

**AGENDA of the
Portfolio Committee: Investment & Infrastructure
5 April 2023
(Also the agenda for the Mayoral Committee Meeting: 24 April 2023)**

5.

**A PORTION OF REMAINDER ERF 249 HERMANUS (ROAD REMAINDER)
SITUATED AT 26 HIGH STREET, NORTHCLIFF, HERMANUS: CESSION OF
LEASE AGREEMENT FROM VINCENZO ROMANO TO OVERBERG PROPERTIES
(PTY) LTD**

**R Marinus
6 March 2023**

Acting Manager: Property Administration

(028) 316 - 5609

1. Executive Summary

To obtain approval to cede the lease agreement between Overstrand Municipality and Vincenzo Romano (hereinafter referred to as “the Lessee”) to Overberg Properties (Pty) Ltd (hereinafter referred to as “the Applicant”) for the remainder of the initial lease period of 9 (NINE) years and 11 (ELEVEN) months in respect of a portion of Remainder Erf 249 Hermanus ($\pm 1\text{m}^2$ in extent), situated at 26 High Street, Northcliff, Hermanus (hereinafter referred to as “the Property”), for the purpose of placing tables and chairs for restaurant seating purposes. See the locality maps attached hereto marked “Annexure A1 & A2”.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Planning
Property Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Creation and maintenance of a safe and healthy environment
Promotion of tourism, economic and social development

4. Delegated Authority

Executive Mayor

5. Legal Requirements

- Municipal Asset Transfer Regulations (R. 878 of 2008)
- Administration of Immovable Property Policy of the Overstrand Municipality (2015)

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6. Background/Discussion/Evaluation/Conclusion

Background/Discussion

The Lessee is the owner of Java Rock restaurant situated on Erf 813 Hermanus, adjacent to the Property. The Lessee has been using the Property since 2015 for the purpose of placing tables and chairs for restaurant seating purposes.

The latest lease agreement entered into between Overstrand Municipality and the Lessee is for a period of 9 (NINE) years and 11 (ELEVEN) months which commenced on 1 April 2015 and will expire on 28 February 2025. The Executive Mayor at a Mayoral Committee Meeting held on 30 October 2019 resolved as follows:

- “1. that the lease of municipal property, being a portion of Erf 249 Hermanus ($\pm 1\text{m}^2$ in extent), to Vincenzo Romano for the purpose of placing tables and chairs for restaurant seating purposes at the rental amount of R21.93 (TWENTY ONE RAND AND NINETY THREE CENTS) (VAT excluded) per month for a period of 9 (NINE) years and 11 (ELEVEN) months as from 1 April 2015 in terms of the Administration of Immovable Property Policy of the Overstrand Municipality, **be approved**; and*
- 2. that the rental amount mentioned in 1 above annually escalate in accordance with the tariffs as set out in the approved annual budget for each specific year.”*

The Lessee sold his property to the Applicant in November 2021 and the Lessee only later submitted a request for the lease agreement to be ceded to the Applicant. The Lessee confirmed that the Property is still being used for restaurant seating purposes, and that the Applicant has agreed to submit an application for the lease agreement with the Municipality to be ceded to the Applicant for the remainder of the lease period.

Conclusion

With reference to the above discussion, it is recommended that the application to cede the lease agreement for the Property to the Applicant be approved for the remainder of the initial lease period.

7. Financial Implications

None

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8. Staff Implications

None

10. Annexures

Annexure A1 & A2: Locality Map

RECOMMENDATION:

that the cession of the lease agreement for municipal property, being a portion of Remainder Erf 249 Hermanus ($\pm 1\text{m}^2$ in extent), from Vincenzo Romano to Overberg Properties (Pty) Ltd, **be approved.**

RESPONSIBLE OFFICIAL:	R OCTOBER
TARGET DATE FOR IMPLEMENTATION:	30 MAY 2023
TARGET DATE TO INFORM APPLICANT:	15 MAY 2023
TARGET DATE TO INFORM OBJECTOR:	N/A



