Municipality of Swakopmund

AGENDA
PART 2
ORDINARY
COUNCIL MEETING

ON

TUESDAY

03 JUNE 2025

AT

19:00

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11.1.12 **AERODROME FEASIBILITY STUDY REPORT**
(C/M 2025/06/03 - **19/1/1/1**)

Ordinary Management Committee Meeting of **15 May 2025**, Addendum **10.1** page **03** refers.

A. **This item was submitted to the Management Committee for consideration:**

1. Purpose

Purpose of this submission is to present to Council the outcome of the feasibility study on the operations of the aerodrome by Messrs Karin Miller Architect and to report on a proposal that was submitted in 2015 to develop the Aerodrome.

2. Introduction

During 2018/2019, Council commenced with development of a structure plan to define the land uses and possible development investment for all land parcels within Council's area of jurisdiction.

In 2019, the Namibia Civil Aviation Authority (NCAA) made a call to all aerodrome operators to bring their aerodromes in line with the new amended Namibia Civil Aviation Regulations (NAMCAR) of 2018 with a set deadline, however Council made a submission to NCAA and was granted extension on the set deadline because the Council was in the process of defining the Structure Plan which will determine the way forward in terms of ownership and operations of the aerodrome. The Structure Plan was approved by the Honourable Minister of Urban and Rural Development in August 2018.

As part of the development vision of Council for the Aerodrome, it was proposed in the Structure Plan to relocate the Aerodrome to a site or location which will offer more expansion opportunity to benefit the operations of the Aerodrome. However, on 27 May 2021 under item 11.1.23, Council took a decision to rather not relocate the Aerodrome but to remain with the current site and appoint a specialist to assist with amending and upgrading the current Aerodrome facilities to improve the operations. The reason for this decision was motivated due t the time that it will take, and the funds required to establish and construct a new airport. For ease of reference an extract of the Council decision is recorded below.

(a) That Council remains with the Aerodrome at the existing premises/location and upgrade or redesign it to meet international standards

(b) That a specialist be appointed to assist with the assessment and redesigning of the layout of the current Aerodrome into an arrangement that will improve the operations.

(c) ...

Based on the above decision, a bid was advertised, seeking the services of a consultant or a team of consultants that are experienced and competent in the field of aerodrome planning and operations to draft a development

plan for the Swakopmund Aerodrome and ensure compliance with the amended NAMCAR of 2018.

The bid for the Feasibility Study for the Swakopmund Aerodrome was advertised twice, with the second time a bidder was selected and awarded, namely Messrs Karin Miller Architects.

The Contract for the Feasibility Study for the Swakopmund Aerodrome was signed on **24 June 2024**, with a completion date of **01 October 2024**. The Contract was awarded for an amount of N$639,253.28 (VAT incl.).

3. Scope of the Assignment

The assignment requires that a development plan be developed or drafted that contains the assessment, designs, costs and recommendations on the needed changes, amendments or upgrades to the current layout (landside and airside) of relevant facilities of the Swakopmund Aerodrome to improve the operations and functionality of the Swakopmund Aerodrome to be in line with the Swakopmund Council's vision for an aerodrome that can be considered a point of entry for tourism and other related flight activities.

The consultant, through the contract, was made aware of the following parameters when addressing the upgrading/redesigning and compilation of the legal documentation needed for the improvement of the Aerodrome's operation, namely

(a) Create an erf which the Aerodrome and associated activities can be registered
(b) Upgrade the aerodrome to Category C and market the Aerodrome for higher revenue.
(c) To have a new terminal building, runway and Control Tower constructed at the southern side of the Aerodrome erf.
(d) The relocation of Jet A fuel facilities to the southern side of the erf to provide fuelling for jets/turbo-props and to remove the hazard created by the current Jet A fuel tank close to the current terminal.
(e) Apply for a new access from the B2 road from the Roads Authority to serve the vehicle movement directly to the new terminal.
(f) Repurpose the existing terminal into a business opportunity such as offices or cafeteria/restaurant.
(g) Keep the hangers and create sectional title units
(h) Allow the northern [art of the aerodrome erf to be used for recreational activities such as skydivers, training, light sport aircraft etc.

When conducting the assignment, the Consultant was also made aware, through the contract, that there are a number of deliverables that are expected from the assignment, namely,

(a) Compile and submit a Design Premise/assessment Report for acceptance and sign-off by Client, with signed copy (both parties) issued to Client.
(b) Conceptual design of facilities and services inclusive of all architectural, civil, electrical and machinal works.
(c) Compile and submit cost estimate (one hard copy and one electronic copy)
(d) Compile a Development Plan that can be used by Client for future planning and budgetary purposes. Development plan to include,

(i) Scope of Work
(ii) Equipment/system specifications
(iii) Installations specifications / procedures
(iv) Drawings / diagrams
(v) Schedules of Quantities

(e) Present a cost breakdown with an implementation plan on the planned changes and appropriate equipment that needs to be used once the Aerodrome becomes licensed.
(f) Investigation and Application for additional access to the Swakopmund Aerodrome, i.e. roads Authority.
(g) Conduct and obtain EIA for the proposed and agreed redesign/upgrade of the Swakopmund Aerodrome.

The following chapter will deal with the Feasibility Study report that was submitted by the Consultant.

4. Feasibility Study Report

(a) Draft Feasibility Study Report

The Consultant submitted their first draft of the Feasibility Study Report in November 2024, during the presentation of the report the Project Coordinator raised several concerns about the report, namely:

(i) from the start of the assignment and even during the bidding process, the consultant proposed on focusing on relocation of the aerodrome rather than assessing the existing operations and this was evident during site visits and discussions leading up to the submission of the first draft of the Feasibility Study Report. As an example, at the start of the report, the study evaluates two main options,

- Upgrade and Retain the Existing Site
- **Relocate to a New Site**

And the consultant was reminded that the purpose of this assignment is to ***investigate, design, cost, recommend on the needed changes, amendments or upgrades to the current layout (landside and airside) of relevant facilities of the Swakopmund Aerodrome to improve the operations and functionality of the Swakopmund Aerodrome*** to be in line with the Swakopmund Council's vision for an aerodrome that can be considered a point of entry for tourism and other related flight activities. Reference was made to the Scope of Service under page 58 of 68 of the bid document (part of the Contract)

(ii) The first draft of the report, the consultant based their assessment of the operations on an aircraft, Embraer E135/145 (37-45), which are aircraft that lands at our international airports, such as Windhoek and Walvisbay. This type of aircraft requires or is categorised under higher requirements. It was raised by the Project Coordinator, why the Consultant is focusing on this type of aircraft, since it is the ***vision of Council for this aerodrome not to become an international airport but rather a point of entry for tourism activities***, which requires smaller aircrafts. It was advised by the Project Coordinator, for the Consultant to rather focus on the runway and by establishing length

and size that can be accommodated at the aerodrome, will define what type of aircraft the aerodrome can accommodate.

(iii) The first draft proposed the realignment of the runway and layout of new facilities such as hangers, taxiways, control tower, parking etc, which there is no issues except that the Consultant was asked on how did they establish the location of the proposed runway and access to the site. The Consultant responded that they had a discussion with Roads Authority for the access from the B2 and Namwater on the concern of their pipe that is running through the Aerodrome erf and because of the feedback from the two institutions the runway alignment was determined. The Project Coordinator requested that such discussions with proof be made part of the report in order to inform Council accordingly, as this was part of the requirements that the Feasibility Study had to address.

(iv) The first draft provided a cost breakdown which took into consideration the current fees and operational costs which are charged at the aerodrome and compare these fees and costs to overall expenditure to upgrade the aerodrome with a runway, staff compliment as per the required legislation etc, which painted a poor picture however part of the assignment was for the consultant to assess the current operations and propose improvements to the operations that will increase the aerodrome's revenue. The Project Coordinator suggested that the Consultant look at the current rental fee of the hangers and to compare this with similar airports such as Oranjemund and Eros, to see if Council's fee structure require adjustment.

(v) The Project Coordinator also advised the consultant to review the Scope of Services and the Deliverables for this assignment to ensure that the submission of the documentations and drawings are in line with the whole Contract.

(b) 2nd Draft Feasibility Study Report

From the inputs of the 1st Draft Feasibility Study Report, the Consultant resubmitted a second draft of the Feasibility Study Report on 05 December 2024, with an e-mail explaining the changes that has been made. E-mail is recorded under **Annexure A**.

This revised draft report was assessed and will be summarised in accordance with the required deliverables as set out in the Contract.

(a) *Compile and submit a Design Premise/Assessment Report for acceptance and sign-off by Client, with signed copy (both parties) issued to Client.*

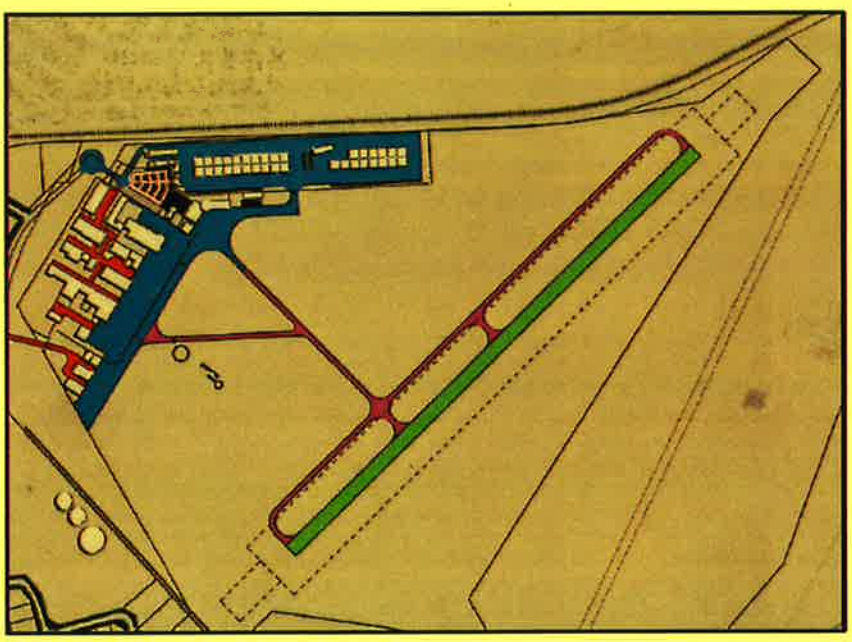
This was not done as the Consultant proceeded to submit a final report, but the parameters to which the assignment will be conducted was not defined. However, in the interest of time, the Consultant was requested to align their final report so that is also captures the essence of a Design Premise/Assessment Report.

(b) Conceptual design of facilities and services inclusive of all architectural, civil, electrical and machinal works.

The Consultant submitted conceptual layouts and elevated renderings of buildings from other airports that can be considered by Council for the Swakopmund Aerodrome. A full rendering for the Swakopmund Aerodrome will be required by the Consultant on final submission of the report.

Below is an illustration of the Aerodrome in its current arrangement and boundary.

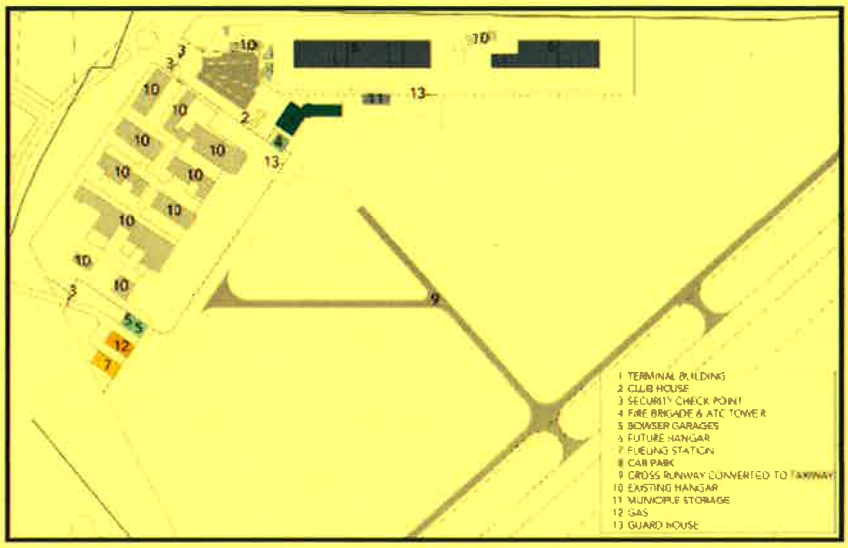
The picture below is the Consultant's proposal to improve the operations at the Aerodrome. The key to reading the below layout is as follows, Green is the Runway, Purple are the Taxiway lanes, Blue is the Apron Areas, Red is the Internal Hanger Road and Peach is the Car Parking Area.



Further the Consultant's proposal is the additions of several facilities, such as

1 - Terminal Building
2 - Club House
#3 - Security Check Point

#4 - Fire Brigade and Air Traffic Control
#5 - Bowser Garage
#6 - Future Hangers
#7 - Fuelling Station
#8 - Car Park
#9 - Cross Runway Converted to Taxiway
#10 - Existing Hanger
#11 - Municipal Storage
#12 - Gas
#13 - Guard House



(c) Compile and submit cost estimate (one hard copy and one electronic copy)

The cost estimation was based on the following facilities, such as,

- *A surfaced 1200m long and 23 m wide runway which complies with Code 2B requirements*
- *New Taxiways (paved)*
- *New Hangers*
- *Rebuild and expand terminal building, with the existing facility converted to a clubhouse.*
- *Combined Air Traffic Control building and Fire Station, physically separated from other buildings to comply with security requirements*
- *Relocated fuelling station*
- *A two-vehicle bowser garage at the fuelling station*
- *A separate road access point to the new fenced off fuelling yard, with a security control point is provided for fuel trucks and fuel lease holders.*
- *Two Guard houses have been included airside at the fence openings to the hangers.*
- *A municipal building housing 5 vehicle garages and a large Aerodrome equipment storage space.*
- *The entrance roadway to the Aerodrome has been formalised and reconfigured to allow for access through a security control point.*
- *A formalised car parking area central to public access point to hanger yards and terminal buildings.*
- *A security fence line.*

Table 1: CAPEX Estimation

Building Work (civil works)	*N$ 232 117 000*
Specialist Sub-Contractors (electrical, Electronic, CCTV, Fire Detection, Solar installation, Generators)	*N$ 51 256 000*
Other Costs (Utilities and support infrastructure)	*N$ 4 300 000*
Specialised Services (Environmental Assessments, Regulatory Compliance, Municipal Plan Approvals)	*N$ 2 250 000*
Professional Fees (Architects, QS, Engineers, Surveyors and Specialists)	*N$ 64 632 931*
Equipment Costs (vehicles and Machineries)	*N$ 36 000 000*
Total	***N$ 443 056 254***

The Consultant submitted an OPEX estimation from figures that was received from Council on the expenses incurred in maintaining the current facility as well as the current staffing expenses. The Consultant will be required to present a OPEX estimation on the proposed improvement and additions and make a comparison between the current operational expenses and current revenue with the projected expenses and revenue when the aerodrome is to be upgraded.

(d) Compile a Development Plan that can be used by Client for future planning and budgetary purposes. Development plan to include,

(i) Scope of Work
(ii) Equipment/system specifications
(iii) Installations specifications / procedures
(iv) Drawings / diagrams
(v) Schedules of Quantities

This has not been done and plan is outstanding.

(e) Present a cost breakdown with an implementation plan on the planned changes and appropriate equipment that needs to be used once the Aerodrome becomes licensed.

This has not been done and plan is outstanding.

(f) Investigation and Application for additional access to the Swakopmund Aerodrome, i.e. roads Authority.

The Consultant mentioned that they had engagement with Roads Authority, but no supporting documentation was not submitted with the report.

(g) Conduct and obtain EIA for the proposed and agreed redesign/upgrade of the Swakopmund Aerodrome.

The Consultant did not submit price for this item during the bidding process and therefore this was removed from the Contract.

(c) Consultant's Invoice

On the 13 December 2024, the Consultant submitted an invoice to the amount of N$ 315 943.32 which equate to 50% of the Contract Amount

(**Annexure B**). On 10 January 2025, the Consultant was informed of their claim. Extract of the communication is recorded below.

From: Clarence McClune
Sent: Friday, 10 January 2025 15:15
To: 'Karen Miller'
Subject: RE: 276 – Swakopmund Aerodrome Architect's Fee Account

Good Afternoon,

I have reviewed your claim and found that the 50% claim that was submitted does not comply with the contract. The contract requires payments on the acceptance of,

- Design Premise/Assessment Report
- Conceptual Design and Layouts
- EIA and ECC application (this was removed because consultant did not price for this item)
- Compilation of a development plan

It is also advised that time sheets under the pay items to be submitted with claim.

The payment claim by the consultant will need to be revised to comply with the agreement.

Regards.

On 17 January 2024, the Consultant was issued with a letter in response to the revised Feasibility Study Report as well as the Consultant's claim. Letter is recorded under **Annexure C**.

On 05 February 2025 (**Annexure D**), a letter was received from the Consultant advising that all inputs have been attended too and that the report is in line with the Contract. On 07 February 2025 (**Annexure E**), the Consultant was issued with a letter informing the Consultant that their report will be submitted to Council and that a meeting will only be called once Council has taken a decision. The letter by the Project Coordinator also addressed the claim of the Consultant.

An extract of the letter addressing the claim is recorded below.

As per the Feasibility Study Contract (CS/RFP/SM-017/2023), Page 3/5, Section D: Payment Conditions, we wish to clarify that payment shall be made in Namibia Dollar (N$), not later than 30 days following the submission of invoices in duplicate to the designated Coordinator, as outlined in paragraph 4, **provided all documents are accepted by the Coordinator and all necessary supporting documents are included**. It is therefore important that the Consultant read the Contract in its entirety and not only extract sections that suits the Consultant.

(d) Final Feasibility Study Report

In March 2025, the Consultant submitted their final report addressing the issues that was raised in the previous 2 reports. For this section of the submission will provide feedback to the below deliverable and extract from the Feasibility Report.

(e) Present a cost breakdown with an implementation plan on the planned changes and appropriate equipment that needs to be used once the Aerodrome becomes licensed.

The phased development of the Swakopmund Aerodrome aims to enhance infrastructure while ensuring minimal disruption to ongoing operations. This document outlines the key considerations, logistics, and required

allowances to achieve compliance with aviation regulations and municipal procedural requirements.

Key Considerations & Allowances

Design of Specialist Equipment

An allowance must be made for the design and installation of specialist equipment, particularly Air Traffic Control (ATC) facilities. This includes the control tower design and communication systems, navigational aids, and meteorological equipment. The integration of these elements needs to comply with aviation safety standards and regulatory requirements.

Procurement of Equipment

Procurement must adhere to municipal regulations governing the acquisition of assets for publicly owned entities. The process will involve:

- *Identification of essential equipment for aerodrome operations (ATC systems, firefighting vehicles, runway lighting, etc.)*
- *Compliance with tendering procedures and procurement laws.*
- *Engagement with suppliers for competitive bidding and contract negotiations.*
- *Ensuring timely delivery and installation of critical equipment before operational deadlines.*

Recruitment and Training of Staff

A structured approach is required to recruit and train personnel in preparation for operational readiness. This includes:

- *Hiring Accountable Personnel under the NCAA regulations, air traffic-controllers (unless a State responsibility), ground operations staff, firefighters, and administrative personnel.*
- *Training programs aligned with national and international aviation standards.*
- *Collaborations with aviation training institutions and regulatory authorities.*
- *Development of on-the-job training schedules and continuous competency assessments.*

Drafting of Manuals & Certification Submission

Comprehensive manuals must be drafted to support the application for aerodrome certification with the Namibia Civil Aviation Authority (NCAA). These include:

- *The Aerodrome Manual.*
- *Standard Operating Procedures (SOPs) for ground and airside operations, including wildlife hazard management.*
- *Safety management manuals.*
- *Emergency response plans.*
- *Aerodrome maintenance and security protocols.*

Operational Readiness & Compliance with NAM CARs

To ensure full compliance with NAM CARs (Namibian Civil Aviation Regulations), an operational readiness program must be conducted. This includes:

- *Simulation exercises for ATC and ground operations.*
- *Safety and security drills.*
- *Compliance audits and performance assessments.*
- *Implementation of corrective measures prior to final certification.*

Phased Development Approach

Phase 1: Runway, Taxiways & Apron (Priority)

The runway will be the absolute priority to enable aircraft operations as early as possible. The Runway will be closed for 9 months as indicated in figure 11 below. During this time there will be no aircraft movement at the aerodrome. The fuelling station will be relocated in the first phase to clear space near the current terminal building, ensuring aircraft movement remains unimpeded.

Parallel construction of the Control Tower and Fire Station will be pursued to ensure ATC and emergency response readiness aligns with the completion of the runway. Certification of the Aerodrome can however only be applied for at the end of the 3 Construction Phases. All air traffic, post runway/taxiway completion, during the remainder of the construction period will therefore still run under the current unlicensed conditions, subject to NCAA approval.

Phase 2: Terminal, Hangars & Infrastructure

The new terminal building will be developed alongside landscaped areas, municipal storage facilities, and administrative offices. Construction of new roadways, hangar access, and garages will be included. The fencing and boundary works will be finalized before initiating public parking and access road development.

Hangar developments can incorporate a 'hybrid' system:

- *New hangar land areas will be sold under a Sectional Title Scheme.*
- *Existing hangars will continue under a lease model with revenue flowing to the Municipality.*

A gradual transition mechanism will be introduced should the Municipality opt for full conversion to a Sectional Title ownership model.

Phase 3: Public Access & Security Upgrades

- *Development of public parking areas, access roads, and landscaping.*
- *Construction of a clubhouse and security checkpoints.*
- *Implementation of final fencing alignments and installation of new boom gates.*
- *Security enhancements ensuring compliance with aviation safety protocols.*
- *Existing security measures for hangars will remain in place until the conclusion of this phase.*

5. Findings and Conclusion of the Feasibility Report

Below is an extract out of the report of the Consultant's conclusion.

The conclusions of the feasibility study are that the potential revenue streams from the existing aerodrome, upgraded to meet the minimum regulatory standards for a Category C aerodrome, as mandated by the Namibian Civil Aviation Authority will not be sufficient to cover the operating expenses for the aerodrome. Adding in depreciation of the new fixed assets will exacerbate the financial situation.

Increasing current revenue streams, as outlined above, is estimated at adding up to between NAD 1.8 million and NAD 2.1 million, doubling current income. That however, is still insufficient to cover even the operating expenses of the aerodrome, leaving an annual deficit in excess of NAD 8 million.

An assessment of the potential for any increases in revenue should be undertaken as a separate exercise. This would involve the drafting of an aerodrome specific commercial plan to include:

- *An assessment of potential demand. This would require dialogue with existing and potential aircraft operators to ascertain a willingness to operate to Swakopmund, with what aircraft types and with what frequency*
- *An analysis of further, non-aeronautical investments that could utilise the aerodrome site*
- *A competitive assessment of the aerodrome to identify its advantages.*

This would primarily focus on Walvis Bay as an alternative for operators, differentiated by segment of aircraft operations – scheduled services to Windhoek, cargo flights and aerial safari flights being three specific types. Once complete as an exercise, updates to the financial assessments can be made, along with macro-economic analysis of the utility offered by the aerodrome beyond aeronautical income.

It is assumed that, in the absence of a compliant plan for Swakopmund Aerodrome, the existing exemption granted by the NCAA would be terminated, requiring the closure of the site.

The full report is listed under **Annexure F**.

6. Proposal – New Swakopmund Airpark Development

In 2015, a group of companies submitted to Council a proposal to develop the current Aerodrome into an Airpark. The proposal contained a two phased development plan, namely:

Phase 1:

(a) Negotiations and agreement with the Municipality of Swakopmund
(b) Registration of a newly formed controlling company: Swakopmund Airpark (Pty) Ltd
(c) Commence with detailed township planning and obtain approval from the Township Board
(d) Obtain approval from NAMPAB

(e) Conduct and obtain Environmental Impact Assessment
(f) Land Surveying and Registration of Development
(g) Official promulgation in the Government Gazette of Namibia

Phase 2:

(a) Construction of a boundary wall surrounding the complete development
(b) Construction of water, sewer and electrical reticulation
(c) Re-construction and surfacing of runways with cape seal 19mm and the construction of all streets with cape seal 13mm surface finish
(d) Installation of street lighting and night landing facilities for the runways
(e) Construction of buildings i.e. Terminal Building, Control Tower etc.

The new company Swakopmund Airpark (Pty) Ltd. Will amongst others be responsible for the following:

(a) Supply and construct a new Airport Terminal Building with facilities for an airport fire bridge.
(b) The company will negotiate with the Namibian Civil Aviation Authority for services in aircraft traffic control and construct a new air traffic control tower.
(c) The company will negotiate with the Municipality for the services of a fire truck and crew.
(d) The company will supply and negotiate with fuel supply companies for the supply of aviation fuel to the airport.
(e) The company will provide security at the entrance gates to the airport as well as terminal building.
(f) The company wants to take over from the Municipality of Swakopmund, negotiate and administrate all lease agreement with the existing hanger owners at the airport for the account of Swakopmund Airpark (Pty) Ltd.
(g) Levies will be charged from the owners of new hanger and home sites on this development for the upkeep of roads and infrastructure of this development.
(h) The company wants to take over and charge for all take-off and landing fees for all aircraft for the account of the Swakopmund Airpark (Pty) Ltd.
(i) The company will provide permanent employment to at least 5 employees.
(j) During the construction phase at least 65 employees will be employed.

The Municipality of Swakopmund will be responsible for the following:

(a) Provide normal Municipal Services and charge for these services for the account of the Municipality of Swakopmund.
(b) Charge relevant rates and taxes for the account of the Municipality of Swakopmund.

In order to realise this proposal, the proponent offered to purchase the Aerodrome for an amount of N$ 800 000.00 and the Swakopmund Airpark (Pty) Ltd will cover all the costs for the construction.

Proposed layout is attached under **Annexure G**

7. Assessment of the Feasibility Report by the Consultant and the 2015 Proposal

The Feasibility Study Report that was submitted by the Consultant was found to have not fully meet the requirements and expectations as set out in the Contract. When reviewing the various draft documents and the discussions held with the Consultant, it was found that the Consultant was fixed on the known shortfalls but failed to put in efforts to explore wide solutions. The findings or conclusion by the Consultant does not guide Council to make a well-informed decision on the future of the Aerodrome, because as stated by the Consultant,

An assessment of the potential for any increases in revenue should be undertaken as a separate exercise. This would involve the drafting of an aerodrome specific commercial plan to include:

- *An assessment of potential demand. This would require dialogue with existing and potential aircraft operators to ascertain a willingness to operate to Swakopmund, with what aircraft types and with what frequency*
- *An analysis of further, non-aeronautical investments that could utilise the aerodrome site*
- *A competitive assessment of the aerodrome to identify its advantages. This would primarily focus on Walvis Bay as an alternative for operators, differentiated by segment of aircraft operations – scheduled services to Windhoek, cargo flights and aerial safari flights being three specific types. Once complete as an exercise, updates to the financial assessments can be made, along with macro-economic analysis of the utility offered by the aerodrome beyond aeronautical income.*

Regarding the proposal that was submitted in 2015, it was found that the proposal aligns with the expected vision of Council for the Aerodrome development. The 2015 proposal illustrates Council's vision to fully utilize the Aerodrome area, by:

- *remaining with the two runways in their current position*
- *increasing the number of hangers,*
- *including home sites, which is combination of a residential unit with a garage for an aircraft*
- *a section for car rental facilities, flight school and other related aviation business activities*
- *aviation control tower*
- *a number of taxiways*
- *skydiving drop zone*
- *Airport lodge*
- *Recreational garden and pond*
- *Helicopter landing zone*

This proposal does bring out the full potential that exists at the Aerodrome and can establish the Aerodrome into a great asset for both Council and the residents of Swakopmund.

On the 3rd March 2025, the General Manager: Engineering and Planning Services and Superintendent: Aerodrome visited the offices of Namibia Civil Aviation Authority (NCAA) to discuss matters concerning the operations of the Aerodrome and took the opportunity to engage on the operations of EROS airport, which was found to be a close comparison to the Swakopmund Aerodrome. The meeting was informed that EROS also faces

infrastructure limitations due to the location, but it is operating successfully because of mitigating measures that were put in place by the operator on advice of NCAA.

8. Conclusion

The Consultant that has conducted the feasibility study on the Aerodrome will be presenting the final report to Council, it is however also important to mention that even with the challenges that the current Aerodrome is facing, it does not mean that the Aerodrome does not have the potential to be improved to increase its contribution value to Council's assets as well as to the economy of Swakopmund.

B. After the matter was considered, the following was:-

RECOMMENDED:

(a) That Council takes note of the presentation by the Consultant, Messrs Karin Miller Architects, on the feasibility Study report for the Swakopmund Aerodrome.

(b) That the Council takes note of the feedback by the General Manager: Engineering and Planning Services on the feasibility study report and the 2015 Aerodrome Development Proposal.

(c) That Council agrees *in principle* NOT to sell the Aerodrome.

(d) That Council agrees not to relocate the Aerodrome and supports a gradual improvement of the facilities in order for the Aerodrome to remain in compliance with the relevant aviation legislation and requirements.

(e) That the General Manager: Engineering and Planning Services and the General Manager: Corporate Services and Human Capital formulate an Expression of Interest for the sale and development of the land reserve in the Swakopmund Structure Plan 2020-2040 as Proposed Airport Site (N1) and Proposed Airport Estate (N2).

(f) That the offers received from the Expression of Interest be assessed by the Investment Coordination Committee and a full report be submitted to Management Committee for deliberation and decision making.

(g) That the General Manager: Engineering and Planning Services engage with the Namibia Civil Aviation Authority (NCAA) to work on an improvement plan for the Aerodrome to ensure that the Aerodrome complies with the relevant aviation legislation and requirements while the development of the new airport is ongoing.

ANNEXURE A

Clarence McClune

From: Karen Miller <karenmil@iway.na>
Sent: Thursday, 05 December 2024 17:17
To: Clarence McClune
Cc: simon.j.walker@btinternet.com; Verena Reischauer-Buchert; 'Tertius Myburgh - TMQS'; 'BP: Morne Izaks'; 'Jonathan Manning'; 'BP: Shamus de Wee'
Subject: Feasibility Study Swakopmund Aerodrome, November 2024: CS/RFP/SM-017/2023
Attachments: Feasibility Study_28Nov24.pdf

Dear Mr McClune,

Subsequent to the meeting in your boardroom this morning between you and Mrs Miller, we herewith submit our revised Feasibility Document as discussed and presented at the meeting. The document includes the updates requested at the previous meeting of 28 November 2024 with all Consultant Professions present, regarding discussions of the feasibility document that was submitted by hand on 14 November 2024. Besides reading the specific comments on Assessing the Code 3B runway, item 5.3 (1.and2.) in the Feasibility document, which had been in the document presented on 28/11/2024, the items that were specifically pointed out today were updates from the previous document, ie:

i. All references to relocating the aerodrome have been deleted
ii. Executive summary – extensively amended
iii. Table 4 has the Cessna C406, C206 and C210 added, as these were explicitly referred to in the meeting of 28 November 2024
iv. Added references to TORA and LDA in the opening paragraph of 5.0 regarding limits on displaced thresholds etc
v. Added a new section 9.3 outlining potential additional revenues (summarised in the executive summary as well)
vi. Removed the old section 9.3 – financial conclusions – and substantially modified section 10 to incorporate all issues, without suggesting site relocation
vii. Made some references to economic utility of having the aerodrome in the executive summary and section 10, whilst also referring to the potential removal of the NCAA operating exemption

On 10 September the findings on the runway investigations as outlined in the Feasibility Document were discussed in detail with the entire Consultant Team present. These were studied and described in detail, and have been included in the Feasibility Document, with all relevant Financial and Development proposals included.

This comprehensive report is attached and we kindly request that any comments are received early next week in an effort to finalise the document by 12 December 2024 before the closing of the professional offices for the Builder's Holiday. Offices re-open in mid-January next year.

Kind regards
Karen Miller

KAREN MILLER ARCHITECT
Tel: +264 (0)64 407 121 / Fax: +264 (0)64 407 036
karenmil@iway.na
P.O. Box 1753, Swakopmund, Namibia
10 Hendrik Witbooi Str, Swakopmund

ANNEXURE B

Karen Miller Architect

P O Box 1753 Tel (064) 407121 Fax (064) 407356 Swakopmund Namibia

Swakopmund Municipality
Engineering & Planning Services
P O Box 53
Swakopmund

Date: 13/12/2024
Acc Ref: 01/276km

Attention: Mr Clarence McClune

VAT Reg No: 1356915-01-5

PROFORMA INVOICE

Invoice No: 01 - 276

CS/RFP/SM-017/2023
FEASIBILITY STUDY FOR THE SWAKOPMUND AERODROME

Professional Fee, VAT, Disbursement and Travel claims on the above, as detailed on the attached analysis

ACCOUNT SUMMARY:

1.	Professional Services:		
	1.1 Percentage Fee Claims		0.00
	1.2 Time Charge / Travel time Charge Claims		83,963.18
			83,963.18
2.	Disbursements		219,385.67
	Total Professional Services and Disbursements		303,348.85
3.	VAT at 15% on Total Professional Services and Disbursements		12,594.46
			315,943.32
	TOTAL OF THIS FEE NOTE:	**N$**	**315,943.32**
	TOTAL CURRENTLY OUTSTANDING:	**N$**	**315,943.32**

(See Professional Accounts Analysis)

Banking Details: Standard Bank, Karen Miller, Acc no: 043240607, Branch: 082372

Signed: K. Miller

This debit note is due on presentation and will not be followed by a statement of account.
Accounts are payable within 30 days - interest at 2% above the Standard Bank Prime Rate will be charged on amounts exceeding this period.

Karen Miller Architect
P O Box 1753 Tel (064) 407121 Fax (064) 407036 Swakopmund Namibia

FEASIBILITY STUDY FOR THE SWAKOPMUND AERODROME

1. **TO PROFESSIONAL SERVICES:**
To our fees for professional services rendered in respect of the above project and submitted as an interim account. Standard fees are charged on a percentage basis.

1.1 **TO FEES CHARGED ON A PERCENTAGE BASIS:**
Percentage fees are calculated in accordance with the Estimate based on the Tariff of Fees Chargeable by Architects, Architect's Act 1979 (Act No. 13 of 1979), under section 7(6) and 7(3), and prescribed in Government Notice 6 October 1998, No 250. Buildings other than simple or complex

For the purposes of this account, fees will be charged on a time basis.

Total ESTIMATED fee calculation:
N$8,800.00 + (7.5% x cost)
N$8,800.00 + (7.5% x N$0.00) N$0.00

N$0.00 **(Total Fee)**

1.1.1 **Work Stages 1 & 2 - Design Concept Documentation - 20% of total fee**
To completion of 0% of Design Concept
0% x 20% x N$0.00 **0.00**

1.1.2 **Work Stage 3 - Design Development Documentation - 15% of total fee**
To completion of 0% of Design Development
0% x 15% x N$0.00 0.00

1.1.3 **Work Stage 4 - Technical Development Documentation - 40% of total fee:**
To completion of 0% of Technical Development
0% x 40% x N$0.00 0.00

1.1.4 **Work Stage 5 - Inspections & Contract Administration - 25% of total fee**
Based upon certified value as a percentage of the Final Account Value
Total valued to date (Certificate No. 0) 0.00 / N$0.00 = 0%

0% x 25% x N$0.00 0.00

TOTAL PERCENTAGE FEE CLAIMED TO DATE	N$0.00
LESS: Fees claimed previously on a percentage basis	N$0.00
PERCENTAGE FEE NOW CLAIMED:	N$0.00

Carried Forward N$0.00

Karen Miller Architect
P O Box 1543 Tel (064) 403121 Fax (064) 405936 Swakopmund Namibia

FEASIBILITY STUDY FOR THE SWAKOPMUND AERODROME

	Brought Forward		N$0.00
1.2	**TO TIME CHARGES:**		
	1.2.1 To fees charged on a time basis:		
	Director (KM) 39.05hrs @ N$1577.23/hr	61,590.83	
	Technician (JK) 32.78hrs @ N$682.50	22,372.35	
	To travel time charges:		
	Director (KM) @ N$ 1577.23/hr	0.00	
			N$83,963.18
	FEE NOW CLAIMED (1.1 + 1.2)		N$83,963.18
2	**TO DISBURSEMENTS: (Will be claimed in next account)**		
	0 x Fax transm/recep @ N$1.00 each	0.00	
	0 x Fax transm/recep @ N$2.00 each	0.00	
	0 x E-Mails sent @ N$2.00 each	0.00	
	Telephone calls	0.00	
	0 x A1 Computer Plots @ N$26.10/print	0.00	
	0 x A2 Computer Plots @ N$16.65/print	0.00	
	0 x A3 Computer Plots @ N$11.10/print	0.00	
	0 x A4 Computer Plots @ N$10.75/print	0.00	
	0 x A3 Colour Prints @ N$ 21.90/print	0.00	
	0 x A4 Colour Prints @ N$ 17.75/print	0.00	
	0 x A4 Photocopies @ N$0.35/print	0.00	
	0 x A3 Photocopies @ N$0.70/print	0.00	
	0 x A4 Colour Photocopies @ N$7.80/print	0.00	
	Burmeister & Partners (incl VAT)	85,171.30	
	Tertius Myburgh (QS) (incl VAT)	59,217.10	
	OL Architects (incl VAT)	74,997.27	
	Travel Costs @ AA rates for Comp. Car @ N$ 4.61/km	0.00	
			N$219,385.67
	TOTAL DUE FOR 1 + 2		N$303,348.85
3	**TO VAT CHARGES:**		
	VAT at 15% on Total Fees:		N$12,594.48
	TOTAL AMOUNT NOW DUE (1 + 2 + 3 + 4):		**N$315,943.32**

Karen Miller Architect
P O Box 1753 Tel (064) 407121 Fax (064) 407136 Swakopmund Namibia

FEASIBILITY STUDY FOR THE SWAKOPMUND AERODROME

PROFESSIONAL ACCOUNTS ANALYSIS:

a)	Current Claim: Acc Ref: 01/276/KM 13/12/2024	N$315,943.32	
	*Fees, VAT and Disbursements		
	TOTAL INVOICED TO DATE		N$315,943.32
	LESS:		
	PAYMENTS RECEIVED:	N$0.00	
			N$315,943.32
	TOTAL CURRENTLY OUTSTANDING:		N$315,943.32

ANNEXURE C

SWAKOPMUND
The Centre of Adventure

+264 64 410 4111 | swkmun@swkmun.com.na | P O Box 53, Swakopmund, Namibia

Ref No: 18/1/1/1
CS/RFP/SM-017/2023 - 001

Enquiries: Mr C McClune

17 January 2025

Karen Miller Architects
P.O. Box 1753
SWAKOPMUND
13001
Namibia

karenmil@iway.na

Dear Mrs. Karen Miller

FEEDBACK ON DRAFT FEASIBILITY REPORT AND CLAIM

I refer to your emails dated 11 December 2024 (Feasibility Study Report and separate complaint to the CEO), 13 December 2024 (Payment Claim), and the subsequent responses from the General Manager: Engineering and Planning Services, dated 11 December 2024, 12 December 2024, and 10 January 2025.

As per the Scope of Services outlined in the Contract, the assignment requires the development of a comprehensive plan that includes an assessment, designs, cost estimates, and recommendations regarding the necessary changes, amendments, or upgrades to the current landside and airside layout of the Swakopmund aerodrome. The goal is to align the facilities with the Swakopmund Council's vision of establishing the aerodrome as a key entry point for tourism and related aviation activities.

The consultant, or team of consultants, was provided with nine parameters to consider while addressing the upgrading and redesigning of the aerodrome, as well as the preparation of the requisite legal documentation for its operational improvement. The Contract further specifies seven deliverables that the consultant is required to complete as part of this assignment.

Regarding the first draft of the feasibility report presented on 28 November 2024, it was noted that the relocation of the aerodrome was a key focus area. However, as discussed during the presentation, the relocation was not part of the assignment. It appears this focus may have influenced the direction of the report.

In the second draft of the feasibility report, we noted that the relocation topic was removed, but it remains evident that the input provided during the 28 November presentation has not been fully incorporated. Therefore, the consultant is reminded to adhere strictly to the Scope of Services and deliverables as outlined in the contract. Specifically, the following documentation must be submitted:

- Design Premise/Assessment Report

- Conceptual Designs and Layouts
- Environmental Impact Assessment (EIA) and Environmental Clearance Certificate (ECC) - Please note that this service is not within the scope of the consultant's responsibilities
- Compilation of the Development Plan

To streamline the process and avoid unnecessary delays, we kindly request that the consultant amend the second draft of the feasibility report to address the above documentation in a consolidated submission, rather than submitting them individually.

Furthermore, regarding the payment claim submitted on 13 December 2024, it was noted that the claim was submitted prematurely and did not align with the contract's requirements. The consultant is advised to revise the claim in accordance with the terms of the contract, providing the necessary supporting timesheets to substantiate the claim.

We appreciate your attention to these matters and look forward to receiving the revised documentation and payment claim in due course.

Best Regards,

nd Municipality

2025 -01- 17

C McClune
GENERAL MANAGER: ENGINEERING & PLANNING SERVICES

CCM/vrb

ANNEXURE D

KAREN MILLER ARCHITECT
Tel: (064) 407121 Fax: (064) 407036 Cell: 0812793704 P.O.Box 1753
E-mail: karenmil@iway.na 10 Hendrik Witbooi Str, Swakopmund, Namibia

Project No :276
04 February 2025

Engineering & Planning Services
5 FEB 2025
MUNICIPALITY OF SWAKOPMUND

Mr. Clarence Mc Clune
General Manager: Engineering and Planning Services
Swakopmund Municipality
P.O Box 53
Swakopmund

Subject: Response to Feedback on Draft Feasibility Study and Payment Claim

Dear Mr. Mc Clune,

We acknowledge receipt of your letter (Ref No: 18/1/1, Cs/RFP/SM-017/2023-001) dated 17 January 2025, titled "Feedback on Draft Feasibility and Claim," received by email on 17 January 2025 and by post on 27 January 2025. Please find our response below.

Feasibility Study Document

We note that the Feasibility Study Document submitted and discussed on 05 December 2024 focuses entirely on the current Aerodrome Facility. In the previous draft, the primary emphasis was also on developing the current site to align with Category C requirements, with only summary references to potential relocation. The recommendation for relocation was presented as a professional advisory opinion from specialists; however, upon your request, this reference was removed in the latest version.

Furthermore, as discussed on 05 December 2024, the latest version incorporates the additional elements addressed during the presentation and discussion meeting held on 28 November 2024:

1. All references to relocating the aerodrome have been deleted.
2. The Executive Summary has been extensively revised as requested.
3. Table 4 now includes the Cessna C406, C206, and C210 aircraft, explicitly mentioned on 28 November 2024.
4. References to TORA and LDA have been added in Section 5.0 to pre-empt discussions regarding displaced thresholds.
5. A new Section 9.3 has been introduced, outlining potential additional revenues, summarized in the Executive Summary.
6. The former Section 9.3 (Financial Conclusions) has been removed, and Section 10 has been substantially revised to consolidate all issues without suggesting site relocation.
7. The Executive Summary and Section 10 now contain references to the economic benefits of maintaining the aerodrome, as well as considerations regarding the potential removal of the NCAA operating exemption.
8. The Table of Contents, List of Figures, and Tables have been updated to reflect the modifications.

Sole Proprietor: **Karen Miller** B.Bdg.A / B.Arch (UPE), MNCAQS, MNIA, MSACA, MSAIA

Should there be any additional input from the 28 November 2024 meeting that has not been incorporated, we request that you specify the omitted aspects.

Scope of Services and Deliverables

As per the contract, the following deliverables were required:

- Design Premise/Assessment Report
- Conceptual Designs and Layouts
- Environmental Impact Assessment (EIA) and Environmental Clearance Certificate (ECC) (not applicable)
- Compilation of the Development Plan

Design Premise/Assessment Report

The Feasibility Study Report (Pages 1–15) provides the background to the project, emphasizing the existing aerodrome site and relevant aerodrome data as the framework for the design premise and assessment. It includes:

- Regulatory compliance requirements for a licensed aerodrome, including generic standards and aircraft type specifications.
- Detailed licensing requirements and procedures.
- Site constraints and assessments (Page 4), with detailed analysis and explanatory site diagrams (Pages 13–15).
- Functional and technical requirements integrated into the design premise.
- Category C specifications and regulatory requirements (Page 6).
- Infrastructure design premises (Pages 16–19).

Conceptual Designs and Layouts

The conceptual designs and layouts (Pages 17–35) include:

- Master Plan (Pages 17–18) and Land Use Plan (Page 19), detailing existing and proposed structures.
- Layouts for hangars, terminal buildings, air traffic control/fire station, municipal vehicle storage, roadways, parking, security, and airside infrastructure.
- Terminal building, fire station, and control tower conceptual designs with full accommodation lists and areas (Pages 22–26).
- Runway, taxiway, and service infrastructure specifications (Pages 26–35), including mechanical fire protection, fuel storage, electrical supply, security installations, and communications infrastructure.
- Air traffic control facilities and navigation aids (Page 37).

Development Plan

The cost estimates (Pages 36–39) detail capital expenditure (CAPEX) for infrastructure, utilities, regulatory compliance, and professional fees, as well as:

- Estimated operating expenditure (OPEX) (Pages 40–42), including maintenance, insurance, licensing, and staffing.
- Staff roles, responsibilities, and estimated costs (Page 41–42).
- Revenue projections and financial sustainability (Pages 43–45), including potential revenue enhancements.

- NAMCARS and NAMCATS licensing requirements (Pages 9–12), detailing the application, assessment, and certification process.

It should be noted that the Feasibility Study is a comprehensive, singular document, though it was sent in separate digital files due to email size constraints.

Payment Claim

The current claim represents 50% of the agreed ceiling figure, covering significant professional work completed by a team of specialized consultants, with the balance due on submission of a second invoice for the balance. As per Namibian law and standard practice, interim payments ensure liquidity and fair compensation for work delivered.

Per the Feasibility Study Contract (CS/RFP/SM-017/2023, Page 3/5, Section D: Payment Conditions):

"Payment shall be made in Namibian Dollars (N$) not later than 30 days following submission of invoices....."

Thus, we contend that the claim is neither premature nor unwarranted.

Request for Discussion

Given the importance of this matter, we formally request a discussion between the full Professional Consultant Team and the Swakopmund Municipality Management Committee, with the CEO, Mr. Benjamin, and yourself present. As our Runway Specialist is returning from vacation at the end of February 2025, we propose scheduling this discussion in early March 2025.

We trust that the above response addresses your concerns and look forward to your confirmation regarding the proposed meeting.

Kind regards,

K. Miller

Karen Miller
Professional Registered Architect

Enclosure: 1. Letter (Ref No: 18/1/1, Cs/RFP/SM-017/2023-001) dated 17 January 2025

CC: Mr. Alfeus Benjamin
Chief Executive Officer
Swakopmund Municipality

ANNEXURE E

SWAKOPMUND
The Centre of Adventure

+264 64 410 4111 | swkmun@swkmun.com.na | P O Box 53, Swakopmund, Namibia

Ref No: 18/1/1/1

Enquiries: Mr C McClune

07 February 2025

Karen Miller Architects
P O Box 1753
SWAKOPMUND
13001
Namibia

karenmil@iway.na

Response to Feedback on Draft Feasibility Study and Payment Claim

Dear Mrs. Karen Miller,

We acknowledge the receipt of your letter dated 04 February 2025 regarding Project Number 276 which was received via e-mail on 05 February 2025.

We appreciate the clarity on the concerns raised by our letter dated 17 December 2024. It has been noted, with great concern, from previous communication and with the letter dated 04 January 2025, is the misrepresentation on the full discussions that were held regarding this assignment. Nonetheless, a comprehensive evaluation of this feasibility document will be presented to the Council for consideration. We will also review the scope of services and deliverables to ensure that all requirements have been met as stipulated.

As per the Feasibility Study Contract (CS/RFP/SM-017/2023), Page 3/5, Section D: Payment Conditions, we wish to clarify that payment shall be made in Namibia Dollar (N$), not later than 30 days following the submission of invoices in duplicate to the designated Coordinator, as outlined in paragraph 4, **provided all documents are accepted by the Coordinator and all necessary supporting documents are included**. It is therefore important that the Consultant read the Contract in its entirety and not only extract sections that suits the Consultant.

Regarding your request for a meeting, we must respectfully inform you that, as instructed, that no meeting will be scheduled at this time as a submission is to be presented to Council.

We appreciate your understanding and look forward to your cooperation.

Swakopmund Municipality

Best Regards,

07

C McClune
GENERAL MANAGER: ENGINEERING & PLANNING SERVICES

Engineering & Planning Services

CC/Mvb cc

Copy: Chief Executive Officer

ANNEXURE F

Feasibility Study
Swakopmund Aerodrome

CS/RFP/SM-017/2023

March 2025

PROCUREMENT REF No. CS/RFP/SM-017/2023:
Consultancy services for the feasibility study for the Swakopmund Aerodrome for the Municipality of Swakopmund, Erongo Region, Namibia.

Prepared by:

ARCHITECTS:

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KAREN MILLER ARCHITECTS

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ENGINEERS:

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BURMEISTER & PARTNERS (PTY) LTD
CONSULTING ENGINEERS

RUNWAY SPECIALIST:

CONTACT: Simon Walker
EMAIL: simon.j.walker@btinternet.com
MOBILE: +44 7711 416581

AQUILA AVIATION LTD

QUANTITY SURVEYOR:

CONTACT: Tertius Myburgh
EMAIL: tertius@tmqs.com.na
CELL: +264 (081) 148 6318
ADDRESS: Langer Heinrich Crescent No 4503
POSTAL: P O Box 239, Walvis Bay, Namibia

TM TERTIUS MYBURGH
QUANTITY SURVEYORS

ANNEXURE G

Contents

List of Tables

Glossary and Definitions

AIP	Namibian Aeronautical Information Publication
AFIS	Aerodrome Flight Information Service
ANSP	Air Navigation Services Provider
ASDA	Accelerate Stop Distance Available
ATC	Air Traffic Control
ATIS	Automatic Terminal Information Service
CAPEX	Capital expenditure
FYSM	ICAO code for Swakopmund Aerodrome
ILS	Instrument Landing System
LDA	Landing Distance Available
NAD	Namibian Dollars
NAM CARs	NCAA Civil Aviation Regulations
NAMCATS AH Part 139	NCAA Technical Standards Part 139 Aerodromes
NCAA	Namibian Civil Aviation Authority
OMGWS	Outer Main Gear Wheel Span
OPEX	Operating expenditure
PAPI	Precision Approach Path Indicator
RFFS	Rescue & Fire Fighting Service
RNP APCH	Required Navigation Performance Approach
TIBA	Traffic Information Broadcasts by Aircraft
TODA	Take Off Distance Available
TORA	Take Off Run Available
VOR/DME	Very High Frequency Omni Range/Distance Measuring Equipment

This Feasibility Study thus provides a structured approach for the enhancement of the Swakopmund Aerodrome, setting a robust foundation for it to serve as a pivotal infrastructure for tourism and associated aviation services, while ensuring safety and regulatory compliance. The investigation also reveals whether the upgrading of the Aerodrome will allow for necessary income generation or whether the site dynamics limit current upgrades and future expansion for necessary revenue increases.

2.2 Aerodrome site

The existing aerodrome site, located south-east of the Municipality residential area comprises two non-sealed runways with the primary runway orientated in a North-East to South-West direction (runways 24 and 06). A smaller runway (17/35) is primarily used as an access route from the main runway to the hangars and small terminal building.

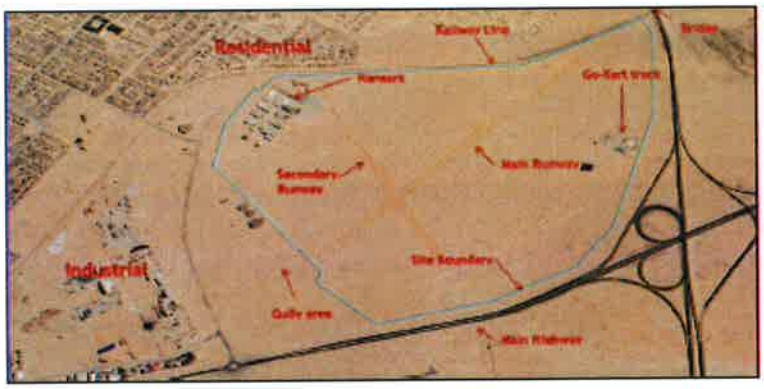
Within the ERF boundary is a go kart track, and the site is surrounded by roads and a railway line to the north. A recently constructed bridge for the road, over the railway line lies in the approach path to runway 24.

Privately occupied hangars, on long-term leases from the Municipality, form the largest number of buildings on the site, and are located to the north of the primary runway.

The existing runway does not comply with Nambian Civil Aviation Authority regulations for a certified aerodrome – a requirement for a Category C aerodrome – as described in a later section.

Some aerodrome details from the Nambian Aeronautical Information Publication (AIP) have been reproduced below. It should be noted that, from the information provided, the AIP is out of date, and should be amended irrespective of any decision to proceed with upgrading to compliant Category C status.

Figure 1: Aerodrome site



2.3 Aerodrome data

The data below is taken from the Namibian Aeronautical Information Publication (AIP).

Table 1:AIP data AD 2.2; AD 2.3; AD 2.4; AD 2.18

Aerodrome elevation	170 feet
Operational hours	05:00 – 17:00 Monday – Sunday
Customs & Immigration	NIL
Health & Sanitation	NIL
Aeronautical Information Service (AIS) briefing office	NIL
MET Briefing Office	NIL
Security	24 hours
Fuel types	Jet A1 + AVGAS
ATS Communication Facilities	Swakopmund Traffic 126.3MHz; Unmanned Aerodrome
Radio Navigation & Landing Aids	NIL
Navigation Charts	NIL

Table 2: AD2.12/2.13 Physical characteristics/Declared distances

	Runway 06/24	Runway 17/35
Dimensions (metres)	963 x 24	1,600 x 18
TORA	Not declared	Not declared
TODA	963	1,600
ASDA	Not declared	Not declared
LDA	Not declared	Not declared
Strength	LCN 10.5; Sand	LCN 10; Slurry seal

2.4 Organisations consulted

The following organisations and individuals were consulted as part of the process of developing the Feasibility Study:

a) Captain Simon Neveling of FlyNamibia (discussions on Embraer E145 take-off and landing distance requirements)
b) Namwater (can the existing water pipeline be rerouted)
c) Through NAC access to Walvisbay Airport (Consults were through Ms Samantha Rencs (NCA Walvis Chief Safety Officer) and Mr Israel Skiikwa (NAC Maintenance) took Consultant on a guided tour of E & M installation)
d) Mr Gaweseb (Swakopmund Aerodrome Superintendent: landing fees, parking fees, new layouts, income and expenditure, current aircraft movements and types)
e) Namibia Roads Authority (Mr Frans Nghifikua of the Roads Authority discussions on the road infrastructure to allow access from the freeway. Mr Nghifikua's feedback was not positive that access will be granted directly from the Freeway)

3.0 Regulatory compliance requirements for a licensed aerodrome

It is understood that the Namibian Civil Aviation Authority (NCAA) has informed the Swakopmund Municipality that continued operations at the aerodrome will require compliance with Category C standards.

3.1 Generic requirements

Category C: comprising any aerodrome which -
(i) is available for use for both commercial and non-commercial operations;
(ii) is available for use for both scheduled and non-scheduled domestic aircraft operations; and
(iii) may be designated as a port of entry or exit under regulation 2A of the Regulations made under the Immigration Control Act 1993, published under Government Notice No. 134 of 29 July 1994;

The aerodrome physical characteristics required to comply with the regulations are based on the Aerodrome Reference Code for the critical aircraft.

Aerodrome reference code
139.01.6 *(1) An aerodrome reference code consisting of a code number and letter must be used for aerodrome planning purposes.*
(2) The aerodrome reference code must be determined in accordance with the characteristics of the critical aeroplane for which the aerodrome facility is intended.

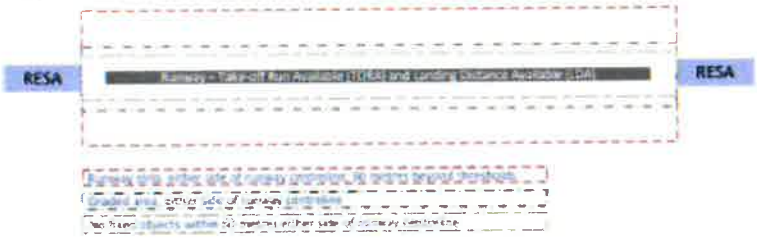
The regulatory requirements are contained in the Namibian Civil Aviation Regulations (NAMCARS) and further defined in the Technical Standards for aerodromes and heliports (NAM-CATS-AH). NAM-CATS-AH comprises the standards, rules, requirements, methods, specifications, characteristics and procedures which are applicable to aerodrome design and operations as prescribed in NAMCARs, Part 139.01.1.

In assessing an application for an aerodrome licence, the NCAA will be looking for evidence on:

a) compliance of the aerodrome infrastructure which are applicable to the type of aircraft and operations that the aerodrome intends to serve, and
b) Implementation of operational requirements referred to in NAMCARs 139.04.3.

A generic diagram of an NCAA compliant runway is provided below, with explanatory text, and a summary table of the compliance requirements.

Figure 2: NCAA compliant runway



An application for an aerodrome license requires compliance with the regulations, based on the design or critical aircraft that is expected to operate from the aerodrome. The key characteristics are:

- A runway, oriented appropriately for the prevailing winds, that is long enough to permit operations. The minimum width of the runway is determined by reference to the NAMCATS – AH - Part 139
- The runway must be located within a strip, the dimensions of which depend on the aerodrome reference code
- The strip has other conditions associated with it regarding limitations on fixed obstacles within the strip (the most severe limitations apply to precision approach runways) and a requirement for grading to protect aircraft in the event of a runway excursion
- A licensed aerodrome requires Runway End Safety Areas (RESA) at either end of the runway strip. These have minimum length and width requirements, and also have recommendations for longer RESAs where possible. An Engineered Material Arresting System (EMAS) may reduce the RESA length requirement

Additional requirements exist for aerodrome safeguarding, including meeting Obstacle Limitation Surface requirements. These will require detailed analysis once the basic aerodrome design has been determined/agreed.

Table 3: NAMCATS – AH - Part 139 requirements

NCAA requirement	Code 2B aerodrome	Code 3B aerodrome
Runway width (minimum)	23 metres	30 metres
Runway slope	Maximum 2%	Maximum 1%
Strip width (minimum); instrument runway	70 metres either side of runway centreline	140 metres either side of runway centreline
Strip length (minimum)	60 metres beyond threshold	60 metres beyond threshold
RESA length, measured from end of the runway strip	Minimum 90 metres (instrument runway); recommended 120 metres	Minimum 90 metres; recommended 240 metres
RESA width	Minimum twice runway width	Minimum twice runway width
Graded area (minimum)	40 metres either side of runway centreline	75 metres either side of runway centreline
Runway turn pad	Required if no parallel taxiway provided	Required if no parallel taxiway provided
Rescue & Fire Fighting capability	Minimum 1 RFFS vehicle with foam and complementary agents	Minimum 1 RFFS vehicle with foam and complementary agents
Taxiway width (subject to design aircraft main undercarriage wheel span dimension)	Minimum 7.5 metres	Minimum 7.5 metres
Minimum clearance on aprons	3 metres	3 metres

3.2 Aircraft types

The types of aircraft that can operate, commercially, at each of the types of aerodrome, are a function of their technical specification (wingspan and main undercarriage span primarily), and operational performance. Examples of Code 2B and 3B aircraft are listed below. This list is non-exhaustive, and may not reflect aircraft types on the Namibian register. It has also not assessed aircraft performance requirements, for which detail on runway length is required.

Table 4: Typical aircraft types

Code 1B/2A/2B aircraft (seating capacity)	Code 3B aircraft (seating capacity)
Cessna Caravan (9)	Embraer E135/145 (37 – 45)
Cessna C406 (1B) (12)	Beech Kingair 350ER (10-14)
Cessna C206/210 (5)	Jetstream 31 (29)
De Havilland Twin Otter (Code 1B) (19)	
Dornier 228 (Code 1B) (19)	
Beech Kingair 200/250/350 (10-14)	
Beech 1900D (19)	
Learjet 31A (Code 2A) (4-6)	

4.0 Licensing requirements:

It is understood that the Swakopmund Municipality has been informed by the NCAA that the aerodrome should conform to Category C requirements. Below are extracts from the NAM CARS and NAM CATS – AH publications that summarise the licensing requirements for a Category C aerodrome.

[The highlighted text is shown for emphasis.]

4.1 Requirements for aerodrome licence *(Category C)*

139.04.2 (1) A person may not operate an aerodrome to which this Subpart applies unless that person holds a licence issued by the Executive Director in accordance with this Subpart.
(2) The issuance and renewal of an aerodrome licence is subject to the aerodrome complying with these regulations and the applicable standards prescribed in Document NAM-CATS-AH.

4.2 Application for aerodrome licence

139.04.3
(1) An applicant for the issuing of an aerodrome licence must -
- (a) submit an application to the Executive Director in the form and manner determined by the Executive Director; and
- (b) pay the appropriate application fee as prescribed in Part 187.

(2) An application under subregulation (1) must include -
- (a) a completed application form;
- (b) the aerodrome manual prepared in accordance with Subpart 7;
- (c) the plan of the aerodrome and its facilities approved by the appropriate local authority council;
- (d) evidence of lawful entitlement to use the place as an aerodrome;
- (e) an aerodrome environmental management programme referred to in regulation 139.08.15;
- (f) the procedures for the notification and reporting of aerodrome data and information referred to in Subpart 9;
- (g) written approval from the local authority, regional or traditional authority council in whose area of jurisdiction the proposed aerodrome is situated, and from all relevant governmental offices, ministries, agencies and entities whose approval is required;
- (h) proof that the applicant is financially capable of operating the aerodrome, including the provision of firefighting service required under Subpart 16;
  - (i) particulars of non-compliance with or deviations from -
  - (i) the appropriate aerodrome design, operation or equipment standards;
  - (ii) the appropriate airspace classification in terms of Parts 71 and 172;

4.3 Application assessment

In assessing an application, the Executive Director will be looking particularly for evidence on:
(a) compliance of the aerodrome infrastructure which are applicable to the type of aircraft and operations that the aerodrome intends to serve; and
(b) Implementation of operational requirements referred to in NAMCARs 139.03.4.

4.4 Certification process

The certification process for a Category C aerodrome is conducted in five phases:

(a) Dealing with the expression of interest: During this phase, NCAA assesses whether the operation of an aerodrome at the location specified in the application will not endanger the safety of aircraft operations or contravene to Namibia environmental requirements.
(b) Assessing the formal application: In the second phase, the application for the issuance of a license is assessed by the aerodrome inspectors, and/or authorized officers, to validate the information provided and to conduct an evaluation of the aerodrome operations manual submitted by the applicant to determine its compliance with the standards and practices specified in the regulations.
(c) Inspection of facilities and equipment: The third phase consists of on-site inspections of the facilities and equipment to ensure that they meet the prescribed standards
(d) Issuing or refusing to issue, amend, or renew the license: During the fourth phase, the NCAA completes the certification process and notifies to the applicant its decision to issue or refusal to issue a license. The conditions to be endorsed on the license are also determined and included in the license to be issued.
(e) Publication of the licensed status in the Namibia Aeronautical Information Publication: Finally, the fifth phase is the publication of the status of a certified aerodrome in the Namibia Aeronautical Information Publication.

4.5 Application refusal

An aerodrome certificate, amendment, renewal or certificate of intent may be refused based on one or more of the following determinations for which details would be given to the applicant:
(a) the inspection of aerodrome facilities and equipment revealed that they do not conform to the prescribed requirements for the type of aircraft and operations the applicant intends to serve;
(b) the assessment of the aerodrome operations manual revealed that it does not contain the information required by the regulations;
(c) the assessment of the aerodrome operating procedures, quality assurance system and safety management system revealed that they do not make satisfactory provision for the safety of aircraft operations, control and supervision of the operations and maintenance of the aerodrome; and
(d) the assessment of the above facts and other factors (to be listed) revealed that the applicant will not be able to properly operate and maintain the aerodrome as required by the regulations.

4.6 Issuance of aerodrome licence

139.04.4

(1) The Executive Director must as soon as practicable consider an application referred to in regulation 139.04.3, together with all representations, information and other documents relating to such application which are received within the period specified in the notice published in terms of regulation 139.04.3(4).

(2) The Executive Director must issue a licence in the form and manner by him or her, if the Executive Director is satisfied that -

(a) the applicant has complied with the application requirements in regulation **139.04.3;**

(b) the applicant and the personnel of the applicant are adequate in number and have the necessary competency and experience to operate and maintain an aerodrome;

(c) the aerodrome manual prepared for the aerodrome and submitted with the application contains all the relevant information;

(d) the aerodrome facilities, services and equipment are established in accordance with the standards prescribed in Document NAM-CATS-AH;

(e) the aerodrome's operating procedures make satisfactory provision for the safety of aircraft;

(f) a quality management system in terms of regulation 139.08.4 is in place; **and**

(g) the applicant has complied with the aerodrome security requirements specified in this Part and Parts 108 to 114, inclusive

[The highlighted text is shown for emphasis.]

4.7 Nominated personnel

A licensed aerodrome requires a number of personnel who have responsibility for regulated aspects under the NAMCARs. Whilst not exclusive, the following list summarises the roles required, which must be filled by people with relevant qualifications and experience. In most instances, the roles may not be combined.

i. Accountable Manager – responsible for overall compliance and the provision of adequate resources, whether physical, personnel or financial
ii. A Head of Safety and Compliance, responsible for the effective implementation of the aerodrome's Safety Management System (SMS), Quality Management System (QMS) and compliance
iii. A Head of Security responsible for the oversight of security issues in compliance with the Namibian National Civil Aviation Security Programme
iv. Head of the Rescue and Fire-fighting Service
v. A person responsible for Air Traffic Control through the Manual for Air Traffic Services. It is understood that this role will be fulfilled by staff from the Namibian Air Navigation Services Provider (ANSP)

4.8 Manuals drafting and maintenance

Compliance with the licensing requirements include the drafting, dissemination and maintenance of accepted manuals. The following list, whilst not all-encompassing, summarises the key documents required as part of a licence application.

i. Aerodrome Manual;
ii. Safety Management System Manual (SMSM)
iii. Quality Assurance Manual (QAM)
iv. Security Manual;
v. Emergency Response Procedures (ERP) manual;
vi. Manual of Air Traffic Services (may be provided by ATC provider);
vii. Wildlife Hazard Manual;
viii. Disabled Aircraft Recovery;
ix. Environmental Manual
x. Relevant maintenance manuals
xi. Standard Operating Procedures
xii. Training Manual

5.0 Outline options for the existing site

The initial review of options for the site were based on two criteria:

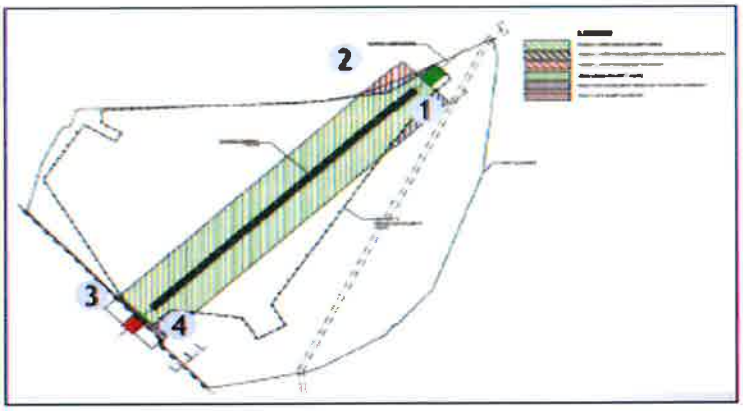
i. Maintaining the current runway length of 1,600 metres
ii. Permitting operations by the Embraer E145 aircraft operated by flyNamibia to allow for a significant potential increase in passenger movements

Discussions with the Chief Pilot of flyNamibia provided confirmation that the minimum runway length required for their aircraft (TORA and LDA) was 1,600 metres.

5.1 Code 3B runway

A 1,600-metre-long runway was drawn onto the aerodrome site, with NAMCATS AH 139 minimum compliance requirements for runway strip and Runway End Safety Areas superimposed. This is provided below, with the areas of non-compliance summarised below the figure.

Figure 3: Current location showing non-compliances



5.2 Areas of non-compliance:

North-east end:

1. The runway strip extends beyond the fence line to the east of the runway; the fence may be outside the 60 metre "no fixed object" regulation for a precision runway
2. The runway strip extends beyond the fence line to the west of the runway, and extends over the railway line

South-west end:

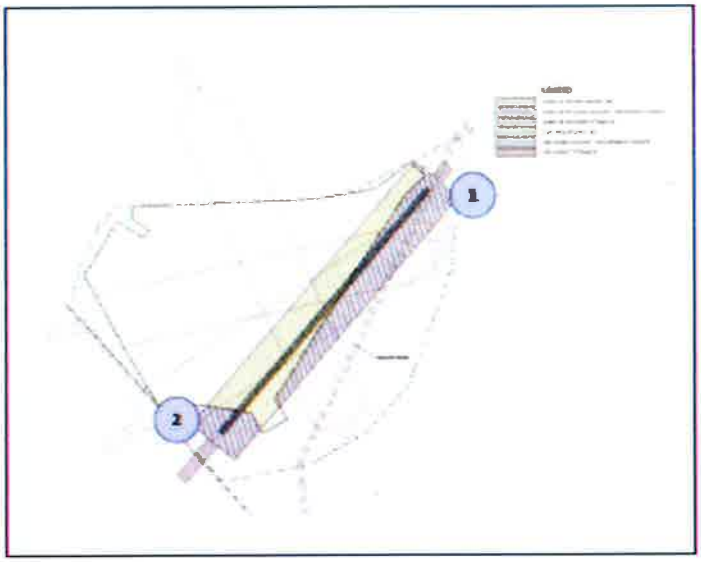
3. The Runway End Safety Area lies completely outside the aerodrome security fence and extends over a 9-metre-deep gully that would not comply with Safety Management System principles
4. The runway strip extends beyond the fence line to the east of the runway and lies within the 60 metre "no fixed object" regulation

5.3 Relocated Code 3B runway

Following this review, an option of relocating the runway to the east of the current position was analysed. Again, this was based on a minimum 1,600 metres runway to permit operations by flyNamibia's Embraer E145 aircraft, with a maximum passenger payload of 50 in an all-economy layout.

The revised location is shown in the figure below, based on ensuring the runway strip was contained within the aerodrome boundary at the north-east corner.

Figure 4: Relocated 1,600m runway



There are a number of non-compliances associated with this location, in addition to severe challenges in construction. The primary ones are:

1. The runway strip (blue shaded area) is outside the aerodrome boundary, although within the ERF boundary. In addition, the runway, strip and RESA are above the NAM Water servitude, restricting access for maintenance, and probably requiring blasting for the runway construction. NAM Water has advised that this would not be acceptable due to inherent risks on water supply during construction activities
2. The runway would need to be built over the existing gully area, requiring extensive fill for the 9-metre drop. The RESA would also require filling in the gully and would extend over the road to the south-west of the site

The conclusions reached are that a 1,600 metre, compliant runway cannot be accommodated on the existing site, within the aerodrome boundary.

5.4 Extended runway based on current location

In addition to meeting NCAA regulations, an extended runway based on the same location as the current runway would also have problems given the planning strategy for the area, as identified by the Municipality. The impact on areas outside the existing aerodrome boundary are shown by superimposing a compliant 1,600 metre runway onto the layout for the Municipality plan, as shown below.

Figure 5: 1,600m runway on Municipality planning layout

Impacted areas:

- The new runway would affect the planned development of light industrial buildings to the south-west of the aerodrome
- Removal and replacement of the airport security fence outside the current boundary
- Probable relocation of the go kart track to another site, which the Municipality has already anticipated.
- A need to verify compliance with Obstacle Clearance Surface (OLS) requirements, particularly to the south-west where existing buildings would almost certainly be non-conforming if the runway was extended
- The proximity to the road, and the potential railway track under review would require assessment against the aerodrome's Safety Management System and security processes

6.0 Feasibility study option

In order to meet the competing challenges associated with location and runway length, of which the NAM Water restriction on blasting above the water pipeline, the need to minimise costs through filling in the gulley to the south-west and compliance with regulations, the following runway and associated infrastructure forms the basis of this feasibility study.

6.1 Code 2B compliant runway

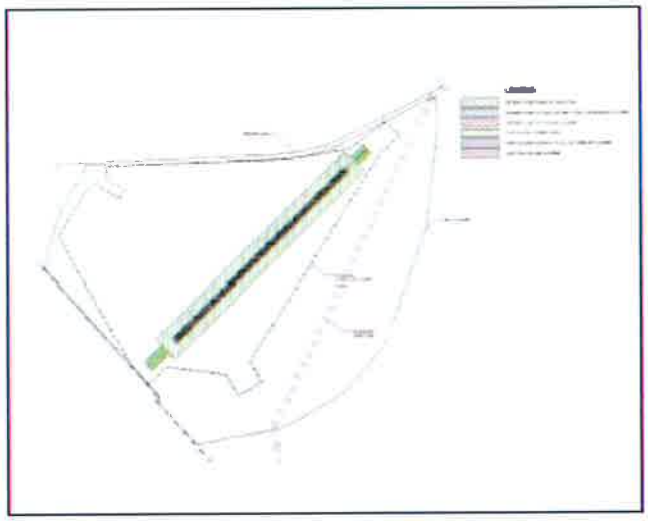
The initial analysis reviewed the maximum runway length that could be accommodated within the site boundary, and with compliant runway strip and RESA dimensions. These vary by the runway code, but once the maximum runway length has been determined, the remaining safeguarding elements can be superimposed.

The maximum length that can be constructed is approximately 1,200 metres. This runway length limits the types of aircraft that can operate at the aerodrome, which defines the runway code.

The conclusions of the analysis were that only aircraft that required a code 2B runway could operate at Swakopmund, reducing the width of the runway strip and allowing the full recommended length of 120 metres for the RESA, at either end, to be accommodated.

This solution is presented in the figure below.

Figure 6: NCAA compliant runway within existing site



The resulting dimensions are:

- Runway length of 1,200 metres (slightly longer may be possible following a proper survey, but not so much that it would influence the categories of aircraft that could operate at the aerodrome)
- Runway width of 23 metres, complying with Code 2B requirements
- Runway strip of 70 metres either side of the runway centreline and 60 metres beyond the runway thresholds. This complies with the NAMCATS AH 139 requirements
- RESA dimensions that meet the recommended length of 120 metres beyond the runway strip, and twice the runway width, exceeding the minimum requirement of 90 metres to allow for safety management system principles to be applied, particularly at the south-west end of the site
- As shown in the site layout figure below, a parallel taxiway has been incorporated with access to the main apron and the parachute club. These taxiway widths are set at 10 metres, exceeding the minimum width of 7.5 metres to allow operations by Beech Kingair B200/250 aircraft, which are classified as Code 2B types but with a relatively wide Outer Main Gear Wheel Span (OMGWS) which defines taxiway widths

As discussed later, decisions will have to be made regarding the feasibility of continuing to operate at the aerodrome during the construction phase for the new runway and associated infrastructure.

6.2 New site layout

Overleaf are two figures outlining the conclusions of the feasibility study:

- A Master Plan layout of the whole site showing the relationships between the runway, taxiways and apron areas; and
- A land use plan for the buildings required for the aerodrome, including space for future expansion

6.2.1 Master Plan layout

The runway and taxiway layout has been detailed above. The use of a parallel taxiway removes the need for turn pads to be constructed at the runway thresholds as aircraft can access the start of the take-off run directly from the taxiway.

The location of runway exit taxiways will be determined following detailed design, and engagement with aircraft operators. Some options are shown on the outline drawing.

6.2.2 Land use plan

The land use plan shows the location and relative size of the following facilities:

- Existing hangars, and space for expansion, if required. The existing hangars against the northern boundary of the property are retained and expansion of future hangars is configured to allow hangars to be placed back-to back.
- A rebuilt and expanded terminal building, with the existing facility converted to a clubhouse
- A combined Air Traffic Control building and Fire Station, physically separated from other buildings to comply with security requirements
- A relocated fuelling station
- A two-vehicle bowser garage at the fuelling station

- A separate road access point to the new fenced off fuelling yard, with a security control point is provided for fuel trucks and fuel lease holders.
- Two Guard houses have been included airside at the fence openings to the hangars.
- A Municipal building housing 5 vehicle garages and a large Aerodrome equipment storage space
- The entrance roadway to the Aerodrome has been formalised and reconfigured to allow for access through a security control point
- A formalised car parking area central to public access point to hangar yards and terminal buildings.
- A security fence line that has been requested by the Municipality, but which may need review during detailed design to ensure compliance with the regulations and to ensure operational efficiency

Figure 7: Master plan layout

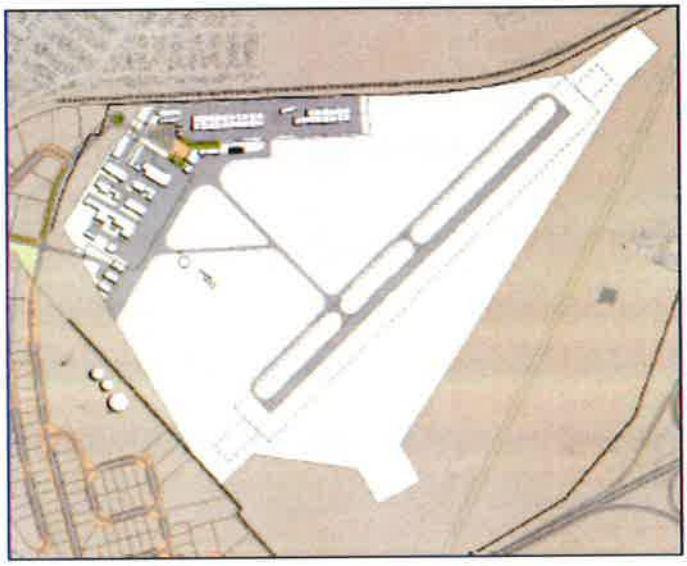
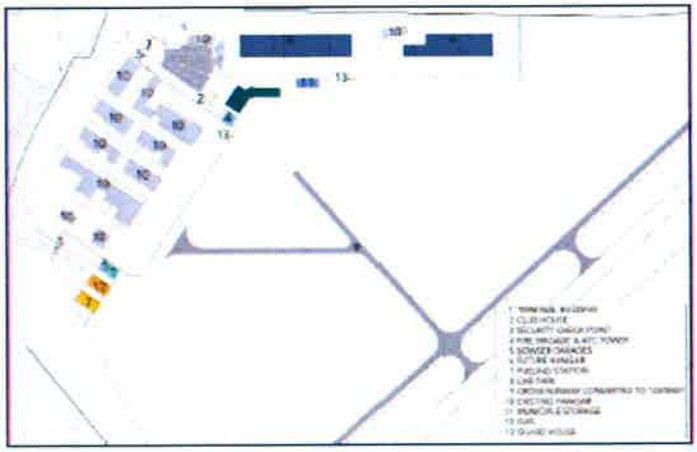


Figure 8: Land use plan



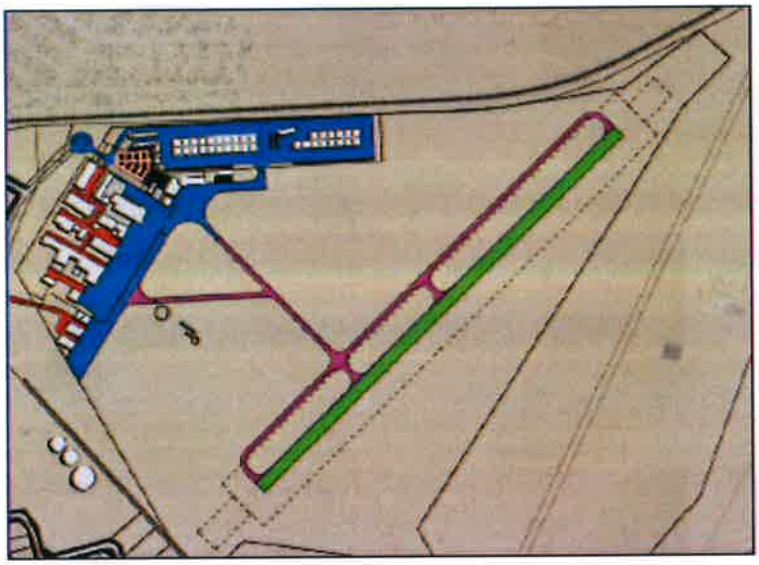
7.0 CAPEX requirements

In support of the feasibility report, an illustrative diagram is provided below, using color-coded hatching to differentiate key areas within the site layout. This visual aid allows for a clear overview of the functional zones. The designated colours and corresponding **areas are as** follows:

- **Green:** Runway
- **Purple:** Taxiway Lanes
- **Blue:** Apron Areas
- **Red:** Internal Hangar Road
- **Peach:** Car Parking Area

This color-coded layout enables to easily identify each operational zone.

Figure 9: Colour coded layout



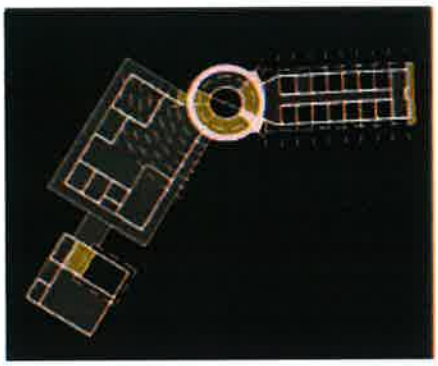
7.1 Additional Infrastructure Upgrade Requirements

To achieve certification as a Category C Aerodrome, the Swakopmund Aerodrome must undergo upgrades to align with the safety standards and operational requirements established by the Namibian Civil Aviation Authority (NCAA). This will necessitate substantial improvements to both the runway and building infrastructure to support efficient, safe operations for small recreational aircraft and meet the anticipated needs of aerodrome users.

7.2 Terminal Building Requirements

The terminal building must be redesigned to provide essential services efficiently while anticipating future growth. This small Category C terminal should cater to low passenger volumes, basic amenities, and streamlined operations. Key spatial requirements and functionalities include:

Main Terminal Components and Spatial Allocations



1. **Entrance and Check-In Area**
   - **Area:** 40-60 square meters
   - Space for basic check-in counters or kiosks and information desks, tailored for minimal, possibly automated, check-in processes suited for recreational flights.
2. **Passenger Waiting Area**
   - **Area:** 70-100 square meters
   - Seating capacity for 10-15 passengers, allowing for a comfortable waiting experience.
3. **Security Screening (if required)**
   - **Area:** 40 square meters
   - Provision for a small screening area with basic security equipment to meet any regulatory requirements.

Similar Mthatha Terminal Building: Osmond

4. **Restrooms**
   - **Area:** 70 square meters
   - Separate male and female facilities with five stalls each, sufficient for peak passenger flow.
5. **Baggage Claim/Handling Area**
   - **Area:** 40 square meters
   - Simple, open layout for ease of baggage handling, with an option to reduce space if no checked baggage is anticipated.

6. **Administrative Offices and Staff Area**
    - **Area:** 320 square meters, with 18 offices and a small kitchenette
    - **Offices to accommodate** essential personnel, including the Aerodrome Manager, Safety and Security Officers, Fire and Maintenance staff, ATC personnel, and support staff.
7. **Retail/Concession Area (optional)**
    - **Area:** 10-20 square meters
    - Space for vending machines or a small café, as required by anticipated passenger needs.
8. **General Storage and Maintenance**
    - **Area:** 20-30 square meters
    - Storage for maintenance supplies, cleaning equipment, and aerodrome essentials.

Additional Considerations for Terminal Layout:

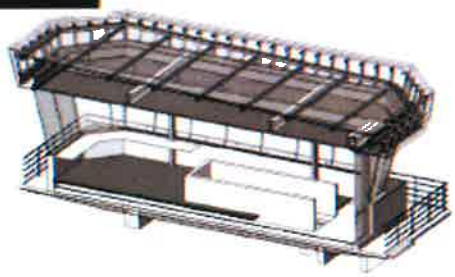
- Accessibility Compliance: Ensure all facilities meet accessibility standards.
- **Flexibility for Expansion:** Design the layout to allow for future growth and modification as demand increases.
- **Optimized Passenger Flow:** Create efficient pathways to minimize congestion and maximize ease of movement between areas.

7.3 Fire Station and Control Tower Requirements

To support aerodrome safety and operations, a fire station with control tower access is essential. The fire station will provide rapid response to emergencies, while the control tower will enable effective oversight of aerodrome traffic and ground activities.

Fire Station Spatial Requirements

1. **Garage/Vehicle Bay Area for Fire Engines**
   - **Area:** 150-180 square meters (minimum space height 4.5m)
   - Accommodates two fire engines with sufficient space for vehicle movement, routine maintenance, and fire-fighting equipment storage. Includes durable flooring, drainage, and ventilation.
2. **Kitchen and Mess Area**
   - **Kitchen Area:** 15-20 square meters
     Equipped with basic cooking facilities and storage for personnel use.
   - **Mess/Dining Area:** 20-30 square meters
     Seating for 6-8 people, with provisions for relaxation and meals.
   - **Restrooms:** 15-20 square meters
     Separate male and female facilities, if required.
   - **Showers and Locker Room:** 20-25 square meters
     Lockers and shower stalls for staff to prepare for and recover from shifts.
3. **Control Tower Access**
   - **Access Stairway or Elevator:** 15-20 square meters
   - Provides direct access to the control tower above, with a small antechamber as an optional entry area.
4. **Resting Quarters**
   - **Area:** 20-30 square meters
   - Equipped with beds or reclining chairs to accommodate on-duty personnel during rotating shifts.



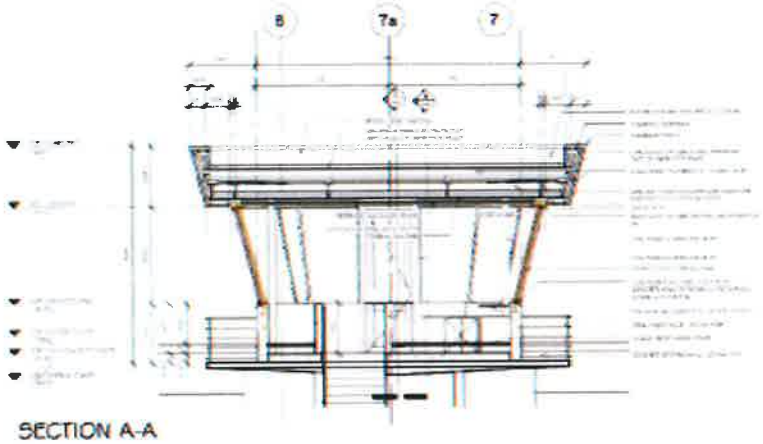
5. **General Storage**
    - **Area:** 10-15 square meters
    - Storage for fire-fighting equipment, first aid, maintenance tools, and spare parts.

Control Tower on Fire Station Building: cut-away view

Additional Considerations for Fire Station:

- **Heating and Ventilation:** Ensure adequate airflow and temperature control.
- **Access Points:** Separate entries for the garage, kitchen, restrooms, and control tower access.
- **Emergency Egress:** Well-marked exits and emergency lighting for rapid evacuation.

The Control Tower is described elsewhere in this document.



SECTION A-A

7.4 Conversion of Existing Terminal Building to Clubhouse

The existing terminal building will be repurposed to serve as a clubhouse for skydiving activities, fostering community engagement and recreational opportunities. This includes:

- **New Kitchen and Multipurpose Area:** Designed for entertainment, as a restaurant, or for use as a conference hall.
- **Protected Outdoor Courtyard:** Designed for braais and club gatherings, providing an enjoyable, secure environment with direct access to the vehicle parking area.

7.5 Aerodrome Maintenance Hangar and Municipality Vehicle Garage

An aerodrome maintenance hangar will be essential to support on-site maintenance of both aerodrome infrastructure and vehicles operated by the Municipality of Swakopmund. This facility will enhance the aerodrome's operational capabilities, ensuring that all critical maintenance and municipal functions are efficiently conducted on-site.

Maintenance Hangar and Vehicle Garage Spatial Requirements

1. **Aircraft Maintenance Hangar Area**
   - **Area:** 400-500 square meters
   - Provides sufficient space for routine aircraft maintenance and storage of aerodrome maintenance tools and equipment. The hangar should allow for easy access to aircraft and large equipment, with provisions for power, water, and air supply to support maintenance operations.
   - **Ceiling Height:** Minimum 6 meters to accommodate aircraft and maintenance equipment.
2. **Garage for Municipal Vehicles**
   - **Space Requirements for 5 Vehicle Bays:** 150-200 square meters (each bay approximately 6 meters x 5 meters)
   - Designed to house municipal vehicles necessary for aerodrome and municipal operations. Includes space for various vehicle types such as maintenance trucks, utility vehicles, and transport vans.
   - **Additional Features:** Overhead doors for each bay, with minimum width and height clearances of 4 meters for easy vehicle access. Includes ventilation and drainage systems suited to a maintenance environment.
3. **Workshop Area**
   - **Area:** 40-60 square meters
   - Dedicated space for minor repairs and maintenance of aerodrome infrastructure, vehicles, and equipment. Includes workbenches, tool storage, and an area for minor mechanical and electrical work.
4. **Parts and Equipment Storage**
   - **Area:** 30-40 square meters
   - Storage for spare parts, tools, and maintenance equipment required for both aerodrome and municipal vehicle upkeep. This area should be organized with shelving and secure storage cabinets.

5. **Staff Facilities**
    - **Locker and Changing Rooms:** 20-25 square meters
        - Equipped with lockers and benches for maintenance staff to store personal belongings and change into work attire.
    - **Restroom and Shower Facilities:** 15-20 square meters
        - Provides restrooms and showers to ensure hygiene and convenience for maintenance personnel working long shifts.
6. **Administrative Office Area**
    - **Area:** 15-20 square meters
    - Office space for maintenance supervisors and administrative tasks. Equipped with desks, filing cabinets, and a computer workstation for managing maintenance schedules, records, and parts inventory.

Additional Considerations for Maintenance Hangar and Vehicle Garage:

- **Safety and Compliance:** The hangar and garages should comply with safety standards, including fire suppression systems and emergency exits.
- **Heating, Ventilation, and Lighting:** Ensure adequate ventilation, heating, and natural or artificial lighting to maintain safe and comfortable working conditions.
- **Accessibility for Maintenance Vehicles:** Ensure access routes are clear and unobstructed for municipal vehicles.

7.6 Runway/taxiway/apron/ internal roads/ Parking Area

The proposed runway is designed to accommodate small aircraft as listed within table 4, with expected landings between 400 and 600 per month. Runway specifications are listed below

7.6.1 Runway Specifications

- **Runway Length**: 1,200 meters
- **Runway Width**: 23 meters
- **Runway Surface**: Asphalt pavement, designed for light aircraft with moderate usage.
- **Expected Load**: Primarily small aircraft with occasional medium-size aircraft.

7.6.2 Construction Layers

The flexible pavement design incorporates the following layers to ensure sufficient load-bearing capacity and durability:

- **Earthworks:** Due to the topography, the earthworks will include filling, grading and preparing subgrade for certain sections of the runway.
- **Sub-base**: 300 mm thick layer of processed material from commercial source (rockfill material).
- **Base Course**: 200 mm thick layer of well-graded aggregate from commercial source (G6 material).
- **Asphalt Surface**: A 100mm thick asphalt base layer designed to withstand the expected aircraft loading.

7.7 CAPEX Estimation

7.7.1 Runway

The capital expenditure (CAPEX) for the runway construction is estimated based on construction layer works specified. The approximate cost for constructing the **1,200m x 23m runway is around 69.5 million Namibian dollars.**

Table 5: Runway construction costs

Component	Cost (NAD)
Earthworks	11,988,600.00
Sub-Base Course	7,452,000.00
Base Course	1,800,800.00
Asphalt Surface/binder	42,804,600.00
Runway Markings	5,520,000.00
Total Estimated Cost	**69,466,000.00**

7.7.2 Taxiways

The taxiway construction, initially based on the layout us 25 724m², is expected to cost approximately **35.6 million Namibian dollars**.

Table 6: Taxiway construction costs

Component	Cost (NAD)
Earthworks (Grading and Compaction)	367,216.09
Subgrade Course (150mm G7 Material)	966,358.13
Sub-Base Course (150mm Rockfill material)	3,478,889.25
Base Course (150mm G6 material)	1,120,975.43
Asphalt Surface/binder	24,540,391.10
Taxiway Markings	5,153,910.00
Total Estimated Cost	**35,627,740.00**

7.7.3 Apron

The apron construction, initially estimated based on the layout is 91 720 square meters, is expected to cost approximately **47.7 million Namibian dollars**.

Table 7: Apron construction costs

Component	Cost (NAD)
Excavations	11,730,943.22
Earthworks (Grading and Compaction)	5,221,419.83
Selected Subgrade (150mm G7 material)	3,450,227
Sub-Base Course (150mm Rockfill material)	12,420,998.71
Base Course (150mm G3 material)	11,730,943.22
Segmented paving (80mm interlocks)	2,224,110.85
Markings	915,706.76
Total Estimated Cost	**47,694,400.00**

7.7.4 Internal hangar roads

The internal hangar roads construction, initially estimated based on the layout is 14.757 square meters, is expected to cost approximately **7. 7 million Namibian dollars**.

Table 8:Internal hangar road construction costs

Component	Cost (NAD)
Excavations	1,887,413.10
Earthworks (Grading and Compaction)	840,083.87
Selected Subgrade (150mm G7 material)	555,122
Sub-Base Course (150mm Rockfill material)	1,998,437.40
Base Course (150mm G3 material)	1,887,413.10
Segmented paving (80mm interlocks)	357,841.30
Markings	147,329.75
Total Estimated Cost	**7,673,640.00**

7.7.5 Parking area

The parking area construction, initially estimated based on the layout is 5,178 square meters, is expected to cost approximately **2.1 million Namibian dollars.**

Table 9: Parking area construction costs

Component	Cost (NAD)
Excavations	509,433.59
Earthworks (Grading and Compaction)	226,747.89
Selected Subgrade (150mm G7 material)	149,833
Sub-Base Course (150mm Rockfill material)	539,400.28
Base Course (150mm G3 material)	509,433.59
Segmented paving (80mm interlocks)	96,585.31
Markings	39,765.92
Total Estimated Cost	**2,071,200.00**

7.7.6 Cost Exclusions for structural and civil

In this feasibility study, certain structural and civil components have been excluded based on the location of the existing aerodrome and the availability of municipal bulk services in the area. The following considerations were made:

- **Site Soil Conditions**:
  It is assumed that the site consists of firm granular material underlain by hard rock, a common condition in the vicinity of the aerodrome. Based on this assumption, no additional allowances have been included for foundation improvements or associated costs. However, these conditions should be confirmed through detailed geotechnical studies during the design stage.
- **Bulk Services**:
  As the site is within a municipal area, connections to existing municipal services for sewer, potable water, and fire water are available. The feasibility assumes that these municipal services have adequate capacity, and no special provisions have been made for upgrades or additions to the bulk services. The costs associated with sewer and water supply are included within the overall costs for building and site works.

These exclusions allow for a more streamlined cost estimation at this feasibility stage, with any necessary adjustments to be made following further investigations and during the detailed design phase.

7.8 Mechanical

7.8.1 Proposed fire protection measures

The following equipment and systems are envisaged for the proposed development. A dedicated fire water ring serving the main buildings, hangars, run ways and fuel storage are planned for the proposed aerodrome. Fire hydrants (FH) shall be provided on the site strategically placed to cover the runway and critical infrastructure.

The minimum ICAO requirement for the runway protection is:

- Fire station equipped with a minimum of 1 fire truck which can reach the most remote portion of a runway in 2 minutes. The Fire trucks to be equipped with foam cannon with minimum application of 2,175 litre / min. Fire water ring to be available to feed the fire truck(s) with water.
- A reserve supply of firefighting foam equivalent to 100% shall be maintained at the fire station.

Hangars will be developed by private owners. It is essential that the hangars be developed in conformance with SANS10400-T and related references

Terminal Building

The planned terminal building is expected to be less than 2,500m² in floor area, hence we do not foresee the requirement for a fire sprinkler system. As minimum 3 fire hydrants to be provided (on the basis of 1 FH for every 1000m²). Provision of 5 fire hose reels to be made (on the basis of 1 FHR for every 500m²) and 22 4.5 kg DCP fire extinguishers (on basis of 1 per 100m²). To supplement the fire protection a automatic fire alarm and detection system will be provided. A Mechanical smoke ventilation system is planned to protect against inhalation risk for escapees during evacuation and for fire fighters.

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Water supply to the site will be from a metered off take from the existing municipal line. A dedicated fire water storage tank is planned to ensure reliable supply. A minimum storage volume off 144 m³ is recommended for firefighting purposes. A dedicated fire pump station is recommend including a duty electrical pump and standby diesel l driven. The capacity of each pump shall be sufficient to feed the two most remote fire hydrants.

7.9 Fuel Storage

The existing fuel storage consists of following infrastructure

- Avgas 71 m³ containerised above ground
- Underground Avgas storage that is not in operation
- Jet-A1 23 m³ above ground fuel storage within a brick wall shelter

The fuel infrastructure is based on a rental agreement with Southern Energy. No costing provision is allowed for relocation and upgrading of the fuel infrastructure. Subject to increase in air traffic, the provision fuel storage provision to be expanded accordingly.

The fuel storage will be subject to the licensing requirements of the Ministry of Mines & Energy. The fuel installations shall conform to the requirements of SANS 10189-1 and ICAO.

The minimum recommended separation distance from other buildings and related infrastructure is 15 metres to reduce risks in case of fire or explosion. Storage tanks should be spaced with a minimum separation distance of 1 metre. All fuel storage tanks should have containment structures or bunds to contain possible spills and prevent fuel spillage. The fuel farm to be equipped with a fuel separator to allow the disposal of combustible or flammable liquids into a safe containment structure.

Aircraft fueling ramps shall be located minimum 15m away from the fuel farm. The fueling area to be sloped away from terminal buildings and other critical infrastructure at minimum 1:100 slope.

7.10 Electrical

7.10.1 Technical assumptions

The standard electrical vault contains the constant current regulators for the airfield lighting as well as the emergency power supply equipment. The constant current regulators are housed in a separate room from the generator and UPS within the electrical vault. According to ICAO standards, the electrical vault is to be located as close as possible to the control tower, to reduce the voltage drop across the control cables. Other requirements include, ventilation, access control, drainage and access to the for maintenance.

Several different configurations of the electrical equipment are recommended in which the constant current regulators and the emergency power supply equipment are housed in a separate vault connected by a feeder cable. This is done to better isolate the vault from other buildings and facilities to prevent the spread of fire and infringement on obstacle limitation surfaces.

The lighting circuits are installed using interleaved circuits, as a safety measure. Each circuit should extend throughout the entire runway and is arranged such that a balanced symmetrical lighting patterns remains in the event of failure of one or more circuits. Interleaving requires each circuit to be supplied by a dedicated constant current regulator and a spare constant current regulator should be available to be placed in operation within minimum time. The electrical buses are installed with automatic tie breakers for use in the event of failure.

All external and internal electrical services infrastructure, building procedures, installation procedures and quality assurance that will be utilized on this project will have to comply with the relevant SANS specifications, normal construction and building regulations, relevant human rights standards, international best practices as well as NAMCARs.

In general, all material, equipment and work shall at least conform to the requirements of the below-mentioned standards, regulations and codes of practice etc.:

A. The South African Bureau of Standards (SABS) standard specifications, codes of practice or methods as applicable, including CKS specifications prepared by the SABS on behalf of the Central Standardization Committee.

B. If applicable SABS specifications do not exist, the appropriate International Standards Organization (ISO), International Electrotechnical Commission (IEC), Deutsche Industry Norm (DIN), British Standards (BS) or equivalent standard.

C. The entire installation shall comply with the relevant parts of the Machinery, Occupational & Safety Act of 1983, as amended. In the above regulations, the word "Subcontractor" shall be read in lieu of the word "user" appearing in the act, whenever applicable

D. The requirements and by-laws of the Local or Governing Authority in the area where the project is undertaken, which include statutory regulations pertaining to machinery and electrical installations and equipment.

The following electrical infrastructure and equipment were identified for this project:

- Site bulk electrical supply with standby generator installation
- Building internal electrical reticulation with earthing and lightning protection systems
- Lighting installations interior and exterior; site and perimeter fence
- Telecom and structured Data/Local Area Network (LAN) communications
- Electronic Fire Detection systems
- Closed Circuit Television (CCTV) Surveillance systems
- Access Control with integrated Security Alarm systems
- Site perimeter fence security alarm monitoring and motorized access gate
- Audio and Visual installations for meeting, presentation and discussion rooms

7.10.2 Bulk electrical supply

The total electrical load requirement upon completion of the entire new renovations and expansion is estimated to be not more than 205 kVA. This is based on the total infrastructure currently envisioned for the development and a more accurate approximation will be determined during detailed design when all the mechanical equipment is known. A network contribution fee based on the expected maximum demand will have to be paid to the Erongo Regional Electricity Supply Authority (ErongoRED) to avail the required power to the end user.

The current bulk supply is from Water Tower substation, supplying both private Hangars and Aerodrome,

A dedicated Substation will be required for the aerodrome, tying into the 120mm^2 XPLE underground medium voltage as indicated above. The existing and new hangars may remain on the Water Tower substation.

7.10.3 Standby generator

A standby diesel generator set will be sized to provide and meet the critical demand loads, such as kitchen, cold rooms the security systems, lighting and other consumers with high priority in case of power outages from the utility grid. Generator start-up will be provided with an Automatic Transfer Switch (ATS), which will ensure automatic start-up within 60 seconds upon power failure. It is estimated that a 200 kVA standby generator will be required for the essential load requirements; because of the use of heat pump, solar geyser and LED lighting technology; which contribute to lowering electricity demand from the mains power supply.

7.10.4 Building internal electrical reticulation

The electrical supply and main distribution to each building for a 3-Phase supply will be 400Vac, 50Hz and single-phase supply voltage will be 230Vac, 50Hz.

The low voltage reticulation to each building's sub-main distribution board/panel will be done by means of underground feeder cable types for low voltage distribution networks of insulation voltages up to 600/1000VAC, polyvinyl chloride (PVC)/steel wire armoured (SWA)/PVC/PVC insulated cable, SABS approved. The cable topology will typically be a 2-core (single phase) or 4-core (three phase) with a bare copper earth wire sized accordingly to the power requirements and permissible voltage drop to the individual buildings. Demarcated concrete markers will be placed where cables cross a road and are re-routed with an inscribed metal plate to indicate the change in direction.

The earthing systems will be designed according to well established principles and will consist of earthing copper electrodes embedded under concrete foundations of the buildings and in the soil foundations of elevated steel tanks with connections to installed equipment. The earthing electrodes will be designed to provide a common equipotential reference for the installed equipment in all areas and will have sufficient dimensions to reduce voltage transients from possible earth fault at any equipment to an acceptable low level. It will be a common connection point for both equipment earthing and lightning protection.

Lightning protection systems will be installed on all buildings and elevated steel tanks to provide protection of the structures against the effects of lightning surges/strikes complete with lightning rods, earthing wire, test joints and earth rods including all related accessories. Installation in accordance with SANS 10313, SANS 10199, SANS/IEC 62305 and other related standards includes SANS 1063, SANS 10225 and SANS 10142.

7.10.5 Lighting

The Normal lighting shall be design to the following criteria:

Exterior lighting:	
Areas with common staff traffic	50 lux
Loading and unloading areas	300 lux
Pumping compound	100 lux
Other areas	50 lux
Interior lighting:	
Offices, control rooms, switchgear rooms	500 lux
Storage rooms, corridors, etc.	100 lux
Equipment rooms	300 lux
Workshops, pump room, etc.	300 lux

The 'Emergency lighting' shall be design to the following criteria:

- The illumination requirements for the emergency lighting shall be at least 20 lux all over the related areas. Minimum requirement is one fitting in each room.
- Exit lights shall be design to the following criteria:
    - Exit lights installed above doors, staircases, fire escape routes etc. During blackouts these shall be powered from their internal batteries for minimum of 30 minutes.

7.10.6 Bulk communications network

Bulk communications to the site will be provided via existing 12core fibre optic Line. The internal installation will be distributed within the site through a network of manholes, jointing pits and sleeves.

The Swakopmund Aerodrome will have a Private Automatic Branch Exchange (PABX) system installed. This system allows for the use of a single incoming Telecom line, which will then be branched to different offices and buildings. Each telephone connected to the PABX will also have its own extension number for direct dialing access from outside or internally and does not need to go through the switchboard.

7.11 Electronic Security Installations

7.11.1 Closed Circuit Television (CCTV)

The CCTV surveillance monitoring system envisioned for outdoor installations shall comprise of infrared cameras for day and night vision capabilities of at-least up to 30m range and positioned at strategic locations such as the entrance gates and other exits, high security risk areas, passages, the runway, the air traffic control tower, the hangers, refuse removal area and along the perimeter fence boundaries.

Camera positions within buildings are to be placed at reception and check-in, gate/terminal waiting area, restaurant/retail areas, server and air traffic control rooms. The camera positions around the outside of each building shall be at each corner of the building and each access door as well as at security risk areas.

The digital network video recording devices shall be located in a secure location with controlled access and the entire system shall be integrated with the access control and intrusion detection systems.

7.11.2 Integrated Access Control and Intrusion alarm

The integrated, multi-zone Intrusion detection and proximity access control system shall be provided to a significant part of the infrastructure to be erected except for the guardhouse, watchtowers, new cell block and existing prison building which are not to be equipped with intrusion alarm systems. All intrusion alarm systems is to be fully equipped with standard audible and visual alarms.

It should be noted however that the level of security will vary from building to building. For example, the terminal building will comprise of a full access control and Intrusion installation, whereas general areas such as the hangers, storage, maintenance and etc., will have minimal access control to allow for a more freely movement of personnel when occupying these buildings. Only areas to be secured and restricted for access shall be equipped with an access control system.

The perimeter boundary fence is to be fitted with a security intrusion alarm detection system by means of monitoring the complete perimeter fence in 40m to 50m zones. This monitoring and intrusion alarm detection shall be done by means of a taut wire installation. The complete length of perimeter boundary is measured at about 5,000 metres.

7.12 Electronic Fire Detection Installations

7.12.1 Analoque addressable fire detection system

Fire detection systems will be installed in all the buildings except for the security check points. As per SANS 10400:2011 Building Regulations, these buildings are not required to have a fire detection system.
A central control panel will be connected to field devices such as fire detection device sensors, monitoring and control devices and annunciation devices located throughout the protected areas.

The control panel shall continuously monitor the status of all sensing devices and initiate action when a fire or smoke condition is present. The control panel with the access control system will release relevant doors when there is a fire alarm present.

7.12.2 Aspiration smoke detection system

The Aspiration Smoke Detection (ASD) systems will be installed in all high-volume areas; maintenance/workshops, large storage space areas and hangers. The installations will comply with the SANS 10139 and SANS 10400:2011 Building Regulations, applicable to where these buildings are required to have a fire detection system.

7.13 Summary CAPEX – Electrical

The three tables below summarise the capital expenditure estimates for the new aerodrome.

Table 10: Total Electrical and Electronic

Total Electrical and Electronic Installation	
Facility/Building	**Estimated Cost (NAD)**
Electrical installation	18,785,000
Security: CCTV, Access Control	5,890,000
Fire detection installation	1,015,000
Data & Telecoms installation	830,000
Bulk supply installation	4,350,000
Standby generators (2 off)	3,250,000
Public address (Terminal)	635,000
175kWp solar installation	2,190,000
Preliminaries and General	3,694,500
10% contingencies	4,0063,950
Total Estimated Cost	**44,705,000**

Table 11: HVAC installation

HVAC Installation	
Facility/Building	**Estimated Cost (NAD)**
Terminal HVAC installation	5,400,000
Terminal smoke ventilation	840,000
ATC HVAC	200,000
Preliminaries and General	483,000
10% contingencies	692,300
Total Estimated Cost	**7,620,000**

Table 12: Fire protection

Fire protection	
	Estimated Cost (NAD)
Dedicated fire protection	2,000,000
Dedicated water storage	850,000
Provision of portable foam	80,,000
Allowance for fire emergency	2,500,000
Preliminaries and General	407,250
10% contingencies	583,725
Total Estimated Cost	**6,525,000**

7.14 Other costs

The following other costs have been included in the capital expenditure estimates for the new aerodrome, but not amortised:

- Environmental assessments: NAD 650,000
- Utilities and Support infrastructure: NAD 4,300,000
- Regulatory compliance/Municipal fees: NAD 1,600,000

7.15 Equipment assets

Indicative costs for equipment have been included, as "order of magnitude" estimates. These figures will need verification once key decisions regarding the airside infrastructure have been made.

The included figures are:

- RFFS vehicles: NAD 1,800,000
- Other vehicles: NAD 1,800,000
- X-ray machines/other security devices: NAD 5,400,000
- VOR/DME navigation equipment: NAD 27,000,000

7.16 Air Traffic Control (ATC) facilities

It is assumed that the NCAA will require some form of air traffic control at the new aerodrome. Discussions with the regulator, and an assessment of options will be required as part of the full design review.

For the purposes of this feasibility study, it is assumed that a control tower will be constructed, manned by the ANSP for Namibia, and containing appropriate communications and meteorological equipment to provide an Aerodrome Flight Information Service (AFIS). This acts as local control at the aerodrome, and is to a higher standard than the current Traffic Information Broadcasts by Aircraft (TIBA) arrangement in place at Swakopmund.

7.17 Navigation aids

An initial provision for navigation aids has been included in the feasibility study, pending discussions with the Municipality, the regulator and aircraft operators. Options for consideration include:

- RNP APCH: a satellite-based system, potentially allowing approaches to as low as 300' and in place at Luderitz, Ondangwa and Orangemund, amongst others
- VOR/DME: a ground-based navigation aid with similar approach decision height capability. These systems are in place at Luderitz, Grootfontein, Keetsanshop and Ondangwa. Typical costs for acquisition and installation are in the order of NAD 27,000,000, which have been included as current aircraft operators at the aerodrome will be suitably equipped
- ILS: a precision approach aid, in use at Windhoek Hosea Kutako airport. Higher costs, capable of decision heights down to 200', but requiring other facilities such as approach and runway lighting

7.18 CAPEX summary costs

The table below summarises the capital expenditure requirements for the aerodrome, differentiated by physical assets, such as the paved areas, and equipment assets. These are depreciated over 15 years (physical assets) and 10 years (equipment assets) for the purpose of this feasibility study. Non-physical or non-equipment assets are not amortised, but assumed to be treated as one-off expenses.

Table 13: CAPEX summary

A: MAIN BUILDING			
BUILDING WORK	**NAD**	**Dep'n rate**	**NAD**
Runway	69,466,000	0.067	4,654,222
Taxiway	35,628,000	0.067	2,387,076
Apron	47,694,000	0.067	3,195,498
Parking area	2,071,000	0.067	138,757
External roads	2,756,000	0.067	184,652
Internal hangar roads	7,674,000	0.067	514,158
Old terminal converted to clubhouse	1,040,000	0.067	69,680
New terminal building	25,368,000	0.067	1,699,656
RFFS and ATC building	4,800,000	0.067	321,600
ATC tower and equipment	27,000,000	0.067	1,809,000
Garages and stores	4,200,000	0.067	281,400
Security check points	500,000	0.067	33,500
Fencing	3,120,000	0.067	209,040
Garden works	800,000	0.067	53,600
Total	**232,117,000**		**15,551,839**
SPECIALIST SUB-CONTRACTORS	**NAD**		**NAD**
Bulk electrical supply installation	4,350,000	0.1	435,000
Data and Telecoms installation	830,000	0.1	83,000
Dedicated fire protection installation	2,000,000	0.1	200,000
Dedicated water storage installation	850,000	0.1	85,000
Electrical installation	18,785,000	0.1	1,878,500
Fire detection installation	2,500,000	0.1	250,000
Fire emergency installation	1,015,000	0.1	101,500
HVAC installation	5,600,000	0.1	560,000
Portable foam installation	80,000	0.1	8,000
Public address	835,000	0.1	83,500
Security, CCTV, Access Control installation	5,890,000	0.1	589,000
Smoke ventilation installation	840,000	0.1	84,000
Standby generators (2)	3,250,000	0.1	325,000
175kWp Solar installation	2,190,000	0.1	219,000
Project management	2,441,000		
Total	**51,256,000**		**4,881,500**

OTHER COSTS	NAD		NAD
Utilities and support infrastructure	4,300,000	0.1	430,000
Sub-total A	**287,673,000**		
Preliminaries - 10%	28,767,300	0.1	2,876,730
Sub-total B	**316,440,300**		
Contingency design development - 7.5%	23,733,023		
TOTAL BUILDING RELATED COSTS (ESTIMATED CURRENT DAY)	**340,173,323**		
ESCALATION			
Pre-contract (1%)	3,401,733	0.1	340,173
Post-contract (2%)	6,871,501	0.1	687,150
TOTAL BUILDING RELATED COSTS AT COMPLETION (CURRENT DAY COSTS)	**350,446,557**		**24,767,392**
B: OTHER COSTS	**NAD**		
Environmental assessments	650,000		
Regulatory compliance	1,100,000		
Municipal plan approval fees	500,000		
Total	**2,250,000**		
C: PROFESSIONAL FEES	**NAD**		
Architect fees	18,709,533		
Quantity surveyor fees	12,756,500		
Civil/structural engineer fees	11,906,066		
Electrical engineer fees	7,653,900		
Mechanical engineer fees	8,803,466		
Runway specialist fees	5,102,600		
Land surveyor fees	1,700,867		
Total	**64,632,931**		
D: EQUIPMENT COSTS	**NAD**		**NAD**
RFFS vehicles	1,800,000	0.1	180,000
Other vehicles	1,800,000	0.1	180,000
X-Ray machines	5,400,000	0.1	540,000
VOR/DME navigation aid	27,000,000	0.1	2,700,000
Total	**36,000,000**		**3,600,000**
TOTALS	**443,056,254**		**28,367,392**

8.0 OPEX estimates

The operating expense figures used in this feasibility study are "order of magnitude" estimates that will be further refined during detailed design. The basis of the figures used is summarised in the relevant table below

8.1 Non-staff OPEX figures

The table below summarises the non-staff figures used as part of the calculation of operating profit.

The data have been calculated using the following:

- Municipality supplied data for the existing site
- Consultant estimates, based on experience of similarly sized aerodromes, albeit in different regulatory jurisdictions. The specific example used is for an aerodrome with nearly identical runway length, ownership structure and revenue streams. Any relevant comments are shown in the right-hand column

Table 14: OPEX estimates

Operating cost elements	Municipality supplied data - NAD	Consultant estimates - NAD	Comments
Maintenance – structures	350,000	2,876,730	1% of direct physical asset cost
Maintenance – equipment		1,800,000	5% of equipment CAPEX
Maintenance – Navaids/ATC			Assume NCAA or ANSP cost
Insurance *	493,600	700,000	Typical costs for similar aerodrome
Training	200,000	378,000	21 staff at average 18,000 per year
Electricals			Assumed paid by Municipality
Water			Assumed paid by Municipality
Communications	16,306	16,000	Current budget
Fuel	12,860	25,000	Double current budget for new vehicles
Licensing		330,000	Indicate costs for NCAA, software, fuel, others
Other	40,000		
Total	1,112,700	6,125,730	

(*) Insurance costs cover Airside liability, Employers liability, vehicles, Professional Indemnity, typical broker fees. It is assumed that the physical assets are self-insured by the Municipality. In the event that this is not the case, the figure may increase.

8.2 Staffing resources

Staffing costs will require refinement. The table below summarises staffing figures supplied by the Municipality and estimates by the consultant.

The figures are based on the following assumptions:

i. The information provided by the Municipality that Air Traffic Control staff and ATC equipment maintenance will be provided, at no cost from the NCAA/ANSP is valid
ii. The aerodrome is to be open as per the existing AIP data: 05:00 – 17:00 seven days a week throughout the year
iii. A Task & Resource Analysis (TRA) will be conducted on the requirements for fire fighting personnel, and that those staff members will not be permitted to carry out any functions during the period of airport operations
iv. Security staff and equipment for the refuelling contractor will be supplied directly, at no cost to the aerodrome

A review of human resource requirements indicates that for a fourteen hour operating day (minimum one hour either side of the period when the airport is open for business) a total of 2.4 full time equivalent staff members are required for most positions, other than the most senior.

It is further assumed that security will be provided on a 24-hour basis to comply with relevant regulations. Finally, it is assumed that some degree of multi-tasking will be permitted by all stakeholders – regulator, employer, staff councils/unions.

Table 15: Staffing estimates

Roles	Municipality supplied data	Consultant estimates	Comments
Aerodrome/Airport Manager	1	1	Fills role of Accountable Manager
Chief Safety Officer	1	1	Deputy to Aerodrome Manager
Security Manager	1	1	
Chief Fire Officer	1	1	
Safety officers	2	3	
Security officers	4	4	
Fire crew	TBD	4	
Aerodrome/Apron officers	3		Included in safety office count
Finance officer	1	1	
Maintenance staff - general	2	2	
Maintenance staff - electrical	1	1	
Maintenance staff – ATC/Navaids			Assume paid by NCAA/ANSP
ATC controllers			Assume paid by NCAA/ANSP
HR			
Administrative staff		2	
Totals	**17**	**21***	

(*) Minimum number, to be assessed following confirmation of roles

The table below summarises annual staff costs, based on consultant estimates above, using average salary levels for different seniority levels and estimated figures for social costs, housing, training, bonuses and others.

Table 16: Staff salaries estimate

Staff level (Numbers)	Annual salary + benefits range (NAD)	Annual salary estimates (NAD)
Management level (4)	300,000 – 360,000	1,512,000
Other staff (17)	200,000 – 260,000	4,668,000
Totals (21)		**6,180,000**

8.3 Licensing requirements;

A certified aerodrome requires a minimum number of experienced an qualified staff in key roles. These include:

- Senior management, covering overall responsibility (the Accountable Manager); Head of Security; Head of Safety & Compliance: Head of the Rescue and Fire-Fighting Service
- Regulated staff covering security and rescue & fire-fighting
- ATC related staff, provided by the NCAA/ANSP

These staff members need to be recruited, trained and tested in their roles. They are also responsible for the drafting and maintenance of compliant manuals, as outlined previously.

9.0 Outline financial output

The aerodrome operating costs, estimated above, and depreciation of the specific capital requirements have been set against the revenue figures provided by the Municipality for the existing operation.

9.1 Revenues

Revenues included in this outline financial output include:

- Landing fees (July 2023 through June 2024 figures have been used)
- Hangarage fees, as supplied. These are assumed to be gross figures with the Municipality responsible for property costs, maintenance and insurance, included in the estimated operating costs as referred to above
- Passenger fees and taxes. It is not clear if these sums are collected on behalf of the Government, for remittance to the relevant Ministry. As such, these are shown as an option in a separate column as part of this summary

9.1.1 Aircraft and passenger movement revenue

The table below summarises the aircraft and passenger movements for July 2023 through June 2024, as supplied by the Municipality.

Table 17: Aircraft and passenger movements

Month	Aircraft movements (rounded)	ATM revenue (excluding VAT) - NAD	Passengers	Passenger revenue (excluding VAT) - NAD
July 2023	500	62,876	606	46,334
August 2023	450	58,974	438	38,483
September 2023	500	62,644	599	48,851
October 2023	470	57,804	526	47,900
November 2023	570	68,438	809	66,854
December 2023	600	80,528	378	36,119
January 2024	560	73,339	446	40,631
February 2024	420	52,452	478	47,126
March 2024	520	66,657	557	49,707
April 2024	550	72,931	752	73,603
May 2024	640	87,751	1,031	94,085
June 2024	520	73,988	762	69,689
Total numbers	**6,300**		**7,380**	
Average per day	**17**		**20**	
Total revenues		**NAD 818,382**		**NAD 659,362**

9.1.2 Hangar rentals

The Municipality has provided gross income figures from the hangars as NAD1,380,000 per year, based on N$100 per square metre per year. The equivalent figures for other aerodromes is presented below.

Table 18: Comparable hangar rental figures

Swakopmund	100.00 / m²
FAKT Airfield	40.00 / m²
Wonderboom	30.00 / m²
Eagles creek	45.00 / m²
Eros	150.00 / m²

9.1.3 Administration income

The Municipality has proved income figures for administration of NAD87,600 per year.

9.2 Outline financial figures

The table below summarises the financial analysis for the aerodrome based on Municipality supplied figures for revenue and consultant estimated costs. The table highlights different scenarios:

- Revenues with and without passenger taxes, as explained above
- Operating profits – Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)
- Pre-tax profits – Earnings Before Interest and Tax (EBIT), using consultant estimated levels of depreciation of the new CAPEX
- No VAT is included in any revenue or cost figures – assumed payable or recoverable from the Government in each instance

Table 19: Financial outputs

Financial element	Passenger taxes excluded - NAD	Passenger taxes included - NAD
Revenues		
Aircraft movements	818,382	818,382
Passenger taxes		659,362
Hangar rental	1,380,000	1,380,000
Administration fees	87,600	87,600
Total revenues	**2,285,982**	**2,945,344**
Costs		
Staff costs	6,180,000	6,180,000
Maintenance	4,676,730	4,676,730
Insurances	700,000	700,000
Equipment costs	25,000	25,000
Licences	330,000	330,000
Training	378,000	378,000
Other	16,000	16,000
Total OPEX costs	**12,305,730**	**12,305,730**
Operating profit (EBITDA)	**(10,019,748)**	**(9,360,386)**
Depreciation – Physical assets	24,767,392	24,767,392
Depreciation – Equipment assets	3,600,000	3,600,000
Total depreciation	**28,367,392**	**28,367,392**
Pre-tax profit (EBIT)	**(38,387,140)**	**(37,727,778)**

No estimate for interest or any other capital raising related costs have been estimated. No allowance for amortisation of non-physical assets – building or equipment – has been included.

9.3 Potential revenue enhancements

As indicated above, the current revenue streams are insufficient to cover the estimated operating expenses of the upgraded aerodrome, excluding CAPEX depreciation and amortisation.

The following sources of potential revenue increases have been identified, and the financial impact assessed.

9.3.1 Increased aircraft movements

The aerodrome is capable of handling an increased number of aircraft movements within the current operating hours. Engagement with existing and potential stakeholders would be required to assess this potential in a professional manner. Any increases in movements could emerge from a number of sources including:

- More aerial safari operations
- More aircraft movements tied to changes in the economic environment at Swakopmund, as the Municipality develops
- The development of third-party maintenance activities at the aerodrome

9.3.2 Increased opening hours

Extending the operating hours at the airport may positively impact on the number of aircraft that operate at the aerodrome. There would, however, be additional costs associated with this option. These would include:

- Increased staff costs to cover the extended duty time. Some staff could be offered overtime, but many categories of staff, such as the Rescue and Firefighting teams, will have their hours regulated, removing this possibility
- If the aerodrome was operating during the hours of darkness, approach and runway lighting is likely to be required. This has not been included in the CAPEX estimates, but would require a capital investment of between NAD 8 and NAD 12 million, based on experience of similar aerodromes in different jurisdictions. This is based on runway edge lighting, taxiway edge lighting, threshold lights, Precision Approach Path Indicator (PAPI) lights and simplified approach lighting (requiring land outside the aerodrome boundary for installation, security and maintenance)

9.3.3 Increased charges

It is understood that the Municipality is free to set its own aeronautical charges – landing and parking primarily. Subject to not acting as a disincentive to aircraft operators flying to Swakopmund, this could increase revenues.

9.3.4 Alternative sources

The aerodrome may be a catalyst for private sector investment which could be a source of revenue. Some examples include:

- Higher rents on the existing hangars, subject to a review of current agreements
- Additional hangars, if demand exists beyond those in place
- Third-party services such as aircraft maintenance
- Businesses for whom access to an aerodrome adds value, noting that this should not just substitute for investment elsewhere within the Municipality

The potential increases in revenue identified above can be summarised as:

i. Increased movements: NAD 160,000 – NAD 300,000 (20% - 40% increase)
ii. Increased opening hours: included in the figure above, offset by additional OPEX and CAPEX costs
iii. Increased charges: NAD 160,000 – NAD 300,000 (20% - 40% increase)
iv. Others: NAD 1,500,000 (doubling of current hangar rents through higher charges and/or additional leases)

10.0 Swakopmund Aerodrome Development Phasing Plan

10.1 Introduction

The phased development of the Swakopmund Aerodrome aims to enhance infrastructure while ensuring minimal disruption to ongoing operations. This document outlines the key considerations, logistics, and required allowances to achieve compliance with aviation regulations and municipal procedural requirements.

10.2 Key Considerations & Allowances

10.2.1 Design of Specialist Equipment

An allowance must be made for the design and installation of specialist equipment, particularly Air Traffic Control (ATC) facilities. This includes the control tower design and communication systems, navigational aids, and meteorological equipment. The integration of these elements needs to comply with aviation safety standards and regulatory requirements.

10.2.2 Procurement of Equipment

Procurement must adhere to municipal regulations governing the acquisition of assets for publicly owned entities. The process will involve:

- Identification of essential equipment for aerodrome operations (ATC systems, firefighting vehicles, runway lighting, etc.)
- Compliance with tendering procedures and procurement laws.
- Engagement with suppliers for competitive bidding and contract negotiations.
- Ensuring timely delivery and installation of critical equipment before operational deadlines.

10.2.3 Recruitment and Training of Staff

A structured approach is required to recruit and train personnel in preparation for operational readiness. This includes:

- Hiring Accountable Personnel under the NCAA regulations, air traffic controllers (unless a State responsibility), ground operations staff, firefighters, and administrative personnel.
- Training programs aligned with national and international aviation standards.
- Collaborations with aviation training institutions and regulatory authorities.
- Development of on-the-job training schedules and continuous competency assessments.

10.2.4 Drafting of Manuals & Certification Submission

Comprehensive manuals must be drafted to support the application for aerodrome certification with the Namibia Civil Aviation Authority (NCAA). These include:

- The Aerodrome Manual.
- Standard Operating Procedures (SOPs) for ground and airside operations, including wildlife hazard management.
- Safety management manuals.
- Emergency response plans.
- Aerodrome maintenance and security protocols.

10.2.5 Operational Readiness & Compliance with NAM CARs

To ensure full compliance with NAM CARs (Namibian Civil Aviation Regulations), an operational readiness program must be conducted. This includes:

- Simulation exercises for ATC and ground operations.
- Safety and security drills.
- Compliance audits and performance assessments.
- Implementation of corrective measures prior to final certification.

10.3 Phased Development Approach

10.3.1 Phase 1: Runway, Taxiways & Apron (Priority)

i. The runway will be the absolute priority to enable aircraft operations as early as possible. **The Runway will be closed for 9 months as indicated in figure 11 below. During this time there will be no aircraft movement at the aerodrome.**
ii. The fuelling station will be relocated in the first phase to clear space near the current terminal building, ensuring aircraft movement remains unimpeded.
iii. Parallel construction of the Control Tower and Fire Station will be pursued to ensure ATC and emergency response readiness aligns with the completion of the runway.
iv. Certification of the Aerodrome can however only be applied for at the end of the 3 Construction Phases. All air traffic, post runway/taxiway completion, during the remainder of the construction period will therefore still run under the current unlicensed conditions, subject to NCAA approval.

10.3.2 Phase 2: Terminal, Hangars & Infrastructure

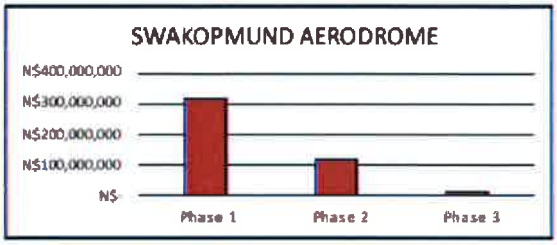
i. The new terminal building will be developed alongside landscaped areas, municipal storage facilities, and administrative offices.
ii. Construction of new roadways, hangar access, and garages will be included.
iii. The fencing and boundary works will be finalized before initiating public parking and access road development.
iv. Hangar developments can incorporate a 'hybrid' system:
v. New hangar land areas will be sold under a Sectional Title Scheme.
vi. Existing hangars will continue under a lease model with revenue flowing to the Municipality.
vii. A gradual transition mechanism will be introduced should the Municipality opt for full conversion to a Sectional Title ownership model.

10.3.3 Phase 3: Public Access & Security Upgrades

i. Development of public parking areas, access roads, and landscaping.
ii. Construction of a clubhouse and security checkpoints.
iii. Implementation of final fencing alignments and installation of new boom gates.
iv. Security enhancements ensuring compliance with aviation safety protocols.
v. Existing security measures for hangars will remain in place until the conclusion of this phase.

10.4 Phased CAPEX

Figure 10: Phased CAPEX



10.5 Indicative construction timeline (Weeks)

Below is an indicative timeline for construction, subject to compliance with the Key Considerations outlined above.

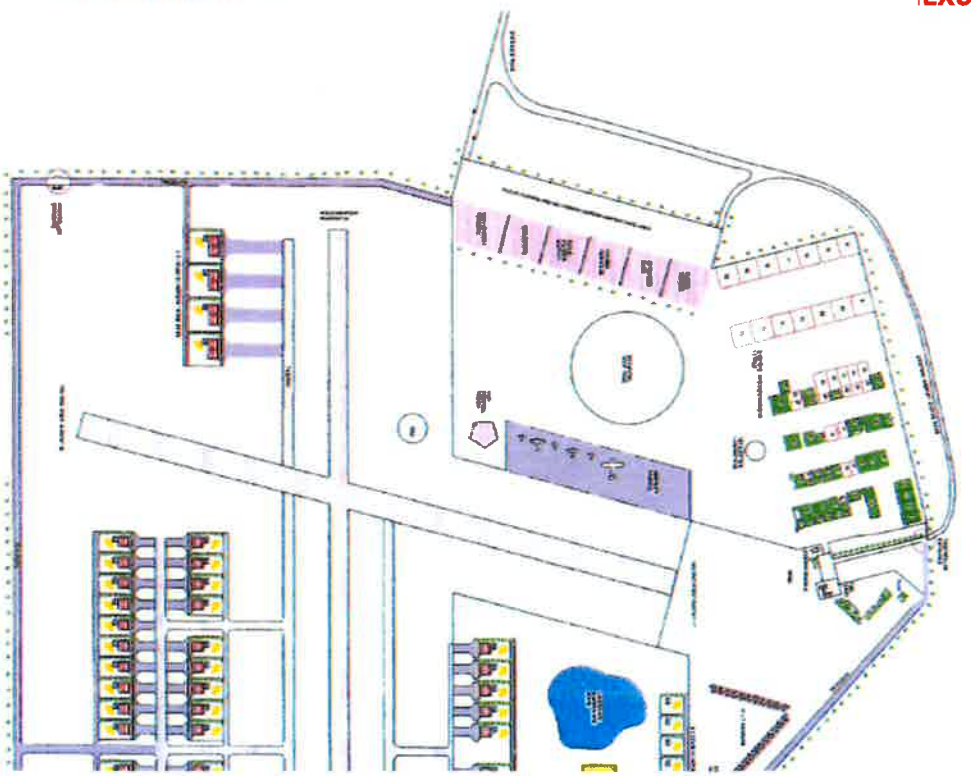
11.0 Conclusions

The conclusions of the feasibility study are that the potential revenue streams from the existing aerodrome, upgraded to meet the minimum regulatory standards for a Category C aerodrome, as mandated by the Namibian Civil Aviation Authority will not be sufficient to cover the operating expenses for the aerodrome. Adding in depreciation of the new fixed assets will exacerbate the financial situation.

Increasing current revenue streams, as outlined above, is estimated at adding up to between NAD 1.8 million and NAD 2.1 million, doubling current income. That however, is still insufficient to cover even the operating expenses of the aerodrome, leaving an annual deficit in excess of NAD 8 million.

An assessment of the potential for any increases in revenue should be undertaken as a separate exercise. This would involve the drafting of an aerodrome specific commercial plan to include:

EXURE H



11.1.13 **SWAKOPMUND MUNICIPAL REST CAMP PROPOSED BUSINESS MANAGEMENT MODEL**
(C/M 2025/06/03 - **15/2/7/1/3**)

Ordinary Management Committee Meeting of **15 May 2025**, Addendum **10.3** page **00** refers.

A. **This item was submitted to the Management Committee for consideration:**

A) INTRODUCTION:

This submission is prepared as a response to the Management Committee's request, inter alia:

(i) For the Engineering and Planning Services Department to carry out a comprehensive structural assessment of the Swakopmund Municipal Rest Camp of which the findings will support the Council in making well-informed decisions on the feasibility and financial implications of revitalizing the Rest Camp.

(ii) For the Economic Development Services Department to prepare and a potential management model that integrates best practices to enhance the operations of the Rest Camp.

B) STRUCTURAL ASSESSMENT REPORT

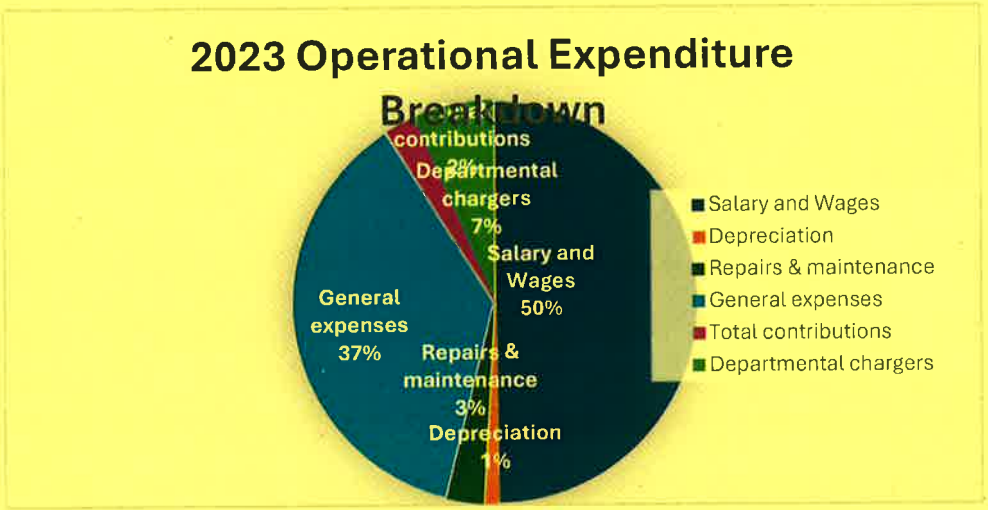
The Engineering and Planning Department has conducted a comprehensive Structural Assessment Report (**"Annexure"**) on the Swakopmund Municipal Rest Camp (SMRC) as requested by the Management Committee. The report aims to assess the structural integrity, stability, and overall condition of the SMRC. The evaluation focused on key components, including the foundation, superstructure, electrical and water installations, roof, floors, walls, and structural connections. The findings reveal significant material deterioration, visible cracks, moisture infiltration, and potential safety risks. The report provides detailed cost estimates for each section of the SMRC, along with corresponding recommendations. Each finding will assist the Council in making informed decisions on the feasibility and financial requirements for revitalizing the Rest Camp. A summary of cost is hereby provided below:

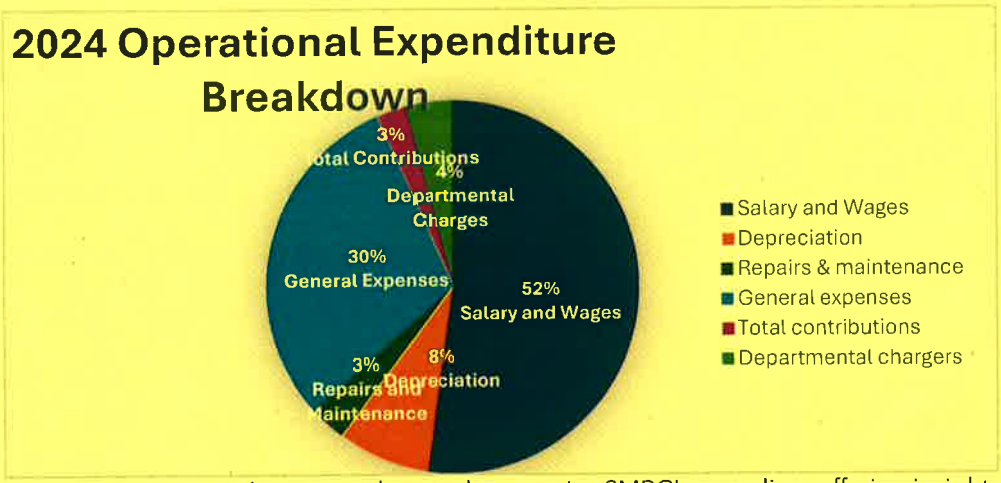
Accommodation Units	
Area 1	*N$2 702 500.00*
Area 2	*N$5 130 695.00*
Area 3	*N$2 063 002.50*
Area 4	*N$2 206 895.00*
Area 5	*N$20 320 262.50*
Area 6	*N$14 482 160.00*
Area 7	*N$11 896 060.00*
TOTAL	***N$58 801 575.00***
Renovations & Additions Lobby, Lounge, Restaurants:	*N$ 6 548 952.08*
External Works & Services:	*N$11 151 530.57*
Contractors Overhead and Management	*N$ 4 632 306.00*

Professional Fees @ 10% of construction costs:	*N$8 113 436.37*
Disbursements:	*N$ 600 000.00*
TOTAL PROJECT ESTIMATE EXCL VAT	***N$89 847 800.02***

C) EXPENDITURE ASSESSMENT REPORT

On the other hand, the EDS Department has carried out an expenditure assessment for the SMRC for the 2022/23 and 2023/24 financial years. This analysis categorizes expenditures, outlining the amounts spent per vote and the corresponding percentage allocated to each category. The expenditure





assessment is done to analyse and categorize SMRC's spending, offering insights into financial allocations and expenditure trends. This evaluation will Council make informed decisions regarding the future of the Rest Camp.

Our findings concluded that during 2023/4 - **52%** of the budget was spent on salaries, **30%** on operational costs, and only **3%** on infrastructure maintenance. This distribution is not ideal, as best practices suggest reducing salary expenses and allocating more funds to infrastructure to ensure long-term sustainability. In addition, the budget is insufficient and does not adequately support the Council's efforts to improve the rest camp as planned.

D) PROPOSED MANAGEMENT OPTIONS

To address this issue, the EDS Department identified various management models available for the Council, including leasing, public-private partnerships (PPP), maintaining the current management structure, selling the Rest Camp, or partially selling it. However, three options have been selected as the most viable for ensuring the long-term sustainability of the SMRC.

The Council has is presented with three options to consider, each offering potential benefits and addressing different aspects of the challenges faced. These options are presented without any specific order of preference, allowing for a comprehensive evaluation based on feasibility, financial impact, and long-term sustainability.

Option 1: Selling off the SMRC

The first option that the Council can consider is selling the entire Swakopmund Municipal Rest Camp. This approach is driven by the need to overcome financial constraints that prevent the SMRC from keeping up with the evolving tourism industry, as well as, aging facilities, stringent regulatory framework, red tape, limited finance, resistance to change, limited innovation, etc., that hinder its effective operation. Under this option, the SMRC would be sold to private investors capable of applying a more business-focused management strategy.

As such, this option offers significant advantages for the SMRC, viz. substantial one-time financial injection that would enable the municipality to reinvest in essential infrastructure and key initiatives. Additionally, even after transferring the SMRC to a private entity, the municipality would continue to generate revenue through rates and taxes.

In conclusion, this strategy will enable the municipality to concentrate on investment promotion and tourism development while minimizing costs, utilizing private sector expertise, promoting competition, enhancing service delivery, decreasing debt, and providing opportunities for private enterprises to take the lead.

Option 2 : Partial Sale of the SMRC

The Swakopmund Rest Camp is one of the town's largest accommodation facilities. However, its size presents challenges in terms of maintenance and operations. As a result, the Council has struggled to address issues related to infrastructure development, operational difficulties, and rising costs.

To overcome these challenges, one option is for Council to consider **partially selling the SMRC**. The primary advantage of this option is that the funds generated from the sale can be reinvested to modernize and upgrade the remaining infrastructure. The bungalows selected for sale are those with consistently low occupancy rates, lower visitor demand, or those requiring significant financial resources for renovation and modernization.

This option will not only enhance infrastructure and service quality but also allow the municipality to optimize operations, as the reduced number of bungalows will make management more efficient and manageable.

Option 3: Public-Private Partnerships

Lastly, another option the Council may consider is a Public-Private Partnership (PPP), which aims to procure private sector services for leasing, rehabilitating,

operating, and eventually transferring management back to the Council. This option is ideal for capital-intensive projects beyond Council's financial capacity.

A successful example is the partnership between Namibia Wildlife Resorts (NWR) and the Prosperity Group, which modernized Daan Viljoen Nature Reserve with an investment exceeding NAD 450 million over a 30-year agreement.

The PPP Unit, under the Ministry of Finance, supports such initiatives by providing guidance, technical expertise, and regulatory oversight. In this context, the Ministry of Finance has allocated 40 million to support public entities in forming Public-Private Partnerships (PPPs). If Council pursues this option, the PPP Unit can be engaged for feasibility studies and legal processes, while the Namibia Investment Promotion and Development Board (NIPDB) can assist with the procurement and bidder evaluation process.

Finally, the Public-Private Partnership (PPP) option can be advantageous for the Council, as it allows for the development and modernization of the SMRC by utilizing private sector investment, thereby reducing dependence on public funds.

E) SPECIAL MANAGEMENT COMMITTEE

A Special Management Meeting was convened on 8 May to deliberate on the most suitable management option for the rest camp, including the possibility of selling it in its entirety. During the discussion, new proposals emerged that had not formed part of the original submission. These new proposals, inter alia, include the following**:**

- ***to transforming the Municipal Rest Camp into student accommodation, to efficiently use the existing infrastructure and address the critical need for affordable student residences.***
- ***to retain ownership of the rest camp and carry out the necessary upgrades to improve its condition and functionality.***
- ***To rent out the municipal bungalows to an external party rather than opting for their sale***

At the conclusion of the deliberation, the general consensus was that Council should retain ownership of the Municipal Rest Camp. Should this be the case, it was emphasized that Council would need to allocate annual funding for the improvement, upgrading, and maintenance of the facility. However, the meeting resolved to refer the matter to the next Management Committee Meeting for a final decision

F) CONCLUSION

It is essential for the Council to select a most suitable management strategy that not only directs the future operations of the Swakopmund Municipal Rest Camp (SMRC) but also ensures its sustainable development. This strategy should serve as a clear roadmap, helping to align both short-term actions and long-term objectives. By doing so, it will provide a solid foundation for the growth of the rest camp, enhance the visitor experience, promote environmental stewardship, and foster economic viability. The chosen approach should consider all factors necessary for the camp's continued success, while also remaining adaptable to future needs and opportunities**.**

B. After the matter was considered, the following was:-

RECOMMENDED:

(a) That Council agrees to retain the Municipal Restcamp as a municipal asset and prohibits any sale or transfer to third parties.

(b) That Council allocates funds annually, through the municipal budgeting process – to renovate, refurbish and maintain the Municipal Restcamp.

That the anticipated upgrading and revitalisation of the Municipal Rest camp be implemented in clearly defined phases *(as approved during CM meeting of12 December 2023 viz, Phase 1 – Fish, Phase 2 - Welwitschia and Gecko, Phase 3 – Dunes, Phase 4 – Brandberg, Phase 5 - Moon Valley)* until the entire facility is fully upgraded in line with applicable standards and community

ANNEXURE

SWAKOPMUND
MUNICIPALITY

+264 64 410 4400 | cmcclune@swkmun.com.na | P O Box 53, Swakopmund, Namibia

Internal Memorandum

TO : **General Manager: Economic Development Services**
FROM : General Manager: Engineering & Planning Services
DATE : 14 March 2025
REF : RE 2747 / 15/2/7/1/3
SUBJECT : **Request for structural integrity assessment of municipal bungalows**

This memorandum serves to provide feedback on Memo received 5 December 2024:

Methodology:

As per request, an integrity assessment was conducted on the Bungalows of the Municipal Rest Camp.

List of Annexures:

- Layout of Municipal Rest Camp indicating Condition of Units: **Annexure A**
- Benchmarking Estimates: **Annexure B**
- Inspection Tables: **Annexure C**

The facility is very large with up to 200 buildings. The methodology of inspection required that each building be inspected for defects in the Fittings, Finishes and Structure of the buildings. An inspection sheet was developed. The inspection items are suited to a basic visual inspection.

The different areas/types of bungalows were updated on maps and each individual was tasked with his designated bungalows to inspect. The inspections sheets are available for review, should this be required. Due to the large bulk, it is not attached to this memo.

Based on the findings of the inspections, a definition was developed for the conditions. As elemental Bills of Quantities are beyond the scope of this assignment, it would be required that renovation costs per square meter be developed based on the typical constructions cost as seen in recent completed construction works. As some bungalows would require little renovation work and others much more substantial work, the bungalows would be classified into "Low", "Medium" and "High". Based on the inspections, a classification is assigned. The definition developed is as follows:

- Low: Require basic renovations to 50% -100% of finishes/fittings
- Medium: Requires renovations of 50% - 100% of the finishes/Fittings and 0% - 50% of

Structure
- High: Require basic renovations to 50% - 100% of finishes and fittings and 50% - 100% reconstruction of Superstructure - Full reconstruction on upper end

After the inspections sheets were completed, a review would determine the classification of each bungalow. This was placed on a Map to summarise the condition of the bungalows and can be found in Annexure A.

Following the classification, benchmark prices would have to be developed. Attached in Annexure B is the benchmark calculations indicating the typical construction cost (per classification) and illustrating the variance in costs. Each classification would include a cost variance: Low, Medium and High. The classifications provide a minimum, maximum and a average cost.

Attached in Annexure C is the tables indicating the various bungalow types, there classification and the calculated variance for renovation costs. The tables provide renovation costs between a minimum and maximum range with an average cost provided. The average cost of renovation is deemed to be the actual figure for the renovations.

Discussion:

The map shown in Annexure A breaks up the site in 7 areas. Each area predominantly has bungalow designs of a single type with some areas having multiple types, but of the same size. The areas can be seen as distinct blocks having their own character and design. As can be seen from the map, each area has bungalows with various classifications. What is clear from the map is that general classifications can be assigned to the blocks. The renovations cost are calculated per area. It is recommended that the Economic Development Services department analyse the income profile and compare the income vs. renovation cost in a financial study to determine/provide more information of the feasibility of potential renovation work.

Below follows general comments of the various areas with renovation costs:

Area 1: Fish Bungalows

The fish bungalows are the smaller of the layouts at only 20m^2. The structures do not have sufficient foundation brickwork able to resist water and damage by salt. As a result the majority of the bungalows are classifies as Medium. Some are classified as High and are recommended for re-construction due to structural damages. This is 4 in total. On the first day of inspections, one of the Fish Bungalows caught on fire and destroyed the belongings of the occupants. The cause of the fire is likely related to the electrical installations.

Due to the design of these bungalows, water damage cannot be prevented in future if not fully reconstructed. Therefore it is not recommended to renovate these bungalows to a high standard as the costs thereof may not be recovered.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

The cost of renovating Area 1: **N$ 2 702 500.00**

Area 2: Dunes A, Dunes B and Accessible Dunes Bungalows

These units are slightly larger at 31m^2. These bungalows are considered to be in a generally good condition. Most of the units are classified as Low. The renovation work for these types would typically only be replacement of the defective fittings and finishes. This would include items such as the roof covering, gutters, windows, tiles, bathroom/toilet fittings, paint etc.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

The cost of renovating Area 2: **N$ 5 130 695.00**

Area 3: Dunes Face brick bungalows

The unit are 39m² in size. The layout has a comfortable layout with a large social space for tenants. The buildings are fully constructed of very durable face bricks. The superstructures of these units are in a very good condition very little to no visible structural issues.

The roof material used is however beyond serviceable limits and will require complete replacement. The internal fittings and finishes are generally good but areas such as the kitchen, toilets and bathroom illustrate significant wear.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

Despite the superstructure being in a good condition, the condition of the roof and the electrical installation classify these units as Medium.

The cost of renovating Area 3: **N$ 2 063 002.50**

Area 4: Welwitschia & Gecko bungalows

The Welwitschia and Gecko units are small measuring in at 21m² and 22m². These units are in a generally good condition and the majority of the units are classified as Low. The renovation work for these types would typically only be replacement of the defective fittings and finishes. This would include items such as the roof covering, gutters, windows, tiles, bathroom/toilet fittings, paint etc.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

The cost of renovating Area 4: **N$ 2 206 895.00**

Area 5: Spitzkoppe bungalows

These units are of a larger design at 67m². These buildings have a very unique design and is generally seen as the quintessential "Municipal Bungalow" as it is very visible to the public driving past the main road and has appeared on many post card and Council documentation.

The structure is mostly timber with a very steep roof and is the only type that has a 1st floor sleeping area in the mezzanine floor inside the roof structure. The buildings are constructed on concrete raft foundations with brick buttresses providing support to the timber roof structure. A significant number of these unit illustrate significant structural failures with various defects observed. Specific defects include settlement leading to major deformations/cracks, failure of the buttresses or water damage. The units are classified on average to be of a Medium classification. Some unit are classified as high and are recommended for demolition.

All the units indicate significant wear to finishes and fittings with significant structural issues as indicated. The layout is also unpractical. The units can house 6 people but there is only one combined toilet/bathroom. The stairs typically pose challenges for young children and little privacy in the mezzanine floor. This timber construction is cosy, but very noisy when one moves around that may cause irritation to tenants. There is currently only a "Heat Pump" providing "warm" water to the units after significant water has been lost. The above issues detract from the unit's popularity and major renovations would be required to improve these units.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

The cost of renovating Area 5: **N$ 20 320 262.50**

Area 6: Brandberg A

These are large units typical with a normal house layout with large spacious rooms, living area, kitchen and closed secure garages. Open accessible roads with semi-private large braai areas. The units are 92m² in size.

The building are well constructed and very little structural defects were observed. The fittings and finishes are generally in a good condition but very antiquated. Some unit have newly installed kitchen cabinets.

A major issued with the units is the Asbestos roof sheeting. The complete and specialised replacements of these roof sheets will have to take place when considering the renovation of these units. As a result, despite the generally good condition of the units, all are classified as Medium due to the requirement to replace the roof.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. All have external distribution boards with no covers. This is very concerning with significant deterioration of the switches. **This will lead to fire!** Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

The cost of renovating Area 6: **N$ 14 482 160.00**

Area 7: Brandberg A

These are large units typical with a normal house layout with large spacious rooms, living area, kitchen and closed secure garages. Open accessible roads width semi private large braai areas. The units are 88m² in size, just smaller than the Brandberg A units, but very similar in feel.

The building are well constructed and very little structural defects were observed. The fittings and finishes are generally in a good condition but very antiquated.

A major issued with the units is the Asbestos roof sheeting. The complete and specialised replacements of these roof sheets will have to take place when considering the renovation of these unit. As a result, despite the generally good condition of the units, all are classified as Medium due to the requirement to replace the roof.

All these bungalows have antiquated electrical installations that may not pass current inspection standards. All have external distribution boards with no covers. This is very concerning with significant deterioration of the switches. **This will lead to fire!** Major work will be required. The costs of full replacement of the electrical installations are included in the classified renovation rates.

As a general comment: This area is situated in the north eastern portion of the Rest Camp with three roads surrounding the area. The services to the area can be isolated and alternative access created. A renovation/running cost analysis needs to be done to confirm any recommendations, but it would be possible to alienate this area from the Rest Camp with little to no effect on the rest of the facility to generate income and decrease overall running costs of the facility.

The cost of renovating Area 7: **N$ 11 896 060.00**

Renovations & Additions Lobby, Lounge, Restaurants:

For this assignment the auxiliary buildings as per heading was not investigated. The recommendations as per report submitted by the consultant group, lead by Mackintosh Lautenbach Architects is referred to. As part of the general renovations, additions and alternation recommended for a revamp of the facility was estimated at N$ 5 706 000.00. This scope in summary included:

- Renovate existing - Disabled WC, Lobby and staff kitchen 40 m²

- Renovate existing - Restaurant, prep kitchen back of house 125 m²
- Renovate Current check in, Admin, lobby 168 m²
- New build - Lounge, lobby and WC 130 m²
- New build - Thatched braai venue and ablutions 75 m²
- New build- Staff kitchen and ablutions add on 18m²

The Namibia Consumer Price Index (CPI) is shown to have averaged to 4.7%. The report was produced in 2021, 3 years of CPI, compounded, will be applied to the cost estimate. This figure is subject to change substantially based on the scope and general future Council chooses to pursue.

The cost of renovating Additions Lobby, Lounge, Restaurant: **N$ 6 548 952.08**

External Works

This part of the complex was not assessed in this assignment. As per previous report by Mackintosh, Lautenbach Architect, the scope of work for this item included:

- New Roads 26,504 m²
- New Kerbs 8,363 m
- New Walkway Paving 6,516 m²
- Lawn and light ground cover 8,281 m²
- Planted Rockeries 1,895 m²
- Vygie groundcover/ Xeriscape garden 17,227 m²
- Palms and Leafy trees Council 325no
- Sport Amenities 422 m²
- Services (Auxiliary buildings, water reticulation, sewage, electrical)

The cost estimated for this work was calculated at N$ 9 716 155.00.

As a general comment, from on site observations, this aspect of the Municipal Rest Camp appears very neglected. There is little to no effort being made other than standard activities to maintain what is present, at a low standard.

This scope of work is also subject to change depending on the direction Council pursues with the facility. The same compounded interest can be applied to the provide an updated estimate for this scope of work

The cost of upgrading the External Work & Services: **N$11 151 530.57**

Summary of Costs:

As per the Quantity Surveyors notes on the feasibility study submitted, on page 62, the following notes are still applicable: "**Quantity Surveyors notes on Feasibility cost plan:** At this project stage, the budgets shown are not as accurate as a detailed elemental estimate, this we can only complete during design development with Architect and Engineers, there are still many unknowns and assumptions that need to be resolved, we also provide cost advice to designers and Employer through the pre contract stages to enable rational design and planning. Our entire procurement methodology and construction strategy also have a very high impact on the final contract amount."

The above comments are still relevant. Costs changes are anticipated. Under the current economic conditions, prices of imported goods fluctuate weekly. In general, the longer one waits, the more expensive renovation works will become. Hence it is important in this case to compare any renovation costs with long term income projections to determine the return period on the renovation's costs. In summary, will it be worth spending the money and will there be a benefit to the community.

Below follows a full cost estimate that combines the costs calculated from the recent inspections with items previously estimated such as the "Renovations & Additions Lobby, Lounge, Restaurants" and for "External Works and Services". Hence, this can be seen as an update to the original cost estimate provided in the report by Mackintosh Lautenbach Architects.

Cost Estimate: Renovations, Alterations and Additions, Municipal Rest Camp

Accommodation Units	

Area 1	N$2 702 500.00
Area 2	N$5 130 695.00
Area 3	N$2 063 002.50
Area 4	N$2 206 895.00
Area 5	N$20 320 262.50
Area 6	N$14 482 160.00
Area 7	N$11 896 060.00
TOTAL	**N$58 801 575.00**
Renovations & Additions Lobby, Lounge, Restaurants:	**N$ 6 548 952.08**
External Works & Services:	**N$11 151 530.57**
Contractors Overhead and Management	**N$ 4 632 306.00**
Professional Fees @ 10% of construction costs:	**N$8 113 436.37**
Disbursements:	**N$ 600 000.00**
TOTAL PROJECT ESTIMATE EXCL VAT	**N$89 847 800.02**

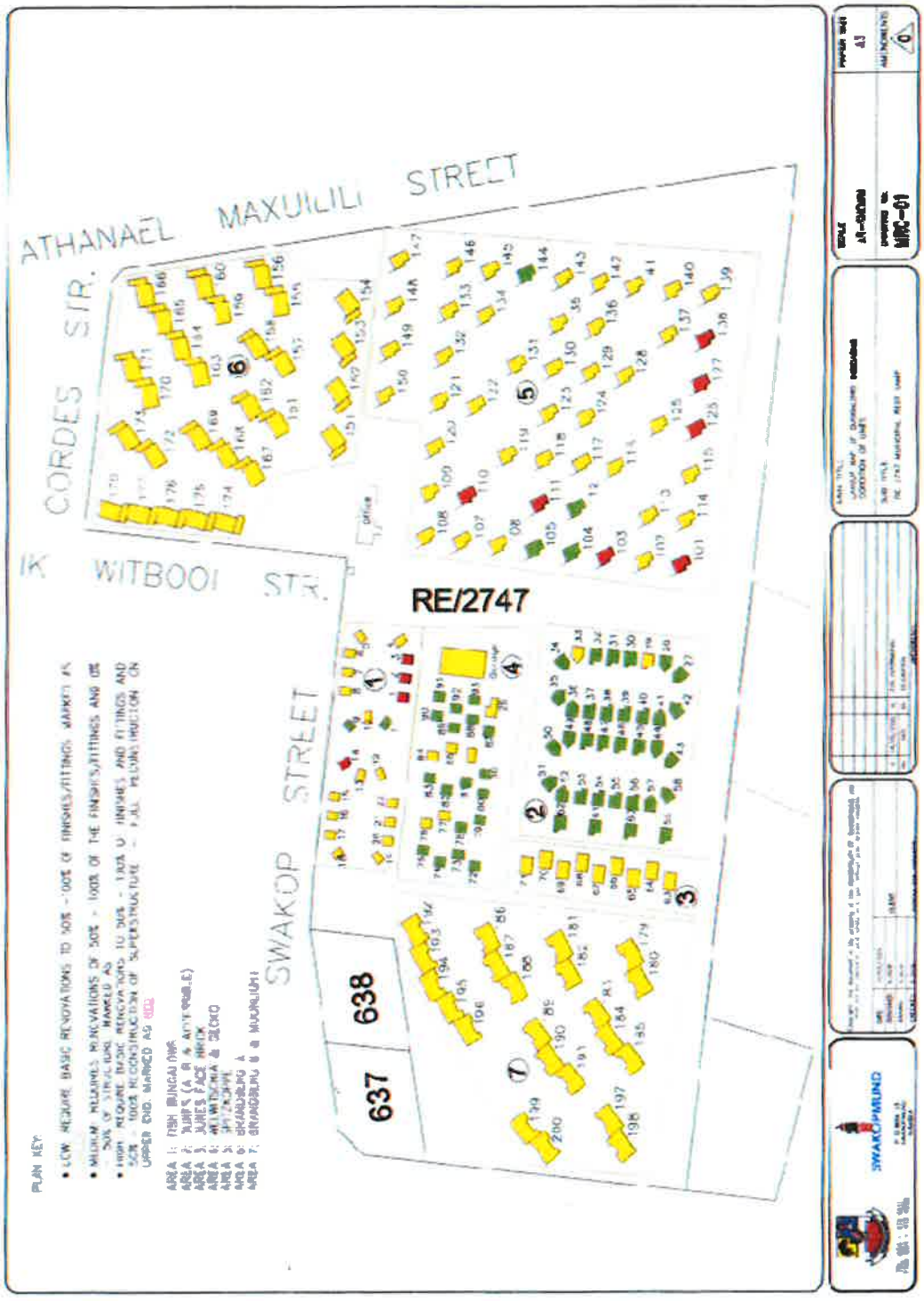
Conclusion:

The cost of construction has escalated considerably and continue to rise. The Municipal Rest camp is a very large facility consisting of up to 200 buildings. The facility is old, very much worn and originates from another era. The real need for this type of service and the Council's capacity to render such a service recommended to be seriously considered. This can only done if the cost of renovation is compared to potential (realistic) income projections to determine overall feasibilities. This will require further market study.

The scope of work and costs will be drastically impacted if fundamental changes are brought about. It is recommended that further investigation be made into alienating certain portions of the facility that are not seen as profitable. It is also recommended to demolish damaged building that serve no purpose. This will reduce the renovation and associated costs while generating income to finance the renovation.

A phased approach is not recommended as the result will likely not be much different from the current product. The focus must be on major change, that will attract more tenants throughout the year. This will not be possible by adding some roads, painting a bungalow or adding some geysers to some units. All indicators point to significant reduction in size with a more focussed service being provided to the public.

C McClune
GENERAL MANAGER: ENGINEERING ANS PLANNING SERVICES


ATHANAEL MAXUILILI STREET
CORDES SIR.
IK WITBOOI STR.
SWAKOP STREET
RE/2747
638
637
PLAN KEY

Annexure I

BENCHMARKING M2 ESTIMATES

NB! THIS BENCHMARKING IS ENTIRELY BASED ON ACTIVITY, M2 AND STRUCTURE OF THE BUILDINGS AND NOT SIMILARITY OF INTERNAL FEATURES OF THE BUILDINGS.

BUILDING NEW STRUCTURE				
PROJECT	**YEAR**	**AREA**	**AMOUNT N$ (VAT INCL.)**	**N$/m2**
CONSTRUCTION OF TOILET FACILITIES AT VARIOUS PUBLIC OPEN SPACES ERVEN IN [illegible] (UNIT 1 TOILET)	2022/2023	22	160 876.84	7 312.58
[illegible] GARAGES	2023/2024	207	1 879 022.10	9 077.40
HEALTH & SOLID WASTE MANAGEMENT FACILITIES, PHASE II (NEW GARAGE)	2024/2025	202.16	1 726 844.54	8 541.97

HIGH

Average N$ (7 312.58 + 9 077.40 + 8 541.97)/3

8 310.65

PLUS 15% (OVERHEAD COST, CONSULTANT COST, DEVELOPMENT COST, ETC)

N$ 8 310.65 + 15% = N$ 9 557.25

RENOVATIONS				
PROJECT	**YEAR**	**AREA**	**AMOUNT N$ (VAT INCL.)**	**N$/m2**
FIRE STATION- (RENOVATION OF EXISTING GARAGE ROOF)	2024/2025	55	160 697.30	2 921.77
HEALTH & SOLID WASTE MANAGEMENT FACILITIES, PHASE II (EXISTING GARAGE ROOF RENOVATIONS)	2024/2025	567.00	1 174 900.23	2 071.00
Renovations of Facilities on Erf 610 Tamariska to serve as an Emergency Shelter	2025/2026	1833.5	8 [illegible] 282.37	4 481.42

LOW

Average N$ (2 921.77 + 2 071.59 + 4 481.42)/3

3 081.73

PLUS 15% (OVERHEAD COST, CONSULTANT COST, DEVELOPMENT COST, ETC) :

N$ 3 081.73 + 15% = N$ 3 [illegible]

MEDIUM OF TWO CONCEPTS CONSTRUCTION & RENOVATION

(N$ 8 427.85 + N$ 3 081.73)/2 N$ 5 701.40

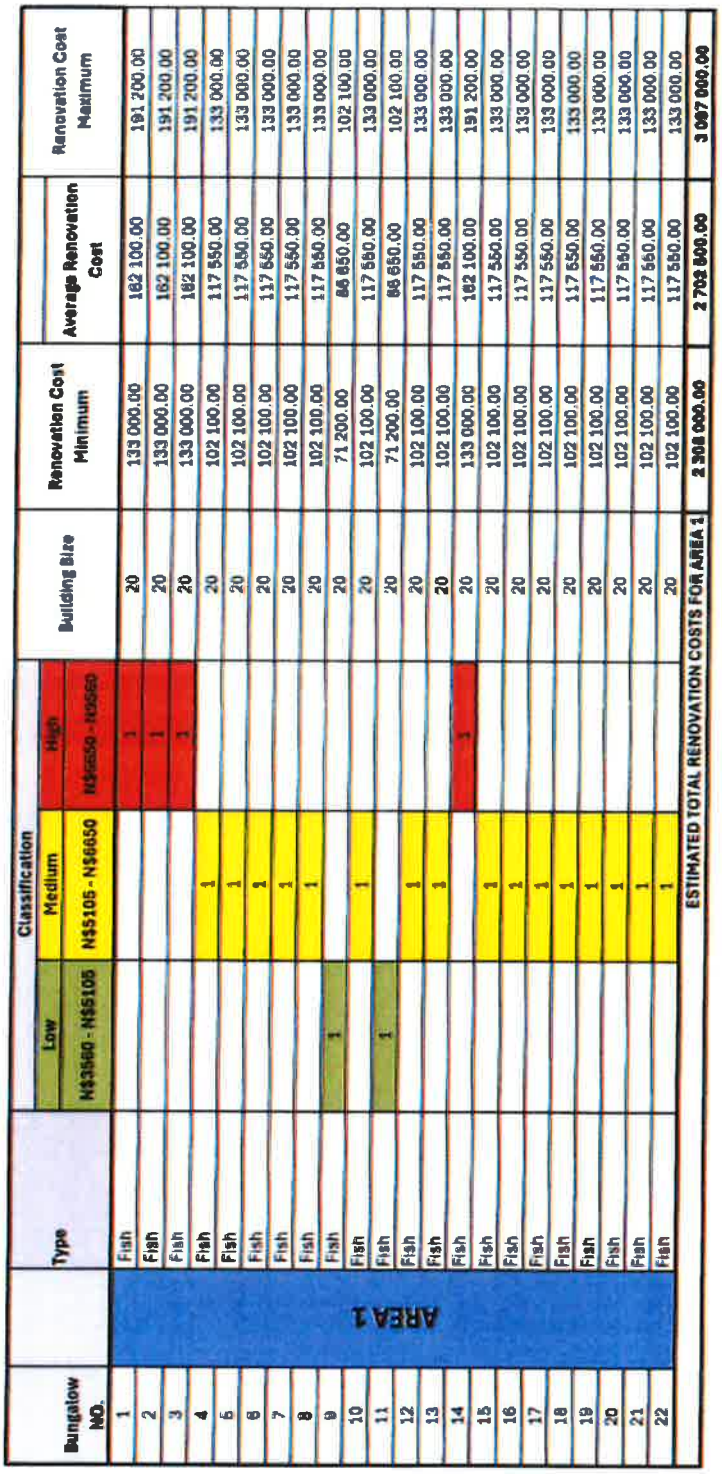
PLUS 15% (OVERHEAD COST, CONSULTANT COST, DEVELOPMENT COST, ETC) N$ 5 701.40 + 15%

N$ 6 649.17

THEREFORE

N$ 9 560.00		***N$ 6 550.00***		***N$ 3 560.00***	
HIGH		MEDIUM		LOW	
HIGH - HIGH	N$ 9 [illegible]	MEDIUM - HIGH	N$ 6 [illegible]	LOW - HIGH	N$ 3 560.00
HIGH - MEDIUM	N$ 8 [illegible]	MEDIUM - MEDIUM	N$ 4 [illegible]	LOW - MEDIUM	N$ 2 [illegible]
HIGH - LOW	N$ 6 500.00	MEDIUM - LOW	N$ 2 [illegible]	LOW-LOW	N$ 1 [illegible]

Annexure C :



Bungalow NO.		Type	Classification			Building Size	Renovation Cost Minimum	Average Renovation Cost	Renovation Cost Maximum
			Low	Medium	High				
			N$3560 - N$5105	N$5105 - N$6650	N$6650 - N$8560				
1	AREA 1	Fish			1	20	133 000.00	162 100.00	191 200.00
2		Fish			1	20	133 000.00	162 100.00	191 200.00
3		Fish			1	20	133 000.00	162 100.00	191 200.00
4		Fish		1		20	102 100.00	117 550.00	133 000.00
5		Fish		1		20	102 100.00	117 550.00	133 000.00
6		Fish		1		20	102 100.00	117 550.00	133 000.00
7		Fish		1		20	102 100.00	117 550.00	133 000.00
8		Fish		1		20	102 100.00	117 550.00	133 000.00
9		Fish	1			20	71 200.00	86 650.00	102 100.00
10		Fish		1		20	102 100.00	117 550.00	133 000.00
11		Fish	1			20	71 200.00	86 650.00	102 100.00
12		Fish		1		20	102 100.00	117 550.00	133 000.00
13		Fish		1		20	102 100.00	117 550.00	133 000.00
14		Fish			1	20	133 000.00	162 100.00	191 200.00
15		Fish		1		20	102 100.00	117 550.00	133 000.00
16		Fish		1		20	102 100.00	117 550.00	133 000.00
17		Fish		1		20	102 100.00	117 550.00	133 000.00
18		Fish		1		20	102 100.00	117 550.00	133 000.00
19		Fish		1		20	102 100.00	117 550.00	133 000.00
20		Fish		1		20	102 100.00	117 550.00	133 000.00
21		Fish		1		20	102 100.00	117 550.00	133 000.00
22		Fish		1		20	102 100.00	117 550.00	133 000.00
		ESTIMATED TOTAL RENOVATION COSTS FOR AREA 1					2 308 000.00	2 703 800.00	3 097 600.00

23		Unallocated							
24		Previously							
25		Demolished							
26	EA 2	Dunes Unique		1		34	173 570.00	199 835.00	226 100.00
27		Dunes A	1			31	110 360.00	134 307.50	158 255.00
28		Dunes A	1			31	110 360.00	134 307.50	158 255.00
29		Dunes B		1		31	158 255.00	182 202.50	206 150.00
30		Dunes B	1			31	110 360.00	134 307.50	158 255.00
31		Dunes B	1			31	110 360.00	134 307.50	158 255.00
32		Dunes B	1			31	110 360.00	134 307.50	158 255.00
33		Dunes A		1		31	158 255.00	182 202.50	206 150.00
34		Dunes A	1			31	110 360.00	134 307.50	158 255.00
35		Dunes A	1			31	110 360.00	134 307.50	158 255.00
36		Dunes A	1			31	110 360.00	134 307.50	158 255.00
37		Dunes B	1			31	110 360.00	134 307.50	158 255.00
38		Dunes B	1			31	110 360.00	134 307.50	158 255.00
39		Dunes B	1			31	110 360.00	134 307.50	158 255.00
40		Dunes B	1			31	110 360.00	134 307.50	158 255.00
41		Dunes A	1			31	110 360.00	134 307.50	158 255.00
42		Dunes A	1			31	110 360.00	134 307.50	158 255.00
43		Dunes A	1			31	110 360.00	134 307.50	158 255.00
44		Dunes A	1			31	110 360.00	134 307.50	158 255.00

45	AR	Dunes B	1			31	110 360.00	134 307.50	158 255.00
46		Dunes B	1			31	110 360.00	134 307.50	158 255.00
47		Dunes B	1			31	110 360.00	134 307.50	158 255.00
48		Dunes B	1			31	110 360.00	134 307.50	158 255.00
49		Dunes A	1			31	110 360.00	134 307.50	158 255.00
50		Dunes A	1			31	110 360.00	134 307.50	158 255.00
51		Dunes A	1			31	110 360.00	134 307.50	158 255.00
52		Dunes A	1			31	110 360.00	134 307.50	158 255.00
53		Dunes B	1			31	110 360.00	134 307.50	158 255.00
54		Dunes B	1			31	110 360.00	134 307.50	158 255.00
55		Dunes B	1			31	110 360.00	134 307.50	158 255.00
56		Dunes B	1			31	110 360.00	134 307.50	158 255.00
57		Dunes A	1			31	110 360.00	134 307.50	158 255.00
58		Dunes A	1			31	110 360.00	134 307.50	158 255.00
59		Accessible Dunes	1			31	110 360.00	134 307.50	158 255.00
60		Accessible Dunes	1			31	110 360.00	134 307.50	158 255.00
61		Accessible Dunes	1			31	110 360.00	134 307.50	158 255.00
62		Accessible Dunes	1			31	110 360.00	134 307.50	158 255.00
		ESTIMATED TOTAL RENOVATION COSTS FOR FOR AREA 2					4 242 220.00	5 130 695.00	6 019 070.00

63	AREA 3	Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
64		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
65		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
66		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
67		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
68		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
69		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
70		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
71		Dunes Facebrick		1		39	199 095.00	229 222.50	259 350.00
ESTIMATED TOTAL RENOVATION COSTS FOR AREA 3							**1 791 855.00**	**2 063 002.50**	**2 334 150.00**
72	AREA 4	Welwitchia	1			22	78 320.00	95 315.00	112 310.00
73		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
74		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
75		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
76		Welwitchia		1		22	112 310.00	129 305.00	146 300.00
77		Welwitchia		1		22	112 310.00	129 305.00	146 300.00
78		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
79		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
80		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
81		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
82		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
83		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
84		Welwitchia		1		22	112 310.00	129 305.00	146 300.00
85		Welwitchia		1		22	112 310.00	129 305.00	146 300.00
86		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
87		Gecko	1			21	74 760.00	90 982.50	107 205.00
88		Gecko	1			21	74 760.00	90 982.50	107 205.00
89		Welwitchia	1			22	78 320.00	95 315.00	112 310.00
90		Gecko	1			21	74 760.00	90 982.50	107 205.00
91		Gecko	1			21	74 760.00	90 982.50	107 205.00
92		Gecko	1			21	74 760.00	90 982.50	107 205.00
93		Gecko	1			21	74 760.00	90 982.50	107 205.00
ESTIMATED TOTAL RENOVATION COSTS FOR AREA 4							**1 837 640.00**	**2 206 895.00**	**2 576 150.00**

94		Unallocated/							
95		Previously							
96		Demolished							
97									
98									
99									
100									
101		Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
102		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
103		Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
104		Spitzkoppe	1			67	238 520.00	290 277.50	342 035.00
105		Spitzkoppe	1			67	238 520.00	290 277.50	342 035.00
106		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
107		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
108		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
109		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
110		Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
111		Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
112		Spitzkoppe	1			67	238 520.00	290 277.50	342 035.00
113		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
114		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
115		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
116		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
117		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
118		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
119		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
120		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
121		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
122		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
123		Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00
124	5	Spitzkoppe		1		67	342 035.00	393 792.50	445 550.00

	AREA										
125	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
126	Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
127	Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
128	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
129	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
130	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
131	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
132	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
133	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
134	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
135	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
136	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
137	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
138	Spitzkoppe			1	67	445 550.00	543 035.00	640 520.00
139	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
140	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
141	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
142	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
143	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
144	Spitzkoppe	1			67	238 520.00	290 277.50	342 035.00
145	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
146	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
147	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
148	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
149	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
150	Spitzkoppe		1		67	342 036.00	393 792.50	445 550.00
	ESTIMATED TOTAL RENOVATION COSTS FOR AREA 5					17 412 296.00	20 320 282.50	23 228 230.00

151	AREA 6	Brandberg A			1		88	449 240.00	517 220.00	585 200.00
152		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
153		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
154		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
155		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
156		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
157		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
158		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
159		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
160		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
161		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
162		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
163		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
164		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
165		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
166		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
167		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
168		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
169		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
170		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
171		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
172		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
173		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
174		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
175		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
176		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
177		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
178		Brandberg A			1		88	449 240.00	517 220.00	585 200.00
		ESTIMATED TOTAL RENOVATION COSTS FOR AREA 6						12 578 720.00	14 482 160.00	16 385 600.00

179	AREA 7	Brandberg B		1		92	469 660.00	540 730.00	611 800.00
180		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
181		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
182		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
183		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
184		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
185		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
186		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
187		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
188		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
189		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
190		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
191		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
192		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
193		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
194		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
195		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
196		Brandberg B		1		92	469 660.00	540 730.00	611 800.00
197		Moonlight Valley		1		92	469 660.00	540 730.00	611 800.00
198		Moonlight Valley		1		92	469 660.00	540 730.00	611 800.00
199		Moonlight Valley		1		92	469 660.00	540 730.00	611 800.00
200		Moonlight Valley		1		92	469 660.00	540 730.00	611 800.00
						ESTIMATED TOTAL RENOVATION COSTS FOR AREA 7	10 332 520.00	11 896 060.00	13 459 600.00

TOTAL FOR RENOVATION OF ALL BUNGALOWS	50 503 350.00	58 801 575.00	67 099 800.00

Definition of Low, Medium and High Classification

Low: Require basic renovations to 50% -100% of finishes/fittings

Medium: Requires renovations of 50% - 100% of the finishes/Fittings and 0% - 50% of Structure

High: Require basic renovations to 50% - 100% of finishes and fittings and 50% - 100% reconstruction of Sperstrcuture - Full reconstrcution on upper end

11.1.14 **MEMORANDUM OF AGREEMENT WITH ERONGO RED TO CO-FUND THE DEVELOPMENT OF EXT. 32 KRAMERSDORF**
(C/M 2025/06/03 - **17/1/4/2/1/7**)

Ordinary Management Committee Meeting of **15 May 2025**, Addendum **10.3** page **00** refers.

A. This item was submitted to the Management Committee for consideration:

1. PURPOSE

Purpose of this submission is to present to Council the Memorandum of Agreement drafted between Messrs Erongo RED ("ERED") and Swakopmund Council ("Council") for the co-funding to develop Ext. 32 Kramersdorf ("Property").

2. INTRODUCTION

In July 2018, Council took a decision to reserve 3 residential extensions in Kramersdorf, namely Ext. 32, 33 and 36, to develop these townships in phases depending on the availability of funds. Below is the decision taken on the 26 July 2018 under item 11.1.7 for ease of reference, resolved;

(a) That the installation of services to Extensions 32, 33 and 36 located to the east of Kramersdorf be reserved for Council.

(b) That Extensions 32, 33 and 36 not be sold to developers / members of the public either as extensions or as a number of separate erven; but that Council retains it for own development to train technicians to design services and to be involved in project management.

(c) That the projects be internally co-ordinated and supervised by the Engineering Services Department be done in phases, depending on demand and available funds.

(d) That the funding and installation of services on a phased basis due to the subdued market demand for high value serviced residential erven.

(e) That the Erongo RED be consulted for assistance in undertaking and funding the development of the electrical infrastructure.

(f) That once the erven of Extensions 32, 33 and 36 are promulgated and serviced, they be sold by closed bid sales.

Due to shifting of priorities, the exercise to develop the residential townships was put on hold until such time that Council's priorities have been realigned. Close to the end of 2021, Council revisited the need to expand and develop residential townships to assist in the provision of housing and took a decision on 27 January 2022 under item 11.1.45, resolved;

(a) That Council confirms the intention to proceed with the service installation of Extension 32 and 33 in terms of the following two resolutions and budgetary provision be made in the 2022/23 budget:

- *26 July 2018 under item 11.1.7*
- *31 August 2016 under item 11.1.10*

(b) That the General Manager: Engineering & Planning Services calculates cost estimates and cash flow projections; and provides timelines for the installation of services keeping in mind delays caused by environmental requirements.

(c) That the General Manager: Finance confirms to what extent Council's fixed deposits can be committed to this project as per point (d) of Council's decision made under item 11.1.7 on 26 July 2018 and the need for bank financing.

(d) That Erongo RED confirms their undertaking to fund the development of the electrical infrastructure as per point (e) of Council's decision made under item 11.1.7 on 26 July 2018.

(e) That the General Manager: Corporate Services & HC be permitted to commence with the selling erven prior to completion of installation of services in order to generate income as per point (f) of Council's resolution under item 11.1.7 on 26 July 2018.

On 23 February 2022 (**Annexure A**), Messrs ERED was informed of the two Council decisions, but there was a delay in a confirmed response by Messrs ERED on their willingness to co-fund the development of the Property. However, Council proceeded to finalise the designs and documentations for the Municipal and Electrical Infrastructure for the Property and this was done to get an estimate of the development cost for this project.

On 31 January 2024 (**Annexure B**), a follow up letter was issued to Messrs ERED to prompt their consideration and to share the estimated electrical infrastructure costs.

On 10 July 2024 (**Annexure C**), Messrs ERED responded positively and proceeded to make budgetary provision for this project.

In August 2024, a Draft MOA was forwarded to Messrs ERED for their inputs.

In March 2025, a final discussion was held between representatives from Council and Messrs ERED, to finalise the MOA.

On 23 April 2025, a final revision of the MOA was received from Messrs ERED.

3. MEMORANDUM OF AGREEMENT

The MOA is set-up to govern the relationship between the Council and Messrs ERED with the understanding that Council is desirous to develop the Property and sell the erven to the public and whereas Messrs ERED is willing to assist the Council in the development of the Property by funding the development of the electrical infrastructure and then share in the proceeds of the sale in accordance with the agreed Contribution Ratio that is attributed through the electrical infrastructure cost compared to the development cost for this project.

Clause 3.1.5 – Defines Contribution Ratios

"the CONTRIBUTION RATIOS" means the ratio, calculated as a percentage of the total actual Development Costs, of the contribution that Council and Erongo RED has respectively made towards the total Development Costs, pursuant to their respective obligations towards the development and the servicing of the Property, as envisaged in clauses 5.3 to 5.4 below.

Clause 3.1.6 – Defines Contribution Ratios

"the DEVELOPMENT COSTS" means the reasonable costs and disbursements which COUNCIL and ERONGO RED actually paid and disbursed towards or which are reasonably associated with the development of the Property as in clauses 5.3 to 5.4 below, including such charges for services rendered or goods supplied which COUNCIL or ERONGO RED would ordinarily have charged to third parties employing their services or procuring from them goods in developing the Property;

The responsibility of the two parties are as follows,

Council will be responsible for the Civil works and these responsibilities are listed under Clause 5.3. and ERED will be responsible for the Electrical works and these responsibilities are listed under Clause 5.4.

Additionally, it's found fundamental to the success of this agreement to include officials from both parties to act as the Liaison Officers, this will ensure that there will be a defined line of communication as well as accountability.

The Liaison Officers shall,

a. *be responsible to oversee the implementation, management and any other operational aspects of this Agreement;*

b. *engage each other regularly, meet upon request from the other Liaison Officer(s) and be the persons responsible for communication with the other party on any matter that may arise from this Agreement*

c. *ensure that their respective principals and their responsible personnel comply with and implement this Agreement.*

Therefore, the officials from Council will be the General Manager: Engineering and Planning Services (Technical Liaison Officer) and General Manager: Finance (Financial Liaison Officer) and General Manager: Corporate Services and Human Capital (Properties Liaison Officer). As part of the MOA, once Messrs ERED has recovered its contribution from the payments made by Council from the proceeds of the sale of erven, Messrs ERED shall be obligated to use 50% of the funds that was recovered from the development costs, to develop and disburse towards and the development of electrical infrastructure within Council's local authority area. This obligation is stated in Clause 10 of the MOA.

For this development, an erf will be created for a substation and it was agreed that this substation erf will be donated to ERED, because ERED is co-funding this development and this is recorded under Clause 7.3.7 of the MOA.

Revised full MOA is under **Annexure D**.

B. **After the matter was considered, the following was:-**

RECOMMENDED:

(a) That Council approves the Memorandum of Agreement with Erongo RED for the co-funding for the development of Extension 32, Kramersdorf.

(b) That Council nominates the following officials to act as the Liaison Officers under this Memorandum of Agreement, namely,

- ***General Manager: Engineering and Planning Services (Technical Liaison Officer)***
- ***General Manager: Finance (Finance Liaison Officer)***
- ***General Manager: Corporate Services and Human Capital (Properties Liaison Officer)***

(c) That the Chairperson of the Management Committee or a delegate and the Chief Executive Officer or a delegate signs the Memorandum of Agreement.

Annexure A

MUNICIPALITY OF SWAKOPMUND

(064) 4104402
(064) 4104125
Fax2email: 0886519137
53 Swakopmund
NAMIBIA
www.swkmun.com.na
townengineer@swkmun.com.na

Ref No:

Enquiries: C. McClune (Mr.)

23 February 2022

The Chief Executive Officer
Erongo Red
P.O. Box 2925
WALVIS BAY
13013
Namibia

support@erongored.com.na

Dear Sir

COUNCIL INTENTION TO DEVELOP EXTENSION 32 AND 33, KRAMERSDORF

This letter is to inform of Council's intention to develop several residential townships within the Kramersdorf suburb and to enquire if Messrs Erongo RED will partake in developing these residential townships.

In 2018 Council took a decision to reserve three (3) residential extensions in Kramersdorf, namely ext. 32, 33 and 36, and develop these extensions in phases depending on the availability of funds. Resolution is shared below for ease of context.

PROVISION OF SERVICES TO EXTENSIONS 32, 33 & 36 (LOCATED EAST OF KRAMERSDORP)
(C/M 2018/07/26 - G 3/3/2/32, G 3/3/33, G 3/3/36)

RESOLVED:

(a) That the installation of services to Extensions 32, 33 and 36 located to the east of Kramersdorf be reserved for Council.

(b) That Extensions 32, 33 and 36 not be sold to developers / members of the public either as extensions or as a number of separate erven; but that Council retains it for own development to train technicians to design services and to be involved in project management.

(c) That the projects be internally co-ordinated and supervised by the Engineering Services Department be done in phases, depending on demand and available funds.

(d) That the funding and installation of services on a phased basis due to the subdued market demand for high value serviced residential erven.

(e) That the Erongo RED be consulted for assistance in undertaking and funding the development of the electrical infrastructure.

(f) That once the erven of Extensions 32, 33 and 36 are promulgated and serviced, they be sold by closed bid sales.

Due to shifting of priorities, the exercise to develop the residential townships was put on hold until such time that Council's priorities have been realigned.

Close to the end of 2021, Council revisited the need to expand and develop residential townships to assist in the provision of housing and took a decision in January 2022, amongst others, to pursue the intention to develop the residential townships in Kramersdorf. Resolution is shared below for ease of context.

SERVICING OF EXTENSIONS 32 AND 33 LOCATED EAST OF KRAMERSDORF
(C/M 2022/01/27 - 16/1/4/2/1/9)

RESOLVED:

(a) That Council confirms the intention to proceed with the service installation of Extension 32 and 33 in terms of the following two resolutions and budgetary provision be made in the 2022/23 budget:

- **26 July 2018 under Item 11.1.7**
- **31 August 2016 under Item 11.1.10**

(b) That the General Manager: Engineering & Planning Services calculates cost estimates and cash flow projections; and provides timelines for the installation of services keeping in mind delays caused by environmental requirements.

(c) That the General Manager: Finance confirms to what extent Council's fixed deposits can be committed to this project as per point (d) of Council's decision made under item 11.1.7 on 26 July 2018 and the need for bank financing.

(d) That Erongo RED confirms their undertaking to fund the development of the electrical infrastructure as per point (e) of Council's decision made under item 11.1.7 on 26 July 2018.

(e) That the General Manager: Corporate Services & HC be permitted to commence with the selling erven prior to completion of installation of services in order to generate income as per point (f) of Council's resolution under item 11.1.7 on 26 July 2018.

Taking into consideration the two decisions in 2018 under point (e) and 2022 under point (d) respectively, it can be noted that both decisions considers the presence and involvement of Messrs Erongo RED for assistance in undertaking and funding the electrical infrastructure for the residential extensions, namely ext. 32 and 33.

The Engineering and Planning Services department is in the process of calculating the cost of the civil services to these two extensions in preparation of Council's 2022/2023 financial budget provision. In order for Council to take a final decision on the financial model to apply to developing extension 32 and 33, Kramersdorf, Erongo RED is herewith requested to confirm their undertaking to assist and fund the development of the electrical infrastructure.

Should you have any further queries, please do not hesitate to contact the General Manager: Engineering & Planning Services, Mr. C. McClune, at telephone number (064) 410 4400 or email: townengineer@swkmun.com.na.

Regards

A Benjamin
Chief Executive Officer

CM/vb

cc General Manager: Engineering & Planning Services

Annexure B

MUNICIPALITY OF SWAKOPMUND

(064) 4104402
(064) 4104125
Fax2email: 0886519137
53 Swakopmund
NAMIBIA
www.swkmun.com.na
townengineer@swkmun.com.na

Ref No: 16/1/4/2/1/9

Enquiries: C. McClune (Mr.)

31 January 2024

The Chief Executive Officer
Erongo Red
P O Box 2925
WALVIS BAY
13013
Namibia

support@erongored.com.na

Dear Sir

COUNCIL'S INTENTION TO DEVELOP EXTENSION 32, KRAMERSDORF

This letter is to inform of Council's intention to develop several residential townships within the Kramersdorf suburb and to enquire if Messrs Erongo RED will partake in developing these residential townships.

In 2018 Council took a decision to reserve three (3) residential extensions in Kramersdorf, namely ext. 32, 33 and 36, and develop these extensions in phases depending on the availability of funds. Resolution is shared below for ease of context.

PROVISION OF SERVICES TO EXTENSIONS 32, 33 & 36 (LOCATED EAST OF KRAMERSDORP)
(C/M 2018/07/26 - G 3/3/2/32, G 3/3/33, G 3/3/36)

RESOLVED:

(a) That the installation of services to Extensions 32, 33 and 36 located to the east of Kramersdorf be reserved for Council.

(b) That Extensions 32, 33 and 36 not be sold to developers / members of the public either as extensions or as a number of separate erven; but that Council retains it for own development to train technicians to design services and to be involved in project management.

(c) That the projects be internally co-ordinated and supervised by the Engineering Services Department be done in phases, depending on demand and available funds.

(d) That the funding and installation of services on a phased basis due to the subdued market demand for high value serviced residential erven.

(e) That the Erongo RED be consulted for assistance in undertaking and funding the development of the electrical infrastructure.

(f) That once the erven of Extensions 32, 33 and 36 are promulgated and serviced, they be sold by closed bid sales.

Due to shifting of priorities, the exercise to develop the residential townships was put on hold until such time that Council's priorities have been realigned.

Close to the end of 2021, Council revisited the need to expand and develop residential townships to assist in the provision of housing and took a decision in January 2022, amongst others, to pursue the intention to develop the residential townships in Kramersdorf. Resolution is shared below for ease of context.

SERVICING OF EXTENSIONS 32 AND 33 LOCATED EAST OF KRAMERSDORF
(C/M 2022/01/27 - 16/1/4/2/1/9)

RESOLVED:

(a) That Council confirms the intention to proceed with the service installation of Extension 32 and 33 in terms of the following two resolutions and budgetary provision be made in the 2022/23 budget:

- **26 July 2018 under item 11.1.7**
- **31 August 2016 under item 11.1.10**

(b) That the General Manager: Engineering & Planning Services calculates cost estimates and cash flow projections; and provides timelines for the installation of services keeping in mind delays caused by environmental requirements.

(c) That the General Manager: Finance confirms to what extent Council's fixed deposits can be committed to this project as per point (d) of Council's decision made under item 11.1.7 on 26 July 2018 and the need for bank financing.

(d) That Erongo RED confirms their undertaking to fund the development of the electrical infrastructure as per point (e) of Council's decision made under item 11.1.7 on 26 July 2018.

(e) That the General Manager: Corporate Services & HC be permitted to commence with the selling erven prior to completion of installation of services in order to generate income as per point (f) of Council's resolution under item 11.1.7 on 26 July 2018.

Taking into consideration the two decisions in 2018 under point (e) and 2022 under point (d) respectively, it can be noted that both decisions considers the presence and involvement of Messrs Erongo RED for assistance in undertaking and funding the electrical infrastructure for the residential township, known as ext. 32, 33 and 36.

The Engineering and Planning Services department have already completed the designs and documentation for Ext. 32, Kramersdorf and Council is at the point of commencing with the procurement process. The electrical infrastructure is estimated to be in the vicinity of **N$ 14 500 000.00** (VAT and 10% contingency included). Attached is a un-priced Bill of Quantity for ease of reference.

In order for Council to take a final decision on the financial model to apply to developing extension 32 Kramersdorf, Erongo RED is herewith requested to confirm their undertaking to assist and fund the development of the electrical infrastructure.

Should you have any further queries, please do not hesitate to contact the General Manager: Engineering & Planning Services, Mr C. McClune, at telephone number (064) 410 4400 or email: townengineer@swkmun.com.na.

Regards,

MUNICIPALITY OF SWAKOPMUND
2024 -01- 31
Chief Executive Officer

A Benjamin
CHIEF EXECUTIVE OFFICER

CM/vrb

Copy: General Manager: Engineering & Planning Services

Annexure C

ERONGO red

TEL +264 (64) 201 9000 TOLL FREE +264 811 9000 FAX +264 (64) 201 7004 EMAIL support@erongored.com.na
ERONGO RED BUILDING REG NO 2004/0474 91 HAGE GEINGOB STREET P O BOX 2925 WALVIS BAY NAMIBIA

ER: 5/9/2/5

Chief Executive Officer
Municipality of Swakopmund
P O Box 53
Swakopmund

Enquiries	Rudolf Ouseb (Inc Eng)
Physical Address	91 Hage Geingob Street
Telephone	+264 (64) 201 9000
Facsimile	
Cell	+264 (81) 122 4666
E-mail	rouseb@erongored.com.na
Date	10 July 2024

Email: townengineer@swkmun.com.na

Dear Mr Benjamin

COUNCIL'S INTENTION TO DEVELOP EXTENSION 32, KRAMERSDORF

1. Your letter dated 17 April 2024 has reference.

2. Our Board has recently approved the joint venture for this project and we believe that the joint venture efforts will lead to successful outcomes for the community.

3. In light of this, we kindly request the following actions:

   a) Memorandum of Understanding (MoU): We propose that Erongo RED and Swakopmund Municipality sign a Memorandum of Understanding (MoU) to formalize our commitment to this project. The MoU will outline our respective roles, responsibilities, and expectations. We believe that a collaborative approach will enhance efficiency and ensure effective project management.

   b) Project Implementation Program: We seek Swakopmund Municipality's cooperation in sharing the project implementation program. This will help us align our efforts, allocate resources effectively, and ensure timely execution. We appreciate any insights or details you can provide regarding the project timeline, milestones and key deliverables.

   c) Cashflow Forecast: Erongo RED aims to plan its financial resources efficiently. Therefore, we kindly request a cashflow forecast related to the Extension 32 Kramersdorf development. Understanding the financial implications will enable us to allocate funds appropriately and contribute effectively to the project's success.

   d) Draft MoU: To expedite the process, we would greatly appreciate receiving a draft MoU at your earliest convenience. This will allow us to review the terms and provide any necessary feedback promptly. We are committed to ensuring a smooth collaboration and successful project outcomes.

4. We believe that this partnership will not only benefit our organizations but also positively impact the residents of Extension 32 Kramersdorf. By working together, we can create a sustainable and thriving community.

5. We look forward to your favourable response and the opportunity to contribute to the development of Extension 32 Kramersdorf.

6. Should you need any further information, please do not hesitate to contact us.

Yours Sincerely,

ERONGO
15 JUL 2024
Office Of The Chief Executive Officer

I. Hanabeb
Chief Executive Officer

Annexure D

MEMORANDUM OF AGREEMENT

(hereinafter referred to as the "Agreement")

Entered into by and between

THE MUNICIPAL COUNCIL OF SWAKOPMUND

(hereinafter referred to as the "Council")

Herein represented by

ALFEUS BENJAMIN in his capacity as Chief Executive Officer, or

MPASI HAINGURA or **CLARENCE MCCLUNE** or **VILHO KAULINGE** or **LYDIA MUTENDA** or **HELLAO !NARUSEB** in his/her capacity as Acting Chief Executive Officer

And

WILFRIED GROENEWALD in his capacity as Chairperson of the Management Committee or **ERKKIE SHITANA** in his capacity as Alternate Chairperson of the Management Committee acting by virtue of the authority granted in terms of Section 31 A(a) of the local Authority Act, 1992 (Act 23 of 1992) as amended.

AND

ERONGO REGIONAL ELECTRICITY DISRTRIBUTOR COMPANY (PTY) LTD

(hereinafter referred to as the "Erongo Red")

Herein represented by

IMMANUEL !HANABEB

The Chief Executive Officer

INDEX

ITEM **PAGE**

3.1.9 **"the LAYOUT PLAN"** means a detailed approved master or amended sketch plan of the Property, clearly setting out the subdivision of the Property, annexed hereto as ANNEXURE "A";

3.1.10 **"MONTH"** means a calendar month, and more specifically;-

(i) in reference to a number of months from a specific date, a calendar month commencing on that date or the same date of any subsequent month; and

(ii) in any other context, a month of the calendar, that is, one of the 12 months of the calendar.

and "monthly" has the corresponding meaning;

3.1.11 **"the MINISTER"** means the Minister of Urban and Rural Development;

3.1.12 **"the PROPERTY"** means::

CERTAIN:	Extension 32, Swakopmund (previously known as PTN 155 (a Portion of Portion B) of the Swakopmund Town and Townlands No 41
SITUATE:	In the Municipality of Swakopmund, Registration Division "G", ERONGO REGION
MEASURING:	14.0823 (Fourteen Comma Nil Eight Two Three) hectares as indicated on the annexed Diagram No. A 753/2016
HELD:	by virtue of a Certificate of Registered Title T5679/2020

AND declared as a township called Swakopmund Extension 32 under Government Notice GN 135 (Government Gazette No 7034 of 1 November 2019) comprising of 82 erven numbered 8686 to 8764:

- 79 residential erven numbered 8686 to 8764

- 2 Public Open Spaces numbered 8765 and 8766
- Remainder streets as indicated on General Plan G194

3.1.13 "the SERVICES" means the extension, expansion, installation and/or construction, as the case may be, of the internal and external ("bulk") services on the erven as more fully described in clause 5 below;

3.1.14 "the SIGNATURE DATE" means the date of signature of this agreement by the party last signing;

3.1.15 "the TOWN PLANNING SCHEME" means the Swakopmund Town Planning Amendment Scheme No. 12, or any amendments thereto;

3.1.16 "the TRANSFER DUTY ACT" means the Transfer Duty Act 14 of 1993, as amended.

4. INTERPRETATION

4.1 Clause headings appear in this agreement for purposes of reference only and shall not influence the proper interpretation of the subject matter.

4.2 Expressions in the singular also denote the plural, and vice versa;

4.3 Words and phrases denoting natural persons refer also to juristic persons, and vice versa;

4.4 Pronouns of any gender include the corresponding pronouns of the other genders.

4.5 If any provision in a definition is a substantive provision imposing rights or obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the agreement.

4.6 When any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.

4.7 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

4.8 Expressions defined in this agreement shall bear the same meanings in schedules or annexures to this agreement which do not themselves contain their own definitions.

4.9 Where Value Added Tax is payable in respect of any transaction recorded in this agreement, then the purchase price reflected herein shall be exclusive of such Value Added Tax.

4.10 The terms and conditions of this agreement are the result of negotiations between the parties and it is recorded that this agreement shall not be construed in favour of or against any party by reason of the extent to which any party or its professional advisors participated in the preparation of this agreement.

5. THE PROPERTY TO BE DEVELOPED AND SERVICED

5.1 Subject to the terms of this agreement, Council herewith agrees and undertakes to develop and service the Property in separate, fully serviced and saleable erven and to sell such erven to the public. Subject to the terms of this agreement, Erongo RED herewith agrees and undertakes to assist Council by contributing to the development and servicing of the Property, as provided herein.

5.2 In pursuance of their agreement, Council and Erongo RED, respectively, shall perform the following duties and functions, as referred to below.

Responsibilities of Council

5.3 In pursuance of their agreement, Council shall attend to the following:

5.3.1 Procure proper town planning services to be used in respect of the Property to, amongst others

a. identify and formally plan the layout of saleable portions

of the Property divided into erven with streets, service areas and public areas, including areas dedicated for electricity infrastructure, as may be required by the best prevailing town planning practices and statutory requirements, including Council's own town planning scheme;

b. procure the completion of such formal and statutory town planning processes and disciplines required, including those relating to the appropriate zoning of the Property, the sub-division of the Property and the like.

5.3.2 Conduct the required cadastral Property surveys of the Property in accordance with the approved layout thereof and have such survey diagram approved and registered, to enable registration of the transfer in ownership of the demarcated erven on the Property from Council to the purchasers thereof.

5.3.3 Design and perform the civil construction of the pavements, streets and public areas on the Property, in accordance with the approved Layout Plan and the approved cadastral survey of the Property.

5.3.4 Design and construct the potable water supply to the Property, including the eventual erven thereon, by means of a fully operative and integrated water reticulation network and, when required, upgrade the existing bulk water supply to meet the anticipated demand for potable water of the Property. The potable water supply shall be designed and be constructed to be of such capacity to meet the anticipated demand, as envisaged by the intended use of the Property and the erven.

5.3.5 Design and construct the sewerage system to the Property, including the eventual erven thereon, by means of a fully

operative and integrated sewerage system for the collection, treatment and disposal of sewerage and, when required, upgrade the existing bulk sewerage network to meet the anticipated sewerage output of the Property. The sewerage system shall be designed and be constructed to be of such capacity to meet the anticipated demand, as envisaged by the intended use of the Property and the erven.

5.3.6 Design and construct underground sleeves and conduits for the Telecommunication services, if required.

5.3.7 Design and construct the storm-water drainage system to the Property, including the eventual erven thereon, where applicable. The storm water drainage system shall be designed and constructed to be of such capacity to meet the anticipated demand, as envisaged by the intended use of the Property.

5.3.8 Design a fully operative underground electrical network to the Property, including the eventual erven thereon, which distributes, supplies, reticulates and otherwise provide electricity and, when required, upgrade the current bulk electricity distribution network to meet the anticipated electricity demand of the Property. The electrical network shall be designed to be of such capacity to meet the anticipated demand, as envisaged by the intended use of the Property and the erven.

5.3.9 Subdivision and creation of the erf for the substation(s), as required.

Responsibilities of Erongo RED

5.4 In pursuance of their agreement, Erongo RED shall assist Council with the development and servicing of the Property and shall attend

to the following:

5.4.1 Approval of the designs and plans to the underground electrical network to the Property, including the eventual erven thereon, which distributes, supplies, reticulates and otherwise provide electricity and, when required, the upgrade to the current bulk electricity distribution network to meet the anticipated electricity demand of the Property and such approval shall not be unreasonably delay and or withhold.

5.4.2 . Construct a fully operative underground electrical network to the Property, including the eventual erven thereon, which distributes, supplies, reticulates and otherwise provide electricity and, when required, upgrade the current bulk electricity distribution network to meet the anticipated electricity demand of the Property. The electrical network shall be constructed to be of such capacity to meet the anticipated demand, as envisaged by the intended use of the Property and the erven.

5.4.3 Technical Inspections and quality control with the Council and appointed consultant during the construction, commissioning, take-over and defects liability period of the electrical infrastructure to the Property.

5.4.4 Review of the payment claims by the electrical contractor with the appointed consultant.

Procurement of Goods Materials and Services, Costs and Performance Standards

5.5 When complying with their obligations referred to in clauses 5.3 and 5.4, both Council and Erongo RED shall:

5.5.1 Accurately and comprehensively describe and document the design, scope, nature and quantities of materials and labour and the applicable standards used in the performance of their

obligations, which shall be made available to the other party and, when available, to the other party.

5.5.2 at their own respective costs, employ the professional services, appoint such contractors and agents and procure the goods and materials which may ordinarily be required to fully comply with their obligations as recorded above;

5.5.3 incur such reasonable costs and disbursements, from their own funds or financing sources, as may be reasonably required or associated with their above obligations; and perform their duties in compliance with the minimum and acceptable technical specifications and standards set by Council, Erongo RED or the applicable statutory regulations and in accordance with the best practice prevailing in the industry and which may be applicable to similar Property developments, at the time.

5.5.4 Council and Erongo RED shall be deemed as having complied with their above mentioned obligations and the Property shall be deemed to have been duly developed and serviced, once it has been certified that such has been completed and acceptably performed in accordance with the applicable design, technical specifications and standards. Such certificates shall be issued, either by the project managing professionals, by the parties' respective Chief Executive Officers or persons designated by them, acting on advice of their responsible technical personnel.

5.5.5 Both Council and Erongo RED will compile a joint development program with timelines and progress milestones, which will guide their respective performances in executing their aforesaid development obligations, which program may be attached to this Agreement. The parties shall fully report to each other on any circumstances which may arise and which may cause a delay in completing their development obligations in accordance with the development program.

6. LIAISON OFFICERS

6.1 Erongo RED and Council shall each nominate 3 (three) Liaison Officers, from their respective engineering, finance and properties departments (or designates), who shall be persons in a supervisory position. The parties shall grant their Liaison Officers such authority that they may require to comply with and to effectively execute their functions as set out in this agreement.

6.2 The Liaison Officers shall:

6.2.1 be responsible to oversee the implementation, management and any other operational aspects of this Agreement;

6.2.2 engage each other regularly, meet upon request from the other Liaison Officer(s) and be the persons responsible for communication with the other party on any matter that may arise from this Agreement

6.2.3 ensure that their respective principals and their responsible personnel comply with and implement this Agreement.

6.3 At the time of signing this agreement, the parties have nominated the following persons as their respective Liaison Officers:

6.3.1 Erongo RED nominated

Name of Technical Liaison Officer:	
Position:	
Telephone No:	
Electronic address:	

Name of Financial Liaison Officer:	
Position:	
Telephone No:	
Electronic address:	

Name of Property Liaison Officer:	
Position:	
Telephone No:	
Electronic address:	

which may only be materially exceeded with the express consent of the other party or in the event of other circumstances which reasonably justifies such exceeding.

6.3 The parties shall keep accurate accounting records of the actual Development Costs and the payment thereof and, as a minimum, keep and regularly update written summaries thereof, supported with copies of all cost and payment vouchers, including invoices, payment certificates, cheque or EFT payment instructions. Such summaries and records shall be supplied to the other party upon request and may be inspected and copied upon prior appointment during ordinary office hours.

6.4 Once the Property has reached the Project Completion Date as deemed to have been developed and serviced as aforesaid, within 28 days after the issuance of the completion certificates or at a date agreed upon by the Liaison Officers, the parties shall jointly determine and record:

6.4.1 each component and the total of the Development Costs;

6.4.2 the Development Costs expressed per square meter of the Property; and

6.4.3 the Contribution Ratios.

6.5 The Development Costs expressed per square meter of the Property shall be determined by dividing the Development Costs by the total area of the Property, rounded off to the nearest square meter and excluding any portions of the Property which are not earmarked for the sale of cost-reflective prices (e.g. land intended to be used as public open spaces, streets, sidewalks, to accommodate the services and for institutional purposes).

6.6 The Contribution Ratios shall be determined by calculating, as a percentage of the total actual Development Costs, Council's and Erongo RED's contribution towards the Development Costs pursuant to their obligations, as envisaged in clauses 5.3 and 5.4 above.

6.7 The Development Costs and incomes from sales of the Property, as described below, may be subject to an auditing process conducted jointly by the Financial Manager (or their respective designates) of Council and Erongo RED respectively, when so demanded by any of the parties.

8 SALE AND TRANSFER OF ERVEN ON THE PROPERTY

7.1 Once the Property has been developed and serviced as aforesaid, Council shall, without delay and subject to all its legal obligations pertaining to the sale of Property, market and sell the erven on the Property to members of the public.

7.2 Council shall offer and sell the erven to the public by means of transparent processes and subject to Council's statutory duties pertaining to the sale of Property. Unless Erongo RED consents thereto in writing, the erven shall be sold for no less than the minimum, pre-calculated sales prices, which Council may determine subject to clause 7.3 below.

Sales Prices of Developed Erven

7.3 Council shall determine the minimum sales prices of all erven on the Property in accordance with the following principles and processes:

7.3.1 Council shall invite, consult with and duly take into consideration any written recommendations made by Erongo RED pertaining to the sales prices.

7.3.2 Council shall comply with its legal obligations, whether statutory or otherwise, pertaining to the sale of Property and any statutory prescribed prices thereof, which may be applicable to the sale of Property in any local authority area at the time.

7.3.3 The sales prices of the erven shall be determined for sale to the public in accordance with the following options, as the case may be:

a. At a minimum sales price per square meter of the erven, determined by taking into account the prevailing market price of similar erven at the time, subject, however, to a price that will achieve the full recovery of the Development Costs expressed per square meter, as referred to in clause 6.4 above, if all erven on the Property were sold;

b. In the alternative, a minimum sales price per square meter of the erven, which price shall achieve a full recovery of Erongo RED's pro-rata contribution to the Development Costs if all the erven on the Property were sold; or

7.3.4 Once determined, Council shall circulate to Erongo RED the sales prices determined for all erven on the Property.

7.3.5 Once sold, Council shall procure the transfer of the erven and collect the purchase consideration payable and, at intervals of no longer than 6 (six) months, report in writing to Erongo RED on the status of the sales and transfers of the erven on the Property and the amounts collected towards the purchase consideration.

Areas and Erven Reserved for Electrical Infrastructure

7.3.6 All erven or areas on the Property that have been set aside for the establishment and housing of electrical infrastructure, in the form of electrical substations, switching stations and apparatus alike, shall, as part of the town planning processes, be formally

identified, their intended use recorded and the Property shall be sub-divided to ensure such areas are free-standing erven by the Council.

7.3.7 Once the Property is deemed to have been duly developed and serviced as provided herein, Council shall donate and, at Erongo RED's costs, pass the ownership of the erven earmarked for electrical infrastructure to Erongo RED for the construction and housing thereon of the electrical infrastructure.

9 ERONGO RED'S SHARE IN PROCEEDS OF THE SALES AND RESULTANT OBLIGATIONS

8.1 Erongo RED shall, in accordance with the Contribution Ratio, be entitled to receive payment from Council of a pro rata share of the proceeds Council receives for the sale of each of the erven on the Property.

8.2 Council shall make payment to Erongo RED of an amount determined by applying the Contribution Ratio to the sales price Council agreed with the purchasers of the erven on the Property, payment of which shall be made to Erongo RED:

8.2.1 without deduction or set-off;

8.2.2 within 30 (thirty) days of the registration of transfer of the erven concerned from Council to the purchasers;

8.2.3 accompanied by a payment advice, recording the purchase price of the erven concerned, the date of the registration of the transfer and a calculation of the amounts so paid.

10 ERONGO RED'S OBLIGATION TO DEVELOP FURTHER ELECTRICAL INFRASTRUCTURE

9.1 Once Erongo RED recovered its contribution to the Development Costs from the payments made by Council from the proceeds of the sale of the erven, it shall be obliged to develop and disburse towards and the

development of electrical infrastructure within Council's local authority area as provided below.

9.2 Within a period of 24 (twenty four) months of having received payment of amounts in excess of its contribution to the Development Costs, Erongo RED shall budget for and apply at least 50% (fifty per centum) of the amounts it received from Council in excess of its contribution to the Development Costs, towards the development of further electrical infrastructure; provided that the further electrical infrastructure shall be developed:

9.2.1 in consultation with Council and within Council's local authority area;

9.2.2 only once a feasible amount for such development has become available to be disbursed thereto; or

9.2.3 in accordance with such terms and conditions as the parties may agree at the time.

11 BREACH

Should any party ("the defaulting party") commit a breach of any term of this agreement and fail to remedy such breach or, where the breach is not capable to be remedied, to implement such other action acceptable to and which may (without any obligation in the case of an irreparable breach) be demanded by the other party ("the aggrieved party"), within 14 (fourteen) days after having received written notice from the aggrieved party requiring it to do so, then the aggrieved party shall be entitled, without prejudice to any of its other rights in law, to cancel this agreement and to claim damages, or to claim specific performance of all the defaulting party's obligations whether or not such obligation would otherwise then have fallen due for performance, in either event without prejudice to the agreed parties' rights to claim for damages.

12 ARBITRATION

11.1 Save where otherwise provided in this Agreement, should any dispute

arise between the parties in connection with:-

11.1.1 the formation or existence of;

11.1.2 the implementation of;

11.1.3 the interpretation or application of the provisions of;

11.1.4 the parties' respective rights and obligations in terms of or arising out of the breach or termination of;

11.1.5 the validity, enforceability, rectification, termination or cancellation, whether in whole or in part, of any documents furnished by the parties pursuant to the provisions of this Agreement or which relates in any way to any matter affecting the interest of the parties in terms of this Agreement,

that dispute shall, unless resolved amongst the parties to the dispute, be referred to and be determined by arbitration in terms of this clause.

11.2 Any party to this Agreement may demand that a dispute be determined in terms of this clause by written notice given to the other party.

11.3 This clause shall not preclude any party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.

11.4 The arbitration shall be held at Swakopmund with only the legal and other representatives of the parties to the dispute present thereat.

11.5 The arbitrator shall be, if the matter in dispute is principally:-

11.5.1 a legal matter, a legal practitioner of Namibia of at least 5 (five) year's standing agreed upon between the parties;

11.5.2 an accounting matter, a practicing chartered accountant of Namibia of at least 5 (five) year's standing agreed upon between the parties;

11.5.3 any other matter, an independent person, agreed upon between the parties to the dispute.

11.6 Should the parties to the dispute fail to agree whether the dispute is principally a legal, accounting or other matter within 7 (seven) days after arbitration was demanded, the matter shall be deemed to be a legal matter.

11.7 Should the parties fail to agree on an arbitrator within 14 (fourteen) days after giving of notice in terms of 11.2, the arbitrator shall be appointed at the request of either party to the dispute by the President for the time being of the Namibia Law Society in accordance with clause 11.5 of this Agreement.

11.8 The decision of the arbitrator shall be final and binding on the parties to the dispute and may be made an order of the court referred to in 11.9, below, at the instance of any of the parties to the dispute.

11.9 The parties hereby consent to the jurisdiction of the High Court of Namibia or any other competent court having jurisdiction.

11.10 The parties agree to keep the arbitration including the subject matter of the arbitration and the evidence heard during the arbitration confidential and not to disclose it to anyone.

11.11 The provisions of this clause:-

11.11.1 constitute an irrevocable consent by the parties to any proceedings in terms hereof and no party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions;

11.11.2 are severable from the rest of this Agreement and shall remain in effect despite determination of or invalidity for any reason of this Agreement.

13 ADDRESSES AND NOTICES

12.1 For the purpose of this Agreement, including the giving of notices in terms hereof and the serving of legal process, the parties choose domicilium citandi et executandi as follows:

the COUNCIL at:

PHYSICAL: Main Municipal Building, c/o Daniel Tjongarero Avenue and Tobias Hainyeko Street, Swakopmund, Namibia
POSTAL: P O Box 53, Swakopmund, Namibia
EMAIL:

Erongo RED at:

PHYSICAL: No. 91 Hage Geingob Street, Walvis Bay
POSTAL: P O Box 2925, Walvisbay
EMAIL: ihanabeb@erongored.com.na
tgaoses@erongored.com.na

12.2 A party may at any time change its domicilium citandi et executandi by notice in writing, provided that the new domicilium citandi et executandi is in the Republic of Namibia and consists of, or includes, a physical address at which process can be served.

12.3 Any notice given in connection with this Agreement may be delivered by hand; be sent by prepaid registered post or e-mail to the domicilium citandi et executandi chosen by the party concerned. Any notice or process delivered on any party in connection with any matter or subject arising out of this Agreement or any notice shall be deemed to have been delivered if handed to any responsible person at the domicilium citandi et executandi chosen by any party and it shall not be necessary to hand such process or notice to any party personally.

12.4 A notice given as set out above shall be presumed to have been duly delivered.

12.4.1 on the date of delivery if delivered by hand;

12.4.2 on the tenth (10th) day from the date of posting including the date of posting if posted by pre-paid registered post from within the Republic of Namibia; and

12.4.3 on the business day following its if sent by r e-mail.

12.5 Notwithstanding the aforegoing, any notice actually received by the addressee shall be deemed to have been properly delivered.

14 GENERAL

13.1 This Agreement constitutes the whole agreement between the Parties and supersedes all prior verbal or written agreements or understandings or representations by or between the Parties regarding the subject matter of this Agreement, and the Parties will not be entitled to rely, in any dispute regarding this Agreement, on any terms, conditions or representations not expressly contained in this Agreement.

13.2 If any of the provisions of this Agreement is found to be void or unenforceable, the provision shall be deemed to be deleted from this Agreement and the remaining provisions shall continue in full force and effect. The parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision, which is void or unenforceable.

13.3 No latitude, extension of time or other indulgence which may be given or allowed by any party to any other party in respect of the performance of any obligation hereunder or enforcement of any right arising from this Agreement and no single or partial exercise of any right by any part shall under any circumstances be construed to be an implied consent by such party or operate as a waiver or a novation of, or otherwise affect any of the party's rights in terms of or arising from this Agreement, or estop such party from enforcing, at any time and without notice, strict and

punctual compliance with each and every provision or term hereof.

13.4 No party shall be entitled to cede any rights or assign or delegate any obligations in terms of this agreement without the prior written consent of the other party.

13.5 No variation, novation or consensual cancellation of this agreement shall be of any force or effect unless reduced to writing and signed by both parties.

13.6 No waiver on the part of either party to this Agreement of any rights arising from a breach of any provision of this Agreement will constitute a waiver of rights in respect of any subsequent breach of the same or any other provision.

13.7 Neither party shall be regarded as having waived, or be precluded in any way from exercising, any right under or arising from this agreement by reason of such party having, at any time, granted any extension of time for or having shown any indulgence to the other party with reference to any payment or performance to be made hereunder or having failed to enforce or delayed in the enforcement of any right of action against the other party.

13.8 The failure of either party to comply with any non-material provision of this agreement shall not excuse the other party from performing the latter's obligations hereunder fully and timeously.

13.9 The validity and interpretation of this Agreement will be governed by the laws of the Republic of Namibia.

15 COSTS

14.1 Any legal, including attorney and own client costs, incurred by a party pursuant to the breach by any other party of any of the provisions of this Agreement, shall be borne by the party in breach.

14.2 Each party shall bear its own costs for professional advisors incurred in negotiating, drafting, settling and concluding this agreement.

16 SEVERABILITY

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any risk of law or public policy, all other terms and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the business transaction and relationship contemplated hereby is not affected in any manner adverse to the other party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original interest of the parties as closely as possible in an acceptable manner to the end that the business transaction and relationship contemplated hereby are fulfilled to the greatest extent possible.

17 NECESSASITY POWERS AND AUTHORIZATION

16.1 The parties undertake to pass all resolutions, sign all documents and take all reasonable and necessary steps to give effect to and ensure the proper discharge of their respective duties, functions and obligations in terms of this agreement.

16.2 The persons signing this agreement warrant that they are duly authorized to sign this agreement and bind the parties they represent to the terms and conditions contained herein.

18 APPLICABLE LAW

The law applicable to this Agreement shall be Namibian law, and subject to the provisions of the arbitration clause above, the parties consent to the jurisdiction of the High Court of Namibia in relation to any matter arising from

this agreement.

THUS DONE AND SIGNED at SWAKOPMUND on this _____ day of _____ 2025

in the presence of the undersigned witnesses:

For the COUNCIL:

WITNESSES:

1. _____ _____

CHIEF EXECUTIVE OFFICER or

ACTING CHIEF EXECUTIVE OFFICER

2. _____ _____

CHAIREPERSON OF MANAGEMENT

COMMITTEE or

ALTERNATE CHAIRPERSON OF

MANAGEMENT COMMITTEE

THUS DONE AND SIGNED at SWAKOPMUND on this _____ day of _____ 2025

in the presence of the undersigned witnesses:

For Erongo RED:

AS WITNESSES:

1. _____ _____

CHIEF EXECUTIVE OFFICER or

ACTING CHIEF EXECUTIVE OFFICER

2. _____