

UGU DISTRICT MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD ON 24 JANUARY 2023

12.1.1 Granting of Rights to Use, Control or Manage Municipal Capital Asset: Development of Hibberdene Smallcraft Harbour and Other Associated Development Initiatives on the Land Co-Owned by Ugu District Municipality and the Ray Nkonyeni Municipality (REM. of Farm Woodgrange No.17133) (Oceans Economy)

The Speaker took members through the item.

He informed members that the rationale of the report was to apprise the Committee on the Granting of Rights to Use, Control or Manage Municipal Capital Asset for the Development of the Hibberdene Smallcraft Harbour and other Associated Development Initiatives on the Land Co-Owned by the Ugu District Municipality and the Ray Nkonyeni Municipality (REM. of Farm Woodgrange No.17133) (Oceans Economy).

Following which,

It was unanimously

RESOLVED:

- (a) That the Granting of Rights to Use, Control or Manage Municipal Capital Asset for the Development of the Hibberdene Smallcraft Harbour and other Associated Development Initiatives on the Land Co-Owned by the Ugu District Municipality and the Ray Nkonyeni Municipality (REM. of Farm Woodgrange No.17133) (Oceans Economy) be and is hereby **NOTED**.
- (b) That, it be noted and recorded that the background paragraph of the report submitted and is deemed to be part of this resolution.
- (c) That the Approval, be and is hereby granted to rescind the Council previous Resolution insofar as granting USCDA to undertake all necessary activities required in processing this proposed development, due to the processes of merger as well as due to legal limitation wherein a Municipal entity cannot on its own institute certain procurement processes and procedures.
- (d) That, it be noted that the Section 33(3)(c)(ii) of the Municipal Asset Transfer Regulations issued in terms of the Municipal Finance Management Act, provide that the granting of right to use, control or manage of the municipal capital asset, must be dealt with in terms of the Chapter 2 , where such right confers on the person to whom the right is granted, the power to use, control or manage the capital asset as if that person is the beneficial (but not legal) owner of the asset.
- (e) That the Council hereby makes the following determinations in line with the Provisions of Section 14(2), (3) and (5) of the Municipal Finance Management Act

(Act No. 56 of 2003) read together with the Municipal Asset Transfer Management Regulations issued in terms of the aforementioned Act.

- (f) That the Council on reasonable grounds, is hereby granting approval that the identified municipal asset (being Remainder of Farm Woodgrange No. 17133) is not needed for the duration of the contemplated lease to provide the minimum level of basic municipal services.
- (g) That the land use allowed on this identified municipal asset is limited to the establishment of harbour and associated development initiatives as per its conditions of Title.
- (h) That the Council further notes and record that its decision that the identified municipal immovable asset will not be required for the provision of the minimum level of basic municipal services may not be reversed for the duration of the contemplated lease unless it is due to breaches committed by the prospective developer.
- (i) That the Council acknowledges that notwithstanding, the value of R2.8 million depicted on the Ray Nkonyeni Municipality current Municipal Property Valuation Roll, and the asset value of R1 045 500 is depicted on the Ugu District Municipality Asset Register.
- (j) That the Council acknowledges that the economic and community value to be received in exchange for the asset are still to be determined.
- (k) That the Council notes through the granting of the right to use, control or manage of the identified municipal asset will be subject to a process of public participation to adhere to the principles of procurement as provided for in Section 217 of the RSA Constitution (Act 108 of 2006). Accordingly, it can be concluded therefore that adherence to the principles of fairness, equity, transparency, and competitiveness will be adhered to.
- (l) That the Municipal Manager, be and is hereby authorised to undertake the granting of right to use, control or manage the granting of right to use, control or manage the municipal immovable asset: Development of Hibberdene Small Craft Harbour and other associated Development Initiatives on the land co-owned by Ugu District Municipality and the Ray Nkonyeni Municipality (Rem of the Farm Woodgrange No. 17133).

CERTIFIED A TRUE COPY OF THE ORIGINAL

PP

N GROBLER

ACTING GENERAL MANAGER: CORPORATE SERVICES