REQUEST FOR EXPRESSIONS OF INTEREST

PROPERTY DEVELOPMENT INVESTMENT OPPORTUNITIES IN THE CAPE TOWN CENTRAL CITY REGENERATION PROGRAMME

EOI Number: EI 001/14

Issued by:
The Chief Director, Special Projects
Department of Transport and Public Works
Western Cape Government
9 Dorp Street, Cape Town, 8000

Date:
March 2014
IMPORTANT NOTICE

The Western Cape Government ("WCG") through its Department of Transport & Public Works (the "DTPW") has issued this request calling for Expressions of Interest ("EOI") for the purpose specified in Section 1 below.

This EOI (which includes all other information, written or oral, made available during the EOI Process) is made available by the DTPW to Prospective Respondents on condition that it is used solely for the purpose of responding to this EOI.

This EOI does not constitute an offer, proposal or undertaking by the DTPW to dispose of any of the properties referred to in this EOI or to enter into any other form of transaction.

The DTPW is following a Property Development Process ("PDP") as designed and agreed between the WCG and the National Treasury. Whether Phase 1 of the Cape Town Central City Regeneration Programme (the "Provincial Regeneration Programme") will proceed to the next stage of the PDP is subject to a decision to be made by the DTPW. Failure to submit a response to this EOI will not disqualify any person from participating in a subsequent tender process nor will submission of a response oblige any person to submit a bid in a subsequent tender process. Save for the confidentiality undertaking set out in Section 5.4 below, no rights of any nature accrue to any person by virtue of their participation in this EOI Process or their receipt of this EOI.

This EOI is provided solely for the purpose set out in the EOI and does not constitute investment advice or an investment recommendation by the WCG, DTPW or any of their Advisors. Each Prospective Respondent to whom this EOI is made available must make their own independent assessment of the opportunity after making such investigation and taking such professional advice as they deem necessary. Neither the receipt of this EOI or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Prospective Respondent or its advisors, is to be taken as constituting the giving of any advice (investment, legal or otherwise) by the WCG, DTPW or its Advisors.

While the WCG, DTPW, their officers, employees, servants, agents and Advisors have taken reasonable care to present correct information in this EOI, errors and omissions may occur. Neither the WCG, DTPW nor any of their officers, employees, servants, agents or Advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in this EOI or any other document issued by the DTPW, regardless of use and regardless of any losses that the intended or unintended recipients of this EOI may incur.
No guarantees, representations or warranties, whether express or implied, are made by DTPW or any of their officers, employees, servants, agents or Advisors with respect to the information or opinions contained in any document. The Prospective Respondent expressly waives any claim(s) it has or may have in respect of such guarantees, representations or warranties, howsoever arising.

The DTPW reserves the right to suspend, modify or withdraw this EOI at any time without prior notice and without liability to compensate or reimburse any person. The DTPW is not obliged to perform any action or take any further steps upon conclusion of the EOI Process.

All responses to this EOI are compiled and submitted at the Prospective Respondent’s sole risk and cost and the DTPW is not liable to compensate any person for any costs or losses incurred in connection therewith.

By its participation in the EOI Process, the Prospective Respondent is deemed to acknowledge and consent to the terms and conditions of this EOI, including the contents of this Important Notice.
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<td>12.11. Other relevant information</td>
<td>50</td>
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</tbody>
</table>
PURPOSE OF THIS EOI

This EOI presents development and investment opportunities of four properties, released incrementally to the market as more detailed in Section 2.3 and the appendices annexed hereto.

The DTPW hereby invites suitably qualified and experienced Prospective Respondents to submit written representations (“EOI Responses”) expressing their interest in any one or more of the four properties individually for property development and investment purposes in accordance with the commercial arrangements set out in Section 4 of this EOI.

The DTPW issues this EOI in accordance with the provisions of the PDP, which has been developed by the WCG and the National Treasury. The process broadly guides the DTPW in reviewing its property portfolio on a regular basis to identify under-utilised properties that might be available for investment using private capital. A brief scoping is undertaken to establish whether a specific property has development potential. The process sets out a framework for determining whether the properties should be sold, leased or retained. In summary, the PDP constitutes a simplified and streamlined process designed to facilitate an accelerated delivery of the immovable property portfolio to the market.
1. INTRODUCTION

1.1. Background

With reference to the WCG DTPW Annual Performance Plan (APP) 2013/14, the Provincial Regeneration Programme supports the first Provincial Strategic Objective (PSO1), “Increasing opportunities for growth and jobs” that responds to the direction proposed within the National Development Plan 2030 and supports the second National Objective (NO2), “Create decent employment through inclusive economic growth”.

The Provincial Regeneration Programme was established within the DTPW to unlock the latent value of the WCG property portfolio. The Central City programme has since been expanded to other locations and towns outside the CBD resulting in the CBD Regeneration Programme forming a sub-programme of the much larger Provincial Regeneration Programme.

The vision of the Provincial Regeneration Programme is to create cities and towns in the province that are vibrant, globally connected and socially inclusive. These cities and towns should encourage an entrepreneurial culture, provide a welcoming and inspiring place for socially mixed communities, and attracts major investors. The programme seeks to achieve sustainability in relation to the beauty of green and blue spaces, the water and energy resources required for growth, the diversity and value of locally produced food, and the resources, which citizens and businesses recycle.

The Provincial Regeneration Programme seeks to achieve the following strategic objectives:

- Mobilise new investments;
- Encourage inclusive developments which support the expansion of mixed use and mixed income opportunities;
- Ensure that a significant component of the business premises are affordable for small and micro enterprises;
- Achieve densification by developing a percentage of the residential stock for affordable housing;
• Provide access to green and vibrant public spaces within walking distance of all residential buildings;

• Develop exemplary social facilities for all age groups and cultural persuasions;

• Reinforce the vision of transit-oriented development; and

• Develop a fibre optic backbone.

The Provincial Regeneration Programme will be delivered to the market in phases. The phasing will be set in accordance with the readiness of the individual properties to be marketed as well as in accordance with the needs, budget, staffing, and availability of relevant resource of the DTPW. The first four properties to satisfy the above criteria are the subject of this EOI.

The PDP requires that a needs analysis for each property be compiled to formulate the objectives related to the specific project. Based on this process, the objectives for the four properties have been formulated as:

• Enabling investment in the properties by employing the highest-best use practice;

• Maximising the revenue potential to the WCG from the development of the properties;

• Addressing the socio-economic goals of the WCG in the development of the properties; and

• Ensuring sustainable, environmentally-friendly development of the properties.

The first two of the above are further referenced as the DTPW’s ‘Financial Objectives’.

Notice is hereby given that it is the desire of the DTPW not to sell the four properties but to make the properties available to prospective private investors, through a right of use commercial structure.

1.2. Context of the Provincial Regeneration Programme

The vision and objectives of the Provincial Regeneration Programme are set out in Section 2.1.

Against this background the Provincial Regeneration Programme was established within the DTPW.
The initial Provincial Regeneration Programme portfolio consists of six precincts located across the City including:

1. Prestwich Precinct;
2. Government Garage Precinct;
3. Somerset Precinct;
4. Main Road Sea Point Precinct;
5. Two Rivers Urban Park Precinct; and
6. Artscape Founders’ Garden Precinct.

From the properties identified above, the first four have passed through Stage 1 of the PDP. These properties have been identified as constituting the most immediate market opportunity and being currently best-suited for packaging to the market. Subject to the successful compliance with the PDP, the DTPW anticipates to market these properties individually through separate procurement processes.

1.3. **Introduction to the first tranche of properties of the Provincial Regeneration Programme**

The first tranche of the Provincial Regeneration Programme includes four properties drawn from the initial portfolio, namely: -

**1.3.1 Alfred Street Complex**

This is a property situated in Alfred Street in the Prestwich Precinct, linking the Cape Town CBD and the V&A Waterfront with an estimated total of 65 000m² potential bulk available. Other properties in the precinct belonging to the WCG will be released in the next group or tranche.

**1.3.2 Helen Bowden Nurses Home Site**

This is a property situated in the Somerset Precinct, neighbouring the V&A Waterfront and the Cape Town Stadium with an estimated total of 46 000m² potential bulk available (applying a bulk factor of 3.29). Other properties in the precinct belonging to the WCG will be released in the next tranche.

**1.3.3 Top Yard**
Top yard is part of the Government Garage Precinct and is located in the Cape Town CBD less than 500 metres from the National Parliament and the Company Gardens. The property is currently utilised as a ground level parking facility with tarmac surfacing. A total of 46,484m² (bulk factor of 4) is estimated to be the potential bulk available on Top-Yard under the new zoning Scheme. Other properties in the precinct belonging to the WCG will be released in the next tranche.

1.3.4. Main Road Sea Point

The Main Road Precinct is the site of the former Tafelberg Remedial High School and is located at 355 Main Road, Sea Point east; approximately three and a half kilometres from Cape Town’s Central Business District (CBD). The site consists of erven 1424 Sea Point comprising a total site area of 1.7054 hectares. The site offers a development yield of approximately 20 000m² of mixed-use space comprising 12 200m² residential use, 1 700m² retail use, 700m² restaurant and 5 000m² business use. Other properties in the precinct belonging to the WCG will be released in the next tranche.
1.4. Introduction to the PDP

This PDP which is applied to each property individually consists of three stages: Scoping, Enablement and Implementation, as set out in Table 1 below.

### Table 1: Summary of PDP Framework

<table>
<thead>
<tr>
<th>Stage</th>
<th>Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>Scoping</td>
<td>High Level Due Diligence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Budget Analysis</td>
</tr>
<tr>
<td>Stage 2</td>
<td>Enablement</td>
<td>Needs Analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initial Due Diligence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EOI and Best Use Analysis</td>
</tr>
<tr>
<td>Stage 3</td>
<td>Implementation</td>
<td>Final Due Diligence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Value Assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procurement Planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Feasibility Studies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procurement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contract Management</td>
</tr>
</tbody>
</table>

The PDP framework provides the following:

- A coordinated, consistent and functional framework for property development;
- A platform for business case preparation, procurement and project administration; and
- Facilitation of dedicated, focused and sustainable programme management capacity.

The EOI Process constitutes a part of Stage 2 of the PDP. Its primary purpose is to:

- Provide information to the market and Prospective Respondents about the Provincial Regeneration Programme as contemplated in this EOI;
• Obtain feedback from the market to inform decisions regarding the subsequent stages of procurement;

• Provide property-specific context to enable Prospective Respondents to consider and submit their views about the individual properties;

• Provide commercial structuring information to enable Prospective Respondents to consider their responses within the confines of the commercial envelope contemplated by DTPW;

• Gather information from Prospective Respondents to determine best-use options for the properties (e.g. residential, commercial/office, industrial, agricultural, etc.);

• Explore optimal methods of achieving WCG’s socio-economic and environmental objectives; and

• Establish the requirements and preferences of Prospective Respondents with regard to their participation in the Provincial Regeneration Programme.

Notwithstanding the provisions of Section 5.4 (confidentiality undertaking of the WCG and the DTPW), any EOI Respondent gives the WCG and DTPW consent to use the information contained in the respective EOI Response for the purpose contemplated in this EOI, including, but not limited to, the use by the WCG and DTPW in the conduct of the PDP in respect of the Provincial Regeneration Programme.
### 2. Stakeholders

Table 2 sets out key stakeholders relevant to Phase 1 of the Provincial Regeneration Programme.

**Table 2: Key Stakeholders**

<table>
<thead>
<tr>
<th>Key Stakeholder</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCG</td>
<td>Asset owner</td>
</tr>
<tr>
<td>DPTW</td>
<td>Project promoters, project managers and contracting authority</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>Planning authority</td>
</tr>
<tr>
<td>South Africa Heritage Resources Agency,</td>
<td>Heritage approvals authority</td>
</tr>
<tr>
<td>Heritage Western Cape</td>
<td></td>
</tr>
<tr>
<td>Property Developers</td>
<td>Investment opportunities</td>
</tr>
<tr>
<td>Funding institutions including commercial lenders, DFIs, pension funds, insurance companies etc.</td>
<td>Funding opportunities</td>
</tr>
<tr>
<td>Financial Advisors: Alfred Street Complex and Helen Bowden Nurses Home</td>
<td>Grant Thornton</td>
</tr>
<tr>
<td>Legal Advisors: Alfred Street Complex and Helen Bowden Nurses Home</td>
<td>Edward Nathan Sonnenbergs</td>
</tr>
<tr>
<td>Financial Advisors: Top Yard</td>
<td>PwC</td>
</tr>
<tr>
<td>Legal Advisors: Top Yard and Main Road Sea Point</td>
<td>Cliff Decker Hofmeyr</td>
</tr>
</tbody>
</table>

Note: The Advisors are prohibited from consulting or advising any Prospective Respondents to this Expression of Interest. Their involvement and availability to provide advisory services during any subsequent procurement process will be set out in the procurement documentation associated with that process.

Other key stakeholders include the current users of the properties. Depending on the property, current users have already been relocated or are in the process of being relocated.
3. Indicative Timetable

The envisaged timetable for delivering the first tranche of the Provincial Regeneration Programme is set out below:

**Table 3: Timetable for The first tranche of the Provincial Regeneration Programme**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release of the EOI</td>
<td>17 March 2014</td>
</tr>
<tr>
<td>Investors' Conference (Please see Section 6)</td>
<td>26 March 2014</td>
</tr>
<tr>
<td>Submission of EOI Responses</td>
<td>17 April 2014</td>
</tr>
<tr>
<td>Assessment of EOI Responses</td>
<td>8 May 2014</td>
</tr>
<tr>
<td>Release of the RFQ Documentation</td>
<td>31 August 2014</td>
</tr>
<tr>
<td>Submission of RFQ Responses</td>
<td>14 September 2014</td>
</tr>
<tr>
<td>Issue of RFP Documentation to Shortlisted Bidders</td>
<td>30 October 2014</td>
</tr>
<tr>
<td>Submission of RFP Responses</td>
<td>1 February 2015</td>
</tr>
<tr>
<td>Selection of Preferred Bidders</td>
<td>1 March 2015</td>
</tr>
<tr>
<td>Financial Close</td>
<td>To be confirmed</td>
</tr>
</tbody>
</table>

The above timetable is indicative and will be subject to the outcome of commercial negotiations. At the time of releasing the EOI, it is expected that the marketing of all properties comprising the first tranche of the Provincial Regeneration Programme will adhere to the same timetable. However, because each property is anticipated to have its own tender process, the DTPW reserves the right to amend or modify this approach which may result in a shorter or extended timetable for the individual properties.

Please note that although this EOI sets out the envisaged procurement process, the EOI Process itself does not form part of formal procurement process. Should DTPW decide, after concluding the EOI Process, to proceed with procurement, such process will only formally commence with the release of the RFQ Documentation.
4. Indicative Commercial Arrangements

The commercial structure for transactions of the Provincial Regeneration Programme has not yet been finalised and is expected to be developed having considered feedback from the market (EOI Process and Investors' Conference). Please see Section 6 for information about the Investor Conference.

With respect to the first tranche of properties of the Provincial Regeneration Programme, the WCG and the DTPW have made a policy decision that the WCG will retain ownership of the properties in order to capture the broader benefits of property regeneration. An outright sale of the properties is therefore not under consideration.

The substance of the envisaged commercial structure is to convey to the prospective investors a right-of-use over the respective properties for a period long enough to facilitate the achievement of the DTPW's financial objectives for the project as set out in Section 2.1. The commercial structure may resemble, for example, a concession or a lease.

The commercial structure is expected to allow prospective investors to pass on the right of use to their customers or tenants, in a manner similar to a sub-lease arrangement. In addition, the commercial structure is expected to allow prospective investors flexibility to sell their interests in the transaction to stakeholders that may be better placed to extract maximum value from the properties.

Without prejudice to the above, it will be the DTPW's preference to select investors who will take a longer-term perspective on investment in the properties. In particular, investor partnerships, alliances, consortia or joint-ventures that encourage a longer-term outlook will be preferred. The right-of-use arrangements have a proposed duration of 30-years, although the DTPW will consider this following the outcome of the EOI Process.
5. THE EOI PROCESS

5.1. PDP Framework

The process to be followed by this EOI is based on the PDP as described in Section 2.4 of this document.

5.2. Collection of EOI documentation

The document will not be available on the website but can be obtained by e-mailing TPWTender.Helpdesk@westerncape.gov.za and quoting reference number EI 001/14 and a PDF version will be e-mailed in response.

5.3. Submission of EOI documentation

The EOI submission must be clearly marked with the reference number EI001/14 and labelled “Expression of Interest” and be deposited at the tender box at the following address:

Department of Transport & Public Works

Transwork Walk-In Centre

Cnr. 9 Dorp and Loop Streets

Cape Town

8001

Proposal submissions that do not fit in the tender box can be submitted at Counter 7 of the tender office at the same address.

Proposals must be submitted no later than 11h00 on 17 April 2014.
5.4. **Confidentiality**

The DTPW will not disclose any content or concept information regarding submissions to any third party other than the DTPW, its officers, employees, servants, agents and Advisors for purposes of the EOI Process. Any documented assessment of the EOI Responses will reveal neither the identity nor the affiliation of EOI Respondents.

5.5. **Communication with the DTPW**

Any queries relating to the EOI Process should be directed to the following e-mail address: [ppp.projects@westerncape.gov.za](mailto:ppp.projects@westerncape.gov.za)
6. THE INVESTOR CONFERENCE

The first tranche projects of the Provincial Regeneration Programme will be presented at an Investors Conference to be held on 26 March 2014. The primary purpose of the conference will be to allow the DPTW to communicate its vision and engage market representatives directly to help structure the prospective transactions in a commercially sustainable manner.

Other objectives of the conference include, inter alia, the following:

- To inform the market about the Provincial Regeneration Programme;
- To engage potential investors and property developers directly;
- To assess market investment interest in the projects;
- To solicit concepts and ideas for the proposed developments of the sites; and
- To allow the DTPW to make informed decisions (based on likely market interest) about the procurement of projects.

Please note that the investor conference is separate from the EOI Process and attendance is not mandatory and would in no way influence the anticipated tender related to the first tranche projects of the Provincial Regeneration Programme.
7. EOI RESPONSE CONTENT

The DTPW requests the following content to be included in the EOI Responses:

- Information about the EOI Respondent as contemplated in Section 7.1.1; and

- Responses to questions about the first tranche of the Provincial Regeneration Programme as contemplated in Section 7.1.2.

7.1.1. Information about the Respondent

Please provide the following information:

1. Name of the company/legal entity and appropriate registration numbers;

2. Name and title of the person responsible for the content of the EOI Response;

3. Contact information for the company and/or the person set out above, including e-mail addresses, telephone numbers, and postal addresses;

4. Number of years of experience of the company as a property developer/investor;

5. Schedule of relevant and material property development projects previously undertaken by the company/legal entity, including capital value of the properties as well as usage information (residential, commercial/office, industrial, agricultural) with indication of any mixed-use components and the relative sizing of these components in capital value terms (Table 4 below); and

6. Identification of property investment set out in the schedule below, which is/was based on a commercial arrangement substantially similar to that described in Section 4.
Table 4: Schedule of Relevant Developments

<table>
<thead>
<tr>
<th>Development Description</th>
<th>Capital Value (ZAR)</th>
<th>Usage (e.g. 40% residential and 60% office)</th>
<th>Status (Ongoing or Completed)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

7.1.2. Responses to questions about Phase 1 of the Provincial Regeneration Programme

The questions set out below should be considered in reference to both the overall first tranche of Provincial Regeneration Programme as well as in relation to any specific properties that the Respondent finds of interest. To the extent this is relevant, general and property-specific responses are therefore requested. Unless otherwise indicated the responses should assume that commercial arrangements set out in Section 4 are applicable.

DTPW recognises that the information provided in this EOI may be insufficient to generate detailed responses. The EOI Respondents are requested to make their responses as specific as possible given the context provided.
Degree of Interest

1. Please confirm if the EOI Respondent is expecting to participate in the prospective tender process in connection with the first tranche of the Provincial Regeneration Programme.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
</table>

2. Describe the level of interest in each of the first tranche Provincial Regeneration Programme properties.

**Alfred Street Complex**

<table>
<thead>
<tr>
<th>Very interested</th>
<th>Mildly interested</th>
<th>Neutral</th>
<th>Disinterested</th>
</tr>
</thead>
</table>

**Helen Bowden Nurses Home Site**

<table>
<thead>
<tr>
<th>Very interested</th>
<th>Mildly interested</th>
<th>Neutral</th>
<th>Disinterested</th>
</tr>
</thead>
</table>

**Top Yard**

<table>
<thead>
<tr>
<th>Very interested</th>
<th>Mildly interested</th>
<th>Neutral</th>
<th>Disinterested</th>
</tr>
</thead>
</table>

**Main Road Sea Point**

<table>
<thead>
<tr>
<th>Very interested</th>
<th>Mildly interested</th>
<th>Neutral</th>
<th>Disinterested</th>
</tr>
</thead>
</table>
Best Use

3. What is the best primary use for the properties?

Alfred Street Complex

<table>
<thead>
<tr>
<th>Residential</th>
<th>Office/Retail</th>
<th>Industrial</th>
<th>Other</th>
<th>Unsure</th>
</tr>
</thead>
</table>

Helen Bowden Nurses Home Site

<table>
<thead>
<tr>
<th>Residential</th>
<th>Office/Retail</th>
<th>Industrial</th>
<th>Other</th>
<th>Unsure</th>
</tr>
</thead>
</table>

Top Yard

<table>
<thead>
<tr>
<th>Residential</th>
<th>Office/Retail</th>
<th>Industrial</th>
<th>Other</th>
<th>Unsure</th>
</tr>
</thead>
</table>

Main Road Sea Point

<table>
<thead>
<tr>
<th>Residential</th>
<th>Office/Retail</th>
<th>Industrial</th>
<th>Other</th>
<th>Unsure</th>
</tr>
</thead>
</table>

4. If mixed-use of the properties is recommended, then what specific uses are recommended and in what proportions?

Project Timetable

5. Assuming the best use suggested above would be implemented, what is a reasonable time frame (in months) within which the properties of interest to the EOI Respondent could be developed (completion of construction)? Please specify which properties are being referred to in the response.

6. Assuming the best use suggested above would be implemented, what is a reasonable time frame (in months) within which the developed properties would be fully occupied? Please specify which properties are being referred to in the response.

7. Please identify major milestones in effecting the investment as well as in making the properties available to the tenants?
8. Would the Respondent phase the development of the properties such that the development of part of a property would continue whilst another part would be available for use? Alternatively would the entire property be developed and marketed at the same time? Please specify which properties are being referred to in the response.

**Cash Flow and Investment Potential**

9. With respect to each property of interest to the Respondent, what is the amount of lettable space the Respondent anticipates (in % terms of the bulk mentioned), assuming that the Respondent will have complete freedom in determining the use and functionality of the property? Please specify which properties are being referred to in the response.

10. How does the commercial structure referred to in Section 4 affect the potential for maximising investment in the properties relative to an outright sale? Is the structure:

   Investment Enhancing  ○  Investment Eroding  ○  Neutral  ○  Unsure  ○

11. How does the commercial structure referred to in Section 4 affect the potential for maximising rental yield from the properties, especially with respect to the component of the rental yield that could be paid to the DTPW over the course of the head leases?

   Rental Yield Enhancing  ○  Rental Yield Eroding  ○  Neutral  ○  Unsure  ○

12. How do the answers to the above change if the term of the right-of-use arrangement were extended? What term would the Respondent propose?

13. If the term of the right-of-use arrangement were set to 30 years and the use of the property would be as indicated by the Respondent above, what nominal, post-tax return on equity would the Respondent require?

   If the term of the right-of-use arrangement were set to 30 years and the use of the property would be as indicated by the Respondent above, what annual rental yield would the Respondent expect from the properties of interest?

14. How could the periodic payments to the DTPW be structured to maximise their value to the DTPW?
15. For each property of interest to the EOI Respondent, please specify how the Financial Objectives would be balanced:

- [ ] Preference for focus on investment
- [ ] Preference for focus on rental yield shared with DTPW
- [ ] No clear preference
- [ ] Undecided

16. What other potential constraints to the development of the properties would the Respondent wish to bring to DTPW’s attention?
Funding

17. How does the commercial structure referred to in Section 4 affect the potential for raising capital for property development? Will capital-raising be:

<table>
<thead>
<tr>
<th>Substantially Impaired</th>
<th>Somewhat Impaired</th>
<th>Neutral</th>
<th>Unsure</th>
</tr>
</thead>
</table>

18. Does the commercial structure referred to in Section 4 substantially limit the population of potential investors to those that do not require commercial debt to deliver the investment?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
</table>

19. Within the confines of the commercial structure referred to in Section 4, what form of security could the DTPW offer to substantially improve the debt capacity of the projects?

20. For each property under consideration, what level of gearing is expected in the funding structure?

Socio-Economic Objectives

21. What levers may be available to DTPW to implement its socio-economic objectives set out in Section 1 whilst protecting the financial feasibility of prospective investment? Which (if any) of these objectives would materially impact financial feasibility? Is there a range of tolerance for requiring such objectives to be met? For example, is there a maximum percentage of available area that should be assigned to socio-economic objectives, such as creating green, open spaces? What is a tolerable range for this percentage?

22. Would the Respondent support the pursuit of an exemption from the Preferential Procurement Policy Framework Act, 2000 for the anticipated procurement process to allow more flexibility in accommodating BBBEE and socio-economic objectives?

General

23. Are there any other comments that the Respondent would wish to make in relation to the first tranche of properties of the Provincial Regeneration Programme?
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisors</td>
<td>Collectively the Financial Transaction Advisors, Legal Financial Advisors and Project Management Consultants rendering services to the DTPW in connection with the first tranche projects of the Provincial Regeneration Programme</td>
</tr>
<tr>
<td>DTPW</td>
<td>Western Cape Department of Transport and Public Works</td>
</tr>
<tr>
<td>EOI</td>
<td>This document, including all appendices, as well as any information provided by DTPW, WCG and the Advisors about the first tranche projects of the Provincial Regeneration Programme prior to the issue of RFQ Documentation</td>
</tr>
<tr>
<td>EOI Process</td>
<td>The process through which EOI is used to solicit market feedback about the first tranche projects of the Provincial Regeneration Programme</td>
</tr>
<tr>
<td>EOI Respondent</td>
<td>Any natural person, company, close corporation, trust, partnership, joint venture, association, unincorporated association, or other entity whether or not having separate legal personality that will have submitted an EOI Response</td>
</tr>
<tr>
<td>EOI Response</td>
<td>A formal response by an EOI Respondent to this EOI</td>
</tr>
<tr>
<td>Financial Objectives</td>
<td>The financial returns that the DTPW strives to accomplish</td>
</tr>
<tr>
<td>Financial Transaction</td>
<td>The entity providing financial transaction advisory services to the DTPW (Pricewaterhouse Coopers and Grant Thornton)</td>
</tr>
<tr>
<td>Advisor Investment</td>
<td>A conference of respondents interest in undertaking the EOI Process in respect of the Provincial Regeneration Programme</td>
</tr>
<tr>
<td>Legal Transaction Advisors</td>
<td>The entity providing legal advisory services to the DTPW (Edward Nathan Sonnenbergs and Cliff Decker Hofmeyr)</td>
</tr>
<tr>
<td><strong>Project Management Consultants</strong></td>
<td>The entity providing project management services to the DTPW (AMF Projects)</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Prospective Respondents</strong></td>
<td>Individuals and companies in receipt of this EOI and in a position to submit EOI Responses</td>
</tr>
<tr>
<td><strong>Provincial Regeneration Programme</strong></td>
<td>Cape Town Central City Regeneration Programme</td>
</tr>
<tr>
<td><strong>RFP Responses</strong></td>
<td>Priced responses to a Request for Proposals document issued as part of the first tranche projects of the Provincial Regeneration Programme</td>
</tr>
<tr>
<td><strong>RFQ Documentation</strong></td>
<td>Request for Qualification documentation designed to pre-qualify bidders. The issue of the RFQ Documentation marks the commencement of the formal tender process.</td>
</tr>
<tr>
<td><strong>RFQ Responses</strong></td>
<td>A formal response by prospective respondents to the RFQ Documentation</td>
</tr>
<tr>
<td><strong>WCG</strong></td>
<td>Western Cape Government</td>
</tr>
</tbody>
</table>
8. **APPENDIX 1: ALFRED STREET COMPLEX**

9.1. **Overview**

The Alfred Street Complex Building is strategically located between the Cape Town CBD and the V&A Waterfront. The property is also within walking distance of major transport routes and shopping and entertainment areas.

The property is well suited to a mixed-use development incorporating office, retail, residential and parking.

The property has an existing bulk of around 50 000m² and could be expanded to around 65 000m². Demolition of the structure is an option.

9.2. **Location**

The Alfred Street Complex Building is situated on Erf 564 Cape Town and bordered by Prestwich, Chiappini, Hospital and Alfred Streets.

9.3. **Context**

The building is composed of four individual blocks that reaches a maximum height of 6 floors in places and are linked by a series of covered internal courtyard spaces that are used for parking and servicing the building.

The building has basement parking on the Hospital Road edge of the site. When the building was constructed in 1953, it was specifically designed to accommodate heavy loads in order to meet the storage requirements of its users. Thus, the building has extensive reinforcing in its sub-structure and on upper floors to carry significant weights.
**Current use of the Alfred Street Complex Building**

The property is currently utilised by:

- The South Africa Police Service;
- The Cape Medical Depot and Store; and
- The Western Cape Library Services.

All tenants have been informed of the proposed redevelopment and the private sector can assume that the building will be vacated for redevelopment.

9.4. **Site information**

The Alfred Street Complex Building has been incorporated into an Urban Design Report compiled for the Prestwich Precinct in June 2012.

Subsequently, transaction advisors have been appointed and a scoping report was produced in December 2013. The scoping report included a broad analysis of the best use options for the property. The best use analyses indicated that the property is well suited to a mixed use development incorporating, office space, residential units, parking and limited retail space. The scoping report also indicated that demolition of the building is permissible for the complete redevelopment of the property.

9.5. **Subject Erven and Title**

The conveyancer’s certificate dated 14 November 2013 confirms that the WCG is the registered owner of the Alfred Street Complex, Erf 564, Cape Town and that the title deeds of the site do not contain any restrictive conditions.

9.6. **Zoning and permitted land uses**

The town planner has not found any conditions or site / locational characteristics that limit the use of Erf 564. Erf 564 is zoned mixed use (MU3) under the 2012 zoning scheme regulations and general commercial (C4) under the 1990 zoning scheme regulations.

The current zoning allows the land owner the choice of applying the development parameters of either the former (1990) or current (2012) zoning schemes. Approximately 49 267 m² of space exists on site but the current zoning scheme (2012) allows a greater bulk of 64 925 m² of space compared to 62 804,0m² of space under the 1990 zoning scheme. The site has an available bulk of between 13 537 m² and 18 023 m² depending on whether the 1990 or 2012 zoning scheme is applied.

The current or former zoning schemes do not contain development requirements that are onerous, and both offer a range of uses that could be developed without the need for a lengthy planning process.
9.7. **Infrastructure assessment and bulk services availability**

Based on available information, the following has been found in regards to the availability of bulk services:

- There are no constraints to the existing water supply to Erf 564;
- There are no constraints to the existing sewer reticulation to Erf 564;
- All the buildings have existing fire connections from the council main;
- A visual inspection of the structure of the building found that the general condition of the buildings appears good for the age of the structure;
- There are no constraints to the existing road layout or stormwater reticulation to and from Erf 564; and
- There are no constraints to the existing electricity supply to Erf 564.

The transport scoping report found that the site could play one of a number of roles. With minimal redevelopment, or with a shift to residential use, it could minimise its impact on traffic demand; with new retail, it could increase activity on the street and support other residential development in the area; and with significantly more parking it could provide shared parking for lease to tenants in nearby buildings.

9.8. **Heritage status**

The Prestwich Precinct does not fall within a designated conservation zone however due to Green Point’s origins as a cemetery it has significant cultural, heritage and archaeological value. The area has been identified as a Grade 1 National Heritage Resource.

It is unlikely that there is still human bone on site. If any are found it is likely to be in the form of unarticulated fragments that have been left behind after being disturbed by the clearing of the old hospital, and later on by the excavation of the basement and footings for the set of government buildings. If sub-surface redevelopment or excavations is required for redevelopment, it will be necessary to obtain a precautionary Section 36 excavation permit from SAHRA for the relocation of human remains.
9.9. **Environmental aspects**

No environmental constraints have been identified relating to the site apart from the provision that would need to be made for the legislated disposal of hazardous substances contained in compact fluorescent lamps and asbestos during any demolition of the buildings on site.

9.10. **Other relevant information**

Please refer to site photographs below.
10. APPENDIX 2: HELEN BOWDEN NURSES HOME SITE

10.1. Overview

The Helen Bowden Nurses Home (HBNH) site is ideally located in the Somerset Precinct, neighbouring the V&A Waterfront and the Cape Town Stadium. A MyCiti bus station is located in close proximity to the property in Granger Bay Boulevard.

The HBNH site is the first release of the Somerset Precinct.

The HBNH site is ideally suited for a mixed use development including office, residential, retail and parking. The existing building can be demolished and the site re-developed as required, subject to the restrictions imposed through title and rezoning.

10.2. Location

The HBNH site is located on future portion 1, remainder of Erf 1559, Green Point, on the corner of Granger Bay Boulevard and Beach Road.

10.3. Context

The greater Somerset Precinct has been the focus of potential rezoning and commercial development since 1982, when the WCG and City of Cape Town (CoCT) first approved land exchange arrangements, in support of the same.

In July 1999, the Department of Economic Affairs, Agriculture & Tourism (D:EAAT) corresponded with the South African Institute of Maritime Archaeology (SAIMA) in response to their request to acquire tenure of the HBNH site and confirmed that the Somerset Hospital Precinct had been identified for redevelopment through disposal, by means of a Public Private Partnership.

Furthermore, D:EAAT confirmed that the Department of Health (DOH) had indicated that the HBNH site would be available for disposal however, due to the fiscal constraints on the WCG, D:EAAT had a compelling mandate to realise additional income from inter alia, their property portfolio and to that end, could not make available the HBNH to SAIMA. This mandate stands today.
The following period from 1999 through to 2005 saw the DTPW procure the necessary professional services in support of a draft Development Proposal for the greater Somerset Precinct and in support of the anticipated Land Exchange considerations between the Province and CoCT.

In October 2005, the Western Cape Provincial Cabinet approved the draft development proposal for the Somerset/Old City Hospital Precinct that included the HBNH site and the resolutions taken are summarized as follows:

- Conclusion of the Land Exchange Agreement between the CoCT and WCG;
- The construction of Granger Bay Boulevard through a portion of erf 1559, alienating the HBNH site (Precinct 1) from the rest of the Somerset Precinct; and
- Option 3 of the draft development framework which promoted a mixed-use development for the greater Somerset Precinct including a range of housing options and more specifically; a mixed-use development (commercial, retail & hospitality) for the HBNH site with appropriate parking availability below grade.

In correspondence between the CoCT and WCG in September of 2006, it has been recorded that the parties were in the process of finalizing the terms and conditions of exchange of certain properties in the Somerset Precinct and the WCG were duly authorized to proceed to make the appropriate land use applications in support of the draft development proposal, now approved by Council and Cabinet.

During the prevailing period, the WCG and CoCT Officials moved towards the finalization of the Somerset Precinct Land Exchange Agreement and the same was concluded in December 2006 and subsequently, correspondence was submitted from DTPW Property Management to the CoCT Property Management confirming a request to arrange for the necessary transfers of ownership, as contemplated in the aforementioned agreement.

During the prevailing period (2006 onwards), the appointed professionals finalized the draft development proposal for the Somerset Precinct and completed the proposed rezoning and subdivision application for the Somerset Precinct. The full extent of documentation included within the Rezoning Report was:

- Environmental Impact Assessment (EIA);
- Transport Impact Assessment (TIA); and
• Heritage Western Cape Approval.

In addition, the WCG transferred the relevant financial contributions to the CoCT (December 2006) in respect of the land exchange agreement and relevant Development Contribution levies in terms of the proposed rezoning of the Somerset Precinct properties (March 2007).

In September of 2007, the DTPW authorised the publication to the market of a Request for Qualifications (RFQ) in respect of the development of the Somerset Precinct. However, due to various objections from prospective developers, Interested and Affected Parties and other government departments, the procurement process was suspended and later abandoned.

Further to the abandonment of the development proposal for the Somerset Precinct, the Western Cape Provincial Cabinet resolved that...“any further redevelopment proposals for the Somerset Hospital Site, must be part of a broader strategic property development plan that encompasses the inner City Bowl...and that maximizes the potential social, spatial, environmental and economic returns from government-owned properties in the City Bowl”.

The DTPW contracted the services of professional Urban Designers and Town Planners in 2009, to revisit the development proposals for the Somerset Precinct, in terms of the previous reports, assessments and proposals and the current resolution of the Western Cape Provincial Cabinet.

In response to the aforementioned Cabinet Resolution, was the creation of the Provincial Regeneration Programme which essentially provided the mechanism to achieve the broader vision of the WCG for the development of strategic properties within the inner City of Cape Town. The Somerset Precinct was identified within the strategic framework of the Provincial Regeneration Programme and hence marked the initiation of the redevelopment phase for the Somerset Precinct.

A report was submitted to the Western Cape Provincial Cabinet who supported the proposal to consider revised development opportunities for the greater Somerset Precinct and activate further development phases of the precinct Provincial Regeneration Programme.

In terms of the aforementioned cabinet resolution, a DTPW Regeneration Office was created and proceeded to:

• Establish the Project Officer to manage the delivery of the precinct Provincial Regeneration Programme;
- Plan the associated enabling works (existing building lease cancellations & relocation plans for current public user groups i.e. NHLS, Somerset Hospital) and with specific reference to the HBNH site, reach agreement with the DOH to relocate the nursing staff from the HBNH (Precinct 1) to other buildings (Old City Nurses Home and Waterside II Buildings) in Precinct 3, subject to agreement of the necessary maintenance and upgrade scope required to support such a relocation;

- Appoint the necessary Urban Designer & Town Planner to undertake the revised development plan, rezoning application and subdivisions; and

- Development and approval of the brief and scope of work for the new NHLS building proposed for relocation to the Oude Molen precinct in the Valkenburg district of the City.

The DTPW is currently in the process of enabling the Somerset Precinct through existing tenant decant arrangements, rezoning and subdivision applications.

The HBNH is currently occupied by the DOH however, in terms of an agreement between DTPW and the DOH, the existing tenants are to be relocated to alternative accommodation by the end of 2014.

**10.4. Site Information**

As part of the PDP and rezoning application process for the Somerset Precinct, Provincial Regeneration Programme various assessments incorporating the HBNH site have been completed and are currently in progress. A scoping report for the HBNH site has been completed based on available information which indicates the suitability of the property for a future mixed-use development.

**10.5. Subject Erven and Title**

The HBNH site is located on future portion 1, remainder of Erf 1559 and is registered in the name of the Hospital Trustees, a statutory committee in terms of, the now repealed, Section 11(4) of Ordinance 18 of 1946. The DTPW is currently in the process of rezoning and subdividing the Somerset Precinct, pursuant to which the HBNH site will be registered in the name of the WCG.
10.6. Zoning and Permitted Land Use

Portion 1, remainder of Erf 1559, Green Point is currently zoned “Public Open Space” and is proposed to be rezoned to “General Business

Restrictive conditions of title applicable to Erf 1559, Green Point include:

- “No buildings whatsoever shall henceforth be erected on the area depicted by ABCDEaXYZab on diagram S.G. No. 135/1987”. That area is furthermore subject to an electric servitude 1.62m in width along the southern boundary thereof and over which no buildings are to be erected; and

10.7. Infrastructure Assessment and Bulk Services Availability

Indications are that the existing electrical and telecommunications infrastructure can adequately service the proposed development of the Somerset Precinct. Some upgrading of the 11kV network will however be required. The development can also be serviced without any interruptions to the essential existing bulk services which must be maintained and protected.

The initial services investigation indicates that the existing roads and underground engineering services are adequate for the present day use of the City Hospital and the Somerset Hospital complexes. A detailed investigation of the existing civil services network for the proposed redevelopment of these complexes is currently underway. The construction of Granger Bay Boulevard has increased the accessibility of the site and will assist with the storm water drainage from the site.

Traffic and transport assessments indicate that the construction of the Granger Bay Boulevard (GBB) link between Western Boulevard and Beach Road and the future widening of Fort Wynyard Street has and will result in an improvement in travel time on these routes within the short term. The GBB road link should allow for the full development of the adjacent properties, including the V & A Waterfront.

Public transport is however a crucial mode of transport for many activities on the site and public transport facilities such as protection against weather conditions for passengers and stopping areas for mini-bus taxis must be adequately provided. Not all of the required parking for the proposed
development of the site can be accommodated at grade and hence, underground parking will be required.

10.8. Heritage Status

The rezoning report by the heritage authorities i.e. HRS and HWC was endorsed and formed the basis for the preparation of the rezoning application. The HIA, Phase 2 concluded that there were a number of high to medium positive impacts and relatively few medium negative impacts to be derived from the redevelopment proposals for the site.

Limited or no impact is thus anticipated.

10.9. Environmental Aspects

The findings of the previous Environmental Impact Report (2007) demonstrate that the majority of impacts associated with the development proposal for the Somerset Precinct are generally positive after mitigation.

However, there is currently a Basic Assessment underway for the greater Somerset Precinct, of which the HBNH site is a part. This study will provide current information on the expected impacts of the proposed development. Furthermore, a new Visual Impact Assessment will be undertaken as part of this environmental authorisation process, along with a Heritage Assessment which will examine the current Heritage Western Cape Record of Decision and its conditions relative to the new proposal.

10.10. Other Relevant Information

The HBNH site constitutes the first of four development releases planned for the Somerset Precinct. Subsequent planned releases stand as follows:

- Release 2: Western portion of Erf 1955 (Old City Hospital site) with a total potential development bulk of 55,000m² (2016);
- Release 3: Eastern portion of Erf 1955 (Old City Hospital site) with a total potential development bulk of 47,000m² (2018); and
- Release 4: Remainder of Erf 1559 (Somerset Hospital Site) with a total potential development bulk of 110,000m² (>2024).

Please refer to site photograph of the Helen Bowden Nurses Home below.
11. APPENDIX 3: TOP YARD SITE

11.1. Overview

Top Yard forms part of the Government Garage precinct, a cabinet-approved programme under the Regeneration Programme. The property is currently utilised as a ground level parking facility with tarmac surfacing. An estimated 50% of Top Yard is utilised for storage of Government Motor Transport (GMT) vehicles, the remainder being utilised by the National Department of Public Works for parliamentarian parking.

11.2. Location

Top Yard is located in the Cape Town CBD less than 500 metres from National Parliament and the Company Gardens. One other property is located on the same city block namely Erf 95859 which is located at 97 Hope Street, Gardens and is 480.51 m² in extent.

11.3. Context

GMT occupies several provincial properties in the CBD one of which is the Top Yard site. In 2011 requests were put forward by GMT to be relocated to another location as a result of space restrictions and the operational constraints created by delivering their service from multiple locations in the CBD. GMT manages a fleet of vehicles used primarily by Provincial Departments.

The CT-CCRP identified the Top Yard site as one of several underutilised provincial sites in the vicinity and grouped these properties into what is known as the Government Garage Precinct. The CT-CCRP located an alternative site for GMT’s relocation and in 2013 completed the acquisition of 3 Rusper Street in Maitland in order to initiate the relocation of GMT. A phased approach has been adopted for the relocation of GMT since the acquired site requires office space to be developed and functions moved with minimal disruptions on GMT’s existing service. The tender for the construction of office space is currently being finalised and completion of this work will allow for Top Yard to be vacated.

Top Yard is therefore the first project to be released within the broader Government Garage Precinct. The CT-CCRP has initiated precinct planning, which is to be complete in the middle of 2014. This process is expected to assist with planning approvals at a site development plan stage and consideration of the development potential for all provincially owned properties in the area.
The Spatial Development Framework outlined by the CoCT informs the future development of the CBD. Top Yard is currently on the border of areas being considered for urban development or mixed-use intensification. This is in line with the current zoning of Top Yard.

11.4. Site Information

The Top Yard (erf 96174) is 11,621m² in extent and is situated in the Table Bay District. The site is conveniently located along the current and future planned MyCiti bus routes and is approximately 200 metres from the central Gardens MyCiti bus station. The Roodehek MyCiti bus stop is located adjacent to the site on Buitenkant Street and the Gardens MyCiti bus station is approximately 200 metres from the site, making it highly accessible from a public transport perspective.

11.5. Subject Erven and Title

Top Yard used to be registered in the name of the Republic of South Africa, and a Section (28)1 certificate has been issued endorsing the property in favour of WCG, with the Premier identified as the custodian of the property. The vesting of this property in the name of the WCG is expected to be completed by the end of March 2014.

11.6. Zoning and permitted land uses

Top Yard is zoned as MU2 (mixed-use 2) under the new Cape Town Zoning Scheme. The previous zoning was General Commercial C2. The DTPW will have 10 years in which to utilise the conditions of the previous zoning scheme. The ensuing due diligence must consider the zoning conditions of both zoning schemes highlighting the preferential conditions for future development within the 10-year time frame.

The difference in the zoning scheme provisions in terms of use rights is minimal, as both old and new zones provide for very similar uses, and give the most flexibility. The impact of building lines and setbacks is very similar, and the main difference lies in bulk and parking provision, as will be reported on in the Due Diligence process in more detail.

For the sake of comparison at the Scoping level, the previous zoning scheme allows for a bulk factor of 3.7 whereas the new scheme increases this to a factor of 4. The maximum bulk allowed under the old scheme is 42,997m² and under the new scheme it is 46,484m². These figures represent theoretical maximum bulk, by way of calculation only and are untested in terms of building arrangement and other site fixes which could arise from the due diligence stage.
11.7. Infrastructure assessment and bulk services availability

In August 2011, Arcus GIBB was commissioned to conduct a bulk services analysis of the Cape Town CBD and this analysis covers Top Yard. Based on the location and the nature of Top Yard, the provision of water and electricity is not anticipated to be a concern. Connections are also currently only utilised for two small structures on either end of Top Yard (Security buildings). Sewerage capacity is however currently a concern for developments within the Cape Town CBD and will be carefully considered in the Due Diligence.

A total of 46,484m² is estimated to be the potential bulk available on Top Yard under the new zoning Scheme. This is a high level estimation based on information from the City of Cape Town Zoning Scheme Regulations November 2012.

11.8. Heritage status

Development on the site requires approval from heritage authorities at provincial and local governments as follows:

As development on the site are within a sensitive heritage context and declared local heritage areas the independent heritage consultant will recommend the submission of a Heritage Impact assessment including an Archaeological Impact Assessment in the Notification for Intent to Develop (NID) (required in terms of Section 38 of the National Heritage Resources Act, 1999) to Western Cape Provincial Government (Heritage Western Cape); and

As the sites are situated in part on wholly within City of Cape Town (CCT) Heritage Overlay Protection Zones, approval from local government (City of Cape Town Environment and Heritage Resources Management) is required in terms of the zoning scheme regulations.

11.9. Environmental aspects

The regulations promulgated under the NEMA identify certain uses, activity thresholds and locations (urban areas/ outside of urban areas) which may cause development activity to undergo an EIA process. There are three Listing Notices, which list activities and competencies for decision making. It can be concluded at this stage that an ordinary mix of land uses (residential, commercial) will not require an EIA process, but attention is drawn to the fact that there may be some specific uses, or components of uses, that may require applications in terms of the NEMA.

In context of addressing whether any listed activities per the regulations under the NEMA are triggered, it is necessary to state the condition of the property:
From observation, there are no natural features on the property apart from two palm trees and a ca. 4m wide strip in the middle of the site, running north south, which is a retaining structure on which grass has grown;

The property already has zoning for a mix of residential, commercial and associated activities; and The site has bulk water and stormwater services running in the adjacent road reserves, and therefore none of the environmental activities related to conveyance of bulk services are triggered.

A few considerations with regard to current findings:

56 Activities are listed: Activity 1: The construction of facilities or infrastructure for the generation of electricity where: (i) the electricity output is more than 10 megawatts but less than 20 megawatts; or (ii) the output is 10 megawatts or less but the total extent of the facility covers an area in excess of 1 hectare, and 26 Activities are listed, and all are high impact uses, and therefore apply to erf 96174.

11.10. Other relevant information

Please refer to site photographs below.
Request for Expressions of Interest: Western Cape Provincial Government Regeneration Programme
12. APPENDIX 4: MAIN ROAD SEA POINT SITE

12.1. Overview

The Main Road Precinct is the site of the former Tafelberg Remedial High School and is located at 355 Main Road, Sea Point east; approximately three and a half kilometres from Cape Town’s Central Business District (CBD). The property is also within walking distance of major transport routes and shopping and entertainment areas.

12.2. Site description

The property is well suited to a mixed-use development incorporating office, retail and residential uses. The site consists of two separate erven namely: 1424 and 1675, Sea Point comprising a total site area of 1.7054 hectares. The site offers a development yield of approximately 20 000m² of mixed-use space comprising 12 200m² residential use, 1 700m² retail use, 700m² restaurant and 5 000m² business use.

12.3. Location

The Main Road Precinct is located at 355 Main Road, Sea Point east, approximately 3.5 kilometres from Cape Town’s CBD, and lies within the administrative boundary of Ward 54 which comprises Mouille Point, Three Anchor Bay, Sea Point, Fresnaye, Bantry Bay, Green Point, the Foreshore and Robben Island.

The Precinct occupies almost an entire city block and is bounded by Main, The Glen, Milner, Herbert and Heathfield Road’s respectively and is conveniently accessible from either Main or High Level Roads.

The Precinct is centrally located along the Main Road activity route with its frontage directly onto Main Road providing excellent connectivity to the CBD whilst offering significant opportunities for comprehensive re-development of this vacant land.

12.4. Context
The Precinct was previously utilised by the Western Cape Education Department and the Department of Human Settlements for educational purposes and residential rental accommodation respectively. In 2010 Tafelberg Remedial High School relocated to new premises in Bothasig and tenants of the Wynyard Mansions have been progressively relocated to alternative accommodation.

The Precinct has a long tradition as a place of learning, dating back to 1899 when the property was purchased by the Department for Education for the establishment of Ellerslie Girls High School. From 1899 buildings were added incrementally to accommodate the Ellerslie Girls School and more recently the Tafelberg Remedial High School. The buildings stood vacant since the Tafelberg Remedial High School was relocated.

Given the historic nature of the site, the Main Road Precinct contains a number of buildings and landscape features of heritage and cultural significance and includes extensive external hard and soft play areas, off-street parking and a large garden with mature planting.

12.5. Site information

In October 2011, the DTPW commissioned a study to investigate the development potential of the Precinct. This assessment outlined the DTPW’s urban design objectives for the Main Road Precinct and proposed an urban design concept intended to guide proposals for the future redevelopment of the Precinct.

The assessment also provided spatial and design criteria for assessing any development proposals received from Tenderers as a result of a disposal. The land use planning parameters applicable in terms of zoning, environmental and heritage legislation were considered and tested to establish the optimal bulk and land use mix that was achievable whilst also meeting the urban design objectives.

The development concept envisaged a mixed-use development that would activate Main Road and catalyse regeneration locally. The content of the development concept was presented to heritage and land use management approving authorities at the CoCT and is generally supported.

A copy of the site assessment is contained in the Urban Design Report (UDR) included at Annexure X. In formulating their submissions, interested parties are minded to familiarise themselves with the contents of the UDR.

12.6. Subject Erven and Title
The Site consists of two separate erven namely: 1424 and 1675, Sea Point comprising a total site area of 1.7054 hectares.

12.7. **Zoning and permitted land uses**

The Main Road Precinct benefits from a dual zoning including Mixed-use and General Residential. In terms of this use class, the use of the Site for blocks of flats, double dwelling houses, groups of dwelling houses, places of worship and residential buildings is permitted as of right. The use of the site for institutions and places of instruction may be permitted with consent.

12.8. **Infrastructure assessment and bulk services availability**

The DTPW commissioned a high-level infrastructure capacity assessment of the existing bulk service infrastructure. The study concluded that the capacity of the utility network was adequate for the existing education use.

Where Respondents propose redevelopment of the Site incorporating uses that differ from the existing educational use, Tenderers will be required to satisfy themselves as to the adequacy of the available infrastructure capacity.

12.9. **Heritage status**

The Precinct falls entirely within an urban conservation area as designated per Section 108 of the Cape Town Zoning Scheme (2002). Further, the Precinct is greater than 5 000m² in extent and buildings located on the premises are older than 60 years, consequently Section 38 of the Heritage Resources Act (Act 25, 1999) is applicable.

As part of the UDR, Bridget O’ Donoghue, a heritage specialist was commissioned to prepare a Phase 1 Heritage Impact Assessment (HIA) for the Precinct in September 2011.

The HIA was considered by Heritage Western Cape on the 21st September 2011 and the Environmental and Heritage Management Directorate at the City of Cape Town on the 5th October 2011. Both consultees supported the recommendations of the assessment.

A copy of the HIA and associated correspondence is contained within the UDR and is presented at Annexure X.
In terms of existing legislation, any future development proposals for the Precinct will require the submission of a Phase 2 Heritage Impact Assessment for approval by Heritage Western Cape.

12.10. Environmental aspects

The DTPW consulted the Department for Environmental Affairs and Development Planning (DEADP) regarding the applicability of the NEMA Environmental Impact Assessment (EIA) Amendment Regulations 2010. Their advice is contained at Annexure X.

According to this advice, proposals contained in the UDR do not constitute listed activities in terms of the NEMA EIA Regulations 2010. A written environmental authorisation would therefore not be required from a competent authority prior to implementing the proposals.

However Respondents should note that DEADP reserves the right to amend or withdraw comments and may request further information.

12.11. Other relevant information

Please refer to site photograph below: