

BUSINESS PLAN

for the

Muizenberg Improvement District

for the period 1 July 2010 to 30 June 2015



muizenberg
IMPROVEMENT DISTRICT

TABLE OF CONTENTS

	Pg.
Table of Contents	2
1 Business Overview	3
2 Product and Service Description	4
3 Management	6
4 The Market	7
5 Marketing Strategy	8
6 Financial Projections	9
7 Legal and Regulatory Environment	12
8 SWOT Analysis	12
9 Appendices and Supporting Documentation	13
10 Suggested Portfolios	14
11 Organogram	16
12 Contact details	17

BUSINESS OVERVIEW

1.1 Background:

The City of Cape Town introduced the Central Improvement District (CID) model to address urban decay that was becoming widespread across the City in the late 1990's as a result of municipal restructuring. The majority of CID's at that time were established in commercial and industrial areas, eg. the Central City Improvement District (CCID) in Cape Town and the Claremont Improvement District Company (CIDC) in the Claremont CBD. Property owners within a CID pay a levy on their rates according to the valuation of their property which is collected by the City of Cape Town. The Council allocates this revenue on a monthly basis to a Section 21 Company to administer; the Non-Profit Company is mandated to provide top-up services within the CID area on behalf of the City.

1.2 Business Profile

1.2.1 Define Business Concept

The Muizenberg Improvement District was established under the CID model [initially as a Municipal Improvement District (MID)] to address urban decay that had severely eroded the centre of Muizenberg which was (and still is) a predominantly residential area. The Muizenberg Improvement District was incorporated as an Association Not for Gain in 2001; Articles of Association were drawn up to govern the Section 21 Company. Since its inception Membership of the Company has increased; today there are currently over 200 individual members.

The boundaries of the MID area have remained the same since the MID was established. The area covered is demarcated by Main Road from the Muizenberg Station in the south to the junction of Albertyn Road in the north. The boundary runs northeast along Albertyn round Vlei Road up Beach Road over the beach back to the station.

1.2.2 Our Mission

“To enhance the Muizenberg experience for residents, businesses and visitors through urban renewal, safety and social development initiatives.”

2. PRODUCT AND SERVICE DESCRIPTION

According to the Finance Agreement between MID and the City of Cape Town, the CID Levy is defined as the 'product' of the MID which is used to deliver a top-up service on behalf of the City of Cape Town.

2.1 Goals

Over the next five years the MID aims to achieve the following goals:

- Maintain, improve and possibly expand our security and cleansing services
- Promote safety in the Village and at the Beachfront – safe streets, crime-free area
- Encourage and support social development initiatives
- Initiate and facilitate projects aimed at upliftment/development
- Liaise with Council to facilitate upgrading of the council owned property on the beachfront
- Liaise with the City Council to improve enforcement of by-laws and traffic violations
- Make Atlantic Road a more welcoming entrance to the area
- Encourage landlords to be more discerning and carefully vet prospective tenants
- Attract new businesses and investors to the area
- Support and promote initiatives to profile Muizenberg through destination marketing

2.2 Objectives

Six specific focus areas have been identified to achieve our goals. These objectives are outlined below with key action steps to be taken:

2.2.1 Safety/security

- Employ private security for patrols
- Support the local Neighbourhood Watch called the Muizenberg Community Safety Initiative (MCSI)
- Secure SAPS Special Ops and Bicycle/Motorbike Patrol
- Activate Municipal Law Enforcement, Metro Police and Traffic Services
- Support the initiation of Radio and Video Surveillance Networks
- Support shark-spotters and life guards

2.2.2 Urban Management

- Continue to employ services to keep the environment clean, tidy, attractive and visually appealing

- Liaise closely with Council departments, local Councillors and other relevant organisations (e.g. MLRA, FBTBA, Muizenberg Historical Society, etc.)
- Encourage preservation and restoration of heritage buildings
- Support improved design and maintenance of public spaces (e.g. Atlantic Road, Pavilion and Beachfront gardens)
- Support and facilitate greening and beautification of open spaces
- Promote sustainable practices in all areas (e.g. resource recycling, renewable energy, waste minimisation, corporate social investment, skills development)
- Continue to target rundown premises, encouraging owners to renovate, upgrade or redevelop their properties

2.2.3 Social Development

- Support projects dealing with:
 - a) Street Children (Drop-in Centre at Huis Hoop, early intervention programme in local communities of Capricorn, Vrygrond etc.)
 - b) Homeless People (public toilets/bathrooms, night shelter, rehabilitation centre for substance abuse, skills development, job opportunities etc.)
- Continue to liaise with relevant stakeholders, such as SWEAT, Safer Together, Cinnabar and False Bay College, Living Grace and supportive community members

2.2.4 Business and Tourism Development

- Attract new business, encourage investors and development by building the Muizenberg brand
- Support the establishment of Ambassadors to promote Muizenberg and the Beach area
- Promote and help to ensure the Blue Flag Status for Muizenberg beach

2.2.5 Upgrading the Beachfront

- Support initiatives to improve Beachfront management
- Address difficulties with parking and parking attendants
- Support the development and maintenance of new and/or improved beachfront recreational facilities (e.g. children's playground, skate park)

(international standard to attract international events), volley ball court (attract national events), wave-rider machine, surf lift)

- Support other initiatives to develop additional tourist destination landmarks (e.g. Surfer-themed statue, lock-up facility for valuables, regular lifeguards, large jetty/pier, bicycle paths linking Sunrise Beach to Muizenberg Beach, St. James walkway)

2.2.6 Marketing and Communication

- Develop and maintain a Database of members, businesses and residents in the MID area, and possibly beyond the MID boundary
- Increase support for the MID by building relationships with property owners, residents and businesses, tenants and landlords
- Communicate regularly with all the above stakeholders in the Muizenberg area
- Show support for the arts, crafts, markets, festivals, cultural activities and other events

3. MANAGEMENT

3.1 The Directors

The Board of Directors is appointed at the Annual General Meeting and presided over by the Chair. The Board is collectively responsible for the performance of the MID and will assign Portfolios to its members. Each Board Member has specific responsibility and accountability for the performance of a designated Portfolio. In this way budget can be allocated to Portfolios associated with particular performance areas. Directors give feedback on their Portfolios at the monthly Board Meeting. [See Appendix 1]

3.2 Organisational Structure

The daily operations of the Company are the responsibility of the Manager. The Manager's task is to facilitate processes that enable improvement in the MID area. This is primarily a function of liaison with and between various role-players, eg. service providers, SAPS, Law Enforcement, Council departments, Portfolio bearers, contractors, MID members, MID rate payers, and the broader community. The Manager is also responsible for any additional specific direction, undertakings, tasks etc. that may be assigned by the Chair.

Currently this is the only permanent position within the Company but due to financial constraints it is prescribed as a part-time position. The MID currently also engages the services of three part time contractors on either an ad hoc basis or for a three month contract renewable as required and dependent on available funds. [See Appendix 2]

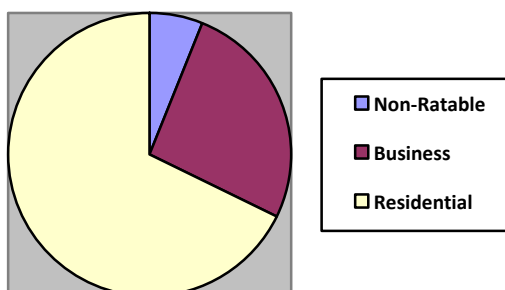
In addition, the MID has committed to employ two project team leaders for a twelve month period starting 1st September 2009 and ending 30 August 2010 to re-activate the Drop-in Centre for Street Children. After the initial twelve month period, Safer Together will take over full responsibility for the project which may be expanded to include an Early Intervention programme based in the children's community of origin.

As the focus area of the MID expands, the staffing situation may need to be reviewed to match the anticipated outcomes.

4. THE MARKET

4.1 Industry Analysis

The Muizenberg Improvement District is unique when compared to other Improvement Districts across the City of Cape Town. Towards the end of the 1990's Central Improvement Districts (CID's) were introduced as a model to mitigate the effects of urban decay. At that time the majority of these CID's were established in commercial (CBD's) or industrial hubs. The Muizenberg Improvement District was a departure from the CID model. The MID area is predominantly residential, composed of approximately 75% residential properties and 25% business properties; it was therefore termed a Municipal Improvement District.



4.2 Market Analysis

The Muizenberg improvement District area is comprised of 1117 erven which make up the ratebase. Of these, 86 erven have no value and thus do not contribute to the CID Levy. The split according to rates valuation between Residential and Commercial properties is 49.15% Residential and 50.85% Commercial. While the constituents within the MID area consist of property owners, residential tenants and business tenants, only the property owners contribute towards the CID Levy which forms our ratebase.

Degrees of misperception exist within the broader community beyond the MID's constituents regarding the extent of the Muizenberg Improvement District's responsibility for municipal services and safety in Muizenberg. This misperception exists in both the immediate area (Muizenberg Village from Albertyn Road to the Vlei, the Muizenberg mountainside above Main Road, and Marine Estate from the Vlei to Prince George Drive) and in the greater Muizenberg area (from Prince George Drive to the newly developed Capricorn Beach area and to some extent beyond that along Prince George Drive towards Military Road).

Muizenberg is a unique location; it is both a seaside village and holiday destination, and a municipal district within the City of Cape Town. The demographic mix is varied, comprising local residents (tenants and property owners), businesses (some are property owners, others are tenants), day visitors (from the South Peninsula, the Southern Suburbs, the Cape Flats and the Northern Suburbs), holiday makers (from beyond Cape Town) and international tourists (some come as day visitors and some stay in the area).

Many of the challenging factors evident in the MID area (e.g. crime and homelessness) originate from neighbouring impoverished communities. While the MID is directly responsible to our ratebase, we are indirectly responsible beyond our constituents to members from the immediate surrounding community, and to visitors to the area, for the quality of their experience of and in Muizenberg.

5. MARKETING STRATEGY

The MID derives its income from a levy on property owner's rates account. This revenue is collected by the City of Cape Town and allocated to the MID on a monthly basis. It will be necessary for the MID to explore additional alternate income streams to generate sufficient income to undertake other improvement initiatives that are presently beyond the scope of the budget.

As an organisation the MID needs to increase buy in and support from both its constituents and from the wider community. This entails correcting the misperception that exists about the MID's responsibility in terms of our contract with the City of Cape Town, our capacity based on our resources, and the scope of our area of influence.

In the past six months we undertook a process to increase coverage in the local media of the Muizenberg area, with our immediate attention focussed on the MID area. We engaged a Media Liaison contractor who has successfully developed credibility with the two local newspapers, The False Bay Echo and the People's Post. The outcome has been regular publication of stories submitted to the two papers. There is potential to expand the scope of this position to include a dedicated journalist or reporter, but at present this is limited by financial constraints.

We are in the final phase of the first stage of development of our Database, being an updated Membership List with email addresses for most of the Company's Members, about two hundred in total. This mailing list will enable us to communicate regularly in a cost-effective manner with our Members. The Database needs to be developed further with an additional three stages to include businesses, MID rate payers who are not members of the Section 21 Company, and interested parties from the broader community, at which point MID will be able to communicate easily and regularly with both our constituents and with other interested parties, in a cost effective manner.

6. FINANCIAL PROJECTIONS

According to the Finance Agreement between MID and the City of Cape Town (CoCT) (Appendix 2), the CID Levy is defined as the Company's product, expressed as a cent in the rand of the valuation at the end of February of the current financial year, and in the budget as approved by the city of Cape Town and the MID's Board of Directors for the following financial year. The CID Levy calculated remains constant for the financial year. This Levy will be applied to the valuations as captured on the CoCT financial system, which determines the annual CID Levy payable in monthly instalments by the property owner.

The total rates valuation of the MID area is R794,302,150 (seven hundred and ninety four million). Currently our monthly remittance from the City of Cape Town is R72,000 (seventy two thousand).

MUIZENBERG IMPROVEMENT DISTRICT

5 YEAR BUDGET

	2010/11	%	2011/12	%	2012/13	%	2013/14	%	2014/15	%
EXPENDITURE										
1. Employee Related	211 057	21.73%	227 941	21.88%	246 175	21.53%	265 870	21.53%	287 139	21.53%
Salaries	191 290		206 593		223 120		240 970		260 247	
UIF and WCA	3 826		4 132		4 462		4 819		5 205	
Bonus Provision	15 941		17 216		18 593		20 081		21 687	
2. Contracted Services	531 098	54.69%	573 585	55.07%	619 472	54.17%	669 030	54.18%	722 552	54.17%
Security	420 889		454 560		490 925		530 199		572 615	
Cleansing	110 209		119 025		128 547		138 831		149 937	
3. Depreciation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4. Repairs and Maintenance	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
5. Services Accounts ex CCT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6. Interest Paid	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
7. Other	199 809	20.58%	208 832	20.05%	243 539	21.30%	262 983	21.30%	284 065	21.30%
Accommodation (Rent)	12 960		13 997		15 117		16 326		17 632	
Alarm	1 971		2 128		2 298		2 482		2 681	
Audit / Accounting Fees	10 800		11 664		12 597		13 605		14 693	
Bank charges	5 519		5 960		6 437		6 952		7 508	
Computer Expenses	6 480		6 998		7 558		8 163		8 816	
Functions / Meeting	7 100		7 668		8 281		8 944		9 659	
Insurance	11 363		12 272		13 253		14 314		15 459	
Marketing & Promotions	12 960		13 997		15 117		16 326		17 632	

Newsletter and Member Comm	6 480		6 998		7 558		8 163		8 816	
Postage	1 296		1 400		1 512		1 633		1 763	
Printing & Stationery	6 480		6 998		7 558		8 163		8 816	
Projects	30 000		25 440		33 475		36 153		39 045	
Social Development	40 000		43 200		46 656		50 388		54 420	
Sundry Expenses	8 640		9 331		10 078		10 844		11 755	
Technology Opertaing Costs	12 960		13 997		15 117		16 326		17 632	
Telephone / Cellphone	20 048		21 652		23 385		25 255		27 276	
Training	2 160		2 333		2 519		2 721		2 939	
Travelling	2 592		2 799		3 023		3 265		3 526	
Urban Management	-		-		12 000		12 960		13 997	
8. Bad Debt Provision 3%	29 133	3.00%	31 248	3.00%	34 305	3.00%	37 048	3.00%	40 013	3.00%
TOTAL EXPENDITURE	971 097	100.00%	1 041 606	100.00%	1 143 491	100.00%	1 234 931	100.00%	1 333 769	100.00%

INCOME

1. Levy Income	971 097		1 041 606		1 143 491		1 234 931		1 333 769
2. Other	-		-		-		-		-
TOTAL INCOME	971 097		1 041 606		1 143 491		1 234 931		1 333 769

(SURPLUS) /
SHORTFALL

-	-	-0	-0	0
---	---	----	----	---

**BUDGET
GROWTH**

8.76%	7.26%	9.78%	8.00%	8.00%
-------	-------	-------	-------	-------

Approved Budget for
2009/10

892 916

The CoCT retains 3% of all payments due to the MID to cover shortfall as a result of non-payment or short-payment of the CID Levy by property owners. The MID Board is required to assist the CoCT to reduce arrears by actively pursuing members who are in default. CoCT will monitor on a monthly basis and if necessary adjust the reserve in consultation with the MID Board. Surplus remaining in the reserves calculated on retention vs. arrears will be released by the CoCT to the MID in September of the following financial year.

7. LEGAL AND REGULATORY ENVIRONMENT

Articles of Association [see Appendix 3] were drawn up when the MID was incorporated as a Section 21 company in 2001 and a Memorandum of Association [Appendix 4] was drawn up between the City of Cape Town and the MID. Initially a Service Level Agreement existed between the CoCT and the MID; this has since been replaced by the Finance Agreement [Appendix 5] which is presently being updated. The City is also reviewing the Memorandum of Association in accordance with the new SRA By Law [Appendix 6] and the soon to be released New Companies Act.

8. SWOT ANALYSIS

8.1 Strengths

- Legislated entity under the SRA By Law
- Revenue derived from levy on rateable property
- Passionate and enthusiastic people within the community
- Draw on experience gained over the past eight years

8.2 Weaknesses

- Limited capacity due to limited financial resources
- Unusually large Membership of the Section 21 Company
- Poorly constituted Articles of Association
- Apathy among large percentage of MID constituents (both company members and others)
- Poor communication with constituents resulting in confusion and misunderstanding
- Unrealistic expectations due to misperception of members, constituents and others
- Prescribed MID boundary excludes half of Muizenberg Village
- Challenged by long entrenched criminal activity in Muizenberg Village
- Undefined processes resulting in lack of or delayed decision making

8.3 Opportunities

- Introduce Portfolios to expand scope of operation and to improve process
- Expand on core focus of cleansing and security to include other aspects, eg. social and spacial development
- Improve effectiveness in achieving objectives through collaboration with other organisations, eg. MLRA, FBTBA, Muizenberg Historical Society, Safer Together etc.
- Improve safety through greater collaboration with SAPS, MCSI, CPF, Mountain Men etc.
- Develop win/win scenarios with local council departments to improve services
- Improve method and frequency of communication with all stakeholders
- Expand MID boundary
- Pursue additional alternate income streams
- Improve available financial resources by pursuing members who are in default on Levy payments

8.4 Threats

- Subject to subversion tactics due to division within the community
- Prone to periods of instability caused by a variety of factors
- Occasionally affected by inconsistent and/or poor governance
- Failure to expedite operations due to ineffective process
- Plagued by an embittered past
- Leadership structure is vulnerable due to inability to meet unrealistic expectations

9. APPENDICES AND SUPPORTING DOCUMENTATION

- Appendix 1: Suggested Portfolios ([page 14](#))
- Appendix 2: MID Organogram ([page 16](#))
- Appendix 3: Articles of Association (on request)
- Appendix 4: Memorandum of Association (on request)
- Appendix 5: Finance Agreement (on request)
- Appendix 6: SRA By Law (on request)

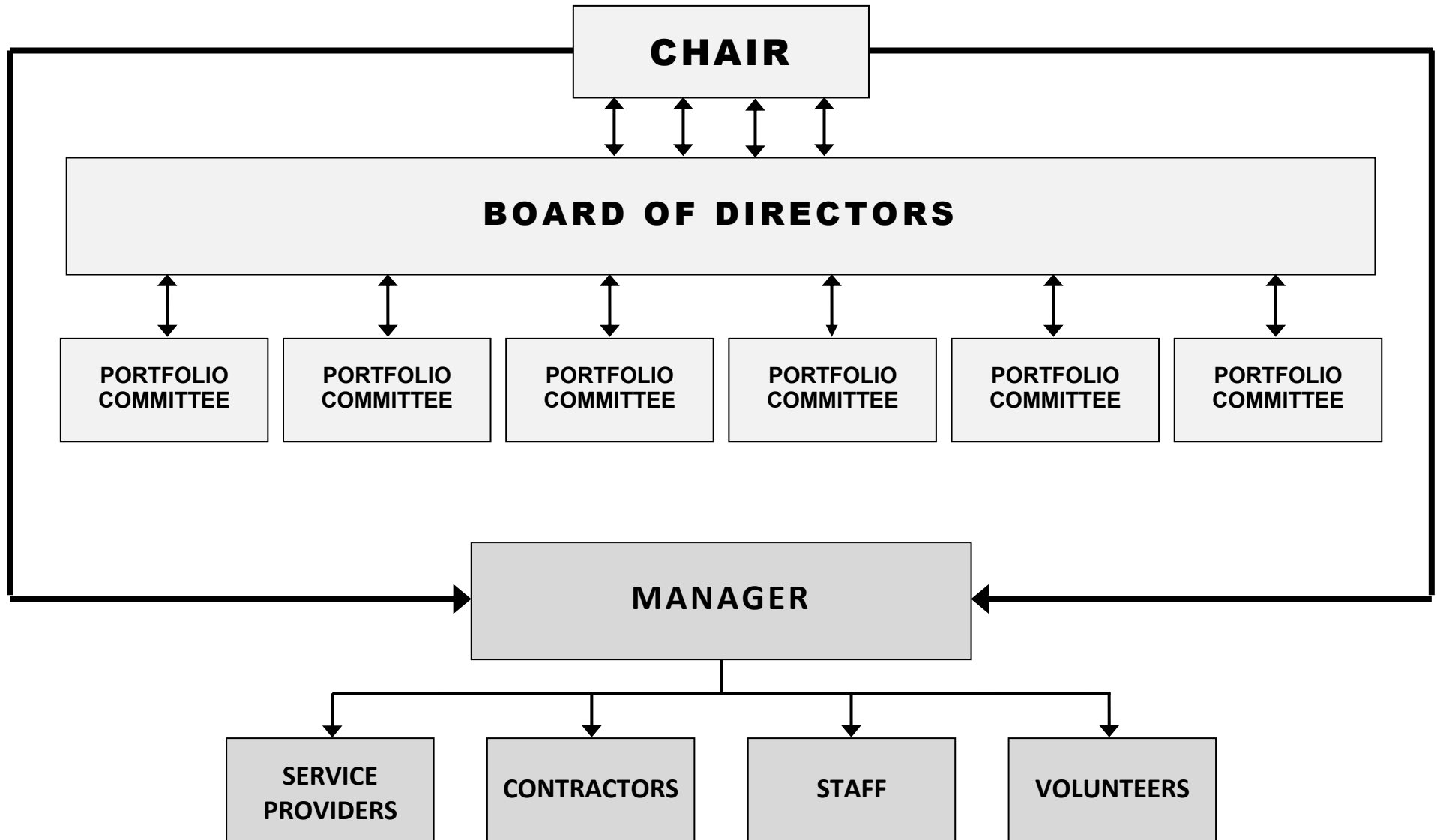
APPENDIX 1: Suggested Portfolios

- Chair: overall responsibility and accountability for the efficient and effective performance of the MID in meeting its statutory objectives and the legitimate expectations of its constituency. Each portfolio director is accountable to the Chairperson for the performance of his/her portfolio.
- Security: responsibility for the policing activities designed to protect the members of the MID from crime and drugs. Primarily, this involves the effective management of the security provider (currently the Mountain Men) with responsibility also for liaison and performance of SAPS.
- Safety: (Distinct from SECURITY, in that it looks to address the root causes of crime, rather than to react to it. Separating SECURITY and SAFETY provides a useful tension between policing and social upliftment.) Primary responsibility of the SAFETY portfolio would be to address issues around Social Development, viz. street children, vagrants, informal car guards etc. but would also entail collaboration with GREENING AND BEAUTIFICATION around public spaces.
- Urban Management: responsibility for the cleanliness and general appearance of the MID area though liaison with Cleaning and Municipal Services. Primary responsibility would be for the performance of the cleanliness service provider (currently Living Grace), but would also encompass liaison with, and accountability for, municipal services such as street lighting, leaking drains and water mains, stolen manhole covers, and such.
- Membership and Community: responsibility for building membership, maintaining the membership data base, providing the COMMUNICATIONS portfolio with information for members, membership functions, workshops and courses; tenant representation; membership “buy-in” and arranging for the AGM.
- Finance, Corporate Governance and Statutory Affairs: responsibility for the financial integrity of the MID; accounting and reporting of the finances of the organisation; production of regular accounting statements including the Annual Report and Accounts, production of annual budgets and the Business Plan, liaison with and management of the auditors; cost control, maximisation of revenue receipts, statutory compliance, timeous and full submission of statutory returns, Articles of Association, and responsibility for submission of reports to and liaison with City of Cape Town.
- Greening and Beautification: (Distinct from URBAN MANAGEMENT.) Responsibility for public spaces in the MID area, planting, greening, maintenance including liaison with and pressure on CoCT Departments of Parks & Gardens and Amenities; liaising with MEMBERSHIP AND COMMUNITY around community-driven courses, clubs etc. aimed at building community

awareness of the need for beautification; providing assistance and advice to the community; building community “buy-in”.

- Marketing and Communication: responsibility for all communication both internal (between members of the Board and its officers) and external (between the Board and its stakeholders – primarily, but not exclusively, members of the MID); setting up and maintaining various channels of communication (monthly reports, web site, emails, newsletter, etc.); and for liaison with the media.
- Business Development: responsibility for liaising with, and on behalf of, businesses in the MID area; support best interests of businesses and liaise with other related bodies and organizations; includes promoting the role of the MID to tenant businesses and garnering their support; identify and develop prospects to attract both customers and new business; build support-base for business community and encourage reciprocity, ie. get business “buy-in”.
- Technology: responsibility for using technology to achieve objectives where practical and appropriate; in general to enable a wireless connected community.

APPENDIX 2: Organogram



CONTACT DETAILS

Physical Address:
85 Main Road, Muizenberg, 7945

Postal Address:
PO Box 138, Muizenberg, 7950

OFFICE

Ph/Fax: 021 788-1196
Email: info@mid.org.za

MANAGER

Mobile: 082 463-1525
Email: manager@mid.org.za