

CONFIDENTIAL

SUPPLEMENTARY AGENDA NO. 3

Council Meeting

THURSDAY, 28 OCTOBER 2021

at

19:00



MUNICIPALITY OF SWAKOPMUND

INDEX

ITEM NO	SUBJECT	REF NO	PAGE
11.1.28	Erongo RED: Transfer Of Erven 4423 And 4470, Mondesa	5/6/3, E 4423, M E 4470, M	3

11.1.28 **ERONGO RED: TRANSFER OF ERVEN 4423 AND 4470, MONDESA**
(C/M 2021/10/28 - 5/6/3, E 4423, M & E 4470, M)

Special Management Committee Meeting of 28 October 2021,
Addendum **5.1** page **04** refers.

A. The following item was submitted to the Management Committee for consideration:

1. Introduction

The **attached** application dated **11 October 2021** was received from Erongo RED for the transfer of Erven 4423, Extension 12, Mondesa and 4470, Extension 3, Mondesa to them (**Annexure "A"**). Erf 4423, Extension 12 is required for provision of electrical services to the township belonging to Elize Investments (Pty) Ltd.

Erongo RED states that they require formal ownership of the above two erven to allow access to the property and that they can properly secure the infrastructure on the property. The General Manager: Engineering & Planning Services confirmed that both erven are zoned "*Local Authority*". Construction of a substation on Erf 4423, Extension 12, Mondesa is completed. The substation on Erf 4470, Extension 3, Mondesa is not yet completed.

Both erven measure 120m² in extent and ownership of both erven is vested in Council in terms of Deed of Transfer T 4188/2019. Both erven do not form part of the asset transfer agreement with Erongo RED in terms whereof erven listed in the agreement are donated to Erongo RED.

Another letter dated **25 October 2021** was received from Erongo RED requesting that a property guarantee be issued securing the transfer of the two erven to Erongo RED. Subsequent to a conversation between a representative of Erongo RED, the General Manager: Engineering & Planning Services and General Manager: Corporate Services & Human Capital (Acting) it was concluded that instead of a property guarantee a Council resolution confirming the future transfer of the two erven will suffice.

Attachments:

Annexure "A"

Letter dated 11 October 2021 from Erongo RED

Annexure "B"

Letter dated 25 October 2021 from Erongo RED

Annexure "C"

Council's resolution passed on 31 October 2019 under item 11.1.18

2. Statutory Requirements to Comply With

Council is bound by the requirements of the Local Authorities Act 23 of 1992 whenever land is alienated.

Therefore, the following statutory requirements must be complied with:

- 2.1 *A Council resolution must be in place for the alienation of the erven.*
- 2.2 *The alienation must be published as required in terms of section 63 of the Local Authorities Act 23 of 1992.*
- 2.3 *Subsequent to the publication process, irrespective whether objections are received or not, approval must be obtained from the Ministry of Urban and Rural Development in terms of section 30 (1) (t).*

3. Current Situation with regard to the Future Alienation of Erven Erongo RED

In terms of Council's resolution passed on **31 October 2019** under item 11.1.18 Council repealed its decision to donate erven to Erongo RED which do not form part of the asset transfer agreement. A resolution was passed that these erven must be purchased from Council. Consensus was not reached on this point.

For ease of reference point (g) of the resolution is quoted:

(g) *That the point (b) of Council's resolution passed on 27 June 2013 under item 11.1.9 be **repealed**:*

(b) *That, in future, land be donated to parastatals as new townships develop and that parastatals be required to provide the equivalent value as social responsibility in Swakopmund.*

In terms of point (e) of the above decision, valuations are obtained to determined purchase prices. Council on **31 October 2019** under item 11.1.18 approved a per square metre price for a substation in Mondesa at N\$200.00/m².

The entire item 11.1.18 of Council's Minutes of **31 October 2019** is attached as **Annexure "B"** as it forms the basis of the conditions of sale for Erven 4423 and 4470, Mondesa.

The following is therefore applicable with reference to the two erven:

Erf 4423, Ext 12	:	Extension 12 was serviced by Elize Investments (Pty) Ltd who paid Council for the land and transferred the said erf to Council at their cost. Therefore, it is not required that Erongo RED purchases the said erf from Council.
Erf 4470, Ext 3	:	Extension 3 was serviced by Council and it is required that Erongo RED purchases the erf from Council. As per the valuation above, a purchase price of 120m ² x N\$200.00/m ² = N\$ 24 000.00 is applicable.

B. After the matter was considered, the following was:-

RECOMMENDED:

- (a) That the following erven (not forming part of the Asset Transfer Agreement) be alienated to Erongo RED as indicated below:

Erf 4423, Ext 12	:	be donated as the erf was purchased and serviced by Elize Investments (Pty) Ltd who transferred to the erf to Council free of charge and at their cost.
Erf 4470, Ext 3	:	be sold at a purchase price of 120m ² x N\$200.00/m ² = N\$ 24 000.00.

- (b) That all costs for the transactions be for the account of Erongo RED.
- (c) That Council applies for approval from the Ministry of Urban & Rural Development in terms of Section 30 (1) (t) of the Local Authorities Act 23 of 1992, as amended to proceed with the alienation process.
- (d) That Erongo RED be requested to fence and maintain the substations.

ANNEXURE "A"



TEL +264 (64) 201 9000 TOLL FREE 96000 FAX +264 (64) 201 9001 EMAIL support@erongored.com.na
ERONGO RED BUILDING REG NO 2004/074 91 HAGE GEINGOB STREET P O BOX 2925 WALVIS BAY NAMIBIA

ER: 3/2/4
Mr A Benjamin
Chief Executive Officer
Municipality of Swakopmund
PO Box 53
Swakopmund

Enquiries	Rudolf Ouseb
Physical Address	91 Haja Geingob Street
Telephone	+264 (64) 2019 000
Facsimile	+264 (64) 2019 001
Cell	
E-mail	rouseb@erongored.com.na
Date	11 October 2021

Dear Mr. Benjamin,

REQUEST TO TRANSFER ERF 4423 AND 4470 MONDESA EXTENSION 12 TO
ERONGO RED

1. The above matter and e-mail by Mrs. Bruwer dated 28 September 2021 refers.
2. We have requested the property owner of Mondesa Extension 12 to transfer the above two erven into the name of Erongo RED. They appointed Dr. Weder, Kauta & Hoveka Incorporated to proceed with the transfers, who in turn drafted a deed of donation for the two erven from the Municipality of Swakopmund to Erongo RED and sent the transfer documents to your office for signature.
3. Mrs. Stephny Bruwer, an employee of the Municipality of Swakopmund, sent an e-mail to Dr. Weder, Kauta & Hoveka Inc on the 28th of September 2021 in which she requested our office to send a motivation letter to your office in which we motivate the reason for the transfer of the two erven to Erongo RED.
4. We therefore address this letter to your office to motivate the reason for the transfer of the two erven, which reasons are as follows:
- 4.1 I hereby confirm that we are appointed to approve the electrical services installed in the newly established township known as Mondesa Extension 12 on behalf of the Developer, namely Messrs Elize Investments (PTY) LTD. Herewith the extract from the agreement of sale entered into and between the Municipality of Swakopmund and Messrs Elize Investments (PTY) LTD in which the above duty is confirmed, namely:

10.1.2 an electrical compliance certificate duly issued by E-RED, confirming that the services under its auspices complies with the Services Installation Plan and the minimum standards and technical specifications prescribed by E-RED, has been submitted to the COUNCIL;

Please address all correspondence to Chief Executive Officer

EDITORIAL BOARD Mrs A Z N Nondubuo *Chairperson*, Mr J A Bango *Chief Executive Officer*,
Mr D E Sijam, Mr E E Siamang *Chair*, Mr C A Nanaa, Mr E E A E Ametee, Mr M V Teyie, Mr E. Victor, Mr E H Nweli

erongored.com

- 4.2 We further confirm that in terms of the attached township approval issued by the Ministry of Urban and Rural Development that two erven were reserved for electrical substations purposes, which ervens are:

ERF 4423 AND 4470 MONDESA EXTENSION 12

- 4.3 As is indicated in the attached township board approval, the even are reserved for electrical Substations purposes. In order for Erongo RED to properly fulfil their duties in terms of their mandate to distribute power in Mondesa Extension 12 we require the transfer of the two erven reserved for electrical substations purposes to Erongo RED. This will ensure that we will always have access to the said properties and that we can properly secure the infrastructure on the property.
5. We look forward to your reply in this regard.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Fessor Mbango', is written over the typed name and title.

Fessor Mbango
Chief Executive Officer

ANNEXURE "B"



TEL +264 (64) 201 9000 TOLL FREE +264 819600 FAX +264 (64) 201 9001 EMAIL support@erongored.com.na
 ERONGO RED BUILDING REG NO 2004/074 91 HAGE GENGGB STREET P.O BOX 2925 WALVIS BAY NAMIBIA

Reference: 7/21/1/1

Mr. A. Benjamin
 Municipality of Swakopmund
 Office of the CEO

Attention: Mr. C. McClune

Enquiries	Mr. Rudolf Ouseb
Physical Address	91 Hage Gengob Street
Telephone	+264 (64) 201 9000
Facsimile	+264 (64) 201 9001
Cell	+264 (81) 122 4666
E-mail	rouseb@erongored.com.na
Date	25 October 2021

Dear Mr McClune,

**PROVIDING A PROPERTY GUARANTEE TO ERONGO RED IN THE FORM OF A
 COMMITMENT FOR ERF 4423 and Erf 4470**

Our letter dated 11 October 2021 and our discussions with Mr. McClune last week has reference.

1. The Erongo RED Land Development Guideline directs that the Developer re-zone erf on which the substation is going to be constructed, for the purpose of intent and transfer of such erven into the name of Erongo RED. Aforementioned is still outstanding.
2. The payment of the Network Contribution by the developer, was paid on Friday, 22 October 2021.
3. CoC for the current electrical installation was issued to the Developer on 12 October 2021.
4. Erongo RED will only energise Electrical Installation, only once the Substation erven (Erven 4423 and 4479) has been transferred into our name.
5. Erongo RED are aware that Swakopmund Municipality has to follow statutory process to enable this transfer.
6. The purpose of this letter is to request the Municipality of Swakopmund to provide a Property Guarantee to the value of N\$ 1,080,000-00, exclusive VAT, with regard to erven Erf 4423 and Erf 4470, as a form of commitment, in the interim until the statutory process of transferring the substation erf title deeds to Erongo RED has been finalized.
7. Above-mentioned Guarantee will be transfer back to Municipality once erven has been transferred in our name.
8. The Property Guarantee is calculated as follows:

- a $(120m^2 \times N\$2,000/m^2) \times 2$ erven = N\$ 480,000-00
- b Construct a new substation building = N\$ 600,000-00


Please address all correspondence to Chief Executive Officer

ERONGO RED BUILDING REG NO 2004/074 91 HAGE GENGGB STREET P.O BOX 2925 WALVIS BAY NAMIBIA

erongored.com

9. Erongo RED also kindly request that the Municipal Council waive any rental fees during the process of transferring the title deeds.
10. Submitted for your attention and action.

Yours Sincerely,


Fessor Mbango
Chief Executive Officer



ANNEXURE "C"

1.1.18

TRANSFER OF ELECTRICAL SUBSTATIONS: ERONGO RED

(C/M 2019/10/31 - A 4/3/1/16, A 4/3/1/16/1, E 2053, E 1394, E 4519, M 1898, E 3618, E 5997, E 6177, E 5978, E 5359, E 2606, T 504, VS 154, E 92)

RESOLVED:

- (a) That Council takes note of the transfer of the existing assets as per Schedule B of the Transfer Agreement.
- (b) That it be noted that Erf 1898, Mondesa is being subdivided by the appointed town planner of Erongo RED; and the correct erf number for the substation listed as "*Sud-Strand Str Sub-Station*" has not yet been confirmed by Erongo RED.
- (c) That the following erven be transferred to Erongo Regional Electricity Distributor Company (Proprietary) Limited in terms of Schedule B of the Transfer Agreement:

#	Erf #	Description	Asset Number
1	E 2053	Dr Boss (Welwitchia Switching Stations) - Vineta / Ext 1	SWNL 0013
3	E 4519	Papaver Sub-Station - Ocean View / Ext 9	SWNL 0014
5	E 3618	Aukas Sub-Station - Kramersdorf	SWNL 0007
11	E 2606	Diamond Str Sub-Station - Vineta: Ext 8	SWNL 0020
14	VS 154	Sandpiper Sub-Station - Vogelstrand	SWNL 0085

- (d) That the following erven not forming part of the Asset Transfer Agreement be sold to Erongo RED as indicated below:

#	Erf #	Description	Purchase Price / m ²	Size	Purchase Price
7	E 5997	Sardine Sub-Station - Mile 4: Ext 19	N\$ 500.00	230	115 000.00
8	E 6177	Mussel Sub-Station - Mile 4: Ext 20	N\$ 500.00	146	73 000.00
9	E 5978	Pacific Sub-Station - Mile 4: Ext 23	N\$ 500.00	195	97 500.00
10	E 5359	Tsavorite Sub-Station - Mile 4: Ext 15	N\$ 500.00	730	365 000.00
12	T 504	Franziska van Neel Str Sub-Station - Ocean View / Ext 1	N\$ 250.00	1 593	398 250.00

- (e) That the purchase price per square metre for the following two erven be approved; the actual size will only be available once the property is subdivided and new erf numbers are available:

#	Erf #	Description	Purchase Price / m ²
4	M 1898	Mandume Sub-Station Mondesa	N\$200.00 / m ²
15	Still to be confirmed by Erongo RED.	Sud-Strand Str Sub-Station	N\$500.00 / m ²

- (f) That Ministerial approval be requested in terms of Section 30 (1) (t) of the Local Authorities Act 23 of 1992, as amended to proceed with the alienation process.
- (g) That the point (b) of Council's resolution passed on 27 June 2013 under item 11.1.9 be repealed:
 - (b) That, in future, land be donated to parastatals as new townships develop and that parastatals be required to provide the equivalent value as social responsibility in Swakopmund.
- (h) That Erongo RED be requested to fence and maintain the substations.