



PROVINCE OF THE EASTERN CAPE
IPHONDO LEMPUMA KOLONI
PROVINSIE OOS-KAAP

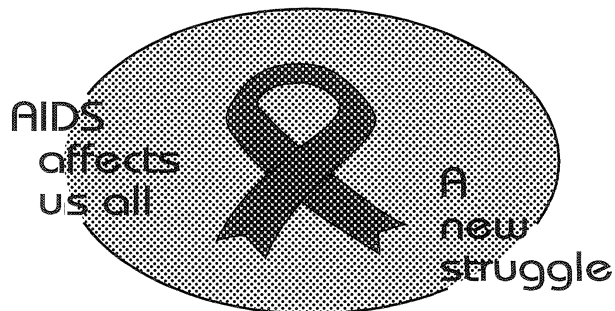
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(Extraordinary)

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**AIDS
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DEPARTMENT OF HEALTH

Prevention is the cure

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GENERAL NOTICE

No. 185

GAMBLING AND BETTING ACT, 1997 (ACT NO 5 OF 1997) (EASTERN CAPE) (AS AMENDED)

Applications for a Casino Licence

Applications for a Casino Licence

The Eastern Cape Gambling and Betting Board ("the Board"), acting in terms of section 41(2) of the Gambling and Betting Act, 1997 (Act No 5 of 1997) (Eastern Cape) ("the Act"), hereby

(a) invites applications for a casino licence in Zone 4, which covers the area set out hereunder;

(b) gives notice for general information that, in accordance with the determination by the MEC for Economic Development, Environmental Affairs and Tourism in the Province in terms of section 41(4) of the Act, the Province has been divided into five areas (Zones) and that applications are now invited for the following area, namely:

Zone 4

This zone covers the Magisterial Districts of Elliot; Elliotdale; Ngcobu; Libode; Maclear; Mqanduli; Ngqeleni; Port St John's; Qumbu; Tsolo and Mthatha.

That one (1) licence may be awarded in the above area and that no licence may be transferred from one area to another. Provided that the Board may, subject to section 45(2) of the Act, issue a second licence in any area if no suitable applications are received in any other such area.

(c) states that it is required that all casinos will be viable businesses which will contribute meaningfully to the development of the Province, that directors, shareholders and managers of applicants will be unimpeachable individuals with a high level of integrity and professionalism; that the ventures are to be financially sound and supported by shareholders committed to the long-term success of the venture and who have access to sufficient resources, both to fund the venture over the long term and to meet the empowerment and community, economic, social, financial, management, development, environmental and other objectives set out by the Board, including those set out in (d) below.

Applicants are also referred to Sections 19, 31, 42 and 43 of the Act, which contain provisions relating to the fact that licences can only be awarded to companies, general disqualifications, additional disqualifications and additional considerations respectively.

(d) states that in accordance with Section 43(1) of the Act and the determination of the Board, the **evaluation criteria** to be applied, in no particular order, will be as follows:

Empowerment and community criteria:

The extent to which the casino will promote sustainable employment at its locations and in the Province in general; the extent to which the applicant will procure labour, goods and services from the casino locality and Province in general for the construction and operation of the casino; the extent to which the applicant intends to provide for the participation in the ownership or profits of the casino by persons, or groups or categories of persons, previously disadvantaged by unfair discrimination; any facilities the applicant will provide or furnish for the benefit of, or for utilisation or enjoyment by, any needy community at or near the premises, or to previously disadvantaged groups or individuals; the extent to which the granting of the licence will promote the attainment of the objects of reconstruction and development projects and programmes referred to in section 3(a) of the Reconstruction and Development Programme Fund Act, 1994 (Act No 7 of 1994), the Provincial Growth and Development Plan read with Section 43 (f) of the Act and also the respective Municipal Integrated Development Plan.

Economic criteria:

The degree to which the granting of the licence will maximise new investment in the Province; the extent to which the applicant will re-invest profits in the Province; the potential taxation revenues to be generated; the extent to which the granting of the licence will result in the displacement of existing investment, spending, jobs and facilities in the Province; the extent to which the casino will promote tourism at the place where the premises will be situated and in the Province in general; the extent to which the applicant will promote opportunities for small, micro and medium enterprises; whether the granting of the licence will create or aggravate a monopoly situation; whether the granting of the licence will result in an oversaturation of casinos.

Social criteria:

The extent to which the public interest will be protected, particularly regarding social gambling and proximity of the casino to schools, churches and other such entities; the extent to which the applicant will ensure sound human resources and employment equity practices.

Financial criteria:

The financial control and shareholding of the applicant; the financial strength of the applicant; the applicant's financing structure and access to capital resources; the financing of empowerment shareholding; the financial viability of the applicant and the suitability of guarantees provided.

Management criteria:

The propriety and integrity of the management of the casino; the access to expertise and experience of the casino operator; the access to expertise and experience of the operators of other amenities; the applicant's access to development and project management expertise; the applicant's access to international marketing expertise; the strategy and objectives the applicant intends to follow.

Development strategy criteria:

The applicant's development strategy; the site location and size; the site layout and architectural design of structures; the casino size and design; the mix and design of non-casino features; the accessibility of the site by public and private transport; the internal and external security arrangements; that the applicant will be sole occupier of the casino premises with security of tenure.

Environmental impact criteria:

Whether the casino will enhance the neighbourhood and environment; the infrastructural, physical, biophysical, cultural, social and visual impacts of the casino; the compliance with planning and other policies of various authorities; the distribution of development and prevention of over concentration of casinos;

Essential Minimum Requirements

Evaluation Area	Essential Minimum Requirement
General	<ul style="list-style-type: none"> The Applicant shall state the composition of its negotiation team and shall indicate who its Lead Applicant and negotiator will be for Licence negotiations with the Board, should it be selected as the Preferred Applicant. Completion of Appendix E (Licence Application) Completion of Appendix N (Affidavit) by all relevant persons
Technical	<ul style="list-style-type: none"> The Applicant shall submit a market analysis of the socio-economic development requirements of the city/town in Zone 4 where the applicant intends to locate its Casino, if successful. The market analysis must be conducted by a suitably qualified independent person and must in addition consider the spatial development frameworks of the aforesaid city/town in order to identify suitable areas for development and assess the type of complementary ancillary development to the proposed Casino that will address the socio-economic development requirements of the selected city/town. The Applicant shall submit a technical proposal based on the recommendations contained in the aforesaid market analysis that shows the integration of the design, sustainability and operational aspects of the Licensed Premises as detailed in the technical sections of these EMRs below and shall at a minimum comprise the following facilities: <ul style="list-style-type: none"> (a) A Casino, including gambling machines and a tables area; (b) A hotel; (c) Conference facilities; (d) Restaurants; (e) Crèche; (f) Children's play area; and (g) Landscaped gardens. The Project must be themed as set out in the Development Concept below:

Evaluation Area	Essential Minimum Requirement
Financial	<p>The Applicant must provide, as a minimum response, the following:</p> <ul style="list-style-type: none"> Full details of the amount, term, rates and conditions applicable to all funding required to establish the Project on the Licensed Premises in the format of a letter of commitment from the funder, supported by proof of the availability of such funding if the commitment is not from a first line banking institution; Completion of Appendices C and D; Suitable irrevocable Development Guarantee on the date and time stipulated in the Briefing Note referred to in 7.2 of the RFP (Appendix K);
Legal	<p>The applicant must provide, as a minimum response, the following:</p> <ul style="list-style-type: none"> Proof that the Applicant is a company, duly incorporated in terms of the Companies Act, No 71 of 2008, and in compliance with section 19 of the Act; Acceptance of all the terms and conditions of Appendix M, the Board's standard conditions for the Licence; A demonstration of which of the Equity Members are the sponsor members of the Applicant; Share certificates of all shareholders in the Applicant and of all shareholders in the Equity Members; Detailed description of the Site including, but not limited to, an aerial photograph or Google image indicating the Site and the vicinity of places of worship, schools and residential areas; Proof from the local authority that the Site is zoned for a Casino and the other land uses envisaged in the Application, alternatively a copy of the application for the re-zoning of the Site for the aforesaid land uses together with proof of submission from the local authority; GPS coordinates of the Site; Proof that the Applicant will be the sole owner or principal tenant of the Licensed Premises for the duration of the Licence and must provide the following: <ul style="list-style-type: none"> Title deed of the Licensed Premises; Valid and enforceable lease agreement (if applicable); Disclosure relating to any litigation, claim (including a land claim) or right relating to the Licensed Premises; Written confirmation from the Land Claims Commissioner relating to any land claims over the Licensed Premises; In the event of a land claim over the Licensed Premises, the Applicant must submit a valid and enforceable agreement with the land claimants as proof of security of tenure. Applicants shall provide details of all the intended occupiers of the Licensed Premises and any ancillary developments in the format of letters of commitment and/or lease agreements, where applicable Applicants are further to set out any agreements under which they would be entitled to obtain ownership or occupancy of the whole of the Licensed Premises, and any subleases with sub-lessees.
Target Groups	<p>As a public entity, the Board upholds and promotes the principles enshrined in the legislation pertaining to Black Economic Empowerment and, as such, will seek to ensure commitment, adherence to and compliance with B-BBEE legislative provisions.</p> <p>Therefore, in addition to the other elements of B-BBEE requirements, the following minimum requirements are obligatory and the Applicant must provide, as a minimum response, the following:</p> <ul style="list-style-type: none"> Applicant equity, including: <ul style="list-style-type: none"> A minimum of 40% of the total shareholding constituting of Black People, at least 25% of which shall be women (which equates to 10% of the entire 100% shareholding), and the whole constitution of such 40% shall be Local Inhabitants How the equity for the Black People will be funded; In the event that the Applicant appoints a separate Casino Operator, such entity shall comply with the requirements hereunder: - <ul style="list-style-type: none"> List of proposed key personnel and management of the Applicant; and Structure of, membership and positions of the Board of Directors of the Applicant and the participation of the Black Shareholders <p>In such event, demonstration that at least 40% of the total Management Fee accrues to Local Inhabitant shareholders and the submission of a written agreement to that effect.</p>
SED	<p>The Applicant must provide, as a minimum response, a commitment to an annual contribution of 1% of its Gross Gaming Revenue to the Board for SED for the duration of the Licence Period</p>
Additional Mandatory Requirements	<ul style="list-style-type: none"> Tax Clearance Certificates for the Applicant and all Equity Members regardless of dormancy; Business History Disclosure: Applicants shall complete all information as per Appendix F; Personal History Disclosure: Applicants shall complete all information as per Appendix G.

(e) states that the licence shall, subject to the provisions of the Act, be valid for a fixed period of 20 years commencing upon the award of either a temporary Licence or the Licence, whichever is the earlier (ie from the date the Licensee commences gambling operations under a temporary licence or Licence).

(f) states that the copies of the Request for Proposal to be submitted by applicants and which sets out the Board's requirements in more detail, will be available at the offices of the Board, ECGBB Building, Quenera Office Park, Quenera Drive, Beacon Bay, East London, from Monday, 9 September 2013, upon payment of a non-refundable fee of R5 000.

(g) STATES THAT THE CLOSING DATE FOR APPLICATIONS WILL BE AT 10:00 SOUTH AFRICA STANDARD TIME ON MONDAY, 20 JANUARY 2014.

Please note applications should be based on the RFP document.

RM Zwane - Chief Executive Officer

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