



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

ANNEXURE 3

CITY IMPROVEMENT DISTRICTS ADDITIONAL RATES

May 2021

Urban Management Department



CITY IMPROVEMENT DISTRICTS (CIDs) ADDITIONAL RATES 2021/2022

Each CID must submit a budget to the City annually in terms of the Special Rating Areas (SRA) By-Law. This budget must be in accordance with the approved business plan of the CID and be approved by the company members at an Annual General Meeting (AGM) or Members Meeting. The budgets for 2021/22 for all existing CIDs included in the table below were all approved in terms of this requirement prior to submission to the City for inclusion in the City's budget document. The CIDs have a 5-year budget as per their approved Business Plan and as such cannot anticipate future development or valuation fluctuations due to successful appeals etc. Communities are informed from the outset regarding the impact of valuation fluctuations on CID budgets and also individual contributions. Accordingly, various scenarios materialize in later years where the CID budget may be spread over a broader community thus reducing the burden on individuals. Similarly, successful appeals could result in a larger than anticipated burden on other individuals due to the valuation base reducing concomitant to annual budget increases. The impact on individuals is extensively modelled to ensure that it does not exceed the original approved impact as per the 5-year budget and if greater than the budget growth it remains within the threshold of affordability and sustainability.

Notwithstanding the above, COVID has had a huge financial impact on the CIDs who, in co-operation with the CID Department, have been very responsible in revisiting budgets and pursuing alternate funding options which includes donations and using surpluses to provide some relief to those who have to pay the additional rates. In all cases the budgets were modelled and reviewed by the CID Department in terms of compliance and affordability which included the impact on individual properties.

The amount of any additional rate levied in a CID area is determined by Council. The additional rate is a debt owing to the City and is payable and collected in the same manner as any other property rates imposed by Council. Two different categories of property are identified when imposing an additional rate in a CID, namely Residential and Non-residential. The SRA Policy, as approved by Council, further clarifies that any non-residential property with a municipal valuation of 50% or more of the total municipal valuation of the CID it is located in will not fund more than 25% of the budget. At this stage, this scenario only exists in the Glosderry CID.

All the CIDs approved their budgets unanimously at their Member's meetings. Nine CIDs (Blackheath, Green Point, Little Mowbray & Rosebank, Oranjekloof, Paarden Eiland, Sea Point, Triangle Industria, Tygervalley and Zwaanswyk) applied for a new 5-year term commencing on the 1st of July 2021. At their AGMs, members voted unanimously in favour for the continuation of the CIDs. These were all approved at Council on 29 April 2021 and are included in the table below.

No applications were received for the establishment of a new CID.

The additional rates for 2021/22, expressed as Rand-in-the-rand and based on the total property valuation per CID, are submitted for Council approval.

CID Additional Rates are rated at 15% for VAT. Additional Rates below are shown as a rate-in-the-Rand.



| City Improvement District | 2021/22 Proposed Budget R | 2021/22 Proposed Residential Additional Rate R | 2021/22 Proposed Non-Residential Additional Rate R |
|----------------------------------|------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|
| Airport Industria | 5,144,377 | N/A | 0.002056 |
| Athlone | 1,121,395 | N/A | 0.002640 |
| Beaconvale | 4,007,356 | N/A | 0.002407 |
| Blackheath | 3,683,949 | N/A | 0.001388 |
| Boston | 3,948,500 | 0.001101 | 0.001749 |
| Brackenfell | 3,563,355 | N/A | 0.002402 |
| Cape Town Central City | 88,421,409 | 0.001303 | 0.002286 |
| Claremont | 11,363,021 | 0.000451 | 0.001622 |
| Elsies River | 3,440,441 | N/A | 0.003220 |
| Epping | 12,398,133 | N/A | 0.001405 |
| Fish Hoek | 1,172,438 | 0.000603 | 0.001908 |
| Glosderry | 1,915,949 | 0.000449 | 0.002870 > 50% = 0.000477 |
| Green Point | 9,607,938 | 0.000362 | 0.002110 |
| Groote Schuur | 8,161,586 | N/A | 0.001572 |
| Kalk Bay and St James | 2,181,976 | 0.000462 | 0.001635 |
| Little Mowbray / Rosebank | 2,355,000 | 0.000552 | 0.001376 |
| Llandudno | 4,041,049 | 0.000711 | 0.000793 |
| Lower Kenilworth | 1,585,107 | 0.000834 | 0.001961 |
| Maitland | 3,867,610 | N/A | 0.002023 |
| Mitchells Plain Town Centre | 2,060,279 | 0.000419 | 0.003204 |
| Montague Gardens-Marconi Beam | 7,844,727 | N/A | 0.000806 |
| Mount Rhodes | 638,496 | 0.001360 | 0.001696 |
| Muizenberg | 2,610,000 | 0.001001 | 0.002630 |
| Northpine | 2,468,290 | 0.001218 | 0.001820 |
| Oakwood / Hughenden / Meadows | 913,262 | 0.001367 | 0.001663 |
| Observatory | 7,493,102 | 0.000894 | 0.002239 |
| Oranjekloof | 7,802,591 | 0.000392 | 0.002086 |
| Overkloof | 488,316 | 0.001504 | 0.001545 |
| Paarden Eiland | 5,325,410 | N/A | 0.001106 |
| Parow Industria | 5,633,716 | N/A | 0.001713 |
| Penzance Estate | 1,249,693 | 0.001495 | 0.002915 |
| Salt River | 4,393,648 | N/A | 0.001977 |
| Scott Estate & Baviaanskloof | 2,830,480 | 0.001008 | 0.001456 |
| Sea Point | 7,190,464 | 0.000654 | 0.001896 |
| Somerset West | 3,523,289 | N/A | 0.003123 |
| Stikland Industrial | 5,165,858 | N/A | 0.001903 |
| Strand | 1,488,184 | N/A | 0.003336 |
| Triangle Industrial | 2,695,792 | N/A | 0.002682 |
| Tyger Valley | 4,194,356 | N/A | 0.001524 |
| Voortrekker Road Corridor | 23,492,324 | N/A | 0.002381 |
| Vredeklouf | 3,639,845 | 0.001685 | 0.001989 |



| | | | |
|----------------------|-----------|----------|----------|
| Welgemoed | 4,085,259 | 0.000726 | 0.001245 |
| Woodstock | 6,527,243 | N/A | 0.001458 |
| Wynberg | 6,361,769 | 0.001226 | 0.003313 |
| Zeekoevlei Peninsula | 626,068 | 0.002005 | 0.002444 |
| Zwaanswyk | 1,203,308 | 0.000715 | 0.000729 |

Note: Additional Rates are reflected exclusive of VAT. VAT inclusive rates can be found in the City's Tariffs, Fees and Charges book.