



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

## **ANNEXURE 3**

# **DRAFT CITY IMPROVEMENT DISTRICTS (CIDs) ADDITIONAL RATES**

## **CITY IMPROVEMENT DISTRICTS (CIDs) ADDITIONAL RATES 2018/2019**

Each CID must submit a budget to the City annually in terms of the Special Rating Areas (SRA) By-Law. This budget must be in accordance with the approved business plan of the CID and be approved by the company members at an Annual General Meeting (AGM) or Members Meeting. The budgets for 2018/19 for all existing CIDs included in the table below were all approved in terms of this requirement prior to submission to the City for inclusion in the City's budget document. The CIDs have a 5-year budget as per their approved Business Plan and as such cannot anticipate future development or valuation fluctuations due to successful appeals etc. Communities are informed from the outset regarding the impact of valuation fluctuations on CID budgets and also individual contributions. Accordingly, various scenarios materialize in later years where the CID budget may be spread over a broader community thus reducing the burden on individuals. Similarly, successful appeals could result in a bigger than anticipated burden on individuals due to the valuation base reducing concomitant to annual budget increases. The impact on individuals is extensively modelled to ensure that it does not exceed the original approved impact as per the 5-year budget and if greater than the budget growth it remains within the threshold of affordability and sustainability.

The amount of any additional rate levied in a CID area is determined by Council. The additional rate is a debt owing to the City and is payable and collected in the same manner as any other property rates imposed by Council. Two different categories of property are identified when imposing an additional rate in a CID: Residential and Non-residential. The SRA Policy, as approved by Council, further clarifies that any non-residential property with a municipal valuation of 50% or more of the total municipal valuation of the CID it is located in will not fund more than 25% of the budget. In Glosderry City Improvement District one property fits these criteria hence the introduction in 2017/18 of a new subcategory for non-residential properties to alleviate this situation and reduce their contribution to less than 25% of the budget.

Due to the continued increase in the residential component of the Cape Town Central City Improvement District (CCID) differential rates are introduced for residential and non-residential which will give some relief to residential property owners. The impact on non-residential property owners will be limited to 7.4% which is in line with the CCID budget increase which was approved by its members at its AGM.

Green Point City Improvement District (GPCID) approved an above inflationary budget increase of 18.9% to improve the level of service delivery in the area at its Annual General Meeting. This request was approved unanimously by the members. The resulting increase in the additional rate will be limited to 2.8% for residential and 4.2% for non-residential due to various new developments that have increased the total property valuation for the GPCID thereby spreading the impact of the budget increase across a broader base.

Three CIDs (Athlone, Glosderry and Stikland Industrial) have applied for a new 5-year term commencing on the 1<sup>st</sup> of July 2018. At their AGMs their members voted unanimously in favour

for the continuation of the CIDs. These are included in the table below subject to Council approving a further term.

Two areas in Hout Bay submitted applications to the City for the establishment of CIDs and are included in the table below subject to Council approving the applications (Mount Rhodes and Overkloof).

The additional rates for 2018/19, expressed as Rand-in-the-rand and based on the total property valuation per CID, are submitted for Council approval.

<b>City Improvement District</b>	<b>Approved Budget 2017/18</b>	<b>Approved Additional Rate 2017/18</b>	<b>Proposed Budget 2018/19</b>	<b>Proposed Additional Rate 2018/19</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>Airport Industria</b>	3,714,491	0.002139	4,101,031	0.002407
<b>Athlone #</b>	809,356	0.002146	880,000	0.002426
<b>Beaconvale</b>	3,115,670	0.002420	3,465,649	0.002751
<b>Blackheath</b>	2,481,938	0.001311	2,667,730	0.001412
<b>Brackenfell</b>	2,773,044	0.002672	2,963,871	0.002845
<b>Cape Town Central City</b>	58,138,785	0.001990		
-Residential			7,450,000	0.001764
-Non-Residential			55,049,194	0.002138
Total			62,499,194	
<b>Claremont</b>				
-Residential	699,373	0.000445	752,116	0.000477
-Non-Residential		0.001477	8,149,328	0.001586
Total	<u>7,542,789</u> 8,242,162		8,901,444	
<b>Claremont Boulevard</b>				
-Non-Residential	3,378,393	0.000662	3,530,421	0.000687
<b>Elsies River</b>	2,515,800	0.003198	2,801,895	0.003601
<b>Epping</b>	9,112,998	0.001258	9,842,038	0.001403
<b>Fish Hoek</b>				
-Residential	217,797	0.000606	236,420	0.000648
-Non-Residential	676,734	0.001551	720,870	0.001667
Total	894,531		957,290	
<b>Glosderry #</b>				
-Non-Residential	1,144,211	0.002754	1,236,037	0.002975
-Non-Residential > 50%	264,178	0.000550	285,200	0.000594
Total	1,408,389		1,521,237	
<b>Green Point</b>				
-Residential	1,059,383	0.000457	1,072,500	0.000470
-Non-Residential	5,095,266	0.002248	6,242,500	0.002342
Total	6,154,649		7,315,000	
<b>Groote Schuur</b>	5,902,114	0.001773	6,600,000	0.001892

<b>Kalk Bay and St James</b>				
-Residential	1,218,628	0.000494	1,313,864	0.000531
-Non-Residential	269,943	0.001576	288,409	0.001756
Total	1,488,571		1,602,273	
<b>Little Mowbray / Rosebank</b>				
-Residential	1,314,344	0.000670	1,415,987	0.000709
-Non-Residential	560,296	0.001342	571,138	0.001486
Total	1,874,640		1,987,125	
<b>Llandudno</b>	2,500,000	0.000612	2,749,381	0.000673
<b>Maitland</b>	2,676,853	0.002215	3,058,041	0.002435
<b>Montague Gardens- Marconi Beam</b>	5,862,223	0.000717	6,226,738	0.000776
<b>Mount Rhodes *</b>				
-Residential	N/A	N/A	494,511	0.001636
-Non-Residential	N/A	N/A	34,067	0.001862
Total			528,578	
<b>Muizenberg</b>				
-Residential	1,064,232	0.000905	1,305,210	0.001038
-Non-Residential	843,752	0.002634	765,881	0.002960
Total	1,907,984		2,071,091	
<b>Northpine</b>				
-Residential	1,524,843	0.001197	1,635,764	0.001295
-Non-Residential	289,218	0.002081	323,479	0.002341
Total	1,814,061		1,959,243	
<b>Observatory</b>				
-Residential	2,637,520	0.000989	2,926,709	0.001074
-Non-Residential	2,734,970	0.001861	2,902,443	0.002097
Total	5,372,490		5,829,152	
<b>Oranjekloof</b>				
-Residential	794,659	0.000478	1,072,146	0.000519
-Non-Residential	4,645,041	0.002262	4,834,854	0.002491
Total	5,439,700		5,907,000	
<b>Overkloof *</b>	N/A	N/A	450,000	0.001724
<b>Paarden Eiland</b>	4,066,352	0.001097	4,376,281	0.001164
<b>Parow Industria</b>	4,292,474	0.001724	4,609,886	0.001862
<b>Penzance Estate</b>				
-Residential	882,536	0.001674	925,884	0.001784
-Non-Residential	112,000	0.003358	148,143	0.003376
Total	994,536		1,074,027	
<b>Salt River</b>	3,247,249	0.002406	3,478,158	0.002473
<b>Sea Point</b>				
-Residential	1,710,608	0.000989	1,873,137	0.001032
-Non-Residential	3,541,568	0.002251	3,770,598	0.002372
Total	5,252,176		5,643,735	
<b>Somerset West</b>	2,619,619	0.002697	2,813,326	0.002949
<b>#Stikland Industrial</b>	3,264,977	0.001987	3,750,000	0.002236
<b>Strand</b>	1,101,378	0.002592	1,181,686	0.002945
<b>Triangle Industrial</b>	2,120,330	0.003100	2,240,231	0.003322
<b>Tygervalley</b>	3,256,774	0.001803	3,516,554	0.001943

<b>Voortrekker Road Corridor</b>	17,267,560	0.002559	18,648,965	0.002731
<b>Vredeklouf</b>				
-Residential	2,866,746	0.001958	3,076,234	0.002071
-Non-Residential	85,036	0.002267	76,835	0.002402
Total	2,951,782		3,153,069	
<b>Woodstock</b>	4,611,148	0.001694	4,978,471	0.001894
<b>Wynberg</b>				
-Residential	697,750	0.001026	760,541	0.001107
-Non-Residential	4,036,168	0.003437	4,348,067	0.003634
Total	4,733,918		5,108,608	
<b>Zeekoevlei Peninsula</b>	481,391	0.001940	518,682	0.002101
<b>Zwaanswyk</b>	1,080,619	0.000873	1,167,113	0.000945
<b>Total</b>	<b>198,921,125</b>		<b>216,674,214</b>	

Note: Additional Rates are reflected exclusive of VAT. VAT inclusive rates can be found in Annexure 6 (Tariffs, Fees and Charges book)

\* Subject to Council approving the establishment of the CID.

# Subject to Council approving that the CID implements its new business plan for a further period of 5 years starting on the 1<sup>st</sup> of July 2018.