



COUNCIL DECISION CIRCULAR : MEETING HELD ON 2024-11-06.

TO ALL DEPUTY CITY MANAGERS AND HEADS:

Attached please find decisions adopted by the Council at its meeting held on 2024-11-06.

Deputy City Managers and Heads are kindly requested to facilitate implementation of the decisions impacting their Clusters and Units within the applicable timeframes.

Kindly note that the word "**ADOPTED**" marked in bold at the end of the recommendation confirms that the item has been approved by Council and is ready for implementation. Other relevant status will be reflected at the end of the recommendation to indicate the position taken by Council on a particular item.

Should further information be required on any item on the Council agenda, kindly contact:

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- 5.3.3 That subject to the adoption of .1 to .7 above and compliance with the eThekweni Municipality: Supply Chain Management Policy, authority be granted for the Head: Real Estate to sign all documents necessary to conclude the required agreement.

With the DA and the VF Plus voting against, the recommendations were by majority vote, ADOPTED.

- 5.4 Proposed Granting of Rights by Way of Long-Term Lease to Use, Control or Manage Lease on Erf 10306 Durban (17/2/1/2/5):
(Page 421: Human Settlements and Infrastructure Committee - Agenda 2023-06-23)

At the Executive Committee level, the (03) DA Members voted against the recommendations. With (03) ANC Members, (01) EFF Member, (01) IFP Member and (01) NFP Member being in support,

COMMITTEE RECOMMENDS:

- 5.4.1 That the Council declares in terms of Section 14 of the Local Government Municipal Finance Management Act No 56 of 2003 (MFMA) that:
- 5.4.1.1 The proposed property described as Erf 10306 Durban, in extent 2097m² as depicted on Plan No. SJ No 4795/9, is not needed to provide the minimum level of basic municipal services and is considered to be a surplus to the requirements of the Municipality for a 30-year period of the proposed granting of rights to use, control or manage the said property; and
- 5.4.1.2 That the Municipality has considered fair market value of the asset, economic and community value to be received in exchange for the asset, with the current market value of the property being R54 000 000.00 (Fifty-Four Million Rand).
- 5.4.2 That the Municipal Council approves that a right be granted to use, control or manage the capital asset described as Erf 10306 Durban, in extent 2097m² as depicted on Plan No. SJ4795/9 in terms of Regulation 34(1)(b), read together with Regulation 36 and 41(1) of the Municipal Asset Transfer Regulations 2008 as follows:
- 5.4.2.1 That a long-term right is proposed to be granted in respect of Proposed Portion of Erf 10305 Durban.
- 5.4.2.2 That an upset rental of R5 800 000.00 (Five Million Eight Hundred Thousand Rand) per annum or R483 333.33 (Four Hundred and Eighty-Three Thousand Three Hundred and Thirty-Three Rand Thirty-Three Cents) per month, excluding VAT, as assessed by a registered valuer, be approved.
- 5.4.2.3 That all conditions received from the Municipality's Service Delivery Units, as detailed in paragraph 5 of the report will form part of the lease agreement to be concluded between the Municipality and a successful tenderer.
- 5.4.2.4 That the subject property described as Erf 10306 Durban in extent 2097m² as depicted on Plan No. SJ4795/9, be leased by way of public tender in accordance with the Municipal Supply Chain Management policy, at a base rental of R5 800 000.00 (Five Million Eight Hundred Thousand Rand) or R483 333.33 (Four Hundred and Eighty Three Thousand Three Hundred and Thirty Three Rand Thirty Three Cent) per month, excluding VAT, escalating by 7% per annum and reviewable every 5-year period of 30 years.

5.4.2.5 That all costs incidental to this transaction be borne by the lessee and all the developmental plans be submitted to the Land Use Management Unit of the Municipality.

5.4.2.6 That the rental may be suspended for the refurbishment/development period stipulated on the bidder's proposal or until the Practical Completion Certificate is issued (whichever comes first) from the date of registration of the lease to allow for the development of the property, provided that the capital investments is above R30 000 000.00 (Thirty Million Rand), and, should the developer not complete the development within a two-year period, an application can be made to full Council to consider an extension to complete the development in accordance with suitable terms and conditions as recommended by the Head: Real Estate.

5.4.3 That subject to the adoption of .1 to .6 above and the approval of the Bid Adjudication Committee, authority be granted for the Head: Real Estate to sign all documents necessary to conclude and administer this transaction.

With the DA and the VF Plus voting against, the recommendations were by majority vote, ADOPTED.

5.5 Proposed Lease of Portion 9 of Erf 136 Durban (17/2/1/2/5):
(Page 516: Human Settlements and Infrastructure Committee - Agenda 2023-06-23)

At the Executive Committee level, the (03) DA Members voted against the recommendations. With (03) ANC Members, (01) EFF Member, (01) IFP Member and (01) NFP Member being in support,

COMMITTEE RECOMMENDS:

5.5.1 That the Council approves in principle that the right be granted to use, control or manage the capital asset described as Portion 9 of Erf 136 Durban, measuring 639m² in extent as depicted on Hand Plan No. SJ 4775/7 Durban, in the Durban Entity, Province of KwaZulu-Natal in terms of Regulation 34 (1)(b), read with Regulation 36 and 41 of the Municipal Asset Transfer Regulations 2008 (MATR) that:

5.5.1.1 The properties are not required to provide the minimum level of basic services for a period of 30 years, being the duration of the proposed lease.

5.5.1.2 The current market rental value of the land is assessed at a value of R12 000.00 (Twelve Thousand Rand), per month, excluding VAT, and is to be reviewed from time to time.

5.5.1.3 The properties be leased in accordance with the provision of the Preferential Procurement Policy Framework which supports Radical Economic Transformation and the Supply Chain Management Policy.

5.5.2 That all costs incidental to the transaction shall be at the cost of the lessee to whom the right to use, control or manage the capital asset is to be granted.

5.5.3 That all developmental plans must be submitted to the Local Authority for approval prior to any construction.