REPORT FROM THE DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Municipal Council on the dispute lodged by the Noetzie Conservancy Owners Association regarding access through Pezula Private Estate, the expropriation of a portion of the farm Noetzie 394 in November of 1998 and the validity of the servitude and conditions imposed regarding access to Lagoon Drive via the Pezula Private Estate.

DISCUSSION

Pezula Private Estate (Pty) Ltd acquired ownership of the remainder of the farm Noetzie and it thereafter obtained approval in terms of LUPO for the development of the property.

The planning approval was subject to certain conditions one of which was that the developer register a right of way servitude in favor of the municipality to be utilized by the general public if and when in the view of the municipality an emergency or other situation arise for the residents of Sparrebosch, Hunters Home The Heads and surrounding areas. The developer was further to construct a road within such servitude area, as indicated on the development plan.

The legitimacy of such servitude and restricted access through Pezula Private Estate by the surrounding areas, which included Noetzie, was questioned by the Noetzie Conservancy Owners Association during a meeting with senior members of staff.

A copy of the Deed of Expropriation over the aforesaid property was provided to both out Planning & Development and Legal Services departments.

As a result of the extremely technical nature of the matter, an external legal opinion was requested from an expert in town planning, environmental and property related matters. The legal opinion sought from Stadler & Swart was sent to Advocate S Rosenberg for his views on the matter as well as an opinion on the proclaimed road status of the road in question.

Both opinions advised that by virtue of the expropriation and to the extent that the expropriated road is aligned with the servitude are, the servitude is to be regarded as of no force and effect, inasmuch as in law it amounted to a property owner (Knysna Municipality) purporting to obtain servitude rights over its own property.

A further Legal Opinion was submitted to the Knysna Municipality by the Pezula Private Estate Homeowners Association. The opinion was prepared by Advocate JP Vorster SC. The essence of the opinion is that the Knysna Municipality is unable to exercise its rights to use the road, other that as provided for in the servitude agreement.
Following further consultative sessions with the Noetsie Homeowners were held and instructions were given by the then Municipal Manager to obtain a memorandum from our attorneys of record on the prospects of success in seeking a declaratory order as to ownership of the property.

Stadler & Swart was briefed who advised that there are good prospects of success in Council obtaining the said order.

We have recently received enquiries from members of the community who were denied access to the Noetsie beach through Pezula. We have further had several enquires with regards to emergency access by Noetsie residence.

Noetsie is one of Knysna’s most pristine tourist destinations and a historical site with fond memories of all the Knysna communities.

It would thus be in the interest of the communities of the greater Knysna to have the matter resolved.

FINANCIAL IMPLICATIONS

COST OF LITIGATION

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the content of the report and the attached legal opinions, be noted; and

[b] That the Municipal Manager be authorized to instruct a firm from the duly appointed panel of attorneys providing services to the Knysna Municipality, to proceed with the necessary court application to obtain a declaratory order with regards to ownership of the land and the legitimacy of the servitude.

APPENDIX / ADDENDUM

Legal Opinion – Stadler and Swart (Andre Wwart)
Legal Opinion - ADV SP Rosenberg SC
Legal Opinion - ADV JP Vorster SC.

File Number : 9/1/2/9
Execution : Director : Corporate Services
Manager : Legal Services
Dear Grant,

Given the delay in the scheduling of our follow-up meeting, we thought it prudent to forward you the legal advice the HOA received from Senior Counsel regarding the proposed thoroughfare. The essence of which in an unequivocal opinion that the Municipality is unable to exercise its rights to use the road, other than as provided for in the servitude agreement. Please see the full document which is attached to this email.

We are still extremely eager to get together with you and your staff to discuss a Services Agreement which once concluded will be a weight off your minds and ours! We would be grateful if a date could be set very early in the new year. Your reference number is Collab 395674.

Many thanks,
Ant

Ant Evans | Estate Manager | Pezula Private Estate HOA
T +27(0)44 384 0948 • F +27(0)44 384 1016 • Fax to E-mail 086 241 3325
P.O.Box 2309, Knysna, 6570, South Africa
manager@ppehoa.co.za • www.pezulaprivateestate.co.za

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file:///C:/Users/ttlse/AppData/Local/Temp/XPgrpwise/567821468kmdom02kmpo02I... 22/12/2015
TO:            MR E LE ROUX
WEAVIND & WEAVIND ATTORNEYS

RE:             PEZULA HOMEOWNERS ASSOCIATION / KNYSNA MUNICIPALITY

MEMORANDUM

1. Consultant is PEZULA HOMEOWNERS ASSOCIATION ("the HOA"). The factual background to the advice sought from me may be summarised as follows:

1.1. One of the conditions subject to which the Knysna Municipality approved the application of Pezula Developments (Pty) Limited for the sub-division of portion of the remainder of the Farm Noetzie No. 394 into 53 residential erven in July 2003, read as follows:

"The 20 m wide servitude and the access road therein .... or an agreed to alternative, shall be put in place to the satisfaction of Council prior to transfer of any erven being permitted."
1.2. In terms of the services agreement that had been concluded between the local authority and the developer during March 2003, the Knysna Municipality had agreed that access to the development was to be from Lagoon Drive via Sparrebosch and from the Noetzie Road as shown on development plan Noetzie 22, as prepared by VPM Planning dated 6 September 2002.

1.3. Paragraph 16.1 of the HOA’s original constitution recorded that the right of access servitude of 20 metres wide was registered over the development property, which servitude linked Lagoon View Drive and Noetzie Road. It was further stated that the servitude was in favour of the Knysna Municipality to be utilised by the general public if and when, in the view of the Knysna Municipality, an emergency or other situations arose, which rendered access to the N2 national road via George Rex Drive for the residents of Sparrebosch, Rexford, Hunters Home, the Heads and surrounding areas impassable, or substantially impedes such free access.

1.4. On 16 March 2012, the Roads and Transport Management branch of the Western Cape Province informed the Knysna Municipality that the relevant portion of divisional road 1771 “is now regarded to be situated within the inner municipal area
of your Council's jurisdiction or area, and therefore, in terms of Section 66(3) of the Road Ordinance of 1976, has ceased to be a proclaimed divisional road." It was further stated that the portion of road being from log kilometre 2.48 to log kilometre 5.10 is now regarded to be a municipal street under the Council's jurisdiction and authority.

1.5. In June 2015, representatives of the HOA met with officials of the Knysna Municipality to resolve outstanding issues in connection with the various services agreements relating to the estate. The Municipality informed them that, during or about 1998, the Municipality had expropriated a portion of land which broadly corresponds to Blue Crane Way Road on the estate which connects the municipal road (Lagoon View Road) to Noetzie Road.

1.6. Prior to this communication, the HOA had always understood the position to be that Blue Crane Way was part of Pezula Private Estate and that the servitude referred to above was registered over it in favour of the Municipality for purposes of traversing access in the event of an emergency. However, according to the officials of the Municipality, the servitude had indeed been registered, but was redundant as the servitude appeared to be over the Municipality's own property.
1.7. A final notice of expropriation, dated 21 December 1998, addressed by the Municipality of Knysna to the erstwhile owner of the property, Geo Parkes and Sons (Pty) Limited, has now been obtained. It appears from this notice that the information communicated by the Knysna Municipality officials as indicated in paragraph 1.5 above, is correct.

1.8. A deeds search in the Deeds Office in Cape Town revealed the following:

1.8.1. The expropriation had never been endorsed in the Deeds Office against the title deed of the property in question;

1.8.2. According to the diagrams, the portion that had been expropriated is Blue Crane Way and also Lagoon View Road which seem to be the same road, but under another name;

1.8.3. The diagrams of stand 13348 and 13326 indicate the road as a right of access servitude and the land which forms the subject matter of this servitude is the same as the land which had been expropriated;
1.8.4. Two notarial servitudes in favour of the Municipality were registered over stand 13326. The formulation of this servitude conforms to the description thereof as set out in paragraph 1.3 above.

2. In a nutshell, my advice is sought regarding the legal implications of the expropriation in conjunction with the fact that the expropriation was never endorsed in the Deeds Office against the title deed of the property in question and the fact that two notarial servitudes in favour of the Municipality are registered over stand 13326.

3. At the outset, it should be stated that Section 8 of the Expropriation Act 63 of 1975 makes it clear that ownership of the expropriated property has vested in the Municipality of Knysna from the date of expropriation in 1998, i.e. ownership vested in the Knysna Municipality without it being necessary to comply with the formalities prescribed in the Deeds Registries Act 47 of 1937 and thus without such ownership having to be registered in the Deeds Office.

4. Until its repeal by Act 108 of 1991, Section 31(6) of the Expropriation Act obliged the expropriator to lodge a certified copy of the notice of expropriation with the office of the relevant Registrar of Deeds, who would then effect an endorsement on the relevant title deed to reflect the expropriation.
5. Despite the repeal of this provision, expropriators, in practice, invariably take the necessary steps to reflect the expropriation in the Deeds Register. This is in accordance with the approach of the Courts to the effect that although the mere act of expropriation vests the dominium of the expropriated property in the Council, it was still necessary “for security and greater certainty of title” that transfer should be passed to the Council of the property as expropriated.

6. In *Oriental Products (Pty) Limited v Pegma 178 Investments Trading CC*, the SCA held that, by knowingly leaving the Deeds Register to reflect the incorrect position as to ownership, the party in question, by omission, represented to the world in general that it was not the true owner of the property. The Court further held that the party who had left the Register to reflect the incorrect position as to ownership, should have known that others could act on the assumption that the Register was correct. In relation to the existing dogma that estoppel is not a cause of action, the Court observed as follows:

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2 See *City of Cape Town v Union Government* 1940 CPD 188 at 195.
3 See paragraph [28] at 516H-I (in *Motela and another NNO v Moller and others* 2014 (6) SA 223(GJ) at 229-230), the Court indicated although the facts of that case were strongly suggestive of negligence on the part of the applicant in that case in failing to have a caveat registered against the title deed of a property, reliance on estoppel could not succeed, simply because the defence had not been pleaded.
4 Paragraph [30] page 517B-C.
5 See, for example, *Mann v Sydney Hunt Motors (Pty) Limited 1958 (2) SA 102 (G).* [31] at 517E-G.
"Counsel for the appellant argued that a finding that the first respondent could rely on estoppel, meant that estoppel has become a method of acquisition of ownership while it is supposed to be a shield of defence and not a sword of attack .... Whether this formalistic approach can still be justified need not be considered in this case. Even though the effect of the successful reliance on estoppel is that the appellant may not deny that the first respondent holds the unassailable title in the property, or that the deeds registry entry is incorrect. This means that should the latter wish to dispose of the property, the appellant would not be able to interfere. If this means that ownership passed by virtue of estoppel, so be it."

7. In the *Oriental Products* case, the only conduct on the part of the appellant which created a misrepresentation regarding the ownership of the property, was the omission to have the Deeds Register amended to reflect the correct position as to ownership, and this was sufficient to fulfil the requirement of a misrepresentation for purposes of estoppel. In the present case, the Knysna Municipality was guilty, not only of this negligent omission, but was also guilty of positive conduct which actively created the impression that it was not the owner of the expropriated portion. The positive conduct in this regard includes the insertion of the condition in the approval of the sub-division quoted in paragraph 1.1 above and the registration of the two notarial servitudes in its favour as indicated in paragraph 1.8.4 above.
8. It follows from the foregoing, that the Knysna Municipality will be precluded from denying that the entries in the Deeds Registry are correct vis-à-vis any person or entity who acted to his or its detriment in reliance upon the correctness of the entries in the Deeds Registry. In this regard, it is obvious that the developer, Pezula Developments (Pty) Limited, purchased the relevant property in the belief that the seller had unassailable title to the whole of the property. The developer, or its liquidators, would therefore be entitled to rely on estoppel. The HOA and/or individual owners of property on the estate would also be able to raise estoppel if they had acted or failed to act to their detriment as indicated above.

9. The question whether estoppel may be raised as a cause of action or not, is of academic interest only for present purposes. This is because:

9.1. If the Knysna Municipality should institute legal proceedings to assert its ownership of the expropriated road, the defendant or respondent would be entitled to raise estoppel by way of defence; or

9.2. if the HOA, the developer's liquidators or individual property owners wish to obtain relief from a Court on the ownership issue, it or they would be entitled to plead the facts as represented, i.e. that the Deeds Registry correctly reflected
that the developer was owner of the road and that a servitude had been registered in respect thereof. If the Knysna Municipality then pleads the true facts, i.e. the expropriation, the plaintiff would be entitled to rely on estoppel in its or their replication.

10. I accordingly conclude that the Knysna Municipality will not be entitled to assert its right of ownership of the expropriated road and that a Court will recognise the two notarial servitudes in favour of the Municipality.

DATED AT PRETORIA THIS 17th DAY OF AUGUST 2015.

J P VORSTER S.C.
Brooklyn Advocates' Chambers
RE: NOETSIE ACCESS ROAD - OPINION ON PROSPECTS OF SUCCESS

1. We refer to the abovementioned matter and our consultation on 25 October 2018.

2. On 20 January 2015, we provided you with our opinion on inter alia the effect of Expropriation Notice EX136 of 1998 (the Expropriation Notice).

3. In the following paragraphs of our abovementioned opinion, we advised as follows:

"[20] As remarked above, the ownership in the expropriated road portion passed to the Municipality on 1 November 1998 by virtue of the service of the Notice of Expropriation. As from the aforementioned date it would not have been possible to register a servitude in favour of the Municipality over the expropriated road portion for the reasons stated above, namely that a land owner cannot obtain servitudal rights in respect of his own property. To the extent that the expropriated land portion coincides and overlaps with the servitude indicated on the General Plan, the servitude agreement and the registration thereof by means of Notarial Deed No K1210/20035 would simply have been legally inconsequential as the Municipality was already the owner of the property.

[21] To the extent that the expropriated road portion did not overlap or coincide with the road servitude granted in favour of the Municipality by means of the said Notarial Deed, it would follow that a servitude agreement in respect of such portions would have the effect of granting servitudal rights to the Municipality. Differently put, to the extent that the servitude agreement, as contained in and registered in terms of Notarial Deed of Servitude No K1210/20035, covers an area beyond the extent of the expropriated road servitude, such servitude agreement and the registration...
thereof would have the effect of granting servitudal rights to the Municipality in respect of such portions."

4. One of the parties affected by the aforementioned expropriation is the Pezula Homeowners Association (the HOA), who obtained an opinion (subsequent to our opinion to the Municipality) from Adv JP Vorster SC (the Vorster Opinion), in which opinion the following conclusion is reached in paragraphs 8 and 10:

'8. It follows from the aforesaid, that the Knysna Municipality will be precluded from denying that the entries in the Deeds Registry are correct vis-à-vis any person or entity who acted to his or its detriment in reliance upon the correctness of the entries in the Deeds Registry. In this regard, it is obvious that the developer, Pezula Developments (Pty) Limited, purchased the relevant property in the belief that the seller had unassailable title to the whole of the property. The developer, or its liquidators, would therefore be entitled to rely on estoppel. The HOA and/or individual owners of property on the estate would also be able to raise estoppel if they had acted or failed to act to their detriment as indicated above.

10. I accordingly conclude that the Knysna Municipality will not be entitled to assert its right of ownership of the expropriated road and that a Court will recognise the two notarial servitudes in favour of the Municipality."

5. After recently being briefed with the Vorster Opinion and in view of the fact that our previous instructions did not include any research as far as the noting of the Expropriation Notice in the Deeds Registry is concerned, we conducted further deeds searches in the Deeds Registry at Cape Town and found the following:

5.1 In contrast to what is submitted in the opinion of Adv Vorster, the Expropriation Notice was in fact duly noted in the Deeds Registry in the following manner:

5.1.1 The Expropriation Notice was endorsed against the title deed of the parent property. See attached final Notice of Expropriation with attached endorsement.

5.1.2 The Expropriation Notice was duly carried forward as a title condition in subsequent title deeds of the parent property. We attach hereto an extract from page 2 of Deed of Transfer T106352/2000, from which it is evident that the Expropriation Notice has been inserted as a specific title condition of the parent property.

5.1.3 During 2003, the conveyancers took out a Certificate of Registered Title (attached hereto) in respect of Erf 13326, but in which the expropriation condition was not carried forward due to a conveying error.

6. The submissions of Adv Vorster as far as the Expropriation Notice is concerned, are therefore factually incorrect.
7. In our view, the legal position as far as the ownership of the access road is concerned, is as recorded in our opinion of 20 January 2015.

8. From the conclusion of the Vorster Opinion in paragraph 10, it is clear that the expropriation issue is separate and distinct from the approval conditions imposed during 2003, in terms of which a 20m wide access road servitude must be put in place to the satisfaction of Council. Our understanding of the Vorster Opinion is that the ‘misrepresentation’ of the Municipality includes the representation done by virtue of the registration of the notarial servitude agreement against the property. This submission may have merit. Currently our instructions did not include researching this issue.

9. We anticipate that the HOA will take the position that the condition, as far as the 20m access road servitude is concerned, is a condition that stands until reviewed or set aside by a Court of law.

10. In our view, the following options are available to the Municipality:

10.1 That the approval condition, as far as the access servitude road is concerned, be removed or corrected as required by the Municipality by means of a High Court application.

10.2 In terms of Section 33 of the Knysna Municipality: Standard Municipal Land Use Planning By-Law, the Municipality may on its own initiative remove, suspend or amend a restrictive condition. This may be a cheaper option for the Municipality instead of a High Court application.

10.3 We must remark that any amendment to the approval conditions which will allow unrestricted access, in contrast to an emergency access, to the public at large will in all likelihood be opposed by the HOA in terms of the applicable provisions in the By-Law.

11. We therefore request you to consider what we state above and furnish us with further instructions.

Yours faithfully

STADLER & SWART INCORPORATED
Per:

AH SWART
INTRODUCTION

[1] Our Client in this matter is the Knysna Local Municipality (the Municipality).

[2] The Municipality has sought our opinion on the legal status of a portion of land expropriated in terms of Section 123(4) of the Municipal Ordinance 20 of 1974 read with the Expropriation Act 63 of 1975 (the Expropriation Act). The expropriation was effected by virtue of Expropriation Notice EX 136 of 1998 (the Expropriation Notice).

[3] In our instructions we were specifically requested to respond to the following questions:

3.1 What is the effect of the expropriation?

3.2 Does the servitude, registered in favour of the Municipality, legally exist and has such servitude been validly registered?

3.3 What the contents of the servitude, in favour of the Municipality, entails.

3.4 What is the status of the road as a proclaimed road?

[4] The operative parts of the Expropriation Notice state as follows:

‘NOW THEREFORE TAKE NOTICE that the said Council hereby expropriates from you for Municipal road purposes in terms of Section 2(1) of the Expropriation Act No. 63 of 1975, as amended:

That portion of your land together with all rights to minerals attaching thereto and as fully set out in the Schedule hereto and depicted on Plan A annexed to the said Schedule, being a portion in extent approximately 15 400 (fifteen thousand four hundred) square metres of the Remainder of the Farm Noetzie..."
GOVERNANCE AND ECONOMIC DEVELOPMENT

COMMITTEE MEETING
AGENDA

1 AUGUST 2019

TAKE FURTHER NOTICE THAT:

1. the date of expropriation is 1 November 1998 from which date ownership of the above expropriated property shall vest in the above Council.\(^{1}\)

For ease of reference we attach hereto a copy of the Expropriation Plan, which accompanied the Expropriation Notice, marked Annexure A.

[5] The registered landowner at the time of the expropriation was Geo Parkes & Sons (Pty) Ltd.

[6] Subsequent to the expropriation, the company known as Pezula Private Estate (Pty) Ltd (Pezula) obtained ownership of the land over which the expropriated road traverses. Currently the relevant land portion is known as Erf 13346 Knysna indicated on General Plan 4435/2003. We attach hereto as Annexure B a copy of the first sheet of General Plan 4435/2003 and make specific reference to the servitude note which states as follows: 'The curved line ab represents the center line of a right of access servitude 20.00 m wide.' The aforementioned servitude appears to be substantially along the same alignment of the expropriated road. We will deal with this issue in more detail below.

[7] During 2002, Pezula submitted various planning applications for the development of the Remainder of the Farm Noetzie 394, in terms of the Land Use Planning Ordinance 15 of 1985 (Western Cape) (LUPO) which applications were approved by the competent planning authority and recorded in a letter dated 10 April 2013 of the Department of Environmental Affairs and Development Planning (the DEADP).

[8] The said planning approvals were approved subject to various conditions imposed in terms of Section 42(1) of LUPO. The following conditions are of specific relevance:

2. The Competent Authority for the administration of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), has resolved that the application to amend the Knysna-Wilderness-Plettenberg Bay Regional Structure Plan in terms of section 4(7) of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), in respect of Remainder of Farm Noetzie No. 394, District Knysna, from "Agriculture Forestry" to "Nature Area", and "Township Development", and the subsequent rezoning of the portion of Remainder of the said property from "Agriculture Zone 1" to "Subdivisional Area", be approved in terms of section 16(1) of the Land Use Planning Ordinance 1985 (Ordinance 15 of 1985).

3.29 the matter of access control on public roads being considered separately by the Municipality, upon application by the developer;

3.32 the developer registering a right of way servitude in favour of the Municipality, of at least 20 meters wide over the development from the Noetzie Road up to Lagoon View Drive, to be utilised by the general public if and when, in the view of the Municipality, an emergency or other situation arises which renders access to the N2 via George Rex Drive for residents of Sparrebosch, Rexford, Hunters Horn, The Heads and surrounding areas impossible, or substantially impedes such free access. The Developer is to construct a Road within such servitude area, as indicated on the Development plan of 6 September 2002 to a standard which in the view of the Municipality will be adequate for emergency use as referred to above.\(^{1}\)

\(^{1}\) All underlining and bold constitutes our emphasis unless stated otherwise.
EFFECT OF EXPROPRIATION NOTICE

[9] The expropriated road formed a portion of the Remainder of the Farm Noetzie 394 at the time of expropriation and at which time the relevant land portion belonged to Geo Parkes & Son (Pty) Ltd.

[10] The expropriation was done by virtue of powers granted to the Municipality in terms of the now repealed Section 123(4) of the Municipal Ordinance 20 of 1974.

[11] As far as the passing of ownership to the Municipality is concerned, reference is made to Section 8(1) of the Expropriation Act which states as follows:

‘8(1) The ownership of property expropriated in terms of the provisions of this Act shall, subject to the provisions of section 3 (3), and on the date of expropriation, vest in the State, released from all mortgage bonds (if any) but if such property is land, it shall remain subject to all registered rights (except mortgage bonds) in favour of third parties with which it is burdened, unless or until such rights have been expropriated from the owner thereof in accordance with the provisions of this Act.’

[12] The ‘date of expropriation’ is defined as follows:

‘“date of expropriation” means the date of expropriation contemplated in section 7 (2) (b)’

[13] Section 7(2)(b) of the Expropriation Act states as follows:

‘7(2) The notice of expropriation shall—
(b) state the date of expropriation or, as the case may be, the date as from which the property will be used, as well as the period during which it will be used, and also state the date upon which the State will take possession of the property’

Paragraph 1 of the Expropriation Notice determines that the date of expropriation was 1 November 1998 from which date the ownership of the expropriated property vested in the Municipality.

[14] The ownership of the expropriated road therefore vested in the Municipality as from 1 November 1998, from which date the Municipality became the legal owner of the expropriated road notwithstanding the fact that formal transfer of such road portion has not been passed to the Municipality in the Deeds Registry. Legally it follows that as from 1 November 1998, the expropriated road constituted a Municipal street under the jurisdiction of the Municipality.

RIGHT OF WAY SERVITUDE IN FAVOUR OF THE MUNICIPALITY

[15] Reference is made to Conditions 3.29 and 3.32 of the Planning Approval of the DEADP dated 10 April 2003, quoted in Paragraph 8 above.

[16] The term ‘servitude’ refers to the real rights that are ‘carved out of the full ownership of the owner’ and exercised by another person. The content of a particular servitude is whatever entitlements of ownership are assigned to the other person by the owner. This is why a servitude is an ius in re alienæ, i.e. a limited real right in the property of another. By definition therefore, one cannot have a servitude in one’s own property. In other words, it is not possible for an owner to assign some entitlements of ownership to himself. Essentially therefore, a servitude confers a real right to benefit from the property of another, either because it affords powers of use and enjoyment to someone other than the owner, or because it requires the owner to refrain from exercising one or more of his entitlements of ownership. Conversely, the notion of servitude
As far as the validity and existence of the servitude in favour of the Municipality, as envisaged in terms of Condition 3.32, it is important to understand the legal nature of a servitude. The servitude referred to in Condition 3.32 has been registered by virtue of Notarial Deed of Servitude No K1210/2003S. This notarial agreement was entered into pursuant to the imposition of Condition 3.32 and entered into between the Municipality and Pezula Private Estate (Pty) Ltd. The operative parts, as far as the contents of the servitude in favour of the Municipality is concerned, state as follows:

‘NOW THEREFORE the said Company declared that the land described as:

ERF 13326 KNYSNA, in the Municipality and Division of Knysna, Province of the Western Cape;

IN EXTENT: 34,6139 (Thirty Four comma Six One Five Nine) Hectares

 Held by Certificate of Registered Title No. T

shall be subject to a Right of Access Servitude twenty (20) metres wide, the centre line whereof is depicted by curved line ST on Diagram SG No. 4433/2003

attached to Certificate of Registered Title No. T

which aforesaid right of access shall be in favour of the Knysna Municipality to be utilised by the general public if and when, in the view of the Municipality, an emergency or other situation arises which renders access to the N2 National Road via George Rex Drive for residents of Sparrebosch, Rexford, Hunters Home, the Heads and surrounding areas impossible, or substantially impedes such free access.’

From the aforementioned extract of the Notarial Road Servitude, it seems that the right of access over the servitude road is restricted to an emergency or other situation which renders access to the N2 via George Rex Drive for the residents of Sparrebosch, Rexford, Hunters Home, the Heads and surrounding areas impossible or substantially impedes such free access.

In this matter and from the papers briefed to us, there seems to be uncertainty as to whether the expropriated road portion exactly aligns with the servitude envisaged in terms of Condition 3.32 of the approval conditions and as indicated in the servitude note of the first sheet of General Plan No 4435/2003.

As remarked above, the ownership in the expropriated road portion passed to the Municipality on 1 November 1998 by virtue of the service of the Notice of Expropriation. As from the aforementioned date it would not have been possible to register a servitude in favour of the Municipality over the expropriated road portion for the reasons stated above, namely that a land owner cannot obtain servitudal rights in respect of his own property. To the extent that the expropriated land portion coincides and overlaps with the servitude indicated on the General Plan, the servitude agreement and the registration thereof by means of Notarial Deed No K1210/2003S would simply have been legally inconsequential as the Municipality was already the owner of the property.

To the extent that the expropriated road portion did not overlap or coincide with the road servitude granted in favour of the Municipality by means of the said Notarial Deed, it would follow that a servitude agreement in respect of such portions would have the effect of granting servitudal rights to the Municipality. Differently put, to the extent that the servitude agreement, as contained in and registered in terms of Notarial Deed of Servitude No K1210/2003S, covers an area beyond the extent of the expropriated road servitude, such servitude agreement and the registration thereof would have the effect of granting servitudal rights to the Municipality in respect of such portions.
Condition 3.29 of the approval conditions seems to suggest that the matter of access control over the public roads of the development was to be considered separately by the Municipality on application by the Developer. Our instructions did not include any information regarding the fulfilment of this condition and we advise that the involved officials search the records of the Municipality for any agreement or other papers relevant to the matter of access control over the public roads.

PROCLAIMED STATUS OF EXPROPRIATED ROAD

As far as the expropriated road and any portion of land in respect of which the road servitude was granted to the Municipality is concerned, such road became a public street under the jurisdiction of the Municipality. Such road carries no proclaimed status in terms of the Roads Ordinance 19 of 1976 (the Roads Ordinance).

In view of the fact that our research incidental to the preparation of this opinion included verification of the proclaimed status of the roads in the immediate area of Pezula and to make this opinion of more practical value, we have decided to give a very short summary with supporting papers of the proclaimed status of the other roads in the immediate vicinity of Pezula.

On 12 July 1917 and by virtue of Proclamation 131, the Noetzie road was proclaimed as a divisional public road. See attached extract from the proclamation with plan attached as Annexure C.

By virtue of Proclamation 150/1976, the last 260 meters of the divisional road was ‘de-proclaimed’ to the status of a minor road. See attached extract from the proclamation attached as Annexure D.

By virtue of Proclamation 54/1999, the aforesaid minor road was closed and became a public street under the control of the Noetzie Local Council, a predecessor in law of the Municipality. See attached extract from the proclamation attached as Annexure E.

On 10 April 2008, the Provincial Department of Transport and Public Works acted in terms of Section 66(3) of the Roads Ordinance and informed the Municipality that Divisional Road 1771 was regarded to be situated within the inner-municipal area of the Municipality and therefore, in terms of Section 66(3) of the Roads Ordinance, it ceased to be a proclaimed divisional road and was regarded as a municipal street under the jurisdiction of the Municipality. See attached extract from the letter attached as Annexure F.

We advise accordingly.

Yours faithfully,

STADLER & SWART
per:

A H SWART
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
1 AUGUST 2019

6.15

G15/08/19  APPLICATION FOR A LEASE AGREEMENT FOR A PORTION OF
ERF 210, UNION STREET, KNYSNA

REPORT FROM MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To request the Municipal Council to consider approving the application for a lease agreement for a portion of Erf 210, Union Street, Knysna in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

We have received an application from Marike Vreken Urban and Environmental Planners on behalf of DF Boyd Family Trust IT 1074/1997, the owner of Erf 2785, Knysna, who has applied to lease a portion of Erf 210, Union Street, Knysna from the Municipality (See Annexure A). The applicant wants to use the property in question for five (5) additional parking bays approximately 69m² to meet the parking bays for the existing business use.

DISCUSSION

Section 34 of the Asset Transfer Regulations 2008, deals with Granting of rights to use, control or manage municipal capital assets and reads as follows:

“Granting of rights to use, control or manage municipal capital assets

34. (1) A municipality may grant a right to use, control or manage a capital asset only after –
   (a) the accounting officer has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and
   (b) The municipal council has approved in principle that the right may be granted.

   (2) Subregulation (1) (a) must be complied with only if –
   (a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and
   (b) a long term right is proposed to be granted in respect of the capital asset.

   (3) (a) Only the Municipal council may authorise the public participation process referred to in subregulation (1)(a).
   (b) A request to the municipal council for authorisation of a public participation process must be accompanied by an information statement stating –

   (i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;
   (ii) any expected benefits to the municipality that may result from the granting of the right;
   (iii) any expected proceeds to be received by the municipality from the granting of the right; and
   (iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.”
Erf 210, Knysna is valued at R5 200 000.00 in terms of the Knysna Local Municipality Valuation roll for the period 1 July 2017 – 30 June 2022. The area identified is thus not valued more than R10 million. The Asset Transfer Regulations describes “a long term” as “a period of longer than three years”. A public participation process regarding the proposed granting of the right is not required. It is however proposed that the Municipal Council’s intention to lease a portion of Erf 210, Knysna to DF Boyd Family Trust IT 1074/1997 for a period of 9 years with the option to renew the lease for a further period of 5 years be advertised for public comments and or objections.

“Consideration of proposals to grant rights to use, control or manage municipal capital assets

The municipal council must, when considering in terms of regulation 34(1)(b) approval for any proposed granting of a right to use, control or manage a capital asset, take into account –

(a) whether the capital asset may be required for the municipality’s own use during the period for which the rights is to be granted;

(b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the municipality;

(c) the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality’s interests;

(d) any comments or representations on the proposed granting of the right received from the local community and other interested persons;

(e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury;

(f) the interests of any affected organ of state, the municipality’s own strategic, legal and economic interests and the interests of the local community; and

(g) compliance with legislative regime applicable to the proposed granting of the right.”

As mentioned in the application, the property in question lies dormant and have been unutilized by the Municipality for a considerable period of time.

A monthly rental, to be determined by the Municipal Valuer, DDP Valuers, will be received by the Municipality for the leasing of the property in question. The applicant intends to create the five (5) parking bays that should be accessible to be used by the public at all times.

Any comments or representations from the local community and other interested persons shall be gathered during the advertising process.

The written views and recommendations should be requested from National Treasury and the relevant provincial treasury during the advertising process.

No organ of state to be affected, nor the municipality’s own strategic, legal and economic interests or the local community.

The application is tabled before the Municipal Council for an in principle approval that the right be granted and that all relevant legislation be complied with.

It must be noted that Erf 210, Knysna is not registered in the name of Knysna Municipality. The Erf is still registered in the name of John Sutherland under Title Deed T199/1849 (See Annexure B). Erf 210, Knysna is the streets and public open spaces in the CBD. Erf 210, Knysna vests in the name of the Local Authority, Knysna Municipality and should be transferred into the name of Knysna Municipality.
FINANCIAL IMPLICATIONS

There would be no negative financial impact on Knysna Municipality as the applicant will be liable for establishing the parking bays and bollards to the south west of Erf 2785. All other incidental costs will be for the account of the applicant. The Municipal Valuer, DDP Valuers, should be appointed to determine a market related rental.

RELEVANT LEGISLATION

Local Government : Municipal Finance Management Act, 2003
Asset Transfer Regulations 2008
Knysna Municipality’s Management of Immovable Property Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure regarding the request for a lease agreement on a portion of Erf 210, Union Street, Knysna by the applicant, be noted;

[b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager be instructed to appoint the Municipal Valuer, DDP Valuers to determine the fair market rental value of a portion of Erf 210, Union Street, Knysna;

[c] That the Municipal Manager be instructed to advertise the intended leasing of a portion of Erf 210, Union Street, Knysna, and

[d] That a further report be submitted to a following Governance and Economic Development Committee meeting after the advertising as mentioned in [c] above have been completed, which report must include comments from the Technical Services, Finance, Community Services and Planning and Development Directorates.

ANNEXURE

ANNEXURE A - Application letter from Marike Vreken
ANNEXURE B - Deed Search

File Number : 7/2/2/1
Execution : Municipal Manager
           Director Corporate Services
           Manager: Legal Services
remainder of erf 210, knysna
application to:
lease municipal land

client: df boyd family trust it 1074/1997
prepared by: marike vreken urban & environmental planners

march 2018
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(II) ANNEXURES

Annexure A. Rezoning and Departure approval letter dated 12 April 2012
Annexure B. Extension of validity period approval letter dated 06 June 2014;
Annexure C. Extension of validity period approval letter dated 18 August 2016;
Annexure D. Minutes of the Pre-application consultation meeting with Knysna Municipality dated 25 July 2017;
Annexure E. Minutes Meeting with Technical Services Knysna Municipality dated 16 November 2017;
Annexure F. Copy Extention of Validity Period submitted to Knysna Municipality on 13 April 2018.

(III) PLANS

PLAN 1. Locality Plan;
PLAN 2. Lease of Portion of Public Open Space Plan;

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FIGURE 7 Existing Municipal Services 2016........................................... 8
1. BACKGROUND

Knysna Municipality approved the rezoning of Knysna Erf 2785 on 12 April 2012 (refer Annexure A). Knysna Municipality granted an extension of the validity period for a rezoning approval on 06 June 2014 until 17 April 2016 (refer to Annexure B).

Knysna Municipality approved a further extension of the existing approval on 16 August 2016 and granted the extension for the rezoning until 17 April 2018 (refer Annexure C).

The approval that was granted was for the redevelopment of the property with business use on the ground floor and residential use on the 1st and 2nd floor. Parking would have been provided to the rear of the property behind the new building with access to the parking between the new building and the eastern boundary. The image below illustrates the SDP for the approved rezoning application.

![Figure 1: Extract of Approved SDP 2011](image)

The current economic climate does not allow for the redevelopment of the site, hence the owners envisage using the existing structure for business use, until such time as when it will be more feasible to redevelop the entire property.

With the position of the existing building on the site, it is not possible to access the “rear” for parking purposes. The owners submitted “as built” building plans as per the conditions of approval but these plans have been rejected on 06 November 2017, because of the lack of parking bays for the existing business use.
After various consultations with Knysna Municipality, it was agreed that the owners must first apply for the lease of municipal land for parking purposes, and then for the amendment of the Site Development Plan.

2. PRE-APPLICATION CONSULTATION WITH KNYSNA MUNICIPALITY

The proposal was discussed at the Knysna Municipality’s pre-application meeting held on 25 July 2017. A copy of the minutes of this meeting is attached as Annexure D. The outcome of this meeting was:

- There is no approved building Plans for the current building;
- The applicant cannot currently implement the approved development and therefore is asking for an amendment in order to utilise the existing buildings for business purposes;
- A new land development application is to be submitted for approval of a new Site development plan and to implement an alternative parking arrangement option by using municipal land with off-street parking, until such time as when the property is redeveloped, and parking can be provided on Erf 2785, as per the rezoning approval.

3. MEETING WITH TECHNICAL SERVICE DIRECTORATE KNYSNA MUNICIPALITY

The proposed portion of land to be leased for parking purposes was discussed with the Technical Services Directorate of Knysna Municipality on 16 November 2017. A copy of the minutes of this meeting is attached as Annexure E. The outcome of this meeting was:

- No “in principle” objection to the proposal to lease a portion of municipal land for parking purposes to enable the approval of the “as built” building plans on Knysna Erf 2785.
- The Lease of public open space for parking purposes should be approved by Knysna Municipality before the land owner should consider submitting building plans.
- Approval of the lease agreement must be submitted together with the building plans to be approved.
- The parking area must at all times be accessible to be used by the public.
- Access to the leased area, may only be obtained via Queen Street, and not via Waterfront Drive.
- The lease area may not prohibit the land owner of Erf 2784 to access his property.
- Bollards should also be provided south west of Erf 2785 to prevent direct vehicular access in front of the building via the public open space.
4. DETAIL OF THE PROPOSAL

4.1. Lease of Municipal Land

(Refer to Plan 2: Lease of Portion of Public Open Space Plan;)

The owners envisage to lease a portion of the Remainder of Knysna Erf 210 measuring 69m² for parking purposes.

![Diagram of proposed lease area](image)

**Figure 2: Lease area to be used for Parking Purposes**

4.2. Proposed Use

The proposed lease area will be used to provide five (5) parking bays for the existing business use on Knysna Erf 2785.

4.3. Parking Provision

The application area has sufficient space to accommodate 5 x parking bays. The parking layout adheres with the requirements of Knysna Municipality’s Technical Services Directorate. The proposed parking area will promote accessibility of vehicles entering from Queen Street and Union Street. A 7.5m gap between the parking bays will ensure that the vehicles can safely reverse and turn forward facing direction onto Queen Street.
4.4. Reason for the proposal

The owner of Knysna Erf 2785 submitted "as built" building plans as per the conditions of approval but these plans have been rejected on 06 November 2017, because of the lack of parking bays for the existing business use. With the position of the existing building on the site, it is not possible to access the "rear" of Erf 2785 for parking purposes.

In order to obtain approval for the "as-built" building plans, the applicant would like to lease a portion of the Remainder of Knysna Erf 210 to provide 5x parking bays for the existing business use on Erf 2785. The portion of land to be leased abuts Knysna Erf 2784 to the south and Knysna Erf 2785 to the south west.

The lease area will only be accessed from Queen Street/Union Street. Concrete berms will be provided along Waterfront Drive to prevent vehicular access from Waterfront Drive. The figure below illustrates the proposed lease area. A copy of the plan, indicating the lease area, is attached as Plan 2.

![Figure 3: Proposed Lease Area](image-url)
5. **LOCALITY**

*(PLAN 1: Locality Plan;)*

The Remainder of Knysna 210 is located on the corner of Queen Street and Waterfront Drive. The application area is within the lower central part of the Knysna CBD. The GPS coordinates of the subject property is 34°22'23.78"S and 23°3'2.24"E.

![Figure 4: Locality](image)

6. **CURRENT LAND USE AND ZONING**

6.1. **Land Use**

This portion of land forms part of the Road of Union Street (Waterfront Drive) reserve. The application area is vacant, not a functional open space and informally used for parking purposes.
6.2. Zoning

Knysna Erf 215 is currently zoned "Street Zone" in terms of the Knysna Zoning Scheme Regulations (1992).

1 "Subject to the provisions of section 14(9) of the Ordinance, no building or use in this zone may be extended or altered or changed without the approval of the Council."
7. CHARACTER OF THE AREA

This area is characterised by mixed land uses and other business-related uses. The application area is bordered by general residential zoned properties to the west and east, which are used for single residential purposes. There is a pending land development application on Erf 2784 to rezone the property to business purposes. Several other businesses are near the application area.

8. SITE CHARACTERISTICS

The application area is located on the corner of Waterfront Drive and Queen Street. The proposed lease area is flat and has are informally used for public parking purposes.

SECTION D : MOTIVATION

9. MOTIVATION TO LEASE LAND

It is the considered opinion that the proposed lease of a portion of the “Street Zone” zoned Erf 215, benefits the general public and Knysna Municipality since the municipality and the general public obtains additional parking spaces for business purposes. The proposed lease is motivated on the following basis:

- Use of the land;
- No impact on traffic flow;
- No impact on Municipal service delivery;
- Not a functional portion of land.

9.1. Use of the land

The proposed lease area is a public open space. Given the limited size and accessibility of the public open space, vehicles occasionally use this space for parking and to access the business on Erf 2785. The land is not currently used for any other purpose. The purpose of lease application, is to provide 5 parking bays for the existing business on Knysna Erf 2785.

9.2. No impact on Traffic Flow

The proposed lease will not impact on the traffic flow in Waterfront Drive or Queen Street. This statement is supported by the following:

- The proposed lease area will have no direct access and egress on Waterfront Drive.
- Access to the lease area will be obtained from Queen Street, a lower order street, with low traffic volumes.
- The access of the proposed lease area on Queen Street has good visibility and ample sight distances.
9.3. No impact on Municipal Services

The figure below illustrates the are existing municipal services located over the proposed lease area. The existing water lines run along the south of the proposed leased, the proposed parking area will not affect not be affected by the proposed lease area. Therefore, the proposal will have no impact whatsoever on the delivery of civil services of Knysna Municipality. The electrical supply cables are the only municipal services that bisect the proposed portion of land to be leased. Thus, should maintenance be required on the leased portion of land any improvements made to the portion of land should be liable to the lessee. The existing Telkom box and electrical transformer is not located in the proposed lease area.

![Diagram of existing municipal services](image.png)

**Figure 7: Existing Municipal Services 2016**

9.4. Not a Functional Open Space

The public open space located south of Erven 2784 and 2785 measures approximately 756m². This is not a functional open space, as it forms part of the road reserve of Union Street (Waterfront Drive). The lease area measures approximately 69m² which is too small
to be utilized for any other use except for parking purposes. The proposed lease will improve the functionality of this area, and also generate a regular income for Knysna Municipality.

The proposed lease for parking purposes will enable approval of the as built building plans for the existing business use on Knysna Erf 2785. Therefore, facilitating economic growth and development within the Knysna CBD. The potential of this road reserve will be unlocked when leased for parking purposes.

9.5. No Impact on Municipal Service Delivery

The electrical supply cables are the only municipal services that bisect the proposed lease area. The proposed lease area does not involve any construction of any building over the existing services. Therefore, the Municipal infrastructure will be unrestricted and accessible for maintenance purposes. The proposed lease will not affect the delivery of any basic municipal services.

9.6. Land Value

Should Council decide to lease the land, an independent valuation will be conducted on the property, to determine the lease amount. The owner is willing to pay a market related price for the lease of the property.

9.7. Conditions of Lease Agreement

Should Council decide to grant this lease, the applicant suggests that the lease be subject to the following conditions:

(i) The parking area must at all times be accessible to be used by the public.

(ii) Access to the lease area should only be obtained via Queen Street.

(iii) The parking area may not restrict access to Erf 2784.

(iv) Bollards should also be provided south west of Erf 2785 to prevent vehicle access and egress to waterfront drive.

9.8. Land Use applications

Once Knysna Municipality has made a decision regarding the lease of public open space the land owner has to submit a land development application in terms of the Knysna Land Use Planning Bylaw to amend the site development approved considered as part of the rezoning approval during 2012 to accommodate the Site Development Plan as per the as built building plans

10. CONCLUSION

It can be concluded that:

(i) Application is made by the owner of Erf 2785 Knysna, to lease a portion of Remainder of Knysna Erf 210 measuring 69m² for parking purposes;
(ii) Access to the Erf 2784 area will not be restricted in anyway whatsoever;

(iii) The proposed lease agreement will not have any commercial value to any other party;

(iv) The proposed lease agreement will benefit Council by means of additional monthly income;

(v) The proposed lease will not prevent the delivery of basic municipal services

(vi) Approval of the lease agreement will enable the approval of the “as built” building plans of the existing business on Erf 2785.

Marike Vreken Urban & Environmental Planners
May 2018
ANNEXURE B

WinDeed Database Deeds Office Property

KNYSNA, 210, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION
Data Requested: 2018/11/05 09:53
Deeds Office: CAPE TOWN
Information Source: WINDEED DATABASE
Reference: -

PROPERTY INFORMATION
Property Type: ERF
Erf Number: 210
Portion Number: 0 (REMAINING EXTENT)
Township: KNYSNA
Local Authority: KNYSNA MUN
Registration Division: NOT AVAILABLE
Province: WESTERN CAPE
Diagram Deed: T199/1849
Extent: 800.0000 DUM
Previous Description: -
LPi Code: C03900050000021000000

OWNER INFORMATION
Owner 1 of 1
Type: PRIVATE PERSON
Name: SUTHERLAND JOHN
ID / Reg. Number: -
Title Deed: T199/8/1849
Registration Date: -
Purchase Price (R): -
Purchase Date: -
Share: 0.00
Municipal: -
Multiple Properties: NO
Multiple Owners: NO

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No documents to display

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APPLICATION TO BUY A PORTION OF ERF 19086, ADJACENT TO ERF 19087, DINANGWE, KNYSNA

REPORT FROM DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider the application of the owner Erf 19087, Dinangwe, Tabisa Nqentsu, to dispose of a portion of Erf 19086, Knysna in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

The owner Erf 19087, Dinangwe applied to purchase a portion of Erf 19086, Knysna to utilise the portion of land for private use (See Annexure A).

DISCUSSION

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:

“14. Disposal of capital assets:

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111…”
The subject property is currently being used by the applicant and the other neighbour, the owner of Erf 19104 as access to their properties *(See Annexure B)*. If the Municipal Council give the required in principle decision to alienate Erf 19086, the Municipal Valuer, DDP Valuers, should be requested to provide the market value Erf 19086. The alienation of Erf 19806, Knysna must be fair, equitable, transparent, competitive and consistent with the supply chain management policy of the Municipality as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). This have been mentioned by the applicant.

The Knysna Municipality Supply Chain management Policy 2018/19 approved by the Municipal Council on 6 June 2018 states the following with regards to “Disposal Management”;

**“40. Disposal management**

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;

(2) Assets may be disposed of by –
   (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
   (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
   (iii) selling the asset; or
   (iv) destroying the asset

(3) The Accounting Officer must ensure that –
   (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
   (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
   (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
   (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
   (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;
   (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
   (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.”

Erf 19086, Knysna is valued at R1 000.00 on the Valuation roll for 2017/2022.

The total value of the capital assets of Knysna Municipality for the financial year ended on 30 June 2017 is determined to be R 1 055 974 293. One per cent of R 1 055 974 293 is R 10 559 742.93. The property in question, a portion of Erf 1626, Sedgefield is not more than R 10 559 742.93, thus subregulation (1)(a) [public participation process] of the Asset Transfer Regulations does not need to be complied with.

Although all the relevant legislation states that the property in question does not need to follow a public participation process, as a public participation process would have no purpose. It is still recommended that the intention to alienate Erf 19086, Knysna to the adjacent owners of Erven 19087 and 19104, should be advertised for comments and objections.
FINANCIAL IMPLICATIONS

This Municipal property must be alienated at a market related price as determined by the Municipal Valuer. Should the property be disposed of, there will be no cost to the Municipality of this transaction as the applicant must be liable for all the costs relating to this transaction.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Local Government : Municipal Finance Management Act, 2003
Local Government : Municipal Finance Management Act (56/2003) : Municipal Asset Transfer Regulations
Management of Immovable Property Policy
Knysna Municipality Supply Chain Management Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure’s regarding the application to purchase Erf 19086, Knysna, abutting Erven 19086 and 19104, Knysna, submitted to the Governance and Economic Development Committee meeting dated 5 June 2019, be noted;

[b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager be instructed to appoint the Municipal Valuer, DDP Valuers, to determine the fair market value of Erf 19086, Knysna;

[c] That the Municipal Manager be instructed to advertise the intended alienation of Erf 19086, Knysna to the owners of Erven 19086 and 19104, Knysna, and

[d] That a further report be submitted to a following Governance and Economic Development Committee meeting after the advertising as mentioned in [c] above have been completed, which report must include comments from the Technical Services, Finance, Community Services and Planning and Development Directorates.

ANNEXURES

ANNEXURE A – Application from Tabisa Nqentsu
ANNEXURE B – GIS Map of Erf 19086, Knysna

File Number : 7/2/1/2
Execution : Municipal Manager
Director : Corporate Services
Manager : Legal Services
The Acting Municipal Manager  
Knysna Municipality  
P.O. Box 21  
KNYSNA  
6571

E-mail – knysna@knysna.gov.za

Attention: Ms. P. Makoma

Dear Ms. Makoma,

APPLICATION TO BUY A PORTION OF ERF 19086, ADJACENT TO ERF 19087, DINANGWE, KNYSNA

My name is Tabisa Nqentsu, the owner of Erf 19087, Dinangwe, Knysna.

I herewith enquire about the future use of Erf 19086, Dinangwe, Concordia, Knysna.

I am interested in buying a portion of Erf 19086, Knysna adjacent to my property. The property is lying vacant for as long as I could remember. I have checked on the Municipal Valuation Roll, the Erf is registered in the name of the Municipality. I see the value of the Erf is R 1 000.00.

My neighbour, the owner of Erf 19104, Dinangwe and myself is currently using the property as access to our properties. It would be interested for the Municipality to sell the Erf to my neighbour and myself. We are willing to pay the Market Related Value for the property.
The Erf in question is not used to provide the minimum level of basic municipal services, as there is no municipal services running over the land. The land in question cannot be used on its own as an Erf for a house due to the size of the land, hence left vacant by the Municipality during the planning phase.

The Knysna Municipality Supply Chain management Policy determines that assets may be disposed of by selling the asset, however the Accounting Officer must ensure that:

(a) **immovable property is sold only at market related prices** except when the public interest or the plight of the poor demands otherwise;

Although I am not rich, I am prepared to buy the land at the market related price as indicated on the valuation roll.

The size of the property is 96m² and the value on the valuation on the Roll R 1 000.00. This means about R 10.41 per square meter. I am prepared to pay this amount per square meter.

I am looking forward to meet with the relevant person to discuss this matter. I am aware of the process needed to follow and will provide my full cooperation.

Please do not hesitate to contact me should you require any more information.

I am looking forward to your favourable response.

Yours faithfully

Tabisa Nqentsu  
(Owner of Erf 19087, Dinangwe)
REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider the application of Good News ZA, to dispose of Erf 121, Karatara in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

BACKGROUND

Good News ZA applied to purchase Erf 121, Karatara to build a Multi-Functional Children and Youth Centre (See Annexure A).

The Municipal Council on 23 March 2017 resolved that Erf 121, Karatara should be leased to Good News ZA for a period of 3 years starting 1 March 2017 with an option to renew the lease for a further period of 3 years. The rental should be at a nominal rental of R100 per annum (See Annexure B).

DISCUSSION

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:

14. Disposal of capital assets:

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with
the supply chain management policy which the municipality must have and maintain in terms of section 111…”

The subject property is currently being used by the applicant as a Youth Centre on a 3 year lease agreement. If the Municipal Council give the required in principle decision to alienate Erf 121, the Municipal Valuer, DDP Valuers, should be requested to provide the market value Erf 121. The alienation of Erf 121, Karatara must be fair, equitable, transparent, competitive and consistent with the supply chain management policy of the Municipality as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). This have been mentioned by the applicant.

The Knysna Municipality Supply Chain management Policy 2018/19 approved by the Municipal Council on 6 June 2018 states the following with regards to “Disposal Management”;

“40. Disposal management

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;

(2) Assets may be disposed of by –
   (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
   (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
   (iii) selling the asset; or
   (iv) destroying the asset

(3) The Accounting Officer must ensure that –
   (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
   (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
   (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
   (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
   (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;
   (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
   (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.”

Erf 121, Karatara is valued at R90 000.00 on the Valuation roll for 2017/2022.

The total value of the capital assets of Knysna Municipality for the financial year ended on 30 June 2017 is determined to be R 1 055 974 293. One per cent of R 1 055 974 293 is R 10 559 742.93. The property in question, a portion of Erf 1626, Sedgefield is not more than R 10 559 742.93, thus subregulation (1)(a) [public participation process] of the Asset Transfer Regulations does not need to be complied with.

It recommended that the intention to alienate Erf 121, Karatara to Good News ZA, should be advertised for comments and objections.
FINANCIAL IMPLICATIONS

This Municipal property must be alienated at a market related price as determined by the Municipal Valuer. Should the property be disposed of, there will be no cost to the Municipality of this transaction as the applicant must be liable for all the costs relating to this transaction.

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Management of Immovable Property Policy
Knysna Municipality Supply Chain Management Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure’s regarding the application to purchase Erf 121, Knysna, to Good News ZA, submitted to the Governance and Economic Development Committee meeting dated 5 June 2019, be noted;

[b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager be instructed to appoint the Municipal Valuer, DDP Valuers to determine the fair market value of Erf 121, Karatara;

[c] That the Municipal Manager be instructed to advertise the intended alienation of Erf 121, Karatara, and

[d] That a further report be submitted to a following Governance and Economic Development Committee meeting after the advertising as mentioned in [c] above have been completed, which report must include comments from the Technical Services, Finance, Community Services and Planning & Development Directorates.

ANNEXURES

ANNEXURE A – Application from Good News ZA
ANNEXURE B – Council Resolution dated 23 March 2017

File Number: 7/2/1/2
Execution: Municipal Manager
            Director: Corporate Services
            Manager: Legal Services
Application to buy erf 121 in Karatara

To build a future for the children and youth in the rural areas of Knysna.
Foreword

Good News South Africa (hereafter mentioned as GNZA) is a South African NPO who mainly works with youth and children in the rural areas North-West of Knysna. The goal of Good News ZA is that the children and youth we work with will make the right choices for the future.

To achieve that goal, we teach them Biblical based life skills at schools and with programs during the weekends. But that is not enough. We need to see them more often to build relationships. That is why we want to build a Multi-Functional Children and Youth Centre (later in this letter called “MFC”) in Karatara on erf 121. This must be a safe place of peace and rest for the children and youth. There we can coach them and teach them on their path to adulthood. This place will also be used by other likeminded organizations.

We already have a 3-year lease agreement of erf 121. We have been given permission to use it for a Youth Centre (See attached agreement of lease under point 3) To get enough funds from overseas we need to own the plot. Funders from overseas want to be assured that the MFC we want to build will stay in hands of Good News ZA and will not go into other hands when the lease agreement ends. A long-term lease agreement will not be sufficient, because in that agreement the municipality will always have the right to claim the plot back with a 3-month notice. This risk is too high for people and organizations who want to invest in the children and youth of Karatara and surrounding areas. So, to realize the MFC in Karatara it is very important that we can buy the land from the Municipality.

We hope you will read this application with attention for the sake of the children and youth we work with.

Kind regards,
Theo and Jinke de Jong
Team leaders of Good News South Africa

Address: 77a Milkwood Drive, Old Place, Knysna, 6571, South Africa
Website: www.goodnewsza.com Email: info@goodnewsza.com
NPO number: 174-065 NPO
Bank account Good News ZA: FNB account number: 62565601335, branch: 210214
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Application to buy erf 121 in Karatara

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01 Summary

**Applicant:** Good News South Africa.

**NPO Number:** 174-065 NPO

**Property:** Erf 121, Karatara

**Costs property:** ??? (In the application to lease an amount of R80.000 was mentioned)

**Purpose:** To build a Multi-Functional Children and Youth Centre (MFC)

**Costs to build MFC:** approximately R4.2 mil.

**Source of funds:** mostly from Dutch investors and maybe some South African investors.

**Name MFC:** Light House Karatara

**Purpose MFC:** To reach out to the children and youth of Karatara and surrounding areas. To motivate the children and youth we work with to make the right decisions for their future.

**How:** By coaching, education, after school program, youth events, children events, camps, family care and collaboration with other organization who can make use of the MFC.

**Future plans:**
- Employ well skilled local people.
- Hand over the projects to well skilled local people.
- Building a campsite.
- Buy a bus to have transport for the children and youth in the area from the N2 to Karatara (Fairview, Ruigtevlei, Karawater, Elandskraal, Barrington, Farleigh etc...)
- Expand the focus area.
2.0 Information about Good News South Africa

2.1 Who we are:
Good News South Africa (GNZA) was founded in the beginning of 2014 by Theo and Jinke de Jong, a missionary couple from The Netherlands. In September 2016, GNZA got their NPO status. After that, Theo and Jinke handed over the full responsibility to the South African Board of GNZA. All the belongings of the ministry of Theo and Jinke de Jong were handed over to the NPO. Theo and Jinke de Jong continued to be team leaders of GNZA, in unpaid capacity.

2.2 Our goal:
We recognize that a lot of children and youth in Karatara and surrounding areas are suffering from the consequences of alcohol and drug abuse among the youth and parents in their environment. Moreover, drugs and sexual impulses with all its consequences are clearly notable. Our passion and thus motivation is to reach out to these children and youth by assisting them to build a hopeful future, which is possible by making wise choices in life, based on the Bible. We would like to motivate them to break with the destructive patterns and lifestyle seen in the community, and therefore encouraging them to be a positive influence to themselves and their community.

2.3 Our focus area:
GNZA focusses on the children and youth living in the rural areas on the North-West side of Knysna. Our center village we work from is Karatara. From there we try to reach out to children and youth from Fairview, Ruigtevlei, Karawater, Elandskraal, Kraaibosch, Barrington and Farleigh. Also see map under 4.1

2.4 Activities
2.4.1 Current activities and connections in Karatara and surrounding rural areas:
- Organizing ‘Kids Events’ one Saturday a month in corporation with Youth for Christ Knysna ("YFC") and the local community. Moreover, we welcome children from other areas to come to these Kids Events. We rent a bus to pick up more than 50 children from Fairview, Ruigtevlei, Karawater, Elandskraal, Barrington, Kraaibosch and Farleigh.
- Organizing youth evenings once a month in Karatara in corporation with YFC.

Address: 77a Milkwood Drive, Old Place, Knysna, 6571, South Africa
Website: www.goodnewsza.com Email: info@goodnewsza.com NPO number: 174-065 NPO
Bank account Good NewsZA: FNB account number: 62565601335, branch: 210214
Organizing a five-day Holiday Kids Club in March and July also in cooperation with YFC, residents of Karatara and Knysna, and international volunteers.

Do an educational camp with grade 5-6-7 of the Ruigtevleli Primary School, the Redlands Primary School and the Laerskool Karatara.

Teaching practical Bible lessons every Monday morning during assembly at the Karatara Primary School and every Friday at the Redlands Primary School in Barrington.

Teaching life skill classes about different subjects, for example sexuality, to grade 5-7 at the Karatara Primary School and the Redlands Primary School in Barrington. We did these two years ago and plan to do it again this year.

‘Socialising’ with the children, youth and their families of Karatara in an informal way by cycling/driving through the village.

Organizing meetings with different pastors of the Karatara area to talk and pray. We have good contact with several churches and pastors in Karatara, for example the N.G. Kerk, Elohim Gemeente and the AGS Kerk.

Last year we reached out to the youth of the rural areas staying at the Knysna Secondary High School, in corporation with YFC. Moreover, we brought a program to the youngsters about several subjects such as peer pressure and sexuality.

We also have good contact with Mr. Louw, the principal of the Karatara Primary School and the two principals of Redlands Primary School in Barrington and Ruigtevleli Primary School.

We would like to organize a family day in Karatara in cooperation with Options Care Centre Knysna and Youth for Christ Family Care in 2019.

2.4.2 Activities outside the rural areas:

We were responsible for the interdenominational Youth evenings, at The Rock Church Knysna. Half of the youth comes from Hornlee and the rest coming from the centre of town.

We were responsible for the Children’s Sunday school at The Rock Church.

Both activities above will cease this year because we are now focusing on the rural areas.

Organizations such as YFC or the Knysna Primary School ask us to do talks about specific subjects.

We train international students in children and youth work.
2.5 Future plans for the rural areas

- We want to expand our organization by employing skilled people from the local community to have more impact in the rural areas of Knysna.
- If we have employed these people, we would like to expand our focus area to for example Smutsville.
- Realizing a camp site to host children and youth camps.
- Buying a bus to transport children and youth to the MFC.

2.6 References

If you want references of who we are and what we are doing you can contact the following persons:

- Mr. Marius Coetzee, Referent of the NG Kerk of Karatara, Cell Number 079873383
- Mr. Jury Louw, Principal of the Karatara Laerskool, Cell Number: 0721334829
- Mr. Richard Meyer, Pastor of The Rock Christian Church in Knysna, Cell number: 0819228605
- Mr. Paul Oelf, Pastor of the AGS Kerk in Karatara, Cell Number: 0718787180
- Mr. Hansie Strydom, Pastor of the Elohim Gemeente in Karatara, Cell Number: 0834580975

Yours Sincerely
Theo and Jinke de Jong

Tel: 0762979075
Email: info@goodnewsza.com
Website: www.goodnewsza.com
3.0 Application to buy erf 121 in Karatara

We want to buy erf 121 to build a Multi-Functional Children and Youth Centre (MFC)

3.1 Why we want to buy erf 121?
On 16 November 2017 we signed the 3-year lease agreement of erf 121 in Karatara. In this lease agreement the Municipality has the right to end the contract with a 3-month notice. Further we can only extend the contract for another three years. On these conditions we cannot build a permanent structure because the risk is too high to lose the structure. Also, for our investors it is not acceptable to give funds to build on leased ground. Because of previous bad experiences of our potential investors with other organizations/situations this risk is too high for them to take. They will invest in the MFC only if we own the land.
The Mission organization, “VPE-Zending”, who will transfer the money we have raised in The Netherlands, also demands that we first need to own the land before we build a permanent structure.

3.2 Why a MFC?
We would like to realize the MFC to reach out to the children and youth of Karatara and surrounding areas. We want to motivate the children and youth we work with to make the right decisions to build a hopeful future. This MFC must be a safe place where we can coach the children and youngsters. They can come to play games, hang out, or talk to one of the youth leaders. We perceive that the youth of Karatara and surrounding areas is often bored, wherefore they are targeted with drugs and alcohol, which turns to drug and alcohol abuse, and sexual abuse.

3.3 Why erf 121?
One morning at 4 o’clock, Theo woke up with the image in his mind of a burned house in Karatara. He immediately thought this could be the location for the new youth centre of Karatara. We didn’t know the location of this house in Karatara. Thereafter, we discovered this building is situated at a perfect strategic spot.
- It is located amidst of the three living areas of Karatara (see attached map). The roads from Bergvallei and Bosdorp lead straight to this building. Hence, this is the perfect place for a Youth Centre, in our view.
The Light House must be a place of safety, peace and rest for the children and youth. Erf 121 is really a place of peace and rest. We can make it safe by putting a fence around it and have strict rules we hold onto.

Another positive point is that erf 121 is near the sports fields of Karatara.

There will be no hindrance of noise because the youth evenings in the weekends will stop at a proper time.

3.4 Costs:
To build the MFC we need around R4.2 million. This includes the building, buying the erf and the interior. For a further explanation we refer to document 7.0.

3.5 Investments
We have already invested R1 million in this plan by buying containers for storage, toilets, kitchen and an office. We connected the water, sewage and electricity. We bought a big tent and we bought wood for the floor. This first investment shows that we are serious with our plans to help the children and youth.

3.6 Where does the money come from?
Most of the money comes from The Netherlands. Theo and Jinke de Jong visit The Netherlands every year to do fundraising. The last year they raised funds for the MFC. Churches are giving their offerings, children and youth do door to door sales, people organize fundraise actions during conferences etc... An amount of +- R1.5 million has been donated, mostly by private people. R400.000 of the R1,5 million is promised if we own the land. All these people and funders have no intention to want something back for the money they donate. They only ask that we spend the money in a responsible way.

3.7 Building together with the community
- We want to build the MFC in corporation with the community. We want to make use of a project of Youth for Christ, called “Hands and Hearts”, to teach school dropouts working skills. We also want to involve school dropouts from Karatara in this project.
- We already made use of local labour when the fence was worked on and the foundation for the containers was laid.
• We would like to teach the youth that we work with skills, by letting them help with maintenance on the building.

3.8 Plans for the near future
• Buy erf 121 in Karatara.
• Apply for rezoning the property from “Municipal use” to “Institutional Zone 2”. This gives us the opportunity to also build a caretakers house on the plot.
• As soon as you allow us to buy the land we will start in phases to build the permanent structure. We will start as soon as possible with the most necessary facilities like toilets, storerooms, a kitchen and a hall.

3.9 Tension
We know that there is tension all over the country and also in Karatara about housing. We also know that there are some rumours in Karatara about this project. Some points we heard in the rumours we want to tackle with the following statements:
• This land is not leased by people from The Netherlands. This property will be used as a South African project by the South African NPO: Good News South Africa.
• Theo and Jinke de Jong from The Netherlands founded Good News South Africa but handed over the full responsibility to the South African Board of this NPO. All the belongings of their ministry were handed over to the NPO Good News South Africa.
• Theo and Jinke de Jong are, in unpaid capacity, team leaders of Good News South Africa. Theo and Jinke de Jong intend to hand over projects in due time to well skilled local people. This is also the intention with the project in Karatara.
• There is no intention to have church services in the future MFC.
• This MFC will be for the benefit of the children and youth and their families in Karatara and surrounding areas and not for the benefit of one family.
• The MFC must be a place of safety, peace and rest for the children and youth. That is why the spot we lease now is a perfect spot for it.
• The MFC will not make a nuisance of themselves by making a noise because the youth evenings in the weekends will stop at a proper time.
• We want to make it a community project to build the MFC where school dropouts will help and at the same time teach them working skills.
To explain to the people what our plans are and to tackle the rumours we gave everyone in Karatara a door-to-door brochure in June 2018. This brochure is attached by this application.

3.10 Support
On 28 August 2018 we informed the ward-committee of Karatara about our plans to build a Children and Youth Centre. After the presentation the ward-committee spoke out unanimously that they fully support the plans we presented, and that they support the plan for buying erf 121 in Karatara. Within a few weeks we will inform the community by handing out flyers with information about the project.
There is also a letter of recommendation attached onto this application, see 10.0. This letter is written by Dylan Groep, a Youth Worker from Cape Town. We worked together with him during the Holiday Program in Karatara.

3.11 Collaboration
We hope our letter has excited you about our plans for the rural areas. We would like to collaborate with the municipality and other organisations to increase development in these rural areas. We would like to invest in Karatara and surrounding areas. Our organisational strategy is to hand over the projects to the local community in due time. We would like to collaborate with local skilled people, such as social, children and youth workers. It is important to us that projects are run by local people.

3.12 No time to lose
The children and youth we work with are special. We already see a positive change in them. They are willing to make the right choices and they deserve a good future. Now is the time to take them by the hand and coach them. We have no time to lose. Every day that pass is another day that children and youth make wrongful decisions for their future. There is a danger of losing the next generation, if we wait any longer to undertake action. “Building a future today, on The Solid Rock.” That is why we already started with a temporary structure containing a tent and a few containers. We started some programs during the holidays and the attendance...
was great. Between 45 and 95 children and youth attended the Light House. We believe with the Light House operating we meet a need in the community of Karatara and surrounding areas.

3.13 A Crises Care Centre
This point is recently added to this application. We as Good News South Africa were involved in the aftercare and relief of the Farleigh people after the fires of 2018. We were at the Sedgefield Community Hall to be there for these people who lost everything. At that moment it came into our mind that the Light House would be a perfect short-term crisis care centre. When we have the permanent building, we will have two bedrooms with 36 beds. We have 8 tents for another 48 adults, we will have 6 toilets and 4 showers, and we will have a spacious community room with games, sound etc... If something like the fires of 2018 ever happens again, we can stop all the programs and open the Light House for the victims for a limited time.

Yours Sincerely
Theo and Jinke de Jong

Tel: 0762979075
Email: info@goodnewsza.com
Website: www.goodnewsza.com
4.0 Maps

4.1 Focus Area Good News South Africa

4.2 Location Erf 121
5.0 3D design MFC “Light House” in Karatara
6.0 Floorplan Light House Karatara
### Budget Building

#### Light House Karatara

#### Agenda
- **1 August 2019**

#### Fase 1
- Buying erf 121
- Leveling the ground
- Putting up a fence

**Total Fase 1**

<table>
<thead>
<tr>
<th>Building</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 300 000,00</td>
<td></td>
</tr>
</tbody>
</table>

#### Fase 2
- Building Toilets, office, kitchen, storeroom
- tent / hall
- sewidge etc...

**Total building costs fase 2**

<table>
<thead>
<tr>
<th>Building</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 1 200 000,00</td>
<td>R 195 000,00</td>
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</tbody>
</table>

#### Fase 3
- Defintive Hall
- Entrance
- Councilrooms
- House for care taker

**Total fase 3**

<table>
<thead>
<tr>
<th>Building</th>
<th>Inventory</th>
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</thead>
<tbody>
<tr>
<td>R 2 256 000,00</td>
<td>R 228 500,00</td>
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</table>

**Total**

<table>
<thead>
<tr>
<th>Building</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 3 756 000,00</td>
<td>R 423 500,00</td>
</tr>
</tbody>
</table>

**Total Building and inventory**

<table>
<thead>
<tr>
<th>Building</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 4 179 500,00</td>
<td></td>
</tr>
</tbody>
</table>
### Governance and Economic Development Committee Meeting Agenda

1 August 2019

### Income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per month</td>
<td>Per year</td>
<td>Per month</td>
</tr>
<tr>
<td>Rent Care Taker Home</td>
<td>R 4,500.00, 1</td>
<td>R 11,500.00</td>
<td>R 4,800.00, 12</td>
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<tr>
<td>Donations RSA</td>
<td>R 2,500.00, 12</td>
<td>R 30,000.00</td>
<td>R 3,000.00, 12</td>
</tr>
<tr>
<td>Donations The Netherlands</td>
<td>R 25,000.00, 12</td>
<td>R 300,000.00</td>
<td>R 30,000.00, 12</td>
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<tr>
<td></td>
<td>R -</td>
<td>R -</td>
<td>R -</td>
</tr>
<tr>
<td>Wage Subsidy</td>
<td>R -</td>
<td>R -</td>
<td>R 7,000.00, 12</td>
</tr>
<tr>
<td>Other Subsidies</td>
<td>R 3,000.00, 12</td>
<td>R 30,000.00</td>
<td>R 12,000.00, 12</td>
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<tr>
<td>Conferences/Camps</td>
<td>R 3,000.00, 3</td>
<td>R 9,000.00</td>
<td>R 3,000.00, 8</td>
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<tr>
<td>Total Income</td>
<td>R 151,500.00</td>
<td>R 523,600.00</td>
<td>R 573,600.00</td>
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</table>

### Costs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per month</td>
<td>Per year</td>
<td>Per month</td>
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<tr>
<td>Taxes</td>
<td>R 1,750.00, 12</td>
<td>R 21,000.00</td>
<td>R 1,950.00, 12</td>
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<tr>
<td>Insurance Building/Inventory</td>
<td>R 1,300.00, 12</td>
<td>R 15,600.00</td>
<td>R 2,750.00, 12</td>
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<td>Other Insurances</td>
<td>R 600.00, 12</td>
<td>R 7,200.00</td>
<td>R 650.00, 12</td>
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<tr>
<td>Bank Costs</td>
<td>R 220.00, 12</td>
<td>R 2,640.00</td>
<td>R 230.00, 12</td>
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<td>Electricity/Water</td>
<td>R 1,250.00, 12</td>
<td>R 15,000.00</td>
<td>R 1,500.00, 12</td>
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<tr>
<td>Maintenance</td>
<td>R 1,500.00, 12</td>
<td>R 18,000.00</td>
<td>R 4,000.00, 12</td>
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<tr>
<td>Travel Costs</td>
<td>R 4,000.00, 12</td>
<td>R 48,000.00</td>
<td>R 4,400.00, 12</td>
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<tr>
<td>Travel Costs International</td>
<td>R 18,000.00, 12</td>
<td>R 18,000.00</td>
<td>R 20,000.00, 12</td>
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<tr>
<td>Children and Youth Work</td>
<td>R 4,000.00, 12</td>
<td>R 48,000.00</td>
<td>R 6,000.00, 12</td>
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<tr>
<td>Food/Drink</td>
<td>R 3,500.00, 12</td>
<td>R 42,000.00</td>
<td>R 4,500.00, 12</td>
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<td>Communication Costs</td>
<td>R 1,500.00, 12</td>
<td>R 18,000.00</td>
<td>R 1,800.00, 12</td>
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<tr>
<td>Administration Costs</td>
<td>R 500.00, 12</td>
<td>R 6,000.00</td>
<td>R 600.00, 12</td>
</tr>
<tr>
<td>Other Costs</td>
<td>R 2,000.00, 12</td>
<td>R 24,000.00</td>
<td>R 2,500.00, 12</td>
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<tr>
<td>Donations to Other</td>
<td>R - 1 R 31,000.00</td>
<td>R 39,600.00</td>
<td>R 39,600.00</td>
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<td>Sponsored Wages</td>
<td>R -</td>
<td>R -</td>
<td>R 7,000.00, 12</td>
</tr>
<tr>
<td>Other Wages</td>
<td>R -</td>
<td>R -</td>
<td>R 4,000.00, 12</td>
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<tr>
<td>Total</td>
<td>R 316,400.00</td>
<td>R 532,172.00</td>
<td>R 518,740.00</td>
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### Profit/Loss

<table>
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<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/Loss</td>
<td>R 39,050.00</td>
<td>R 41,428.00</td>
<td>R 75,660.00</td>
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</tbody>
</table>
AGREEMENT OF LEASE ENTERED INTO BY AND BETWEEN

KNYSNA MUNICIPALITY
(herein represented by Kamalasen Cheffy, Identity number 590609 5195 08 8 in his capacity as Municipal Manager, he being duly authorised thereto):
(hereinafter referred to as the LESSOR)

AND

GOOD NEWS ZA
(herein represented by Theo de Jong,
Dutch Passport number NT48LFP85
in her/his capacity as Manager, he being duly authorised thereto
(hereinafter referred to as the LESSEE)

WHEREAS the LESSOR has agreed to lease Erf 121, Karatara (± 1 377 Square Meters as indicated in red on the attached diagram "A") to the LESSEE and the LESSEE is prepared to rent the PROPERTY from the LESSOR;

AND WHEREAS the LESSOR and the LESSEE have reached agreement as to the terms upon which the PROPERTY shall be let, subject to such terms being reduced to writing;

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:
LEASE AND DURATION

1.1 The LESSOR hereby lets, and the LESSEE hereby hires, the PROPERTY for a period of 3 years commencing on the 1 March 2017 and ending on the 28 February 2019, notwithstanding the date of the signing of this agreement.

1.1 Either party to this agreement has an option to renew this agreement for a further 3 years after expiry. The option to renew should be exercised at least 3 month before the expiry date.

2

THE RENT

The rent payable by the LESSEE to the LESSOR under this lease shall be the sum of R 100 (One hundred rand) per annum.

2.1 The rent shall be subject to an annual escalation of 10% (TEN PERCENT) the first escalation to take effect on the 1 March 2018 and annually for as long as the lease is in operation.

2.2 The LESSEE shall not be entitled to withhold or subtract rent on account of the property not being utilised fully by her, or unless the LESSOR has materially prevented the LESSEE from utilising the property for the use as set out herein.

2.3 The LESSEE shall not be entitled to withhold or subtract rent unless the LESSEE has a valid claim for monies owed by the LESSOR in terms of this lease.

2.4 In the event of the LESSEE being entitled to withhold rent, the LESSEE shall not be entitled to withhold an amount in excess of what is owed by the LESSOR.

3

USE

The LESSEE shall not be entitled to utilise the PROPERTY for any use other than as a youth centre for Karatara, subject to clause 9 hereinafter.
RATES AND TAXES, ELECTRICITY AND MAINTENANCE

The LESSEE shall be liable for:

4.1.1 Payment of all municipal rates and service charges i.e. in respect of refuse removal, sewerage etc. or any other service charges raised by the LESSOR;

4.2 The LESSEE shall:

4.2.1 be responsible to keep the interior of the dwelling and outbuildings in a clean and hygienic condition and shall be responsible for the maintenance of the interior of the dwelling and outbuildings, including all doors, windows, locks, bolts and door handles, carpets as well as the sanitary system and undertakes to do the necessary repairs in order to keep such installations in a good working order at its own expense;

4.2.2 shall not damage the property, buildings thereon, fixtures and fittings thereof or any other aspect thereof and shall be liable for the costs of repairs of all damages caused to the property as a result of any act of neglect of the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities;

4.2.3 use its reasonable efforts to prevent any blockage of any sewerage or water pipes or drains in or used in connection with the leased premises and shall remove at its cost any obstruction or blockage which occurs in the Leased premises during the operation of the lease;

4.2.4 have no claim whatsoever, whether for damages or remission of rental or cancellation of the lease, against the Lessor, nor be entitled to withhold or defer payment of rent by reason of any suspension of or interruption in the supply of water, and electricity, or by reason of any amenities in or on the Leased premises and/or building being out of order;

4.2.5 not permit the accumulation of domestic refuse in or outside the Leased premises, save in the refuse bins;
4.2.6. erect in the Leased premises such fixtures and fittings as may be necessary for the Lessee's purposes and use of the premises to conduct its business, the quality and design of such fittings and fixtures shall be in keeping with the general finish of the building, to the Lessor's approval, which approval shall not be unreasonably withheld, and the LESSEE shall be entitled to remove such fixtures and fittings on termination of this lease, provided the premises is restored to its original condition (fair wear and tear excepted);

4.2.7. not be entitled to hold or permit the holding of sales by public auction in or upon the Leased Premises;

4.2.8. shall be responsible for the maintenance of the outside,

4.2.9. shall have the right to display its name in a proper and neat manner on the PROPERTY to the satisfaction of the LESSOR and shall not be permitted to, or allowed to display any advertisements or any other signage unless prior written permission has been obtained from the LESSOR.

4.2.10. shall not do, or cause or allow to be done, anything which shall or might have the effect of vitiating the fire or other insurance now or hereafter affected by the lessor on the PROPERTY or of increasing the premiums payable in respect thereof. Should such premium be increased as a consequence of any act, or omission by the LESSEE, the amount of the increase shall be paid by the lessee to the lessor on demand.

THE LESSOR'S OBLIGATIONS

The responsibility of the LESSOR for maintenance of the property shall be limited to the following:

5.1. The maintenance of the superstructure and exterior of the buildings on the property in order to ensure that the property is at all times fit for the use as stipulated herein;

5.2. The replacing of damaged window panes and other fixtures and fittings of the property, provided that such repairs are necessary to ensure that the property is fit for the use as stipulated herein and further provided that the said damage has not been caused by the LESSEE, its employees, person under its control or visitors of the LESSEE;
5.3 The repairs of any major structural defects of the sewerage and water system, excluding any blockages, tap leaks and other defects caused by normal wear and tear and have not been caused by the LESSEE, provided that such repairs are necessary to ensure that the property is habitable;

5.4 Regarding maintenance that is required to the property during the currency of the lease and which is the responsibility of the LESSOR in terms of this agreement, the parties agree as follows:

5.4.1 The LESSEE shall not be permitted to do any repairs or maintenance to the property and shall not have any claim in respect thereof against the LESSOR unless the LESSEE has given the LESSOR at least 14 (FOURTEEN) days written notice of the repairs that are required and the nature thereof and the LESSOR has failed to effect such repairs within said period;

5.4.2 Any costs that the LESSEE may recover from the LESSOR in respect of repairs effected in circumstances where the LESSOR has failed to do so in terms hereof shall be limited to the reasonable and necessary costs of such repairs.

FAILRE TO MAINTAIN

Should the LESSEE fail to maintain the PROPERTY properly in terms of this clause, the LESSOR shall have the right to notify the LESSEE in writing to rectify such failure within 14 (FOURTEEN) days and if the LESSEE should thereafter still fail to respond, the LESSOR shall be entitled to undertake such maintenance and to recover the costs thereof from the LESSEE which costs shall be payable on demand. In addition to the rights contained in this clause, the LESSOR shall, in case of failure to maintain, have the normal rights of cancellation as provided for in this agreement.
SUBLETTING AND CESSION

The LESSEE shall not be entitled to cede or assign this lease or sub-let, the PROPERTY or any portion thereof, or to permit any other person to use or occupy PROPERTY without the prior written consent of the LESSOR first being obtained.

INDEMNIFICATION

8.1 The LESSOR will not be responsible for any damage, loss or injury sustained by the LESSEE, its employees, persons acting under its control, its members or any person making use of its facilities at any time caused as a result of any negligent act or omission of the LESSEE, its employees persons acting under its control, its members or any person making use of its facilities and the LESSEE indemnifies the LESSOR against any claim resulting from such damage, loss or injury.

8.2 Notwithstanding the above, the LESSOR shall not be liable for damages caused by death or personal injury of the LESSEE or any persons referred to above, unless such damage is the result of an act or omission on the part of the LESSOR.

REGULATIONS AND BY-LAWS

The LESSEE shall not contravene or permit any contravention of any statutes, legislation, proclamation or by-laws or any township or title deed condition applying to or affecting the PROPERTY, the contents of which the LESSEE acknowledges that he is acquainted with.

INSPECTION

10.1 The LESSOR shall be entitled, personally or by way of an agent at all reasonable times to inspect the PROPERTY, both externally and internally. In the event of any damages found during these inspections, the LESSEE shall effect repairs within 21 (twenty one) days from date of notification of such. And the LESSEE shall be obliged during the last two months of this lease to grant access to all potential purchasers and/or LESSEES to view the PROPERTY externally as well as internally.
10.2 The LESSEE further acknowledges that the PROPERTY is leased as it stands on the day of the lease becomes effective, without any guarantees given by the LESSOR by implication or otherwise.

11

MISCELLANEOUS

11.1 It is an express condition of this agreement that the LESSOR shall, depending on demand, have the right at any time during the term of this Lease agreement to retake possession of the whole or portion of the PROPERTY as the case maybe, should it be required for State or Municipal purpose. Should the Lessor exercise this right, the LESSOR shall;

11.1.1 inform the LESSEE by written notification 3 (three) months in advance of its intention to exercise such right;

11.1.2 be liable to compensate the LESSEE on a pro rata basis for improvements effected on the PROPERTY with the LESSOR’S approval (The pro rata amount of compensation to be determined by the LESSOR).

11.2 The LESSEE shall without compensation be obliged to allow electricity cables, wires, mains and/or other water pipes, sewerage and drainage including storm water of any other Erf or erven inside or outside the PROPERTY to be conveyed across the leased property if deemed necessary by the LESSOR and in such a manner and position as may from time to time be reasonably required. This shall include the right of access of constructing, altering, removing or inspecting any works in connection with the above. It is agreed that these provisions in this paragraph shall not be considered as repossessions of a portion of the property as provided for in paragraph 11.1.

12

CANCELLATION

Should the LESSEE fail to pay any rent on its due date, or commit a breach of any of the other terms of this lease, the LESSOR shall have the right forthwith and without any further notice to the LESSEE.
12.1 to cancel this lease and to eject or have ejected from the PROPERTY the LESSEE or any other person occupying the PROPERTY without prejudice to the LESSOR’S rights to claim unpaid rent together with interest thereon at a rate of 15.5% (FIFTEEN COMMA FIVE PERCENT) per annum calculated from the date on which such rent became payable to the date of payment thereof, including collection commission of 10% (TEN PERCENT) on such arrears and any damages the LESSOR may have sustained consequent upon any such failure or breach;

ALTERNATIVELY

12.2 to claim payment of the rent payable or to become payable in terms of this lease, without prejudice to the LESSOR’S rights to recover damages to the PROPERTY or damages caused as a result of the failure or breach by the LESSEE as well as any other monies that are outstanding. Should the LESSEE remain in occupation of the PROPERTY after the above cancellation of the lease, or should a dispute arise as to the cancellation of the lease the LESSEE shall be not be entitled to withhold rental due to such dispute or cancellation and shall be liable to pay the monthly rent as stipulated herein.

DELIVERY ON EXPIRATION OF LEASE

The LESSEE undertakes at the expiration of this lease to deliver the PROPERTY together with the dwelling, outbuildings and other improvements to the LESSOR in the same good order and condition in which it was received by the LESSEE, taking into account normal wear and tear and in particular the LESSEE shall be obliged;

13.1 floor tiles and wall to wall carpeting in a clean and neat condition;

13.2 to remove all nails and other fixtures used for hanging of pictures or for any other purpose, from the walls and to repair and paint such walls;

13.3 to remove all stickers and posters that have been affixed to the walls or cupboards and to repair the said walls and cupboards appropriately.
INDULGENCE BY LESSOR

No relaxation or any indulgence, or any postponement granted by the LESSOR to the LESSEE with regard to any matter contained in this lease or with regard to the payment of rent shall be construed as being a waiver of any of the LESSOR’S rights in terms of this lease, nor shall such relaxation, indulgence of postponement operate as an estoppel against the LESSOR.

DISPUTES

In the event of any dispute regarding the terms of this agreement, the decision of the LESSOR, confirmed by a resolution of its Council in a meeting of the Knysna Municipality Council after having heard the LESSEE shall be final.

DOMICILIUM CITANDI ET EXECUTANDI

As domicilium citandi et executandi (the address for delivery of notices and court documents) the LESSEE chooses the address at 77a Milkwood Drive, Old Place, Knysna, 6571 and the LESSOR at Municipal Buildings, 5 Clyde Street, Knysna 6571. Any notice by the LESSOR to the LESSEE in connection with this lease, addressed to the LESSEE and posted to such domicilium shall be deemed to have been received by the LESSEE on the day after the day upon which it was posted, and vice versa.

COSTS OF LEGAL ACTION

In the event of the LESSOR and LESSEE being engaged in litigation regarding the lease, cancellation of enforcement thereof or any claim pertaining thereto, the party being ordered by any court to pay the costs of such litigation, shall be obliged to pay the successful party's costs on a scale as between attorney and client, including such collection commission or other charges as any representative of either party being awarded a costs order may in law be entitled to charge.
JURISDICTION

The parties hereby consent to the jurisdiction of the Magistrates Court for the institution of any action resulting from this lease, however the LESSOR reserves the right to institute action in any other competent court of law.

NON-VARIATION

This agreement contains all the conditions of the lease and no agreement at variance with any term of this lease, or addendum or supplement to this agreement or cancellation hereof, or waiver by any party of its rights or any aspect hereof, inclusive of this clause, shall be binding upon the parties unless contained in a written document signed by the LESSOR and the LESSEE.

SIGNED AT SEDGEFIELD ON THIS DAY OF 24 July 2017

AS WITNESSES:

1. 

2. 

LESSEE
Good News ZA

SIGNED AT KNYSNA ON THIS 16th DAY OF NOVEMBER 2017

AS WITNESSES

1. 

2. 

LESSOR
KAMALASEN CHETTY
Municipal Manager
Letter of recommendation

To whom it may concern

I’m thankful to the team from Good News ZA for inviting wife and our family to spend time with them at the June 2018 Kids Holiday Club. I am Children’s Pastor from Mountain View Baptist Church in Lakeside, Cape Town. I have been working in this role since the completion of a BA (Hons) degree in Systematic Theology. But none of my studies or experiences in Cape Town could adequately prepare me for my time in Karatara.

It was wonderful spending time with Theo, Jinke and their team. I was greatly blessed by the time I spent with the children. But, at the same time I was deeply moved and challenged by the challenges and hardship they face. We spent a week playing games with the children, singing, teaching them the Bible and just “hanging out” with them. Over the few days that we spent with them some of the children shared about the difficulties they face at home. An instance that really moved me was when one of the older children said “julle is soos ouers vir ons”. Why would they say something like that? Things must be really difficult for them.

The children shared about daily challenges they face in the home; drunkenness and abuse (physical and emotional). I also observed that the young men who walk around Karatara seem to be role models in the community. But I’m not persuaded that they aspire to be positive leaders in the community. That being said, when I compare the children and even the older teens to those in Cape Town, they don’t appear as “far gone”. Even though they give the impression of being hardened, it was still possible to challenge negative behaviour and call for a response. In the gang-infested communities (some of which resemble Karatara in character and essence) it would very difficult and even dangerous to confront gangsters or those with ties to gangsters in the same way. What I am trying to say is that there is still a lot of hope for Karatara. The youths, as far as I can see, are not too far gone...yet. And I’d hate to see the youngsters I met ending up as hardened as the gangsters in Cape Town.

In my estimation, it seems logical that unless there is a positive intervention in the community where the children can be influenced positively, counselled, guided positively on a regularly and ongoing basis, the course of those children’s lives are likely to stay the same as that of previous generations. Of course I am generalising and my comments are based on observations and conversations I’ve had with people. But I believe that an initiative such that which Good News ZA wishes to undertake, which seeks to provide an ongoing presence in the community, will go a long way to give the children and families of the Karatara community at least a glimmer of hope and joy. I heartily commend the efforts of the Good News ZA Team. I sincerely hope that their dream to establish a “Lighthouse” will become a reality.

I also hope to return to Karatara to work alongside the Good News ZA team in the future to serve the children of Karatara.

Yours Faithfully,

Dylan Groep
Children’s Pastor, Mountain View Baptist Church BA, LTh, BA(Hons)

Email: dylan.groep@gmail.com | cell: 074 558 9410 | office: 021 7882144
Ek is die lig vir die wêreld. Wie My volg, sal nooit in die duisternis lewe nie, maar sal die lig hê wat lewe gee. Johannes 8:12

“I am the light of the world. Whoever follows Me will never walk in darkness, but will have the light of life.” John 8:12

A division of Good News ZA

Baie dankie dat u tyd neem om ons brosjure te lees. Ons het reeds einde 2017 aan al die kerkleiers van die omgewing, en weer op 21 Augustus 2018, aan die komitee van Wyk 2 in Karatara, ’n bekendstelling en voorlegging gedoen. Ons het gedink dis goed om ook ’n brosjure aan Karatara se inwoners te stuur om ons visie en planne te verduidelik. Meeste van u ken ons reeds: Ons is “Good News South Afrika”, ’n sending organisasie uit Nederland met ’n hart vir die kinders van Suid-Afrika! Ons wil graag die “Lighthouse”, ’n kinder- en jeugsentrum, op die hoek van Bosbouweg en Akkerlaan in Karatara oprig en sodoende in die kinders van die omgewing belê. Ons glo dat hierdie brosjure onsekerhede uit die weg sal ruim en hopelik al u vrae sal beantwoord.
Wie is die “Hollanders”?  

Hoekom ‘n kinder- en jeugsentrum?  
Light House
Die naam van die gebou sal Light House wees. Soos die Bybel vers in Johannes 8:12 sê: “Ek is die lig vir die wêreld. Wie My volg, sal nooit in die duisternis lewe nie, maar sal die lig hê wat lewe gee.”

Doel
Die doel is om met behulp van die evangelie die kinders en jong mense te help om die regte keuses vir hul toekoms te maak deur te doen wat God van hulle vra. Op hierdie wyse sal die kinders en jeug op die plek in hulle lewe kom wat God vir hulle bestem het.

‘n Tydelike gebou
Soos mense kan sien is daar bedrywighede op die grond wat ons huur. Ons wil eers ‘n tydelike gebou oprig van “containers” en ‘n tent. Die “containers” sal gebruik word vir toilette, ‘n kombuis en stoorplek. Die tent sal gebruik word vir ‘n saal. Ons doen dit omdat die grond nog nie ons eiendom is nie en omdat al die geld nog nie daar is om die permanente gebou (foto) te bou nie.

Fondse
Die meeste van die geld vir hierdie gebou kom van mense en kerke van Nederland. Daar is kinders en jeug en ander groepe wat fondsinsameling sou om geld in te samel vir die Light House. Elkeen wat geld gee doen dit sonder eie belang. Hulle kry niks daarvoor terug nie.

Aktiwiteite
Daar is baie aktiwiteite wat ons wil organiseer. Dit sal nie alles op een slag gebeur nie. Ons sal dit stap vir stap doen. Ons beplan die volgende aktiwiteite in die Light House:
- Naskoolse program
- Kinderklubs
- Jeug aande
- Vakansieprogramme
- Berading (professionele hulp deur ander organisasies)
- Familie ondersteuning

Verder wil ons die gebou beskikbaar stel vir ander organisasies wat dieselfde visie het as ons. Ons beplan ook om in die toekoms ‘n bus te koop vir die vervoer van die kinders uit die wye omgewing van Karatara.
Gerugte
Ons hoor daar is baie gerugte oor wat ons beplan. Baie van die gerugte is nie waar nie. Ons is jammer dat daar mense is wat leuns en agterdog saai. Hieronder noem ons ’n paar feite om die onduidelikhede uit die weg te ruim:

- Die grond is gehuur deur ’n Suid Afrikaanse organisasie (Good News South Africa) en nie deur “Hollanders”.
- Theo en Jinke de Jong sal nie ’n sent voordeel daaruit trek om hierdie gebou te bou nie.
- Theo en Jinke hoop om al die projekte wat hulle vir Good News South Africa begin met die verloop van tyd oor te gee aan plaaslike vaardige mense. Dit geld ook vir die Light House projek.
- Hierdie projek sal tot voordeel wees van die hele gemeenskap en nie net van 1 familie nie.
- Ons beplan nie om ’n kerk te begin in hierdie gebou nie. Good News South Africa is ’n interkerklike organisasie. Ons verbind ons nie aan een kerk nie. Ons wil wel met die kerke saamwerk.
- Die plek is perfek vir ’n kinder en jeug sentrum. Dit moet ’n plek wees van rus en vrede.
- Daar sal nie rusverstoring wees met die musiek wat gespeel word nie, omdat ons nie die jeug aande tot laat in aand sal hou nie.
- Ons sal verder ’n streng beleid voer in en om die gebou om nie ’n oorlos te veroorsaak nie.
- Vir die oopvrag van die gebou wil ons soveel as moontlik plaaslike mense van Karatara gebruik en betaal. Ons beplan om die onderhoud en skoonmaak van die gebou en die tuin saam met die jeug te doen.

Saam is ons beter
Ons het al gebruik gemaak van Karatara se mense tydens die bou van die heining en die fondasie vir die containers. Ons hoop ons sal in die toekoms nog verder met die gemeenskap van Karatara en omgewing kan saamwerk om nie net te bou aan die Light House nie maar om ook te bou aan ’n goeie toekoms vir die kinders, jeug en hulle families.

As julle nog vrae of idees het kom maak ’n draai by ons as ons in die Light House is of stop ons as julle ons bussie sien ry.

Groete,
Theo en Jinke de Jong
Spanleiers Good News South Africa
Selfoonnommer: 076 297 9075
Epos: info@goodnewsza.com
FG25/02/17 APPLICATION FOR LEASE AGREEMENT – GOOD NEWS ZA – ERF 121, KARATARA

UNANIMOUSLY RESOLVED
(By the Mayoral Committee on 2 March 2017)

[a] That the report and annexures regarding the request for a lease agreement by Good News ZA of Erf 121, Karatara, submitted to the Finance, Governance and Economic Development Committee meeting dated 9 February 2017 be noted;

[b] That the application for a lease agreement between Knysna Municipality and Good News ZA be approved, subject thereto that:

(i) The lease period be for 3 years (36 months) starting as from 1 March 2017 with the option to renew for a further 3 years;

(ii) That a nominal rental of R100 per annum be approved; and

[c] That the (Acting) Municipal Manager be instructed to conclude the lease agreement mentioned in [b] above;

File Number: 9/1/2/13
Execution: Acting Municipal Manager
Manager: Administration
G18/08/19  RESPONSES TO COMMENTS AND OBJECTIONS FOR APPLICATION FOR ALIENATION (CLOSURE AND IMPLEMENTATION OF ACCESS CONTROL) OF SUN VALLEY DRIVE, COSTA SARDA, KNYSNA

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To request Council to consider the alienation (closure and implementation of Access control) of Sun Valley Drive, Costa Sarda, Knysna in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

BACKGROUND

Marike Vreken Town Planners CC on behalf of the Costa Sarda neighbourhood applied for the alienation and closure of Sun Valley Drive for the implementation of Access control to the neighbourhood. The Municipal Council on 6 December 2016 requested that the report be referred back to the Acting Municipal Manager for further consideration. The report was considered and the intended alienation for closure and implementation of access control of Sun Valley Drive were advertised for comments and or objections in the Action Ads and the Provincial Gazette on or about 11 May 2017 (see Annexure A).

DISCUSSION

The following comments and objections was received on or before the due date of Monday, 12 June 2017 at 15:00 from the public:

1) Jane Alison Cordell;
2) Marti Venter;
3) Janet A.B. Watson;
4) Anton Stroebel;
5) Stefano Furlan;
6) Günther Meyer, Gudrun Meyer, J.A.B. Watson, D. Burn, J.A. Cordell, A.R. Stroebel, E. de Lange, Marti Venter & Frank de Kock; and
7) Chris Venter (see Annexure B).

Marike Vreken Town Planners CC handled all the comments and objections received and also had a meeting at the Terrace on 13 October 2017 to discuss the matter with the affected parties (see Annexure C).

It is clear that there are numerous objections against the proposal, even some of the residents that also supported the application originally, as they are afraid of the cost implications to them. Marike Vreken Town Planners CC stated that the current home owners in Costa Sarda will not be forced to join the homeowners association but will be obliged to a sunset clause, in writing stating that should their property change hands, the new homeowner will be obliged to become a member of the homeowner association.
The acting Director Technical Services also provided comments on this item (see Annexure C). Marike Vreken Town Planners CC also provided responses to these comments (see Annexure D).

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Knysna Municipality’s Management of Immovable Property Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure’s regarding the responses to comments and objections regarding the request for the alienation (closure and implementation of access control) of Sun Valley Drive, Costa Sarda, Knysna submitted to the Finance and Governance Committee meeting dated 5 June 2019 be noted;

[b] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms hereby that Erf 4088, Knysna (Sun Valley Drive) is deemed to be needed to required the minimum level of basic Municipal Services; and

[c] That the application for the alienation of (closure and implementation of Access control) of Sun Valley Drive, Costa Sarda, Knysna, be refused

ANNEXURE / APPENDIX

ANNEXURE A - Advert in the Action Ads
ANNEXURE B - Comments and Objections received
ANNEXURE C - Responses to comments and objections done by Marike Vreken Town Planners CC
ANNEXURE D - Objections received from Acting Director Technical Services
ANNEXURE E - Responses to objections from Acting Director Technical Services done by Marike Vreken Town Planners CC

File Number : 7/2/1/2
Execution : Municipal Manager
            Director : Corporate Services
            Manager : Legal Services
Knysna Municipality


Knysna Municipality

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)

VOORGESTELDE STRAATSLUITING EN VERVREEMDING: SUN VALLEY DRIVE, COSTA SARDA, KNYSNA

Kennis is hiermee, dat die onderstaande aanvraag deur die Munisipale Bestuurder ontvang is en gedurende kantoor ure ter insae lay by Marike Vrekken Town Planners, Trotterstraat 21, Knysna en by www.vrekken.co.za.

Enige besware met volledige redes daarvoor, moet skryflik deur die Munisipale Bestuurder, Posbus 21, Knysna, 6570 ingedien word voor of op 15:00 op Maandag, 12 Junie, 2017 met vermelding van bogenoemde wetgewing en beswaarmaker se erfnoemer / eiendomsbeskrywing.

Ingevolge Artikel 21(4) van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000) word hiermee verder kennis gegee dat persone wat nie kan skryf nie, die Stadsbeplanningsafdeling kan nader tydens normale kantoorure waar die Sekretaresse u sal verwys na die betrokke amptenaar wat u sal help om u kommentaar of besware op skrif te stel.

Aard van aanvraag:
1) Die sluiting van Sun Valley Drive, Costa Sarda, Knysna
2) Die vervreemding van Sun Valley Drive, Costa Sarda, Knysna ingevolge die Wet op Plaaslike Regering: Munisipale Finansiele Bestuur, 2003 (Wet 56 van 2003)

Aanvraag:
Marike Vrekken Town Planners CC namens die inwoners van Costa Sarda
Posbus 2180
KNYSNA
6570
Tel: (044) 382 0420
Fax: (044) 382 0438
e-pos: marike@vrekken.co.za

Verwysing: Collab 569747

J DOUGLAS
I wish to object to the above application, comment as follows:

1.2 Character of Area.
Costa Sarda has not lost its appeal or value any more than any other area in Knysna and to suggest that its infrastructure (Burst water pipes etc.) is any worse than other suburbs is absurd. In fact the Municipality is excellent when called upon to effect repairs.

2.1 Status Quo Situation
Ms Vreken entirely misses the point. Costa Sarda is a Public suburb and Sun Valley Drive is a Public road. The gated areas she refers to are all on private land and not normally open to the Public. There is a vast difference between them and Sun Valley Drive which provides valuable public access to the cobbled walk and Lagoon.

2.2 Crime Statistics
Costa Sarda, Sun Valley Drive is not worse for Crime than any other area in Knysna. Statistics prove this.

2.3 Lack of Maintenance
The entire town suffers from this, but the Municipality is doing its best with the limited resources it has. Sun Valley Drive is quite good in this respect.
2.4 Decrease in Property Prices
I do not know how MS Vreken arrives at her conclusion but I think her method of valuation is very suspect. She further claims that residents of Costa Sarda would like to implement access control and privatize Sun Valley Drive but this is not true. Many of us do not agree and wish to object.

3. The Application
MS Vreken has been appointed by only a small minority, certainly not by me or many others.

This is the new South Africa we are living in and to close off public roads and suburbs to prevent access by the general community is not acceptable in this day and age. There is also the all important question of easy access to emergency vehicles, police, ambulances etc. Gated Access will certainly impede them and slow them up.

If people want security it is up to them to make their property secure, as indeed I have done. Closure of public roads was tried in other S.A. Towns and is now illegal. Let us now not go down that same road.

7. The access from Sun Valley Drive and Lagoon is used by the residents and public and has not been officially closed by the Municipality. This access is used frequently by police patrol vehicles. Closure will prevent this advantage.

Finally it is my and others opinion that this application is unnecessary, ill conceived and should be rejected.

17th November 2016
J.A. Cordell

Registered Owner 1881
25 MAY 2017

Knysna Municipality
Attention: Renwill Hardnick/J Douglass

PROPOSED ROAD CLOSURE & LAND ALIENATION: SUNVALLEY DRIVE, COSTA SARDA

As per the advertisement in Action Act – reference Collab 569747 –

From:
Martí Venter
24 Sunvalley Drive
Costa Sarda
Knysna 6570

Erf Number: 1-04211-000

Dear Sir/Madam

I strongly object to the alienation and closure of Sunvalley Drive, Costa Sarda.

Below are the reasons:-

- I prefer to maintain the status quo i.e. with the municipality responsible for the upkeep of street, pavements, etc, as many of the residents in Costa Sarda are either retired or are salaried people who cannot afford to contribute towards the upkeep of the street etc.

- The persons responsible for the application have not fully explained what the alienation and closure will entail and what the effects or consequences will be for the residents.

- I have questions with regards to:-
  o Access by residents – control of boom or gates
  o Access by services personnel, i.e., refuse, water, electricity
  o Access by security services, i.e., Allsound, police, traffic personnel
  o Who will be responsible for the costs and what the costs will be
  o Access by emergency personnel, i.e., ambulances etc
  o What will happen should the person/s applying for the alienation and who pledge to cover the costs, decide to sell their properties? The rest of the owners will not be able to cover the costs and will be left in the lurch to either convert back to how it is now (with potential financial implications) or to find the finances to carry on with the alienation.

- As far as I am concerned, placing a boom at the entrance, will not necessarily enhance the security of the area, unless it is fenced with a 3m high wall with 24 hour’s manned/guarded access control. This will only complicate the lives of the people who live there permanently.
Many of the houses in the suburb are holiday houses and are not occupied permanently and thus will not be affected on a daily basis by the closure of the road and/or access control.

I have stated in no uncertain terms to the person who came to inform me regarding this that I am not in favour of this and that I will object. He led me to believe that I am the only person who are is objectioning, but I have recently discovered that at least 9 other people are also objecting to this.

I also was under the impression that the residents or owners are to receive written notifications regarding this matter, either via registered mail or via email – I have not received any notification. I do not read the local papers and would not have had the opportunity to voice my opinion if I was not made aware of the situation by another interested party.

I most urgently request—imply you to NOT TO GRANT permission for the alienation of Sunvalley Drive.

I also would like to place record that I do not want anything to do with this project and will not be held responsible for any costs in the matter.

Yours sincerely

MARTI VENTER
24 Sunvalley Drive
Costa Sarda
Knysna
6570

Cell 082 859 2418.
**Proposed Road Closure & Land Alienation: Sun Valley Drive, Costa Sarada, Knysna**

Notice is hereby given that the undermentioned application has been received by the Municipal Manager and is open for inspection during office hours at Marike Vreken Town Planners, 21 Trotter Street Knysna and at www.vreken.co.za.

Any objections, with full reasons therefore, should be lodged in writing with the Municipal Manager, P.O. Box 21, Knysna, 6570 on or before 15:00, on Monday 12 June, 2017 quoting the above legislation and the objector’s property description/ erf number.

Notice is further given in terms of Section 21(4) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that people who cannot write can approach the Town Planning section during normal office hours at the Municipal Offices where one will be referred to the responsible official who can offer assistance in putting comments or objections in writing.

**Nature of the application:**
1. The closure and alienation of Sun Valley Drive, Costa Sarada, Knysna

**Applicant:**
Marike Vreken Town Planners CC on behalf of the Residents of Costa Sarada
P.O. Box 2180
Knysna
6570
Tel: (044) 382 0420
Fax: (044) 382 0438
E-mail: marike@vreken.co.za

Reference: Collab 569747

**Aaard van aansoek:**
1. Die sluiting van Sun Valley Drive, Costa Sarda, Knysna

**Aansoeker:**
Marike Vreken Town Planners CC namens die Inwoners van Costa Sarda
Postbus 2180
KNYSNA
6570
Tel: (044) 382 0420
Fax: (044) 382 0438
E-pos: marike@vreken.co.za

Verwyysing: Collab 569747

**J. DOUGLAS**
MUNISIPALE BESTUURDER

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**Kennis is hiermee, dat die onderstaande aanvraag deur die Munisipale Bestuurder ontvang is en gedurende kantoortuure ter insae lê by Marike Vreken Stads Beplanners, Trotterstraat 21, Knysna en by www.vreken.co.za.**

Enige besware met volledige redes daarvoo, moet skriflik by die Munisipale Bestuurder, Postbus 21, Knysna, 6570 ingediend word voor of op 15:00 op Maandag, 12 Junie, 2017 met vermelding van bogenoemde welegwing en beswaarmaker se efnommer / elendomsbeskrywing.

Ingevolge Artikel 21(4) van die Wet op Plaaslike Regering: Munisipale Steëls, 2000 (Wet 32 van 2000) word hiermee verder kennis gegaar dat persone wat nie kan skryf nie, die Stadsbeplannersafdeling kan nader tydens normale kantoorure waar die Sekretaresse u sal verwys na die bestuurs amptenaar wat u sal help om u kommentaar of besware op skrif te stel.

**Aanvraag:**
1. Die sluiting van Sun Valley Drive, Costa Sarda, Knysna

**Aansoeke:**
Marike Vreken Town Planners CC namens die Inwoners van Costa Sarda
Postbus 2180
KNYSNA
6570
Tel: (044) 382 0420
Fax: (044) 382 0438
E-pos: marike@vreken.co.za

Verwyysing: Collab 569747

**J. DOUGLAS**
MUNISIPALE BESTUURDER
Objection

Proposed Road Closure & Aliencation : Sun Valley Drive Costa Sarda

Name J.A.B Watson Erf 1-13023-000
Janes Guest House 37 Sun Valley Drive Costa Sarda
Correctly Zoned by Knysna Municipality 25th July 2005

I strongly object to the closure of a public road, this we presume was instigated as per Mr Couzisk being one of the 10 affluent residents out of 38 of the area who have motivated the application. An application was handed to Municipality on 20th September by Ms Vreken. I only received e-mail from him on 27th October informing of this. A very sneaky way of doing this without my knowledge as the original proposal was done in July by Ms Vreken.

There is no Home owners association and discussions with me were not existing however was informed the motivation was security. There are 38 houses in the area of which only 20 are occupied on a permanent basis the remaining are holiday houses.
Two B&B houses in the area will be adversely affected by a gated complex as seen by another close by in Holiday crescent which is gated and had to close down as a result.
The area as has only had minor crimes but only applied to the permanent residents due negligence on their part leaving windows, doors open and not setting the All sound alarm of which majority have.

Full security cannot be achieved just by gates there are garden services, garbage collection, maids, heavy duty truck at least once a week collecting steel work for galvanising (has this workshop been properly zoned) and other services requiring entrance, are permanent residents responsible to open the gates by remote?

Levies will have to implicated for all sorts maintenance of gates & remotes, repairs to roads etc. This cannot be afforded by the locals. Will the municipal rates be reduced?

All these questions and points have to be resolved for example stated in application property value will increase by 30% what about rates & levy.

I repeat I cannot support this application as certain residents owning their property cannot afford levies plus municipal rates.

There are to many grey areas in this application for example

a) garbage collection
b) responsible for road, what about water pipes, street lights!!
c) Compulsory to join home owners association how can this be enforced property was bought freehold
d) No proper survey re crime in Sun Valley drive and not Costa Sarda as applicant has implied
e) Purchase of land from municipality where is that money coming from?
f) No proper discussions with all residents in Sun Valley only 10 members from 38 houses !!
g) There has been no estimate of the addition cost and levies to the residents

J.A.B. Watson
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Voorgestelde Struisiuring: Sun Valley Drive, Costa Sarda
Very. Collab 569747

Eienaar erf 1-07874-000: A.R. Stroebel

Geagte Heer,

Ek stel geensins belang in hierdie aangeleentheid nie, en wel om die volgende redes.

1. Ek het n vrystaande eiendom gekoop want ek stel nie belang om in n kompleks te woon nie.

2. Die staat is verantwoordelik vir die veiligheid en beskerming van sy burgers, daarom betaal ons deurlopend alle tipes van belasting maandeliks en jaarlik.

3. Waarom moet ons die staat se task oorneem? Spandeer tyd en moeite om met die owerheid te onderhandel om hulle werk behoorlik te doen.

4. Net as n laaste punt van order, alles wat ek van die aangeleentheid weet is deur informele horse. Geen formele gesprek of debate is met my gevoer nie.

Baie dankie,
Anton Stroebel 0798972853
BY HAND
WITHOUT PREJUDICE

The Municipal Manager
P.O. Box 21
Knysna
6570

Dear Sir/Madam

OBJECTION TO PROPOSED ROAD CLOSURE & LAND ALIENATION: SUN VALLEY DRIVE, COSTA SARDA, KNYSNA
LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)
ERF NUMBER 7872

I am a full title registered owner of ERF 7872 situated at 49 Sun Valley Drive, Costa Sarda, Knysna.

Please be advised that I do not consent to neither the closure of Sun Valley Drive, Costa Sarda, nor the implementation of access control on Sun Valley Drive, nor the establishment of a Home Owners Association and the alienation of Sun Valley Drive to a Home Owners Association.

The application to:
1. Close and alienate Sun Valley Drive, Costa Sarda, Knysna

is an infringement of my proprietary rights as a full title registered owner of the aforementioned erf.

As such, I object in the strongest possible terms to the application.

All my rights remain fully reserved.

Yours sincerely

STEFANO FURLAN
Dear Sir,

PROPOSED ROAD CLOSURE & LAND ALIENATION: SUN VALLEY DRIVE, COSTA SARDA, KNYSNA. COLLAB 569747

We, the undersigned (see attached list of homeowners) write to record that we are totally opposed to the application as advertised.

The application is flawed and disingenuous in its terminology. For example, clause 3. The Application, on page 7 of 22 of the document prepared by Marike Vreken Urban and Environmental Planners, states that they have been appointed by "residents and ratepayers of the Costa Sarda neighbourhood."

To the uninitiated, one might read this that the proposal enjoys the support of all the community. This is far from the truth, as this objection will testify. There is no mandate from the community to promote this venture and one might pose the question how an indeterminate group of residents can drive such a venture to the potential prejudice of their fellow homeowners?

We are in possession of a circular dated 12 November 2016 from this group that states that one of the requirements from Council is that we (the applicants) obtain approval from homeowners via a petition, to gate Sun Valley Drive. This did not happen and one must ask how the proposal could legitimately have approached this juncture?

The final paragraph of Clause 3. The Application, states that if council approves the implementation of access control in principle, the applicant will lodge a formal application for road closure and rezoning. Again, how can this be contemplated when it does not enjoy the support of the entire community? Surely the preservation of the rights of individual homeowners and ratepayers cannot be abrogated by a grouping of select residents?

It is not the intention of this objection to rebut the proposal on a point by point basis but to highlight the inherent flaws which we consider to be sufficient to halt this proposal. However, this can be supplied should it be deemed necessary.

In this vein, one can return to page 9 of the proposal and item 4.4 in particular. Here it is stated that the applicant will take over the responsibility for road maintenance, and this will no longer be the responsibility of Knysna municipality.

This should be juxtaposed with the comment under clause 2.3 on page 6. It is stated that sections of Sun Valley Drive are so badly maintained that it cannot be resurfaced and that the road has to be reconstructed. Clause 10 on page 13 again weighs in with the information that there is a water pipe with a diameter of less than 160mm that regularly bursts and a gravity sewer pipe. Again, it is emphasised that the roads are in a bad state of disrepair and some sectors require total reconstruction.
It is abundantly apparent that this proposal has been crafted to emphasise and amplify the advantages to the Municipality but the catch 22 is that as a part of this process, the disadvantages to the ordinary homeowner are similarly highlighted.

The report incorrectly states that the residents will accept the responsibility for the costs mentioned but is silent on the other elements of the infrastructure such as water and electricity supply.

Who bears the responsibility for burst water mains for example? The hapless home-owner? Many of us are pensioners that have to work within set parameters when it comes to cost. How can we agree to any scheme that cannot inform us of future costs? Surely the Municipality has a duty of care to all of its citizens that should rise above the temptation of financial savings for Municipal coffers in the Costa Sarda scenario?

The report is also silent on any quid pro quo for homeowners. Having accepted the responsibility for reconstructing the roads of Costa Sarda, what reduction in rates can the homeowners anticipate?

One then repairs to item 13, the Conclusion.

Again, the authors use journalistic license in their contention that the application is from "the residents and ratepayers of the Costa Sarda neighbourhood" which is a blatant misrepresentation. Our rejection of this proposal should serve to confirm that the proposal does not enjoy the approval of all the residents and as stated earlier in this objection, is a supposition on the part of the authors to achieve their objective.

This contention is supported by the Heads of Agreement circulated to Property Owners. Item 6 f of the agreement states that once a formal body is set up in terms of the laws of South Africa, only then will a proposal be implemented to make use of a professional service provider to make the necessary application to the Knysna Municipality to have the area officially designated as an access-controlled area.

What is clearly demonstrated by the proposal to alienate Sun Valley Drive is that the authors of this proposal are operating in direct contravention of their proposed Heads of Agreement, in that the said application has been made without such a formal body in place.

The above serves to complement our submission that the Municipality cannot override the rights of any homeowner as proposed. insofar as we do not deal with each and any contention of the said submission, this should not be construed as an admission of the correctness thereof, nor a waiver of any of the rights of the undersigned, all of which remain reserved.

Yours faithfully,
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<td>W. C. Cordell</td>
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<td>H. R. Smoekel</td>
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<td>E. de Lange</td>
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9 NOVEMBER 2017.

The Municipal Manager
PO Box 21
Knysna, 6570.

Dear Sir/Madam,

OBJECTION TO PROPOSED ROAD CLOSURE & LAND ALIENATION: SUNVALLEY DRIVE, COSTA SARDA, KNYSNA.

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 of 2000)

I, Christiaan Adriaan Venter being the owner and title holder of Erf 4221, 20 Sun Valley Drive, Costa Sar\n
da, Knysna, hereby lodge my formal objection to the subject Closure and Alienation of Sun Valley Drive, Costa Sar\nda.

1. I was not aware of the notice thereof placed in the ‘Action Ads’ on the 11 May 2017 nor it’s
deadline for objections, as I am living in Bloemfontein at present, and as such was not informed
to object until now when the said notice was brought to my attention by a neighbour. As such I
respectfully request your kind condoning of this late objection.

2. Such closure and alienation would be an infringement on my proprietary rights.

3. I never agreed to nor signed any application proposal as I do not believe it would be
economically viable nor in the best interest of the majority of homeowners.

I object in the strongest terms to the application reserving all my rights.

Yours Faithfully,

Chris Venter
FOR ATTENTION: MR C MATTHEUS

Dear Sir,

PROPOSED ROAD CLOSURE: SUN VALLEY DRIVE, COSTA SARDA

Our application to close and implement access control on Sun Valley Drive Costa Sarda, dated 27 July 2016 has reference. Herewith our response to the comments and objections received. We also attached the following Annexures to this response:

- Annexure A. Attendance register of meeting with objectors
- Annexure B. Notes of the meeting held with the objectors
- Annexure C. Locality plan, indicating the position of the objectors.
- Annexure D. S Adamson Letter of Support
- Annexure E. Burns Letter of Support

1. Letter from Jane Alison Cordell, 33 Sun Valley Drive, dated 17 November 2016 & 13 May 2017

1.1. Comment: Ms Vreken entirely misses the point. Costa Sarda is a Public suburb and Sun Valley Drive is a public road. The gated areas she refers to are all on private land and not normally open to the public. There is a vast difference between them and Sun Valley Drive which provides valuable public access to the cobbled walk and Lagoon.
Response: These roads are indeed public – hence the applicant’s proposal to implement access control to improve the safety and security of the neighbourhood.

1.2. Comment: Costa Sarda, Sun Valley Drive is not worse for crime than any other area in Knysna. Statistics prove this.
Response: Statistics that were received from All Sound indicated that crime has considerably increased over the past 2 – 3 years.

1.3. Comment: The entire town suffers from lack of maintenance, but the Municipality is doing its best with the limited resources it has. Sun Valley Drive is quite good in this respect.
Response: If the road is privatised, it is guaranteed to be better maintained and the municipality’s maintenance burden will be lightened. It is a well-known fact that the municipality has a very limited road maintenance budget.

1.4. Comment: Ms Vreken further claims that residents of Costa Sarda would like to implement access control and privatize Sun Valley Drive but this is not true. Many of us do not agree and wish to object.
Response: Noted – It is clear from the signed petition forms, which are available, that clearly show the MAJORITY support for the closure. Copies of these letters of support are with Knysna Municipality, and can be provided again, if necessary. The image below shows the locality of all of all the residents that signed the letter of support. The green hatching indicate the properties that signed the letter of support, whilst the red dots represent the objectors and the yellow dots represent the properties that signed the letter of support and then also signed the petition list of objection.
1.5. Comment: Ms Vreken has been appointed by only a small minority, certainly not by me or many others.

Response: Noted – Refer to response under Par 1.4 above.

1.6. Comment: This is the new South Africa we are living in and to close off public roads and suburbs to prevent access by the general community is not acceptable in this day and age. There is also the all-important question of easy access to emergency vehicles, police, ambulances etc. Gated access will certainly impede them and slow them up.

Response: Emergency vehicles will obviously be granted access for emergency purposes.

1.7. Comment: If people want security it is up to them to make their property secure, as indeed I have done. Closure of public roads was tried in other S.A Towns and is now illegal. Let us now not go down that same road.

Response: This statement is False. Gauteng Province actually promulgated a policy and legislation on the closure of public roads for safety purposes. The Gauteng Local Rationalisation of Government Affairs Act 10 of 1998 is an example of this legislation.

1.8. Comment: The access from Sun Valley Drive and Lagoon is used by the residents and public and has not been officially closed by the Municipality. This access is used frequently by police patrol vehicles. Closure will prevent this advantage.

Response: Access will be granted for emergency staff and emergency vehicles.

1.9. Comment: It is of my and others opinion that this application is unnecessary, ill-conceived and should be rejected.

Response: Noted – this is the objector’s opinion – the Majority of the residents did not object, and signed the letter of support. We therefore differ from this statement.

2. **Letter from Marti Venter, 24 Sun Valley Drive, dated 25 May 2017**

2.1. Comment: I prefer to maintain the status quo i.e. with the municipality responsible for the upkeep of street, pavements etc., as many of the residents in Costa Sarda are either retired or are salaried people who cannot afford to contribute towards the upkeep of the street etc.

Response: Noted. The applicant has proposed that there will be no costs for those residents that cannot afford the levies. The **objecting** Homeowners who cannot afford or do not want to participate in paying any levies will not be forced to do so. However, those homeowners will be obliged to agree to a sunset clause, in writing, stating that should their property change hands, the new homeowner will be obliged to become a member of the Homeowners Association.

2.2. Comment: I have questions with regards to:

- Access by residents – control of boom or gates;
- Access by services personnel i.e. Refuse, water, electricity;
Access by security services i.e. Allsound, police, traffic personnel;
Who will be responsible for the costs and what the costs will be;
Access by emergency personnel i.e. Ambulances etc.

Response: It is the intention to:

(i) build two gates and access will be via remote controls and/or keypads at the gates.
(ii) No security guards will be utilised.
(iii) The vacant properties will be fenced by the respective homeowners.
(iv) All municipal services such as water, electricity, sewerage and refuse removal will still remain the responsibility of the municipality. Access by the municipality and emergency services will be provided via a code on the keypad at the gates.
(v) The maintenance of the road, which has not been maintained by the municipality in the past 20 years, will become the responsibility of the homeowners once they have the sufficient funds.

2.3. Comment: As far as I'm concerned, placing a boom at the entrance, will not necessarily enhance the security of the area, unless it is fenced with a 3m high wall with 24 hour's manned/guarded access control. This will only complicate the lives of the people who live there permanently.

Response: Additional surveillance and access control will put off opportunists with criminal intentions. These opportunists will then rather go where there is completely unrestricted access.

2.4. Comment: Many of the houses in the suburb are holiday houses and are not occupied permanently and thus will not be affected on a daily basis by the closure of the road and/or access control.

Response: Unoccupied holiday houses are at higher risk for crime. Access control will enhance the safety and security of these unoccupied homes, and thereby improving the safety and security of the entire neighbourhood.

2.5. Comment: I have stated in no uncertain terms to the person who came to inform me regarding this that I am not in favour of this and that I will object. He led me to believe that I am the only person who is objecting, but I have recently discovered that at least 9 other people are also objecting to this.

Response: A few objections were received – this serves as the response to those objections.

2.6. Comment: I implore you not to grant permission for the alienation of Sun valley Drive.

Response: Noted – this objector has indicated during the public meeting that if the proposal will not cost her any additional money, she might support the proposal.

2.7. Comment: I also would like to place on record that I do not want anything to do with this project and will not be held responsible for any costs in this matter.
3. **Letter from J.A.B Watson, dated 25 July 2017**

This objector sold his property and the new owner, Mr Steven Adamson, has confirmed that he has no objection to the proposed access control. A copy of the signed letter from S Adamson is attached to this response.

4. **Letter from S. Furlan, 49 Sun Valley Drive (Erf 7872), dated 09 June 2017**

4.1. **Comment:** The application to Close and Alienate Sun Valley Drive & Alienate Sun Valley Drive in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) is an infringement of my proprietary rights as a full title registered owner of the aforementioned erf. As such, I object in the strongest possible terms to the application.

   **Response:** S Furlan is not the registered owner of the property. The objector has also not indicated how the proposal will affect his property rights – especially since he/she is not the owner of the property.


5.1. **Comment:** We, the undersigned (see attached list of Homeowners) write to record that we are totally opposed to the application as advertised.

   **Response:** Noted – it is also interesting to note that seven of these owners also signed the original letter of support for the proposal.

5.2. **Comment:** The application is flawed and disingenious in its terminology. For example, clause 3, The Application, on pg. 7 of 22 of the document prepared by Marike Yreken Urban and Environmental Planners, states that they have been appointed by “residents and ratepayers of the Costa Sarda neighbourhood.”

   **Response:** Noted – Refer to response under Par 1.4 above.

5.3. **Comment:** There is no mandate from the community to promote this venture and one might pose the question how an indeterminate group of residents can drive such a venture to the potential prejudice of their fellow homeowner?

   **Response:** Noted – Refer to response under Par 1.4 above.

5.4. **Comment:** We are in possession of a circular dated 12 November 2016 from this group that states that one of the requirements from Council is that we (the applicants) obtain approval from homeowners via a petition, to gate Sun Valley Drive. This did not happen and one must ask how the proposal could legitimately have approached this juncture?

   **Response:** Noted – Refer to response under Par 1.4 above.
5.5. **Comment:** The application states that if Council approves the implementation of access control, the applicant will lodge a formal application for road closure and rezoning. Again, how can this be contemplated when it does not enjoy the support of the entire community? Surely the preservation of the rights of individual homeowners and ratepayers cannot be abrogated by a grouping of select residents?

**Response:** Noted – Refer to response under Par 1.4 above.

5.6. **Comment:** On page 9 of the proposal, Item 4.4 it is stated that the applicant will take over the responsibility for road maintenance, and this will no longer be the responsibility of Knysna municipality. This should be juxtaposed with the comment under clause 2.3 on pg. 6. It is stated that sections of Sun Valley drive are so badly maintained that it cannot be resurfaced and that the road has to be reconstructed. Clause 10 on page 13 again weighs in with the information that there is a water pipe with a diameter of less than 160mm that regularly bursts and a gravity sewer pipe. Again, it is emphasised that the roads are in a bad state of disrepair and some sectors require total reconstruction.

**Response:** Refer to response under Par 1.3

5.7. **Comment:** It is abundantly apparent that this proposal has been crafted to emphasise and amplify the advantages to the Municipality but the catch 22 is that as a part of this process, the disadvantages to the ordinary homeowner are similarly highlighted.

**Response:** Refer to Response under Par 2.1

5.8. **Comment:** The report incorrectly states that the residents will accept the responsibility for the costs mentioned but is still silent on the other elements of the infrastructure such as water and electricity supply.

**Response:** Water & electricity infrastructure will remain the Knysna Municipality’s infrastructure. If needed, the municipality will be allowed access for repair and maintenance purposes.

5.9. **Comment:** The report is also silent on any quid pro quo for homeowners. Having accepted the responsibility for reconstructing the roads of Costa Sarda, what reduction in rates can the homeowners anticipate?

**Response:** This will have to be negotiated with the municipality, should the municipality decide to support the proposed road closure.

5.10. **Comment:** The authors use journalistic license in their contention that the application is from “the residents and ratepayers of the Costa Sarda neighbourhood” which is blatant misrepresentation. Our rejection of this proposal should serve to confirm that the proposal does not enjoy the approval of all the residents and as stated earlier in this objection, is a supposition on the part of the authors to achieve their objective.
Response: Refer to response under Par 1.4 – It is interesting to note that (i) Burns withdrew his objection, (ii) Stroebel signed a letter of support (iii) De Lange signed a letter of support... It appears that there is also inconsistency from the objectors’ side.

5.11. Comment: What is clearly demonstrated by the proposal to alienate Sun Valley Drive is that the authors of this proposal are operating in direct contravention of their proposed Heads of Agreement, in that the said application has been made without such a formal body in place.

Response: There is no need to establish such a body, until there is clear guidance that the municipality will indeed agree to the implementation of access control – then such a body can be established.

6. Letter from Anton Stroebel, Erf 7874, dated 12 June 2017

6.1. Comment: I purchased a freestanding property because I don’t want to stay in a complex.

Response: Noted. Refer to response under Par 2.1

6.2. Comment: The state is responsible for the security and protection of its citizens, therefore we pay all types of tax on a monthly basis and annually.

Response: Clearly the state does not do a proper job. It is up to the community and ordinary citizens to improve their security situation, if it is important for them.

6.3. Comment: Everything I know about the application I heard about informally. No formal discussion or debate was discussed with me.

Response: Noted – we disagree with this statement, as the objector signed a letter of support for this proposal, before it was formally advertised.

7. Letter from Nicolaas Schoeman, Erf 4212, dated 05 October 2017

7.1. Comment: Please be advised that I did not sign the petition document for the closure and implementation of access control on Sun Valley Drive, because from the outset, I was not in favour of the closure and also not in favour of the implementation of access control, or the establishment of a Home Owners association.

Response: Noted.

7.2. Comment: I was not aware of the Knysna Municipality’s notice of the Application that was placed in the Action Ad’s 11 May 2017 edition until it was brought to my attention this week by a fellow Sun Valley Drive homeowner.

Response: Noted.

7.3. Comment: The application is an infringement of my proprietary rights as full title registered owner of the aforementioned erf.

Response: The objector did not indicate how his rights will be affected.

7.4. Comment: I cannot afford the privatisation of municipal services that are currently the responsibility of the Knysna Municipality, viz. the maintenance of the road.
Response: Refer to response under Par 2.1

7.5. Comment: I am against the Alienation of Sun Valley Drive to a Home Owners Association as a means to combat crime. I am in favour of other methods to combat crime, viz., individual owners beefing up security in their own properties, thereby making every individual property a harder target for criminals, and in so doing, reducing crime in the neighbourhood.

Response: We disagree with this statement. Refer to response under Par 2.3

8. Letter from Charles Trevor Whitehead, Erf 7876, dated 15 October 2017

8.1. Comment: I was not aware of the notice thereof placed in the Action Ad's on 11 May 2017 nor its deadline for objections, as I am living in Benoni at present, and as such was not informed to object until now when the said notice was brought to my attention by a neighbour. As such I respectfully request your kind condoning of this late objection.

Response: Noted – we have no objection to acknowledge this objection.

8.2. Comment: Such closure and alienation would be an infringement on my property rights.

Response: The objector did not indicate how his rights will be affected.

8.3. Comment: I never agreed to nor signed any application proposal as I do not believe it would be economically viable nor in the best interest of the majority of homeowners.

Response: Noted. The application demonstrated how this proposal will mutually benefit the neighbourhood as well as Knysna Municipality.

9. Conclusion

The objectors were invited to a meeting on 13 October 2017. A copy of the notes of this meeting is attached as Annexure B. The objectors' main concern is not to change the character of the area and not wanting to pay extra monies towards levies and road maintenance costs.

9.1. The applicant circulated a letter of support, and most of the residents (83%) in Sun Valley Drive supported the proposal. It now seems that some people decided to change their minds, for no apparent reason, but for a fear of additional costs.

9.2. The applicant has suggested that there will be no costs for those residents that cannot afford the levies. The objecting Homeowners who cannot afford or do not want to participate in paying any levies will not be forced to do so. However, those homeowners will be obliged to agree to a sunset clause, in writing, stating that should their property change hands, the new homeowner will be obliged to become a member of the Homeowners Association.

9.3. The major concern raised during the meeting with the objectors, was a fear of additional costs (levies for the HOA & road maintenance costs). At this point it should be noted that the applicant has on numerous occasions confirmed that no current land owner will be forced to join the HOA. (refer to Par 2.1 in this document).
9.4. We believe that this proposal will be a win-win for the community and the Knysna Municipality and therefore suggests that this proposal be approved in principle by the Knysna Council.

We trust the above is in order – please do not hesitate to contact the writer if you require any additional information from this firm.

Kind regards,

MARIKE VREKEN
Pr. Pin 1101  M SAPI 10233
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<tr>
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<th>Ref No</th>
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<th>Email Address</th>
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<tbody>
<tr>
<td>Steneyer</td>
<td>12064</td>
<td>10a Valley Rd 3,</td>
<td>061 232 555</td>
<td><a href="mailto:steneyerg@gmail.com">steneyerg@gmail.com</a></td>
</tr>
<tr>
<td>F de Beer</td>
<td>4205</td>
<td>7 Must Bilt</td>
<td>083 837 777</td>
<td><a href="mailto:f.debeer@gmail.com">f.debeer@gmail.com</a></td>
</tr>
<tr>
<td>Mert Vendr</td>
<td>042 11</td>
<td>2a Somalend</td>
<td>082 889 777</td>
<td><a href="mailto:gmtv88@yahoo.co.za">gmtv88@yahoo.co.za</a></td>
</tr>
<tr>
<td>Jeff Coetzee</td>
<td>7991</td>
<td>33 Sun Valley</td>
<td>084 343 224</td>
<td><a href="mailto:jeffcoetzee@gmail.com">jeffcoetzee@gmail.com</a></td>
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PROPOSED CLOSURE AND IMPLEMENTATION OF ACCESS CONTROL ON
SUN VALLEY DRIVE, COSTA SARDA
MINUTES OF MEETING HELD WITH OBJECTORS HELD ON
13 OCTOBER 2017 AT THE TERRACE RESTAURANT

Present:

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<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>Marke Vreken</td>
<td>Marke Vreken Town Planners</td>
<td>044-3820420</td>
<td><a href="mailto:marke@vreken.co.za">marke@vreken.co.za</a></td>
</tr>
<tr>
<td>Markus Buskies</td>
<td>Marke Vreken Town Planners</td>
<td>044-3820420</td>
<td><a href="mailto:Markus@vreken.co.za">Markus@vreken.co.za</a></td>
</tr>
<tr>
<td>G. Meyer</td>
<td>Costa Sarda Resident Erf 12664</td>
<td>044-3821688</td>
<td><a href="mailto:ktp_motormail@gmail.com">ktp_motormail@gmail.com</a></td>
</tr>
<tr>
<td>F. De Kock</td>
<td>Costa Sarda Resident Erf 4205</td>
<td>082-8077175</td>
<td><a href="mailto:Frank.dekock1@gmail.com">Frank.dekock1@gmail.com</a></td>
</tr>
<tr>
<td>Marti Venter</td>
<td>Costa Sarda Resident Erf 4211</td>
<td>082-8592418</td>
<td><a href="mailto:qml@kdk.co.za">qml@kdk.co.za</a></td>
</tr>
<tr>
<td>J &amp; M Cordell</td>
<td>Costa Sarda Erf 7881</td>
<td>082-9699726</td>
<td><a href="mailto:cord@cyberpark.co.za">cord@cyberpark.co.za</a></td>
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Discussion Points:

1. Welcome

1.1. MV – welcomed attendees. Mr Strobele arrived and then left - he said he was not happy that there is only these few people and said he’s not interested and left.

2. Background

2.1. The background of this application, Mr John Cousis and about 10 other residents came to see us during the course of last year and wanted to initiate the access control; in Costa Sarda.

2.2. The main reason for the application for the closure of Sun Valley is the rising crime, loitering, house break-ins and that’s their main motivation.

2.3. The application process:

2.3.1. Any application for alienation/access control, must first get an in-principle decision from the Municipality, whether they are going to entertain it or not, that’s your first hurdle.

2.3.2. If they support in principle the closure or alienation of land, only then do you start with a formal land use application e.g. rezoning, closure.

2.3.3. We are only at the first step – the in-principle decision from Council. We motivated it, submitted it and it got advertised, you saw it, you commented or objected. We must now respond to those comments and objections and then the Council must make a in principle decision, whether they support it or not.

3. Consultation with residents – inputs form attendee

3.1. The problem was that perhaps nine or ten residents got together and decided this is what they want to do and they took it up with you, we all feel that was the wrong thing to do. The process
3. They did not disclose everything, when that little note came around to sign, nothing was mentioned about buying the road from the council, I signed it and said subject to the costs. Only after that did I see the full document about buying the road etc.

3.3. As far as I am concerned everyone was kept in the dark and that I think is what everyone is up in arms about.

3.4. MV responded: we were informed that everyone wants the closure as almost all residents signed the support letters.

3.5. Attendee: Somebody else tried it previously and then we objected, so when those people came to you they knew we were not in favour. So, whatever they said is totally incorrect.

3.6. MV responded: we are here, to hear your side we would like to hear your inputs. We’ve invited the objectors, the people that don’t want it. We want you to not feel intimidated or people telling you why you should do it.

3.7. Attendee: You obviously put that notice in the Action Ad’s, but the people living in Joburg etc. never saw the Action Ad’s. A lot of people signed the petition, but it wasn’t disclosed about buying the road, and now the people are hearing about that, they going against the original signature.

4. Need for the application

4.1. MV - I understand that there is a lot of people that doesn’t want it, the confusion I think is we got a stack of people supporting it and a stack objecting.

4.2. MV - I’m not here to fight with you or agree with you, I’m here to hear why you are objecting. So, the proposal is that the applicant want to put gates with remotes at that point, just below the Terrace’s entrance, as well as along the cobble path entrance. As we understand there’s a big problem with loitering, house breakings and people walking through the neighbourhood.

4.3. Attendee: Crime is not that bad - not more than any other neighbourhood in Knoxville. There is no need to impose access control.

4.4. Attendee: So is that all, just the two gates. What about the houses by the water, anyone can just walk through from there.

4.5. MV responded: It’s up to those houses whether they want to fence their properties.

4.6. Attendee: It’s up to every individual to make sure their house is secure, we’ve done it. We don’t need access gates.

5. Home Owners’ Association

5.1. MV responded: The idea is to put up access gates with remotes. The municipality will no longer maintain the road because then it is no longer a municipal or public road, it becomes a private road.

5.2. If the proposal is to move forward, each and every HOA must have a constitution. All of these things about costs and levies must be in the constitution of the HOA.

5.3. The suggestion from the applicant is that they establish a home owner’s association, they will pay for it and get it up and running.
5.4. The residents that live in Costa Sarda that can’t afford or don’t want to join will not be forced to join, however they want a provision that if you sell the new owner has to join the Home Owners’ Association.

5.5. **Attendee:** It is legally impossible to enforce that.

5.6. **MV responded:** that is the suggestion from the applicant, the money from the HOA will be used to maintain the access gates and road.

5.7. The rest of the Municipal services, the pipes, sewerage and electricity stays municipal services.

5.8. They will do what a lot of other developments have where they will have a remote at the municipality to gain access.

5.9. **Attendee:** What if a water pipe bursts and they come and fix it but then we have to fix the road afterwards. They don’t think through the whole process.

5.10. You talk about access, there are so many weak links there. There are so many people that need access, the electricians, the plumbers, the meter readers, the refuse removal, emergency vehicles. How are they going to get in.

5.11. I really don’t think it’s feasible.

5.12. **MV responded:** Are you not interested in improved security?

5.13. **Attendee:** If they are going to leave a remote at the municipality, you might as well leave it at the gate and whoever wants to come can come. If there are guards, enforcing it like at Thesen Island I would say maybe. But not like the current proposal, it’s not going to work.

5.14. The people walking through are not the people breaking in, they are just trying to take a short cut to work or something.

5.15. **Attendee:** If they are going to leave a remote at the municipality, you might as well leave it at the gate and whoever wants to come can come. If there are guards, enforcing it like at Thesen Island I would say maybe. But not like the current proposal, it’s not going to work.

5.16. Most time of the day or night do the most break-ins happen?

5.17. **MV responded** the idea is to discourage people who shouldn’t be there, it makes the risk of incidents lower.

5.18. **Attendees:** Gates are also known as hijack spots, you wait for the gate to open and then they hijack you.

5.19. My other concern is these people that are initiating it, what happens when they decide to sell or move — can we then revert back to an “open” neighbourhood?

5.20. A lot of the properties have their backs on the graveyard which is completely open, it is fenced but they get over it – this is the first safety/security flaw.

5.21. Sun Valley is not like Waterways that is completely fenced in, if you going to do that route you need to do it properly. All the properties along the cobble path must also be fenced in.
### 6. Suggestions / Concerns

| 6.1. **MV Asked:** If you might consider supporting it, what would your conditions, requirements or suggestions be? Like: "...all around the whole neighbourhood fencing...?"
| 6.2. **Attendees:** If I lived on the boundary, I wouldn’t want a big ugly fence if I’ve got a beautiful view of the lagoon.
| 6.3. For me there are two points: I will never agree, I will never be a member of the Home owner’s association and I will never buy a street.
| 6.4. **MV Asked:** What about surveillance cameras?
| 6.5. **Attendees:** If its properly monitored, then its fine.
| 6.6. There’s obviously a cost factor and a maintenance factor on that. May be if its linked to Alsound then it won’t be as costly.
| 6.7. **MV Asked:** Do you think the property values has declined over the years? Do you think it’s the recession and the general state of Knysna or do you think it is the crime?
| 6.8. **Attendees:** The problem is Costa Sarda includes waterways, the Spar and they have a lot of incidents, straight away people see costa sarda but meanwhile it’s happening down the road. There is the odd break-in but it’s not more than anywhere else.
| 6.9. A lot of the people who wants the closure, don’t live here and don’t spend a lot of time here or they live where there is no fencing.
| 6.10. My main problem is the potential cost, I work and earn a salary and I cannot afford those costs of fixing this etc. I can see benefits to it but I just cannot afford the extra costs. If I wanted to live in one of those places, I would have bought it but I can’t afford it. I've made my house as secure as possible with a Rottweiler and a fence etc.
| 6.11. Same with us we are pensioners we cannot afford it.
| 6.12. How many other public roads have been converted to private roads in Knysna for a gated community, I don’t know of one?
| 6.13. **MV Responded:** I don’t know either, there was an initiative from Leisure Isle a few years ago and that was turned down because Bollard Bay is a public venue and they have the Yacht Club.
| 6.14. **Attendees:** Apparently, there are 18 vacant places for most of the year. It is these people who want the additional security.
| 6.15. What kind of a traffic jam are we going to get at the gate and the houses which are adjacent to that gate are going to struggle to get in and out?
| 6.16. We have asked about costs but the applicant never came back with any costs.
| 6.17. It’s not a very well thought out plan, there’s not enough information - I need a picture, this is what they going to put up and this is how it’s going to look like...
| 6.18. A neighbourhood watch would probably be supported by the residents – this is a better idea.
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<tr>
<td>7.1</td>
<td><strong>MV Responded</strong>: It is clear that you are not keen on the idea and that we will not persuade you otherwise. We will summarise the comments/inputs and then circulate the response to you and also discuss with the applicant and submit a formal response to the municipality, to enable them to consider and decide upon the application.</td>
</tr>
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<td>7.2</td>
<td>MV closed the meeting.</td>
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Petition for the closure and implementation of Access Control on Sun Valley Drive

Costa Sarda

I, Mr/Mrs. ADAMSON, the registered homeowner of Erf 13823, Costa Sarda, confirms that:

1. I support the closure of Sun Valley Drive, Costa Sarda;
2. I support the Implementation of Access Control on Sun Valley Drive;
3. I support the establishment of a Home Owners Association and the alienation of Sun Valley Drive to the HOA

Signature

Date 14/9/17
Bianca,

For the record, I spoke to the guy with the objection list and withdrew my objection.

I am fully supportive of the plan.

Regards

DENNIS BURN

B&V CONTRACTORS

PO BOX 323
KIMNIA
6570

044 382 5567 (Office)
086 693 1608 (Fax)
082 658 1157 (Mobile)

denis@bvccontractors.co.za
MEMORANDUM

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<th>TO</th>
<th>Municipal Manager</th>
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<tr>
<td>FROM</td>
<td>Acting Director Technical Services</td>
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<td>CC</td>
<td>Acting Director Corporate Services</td>
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<tr>
<td>DATE</td>
<td>26 June 2018</td>
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<tr>
<td>REGARDING</td>
<td>Application for alienation (closure and implementation of access control) of Sun valley Drive, Costa Sarda, Knysna</td>
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<td>APPLICABLE DELEGATION</td>
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1. PURPOSE:

To submit comments on Council Item Response to comments and objections for Application for alienation (closure and implementation of access control) of Sun valley Drive, Costa Sarda, Knysna. Item 7/2/1/2/1 report from the Acting Director: Corporate Services dated 5 April 2018.

2. BACKGROUND:

Mr. Couzis delivered a letter by hand on 22 June 2018 (dated 16 June 2018) addressed to the Managers: Water and Sewer and Roads and Public Works assumedly addressed as such based on advice from some department - the letter is attached as Annexure A.

In the letter, Mr. Couzis alleges that the process has been going on for nearly two years and that he requires a "comment from Council". He goes further and states that: "Our application has been postponed from being heard at the technical meetings, no less than six times previously, for one reason or another. We are now told that the report from the Technical Department is the only outstanding for this matter to be tabled at the next Section 80 meeting."

The department’s response will be two pronged:
1. Respond to Mr. Couzis’s letter and,
2. Respond to the application and Council item.
We will respond to Mr. Couzis' letter through the collaborator system as have submitted it to records as per the correspondence protocols of Council. This memorandum will then serve as comments to the item and the Application.

It must be noted that, to my knowledge, the application was not submitted via Collaborator for comments and therefore the former Director: Technical Services never consulted with his managers on the contents thereof – a request to the Properties Department for the collaborator number did not yield any response to date. Secondly, the Council item also did not seek comments from the Director via Collaborator hence, none were submitted. These circumstances now leave the department with no other avenue but to respond via memorandum.

3. **DISCUSSION:**

3.1 The Application by Marike Vreken Urban & Environmental Planners delivered by to the Head Records & Property Management, Attention Mr. Renwil Hardnick, dated 27 July 2016.

The comments below are in terms of the section headings and numbering of the application.

**SECTION A: BACKGROUND, page 3 of 22**

2. **STATUS QUO SITUATION, page 5 of 22**

2.1 Loitering, page 5 of 22

The suburb is the only "non-gated/security controlled neighborhood in the area" because the development was not done as a General Residential Development and therefore all the open areas are public. There is nothing out of the ordinary about the situation as the vast majority of properties and neighborhoods in Knysna and indeed South Africa as like this.

2.2 Crime statistics – various break-ins, page 5 of 22

The statistics are noted but care should be taken when viewing statistics are based on a private security firm's assessment and not that of the Police. The increase in crime and the reference to "exceptionally high" is unreferenced or backed by comparing data with surrounding neighborhoods such as Old Place or indeed Knysna as a whole.

2.3 Lack of maintenance, page 6 of 22

Costa Sands is indeed of the older neighborhoods but not nearly the oldest and therefore requires upgrading like most areas do and it therefore is not special in this regard.

The department agrees that maintenance is difficult under the current financial constraints faced by Council.

2.4 Decrease in property value, page 6 of 22
The department cannot comment or dispute the validity of the claim sufficed to say that in order to measure an increase or decline it is necessary to compare the value over time which was not done. Instead, a static comparison was done between the values of properties based on the valuation roll. The types of developments cannot be compared in this manner, as the process as that led to their establishment were different. It would be far better to look at the selling prices of these properties over a time period in order to determine the trend.

3. THE APPLICATION, page 7 of 22

The application was intended to permanently close off all public vehicular access to the suburb of Costa Sarda making it a gated community and the application is therefore for the Closure of a public street for "access control" purposes based on the motivation above.

Further, it is required of Council to "in principle" approve such an application, which will be followed by "a formal application for road closure and rezoning" later. The question is why is it necessary to have and "in principle:" decision followed by "a formal" decision? The department is of the opinion that such and "in principle" decision would be viewed by the applicant as being a formal decision but in any event, the Properties Department had already published an advert for public comment, which makes the process official, and not "in principle".

SECTION B: PROPOSAL, page 8 of 22

4. ROAD CLOSURE, page 8 of 22

4.1 Access control

The applicant intends to prevent the public from walking or driving the streets of Costa Sarda through the installation of a gate and access control on Holiday Crescent. The applicant further wishes to close off the bottom road going to the lagoon.

The department does not agree with the applicant's interpretation that the "closure" of the vehicle access to the lagoon and the public open space is a "clear" decision by the municipality that "sun valley Drive is no longer regarded as a public access". This statement by the applicant is disingenuous as pedestrian access is still unimpeded and the closure is by way of a removable chain only which does not constitute closure in any manner but rather temporary prevention method to stop vehicles from driving on the footpath.

The access is also permanent in servicing the Costa Sarda sewer pump station and the two main outfall sewers from the COB pump station.

4.2 Security cameras, page 9 of 22

Noted.

4.3 Telecommunications system at gate, page 9 of 22
Noted.

4.4 Road maintenance, page 9 of 22

Noted.

4.5 Refuse removal, page 9 of 22

The department notes the applicant’s motivation but cannot understand why the municipality would still provide services inside a gated community if it does not provide it elsewhere. This may set a major precedent for Council as other gated communities may now also demand such services inside the gates.

It should be noted that the proposal requires the establishment of a gated community with advantage of private roads but does not propose the acceptance of the other service delivery burdens that other gated estates carry. This disjuncture open Council up to other applications that may require reversal Council conditions of approval such as Pezula, Eastford and other gated estates. The trade-off being that the residents remain responsible for the roads while Council takes over the rest of the internal services. The question then arises if higher rates and tariffs will be charged for this higher level of service?

SECTION C: MOTIVATION, page 10 of 22

5. INCREASED CRIME, page 10 of 22

This section is noted, as it is a repeat of the background.

6. COMMUNITY MOBILISATION, page 10 of 22

The motivation is noted but it does not differ from any other community in Knyana.

7. NO RESTRICTED ACCES TO PUBLIC AMENITIES, page 10 of 22

The department does not agree that the graveyard is the public access way to the walkway below Costa Sarda and cannot support this as a viable option because the current street network was specifically established for this need.

The department also disagrees with the repeated statement regarding the bottom access to the pathway and with the interpretation that “Sun Valley Drive is not regarded as an important public access point to the lagoon”. The applicant also paints all members of the public with a same brush by stating that “individuals with ulterior motives...” would be deterred through access control but in fact all resident would be prevented from using the public road network.

8. BENEFIT OF THE PROPOSAL TO THE COMMUNITY, page 11 of 22

It is agreed that the privatization of Sun valley Drive would mean less maintenance responsibility to the municipality however it is not clear of how this will be done, who will be
liable and what happens if it fails or is not done properly. Also, there is no indication that the road will under circumstances be revert back to Council, even for free.

9. RESEARCH ON CRIME STATISTICS, page 11 of 22

The research is noted but it represents the case in the whole of Knysna if used outside of the Gauteng context.

10. NO IMPACT ON MUNICIPAL SERVICES, page 13 of 22

The proposal is for the use of public land for own personal benefit while relying on some services to be rendered normally.

10.1 Road maintenance, page 14 of 22

Repeat of previous argument. Noted.

10.2 Refuse Removal, page 14 of 22

Repeat of previous argument. Noted.

10.3 Community Services, page 14 of 22

The applicant is incorrect in stating that “... no community services located within Costa Sarda or Sun Valley Drive” because the municipality is responsible for grass cutting in public open spaces and sidewalks, vegetation control within the road reserves and cleaning of the road reserve.

10.4 Conclusion, page 14 of 22

The applicant is incorrect in the assumption that access control will not negatively impact municipal services because it excluded almost all municipal services.

11. NO IMPACT ON ACCESSIBILITY, page 15 of 22

The department agrees that no other neighborhood is served by the Sun Valley Drive and no through route will be negatively affected by its closure.

The department does not agree with the repeated statement that the bottom access is closed. The department also does not agree that access control “... will not have any significant impact on accessibility...” as it will cut off public access and thoroughfare of pedestrians and cyclists alike with no alternative since none exists through the graveyard and none can be built through it.

12. KNYSNA IDP, page 15 of 22

The comments noted by the applicant are based on the inputs and not Council’s point of view in general.
13. CONCLUSION, page 15 of 22

The department does not agree with the applicant that the application is “desirable” and does not agree that it “represent the residents and ratepayers of Costa Sarda” based on the objections raised by residents attached to the Council item.

3.2 RESPONSES TO COMMENTS AND OBJECTIONS FOR APPLICATION FOR ALIENATION (CLOSURE AND IMPLEMENTATION OF ACCESS CONTROL) OF SUN VALLEY DRIVE, COSTA SARDA, KNYSNA

The Council item (Item 7/2/1/2/1) dated 5 April 2018 above refers.

The Director: Technical Services never commented on this item as per the Committee item, protocols were not followed. This memo random therefore will serve as such comment in the absence of an opportunity to comment via Colaborator.

DISCUSSION

The contents of the DISCUSSION section is noted but the department is of the opinion that the objections were not fully dealt because the objectors where informed by the applicant and not the municipality which we consider to be a conflict of interest. The municipality should have dealt with the objections so that the objectors and supporters could fully understand the implications of the proposal. The department is thereof in support of the objections.

4. FINANCIAL OR LEGAL IMPLICATIONS:

The department does not agree that there are no negative financial implications on the Knysna Municipality for the following reasons:

- The department does not support the application in its current format and suggest that the application should be dealt with as any other development. This means that all municipal services (cleaning, electricity, refuse, grass cutting, roads, water, sewer, storm water, etc.) stop at the gates and all services from that point onwards become private,
- The relinquishing of council property may have negative effect on rates and taxes as residents can now argue that they rely less on the municipality and therefore must be charged less,
- Marjke Vreken responded to the objectors at the public meeting by stating that: “If the road is privatized, it is guaranteed to be better maintained...” without clarity of what maintenance means, entails and excludes. It is our opinion that this statement is misleading or at least ambiguous,
- The applicant will be responsible to create the alternative access road through the graveyard as mentioned which will have include all the legal requirements to make this possible because the municipality will be cut off from its infrastructure.
The department also disagrees with the Acting Director: Corporate Services as it may not be in the best interest of Council if the application is approved in its current guise, be it “In principle” or formal.

5. **RECOMMENDATION:**

The department responds as follows to the recommendations of the Acting Director: Corporate Services, in terms of his numbering:

[a] Noted;

[b] The department objects as the road currently serves the general public and will continue to do so in perpetuity unless closed. The department also does not see the need for closure in future. It is needed to provide minimum level of basic Municipal Services;

[c] Noted;

[d] The department disagrees with the recommendation based on the argument raised in [b] which makes the use of this section of the MFMA moot;

[e] Not based on [b];

[f] The department objects based on arguments raised in this response. The department recommends that the application be refused in its entirety or be dealt with as a private estate which means that all responsibilities and costs inside that gates be the responsibility of the Home owner’s Association like with other gated estates;

[g] The department recommends the removal of this clause as it is no longer relevant based on [f] above and recommends the following replacement:

That all internal services be irreversibly transferred to the Home Owner’s Association (HOA) for the repairs, maintenance and replacement at their account, save for bulk services that pass through the development. Such bulk services to be protected by the HOA and to be placed in the registered servitude, at the cost of the applicant;

[h] Not based on [g];

[i] Noted but to be reviewed in terms of the above;

[j] Noted;

[k] It is the opinion of the department that the Memorandum of Understanding be concluded before Council approves the application as it may result in it be retracted;

[l] It is the opinion of the department that the HOA must first be established before any approvals are given because in effect the body applying does not exist.

Acting Director Technical Services

R Parry
ANNEXURE E

Marike Vreken Town Planners CC
21 Trotter Street | P.O. Box 2180 | KNYSNA | 6570
044 382 0420 | 044 382 0438
info@vreken.co.za | www.vreken.co.za

Our Ref: Pr16/21b08
Your Ref: 25 January 2019

By E-mail: cmattheus@knysna.gov.za
rhardnick@knysna.gov.za
couzisk@mweb.co.za

Head Records & Property Management
Knysna Municipality
P.O. Box 21
Knysna
6570

FOR ATTENTION: MR C MATTHEUS

Dear Sir,

PROPOSED ROAD CLOSURE: SUN VALLEY DRIVE, COSTA SARDA

The comments from the Acting Director: Technical Services on this application for the proposed closure refers. Herewith our response to the comments received:

1. Par 2.1: Lottering is a real problem and security threat in Costa Sarda.

2. Par 2.2: It is a well-known fact that the general public has little or no faith in the SAPS, and therefore rarely report crime to the SAPS. Only in serious crimes, or where a SAPS case number is required for insurance purposes, does the public report crime to SAPS. The public has more faith in the private security organisations as these firms actually respond to crime incidents.

3. Par 2.3: The Costa Sarda residents now propose to assist with Council’s maintenance burden.

4. Par 2.4: Increased crime and low maintenance does indeed decrease property values.

5. Par 4.1: As mentioned in Par 4.1 of the application report, "...Residents and the municipality will be provided with remote controls to access the neighbourhood after sunset..." The Municipality will be able to access bulk infrastructure for maintenance purposes. Nowhere has it been stated that the municipality will be denied access.

6. Par 4.1: Costa Sarda is not a public vehicular access to the lagoon. The municipality closed the road access with a chain, and it is not used by the public – only by pedestrians.

Member: MM Vreken Pr. Pin 1101
Reg. CK 2005/03/214/23 | VAT: 4990222/106
7. Par 4.5: It was stated in Par 4.5 that the streets are wide enough to accommodate the refuse removal trucks, which in normally not the case in private developments. The municipality currently renders this service at a rate to the property owners. The municipality may continue to render this service, for remuneration to the new HOA. Should the municipality decide not to render this service, the HOA will have to take it over, and then the municipality will not earn this income from this service.

6. Par 6: It does differ, given the layout of Costa Sarda, with only one crescent road and 2x cul de sacs, the neighbourhood actually does lend itself to a private gated estate. Costa Sarda is not used as a public thoroughfare to any public amenity. The public cemetery to the west of Costa Sarda already provides a public thoroughfare to the lagoon.

9. Par 7: Costa Sarda is not a public vehicular access to the lagoon, as the municipality itself, has already closed off the vehicular access. The cemetery is indeed used as a public pedestrian thoroughfare – this fact cannot be denied.

10. Par 7: We disagree with this statement – not all members of the public have ulterior motives, but the ones that do have, will be discouraged to use a point where access is controlled and where surveillance is increased.

11. Par 8: Like all private developments, the HOA will be responsible for maintenance of the services.

12. Par 9: The research concluded that it will be better for property owners, from a safety perspective, to control access to and from your property. Here is an opportunity to implement access control, to improve the safety and security in a neighbourhood, that does not serve a public thoroughfare to other neighbourhoods or public services / amenities.

13. Par 10.3: The HOA will now be responsible to cut grass and to keep pavements neat – it will no longer be the municipality’s responsibility. Then the Council resources can be spent in other neighbourhoods that are also neglected.

14. Par 11: The proposal will not cut off access of pedestrians and cyclists. It was stated in Par 11 of the motivation report that "...The proposal is to implement a pedestrian access control gate at the entrance of the Public Open Space (Erf 4197)...") this statement of the Acting Director Technical Services is not correct.

15. Par 12: The Knysna IDP was approved by Council – surely Council would not have approved the IDP, if Council did not agree with the contents of the IDP?? We therefore disagree with this statement.

16. Par 13: the majority of the residents in Costa Sarda support the proposed closure.

17. Par 3.2: the applicant merely informed the public, as the municipality does not have the administrative capacity to inform the public timeously. The applicant merely informed the public to assist the municipality in its administrative burden. Records of all public participation is available.
18. Par 4 (i&ii): The municipality will still receive property taxes for the neighbourhood. The municipality will still be able to charge rates for sewer, electricity and water – the municipality cannot charge for roads, but will also not have to burden to maintain the road.

19. Par 4(ii): The condition of the roads in Costa Sarda is a clear example of the lack of maintenance of the roads. If there is a HOA that is funded by the property owners in Costa Sarda, the roads will indeed be better maintained, as it will be in the interest of the land owners to have their own roads properly maintained.

20. Par 4(iv): There will be no need to make a public access road through the graveyard. There is an existing road in Costa Sarda. It was sated, numerous times in the documentation, that the municipality will be provided with a remote control device to have access to municipal services. There is already a pedestrian access through the cemetery, hence no need to construct a new road through the cemetery.

21. Par 5(b): The road does not serve as public “through road” as the municipality itself, has closed off the road access to the lagoon with a chain. This statement is incorrect. As mentioned, the municipality will retain access to maintain bulk municipal services, and the proposal is that the proposed new HOA maintain the road, at the cost of the HOA.

22. Par 5(d): refer to response under Par 21 of this letter.

23. Par 5(f): A proper public participation process was conducted, and records of this public participation process were submitted to Krynsa Municipality. Also refer to Par 18 of this letter.

24. Par 5(g): If the road is closed, and alienated, the HOA can also take over the other services, should the municipality wish to hand over the services, but then the municipality can no longer charge rates for those services rendered.

25. Par 5(h): Refer to response under Par 18. The Acting Director does not support the closure and recommends it for refusal, but then at the same time, the Acting Director places a significant burden on the application with regard to services delivery. This does not make sense.

26. Par 5(k): Noted. If Council is willing to consider the closure, the applicant is willing to establish a HOA that will enter into an agreement with Council.

27. Par 5(l): We disagree with this condition – it is not possible to establish a HOA if the Council is not willing to agree to the closure and implementation of access control. Without such an approval there is no need for a HOA. The establishment of a HOA can be imposed as a condition of approval.
We trust the above is in order – please do not hesitate to contact the writer if you require any additional information from this firm.

Kind regards,

[Signature]

MARIKE VREKEN
Pr. Pn 1101 M SAPI 10233
6.19

**G19/08/19  APPLICATION TO PURCHASE ENCORACHED UPON LAND – ERF 17404 AND A PORTION OF ERF 17403 KNYSNA**

**REPORT FROM DIRECTOR : CORPORATE SERVICES**

**PURPOSE OF THE REPORT**

To request the Municipal Council to consider disposing of Erf 17404 and portion of Erf 17403, Knysna of in terms of the Asset Transfer Regulations, 2008 and our Management of Immovable Property Policy.

**BACKGROUND**

The owner of Erf 17405, Mr. Z. Misana wishes to purchase Erf 17404 and portion of Erf 17403 *(See Annexure A)*. Mr. Z. Misana is running a successful liquor store from Erf 17404 and recently built a Tshisanyama on a portion of Erf 17403. This Tshisanyama is a unique and innovative concept for the area and is of great economic benefit to the area. Mr. Misana erected a high quality building to be used as his Tshisanyama on a portion of Erf 17403. The liquor store is a licensed liquor store that have been running for some years on Erf 17404. It appears as if there was confusion as to the exact extent of Mr. Misana’s existing property at that time as the liquor store is identified as to be on Erf 17405.

**DISCUSSION**

The applicant applied to purchase Erf 17404 and portion of Erf 17403, Knysna already being used by him.

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:

“14. Disposal of capital assets:

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
The subject portions, Erf 17404 and portion of Erf 17403, Knysna is not required to provide the minimum level of basic municipal services as this portion has been used by the current owner of Erf 17405, Knysna. If the Municipal Council give the required in principle decision to alienate Erf 17404 and portion of Erf 17403, Knysna the Municipal Valuer, DDP Valuers, should be requested to provide the market value of Erf 17404 and portion of Erf 17403, Knysna. The alienation of Erf 17404 and portion of Erf 17403, Knysna must be fair, equitable, transparent, competitive and consistent with the supply chain management policy of the Municipality as required by the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The Knysna Municipality Supply Chain management Policy 2018/19 approved by the Municipal Council on 6 June 2018 states the following with regards to “Disposal Management”:

“40. Disposal management
(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets will be subject to Sections 14 of the Act, and asset transfer regulations;
(2) Assets may be disposed of by –
   (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
   (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
   (iii) selling the asset; or
   (iv) destroying the asset
(3) The Accounting Officer must ensure that –
   (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
   (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
   (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
   (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
   (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are reviewed annually;
   (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
   (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.”

The market related price to be determined by the Municipal Valuer will be the price at which the property is to be sold. This would also be the most advantageous process in terms of 40.(3)(b) of the SCM Policy, that the accounting officer must ensure the property be sold at.
Section 5 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003): Municipal Asset Transfer Regulations deals with the decision-making process for municipalities when alienating Municipal owned property:

“5. (1) A municipality may transfer or dispose of a non-exempted capital asset only after –

[a] the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

[b] the municipal council –

(i) has made the determinations required by section 14(2)(a) and (b); and

(ii) has a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Subregulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset. If the combined value of any capital assets a municipality intends to transfer or dispose of in any financial year exceeds five per cent of the total value its assets, as determined from its latest available audited annual financial statements, subregulation (1)(a) must be complied with in relation to all the capital assets proposed to be transferred or disposed of during that year.”

The Municipal Asset Transfer Regulations define “high value” as, “in relation to a capital asset of a municipality or municipal entity, means that the fair market value of the capital asset exceeds any of the following amounts:

(a) R50 million;

(b) One per cent of the total value of the capital assets of the municipality or municipal entity, as determined from the latest available audited annual financial statements of the municipality or entity; or

An amount determined by resolution of the council of the municipality or of the parent municipality of the municipal entity which is less than (a) or (b).”

Erf 17404 is valued at R 50 000.00 and Erf 17403, Knysna is valued at R10 000.00 on the Valuation roll for 2017/2022. Erf 17403 is the property currently being used by Mr. Z. Mlisana as his liquor store and Erf 17403 is the open land next to his liquor store (with a portion now being used as his Tshisasnyama).

The total value of the capital assets of Knysna Municipality for the financial year ended on 30 June 2017 is determined to be R 1 055 974 293. One per cent of R 1 055 974 293 is R 10 559 742.93. The properties in question, Erf 17404 and Erf 17403, Knysna is not more than R 10 559 742.93, thus sub regulation (1)(a) [public participation process] of the Asset Transfer Regulations does not need to be complied with.

However, taking into consideration the Management of Immovable Property Policy, the Knysna Municipality Supply Chain management Policy, the Municipal Asset Transfer Regulations and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), although all the relevant legislation states that the property in question does not need to follow a public participation process, as a public participation process would have no purpose. It is still recommended that the intention to alienate, Erf 17404 and a portion of Erf 17403, Knysna to the adjacent owner of Erf 17405, Knysna, should be advertised for comments and objections.

It should be noted that a portion of the Tshissnyama on a portion of Erf 17403 is encroaching on a portion of 17845. This property is owned by SANRAL.
This encroachment is not supported:

There is an existing sewer pump station on erf 17403 and Electrical MV infrastructure was deviated from the existing on this route, as there is a sensitive wetland adjacent to property.

We are installing a storm water network (the yellow line) upstream of 17403 between the houses to the east of the plan, i.e. between erven 17475 and 17490 etc. This will result in erf 17403 being a retention pond. Allowing development of the erf would jeopardise the new owner with respect to flooding resulting in future claims for damages against Council.
This site is adjacent to a severely compromised wetland. The dumping of solid waste extends into erf 17403 and 17404. In order to ensure that the wetland is not further compromised by activities on the erf, the owners of the restaurant/tavern will need to ensure that a waste management plan be generated for the premises. The alienation of the properties will require Land Use Planning applications for, at least, the Subdivision, Consolidation, Closure of a Public Place and Rezoning. As such, it is recommended that a condition of the alienation must be that formal land use approval applications and building plan applications must be made before the property can be utilised for any purpose. It is also recommended that a Waste Management Plan be submitted to the relevant department is community services as a condition of approval.

FINANCIAL IMPLICATIONS

This Municipal property must be alienated at a market related price as determined by the Municipal Valuer. There is no cost for the Municipality of this transaction as the applicant must be liable for all the costs relating to this transaction.
RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Management of Immovable Property Policy
Knysna Municipality Supply Chain Management Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure's regarding the application to purchase, Erf 17404 and a portion of Erf 17403, Knysna, abutting Erf 17405, Knysna, submitted to the Governance and Economic Development Committee meeting dated 5 June 2019, be noted;

[b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the Municipal Manager be instructed to appoint the Municipal Valuer, DDP Valuers to determine the fair market value of Erf 17404 and a portion of Erf 17403, Knysna;

[c] That the Municipal Manager be instructed to advertise the intended alienation of Erf 17404 and a portion of Erf 17403, Knysna, and

[d] That a further report be submitted to a following Governance and Economic Development Committee meeting after the advertising as mentioned in [c] above have been completed, which report must include comments from the Finance and Community Services Directorates.

ANNEXURES / APPENDIX

ANNEXURE A – Application letter from Mr. Z. Mlisana
ANNEXURE B – GIS Map

File Number : 7/2/1/2
Execution : Municipal Manager
            Director : Corporate Services
            Manager : Legal Services
12 February 2019

Dear Mr Renwill Hardnick

REQUESTING TO PURCHASE THE ENCROACHED LAND: ERF-17404 & A PORTION OF ERF-17403

As I was advised a letter needs to be drafted to the local municipality as part of supporting document, requesting the procurement of what was ‘waste land’.

Our house is located at Concordia Township in Dinangwe area.

Aside to our house which we reside in, the local people in the community took it upon them to use the wetland as a dumping site. With the concern of health reasons affecting my family, for years we have been hiring people to remove the waste to a legal dumpsite.

We then saw an opportunity to rather use this wasteland by starting up a business that will rather benefit the community itself. With no knowledge that the piece of land belongs to the local municipality, we built a structure for business purposes well known as “Elegant Tshisanyama”.

In conclusion it is safe to say, the new developments on the site regulated the act of dumping waste on this area, exonerating both the municipality and the community from the predicament. We’d highly appreciate it if we are granted the opportunity to procure this encroached piece of land to further grow our business and bring change not only in the community but in the town of Knysna. It being said, this business currently employed 7-10 community members whom most are bread winners. Our great team puts us on a map of Knysna tourism attracting people of the outside into the townships of Knysna.

Kind Regards.

Z Mlisana

Signature........................