



INFORMATION STATEMENT IN RELATION TO INTENDED DISPOSAL OF PORTIONS OF 528 AND 529c CURRENTLY KNOWN AS MOUNTAIN BREEZE CARAVAN PARK, STELLENBOSCH

1. PURPOSE

The purpose of this statement is to provide the prescribed information in terms of regulation 32, 33, 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 and **Stellenbosch Caravan Park cc** (Malan) concluded a long term Lease Agreement during 1992 for a period of 30 years (1 April 1991-31 March 2021)

This Lease Agreement was later ceded to the **Mountain Breeze Caravan Park cc** (Visser). The lease Agreement expired on 31 March 2021 but was extended on a month to month basis until council was in a position to make an informed decision on the future use of the property. The lessee terminated the extension from 30 June 2021. Council then took over the day -to-day upkeep of the property, but closed it to the public. Council went through an extensive process to determine what the future of the properties should be. Council decided to provide an opportunity for the public to submit written inputs on the most possible future use of the facility, before deciding on a way forward. At the Council meeting of 30 March 2022 Council resolved that they intend to call for proposals to use the existing facilities for Cycling, hiking groups, eco education and adventure centre for school groups with overnight facilities. The administration reported back in October 2024 that there are various challenges with the implementation of council resolution especially due to the services to the property and the zoning. Council resolved to review and rescind the 2022 resolution to lease the property. The intention for a disposal of the property by auction was indicated which triggered a public participation process in terms of the MFMA through the publication of an information statement.

3. DISCUSSION

3.1 Public Participation Process

Council resolved to review and rescind the previous 2022 resolution and has resolved to advertise its intention to sell the property voetstoots at an auction to the highest bidder. The bidder to use the property within the current zoning of agriculture.

In terms of the Asset Transfer Regulations, before Council can make an in principle decision dispose of Municipal property, the Municipal Manager must first conduct a public participation process in terms of the provisions of the MFMA.

3.2 Information Statement

In terms of regulation 35, the Municipal Manager, when making public the proposal to dispose of the property, 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 dispose of 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 Stellenbosch Council solicited the views of the public on what uses the property can serve the public, Council does not intend to run the Caravan Park any longer as it is not a core function of Council and if Council make it available for a third party Council wanted to be sure what kind of activities should the area serve. From the public participation process Council selected the activities of Cycling, hiking, eco education and adventure and also specifically targeting the youth. There will be overnight facilities as the park currently have such facilities available as well as ablution facilities. As this is not a core function of Council, Council wanted to make it available at a fee to a third party to provide these facilities on the site and lease the property. In preparation of the tender it became clear that the property is not suitable for the uses intended as the services and access to the property will be a huge challenge when rezoning is required to use the property as intended. Council resolved on 30 October 2024 to review and rescind the resolution on 27 July 2022 and resolved inter alia:

- (a) that the Council resolutions taken on 2022-07-27 be reviewed and rescinded;
- (b) that Portions 528 and 529C, Stellenbosch (also known as Mountain Breeze Caravan Park) be identified as land not needed for basic Municipal Services;
- (d) that provision be made for a fall-back clause if the buyer wants to sell the property within 10 years;
- (e) that the property must be used as per the current zoning and will be sold voetstoots; and
- (f) that an updated property valuation report be obtained before the item be resubmitted to Council

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

The disposal of the property will bring in revenue that Council can use for other purposes. The facility is currently not used optimally and if disposed of and used within the Zoning rights approved can enhance the agricultural usages around it. The people that are currently illegally occupying the land will have to be removed by the new owner.

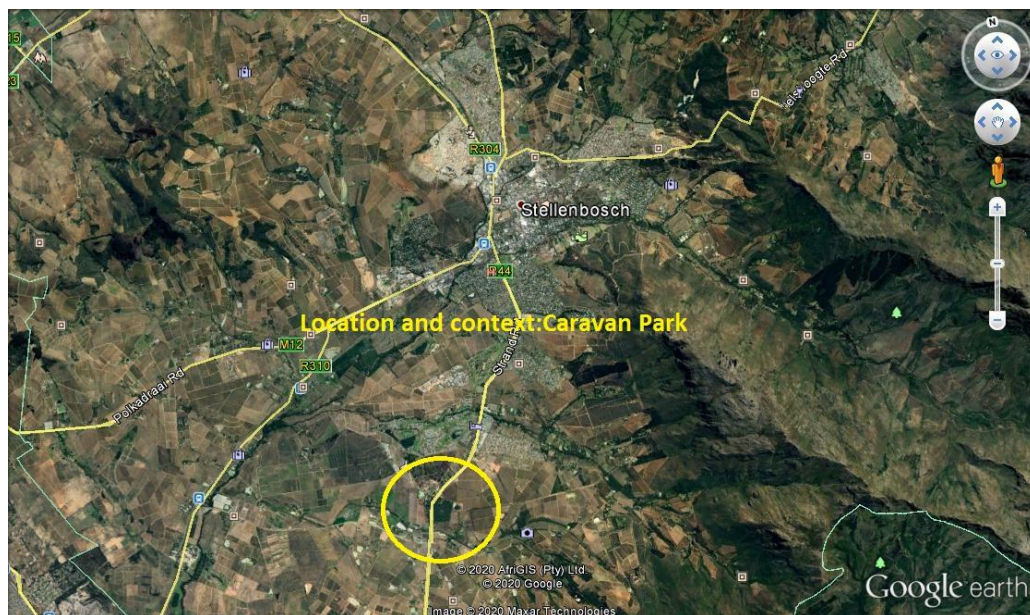
3.2.3 Expected proceeds to be received by the Municipality form the granting of the right

The land will be sold on auction and the municipality will set a reserve price that will not be less than the Municipal Value of the property. As this will be an open bidding process the highest price will encourage competition. A final decision by council will be taken after the auction to dispose of the property and council may at that stage decide that the price is too low and then not dispose of the property.

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 disposal is to get revenue from a piece of land that is currently not used optimally.

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 proposal to enter into a lease agreement with a to be determined third party to use the current facilities for cycling, hiking, eco-education and overnight facilities linked to these activities. Comment must reach the offices of the Municipality on or before **12 February 2025** and must be addressed to the Municipal Manager via email at Municipal.Manager@ Stellenbosch.gov.za or 3rd Floor, Main Office Building, 17 Plein street, Stellenbosch.

Any queries can be directed to Me Yolande van den Berg (021) 808 8073 or Yolande.vandenBerg@ Stellenbosch.gov.za.