

ITEM NUMBER: C 46/05/14

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 MAY 2014

MC 12/05/14 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) KNOWN AS THE LLANDUDNO SPECIAL RATING AREA (LSRA)

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 Llandudno Special Rating Area (LSRA), in terms of the Special Rating Area By-Law, 2012
- (b) the City of Cape Town approve the application submitted by Marguerite Bond-Smith, the registered owner of Erf 2009, Salt River, to establish an SRA in the LSRA area in terms of Section 8.1(a) of the By-law
- (c) the objections to the establishment of the LSRA be noted but not upheld for the reasons discussed in the report on the agenda
- (d) the City of Cape Town impose the levying of an additional rate of R0,000139 on residential properties in the LSRA 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
- (e) a Finance Agreement be concluded between the City of Cape Town and the LSRA Management Committee in terms of Section 12(6) of the by-law.



REPORT TO COUNCIL

DATE

1. ITEM NUMBER : MC 12/05/14

2. SUBJECT

APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA
(SRA) KNOWN AS THE LLANDUDNO SPECIAL RATING AREA (LSRA)

ONDERWERP

AANSOEK OM DIE BEPALING VAN 'N SPESIALE-AANSLAGGEBIED
(SRA) BEKEND AS DIE LLANDUDNO- SPESIALE-AANSLAGGEBIED
(LSRA)

ISIHLOKO

ISICELO SOKUMISELWA KOMMANDLA ONEERHAFU EZIZODWA
EYAZIWA NGOKUBA NGUMMANDLA ONEERHAFU EZIZODWA WASE-
LLANDUDNO

E 1943

3. STRATEGIC INTENT

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

4. PURPOSE

To declare the Llandudno area a Special Rating Area called Llandudno
Special Rating Area (LSRA).

5. FOR NOTING BY / FOR DECISION BY

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

6. EXECUTIVE SUMMARY

In terms of the Special Rating Area By-Law, Council has received an application to determine a SRA in the LSRA 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 65.73% support for the Business Plan (211 from 321 property owners) and 4.98% (16 property owners) objected to the establishment of the LSRA. These objections have been noted but not upheld for the reasons set out in the report.

Each objector was contacted by the Steering Committee to ensure that the Business Plan was understood and to clarify any concerns. The objectors had a further opportunity to comment on the minutes of this meeting regarding the accuracy thereof as these written records were submitted to the City. A summary of the objections per erf are attached as per Annexure C. The schedule also reflects a summary of the ISL Department responses.

An additional rate of R0,000139 will be levied on residential properties within the LSRA 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 Llandudno Special Rating Area (LSRA) after Section 10 of the By-law is met. A Finance Agreement will be concluded between the City of Cape Town and the LSRA 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 Llandudno Special Rating Area (LSRA), in terms of the Special Rating Area By-law, 2012.
- b) The City of Cape Town approve the application submitted by Marguerite Bond-Smith, the registered owner of erf 2009, Llandudno, to establish an SRA in the LSRA area in terms of section 8.1(a) of the By-law.
- c) The objections to the establishment of the LSRA be noted but not upheld for the reasons discussed in the report.
- d) The City of Cape Town impose the levying of an additional rate of R0,000139 on residential properties in the LSRA 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.

- e) A Finance Agreement be concluded between the City of Cape Town and the LSRA 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 Llandudno- spesiale-aanslaggebied, verklaar word ingevolge die Verordening op Spesiale-aanslaggebiede, 2012.
- b) Die Stad Kaapstad die aansoek ingedien deur Marguerite Bond-Smith, die geregistreerde eienaar van erf 2009, Llandudno, goedkeur om 'n SRA in die LSRA-gebied tot stand te bring ingevolge artikel 8.1(a) van die verordening.
- c) Daar kennis geneem word van die besware ten opsigte van die totstandkoming van die LSRA, maar dat dit nie gehandhaaf word nie om die redes in hierdie verslag bespreek.
- d) Die Stad Kaapstad die heffing van 'n bykomende tarief van R0,000139 op residensiële eiendomme in die LSRA 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.
- e) 'n Finansiële ooreenkoms tussen die Stad Kaapstad en die LSRA-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 nguMmandla oneeRhafu eziZodwa wase-Llandudno, ngokungqinelana noMthetho kaMasipala ojongene neMimandla yeeRhafu eziZodwa, 2012.
- b) ISixeko saseKapa masiphumeze isicelo esingeniswe ngu-Marguerite Bond-Smith, umnini obhalisiweyo wesiza 2009, e-Landudno, sokumisela uMmandla weeRhafu eziZodwa kummandla weeRhafu eziZodwa wase-Llandudno ngokungqinelana necandelo 8.1(a) loMthetho kaMasipala.
- c) Makuqwalaselwe izichaso kumiselo loMmandla weeRhafu eziZodwa wase-Llandudno kodwa zingaxhaswa ngokwezizathu ezixoxwe kwingxelo.
- d) ISixeko saseKapa masimisele ukuhlawulwa komrhumo owongezelelweyo we-R0,000139 ngeepropati ezizindawo zokuhlala ezikuMmandla weeRhafu eziZodwa wase-Llandudno ngokungqinelana necandelo

22(1)(b) loMthetho ojongene neRhafu eziZodwa zikaMasipala woRhulumente weNgingqi, uMthetho 6 wango-2004, ngexabiso lepropati emva kokuqwalaselwa kwecandelo 10 lalo mthetho kaMasipala.

- e) Makuqunjelwe isivumelwano sezimali phakathi kweSixeko saseKapa neKomiti yoLawulo loMmandla weRhafu eziZodwa wase-Llandudno 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 60% 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 65.73% support that comprises of 211 erven out of the 321 properties within the proposed SRA.

The application had been advertised for comments and objections and two public meetings were conducted. The application was available for scrutiny at the offices of the City and the Steering Committee. Advertisements attached as Annexure B.

In total 16 objections were received from property owners. Each objector was contacted by the Steering Committee to ensure that the Business Plan was understood and to clarify any concerns. The objectors had a further opportunity to comment on the minutes of this meeting regarding the accuracy thereof as these written records were submitted to the City. A summary of the objections per erf are attached

as per Annexure C. The schedule also reflects a summary of the ISL Department responses.

As spelt out by the applicant in the Business Plan of LSRA the only way to halt the down ward spiral of decay is to establish a sustainable and well managed urban management process. The SRA concept 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.

As per the urban management survey and the majority support obtained from the other property owners it clearly shows that the area needs to stem and turn around the spiral of urban decay setting in and the objections could therefore not be upheld.

The applicant complied with all the requirements for setting up a SRA as per the By-law for establishment of a SRA.

An SRA additional rate of R0,000139 has been calculated on the total municipal valuation of all the residential properties within the LSRA area to enable Council to collect the LSRA first year budget of R 368 267. 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. A Finance Agreement will be concluded between the City of Cape Town and the LSRA Management Committee.

All documentation relating to the LSRA 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 ☒



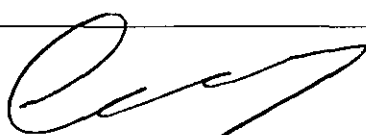
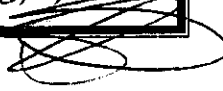
8.5. Other Services Consulted

None

ANNEXURES

- Annexure A - Application to establish a SRA in the LSRA area
- Annexure B - Public participation process (adverts)
- Annexure C - Objection schedule and objection letters

FOR FURTHER DETAILS CONTACT:

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

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.

January

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LEGAL COMPLIANCE

☐ NON-COMPLIANT

NAME

AS. January

Comment:

TEL

021 400 4536

DATE

29.4.14

Certified as legally compliant:

Based on the contents of the report.

8

A. G. D.

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



SUPPORTED FOR ONWARD SUBMISSION
TO MAYOR ☐ / MAYCO ☒ / COUNCIL ☒



NOT SUPPORTED



REFERRED BACK

DATE

30/4/14

COMMENT:

COMMENT:

[Signature]
MAYORAL COMMITTEE MEMBER

NAME

Alderman Ian Neilson

DATE

5/5/14