



public works
& infrastructure

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Media Statement by Minister of Public Works and Infrastructure, Patricia de Lille, MP

Development of Salvokop in Tshwane as a Mixed Use Development by the Department of Public Works and Infrastructure to drive integration and act as a catalyst for private sector investment

Today, I am pleased to announce an exciting integrated Precinct Development initiative mainly the Salvokop Development which is part of the Tshwane Inner City Regeneration Programme.

This development in Salvokop will see new government offices being developed and located closer to communities to bring about greater integration with this planned mixed use development. It will also generate hope for the construction sector and for our communities.

DPWI is committed to reversing the legacy of apartheid-spatial planning by stopping urban sprawl and building compact, mixed use developments that will bring communities closer to government services by using its property and land as a catalyst for public good.

Within DPWI, I have a component focused to deliver on this. The Planning and Precinct Development aims to guide the location of government infrastructure development for the State through integrated planning that will be sustainable, inclusive and accessible to communities by creating a destination for where citizens can live, work and play in a central location.

To achieve integrated development for the state, collaboration is required with all spheres of Government and the private sector and this project will be a significant intergovernmental task with the local municipality being a key partner during this process.

An example of such is with the City of Tshwane. This collaboration is based on a directive issued by Cabinet which confirms the importance of government remaining within the inner city of Tshwane. This strategic collaboration also includes National Treasury and other National Government Departments.

The following stakeholders will be part of this development process:

- Local community
- Private property owners from the surrounding areas;
- Government departments
- Businesses and retail facilities such as the Spaza Shops and Esangweni Shopping Centre;
- Institutional Structures such as the Jopie Fourie Primary School, the Freedom Park Museum, the African Gospel Church, Crossroads Shelter for Children, Inkululeko Day Care and Community Centre;
- Prasa.
- Salvokop Service Station
- And any other stakeholders

For supporting services, the following stakeholders will be included:

- City of Tshwane Utility Departments including water, electricity, sewerage, human settlements
- Danish Embassy with regard to the Smart Cities collaboration agreement with the City of Tshwane
- Tshwane Metro Police Department, the local South African Police Service and community forums.
- Department of Human Settlements, Home Affairs and City of Tshwane Housing division for the planning and implementation of the Housing Strategy and Plan

Through the precinct development plans, DPWI will achieve safe, accessible and environmentally sustainable development. This development model will also **reduce the lease costs** for government office accommodation.

In 2017, the City of Tshwane and the DPWI entered into an intergovernmental relations collaboration agreement reaffirming the joint cooperation between the department and the City of Tshwane.

A memorandum of understanding (MOU) was signed between the DPWI and the City of Tshwane (CoT) to establish principles of cooperative planning and development of the Government estate within Tshwane towards achieving an African Capital City of Excellence.

An institutional framework was established between DPWI and the City of Tshwane to ensure alignment of both national and local government priorities. The Tshwane Planning and Precinct development project is aligned to the City of Tshwane's Spatial Development Framework.

The City of Tshwane also approved the Integrated Development Plan (IDP) roadmap to creating a capital city of excellence.

The Development of National Head Offices in Tshwane known as Government Estate, has increased substantially over the past 10 years to an estimated 895,000m² comprising of state owned government head offices. In implementing government precincts developments, we will continue to increase the Government estate with planned developments across the five identified precincts:

Government Boulevard: Head Office Developments

Civic Precinct: Head Office Developments and Refurbishment Projects

Capital Hill Precinct: Refurbish and Upgrades

Northern Gateway Precinct: Mixed Use Precinct

Salvokop Precinct (Southern Gateway): Mixed use Precinct

Today we are announcing the Salvokop Precinct Development. The Precinct is one of five identified precincts located within the inner city which will be a benchmark precinct that will create a destination for where citizens can live, work and play in a central location. The StatsSA Head Office, the first property to be completed in the precinct is a flagship development of 56,000m² which was successfully completed in 2016.

Phase one of the Salvokop development will accommodate an additional four (4) Government Head Offices namely; the Department of Correctional Services, the Department of Higher Education and Training, the Department of Social Development and agencies – SASSA and the National Development Agency (NDA) as well as the Department of Home Affairs.

This phase is expected to contribute an estimated R6.5billion of blended financing. National Treasury is assisting DPWI with accessing government grants and DPWI will also be applying for funding from the President's R100billion Infrastructure Fund.

DPWI procured the land in Salvokop, Pretoria for this first precinct development from Transnet for R79 million.

With the support from National Treasury, the planned commercial and residential development component will attract private sector investment.

A DPWI tender for the provision of bulk and internal services is currently in the market. This will support and effect the land use rights towards market release and investment opportunities.

The contractor will be appointed by March 2020, construction of bulk and internal services will commence in April 2020 and is set to be completed in December 2022.

This area will be the location of this flagship development where government offices will be located close to residential and commercial development.

The legacy of apartheid spatial planning means that many of the poorest residents in our cities still live on the outskirts of these cities, far away from opportunities and the government services which they need access to.

Last week, DPWI also handed over a building in Salvokop to the Department of Social Development to be used as a shelter for victims of gender-based violence.

In line with the key priorities of the 6th administration of economic transformation and job creation, spatial integration, human settlements, social cohesion and safe communities, a capable, ethical and developmental state, DPWI is committed to delivering infrastructure and development that will support these priorities and substantially improve access to services and opportunities for our people.

As the custodian of government buildings and state-owned land, DPWI has the mandate and the opportunity to ensure greater integration in our cities and stop urban sprawl thereby reversing the legacy of apartheid spatial planning.

We will also work with the Batho Pele principles in mind as it is our duty to put people first by taking the needs and aspirations of people into account as the key driver of our plans and developments so that public land and public buildings are used for public good.

The creation of Government Precincts will **reduce lease costs**, encourage shared services and promote the green and digital economy, which will be embodied in the planning and in the management of the new development.

This development has also been packaged to go out to the market for development which will contribute to the objective to ultimately creating a 24-hour integrated and inclusive mixed use environment with enhanced security, urban management and public spaces.

The total current development opportunity of 524,000m² is estimated at R18 billion and will include:

- Provision for office space, commercial, residential, retail, open space and schools and healthcare
- 24 hour security and community public spaces
- Environmentally sustainable and local content priority
- Prioritisation of Integrated public and non-motorised transport
- Potential Job Creation of over 5 000 jobs during the construction of phase 1 (government offices and bulk infrastructure construction)

The DPWI is acting both as the land-owner and the developer on behalf of the State.

Phase one of the Salvokop development which will accommodate an additional four (4) Government Head Offices are going to be delivered with the assistance of National Treasury as Public Private Partnerships (PPP).

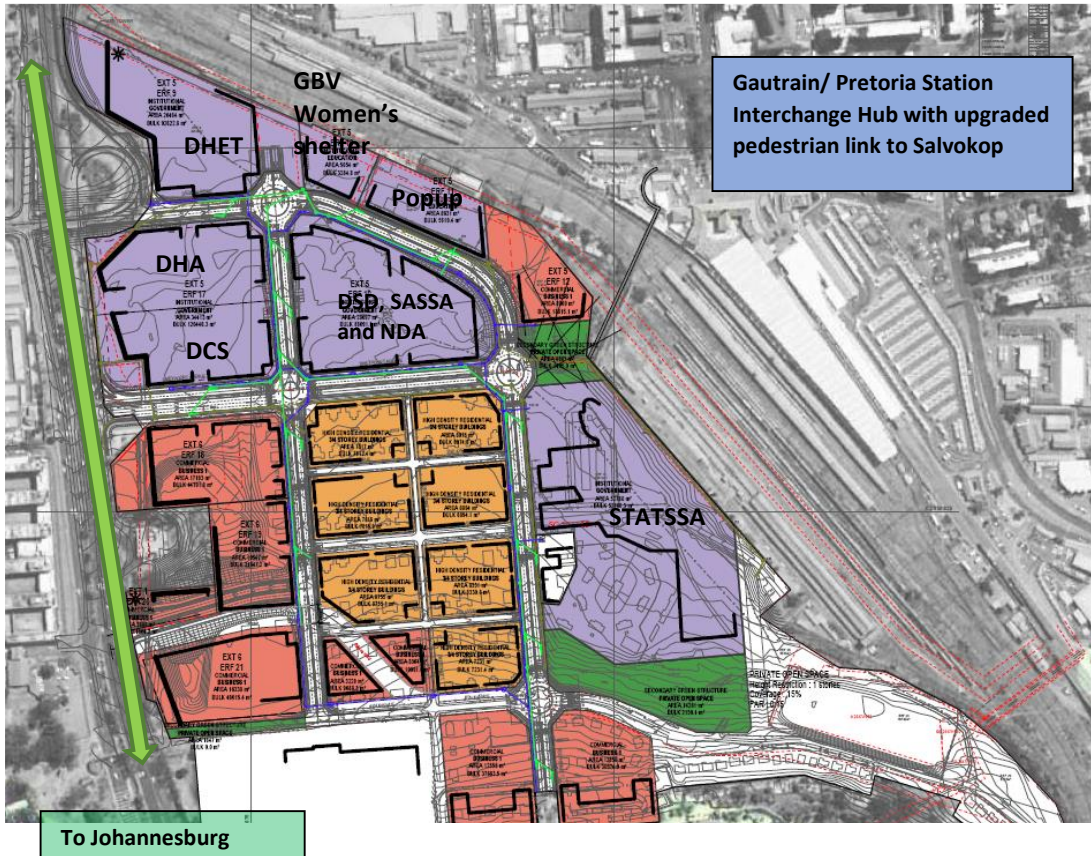
Occupation of the four government departments in their new office as part of Phase 1 is set for 2025.

The Government Head Office projects include:

- a) Statistics South Africa: During December 2013 the Council approved the StatsSA new head office development at Salvokop. Subsequently DPWI spent R53million on bulk infrastructure to sustain the StatsSA project.
- b) The Department of Correctional Services offices: A pre-feasibility has been completed, location commitment received, PPP registered. Provisional site allocation issued.
- c) The Department of Higher Education and Training offices: Pre-feasibility investigations completed, location commitment received and PPP registered.
- d) The Department of Social Development, SASSA and the NDA offices: Internal processes to be finalised, PPP registered, Provisional site allocation issued.

- e) The Department of Home Affairs Offices: pre-feasibility completed, PPP registered, Provisional site allocation issued.

The Illustration below shows the precinct development layout for Phase 1 (Government Estate as outlined above):



The rest of the DHET use precinct will allow for the development of Commercial and residential bulk of approximately 240,000m².

All planning processes and preparation work is aligned towards having the sites ready for construction by 2022.

In tems of Phase 2 (Red zone on the above plan) – Zoning for business 1 and commercial activity, the design guidelines and development parameters were finalised in March 2019. This will be packaged to go out to the market for uptake by potential developers such as hotel, retail stores, coffee shops etc.

For Phase 3 (Orange zone on the above plan) – The housing component in collaboration with the National Department of Human Settlements and the City of Tshwane Housing Division is in progress. DPWI will work with the CoT and Human Settlements Department who will be responsible for determining how many housing opportunities and the type of housing that can be delivered on the site for residential development.

The planning and construction of the pedestrian bridge started in 2019 and is set for completion in 2023. This will be a partnership between DPWI, the City of Tshwane and the Passenger Rail Agency of South Africa (Prasa)

We look forward to the completion and delivery of this integrated development that will contribute significantly to the economic stimulus and will be a catalyst to stimulate the construction sector in a substantive way.

While approximately 5 000 jobs will be created during the construction of phase 1, a substantial amount of jobs will also be created for surrounding communities once the commercial development components are completed.

Going forward, DPWI will make announcements on the progress of the Tshwane Inner-City Regeneration Precinct development and similar plans for other cities.

These projects present a massive opportunity to effect a new planning regime which is indicative of an integrated society where residents are located close to economic opportunities in affordable housing and close to government services.

Next year, consultation will continue with other cities namely; the City of Cape Town, the Buffalo City Municipality and the City of Ethekewini for similar developments.

ENDS

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