

ITEM NUMBER: C 43/05/14

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 MAY 2014

MC 09/05/14 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE STRAND BUSINESS IMPROVEMENT DISTRICT (SBID)

It is **RECOMMENDED** that:

- (a) the City of Cape Town determine the area as reflected in the body of the report on the agenda, to be declared a special rating area (SRA), known as the Strand Business Improvement District (SBID), in terms of the Special Rating Area By-Law, 2012
- (b) the City of Cape Town approve the application submitted by Mr B Friedman, the registered owner of Erf 10047, Strand, to establish an SRA in the SBID area in terms of Section 8.1(a) of the By-law
- (c) the City of Cape Town impose the levying of an additional rate of R0,002719 on commercial properties in the SBID in terms of Section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004, after Section 10 of the By-law has been met
- (d) a Finance Agreement be concluded between the City of Cape Town and the SBID Management Committee in terms of Section 12(6) of the by-law.



REPORT TO COUNCIL

DATE

1. ITEM NUMBER : MC 09/05/14

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE STRAND BUSINESS IMPROVEMENT DISTRICT (SBID)

ONDERWERP

AANSOEK OM DIE BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) BEKEND AS DIE STRAND-SAKEVERBETERINGSDISTRIK (SBID)

ISIHLOKO

ISICELO SOKUMISEWLA KOMMANDLA ONEERHAFU EZIZODWA OWAZIWA NGOKUBA SISITHILI SOKUPHUCULWA KOSHISHINO

[E1755]

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

4. PURPOSE

To declare the Strand CBD area a Special Rating Area called Strand Business Improvement District (SBID).

5. FOR NOTING BY / FOR DECISION BY

- This report is for noting only/information only.
- This report is for consideration/decision by:

- Council

6. EXECUTIVE SUMMARY

In terms of the Special Rating Area By-Law, Council has received an application to determine a SRA in the SBID area.

The application complies with all legal aspects as per the SRA By-Law in terms of process and majority support.

The Steering Committee obtained 56% support and no objections to the Business Plan were received.

An additional rate of R0,002719 will be levied on commercial properties within SBID in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004.

This report recommends that the application be approved and that a SRA be declared in the Strand Business Improvement District (SBID) after Section 10 of the By-law is met. A Finance Agreement will be concluded between the City of Cape Town and the SBID Management Committee.

7. RECOMMENDATIONS

It is recommended that:

- a) The City of Cape Town determine the area as reflected in the body of this report to be declared a special rating area (SRA), known as the Strand Business Improvement District (SBID), in terms of the Special Rating Area By-law, 2012.
- b) The City of Cape Town approve the application submitted by Mr Barry Friedman, the registered owner of erf 10047, Strand, to establish an SRA in the SBID area in terms of section 8.1(a) of the By-law.
- c) The City of Cape Town impose the levying of an additional rate of R0,002719 on commercial properties in the SBID in terms of section 22(1)(b) of the Local Government: Municipal Property Rates Act (MPRA), Act 6 of 2004, after section 10 of the By-law has been met.
- d) A Financial Agreement be concluded between the City of Cape Town and the SBID Management Committee in terms of section 12(6) of the by-law.

AANBEVELINGS

Daar word aanbeveel dat:

- a) Die Stad Kaapstad bepaal dat die gebied soos weerspieël in die inhoud van hierdie verslag as 'n spesiale-aanslaggebied (SRA), bekend as die Strand-sakeverbeteringsdistrik (SBID), verklaar word ingevolge die Verordening op Spesiale-aanslaggebiede, 2012.

- b) Die Stad Kaapstad die aansoek ingedien deur mnr. Barry Friedman, die geregistreerde eienaar van erf 10047, Strand, goedkeur om 'n SRA in die SBID-gebied tot stand te bring ingevolge artikel 8.1(a) van die verordening.
- c) Die Stad Kaapstad die heffing van 'n bykomende tarief van R0,002719 op kommersiële eiendomme in die SBID instel ingevolge artikel 22(1)(b) van die Wet op Plaaslike Regering: Munisipale Eiendomsbelasting (MPRA), Wet 6 van 2004, nadat daar aan artikel 10 van die verordening voldoen is.
- d) 'n Finansiële ooreenkoms tussen die Stad Kaapstad en die SBID-bestuurskomitee gesluit word ingevolge artikel 12(6) van die verordening.

IZINDULULO

Kundululwe ukuba:

- a) ISixeko saseKapa masimisele ummandla obonakaliswe kumxholo wale ngxelo njengommandla oneerhafu ezizodwa, owaziwa ngokuba siSithli sokuPhuculwa koShishino, ngokungqinelana noMthetho kaMasipala ojongene neMimandla yeeRhafu eziZodwa, 2012.
- b) ISixeko saseKapa masiphumeze isicelo esingeniswe nguMnu Barry Friedman, umnini obhalisiweyo wesiza 10047, Strand, sokumiselwa uMmandla weeRhafu eziZodwa kwiSithili sokuPhuculwa koShishino ngokungqinelana necandelo 8.1(a) lomthetho kamasipala.
- c) ISixeko saseKapa masimisele ukuhlawulwa komrhumo owongezelelweyo we-R0,002719 ngeepropati zoshoshino esikwiSithili soPhuculo loShishino sase-Strand ngokungqinelana necandelo 22(1)(b) loMthetho ojongene neeRhafu eziZodwa zikaMasipala woRhulumente weNgqinqi: , uMthetho 6 wango-2004, ngexabiso lepropati emva kokuqwalaselwa kwecandelo 10 lalo mthetho kamasipala.
- d) Makuqunjelwe isivumelwano sezimali phakathi kweSixeko saseKapa neKomiti yoLawulo lweSithili soPhuculo loShishino yase-Strand ngokungqinelana necandelo 12(6) lomthetho kamasipala.

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications

The City of Cape Town, as with most of the major cities in South Africa, is grappling with the challenge of providing an equitable level of service to all its inhabitants. It acknowledges that property owners within an area require a mechanism to create a friendly environment and to enhance its current service delivery capacity. The SRA model allows property owners to organize additional municipal services to improve and upgrade the SRA with the additional rates levies.

Accordingly a Steering Committee was formed to pursue the process of establishing an SRA under the guidance of the ISL Department.



The Steering Committee submitted an application, attached as Annexure A, which includes the following:

- Motivation Report, Implementation Plan and Budget.
- Property database of all properties eligible to pay the additional rate with an indication of who supported the application and verified by the ISL Department.
- An affidavit from the applicant that more than 50% of the property owners supported the formation of the SRA.
- Public meetings advertisements, Minutes, Presentation and Public perception survey report.

The applicant applied in terms of Section 8.1(a) of the SRA By-law for a SRA.

The Steering Committee obtained 56% support that comprises of 84 even out of the 150 properties within the proposed SRA.

The application had been advertised for comments / objections and was available for scrutiny at the offices of the City and the Steering Committee. Advertisements are attached as per Annexure B. No objections to the Business Plan were received.

As spelt out by the applicant in the Business Plan of the SBID the only way to halt the downward spiral of decay is to establish a sustainable and well managed urban management process. The SRA concept has proved itself to be one of the better joint ventures between Council and property owners to combat urban decay on a wide front without Council neglecting/shifting its primary duties.

The applicant complied with all the legislative processes and majority support as required by the SRA By-law in terms of the establishment process.

An SRA additional rate of R 0,002719 has been calculated on the total municipal valuation of all the commercial properties within the SBID area to enable Council to collect the SBID first year budget of R 936 701. This SRA additional rate will be implemented as from 1 July 2014 after Section 10 of the By-law is met. This SRA additional rate will be considered for approval as part of the Council budget process and will be implemented as from 1 July 2014. This SRA additional rate will be considered for approval as part of the Council budget process and will be implemented as from 1 July 2014. A Finance Agreement will be concluded between the City of Cape Town and the SBID Management Committee.

All documentation relating to the SBID application will be available for scrutiny at the Council meeting.

8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City?

No Yes



This application adheres to the goals, targets and commitments where applicable as set out in the IMEP (Integrated Metropolitan Environmental Policy), as approved by Council in October 2001.

8.3. Legal Implications

- Municipal Property Rates Act No.6 of 2004
- Municipal Financial Management Act No.56 of 2003
- Special Rating Area By-law and Policy

8.4. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

8.5. Other Services Consulted


None

ANNEXURES

Annexure A - Application to establish a SRA in the SBID area

Annexure B - Public participation process (adverts)

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Finance: ISL
FILE REF NO	
SIGNATURE : DIRECTOR	
George van Schalkwyk	
Date	25/4/2014

Comment:

EXECUTIVE DIRECTOR

NAME Kevin Jacoby

DATE 25.04.2014



REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

Dransky

LEGAL COMPLIANCE

NON-COMPLIANT

NAME A.S. Dransky

Comment:

TEL (021) 400 4836.

DATE _____

A.G. R...

EXECUTIVE DIRECTOR: COMPLIANCE AND AUXILIARY SERVICES (ED: CAS)

DATE 30/4/14

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

[Signature]

MAYORAL COMMITTEE MEMBER

COMMENT:

NAME Alderman Ian Neilson

DATE 5/5/14

