

Port Elizabeth plans to build R800m international convention centre

Loyiso Sibali

Property Reporter

PORT Elizabeth has set in motion a process to develop an International Convention Centre (ICC) to further stimulate the city's economy.

Nelson Mandela Metropolitan Municipality mayor Nondumiso Maphazi last week said this was a priority project because of its synergies with other developments as well as its inherent tourism potential.

She also said the funding required to construct and

commission the ICC was expected to be around R800m.

The Mandela Bay Development Agency was asked to manage the project on behalf of the municipality.

The agency's mandate has been to promote the metropolis as a hub for property investment in retail, residential, office, tourism, leisure and entertainment, and as a strong entry point to the rest of the Eastern Cape and the country.

"In order to continue to develop our status as a growing first-class African city, new

products need to be developed to ensure that Nelson Mandela Bay continues to grow as an exciting, hospitable and world-class commercial city.

"In line with this approach, government and the private sector recognised the role played by property investment in retail, residential, office, tourism, leisure and entertainment as an investment and economic catalyst," said the mayor.

Pierre Voges, CEO of the development agency, said the ICC was expected to contribute a total of 639 direct, indirect and

induced jobs in Nelson Mandela Bay and it would contribute R113m to the gross domestic product of the bay area in its first year of operation, increasing to R250m in its fifth year.

Voges also said that the land that the municipality had made available for the development of the property would be leased to the successful bidder for 99 years and would total around 18ha.

"It is likely that the majority of the funding (if not the total funding for the project) will come from the transfer for

capital' option. For example, where a successful bidder develops an ICC in exchange for prime land in the rugby stadium precinct.

"This would, we believe, be a very attractive option as the land is prime developable land which is owned by the municipality and which the developer would develop on a 99-year lease basis, for multi-use purposes such as leisure, tourism, entertainment, office, residential, or retail," Voges said.

He said the ICC project would be a major economic

attending conventions or conferences," said Voges.

He said the development of the ICC would create such a demand that it would be necessary to construct another hotel, such as the Cape Town International Convention Centre's Westin Grand and Durban's Hilton.

Interested parties have until January 13 next year to respond.

All parties submitting proposals would be required to attend a briefing session next Friday at the agency's offices in Kwantu Towers, Port Elizabeth.