

## PROPERTY RETENTION AND DISPOSAL

<b>Policy Type: Council Policy</b> <b>Policy Owner: Manager Information, Technology &amp; Support</b>	<b>Policy No. CP- 005</b> <b>Last Review Date: 15 November 2011</b> <b>Version 2</b>
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### POLICY OBJECTIVES

To ensure decisions made in relation to the use of City of Melville owned property, that is, land and buildings, are made to ensure maximum return to the community either by realising a commercial level of financial return or by fulfilling a community benefit aligned to the visions of the City of Melville or a mixture of both.

### POLICY SCOPE

All land and buildings owned by the City of Melville.

### POLICY STATEMENT

#### 1. Strategic Alignment

The acquisition and disposal of property should align with the visions and objectives as detailed in the City of Melville's Plan for the Future and other informing plans.

This policy acknowledges that land and buildings play an integral part in facilitating the attainment of those visions and objectives. It acknowledges that assets which are not performing, or have no potential in this regard, need to be rationalised.

#### 2. Community Consultation

No formal community consultation is required, apart from compliance with provisions of the Local Government Act 1995 as it relates to major land transactions and the requirement to complete a Business Plan for public comment.

Development of a site would, however, be subject to the requirements of the current Local Planning Scheme and any public consultation process that it may contain.

This policy has been prepared to make the public better informed of the guiding principles regarding the need for the City to maximise its opportunities in regards to its portfolio of real estate assets.



### 3. The Principles

- a) From time to time a Taskforce, chaired by the Chief Executive Officer or nominee, is to be formed for the purpose of reviewing the City of Melville's property assets, regardless of tenure, and make recommendations to the Council. The taskforce will comprise officers from each Directorate and may include Elected Members at the direction of the Chief Executive Officer.
- b) Land and buildings that are identified by the Taskforce as being in need of review are to be tested against a number of criteria to recommend whether the property is retained and developed for community use or developed by the City for commercial use or disposed of by way of lease or outright sale or a combination of those options in order to realise its commercial potential.

The eight (8) criteria contained in the assessment are:-

- statutory influences (restrictions or limitations)
- community benefit assessment including reference to support for community hub locations
  - existing usage
  - potential future use
  - spatial distribution/size
  - conservation value
  - site constraints and opportunities
  - maintenance issues
- c) The outcome of this process will be a decision by Council whether to develop the asset for its community opportunities or its commercial potential or a combination of both.
- d) Community use of an asset may result in a number of alternatives by which this potential can be realised:-
  - Development of infrastructure, eg. A park, drainage facility, parking facility.
  - Delivery of a community service or program either by outsourcing to a community group or by a direct resource.

Note : The purpose of this policy and the Taskforce is to determine whether a site is more suitable to be developed for a community purpose and then 'hand over' the site to the relevant service area for that purpose, for example, Infrastructure Services or Health & Lifestyle Services, rather than dispose of by other means.

- e) Commercial use of an asset may likewise result in a number of options by which its potential can be realised:
  - Sale
  - Ground or Site Lease
  - Ground or Site Lease with a future option for Lessee to purchase
  - Building Lease
  - Development or Joint Venture



## **The Principles (Continued)**

- f) Acknowledging that the commercial options contain unique characteristics, selection will reflect the current and projected financial or economic position of the City and the region at the time. Factors to be considered will include the accumulation of reserves for Capital Works, Forward Works Programs, Projected Financial Plans, which collectively will determine whether short term gain or long term revenue is the preferred outcome.

## **4. Property Classification**

The categories have been determined regardless of tenure as any parcel of land has the potential to be developed for whatever purpose. When it comes to drawing from the categories, the most suitable sites will be considered first. For example, if commercial return is to be pursued freehold land within a category would be given priority.

### Category 1: Community Use

Land held exclusively for community use.

Example: established sporting or community facilities.

### Category 2: Infrastructure Use

Land held exclusively for infrastructure development and not suitable for any other use.

Example: road reserves, some drainage sites, most local parks.

### Category 3: Temporary Commercial Use

Land held for potential community use which has short-term commercial opportunity. (Note : Category 3 properties will normally have a maximum lease term of five (5) years).

### Category 4: Temporary Community Use

Land held for future potential commercial use which may have short term community use potential. (Note: such properties will normally have a maximum lease term of five (5) years).

### Category 5: Available for Disposal

Land holdings not required for community or infrastructure use, which may be disposed of by:

- Medium or long term commercial lease of land and/or buildings
- Development or Joint Venture arrangements
- Other disposal opportunities that may exist at the time, including sale with the proceeds being credited to the Land and Property Reserve.



**Other References that may be applicable to this Policy**

Procedure:

Delegated Authority No:

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**ORIGIN/AUTHORITY**

Corporate & Community Services Committee  
(Formerly Administration Policy 1(7))

20/07/99

**ITEM NO.**

**REVIEWS**

Corporate & Community Services Committee  
Management Procedures Section 14  
Community & Technical Services Committee  
Community & Technical Services Committee  
Ordinary Meeting of Council  
Ordinary Meeting of Council

04/12/01

A01/1017

06/07/04

C04/5011

01/11/05

C05/5010

15/12/09

C09/5100

15/11/2011

C11/5199