PURE GREEN

THE MAKANA NDLAMBE PROPERTY SUITE

CYRAPRO

In a nutshell

* The Project Suite underpins a 21st Century town regeneration and makeover strategy for the Alicedale – Grahamstown - Port Alfred town system along a currently disused Transnet Branch Line which winds through the Bushmans and Kowie river valleys.
* The rights holder Cyrapro (Pty) Ltd has been awarded a 20 year concessionary lease to develop the rail right of way, stations and sidings for what is known as the Rail Trail.


Middleton
Zalara
East London
The Haven
Gwabeni
Renosterfontein
Riebeek East
Peddie
Kayser`s Beach
Mgwalana
Hamburg
Alicedale
Grahamstown
Mtati
Kirkwood
Paterson
Sidbury
Addo Elephant National Park
Bathurst
Port Alfred
Nanaga
Alexandria
Kenton-on-Sea
Port Elizabeth
Cannon Rocks
Google


Photo Copyright Peter Andrews

The Story So Far

* On arrival in Grahamstown in 2007, David Davies presented his credentials to the then Mayor of Grahamstown, Mr Kate, with an offer of his services, based on his involvement in policy think-tanking while in Cape Town, more particularly on the 2030 National Development Plan (NDP).
* The offer was accepted and the challenge was the efficient distribution of infrastructure services to the township.
* This entailed growing the town through the existing golf course (NW of town) and down the Belmont Valley (SE of town).
* A deal was struck and R85m in equity funding was raised abroad for the construction of the new golf course and clubhouse.
* The raison d'etre for the investors being the value of the existing golf course on rezoning, circa R325m.
* This area has subsequently been rezoned to accommodate a 25 000m^2 retail centre, 650 affordable housing units and 250 affordable apartments.

The Story So Far

* The raison d'etre for the investors being the value of the existing golf course on rezoning, circa R325m.
* This area has subsequently been rezoned to accommodate a 25 000m² retail centre, 650 affordable housing units and 250 affordable apartments.



The Story So Far

* However, the RoD (record of decision) that was granted was subject to a condition that the municipality upgrade the sewerage waste water treatment works at a cost of R240m. The municipality did not have the funds. Consequently, Cyrapro constructed an outsourced BOT sewerage upgrade with further land swaps attached. This deal was subsequently authorised by the municipality in 2012.
* In order to 'grow' Grahamstown and accommodate these development initiatives various growth strategies have been implemented and the Regional Regeneration Project was initiated

Cinderella Arrives at the Ball: The Eastern Cape Transition

* The Eastern Cape is also endowed with a number of resources that give it its competitive edge: water, biodiversity and an extensive coast- line of over 800 km along the Indian Ocean.
* Added to this are the thousands of hectares of arable land that need to be rehabilitated to boost the potential the province has for agriculture.
* Its enormous potential for an Ocean Economy is being explored.
* The province has committed to open the first Maritime High Schools at George Randall and Ngwenyathi in East London in 2016. A significant portion of the Eastern Cape's extensive coastline towards the west stretches across the Sunshine Coast from Amathole into Cacadu. Key to this development is the Nelson Mandela Bay with its deep ports of Ngqura and Port Elizabeth.



Cinderella Arrives at the Ball: The Eastern Cape Transition

* The Eastern Cape manufactures half of the country's passenger vehicles and provides 51% of South Africa's vehicle exports.
* The sector accounts for over 40 000 formal sector jobs in the Eastern Cape - 10 000 employed at OEMS and an additional 30 000 employed by some 1 500 supplier comp
* Nine major tourist routes sweep through the province and recent tourism developments have seen growing interest in the province's rich political heritage.
* Tourism and its associated development is already providing significant investment and business opportunities for domestic and foreign operations.



Pure Green: the Makana-Ndlambe Regeneration

* **Makana Local Municipality** and has a population of approximately 130 000 people.
* The National Arts Festival has attracted more than 29 countries to Grahamstown and according to Rhodes University's Department of Economic Sciences, Socio-Economic Impact Study, the Festival contributed an estimated R350m annually to the Province's economy.
* Visitors from outside the province spent an additional R30m annually in the Province before and after they attended the Festival.

Pure Green: the Makana-Ndlambe Regeneration

* Grahamstown is also the seat of Rhodes University, the Eastern Cape High Court and the Magistrate's Court for the Albany District.
* As a result of the presence of a High Court, several other related organs of state such as a Masters Office and a Director of Public Prosecutions are present in the city.
* A few other Government (mostly provincial) departments maintain branches or other offices in Grahamstown. The town has 52 churches of numerous denominations, gaining it the name the City of Saints
* Apart from Grahamstown, Makana includes the towns and villages of Alicedale, Salem, Seven Fountains, Riebeeck East and Fort Brown



Pure Green: the Makana-Ndlambe Regeneration

The Ndlambe Municipal area forms part of the Eastern Coastal Zone and can be described as an area with:

- A pristine coastal area;
- Well preserved river mouths and inter-tidal areas;
- Diverse vegetation;
- Relatively low density development along the coast; and
- Major tourism potential

* Port Alfred is the most sought-after holiday destination on Route 72 and is known for its wonderful temperate climate, endless pristine beaches, friendly village atmosphere, glorious surf, magnificent deep sea and river fishing and the laid-back lifestyle so beloved by all visitors, many of whom become permanent residents.
* Bathurst is situated on the fringes of both the Sunshine Coast and Frontier Country, a scenic half hour drive on the R67 from Grahamstown or 10 minutes from Port Alfred.
* Today Bathurst brings together the past and the present, being the hub of one of the largest pineapple growing areas in South Africa. It is host to what is believed to be the oldest inn in South Africa, as well as the third oldest pub in South Africa



Our Approach: Four Themes

* Theme One: Globally Connected African Region
* Theme Two: The African leisure economy
* Theme Three : The knowledge and creative economies
* Theme Four : Socio-economic transformation

Theme One: Globally Connected African Region

Capturing the mystery, capability and untapped potential of the Eastern Cape with the locational equidistant value between Port Elizabeth and East London and a scheduled air service with Gauteng.


CemAir

Theme One: Globally Connected African Region: Projects

Hard Infrastructure Enablers

* Alicedale – Grahamstown Rail Connection
* Grahamstown – Port Alfred Rail Connection
* Makana Airport Upgrading *Runway extend 1,4 km*
* Regional Road Tarring *140 km*
* Broadband *Connective infrastructure via rail route*
* New Sewerage Works

Theme One: Globally Connected African Region: Projects

Soft Infrastructure Enablers

* *Destination Marketing & Events*
* Formation of Pure Green Investment & Development vehicle *to enable public private partnerships*

Theme Two: The African leisure economy

Cultivating a remarkable blend of the best of Big Game tourism, African and Colonial heritage and cultural tourism, classical warm water sun-and-sand tourism and business conference tourism with rich overlaps and synergies across multiple visitor and resident segments.


HOTEL
QUEEN'S

Theme Two: The African leisure economy: Projects

Hard Infrastructure Enablers

* Alicedale – Grahamstown Rail Trail 70 km cycle trail
* Grahamstown – Port Alfred Rail Trail 60 km cycle trail

Soft Infrastructure Enablers

* Marketing & Events Destination Marketing & Events

Makana Development Projects

* Belmont Valley Phase 2 Country Golf Estate

Ndlambe Development Projects

* Port Alfred Railway Station Mixed Use Leisure Development
* Port Alfred River Front Lagoon Estate
* Port Alfred Specialist Medical Centre
* Rose Hill Village Retirement Village
* Ndlambe Lagoons Marina
* Port Alfred Beach Mixed Use Leisure Development
* Kowie River Mouth Beach Club Mixed Use Leisure Development



PROPOSED DEVELOPMENT & IMPACT AREAS

LOCALITY PLAN
PORT ALFRED STATION REDEVELOPMENT PROJECT

HFAcc
Hendri Frankenfeld Architect
Tel: 046-6245289, Cell: 082 9241 362

TOURIST, COMMERCIAL & RETAIL CENTRE

Theme Three : The knowledge and creative economies

Leveraging the vested knowledge infrastructure of Rhodes University through extending its centres of excellence into an innovation and start up culture that leverages urban ambience, coffee shop culture, African beauty and bio diversity with local industrial and skills development.

A micro- cosmic Silicon Valley nestled in the one the safest, most amenable and connected parts of the African continent



Theme Three : The knowledge and creative economies: Projects

Hard Infrastructure Enablers

* Broadband *Connective infrastructure via rail route*

Soft Infrastructure Enablers

* Marketing & Events *Destination Marketing & Events*
* Technology Incubator
* Education Accelerator *Graduate bridging & placement*

Makana Development Projects

* Grahamstown Railway Station *Mixed Use Urban Development Belmont Valley Phase Two*
* St Andrews Gate (Old Golf Club) *Mixed Use Hillside Village* and Convention Centre



SPATIAL CONNECTION

GRAHAMSTOWN STATION REDEVELOPMENT PROJECT
THE NEW MANDELA UNIVERSITY, SCHOOL OF ENGINEERING

HFAcc
Hendri Frankenfeld Architect
Tel: 046-6245289, Cell: 082 9241 362

PROPOSED MANDELA UNIVERSITY
SCHOOL OF ENGINEERING

Theme Four : Socio-economic transformation

Bridging the apartheid divide and creating an effective and meaningful path out of poverty and spatial isolation and enabling youth to find meaningful work and vocation


NCR
National Credit Regulator
CONSUMER RIGHTS
As a consumer you have the right to:
- Confidential treatment of personal information
- Apply for credit
Alternative Dispute Resolution (ADR)
cwp
cwp



Theme Four : Socio-economic transformation: Projects

Soft Infrastructure Enablers

* Marketing & Events Destination Marketing & Events
* Formation of Investment & Development vehicle to enable public private partnerships
* Entrepreneur Programme Local BBBEE & Entrepreneur Devt
* Technology Incubator
* Education Accelerator Graduate bridging & placement
* Town Improvement Districts: Clean & Safe Partnerships
* Social Housing (rental) Affordable well located rental housing

15 Year Portfolio Growth Trajectory

* The challenge of developing the project suite is that the whole is greater than the sum of the parts and that a compelling destination product emerges.
* It is understood that a vast range of stakeholders will need to become part of the destination meta-narrative
* Excellence of urban design is understood to play a pivotal role in developing the value proposition

15 Year Portfolio Growth Trajectory

15 Year Growth Management Strategy that optimises the timing, funding and location of development in a way that:

* Synergises with Public Investment from national, provincial, district and local government and creates a strong case for lobbying for matching public investment at scale
* Can generate seed capital for SPVs in other towns, regions and metropolitan corridors where we can replicate the approach

Macro Phasing

Phase One: Growth Foundation 2018 – 2020

Phase Two: Growth Pillars 2020 – 2025

Phase Three: Growth Accelerator 2026 -2032

Pure Green Investment Vehicle

* To allow investors the flexibility to select certain of the projects, or spread their investment over all the Makana & Ndlambe Area Developments, each project will be managed through a dedicated management company.
* Revenue and expenses associated a specific development will be accounted for at each management company.
* Depending on the investment structure, distributed to investors who select a specific project or consolidated into Devco.

Pure Green Investment Vehicle

* Manages a phased transition from two disconnected stagnating towns into a fast developing well connected sub region
* Facilitates an ongoing process of balancing investment with growth of university, housing markets and jobs supply
* Enables the upfront funding or subsidisation of critical growth drivers that are often "loss leaders" such as socio-economic development, technology innovation, destination marketing, transport facilities, landscaping and urban surgery
* Taking the property markets to new levels with quality control (urban design) that gets the entire portfolio up to blue chip investment grade

Pure Green Investment Vehicle

* Enables a broad mix of investors as per their risk / return appetite with defined points of entry and exit
* Create the best risk / return fit across the spectrum of investment and loan financing to draw in National Treasury (guarantor of last resort), private equity, the DBSA, the PIC and the international DFIs (World Bank, IFC, KfW, AFD, European Union etc etc)?
* Can be quickly securitised with the existing property portfolio, enabling us to put in place our development and operations team and fund early infrastructure and growth drivers
* Can be ratcheted up as cash flows from infrastructure and property rentals materialise
* Allows us to play the waiting game and use timing and creativity to ensure that we secure maximum value from the property portfolio
* Ensures that we are able to secure income from the highest end of the property development value chain (rentals with annual escalation)

Initial Costings

* Regional Hard Infrastructure Enablers: R 1,08bn
* Regional Soft Infrastructure Enablers: R 1,8bn
* Makana Developments: R 13,75
* Ndlambe Developments R 7,60

TOTAL R 24,23bn

Thank you!

