



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

ANNEXURE 3

CITY IMPROVEMENT DISTRICTS

ADDITIONAL RATES

May 2023

Amended at Council meeting on 26 October 2023

(Item C 22/10/23)

Version:

Department:

Urban Regeneration



CITY IMPROVEMENT DISTRICTS (CIDs) ADDITIONAL RATES 2023/2024

Each CID must submit a budget to the City annually 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 2023/24 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 valuation objections 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.

With the implementation of the 2022 General Valuation the percentage increases in the rates-in-the-rand vary significantly across all CIDs. Notwithstanding the aforementioned, the City must ensure that the rate-in-the-rand is adequate to collect the approved CID budgets without compromising the City's finances.

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 CID 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 at their Members' meetings with an overwhelming majority support. Four CIDs (Glosderry, Mount Rhodes, Overkloof and Stikland Industrial) applied for a new 5-year term commencing on the 1st of July 2023. At their Members' meetings, members voted in favour for the continuation of the CIDs. These are included in the table below as approved by Council on 29 March 2023.

The Green Point City Improvement District shows a significant increase in their budget due to the proposed boundary extension. The existing property owners will not subsidise the property owners in the extended areas as per the By-law requirement.

Four applications were received for the establishment of new CIDs, namely Clifton, Park Island, Pinelands and Upper Kenilworth, included in the table below, and were approved by Council at its meeting on 25 May 2023.



The additional rates for 2023/24, expressed as a rate-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	2023/24 Budget R	2023/24 Residential Additional Rate R	2023/24 Non-Residential Additional Rate R
Airport Industria	6,233,746	N/A	0.002490
Beaconvale	4,625,613	N/A	0.003005
Blackheath	4,139,285	N/A	0.001444
Boston	4,444,962	0.001064	0.001700
Brackenfell	4,101,526	N/A	0.002458
Cape Town Central City	99,283,131	0.001498	0.002833
Claremont	13,131,393	0.000465	0.001965
Clifton *	9,350,945	0.000917	0.001516
Elsies River	3,971,314	N/A	0.004440
Epping	14,062,272	N/A	0.001626
Fish Hoek	1,342,324	0.000522	0.001844
Glosderry #	2,267,608	0.000403	0.003264 > 50% = 0.000617
Green Point	13,414,821	0.000410	0.002453
Groote Schuur	9,344,198	N/A	0.002120
Kalk Bay and St James	2,503,620	0.000485	0.001436
Little Mowbray / Rosebank	2,660,607	0.000592	0.001536
Llandudno	4,757,224	0.000801	0.000951
Lower Kenilworth	1,718,010	0.000851	0.001342
Maitland	4,580,465	N/A	0.002503
Mitchells Plain Town Centre	2,355,336	0.000920	0.003468
Montague Gardens-Marconi Beam	8,897,490	N/A	0.001049
Mount Rhodes #	723,130	0.001703	0.002296
Muizenberg	3,040,000	0.001071	0.003079
Northpine	2,879,013	0.001122	0.002306
Oakwood / Hughenden / Meadows	1,025,173	0.001659	0.002403
Observatory	10,166,191	0.000929	0.003034
Oranjekloof	9,023,781	0.000472	0.002415
Overkloof #	533,193	0.001535	0.001535
Paarden Eiland	5,983,628	N/A	0.001138
Park Island *	651,500	0.001133	0.002162
Parow East Industrial	1,921,400	N/A	0.003484
Parow Industria	6,571,168	N/A	0.002174
Penzance Estate	1,430,774	0.001562	0.003640
Pinelands *	10,174,915	0.000600	0.001208
Salt River	5,262,013	N/A	0.002762
Scott Estate & Baviaanskloof	3,164,477	0.001174	0.002019
Sea Point	8,805,167	0.000738	0.001632
Somerset West	4,083,457	N/A	0.003541



Stikland Industrial #	6,025,335	N/A	0.002457
Strand	1,786,433	N/A	0.003498
Triangle Industrial	3,028,992	N/A	0.003515
Tygervalley	4,785,231	N/A	0.002499
Upper Kenilworth *	4,064,866	0.000767	0.001749
Voortrekker Road Corridor	28,007,532	N/A	0.003180
Vredeklouf	4,114,232	0.001607	0.002598
Welgemoed	4,051,328	0.000681	0.001190
Woodstock	7,599,946	N/A	0.001565
Wynberg	7,363,044	0.001451	0.003559
Zeekoevlei Peninsula	667,419	0.001970	0.002868
Zwaanswyk	1,333,251	0.000835	0.000874

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

On 29 March 2023 Council approved the extension of term and that the CID implements its new business plan for a further period of 5 years from the 1st of July 2023.

* Council approved the establishment of the CID with effect from 1 July 2023.