confirm that the Municipality has thus far adhered to section 34 and 35 of the Municipal Asset Regulations (2008) and section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003)</p> | <p>This comment is noted.</p> |
| 30 | | <p>Financial and Economic implications</p> <p>The information statement submitted by the Municipality clearly outlines the expected financial and economic benefits to be derived from the process, thereby satisfying the requirements of section 36(b) of the Municipal Asset Management Regulations. These include monetary savings arising from less bulk purchases from Eskom as well as the potential benefits associated with reduced loadshedding</p> <p>The Municipality should confirm that they have considered whether it will not be more advantageous from a financial perspective to rather dispose of the asset (as opposed to the long-term lease). Any such disposal process (ownership transfer) should take place in accordance with section 40 of the Municipal Supply Chain Management Regulations (2005)</p> <p>The Municipality is reminded that the private sector parties to whom the right to use, control or manage the assets in question are to be ceded, will perform a commercial service in the land and will in time become service providers to the Municipality (if the Municipality buys energy from them). Section 42(c) of the Municipal Asset Transfer Regulations will therefore apply, whereby a feasibility study should be conducted to determine the financial and other implications of having the service provider perform the service.</p> | <p>This comment is noted.</p> <p>This comment is noted. The Municipality do not wish to sell the identified properties but would rather want to enter into long-term lease agreements.</p> <p>The comment is noted, and the necessary feasibility studies will be conducted should same be required.</p> |

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| <p>31</p> | | <p>Detailed comments on the envisaged benefits and risk associated with the anticipated lease is attached hereto as Annexure A.</p> <p>As required by section 41(1) of the Municipal Asset Regulations, the process to grant the rights to use, control or manage the asset must take place in accordance with the Municipality's disposal management system, irrespective of the value of the asset, the period for which the right is to be granted, or whether the right is to be granted to a private or organ of state.</p> <p>Furthermore, before a final determination can be made to lease the properties in question, Council requires assurance that the IPP's or their successors-in-title, will provide adequate maintenance and safeguarding of the asset, as required by section 41(4) of the Municipal Asset Regulations.</p> <p>Environmental considerations</p> <p>As per the information statement, Erven 119 is being identified as a possible biomass site which can pose certain environmental risks especially given that this property is located to the Idas Valley residential area. These risks include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Unsustainable harvesting or land-use practices can lead to deforestation, soil degradation, and loss of biodiversity. • Burning of biomass can release greenhouse gases, contributing to air pollution and climate change. • Biomass combustion can produce emissions of nitrogen oxides (NOx), sulfur dioxide (SO2), and volatile organic compounds (VOCs), which can contribute to air quality issues and health concerns if not properly controlled. <p>The Municipality should ensure that these risks are appropriately mitigated.</p> <p>Additional matters</p> <p>The Municipality is advised to ensure that the lease contracts make provision for –</p> <ul style="list-style-type: none"> • Conditions under which the assets will be returned to the Municipality after the lease expires, including specifying who will be responsible | <p>The detailed comments on the envisaged benefits and risk associated with the anticipated lease is acknowledge.</p> <p>A supply chain management process will be followed.</p> <p>This will be addressed during the Supply Chain Management process to be followed.</p> <p>These comments and concerns are noted, and the Municipality will ensure that these risk are appropriately mitigated in the supply chain management process to be followed.</p> <p>This comment is noted and will be taken into consideration during the</p> |
|-----------|--|---|--|

| | | |
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| | <p>for development and/or rehabilitation costs upon expiration of the lease;</p> <ul style="list-style-type: none"> • Skills transfer and capacitation of municipal staff; and • Corporate social responsibility commitments. <p>The Municipality should consider whether the proposed agreements with the service providers constitute public-private partnerships, which will then be subject to the conditions outlined in section 120 of the MFMA.</p> <p>To facilitate a holistic response to the energy crisis, the Municipality should further continue to participate in the Western Cape Government's Municipal Energy Resilience (MER) initiative.</p> <p>The Municipality's proposal to extend land leases to be used for renewable energy generation appears to offer several compelling benefits, ranging from cost savings and improved energy reliability to economic development and environmental sustainability. However, it is crucial for the Municipality to conduct thorough due diligence, engage with experts, involve local stakeholders, and carefully structure lease agreements and contracts. Additionally, maintaining flexibility in its approach and continuously monitoring and adapting to changing market and regulatory conditions can help mitigate potential risks and maximize the benefits of renewable energy projects on municipal land.</p> <p>Please note that all reasons, motivations and information in support of the decision to award the leases must be kept for audit purposes.</p> | <p>Supply Chain Management process.</p> <p>This comment is noted and will be taken into consideration by the Municipality.</p> <p>This comment is noted.</p> <p>This comment is noted and will be taken into consideration by the Municipality.</p> <p>This comment is noted.</p> |
|--|---|---|

6.4 Financial Implications

The following are the municipal valuations for erven RE/279, RE/119 and Farm 181/10:

| Description | Municipal Valuation |
|---|---------------------|
| Farm 181/0 (Area below Kayamandi Reservoir) | 217 000 |
| Erven RE/119 (IdasValley site/Botmanskop) | 3 760 000 |
| Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) | 6 105 000 |
| | 10 082 000 |

6.5 Legal Implications**6.5.1 Legislative considerations****Municipal Finance Management Act (Act 56 of 2003)****14. Disposal of capital assets**

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public:

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

Response to the provisions of Section 14 of the MFMA:

The propose identified sites are not currently used to provide the minimum level of basic municipal services and is not earmarked for the provision of basic municipal services.

The collective value of the erven is more than R10 million and the propose intention is to enter into a long-term lease agreement for a period of approximately 50 years.

The identified sites remains the property of the Municipality and ownership will not be transferred to any beneficiary.

The Municipality expect the following possible benefits from the granting of the rights in the sites:

- a) The development and management of the alternative energy facilities will result in savings on maintenance and staff costs, while at the same time reducing the negative impact of loadshedding to the broader Stellenbosch Community.
- b) The optimal utilization of the sites may produce opportunities to save on bulk electricity purchases as it is anticipated that the cost would be at a rate lower than what the Municipality is purchasing electricity from Eskom currently.
- c) A professionally managed power producing facility has the potential to reduce the negative effects of loadshedding, attract new customers and new investments to Stellenbosch.
- d) These sites will be professionally managed by expertise in the alternative energy generation field.
- e) The facilities have the ability to serve as a blue print for Stellenbosch Municipality.
- f) These facilities have the ability to stimulate economic activities in the respective areas.

Asset Transfer Regulations

34 In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

- “1)a) The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and*
- b) The municipal Council has approved in principle that the right may be granted.*
- 2) *Sub-regulation (1)(a) must be complied with only if:*
 - a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and*
 - b) a long-term right is proposed”.*

In considering options Council must treat the properties as a property that falls within this category valued in excess of R10M.

- “3)a) Only a Municipal Council may authorise the public participation process referred to in sub-regulation (a)*
- b) a request to the Municipal Council for the authorisation of a public participation process must be accompanied by an Information Statement*, stating:*
 - i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;*
 - ii) any expected benefit to the municipality that may result from the granting of the right;*
 - iii) any expected proceeds to be received by the municipality from the granting of the right; and any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right”.*

Response to Regulation 34 of the Asset Transfer Regulations:

The collective municipal value of the sites exceeds R10 million and the proposed intention is to enter into a long-term lease agreements for a period of approximately 50 years. The land will be used to provide much needed energy for the residents of the WC024 and will therefore benefit the municipality as a whole whilst remaining municipal assets and have positive effects on the environment in the case of the biomass plant.

Council approval the commencement of the public participation process and the information statement referred to in Regulation 34(3)(b) is attached hereto as Annexure “A” was published on 13 July 2023.

The recommendation in this report complies with Council’s policies and all applicable legislation.

6.6 Staff Implications

The recommendation has no additional staff implications for the municipality.

6.7 Previous / Relevant Council Resolutions**SPECIAL COUNCIL MEETING: 2023-06-27: ITEM 10.6****RESOLVED** (majority vote with 9 abstentions)

- (a) that Council confirms that erven RE/279, RE/119 and Farm 181/0, Stellenbosch as land not needed to provide the minimum level of basic municipal services;
- (b) that Council approves the public participation process for the propose future use of erven RE/279, RE/119 and Farm 181/0 for Alternative Energy Generation Projects;
- (c) that Council approves the information statement attached as Annexure "A"; and
- (d) that the item will return to Council for an in-principle decision on the future use after the public participation process closed.

6.8 Risk Implications

Risk implications are addressed in the item and the information statement.

ANNEXURES

Annexure "A": Information Statement

Annexure "B": Comments received during the Public Participation Process

FOR FURTHER DETAILS CONTACT:

| | |
|-------------------------------|---|
| <i>NAME</i> | <i>Kevin Carolus</i> |
| <i>POSITION</i> | <i>Chief Financial Officer</i> |
| <i>DIRECTORATE</i> | <i>Financial Services</i> |
| <i>CONTACT NUMBERS</i> | <i>021 808 8528</i> |
| <i>E-MAIL ADDRESS</i> | <i>Kevin.Carolus@stellenbosch.gov.za</i> |
| <i>REPORT DATE</i> | <i>21 September 2023</i> |

Annexure “A”
Information Statement

11 MENSE IN BAKKIE

Pa in hof ná 5 se dood in ongeluk

Ané van Zyl

Die man agter die stuur van 'n Ford Bantam-bakkie waarin vyf mense Sondagaand op die N1 in Kaapstad dood is, word van dronkbestuur en strafbare manslag aangekla.

Adrian (Rian) Hanse (40) het Dinsdag in die landdroshof in Blue Downs verskyn.

Hy is op borgtog van R5 000 vrygelaat op voorwaarde dat hy nie die saak met enige van die getuies bespreek nie.

Twee van sy dogters, Abigail (7) en Sarisa (15), is in die ongeluk dood, asook sy vrou se susterskinders Devoline (11) en Cruzan Kyba (16 maande), en Sarisa se maat, Elwina Lesch (18). Hy het Sondagaand omstreeks



Sarisa Hanse (15)



Die 16 maande oue Cruzan Kyba.



Abigail Hanse (7)



Die Ford Bantambakkie op die ongelukstoneel. Foto: Titanium Securitas

ongeluk oorleef, asook Nolisa se susters Clarine en Jolene Kyba en Jolene se dogter, Alexa (17). Nog 'n vierjarige kind het oorleef.

Die groep het vroeër die dag by Nolisa se ma in die Koue Bokke-

veld naby Ceres gaan kuier en was in die rigting van Dunoon naby Milnerton onderweg waar hulle twee van die passasiers sou aflaai. Hierna sou hulle in die rigting van Moorreesburg ry waar die Hanse-gesin woon.

Gerhard Hanse (33), Rian se broer, het vroeër aan *Die Burger* gesê Rian is 'n vrugmotorbestuurder met jare se ervaring. Hy "het heelwat vrag" oor hoe die ongeluk gebeur het. Sy "hart is in stukkie" oor Abigail en Sa-

risa se dood. Die saak teen Rian is tot 18 Augustus vir verdere ondersoek uitgestel. ■ In 'n onverwante saak het die Nasionale Vervolgingsgesag Dinsdag bevestig die staatsal

nog 'n klag teen Mminikhaya Mvuli byvoeg wanneer hy op 8 September in die hof verskyn. Dit kom nadat 'n sesde leerling wat in die grusame ongeluk in Mei in AZ Berman-rylaan in Mitchells Plain betrokke was, in die hospitaal dood is.

Vyf ander leerlinge, almal van Khayelitsha, is op die toneel dood toe die bakkie wat hulle skool toe vervoer het, glo die middelmannetjie getref en teen 'n verkeerslig gebots het.

Mvuli, die bestuurder, sal nou teregstaan op ses aanklagte van strafbare manslag en 'n aanklag van roekelose en nalatige bestuur.

Hy is op borgtog van R2 000 vrygelaat. Hy mag nie met die getuies kommunikeer nie.

Weskus-familie in hof oor 'onregmatige' toelae van R6 miljoen

Jana Breytenbach

Lede van 'n familie aan die Weskus het gister in die hof in Laaiplek verskyn op aanklagte van bedrog van R6 miljoen.

Die staat beweer die beskuldigde het aansoek gedoen om 'n toelae ingevolge die departement van landbou se grondhervorming- en ontwikkelingsafdeling terwyl hulle nie daarop geregtig was nie.

Willem Klaase (67), Martha Klaase (71), Marga Klaase (43), Wilbur Klaase (44), Alberto Klaase (39), Brian Phillipus (43) en Elton Smith (42) is Dinsdag deur die Valke in hegtenis geneem en het gister in die hof verskyn.

Hulle is op borgtog van R3 000 elk vrygelaat en die saak is tot 24 Julie uitgestel. Die beskuldigde sal dan in die handelshof in Bellville verskyn.

Die Valke se eenheid teen handels- en georganiseerde misdaad ondersoek die saak.

Volgens lt.kol. Siyabulela Vukubi, woordvoerder van die Valke, het die ondersoekspan klagte van bedrog begin ondersoek nadat hulle inligting ontvang het van ongerymdhede met betrekking tot die Welbeloon Boerdery-trust.

Die ondersoek is in Vredenburg, Saldanha en Laaiplek gedoen.

Volgens Vukubi het hulle inligting ontvang dat Willem Klaase glo tussen November 2007 en Oktober 2008 'n sakeplan by die departement ingedien het sodat hulle uit die toelae voordeel kon trek. Die projek se naam was die Willem Klaase Projek: Welbeloon Boerdery-trust.

'n Deel van die toelae sou gebruik word om deel 6 van die Pampoenkraal-plaas in die Piketberg-distrik te koop.

Begunstigdes wat vir dié toelae kwalifiseer, het onder meer pensioentrekkers, jongmense en werklose mense ingesluit.

Die begunstigdes het aangevoer hulle kwalifiseer volgens die departement se kriteria aangesien hulle trustees van die Welbeloon-trust is.

Volgens Vukubi het dit egter later aan die lig gekom dat al sewe die "begunstigdes" werknemers van staatsentiteite is. Hulle het dus nie vir die toelae gekwalifiseer nie.

Twee van die beskuldigdes is onderwysers en die res werk almal by Transnet.

As gevolg van hierdie wanvoorstelling het die departement meer as R6 miljoen verloor.

"Net die sewe trustees het baat gevind by die toelae, terwyl van die begunstigdes nie van die toelae bewus was nie," sê Vukubi.

Noordooste van VSA begin opruim ná hewige storms

Amptenare in die noordoostelike deelstate van Amerika het gister die skade aan infrastruktuur bekyk ná erge storms en oorstromings die afgelope paar dae.

Phil Scott, goewerneur van Vermont, sê meer as 100 mense is sedert Sondag uit vloedwaters gered, berig die BBC.

Volgens Scott is opruimingswerk in die stad Montpelier gister van stapel gestuur.

Mense in Montpelier sowel as die nabygeleë Berlin is aangesê om hul water te kook, te midde van kommer dat die oorstromings moontlik die drinkwater kon besoedel.

Brendan McNamara, munisipale bestuurder van Ludlow, sê dié dorpie in Massachusetts is die swaarste deur die stormweer getref. Talle mense moes verwyder word.

McNamara sê hy het met inwoners gepraat wat aan hom vertel het dat hul huise deur die vloedwaters meegesleur is.

Andrew Molen, 'n restauranteiener in Ludlow, sê talle brúe, paaie en motors in die omgewing is weggespoel. Hy beskryf die skade as katastrofies.

Die owerhede was aanvanklik bekommerd oor die oorvol Wrightsville-dam in Montpelier, maar die water het gister



'n Inwoner van die dorp Bridgewater in Vermont dra sy besittings uit sy huis te midde van vloed in die noordoostelike deelstate van Amerika. Foto: AP

begin sak. Volgens CNN het pres. Joe Biden reeds vroeër die week met Scott en ander amptenare oor die oorstromings gepraat. 'n Regeringswoordvoerder sê die Witrus sal saam met staats- en plaaslike amptenare werk om die uitwerking van die oorstromings te monitor.

Chris Sununu, goewerneur van New Hampshire, sê reders is per boot en helikopter na Vermont gestuur om te help met die reaksie op die oorstromings. Hy sê reddingspaaie van Connecticut, Massachusetts en Noord-Carolina is ook tans in Vermont om hulp te verleen.

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OFFICIAL NOTICE:
INFORMATION STATEMENT IN RELATION TO Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (Opposite Landfill site – Devonvalley) X Erven RE/119 (IdasValley /Botmaskop site) x Farm 181/0 (Area below Kayamandi Reservoir)

INFORMATION STATEMENT

- PURPOSE**
To provide the prescribed information in terms of Regulation 34 and 35 of the Asset Transfer Regulations, published in terms of Section 168 of the Local Government: Municipal Finance Act (R878, 22 August 2008), to the public to provide input during the Public Participation Process.
- BACKGROUND**
As part of Stellenbosch Municipality's loadshedding mitigation strategy, the Municipality is investigating possible sites on which alternative energy could be generated from.
Stellenbosch Municipality who is the owner of Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (Opposite Landfill site – Devonvalley) X Erven RE/119 (IdasValley site) x Farm 181/0 (Area below Kayamandi Reservoir) has identified these erven as possible suitable sites from where alternative energy could be generated.

According to the standard norms, 1 hectare is required for the generation of 1 Megawatt (MW) energy from Solar Photovoltaics (PV). The estimated energy capacity from the identified sites can be estimated as follows:
- Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (Opposite Landfill site – Devonvalley) - (Solar PV – Size of Erf = 40.1 hectares = 40 MW
- Erven RE/119 (IdasValley/Botmaskop site) – (Biomass - Size of Erf = 419.4 ha – MW will be quantified as the process unfolds).
- Farm 181/0 (Area below Kayamandi Reservoir) – (Solar PV – Size of Farm = 50 Hectares = 50 MW)
The municipality's intention with the identified sites is to procure Independent Power Producers who will, through a long-term lease contracts, for up to 50 years with the Municipality, generate electricity for municipal consumption.
- DISCUSSION**
 - Public Participation Process**
Before the Municipal Council can make an in principle decision on whether rights to use, control or manage capital assets (identified sites) can be granted, the Municipal Manager must first conduct a public participation process in terms of the Asset Transfer Regulations.
 - Information Statement**
In terms of Regulation 35, when the Municipal Manager makes the proposal to grant the relevant long term right(s) for the potential leasing of the identified sites, the Information Statement referred to in Regulation 34 must be publicly advertised.

In terms of Regulation 34 an Information Statement must consist of the following:
a) the reason for the proposal to grant a long-term right to use, control or manage the relevant capital asset in this instance the identified sites.
b) any expected benefit to the municipality that may result from the granting of the right.
c) any expected proceeds to be received by the municipality from the granting of right; and
d) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.
 - Reason(s) for the proposal to grant a long term right to use, control or manage the identified sites**
 - Currently, Stellenbosch Municipality does not have the required electricity capacity and infrastructure to generate alternative energy during loadshedding to ensure reduced effects of loadshedding. The Municipality would require land on which to build infrastructure to generate alternative energy.
 - Making land available to enable long-term contracts with possible Independent Power Producers is in the best interest of Council and the Stellenbosch Community.
 - Making land available presents the municipality with an opportunity to get into a self-sustainable position in terms of ensuring reduced negative effects of loadshedding on the community and businesses within the municipality's jurisdiction. This could also serve as a possible additional infrastructure investment.
 - A professionally managed power producing facility has the potential to reduce the negative effects of loadshedding on the community and businesses within the municipality's jurisdiction and attract new customers and new investments to Stellenbosch.
 - Expected benefits to the municipality that may result from the granting of the rights**
 - The development and management of the alternative energy facilities will result in savings on maintenance and staff costs, while at the same time reducing the impact of loadshedding to the broader Stellenbosch Community.
 - The optimal utilization of the sites may produce opportunities to save on bulk electricity purchases as it is anticipated that the cost would be at a rate lower than what the municipality is purchasing electricity from Eskom.
 - A professionally managed power producing facility has the potential to reduce the negative effects of loadshedding, attract new customers and new investments to Stellenbosch.
 - These sites will be professionally managed by expertise in the alternative energy generation field.
 - The facility will have the ability to serve as a blueprint for Stellenbosch Municipality.
 - These facilities have the ability to stimulate economic activities in the respective areas.
 - Expected proceeds to be received by the municipality from the granting of the rights**
 - here is a potential monetary benefit to the savings to the bulk purchases from Eskom.
 - Customers in general will also have a potential benefit as a result of the reduced negative impact of loadshedding.
 - Expected gain or loss that will be realised or incurred by the municipality arising from the granting of the rights**
 - Valuable assets in the ownership of the municipality will be developed at no cost to the municipality.
 - The alternative energy generation infrastructure will be developed, managed and maintained in accordance with acceptable standards, at no cost to the municipality.
 - Less financial pressure on the municipality's capital and operating budgets.
 - Stimulus of economic activities for the Stellenbosch community.
- Location and context**

Farm 181/0 (Area below Kayamandi Reservoir)

Erven RE/119 (IdasValley site Botmaskop area)

Erven RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (Opposite Landfill site – Devonvalley)
- Public comment invited**
The public are invited to provide input/comment to the municipality on the proposal to enter into a long term lease agreement for up to 50 years with suitable independent power producers to use the sites for the primary function of alternative energy generation with the of reducing the impact of loadshedding.

Comment must reach the offices of the Municipality on or before 16 August 2023 and must be addressed to the Municipal Manager. Comments can be sent via email to Municipal.Manager@stellenbosch.gov.za or delivered to the 3rd Floor, Main Office Building, 17 Plein Street, Stellenbosch.

Any queries can be directed to Municipal Manager, Geraldine Mettler, at (021) 808 8025 or via email at Municipal.Manager@stellenbosch.gov.za

DATE: 11 JULY 2023

GERALDINE METTLER
MUNICIPAL MANAGER: STELLENBOSCH MUNICIPALITY

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AMPTELIKE KENNISGEWING:
INLIGTING DEKLARASIE MET BETREKING TOT Erve RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (oorkant die Stortingsterrein – Devon Vallei) X Erve RE/119 (Idas Vallei / Botmaskop perseel) x Plaas 181/0 (Area onder Kayamandi Opgaardam)

AMPTELIKE KENNISGEWING:

- DOEL**
Om ingevolge Regulasie 34 en 35 van die Bate Oordrag Regulasies, soos geproklameer in terme van Artikel 168 van die Plaaslike Regering: Munisipale Finansierings Wet (R878, 22 August 2008) die voorgeskrewe inligting aan die publiek te voorsien, ten einde die publiek geleentheid te gee om kommentaar daarop te lever gedurende die Publieke Deelname Proses.
- AGTERGROND**
As deel van Stellenbosch Munisipaliteit se beurtkrug mitgasie strategie, is die Munisipaliteit besig om moontlike persele te ondersoek om alternatiewe energie daarvan op te tek.
Stellenbosch Munisipaliteit as eienaar van erve RE /279 (SBP279/BN, SBP279/CN and SBP279/DN) (oorkant die Stortingsterrein – Devon Vallei) X Erve RE/119 (Idas Vallei perseel) x Plaas 181/0 (Area aan onderkant van Kayamandi Opgaardam) het voormelde erve geïdentifiseer as moontlike gepaste persele waarvan alternatiewe energie gegeneer kan word.

Ooreenkomstig die toepaslike standaard norme, word 1 hektaar benodig vir die opwekking van 1 Megawatt (MW) energie van Fotovoltaïese sonkrag (FV). Die geskatte energie kapasiteit van die geïdentifiseerde persele kan as volg beraam word:
- Erve RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (oorkant die Stortingsterrein – Devon Vallei) - (Fotovoltaïese sonkrag – Grote van Erf = 40.1 hektaar = 40 MW
- Erve RE/119 (Idas Vallei/Botmaskop perseel) – (Biomassa - Grote van Erf = 419.4 hektaar – MW sal gekwantifiseer word soos die proses ontvou).
- Plaas 181/0 (Area onder Kayamandi Opgaardam) – (Fotovoltaïese sonkrag – Grote van Plaas = 50 hektaar = 50 MW)
Die Munisipaliteit se bedoeling met die geïdentifiseerde persele is om Onafhanklike Energie Produseerders aan te stel wat deur lang termyn huurkontrakte met die Munisipaliteit alternatiewe energie vir munisipale gebruik op te tek.
- BESPREEK Publieke Deelname Proses**
Alvorens die Munisipale Raad 'n finale besluit kan neem ten einde regte toe te staan om Munisipale eiendom te gebruik, beheer of te bestuur (geïdentifiseerde persele), moet die Munisipale Bestuurder eerste 'n publieke deelname proses in terme van die Bate Oordrag Regulasies volg.
- Inligting Deklarasie**
In terme van Regulasie 35, wanneer die Munisipale Bestuurder 'n voorstel maak om relevante lang termyn regte vir die moontlike verhuur van die geïdentifiseerde persele te verleen, moet 'n Inligting Deklarasie soos vermeld in Regulasie 34 in die openbaar geadvertiseer word.

Ingevolge Regulasie 34 moet 'n Inligting Deklarasie die volgende inligting bevat:
a) die redes daarstel vir die voorstel om 'n lang termyn reg om 'n munisipale bate te gebruik, beheer of bestuur te verleen ten opsigte van die geïdentifiseerde persele.
b) enige verwagte voordeel wat die Munisipaliteit sal toeval as gevolg van die verlening van die reg.
c) enige verwagte opbrengste wat deur die Munisipaliteit ontvang sal word uit die verlening van die reg; en
d) enige verwagte voordeel of verlies wat deur die Munisipaliteit gerealiseer of opgevolg sal word as gevolg van die verlening van die reg.
- Rede(s) vir die voorstel om 'n lang termyn reg op die geïdentifiseerde persele te verleen om die geïdentifiseerde persele te gebruik, beheer of te bestuur**
 - Stellenbosch Munisipaliteit het nie die vereiste elektrisiteit kapasiteit en infrastruktuur om alternatiewe energie gedurende beurtkrug te verrek nie om die negatiewe effek van beurtkrug te beperk. Die Munisipaliteit benodig grond om infrastruktuur te bou om alternatiewe energie te verrek.
 - Die beskikbaarstelling van munisipale grond om lang termyn ooreenkomste te sluit met Onafhanklike Energie Produseerders is in die beste belang van die Raad en Stellenbosch gemeenskap.
 - Die beskikbaarstelling van grond bied die munisipaliteit die geleentheid om 'n selfvoelbare posisie te kom in terme van die versekering van verminderde negatiewe uitwerking van beurtkrug op die gemeenskap en besigheids binne die munisipaliteit se jurisdiksie. Dit kan ook dien as 'n moontlike bykomende infrastruktuurbelegging.
 - 'n Professioneel bestuurde kragproduserende fasiliteit het die potensiaal om die negatiewe uitwerking van beurtkrug op die gemeenskap en besigheids binne die munisipaliteit se jurisdiksie te verminder en nuwe kliënte asook nuwe beleggings na Stellenbosch te lok.
- Verwagte voordeel vir die Munisipaliteit wat mag toeval as gevolg van die verlening van die regte.**
 - Die ontwikkeling en bestuur van die alternatiewe energie fasiliteite sal aanleiding gee tot besparing op onderhoud en personeel kostes, terwyl die negatiewe impak van beurtkrug op die bres Stellenbosch gemeenskap verminder sal word.
 - Die optimale gebruik van die voorgestelde persele mag geleentheid skep om op die bulk aankoop van elektrisiteit te bespaar aangesien dit geïdentifiseer word dat die aankoopkoste laer sal wees as wat die Munisipaliteit elektrisiteit van Eskom aankoop.
 - 'n Professioneel bestuurde krag produserende fasiliteit het die potensiaal om die negatiewe effek van beurtkrug te verminder en om nuwe kliente en beleggers na Stellenbosch te lok.
 - Hierdie persele sal professioneel bestuur word deur kundiges in die alternatiewe energie voorsieningsveld.
 - Die fasiliteit sal die vermoë het om as blouprint vir Stellenbosch Munisipaliteit te dien.
 - Hierdie fasiliteite het die vermoë om ekonomiese aktiviteite in verskeie areas te stimuleer.
- Die verwagte verdienste wat deur die Munisipaliteit ontvang sal word as gevolg van die verlening van die regte**
 - Daar is 'n potensieel voordeel in besparing in grootmaat elektrisiteit aankope van Eskom.
 - Kliente in die algemeen sal ook 'n potensieel voordeel geniet as gevolg van die verlaagde negatiewe impak van beurtkrug.
- Verwagte voordeel of verlies wat gerealiseer of opgevolg word deur die Munisipaliteit voortspruitend uit die verlening van die regte**
 - Waardevolle bate van die Munisipaliteit word ontwikkel sonder enige koste van die Munisipaliteit.
 - Die alternatiewe energie opwekking infrastruktuur sal ontwikkel, bestuur en onderhou word in orreënstemming met aanvaarbare standarde, sonder enige koste van die Munisipaliteit.
 - Minder finansiële druk op die Munisipaliteit se kapitaal en operasionele begroting.
 - Stimulering van ekonomiese aktiviteite vir die Stellenbosch gemeenskap.
- Ligging en konteks**

Plaas 181/0 (Area onder Kayamandi Opgaardam) Bate Oordrag Regulasie

Erve RE/119 (Idas Vallei perseel)

Erve RE/119 (Botmaskop area)

Erve RE/279 (SBP279/BN, SBP279/CN and SBP279/DN) (oorkant die Stortingsterrein – Devon Vallei)
- Publieke kommentaar word uitgenooi**
Die publiek word uitgenooi om insette/kommentaar te lewer op die voorstel om lang termyn huurooreenkomste te sluit met geskikte Onafhanklike Energie Produseerders om die munisipale persele primer aan te wend vir alternatiewe energie opwekking met die bedoeling om die negatiewe impak van beurtkrug te beperk.

Kommentaar moet die kantore van die Munisipaliteit bereik voor of op 16 Augustus 2023 en moet aan die Munisipale Bestuurder gerig word. Skriftelike kommentaar kan per epos gestuur word aan Municipal.Manager@stellenbosch.gov.za of per hand afgelewer word te 3de Vloer, Hoof Gebou, Plein Straat 17, Stellenbosch.

Enige navrae kan gerig word aan die Munisipale Bestuurder, Geraldine Mettler by (021) 808 8025 of per epos by Municipal.Manager@stellenbosch.gov.za.

DATE: 11 JULIE 2023

GERALDINE METTLER
MUNISIPALE BESTURDER: STELLENBOSCH MUNISIPALITEIT

Annexure “B”
Comments Received During Public
Participation Process

**Summary of comments received during the
Public Participation Process and the
Municipality's response**

Table 1: Summary of comments received during the Public Participation Process and the municipality's response

| No | Name | Comment | Response from the department on comment made |
|----|-----------------------------------|---|---|
| 1. | Stellenbosch Interest Group (SIG) | SIG indicates that it welcomes initiatives for the generation of renewable energy. The location must be appropriate, where it will not be to the possible detriment of the environment or other important attributes of Stellenbosch. | The comment is noted and will be taken into consideration with the drafting of the specifications for the request for proposals. |
| 2. | | <p>Farm 119RE: Image is attached which illustrate the location and topography of Farm 119RE.</p> <p>The Helshoogte Road traverse Farm 119RE from the west shortly after it leaves the built-up area to where it adjoins the Del Aire-Graff Estate and the broader valley. The buildings on Del Aire, including its guest suites overlook Farm 119 RE and the broader valley.</p> <p>The 5m contour lines in the image illustrate the steep slopes and ravines which characterise the terrain.</p> <p>The Helshoogte Road is a listed Grade II scenic route, one of the most beautiful entrance routes to Stellenbosch. The entire Farm 119RE is situated in a Grade II heritage landscape (of province significance).</p> <p>The Idas Valley Plantations is made up of plantation on the steep slopes of the rolling foothills. It stretches on both sides on the Helshoogte pass, rehabilitated land is seen from the road up towards Bothma's kop.</p> <p>Although there has not been much progress with the rehabilitation process through which the original fynbos would have a chance to become re-established, the presence of invasive plant species cannot be used as motivation for any other land uses on Farm 119RE.</p> <p>Careful consideration needs to be given to the visual impact that will take</p> | <p>The Remainder of Farm 119 is zoned Agriculture and Rural. Parts of the relevant property have been heavily degraded. In principle, from an environmental planning point of view, a proposal for a plant that generates energy from bio-mass in the Idas Valley nature area could be supported as the site contains a large volume of alien vegetation that needs to be removed. This support would, however, be subject to the relevant equipment- and plant specifications, size (footprint) of the plant site required, plant placement, -emissions, noise expected to be generated as well as the operational requirements.</p> <p>The comments will be taken into consideration with the drafting of the specifications for the request for proposals.</p> |

| No | Name | Comment | Response from the department on comment made |
|----|----------------|--|--|
| | | place should the biomass on the property be used to generate electricity. It is necessary to determine whether it would be cost effective to generate electricity on Erf 119RE in relation to the negative visual impact which will arise from harvesting biomass on the property. | |
| 3. | Franklin Adams | Indicates that the notice is compulsory in terms of Regulation 34 of the Asset Transfer Regulation, published in terms of Section 168 of the MFMA | The comment is noted. |
| 4. | | He is aware that the Accounting Officer also see this notice as just a formality and that no matter public inputs his comment will only be noted. | This comment is not correct and without any basis. The Regulation prescribed the process that needs to be followed and a public participation process needs to be followed. All comments received must be considered by the Municipality, prior to deciding on the matter. |
| 5. | | Have no objection to the possibilities of alternative energy because the community need more cost effective and sustainable energy. | This comment is noted. |
| 6. | | Have a fundamental problem that public land be utilised for this purpose which will benefit a private company which is project driven. | This is a municipal initiative to address the negative effect of loadshedding and municipal land should be utilised for this purpose. The land will be lease from the Municipality by the successful tenderer. |
| 7. | | Reference is made to the fact that customers in general will have a potential benefit but this is supposed to be a given. This takes into account the urgent intervention by the National Government to reduce the negative impact of loadshedding. | This comment is noted. |
| 8. | | The Municipality's mandate is not to generate energy but rather to distribute it. | The negative effect of loadshedding on members of the community, education, businesses, healthcare obliged the Municipality to looks at other options to address this issue. |
| 9. | | A competitive process to excess these erven as advertised should be followed. In terms of the MFMA and Supply Chain Policy a fair, equitable, | A tender process will be followed as envisaged in the MFMA and Supply Chain Management Policy. |

| No | Name | Comment | Response from the department on comment made |
|-----|------|--|--|
| | | transparent and competitive process should be followed. Will this be done? | |
| 10. | | This is public land. What will the economic benefits be for the local previously disadvantage communities through job opportunities, services as well as skills and training? | The objective of the process is to limit the negative effect of loadshedding on members of the community, education, businesses and healthcare. The comments will be taken into consideration with the drafting of the specifications for the request for proposals. |
| 11. | | Will there be a condition by the municipality for a local Black Equity Partner to also financially benefitting out of this public land? | A tender process will be followed as envisaged in the MFMA and Supply Chain Management Policy. The tender process will be fair, equitable, transparent, and cost-effective. Local Enterprises consisting of Black Equity Partners can submit a tender for the use of the properties. |
| 12. | | Provision should be made for alternative appropriate land within WCO24 , e.g Paradyskloof and Brandwaght. | The properties currently identified by the Municipality is the most appropriate for the intended purpose. Should the need however arise the Municipality will investigate and consider alternative appropriate land within WCO24 area. |
| 13. | | The Municipality should advertise for call for proposals. The leases should be reduce to only twenty years. The leases must be market related. There must be a condition of approval for a black BBEE company and or community trust consist of youth, women, disable and military veterans to ensure equality shares and value to the broader community. There must be a condition of approval to ensure benefits for local labourers, skills and training. With the procurement of goods and services there should also be given preferences to local SMME's from Previously Disadvantage Communities. | These issues will be attended too in terms of the tender process to be embarked upon in terms of the Supply Chain Management processes. |
| 14. | | The MM should first conduct information sessions with effected communities before any decisions | This is the purpose of the information statement advertised to obtain inputs |

| No | Name | Comment | Response from the department on comment made |
|-----|------------------------------------|---|--|
| | | made by Council and or administration. | from the community and its members. No information sessions are required. |
| 15. | | There should be elected a Project Steering Committee consist of local communities that should play an oversight role in partnership with the service provider and or preferred bidder. | The Supply Chain Management process to be followed will make provision for oversight by the Municipality. There is no need for communities to be involved in the Supply Chain Management processes. |
| 16. | Friends for Stellenbosch Mountains | Object to the granting of long-term leases of Erf RE/119, Farm 181/0 and SBP279/CN and 279/DN for the following reasons: | |
| 17 | | Support of renewable energy generation: The objection pertains to land use issues, not to the generation of renewable energy. FSM supports the rapid and large-scale convention from current unsustainable power generation to renewables. These convention to renewables may not, come at the expense of environmental damage or monopolistic practices. Use of sites for generation may not violate the law either. | Noted. The relevant zoning applications will be submitted to allow for renewable energy generation on the proposed sites. |
| 18 | | Erf Re 119: This site is physical completely unsuitable for development of any kind: 1. It comprises mountain fynbos; 2. The upper part of Farm 119 is declared Mountain Catchment area; 3. RE/119 ranges in elevation from 300m to 600m above sea level. It is steep and highly visible from the entire Idas Valley, Rustenberg and beyond; 4. The visual impact would significantly degrade the historical landscape and tourism potential of the Helshoogte Pass region; 5. RE/119 is divided in two by a deep gully which is even steeper than the surrounding slopes. Overall, the steep and rutted character of RE/119 would make it very expensive and inefficient to build and maintain any infrastructure | A lot depends on the detail-, specifications of the plant and equipment and its operational requirements. Until this is known it is premature to declare the relevant property as unsuitable for the implementation of the proposed project. |

| No | Name | Comment | Response from the department on comment made |
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| 19 | | <p>Biomass and Public Participation: The Information Statement is extremely vague about the intended land use for Erf RE/119. The single word "biomass" appears, with no context, no plan, and no specifics. The public notice of 11 July 2023 therefore does not deserve to be called an "Information Statement" since it contains so little information as to be useless. It is impossible for the public to provide appropriate comment based on the single word "Biomass". Hence the conditions for a meaningful public participation process as set out in the Asset Transfer Regulations and the Municipal Systems Act have not been satisfied.</p> | <p>We do not agree with this statement. This is the public participation process embarked upon by the Municipality. No additional public participation process is required. Biomass is the proposed use on the site as a result of the many alien vegetation on the site, however the form in which it will be utilised will depend on the proposals submitted in the Supply Chain Management process.</p> <p>From an environmental planning point of view "biomass" (in this instance) is understood to be alien vegetations that Stellenbosch Municipality, as landowner of the relevant property (and numerous surrounding land that contains alien vegetation) needs to remove, either as prescribed by law or to restore the land to fynbos.</p> |
| 20 | | <p>Biomass is a new ballgame: FSM objects in principle to any lease or development involving biomass until the specifics are made known. If SM has those specifics at hand then a new Information Statement with those specifics must be published. If SM has no specific proposal, the any contract or development based on nothing but the single word "Biomass" amounts to negligence and to misleading Council, Treasury and the public.</p> <p>FSM is very much in support of a transition to renewable energy sources. SM has no experience, however, in biomass energy generation and has no right to sign 50-year lease agreements until it has completed an in-dept feasibility study of the issues involved, followed by a specific biomass energy proposal tailored to the results of the study.</p> | <p>We do not agree with this statement. Biomass is the proposed use on the site as a result of the many alien vegetation on the site, however the specific form in which it will be utilised will depend on the proposals submitted in the Supply Chain Management process. Therefore Council, Treasury and the public are not misled.</p> <p>The purpose of this process is to obtain approval from Council to lease the proposed sites for energy generation purposes so that a contractor with the applicable knowledge and experience can be appointed.</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | | The comment will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process. |
| 21 | | <p>Biomass questions: Given the complete absence of information, FSM must resort to questions and guesswork.</p> <ol style="list-style-type: none"> 1. If the intention of the word "Biomass" in the Information Statement is to burn existing on-site wood residues and waste, then Erf RE/119 is quite unsuitable. The available biomass on Erf RE/119 consist mainly of eucalyptus, which is listed as a Category 1b invasive species, meaning that the law prohibits growing, breeding or in any way propagating the eucalyptus. The limited supply of eucalyptus on Erf RE/119 will run out within a few years at most. 2. If the intention is for RE/119 to provide a site for a biomass boiler so as to burn wood residues and waste from the entire WC24, then again RE/119 is quite unsuitable. A biomass boiler needs a hectare or two to function, not the 419 hectares comprising RE/119. The obvious placement for such functions would be near the existing landfill sites, not high up on a mountain slope. 3. If the intention is to put up a plantation of fast-growing biomass crops, then any lease agreement must be preceded by a detailed analysis of the ecological, water and economic implications. | <p>The different options will be considered during the Supply Chain Management process to be embarked upon as to whether to burn onsite wood residues and waste/biomass boiler/plantation of fast-growing biomass crops. The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process. The legislative requirements will be complied with and the necessary approvals will be obtained where necessary and applicable.</p> <p>The relevant equipment and plant specifications, size of the plant site required, plant placement, -emissions, noise expected to be generated as well as the operational requirements will be considered on whether the Remainder of Farm 119 is feasible or not</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | <p>i) Ecological issues include the long-term viability of any proposed species on the Botmanskop mountain slopes, the associated destruction of existing natural vegetation, the potential that such crop may itself become invasive, associated soil degradation on the steep slopes, and the fact that RE/119 abuts the Hottentotsholland Nature Reserve.</p> <p>ii) Water is a critical factor. If such proposed fast-growing crop needs to be irrigated, a feasibility study must show how that water supply will be secure for the decades to come in an era of worsening droughts.</p> <p>iii) Economic issues include the cost of pumping water by 100m or more up the mountain slopes, the risk of wildfires destroying the crops, and the higher cost of transporting wood waste to RE/119 as compared to the obvious placement near the existing landfill site.</p> | |
| 22 | | <p>Farm 181/0: One half of Farm 181/0 forms part of the Papegaaiberg Protected Area. The whole purpose of a protected area is to prevent development of precisely the kind proposed by the SM information statement. Development even a part of a declared Protected Area is unlawful in terms of the</p> | <p>A portion of Farm 181 is located within Papegaaiberg Nature Reserve (declared in terms of the National Environmental Management: Protected Areas Act [57 of 2003]). The remainder is located outside of this declared area and may be considered for the proposed</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | <p>Protected Areas Act and associated regulations.</p> <p>The other half of Farm 181/0 is directly adjacent to Kayamandi. It remains to be demonstrated by SM how dozens of hectares of valuable solar panels and installations would survive for more than weeks at a time on this half.</p> | <p>project. The utilisation of this part would not be unlawful.</p> <p>These comments are noted. Security measures can be implemented should the need therefor arises.</p> |
| 23 | | <p>SBP 279/BN, 279/CN and 279/DN: No detail information on these erven. FMS object, however until such time as it can be demonstrated that these sites are more suitable than the alternatives set out below.</p> | <p>The identified sites are more suitable as the alternative sites identified. For instance, the Golf Club site is under a long-term lease and cannot be utilised for this purpose. Farm RE/16531 cannot be utilised as an alternative.</p> |
| 24 | | <p>Presence of alien invasive plants: The presence and density of alien invasive plants on any of the proposed land units is irrelevant to the consideration of the leases. The Biodiversity Act states unequivocally that the land owner (in this case Stellenbosch Municipality) is responsible for controlling and eradicating invasives on all its land. If alien invasives are found on the land units in question, that is an indictment of SM as not having complied with the law. Unlawful activity or negligence can never motivate a development proposal.</p> | <p>The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process.</p> <p>The legislative requirements will be complied with, where necessary and applicable.</p> |
| 25 | | <p>Alien clearing costs and responsibility: Should SM go ahead and lease out the land which still contains alien invasives, then the legal and fiscal responsibility for alien clearing will (depending on the terms of the lease) either remain with SM or devolve to the lessee. In both cases, the financial implications for the full duration of the lease would have to form part of any lease agreement. Should the onus for alien clearing be placed on the lessee, it still remains the responsibility of SM to enforce the terms of such alien clearing clauses. Not enforcing lease terms would once again mean that</p> | <p>The comments will be taken into consideration with the drafting of the specifications for the request for proposals during the Supply Chain Management process as well as the lease agreement entered into between the respective parties.</p> |

| No | Name | Comment | Response from the department on comment made |
|----|------|---|--|
| | | SM is in violation of its own agreement and the Biodiversity Act. | |
| 26 | | <p>Possible alternatives for renewable energy generation; There are a number of viable alternatives for large-scale renewable generation within Stellenbosch town and vicinity:</p> <ol style="list-style-type: none"> 1. Farm RE/16531 of 68 hectares currently comprises the Stellenbosch Golf Club. This land unit would be much more suited for renewable generation than any of those being proposed in the notice of 11 July. The economic "benefits" of the golf course are in dispute, since these benefits accrue only those who are already well off. The economic benefits of 68 hectares of solar power generation far outweigh any "benefits" due to golf course operation and associated tourism. 2. Biomass production and/or burning could potentially be sited on a number of land units which are more easily accessible, would have a much smaller environmental impact and be more economically viable, than RE/119. 3. Fiscal policy and by-laws are the most effective tools for achieving a rapid and large-scale transition to renewable energy. Private co-generation and tax credit for private owners are not hard to implement, can be achieved rapidly and would significantly reduce the need for Eskom power. The consequent reduction in loadshedding entails massive economic benefits for Stellenbosch residents. Stellenbosch Municipality is supposed to | <p>The Golf Club is leased in terms of a long-term lease agreement. These rights cannot be terminated. Therefor Farm RE/16531 cannot be utilised as an alternative.</p> <p>This comment is noted.</p> <p>Solar systems for example are expensive and cannot be afforded or implemented by the poor. As a result, thereof Stellenbosch Municipality is prioritising the economic wellbeing of its residents with the proposed implementation of the alternative energy generation projects.</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | <p>prioritise the economic wellbeing of its residents over serving a small elite of external contractors. Most urgently, SM should roll out an improved by-law and take fiscal measures to strongly encourage co-generation of renewables stied on the thousands of hectares of rooftops in this town</p> | |
| 27 | | <p>Loadshedding is cited as a primary motivation for the development proposal. That is short-sighted and misleading. Perhaps loadshedding will be mitigated or ended within a few years by the energy transition happening on national level? Perhaps rooftop co-generation may in itself solve loadshedding? The real motivation for renewable energy is not loadshedding but climate change.</p> | <p>Loadshedding and it negative effects on the WCO24 area, its communities, education, hospitals and business is the reason for this proposal. To allege that loadshedding will be solved in the next few years on national level is speculative at best and it indicate that the Municipality should rather be reactive then proactive.</p> |
| 28 | | <p>No Monopoly: A long term energy strategy for Stellenbosch must not be monopolistic. Stellenbosch Municipality must allow and encourage large-scale renewable energy generation not just on municipal land, but permit private landowners to do so also. Eskom has shown what happens when a power generation monopoly develops. Naturally private renewable power proposals must go through the same vetting processes which we have already set out.</p> | <p>Your comment is noted. However, the Municipality is currently focussing on municipal land for the proposed intention.</p> |
| 28 | | <p>Corruption: As pointed out by many, the potential of long term leases for corruption is high. We point to Karpowership, proposed nuclear power stations and similar long-term expensive single-item projects which provide a breeding ground for corruption between officialdom and well-connected capital. Fifty years is a long time. It is highly likely that any 50-year lease signed by Stellenbosch Municipality would fall prey to similar dynamics in the coming years and decades.</p> | <p>This is speculative at best. There will be a written lease agreement in place in terms of which the relationship between the contractor and the Municipality will be regulated and monitored.</p> |

| No | Name | Comment | Response from the department on comment made |
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| 29 | Provincial Treasury | Following a thorough review of the information statement and accompanying documentation provided, Provincial Treasury can confirm that the Municipality has thus far adhered to section 34 and 35 of the Municipal Asset Regulations (2008) and section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) | This comment is noted. |
| 30 | | <p>Financial and Economic implications</p> <p>The information statement submitted by the Municipality clearly outlines the expected financial and economic benefits to be derived from the process, thereby satisfying the requirements of section 36(b) of the Municipal Asset Management Regulations. These include monetary savings arising from less bulk purchases from Eskom as well as the potential benefits associated with reduced loadshedding</p> <p>The Municipality should confirm that they have considered whether it will not be more advantageous from a financial perspective to rather dispose of the asset (as opposed to the long-term lease). Any such disposal process (ownership transfer) should take place in accordance with section 40 of the Municipal Supply Chain Management Regulations (2005)</p> <p>The Municipality is reminded that the private sector parties to whom the right to use, control or manage the assets in question are to be ceded, will perform a commercial service in the land and will in time become service providers to the Municipality (if the Municipality buys energy from them). Section 42(c) of the Municipal Asset Transfer Regulations will therefore apply, whereby a feasibility study should be conducted to determine the financial and other</p> | <p>This comment is noted.</p> <p>This comment is noted. The Municipality do not wish to sell the identified properties but would rather want to enter into long-term lease agreements.</p> <p>The comment is noted, and the necessary feasibility studies will be conducted should same be required.</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | implications of having the service provider perform the service. | |
| 31 | | <p>Detailed comments on the envisaged benefits and risk associated with the anticipated lease is attached hereto as Annexure A.</p> <p>As required by section 41(1) of the Municipal Asset Regulations, the process to grant the rights to use, control or manage the asset must take place in accordance with the Municipality's disposal management system, irrespective of the value of the asset, the period for which the right is to be granted, or whether the right is to be granted to a private or organ of state.</p> <p>Furthermore, before a final determination can be made to lease the properties in question, Council requires assurance that the IPP's or their successors-in-title, will provide adequate maintenance and safeguarding of the asset, as required by section 41(4) of the Municipal Asset Regulations.</p> <p>Environmental considerations</p> <p>As per the information statement, Erven 119 is being identified as a possible biomass site which can pose certain environmental risks especially given that this property is located to the Idas Valley residential area. These risks include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Unsustainable harvesting or land-use practices can lead to deforestation, soil degradation, and loss of biodiversity. • Burning of biomass can release greenhouse gases, contributing to air pollution and climate change. • Biomass combustion can produce emissions of nitrogen | <p>The detailed comments on the envisaged benefits and risk associated with the anticipated lease is acknowledge.</p> <p>A supply chain management process will be followed.</p> <p>This will be addressed during the Supply Chain Management process to be followed.</p> <p>These comments and concerns are noted, and the Municipality will ensure that these risk are appropriately mitigated in the supply chain management process to be followed.</p> |

| No | Name | Comment | Response from the department on comment made |
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| | | <p>oxides (NOx), sulfur dioxide (SO₂), and volatile organic compounds (VOCs), which can contribute to air quality issues and health concerns if not properly controlled.</p> <p>The Municipality should ensure that these risks are appropriately mitigated.</p> <p>Additional matters</p> <p>The Municipality is advised to ensure that the lease contracts make provision for –</p> <ul style="list-style-type: none"> • Conditions under which the assets will be returned to the Municipality after the lease expires, including specifying who will be responsible for development and/or rehabilitation costs upon expiration of the lease; • Skills transfer and capacitation of municipal staff; and • Corporate social responsibility commitments. <p>The Municipality should consider whether the proposed agreements with the service providers constitute public-private partnerships, which will then be subject to the conditions outlined in section 120 of the MFMA.</p> <p>To facilitate a holistic response to the energy crisis, the Municipality should further continue to participate in the Western Cape Government's Municipal Energy Resilience (MER) initiative.</p> <p>The Municipality's proposal to extend land leases to be used for renewable energy generation appears to offer several compelling benefits, ranging from cost savings and improved</p> | <p>This comment is noted and will be taken into consideration during the Supply Chain Management process.</p> <p>This comment is noted and will be taken into consideration by the Municipality.</p> <p>This comment is noted.</p> <p>This comment is noted and will be taken into consideration by the Municipality.</p> |

| No | Name | Comment | Response from the department on comment made |
|----|------|--|--|
| | | <p>energy reliability to economic development and environmental sustainability. However, it is crucial for the Municipality to conduct thorough due diligence, engage with experts, involve local stakeholders, and carefully structure lease agreements and contracts. Additionally, maintaining flexibility in its approach and continuously monitoring and adapting to changing market and regulatory conditions can help mitigate potential risks and maximize the benefits of renewable energy projects on municipal land.</p> <p>Please note that all reasons, motivations and information in support of the decision to award the leases must be kept for audit purposes.</p> | <p>This comment is noted.</p> |

Comments: Franklin Adams

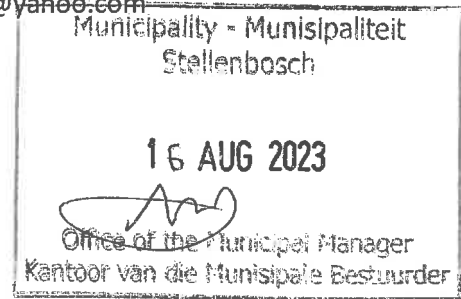
FRANKLIN ADAMS PO BOX 12445 DIE BOORD 7613 oakcity2010@yahoo.com

15 August 2023

Without prejudice.

For attention : Municipal Manager

Stellenbosch Municipality



Re: Official Notice and Input/ comment w.r.t. long term lease agreement for up to 50 years

I refer to the **Official Notice: Information statement in relation to erven in Idasvalley, Kayamandi and Uitvalwerke** and would like to respond as follow,

1. I am fully aware that this notice is compulsory and in terms of Regulation 34 of the Asset Transfer Regulations, published in terms of Section 168 of the MFMA.
2. I am also aware that you as Accounting Officer also see this Notice as just as a formality and that no matter public inputs you will only note it.
3. I have in principle No objection to the possibilities of alternative energy because we as a community need more cost effective and sustainable energy.
4. I however have a fundamental problem that you want to utilize public land for this purpose and in the process benefiting a private company who is profit driven,
5. You mention that we as customers in general will have a potential benefit but this is supposed to be a given. This takes into account the urgent intervention by the National Government to reduce the negative impact of load shedding.
6. I also remind you that your mandate IS NOT TO GENERATE ENERGY BUT RATHER DESTRIIBUTE IT.
7. I would also like to focus on the competitive process to excess these erven as advertised. In terms of the MFMA and Supply Chain Policy you should exercise a fair, equitable, transparent and competitive process. Will this be done?
8. Because this is public land. What will the economic benefits be for the local previously disadvantage communities through job opportunities, services as well as skills and training?
9. Will there be a condition by the municipality for a local Black Equity Partner to also financially benefitting out of this public land?

Recommendations :

This is my recommendations as resident and taxpayer of Stellenbosch,

- 10. That should the Municipality proceed ,**
 - a. There should be an fair, transparent, equitable and competitive process to excess these public land**
 - b. Provision should be make for alternative appropriate land within WCO 24 , e.g. Paradyskloof and Brandwaght,**
 - c. The Municipality should advertise for call for proposals,**
 - d. The leases should be reduce to only twenty years,**
 - e. The leases must be market related,**
 - f. There must be a condition of approval for a local black BBBEE company and or community trust consist of youth, women, disable and military veterans to ensure equality shares and value to the broader community,**
 - g. There must be a condition of approval to ensure benefits for local labourers , skills and training,**
 - h. With the procurement of goods and services there should also be given preferences to local SMME”s from Previously Disadvantage Communities ,**
 - i. The MM should first conduct information sessions with effected communities before any decisions made by Council and or administration,**
 - j. There should be elected a Project Steering Committee consist of local communities that should play an oversight role in partnership with the service provider and or preferred bidder.**

I trust that you will not only note my submission but seriously consider it in the spirit of fairness transparency. and ACCOUNTABILITY.

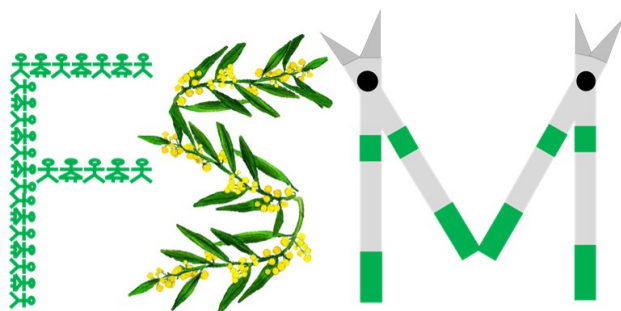
Regards.



Franklin Adams

ALUTA CONTINUA!!!

Comments: Friends of Stellenbosch Mountain



Chairperson: HC Eggers
 heggers@pm.me 076-785-3514

Secretary: H Koekemoer
 hanneskoekemoer@proton.me

<https://fsmountain.org>
 11 Grandiceps Rd, 7600 Stellenbosch

Public Benefit Organisation No. 930049434

FRIENDS OF STELLENBOSCH MOUNTAIN

Objection and comments on proposed long-term leases of “Erf” RE/119, Farm 181/0 and Erven RE/279/BN/CN/DN 16 August 2023

1. **Objection:** Friends of Stellenbosch Mountain objects to the granting of long-term leases on “Erf” RE/119, Farm 181/0 and SBP 279/BN, 279/CN and 279/DN as set out in the information statement dated 11 July 2023 of Stellenbosch Municipality (SM). The reasons for objections are set out in detail below.
2. **Support of renewable energy generation:** The FSM objections pertain to land use issues, not to the generation of renewable energy as such. We strongly support the rapid and large-scale conversion from current unsustainable power generation to renewables. Such conversion to renewables may not, however, come at the expense of environmental damage or monopolistic practices. Use of sites for generation may not violate the law either.
3. **“Erf” RE/119:** This site is physically completely unsuitable for development of any kind:
 - 3.1 It comprises mountain fynbos.
 - 3.2 The upper part of Farm 119 is a declared Mountain Catchment area.
 - 3.3 RE/119 ranges in elevation from 300m to 600m above sea level. It is steep and highly visible from the entire Idas Valley, Rustenberg and beyond.
 - 3.4 The visual impact would significantly degrade the historical landscape and tourism potential of the Helshoogte Pass region.
 - 3.5 RE/119 is divided in two by a deep gully which is even steeper than the surrounding slopes. Overall, the steep and rutted character of RE/119 would make it very expensive and inefficient to build and maintain any infrastructure.
4. **Biomass and Public Participation:** The Information Statement is extremely vague about the intended land use for “Erf” RE/119. The single word “biomass” appears, with no context, no plan, and no specifics. The public notice of 11 July 2023 therefore does not deserve to be called an “Information Statement” since it contains so little information as to be useless. It is impossible for the public to provide appropriate comment based on the single word “Biomass”. Hence the conditions for a meaningful public participation process as set out in the Asset Transfer Regulations and the Municipal Systems Act have not been satisfied.
5. **Biomass is a new ballgame:** FSM objects in principle to any lease or development involving biomass until the specifics are made known. If SM has those specifics at hand, then a new Information Statement with those specifics must be published. If SM has no

specific proposal, then any contract or development based on nothing but the single word “Biomass” amounts to negligence and to misleading Council, Treasury and the public.

To repeat: FSM is very much in support of a transition to renewable energy sources. SM has no experience, however, in biomass energy generation and has no right to sign 50-year lease agreements until it has completed an in-depth feasibility study of the issues involved, followed by a specific biomass energy proposal tailored to the results of the study.

6. **Biomass questions:** Given the complete absence of information, FSM must resort to questions and guesswork.

6.1 If the intention of the word “Biomass” in the Information Statement is to **burn existing on-site wood residues and waste**, then Erf RE/119 is quite unsuitable. The available biomass on Erf RE/119 consists mainly of eucalyptus, which is listed as a **Category 1b invasive species**, meaning that the law prohibits growing, breeding or in any way propagating the eucalyptus. The limited supply of eucalyptus on Erf RE/119 will run out within a few years at most.

6.2 If the intention is for RE/119 to provide a site for a **biomass boiler** so as to **burn wood residues and waste from the entire WC24**, then again RE/119 is quite unsuitable. A biomass boiler needs a hectare or two to function, not the 419 hectares comprising RE/119. The obvious placement for such functions would be near the existing landfill sites, not high up on a mountain slope.

6.3 If the intention is to put up a **plantation of fast-growing biomass crops**, then any lease agreement must be preceded by a detailed analysis of the ecological, water and economic implications.

i. **Ecological issues** include the long-term viability of any proposed species on the Botmaskop mountain slopes, the associated destruction of existing natural vegetation, the potential that such crop may itself become invasive, associated soil degradation on the steep slopes, and the fact that RE/119 abuts the Hottentotsholland Nature Reserve.

ii. **Water** is a critical factor. If such proposed fast-growing crop needs to be irrigated, a feasibility study must show how that water supply will be secure for the decades to come in an era of worsening droughts.

iii. **Economic issues** include the cost of pumping water by 100m or more up the mountain slopes, the risk of wildfires destroying the crops, and the higher cost of transporting wood waste to RE/119 as compared to the obvious placement near the existing landfill site.

7. **Farm 181/0:**

7.1 One half of Farm 181/0 forms part of the **Papegaaiberg Protected Area**. The whole purpose of a protected area is to prevent development of precisely the kind proposed by the SM information statement. Developing even a part of a declared Protected Area is unlawful in terms of the Protected Areas Act and associated regulations.

7.2 The other half of Farm 181/0 is directly adjacent to Kayamandi. It remains to be demonstrated by SM how dozens of hectares of valuable solar panels and installations would survive for more than weeks at a time on this half.

8. **SBP 279/BN, 279/CN and 279/DN:** We have no detailed information on these erven at the moment. We object, however, until such time as it can be demonstrated that these sites are more suitable than the alternatives set out below.

9. **Presence of alien invasive plants:** The presence and density of alien invasive plants on any of the proposed land units is irrelevant to the considerations of leases. The Biodiversity

Act states unequivocally that the land owner (in this case Stellenbosch Municipality) is responsible for controlling and eradicating invasives on all its land. If alien invasives are found on the land units in question, that is an indictment of SM as not having complied with the law. Unlawful activity or negligence can never motivate a development proposal.

10. **Alien clearing costs and responsibility:** Should SM go ahead and lease out land which still contains alien invasives, then the legal and fiscal responsibility for alien clearing will (depending on the terms of the lease) either remain with SM or devolve to the lessee. In both cases, the financial implications for the full duration of the lease would have to form part of any lease agreement. Should the onus for alien clearing be placed on the lessee, it still remains the responsibility of SM to enforce the terms of such alien clearing clauses. Not enforcing lease terms would once again mean that SM is in violation of its own agreement and the Biodiversity Act.
11. **Possible alternatives for renewable energy generation:** There are a number of viable alternatives for large-scale renewable generation within Stellenbosch town and vicinity:
 - 11.1 Farm RE/16531 of 68 hectares currently comprises the **Stellenbosch Golf Club**. This land unit would be much more suited for renewable generation than any of those being proposed in the notice of 11 July. The economic “benefits” of the golf course are in dispute, since these benefits accrue only to those who are already well off. The economic benefits of 68 hectares of solar power generation far outweigh any “benefits” due to golf course operation and associated tourism.
 - 11.2 **Biomass** production and/or burning could potentially be sited on a number of land units which are more easily accessible, would have a much smaller environmental impact and be more economically viable, than RE/119.
 - 11.3 **Fiscal policy and by-laws** are the most effective tools for achieving a rapid and large-scale transition to renewable energy. Private co-generation and tax credits for private owners are not hard to implement, can be achieved rapidly and would significantly reduce the need for Eskom power. The consequent reduction in load shedding entails massive economic benefits for Stellenbosch residents. Stellenbosch Municipality is supposed to prioritise the economic wellbeing of its residents over serving a small elite of external contractors. Most urgently, SM should roll out an improved by-law and take fiscal measures to strongly encourage co-generation of renewables sited on the thousands of hectares of **rooftops** in this town.
12. **Loadshedding** is cited as a primary motivation for the development proposals. That is short-sighted and misleading. Perhaps loadshedding will be mitigated or ended within a few years by the energy transition happening on national level? Perhaps rooftop co-generation may in itself solve loadshedding? **The real motivation for renewable energy is not loadshedding but climate change.**
13. **No Monopoly:** A long-term energy strategy for Stellenbosch must not be monopolistic. Stellenbosch Municipality must allow and encourage large-scale renewable energy generation not just on municipal land, but permit private landowners to do so also. Eskom has shown what happens when a power generation monopoly develops. Naturally private renewable power proposals must go through the same vetting processes which we have already set out.
14. **Corruption:** As pointed out by many, the potential of long-term leases for corruption is high. We point to Karpowership, proposed nuclear power stations and similar long-term expensive single-item projects which provide a breeding ground for corruption between officialdom and well-connected capital. Fifty years is a long time. It is highly likely that any 50-year lease signed by Stellenbosch Municipality would fall prey to similar dynamics in the coming years and decades.

Comments: Stellenbosch Interest Group



Belangegroep Stellenbosch Interest Group

interestgroupstellenbosch@gmail.com

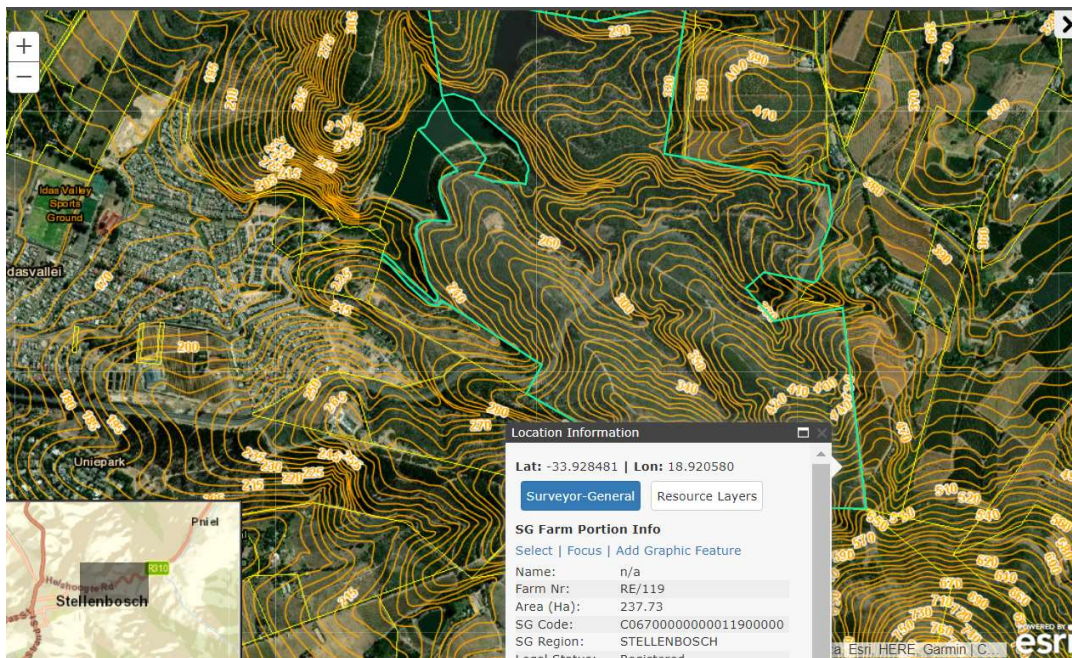
2023-08-15

The Municipal Manager
Stellenbosch Municipality
Municipal.manager@stellenbosch.gov.za

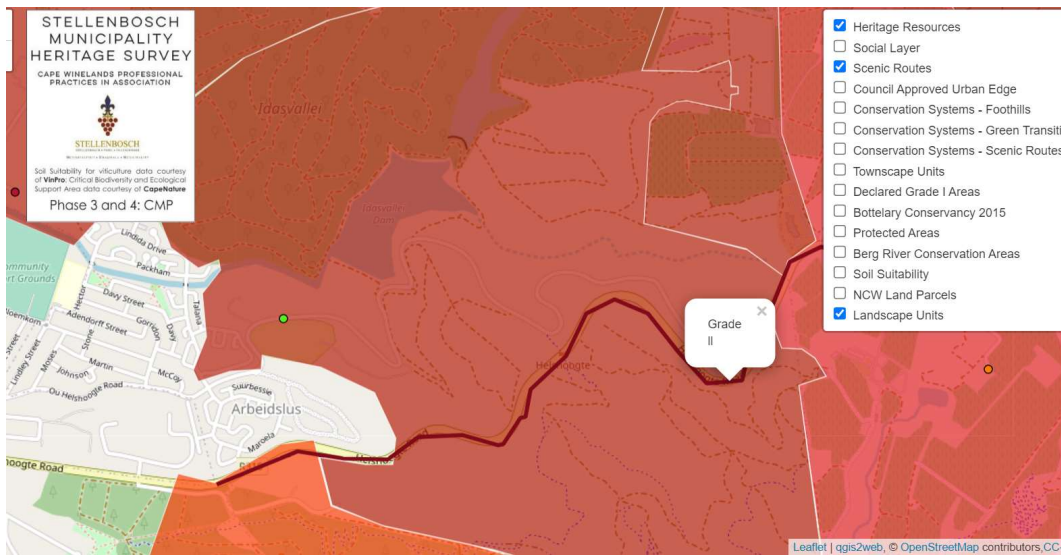
Comment on the Proposed Long Term Lease Agreement, Erven RE/279, RE/119 and Farm 181/0

The Stellenbosch Interest Group (SIG) welcomes initiatives for the generation of renewable energy. However, the location must be appropriate, where it will not be to the possible detriment of the environment or other important attributes of Stellenbosch. The SIG accordingly wishes to comment as follows on the proposals for the various individual properties:

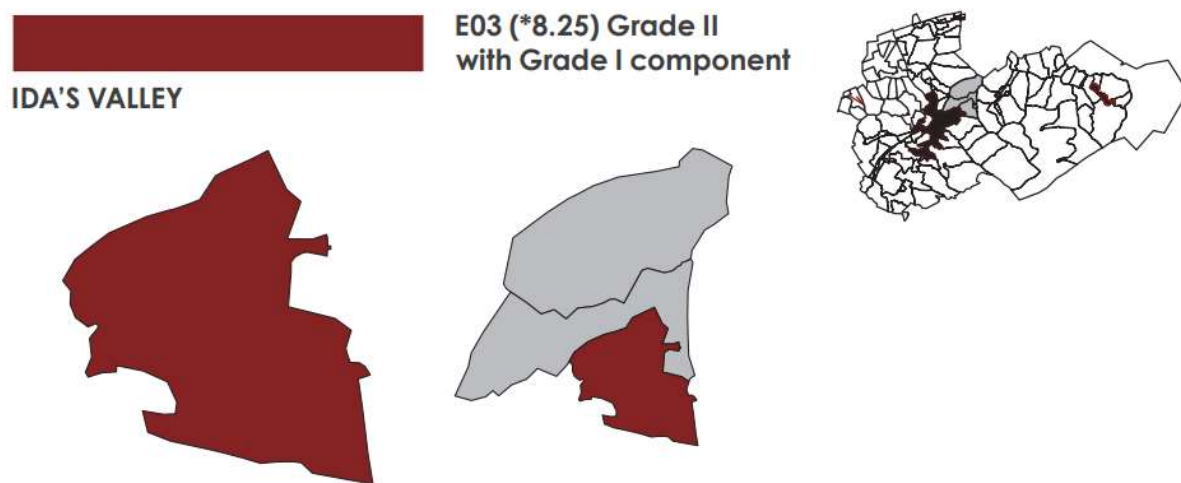
Farm 119 RE



The location and topography of Farm 119RE (size 237.7 ha) is illustrated in the image above, sourced from Cape Farm Mapper. Also visible is the Helshoogte Road which traverses the farm from the west shortly after it leaves the built-up area to where it adjoins the Del Aire-Graff Estate in the east. The buildings on Del Aire, including its guest suites overlook Farm 119RE and the broader valley. The 5m contour lines in the image illustrate the steep slopes and ravines which characterize the terrain.



The Helshoogte Road, a listed Grade II scenic route, is one of the most beautiful entrance routes to Stellenbosch. Moreover, the entire Farm 119RE is situated in a Grade II heritage landscape (of provincial significance). The following diagram and description of the landscape appears in the Stellenbosch Municipality Heritage Register and Conservation Management Plan:



E03 IDA'S VALLEY PLANTATION

This land unit is made up mainly of plantation on the steep slopes of the rolling foothills. It stretches on both sides on the Helshoogte pass, rehabilitated land is seen from the road up towards Botma's kop. This landscape is still a landscape in distress until the rehabilitation process is complete. A large dam is located in the folds of the rolling hills. The old Helshoogte Way runs through the Ida's valley suburb. Individuals from Ida's Valley identified the potential of this road as a good mountain bike trail, that would bring more tourists in through to the community. An intrusive residential estate development is situated next to the Helshoogte pass, with some remnant cluttered land use adjacent to it.

Although there has not been much progress with the rehabilitation process through which the original fynbos would have a chance to become re-established, the presence of invasive

plant species cannot be used as motivation for any other land uses on Farm 119RE. Careful consideration accordingly needs to be given to the visual impact that will take place should the biomass on property be used to generate electricity. This is necessary determine whether it would be cost effective to generate electricity in relation to the negative visual impact which will arise from harvesting biomass on the property.

Kind regards

Patricia Botha (Chairperson)

Comments: Zamilé Myataza

2947

Watergang

Thubelisha

Kayamandi

Stellenbosch

04 Aug 2023

The Municipal Manger

Stellenbosch Municipality

Re: Comments on the Long term Leases (50years) for Alternative Energy Generation

I general the proposed lease would set Stellenbosch apart from any other town as the Innovation Capital .

The information statement and reason are clear with the intentions very noble for the town.

I however propose that the expectations could be made more clearer especially in relation to the Economic benefits for the Community of Kayamandi and Devon Valley respectively because it is going to boarder them .

I hereby propose as follows:

- A BEE strategic partner that would look at the economic aspects and livelihood of both communities
- Youth development and involvement I the project
- Job creation and skills upliftment
- Projects aimed at the creation of small enterprises especially vendors

We are a fast learning society and think we deserve an opportunity to sit at the round table (decision making table for our future) and discuss such matters , especially when one site is closing Kayamandi from growing.

Hoping my comments will receive consideration

Yours in development

Zamile Myataza

zvmyataza@gmail.com

0746866916

**Comments: Western Cape Government
Provincial Treasury**



Reference number: 24/2/31/5
Enquiries: D Cronje

Geraldine Mettler
The Municipal Manager
Stellenbosch Municipality
P.O. Box 17
STELLENBOSCH
7600

Private Bag X9165
CAPE TOWN
8000

Per email: municipal.manager@stellenbosch.gov.za / Kevin.Carolus@stellenbosch.gov.za

Dear Ms Mettler

COMMENTS SUBMITTED BY PROVINCIAL TREASURY TO THE STELLENBOSCH MUNICIPALITY ON THE PROCESS BEING FOLLOWED FOR THE GRANTING OF RIGHTS TO USE, CONTROL AND MANAGE MUNICIPAL PROPERTIES AS POSSIBLE SUITABLE SITES FOR ALTERNATIVE ENERGY GENERATION.

Your email dated 13 September 2023, indicating the Municipality's intention to enter long-term leases on municipal properties with independent power producers (IPPs) to be used as alternative energy generation sites, has reference.

Following a thorough review of the information statement and accompanying documentation provided, Provincial Treasury can confirm that the Municipality has thus far adhered to sections 34 and 35 of the Municipal Asset Regulations (2008) and section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

Provincial Treasury would like to draw the Municipality's attention to the following:

Financial and Economic implications

- The information statement submitted by the Municipality clearly outlines the expected financial and economic benefits to be derived from the process, thereby satisfying the requirements of section 36(b) of the Municipal Asset Management Regulations. These include monetary savings arising from less bulk purchases from Eskom as well as the potential benefits associated with reduced loadshedding.
- The Municipality should confirm that they have considered whether it will not be more advantageous from a financial perspective to rather dispose of the asset (as opposed to the long-term lease). Any such disposal process (ownership transfer) should take place in accordance with section 40 of the Municipal Supply Chain Management Regulations (2005).
- The Municipality is reminded that the private sector parties to whom the rights to use, control or manage the assets in question are to be ceded, will perform a commercial service on the land and will in time become service providers to the Municipality (if the Municipality buys energy from them). Section 42(c) of the Municipal Asset Transfer Regulations will therefore apply, whereby a feasibility study should be conducted to determine the financial and other implications of having the service provider perform the service.
- Detailed comments on the envisaged benefits and risks associated with the anticipated lease is attached hereto attached as **Annexure A**.

Supply Chain Management implications

- As required by section 41(1) of the Municipal Asset Regulations, the process to grant the rights to use, control or manage the asset must take place in accordance with the Municipality's disposal management system, irrespective of the value of the asset, the period for which the right is to be granted, or whether the right is to be granted to a private party or organ of state.
- Furthermore, before a final determination can be made to lease the properties in question, Council requires assurance that the IPPs, or their successors-in-title, will provide adequate maintenance and safeguarding of the asset, as required by section 41(4) of the Municipal Asset Regulations.

Environmental considerations

- As per the information statement, Erven 119 is being identified as a possible biomass site which can pose certain environmental risks especially given that this property is located close to the Idas Valley residential area. These risks include, but are not limited to, the following:
 - Unsustainable harvesting or land-use practices can lead to deforestation, soil degradation, and loss of biodiversity.
 - Burning of biomass can release greenhouse gases, contributing to air pollution and climate change.
 - Biomass combustion can produce emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂), and volatile organic compounds (VOCs), which can contribute to air quality issues and health concerns if not properly controlled.
- The Municipality should ensure that these risks are appropriately mitigated.

Additional matters

- The Municipality is advised to ensure that the lease contracts make provision for –
 - conditions under which the assets will be returned to the Municipality after the lease expires, including specifying who will be responsible for development and/or rehabilitation costs upon expiration of the lease;
 - skills transfer and capacitation of municipal staff; and
 - corporate social responsibility commitments.
- The Municipality should consider whether the proposed agreements with the service providers constitute public-private partnerships, which will then be subject to the conditions outlined in section 120 of the MFMA.
- To facilitate a holistic response to the energy crisis, the Municipality should further continue to participate in the Western Cape Government's Municipal Energy Resilience (MER) initiative.

The Municipality's proposal to extend land leases to be used for renewable energy generation appears to offer several compelling benefits, ranging from cost savings and improved energy reliability to economic development and environmental sustainability. However, it is crucial for the Municipality to conduct thorough due diligence, engage with experts, involve local stakeholders, and carefully structure lease agreements and contracts. Additionally, maintaining flexibility in its approach and continuously monitoring and adapting to changing market and regulatory conditions can help mitigate potential risks and maximize the benefits of renewable energy projects on municipal land.

Please note that all reasons, motivations, and information in support of the decision to award the leases must be kept for audit purposes.

Yours sincerely,

MS J GANTANA
HEAD OF PROVINCIAL TREASURY (ACTING)

cc: Kevin Carolus, Chief Financial Officer: Kevin.Carolus@stellenbosch.gov.za

Stellenbosch Municipality Long-term Lease Agreement: Information Statement in relation to 3 Erven for potential leasing.

In considering the Municipality's proposal for a long-term lease of land for renewable energy generation, it is crucial to weigh the potential benefits against any associated risks or drawbacks. Based on the provided information, it is evident that the Municipality anticipates several advantages from granting rights in these sites for renewable energy projects:

- a) **Cost Savings and Load Shedding Mitigation:** One of the primary benefits highlighted is the expected reduction in maintenance and staff costs, alongside a decrease in the negative impact of load shedding on the local community. This is a compelling argument, as it directly addresses the Municipality's responsibility to ensure a reliable and affordable energy supply to its residents. By investing in renewable energy, the Municipality will achieve both economic and social gains, making it a prudent move.
- b) **Cost Efficiency in Electricity Purchases:** The prospect of securing electricity at a lower rate than what the Municipality currently pays to Eskom is an attractive proposition. Reducing operational costs can have a positive impact on the Municipality's budget, potentially freeing up funds for other essential services and projects. However, it is crucial to ensure that the anticipated cost savings materialize as expected over the long term.
- c) **Economic Development and Attraction:** A professionally managed power-producing facility has the potential to mitigate the negative effects of load shedding, a crucial factor in maintaining the attractiveness of the municipal area as a place to live and invest. By assuring a stable and reliable energy supply, the Municipality can encourage new customers and attract new investments, thereby promoting economic growth and financial sustainability.
- d) **Expertise in Alternative Energy:** The assurance of professional management by experts in the alternative energy generation field is essential for the success of such projects. Ensuring that the facilities are managed competently will not only optimize energy production but also minimize operational risks and environmental impact. Collaborating with experienced partners will be critical in achieving the desired outcomes.
- e) **Blueprint for the Future:** The potential for these facilities to serve as a blueprint for the Municipality sets a positive precedent for future sustainability initiatives. Demonstrating a commitment to renewable energy can inspire other municipalities and organizations to follow suit, leading to a broader transition towards a cleaner and more sustainable energy future.

Risk Assessment:

While the proposal to lease municipal land for alternative energy generation presents several potential benefits, it is equally important to consider the potential risks and challenges that the Municipality may face in pursuing such a venture. These risks include:

- a) **Land Use Conflicts:** Leasing land for renewable energy projects may lead to conflicts with other potential land uses or local stakeholders, such as agriculture, conservation, or residents who may oppose the development of renewable energy infrastructure in their vicinity. Navigating these conflicts and addressing community concerns can be time-consuming and politically challenging.
- b) **Financial Risks:** Renewable energy projects often require significant upfront investments in infrastructure and technology. If the projects do not perform as expected or face unexpected operational challenges, the Municipality could incur financial losses, impacting its budget and financial stability.
- c) **Market and Regulatory Risks:** The renewable energy market can be subject to fluctuations in technology costs, energy prices, and regulatory changes. The Municipality may be exposed to risks related to changes in energy market dynamics or evolving regulations that affect the viability and profitability of the projects.
- d) **Environmental Impact:** While renewable energy projects are generally seen as environmentally friendly, there can be unintended negative environmental consequences, such as habitat disruption, land degradation, or impacts on local wildlife. Proper environmental assessments and mitigation measures must be in place to minimize these risks.
- e) **Contractual and Legal Risks:** The terms and conditions of long-term leases and contracts with energy providers must be carefully negotiated and drafted. Inadequate legal safeguards or unfavorable contract terms could expose the Municipality to financial or legal liabilities.
- f) **Energy Market Volatility:** The energy market can be volatile, and energy prices may fluctuate. If the Municipality's revenue from energy sales is linked to market prices, it could face revenue variability, which may affect its financial stability and ability to provide essential services.
- g) **Community Relations:** The development of renewable energy projects can be met with resistance from local communities, particularly if there is perceived harm to the environment or if the projects disrupt the quality of life in the area. Managing community relations and addressing concerns is essential to project success.
- h) **Economic Viability:** Economic conditions and demand for renewable energy can change over time. The Municipality should assess the long-term economic viability of the projects to ensure they remain financially sustainable throughout the lease period.

| | |
|----|-----------------------|
| 7. | URGENT MATTERS |
|----|-----------------------|

NONE

| | |
|----|--|
| 8. | MATTERS TO BE CONSIDERED IN-COMMITTEE |
|----|--|

(SEE PINK DOCUMENTATION)

***THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER,
CLLR Q SMIT AND HE AGREES WITH THE CONTENT.***
