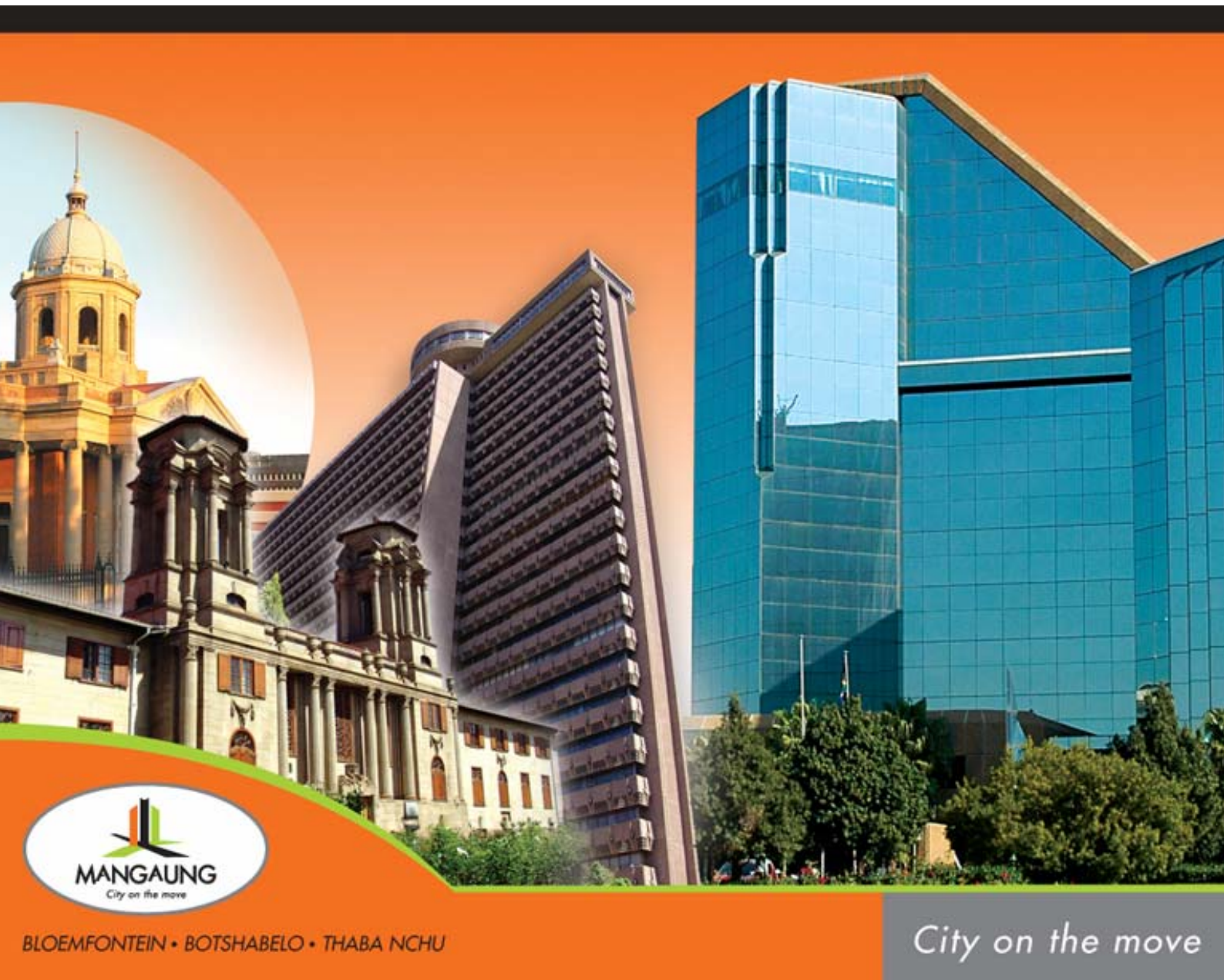


2010 BUSINESS PLAN MANGAUNG LOCAL MUNICIPALITY



30 SEPTEMBER 2006
(VERSION 1)

MANGAUNG LOCAL MUNICIPALITY

2010 BUSINESS PLAN as at 30 September 2006

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SECTION 0: INTRODUCTION

Introduction

This business plan has been prepared in line with the guidelines provided by National Treasury during the LOC-Host Cities forum held on the 22nd of August 2006, in Mangaung. In addition, the stadium business plan was also prepared according to the guideline issued by the DBSA, “2010 FIFA WORLD CUP: STADIUM BUSINESS CASE FRAMEWORK” dated May 2006 (“Guideline”). This Guideline states that the approach is to consider any stadium as a stand-alone project and to apply the principles of project finance (i.e. limited recourse principles). A separate detailed business plan was submitted to DBSA and the SA 2010 LOC (hereunder referred as the LOC) during August 2006, therefore details provided in this plan are only a summary of what was provided previously.

Accordingly we have included in our business plan a number of projects which we believe form an integral part of ensuring that the City complies fully with the FIFA requirements (as per Host City and Stadium Agreements signed) and guidelines from National Treasury in terms of 2010 FIFA World Cup Projects.

Section 1 provides an overview of what the City believes to be the total anticipated costs to successfully host the 2010 FIFA World Cup.

Section 2 of the report provides an overview of each of these projects including a brief description, location, timeframe and budget as well as source of funding.

Section 3 deals with detailed financial analysis for the stadium as per the DBSA requirements setting out

Section 4 provides recommendations in respect of the proposed projects.

**SECTION 1: PROJECTED TOTAL COSTS FOR 2010
PREPARATIONS**

Below is a table providing a summary of the envisaged total costs required to ensure successful hosting of 2010 FIFA World Cup. The table also indicates the proposed allocation from each sphere of government.

Project	Project Name	Total CAPEX	ENVISAGED CAPEX ALLOCATION from			Total OPEX	Comments
			National Government	Provincial Government	City		
Project 1	Stadium upgrade	280 338 722	270 338 722		10 000 000		
Project 2 a	Upgrading work outside stadium turnstile	100 000 000	90 000 000		10 000 000	150 000	
Project 3 a	Inter-modal Public Transport Facility	442 236 427	427 236 427	7 000 000	8 000 000		R29.3 million already secured from DoT
Project 3 b	Extension of Mangaung Activity Corridor	31 027 000	21 600 000		9 427 000		
Project 3 c	New Improved Public Transport Access	13 700 000	13 700 000				
Project 3 d	Pedestrianisation of Elizabeth Street	1 800 000	1 800 000				Funds have seen secured from DoT
Project 3 e	Bloemspruit Pedestrian Route	12 800 000	12 800 000				

Project 3 f	Improving mobility Upgrade Parfitt Avenue	69 365 000	58 965 000		10 400 000		
Project 3 g	Upgrade of Nelson Mandela Drive	16 000 000	15 540 000			460 000	
Project 4	Training Venues	60 000 000	50 000 000		10 000 000		
Project 5	Fan Parks	31 000 000	31 000 000			2 100 000	
Project 6	Supporting Infrastructure & Utilities	70 000 000	50 000 000		20 000 000		
Project 7	ICT	221 739 581	211 739 581		20 000 000		
Project 8	Accommodation	5 000 000	2 000 000	2 000 000	1 000 000	5 000 000	
Project 9	Tourism						
Project 9 a	Information Kiosks	10 000 000	5 000 000	2 500 000	2 500 000	200 000	
Project 9 b	Training Courses SMME's, Tour Operators	5 000 000	3 000 000		2 000 000	500 000	
Project 9 c	Local Tourist Route	29 200 000	20 000 000	4 200 000	5 000 000	370 000	

Project 9 d	Tourist Information Centres	8 000 000	5 000 000		3 000 000	160 000	
Project 10	Marketing, Communication, Signage						
Project 10 a	Tourism Directional Signage	4 000 000	2 000 000		2 000 000	1 200 000	
Project 10 b	Marketing & Communications	10 000 000	5 000 000	5 000 000		4 355 000	Other sources of funding to be determined
Project 11	City Beautification	20 000 000	16 000 000		4 000 000		Maintenance costs
Project 12	Health						Awaiting submission from Province
Project 13	Disaster Management						
Project 13 a	Replacement of Emergency vehicles	5 400 000	2 700 000		2 700 000	R2 700	
Project 13 b	Emergency services at Stadium	2 000 000	2 000 000			3 000 000	
Project 13 c	Emergency	3 000 000	3 000 000			3 000 000	

	services at public viewing areas & Fan Parks						
Project 14	FIFA Events						Separate motivation to be submitted once full list of the FIFA events received.
Project 15	Safety & Security	60 000 000	50 000 000		10 000 000		
Project 16	Volunteers						Awaiting FIFA guidelines. Costs for City Volunteers will be covered by the City
Project 17	Environmental Rehabilitation						Included
Project 18	Waste Management						
Project 18 a	Purchasing of waste management vehicles	17 000 000	10 000 000		7 000 000	R27 000	
Project 19	Business closure during and after event						Included
TOTAL		R1 528 606 730	R1 380 419 730	R20 700 000	R127 487 000	R20 524 700	

SECTION 2: PROJECT SHEETS

Project 1: Upgrading of Free State Stadium

Description

Based on the technical evaluation of the SA Bid Book by FIFA, Free State stadium has to undergo only minor upgrades to comply with the FIFA requirements. This project deals with the refurbishment of Free State stadium to ensure that it is ready to host the 2010 FIFA World Cup in line with the FIFA and the LOC requirements. The total cost of the upgrades was estimated to be in the region of R33 million at the time when the bid book was developed, however the revised calculations that are based on the recent LOC guidelines and FIFA requirements on stadium, has increased the estimate to more than R200 million.

The existing Stadium is located within a sports complex, comprising of athletics field, Hockey and Cricket.

Currently the stadium has a seating capacity, including VIP seats, of 38 000. The planned upgrade will increase the seating capacity to at least 45 000.

A summary of the scope of work is indicated below.

- Adding 2ND tier on the western pavilion to increase stadium capacity to 40 000 saleable seats, excluding VIP seats and Media facility. The modification will require removal of existing roof and construction of new upper tier
- Media seating for written press, radio and telecommunication
- Media center behind the western pavilion, which will be converted to new indoor multi purpose facility
- Venue operating center for Security and CCTV
- Provision of security perimeters (including 16 cameras for CCTV)
- Floodlights upgrading to increase illuminance to the required 1500 lux
- Upgrading of public address sound system
- New turnstiles installed for improved controlled flow of spectators
- Changes to existing Hockey

The project has been planned, conceptual design completed. It has been included in the IDP of the budget. However based on cost estimates, budget allocation has not been finalised as the Municipality would not afford the upgrade cost without financial assistance from National Government.

Estimated project cost

The estimated project costs is R273 000 000, VAT excluded. This includes professional fees, allowance for contingencies and escalation. See Section 4the attached cost analysis of the stadium for details on the budget).

Multi-year capital budget:

Fund Source	2005/06	2006/07	2007/08	2008/09	2009/10
Mangaung		2 000 000	8 000 000		
Awaiting guidance from National Government		40 000 000	100 000 000	145 338 722	5 000 000

Sources of funding:

Institution	Amount applied for:	Amount secured:
Awaiting guidance from National Government	R270 338 722	0

Target dates:

- Construction start date: May 2007
- Completion date: May 2008

Project 2: Stadium precinct

Project 2.a. Upgrading work outside turnstile

Description

Considering the FIFA requirements for the areas immediately outside of the main venue, it is required that provision should be made for the following facilities.

- Satellite farm for broadcasting
- Hospitality villages for entertainment of FIFA family
- Exclusion zone of 2500m² immediately outside the stadium perimeter
- Parking for FIFA family

The main venue is within a sports complex, and given the space constraint, outside the stadium perimeter, it is necessary to utilise the entire sport precinct to ensure provision of the above facilities.

According to the picture below, the following changes are planned to be carried out to ensure that the obligations as outlined in the Host City and Stadium agreements are met.

- Build parking garage to be utilised for the FIFA family
- Use the Athletics and Hockey fields for provision of hospitality villages. The City is currently in discussion with Free State Hockey to consider making relocating Hockey to another area so that changes on the current Hockey could be made permanent as part of 2010 legacy
- Access roads will need to be modified to ensure unimpeded access in and out of the stadium

Location



Picture missing from e mail version

Timeframe & Budget

This project should be completed before the 2009 Confederations Cup. The estimated budget for this project is outlined below.

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure		50 0000	45 000 000	5 000 000	100 000 000
Operating expenditure				150 000	150 000

Source of funding

Capital:

Mangaung: R10m

State: R90m

Operating:

Mangaung : R150 000 per annum

Project 3: Transport

Project 3(a): Inter-Modal Public Transport Facility

Description

Currently almost all public transport services in the greater Mangaung area have the south-eastern part of the CBD (Russell Square area) of Bloemfontein as either an origin or destination, with the result that approximately 50 000 passengers move through the area on a daily basis. The existing minibus-taxi facilities make provision for approximately 200 taxis, whilst there is a need for more than 700 taxi bays. This resulted in the establishment of a number of informal ranking areas, overcrowded, unhygienic and unsafe conditions, with taxis queuing on the main streets to gain access to the facilities, thus seriously restricting traffic flow and mobility in general on the adjacent traffic arterials and public street system feeding into and serving the Bloemfontein CBD. There is also limited integration amongst the different public transport modes, which are all present in the area. The lack of a proper integrated approach results in passengers having to cross several busy streets and negotiate areas without proper pedestrian facilities.

To address these problems, an inter-modal transport facility is proposed with sufficient capacity, which also involves the linking/integrating of the main public transport termini (Central Park Bus Station, Russel Square Minibus-taxi Terminus and the Bloemfontein railway station) through improved pedestrian connections. Furthermore, the proposed inter-modal facility will not only include a new formal retail component and hawking facilities, but will also link with and support surrounding retail developments. A formal holding area for minibus-taxis will be provided at Bastion Square to accommodate the overflow of minibus-taxis of which the majority currently rank in the street, causing major traffic congestion problems, especially in Hanger Street and Harvey Road which are two of the main arterial routes serving the CBD. Poor linkages between the railway station, buses and taxis will be improved by developing a formal long-distance bus rank in front of the railway station, a long distance mini-bus taxi rank between the railway station and Russel Square and improving pedestrian linkages, infrastructure and facilities between these termini.

Location

The proposed Inter-Modal facility is planned within the south-eastern part of the Bloemfontein CBD with the heart of the facility bordered by St Andrew Street to the north, Hanger Street to the west, Harvey Road to the east and St George Street to the south.

Timeframe and Budget

The total budget for the proposed Inter-Modal Public Transport Facility (excluding retail component) is R 48,2 million (incl. VAT). This includes the site investigations, land expropriations, professional fees, civil works, escalations and supervision during construction. See attached cost analysis for the project. Preliminary studies, investigations and conceptual designs have been completed at a cost of R 3 963 573. Expropriation of land and detail design expected to start in 2007 with the construction period between 2008 and 2009.

	2005/2006	2006/2007	2007/2008	2008/2009	Total
Expenditure	3 963 573	21 836 427	14 000 000	8 400 000	R 48 200 000
	Already spent				

Sources of funding:

Institution	Amount
Mangaung Municipality	R8 000 000
Free State Province	R7 000 000
National Government: Public Transport Infrastructure and Systems Fund (PTIF)	R427 236 427

Notes: The R 3 963 573 already spent not included
An amount of R29,23 million has already been secured from the National Department of Transport

Project 3(b): Extension of the Mangaung Activity Corridor Project

Description

The Mangaung Activity Corridor project was first conceptualised in 1996 when the viability and impact of an envisaged activity spine through the centre of the Mangaung Township was investigated. The aim of the project is to create a business corridor down the centre of Mangaung to generate job opportunities in the area, to serve as a catalyst for the upliftment of the community in the area and to create a high standard public transportation link between this new economic district and the Bloemfontein CBD. It is envisaged that, by creating an environment conducive for economic activity, property owners adjacent to the corridor will make use of the opportunity to establish themselves as local businessmen and women and that small pockets of economic activity will expand to eventually develop into a ribbon-like economic axis. A number of development nodes have been identified along the corridor where the Mangaung Local Municipality intends to actively promote the establishment of economic activity and opportunities. It will assist in the establishment of a number of previously marginalized businessmen as prominent figures in the relevant community and to encourage others to also develop their entrepreneurial skills. It also creates the opportunity to expose visitors to the area to the diverse cultural characteristics of the township and enables local businesses to generate revenue from outside the area. It is envisaged that the activity corridor will be one of the main tourist attractions in 2010.

The first phase of the project had already been completed and entailed the upgrading of the route along Mkuhlane Street, Brits Road, Ramatsoele Street and Moshoeshoe Street to a divided 4 lane standard. This included the widening of the road and road reserves where necessary and the implementation of median islands for traffic safety reasons. Traffic calming measures in the form of closely spaced raised pedestrian crossings (trapezoidal speed humps), street furniture, trees and other vegetation, irrigation had been implemented to create a pedestrian friendly environment. The already implemented facilities are also expected to encourage entertainment after business hours and other night life activities.

It is envisaged that an effective and convenient public transport system will form the backbone of the economic activities with frequent stops along the route and a multitude of public transport vehicles to serve visitors to the corridor. A closed ring-routed public transport service is one of the options that was proposed for the project. (See Project 3(c)).

The corridor is currently also being linked with the Bloemfontein CBD by means of the construction of a new road-rail bridge and the provision of a high standard divided 4-lane route from Dr Belcher Road into the Bloemfontein CBD. This will increase the accessibility of the corridor and is aimed at drawing buying power into the corridor. It will also assist in the natural migration of businesses into the area and ensure high exposure to passing commuters, thus improving sustainable growth. The part of the project that must still be undertaken, involves the implementation of traffic calming measures, pedestrian facilities, public transport facilities and street furniture along the southern part of Moshoeshoe Street. The upgrading of the rest of Dr. Belcher Road to a divided 4-lane standard, the implementation of additional pedestrian walkways, public transport stops (lay-bys and shelters) intersection upgrades and bridge reconstructions, all in support of encouraging non-motorised transport and public transport utilisation, is planned for the extension of the corridor. The new project will also focus on accident hot spots to prevent further loss of life in a community where pedestrians (mostly small children) are regularly killed or injured in accidents.

Location

The project involves work along Moshoeshoe Street, Dr Belcher Road, The Inner Ring Road and Chief Moroko Crescent.

Timeframe and Budget

The budget for the remaining work on the project is R31 027 000.00 (VAT incl.). This amount includes costs to relocate existing services, construction costs, provision for contingencies and professional fees.

Expected expenditure (Incl. VAT)			Total
2006/2007	2007/2008	2008/2009	
R 3 000 000	R 14 000 000	R 14 027 000	R 31 027 000

The project is expected to commence in October 2006 and will be completed in June 2009.

Source of funding

National Government: PTIF R 21 600 000
Mangaung Local Municipality: R 9 427 000

Project 3(c): Provision of New Improved Public Transport Access Nodes

Description

Mangaung Local Municipality has already engaged in the upgrade of certain key roads linking the historically disadvantaged community of the Mangaung suburb with the CBD of Bloemfontein, of which the Mangaung Activity corridor and supporting mobility roads, is the latest example. The Mangaung Activity corridor is provided with the two main objectives of improving public transport mobility and creating a safer environment for non-motorised transport within the suburb and from the suburb to the central business district whilst also linking the various stadia and other sport facilities likely to be used in the run-up to the 2010 FIFA World Cup.

The proposal presented in this application seeks to extend the benefits of the work already underway, through the provision of suitable public transport shelters and related infrastructure in the Mangaung suburb, as well as the satellite suburb of Botshabelo and in Thaba Nchu, all three of which areas are sites of sport stadiums that are likely to act as training venues and sites for local exhibition games as well as for big screen viewing of world cup games for local people, mainly those from disadvantaged communities.

The proposed project involves the construction of public transport infrastructure at an estimated cost of R 13,7 million, which will include:

- Public transport shelters at kerbside stops
- Permanent hawker kiosks at certain key bus stops
- Public transport vehicle embayments where road conditions necessitate such intervention
- Two public transport stations providing more extensive facilities at Botshabelo and Thaba Nchu
- Transport planning consultative forum to ensure local operators, bus and minibus taxi, are fully engaged well in advance of the World Cup.

This project will impact directly on the ability of Mangaung Local Municipality to provide acceptable services for its residents and foreign visitors in 2010 and is expected to leave a legacy that will remind the people of Mangaung of the improvements that have resulted from the soccer world cup event for decades to come.

Location

Primarily the main routes within the Mangaung suburb linking with the CBD and sport stadium areas as well as the stadium areas in Thaba Nchu and Botshabelo.

Timeframe and Budget

The project cost is estimated at R 13,7million (VAT incl.) which includes professional fees and contingencies. It is expected that upon securing of the funds, a project implementation period of 18 months will be applicable. The transport planning consultative forum process will be ongoing, to be initiated immediately after awarding of the funding and continuing until the end of the World Cup events in 2010. Projected expenditure is indicated below.

	2006/2007	2007/2008	2008/2009	2009/2010	Total
Expenditure	R 3 500 000	R 7 200 000	R 2 000 000	R 1 000 000	R 13 700 000

Sources of funding:

Institution

Amount

National Government: Public Transport Infrastructure and Systems Fund (PTIF) R13 700 000

Project 3(d): Pedestrianisation of Elizabeth street

Description

The pedestrianisation of Elizabeth Street is a project designed to achieve a number of very important objectives, of which the primary objective is that of pedestrian safety and security. It will furthermore provide a pedestrian facility along one of the main pedestrian routes between the Bloemfontein CBD and sports stadium that will be used during the 2010 Soccer World Cup. The project will also form an important part of the rejuvenation process planned for the Bloemfontein inner city.

The project does not allow for full pedestrianisation design, but rather a design where the needs of pedestrians are given priority over the need for vehicle mobility and speed along the route. The design includes the widening of the sidewalk on the southern side of Elisabeth Street along four CBD street blocks between First Avenue and West Burger Street, which will more than double the available capacity for pedestrians to utilize. The intersections of Elizabeth Street with Markgraaff Street, Pres. Brand Street and Aliwal Street will be raised to provide protection to crossing pedestrians as well as acting as a speed reduction device. Patterned paving, street furniture and trees as well as street lighting will be used to improve the aesthetics of the route. On the northern side of the street angled parking will be provided next to a one-way through lane from west to east.

This project is expected to leave a legacy that will remind the people of Mangaung of the improvements that have resulted from the soccer world cup event for decades to come.

Location

Elizabeth Street is a one kilometer east-west road located between West Burger Street in the east (Bloemfontein CBD) and First Avenue to the west (in the vicinity of the sport stadium).

Timeframe and Budget

Funding for the project had already been secured and the project is expected to be completed in October 2006.

Sources of funding:

Institution

Amount

National Government: Public Transport Infrastructure and Systems Fund (PTIF) R1 800 000

Project 3(e): Bloemspruit Pedestrian Route

Description

This partial conversion of Peet Avenue and Selborne Avenue on the banks of the historic Bloemspruit canal into pedestrian walkways will create a much needed pedestrian route between the Bloemfontein multi-modal public transport interchange in the east, through the Bloemfontein CBD, up to the Soccer World Cup Stadium in the west where the 2010 soccer World Cup matches will be hosted.

The city of Bloemfontein originated on the banks of Bloemspruit and the area is currently still located in the centre of the Bloemfontein CBD. The legacy of segregation due to apartheid has caused historic planning to disregard the need of pedestrians to travel from east to west along the spruit and no provision had been made for pedestrian movement. The creation of a pedestrian route along the spruit, past the monument in the centre of the spruit signifying the position of the original spring and the birthplace of the city, will not only promote the concept of non-motorized transport during the 2010 World Cup, but will also provide access to the area, exposing local residents and tourists to the rich heritage captured within the relevant area. The project will create a direct link from the public transport facilities in the east of the CBD to the stadium, which route will probably be used by the bulk of the local soccer supporters. As such the establishment of World Cup related entrepreneurial enterprises and tourist attractions along the route will most probably play a major role in the economic upliftment of the local residents and the revitalization of the Bloemfontein CBD. Being a non-motorized project, the initiative is expected to assist other efforts to reduce traffic congestion during the World Cup tremendously. The legacy of the project will be the provision of a safe pedestrian corridor between the public transport interchange and the Central University of Technology and extensive job opportunities on the western side of the Bloemfontein CBD. It will also re-introduce local residents to their heritage and create a sense of pride.

The project involves the creation of dedicated and safe pedestrian walkways on ground level and along the banks of the spruit. Paving, street furniture, customized street lighting and vegetation will be used to make the area attractive to walk through, with rest areas in selected locations. The project will be implemented in such a way that it does not only provide a much needed pedestrian route towards the World Cup Stadium, but will also encourage local residents and tourists to visit the previously neglected area.

Location

The project will create pedestrian walkways and facilities on either side of the Bloemspruit canal from East Burger Street in the east to First Avenue in the west, a length of approximately 1.2km. The relevant area is located within the Bloemfontein CBD.

Timeframe and Budget

The estimated cost for the creation of the Bloemspruit pedestrian route is R12 800 000-00 (VAT incl.). This amount includes costs to relocate existing services, construction costs, provision for contingencies and professional fees.

Expected expenditure (Incl. VAT)			Total
2006/2007	2007/2008	2008/2009	
R 1 300 000	R 11 500 000		R 12 800 000

It is expected that it would be possible to complete the project within 12 months. A few months will additionally be required for detail planning and procurement.

Source of funding

National Government: PTIF R 12 800 000

Project 3(f): Improving Mobility and Accessibility of Free State Stadium – Upgrading of Parfait Avenue

Description

The upgrading of Parfitt Avenue is regarded as an essential project for improving the accessibility of the World Cup Stadium in Mangaung. Being located between major traffic arterials with high traffic volumes and subsequent traffic congestion, the Soccer World Cup Stadium will not be easily accessible during peak traffic periods. Various options have been investigated in the past to improve the situation and the Mangaung Local Municipality has resolved in 1998 to upgrade Parfitt Avenue to achieve this goal. While it was possible to implement isolated improvements over the years to reap short term benefits, budgetary constraints have delayed the implementation of the larger project up till now.

The project entails the widening of Parfitt Avenue between Victoria Road and Kellner Street over a distance of roughly 1.5km to a divided 6 lane standard with additional deceleration lanes and right turning lanes where necessary. The construction of grade separations between Parfitt Avenue and Nelson Mandela Drive (N8 route), as well as between Parfitt Avenue and Park Road (to the south of the stadium) are also planned. Only the grade separation along the N8 route is envisaged to be constructed by 2010. The planned project will improve accessibility of the stadium from the N1 national route, the N8 national route and the nearby medical facilities for both public and private transport modes. It will also reduce travel time from tourist related accommodation facilities, the railway station, the Bloemfontein airport and the national doping laboratory. It is expected to promote the sustainable economic development of the region long after 2010, leaving a legacy of a CBD with improved accessibility, supporting the goals and objectives of the recently completed Bloemfontein CBD Master Plan. During the world cup, it will showcase the ability of the South African people to move commuters and soccer spectators efficiently and safely along well planned transportation corridors to their destinations.

Location

Parfitt Avenue is a north-south traffic arterial located directly the west of the Kings Park sport precinct, some 750m to the west of the Soccer World Cup Stadium.

Timeframe and Budget

The estimated cost for the upgrading of Parfitt Avenue is R69 365 000-00 (VAT incl.). This amount includes land acquisition costs, costs to relocate existing services, construction costs, provision for contingencies and professional fees. (The Mangaung Local Municipality has already spent R3.36 million on the project to date.)

Expected expenditure (Incl. VAT)			Total
2006/2007	2007/2008	2008/2009	
R 9 365 000	R 30 000 000	R 30 000 000	R 69 365 000

The project is expected to commence in October 2006 and will be completed in June 2009.

Source of funding

National Government: PTIF R 58 965 000
Mangaung Local Municipality: R 10 400 000

Project 3(g): Improving Mobility and Accessibility of Free State Stadium – Upgrading Nelson Mandela drive

Description

The city structure of Bloemfontein is such that it developed around a strong CBD. However, due to the dynamic nature of cities, the majority of new business development in Bloemfontein, in recent years, moved towards the west of the CBD along with high density residential development. Due to the less balanced city structure resulting from this phenomenon, a change in travel patterns has occurred and the available roads, serving the area to the west, are limited to such an extent that it results in high concentration of traffic and monumental traffic congestion especially along Nelson Mandela Drive during peak periods. To ease the congestion problems caused by low-capacity motor vehicles and to indirectly promote the usage of public transport, this proposal entails the provision of an additional dedicated public transport lane per direction along Nelson Mandela Drive. This is considered as a necessity since Nelson Mandela Drive is a prominent access into Bloemfontein from the N1 national route and will be an integral part of the road network serving as access to the stadium for the 2010 FIFA World Cup. This project will impact directly on the ability of Mangaung Local Municipality to provide acceptable services for its residents and foreign visitors in 2010 and is expected to leave a legacy that will remind the people of Mangaung of the improvements that have resulted from the soccer world cup event for decades to come.

Location

Nelson Mandela Drive is located to the west of Bloemfontein linking the western parts of Bloemfontein as well as traffic on the N1 with the CBD and facilities such as sport stadiums.

Timeframe and Budget

The proposed project cost is R 16 million which includes the construction of additional bus lanes, including kerbing, channeling, vegetation, sidewalks etc. The amount also includes R 460 000 already spent by Mangaung Local Municipality on the compilation of the “*Western Suburbs Road Network Study*”, from which this project has emanated. Upon approval of funding, detail design can commence late 2006 with the construction period of between 12 and 18 months ending in 2008. Projected expenditure is indicated below.

	2005/2006	2006/2007	2007/2008	2007/2008	Total
Expenditure	R 460 000	R 3 000 000	R 12 540 000		R 16 000 000
	Already spent				

Sources of funding:

Institution	Amount
National Government: Public Transport Infrastructure and Systems Fund (PTIF)	R15 540 000

Notes: The R460 000 spent by **Mangaung** Local Municipality on the compilation for the “*Western Suburbs Road Network Study*”, from which this project has emanated, is not included above.

Project 4: Training Venues

Description

Based on the technical evaluation of the SA Bid Book by FIFA, Mangaung has to upgrade all the training facilities to ensure that they comply with the FIFA requirements. Six facilities have been identified already to be used as training venues. Of this, 3 are owned by the Municipality. This project deals with the upgrading of the 3 venues that are owned by the Municipality to ensure that they would be in a position to be used as training venues during 2010 soccer games, as well as possible PSL (Premier Soccer league) games beyond 2010 as part of social legacy. The upgrades will in the main cover:

- Improving access control to ensure conformance to security requirements of FIFA and 2010 LOC
- Upgrading of the pitch to the FIFA requirements
- Upgrading of dressing rooms and administration rooms to be used by the FIFA family and media
- Provision of security perimeters (including CCTV cameras)
- Floodlights upgrading to increase illuminance

Depending on the FIFA requirements in relation to the quality of the pitch, Mangaung may have to assist with the upgrading of the pitch for the privately owned training venues.

The venues owned by the City are as follows:

- Seisa Marabou (currently used by Celtic Football club for PSL matches)
- Botshabelo stadium
- Clive Solomon

Estimated project cost: R60 000 000

Multi-year capital budget:

Fund Source	2005/06	2006/07	2007/08	2008/09	2009/10
Mangaung		3 000 000	7 000 000		
Awaiting guidance from National Government		20 000 000	15 000 000	14 000 000	1 000 000

Sources of funding:

Institution	Amount applied for:	Amount secured:
Awaiting guidance from National Government	R50 000 000	

Target dates:

- Commencement of implementation: February 2007
- Completion: December 2009

Project 5: Fan Parks/Public Viewing areas

Description:

In order to ensure that fans and supporters who are unable to attend the soccer matches at the stadiums, Fan Parks and public viewing areas will be established throughout the municipal area.

FIFA requirements in terms of the Fan Parks are still awaited. The Fan Parks will be set up accordingly.

Based on the 2006 FIFA World Cup observations, it is envisaged that the Fan Fest and public viewing areas will require the following in terms of set up:

- Big screen monitors- High resolution,
- ICT in support of the broadcasting,
- Efficient power supply,
- Adequate lighting,
- Mobile ablution facilities,
- Sufficient Litter bins & staff to ensure regular clean-up,
- Security measures,
- Disaster management & medical emergency measures

Location:

The city wishes to ensure that all its citizens have access to either a public viewing area or a Fan Parks. The locations of these venues have therefore been selected to show an even geographic spread throughout the municipal area.

The following areas have been identified as possible location for the FIFA Fan Parks:

1. Hoffman Square- Bloemfontein CBD
2. Ramblers Club - Bloemfontein
3. Botshabelo stadium
4. Seiso Ramabodu precinct
5. University of the Free State
6. Mabana Stadium
7. Naledi Sun- park

The confirmation of these above-mentioned areas will be subject to final guidelines from FIFA.

The following areas have been identified as additional public viewing areas not controlled by FIFA:

1. Batho
2. Rocklands
3. Bochabela
4. Phahameng
5. Phelindaba
6. Botshabelo (sections G, A, E and W)
7. Civic Centre – Seloshesha, Moroka and Trusts,
8. Naval Hill (southern end- view of city)
9. Bloemfontein Racecourse

These public viewing areas will be offered to non-FIFA partners to sponsor, brand and provide the necessary infrastructure.

The city will ensure that security, disaster management, clean-up services and medical emergency services are in place at these public viewing venues.

The provincial government will be tasked with public viewing areas outside of the municipal boundaries in the Free State province. These public viewing areas should meet the same minimum requirements as those in the host city.

Timeframes:

The detailed plans for the Fan Parks & Public viewing areas need to be completed by June 2007.

As of January 2007, both FIFA partners and Non-FIFA corporate sponsors will be encouraged to select a number of the public viewing areas and Fan Parks.

These fan parks & public viewing areas need to be prepared at least 3 months before the games and the set-up should be at least 1-month before the games in 2010.

Budget Estimates:

It is estimated that the infrastructure set-up costs for one Fan Park and Public viewing area is approximately R3 000 000 and R1 000 000, respectively:

7 x Fan Parks = R 21 000 000

10 x Public viewing areas =R 10 000 000

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure		1 000 000	8 000 000	22 000 000	31 000 000
Operating expenditure		20 000	80 000	160 000	2 100 000

Sources of funding:

Private sector: The project will largely be dependant of funds from the private sector.

MLM: The operational costs will largely be covered by MLM

National government: R31 000 000

Free State Province: To be determined

Project 6: Supporting Infrastructure and Utilities

The covers the upgrading and refurbishment of the water services and electricity infrastructure to ensure that the capacity will be sufficient to provide a reliable service during 2010.

The project will cover the upgrading of the following infrastructure related projects:

- Water Services distribution network
- Water Services Purification plants
- Electricity Distribution network
- Substations
- Transformer upgrade and installation
- Cabling

Estimated project cost: R70 000 000

Multi-year capital budget:

Fund Source	2005/06	2006/07	2007/08	2008/09	2009/10
Mangaung		R5 000 000	R5 000 000	R10 000 000	
Funding from National Government		R15 000 000	R20 000 000	R10 0000	R5 000 000

Sources of funding:

Institution	Amount applied for:	Amount secured:
Awaiting guidance from National Government	R50 000 000	

Target dates:

- Commencement of implementation: 2006
- Completion: March 2010

Project 7: ICT

Description

This business plan aims to prioritise the scope and delivery of the IT and Telecommunications infrastructure and this must be achieved within the context of supporting the overall needs and requirements of the event and its associated venues.

The plan comes in response to the following:

- capacity requirements
- Upgrade of local systems
- Provision of telecommunications infrastructure
- Upgrade of existing local Telecommunications infrastructure

There are two items that are out of scope of the FIFA IT Solution, but are found to be important for the City:

- City Call Center and Joint Operations Center
- Mangaung 2010 office website development – Cities collaboration, Projects progress etc., all this in relation to event preparations.

Over 600 cities globally, including South African Cities have announced broadband initiatives reflecting the deep appreciation of the role that broadband now plays in the economic health of a cities, especially wireless broadband within the City. Mangaung Local Municipality, therefore along the lines of the Smart City concept is to adopt the development of a Broadband Strategy to improve access and reduce the cost of communications for its constituents. Therefore the 2010 Soccer World Cup creates an opportunity to fast track this strategy, because the influx of the people that will be visiting Mangaung for the 2010 World Cup will enjoy the benefits of broadband developments. The City of Mangaung will be generating significant revenues from this investment while improving access.

Locations

Venue	Requirements
LOC Venue offices	Network
Stadium	Network
Stadium Press Center	Network and Media channel
Media Operations Office	Network and Media channel
Media Tribune	Network and Media channel
Broadcast Compound	
IT Support room, Working area, Storage Areas	Network
Stadium Accreditation Center	Network

Hotels and B&B's	Network
FIFA Hotel	Network
Team Hotels	Network
City Call and Joint Operations Center	Network

In addition to the venue locations illustrated above the following locations have been identified:

- Fan Fests
- Public Viewing locations
- Information Kiosks
- Tourism Information Centers

These venues will have different infrastructural requirements, for example:

With regard to the Fan Parks and Public Viewing, infrastructure is required to enable effective cellular coverage in order to eliminate call congestion. FIFA has introduced match video streaming to cellphones and this will definitely be bandwidth intensive, therefore the installation of fiber around these venues and Cellular providers base stations must be in a position to provide sufficient capacity in these areas. The Telecommunications companies, namely, MTN, Vodacom, Telkom who form part of the Mangaung IT Solution Committee have made an undertaking to provide the requisite capacity at all identified sites (areas).

Seven venues have been earmarked for the Fan-Fests and 10 venues for the Public Viewing areas.

For the Information Kiosks and Tourism Information Centers, there will be a need for new infrastructure and in some areas there will be an upgrade of the existing network.

Timeframes:

Venue	Timeframe
LOC Venue offices	Depend on LOC arrangements
Stadium	Depends on Stadium Construction Timeframes
Stadium Press Center	Depends on Stadium Construction Timeframes
Media Operations Office	Depends on Stadium Construction Timeframes
Media Tribune	Depends on Stadium Construction Timeframes
Broadcast Compound	Depends on Stadium Construction Timeframes
IT Support room, Working area, Storage Areas	Depends on Stadium Construction Timeframes
Stadium Accreditation Center	2007/8
Hotels and B&B's	2006/7 – 2008/9
FIFA Hotel	2008 -2009
Team Hotels	2008 -2009
City Call and Joint Operations Center	2007/8
Fan Parks and Public Viewing	2007/8
Information Centers and Tourist Information Centers	2007 – 2009

Timeframe and Budget

	Y0	Y1	Y2	Y3	Total
	2006/07	2007/08	2008/09	2009/10	
TOTAL	9,495,000	29,375,000	66,629,125	32,740,456	138,239,581
GRAND TOTAL					221,739,581

Additional Development and Infrastructure Costs

Item	Cost
Possible additional infrastructure costs	41,750,000
City Long & Medium distance fiber optics	23,500,000
Mangaung 2010 Website	200, 000

Source of funding

Mangaung Local Municipality: R20 000 000

State: R211 739 581

Operating: To be determined:

Project 8: Accommodation

The Mangaung Local Municipality currently has 6750 beds available (2006) in terms of the hospitality sector. FIFA requirements for 1st, 2nd, 3rd round play-offs and quarterfinals stipulate that at least 25 000 beds are required. MLM has the challenge in ensuring that at least 20 000 additional beds are provided.

By the end of 2007, it is estimated that an additional 340 beds will be available in the city. This includes 1 hotel with 200 beds and 98 rooms; 28 guesthouses with a minimum of 5 beds= 140 beds)

By 2008, a 2nd hotel will be completed with an additional 200 beds

This will ensure that by 2009 an additional 540 beds are provided.

A scan of the accommodation establishments in the *surrounding towns* (within 150km radius) indicates the following accommodation establishments:

Ladybrand: = 7 Lodges
= 3 Guesthouses
= 13 B & B

Maseru: = 12 Hotels
= 4 Lodges
= 35 Guesthouses
= 12 B & B

Kimberley: = 6 Hotels
= 24 Lodges
= 1 Caravan Park
= 3 Resorts (chalets)
= 37 Guesthouses
= 14 B & B

Welkom: = 1 Lodge
= 15 B & B

The number of beds for these establishments will be verified and graded. From these surrounding towns a maximum of 4000 additional beds will need to be sourced. Mangaung Local Municipality will work with the surrounding towns and cities to ensure that the accommodation establishments are graded and meet the necessary standards and requirements.

Homestay programme

A homestay programme will be implemented within the MLM area where local homeowners will be requested to register their homes to accommodate visitors. A clear set of criteria will be set and homeowners, through an extensive education & awareness campaign, will be informed that this arrangement is for the duration of the World Cup.

By the end of 2007, it estimated that at least 2000 houses will have been registered as homestays (with an average of 3 beds per house registered)
= 6 000 additional beds.

The aim is to have 18 000 beds on the homestay system by 2009.

Hostels/Residences

Depending on the time of the World Cup Games the residences for University of the Free State (UFS), Central University of Technology (CUT) and the schools will be utilised as accommodation establishments.

The capacity of the CUT in terms of accommodation: 712 beds
The capacity of the UFS in terms of accommodation: 2 200 beds

Campsites

There are currently 9 campsites in the Mangaung municipal area. All the campsites are privately-owned. These camping sites are currently under-utilised and through extensive marketing it is estimated that these 9 sites will offer accommodation for approximately 1 280 people.

Many of the camping sites require upgrading of their infrastructure. The estimated cost of the upgrading is not available as yet from the private owners.

A temporary campsite can be established at Kwaggafontein that can accommodate an additional 200 people.

Grading & accreditation

The star grading system and the AA grading system will be utilised for all accommodation establishments. Grading is a voluntary exercise but a requirement for FIFA accreditation. The city is implementing an awareness campaign around the benefits of the grading process. This campaign will run from September 2006. The Department of Tourism, Environment and Economic affairs is the provincial mandatory body responsible for Quality Assurance and Standards. Together with MATCH, MLM intends providing accommodation SMME's with information regarding:

- the accommodation contracting process
- the accommodation contract
- the role of MATCH in the 2010 FIFA World Cup™
- the importance of grading in the contracting process

Location:

Accommodation establishments are found throughout the municipal area (Bloemfontein, Botshabelo, and Thaba Nchu). See attached map.

The homestay programme will be implemented throughout the MLM area.

The surrounding towns of Kimberley, Welkom, Ladybrand, and Maseru will also form part of the accommodation programme.

See attached map for the location of the 9 camping sites.

Timeframes:

The accommodation programme will be implemented as of September 2006-December 2009.

The Mangaung Local Municipality will work with the private sector to ensure the readiness and upgrading of the camp site facilities from September 2006-March 2010.

Budget Estimates:

This project will largely involve private sector funds since it provides local people with business opportunities.

Funds will however, be required to assist with the training of officials to conduct the grading, the actual grading of accommodation establishments, the accreditation process and the establishment of a central reservations system.

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure	500 000	2 000 000	1 000 000	1 500 000	5 000 000
Operating expenditure					

Sources of funding:

MLM: R 1 000 000
National government: R 2 000 000
Provincial government: R2 000 000

Project 9: Tourism

Project 9(a) Information Kiosks

Information kiosks that will assist visitors with information on the city, the games, entertainment, restaurants, pubs and places of attraction will be rolled out throughout the municipal areas. This will ensure that information is easily accessible to the visitors and locals alike. Some of the kiosks will be temporary structures whilst others will be permanent structures for use beyond the 2010 World Cup.

Location:

Information kiosks will be located in all the malls, shopping centres, banks, post offices and places of interest and attraction (e.g. museums, Naval Hill, Zoo) throughout the MLM area. Petrol stations will also be targeted throughout the municipal area as strategic locations for the information kiosks.

Timeframe:

Implementation will start in January 2007- 2009

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure		2 000 000	3 000 000	5 000 000	10 000 000
Operating expenditure		50 000	50 000	100 000	200 000

Sources of funding:

Private Sector: Agreements with the various centres to use existing infrastructure
MLM: R2 500 000
National government: R5 000 000
Province: R2 500 000

Project 9(b) Training courses for PDI's, SMME's and Tour Operators

Description:

The training programmes will be key in support of the legacy objectives of the 2010 World Cup event. Training programmes for the following target groups are envisaged:

Frontline personnel (e.g. Guesthouse owners)
Shuttle services
Taxi-drivers
Waiters
Petrol attendants

The training programmes will involve tourism information, customer care, foreign languages and translation services.

The Department of Tourism Environment and Economic Affairs (DTEEA) has already initiated some of the training programmes. Training for emerging businesses in the hospitality sector and events management companies is planned to run from 2006-2009. The DTEEA currently has training programme for tour operators which will continue in 2007 and 2008. There are 37 tourist guides in the Mangaung municipal area (2006).

Location:

The Tourism & Hospitality School at the Central University of Technology will play an important role in terms of delivering training programmes. Other training providers will be appointed through a competitive bidding process. Local businesses will also be encouraged to send their staff on training courses that will improve customer service levels.

Timeframes:

The training programmes have started and will run from 2006 – March 2010

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure	100 000	1 000 000	2 000 000	1 900 000	5 000 000
Operating expenditure					

Sources of funding:

MLM: R2 000 000
National or Provincial government – DTEEA: R3 000 000

Project 9(c) Local tourists route

Description:

A key strategy for tourism is the formalisation of local tourism routes and packages. Maximising the entertainment experience will also be an important focus of the city's tourism strategy. A programme with existing and new restaurants, pubs that feature local cuisine, music and culture will be implemented. There are currently 60 tourism attractions in the Mangaung area with 80% of these concentrated in Bloemfontein.

The development and upgrading of existing tourism attractions is also an important objective. These include *inter alia*:

- Sports Museum
- Rooidam recreational area
- Zoo- upgrading
- Naval Hill facilities upgrading
- Hangman's kloof- upgrading of facilities
- Upgrading of the recreational facilities in the sports precinct
- Kwaggafontein- upgrading of facilities

Some historical sites have been prioritised that will be upgraded including:

- Klein Magasa Hall (Bochabela)
- Buildings along the historical route
- Sannaspos- Anglo-Boer War museum – along the N8 Corridor

In depth marketing material on the city will be packaged in different languages and in different formats

Location:

The focus will be on entertainment and culture elements throughout the municipal area.

The Westdene, Willows, Loch Logan, CBD areas will be key focus areas as they are within walking distance of the stadium

Timeframes:

July 2006-June 2009

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure	6 200 000	8 000 000	9 000 000	6 000 000	29 200 000
Operating expenditure	20 000	50 000	100 000	200 000	

Sources of funding:

MLM:	R5 000 000
National	R20 000 000
Provincial Government:	R4 500 000

Project 9(d) Tourist Information Centres

Description:

This project involves the upgrading of the existing tourist centre and the expansion of tourism information services.

The main tourist centre which falls within the stadium precinct is currently being upgraded. A satellite centre is proposed at the planned Intermodal facility in the Bloemfontein CBD.

The upgrading involves both technology upgrades (touch screens, plasma screens, ADSL etc), cosmetic upgrade to match the new “look and feel” in line with the city brand and new marketing material (website, print, DVD, etc). The hours of operation of the tourist information centres will be extended. This will be done with the use of volunteers from the Tourism & Hospitality School.

Location

Tourist Centre - Park Road- Bloemfontein

- Tourist Centre- Bloemfontein CBD
- Tourist Centre- Thaba Nchu CBD
- Tourist Centre- Botshabelo FDC- Business Complex
- Tourist Centre- Botshabelo Arts & Crafts Centre
- Tourist Centre- Mabana Cultural Centre
- Tourist Centres- Noordstad, Bloemgate, Showgate

Timeframes:

January 2006-December 2008

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure	500 000	3 000 000	3 000 000	1 500 000	7 000 000
Operating expenditure	20 000	20 000	20 000	100 000	160 000

Sources of funding:

MLM: R 2 250 000
National government R5 000 000

Project 10: Marketing Communication, Signage

Project 10(a) Tourism Directional Signage

The project involves the development of integrated tourism directional signage for places of attraction and interest which will indicate distances as well. The Motheo District Council currently has a tourism signage project underway and this will be complemented by the city and the provincial government's initiatives.

This project will be combined with the Street Names project that the city is currently undertaking.

Location:

Bloemfontein, Botshabelo & Thaba Nchu

Timeframes:

July 2006- December 2008

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure		2 000 000	1 500 000	500 000	4 000 000
Operating expenditure					

Sources of funding:

MLM: R2 000 000
National: R2 000 000

Project 10(b) Marketing and Communications

Description:

The city will link its marketing & communication campaign to both the provincial brand and BrandSA to ensure alignment. A number of marketing and communication elements will emerge from this.

The city will identify the intended receiver of the marketing & promotion. The appropriate segmentation of the target market will then follow using the following methodology:

1. *International level*

- a) Who is the target the audience (align with specific countries)
 - i) Footprint: Africa & rest of the world
- b) Message: Specific message for this target audience
- c) Channels: How to reach them?
 - i) Website
 - ii) Trade Exhibitions
 - iii) Airport Advertising
 - iv) Billboards

2. *National level*

- a) Who are we targeting (domestic tourist- define regions)
 - i) Footprint: Rest of South Africa
- b) Message: Specific message for them
- c) Channels: How to reach them? Proposed:
 - i) Website
 - ii) Exhibition matches
 - iii) Airport Advertising
 - iv) City Icon / Ambassador
 - v) Joint cultural and/or sports events

3. *Regional level*

- a) Who are they
 - i) Footprint:
 - Free State (Bloemfontein, Ladybrand, Welkom, Harrismith/Bethlehem/, other small towns- Clarens)
 - Northern Cape (Kimberley and Upington)
 - Eastern Cape (Colesburg And Aliwal North)
 - Lesotho (Maseru)
 - North West (Vryburg & Klerksdorp)
- b) Message: Specific message for them
- c) Channels: How to reach them? Proposed:
 - i) Website
 - ii) Exhibition matches
 - iii) Soccer Extravaganzas
 - iv) Outdoor Advertising
 - v) Indoor Adverting
 - vi) Directional Signage
 - vii) City Icon / Ambassador
 - viii) Joint cultural/sports/music/promotional events

4. *Local level*

- a) Who are they (Define local stakeholders)
 - i) Footprint:
 - Schools (primary & secondary)
 - Tertiary institutions
 - Crèches/
 - Health Care institutions
 - Churches
 - Bars & Taverns
 - Restaurants
- b) Message: Specific message for them
- c) Channels: How to reach them? Proposed:
 - i) Website
 - ii) Cultural Exhibitions/shows
 - iii) Food & Music shows – display local culture
 - iv) Soccer Extravanzas
 - v) Outdoor Advertising
 - vi) Indoor Advertising
 - vii) Directional Signage
 - viii) City Icon / Ambassador
 - ix) Joint promotional events
 - x) Educational theatre

5. *Business level*

- a) Who are they (defined local business sector)
 - i) Corporates
 - ii) Business Chamber
 - iii) SMME's
 - iv) Street Traders
 - v) Informal businesses
- b) Message: Specific message for them
- c) Channels: How to reach them? Proposed:
 - i) Website
 - ii) Exhibition matches
 - iii) Soccer Extravanzas
 - iv) Outdoor Advertising
 - v) Indoor Advertising
 - vi) City Icon / Ambassador
 - vii) Galas functions
 - viii) Joint promotional events
 - ix) Industrial theatre

6. *Civic level*
- a) Who are they?
 - i) District Municipalities
 - ii) Local Municipalities
 - iii) Provincial Government departments
 - b) Message: Specific message for them
 - c) Channels: How to reach them? Proposed:
 - i) Website
 - ii) Exhibitions
 - iii) Media campaigns
 - iv) City Icon / Ambassador
 - v) Galas functions

The aim with the Exhibition matches will be to promote the city by hosting high profile teams (PSL, African countries and overseas teams).

Indoor advertising will involve promotional items and images of the city displayed in various environments (buildings, restaurants, pubs, businesses). Channels to be used will include plasma screens, A-frames and neon signage.

The Soccer extravangas aim to build hype and educate locals about the game of soccer.

The private sector will be a key partner in the marketing and communications campaign. As part of the awareness campaign (and to create appropriate hype around 2010 in the city), an electronic count-down sign will be erected on the top of one of the city's sky-scrappers (CR Swart)

Timeframes:

November 2006- May 2010

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure		3000000	3000000	4000000	10 000 000
Operating expenditure	755 000	900 000	1 500 000	1 200 000	4 355 000

Sources of funding:

MLM: R 4 355 000
 Private sector: to be determined
 National government R5 000 000
 Provincial government: R5 000 000
 Motheo District Municipality: to be determined
 Other:

Project 11: City Beautification

The focus of this project will be on improving the appearance of the city entrances, road islands, parks, and places of attraction and interest. The following prominent city entrances will have a complete make-over and will be appropriately branded:

- Nelson Mandela Road
- Maselspoort Road
- Eeufees Road
- Andries Pretorius Road
- Church Street
- Curie Avenue
- Thaba Nchu city entrance
- Botshabelo city entrance

The city's prominent parks will be upgraded. The greening of the CBD is another key project as well as the upgrading of the Loch Logan area

Location:

Bloemfontein, Botshabelo, Thaba Nchu

Timeframes:

2006 – 2009

Budget Estimates:

	2006/7	2007/8	2008/9	2009/10	Total
Capital expenditure	500 000	1 500 000	8 000 000	10 000 000	20 000 000
Operating expenditure	maintenance	maintenance	maintenance	maintenance	

Sources of funding:

MLM: R4 000 000
National government R16 000 000

Project 12: Health

The area falls outside the competency of the City, the Province has been approached to compile a detailed plan in this regard to be submitted directly to National Treasury

Project 13: Disaster Management

Project 13(a) Replacement of Emergency Vehicles

Description

The two Rescue Pumpers (RP's) to be replaced will be used by the Fire and Rescue Service to respond to fires, rescues and other humanitarian emergencies during the 2010 World Cup Tournament.

The two RP's will replace vehicles, which will by 2009 have exceeded their economic life expectancy, and no longer be suitable for deployment as first line emergency vehicles that respond to life threatening incidents.

The RP's will be capable to extinguish fires while also equipped with rescue equipment and will thus fulfill a dual role.

Location

The RP's will be deployed at one or more of the fire stations operated by Mangaung Local Municipality from where they will respond when required. On match days the vehicles may even be deployed closer to the stadium, public viewing area or Fan Park.

Time frame and budget

The budget for the Rescue Pumpers (RP's) is R 5,4 m (R 2,7 m each) and includes provision for equipment. Delivery of the RP is normally 8 to 11 months from date of ordering.

	2006/7	2007/8	2008/9	2009/10	TOTAL
Capital Expenditure		R 2 700 000	R 2 700 000		R 5 400 000
Operating Expenditure			R 27 000 p.a	R54 000 p.a	

Sources of funding:

MLM: R2 700 000
National government R2 700 000

Project 13(b) Emergency Services at stadium

Description

It is anticipated that the upgraded stadium will be filled to capacity on match days bringing 47 000 spectators into the venue.

In order to provide emergency service cover for the spectators in the stadium a comprehensive plan based on the requirements of the Safety at Sports and Recreational Events Bill will be prepared and implemented. The plan is likely to entail the following:

- (i) Deployment of emergency medical response and emergency vehicles at stadium;
- (ii) Deployment of ambulances at stadium;
- (iii) Setting up of first aid posts in stadium;
- (iv) Setting up of medical posts in stadium;
- (v) Deployment of medical doctors, paramedics and emergency services staff in / around stadium;
- (vi) Establishment of radio communication system between role players in and outside the stadium;
- (vii) Setting up of triage area inside/outside the stadium;
- (viii) Establishing helicopter landing area for use during emergencies;
- (ix) Staffing of vehicles and posts deployed / established in / at the stadium;
- (x) Appropriately equipping posts established at / in the stadiums;
- (xi) Determination and establishment of emergency transport routes to and from stadium; and
- (xii) Identification and establishment of vehicle staging areas outside stadium;

1. Location

The project will be concentrated in / around the stadium.

2. Time frame and budget

The expenditure relating to the project is mainly of an operational nature as it is anticipated that staff costs will make up the major portion of the expenditure. Equipment will likely consist of items that can be transported into the venue when needed on match days. Consumables will have to be replaced after use to ensure constant readiness for any unforeseen emergency.

Preparation of the plan has already commenced and will be finalized by mid 2007.

	2006/7	2007/8	2008/9	2009/10	TOTAL
Capital Expenditure			R 2 000 000		R 2 000 000
Operating Expenditure				R 3 000 000	R 3 000 000

a) Source of funding

b) Capital

State: R2 000 000
Mangaung: 0

c) Operational

State: 0
Mangaung: R 3 000 000

Project 13(c) Emergency Services at Public Viewing Areas and Fan Parks

Description

It is anticipated that the public viewing areas and fan parks will be filled to capacity on match days bringing a large number of people together at a single locality.

In order to provide emergency service cover for the spectators at the public viewing areas and fan parks a comprehensive plan based on the requirements of the Safety at Sports and Recreational Events Bill will be prepared and implemented. The plan is likely to entail the following:

- (i) Deployment of emergency medical response and emergency vehicles at the locality;
- (ii) Deployment of ambulances at the locality;
- (iii) Setting up of first aid posts at the locality;
- (iv) Setting up of medical posts at the locality;
- (v) Deployment of medical doctors, paramedics and emergency services staff at the locality;
- (vi) Establishment of radio communication system between role players in and outside the locality;
- (vii) Setting up of triage area inside/outside the locality;
- (viii) Establishing helicopter landing area for use during emergencies;
- (ix) Staffing of vehicles and posts deployed/established in/at the stadium;
- (x) Appropriately equipping posts established at/in the locality;
- (xi) Determination and establishment of emergency transport routes to and from locality; and
- (xii) Identification and establishment of vehicle staging areas near locality;
- (xiii) Creating suitable temporary accommodation for staff at locality during events.

3. Location

The project will be concentrated in/around the public viewing areas and for parks.

4. Time frame and budget

The expenditure relating to the project is mainly of an operational nature as it is anticipated that staff costs will make up the major portion of the expenditure. Equipment will likely consist of items that can be transported into the venue when needed on match days. Consumables will have to be replaced after use to ensure constant readiness for any unforeseen emergency. Capital expenditure may involve the acquisition of temporary structures as accommodation for staff during the event.

Preparation of the plan has already commenced and will be finalized by mid 2007.

The fact that the number of public viewing areas and fan parks has not yet been confirmed is problematic as it is difficult to determine precise needs. Expenditure can vary depending on the final number of public viewing areas and fan parks.

	2006/7	2007/8	2008/9	2009/10	TOTAL
CAPITAL EXPENDITURE			R 3 000 000		R 3 000 000
OPERATING EXPENDITURE				R 3 000 000	R 3 000 000

Source of funding

a) Capital

State: R3 000 000
Mangaung: 0

b) Operational

State: 0
Mangaung: R 3 000 000

Project 14: FIFA Events

Separate motivation will be submitted once we have received a full list of the FIFA events.

Project 15: Safety and Security

The project covers the upgrading and refurbishment of the security systems to ensure effective global communication and high security management within the City. It must be noted that the projection indicated below does not include the costs to be incurred by external service providers such as Telkom, etc.

The project will cover;

- Installation of CCTV cameras at strategic points within the City
- Linkages with Venue Operating Centre (VOC) and Joint Operating Centre (JOC)
- Linkages with Call centres for prompt response

Estimated project cost: R60 000 000

Multi-year capital budget:

Fund Source	2005/06	2006/07	2007/08	2008/09	2009/10
Mangaung		R500 000	R5 000 000	R4 500 000	
Funding from National and Provincial Government			R25 000 000	R25 000 000	

Sources of funding:

Institution	Amount applied for:	Amount secured:
Awaiting guidance from National and Provincial Government	R50 000 000	

Target dates:

- Commencement of implementation: 2006
- Completion: 2009

Project 16: Volunteers

The Mangaung Local Municipality is awaiting guidelines from FIFA in respect of volunteers.

In order to ensure involvement of the local people in all aspects of the 2010 World Cup, the city will develop a local volunteer programme which will be based on the appointment of City Volunteers. The volunteer programme will focus on various projects that are primarily hospitality and tourism related, such as interpreter services, welcome campaigns and cleaning campaigns, call centre, help desks at various centres, etc.

Costs are not yet available at this stage, however it is envisaged that the costs will mostly be operational and will have to be shared between the City and the Province.

Project 17: Environmental rehabilitation

Costs are already included for each project, where necessary

Project 18: Waste Management

Project 18(a) Purchasing of waste management vehicles

Description

The current vehicles used at the landfill sites and for waste removal are inadequate and some of them are old. There is therefore a need to have them replaced and new vehicles purchased to ensure that the service is provided effectively.

The following vehicles need to be purchased

- 4 x Compaction vehicles
- 2 x Compactors
- 2 x Bull dozers

Location

The vehicles will be used by the waste disposal and land fill sites sections within the City. On match days some of the vehicles may even be deployed closer to the stadium, public viewing area or Fan Park.

Time frame and budget

The budget for the a Compaction vehicle, Compactor and Bull dozer is R2,5 m, R2.0 m, and R1.5 m, respectively. Delivery lead time is normally 3 to 6 months from date of ordering.

	2006/7	2007/8	2008/9	2009/10	TOTAL
Capital Expenditure		R 4 000 000	R 8 500 000	R4 500 000	R17 000 000
Operating Expenditure			R 27 000 p.a	R54 000 p.a	

Sources of funding:

MLM: R7 000 000
National government R10 000 000

Project 19: Business Closure during and after event

Costs are already included for each project, where necessary

SECTION 3: FINANCIAL MODEL

As per DBSA requirements and including financial costs for projects

FREE STATE STADIUM					
COST ESTIMATE 2006 08 28 : ZONE 1 & 2					
		4	5	12	13
		2*3	Sub Totals	Total prof fees	Project cost at completion
		Total		15.00%	11+12
A	LEGACY STADIUM		144,208,960.00		
1	STRUCTURAL WORK		43,051,960.00		
1.1	Foundations	1,156,500.00		233,757.56	1,792,141.31
1.2	Piling	1,470,000.00		297,123.75	2,277,948.75
1.3(a)	Concrete, formwork and reinforcing in camels	5,880,000.00		1,188,495.00	9,111,795.00
1.3(b)	Extra camel beams to support structure	2,400,000.00		485,100.00	3,719,100.00
1.4	Precast concrete seating	5,752,500.00		1,162,724.06	8,914,217.81
1.5	Steel roof trusses	8,217,510.00		1,660,964.21	12,734,058.93
1.6	Roof covering and ceiling	4,146,450.00		838,101.21	6,425,442.58
1.7	Circulation slab	3,629,000.00		733,511.63	5,623,589.13
1.8	Staircases	10,400,000.00		2,102,100.00	16,116,100.00
2	BUILDING WORKS		24,790,000.00		0.00
2.1	New toilet blocks	R 7,110,000		1,437,108.75	11,017,833.75
2.2	Railing and furnishing etc.	R		242,550.00	1,859,550.00

		1,200,000			
2.3	Alterations to dressing rooms etc	R 5,250,000		1,061,156.25	8,135,531.25
2.4	Alterations inside (president suite, etc)	R 2,030,000		410,313.75	3,145,738.75
2.5	New entrance (VIP, Referees, players)	R 200,000		40,425.00	309,925.00
2.6	New suites (upper levels)	R 7,000,000		1,414,875.00	10,847,375.00
2.7	Demolish existing roof	R 2,000,000		404,250.00	3,099,250.00
3	SERVICES		49,550,000.00		0.00
3.1	Plumbing units	4,800,000.00		970,200.00	7,438,200.00
3.2	Electricity, floodlights, etc	10,000,000.00		2,021,250.00	15,496,250.00
3.3	Sound and audio installations	650,000.00		131,381.25	1,007,256.25
3.4	Air-conditioning	300,000.00		60,637.50	464,887.50
3.5	Big Screen TV	30,000,000.00		6,063,750.00	46,488,750.00
3.6	Lifts	3,800,000.00		768,075.00	5,888,575.00
4	SUNDRIES WORKS		11,652,000.00		0.00
4.1	Seating	3,200,000.00		646,800.00	4,958,800.00
4.2	Closing up of openings	6,000,000.00		1,212,750.00	9,297,750.00
4.3	Signage	1,000,000.00		202,125.00	1,549,625.00
4.4	FIFA offices	1,452,000.00		293,485.50	2,250,055.50
5	MEDIA CENTRE ETC		300,000.00		0.00
5.1	Multi purpose hall	0.00			0.00
5.2	Venue operating centre	300,000.00		60,637.50	464,887.50
6	SITE WORKS		14,865,000.00		0.00
6.1	Site works, roads markings, etc	800,000.00		161,700.00	1,239,700.00
6.2	Site design	2,000,000.00		404,250.00	3,099,250.00
6.3	Upgrade of fence	175,000.00		35,371.88	271,184.38
6.4	Gates and turnstiles	1,620,000.00		327,442.50	2,510,392.50
6.5	Car entrance control	40,000.00		8,085.00	61,985.00
6.6	New pitch etc	6,050,000.00		1,222,856.25	9,375,231.25
6.7	Parking areas	1,200,000.00		242,550.00	1,859,550.00
6.8	Move tents	160,000.00		32,340.00	247,940.00
6.9	Demolish and redo deck	1,200,000.00		242,550.00	1,859,550.00

6.10	Demolish and redo stage		180,000.00		36,382.50	278,932.50
6.11	Remove trains, etc		500,000.00		101,062.50	774,812.50
6.12	Temp offices for FRU		900,000.00		181,912.50	1,394,662.50
6.13	Temp entrances to FRU		40,000.00		8,085.00	61,985.00
B	OVERLAY STADIUM			36,698,500.00	0.00	0.00
7	MEDIA FOR FIFA EVENTS			10,195,000.00	0.00	0.00
7.1	Press seats	R	720,000		145,530.00	1,115,730.00
7.2	TV / Radio positions	R	300,000		60,637.50	464,887.50
7.3	TV / Radio observers	R	225,000		45,478.13	348,665.63
7.4	Photographers	R	25,000		5,053.13	38,740.63
7.5	Broadcast compound		R 5,400,000		1,091,475.00	8,367,975.00
7.6	Camera positions	R	25,000		5,053.13	38,740.63
7.7	Broadcast compound open air		R 2,500,000		505,312.50	3,874,062.50
7.8	Satellite farm		R 1,000,000		202,125.00	1,549,625.00
8	BUILDING WORKS FOR PLAYERS			730,000.00	0.00	0.00
8.1	Warm up areas	R	240,000		48,510.00	371,910.00
8.2	Links	R	140,000		28,297.50	216,947.50
8.3	Tunnel to pitch	R	250,000		50,531.25	387,406.25
8.4	Bellows for players	R	100,000		20,212.50	154,962.50
9	WORK FOR VIP, AFFILIATES ETC			19,395,000.00	0.00	0.00
9.1	VIP seats	R	555,000		112,179.38	860,041.88
9.2	Reception area, Temporary	R	640,000		129,360.00	991,760.00
9.3	Concession area and stands		R 1,200,000		242,550.00	1,859,550.00
9.4	Commercial display area		R 9,000,000		1,819,125.00	13,946,625.00
9.5	Hospitality areas for affiliates		R 8,000,000		1,617,000.00	12,397,000.00

10	SITE WORKS ETC		2,378,500.00	0.00	0.00
10.1	Moat	R 552,500		111,674.06	856,167.81
10.2	Temporary Fence	R 1,000,000		202,125.00	1,549,625.00
10.3	Mug and bag search areas	R 756,000		152,806.50	1,171,516.50
10.4	Car search areas and temporary gates	R 70,000		14,148.75	108,473.75
11	ROAD WORKS AND OTHER VENUES		4,000,000.00	0.00	0.00
11.1	Exterior road upgrade	R 4,000,000		808,500.00	6,198,500.00
	Sub total		180,907,460.00	36,565,920.35	280,338,722.70
C	ADD-ONS		142,178,683.88	Plus: Site cost	
12	PRELIMINARIES, professional fees, escalation and VAT				
12.1	Contingencies		18,090,746.00		
12.2	Preliminaries		22,613,432.50		
	Current construction cost		221,611,638.50		
12.3	Pre-tender escalation		13,296,698.31		
12.4	Contract escalation		8,864,465.54		
	Total building cost		243,772,802.35		
12.5	Professional fees		36,565,920.35		
	Project cost at completion		280,338,722.70		
12.6	Value added tax (VAT)		39,247,421.18		
12.7	Site cost (Hockey field)		3,500,000.00		
	PROJECT COST AT COMPLETION		323,086,143.88		

SECTION 4: RECOMMENDATIONS

Taking into account the diverse nature of the proposed projects and the criticality of ensure timeous completion of the projects for succesfull preparation, the following recommendations are made.

- 4.1 The LOC and National Treasury should ensure that financial allocation to the Cities is concluded before December 2006 and that the funds are disbursed as from the current financial year (2006/2007), bearing in mind that;
 - some of the Cities have to prepare for 2009 Confederations Cup
 - there are long delivery lead time in the procurement of goods and services
 - longer period will allow Cities to stagger procurement process as some services may have to be provided by few suppliers (e.g. manufacturers)
- 4.2 National Treasury should encourage the Provinces that have 2010 Host Cities, to put concerted effort in making financial contribution towards the 2010 preparations by the respective Host Cities;
 - Including those areas that fall within the competency of Provincial government (e.g. Health, Safety and Security, etc)
- 4.3 National Treasury should consider the following factors in deciding how much National government should contribute towards the Host Cities' preparation for 2010;
 - Status of basic service backlogs from the particular Host City, as this will impact on the ability of the City to allocate capital funds
 - The financial capacity of the Host City.