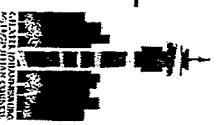


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5. ADDRESSING PERCEPTIONS

5.1 URBAN CRIME & DECAY

In the course of the development of this document, we encountered the perception of urban crime and decay as being the greatest social barrier to investment in the Baralink area. In this section we attempt to provide a positive perspective as a means of encouraging investors to consider the possibilities.

We propose that the Baralink area be divided into precincts for the purpose of establishing Business Improvement Districts (BID) as a means of managing the area. This can be done in terms of the City Improvement District Act (Act No. 12 of 1997) that outlines the legal process to establish a Section 21 company to oversee the management and upkeep of a designated area.

Visible community policing and active urban management, such as waste collection and litter prevention will improve the image of the area and provide a quality of environment that is attractive to people in terms of living, working and spending time after hours.

Given the need to promote SMME's within the Baralink area, we propose that the GJMC consider outsourcing functions associated with the provision of services, for example, meter reading, water, sewerage and electricity maintenance services, waste collection and community policing. This is in keeping with the proposal s for refocusing the GJMC as outlined in the eGoli 2002 document.

5.2 INFRASTRUCTURE

Transportation infrastructure is a major determinant in attracting investment into the area. Traffic flows within the Baralink area have also been analysed, and an initial strategy for the improvement of traffic flows within the area is included in the findings of this study. The Baralink Node Development Framework outlines the preferred layout of an urban area in terms of facilitating pedestrian and vehicular flows, including walking and cycling routes and access to open areas.

Of the problem areas that were identified, the following are issues needing urgent attention:

- The implementation of a traffic management system along Old Potch Road to assist in alleviating peak hour congestion
- The construction of access ramps on the northern side of Old Potch Road and the Soweto Highway to the N1 to assist in smoothing traffic flows into and out of the area

The feasibility of a light rail system to provide a safe, convenient and relatively cheap means of public transport must be investigated, particularly if the existing heavy rail infrastructure can be incorporated as the backbone of the system. Extensions can then be made along existing road alignments. Baralink provides an opportunity to initiate a pilot project before expanding into the surrounding metropolitan areas. The proposed transportation infrastructure strategy is shown in Drawing 11, attached in Appendix 1.

6. ECONOMIC DEVELOPMENT ZONE STATUS

We believe that to facilitate investment the Baralink area should be granted status in terms of the Economic Development Zones initiative, so as to enable the area to compete on an equal footing with other sectors in the Metropolitan area.

The Baralink area conforms to the criteria of the Gauteng Spatial Development Initiative so as to be proclaimed as an Economic Development Zone. This implies that development within these zones will be planned to include:

- Co-ordination of infrastructure investment based on the nature of the investment and investment demand
- Design of financial and non-financial benefits and incentives to enable competitiveness – such as expedited customs, tax and business services
- Promotion of institutional arrangements that will ensure effective government participation and minimum bureaucracy

The package of incentives to be offered in the South African EDZ includes:

- Infrastructure: transport links, road, rail, sea and air, global communications, telecommunications and information technology, labour recognition, mediation and human resources development, close proximity to social infrastructure and services and a minimum of red tape

- International Trade Access: global trade access for import and exports through an adjacent international port or airport, locational advantages with respect to primary world markets
- Access to Africa: located to give rapid access to African markets and raw materials, a customs union with four neighbouring states and the prospect of a Regional Free Trade Area
- Low Input Prices: low energy prices, a wide range of mineral and agricultural raw materials and abundant labour
- IDZ Company: each IDZ will be managed and promoted by a dedicated investor-friendly IDZ company that will deal with trade bureaucracy, infrastructure, etc
- Supply-side measures: the IDZ will offer investment incentives, tax holidays, R&D support, industrial innovation, concessionary financing, export financing, relief from import duties and SME support

These incentives are necessary to encourage direct investment into the Baralink area, and provide the initial assistance to entrepreneurs wishing to establish themselves in the area.

6.1 EXISTING DEVELOPMENT INITIATIVES

The existing development initiatives currently underway within the Baralink area are the first steps in the development process, however they are not sufficient to ensure that the local economy can develop in the long-term and structured development needs to be implemented on an ongoing basis.



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6.1.1 Baragwanath Rank Development Precinct

Given that the Baragwanath Bus and Taxi rank is the busiest public transport rank in South Africa it became necessary to address the issues of the uncoordinated approach to the upgrading of an area that forms the centre of activity within the Baralink area. The need for a Development Framework and Business Plan for the Baragwanath Rank Development Precinct became apparent and a report outlining the proposed redevelopment of the pedestrian bridge and entrance to the Hospital grounds, the taxi rank and adjacent public space. The report also recommends the realignment of Old Potch Road to accommodate these changes and to improve safety in the area.

The report is currently being reviewed by the Council, and calls for proposals will be made, once the Council has approved the recommendations.

6.1.2 Orlando Power Station Precinct

The Orlando Power Station was officially decommissioned on 1 September 1998 and all redundant equipment and insulation material is currently being removed. An agreement to sign a Memorandum of Understanding between the German Business Pool for Southern Africa (GBPSA), the Soweto Development Foundation (SDF) and the Greater Johannesburg Metropolitan Council was initiated after a proposal was submitted by GBPSA and SDF to undertake a feasibility study for the development of an industrial site on the property presently occupied by the Power Station. The current status of this initiative is unknown.

As part of this study, a group of architects were commissioned to provide a vision for potential development of Orlando Power Station site and particularly the opportunity to revitalise the power station structure. In terms of optimising the return on the location and matching this to the market demand analysis, a mixed retail, office, entertainment and sporting options were identified as being the preferred development option. This exercise only serves to identify a possible option and is not the only development option that may be suited to the site. The drawing and plans that were produced are attached as Appendix 2.

In identifying the optimal development option, the following issues were raised as being important to the planning of the redevelopment of the site:

- Pedestrian and Vehicle Access

The site is unlikely to work as a major retail centre if it does not allow for the through movement of pedestrians and vehicles, and both public and private transport modes must be strongly connected to other destination modes. A rail link utilising the existing rail infrastructure on the site to the main line would allow for public transport connections with minimal expenditure. Road links are proposed as per the strategic transport infrastructure plan.

- Scale of the Development

The area of the power station site is approximately 15 000m². Utilising the existing floor area (without new floor areas being developed) allows for approximately 30 000m² which is a considerable area that can be developed.

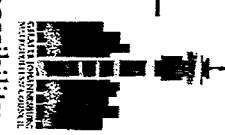


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The initial discussions for the complex indicate that a mix of retail, entertainment, food halls and conferencing facilities could be appropriate. The possibility also exists for the development of a free-standing building immediately north of the power station as a sports/events/music/entertainment pavilion. The two cooling towers lend themselves to north-facing office development at the lower levels and executive hotel apartments at the upper levels, overlooking the city. The latter to be serviced by the retail, food, leisure and conferencing facilities in the power station. The south side as indicated on the sketch plans will make for a dramatic boardroom and lounge facilities overlooking Soweto.

- **Access within the Site**
The site slope allows for vehicle and rail access at two levels, namely ground and first floor. Taxi access is planned from the north via the "buskers" piazza with rail access from the east, escalated to the first floor level, to join the east car park, giving access via the two existing bridge structures. The lower car park on the west (dam) side will be ramped and escalated to ground floor level. This arrangement brings the entrances to the complex into close proximity with the major modes of transport. Attention will need to be given to the use of "escalator" friendly trolleys both within the complex and moving out to the arrival points.

- **The Orlando Dam Edge**
As part of the upgrade of the power station, two performance venues are proposed, edging onto Orlando Dam, for use for promotional and cultural events, performing arts, dance, busking, etc. The lake edge will be overlooked by the proposed food halls and will require careful landscaping. The edge of the dam having been upgraded, its



extension as a major Soweto public facility becomes a real possibility, perhaps linked to housing and a major sports academy across the water. Regardless of the final option, the waters' edge should be retained as an open access public way.

6.1.3 Elias Motsaledi Informal Settlement Upgrade

The upgrading and extension of the Elias Motsaledi Informal Settlement has been identified as a catalytic project in the Baralink area. A Elias Motsaledi Steering Committee has been established and the Southern Metropolitan Local Council (SMLC) has initiated a Land Availability Agreement to facilitate the release of the land. The Department of Public Works has indicated that it agrees to the release of the land in principle, but this has to be ratified by the Provincial State Land Disposal Committee. The current status of this initiative is unknown.

A parallel process that is also underway is the preparation of a Project Linked Provincial Housing Board (PHB) Subsidy Application in order to secure the necessary funding required for the upgrading of Elias Mtsaledi. Should PHB funding be made available, calls will be made for project managers and developers to manage the upgrading process. The current status of this initiative is unknown.

6.1.4 Memorandum of Agreement Safuan Group

A Memorandum of Agreement between the GJMC and the Safuan Group, an international Malaysian company has been signed to facilitate feasibility studies being undertaken within the Baralink area with a view to proposals being submitted to the GJMC. An exclusive

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mandate to conduct a feasibility studies for the Baralink node was granted for six months, after which the GJMC would consider the proposals and make recommendations in this regard. The current status of this initiative is unknown.

6.1.5 Next Steps

It is anticipated that these initiatives will spearhead development in the Baralink area. The GJMC in consultation with the relevant local authorities and other roleplayers need to identify their needs in terms of land use in the Baralink area, after which the land parcels that have been identified as being suitable for development can be assembled and released for development.

Within the overall objective of optimising the economic value of the area and creating employment opportunities within the Baralink area it is the intention to allow for the private sector to respond to market demand and to create synergies in terms of investment opportunities.



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7. ENVIRONMENTAL GUIDELINES

A strategic environmental assessment has been undertaken for the Baralink area and the following environmental management guidelines have been recommended for the area to preserve the natural features of the area, and to ensure that the environmental contributes to the quality of life of the people in the area:

- The Devland & Vista koppies are of high conservation value and contain sites of cultural significance. These areas need to be incorporated into an Metropolitan Open Spaces Structure Framework so as to ensure no inappropriate development occurs in these areas
- No development other than recreational facilities that double as flood retention structures may be built within the floodplains as defined by the 1:100 floodlines of the Diepkloofspruit and the Bailysspruit
- Traffic calming measures should be incorporated into traffic management system along Old Potch Road and other main arterial routes where residential or other development that is sensitive to ambient noise levels is located
- All activities identified in terms of Section 21 of the Environmental Conservation Act (Act No. 73 of 1989) will require an EIA approval before construction commences
- No contact watersport should be permitted on the Orlando Dam or the Harringtonspruit Dam until the water quality conforms to acceptable standards for contact recreational sports

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8. INSTITUTIONAL ARRANGEMENTS

The GJMC must consider the establishment of the Baralink Development Agency (BDA) as the primary agent to lead and manage investment within the Baralink area. We believe that it is necessary to provide a dedicated agency to focus on co-ordination of development, and have taken the following model for such the Development Agency as proposed to facilitate development in the Newtown area.

We recommend that the BDA be established in terms of the Community Improvements Districts Act (Act No. 12 of 1997). This Act provides the opportunity for the establishment of a company or a Trust to deal with issues related to the urban environment, and the BDA may be formed with Articles of Association and Memorandum phrased to define the broad mandates and responsibilities. Approval from the MEC, Development Planning & Local Government will have to be obtained.

The establishment of such an Agency will provide for:

- Decision-making autonomy
- Private sector access and credibility
- Depoliticisation of decision-making
- Impartiality in taking politically unpopular decisions

The primary function of the BDA includes:

- Establishment of a Section 21 company as the Business Improvement District Forum(s) to manage the development areas within Baralink

- Ongoing liaison with potential investors and management of the area in terms of the vision and development framework
- Identification of projects and marketing to potential investors

The BDA should be resourced by a small team including a director, a financial officer, a marketing director assisted by a dealmaker, and relevant support staff. Management of the BDA will be carried out by the CEO and staff who will regularly report to an Executive Committee who are responsible for assisting the CEO in realising the aims of the BDA, and are accountable to the Board. Members of the Executive Committee should include the Inner City Manager, the marketing Director and the Manager of the Community Improvement Districts.

The BDA will require a Board, in terms of its Articles of Association or Trust Deed. The Board should comprise representation from direct interest groups, and the following representation is suggested:

- Representative of the GJMC Exco
- Representative of the SMLC Exco
- The Inner City Manager
- Representative(s) of the Community Improvement District(s) to be established
- The Manager of the Community Improvement District(s) to be established
- Chief Executive Officer of the BDA
- Marketing Director of the BDA

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- Representative of SAPOA or its successor

Specialist resources should be appointed by the Board to provide advice to the BDA, particularly in the structuring of deals, and to audit the Agency in keeping with the audit policies and procedures of the GJMC.

The ambit of activities undertaken by the BDA should be limited to attracting private sector investment into the Baralink area through urban management, infrastructure provision, incentive packaging, process facilitation and marketing. The BDA should not be empowered to compromise development initiatives elsewhere to favour the Baralink area, grant town planning or building approval, make a profit for own account.

The purpose of the BDA is to focus and co-ordinate the development initiatives in the area and act as a one-stop structure for roleplayers in the development of Baralink.

