



## Property Development and Investment Policy

### Contents

---

- Background
- Purpose
- Policy
- Responsible Officer / Policy Owner
- Separation of Functions
- Monitoring
- Definitions
- Record Keeping, Confidentiality and Privacy

### Background

---

The Property Development and Investment Policy was prepared in response to the following Mayoral minute recorded on 9 November 2009:

*“That a Property Development and Investment Strategy be prepared for Council, which reviews Council’s existing property portfolio, identifies strategic sites, evaluates the redevelopment opportunities and makes recommendations which contribute towards maximizing Council’s long term financial sustainability.”*

Version 3.0 of June 2017 has been updated as part of a Governance Review of the Property Development Group.

### Purpose

---

The Policy Objective is to unlock value from surplus and under utilised property assets and to re-invest in strategic infrastructure and high performing investment portfolio and provide benefit to the community of Parramatta.

This objective aligns with Council’s Long Term Financial Plan and will provide an independent source of revenue that will establish a foundation for Council’s future sustainability.

Property Development and Investment Policy		
Owner: Director, Property & Significant Assets	Area: Property Development Group	POL No:312
Date of Commencement: November 2017	Approval Authority: Council	Date Approved: 13 November 2017
Amendment 2	Date of Next Review: 2018	Review: 1 Year



## Application

---

This Policy applies generally to all Property Development activities undertaken by Council including:

- Generating proceeds from the sale of surplus property sites
- Leveraging value from property development opportunity sites
- Delivering strategic Council infrastructure, and
- Establishing and growing a strong Property Investment Portfolio.

## Policy

---

### Principles

1. Surplus properties are to be identified and presented to Council prior to being sold to generate net proceeds which will be allocated to the Property Development reserve exclusively for the funding of activities contemplated under this Policy.
2. Property development opportunity sites are to be identified and prioritised for feasibility study and potential redevelopment.
3. Property Development Proposals and proposed delivery options for each Property Development Opportunity Site will be reviewed by the Major Projects Advisory Committee before being presented to Council for approval before proceeding on each Project.
4. Funding and variations to funding for the activities under this Policy may only be allocated by Council, irrespective of the source of that funding.
5. Investment Properties and Proceeds generated by Property Development activities will be managed as part of the Property Development Investment Portfolio.
6. Portfolio performance will be monitored and reported to Council annually and included in quarterly reporting.
7. Maintain the probity fundamentals of value for money, impartiality, dealing with conflicts of interest, accountability and transparency and confidentiality in accordance with Guidelines for Probity in Public Sector Project ICAC Nov 2005.
8. Ensure and demonstrate clear separation between Property Development activities and Council's planning and regulatory functions. In particular, the PDG will not negotiate Council outcomes under the statutory control of Council (such as VPAs and Section 94 agreements).

Property Development and Investment Policy		
Owner: Director, Property & Significant Assets	Area: Property Development Group	POL No:312
Date of Commencement: November 2017	Approval Authority: Council	Date Approved: 13 November 2017
Amendment 2	Date of Next Review: 2018	Review: 1 Year



# CITY OF PARRAMATTA

9. Ensure the PDG and Council are a model developer and a model regulator. The PDG will receive no advantage or disadvantage; no access to information not in the public realm, and not seek changes outside public strategy of dispensation in certification, monitoring or inspection functions of Council.
10. Decisions within the PDG governance structure and interactions between the PDG and Council will be documented and included in Council records.

## **Responsible Officer / Policy Owner**

---

The implementation of this Policy will be the responsibility of the Director, Property & Significant Assets.

Responsibilities of the Policy Owner include:

- Implementing and giving effect to Council's decisions in relation to this Policy
- Maintaining records
- Ensuring PDG does not influence the regulatory or statutory functions of Council
- Reporting activity and performance to the Executive, CEO and Council
- Reviewing and updating the Policy, Procedures and Guidelines
- Providing a point of contact for all matters relating to this Policy.

Further detailed responsibilities will be incorporated into Procedures and Guidelines established by the Director, Property & Significant Assets and updated from time to time.

## **Separation of Functions**

---

The Director, Property & Significant Assets is responsible for ensuring the Property Development Group will not challenge the separation of Council functions, and will ensure the property development operations are separate from the statutory and regulatory roles of Council.

## **Monitoring**

---

The Director, Property & Significant Assets will continuously monitor and manage the implementation of this policy and report progress and performance to the Executive, MPAC and Council Significant Property Projects Committee monthly.

<b>Property Development and Investment Policy</b>		
Owner: Director, Property & Significant Assets	Area: Property Development Group	POL No:312
Date of Commencement: November 2017	Approval Authority: Council	Date Approved: 13 November 2017
Amendment 2	Date of Next Review: 2018	Review: 1 Year



## Definitions

---

The following definitions and expressions are used in this Policy:

### Surplus Properties

Property or properties nominated initially in the Surplus Properties Report in the Property Development and Investment Strategy, and subsequently nominated in updated Surplus Properties Reports ratified by Council from time to time.

### Property Development Opportunity Sites

Property or properties nominated initially in the Property Development Opportunity Sites Report in the Property Development and Investment Strategy, and subsequently nominated in updated Property Development Opportunity Sites Reports ratified by Council from time to time.

### Strategic Infrastructure

This term refers to specific infrastructure or construction that is:

- Proposed to be removed to facilitate future Property Development activities and is to be replaced; or
- Proposed as part of Property Development activities that would otherwise not be able to be funded from Council's other funding sources.

### Property Development Proposal

A report prepared by the Director, Property and Significant Assets and submitted to Council for a Property Development project. This Proposal will contain feasibility and valuation advice; a project action plan; anticipated cashflow projections; anticipated risk mitigation and a project governance plan in accordance with the Property Development Group Governance Structure for Development of Council Land.

## Record Keeping, Confidentiality and Privacy

---

All record keeping and reporting will be the responsibility of the Director, Property & Significant Assets.

Documents and reports generated under this Policy are likely to involve matters that are commercially sensitive, and therefore these records are generally not to be made available for public access. Should an application be made for access it will be assessed in accordance with the relevant laws relating to the public disclosure of information by the appropriate officer.

Generally, these records are to be restricted to the Property Development Group, the Executive, the Chief Executive Officer and the Council as requested.

Property Development and Investment Policy		
Owner: Director, Property & Significant Assets	Area: Property Development Group	POL No:312
Date of Commencement: November 2017	Approval Authority: Council	Date Approved: 13 November 2017
Amendment 2	Date of Next Review: 2018	Review: 1 Year



# CITY OF PARRAMATTA

<b>REFERENCES</b>	
<b>POLICIES</b>	
<b>ATTACHMENTS</b>	

<b>Property Development and Investment Policy</b>		
Owner: Director, Property & Significant Assets	Area: Property Development Group	POL No:312
Date of Commencement: November 2017	Approval Authority: Council	Date Approved: 13 November 2017
Amendment 2	Date of Next Review: 2018	Review: 1 Year