

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
19 June 2017
(Also the agenda for the Mayoral Committee Meeting : 27 June 2018)**

4.

HERMANUS: PARTIAL AMENDMENT OF RESOLUTION DATED 31 MAY 2017 FOR THE LEASE OF A PORTION OF MUNICIPAL PROPERTY, BEING A PORTION OF ERF 243 HERMANUS, FOR THE PURPOSE OF PARKING AND DISPLAYING VEHICLES

7/2/3/1/

Willmary Murtz
10 May 2018

(028) 316 - 3724

Hermanus Administration

1. Executive Summary

The purpose of this report is to obtain approval for the partial amendment of the resolution dated 31 May 2017 for the lease of municipal property, being a portion of Erf 243 Hermanus ($\pm 105\text{m}^2$ in extent), situated in Swartdam Road, to Springsweg Nigel Eiendomme (Pty) Ltd t/a Heidelberg, Nigel and Hermanus Nissan. The amendment will entail the substitution of the name of the previous lessee, being Springsweg Nigel Eiendomme (Pty) Ltd t/a Hermanus Nissan with the new owner of the business, being Bluebird Trio (Pty) Ltd t/a Hermanus Nissan.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Planning
Property Administration

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

Executive Mayor

5. Legal Requirements

- Administration of Immovable Property Policy of the Overstrand Municipality, as amended

6. Background/Discussion/Evaluation/Conclusion

Background/Discussion/Evaluation

The Executive Mayor at a Mayoral Committee Meeting held on 31 May 2017 resolved as follows:

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1. *that the lease of Municipal Property, being a portion of Erf 243 Hermanus ($\pm 105\text{m}^2$ in extent) to Springsweg Nigel Eiendomme (Pty) Ltd t/a Heidelberg, Nigel and Hermanus Nissan for the purpose of displaying and parking vehicles for sale at the rental amount of R471.79 (FOUR HUNDRED AND SEVENTY ONE AND SEVENTY NINE CENTS) (VAT excluded) per month for a period of 3 (THREE) years from 1 June 2016 to 30 June 2019 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 escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index (all items) with the first escalation being on 1 July 2017.*

The lease agreement was subsequently compiled in terms of the Administration of Immovable Property Policy for a period of 3 (THREE) years which commenced on 1 June 2016 and will expire on 31 May 2019. The Property Administration Department had trouble in getting the agreement signed as the manager of Nissan in Hermanus kept on changing. Eventually we were informed that the business was sold and is now run by Bluebird Trio (Pty) Ltd t/a Nissan Hermanus who now must take over the lease of the previous owner of the business.

The agreement was amended to provide for the new owner of the business to sign the lease agreement with a special condition that the agreement is subject to Executive Mayor's approval to enter into a lease agreement with Bluebird Trio (Pty) Ltd t/a Hermanus Nissan on the same terms and conditions as was approved by the Executive Mayor at the Mayoral Committee Meeting held on 31 May 2017. Unfortunately, as the previous owner did not sign the lease agreement, a cession cannot be entered into in this case.

The rental was still levied and paid during the period the Property Administration Department struggled to have a lease agreement signed.

Conclusion

It is recommended that condition 1 of the Resolution dated 31 May 2017 be amended to substitute the name of the approved lessee, being Springsweg Nigel Eiendomme (Pty) Ltd t/a Heidelberg, Nigel and Hermanus Nissan to the new owner, being Bluebird Trio (Pty) Ltd t/a Hermanus Nissan

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7. Financial Implications

The Municipality currently gains a rental in the amount of R493.22 (FOUR HUNDRED AND NINETY THREE RAND AND TWENTY TWO CENTS) (VAT excluded) per month where after the lease amount will escalate on the 1st of July 2018 in accordance with the prevailing consumer price index.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

The comments of the internal departments were obtained when the initial approval for the renewal of the lease agreement was obtained on 31 May 2017.

10. Annexures

Annexure A: Locality map

RECOMMENDATION:

that the partial amendment of the resolution dated 31 May 2017, for the lease of municipal property, being a portion of Erf 243 Hermanus ($\pm 105\text{m}^2$ in extent), situated in Swartdam Road, to Springsweg Nigel Eiendomme (Pty) Ltd t/a Heidelberg, Nigel and Hermanus Nissan, by substituting the name of the Lessee with Bluebird Trio (Pty) Ltd t/a Hermanus Nissan, **be approved.**

RESPONSIBLE OFFICIAL :	WILLMARY MURTZ
TARGET DATE FOR IMPLEMENTATION :	31 JULY 2018
TARGET DATE TO INFORM APPLICANT :	8 JULY 2018
TARGET DATE TO INFORM OBJECTOR :	N/A

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10 May 2018**

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THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON 19 JUNE 2018, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION

RESPONSIBLE OFFICIAL :	W MURTZ
TARGET DATE FOR IMPLEMENTATION :	31 JULY 2018
TARGET DATE TO INFORM APPLICANT :	8 JULY 2018
TARGET DATE TO INFORM OBJECTOR :	N/A

