

Reference no. 95421/1
Makgorometje Makgata (4050)
MEETING OF THE ADMINISTRATOR: 20 August 2020



**2.2.1 ECONOMIC DEVELOPMENT AND SPATIAL PLANNING DEPARTMENT
REPORT TO OBTAIN APPROVAL TO PROCEED WITH THE PUBLIC
PARTICIPATION PROCESS FOR THE DRAFT PRETORIA WEST INDUSTRIAL
PRECINCT PLAN
(From the Executive Committee: 18 August 2020)**

1. PURPOSE

The purpose of the report is to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan.

2. STRATEGIC PILLARS

A City that facilitates economic growth and job creation.

The City's plan for the term is to create a city of opportunity. The plan centres around five focus areas, which will create economic growth, which in turn will be labour absorbing, provide many more residents with new employment opportunities and develop the city further. This will make it easier to do business, support entrepreneurship, empower individuals, invest in infrastructure and encourage new industries, which will lead to economic growth and employment. The focus for this pillar is supported by the following priorities:

- Attracting investment and encouraging growth by making it easy to do business in Tshwane;
- Revitalizing and supporting Tshwane's entrepreneur;
- Empowering individuals to take advantage of opportunities; and
- Infrastructure-led growth to catalyse and revitalize existing nodal economies.

A City that delivers excellent services and protects the environment

The City also has a responsibility to protect natural resources and the environment. Providing excellent services in a way that allows for sustainable expansion and development is a priority for the City. Water and energy resources should be protected in order to increase and improve service delivery. The focus for this pillar is supported by the following priorities:

- Delivering quality services; and
- Safeguarding water and energy security and protecting the natural environment.

3. BACKGROUND

The precinct area covers an area of 888 Ha. The Pretoria West Industrial area has in its prime been a prominent manufacturing and employment node. The area has however been experiencing challenges in recent years, including key stake holders leaving the area, challenges with service delivery, and urban decay. It has become

necessary to review the role of the area in the City and to plan for its long term future, to ensure that it yet again fulfils its potential.

The Precinct is connected to the CBD via Charlotte Maxeke and Soutter Streets. From the west and north access is gained via Quagga Road and Transoranje Road, while Roger Dyson Road gives access from the south. Dr WF Nkomo Street is a strong movement arterial, linking the CBD with areas to the west (and further to the east). To the west along Dr WF Nkomo Street, a planned nodal development will draw more movement and energy to the west.

The Precinct itself is relatively stagnant in terms of development. The zoning is already extremely permissive, meaning that new zoning applications may not be a good indicator of intended new development. Very few examples of new buildings or refurbished buildings are observed, with most properties appearing to be established businesses.

The major structuring elements in the precinct are the railway line traversing and bounding the Precinct and also functioning as the backbone of a public transport system, which makes the area highly accessible. The government uses and extensive industrial uses along the southern boundary of the Precinct and the various landmark land uses which occur in an around the precinct, including the Pilditch Stadium, the Show Grounds, the Power Station, and Tshwane South College. The Railway Bridge and Power Station form a powerful visual gateway between the eastern and western sub-precincts.

The Precinct comprises two distinct sub-precinct areas. The western part of the Precinct is the old industrial area located between Quagga Rd, the railway line and power station. This area is fairly isolated, with limited direct access. It contains a mix of industrial land uses, ranging from heavy industries to light industries such as packaging and storage. The eastern part of the Precinct includes the properties along Soutter Street and Charlotte Maxeke Street. This area has a completely different character from the industrial area, with smaller commercial and retail uses mixed with motor related businesses and workshops. This part of the Precinct is bound by the railway line and facilities used by the SANDF and SAPS, as well as Weskoppies Hospital, to the north, and the Show Grounds, Pilditch Stadium and an area of mixed and residential uses to the south.

Close to 58% of activities in the Precinct are classified as retail and wholesale trade, followed by manufacturing at close to 28%. Together, these two sectors comprise close to 85% of economic activity in the Precinct. Motor related activities are dominant in the eastern part of the Precinct. This sector also dominates the entire Precinct in terms of number of uses, i.e. 45% of the total number of activities in the Precinct. While dominant, the retail and wholesale trade sector occupies a smaller percentage of land than the manufacturing sector.

Manufacturing, the other dominant sector in the Precinct and which lends the Precinct its character as an industrial estate, is much more diverse. No single type of activity dominates heavily, but there are a few types of manufacturing and other industrial uses that occur more frequently i.e. the manufacturing of steel products, food and beverages, and various types of recycling.

Where infrastructure is concerned, the maintenance thereof and reliability of services are critical issues that need to be addressed as the foundation of any Precinct revival.

Although existing infrastructure is in place, the infrastructure is old and in most cases needs upgrade or refurbishment.

Lastly, the precinct currently employs an estimated number of around 18 900 people working in the Precinct. This is a substantial number for a relatively small area.

4. DISCUSSION

The development of the Pretoria West Industrial Precinct Plan serves as an opportunity to harness the true economic analysis of the precinct, the future of land use planning, and the urban management and urban design guidelines to realise the fullest potential of the Pretoria West Industrial area.

In order to understand how industries and industrial activity could evolve in the future, a need exists to understand what occurred in the past. The first (18th and 19th centuries), second (1870-1920s) and third (1970s-2000s) industrial revolutions saw a shift from steam powered engines and a rapid advancement in standards of living; to the harnessing of electricity, and telecommunications which integrated a global business community and opened the door for large industrial corporations and lastly the third industrial revolution brought inventions and scaling the power of computing, IT and software, to build a workplace and workforce powered by intelligence, software, and personal computers.

The fourth industrial revolution is now emerging, which is characterised by mobile devices, sensors, artificial intelligence, natural language processing, biotechnology, and soon wearable and always-on video. This fourth wave, commonly referred to as Industry 4.0 leverages the global internet as a real-time network, has yet to deliver productivity improvements, smart manufacturing Internet of Things (IoT) is changing life and work like never before.

It is thus critical and more especially in the wave for the fourth industrial revolution, that the Precinct Plan shall encourage the development of Smart Factories, Smart Warehousing and SMART manufacturing; which operate within the four walls of the factory, but can also connect to a global network of similar production systems, ascribe to just-in-time-manufacturing, and even to the digital supply network more broadly.

The development and future of the Precinct should also be viewed in the context of national economic trends. Manufacturing in South Africa, which is still largely part of the Third Industrial Revolution, has seen a decline. In part, this is in line with global trends. There is evidence of this statistic in the Pretoria West Industrial Precinct which is experiencing a slump in investment, evidenced by a low number of property sales, lower sales prices than other industrial complexes in CoT, low rental rates and disinvestment, or threats of disinvestment, by some major stakeholders. In the context of the Precinct, it raises serious concerns about the long term future of traditional "Third Industrial Revolution" industrial estates like the Precinct.

It is clear that if modernisation and increased value addition do not occur, the long term fate of the Precinct may be one a continued decline and disinvestment.

Spatially, the opportunities and strengths of the Precinct outweigh the threats and weaknesses. The Precinct is well located as part of the provincial and metropolitan core nodal areas. It has established rail and road linkages to the broader region,

making it regionally accessible for both investors and the labour force. The Precinct's immediate catchment area include high density residential areas with mostly low income households, creating an ideal opportunity to strengthen the Precinct as an employment node. The presence of education institutions in and near the Precinct creates an opportunity for skills development aligned with the needs of industries / business in the Precinct, and also creates the opportunity for stakeholders to contribute to practical training.

A number of informal traders operate in the Precinct. These traders fulfil a clear gap that exists in the formal economy of the Precinct, i.e. the provision of amenities to the workforce / daytime population of the Precinct. The presence of these informal activities in the area is not undesirable, and the focus should be on management rather than on removal.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of this report is to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan.

The comments from all stakeholder departments must be obtained to confirm their commitment towards the public participation process for the Draft Pretoria West Industrial Precinct Plan.

Group Financial Services will render further financial comments on future reports in this regard.

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan.

Section 11 (3) (a) (j) & (n) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the "MSA") provides that, a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, monitoring the impact and effectiveness of any services, policies, programmes and plans and also by doing anything else within its legislative and executive competence.

In terms of Section 16 (1) of the Local Government Municipal Systems Act 32 of 2000, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

Section 17 (2) (b), (c) & (d) of Act No. 32 of 2000 (hereafter referred to as the "MSA"), a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality, and must for this purpose provide for notification and public comment procedures, when

appropriate; provide for public meetings and hearings by the municipal council and other political structures and political office bearers of the municipality, when appropriate and further provide for consultative sessions with locally recognised community organisations and, where appropriate, traditional authorities;

In accordance with Section 21A(1) of the Local Government: Municipal Systems Act 32 of 2000, all documents that must be made public by a municipality in terms of this Act, Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community-

- By displaying the documents at the municipality's head and satellite offices and libraries;
- By displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B; and
- By notifying the local community, in accordance with Section 21, of the place, including website address, where detailed particulars concerning the documents can be obtained. Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal and Secretariat Services Department supports the approval of the report and the recommendations.

5.3 COMMENTS OF THE GROUP HEAD: COMMUNICATIONS, MARKETING AND EVENTS

Comments requested on 13 March 2020 9:12:05 AM and not received by 16 July 2020 10:44:49 AM.

5.4 COMMENTS OF THE GROUP HEAD: ENVIRONMENTAL AND AGRICULTURAL MANAGEMENT

The Environmental and Agricultural Management Department takes cognisance of the content of the report and its recommendations are supported. Furthermore during construction and operation of the property the lessor/owner should submit a detailed waste management plan and engage the city on methods to be used for waste management services

5.5 COMMENTS OF THE GROUP HEAD: GROUP PROPERTY

The report and its contents are noted, the Group Property Department has not objection to the public participation process for the draft Pretoria West Industrial Precinct Plan.

5.6 COMMENTS OF THE GROUP HEAD: HEALTH

Comments requested on 13 March 2020 9:12:07 AM and not received by 16 July 2020 10:44:49 AM.

5.7 COMMENTS OF THE GROUP HEAD: HUMAN SETTLEMENT

The Department supports the report requesting approval for the Economic Development and Spatial Planning Department to proceed with public participation for the draft Pretoria West Industrial Precinct Plan. Active economic opportunities reduces communities' reliance on government for the provision of services such as housing and other services allowing the City to focus on other pressing matters.

5.8 COMMENTS OF THE GROUP HEAD: REGIONAL OPERATIONS AND COORDINATION

The purpose of this report is 'to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan'.

ROC takes cognisance of the contents of the report.

The resuscitation of Industrial Nodes or precincts such as the Pretoria West Industrial Precinct is of significance to the drive and efforts to formalise the second economy, increase overall economic activity, and to curb unemployment. The project when successful will have positive economic impact for both Region 3, the City and the Country.

ROC supports the report, its objectives and recommendations.

5.9 COMMENTS OF THE GROUP HEAD: ROADS AND TRANSPORT

Comments requested on 13 March 2020 9:12:08 AM and not received by 16 July 2020 10:44:48 AM.

5.10 COMMENTS OF THE GROUP HEAD: SHARED SERVICES

The purpose of the report is to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan.

Cognisance is taken of the report and the report together with the recommendations is supported.

5.11 COMMENTS OF THE GROUP HEAD: UTILITY SERVICES

Water and Sanitation Division

The report and its content are noted. The Division has no objection to the public participation process for the draft Pretoria West industrial Precinct Plan. It should be noted that water and sanitation services exist within the precinct, however, most services are old and may need refurbishment. Additional comments regarding the capacity of the bulk water and sanitation services will be provided in the future as more information becomes available on the proposed developmental plans.

Energy and Electricity Division

The report is aimed to request approval from Council for the Spatial Planning Division to proceed with the public participation process for the Draft Pretoria West Industrial Precinct Plan. Moreover, the report outlines the categorization of the economic activities in the precinct, the decline in some economic activities, and the strength and opportunities of revitalizing the economic activities in the precinct. There are embedded potential benefits in the success of the revitalization of the economic activities in the precinct in the form of employment opportunities, new business formation, entrepreneurship development, infrastructure expansion and

development, investment attraction, prospects of the fourth industrial revolution, et cetera. The report is thus supported.

5.12 COMMENTS OF THE WARD COUNCILLOR: WARD 60

Awaiting Comments.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

Economic Development and Spatial Planning officials will play an oversight role on the project until the draft precinct is approved and implemented.

6.2 FINANCES

No implications.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

In terms of Section 24 of the South African Constitution of 1996 (The Constitution No. 108 of 1996) every citizen has the right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that —

- Prevent pollution and ecological degradation;
- Promote conservation; and
- Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The City functions within the framework of the Constitution and therefore the proposals as contained in the draft Pretoria West Industrial Precinct Plan brings these imperatives into reality.

6.4 COMMUNICATION

Public participation will be undertaken prior to the approval of the draft Pretoria West Industrial Precinct plan by Council.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None.

7. CONCLUSION

The draft Pretoria West Industrial Precinct Plan presents opportunities for tourism and economic development. Approval of the Precinct Plan will help the City to address economic, infrastructural challenges, compliance and environmental issues confronting the Municipality.

ANNEXURE:

A Pretoria West Industrial Precinct Plan v2

RESOLVED:

That the draft Pretoria West Industrial Precinct Plan be approved for e-Public Participation.

