

# CATALYTIC PROJECTS WITHIN THE CITY OF ETHEKWINI MUNICIPALITY



JULY-DECEMBER 2015  
1<sup>ST</sup> EDITION

## **1.0 INTRODUCTION**

The purpose of this report is to provide a comprehensive amalgam of Catalytic Projects within the framework of socio-economic development and sustainability of the City. The first part of the report will deal with the background and rationale for economic catalytic projects as the driver for radical economic transformation. Included in this part of the report will be a brief analysis of the institutional framework within which these catalytic projects are being implemented. The second part will provide a comprehensive analysis of each catalytic progress to date and plans for the future. Recommendations for improving the management of implementation of such projects will become the third and last part of the report.

## **2.0 BACKGROUND AND CONTEXT TO CATALYTIC PROJECTS**

There is a widespread realisation within government and private sector circles that the Cities are the “engines of economic growth” and that it is in the cities where the war on sustainable development will be lost or won (UN HABITAT II, 2014). In the midst of shrinking global economy coupled with depleting national fiscus, there are no additional grants available to cities to drive economic development initiatives. Cities are now seriously looking at creative ways of utilizing limited resources at their disposal to stimulate the economy. This includes eliminating fragmented planning, budgeting and implementation in the delivery of projects which are intended to become enablers for economic growth.

To respond to the above challenges, National Treasury funded a program called Built Environment Performance Plan (BEPP). This program seeks to coordinate and integrate planning, budgeting and implementation so as to achieve economic development and spatial transformation objectives. It is now mandatory for cities to submit BEP on an annual basis to prove how budgets are allocated to achieve commonly agreed economic development and spatial transformation objectives. As part of urban network strategy, the integration zones were identified along primary nodes and corridors to ensure functional linkages between settlement areas and productive centres.

Using integration zones as part of the Urban Network Strategy (UNS), the city has identified a number of catalytic projects along key areas within the integration zones. Catalytic projects are the subject of focus below.

## **3.0 CATALYTIC PROJECTS**

Catalytic projects are projects that have impact on a mega scale such as sub regional, regional and metropolitan scale. The impact in this case is measured in terms of the number of jobs created (permanent and temporal), promote mutually reinforcing mixed use, rates income in the foreseeable future (3-5years) and will lead to positive spinoffs in terms of generating or catalysing other projects and they must demonstrate partnerships between public and private sectors. Finally, and more importantly, the project must be beyond conceptualisation and be ready for implementation. In other words, once all

built environment compliance requirements are dealt with and resolved, there is budget to commence with implementation.

Using the abovementioned criteria, catalytic projects were placed into 2 categories namely, those that are in or nearing the implementation stage (Category A) and those that are still at planning stage (Category B). Depending on progress in obtaining key clearances such as environmental clearance, water-use licence, land legal issues, etc. and the requisite confirmation of budgets, the project can be catapulted to category A. The catalytic project list is a dynamic one which hinges on progress made by private and public sector collectively or respectively. That means, projects are added on Category on an on-going basis.

## FORWARD



The strategic work underpinning these catalytic, and many other development opportunities in Durban, draw from the City's Vision to be Africa's most caring and liveable city by the year 2030. To achieve this, our Integrated Development Plan prioritises eight areas of key strategic focus. Within these, our Council adopted Economic Development and Job Creation Strategy prioritises economic leadership, accelerated partnership investments in infrastructure, and increased private sector investment.

Given our admirable political and executive leadership, our Deputy City Managers have come together and supported the establishment of a focused Project Support Team to help drive these catalytic investment projects. This catalytic projects team will, in the coming months, be further institutionalised and enhanced with added technical abilities and decision-making mandates.

We trust that together with our key partners in national, provincial and other metropolitan regions, plus our local and foreign investors, we will begin to enjoy the fruits of that Vision set out for us. We invite you to engage with this information, and our leadership in both Government & Business to unlock & deliver Africa's most caring and liveable City.

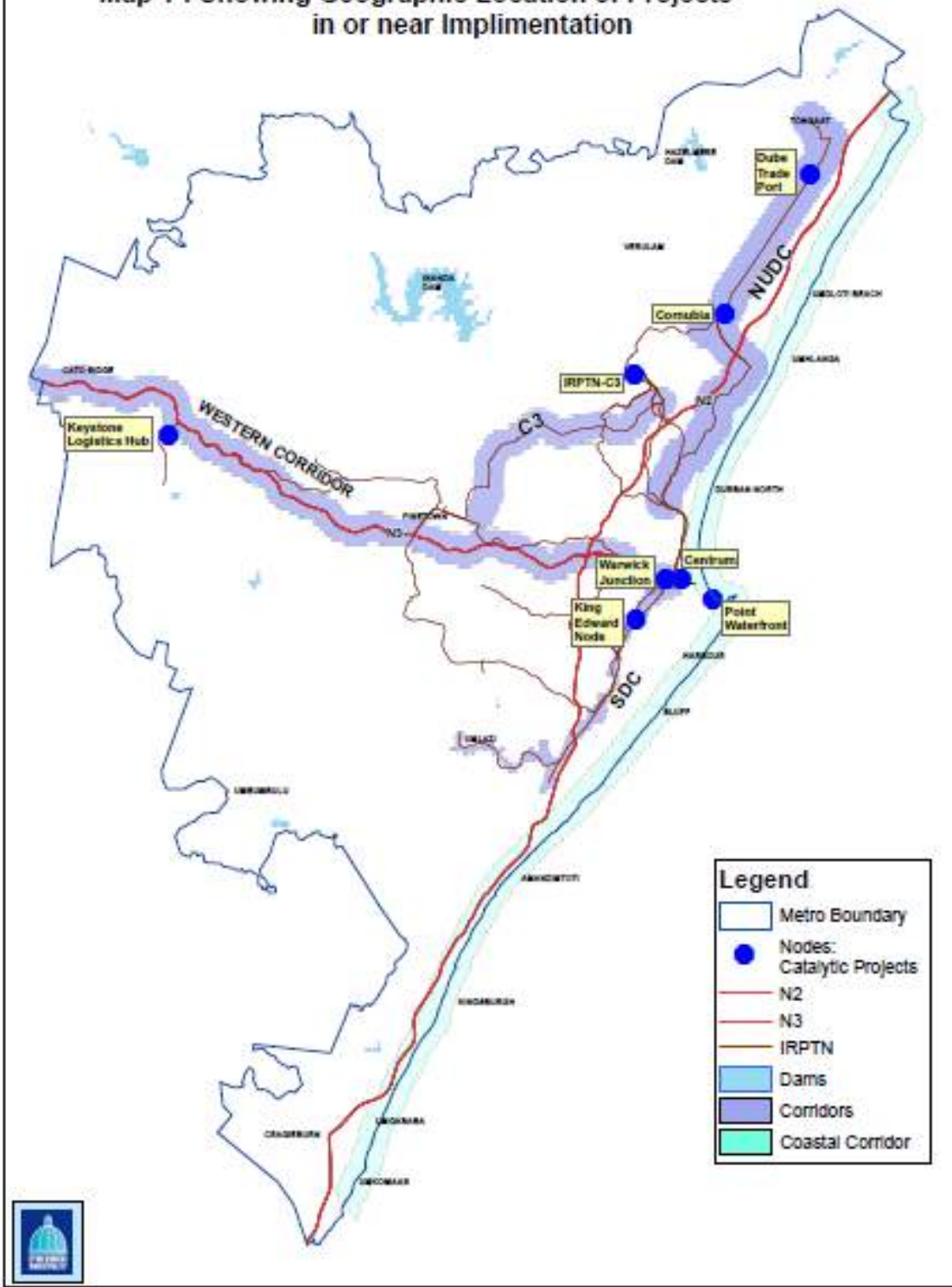
I thank you.

**S. SITHOLE**  
**CITY MANAGER**

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**Map 1 : Showing Geographic Location of Projects in or near Implimentation**



### 3.1.1 POINT WATERFRONT

#### 3.1.1.1 Project description

The new vision for the Point Development is predicated on maximizing the use of the area, both by permanent residents and temporary visitors. This will be achieved by a network of vehicular and pedestrian connectivity that will link to and extend the existing beachfront promenade along Vetch's beach, around to the northern harbour edge, populating the space in between with multi-storey structures offering residential, office, retail and leisure infrastructure. Existing roads that presently sever the new point development precincts from each other and from facilities such as Ushaka and the harbour will be reconfigured as link roads. Bus access will be aligned to eThekweni's Integrated Rapid Public Transport Network (IRPTN), promoting public transport into and out of the precinct.

Densities are likely to be increased dramatically with at least one iconic structure of 55 storeys, and a 39 storey high-end hotel. Other high rise structures will carry the pattern already established along the beach front, and to some extent realised in the earlier phase of the Point Development. Overall the site will provide for an additional 3000-4000 residential units targeting the full range of users, from first-time home owners to established families who are seeking a particular waterfront and modern lifestyle. Residential facilities will be complemented by a vastly increased office and retail space offering amounting to approximately 40 000m<sup>2</sup> of bulk. A retail centre associated with Ushaka will complete the overall transformation.

The objectives of the new vision for the Point Waterfront include:

- Enhance the Beach Environment, by linking it to the rest of the beachfront.
- Continuous Beach Promenade, extending the existing promenade bringing users to this southern area.
- Accommodation for Point Watersports Club and Seine Netters underneath the promenade and promoting their integration into the economic spinoffs of an amplified tourism product.
- Sub-Tropical Landscape, promoting the indigenous character of Durban through appropriate and signature landscaping.
- Promoting Durban's Identity as an exciting 21st century African city by creating a built environment that is integrated into the rest of the CBD.
- Transportation Node, to link users to Ushaka, Point Precinct and the proposed cruise terminal area and other parts of the development.
- A Rational Road System, that promotes linkages, and traffic flows rather than severing areas from each other.
- Creating New Living Opportunities in a range of accommodation typologies that will respond to a growing demand for realty and also in preparation for catalytic events such as the Commonwealth games.
- New and various Commercial Sites designed to complement the residential areas.
- Expanded retail and hotel opportunities, especially concentrated in the Ushaka precinct

## PRECINCT LAYOUT

1. **PRECINCT PROMENADE:** Consist of a landscaped public promenade with cafés, kiosks, markets and retail outlets and seating areas. The boat clubs facilities and public car parking are arranged underneath with toilet and beach activity amenities.
2. **PRECINCT 1:** Consists of existing sold development parcels, mainly residential with some retail and commercial developments, however not all have been developed.
3. **PRECINCT 2:** Future retail, hotel and residential development opportunities have been identified.
4. **PRECINCT 3:** Consists of mainly historic buildings/warehouses, which will be redeveloped in a variety of commercial, retail and hotel developments.
5. **PRECINCT 4:** Future development includes mainly residential with a retail and commercial activity strip facing on the harbour side promenade.
6. **PRECINCT 5:** Future development includes mainly residential development, with strips of retail and commercial activities facing onto the beachfront promenade.
7. **PRECINCT 6:** Future development includes mainly commercial and residential.
8. **USHAKA MARINE WORLD:** Theme park and aquarium with a tourist retail center.



*Image : Point Precinct Locality Plan*



### **3.1.1.2 Project Budget, Sources of Income and Delivery mechanism**

The total project budget, inclusive of both infrastructure services and top structure is estimated at R40 billion. The city has set aside approximately R170m just for the next 12 months of this financial year to deal with infrastructure in a manner that will enable the construction of phase 1b. The project which one envisaged for construction in the next 6 months involves:

- Promenade extension
- Road network alignment
- Relocation and upgrade of services and construction of the hotel

The delivery mechanism is through a company called Durban Point Development Company (DPDC) which is made up of UEM Sunrise, Durban Infrastructure Trust (represented by the City) and Vulindlela which is a privately owned. This is truly a PPP project. The financing mode is based on the City being responsible for infrastructure provision and UEM Sunrise (a Malaysian State Company) will provide top structure funding and mobilise interested investors into this Precinct.

It is estimated that phase 1b will resume in the next 6 months.

### **3.1.1.3 Progress to date**

DPDC have confirmed that Sub-divisional Plan of Precinct 2 is well underway, and that the detailed design of the promenade will be ready by August of 2015. The City has budgeted R155m for the implementation of the promenade construction and road network upgrades in 2015/16 financial year. Parking and Transportation agreements have been signed which will supersede current agreement and are in line with the new proposed development. The revised scheme amendment has been submitted and a response by the applicant is due on the 25 of June 2015. The revision of scheme has triggered an amendment to the EIA and DPDC is in the process of preparing for submissions.

### **3.1.1.4 Outstanding actions and timeframes**

It is envisaged that the scheme will be advertised by the eThekweni on the 03<sup>rd</sup> of July 2015 allowing the public a two week period in which to submit their comments, this will culminate in an open day scheduled for the 18<sup>th</sup> of July 2015 at the DPDC offices to field comments and concerns from the general public and interested and affected parties. EThekweni Transport Authority require a second access into the Point Waterfront to enable the developer to reach the required bulk of 750, 000. The Point Steering Committee resolved that the potential exists to relocate Addington Primary to allow for this second access and also providing opportunity for Ushaka Marine World to extend its footprint and service offering/attractions. An alternative site for Addington primary and work is currently underway to test the suitability through space requirement and layout plans. This transaction requires engagement with the Provincial Department of Education which they have agreed to discussion and legal has commenced with the drafting of an MOU which will serve as a discussion document.

### 3.1.1.5 Anticipated impact of the project

- There is no doubt that the proposed Development Plan will yield a range of measurable positive impacts, in the immediate area of the development, in the CBD, in respect of job creation, rates revenue, national tax revenue, as a contribution to the overall quality of the City of Durban.
- Approximately 11,000 construction phase jobs are likely to be created per annum.
- Approximately 6,750 more permanent jobs are likely to be created.
- Local existing property values are likely to increase by some 10%.
- Central Durban property values are likely to increase by 5%.
- Rates revenues generated for eThekwin will amount to in excess of ZAR200 million more per annum.
- The GDP/GVA contribution could be an amount in excess of an additional ZAR0.7 billion.
- Overall national public revenues that may be derived from the revised development through the various tax mechanisms (VAT on materials, wage and profit taxes) could amount to an additional ZAR1.7 billion.
- The potential income generation flowing from the Point Development should Durban host the Commonwealth Games could be in the region of ZAR2.2 billion.
- The Point Development must be seen in the context of a city-wide development process, indicating that Durban is on the brink of change, that there is significant interest in the revitalization of the CBD and the immediate urban edge, with a number of precincts either developed, in the process of development or in the planning stages. This development impetus both contributes to and will be affected by the viability of the Durban Point Development.
- The development of a complete mixed use node will stimulate economic activity, create jobs and draw custom to the area.
- The addition provided by the Point Development to the tourism profile of Durban will be significant, especially given that the limited range of existing tourism products in Durban has
- been mentioned as a deficit in growing this sector



**Image: Previous Development Framework Plan (2013)**



**Image: Revised Development Framework Plan (2015)**



**Image: Inner City Plan Picture**

## 3.1.2 WARWICK JUNCTION

### 3.1.2.1 Project description

The Warwick Precinct is the dominant public transport node within the EtheKwini Municipality and its appropriate functioning is therefore essential in terms of the municipality's transport strategy. It is the largest intermodal precinct, with the convergence of rail, bus and taxi routes and thus crucial in promoting linkages between work and residential destinations and subsequently the use of Public Transport in the city.

As one of the consequences, the Warwick Precinct accommodates vast numbers of commuters and the area has therefore developed inter alia into a major economic node, both in terms of formal and informal economic activities. The easy accessibility of the area for a great number of the metropolitan population has also created demands and opportunities on the Warwick Precinct for social and community amenities. At the same time, the area forms one of the major entrance points into the Durban CBD, resulting in expectations on an appropriate entrance statement and gateway.

It has long been acknowledged that the development of many aspects of the Warwick Precinct have been ad hoc and uncoordinated, resulting in many of the characteristics of the area being inefficient and undesirable. There is little doubt that there is a need to rationalise and restructure transport facilities and operations, as well as associated economic activities and social fabric, within a wider strategic framework for the area.

There is a number of projects currently underway in the Warwick area and they include the following; Proposed Berea Station Mall, Proposed taxi holding facility, Creation of a cold room for storage, erection of a bovine head facility, etc.

### 3.1.2.2 Project Budget, Sources of Income and Delivery mechanism

The total project budget, inclusive of both infrastructure services and top structure is estimated at R20,5m. The table below shows how much has been allocated per project in which financial year.

Project Name	Budget	Financial Year
1. Solid waste Removals, fixing damaged drains etc as per Urban Land Institute	R1,5m	14/15
2. Bovine Market Facility	R8m	15/16
3. Impounded Goods Storage Facility	R6m	15/16
4. Widening of Theatre Lane and Brook Street Upgrade	R5m	15/16
Total	R20,5	

### **3.1.2.3 Progress to date**

Building plans for the Berea Station Mall and the taxi facility have been approved BUT construction has not happened because the developer and PRASA have not signed the MOU.

### **3.1.2.4 Outstanding actions and timeframes**

The removal of solid waste, fixing of damaged or blocked drains as per Urban Land Institute is currently underway.

### **3.1.2.5 Anticipated impact of the project**

- Clean and hygienic environment
- Less criminality in the area
- Improved quality of the physical environment
- Create investor confidence



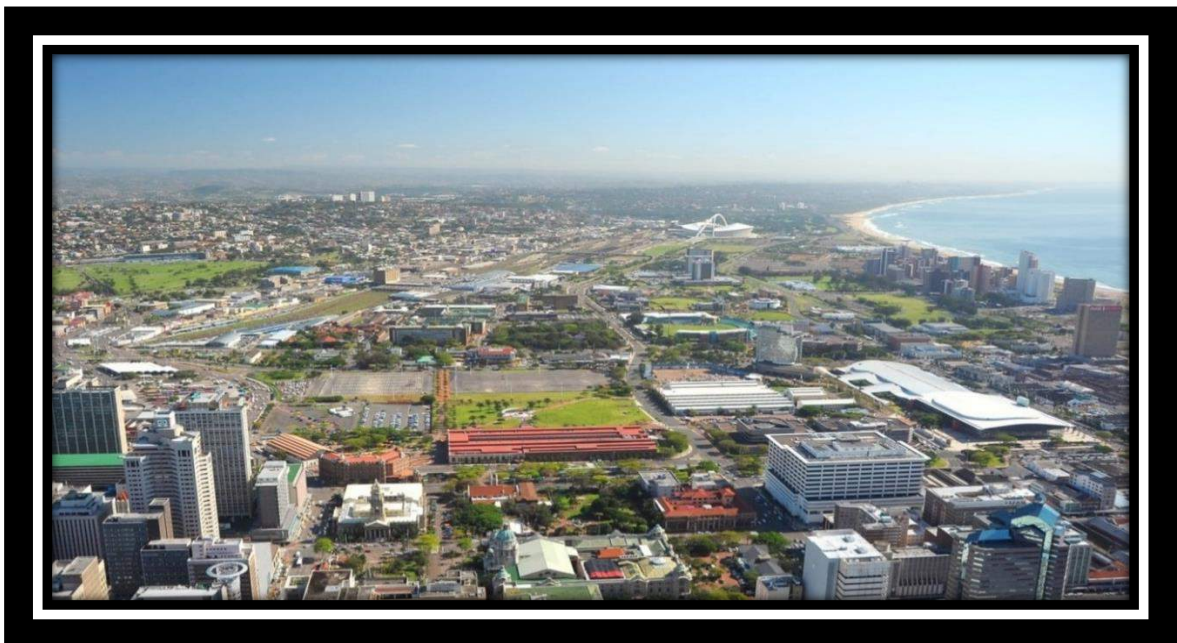
*Image: Warwick – Intermodal Transport Facility and Local Economic Development Initiatives*

### 3.1.3 CENTRUM PRECINCT

#### 3.1.3.1 Project Description

The Centrum Precinct Urban Design Framework Plan aims to develop a new mixed-use precinct comprising of IRPTN and ICDS bus stations, a new super basement parking garage with public service buildings such as City Library, Municipal Government buildings, integrated with high density residential, hotel, retail, and commercial development anchored by an expanded Gugu Dlamini Square.

The proposed 54Ha Centrum site, together with the city's International Convention Centre, lies to the north of the Durban CBD. The area, owned by the Municipality, was formerly Durban's railway station and today vast open spaces comprising of surface parking dominate. The provides the opportunity for a 'new mixed-use precinct' for the city of Durban – an area currently underutilized and underdeveloped that lies at the crossroads of the city which could be developed to catalyse the Inner City of Durban.



*Image: Locality - Centrum Precinct*

#### The objectives of the project respond to:

- Enhancing existing and creating new links between the commercial city center, Durban Station, the Greater Warwick and ICC and DEC;
- Develop an Intermodal Transport Facility for the IRPTN and ICDS;
- Develop new public service buildings such as the city library and natural sciences museum municipal complex and Government boulevard;
- Improve and provide a new civic precinct around an expanded Gugu Dlamini;

- Provide shared and contra parking facilities to support the greater development and uses of the area;
- Provide opportunities for private investment to develop uses and buildings that can interact and provide supporting services and activities such as office accommodation, restaurants, entertainment and residential accommodation;
- Contribute and promote the broader revitalization and renewal strategies of the Inner City.

### 3.1.3.2 Project Budget, Sources of Income and Delivery Mechanism

The Centrum Site project has been segmented into three different planning work streams which include:

- **Super Basement** – the preliminary cost estimates of developing the super basement came in at R8, 700p/sqm at end construction cost. The entire footprint of the basement parking is 127, 000 sqm and can approximately park 4000 cars. The work currently undertaken in partnership with City Departments (Soil Lab) putting together terms of reference for the procuring of a Geotechnical services to determine the bulk the basement parking can take given the soil types and conditions, City Architects providing overall project management in the technical work being undertaken and Land Survey Department assessing the underground infrastructure that would need to be relocated to make way for the super basement and independent consultants (IPPU) appointed to complete the Inner City LAP and Regeneration Strategy include the design, structural engineering solutions of the super basement parking. Once this work is complete, authority to lodge the project as a Private Public Partnership on a Design, Build, Own, Operate and Transfer model with National Treasury will be sort from City Manager with a view of going out to the market to procure a the services of a competent consortium to deliver on the super basement.
- **Expansion of Durban Exhibition Centre** – the planned super basement traverses Soldiers Way and extends to the DEC. The proposed Super Basement has been presented to the ICC Board to determine timing of their proposed expansion so as to align the phasing of the super basement to the redevelopment of the DEC.
- **Top Structures** – it is essential to determine the programme for the development of the City Library as it impacts on the planned super basement. Accommodation schedule and requirements of the city projecting the next 10-15 years. We have received an accommodation schedule from Public Works for their social Cluster currently located sparsely within the inner city and their interest in consolidating and clustering their social cluster in the centrum. The Workshop has been earmarked for upgrades by the current owners in response to consumer patterns and trends and these plans further bolstered by the plans to develop Centrum. Hotels and retail will be the focus of ground floor uses and there exists potential for +- 6000 residential units of differing typologies and income groups within the centrum.



***Image : Centrum Site : 6000 Residential Units, Library and Council Chamber, Major PT Intermodal, 0.5 million m2 Commercial Floor Space***

### **3.1.3.3 Progress to date**

The below track schedule outlines three planning work stages which include the completion and adoption of the Urban Design Framework for Centrum Site under work stage 1 and 2. Work stage 3 involves the completion of the technical (infrastructure report), planning (rezoning and subdivision) and financing model (PPP or fiscus) as it pertains to the super basement. The completions of work stage 3 will culminate with a submission requesting authority to lodge the project with National Treasury in October 2015 and thereafter commencing a procurement process in March 2016.

### **3.1.3.4 Outstanding actions and timeframes**

The completion of the Central Precinct Plan as part of the Inner City LAP and regeneration strategy within which Centrum Site is located will be critical in testing the road reconfiguration proposals contained in the Centrum project, and will also detail access routes in and out of the basement parking.



CENTRUM PRECINCT DEVELOPMENT STRATEGY: TRACKING SCHEDULE								
ACTIVITIES COMPLETED	WORKSTAGES 1 and 2				WORKSTAGE 3			
	REF NO.	ACTIVITY TITLE AND DESCRIPTION	BY WHOM	BY WHEN	REF NO.	ACTIVITY TITLE AND DESCRIPTION	BY WHOM	BY WHEN
ACTIVITIES COMPLETED	1.1	Finalised Urban Design Framework	AN BvH PW	2015/ 03	2.1.	Obtained clarity regarding EIA	BvH	2015/ 03
	1.2	Distributed Draft Urban Design Framework internally	AN BvH PW	2015/ 03	2.2	Develop an Interim Programme / Tracking Schedule	BvH	2015/04
	1.3	Conducted internal stakeholder workshop	AN BvH PW	2015/ 03/02	2.3	Prepared draft schedule of future capital projects	BvH	2015/ 03
	1.4	Presented to Ward Councillors	AN BvH PW	2015/ 03	2.4	Prepared report on expansion of the ICC as per the Urban Design Framework for the Centrum Precinct	BvH	2015/04
	1.5	Finalized amendments to the Urban design Framework	AN BvH PW	2015/ 03	2.5	Developed draft spreadsheet schedule of all development parcels and land uses as per the Urban Design Framework for the Centrum Precinct	BvH	2015/ 03
	1.6	Centrum Framework presented to the ICC Board.	AN BvH	2015/05/ 27	2.6	Identified which task LAP consultants need to provide in the development of the Centrum Precinct	AN BvH	2015/04
ACTIVITIES IN PROGRESS	1.7	Obtaining dates for presentations to DCM Forum; ECOD and EXCO	AN	2015/04	2.7	Commence with detailed technical and land survey	BvH,	2015/06
					2.8	Commence with TOR for Geotechnical analysis for SCM process for the appointment of geotech engineers.	DA	2015/07
					2.9	Appointing architects; QS and structural engineer for the development of a brief, concept development and cost estimate for the super basement	BvH, NS, NA, ZAI	2015/06
					2.10	Investigating possible delivery mechanism	AN	2015/06
					2.11	Investigating options for Financing of Infrastructure	AN	2015/07
					2.12	Identify and commence with Land Legal Procedures including rezoning and sub divisions	LA	2015/07
				2.13	Obtain input form an expert urban property developer	AN; BvH; PW	2015/ 07	
FUTURE ACTIVITIES	1.8	Arrange presentation to Public Works	AN	2015/05	2.14	Prepare infrastructure assessment and an infrastructure plan.	AN BvH C	2015/
	1.9	Arrange presentation to external stakeholders.	AN	2015/05	2.15	Appoint and obtain input from a property development expert/ transactional advisor	AN BvH	2015/
					2.16	Developed detailed conceptual urban design proposals	BvH PW	2015/
					2.17	Develop Implementation strategy and programme	AN BvH C	2015/
					2.18	Appoint a Programme Manager (construction background)	AN	2015/
				2.19	Develop a Management Strategy for the Centrum	AN BvH	2015/	

FUTURE WORKSTAGES ;4;5,6



**Image : Artist impression – Centrum Site**

### **3.1.3.5 Order of Magnitude Estimates**

<b>Project: Centrum Site</b>	
<b>Project Assumptions</b>	
1.	All quantities have been estimated using Urban Design Framework and is subject to change once detailed statutory planning requirements have been complete
2.	Escalations has not been taken into account
3.	Blocks are based on Urban Design Framework
4.	Professional fees excluded
5.	Fixtures and fittings excluded
6.	It is assumed that all bulk services bordering the site have sufficient capacity for additional demand with no major upgrades required
7.	Size, position and capacity of existing services are unknown

CENTRUM SITE PROJECT – Order of Magnitude Estimate					
Description	Unit	Quantity	Rate	Amount	Projected Rates Revenue
Demolition of existing roadways (Allowance)	Sum	1	50,000,000	50,000,000	
Site 1	.m2	85,505	12,000	1,026,060,000	
Site 2	.m2	114,748	12,000	1,376,976,000	
Site 3	.m2	64,061	12,000	768,732,000	
Site 4	.m2	56,383	12,000	676,596,000	
Site 5	.m2	18,520	12,000	222,240,000	
Site 6	.m2	19,333	12,000	231,996,000	
Site 7	.m2	54,364	12,000	652,368,000	
Site 8	.m2	66,293	12,000	795,516,000	
Site 9	.m2	81,506	12,000	978,072,000	
Site 10	.m2	126,752	12,000	1,521,024,000	
Super Basement incl. dewatering	.m2	127,000	9,000	1,143,000,000	
<b>Sub Total: Basic Construction Cost</b>				<b>9,242,580,000</b>	
<b>Bulk Infrastructure Costs</b>					
Asphalt Roads	.m2	25,000.00	1,616	40,390,625	
Storm Water Mains 750mm	.m	600.00	2,327	1,395,900	
Storm Water Reticulation <750mm	.m	1,300.00	1,939	2,520,375	
Connection to existing storm water mains		5	32,313	161,563	
Additional Water Reticulation	.m	2,400.00	1,293	3,102,000	
Connections to existing water mains	No	5	64,625	323,125	
Additional Sewage Reticulation	.m	2,400.00	1,293	3,102,000	
Connection to existing Sewage mains	No.	5	12,925	64,625	
Electrical Installation	Sum	1	10,000,000	10,000,000	
<b>Sub Total: Bulk Infrastructure Costs</b>				<b>61,060,213</b>	
<b>External Works</b>					
Landscaping incl. walkways, paving, shrubs, trees, piazza, artwork etc.	Sum	1	35,000,000	35,000,000	
<b>Subtotal: External Works</b>				<b>35,000,000</b>	
<b>TOTAL ESTIMATED CONSTRUCTION COST</b>				<b>9,338,640,213</b>	

\* These estimates are based on assumptions outlined above and are shown to provide at this stage the potential construction impact and ability to project future property rates income to the city as a result of centrum development project.

## 3.1.4 CORNUBIA

### 3.1.4.1 Project Description

The Cornubia Integrated Human Settlement is a joint venture between the National, Provincial Departments of Human Settlements, eThekweni Municipality and Tongaat Hulett Developments, and is set to be eThekweni and the Province's largest sustainable integrated Human Settlement initiative. It is a 1300ha multi-billion Rand project, on what was an almost totally greenfields site, in a prime location. Cornubia will be a mixed-use mixed-income development, incorporating industrial, commercial, residential and open space uses.

The Cornubia Integrated Human Settlement is located within the Northern Corridor of Durban within the Municipality of eThekweni, approximately 25 km from the Durban CBD and sits adjacent to UMhlanga in the east, Mount Edgecombe in the south, Ottawa and Phoenix in the west and Waterloo in the north. It is bordered by the N2 freeway, the M41 arterial and the Ohlanga River, and is approximately 7km south of the new King Shaka International Airport (see Locality Plan below).



*Image : Cornubia – Locality and Phasing Plan*

### 3.1.4.2 Project Budget, Sources of Income and Delivery mechanism

The entire development has an estimated construction value of R25,8 billion over a period of approximately 25 years, and the residential component has a potential yield of 25 000 residential units of which 15 000 will be subsidised.

The total investment requirements are estimated at R15,4bn from the private sector and R10,4bn from the public sector including the following sources: HSDG, USDG, eThekwini Municipality, THD, SASA, KZNDOT and other sector departments (e.g. Education).

The current MTEF budget allocations from eThekwini Municipality are as follows:

<b>Infrastructure</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
<b>Bulk Roads</b>			
Flanders Interchange	50	80	0
Northern Dr Upgrade	10	0	0
Cornubia Boulevard	125	70	50
<b>Housing Top structure</b>			
Cornubia Ph 1B	45.7	10.1	0.1
Cornubia Ph 2B	80.7	100	0
Cornubia Ph 2	0	25	128
<b>Housing Infrastructure</b>			
Cornubia Ph 2	0	0	30
<b>Water</b>			
Blackburn Reservoir	2.4	1.6	5.3
<b>Sanitation</b>			
Expansion of Phoenix WTW	105.3	17.6	0
<b>Electricity</b>			
Cornubia 132/11k s/st	0	2.7	7.2
<b>Fire Stations</b>			
Cornubia Firestation	0	1.5	0

### 3.1.4.3 Progress to date

The Framework Plan for the entire area was approved by Council in March 2011, the EIA for Phase 1 was approved in Nov 2011 and the EIA for Phase 2 is currently under way.

Construction of access roads and the first 486 housing units is complete and the units occupied. Tongaat Hulett Developments has constructed the service infrastructure for the Cornubia Industrial and Business Estate (CIBE) and all but a handful of the sites of the 70ha estate are already sold. A number of factories are in the process of being constructed with a few already operational.



*Image: Cornubia Phase 1 A Housing*

A Business and Retail Park precinct (Cornubia Business Hub) is also currently under construction as a stand-alone project where both the EIA and PDA application have been approved for a portion of the General Business areas along Dube East and Cornubia Boulevard. The sites are being developed for retail and business park developments due to its prime location as well as it could serve as a potential major node when the Cornubia development is fully developed. The Investec Property group will be developing a portion of the site for retail development (illustration below) and the site earthworks has already commenced. All 12ha of the Business Hub have been sold (including a major component to a black owned enterprise) with the bulk earthworks contract for the retail facility already underway with an anticipated opening in 2017.

Tongaat Hulett have also recently concluded a transaction on the N2 Business Estate for a 27 hectare site and development will commence following approval of the EIA and PDA.



*Image : Cornubia Retail Park*

#### **3.1.4.4 Outstanding actions and timeframes**

Although development is well underway in Phase 1 and good progress is being made with the Business Hub, the balance of the development (Phase 2) is dependent on receiving authorisation for the EIA as well as the WULA from the respective provincial and national departments in order to proceed.

The eThekweni Municipality has bulk services (water, sewage disposal, and electricity) serving the area, but these are all near capacity and extensive upgrades are required (some currently under way) by the eThekweni Municipality to ensure sufficient capacity for Cornubia and the area further north. The area is served by National and Provincial roads, and these too require significant upgrades in order to meet current and future demands.

A draft Business Plan has been prepared in order to provide information on potential costs and likely timelines, and whilst this provides a good overview of the investment required to provide the necessary infrastructure, it has not resolved the issue of cost sharing between the spheres of Government, or dealt with the partnership model between the eThekweni Municipality and Tongaat Hulett Developments.

An application is also currently being reviewed by World Bank, via National Treasuries City Support Programme for a Transaction Advisor to assist in the development of an appropriate financial and partnership model for eThekweni Municipality and Tongaat Hulett Developments for the purpose of realising the potential of the Cornubia project.

### 3.1.4.5 Anticipated impact of the project

The socio-economic dividends of this project are significant. The development is envisaged to create around 48 000 permanent jobs and approximately 15 000 construction jobs sustained over a 15 year period. The total estimated investment in buildings and infrastructure is R24 billion at current prices. Rates generation will amount to over R300 million per annum with other public benefits including VAT of R2,1 billion and tax receipts of a further R0,8 billion during the construction phases only. Apart from the diverse, mix of land uses, a key focus of Cornubia is on the public realm and a concerted effort is placed on creating better environments through the concepts of walkability, convenience, connectivity, increased density and sustainability.

**Table 1: Socio-Economic Benefits**

OUTCOMES	EM COM	EM HSG	T/HULETT	SASA	TOTAL
TOTAL INVESTMENT Buildings/Land (R17,8bn) Services (R8,0bn)	R5,2bn	R5,2bn	R14,3bn	R1,1bn	R25,8bn
<b>JOBS</b>					
- CONSTRUCTION	77 000	78 000	215 000	17 000	387 000
- PERMANENT	10 800	0	25 600	3 400	42 800
VAT (Once off)	R490m	0	R920m	R90m	R1,5bn
ANNUAL TAXES					
RATES	R58m	0	R170m	R12m	R240m
PAYROLL	R110m	R8m	R287m	R35m	R440m
COMPANY	R350m	0	R690m	R60m	R1,1bn
<b>TOTAL ANNUAL REVENUE TO GOVT</b>					<b>R1,78bn</b>

## 3.1.5 DUBE TRADE PORT

### 3.1.5.1 Project Description

The DTP precinct is strategically located 30km north of the Durban CBD. This 2 840 hectare development is home to the state-of-the-art King Shaka International Airport and is ideally positioned 30 minutes from Africa's busiest cargo port, Durban Harbour, and 90 minutes from Richards Bay Harbour. Dube Trade Port takes advantage of its prime location as the only facility in Africa combining an international airport, dedicated cargo terminal, warehousing, offices, retail, hotels and agriculture.

Dube TradePort, a highly competitive business-operating environment, forms the heart of the emerging Aerotropolis. Planned to be the first purpose-built Aerotropolis in Africa and destined to become a premier business and trade hub, DTP's coastal location makes logistics a cost-effective proposition. Dube TradePort's air logistics platform together with burgeoning seaport infrastructure, access to numerous global destinations and linkages to SADC countries, combine to position KwaZulu-Natal as a key business point in South and Southern Africa.

Dube TradePort comprises a world-class passenger and airfreight hub and is surrounded by development zones, namely:

- **Dube Cargo Terminal**: A state-of-the-art cargo facility, purpose-built to be the most secure in Africa. With digital tracking and secure cargo flow through on-site statutory bodies, Dube Cargo Terminal prides itself on 0% cargo loss since inception in 2010;
- **Dube TradeZone**: 77 hectares, growing to 300 hectares, of specialised, prime and fully-serviced industrial estate within the IDZ. In close proximity to Dube Cargo Terminal, this zone is ideally positioned for new-generation warehousing, manufacturing, assembling, air-related cargo distribution and more;
- **Dube City**: 12 hectares of premium office, retail and hospitality space - all located within an ultra-modern, urban 'green' hub just 3 minutes from the passenger terminal;
- **Dube AgriZone**: Part of the IDZ, this zone provides world-class facilities and technical support for propagating, growing, packing and distributing high-value perishables and horticultural products through an efficient supply chain; and
- **Dube iConnect**: All these zones are supported by Dube iConnect, the precinct's dedicated IT and telecommunications provider and KZN's only locally-hosted cloud service, making it the premier offering for regional data recovery.





**Image: Dube Trade Port Masterplan**

### **3.1.5.2 Project Budget, Sources of Income and Delivery mechanism**

The estimated costings for the various components of the development at inception were:

- King Shaka International Airport including air platform is R 980 million
- Dube Trade Port – Start Up R 270 million
- Total Start Up Value (at 2001 prices) R 1,250 million
- Development Phase I (Year 1 to 5) R 960 million
- Accelerated Growth Phase II (Years 6to 10) is R 4,025 million
- Phase III (Years 11 to 15) is R 788 million
- Overall Programme Value (in 2001 prices) is R 5,893 billion

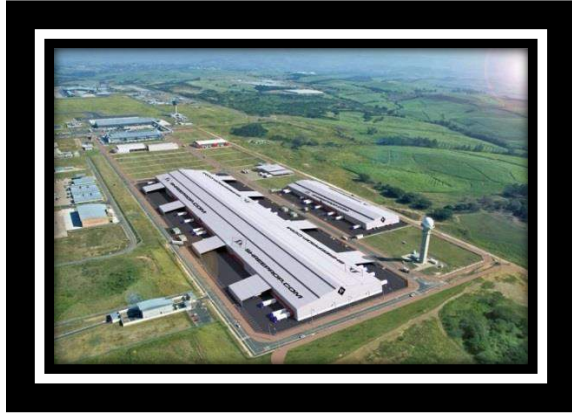
The key driver/developer of the precinct is Dube TradePort Corporation, which is a business entity of the KwaZulu-Natal Provincial Government. Other funding partners will be private sector investors into top structures, as well as eThekweni Municipality and KZNDOT into bulk infrastructure and the accessing of national grants where applicable/appropriate.

The current MTEF budget allocations from eThekweni Municipality for projects that will impact upon the DTP precinct are as follows:

<b>Infrastructure</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
La Mercy Airport Reservoir	0	0.1	1.8
New Airport Infrastructure (uMdloti)	1.7	8.0	56
Effluent Pumping Station (uMdloti)	0	0.8	2.4

### 3.1.5.3 Progress to date

Significant progress has already taken place from the initiation of the Dube Trade Port development back in 2002, with construction starting in 2007 and key milestones achieved in 2010 with the opening of the Cargo Terminal, King Shaka International Airport, Dube TradeHouse and the Agrizone. At the recent opening of the new link road (International Trade Avenue) it was announced that current investment in DTP already stands at over R1 billion.



*Image: DTP Trade Zone 1*



*Image: Cargo Terminal*

Take up of land by developers, investors and businesses has been encouraging, with Tradezone 1 currently housing 13 big businesses such as Samsung, Reelin Bearings, Airchefs, Hodari, DB Schenker, Gift of the Givers and iDube Cold Storage. The success of TradeZone 1 has necessitated the acceleration of the development of subsequent phases, not only for Trade Zone 2 and uShukela Highway, but also Agrizone Phase 2 and Support Precinct 2.

The area has also been granted IDZ status with the intention of this evolving to an SEZ (Special Economic Zone) in due course, which will enable businesses located in the precinct to benefit from the applicable incentives.



*Image: Dube City*

### 3.1.5.4 Outstanding actions and timeframes

As noted above, although good progress has been made with the developments of the initial phases of DTP, the remaining phases are dependent on the provision of further bulk infrastructure in order to accommodate the future growth in the area. Of particular urgency in the provision of additional bulk sanitation provision which will be in the form of the proposed uMdloti WWTW (Waste Water Treatment Works). The location and feasibilities around this WWTW is being addressed by the Water and Sanitation Unit, but is also dependent on the resolution of the 'Conservation Area'.



**Image: Conservation Area**

The 'Conservation Area' was set aside in the initial EIA process for environmental purposes, but is proving to be a major obstacle with regards to the delivery of bulk services to meet the growing demand for development in the area. A process is currently underway with the key stakeholders (including DTP, ACSA, eThekweni Municipality Environmental Planning and KZNEDTEA) to look at refining this 'Conservation Area' in terms of identifying and delineating environmentally sensitive areas that need to be protected. It is anticipated that this process will be complete by the end of July, which will then allow for ACSA (as holders of the original EIA ROD) to apply for an amendment of the EIA. The intention is for this then to facilitate informing the various EIA's that are currently under for service infrastructure as well as development phases.

An Aerotropolis Strategy was also initiated by KZNEDTEA for the broader Aerotropolis area. This has been approved by Cabinet and the proposed institutional structures are being established that will take forward some of the initiatives proposed in the Strategy including the development of an Aerotropolis Master Plan to guide development growth in the area.

This will also inform the proposed public transport corridors linking the DTP to other parts of the city and what form this takes in terms of the IRPTN network, with respect to road or rail based systems and the cost and timings thereof.

### 3.1.5.5 Anticipated impact of the project

A comprehensive socio-economic impact assessment of the DTP was completed in December 2004. Based on the proposed scope of each of the DTP elements (broadly defined by CAPEX and OPEX), the direct and indirect employment, contribution to GDP, increased fixed investment and government revenue from taxes were calculated both nationally and for the KZN province. The total socio-economic impact of the DTP, including the associated benefits from unlocking potential in the DIA site, was calculated as follows:

	Combination of all lowest case scenarios	Combination of all highest <sup>3</sup> case scenarios
<b>Employment (new sustainable jobs)</b>	<i>National: 164,838 KZN: 150,043</i>	<i>National: 269,203 KZN: 244,205</i>
<b>Increased contribution to GDP (constant 1995 prices)</b>	<i>National: R12.3 billion KZN: 8.1 billion</i>	<i>National: R20.5 billion KZN: 13.4 billion</i>
<b>Increased fixed investment (constant 1995 prices)</b>	<i>National: R4.0 billion</i>	<i>National: R6.9 billion</i>
<b>Increased government revenues from taxes (constant 1995 prices)</b>	<i>National: R2.2 billion</i>	<i>National: R4.3 billion</i>

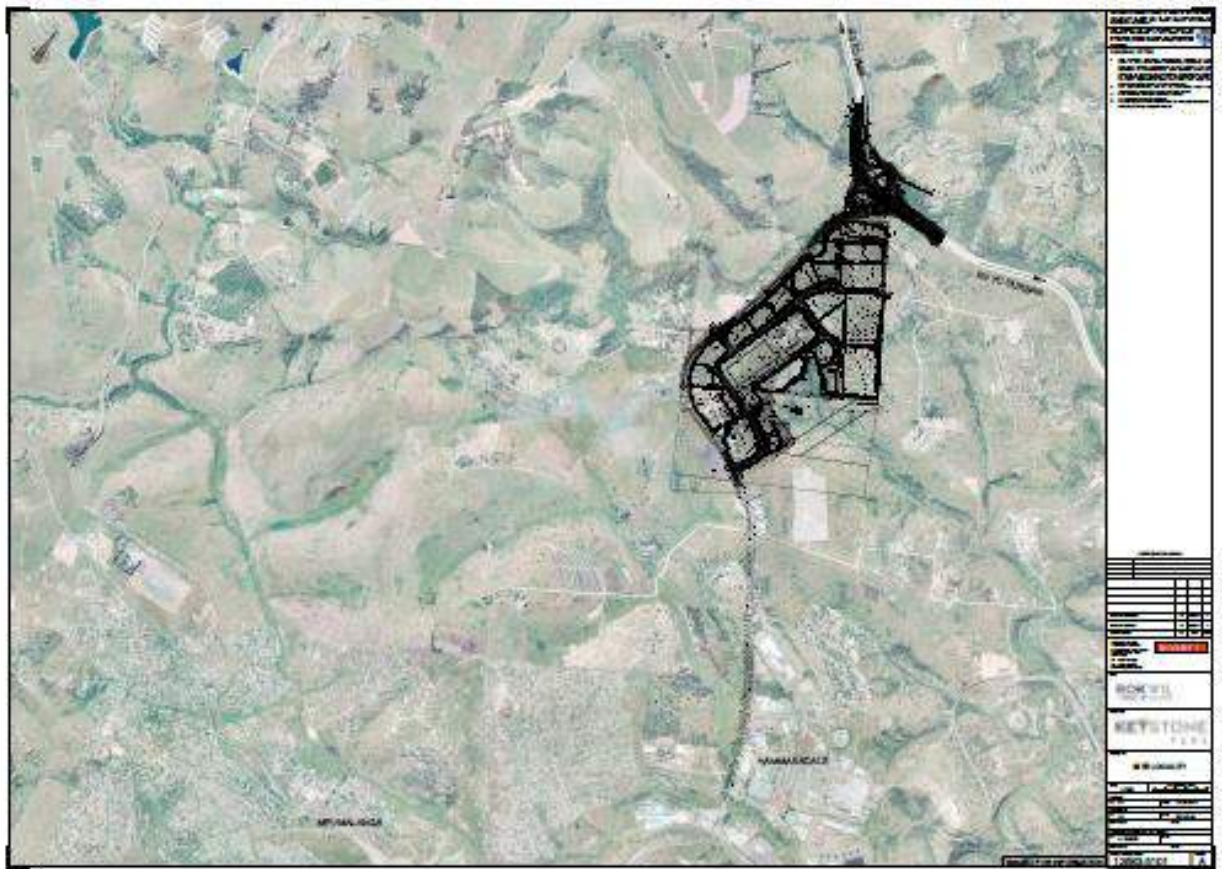
## 3.1.6 KEYSTONE LOGISTICS PARKS

### 3.1.6.1 Project description

Development of a light industrial and logistics park of 1,000,000m<sup>2</sup> in serviced land in the Mpumalanga area (outer west region) current contracted client to take up 120 000m<sup>2</sup> is Mr Price and number of big logistic companies have approached the developer. These includes City Couriers, MaldaPak, Safintra, etc.

### 3.1.6.2 Location:

The Site is located along the N3 on keystone Farm in Hammarsdale/ Mpumalanga region



*Image: Keystone Locality Plan*

### 3.1.6.3 Benefits of the Project

- Keystone logistic Park has triggered development on the entire Hammarsdale and Mpumalanga region. The Keystone development has created an inventor confidence on properties adjacent and across it property. The Hammarsdale has secured Bata committing to redevelop over 17000m<sup>2</sup>.
- The Brownfield areas in Hammarsdale existing industrial have seen following property transactions in the past 12 months:
  - ✓ Vacant textile factories: acquired for conversion to other manufacturing type and mini-factories

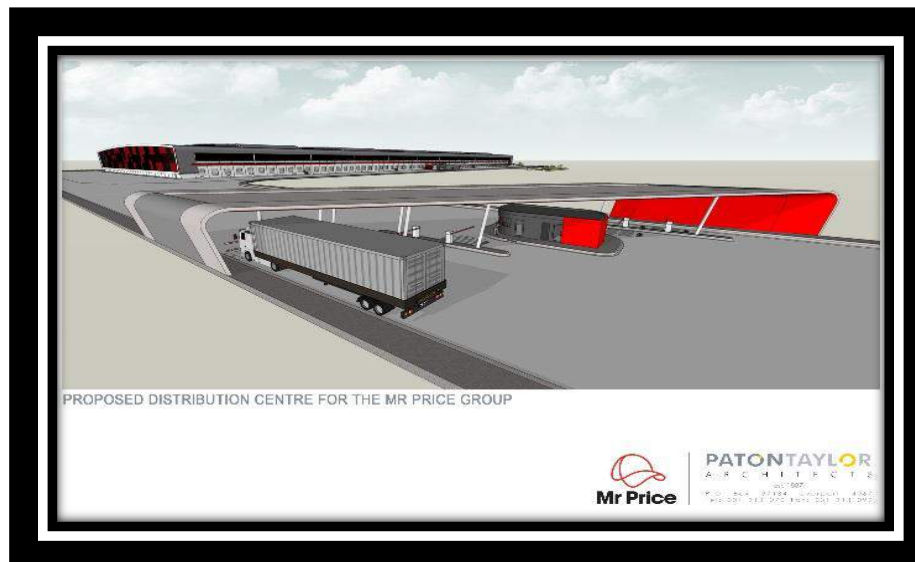
- ✓ “Old carpet factory”: 15 000 sqm under roof, Maytex: 20 000 sqm, Spurwing: 58 000 under conversion for Bata Shoes (balance of 2000 sqm left)
- ✓ Non Textile Factories: Mortex: 20 000 sqm - 75% occupied (currently only 5000 sqm available at substandard quality), Coveway: 2000 sqm, 1 Van Eck Road: 1200 sqm
- ✓ Of the above there is only some 10 200 sqm under roof of industrial premises left in Hammarsdale for lease. Estimate 99% fully occupied in Hammarsdale existing

**3.1.6.4 Social benefits**

- 5 Billion worth of investment to the area,
- Up to 5,000 Permanent Jobs opportunities,
- 150 Ha Serviced Land



*Image : Keystone Site*



*Image: Keystone – Proposed distribution Centre for Mr. Price Group*

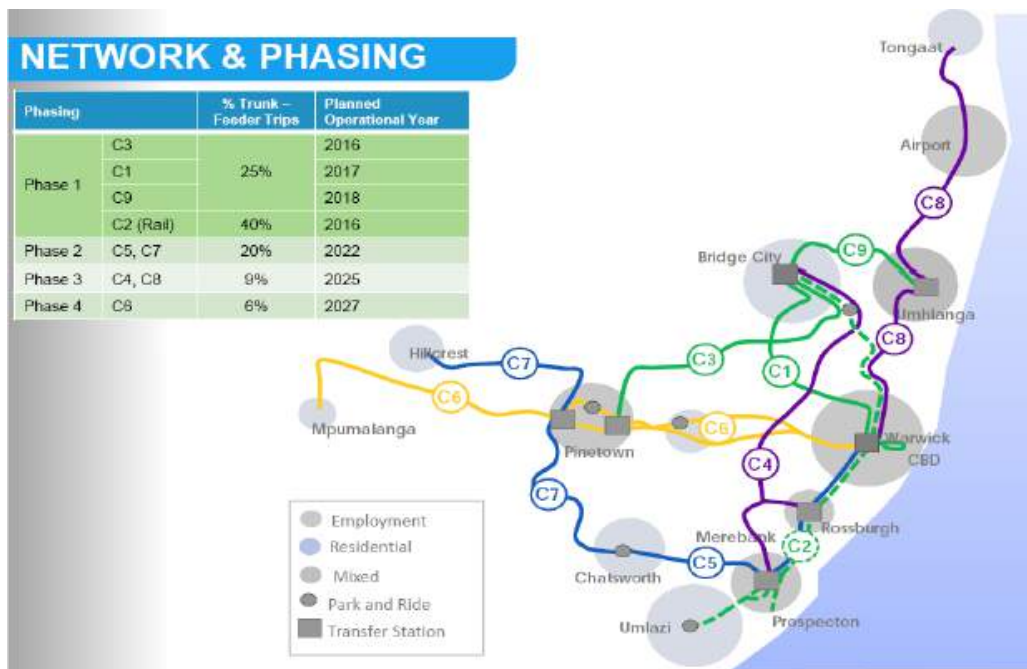
### 3.1.7 SOUTHERN DENSIFICATION CORRIDOR PLAN (KING EDWARD, MONTCLAIR, UMLAZI WEST)

#### 3.1.7.1 Project description

In 2012 the eThekweni Municipality committed to the spatial restructuring of its city form and the improved utilisation of public transport systems, to this end the Municipality adopted a Densification Strategy. With the adoption of the Densification Strategy the City committed itself to lead processes aimed at the densification of key city corridors, not only through strategic and land use management planning, but also through becoming actively involved in the implementation of development projects aimed at urban restructuring and densification along Integrated Rapid Public Transport Network (IRPTN). The City densification strategy prioritised three main corridors to connect to the city centre:

- the North (C8 which connects Bridge City and the surrounding areas to form a link to the CBD via Warwick)
- The South (C2 which connects the south from Umlazi Station to Berea Station)
- and the West region (C3 which connects Corrobrick in the north to Pinetown via P577).

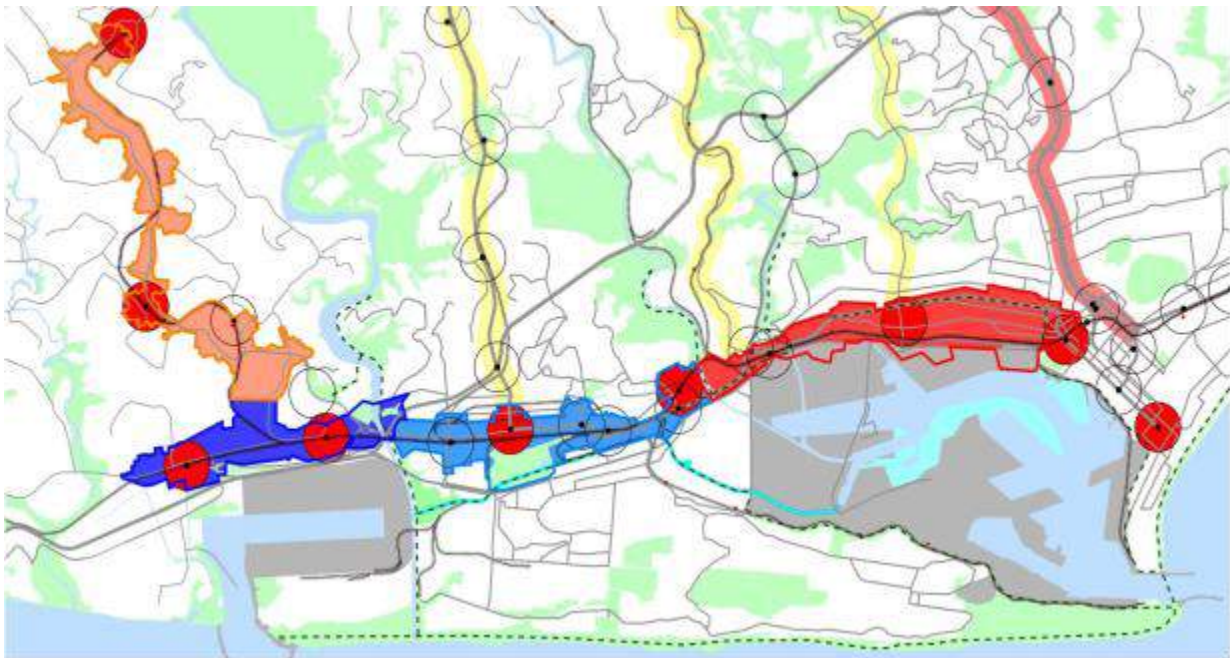
The strategy promotes maximum densities and mixed use intensification along these corridors. These require further studies to be undertaken to ascertain the densification potential within the 500 metres of the Integrated Rapid Public Transport Network (IRPTN).



The city adopted the North Public Transport Corridor Plan in 2012, which was shortly followed by the preparation of Southern Public Transport Corridor Plan adopted by council in 2014. These plans are both aimed at achieving development connection from northern to the Southern part of the city to ensure spatial integration of secondary node to the primary node, the Durban Central.

### 3.1.7.2 Southern Public Transport Corridor project

The Southern Public Transport Corridor project is in the context to providing a clear and concise densification framework at a strategic level. This is complimented by a series of Action Plans that provide a clear direction for development and management of land use within the corridor and adjacent suburbs of Southern Public Transport Corridor. The SPTC provides for the operational efficiency of public transport, increasing user thresholds by providing the supporting and compatible land uses (such as integrated mixed uses) relative to the role and character of the study area and providing the residential options to respond to the central and south residential challenges in particular around the Back of Port area. The study focused on the potential development within 500 m of the Integrated Rapid Public Transport Network (IRPTN) which includes the Rail Corridor from Berea Station South towards Isipingo and Umlazi Station and adjacent suburbs of the corridor such as Montclair, Woodlands, Sea view, Bellair and Rosburgh.



***Southern Corridor Development Dynamics***

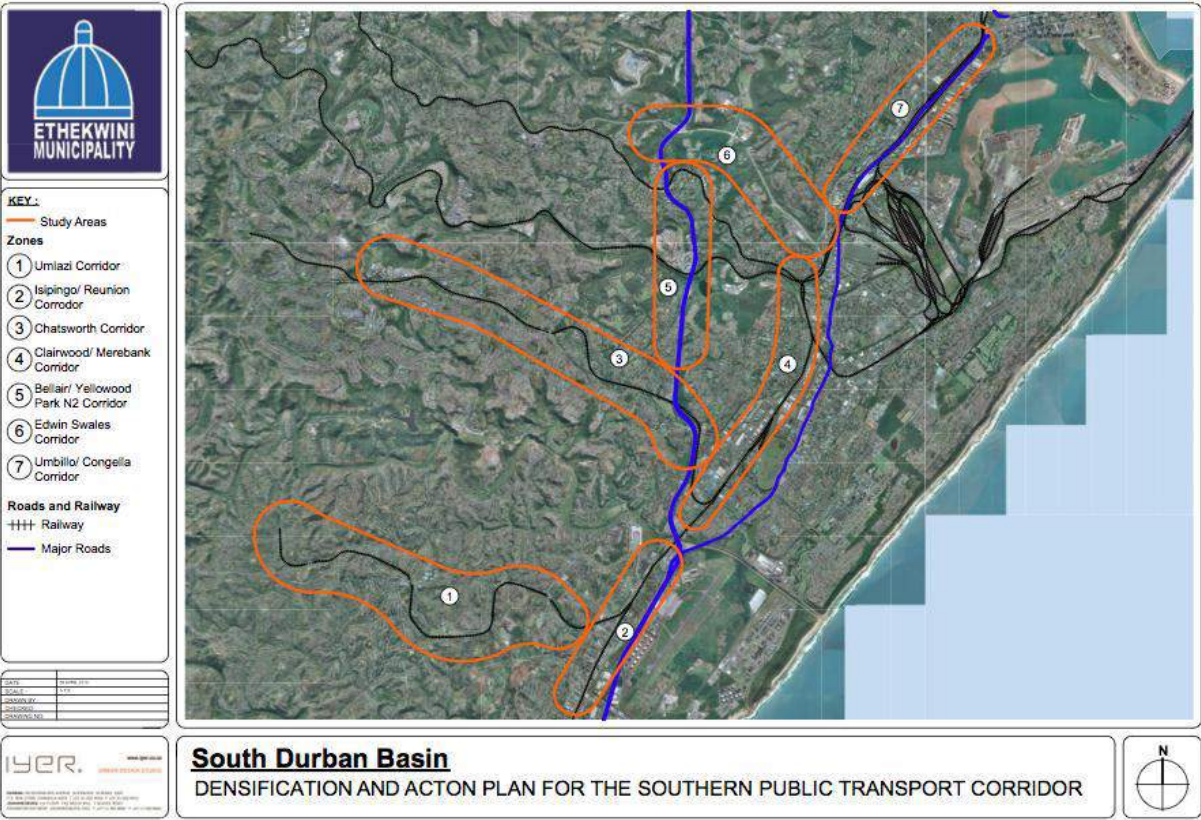
There are four major and notable impacts that influence the conditions within the south, therefore there are also impacting the densification initiatives in the corridor, these include:

- eThekweni Integrated Rapid Public Transport Network. This project established synergy between a variety of transport systems, the rail, bus and taxi's. provided a regional movement structure that integrates people, places and products;
- The growth and development of Town Centres and new commercial nodes. The examples of which can be noted at Umlazi Mega City, the continued growth and increasing pressure of the Isipingo Town Centre. These two towns, explicitly centre around retail type facilities and were anticipated to increase internal public transport needs;



- The Back of Port zone is a large area currently under evaluation for the stabilisation of one of the regions key industrial areas. The expansion and maintenance of this area will provide for a larger employment base of the eThekweni region requiring more commuter trips into the area;
- The proposed Dig-Out Port provides the fourth key impact to the Southern Corridor. This project introduces the specialization of industry related to logistics and the container port expansion. The implementation of this project entrenches the need for a sophisticated and reliable movement network within the south to support both the domestic and professional markets in a live, work and play environment.

Each of these impacts introduces an increased dependence on the area for employment opportunities, connectivity to the wider region in terms of passenger transport as well as logistics and other professional services, and the availability of housing opportunities at a range of income levels.



A clear and distinct densification vision was developed for each of the sub-corridors forming part of the Southern Public Transport Corridor.

- **UMBILO SUB-CORRIDOR - CBD EXTENSION, REDEVELOPMENT ACTIVITY CORRIDOR**  
 It is envisaged that the Umbilo sub-corridor becomes an extension of the existing CBD. The redevelopment of the Umbilo stripe will allow for a powerful, mixed use, high density activity corridor.

➤ **CLAIRWOOD /MERE BANK SUB-CORRIDOR – LOGISTICS HUB**

The Clairwood sub-corridor presents opportunities for urban renewal with a focus on high quality business and logistics hub. The Clairwood area is a strategic sub-corridor as it is the convergence for three IRPTN corridors – the C2, C4 and C5 corridors. This sub-corridor also presents two unit opportunities to develop two full Transit Orientated Development (TOD) type developments around the Clairwood and Montclair stations.

➤ **ISIPINGO /REUNION SUB-CORRIDOR – HIGH QUALITY BUSINESS AREA**

The Isipingo sub-corridor will see significant change with the development of the Dig-Out Port. In response to the Dig-Out Port the Isipingo zone will provide a strong commercial and high quality business precinct.

➤ **UMLAZI SUB-CORRIDOR – POWERFUL DENSITIES**

The Umlazi corridor will consist of the highest residential densities within the Southern Public Transport Corridor. The area is primarily residential in nature; however the plan envisages a high density residential corridor consisting of no informal settlements and clusters of high intensity mixed uses nodes located at strategic points within the sub-corridor

The densification of existing transport corridor and other developed urban areas is a relatively new concept in eThekweni. To date the focus of investors has primarily been on expanding the city development footprint through new Greenfields developments. Redevelopment of Brownfield's land has generally not been aimed at furthering densification. For this reason it was then necessary for the City to take the lead and demonstrate to public and private sector investors a potential opportunity for densification on identified SPTC pilot project.

The pilot project in the Southern Public Transport Corridor is then specifically aimed at:

- showcasing alternative approaches to densification;
- confirming the commitment of the city to the implementation of the Densification Framework;
- Developing a better understanding of the challenges and opportunities that will be encountered in densification processes.

The feasible opportunities was done to select the 3 pilot projects was done on the bases of the following the basic criteria: Accessibility of the Site; Land Availability and Ownership; Densification Opportunity Offered (Extent and Relevance); and Intensification Opportunities. the cost of the land (if not Council owned) ;the current zoning and development parameters; The market to be targeted with the development of a specific site. Based on the 3 Pilot projects selected were:

1. The King Edward Residential Precinct



2. Clairwood Transport Orientated Development (TOD)



3. The Umlazi Affordable Accommodation initiative;



The Ethekwini Municipality has initiated a SPLUMA process to rezone the three pilot projects as identified in the SPTC project: the Umbilo , Montclair and Umlazi corridors. The king Edward project packaging is also underway as a parallel process to implementation within the South corridor. In addition to the underway SPLUMA process, the Urban Renewal Unit is embarking in a process of engaging a services of a transactional adviser to facilitate the implementation of the King Edward node.

**3.1.7.3 Project Budget, Sources of Income and Delivery mechanism**

The current budget allocated to do the PDA process is R500 000 from ICDG Funding. The next phase of the project will be the appointment of a transactional adviser and no budget has been put aside for this since National Treasury was willing to assist in providing funds to cover the cost for such services. Since this is a built up area, there should be enough capacity on the Council's infrastructure to accommodate the proposed mix use development comprising of retail, offices and residential.

#### **3.1.7.4 Progress to date**

The Urban Renewal Unit has procured the services of a town planner who is busy preparing rezoning motivation and other related specialist reports which will be submitted to the city for rezoning of the all these pilot projects.

King Edward and Montclair sites have been further prioritised since all the necessary documentation ie. Title deeds and supporting documents is ready and is assessable to the departments. All these reports are currently being circulated to the departments for comments and once all the comments are received, a report will be prepared for Council approval.

#### **3.1.7.5 Outstanding actions and timeframes**

The motivation to implement the Umlazi sites is being prepared and the process to ascertain ownership of site through a registered title deeds for the Umlazi sites is also underway through liaising with the Real Estate Department once the documentation received the Umlazi rezoning application will be submitted.

#### **3.1.7.6 Anticipated impact of the project**

Once the rezoning process is complete, and approved by Council; there will be prime opportunities for potential investors to only prepare building plans as the sites will be ready to be developed. It is critical to note that the proposed public transport needs large numbers of support to function efficiently and zoning the site mixed use will provide for higher densities.

#### **3.1.7.7 THE KING EDWARD RESIDENTIAL NODE**

The King Edward Node falls in line with the above objectives. The primary design intentions is suitable for densification as it is located within the road and rail corridor and a number of institutions and mixture of activities on the adjacent suburbs.

The basic concept for the King Edward Node is to utilise the currently vacant and abandoned Umbilo and Congella Sports Club through the introduction of a IRPTN compatible mixed use, high density residential cluster. The development of the site will allow for the consolidation and revival of the currently depreciating node. The regeneration project will, hopefully, act as a catalyst to the wider Umbilo corridor.

The strategic decision to target land owned by the eThekweni Municipality should assist in the delivery of a streamlined project which integrates a number of government departments and interests, including the eThekweni Transport Authorises IRPTN, KwaZulu-Natal Health Departments through the King Edward Hospital as well as the eThekweni Municipality Planning Department through their densification strategy.



**Image: Artist impression of King Edward Node**

### **3.1.7.8 Project description**

The King Edward residential node includes a high density residential cluster with ground floor retail associated to the hospital and IRPTN facilities. The residential development is designed to be keeping with the surrounding character of the area. The introduction of the new residential precinct will assist in visual surveillance to the adjacent park as well as the streets surrounding the hospital.

This development is aimed at approximately nine (9) residential blocks ranging from 4 to 6 stories in height, all with a central courtyard; commercial development in the first 2 floors and provide opportunity to cater for different residential needs by developing units consist of bachelor and two bedroom flats as per the preliminary designs provided for in the approved Densification and Action Plan for the Southern Public Transport Corridor (2014).

### **3.1.7.9 Focus**

To facilitate implementation of mix uses as per the council approved comprehensive South Densification Framework Plan (2014) for the corridor and the adjacent suburbs identified.

The intended residential units are designed to cater for the middle income sector. High density living requires the support of substantial open space for recreational and visual relief.

### The development parameters

SITE	AREA	UNITS	RETAIL SPACE	BULK	FAR	DENSITY
1	3029	89	140	5352	1.7	293 Du/Ha
2	2796	81		4872	1.7	289 Du/Ha
3	2455	56		3388	1.4	228Du/Ha
4	5034	65		3896	0.7	129 Du/Ha
5	3027	82		4956	1.6	270 Du/Ha
6	2116	62	163	3729	1.7	293 Du/Ha
7	2207	65		3900	1.7	294 Du/Ha
8	2340	65		3928	1.6	277 Du/Ha
9	3181	87		5224	1.6	273 Du/Ha
10	12874					
<b>Total</b>	<b>39059</b>	<b>652</b>	<b>303</b>	<b>39245</b>		

#### 3.1.7.10 Project budget, Source of Income and deliverables

The total project budget, inclusive of both PDA Process and Transactional Advisory services is estimated at R1.5m. The R 500 000 is already committed to the appointment of a service provider to prepare the PDA Process for the South Densification Corridor Project. The balance of R. 1.5m has been set aside for Transaction Advisory services to package the King Edward site into implementable projects.

##### a) **Benefits of the project**

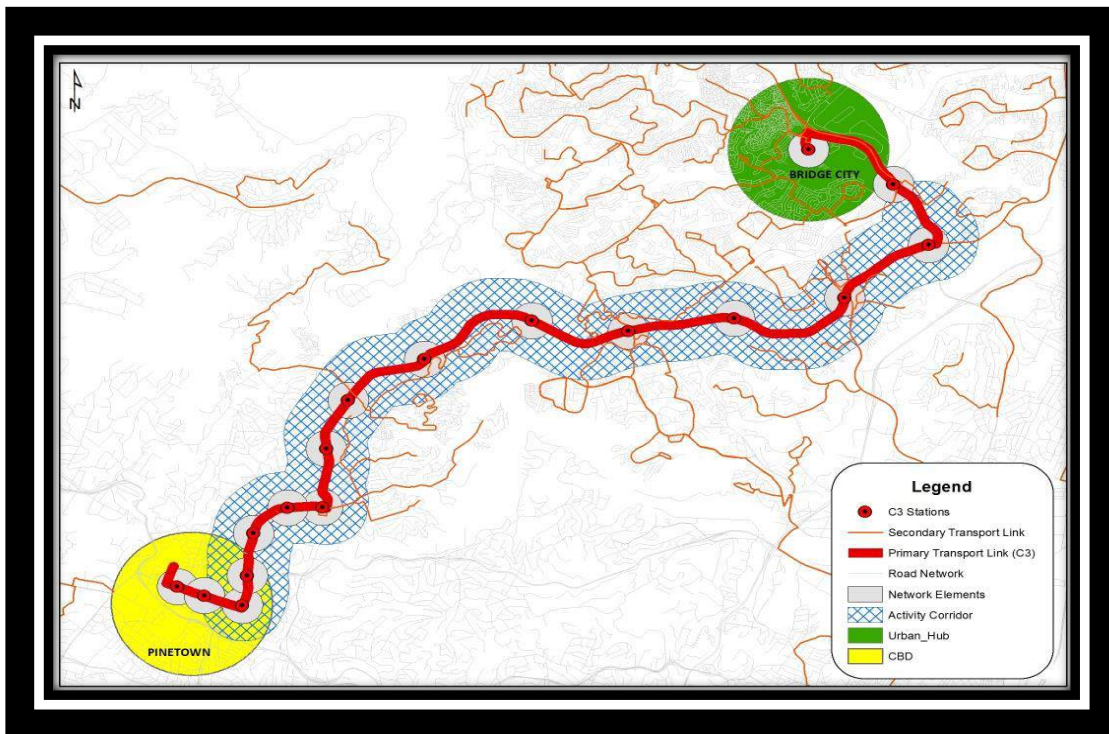
The city will achieve a high density mixed use cluster within the King Edward densification node, the node will accommodate different residential options ranges from:

- The formal residential units through the apartment'/ flats, which is aimed at targeting the middle income people who are working at King Edward hospital, University of KZN and the surrounding areas.
- The public housing through eThekweni Social housing, which is targeted at accommodating rental stock as well as student accommodation within the area.
- Commercial development, which is intended to be accommodated at the first and second floor of each buildings.

## 3.1.8 IRPTN

### 3.1.8.1 Project description

The C3 Corridor runs from Bridge City to Pinetown and parts of the route are at an advanced stage of delivery. In order to ensure that the Corridor is sustainable, land uses along the corridor need to respond and be resilient to supporting the same. The land use component is funded by ICDG to the value of R3.9 million and the land use tender is currently being awarded.



**Image: Locality Plan – Bridge City to Pinetown**

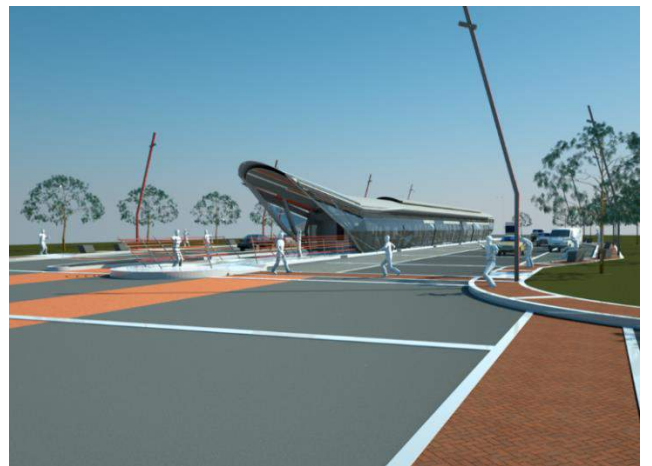
The key objectives of the programme are as follows:

- Strategic objective 1:** To place Public Transport Planning at the centre of land use management and spatial planning within the eThekweni Municipal area
- Strategic objective 2:** To gain wide spread support within council and with its strategic partners that the IRPTN is one of the strategic catalysts for City structuring and investment
- Strategic objective 3:** To illustrate the benefits of strengthening the network by creating an enabling environment for investment within close proximity to the IRPTN
- Strategic objective 4:** To develop a set of guiding principles for property development to flourish within close proximity to the network

**Strategic objective 5:** To gain consensus with a wider set of stakeholders to put in place a set of development principles for investments outside of the IRPTN in order to contribute towards widening the reach of the IRPTN in a sustainable manner



*Image: Artist impression of C3 Corridor*





### **3.1.8.2 Project Proposal**

1. To establish an Integrated Corridor Working Group for the IRPTN
2. To take stock of current initiatives being packaged as part of the programme
3. To determine the Gaps in packaging a comprehensive Integrated Corridor Development Programme
4. To undertake specialist work that covers the shortfalls in the current approach
5. To prepare a Best practice guideline document which will assist in the development of future phases of the IRPTN and Integrated Corridor Development Initiatives
6. To provide on-going monitoring support to the Integrated Corridor Development Initiatives

### **3.1.8.3 Outstanding Action and Timeframes**

This project is on track as per the SDBIP and ICGD for delivery in 2015/2016.

### **3.1.8.4 Anticipated Impact of the Project**

- The sustainability of the node will be guaranteed.
- There will be economic opportunities for communities along the corridor.
- There will be opportunities for public transport initiatives.
- Property values will be increased.
- Increased rates for the City

### **3.1.8.5 Progress to date**

The development team have received the following:

- ✓ Demolition Permit for Zone E
- ✓ Bulk Earthworks and Piling Permit for Zone D, F and where required in A, C, E
- ✓ Full Council approval for Zone A, B, C, D and F



## 4.1.1 RIVERTOWN DEVELOPMENT

### 4.1.1.1 Project description

The proposed Rivertown Precinct lies to the east of Durban CBD, between the city's International Convention Centre (ICC) and Durban's beachfront. The precinct is formerly Durban's light industrial area with several low rise warehouses, some of which are of heritage value. A canal diagonally traverses the precinct along John Milne Street. Currently the canal is partially enclosed and water from areas that were formerly wetlands in the city bowl drain into the canal and are dispersed into the Harbour at Cato Creek. City Architects have been exploring the potential of re-opening this canal as a strong feature of the City and developing a vision and character of the precinct centered on this canal. The objectives of the redevelopment of this precinct include:

- Provide linkages between ICC and Durban Beachfront
- Develop the precinct taking overall cultural theme and servicing the Durban Exhibition Centre.
- Provide a link between creative individuals and private business to commercialize creative ventures through private galleries, small theatres, restaurants and other entertainment venues.
- Encourage private investment to develop uses and buildings that can interact with the ICC and provide supporting services and activities
- Promote and encourage residential densification through social and market-related housing
- Rivertown has been assessed as a catalytic project – second generation owned projects, as outlined in the Built Environment Performance Plan 2015/16
- Create a cultural Precinct that offers local and international tourist the experience of the clothes, food and leisure that is unique to KwaZulu Natal.



*Image: Rivertown – Locality Plan*

#### **4.1.1.2 Project Budget, Sources of Income and Delivery mechanism**

An Urban Design vision has been completed for Rivertown precinct and is included in the Central Precinct within the Inner City LAP and regeneration strategy. The urban design vision proposes upgrades to the public realm and streetscapes and a reconfiguration of roads to increase pedestrian movement and interaction. Planned investment in the public open realm is planned for 2016/17 financial year and will be preceded by an exhaustive consultation process with property owners' forum that is in the process of being established.

#### **4.1.1.3 Progress to date**

Urban Renewal is facilitating a 1, 6 billion investment in a proposed mixed use development boasting a 5 star hotel, serviced apartments, retail center, commercial and residential opportunities traversing Hunter Street. The development will act as a catalyst to Rivertown's redevelopment project and presents an opportune time for the City to invest in upgrading its Public Realm and activating the canal as an attraction. This will embellish the profile and character of the precinct's vision thereby attracting the right mixture of investment to complement the existing center of excellence being the ICC complex and contributing to the overall Central Precinct identity and connectivity. The developers have completed their due diligence on the properties purchased and are in the process of submitting for pre scrutiny, city departments have provided the green light in terms of bulk services provision for the development which would be formally confirmed during pre-scrutiny.

It is envisaged that the developer will commence formal engagement with the city in August 2015 through planning whilst in parallel engaging the city with a view of identifying other alternative sites for development to accommodate the affected tenants occupying the properties largely in the motor industry.

#### **4.1.1.4 Outstanding actions and timeframes**

Complete the central precinct plan which includes Rivertown as a sub-precinct through the Inner City LAP and regeneration strategy which will allow for detailed plan for public realm upgrade accompanied by budget breakdown for implementation. Formalise the Rivertown Property Forum and establish its terms of reference.

#### **4.1.1.5 Anticipated impact of the project**

An overall benefit and impact of a redeveloped Rivertown will compliment current service offering by the ICC and proposed development on the edge of the precinct by Delta Development Company together with planned investment on the Centrum site. These projects will strengthen the existing center of excellence by connecting and complementing spaces and the people who use it thereby further enhancing the experience and socio-economic potential of the central precinct. The Delta investment project will create substantial construction jobs and a bouquet of permanent jobs linked to the retail and hospitality industry. It further holds potential to provide much needed office accommodation to attract Business Process Outsourcing (BPO) sector which holds much potential to the attraction of new sectors with substantial employment opportunity. Furthermore, the opportunities for residential densities remain a focus of Rivertown's redevelopment with opportunities for social and gap/ affordable housing.



*Image: Artistic Impression – Rivertown Development*

## 4.1.2 THE BRICKWORKS (AVOCA SOUTH) INDUSTRIAL AND BUSINESS ESTATE

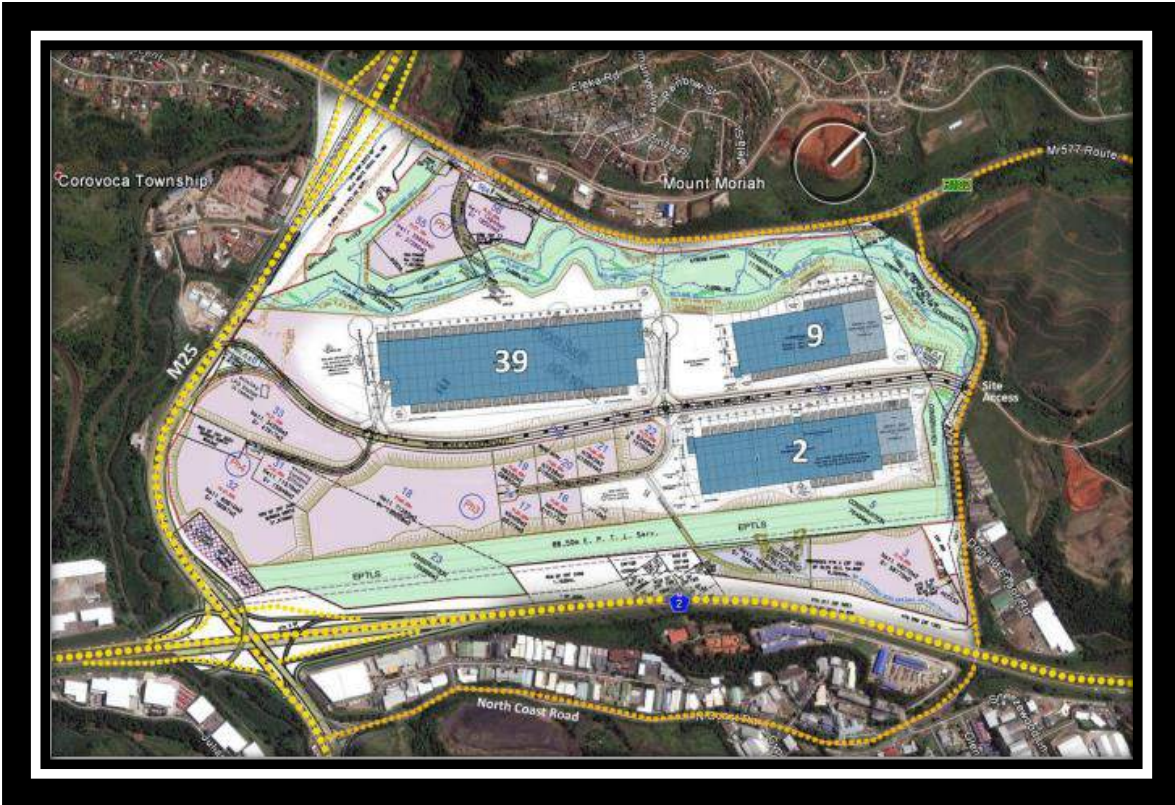
### 4.1.2.1 Project Description

Investec Property, as authorised by Main Street 57 (Pty) Ltd, which is the registered owner of the property, propose to develop the Avoca South Industrial and Business Estate in Durban North, KwaZulu-Natal for light industrial and business uses. The proposed development of Avoca South Industrial and Business Estate is to take place on the portion of property between the N2, Curnick Ndlovu Highway (P93) and Main Road R102 (MR577), and Old North Coast Road, Durban North. The site is currently zoned as Extractive Industry and is used by Corobrik to mine clay and manufacture related brick and paving products as well as for sugarcane cultivation. The total area of the site is 157 hectares (ha) of which approximately 90 ha is proposed to become levelled platforms and subdivided for the development of light industrial, general business, warehousing and related uses.

Project name	Avoca South Precinct
Developer	Investec Property (Pty) Ltd
Project description	Light Industrial and Logistics Park
Land use categories	95% Industrial and 5% Retail & General Business
Total gross site area	157.70ha
Nett platformed area	90ha
Building floor area	540 000m <sup>2</sup>



**Image: Locality Plan – Avoca South**



**Image: Proposed Site Layout Plan – Avoca South**

**4.1.2.2 Project Budget, Sources of Income and Delivery mechanism**

The total estimated investment value is R4,0 billion.

Buildings:

- At an average of R5000/m<sup>2</sup> x 540 000m<sup>2</sup> = R2,7 billion

Bulk engineering services

- **Electricity:** Substation is required. Estimated bulk infrastructure cost for electricity is R70m of which the developer pro rata share is estimated at R31,5m.
- **Sanitation:** Bulk capacity is available at the treatment works for the full development
- **Water:** Bulk supply of water is available. Reservoir and link infrastructure will need to be upgraded. Contribution estimated is R5 million
- **Roads:** Estimated bulk infrastructure cost for roads is R110,5 million of which the developer pro rata contribution is estimated at about R40 million.
- **Stormwater:** Each stand will attenuate within the site boundary before release into the bulk disposal system

#### **4.1.2.3 Progress to date**

##### **Environmental process**

- Scoping commenced – 1 January 2015
- Submission of Environmental Impact Report – June 2015
- RoD expected Oct 2015

##### **Planning process**

- Submission of application i.t.o. the PDA/SPLUMA – September 2015

#### **4.1.2.4 Outstanding actions and timeframes**

##### **Developer's challenges**

- Pro rata sharing/implementation of bulk service installation and major road upgrades to be finalised
- Lodgement of PDA prior to SPLUMA becoming effective
- Lengthy time period of EIA and PDA approvals and the need to provide an occupation date to enquiries from major national and international tenants
- Rates Policy – stimulation of development in key development nodes and the potential rebate on vacant land
- Clarification required wrt Human Settlements interest in and request for land in Avoca North and its implications on bulk service requirements, timing and costings.

##### **Estimated time frames**

###### *Estimated installation of services and construction*

- Services are anticipated to be complete January 2017
- Buildings are expected to be complete November 2027

###### *Building construction*

- Year of commencement of building construction 2016
- Year of 1st Occupation 2017
- Year of potential full development 2027
- Estimated period of construction 10 yea

#### **4.1.2.5 Anticipated impact of the project**

A detailed study was undertaken by Dr Jeff McCarthy on the Socio-Economic impact of the proposed development. Below is a summary of his findings :-

- A maximum of 540 000m<sup>2</sup> of building floor space will be created;
- Approximately 10 800 jobs will be created during the infrastructure and building construction phase. If 1 000 jobs are added to construct the infrastructural services a total of 1 800 jobs will be created over a 10-15 year building and construction period;



- Approximately 18 000 jobs will be created during the operational phase. If additional jobs are added for security staff, Home Owners Association, administrative and maintenance staff, 21 000 full time permanent jobs are likely to be created on site;
- Approximately 28 000 permanent jobs are likely to be created from the Avoca South development in terms of downstream “spin-off jobs” in the local and KZN building supplies sector and the more general local retail and service industry economy;
- The total number of jobs directly and indirectly created during construction and the operational phase of the Avoca South development is calculated at approximately 41 000 jobs;
- The total monetary value to be injected into the local economy arising from the project is anticipated to be at least approximately R 4.15 billion. If an approximate one-third downstream ripple effect is included it would not be inappropriate to predict an overall injection of approximately R 5.5 billion into the local Durban Metro economy; and It is estimated the eThekweni Municipality will accrue up to R 100 million per annum in rates when the project is complete.

## 4.1.3 SOUTH ILLOVO AUTO SUPPLIER PARK DEVELOPMENT

### 4.1.3.1 Project Description

The Auto Supply Park (ASP) project is a strategic economic priority for both national and provincial government. The ASP is listed as a key or direct response to the Presidential Infrastructure Programme (SIP), which eThekweni Municipality has been identified as a major benefactor through the Port development, Dube Trade Port and the proposed Cato Ridge Industrial Hub. The KZN Department of Economic Development and Tourism (DEDT) also identified the need to strengthen manufacturing sector within KZN, eThekweni in particular because of a strong manufacturing sector that is propelled by the Durban Port. The OEM (TOYOTA) also preferred the Auto Supplier Industrial development to be located closer to the existing plant to improve efficiency between manufacturing and assembling of units. The same principle is applied on the existing ASPs within South Africa i.e. the East London, which is servicing VW and Mercedes, the same principle is also applicable in Rossylin Park in Pretoria to service BMW and Ford.

The Durban feasibility studies have shown that the proposed Illovo ASP will be more viable in South of Durban not only because of its location, but the timelines between manufacturing of Automobile parts and car assemble into the finest units will be shortened. And the easy shipment access via the port of Durban to the different destinations which include the provinces, countries and the world. The stringent time frame of delivering the ASP was specific, therefore it was critical for the Municipality to identify the site and demonstrates that the site will be ready to deliver the ASP by 2016.

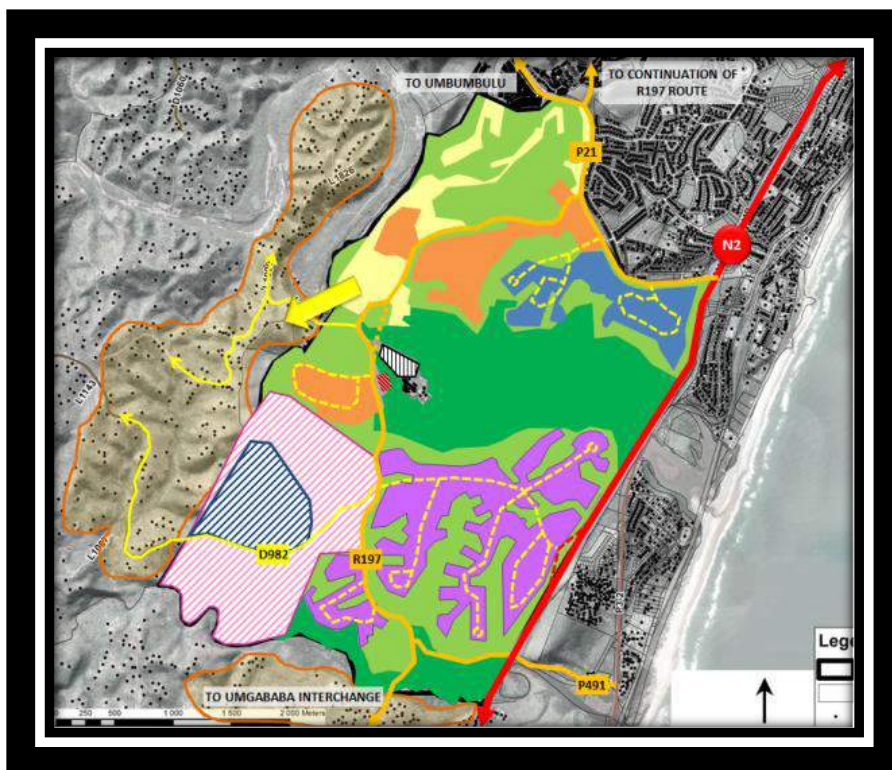
In consultation with the Toyota (OEM) requirements, the Municipality identified South Illovo site suitable to accommodate the ASP. The following requirements were considered in identifying the Illovo site:

- The 100 ha site within 30 kilometres from the Ports of Durban and 12 KM within the existing plan with environmental and planning approval, by March 2015
- Preferably within close proximity to the Toyota South Africa current operation plant (Southgate and Prospecton)
- To demonstrate that the identified 100Ha site will be ready for construction within a 12 months period and fully operational sites by March 2016
- Good access, preferably good visibility and quick access to N2 re: deliveries
- Appropriate distance from residential node due to noise and vibration levels
- Demonstrate access bulk infrastructures services in particular, the 30Kilo litres of water per hour 24hr shifts and 7MVA of electricity

As much as the Illovo site matches the required criteria to deliver the ASP (as per Toyota requirements), EThekweni municipality is guided by the IDP, through the SDF that guide land uses. Through the SDF (2012 review) pressure and demand to develop Illovo as a mixed use investment node was identified. It was then prudent for the municipality to prepare an approved South Illovo Local Area Plan, which serves as a spatial tool to guide and direct development of the area and inform rezoning and subdivision processes and also achieve commitment from the Municipality in prioritizing bulk infrastructure services and associated budget to unlock the project.

**The outcome of South Illovo LAP ware:**

- a) To understand the development parameters in terms of environment, services, access points and development footprints;
- b) To develop a conceptual LAP with a specific land uses and the review of existing plans i.e. Illovo LAP (2009) and review the existing Illovo Town Planning Scheme.
- c) Proposed land uses to guide the PDA process ( Rezoning, EIA and Act 70 of 1970
- d) To prepare a strategic mix use development to support Back of Port (BOP) initiative ( Logistic industrial development and related land uses: offices residential and commercial development) ,
- e) Enhancing Illovo’s potential to be an Investment node as identified in the SSDP (2012 review) and a maximised land value that promote integrated development to benefit communities from different income groups in the southern region



**Image: Locality Plan of Auto Supplier Park**

**4.1.3.2 The ASP Location**

The Illovo South LAP has identified industrial area to support Illovo ASP between the two rivers, The Umsimbazi River in the North and Illovo River in the South. The ASP will be accommodated within the identified light industrial use in the southern part of Illovo site. The ASP site is approximately 1360 ha in extent, approximately 32 kilometers South of Durban’s Central Business District, immediately west of Kingsburgh and Illovo Beach areas. It is further located in municipal Ward 98 which also includes the Mnini rural settlement to the south of the project area as indicated by the Locality Map above.

#### **ASP Project Progress to date:**

- The South Illovo Local Area Plan is completed and adopted by council in 2013
- Facilitation Steering Committee between the Land Owner (Illovo Sugar LTD), eThekweni Municipality and KZN Department of Economic Development and Tourism (DEDT) were developed to facilitate the process. Monthly meetings are scheduled until the study is completed.
- Environmental Specialist Studies: Wetland Study is completed and it has confirmed the viability of the Illovo site to accommodate the proposed ASP development.
- The DEDT business case study is underway; the anticipated date of completion is 28 July 2015. The Illovo business case study is also completed and waiting for DEDT study to be finalised so that both studies will be used to evaluate the appropriate mechanism to facilitate the PDA application process, which includes rezoning, EIA and the Act 70 of 1970.

#### **4.1.3.3 ASP Project Progress to date:**

- ASP will provide for a diversified economy in the south region by the establishment of a key industrial manufacturing hub within the Illovo area.
- This should contribute to a vibrant local economy and provide investment, jobs and business opportunities,
- Improved access to goods, social services and improved infrastructure to support local residents and businesses.
- Relieve pressure and demand of industrial land to support Automotive Supply Park (ASP)
- Promote Strategic demand of mix use development to support Back of Port (BOP) initiative.
- Enhancing Illovo's potential to be an Investment node as identified in the SSDP (2012 review)
- Maximise the land value and promote integrated development that benefits communities from different income groups in the southern region

#### **4.1.3.4 Broad and Indirect Benefits of the ASP project**

- ASP will provide for a diversified economy in the south region by the establishment of a key industrial manufacturing hub within the Illovo area.
- This should contribute to a vibrant local economy and provide investment, jobs and business opportunities,
- Improved access to goods, social services and improved infrastructure to support local residents and businesses.
- Relieve pressure and demand of industrial land to support Automotive Supply Park (ASP)
- Promote Strategic demand of mix use development to support Back of Port (BOP) initiative.
- Enhancing Illovo's potential to be an Investment node as identified in the SSDP (2012 review)

Maximise the land value and promote integrated development that benefits communities from different income groups in the southern region

#### 4.1.3.5 Direct Benefits of Auto Supplier Park

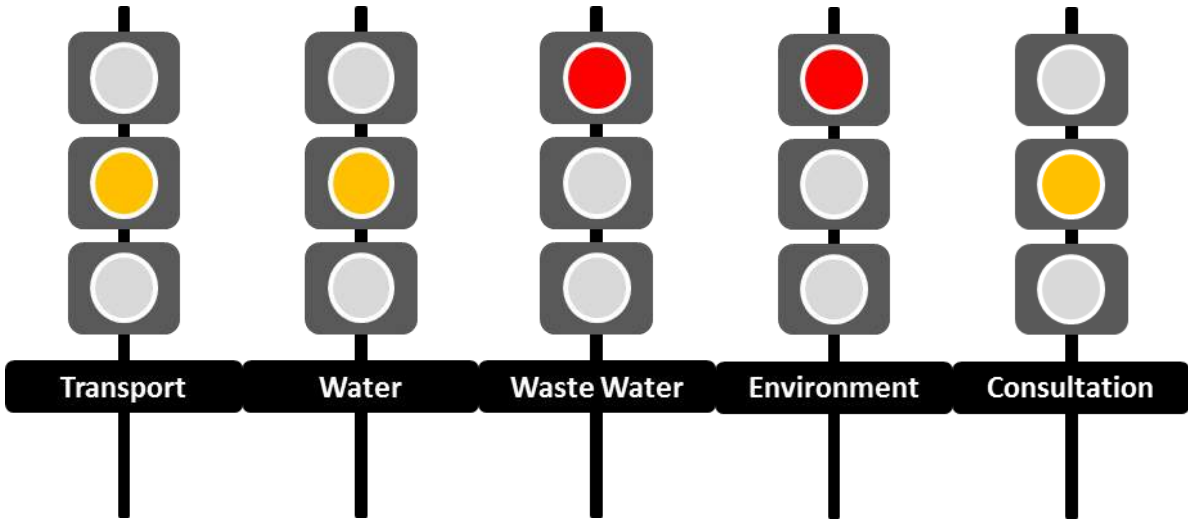
- Job Creation: Construction Temporary (6000) , Full Time (1200), Indirect jobs ( 1400)
- Catalyst for increased economic activity: Increase in Investment, TSAM & Suppliers (plant & equipment), FDI through localisation, Other OEM possibilities
- Non Quantified benefits: Increase in rates & taxes base, utility consumption revenues, Increase in property values, World-class working environment; Training & Medical Centres Conference facilities;
- Increased value proposition for: Regional competitiveness; Local & FDI investment



*Images Concept building design*

#### 4.1.3.6 Challenges

- Available infrastructure is currently adequate, but might need reassessment as land uses are proposed.
- A comprehensive regional strategy for the disposal of Waste Water is required in conjunction with localised (possibly on site) solutions for the study area.
- The municipality requires all new developments to ensure that the post development flows emanating from the site are attenuated down to the 1 in 10 year and 1 in 50 year pre-development flows.
- Once the scope and category of proposed land uses and developments have been determined, an estimated electrical load needs to be communicated to the eThekweni Electricity Department to provide final assessments on available capacity.
- The newly constructed Lovu Landfill site should have a sufficient capacity for the development of the study area, but the volumes and nature of waste will need to be defined in order to assess suitability.



## 4.1.4 VIRGINIA AIRPORT SITE REDEVELOPMENT

### 4.1.4.1 Project description

The City owns the land where the Airport is currently located. The project aims to redevelop the area and reintegrate it with its surrounding nodes and the project resides within an approved integration zone. Virginia Airport has been assessed as a catalytic project and forms part of the Durban CBD urban network.

At this point in time the ultimate development opportunity has not yet been tested with the market. The City is currently in a process of determining the best use of the site that would generate maximum development impact for the City, businesses in the area and communities who may need to utilize the site in the future

The Virginia Airport site has given rise to a possible redevelopment opportunity as an alternative site use because of the need to relocate business aviation and general services to King Shaka Airport and to Scottsburgh site respectively.

Although the City is currently engaging other relevant organs of state to determine the ultimate feasibility of relocating the Airport services, the redevelopment opportunity remains pretty much a reality once technical studies confirm the feasibility of alternative sites as relocation options.



**Image: Locality Map**



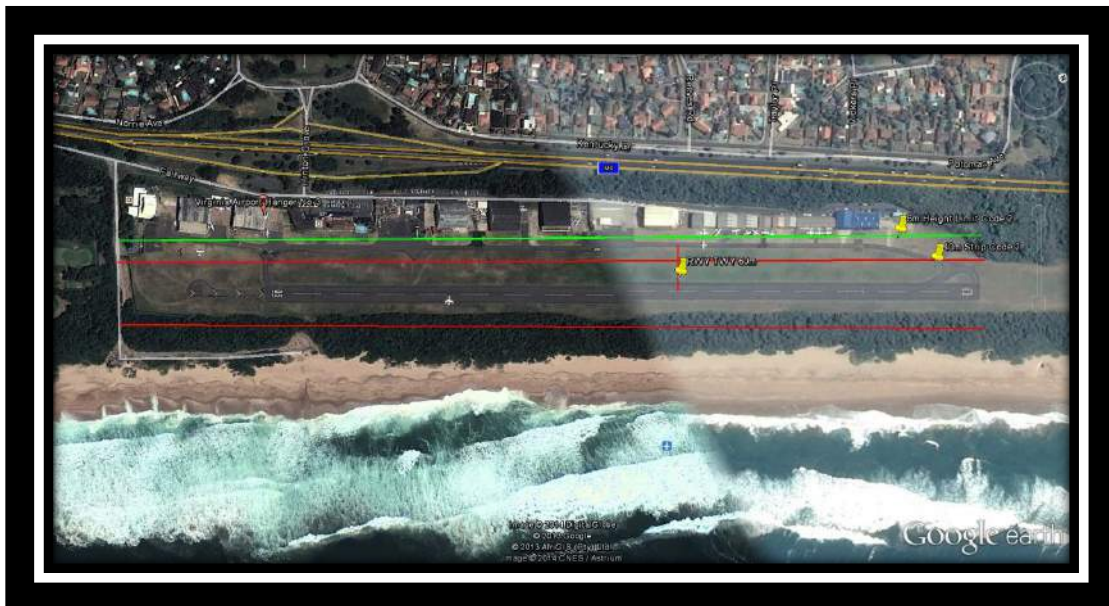
**Image – Virginia Airport Aerial View**

#### **4.1.4.2 Project location**

The Virginia Airport site lies in the northern suburb of Durban CBD along M4 North (now known as Ruth First) towards the Gateway shopping complex.

The site is measuring 29.6 hectares, although the portion with a development potential is 9.8 hectares. The site is currently zoned as an airport in terms of land use.

It lies north of the beach-wood golf course and east of the northern freeway and the Durban North shopping center and it is about 10 kilometers from the Gateway shopping mall.



**Image – Virginia Airport Site Location**



#### 4.1.4.3 Background and Context



*Image – Artist Impression – Future Development*

The developable land has potential bulk of 99 470 square meters. Based on the Virginia Airport evaluation the site lands itself to a wide range of redevelopment opportunities, including residential, retail, offices and leisure.

The City expects that whatever final development that is effected on the site, it shall comply with one of more of the following development conditions:

- Integration of the CBD and the North
- Synergy with the beach area
- Significant tourism benefit and appeal
- A meaningful empowerment model and employment impact

#### 4.1.4.4 The Airport relocation as the driver

At present the Virginia Airport site does not generate rates income for the City. Thus, the relocation of the airport activities to either King Shaka Airport and/or Scottsburgh site will clear a way for the redevelopment of the site into something that can generate annual rate income for the City.

At the present moment the Virginia Airport site is generating revenue from landing fees. However, 64.10% of the revenue generated is used to maintain the airport infrastructure, operations and other maintenance costs.

#### **4.1.4.5 Projected Investment Value and Potential Employment Opportunities**

With the 9 800 square meters of the site expected to be available as development potential, it is expected that the investment value could be more than R2 billion, depending on the type of development that ultimately is approved on the site.

The airport is currently generating 300 direct permanent job opportunities, whilst a commercial/leisure development is expected to generate far more than 300 permanent job opportunities. There are other expected tourism spinoffs from a commercial/leisure development that would be derived depending on the type of development that is permitted on the site.

It is submitted that the redevelopment of the site offers a better utilization opportunity for the City in terms of potential rate income, the investment opportunity for the business community and employment opportunities for households.

## 4.1.5 CLAIRWOOD LOGISTICS PARK

### 4.1.5.1 Project description

This is a logistics themed development of the old Clairwood Race Course being undertaken by the JSE listed Capital Property Group who now own the land. The project is aimed at supporting the logistics, commercial, & surrounding light industrial developments in the broader South Durban Basin (SDB). The development will help to usher in more of the desired zoning as indicated in the Back Of Port LAP through the provision of localised & regional logistics solutions. Additional SDB job creation, skills development & poverty alleviation will also ensue, whilst the project helps to underpin the manufacturers & other commercial businesses in the South.

Site image as per below (See yellow ring & site pin):



*Image: Locality Plan – Clairwood Logistics Park*

### 4.1.5.2 Project Budget, Sources of Income and Delivery mechanism

The total project estimate, inclusive of both infrastructure services and top structure currently stands at R4,5 billion.

Included in this number are the Bulk earthworks and internal site infrastructure and top structures at approximately R3.3 billion.

Capital Property Group's own internal infrastructure which forms part of the R3.3b above, they plan on spending approx. R 160 000 000.00 - ie internal roads, storm water, fire, electricity, etc. The city has not yet set aside capex for the next 12 months to deal with infrastructure in a manner that will complete the

development. Capital Property feel that City specific related infrastructure may be approximately R132 000 000.00, whereas our own current infrastructure estimates (according to the “master planning” exercises) are as follows (& therefore need to be further interrogated plus reconciled to the Developers estimates):

- Wastewater Relocate 1500ND Pipe – R22m
- Water Minimal
- Electricity Minimal
- Roads M4/Basil February Interchange Upgrade – R27m. Additional Road Upgrades – R5.3m

The delivery mechanism is through the JSE listed Capital Property Group. The financing mode is based on the City being responsible for part of the infrastructure provision and Capital will provide their portions of approximately R160m, plus the top structure funding. They will also be mobilising interested investors & end-users into this Precinct.

#### **4.1.5.3 Progress to date**

The bulk infrastructure has been planned and costed in partnership with all relevant Line Departments & Capital’s financing is in place.

The positive EIA Environmental Authorisation has been received from Provincial Government, whilst the Conditions listed therein are still being catered for & planned.

Preparations for rezoning application and Building Plans are at an advanced stage with several “pre-submission” engagements held between the Investors and Line Departments.

Capital Prop are working thru the conditions of the Environmental Authorization and making plans to implement these. All old buildings on the site have been demolished, which was approved in the EA. Bulk infrastructure redevelopment has begun. City & Investors are fielding negative Press & selected Community agitation.

#### **4.1.5.4 Outstanding actions and timeframes**

Submission of revised/updated Plans as contained in the Conditions of Environmental Authorisation by end August 2015.

Submission of rezoning application (for a new Logistics Zoning) after SPLUMA mechanisms come into effect during July 2015, with Building Plan “pre-submission” discussions underway during July as well. Building Plan approval is targeted by end September 2015.

Construction and tenancing will continue through to mid 2016.

#### **4.1.5.5 Anticipated impact of the project**

The project, once fully completed will bring to market 358 000 sq. meters of logistics related commercial development.

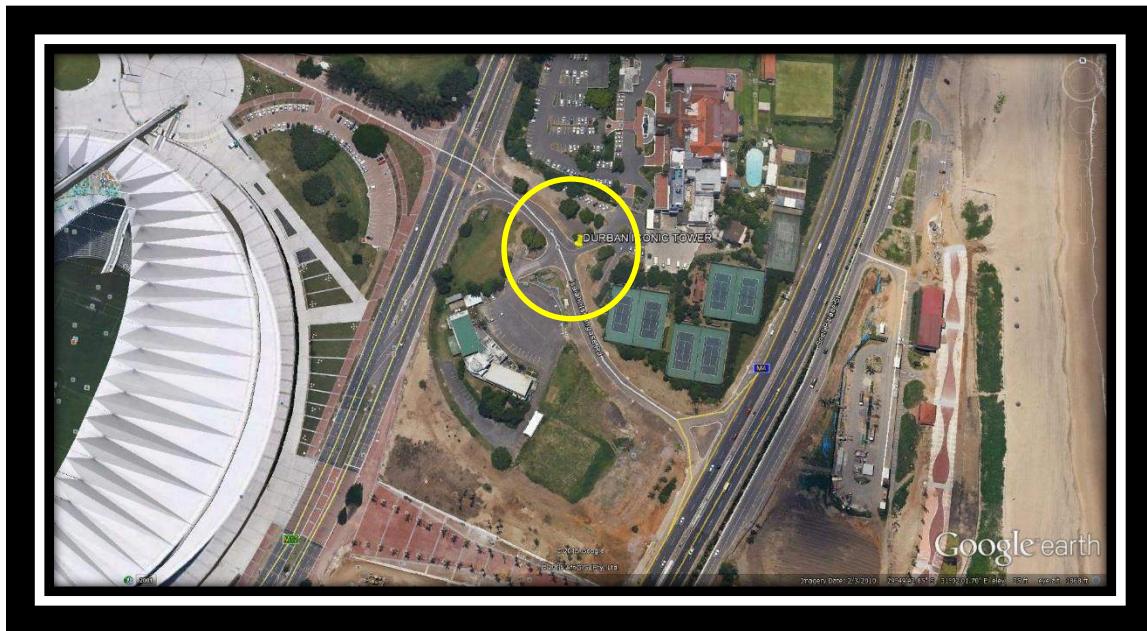
According to the Socio-Economic Impact Report submitted, these are the following anticipated impacts:

- 2000 direct construction jobs
- 5000 permanent direct jobs
- R70m Rands in Municipal Rates revenue contributions

## 4.1.6 DURBAN ICONIC TOWER

### 4.1.6.1 Project description

This is a large iconic commercial tower development based on the southern edge of the Durban Country Club site. A Private sector consortium is planning the construction of the tallest tower in the Southern hemisphere comprising retail, commercial, hotel & residential. The site targeted is owned by City, but under long lease to the Durban Country Club. The project has the full support of the Mayor, Deputy Mayor & City Manager. The project is aimed at further enhancing the broader precinct tourism, sports, hospitality & inter-linked commercial activities. Additional CDB job creation, skills development & poverty alleviation will also ensue, whilst the project helps to further catapult the City onto the global stage via the project's scale, shape & location.



*Image: Durban Iconic Tower Location*

### 4.1.6.2 Project Budget, Sources of Income and Delivery mechanism

The total project budget, inclusive of both infrastructure services and top structure is estimated at R5,5 billion. The city has not yet formally set aside dedicated capital budget for the next 12 months to deal with infrastructure in a project specific manner. This is however not an immediate challenge as there is already significant infrastructure capacity already embedded in the precinct. The biggest infrastructural (budget linked) considerations are around the traffic & transport plans, electricity, and the storm water plans, many of which are still under discussion with the relevant Professionals. Electricity should mainly be for the Developers account, whilst Water & Waste Water is not anticipated to be a major hurdle (as current capacity exists). Current internal draft infrastructure estimates are as follows (& not all for eThekweni's account):

➤ Wastewater	R3m
➤ Water	Minimal
➤ Electricity	R80m
➤ Roads	R120m

The delivery mechanism is through a company called the Durban Tower Development Company (DTDC) which is made up of a private sector Consortium led by Metropole Architects. This is truly a BBEE project as a detailed Empowerment Framework Plan has been developed based on eThekweni’s own empowerment framework (similar to IRPTN, etc), with LIV Village as 1 of the intended & agreed BEE Partners. The financing mode is based on the City being minimally responsible for infrastructure provision and the Tower Dev.Co. providing the majority infrastructure & top structure funding, plus mobilising anchor tenants into the Tower.

#### **4.1.6.3 Progress to date**

The bulk infrastructure is in early stage planning with certain key Line Departments already being engaged (e.g. ETA, Coastal Engineering, etc) to explore the requirements & options from the Professionals. These will be planned and costed in partnership with all relevant Line Departments & the Tower’s development financing option is in place from a JSE Listed Property Group.

Tower design, construction and operating experts, Samsung C&T, plus Posco South Korea have been engaged in person and both expressed a firm desire to partner. Final contracts have not yet been signed.

Durban Country Club site definition and tenure/occupational terms and conditions are being workshopped and agreed with eThekweni Real Estate, plus the Club and Tower Dev.Co. Teams (as the site is owned by the City, but still out on a long term lease). There is universal agreement and positive project progression.

Preparations for rezoning application and Building Plans are still at a very early stage, but the site and project are being incorporated into the Inner City Master Plan as City Leadership supported “fixes” in the precinct.

Tenant explorations have begun with international hotel groups, and international commercial enterprises. The retail component and residential component will be progressed further in due course but early stage market indications from the experts in these fields are very positive. The latest feasibility version worked on by AECOM’s tall building unit in London has reconfirmed the holistic viability.

Keith Matthias & Mike Miles are still working on land/lease excision process & docs. A 2hr workshop with Tower Team was held 27 July. All want to target an ECOD/Exco Report & approval in October. NMR Club have also agreed (like Dbn Country Club) to be fully cooperative in the Tower Development. ARUP will be ramping up their Infrastructure. Need to engage with Line Departments. ETA already set or next week.

#### **4.1.6.4 Outstanding actions and timeframes**

To have the in-principle agreements between eThekweni Real Estate, Durban Country Club, & the Tower Dev.Co. in place by end August 2015.

Confirmation of the site's bulk infrastructure requirements and financing arrangements by ideally December 2015.

To finalise the newly demarcated Tower site and SCM/Real Estate approved lease process and options through City Council by November 2015, with all agreements signed thereafter.

Submission of all Planning & Environmental applications by ideally January 2016 for subsequent approval around 4<sup>th</sup> Quarter 2016.

#### **4.1.6.5 Anticipated impact of project**

As the project is still in the Conceptual stage, the Socio-Economic Impact Report has not yet been submitted formally, and the Investors have asked for more time to refine and disclose these numbers in due course.

Final square meters of the different retail, commercial, hotel and residential uses are not yet disclosed for the full development as these are still being refined, but the total may likely exceed 330 000 square meters.



## 4.1.7 NATAL COMMAND – DURBAN FILM & ENTERTAINMENT COMPLEX

### 4.1.7.1 Project description

This is a large mixed-use property development of the old Natal Command site. The consortium is led by Anant Singh & Sudhir Pragjee of Video Vision and will involve transforming the currently vacant 21 hectare “L-shaped” site near North Beach into a motion picture, media, resort & entertainment precinct.

***Site & Architectural images are as per below (See yellow rings & site pins):***



***Image: Artistic Impression – Walk of Fame***

#### **4.1.7.2 Project Budget, Sources of Income and Delivery mechanism**

The total project budget, inclusive of both infrastructure services and top structure was historically estimated at R3,2 billion. The re-worked plans and numbers are still being done, but this writer's best guess is that the investment could now exceed R5Bn. The city has not yet formally set aside dedicated capital budget for the next 12 months to deal with infrastructure in a project specific manner. This is however not an immediate challenge as there is already significant infrastructure capacity embedded in the precinct.

The delivery mechanism thus far is through the Rinaldo Investments (Pty) Ltd entity. The financing mode is based on the City potentially being responsible for part of the infrastructure provision (numbers not yet known), whilst Rinaldo will provide their portions, plus the top structure funding. They will also be mobilising interested investors & end-users into this Precinct.

#### **4.1.7.3 Progress to date**

A 1<sup>st</sup> draft site "master plan" has been received in hard copy from Video Vision Executives. This has been shown to certain City & Provincial leaders, with a warm reception to date.

An internal Municipal Transaction Advisory Services TOR has been developed, and the core team has been activated with the DCM's Office and Head: Real Estate in the lead.

The bulk infrastructure discussions are at a very early stage, and being led by a team of professionals which includes ARUP and others.

Multiple parties in the Municipality, Provincial Government & the Dev.Co Team have been repeatedly asking the National Dept of Public Works to transfer the land required to eThekweni Municipality, yet this still has not happened. The Mayor has signed a personal letter to the National Minister on 22 June 2015 asking for direct intervention. A similar letter has been drafted for the Premier but this has yet to be signed off and set to the National Minister.

The CM & Keith Matthias met with DPW DG & Legal on 9 July to push for land transfer again. There has been no response yet from Minister, to the Mayor's Letter sent last month. DG again committed to CM that he would expedite. They are apparently awaiting Military/Ministry of Defense to OK the transfer (VIP Military Hospital issue alluded to). The delay has caused inability for Project to be jointly announced at the July Durban International Film Festival. Planning & bulk infrastructure work can't continue much further until land trf'd. Project has been included in the Inner City Master Plan work as a "fix". VideoVision do have the option to go "legal" again, to force the transfer, but are not going to do that at this stage.

#### **4.1.7.4 Outstanding actions and timeframes**

Submission of revised/updated & more detailed site Plans once the land transfer has taken place (ideally by end August 2015.)

Successful conclusion of the land price negotiation between eThekweni and Rinaldo Investments, based on the Court approved transaction documentation should be targeted for September, latest October 2015.

Bulk infrastructure master planning, design, costing & financing should be concluded by September 2015.

Planning & Environmental applications should all be lodged for consideration before end 2015.

The Investors would like to make a joint public announcement of the project at the July 2015 Durban International Film Festival.

#### **4.1.7.5 Anticipated impact of project**

As the project is still in the Conceptual stage, the Socio-Economic Impact Report has not yet been submitted formally, and the Investors have asked for more time to refine and disclose these numbers in due course.

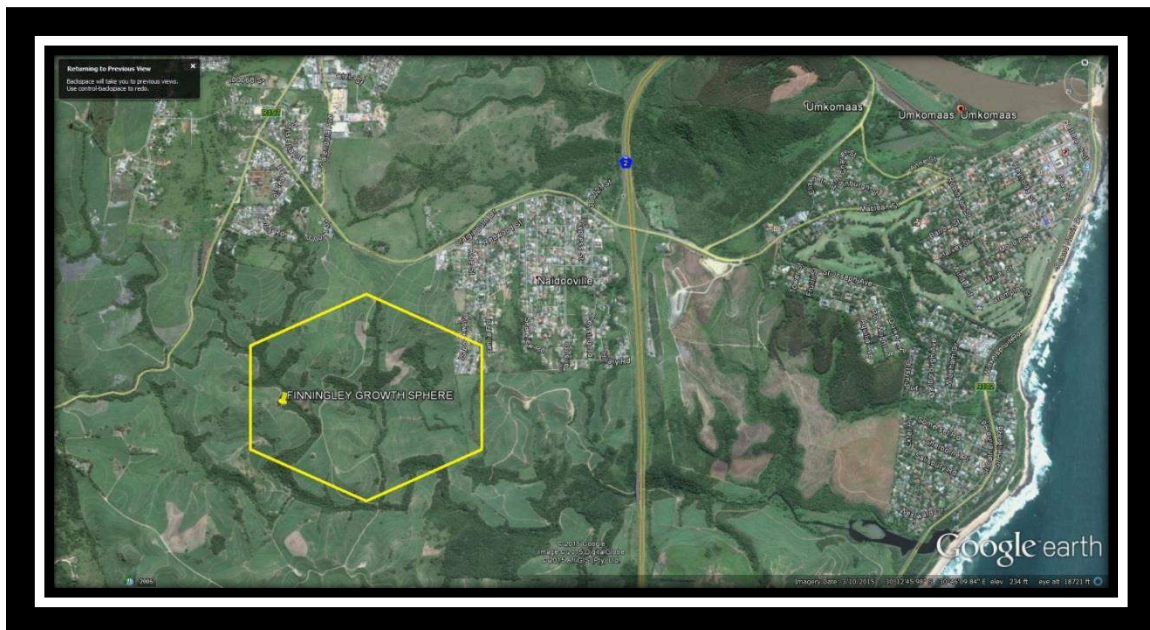
Final square meters of the different retail, commercial, hotel and other uses are not yet disclosed for the full development as these are still being refined, but the total will cover a truly sustainable use of the 21ha site.

## 4.1.8 FINNINGLEY GROWTH SPHERE - UMKOMAAS

### 4.1.8.1 Project description

The Crookes family have been farming this land for over a century and Alan and David Crookes have conceptualised this legacy project with the Finningley Development Consortium. The proposed Finningley EcoEstate Development is an iconic project which has been 10 years in the planning. The project entails the transformation of 3100ha of marginal farm land between Scottburgh and Umkomaas into sub-Saharan Africa's first green city. The proposed development will implement cutting edge innovation and sustainable green technology, including the development of resorts, schools, research facilities, an airport, as well as residential, agricultural and industrial developments.

Key elements of the Finningley development include facilitating mixed land use and integrating land use with alternative intensive climate smart agriculture. This groundbreaking development aims to create substantial job opportunities over the years it takes to complete and could create an economic hub that would be of immense benefit to the local municipality and the people of the southern eThekweni region.



*Image: Locality Plan – Finningley Growth Sphere*

### 4.1.8.2 Project Budget, Sources of Income and Delivery mechanism

The total project budget, inclusive of both infrastructure services and top structure is estimated at R45 billion. The city does not need to set aside any significant portion of the R360m (estimated, excl VAT) total bulks cost for Phase 1A to deal with infrastructure as the Developer & their Investors are willing to finance this (excl PDOT Roads portion which is agreed with that Ministry) to enable the construction.

The delivery mechanism is through the Finningley Joint Venture Development Company (Pty) Ltd. The financing mode is based on the Developer & Investors being responsible for all the infrastructure provision and PDOT remaining agreeable that they will provide their roads portion. The delivery mechanism sought is a new form of alternative bulk infrastructure financing whereby eThekweni would need to agree to allow the use of the future, enhanced Rates revenue stream to pay back the institutional infrastructure financier. The internal reticulation & top structure funding will be entirely funded and managed by Finningley Dev.Co. along with mobilising interested investors & end-users into this Precinct.

#### **4.1.8.3 Progress to date**

The bulk infrastructure has been planned and costed in partnership with all relevant Line Departments & Finningley's financing is in place. A Provincial & eThekweni Bulk Infrastructure Work Group has been set up.

The Framework EIA is approved and Bulk Services for approximately 70% of the site area have been planned. Environmental approval is in place for the expanded WWTW situated in Umkomaas.

The Act 70/70 re-submission to National is done & awaiting authorization. The last alternative bulk infrastructure finance workgroup meeting (convened by Provincial Treasury & Deloitte) included A. Peters & National Treasury advised on 8 July in the CBF that we must all explore this option. Project & Investors are included in the end August, National Treasury Urban Development Financing & Investment Conference.

Based on a full & detailed Feasibility, preliminary designs are 70% complete.

#### **4.1.8.4 Outstanding actions and timeframes**

Submission of revised/updated Act 70/70 Agriculture release Application (to National Agriculture) was made in June 2015, & approval is expected before September 2015.

Bulk Infrastructure Financing & Delivery Agreement with eThekweni (Treasury & Infrastructure Units), with technical support from National & Provincial Treasury to be completed by end 2015.

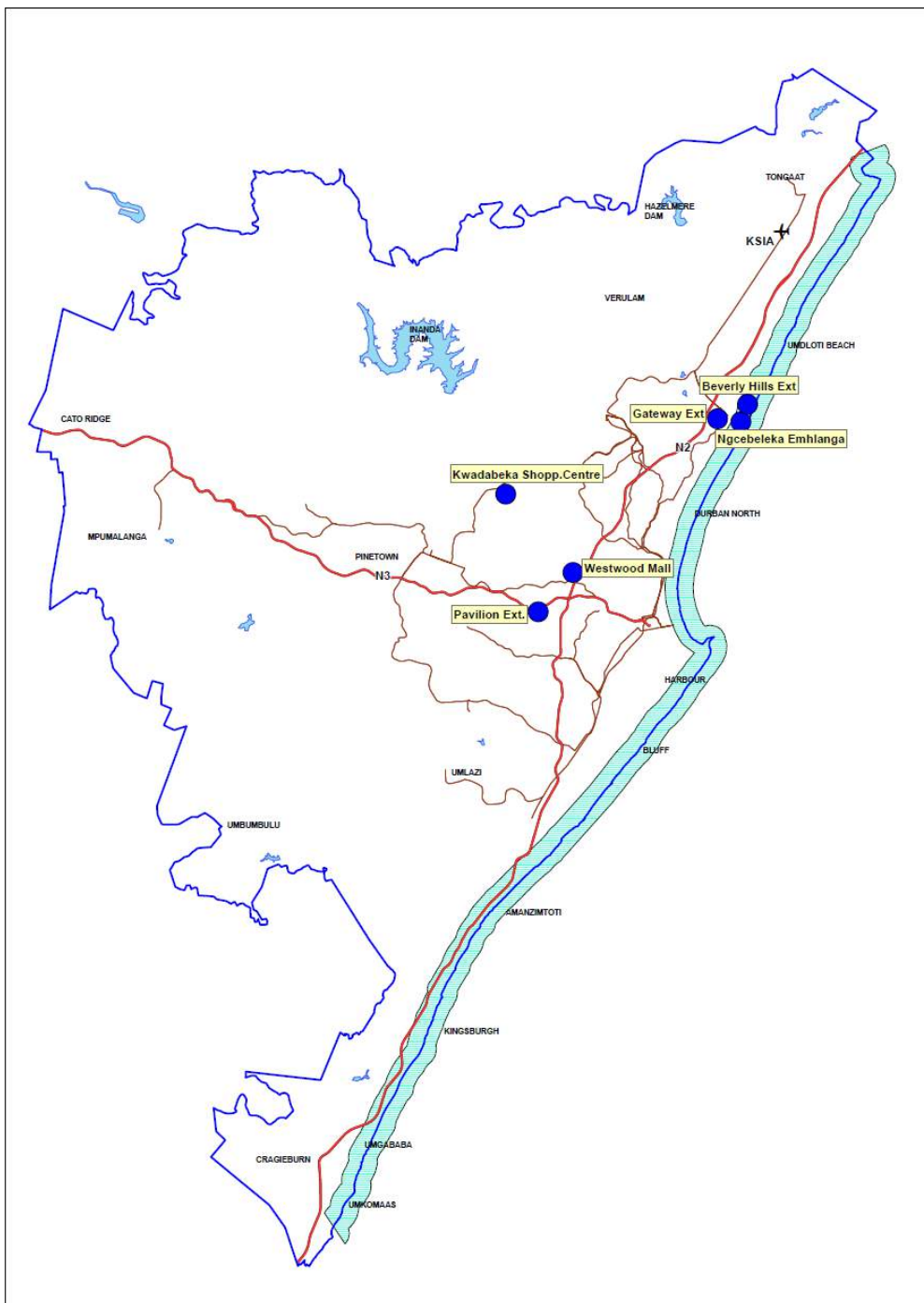
Expected PDA submission date (or most probably via the new SPLUMA route & processes) is Dec 2015, with Building Plan "pre-submission" discussions underway during November/December as well. Building Plan approval is targeted by end January 2016.

#### **4.1.8.5 Anticipated impact of the project**

According to the Durban Investment Dashboard Fact Sheet submitted by the Investors, these are the following anticipated impacts:

- Building Size (sq m): 10,280,000 m<sup>2</sup> : Total projected building area
- Average Residential Unit Size (sq m): 85 m<sup>2</sup>
- Total Number of Residential Units: Approximately 60,000 units
- Estimated rates per annum (R): Total at peak R1.15bn
- Temporary Employment Per Annum (Full time equivalents, not people): 96,000 construction jobs created
- Permanent Jobs Created (Full time equivalents, not people): 277,000 : Permanent jobs created

## 5.1 CATEGORY C – MALL EXTENSIONS



## 5.1.1 GATEWAY EXTENSION

### 5.1.1.1. Project Description

The Gateway Shoppertainment Centre is located in the New Town Centre, Umhlanga. It is some 170 000m<sup>2</sup> in extent and is home to major global fashion brands. It is the intention of Old Mutual Funds to expand the Centre to some 370 000m<sup>2</sup> within the next fifteen years. There are four phases proposed and the delivery of such is indicated as follows:

PHASE	TARGET YEAR	CATEGORY OF LAND USE	TOTAL BULK (m <sup>2</sup> )	TOTAL
1	2015	RETAIL	50 000	50 000
2	2020	RETAIL OFFICES RESIDENTIAL HOTEL	25000 12000 5000 8000(150 ROOMS)	50 000
3	2025	OFFICE RESIDENTIAL HOTEL	25000 17000(234 units) 9000(200 rooms)	50 000
4	2030	OFFICE RESIDENTIAL HOTEL	13 000 28 000(400units) 9000 (200 rooms)	50 000

### 5.1.1.2 The Project Proposal

In order to give effect to this delivery schedule, there are numerous streams of work that has been undertaken by the Developer in order to allow Council to make an informed decision. The first decision that will have to be taken requires that the DEVELOPER submit a statutory planning application for enhanced development rights to Council. As part of this application a number of specialist studies were undertaken and these included a Traffic Impact Assessment, Environmental Studies, Market Analysis.

### 5.1.1.3 Progress to date

- The Pre- Submission Planning Application has been submitted to Council; however the traffic issues remain largely unresolved. These traffic issues are NOT the Ethekwini Traffic Authority's responsibility; but are rather that of the SANRAL- South African National Roads Agency. Considering the phasing of the project and its traffic generation over the next 15 years; the current proposed interchange is unable to support such numbers. Hence, there are further requirements that the Developer needs now undertake in order that this application proceed.

- A meeting with the Developer has been scheduled for the week 25 June 2015 in order to unblock this catalytic project.
- All other comments have been unblocked.
- Should the Developer be able to satisfy the requirements of SANRAL, the statutory planning application, may then be lodged for consideration.

#### **5.1.1.4 Outstanding actions and timeframes**

- Due to new costings, developer to respond and advise council of the way forward.

#### **5.1.1.5 Anticipated impacts of the project**

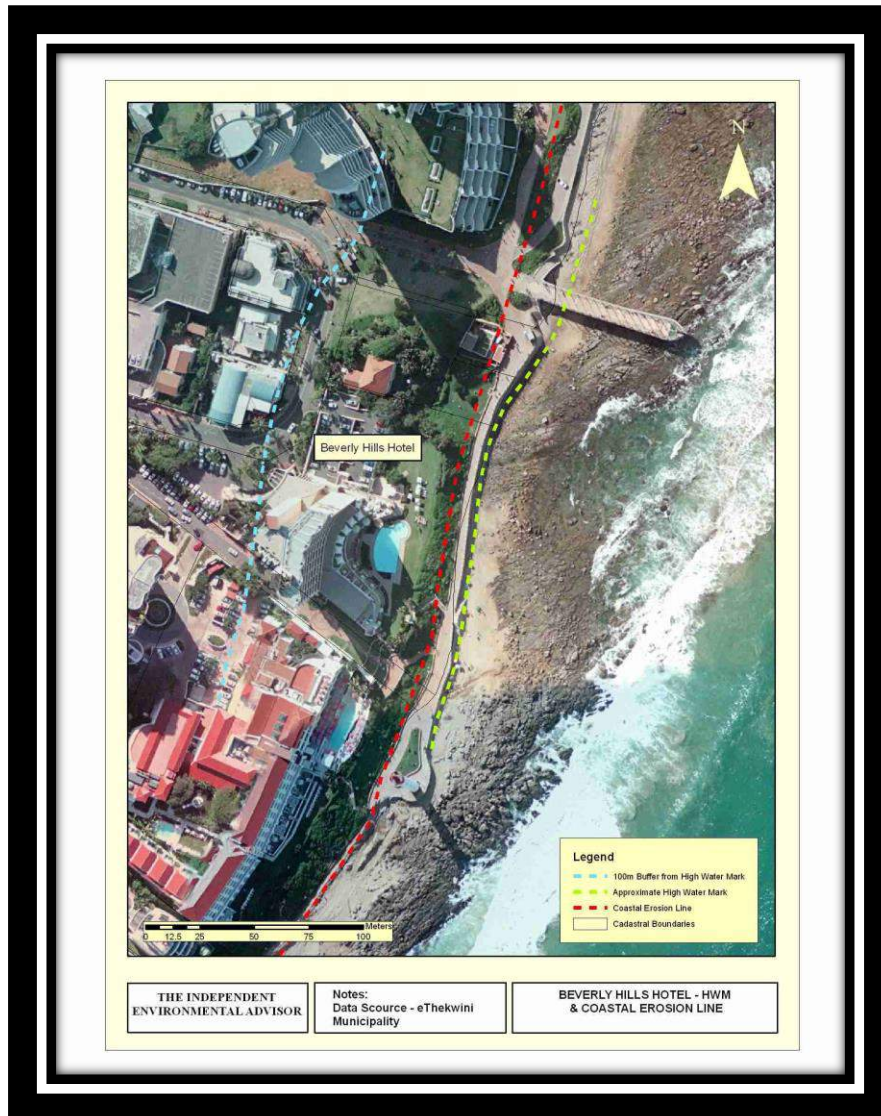
- Gateway shoppertainment will never be the biggest shopping centre in the southern hemisphere again; however it will be the biggest in the Province of KZN.
- Gateway serves as a huge tourism attraction and the expansion will add further value to this development.
- The proposal anticipates and promotes the live-work-play environment. A sustainable planning model.
- During construction there will be many jobs; while after construction the new development itself will create new jobs;
- Due to the development itself- there will be a huge rates increase for the City.
- There will be the continued promotion of quality and safe environments.
- Infrastructure provision will be world class and sustainable into the future- hence he need to unblock the SANRAL issue.



## 5.1.2 BEVERLY HILL EXTENSION

### 5.1.2.1. Project Description

The Beverly Hills Hotel located at 1 Lighthouse Road, Umhlanga Rocks, became operational 50 years ago. It consists of 88 rooms with a number of restaurants, meeting room, parking, swimming pool and other amenities and facilities such as kitchens and laundries. It is an internationally acclaimed establishment.



*Image: Locality Plan*



*Image: Existing Hotel*



*Image: Visual Impression of Extension to Beverly Hills Hotel*



**Image: Aerial Impression of Extension to Beverly Hills Hotel**

#### **5.1.2.2 Project Proposal**

The development proposal encompasses the following:

- Multi-storey extension to the north of the existing Beverly Hills Hotel over Erf 3128 Umhlanga Rocks (Porritt House), Erf 1 of 260 Umhlanga Rocks, and proposed Rem of Ptn 1 of Erf 3132 Umhlanga Rocks, requiring the demolition of the existing parking area immediately north of the existing hotel. The extension would require construction and moving and removing approximately 250 000m<sup>3</sup> of soil or other material within 100m of the high water mark of the sea.
- Re-development of existing Hotel Beverly Hills, includes:
  - ✓ 2 levels of basement parking
  - ✓ Fine dining restaurant/s
  - ✓ All-day dining restaurant/s
  - ✓ Function venue with 4 meeting rooms
  - ✓ Spa treatment centre
  - ✓ 130 guest suites (existing rooms will be converted to suites)
  - ✓ Sky bar/function venue
  - ✓ Atrium linking existing tower with northern extension of the hotel
- Demolition of Porritt House
- Removal of a number of white and coastal red milkwood trees of varying ages and other vegetation (these will be replaced in the re-landscaping after construction is completed)
- Development of on grade off-road parking
- Development of a public amenity possibly including fast foods kiosk/s adjacent to the existing promenade along the seaward boundary

- Re-roofing/beautification of the sewage pump station on Erf 654 Umhlanga Rocks at the request of Ethekewini Metropolitan Municipality.

#### **5.1.2.3 Progress to date**

In order to assist this catalytic project, a series of internal meetings to address the following was set up:

1. Waste water- to determine the status of the Sewer Pump Station that is located within close proximity to this Hotel;
2. Umhlanga Promenade- to determine the effect on the new Promenade;
3. To determine the status of the Umhlanga Tidal Pool on this project.
4. Applicant has been referred to ETA for traffic comment.

#### **5.1.2.4 Outcomes of the above**

1. It has been understood that the Pump Station cannot be moved. However, it has been proposed by the City that the Developer may make cosmetic upgrades to the facility which will be for the Developers cost. Furthermore, the facility is within the 100m high water mark and the Developer has agreed to include it in their EIA submission. This has already happened.
2. It has been confirmed that there is NO impact on the Promenade. NO further work is required on the Promenade.
3. The EIA for the Tidal Pool has been completed and is with Province –DAEA for decision. The Approval of such a facility could have a detrimental impact on this coastal strip. Awaiting the EIA outcome.
4. Developer is setting up meeting with ETA to determine traffic implications and requirements.

#### **5.1.2.5 Outstanding actions and timeframes**

- There is a statutory application that is currently being undertaken on the site that returns the public access way back to Council. That process is soon to be completed.
- Once, the EIA is complete and a decision issued, the building plans will be ready for submission. This will be towards the end of 2015.

#### **5.1.2.6 Anticipated Impacts of the project**

##### **Refurbishment and Expansion of Beverly Hills Hotel:**

The Beverly Hills Hotel is located within a 5 star internationally acclaimed tourism destination within the Umhlanga Urban Improvement Precinct Plan.

The Umhlanga UIP seeks to “*create desirable and well managed public spaces in uMhlanga Rocks by establishing private sector / municipal partnerships while delivering privately funded security, cleaning, maintenance, greening and marketing services*”. The initiative is funded by uMhlanga Rocks property owners in the interests of improving the precinct and maintaining its status as a premier destination.

The development proposal enhances the offering of the Oyster Box-Beverly Hills Hotel-Pearls complex along the seafront promenade and redefines the public ablutions and showers immediately south of the McCausland Pier while facilitating much needed improvements to the sewage pump station.

The Beverly Hills Hotel has operated successfully for over 50 years and needs to gear itself for the next 50 years, taking into consideration the changing demands of a discerning clientele and the need to meet and exceed expectations of guests.

The proposed refurbishment and extensions will allow a diversified offering congruent with the precinct within which the hotel is located, in addition to the hotel's proximity to the King Shaka International Airport, which facilitates the discreet transfer of high profile domestic and international guests. Guests have included royalty, celebrities and captains of industry as well as heads of state.

An increasing number of guests are traveling with family members with the requirement that their accommodation facilitates unity of family but allows sufficient flexibility for family members to be private within the family. This is addressed through the inclusion of suites.

The market trend is for an increasing demand in exclusive function venues with unique location attributes. The Beverly Hills Hotel is already established as a 5 star destination while the increase in conferencing-function rooms coupled with the sky roof facility capitalises on the seafront setting of the hotel.

Current room occupancy averages at about 65-70% with 100% occupancy over peak periods such as December and Easter. The increased number of suites will meet the growing demand for 5 star discreet accommodation over peak periods and for high profile weddings and other similar profile functions.

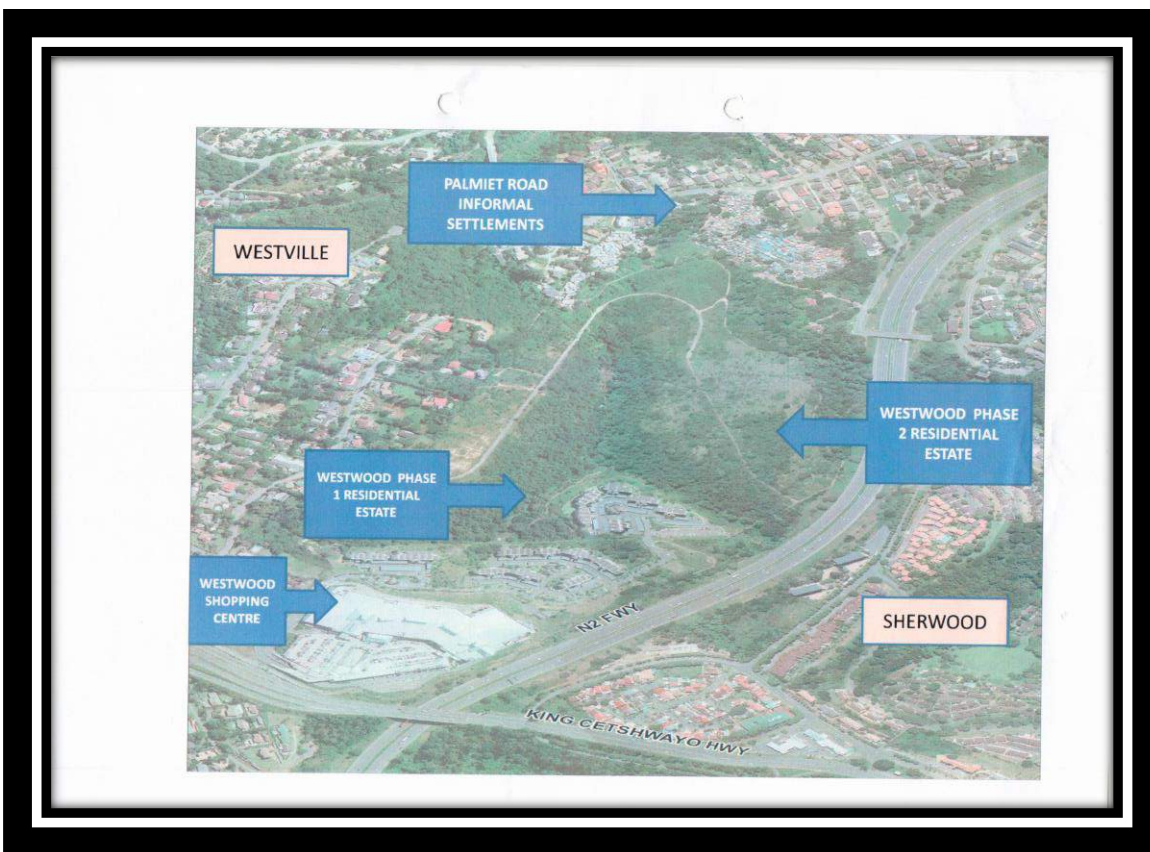
The guest-to-staff ratio is such that the proposed expansion and refurbishment of the hotel will result in an increase of over 60% staff employment and approximately 75% in outsourced services such as security, spa centre, and landscaping. This translates to a projected increase in employment opportunities of approximately 160 jobs.

The proposed refurbishment and extension of the Beverly Hills Hotel is congruent with the Ethekewini Spatial Development Plan, 2014-15, and the Northern Spatial Development Plan 2013-2014 in that the node around the Umhlanga Lighthouse is identified as an important economic as well as tourism and recreational node.

## 5.1.3 WESTWOOD MALL EXTENSION

### 5.1.3.1 Project Description

Westwood Mall is a Shopping Centre that is located between the suburbs of Westville and Sherwood. See locality plan below. Within close proximity of this Shopping Centre is the existing Westwood Phase 1 residential development; the plan indicates the locality of proposed Phase 2 of the residential development. The Developer has raised that proximity of the Informal Settlement has impacted on the sale of the current units and raises the same issue now that Phase 2 of the development will soon be lodged for consideration. Hence, the need to relocate the Informal Settlement to safer and more feasible position is proposed.



*Image: Locality Plan – Westwood Mall*

#### **5.1.3.2 Project proposal**

The Human Settlement Department (HUD) has put in place a project settlement plan.

#### **5.1.3.3 Progress to date**

A team of Professionals has been appointed by HUD to undertake the topographic, geotech, environmental, services and planning investigations at the Lacey Road locality. The topographic study is almost complete. The Geotech report is due to be completed within the next 5 months. Currently there are 60 land acquisitions that need to be finalised for which a budget of approximately R4 million is required and has NOT been budgeted for. This money is required for 2015/2016. This phase of work- i.e the acquisition has a time period of 12-18 months. Planning work may only commence after the Geotech Report is completed. The Planning Drawings will be presented to the Housing Working Group.

#### **5.1.3.4 Outstanding actions and timeframes**

Most critically is the need to secure the budget for the acquisitions which was NOT secured by HUD.

#### **5.1.3.5 Anticipated impact of the project**

Westwood Mall will be able to commence and complete and sell their units unencumbered. This will bring in rates for the City.  
The relocation will result in proper housing being provided by the current occupiers.

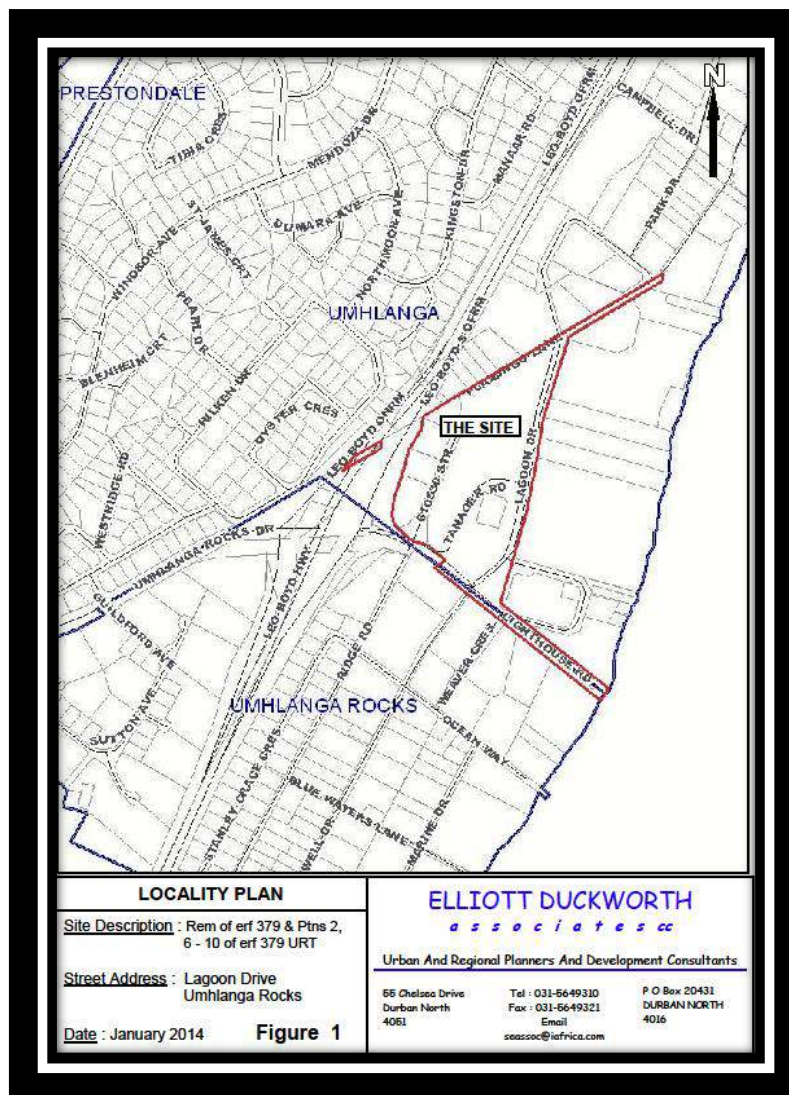
## 5.1.4 NGCEBELEKA EMHLANGA: "GOTYA PROPS"

### 5.1.4.1 Project description

The Site is located in Umhlanga and was home to the erstwhile North Local Council Offices in Lagoon Drive. The site was disposed of via public tender prior to the establishment of eThekweni Municipality as a Metro Municipality. Currently, the Developer has lodged a pre-submission application and the comments of internal departments have been collated and returned to the Developer.

Included in this, are the elements of the relocation of the Umhlanga Country Club and the Ski Boat Club. The Umhlanga Country Club relocation is now at an advanced stage; the Ski Boat Club relocation is also being finalised. Both components are advancing for delivery within the latter part of the year.

It is anticipated that the statutory submission will be lodged as a SPLUMA APPLICATION towards the latter part of the year and a decision by December 2015. Building plan submission will occur in early 2016.





#### **5.1.4.2 Project Proposal**

There are various components to this application:

1. Subdivision of components;
2. Consolidation of components;
3. Rezoning of portions;
4. Scheme Amendment to the Provisions of the Scheme

#### **5.1.4.3 Progress to date**

Various and numerous meetings with internal stakeholders to facilitate this application have been convened. This has resulted in a positive response from stakeholders and the applicant now finalising the statutory submission.

#### **5.1.4.4 Outstanding actions and timeframes**

The eThekweni Transport Authority is still busy with the detail of the Traffic Impact Assessment and are in liason with the demolisher.

#### **5.1.4.5 Anticipated impact of the project**

- This development will now complete the development in this node. It will increase land values in the area and hence rates for the City.
- It will generate a number of sustainable jobs due to the land mix- hotels and retail/offices.
- It will bring to the market a further opportunity for choice- retail/hotel and work space.
- It has a sustainable residential component that will allow people to live-work-play on the same space.
- Add to the quality environment that currently exists.

## 5.1.5 PAVILION EXTENSION

### 5.1.5.1 Project Description



*Image: Locality Map - Pavilion*

Below is a summary schedule of the intended development and extension to the Pavilion:

**Zone A:**

Additional Parking on top of existing parking (close to Game and Pick N Pay entrances)

**Zone B:**

Additional Parking slab on top of existing parking (presently the starter columns are visible on this parking, i.e. ready for future expansion)

**Zone C:**

Additional parking on top of existing parking (close to Checkers and banking mall)

**Zone D:**

New parking to activate the access road as well as a new entrance into the Mall at Lower Level (Close to Cardies / Checkers), relieve pressure from the 'front N2 entrance'

**Zone E:**

Demolish existing levels of parking and rebuild for Retail, additional +/- 20'000m<sup>2</sup> of Retail with International Brands

**Zone E Roof:**

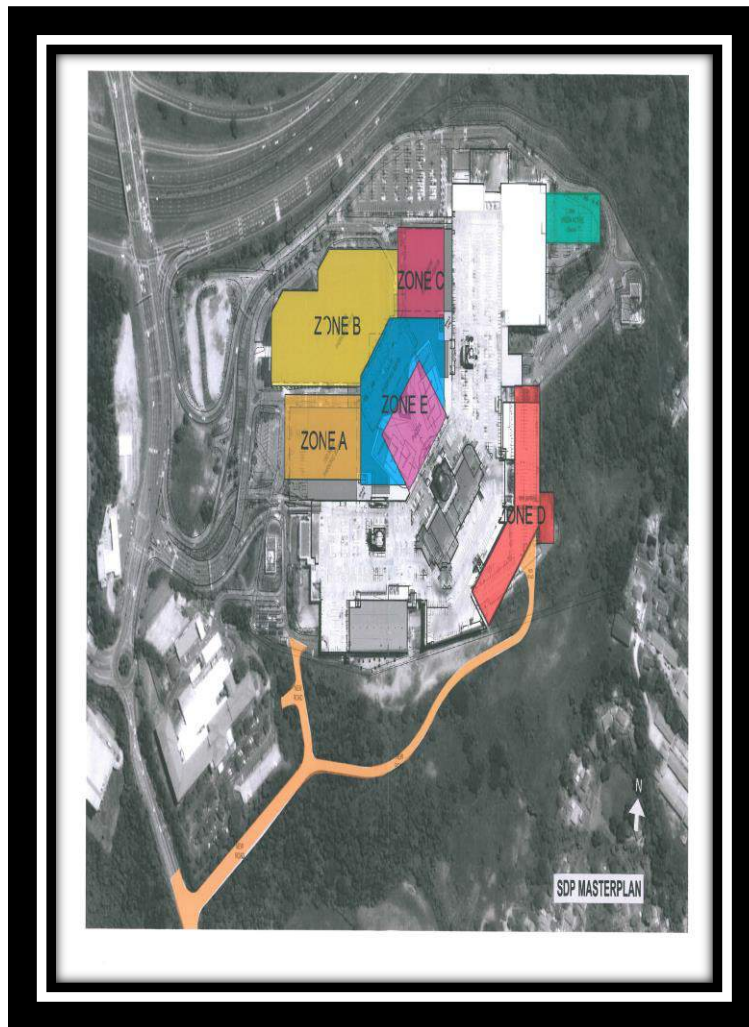
Brand new concept to activate the 'roof' with restaurants, entertainment area and specific retail, covered area but still open.

**Zone F:**

Virgin Active, to create additional Parking and a Virgin Active (green section)

**2<sup>nd</sup> access road:**

Orange / peach colour on the attached overview – brand new road as per municipal standards, will be built for municipality. Design progressing hand in hand between Pavilion Professional team and Municipality.



*Image: Aerial view – Zoning Plan*

**5.1.5.2 Progress to date**

- ✓ The development team have received the following:
- ✓ Demolition Permit for Zone E
- ✓ Bulk Earthworks and Piling Permit for Zone D, F and where required in A, C, E
- ✓ Full Council approval for Zone A, B, C, D and F

### **5.1.5.3 Outstanding actions and timeframes**

The TIA/ETA approval is holding up the progress on the following:

1. 2<sup>nd</sup> access road approval – this process can only continue once ETA has issued approval
2. Zone E approval - this process can commence with LUM approval (although our plans are with Council but not progressing due to ETA approval outstanding) once ETA has approved the TIA, then due process to follow, from obtaining LUM approval to Building approval etc. A meeting has been scheduled to resolve this matter.

Note that as per item 2, the Client risk is increasing on a daily basis, the longer the TIA approval takes the longer the period of risk is between demolition and building of this area and affecting all aspects of the project.

Note that as per item 1, for Zone E to be operational, council requires 2<sup>nd</sup> access road to be operational prior to Zone E being operational, and again every delay in ETA approval, increases the time line and all aspects/consequences following.

### **5.1.5.4 Anticipated Impact of the project**

The pavilion shopping centre is one of the largest in KZN and will also need to expand in the future. From a strategic planning perspective, if additional general commercial land is to be created in Westville, then the most logical place is to do it around an existing established commercial node.

The proposed developments will generate a number of employment opportunities in area. Opportunities will be created in construction, maintenance, management, professional fields, commerce, administration, security and service employment.

Additional revenue will also accrue to the municipality in the form of increased rates and service charges once the sites are developed. The site forms a natural edge to the existing commercial node and needs to be used for the maximum economic benefit.

One of the primary economic benefits of the development of the site will be the improved traffic circulation and access to the pavilion shopping centre which is a major employer and an important contributor of rates to the Municipality. The city will benefit from the anticipated construction of the new road by the private enterprise.

## 5.1.6 KWADABEKA SHOPPING CENTRE

### 5.1.6.1 Project description

KwaDabeka area is located on the border of Pinetown/ Germany within the Innerwest Operational Entity of Ethekewini Municipality. The site is located at the intersection of two major routes, the M19 and M5 and enjoys easy access via these routes to the N3, N2 and M13. The area is 5KM from Pinetown/ New Germany, 15km from Durban CBD and 20km from the South Durban Basin. The proposed mall abuts C3 (P577) corridor which is major link and connector for people travelling from west to areas in the north of the city of Durban. It envisaged that this corridor will provide enough threshold of support for the proposed mall.

The Development in this area will provide a necessary service in the community of Clermont and KwaDabeka areas.



*Image : Kwadabeka Shopping Mall – Locality Map*

### 5.1.6.2 Project Budget, Sources of Income and Delivery mechanism

The total project budget at this stage is R360 million from the developer and the Municipality is not expected to contribute to this development. Since this is a built up area it is expected that all the necessary services like water, and electricity etc should be sufficient to accommodate the proposed mall. Road improvements will required in terms of the traffic impact assessment as this relates to the potential traffic that could be generated in terms of the proposed bulk.

### **5.1.6.3 Progress to date**

The site has been cleared by all Council departments and ready to be advertised for potential developers to put in their proposals for the erection of the mall. The ward councillor has also had public meetings with the general public and the taxi associations and the proposed mall has been supported in principle.

### **5.1.6.4 Outstanding actions and timeframes**

The Real Estate Department is currently drafting a lease document which will form part of the documentation to put the site out to tender for the proposed development. As part of the tender document it is expected that Traffic Impact Assessment (TIA) will be done by all tenderers and submitted as part of their proposals.

### **5.1.6.5 Anticipated impact of the project**

Clermont township is one of the few townships that don't have a mall strategically located within the township. The proposed mall will try and reverse this anomaly. The proposed mall has a potential of creating 1800 jobs at the construction phase and these will range from qualified builders, artisans, fitters to unqualified people working on the development. It has been projected that after completion the mall will create about 1000 jobs. These could include security, people working in the chain stores and also cleaners.

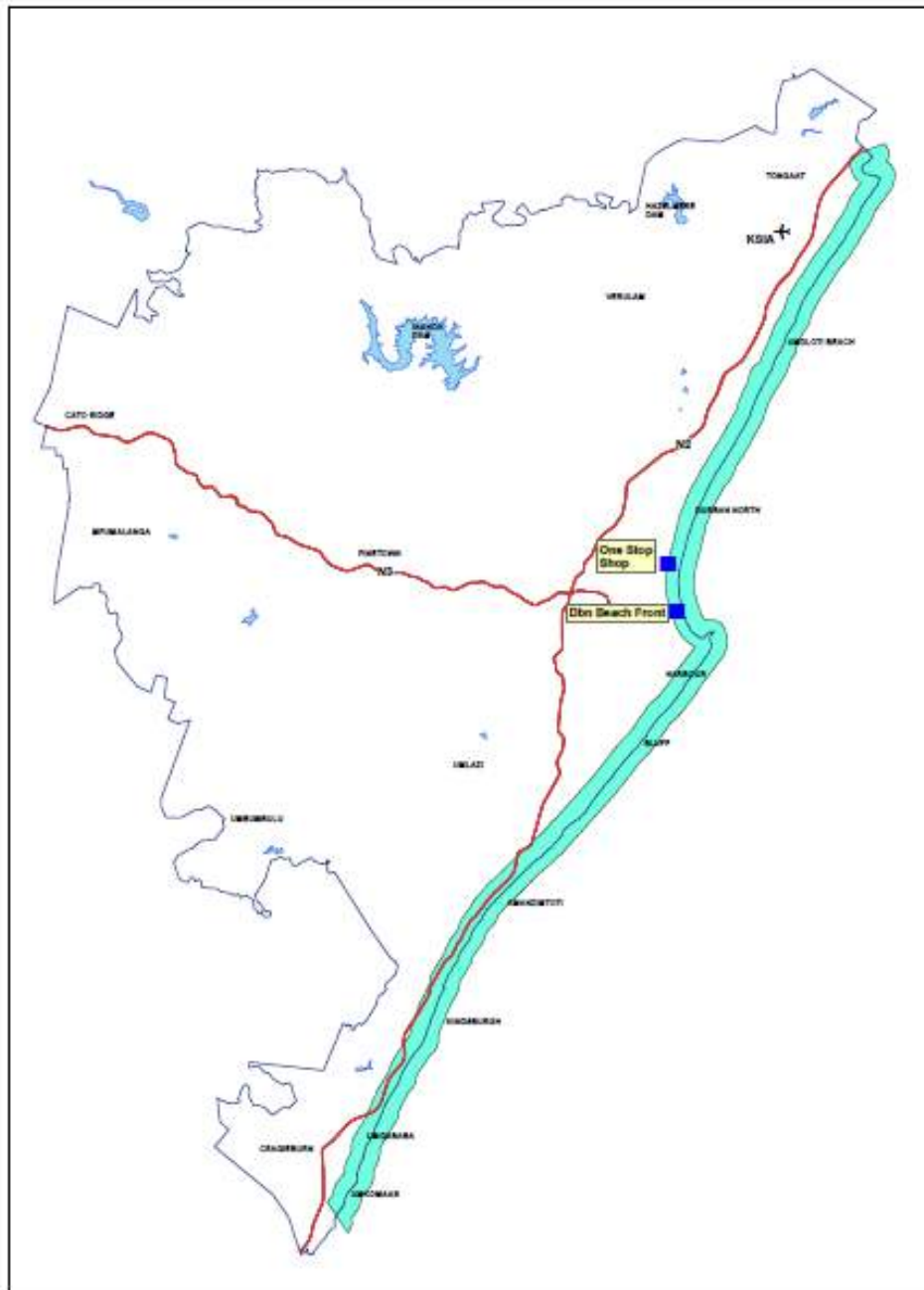
There is also an opportunity for local business people to rent shops at reasonable rates to help them gain experience so that in the future they become owners of such malls.

Currently the nearest shopping centre for the community of Clermont is Pinetown and this is 5KM from the township, the proposed mall will be of benefit to the community in that they service will be closer to them. They will spend less money on transport cost and can save money for other needs.



*Image: Artist Impression – KwaDabeka Shopping Centre*

## 6.1 CATEGORY D - Initiatives to support strategy of the City



## 6.1.1 DURBAN CENTRAL BEACHFRONT

### 6.1.1.1 Project Description

Over the past 30 years Durban's Central Beachfront, which stretches from the Mgeni River in the north to the harbour entrance in the south, has undergone two major upgrades each of which sought to address the socio-economic prerogatives of the City at the time.

The most recent upgrade which cost in the region of R 500 million has resulted in the Durban Central Beachfront now being considered by tourists and locals as being comparable to the best beaches elsewhere in the world. The Economic benefits of this upgrading are being realized via the increase in property values and the concurrent capital investment by the private sector in the upgrading and redecoration of the majority of the hotels and residential buildings on O R Tambo Parade.

Further, the recreational use of the Central Beachfront by the citizens of Durban has increased tremendously and this footfall has seen the various Municipal buildings along the promenade now being successfully tenanted.

In order to sustain and improve on this socio-economic momentum the ongoing operation and management of this valuable asset is imperative and the numerous aspects in achieving this goal are detailed below.

### 6.1.1.2 Project Budget, Sources of Income and Delivery Mechanism

The Project Budget comprises Capital funding for infrastructure improvements in the 2015/16 financial year of R 8 million and Operating funding for the same period which is made up as follows;

- |                           |                 |
|---------------------------|-----------------|
| ➤ Security                | R 13,26 million |
| ➤ Landscaping Maintenance | R 13,03 million |
| ➤ Lighting Maintenance    | R 2,02 million  |

#### ***Sources of Income include;***

- Lease of High Mast enclosures to Cell Phone Operators, R375 492 p/a (the cell phone operators contributed some R 6 million to the initial capital cost of 23 High Mast structures)
- Lease of Municipal Buildings administered by Real Estate Unit
- Hire of Events Areas administered by Parks Department

The Delivery Mechanisms which are utilised are as follows;

- Infrastructure Improvements – Public Tender
- Security – Outsourced via the Municipal Security Contract
- Landscaping Maintenance – Outsourced via Public Tender
- Lighting Maintenance – Outsourced via Public Tender



### 6.1.1.3 Progress to date

#### A) **Operations**

##### Infrastructure Improvements

A tender document is ready for submission to the Bid Specification Committee with award planned for November 2015.

##### Security

The existing contract is ongoing via the Municipal Security Tender.  
Monthly oversight meetings are held with Metro Police, the Security Contractor and Parks Department's Law Enforcement Office.

##### Landscaping Maintenance

The existing contract expires in November 2015 and a tender document for the following two year period is ready for submission to the Bid Specification Committee with award planned for November 2015.

Monthly oversight meetings are held with the Contractor and Parks Department.

##### Lighting Maintenance

The existing contract is ongoing and expires in June 2016.  
Monthly oversight meetings are held with the Contractor and Durban Electricity.

##### Tenant Support

Tenant support is provided to the lessees of various Municipal premises on the Central Beachfront as follows;

#### B) **Economic Development and Planning: Tenanted Buildings**

New Beach – The Joint  
Addington Beach – Surf Riders & Marine Surf Lifesaving Club  
Dairy Beach – California Dreaming  
Bay of Plenty – Skate Store & Circus Circus Beach Café  
South Beach Kiosk – Afro's Chicken  
Country Club Kiosk – Bike & Bean

#### C) **Economic Development and Planning: Un-tenanted Buildings**

Wedge Beach – Linked to Redevelopment of the Amusement Park  
Dairy Beach Pump House – Identified as a Surfing Museum  
Battery Beach Kiosk – Refurbishment required before advertising for tenants  
Tour Kiosks x 4 – Follow up with interested parties is required

#### D) **Real Estate: Tenanted Buildings**

North Beach (2)

**E) Parks Department: Tenanted Buildings**

North Beach – Durban Surf Lifesaving Club  
Battery Beach – Pirates Surf Lifesaving Club  
Country Club Beach – Lifesaving Club  
Thekwini Beach – Lifesaving Club

**6.1.1.4 Management**

Overall Management

As per the City Managers direction, this function is currently shared by Mr Ndima and Mr Swart of Parks Department.

Situational Analysis

A Situational Analysis which includes identification of Key Stakeholders and existing Line Department Functions within the Central Beachfront, Gap analysis and review of outsourced Operations and Maintenance, Revenue Streams, Event Zones, Event Tariffs and overall institutional arrangements is currently underway.

**6.1.1.5 Outstanding Actions and Timeframes**

- |   |                |
|---|----------------|
| ➤ Award of Landscaping Maintenance Tender         | November 2015  |
| ➤ Award of Infrastructure Tender                  | November 2015  |
| ➤ Finalisation of Situational Analysis            | August 2015    |
| ➤ Event Sponsorship and advertising               | September 2015 |
| ➤ Tenanting Strategy for Municipal Premises       | October 2015   |
| ➤ Sports Club leases, land uses and relationships | August 2015    |
| ➤ Trading Zones and Permits                       | September 2015 |
| ➤ Advertising Strategy, Bylaws and Contracts      | October 2015   |

**6.1.1.6 Anticipated impact of the project**

It is anticipated that the Situational Analysis which includes the identification of Key Stakeholders and existing Line Department Functions, review of outsourced Operations and Maintenance, Revenue Streams, Event Zones, Event Tariffs and overall institutional arrangements within the Central Beachfront will culminate in an efficient and cost effective model for the future Management of the Central Beachfront. This model can then be adapted for roll-out in beach precincts along the eThekwini Municipality's 100km shoreline.

## **6.1.2 ONE STOP SHOP**

### **6.1.2.1 Project Description**

To address the development planning and investment challenges in eThekweni the One Stop Shop concept was born. This approach offers significant benefits to all concerned. Developers should find it easier to obtain an overall picture of what is required, saving the city time and cost of abortive or extremely protracted work. Council should receive better quality applications that can then be processed more quickly, and deliver the requisite jobs plus Council revenues. Other consent-giving bodies should find that potential problems are identified and resolved upon at the earliest possible stage.

The one stop shop approach brings together two of our key policy initiatives, modernising local government and modernising planning.

### **6.1.2.2 Project Budget, Sources of Income and Delivery Mechanism**

Staff will be seconded to this position therefore there would be minimal cost to the City. R5 million was budgeted in the 2014/15 financial year. In 2015/16 FY has been budgeted for once project authority has been received.

### **6.1.2.3 Progress to Date**

- The business case is complete
- EXCO approval has been obtained.
- Sites have been evaluated for lease of properties

### **6.1.2.4 Outstanding Actions and Timeframes**

- Site evaluation will take place during July 2015
- Real estate negotiates with property company – July 2015
- September – October 2015
- Launch November 2015

### **6.1.2.5 Anticipated Impact (Benefit) of the Project**

#### **➤ Investor confidence**

South Africa climbed two spots to become the thirteenth most attractive destination for foreign direct investment globally, said the report by AT Kearney, dated June 4, 2014. The OSS will further restore investor confidence in eThekweni that has been eroded by the long turnaround times, poor communication and duplication of planning approval processes.

➤ **Improvement in the quality of applications**

By increasing the input at the pre-application stage of a project, submitted applications are more likely to be complete, with fewer questions and issues to be resolved during the processing of the application. Shorter turnaround times can be achieved.

However, this benefit is only realised if there is adequate staffing for processing applications; diverting too many resources to the pre-application stage can limit or reverse the potential benefit.

➤ **Reduced need for enforcement action**

There will be a shift from enforcement to enabling. Attempts to resolve difficulties and provide information at the earlier stages of a project means that fewer changes are needed once detailed plans are made or construction begins and, ultimately, enforcement action could be avoided.

➤ **Improved communication**

The team will be located in a central location and therefore communication is far easier. Officials are better informed and spend less time pursuing enquiries. The new ways of working could result in an increase in paperwork but it was often possible to absorb this because of an overall improvement in efficiency

➤ **Culture change**

Creating a more co-operative and customer-oriented approach to work is just as important as formal procedures in making the one stop shop work. Instilling changes of attitude is usually a gradual process and often a difficult one, and it will have a beneficial effect on working relationships, job satisfaction and service standards.

Common aspects of the culture change include:

- i. Officers becoming more aware of the economic realities of the development industry and of the competition or potential competition with their own services by approved inspectors. As a result, they became more appreciative of the importance of high standards of customer service; the team approach created a sense of ownership by the team of the whole development process, rather than a personal and professional responsibility for a specific aspect of it. This led to a more determined effort to co-operate to find a solution to any problems which were identified; and
- ii. Officers became more proactive and were more prepared to make themselves more accessible to enquirers and developers.

➤ **Job Satisfaction**

An increase in job satisfaction for many officers could occur from: involvement in a project from its start to completion; the satisfaction of developers and when they, for example, chose to return to the authority for another project; and the removal of hassle and the development of improved procedures.

➤ **Better working relationships with other agencies**

The exchange of information about procedures and particular cases, enables individual officers to develop a working relationship with staff in other organisations.

➤ **User satisfaction and the relationship with developers**

An improved relationship with developers, will result in better co-operation, less confusion and fewer misunderstandings. As a result of an improved understanding of the role and work of officers, developers will have more confidence in their competence. Developers may contact the authority at a much earlier stage in the planning of a project. The one stop shop will enhance the image of the authority.

➤ **The impact on development and regeneration**

Well established, user-friendly services are a factor in developers' decisions about where to locate their projects. One stop shop services could help an authority to attract and retain investment.

### 6.1.3 SUPPORT TO CITY ENTITIES



#### 6.1.3.1 Project Description

One of the high impact projects falling within the ambit of the Economic Development and Planning Cluster is the dedicated support to eThekweni Municipality entities.

In this regard, the Cluster is rethinking the institutional approach for supporting City Entities with a goal of making them economically viable through the creation of multiplier effects of the City's iconic facilities.

This requires a shift from seeing these facilities as social infrastructure to integrating the economic aspects of this infrastructure i.e socio-economic.

This will result in responding to and addressing some of the governance concerns that have been raised which may have direct implications in achieving these goals.

The City Entities that this project focuses on are the International Convention Centre (ICC), the Durban Marine Theme Park (DMTP), and the Moses Mabhida Stadium (MMS)<sup>1</sup>

*<sup>1</sup>Though MMS is included as part of this project, it is acknowledged herein that MMS falls under the Parks and Recreation Unit in the Community and Emerging Services cluster.*

#### 6.1.3.2 Progress to date

There are six distinct targeted areas of support to the entities that fall within this project, viz.

- a) **Coordinate the filling of vacant board positions.** Shortlisting from all the applications received has been completed and a report has been delivered to the City Manager for his consideration on the suitability of recommended nominees.
- b) **Assist DMTP to organise trip to Universal Studios.** A summarised business proposal to Universal Studios for a joint venture with DMTP was developed. This was forwarded to the South African Consulate General's office in Los Angeles to request the office to facilitate a meeting with the business executives at Universal Studios for DMTP to present and discuss the business proposal. The trip has been booked for the 23 – 30<sup>th</sup> August. There is another meeting scheduled with a theme park feasibility consultant based in LA scheduled as part of the trip. The consultant was recommended as part of Universal Studio. He is currently employed by AECOM who worked on the planning and management of Moses Mabhida Stadium for the 2010 Soccer World Cup Tournament.
- c) **Assist DMTP to manage interface with Point Waterfront development.** There is a steering committee that was set up to drive this project which comprises of internal stakeholders from various city

departments as well as external stakeholders from various sectors. DMTP attends the steering committee’s regular meetings and provides input that seeks to leverage the theme park’s business on the Point Waterfront development initiative.

- d) **Support ICC extension feasibility project.** A service provider has been appointed to develop a concept document for the extension of the ICC and as part of the wider Centrum site development. The draft feasibility study has been completed and presented and comments were submitted for a revision on the draft report. Currently, consultations are underway with the ICC CEO and her management team to ascertain what their requirements are and to develop a brief in order to take the project forward via sourcing of funding.
- e) **Monitor on regular governance issues.** There are numerous findings that are contained in the city’s audit and risk assurance services (EMARAS) reports, unique for each of the three entities. These are addressed for each entity according to the specific finding and are monitored on a regular basis. For example, a major governance issue is the transfer of the Section 67 grant to the South African Association of Marine Biological Research (SAAMBR) by the city. This is a major governance transgression as SAAMBR is a service provider for the DMTP and not the city directly. The review of the tripartied Head of Agreements is partly resolved. There is now a separate agreement which will also include the KPA’s on which DMTP can measure SAAMBR’s output on which is a sub-project that is also currently underway and is being conducted by marine biology experts.
- f) **Support the implementation of entities’ business plans.** This is also an ongoing project to assist entities to align their business plans to the city’s long-term strategy.

### 6.1.3.3 Outstanding actions and timeframes

The outstanding actions and timeframes to date on each targeted area referred to in 3.1.1.3 are as reflected on the table below.

#	Specific objective	Outstanding action	Timeframes
1	Coordinate the filling of vacant board positions	Conduct interviews and make the appointments	30 September
2	Assist DMTP to organise trip to Universal Studios		23-30 August
3	Assist DMTP to manage interface with Point Waterfront development	Attend meetings and provide written inputs	Ongoing
4	Support ICC extension feasibility project	Consultations with the ICC on the draft report	Ongoing
5	Monitor on regular governance issues	Addressing the findings contained in EMARAS reports	Ongoing
6	Support the implementation of entities’ business plans	Provide support to the entities business growth plans	Ongoing

### 6.1.3.4 Anticipated Impact of the project

Providing dedicated support to city entities will result in having well-functioning and

economically viable city entities. This will further result in the creation of multiplier effects of the City's iconic facilities. This is anticipated to have both a direct and indirect impact on the City, stimulating supporting services and creating opportunities for small businesses, and as such, contributing to employment creation within the city. The overall anticipated impact of the project is that it will assist in addressing the challenges of high youth unemployment and access to employment opportunities for women and historically disadvantaged individuals.



## GLOSSARY

ACSA	Airports Company of South Africa
ASP	Auto Supplier Park
BEPP	Built Environment Performance Plan
BOP	Back of Port
BPO	Business Process Outsourcing
CBD	Central Business District
CIBE	Cornubia Industrial and Business Estate
DEC	Durban Exhibition Centre
DEDTEA	Department of Economic Development Tourism and Environmental Affairs
DMTP	Durban Marine Theme Park
DPDC	Durban Point Development Company
DTDC	Durban tower Development Company
DTP	Dube Trade Port
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product
GVA	Gross Value Added
HSDG	Human Settlement Development Grant
HSD	Human Settlement Department
ICC	International Convention Centre
ICDG	Integrated Cities Development Grant Fund
IDZ	Industrial Development Zone
IRPTN	Integrated Rapid Public Transport Network
LAP	Local Area Plan
LUM	Land Use Management System
MMS	Moses Mabhida Stadium
MTEF	Medium Term Expenditure Framework
OEM	Original Equipment Manufacturers
PDA	Planning and Development Act
PDOT	Provincial Department of Transport
PPP	Private Public Partnership
SAAMBR	South African Association for Marine Biological Research
SASA	Sugar Association of South Africa
SDB	South Durban Basin
SDBIP	Service Delivery and Budget Implementation Plan
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Programme
SPLUMA	Spatial Planning and Landuse Management Act
SPTC	Southern Public Transport Corridor
THD	Tongaat Hullett Development
TIA	Traffic Impact Assessment

TOD	Transit Orientated Development
UNS	Urban Network Strategy
USDG	Urban Settlement Development Grant
WWTW	Waste Water Treatment Works