



# A G E N D A

## Strategic Property Committee Agenda

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that a meeting of the Strategic Property Committee will be held in the Unley Council Offices, 181 Unley Road, Unley on

***Wednesday, 3 May 2017 at 6pm***

for the purpose of considering the items included on the Agenda.



Peter Tsokas  
**Chief Executive Officer**

## **STRATEGIC PROPERTY COMMITTEE**

### **PRESENT:**

Councillor John Koumi – Presiding Member  
Mayor Lachlan Clyne – ex Officio  
Councillor Don Palmer  
Councillor Luke Smolucha  
Councillor Peter Hughes

### **ACKNOWLEDGMENT:**

We would like to acknowledge this land that we meet on today is the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

### **APOLOGIES:**

### **DEPUTATIONS**

### **PRESENTATION:**

### **OFFICER'S REPORTS**

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### **NEXT MEETING**

TBA

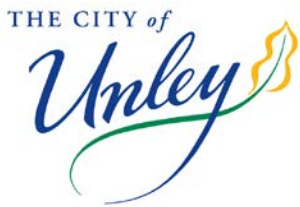
## **CONFLICT OF INTEREST**

<b>TITLE:</b>	CONFLICT OF INTEREST
<b>ITEM NUMBER:</b>	23
<b>DATE OF MEETING:</b>	3 MAY 2017
<b>ATTACHMENT:</b>	1. CONFLICT OF INTEREST DISCLOSURE FORM

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Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda.

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## CONFLICT OF INTEREST DISCLOSURE FORM

I, \_\_\_\_\_ have received a  
*[insert name]*

copy of the agenda for the (Ordinary / Special) **Council / Committee / Board**  
*[delete that which is not applicable]*

meeting to be held on \_\_\_\_\_  
*[insert date]*

I consider that I have a **\*material** conflict of interest pursuant to section 73 / **\*actual** or **\*perceived** conflict of interest pursuant to section 74 *[\*delete that which is not applicable]* of the *Local Government Act 1999* ("the LG Act") in relation to the following agenda item:

\_\_\_\_\_  
*[insert details]*

which is to be discussed by the **\*Council / \*Committee / \*Board** at that meeting.  
*[delete that which is not applicable]*

The nature of my **material** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why you (or a person prescribed in section 73(1) of the LG Act) stands to obtain a benefit or suffer a loss depending on the outcome of the consideration of the matter at the meeting of the Council in relation to the agenda item described above].*

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**OR**

The nature of my **actual** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why the conflict between your interests and the public interest might lead to a decision that is contrary to the public interest in relation to the agenda item described above].*

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I intend to deal with my **actual** conflict of interest in the follow transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the actual conflict of interest in a transparent and accountable way]*

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**OR**

The nature of my **perceived** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why you consider that an impartial fair-minded person could reasonably consider that you have a perceived conflict of interest in the matter]*

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I intend to deal with the **perceived** conflict of interest in the following transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the perceived conflict of interest in a transparent and accountable way]*

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*Signature*

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*Date*

## **DECISION REPORT**

<b>REPORT TITLE:</b>	POLICY – STRATEGIC PROPERTY MANAGEMENT – ACQUISITION AND DIVESTMENT
<b>ITEM NUMBER:</b>	24
<b>DATE OF MEETING:</b>	MAY 2017
<b>AUTHOR:</b>	ALAN JOHNS
<b>JOB TITLE:</b>	MANAGER, PROPERTY ASSETS

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### **1. EXECUTIVE SUMMARY**

The purpose of this report is to seek Council endorsement of a new Property Management Policy that supports the strategic and structured acquisition and divestment of community properties for the purpose of better enabling the strategic objectives of the Council's Community plan to be met.

In 2014, Council split its existing Property Management Policy in two, endorsing a new policy recognising leasing and licensing of community properties. However, the second policy focussing on Acquisition and Divestment was not endorsed.

With the formation of the Strategic Property Committee, it is timely to reconsider the draft Property Management Acquisition and Divestment Policy.

This Strategic Property Management Policy – Acquisition and Divestment provides formal methodology and criteria for both planned and opportunistic property acquisition and divestment of a strategic nature. Property acquisition and divestment related to operational requirements of the City is outside the scope of this policy.

Acquisition (and/or other means of control) of property assets may occur where a property is seen to be of future strategic significance to the City of Unley, whilst conversely, a property may be divested where the property no longer has such strategic value.

### **2. RECOMMENDATION**

MOVED:  
SECONDED:

The Committee recommends to Council that:

1. The report be received.
  2. The Strategic Property Management – Acquisition and Divestment Policy (new policy, Attachment 1 to Item 24/17) be endorsed.
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### **3. RELEVANT CORE STRATEGIES/POLICIES**

5.3 - Good governance and legislative framework.

5.5 - A financially sustainable approach to business and planning activity.

### **4. BACKGROUND**

A series of Elected Member briefings were conducted during 2013 covering:

- Review of the existing Property Management Policy (including leasing and licensing as well as property acquisition and divestment).
- Purchase and divestment of land and properties to meet current operating needs as well as a structure to meet identified strategic goals.

As a result of these considerations, the original Property Management Policy was split to recognise Leasing and Licensing of Community Properties (February 2014) and the stand-alone draft Property Acquisition and Divestment Policy. The second policy was never endorsed by Council and does not deal with strategic property purchase.

Council has now formed a Strategic Property Committee and it is therefore timely to re-examine the draft Acquisition and Divestment policy.

### **5. DISCUSSION**

#### **Current Process**

Council's earlier Property Management Policy (No. COU53) included the following requirements in relation to planned and structured acquisition and divestment of property:

*New and replacement - Where an existing asset has reached the end of its useful life and may need replacing or a request is received by the users to create an additional asset as part of the building, community or recreation complex*

*Sale and Disposal - Assets are owned by Council as a means of providing a service.*

*An asset can be sold or disposed of when –*

- (a) the requirement for the service is deemed to be no longer required by Council.*
- (b) There is a better solution for ensuring the continuation of the same service which is in accordance with this policy's guiding principles; and*
- (c) the asset is obsolete in that the long term cost of maintaining the asset based on the asset management plan is considered financially too great for the perceived benefits being derived from the service.*

Whilst these policy statements meet the general requirements of planned and day-to-day property management, they do not necessarily focus on the strategic nature of an acquisition or divestment. The proposed Policy includes an

overarching statement that reflects and supports property acquisition for future strategic purposes:

*The acquisition (and/or other means of control) of property assets (buildings and land) may occur where a property is seen to be of future strategic significance to the City of Unley (i.e. enabling the objectives of the Community Plan to be met). Conversely, a property may be divested where the property no longer has such strategic value.*

Property acquisition may occur to meet an identified strategic objective in the Community Plan such as (but not limited to):

- Facilitate or meet growth demands in council based services
- Enhance people movement for cars, cyclists and pedestrians
- Replace or duplicate an existing facility to better meet service requirements
- To enhance car parking
- To create linkages between community spaces
- To facilitate development

Property divestment may occur when a property is deemed to no longer have strategic value.

### **Other Policy Changes**

Endorsement of this Policy will result in three Property Management Policies covering:

- Property Management - Leasing and Licensing
- Property Management – Acquisition and Divestment, Operational
- Strategic Property Management - Acquisition and Divestment

Property acquisition and divestment related to operational requirements of the City in the delivery of normal services is outside the scope of the Strategic Property Management Policy.

### **ANALYSIS OF OPTIONS**

Option 1 – The Strategic Property Management – Acquisition and Divestment Policy (new policy, Attachment 1 to Item 24/17) be endorsed.

This option will endorse a new Property Management Policy that supports a strategic and planned approach to property acquisition and divestment and in line with good asset management and governance principles.

The proposed Policy is consistent with other Council policies and the Community Plan and will supplement the other two property management policies.

The policy enables both the planned and opportunistic acquisition of properties for strategic purposes.



Option 2– Endorse the proposed policy with amendments.

### **RECOMMENDED OPTION**

Option1 is the recommended option.

### **COMMUNITY ENGAGEMENT**

Community engagement is not required at this time although future individual transactions will likely require a degree of public consultation to meet the requirements of the Local Government Act or internal Council requirements.

### **7. POLICY IMPLICATIONS**

The proposed policy outlines a clear guide for the purchase and divestment of Council properties to support or promote the strategic goals of Council.

#### ***7.1 Financial/budget***

There are no direct financial impacts as a result of endorsing this Policy

#### ***7.2 Legislative/Risk Management***

This Policy supports good governance and risk management practices.

#### ***7.3 Stakeholder Engagement***

Nil.

#### ***7.4 Environmental / Social / Economic***

There are no implications arising from this report.

### **8. ATTACHMENTS**

- Strategic Property Management – Acquisition and Disposal policy

### **10. REPORT AUTHORISERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
John Devine	General Manager Assets and Environment



## Strategic Property Management – Acquisition and Divestment

Policy Type:	Council Policy
Reference Number:	
Responsible Department:	City Development - Assets & Operational Services
Responsible Officer:	General Manager City Development
Legislation	Local Government Act 1999 – Chapter 11 Development Act 1193 Real Property Act
Relevant Delegations:	NA
Related Policies and Procedures	
Community Goal	Civic Leadership - Implement a property investment/divestment strategy that will support the achievement of Council's goals
Previous Policy No	
Date Adopted:	
Review Date:	

### 1. POLICY STATEMENT

This policy relates to the acquisition or divestment (and/or other means of control) of property assets (buildings and land) for the purpose of better enabling the strategic objectives of the City of Unley as described in the Community Plan to be met, either now or in the future, or conversely where the property no longer has such strategic value.

Property acquisition and divestment related to operational requirements of the City in the delivery of normal services is outside the scope of this policy.

Property acquisition may occur to meet an identified strategic objective in the Community Plan such as (but not limited to):

- Facilitate or meet growth demands in council based services
- Enhance people movement for cars, cyclists and pedestrians
- Replace or duplicate an existing facility to better meet service requirements
- To enhance car parking
- To create linkages between community spaces
- To facilitate development

Property divestment may occur when a property is deemed to no longer have strategic value.

## **2. GUIDING PRINCIPLES**

Council has developed this set of guiding principles to ensure assets are acquired in a responsible, systematic manner to meet the objectives of the Community Plan.

### **Principle 1 – Strategic consistency**

Any property proposed for acquisition will be assessed for its ability to be used to meet strategic objectives from the Community Plan.

### **Principle 2 – Due diligence**

Properties will then be assessed against a suite of criteria that cover Legal, Financial and Technical due diligence.

### **Principle 3 - Risk sensitive**

Decisions will be made after associated risks are identified, understood and deemed manageable. (Environmental, Public Safety, Political).

### **Principle 4 – Equity across the community**

A balanced approach will be taken to ensure that residents across the city have reasonable access to required services.

### **Principle 5 – Advanced planning**

Council will assess properties that may not currently be on the market, and if deemed strategic will monitor them

### **Principle 6 – Opportunity**

Council may encounter unexpected opportunities to acquire property that adds to existing holdings, or creates a significant new opportunity.

### **Principle 7 – Holding costs / income**

Properties that generate holding income will have a higher priority than other properties, if alignment to the strategic objectives is the same.

## **3. Planned Strategic Property Acquisition/Divestment**

The Council through its Strategic Property Committee will manage and regularly review its strategic property portfolio on an on-going basis and considers and assesses it against both current and future needs, including its fitness-for-purpose, growth, and expansion opportunities.

Regular community scanning is utilised to identify and review opportunities that may prove beneficial to the City of Unley in growing, upgrading or replacing property assets to better deliver a range of required Council services.

## **4. Acquisition**

The acquisition of property will only occur in accordance with the guiding principles of this policy, and after the Council has considered and endorsed any Committee recommendations.

Consistent with the Guiding Principles, when a planned acquisition is being considered, a full asset audit and management plan will be undertaken so that long term financial costs associated with maintenance, depreciation, legislative compliance, service delivery, refurbishment and redevelopment are understood.

If Council decides to acquire a property as a result of the above process, a budget adjustment will be made as part of the next quarterly review. Such properties once acquired will be managed and maintained in a manner consistent with the Guiding Principles outlined in the Asset Management Policy.

## **5. Sale and Divestment**

Assets are owned by Council as a means of providing a service. An asset can be sold or disposed of when –

- (a) the strategic intent has been achieved
- (b) the requirement for the service is deemed to be no longer required by Council.
- (c) There is a better solution for ensuring the continuation of the same service, or a change in service level, which is in accordance with this policy's guiding principles; and
- (d) the asset is obsolete in that the long term cost of maintaining the asset based on the asset management plan is considered financially too great for the perceived benefits being derived from the service (there is no need for the property in the foreseeable future).

Community and recreation assets can only be sold or disposed of in accordance with Council's Community Consultation policy, Community Land Management Plan and in accordance with the *Local Government Act 1999* and, where applicable, the *Development Act 1993*.

Council must first receive a report in accordance with the principles contained within this policy to determine if the asset is obsolete or no longer required for the purposes of determining if public consultation is justified. If Council choose to undertake public consultation then Council must receive a final report based on the outcome of the public consultation and determine if the asset is to be sold or disposed of / divested.

All building and land assets determined by Council as suitable for sale shall be disposed of through an independent accredited agent (e.g. auctioneer, real estate agent) duly engaged in accordance with Council's procurement policy with the asking price set at an independent market rate.

## **6. Opportunistic Acquisition**

Where a property that may be of future strategic significance is identified, an initial assessment guided by the relevant items in the Guiding Principles of this policy, including the Due Diligence Checklist shall be undertaken by the Administration. If the property is deemed potentially suitable following this assessment, a full Report will be forwarded to the Strategic Property Committee for further consideration.

All matters pertaining to the acquisition or divestment of strategic property(ies), will be considered as 'commercial in confidence' and all reporting will be classified as Confidential unless determined otherwise.

## **DECISION REPORT**

**REPORT TITLE:** CONFIDENTIALITY MOTION FOR ITEM 26 –  
166-168 UNLEY ROAD

**ITEM NUMBER:** 25

**DATE OF MEETING:** 3 MAY 2017

**AUTHOR:** KELLEY JAENSCH

**JOB TITLE:** EXECUTIVE ASSISTANT CITY DEVELOPMENT

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### **PURPOSE**

To recommend that Item 26 be considered in confidence at the 3 May 2017 Strategic Property committee meeting and that the Minutes, Report and Attachments referring to this report remain confidential until the item is revoked by the Chief Executive Officer at a future date.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999 the Council orders the public be excluded, with the exception of the following:

Mr P Tsokas, Chief Executive Officer  
Mr J Devine, General Manager City Development  
Ms N Tinning, General Manager Business & Service Improvement  
Mr D Litchfield, Director Strategic Projects  
Mr A Johns, Manager Property Assets  
Ms K Jaensch, Executive Assistant City Development

on the basis that it will receive and consider the report on Strategic Property Purchase and that the Committee is satisfied that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- (b) information the disclosure of which
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest.

It would be in the best interest of the Committee to consider this matter in confidence.

## DECISION REPORT

**REPORT TITLE:** CONFIDENTIALITY MOTION TO REMAIN IN  
CONFIDENCE ITEM 26 – 166-168 UNLEY ROAD

**ITEM NUMBER:** 27

**DATE OF MEETING:** 3 MAY 2017

**AUTHOR:** KELLEY JAENSCH

**JOB TITLE:** EXECUTIVE ASSISTANT CITY DEVELOPMENT

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### **PURPOSE**

To recommend that Item 26 remain in confidence at the 3 May 2017 Strategic Property Committee meeting until the order is revoked by the Chief Executive Officer.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. The report be received.
2. Pursuant to Section 91(7) and (3)(b) of the Local Government Act:

2.1 The

- ☒ Minutes
- ☒ Report
- ☒ Attachments

remain confidential on the basis that the information contained in this report could confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, and

- 2.2 the minutes, report and attachments will be kept confidential until the item is revoked by the Chief Executive Officer.

## **DECISION REPORT**

**REPORT TITLE:** CONFIDENTIALITY MOTION FOR ITEM 29 –  
105-109 GOODWOOD ROAD

**ITEM NUMBER:** 28

**DATE OF MEETING:** 3 MAY 2017

**AUTHOR:** KELLEY JAENSCH

**JOB TITLE:** EXECUTIVE ASSISTANT CITY DEVELOPMENT

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### **PURPOSE**

To recommend that Item 28 be considered in confidence at the 3 May 2017 Strategic Property committee meeting and that the Minutes, Report and Attachments referring to this report remain confidential until the item is revoked by the Chief Executive Officer at a future date.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999 the Council orders the public be excluded, with the exception of the following:

Mr P Tsokas, Chief Executive Officer  
Mr J Devine, General Manager City Development  
Ms N Tinning, General Manager Business & Service Improvement  
Mr D Litchfield, Director Strategic Projects  
Mr A Johns, Manager Property Assets  
Ms K Jaensch, Executive Assistant City Development

on the basis that it will receive and consider the report on Strategic Property Purchase and that the Committee is satisfied that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- (b) information the disclosure of which
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest.

It would be in the best interest of the Committee to consider this matter in confidence.

## **DECISION REPORT**

**REPORT TITLE:** CONFIDENTIALITY MOTION TO REMAIN IN  
CONFIDENCE ITEM 29 – 105-109 GOODWOOD  
ROAD

**ITEM NUMBER:** 30

**DATE OF MEETING:** 3 MAY 2017

**AUTHOR:** KELLEY JAENSCH

**JOB TITLE:** EXECUTIVE ASSISTANT CITY DEVELOPMENT

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### **PURPOSE**

To recommend that Item 29 remain in confidence at the 3 May 2017 Strategic Property Committee meeting until the order is revoked by the Chief Executive Officer.

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. The report be received.
2. Pursuant to Section 91(7) and (3)(b) of the Local Government Act:

2.1 The

- ☒ Minutes
- ☒ Report
- ☒ Attachments

remain confidential on the basis that the information contained in this report could confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, and

- 2.2 the minutes, report and attachments will be kept confidential until the item is revoked by the Chief Executive Officer.