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LEASE OF IDENTIFIED OFF- STREET PARKING AREAS WITHIN STELLENBOSCH

MUNICIPAL NOTICE No. 59/2022

Notice is hereby given, in terms of Regulation 34 and 35 of the Asset Transfer Regulations, published in terms of Section 168 of the Local Government: Municipal Financial Management Act (R878, 22 August 2008), to the public to provide input during the public participation process.

Reference is also made to Item No.11.5.1 of the 4th Council Meeting held on the 26 of April 2022, where further details can be found.

Please refer to the Information Statement in Annexure A, pertaining to the Lease of Identified Off-Street Parking Areas within the Stellenbosch Central Business District Area.

Any proposals / comments may be forwarded to Johan.Fullard@stellenbosch.gov.za. Persons who, are unable to read and write or, have any sight disability will be assisted by an official at 71 Plein Street, Ecclesia Building, 2nd Floor. Proposals / comments must be submitted on or before 10 June 2022.

G METTLER
MUNICIPAL MANAGER



INFORMATION STATEMENT IN RELATION TO LEASE OF IDENTIFIED OFF-STREET PARKING AREAS WITHIN STELLENBOSCH CENTRAL BUSINESS DISTRICT

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 Management Act (R878, 22 August 2008), to the public to provide input during the public participation process.

2. BACKGROUND

2.1 Existing Contractual Arrangements

Council had previously launched and completed a Municipal Systems Act, Section 78 process to determine the most appropriate method of providing a parking service as required by The Constitution (Schedule 5B), matters referred to Local Government. In terms of the decision taken by Council the Municipality is to provide most single layer parking through internal means and all multiple layer parking through external means.

The Municipality has implemented various internal mechanisms for the provision of parking, but these have proven to be problematic with litigation and mediation processes initiated against previously appointed service providers, the provision of parking was also not financially viable when utilizing internal staff resources.

Parking areas adjacent to retail areas were particularly problematic and council had recently resolved to in-principle allow the provision of open, one-level off street parking by an external mechanism on a trial basis.

3. DISCUSSION

3.1 Public Participation Process



In terms of the Asset Transfer Regulations, before Council can make a final decision on whether to award rights on Municipal property with a value of more than R10 million rand , the Municipal Manager must first conduct a public participation process in terms of regulation 35. This process involves the publication of an information statement.

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 realized 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 Municipality intends to improve on the provision of parking and a look at an alternative approach to those previously embarked upon is required. As part of the Municipality's parking strategy the municipality has identified areas where short-term parking, long-term parking and staff parking would be required. The short-term parking requirements aligns favourably with parking areas adjacent to retail outlets. Parking areas adjacent to retail outlets are more suited to being managed by retail outlets, for the following reasons:



- Parking areas adjacent to retail areas are extensively utilized by shoppers, shopping at the retail outlets.
- Retail outlets can attract shoppers (short term parking) by providing incentives or discounts.
- Retail outlets are better able to provide the required equipment / software and manage the logistics associated with parking management.

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

The limited staff resources within the Municipality would be more effectively utilized and more resources could be assigned to service delivery. Where retail outlets attract shoppers by providing incentives or discounts economic development within the Central Business District can be promoted. The current short term contracts of staff that manage these areas, that is not economically sustainable for the Municipality can then be terminated.

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

The demand for parking is high, however this demand does fluctuate through the year, rental income can be set at an amount higher than the average rate of return for investment.

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

Rental income can be set and structured so that any loss incurred by the Municipality is minimized. There is a lot of complaints from shoppers about the management of the parking at the retail outlets and that will then also be addressed. The retail outlets will also be responsible to appoint the staff and put in infrastructure for access control purposes saving the municipality those costs. It is for a relatively short term (not exceeding three years) and if there is a problem the contracts may be cancelled.

3.3 Location and context



The following identified parking areas are situated in the Stellenbosch CBD:

1. Pick 'n Pay Parking Area (Stelmark); lease period not more than 3 years.
2. Checkers Parking Area; lease period not more than 3 years.

3.4 Public Comment invited:

The public are herewith invited to provide input/comment/alternative proposals to the municipality on the proposal to enter into a lease agreement with the following entities:

1. StelMark Centre Management (Pick 'n Pay Parking Area)
2. Checkers Complex Management (Checkers Parking Area)

3.5 Addressing of Comments

Any proposals or comments may be forwarded to: joan.fullard@stellenbosch.gov.za

or

[At the office 71 Plein Street, Ecclesia Building Second Floor.](#)

Comment must be submitted on or before 10 June 2022

Any person who are unable to read and write or have any sight disability will be assisted by an official at the office to provide comments should they not be able to provide comments on their own accord.

GARALDINE METTLER
MUNICIPAL MANAGER