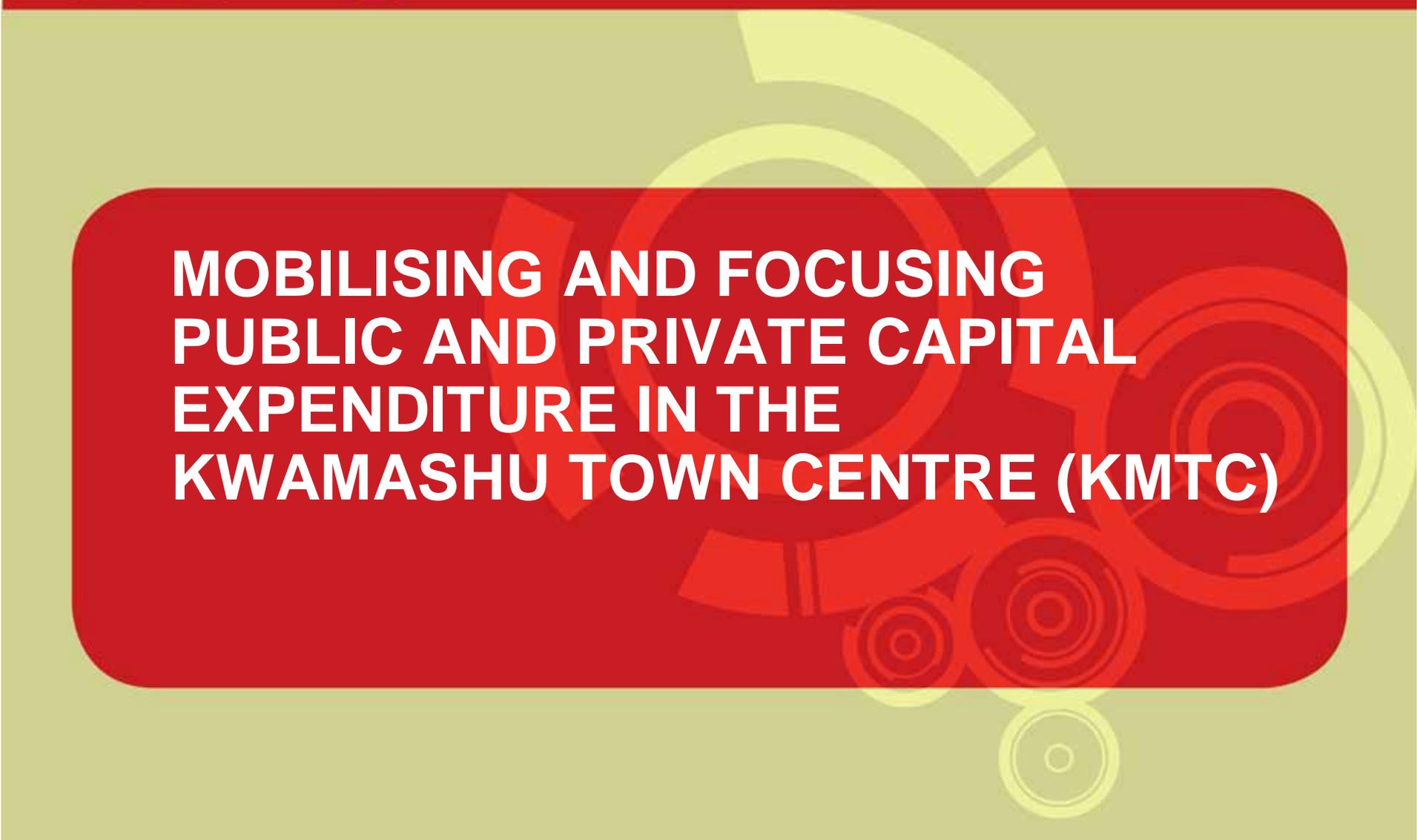




## CASE STUDY



# MOBILISING AND FOCUSING PUBLIC AND PRIVATE CAPITAL EXPENDITURE IN THE KWAMASHU TOWN CENTRE (KMTTC)

# OVERVIEW

- KMTC background
- Origins of the KMTC project
- Context at project commencement
- Problem statement
- Targeted outcomes
- Intervention logic
- Results
- Lessons learned

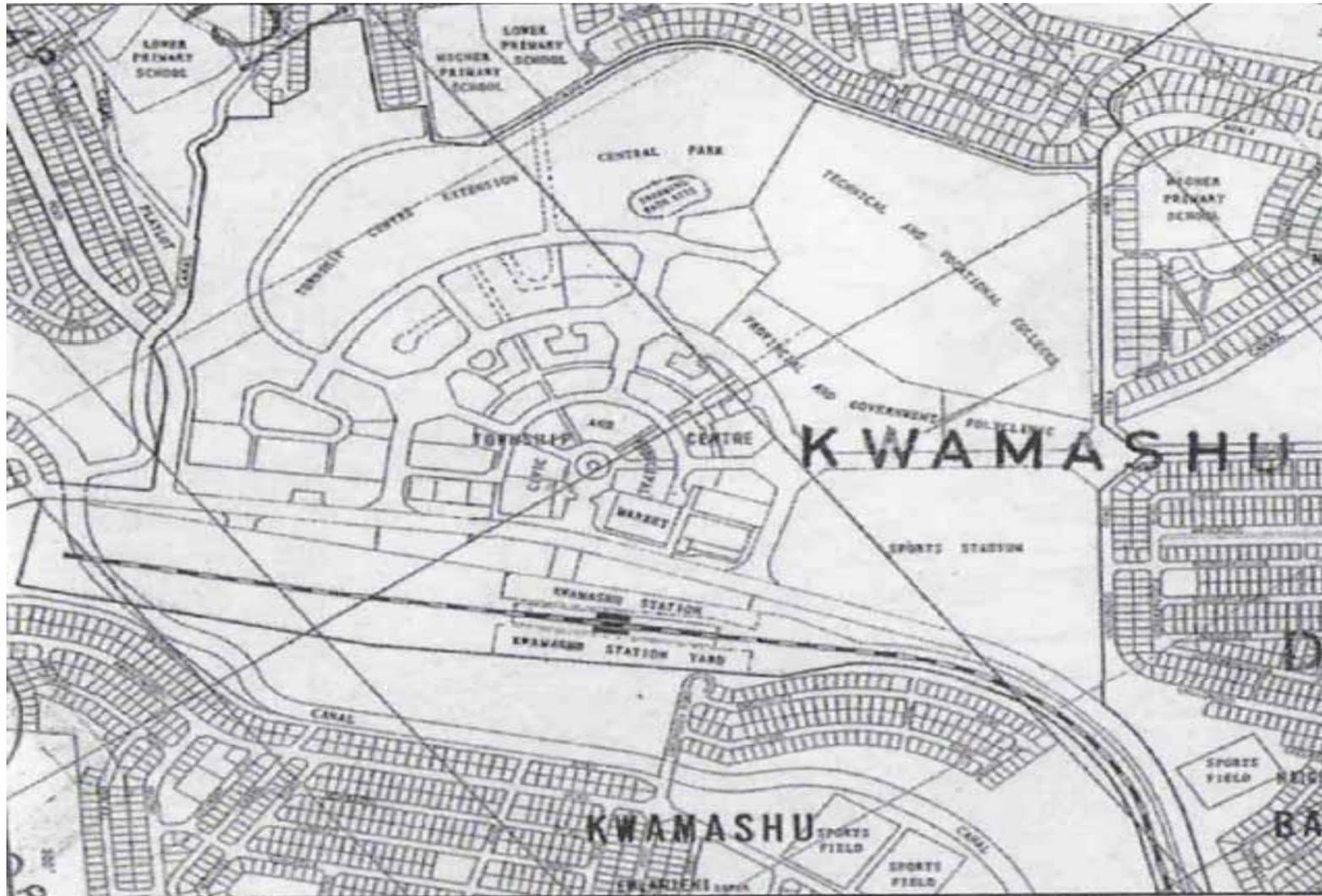
# BACKGROUND

- KwaMashu is a former township 25km north of the Durban city centre
- Established in the period 1955–1966 to house black people forcibly removed from Cato Manor (Umkhumbane)
- An R293 township of KwaZulu homeland until 1994
- Included in metro during local government restructuring of mid-1990s
- Located on state land devolved to eThekweni municipality
- The present population is about 180 000

# ORIGINS OF THE KMTC PROJECT

- City focus on northern townships – more affected by 1980s political violence, less developed
- KMTC chosen as development node:
  - existing transportation hub (bus, taxi & end-of-line rail)
  - large area of well-located undeveloped land earmarked for a town centre, under state ownership, not under threat of invasion
  - large amount of spontaneous informal trade
  - relatively high income neighbourhood with many home-based businesses (good potential for high thresholds)
- The project commenced in 1999

# KMTC Plan 1957



source: Durban Corporation 1957

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## CONTEXT AT COMMENCEMENT (1)

- **Institutional:** Homeland-era administration had virtually collapsed
- **Planning:** Little policy and planning beyond overarching IDP; lack of information on demographic, socio-economic, income and property trends
- **Land:** 10ha of vacant state land in town centre; 25% of land held in terms of deeds of grant (insecure form of tenure)
- **Political:** High level of civic organisation and participation; politically homogenous (mostly ANC).

## CONTEXT AT COMMENCEMENT (2)

- **Social:**
  - high unemployment
  - low skills
  - high crime
  - no tertiary education institutions
- **Business and investment:**
  - most shops destroyed in 1980s
  - apartheid-era prohibition on white capital investment
  - no business premises available for informal traders
  - lack of secure title to land a disincentive to investment

## Aerial photo of KMTCC in 1999



# PROBLEM STATEMENT (1)

- Town centre had been planned from the 1950s, but never developed
- Lack of public and private investment
- Residents had to travel long distances to access facilities, goods and services
- Public transport infrastructure poorly developed; most links only with city centre



## PROBLEM STATEMENT (2)

- Lack of security and social infrastructure, and few recreational facilities
- High level of economic leakage
- Lack of business facilities and support
- No security of tenure (land held under deeds of grant)
- Residents lacked pride in their neighbourhood

# TARGETED OUTCOMES

- To create an enabling environment for local businesses to grow, for the resident community to prosper, and to attract outside investors
- To transform KwaMashu into a thriving urban centre with its own economic drive and social vitality
- To offer residents a quality urban living, working and recreational environment
- To link this envisaged urban centre back to the city

# INTERVENTION LOGIC (1)

- Nodal focus – activities clustered around the point of highest accessibility:
  - residential, business, work, goods and services
- Obtaining and sustaining buy-in and support:
  - public meetings, workshops, briefing sessions to discuss various options, guided by a problem-solving approach
  - clarification of roles, responsibilities and process
  - agreement on commonly held preferred future
  - project steering committee chaired by senior local councillors
  - consultation with Shembe church on deconsecrating open-air temple in town centre and moving it to alternative land

## INTERVENTION LOGIC (2)

- A facilitative, open approach:
  - guided by what would achieve the greatest economic impact
  - planning from ‘first principles’ (taking the broadest possible view)
  - being flexible on *layout* (willingness to accommodate new demands) and *zoning* (permit multiple land uses)
  - taking resident concerns and investor interests into account



# RESULTS (1)

## **Tenure upgrade to make private land ownership possible**

- Land surveyed
- Range of plot sizes introduced
- Establishment of township land sales register
- Registration of parcels in Deeds Office

## **Creation of a planning framework**

- Application under the Development Facilitation Act to create:
  - town planning layout for town centre
  - zoning and development regulations
  - basis for new general plan
  - sale of land with full freehold title

## RESULTS (2)

### Infrastructure upgrade

- Improved access:
  - upgrade of main access road to KwaMashu
  - link with Bridge City site
  - improved internal access roads
  - pedestrian walkways
- Land serviced for development:
  - water-borne sewerage, water, electricity and roads laid on land for private-sector development
- Sport, recreation and leisure:
  - Princess Magogo stadium upgrade (2010 training venue)
  - parks built
  - sport and recreation precinct plan in place

# KMTC precinct plan



## RESULTS (3)

### Improved safety and security

- A new Metro Police Station for KMTTC was secured through *opportunism* (to build a northern command centre) and *persuasion* (to build a highly visible three-storey building)
- Security by design, e.g. avoiding dark spots and cul-de-sacs
- The reactivation of the community policing forum

### Social services

- A provincial 'mega-clinic' is being built: initiated by the provincial department of health when they saw roadworks starting in KwaMashu
- Possible social welfare, home affairs and labour offices

# RESULTS (4)

## **Business support**

- Small business:
  - Subsidised facilities, including upgrade of Station Traders' Market, redeveloping SME Hive as retail incubator, and improving and regulating street trading
- Medium-sized business:
  - 6ha parcel of land packaged for sale and private sector development for business, as well as mixed-used business/residential developments of up to three storeys. This has been sold.

## RESULTS (5)

### **Business support (contd):**

- Commercial business:
  - Facilitation of larger commercial development. The R75 million KwaMashu Shopping Centre was a catalytic development that shifted perceptions of KMTTC.
- Small-scale manufacturing:
  - Municipal mini-factory complex to foster small-scale manufacturing to counter danger of over-reliance on retail and services in a limited market. Focus on furniture manufacturing trades (wood and steel).
  - SEDA entrepreneurial support centre is operating.

# Aerial photo of KMTC in 2007



# LESSONS LEARNED (1)

Respond to private sector investment requirements:

- Overcoming land assembly constraints
- Responding to the time-sensitive nature of the property development investment cycle
- Investing in safety and security
- Providing road and public environment improvements

The KwaMashu shopping centre was such an important, potentially catalytic development, that a great amount of effort was put into securing the development. Steps included:

- Facilitating the acquisition of the specific land parcel the developer wanted
- Rezoning the land
- Doing necessary road upgrading at municipal expense
- Making binding time-bound undertakings in respect of tenure upgrading

## LESSONS LEARNED (2)

- Select a good interceptory location
- Make sure the land is owned by the implementing authority
- Deal with land issues as soon as possible to avoid later delays:
  - KTMC tenure upgrade
- Use a flexible and adaptable framework
- Use a holistic and facilitative approach
- Devise strategic ways of packaging land for private-sector development:
  - test the market; allow a number of developers into the market; achieve overall aims
- Make a start, knowing that some mistakes will be made:
  - ‘putting spades in the ground’ – kick-starting the project by starting road upgrading – showed that the KMTTC team was serious about the project