



Ku-ring-gai Council

# Policy

## Property Development and Investment

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# Property Development & Investment Policy

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## Controlled Document Information

### Authorisation Details

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### Related Document Information, Standards & References

<b>Related Legislation:</b>	N/A	N/A
<b>Related Policies (Council &amp; Internal)</b>	<p>Ku-ring-gai Council Investment Policy, December 2014</p> <p>Ku-ring-gai Council Asset Management Policy, August 2014</p> <p>Ku-ring-gai Council Acquisition and Divestment of Land Policy, June 2014</p>	<p>Provides the parameters and principles for investing Council liquid financial assets.</p> <p>Sets out the legislative requirements for Council to have a resourcing strategy for Asset Management. Applies to all asset classes including land and buildings.</p> <p>Applies to the acquisition and divestment of all Council land.</p>
<b>Related Documents - Procedures, Guidelines, Forms, WHS Modules/PCD's, Risk Assessments, Work Method Statements, etc</b>	<p>Major Projects Advisory Committee Charter</p> <p>Major Projects Steering Committee</p>	<p><a href="#">The Major Projects Advisory Committee is an independent advisory Committee responsible for providing advice to Council in support of recommendations made by management in relation to development of Council land.</a></p> <p><a href="#">The Major Projects Steering Committee provides management governance of all Major Property Development projects from inception through to completion and transfer to operations. This includes property and land acquisitions, divestitures and development activities.</a></p>
<b>Other References</b>	Code of Conduct, February 2009	Code of Conduct sets the minimum requirements of conduct for council officials in carrying out their functions. It has specific requirements for managing conflicts of interest.

**Version History**

<b>Version Number</b>	<b>Version Start Date</b>	<b>Version End Date</b>	<b>Author</b>	<b>Details and Comments</b>
1	25/07/2018	TBA	Craig Calder	first version

## Policy

### Purpose

This policy establishes the principles by which development on Council owned and controlled land will be undertaken and the governance measures that will operate to manage risk and deliver Council objectives.

### Objectives

The objectives of this policy are:

- To deliver value through developing under-utilised property and creating a portfolio of income producing assets and community assets that provide long term benefit for the community of Ku-ring-gai.
- The portfolio of newly created assets through property development will align to Council's Long Term Financial Plan and support its future financial sustainability.

### Scope

This policy applies to all property development activities on Council owned land and land which it is responsible for including:

- Commercial property development; and
- Strategic Council infrastructure.

### Responsibilities

Council's Head of Major Projects is responsible for this policy and ensuring compliance.

### Property Development Proposals and Capital Expenditure Proposals

A proposal to develop Council owned land will be submitted to Council for approval prior to entering into any contractual obligations with third parties.

The Property Development Proposal will typically include: a financial feasibility, independent valuation advice, project timeline and plan, anticipated cash flow projections, risk assessment and mitigations, project governance plan and impact assessment on Council's Long Term Financial Plan and service delivery.

A Capital Expenditure Proposal will typically include: a detailed financial budget and cash flow forecast, program, funding sources, risk assessment and mitigation plan, project governance plan and impact assessment on Council's Long Term Financial Plan and service delivery. Requirements for review by the Office of Local Government will be included in the proposal developed.

The Property Development Proposal or Capital Expenditure Proposal will be submitted to Council for approval owner and show the endorsement of the internal Major Project Steering Committee and the Major Project Advisory Committee.

### Principles

A Property Development and Investment Strategy is to be prepared and presented annually to Council for approval which will include a list of Property Development Opportunity Sites.

Funding and the variations to funding for the activities under this policy may only be allocated by resolution of Council, irrespective of the source of that funding.

A Property Development Reserve is to be maintained for the exclusive purpose of funding Council property development activities contemplated under this Policy.

The allocation of Sale Proceeds of Strategic Surplus Properties is to be determined by council resolution as part of the sale process for each property, with the default position of 100% going towards the Property Development Reserve.

The activities and responsibilities of Council's planning and regulatory functions will be clearly separated from those of its property development function.

The Major Projects team will not seek or seek to influence the regulatory, planning or inspection functions of Council.

Probity requirements of value for money, impartiality, dealing with conflicts of interest, accountability and transparency and confidentiality in accordance with the latest ICAC guidelines will be met at all times.

Recommendations to Council for decisions relating to development on Council land will be subject to independent review by Council's Major Project Advisory Committee before being presented to Council for approval.

### **Record Keeping & Confidentiality**

Appropriate records will be kept of all property development activities and the interactions between Council's property development function and its regulatory and planning functions.

Documents and reports generated under this Policy are likely to involve matters that are commercially sensitive and therefore these records are generally not be made available to the public.

Should an application be made for access it will be assessed in accordance with the relevant laws relative to the public disclosure of information by the appropriate officer.

### **Policy Review**

This policy must be reviewed for its continuing relevance every two years.

Where changes are deemed necessary they will be submitted to Council for endorsement.

## Definitions

<b>Term / Abbreviation</b>	<b>Definition</b>
<b>Property Development Opportunity Sites</b>	A list of Council owned land that has potential for adding value through development activities. Can include a list of sites that are not Council owned that are of strategic value to Council if acquired.
<b>Strategic Council Infrastructure</b>	Community land or buildings that have a value or cost to construct greater than \$5m.
<b>Strategic Surplus Properties</b>	Land and or buildings owned by Council that are deemed no longer required to meet the needs of Council's Long Term Financial Plan.