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Background

West Capital Development (CBD)

- This is a R6 billion plan of the City of Tshwane to redevelop the western part of the inner city over the next eight (8) years. The current phase focuses around the four parcels of land, estimated to be 28 hectares in total.

- Is a mixed-use development consisting of residential (different income groups), retail and commercial office components.

- It will address inner city housing to counter long travelling time and to take advantage of new public transport systems in the inner city.

- The project demonstrates strong alignment between Human Settlements and Transport projects, and promote economic development and environmental sustainability.
Urban Context

- The areas falls under Region 3 with a total population of 585 160.
- Unemployment rate is at 19%.
- A total of 24 222 units, or approximately 12% of the dwellings in the region, are informal.
- City’s Vision for the inner city is to be spatially inefficient through compaction, densification; encourage Transit Oriented Development and promote sustainable use of land resources.
Project Area

Site Conditions

- The area currently have Infrastructure but requires major upgrading or replacement due to ageing;
- Mixed Land Uses ranging from offices, retail, residential and social facilities.
- Currently experiencing urban decay;
- Redefining the character of the precinct through urban design, street scape guidelines, architectural typology and street furniture
Project Vision

Vision and Objectives

Key Goals-
- to serve as a catalyst to address inner city decay;
- Provide inner city housing and related facilities;
- Improved livability through access to public transport and other social amenities;
- The City is moving towards high density and compact form;
- The project will accommodate different population and income groups.
The project is delivered through partnership between government and private sector.

It is a high density development up to 30 storeys depending on the type of use.

Residential is as follows:
- *Floor area estimated* 178 000sqm

<table>
<thead>
<tr>
<th>Parcel No</th>
<th>Area (sqm)</th>
<th>Development Concept</th>
<th>Anticipated bulk to be developed (sqm)</th>
<th>Development Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel A</td>
<td>30,792</td>
<td>Retail, commercial and residential</td>
<td>47,000</td>
<td>R684 500 000.00</td>
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<td>Parcel B</td>
<td>49,700</td>
<td>Commercial and residential</td>
<td>79,500</td>
<td>R1 173 750 000.00</td>
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<tr>
<td>Parcel C</td>
<td>153,400</td>
<td>Retail and residential</td>
<td>175,000</td>
<td>R2 462, 500 000.00</td>
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<td>Parcel D</td>
<td>26,802</td>
<td>Residential (Schubart Park)</td>
<td>75,000</td>
<td>R930 000 000.00</td>
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<tr>
<td>Total</td>
<td>260,694</td>
<td></td>
<td>376,500</td>
<td>R5 250 750 000.00</td>
</tr>
</tbody>
</table>

- The Timeline for phase 1 is 8 years
- The development will also cater for social amenities such as POS, Clinic, library, gym, etc.
Development Strategy

Key strategies:
- **Partnership**: The development is in partnership with the private sector. The procurement process was through competitive bidding process.
- **Catalytic Actions or investments**: The city is investing heavily in and around the area through projects such as operation reclaim, TRT and other private sector led projects. Looking at incentive mechanisms to encourage development.
- The project is implemented in phases and phase 1 is underway while other phases are in the planning stage.
- **Responsibilities**: the City is managing the signed development agreements, development of standards through inner city by-law, urban development framework and institutionalizing the management of inner city through Capital Commission, Upgrading of the required infrastructure.

The developers are responsible for the overall development including financing, project management and construction.
**Economic and Fiscal impact**

During construction phase for phase 1 of West Capital Precinct, the employment impact is estimated as follows:
- Temporary jobs during constructions: 2,900
- Permanent Jobs during operation: 4,000

The total impact of the development will have an influence on 14,000 workers/households.

The economic impact is estimated as follows:
- R300 million will be spend in the local economy by construction workers and up to R400 million by permanent employees, the latter will contribute up to R680 million per annum based on a 5% annual increase linked to CPI.
- The total contribution over 10 years period is estimated at R5.5 Billion;

Based on the current property tax tariff for Tshwane, the total municipal tax based on a total investment of approximately R6 billion would be:
- An annual rates income of R59 million.

**Qualitative Urban Outcome**

Improved living conditions through access to social amenities, public transport facilities, pedestrian friendly living, improved security, cleaner and well maintained environment
Implementation

Proposed Short-term Actions

- Long-term timeline and milestones: the first phase to be implemented in 8 years starting 2013.
- Phase 2 to start in 2016 to be implemented in 15 years.
- Details on key responsibilities for project partners at various phases and Identification of key catalytic next steps are as per the diagram.
Critical Questions

While the city is grappling with the implementation of the project, there are challenges particularly around the following:

- Appropriate institutional mechanisms to drive these development?
- Appropriate financing mechanism particularly on infrastructure?
- With the limited skills that we have as a city, how can we still have the impact we desire in implementing these projects?

All the above has the ability to delay the implementation.