

Vaal River City Project

INTRODUCTION

The Vaal River City Project (VRC) is residential and commercial development project aimed at improving investment and economic development in the region of Vereeniging, Gauteng Province. The key points of the project are as follows:

- 5000 mixed housing development
- 250ha of land
- 60 000m² commercial office park
- USDo.58bn and USDo.91bn (R7-billion and R11billion)
- 10 000 Jobs during and 19 000 post project

The GDP of the Vereeniging region has historically been largely reliant on the steel industry which is now facing steep decline as a result of falling prices and the falling demand from the traditional Chinese market. The VRC is a targeted intervention aimed at developing a concept such as the hydropolis project aimed at unlocking the potential waterfront developments in the area taking advantage of the scenic views alongside the Vaal River.




PROJECT OVERVIEW

The Vaal River City (VRC) Project is a new waterfront development on the portions of the barren riverbank of the Vaal river south of Gauteng. The VRC project is a greenfield development aimed at the creation of a new multibillion rand city aimed at reviving economic activity in the area. The VRC project is one of the 5 identified new corridors identified by the Gauteng Provincial Government.




PARTNERS

The VCR Project will be rolled out through the participation of various stakeholders with specific roles and expectations as stated hereunder.

Stakeholder	Expected Role
National Government	To provide the required financial and legislative support
Provincial Government	Provide required funding and legislative support and IGR participation. The Provincial Government may also want to establish some of its Regional Offices within the development. Provision of some provincial government services such as Health, education etc.
Local Government	Provide necessary support in zoning matters and plan approvals. Provide support in the rollout of required additional bulk services. The 5 municipalities in the region may at some point consolidate their office accommodation requirements and establish a Metropolitan centre in the development.
Business	Provide the necessary funding required through a PPP arrangements. Invest in the development of commercial sites. Run their businesses from within the development. Invest in the mixed housing development.
Financial Sector	Provide investment solutions, advice and commitment to the project. Buy in of the financial sector in the commercial development as well as active participation in the housing development sector.
Community	Participation and involvement to ensure that the development benefits all. Employment and business opportunities for the community.
Tertiary Institutions	Possible growth for the Vaal University of Technology in the form of more lecture space and additional students accommodation.




The Vaal River City Project

- Budget**
The VRC Project is estimated to cost between USDo.58bn and USDo.91bn (R7-billion and R11billion)
- Funding**
Funding will be sourced from National and Provincial Government, the Municipalities and the Financial sector.
- Project Management**
The Project will be managed by a consortium of Project Managers with experience around property development, retail development housing development.




CHALLENGES

Most land portions of the Vaal River are in private hands which may render the cost of acquiring the properties very expensive. However this can be offset through engaging in public private partnerships with the land owners in the area and this will minimise the number of outright buying off the owner out of their land.

The second mitigating factor which may reduce the cost impact is the fact that the earmarked land is anchored by well-established infrastructure in the form of roads, bridges, water and sanitation, which means that there will be less capital required in upgrading the existing infrastructure to meet the demands and standard of services for the VRC Project.





Challenges cont...

- External Contractors cannot complete their tasks in VRC project in terms of job specifications and others had to wait for more than six months to be paid for work done, Government must have control measures and ensure there is skills transfer that benefit local communities in Vaal River city project.
- Agriculture takes up approximately 33% of the total land use in Sedibeng. The challenges that Sedibeng encountering is in promoting agricultural growth, due to land use and ownership patterns are skewed, High levels of soil-degradation, erosion and bush encroachment exist.



Challenges cont...

- The source of major smokestack driven by heavy industrial air pollution (steel and chemical industrial activity) as well as coal and wood smoke from the townships. Midvaal and Emfuleni municipalities are particularly negatively affected.
- Sedibeng also suffers from serious water pollution problems in river systems and water bodies, notably the Klipriver and Blesbokspruit which are polluted from runoff from industrial areas, townships and waste water treatment works.




Challenges cont..

- The image and profile of areas of development is not as it should be like according to the roll-out plan of VRC project, due to low marketing and no coherent lobby for investment.
- Lack of long term planning on infrastructure and infrastructure roll out with poor maintenance.