

16. PROPOSED OVERSTRAND MUNICIPALITY INVESTMENT INCENTIVE POLICY

17/5/B

S Muller

Director : Infrastructure & Planning

29 July 2022

(028) 313 8019

1. Executive Summary

The purpose of this report is to report back to Council on the inputs received from the public. To propose amendments where necessary and to recommend to Council the approval of the policy draft. The Draft Investment Incentive Policy is attached as Annexure A.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning
 Department: Town Planning
 Department: Building Control

3. Compliance with Strategic Priorities

Provision of democratic, accountable, and ethical governance
 The provision and maintenance of municipal services
 Creation and maintenance of a safe and healthy environment
 The promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

- Overstrand Integrated Development Plan 2017/2023
- Municipal Systems Act 32 of 2000
- Municipal Financial Management Act 56 of 2003
- Spatial Planning and land Use management Act, 2013 Act 16 of 2013) (SPLUMA)
- Overstrand Spatial Development Framework 2020
- Amendment By Law on Municipal Land Use Planning, 2020

6. Background/Discussion/Evaluation/Conclusion

Background

The proposed policy served before Council on 30 May 2022, and the following resolution was taken:

AGENDA OF A SPECIAL MAYORAL COMMITTEE MEETING 29 AUGUST 2022

“that the proposed Investment Incentive Policy, inclusive of the fast-track Overstrand approach, be approved for public participation.”

Overstrand wants to encourage investments into its town and neighbourhoods. Therefore an Investment Incentive Policy has been drafted, targeting diverse development in the Municipal area across different fields.

The policy is especially targeting investments and development in the following fields:

- Nature Conservation
- Tourism
- Green Energy
- Warehouses
- Call Centres
- Financial
- Medical and Health Care
- CBD regeneration project
- Economic corridor development in Overstrand area

The policy further proposes certain incentives should investors and developers invest in the projects listed above.

These incentives include Reduced Development Application fees, including Building Plan and Town Planning fees and Rebates on Municipal Property Rates.

Developers and Investors wanting to make use of the incentive need to submit an application which will be considered by the Municipal Manager and the Director Investment and Infrastructure.

If the incentives are approved, the applicant will need to perform according to the policy, and if not, then the incentive or different payments will become payable.

Discussion

The Investment Incentive Policy was advertised for public comment. A total of three (3) comments were received. The comments are attached as Annexure B.

A summary of the comments together with the discussion and proposal regarding the comments is attached per Annexure C. When amendments have been agreed to, these amendments have been made and are contained in the Draft. It is important to note that this policy makes a clear defied between previous disadvantaged areas and areas where economic opportunities were and are readily available. To help assist the entrepreneurs and to encourage investment in previous disadvantaged areas, the performance criteria is adjusted. The adjustment is made as

follows: in terms of the proposed size of the investment from the developer in normal practice it will be value of investment to be > R5 000 000 and in previously disadvantaged areas value of investment to be > R2 000 000). Further, the proposed investment must create new and sustainable full-time employment to be eligible for the Investment Incentives package (must create 10 or more permanent jobs) whereas in previously disadvantaged areas must create 5 or more permanent jobs.

The above proposed has also been included in the Draft Policy in order to encourage development in the previous disadvantaged community.

The comments mainly entailed grammar corrections. Further comments also were received regarding certain financial implications and outcomes of the policy. However some of those impacts and outcomes would only become evident once developers start taking up the incentives. This could be reviewed from the statistics after a year.

Although some incentives are granted regarding building plan, planning fees and to rates and taxes holiday, it must be kept in mind that Developers/Investors are still responsible for services and upgrade thereof.

The incentives need to be applied for and is not a given. A draft application form is attached per Annexure D. The application to be considered by the Municipal Manager and the Incentive Committee, should the Municipal Manager appoint such a committee.

Lastly the incentives are also subject to performance by the investor/developer. If the incentives are granted, the applicant will need to perform according to the policy, and if not, then the incentives or deferred payments will become payable.

Conclusion

The opinion is held that the proposed policy will benefit the community as a whole and help ensure socio-economic growth and ease of doing business. It is proposed that the draft Investment Incentive Policy as amended be approved.

7. Financial Implications

The financial implication is discussed in the policy and although there will not be a direct contribution in capital investment from the Municipality, the Municipality will commit in providing resources such as the dedication of staff and to provide discount on building plan and land use submissions and in certain instances rebates.

AGENDA OF A SPECIAL MAYORAL COMMITTEE MEETING 29 AUGUST 2022**8. Staff Implications**

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Investment Incentive Policy

Annexure B: Comments received from public

Annexure C: Summary of comments received in public participation process. (All the comments received cannot be attached due to protection of personal information – but can be viewed on request at the office of the Director: Infrastructure & Planning)

Annexure D: Draft Application form

RECOMMENDATION TO THE COUNCIL:

that the Draft Investment Incentive Policy, as amended, **be approved.**

RESPONSIBLE OFFICIAL :

S MULLER

TARGET DATE FOR IMPLEMENTATION :

1 SEPTEMBER 2022



Investment Incentive Policy

Version 3 (17 May 2022)

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1. DEFINITIONS

For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

Incentive	Any measurable advantage affected by specific enterprises and/or categories of enterprises at the strategic direction of government.
Council	Means the Municipal Council of Overstrand established in terms of the Municipal Systems Act, Act no. 32 of 2000.
Mayoral Committee	The committee appointed by the Executive Mayor to assist the Executive Mayor in terms of Section 60 of the Municipal Structures Act, Act no. 32 of 2000.
Development Charge	A Development Charge, as outlined in the approved Council Development Contribution Policy, means a once-off charge imposed on a developer as a condition of approval or where additional capacity is required by a property owner. This charge is also known as the Bulk Infrastructure Contribution Levy (BICL).
Development and Investment Committee	An internal committee is established by the Municipal Manager responsible for identifying and assessing major development and investment initiatives/projects within the municipal area.
Incentive package	The list of approved incentives that may be negotiated with investors.
Policy	The policy for investment incentives, or any other policy adopted by Council in relation to investment incentives.

2. PREAMBLE

The vision of the Municipality is:

To be a centre of excellence for the community

The mission of the Municipality is:

Creation of sustainable communities by developing optimal services to support economic, social and environmental goals in a politically stable environment as an Overstrand for All

The strategic goals of the Municipality is:

1. The provision of democratic, accountable and ethical governance.
2. The provision and maintenance of municipal infrastructure.
3. The encouragement of structured community participation in the matters of the municipality.
4. The creation and maintenance of a safe and healthy environment.
5. Promotion of tourism, economic and social development.

Taking the above-mentioned vision, mission and goals into consideration, as well as Council's drive to make it easier to do business in the Overstrand, the aim of this policy is to create leverages to encourage investments to be made towards Overstrand's strategic direction.

Incentives are aimed at promoting the ease of doing business, especially where it relates to large capital and/or catalytic developments.

Investment incentives focus on:

- Spatial targeting
Encouraging and promoting development in identified nodes according to Overstrand Spatial Development Framework and Overstrand Growth Management Strategy and investments towards strategic direction.
- Targeting certain Sectors
The Blue economy, aquaculture, agriculture, nature conservation, tourism, green and renewable energy, warehousing, call centre, financial, medical and health care, and social/affordable housing.

3. REGULATORY CONTEXT

This policy is developed in the context of the following legislation, policies and strategic frameworks:

- 3.1 The Constitution of the Republic of South Africa Act 108 of 1996.
- 3.2 Municipal Finance Management Act (MFMA) Act No 56 of 2003 and related regulation,
- 3.3 Municipal Property Rates Act (MPRA) Act No 6 of 2004,
- 3.4 Municipal Systems Act, Act No 32 of 2000,
- 3.5 Land Use Planning Act (LUPA) Act 3 of 2014,
- 3.6 Overstrand Municipality Property Rates Policy.
- 3.7 Overstrand Municipality Integrated Development Plan (IDP).
- 3.8 Overstrand Municipality Spatial Development Framework.
- 3.9 Overstrand Municipality Amendment by Law on Municipal Land Use Planning 2020.
- 3.10 Overstrand Municipality Developer Contributions Policy.
- 3.11 Overstrand Municipality Tariff Policy.
- 3.12 Overstrand Municipality Long-Term Financial Sustainability Policy.

4. STRATEGIC FOCUS AREAS

This policy aims to inform and guide the provision of incentives for investment within the Overstrand Municipal area.

For any Municipality, the question of how to design a comprehensive incentives strategy must be located within both a global and local context. For the Overstrand Municipality, the local context demands that the municipality carefully balance the incentives packages that encourage investment that is critical for driving economic growth and job creation, with the revenue requirements to address its other strategic policy priorities and service delivery.

While research tends to indicate that incentives are rarely the most important factor in locality decisions by business, they do influence decision making and can play a "tipping point" role. Non-financial incentives, particularly with respect to transparent and consistent administrative procedures are often considered by investors to be more important than incentives with a direct financial benefit. It is the role of the Overstrand Municipality to identify the best mix of both non-financial and financial incentives.

There are a wide range of incentives offered by other spheres of government, most notably the Department of Trade and Industry (DTI); the Overstrand Municipality desires to see these national incentives complemented by a set of incentives that relate to the mandate of local government. The context-specific investment incentive package detailed in this policy document is designed to encourage investment towards the strategic direction of the Overstrand Municipality. Utilising investment incentives for private sector investment will position the Overstrand Municipality as a preferred investment destination both in the Western Cape, South Africa and globally whilst achieving the strategic objectives.

4.1 STRATEGIC DIRECTION ACTIVITIES

The proposed strategic focus areas of the Overstrand Municipality should be enshrined in the Overstrand Municipality's Integrated Development Plan (IDP) and is categorised into five pillars:

- The Opportunity Overstrand Municipality.
- The Well-run Overstrand Municipality.
- The Safe Overstrand Municipality.
- The Caring Overstrand Municipality.
- The Inclusive Overstrand Municipality.

Although incentives can have an impact on all five pillars, this discussion document proposes a focus on the Opportunity Overstrand Municipality and the Inclusive Overstrand Municipality.

The underlying principle of the Opportunity Overstrand Municipality in relation to investment incentives is the attraction of business investment that creates sustainable employment, contributes to the development of key sectors and catalytic development in important spatial nodes. In the long term the right kind of investment in the right place will create the platform for sustainable growth of the Overstrand Municipal area, but also contribute to a Safe and Caring Overstrand Municipality.

The underlying principle of the Inclusive Overstrand Municipality is to ensure accessibility for any qualifying investor/entrepreneur to employment and business opportunities. This includes direct employment created by businesses investing in the Overstrand Municipal area, but also in terms of indirect employment within local business supplying goods and services to new investments.

In terms of strategic context, this is aimed at development not necessarily located in the spatial nodes but in the overall context of Urban and Rural Development. These projects could include development of tourism, agriculture, environmental conservation and establishment of green energy and blue economy projects.

4.2 SPATIAL CONTEXT

The Spatial targets can be categorized in the following categories:

- Economic corridors in previously disadvantaged areas. The main aim is to promote formal socio-economic facilities within previously disadvantaged communities in order to enrich the community and allow the respective community to live, play and work without having to travel long distances. Refer to Annexure A.
- Economic Opportunity nodes as identified in terms of the Overstrand Municipal Spatial Growth Management Strategy where the main aim will be to increase the footprint of existing economic activities. Refer to Annexure B.

5. DESIRED OUTCOMES

This Investment Incentive Policy aims to:

- 5.1 Enhance the creation of a favourable economic climate to attract and retain investment in the Overstrand Municipality area,
- 5.2 Create favourable conditions for investors to participate in the implementation of key catalytic projects and initiatives,
- 5.3 Define the investment incentive package available to investors; and
- 5.4 Provide the necessary principles, processes and approval procedures that will enable a transparent incentive program.

6. GENERAL PRINCIPLES

The following principles have guided the development of the incentive packages described in Table 1 and Table 2.

6.1 Principle 1: Employment Creation

The investment incentives must be tied to the attainment of the Municipality's developmental goals of which job creation is foremost. The goal, of incentive provision is not to simply enhance business profit margins with little or no broader socio-economic impact. Rather, investment incentives must be used to support and enhance sustainable job-creating private sector investment. In this respect a business 'eligibility for incentives' should be conditional upon the creation of a prescribed number of jobs.

6.2 Principle 2: Affordability

The incentives package must not place undue pressure on the Municipality's finances. A Municipality should not sell services below cost to business. Where possible, high impact but low cost 'soft incentives' such as expedited approval times; and increased administrative efficiency in the dealing with applications, should be targeted. Financial incentives should be limited to application cost in order to make the opportunity to enter into the economy more accessible.

6.3 Principle 3: Transparency and Uniformity

The incentives should be non-discriminatory and should be applied with uniformity and transparency. The granting of investment incentives should be done according to a set of predetermined criteria. This set of criteria will be consistently applied to all businesses applying for incentives. Information on the nature of the granted incentives should be public knowledge.

6.4 Principle 4: Sectoral Targeting

The investment incentive will only be applicable in specific areas as set out in Annexure A. Incentives will be mainly geared towards priority sectors as outlined in the eligibility criteria. The aim is to attract and/or push specific investment into specific areas in line with the municipal Spatial Development Framework.

6.5 Principle 5: Spatial Targeting

Investment incentives are most effective when they are spatially targeted. This is for the following reasons:

- Spatial targeting maximizes the socio-economic return of incentives by focusing on areas with strong potential, but which are currently underperforming
- Spatial targeting enables the Municipality to achieve its development objectives in specific areas thereby addressing issues of spatial inequality

The spatial targeted area should align with Overstrand SDF and Overstrand Growth Management strategy.

6.6 Principle 6: Simplicity

Ascertaining whether a business is eligible for an incentive and subsequently obtaining an incentive should not be an onerous task for investors. The criteria for incentive provision should be easy to understand. The structure and administration of the investment incentives should not require excessive administration, thereby minimizing staff and financial impacts. This to ensure quick turnaround times for applications.

6.7 Principle 7: Legality

The incentives that are provided must be subject to the relevant legislation and planning parameters. Incentives cannot conflict with legislation, nor should they be provided to companies or persons not in good standing with the law.

6.8 Principle 8: Complementarity and alignment

A Municipality's Investment Incentives Policy should directly reflect its mandate as a separate and independent sphere of government i.e., it should relate to incentives that the Municipality can uniquely provide, and which will help to achieve the key strategic objectives of the Municipality as identified in the IDP and other strategic documents.

6.9 Principle 9: Continuous Review

The policy needs to be reviewed continuously in order to ensure it stays relevant and that the Municipality achieves the relevant outcomes anticipated by the policy.

7. INVESTMENT ENABLING FACTORS

The municipality utilizes a number of tools aimed at fast tracking, unblocking and reducing red tape in doing business in Overstrand; these include:

- a. The Development and Investment Committee.
- b. Infrastructure Master Planning; and
- c. Investment in the Business and Economic Corridor, nodes and strategic direction.

8. THE INVESTMENT INCENTIVE PACKAGE

The following incentives are offered to qualifying Investors in terms of the eligibility criteria:

Table 1: Non-Financial Incentives

Serial no	Category	Description
1.	Dedicated Investment Facilitation Committee	A dedicated Development and Investment Committee to assess applications.
2.	Fast Tracked Development Application Process	a) Guaranteed development application time frames, including provision of pre- lodgement meetings, dedicated assistance, and guidance. b) Timeframe commitments for compliant applications are as follows: <ul style="list-style-type: none"> • Land-use application: six (6) months. • Building plan approval: 14 days
3.	Property Locality and availability assistance	Assistance to prospective Investors searching for ideal development sites or building premises within Overstrand Municipal area.

Table 2: Financial Incentives

Serial no	Category	Description
1.	Development Application Fees	<p>Applies to all land use and building plan fees.</p> <p>Reduced building plan application fees and land use management application fees apply to non-residential development as follows:</p> <ul style="list-style-type: none"> i. Building plan application fee. <ul style="list-style-type: none"> • If the building is less than 1000m² - 30% rebate on scrutiny fees. • If the building plan is more than 1000m² - 50% rebate on scrutiny fees. ii. Land use management application fee: <ul style="list-style-type: none"> • In economic corridors (Disadvantaged areas) - 100% rebate on land use applications • 50% in economic nodes <p>Applicable to applications relating to:</p> <p>Strategic sectors such as agri/aqua culture, nature conservation, tourism, green energy, warehousing, call centre, financial and medical.</p>
2.	Rebate on Municipal Property Rates portion (Value of improvements)	<ul style="list-style-type: none"> • Development value (value of improvements) of R20m to R40m – 100% rebate for 1 year, which period will be affected from date of final approval of the development. • Development value (value of improvements) of > R40m – 100% for 2 years, which period will be affected from date of final approval of the development.

9. ELIGIBILITY AND COUNTER-PERFORMANCE CRITERIA

The following criteria will be applied to determine investor eligibility for incentives:

1. General Criteria	<p>The investment must constitute a new development or expansion of an existing investment within the economic corridor or nodes (value of investment to be > R5 000 000)</p> <p>In previously disadvantaged areas value of investment to be > R2 000 000.</p>
2. Sectoral Criteria	<p>a) The Investment incentive package is specifically targeted to businesses operating in the following manufacturing sectors:</p> <ul style="list-style-type: none"> - i. Agri/Aqua culture and Blue Economy ii. Nature conservation iii. Tourism iv. Green Energy v. Warehousing, vi. Call centre, vii. Financial viii. Medical and Health Care <p>b) In line with Council priority projects, incentives will be available for the following Initiatives: -</p> <ul style="list-style-type: none"> • CBD regeneration projects (mixed use residential and retail facilities)
3. Employment Creation	<p>Applies to both sectoral and spatial criteria. The proposed investment must create new and sustainable full-time employment to be eligible for the Investment Incentives package (must create 10 or more permanent jobs).</p> <p>In previously disadvantaged areas (must create 5 or more permanent jobs)</p>
4. General conditions	<p>a) The applicant must be in good legal standing.</p> <p>b) The municipality accounts linked to the property owner or investor must be fully paid before entering into an investment contract.</p>

5. Counter- performance criteria and proviso's	<ul style="list-style-type: none"> a) Failure to start development within 12 months, or not completing the development within three (3) years, will result in the approved investment incentive package lapsing and deferred payments becoming payable. b) Job targets should be reached within 24 months of the commencement date of operation. Failure to do so will result in all approved incentives contracts lapsing and deferred payments becoming payable. c) The investment must be consistent with the provisions of the Integrated Development Plan and Spatial Development Framework as approved by Council, and subject to relevant land-use and building control approval. d) The applicant and all businesses associated with it must be in good standing, with Council and SARS. e) The premises from which the business will be operating must comply with the National Building Regulations and Standards Act, f) The investment must comply with all applicable legislation or policy, and g) All financial incentives are subject to the Council's budgeting processes as prescribed by National Treasury.
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10. APPLICATION AND ASSESSMENT PROCESS

- 10.1 Applications for the Investment Incentive Package are to be made formally through an approved application process. The Development and Investment Committee in the Office of the Municipal Manager serves as the single point of contact.
- 10.2 Applications will be evaluated as per the eligibility criteria. Other factors to be considered include but are not linked to:
- Expected economic impact of the project/business,
 - Income generation for residents,
 - Level to which the project contributes to economic diversity,
 - Growth potential of the business and access to market,
 - Ability to leverage additional economic growth in the future,
 - Corporate Social Investment spend, and
 - Anticipated environmental Impacts of the project.
- 10.3 A person as appointed or nominated by the Municipal Manager shall complete an evaluation report of the incentive application together with a draft incentive contract, which shall be approved by the Municipal Manager, and

- 10.4 If the criteria are not met, applicants will be informed and discussions may be entered into around adjustments to scope, which could allow for further consideration.

11. APPROVAL PROCEDURE

- 11.1 The Municipal Manager is mandated to approve the Investment Incentive package; and
- 11.2 The signed incentive contract shall become the legal binding agreement between Overstrand Municipality and the investor.
- 11.3 The following require incentive approval from Mayoral Committee:
- Projects outside the policy framework and criteria, which will require special assistance or is of special importance to the development of the economy.

12. ROLE PLAYERS

To ensure effective implementation of this Investment Incentive Policy, the following Department/Divisions are responsible for the management of certain incentives.

Role-players	Key Responsibility
Office of the Municipal Manager	<ul style="list-style-type: none"> ➤ Function as a one-stop shop for investments in the Overstrand area. ➤ Responsible for the development administering and monitoring of the Investment Incentive Policy.
Town and Spatial Planning Department	Responsible for conceptualizing spatial targeting of incentives in identified catalytic zones.

13. MONITORING AND EVALUATION

- a. The office of the Municipal Manager is responsible to monitor the implementation of this policy.
- b. A comprehensive assessment of the Investment Incentive Policy will be conducted after three years from the date of Council approval.
- c. The Investment Incentive Policy must be reviewed annually to ensure that it complies with the Municipal strategic objectives and current legislation, and
- d. Council reserves the right to review, replace or abolish any incentive contract

14. SPATIAL AND STRATEGIC CONTEXT

14.1 STRATEGIC DIRECTION SECTORS

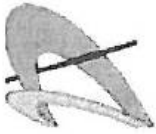
- ❖ Agriculture
- ❖ Aquaculture
- ❖ Blue Economy
- ❖ Call centre
- ❖ Financial
- ❖ Green Energy
- ❖ Medical and Health Care
- ❖ Nature conservation
- ❖ Social and Affordable housing
- ❖ Tourism
- ❖ Warehousing

14.2 BUSINESS CORRIDORS & NODES FOR EXISTING SETTLEMENTS IN THE OVERSTRAND MUNICIPAL AREA

Refer to Annexure A.

14.3 ECONOMIC OPPORTUNITY NODES AS IDENTIFIED IN THE OVERSTRAND MUNICIPAL SPATIAL GROWTH MANAGEMENT STRATEGY

Refer to Annexure B.

**BBRA / BBV**

Betty's Bay Ratepayers' Association
Bettiesbaai Belastingbetalersvereniging

20072022

TO WHOM IT MAY CONCERN

iro: INVESTMENT INCENTIVE POLICY

We, the BBRPA will support the OVERSTRAND TOWN PLANNING DECISION wrt their decisions on the INVESTMENT INCENTIVE POLICY while bearing the following in mind:-

- 1) those affected/involved are approached with sensitivity
- 2) ALL in BETTY'S BAY benefit from these investments going forward
- 3) The LOCAL community to be the first port of call wrt EMPLOYMENT OPPORTUNITIES
- 4) the Koegelberg Biosphere/the wetlands/HPOZ etc are considered and limitations respected

We trust that our concerns/inputs will be considered, listened to and noted going forward.

Yours sincerely.

KARON SCHOLEFIELD (PROPERTY PORTFOLIO REPRESENTATIVE)

R A STANWAY *Pr Eng*
BSc (Eng), MSc (Eng), DIC, FSAICE
Transportation Engineer

19th July, 2022

Director: Infrastructure & Investment
Overstrand Municipality
P O Box 20
HERMANUS
7200

By E-Mail: mharmse@overstrand.gov.za, smuller@overstrand.gov.za,
rkuchar@overstrand.gov.za

Dear Stephen,

Comments on Investment Incentive Policy

The Overstrand Municipality is to be complimented on proposing this creative mechanism for incentivising development in order to create more employment. It is submitted however that more work is required in order to refine the policy to achieve the desired outcomes.

Comments are enumerated below, namely;

1. What has not been included in what the general public has been requested to comment on are the predicted benefits, costs and possible unintended consequences. These need to be included in order to present an inclusive picture of the proposed policy
2. In terms of the content of the Investment Incentive Policy document itself, one aspect that is open to possible misinterpretation relates to the geographic areas and/or the land uses that it applies to.

As an example, in Annexure B there are copies of maps of certain areas extracted from the approved Growth Management Strategy where "Economic Opportunity nodes" are located and where the main aim will be to increase the footprint of existing economic activities. What the policy should say explicitly is that no residential land uses will be included for density incentivisation.

3. In Annexure A, "Economic corridors in previously disadvantaged areas" are demarcated to "to promote formal socio-economic facilities within previously disadvantaged communities in order to enrich the community and allow the respective community to live, play and work without having to travel far distances".

This is a laudable intention, however these identified corridors are mostly mobility corridors, and they don't lend themselves to being turned into liveable streets in which the community can live, play and work. In fact, mobility corridors are the very antithesis of liveable streets. For example, consider the different roles of Main Road vs High Street in the Hermanus CBD, where one is the mobility corridor and the other a liveable street where people can live, play and work.

Most modern urban planning nowadays promotes holistic sustainable urban development, transport and liveable neighbourhoods, and it is submitted that this is what is desperately needed these "previously disadvantaged areas". Demarcating economic corridors on the basis suggested is not in keeping with modern urban and transport planning.

4. The lack of identification and quantification of hard and soft services required to support the incentivisation of the identified economic corridors and densification of identified economic opportunity nodes is unfortunately lacking. Even in the approved Growth Management Strategy itself, the lack of services to support the approved densification is identified as a problem, but it was never quantified or costed.

Based on the current IDP and its associated budget it is clear that there are already huge current infrastructure and services backlogs that need to be addressed before introducing still more pressure on the system. This is especially the case in the "previously disadvantaged areas" where the services like roads, stormwater, sewerage, sidewalks, electrification, public transport, etc. are sadly lacking.

It is submitted that the first priority should be fix the existing services rather than creating still further pressure on top of the existing urban decay. Also, there is simply no way that any new development along the identified corridors will bring in sufficient funding in development contributions to fund the upgrading of services.

Thank you for the opportunity afforded to comment on this draft policy. It is a positive step forward, but as mentioned above, it still requires more work and refinement in order to achieve the desired outcomes.

Yours sincerely



R A Stanway Pr Eng

From: Neeltje du Plessis

Sent: Wednesday, 20 July 2022 09:08

To: M Harmse

Subject: Re: Feedback on Investment Policy Draft vs3

Dear Marietjie

Find attached the Council's document that they put out for comment. My comments are on the document. Some of the notes are editorial and some relate to the content of the policy.

If you have any questions please let me know.

Kind regards

Neeltje du Plessis



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3. The encouragement of structured community participation in the matters of the municipality.
4. The creation and maintenance of a safe and healthy environments.
5. ^{The} Promotion of tourism, economic and social development.

Suggested edit.

Taken the above-mentioned vision, mission and goals into consideration, as well as Council's drive to make it easier to do business in the Overstrand, the aim of this policy is to create leverages to encourage investments to be made towards Overstrand's strategic direction.

Incentives are aimed at promoting the ease of doing business, especially where it relates to large capital and/or catalytic developments.

Investment incentives focus on:

- Spatial targeting
Encouraging and promoting development in identified nodes according to Overstrand Spatial Development Framework and Overstrand Growth Management Strategy and investments towards strategic direction.
- Targeting certain Sectors
The Blue economy, aquaculture, agriculture, nature conservation, tourism, green and renewable energy, warehousing, call centre, financial, medical and health care, and social/affordable housing.

3. REGULATORY CONTEXT

This policy is developed in the context to the following legislation, policies and strategic frameworks:

- 3.1 The Constitution of the Republic of South Africa Act 108 of 1996.
- 3.2 Municipal Finance Management Act (MFMA) Act No 56 of 2003 and related regulation,
- 3.3 Municipal Property Rates Act (MPRA) Act No 6 of 2004,
- 3.4 Municipal Systems Act, Act No 32 of 2000,
- 3.5 Land Use Planning Act (LUPA) Act 3 of 2014,
- 3.6 Overstrand Municipality Property Rates Policy.
- 3.7 Overstrand Municipality Integrated Development Plan (IDP).
- 3.8 Overstrand Municipality Spatial Development Framework.
- 3.9 Overstrand Municipality Amendment by Law on Municipal Land Use Planning 2020.
- 3.10 Overstrand Municipality Developer Contributions Policy.
- 3.11 Overstrand Municipality Tariff Policy.
- 3.12 Overstrand Municipality Long-Term Financial Sustainability Policy.

4. STRATEGIC FOCUS AREAS

This policy aims to inform and guide the provision of incentives for investment within the Overstrand Municipal area.

For any Municipality, the question of how to design a comprehensive incentives strategy must be located within both a global and local context. For the Overstrand Municipality, the local context demands that the municipality careful balance the incentives packages that encourage investment that is critical for driving economic growth and job creation, **and** the revenue requirements to address its other strategic policy priorities and service delivery. *I would suggest replacing 'and' with 'with'*

Edit.:
carefully

While research tends to indicate that incentives are rarely the most important factor in locality decisions by business, they do influence decision making and can play a “tipping point” role. Non-financial incentives, particularly with respect to transparent and consistent administrative procedures are often considered by investors to be more important than incentives with a direct financial benefit. It is the role of the Overstrand Municipality to identify the best mix of both non-financial and financial incentives.

There are a wide range of incentives offered by other spheres of government, most notably the Department of Trade and Industry (DTI); the Overstrand Municipality desires to see these national incentives complemented by a set of incentives that relate to the mandate of local government. The context-specific investment incentive package detailed in this policy document is designed to encourage investment towards the strategic direction of the Overstrand Municipality. Utilising investment incentives for private sector investment will position the Overstrand Municipality as a preferred investment destination both in the Western Cape, South Africa and globally whilst achieving the strategic objectives.

4.1 STRATEGIC DIRECTION ACTIVITIES

The proposed strategic focus areas of the Overstrand Municipality should be enshrined in the Overstrand Municipality's Integrated Development Plan (IDP) and is categorised into five pillars:

- The **Opportunity** Overstrand Municipality.
- The **Well-run** Overstrand Municipality.
- The **Safe** Overstrand Municipality.
- The **Caring** Overstrand Municipality.
- The **Inclusive** Overstrand Municipality.

Although incentives can have an impact on all five pillars, this discussion document proposes a focus on the Opportunity Overstrand Municipality and the Inclusive Overstrand Municipality.

The underlying principle of the Opportunity Overstrand Municipality in relation to investment incentives is the attraction of business investment that creates sustainable employment, contributes to the development of key sectors and catalytic development in important spatial nodes. In the long term the right kind of investment will create the platform for sustainable growth of the Overstrand Municipal area, but also contribute to a safe and caring Overstrand Municipality.

Edit suggestions:
in the right place

Safe Caring

qualifying

The underlying principle of the Inclusive Overstrand Municipality is to ensure accessibility for any^{qualifying} investor/entrepreneur to employment and business opportunities. This includes direct employment created by businesses investing in the Overstrand Municipal area, but also in terms of indirect employment within local business supplying goods and services to new investments.

In terms of strategic context, this is aimed at development not necessarily located in the spatial nodes but in the overall context of Urban and Rural Development. These projects could include development of tourism, agriculture, environmental conservation and establishment of green energy and blue economy projects.

4.2 SPATIAL CONTEXT

The Spatial targets can be categorized in the following categories:

- Economic corridors in previously disadvantaged areas. The main aim is to promote **formal socio-economic facilities within previously disadvantaged communities** in order to enrich the community and allow the respective community to live, play and work without having to travel ~~for~~^{long} distances. Refer to Annexure A. Edit suggestion
- Economic Opportunity nodes as identified in terms of the Overstrand Municipal Spatial Growth Management Strategy where the main aim will be to **increase the footprint of existing economic activities**. Refer to Annexure B.

5. DESIRED OUTCOMES

This Investment Incentive Policy aims to:

- 5.1 Enhance the creation of a favourable economic climate to attract and retain investment in the Overstrand Municipality area,
- 5.2 Create favourable condition^s for investors to participate in the implementation of key catalytic projects and initiatives, Edit
- 5.3 Define the investment incentive package available to investors; and
- 5.4 Provide the necessary principles, processes and approval procedures that will enable a transparent incentive program.

6. GENERAL PRINCIPLES

The following principles have guided the development of the incentive packages described in Table 1 and Table 2.

6.1 Principle 1: Employment Creation

The investment incentives must be tied to the attainment of the Municipality's developmental goals, of which job creation is foremost. The goal of incentive provision is not to simply enhance business profit margins with little or no broader socio-economic impact. Rather, investment incentives must be used to support and enhance sustainable job-creating private sector investment. In this respect a business' eligibility for incentives should be conditional upon the creation of a prescribed number of jobs. Do you want to mention a tiered release of incentives based on performance here?

Edit: Include a comma after goals.

Edit: business' 'eligibility for incentives'

6.2 Principle 2: Affordability

The incentives package must not place undue pressure on the Municipality's finances. A Municipality should not sell services below cost to business. Where possible, high impact but low cost 'soft incentives' such as expedited approval times; and increased administrative efficiency in the dealing with applications, should be targeted. Financial incentives should be limited to application cost in order to make the opportunity to enter into the economy more accessible.

6.3 Principle 3: Transparency and Uniformity

The incentives should be non-discriminatory and should be applied with uniformity and transparency. The granting of investment incentives should be done according to a set of predetermined criteria. This set of criteria will be consistently applied to all businesses applying for incentives. Information on the nature of the granted incentives should be public knowledge.

As well as information about the unsuccessful applications (reasons for), and those instances where the incentives were withdrawn at any time during the process.

6.4 Principle 4: Sectoral Targeting

The investment incentive will only be applicable in specific areas as set out in Annexure A. Incentives will be mainly geared towards priority sectors as outlined in the eligibility criteria. The aim is to attract and/or push specific investment into specific areas in line with the municipal Spatial Development Framework.

6.5 Principle 5: Spatial Targeting

Investment incentives are most effective when they are spatially targeted. This is for the following reasons:

- Spatial targeting maximizes the socio-economic return of incentives by focusing on areas with strong potential, but which are currently underperforming
- Spatial targeting enables the Municipality to achieve its development objectives in specific areas thereby addressing issues of spatial inequality

The spatial targeted area should align with Overstrand SDF and Overstrand Growth Management strategy.

6.6 Principle 6: Simplicity

Ascertaining whether a business is eligible for an incentive and subsequently obtaining an incentive should not be an onerous task for investors. **The criteria for incentive provision should be easy to understand. The structure and administration of the investment incentives should not require excessive administration, thereby minimizing staff and financial impacts. This to ensure quick turnaround times for applications.**

6.7 Principle 7: Legality

The incentives that are provided must be subject to the relevant legislation and planning parameters. Incentives cannot conflict with legislation, nor should they be provided to companies or persons not in good standing with the law.

6.8 Principle 8: Complementarity and alignment

A Municipality's Investment Incentives Policy **should directly reflect its mandate as a separate and independent sphere of government** i.e., it should relate to incentives that the Municipality can uniquely provide, and which will help to achieve the key strategic objectives of the Municipality as identified in the IDP and other strategic documents.

6.9 Principle 9: Continuous Review

Set a regular time-frame, i.e. 3 years? The policy needs to be reviewed ^{Edit: continuously} **continuous** in order to ensure it stays relevant and that the Municipality achieves the relevant outcomes anticipated by the policy.

7. INVESTMENT ENABLING FACTORS

The municipality utilizes a number of tools aimed at fast tracking, unblocking and reducing red tape in doing business in Overstrand these include:

- a. The Development and Investment Committee.
- b. Infrastructure Master Planning; and
- c. Investment in the Business and Economic Corridor, nodes and strategic direction.

Layout: Empty page?

8. THE INVESTMENT INCENTIVE PACKAGE

The following incentives are offered to qualifying Investors ⁱⁿ ~~in~~ terms of the eligibility criteria:

Table 1: Non-Financial Incentives

Serial no	Category	Description
1.	Dedicated Investment Facilitation Committee	A dedicated Development and Investment Committee to assess applications.
2.	Fast Tracked Development Application Process	a) Guaranteed development application time frames, including provision of pre- lodgement meetings, dedicated assistance, and guidance. b) Timeframe commitments for compliant applications are as follows: <ul style="list-style-type: none"> • Land-use application: six (6) months. • Building plan approval: 14 days
3.	Property Locality and availability assistance	Assistance to prospective Investors searching for ideal development sites or building premises within Overstrand Municipal area.

Table 2: Financial Incentives

Serial no	Category	Description
1.	Development Application Fees	<p>Applies to all land use and building plan fees.</p> <p>Reduced building plan application fees and land use management application fees apply to non-residential development as follows:</p> <ul style="list-style-type: none"> i. Building plan application fee. <ul style="list-style-type: none"> • If the building is less than 1000m² - 30% rebate on scrutiny fees. • If the building plan is more than 1000m² - 50% rebate on scrutiny fees. ii. Land use management application fee: <ul style="list-style-type: none"> • In economic corridors (Disadvantaged areas) - 100% rebate on land use applications • 50% in economic nodes <p>Applicable to applications relating to: Strategic sectors such as agri/aqua culture, nature conservation, tourism, green energy, warehousing, call centre, financial and medical.</p>
2.	Rebate on Municipal Property Rates portion (Value of improvements)	<ul style="list-style-type: none"> • Development value (value of improvements) of R20m to R40m – 100% rebate for 1 year • Development value (value of improvements) of > R40m – 100% for 2 years

Maybe indicate the start date here. When does this rebate come into effect?

9. ELIGIBILITY AND COUNTER-PERFORMANCE CRITERIA

The following criteria will be applied to determine investor eligibility for incentives:

1. General Criteria	The investment must constitute a new development or expansion of an existing investment within the economic corridor or nodes (value of investment to be > R5 000 000)
2. Sectoral Criteria	<p>a) The Investment incentive package is specifically targeted to businesses operating in the following manufacturing sectors: -</p> <ul style="list-style-type: none"> i. Agri/Aqua culture and Blue Economy ii. Nature conservation iii. Tourism iv. Green Energy v. Warehousing, vi. Call centre, vii. Financial viii. Medical and Health Care <p>b) In line with Council priority projects, incentives will be available for the following Initiatives: -</p> <ul style="list-style-type: none"> • CBD regeneration projects (mixed use residential and retail facilities)
3. Employment Creation	Applies to both sectoral and spatial criteria. The proposed investment must create new and sustainable full-time employment to be eligible for the Investment Incentives package (must create 10 or more permanent jobs).
4. General conditions	<p>a) The applicant must be in good legal standing,</p> <p>b) The municipality accounts linked to the property owner or investor must be fully paid before entering into an investment contract.</p> <p><i>The applicant must be solvent? Will you consider the applicant's financial record, or their record with previous development projects?</i></p>

5. Counter- performance criteria and proviso's	<p>a) Failure to start development within 12 months, or not completing the development within three (3) years, will result in the approved investment incentive package lapsing and deferred payments becoming payable.</p> <p>b) Job targets should be reached within 24 months of the commencement date of operation. Failure to do so will result in all approved incentives contract^s lapsing and deferred payments becoming payable.</p> <p>c) The investment must be consistent with the provisions of the Integrated Development Plan and Spatial Development Framework as approved by Council, and subject to relevant land-use and building control approval.</p> <p>d) The applicant and all businesses associated with it must be in good standing, with Council and SARS.</p> <p>e) The premises from which the business will be operating must comply with the National Building Regulations and Standards Act,</p> <p>f) The investment must comply with all applicable legislation or policy, and</p> <p>g) All financial incentives are subject to the Council's budgeting processes as prescribed by National Treasury.</p>
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Edit

Edit

10. APPLICATION AND ASSESSMENT PROCESS

Edit suggestion

through and approved application process

10.1 Applications for the Investment Incentive Package are to be made formally through an application process. The Development and Investment Committee in the Office of the Municipal Manager serves as the single point of contact.

10.2 Applications will be evaluated as per the eligibility criteria. Other factors to be considered include but are not linked to: limited

- Expected economic impact of the project/business,
- Income generation for residents,
- Level to which the project contributes to economic diversity,
- Growth potential of the business and access to market,
- Ability to leverage additional economic growth in the future,
- Corporate Social Investment spend, and
- Anticipated environmental Impacts of the project.

10.3 A person as appointed or nominated by the Municipal Manager shall complete an evaluation report of the incentive application together with a draft incentive contract, which shall be approved by the Municipal Manager, and

- 10.4 If the criteria are not met, applicants will be informed and discussions may be entered into around adjustments to scope, which could allow for further consideration. **How many re-submission will you allow?**

11. APPROVAL PROCEDURE

- 11.1 The Municipal Manager is mandated to approve the Investment Incentive package; and
- 11.2 The signed incentive contract shall become the legal binding agreement between Overstrand Municipality and the investor.
- 11.3 The following require incentive approval from Mayoral Committee:
- Projects outside the policy framework and criteria, which will require special assistance or is of special importance to the development of the economy.

12. ROLE PLAYERS

To ensure effective implementation of this Investment Incentive Policy, the following Department/Divisions are responsible for the management of certain incentives.

Role-players	Key Responsibility
Office of the Municipal Manager	<ul style="list-style-type: none"> ➤ Function as a one-stop shop for investments in the Overstrand area. ➤ Responsible for the development administering and monitoring of the Investment Incentive Policy.
Town and Spatial Planning Department	Responsible for conceptualizing spatial targeting of incentives in identified catalytic zones.

What about the Development and Investment Committee, or so they reside under one of these role players?

13. MONITORING AND EVALUATION

- The office of the Municipal Manager is responsible to monitor the implementation of this policy.
- A comprehensive assessment of the Investment Incentive Policy will be conducted after three years from the date of Council approval.
- The Investment Incentive Policy must be reviewed annually to ensure that it complies with the Municipal strategic objectives and current legislation, and
- Council reserves the right to reviews, replace or abolish any incentive contract

Edit

14. SPATIAL AND STRATEGIC CONTEXT

14.1 STRATEGIC DIRECTION SECTORS

- ❖ Blue Economy
- ❖ Aquaculture
- ❖ Agriculture
- ❖ Nature conservation
- ❖ Tourism
- ❖ Green Energy
- ❖ Warehousing
- ❖ Call centre
- ❖ Financial
- ❖ Medical and Health Care
- ❖ Social and Affordable housing

Are these sectors in any specific order of importance?
If not, it might make sense to list them alphabetically.

14.2 BUSINESS CORRIDORS & NODES FOR EXISTING SETTLEMENTS IN THE OVERSTRAND MUNICIPAL AREA

Refer to Annexure A.

14.3 ECONOMIC OPPORTUNITY NODES AS IDENTIFIED IN THE OVERSTRAND MUNICIPAL SPATIAL GROWTH MANAGEMENT STRATEGY

Refer to Annexure B.

Investment Incentive Policy
Version 3 (17 May 2022)-

COMMENTS RECEIVED DURING PUBLIC PARTICIPATION PROCESS

PLEASE NOTE:

[] Words in bold in square brackets indicate deletions from the existing enactment.
 _____ Words with a solid line indicate insertions in the existing enactment.

NR	NAME	pg	COMMENT	RESPONSE	INCORPORATED INTO POLICY
1	N Du Plessis	pg. 3 Section 1	Edit suggestion: Definition provided for Council on pg. 3 requires a space between Act no.32 of 2000 - Edit no. 32	Noted	Yes
1	N Du Plessis	pg. 4 Section 2	Edit suggestion: 4. The creation and maintenance of a safe and healthy [environments] environment. 5. Promotion of tourism, economic and social development.	Noted	Yes
1	N Du Plessis	pg. 5 Section 4	Edit suggestion on pg. 5: For the Overstrand Municipality, the local context demands that the municipality [careful] carefully balance the incentives packages that encourage investment that is critical for driving economic growth and job creation, [and] with the revenue requirements to address its other strategic policy priorities and service delivery.	Noted	Yes
1	N Du Plessis	pg. 6 Section 4.1	Edit suggestion on pg. 6: The underlying principle of the Opportunity Overstrand Municipality in relation to investment incentives is the attraction of business investment that creates sustainable employment, contributes to the development of key sectors	Noted	Yes


				and catalytic development in important spatial nodes. In the long term the right kind of investment in the <u>right place</u> will create the platform for sustainable growth of the Overstrand Municipal area, but also contribute to a [safe] <u>Safe and [caring]</u> Caring Overstrand Municipality.		
1	N Du Plessis	pg. 6 Section 4.1		Edit suggestion on pg. 6: The underlying principle of the Inclusive Overstrand Municipality is to ensure accessibility for any qualifying investor/entrepreneur to employment and business opportunities. This includes direct employment created by businesses investing in the Overstrand Municipal area, but also in terms of indirect employment within local business supplying goods and services to new investments.	Noted	Yes
1	N Du Plessis	pg. 6 Section 4.2		Edit suggestion on pg. 6: <ul style="list-style-type: none"> Economic corridors in previously disadvantaged areas. The main aim is to promote formal socio-economic facilities within previously disadvantaged communities in order to enrich the community and allow the respective community to live, play and work without having to travel <u>[far]</u> long distances. Refer to Annexure A. 	Noted	Yes
1	N Du Plessis	pg. 7 Section 5.2		Edit suggestion on pg. 7: 5.2 Create favourable [condition] <u>conditions</u> for investors to participate in the implementation of key catalytic projects and initiatives	Noted	Yes
1	N Du Plessis	pg. 7 Section 6.1		Edit suggestion on pg. 7: Insert comma after goal, Add 'after'eligibility for incentives'	Noted	Yes
1	N Du Plessis	pg. 7 Section 6.1		Question: do you want to mention a tiered release of incentives based on performance here?	If the goals are not achieved the incentive lapses and the deferred pay out becomes payable	No

				Register to be kept of application and outcomes	No
1	N Du Plessis	pg. 7 Section 6.3	Suggestion: As well as information about the unsuccessful applications (reasons for), and those instances where the incentives were withdrawn at any time during the process.		No
1	N Du Plessis	pg. 7 Section 6.9	Edit suggestion on pg. 7: The policy needs to be reviewed [continuous] continuous in order to ensure it stays relevant and that the Municipality achieves the relevant outcomes anticipated by the policy.	Noted	Yes
1	N Du Plessis	pg. 7 Section 6.9	Suggestion: set a timeframe i.e., 3 years.	Policies get reviewed yearly	No
1	N Du Plessis	pg. 9	Suggestion: Empty page?	Remove empty page	Yes
1	N Du Plessis	pg. 10	Edit suggestion on pg. 10: The following incentives are offered to qualifying Investors [In] in terms of the eligibility criteria.	Noted	Yes
1	N Du Plessis	pg. 11 Table 2 (1.)	Edit suggestion on pg. 11: Applicable to applications relating to: Strategic sectors such as agri/aqua culture, nature conservation, tourism, green energy, warehousing, call centre, financial and medical.	Noted	Yes
1	N Du Plessis	pg. 11 Table 2 (2.)	Question: Maybe indicate the start date here. When does this rebate come into effect?	The rebate is in effect as soon as they comply with criteria.	No
1	N Du Plessis	pg. 12 Table 2 (4.)	Question: the applicant must be solvent? Will you consider the applicant's financial record, or their record with previous development projects?	No	No
1	N Du Plessis	pg. 13 Table 2 (5.)	Edit suggestion: b) Job targets should be reached within 24 months of the commencement date of operation. Failure to do so will result in all approved incentives [contract] contracts lapsing and deferred payments becoming payable. g) All financial incentives are subject to the [Council]	Noted	Yes

			Council's budgeting processes as prescribed by National Treasury.		
1	N Du Plessis	pg. 13 Section 10.1	Edit suggestion: Applications for the Investment Incentive Package are to be made formally through [an application] through and approved <u>application process</u> .	Noted	Yes
1	N Du Plessis	pg. 13 Section 10.2	Edit suggestion: Applications will be evaluated as per the eligibility criteria. Other factors to be considered include but are not [linked] limited to:	Noted	Yes
1	N Du Plessis	pg. 14 Section 10.4	Question: How many re-submissions will you allow?	Discretionary	No
1	N Du Plessis	pg. 14 Section 12	Question: What about the Development and Investment Committee, or so they reside under one of these role players?	The Municipal Manager to establish the committee.	No
1	N Du Plessis	pg. 14 Section 13 d	Edit suggestion: d. Council reserves the right to review[s], replace or abolish any incentive contract.	Noted	Yes
1	N Du Plessis	pg. 14 Section 14.1	Question: Are these sectors in any specific order of importance? If not, it might make sense to list time alphabetically.	Noted	Yes
2	Karon Scholefield		BBRPA supports the policy and requests the following must be kept in mind -		
2	Karon Scholefield		Those affected/involved are approached with sensitivity.	Noted	No
2	Karon Scholefield		All in Betty's Bay benefit from these investments going forward.	Noted	No
2	Karon Scholefield		The local community to be the first port of call with regards to. Employment opportunities.	Noted	No

2	Karon Scholefield	The Kogelberg Biosphere/the wetlands/HPOZ etc. are considered, and limitations respected.	Noted – Development proposals will have to regard the relevant legislation and development restrictions.	No
3	R A Stanway Pr En	What has not been included in what the general public has been requested to comment on are the predicted benefits, costs and possible unintended consequences. These need to be included in order to present an inclusive picture of the proposed policy.	The costs to the Municipality are as listed in the incentives, direct costs are for the developer. It is unlikely that there will be unintended consequences as the development areas are as per the forward planning documents of the Municipality	No
3	R A Stanway Pr En	<p>One aspect that is open to possible misinterpretation relates to the geographic areas and/or the land uses that it applies to.</p> <p>For example, Annexure B contains copies of maps extracted from the Growth Management Strategy where “Economic Opportunity nodes” are located and where the main aim will be to increase the footprint of existing economic activities.</p> <p>The policy should say clearly state that no residential land uses will be included for density incentivisation.</p>	In some of the nodes the zoning is residential although it is earmarked for Economic opportunity. The policy is further clearly only applicable to economic development.	No
3	R A Stanway Pr En	<p>Annexure A, “Economic corridors in previously disadvantaged areas” are demarcated to “to promote formal socio-economic facilities within previously disadvantaged communities in order to enrich the community and allow the respective community to live, play and work without having to travel far distances”.</p> <p>These identified corridors are mostly mobility corridors, and they don’t lend themselves to being turned into liveable streets in which the community can live, play and work. In fact, mobility corridors are the very antithesis of liveable streets. For example, consider the different roles of Main Road vs High Street in the Hermanus CBD, where one is the</p>	Noted, the type of uses which may be accommodated in these areas are not all fitting to a residential area, further the existing layout of the previously disadvantaged urban areas do not lend itself to delivery vehicles and increase traffic which may be caused by the commercial activities. The development of the areas will be less invasive option and most practical and cost-effective option.	No

3	R A Stanway Pr En	<p>mobility corridor and the other a liveable street where people can live, play and work.</p> <p>Demarcating economic corridors on the basis suggested is not in keeping with modern urban and transport planning.</p> <p>The lack of identification and quantification of hard and soft services required to support the incentivisation of the identified economic corridors and densification of identified economic opportunity nodes is unfortunately lacking.</p> <p>Based on the current IDP and its associated budget it is clear that there are already huge current infrastructure and services backlogs that need to be addressed before introducing still more pressure on the system. This is especially the case in the "previously disadvantaged areas" where the services like roads, stormwater, sewerage, sidewalks, electrification, public transport, etc. are sadly lacking.</p> <p>It is submitted that the first priority should be to fix the existing services rather than creating still further pressure on top of the existing urban decay. Also, there is simply no way that any new development along the identified corridors will bring in sufficient funding in development contributions to fund the upgrading of services.</p>	<p>Bulk services and cost for installation of services or upgrade of services is still the responsibility of the developer.</p>	No
			<p>Should it be required MIG funding can be applied for in specific instances.</p>	No

		INVESTMENT INCENTIVE APPLICATION FORM (2022/2023) <small>(APPLICABLE FROM 1 JULY 2022 – 30 JUNE 2023)</small> Office address : Magnolia Street, P.O Box 20, HERMANUS, 7200 Tel: 028 313 8000 Email: enquiries@overstrand.gov.za				
SECTION A : APPLICANT DETAILS						
First name(s)						
Surname						
Company name (if applicable)						
Postal Address <u>ONLY</u>						
Postal code		E-mail				
Te l		Fax		Cell		
SECTION B: OWNER DETAILS (compulsory)						
Registered owner						
Postal Address						
Postal code		E-mail				
Te l		Fax		Cell		
SECTION C : PROPERTY DETAILS						
Erf / Portion and Farm no.		Area				
Street Address						
Current Zoning		Extent	m ² /ha	Are there existing buildings?		
Title Deed number & date		T				
Any restrictive conditions?	Y	N	If Yes, please specify			
Is property encumbered by a bond?	Y	N	If Yes, Bondholder?			
Any existing unauthorized building work / structures on the subject premises?			Y	N	If so, has owner been served with a notice?	
			Y	N		
SECTION D : ELIGIBILITY CRITERIA						
The following criteria will be applied to determine investor eligibility for incentives:						
1: GENERAL CRITERIA						
Does the investment constitute a new development within the economic corridor or nodes?					Y	N
Does the investment constitute the expansion of an existing investment within the economic corridor or nodes?					Y	N
Is the value of the investment larger than R5 000 000?					Y	N
2: SECTORAL CRITERIA						
Does/will the business operate within the following manufacturing sectors?	Y	N	If Yes, please specify by marking the following boxes	Agri/Aqua culture	Warehousing	
				Nature conservation	Call Centre	
				Tourism	Financial	
				Green Energy	Medical & Health Care	
Is the project in line with Councils' priority projects?					Y	N
Does the project fall within the CBD regeneration project initiatives?	Y	N	If Yes, please specify by marking the following boxes	Mixed use residential		
				Retail facilities		

SECTION F : FINANCIAL INCENTIVE(S) APPLYING FOR			
1: DEVELOPMENT APPLICATION FEES:			
Building plan application fee:	If the building is less than 1000m ² - 30% rebate on scrutiny fees is applicable		
	If the building more than 1000m ² - 50% rebate on scrutiny fees is applicable		
Land use management application fee:	In economic areas (disadvantaged areas) – 100% rebate on land use applications is applicable		
	In economic nodes – 50% rebate on land use applications is applicable		
2: REBATE ON MUNICIPAL PROPERTY RATES PORTION (VALUE OF IMPROVEMENTS):			
If development value (value of improvements) is R20m to R40m:		Then 100% rebate for one (1) year is applicable	
If development value (value of improvements) is >R40m		Then 100% for two (2) years is applicable	
SECTION F : NON-FINANCIAL INCENTIVE(S) APPLYING FOR			
1: DEDICATED INVESTMENT FACILITATION COMMITTEE:			
Requirement of a dedicated Development & Investment Committee to assess?			Y N
2: FAST TRACKED DEVELOPMENT APPLICATION PROCESS:			
Requirement of a guaranteed development application time frames, including provision of pre-lodgement meetings, dedicated assistance, and guidance.			Y N
Time-frame commitments for compliant applications:	Land-use application: 6 months		Y N
	Building plan approval: 14 days		Y N

SECTION F : LIST OF ATTACHMENTS & SUPPORTING INFORMATION			
×	Complete application form	×	Power of Attorney (if property is owned by a company/trust/ other juristic person then a copy of the board of directors / members / trustees resolution is required.
×	Proof of ownership & consultant details	×	Evaluation report & draft incentives contract (including a work plan, cost estimate for the project from a qualified professional, plans & images)
×	Proof of payment.	×	Confirmation of all taxes and fees imposed on the property (Erf) have been paid. In the case of taxes or fees paid in installments, all installments owing at the date of application must be paid.

SECTION G : COUNTER – PERFORMANCE CRITERIA AND PROVISIO'S	
a)	Failure to develop within 12 months, or Incompletion of the development within 3 years, will result in the approved investment incentive package lapsing and deferred payments becoming payable.
b)	Job targets should be reached within 24 months of the commencement date of operation. Failure to do so will result in all approved incentives contract lapsing and deferred payments becoming payable.
c)	The investment must be consistent with the provisions of the Integrated Development Plan and Spatial Development Framework as approved by Council, and subject to relevant land-use and building control approval.
d)	The applicant and all businesses associated with it must be in good standing, with Council and SARS.
e)	The premises out of which the business will be operating must comply with the National building Regulations and Standards Act.
f)	The investment must comply with the applicable environmental heritage legislation, and/or any other applicable legislation or policy, and all financial incentives are subject to the Council budgeting processes as prescribed by National Treasury.

SECTION H : DECLARATION

I / we hereby wish to confirm the following :

1. That the information contained in this application form and accompanying documentation is complete and correct.
2. That I/we am/are properly authorized to make this application on behalf of the owner and (where applicable) that copies of such full relevant Powers of Attorney/Consent are attached hereto.
3. **Where a consultant/agent is appointed to submit this application on the owner's behalf, it is accepted that correspondence from and notifications by the Municipality in terms of the By-law will be sent only to the consultant/agent and that the owner will regularly consult with the consultant/agent in this regard.**
4. **I'm aware that it is an offense in terms of Section 84.(1)(e) to supply particulars, information or answers knowing the particulars, information or answers to be false, incorrect or misleading or not believing them to be correct and in doing so can lead to criminal proceedings of a fine or imprisonment or both.**
5. I confirm that the relevant title deed(s) have been read and that there are no restrictive title deed restrictions, which impact on this application, or alternatively an application for removal/suspension or amendment forms part of this submission.

Registered owner's signature _____

Date

Full name

Agent / Consultant's signature _____

Date

Full name

Professional capacity

**If application is made by person other than registered owner (eg. Consultant / Agent), full power of attorney and both signatures above are required.
If property is owned by more than one person, signature of each owner is required. Where the property is owned by a company / trust / other juristic person, a copy of the board of directors / members / trustees resolution is required.**