

Council Policy

Disposal of Council Land

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102 North Road, Yakamia WA 6330
PO Box 484, Albany WA 6331
Tel: (+61 8) 9841 9333
Fax: (+61 8) 9841 4099
staff@albany.wa.gov.au
www.albany.wa.gov.au

1. Objective

- To provide a transparent and accountable process for the disposal of the City's surplus land parcels in accordance with the requirements of the Local Government Act (1995) and in the interests of good governance.
- To ensure that a review of future land requirements is held before designating land "surplus".
- To optimise revenue from the sale of land.
- To ensure that land is released in line with normal development industry standards.
- To provide a funding mechanism for the acquisition of land under Council's Land Acquisition Policy.

2. Scope

The disposal by tender, auction or other agreed method 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 (Minimum fifteen years).

"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)

"Land not capable of being independently marketed" means a property which is of a size or configuration which would not be suitable for any sort of development under City of Albany Town Planning Scheme(s).

"Net Profit from the sale" means the gross proceeds from the sale, net of GST, selling and settlement costs, and any expenses incurred in preparing the land for sale.

4. Policy Statement

1. Decision to sell

The decision to sell individual properties will be taken by resolution of Council after considering the requirements of the current strategic Plans. The decision may be initiated by budget requirements, or a one off approach from a prospective buyer. In all cases individual blocks of land will not be sold until it has been determined by Council that

- a. they are “surplus” to Council’s strategic requirements;
- b. they cannot be developed by Council to add value due to the nature of the property, lack of resources, or strategic decision of Council;
- c. the future value of the land is not predicted to significantly rise above normal property increases; and
- d. a requirement for funding of projects is identified in the current Five Year Business Plan.

2. Sales Criteria

Before individual blocks will be sold they must comply with the following criteria:

- a. The land must be appropriately zoned for the anticipated use of the property.
- b. All matters relating to the development and servicing of the land shall be identified and made known in writing to the selling agent.
- c. All legal requirements such as easements or caveats must be identified and in place.
- d. The boundary of the property shall be surveyed and missing property markers replaced and highlighted.
- e. Land will not be sold for an amount less than a value provided by a licensed professional valuer undertaken within six months of the resolution by Council to sell the property.
- f. 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 offered for sale until all Major Land Transaction pre sale requirements are completed.

3. Method of Sale

- a. Land capable of being independently developed

The method of sale for all land capable of being independently developed will be by public auction or tender. The City will give state-wide notice of its intention to sell where required by legislation, and local notice in all cases.

Properties which fail to sell at auction or public tender may be sold by negotiation within a six month period in accordance with Local Government (Functions and General) Regulations Part 6, Regulation 30.

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

b. Land not capable of being independently developed

Land with a market value less than \$5,000, which is not capable of being independently developed may be sold by negotiation, provided that the agreed price will be no less than the value provided by a licensed professional valuer within six months of the transaction.

Land with a market value greater than \$ 5,000, which is not capable of being independently developed, and which is adjacent to one property only, will be offered for sale to the adjacent owner at the value provided by a licensed professional valuer within six months of the transaction under the provisions of the Local Government Act (1995) Section 3.58 (3,4).

If the subject land is not capable of being independently developed, and is adjacent to two or more properties, the land will be offered for sale to each of the adjacent owners under the provisions of the Local Government Act (1995) Section 3.58 (3,4) . The land under offer will be apportioned between adjacent owners based on their length of boundary abutting the land being sold, and on the provision that if sold, the land must be amalgamated into the adjacent properties. Should any adjacent owner decide against purchasing a portion of the block, the other owners will be required to purchase a greater proportion of the property or waive their right to purchase the land. This is required to ensure that Council does not retain responsibility for small dysfunctional strips of land between other properties.

4. Levy for future land acquisition

A levy from every land disposal under this policy shall be paid into the Reserve for Future Land Acquisition.

The amount of the levy shall be 10% of the net profit arising from the sale.

The levy shall not apply to the sale of any land first offered for sale in financial year 2007/08, or subdivision proceeds previously committed to infrastructure projects.

5. Legislative and Strategic Context

Section 3.58 (2) 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 3.58 (3, 4) allows for the disposal of property other than by public auction or by tender. It requires Council to give local public notice of its intention to dispose of the property, and consider any submissions which are received within the specified period.

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

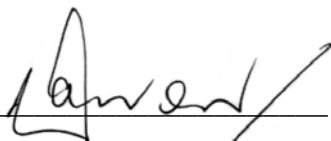
Chief Executive Officer to review on or before 30/4/2011.

7. Associated Documents

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

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.
4. Delegation of authority to CEO–Disposal of Council Land (OCM 18/3/08 - 14.4.3)

CEO Authorisation: _____



Date: 20/05/08