



STELLENBOSCH MUNICIPALITY

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Roads, Transport and Stormwater

MUNICIPAL NOTICE No. 96/2022

NOTICE FOR PUBLIC COMMENT SHORT-TERM LEASE OF EIKESTAD PARKING AREA STELLENBOSCH CENTRAL BUSINESS DISTRICT

1. PURPOSE

The purpose of this notice is to provide information to the public and request input during the public participation process for the short-term lease and management of Eikestad Parking Area.

2. BACKGROUND

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). The Eikestad parking area is earmarked for development through a Public Private Partnership (PPP), which had commenced with the above-mentioned Section 78 Process. Although good progress has been made to date, such as the compilation of a Draft Feasibility Report and Council approvals to proceed etc., Circular 37 from National Treasury (read in conjunction with the PPP Regulations, 309 of 2005) outlines the project life cycle which the Municipality must follow. It is expected that this process may take more than 36 months.

At a Special Council meeting held on the 23 February 2022, Council reviewed, rescinded, and amended a previous decision relating to the management of single level parking area, so that these can be managed through an external service delivery mechanism. Council also approved in principal that, given the project life cycle for PPP process, the parking at Eikestad Mall may be leased out on a short-term bases until the PPP process is finalized.

2. DISCUSSION

Reasons for proposal to granting of rights to use, control or manage the relevant capital asset

The Municipality has implemented various internal mechanisms for the provision of parking, however on review, these were found to be less favourable and not sustainable. Request were received from retail outlets / owners including the Eikestad Mall to manage parking areas, situated adjacent to these retail outlets. These requests were assessed in terms of the Municipality's Parking Strategy and were found to be in alignment with strategy.

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.

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 ended.

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.

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

Complaints had previously been received relating to the processing of payments. The retail outlets will be responsible to appoint the staff and put infrastructure in place for access control purposes, addressing these complaints and saving the municipality these costs.

3.3 Location and context

The parking area is located in the Stellenbosch Central Business District area and is accessed from Victoria Street and Ryneveld Street.

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 Eikestad Mall Management for the management Eikestad Parking Area on a short-term basis with the option of an annual renewal until the PPP process is finalised.

3.5 Addressing of Comments

Any proposals or comments may be forwarded to:

johan.fullard@stellenbosch.gov.za

or delivered to 71 Plein Street, Ecclesia Building, Second Floor.

Comment must be submitted on or before 19 August 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.