

**AGENDA of the
Portfolio Committee: Investment & Infrastructure
4 May 2022
(Also the agenda for the Mayoral Committee Meeting: 30 May 2022)**

2.

ERVEN 127, 129 AND A PORTION OF ERF 823 ZWELIHLE (SITUATED AT 46 LUSIBA STREET, ZWELIHLE): CESSION OF LEASE AGREEMENT FROM HERMANUS RAINBOW TRUST TO LUKHANYO PRIMARY SCHOOL

7/2/3/1

A Le Roux

Manager : Property Administration

1 April 2022

(028) 316 - 5623

1. Executive Summary

To obtain approval to cede the lease agreement between Overstrand Municipality and Hermanus Rainbow Trust (hereinafter referred to as "Rainbow Trust") to Lukhanyo Primary School (hereinafter referred to as "the Applicant") for the remainder of the initial lease period of 3 (THREE) years in respect of Erven 127, 129 and a portion of Erf 823 Zwelihle (jointly ±590m² in extent), situated at 46 Lusiba Street, Zwelihle (hereinafter referred to as "the Property"), for the purpose of operating and managing a Grade R Education Centre. 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

Rainbow Trust has been using Erven 127, 129 and a portion of Erf 823 Zwelihle since 2016 for the purpose of a Grade R Education Centre for the existing Zwelihle Pre-primary School.

The latest lease agreement entered into between Overstrand Municipality and Rainbow Trust is for a period of 3 (THREE) years which commenced on 17 October 2019 and will expire on 16 October 2022. The Executive Mayor at a Mayoral Committee Meeting held on 30 October 2019 resolved as follows:

- “1. that the lease of municipal property, being erven 127, 129 and a portion of Erf 823 Zwelihle (jointly ±590m² in extent), to Hermanus Rainbow Trust for the purpose of a Grade R Education Centre for the existing Zwelihle Pre-primary School at the rental amount of R147.83 (ONE HUNDRED AND FORTY SEVEN RAND AND EIGHTY THREE CENT) (VAT excluded) per month for a period of 3 (THREE) years as from 17 October 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 in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2020.”*

Rainbow Trust has been managing and operating the Grade R Education Centre on behalf of the Applicant since 2016. The Applicant confirmed that the Grade R classes are now being managed by itself and that the Applicant and Rainbow Trust have 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

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 Erven 127, 129 and a portion of Erf 823 Zwelihle (jointly $\pm 590\text{m}^2$ in extent), from Hermanus Rainbow Trust to Lukhanyo Primary School, **be approved.**

RESPONSIBLE OFFICIAL:	R OCTOBER
TARGET DATE FOR IMPLEMENTATION:	30 JUNE 2022
TARGET DATE TO INFORM APPLICANT:	15 JUNE 2022
TARGET DATE TO INFORM OBJECTOR:	N/A

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THIS MATTER SERVED BEFORE THE PORTFOLIO COMMITTEE ON 4 MAY 2022, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION

RESPONSIBLE OFFICIAL:

R OCTOBER

TARGET DATE FOR IMPLEMENTATION:

30 JUNE 2022

TARGET DATE TO INFORM APPLICANT:

15 JUNE 2022

TARGET DATE TO INFORM OBJECTOR:

N/A

ANNEXURE A

