

EKURHULENI METROPOLITAN MUNICIPALITY
 TRANSPORT PLANNING AND PROVISION
 Land Use and Transport Integration (LUTI)
 Sub-committee

25
 April
 2016

**Transport Management Centre
 7 Kelvin Road Spartan
 09:00-12:00**

		RESPONSIBLE PERSON
1.	<p>WELCOME AND INTRODUCTION</p> <ul style="list-style-type: none"> • Chairperson, Ms. Uyanda Langa welcomed all present and thanked all for attending the meeting 	Chairperson: Uyanda Langa
2.	<p>ATTENDANCE & APOLOGIES</p> <p>2.1 Attendance</p> <ul style="list-style-type: none"> • Ms. Uyanda Langa, EMM: Transport Planning • Ms. Dineo Lekgothoane, EMM: Transport Planning • Ms. Tebogo Phahlamohlaka, EMM: Transport Operations • Mr. Martin Bekker, EMM: Spatial Planning • Mr. Sisa Maboza, PRASA • Ms. Johanna Lata, PRASA • Mr. Olamigoke Akinnusi, GDRT: Transport Planning • Mr. Omar-Shariff Cupido, EMM: Finance-Transport Plan & Provision • Mr. Clement Maphanga, EMM: Infrastructure Services • Mr. Isaac Mosoane, EMM: Roads and Storm Water • Ms. Nonkuleko Kambule, GDRT: Transport Planning • Mr. Rudzani Mabaso, EMM: City Planning • Mr. Sibusiso Dlamini, EMM: City Planning • Ms. Zinzile Seepie, GDRT - Office of the Premier: IDP • Ms. Ivy Modiselle, PRASA • Ms. Sheenagh Bruce, Pegasys • Mr. Gary Goliath, World Bank • Ms. Nathalie Smal, EMM: Roads and Storm Water 	All
3.	<p>CONFIRMATION OF AGENDA</p> <ul style="list-style-type: none"> • The agenda was confirmed and adopted as is. 	All

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4.	<p>THE PRESENTATION: ENABLING LAND VALUE CAPTURE IN EKURHULENI (REVISED DRAFT)</p> <p><u>Overview of the presentation by Omar Cupido</u></p> <ul style="list-style-type: none"> • LVC is born out of the fact that sustainability within the IRPTN is a major concern. • Various ways of mitigating huge expenses to the City have been given consideration. • The presentation therefore looks at how LVC fits into the municipality's current thinking, documentation and strategies and what has been done so far. • The importance of this discussion lies in how we are going to take LVC forward in terms of the technical aspects of the institution, actors' responsibilities et cetera. • Further input to be discussed by members of the LUTI sub-committee. <p><u>Input by Martin Bekker</u></p> <ul style="list-style-type: none"> • Zinzile Seepie has been invited to the meeting, with the understanding that the Premier's office seeks to promote a coordination, integration and cooperation between municipalities and provincial government. <p><u>Input by Zinzile Seepie</u></p> <ul style="list-style-type: none"> • GDRT's specific focus at EMM is its strategic location as a gateway to Gauteng Province. • In terms of transportation, the focus is on integrating transport systems that extend beyond EMM to different municipalities and leading to other provinces. • GDRT is currently looking for projects (for their next financial year), for example RSDF, MSDF or any strategic drive, on which interventions can be made to assist in further developing plans. <p>BACKGROUND</p> <ul style="list-style-type: none"> • Pegasys involvement: Pegasys has been doing work with the EMM IRPTN Business Planning around the financial work stream. • LVC came up previously as a potential for seeking additional 	<p>Presenter: Sheenagh Bruce</p>

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	<p>revenue and to make the IRPTN more affordable.</p> <ul style="list-style-type: none"> • A study that was done in 2013 explored factors of the IRPTN and the purpose of the work that we are doing now is to reopen that discussion. This is mainly because from an institutional point of view, the focus of the study was generally narrow. • The purpose of this session is to get comments on the draft report as these will contribute to the first deliverable and to find a way forward. <p>STUDY OBJECTIVES</p> <ul style="list-style-type: none"> • The aim of the study was to re-open LVC discussion with a specific focus on the IRPTN and how we could approach LVC with this project demand. • The initial idea was to think about: <ol style="list-style-type: none"> 1. the need for developing a strategy for LVC relating to the IRPTN 2. an approach to implementation. <p>BACKGROUND ON THE IRPTN</p> <ul style="list-style-type: none"> • A dispersed urban form of the metropolitan area generally presents a range of challenges around infrastructure provision. It is therefore expensive and less efficient to provide services (including water, electricity, transport etc) to low density populations over this area. • Major questions around the IRPTN include <i>'how can we make it more efficient and effective? How can it provide systems that will serve the populations in the future?'</i> <p>LOCATING LVC</p> <ul style="list-style-type: none"> • Financial viability of the IRPTN - as a catalyst project, the IRPTN fits into economic development and spatial discussions and it has the potential to stimulate investment in the broader municipal area by making places of origin and destination more accessible. • IRPTN has the potential to increase spatial sustainability by improving the mobility of individuals and groups between places of origin and destinations. • Partnerships are necessary to enable economic development along the IRPTN and to support increases in tax revenues. • NB: Economic development within municipalities is based on 	
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	<p>relationships (e.g with the private sector, other government institutions and academics). These relationships enable development to happen.</p> <p>PROBLEM STATEMENT Given the financial, socio-spatial and partnership challenges how can the municipality influence development that supports transport precincts to improve operational affordability and spatial efficiencies?</p> <p>POTENTIAL SOLUTION <u>Financial challenge</u></p> <ul style="list-style-type: none"> • LVC is in many ways a municipal fiscal tool to assist government in capturing tangible monetary value. <p><u>Socio-spatial challenge</u></p> <ul style="list-style-type: none"> • LVC also has development-based opportunities which may have a stronger social value. • TOD is suggested as an urban design approach that can provide aid in aligning land use and public transport. <p><u>Partnership challenge</u></p> <ul style="list-style-type: none"> • Development of strategic partnerships that are based on LVC and TOD. <p>LAND VALUE CAPTURE</p> <ul style="list-style-type: none"> • In terms of the IRPTN, LVC is a public transport infrastructure investment. • Agglomeration of land uses and economic activities as well as private investment - As the IRPTN becomes more established, certain areas become more desirable and as a result either property values increase or people start locating to these areas with increased accessibility. These agglomerations have the potential to mitigate social development and spatial challenges. • External factors - Potential value increase is not uniform and is not guaranteed. We need to think about how we are going to encourage this value creation. NB: Value refers to financial value as well as social value. • LVC tools: - LVC is understood as a basket of tools which are either tax or fee-based or development (land) based. 	
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SUMMARY OF THE INITIAL CONSIDERATIONS

- Implementation of LVC is context specific
- LVC is not an isolated tool – The conceptual framework has paired up LVC with TOD and strategic partnerships to emphasize the financial and social considerations that create real value for EMM to overcome its spatial and broader infrastructure challenges.
- Infrastructure investment is not the only factor of value creation.
- Language and messaging – emphasize the idea of creating value by finding a language that supports the agenda of LVC.
- Any project that seeks to implement LVC tools requires a champion - because of the complexity of the development of the right package of LVC tools for a project and the implementation of those tools in a project.
- That champion needs to strategically drive partnerships that will enable opportunities that the municipality is not be able to undertake on its own because of constrains such as land, microeconomic context, the need to spread its risk and understanding the role of the municipality as an enabler (not as a developer).

*****These points highlight the complexity of LVC**

INSTITUTIONAL DISCUSSION

- There are questions of where LVC should sit within EMM – the case may be that each LVC tool requires certain input from different departments.
- The presentation was followed by a question and answer session

*** Response by Martin Bekker**

- The municipality does not have a very coordinated integrated strategy towards LVC.
- An assessment of all municipal policies and plans has to be followed by a conclusion that clarifies the reason as to why a properly coordinated and structured strategy is needed towards LVC.
- There is a need to define factors that impede land value

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	<p>increase around TODs.</p> <ul style="list-style-type: none"> • A differentiation has to be made between A) tools that need to be implemented to increase land value B) and tools are needed to capture the increment in land value. Martin suggests that members of the SA Cities Network be consulted with regards to this as they have previously conducted a study on the topic. 	
5.	<p>DISCUSSION ON INSTITUTIONAL ARRANGEMENTS WITHIN THE EMM</p> <ul style="list-style-type: none"> • According to Martin Bekker, the sub-committee may not be considered to be ready to have a proper discussion on institutional analysis and arrangement for the project until the tools referred to (points A and B) above are determined. These tools will enable us to adequately discuss institutional arrangements such as “Who needs to be involved?” and the role they need to play. • Omar Cupido suggests that EMM has to have an internal discussion on which to discuss who the custodian of the project will be going forward. 	All
6.	<p>OTHER MATTERS</p> <ul style="list-style-type: none"> • GDRT’s concern: There are questions of whether LVC tools may be applicable at a cross border scale of implementation, so as to facilitate seamless movement in the Gauteng City Region. In response to this, Omar Cupido highlighted that in terms of integration, although the IRPTN is born within the EMM, one of the areas that the City manager is now concentrating on is the extension of Phase 1 of the IRPTN into Midrand through Ivory Park which falls under CoJ. • Omar Cupido suggests that the LUTI sub-committee becomes the oversight body for LVC. • Recommendations gathered from this meeting will be incorporated into the final draft report. • A final draft of the report will be circulated to the members with the hope of getting more input. 	All
7.	<p>NEXT MEETING Date of next quarterly meeting was not discussed.</p>	

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8.	CLOSURE Omar Cupido adjourned the meeting and thanked everyone for coming.	Omar Cupido
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ACRONYMS:

CoJ	City of Johannesburg
EMM	Ekurhuleni Metropolitan Municipality
GDRT	Gauteng Department of Roads and Transport
IRPTN	Integrated Rapid Public Transport Network
LUTI	Land Use and Transport Integration
LVC	Land Value Capture
MSDF	Metropolitan Spatial Development Framework
PRASA	Passenger Rail Agency of South Africa
RSDF	Regional Spatial Development Framework
TOD	Transit Orientated Development