MOBILISING AND FOCUSING PUBLIC AND PRIVATE CAPITAL EXPENDITURE IN THE KWAMASHU TOWN CENTRE (KMTC)
OVERVIEW

• KMTC background
• Origins of the KMTC project
• Context at project commencement
• Problem statement
  • Targeted outcomes
  • Intervention logic
• Results
• Lessons learned
• 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 eThekwini 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
• **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).
• **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 KMTC 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
• 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
• 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 KMTC 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 KMTC.

• 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
• 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 KMTC team was serious about the project