

ITEM NUMBER: **C 42/05/06**

**RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 MAY 2006**

**MC 37/05/06**

**APPLICATION FOR THE EXTENSION OF THE ORANJE-KLOOF CITY  
IMPROVEMENT DISTRICT TERM**

**RECOMMENDED** that the extension of the Oranje-Kloof City Improvement District term to 30 June 2008 be approved, in terms of Section 11(4)(a) of the CID By-Law as per the Business Plan dated May 2005.

## REPORT TO EXECUTIVE MAYOR



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

**1 ITEM NUMBER : MC 37/05/06**

**2 SUBJECT**

APPLICATION FOR THE EXTENSION OF THE ORANJE-KLOOF CITY IMPROVEMENT DISTRICT TERM

ISICELO SOKWANDISWA KWE-ORANJE-KLOOF CITY IMPROVEMENT DISTRICT TERM

AANSOEK OM DIE VERLENGING VAN DIE TERMYN VAN DIE ORANJE KLOOF STADSVERBETERINGSGBIED

**3 PURPOSE**

This report recommends that the Oranje-Kloof City Improvement District term be extended for a further one year to 30 June 2008.

**4 STRATEGIC INTENT**

- *Economic Growth and Job Creation*
- *Equitable and Effective Delivery*

**5 FOR DECISION / CONSIDERATION BY**

Council.

**6 EXECUTIVE SUMMARY**

6.1 In accordance with the City Improvement District By-Law - promulgated as per Provincial Notice No.6118 dated 26 March 2004 (the By-Law), Council had, in terms of Section 11(4), received an application to extend the existing Oranje-Kloof City Improvement District term.

6.2 Council approved on 30 August 2005 per resolution C 04/08/05 the extension of the Oranje-Kloof City Improvement District term to 30 June 2007.

- 6.2 Due to a technical oversight in the report, Council only extended the Oranje-Kloof City Improvement District term by two years to 30 June 2007 instead of for three years to 30 June 2008.

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## 7 RECOMMENDATIONS

### Not Delegated: for Decision by Council:

It is recommended that Council:

- (a) Approve the extension of the Oranje-Kloof City Improvement District term to 30 June 2008, in terms of Section 11(4)(a) of the CID By-Law as per the Business Plan dated May 2005.

## 7 IZINDULULO

Kuphakanyiswe uluvo lokuba iBhunga:

- (a) Lamkele ukwandiswa kwe-Oranje-Kloof City Improvement District term ukuya kuma-30 Juni 2008, phantsi kweCandelo 11(4)(a) loMthetho kaMasipala we-CID ngokwesiCwangciso soShishino somhla wama- Meyi 2005.

## 7 AANBEVELINGS

Daar word aanbeveel dat die raad:

- (a) Die verlenging van die termyn van die Oranje Kloof Stadsverbeteringsgebied tot 30 Junie 2008 goedkeur ingevolge artikel 11(4)(a) van die Verordening op Stadsvebeteringsgebiede soos in die sakeplan van Mei 2005.

## 8 DISCUSSION/CONTENTS

Council approved on 30 August 2005 per resolution C 04/08/05 the extension of the Oranje-Kloof City Improvement District term up to 30 June 2007 instead of 2008.

This approval was based on a previous Council resolution (Cape Town Administration) that inter alia resolved that the Oranje-Kloof City Improvement District will be operational from 1 July 2001.

Council subsequently approved per resolution C 21/11/01 dated 28 November 2001 that the Oranje-Kloof City Improvement District will be declared a CID with effect from 1 December 2001 to 1 November 2004.

Clause 14(1) of the By-Law states that the financial year of a CID must coincide with that of Council's. To comply with this requirement the Oranje-Kloof City Improvement District second term (1 December 2004 to 1 November 2007) had to have a fourth period (1 December 2007 to 30 June 2008) to align itself with Council's financial year.

To comply with the By-Law requirements Council needs to extend the term of the Oranje-Kloof City Improvement District to 30 June 2008.

## 8.2 Legal Implications

City Improvement District By-Law No.6118 dated 26 March 2004.

## 8.3 Other Services Consulted

Finance Budgets: Eddie Scott (021) 550 1142

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## ANNEXURES

Annexure A - Application for continuation received from Cape Town Partnership

Annexure B - Oranje-Kloof City Improvement District Business Plan dated May 2005.

Annexure C - Council resolution – C 04/08/05 dated 30 August 2005

## FOR FURTHER DETAILS CONTACT:

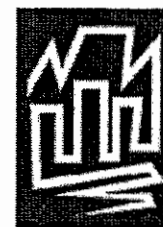
Name: Runan Rossouw  
 Service: Economic and Human Development  
 Directorate: Strategy and Development  
 Tel. No.: (021) 550-1187  
 E-mail Address: Runan.Rossouw@capetown.gov.za  
 Date: 2006-02-22

EXECUTIVE DIRECTOR

STEPHEN BOSHOFF

Comment:

DATE



**CAPE TOWN  
PARTNERSHIP**

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20 May 2005

Mr Hanief Tiseker  
Business Areas Manager  
City Of Cape Town  
18th Floor  
12 Hertzog Boulevard  
CAPE TOWN  
8000

Dear Hanief

**APPLICATION FOR THE CONTINUATION AND ONGOING  
MANAGEMENT OF THE ORANJE-KLOOF CITY IMPROVEMENT  
DISTRICT.**

We have been directed by the Board of the Oranje-Kloof City Improvement District to make application, on their behalf, for the City Council's approval of the continuation of the Oranje-Kloof City Improvement District after the expiry of its current three year business plan at the end of June 2005. The Board has approved a new three year business plan and at the City's request, it will commence on 01 July 2005. This application is being sent to you now to ensure compliance with the provision of the City's By-law which requires that the new three year business plan is submitted to Council for approval. A copy of the three year plan business plan is attached hereto.

This application is made to Council under Section 11.4 of the Cape Town City Improvement District By-Law, (2004). Section 11.4 states that "Not earlier than 90 (ninety) days prior to the expiry of the period of the City Improvement District plan under this subsection 4, the management body must submit to the Council an application for extension of the term of the City Improvement District plan or any extension thereof, for approval by the Council; provided that as in subsection 4.a such extension shall not materially affect the rights or interests of any person or materially affect the levy to be charged in respect of the City Improvement District or change the boundaries of the City Improvement District.

**DIRECTORS**

SA Johnson (*Chairman*) · KM Roman (*Deputy Chairman*) · AM Boraine (*CE*) · C Boyes (*Alt*) · DS Jack · IR Douglas (*Alt*) · TM Mashologu · S Ozinsky  
RF Petersen · LAK Robinson · W Mgoqi · DP Ezeigh · I Samuels (*Alt*) · MC Sitonga · LO Anderson (*Alt*) · DC Skeate · DM Stuart-Findlay · H Tager · A Rabie-Rheeder

The new three year business plan of the Oranje-Kloof City Improvement District does not materially affect the rights or interests of any person. I also wish to confirm that it does not affect the levy to be charged in respect of the City Improvement District, i.e. the levy remains the same, although it should be noted that the business plan assumes a 8% increase in rates for property owners in the Oranje-Kloof CID area with effect from 01 July 2005.

Lastly, the new three year business plan does not change the boundaries of the Oranje-Kloof CID.

Copies of the New Business plan will be mailed to all property owners in the Oranje-Kloof CID and we would be happy to publish notice of our application to the City for the extension of the term of the Oranje-Kloof City Improvement District plan should the City, in its sole discretion, require it.

The City's approval of this application would be greatly appreciated.

With Kind Regards

**MARC TRUSS**  
**MANAGER**

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**DIRECTORS**

SA Johnson (*Chairman*) · KM Roman (*Deputy Chairman*) · AM Boraine (*CE*) · C Boyes (*Alt*) · DS Jack · IR Douglas (*Alt*) · TM Mashlogu · S Ozinsky  
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786



**Oranje - Kloof**  
CITY IMPROVEMENT DISTRICT

# **BUSINESS PLAN**

**FOR THE ESTABLISHMENT AND MANAGEMENT**

**OF**

**A CITY IMPROVEMENT DISTRICT**

(In accordance with the By-Law for the Establishment of City Improvement  
Districts promulgated in Provincial Notice 116/1999)

**IN**

**ORANJE-KLOOF, CAPE TOWN**

**May 2005**

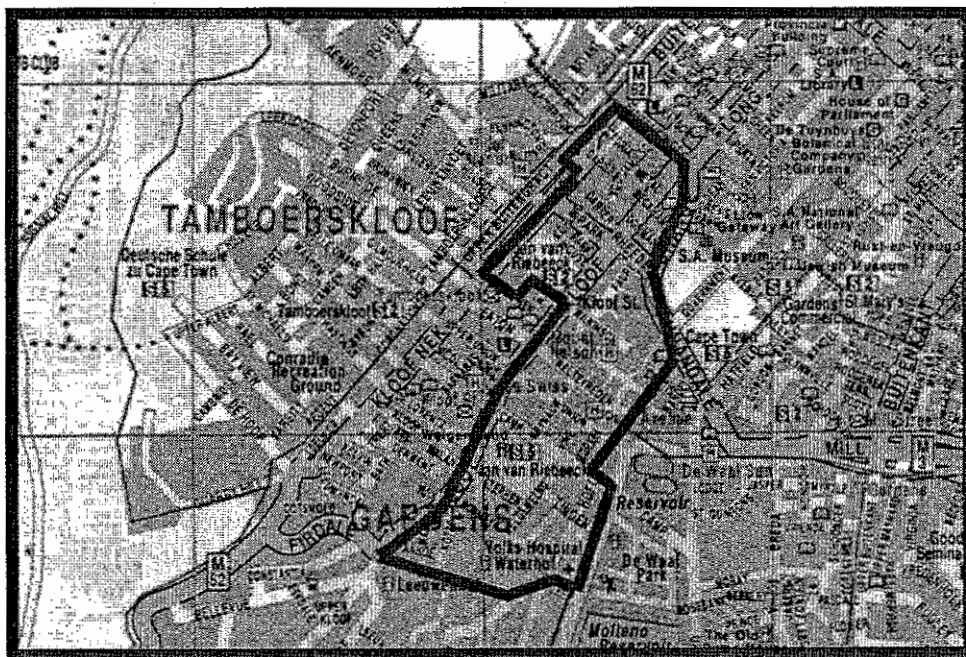
P.O. Box1997, Cape Town, 8000  
Tel: (021) 419-1881 Fax: (021) 419-0894  
E-mail: [marc@capetownpartnership.co.za](mailto:marc@capetownpartnership.co.za)

## CID IDENTIFICATION

Name of CID:	Oranje-Kloof City Improvement District
Date:	May 2005
Name of Municipality having jurisdiction:	City of Cape Town
Principal Contact Persons:	
Marc Truss	Chris Fick
Cape Town Partnership	Chris Fick Attorney's
P.O. Box 1997	P.O. Box 4917
Cape Town, 8000	Cape Town, 8000
Tel: (021) 419-1881	Tel: (021) 424 3927
Fax: (021) 419-0894	Fax: (021) 4248064
E-mail: <a href="mailto:marc@capetownpartnership.co.za">marc@capetownpartnership.co.za</a>	E-mail: <a href="mailto:clnfick@iafrica.com">clnfick@iafrica.com</a>

### Geographic Area:

#### ORANJE-KLOOF CITY IMPROVMENT GEOGRAPHICAL BOUNDARY



## VISION, MISSION AND GOALS

### Vision for the area

An integral part of a world class city.

### Mission for the CID

To ensure that the Oranje-Kloof area is safe, clean, attractive and user-friendly in order to reinforce the area as one of Cape Town's premier leisure, entertainment, business and residential areas.

### Goals

- ◆ To capitalise on rejuvenation successes in the CBD, taken together with the success of the Victoria and Alfred Waterfront, to ensure that Oranje-Kloof becomes an integral part of a seamlessly safe, clean and attractive destination in its own right.
- ◆ To make the Oranje-Kloof area safe, clean, attractive and user-friendly by providing a range of enhanced management services.
- ◆ To improve the economic well-being of the Oranje-Kloof area and all its stakeholders.
- ◆ To facilitate public and private investment in the Oranje-Kloof area.
- ◆ To market the assets of the Oranje-Kloof area.
- ◆ To develop a close and mutually beneficial working relationship with the Local Authority.

## MOTIVATION FOR CONTINUATION OF ORANJE-KLOOF CID

Up until the introduction of the City Improvement District in January 2002, the Oranje-Kloof business district was showing serious signs of urban degeneration and distress.

The CID has been operating successfully for over three years. Some key achievements and indicators are as follows:

- Over the period since January 2002, crime has dropped according to SAPS by some 55%
- The CID pays for 13 security officers in the CID area. Were it not for the CID, no continual patrols would be available to the area.
- Every month, an average of 7 tonnes of litter is collected from the streets of Oranje-Kloof CID, in addition to what Council collects as part of its normal cleansing service

- Numerous incidents of graffiti are removed from the CID every month
- In excess of R500 million of new investment has been attracted to the Oranje-Kloof CID since January 2002 as a result of an improved urban environment
- Business has been retained in the Oranje-Kloof CID and capital flight from the CID has dropped sharply
- Positive takeup of commercial and residential space has resulted

According to the business plan for the period 2005-2008, there is no change to the levy percentage, although the business plan assumes an annual rates increase in value of 8 % per annum.

According to the business plan for the period 2005-2008, there is no change to the boundary of the Oranje-Kloof CID.

**Apart from the services that are provided by the CID, the advantages of the City Improvement District in Oranje-Kloof inclusive of de Waterkant are:**

1. The cost of providing supplementary services is borne by all property owners in the area.
2. Costs are borne in proportion to the value of the property.
3. The Improvement District approach is holistic.
4. The CID has helped to enhance the environment and strengthen investor confidence
5. The Improvement District supports business investment.
6. The Improvement District has helped create a positive identity for the area.
7. The Improvement District provides private sector management of top up services.
8. The CID is a Section 21 company which is controlled by a Board of Directors made up of property owners in the CID itself
9. No money raised by the levy is spent outside the CID

## SERVICES AND LEVELS OF SERVICES TO BE PROVIDED BY THE CID

### Services and Levels of Services provided by the City of Cape Town (the City Council)

In terms of the relevant By-Law, the Oranje-Kloof CID has entered into a City Improvement District Service Agreement with the City Council having received confirmation of the current City Council service levels within the Oranje-Kloof CID area. The CID services are based upon the original services described in the Oranje-Kloof CID Business Plan of July 2001 and the levels of service which are provided by the City Council in terms of the City's guaranteed levels of services.

### Proposed Services and Levels of Services to be provided by the CID

#### 1. Management

**Budget provision for proposed CID: R 338 700 per annum**

It is proposed that the Board of Directors of the Oranje-Kloof CID reappoint the Cape Town Partnership as its management company. The Partnership, as an already established Section 21 Company supported by both the public and private sectors of the Central City of Cape Town, is already managing the Cape Town Central City Improvement District, and has the necessary technology, manpower and experience to manage the Oranje-Kloof CID to best effect. Apart from its acting as managing agent for the Cape Town CID, it is also pursuing objectives which are exclusively focused on the growth, development and prosperity of the Central City of Cape Town. Given its activities and success, the appointment of the Partnership as the Oranje-Kloof CID's Managing Agent would ensure holistic and integrated management.

The Partnership will provide a comprehensive management service which will include the management of the sub-contractors who will be providing supplementary services to those provided by the City Council as well as to interact and liaise with the City Council on the latter's adherence to guaranteed levels of service as stipulated in the contract between the Council and the Oranje-Kloof CID.

**2. Public Safety and Security**  
**Budget provision for the proposed CID: R1 104000 per annum**

**Needs**

- ◆ Visual monitoring (including CCTV surveillance) of the periphery of the area.
- ◆ Increased security presence.
- ◆ Co-ordination of public/private security.
- ◆ Maintenance of order.

**Recommendations**

- ◆ The continuation of visible foot patrols throughout the Oranje-Kloof City Improvement District area.
- ◆ Foot patrols to be backed by mobile patrol vehicle.
- ◆ Partnership with SAPS will be fostered
- ◆ Provision of security awareness education programmes with the use of flyers.
- ◆ Better integration between security forces.

The integrated security plan proposed includes the continued operation of those surveillance cameras already operating in the Central City and Somerset Road, Oranje-Kloof CID.

**3. Maintenance and Cleaning**  
**Budget provision for the proposed CID: R 255 456 per annum**

**Needs**

- ◆ Supplemental cleaning.
- ◆ Improved general maintenance of lights, poles, trees, benches, litter bins, traffic signage, kerbside paving, etc.
- ◆ Graffiti and illegal poster removal.
- ◆ Improving landscaping and tree well maintenance.

**Recommendations**

- 1) Litter collection
- 2) Maintenance programme

Provision has been made to employ the services of sub-contractors to perform the abovementioned activities between 08h00 and 16h00 from Monday to Friday and from 08h00 to 13h00 on Saturdays.

**4. Marketing and Communications**  
**Budget provision for the proposed CID: R 60 000 per annum**

**Needs**

- ◆ A sustainable budget to implement successful planning, marketing and communication
- ◆ An outsourcing system which considers abilities and deliverables as key criteria

- ◆ A cohesive effort which is complementary to other efforts and avoids duplication

### **Recommendations and deliverables**

- ◆ The development of a periodic newsletter
- ◆ The creation of an area-specific webpage, linked to the Cape Town Partnership's website
- ◆ Communication with the media and the public on the success of the Oranje-Kloof CID area

#### **5. Informal Trading Management**

It is the view of the Cape Town Partnership that informal trading should primarily take place in centralised markets (such as Greenmarket Square and Oranje-Kloof Stadium) and that any further proliferation of street trading should be prevented. The Partnership is currently engaging the Local Authority on this issue. Accordingly, no financial provision has been made.

#### **6. Capital Improvements**

No provision has been made at this stage for items such as additional lighting, refuse bins, street furniture etc, although the CID management is currently investigating the potential for public-private ventures that may include such improvements.

#### **7. Homelessness and Vagrancy**

**Budget provision for the proposed CID: R 48 000 per annum**

The City of Cape Town, with the involvement of the Partnership, is currently developing a cohesive strategy for addressing the plight of homeless people in the Unicity area. The Oranje-Kloof CID will work through the Partnership in engaging the City of Cape Town to jointly address the issue of social development and social responsibility

## BUDGET – 2005/2006

		Monthly	Annual
1.	<b>MANAGEMENT</b>		
	Cape Town Partnership : (includes 1 dedicated staff member, namely a Precinct Manager.	R 23 328	R 279 936
	Operational costs : (includes bookkeeping, annual audit fee, use of own technology, stationery, printing, postage, telephone, fax etc)	R 4 320	R 51 840
2.	<b>SECURITY</b>	R 80 000	R 960 000
	1) Full time and dedicated security personnel (equipped and uniformed) <b>NOTE:</b> extra security personnel are also funded by the City Council. 2) Patrol Vehicle		
3.	<b>CLEANSING</b>	R 18 503	R 222 036
4.	<b>MARKETING AND COMMUNICATION</b>		
	Communications : (Periodic newsletter, public relations, media liaison and lobbying)	R 5 000	R 60 000
5.	<b>SOCIAL DEVELOPMENT &amp; RESPONSIBILITY</b>	R 3 495	R 41 940
6.	<b>REPAYMENT OF BRIDGING FINANCE TO THE CITY OF CAPE TOWN</b>	Nil	Nil
7.	<b>BAD DEBT PROVISION (3% of sub-total)</b>	R 4 164	R 49 968
8.	<b>SUBTOTAL</b>	R 138 810	R1 665 720
	<b>VAT</b>	R 19 433	R 233 201
	<b>TOTAL</b>	R 158 243	R1 898 921

## THREE-YEAR BUDGET PROJECTION 2005 - 2008

	2005/2006	2006/2007	2007/2008
<b>MANAGEMENT</b>			
Cape Town Partnership : (includes 1 dedicated staff member, namely a Precinct Manager.	R 279 936	R 302 330	R 326 517
Operational costs :  (includes bookkeeping, use of own technology, stationery, printing, postage, telephone, fax etc)	R 51 840	R 55 987	R 60 466
<b>SECURITY</b>			
1)16 full time and dedicated security personnel (equipped and uniformed) <b>NOTE:</b> extra security personnel are also funded by the City Council. 2)Patrol Vehicle	R 960 000	R 1 036 800	R 1 119 744
<b>CLEANSING</b>	R 222 036	R 239 799	R 258 983
<b>MARKETING AND COMMUNICATION</b>			
Communications : (Periodic newsletter, public relations, media liaison and lobbying)	R 60 000	R 64 800	R 69 984
<b>SOCIAL DEV &amp; RESPONSIBILITY</b>	R 41 940	R 45 295	R 48 919
<b>REPAYMENT OF BRIDGING FINANCE TO THE CITY OF CAPE TOWN</b>	NIL	NIL	NIL
<b>BAD DEBT PROVISION (3%)</b>	R 49 968	R 53 965	R 58 283
<b>GRAND TOTAL</b>	<b>R 1 665 720</b>	<b>R 1 798 978</b>	<b>R 1 942 896</b>
<b>VAT</b>	<b>R 233 201</b>	<b>R 251 857</b>	<b>R 272 005</b>
<b>TOTAL</b>	<b>R 1 898 921</b>	<b>R 2 050 835</b>	<b>R 2 214 901</b>

## THE CAPE TOWN PARTNERSHIP

Cape Town is a world-renowned city but, as with many of the premier cities of the world, it faces the threats of urban degeneration. In order to focus on protecting, enhancing, rejuvenating and promoting the City of Cape Town, the Cape Town Partnership was formed in mid – 1999. The Partnership comprises a combination of private and public sector interests, and is based on successful examples elsewhere in the world. Its focus is holistic, and brings together property owners, crime prevention agencies, tourism authorities, commerce associations and others. Members include:

- Cape Town Unicity Council
- South African Property Owners' Association (SAPOA)
- Central City Improvement District
- Cape Chamber of Commerce and Industry
- Cape Town Tourism
- City Community Patrol Board
- Business Against Crime
- Cape Town Heritage Trust

The Partnership is based on international inner city renewal success stories and specifically does not seek to usurp or replace the role and function of the Cape Town Municipality. Rather, it provides expertise and buy-in to establish the City as a leading world class city; acts as a managing and co-ordinating body, not a direct service provider; lobbies major stakeholders and policy-makers and guides decision-making and direct the provision of expertise and resources into solving the challenges facing the Central City.

Central to the functioning and success of the Partnership is the establishment and implementation of a Central City Improvement District (CID). Pioneered in the US almost 30 years ago and now in operation in over 1200 U.S. cities and towns, Improvement Districts have proven to be one of the most important developments in urban governance over the past thirty years. By harnessing private sector creativity to solve public problems, Improvement Districts have been effective in providing services that improve the overall viability of a Central Business District (CBD). This has proved to be the case with the November 2000 implementation of a CID in the central city of Cape Town.

Apart from managing the Cape Town Central City Improvement District, the Cape Town Partnership's main aims and objectives include:

- Studying and analysing international success stories on urban renewal and extracting key elements suitable to the Cape Town context.
- Improving the environment by ensuring that Cape Town is safe, clean and attractive and able to serve the needs of all its users effectively.
- Marketing and promoting the Central City as the heart of a world class city.
- Facilitating economic growth, business investment and development.
- Improving accessibility by supporting investment in public infrastructure and transport.
- Participating in the determination of a strategic plan and urban renewal initiatives.

Following the success of the Cape Town Central City Improvement District, and following extensive consultation with the interim steering committee of the Oranje-Kloof City Improvement District Association, the Partnership's intention is to facilitate the establishment of a Oranje-Kloof City Improvement District in terms of the CID bylaw which will allow the creation of a fully constituted, Section 21 company to act in accordance with a legally enforceable contract with the City of Cape Town (The Council).

**REPORTS FROM THE EXECUTIVE MAYOR : 17.08.05****C 04/08/05****APPLICATION FOR THE EXTENSION OF THE ORANJE-KLOOF CITY IMPROVEMENT DISTRICT TERM**

**RESOLVED** that the extension of the Oranje-Kloof City Improvement District term to 30 June 2007, in terms of Section 11(4) of the CID By-Law as per the Business Plan dated May 2005, be approved.

**ACTION: R RUSSOUW, S BOSHOFF**

**C 06/08/05****APPLICATION FOR THE EXTENSION OF THE SEA POINT CITY IMPROVEMENT DISTRICT TERM**

**RESOLVED** that the extension of the Sea Point City Improvement District term to 30 June 2007 in terms of Section 11(4) of the CID By-Law as per the Business Plan dated May 2005, be approved.

**ACTION: R RUSSOUW, S BOSHOFF**