

**PROPOSED CAPACITY IMPROVEMENTS TO NATIONAL ROUTE 2 (N2)
AND NATIONAL ROUTE 3 (N3) WITHIN ETHEKWINI METROPOLITAN
MUNICIPALITY**

Comment Sheet 3

Please complete and return to:
ACER (Africa) Environmental Consultants

Title	MRS
First Name(s)	PRASHNA
Surname	RAMSUNDER
Organisation	METRO SERVICE STATION (PTY) LTD
Position	DIRECTOR
Postal Address	PO Box 15123, ASHWOOD
City	DURBAN
Postal Code	3605
Tel	031 700 2762
Fax	031 700 1164
Cell	082 702 4989
E-mail	Prashna@metrozn.co.za admin@metrotruckstop.co.za

Public Participation Office
Mareike Straeuli

P O Box 503, Mtunzini, 3867

Tel: 035 340 2715

Fax: 035 340 2232

E-mail: N3Batch1@acerafrica.co.za

I WOULD LIKE TO PARTICIPATE IN THE
IMPACT ASSESSMENT PROCESS
YES NO

PLEASE DELETE MY NAME FROM THE
PROJECT MAILING LIST
YES NO

- Please indicate which Basic Assessments (BA) you would like to receive information on:
 - BA1: Capacity Upgrades to the N2 (Solomon Mahlangu to south of Umgeni Rd I/C), including expansion of EB Cloete and Solomon Mahlangu Interchanges, and the N3 (EB Cloete to Paradise Valley) including provision of temporary access for construction below Westville and Paradise Valley viaducts. YES NO
 - BA2: Capacity Upgrades to the N3 (Paradise Valley to Key Ridge) including provision of temporary access for construction below the Umhlatazana Viaduct YES NO
 - Both BA1 & BA2. YES NO

- Please consider the following issues as part of the Assessment: *(Please use extra sheets if needed)*

KINDLY REFER TO EMAIL CONTENTS / ATTACHMENTS.

I suggest that the following stakeholders also be involved in the process:

Name	VIOHOL MANGAROO
Organisation	V MANGAROO PROPERTIES (PTY) LTD
Contact details	031 5076363 / 082 818 6469

Thank you for your participation

METRO SERVICE STATION (PROPRIETARY) LIMITED

N3 CAPACITY UPGRADE

CONCERNS ON THE PROPOSED UPGRADE

1). BACK GROUND OF THE LEASED PROPERTY

The truck stop facility was leased from I Mangaroo Properties in 2015. Metro Service Station had signed a 5-year SLA agreement with Shell for the truck stop operations, that expires in September 2019.

Shell had acquired the equipment from Engen in terms of our SLA agreement with Shell. When truck stop facility was purchased from Sanral. During the site meetings, we were advised that the site volumes were about 3 million litres of diesel a month.

These volumes were used by Manco Aurecon as a marketing tool for the prospective tenderers to bid a higher price for the property. This was incorrect information and after 4 years we are averaging about 1,6 million litres of diesel. The information supplied by Mancon Aurecon and their team at the site meeting was misleading. We are still experiencing problems with Shell in relation to the forecasted volumes not being realised.

With the proposed expropriation and the extended access to the site, this will negatively impact the site and will pose questions around viability of the truck stop operations.

2). IMPACT OF THE UPGRADE N3 AT RICHMOND INTERCHANGE ON METRO SERVICE STATION OPERATIONS

Based on the layout diagrams for the proposed upgrade of the Richmond Interchange, and the surveyors report, the truck stop site will be negatively impacted in terms of the portion of the property expropriated and the additional kilometres for customers to travel in order to access the site.

3). NEGATIVE IMPACT ON PROPERTY – PORTION 6 OF ERF 4984 PINETOWN

The truck stop operations will be negatively impacted by the proposed development of the Richmond interchange.

We detail the concerns as follows;

3.1). ACCESS AND EXPROPRIATION

The access to the site and the expropriation of areas in terms of the survey report will negatively impact the truck stop operations. This poses a huge risk with regards to business continuity.

POTENTIAL LOSS;

- Loss of customers for fuelling and parking will impact on the sales.
- Reduction in space will reduce parking revenue.
- Poor customer services in relation to increased travelling times.

3.2). SERVICES AFFECTED

In terms of the surveyor report, the area being expropriated will impact on the following services;

POTENTIAL LOSS;

- Cost for re - cabling from tank farm will be affected.
- Cost for re- cabling for Win branch software.
- Cost for redeploying ATG cabling.
- 5 Spot lights and electrical plugs.
- Cost of spot light poles to be relocated.
- Costs for relocating gym area for the truckers.
- Road freight clinic relocation.
- Cost relating to civil and electrical engineer costs.

3.3). INTERRUPTION OF SERVICES

The proposed interchange at Richmond Road, will impact on the truck stop operations. Access to the property will be interrupted once the construction starts.

POTENTIAL LOSS;

- Loss of revenue.
- Loss of customers.
- Delay in diesel deliveries

3.4). ENVIRONMENTAL ISSUES;

For the truck stop operation, the tanks, pumps and forecourt operations, will be affected by environmental issues. With the proposed interchange revamp there will be environmental issues.

POTENTIAL LOSS

- Stability of the tank farm may be affected due to vibrations.
- Environmental investigation costs.

3.5). LOW SULPHUR DIESEL INSTALLATION AT SITE

To increase volumes on the site, Metro Service Station has engaged with Shell to extend the tank farm to incorporate low sulphur diesel to the site. Shell has started preliminary investigations on the site and have identified area parallel to the existing tank farms for low sulphur diesel.

The proposed area to be expropriated will impact on the area where the new tank farm was going to be installed.

POTENTIAL LOSS;

- Loss of additional volumes for low sulphur diesel. Growth will be stagnant.
- Poor customer satisfaction, as customers are demanding low sulphur diesel.
- Shell upgrades will be stalled due to lack of area.
- Loss of customers as the site does not offer low sulphur diesel.

3.6). CAPITAL INVESTMENT ON THE SITE

Plans for extension of the buildings on the site has been submitted to council. This entails introduction of additional facilities for truckers, which include, rest room facilities, wreck room facilities, laundromat, braai area, offices for tracking companies, Spar express and dining facilities. The total cost of the renovations would amount to about R 3 500 000,00 for the upgrade of the facilities. Concern is that business will be affected and the capital costs will not be recovered, as the sales at the site will reduce.

POTENTIAL LOSS;

- Poor customer satisfaction as additional facilities are required.
- Volumes will decrease.
- Growth will be stagnant due to lack of capital investment on the property.

3.7). COMPLIANCE WITH SHELL HSSE REQUIREMENTS

The SLA agreement between Shell and Metro Service Station governs the operations at the truck stop. Shell will enforce compliance to HSSE requirement on the site.

With the proposed upgrade of the Richmond interchange, we are not aware of what the changes will be and how this will impact on the HSSE requirements for the site. This will need to be discussed with Shell.

POTENTIAL LOSS;

- Shell may stop operations on site due to HSSE compliance.
- Shell may renegotiate the SLA to the detriment of Metro Service Station.

3.8). RENEGOTIATION OF SHELL SLA AGREEMENT

The current SLA agreement with Shell will expire on the 10th September 2019, and we will experience difficulties in renewing the SLA agreement as the volumes on the site have not been realised due to the misguided advice when the property was being tendered for by Manco Aurecon.

Further with the proposed upgrade of the Richmond interchange and the expropriation of areas of the truck stop property and the change in the access to this site, will negatively impact on the site volumes.

POTENTIAL LOSS:

- Shell will reduce rebate due to volumes not being realised.
- Bond repayments will be affected.
- Shell may cancel the SLA agreement.
- New fuel company's SLA agreement may negatively impact on the ROI of the company.
- Lease rental will have to be renegotiated. The owner may not realise returns required and may cancel the lease agreement.

4). FURTHER INFORMATION TO BE SUPPLEMENTED

The above reflects the views of the company for now. We are in the process of engaging attorneys to advise on environmental, Shell's SLA, Costs for relocation of services and loss of revenue. We will supplement the above at a later stage, once the attorneys have advised us accordingly.