
**POLICY ON THE RELEASE OF CITY OF JOHANNESBURG-OWNED LAND FOR
"PUBLIC PLACES OF WORSHIP"**

INTRODUCTION

The Policy of the release of City of Johannesburg-owned ("COJ") land for "Public Places of Worship" must be read in conjunction with the approved Land Release Policy which governs the release to the market of COJ-owned property particularly insofar as delegation of authority to dispose of property based on transaction type and value is concerned.

The policy document is focussed on one transaction type - the lease or sale of COJ-owned property to applicant seeking to establish public places of worship.

The policy covers the following aspects:

- Problem statement;
- Approach;
- Market Valuation; and
- Subsequent protection of COJ's interests.

PROBLEM STATEMENT

- Demand for property for purposes of public worship far outstrips supply;
- Financial means and sustainability of applicant vary greatly;
- Traditional/established and "mushroom" organisations.

APPROACH

Johannesburg Propcom (Pty) LTD ("JPC") will, on behalf of the COJ, receive applications from the public for properties required for public places of worship. Such applications will be regarded as a specific transaction type and managed according to the directives contained in this policy.

Newly / to be established townships:

JPC will, in conjunction with COJ (Planning) identify and earmark properties suited for places of public worship and offer the relevant properties as such to the public.

Established townships:

Upon receipt of one or more applications for existing properties to be utilised as places of public worship, JPC will obtain the in principle approval from COJ (Planning) for the utilisation of the properties in question as places of public worship.

JPC will offer the properties for sale or lease as places of public worship to the public by means of:

- Printed advertisements in the relevant media;
- On-site advertisement; and
- Communications to the presiding local municipal ward councilor.

Responses thus received will be subjected to a process of elimination based on the following considerations:

- Standing in local society;
- Role and contribution in local society - additional functions other than religious (e.g. children's day-care centre; youth centre; food-for-needy schemes; etc.);
- Extent of following - not less than 400 members;
- Extent and value of proposed improvements to the property;
- Compensation offered - rental / purchase price;
- Financial means - extent of own funds or ability to raise finance to effect the necessary improvements;
- Undertaking to commence with construction of improvements within six months of allocation of property and completion of improvements within 12 months thereafter;
- Financial and general future sustainability of entity; and
- Location of other suitable facilities in the vicinity of the property in question.

Applications making the grade on the aforementioned criteria will be forwarded to COJ (Community Development) for final evaluation and certification.

MARKET VALUE OF PROPERTIES

A market value will be attached to COJ-owned properties to be disposed of as places of public worship. Such (reduced) market value will account for the restricted use of the property for "purposes of public worship". The future interest of the COJ disposing of the property at sub-optimal value must be the subject of legal protection in the events of:

- The on-selling of the property to a third party at market value (without restriction of use for purposes of public worship);
- The applicant abandoning the project/failing to secure finance/being liquidated/ceases to function

SUBSEQUENT PROTECTION OF COJ INTERESTS

The following trade restrictions should be imposed on the successful proponent to curb subsequent free trade with and undue benefit from the property acquired from the COJ for purposes of public worship:

- Properties leased from COJ as public places of worship - property-use restriction imposed on Lessee. Any expansion of use is subject to prior written consent from JPC. Rental payable to COJ will be increased in accordance with the (commercial) expansion of property-usage;

- (Former) COJ-owned properties alienated as public places of worship - inclusion of a pre-emptive right into the property title deed in favour of the COJ prescribing that the consent of the COJ be obtained in the event of the property in question being the subject of a sale and/or change of land-use (rezoning) transaction. JPC will, on behalf of the COJ, consider the removal of such title deed restriction after assessing the extent of the difference in the value of the property as a public place of worship and the alternative (permissible) land-use, respectively. The financial benefit due to the increase in the value as a result of the land-use amendment will be for the account of the COJ.

IMPLEMENTATION

This policy is to be implemented with effect from 1 November 2001 with retrospective effect on existing applications.

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