



ORDINARY COUNCIL MEETING

SUPPLEMENTARY AGENDA (2)

Date	:	28 May 2021
Time	:	10:00
Venue	:	Virtual Meeting

KOUGA MUNICIPALITY (EC108) <u>NOTICE CONVENING A MEETING</u> NOTICE IS HEREBY GIVEN in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held on <u>DATE:</u> 28 May 2021 <u>TIME:</u> 10:00  <u>H. BORNMAN</u> SPEAKER	UMASIPALA I-KOUGA (EC108) <u>ISAZISO NGENTLANGANISO</u> OKU KUKWAZISA malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigagqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile <u>UMHLA:</u> 28 UCanzibe 2021 <u>IXESHA:</u> 10:00  <u>H. BORNMAN</u> USOMLOMO	MUNISIPALITEIT KOUGA (OK108) <u>KENNISGEWING VAN VERGADERING</u> KENNIS GESKIED HIERMEE ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op <u>DATUM:</u> 28 Mei 2021 <u>TYD:</u> 10:00  <u>H. BORNMAN</u> SPEAKER
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Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

SUPPLEMENTARY AGENDA

1. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

2. **REPORTS BY THE EXECUTIVE MAYOR**

2.1 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

21/05/PD15 Application to Purchase: a portion of portion 4 of the farm
Zwartenbosch no. 347: Teen Challenge SA

Pages: 6 - 17

3. **CLOSURE**

Distribution list:

Executive Mayor

Speaker

All Councillors

Municipal Manager

All Directors

Relevant Managers

Committee Services

MATTERS DEALT
WITH IN TERMS OF
DELEGATED
AUTHORITY BY THE
EXECUTIVE
MAYOR

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
PLANNING
AND
DEVELOPMENT

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 28 MAY 2021

ITEM NO: 21/05/PD15

APPLICATION TO PURCHASE: A PORTION OF PORTION 4 OF THE FARM ZWARTENBOSCH NO. 347: TEEN CHALLENGE SA

1. Introduction

The purpose of this item is to request that Council resolution no. 13/05/FAME26 be rescinded that granted permission for the long-term lease of a portion of portion 4 of the Farm Zwartembosch No. 347, Humansdorp RD to Teen Challenge and that Council consider disposing the land to Teen Challenge SA.

Previous Council resolution reads as follows: -

13/05/FAME26

APPLICATION FOR LAND – PORTION OF FARM 347 PORTION 4 (ZWARTENBOSCH)

Resolved: (30 May 2013)

- i) *That Teen Challenge SA-Western Cape be allowed to utilize the Portion of Farm 347, Portion 4 of the Farm Zwartembosch for community projects for a period of nine (9) years and 11 (eleven) months, subject to the following conditions:*
 - a) *That a formal Lease Agreement be entered into between Teen Challenge SA – Western Cape and the Council.*
 - b) *That Teen Challenge SA – Western Cape be responsible for all cost (that may escalate) in respect of services and services connections fees as determined by the Council.*
 - c) *That it be recorded that in terms of Section 14 of the Municipal Finance Management Act, the portion of Farm 347, Portion 4 of the Farm Zwartembosch is not required for basic level of municipal service.*
 - d) *That all legislative requirements and advertisement procedures be adhered to.*
 - e) *That any comments and objections from the public be taken into careful consideration.*

2. Background

In 2013 Council resolved to lease a portion of portion 4 of the Farm Zwartenbosch No. 347 to an NPO called Teen Challenge SA – Western Cape for 9 years and 11 months.

Teen Challenge SA is a non-profit NPO, established in 1998 to rescue children, youth, and young adults from drug abuse, gangsterism, prostitution, and human trafficking.

The NPO have been actively involved in the prevention, early intervention, and intervention programs for schools, churches, government departments, etc. Drug abuse, gangsterism, prostitution, and human trafficking is a common problem in all our communities and is such interventions from Non-Profit Organizations (NPO's) a counter for such problems.

The Humansdorp, Kruisfontein area has in recent years seen a steep rise in drug-related and social problems, such as gangsterism and substance abuse, and has on its part led to an increase in the total number of murders recorded. An organization such as Teen Challenge SA can make a significant difference in empowering the youth with life skills which can guard them from becoming victims of substance abuse.

Teen Challenge indicated that they would offer education opportunities to those youth that has not completed school. The rate of youth leaving school in the area is quite high due to scholars getting involved in substance abuse.

Teen Challenge SA has recently expressed interest in purchasing the portion of land that was allocated to the organization under a long-term lease. ** (See Annexure "A").

The reason for subsequent interest to purchase derives from a pre-condition from the NPO's funders that the land must be registered in the name of Teen Challenge SA as they would not want to invest in a temporary project.

However, Teen Challenge could never exercise its rights on the portion of land allocated to them because of people residing in the municipal houses on the land. The Assets Section confirmed that there are people who are currently occupying the municipal houses and it will pose a great challenge to evict them, hence a new extent had to be determined that must exclude the municipal houses**(See annexure "B").

A new portion was determined which had an extent of 8 hectares and excluded the municipal houses and structures to the west and south of the property. **(See annexure C)

3. Applicable Legislation

In terms of the approved Council policy on the disposal of municipal immovable assets, and in particular Section 13 makes provision for alienation out-of-hand to social care users:

13. **SOCIAL CARE USES**

- 13.1 Social care shall mean services provided by registered welfare, charitable, non-profit, cultural and religious organisations and includes, but is not limited to places of worship, child care facilities, rehabilitation centres, centres for the homeless, elderly and destitute persons and animal care facilities: Provided that they are registered as PBO's or are capable of being so registered should they apply for registration.
- 13.2 Immoveable property owned by the Municipality may be alienated or let to social care users. Unless otherwise directed by Council, the purchase price payable shall be 25% of market value subject to a suitable reversionary clause being registered against the title deed of the property. Rentals shall be determined in terms of the tariff rentals as approved by Council from time to time.
- 13.3 Immoveable property may be alienated or let out-of-hand to social care users in exceptional cases where the Council is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community or plight of the poor provided comments or representations on the proposed transfer or granting right to use, control of a municipal capital asset be invited from the local community and other interested persons in terms of Section 7(i) of the Asset Transfer Regulations.

4. Financial Implication

Council considers the market-related valuation of R770 000.00 that was obtained from a professional valuation company. ** (See annexure D)

5. Legal Implication

Should Council approve the disposal of the property herein, the Legal Section to draft a sales agreement for the consideration and authorisation by the Accounting Officer.

6. Recommendation

- 6.1 That Council **rescinds** the resolution pertaining to the lease of a portion of portion 4 of the Farm Zwartbosch No. 347 to Teen Challenge which reads as follows: -

13/05/FAME26

APPLICATION FOR LAND – PORTION OF FARM 347 PORTION 4 (ZWARTENBOSCH)

Resolved: (30 May 2013)

- i) *That Teen Challenge SA-Western Cape be allowed to utilize the Portion of Farm 347, Portion 4 of the Farm Zwartbosch for community projects for a period of nine (9) years and 11 (eleven) months, subject to the following conditions:*

- a) *That a formal Lease Agreement be entered into between Teen Challenge SA –Western Cape and the Council.*
 - b) *That Teen Challenge SA – Western Cape be responsible for all cost (that may escalate) in respect of services and services connections fees as determined by the Council.*
 - c) *That it be recorded that in terms of Section 14 of the Municipal Finance Management Act, the portion of Farm 347, Portion 4 of the Farm Zwartebosch is not required for basic level of municipal service.*
 - d) *That all legislative requirements and advertisement procedures be adhered to.*
 - e) *That any comments and objections from the public be taken into careful consideration.*
- 6.2 That Council **grants in-principle approval** for the disposal of a portion of portion 4 of the farm Zwartebosch No. 347 out-of-hand to Teen Challenge SA as a social care user.
- 6.3 That Council grant authorization to the Accounting Officer to advertise the intended disposal of the immovable property herein.
- 6.4 That Council confirms that the land is not needed to provide the minimum level of basic municipal services.
- 6.5 That the subdivision and rezoning of the land be attended to and concluded.
- 6.6 That Council consider the fair market related value of R770 000.00 that was obtained from a professional valuer for the portion of portion 4 of the Zwartebosch No 347.
- 6.7 That Council consider disposing the immovable property contemplated herein to Teen Challenge as a social care user at 25% of the fair market value.

Item prepared by: Acting Manager: Land Administration

Item approved by: The Director: Planning, Development & Tourism




Item noted by: the Portfolio Chairperson:

Annexure "A"**AGREEMENT OF LEASE**

We, the undersigned, LANDLORD AND TENANT, agree upon the letting of the premises hereinafter described upon the terms and conditions set out in this SCHEDULE and the General Conditions of Lease attached hereto marked Annexure A.

KOUGA MUNICIPALITY**(Landlord)****and****Teen Challenge SA****NPO Registration number: 161-839****(Tenant)**

SCHEDULE

1. NAME AND ADDRESS OF LANDLORD

Kouga Municipality
33 Da Gama Road
Jeffreys Bay
6330

2. NAME AND ADDRESS OF TENANT

Teen Challenge SA
Humansdorp
6300

3. PREMISES

Farm 347,a portion of Portion 4 of farm Zwartbosch, Humansdorp, Kouga Municipality, which is demarcated on the sketch plan attached hereto as Annexure B measuring roughly 17.3HA ('the property').

4. RENTAL

4.1 The lease of the property will be determined at minimum rental cost and service will have to be paid. (that may escalate) in respect of services and services connections fees as determined by Council.

4.2 The monthly service charges and rates payable on occupation of property for the duration of the lease period.

5. VAT

The parties acknowledge and agree that the tenant will be liable to pay VAT on the services and other amounts payable pursuant to this agreement.

6.

DURATION

Nine (9) years and eleven (11) months commencing on 1 March 2016 and terminating on 30 February 2026.

7.

FORMALITIES IN RESPECT OF LEASES OF LAND ACT 18 OF 1969

The parties agree that this Lease will be registered pursuant to the provisions of Act 18 of 1968 against the title deeds of the premises.

8.

USE

The premises shall be utilised for the purpose of building a community project (rehabilitation centre), the running thereof and all activities reasonably incidental thereto. The premises shall be used for no other purpose whatsoever unless prior written consent has been had and obtained from the Landlord.

9.

BUILDINGS OR STRUCTURES ERECTED ON THE PREMISES

The parties' record that the Landlord has given the tenant permission to erect a building on the premises as per the building plans submitted for approval.

10.

RENTAL FOR RENEWAL PERIOD

The rental and operating costs for the renewal period shall be mutually agreed between the parties. If no agreement is reached in respect of the rental and operating costs for the renewal period, the rental to be charged by the Landlord and paid by the Tenant shall be determined by the Chairman for the time being of the Port Elizabeth branch of the Institute of Realtors.

SIGNED BY THE PARTIES AT THE PLACES AND ON THE DATES SET OUT BELOW.

PLACE

Jeffrey S. Baai

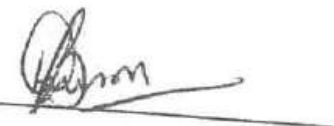


Page 4

DATE

27/07/2016Duly authorised on behalf of the
LANDLORD

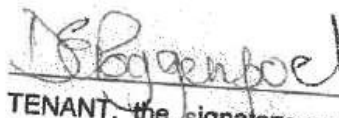
WITNESS



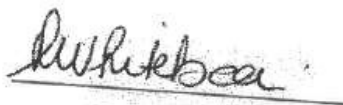
PLACE

Le Frays Bay

DATE

27/07/2016TENANT, the signatory warranting
that he is duly authorised (as per
the resolution annexed hereto as
Annexure C)

WITNESS



Annexure “B”

11 November 2020
Teen Challenge S.A Humansdorp

The Municipal Manger
Kouga Municipality
Jeffreys bay

Dear Sir

Re: Purchase of Swartenbosch Farm 347, portion 4

Teen Challenge SA – Humansdorp is a registered NPO who helps anyone trapped in drug addiction or any other substance abuse

Because those addicted to drugs tend to leave school at an early stage, one of our main goals is an Education facility that will also be registered by the education department

Most of our approached sponsors prefer a more permanent arrangement regarding the ownership of the farm and it will be in our very best interest to rather buy the land rather than leasing as is the case now.

Our negotiations with the municipality started as from 2010 already and it will be great if we can finalise this process

The increasing numbers of drug abuse as well as drug related crime is of big concern to us and of the community. Too many young people die of drug related crime this year that could have been prevented if Teen Challenge Humansdorp have the necessary facilities to help these young people.

We will like to express our utmost gratitude to the municipality in the help of making this a reality

Yours Sincerely,

Mrs D.E Poggenpoel
Chairman, Teen Challenge Humansdorp

Annexure "C"



Land Parcel

13 May 2021 10:36

Erf	347 of Humansdorp RD (Portion 4)			Zoning: Financials		AGRIC
Address	Human Street			Zoning		LUPO (Section 8) Zoning Scheme - Agriculture 1
SG Number	C03400000000034700004			Land Usage: Financials		
Municipality	Kouga			Ward: Financials		
Township/Holding: Title Deed	Humansdorp RD			Ward: Demarcation Board		
Suburb: Financials	Humansdorp Rural District (90001)			Sources		Deeds Office, Surveyor General, Financials
Centroid	34.00549788561646S 24.75538729627182E			Effective		
Sectional Title	No					
Farm Name	ZWARTEBOSCH					
Extent	98.2879Ha					
Extent (SG)	80.9058Ha					
Extent (Title Deed)	98.2879 H					
Title Deeds						
Owner	Title Deed	Share	Purchased	Registered	Price	New No
Mun Humansdorp	T61198/1992	0.0000	6 May 1992	29 Sep 1992	R1400000	
Zyl Margaret Van 210000*	T33933/1985	0.0000		23 Sep 1986		T61198/1992
Smith George Montague	T48861/1980	0.0000		18 Sep 1981		
Financial Accounts						
Account	Debtor	ID Number		Debtor Type		Owner Tenant
009030347048	Kouga Municipality (Humansdorp)			Departmental (DEPAR)		Owner (Kouga)
Properties						
Unit	26 Digit Code	Owner(s)		Scheme		Scheme Number
0	C03400000000034700 00400000	Mun Humansdorp				
Current Municipal Information						
Valuation Date	Valuation Category	Land Value		Improvements Value	Land Area	Improvements Area
		1500000		0	982879	0
Valuations and Surveys						
Project	Category / Usage		H Area	P Status / C	Current Value	
Original Values before 2008 GV (Samras 1 Jun 2009)	Unknown (As Per MPRA)		Unknown	Valued	1,180,000.00	
2013 - 2018 DDP Valuation Roll as Printed	2d-01 (Farm-Agricultural) (Kouga)		Unknown	Valued	1,342,000.00	
SV 3 (2013 - 2018) 2015/01	2h-06 (Municipal-Agricultural) (Kouga)		Unknown	Valued	1,342,000.00	
2018 General Valuation	MUNICIPAL PROPERTY (GV2018)		Unknown	Valued	1,500,000.00	
SDF Proposals						
Area			Proposal			
Humansdorp			HD Residential			

Annexure "D"


EVERGREEN VALUERS Pty Ltd

Year Round Meticulous
PROPERTY DESCRIPTION:

**Portion of portion 4 of Erf 347 Humansdorp RD ($\pm 82\,000\text{m}^2$), Eastern Cape
(improvements included)**

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET VALUE:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 770 000.00

(Seven Hundred & Seventy Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 03 March 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.