

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
20 November 2018  
(Also the agenda for the Mayoral Committee Meeting: 28 November 2018)**

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**4.  
GANSBAAI: A PORTION OF THE REMAINDER OF ERF 210: LEASE OF  
MUNICIPAL PROPERTY TO APOSTOLIC FAITH MISSION GANSBAAI**

7/2/3/1

N Liebenberg

(028) 316-3724

Hermanus Administration

8 October 2018

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**1. Executive Summary**

To obtain approval to enter into a further lease agreement for a period of 9 (NINE) years and 11 (ELEVEN) months with Apostolic Faith Mission Gansbaai in respect of municipal property, being a portion of the remainder of Erf 210 Gansbaai (±620m<sup>2</sup> in extent), for parking purposes.

**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 (2015)

**6. Background/Discussion/Evaluation/Conclusion**

**Background**

Apostolic Faith Mission Gansbaai has been utilizing the said portion of Municipal property, being a portion of the remainder of Erf 210 Gansbaai, since 2008 for the purpose of additional parking for said church.

The last agreement was for a period of 9 (NINE) years and 11 (ELEVEN) months which expired on 30 September 2018.

The locality and layout of the proposed lease area are indicated on the locality plan attached per "Annexure A".

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### **Discussion**

Apostolic Faith Mission Gansbaai applied for a further lease agreement of 9 (NINE) years and 11 (ELEVEN) months.

Apostolic Faith Mission Gansbaai applied for renewal before expiration of the lease agreement but unfortunately the application process could not be completed timeously. As there is now a tariff approved by Council for non-profit organisation/social care organisations the rental charged will be a monthly rental amount. Should the further lease be approved the commencement date will be backdated to the day after expiry of the previous agreement, being 1 October 2018.

The area applied for have been used by the Apostolic Faith Mission for approximately ten years without any complaints from the public. The said portion of the property have not previously been used or needed by anyone else and the church currently keeps it in a clean and tidy condition. The Apostolic Faith Mission's municipal account is paid to date.

### **Evaluation**

A. Administration of Immovable Property Policy of the Overstrand Municipality

The following conditions of said policy apply:

**Paragraph 17: "Taking into consideration the nature and duration of the lease to be entered into, the leasing of immovable property may be affected by means of either:**

- 17.1 a competitive process, which may include a closed or public tender or proposal call, specifically in circumstances listed in paragraph 18 below; or**  
**17.2 a direct lease."**

As the site is not classified as a business site and the leasing of the said property to Apostolic Faith Mission Gansbaai is in the interest of the community, i.e. not a commercial lease, and they have been leasing it successfully for several years it is recommended that the property be leased directly to Apostolic Faith Mission Gansbaai without following a competitive process. The portion of property can further not be useful to other adjoining property owners as walls are built on their boundaries.

**Paragraph 20.1: "The Municipality may grant a long term lease of municipal immovable property with an income value of less than R10 million only after:**

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- a) *The Accounting Officer has approved the lease in principle;***
- b) *In the case of a direct lease, the proposed lease was advertised in terms of paragraph 10.1 and 10.2 above to invite the local community and other interested parties to submit comments or representations; and***
- c) *The Executive Mayor, as delegated authority, has approved that the right may be granted.***

The Accounting Officer (Municipal Manager) approved in principle the lease of the subject portion of the remainder of Erf 210 Gansbaai to Apostolic Faith Mission Gansbaai for additional parking on condition that the public participation process is followed. The proposed lease was advertised in the Gansbaai Courant on 6 September 2018 for a 30 (THIRTY) day comment/objection period.

**Paragraph 26: *“In cases where a rental amount has been approved in the annual budget of the Municipality for certain types of leases and encroachments, the approved amount will be used for purposes of determining the rental amount.”***

In this regard the rental charged will be in accordance with the tariff approved in the annual budget.

**Paragraph 36: *“All costs pertaining to a transaction, e.g. survey, advertisements, valuation, relocation or provision of services where necessary, shall be borne by the Lessee. The Municipality may, however, waive its right to claim all or any portion of the costs. Where necessary a deposit to cover the costs may be required.”***

Apostolic Faith Mission Gansbaai will pay all costs relating to the renewal of the lease agreement which in this case so far is only the advertisement costs.

**Paragraph 47: *“Subject to paragraph 46 above, immovable property let by the Municipality shall be inspected at least once a year by the Municipality to ensure compliance with the terms and conditions of the agreement of sale or lease.”***

The property will be inspected by the Property Administration Department at least once a year.

It is further confirmed that the other Conditions of Lease as stipulated in paragraph 36 – 50 of the said policy will be included in the lease agreement with the Applicant.

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B. Advertisement/Notification

An advertisement for the lease of a portion of the remainder of Erf 210 Gansbaai ( $\pm 620\text{m}^2$  in extent) was placed in the Gansbaai Courant on 6 September 2018 for a 30 (THIRTY) day objection/comment period. No objections/comments were received.

**Conclusion**

With reference to the above discussion it is recommended that the lease agreement with Apostolic Faith Mission Gansbaai be approved for a further period of 9 (NINE) years and 11 (ELEVEN) months from 1 October 2018 at a rental amount of R140.00 (ONE HUNDRED AND FORTY RAND) (VAT excluded) per month which is the amount approved in the 2018/2019 budget.

**7. Financial Implications**

The Municipality stands to gain rental in the amount of R140.00 (ONE HUNDRED AND FORTY RAND) (VAT excluded) per month where after the lease amount will escalate every year on the 1<sup>st</sup> of July in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2019. All expenses pertaining to the proposed lease will be borne by Apostolic Faith Mission Gansbaai

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

**Senior Manager: Expenditure and Assets, Mr J Vorster - (028) 313 8046**

As this is an income generating proposal involving an institution who delivers an essential service to the community of Gansbaai, with no intention to dispose of the asset, there is no objection to the report.

**10. Annexures**

Annexure A: Locality Plan

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**RECOMMENDATION:**

1. that the lease of municipal property, being a portion of the remainder of Erf 210 Gansbaai ( $\pm 620\text{m}^2$  in extent), to Apostolic Faith Mission Gansbaai for the purposes of additional parking at the rental amount of R140.00 (ONE HUNDRED AND FORTY RAND) (VAT excluded) per month for a period of 9 (NINE) years and 11 (ELEVEN) months as from 1 October 2018 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 in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2019.

<b>RESPONSIBLE OFFICIAL:</b>	<b>N LIEBENBERG</b>
<b>TARGET DATE FOR IMPLEMENTATION:</b>	<b>21 DECEMBER 2018</b>
<b>TARGET DATE TO INFORM APPLICANT:</b>	<b>12 DECEMBER 2018</b>
<b>TARGET DATE TO INFORM OBJECTOR:</b>	<b>N/A</b>

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
20 NOVEMBER 2018, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

**RESPONSIBLE OFFICIAL:**

**N LIEBENBERG**

**TARGET DATE FOR IMPLEMENTATION:**

**21 DECEMBER 2018**

**TARGET DATE TO INFORM APPLICANT:**

**12 DECEMBER 2018**

**TARGET DATE TO INFORM OBJECTOR:**

**N/A**

