

**AGENDA of the
Portfolio Committee: Investment & Infrastructure
6 April 2022
(Also the agenda for the Mayoral Committee Meeting: 25 April 2022)**

4.

**A PORTION OF ERF 325 ROOI-ELS (SITUATED IN ROELLA ROAD, ROOI-ELS):
CESSION OF LEASE AGREEMENT FROM MOBILE TELEPHONE NETWORKS
(PTY) LTD TO IHS TOWERS SOUTH AFRICA (PTY) LTD**

7/2/3/1

A Le Roux

Manager: Property Administration

2 March 2021

(028) 316 - 5623

1. Executive Summary

To obtain approval to cede the lease agreement between Overstrand Municipality and Mobile Telephone Networks (Pty) Ltd (hereinafter referred to as "MTN") to HIS Towers South Africa (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 a portion of Erf 325 Rooi-Els (9,6m² in extent), situated in Roella Road, Rooi-Els (hereinafter referred to as "the Property"), for telecommunication and related purposes. See the locality map attached hereto marked "Annexure A".

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

MTN has been using the Property since 1999. The latest lease agreement entered into between Overstrand Municipality and MTN for the Property is for a period of 9 (NINE) years and 11 (ELEVEN) months which commenced on 1 June 2016 and will expire on 30 April 2026. The Executive Mayor at a Mayoral Committee Meeting held on 29 November 2017 resolved as follows:

- “1. *that the lease of a portion of unregistered Erf 325 (a portion of Erf 324) Rooi-Els to Mobile Telephone Networks (Pty) Ltd for telecommunication and related purposes at the rental amount of R513.70 (FIVE HUNDRED AND THIRTEEN RAND AND SEVENTY CENTS) (VAT excluded) for June 2016, a rental amount of R547.39 (FIVE HUNDRED AND FORTY SEVEN RAND AND THIRTY NINE CENTS) (VAT excluded) per month for the 2016/2017 financial year and a rental amount of R580.22 (FIVE HUNDRED AND EIGHTY RAND AND TWENTY TWO CENTS) (VAT excluded) per month for the 2017/2018 financial year for a period of 9 (NINE) years and 11 (ELEVEN) months from 1 June 2016 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 annually on the 1st of July in accordance with the tariffs as determined and approved in the Annual Budget with the next escalation on 1 July 2018.”*

MTN informed the Municipality that they concluded a sale and leaseback transaction with the Applicant for the sale and leaseback by MTN of its telecommunications infrastructure i.e., cell masts towers and rooftop installations to the Applicant. MTN applied to cede the existing lease agreement with the Municipality to the Applicant.

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

8. Staff Implications

None

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10. Annexures

Annexure A: Locality Map

RECOMMENDATION:

that the cession of the lease agreement for municipal property, being a portion of Erf 325 Rooi-Els, (6,9m² in extent), from Mobile Telephone Networks (Pty) Ltd to HIS Towers South Africa (Pty) Ltd, **be approved**.

RESPONSIBLE OFFICIAL:	M ERASMUS
TARGET DATE FOR IMPLEMENTATION:	25 MAY 2022
TARGET DATE TO INFORM APPLICANT:	9 MAY 2022
TARGET DATE TO INFORM OBJECTOR:	N/A

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
6 APRIL 2022, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

RESPONSIBLE OFFICIAL:

M ERASMUS

TARGET DATE FOR IMPLEMENTATION:

25 MAY 2022

TARGET DATE TO INFORM APPLICANT:

9 MAY 2022

TARGET DATE TO INFORM OBJECTOR:

N/A



Rooi-Els

Lease Area