



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OM 09:00 OP DONDERDAG  
12 MAART 2015 IN DIE MUNISIPALE RAADSAAL TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON THURSDAY, 12 MARCH 2015 AT  
09:00 IN THE MUNICIPAL COUNCIL CHAMBERS, BREDASDORP**

**RAADSLEDE**

Me E Marthinus	Speaker
Mnr R G Mitchell	Uitvoerende Burgemeester
Mnr D Jantjies	Uitvoerende Onder-Burgemeester
Mnr R Mokotwana	Lid van die Uitvoerende Burgemeesterskomitee
Me P Atyhosi	Raadslid
Mnr D Burger	Raadslid
Mnr A Coetzee	Raadsheer
Mnr W October	Raadslid
Mnr J Nieuwoudt	Raadsheer

**AMPTENARE**

Mnr D O'Neill	Munisipale Bestuurder
Mnr S Ngwevu	Direkteur: Korporatiewe Dienste
Mnr H Van Biljon	Direkteur: Finansiële Dienste
Mnr M Briers	Wvd Direkteur: Gemeenskapsdienste
Mnr B Hayward	Bestuurder: Stads- en Streeksbeplanning
Mnr G M Moelich	Bestuurder: Admin Ondersteuning

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1. **OPENING**

Die Speaker heet die teenwoordiges welkom en Raadsheer Jantjies open die vergadering met gebed.

2. **AANSOEKE OM VERLOF TOT AFWESIGHEID**

Geen.

3. **VERKLARINGS OF MEDEDELINGS DEUR DIE SPEAKER**

Geen.

4. **VOORLEGGING: WEMMIE CARSTENS - INSAKE DIE MARKWAARDE VAN MEENTGRONDE**

Mnr Carstens lig die Raad in oor die bepaling van markverwante huur op die Raad se landbougrond. Hy verwys ook na die kwaliteit van verskillende meentgrond kampe. Hy verwys spesifiek na die swak gehalte van die Môreson kampe.

5. **WAIVING OF ALL FEES RELATING TO THE LEASE OF THE BREDASDORP HOME AFFAIRS OFFICE: BREDASDORP THUSONG CENTRE**

**PURPOSE OF REPORT**

To table the request from the Department of Home Affairs (DHA) to Council for consideration.

**BACKGROUND**

The DHA is occupying office space in the Bredasdorp Thusong Centre where the services of the department to the community of Cape Agulhas is being rendered from. Office space has been custom fitted to the requirements of the Department. New flooring was laid, walls were repainted and the customer service counter tops were fitted. All offices were furnished and a new ID card machine was fitted.

According to the office manager these renovations and infrastructure upgrades amounted to a considerable capital investment thus leaving no room for the payments of the monthly lease. This has now resulted in a situation where the DHA did not conclude a lease agreement with the municipality as they do not have funding to cover the lease. The DHA requested that, due to this situation, all fees relating to the lease of the office space at the Bredasdorp Thusong Centre be waived for the period March 2014 to March 2015.

**INVESTIGATION**

The DHA renders vital services to the communities in South Africa. Birth and Death registrations, application and issuing of identity documents and passports are some of the services being provided. This office was also established on request from Council as an outcome of previous IDP processes where the need was identified by the community. There is thus agreement that the services being rendered here and the location of the office in Bredasdorp, as opposed to Caledon, has brought considerable benefits to the whole community of CAM.

Although, Regulation 40(2)(c) the SCM Regulations, 2005, stipulate that immovable property be let at market related rates, it does allow for the consideration of the interest of the public or the plight of the poor, when lease rates are discussed. In this matter the view is held that the services rendered by DHA are both in the interest of the public and it does take the plight of the poor into consideration as people do not have to travel to Caledon, at great cost, anymore to access these services. The opinion is thus held that council can consider waiving the fees for the lease of the premises from March 2014 to 31 March 2015 and that they start paying from 1 April 2015.

**LEGAL REQUIREMENTS**

Asset Transfer Regulations, 2005 issued in terms of Section 168 of the MFMA, 2003.

**FINANCIAL IMPLICATION**

Possible loss of income. This should however be considered taking the interest of the public and plight of the poor into account.

**MANAGEMENT RECOMMENDATION**

- (i) That Council approves the formal lease of the office space at the Bredasdorp Thusong Centre starting from 1 April 2015 at R5 500,00 per month for a period of three years.
- (ii) That the lease agreement allows for the extension of the lease, by mutual agreement, for a further three years.
- (iii) That the foregone income from March 2014 to March 2015 be considered as council's contribution to the public interest and the plight of the poor.

**BESLUIT 33/2015 / RESOLUTION 33/2015**

That Management's recommendation be accepted.

**6. LEASE AGRI DWALA - COMMONAGE, NAPIER (7/1/31 - DKD) (COLLAB 124662)****PURPOSE OF REPORT**

TO CONSIDER: Approval of extension of the current lease of a portion of Napier commonage to the Agri Dwala (PTY) LTD in the interest of the wider community through primary and production agriculture or food security and local economic growth.

**BACKGROUND**

An application has been received from Agri Dwala to review the current lease of a portion of commonage (617 ha in extent), Napier, to utilized for projects aimed at small scale farming and emerging farmers. They ask an additional 10 year lease for a new organization, that forms part of Agri Dwala, namely Amaqhawa Agri (Edms) Bpk (see attached letter on page 95 to 98).

Food security, development of small scale farming and emerging farmers as well as development of the economy are key national objectives and local government is obliged to implement national objectives where the required capacity exists and contribute towards Vision 2030.

**MAYORAL COMMITTEE**

**The Mayoral Committee took the following decision on 9 December 2014 (BK233/2014):**

*Council resolved in principle that:*

*The public participation process required by Regulation 35 (MATR) for long term contracts of this nature is authorised in terms of Regulation 34(3) (MATR).*

*A long term lease of 10 years on the same provisions as the current lease agreement, having taken into consideration (Regulation 35 of MATR) the reasons for the duration of the lease, the fact that the municipality does not require the land for own purposes; local economic benefits, food security enhancement etc subject to:*

- a. final decision by Council after completion of the public participation process; and*
- b. comments, if any, from Provincial and National Treasury.*

*Dat meer inligting ingewin word aangaande die nuwe groep wat gaan deel uitmaak van Agri Dwala, waarna dit weer voor die UBK sal dien vir bespreking met 'n aanbeveling na die Raad.  
Dat die aangeleentheid na die Raad verwys word vir oorweging.*

**ADVERTISING**

On 5 February 2015 the following advert was placed in the local newspaper:

**Erf 513, NAPIER (KNOWN AS NAPIER COMMONAGE (nearly 617ha)**  
**Lessee: AGRI DWALA (PTY)LTD / AMAQHAWA AGRI (Edms) Bpk**  
**Purpose: Small scale farming and emerging farmers**  
**Term was : 1 January 2011 – 31 December 2015**  
**New term: 1 January 2015 - 31 December 2024 (9 years and 11 months)**  
 Further information is available on request from Marius Moelich at 028 4255500 during office hours and written objections should reach him no later than 20 February 2015.

**OBJECTION RECEIVED**

The following objection was received from Beatrice du Toit:

**Aanhegsel = Beswaar t.o.v. Verhuring van Meentgronde = Erf 513 , Napier****Dorpslande ( 617 Ha )**

Hiermee die gronde , redes / motivering waarop die beswaar gebaseer word as volg toegelig .

**1. Verval datum van huidige termyn / kontrak**

> 31 Desember 2015 ( Termyn 5 jaar )

**2. Tender procedure**

- a) Nuwe rolspelers / belanghebbendes was in afwagting vir bekendmaking d.m.v advertering / uitnodiging vir nuwe tender gedurende 2015 .
- b) Geleentheid is dus ontnem vir ander belanghebbendes .

**3 Termyn / Belanghebbendes – Begunstigdes**

- a) Die huidige status quo is 5 jaar .
- b) Die kleiner kampe wat aan individue uit verhuur word , is tydens die laaste tender proses ( 2012 ) verkort van 5 jaar na 3 jaar .
- c) Daar is defenitief 'n groot behoefte vir 'n groter deelname , betrokkenheid , begunstiging van meer voorheen benadeelde persone as wat hier geskep sou word as daar met hierdie voorgestelde kontrak voort gegaan sou word .

**TREASURY**

The National and Provincial Treasury were informed on 30 January 2015.

**LEASE PERIOD: AGRI DWALA – COMMONAGE, NAPIER**

We refer to your letter dated 30 January 2015 requesting our comments on the municipality's intention to extend an existing lease agreement for a further 10 year period.

We have noted the content of your letter, including a copy of an extract from the minutes of a council meeting dated 9 December 2014. It is our understanding that the municipality currently has an existing lease agreement which it intends renewing. It would appear that the additional 10 year lease will then be sub-let to a new organisation that seems to be a subsidiary of current lessee.

We also understand that this proposal will entail and enhance local development, support for small and emerging farmers. Kindly note the prohibition regarding sub-letting as contained in regulation 45(2)(a)(x) of the Municipal Asset Transfer Regulations. We therefore recommend that the transaction be directly concluded with the party that will assume full responsibility for the lease.

Please ensure that the rental or lease payments received in exchange for the use of the commonage are market related. This will ensure that council obtains maximum returns for its assets.

The municipality must ensure that it has sufficient contract management capacity to manage this additional lease agreement. The municipality should also highlight the potential job creation opportunities that will arise from this lease agreement and other benefits that will accrue to the local communities.

The proposal to extend the existing lease appears to mirror an unsolicited bid.

We trust that this will be concluded in compliance with the unsolicited bid framework contained in section 113 of the MFMA read with regulation 37 of the Municipal Supply Chain Management Regulations.

**FINANCIAL IMPLICATIONS**

Income derived from the commonage for the benefit of the municipality, national and provincial funding for local projects and growth of the local economy benefitting the community.

### PROPOSED LEASE

Dit was my voorreg om oor die afgelope bykans 25 jaar te doen te hê met die verhuring van die meent. Eers met die opstel van die landbou-klousules van die kontrakte en ook die berekening van die huurgeld.

Met die berekening, volgens kontraktueel vasgelegde formule, van die huurgeld vir die saai- en oesgronde oor die afgelope tien jaar (Huurders: Agri Dwala en Agri Vennote) is bevind dat die huurgeld glad nie in verhouding met die ope plaashuurmark beweeg nie en dat die verdienste vir die Verhuurder (KAM) vir 2014 selfs minder was as die van die vorige jaar.

Die redes hiervoor is dat die Huurders minder van sommige gewasse gesaai het as verlede jaar (neem in aanmerking dat die Huurders slegs huur betaal op gesaaide gronde en nie ook op veewei-gronde nie), dat sommige gewasse se opbrengste laer was as verlede jaar en dat netto produsente pryse, by sommige graansoorte, ook laer was as verlede jaar.

Hierdie toedrag van sake is kommerwekkend en wel om die volgende redes:

- Daar bestaan nie landbou-huurkontrakte waar die inkomste met verloop van tydperk daal en/of fluktueer nie (behalwe die verouderde Deelsaai kontrakte, wat in die verlede vir baie spesiale omstandighede aangegaan was).
- Alle huurkontrakte maak voorsiening vir eskalering van huurgeld, met opvolgende jare van die Termyn, met die inflasie-koers of minstens met 5%/jr.
- Die finansiële gevolge van die kontraktuele formule vir huurberekening (wat vir hierdie kontrakte tien jaar gelede, onder daardie tyd se omstandighede, vasgestel is) is en kan vir die Verhuurder tans as baie riskant beskou word. Nie alleen, soos nou blyk, kan dit lei tot 'n huurverlaging nie maar het dit tot gevolg dat die Verhuurder (KAM) deel in die produksie-, opbrengs- en prysrisiko's van die Huurders, wat absoluut ongehoord is.
- Nie slegs is die huidige formule riskant vir die Verhuurder nie maar ly hy tans (en gaan in die toekoms, met die huidige kontrak, toenemend ly) wesentlike finansiële verliese. Die huidige "markverwante" huur vir soortgelyke saai- en oesgronde is byvoorbeeld vier (4X) tot vyf (5X) maal hoër as die huur wat die Huurders tans betaal. As bewys daarvan is dat een van die huurvennote verlede jaar bykans R2000/ha betaal het (volgens betroubare bron) vir langsliggende grond, terwyl die huurders vir KAM minder as R400/ha in dieselfde jaar betaal het. Konserwatief gereken oor die totale grondgrootte, het KAM dus, verlede jaar alleen, bykans R2milj. "verloor". Anders gestel, die huurders het bo-en-behalwe die normale wins nog R2milj. as "bonus" gekry, wanneer hulle Huurgeld vergelyk word met die ope mark. Wat die som nog meer kompleks maak is dat daar geen huur op die veewei-gronde gehef word nie maar dat daar as teenprestasie weiding aangeplant moet word tot by 'n sekere persentasie van die grondgebruik. Die vraag kan gevra word, met

die baie groot verskil in huur in aanmerking genome, vir hoe lank moet die vrystelling wees? As een Termyn (5jr) se huurders die weiding wel gevestig het, wat oorspronklik die meriete van die huurvrystelling was, en dus die agterstand in die balans tussen saai- en weidinggronde reggestel het, hoekom moet dit vir nog 'n Termyn van krag wees? Neem in aanmerking dat die algemene plaashuurkontrakte waar R2000/ha markverwante huur betaal word, bepaling insluit wat lui; " dat die balans in grondgebruik, wat normaal is vir die omgewing ( $\pm 60:40$  verhouding - saai:wei vir Bredasdorp) gehadhaaf moet word en dat die huurder, teen sy eie koste die weidings, op 'n vyf tot ses jaar-basis moet hervestig". (Sodanige kontrakte is beskikbaar vir verifiëring)

- Dit is so dat die stelsel van verhuring moet lei tot bemagtiging van die huurders (opkomende boere). (Is die doel van "bemagtiging", by implikasie, egter volhoubare toekomstige huur van ander grond of is dit ook aankoop van ander grond?). Die veronderstelling of bedoeling van die konsep was sekerlik nie verryking nie. Dit is tans, wanneer gekyk word na die groot verskil tussen die Huur en markverwante huur, vir seker die geval. Die toenemende gevaar bestaan dat die ge-adverteerde Termyn van bykans 10jr vir die nuwe Kontrakte, met oënskynlik deels dieselfde rolspelers kan meehelp om verryking deur die huurformule te bewerkstellig.
- Die huurformule soos tans in gebruik, behalwe dat dit direk tot gevolg het dat die Verhuurder (belastingbetaler) deel in die risiko en bestuursfoute van die Huurder, is baie ingewikkeld om toe te pas. Dit verg 'n hoë mate van kennis en begrip van graanverhandeling, -opberging en -bemarkingstelsels om die korrektheid van die syfers, wat die huurders voorlê, te bepaal. Hierdie onafhanklike kundigheid gaan nie *ad infinitum* beskikbaar wees nie of anders, alternatiewelik, teen aansienlike hoër koste vir die berekenings. Dit sal dus, veral nou met die verloop van die Termyn, baat om 'n nuwe stelsel van huurberekening/-vasstelling te formuleer of te oorweeg.
- Hoewel dit, na my wete, tans nie gebeur nie kan die huidige stelsel ook die huurbedrag blootstel aan/beïnvloed deur manipulasie van opbrengste (deur lewering op die naam van ander plase van huurders). Om dit te voorkom sal dit soveel te meer baat om die huurberekening te vereenvoudig/meer deursigtig te maak.

My **aanbeveling**, met bostaande as basis en motivering en omdat ek ernstige toekomstige probleme voorsien, aan u (en natuurlik die Raad) is om die hele stelsel van verhuring van die meentgronde te heroorweeg.

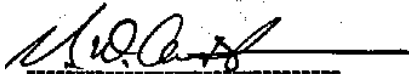
**Die model van huurbepaling, wat mnr. Moelich onlangs opgestel het, en wat ek onder oë gehad het, kan met vrymoedigheid oorweeg word vir alle gronde van die meent wat verhuur word.**

Kortliks kom dit daarop neer dat 'n markverwante huur met die aanvang van die Termyn bepaal word en dat 'n verlaagde bedrag ('n persentasie van die markverwante huur) vir die eerste jaar van die Termyn gehef word, wat dan eskaleer teen 'n sekere persentasie om gelyk te speel met markverwante huur na 3 of 4jr. se verloop van die Termyn. Finansiële, landboukundig en ekonomies maak dit weldeeglik sin.

Enkele ander voordele hiervan sal wees, die vereenvoudiging van huurvasstelling/-bepaling, deursigtigheid, regverdigheid teenoor die verhuurder, minder blootstelling aan kritiek deur die belastingbetalers en ander potensiële huurders en uitskakeling van moontlike manupilasie van 'n formule, sonder om enigsins die doelwitte van bemagtiging te verydel.

Dit sal ook vir verskeie redes (soos, onder andere, om meer opkomende boere toegang tot die geleentheid te gee) sinvol wees om die totale Termyn nie langer as tien jaar te maak nie en om dieselfde groep huurders tot een Termyn te beperk.

Soos in die openingsparagraaf genoem word hierdie aanbevelings gedoen uit hoofde van my jare lange ondervinding met die opstel van huurkontrakte en -berekening en omdat ek enige moontlike wanaanwending van die bates van KAM wil help bekamp.



**N.W. CARSTENS (MSc. Agric US)**

Sel nr. 0823399908

Faks nr. 0866537162

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Therefore, keeping the Mayoral Committee's decision of 9 December 2014 in mind, the lease is calculated as follows:

Markverwant R1 855 / ha per jaar	617 ha
JAAR 1	R 1 144 535,00
JAAR 2	R 1 201 761,75
JAAR 3	R 1 261 849,84
JAAR 4	R 1 324 942,33
JAAR 5	R 1 391 189,45
JAAR 6	R 1 460 748,92
JAAR 7	R 1 533 786,36
JAAR 8	R 1 610 475,68
JAAR 9	R 1 690 999,47

### LEGAL CONSIDERATIONS

The following legal considerations are applicable:

<b>MFMA</b>	Sect 33: Contracts having long term financial implications
<b>MATR</b>	<ol style="list-style-type: none"> <li>1. Definition of "fair market value" relates to amount a knowledgeable and willing seller sells to a knowledgeable and willing buyer in an "arm's length transaction";</li> <li>2. Definition of "high value asset": "<i>fair market value of the capital asset exceeds any of the following amounts:</i> <ol style="list-style-type: none"> <li>a) R50 million;</li> <li>b) One percent of the total value of the capital assets of the municipality.</li> <li>c) An amount determined by resolution of the council of the municipality ... which is less than (a) or (b).</li> </ol> </li> <li>3. Definition of "right to use, control or manage": when granting such rights do not amount to permanent transfer or disposal.</li> </ol>



	For in-principle resolution 1. Chapter 2 of MATR 2. Regulation 33(3) (where the asset is required to remain economically useful, indefinite period and full use and control as if owner (without legal transfer) 3. Regulation 35 (long term)(public participation)
	For final approval 1. Regulation 34 (decision-making), 2. Regulation 35 (public participation) 3. Regulation 36 (granting right to use) 4. Regulation 40 (considerations) 5. Regulation 41 (conditional approval) 6. Regulation 45(agreements)
<b>SCM Regulations SCM Policy</b>	Regulation 40 (Disposal Management) letting of land for community benefit (job creation, economic growth, agrarian development etc)
<b>Systems Act</b>	Sect 21A (public participation)
<b>Town Planning legislation</b>	Not applicable. Current use and other matters in order.

### **MANAGEMENT RECOMMENDATION**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 513 Napier (617 Ha) for the amount of R12 620 288,80 to Agri Dwala for a period of 9 years and 11 months , provided that :

- (i) All statutory requirements for the lease are met.
- (ii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.
- (iii) Manager: Property Administration to complete the lease agreement.

### **BESLUIT 34/2015 / RESOLUTION 34/2015**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 513, Napier (617 Ha), in terms of the policy approved by Council on 9 December 2014, resolution no. 268/2014 to Agri Dwala for a period of 9 years and 11 months, provided that:

- (i) All statutory requirements for the lease are met.
- (ii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.
- (iii) That Council take note of the objection received after the public participation process.
- (iv) That all outstanding amounts must be paid in full before the new agreement comes into effect.

## **7. LEASE: AGRI MEGA GROUP - ERF 1148, BREDASDORP (MTRP)**

### **PURPOSE OF REPORT**

TO CONSIDER: Approval of extension of the current lease of a portion of Bredasdorp commonage to the Agri Mega Group in the interest of the wider community through primary and production agriculture or food security and local economic growth.

### **BACKGROUND**

An application has been received from Agri Mega Group to review the current lease of a portion of erf 1148 (302 ha in extent), Bredasdorp east of the Nooitgedacht Road known as camps 12,14 - 17,19 and 20 utilized for projects aimed at small scale farming and emerging farmers. The current lease was approved for 5 years from 1 January 2011 to 31 December 2015 at a market-related rental of R129 852 (2013) with a 5% escalation per annum.

The current useful life of the lease severely constrains the economic life of the current projects and forward planning. Agrarian projects have a far longer economic life expectancy than short term projects. National government project funding and other funders require long term leases to fund projects because of the low measurable return on investment and outcomes based beneficiary and economic benefits of short term projects (determined by National Treasury).

Food security, development of small scale farming and emerging farmers as well as development of the economy are key national objectives and local government is obliged to implement national objectives where the required capacity exists and contribute towards Vision 2030.

### MAYORAL COMMITTEE

The Mayoral Committee took the following decision October 2014 (BK204/2014):

Council resolved in principle that: *The public participation process required by Regulation 35 (MATR) for long term contracts of this nature is authorised in terms of Regulation 34(3) (MATR).*

*A long term lease of 30 years with the option to renew for another 30 years be approved on the same provisions as the current lease agreement, having taken into consideration (Regulation 35 of MATR) the reasons for the duration of the lease, the fact that the municipality does not require the land for own purposes; local economic benefits, food security enhancement etc subject to:*

- a. *final decision by Council after completion of the public participation process; and*
- b. *comments, if any, from Provincial and National Treasury.*

*Dat die Bestuursaanbeveling aanvaar word, maar dat die huurtermyn verander word na 9 jaar en 11 maande.*

### ADVERTISING

On 5 February 2015 the following advert was placed in the local newspaper:

**Notice is hereby given in accordance with Council resolution that CAPE AGULHAS MUNICIPALITY is intended to extend the lease agreement of the following land:**

**Erf 1148, BREDASDORP (Portions 12, 14-17, 19 and 20) (nearly 302Ha)**

**Lessee: AGRIMEGA GROUP**

**Purpose: Small scale farming and emerging farmers**

**Term was: 1 January 2011 – 31 December 2015**

**New term: 1 January 2015 - 31 December 2024 (9 years and 11 months)**

### FINANCIAL IMPLICATIONS

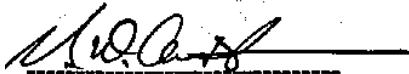
Income derived from the commonage for the benefit of the municipality, national and provincial funding for local projects and growth of the local economy benefitting the community.



Enkele ander voordele hiervan sal wees, die vereenvoudiging van huurvasstelling/-bepaling, deursigtigheid, regverdigheid teenoor die verhuurder, minder blootstelling aan kritiek deur die belastingbetalers en ander potensiële huurders en uitskakeling van moontlike manupilasie van 'n formule, sonder om enigsins die doelwitte van bemagtiging te verydel.

Dit sal ook vir verskeie redes (soos, onder andere, om meer opkomende boere toegang tot die geleentheid te gee) sinvol wees om die totale Termyn nie langer as tien jaar te maak nie en om dieselfde groep huurders tot een Termyn te beperk.

Soos in die openingsparagraaf genoem word hierdie aanbevelings gedoen uit hoofde van my jare lange ondervinding met die opstel van huurkontrakte en -berekening en omdat ek enige moontlike wanaanwending van die bates van KAM wil help bekamp.



**N.W. CARSTENS (MSc. Agric US)**

**Sel nr. 0823399908**

**Faks nr. 0866537162**

**E-Pos. nwcarsstens@gmail.com**

Therefore, keeping the Mayoral Committee's decision of 9 December 2014 in mind, the lease is calculated as follows:

Markverwant R1 855 / ha per jaar	302 ha
JAAR 1	R560 210,00
JAAR 2	R588 220,50
JAAR 3	R617 631,53
JAAR 4	R648 513,10
JAAR 5	R680 938,76
JAAR 6	R714 985,69
JAAR 7	R750 734,98
JAAR 8	R788 271,73
JAAR 9	R827 685,31

### LEGAL CONSIDERATIONS

The following legal considerations are applicable:

<b>MFMA</b>	2. Sect 33: Contracts having long term financial implications
<b>MATR</b>	4. Definition of "fair market value" relates to amount a knowledgeable and willing seller sells to a knowledgeable and willing buyer in an "arm's length transaction"; 5. Definition of "high value asset": "fair market value of the capital asset exceeds any of the following amounts: a) R50 million; b) One percent of the total value of the capital assets of the municipality. c) An amount determined by resolution of the council of the municipality ... which is less than (a) or (b). 6. Definition of "right to use, control or manage": when granting such rights do not amount to permanent transfer or disposal. For in-principle resolution 4. Chapter 2 of MATR 5. Regulation 33(3) (where the asset is required to remain economically useful, indefinite period and full use and control as if owner (without legal transfer)

	6. Regulation 35 (long term)(public participation) For final approval 7. Regulation 34 (decision-making), 8. Regulation 35 (public participation) 9. Regulation 36 (granting right to use) 10. Regulation 40 (considerations) 11. Regulation 41 (conditional approval) 12. Regulation 45(agreements)
<b>SCM Regulations SCM Policy</b>	Regulation 40 (Disposal Management) letting of land for community benefit (job creation, economic growth, agrarian development etc)
<b>Systems Act</b>	Sect 21A (public participation)
<b>Town Planning legislation</b>	Not applicable. Current use and other matters in order.

### **MANAGEMENT RECOMMENDATION**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 1148, Bredasdorp (302 Ha) for the amount of R6 177 191,60 to Agri Mega for a period of 9 years and 11 months , provided that :

- (i) All statutory requirements for the lease are met.
- (ii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.

### **BESLUIT 35/2015 / RESOLUTION 35/2015**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 1148, Bredasdorp (302 Ha), in terms of the policy approved by Council on 9 December 2014, resolution no. 268/2014 to Agri Mega for a period of 9 years and 11 months, provided that:

- (i) All statutory requirements for the lease are met.
- (ii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.
- (iii) That all outstanding amounts must be paid in full before the new agreement comes into effect.

## **8. VERLENGING VAN HUUROORENKOMS: UMHLABA WOBIZO LIVESTOCK FARMING (7/1/3/1)**

### **DOEL VAN VERSLAG**

Om oorweging te skenk aan die verlenging van die huuroorenkoms van Umhlabla Wobizo Livestock Farming vir die Môreson plaas.

### **AGTERGROND**

Umhlabla Wobizo Livestock Farming het 'n aansoek ingedien om die meentgrond te Môreson plaas vir 'n verdere termyn by Kaap Agulhas Munisipaliteit te huur. Hulle huidige huuroorenkoms wat direk met Bredasdorp Kleinboerevereniging aangegaan is verval op 31 Desember 2015 (Raadsbesluit 155/2011 van 31 Augustus 2011).

Die meentgrond te Môreson plaas (kampe 1, 2,3 en 6 - 8 is ongeveer 88 hektaar groot) en Kamp 9 ongeveer 39 hektaar groot. Die huurder(s) wil dit vir hul boerdery bedrywighede naamlik, veeboerdery, saailandery en weiding aanwend. Umhlabla Wobizo Livestock Farming se skrywe.

7113/1

<b>UMHLABA WOBIZO LIVESTOCK FARMING</b>		
Reg : 2010 / 0005591 / 24		Vat no : 4010259887
Môreson plaas, Bredasdorp, 7280		
* Cell: 073 684 6205 * Cell: 072 298 1066 * Epos : Epos : umhlabawombizo@gmail.com		

20 Desember 2013

Geagte Meneer

**RE: HERNUWING VAN HUURKONTRAK**

Volgens ons rekords verstryk Umhlaba Wobizo Livestock Farming se huurkontrak 31 Desember 2015. Ons het ongelooflik baie vordering gemaak met die Boerdery besigheid met die hulp van Kaap Agulhas Munisipaliteit met die gebruik van die huur van meetgronde op Môreson Plaas Bredasdorp.

Hiermee doen ons aansoek om die huurkontrak te henu vir die volgende 5-10 jaar. Sonder U hulp kan ons as Opkomende boere nie ons visie bereik nie. Ons missie is om as opkomende boere ons eie grond hierna te bekom. Ons seining is baie groot en die groep is baie intoesiasies en trots op alles wat ons die afgelope 3 jaar bereik het.

U goedgeunstige oorweging word hiermee gevra sodat ons, ons droom kan najaag om ook aan ons land en sy mense produkte te kan verskaf.

By voorbaat dank.

Die Uwe,



**ANESTO DOWRY**  
VOORSITTER/DIREKTEUR  
UMHLABA WOBIZO LIVESTOCK FARMING

	KENNISNAME	AFHANDELING
MUNISIPALE BESTUURDER		
DIREKTEUR FINANSIES		
DIREKTEUR GEMEINSKAPSDIENSTE		
DIREKTEUR TEGNIESE DIENSTE		
DIREKTEUR KORPORATIEWE DIENSTE		X
ASSISTENT ELEKTRO MEG. DIENSTE		
BURGEMEESTER		
ONDER-BURGEMEESTER		
SPEAKER		

	KENNISNAME	AFHANDELING
MUNISIPALE BESTUURDER		
DIREKTEUR FINANSIES		
DIREKTEUR GEMEINSKAPSDIENSTE		
DIREKTEUR TEGNIESE DIENSTE		
DIREKTEUR KORPORATIEWE DIENSTE		
ASSISTENT ELEKTRO MEG. DIENSTE		
BURGEMEESTER		
ONDER-BURGEMEESTER		
SPEAKER		

**Die Uitvoerende Burgemeester neem die volgende besluit op 27 Mei 2014 (BK82/2014):**

- (i) Dat die Komitee kennis neem van die aansoek.
- (ii) Die Komitee ondersteun die huurtermyn van 9 jaar en 11 maande.
- (iii) Dat, na die afhandeling van 'n publieke deelname proses, die aangeleentheid weer voorgelê word vir finalisering.

**ADVERTERING**

Advertensie was geplaas in die Suidernuus en Overberg Gazette op 1 Augustus 2014.

GEEN BESWARE is ontvang nie.

**FINANSIËLE IMPLIKASIE**

Dien as 'n potensiële bron van inkomste en nasionale- en provinsiale finansiering vir plaaslike projekte en groei van die plaaslike ekonomie.

Inaggenome die Uitvoerende Burgemeesterskomitee se besluit op 27 Mei 2014 word die huur as volg bereken:

Markverwant R18 55 / ha per jaar	127 ha
JAAR 1	R 235 585,00
JAAR 2	R 247 364,25
JAAR 3	R 259 732,46
JAAR 4	R 272 719,08
JAAR 5	R 286 355,03
JAAR 6	R 300 672,78
JAAR 7	R 315 706,41
JAAR 8	R 331 491,73
JAAR 9	R 348 066,31

**WETLIKE IMPLIKASIES**

The following legal considerations are applicable:

<b>MFMA</b>	2. Sect 33: Contracts having long term financial implications
<b>MATR</b>	4. Definition of "fair market value" relates to amount a knowledgeable and willing seller sells to a knowledgeable and willing buyer in an "arm's length transaction; 5. Definition of "high value asset": <i>"fair market value of the capital asset exceeds any of the following amounts:</i> a) <i>R50 million;</i> b) <i>One percent of the total value of the capital assets of the municipality.</i> c) <i>An amount determined by resolution of the council of the municipality ... which is less than (a) or (b).</i> 6. Definition of "right to use, control or manage": when granting such rights do not amount to permanent transfer or disposal. For in-principle resolution 4. Chapter 2 of MATR 5. Regulation 33(3) (where the asset is required to remain economically useful, indefinite period and full use and control as if owner (without legal transfer) 6. Regulation 35 (long term)(public participation) For final approval 7. Regulation 34 (decision-making), 8. Regulation 35 (public participation) 9. Regulation 36 (granting right to use) 10. Regulation 40 (considerations) 11. Regulation 41 (conditional approval) 12. Regulation 45(agreements)
<b>SCM Regulations</b>	Regulation 40 (Disposal Management) letting of land for community benefit
<b>SCM Policy</b>	(job creation, economic growth, agrarian development etc)
<b>Systems Act</b>	Sect 21A (public participation)
<b>Town Planning legislation</b>	Not applicable. Current use and other matters in order.

**BESTUURSAANBEVELING**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 1148, Bredasdorp (127 Ha) for the amount of R2 597 693,05 to Umhlaba Wobizo Livestock Farming for a period of 9 years and 11 months , provided that :

- (i) All statutory requirements for the lease are met.
- (ii) The Manager: Property Administration to complete te lease agreement.
- (iii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.

**BESLUIT 36/2015 / RESOLUTION 36/2015**

Since the property is not needed in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act for the provision of the minimum level of basic services, Council approves the lease of a portion of Erf 1148, Bredasdorp (127 Ha), in terms of the policy approved by Council on 9 December 2014, resolution no. 268/2014 to Umhlaba Wobizo Livestock Farming for a period of 9 years and 11 months, provided that:

- (i) All statutory requirements for the lease are met.
- (ii) That the market value for abovementioned farm is R550,00 per hectare.
- (iii) The property immediately retreats to Council and the agreement will be cancelled if the tenant does not comply with the lease.
- (iv) That all outstanding amounts must be paid in full before the new agreement comes into effect.

Hierna verdaag die vergadering om 10:00

BEKRAGTIG op hierdie

dag van

2015

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**SPEAKER**

**DATUM:**