

22<sup>nd</sup> May

17

**IMBALI LIGHT INDUSTRIAL HUB FEASIBILITY  
REVIEW & OPERATIONAL PLANNING REPORT,  
ERF 1977 CC, EDENDALE**



## Contents

1. INTRODUCTION.....	1
1.1. Background and Purpose of the Report.....	1
1.2. Site Specific Background .....	3
1.3. Eviction of illegal Occupants .....	3
1.4. Objectives of the Development Process .....	4
2. REVIEW, DESIGN AND PLANNING COMPONENTS .....	4
2.1. Review Considerations.....	4
3. PROJECT APPROACH AND METHODOLOGY .....	5
3.1. Literature Review .....	6
3.2. Meetings with Key Departments to Secure Information.....	7
3.2.1. Land Legal Considerations .....	7
3.2.2. Development Initiatives .....	7
3.3. Community Consultation, Anchor Tenant and PSC Meetings .....	7
3.3.1. Community Consultation Meetings .....	10
3.3.2. Anchor Tenant Meetings.....	11
3.3.3. Project Steering Committee Meetings.....	11
3.3.4. Planning Team Reviews on Progress.....	11
3.3.5. Site Inspections .....	11
3.3.6. Telephonic Surveys .....	12
4. LAND LEGAL ASSESSMENT .....	12
4.1. The Site .....	12
4.2. Land Legal Considerations .....	14
4.2.1. Property Ownership.....	14
4.3. Opening of Township Register .....	14
4.4. Property Registration .....	14
4.5. Title Deed .....	17
4.6. Restrictive Conditions of Title .....	17
4.7. Site Services .....	17
4.7.1. Service Infrastructure Summary .....	18
4.7.2. Assessment of Site Current Infrastructure and Buildings .....	18
5. STATUS QUO REPORTS.....	29
6. COMMUNITY VISION.....	29
6.1.1. Introduction .....	29
6.1.2. Community Vision .....	30
6.1.3. Other Requirements raised by the Community.....	34
6.1.4. Conclusion.....	35
7. PROPOSED SITE DEVELOPMENT .....	35
7.1. Proposed Development Plan .....	35
7.2. Proposed Design .....	37
7.3. Proposed Engineering Services and Costs Required for Proposed Design .....	40
7.4. Proposed Landscaping .....	45
7.4.1. Introduction .....	45

7.4.2.	Soils .....	45
7.4.3.	Trees Presently on Site.....	45
7.4.4.	Alien Weeds on Site .....	46
7.4.5.	Landscaping of the Site .....	46
7.4.6.	Landscaping plan.....	49
7.5.	Draft Bill of Quantities .....	52
7.6.	Proposed Phasing Plan and Cost Schedule Per Phase .....	56
7.6.1.	Proposed Phasing Plan.....	56
7.6.2.	Proposed Cost Schedule per Phase.....	58
8.	REVISED LED, FEASIBILITY AND FINANCIAL PLANNING.....	59
8.1.	The Msunduzi / Imbali Industrial Hub LED Review Process.....	59
8.2.	The Imbali Industrial Hub Project District and Local LED Context .....	60
9.	IMBALI WARD DEMOGRAPHIC PROFILE .....	64
9.1.	The Informal Economy by Sector .....	70
9.1.1.	Vision.....	72
9.1.2.	Mission .....	72
10.	THE IMPLICATION OF THE LITERATURE REVIEW.....	73
10.1.	Mixed and Sector Specific Incubation.....	73
10.2.	ICT incubation performance measurement.....	78
10.3.	Proposed IHH tenants in the light of the literature review and informal economy analysis 81	
11.	DEVELOPMENT PRINCIPLES, POLICIES AND IMPERATIVES .....	84
12.	REVIEW ON ALIGNMENT WITH CURRENT LEGISLTATION, GUIDELINES AND POLICY .....	85
12.1.	The National development Plan (Vision 2030) .....	85
12.2.	The Sustainable Development Goals (SDGs).....	86
12.3.	The Integrated Urban Development Framework of 2015 (IUDF) .....	87
12.4.	National Infrastructure Plan (NIP and Strategic Integrated Projects (SIPs) .....	88
12.5.	The State of the Nation Address 2017 .....	89
12.6.	State of the Province Address 2017.....	90
12.7.	Provincial Growth and Development Strategy .....	90
12.7.1.	Introduction .....	91
12.7.2.	Capital Investment Requirements .....	91
13.	INSTITUTIONAL ARRANGEMENTS.....	92
13.1.	Introduction .....	92
13.2.	New Incubator Model .....	92
13.2.1.	Management Structure.....	95
13.2.2.	Ownership of Land and Facilities .....	95
13.3.	Cubical Allocation Strategy and Policy.....	95
13.4.	Risk Assessment and Maintenance Planning.....	98
13.4.1.	Overview .....	98
13.4.2.	Potential Positive Impact of the SMME Hub.....	98
13.4.3.	Risk Identification / Assessment / Mitigation .....	98
13.5.	Maintenance Plan .....	102
14.	REVISED BUSINESS MODEL AND FINANCIAL IMPLICATIONS .....	102

14.1.	Introduction .....	102
14.2.	The Capital Investment Requirements .....	103
14.3.	Income and Expenditure Review .....	104
15.	PROJECT SUMMARY AND RECOMMENDATIONS.....	107
15.1.	2010 Feasibility assessment recommendations .....	107
15.2.	2017 Feasibility Review assessment .....	107
16.	REFERENCES .....	108
	ANNEXURE 1: MINUTES OF THE MEETING HELD ON 19 JANUARY 2017 .....	110
	ANNEXURE 2: MINUTES OF MEETING HELD ON .... FEBRUARY 2017 .....	114
	ANNEXURE 3: MINUTES OF MEETING HELD ON 05 MARCH 2017.....	115
	ANNEXURE 4: MINUTES OF MEETING HELD WITH ANCHOR TENANTS ON 30 MARCH 2017.....	123
	ANNEXURE 5: MINUTES OF PSC MEETING HELD ON 06 MARCH 2017.....	131
	ANNEXURE 6: MEMORANDUM OF TRANSFER.....	142
	ANNEXURE 7A: SURVEYOR-GENERAL DIAGRAM .....	146
	ANNEXURE 7B: CERTIFICATE OF REMAINING EXTENT.....	147
	ANNEXURE 8: CONFIRMATION OF THE OPENING OF THE TOWNSHIP REGISTER .....	148
	ANNEXURE 9A: UNREGISTERED SUBDIVISIONAL DIAGRAM.....	152
	ANNEXURE 9B: UNREGISTERED SUBDIVISIONAL DIAGRAM.....	153
	ANNEXURE 10: TITLE DEED .....	154
	ANNEXURE 11: STATUS QUO REPORTS.....	157
	ANNEXURE 12: TELEPHONIC SURVEY RESPONSE ALFRED DUMA MUNICIPALITY .....	169



## List of Figures

Figure 1. Locality map of the Imabli Light Industrial hub .....	2
Figure 2: Review, Design and planning Components .....	5
Figure 3: Methodology applied and resultant deliverables.....	6
Figure 4. Ward 19, showing location of Imbali industrial hub project .....	9
Figure 5: The Imbali Light Industrial Hub locality plan.....	13
Figure 6. Sub-divisional boundaries in respect of Proposed Portion 1 and the Remainder of Erf 1977, Edendale CC, in relation to the Educational College infrastructure .....	16
Figure 7. Main community Vision Ideas for the Imbali hub.....	31
Figure 8. Additions and alterations to Imbali light industrial park .....	36
Figure 9. Possible Design for Industrial Hub .....	38
Figure 10. Concept Drawing.....	39
Figure 11. Proposed Stormwater drain.....	40
Figure 12. Proposed Fire-hose network.....	41
Figure 13. Proposed stormwater drain design .....	42
Figure 14. Proposed potable water layout .....	43
Figure 15. Proposed sewer layout .....	44
Figure 16. Landscaping Plan.....	50
Figure 17. Phase Concept Drawing .....	57
Figure 18. Locality of Msunduzi within Umgungdlovu District.....	61
Figure 19. Imbali investment precinct framework plan.....	63
Figure 20. Gender distribution of Imbali community .....	67
Figure 21. Income distribution within ward 19.....	70
Figure 22. Msunduzi Informal Economy Sector.....	71
Figure 23. New incubator Model Operational Plan.....	93
Figure 24. SmartXchange method diagram .....	94
Figure 25. SMME Incubator structure.....	95

## List of Tables

Table 1. Suggested Community activities in respect of the Imbali Hub and potential methods of accommodation .....	32
Table 2. Bill of quantities based on current concept design (option 1: single storey for buildings 1 - 6) .....	54
Table 3. Bill of quantities based on current concept design (option 2: double storey for buildings 1 - 6) .....	55
Table 4. Cost schedules for Phases 1a and 1b .....	58
Table 5. Cost schedules for Phase 2 .....	59
Table 6. Cost schedules for Phase 3 .....	59
Table 7. Population age composition (StatsSA, 2011) .....	64
Table 8. Education levels (StatsSA, 2011) .....	64
Table 9. Household composition (StatsSA, 2011) .....	64
Table 10. Household services (StatsSA, 2011) .....	65
Table 11. Refuse disposal (StatsSA, 2011) .....	65
Table 12. Ethnicity Composition (StatsSA, 2011) .....	65
Table 13. Language composition (StatsSA, 2011) .....	66
Table 14. Marital statuses (Stats SA, 2011) .....	67
Table 15. Type of area (StatsSA, 2011) .....	68
Table 16. sources of energy (StatsSA, 2011) .....	68
Table 17. Tenure arrangements (StatsSa, 2011) .....	68
Table 18. Source of water (StatsSA, 2011) .....	69
Table 19. Toilet facilities (StatsSA, 2011) .....	69
Table 20. Number of SMMEs supported by public sector incubators .....	73
Table 21. Number of SMMEs supported by private sector incubators .....	75
Table 22. Sustainable development goals relevant to this project .....	86
Table 23. UDF imperatives relevant to this project .....	87
Table 24. Start-up and operational risks .....	99
Table 25. Financial Risks .....	100
Table 26. Risks relating to the site .....	101
Table 27. Capital expenditure for the Imbali Industrial hub .....	103
Table 28. Possible set-up costs .....	104
Table 29. Estimated monthly income for the Imbali Industrial Hub .....	105
Table 30. Estimated operational costs for the Imbali industrial hub .....	106

# 1. INTRODUCTION

## 1.1. Background and Purpose of the Report

Isikhungusethu Environmental Services (Pty) Ltd (Isik) and its Associates, Asihlele (PTY) Ltd, KDA Consulting Engineers, Nirupa Gopidayal Architects and Ved Hukum, were appointed in January 2017 to undertake the review, design and planning of the site. The project team consists of a Town and Regional Planner, an Environmentalist, two Structural Engineers, an Architect, Landscape Architect and an Economist.

The appointment encompasses the review of the 2010 Feasibility Study and Business Plan prepared by Mr Tindall Kruger of Strategic Planning Resources, on behalf of the Msunduzi Municipality and the then Department of Economic Development and Tourism.

The intention of the 2010 Feasibility Study and Business plan was to establish a Trading Centre / SMME Incubation Centre on Erf 1977 Edendale CC, Imbali. The primary intention of the project was to transform an existing, but none-functioning training college into an efficient, integrated, and sustainable industrial/ economic urban component of Msunduzi.

The site houses a number of buildings that originally functioned as a technical training college for scholars from the surrounding secondary schools. The site ceased to be used for this purpose in the early 1990's (Msunduzi Municipality, 2016) and has since been invaded by a group of approximately 30 people. The site has been used for residential and opportunistic business purposes.

The project site is situated on unregistered Erf 1977 Edendale CC, as shown on Figure 1 overleaf.

This project appointment forms Phase 1 of a three phase approach.

This phase of the project will deal with the Spatial Planning, Local Economic Development, structural assessment of buildings, architectural design and costing of buildings. This phase also includes a Business Plan for the operation of the intended new hub and recommendations on the securing tenants for the hub.

Phase 2 will deal with the physical restructuring of the site, and phase 3 will deal with the securing of tenants to create an economically viable hub in this area. These phases will require the separate appointment of service providers to undertake the required work.

Phases 2 and 3 are to proceed in tandem with each other. As buildings are being renovated and built, tenants are to be secured. Following this methodology, prospective tenants would be able to occupy the apportioned space and commence with operation on completion of the relevant structures. With these two phases happening in tandem, buildings can then be customised for each successful tenant.

Figure 1. Locality map of the Imabli Light Industrial hub





## 1.2. Site Specific Background

The “Imbali Industrial Hub Profile Report” (Msunduzi Municipality, 2016) undertaken by Ms Gcina Mkhize; Ms Zilungile Chonco; Ms Lindokuhle Mahlaba and Ms Londeka Sindane on behalf of the Msunduzi Municipality in August 2016, explains that the property was previously under the ownership of the Department of Education. The report clarifies that the main historical purpose of the establishment was to provide technical training to scholars from the surrounding secondary schools. The training centre was to be a shared facility for public schools in the area.

According to the Imbali Industrial Hub Profile Report (2016: 3), the training facility was used to provide skills to prepare artisans for the job market. The training facility was equipped with various machines used to train people in woodwork, wiring, electric fittings, and related technical theory and drawing processes. The remnants of lecture rooms and a drawing studio are still visible.

During the early 90’s the training centre ceased operating and the property was invaded and vandalised. The premises became the home of drug addicts and various small business operators. Later-on, the buildings were occupied by families and individuals from Imbali and surrounding areas and the drug addicts left (Imbali Industrial Hub Profile Report, 2016).

The site was inspected in 2016 and it was established that 30 people were illegally residing on the property and that a number of business, with varying degrees of success, were operating from the premises. (Imbali Industrial Hub Profile Report, 2016: 9-11). These included:

- A vehicle repair workshop
- An upholstery shop
- Storage facilities (Tents and chairs)
- A carwash
- A make-shift recording studio
- A creche
- Four churches

## 1.3. Eviction of illegal Occupants

In order to allow for the project to proceed and for the project team to do the work allocated to it, the site need to be vacated and the illegal business activities discontinued. There have been discussions between Msunduzi Municipality and the land invaders since 2016 when the project was re-mooted. The land invaders made a plea to the Municipality to seek alternative accommodation for them.

A detailed search was undertaken, but no land or accommodation could be found to assist the people concerned in the short term. They could be placed on accommodation waiting lists.

As a consequence, Council agreed that eviction notices may be served on the offending occupants. Notice was served on of all the occupants on 03 March 2017, giving them notice to vacate the premises by 02 May 2017. At a site visit undertaken on 05 May 2017, it was evident that the majority of illegal occupants had left the premises. There has however been a significant degree of removal of building

materials from the existing buildings on site by the evacuees. The municipal security division is now preventing further removal of building materials from the site.

## **1.4. Objectives of the Development Process**

The objectives of the project are to:

1. Review of the 2010 feasibility study and business plan for Erf 1977 Edendale CC including the design and costs for upgrading and re-building of buildings to be demolished.
2. Determine the land legal status of the project site.
3. Undertake social facilitation including community support in respect of the project and the negotiation or eviction process with regards to the land invaders.
4. Develop a strategy to deal with the site allocation.
5. Liaise with potential anchor tenants with the intention that their input will influence the design and structure of hub.
6. Re-establish of funding and implementation partnerships.
7. Review the business and operational plans for the hub.
8. The initiate the land development application in terms of the municipal Spatial Planning and Land Use Management By-laws relating to the subdivision and rezoning of the property. The planning application process will be undertaken by the municipality.

These objectives are addressed in the following review, planning and design components of the project.

## **2. REVIEW, DESIGN AND PLANNING COMPONENTS**

### **2.1. Review Considerations**

Tindall Kruger, in his 2010 report, *“Trading Centre/ SMME Incubation Feasibility Assessment”*, explains that, “...over the past two decades there has been a strong focus by government on providing support to and building the capacity of small businesses in South Africa “(Msunduzi Municipality, 2010: 4). Kruger proceeds to explain that these state supported economic development initiatives are generally lacking in previously disadvantaged areas such as Edendale.

The 2010 2<sup>nd</sup> second draft report by Isibuko se-Africa, *“Imbali Mixed Use Investment Report “*, identified the subject site, due to its infrastructure, as an opportunity for SMME development (Msunduzi Municipality, 2009: 35). The proposed re-purposing and use of the project property for SMME/ Economic development is thus well established.

The 2010 Feasibility and Business plan report prepared by Strategic Planning Resources on behalf of Msunduzi Municipality in the main addressed the following:

- the development of Erf 1977 as an SMME/ Incubator development.
- costing of the upgrading of the project site to allow its use as a SMME/ Incubator site.
- a business and operational plan in support of the SMME/ Incubator development.
- identification of the key role-players and business implementation partners.

The review, based on the above, includes the following:

- the structural integrity of the buildings and damage caused through vandalism,
- determining an architectural design for the hub,
- a comparative bill of quantities to develop the site,
- developing a project implementation phasing plan,
- the validity of the previous business and operational plans,
- recommendations to operationalise the development and
- the town planning scheme compliance with the proposed use.

The review, design and planning components are summarised in Figure 1 below.

*Figure 2: Review, Design and planning Components*



### **3. PROJECT APPROACH AND METHODOLOGY**

The project team followed a multi-pronged approach detailed in Figure 3 below. This included at least seven concurrent actions.

Figure 3: Methodology applied and resultant deliverables



The methodology is discussed in more detail below.

### 3.1. Literature Review

The literature review included the assessment of a number of relevant documents including the following:

Document	Purpose of evaluation
Msunduzi Municipality, 2009. <i>Imbali Mixed Use Investment Report. 1<sup>st</sup> Draft</i> . Prepared by Isibuko se-Africa Development Planners.	1. Provision of background and planning context.
Msunduzi Municipality, 2010. <i>Imbali Mixed Use Investment Report. 2<sup>nd</sup> Draft</i> . Prepared by Isibuko se-Africa Development Planners.	1. Provision of background and planning context.
Msunduzi Municipality, 2016. <i>Imbali Industrial Hub Profile</i> . Sustainable Development & City Enterprises	1. Review of the project site use since 2010. 2. Profile of the resident unauthorised community. 3. Economic activity practiced on site.
Msunduzi Municipality, 2010. <i>Trading Centre/ SMME Incubation Feasibility Assessment</i> . Department of Economic Development and Tourism	1. 2010 Feasibility report 2. 2010 Project intentions. 3. Building cost comparison between 2010 and 2017
Msunduzi Municipality, 2015. Greater Edendale – Imbali Urban Hub: Design Report and addendum. Prepared by Iyer Urban Design Studio CC	1. In-depth analysis of the Edendale area in terms of planning and economic activities. 2. Identification of Edendale Hub. 3. Detailed identification of future development of the Edendale area, providing valuable spatial planning intentions for Edendale and Imbali.



The review of these reports enabled the team to develop a solid understanding of strategic and planning initiatives in respect of Edendale, the 2010 feasibility assessment as well as the historic use of Erf 1977, Edendale CC.

### **3.2. Meetings with Key Departments to Secure Information**

Meetings were undertaken with a number of departments and key role-players to establish a detailed knowledge base of the site, its land legal status and potential development partners.

#### **3.2.1. Land Legal Considerations**

Discussions with Mr Hinde of the Surveyor-General's Office (personal communication, 2 March 2017 and 21 April 2017) revealed that there was a subdivisional application submitted in 2003 to subdivide the subject property into Erf 1 and Remainder. These diagrams were however never registered.

The above was confirmed by Mr Mike Kitshoff, the surveyor who lodged the subdivisional application in 2003. He advised that the subdivision was never registered and the draft diagrams are held in the Surveyor-General's Office for registration, or withdrawal at a later stage (personal communication, 12 April 2017).

A meeting with Mr Zeelie of the Registrar of Deeds, Pietermaritzburg confirmed that the Remainder of Erf 2388 Edendale CC has been transferred into the name of the Msunduzi Municipality from the Department of Housing and Traditional Affairs in 2009. Documentary proof was provided that a General Plan had been prepared for the parent property and that a Township register had been opened, however none of the erven have been transferred as yet. (Mr Zeelie, 2017 meeting of 23 April 2017).

Ms Zama of the Municipal Estates Department, as per the investigation of the Deeds Office, confirmed that a general plan had been prepared and that these properties have not been transferred to individuals or organisations and are therefore being leased from the Municipality. (Ms Zama, 2017 meeting of 21 April 2017).

#### **3.2.2. Development Initiatives**

Discussions were undertaken with Mr Mike Zondo, the CEO of the Small Enterprise Development Agency (SEDA), Pietermaritzburg, and Mr van der Merwe of the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA). This Department was a co-funder of the 2010 feasibility report. Support and advice were pledged by both organisations.

SEDA will consider a satellite office in respect of the SMME/ mixed use hub and DEDTEA in addition to soft assistance in terms of business plan development and will, under the right conditions, consider joint financial assistance with the Municipality, subject to available funding and sound business plans.

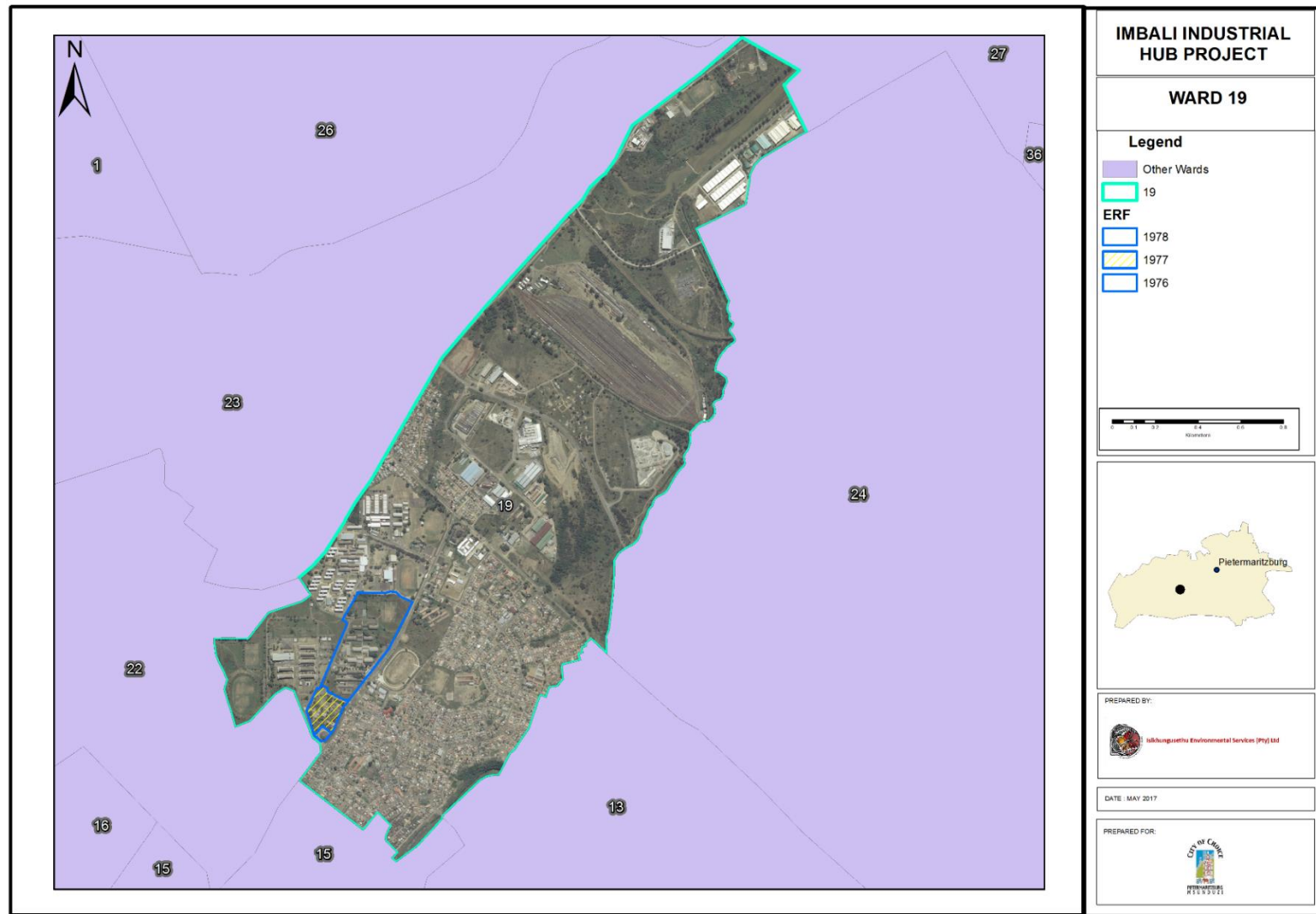
### **3.3. Community Consultation, Anchor Tenant and PSC Meetings**

The project falls within Ward 19 of Msunduzi.

This section discusses the consultation with the relevant community, potential anchor tenants and the Project Steering Committee. These consultation sessions are briefly captured in the paragraphs below. This project falls within Ward 19. Figures 4 and 5 overleaf provides visual orientation.

Final Draft

Figure 4. Ward 19, showing location of Imbali industrial hub project



### **3.3.1. Community Consultation Meetings**

#### **Ward Councilor and Ward Committee**

The first consultation session, acknowledging protocol, was held with the Ward Councillor Ndawonde and the Ward Committee members on 19 January 2017. The main purpose of the meeting was to orientate all the ward committee members, discuss the project intentions and process and the fate of the illegal occupants. In the absence of any accommodation for the illegal residents, it was resolved that the illegal residents be advised of the investigation and that Council be approached to secure their approval to proceed with the eviction notices. (Please see the minutes of the meeting attached at Annexure 1).

#### **Illegal occupants**

A meeting was held with the illegal community living on the premises on Saturday 11 February 2017 (municipality to supply Annexure 2). As no alternative accommodation could be sourced for the illegal occupants, the need to secure Council approval for eviction notices was affirmed. The illegal dwellers explained that they had made various improvements to the structures, to make it habitable and requested compensation for improvements made. The municipal Legal Section ruled that compensation for building improvements could be considered on proof of purchase.

A site inspection by the project team on 26 April 2017 revealed that a number of persons had vacated the site. It was however alarming to note that the illegal occupants had removed their improvements as well as substantial parts of other buildings, so much so that two of the larger structures were no longer structurally safe and would need to be demolished. Roof sheeting, trusses and most window frames had been removed, leaving lintels exposed and damaged. This has had a negative impact on the building repair costs.

#### **Imbali Community meeting**

A community meeting was held on Sunday 05 March 2017, 14h00 to 16h00. The intentions of the meeting was to orientate the community and establish their vision for the area. They generally identified business activities which are aligned with light industrial activities; this would be supported by the business plan under review. The process supported the identification of critical business support mechanisms in the form of Wi-Fi connectivity, business plan formulation, printing and faxing facilities as well as a few decent rental offices and potentially a small boardroom.

The need for a holistic approach, considering existing effectively operation SMME's was well articulated through his process, together with the recognition of importance of local industry however not completely discounting the contribution of outside industry in respect of financial growth and job opportunities. The need for a balanced approach was well made.

The need for a holistic and balanced approach was well made: the effective operation of SMME's was well articulated by the participants, while they recognised the importance of links to both local and outside industries to help fuel both financial growth and job opportunities.

The need for the project to take into consideration the poor and social entrepreneurship is an important aspect highlighted by the community members. (Please see Annexure 3).

### **3.3.2. Anchor Tenant Meetings**

A meeting was called with potential anchor tenants on 30 March 2017. Potential Anchor tenants in the form of Hulamin and Orav Energy were given the opportunity to present the reasons for their respective companies to be considered. Huliman could provide a market for recycling, whilst Orav Energy is seeking opportunities to provide energy from waste. The site location and size will however not suit this purpose. (Please see Annexure 4). Further potential anchor tenant identification is still ongoing.

### **3.3.3. Project Steering Committee Meetings**

A Project Steering Committee (PSC) was established and the first meeting was held on 6 March 2017. (Please see Annexure 5). The PSC membership included the municipal project management team, a senior official from the municipal LED directorate, the CEO of the Chamber of Commerce, senior officials from the Department of Economic Development, Tourism and Environmental Affairs, senior officials from Department of Co-operative Governance and Traditional Affairs, the CEO of SEDA and representatives from DUT, the FET College and Sukuma School.

The main resolutions of the meetings covered the following:

- Funding sources
- Training opportunities
- Support from DEDTEA
- Long term viability/ sustainability
- Potential integration with COGTA One Stop Shop initiatives
- Principle of renovation of buildings, rather than restructuring due to limited funding

A second meeting is set for 23 May 2017 to share the progress in respect of the project.

### **3.3.4. Planning Team Reviews on Progress**

There has been continuous interaction with the project team to ensure communication and agreement on matters critical to the project success. The core municipal planning team has been on board from project initiation. In addition to regular electronic mail progress and process reports, there have been technical project meetings dealing with challenges of the illegal occupants on site (25 January 2017) and post site inspection de-briefing sessions concerning building design, structural and planning matters (26 April 2017 and 09 May 2017).

### **3.3.5. Site Inspections**

The land invaders had secured buildings with chains and locks. As a consequence, the proper assessment of building structures was delayed until the site was vacated in early May 2017 and the site secured by the municipal security team.

The first site inspection was undertaken by the Municipal project team, the project engineers, architect, planners and the Ward Councillor on 26 April 2017, however due to building entrances having been locked, a further site meeting was arranged for 05 May 2017, which proceeded as planned. The alarming rate of deconstruction of buildings by the evacuees was brought to the attention of the municipal authorities to prompt them to secure the site. Three buildings had been damaged beyond repair as a consequence of the vandalism (This dealt with in more detail in Section 5 of the report).

### **3.3.6. Telephonic Surveys**

Two surveys were undertaken. The results of the surveys and associated questions are shown in Annexure 12

Overall the following key aspects emerged.

- Substantial funding is required to subsidize SMMEs (between 90% - 100%).
- If the hub is not well controlled this could potentially lead to illegal sub-leasing.
- Buildings are generally poorly maintained.
- SMMEs do not vacate their premises subsequent to the completion of the incubation period, due to financial dependency.
- Operational and maintenance planning is critical for the success of the hub complex.

## **4. LAND LEGAL ASSESSMENT**

### **4.1. The Site**

The project site is located on the Western side of F.J. Sithole Road, in Imbali. The project site is flanked by a water reservoir to the South West and Sukuma School on the North East and, on the Western side, by the rear entrance to the Durban University of Technology, as per Figure 5 overleaf.



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## 4.2. Land Legal Considerations

### 4.2.1. Property Ownership

The parent property was transferred to Msunduzi Municipality from the erstwhile Department of on 01 July 2009 as confirmed by the extract of the Deeds Office records, detailed below.

*Diagram 1. Title deed details – Remainder of Erf 2988 Edendale CC*

Document	Registration date	Purchase date	Amount	Reference
Deed of Transfer T23918/2009	2009/06/29	N/a	N/a Vesting transfer	20090716 09:04:36

The Memorandum of agreement between the then Minister of Local Government, Housing and Traditional Affairs is included in **Annexure 6**.

Erf 1977 Edendale CC, (2,5721 ha in extent), forms part of a much larger parent property, i.e. Erf 2388 Edendale CC (88, 4254 ha in extent).

Erf 2388 Edendale CC related to the remaining extent of Edendale CC, held by Certificate of Registered Title 5471/2009 and more fully shown in S.G. Diagram No. 1670/ 1995, attached as **Annexure 7A** and the Certificate of Remaining Extent prepared by the Surveyor-General's Office (**Annexure 7B**).

### 4.3. Opening of Township Register

In terms of the records kept by the Registrar of Deeds, (KwaZulu-Natal) it is confirmed that the Township Register in respect of the parent property, Erf 2388 Edendale CC has been opened. Please see **Annexure 8**.

### 4.4. Property Registration

Investigations into the property description revealed that the subject property has not been separately registered as yet.

A survey diagram (S.G. No. 1562/ 2003) was prepared in 2003 by Mr Mike Kitshoff, however the diagram was not approved by the Surveyor - General as confirmed by the diagram at **Annexure 9A** which was not endorsed by the Surveyor-General's Office.

In addition, the Land Audit investigation revealed a further unregistered survey diagram (S.G. No. 1563/ 2003) in respect of proposed Portion 1 of Erf 1977, which also was not finalised either. Please see **Annexure 9B**, substantiating same.

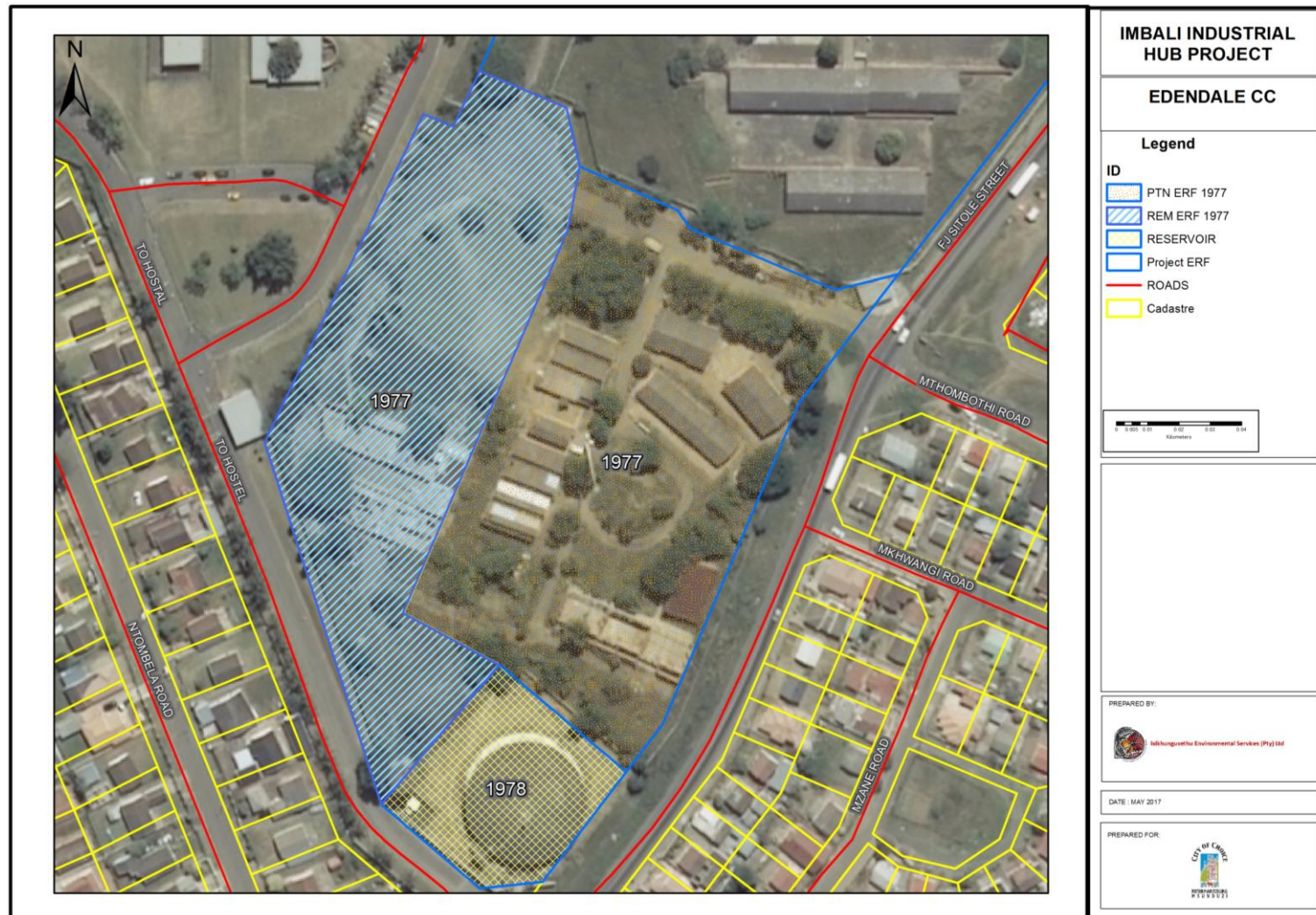
Enquiries to Mr Kitshoff, the Surveyor who prepared the survey diagrams in 2003, could not shed any further light on the subject.



The Educational College in fact straddles both the intended Portion 1 and the Remainder of Erf 1977, as depicted in Figure 6 below. The initial intention to subdivide the property is therefore not clear. With the passage of 14 years, the need for the subdivision however seems to have dissipated.

It must be noted that whilst the Township Register has been opened, none of the Erven on the General Plan have been transferred as yet. No reasons could be provided at the Municipal Estates Department as to why some of the Erven have not been transferred yet. The implication of the above is that land parcels are being leased from the municipality.

Figure 6. Sub-divisional boundaries in respect of Proposed Portion 1 and the Remainder of Erf 1977, Edendale CC, in relation to the Educational College infrastructure



As previously mentioned, the initial intention of the subdivision of Erf 1977 is not clear. According to the letter submitted to the Surveyor - General, with the sub-divisional application in 2003, the surveyor acted on the instructions of the Department of Public Works. It is surmised that the Department of Public Works was the custodian of the property at that stage on behalf of the Department of Education.

The implications of the above is that the Msunduzi Municipality will need to:

[1]. decide on the need to proceed on the subdivision. **If Erf 1977 is no longer to be subdivided, the diagrams previously prepared will need to be withdrawn.**

[2]. If the subdivision is to proceed, the required subdivisional application will need to be prepared and submitted in terms of the Msunduzi Spatial Planning and Land Use Management Act By-Laws. It will need to be determined whether the survey pegs had been placed during the previous process.

#### 4.5. Title Deed

In terms of Proclamation No. 84 of 1996, dated 18 July 1996, provision is made for the Minister, by agreement with the Municipality, to transfer to the relevant Municipality any land defined in terms of Section 13(6) of the Local Government Transition Act, 1993 (Act No. 209 of 1993), and area administered in terms of Proclamation R293 of 1962.

The Remaining Extent of Erf 2388 Edendale CC was transferred to Msunduzi Municipality on 29 June 2009, based on the above prescripts.

Deed of Transfer T 023918/09, vesting the Remaining Extent of Erf 2388 Edendale CC, in Msunduzi Municipality is attached as **Annexure 5**.

#### 4.6. Restrictive Conditions of Title

Remainder of Erf 2388 Edendale CC was transferred subject to the following:

[1]. *"A general service omnibus servitude of 1,5 metres.*

[2]. *An expropriation in favour of the Department of Local Government and Housing in respect of the benefit of conditions of servitude, drains, roads and pipelines and water furrows in favour or within properties filed with Expro 1/1999.*

[3]. *Subject to a Power Line Servitude together with ancillary rights in favour of ESKOM as created by Notarial Deed of Servitude No. K1108/2000S" (Title Deed T023918/09: Condition 3: 3).*

None of these conditions require to be removed.

#### 4.7. Site Services

The complex forms part of the existing Imbali and Edendale service infrastructure network. The site services have been severely vandalised. Almost all of the electrical wiring has been removed as is also

the case with the water pipes. In respect of sewage, drains and manholes have been blocked with domestic waste. Stormwater drains have suffered the same fate. The internal road network has been severely damaged in places by the roots of the trees and supporting storm water infrastructure does not appear to have been developed on site when the facilities were originally built. The detailed costing for infrastructure detailed later in main report.

The road network serving the site is good. F.J.Sithole Road is in fact in the process of being upgraded.

#### 4.7.1. Service Infrastructure Summary

Instructure	Status Quo
Water	There is no infrastructure available on site due to vandalism. The site however forms part of the municipal infrastructure network.
Sanitation	The sewage infrastructure is severely compromised due to vandalism and blockages through domestic waste. In addition, the on-site infrastructure is in the region of 35 years old and generally consists of asbestos piping which is beyond the serviceable lifespan.
Electricity	Eskom has confirmed the availability of bulk supply. The internal network and wiring has however been removed. This will need to be replaced during the reconstruction and rehabilitation of buildings on the property.  The use of 3 phase electricity to be developed on site will necessitate the inclusion a transformer.
Solid waste	This area is within the Msunduzi service area and appropriate infrastructure needs to be developed on site.

#### 4.7.2. Assessment of Site Current Infrastructure and Buildings

##### 4.7.2.1. Civil & Structural Assessment

KDA Consulting Engineers Pty Ltd visited the site to conduct a visual inspection of the existing structures and the existing civil infrastructure. As described in the introduction the site supports eleven buildings. Refer to the attached site plan to identify the each of the eleven buildings together with the existing civil infrastructure.






##### 4.7.2.2. Structural Assessment



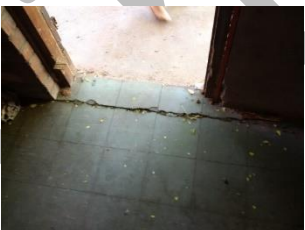


From our inspection of the existing structures only six of the eleven structures can be salvaged and re-utilised with some remedial work to restore the building to full functionality.




The six building include the following:




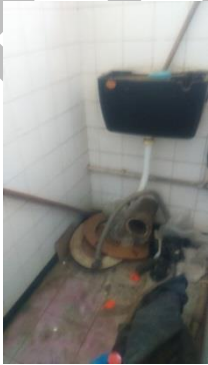
- Building 1: Existing Workshops 1
- Building 2: Existing Workshops 2
- Building 8: Existing Drawing Rooms
- Building 9: Existing Classroom block 3 & 4
- Building 10: Offices
- Building 11: Existing Class room block 1 & 2



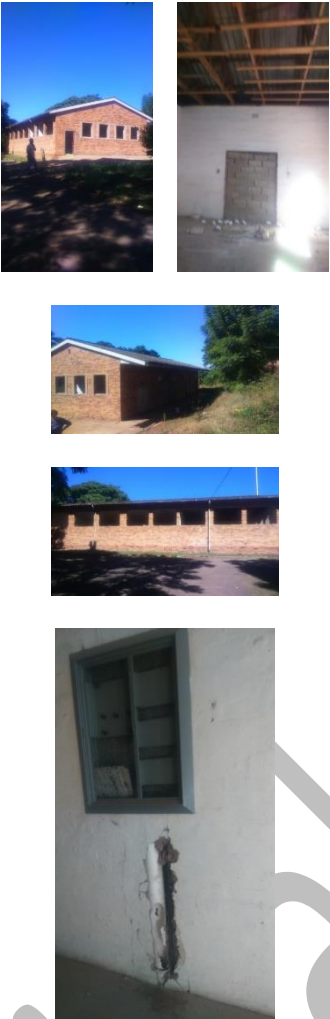
	Picture	Description	Recommendations
Building 1 & 2: Existing Workshops	    	<p>Roof sheeting is asbestos</p> <p>Roof trusses and battens are damaged.</p> <p>Quality of external face brick is poor.</p> <p>Internal bag washed walls require attention.</p> <p>Window frames and panes have been vandalised Storm water goods are asbestos and has been vandalised.</p> <p>Door frames, doors and locksets have all been vandalised.</p> <p>The electrical infrastructure has been completely vandalised.</p> <p>No ceilings</p> <p>Floors are grano finished. Concrete aprons around the buildings are non-existent, except at the entrance.</p> <p>Staircase from the driveway to the platform is poorly constructed and has no hand rails.</p> <p>Embankments around the building are not grassed and has scoured.</p> <p>Vegetation has spread throughout the site and against the building.</p> <p>The Buildings have not been maintained for many years.</p>	<p>Replace timber roof trusses and roof covering.</p> <p>All walls to be re-plastered</p> <p>Replace window frames and panes . New 0.6mm Roll form formed Colourmet Gutters &amp; downpipes to be installed.</p> <p>Replace Door frames, doors and locksets</p> <p>Re-install electrical infrastructure</p> <p>Install new ceilings</p> <p>Cast concrete apron around the perimeter of the building.</p> <p>Reconstruct staircases, all in accordance to SANS10400.</p> <p>Construct dry-stack retaining wall and grassing of embankments required.</p> <p>Remove dirt and rubble and vegetation. Spray weed killer.</p>

	Picture	Description	Recommendations
Building 8: Existing Drawing Room		Existing external walkway damaged and currently being removed off site by vagrants.	Construct new covered walkway.
		Roof sheeting has been vandalised.  Timber truss members are showing signs of failure at joints, etc. due to damage from the elements, vandalism and lack of maintenance.	Replace timber roof trusses and roof covering.
		All ceiling boards have been removed.	Install new ceilings
		Quality of internal & external face brick is poor.	All walls to be re-plastered and painted.
		Window frames and panes have been vandalised.	Replace window frames and panes.
		Door frames, doors and locksets have all been vandalised.	Replace Door frames, doors and locksets.
		The electrical infrastructure has been completely vandalised.	Re-install electrical infrastructure.
		Floors are finished with vinyl floor tiles. Cracks on floor slab due to age, settlement and poor construction methods.	Reconstruct topping and construct new floor finish to architectural specifications.
		Storm water goods have been vandalised.	New 0.6mm Roll form formed Colourmet Gutters & downpipes to be installed.
		Staircase leading to building 7 is poorly constructed and has no hand rails.	Reconstruct staircases, all in accordance to SANS10400.

	Picture	Description	Recommendations
Building 9: Existing Classroom Block 3 & 4		Roof sheeting is asbestos  Ceilings are damaged, warped and water stained.  Quality of external face brick is poor. Internal plastered walls require attention.	Replace timber roof trusses and roof covering. Install new ceilings  All walls to be re-plastered and painted.
		Window frames and panes have been vandalised.  Storm water goods are asbestos.	Replace window frames and panes.  New 0.6mm Roll form formed Colourmet Gutters & downpipes to be installed.
		Door frames, doors and locksets have all been vandalised.  The electrical infrastructure has been completely vandalised.	Replace Door frames, doors and locksets.  Re-install electrical infrastructure.
		Floors are finished with vinyl floor tiles. Cracks on floor slab due to age, settlement and poor construction methods.  Staircase is poorly constructed and has no hand rails.	Reconstruct topping and Construct new floor finish to architectural specifications.  Construct new staircase between split levels. All in accordance to SANS10400.
		Existing external walkway slab and external storm water open channel to be repaired and cleaned.	New concrete apron to be constructed on perimeter of building to assist in the prevention of soil erosion and damages caused from storm water.
		Bank between split levels need to be retained and storm water management to be addressed.  Soil erosion along the perimeter of the building.	Retaining portion of the bank and address the storm water run-off on both the top and bottom sites.

	Picture	Description	Recommendations
Building 10: Existing Offices		Roof sheeting is asbestos	Replace timber roof trusses and roof covering.
		Ceilings have been removed.	Install new ceilings
		Quality of external face brick is poor. Internal plastered walls require attention.	Damages areas to be re-plastered and all walls to be re-painted.
		Window frames and panes have been vandalised.	Replace window frames and panes.
		Storm water goods are asbestos.	New 0.6mm Roll form formed Colourmet Gutters & downpipes to be installed.
		Door frames, doors and locksets have all been vandalised.	Replace Door frames, doors and locksets.
		The electrical infrastructure has been completely vandalised.	Re-install electrical infrastructure.
		Floors are finished with vinyl floor tiles. Cracks on floor slab due to age, settlement and poor construction methods.	Reconstruct topping and construct new floor finish to architectural specifications.
		All wet services have been vandalised	Building to receive new wet services.
		Existing external walkway slab and external storm water open channel to be repaired and cleaned.	New concrete apron to be constructed on perimeter of building to assist in the prevention of soil erosion and damages caused from storm water.
		Storm water management to be addressed.	Address the storm water run-off on both the top and bottom sites.
		Soil erosion along the perimeter of the building.	Planter and grass to be established.








	Picture	Description	Recommendations
Building 11: Existing Classroom Block 1 & 2		Roof sheeting is asbestos	Replace timber roof trusses and roof covering.
		Ceilings have been removed.	Install new ceilings
		External face brick has been vandalised.	Damaged areas to be reconstructed.
		Internal plastered walls require attention.	Damaged areas to be re-plastered and all walls to be re-painted.
		Windows, doors and door frames have been removed.	Install new windows, door frames, doors and locksets.
		Storm water goods are asbestos.	New 0.6mm Roll form formed Colourmet Gutters & downpipes to be installed.
		The electrical infrastructure has been completely vandalised.	Re-install electrical infrastructure.
		Floors were finished with vinyl floor tiles. Cracks on floor slab due to age, settlement and poor construction methods.	Reconstruct topping and construct new floor finish to architectural specifications.
		All wet services have been vandalised	Building to receive new wet services.
		Existing external walkway slab and external storm water open channel to be repaired and cleaned.	New concrete apron to be constructed on perimeter of building to assist in the prevention of soil erosion and damages caused from storm water.
		Storm water management to be addressed.	New wet services will be constructed.
		Soil erosion along the perimeter of the building.	Planter and grass to be established.
		Inferior block work at openings.	Affected areas to be reconstructed.






The remaining five buildings have and are still undergoing vandalism, now the bricks are being chiselled and removed off site on a daily basis. These buildings and are structurally unstable and will unfortunately need to be demolished and reconstructed.

These remaining buildings include the following:

- Building 3: Existing Ablutions
- Building 4: Existing Electrical Workshop 2
- Building 5: Existing Electrical Workshop 1
- Building 6: Existing Ablutions between workshops
- Building 7: Existing Building trades Workshop

	Picture	Description	Recommendations
Building 3: Existing Derelict Ablution	  	<p>All wet services have been vandalised.</p> <p>Windows &amp; frames, doors &amp; frames have been vandalism.</p> <p>Currently existing brickwork is being chiselled and removed off site.</p> <p>Roof sheeting is asbestos</p> <p>Ceilings have been removed.</p>	<p>Demolish remainder of structure and reconstructed as per the new details &amp; requirements.</p>

	Picture	Description	Recommendations
Building 4, 5 & 6: Existing Derelict Electrical Workshop	     	<p>Windows &amp; frames, doors &amp; frames, roof trusses, roof sheeting and storm water goods have been removed off site due to vandalism.</p> <p>Currently existing brickwork is being chiselled and removed off site.</p> <p>All wet services have been vandalised.</p>	Demolish remainder of structure and reconstructed as per the new details & requirements.

	Picture	Description	Recommendations
Building 7: Existing Derelict Building trades Workshop	    	<p>Windows &amp; frames, doors &amp; frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.</p> <p>Currently existing brickwork is being chiselled and removed off site.</p> <p>Vegetation infestation is evident in the floor slabs and walls</p>	Demolish remainder of structure and reconstructed as per the new details & requirements.

#### 4.7.2.3. Remedial Work Required From Structural Assessment





- All asbestos roof sheeting to be safely removed and disposed by certified specialist.
- All roof sheeting to be removed and replaced to architect specification.
- All roofs trusses need to be removed and replaced to specialist design and details.
- All door frames and windows to be replaced to architect specification.
- Concrete aprons to be constructed around all existing and new buildings
- Floor slabs to be repaired.
- Brick work repairs required in areas.
- Vegetation infestation is visible within the buildings and in the walls

#### 4.7.2.4. Civil Assessment

From our visual inspection of the existing civil infrastructure, the following had been identified:

- Existing access to the site is poor.
- No speed calming on access road to the site.

- No Taxi / bus bays.
- The existing asphalted surfaced roads have experienced failure due to surface cracking and longitudinal cracking, absence of storm water control, vegetation infestation, etc.
- Kerbs are missing.
- No formal storm water infrastructure is present. However municipal storm water is present on the main access road.
- The existing sewer infrastructure has been vandalised and solid waste, rubble, etc, has been dumped within the sewer manholes and lines. This service is therefore not functional and the requires a complete replacement. Municipal water borne sewer network is present.
- Most of the potable water network has been removed or damaged due to vandalism. The water network now requires a complete replacement. Municipal water network is present along FJ Sithole Road.
- No firefighting infrastructure is present. Municipal water network is present along FJ Sithole Road.
- Vegetation and weed infestation is present and is visible throughout the site and along all the access roads.
- Embankments around the buildings have scoured.
- Cut Embankments are 90 degrees in places.

	Picture	Description	Recommendations
Existing Civil Infrastructure	   	<p>Existing access to the site is poor.</p> <p>No speed calming on access road to the site.</p> <p>No Taxi / bus bays.</p> <p>No formal storm water infrastructure is present.</p> <p>Asphalted surfaced roads have experienced failure due to surface cracking and longitudinal Cracking.</p> <p>All sewer and potable water infrastructure has been vandalised.</p> <p>No firefighting infrastructure is present</p> <p>Vegetation and weed infestation is visible throughout the site</p> <p>Embankments around the buildings have scoured.</p> <p>Cut Embankments are 90 degrees in places.</p>	<p>Construct a new access road</p> <p>New speed table to be constructed at new entrance to site</p> <p>New Taxi bays to be constructed.</p> <p>Storm water infrastructure to be constructed.</p> <p>Re-construct all access roads and layer works.</p> <p>Construct a new potable water and sewer Infrastructure.</p> <p>Construct a dedicated fire Infrastructure</p> <p>All overgrown vegetation to be cut and removed off site.</p> <p>All trees growing within the structures and roads to be de-stumped.</p> <p>All alien vegetation to be cleared off site.</p> <p>New dry-stack retaining walls required to stabilise and prevent scour of the existing embankments and for public safety.</p>



#### 4.7.2.5. Remedial Work Required From Civil Assessment

All sewer infrastructure needs to be replaced.

- Road infrastructure to be reconstructed.
- Storm water infrastructure to be constructed.
- All sewer infrastructure to be replaced.
- New potable water infrastructure needs to be constructed.
- All wet services needs to be reconstructed.
- New fire infrastructure to be constructed.
- A new electrical infrastructure for the site is required.
- Re-construct all access roads and layer works.
- New dry-stack retaining walls required to stabilise and prevent scour of the existing embankments and for public safety.
- Embankments require grassing to mitigate scouring and clogging of the existing storm water infrastructure.
- New staircases to be constructed between the various split levels.
- All overgrown vegetation to be cut and removed off site.
- All trees growing within the structures and roads to be de-stumped.
- All alien vegetation to be cleared off site.

#### 4.7.2.6. Electrical Infrastructure

Bulk electricity is available from the municipality.

However the existing bulk and internal electrical infrastructure within the site been vandalised.

The existing mini-sub has been destroyed and all internal and underground cables have been removed.

A new mini-sub for both 2 and 3 phase power is proposed. In addition new underground cables with appropriate connection points to each of the existing and new buildings.

We also propose a pre-paid billing system.

### 5. STATUS QUO REPORTS

Detailed status quo reports can be found in Annexure 11.

### 6. COMMUNITY VISION

#### 6.1.1. Introduction

A Community consultation meeting was held on Sunday 5 March 2017, in the community hall in Unit 1, Imbali, from 14h00 to 16h30 to gauge the community vision for the intended Light Industrial Hub. The meeting was well attended with some 70 community members attending the meeting. The success of the meeting was result of an effective communication strategy by Councillor Ndawonda, including the patrolling of the area with loudhailers, the afternoon before.

### **6.1.2. Community Vision**

Following a presentation by the service provider who sketched the background and overall intentions of the project the community was given the opportunity to share their vision for the proposed light industrial hub. The main activities identified for the hub are detailed in Figure 7 below.

Final Draft



Figure 7. Main community Vision Ideas for the Imbali hub



The community vision for the area was well informed and aligned to the project intentions. There were a number of activities listed, but essentially, these could be divided into five categories above. The desired activities and the possible accommodation of these activities are detailed in Table 1 below.

Table 1. Suggested Community activities in respect of the Imbali Hub and potential methods of accommodation

Activities suggested by the Community	Discussion	Potential ways to accommodate suggested activities
<b>Training and Business Development skills</b>	The Community questioned whether this will be a training facility. It was pointed out that one of the intended activities would be assisting young and upcoming entrepreneurs with business plans and development skills. SEDA subsequently indicated their support of the initiative and their support of business development, in the form of business plans and potentially some start-up funding.	<ol style="list-style-type: none"> <li>1.SEDA has shown a willingness to establish a satellite office at the Imbali Hub Site.</li> <li>2.SEDA has indicated that it will consider providing start-up funding in respect of qualifying SMME's.</li> <li>3.The SEDA support will also include training and business development enhancement skills transfers.</li> </ol>
<b>Manufacturing</b>	The Community felt strongly regarding the continuation of manufacturing activities in respect of the Imbali Hub. This included the manufacturing of furniture, textile related activities including clothing and related activities.	<ol style="list-style-type: none"> <li>1.It is the intention, that portion of the existing infrastructure to be remodelled in order to allow for mini-factories. The nature of the manufacturing will need careful consideration to ensure that permitted activities are in line with the municipal planning provisions and are not in conflict with each other.</li> </ol>
<b>Business Support</b>	The youth amongst the community members present pleaded that the Hub be supported with the necessary IT, Wi-Fi and Business technology. It was pointed out that this was an educational hub of Msunduzi Municipality, yet Wi-Fi provision and availability in the area was a problem, despite previous pleas in the past. The provision of a few offices would also go a long way towards presenting a professional approach, rather than meeting at SPUR at the Edendale Mall.	<ol style="list-style-type: none"> <li>1.The site must be provided with Wi-Fi systems and technology. The internet is an essential ingredient of any business today and therefore access to the internet for marketing and sales is a non-negotiable.</li> <li>2.It is the intention that the Hub to include a small component of rentable offices (even by the hour).</li> <li>3. The site must include an office where: <ol style="list-style-type: none"> <li>3.1 e-mails can be sent and retrieved,</li> <li>3.2 printing of documents can be facilitated, as well as the</li> <li>3.3 collation and faxing of business related information.</li> </ol> </li> </ol>
Activities suggested by the Community	Discussion	Potential ways to accommodate suggested activities

<b>Workshops and light industry</b>	Based on the perceived skills of the resident community and current operational businesses in the Imbali area, there was a well supported request by the Community to allow Light Industrial related activities in the Hub. Reference was made to welding workshops, vehicle repairs and to be included, the recycling of metal.		<p>1. The project will consider a variety of light industrial activities. This forms part of the current business plan review and the identification of activities which will best be suited for the project area. Considerations will include the surrounding land uses, the business, medical and educational hubs flanking the project area, municipal planning restrictions, relative markets, compatibility with surrounding land uses, space and transportation needs and so forth.</p> <p>2. The business plan will identify the most suitable bouquet of light industrial and commercial activities.</p>
<b>Recycling and Green energy</b>	The need for recycling and green energy were identified by the community as important considerations. The potential for job opportunities and a sizable market was raised as part of the discussion.		<p>1. One of the important considerations of the Hub was the use of green energy and potential recycling. Reference was made to a market, in the form of Hulamin, which is very close to the Hub.</p> <p>2. The close proximity was considered to be a real asset and an opportunity for recycling of metal and aluminium.</p> <p>3. The potential to create energy from waste would also be considered, which will contribute to a green energy supply in respect of the Hub. This will however be dependent on compatibility with surrounding land uses and whether the conversion process can be done in a clean manner.</p>

### 6.1.3. Other Requirements raised by the Community

In addition to the above, the community did raise a number of critical related issues. These included the following:

#### *1. The need for a library and information hub*

Mr Lebelo of Msunduzi Municipality, in response to a request for a library and information centre, in the Industrial Hub, explained that there were two sites previously identified for a library. He went on to explain that there was sufficient drive to achieve this, but that land invasion, similar to this development may delay implementation.

#### *2. Social support facilities*

It was explained that whilst not downplaying social issues, the focus of the project will be business and related activities.

#### *3. Accommodation and involvement of current viable business operations in the Hub.*

Mr Lebelo said that this was a very sensitive case which involves two separate matters. The first related to the illegal occupations and trade on the project site, whilst the other related to the functional business operations, albeit illegal.

With regard to the illegal occupation of the site, he indicated that there have been some serious discussions with the effected community. There has been a concerted effort to find suitable alternative accommodation, however, this is not available. It was explained that much has been done to liaise with the community but that we should separate the development of the site from the site invasion. The site invasion is being dealt with through notices to the affected parties, whilst we as a team together with the community are looking at the local economic development of the site.

With reference to the functional business operations, it is the overall project intention to support compatible activities where possible. The business plan review and the assessment of value add SMME's being undertaken as part of the process will shed more light on this.

#### *4. Accommodation and involvement of current viable business operations close to the Hub*

It was acknowledged that there is a need to consider other economic activities and SMME operations in the surrounding facility to avoid competition, rather building on synergy.

#### *5. To whom will the facilities be available?*

The intention is to retain money within PMB and in the Imbali area. Therefore, local industry would be favoured, however, where outside industry can provide financial growth and job opportunities this will need to be considered carefully. There needs to be a balance.

#### *6. Equitable spread of growth*

A point was made that the project should consider poor people and not just be focussed on operational businesses.

Mr Lebelo explained that one of the activities still to be undertaken is a site allocation strategy. The municipality is very aware of the need to have an equitable allocation of sites which includes poorer communities.

#### **6.1.4. Conclusion**

The Imbali Community has generally identified business activities which are aligned with light Industrial activities be supported by the business plan under review. The process favoured the identification of critical business support mechanisms in the form of Wi-Fi connectivity, business plan formulation, printing and faxing facilities as well as a few decent rental offices and potentially a small boardroom.

The need for a holistic, balanced approach, considering existing effective operational SMME's was well articulated through this process, together with the recognition of the importance of local and outside industry in respect of financial growth and job opportunities.

The need for the project to also consider poor people and not just be focussed on operational businesses is an important point, and would influence the proposed site allocation strategy.

## **7. PROPOSED SITE DEVELOPMENT**

### **7.1. Proposed Development Plan**

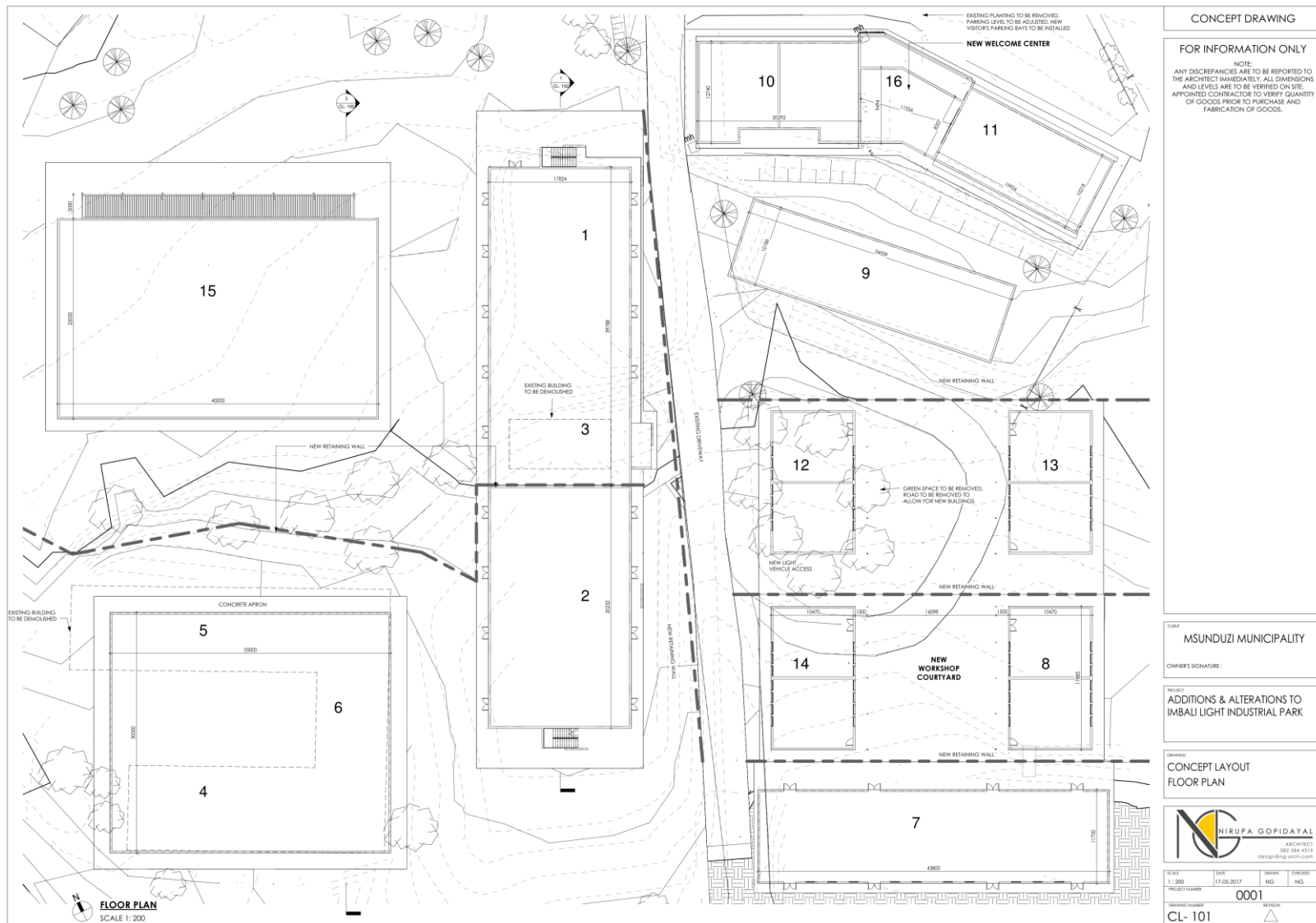
The professional team assessed the site and the existing structures in May 2017. At the time, the existing structures had been largely vandalised by informal inhabitants as well as the overgrown vegetation on site.

The approach has been to investigate and determine which structures can be restored, and which structures can be removed/expanded on to enhance the site to serve the community. Hence, the approach is three pronged:

1. To refurbish the buildings that are deemed viable
2. Refurbish and expand buildings that have potential to be more
3. New structures to suit the diverse community needs



Figure 8. Additions and alterations to Imbali light industrial park



## 7.2. Proposed Design

Proposed concept, theme and cost implications of new theme elements in light of additional infrastructure and demolished findings of last week and here we add all the new design costs

After an assessment of the existing structures, only 4 buildings (No. 8, 9, 10, 11) are in a stable enough condition to be renovated to a functional status. These require new roof installations, new doors & windows and surface treatments. These buildings are currently classrooms / admin facilities and due to the scale of the internal spaces, will continue to be used as such. Buildings No. 10 & 11 are the front facing identity of the site due to their proximity to the road- but do not reflect this due to their subdued aesthetics. Hence the 2 structures are to be linked with a modern building that is to be used as an information/ welcome centre (building no. 16). This building will create an identity for the site to be viewed from the public realm of the roadside and onwards.

Building No. 8 is the existing drawing room which is a lovely intermediate space that can be easily adapted as a workshop of sorts. The space in front of the existing structure is currently a green space that is over grown and wasted. Hence the proposal has looked at using this space by introducing 3 replicas of Building No. 8 that open onto each other and create a private outdoor courtyard space. These spaces can foster an artisanal craft centre.

Building's No. 1 & 2 are stable, but due to the placement on the site, a large level difference is created between the identical structures. The existing roof profile also creates a space limitation within the structures as well as potential rainwater issues. Hence there is potential to extend building number 2 over building number 1 to create more space and to resolve the retaining wall issues on the site.

The rest of the structures were deemed to be too far damaged to simply renovate with most being reduced to only partial sections of the original walls remaining. The decision was taken to demolish these (buildings no. 4, 5 & 6) and reuse the space for a new structure. Due to the position, the remains of building no. 7 is to be demolished and reinstated. This allows the site to be divided into 2 sections, which is enforced by the existing service road, of large scale buildings and small scale buildings. This will also guide the type of functions.

Building no. 15 is a complete new structure sited on a vacant part of the site that faces outward and is visible from the road. This is to upscale a building that can house the function of community hall/ conference centre.

The approach to the design has been to allow open spaces between buildings that can be used by the inhabitants. The notion is to keep inhabitants always visible and moving around on the site to create a sense of security.

The aesthetic approach to the facility is to keep maintenance as low as possible. The existing buildings are constructed with facebrick due to its robust nature and cost efficiency. The approach is to leave this as is as far as possible, to introduce more facebrick on the new structures, and to use plaster and paint where necessary as a feature. This creates a simplicity that blends easily into the surrounds. The two structures to have aesthetic prominence will be the welcome centre and building no. 15- conference facility.

Figure 9. Possible Design for Industrial Hub

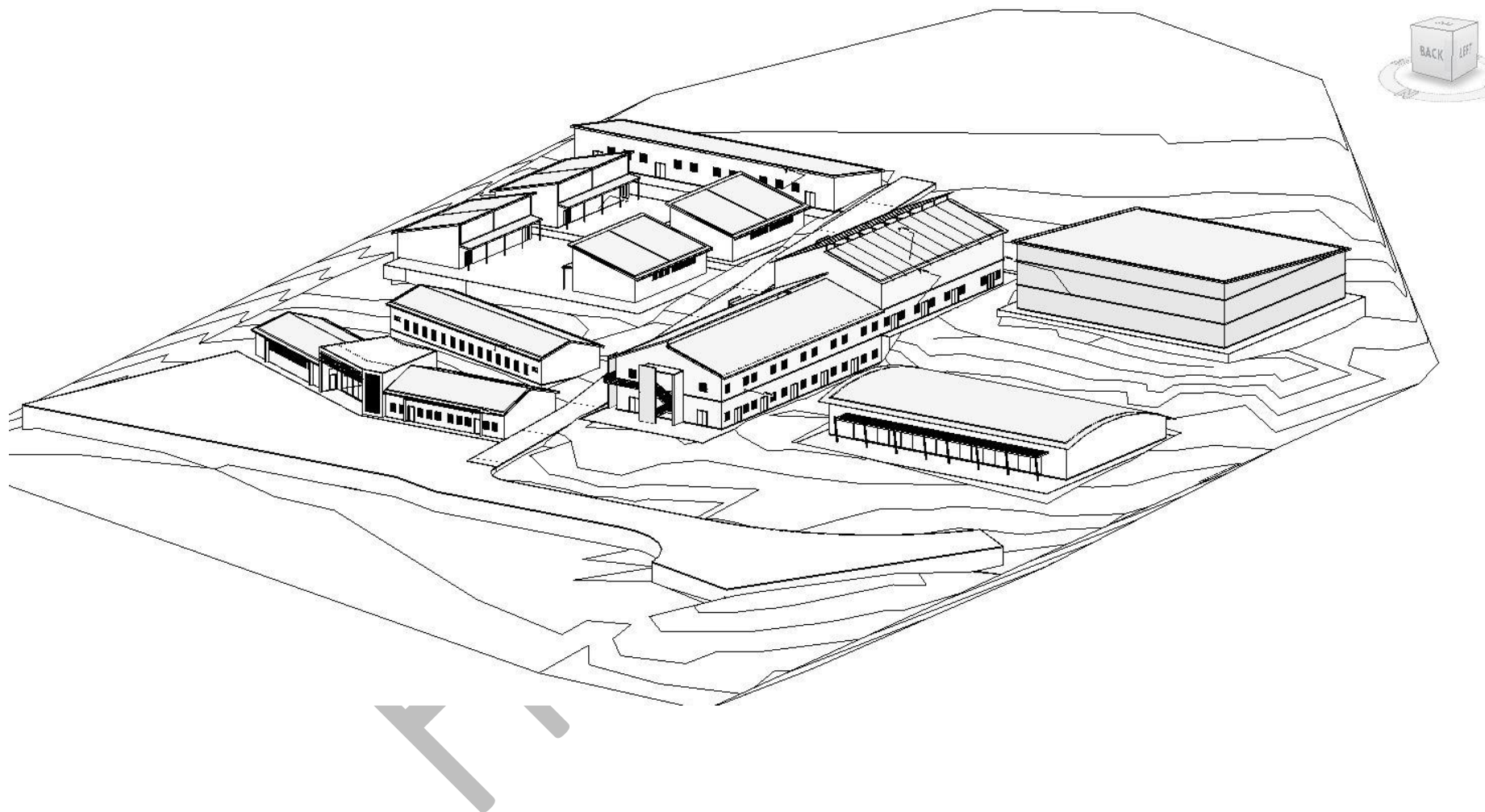
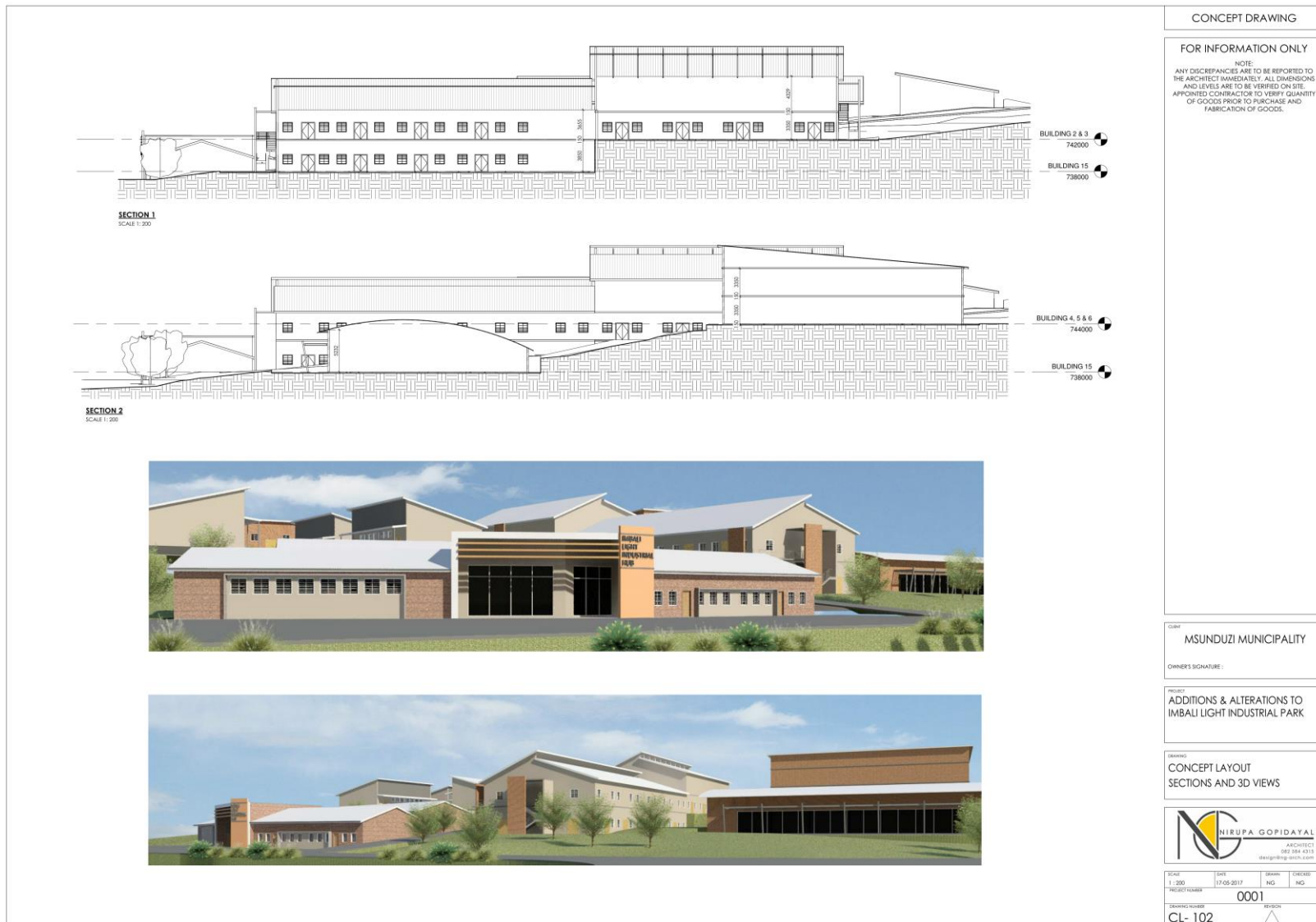


Figure 10. Concept Drawing





### 7.3. Proposed Engineering Services and Costs Required for Proposed Design

Figure 11. Proposed Stormwater drain

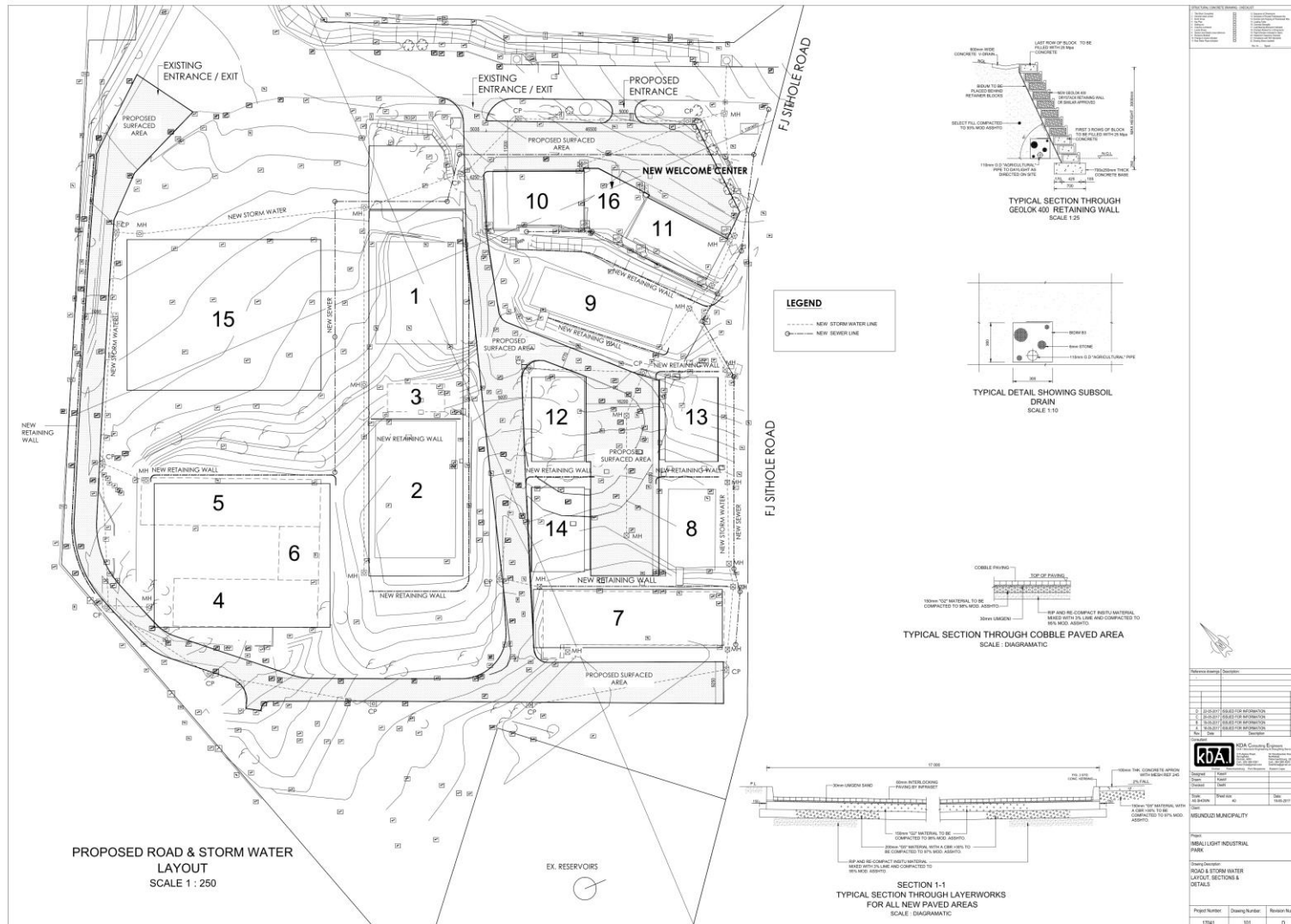
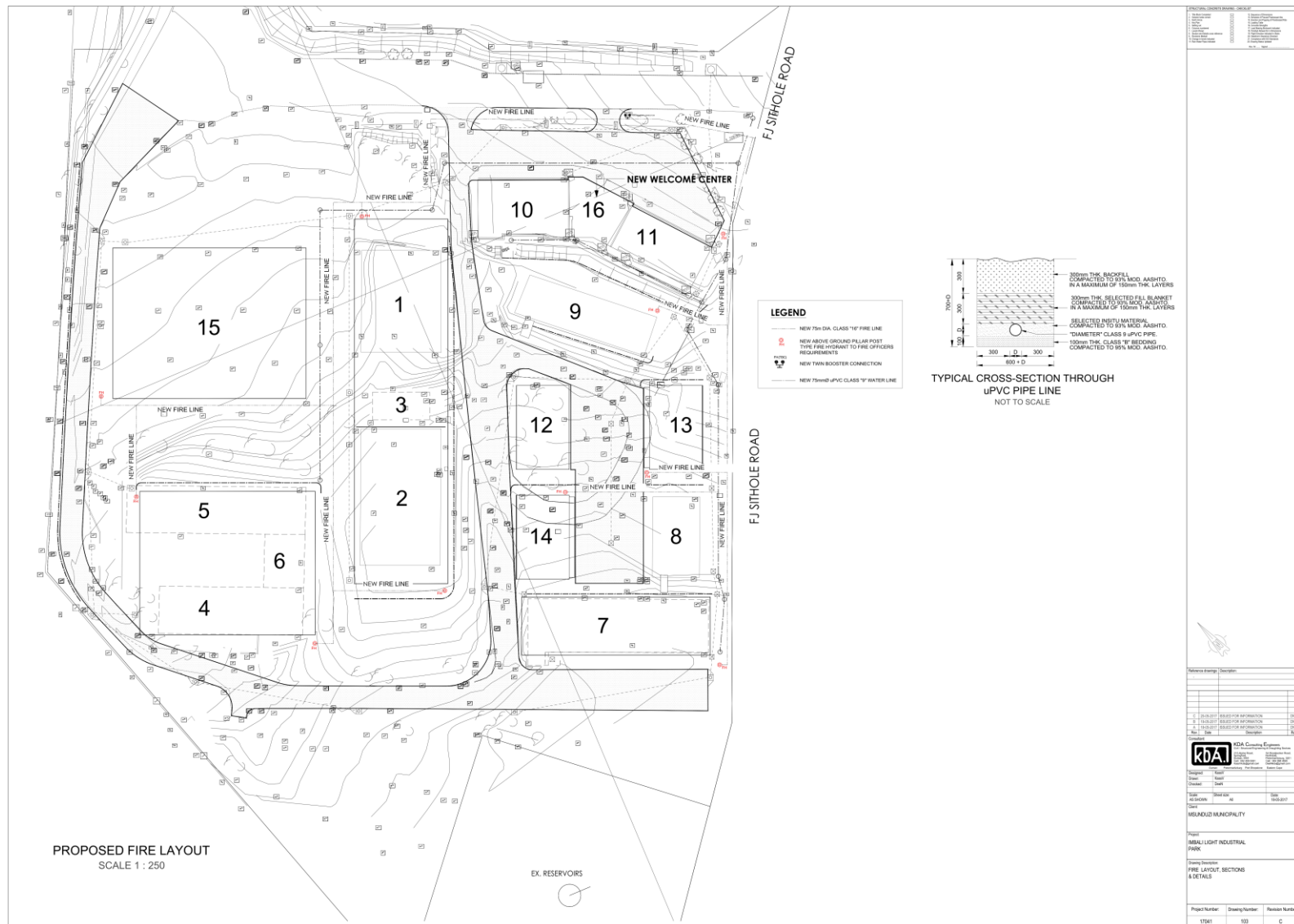




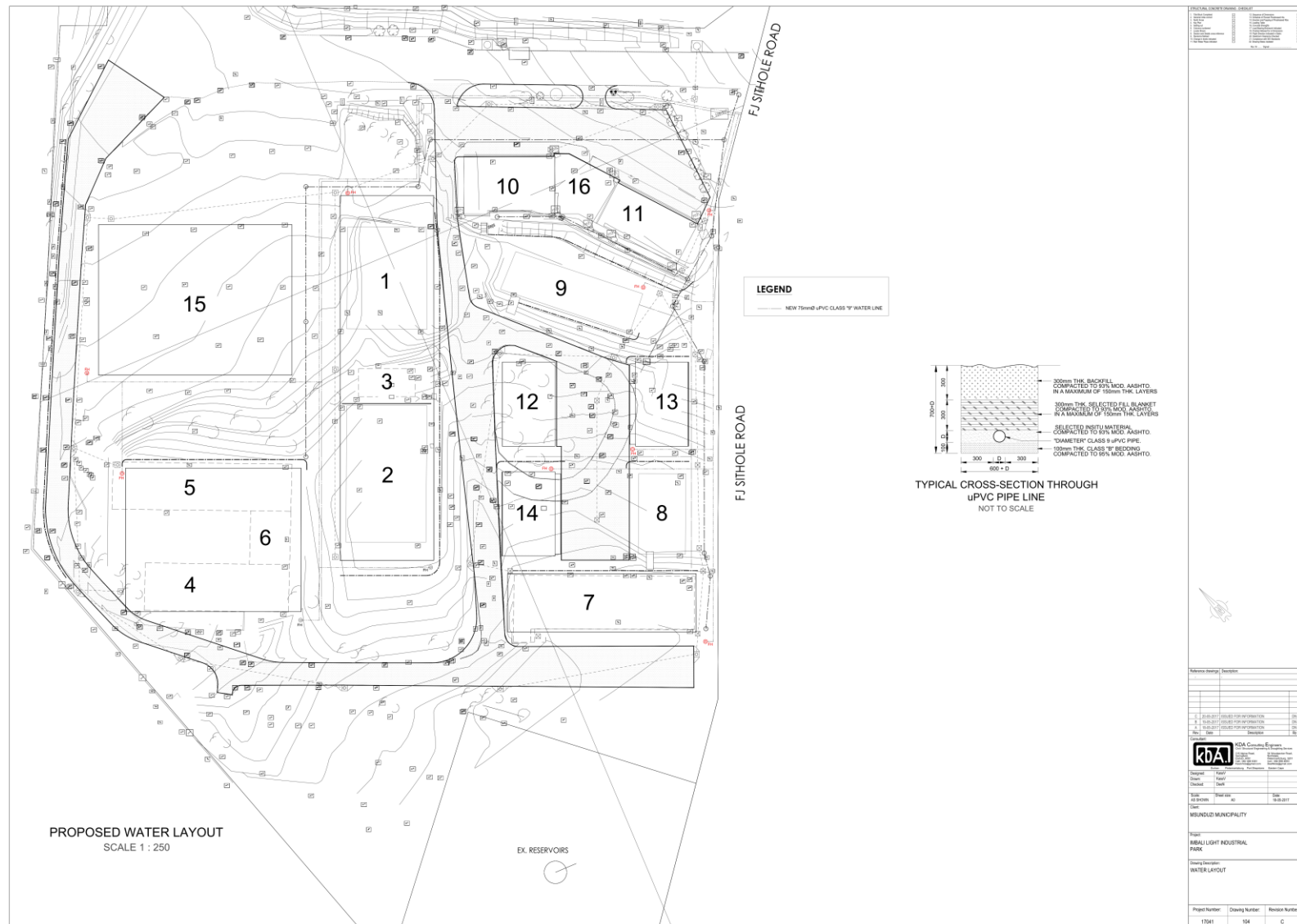
Figure 12. Proposed Fire-hose network



Isikhungusethu Environmental Services (Pty) Ltd



Figure 14. Proposed potable water layout



Isikhungusethu Environmental Services (Pty) Ltd



## 7.4. Proposed Landscaping

### 7.4.1. Introduction

The purpose of this report is to present an initial landscape plan for the property which may be refined when the final layout of the buildings is presented. Imbali lies in the Dry Coast Hinterland Ngongoni Veld.

The climate is moderate with the occasional extremes. The mean annual rainfall is estimated to be 786 mm with the highest rainfall averaging 145 mm in January and a low in June of 9 mm. The mean annual temperature is 18.1°C with a maximum mean of 22.0 °C in January and 13.0 °C in June. The minimum temperature occurs in June when lows of -2.0 have been recorded. The average Apan evaporation for the area is 1 681 mm per year.

### 7.4.2. Soils

Recommendations on soils cannot be supplied without a full soil survey being conducted. This would be expensive and not necessary at this stage. When vegetation is to be planted it is recommended that soil samples be sent to the soil lab at Cedara, Department of Agriculture. The soil scientist can then recommend the necessary fertiliser application to apply with compost.

### 7.4.3. Trees Presently on Site

The dominant tree species of the site are briefly discussed below.



**Syringa** (*Melia azedarach*) is an alien tree from India and Australia and must be removed. Apart from being a declared alien weed, the berries are one of the most common causes of human poisoning in South Africa and fatalities have been recorded (Bromilow 2010). This tree is fast growing and coppices strongly from a stump after felling. Triclopyr is registered as a basal stem treatment.



**Jacaranda** (*Jacaranda mimosifolia*) is an alien tree and a category E weed. This means that it can remain growing where planted in the past but no new plantings are permitted. The large trees on the site can therefore remain unless they are found to be obstructing building and roads. It is possible that old trees may have brittle branches that need trimming or the tree should be removed. They are very difficult to eradicate and should be ring-barked and the regrowth treated with imazapyr.



**Naboom or candelabra tree** (*Euphorbia ingens*) can grow to 10 to 15 m in height. They are indigenous trees that are often planted by landscapers as feature trees. It does have produce a white sap which is poisonous although no records are available of problems having occurred. Nonetheless caution is advised if the trees are to be felled.

#### **7.4.4. Alien Weeds on Site**

All declared alien weeds must be removed.

#### **7.4.5. Landscaping of the Site**

It is strongly recommended that a robust form of landscaping be adopted that, while forming a picturesque impression, will require low maintenance including low water requirements.

##### **7.4.5.1. Grass and tree species**

The grass, tree and other flora species considered appropriate for the project site are discussed below.

#### **Grasslands**

Grasslands are currently popular to fill in open spaces but do require high maintenance to avoid an invasion of weeds that create an untidy appearance. It is therefore recommended that all open space be planted to a lawn and Berea (*Dactyloctenium australe*) is the recommended species. It is a neat lawn that is easy to mow.

## Recommended Species for the Site

The recommended species for use in respect of the project site are listed below. It is suggested that these robust trees and plants are used due to their water efficiency and as they are well suited to the climate conditions at Imbali.

***Acacia robusta*.** To fulfil the requirement of a robust landscape plan the robust acacia (*Acacia robusta*), a fast-growing tree, is recommended. This tree has dense, dark shade, has non-intrusive roots, and requires less water than most trees used in landscaping. An example can be seen in the photo taken at the Invesco Centre next to the Royal Show Grounds.



### ***Aloe ferox*** (Bitter Aloe)



This aloe forms a strong feature in a landscape and annually draws people to view them in flower on the train ride from Creighton. They should be planted in groups of four or five on slopes and surrounded by large rocks.



***Aloe vanbalenii***



This plant can be grouped in clusters.

Flowers are yellow, orange and occasionally red. They should be planted below the *Aloe ferox*.

***Aloe arborescens* (Krans Aloe)**



Most suited to steep areas with rocks, the latter can be placed to enhance the appearance of the plants. These would not be planted with the other aloe species.

***Baleria obtusa* (Violet Bush)**



This shrub should be massed round the aloes (beyond the rocks) and also in beds and corners where lawns are not convenient.

#### 7.4.6. Landscaping plan

In terms of the landscaping plan there are four particular focal areas, as discussed below, and depicted on the landscape plan overleaf.

##### Focus Area A

It is intended to create an inviting feature with weathered rocks, trees, shrubs and aloes.

##### Focus Area B

Focus area B represents the North-Western boundary of the property. It is intended to create an avenue of *Acacia robusta*. This will create a nice feature in this corner of the property.

##### Focus Area C

Area C is situated between proposed new billings 5 and 15. It is intended to grass this area and populate the area with *Acacia robusta*. It is intended to provide a few benches for people to sit and enjoy lunches etc.

##### Focus Area D

Area D overlooks an old reservoir. In addition to grassing the area, it is recommended that an avenue of *Acacia robusta* is planted to screen the reservoir.

##### General grassed Areas

It is estimated that there is an area of 5000m<sup>2</sup> to be planted with *Berea (Dactyloctenium australe)*.

Figure 16. Landscaping Plan





## Images of Proposed Landscaping

(a) Front entrance – Focus point at front entrance



(b) View in front of the proposed conference centre



## Estimated costs

Refer to Landscaping Layout for layout of trees and aloes

Plants	Number	Unit price	Cost
<i>Acacia robusta</i> (in 40 l bag)	40	R300	R12 000
<i>Aloe ferox</i> (in 40 litre bags)	15	R500	R7 500
<i>Aloe vanbalenii</i> (in 4 litre bags)	15	R30	R450
<i>Aloe arborescens</i> (in 4 litre bags)	15	R30	R450
<i>Barleria obtusa</i> 50 plants	80	R25	R2 000
<b>Planting trees &amp; shrubs</b>			
5 workers for 3 days x R175		R2 625	R2 625
Compost R30/bag; and 1 bag per tree	65 trees	R30	R1 950
Compost R30/bag – 10 bags		R30	R300
Fertiliser: R12.50/tree	65 trees	R12.50	R813
<b>Pavers</b>		R1500	R1 500
<b>Decorative pebbles</b>		R2000	R2 000
<b>Weathered Rocks</b>		R2500	R2 500
<b>Lawn</b>			
Clearing and preparation of areas to be grassed 5000m <sup>2</sup>		R15 000	R15 000
Berea plugs R100/tray which covers 10m <sup>2</sup> Area = 5000 m <sup>2</sup> at 10 m <sup>2</sup> = 500 trays @		R100	R50 000
Fertiliser: 5:1:5 and use 1 kg/10m <sup>2</sup> 5000 m <sup>2</sup> @ R47/kg		R47/kg	R23 500
Planting team R1 400 per day for 20 days		R20 000	R20 000
		<b>TOTAL</b>	<b>R142 588</b>

## 7.5. Draft Bill of Quantities

A thorough analysis of the status quo of the buildings and infrastructure on site was undertaken. Linked to the new design proposal two cost projections were produced. The first cost projection as per Table 2 below indicates that a single storey complex will cost approximately R44 million in today's terms if the buildings are re-constructed and approximately R37 millions for the full repair of the buildings currently on site. It should be noted that included in the re-constructions costs are some buildings which will be renovated rather than reconstructed. Hence, the price difference is due to the savings associated with the repair rather than re-construction. The second cost projection as per Table 3 below indicates that a double storey complex will cost approximately R69 million in today's terms if the buildings are re-constructed and approximately R61 million for the full repair of the buildings currently on site. As with the first costing it should be noted that included in the re-constructions

costs are some buildings which will be renovated rather than reconstructed. Hence, the price difference is due to the savings associated with the repair rather than re-construction.

Final Draft

Table 2. Bill of quantities based on current concept design (option 1: single storey for buildings 1 - 6)

ESTIMATES FOR PROPOSED LIGHT INDUSTRIAL HUB: OPTION 01															
BUILDING NO.		Area in Square Meters	Per Square Meter	2017		2018		2019		2020		2021		2022	
				Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs
1	Workshop 1	403.56	R6 000.00	R2 421 360.00	R1 008 900.00	R2 711 923.20	R1 129 968.00	R3 037 353.98	R1 265 564.16	R3 401 836.46	R1 417 431.86	R3 810 056.84	R1 587 523.68	R4 267 263.66	R1 778 026.52
2	Workshop 2	537.73	R6 000.00	R3 226 380.00	R1 344 325.00	R3 613 545.60	R1 505 644.00	R4 047 171.07	R1 686 321.28	R4 532 831.60	R1 888 679.83	R5 076 771.39	R2 115 321.41	R5 685 983.96	R2 369 159.98
3	Ablution	65	R5 000.00	R325 000.00		R364 000.00		R407 680.00		R456 601.60		R511 393.79		R572 761.05	
4	Electrical Workshop 2	331.65	R6 000.00	R1 989 900.00		R2 228 688.00		R2 496 130.56		R2 795 666.23		R3 131 146.17		R3 506 883.72	
5	Electrical Workshop 1	407.03	R6 000.00	R2 442 180.00		R2 735 241.60		R3 063 470.59		R3 431 087.06		R3 842 817.51		R4 303 955.61	
6	Ablution	70.2	R5 000.00	R351 000.00		R393 120.00		R440 294.40		R493 129.73		R552 305.30		R618 581.93	
7	Building Trades Workshop	595.55	R6 000.00	R3 573 300.00		R4 002 096.00		R4 482 347.52		R5 020 229.22		R5 622 656.73		R6 297 375.54	
8	Drawing Rooms	201.95	R6 000.00	R1 211 700.00	R504 875.00	R1 357 104.00	R565 460.00	R1 519 956.48	R633 315.20	R1 702 351.26	R709 313.02	R1 906 633.41	R794 430.59	R2 135 429.42	R889 762.26
9	Class Room 3 & 4 / Lecture Halls	357.54	R6 000.00	R2 145 240.00	R893 850.00	R2 402 668.80	R1 001 112.00	R2 690 989.06	R1 121 245.44	R3 013 907.74	R1 255 794.89	R3 375 576.67	R1 406 490.28	R3 780 645.87	R1 575 269.11
10	Offices / Administration Block	258.02	R6 000.00	R1 548 120.00	R645 050.00	R1 733 894.40	R722 456.00	R1 941 961.73	R809 150.72	R2 174 997.14	R906 248.81	R2 435 996.79	R1 014 998.66	R2 728 316.41	R1 136 798.50
11	Class Room 1 & 2 / Assembly Space / Hall	214.2	R5 000.00	R1 071 000.00	R535 500.00	R1 199 520.00	R599 760.00	R1 343 462.40	R671 731.20	R2 104 677.89	R752 338.94	R1 685 239.23	R842 619.62	R1 887 467.94	R943 733.97
17	Existing Guard House	4	R6 000.00	R24 000.00	R12 000.00	R26 880.00	R13 440.00	R30 105.60	R15 052.80	R33 718.27	R16 859.14	R37 764.46	R18 882.23	R42 296.20	R21 148.10
	<b>SUB TOTAL STRUCTURAL CUMULATIVE COSTS</b>			<b>R20 305 180.00</b>	<b>R4 944 500.00</b>	<b>R22 741 801.60</b>	<b>R5 537 840.00</b>	<b>R25 470 817.79</b>	<b>R6 202 380.80</b>	<b>R28 527 315.93</b>	<b>R6 946 666.50</b>	<b>R31 950 593.84</b>	<b>R7 780 266.48</b>	<b>R35 784 665.10</b>	<b>R8 713 898.45</b>
12	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
13	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
14	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
15	New Conference Facility	1000	R6 000.00	R6 000 000.00		R6 720 000.00		R7 526 400.00		R8 429 568.00		R9 441 116.16		R10 574 050.10	
16	New Welcome Centre	110	R6 000.00	R660 000.00		R739 200.00		R827 904.00		R927 252.48		R1 038 522.78		R1 163 145.51	
	<b>SUB TOTAL NEW BUILDINGS CUMULATIVE COSTS</b>			<b>R10 080 000.00</b>		<b>R11 289 600.00</b>		<b>R12 644 352.00</b>		<b>R14 161 674.24</b>		<b>R15 861 075.15</b>		<b>R17 764 404.17</b>	
	<b>Infrastructure costs</b>														
	Site clearance, removal of trees and Demolition of Existing Derelict Buildings	PC SUM		R300 000.00		R336 000.00		R376 320.00		R421 478.40		R472 055.81		R528 702.50	
	Roads & Associated Storm water	4430	R1 200.00	R5 316 000.00		R5 953 920.00		R6 668 390.40		R7 468 597.25		R8 364 828.92		R9 368 608.39	
	Paved Walkways	1500	R400.00	R600 000.00		R672 000.00		R752 640.00		R842 956.80		R944 111.62		R1 057 405.01	
	Sewer Infrastructure	PC SUM		R450 000.00		R504 000.00		R564 480.00		R632 217.60		R708 083.71		R793 053.76	
	Potable Water Infrastructure	PC SUM		R230 000.00		R257 600.00		R288 512.00		R323 133.44		R361 909.45		R405 338.59	
	Fire Infrastructure: Fire hydrants	PC SUM		R260 000.00		R291 200.00		R326 144.00		R365 281.28		R409 115.03		R458 208.84	
	Construction of new Retaining Walls	PC SUM		R1 690 000.00		R1 892 800.00		R2 119 936.00		R2 374 328.32		R2 659 247.72		R2 978 357.44	
	Construction of new Staircase and Handrails	PC SUM		R400 000.00		R448 000.00		R501 760.00		R561 971.20		R629 407.74		R704 936.67	
	Electrical Minisub station and connection	PC SUM		R450 000.00		R504 000.00		R564 480.00		R632 217.60		R708 083.71		R793 053.76	
	Electrical cables, connection to buildings & street lights	PC SUM		R1 500 000.00		R1 680 000.00		R1 881 600.00		R2 107 392.00		R2 360 279.04		R2 643 512.52	
	Air Conditioning	PC SUM		R1 250 000.00		R1 400 000.00		R1 568 000.00		R1 756 160.00		R1 966 899.20		R2 202 927.10	
	Storm Water Harvesting	PC SUM		R250 000.00		R280 000.00		R313 600.00		R351 232.00		R393 379.84		R440 585.42	
	Entrance Beautification	PC SUM		R150 000.00		R168 000.00		R188 160.00		R210 739.20		R236 027.90		R264 351.25	
	Perimeter Fencing: Steel Palisade	442	R750.00	R331 500.00		R371 280.00		R415 833.60		R465 733.63		R521 621.67		R584 216.27	
	Clearvu Fencing	130	R1 500.00	R195 000.00		R218 400.00		R244 608.00		R273 960.96		R306 836.28		R343 656.63	
	<b>SUB TOTAL INFRASTRUCTURE CUMULATIVE COSTS</b>			<b>R13 372 500.00</b>		<b>R14 977 200.00</b>		<b>R16 774 464.00</b>		<b>R18 787 399.68</b>		<b>R21 041 887.64</b>		<b>R23 566 914.16</b>	
	<b>SUB-TOTAL: COST TO REPAIR EXISTING BUILDINGS (1, 2, 8, 9, 10 &amp; 17)</b>			<b>R4 944 500.00</b>		<b>R5 537 840.00</b>		<b>R6 202 380.80</b>		<b>R6 946 666.50</b>		<b>R7 780 266.48</b>		<b>R8 713 898.45</b>	
	<b>SUB-TOTAL: COST TO REPLACE EXISTING BUILDINGS (3, 4, 5, 6, 7 &amp; 11)</b>			<b>R8 681 380.00</b>		<b>R9 723 145.60</b>		<b>R10 889 923.07</b>		<b>R12 196 713.84</b>		<b>R13 660 319.50</b>		<b>R15 299 557.84</b>	
	<b>SUB TOTAL: INFRASTRUCTURE COSTS</b>			<b>R13 372 500.00</b>		<b>R14 977 200.00</b>		<b>R16 774 464.00</b>		<b>R18 787 399.68</b>		<b>R21 041 887.64</b>		<b>R23 566 914.16</b>	
	<b>TOTAL: CONSTRUCTION COST TO ENSURE FUNCTIONALITY OF ORIGINAL SITE (1)</b>			<b>R26 998 380.00</b>	<b>R4 944 500.00</b>	<b>R30 238 185.60</b>		<b>R33 866 767.87</b>		<b>R37 930 780.02</b>		<b>R42 482 473.62</b>		<b>R47 580 370.45</b>	
	<b>TOTAL NEW BUILDINGS CUMULATIVE COSTS ( 2 )</b>			<b>R10 080 000.00</b>		<b>R11 289 600.00</b>		<b>R12 644 352.00</b>		<b>R14 161 674.24</b>		<b>R15 861 075.15</b>		<b>R17 764 404.17</b>	
	<b>SUB-TOTAL (1 + 2)</b>			<b>R37 078 380.00</b>	<b>R32 133 880.00</b>	<b>R41 527 785.60</b>		<b>R46 511 119.87</b>		<b>R52 092 454.26</b>		<b>R58 343 548.77</b>		<b>R65 344 774.62</b>	
	ADD: 5% CONTINGENCIES			R1 853 919.00	R1 853 919.00	R2 076 389.28		R2 325 555.99		R2 604 622.71		R2 917 177.44		R3 267 238.73	
	SUB-TOTAL			R38 932 299.00	R6 798 419.00	R43 604 174.88		R48 836 675.87		R54 697 076.97		R61 260 726.21		R68 612 013.35	
	ADD: 14% VAT			R5 450 521.86	R3 596 602.86	R6 104 584.48		R6 837 134.62		R7 657 590.78		R8 576 501.67		R9 605 681.87	
	<b>GRAND TOTAL</b>			<b>R44 382 820.86</b>	<b>R37 584 401.86</b>	<b>R49 708 759.36</b>		<b>R55 673 810.49</b>		<b>R62 354 667.75</b>		<b>R69 837 227.87</b>		<b>R78 217 695.22</b>	
				<b>2017</b>		<b>2018</b>		<b>2019</b>		<b>2020</b>		<b>2021</b>		<b>2022</b>	

Table 3. Bill of quantities based on current concept design (option 2: double storey for buildings 1 - 6)

ESTIMATES FOR PROPOSED LIGHT INDUSTRIAL HUB: OPTION 02			2017		2018		2019		2020		2021		2022		
BUILDING NO.		Area in Square Meters	Per Square Meter	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs	Replacement Costs	Repair Costs
1	Workshop 1	2475	R6 000.00	R14 850 000.00		R16 632 000.00		R18 627 840.00		R20 863 180.80		R23 366 762.50		R26 170 774.00	
2	Workshop 2														
3	Ablution														
4	Electrical Workshop 2														
5	Electrical Workshop 1														
6	Ablution	2100	R6 000.00	R12 600 000.00		R14 112 000.00		R15 805 440.00		R17 702 092.80		R19 826 343.94		R22 205 505.21	
7	Building Trades Workshop	595.55	R6 000.00	R3 573 300.00		R4 002 096.00		R4 482 347.52		R5 020 229.22		R5 622 656.73		R6 297 375.54	
8	Drawing Rooms	201.95	R6 000.00	R1 211 700.00	R504 875.00	R1 357 104.00	R565 460.00	R1 519 956.48	R633 315.20	R1 702 351.26	R709 313.02	R1 906 633.41	R794 430.59	R2 135 429.42	R889 762.26
9	Class Room 3 & 4 / Lecture Halls	357.54	R6 000.00	R2 145 240.00	R893 850.00	R2 402 668.80	R1 001 112.00	R2 690 989.06	R1 121 245.44	R3 013 907.74	R1 255 794.89	R3 375 576.67	R1 406 490.28	R3 780 645.87	R1 575 269.11
10	Offices / Administration Block	258.02	R6 000.00	R1 548 120.00	R645 050.00	R1 733 894.40	R722 456.00	R1 941 961.73	R809 150.72	R2 174 997.14	R906 248.81	R2 435 996.79	R1 014 998.66	R2 728 316.41	R1 136 798.50
11	Class Room 1 & 2 / Assembly Space / Hall	214.2	R5 000.00	R1 071 000.00	R535 500.00	R1 199 520.00	R599 760.00	R1 343 462.40	R671 731.20	R1 504 677.89	R752 338.94	R1 685 239.23	R842 619.62	R1 887 467.94	R943 733.97
17	Existing Guard House	4	R6 000.00	R24 000.00	R12 000.00	R26 880.00	R13 440.00	R30 105.60	R15 052.80	R33 718.27	R16 859.14	R37 764.46	R18 882.23	R42 296.20	R21 148.10
SUB TOTAL STRUCTURAL CUMULATIVE COSTS				R37 023 360.00	R2 591 275.00	R41 466 163.20	R2 902 228.00	R46 442 102.78	R3 250 495.36	R52 015 155.12	R3 640 554.80	R58 256 973.73	R4 077 421.38	R65 247 810.58	R4 566 711.95
12	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
13	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
14	New Workshop	190	R6 000.00	R1 140 000.00		R1 276 800.00		R1 430 016.00		R1 601 617.92		R1 793 812.07		R2 009 069.52	
15	New Conference Facility	1000	R6 000.00	R6 000 000.00		R6 720 000.00		R7 526 400.00		R8 429 568.00		R9 441 116.16		R10 574 050.10	
16	New Welcome Centre	110	R6 000.00	R660 000.00		R739 200.00		R827 904.00		R927 252.48		R1 038 522.78		R1 163 145.51	
SUB TOTAL NEW BUILDINGS CUMULATIVE COSTS				R10 080 000.00		R11 289 600.00		R12 644 352.00		R14 161 674.24		R15 861 075.15		R17 764 404.17	
Infrastructure costs															
Site clearance, removal of trees and Demolition of Existing Derelict Buildings		PC SUM		R300 000.00		R336 000.00		R376 320.00		R421 478.40		R472 055.81		R528 702.50	
Roads & Associated Storm water		4430	R1 200.00	R5 316 000.00		R5 953 920.00		R6 668 390.40		R7 468 597.25		R8 364 828.92		R9 368 608.39	
Paved Walkways		1500	R400.00	R600 000.00		R672 000.00		R752 640.00		R842 956.80		R944 111.62		R1 057 405.01	
Sewer Infrastructure		PC SUM		R450 000.00		R504 000.00		R564 480.00		R632 217.60		R708 083.71		R793 053.76	
Potable Water Infrastructure		PC SUM		R230 000.00		R257 600.00		R288 512.00		R323 133.44		R361 909.45		R405 338.59	
Fire Infrastructure: Fire hydrants		PC SUM		R260 000.00		R291 200.00		R326 144.00		R365 281.28		R409 115.03		R458 208.84	
Construction of new Retaining Walls		PC SUM		R1 690 000.00		R1 892 800.00		R2 119 936.00		R2 374 328.32		R2 659 247.72		R2 978 357.44	
Construction of new Staircase and Handrails		PC SUM		R400 000.00		R448 000.00		R501 760.00		R561 971.20		R629 407.74		R704 936.67	
Electrical Minisub station and connection		PC SUM		R450 000.00		R504 000.00		R564 480.00		R632 217.60		R708 083.71		R793 053.76	
Electrical cables, connection to buildings & street lights		PC SUM		R1 500 000.00		R1 680 000.00		R1 881 600.00		R2 107 392.00		R2 360 279.04		R2 643 512.52	
Air Conditioning		PC SUM		R1 250 000.00		R1 400 000.00		R1 568 000.00		R1 756 160.00		R1 966 899.20		R2 202 927.10	
Storm Water Harvesting		PC SUM		R250 000.00		R280 000.00		R313 600.00		R351 232.00		R393 379.84		R440 585.42	
Entrance Beautification		PC SUM		R150 000.00		R168 000.00		R188 160.00		R210 739.20		R236 027.90		R264 351.25	
Perimeter Fencing: Steel Palisade		442	R750.00	R331 500.00		R371 280.00		R415 833.60		R465 733.63		R521 621.67		R584 216.27	
Clearvu Fencing		130	R1 500.00	R195 000.00		R218 400.00		R244 608.00		R273 960.96		R306 836.28		R343 656.63	
SUB TOTAL INFRASTRUCTURE CUMULATIVE COSTS				R13 372 500.00		R14 977 200.00		R16 774 464.00		R18 787 399.68		R21 041 887.64		R23 566 914.16	
SUB-TOTAL: COST TO REPAIR EXISTING BUILDINGS (8, 9, 10 & 17)				R2 591 275.00		R2 902 228.00		R3 250 495.36		R3 640 554.80		R4 077 421.38		R4 566 711.95	
SUB-TOTAL: COST TO REPLACE EXISTING BUILDINGS (1 to 7 & 11)				R32 094 300.00		R35 945 616.00		R40 259 089.92		R45 090 180.71		R50 501 002.40		R56 561 122.68	
SUB-TOTAL: INFRASTRUCTURE COSTS				R13 372 500.00		R14 977 200.00		R16 774 464.00		R18 787 399.68		R21 041 887.64		R23 566 914.16	
TOTAL: CONSTRUCTION COST TO ENSURE FUNCTIONALITY OF ORIGINAL SITE ( 1 )				R48 058 075.00		R53 825 044.00		R60 284 049.28		R67 518 135.19		R75 620 311.42		R84 694 748.79	
TOTAL NEW BUILDINGS CUMULATIVE COSTS ( 2 )				R10 080 000.00	R2 591 275.00	R11 289 600.00		R12 644 352.00		R14 161 674.24		R15 861 075.15		R17 764 404.17	
SUB-TOTAL (1 + 2)				R58 138 075.00	R55 546 800.00	R65 114 644.00		R72 928 401.28		R81 679 809.43		R91 481 386.57		R102 459 152.95	
ADD: 5% CONTINGENCIES				R2 906 903.75	R2 777 340.00	R3 255 732.20		R3 646 420.06		R4 083 990.47		R4 574 069.33		R5 122 957.65	
SUB-TOTAL				R61 044 978.75	R58 267 638.75	R68 370 376.20		R76 574 821.34		R85 763 799.91		R96 055 455.89		R107 582 110.60	
ADD: 14% VAT				R8 546 297.03	R8 157 469.43	R9 571 852.67		R10 720 474.99		R12 006 931.99		R13 447 763.83		R15 061 495.48	
GRAND TOTAL				R69 591 275.78	R66 433 806.35	R77 942 228.87		R87 295 296.33		R97 770 731.89		R109 503 219.72		R122 643 606.09	
				2017		2018		2019		2020		2021		2022	

## 7.6. Proposed Phasing Plan and Cost Schedule Per Phase

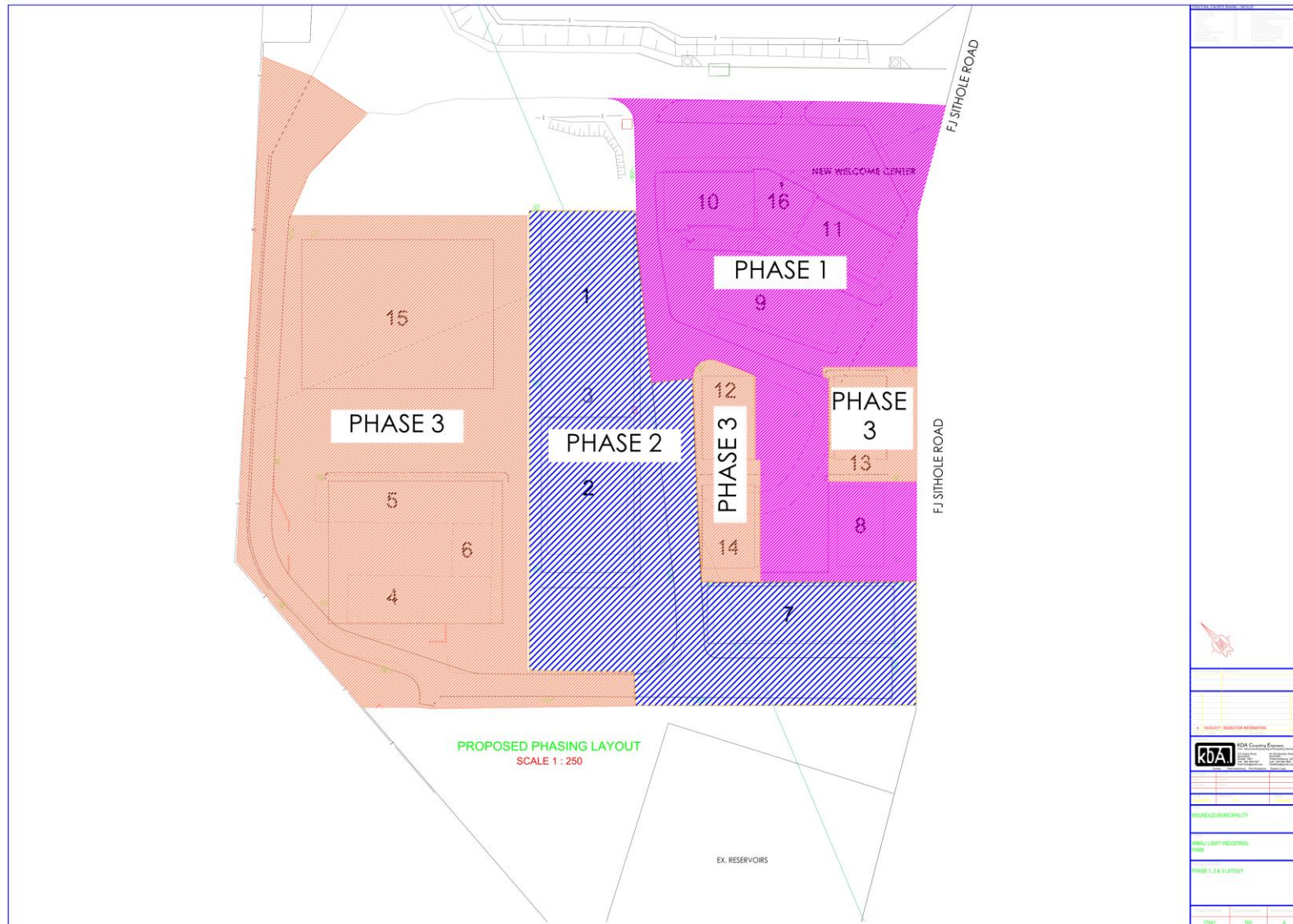
### 7.6.1. Proposed Phasing Plan

The phasing plan is to be adopted as such:

- Initial clearing of site, removal of trees etc, demolition of unstable structures that can be hazardous to inhabitants (Building no. 3, 4, 5, 6 and 7).
- Phase 1: To refurbish the buildings that are deemed viable (building no. 8, 9, 10 and 11)
- Phase 2: To refurbish and expand buildings that have potential to be more (Building No. 1, 2 and 7)
- Phase 3: New structures to suit diverse community needs (Building no. 45, 6 15 and 16)



Figure 17. Phase Concept Drawing



## 7.6.2. Proposed Cost Schedule per Phase

A phasing model has been developed for the re-habilitation of the complex. This is as follows in Table 6 to Table 8 below.

Table 4. Cost schedules for Phases 1a and 1b

PHASE 1a						
	Site clearance, removal of trees and Demolition of Existing Derelict Buildings	PC SUM		300000		
<b>TOTAL PHASE 1a EXCL. CONTINGENCIES &amp; VAT</b>						<b>R300 000.00</b>
<p><b>Phase 1a:</b></p> <ul style="list-style-type: none"> <li>• consists of the clearing of site, removal of trees etc, demolition of unstable structures that can be hazardous to inhabitants (Building nos. 3, 4, 5, 6, &amp; 7)</li> </ul>						
PHASE 1b						
8	Drawing Rooms	201.95			R504 875.00	
9	Class Room 3 & 4 / Lecture Halls	357.54			R893 850.00	
10	Offices / Administration Block	258.02			R645 050.00	
11	Class Room 1 & 2 / Assembly Space / Hall	214.2			R535 500.00	
16	New Welcome Centre	110	R6 000.00	R660 000.00		
17	Existing Guard House	4	R6 000.00		R12 000.00	
<b>Infrastructure costs</b>						
	Roads & Associated Storm water	2274	R1 200.00	R2 728 800.00		
	Paved Walkways	375	R400.00	R150 000.00		
	Sewer Infrastructure	PC SUM		R450 000.00		
	Potable Water Infrastructure	PC SUM		R230 000.00		
	Fire Infrastructure: Fire hydrants	PC SUM		R260 000.00		
	Construction of new Retaining Walls	PC SUM		R338 000.00		
	Construction of new Staircase and Handrails	PC SUM		R140 000.00		
	Electrical Minisub station and connection	PC SUM		R450 000.00		
	Electrical cables, connection to buildings & street lights	PC SUM		R1 500 000.00		
	Air Conditioning	PC SUM		R312 500.00		
	Storm Water Harvesting	PC SUM		R62 500.00		
	Entrance Beautification	PC SUM		R150 000.00		
	Perimeter Fencing: Steel Palisade	442	R750.00	R331 500.00		
	Clearvu Fencing	130	R1 500.00	R195 000.00		
					R2 591 275.00	
<b>TOTAL PHASE 1b EXCL. CONTINGENCIES &amp; VAT</b>						<b>R7 958 300.00 R10 549 575.00</b>
<p><b>Phase 1b:</b></p> <ul style="list-style-type: none"> <li>• To refurbish the buildings that are deemed viable (Building nos. 8, 9,10,11) and to construct the proposed welcome centre (building no. 16) <ul style="list-style-type: none"> <li>• Construct new roads &amp; storm water as shaded on the phasing layout.</li> <li>• Construction of new sewer, potable water and fire infrastructure for the site.</li> <li>• Construct new retaining structures as shaded on the phasing layout.</li> </ul> </li> </ul>						

Table 5. Cost schedules for Phase2 2

PHASE 2						
1	Workshop 1	403.56	R6 000.00		R1 008 900.00	
2	Workshop 2	537.73	R6 000.00		R1 344 325.00	
3	Ablution	65	R5 000.00	R325 000.00		
7	Building Trades Workshop	595.55	R6 000.00	R3 573 300.00		
	<b>Infrastructure costs</b>					
	Roads & Associated Storm water	962	R1 200.00	R1 154 400.00		
	Paved Walkways	450	R400.00	R180 000.00		
	Construction of new Retaining Walls	PC SUM		R692 900.00		
	Construction of new Staircase and Handrails	PC SUM		R140 000.00		
	Air Conditioning	PC SUM		R625 000.00		
	Storm Water Harvesting	PC SUM		R62 500.00		
					R2 353 225.00	
<b>TOTAL PHASE 2 EXCL. CONTINGENCIES &amp; VAT</b>					<b>R6 753 100.00</b>	<b>R9 106 325.00</b>
<p>Phase 2:</p> <ul style="list-style-type: none"> <li>• Refurbish and expand buildings that have potential to be more (Building nos. 1, 2, &amp; 7)</li> <li>• Construct new roads &amp; storm water as shaded on the phasing layout. <ul style="list-style-type: none"> <li>• Construct new retaining structures.</li> <li>• Connect to new water &amp; sewer infrastructure.</li> </ul> </li> </ul>						

Table 6. Cost schedules for Phase 3

PHASE 3						
4	Electrical Workshop 2	331.65	R6 000.00	R1 989 900.00		
5	Electrical Workshop 1	407.03	R6 000.00	R2 442 180.00		
6	Ablution	70.2	R5 000.00	R351 000.00		
12	New Workshop	190	R6 000.00	R1 140 000.00		
13	New Workshop	190	R6 000.00	R1 140 000.00		
14	New Workshop	190	R6 000.00	R1 140 000.00		
15	New Conference Facility	1000	R6 000.00	R6 000 000.00		
	<b>Infrastructure costs</b>					
	Roads & Associated Storm water	1194	R1 200.00	R1 432 800.00		
	Paved Walkways	675	R400.00	R270 000.00		
	Construction of new Retaining Walls	PC SUM		R659 100.00		
	Construction of new Staircase and Handrails	PC SUM		R120 000.00		
	Air Conditioning	PC SUM		R312 500.00		
	Storm Water Harvesting	PC SUM		R125 000.00		
<b>TOTAL PHASE 3 EXCL. CONTINGENCIES &amp; VAT</b>						<b>R17 122 480.00</b>
<p>Phase 3:</p> <ul style="list-style-type: none"> <li>• Construction of proposed new structures to suit the diverse community needs (building nos. 4, 5, 6, 12, 13, 14 &amp; 15) <ul style="list-style-type: none"> <li>• Construct new roads &amp; storm water as shaded on the phasing layout.</li> <li>• Construct new retaining structures.</li> <li>• Connect to new water &amp; sewer infrastructure.</li> </ul> </li> </ul>						

## 8. REVISED LED, FEASIBILITY AND FINANCIAL PLANNING

### 8.1. The Msunduzi / Imbali Industrial Hub LED Review Process

This section of the report addresses the review and updating of the Local Economic Development (hereafter LED) initiatives required for this 2017 Imbali Industrial Hub Feasibility Review, Design and Operational Planning Project Development. It is based on a review and updating of information stemming from the following reports:

1. The 2017/2022 uMgungunglovu Municipality Integrated Development Plan (hereafter DIDP);
2. The 2017/2022 uMgungunglovu Municipality Spatial Development Framework (hereafter DSF);

3. The Msunduzi 2017/2022 Integrated Development Plan (hereafter the LIDP);
4. The Draft 2017/2022 Msunduzi Municipality Spatial Development Framework (hereafter the LSDF) ;
5. The Imbali Mixed Use Investment Precinct Development Precinct Plan ( iSibuko se Africa 2010)
6. The Greater Edendale Development Initiative (GEDI) ( Msunduzi LED Unit 2011)
7. The Edendale Hub Report (Iyer Rothaug Collaborative cc 2014)
8. The SDF review , Draft conceptual Framework Report for Greater Edendale – Imbali ABM (Iyer Rothaug Collaborative cc 2007)<sup>1</sup>
9. Msunduzi SDF Review Final Report (Iyer Rothaug Collaborative cc 2015)<sup>2</sup>
10. Policy for the Informal Economy ( Department of Economic Development and Tourism version 1.4 Undated)
11. KZN Economic Overview ( Department of Economic Development, Tourism and Environmental Affairs 2016 ( hereafter EDTEA)
12. Msunduzi Local Economic Development Strategic Plan ( Msunduzi Municipality 2014)
13. Sustainable development and City Enterprises Presentation ( Msunduzi Municipality undated)
14. Youth Enterprise Park Presentation ( Department of Co-operative Development and Traditional Affairs & PGA Architects 2016)
15. Edendale Trading Centre/ SMME Incubation Feasibility Assessment (Tindall Kruger, commissioned By Msunduzi Municipality and KZN Department of Economic Development 2010)
16. M. Masutha & C.M. Rogerson 2014 , Small business incubators: An emerging phenomenon in South Africa's SMME Economy [www.academia.edu/9928182/ Small\\_Business\\_Incubators\\_An\\_emerging\\_phenomenon\\_in\\_South\\_Africa's\\_SMME](http://www.academia.edu/9928182/Small_Business_Incubators_An_emerging_phenomenon_in_South_Africa's_SMME)

## 8.2. The Imbali Industrial Hub Project District and Local LED Context

Imbali Industrial Hub Feasibility Review, Design and Operational Planning Project is located within the Msunduzi Local Municipality (LM) which both the administrative and legislative capital of the province of KwaZulu-Natal. The Municipality is located within the uMgungunglovu District Municipality (DM). The DM encompasses seven local municipalities. The District is 9514.594 square kilometers in size and has a population of 1,017,763 (one million, 17 thousand, seven hundred and sixty three) according to Census 2011. To the south east is eThekweni Municipality, iLembe to the east, Harry Gwala to the southwest, Ugu to the south, Umzinyathi to the north and uThukela to the northwest as is shown in Figure 18 (LIP12017)

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1 This document is currently under further extensive review in the form of a comprehensive LED strategy and was not made available for the purposes of this report in May 2017)

2 This report is being augmented in 2017 by a Capital Investment framework and Scheme guidelines and was not available for the purposes of this report in May 2017



[illegible]

The Industrial Hub falls within the “Imbali Mixed Use Investment Precinct which is located within the Imbali Area Based Management Area (ABM) and also forms part of the Greater Edendale Development Initiative (GEDI). The Greater Edendale Development Initiative (GEDI) is understood as an urban renewal process aiming at the integrated land use management and development of the greater

Isikhungusethu Environmental Services (Pty) Ltd

As is shown in the Imbali Investment precinct framework plan overleaf Investment is targeted towards:

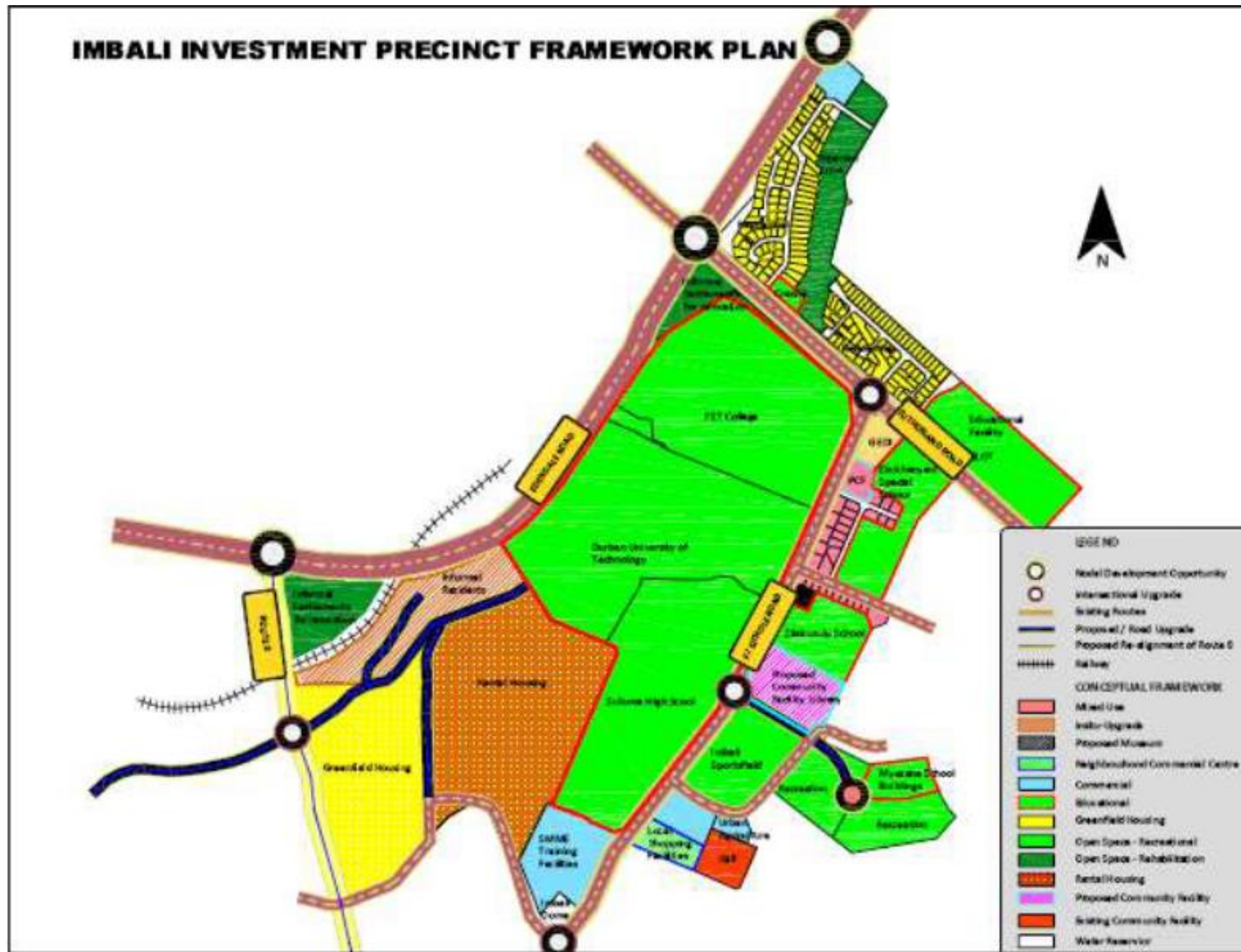
1. Herschensohn/Edendale (Moses Mabhida)/Sutherland roads and associated infrastructure
2. The Edendale road upgrade adjacent to the upgrading of the Edendale Hospital
3. A rapid integrated transport system linking Edendale to the Msunduzi CBD and adjacent land uses encompassing educational, heritage, commercial, recreation, shopping, sports fields and residential uses

Sutherland road is understood as an activity spine running through the precinct from the “point where it intersects with FJ Sithole, its role changes to that of a local distributor. The following initiatives have been suggested for Sutherland road:

1. Enhance the landscape of Sutherland road through landscaping including greening, tree planting and street furniture.
2. The development of pedestrian walkways along the length of the road, and
3. The relocation of informal settlements located to the south of the road” (.The Imbali Mixed Use Investment Precinct Development Precinct Plan ( iSibuko se Africa 2010: 44)



Figure 19. Imbali investment precinct framework plan



## 9. IMBALI WARD DEMOGRAPHIC PROFILE

Imbali is a name of Zulu origin, said to mean 'the flower'. The township was named in 1964 after it was designated as a residential area for black families. An Indian community, who were subsequently evicted, previously occupied the area. (GPS coordinates 29.6557 S, 30.3495 E).

The Imbali Mixed Use Investment Precinct is approximately 110m<sup>2</sup> and includes wards 13, 14, 15, 16, 17, 19, 22 & 23. The IIH is located in ward 19 and has a total population of 30, 157 people, of which most (70.5%) of them are of the working class. The population ages are shown in the following table.

*Table 7. Population age composition (StatsSA, 2011)*

Imbali I Hub area in ward 19 Population Profile	
Population Characteristics	2011
Total population	30,157
Young (0-14)	24,7%
Working Age (15-64)	70,5%
Elderly (65+)	4,8%

In terms of education levels, most (95.1%) of the people who are aged 20 years and above have some basic level of education. A majority of the people who are 20 years and above this area have acquired a matric certificate (42.6%), and only about 12.9% of the population has acquired a form of higher education. However, some of them do not have any schooling background or uneducated. The education levels are shown in the following table;

*Table 8. Education levels (StatsSA, 2011)*

Education levels	2011
No schooling aged 20+	4,9%
Higher education aged 20+	12,8%
Matric aged 20+	42,6%

There are 6 650 households within the area with the average household size being 4.2. More than half of these houses are headed by females (50.5%). Most of these households are formal dwellings (95.5%) with many of them either officially owned by the residents or they are still paying them off (71.4%). The following table shows the Household composition;

*Table 9. Household composition (StatsSA, 2011)*

Household composition	2011
Number of households	6,650
Average household size	4,2
Female headed households	50,5%
Formal dwellings	95,5%
Housing owned/paying off	71,4%

The households in the area are mostly serviced. Most of the houses have electricity and lighting (94.1%). Households also receive weekly refuse removal (91.7%) and have flush toilets connected to sewerage (89.4%). Only just over a half of the households have piped water inside (56.6%). The Household services are shown in the following below;

*Table 10. Household services (StatsSA, 2011)*

Household Services	2011
Flush toilet connected to sewerage	89,4%
Weekly refuse removal	91,7%
Piped water inside dwelling	56,6%
Electricity for lighting	94,1%

Most services are provided and maintained by the municipality. Mostly the refuse disposal services are provided by the local authority weekly with about 91.7% of the population getting this formal service. Only about 5.8% of the population uses their own refuse dump.

*Table 11. Refuse disposal (StatsSA, 2011)*

Refuse Disposal	Percentage (2011)
Removed by local authority/private company at least once a week	91,7%
Removed by local authority/private company less often	0,2%
Communal refuse dump	0,1%
Own refuse dump	5,8%
No rubbish disposal	1,9%
Other	0,4%

The majority of the population is black/African as they make about 99.5% of the entire population, as shown on the following table.

*Table 12. Ethnicity Composition (StatsSA, 2011)*

Ethnicity composition	2011
Ethnic Group	Percentage
Black African	99,5%
Coloured	0,2%
Indian/Asian	0,1%
White	0,1%
Other	0,0 %

Most of these black people that occupy the area speak IsiZulu speaking (94.1%) with a bit of IsiXhosa (1%) and the other few races mostly speak English (2.2%) as shown on the following table;

Table 13. Language composition (StatsSA, 2011)

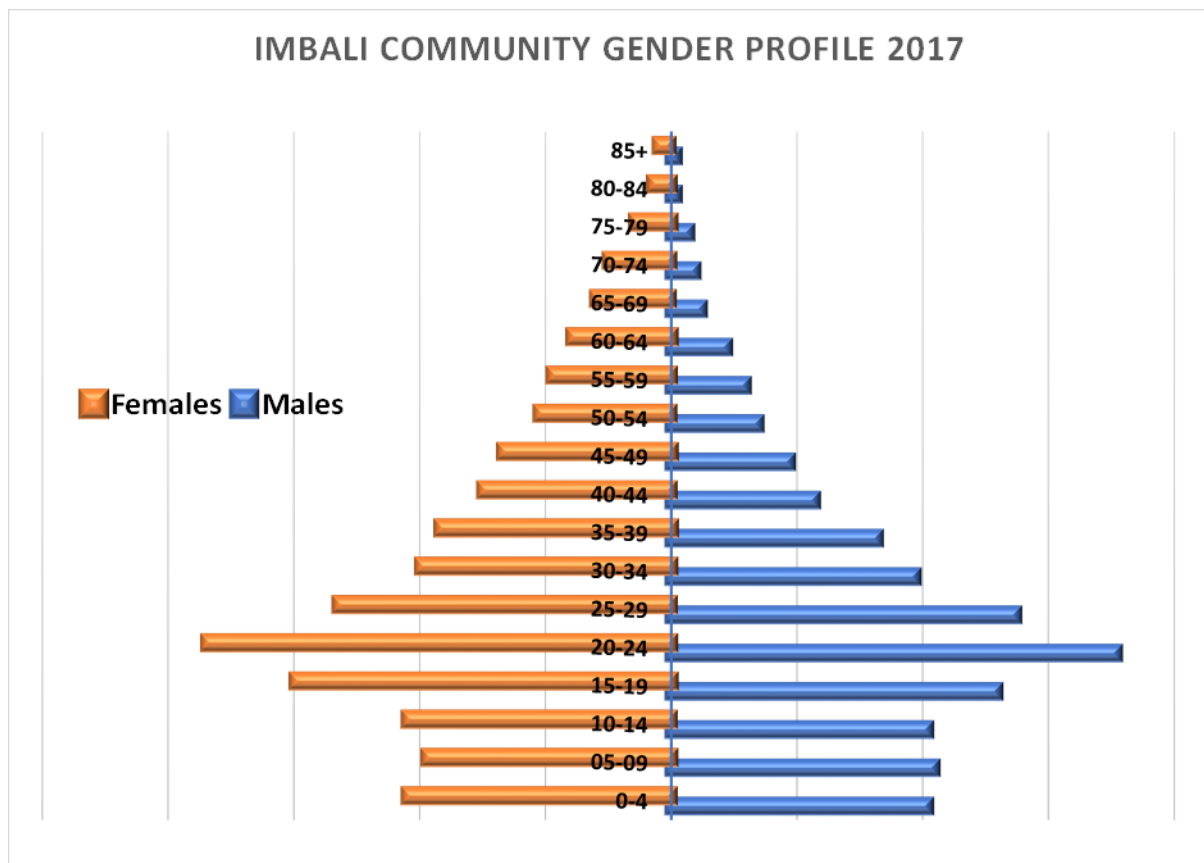
Language	Percentage
Afrikaans	0,1%
English	2,2%
IsiNdebele	0,9%
IsiXhosa	1%
IsiZulu	94,1%
Sepedi	0,1%
Sesotho	0,7%
Setswana	0,4%
Sign Language	0,2%
SiSwati	0%
Tshivenda	0%
Xitsonga	0%
Other	0,2%

The population gender is almost evenly distributed with females making the slightly bigger share of about 53.5% as shown on the following table;

Group	Percentage
Male	46,5%
Female	53,5 %

The population gender seems to be evenly distributed mostly from the birth ages until the age of 40years which might be a result of either man dying, leaving the area and going to the rural areas to settle down or job hunting in other areas that have more economic opportunities. The age pyramid is shown on the following figure.

Figure 20. Gender distribution of Imbali community



The largest bulge in the pyramid is in the central section from the age of 15 years to 34 years where the distribution of young people is significantly large in comparison to the younger 10-4-year-olds and the older 40 to 85+ year old age cohorts in the Imbali population distribution pyramid.

A huge majority of the people have never been married (77.6%), then there is about 15.4% of people are married. However, what is noticeable is that only about 1% of the population has been divorced or separated which means the area has a very low divorce rate. This is shown on the following table;

#### Marital Status Composition

Table 14. Marital statuses (Stats SA, 2011)

Group	Percentage (2011)
Married	15,4%
Living together	2,3%
Never married	77,6%
Widower/Widow	3,8%
Separated	0,4%
Divorced	0,6 %

The area is simply an urban area run and serviced by the municipality which means it is well located within close proximity to transport, services, economic opportunities and other non-residential amenities;



Table 15. Type of area (StatsSA, 2011)

Area	Percentage
Urban	100,0%
Tribal/Traditional	0,0%
Farm	0,0 %

As the area is an urban space it is well equipped with basic appliances, as most people have refrigrstors (86.5%), electric or gas stoves (88.5%), television (88%), etc. and most people own a cellphone as means of telecommunication (93%). This is shown on the table below;

Item	Yes
Refrigerator	86,5%
Electric / Gas-Stove	88,5%
Computer	16,7%
Satellite Television	34,3%
Motor Car	28%
Television	87%
Radio	80,6%
Landline / Telephone	17,7%
Cellphone	93%

Moreover, like any other South African urban area, the Imbali area is well serviced with electricity as it is the dominating source of energy for lighting (85.6%), heating (85.6%) and cooking (93%). The next best thing used is paraffin as shown on the following table;

Table 16. sources of energy (StatsSA, 2011)

Energy Source	Cooking	Heating	Lighting
Electricity	93%	85,6%	85,6%
Gas	1,2%	0,9%	0,9%
Paraffin	5,2%	2,3%	2,3%
Solar	0,1%	0%	0,1%
Candles	0%	0%	2,5%
Wood	0,2%	2,5%	0%
Coal	0%	0,1%	0%
Animal Dung	0%	0,1%	0%
Other	0%	0%	0%
None	0,2%	8,5%	0,1%

Table 17. Tenure arrangements (StatsSa, 2011)

Tenure Status	Percentage (2011)
Rented	11,8%
Owned but not yet paid off	5,9%
Occupied rent free	5,9%
Owned and fully paid off	35,3%

Other	0%
Owned and paying off	41,2%

The area is formally serviced with water from within the regional/local water scheme with about 95.7% clean water as shown on the following table;

*Table 18. Source of water (StatsSA, 2011)*

Source of water	Percentage
Regional/Local water scheme	95,7%
Borehole	0,3%
Spring	0,1%
Rain water tank	0%
Dam/Pool/Stagnant water	0%
River/Stream	0%
Water vendor	0,2%
Water tanker	2,9%
Other	0,8%

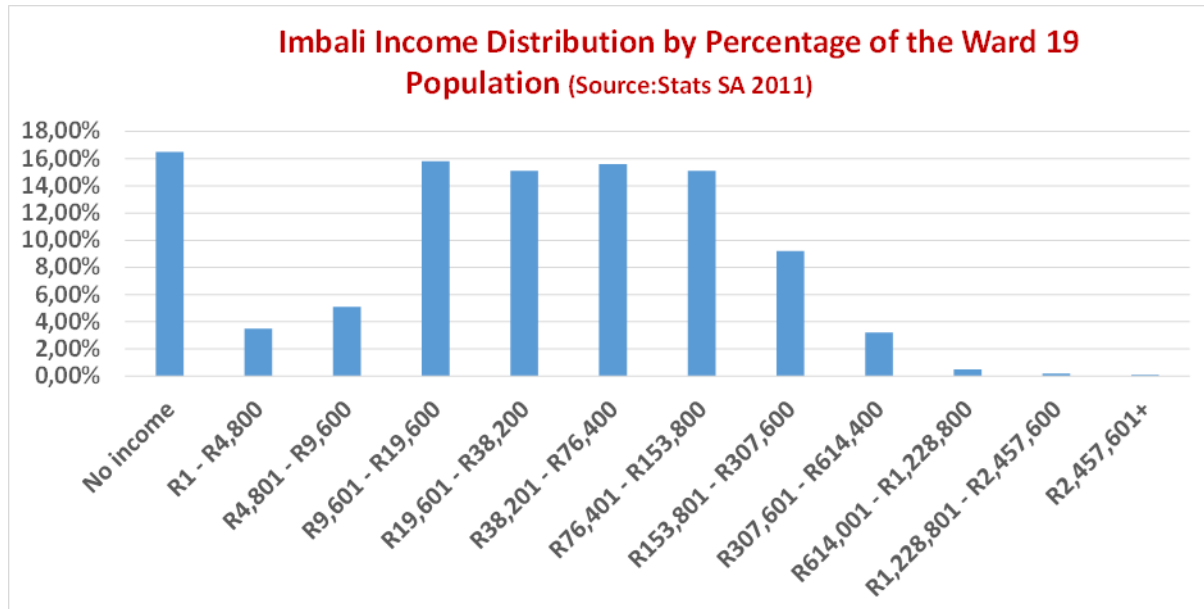
Like other household services in the urban areas, the municipality has provided serviced the households mostly with flushing toilets that are well connected to sewerage systems (89.4%), this is shown on the following table;

*Table 19. Toilet facilities (StatsSA, 2011)*

Toilet Facility	Percentage
None	1,1%
Flush toilet (connected to sewerage system)	89,4%
Flush toilet (with septic tank)	2,1%
Chemical toilet	0,1%
Pit toilet with ventilation	0,1%
Pit toilet without ventilation	6,5%
Bucket toilet	0,5%
Other	0,2%

A majority of the population (83.5%) in the area have some level of income, and only about 16.5% of them do not have any means of income. A majority of the population 60% earn between R9601.00 and R153 800.00. this is shown on the following table;

Figure 21. Income distribution within ward 19



### 9.1. The Informal Economy by Sector

Employment in the informal economy in Imbali by sector is shown in Chart No 1 Below.

Figure 22. Msunduzi Informal Economy Sector

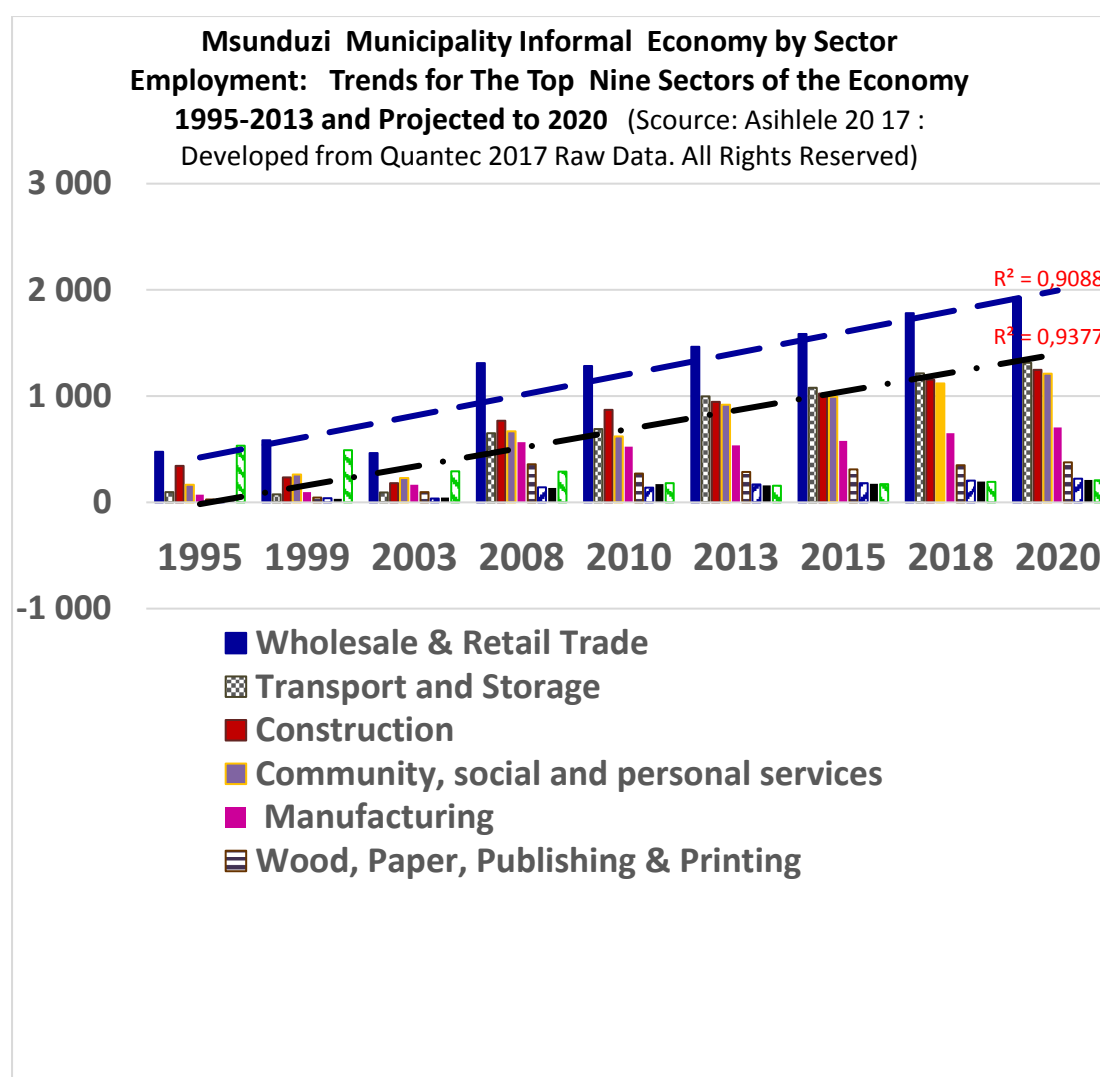


Chart No 1 shows the Informal employment in relation to the top nine Sectors of employment. Note that there is a steady increase in employment in the Wholesale Trade, Business Services, Construction, and Community Services with a decline in the Manufacturing, Wood Products, and Furniture and Agricultural sector employment. The linear regression lines for Wholesale and Trade and Transport and Storage express significantly high at  $R^2 = 0.9088$  and  $R^2 = 0.9377$  squared figures signifying that these two sectors are growing at a steady rate. However, Wholesale and Trade should also be seen as core drivers of the informal economy as this analysis reveals.

In keeping with the imperatives of the State of the Nation Address and the Nine Point Plan, sound value chain analysis of all the “Driving Sectors” is essential for equitable access to the economic activities and sound growth based SMME development. Thus a strong potential for SMME development is encompassed in the growing informal economy sectors as shown in the graph above.

#### 9.1.1. Vision

The proposed vision for the project is based on the community consultation views and the six key SMME development elements of at the 2017 World Economic Forum in Durban 2017 which concluded that the :

Development initiatives in the growth and retention of SMME initiatives should be focused on the theme of **“Education and skills development for relevant productive employment in a modern economy driven by Information communication technology, industrial stimulation, social cohesion, sustainability and human dignity”** (SAFM report on the World Economic forum outcomes May 2017). This vision expresses four fundamental elements of:

1. The new South African growth path grounded on industrial development;
2. The strong focus on education for skills development and productive endeavour;
3. A modern economy with an emphasis on ICT ;
4. The constitutional imperative of respect for human dignity of all people in our country;
5. Sustainability as an imperative; and
6. The imperative of social cohesion and diversity in SMME development in accordance with the levers of growth as shown in the statistical analysis of the informal economy above.

#### 9.1.2. Mission

1. To focus on industrial diversity, ICT, sustainability and social entrepreneurship;
2. Sustainability of the IIHub;
3. Strengthening the green economy in SMME incubation processes;
4. Respect for human dignity through sound and equitable service delivery in the realms of water and waste management initiatives; and
5. Taking advantage of the rapidly growing ICT field, supercomputing processes in engineering, technical and social advance permeating all fields of the informal and formal economy.

The vision and mission of the IIHub are well aligned with national and provincial planning and development imperatives as detailed below and are exhibited in the review of the 2010 Feasibility& Business Plan and new design features of the Imbali Industrial Hub development proposal that will now be outlined as follows:

In Section 10 the findings of an extensive literature review on the development of SMME incubators is presented with an emphasis on the elements that are pertinent to the IIHub project.



## 10.THE IMPLICATION OF THE LITERATURE REVIEW

### 10.1. Mixed and Sector Specific Incubation

One of the core finding of the review of the SMME feasibility study conducted in 2010 is the fact that the study did not focus on a literature review of existing SMME incubation processes. Consequently, the team undertook a literature review with a focus in the literature on:

1. the success of SMME incubation in relation to the failures
2. key factors influencing success
3. the range of SMME incubation activities prevalent in South Africa; and
4. Best practice ICT incubation characteristics.

This section of the report relies heavily on the work of M. Masutha & C.M. Rogerson (2014) who have undertaken extensive research into SMME successes and failure in the South African context. They point out that in the wake of high levels of poverty, unemployment the South African government and the private sector continues to make substantial investments into the development of SMME's with the intent of supporting the SMME incubation process as a mechanism for sustainable economic development and employment creation. However, the results are revealed to be variable.

By 2013, there were a total of 51 functioning incubators representing a steady growth of incubators from 4 in 2004, 37 in 2011 and 51 by 2013 M. Masutha & C.M. Rogerson (2014). The analysis reveals that 8 of the Incubators were established by the private sector and 43 were established by the public sector. The public sector focus being on manufacturing (13), Mixed use (2), Agri-processing (7), Construction (5), ICT (2) Chemicals (3) Jewelry (4) , Small-scale Mining(2) , Bio and Life Science (1), Renewable Energy (1), Automotive (1). The private sector incubators include mixed use (6), ICT (2).

*Table 20. Number of SMMEs supported by public sector incubators*

<b>NUMBER OF SMMEs SUPPORTED BY PUBLIC SECTOR INCUBATORS IN 2014</b>		
<b>( SOURCE M. MASUTHA &amp; C.M. ROGERSON (2014:54)</b>		
<b>Name of Public sector incubator</b>	<b>No of SMMEs supported</b>	<b>Model type</b>
Chemin (3 Incubation Centers) 50	50	Physical
Downstream Aluminum Centre for Technology (DACT)	76	Physical
EgoliBio 13	13	Physical
Ekurhuleni Jewelry Incubator New Physical Furntech (7 Incubation Centers)	93 mixed	Physical
Global Jewelry Academy 6	6	Physical

Innovation Technology (Invo Tech)	33	Physical
Lepharo	6	Physical
Mapfura Makhura Incubator (MMI)	166	Virtual
Mpumalanga Agri-skills Development & Training	131	Virtual
Mpumalanga Stainless Steel Initiative	34	Physical
Seda Agricultural & Mining	24	Physical
Seda Alfred Nzo Agro Manufacturing r	New	Physical
Seda Automotive Technology Centre	New	Physical
Seda Atlantis Renewable Business	New	Physical
Seda Automotive Technology Centre	45	Physical
Seda Construction	215	Virtual
Seda Essential Oils Business Incubator	68	Physical
Seda Limpopo Jewelry Incubator	80	Physical
Seda Nelson Mandela Bay ICT I	30	Physical
Seda Northern Cape Diamond and Jewelry	New	Physical
Seda Platinum Incubator	33	Physical
Seda Sugar Cane Incubator	105	Virtual
Seed Container Park	7	Physical
Smart Exchange	47	Physical
SoftstartBTI	44 mixed	Physical
Soshanguve Manufacturing Technology Demonstration Centre	60	Physical
Timbal	118	Virtual
Zenzele Technology Demonstration Centre	30	Virtual
<b>Total</b>	<b>1514</b>	

Table 21. Number of SMMEs supported by private sector incubators

<b>NUMBER OF SMMEs SUPPORTED BY PRIVATE SECTOR INCUBATORS IN 2014</b>		
<b>(SOURCE M. MASUTHA &amp; C.M. ROGERSON (2014:54))</b>		
<b>Name of Public sector incubator</b>	<b>No of SMMEs supported</b>	<b>Model type</b>
Raizcorp Business Incubator	300	Virtual
Aurik Business Incubator	200	Virtual
Bandwidth Barn ICT Incubator	70	Physical
Shanduka Black Umbrellas (JHB)	29	Physical
Shanduka Black Umbrellas (CT)	17	Physical
Shanduka Black Umbrellas (PTA)	18	Physical
Shanduka Black Umbrellas (DBN)	24	Physical
Sasol Chemistry Business Incubator	179	Virtual
<b>Total</b>	<b>837</b>	

The detailed survey information above reveals that there are considerable variations in the numbers of SMMEs supported in each incubator and that there are higher numbers in the virtual model type of incubation. The average incubator size for public is 44 SMMEs, whereas the average size for private incubators is 97 SMMEs per incubator. In addition, the largest physical incubator had 64 SMME'S and the largest a virtual incubator (Raizcorp Business Incubator) holds 300 SMME'S. Between 2004 and 20014, the numbers rose from 37 to 51 with 82 % being established in the public sector and 18% in the private sector. On average, 40% of the SMME'S are owned by women and 80% are owned by black people in the public sector. The research reveals the recruitment practices of the DTI as well as the focus of the recruitments strategies which include hosting of networking events such as incubation days, advertisements including radio, television and lampposts, roadshows, use of websites, social networks (Facebook), walk-ins and referrals. However incubators were found to use a mix of individualized strategies based on their respective models and BBEE strategies.

Research reveals that the total number of jobs created in the public sector process were 2031 and in the private sector 3099.in addition, within a three year period the total number of jobs created in the private sector were 2359 and in the public sector was 529. This means that although there as a smaller number of private sector incubators, the outcome of successful graduation is much higher than that of the public sector.

However, the market sector that the public and private sector target is different in that the private sector target high impact high growth sectors with a turnover in excess of R5million per annum and

the public sector recruit within the small and micro enterprises domain with an annual turnover of about R250 000. (M. Masutha & C.M. Rogerson (2014:48-60). The stark contrast in graduation success is also attributed to low levels of performance monitoring and record keeping in the public sector which is in stark contrast to the high levels of performance management in the private sector.

In addition the spatial location of the private and public sector SMME support also differs markedly. In the private sector incubators are located in metropolitan areas and the private sector incubators usually sectors target SMMES in poorer areas and secondary cities and small towns. The focus of private sector incubators are also mixed and diversified and the public sector incubators tend to be sector largely sector specific.

Implications for the IIHUB project from the research of M. Masutha & C.M. Rogerson (2014) is that:

1. The success of SMME incubation is much higher in the private sector domain relative to the public sector process over the past ten years.
2. The key influencing factors in relation to the success and failure is largely contingent upon location, sound performance management, accurate record keeping and the mixed focus of the incubators in relation to SMME recruitment strategies.
3. With regard to the range of SMME's there is a rapidly growing trend in ICT incubation as well as virtual incubation methodologies.
4. There is a range of different kinds of incubators including manufacturing, chemical, Agri-processing, mixed commodification and ICT.

International Good Practice ICT incubation implications for the IIHub.

In 2009, the World Bank conducted a study of ICT incubation practices. The intention was to develop "A Model for Sustainable and Replicable ICT Incubators in Sub-Saharan Africa" (World Bank 2009). This literature review is focused on the lessons to be learnt in relation to ICT in the SMME incubation process. Central to the study is the realization that the advent of ICT understood as a segment of the economy hosting companies that provide a vast range of services and equipment to their clients in information technology harbor low barriers to entry and is a leveler in the disparities between the various kinds of economic activity prevalent worldwide and,

*"For Africa, ICT represents a game changing new aspect in economic development because areas once considered too undeveloped to embrace technology, suddenly are capable of receiving information and program content that can educate, and help them achieve a level of knowledge competitive with other parts of the world. For the incubation industry, this means that small companies in incubators can order parts, communicate with their suppliers, seek investors, be counseled by advisors, advertise their products and services, and in general, avail themselves of much of the same kinds of technical support as SMEs in the United States, France, or China. (World Bank 2009:2)"*

The sectors of the ICT industry that are discussed in the research are focused on:

1. Telco's or the fixed-line telephone service providers. These are often monopolized by parastatal institutions and are specifically regulated in order to provide a source of revenue for the state through fees and taxation.

2. The Internet which includes many kinds of services that are accessed through the World Wide Web. In addition the internet links millions of public, private, academic and specialized professions including engineering, medicine, business and design using various kinds of “Big Data” and “super Computers”
3. Wireless processes including the Internet using radio transmission processes; and
4. Cellular services including, cellphones, data, music and other modes of entertainment.
5. Two more specialized sectors of the ICT industry that are of special importance in Africa are Business Process Outsourcing (BPO) and Information Technology (or IT) outsourcing (ITO). These kinds of ICT services take advantage of lower labor costs in the remote locations and serve as Call centers, help desks, and other forms of customer support.

The good practice ICT SMME incubators visited and studied were:

1. iPark Jordan Technology Incubator in Amman, Jordan
2. Viasphere in Yerevan, Armenia
3. ParqueSoft (network) in Cali, Colombia (and other locations)
4. SmartXchange, Durban South Africa
5. Octantis in Santiago, Chile

The researchers stress that the interviews with individuals involved in incubation across Africa reinforced the conclusion that, ICT SMME incubators need to realize that although ICT is universally recognized as a means of rapid economic development, there are still variations in business cultures of clients and in the service location that need to be considered as well. They then developed a list of elements that impact on ICT incubators. These elements are extracted verbatim from the report as follows:

1. Technological Forces emergence of trends, devices, events that influence, etc. Includes elements such as Internet bandwidth and telecom access, growth of mobile phone access and services.
2. Legal & Regulatory Forces laws governing ICT; national tax systems with respect to investment; regulatory environment; deregulation and liberalization of fixed line and wireless; trend toward a free market view of business.
3. Economic Factors high unemployment; limited access to social services; impact of industry (agriculture, extraction, tourism, medical services) use of microfinance; and trend toward collaboration between businesses.
4. Political Forces dynamic political environment that varies by location.
5. Social & Demographic Factors high birthrates in many countries; much of the population at or below poverty level; low life expectancy; support for free markets.
6. Raw materials & Resources required (processed by the organization to accomplish its mission) trained labor force; equipment for access to networks, test equipment.
7. Competitive Entities and Forces displacement of fixed-line services by mobile services.
8. Stakeholders (and how they construe their mission) Includes banks; large companies; academia; equipment and service providers.
9. Other Organizational Factors need for a professional network of incubators (e.g.,



*African Incubation Network AIN and others) requirements of training programs for entrepreneurs (and incubator managers); governance issues (e.g., board structure and roles)” ( World Bank. 2009:7 emphasis added)*

On the bases of the nine considerations mentioned above, one of the key lessons learn was the development of a generic Mission Statement specifically for ICT incubation process in Africa that are relevant to the IIHUB possibility of ICT incubation.

#### Generic Mission Statement of ICT Incubator in Sub-Saharan Africa

1. Provide a safe, stable and secure place to start and grow companies that can offer needed services, support and equipment to the ICT community within the country and the region.
2. Create employment in both ICT and the larger business community.
3. Promote development of a free market system through training and education, making use of local entrepreneurial talent to improve the wellbeing of the local community
4. Enable access to equipment and services required by the new companies.
5. Be a focal point of entrepreneurial activity, networking between tenant companies, the business community and potential partners.

The second lesson learnt is the importance of sustainability and a clear output based approach. The core outputs are stated as follows:

#### Sustainability & Organisational Outputs

As a consequence of the Mission, specific organizational or institutional outputs are derived for ICT incubation. They include:

1. Tenants of the incubator will deliver ICT services and products throughout the country and the region.
2. Tenant companies will create employment for individuals in the country and the region.
3. Incubator training will contribute to enhancement of a skilled ICT labor force throughout the country and the region.
4. Tenant companies will sell value-added services and products.
5. The ICT companies that graduate will be sustainable” (World Bank 2009: 8).

The following ICT performance measures are developed that can be seen to be one of the core concerns in the previous section of the national level literature review of SMME incubators in South Africa.

## **10.2. ICT incubation performance measurement**

The following are reasonable measures of success given the Environment, Mission Statement and Outputs stated above.

1. Employment creation the numbers of full- and part-time jobs created by the client companies in the incubator. While job creation can be misleading in that the intent of encouraging ICT development is to create jobs above the subsistence level, it is the most common measure of incubator success in other parts of the world.

2. Numbers of client company contracts (new and existing) this measure would give an Indication of the true business activity of the individual companies.
3. Year-on-Year growth of Revenues as percentage improvement illustrating growth in company revenues. - those who were trained but did not stay with the client company should be reported on in addition to current employees as they are still trained ICT workers presumably available for employment in the industry.
4. Aggregate client company growth in turnover the aggregate amount for all companies in the incubator should preclude client company reluctance to reveal economic performance.
5. Post-Graduation, Year-on-Year Annual Turnover Growth more than in other environments, sustainable, replicable ICT incubators in Africa will require some path forward for those companies that grow to a point requiring graduation or which seek graduation for other reasons. Their progress must be tracked in order to develop the level of public support that will be required to sustain the program.

#### Summary of Lessons learned from each case study

1. iPark Jordan Technology Incubator in Amman, Jordan – common to all incubators in the study, is the founder and his commitment. The iPark founder's commitment was a major factor in its development is a key success driver in an ICT incubator.
2. Strong management relationship with the tenants.
3. Flexibility in its approach to solving problems
4. Recruiting previously successful entrepreneurs in order to have a mix of entrepreneurial experience in the facility

The Higher Council on Science and Technology is its prime sponsor and provides iPark with a building, administrative and financial support. Receiving annual operating funds from the government, iPark is considered sustainable as long as the existing government funding is in place.

iPark has been in operation for four years, provides services to seventeen companies from a facility of 932 square meters, situated on a university campus with two other universities in the immediate area. It focuses exclusively on ICT companies and is well known in the MENA (Middle East/North Africa) region.

1. Viasphere is located in Yerevan, Armenia.- privately owned , uses 14864 square meters and has 8 tenants using 7106 square meters . Provides business services including program and project management, training; staffing; mentoring; sales and marketing support; legal and accounting services. Does not have a graduation policy.
2. Makes intensive use of the Armenian Diaspora to promote its companies in international markets. and Turnover is approximately R6.6mil pa

#### **The SmartXchange ICT incubator is a City of Durban-funded**

1. This incubation program supports itself through rent of its commercial space about 1, 1519 square meters square feet are commercial rentals and about 1486 square meters are used for incubation for incubation. This real estate model provides SmartXchange with the operating funds it requires. It is situated in the CBD and next to the Rapid Transport Hub.

3. key lesson is its broad relationships with commercial companies that are leaders in the ICT industry (Microsoft, IBM, Cisco) These large companies provide the incubator with training and certification support that is extremely beneficial to the client companies in the facility.
4. Technical certifications is attractive to incoming clients and there is also the possibility of a contract with one of them as well.
5. Having reliable electricity and Internet access is an important attraction to new clients.
6. SmartXchange has established its own branding. This is important to client companies. credibility makes the association with SmartXchange important for clients.

### **Octantis in Santiago, Chile**

1. Virtual incubator is supported by the Chilean Economic Development Agency, CORFO.
2. Octantis has established an excellent vehicle for connecting with other markets in Latin America and the US by maintaining offices in Miami, FL, which is emerging as the financial hub of Latin America.
3. The Octantis facilities include offices, meeting rooms and temporary workspace on a short term, as-needed basis. In addition, clients have access to a business library as well as laboratory space.
4. Excellent broadband access.
5. Octantis is targeted at high growth companies with potential for 50 or more employees and is not exclusively in the ICT sector, but supports bioscience companies as well.
6. Octantis was instrumental in the establishment of the Southern Angels network of angel investors. This source of equity financing is coupled with a soft loan program of CORFO in which it guarantees bank loans to the client companies.
7. Branding plays a key role The Octantis name provides credibility and opens doors for the tenants.

### **ParqueSoft Centers Cali, Colombia**

1. The ParqueSoft Centers is a network comprised of 14 incubators scattered across the country and managed from a headquarters building in.
2. The founder of ParqueSoft is a highly charismatic individual who utilized his expertise in ICT to establish ParqueSoft for providing social development through business creation. There are over 270 businesses in the ParqueSoft network, each of which is an element in of interlocking business entities providing internal (as well as external) consulting, marketing, and training support.
3. A commission of 20% of each sale by a member company is remitted to the ParqueSoft parent
4. In addition to the grants, in-kind donations and rents and service fees collected. This pays for advertising, maintenance on its building in Cali, and other overheads.
5. Local universities provide the office space in each location except Cali.
6. The ParqueSoft brand is known internationally and is associated with high quality services. This allows the start-up companies to obtain larger contracts that are effectively subcontracted to the member companies.
7. The use of cubicles in ParqueSoft buildings provides for more intense networking and interaction by the companies.
8. Strong branding is an important
9. ParqueSoft is largely self-sustaining, though only through seeking grants and contributions in addition to revenues.

10. Its growth to 14 centres proves it is scalable, and it has required very limited public sector support other than real estate.

#### **Design for a Model ICT Incubator**

1. Sustainability based on premises acquired for government or university
2. However, the situation changes when soft costs can be covered by an investor for the first 7-10 years of operation. With this support, it is possible for an ICT incubator to survive and then prosper.
3. There are no ICT incubators that can carry the costs of a large rental or bond
4. The ability of a well-funded parent organization to relieve the financial pressure by covering the soft costs of the incubator while it grows could change the outcome dramatically.
5. Layout: should include spaces such as a break room, one or two conference rooms for clients to meet with their customers, in addition to administrative space.
6. Branding and a well-furnished space is essential for building trust.
7. Numbers of tenants an ICT incubator requires at least 20 clients in a building of 2000 square meters and usually many more virtual ones. At a minimum,
8. Staffing – A manager trained in incubator operation, with business experience, an administrative assistant, a secretary receptionist, and at least one business counsellor. A minimal maintenance staff may be required depending on location. Skilled Management a critical element with ability to develop networks that will serve the clients, to work with stakeholders such that their support for the program is retained.

#### **10.3. Proposed IHH tenants in the light of the literature review and informal economy analysis**

The locational context, informal economy analysis, and the literature review suggest that the most appropriate for of incubation and development of the site should encompass the following:

A sustainable, holistic approach to the overall occupation of the site. Consequently, two potential funding based occupation strategies are suggested in keeping with the vision and mission of the proposed Hub.

1. Funding stemming from a set of ICT oriented tenants in keeping with the findings of the ICT section of the report. A minimum of 20 tenants is proposed.
2. Provision of well-appointed conferencing facility drawing a range of conference users

The literature review on the successes and failures of SMMEs in South Africa over the past ten years suggests that the IHH should be managed and operated on the basis of a strong private sector model. Consequently, although the site is Municipal owned, as is the case of the SmartXchange ICT incubator which funded by the city of a City of Durban, it is recommended that:

3. A innovative and dynamic Private Sector Manager be sourced to manage site, incubation, tenants and conference centre. He or she should be endowed with strong business and ICT skills and discussed above.

A board of directors needs to be appointed from a cross section of the mixed use incubation process envisaged accommodating a range of SMMES engaged in the range of mixed use and ICT productive activities and skills development as proposed in the mixed use zone for the site as is shown below:

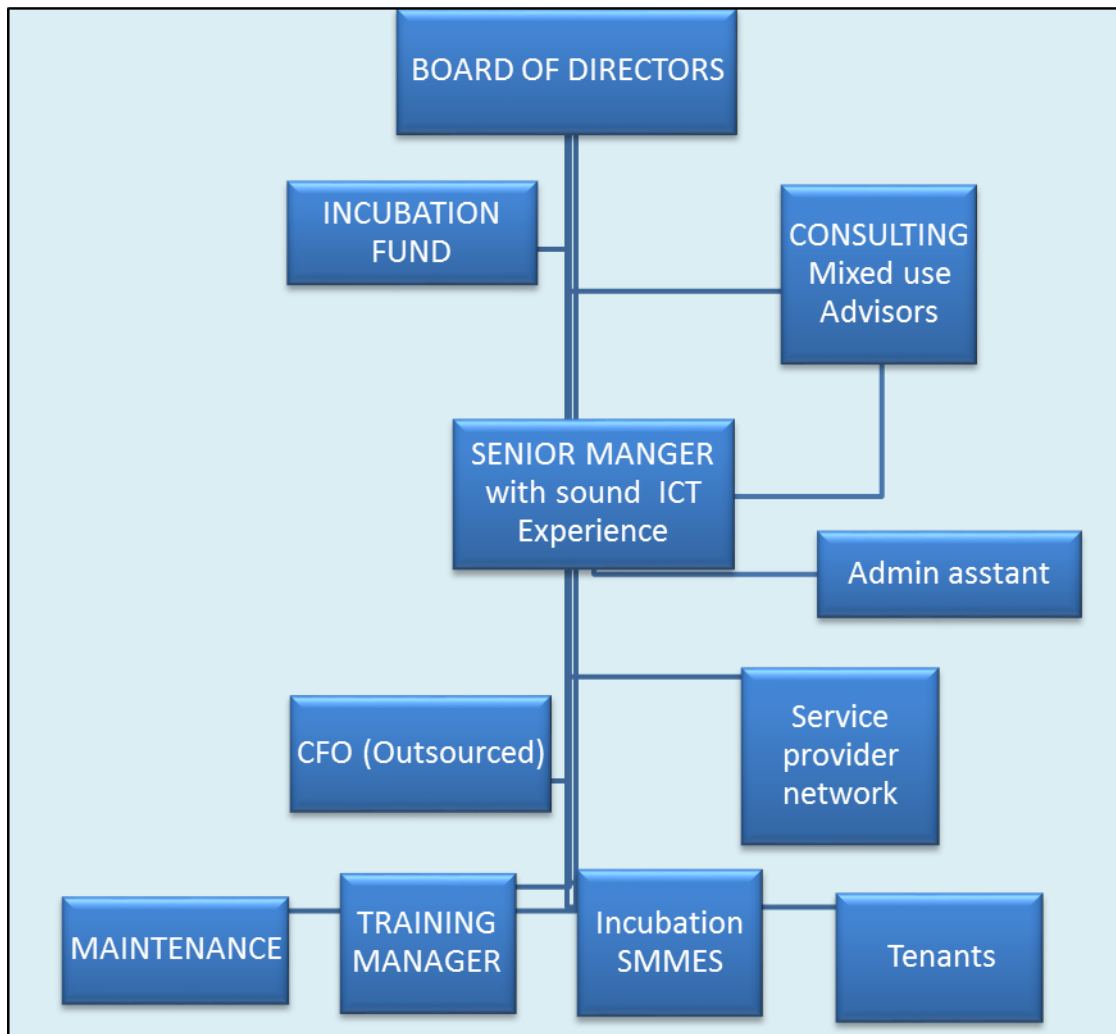
<b>ZONE:</b>	<b>MIXED USE: LIGHT INDUSTRY / SMME INCUBATION &amp; EDUCATIONAL ZONE 1</b>		
<b>SCHEME INTENTION</b>	The purpose of this zone is to provide development rights for SMME Incubation that accommodates a wide range of compatible Industrial, Educational, ITC and associated specialised infrastructural facilities that are adjacent to more sensitive land development zones encompassing residential, open space, educational and heritage usages. The intention is to satisfy the demand for facilitating sustainable job creation based on SMME incubation and development based on the demand for manufacturing activities that do not involve significant vibration, noise, odour, and high volume heavy duty supply, and delivery trucks. Logistics based on small-scale motor transportation is encouraged as well as low impact conferencing and green economy and health based activities. The zone is located within an educational and heritage precinct with a strong focus on the fourth generation industrial promotion of the new millennium.		
<b>Colour Notation:</b>	Fill: Pale Lilac R239, G198, B255 Border: Caramel R255, G128, B 00		
<b>Permissible Uses (A)</b>		<b>Consent Uses (B)</b>	<b>Prohibited (C)</b>
6.	Light industry/manufacturing	24.	Land uses and buildings not listed in column (A) and (B).
7.	Builders yard	25.	
8.	Social Hall/Facility, Tuck shop	26.	
9.	Welding facility, Laundry	27.	
10.	Factory shop		
11.	Shop		
12.	Special building		
13.	Conference Centre		
14.	Place of instruction		
15.	Green economy activities		
16.	ICT & development		
17.	Adult Education & Training		
18.	Offices & Boardroom		
19.	Community service industry		
20.	Security facility		
21.	Government/ Municipal		



22.	*Caretakers Residential Building						
23.	Management Building						
ADDITIONAL CONTROLS							
1.*One dwelling unit may be permitted on site to accommodate a caretaker’s flat (limited to 100 m²).							
2. 7. The Consent uses may be approved by the Municipality, if all relevant services and disposal processes can be provided to the satisfaction of the Municipality.							
PARKING REGULATIONS							
All parking& delivery facility are to be approved by the municipal transport authority							
**Car wash: 4 bays at 6mx 4m with suitable drainage facilities							
Cubicles: 1 bay per cubicle and 1 bays per 3 cubicles for delivery vehicles							
Conference Centre: 1bay per 4 car based participants							
DEVELOPMENT PARAMETERS							
SPACE ABOUT BUILDINGS			Units per hectare	Min Erf size (m²)	Height (STOREYS)	Coverage (%)	F.A.R
Building line	Side space	Rear Space					
7,5m	3m	3m	N/A	1800	2	75%	1.20

The following organizational structure is proposed:

**The IHUB , structure should have the following organisational structure**



The range of mixed use SMME's and ICT SMM's should be drawn from various low impact industrial development land development rights as shown in the proposed Mixed Use Light industrial/ ICT SMME development zone as informed by the literature review on the one hand and the national and provincial imperatives ad discussed below.

## 11.DEVELOPMENT PRINCIPLES, POLICIES AND IMPERATIVES

Development / investment must only happen in locations that are sustainable (SPLUMA).

1. Development must optimize the use of existing resources and infrastructure in a sustainable manner (SPLUMA, and National Strategy on Sustainable Development).
2. Development should be within limited resources (financial, institutional and physical).
3. Stimulate and reinforce cross boundary linkages.
4. Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development (SPLUMA).
5. During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development).

6. Environmentally responsible behaviour must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS).
7. The principle of self-sufficiency must be promoted. Development must be implemented in a manner that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each area's unique competency towards its own self-reliance. This includes the need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increasing self-sufficiency (KZN PGDS).
8. Planning and subsequent development must strive to provide the highest level of universal accessibility to resources, services and opportunities (KZN PGDS).
9. in keeping with the KZN Norms and standards (SPLUMA (KZN PGDS).

## 12. REVIEW ON ALIGNMENT WITH CURRENT LEGISLATION, GUIDELINES AND POLICY

### 12.1. The National development Plan (Vision 2030)<sup>3</sup>

The following set of national, provincial and local economic imperatives have been considered in addressing the review of the documents listed in the planning and design of the Imbali Industrial Hub Project (hereafter IIHub).

NATIONAL DEVELOPMENT PLAN	IMBALI INDUSTRIAL HUB STRATEGIC OBJECTIVES
1. Create Jobs	1. To create an awareness of the existing SMME & LED opportunities 2. To facilitate the development of local emerging SMMES to achieve sustainable commercial status 3. To diversify economic opportunities
2. Expand infrastructure	1. To ensure provision of access roads 2. To ensure the provision of electricity/energy within the project 3. To ensure the provision of community, gender and youth based SMME and educations/ ICT facilities 4. To develop and implement a maintenance plan
3. Use resources properly	To develop and implement a resource maintenance plan
4. Inclusive planning	4. To keep the Imbali communities and potential stakeholders informed and involved in the project 5. Deepen democracy through refined ward community participation

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<sup>3</sup> The reviewed documents at hand, do not address the goals noted above with respect SMME development

## 12.2. The Sustainable Development Goals (SDGs)<sup>4</sup>

The proposed Sustainable Development Goals (SDGs) that are not addressed in the 2017 LIDP or LSDF are relevant to the project and reflect a set of aspiration Goals with 169 targets which are an improvement to the Millennium development goals (MDGs). The SDG framework is all about dealing with key systematic barriers to sustainable development such as inequality, unsustainable consumption patterns, weak institutional capacity, and environmental degradation that the MDGs did not pay attention too. The MDGs dealt only with developing countries and only to a limited degree captured all three dimensions of sustainability in developing countries. The framework can be understood differently at different scales of action and for different issues. The SDG framework also reflects the shared interest and responsibilities for addressing global challenges facing governments and communities. The goals that need to be fulfilled in the Imbali Industrial Hub Feasibility Review are summarised as follows:

*Table 22. Sustainable development goals relevant to this project*

Sustainable Development Goals Relevant to the Imbali Industrial Hub Project	
Goal 1: End poverty in all its forms everywhere	There are high levels of poverty in the project area that the project aims to address within the local area.
Goal 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	The project aims at contribution quality education and skills development in the informal economy and SMME development
Goal 5: Achieve gender equality and empower all women and girls	Gender equity is striven for as well as universal access within the project
Goal 6: Ensure availability and sustainable management of water and sanitation for all	The sustainable management of all services, is a key component of the project design
Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all	The sustainable access to affordable and modern energy sources is a key component of the project design.

<sup>4</sup> The reviewed documents at hand and reviewed, do not address the SDG's but only the MDG's

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Sustainable economic development is central to the SMME's in the project
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	Resilient and sustainable mixed use industrial development is central to the project
Goal 12: Ensure sustainable consumption and production patterns	Sustainable consumption and production patterns are a focus of the project
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	The project needs to exhibit effective, accountable and an inclusive institutional management process.
Goal 17: Strengthen the means of implementation and revitalize partnerships for sustainable development.	Central to the project implementation process are strategies that encompass partnerships for long term sustainability.

### 12.3. The Integrated Urban Development Framework of 2015 (IUDF)<sup>5</sup>

The documents reviewed do not specifically discuss the IUDF strategic goals (Access, Growth, Governance, and Spatial Transformation) inform the priority objectives of the levers relevant to this project. They include:

*Table 23. UDF imperatives relevant to this project*

THE UDF IMPERATIVES RELEVANT TO THE II HUB PROJECT	
Lever 1 -Integrated Spatial Planning: Cities and towns that are spatially organised to guide investments that promote integrated social and economic development, resulting in a sustainable quality of life for all citizens.	The review of the feasibility study aims at alignment of this lever and is basic to all planning undertaken by the municipality.
Lever 2 -Integrated Transport and Mobility: Cities and towns where people can walk, cycle and use different transport modes to easily access economic opportunities,	The IIHub project and its intent is informed by this element of the IUDF central to the planning processes undertaken by the

<sup>5</sup> The reviewed documents at hand, do not address the IUDF with respect SMME development



education institutions, health facilities and places of recreation	municipality. The focus on a range of transport modes needs to be strengthened in the Hub context and has been included in the design elements of the site
Lever 4 -Integrated Urban Infrastructure: Cities and towns that have transitioned from traditional approaches to resource efficient infrastructure systems which provide for both universal access and more inclusive economic growth.	The imperative of universal access has been included in the design of the project and is not evident in the documents reviewed.
Lever 5 -Efficient land governance and management: Cities and towns that grow through investments in land and property, providing income for municipalities that allow further investments in infrastructure and services, resulting in inclusive, multi-functional urban spaces.	Land governance is discussed in the The Imbali Mixed Use Investment Precinct Development Precinct Plan of 2010 and in has been further developed in the project and a “Mixed use Zone” and/ or a “Special Zone” with associated controls is being considered by the Municipal Project team.
Lever 6 -Inclusive economic development: Cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable economic growth, and generate the tax base needed to sustain and expand public services and amenities.	Inclusive economic development is central to the Planning processes of the Msunduzi municipality and is a focus of the IIHub project
Lever 7 - Empowered active communities: Cities and towns that are home to socially and culturally diverse citizens, who are actively involved in city life and committed to making South Africa work.	Diversity and the recognition of human dignity as enshrined in the Constitution of South Africa is central to the IIHub project

#### 12.4. National Infrastructure Plan (NIP and Strategic Integrated Projects (SIPs)

The South African Government adopted the National Infrastructure Plan (NIP) in 2012. The project is in keeping with the imperatives of the NIP growth path which seeks to transform the economic landscape through the maximization of job creation and improved basic service delivery. The central premise includes upgrading existing and building the development of new infrastructure. It calls for investments in: ICT, education facilities; electrification; sanitation facilities; road and railway infrastructure. The project is aligned with s these elements of the NIP

## 12.5. The State of the Nation Address 2017<sup>6</sup>

His Excellency, Jacob G Zuma, President of the Republic of South Africa delivered the State of the Nation Address (SONA) during the joint sitting of the Parliament on 9 February 2017. Central to SONA is the imperative to stimulate and drive a process of “radical socio-economic transformation guided by the National Development Plan (NDP)” (SONA 2017:1). The intent is to strive to ensure that the country be freed from poverty, inequality, and unemployment. However, this needs to occur in the wake of the recent downgrading of the country’s credit rating resulting in the following factors that make LED subject to:

1. Rising Inflation
2. Rising Interest rates
3. Low economic growth
4. Further labour unrest
5. High current account deficits
6. Rising general government debt

Consequently, the growth rate of the economy in general is estimated to range between 0,5% and 1% in 2017 /2018 and competitiveness in the LED environment is predicted to become more difficult to achieve (University of Stellenbosch Business School (USB), 2017:1 [http://www.usb.ac.za/ Media Releases/SAeconomyremainsindistress.pdf](http://www.usb.ac.za/MediaReleases/SAeconomyremainsindistress.pdf))

The focus of SONA is on industrialisation, mining and beneficiation, agriculture and agro-processing, energy, small, medium and micro enterprises (SMMEs), managing workplace conflict, attracting investments, growing the oceans economy and tourism. The following are some of the key aspects of SONA that re relevant to the IIHub LED strategy:

1. Job creation: through the Expanded Public Works Programme (EPWP) which is central to all new infrastructure programmes and the industrial development path;
2. Small Micro Medium Enterprise development through the development of the Black Industrialists Programme which aims at involving more people directly in business, owning factories.
3. Property maintenance;
4. Government will also continue to pursue policies that seek to broaden the SMMEs, including those owned by women and the youth, in the information and communications technology sector;
5. New telecommunications policy aimed at lowering of cost of data; and
6. Increases visible policing in order to reduce crime.

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<sup>6</sup> The 2016 SONA and SOPA are used in the LDP and LSDF and are updated in this IIHub Project

## 12.6. State of the Province Address 2017

On 1 March 2017, the Honourable Willies T. Mchunu, the Premier of Kwa-Zulu Natal delivered the Kwa-Zulu Natal State of the Province Address (SOPA) address. The following elements of the address are aligned with the IIHub project:

1. The 2017 version of the long-term NDP vision is extended to 2035 and revised to read “A prosperous Province, with a healthy, secure and skilled population, living in dignity and harmony as a gateway to Africa and the World” (SOPA 2017).
2. The current pattern of employment and of unemployment, points to the fact that the current growth path of KZN is still far from being inclusive. Job creation remains central to achieving the objectives of inclusive growth, radical structural economic transformation, distributing the benefits of growth more widely and consequently reducing dependency on the welfare system, by broadening economic participation. Provincial-Treasury is to ensure that supply chain management processes, procedures, practices, structures, policies, and decisions are reviewed to advance radical economic transformation in KZN.
3. “We rededicate ourselves to the defence of human rights which are guaranteed in our constitution, the basic law of our land” (SOPA 2017).

## 12.7. Provincial Growth and Development Strategy

Revised 2016 KZN PGDS is designed to facilitate sustainable and inclusive economic growth, reduce growing inequality and promote environmental sustainability.

To realise the vision of “KwaZulu-Natal, a prosperous Province with a healthy, secure and skilled population, gateway to Africa and the world”, revised seven long-term goals have been identified to guide policy-making and resource allocation to 2035.

The II Hub project is aligned with three of the long term goals which call for:

### Goal 1: Inclusive Economic Growth

1. Ensuring that those currently marginalized have broader socio-economic opportunities;
2. Promote SMME entrepreneurial development
3. Enhance the knowledge economy
4. Improve efficiency, innovation and a variety of government led job creation programmes
5. Enhance business retention, trade and investment

### Goal 2: Human Resource Development

6. Support youth and adult skills development

### Goal 4: strategic infrastructure

7. Develop road and rail networks
8. Develop ICT infrastructure.

### Goal 5: Environmental sustainability

1. Unlock the green economy

### 12.7.1. Introduction

Central to the informal economy analysis and literature review on SMME development in South Africa and internationally, is the finding that very few if any, SMME incubations processes are ever totally self-sustaining before a ten year lead period in and support process. Consequently, it is assumed that sound and well-structured financial and rent free occupational support for the development of the IIHub is acquired and sustained through sound and efficient management processes.

In keeping with the original feasibility report it is however assumed that a mixed-use light industrial and ICT incubation process is put in place such that:

The incubator SMME'S such envisages, will be profit driven, acquire productive skills, and create small growing businesses that thrive though careful mentoring, performance management and sustainability imperatives. The incubator will offer a service and some form of grant funding will be required to make this possible, both from a capital development and operations perspective.

Despite this, it is important that, in order to determine the feasibility of the project, clarity is obtained regarding the financial implications of the proposed model, the more detailed and structured institutional arrangements and the operational approach. This section considers the financial feasibility of the IIHub incubator in terms of:

- Capital investment requirements
- Income potentially generated by the facility
- Operational costs and expenses
- Investment feasibility and cash flow for the operation

### 12.7.2. Capital Investment Requirements

The capital investment requirements include:

1. Land or feasibility cost,
2. Construction and rehabilitation costs,
3. Infrastructure costs,
4. Other set-up costs, e.g. office and other equipment,
5. Consultant fees.

It is estimated that R44 million is required for the new design of the existing training centre (Table 2), this includes expenditure on infrastructure, equipment and consultants. This should be considered against the alternative of accessing vacant land and developing a facility of this nature from nothing. The cost savings involved are been addressed in this section as well.

## **13.INSTITUTIONAL ARRANGEMENTS**

### **13.1. Introduction**

This section considers the institutional arrangements in respect of the SMME hub. The 2010 Feasibility study undertaken by Msunduzi Municipality suggested the establishment of a Company with directors from the various core stakeholders, including:

- Msunduzi Municipality;
- the then Department of Economic Development and Tourism and
- SEDA.

This implementation model provided for the Public Company to be at the centre of the development of the Hub, as provided during the project development.

### **13.2. New Incubator Model**

A new model has started to emerge.

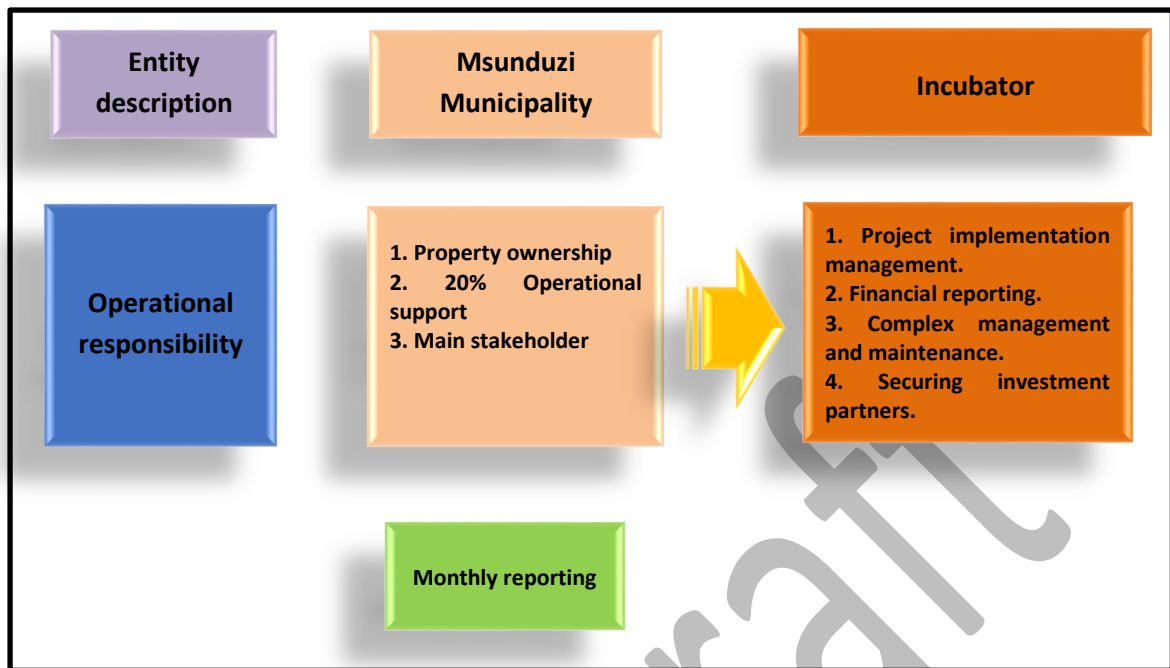
In terms of this model, the Municipality remains the owner of the property. It signs a Memorandum of Understanding with an Incubator Company to:

- manage the operations,
- the rental of premises,
- the securing of funding and
- the financial management of resources.

The memorandum of agreement is based on an 80/20 principle with the municipality being responsible for 20% of the operational costs and the Incubator company being responsible for the remaining 80% of the operational costs.

What the model operational plan suggests is the following:

Figure 23. New incubator Model Operational Plan



The SmartXchange has:

- A board of directors,
- A range of private sector sponsors,
- SMMEs as an entry level, and

has been successfully implemented by the SmartXchange in eThekweni, Port Shepstone and now currently in Richards Bay. In respect of these SmartXchange has entered into an agreement through a memorandum of understanding to undertake the project implementation and management.

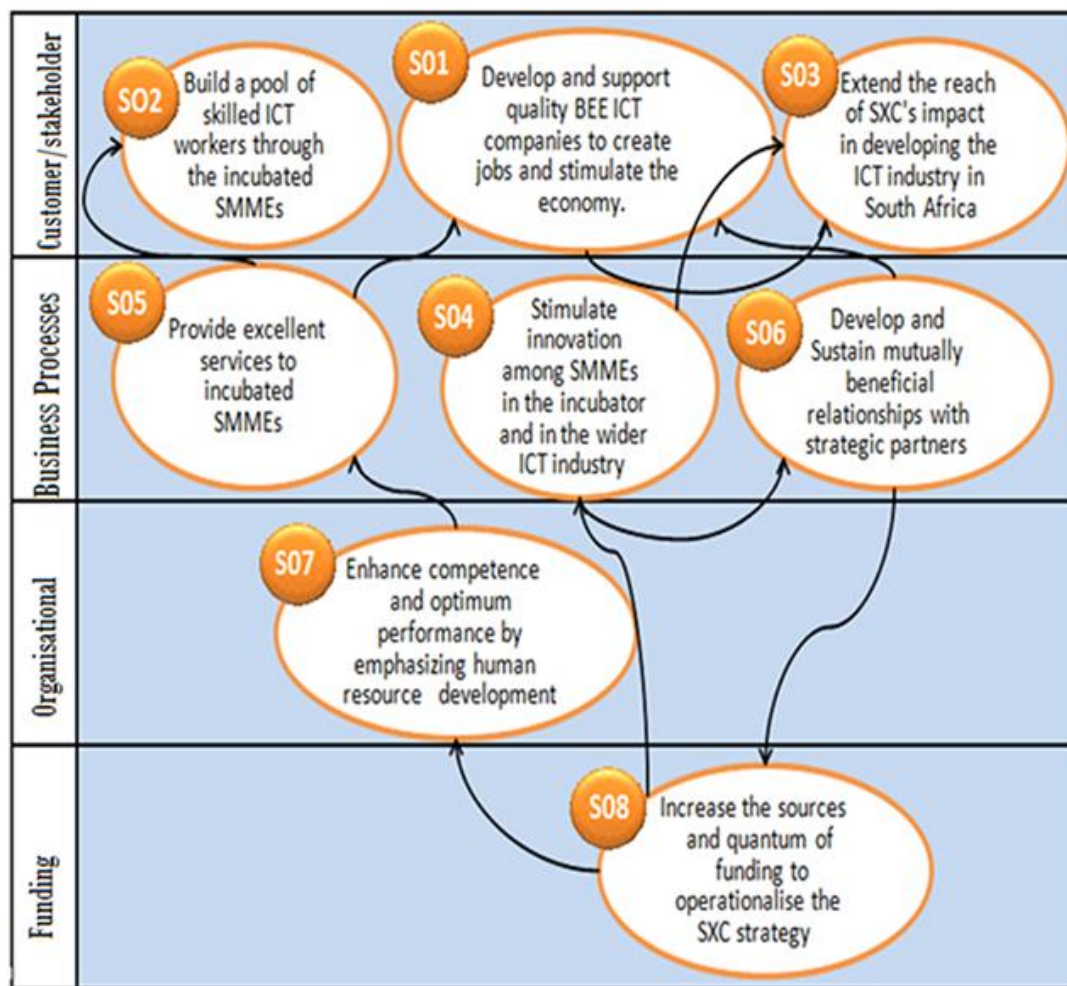
SmartXchange is an incubator whose core mandate is to provide enterprise development services to small, medium and micro enterprises (SMME'S) in the Media, Information Communication Technology and electronics sector. Their programme identifies and assists in developing quality skilled MICTe SMME's in KwaZulu Natal.

This company partners with corporates from the MICTe industry, tertiary institutions and the government sector to work towards up skilling entrepreneurs and the youth. Through these partnerships, they are able to contribute towards the creation of sustainable jobs, economic growth and the competitiveness of the province.

Their strategic objectives are encapsulated in the figure below.



Figure 24. SmartXchange method diagram



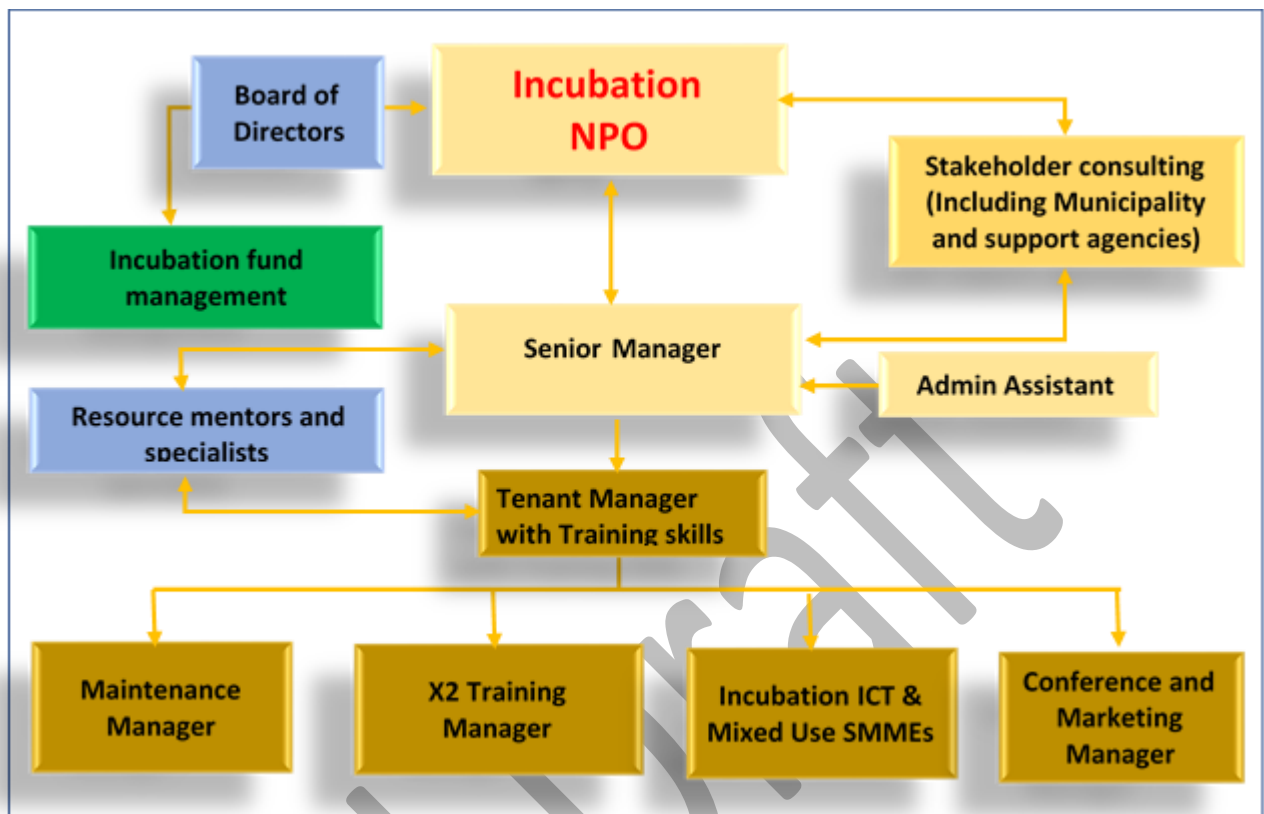
As can be derived for Figure 24 above, this ICT incubator takes responsibility for project implementation building skills, creating jobs, assisting with job processes, human resource development and funding sources.

This business model provides a much more streamlined relationship between the municipality and the incubator. This will allow for project initiation to commence sooner, which would relieve the municipality of a number of project management tasks which will now be handled by the incubator. It would however, be recommended that a close relationship be established between the municipal local economic development component and incubator management to ensure constant liaison and municipal capacity building.

This review, is recommending a shift away from the initial model suggesting a model which is working in KwaZulu-Natal and which has been replicated in eThekweni, Port Shepstone and currently in Richards Bay.

Based on the above, the following SMME Incubator structure is recommended.

Figure 25. SMME Incubator structure



### 13.2.1. Management Structure

In terms of the institutional vehicle proposed, the management of the SMME centre will essentially be undertaken by the Incubator Manager with the input from the stakeholders. This will include Msunduzi Municipality and other support stakeholders such as SETA and The Department of Economic Development, Tourism and Environmental Affairs.

The Centre management will effectively be responsible for the management of, on the one hand permanent staff, and on the other, support service providers.

### 13.2.2. Ownership of Land and Facilities

The land and facilities developed thereon will remain in the ownership of the municipality. The memorandum of understanding needs to clarify that the land and buildings remain the property of the municipality. The incubation NPO company will however take responsibility for the property maintenance.

## 13.3. Cubical Allocation Strategy and Policy

The project programme requires the preparation of a site allocation strategy / policy as part of Phase 4 of the project. During discussions the community have also expressed the importance of a site allocation strategy and in particular have raised the need for site allocation and business support to not only be in favour of established businesses but should include young entrepreneurs. The policy is

currently under development, but in principle it is suggested / recommended that the process below be followed.

In terms of this process it is intended to initiate the tenant application process through an expression of interest newspaper advertisement calling for applications from prospective business tenants. The expression of interest will require the submission of documents and information which will allow the municipality to determine the most deserving and most suitable tenants to occupy the cubicles in the industrial hub. The process therefore includes threshold criteria that must be prior to acceptance of a prospective tenant. Those business operators that achieve the required threshold score will then be ranked and interviews be held with the top candidates.

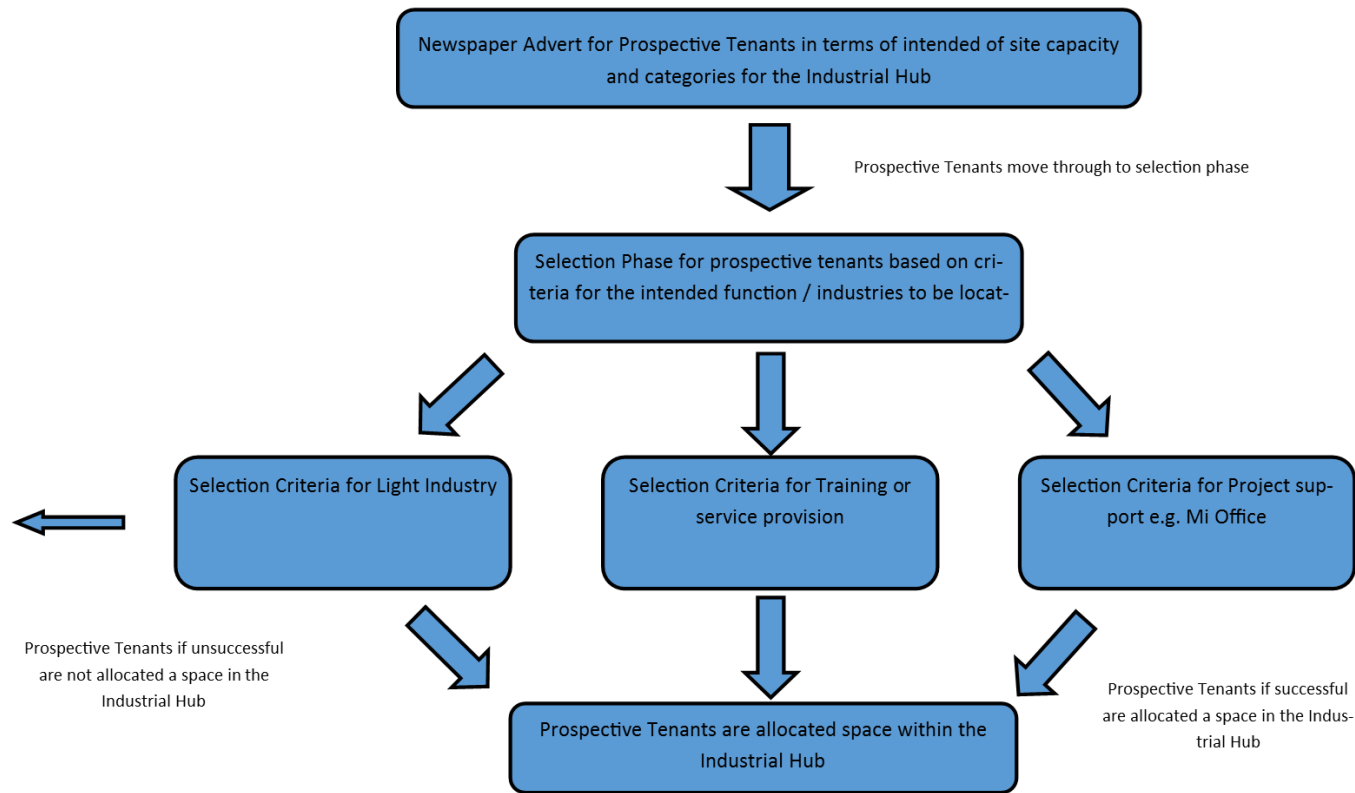


Diagram 2. Diagram of proposed selection strategy

## 13.4. Risk Assessment and Maintenance Planning

### 13.4.1. Overview

Any new development will have both positive and negative impacts. The negative impacts are considered to be risks which must either be mitigated or preferably be avoided, if possible.

### 13.4.2. Potential Positive Impact of the SMME Hub

The SMME Hub development will potentially have the following positive impacts:

Positive impacts

<b>1. Strengthening of the SMME sector in Edendale</b> It is anticipated that the establishment of the SMME Hub will improve the capacity of the tenants of the facility. The training and capacity building programmes is likely to also positively influence the informal business sector as well. (Msunduzi Municipality, 2010: 54)
<b>2. Strengthening the SMME sector is in line with the Msunduzi Municipality Strategic planning for the area</b> The establishment of an SMME hub will strengthen linkages between the SMMEs and the existing manufacturing sector. The 2010 Feasibility report (Msunduzi Municipality, 2010) suggested that the growth of the SMME sector will also improve linkages between the informal small business sector and the established formal sector (Msunduzi Municipality, 2010: 54)
<b>3. Increased job opportunities</b> The centre has the potential to house in excess of 60 new SMME Business over the next 5 to 10 years. If each business employs on average 5 people, this will create 300 new jobs.
<b>4. Increasing the municipal rates base</b> The establishment of number of new business and a conference centre will broaden the municipal rates base, also identified in the 2010 Feasibility study (Msunduzi Municipality, 2010: 54).
<b>5. Supporting the overall economic development in Edendale</b> There are at present more than 30 development initiatives in the Edendale area, including Youth Development, Educational, Business and other initiatives. This development is aligned and supports the growth of the area.

### 13.4.3. Risk Identification / Assessment / Mitigation

A project of this nature will be associated with risks due to the large financial investment, the difficulties associated with SMME establishment and sustainability.

This section therefore attempts to identify the most significant risks and associated mitigation or preventative actions. As is common with these assessments, the potential impact of each risk is also assessed in terms of the likelihood for the risk to occur and the extent of the potential impact.

The following potential risks have been identified.

Table 24. Start-up and operational risks

Risk	Mitigation/ Alternative	Risk Rating			
		Likelihood	Impact rating		
			Low	Medium	High
Start-up and operational risks					
Government Departments and NGO's who have pledged their support for the development, don't provide support as planned	The contributing Departments must commit their support in writing. This can be a conditional support, but it should be contractual	Low	Low		
SMME's do not leave the new facility once the incubation period has lapsed	This is a fairly common problem in respect of SMME's. Written lease and operation contracts need to be put in place. Ideally, there must be a exit strategy and policy which must be strictly adhered to.	Medium		Medium	
Lack of training and administrative support in respect of SMME's	Need firm commitment from SEDA and Department of Economic Development and Tourism regarding the provision of continued technical and administrative support to SMME's	Low	Low		
SMME's operations being too dependent on financial assistance from the Municipality and the supporting Government Departments	Need firm commitment from SEDA and Department of Economic Development and Tourism regarding the provision of continued technical and administrative support to SMME's	High			High
Community members being unhappy because the project site does not meet all their expectations	There must be a Community communication strategy to ensure that there is regular feedback through the Ward Councillor and Ward Committee to manage expectations whilst keeping the community abreast of developments.	Medium	Low		
Financial and fiscal deficit resulting in Government support withdrawal.	Reduce SMME's intake and increase Conference rentals and client services rentals and servicing	Medium			High



Table 25. Financial Risks

Risk	Mitigation/ Alternative	Risk Rating			
		Likelihood	Impact rating		
			Low	Medium	High
Financial					
Donor funding cannot be secured for the establishment of the SMME Hub as was planned	Where possible, donors must commit their support in writing. A further mitigation measure would be to phase the development, easing the burdon on funders.	Medium			High
Insufficient or no funding provided in respect of Financial support for the complex management	This project requires that the municipality funds a manager for the site. This must be included as part of the initial operating cost of the complex. This is a critical consideration, and must form part of the project start-up funding.	Medium		Medium	
Insufficient or no funding provided for maintenance of buildings and services	A portion of the lease costs must be set aside and ringfenced to be used for the maintenance of the complex. The complex includes grassed areas, paved areas and trees and gardens. In addition, a complex of this size will require regular maintenance in respect of plumbing, lighting etc.	Medium		Medium	
SMME incubator businesses being over dependant on financial support	The SMME Support programme must include a diminishing support mechanism which must be strictly implemented. None compliance will lead to long term problems	Medium		Medium	

Table 26. Risks relating to the site

Risk	Mitigation/ Alternative	Risk Rating			
		Likelihood	Impact rating		
			Low	Medium	High
Risk relating to site					
Vehicular access to the site is on a blind rise and the access point is fairly narrow. The project must include provisions to improve the site access, including traffic calming matters	The Municipality is in the process of upgarding F.J.Sithole Road. It is critical that the Municipality includes the upgrade of the site entrance and the inclusion of traffic calming mechanisms	Low		Medium	
The inability of the municipality to secure the premises to the desired level	The current situation relating to the removal of building material from the site is not acceptable. This behaviour must be arrested. In the short term, Council will need to issue an order to secure the site. During the upgrade of the centre security will need to be increased to secure the buildings under construction whilst security must be part of the centre operational plan.	Low		Medium	
Competing uses for the site	The Feasibility report has identified a particular set of uses for the project site. This recommendation must not doggedly be followed, but market actions and needs must continuously be monitored and the land uses in respect if the centre adjusted to ensure that the centre remains economically viable.	Low	Low		

The tables above highlight some of the more significant potential project risks, which will need to be mitigated, if the project is to stand any chance to succeed. Some of the critical requirements are listed below.

1. The contributing Departments must commit their support in writing.
2. Written lease and operation contracts need to be put in place.
3. There must be a Community communication strategy to ensure that there is regular feedback through the Ward Councillor and Ward Committee to manage expectations whilst keeping the community abreast of developments.
4. Where possible, donors must commit their support in writing. A further mitigation measure would be to phase the development, easing the burden on funders.
5. This project requires that the municipality funds a manager for the site.
6. A portion of the lease costs must be set aside and ringfenced to be used for the maintenance of the complex.
7. It is critical that the Municipality includes the upgrade of the site entrance and the inclusion of traffic calming mechanisms
8. Council will need to issue an order to secure the site. During the upgrade of the centre security will need to be increased to secure the buildings under construction whilst security must be part of the centre operational plan.

### **13.5. Maintenance Plan**

Based on the incubator model suggested in this review, the maintenance of the complex will be the responsibility of the incubator manager. Included in this management responsibilities will be the following:

- Building maintenance
- Security
- Grounds maintenance
- Limited service infrastructure maintenance
- Tenant management
- Monthly financial reporting

The above responsibilities will need to be carefully captured in the memorandum of understanding in order that there is a clear distinction in respect of responsibilities allocated to the municipality and the complex manager.

## **14. REVISED BUSINESS MODEL AND FINANCIAL IMPLICATIONS**

### **14.1. Introduction**

Central to the informal economy analysis and literature review on SMME development in South Africa and internationally, is the finding that very few if any, SMME incubations processes are ever totally self-sustaining before a ten year lead in period and support process. Consequently, it is assumed that sound and well-structured financial and rent-free occupational support for the development of the IIHub is acquired and sustained through sound and efficient management processes.

In keeping with the original feasibility report it is however assumed that a mixed-use light industrial and ICT incubation process is put in place such that:

The incubator SMME'S as envisaged, will be profit driven, acquire productive skills, and create small growing businesses that thrive though careful mentoring, performance management and sustainability imperatives. The incubator will offer a service and some form of grant funding will be required to make this possible, both from a capital development and operations perspective.

Despite the uncertainties and concerns in initiations processes, it is important that, in order to determine the feasibility of the project, clarity is obtained regarding the financial implications of the proposed development model, the more detailed and structured institutional arrangements and the operational approach. Thereafter the financial modelling can be more accurately assessed and amended.

This report, considers the financial feasibility of the IIHub incubator in the light of the research undertaken and the new capital and design costing process that has been undertaken. The core components of the financial review are addressed in the following sections:

- Capital investment requirements
- Income potentially generated by the facility
- Operational costs and expenses

## 14.2. The Capital Investment Requirements

Tables 4 and 5 in Section 7 show two sets of cost estimates. The first cost estimate addresses the **single storey design** associated with:

- **Replacement** of all buildings and infrastructure which amount to **R44 382 820,86** million; or
- **Repair** of all damaged buildings and the replacement of infrastructure which amounts to **R37 584 401, 86 million.**

The difference between the repair and the replacement costs amount to **R6 798 419, 00**

The second set of cost estimates are based on **a two-story design** and address:

- **Replacement** of all buildings and infrastructure which amounts to **R69 591 275,78** or
- **Repair of damaged buildings** and the replacement of infrastructure which amounts to **R61 433 806, 35 million.** The difference between repair and replacement costs amount to **R8 157 469, 43**

The capital costs for the design, replacement, and repair are shown in Table 27 as follows:

Table 27. Capital expenditure for the Imbali Industrial hub

Table No xx Imbali Industrial Hub Design, Replacement & Repair Capital Costs 2017			
	Replacement Costs	Repair Costs	Difference
Single Storey Design	R44 382 820,86	R37 584 401,86	R6 798 419,00
Double Storey design	R69 591 275,78	R61 433 806,35	R8 157 469,43

In addition to the core infrastructure costs, there are also "Set Up" costs that are usually

part and parcel of the capital outlay after the construction is finalised. Such costs are as follows:

*Table 28. Possible set-up costs*

Imbali Industrial Hub Design, Set Up Capital Costs 2017	
Office furniture	R200 000,00
Computer System x computers	R125 000,00
Office equipment & Furniture	R85 000,00
Shared incubator equipment	R250,00
<b>Total</b>	<b>R410 250,00</b>

### 14.3. Income and Expenditure Review

The national and international literature discussed in this report, reveals that the income generating capacity for incubators in South Africa is highly dependent on the kind SMMES they hold, the management, performance-monitoring systems, record keeping, and networking capacity. In addition the charisma and skill of the Manger is key to the success or failure of the Incubator.

Central to the financial viability and broader sustainability of the incubator process is a strategic financial planning model that is clear and easily understood and implemented.

The IIH incubation model is based on the recognition that Incubators are not havens for easy access to funding or alternative government support systems that inevitably fail. Central to the model is the premise that incubators are business and development support vehicles and if the incubator itself cannot exhibit a profit, then it should not be in business.

Consequently, the income generating strategy in the early stage of the incubator is one of securing income through rentals, hosting conferences and securing dynamic “Good Practice Incubation Partnerships” particularly in the ICT and mixed-use fields. The reasons for this mix of partner in the strategy is that ICT Incubation is the most innovate and lucrative incubation process in South Africa and worldwide at the moment. The usage of one form or another of ICT has permeated a vast array of business, sciences, engineering and creative cultural and artistic realms. In addition most of the successful business oriented incubators are flexible, capable of diversification and exhibit a range of mixed-use activities tapping into of value chains ranging from cut and trim processes, though lucrative craft and art commodification, to data handling and sharing through to “super-computing” for engineering applications and niche markets such as masts, aerals, electronic cigarettes, to media based language, cooking, editing, and mentoring processes.

The basic income and expenditure basics for the IIHub at start up are shown in Table 29 and Table 30 respectively.

Table 29. Estimated monthly income for the Imbali Industrial Hub

ESTIMATED MONTHLY INCOME GENERATED BY IIHUB MIXED USE HUB							
TYPE OF SPACE	No	Area in Sqm	Monthly Rate per Sqm/ Space	No Days	Monthly Rental Per Unit	Monthly Total	Annual Total
							12
<b>ADMINISTRATION AREA</b>							
Reception Area							
Meeting Rooms (Rent)	3		R100,00	15	R1 500,00	R4 500,00	R54 000,00
Staff Offices	0		R0,00	0	R0,00	R0,00	R0,00
Assembly Area / Hall ( Rent)	1	10	R500,00	10	R5 000,00	R5 000,00	R60 000,00
Lecture Halls ( Once a week)	3	R0,00		R0,00	R500,00	R1 500,00	R18 000,00
<b>Sub-Total</b>					<b>R7 000,00</b>	<b>R11 000,00</b>	<b>R132 000,00</b>
<b>WORKSHOP COMPONENT</b>							
Workshop 1	6	65	R25,00		R1 625,00	R9 750,00	R117 000,00
Workshop 1	12	25	R20,00		R350,00	R4 200,00	R50 400,00
Workshop 2	8	65	R25,00		R1 625,00	R13 000,00	R156 000,00
Workshop 2	8	25	R20,00		R500,00	R26 950,00	R323 400,00
Workshop 3	8	25	R20,00		R500,00	R4 000,00	R48 000,00
Workshop 4	8	25	R20,00		R500,00	R4 000,00	R48 000,00
Cubicles (Electrical Workshop 2)	12	25	R20,00		R500,00	R6 000,00	R72 000,00
Cubicles (Electrical Workshop 1)	12	25	R20,00		R500,00	R6 000,00	R72 000,00
Workshops (Building Trades)	6	100	R25,00		R2 500,00	R20 000,00	R240 000,00
Cubicles (Drawing Rooms)	16	25	R25,00		R625,00	R10 000,00	R120 000,00
<b>Sub-Total</b>					<b>R9 225,00</b>	<b>R103 900,00</b>	<b>R1 246 800,00</b>
<b>SERVICES COMPONENT</b>	1				R0,00	R0,00	R0,00
Cafeteria (to be established)	1		R100,00	21,00	R2 100,00	R2 100,00	R25 200,00
Confrence centre ( Rrent)	1		R2 000,00	10,00	R20 000,00	R20 000,00	R240 000,00
<b>Sub-Total</b>					<b>R22 100,00</b>	<b>R22 100,00</b>	<b>R265 200,00</b>
<b>TOTAL INCOME</b>					<b>R38 325,00</b>	<b>R137 000,00</b>	<b>R1 644 000,00</b>

The core feature of this income generation model is that it still maintains a rental costing per square meter at approximately 40% - 50% below current market prices in Pietermaritzburg, Durban, and elsewhere in KwaZulu-Natal. In addition the modern aesthetic of the new buildings are deigned to attract prospective medium range conferencing and meeting in a pleasant environment. The immediate prospective conference and meeting customers are the medical fraternity from the Edendale hospital, the educational institutions within the greater Edendale development area and government departments within the greater Pietermaritzburg areas. The model is anticipated to change substantially with the possible partnership with other highly branded and experienced ICT incubation hubs such as the Ethekwini Smart Xchange in the Durban CBD, and its partner in Ray Nkhonyeni Municipality Smart Xchange with its offices in Port Shepstone.

The operational costs for the incubator at start-up phase is shown in Table 30.



Table 30. Estimated operational costs for the Imbali industrial hub

ESTIMATED IHH OPERATIONAL COSTS IN RELATION TO INCOME			
GROSS INCOME	DESCRIPTION	PERMONTH	PER ANNUM
Rent	80% Rent	R137 000,00	R1 644 000,00
Other Grants	20% Grant	R27 400,00	R328 800,00
<b>TOTAL GROSS OPERATING INCOME</b>		<b>R164 400,00</b>	<b>R1 972 800,00</b>
FIXED Expenses			R0,00
Rates		R1 000,00	R12 000,00
Insurance		R2 000,00	R24 000,00
Audit Fess		R1 000,00	R12 000,00
Management Fees		R2 000,00	R24 000,00
<b>Sub Total</b>		<b>R6 000,00</b>	<b>R72 000,00</b>
Staff			
Centre Manager		R30 000,00	R360 000,00
2X TrainingManagers		R30 000,00	R360 000,00
2x Admin staff		R16 000,00	R192 000,00
3X Cleaning Staff		R7 500,00	R90 000,00
<b>Sub Total</b>		<b>R83 500,00</b>	<b>R1 002 000,00</b>
SMME Training 6 courses @ R30,000 per one week course		R15 000,00	R180 000,00
Travel & Training		R5 000,00	R60 000,00
Training Materials		R5 000,00	R60 000,00
<b>Sub-Total</b>		<b>R25 000,00</b>	<b>R300 000,00</b>
<b>Service Agreements</b>			
Pest control		R250,00	R3 000,00
Security		R12 000,00	R144 000,00
<b>Sub Total</b>		<b>R12 250,00</b>	
<b>Variable Expenses</b>			
Media		R500,00	R6 000,00
Bank Charges		R500,00	R6 000,00
Lega Expenses		R200,00	R2 400,00
Vacancy Provision		R1 355,00	R16 260,00
Telephone & BB		R3 000,00	R36 000,00
Water		R4 000,00	R48 000,00
Electricity		R10 000,00	R120 000,00
Sewage		R1 500,00	R18 000,00
<b>Sub Total</b>		<b>R21 055,00</b>	<b>R252 660,00</b>
<b>Repairs &amp; Maintenance</b>			
Buildings & Site Maintenance		R1 000,00	R12 000,00
Shared machinery		R750,00	R9 000,00
Equipment		R500,00	R6 000,00
<b>Sub Total</b>		<b>R2 250,00</b>	<b>R27 000,00</b>
<b>TOTAL GROSS OPERATING EXPENSES</b>		<b>R150 055,00</b>	<b>R1 800 660,00</b>
<b>NET OPERATING INCOME</b>		<b>R14 345,00</b>	<b>R172 140,00</b>

The monthly total gross income of R 137 000 in Table 30 represents 80% of the incubators income in this model for the first year as it is being established and seeks ICT base partners in order to sustain

itself in the longer term. The remaining 20% (R27, 400) of its income stems from donations elicited from government departments, the private sector and the Non Profit (NPO) fraternity worldwide.

This basic and very carefully developed model will change substantially in the first year of inception as key and dynamic partners with the same drive for incubation and genuine business development are sought. Central to the success of this first step is the acquisition of a charismatic and dedicated incubation Manager/Trainer with a passion for her/ his craft in the incubation domain.

## **15.PROJECT SUMMARY AND RECOMMENDATIONS**

The project recommendations will consider both the 2010 conclusion and the 2017 review findings.

### **15.1. 2010 Feasibility assessment recommendations**

The 2010 Feasibility study (Msunduzi Municipality, 2010) concluded that there was a need for the project based on the following:

*“The availability of an appropriate facility in the Imbali area that can be rehabilitated for the establishment of an incubator;*

*The cost savings that will be achieved through the rehabilitation of the existing facility;*

*That an appropriate institutional approach to the management and operation of the facility is available, through creating a private company with the Msunduzi Municipality as primary shareholder;*

*That approaches to the managing and operating a facility of this nature is understood and that staff requirements related to this approach has been identified; and*

*That capital and operational funding will be required from stakeholders to make this proposed development a reality.”* (Msunduzi Municipality, 2010: 59).

### **15.2. 2017 Feasibility Review assessment**

The 2017 Feasibility assessment comes to the same conclusion, although a different implementation model is recommended. The motivation in support of the development proceeding includes the following:

1. The establishment of a SMME Hub on Erf 1977 is in line with the strategic development intentions for Edendale and Imbali as reflected in the strategic planning documents prepared since 2009 (Please see Msunduzi Municipality, 2009. *Imbali Mixed Use Investment Report*. Prepared by Isibuko se Africa, Msunduzi Municipality, 2010. 2<sup>nd</sup> Draft. *Imbali Mixed Use Investment Report*. Prepared by Isibuko se Africa and Msunduzi Municipality, 2016. *Imbali Industrial Hub Profile*. Sustainable Development & City Enterprises);
2. Support by the local community and the expressed need for SMME type development in the area to support economic growth;
3. The Incubator model presented in this review suggests that the contribution to the running costs of the hub can be reduced to 20% of the value of the 2010 report, based on a different operating model, placing the onus of the Incubator company to secure funding and management of the centre;

4. The upgrading of the project area will contribute to the upliftment of the Imbali area, one of the strategic goals of the municipality,
5. Supporting job creation and LED in the Msunduzi and
6. Increased revenue through payment for services.

## 16. REFERENCES

Msunduzi Municipality, 2009. *Imbali Mixed Use Investment Report*. Prepared by Isibuko se Africa.

Msunduzi Municipality, 2010. 2<sup>nd</sup> Draft. *Imbali Mixed Use Investment Report*. Prepared by Isibuko se Africa.

Msunduzi Municipality, 2016. *Imbali Industrial Hub Profile*. Sustainable Development & City Enterprises

Msunduzi Municipality, 2010. *Trading Centre/ SMME Incubation Feasibility Assessment*. Department of Economic Development and Tourism. Prepared by Strategic Planning Resources.

Personal discussion, 2 March 2017. Gordon Hinde, Surveyor-General's Office.

Personal discussion, 21 April 2017. Gordon Hinde, Surveyor-General's Office.

Personal discussion, 12 April 2017. Mike Kitshoff, Mike Kitshoff Surveyors.

The 2017/2022 uMgungunglovu Municipality Integrated Development Plan (hereafter DIDP);

The 2017/2022 uMgungunglovu Municipality Spatial Development Framework (hereafter DSF);

The Msunduzi 2017/2022 Integrated Development Plan (hereafter the LIDP);

The Draft 2017/2022 Msunduzi Municipality Spatial Development Framework (hereafter the LSDF) ;

The Imbali Mixed Use Investment Precinct Development Precinct Plan ( iSibuko se Africa 2010)

The Greater Edendale Development Initiative (GEDI) ( Msunduzi LED Unit 2011)

The Edendale Hub Report (Iyer Rothaug Collaborative cc 2014)

The SDF review , Draft conceptual Framework Report for Greater Edendale – Imbali ABM (Iyer Rothaug Collaborative cc 2007)<sup>7</sup>

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<sup>7</sup> This document is currently under further extensive review in the form of a comprehensive LED strategy and was not made available for the purposes of this report in May 2017)

Msunduzi SDF Review Final Report (Iyer Rothaug Collaborative cc 2015)<sup>8</sup>

Policy for the Informal Economy ( Department of Economic Development and Tourism version 1.4 Undated)

KZN Economic Overview ( Department of Economic Development, Tourism and Environmental Affairs 2016 ( hereafter EDTEA)

Msunduzi Local Economic Development Strategic Plan ( Msunduzi Municipality 2014)

Sustainable development and City Enterprises Presentation ( Msunduzi Municipality undated)

Youth Enterprise Park Presentation ( Department of Co-operative Development and Traditional Affairs & PGA Architects 2016)

Edendale Trading Centre/ SMME Incubation Feasibility Assessment (Tindall Kruger, commissioned By Msunduzi Municipality and KZN Department of Economic Development 2010)

M. Masutha & C.M. Rogerson 2014 , Small business incubators: An emerging phenomenon in South Africa's SMME Economy [www.academia.edu/9928182/ Small\\_Business\\_Incubators\\_ An\\_emerging\\_phenomenon\\_in\\_South\\_Africa's\\_SMME](http://www.academia.edu/9928182/Small_Business_Incubators_An_emerging_phenomenon_in_South_Africa's_SMME)

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<sup>8</sup> This report is being augmented in 2017 by a Capital Investment framework and Scheme guidelines and was not available for the purposes of this report in May 2017

## ANNEXURE 1: MINUTES OF THE MEETING HELD ON 19 JANUARY 2017

### Notes of Meeting with Ward Committee: Imbali Light industrial Hub

Venue: Unit 1 Imbali Community Hall

Date: 19/01/2017

Time: 17:00 pm

#### 1. PRESENT:

NAME	SURNAME	ORGANISATION	EMAIL	CONTACT NO.
Caiphas	Ndawonde	Councillor	Nomusa.isdora@msunduzi.gov.za	
George	Lebelo	Municipality	George.lebelo@msunduzi.gov.za	0333923627
Londeka	Sindane	Municipality	Londeka.sindane@msunduzi.gov.za	0333922534
Gcina	Mkhize	Municipality	Gcina.mkhize@msunduzi.gov.za	0333922528
Martin	De Lange	Isik	martin@isik.co.za	0846965783
Pat	Luckin	Asihlele	pat@asihlele.net	0827725404
Nicholas	Davis	Isik	nick@isik.co.za	0333441175
Zilungile	Chanco	Municipality	Zilungile.chanco@msunduzi.gov.za	0333923275
Bongani	Mchunu	Umgungundlovu District	Bongani.mchunu@doe.gov.za	0828321936
Nomusa	Isabae	Municipality	Nomusa.isabae@msunduzi.gov.za	0834305379
Goodwill	Zulu	Ward Committee	Zwezulu26@gmail.com	0721062611
Dumisani	Madlala	Ward Committee	N / A	0828174991
Lolani	Buthlezi	Ward Committee	N / A	0820830138
N. F	Volima	Ward Committee	N / A	0780412777
Zinhle	Ngubeni	Ward Committee	ZinhleNgubeni.1@gmail.com	0722138517
Londiwe	Sibisi	Ward Committee	Londiwesibisi45@gmail.com	0764185331
Njabulo	Mthembu	Municipality	Njabulo.mthembu@msunduzi.gov.za	0839541484
Kunene	Dipsie	SANCO	Not on register	0827850705
Andile	Cholo	Ward Committee	Andilemzingisi@gmail.com	0781909962
Sanele	Dlamini	SANCO	Not on register	0719317154
Lungile	Ngcobo	SANCO	Can't read on register	0827405788
Thulani	Khanyile	SANCO	Thulani.khanyile68@gmail.com	0736205071

## **2. APOLOGIES AND ABSENTEES**

None.

## **3. OPENING AND WELCOME**

Mr Lebelo opened the meeting and welcomed the various role players.

All role players were requested to introduce themselves.

Mr Lebelo offered the chairmanship to Councillor Ndawonde. Councillor Ndawonde suggested that Mr Lebelo chairs the meeting.

Mr Lebelo introduced the project indicating that Isikhungusethu Environmental Services has recently been appointed to undertake the *planning work in preparation of the implementation phase*. Mr Lebelo indicated that this project would have to tie in with the current vision for this area. He referred to the fact that the area is considered to be an educational precinct. This implies that there would be support for the youth within this area, guidance for those individuals from DUT in the form a SEDA office, in addition to various other facilities that would promote youth involvement.

Mr Lebelo then provided a brief background to this meeting, and said that Councillor Ndawonde had met with the community during November 2016. This was followed by a meeting with **SANCO**. Mr Lebelo indicated that both meetings generated questions that required follow up which was part of the purpose of this meeting. Mr Lebelo indicated that one of the critical questions related to alternative accommodation in respect of the illegal occupants in the industrial hub buildings.

This was followed by Councillor Ndawonde indicating that the illegal settlement took place in around 2010 and that Mr Mchunu, who is present today, had knowledge of this event that took place. He accordingly suggested that Mr Mchunu provide the meeting with an overview of what happened during this stage of the invasion.

## **4. ALTERNATIVE ACCOMMODATION**

The Councillor Ndawonde indicated that no promises had been regarding the securing of alternative accommodation. Mr Mthembu was tasked to investigate the availability of alternative accommodation only. Councillor Ndawonde further indicated that it was made clear during the meetings with the community that there are specific qualification criteria, and added that only those persons who meet the criteria could be considered.

Mr Mthembu from the Msunduzi Department of Housing responded by indicating that there was no alternative accommodation available for the occupants of the Industrial Hub. He further indicated that this project was to begin as soon as possible, while a housing project may take between 3 – 5 years to initiate. He suggested that subject to the standard housing support criteria, the names of the people who qualify can be placed on a waiting list for future housing projects.

Mr Mthembu also indicated that there was a reluctance from other wards to receive / accommodate people from outside that particular ward. This does make it more complex with regards to the placement of people.



## **5. CURRENT OCCUPANTS OF THE HUB**

Mr Lebelo indicated that the majority of the occupants of the industrial hub are youth and need to be negotiated with, which can become difficult. He added that in the event that these negotiations failed the project would collapse, leading to greater unemployment in this area.

Additionally, Mr Lebelo indicated that there would have to be some sort of anchor tenant in this hub, which would assist the sustainability of the system. Mr Lebelo then mentioned that he had recently been exposed to a tin recycling plant and went on to explain that this could be a significant income generator in this area.

Mr de Lange asked how many people were currently residing on the industrial hub site? Mr de Lange further enquired if there was a social profile available for the individuals? Mr Dlamini stated that there were currently 36 people residing on this site. Mr Lebelo then said that he thought there may be a social profile and he tasked one of his staff members to submit it to the service provider.

Mr Mchunu proceeded to explain what the events were in 2010. (Londeka to provide additional notes and this portion of the meeting proceeded in Zulu).

Mr Lebelo requested SANCO to respond. (This discussion proceeded in Zulu).

Mr Lebelo followed the above response explaining that if the illegal occupants are not successfully relocated, the project would collapse. Mr Lebelo continued that there is an urgency in respect of this project as funding is limited and they are in competition with other areas of the municipality which require funding. He stated that if this project was seriously delayed then it was highly probable that the funding would be taken away and the project shelved.

Councillor Ndawonde indicated that it was apparent from the proceedings today that there are no other alternative accommodations available to the illegal occupants. As a consequence there is no other option but to serve notice on the illegal occupants requiring them to vacate the premises in order for the project planning and implementation to proceed.

There was a debate in respect of the time to be granted for illegal occupants to vacate the premises. SANCO indicated that the date had to be reasonable, whilst it is acknowledged that there is an urgency in respect of the project. Initially a period of two months was suggested, however, this was later adjusted to three months.

Mr Lebelo indicated that as this is a sensitive subject, it would be advisable that the matter serves before council to get their blessing. If three months is supported, notice can be served on 01 February 2017 requiring that the premises be vacated by the end of April. This will allow for the implementation to proceed on 01 July 2017 as was initially envisaged.

## **6. SOCIAL RESPONSIBILITY**

Mr Dlamini questioned the social responsibility component of this project. Mrs Luckin explained the concept of planning gain and gave examples of how this has been effectively implemented elsewhere and that SPLUMA provides for incentive zoning.

## **7. APPOINTMENT OF SERVICE PROVIDER**

Mr Dlamini then queried Mr Lebelo as to the method employed to select the service providers for this project? Mr Lebelo provided a detailed explanation of the process followed by Msunduzi supply chain management, which led to the appointment of three companies to their panel of planning experts. These companies are appointed to various projects on a rotational basis.

Mr Dlamini then asked that in the future people from the specific ward be considered in order to encourage employment. Mr Lebelo responded that this was purpose of this project improve on the employment opportunities for local people.

## **8. PROJECT INTENTIONS**

Mr Lebelo then described the intentions of this project in the following points:

- Review of the 2010 business plan for this area, which would include the design and costs for upgrading \ demolition of the buildings.
- Social facilitation in terms of community buy-in to the project and the negotiation or eviction process with regards to the land invaders.
- Review of the strategy dealing with the allocation process.
- Establishment of an anchor tenant which would dictate the design and structure of hub.
- Partnership re-establishment which would form a part of the steering committee for the project.
- In terms of budgeting he indicated that he would through the service provider obtain the necessary input figures.
- Mr Lebelo further indicated that the project would conclude with the preparation of bid specifications for the implementation phase.
- The final product would be a SPLUMA / PDA application to ensure the correct zoning of the industrial hub precinct. Mr Lebelo indicated that the service provider would be responsible for preparing the application with the Municipal staff as they will need to understand how to prepare and application and then take it through the various committees for approval in accordance with SPLUMA and the PDA.

## **9. CRECHE**

Mr Lebelo indicated that there is currently a crèche within the industrial hub and stated that this could not be relocated without an alternative location being provided. He further emphasized the importance of this crèche considering that this is an educational precinct.

## **10. FENCING**

Mr Lebelo stated that although a service provider / contractor had been appointed to undertake the construction of a fence around this hub, it could not be started until the illegal occupants had been removed from the site.

## **11. COMMUNITY CONSULTATION MEETING**

There was a discussion and it was agreed that this must happen during the latter half of February, but a date is yet to be decided.

## **12. INVENTORY OF CURRENT OCCUPANTS AND LAND USES**

Mr de Lange said that there should inventory of both current occupations and those that should retained, in addition to the illegal invasions occurring.

## **13. MEETING CLOSURE**

Mr Lebelo closed the meeting and requested a meeting towards the end of February (Date to be confirmed).

**ANNEXURE 2: MINUTES OF MEETING HELD ON .... FEBRUARY 2017**

Final Draft

## ANNEXURE 3: MINUTES OF MEETING HELD ON 05 MARCH 2017

Community Meeting: Imbali Light industrial Hub

Venue: Unit 1 Imbali Community Hall

Date: 05 March 2017

Time: 14:00 pm


### 1. PRESENT:

Please see Annexure A for the attendance register. Meeting attended by 52 people.

### 2. APOLOGIES AND ABSENTEES

None recorded.

### 3. AGENDA

Agenda	
	
Imbali Light Industrial Hub Community meeting (Ward 19)- Msunduzi Local Municipality	
Venue: Unit 1 Community Hall (Cnr of Mtombothi and Thathawe Roads)	
Time: 14H00 to 16h00	
Date: 05 March 2017	

Items	Responsibility
1. Opening and welcome	Msunduzi Municipality
2. Apologies & adoption of agenda	All
3. Purpose of the Meeting	Msunduzi Municipality
4. Programme	
4.1 Introduction of the Project Intentions and project team <ul style="list-style-type: none"><li>Project overview and objectives</li><li>Visioning Questions</li></ul>	PSP: Mr Mbongeni Hlongwa
4.2 Questions and Community Visioning input <ul style="list-style-type: none"><li>Discussion and inputs</li></ul>	All
4.3 Final Vision Statement	PSP: Mr Mbongeni Hlongwa and Team
5. General	All
6. Closure and way forward	Msunduzi Municipality

### 4. OPENING AND WELCOME

The Councillor Ndawonde opened the meeting and welcomed all present.

## **5. INTRODUCTION**

Mr George Lebelo provided an short introduction to the meeting sharing his enthusiasm for this important project for Imbali. He provided a short background of the history of the project explaining that this was a revitalisation of the 2010 Imbali light industrial hub project. He explained that Isikhungusethu (Isik) had been appointed to undertake the planning work and that the team was looking forward to working with the community and incorporating their ideas.

This was followed by a short introduction of the project intentions and of the project team by Mr De Lange.

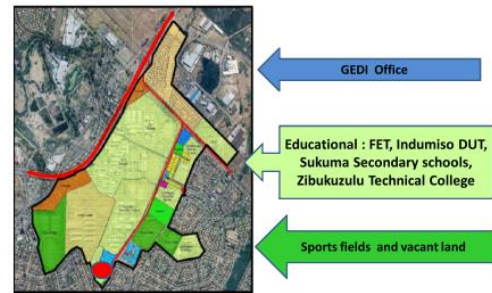
## **6. PROJECT OUTLINE**

Mr Hlongwa proceeded with an overview of the project aims and the project process as per the slides below.

**The Previous Department of Education College Site**



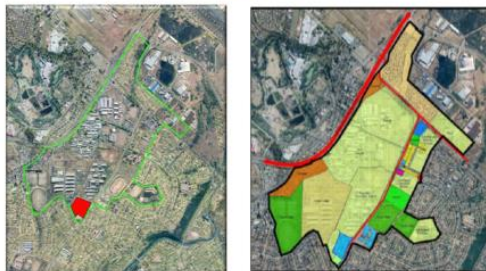
**Land Uses & Vision = Educational, Light Industrial & SMME Hub**



### **Project Aims 1**

1. Feasibility Study for this area, which would include the design and costs for upgrading/demolition of the buildings- underway ( 6mths to complete)
2. Preparation of costing for implementation & detailed planning rezoning application ( 1 year to finalise)
3. LED :
  - 3.1. Look for Financial Support Partnerships (started)
  - 3.2. Focus on the youth enterprises and other local existing business support & development.
  - 3.3. Determine themes and visions with the community that support the educational/SMME/ Business support of the precinct.
  - 3.4. Community meetings to keep community informed and to understand their ideas and needs in relation to the project aims.

**Project: In Imbali Mixed Use Land Use Area**



## **7. DISCUSSION AND QUESTIONS**

Following the above presentation the opportunity was provided for questions and discussion.



QUESTION / DISCUSSION	RESPONSE / ACTION
<b>Training centre:</b> A question was posed whether this will just be a training centre or whether other activities would be encouraged.	Mr Lebelo explained that training is an important part of this precinct and this particular hub however, it is also the intention to provide various other SMME activities to allow for economic growth and job creation.
<b>Different types of SETAs:</b> It was suggested that wood manufacturing, carpentry and welding operations should be permitted.	Mr Lebelo explained that the activities that are permitted in a light industrial hub will be dictated by the zoning of the land. It is the intention to look at a number of activities but it would be important that they are compatible with each other. He provided examples where they are not compatible.
<b>Business development:</b> The need for business development skills was raised.	It is the intention to have SEDA on site who would assist municipalities with business planning and budgeting.
<b>Need for library, information hub:</b> The need for a library / information centre was raised.	Mr Lebelo explained that there were two sites previously identified for a library. He went on to explain that there was sufficient drive to achieve this, but that land invasion similar to this development may delay implementation.
<b>Need for social work:</b> A question was raised as to whether the centre can fulfil social work services as there are numerous social challenges	It was explained that whilst not downplaying social issues, the focus of the project will be business and related activities.
<b>Involvement of current occupiers:</b> A question was posed as to the involvement of the current occupiers and whether their views will be taken into consideration.	Mr Lebelo responded that this was a very sensitive case and that there have been serious discussions with the effected community. There has been a concerted effort to find suitable alternative accommodation, however, this is not available. It was explained that much has been done to liaise with the community but that we should separate the development of the site from the site invasion. The site invasion is being dealt with through notices to the affected parties, whilst we as a team together with the community are looking at the local economic development of the site.
<b>How does the current project incorporate previous plans?</b>	The current project will take into consideration those actions and activities previously identified which still remain of value.
<b>Avoid loss of current businesses:</b> A request was made that the disruption of current business activities should be minimised.	Mr Lebelo responded explaining that as previously mentioned the team will be looking at SMME activities which could be used to promote economic growth and job creation on the site. Current operations would be considered, recognising that these activities need to be compatible with each other. He explained that when construction does commence there would need to be a potential

	re-location of activities to avoid any potential hazard. This will be part of the consideration of the planning reports.
<b>Recycling:</b> A suggestion was made that recycling be considered as one of the activities.	Mr Lebelo from the Msunduzi Municipality indicated that recycling was definitely an activity being considered. He explained that there have already been discussions with Hulamin and Flopak.
<b>Need for IT and Wifi:</b> The youth in Ward 19 expressed a need for IT and Wifi provision. They explained that this is an educational precinct yet there are great difficulties in securing IT and Wifi services in the area.	This point was well made and is definitely part of the consideration for the development of this area. Included in the current thinking is the provision of rentable offices, a boardroom, wifi and printing facilities.
<b>Vehicle repair and textile industry:</b> A question was posed as to whether vehicle repair and textile industry can be incorporated?	It was explained that consideration will be given to a variety of SMME activities. What, however, would be important is the compatibility of activities, whether they meet the policy criteria and which would have the greatest benefit for the community.
<b>Furniture manufacturing and funding:</b> Councillor Ndawonde suggested that furniture manufacturing and particularly funding support needs to be considered.	Furniture manufacturing would be a consideration in addition the service provider is seeking to find investors who would assist with funding support. This would be in addition to the financial support already provided by COGTA and business support which is being secured through SEDA.
<b>Accommodation of existing workshops in the surrounding area:</b> A request was made that careful consideration should be taken of existing operational commercial activities in the surrounding area.	Mr Lebelo replied that this would be taken into consideration. The intention would be to avoid competition and rather look at synergy.
<b>To whom will this facility be available? (only locals vs outsiders)</b>	The idea is to retain money within PMB and in the Imbali area. Therefore, local industry would be favoured, however, where outside industry can provide financial growth and job opportunities this will need to be considered carefully. There needs to be a balance.
<b>Equitable spread of growth:</b> A point was made that the project should consider poor people and not just be focussed on operational businesses.	Mr Lebelo explained that one of the activities still to be undertaken is a site allocation strategy. He is very aware of the need to have an equitable allocation of sites which includes poorer communities.

Mr Hlongwa summarised the events of the day.

## 8. CLOSURE

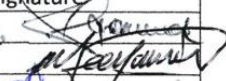
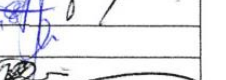
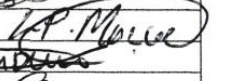
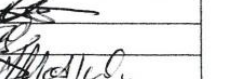
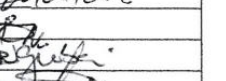

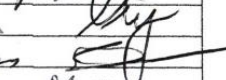
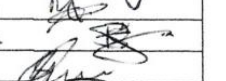
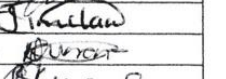
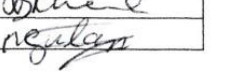




The Councillor closed the meeting and thanked everyone for their attendance.

# Annexure A – Attendance Register

Community Meeting: Imbali Light Industrial Hub Planning and LED Project

Date: 05 March 2017 (14h00 to 16h00)

Venue: Imbali Unit 1 Community Hall (Cnr of Mtombothi and Thathawe Road)

Name	Organisation	Contact Number	E-mail	Signature
SIPHIKILE NDAWONDE	CONCILLOR	0734314277	Ndawonde Siphiwe@imbali.gov.za	
MARTIN DE LANGE	ISIKHUNGUSETHU ENV. SERV.	0846965783	martin@isik.co.za	
XONDEKA SINDANE	MUNICIPALITY	0333922534	xondeka.sindane@msunduzi.gov.za	
George Lebele	MSUNDUZI	0333923627	george.lebele@msunduzi.gov.za	
NOMUSA ISHORE	MSUNDUZI	0333923632	Nomusa.Ishore@msunduzi.gov.za	
Lucky Mbuli	PRIVATE	0733337689	Lucky.mbuli10@gmail.com	
MFundo Dromo	PRIVATE	0824066407	- N/A	
Owen Mtombela	None	0631927860	- N/A	
Zoleka Zondo		0842280010	magway@gmail.com	
Dumisani Madlala	WARD COMMITTEE	0828175991	N/A	
Kunene Dipsie	Comm. member	0827850205	N/A	
MUBENI ZINIHLE	WARD COMMITTEE	0722438517	N/A	
MONTSHO VANCE	WARD COMMITTEE	0780112717	N/A	
SIKUMBINO KUNDO		0724450702	N/A	
S.W. LAMUKA		0833184187	N/A	
V.G. MSWARA	WARD COMM.	0792373678	garnetmjw@gmail.com	
BANILE NGCISO	BANILENG ward.com	0816909181	Luvistad@bani.com	
Wanelile Nkhize	Private	0747187872	WAHRIYADJ@gmail.com	
SIPHILKHELE KHOZA	PRIVATE	0794104939	mlilolwand@gmail.com	
BUTHLEZI B.D	WARD COMMITTEE	0820830138		
Thandokile Simelane	COMMUNITY MEMBER	0824275277	N/A	
Phumla Kunene	Community Member	0733266534	zodwa.kunene1965@gmail.com	
Zodwa Kunene	Community Member	0717447810	"	
M.D. NGUBANE	BES MEMBER	0792470060	"	



Name	Organisation	Contact Number	E-mail	Signature
KHUKHI S. ZANI	Private	0733552400	N/A	[Signature]
Nobantu Bera	member	0764502204	N/A	N Bera
Nontlanha Mwangi	member	0721040124	N/A	N Mwangi
Mfana Mkhize	MEMBER	0730750401	N/A	[Signature]
KHETHO KHAMBULE	Community MEMBER	0835173404	khetho.khambule@gmail.com	[Signature]
DUMSINI V. ZONDI	community	0711717623	N/A	[Signature]
NKOSINATHI NDELE	member	0744718376	nettyndele@gmail.com	[Signature]
Lungisani Mkhongo	member	0766923867	lungisaniwile@gmail.com	[Signature]
Andile Mzingi	Spout & Rec	0781909962	AndileMzingi@gmail.com	[Signature]
THULANI MKHIZE	COMMUNITY	0794631670	N/A	[Signature]
SIPHAWE RADZBI	C/ MEMBER	0796077574	N/A	[Signature]
T. M. Muzi	C/ MEMBER	0721991932	19/19	[Signature]
Muzi KHAMALO	MEMBER	0715620438	Muzi23Muzi@gmail.com	[Signature]
Nozapho Ngubane	C/ member	0793480482	N/A	[Signature]
Thandani Phiso	C/ member	0763501699	NA	[Signature]
ANDISWA QUITA	C/ member	0797185422	Andiswaquta@gmail.com	[Signature]
Marchosi SIKHAKHANE	C/ member	0829780285	N/A	[Signature]
Audu Sipho	Community member	0727029180	audu.sipho@msunduzi.co.za	[Signature]
Raphel Dlamini	Community member		N/A	[Signature]
MTHEKO GUTSHABA	member	0722348002	N/A	[Signature]
MTHEBISI MCHUNU	C/ MEMBER	0787052520	mthebismchunu1950@gmail.com	[Signature]
Mali Ndlovu	YOUTH CAN CHANGE	0723549385	mandlovu524@gmail.com	[Signature]
Bambusa Mkhize	ANCYL	0747962918	mbusa@mkhizebambusa.org.za	[Signature]
ZWE ZULU	WARD COMMITTEE	0721062611	ZWEZULU26@gmail.com	[Signature]



## **ANNEXURE 4: MINUTES OF MEETING HELD WITH ANCHOR TENANTS ON 30 MARCH 2017**

Potential Anchor Tenant Meeting: Light Industrial Hub Planning and LED Project  
Venue: 341 Church Street, Prof Nyembezi Building, 5<sup>th</sup> Floor – Spatial Planning Boardroom

Date: 30 March 2017 (09h00 – 11h00)

### **1. PRESENT**

NAME	SURNAME	ORGANISATION	EMAIL	CONTACT NO.
George	Lebelo	Msunduzi	George.lebelo@msunduzi.gov.za	0333923627
Mike	Zondo	SEDA	mzondo@seda.org.za	0785554925
Phumzile	Kunene	SEDA	Phumzile.kunene@gmail.com	0827416415
Gcina	Mkhize	Msunduzi	Gcina.mkhize@msunduzi.gov.za	0333922525
Martin	De Lange	Isik	martin@isik.co.za	0846965783
Pat	Luckin	Asihlele	pat@asihlele.net	0827725404
Zilungile	Chonco	Msunduzi	zilungile.chonco@msunduzi.gov.za	0333922177
Ted	Singh	Orav Energy	Ted.singh@oravgroup.co.za	0333914617
Narain	Singh	Msunduzi	Narain.singh@msunduzi.gov.za	0795268240
Nomaswazi	Kanyile	Hulamin	Noma.kanyile@hulamin.co.za	0718770327
Mbongeni	Hlongwa	Gabhisa Planning	mbongeni@gabhisa.co.za	0826594990

### **2. APOLOGIES**

Apologies were given by Ms Zilungile Chonco on behalf of Flopak.

### **3. OPENING AND WELCOME**

Mr Lebelo extended a welcome to all present. He extended a special welcome to the three potential anchor tenants in attendance. i.e. Mr Singh from Orav Energy; Miss Nomsawzi Kanyile from Hulamin, and Mr Mike Zondo from SEDA. Mr Lebelo provided an overview of the project intentions. He explained that the intention was to target small business development on the project site. A core ingredient is the identification of anchor tenants. He noted that the particular structural requirements of potential anchor tenants may influence the design and overall character of the industrial Hub.

Matters which need to be at this meeting include the specific requirements of the anchor tenants as well as their contribution to the development.

Mr Lebelo referred to a meeting with the mayor and politicians with Hulamin citing their electricity requirements and their recycling program. Hulamin's proximity to the industrial Hub site makes them an important potential partner in the development of the Hub. Other matters which would need to be discussed and defined included service level agreements, memoranda of agreement including anchor tenant specific requirements. He proceeded to list some of the other activities which are being undertaken in the LED elements of the project. This included:

- The review of the 2010 business plan
- The preparation of a bill of quantities in respect of improving or replacing buildings,



- The preparation of business plans to lodge with government departments in respect of assistance.
- Securing other investors.

Mr Lebelo explained that there are many business ideas in the area and one of the key roles of the Hub would be to transform business ideas into operational businesses through skills transfers, business plan assistance and financial management. SEDA was identified as a key role player in this regard.

He noted that matters of rates would need to be addressed. The proximity of the DUT and other educational institutions must be used to the advantage of the Industrial Hub. This will include training facilities and skills development programmes.

Mr Narain Singh of the GEVDI office expressed his support for this important venture. He explained that the project is aligned with the National Development Plan and the Municipal Spatial Development Framework. Discussions on recycling and waste to energy intentions are in line with the Green Economy imperatives and the possibility of establishing an Eco-Park. This essentially could be an incubator type development providing for skills transfer and company development.

He suggested that particular attention be given to the following:

- The life cycle of intended businesses.
- Engaging with DUT and SEDA.
- User needs analysis.
- The physical configuration of the site dependent on user needs.
- Operational costs.

Mr Lebelo and Mr Singh offered their apologies as they had to attend another meeting and handed the meeting to Mr de Lange to chair in their absence.

#### 4. PROJECT INTRODUCTION

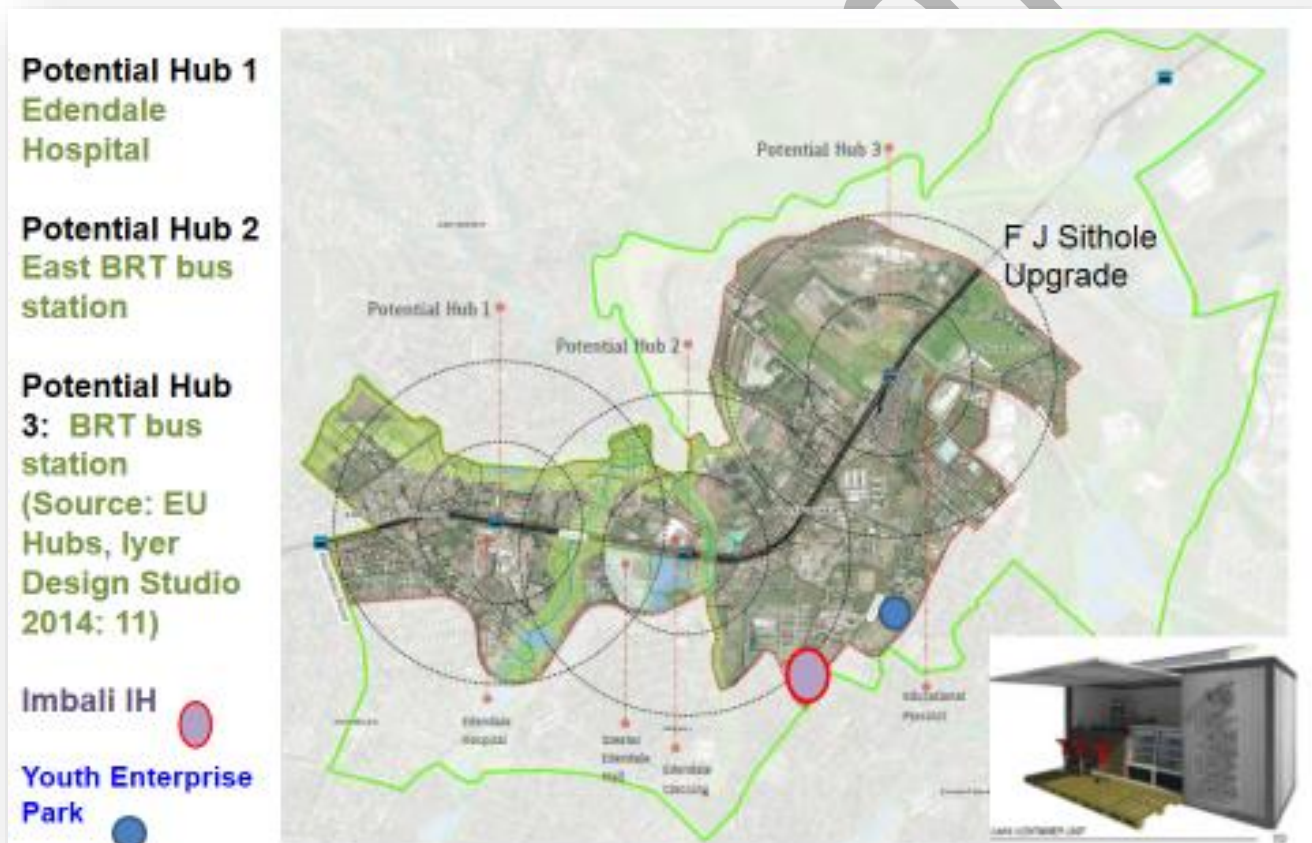
Mr de Lange briefly captured the intent of the meeting. He provided an overview of the project team and then shared the project objectives and time frame. The project deliverables were briefly presented and include:

1. Review of the 2010 Business plan/ Feasibility Study for area, which would include the design and costs for upgrading/demolition of the buildings.
2. Social facilitation in terms of community buy-in to the project and the negotiation or eviction process with regards to the land invaders.
3. Review of the strategy dealing with the allocation process.
4. Establishment of an anchor tenants for the design and structure of the Hub.
5. Financial Support Partnership re-establishment.
6. SPLUMA / PDA application to ensure the correct zoning of the industrial Hub precinct.
7. Structural analysis of the buildings currently on site together with costing analysis of the potential upgrades to these structures.
8. Linkage with the educational precinct.
9. Focus on the youth enterprises and creating an environment conducive to business development.
10. Determine a theme and vision with the community

This was followed, by a presentation by the LED and Town and Regional Planning Specialist, Mrs Luckin. The focus of her presentation was to expose the potential anchor tenants to the buildings on site, providing the development context and detailing the requirements which need to be provided in the form of a business plan for them to be considered as anchor tenants.

The Hub context, was discussed in relation to the Greater Edendale LED Plan developed in 2014 by the Town and Regional Planning company, Iyer Design Studio. It was used to explain the three potential Hubs considered in the 2014 LED Plan, in relation to the location of the proposed Light Industrial Hub project and the Youth Enterprise Park . The three potential Hub locations, within the Edendale Hospital Precinct (Potential Hub 1), the central Edendale Mall and BRT Precinct (potential Hub 2) and the eastern BRT bus station Precinct ( Potential Hub 3), as shown in Figure No 1: (The Potential Imbali Industrial Hub location), were explained and analysed. It was concluded that the nearest and most viable hub for the Imbali Industrial Hub link into is the central Edendale Mall and BRT Precinct (potential Hub 2)

**Figure No 1: The Potential Imbali Industrial Hub Location**



Mrs Luckin pointed out that research on incubation processes reveal that sustainability and financial viability is the key to the success of such projects. Basic to the Hub then is the ability to generate income in order to sustain the SMME incubation offered. She noted that research reveals the more than 50% of incubation projects fail as a consequence of failure to generate self-sustaining income.

Using the Site analysis developed by Tyndal Kruger of Set Plan, in the 2010 which Mrs Luckin has reviewed and updated, she presented the pictures and details on the condition and size of each

building. The full presentation containing the pictures is attached in Annexure B and will not be repeated here. Mrs Luckin then explained the need to establish the requirements of potential Anchor Tenants as this would influence both the design and costing of repair work to be undertaken. The following information is needed from potential anchor tenants in this regard:

- Operational space needed
- Delivery and dispatching requirements
- Building design requirements
- Business establishment contributions
- Job creation and training potential
- Economic growth predictions and sustainability analysis

The presentation was concluded with reference to the some of the key components of the Business Plans to be submitted by the aspirant anchor tenants. This included reference to:

- Previous experience in SMME environment
- Project initiation contributions in terms of design, layout, space requirements, equipment & training.
- Envisaged employment opportunities
- Estimated economic growth figures and sustainability analysis
- Contractual requirements
- Potential partners and funding at hand

Following the above Mrs Luckin requested the meeting to “think out the box”. There was also a question as to whether this should be a light industrial Hub or whether an alternative land use or a mixed use could be considered. It is recommended that the Hub be managed by a dynamic manager who needs to read market requirements effectively and ensure that the Hub is financially viable.

## 6. CONTRIBUTIONS OF POTENTIAL ANCHOR TENANTS

### 6.1 SEDA

Mr Mike Zondo expressed his support for this initiative as it links with the Government plans to revitalise township economies.

He agreed that sustainability is a critical consideration. Matters that will require attention are, the payment of rent, financial viability, sound training initiatives and financial assistance programmes. He said that a fully fledged SEDA office would not be appropriate, but a satellite office which will attend to mentorship and training is definitely on the cards. He sees the possibility of working with private entities or Section 21 companies and supporting them in becoming viable businesses. Mr Zondo did however add that if the situation requires a fully fledged SEDA office to be established they would consider it.

He also indicated that the establishment of an incubator with SEDA funding will be considered and this will be monitored on a quarterly basis. He pointed out that SEDA does not have a waste management incubator programme at present, but he would liaise with the National office in this regard.

He enquired regarding community involvement and whether businesses have shown interest in the site. It was confirmed that there have been two community meetings and that a whole range of light industrial activities have been nominated by the community as part of their vision for the area. This also includes IT and business development skills.

Mrs Luckin expressed some reservations regarding the detailed knowledge relating to current skills on the ground. She explained that a survey tapping a wider base of opinion would provide more certainty. Mr Hlongwa suggested that various data bases be used to improve the level of certainty required as a detailed survey falls outside of the scope of this project.

Ms Mkhize explained that a survey was undertaken in 2016 of the activities on site. This includes a motor repair workshop, furniture making, welding and even a recording studio. She added that it would be important that intended land uses are in line with the light industrial zone provisions of the scheme.

## 6.2 Hulamin

Ms Nomaswazi Kanyile explained that she would have preferred more advance warning of the meeting in order to be more prepared. It materialised that there was communication with a colleague but this may not have filtered through to her. She added that there was uncertainty, based on the presentation and discussion today, of the role Hulamin can play. They support both SMME development and social community upliftment and could potentially support the project in more than one field.

It would appear that Hulamin is encouraging contributions and support of hard developments such as this.

In terms of SMME support she provided some detail of two pilot projects in Richards Bay and Mooi River respectively. They are liaising with prospective companies who are prepared to collect, clean and crush cans for recycling. These projects are fairly well advanced.

SEDA suggested that the parameters of the current two pilot projects be considered in terms of the industrial Hub context to determine whether it is a viable proposition. If so, an expression of interest could be published to secure possible SMME's in the Pietermaritzburg region. Ms Kanyile will liaise with her enterprise division in this regard.

Mrs Luckin highlighted the need for securing markets for products and efficient turn around times for delivery and payments. She cited an example in the where a similar well functioning business had to close due to administrative problems in being paid timeously.

SEDA echoed these concerns warning of the importance of good markets and proper processes.

## 6.3 Orav Energy

Mr Ted Singh of Orav Energy explained that business plans had previously been submitted to the Municipality which included their requirements. Their interest in the project area is to provide energy from waste management. He expressed some concern that the site dimensions and locality within a residential area would potentially be a stumbling block in this locality.

He referred to current operations in Copenhagen and that engineers from their Denmark operation had already made presentations to the Municipality. Sufficient information has been provided for the

Municipality to make a decision as to their contribution in respect of this industrial Hub. He expressed the need to proceed with implementation. Mr Hlongwa explained that it would be important for Orav Energy to remain connected to the Municipality even if this site is not suitable as green energy is a critical consideration for the future.

Mr Singh was encouraged by the team to consider other alternative, possibly smaller level business and training opportunities suitable to the project site location.

## 7. DISCUSSION SUMMARY AND WAY FORWARD

Mr Hlongwa provided a succinct summary of the discussions and the way forwarded detailed below:

- 1.1 Service provided and Municipalities do not always understand the mandate of stakeholders. It is therefore important for the stakeholders present today to take what was discussed and based on their mandate determine their role and responsibility in the project.
- 1.2 The intention of the meeting was to introduce the project, share the parameters and the scope and to give opportunity for questioning and scope refinement.
- 1.3 A further goal was to determine areas of working together.
- 1.4 Sharing of experiences in respect of similar projects.
- 1.5 Recognising the advantages and the restrictions in respect of the project site and locality.
- 1.6 Identifying possible initiatives and processes not considered thus far.

He pointed out that there may be activities that potentially will not fit the requirements of the site. This however does not restrict potential anchor tenants considering other value chain opportunities. Whilst it is acknowledged that there are limitations in respect of space and volume there are potentially many opportunities.

## 8. CONCLUDING REMARKS

The company representatives in attendance were thanked for their contributions and were requested to provide their recommendations and thoughts in writing by 14 April 2017.

Other opportunities highlighted as part of the discussion included mentorship programmes by Hulamin, timber palette manufacturing as suggested by Mr Ted Singh and energy demand analysis as suggested by Mrs Luckin.

## 9. CLOSURE OF MEETING

Mr de Lange closed the meeting at 11h30 and thanked all for their contributions.

## Agenda



**Imbali Light Industrial Hub - Msunduzi Local Municipality: Potential Anchor Tenants**

**Venue:** 341 Church Street, Prof Nyembezi Building, 5th Floor Boardroom

**Time:** 09H00 to 11h00

**Date:** 30 March 2017

Time	Items	Responsibility
09h00–09h05	Opening and welcome	Msunduzi Municipality
09h05–09h10	Apologies & adoption of agenda	All
09h10–09h15	Purpose of the Meeting	Msunduzi Municipality
09h15–09h25	<b>Discussion</b> 1. Project Intentions and project team 2. Project objectives 3. Project programme	Mr Martin de Lange
09h25–09h50	4. Current Building footprint and analysis 5. Anchor tenant requirements and project contributions	Mrs Pat Luckin
09h50–10h30	6. Anchor Tenant requirements and contributions	Anchor Tenants
10h30–10h40	General	All
10h40–10h50	Closure and way forward	Msunduzi Municipality



## Attendance Register

### Potential Anchor Tenant Meeting: Imbali Light Industrial Hub Planning and LED Project

Date: 30 March 2017 (09h00 to 11h00)

**Venue: 341 Church Street, Prof Nyembezi Building , 5th Floor – Spatial Planning Boardroom**

[illegible]

## ANNEXURE 5: MINUTES OF PSC MEETING HELD ON 06 MARCH 2017

Project Steering Committee Meeting: Imbali Light Industrial Hub Planning and LED Project

Venue: A. S. Chetty Building, 3<sup>rd</sup> Floor Boardroom

Date: 06 March 2017, Time: 10h00 to 12h00

### 1. PRESENT:

NAME	SURNAME	ORGANISATION	EMAIL	CONTACT NO.
George	Lebelo	Msunduzi	George.lebelo@msunduzi.gov.za	0333923627
Jane	Permal	Msunduzi	Jane.perumal@msunduzi.gov.za	0333922426
Phumzile	Kunene	SEDA	Phumzile.kunene@gmail.com	0827416415
Lindokuhle	Mahlaba	Msunduzi		0333923087
Martin	de Lange	Isik	martin@isik.co.za	0846965783
Pat	Luckin	Asihlele	pat@asihlele.net	0827725404
Nondumiso	Chonco	Msunduzi	Nondumiso.chonco@msunduzi.gov.za	0333922177
David	Gengan	Msunduzi	David.gengan@msunduzi.gov.za	0333922600
Lourie	Vd Merwe	EDTEA RLED unit	Lourie.vandermerwe@kznedtea.gov.za	0823729791
Melanie	Veness	Pietermaritzburg Chamber of Commerce.	ceo@pcb.org.za	0333452747

### 2. APOLOGIES AND ABSENTEES

Apologies were given by:

- ESKOM
- Msunduzi Roads and Storm water engineering
- The Senior Manager of the Mayor's office.

### 3. OPENING AND WELCOME

Mr Lebelo extended a welcome to all present. He suggested that as opposed to a formal introductions, that speakers would introduce themselves as they speak, and that there is a relaxed atmosphere to encourage discussion and the development of proper working relationships.

#### 3.1 Introduction

Mr Lebelo provided a short introduction going back in history referring to the 2010 business plan he went on to explain that this was considered a good initiative, particularly in light of the National Treasury support for the development of the precinct. One of the main objectives of this initiative was to ensure business support for young and upcoming businesses in Imbali and the greater Edendale

area. There is a strong drive to have a SEDA office in the hub to ensure business support to small and upcoming businesses.

Mr Lebelo continued explaining that there are some challenges, just like any other project. In this instance it relates to land invasion. He said that this matter has been carefully dealt with to restrict conflict but there are a number of illegal occupants on the land. Notice was served on them on Friday 03 March 2017, but when he went past during the weekend it was noted that some of the notices have been removed. There are therefore complications which will have to follow the legal route if not remedied.

### **3.2 Project Requirements**


Mr Lebelo provided a short breakdown of the main components of the project. He referred to the social facilitation that has started since the beginning of the project in January 2017, which has meant that the project has been slightly delayed. Other components include building costs and the allocation process, together with finding alternative accommodation for the crèche. It was acknowledged that there are a number of businesses operating from the site as well as a number of churches. In order to get the project initiated these people will need to be removed. It is however, the intention to try and accommodate the existing operations on the site if they comply with municipal bylaws, site allocation process and policies.

### **3.3 Input by Mr David Gengan**

Mr Gengan indicated that the site location is interesting as Edendale Road and the precinct is being upgraded through support from National Treasury. J. Sithole road runs parallel to Edendale Road and there has been substantial upgrading of Tala Road about 200 m from the site. The project site is therefore strategic and with the right combination of businesses it could act as an industrial and economic hub.

After above introduction, the service provider was given the opportunity to present the content of inception report and progress to date. Mr de Lange, as the project leader, requested that the PSC allow Mrs Luckin to proceed with her presentation first due to a funeral commitment. This was agreed to.

## **4. AGENDA**

Agenda	
	
<b>Imbali Light Industrial Hub - Msunduzi Local Municipality: Project Steering Committee meeting</b>	
<b>Venue:</b> 3rd Floor Boardroom – AS Chetty Building	
<b>Time:</b> 10H00 to 12h00	
<b>Date:</b> 06 March 2017	

Time	Items	Responsibility
10h00	<b>1. Opening and welcome</b>	Msunduzi Municipality
10h05	<b>2. Apologies &amp; adoption of agenda</b>	All
10h10	<b>3. Purpose of the Meeting</b>	Msunduzi Municipality
	<b>4. Programme</b>	
10h15	4.1 Project Intentions and project team <ul style="list-style-type: none"> <li>Project objectives</li> <li>Project programme</li> <li>Initial work done</li> </ul>	PSP: Mr Martin de Lange
10h40	4.2 LED strategy <ul style="list-style-type: none"> <li>Review of existing studies</li> <li>Planning considerations</li> <li>Anchor Tenants</li> </ul>	PSP: Ms Pat Luckin
11h10	4.3 Discussion	All
11h45	<b>5. General</b>	All
11h55	<b>6. Closure and way forward</b>	Msunduzi Municipality

## 5. PRESENTATION ON PROGRESS TO DATE

For recording purposes, the meeting notes are done in original sequence, although the presentations were swapped around as explained above.

### 5.1 Project Team and Programme

Mr de Lange took the meeting through the:

- Intentions of the day,
- Project team, and
- Project programme.

#### 5.1.1 Project Programme

PHASE 2:FEASABILITY & BUSINESS PLANNING		WK1 16/01	WK2 23/01	WK3 30/01	WK4 06/02	WK5 13/02	WK6 20/02	WK7 27/02
1	Internal team meeting			100%				
2	Occupants Meeting & Activities Inventory							
3	Community Visioning Workshop			100%				
4	Review 2010 Business Plan			100%				
5	Design Theme & PSC agreement							
6	Structural Engineering Assessment of buildings and all infrastructure							
7	Archi Design, infrastructure & social facilities (green buildings)							
8	Draft Bill of Quantities & Imp Plan							
9	Land assembly Process plan							
10	GIS Revision & Additions							
11	Telecoms (internet)						50%	
13	Revised LED Strategy							
14	Develop & Initiate Partnership Plan							
15	Beautification / Landscaping Plan							
16	Final Bill of Quantities & Brief							
17	PSC meeting							
18	Project Man. & Close Out Report							M2

PHASE 2:FEASABILITY & BUSINESS PLANNING		WK1 16/01	WK2 23/01	WK3 30/01	WK4 06/02	WK5 13/02	WK6 20/02	WK7 27/02
1	Internal team meeting			100%				
2	Occupants Meeting & Activities Inventory							
3	Community Visioning Workshop			100%				
4	Review 2010 Business Plan			100%				
5	Design Theme & PSC agreement							
6	Structural Engineering Assessment of buildings and all infrastructure							
7	Archi Design, infrastructure & social facilities (green buildings)							
8	Draft Bill of Quantities & Imp Plan							
9	Land assembly Process plan							
10	GIS Revision & Additions							
11	Telecoms (internet)						50%	
13	Revised LED Strategy							
14	Develop & Initiate Partnership Plan							
15	Beautification / Landscaping Plan							
16	Final Bill of Quantities & Brief							
17	PSC meeting							
18	Project Man. & Close Out Report							M2

	PHASE 3 OPERATIONAL PLANNING	WK 1-6	WK7	WK8	WK9	WK10	WK11	WK12
			27/02	13/03	20/03	20/03	27/06	7/04
1	Community Reportback session							
2	Site incubator allocation strategy							
3	Policy development for the allocation strategy							
4	Phased NGO/ Partnerships Implementation Plan							
5	Partnership plan presented to NGO/ Partners							
6	Maintenance Plan							
7	Project Management & Phase Close Out Report			M3				
8	Town Planning Rezoning Application Preparation							M4.1
9	Town Planning application processing by the municipality							
	PHASE 4 SOCIAL FACILITATION							
1	Social Facilitation							
2	Resettlement process							
3	Creche social research for Re-location							M4.2

Mr de Lange, following the presentation of the project programme, questioned whether there were any suggested additions or amendments. There was agreement with the content.

He then went on to confirm that the phase 1 inception had been concluded and then proceeded to detail the progress to date. This included reference to the following:

- The project inception meeting - 11 January 2017
- Meeting with the ward councillor – 13 January 2017
- Meeting with the ward councillor, the ward committees and SANCO – 19 January 2017
- Meeting with Msunduzi legal services
- Meeting with land invaders – 11 February 2017
- Meeting with the community 05 March 2017

All these meetings were described in detail providing some of the discussions at these meetings.

This section of the work completed thus far was concluded with a slide with the work still to be done in this phase. The main points are detailed below.

- Structural analysis of buildings
- Preliminary Design ideas
- LED analysis
- Anchor tenant negotiations
- Anchor tenant space requirements and implications for construction and design
- Sourcing Funding

## 5.2 2010 Business Plan Review



Mrs Luckin explained that one of the critical considerations would be an effective and well managed SMME incubator. She shared some of the research that she has done in respect of the successes in both the private and public sector. According to the research undertaken private sector incubators produce more jobs and are generally economically more viable. She went on to explain that of the incubator sites in KwaZulu-Natal 50% are working and 50% are not functioning effectively. It would therefore be important to consider the functioning type projects to ensure long term sustainability, particularly for investors. Mrs Luckin added that most of the successful business plans include additional income generating activities, such as training or workshops. This will have to be an important consideration for this project. She proceeded with the evaluation of the 2010 business plan, comparing 2017 replacement and upgrading costs with 2010 costs. She explained the indices used.

## Review of the 2010 Business Plan Developed by Tindal Kruger of Setplan

By Mrs Pat Luckin of Asihlele (Pty)LTD  
06 March 2017

Review Calculations based on **BER INDEX**  
published by UNIVERSITY OF STELLENBOSCH for :  
**TENDER BASED BER INDEX** costs including wage,  
cost of goods and inflation published by AECOM SA  
(Pty) Limited 2016 "AFRICA PROPERTY &  
CONSTRUCTION COST GUIDE 2016"  
(www.aecom.com)

## The Previous Department of Education College Site (Source: Tindal Kruger Diagram 2010)



### Workshop Building 1



- 403.56 sq m, 22.80m x 17.70m , 3 units 134 sq m in size, high ceiling and sky lights.
- Potential for six industrial units @ 65 sq m each
- 2010 :To Repair R520 352,00
- 2010: Replace R1 412 460,00
- ❖ 2017 : Repair 2 341 700,07
- ❖ 2017 Replace R3 706 546,01
- ❖ No allowance for parking, water reticulation, ITC & access road.

### Workshop Building 2



- 537.73 sqm , 4 long buildings 134 sq m.
- Potential for six industrial units @ 65 sq m each
- 2010 :To Repair R693 346,00
- 2010: Replace R1 882 055,00
- ❖ 2017 : Repair R2 471 932,36
- ❖ 2017 Replace R3 706 546,01
- ❖ No allowance for parking, water reticulation, ITC & access road, doors, roof & windows under-priced.

### Ablution Building 3



- 12.50m x 5.20m long buildings 65.00 sq m.
- 2010 :To Repair R223 531,00
- 2010: Replace R 312 000,00
- ❖ 2017 : Repair R343 786,80
- ❖ 2017 Replace R470 631,14
- ❖ Costing estimate to standard therefore cost of labour and materials slight escalation.

### Electrical Building 4



- 2 X 150 sqm with office 7 storage each total size 331.65 sqm
- 2010 :To R 512 002,00
- 2010: Replace R1 392 930,00
- Proposed 12 cubicles @ 25sq meters for clothing or ITC rooms
- ❖ 2017 : Repair R 808 656,22
- ❖ 2017 Replace R2 142 302,18
- ❖ Costing estimate to standard for roof as well, therefore cost of labour and materials results in escalation.

## Electrical Building

5



- 1 X 150 sqm open plan, office & storage. Total size 407.03 sqm.

2010 :To Repair R628 366,00

2010: Replace R1 709 526,00

2017 : Repair R2 158 008,00

2017 Replace R4 236 037,94

No allowance for parking, water reticulation, ITC & access road.

## Ablution building

6



- 10.80m x 6.50m, Total size 407.03 sqm. 70.20 sq m

2010 :To Repair R219 323,00

2010 To Replace R336 960,00

2017 : Repair R322 271,01

2017 Replace R518 238,64

Costing estimate to standard for roof as well, therefore cost of labour and materials results in escalation.

## Trading Workshop

7



- 3x 200m open on one side Total size 595.55 sq m

2010 :To Repair R952 525,00

2010 To Replace R2 084 425,00

Proposed 6 industrial workshop units for metal or wood roof truss manufacturing

2017 : Repair R2 216 123,12

2017 Replace R3 205 809,50

Costing estimate to standard for roof as well, therefore cost of labour and materials results in escalation. No provision for parking

## Technical Drawing Rooms

8



- 2 x large rooms, high ceiling, 100sqm 17.50m x 11.54, Total size 201.95 sq m

2010 :To Repair R952 525,00

2010 To Replace R2 084 425,00

Proposed 16 X 25sqm clothing /crafters rooms or for technical drawing mentoring

2017 : Repair R2 216 123,12

2017: Replace R3 205 809,50

Steel roofing, doors, roof 50% missing cost of labour and materials results in escalation.

## Lecture Halls

9



- 2x 100sqm rooms, 35.40

Total size 357.54 sqm

2010 :To Repair R461 932,00

2010 To Replace R1 430 160,00

Proposed Training & Mentoring facility

2017: Repair R684 467,41

2017 : Replace R2 199 561,27

Costing estimate to standard for doors, windows, roof 80% in order cost of labour and materials results in escalation. No provision for parking

## Administration Block

10



- 20.24m x 12.75m,

Total size 258.02

2010 :To Repair R279 488,00

2010 To Replace R1 238 496,00

Proposed admin block with offices and ablution facilities

2017: Repair R421 736,37

2017 : Replace R1 904 785,37

Doors, windows, roof and building in general fairly good repair 70-80% in tact. Cost of labour and materials results in escalation. No provision for area parking costs



## Assembly Hall

11






- ❑ 2 large assembly spaces
- ❑ 20.40m x 10.50m
- ❑ Total size 214.20 sqm
- ❑ 2010 :To Repair R268 326,00
- ❑ 2010 To Replace R856 800,00
- ❑ **Proposed recreation area for workers**
- ❖ **2017: Repair R397 591,86**
- ❖ **2017 : Replace R1 317 743,54**
- ❖ Costing estimate to standard for doors, windows, roof and building in general poor repair, 30-40% intact. Cost of labour and materials results in escalation. No provision for area parking costs

## 6. Discussions and Questions

Following the presentation Mr Lebelo opened the floor for questions.

Question	Action
<b>Compensation for improvements to the hub by illegal occupants:</b> As part of the presentation Mr de Lange had explained that there would be consideration of compensation for building improvements undertaken by illegal land invaders if they could provide receipts. The PSC was also aware that there was a landlord who was illegally renting out properties in the hub. It was felt that this person who illegally benefitted from the lease of buildings should carry such costs.	Mr De Lange to engage with the Msunduzi Legal section in respect of recovery of improvement costs from the illegal land lord.
<b>Land invasion:</b> The PSC felt strongly that a small minority should not be able to hold hostage an important economic development which would affect broader community and that this should be dealt with decisively to avoid repetition.	The municipality to carefully monitor the situation and take necessary action if the illegal occupants are reneging to comply with the eviction notices.
<b>Funding from the Mandela Foundation:</b> Phumzile Kunene explained that there is potential funding from the Mandela foundation	PSP to investigate and consider funding availability.

Question	Action
and that this should be considered as a source of funding.	
<b>Linkage with industry in the area:</b> Mrs Veness recommended that the consideration of any activities in the hub must be aligned to the industries in the area.	PSP to consider as part of the process.
<b>Training facilities:</b> Mrs Veness indicated that she was recently in Gauteng where she has been exposed to market place skills development e.g people being prepared for cashiering at Mr Price etc. This company was looking for further outlets in South Africa and this may well be an opportunity.	PSP to make contact with Mrs Veness and Co. and forge linkages if possible.
<b>Department of Economic Development Support:</b> Mr Van der Merwe of the Economic Development Tourism and Environmental Affairs Department, explained that their department was a funder of the 2010 feasibility study and was glad to see the project was back on track. He went on to explain that they may be able to assist with further funding that but that is scarce and must be well motivated. They do however, have substantial non-financial support in the form of project management, procurement, etc, which they can offer.	PSP to initiate discussions with Mr Van Der Merwe to ascertain support possible.
<b>Long Term Viability:</b> Mr Van der Merwe explained that the only way to market the hub to potential investors was to show long term viability. He suggested that the PSC must undertake a visit of best practices in KZN which can then be incorporated into the business plan to ensure that funding support can be secured.	PSC and PSP to consider site visits.
<b>Industrial hub site visit:</b> The PSC members felt that it was essential that they also undertake a site visit to familiarise themselves with the conditions in order to make meaningful suggestions on the way forward.	Mr de Lange to Liaise with Mr Lebelo on this.
<b>COGTA one stop shop:</b> Mr Van Der Merwe explained that COGTA is in the process of establishing one stop shops and suggested that the PSP approach them to ascertain whether portion of the buildings can be used for this purpose.	PSP to approach COGTA.
<b>Replacement vs restoration of buildings</b>	PSP took note of this.

Question	Action
Mr Gengan, having considered the presentation by Mrs Luckin, indicated that there were will preference towards restoration of buildings.	
<b>Once-off construction vs phasing</b> The relative advantages vs disadvantages of once-off construction was discussed. The critical consideration obviously is the availability of budget. Mrs Luckin suggested making application for the full amount. This often is better received than piece-meal applications. Mr Gengan and Mr de Lange also questioned whether Treasury would consider a further Grant.  Mr de Lange pointed out that one of the intentions of the project is to consider Phasing of the construction.	No action required

## 7. GENERAL

Mr Lebelo indicated that it is very important to have SEDA on board and ideally they should have an office in the Hub. Phumzile Kunene expressed interest in this, particularly as she has been searching for an appropriate location in Pietermaritzburg already.

Mr Lebelo explained that this is a mayoral project and hopefully this would encourage investment in this project.

## 8. MEETING CLOSURE

Meeting closed at 11h55. Mr Lebelo thanked all.



## ANNEXURE 6: MEMORANDUM OF TRANSFER

### MEMORANDUM OF AGREEMENT

entered into between

THE MINISTER OF LOCAL GOVERNMENT, HOUSING & TRADITIONAL  
AFFAIRS

MR M MABUYAKHULU (MPP)

(hereafter referred to as the Minister)

and

THE MSUNDUZI MUNICIPALITY

represented herein by

MR T ZULU

In his capacity as Municipal Manager

He being duly authorised thereunto

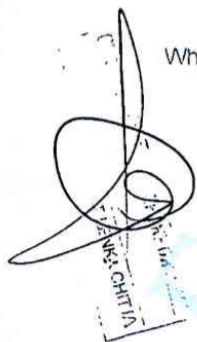
by a resolution dated 7 FEBRUARY 2002,

(hereinafter referred to as the Municipality)

#### PREAMBLE

Whereas

Proclamation No 84, 1996 dated 18 July 1996 makes provision that the Minister may, by agreement with the Municipality, transfer to the Municipality any land within an area defined or deemed to be defined in terms of section 13(6) of the Local Government Transition Act, 1993 (Act No 209 of 1993), any area administered in terms of Proclamation R293 of 1962 and any other land under the control of the Government of the Province of KwaZulu-Natal which might fall within the area of jurisdiction of the Municipality.



MR T ZULU



TRUE COPY

SECRET

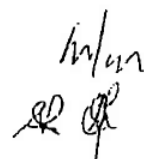


And Whereas The land identified hereinafter falls under the control of the Government of the Province of KwaZulu-Natal and within the jurisdiction of the Municipality.

And Whereas The Department of Housing and the Msunduzi Municipality have concluded a Memorandum of Agreement for the acquisition of private land and the transfer of State land. This Memorandum of Agreement evidences the consensus reached between the Minister and the Municipality as required by Proclamation No 84, 1996.

**NOW THEREFORE IT IS AGREED**

- 1 The properties as set out in the Schedule attached hereto are hereby transferred to the Municipality.
- 2 The property is transferred to the Municipality on condition that the land so transferred shall be utilised for housing purposes only.
- 3 The Department of Housing shall apply to the Registrar of Deeds in terms of paragraph 4(1) of Proclamation No 84, 1996 for the endorsement of the title deeds or other certificates of title or any servitude or real rights in respect of the vesting of such property or right in the Municipality.
- 4 The Minister makes all the relevant title deeds or other certificates of title or any servitude or real right available to the Municipality.
- 5 Any portions of land situate in an area defined or deemed to be defined in terms of Section 13(6) of the local Government Transition Act, 1993 (Act No 209 of 1993), any area administered in terms of Proclamation R293 of 1962 and any other land under the control of the Provincial Government of




KwaZulu-Natal and utilised on 18 July 1996 by the National Government or the Government of the Province of KwaZulu-Natal for the purpose of any of its functions other than local government functions, shall in due course be identified and surveyed and shall revert back to such Government free of charge.

#### VARIATION

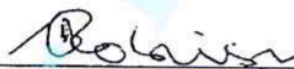
Notwithstanding anything contained in this agreement the parties record and are agreed that a variation to include the rectification of properties for whatever reason in terms of the applicable legislation, be permissible.

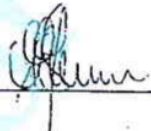
#### COMMENCEMENT DATE

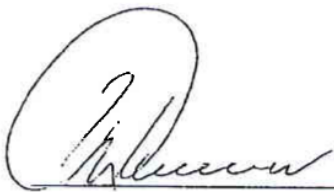
5.1 This agreement shall take effect from the date by when both parties have signed this agreement.

Thus done and signed at DURBAN on this 31 day of JANUARY 2008,   
in the presence of the undersigned witnesses.

#### AS WITNESSES:

1 

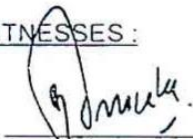
2 

  
MR M MABUYAKHULU ( MPP )  
MINISTER OF LOCAL  
GOVERNMENT, HOUSING &  
TRADITIONAL AFFAIRS

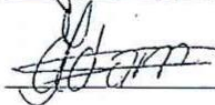
Thus done and signed at P. M. Buthe on this 3rd day of November 2005  
in the presence of the undersigned witnesses.

AS WITNESSES :

1



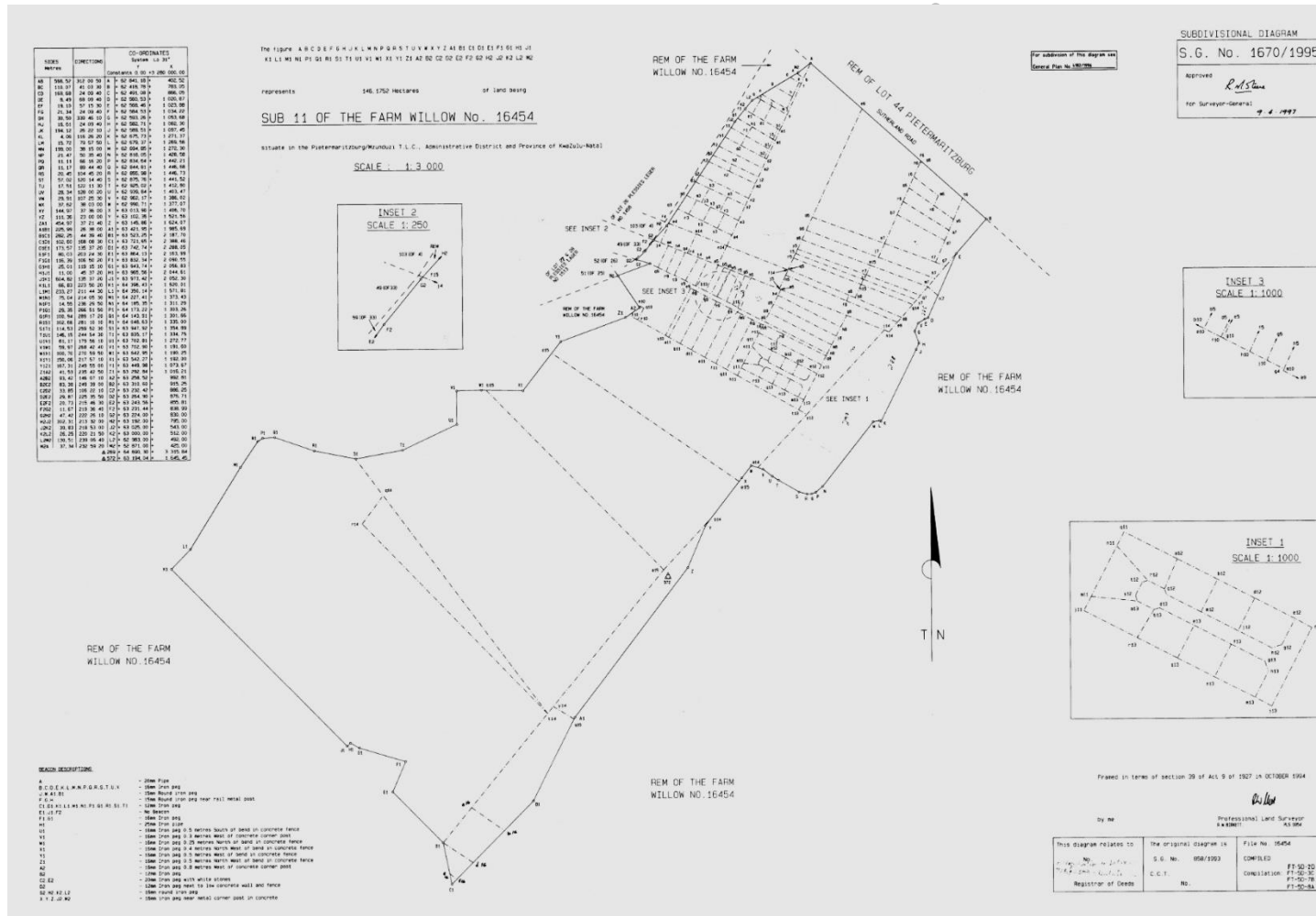
2





MR T ZULU  
MUNICIPALMANAGER

## ANNEXURE 7A: SURVEYOR-GENERAL DIAGRAM



## ANNEXURE 7B: CERTIFICATE OF REMAINING EXTENT



### rural development & land reform

Department:  
Rural Development & Land Reform  
REPUBLIC OF SOUTH AFRICA

Surveyor-General: KwaZulu-Natal

P. O. Pox 396, PIETERMARITZBURG, 3200 – 300 Pietermaritz Street, PIETERMARITZBURG, 3201  
Tel (033) 355 2900 - Fax (033) 394 7610 - e-mail: sgkzn@sgkzn.gov.za

ENQUIRIES: C. Ramiah  
REF: Edendale CC  
DATE: 31 March 2009

### CERTIFICATE OF REMAINING EXTENT

This is to certify that, according to  
the records of this office and the  
information furnished in the attached  
schedule, the remaining extent of

#### EDENDALE CC

Situate on Erf 2388 Edendale CC

on this the 31st March 2009 is

**88,4254 Hectares.**

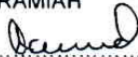
The area quoted above is based on the following assumptions:

- that all records of registrations undertaken by the Department of Development Aid have been completely and accurately supplied, and,
- that the data compiled from the electronic capture of registrations, as supplied, are complete and accurate.

And subject to the Interdict:

That the transfer of the Remaining extent must not be effected unless the diagram SGNo 1670/1995 being Portion 11 of the Farm Willow No. 16454, (to be redesignated as Erf 2388 Edendale CC on registration), is registered

C. RAMIAH

  
for SURVEYOR-GENERAL  
KWAZULU - NATAL



## ANNEXURE 8: CONFIRMATION OF THE OPENING OF THE TOWNSHIP REGISTER

<b>FEES</b>
Reg Fee . / . 1.0.400.

2009 -02- 24
BC C05714 9

1-4.  
①

### OPENING OF TOWNSHIP REGISTER INSTRUCTION FORM

#### EXAMINERS

1. Attach this Instruction form to Township Application and number as doc 1
2. Act 112 of 1991 Townships - write out caveat i.r.o. No more leasehold transactions -to be noted against the remainder of the township and all erven in the Township
3. TAG Deed or Set eg. **TOWNSHIP**

#### NUMBERING CLERK

4. Insert BC number on the following:-
  - a. Instruction Form
  - b. Township endorsement on title
  - c. In Flyleaf
5. Tag deed/set **MISC OPENING OF TOWNSHIP** and Submit to **DATA**.


#### DATA

6. Record Caveat i.r.o. no more leasehold transactions immediately
7. All townships received from Registration must be recorded on Data immediately on receipt.
8. Submit to Misc Final Check

#### MISC FINAL CHECK SECTION

9. Ordinance 27 of 1949 Townships
  - a. Complete particulars on Letter of Notification to Provincial Secretary ito of Section 23
  - b. Submit letter of Notification to ARD for signature
  - c. Make copy of letter of Notification and file in file AE6/2/1
  - d. Submit Original letter of Notification to typist for posting
  - e. Make copy of flyleaf and file in pending file and original stays with application
10. ALL Townships
  - a. Enter in Township alphabetical index book
  - b. Ensure all flyleaf's are signed
  - c. Make copy of flyleaf and file in flyleaf ring binder in alphabetical order
11. **Update Township** list i.r.o. Ulundi, DDA and Act 4 of 1984 Townships where the Township register has been opened.
12. Act 112 of 1991 and 113 of 1991 Townships
  - a. Remove Caveat i.r.o. No more leasehold transactions and submit to **INTERDICTS** immediately.
  - b. Submit Micro for scanning.

C:\My Documents\Procedure Manuals\Instruction form for Opening of Townships.doc Updated by D Govender on 26/01/2009

Prepared by me (2)  
  
CONVEYANCER  
J O CHRISTIE

**APPLICATION FOR REGISTRATION OF A GENERAL PLAN IN TERMS OF SECTION  
46 OF THE DEEDS REGISTRIES ACT 1937 (No 47 of 1937) AND IN TERMS OF ACT  
112 OF 1991**

I, the undersigned

**CLAUDE AUGUSTUS ROBINSON**

in my capacity as the Manager : Contracts and Land Administration in the Department of  
Housing duly authorised by Chapter B Part IV of the General Delegations of the Department  
and as such representing the head: Department of Housing of the Province of Kwazulu-  
Natal

Do hereby apply to the Registrar of Deeds for the Province of Kwazulu Natal, at  
PIETERMARITZBURG for the registration of General Plan SG 4182/1996 consisting of 23  
sheets:

Comprising of 964 Erven numbered 1019-1030, 1046-1051, 1061-1064-1071, 1084-1124,  
1133-1147, 1152-1216, 1232-1239, 1241-1323, 1325-1353, 1454, 1542-1568, ~~1569~~,  
1620-1645, 1654-1660, 1662-1670, 1672-1809, 1822-1842, 1853-1937, 1940-1945, 1954-  
1967, 1973-2068, 2070-2166, 2171-2200, 2212-2214, 2216-2219, 2248-2251, 2257-2282,  
2294-2297

and

9 Public Places numbered 1218, 1240, 1283, 1324, 1354, 1569, 1671, 2069, 2256

situate on :

PORTION 11 OF THE FARM WILLOW NO. 16454  
REGISTRATION DIVISION FT  
PROVINCE OF KWAZULU NATAL  
IN EXTENT 146,1752 (ONE FOUR SIX COMMA ONE SEVEN FIVE TWO) HECTARES

As will appear from diagram no. SG1670/1995;

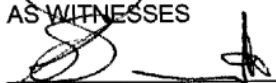
to be renumbered on registration to read:

ERF 2388 EDENDALE CC  
REGISTRATION DIVISION FT  
PROVINCE OF KWAZULU NATAL  
IN EXTENT 146,1752 (ONE FOUR SIX COMMA ONE SEVEN FIVE TWO) HECTARES

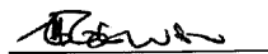
HELD UNDER Certificate of Registered Title about to be registered

SIGNED at PIETERMARITZBURG on 19 JANUARY 2009.

AS WITNESSES







CF

**FLYLEAF**  
**GENERAL PLAN APPROVED IN TERMS OF ACT 112/1991**

FILE NO : BC 5714/09

NAME OF TOWNSHIP : EDENDALE CC

NAME OF OWNER : DEPARTMENT OF HOUSING OF THE  
PROVINCE OF KWAZULU-NATAL

DESCRIPTION OF LAND :- PORTION 11 OF THE FARM WILLOW  
NO. 16454  
REGISTRATION DIVISION FT  
PROVINCE OF KWAZULU-NATAL

TITLE DEED NUMBER : CERTIFICATE OF REGISTERED TITLE  
NO. T 5471/09

GENERAL PLAN : SG NO. 4182/1996

COMPRISING: Comprising of 964 sites numbered 1019-  
1030, 1046-1051, 1061, 1064-1071, 1084-  
1124, 1133-1147, 1152-1216, 1232-1239,  
1241-1323, 1325-1353, 1355-1454, 1542-  
1568, 1620-1645, 1654-1660, 1662-1670,  
1672-1809, 1822-1842, 1853-1937, 1940-  
1945, 1954-1967, 1973-2068, 2070-2166,  
2171-2200, 2212-2214, 2216-2219, 2248-  
2251, 2257-2282, 2294-2297

9 public places numbered 1218, 1240,  
1283, 1324, 1354, 1569, 1671, 2069, 2256

AS SHOWN ON GENERAL PLAN SG NO: 4182/1996

TOWNSHIP OPENED IN TERMS OF  
SECTION 46 OF THE DEEDS  
REGISTRIES ACT 1937 (NO. 47 OF  
1937) AND IN TERMS OF ACT 112 OF  
1991


CONDITIONS OF TITLE :  
NOT APPLICABLE

  
REGISTRAR OF DEEDS

DEEDS REGISTRY  
PIETERMARITZBURG

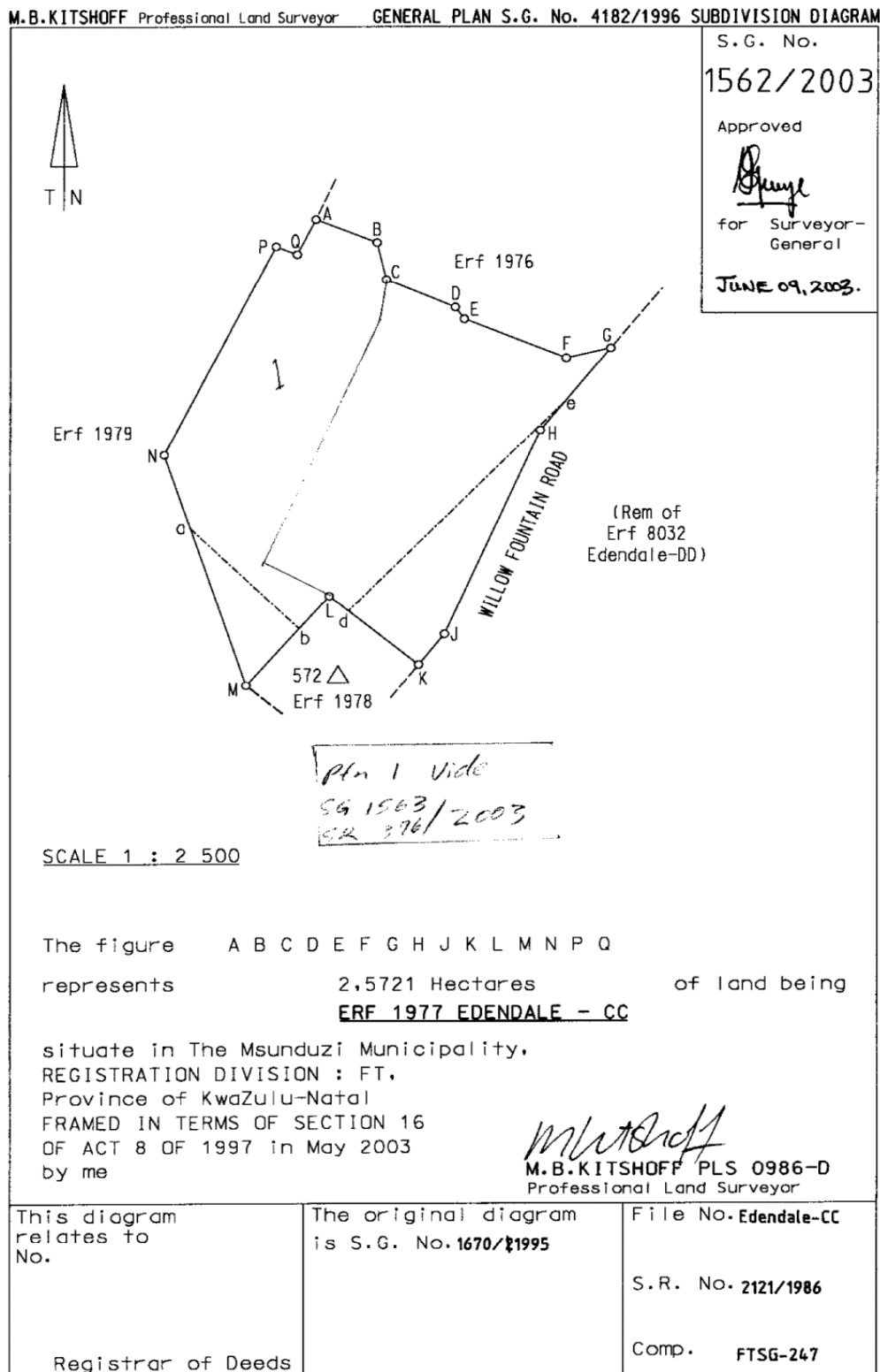
DATE 24/02/09.

Re-designated.

ENDOSSEMENT KRAGTENS ARTIKEL 43 VAN WET 9 VAN 1927	ENDORSEMENT IN TERMS OF SECTION 43 OF ACT 9 OF 1927
DIE BESKRYWING/GROOTTE VAN DIE BINNEGEMELDE EIENDOM IS GEWYSIG OM TE LEES:	THE DESCRIPTION/EXTENT OF THE WITHINMENTIONED PROPERTY HAS BEEN AMENDED TO READ:
Erf 2388 Edendale CC.	
	
	REGISTRATEUR/REGISTRAR

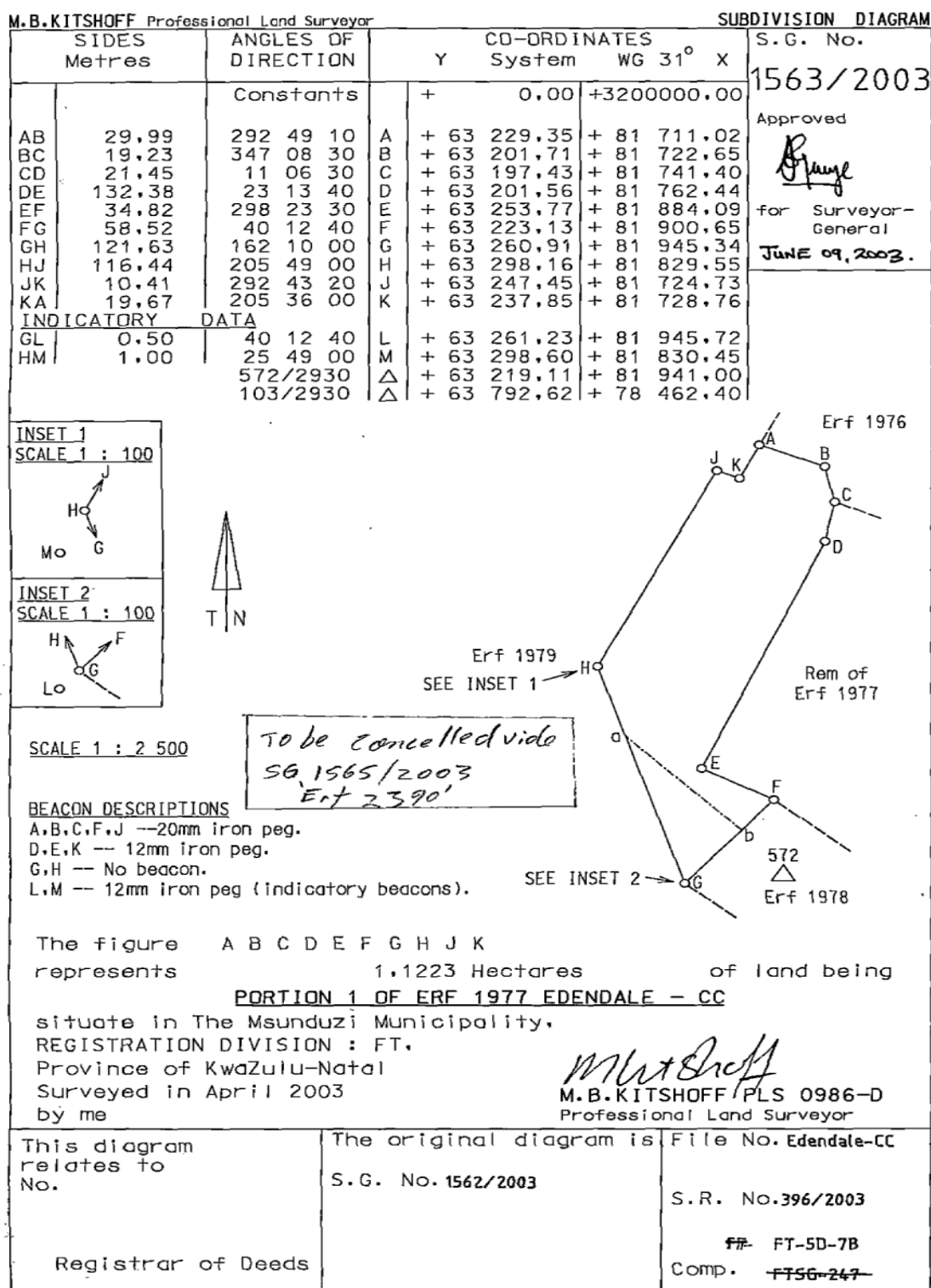
## ANNEXURE 9A: UNREGISTERED SUBDIVISIONAL DIAGRAM

**Diagram 2: Unregistered subdivisional diagram No. 1562/ 2003 – Proposed Erf 1977 Edendale**



## ANNEXURE 9B: UNREGISTERED SUBDIVISIONAL DIAGRAM

**Diagram 2: Unregistered subdivisional diagram No. 1563/ 2003 – Proposed Portion 1 of Erf 1977**





## ANNEXURE 10: TITLE DEED

39  
Stowell & Company Inc.  
295 Pietermaritzburg Street  
Pietermaritzburg

FEES	
Stamp Duty.....	2
Reg.....	EXEMPT
Waiver.....	
C/M Bond.....	

Prepared by me

CONVEYANCER  
CHITJAMAL  
Pachia S

2009-06-29

T 023910/09

### DEED OF TRANSFER (In terms of Section 31 of Act 47 of 1937)

#### BE IT HEREBY MADE KNOWN THAT

WHEREAS the undermentioned land has been vested in the Msunduzi Municipality in terms of Proclamation No.84 of 1996 read with Proclamation No. LG 73/1995 and the Memorandum of Agreement dated 31 January 2006, which land is at present registered in the Deeds Registry at Pietermaritzburg in the name of the Province of KwaZulu-Natal under Certificate of Registered Title No. T 5471/2009.

AND WHEREAS a Certificate has been furnished to me in terms of sub-section (4)(a) of section *thirty-one* of Act 47 of 1937, by the transferee to the effect that provisions of any law in connection with the change of ownership in the land in consequence of this vesting have been complied with.

2. Subject to an Expropriation in favour of the Department of Local Government and Housing in respect of the benefit of conditions of Servitudes, drains, roads, pipelines and water furrow servitudes in favour of within properties filed with Expro 1/1999.
3. Subject to a Power Line Servitude together with ancilliary rights in favour of ESKOM as created by Notarial Deed of Servitude No. K1108/2000S.

For Information Only

e

WHEREFORE the said Appearer, renouncing all right and title which the said

**THE PROVINCE OF KWAZULU-NATAL**

Is entirely dispossessed of, and disentitled to the land and that by virtue of these presents, the said

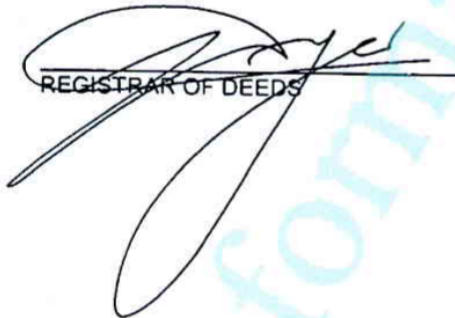
**MSUNDUZI MUNICIPALITY**

Its Successors in Title or Assigns, now is and henceforth shall be entitled thereto, conformably to local custom, the State, however reserving its rights.

IN WITNESS WHEREOF, I the said Registrar, have subscribed to these presents, and have caused the Seal of Office to be affixed thereto.




THUS DONE and EXECUTED at the Office of the Registrar of Deeds at Pietermaritzburg on


2009-06-29

  
REGISTRAR OF DEEDS


e

## ANNEXURE 11: STATUS QUO REPORTS




STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 3 : ABLUTION			
Description:	Windows & frames, doors & frames and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	6m x 13m 78m2		
Estimated Replacement Cost:	R	325,000.00	Estimated Refurbishment cost
Previous Use	Ablution		
<div></div>			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	Asbestos	60%	Remove Asbestos and replace with Roof sheetting
Roof Trusses	Timber	60%	Remove and Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Grano	40%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	80%	New concrete aprons required
Window Frames and Panes	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Bag Washed	40%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required


STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB				
BUILDING 1: WORKSHOP				
Description:	Face brick building with with asbestos roof sheeting. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance. Existing door frames modified to suit on site. Vegetation overgrown against building. Concrete apron at entrance only.			
Dimensions & Area	23m x 18m 414m2			
Estimated Replacement Cost:	R	2,421,360.00	Estimated Refurbishment cost	R1,008,900.00
Previous Use	Work shop			
				
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR	
Roof Sheetting	Asbestos	50%	Remove Asbestos and replace with Roof sheeting	
Roof Trusses	Timber	40%	Remove and Replace With New	
Roof Storm Water Goods	Asbestos	70%	New Installation required	
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork	
Internal Surface Bed	Grano	60%	To be finished to artchtectural specification.	
External Concrete Apron	None	0%	New Installation required	
Foundations	Brick work	100%	New concrete aprons required	
Window Frames and Panes	Lower	0%	New Installation required	
	Upper	30%	New Installation required	
Doors	All Removed	0%	New Installation required	
Internal Walls Finishes	Bag Washed	50%	Wall to be plastered and painted	
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed	
Ceilings	None	0%	New Installation required	
Plumbing	None	0%	New Installation required	
Electrical	All Removed	0%	New Installation required	





STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 2 : WORKSHOP			
Description:	Face brick building with with asbestos roof sheeting. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance. Existing door frames modified to suit on site. Vegetation overgrown against building. Concrete apron at entrance only.		
Dimensions & Area	30,5m x 18m 549m2		
Estimated Replacement Cost:	R	3,226,380.00	Estimated Refurbishment cost R1,344,325.00
Previous Use	Work shop		
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COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	Asbestos	50%	Remove Asbestos and replace with Roof sheeting
Roof Trusses	Timber	40%	Remove and Replace With New
Roof Storm Water Goods	Asbestos	70%	New Installation required
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Grano	60%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	Lower	0%	New Installation required
	Upper	30%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Bag Washed	50%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required




STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 3 : ABLUTION			
Description:	Windows & frames, doors & frames and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	6m x 13m 78m2		
Estimated Replacement Cost:	R	325,000.00	Estimated Refurbishment cost
Previous Use	Ablution		
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COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	Asbestos	60%	Remove Asbestos and replace with Roof sheetting
Roof Trusses	Timber	60%	Remove and Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Grano	40%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	80%	New concrete aprons required
Window Frames and Panes	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Bag Washed	40%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required

STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 4 : OLD ELEC WORKSHOP			
Description:	Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	32m x 10,5m 336m2		
Estimated Replacement Cost:	R	1,989,900.00	Estimated Refurbishment cost
Previous Use	Electrical Work Shops		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheeting	None	0%	replace with Roof sheeting
Roof Trusses	None	0%	Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	New Installation required
Internal Surface Bed	grano	30%	To be finished to archtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Face Brick	30%	New Installation required
External Walls Finishes	Face Brick	30%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required

STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 5 : OLD ELEC WORKSHOP			
Description:	Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	40m x 10m 400m2		
Estimated Replacement Cost:	R	2,442,180.00	Estimated Refurbishment cost
Previous Use	Electrical Work Shops		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheeting	None	0%	replace with Roof sheeting
Roof Trusses	None	0%	Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	New Installation required
Internal Surface Bed	grano	30%	To be finished to archtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Face Brick	30%	New Installation required
External Walls Finishes	Face Brick	30%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required

STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 6 : ABLUTION			
Description:	Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	12m x 9m 108m2		
Estimated Replacement Cost:	R	351,000.00	Estimated Refurbishment cost
Previous Use	Ablution		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheeting	None	0%	replace with Roof sheeting
Roof Trusses	None	0%	Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	New Installation required
Internal Surface Bed	grano	30%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Face Brick	20%	New Installation required
External Walls Finishes	Face Brick	20%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required




STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 7 : OLD BUILDING WORKSHOP			
Description:	Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism. Currently existing brickwork is being taken of site. Windows & frames, doors & frames, roof trusses, roof sheeting and storm water goods have been removed off site to vandalism.		
Dimensions & Area	40m x 15m 600m2		
Estimated Replacement Cost:	R	3,573,300.00	Estimated Refurbishment cost
Previous Use	Building Workshop		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheeting	None	0%	replace with Roof sheeting
Roof Trusses	None	0%	Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	40%	New Installation required
Internal Surface Bed	grano	30%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	None	0%	New Installation required
Doors	All Removed	0%	New Installation required
Internal Walls Finishes	Face Brick	15%	New Installation required
External Walls Finishes	Face Brick	15%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required



STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 8 : DRAWING ROOMS			
Description:	Existing external walkway damaged and currently being removed off site. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance. Cracks on floor slab due to age, settlement and poor construction methods. All ceiling boards have been removed. Timber members are showing signs of failure at joint, etc. due to damage from the elements, vandalism and lack of maintenance		
Dimensions & Area	17,8m x 10,5m 187m2		
Estimated Replacement Cost:	R	1,211,700.00	Estimated Refurbishment cost R 504,875.00
Previous Use	Drawing Room		




COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	IBR	50%	Remove and replace with Roof sheetting
Roof Trusses	Timber	40%	Remove and Replace With New
Roof Storm Water Goods	None	0%	New Installation required
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Face brick	80%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	Lower	40%	New Installation required
	Upper	30%	New Installation required
Doors	Poor condition	20%	New Installation required
Internal Walls Finishes	Face brick	70%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed
Ceilings	None	0%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required



STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 9 : CLASS ROOM BLOCK 3 & 4			
Description:	Face brick building with with asbestos roof sheeting. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance.		
Dimensions & Area	30m x 9m 270m2		
Estimated Replacement Cost:	R	2,145,240.00	Estimated Refurbishment cost R 893,850.00
Previous Use	Class Room		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	Asbestos	80%	Remove Asbestos and replace with Roof sheeting
Roof Trusses	Timber	40%	Remove and Replace With New
Roof Storm Water Goods	Asbestos	0%	New Installation required
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Grano	50%	To be finished to artchtectural specification.
External Concrete Apron	Concrete	50%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Window Frames and Panes	Steel	50%	New Installation required
Doors	Poor	70%	New Installation required
Internal Walls Finishes	Plastered	70%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	To be plastered
Ceilings	Poor	15%	New Installation required
Plumbing	Poor	18%	New Installation required
Electrical	Poor	20%	New Installation required

STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB				
BUILDING 10 : OFFICES				
Description:	Face brick building with with asbestos roof sheeting. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance.			
Dimensions & Area	20m x 12,7m 254m2			
Estimated Replacement Cost:	R	1,548,120.00	Estimated Refurbishment cost	R 645,050.00
Previous Use	Offices			
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COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR	
Roof Sheetting	Asbestos	50%	Remove Asbestos and replace with Roof sheeting	
Roof Trusses	Timber	40%	Remove and Replace With New	
Roof Storm Water Goods	Asbestos	0%	New Installation required	
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork	
Internal Surface Bed	Grano	60%	To be finished to artchtectural specification.	
External Concrete Apron	None	0%	New Installation required	
Foundations	Brick work	100%	New concrete aprons required	
Doors	All Removed	0%	New Installation required	
Window Frames	Steel	50%	New Installation required	
Internal Walls Finishes	Plastered	50%	Wall to be plastered and painted	
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed / Plastered and painted	
Ceilings	Poor	10%	New Installation required	
Plumbing	None	0%	New Installation required	
Electrical	All Removed	0%	New Installation required	

STATUS QUO OF IMBALI LIGHT INDUSTRIAL HUB			
BUILDING 11 : CLASS ROOM BLOCK 1 & 2			
Description:	Face brick building with with asbestos roof sheeting. Windows, storm water goods and roof damaged due to vandalism and lack of maintenance.		
Dimensions & Area	20m x 10m 200m2		
Estimated Replacement Cost:	R	1,071,000.00	Estimated Refurbishment cost R 535,500.00
Previous Use	Classroom		
			
COMPONENT	DESCRIPTION	CONDITION	METHOD OF REPAIR
Roof Sheetting	Asbestos	50%	Remove Asbestos and replace with Roof sheeting
Roof Trusses	Timber	40%	Remove and Replace With New
Roof Storm Water Goods	Asbestos	0%	New Installation required
Superstructure	Brick work	70%	Local Repairs required due to theft of brickwork
Internal Surface Bed	Grano	60%	To be finished to artchtectural specification.
External Concrete Apron	None	0%	New Installation required
Foundations	Brick work	100%	New concrete aprons required
Doors	All Removed	0%	New Installation required
Window Frames	All Removed	0%	New Installation required
Internal Walls	Plastered	50%	Wall to be plastered and painted
External Walls Finishes	Poor Face Brick	0%	Brickwork to be washed / Plastered and painted
Ceilings	Poor	30%	New Installation required
Plumbing	None	0%	New Installation required
Electrical	All Removed	0%	New Installation required

## ANNEXURE 12: TELEPHONIC SURVEY RESPONSE ALFRED DUMA MUNICIPALITY

No.	Question	Response
<b>General overview</b>		
	What is the main sector/ sectors that your hub is focused on ?	Manufacturing, IT Hubs
	Is the Hub sustainable?	No, lack operational and maintenance plan
<b>Project Initiation and support matters</b>		
1	What was the lead time from the idea of the development of a Hub, until the hub became operational?	Mostly are Old Municipal and buildings leased from Ithala Industrial. The time was very short
2 a	Are the Hub business operations subsidized by State( state the percentage of subsidy and name of state subsidiser)	Mostly 90 - 100% subsidized by Municipality - reason for unsustainability
2 b	Were the Hub business operations subsidized by Private sector until they became self sufficient? (State the percentage of subsidy and name of institution eg Nedbank, ABSA bank SMME Unit,etc )	All The IT Hubs collapse because they were fully subsidized and lack ownership. The manufacturing is still striving although the buildings are poorly maintained
2 c	Were the Hub business operations subsidized by NGO institutions, until they became self sufficient?	Government
2 d	Were the Hub business operations subsidized by another form of institution, until they became self sufficient? (State kind of institution eg UNDP, World Bank, EU)	Some in Partnership between EDTEA, Municipality and iThala. There is only newly established Trye Fitting Centre sponsored by Dunlop
3 a	Where there anchor tenants that drew other tenenats to the Hub?	Yes, and a lot of illegal sub-leasing
3 b	If there were anchor tenants who filfilled this role who were they and how did they relate to the other activities on site	Through illegal sub-leasing
<b>Operational matters</b>		
4	What are the current activities practiced in the Hub?	Trye Fitting, Textile (Sewing), Shoe Repairs, Upholstery, Catering Services, Fashion Design
5	How do these activities relate the the initial proposal? Are they the same or did the need for different tenants develop over time?	Same
6	What in your opinion was the most important aspect to ensure sustainability of the Hub ?	Operational plan to ensure how the Hub will be maintained and also the Exit strategy for the Tenants
7	Are there some Business Plan provisions/ principles which you believe are critical for us to consider? If so what are these?	Yes: 1. Bulk Buying and Supplying, 2. Access to the Market, Business Administration, Financial
8	If you had to start the process today, what advice would you offer to ensure sustainability and cost effective operations?	Start with the Operational Plan to include: 1 Lease agreements, 2.Soft and Technical Skills Training Support,3. Infrastructural Support, 4. Exit Strategy
<b>Maintenance</b>		
9	Is the maintenance of cubicle included in a lease contract? If so is this working effectively?	Only starting the Lease Agreements now but the challenge is the lack culture of payment caused by the entitlement syndrome
10	Is there a manager on site to manage day-to-day co-ordination and maintenance? If not, how is the Hub managed?	No, the LED Section has allocated one Informal Traders Official r to look at generic needs across all Sectors as well as specific Sector Designated official to look at specific Sector based needs.

Final Draft