

10.2	SPORTS, YOUTH AND CULTURE: [PC: CLLR TO KUMM]
10.2.1	RETURN ITEM: AMENDMENT TO THE INFORMATION STATEMENT OF THE IN-PRINCIPAL DISPOSAL OF THE VAN DER STEL SPORT FACILITY TO THE PREFERRED BIDDER AFTER A FORMAL TENDER PROCESS WAS FOLLOWED

Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 21 May 2025 and 30 May 2025

1. SUBJECT: RETURN ITEM: AMENDMENT TO THE INFORMATION STATEMENT OF THE IN-PRINCIPAL DISPOSAL OF THE VAN DER STEL SPORT FACILITY TO THE PREFERRED BIDDER AFTER A FORMAL TENDER PROCESS WAS FOLLOWED

2. PURPOSE

To seek Council's approval to advertise an amended Information Statement for public comment, outlining Council's intention to grant a 30-year lease of the Van der Stel Sport Complex to the Stellenbosch Football Club for the management and development of Erf 235.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

At the 30TH COUNCIL MEETING: 2025-03-31 Council resolve:

- (a) that Council approves a 30 (thirty) year lease of the Van der Stel Sport Complex to STELLENBOSCH FOOTBALL CLUB for the management and development of Erf 235; and
- (b) that Council notes that although the following two entities are situated on Erf 235 namely, World Tennis Foundation and Van der Stel Bowling Club, they are excluded from the lease agreement.

5. RECOMMENDATIONS

- (a) that the resolutions adopted at the 30th Council Meeting on 31 March 2025 for Item 12.2 be rescinded;
- (b) that Council acknowledges the discrepancy between the wording of the Information Statement and the tender specifications; and
- (c) that Council approves the advertising of the amendment to the Information Statement.

6. DISCUSSION

6.1 Background

At the 30TH COUNCIL MEETING: 2025-03-31, Council resolve that the Van Der Stel Sport Complex be lease to Stellenbosch Football Club for a period of thirty years.

An Information Statement was advertised, allowing the community to provide input. However, a discrepancy was later identified between the wording of this statement and the actual tender specifications. Therefore, a corrected version must be

approved and advertised to ensure proper alignment with the tender and to comply with public participation requirements.

6.2 Discussion

The original Information Statement excluded three entities: World Tennis Foundation, Van der Stel Bowling Club, and Medi-Clinic parking. However, paragraph 1.6 of the tender specifications clarifies:

Paragraph 1.6 of the tender specifications reads:

“That a portion of Van Der Stel Sport facility is currently leased to Medi-Clinic for parking purposes. This parking area does form part of the management and development mandate for the Van der Stel Sport Facility. The tenderer will as part of his proposal provide the same amount of parking to Medi-Clinic. This parking must be provided on the premises of the Van Der Stel sport facility. Garage (underground parking) parking maybe constructed if the needs arise.”

Therefore, the revised Information Statement should only exclude the World Tennis Foundation and Van der Stel Bowling Club.

The department request that the revised information statement in line with the tender specifications be approved for public participation.

6.3 TENDER SPECIFICATIONS

- 6.3.1.1 The existing swimming pool must be upgraded to full working condition, or it can be relocated to alternative location.
- 6.3.1.2 A minimum of two written references/ testimonials confirming successful facility management for the last 10 years. (May include partners).
- 6.3.1.3 Proof of a bank guarantee to the value of your tender amount must be attached as proof of your financial backing.
- 6.3.1.4 The proposal must include a plan of spending 50% of the tendered amount within first 5 years after awarding of tender.
- 6.3.1.5 Tender must include a commitment to spend the rest of the tender amount within the next 5 years.
- 6.3.1.6 Proof must be provided of a sustainable capital investment of a minimum of 50 million rand on the upgrade at the Van der Stel Sport Complex.
- 6.3.1.7 A detailed management plan must be submitted as part of the offer.
- 6.3.1.8 An annual facility maintenance plan must be submitted as part of the offer.

7. COMMENTS FROM PROVINCIAL AND NATIONAL TREASURY

Comments from both the Western Cape Provincial Treasury and National Treasury be solicited regarding the revised information statement in line with the requirements in the Municipal Asset Transfer Regulations.

8. FINANCIAL IMPLICATIONS

The successful bidder will invest a capital amount to the value of R395m into the facility over the next 5 (five) to 10 (ten) years. Maintenance cost to the facility will be for the bidder's responsibility. This will result in a saving for Stellenbosch Municipality. All rights and developments will be for the cost of the management company.

9. LEGAL IMPLICATIONS

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”.*

10. STAFF IMPLICATIONS

The current municipal staff that maintain the facility will be deployed at other municipal sport facilities. This will also reduce the shortage of staff at the municipal sport facilities.

11. PREVIOUS / RELEVANT COUNCIL RESOLUTIONS

At the **29TH COUNCIL MEETING: 2019-07-24**, Council resolves that Council notes that the Community Services Department will commence with the process to develop an alternative management model for the Van Der Stel Sport Facility.

At the **8th COUNCIL MEETING: 2022-10-26**, Council approved the information statement for public inputs in respect of Erf 235, known as VAN DER STEL SPORT COMPLEX, Stellenbosch.

At the **27th COUNCIL MEETING: 2024-11-27**, Council resolves:

- (a) that Council in principle approves a 30 (thirty year) lease of the van der Stel Sport Complex to STELLENBOSCH FOOTBALL CLUB for the management and development of Erf 235.
- (b) that Council notes that although the following three entities are situated on erf 235 namely World Tennis Foundation, Van der Stel Bowling Club, and parking for Medi-Clinic, these entities are excluded from the lease agreement.
- (c) that Council notes that the views of National and Provincial Treasury needs to be solicited before a final decision to the awarding of the tender can be made.
- (d) that Council approves the Information statement attached as APPENDIX A for public participation process; and
- (e) that the item return to Council after the public participation process and the views from National and Provincial treasury has been solicited for consideration before a final resolution by Council.

At the **30th COUNCIL MEETING: 2025-03-31**, Council resolves

- (a) that Council approves a 30 (thirty) year lease of the Van der Stel Sport Complex to STELLENBOSCH FOOTBALL CLUB for the management and development of Erf 235; and
- (b) that Council note that although the following two entities are situated on Erf 235 namely, World Tennis Foundation and Van der Stel Bowling Club, they are excluded from the lease agreement.

12. RISK IMPLICATIONS

The risks of non-performance by the successful bidder will be addressed in the Service Level Agreement that will be drawn up by the Municipal Legal department.

13. COMMENTS FROM SENIOR MANAGEMENT

The item was not distributed for comments.

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Community and Protection Services
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REPORT DATE	14 May 2025

ANNEXURE A:

The revised information statement in relation to Erf 235, currently known as Van der Stel Sport Complex, Stellenbosch, for the public participation process.



1. 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 on during the Public Participation Process. An Information Statement was published on a previous occasion however it did not refer to all the relevant inclusions and exclusions as per the tender, which is now addressed in this information statement.

2. BACKGROUND

Stellenbosch Municipality is the owner of Erf 235 on which Van Der Stel Sport Complex is situated.

Stellenbosch Municipality is currently managing the facility. The facility is fully fenced and consists of two (2) rugby fields, one (1) soccer field, two (2) cricket fields, one (1) hockey field and one (1) swimming pool. Other facilities on the premises include a pavilion with a seating capacity of 1250, toilets, cloakrooms, function rooms, clubhouse, storeroom, and a demarcated parking area.

Also situated on Erf 235 is Stellenbosch Bowling Club as well as Stellenbosch Tennis and Squash Clubs. The taxi rank on the corner of Bird- and Merriman Streets is also situated on Erf 235 as well as the parking lot in Hofmann Street.

3. DISCUSSION

3.1 Public Participation Process

Before the Council can make a final decision whether rights to municipal property can be transferred, the Municipal Manager must first conduct a public participation process in terms of the Asset Transfer Regulations, Regulation 35.

At the 27th COUNCIL MEETING: 2024-11-27, Council in principle approve a 30 (thirty year) lease of the Van der Stel Sport Grounds to STELLENBOSCH FOOTBALL CLUB for the management and development of erf 235.

Council notes that the following two entities, who is situated on erf 235 namely World Tennis Foundation and Van der Stel Bowling Club are excluded from the lease agreement. The taxi rank as well as the parking lot in Hofmann Street are also excluded from the lease agreement.

3.2 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 Van der Stel Sport Facility, 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.
- 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 the right; and
- d) 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 the proposal to grant a long term right to use, control or manage the Van der Stel Sport Facility

- a) The daily management and maintenance of the various municipal sport facilities requires dedicated maintenance staff and maintenance funds to ensure the operational viability of these facilities. Currently, the Stellenbosch Municipality does not have the required operational infrastructure to deliver this standard of service.
- b) The proper maintenance of the Van der Stel Sport Facility is in the best interest of Council and the Stellenbosch Sport Community.
- c) The management and utilisation of the sport facility as a centre of service excellence to the sport and business industries presents the municipality with an opportunity to make the Van der Stel Sport facility self-sustainable in terms of its maintenance requirements as well as additional infrastructure investment as and when required.
- d) A professionally managed facility has the potential to attract new customers, new sport codes and international sport tourists to Stellenbosch.

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

- a) The management and development of the Van der Stel Sport facility will result in savings on maintenance costs and staff, while at the same time providing the broader Stellenbosch Community with a world class sport facility.
- b) The optimal utilization of the properties may produce additional income for the municipality which may enable the municipality to repair and maintain the properties to an acceptable standard.
- c) The professional management of this facility may attract potential investors.
- d) capital investment will improve the facility and raise the service offerings to potential customers.
- e) The facility will have the ability to attract world class sportsmen and women.
- f) A facility of international standard will attract more sport tourists to Stellenbosch.

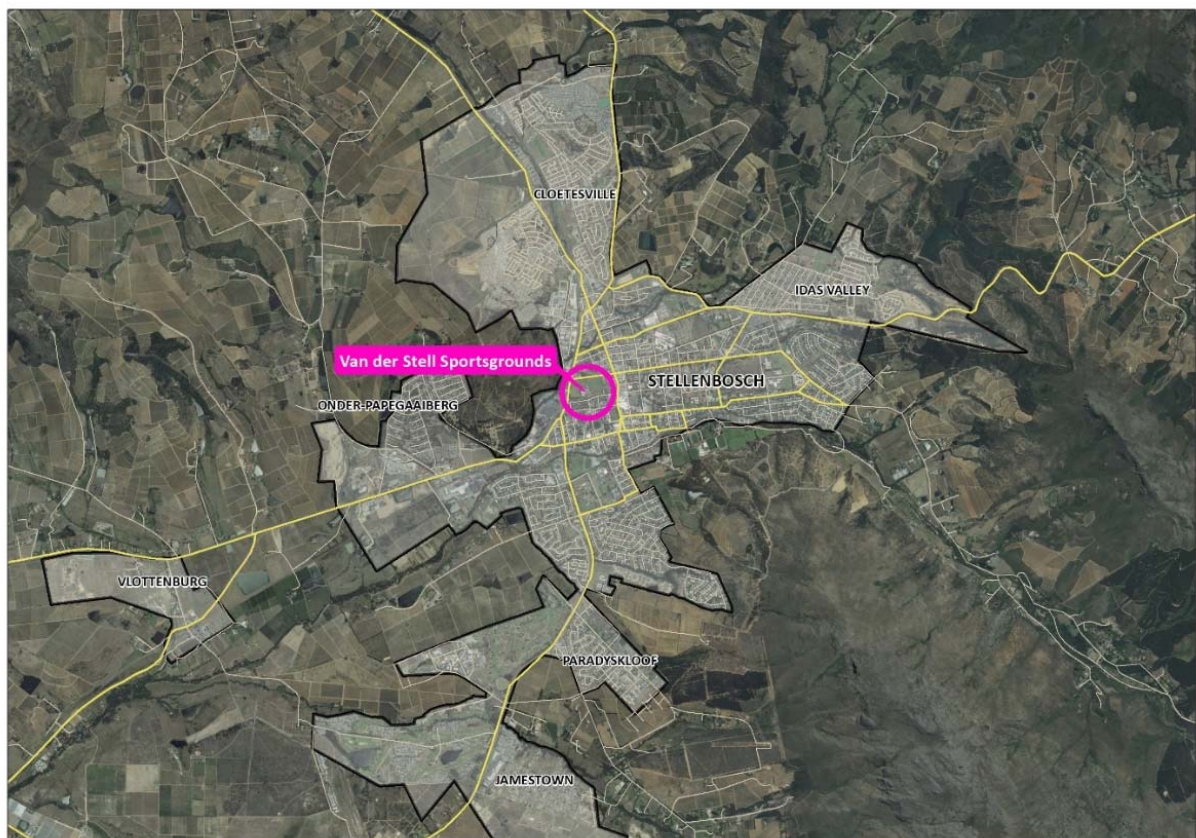
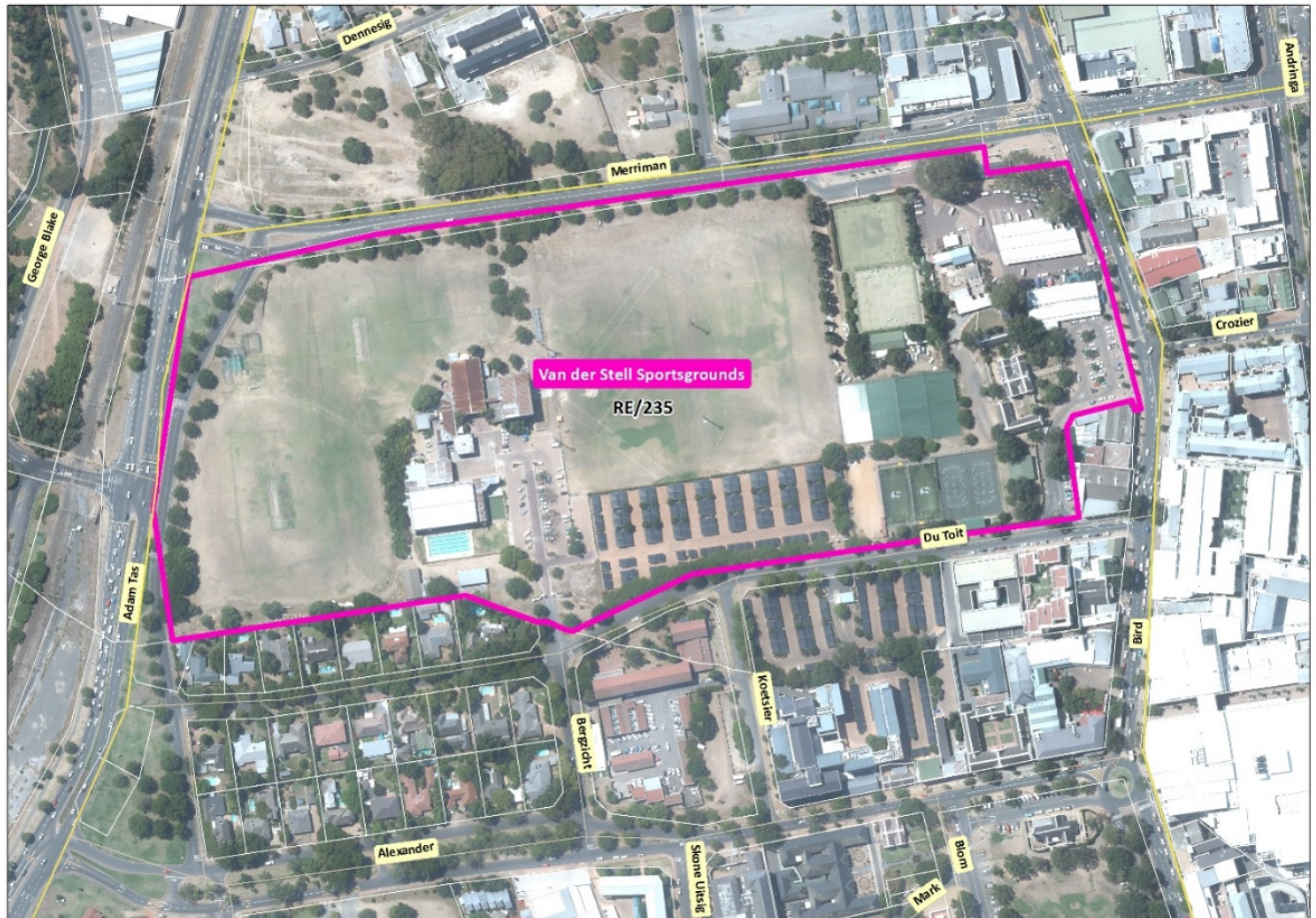
3.2.3 Expected proceeds to be received by the Municipality form the granting of the rights

- a) A capital investment to the value of R395 million will be invested over the next 5 to 10 years in the facility
- b) The facility will be maintained as part of the agreement.
- c) Economic activities will be encouraged and stimulated.
- d) There will be an opportunity to stimulate sport tourism.
- e) Funds currently budgeted for the maintenance of Van der Stel Sport Complex will be moved to the maintenance of other municipal sport facilities.
- f) Staff, currently working at Van der Stel Sport Facility will be deployed at other municipal sport facilities.

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

- a) Valuable assets in the ownership of the municipality will be upgraded at no or a reduced cost to the municipality.
- b) The buildings will be properly and adequately maintained in accordance with acceptable standards, at no cost to the municipality.
- c) Less financial pressure on the municipality's capital and operating budgets.
- d) Stimulus of economic activities for the sport community.

Location and context



3.3 Public comment invited

The public are invited to provide input/comment to the municipality on the proposal to enter into an agreement (with a suitable entity) to use the Van der Stel Sport Complex for the primary function of Sport but also for other events with the aim and optimal use of the buildings on site.

Comment must reach the offices of the Municipality on or before **27 June 2025** 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.

All comments received on the previous Information Statement does not have to be resubmitted.

Any queries can be directed to Mr Albert van der Merwe at (021) 808 8164 or via email at Albert.vandermerwe@ Stellenbosch.gov.za.

GERALDINE METTLER
MUNICIPAL MANAGER: STELLENBOSCH MUNICIPALITY

DATE: _____