



**BUFFALO CITY
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Buffalo City Municipality

URBAN DEVELOPMENT ZONE

DIRECTORATE OF DEVELOPMENT PLANNING



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Background

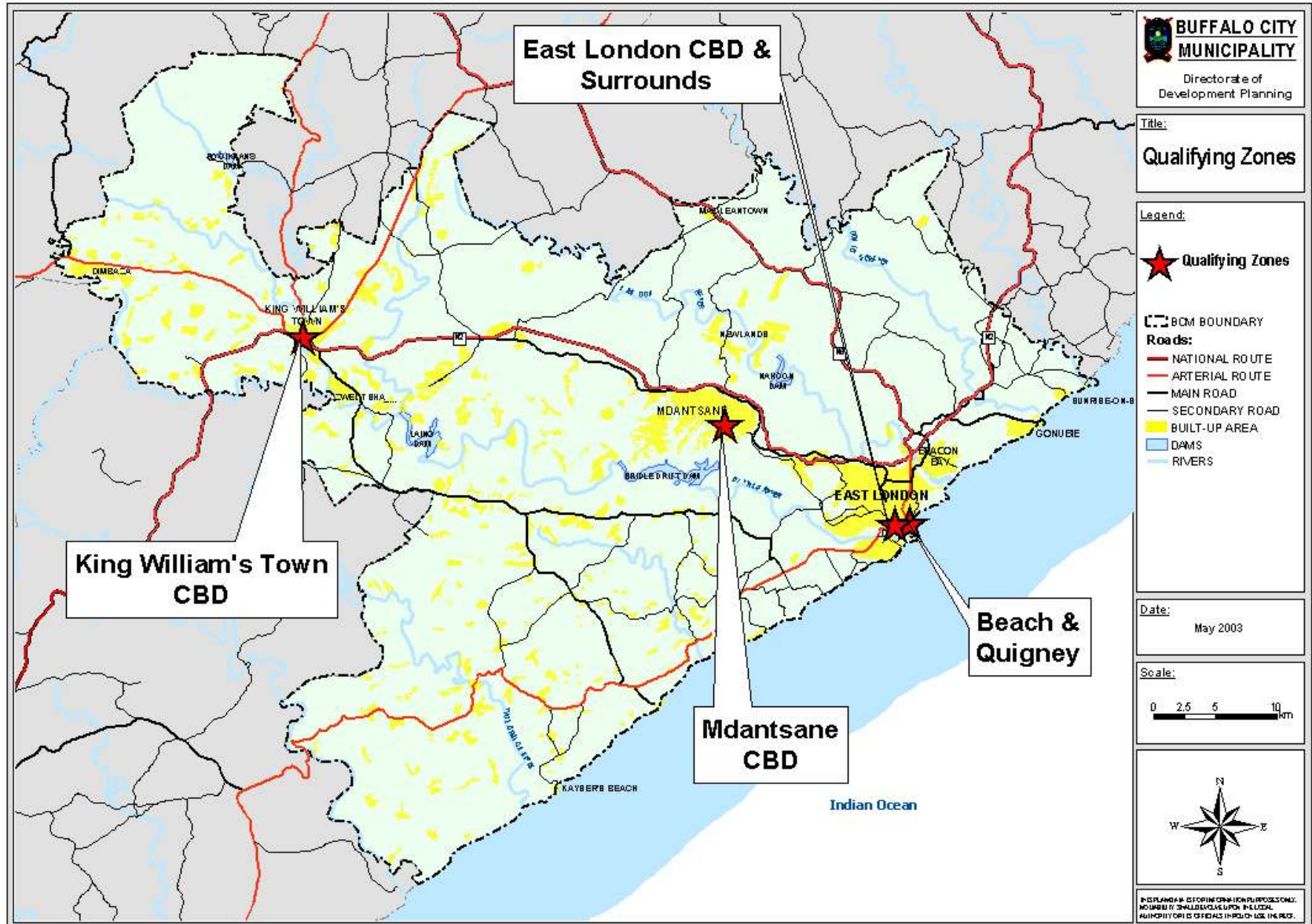
- Buffalo City is South Africa's 7th largest city.
- Population: 701 000 (2001 Census)
- Main Languages: Xhosa, English, Afrikaans
- Area: 2 500 square kilometers
- Major Urban Areas: East London, King William's Town, Bhisho, Mdantsane
- Seat of the Provincial Capital (Bhisho)
- Municipality has an annual budget of over R2 billion
- One of the members of the South African Cities' Network
- Home to established national and international manufacturing industries, e.g. Daimler-Chrysler S.A., Johnson & Johnson, Nestle, Nampak
- East London Industrial Development Zone
- Port of East London
- Airport with direct flights to Johannesburg, Port Elizabeth, Cape Town and Durban
- Agriculture: Dairy farming, Hydroponics (Tomatoes)
- Tourism: Holiday accommodation, Beaches, Private Game Reserves, Gateway to the Wild Coast
- Buffalo City is currently experiencing an unprecedented growth phase, in all sectors of the economy. This has led to a marked increase in physical development.

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Locality within Buffalo City

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Why Quigney and Beachfront?

- Identified by the SDF as an 'Inner City' Urban Renewal area.
- Diverse land use mix and is characterized by ageing and degraded buildings.
- Includes a section of the 'Sleeper Site' which is well located for commercial and high-density residential development.
- Strategic location relative to the Central Beachfront and the CBD/Sleeper Site
- During 2003 investigated the condition of Flats/Buildings in Quigney and Beach area. Most of the buildings were structurally sound but all of the buildings were found to be in a dilapidated condition due to lack of maintenance.
- An investigation into the Overall Arrears was undertaken within the Proposed UDZ and indicates that the level of arrears has increased over time within this area.
- Overall decline in interest in this area by developers because the value of building work has declined. This decline has occurred despite the fact that substantial Council and private land on the beach front lies vacant. This decline in what should be a prime tourism area has also occurred whilst the tourism in other areas of Buffalo City is now beginning to grow.

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Directorate of Development Planning

Title: MAP NO. 1
PROPOSED URBAN DEVELOPMENT ZONE

Legend:
 UDZ (Approx. 189 47ha)

Date: October 2004



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Implementation

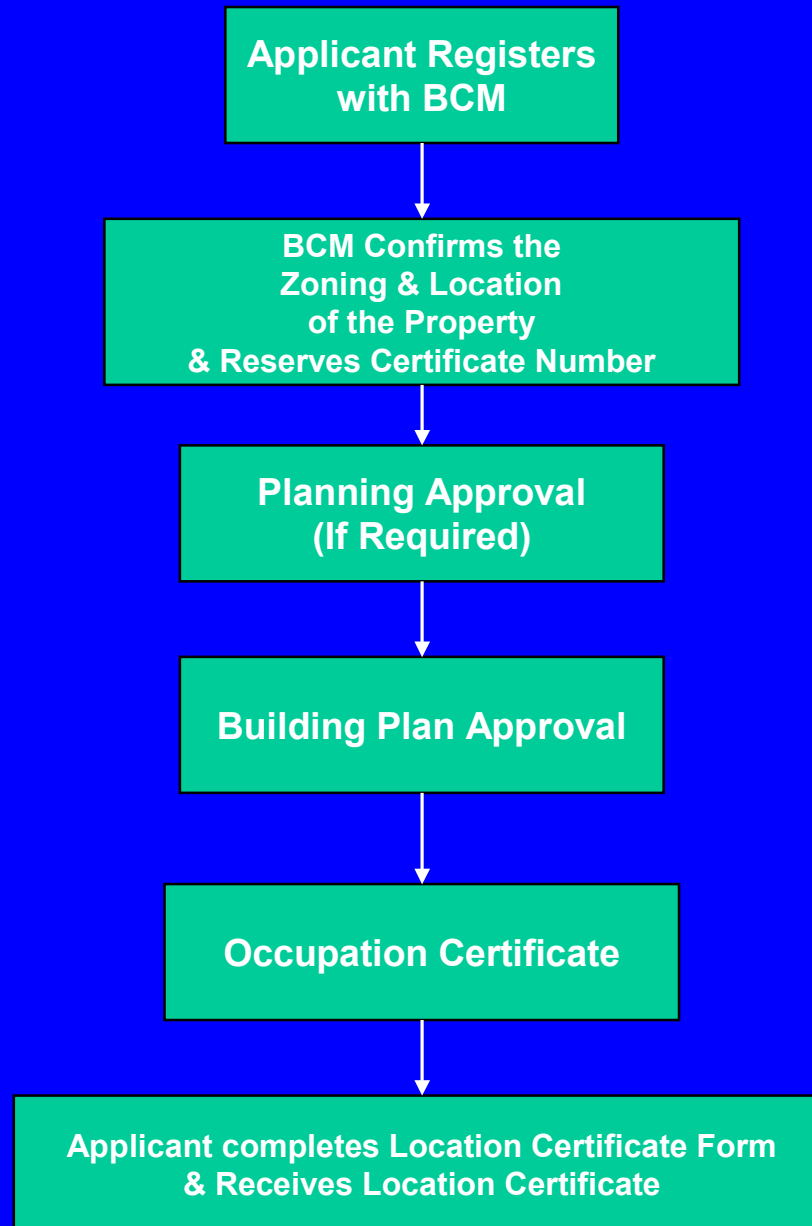
- Application process was established
- Register of applications is being kept
- As part of BCM's contribution to the UDZ, Planning Application Fees and Building Plan Fees will be refunded to successful applicants on completion of a development
- To date more than 120 enquiries have been received
- To date about 60 formal applications have been registered
- First minor projects have been completed during 2007
- Most major developments still to be completed



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Buffalo City Municipality UDZ Location Certificate Process



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Marketing

- UDZ is being actively marketed by the Buffalo City Development Agency on behalf of the Municipality, through workshops, meetings with developers and in various publications
- BCDA is a municipal entity tasked with the facilitation of development in the Quigney/Beachfront, i.e. within the UDZ area
- The BCDA has made available for development three strategic municipal owned sites on the Beachfront, which will be developed within the next four years
- All of these developments could benefit from the UDZ, if the time frame for completion is extended.
- These developments will transform the Quigney/Beachfront completely, in line with the urban renewal objectives for the area



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Long Term Planning

- BCDA has commissioned a Masterplan for the Quigney and Beachfront
- Although it has long term objectives, the implementation of the various proposals contained therein will further contribute to the renewal of the UDZ area



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Partnerships

- BCM has promoted urban renewal in its UDZ with institutions as well:
 - Development of an inner city campus by University of Fort Hare
 - Development of Amathole District Municipality on the Sleeper Site
 - Development of a Mail Centre by SA Post Office on the Sleeper Site
- An Inner City Development Forum will be established in 2008 where all institutional and private property owners/stakeholders within the inner city (including the UDZ) will give their input on the comprehensive urban renewal of the inner city



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Value of Projects

- Projects currently underway:
 - R840 million
 - Most will not be completed by the cut-off for UDZ
- Future projects:
 - Known future projects are worth at least R150 million
 - These projects will probably only start after the UDZ cut-off



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Challenges / Constraints

- Developers have mentioned that local SARS Offices are unclear on the implementation of the UDZ tax deduction
- Private investors have only started utilising the UDZ incentive near the end of the current cut-off date for completion
- Many projects will thus extend beyond the current cut-off date – time frame needs to be extended to accommodate these projects, as they are contributing towards the renewal of the area
- Many new projects are in the pipeline that could also benefit from an extend UDZ time frame for implementation
- Minor amendments could be required to the boundary of the UDZ. This process is unclear, or if it is even possible.



Dorchester Hotel Before



Dorchester Hotel After redevelopment