

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

**4.
INFORMAL TRADING STALLS IN THE OVERSTRAND REGION: DEVIATION FROM
PARAGRAPH 20.1(b) OF THE ADMINISTRATION OF IMMOVABLE PROPERTY
POLICY OF 2015 ALLOWING THE MUNICIPALITY TO ENTER INTO FURTHER
LEASE AGREEMENTS WITH VARIOUS INFORMAL TRADERS; RENEWAL OF
LEASE AGREEMENTS SUBJECT TO CONDITIONS**

7/2/3/1

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13 May 2019

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Hermanus Administration

1. Executive Summary

To obtain approval from the Executive Mayor to enter into further lease agreements up to 9 (NINE) years and 11 (ELEVEN) months (in intervals of three year leases) with various Informal Traders in respect of stalls in the Hawston, Zwelihle and Gansbaai (Masakhane) areas for the purposes of informal trading, after expiry of the third year lease;

To obtain approval from Council for the deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy of 2015 allowing the Municipality to enter into further lease agreements with the Informal Traders in respect of stalls in the Hawston, Zwelihle and Gansbaai (Masakhane) areas for the purpose of informal trading without following a public participation process; and

To obtain approval from Council to not levy the rental for five of the informal traders at the Zwelihle Taxi Rank stalls for the period 1 November 2018 to 30 June 2019 who are currently trading.

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

Partly delegated to the Executive Mayor.

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

5. Legal Requirements

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

6. Background/Discussion/Evaluation/Conclusion

Background/Discussion

(a) Hawston

There are 10 (TEN) Informal Trading Stalls on a portion of Erf 1 Hawston situated at the Hawston Taxi Rank in Church Street for the purpose of informal trading. The following lease agreements have been and were entered into with informal traders in terms of the Administration of Immovable Property Policy:

	Trader	Total period	Lease period	Rental still levied
•	Lucinda Marais	three years	01/11/2015 – 31/10/2018	Yes
•	Sharline Sharon October	three years	01/11/2015 – 31/10/2018	Yes
•	Amanda Vanessa Goliath	three years	01/06/2016 – 31/05/2019	Yes
•	Celesté Mara Neethling	three years	01/11/2015 – 31/10/2018	Yes
•	Collin Henry Ford	three years	01/02/2016 - 31/01/2019	Yes
•	Christie Seegels	three years	01/11/2015 – 31/10/2018	Yes
•	Esmerelda Esau	three years	01/04/2018 – 31/03/2021	Yes

The other 3 (THREE) Informal Trading Stalls on a portion of Erf 1 Hawston, located at the Hawston Taxi Rank, are currently vacant because they were vandalized to such an extent that it cannot be leased out. Subsequently, these 3 (THREE) Informal Trading Stalls must first be repaired at the same time that new agreements with new tenants are also lined up and entered into. In the process of allocating the lease, the Property Administration Department will contact the relevant department responsible for repairing the stalls to begin the process. This is recommended because should the stalls be repaired long before it is occupied in terms of a lease agreement, the risk of the stalls being vandalised again is very high.

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

A report served before the Executive Mayor at an Executive Mayoral Committee meeting held on 31 October 2018 to request the renewal of the lease agreements subject to the approval of a deviation by Council, but the matter was referred back. Thus no further lease agreements were entered into with these traders although they are still trading from the stalls. The traders were not requested to vacate the stalls as we did not want to risk the stalls being vacant/unoccupied and subsequently vandalised.

(b) Zwelihle

There were 13 (THIRTEEN) Informal Trading Stalls on a portion of Erven 317 and 375 Zwelihle respectively situated at the Zwelihle Taxi Rank in Hlobo Street (two of these stalls being half stalls) which could accommodate 15 traders. Lease agreements were entered into with the following informal traders in terms of the Administration of Immovable Property Policy since the Property Administration Department were instructed to manage the lease agreements:

	Trader	Total period	Lease period	Rental still levied
•	Nosipho Monica Esau	three years	01/11/2015 - 31/10/2018	No
•	Modise Thabiso Ponoane	three years	01/11/2015 - 31/10/2018	No
•	Lwando Mbhadeni	one year	01/11/2017 - 31/10/2018	No
•	Nokuzola Ntshinga	one year	01/11/2017 - 31/10/2018	No
•	Sinethemba Stuurman	three years	01/12/2015 – 30/11/2018	No
•	Nosipho Lecilia Blekiwe	three years	01/12/2016 – 30/11/2019 (not trading)	Yes (to be stopped)
•	Abraham Mabhengeza	three years	01/11/2015 - 31/10/2018	No
•	Ntombi Cordelia Tyulu	three years	01/11/2015 - 31/10/2018	No
•	SANTA	three years	01/11/2015 - 31/10/2018	No
•	Nokwanda Miranda Mbombo	three years	01/11/2015 - 31/10/2018	No

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

•	Zolile Alfred Ngqoshana	two years	01/01/2016 – 31/12/2018 (cancelled 31/05/2018)	No
•	Standard Bank of South Africa		31/03/2018	No
•	Lwando Madikane	one year	01/04/2017 - 31/03/2018	No
•	Daniel Chitswanda	three years	01/12/2016 – 30/11/2019 (cancelled 31/07/2018)	No

During May 2018 protest and riots took place in Zwelihle during which time 3 (THREE) of the stalls (of which one had two traders in) on a portion of Erf 317 at the Zwelihle Taxi Rank were vandalised and burned and subsequently damaged to such an extent that the Lessees were not able to continue with informal trading in the stalls. The lease agreements for these stalls were therefore either cancelled or just not renewed after expiry thereof. There were further vandalism and damage to the remaining stalls to such an extent that none of the stalls were in such a condition that it could be used for informal trading. The agreements for these vandalised stalls were not renewed after expiration thereof as they are damaged.

Four of the above traders have however indicated that they have repaired the stalls they use to such a state that they can still use it and have subsequently requested renewals of their respective lease agreements and another trader has indicated that the stall she uses are not repaired yet, but that she still needs it to trade and has subsequently requested that her lease agreement be renewed (but that rental not be levied backdated from the date it expired because she cannot afford the backdated rental). These traders are:

- Nosipho Monica Esau (the rental was not levied and will be levied back-dated if approved)
- Lwando Mbhadeni (the rental was not levied and will be levied back-dated if approved)
- Abraham Mabhengeza (the rental was not levied and will be levied back-dated if approved)
- SANTA (the rental was not levied and will be levied back-dated if approved)
- Nokwanda Miranda Mbombo (the rental was not levied and will be levied back-dated if approved)

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

It is recommended that these traders be given renewals on their respective leases from date of expiry of their respective lease agreements, but that the rental for the period 1 November 2018 to 30 June 2019 not be levied on their respective accounts to accommodate a portion of the lease period they were not able to trade / trade fully and to take into consideration funds they spent to repair damages in order to trade from the stall. The total amount of rental that is requested not to be levied is calculated as follows:

Lessee	Rental/ month	Total Rental	Total including VAT
Nosipho Monica Esau	R 168.56	R 148.48	R1,537.27
Lwando Mbhadeni	R 84.29	R 74.32	R 768.72
Abraham Mabhengeza	R 168.56	R 148.48	R1,537.27
SANTA	R 168.56	R 148.48	R1,537.27
Nokwanda Miranda Mbombo	R 168.56	R 148.48	R1,537.27
		R 668.24	R6,917.79

For the rest of the traders listed above, it is recommended that they be given new lease agreements once the stalls are repaired. It will however be necessary to obtain approval now to renew their lease agreement after the three year period without following a public participation process, should they still be eligible for a renewal in terms of the relevant Policy.

(c) Gansbaai (Masakhane)

Erf 3266 Gansbaai

There are 6 (SIX) Informal Trading Stalls (Containers) on a portion of Erf 3266 Gansbaai situated at Masakhane in Walter Sisulu Street for the purpose of informal trading. The following lease agreements have been and were entered into with informal traders in terms of the Administration of Immovable Property Policy:

	Trader	Total period	Lease period	Rental still levied
•	Phumla Tamia Mkolo	three years	01/12/2017 - 30/11/2020	Yes
•	Mzikiekhaya Mqhwayi	three years	01/08/2017 – 31/07/2020	Yes
•	Nomalanga Joyce Ngwenya	three years	01/04/2018 - 31/03/2021	Yes

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

•	Mlungiseni Oscar Mehlwana	one year	01/05/2018 - 30/04/2019	Yes
•	Nopinki Sikade	two years	01/06/2018 – 31/05/2020	Yes
•	Siphokuhle Queen Jayiya and Aneliswe Mosi -	one year	01/12/2017 – 30/11/2018	No

The lease agreement of Mlungiseni Oscar Mehlwana is in the process of being renewed. The lease agreement of Siphokuhle Queen Jayiya and Aneliswe Mosi is also in the process of being renewed. The latter renewal was delayed as the trader indicated that her partner (co-trader) did not want to renew the lease agreement and subsequently she had to make arrangements for the payment of the arrear account in order to be able to apply for a renewal. As these agreements have not passed the three year limit for short term rentals, the renewals will only be done to fill up the three years.

Erven 3283, 3284 & 3285 Gansbaai

There are 5 (FIVE) rooms on Erven 3283, 3284 and 3285 Gansbaai situated at the Masakhane Taxi Rank in Mandela Street which can be used for informal trading. An agreement has been entered into with 1 (ONE) informal trader as listed below in terms of the Administration of Immovable Property Policy for a short term period. 1 (ONE) of the rooms is utilised by the Gansbaai Taxi Association and our Department is in process of contacting them in order to enter into an agreement with them for the use of the room. The other 3 (THREE) rooms are not for informal trading purposes as they are utilised by the Gansbaai Municipality and Councillors.

	Trader	Total period	Lease period	Rental still levied
•	Elias Zihlalele Msopi	three years	01/04/2017 - 31/03/2020	Yes

Erf 1933 Gansbaai

There is 1 (ONE) Informal Trading Stall (Container) on a portion of Erf 1933 Gansbaai situated at the Masakhane sports ground in Mandela Road for the purpose of informal trading. An agreement has been entered into with the informal trader as listed below in terms of the Administration of Immovable Property Policy for a short term period (altogether 3 years).

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

	Trader	Total period	Lease period	Rental still levied
•	Nancy Nokwakha Msopi	three years	01/02/2017 - 31/01/2020	Yes

(d) Stanford

There were 5 (FIVE) Informal Trading Stalls on portions of Erven 1198, 1199 and 1200 Stanford situated at the Stanford Taxi Rank in Dreyer Street. During May 2018 protest and riots took place during which time these stalls were set alight. The stalls were damaged to such an extent that the Lessees were not able to continue with informal trading in the stalls and the agreements were subsequently cancelled.

Although the Administration of Immovable Property Policy was amended in 2015 to make provision for the lease of more formalised stalls to informal traders, a long term lease (beyond 3 years) is still subject to a public participation process in terms of the said policy. Hence it will be necessary to ask for a deviation in order to renew any of the current / future lease agreements at the Taxi Ranks without following a public participation process in cases where the lease agreements will at one stage extend past three years.

Please note that the municipal accounts of the following Lessees are in arrears with their respective municipal accounts as on 30 July 2019:

	Trader	Area	Amount
•	Lucinda Marais	Hawston	R4,804.83
•	Sharline Sharon October	Hawston	R 336.75
•	Amanda Vanessa Goliath	Hawston	R1,350.38
•	Christie Seegels	Hawston	R 230.02
•	Collin Henry Ford	Hawston	R1,263.31
•	Nokwanda Miranda Mbombo	Zwelihle	R1,606.97
•	Mzikiekhaya Mqhwayi	Gansbaai	R1,648.80
•	Nomalanga Joyce Ngwenya	Gansbaai	R2,034.53
•	Elias Zihlalele Msopi	Gansbaai	R2,382.57

Unfortunately the Municipality cannot enter into further lease agreements with a Lessee whose municipal accounts are in arrears and therefore approvals for any further lease agreements will be requested subject to the accounts of the Lessees being settled in full or agreements being entered into with the Finance Department for the repayment of the arrears in instalments.

The following traders' lease agreements have reached the 3 (THREE) year period and can only be renewed with the approval of the Executive Mayor. To

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

assist them at this stage, as well as the other lease agreements that will reach the 3 (THREE) year period, the request is also to deviate from paragraph 20.1.(b) of the Administration of Immovable Property Policy (2015) to renew after the 3 (THREE) years without following a public participation process:

(a) Hawston

	Trader	Total period	Lease period	Rental still levied
•	Lucinda Marais	three years	01/11/2015 – 31/10/2018	Yes
•	Sharline Sharon October	three years	01/11/2015 – 31/10/2018	Yes
•	Amanda Vanessa Goliath	three years	01/06/2016 – 31/05/2019	Yes
•	Celesté Mara Neethling	three years	01/11/2015 – 31/10/2018	Yes
•	Collin Henry Ford	three years	01/02/2016 - 31/01/2019	Yes
•	Christie Seegels	three years	01/11/2015 – 31/10/2018	Yes

(b) Zwelihle

	Trader	Total period	Lease period	Rental still levied
•	Nosipho Monica Esau	three years	01/11/2015 - 31/10/2018	No
•	Abraham Mabhengeza	three years	01/11/2015 - 31/10/2018	No
•	SANTA	three years	01/11/2015 - 31/10/2018	No
•	Nokwanda Miranda Mbombo	three years	01/11/2015 - 31/10/2018	No

The following traders' lease agreements will reach the 3 (THREE) year period soon and can only be renewed with the approval of the Executive Mayor. To assist them at this stage, as well as the other lease agreements that will reach the 3 (THREE) year period, the request is also to deviate from paragraph 20.1.(b) of the Administration of Immovable Property Policy (2015) to renew pass the 3 (THREE) years without following a public participation process:

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

(a) Hawston

	Trader	Total period	Lease period	Rental still levied
•	Esmerelda Esau	three years	01/04/2018 – 31/03/2021	Yes

(b) Gansbaai (Masakhane)

	Trader	Total period	Lease period	Rental still levied
•	Phumla Tamia Mkolo	three years	01/12/2017 - 30/11/2020	Yes
•	Mzikiekhaya Mqhwayi	three years	01/08/2017 – 31/07/2020	Yes
•	Nomalanga Joyce Ngwenya	three years	01/04/2018 - 31/03/2021	Yes
•	Elias Zihlalele Msopi	three years	01/04/2017 - 31/03/2020	Yes
•	Nancy Nokwakha Msopi	three years	01/02/2017 - 31/01/2020	Yes

The above is subject thereto that their accounts being settled in full (if in arrears) or agreements being entered into with the Finance Department for the repayment of the arrears in instalments (if in arrears).

Evaluation

The following paragraphs of the Administration of Immovable Property Policy are applicable:

Paragraph 20: “Long term lease of municipal immovable property with an income value less than R10 million:

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:

- (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 subsequently approved that the right may be granted.”**

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

The in principle approval of the Accounting Officer (Municipal Manager) will be requested for each individual lease for a stall in the various areas of the Overstrand, whether a new lease or a renewal of a lease agreement to be entered into.

In this case, seeing that the some of the current Lessees have already had agreements for 3 (THREE) years and some will pass three years if renewed, a further short term lease in respect of the stalls in the various areas of the Overstrand will cause the said total lease period to be in excess of three years, which is not permissible in terms of Paragraph 20.1(b) of the Policy if a public participation process is not followed. As these lease agreements are and will be entered into with emerging entrepreneurs who will not necessarily have the means to have an advert placed in the local newspaper and as the purpose of the lease is to give a chance to and uplift emerging entrepreneurs it is recommended that a public participation not be followed in this instance as the advertisement costs are approximately R4,500.00 (FOUR THOUSAND FIVE HUNDRED RAND) (VAT INCLUDED) for the Hermanus/Hawston area and R1,509.00 (ONE THOUSAND FIVE HUNDRED AND NINE RAND) (VAT INCLUDED) for the Gansbaai area.

Simultaneous with this request for a deviation, a further request will be made for the approval by the Executive Mayor of the long term rental for all future Stall renewals (as the total period will be in excess of three years).

Please note that the idea is not to give them a once off lease of 9 (NINE) years and 11 (ELEVEN) months, but to give lease agreements in periods of three years with subsequent three year lease period renewals up to a total of 9 (NINE) years and 11 (ELEVEN) months on all future lease agreements involving the stalls allocated for informal trading.

Paragraph 59: *“The leasing of municipal immovable property to informal traders may be affected by means of a direct lease on a “first come first serve basis”, subject to availability of immovable property, the nature of the trade envisaged, the rental payable and the area the immovable property is situated in.”*

Taking the above paragraph into consideration the lease agreements may be entered into with the various Lessees as the allocation of the stalls were done on a first come first serve basis and therefore a competitive bidding process do not need to be followed.

Paragraph 62: *“The rental payable for the leasing of immovable property situated in the demarcated areas will be determined taking into account the location, structure, services available, products or services rendered and any other diverse circumstances relevant to the lease.”*

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

(a) Hawston

The rental payable for a stall at the Hawston Taxi Rank for the 2018/2019 financial year was the amount of R222.64 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FOUR CENTS) (VAT excluded) per month per stall, which will be charged on the agreements that will be renewed from the date in 2018/2019 financial year it expired.

The rental payable for a Hawston Taxi Rank stall for the 2019/2020 financial year is the amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall.

(b) Zwelihle

The rental payable for a stall at the Zwelihle Taxi Rank for the 2018/2019 financial year was the amount of R168.56 (ONE HUNDRED AND SIXTY EIGHT RAND AND FIFTY SIX CENTS) (VAT excluded) per month per stall and the rental payable for the stalls that are half a size for the 2018/2019 financial year was the amount of R84.29 (EIGHTY FOUR RAND AND TWENTY NINE CENTS) (VAT excluded) per month per stall.

The rental payable for a stall at the Zwelihle Taxi Rank for the 2019/2020 financial year is the amount of R175.98 (ONE HUNDRED AND SEVENTY FIVE RAND AND NINETY EIGHT CENTS) (VAT excluded) per month per stall and the rental payable for the stalls that are half a size for the 2019/2020 financial year is the amount of R88.00 (EIGHTY EIGHT RAND) (VAT excluded) per month per stall.

(c) Gansbaai (Masakhane)

The rental payable for a stall in Masakhane for the 2018/2019 financial year was the amount of R222.65 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FIVE CENTS) (VAT excluded) per month per stall and the rental payable for the stalls that are half a size for the 2018/2019 financial year was the amount of R111.32 (ONE HUNDRED AND ELEVEN RAND AND THIRTY TWO CENTS) (VAT excluded) per month per stall.

The rental payable for a stall in Masakhane for the 2019/2020 financial year is the amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall and the rental payable for the stalls that are half a size for the 2019/2020 financial year is the amount of R116.22 (ONE HUNDRED AND SIXTEEN RAND AND TWENTY TWO CENTS) (VAT excluded) per month per stall.

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

Conclusion

Taking the above into consideration, it is recommended:

1. that the Executive Mayor approves, subject to Council approving the requested deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy:
 - (a) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R222.64 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FOUR CENTS) (VAT excluded) per month per stall for the 2018/2019 financial year and a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall for the 2019/2020 financial year, subject thereto that the Lessees' respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:
 - Amanda Vanessa Goliath from 1 June 2019
 - Lucinda Marais from 1 November 2018
 - Sharline Sharon October from 1 November 2018
 - Celesté Mara Neethling from 1 November 2018
 - Collin Henry Ford from 1 February 2019
 - Christie Seegels from 1 November 2018
 - (b) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 375 Zwelihle for a further period of 3 (THREE) years from 1 November 2018 for the purpose of informal trading, at a rental amount of R168.56 (ONE HUNDRED AND SIXTY EIGHT RAND AND FIFTY SIX CENTS) (VAT excluded) per month per stall and for half a stall a rental amount of R84.29 (EIGHTY FOUR RAND AND TWENTY NINE CENTS) (VAT excluded) for the 2018/2019 financial year and a rental amount of R175.98 (ONE HUNDRED AND SEVENTY FIVE RAND AND NINETY EIGHT CENTS) (VAT excluded) per month per stall and for half a stall a rental amount of R88.00 (EIGHTY EIGHT RAND) (VAT excluded) for the 2019/2020 financial year, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:
 - Nosipho Monica Esau
 - Abraham Mabhengeza

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

- SANTA
 - Nokwanda Miranda Mbombo
- (c) that the monthly rental amount for the leasing of the stalls in Hawston and Zwelihle escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015), the next escalation to be on 1 July 2020.
- (d) the renewal of the lease agreement for the stall to the Lessee listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Esmerelda Esau from 1 April 2021
- (e) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 3284 Gansbaai, on a portion of Erf 1933 Gansbaai and on a portion of Erf 3266 Gansbaai for a period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per stall per month and for stalls that is half a size at the rental amount of R116.22 (ONE HUNDRED AND SIXTEEN RAND AND TWENTY TWO CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Phumla Tamia Mkolo from 1 December 2020
 - Nomalanga Joyce Ngwenya from 1 August 2020
 - Nomalanga Joyce Ngwenya from 1 April 2021
 - Elias Zihlalele Msopi from 1 April 2020
 - Nancy Nokwakha Msopi from 1 February 2020
- (f) that the monthly rental amount for the leasing of the stalls in Gansbaai escalate every year on the 1st of July by a percentage fixed

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015);

- (g) the subsequent renewal of all lease agreements for the stalls allocated for informal trading as listed in this report in periods of 3 (THREE) years up to a total of 9 (NINE) years and 11 (ELEVEN) months subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy, their accounts are paid up to date on date of request of a further lease period and the Municipal Manager has approved the renewal.

2. Council approves

- (a) the deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy of 2015 in relation to all the stalls allocated for informal trading as listed in this report as the traders will not be able to afford a public participation process on all leases involving the stalls, whether the current leases or any future leases;
- (b) the rental in the total amount of R6,917.79 (VAT included) for the period 1 November 2018 to 30 June 2019 in relation to the five stalls in Zwelihle be written off on the reasons stated in the report:

7. Financial Implications

(a) Hawston

The Municipality stands to gain a rental in the amount of R222.64 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FOUR CENTS) (VAT excluded) per month per stall for the 2018/2019 financial year to trade from a stall at the Hawston Taxi Rank.

The Municipality stands to gain a rental in the amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall for the 2019/2020 financial year to trade from a stall at the Hawston Taxi Rank.

The Municipality stands to gain a rental in the amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall plus the annual consumer price percentage escalation (as escalated on the 1st of July ever year) to trade from a stall at the Hawston Taxi Rank for the leases that are to be renewed now after the 2019/2020 financial year.

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

(b) Zwelihle

The Municipality stands to gain a rental amount of R168.56 (ONE HUNDRED AND SIXTY EIGHT RAND AND FIFTY SIX CENTS) (VAT excluded) per month per stall and an amount of R84.29 (EIGHTY FOUR RAND AND TWENTY NINE CENTS) (VAT excluded) per month per half a stall at the Zwelihle Taxi Rank for the 2018/2019 financial year on five rentals.

The Municipality stands to gain a rental amount of R175.98 (ONE HUNDRED AND SEVENTY FIVE RAND AND NINETY EIGHT CENTS) (VAT excluded) per month per stall and a rental amount of R88.00 (EIGHTY EIGHT RAND) (VAT excluded) per month per half a stall at the Zwelihle Taxi Rank for the 2019/2020 financial year on five rentals.

The Municipality will lose rental in the total amount of R6,917.79 (VAT included) for the period 1 November 2018 until 30 June 2019 if the request that it be written off is approved.

(c) Gansbaai (Masakhane)

The Municipality stand to gain a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall and a rental amount of R116.22 (ONE HUNDRED AND SIXTEEN RAND AND TWENTY TWO CENTS) (VAT excluded) per month per half a stall plus the annual consumer price percentage escalation (as escalated on the 1st of July ever year) for informal trading on a portion of Erf 3285, Erf 3266 and Erf 1933 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 informal traders who deliver a service to the community of Hawston, Zwelihle and Gansbaai area with no intention to dispose of the asset(s), there is no objection to the report.

10. Annexures

- Annexure A: Locality Map: Hawston
- Annexure B: Locality Map: Zwelihle
- Annexure C: Locality Map: Erf 3266 Gansbaai

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

- Annexure D: Locality Map: Erf 3285 Gansbaai
Annexure E: Locality Map: Erf 1933 Gansbaai
Annexure F: Locality Map: Stanford
Annexure G: Details regarding amount to be written off

RECOMMENDATION TO THE EXECUTIVE MAYOR:

that the following **be approved**, subject to Council approving the requested deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy:

- (a) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R222.64 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FOUR CENTS) (VAT excluded) per month per stall for the 2018/2019 financial year and a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall for the 2019/2020 financial year., subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:
- Amanda Vanessa Goliath from 1 June 2019
 - Lucinda Marais from 1 November 2018
 - Sharline Sharon October from 1 November 2018
 - Celesté Mara Neethling from 1 November 2018
 - Collin Henry Ford from 1 February 2019
 - Christie Seegels from 1 November 2018;
- (b) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 375 Zwelihle for a further period of 3 (THREE) years from 1 November 2018 for the purpose of informal trading, at a rental amount of R168.56 (ONE HUNDRED AND SIXTY EIGHT RAND AND FIFTY SIX CENTS) (VAT excluded) per month per stall and for half a stall a rental amount of R84.29 (EIGHTY FOUR RAND AND TWENTY NINE CENTS) (VAT excluded) for the 2018/2019 financial year and a rental amount of R175.98 (ONE HUNDRED AND SEVENTY FIVE RAND AND NINETY EIGHT CENTS) (VAT excluded) (VAT excluded) per month per stall and for half a stall a rental amount of R88.00 (EIGHTY EIGHT RAND) (VAT excluded) for the 2019/2020 financial year, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

- Nosipho Monica Esau
 - Abraham Mabhengeza
 - South African National Tuberculosis Association (SANTA)
 - Nokwanda Miranda Mbombo;
- (c) that the monthly rental amount for the leasing of the stalls in Hawston and Zwelihle escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015), the next escalation to be on 1 July 2020;
- (d) the renewal of the lease agreement for the stall to the Lessee listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Esmerelda Esau from 1 April 2021;
- (e) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 3284 Gansbaai, on a portion of Erf 1933 Gansbaai and on a portion of Erf 3266 Gansbaai for a period of 3 (THREE) years for the purpose of informal trading, at the rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per stall per month and for stalls that is half a size at the rental amount of R116.22 (ONE HUNDRED AND SIXTEEN RAND AND TWENTY TWO CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Phumla Tamia Mkolo from 1 December 2020
 - Mzihiekhaya Mqhwayi from 1 August 2020
 - Nomalanga Joyce Ngwenya from 1 April 2021
 - Elias Zihlalele Msopi from 1 April 2020
 - Nancy Nokwakha Msopi from 1 February 2020;

**AGENDA of the
Portfolio Committee :Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting 28 August 2019)**

- (f) that the monthly rental amount for the leasing of the stalls in Gansbaai (Masakhane) escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015); and
- (g) the subsequent renewal of the all lease agreements for the stalls allocated for informal trading as listed in this report in periods of 3 (THREE) years up to a total of 9 (NINE) years and 11 (ELEVEN) months subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy, their accounts are paid up to date on date of request of a further lease period and the Municipal Manager has approved the renewal.

RECOMMENDATION TO THE COUNCIL:

1. that the deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy of 2015 in relation to all the stalls allocated for informal trading as listed in this report as the informal traders will not be able to afford a public participation process on all leases involving the stalls, whether the current leases or any future leases **be approved**; and
2. that the write off of rental in the total amount of R6,917.79 (VAT included) for the period 1 November 2018 to 30 June 2019 in relation to the five stalls in Zwelihle on the reasons stated in the report **be approved**.

RESPONSIBLE OFFICIAL :	W MURTZ
TARGET DATE FOR IMPLEMENTATION :	9 SEPTEMBER 2019
TARGET DATE TO INFORM APPLICANT :	30 SEPTEMBER 2019
TARGET DATE TO INFORM OBJECTOR :	N/A

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting : 28 August 2019)**

**4.
INFORMAL TRADING STALLS IN THE OVERSTRAND REGION: DEVIATION FROM
PARAGRAPH 20.1(b) OF THE ADMINISTRATION OF IMMOVABLE PROPERTY
POLICY OF 2015 ALLOWING THE MUNICIPALITY TO ENTER INTO FURTHER
LEASE AGREEMENTS WITH VARIOUS INFORMAL TRADERS; RENEWAL OF
LEASE AGREEMENTS SUBJECT TO CONDITIONS**

7/2/3/1

**W Murtz & A le Roux
13 May 2019**

(028) 316-3724

Hermanus Administration

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
20 AUGUST 2019, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE EXECUTIVE MAYOR:

that the following **be approved**, subject to Council approving the requested deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy:

- (a) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R222.64 (TWO HUNDRED AND TWENTY TWO RAND AND SIXTY FOUR CENTS) (VAT excluded) per month per stall for the 2018/2019 financial year and a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall for the 2019/2020 financial year., subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:

- Amanda Vanessa Goliath from 1 June 2019
- Lucinda Marais from 1 November 2018
- Sharline Sharon October from 1 November 2018
- Celesté Mara Neethling from 1 November 2018
- Collin Henry Ford from 1 February 2019
- Christie Seegels from 1 November 2018;

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting : 28 August 2019)**

- (b) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 375 Zwelihle for a further period of 3 (THREE) years from 1 November 2018 for the purpose of informal trading, at a rental amount of R168.56 (ONE HUNDRED AND SIXTY EIGHT RAND AND FIFTY SIX CENTS) (VAT excluded) per month per stall and for half a stall a rental amount of R84.29 (EIGHTY FOUR RAND AND TWENTY NINE CENTS) (VAT excluded) for the 2018/2019 financial year and a rental amount of R175.98 (ONE HUNDRED AND SEVENTY FIVE RAND AND NINETY EIGHT CENTS) (VAT excluded) (VAT excluded) per month per stall and for half a stall a rental amount of R88.00 (EIGHTY EIGHT RAND) (VAT excluded) for the 2019/2020 financial year, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments:
- Nosipho Monica Esau
 - Abraham Mabhengeza
 - South African National Tuberculosis Association (SANTA)
 - Nokwanda Miranda Mbombo;
- (c) that the monthly rental amount for the leasing of the stalls in Hawston and Zwelihle escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015), the next escalation to be on 1 July 2020;
- (d) the renewal of the lease agreement for the stall to the Lessee listed below on a portion of Erf 1 Hawston for a further period of 3 (THREE) years for the purpose of informal trading, at a rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Esmerelda Esau from 1 April 2021;

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting : 28 August 2019)**

- (e) the renewal of the lease agreements for the various stalls to the Lessees listed below on a portion of Erf 3284 Gansbaai, on a portion of Erf 1933 Gansbaai and on a portion of Erf 3266 Gansbaai for a period of 3 (THREE) years for the purpose of informal trading, at the rental amount of R232.44 (TWO HUNDRED AND THIRTY TWO RAND AND FORTY FOUR CENTS) (VAT excluded) per stall per month and for stalls that is half a size at the rental amount of R116.22 (ONE HUNDRED AND SIXTEEN RAND AND TWENTY TWO CENTS) (VAT excluded) per month per stall plus the annual consumer price index escalations on the 1st of July, subject thereto that the Lessees respective municipal accounts are not in arrears or the necessary arrangements are made for the payment of the arrears in instalments and subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy:
- Phumla Tamia Mkolo from 1 December 2020
 - Mzihiekhaya Mqhwai from 1 August 2020
 - Nomalanga Joyce Ngwenya from 1 April 2021
 - Elias Zihlalele Msopi from 1 April 2020
 - Nancy Nokwakha Msopi from 1 February 2020;
- (f) that the monthly rental amount for the leasing of the stalls in Gansbaai (Masakhane) escalate every year on the 1st of July by a percentage fixed in accordance with the prevailing consumer price index in accordance with paragraph 40 of the Administration of Immovable Property Policy (2015); and
- (g) the subsequent renewal of the all lease agreements for the stalls allocated for informal trading as listed in this report in periods of 3 (THREE) years up to a total of 9 (NINE) years and 11 (ELEVEN) months subject thereto that they still adhere to the criteria listed in the Administration of Immovable Property Policy, their accounts are paid up to date on date of request of a further lease period and the Municipal Manager has approved the renewal.

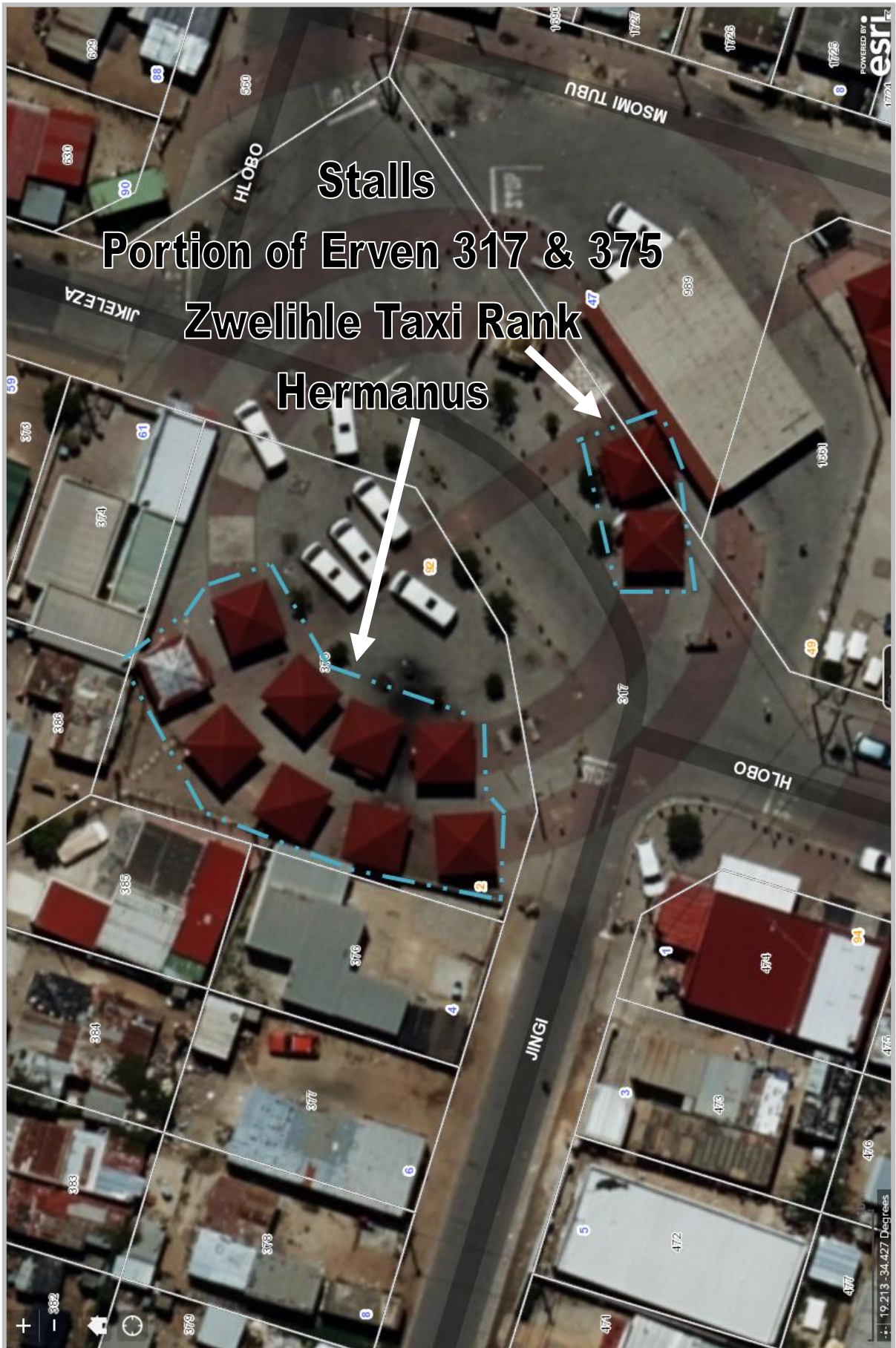
RECOMMENDATION TO THE COUNCIL:

1. that the deviation from paragraph 20.1(b) of the Administration of Immovable Property Policy of 2015 in relation to all the stalls allocated for informal trading as listed in this report as the informal traders will not be able to afford a public participation process on all leases involving the stalls, whether the current leases or any future leases **be approved**; and
2. that the write off of rental in the total amount of R6,917.79 (VAT included) for the period 1 November 2018 to 30 June 2019 in relation to the five stalls in Zwelihle on the reasons stated in the report **be approved**.

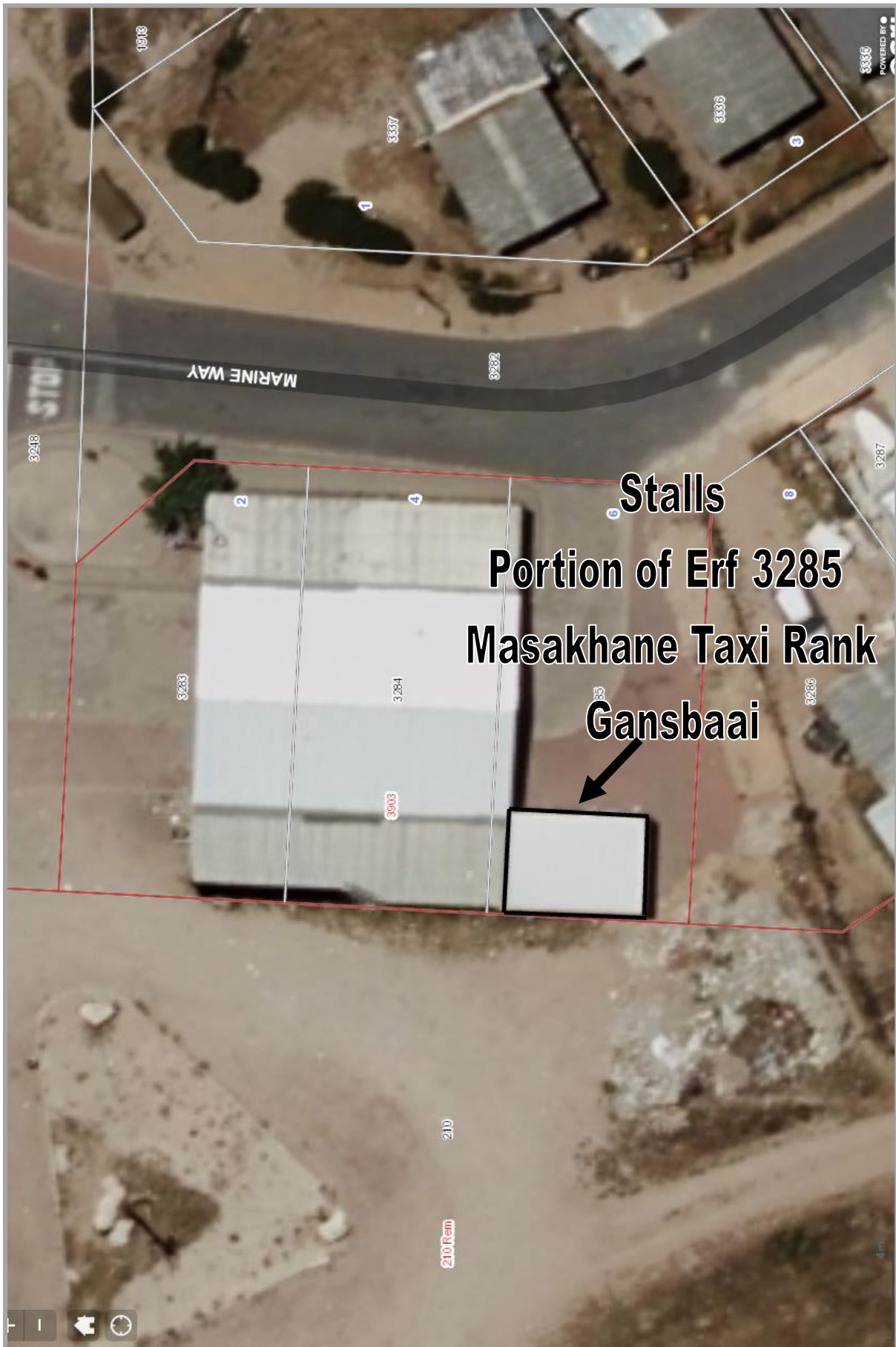
**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 August 2019
(Also the agenda for the Mayoral Committee Meeting : 28 August 2019)**

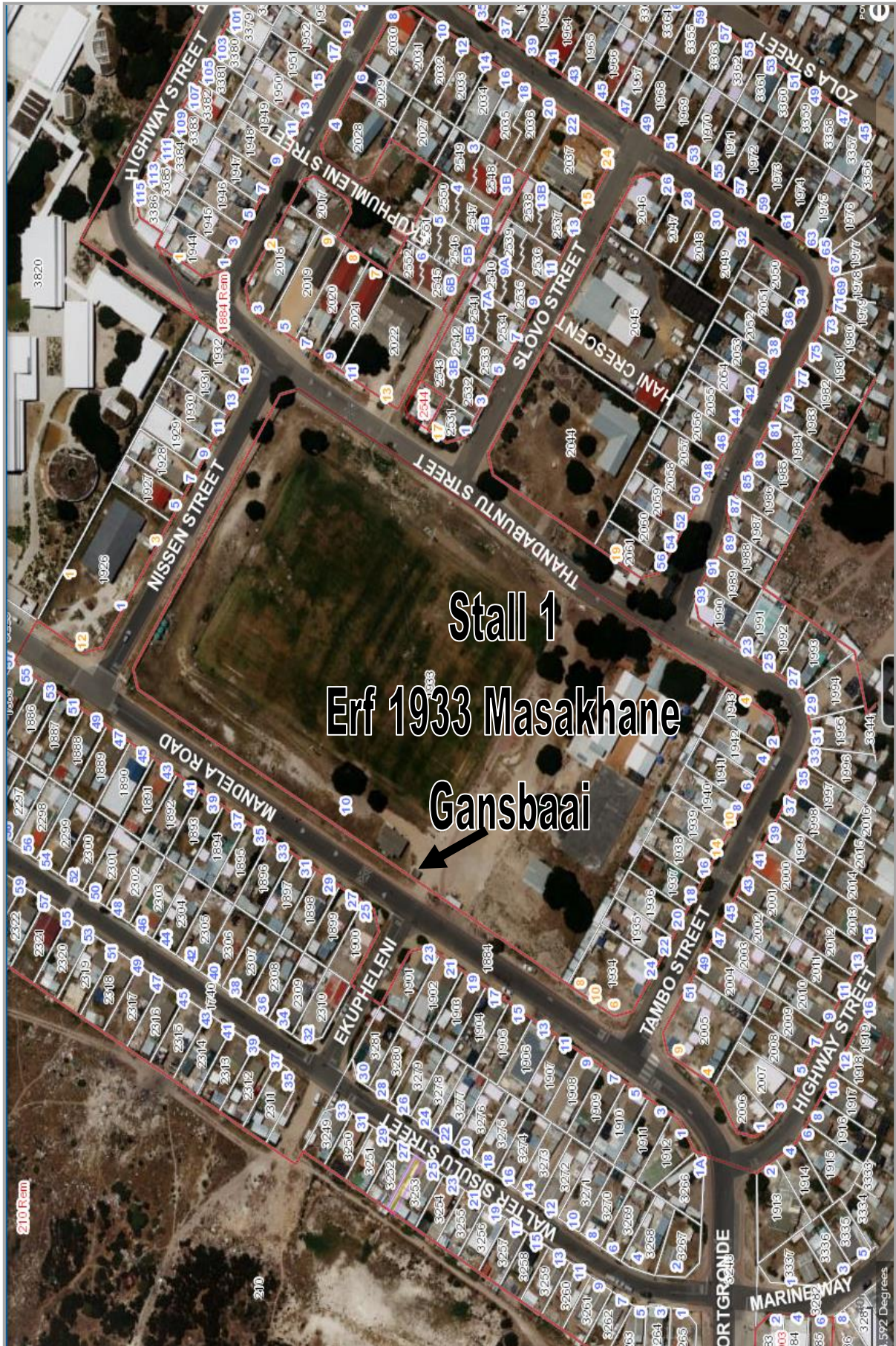
RESPONSIBLE OFFICIAL :	W MURTZ
TARGET DATE FOR IMPLEMENTATION :	9 SEPTEMBER 2019
TARGET DATE TO INFORM APPLICANT :	30 SEPTEMBER 2019
TARGET DATE TO INFORM OBJECTOR :	N/A













ANNEXURE G

Calculations of rental to be written off November 2018 to 30 June 2019				
Lessee	Account nr	Rental/ month	Total Rental	Total including VAT
Esau, NM	900000167203	168.56	1 348.48	1 537.27
Mbhadeni, L	900000422966	84.29	674.32	768.72
Mabhengeza, A	900000255474	168.56	1 348.48	1 537.27
SANTA	900000263086	168.56	1 348.48	1 537.27
Mbombo, NM	900000202562	168.56	1 348.48	1 537.27
			6 068.24	6 917.79