

UMDONI MUNICIPALITY

SPATIAL DEVELOPMENT FRAMEWORK

ECONOMIC FRAMEWORK

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1. INTRODUCTION

1.1. PURPOSE OF REPORT

This report presents the Economic Development Framework for the Umdoni Local Municipality. This framework forms an integral part of the Spatial Development Framework (SDF) and is based on the SDF prepared and finalised in 2009.

The objectives of this Economic Development Framework include:

- To attract and guide future investment in the municipality, ensuring that the SDF is strengthened through investment in the right locations;
- To improve local income circulation, providing the local communities with better access to economic opportunities and services and reducing dependence on the eThekweni Metropolitan area;
- To increase levels of local production through the identification of opportunities and land areas where these opportunities can be pursued.

1.2. BACKGROUND

This Economic Development Framework is informed by and is based on the Spatial Development Framework. The preparation of the framework was further informed by a range of plans and outputs from various planning initiatives. The guiding documents included:

- The Spatial Development Framework (specifically the various status quo assessments)
- Umdoni Local Economic Development Plan (2005)
- Umdoni Industrial Development Strategy (2008)
- Umdoni Agricultural Plan (2008)

This Economic Development Framework does not intend to replace any of the above plans or strategies, but attempts to draw strategic elements from these plans to strengthen the spatial structure of the Umdoni Municipality.

1.3. CONTENTS

The document is divided into three sections:

- Section 1 – Introduction: Providing background to the preparation of the Economic Development Framework.
- Section 2 – Responding to Components of the Spatial Framework: In this section of the document an economic development response to each of the components of the spatial framework is presented.
- Section 3 – Key Economic Development Projects: Presenting a listing of key projects that will contribute to strengthening the spatial framework of the Municipality.

2. RESPONDING TO COMPONENTS OF THE SPATIAL FRAMEWORK

2.1. INTRODUCTION

The proposed SDF for Umdoni includes a number of components. In this section of the document an economic development response to each of the components of the spatial framework is presented.

2.2. THE ECONOMIC DEVELOPMENT NODES

2.2.1. PRIMARY NODE

The SDF confirms Scottburgh as the primary node of the Municipality. This is then also the primary commercial hub of the municipality, but (it is suggested) with a focus on the tourism industry and more affluent residents of the municipality.

The role of Scottburgh as prime tourism destination must be reinforced through future public and private sector investment and confirm the importance of the tourism sector for the development of the Municipality as a whole.

In order to ensure that Scottburgh retains its role as prime tourism destination basic tourism infrastructure will have to be upgraded. It is suggested that a public sector commitment to the upgrading of beach related tourism infrastructure will trigger private sector redevelopment and new investment.

It is important that new private sector development opportunities be identified, marketed and developed as the tourism infrastructure in terms of both facilities and accommodation is aging rapidly.

2.2.2. SECONDARY NODE

Umzinto and Pennington are confirmed as secondary nodes in the SDF. These nodes each have a distinct role within the local economy.

Umzinto serves as a regional service and commercial centre for a large portion of the Umdoni population. The catchment for Umzinto commercial and public services however extends far beyond the Umdoni Municipality to also include Vulamehlo and parts of the Sisonke District. Both private and public sector investment in Umzinto has not been forthcoming and serious attention to improving public and transport infrastructure and related facilities is required. The implementation of the Umzinto CBD Plan prepared should receive attention. Greater cooperation between businesses and the public sector in Umzinto should be encouraged.

Pennington is essentially a tourism node and the importance of this node should be emphasised in future investment strategies. Tourism infrastructure must be maintained and upgraded and new development opportunities must be identified and marketed.

2.2.3. TERTIARY NODE

The SDF identifies two tertiary nodes, viz. the Mandawe and Malangeni rural nodes. Both these nodes are undeveloped and is at present merely a small concentration of economic activity, however, both is located within densely populated rural areas serving in excess of 3 000 households. This suggests that opportunities for economic development in these nodes do exist.

The basic requirement is for space for economic development in a layout supported by all stakeholders. A formal layout will ensure that appropriate types and levels of investment, both public and private sector, are attracted. Space for the following facilities should be provided to ensure the potential development of the node as a local economic development centre:

- Taxi ranking facilities
- Informal market space
- Sites for commercial development
- Sites for the provision of public sector services

Appropriate levels of infrastructure should support the development of these areas.

2.3. THE ECONOMIC CORRIDORS

2.3.1. MAIN MOVEMENT CORRIDOR

The main movement corridor, the N2 Corridor, is one of the key economic development assets of the Umdoni Municipality. It ensures accessibility to all areas in the municipality. Importantly, however, it also presents an opportunity for high levels of visibility for the Municipality and the opportunities it offers being located on a busy national route. This route is also set to become more important in the national and provincial spatial economy with the development of the N2 Wild Coast Toll Road.

It is suggested that pro-active steps be taken to ensure greater levels of visibility for Umdoni on this movement corridor. This could include improved signage, stop-over points, bill boards and other approaches to get passers-by interested in the area.

2.3.2. OTHER CORRIDORS

The SDF further identifies primary and secondary corridors. The main focus along these corridors will be on residential densification along these corridors. Local economic development opportunities should be promoted along these corridors at identified interceptor points.

2.4. LAND USES

2.4.1. EXISTING RESIDENTIAL

The existing formal residential areas, both on the coast and inland in Umzinto, are an important economic development, and in some cases also tourism development, asset of the municipality. In order to support economic development these should be appropriately maintained.

2.4.2. FUTURE RESIDENTIAL

The areas identified for future residential development should be viewed as areas of economic development opportunity. The establishment of new housing development should be orientated towards job creation, skills development and entrepreneurship development in the Municipality. The local production of building materials should be encouraged and the use of these materials by contractors should be incentivised.

Related economic development opportunities in the commercial and services sectors should also be identified and the development thereof should be facilitated.

2.4.3. EXISTING INDUSTRIAL

Industrial activity in Park Rynie and Umzinto is limited to warehousing and small service industries. Historically a strong textile / clothing industry operated in Umzinto. As a result of the limited activity existing industrial infrastructure and facilities has not attracted substantial attention in terms of maintenance and upgrading.

It is important that existing industrial areas be clearly demarcated and properly maintained as a starting point for the implementation of the industrial development strategy of the Municipality. This is specifically the case in Umzinto where the current industrial development is small pockets of development within residential and agricultural small holding areas.

2.4.4. FUTURE INDUSTRIAL

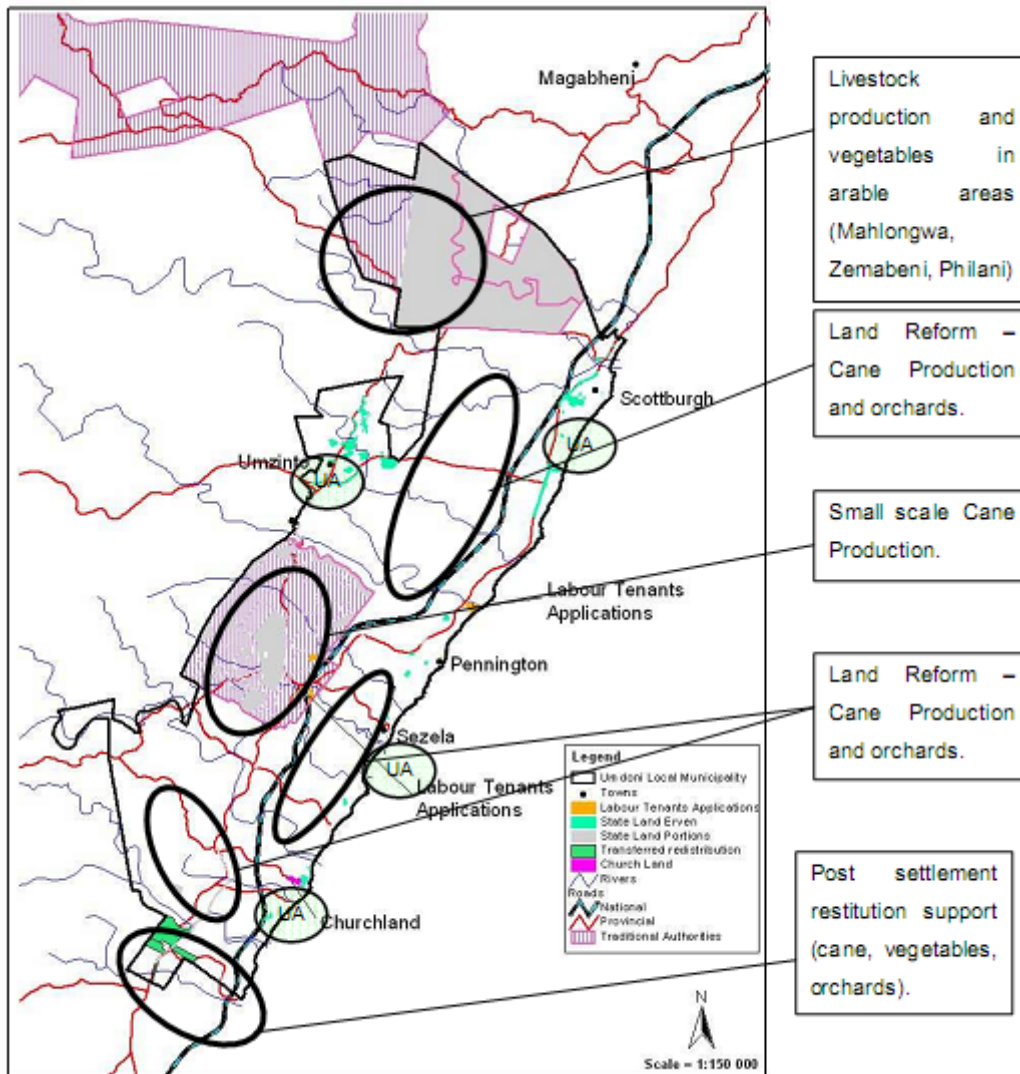
The Industrial Strategy for Umdoni (2008) confirms the potential for future industrial development in the Municipality. Three areas for potential future industrial development are identified in the SDF, viz.

- **Park Rynie:** Potential investors for the development of industrial areas in Park Rynie should be identified. It is suggested that development here should be linked to industrial activity currently underway in the South Durban Basin. The Municipality must be in a position to support potential investors in further evaluating the development proposals.
- **Umzinto:** A first step for future industrial development in Umzinto will be to identify land for the future expansion of the industrial activity in the town. It would be beneficial if this can be linked to existing pockets of industrial development.
- **Other:** In the vicinity of Sezela and Malangeni potential opportunities for the expansion of industrial development and the location of small scale manufacturing are identified in the SDF. These are viewed as longer term opportunities only to be pursued once a stronger industrial sector has been established in Park Rynie and Umzinto.

2.4.5. AGRICULTURE

The agricultural spatial framework (INR 2008), as reflected below, provides guidelines as to the type of activities to be pursued in the various areas of the municipality.

AGRICULTURAL SPATIAL FRAMEWORK (INR 2008)



2.4.5.1. Commercial Agriculture

The focus in terms of commercial agriculture should be on supporting the cane industry as it continues to be the foundation of the agricultural economy in the Umdoni Municipality. However, at the same time the diversification of commercial agriculture should be encouraged. Land Reform should also be facilitated in identified areas.

2.4.5.2. Subsistence Agriculture

Areas where the focus will remain on subsistence farming have been identified. Subsistence and community farming should be encouraged as it provides support for the development of the agricultural sector in the municipality as a whole. Although successful subsistence farmers do not all graduate to commercial farming they could make a major contribution to household food security in the rural areas of KwaZulu-Natal. The selling of surpluses makes a contribution to improving household income levels.

2.4.6. ENVIRONMENTAL AREAS

It is accepted that the environmental areas as identified make an important indirect contribution to the economy of the area by providing alternatives to the construction and maintenance of expensive infrastructural solutions, e.g. in the case of controlling flooding etc.

Together with the protection of environmental areas the use of alternative technologies in fields such as energy generation, stormwater management and waste management should be considered. These alternative technologies provide opportunities for local economic development and entrepreneurial development in the municipality.

3. KEY ECONOMIC DEVELOPMENT PROJECTS TO STRENGTHEN SPATIAL FRAMEWORK

The following economic development projects will contribute to the strengthening of the spatial development framework over the medium term and should be pursued further. These projects are described in more detail in other planning documents prepared for the municipality.

Project Name: Scottburgh Beach Front Redevelopment

Focus: Building the tourism sector in the Municipality
Responsibility: Umdoni Municipality
Priority: High

Project Name: Umzinto Town Centre Upgrade

Focus: Upgrading of public and transport infrastructure as well as the public sector realm in general
Responsibility: Joint initiative between the Private and Public Sector
Priority: High

Project Name: Umdoni Tourism Route

Focus: Identify and market tourism opportunities as part of an established route
Responsibility: Municipality and tourism sector
Priority: High

Project Name: Mandawe Rural Node

Focus: Plan and develop the Mandawe Rural Node, then attract investment
Responsibility: Umdoni Municipality
Priority: High

Project Name: Planning and Upgrade Park Rynie Industrial Redevelopment

Focus: Planning for future expansion of industrial development and identifying appropriate investor / developer
Responsibility: Umdoni Municipality / Business Chamber
Priority: High

Project Name: Agricultural Diversification

Focus: Encourage investigation of opportunities for agricultural diversification and promote alternative crops
Responsibility: Farmers Association / Umdoni Municipality
Priority: High