

Buffalo City Metropolitan Municipality

URBAN INVESTMENT PARTNERSHIP CONFERENCE

28 August 2015



**BUFFALO CITY
METROPOLITAN MUNICIPALITY**

Structure of Presentation

1

BCMM Approach to Development

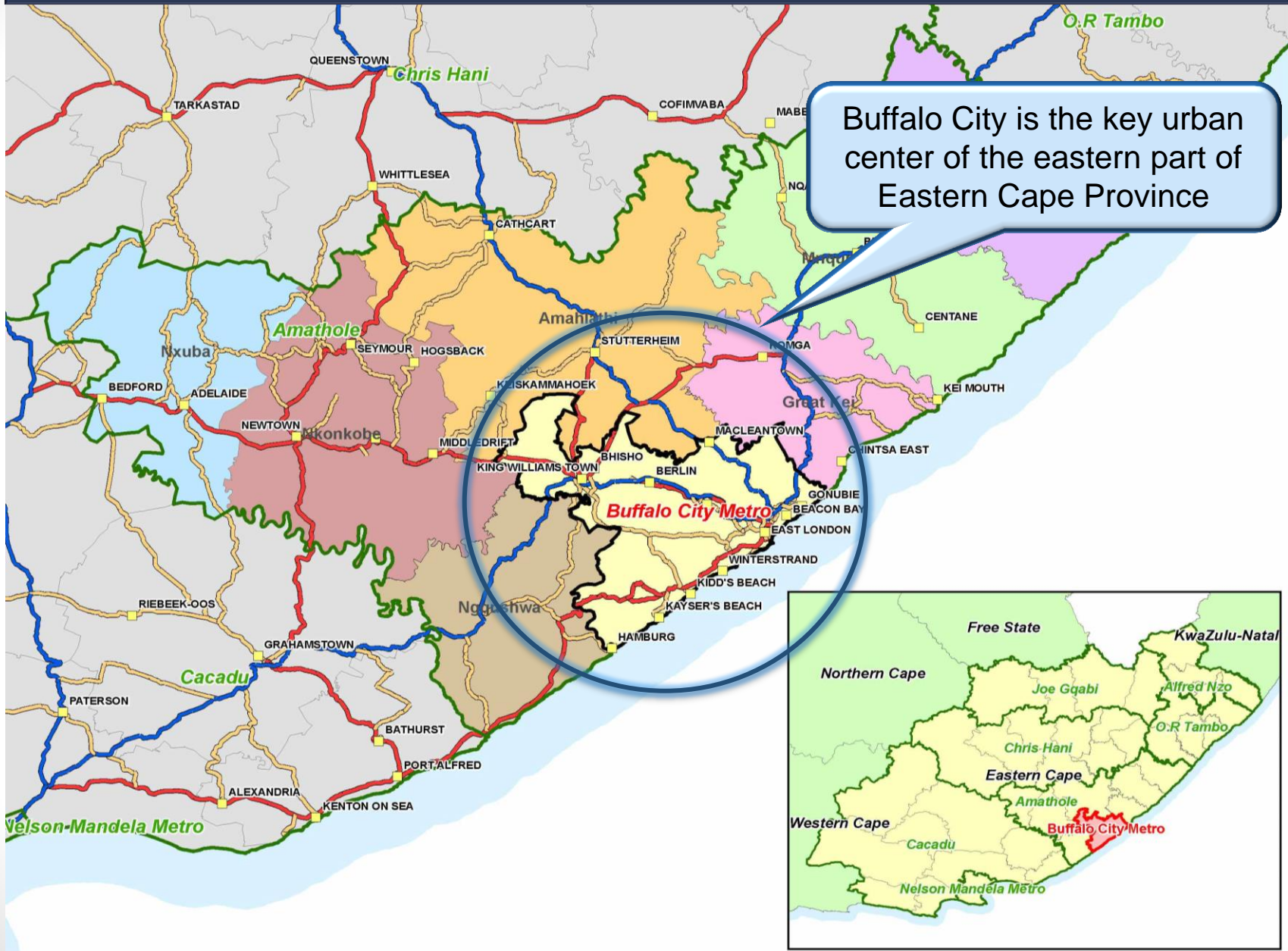
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BCMM Financial Position and Administration

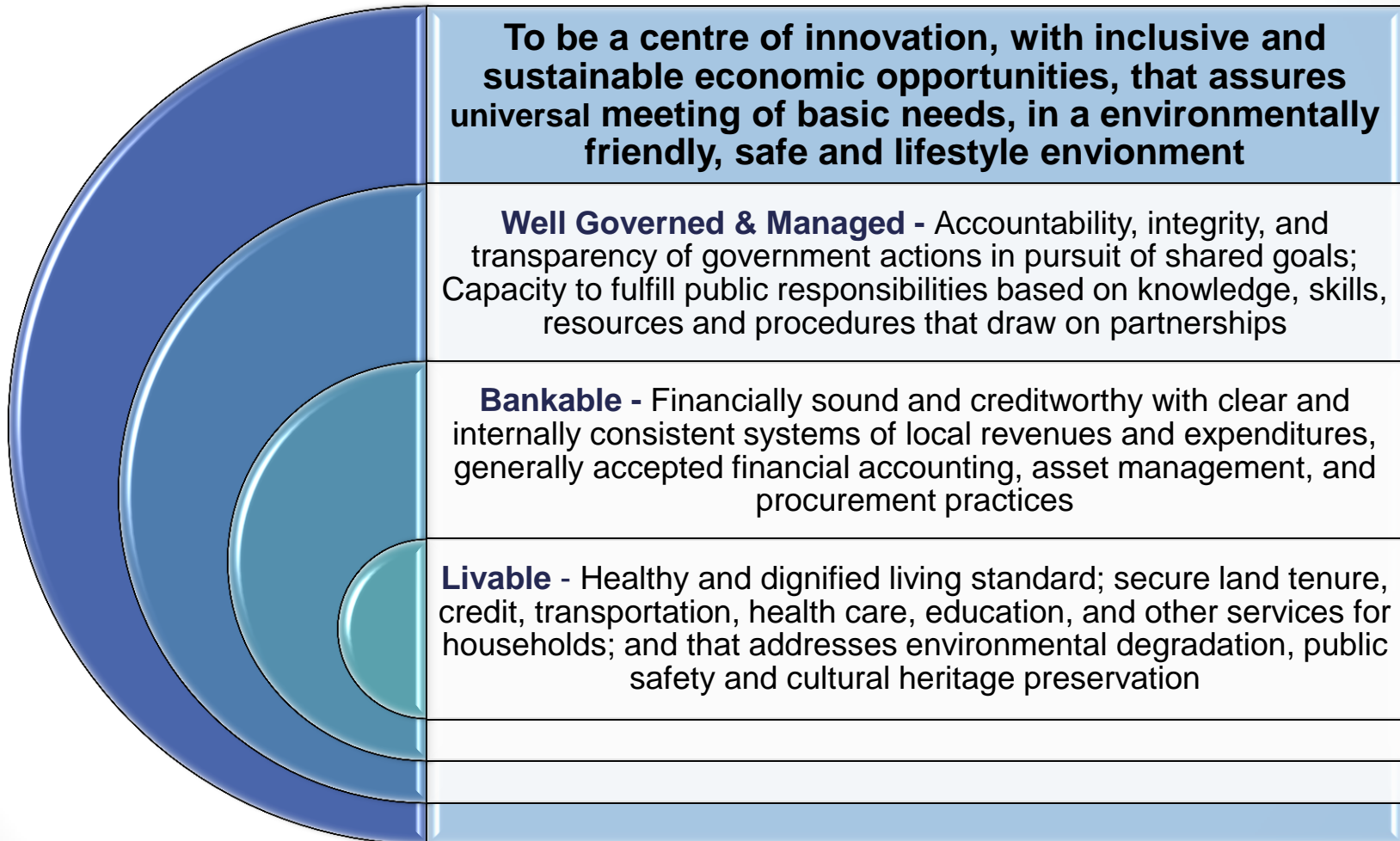
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Catalytic Projects

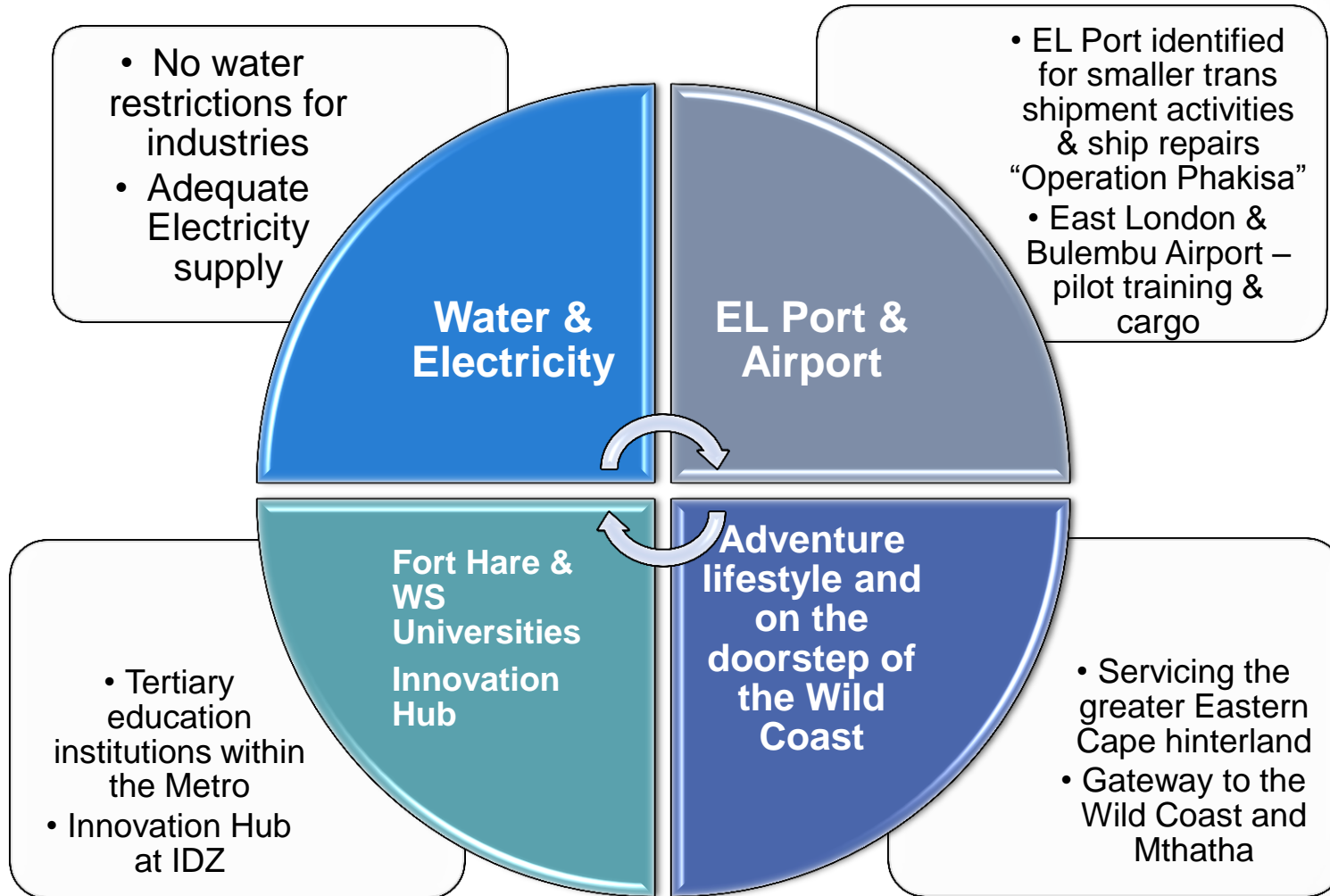
Locality



BCMM Vision



BCMM Advantages



Financial Health Check



Credit Rating

Metro achieved a credit rating of **A** signaling strong cash position with minimum exposure to long-term debt.

The rating outlook is stable for both long-term and short-term

Short term – A1(za) stable outlook

Long term – A(za) stable outlook



Credible & Cash Backed Budget

NT assessed the Metro as having a credible, relevant and sustainable 2015/16 MTREF Budget.

Total budget for capital and operating projects amounts to **± R2 billion with over R500 million financed from own funding.**

Capital budget has grown by 19% over the 2015/16 MTRF period increasing from R1.3 to R1.5 billion.



Repairs & Maintenance

Own funds for replacing and refurbishing infrastructure amount to **R1.2 billion over the MTREF period.**

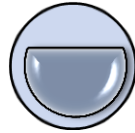
Metro investing in the maintenance of its aging infrastructure to improve service delivery.

Financial Health Check . . .



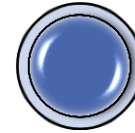
Collection Rate

91.79 %



Expenditure Rates

98%
Expenditure of
Grants
received during
2014/2015
financial year



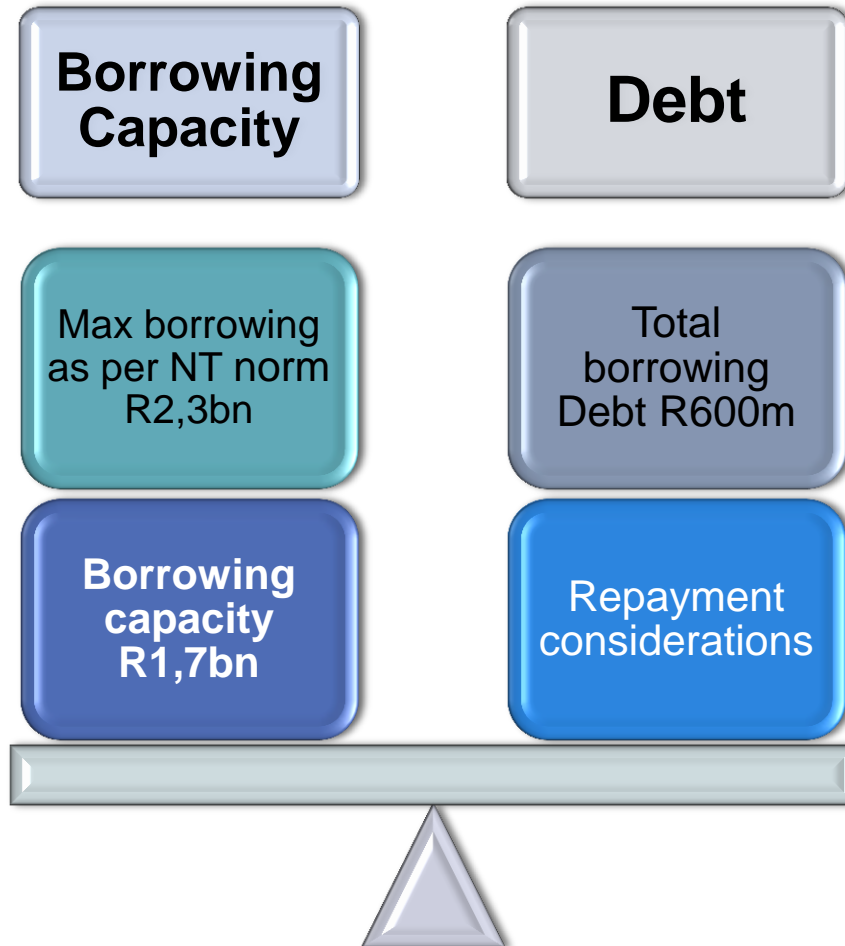
Audit Opinion

Metro has focused significant attention on improving the quality and accuracy of its operating and reporting procedures

Auditor General issued a *qualified audit opinion* on the City's consolidated financial statements for the 2013/14 financial year, the number of qualification and the quantum involved was substantially reduced to one being irregular expenditure.

This marks a steady progress from prior years audited opinions.

Long Term Loan Funding Strategy



Governance & Administration

BCMM is a 100 member Council

It is an Executive Mayoral system combined with a ward participatory system

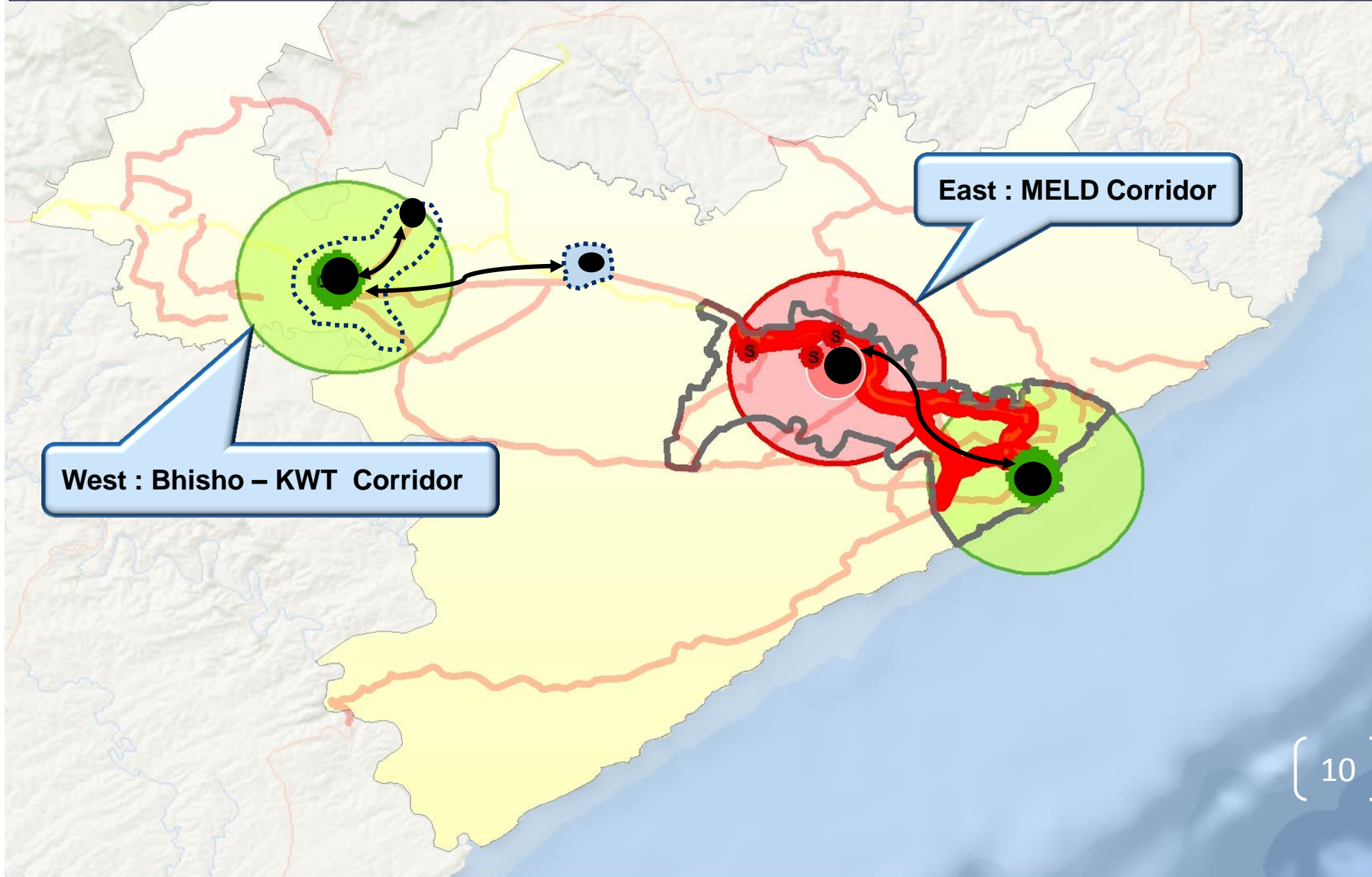
Council has oversight responsibilities through various structures such as

- Portfolio Committees,
- Municipal Public Accounts Committee (MPAC) and
- Audit Committee

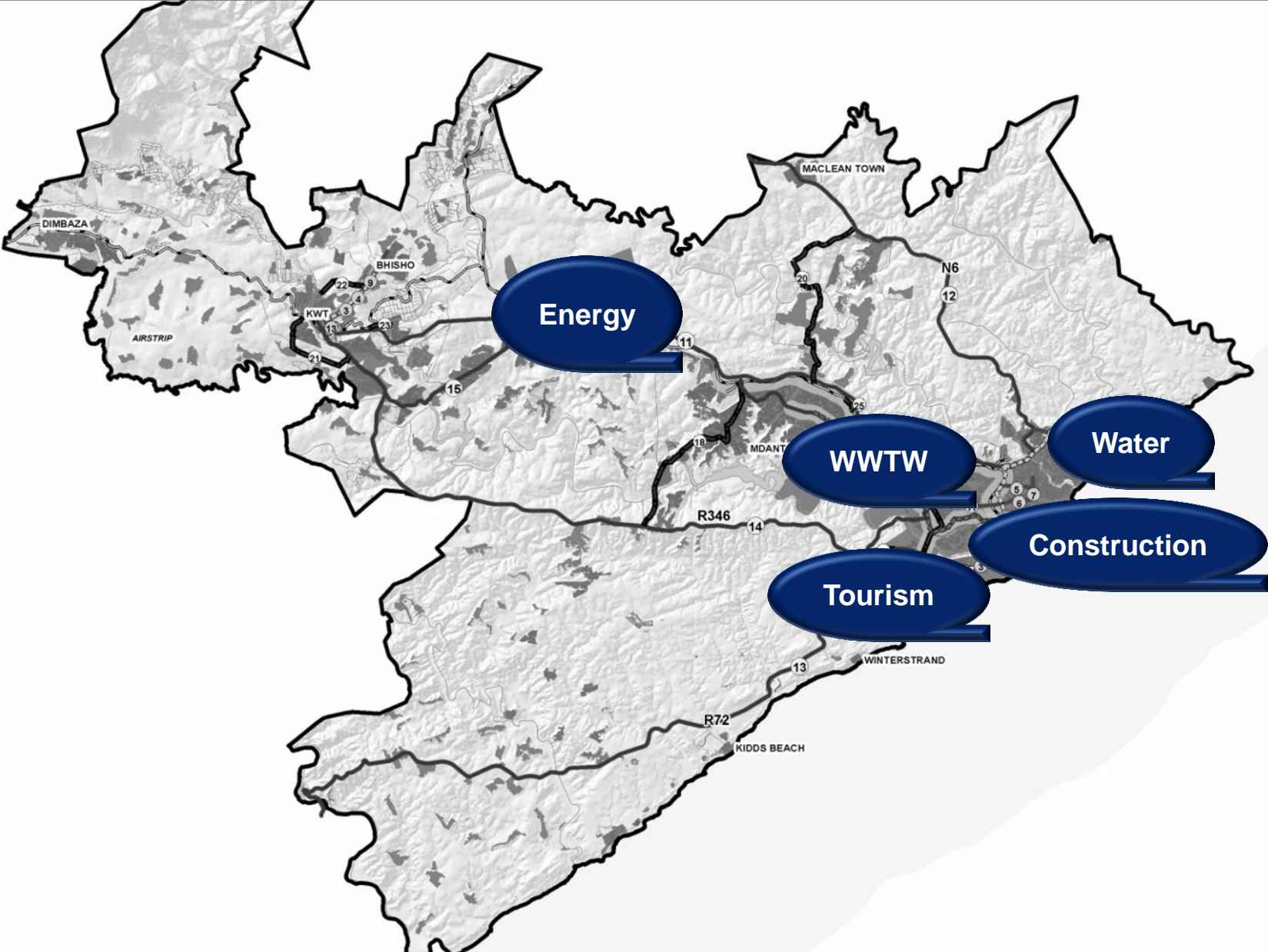
The Metro administration is structured as follows:

City Manager
Chief Financial Officer
HOD Corporate Services
HOD Infrastructure Services
HOD Spatial and Development Planning
HOD Municipal Services
HOD Human Settlements
HOD Economic Development
HOD Health and Public Safety
HOD Executive Support Services

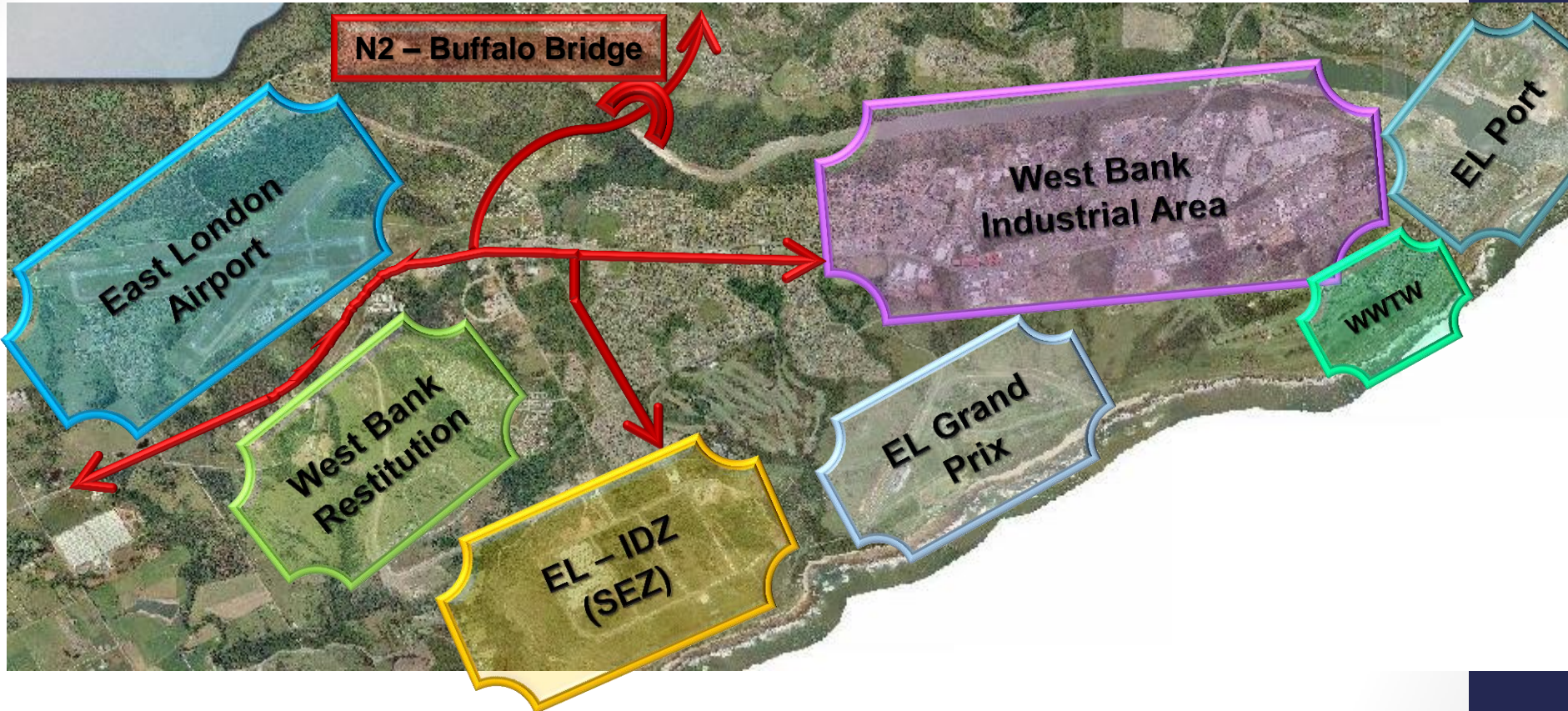
BCMM Urban Network Strategy



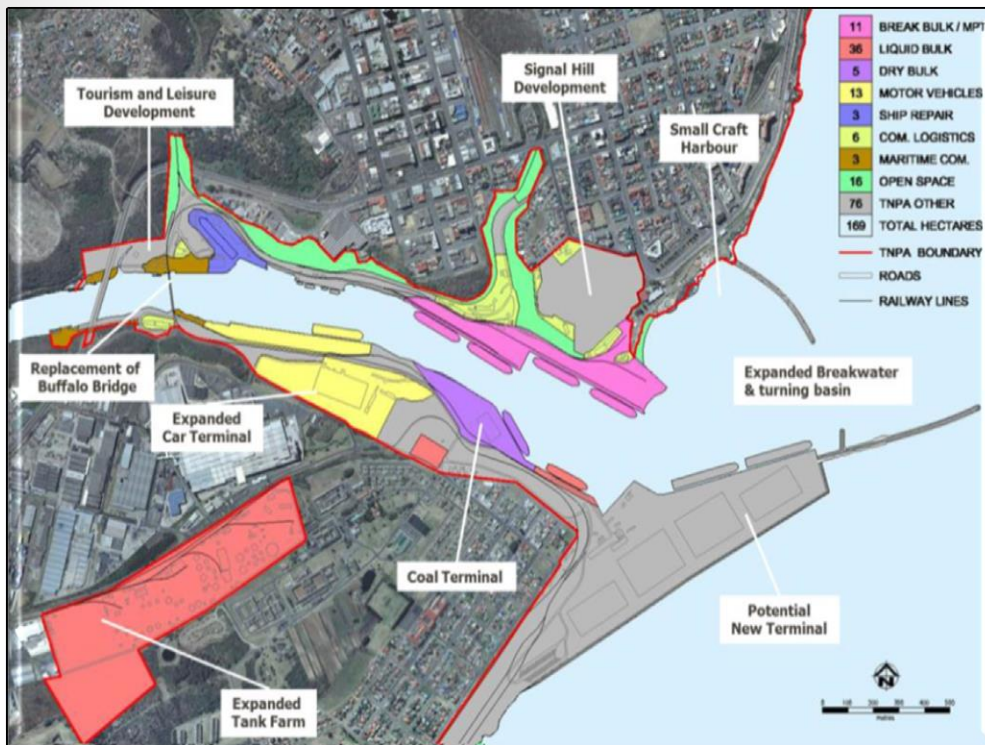
BCMM Catalytic Projects



EL West Bank Area – Development Priorities



Public & Private Sector partnerships required for development



East London Port Expansion



Inbound

- Automotive Components
- Vehicles
- Fuel (bulk)
- Grains (wheat, maize)

Outbound

- Vehicles
- Tobacco Products
- Grains (maize)
- Processed foodstuffs
- Livestock

Transnet plans to spend **R2.4 billion** in investments between 2014 and 2020

- Deepening and widening of Port Entrance Channel
- Coal Terminal Land Preparation
- Replacement of Buffalo Bridge
- Foreshore Protection
- Expansion of the port capacity for marine industrial & shipbuilding and repairs activities

Buffalo City to join the world's sporting fraternity, the following support mechanisms are proposed:

- European Winter Season Motorsport Testing Platform for hosting a multitude of sports events and activities
- Business/Techno Park Activities (oval track, remote control car area, co-pilot rides, etc.)
- Accommodation Recreation, Restaurant & Pub
- Motor Mall
- 'Tower and Pits' Heritage Motor Museum
- Pits and paddock area VIP Lounges
- Tourist Information Centre



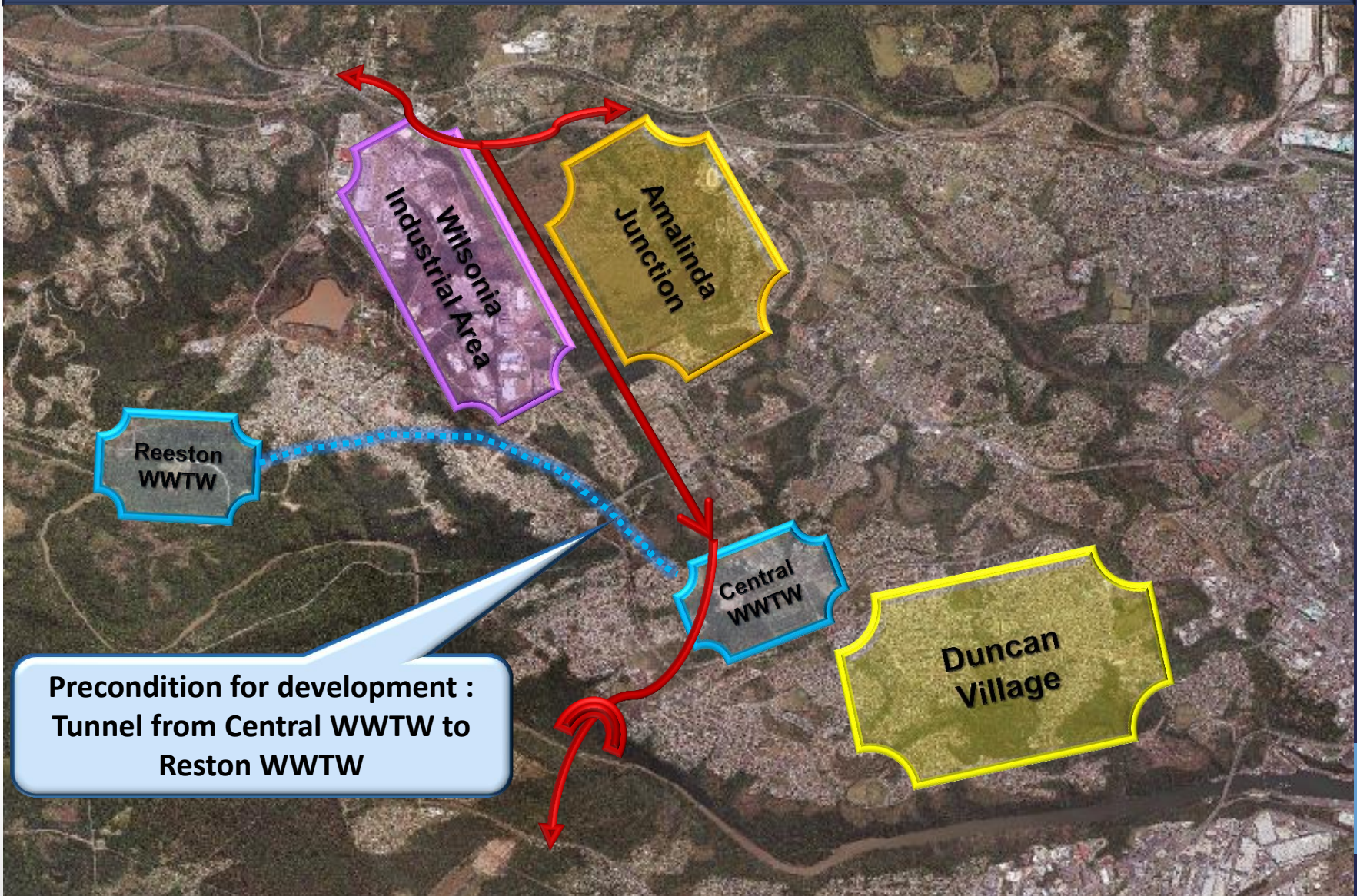
East London Grand Prix

BCMM land owner & signed 20 year lease with Border Motorsport

- ± 1 800 direct employment opportunities year 3 - 5 & ± 3000 indirect employment opportunities during the next 6 - 15 years
- 300+ sunny days a year - well received from international car manufacturers
- 80 testing days with 10 people in a test team, would generate a 800 bed occupancy rate/day, with a daily spend of between R12000 and R15000 per person

Tourism Investor Partnership

EL Central Development Priorities



Central WWTW to Reeston WWTW Tunnel Project

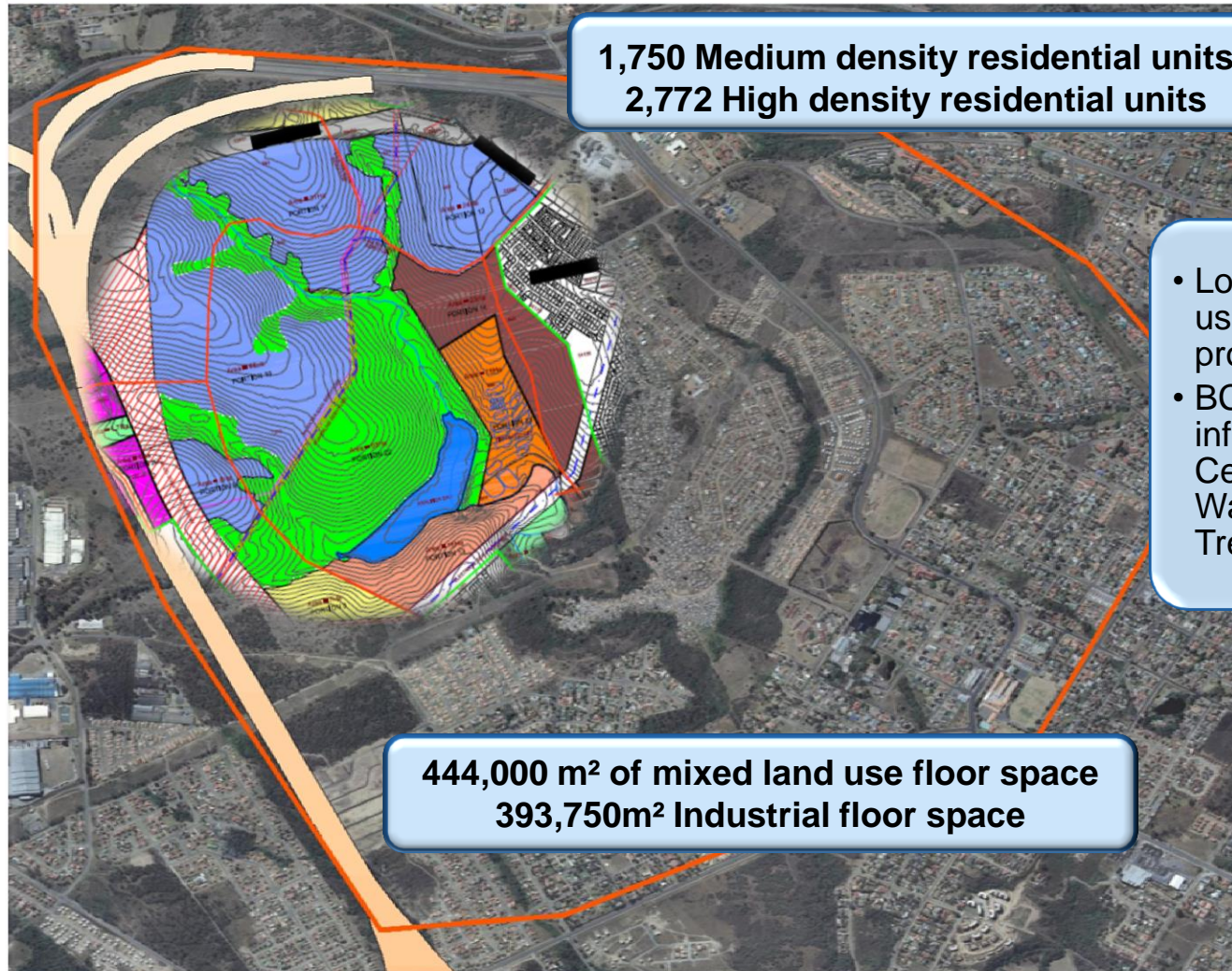
Bored tunnel of 3.0m in diameter, 3.5km long with average depth of 35m

Reeston

Central

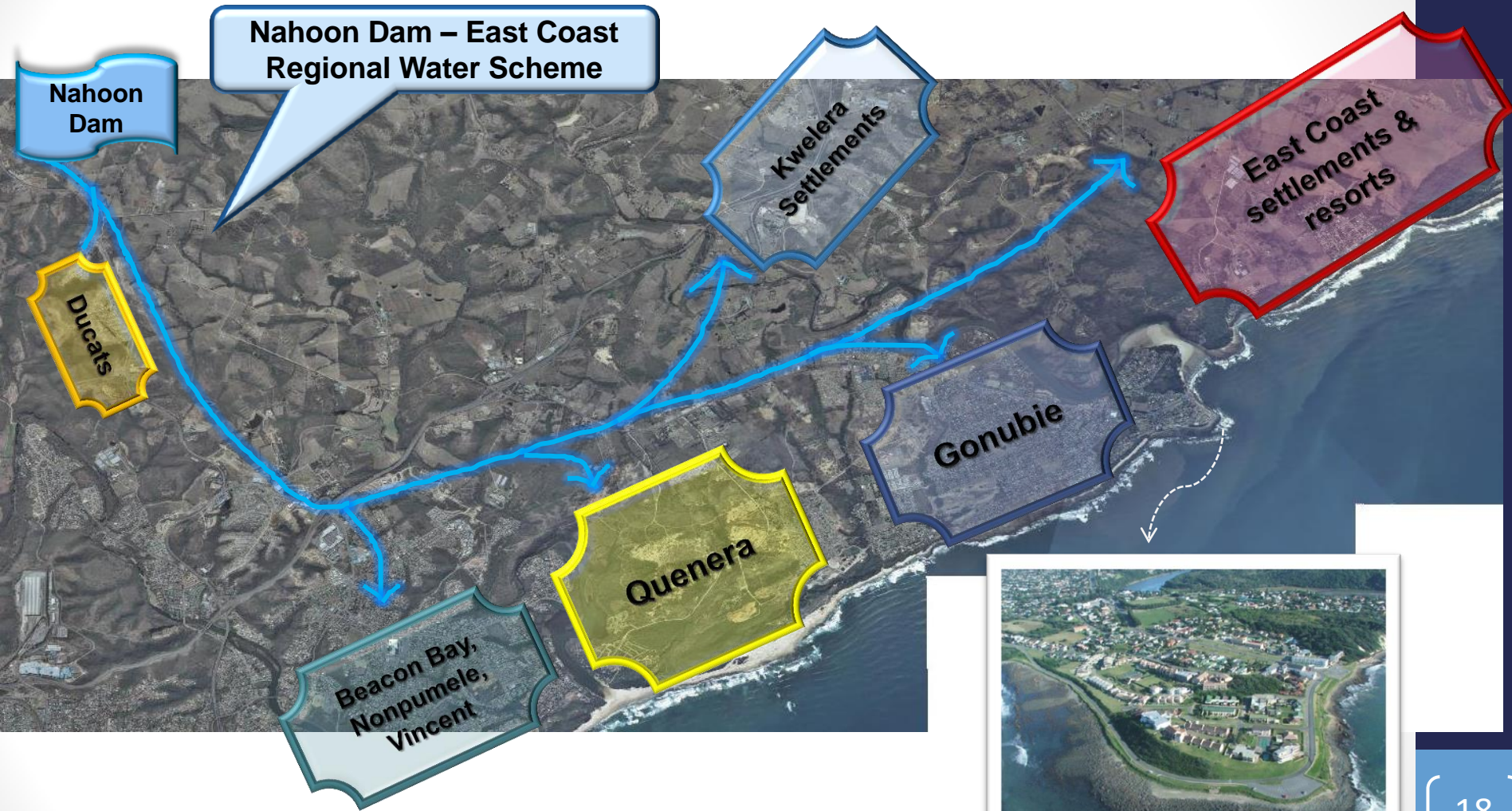
Diversion of sewage from Central WWRW to Reeston WWTW.
All detailed designs completed.
Project is ready for construction phase.

Amalinda Junction



- Long term mixed land-use development proposal
- BCMM to invest in bulk infrastructure i.e. both Central and Reeston Waste Water Treatment Works.

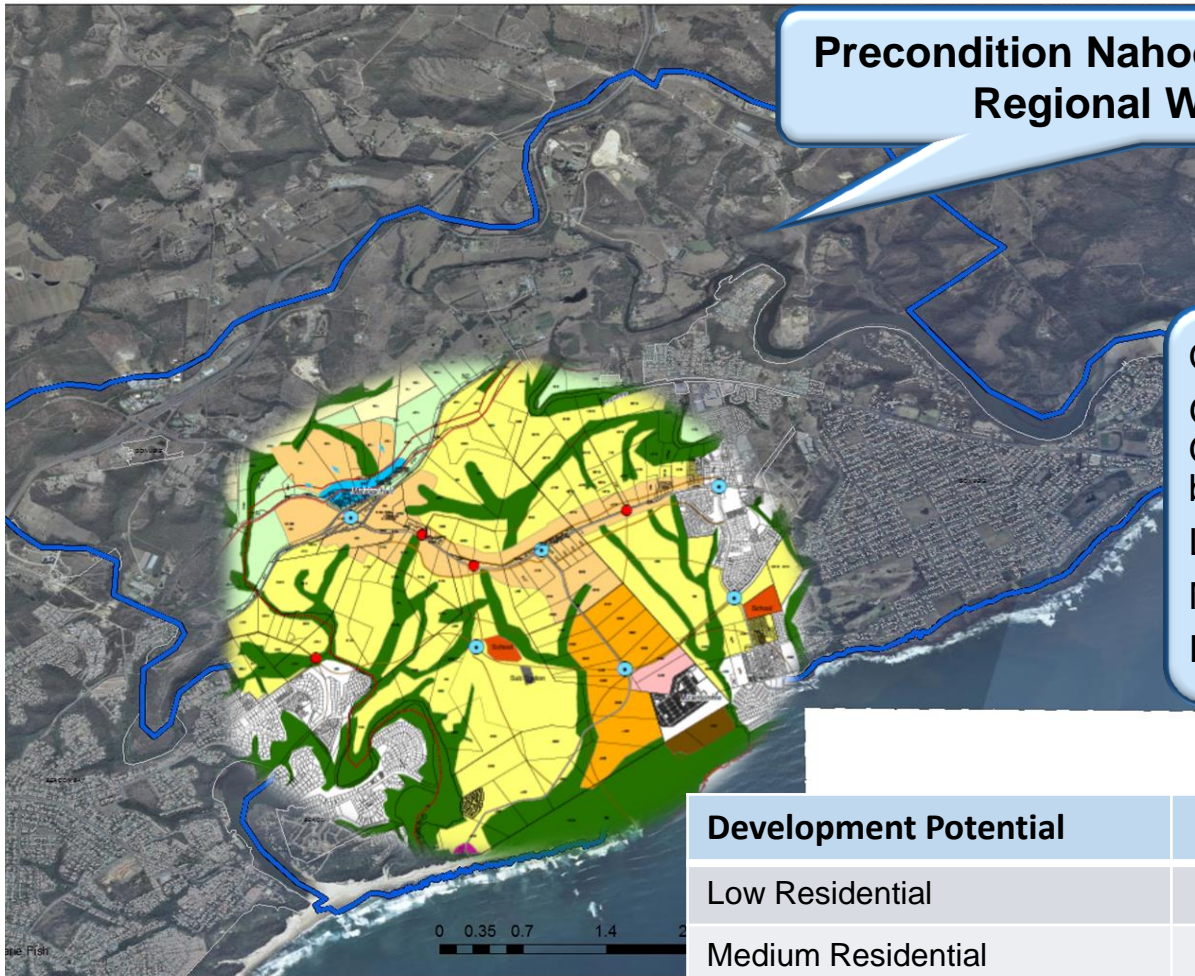
Eastern Development Priorities



More efficient Regional Water Supply Scheme
Unlock development on the East Coast.
Project in design phase.
Construction phase to be completed by mid- 2018

Quenera

Precondition Nahoon Dam – East Coast Regional Water Scheme



Quenera LSDF
 Gonubie Main Road &
 Quenera Link road
 being constructed
 Land acquisition
 Mixed land use
 Private sector driven

Development Potential	Ha	Units	People
Low Residential	996	6 972	20 916
Medium Residential	184	6 436	32 180
Mixed Development	286	5 722	17 163
Tourist / Resort Development	14	426	1 278
TOTAL	1 479	19 556	71 540

Sleeper Site

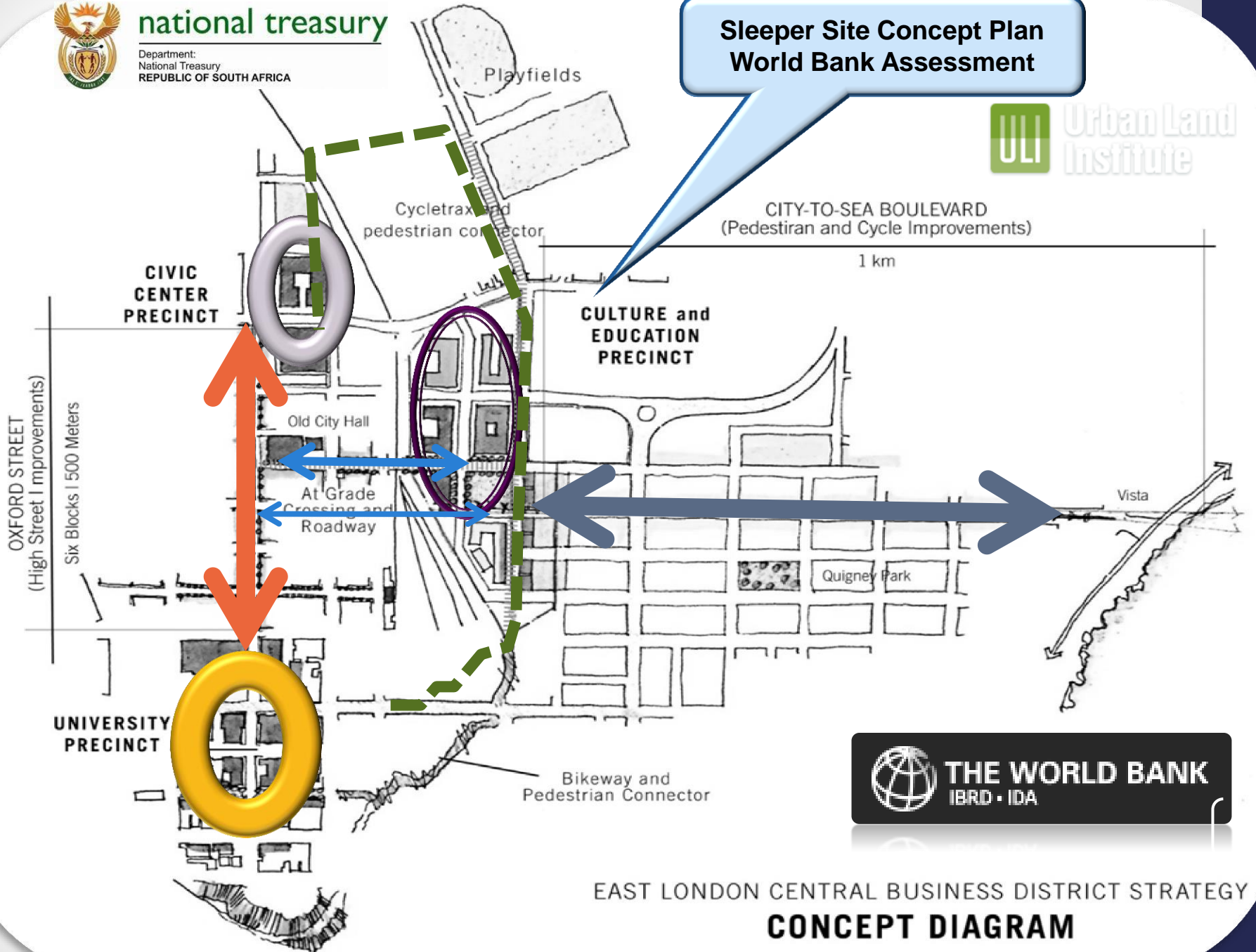




national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Sleeper Site Concept Plan
World Bank Assessment

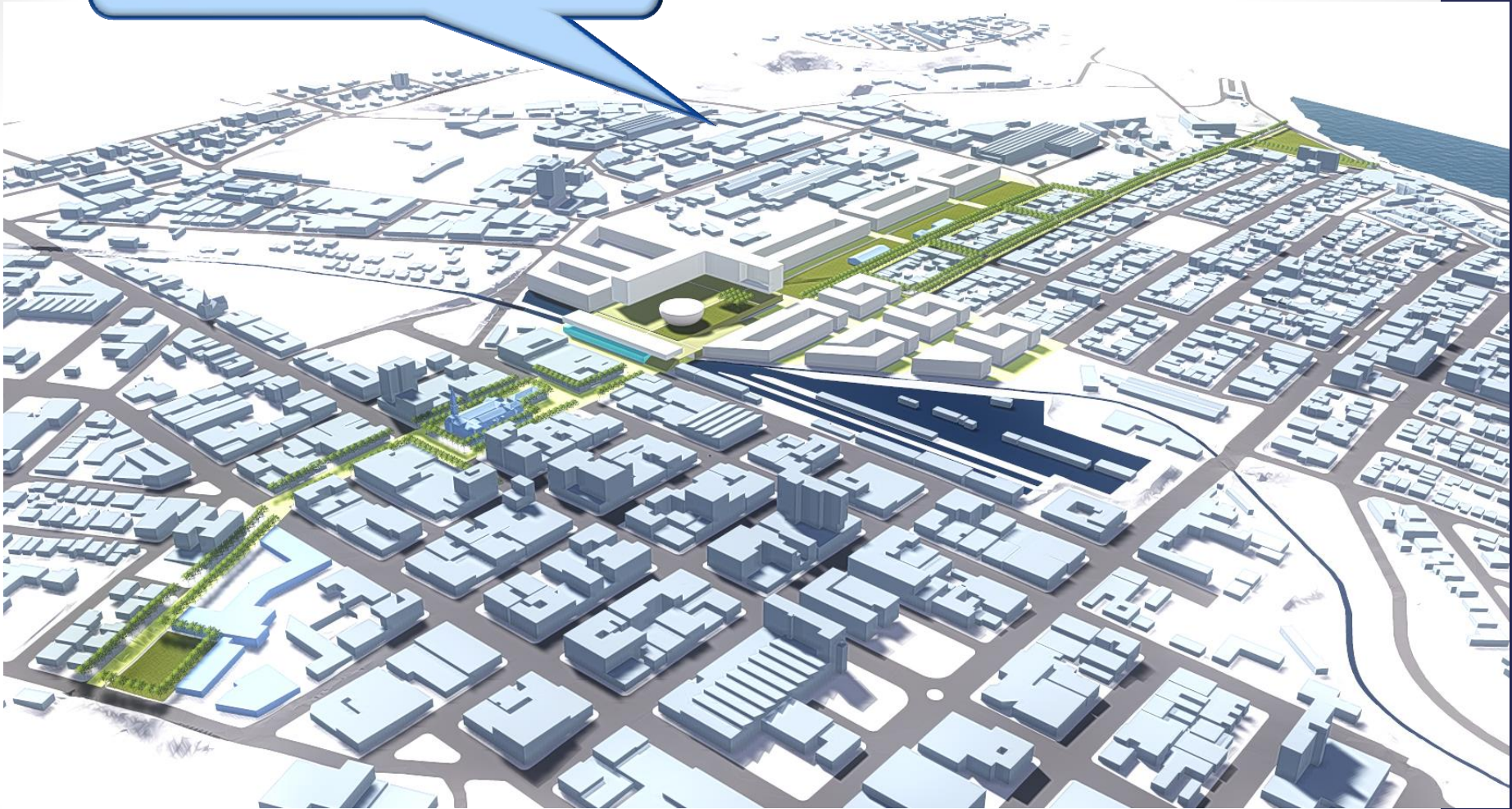


EAST LONDON CENTRAL BUSINESS DISTRICT STRATEGY CONCEPT DIAGRAM

Inner City Regeneration



**Sleeper Site 3D Model of
Concept Plan**



BCMM Civic Centre Complex

Administrative Offices ;
Council Chambers ;
Ceremonial Functions & Auditorium
Metro Media Centre ;
Customer Services

Mixed land use /
Social Housing

Mixed land use
development

Tertiary Campus
/ Innovation Hub

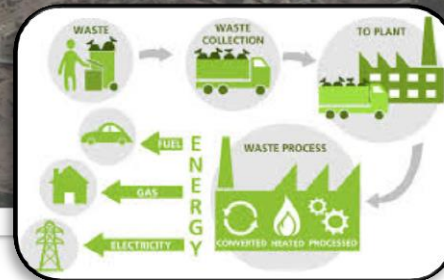
Redevelopment for
student accommodation

BCMM investigating various funding models
Opportunity for public-private partnership

Berlin Green Energy Hub

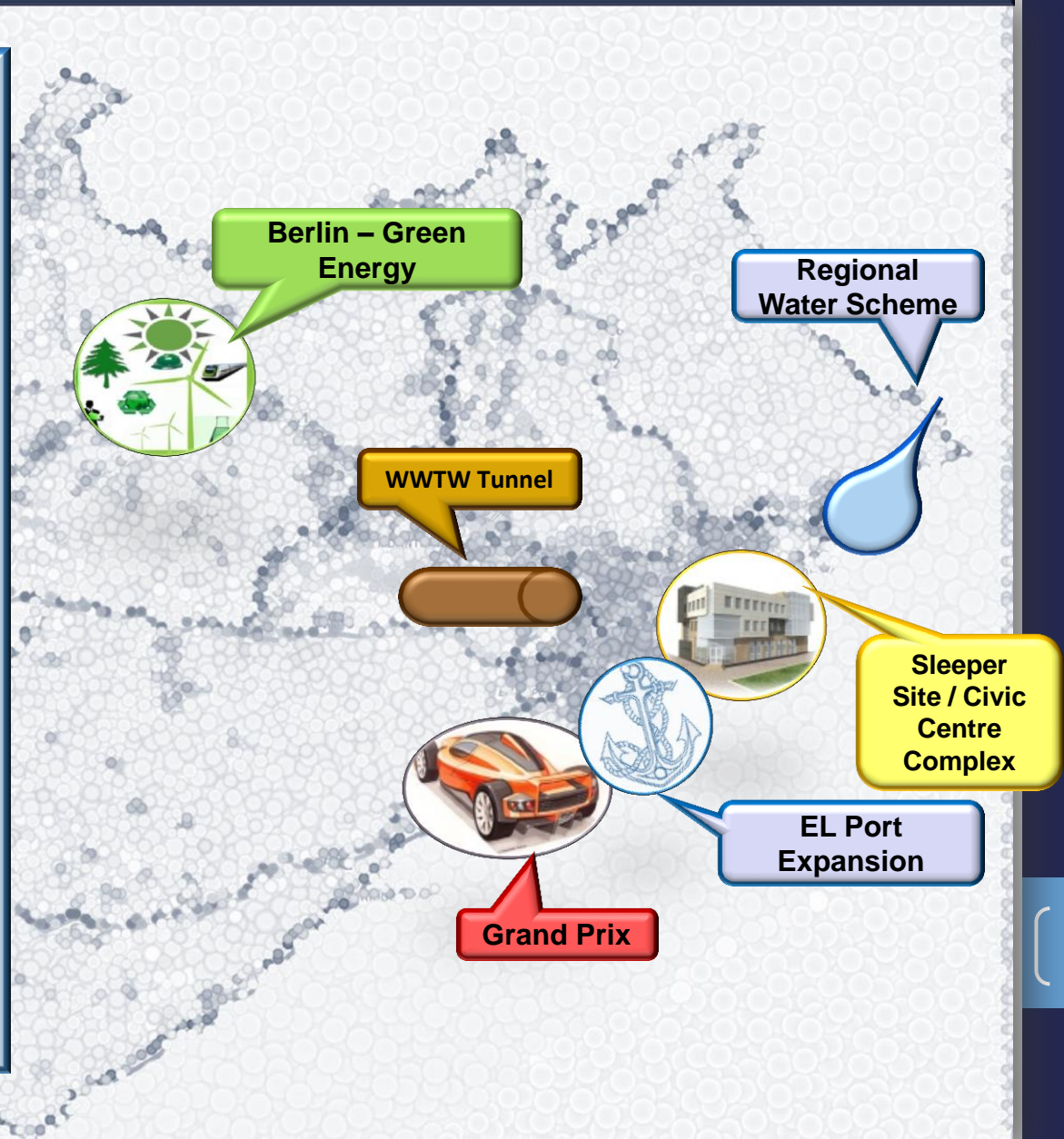


- BCMM has made available \pm 800 ha of land to EL IDZ for the development of a solar park that will generate 50 MW of energy into the grid
- BCMM is currently planning or other potential alternative energy initiatives within the Berlin corridor as it has potential for green energy e.g. waste-to-energy at the regional waste site



Summary

- BCMM is ready to engage investors on specific catalytic projects
- The door of BCMM is open to engage on the projects
- A dedicated technical team is available to work with investors
- We look forward to welcoming all potential investors to our Metro working with you in achieving our mutual developmental goals



Contact Details

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THANK YOU