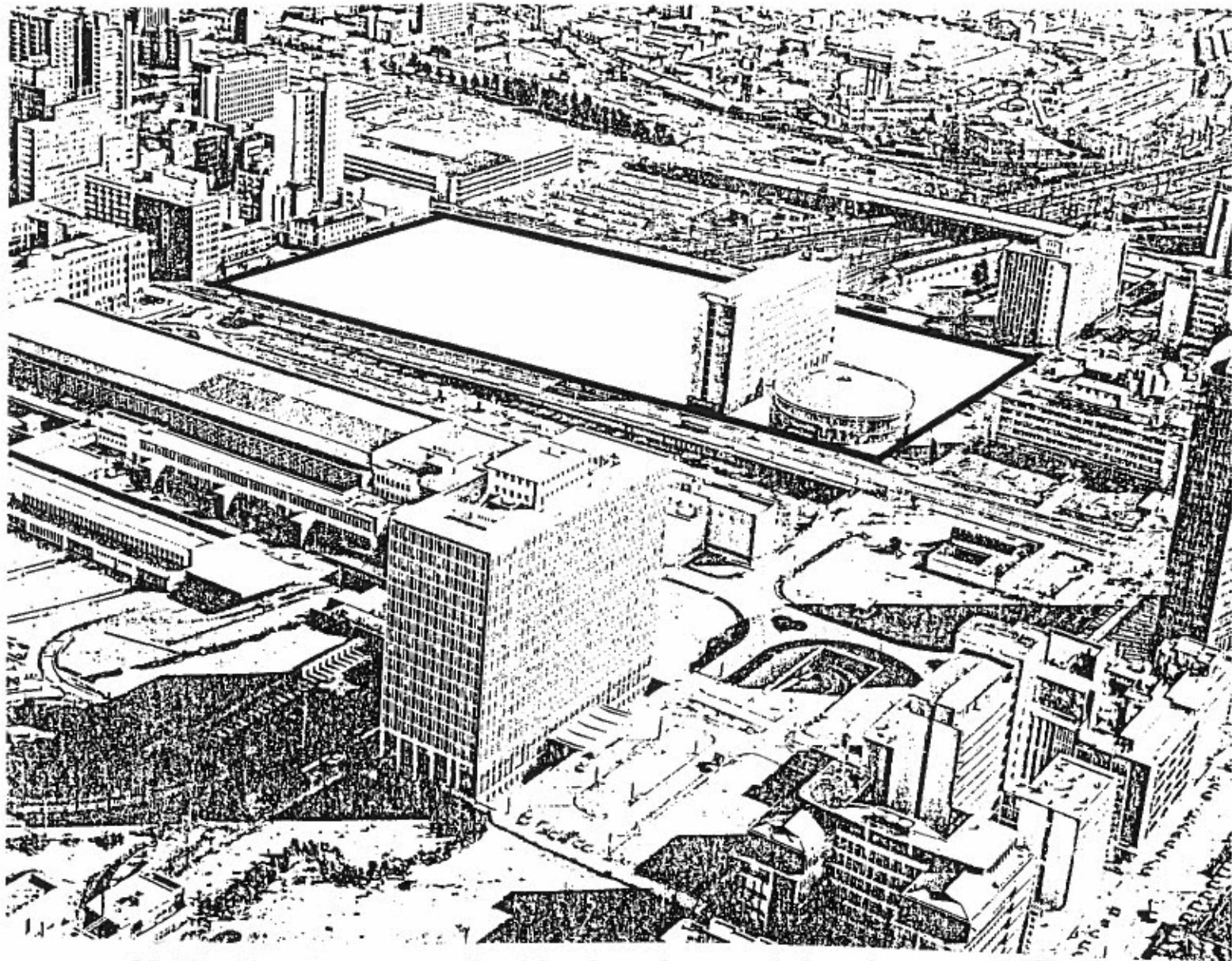


PROPOSED CORPORATE HQ FOR SATS IN JOHANNESBURG



**Motivation to proceed with planning and development of new
office accommodation for the SA Transport Services (SATS)
in central Johannesburg**

**Basil Brink and Peter Jacob, Chief Director (Building Services), SATS
May 1989**

PROPOSED CORPORATE HEADQUARTERS FOR SATS IN JOHANNESBURG

The Assistant General Manager Mr. Bertie Groenewald, requested in his letter of November 1989 to the Chief Engineer that the concept of a new headquarters building for SATS be investigated further by the C.D. (Building Services).

In order to pursue this rationalisation of medium term accommodation of SATS in the central Johannesburg area it is proposed that the following team be formed to evaluate the establishment of centralised corporate facilities for all the Business Undertakings of the new Company.

Co-ordinator

J.W. Hodgson Director (Architectural Services)

Project Team

P. Jacob Deputy Director (Quantity Surveying)

S. Douglas Deputy Director (Architectural)

B. Brink Deputy Director (Architectural)

Various in-house specialists as may be required, e.g. structural engineer, land surveyor, civil engineer.

PURPOSE OF STUDY

To determine an Estate Management Philosophy of land, buildings and leases owned/held by SATS.

This Philosophy will define a strategy for integrated development of assets in the Johannesburg Central Business District (C.B.D.).

Amongst others, the benefits to SATS of such a Philosophy are:

- i) The maximization of income from the leasing or selling of assets
- ii) The creation of a bold and upgraded corporate identity in the city
- iii) Space savings and increased productivity as a result of the rationalisation of office accommodation
- iv) Realising present latent development potential through improved marketability of land and air space, which is primarily the Business Development section's responsibility.

BENEFIT TO TECHNICAL ADVISORY SERVICES

The benefit of this project to the T.A.S. business unit would be:

- i) Marketing the multi-disciplinary service which our department is able to provide to other cost centres in SATS to our top Management.
- ii) Motivating the staff who become involved in this project directly or indirectly, because it is an exciting, challenging and multi-faceted exercise.

- iii) Realising income to our Business Unit in the form of consultancy fees, bearing in mind that a competitive service must be provided.

It is the project team's intention to become fully involved only in the first two Work Stages of this project, i.e.:

STAGE 1 - Appraisal and Definition of Project.

Receive, appraise and report on the client's requirements, with particular regard to site information, planning and statutory requirements. Advise the client on the need for the appointment of consultants and on procedures to meet the client's requirements including methods of contracting.

Stage 2 - Preliminary Design.

Advised by any consultants appointed, prepare a preliminary design showing space provisions, planning relationships, standards of materials intended to be used and standards and suitability of services. Advise the client on the feasibility of the project as designed, the estimated cost, budget, time schedule and statutory requirements.

The above two Stages together will comprise the Detailed Project Brief. This Brief is to be included in the project team's report to Management. An outline of the contents of the "Proposed New SATS Corporate Headquarters" report is included below. The remaining Work Stages will become consultants' responsibility, if it is decided that the project is to proceed.

COST OF PROJECT TO DATE

All costs incurred subsequently to Mr. Groenewald's letter and up to the moment that Mr. H. Hagen accepts this motivation (if supported by the Chief Engineer T.A.S.) may be considered to be a marketing expense for the present, with the possibility of defraying these costs (as of 15 March 1989) from income to be received, should the project proceed as planned.

COST OF THE PROJECT TEAM'S REPORT TO MANAGEMENT

It is suggested that fees for the project team's service should be charged on a percentage basis for the first two work stages, i.e. 20% of 8% = 1,4% of the estimated cost of the project, subject to negotiation with Management.

This fee may be seen as relatively high, but it should be remembered that the section collecting this fee were responsible for initiating, motivating and "selling" the idea not only to SATS Management, but also to other

parties such as the Johannesburg City Council, JOMET and consultants presently involved in the area. In addition, this fee would include the Quantity Surveyor's service.

OUTLINE OF THE PROPOSED REPORT TO MANAGEMENT, ENTITLED:
"PROPOSED NEW SATS CORPORATE HEADQUARTERS"

1. FEASIBILITY STUDY

Mr. Peter Jacob, Quantity Surveyor

Note:

- 1) The Business Development section's possible financing of this feasibility study may be considered.
- 2) Please refer to notes on a discussion with Rapp and Maister, attached as addendum 1.

- 1.1 Analysis and collation of relevant data of existing owned and rented accommodation and space, rental projections and value of existing properties.
- 1.2 Market potential of S.A.T.S. owned land and airspace.
- 1.3 Feasibility and Financial Modeling
- 1.4 Appropriate timing and Marketability
- 1.5 Degree of collaboration with the private sector
e.g. informal liaison to establish interest

2. DESIGN FACTORS

Messrs Stuart Douglas and Basil Brink

- 2.1 Compliance with municipal requirements.
- 2.2 Parking.
- 2.3 Municipal services.
- 2.4 Traffic, pedestrian and commuter patterns.
- 2.5 Impact of proposed mass rail.
- 2.6 Impact of third world factors.

3. CORPORATE CRITERIA

Messrs Douglas and Brink

- 3.1 Visual/aesthetic factors: Liaison with Pentagraph
- 3.2 History and Precedent
- 3.3 Colour and texture.

- 3.4 Image: A) Historic tradition; civic presence; classical stature; the attraction of the "world of trains".
B) New organization and its high technology space needs; internal and external corporate image; flexibility to allow for rapid change, profitability of business; client satisfaction.

3.5 High impact - low impact, small scale - large scale.

3.6 Integration with surrounding city fabric (micro C.B.D.) and other SATS properties (macro C.B.D.).

4. SITE INVESTIGATION
Messrs Douglas and Brink

4.1 Liaison with City Council and other interest groups: Perceptions, suggestions and requirements.

4.2 Access to the site.

4.3 Impact of proposed development on existing city fabric (buildings and services).

4.4 Founding (Geotechnical), decking (Bridge) and structural factors.

4.5 Open space requirements, setbacks and bulk.

4.5 Analysis of proposals by other professionals e.g. university projects (Britz, Abramowitz and Greef), Bank City (John Collett and Mike Barrow) and Standard Bank Headquarters Phases One and Two (Mallows, Louw, Hoffe).

4.6 Incorporation and optimal use of existing historic South Station Building and Regional Manager's Office (C.S.A.R. Headquarters in 1906).

4.7 The multi-modal transport centre and the expanded station scenario.

5. URBAN DESIGN WORKSHOP
Initiated/motivated by messrs Douglas and Brink in T.A.S. and funded/co-ordinated by the Business Development section.

5.1 Refer to attached motivation for the workshop entitled: "Johannesburg CBD and SATS Property: Proposed Urban Design Workshop". (Addendum 2)
This proposal, although initiated by the C.D. (B.S.)'s section is seen to be funded and hosted

by the Business Development section, with messrs Douglas, Jacob and Brink contributing to and participating in the workshop.

6. BRIEF FOR THE DESIGN TEAM

It is intended that the project team's preliminary report as outlined above be used as the Brief and Design Parameters by a multi-disciplinary Design Team, if it is decided that the project should proceed.

7. DETAILED SKETCH DESIGN OF CORPORATE HEADQUARTERS

It is recommended that the Design Team should include specialists from Technical Advisory services working in association with consultants. Note that this project stage will be undertaken only if a firm commitment (Works order number) from the client, who is possibly the A.G.M. Technical, has been obtained.

The availability of manpower to participate in the Design Team would depend on the number of urgent projects to which the C.D. (B.S.) section is already committed, and the resources allocated to these projects.

7.1 Space Standards and Areas required per Business Undertaking

7.2 Provision of Retail as well as possible Residential facilities

7.3 Culture of the organization: Preferences, perceptions, behaviour, norms.

7.4 High Technology Space: Partitions; third generation furniture; services - air conditioning, computer network, telephones, power supply types; lighting; mail distribution; security; signage; document retention; energy efficiency; accessibility; curtain wall facades; flexible tenancy; cellular and open plan office space types.

7.5 Landscaping and planting of trees on a deck.

8. RECOMMENDATION

It is envisaged that this Corporate Headquarters Project Report, which will include the aspects outlined in items 1 to 6 above, be formally presented and made available to Management in August 1989, only if this motivation is supported by the Chief Engineer T.A.S., accepted by the client mr H. Hagen, and the instruction to proceed is given.

MEETING BETWEEN TAS (BUILDING SERVICES) AND RAPP AND MAISTER

A meeting took place at Rapp and Maister's head office in Braamfontein between Messrs Brink and Jacobs of Building Services and messrs Russel Inggs and George de Bee of R + M on Thursday afternoon, 11 May 1989.

The purpose of the meeting was to ascertain R + M's views on the advisability of Transport Services' establishing a corporate headquarters for its head office staff.

R + M queried whether SATS should be a property Owner. Current business thinking was that business should be an occupier, rather than a owner, of property. Owning property implied tying up assets which could be more usefully employed to develop the main thrust of the business.

Business philosophy aside, R + M recommended that a thorough investigation be undertaken to examine the economic viability of establishing a corporate headquarters. Such a proposal must also be examined on other bases as well :

Image.

Space requirements for A, B or C grade space.

SATS Pension Fund and investment in property.

Revenue producing assets to off-set rates, e.g. airspace as rateable, unutilised bulk.

The profit potential of a privatised SATS.

The need for a property advisory committee with membership drawn from SATS as well as potential shareholders.

In addition, it was common cause that any large-scale development would have to be examined for its impact on the environs of the site where it might be built.

Such a decision would have a profound impact on Transport Services. To formulate such a decision, R + M recommended the setting up of an advisory committee, whose members would be drawn from Transport Services and the property industry as a whole. R + M pointed out that most of the major property companies were subsidiaries of major investment groups which would be the likely future shareholders of SATS. It is therefore unlikely that there would be any difficulty

in drawing any members of such an advisory committee from the property industry. R + M further pointed at that several big groups had found a solution to the accommodation problem in the setting up of a property company, whose task would be the management of the property assets of the group. By removing the management of the property portfolio from SATS business undertakings, it would leave the undertakings to do those things which SATS does best, the running of a multi-faceted transport industry.

R + M questioned the viability of building new accommodation in the CBD. At present building costs, only accommodation at A-grade rentals was feasible. This represented a like rental of R40-50/m² by the time any scheme initiated in 1989 came on stream in 1994. It was presumed by R + M that not all of SATS headquarters requirement was for A-grade accommodation. There is a superfluity of B + C -grade accommodation in the CBD which had come on to the market as result of erstwhile tenants moving to better/newer grade space. The demand for B and C grade space is lagging further behind supply. Most landlords of their accommodation would be very eager to lease it to a reliable tenant such as SATS, in preference to the range of individual tenants with unreliable occupation and payment records.

NOTES BY PETER JACOB, MAY 1989

JOHANNESBURG CBD AND SATS PROPERTY: PROPOSED URBAN DESIGN WORKSHOP

INTRODUCTION

SATS is in the process of becoming a public company and will compete on an equal footing with other companies in terms of the Companies Act 61 of 1973.

The focus of the new company will be on productivity and profit with a view to eventual privatisation by selling shares to investors.

SATS as a public corporation owns a great deal of property in the CBD of Johannesburg, whether as existing buildings, vacant land or as airspace above the railway lines.

A possible source of income would be selling property or leasing it to developers on a long term lease.

The British Rail Property Board has perfected the long term development lease, and there are many examples of successful projects over or adjacent to railway property in Britain, which provide a substantial income to the Board.

Legal problems with the registration of airspace as 'property' have been under consideration, and it is now possible to register title of such space in South Africa. In addition, the Johannesburg City Council has formally allotted specific development rights to 10 SATS airspace sites in the CBD.

A DEFINITION OF URBAN DESIGN

In an article in AR entitled "What City?", November 1988, Peter Buchanan defines the activity of urban design as follows:

"....urban design ... concentrates with special intensity on two particular aspects. One is the movement and public space systems, in which movement includes public transport and all sorts of vehicular circulation as well as modes of pedestrian movement - from walking to work, to high street shopping, to back lane jogging; and public space includes stations and stops to public transport, streets and squares, parks and playgrounds. The other aspect is concerned with establishing and elaborating the potential role of the development in the larger context; with the continuities it creates with the surrounding areas; and with crystallising all the specific potentials of both site and surrounding area so as to best enhance the whole city."

PURPOSE OF THE URBAN DESIGN WORKSHOP

The purpose of the workshop would be a step in the process of determining a Development Framework for SATS property in the Johannesburg CBD, in order to enable the city to grow and flourish and SATS to reap the benefit of well considered development of its prime property.

Such a development framework will hold the key to many aspects of the city's future, and present an opportunity for structuring and controlling development into a conceptualised three dimensional environment.

The present absence of this ordered framework could jeopardise the marketability and development of SATS's prime property at a time when legal aspects and formalities have been sorted out. The findings of the Transport Study will also be available shortly, making timeous planning to utilise this information and feed back to it essential.

This workshop, which is seen as a direct, more detailed extension of the City Council Planning Department's two day "city of a 1 000 designers" JHB CBD workshop, will explore three-dimensional development scenarios in order to define a development framework and urban design brief for SATS property in the CBD.

A development process which allows for diversity and participation, as in the case of the proposed urban design workshop, for example, will make good economic and social sense.

Note: Subsequent to the preparation of this motivation, an article entitled "The Victoria and Alfred Waterfront Development" appeared in ARCH S.A. of March/April 1989. It is apparent that the need for a workshop to consolidate development strategies was also seen by the Directors of the newly formed development company:

"Earlier proposals for the Waterfront by Cape Town architects and planners will be among the topics discussed in a workshop in Cape Town at the end of March. Further meetings which will take place will involve those authors of earlier ideas in the process of preparing a brief for the Waterfront project. There will be a core consulting group comprising the three planning and urban design firms of MLH Architects and Planners, Gallagher Aspoas Poplak Senior and Prinsloo Parker Flint Elliott and Van den Heever, traffic engineers Hawkins Hawkins and Osborne and landscape architects Oberholzer and van Papendorp. Gabriel Fagan and Revel Fox will be specialist advisors to the team.

The Waterfront company will be inviting many other design firms to participate in the formation of the development strategy to ensure the widest participation by design professionals, in addition a particularly strong emphasis will be given to the involvement of

developers and their professional consultants in the formation of the development strategy to ensure that full account is taken of their views.

At these meetings, local property developers will be invited to join the planners and urban designers to give market-related inputs and ideas to the briefing programme.

The job of the workshop will be to consolidate general guidelines for the future of the area, and to elaborate on a development strategy which will preserve the old and open up the new."

BENEFIT OF THE WORKSHOP

As indicated above, the purpose of the workshop is to assist in the definition of a development strategy for SATS assets and air space in the Johannesburg Central Business District (CBD).

The benefits of such a strategy to SATS are:

- a) Maximization of income from the leasing or selling of assets and development rights.
- b) Space and cost saving as a result of the rationalisation of the use of owned/leased real estate in the CBD.
- c) Stimulating and realising latent development potential through improved marketability of assets.

An attempt to quantify the above benefits would have to be based on several assumptions. The scale of development is so great however that even a relatively small progression on the development enhancement curve would generate an additional income of millions of Rands to SATS.

THE PARTICIPANTS IN THE WORKSHOP

It became clear from the CBD Urban Design Workshop held on 1st and 2nd of March 1989 that several urban designers represent various clients which own major sections of the CBD and have a specific interest in different sections of the CBD SATS Airspace strip and decked area.

These include:

URBAN DESIGNER(S)

John Halford, MLH

Willie Meyer, Meyer,
Pienaar, Smith and Moren

SITE(S) INTERESTED IN

East of Park Station
"The Gallery"

Air space to the South of
the JHB Art Gallery

Jimmy Watson, James Watson and Associates	Airspace between Klein and Wanderers Street as connection between Small str. mall phase two and Joubert Park.
Bannie Britz and Syd Abramowitz, Britz, Scholes and Abramowitz	Johannesburg Station concourse and terminus megablock.
Ron Kirby, Montgomery, Oldfield, Kirby.	Site to east and west of Paul Kruger building for corporate headquarters.
Prof. Pancho Guedes, School of Architecture, Wits	South Station Building and access to environs
Julian Lap, Lap and Brummer	Provision of differentiated public spaces in CBD.
Rod Lloyd, Irvine-Smith, Joubert, Lennard and Lloyd	Station concourse and surrounding buildings "Westgate"-an airspace development west of Rissik street
Hans Wilreker, Jan van Wijk Partnership	SATS property in CBD e.g. Flea market
Glenn Gallagher, GAPS	SAGE Centreplan scheme for Eloff st.; consultant on directions for the future of the CBD to the City Council
Director, Architectural Services: Corporate Headquarters for SATS	Site between Rissik and Harrison Street for corporate headquarters.

It is recommended that these urban designers be asked to participate as partners, rather than as paid consultants, on the design of a development framework for SATS property in the Johannesburg CBD by the Business Development section. It would appear from discussions with them at the urban design workshop and subsequently that they are willing to participate with SATS and the City Council on a voluntary basis. Reasons for this are their interest in the future of the city, and their vested interest in the immediate surrounding area.

Planning information e.g. development objectives, parameters and influencing factors will be collated in a Background Information Booklet which will be

distributed to all delegates at least two weeks before the workshop. This booklet could be compiled by the office of the C.D. (Building Services) at the cost of the Business Development section.

The perceptions of the urban designers on the nature of the new corporate headquarters could also be obtained, as this development could be the key to stimulating similar airspace projects over the SATS right of way, as well as forming an integral part of property development in Johannesburg.

All urban design contributions will be duly credited to their authors in the Stage Two report which is to be presented to Management, and/or the Transport Study report.

ESTIMATED COST OF WORKSHOP

The cost of the one day workshop i.e teas, lunches, documentation and hiring a venue is estimated to be less than R2 000. A total of 25 participants will be allowed for.

It is recommended that these costs be borne by the Business Development section.

No fees will be payable to the urban designers attending the workshop, as their contributions are voluntary.

VENUE

A committee room in either the South Station or Paul Kruger building with a view of the station precinct is suggested. Lunch could be arranged in the Blue Room, which is reasonably priced at R15=00 per head, excluding beverages.

A venue on the site will enable Work Groups to inspect the station and environs should they wish to do so. Delegates could park in the station forecourt.

DATE

If this proposal is acceptable to the Director, Business Development it would be preferable to hold the workshop before the end of May 1989 so that designs and resolutions could be fed into the Transport Study. Preferences of participants will be established before fixing a date to ensure their attendance at the workshop.

From: Basil Brink, Stuart Douglas and Peter Jacob,
Office of Chief Director (Building Services)

To: The Director, Business Development

For attention: Mr Johan Malherbe

(Dated 31-03-1989, and discussed with Bus. Dev. on 11-04-1989.)

URBAN DESIGN WORKSHOP

OBJECTIVE AND DESIGN PARAMETERS FOR SATS PROPERTY IN THE CBD OF JOHANNESBURG

OBJECTIVE

To identify present problems and development opportunities at Johannesburg station and its environs so that a phased Development Plan, which is to be a flexible development framework, may be drawn up for comment and implementation with due regard for the needs and desires of all affected parties.

The Development Plan should strive to enhance and revitalise the CBD economically, socially as well as spatially by the controlled profit-oriented development of vacant, under-utilised SATS buildings, land and airspace in Johannesburg.

The City Council's development rights and policies for the SATS property, the major linkage opportunities as well as the context of the edges should be taken into consideration.

A diversity of uses should be encouraged to off-set the present "unnatural" mono-functional use of space in the city centre.

DESIGN PARAMETERS

More specific design parameters for SATS CBD property include:

(Recommendations of the Transport Study as well as the Corporate Headquarters component could be inserted here)

1. Integrate and stitch the city together at strategic localities in order to improve access as well as reinforcing designated routes so that the CBD may realise its full potential.
2. A multi-modal transport node with a reliable, co-ordinated public transport system should be the focus of, and reason for development at the station and environs. Inter-modal walking distances should be as direct, convenient and unimpeded as possible.
3. A diversity of cultural, residential and recreational facilities should be considered to ensure day and night activity in the area. Parking could be provided within reasonable walking distance of these facilities and amenities, although it should be established who would use such parking.

4. Attractive pedestrian facilities e.g. malls, covered sidewalks, tree-lined boulevards, squares, seating and signage should be provided to the main routes such as Noord, Hoek and De Villiers streets. This would encourage the use of the public transport system and up-grade the image of the station area, thereby promoting marketability of developable assets.
5. Improve the existing service spaces, and provide new facilities where required such as shelters, toilets, waiting rooms, ticket offices, lockers and litter bins.
6. Encourage structured participation in the planning process to muster public enthusiasm and co-operation as well as tailoring development to the public need.
7. Historic buildings and public spaces/routes could be retained and/or refurbished within a Conservation Area.
8. Bulk transferral between airspace sites could be considered to direct development.
9. Infill could be based on democratic "Cartiers" in a differentiated and diverse urban grid: The "Democrats" working with the "Technocrats" and the "Econocrats".
10. The spirit and image of the city may be determined by "Urban Detectives": establishing which structures or environments have constituted "assaults and crimes" on the city's spirit and image, and which have not.
11. The problem of Implementation:
 - an urban environmental impact study
 - the development philosophy: Transport Spine within development framework which is balanced between the dictates of the Market on the one hand, (anti-social, unimaginative, mono-functional sterilisation of future latent opportunity at its worst) and the dreams of designers (futile, frustrating fantasies at its worst) on the other.
 - phasing of development
 - financing and return on investment
 - public participation
 - "dealing" with developers: negotiated packages
12. Joints between spines: Civic spine, urban spine, transport spine (The Port) - cities within cities. Urban focus points, gateways, processional routes, constraints, hard/soft/protected edges and conservation areas.

13. The four main interest groups in the development of SATS property in the CBD are:

- i) SATS
- ii) The City Council
- iii) The citizens of Johannesburg
- iv) Developers and investors

It would be of value to establish what each of the above groups would like to see on the SATS property and what their requirements are, as this would inform the nature of development.

PRELIMINARY PROGRAMME OUTLINE

Rev. 11-04-1989

1. The Workshop:

Attempt to identify what SATS (and to a lesser extent the City Council) requires from developers by exploring the development potential of SATS property in an urban design orientated think tank to consolidate development guidelines for the future of the area.
Identify areas of conflict and consensus in an initial attempt to define a development framework.

End June 1989

2. Use or discard proposals made at the workshop in liaison with the City Council's urban planning branch to inform the alternative development strategies to be considered in the Transport Study.

Mid July 1989

3. Transport Study to test a limited number of most likely alternatives using the recommendations arrived at in 2.

End July 1989

4. Write up a Statement of Intent, a Developer's Brief (Non Negotiables) and integrate into a Development Framework.

August 1989

5. Business Development Conference to present the Development Framework to developers, consultants and other interested parties.

To be determined

THE BRIEFING DOCUMENT

1. Base plan of area
2. Areas of existing buildings and open spaces
3. Development Philosophy for the station and environs.
4. The recommendations of the Transport Study.
5. SATS Corporate H.Q.: Alternatives, size, financing.
6. Non-negotiables and Constraints
7. Urban design aspects: Routes, focii, gateways, edges, conservation areas, the public realm and participation