



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.

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.

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 three entities, who is situated on erf 235 namely World Tennis Foundation, Van der Stel Bowling Club and parking for Medi-Clinic are 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.

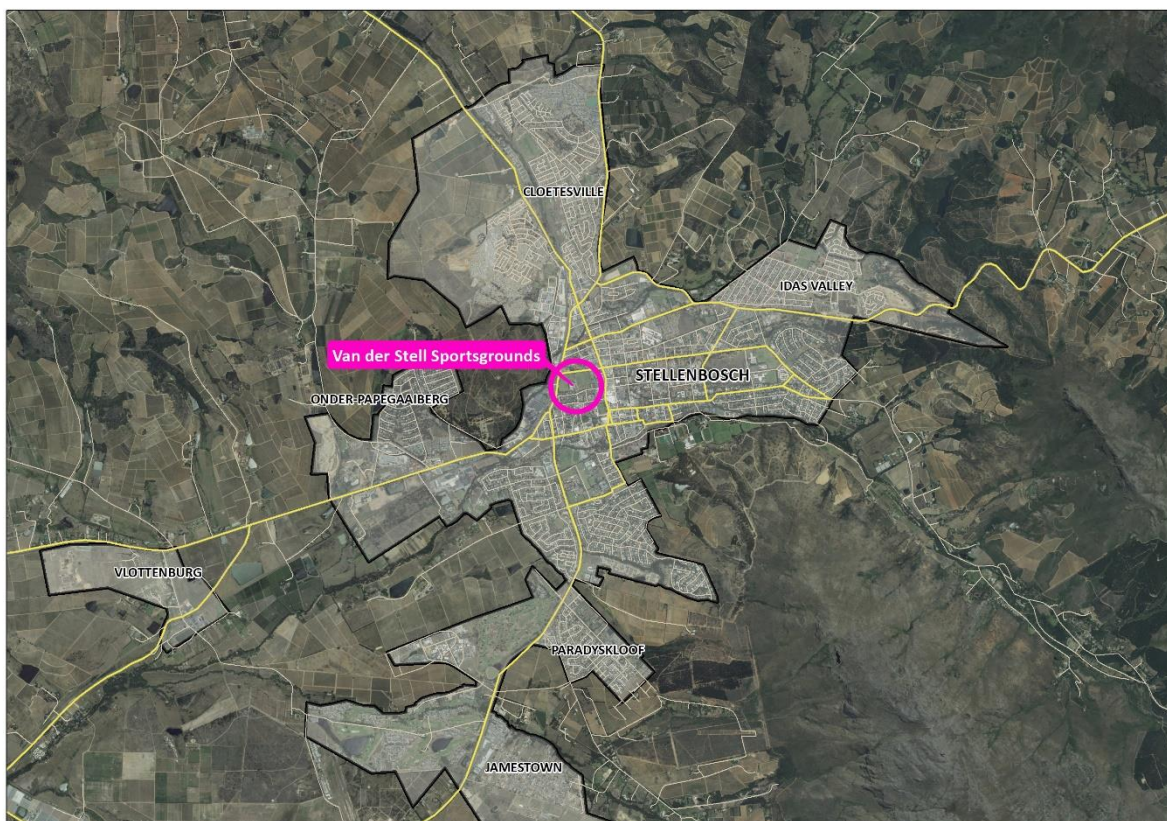
3.2.3 Expected proceeds to be received by the Municipality form the granting of the rights

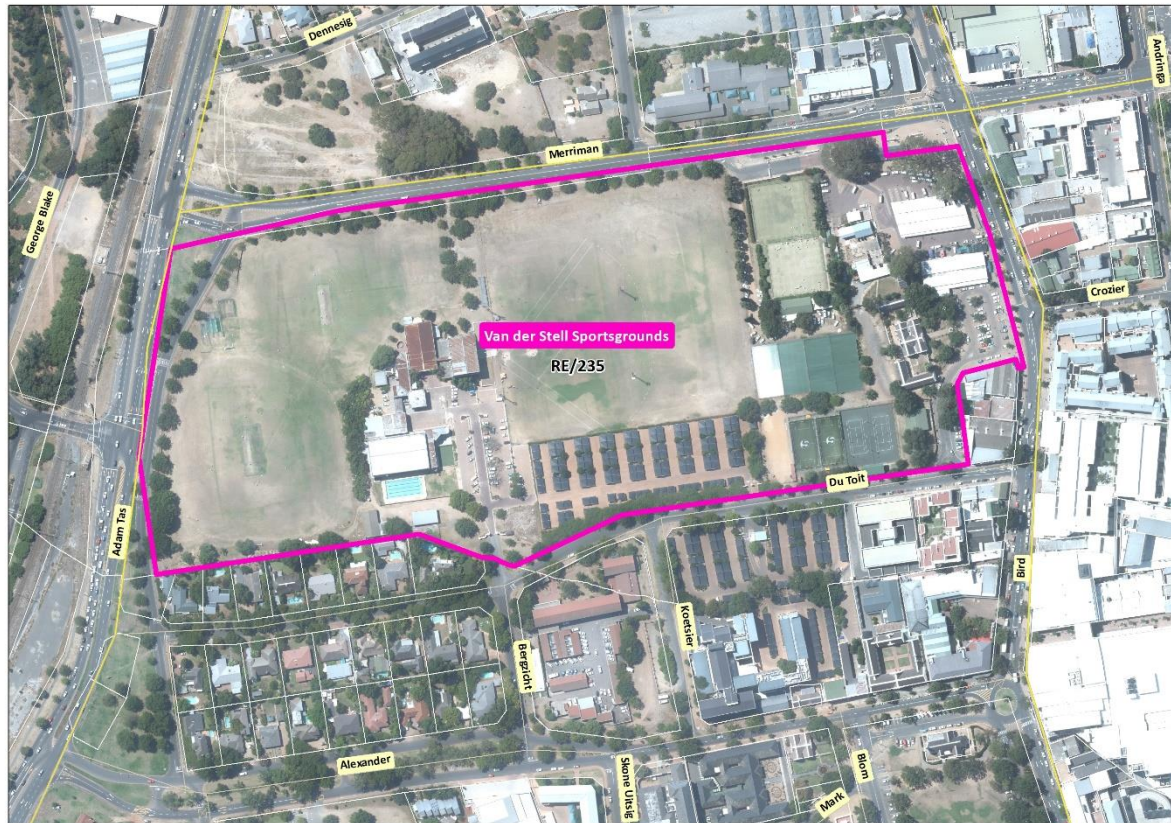
- a) A capital investment to the value of R395 million will be invested over the next 5 to 10 years in the facility
- b) The facility will be maintained as part of the agreement.
- c) Economic activities will be encouraged and stimulated.
- d) There will be an opportunity to stimulate sport tourism.
- 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.

3.3 Location and context





3.4 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 **20 February 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.

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: _____