



COUNCIL POLICY

Land Development (Subdivision)

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1. Objective

- To provide a transparent process for development of land in accordance with the requirements of the Local Government Act (1995).
- To ensure that a review of future requirements is held before designating land “surplus”.
- To optimise the City’s revenue from the development of land.
- To ensure that the City’s legislative responsibilities in regard to zoning, or other such matters are not compromised by actual or implied undertakings to possible purchasers of the land.

2. Scope

The development of commercial or residential land and sale by tender, auction or other agreed method of land developed by the City. The policy excludes the sale of individual parcels of land owned by the City.

3. Definitions

“**Surplus Land**” means freehold land currently owned by the City of Albany which is not expected to be required to satisfy the City’s strategic requirements in the foreseeable future

“**Major land transaction**” means a land transaction other than an exempt land transaction if the total value of

- (a) the consideration under the transaction: and
- (b) anything done by the local government for achieving the purpose of the transaction

is more than the amount prescribed for the purposes of this definition;

[\$1,000,000 per regulations issued June 2005]

Local Government Act 3.59 (1)

“**Business Plan**” means a plan prepared by the City which includes an overall assessment of the major land transaction including:

- (a) the impact on Council facilities/services
- (b) the impact on other people providing facilities/services in the district
- (c) the expected financial impact on the City
- (d) the effect on the City’s Plan for the Future
- (e) the ability of the City to manage the project

The City is required to give Statewide public notice of its intention to undertake the project and consider any submissions from the public before proceeding.

4. Policy Statement

1. Decision to develop land for sale

The decision to develop land will be taken by resolution of Council after considering the requirements of the current strategic plans. The decision will be initiated by budget requirements. In all cases property will not be developed and sold until it has been determined by Council that

- a. The land is "surplus" to Council's strategic requirements
- b. The future value of the land is not predicted to significantly rise above normal property increases.
- c. The business plan indicates the development is viable, and if necessary, all legal and community processes associated with a major land transaction are completed.

2. Sales Criteria

Before land is developed and sold, the following criteria must be met:

- a. The land must be appropriately zoned for the expected use of the property.
- b. All legal requirements such as easements or caveats must be identified and in place
- c. All agreed physical improvements to the properties must be complete.
- d. All matters relating to the further development and servicing of the land shall be identified and made known to the selling agent in writing.
- e. The boundary of the properties shall be surveyed and missing property markers replaced and highlighted.
- f. Land will not be sold for an amount less than a value provided by a licensed professional valuer within three months of the practical completion of the development.
- g. Individual properties valued in excess of the Major Land Transaction amount as specified in Local Government (Functions and General) Regulations Part 3, Regulation 7 will not be developed and sold until all major land transaction requirements are completed.

3. Method of Sale

The method of sale for all developments will be in accordance with the adopted business plan which, in recognising prevailing market conditions will provide for either tender, public auction, or the engagement of appropriately qualified and experienced selling agents".

The City may impose conditions on sale of property, but will not accept any conditional purchase offers.

5. Legislative and Strategic Context

Section 3.58 of the Local Government Act (1995) (Disposing of Property) states that a Local Government can dispose of property to the highest bidder at public auction, or to the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.

Section 3.59 of the Local Government Act (1995) (Commercial Enterprises by Local Governments) states if regulations prescribe that the proposed sale is a major land transaction, the local government is required to prepare a business plan, give statewide public notice of the plan, allow six weeks for public submissions on the plan, and consider any public submissions before determining to proceed with the sale.

Part 3, Regulations 7 and 8 of the Local Government (Functions and General) Regulations identify the minimum value of a major land transaction and transactions which are exempt land transactions.

Part 6, Regulations 30 and 31 of the Local Government (Functions and General) Regulations identify dispositions of property to which section 3.58 of the Local Government Act (1995) does not apply and an anti-avoidance provision about dispositions.

6. Review Position and Date

Chief Executive Officer to review on or before 30/4/2009

7. Associated Documents

Procedures relating to this policy are contained in the following associated document

1. Guidelines for designation of land as "surplus"
2. Guidelines on setting reserve and sales prices for surplus land
3. Guidelines on preparation of surplus land for sale.

CEO Authorisation: _____

Date: ___/___/_____