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Introduction

Like many cities in fast-growing developing countries, Cape Town is changing rapidly. Nearly half of what is now Cape Town has been built in the last 25 years. What will this diverse city of 3.5 million people be like in 25 years from now? Who will live here? What jobs will be available? How sustainable will it be? Over the past five years Cape Town’s key stakeholders have invested time, money and energy to envisage a desirable future. These aspirations have been captured in many key documents, the most important being the following:

- **iKapa Elihlumayo – Western Cape Growth and Development Strategy**
- **City of Cape Town’s (CCT) Integrated Development Plan (IDP)**
- **the multi-stakeholder Central City Development Strategy facilitated by the Cape Town Partnership**
- **the business-driven 2030 Vision for Cape Town published by Accelerate Cape Town**

All these documents share the view that Cape Town’s future should not be the unintended consequence of localised development initiatives. It is recognised that big city-wide decisions are needed to make sure appropriate investments are made by the Cape Town City Council, Western Cape Provincial Government, the State Owned Enterprises and the private sector.

These investments must jointly unlock Cape Town’s potential to become a city that serves the needs of all its citizens as one of the world’s great cities. Much depends, however, on what happens to the central city, not just because this is Cape Town’s main economic hub, but also because it is a strategic seat of government, a regional tourism gateway, and a centre for creativity and innovation supported by four major universities.

The WCPG recognises that it must work collaboratively with the other spheres of government, business and civil society. To this end it wants to play its part by committing its substantial property holdings in the central city to help catalyse socio-economic benefit for the city and region. This document spells out what the WCPG can, and will, do.

The document must be read as a response to the emerging vision as expressed in existing public documents. It has three purposes:

- it summarizes the emerging vision for the future of Cape Town expressed in various ways in existing public documents
- it clearly defines the role that the WCPG will play to promote this vision within the mandates and means at its disposal
- it describes the principles that will inform a final formulation of the institutional mechanism to be used to effectively manage the investments and transactions that are its direct responsibility, ensuring that these are aligned with and enhance the totality of investment by the City as well as other public sector and private investors

Cape Town in Context

Cape Town’s economy is deeply embedded within a rapidly changing global context. The global financial crisis has brought to an end the debt-financed consumption boom that has been a key driver of Cape Town’s high growth rates over the past decade. The key global trends that will influence Cape Town’s future choices are as follows:
• Accelerated penetration of information and communication technologies (ICT), with smart grids to manage infrastructures and energy flows, digitization of production and the rise of the new type of data-trading consumer/producer leading the way
• Rapid rise of Brazil, India and China as a new axis of global power, creating massive new markets for basic consumer goods
• Consolidation of innovation as a key driver of growth, thus creating advantages for regions that are creative and well-networked milieus of innovation
• Intensification of resource constraints. While these continue to undermine growth, there are massive investments in technologies and systems for managing resources more sustainably, particularly with regard to energy, waste, water and sanitation, transport and food supplies
• The rise of city-regions as the key nodes of future growth, especially those that have managed to configure ways of making the city a more desirable place for the majority of its citizens
• The re-emergence of an everyday public life and sense of community, often expressed through the cultural arts and more cooperative trust-based modes of working in the social economy

Cape Town is well placed in relation to the emerging Brazil-India-China axis – after all Cape Town is a ‘rim city’ for both the Atlantic and Indian Ocean economic spheres. Just as San Francisco repositioned itself as a Pacific Ocean ‘rim city’ looking westwards, so Cape Town’s future may be more about a South-South trajectory that becomes increasingly dependent on sea routes as airborne goods transportation becomes more expensive in real and environmental terms.

Cape Town has no significant local primary resources at its disposal, and must therefore bank on the development of its human and knowledge capital. This will mean investing in ICT infrastructures to create a 24/7, low-cost and high-speed communications environment, not just for the elites, but for all communities. Inclusive growth and effective service delivery in poorer communities may well depend on such an infrastructure.

Cape Town has some unique features when compared to other South African cities: highest literacy rates, highest internet connection rate per capita, lowest unemployment rates, highest percentage of houses connected to services infrastructure and an economy dominated by entrepreneurial SMMEs rather than large corporations vested in mature technologies. Investment and planning decisions should be informed by these strengths and capabilities. But Cape Town’s future growth and development is constrained by persistent poverty and severe natural resource limitations (even though its CO2 emissions are lower than the national average).

However, development challenges and natural resource constraints can spur innovation, especially if these innovations are recognised, celebrated and mainstream through smart investments. Cape Town’s key advantage is that it has an unusually high concentration of R&D institutions connected to a backbone of four major University institutions. Its social diversity and natural setting inspire a thriving creative and cultural industrial sector – a key dimension of any innovation milieu.

Cape Town is a sprawling, poly-nodal city with inconsistent levels of service and access to opportunity. Various densification targets have been set for the CBD, with an initial forecast set to double the number of people in the Central City within ten years. However, this will depend on two things: whether a strong urban edge is established to crowd investments into existing urban areas instead of allowing urban sprawl to continue; and a commitment to a proactive vision-led development strategy for the Central City that counters ad hoc reactive decision-making.

**Cape Town’s Planning and Policy Initiatives**

A number of recent policy and planning initiatives undertaken by the City of Cape Town have a bearing on the future development of the provincial properties. All of the precincts fall within the ambit of the City’s Metropolitan Spatial Development Framework and Integrated Raid Transport Plan and the Table Bay District Spatial Development Plan. Development of the central city precincts would further be informed by recent work on the Central City Development Strategy (CCDS) and the CCDS Draft Development Guidelines for Land Use Management.
The City of Cape Town has completed a new draft Spatial Development Framework for the metropolitan area in 2009 and District Plans for each of the eight planning districts that fall within the metropolitan area. The City SDF is a long-term citywide spatial plan and includes overall spatial goals and planning principles, a spatial concept and framework and strategies and policies to support the framework.

The draft Table Bay District Spatial Development Plan, prepared in 2009, takes the SDF policies and framework as a starting point for more detailed local planning proposals. It provides a medium term plan to guide spatial development processes within the district. It proposes changes to existing urban areas within the district with the aim of improving urban integration, accessibility, intensification and enhancing the destination value of the central city. It also highlights a number of priority precincts including the inner city, the east city, the Somerset hospital site and Oude Molen and suggests the following for each of these:

- **Inner city**: continue to support intense commercial, business and residential land uses and support policies that facilitate an appropriate built form and public environment.
- **East City area**: support the significant urban regeneration potential of the area by optimising the use of significant state resources such as the Castle, the Granary, City Hall and Good Hope Centre and improve the quality of the urban environment and public space.
- **Somerset Hospital**: support the development of this site as a mixed-use precinct that can accommodate a range of publicly oriented activities. Ensure suitable public interface with the Green Point Common, Granger Bay Boulevard and the stadium precinct, pedestrian and vehicular linkages to ensure integration with the Waterfront towards the north and east and visual linkages to the sea and the mountain.
- **Oude Molen**: support social and land use integration with a focus on sustainable design and community development projects.

The Central City Development Strategy (CCDS) report prepared jointly by the City of Cape Town and the Cape Town Partnership provides a vision for the Central City. This sets as aims the promotion of distinctiveness, openness, sustainability, connectedness, people centred, business friendly development and a quality and well-managed urban environment.

A ‘Development Guidelines for Land Use Management’ draft report was completed in April 2010 for the Cape Town Central City. The purpose of this study was to translate existing development visions, aims and frameworks into a set of clear guidelines that provide a consistent basis for development decision-making by public officials and at the same time give direction and certainty to the private sector. The report includes a set of development guidelines for typical conditions which set the desired features of development with respect to interface characteristics, grain, height, bulk, access and street frontage Some of the recommendations may be translated into an overlay zone for the central city as part of the new Cape Town Zoning Scheme, due for final adoption in late 2010.

The Cape Town Integrated Rapid Transit (IRT) System is a further initiative with direct bearing on the Central City. It aims to integrate all public transport into a single public transport system within the central city. Important new stations and IRT routes are planned for the central city and are currently being implemented as part of Phase 1A.

In summary, the key directives for the Cape Town Central City Provincial Government Regeneration Initiative are:

- encourage intensification of development, especially along main public transport routes and new IRT routes and stations;
- improve the quality and safety of public space by ensuring active and positive interfaces between buildings and streets /public spaces;
- encourage integration and mixed use development;
- enhance the destination value of the Central City and its cultural, business and tourism assets and promote the distinctiveness of the area;
- protect the urban edge interface with natural areas.

**Vision**

In order for Cape Town as a whole to realise its considerable potential and engage with its challenges in a substantive manner, the central city – Cape Town’s ‘operational and economic centre’ - will need to be transformed, regenerated and reconfigured for a very different future.

The central city needs to inspire and lead the way. The ambitions for the central city must go beyond the current amalgam of tourism, leisure, port activity and commercial company headquarters. These are all important sectors, but it must also come alive as a diverse, globally connected and socially inclusive space that encourages the entrepreneurial culture of Cape Town, provides a welcoming and inspiring place for socially mixed communities, and attracts major investors who need 24/7 communications infrastructure and human skills (especially high literacy levels).

The central city needs to become a space of opportunity, in particular for informal traders, young people and job creating activities capable of absorbing un- and semi-skilled workers into secure long-term employment.

The city also needs to demonstrate that all this can be done in ways that are sustainable in relation to the beauty of green and blue spaces, the water and energy resources that are required for growth, the diversity and value of locally produced food, and the resources which citizens and businesses recycle.

Major governmental and corporate interests in Cape Town are seriously considering multi-billion rand investments that will transform the central city in a complimentary manner: these include the 2030 Cape Town Station/Woodstock Esplanade project, the Harbour Redevelopment, the proposed District Six developments, the East City Design Precinct initiative and the redevelopment of the WCPG’s properties that this document addresses.

The question is not whether the central city must be regenerated, but toward what end and how? Indeed, without a coherent vision and explicit developmental criteria, many of these investments could simply result in growth for growth’s sake rather than socio-economic opportunities for all in ways that restore the natural resource base.

Although Cape Town’s stakeholders will continue to interact and build the vision, the dimensions of the vision for the central city can be drawn in large part from existing partnerships, processes and documents. The WCPG would like to play its part in this process, but this will depend on effective and streamlined cooperation between the different Departments of the WCPG.

Hence, it is envisaged that the key stakeholders will find a way or working together to transform the central city into a thriving centre of productivity, connectivity, innovation, social cohesion and sustainability. Specifically, this will entail building Cape Town’s Central City into a space that is:

**Productive**

- increased public and private sector investment made possible by an agreed long-term vision, planning environment and decision-making process, with the property development sector playing a leading role
- targeting (by organised networks of key actors) of strategic sectors with the greatest investment and job creation potential (such as the creative industries, waste recycling, street markets, construction, infrastructure maintenance, greening, tourism, harbour-related activities, R&D)
- promotion of skills development to build the human capabilities required as opportunities are created
Connected

- an advanced fibre optic communications network will give government, citizens and businesses the widest and deepest access to low-cost, high-speed information and communication capability and technology thus increasing productivity people will be able to access places of work, social wellbeing and leisure conveniently and at least cost to themselves and the environment

Innovative

- living and working conditions will enable resourcefulness, innovation and the application of resources by the widest range and number of people and organisations (including the public sector, community groups, NGOs, and the private sector) in sustainability, work and social enterprise
- spontaneous and deliberate networks of innovation that span institutional and disciplinary boundaries will be enabled, encouraged and purposefully built

Cohesive

- social cohesion and a dynamic popular culture of diversity, collaboration and creative ‘competition’ will be encouraged
- accessible services and shared public spaces of social and economic opportunity will be supported
- inequitable distribution of resources and wealth will be eradicated, with special reference to ensuring that affordable housing and business premises are created
- recognition of past heritage and memory for building an integrated future that respects and celebrates Cape Town’s diverse identities and histories

Sustainable

- city-wide densification will be necessary to support more compact, transit-oriented mixed use developments
- extensive networks of city gardens and pathways into natural parks and seafronts will be built creating a walkable and safe city
- networked urban infrastructures will be configured to maximise the use of renewable energy, minimise water use and recycle all solid and liquid wastes
- gradual shift from a car-dominated to a people-centred way of life, with new developments concentrated around integrated public transport nodes and non-motorised transport facilities that make it possible to seamlessly move from one transport mode to another via a single ticketing system
- ‘green buildings’ will be built to meet the highest possible Green Star ratings
- access to locally produced affordable food

Safe

- safety of citizens from crime and violence - commuters, consumers, pedestrians, workers and businesses both formal and informal, all users of the city centre
- security of businesses and property from crime and violence

Aim of the Programme

The Provincial government, in support of the efforts of its partners - the City of Cape Town, PRASA, Transnet and the private sector - aims to use its property assets to contribute to the realisation of a bold and forward looking vision for transformation, regeneration and development.
Fundamental to this aim is building strong mutually beneficial partnerships.

The aim of this programme of works is not only to achieve refurbishment and savings in the operation and maintenance of its own properties, but to use them to leverage investment, capacity and expertise and give effect, jointly with its development partners, to transforming the central city area of Cape Town. In the process, the WCPG intends generating new cash flows that will assist in funding the proper operation, maintenance and upgrading of the WCPG’s properties.

The provincial government aims to invest in the future of all towns and cities in the Western Cape and do so in collaboration with government, state-owned entities and the private sector. This central city initiative can provide an example for similar initiatives in other locations in the province.

In sum, the overarching aim is to unlock the latent value of the Provincial property portfolio, and encourage synergistic well coordinated development public and private properties in the selected central city precincts, in order to generate economic activity and create new jobs and productive opportunities for all, including interventions that empower poor and working people to access opportunities; create conditions for social cohesion and wellbeing; and enable environmental sustainability and energy efficiency.

**Partnerships**

A primary partnership for the success of this programme is with the City of Cape Town. A committed collaboration is required with the City to:

1. Proactively expediting policy decisions, town planning and removal of restrictions and environmental and heritage approvals to secure of development rights. This will maximize combined public sector land values and the potential for leverage of private finance.
2. Release of municipal land for development synergistically with province to maximise development impact in each precinct. This is in terms of the City’s own policies and the strategic objectives as set out in this document.
3. Infrastructure and services requirements to support implementation of coordinated programme between the Province, the City and the private sector.

A joint steering committee for regular liaison, communication and coordination between the City of Cape Town and the Province must be establish backed by a Memorandum of Understanding which defines roles and responsibilities and contributions to the programme.

The second important partnership is with the private sector in the central city area. In this regard the provincial government aims to actively encourage private sector involvement to leverage finance and its skills and knowledge.

Regarding the state owned enterprises, PRSA and Transnet in particular, and the national government, the province will pursue collaboration and mutual support wherever possible to ensure the strategic objectives of this programme are realised.

Finally, the provincial government is committing itself to effective inter-departmental coordination and coordinated action to realise the objectives of this programme.

**Strategic Objectives**

In order to make its contribution to the realisation of the broader vision, the Provincial Government Central City Regeneration Initiative must aim to achieve the following specific strategic objectives:

1. Activate the re-development of the designated precincts, and others that may be identified from time to time, by using the provincial properties within each as strategic catalysts
(Number and value of properties deployed)

2. Mobilise new investments in the central city by key stakeholders, but with special reference to the private sector and state-owned enterprises
   (Total envisaged investment amount over a given period, e.g. 10 years)

3. Ensure that a significant component of the business premises that are created will be sufficiently affordable for micro (including informal),
   (Target stated in percentage terms)

4. Encourage development which supports the expansion of mixed use, mixed income opportunities

5. Develop a percentage of the residential stock in identified precincts for affordable housing to ensure that poorer households get incorporated into the central city - some precincts (such as Oude Molen) are more suited to a residential focus than others
   (percentage stated)

In order that the above specific objectives are realised through the precinct plans outlined in this document, the project will support the following cross-cutting strategic objectives which are about putting in place the wider conditions for the realisation of the vision and precinct-level objectives:

6. access to green and vibrant public spaces within walking distance (500 m) of all residential buildings with minimum ratio of 9m² of green space per capita

7. Provision of a variety of exemplary social facilities for all age groups and cultural persuasions

8. To reinforce transit-oriented development (TOD); new developments must be concentrated around public transit and non-motorised facilities so that eventually the Central City is connected by a dense network of safe public transit, non-motorised and pedestrian routes.
   (All new developments create residential and business premises within 500 m of a public transit node or Interchange)

9. A fibre optic backbone for the central city that provides a connection to every main intersection thus making connectivity for each city block viable
   (Definition of main intersection and the number thus providing every building with connectivity at block level)

10. a set of networked infrastructures that will make it possible to access renewable energy, use water efficiently and recycle sewage and solid waste for productive re-use
    (Targets to be set, e.g. 50% of all energy used to be renewable, all or some of waste recycled, etc)

Of primary significance is the addressing the problem of urban infrastructure as a matter of urgency. The situation is as follows:

- Infrastructure backlogs will prevent the vision from being implemented
- Business as usual technologies will not resolve the problem, no matter how much money we spend because there are natural limits
- Local govt does not have the funds to invest in what is needed (whether adopting a business as usual approach or sustainability technologies, and therefore the entire approach to infrastructure should be premised on the assumption that private sector investments in buildings will be conditional on investments in infrastructure

It is therefore emphasised as a strategic recommendation that an infrastructure plan be formulated a matter of urgency as a joint initiative of the Provincial and municipal governments with specialists from the universities (see special note on this critical issues as addendum).

Note: Strategic objectives above have an initial, indicative set of measurable targets of performance against which the results of this project are to be measured. These are to be refined in the detailed planning phase and agreed with project partners.
Opportunities for Regeneration and Development

The projects proposed for this programme of provincial government are intended to impact at both a precinct level, in the specific local area and circumstances in which the province’s properties are located, and at the wider scale of the central city.

With respect to the projects proposed below, notwithstanding its policy, planning and regulatory responsibilities relating to land development, the Province proposes to act as a property owner with substantial assets and interest in the future of the central city area.

It will act like any other property owner in relation to both the planning and regulatory authority of the City of Cape Town, and the relevant provincial regulatory departments. It will work with its private sector partners and the City of Cape Town to expedite policy decisions and approval processes, and to ensure necessary provision of supporting municipal infrastructure.

The description of the projects outlined below is to indicate the desired outcomes from the projects to its partners and to solicit interest, collaboration and support. It is to be followed by further refinement in relation to market conditions, risks, and financial, developmental and environmental returns.

The properties have generally been clustered in distinct development areas based on geographic proximity and their potential impact on local environments or precincts. The clustering is to achieve maximum leverage and impact on the public environments of the precincts and surrounding areas.

The proactive approach of precinct level development is, however, to be modulated in relation to the public sector demand for space, the market, physical and legal constraints, and planning policy.

Moreover, the approach is to achieve the greatest impact from these properties, in terms of the strategic objectives set out previously.
Provincial Office Precinct

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<th>Construction Area</th>
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<td>9643</td>
<td>CITY BOWL BLOCK - LOOP, DORP, BREE, LEEUWEN</td>
<td>27 Wale St</td>
<td>2 902</td>
<td>B+G+B</td>
<td>447</td>
<td>Local Gov &amp; Housing Good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1826</td>
<td>CITY BOWL BLOCK - LOOP, DORP, BREE, LEEUWEN</td>
<td>27 Wale St</td>
<td>2 902</td>
<td>B+G+B</td>
<td>447</td>
<td>Local Gov &amp; Housing Good</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Contextual Analysis of the Provincial Office Precinct
The proposed project is a provincial government office co-location project clustered in existing (and new) government buildings in Wale and Dorp streets or in new locations, in which case this is to be motivated and linked to re-development of existing buildings.

The project concept, which is to be fully tested and developed for feasibility, comprises

1. Buildings retro-fitting with the latest in environmentally sustainable materials, design, and building services and systems
2. Shared ICT infrastructure and public information access
3. Efficient office design and working practice, which is easily accessible to the public. It is to make optimum use of space and reduce life cycle maintenance and operating costs to government
4. Re-development of ground floor for activation of street space and to capture new commercial revenue potential

City-wide outcomes to be leveraged by this project include direct linkage to central city worker residential development or alternatively a contribution to a residential development fund.

At urban precinct scale the development concept is to leverage the investment potential to make this a pedestrian-friendly precinct and link it with the Government Garage Precinct via a pedestrian route along Queen Victoria Road and across the Company Gardens.

It is to allow for buildings with active edges and retail on the ground floor, especially focussing on creating activity zones along Long, Loop and Leeuwen streets. Pedestrian improvements and landscaping are proposed for Keerom and Wale streets.
ArtsCape Precinct Project

**ARTSCAPE PRECINCT**

<table>
<thead>
<tr>
<th>REF</th>
<th>SITE ID</th>
<th>Building Name</th>
<th>Address</th>
<th>Size of Erf</th>
<th>Construction Area</th>
<th>No. of floors</th>
<th>Occupied by</th>
<th>Building Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2969</td>
<td>ARTSCAPE</td>
<td>DF Malan Street</td>
<td>42 090</td>
<td>33 850</td>
<td>G+4</td>
<td>Theatre</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>5719</td>
<td>ROGESTAIR PARKING</td>
<td>Table Bay Boulevards</td>
<td>10 125</td>
<td></td>
<td></td>
<td>Rented out</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**CONTEXTUAL ANALYSIS OF THE ARTSCAPE PRECINCT**

SOUTH-WEST VIEW OF ARTSCAPE GARDENS

VIEW TOWARDS KPMG BUILDING & PARKING LOT
ArtsCape and its environs, including the Cape Town International Convention Centre, the Artscape Gardens and the Desmond Tutu Museum, present an opportunity for the City to host major exhibition and cultural events, adding business opportunities to medium and small scale hospitality, cultural and creative industries, and to tourism and marketing businesses.

The proposed development concept for the ArtsCape precinct project includes improved pedestrian permeability, an improved public environment and new mixed use development on the provincial properties. The pedestrian route between the Artscape Gardens and the Cape Town Station is to include a series of public spaces.

The proposal includes a narrow development on the edge of the Artscape Gardens backing onto the Foreshore Freeway and a second development parcel along Martin Hammerschlag Way.

These developments should result in activity into the gardens and street respectively. It is proposed that the Artscape building should also be refurbished to include a new deck and restaurant overlooking the gardens.

The new buildings overlooking the gardens could include some residential development integrated with artists’ workshops and small specialist retail and entertainment space, and accommodation for the Zip Zap circus.

The potential development of the Artscape Civic Centre bridge will enhance the opportunities associated with improved pedestrian accessibility in the area and could improve pedestrian comfort by offering wind protection and shade on the bridge. It links directly to the new IRT station located beneath the bridge.

It is further proposed that the ground floor of the KPMG building open up onto the Artscape Gardens and the new development on D.F. Malan Street should open up onto the new IRT stop.
# Government Garage Precinct in the East City

## Contextual Analysis of the Government Garage Precinct

<table>
<thead>
<tr>
<th>REF</th>
<th>SITE ID</th>
<th>Building Name</th>
<th>Address</th>
<th>Size of Erf</th>
<th>Construction</th>
<th>No. of Floors</th>
<th>Occupied by</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ROBBIE NUROCK DAY HOSPITAL</td>
<td>Buitenkant Street</td>
<td>1,885</td>
<td>Health - Clinic</td>
<td>BAD - Historical Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2924 PENINSULA MATERNITY HOSPITAL</td>
<td>Hope Street</td>
<td>6,837</td>
<td>0</td>
<td>B+1+1</td>
<td>Artscapes Wardrobe Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1809 GOOD HOPE SEMINARY HIGH SCHOOL</td>
<td>Hope Street</td>
<td>6,411</td>
<td>School</td>
<td>Good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3070 PEPE STREET DENTAL CLINIC</td>
<td>Hope Street</td>
<td>9,603</td>
<td>Health - Clinic</td>
<td>Good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1984 CAPE TOWN HIGH SCHOOL</td>
<td>Buitenkant Street</td>
<td>8,202</td>
<td>School</td>
<td>Good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1984 CAPE TOWN HIGH SCHOOL</td>
<td>Drury Str, Oakdale, Zhikem</td>
<td>4,835</td>
<td>School</td>
<td>Good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>2966 ORANGE STREET &amp; LABIA THEATRE</td>
<td>68 Orange Street</td>
<td>9,479</td>
<td>1,580</td>
<td>Rented to Gambling Board &amp; a Theatre</td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>6377 OLD MEDICAL SCHOOL BUILDING</td>
<td>37 Orange Street, Gardens</td>
<td>0</td>
<td>Rented to UCT - was State Pathologist</td>
<td>Empty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>AULIX HOUSE</td>
<td>Commercial Street, CT</td>
<td>3,603</td>
<td>School</td>
<td>Empty off</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>TRAFALGAR HIGH SCHOOL</td>
<td>Birchington Road, Zonnebloem</td>
<td>3,603</td>
<td>School</td>
<td>Empty off</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>CAPE ARCHIVES</td>
<td>City Tents - Constitution</td>
<td>3,603</td>
<td>National Government handing this building to Province - no record found</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Map of Government Garage Precinct](image)

**CCTProperties**
- **Public Spaces**
- **DEP Proposal Area Ideas**
- **POLS**
- **NEW BUILDINGS**
- **RECENT RENOVATIONS**
- **PRT: BRINK BUS ROUTES**
- **PRT: FEEDER ROUTES**
- **PROVINCIAL PROPERTY**
- **PRTбрSTOPs**

**Government Garage Precinct**
- Cape Town High School
- Government Garage
- Robbie Nurock Community Centre

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**Draft document for consultation purposes only prepared May 2010**
The proposal is to redevelop the cluster of provincial properties abutting Roeland, Hope and Buitenkant streets and the proposed new pedestrian link to the provincial parliament and administration precinct.

It is proposed that the development be integrated with adjacent private sector development plans allowing for retail on the ground floors and office and residential development above.

It is recommended that the government parking and garage uses should be rationalised into a single building or moved to a new location. The development concept proposed is a new multi-storey car park with mixed used edges, including retail on the ground floor, with residential and some office above. The pedestrian link and public spaces should be upgraded and landscaped.

It has been proposed that residential densities should be increased in this area and a fine grained, mixed use character be promoted. It is further suggested that the height of buildings should be increased along Roeland Street and graded down away from it. The development in the area must be sensitive to the surrounding heritage fabric, specifically the Historic Rust & Vreugd homestead and garden which is surrounded by the properties concerned.

GOVERNMENT GARAGE PRECINCT CONCEPT
Somerset Hospital Development

CONTEXTUAL ANALYSIS OF THE SOMERSET HOSPITAL DEVELOPMENT
The current proposals for the Somerset hospital site allow for mixed and more intense land uses, which may include a new hospital, hotels, residential development, a museum, offices and retail. In addition to the existing proposals it is proposed that the following proposals should be included in the Development Concept:

- That a cost benefit analysis be undertaken immediately on the possible relocation of the Somerset hospital to the Milnerton area where such a facility is dearly needed. A small portion of the site could be retained for the development of a Community Health Centre facility by Provincial Government as a separate project.
- The site currently allocated to the nurse’s home should be considered for evacuation and the site made available for development without delay.
- The new development should have active edges onto Portswood Road and Granger Bay Boulevard, through increasing permeability of the boundary wall and locating public activities and retail along the street façade.
- The proposed development should be linked into the surroundings and the permeability of the hospital site should be enhanced by promoting pedestrian access through the site.
- The development should reinforce pedestrian links into the V&A Waterfront.

It is recommended that urgent high level approval be given to enable completion of the final aspects of work in order to obtain an Environmental Impact Assessment Record of Decision and submit the rezoning application to the City of Cape Town.
Prestwich Precinct Development

![ALFRED STREET](image1)
![PRESTWICH SOILS LAB](image2)
![PRESTWICH STREET PRIMARY SCHOOL](image3)

<table>
<thead>
<tr>
<th>REF</th>
<th>SITE ID</th>
<th>Building Name</th>
<th>Address</th>
<th>Size of Erf</th>
<th>Construction Area</th>
<th>No. of Floors</th>
<th>Occupied by</th>
<th>Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5898</td>
<td>PRESTWICH SOILS LAB - ROADS</td>
<td>Somerset Rd/Chiappini lt</td>
<td>5 496</td>
<td>G</td>
<td></td>
<td>Transport &amp; Public Works</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>2873</td>
<td>ALFRED STR / CHAPINNI STR COMPLEX</td>
<td>Alfred/Chiappini/Prestwich St</td>
<td>14 789</td>
<td>54 228</td>
<td>G+</td>
<td>Police and storage - part site is on Salesians school ground</td>
<td>Fair</td>
</tr>
<tr>
<td>3</td>
<td>None</td>
<td>PRESTWICH STREET PRIMARY SCHOOL</td>
<td>Alfred/Prestwich St</td>
<td>13 312</td>
<td></td>
<td></td>
<td></td>
<td>Primary School</td>
</tr>
</tbody>
</table>

CONTEXTUAL ANALYSIS OF THE PRESTWICH PRECINCT DEVELOPMENT
The proposed concept for this area includes optimising provincial property development opportunities in the precinct, improving the pedestrian environment and providing a new pedestrian link under the freeway bridges to the Waterfront.

The PGWC should undertake an investigation on the costs and benefits of relocation of the Government Soils Testing Laboratory to a site outside the city centre making the site available for re-development.

A similar investigation should follow regarding the relocation of the store facilities (library stores, medical depot others) so that the remainder of the site can be made available for development.

It is proposed that the new development be mixed use buildings with active street frontages on the ground floor. This will contribute to a more pedestrian-friendly environment whilst pedestrian improvements are also proposed along Prestwich Street, a route that parallels the Cape Town Stadium fan walk along Somerset Road.

It is proposed that the Alfred Street building be refurbished and new tenants be secured. The Prestwich Primary School should be retained and supported but can be consolidated into a new Prestwich Urban School Complex. The Soils Lab site should be developed as a substantial new mixed use building facing onto a new public square. The new public square should complement the St Andrew’s Square especially as the area marks the CBD & Stadium Precinct Gateway.

In addition to the redevelopment of the provincial buildings, it is also proposed that perimeter development with active edges should be allowed around the IRT Bus Depot and the redevelopment of Gallows Hill should be considered. This will further optimise the development potential of the precinct, increase activity and contribute to an improved the pedestrian environment.
Oude Molen and Valkenburg and Alexandra Hospital sites

<table>
<thead>
<tr>
<th>REF</th>
<th>SITE ID</th>
<th>Building Name</th>
<th>Address</th>
<th>Size of Erf</th>
<th>Construction Area</th>
<th>Occupied by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2884</td>
<td>VALKENBERG HOSPITAL</td>
<td>Liesbeeck Parkway, Obs</td>
<td>68 888 200</td>
<td>59 956</td>
<td>Hospital</td>
</tr>
<tr>
<td>2</td>
<td>2872</td>
<td>ALEXANDRA HOSPITAL</td>
<td>Alexandra Way, Pinelands</td>
<td>31 545 382</td>
<td>52 479</td>
<td>Hospital</td>
</tr>
<tr>
<td>3</td>
<td>7073</td>
<td>OUDE MOLEN ESTATE</td>
<td>Observatory/Pinelands</td>
<td>71 156 240</td>
<td></td>
<td>Dis-used hospital</td>
</tr>
</tbody>
</table>

CONTEXTUAL ANALYSIS OF OUDE MOLEN AND VALKENBURG AND ALEXANDRA HOSPITAL SITES
What is generally referred to as the Oude Molen site is a Provincially owned property within the 8km perimeter of the CBD, that is currently dominated by buildings that used to house a section of the Valkenburg Hospital. One corner of the site is still used for a high security mental health facility under the auspices of the Provincial Health Department. The rest of the site has been legally and illegally occupied now for some years by a mixture of residents and businesses that have created a self-made eco-village. The Alexandra Hospital site is in the same area and is also clearly a strategically located publicly owned asset that could be used for a different purpose.

It is proposed that the Oude Molen and Alexandra Hospital sites be redeveloped as a mixed use sustainable neighbourhood comprising socially mixed residential facilities, including commercial premises and urban agriculture. The existing buildings can be retained and redeveloped as the core of a high density environment characterised by street level commercial/retail businesses with residential accommodation in the upper floors. Key buildings, such as the Manor House at Oude Molen, will need to be conserved as heritage sites for public use. New buildings will need to be built in available spaces to create a model of the kinds of high density environments that will be necessary in the future.

The envisaged high density mixed use living and working environment will need to be integrated into the so-called ‘Twin River’ conservation context that links these sites to the wider regional environment. It is envisaged that the redevelopment of the Oude Molen and Alexandra Hospital sites will be done in accordance with a ‘public value’ approach that will make it possible to generate funds that will help to support the aims and objectives of the ‘Twin River Urban Park’ (TRUP) conservation and public open space strategy.

Finally, it is worth noting that this sub-region has a limited service infrastructure with respect to energy, water and, in particular, sanitation. This is why any development in this sub-region will have to maximise the use of on-site renewable energy technologies, maximise water efficiencies and treat all sewage on site in bio-gas digesters and related secondary treatment systems that will make it possible to feed the treated sewage back into the buildings for the purpose of flushing the toilets.

What is unique about the Oude Molen development is that it may well provide one of the very few opportunities for including a significant section of subsidized low-income housing into the Central City in an economically viable manner.
Implementation Strategy

The provincial government intends to use its property portfolio in the central city area of Cape Town to contribute to the area’s social, economic and environmental transformation. It seeks to refurbish and develop its properties for greater operational and cost efficiency. To effect these changes financing, experience, capacity and good communications are required.

The main purpose of the implementation plan is, therefore, to recommend how these resources can be mobilised while at the same time ensuring public sector accountability and compliance with the strategic development objectives that have been outlined.

Preconditions for success

The projects will conform with the National Treasury (NT) requirements for public private partnerships as set out in the PFMA, however, three procurement options are available i.e. the PPP route, conventional lease agreements and management of unsolicited bids. All these are subject to Treasury prescripts.

Although the NT will be used as a “clearing house” to ensure conformity and compliance through all the planning stages not all the projects will necessarily be classified as PPPs. In certain cases, where the project is conceptualised in such a way that risk is not transferred to the State the project could be managed through the department’s own procurement processes. This is especially the case where properties are made available for development without ‘strings’ attached. Decision of this nature will, however, be taken in consultation and agreement with the National Treasury. Unsolicited bids will be run in terms of the relevant Treasury prescripts as and when they are received.

Foremost for success, is securing the support and interest of the private sector and of the public generally. A first step in this direction is to demonstrate coherent and decisive action in getting one of the precinct projects, perhaps the Somerset Hospital project implemented as soon as possible. This will send a strong signal to the market.

Secondly, it is important to demonstrate that it is not business as usual; that there is indeed an intention to do things differently, quickly and reliably. An announcement of a new partnership with support of both public and private sector partners, one which is credible in the central city property marketplace, could do this.

Implementation start up proposals

It is recommended that

1. The Province immediately appoint a project champion who must head up a well resourced Project Office that must be mandated by the Provincial Cabinet to act on behalf of ALL Departments so that the Provincial Government can be seen as acting as a coherent corporate entity rather than as separate Departments each with their own agendas and procedures;

2. An agreement be reached between the WCPG and the CCT, captured in a MOU, on a shared vision for the Central City, joint actions, planning alignment and roles;

3. Similarly, an agreement be reached between WCPG, CCT and PRASA/TRANSNET with respect to planning alignment, roles, etc;

4. The WCPG should proceed to set up a private sector reference group with the support of the Cape Town Partnership;

5. The WCPG enter into a services agreement with the Cape Town Partnership (CPT) and the Cape Higher Education Consortium (CHEC) to provide technical and management assistance, and act as advisors to the programme. In this instance the CTP and CHEC would report contractually to the Project Champion;

1 The term Project Champion and Project Officer has the same meaning in terms of the National Treasury’s guidelines.
This team will in turn report to the joint steering committee of provincial and local government to be established in terms of the MOU with the City of Cape Town referred to above.

6. The Project Champion and support team should proceed immediately to prepare tender documents to procure the services of one or more Transaction Advisors as required by the Public Finance Management Act (PFMA) for PPP processes or (where necessary) for non-PPP arrangements facilitated via the normal tender procedures.

7. Preparation of tender documents and procurement of Transaction Advisors should run concurrently with production of development plans and feasibility studies as specified by the PFMA PPP requirements and/or via normal tender procedures to accelerate implementation.

The Transaction Advisor’s will be required to prepare the tender documents for the prescribed private sector bidding process that will secure the partnerships with contractors, developers and financiers.

Figure 1 below outlines programme’s organisational structure.
A work team must be established right away to set up the program and secure the services of the various technical resources for the precinct-level development planning and for securing the services of transaction advisors to prepare the financial feasibilities and contractual documentation.

In parallel with the process outlined above, the Province should look into the establishment of a dedicated provincial agency or separate government entity to implement and manage the program in future beyond the immediate project preparation and partnership facilitation stage.

The Provincial Government needs to apply dedicated, well resourced capacity to this programme if it is to succeed in its financial and developmental objectives. It is one integrated programme and requires support and joint responsibility across other departments of the provincial government. The Provincial Government must, therefore, determine its full commitment of resources for the duration of the full programme.

The proposed agency or entity, if it is considered necessary to be established, would have its own brand and management capacity, and should be able to use development profits generated to re-invest in the public domain.

The Province must indicate clear policy direction on implementation arrangements, including the functions it is to perform itself, with the necessary political commitment at the highest level.

Finally, it is vital to demonstrate legal and procedural viability and certainty regarding implementation arrangements for the program, and the properties to be developed, i.e. that it is legally permissible and that land development related agreements will be upheld.

To this end it is recommended again that in all instances the program and the related projects assume the procedure and requirements of the PFMA regarding public private partnerships and obtain all the required approvals from the Provincial and National Treasuries where necessary. In other instances where a public private partnership is not required process will be conducted by the Project Management Office.

**Project Champion’s functions**

The functions to be performed by the Project Champion and the supporting technical and advisory capacity in the implementation process are as follows:

1. Securing agreement from the treasuries for the proposed implementation approach ensuring compliance with PPP procedures.
2. Planning and formulation of detailed development plans and undertaking of feasibility studies for each project which are to form the basis for preparation of tender documents and for adjudication of proposals from the private sector.
3. Preparation of a detailed market-related strategy, prioritising and sequencing of projects to maximize financial and development benefit. Related to this is the preparation of a set of measurable development impact criteria for each project.
4. Develop asset management strategies to maximise value and developmental return on the property portfolio.
5. Investigate the requirement for and viability of separate management entity in relation to an internal change management plan in the WCPG and subject to these findings,
6. Develop a change management plan to drastically improve the Provincial Property and Facilities Management function – from leasing to operation and maintenance and facilities management of buildings.
Financing

The Department has earmarked a total of R30 million over 3 years (2010-2013) for purposes of detailed planning, feasibilities studies and getting project prepared for implementation.

In addition an amount of R10 million over two years is being set aside to undertake an audit of provincial office accommodation. A large portion of this latter amount will be utilised to obtain vital property information on properties in the selected central city precincts, as well as the remaining properties in the CBD.

Over and above these amounts the department has earmarked R100 million in the 2012/13 financial year for this program. This amount has not been allocated yet to any specific projects. It is suggested that it be utilised, for example, on relocation of the Roads Soil Laboratory and the Government Garage to alternative locations to enable release of property for development.

The work indicated above should be undertaken by the Project Office through the department’s conventional procurement processes.

Subject to detailed feasibility studies and motivation of business cases, the provincial treasury should be approached to provide bridging finance to facilitate the relocations necessary related to the Somerset Hospital, Chiapini Street and Government Garage, as these will be essential for progress to be made.

Realistically, given government expenditure priorities, the provincial government must find ways of raising private sector finance and developing appropriate management capacity and skills if it wants to achieve its strategic objectives. The PPP model as defined by the PFMA has been identified as the appropriate mechanism for this but it is not in all instances that the projects will be subject to a PPP process (see below). The institutional and management to leverage private financing and to achieve the strategic objectives of this programme must therefore remain open for further investigation. Such a mechanism must ultimately be able to:

1. raise development finance to supplement the property assets and the province’s own budget contributions
2. invest in the selected provincial land holdings and any capital budgets, optimise financial returns and minimise any related risks
3. leverage private sector contributions towards identified strategic development objectives
4. enable participation of the provincial government directly or through managed service providers and partners in the value adding processes of property development and property and facilities management
5. ring-fence incomes generated for use in achieving strategic objectives
6. ensure compliance with its vision and strategic developmental objectives as detailed in a set of measurable indicators for each project.
7. Mobilise stakeholder support and resources
8. Implement the User Pay concept as soon as possible and
9. Explore opportunities for donations (Donor Management effort) and various forms of subsidies e.g. Eskom, CO2 credits etc.

There are two options to achieving these objectives. For certain properties it will be necessary to use the Provincial and National Treasury’s Public-Private-Partnership procedures as set out in the PFMA. These procedures define the institutional mechanisms for implementation of the projects and in doing so enable private financing and the capacity and skills of the private sector.
The PPP approach will be needed where the Provincial Government is required to take on some financial risk. However, where risk is no risk, extremely limited or it can be appropriately ring-fenced it will be possible to use the normal procurement and tender procedures, what will be referred to in this document as the “Normal Tender approach”.

The normal tendering approach is applicable in instances where the Provincial Government can make land available by means of a land availability agreement and a long lease to the private sector for the building of facilities required by the Provincial Government, for example. This is a substantially simpler and faster procedure than the PPP approach, it is, however, a procedure that will require the approval of the National Treasury’s PPP Unit.

**PPP procedure for approval**

The following is therefore recommended to support the implementation of the PPP approach. It aligns directly to the requirements of the legislated Public Private Partnership (PPP) procedure.

The PPP process, in terms of Treasury Regulation 16 to the Public Finance Management Act (PFMA) of 1999, sets out 6 phases to the project cycle. The process is reported to take between 18 and 24 months. The Provincial Public Works (PPW) branch will work closely with the National Treasury PPP unit (NT PPP unit) to expedite this process.

The phases include inception, which requires registration of the program and project and the appointment of a project officer or project champion and a transaction advisor. This is followed by a feasibility phase leading, through a process of approvals by the National Treasury, to procurement of a private sector partner, development, delivery, and exit.

The process in not quick, simple or inexpensive and therefore requires selective use. Further, it is advisable that projects are carefully selected to ensure maximum financial and developmental return for the effort.

**Project selection and sequencing**

The first step in implementation should be preparation of a high level business case for each project and a decision matrix which identifies potential constraints and risks to (rapid) implementation of the program and projects, and to achieving the strategic objectives set out in this document.

This assessment should also give consideration to the property market to determine the benefit and impact of release of the property stock produced, into the market. The aim is to ensure maximum benefit to the city and to the Provincial Government.

**Program and project initiation**

**Registration of PPP**

An agreement has been reached between the NT PPP unit and staff of PPW that the process can be started without formal registration of the program and projects with the NT-PPP unit but that the PPW will be guided by it even before formal registration to ensure that the work undertaken is in line with National Treasury PPP legislative requirements.

Formal registration should be made only after consultation and approval by governance, and once there is certainty and a business case to proceed, as proposed above.

**Project Champion or Project Officer**

It is recommended that an appropriate person be appointed by the PPW branch to act as Project Champion as required by National Treasury Regulation 16 of PFMA.

**Transaction advisor**

It is also recommended that the Project Officer and Team draft the Terms of Reference and profile for (a) suitable Transaction Advisor(s) for each of the proposed projects. The Transaction Advisor(s) should have a thorough understanding and experience of the property supply chain and how to maximise value from a portfolio of properties and should ideally
also understand government policy and development planning processes.

The provincial government is to advertise for, and appoint the Transaction Advisor(s), who will report to the project champion in PPW. It needs to be noted that a Transaction Advisor is a highly skilled individual who is normally sourced from specialist private sector firms – there are not many available in South Africa and can be very expensive.

**Feasibility study**

The programme’s technical team, including private sector resources, working under the supervision of the Project Champion will formulate development plans and feasibility studies for each of the selected projects.

These studies will be undertaken in terms of the requirements for PPPs set out by the PFMA and administered by the National Treasury PPP unit. A working relationship has already been established with the National Treasury PPP unit.

**Procurement**

The feasibility study approval by the NT-PPP unit – Approval IA, is followed by the procurement stage.

The project champion, with the transaction advisors, must design and prepare tender documentation and draft PPP agreements for a fair, competitive and equitable procurement process. This must also be approved by the NT PPP unit – Approval IIA.

The next step is to implement the procurement process itself as specified and approved. Bids are requested from the private sector, received and compared with the feasibility study and each other, before a preferred bidder is selected.

Treasury approval IIB cannot be given without a value for money report. This approval is followed by negotiation with the preferred bidder and finalisation of the PPP agreement management plan – concluding with Approval III and followed by signing of a PPP agreement.

**Development, delivery and exit**

It is anticipated that the terms and conditions for development, delivery and exit will be project-based and the role and capacity requirements of the PPW will be shaped by agreements with the private sector in each project.

If the Provincial government decides to establish a dedicated Agency and there is a real business case for the establishment of such an agency the corporate form proposed is of a ‘Government Component’ as defined in the PFMA.

**Types of property transactions**

The types of transactions to leverage private finance through the PFMA PPP processes or the Normal Tender approach can be one or a mix of the following:

1. Use property as equity in a joint development with the private sector in exchange for rental returns which are shared over an agreed period after which the property returns to government or is sold with an equity pay-out.
2. Make its land available (legally commit) to be used on long lease subject to the private sector raising the funds for planning and development within a given timeframe. The agreement, with negotiated conditions, would enable the private sector to raise funds from capital markets on the basis of a viable development concept and, under current market conditions, at least 60% of tenants signed on.
3. Use government buying power, as tenant to raise capital by offering a lease to private financial institutions, directly itself or via a private developer. Capital raised in this way can be used for redevelopment and for on-going operation and maintenance.
4. Other methods are sale of property where it is needed or where there is demonstrated developmental value-add, additional to normal investment, or in exchange for purchase or investment in property or new property development elsewhere.
The PPP transactions, on one or more properties should be clustered in a fashion that yields the highest financial and developmental return in terms of the program and projects strategic objectives.

All revenues derived from transactions which are part of this program must be ring-fenced for use in implementation of the strategic objectives of this program and projects.

**Cross-Cutting Actions**

While the institutional arrangements for implementing the CT-CCRP are being set up, the following cross-cutting actions will be necessary to support the strategic planning process:

1. A property market assessment is needed that will guide the release of properties within precincts and prioritize the development of different precincts. It will be unwise to flood the market with new property development opportunities. At the same time, it needs to be recognised that major public sector investments such as the Cape Town Station and Harbour Redevelopment projects can stimulate demand and complementary investments.

2. Building on the CCT’s densification strategy, more detailed guidelines are needed to guide development approvals that actually result in densification. This will need to include concentrating new developments around public transport nodes and strengthening the city boundary to discourage further urban sprawl.

3. All key stakeholders will need to contribute to the funding of a thorough, detailed and comprehensive Strategic Infrastructure Plan. Without this, the majority of the proposals contained in this document will not materialise.

4. Further investigation of the legal, spatial, aesthetic and heritage constraints will be needed to make sure there are no major obstacles in the way of the precinct plans.

5. Finally, it will be necessary during the next phase of planning to translate the Strategic Objectives that appear at the start of this document into a detailed set of performance criteria. Specifically, this means giving each Strategic Objective a set of measurable that can be used to evaluate progress as the overall CT-CCRP unfolds.

**ADDENDUM – SPECIAL NOTE ON URBAN INFRASTRUCTURE**

**Strategic Infrastructure Plan**

It is a well known fact that infrastructure is key obstacle to the future redevelopment of the Central City. Every expert familiar with the Central City knows that approvals for future development will depend on massive investments in infrastructure – investments that the public sector on its own cannot afford.

By infrastructure is meant the following:

- Water supplies
- Sanitation services
- Energy supplies
- Solid waste management
- Mobility (including road, bus and rail transit, goods movement and related logistics, non-motorised mobility such as pedestrian and cycling routes)
- Telecommunications and data infrastructure (in particular broad-band which requires fibre optic cabling and related transmission nodes)
In order to function, Cape Town depends on the following flows:

- **Electricity**: approximately 10 billion KWh of grid-supplied electricity for the year 2006/7, which equals nearly 3500 KWh per person per annum.
- **Oil**: over 2 billion litres of crude oil for the year 2006/7, or 666 litres per person.
- **CO2**: nearly 20 million tons of CO2 emitted for the year 2006/7 from all energy users, including transport, which is nearly 7 tons per capita (which is lower than the national average of 9.8 but equivalent to per capita emissions in Italy, France, Spain, Poland and Malaysia).
- **Water**: 247 million Kilo litres of water per annum in 2006, or 82 Kilo litres per person which is higher than the global average of 57 Kilo litres per person (and also higher than the European average).
- **Sewage**: 200 million Kilolitres of sewage for the year 2005/6, or 67 Kilo litres per person per annum.
- **Solid waste**: 2.9 million tons of solid waste in 2007/8 (which is over 2 Kgs per person per day, higher than the European average), of which about 0.4 million tons was recycled.
- **Building materials**: by the early 2000s, 6 million tons of building materials entered Cape Town per annum for conversion into buildings and infrastructure, with an output of about 1 million tons of builder’s rubble much of which a portion is recycled and re-used again as inputs (estimates range from 35% to 75%).

“This brings me to another of our ten strategic objectives; optimising resource efficiency and sustainability. We know that if we are to compete globally, we need to make more efficient use of our resources. As more and more people migrate to the Western Cape, so our carbon footprint increases. Currently, 95 percent of the energy generated in the province is generated by burning fossil fuels. If we do nothing, greenhouse gas emissions will increase by 20 percent in the next decade.

We cannot go on like this. We have to take proactive steps to improve the quality of the air we breathe. I have already mentioned our commitment to green low cost housing programmes. This will form part of a broader renewable energy programme including the harnessing of wind and solar power as well as generating energy from alternative sources such as sewerage sludge, biogas and agricultural waste.

Climate change and in-migration to the province mean that there is less water for more people. So, as part of our commitment to resource sustainability, we are making water management a special focus area. We are currently in the development phase of a provincial integrated water resource management plan which will improve catchment management and make the province more water efficient through the recycling and reuse of wastewater.” (emphasis added)

In her 2010 State of the Province Address, the Premier echoed many policy statements by CCT, PRASA and Provincial Government Departments by making the following commitment to sustainable resource management:

The Premier is quoted at length here because she makes it clear that sustainability is primarily about infrastructure. In other words, the infrastructure plan that is required to support the CT-CCR will need to take into account this approach. This means designing infrastructure services so that:

- we use water more efficiently, thus making it possible to continue reduce total demand while increasing access;
- we re-use all our waste water, including methane, nutrients and grey water outputs;
- buildings use minimal amounts of energy and new renewable energy supplies are incorporated into the infrastructure plan (from solar hot water heating, to wind and solar power, to energy from waste);
• the Central City becomes a zero waste zone, demonstrating that it is possible to recycle all solid wastes in ways that create new jobs;

• the private car is no longer a necessity for moving people around the city;

• everyone has access to 24/7 broadband data services, thus computerized ‘smart grid’ management of infrastructure services possible.

A Strategic Infrastructure Plan for the Central City does not exist. An initial scoping report was provided as part of the Central City Development Strategy, and PRASA has commissioned preliminary work for the Cape Town Station project. The CCT of commencing the second phase of its infrastructure study, but there are insufficient funds for a complete integrated infrastructure plan, including a ‘What If’ modelling dimension. Without this, it will not be possible for the CCT to approve new development proposals.

Three things are needed. Firstly, the Terms of Reference for the Strategic Infrastructure Plan must reflect the sustainability perspective articulated by the Premier in her State of the Province Address. Second, additional funds need to be committed to the formulation of this plan so that the CCT is not expected to carry the burden alone. Third, the Terms of Reference should stipulate that private sector financial expertise should be incorporated into the team to investigate funding models that go beyond dependence on limited government budgets.