

SECTION 6. STEVE BIKO HOUSE UPGRADE

6.1 CONCEPT

The original concept was to provide an interpretation centre that shows the history of Steve Biko's life. The centre would be closely linked with the Struggle Route, but is seen as a separate tourism development project that could be a self-standing attraction.

Following discussions with Mr Nkosinathi Biko and Mr Mncedi Ngoloyi from the Steve Biko Foundation it was established that the Foundation has formulated their own concept of establishing the Biko Heritage and Leadership Centre that will include a museum, an archive (linked with institutions such as Fort Hare), a community resource centre that may include a newspaper, radio station, discussion forum and marketing space for the community to sell locally produced goods to visiting tourists. The land has been secured for the Centre at the entrance to Ginsberg.

A Garden of Remembrance is also planned to commemorate the 45 prisoners that have died in police detention.

Mr Biko indicated that the home of Steve Biko has been declared a national monument and the Foundation are in the process of restoring the house at present. The Foundation want to develop food and beverage facilities at the house, improve the content of the exhibits at the house and incorporate living friends of Steve Biko to tell their stories.

A trail/route could thus be developed from the home to the centre to the garden of remembrance.

It was agreed with the Foundation that the first priority for this development concept would be to restore and develop the home of Steve Biko, followed by the development of the Biko Heritage and Leadership Centre and the memorial gardens.

6.2 LOCATION

The Centre will be located in the King William's Town/Bisho node.

6.3 FUNCTIONALITY

The Centre will serve as a focal point to tell the story of Steve Biko's life and to promote the ideals he strived for.

6.4 INSTITUTIONAL STRUCTURE

The centre will be a public private partnership between the following parties:

- Buffalo City Tourism;
- Steve Biko Foundation;
- Community Groups or NGO's;
- Private Sector Sponsors;
- Foreign Donors.

6.5 TARGET MARKETS AND MARKET DEMAND

The Centre will focus mainly on USA African America/Scandinavians and foreign special interest tourists, while attracting German FIT's, UK FIT's, German Organised Tours, UK Organised Tours, Backpackers and domestic special interest visitors.

The projected demand for the development is shown on **Page 7** of **Annexure E**. In order to project the number of visitors on the route we utilised the number of tourists to Buffalo City, along with the number of residents in Buffalo City. We applied a projected penetration rate into these markets and project that the route would be able to attract around 5 800 visitors in its first year of operation, increasing to 12 000 in the fifth year.

6.6 TRANSPORT AND INFRASTRUCTURAL ISSUES

Infrastructural issues will centre on the location of the centre. If the centre is housed in an existing building issues such as adequate access and parking for visitors should be taken into account. Adequate signposting would also be required from major roads to the centre.

6.7 SPATIAL PLANNING ISSUES

- **Context within the Spatial Development Framework**

Current initiatives to revitalise the King William's Town CBD are underway and this project should be integrated into these.

6.8 ENVIRONMENTAL ISSUES

No significant environmental impacts have been identified with this development.

The environmental mitigatory measures and management recommendations include:

- Implementation of a low-level environmental management plan
- Implementation of an appropriate waste management strategy
- Appropriate signage
- Where any new infrastructure developments (such as Buildings) are to be erected, strategies should be included in the design to account for energy conservation and climate change.

A detailed environmental analysis is provided in **Phase 8: Environmental Management Proposals**.

6.9 LINKAGES

The interpretation centre should link closely with initiatives of the Steve Biko Foundation and the Amathole Museum.

6.10 PRELIMINARY OPERATING FINANCIALS

6.10.1 Capital Cost

We have assumed that the Steve Biko House will be the pilot project for the development and that R1 million will be required for upgrading of existing buildings and R500 000 for furniture, fitting and equipment.

We have assumed that the capital cost for the upgrade of the Steve Biko House would be secured from the funding sources recommended in **Section 3.11** and that no loans would be required.

The cost of building the Biko Heritage and Leadership Centre and memorial gardens have not been included in the financial analysis as the details of the development are to be finalised first. Also, funding for the Centre would be easier to secure once the Steve Biko House has proven a popular attraction.

6.10.2 Financial Results

The preliminary financial results is shown below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Operating Profit	28	91	166	187	210
Net Income (Loss)	-113	-52	21	39	59
Net Cashflow	13	76	151	171	193
Ungeared pre-tax IRR	18%				

The project achieves low income but as with the Struggle Route the profit achieved should be seen against the nature of the project. The project has a strong developmental goal and we have assumed that the revenues of the project would flow back into the community.

The project is projected to achieve a turnover of R128 000 in the first year of operation, increasing to R336 000 in the fifth year. It is expected that this turnover be spent in the community with payments to tour guides, tour participants, maintenance men for attractions, etc.

6.11 FUNDING SOURCES

We have attached the “Funding Programmes for Tourism Business Handbook” from the DEAT to this report (see **Annexure D**), which provides details of each funding source, criteria for selection, etc. The Centre could obtain funds from various sources such as:

- The National Heritage Resource Agency
- Private sector sponsors
- Foreign Donors
- Development Bank of South Africa
- Khula Enterprise Finance
- Community Public Private Partnership Programme
- National Empowerment Fund
- Business Partners
- Eastern Cape Development Corporation
- The National Lottery Distribution Fund.

6.12 CONCLUSION

Our preliminary financial analysis shows that the upgrade of the Steve Biko House will be viable in market terms. The project will not generate huge profits, but since the turnover of the project will be spent in the community where development is most needed, we believe the project is worth pursuing.