



City Improvement Districts (CID's)

Sustainable Urban Management Institutions

by Anne Steffny February 2014

CONTEXT

SA Pre-1994 local government for white middle class

SA Post-1994 population requiring services increased by more than 50%

65% of the World population now live in Urban areas – increasing trend

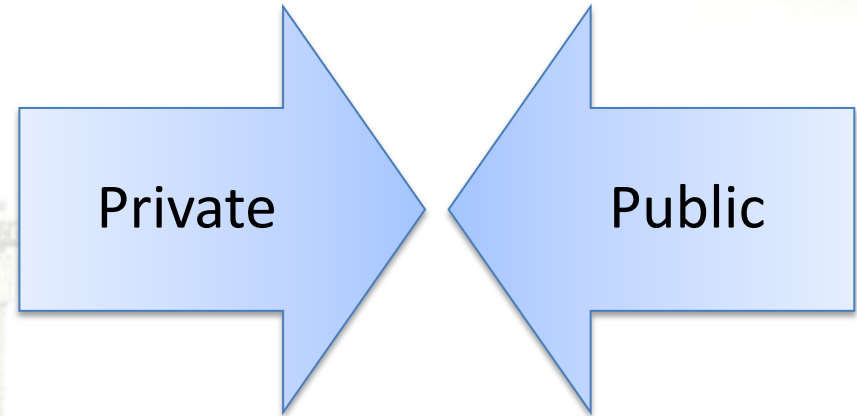


High urbanisation rates and immigrants

City services and infrastructure stretched to the limit within 'feasible' tax regime and governmental delivery capacity

Property owners realised the need to mobilise local resources/tax/levies to supplementary municipal services

THE CHALLENGES OF RAPID URBANISATION



Cities need to establish dialogue with their citizens and create mechanisms which make them both more accountable and open to community needs.

PUBLIC SECTOR ROLE :

Legislative framework + enforcement

Collection of municipal rates and taxes

Community services – health, safety, education and social services

Trading Services – electricity , water, refuse

Service provision – bulk infrastructure - electricity, water and waste management

PRIVATE SECTOR ROLE :

Contributes to sustainable urban management through the provision of top-up and complementary services in public space

Contributes to building social cohesion and 'functioning community'

Works in partnership with local municipality on agreed projects including the monitoring and management of agreed plans

EVERYONE SEEKING SUSTAINABLE SOLUTIONS

Local Authority
Departments

Ward Committees

Integrated Development
Plan (IDP) Processes

Residents Associations



CIDs

Special Rating Districts

Formal Partnerships

Leases

WHAT IS A CITY IMPROVEMENT DISTRICT (CID)?

A CID is a defined geographic area within which property owners agree to pay for certain complementary and supplementary services to those offered by the local authority in order to enhance and promote the physical and social environment of the area and by doing so create a 'managed area'

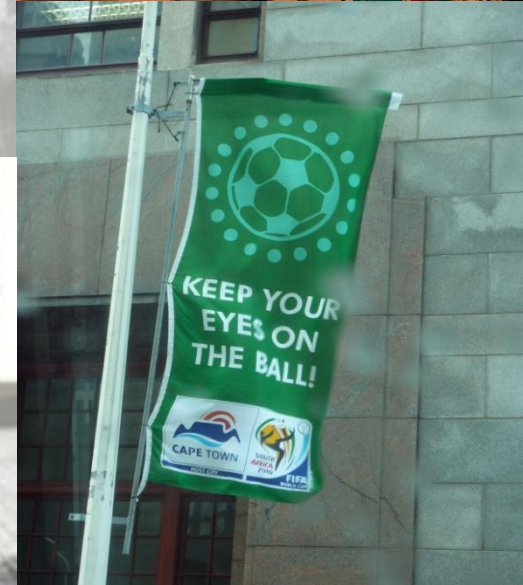
There are thousands of CIDs world wide; in the USA, the UK, Germany, New Zealand, Australia etc. The CID concept was brought to South Africa in the mid 90s.



Development of CID's in SA



- Early 90's seeking response to urban decay
- CJP took Study Group to USA
 - Local authority official
 - Property owners
- 1997 Gauteng City Improvement District Act
- 1998 First CID legislated in Rosebank, Jhb .
- 1999 Cape Town By –law
- 2004 Nelspruit By-Law
- Still no National Legislation



PRINCIPLES OF S.A. C.I.D. LEGISLATION

- 50%+1 “Yes” vote by property ownership & value
- 3 Yrs B.P – setting out services, costs, levies etc
- Enhance and supplement municipal services
- City to provide SLA & Collect Levies
- Management body to be not for Profit
 - Board predominantly property owners
 - Structured local authority relationship
 - Governed by The Companies Act



National C.I.D. Legislation



- No National Legislation
- Gauteng City Improvement District Act 1997
- Cape Town now uses Municipal Property Rates Act, section 22 + Local Policy & By Law
 - CID therefore becomes a “Special Rating Area”
 - L/A CID Forum – no council representative on Board
 - Council collects levy, only balance for debt once a year
 - 5 year Business Plan, budget approved annually
- Port Elizabeth developing Legislation similar to CT
- Nelspruit local by-law
 - Allows for a Rates Rebate
- Durban has a local policy : Urban Improvement Precinct
- All unsure how to treat Residential CID applications!

CID Establishment Overview

1

Feasibility Phase

1. Property Owner Engagement
2. Establish Steering Committee
3. Compile Technical Database
4. Perception Survey
5. 1st Workshop

2

Planning & Development

1. 2nd SteerCom Workshop
2. Draft OPEX Budget
3. Draft Levy Structure
4. Draft Business Plan
5. 3rd SteerCom Workshop

3

Voting & Petitioning

1. Prepare Voting Documentation
2. Petition to Local Council
3. Publication in Government Gazette/Local Media
4. Public Hearing
5. Local Council Response

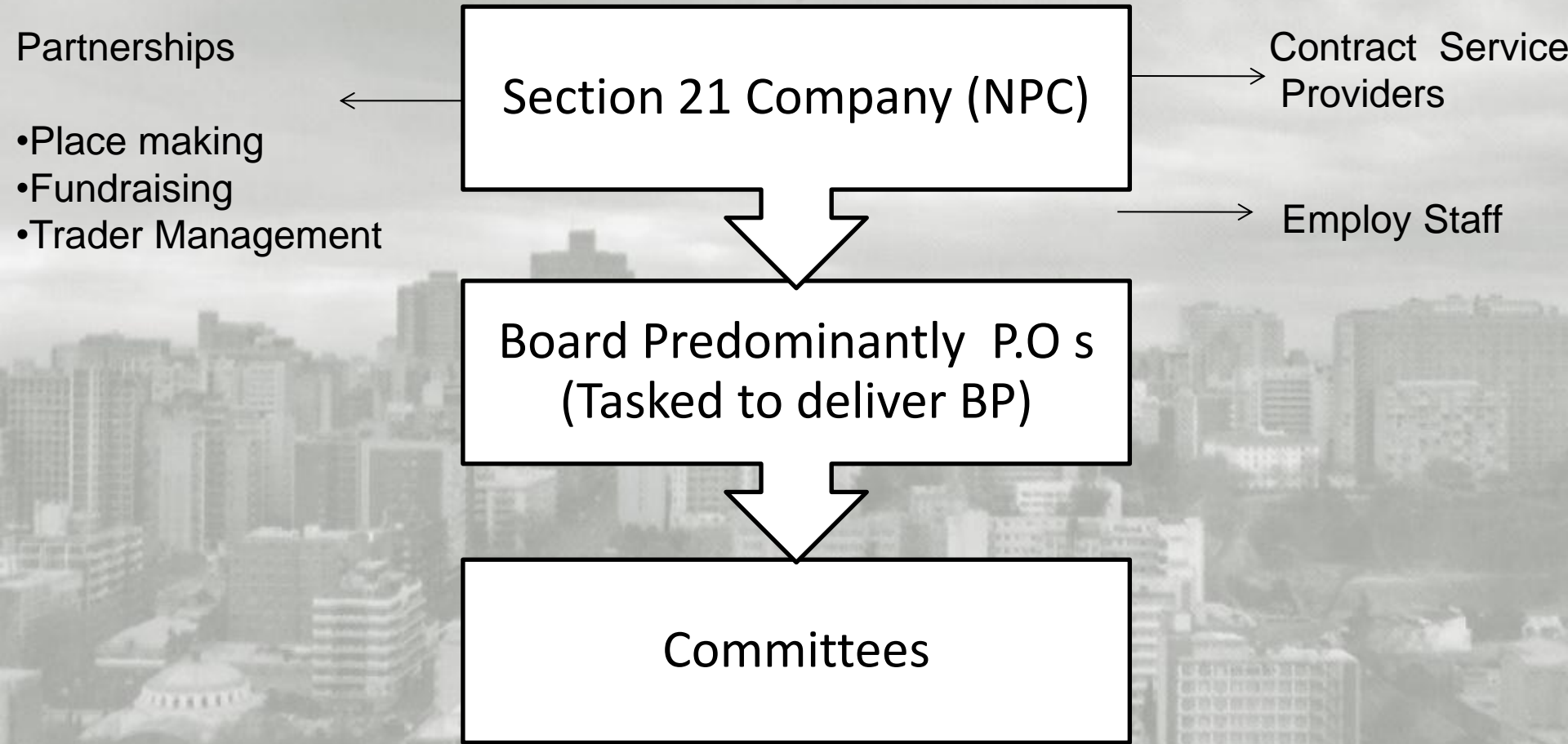
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Implementation & Roll Out

1. Notification of General Meeting
2. General Meeting
3. 1st Board of Directors Meeting
4. Implementation & Roll Out



Typical ID Management body



Typical CID Budget



Initial Budget

Security	40%
Cleaning	20%
Landscape	15%
Marketing	5%
Management	20%

Additional Funds Nil

Mature Budget

Security	30%
Cleaning	20%
Landscaping	15%
Marketing	15%
Management	20%

Additional Funds +
Enabling Special Projects

59 SA CID's/UIPs - VERY DIFFERENT NODES



Retail



Commercial

Mixed use

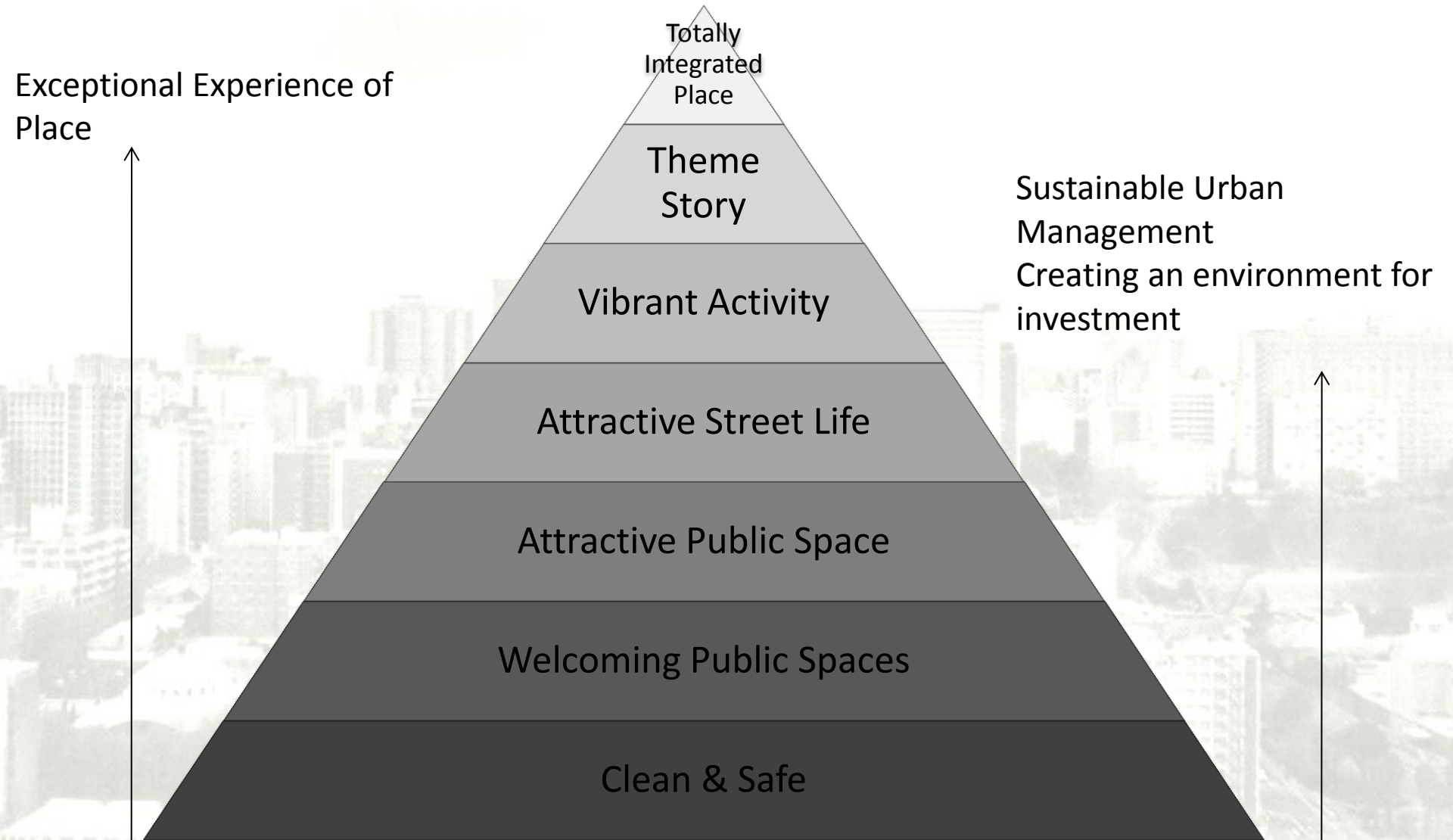


Industrial



Varying Degrees of Degeneration

ALL TRYING TO ACHIEVE SAME END



C.I.D. BASIC SERVICES – “Supplementary”

- Safety
 - Public Safety Ambassador
 - Sector Committees
- Cleaning/Landscaping/Maintenance
 - Removing Graffiti
 - Collecting Rubbish
 - Washing Side walks
 - Cutting Grass, Trees
 - Upgrading Landscaping/Green Space
 - Maintenance of public space infrastructure
- Marketing
 - Newsletter
 - Demarcation
 - Social Media/Basic Website



INCIDENT REPORTING



Incident Id 940 Report

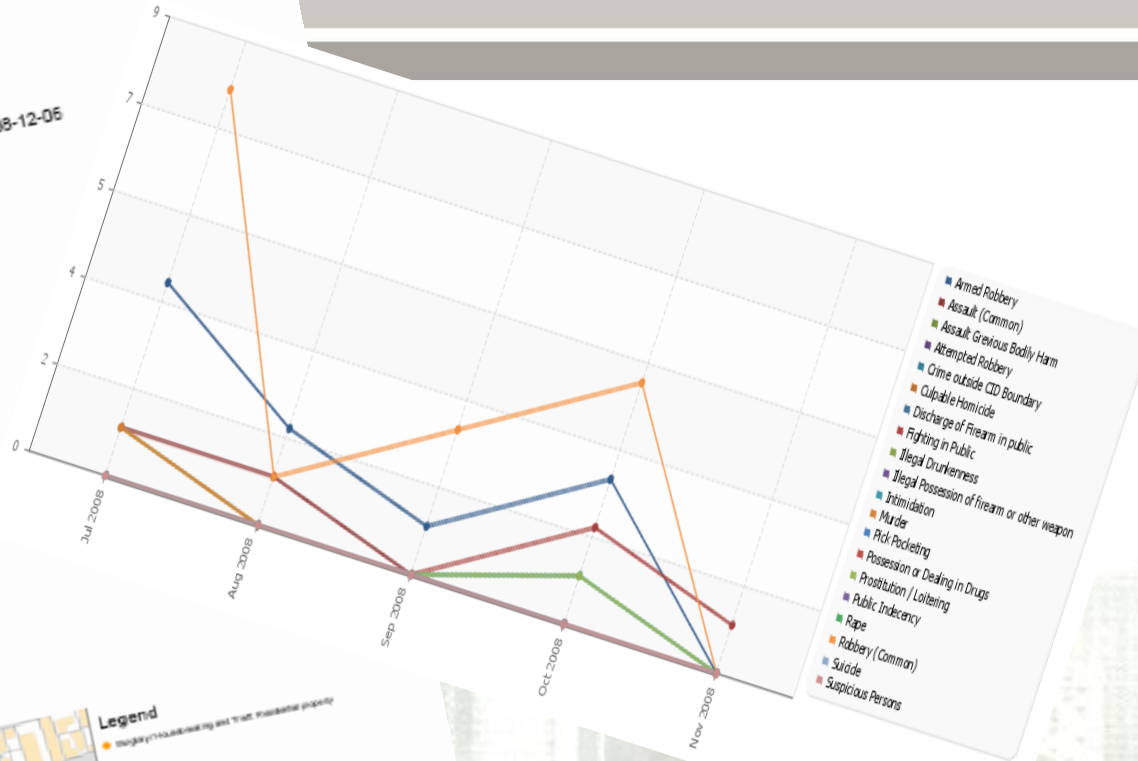
2008-12-06

Occur data:

Capture data: 2008-12-06 09:23:11
 Category Name: Property Crimes
 Incident Name: Burglary / Housebreaking and Theft: Residential property
 Location: NE corner of President Street and Eloff Street
 Location: No
 Time of crime?: Yes
 Inside building?: No
 Outside area?: No
 Arrest made?: No
 Who made arrest: Public Safety Ambassador
 No. arrests: 0
 Case no.:

NOTES

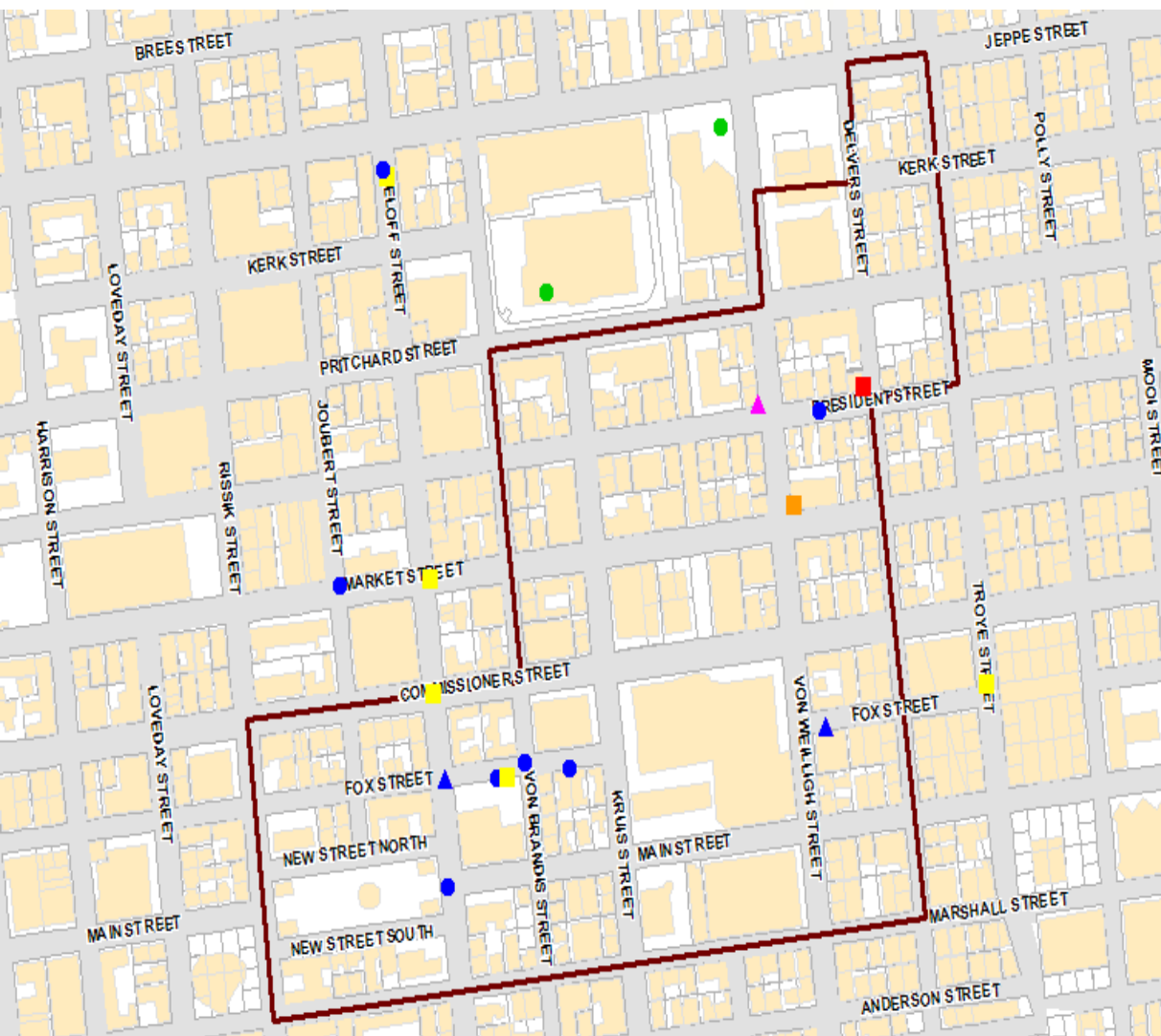
Note Id: 637
 Date: 2008-12-06 09:23:11
 Name: Nqobile Nalovu
 At the cor of President & Eloff street, CJP officer was informed by the Ethiopian guy that someone broke in their small shop behind Shoprite. Thugs stole all the bags of goods belonged to Ethiopians inside the bags there were watches, Bena toys.



Map



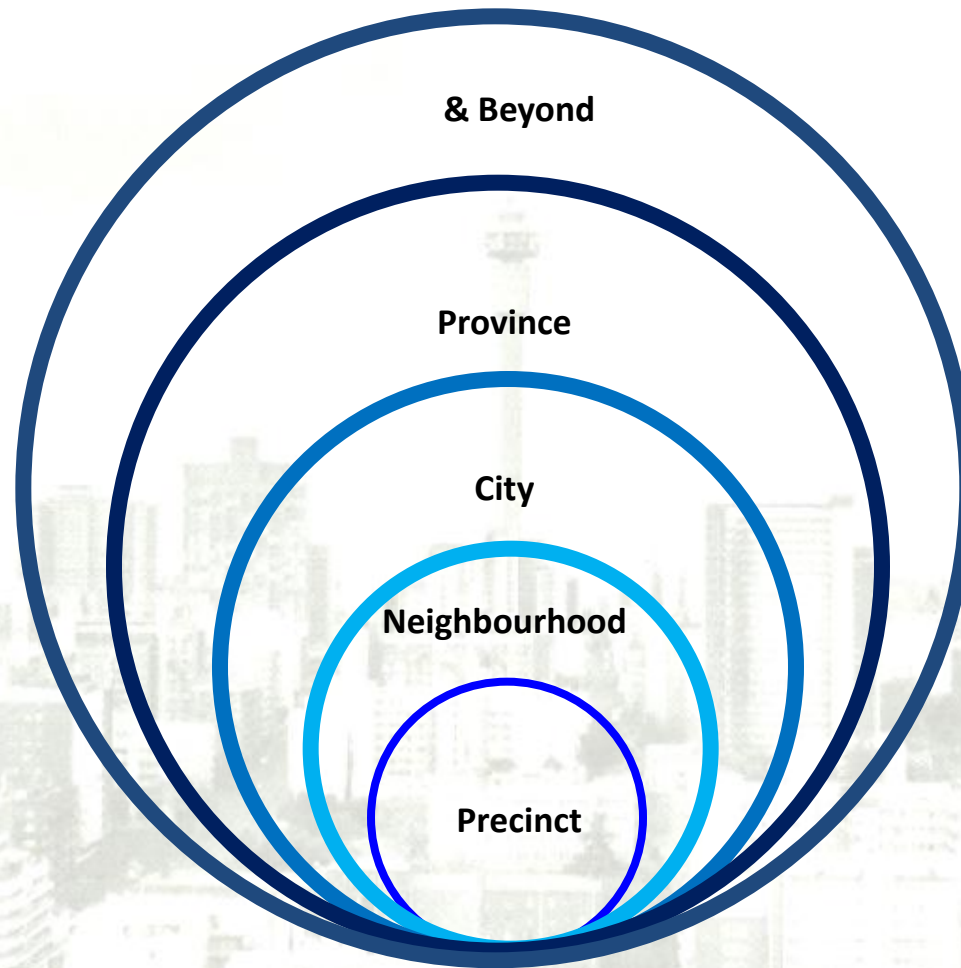
SERVICES BREAKDOWN : GIS RECORDING



Legend

- Road traffic sign missing / faded
- ▲ Missing drain lid cover
- Missing manhole cover
- Water valves leaking
- Burning of refuse
- Traffic lights out of order / not working properly
- Blocked storm water drain
- ▲ Illegal dumping

CAN'T WORK IN ISOLATION



MATURE CIDS

- Seek Partnerships
 - Art Performance
 - Sustainable Energy
 - Infrastructure Upgrade
 - Research
 - Urban form
 - Economic Drivers
 - Traffic / Pedestrian Flow
 - Demographics
 - Waste Management
- Seek Funding
 - Corporate
 - National Lottery
 - Government of all levels
 - International
 - Advertising



PARTNERSHIPS

- City
 - Development Plans
 - Land Use Management
 - Transportation Plans
 - Tourism / marketing
 - Strategy, by laws /Legislation
 - Budget
- All levels of Government, all departments

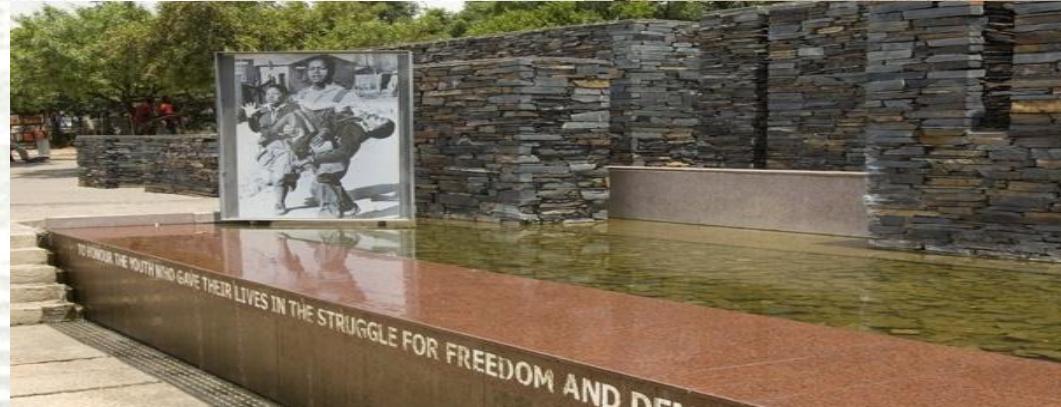


PARTNERSHIPS - PLACE MAKING

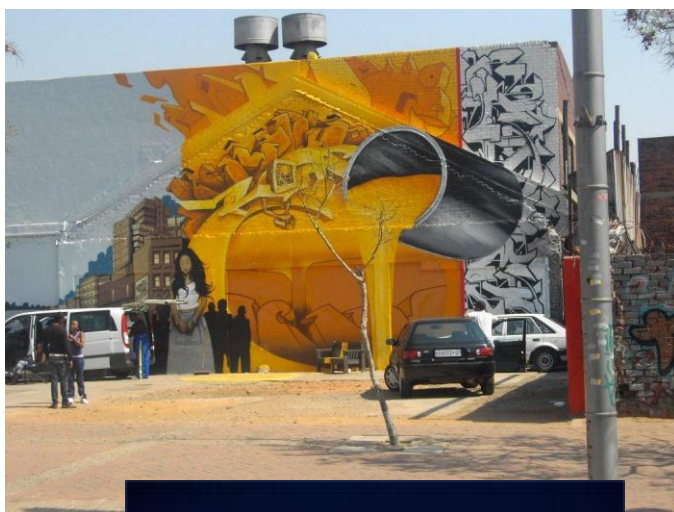


USES OF ART, CULTURE & HERITAGE

- Create vibrancy
- Growing economic driver
- Connector
- Tourism



PARTNERSHIPS - PLACE MAKING



SOCIAL / COMMUNITY – OFTEN WORKING WITH EXPERTS

- Inappropriate social behaviour
- Homeless
- Youth
- Begging
- Adult Education



CITY, COMMUNITY & CID'S WORKING TOGETHER



PARTNERSHIP TO MANAGE & EDUCATE TRADERS

- Management in partnership with authorities
- Registration
- Education
- Community involvement
- Facilities



PARTNERSHIPS - PUBLIC SPACE UPGRADES



PARTNERSHIPS - PUBLIC SPACE UPGRADES



PARTNERSHIP - INFRASTRUCTURE UPGRADES

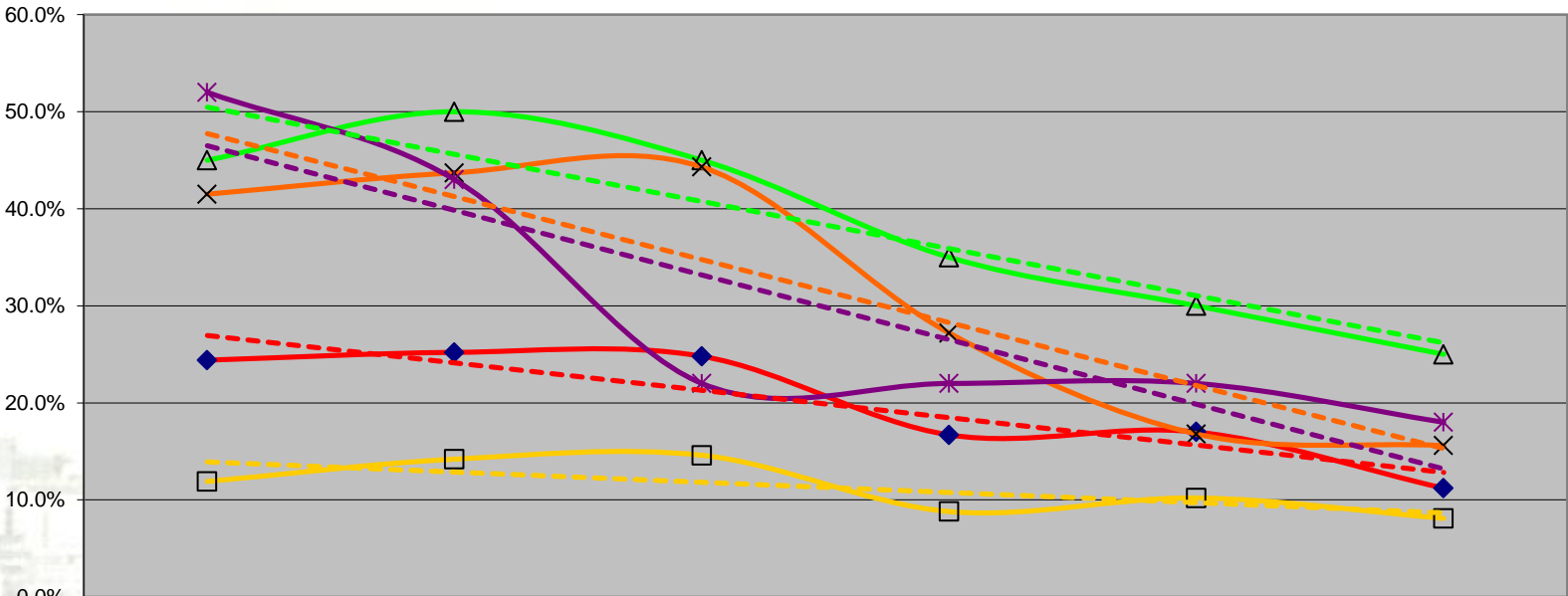
- Engineering services agreement managed by CID - Private & Public sector contributions
- UM regulations to manage development by multiple developer over a long period of time
- UDF / UD Plan/ detailed Precinct Plan
- General condition of zoning
- Conditions in title deed



RESULTS: LOWER VACANCY RATE

Informed by the JDA study 2009

Vacancy Rate (%)



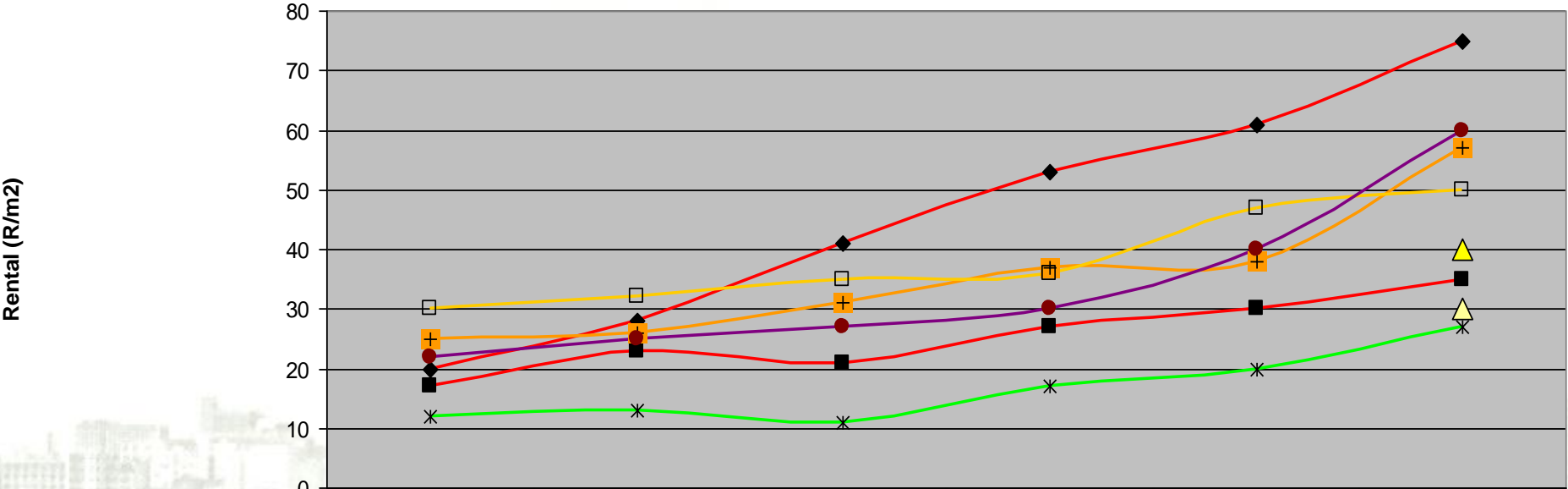
	2003	2004	2005	2006	2007	2008
◆ Joburg	24.4%	25.2%	24.8%	16.7%	17.0%	11.2%
□ Braamfontein	11.9%	14.2%	14.6%	8.8%	10.2%	8.1%
△ Fashion District	45.0%	50.0%	45.0%	35.0%	30.0%	25.0%
× Newtown	41.5%	43.7%	44.3%	27.2%	16.8%	15.6%
* High Court	52.0%	43.0%	22.0%	22.0%	22.0%	18.0%

Years

RESULTS: INCREASED RENTALS

Rental Rates

Informed by the JDA study 2009



	2003	2004	2005	2006	2007	2008
◆ Joburg:Office A	20	28	41	53	61	75
■ Joburg:Office C	17	23	21	27	30	35
⊕ Newtown	25	26	31	37	38	57
□ Braam: Office-A	30	32	35	36	47	50
△ Ellis Park Office						40
△ Ellis Park Industrial						30
* Fashion District:Office C	12	13	11	17	20	27
● High Court	22	25	27	30	40	60

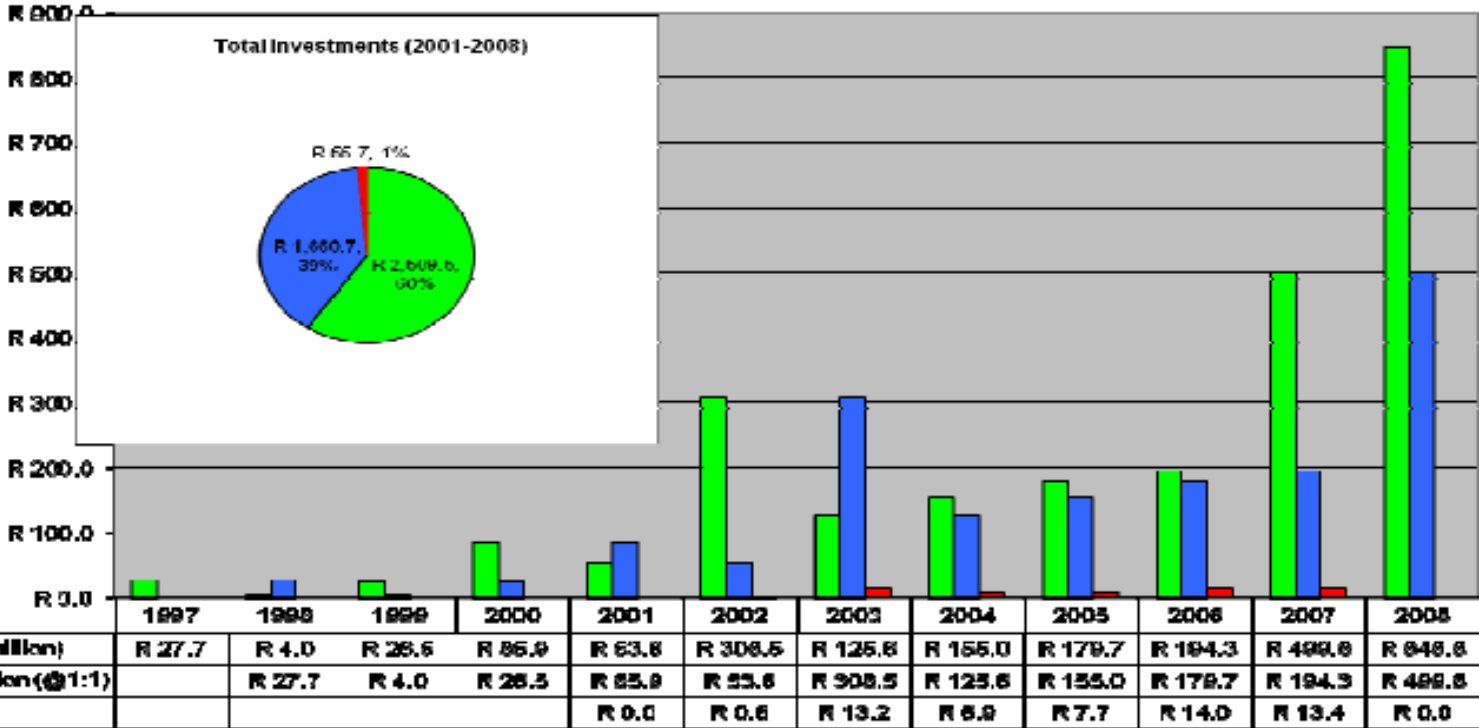
Year

RESULTS: IMPROVED INVESTOR CONFIDENCE

Informed by the JDA study 2009

Braamfontein Area Based Intervention:

Braamfontein Public/Private Investments



Years

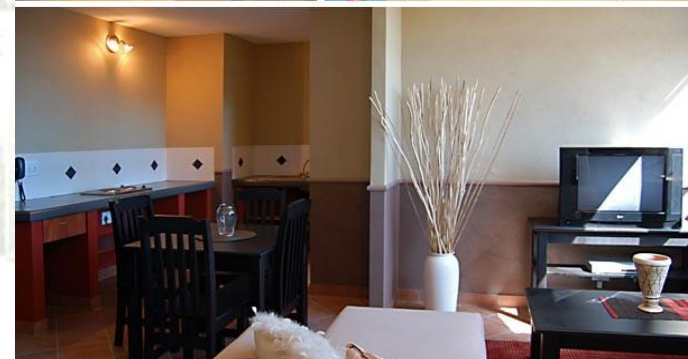
JHB INNER CITY COMMERCIAL INVESTOR CONFIDENCE

- Major corporates stayed in the Inner City – attracting others
- 2006 – 2009 = R8b Private investment in built form
- 2009 – 2014 = R30b Private investment in built form
- 2006 – 2012 = R150m Capex Partnerships between public and private sector in Public Space
- 2012 - 2015 = R 50m Planned Capex private/public sector Partnerships in Public Space
- Official Vacancies down from 25% in 2000 to 5% currently



JHB INNER CITY RESIDENTIAL

- Private sector investment in built form since 2006 – R40b investment
- 40,000 Apartments – renovations
- 160,000 New Residents



ROSEBANK (JOHANNESBURG) CONFIDENCE



- Oldest CID in SA – not classified as degenerated but challenged by poor urban management – especially taxi's and informal trade management



- 2011/2013 Mixed Land Use Investment R8b



- 2013/2016 Investment In Mixed land use Built Form R4b

- Huge Retail And Tourism Boost



- 3 New Hotels : 6 Hotel Renovations



SANDTON CENTRAL - ENVIRONMENT FOR INVESTMENT

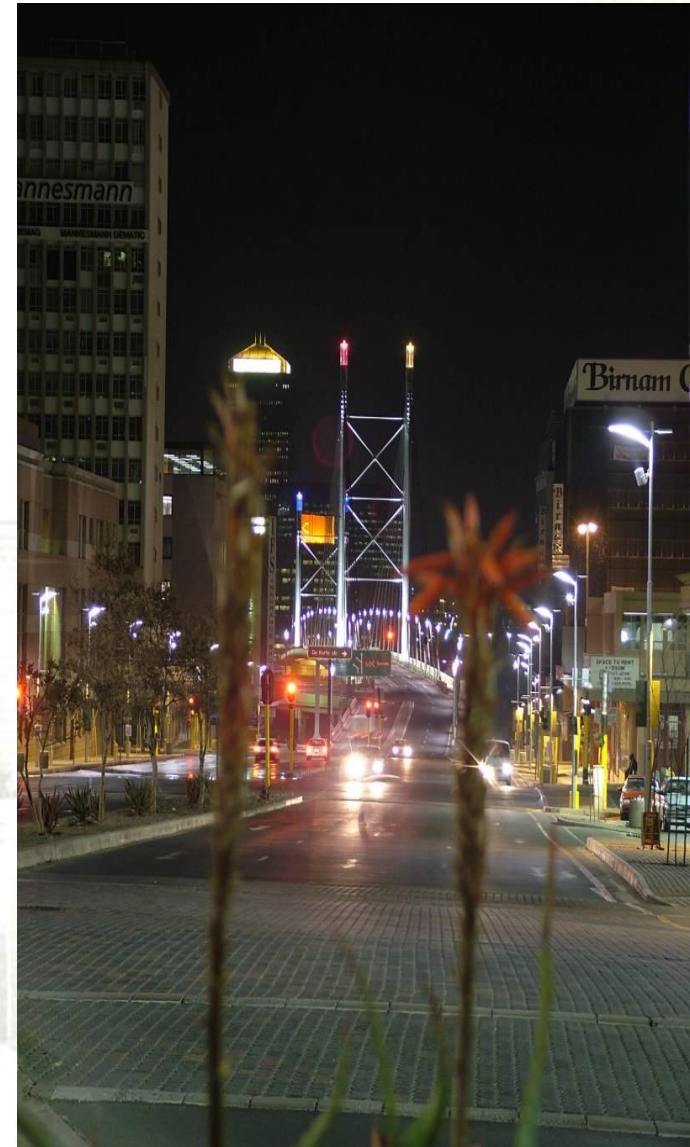


- Was the original JHB decentralised “Flight” node
- 2013/14 5b Investments , mixed use
- R300m Hotel Refurbishments
- 5000 New Parking Bays
- Improved public transport & connectivity
- Bulk & Public Space Infrastructure Upgrades
- Private/Public sector Planning Partnerships
- Linkages to neighbouring previously disadvantaged nodes



CID SUCCESSES

- SUSTAINABLE!
- Shared VISION
- Improved Community cohesion/pride of place
- Improved public and private sector relationships
- Reduced Crime and Grime
- Improved Infrastructure
- Tourism/Marketing
- Research
- Job Creation – temporary and permanent
- Business Attraction and Retention
- Transport and traffic management
- Informal Trade & Taxi Management
- Improved property values, increased rentals, reduced vacancies



CID CONTRIBUTION to the ECONOMY

- Creating & retaining jobs - approx 25,000 new jobs created in JHB IC since 2010 (CID's alone directly/indirectly employ over 2000)
- Creating homes - In JHB IC over 40,000 units / R40b investment
- Contribution to public space and infrastructure upgrades
- Attract and retain investment/business/trade – big & small
- Increase in rates base
- Increase in Hotel beds
- Contribution to green economy
- Creating Wi-Fi/ hot spots
- Supporting & enhancing tourism

SUSTAINABLE; MANAGED; EXCEPTIONAL PLACES!

