



# Hobsons Bay City Council **Property Strategy** 2021-30



# ACKNOWLEDGEMENT OF COUNTRY

We acknowledge that we are gathered on the traditional land of the Kulin Nation.

We recognise the First People's relationship to this land and offer our respect to their elders, past and present.



July 2021

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# 1. EXECUTIVE SUMMARY

Hobsons Bay covers an area of 64 kilometres, and it is home to the suburbs of Altona, Altona Meadows, Altona North, Brooklyn, Laverton, Newport, Seabrook, Seaholme, South Kingsville, Spotswood, Williamstown, and Williamstown North.

Each neighbourhood in Hobsons Bay has its own unique character, from the historic seaport of Williamstown (one of the oldest settlements in Victoria), to the more recently developed residential areas of Altona Meadows and Seabrook.

Hobsons Bay's rich natural environment is one of its greatest assets. Open space contributes significantly to the quality of life in Hobsons Bay, occupying 24 per cent of the municipality's land area.

Hobsons Bay also has more than 20 kilometres of beaches and foreshore areas and is home to significant coastal wetlands, five creek systems, remnant native grasslands and important flora and fauna habitats.

Council has a range of roles in managing property. These roles include planning for the long-term delivery of Council services, land and property maintenance, management of tenancy arrangements with community and commercial tenants and the strategic use of property assets to achieve broader commercial and public value.

Council is also charged with the responsibility to support Council's long-term financial sustainability through its strategic use of its Property assets, enabling a move towards alternative sources of income generation. Financial constraints due to rate capping and increasing community expectation for service delivery have placed pressure on Council to achieve this.

In doing this, Council recognises the importance of and respects the rights of the traditional owners, Kulin Nation people, who were the first people to occupy the area now known as Hobsons Bay on which all of Council's property assets reside.

Several sites of significance to the Aboriginal community are located throughout the municipality, particularly along the coastal trail, for which Council has some management responsibility for.

In its role, Council is charged with the ensuring that the community of Hobsons bay, including its traditional owners and first people, derive appropriate and effective benefit from the land in Council's charge.

## 2. INTRODUCTION



Council's property portfolio is a complex and significant asset that needs to be proactively planned and managed to deliver optimal benefits to our community.

The portfolio is comprised of a significant number of properties and buildings that are used for a variety of purposes that contribute to the delivery of services, accommodation, and amenity of within the City of Hobsons Bay.

Council's property portfolio has been assembled over many decades and has not always been guided by a consistent approach to the acquisition, use and disposal of property. The current portfolio includes land and buildings that are used for:

- direct service delivery by Council
- the delivery of community-based services by not for profit organisations
- recreational and sporting pursuits
- commercial activity
- passive open space
- environmental management
- car parking



Our property portfolio consists of property that we acquire for environmental, social, or financial reasons, as well as to support Council's operations.

Council owned land is classified as operational or community under legislation and each classification has specific requirements which we must adhere to.

This property Strategy plays an important part in ensuring that the objectives of our Council plan are met. Each property plays an important part in meeting the needs of the community and providing financial sustainability for Council to provide its services.

Examples include a property that has:

- a community centre on it
- vacant land for recreational purposes
- retail or office spaces to rent
- commercial premises
- property that allows us to operate and deliver services

Property value, use and needs change over time. Continual review of our portfolio ensures the property we have is fit for purpose, minimises our risk and maximises public value.

Through reviewing data and understanding the needs of the community and Council, we can decide to either:

- hold and maintain property that is performing
- enhance properties to make the most of the site, the assets on the site or opportunities that present themselves
- acquire new property to assist in meeting community needs
- divest property that is underperforming, is surplus to needs or we can use to leverage other strategic outcomes.



## 3. PURPOSE AND SCOPE

### Purpose

The purpose of the Strategy is to ensure that Council property delivers the highest possible public value through objective and effective planning, utilisation and management.

The Property Strategy provides a set of principles and a framework that will support a fit for purpose property portfolio that meets the needs of Hobsons Bay City Council through the acquisition, renewal/development, occupancy, maintenance and disposal of Council's property portfolio, and relies upon strategic evidence.

### Scope

The scope of the Property Strategy includes all current and future physical property assets owned, managed, controlled, leased, or licensed by Council. This includes Council Freehold land, Crown Land under Committee of Management, discontinued roads and rights of way, property that is leased, licenced, or otherwise occupied by third parties.

The Property Strategy covers operational properties that are used in discharging the Council's functions and non-operational properties that are used for community and other groups and organisations who contribute to the community wellbeing of Hobsons Bay or those which are under review and awaiting disposal or conversion to new uses.

This Property Strategy applies to all Councillors, Council staff, contractors, volunteers, and internal or external third parties.

Property that is identified solely for the purposes of public open space, roads reserve, bushland reserves and parkland is outside the scope of this Strategy.

### Property and Public Value

The public value of a property describes how a property asset is utilised to meet Council's service delivery objectives for the community, particularly where a property asset does not generate income, however, derives benefits that are of value to the community both currently and into the future

For the purposes of the Property Strategy, "property" is defined as any asset that provides Council with value both in a financial and/or public value sense. In the context of the Property Strategy, "property" will only deal with physical land/property assets that are owned, managed, controlled, leased or licensed and operated by Council.

Council property, in many respects, provides benefits that are difficult to measure in monetary terms. These can be properties & places for interaction with Council services or spaces where community can participate in or run activities that provide connection and social cohesion, that none the less provide the community with public value.

For property to be identified as an asset by Council, the property must have a value in monetary terms so it can be incorporated in Council's financial statements. However, in the local government environment, it is often more important to appreciate the non-monetary aspects of a property's value, referred to as "public value"

The definition of Public value in non-monetary terms incorporates the following:

- **public satisfaction:** high quality customer service that is considerate of 'users' needs, service delivery that is measured by take-up, accessible, convenient, and is responsive
- **social and cultural value;** Hobsons Bay Council has always prided itself in delivering services that support its social capital and developing cohesion between the community and Council
- **ecological value;** sustainable development, waste minimisation, reducing pollution and global warming
- **political value;** community dialogue, public participation
- **economic value;** generating economic activity/employment
- **trust and legitimacy;** transparency in all Council activities, perceived to be legitimate by the community and stakeholders.



## 4. PROPERTY VISION

### Property Vision Statement

***“Council’s property portfolio is strategically aligned with its service delivery objectives and community needs. Council properties are well utilised, well maintained and generate high levels of public value to ensure access is fair and impartial for all of the Hobsons Bay community.”***

We will know that we have realised this vision when we can say:

**1. We are effective in the management of community property:**

- fair and impartial access to Council property is available to meet and support our community’s needs for accommodation and service
- consistent and objective allocation and entitlement to the access of Council property is apparent and available to all members of our community
- appropriate acquittal and evidencing of financial / organisational performance will substantiate the support provided by Council

**2. We progressively address the legacy arrangements that are inconsistent with Council priorities, policies, and principles:**

- Council has an established and consistently applied Council Property Allocation Policy and Framework
- administration & acquittal of lease/license terms & conditions is regularly and consistently applied
- the community of Hobsons Bay City Council has full transparency, opportunity, and access to Council’s property assets

**3. We value the long-term relationships and contribution with our tenants and recognise the impacts of the necessary changes to our community occupancy management**

- Councils property assets are to be used for the betterment of our community in a variety of ways, with no community use being valued as more deserving than any other
- long term occupants of council property will be treated with the respect and recognition that their substantial contribution to the community of Hobsons Bay deserves
- where existing lease terms & conditions and use rights change through the implementation of this Property Strategy, tenants will be consulted and afforded appropriate notice, support, and assistance to ensure continuity of their organisation’s community contribution

**4. We strategically divest, acquire & lease our facilities and properties to ensure current and future Council and Community needs are met:**

- there is a comprehensive understanding of the value, amenity, potential and utilisation of all of Council’s property assets
- consideration of the need for ownership, location, design and best fit for purpose based on data to support decision making applied to all Council property assets through defined acquisition, disposal, and development policies

- our leasing model supports multi-organisational use of our facilities where appropriate, with community groups sharing space and self-managing our community facilities independently of Council

**5. We strategically use property as a significant generator of own source revenue and enhanced public value:**

- we identify and develop identified land parcels for predominately profitable purposes

- we consider all Council development within Hobsons Bay from a multi-modal (financial, amenity, activation, community utilisation) benefits perspective

- We have created and operate a property development fund to ensure ongoing commercial advancement of Council's commercial property assets

- We maximise grant funding opportunities and consider joint funding opportunities that support enhancement of our property portfolio

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## 5. PROPERTY CONTEXT

The Property Strategy provides a set of principles, objectives and actions focussed on improvements to the overall management and performance of Council's property portfolio in the short, medium, and long term.

This will be guided by a systematic and flexible approach to asset management of Council's properties to support effective community service delivery that is sustainable and provides value for money.

The Property Strategy is one of the key corporate documents which underpins Hobsons Bay 2030 Community Vision and the Council Plan 2021-25.

The Property Strategy will draw upon the intent of other strategic documents that will provide Council's strategic direction, priorities, and objectives over the coming years in the context of how these will influence property transactions, policy positions and decisions.





## Council Property Portfolio

Hobsons Bay City Council has 1,018 individual land parcels. The majority of these relate to reserves, being open space (872). Of the remaining 146 parcels of land, including standalone car parks (18), the balance of properties is utilised for Council and community activities (128).

Council has 227 buildings in total, including Council administration and depot facilities, community use buildings and commercial buildings.

Council's current land asset value as at July 2021:

Description			
	Investment Property	Land	Total
CoM	\$3,585,000	\$217,790,705	\$221,375,705
Free Hold	\$10,200,000	\$333,859,223	\$344,059,223
Lease Hold		\$5,509,535	\$5,509,535
Grand Total	\$13,785,000	\$557,159,463	\$570,944,463

### **Council's property portfolio consists of land which is:**

Owned by Council in freehold – the Hobsons Bay City Council is the registered proprietor of the land on the Certificate of Title. Council manages this land in accordance with its powers under the Local Government Act 2020.

Owned by the Crown and for which the Council is appointed as the Committee of Management in accordance the Crown Land (Reserves) Act 1978.

Owned by the Crown and for which the Council is the Coordinating Road Authority. Councils manage this land in accordance with the Local Government Act 2020 and with reference to the Road Management Act 2004.

Land which Vests in Council - whilst the Certificate of Title might show a registered proprietor other than Council, the land is deemed to vest in Council and used for public purposes.

Land which is Acquired by Council to construct affordable housing and to make affordable housing available to eligible residents, having regard to the affordable housing policies of Council, the state government and funding bodies

Council as Lessee – Council has number of properties for which it is the Lessee.

Whilst some of these may be general commercial arrangements, most of these properties are leased from statutory authorities or Government.



## Property Types

Properties that make up Council's property portfolio are categorised as follows:

Civic Use	Properties for Civic Use include office and administrative buildings and depots.
Community Use	Council properties that are utilised for community use. These include sporting fields and pavilions, reserves, parks and play spaces, kindergartens, maternal and child health centres, community and seniors centres, arts facilities, libraries, and town halls.
Affordable Housing	Council is committed to ensuring all households in the municipality are able to live in affordable, secure and appropriate housing that meets their needs, particularly those with low and moderate incomes. To support safe and accessible housing, Council established the Hobsons Bay Affordable Housing Trust, vital to protect the liveability of the municipality, and supporting the diversity of our community.
Outsourced Community Use	Properties are subject to commercial market leases with a third party to provide a community service on behalf of Council. These includes childcare and recreational centres.
Commercial Properties	A number of properties are held by Council specifically to generate a commercial financial return. These properties are used for a variety of purposes including cafes and restaurants, residential and shops.
Roads/laneways & Car Parks	Council owned or managed roads, laneways, carparks, and right of ways in the municipality.
Under review	Property that doesn't meet any current Council need, is vacant and no Council Services are currently being provided from the property.
Assets held for Sale	Land and buildings that are identified as to be surplus to requirements and proposed to be sold subject to Council's formal approval.
Multi-modal Development	Is the incorporation of multiple community outcomes into property development projects. Projects will orientate to the creation of public value through including multiple benefits such as improved amity, community activation, enhanced open space and financial return to Council

## Existing property arrangements and some identified issues

Several issues have been identified that currently prevent Council and the community from maximising its benefit from its significant investment in property assets. Many of these issues have evolved over decades, where at the time the arrangements were necessary however through the passage of time, have become contrary to current or future need or are no longer consistent with Council's broader community objectives, plans or strategies.

By way of clarification the following issues outline several of the more significant anomalies that would benefit from the strategic approach to the management of Council's property assets outlined by this Strategy

- aging buildings are no longer fit for purpose, and in many cases have not kept up with changes in service needs.
- recent improvements to Council's Capital works delivery of maintenance and renewal has significantly reduced the renewal gap and the overall standard of Council's building stock is now gradually improving. However, many of these buildings are not designed to meet the needs of contemporary community service delivery
- Council has 140 occupancy agreements in place with a variety of community and sporting groups. Most of these agreements are leases which grant

exclusive occupancy regardless of the level of usage of the facility and many community groups are resistant to sharing facilities.

- the current use of some Council land is not maximising the potential community or economic return of the asset.
- some leased facilities are in poor condition as the tenant organisations have not kept up their obligations relating to maintenance of the buildings.
- there has been limited assessment of the alignment of current tenant contribution and support of Council objectives, or their future capacity to contribute to the ongoing management of property and the benefit derived by their use.
- most of Council's properties are occupied by community groups and are provided at a minimal rental, with little consideration or review of the tenant's capacity to contribute further to support the management of the property
- Council contribution provided to community user groups, including the cost to maintain the property occupied, the lease arrangements or the levels of

utilisation has not been openly reported over time to either the Council or the Community.

- financial constraints now facing Council's because of rate capping and an ever increasing-community expectation create a need to ensure community assets deliver
  - maximum effectiveness in property service outcomes which need to be balanced with an affordable cost that can be borne by community groups that cannot afford commercial tenancies
  - utilisation and capacity data have proven difficult to accurately collect. Many of our existing leases do not require utilisation data to be provided by the tenant
  - Council has not historically funded or planned upgrades to many commercial facilities, rather considering these as "set and forget" investments
- the risk appetite to invest in Council property for purely profit-making purposes has been minimal, leading to less than ideal commercial returns from what is Council's largest strategic asset





## 6. STRATEGIC CONTEXT

### Strategic context

The property portfolio is a strategic and highly valuable asset, which incurs significant expense to Council in order to use and maintain, such that it can continue to provide the broad range of service and amenity needs of the community.

It is essential that Council's land and property assets are maintained and used as efficiently and effectively as possible.

In understanding Council's strategic approach to management of the property portfolio, consideration must be given to the statutory and custodial responsibilities of Council, the high demand for property to deliver community services in conjunction with budgetary constraints that can impact on Council's policy priorities and the resources available to deliver them.

Council property needs will change over time, and this Strategy will support increased development, and demographic changes of our neighbourhoods including population densities.

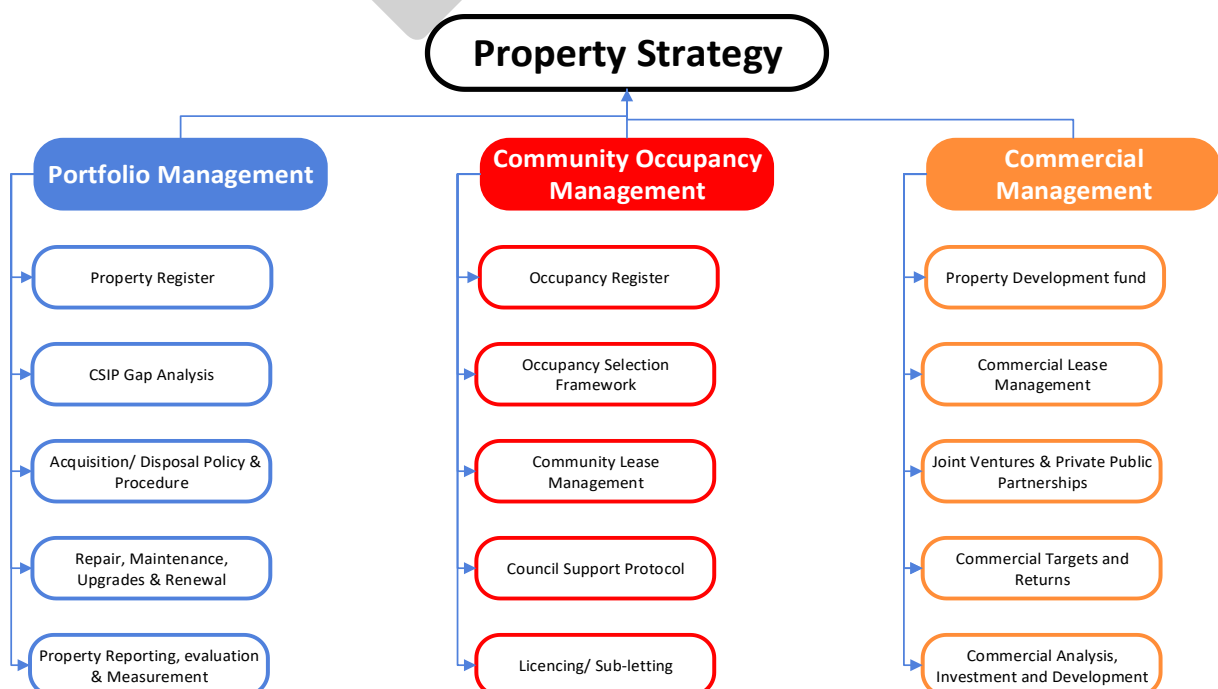
This will require consideration of the need for new facilities/properties, expansion and/or the modification of existing facilities/properties, and the

potential sale of facilities/properties considered surplus to need.

The Property Strategy is informed by demographic and population forecast analysis; federal, state, and local policy, current provision, condition and functional capacities of existing infrastructure, and community demands relating to provision and use of facilities and services

The Property Strategy identifies the Vision, principles goals and objectives that guide the approach in which Council property will be managed, allocated and developed. It also outlines the priority actions to be undertaken to achieve the goals and objectives and the measures that will be used to assess the success of the Strategy.

The Strategy is comprised of three essential operational pillars, each contributing to the strategic management of our property portfolio, and each progressing distinctly different elements necessary to ensure that Council' property assets are utilised to maximum public value. (see below Diagram: Property Strategy Structure)



## 7. PRINCIPLES AND PILLARS

### Guiding Principles

To be operationally suitable to meet the current and future needs of the Hobsons Bay community, this Strategy is underpinned by a set of Guiding Principles. These include:

#### **Portfolio Management**

1. Maximising public value generated using the asset portfolio
2. Property use is aligned with Council priorities, policies, plans and objectives

#### **Community Occupancy Management**

3. Leases and licences are consistent encouraging inclusion, and fair and impartial community access
4. Property allocation and support consider evidence of tenant service delivery, performance, community participation and multi- community group utilisation
5. Long term partnership arrangements will preference shared responsibility for costs, maintenance, and facility management

#### **Commercial Management**

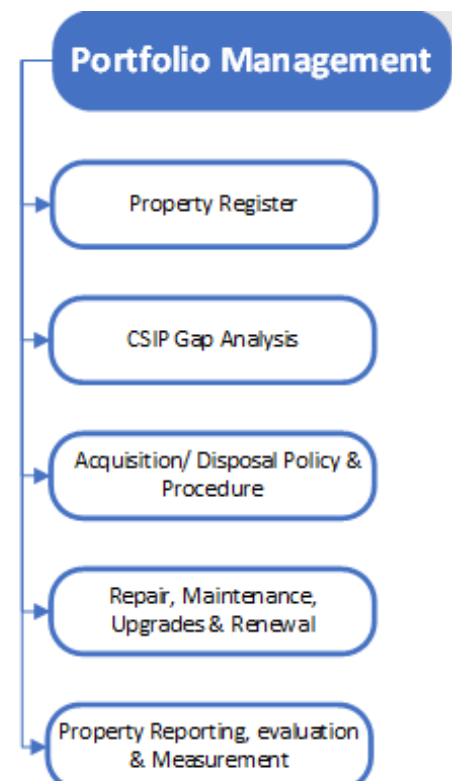
6. Council property will be used to leverage strategic multi-modal community outcomes as well as commercial return where possible & appropriate
7. Differentiation will occur as to how we manage our commercial and community property portfolio outcomes

### Portfolio Management: Pillar One

Portfolio Management focuses on the management of Council's total property portfolio. It centres on the understanding the nature of what property Council owns, what property it manages, what property is needed to be retained and what property is now surplus to requirement.

Critical to the Portfolio management function is to ensure Council plans for, reviews and evaluates requirements of Council's property assets.

It also establishes policy, procedure and practices to ensure there is appropriate governance to enable informed Council decision making around ownership, retention, disposal and maintenance are done appropriately such that Council can ensure that it get the maximum public value from its property based assets



## Principle 1 - Maximising public value generated using the Property Asset Portfolio

**Maximise Public Value:** All future Council asset development will consider the incorporation of multi-modal benefits such as improved amenity, community activation, enhanced open space and financial return

**Property Utilisation** - property occupancy preference multi-organisational tenancies and access to support maximum numbers of community members using the property

**Functional and Service Level** – assets are designed and maintained to ensure they are fit for purpose, functionally meeting agreed levels of service

**Innovation and Improvement** – alternative methods of providing services and assets with “best value” options will be applied including lease, purchase, and private public partnerships

**Monitoring & Evaluation** - Council will continuously monitor and review its property management performance to ensure Council has the necessary current and relevant information on which to base its decisions

**Decision Making** - Council will consider short, medium, and long-term implications on structure plans, precinct plans and plans of management when undertaking property projects, acquisition, disposal, upgrades & renewal and proposals for alternative use of Council property

## Principle Two: 2. Property use is aligned with Council priorities, policies, plans and objectives

**Community Need** - Property occupation is aligned to Council's priorities, policies, plans, social obligations, and objectives

**Strategic Property Consistency**– Property decisions and utilisation supports the Community Services Infrastructure Plan (CSIP) need and best use for the property

**Quadruple bottom Line Sustainability** – Decisions relating to Council's Property Portfolio are taken with consideration of Quadruple Bottom line where consideration is given to financial, social, environmental, and economic impacts on Council and the community

**Intergenerational Equity** – all property asset use, occupation, lease arrangements and development will consider the needs and implications for current and future generations

**Best Practice Governance** - Council will adopt property management practices that are based on good governance and ethical behaviour that can be transacted in an open and accountable manner.

### Actions

**Action 1:** Carry out a review and audit of Council's Property and Land Register to ensure accuracy of information.

**Action 2:** Carry out a review of Council's Asset Register for buildings and land to ensure valuations are consistent with identified Fair Market Value.

**Action 3:** Establish officer lead Strategic Property Working Group to oversee the delivery of Council's Property Strategy

**Action 4:** Develop a suite of new property related policies and review / update existing policies, to support the delivery of the Strategy. This will include:

- Acquisition, Disposal
- Approval of Committees of Management
- Property Asset Repair & Maintenance Service Levels Agreements



**Action 5:** Investigate options for a Property Management System (Confirm or otherwise) to improve the effectiveness with which Council manages its property portfolio. To include asset register, lease & licencing management, and asset management /repair & maintenance

**Action 6:** Undertake a comprehensive gap analysis of Council property assets and the identified service and property needs outlined in the CSIP Property Precinct plans

**Action 7:** Develop Property Portfolio Precinct Plans for identified property gaps or surplus to strategically balance Council's property assets with local and regional community needs.

**Action 8:** Develop Plans of Management for prioritised Council owned and managed Community and Crown Land

**Action 9:** Undertake a high-level analysis of Council's property portfolio to develop a list of priority opportunities for divestment, development and/or other Council purposes

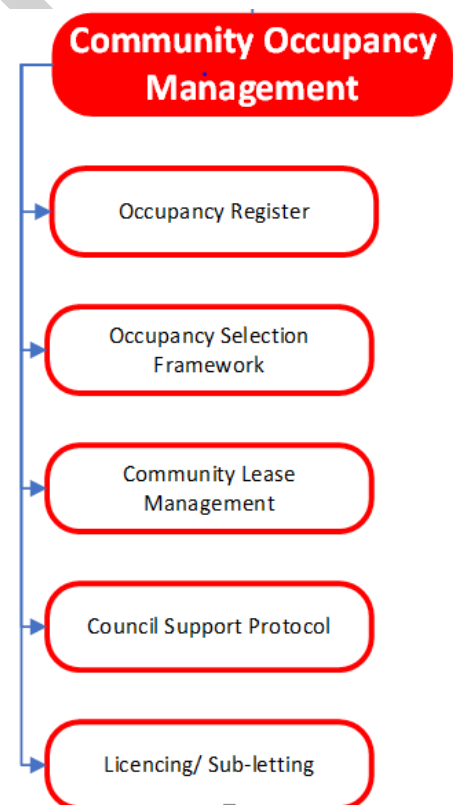
**Action 10:** Establish formal annual internal and external reporting mechanisms to ensure that Council's Property Strategy is progressed with intended public value benefits derived from property assets.

## Community Occupancy Management: Pillar Two

Community Occupancy Management focuses on the way Council manages and administrates the use and tenancy/access arrangements of its habitable property assets that are occupied by groups predominately community and/or not for profit purposes.

This pillar focuses on how tenancy rights are approved and allocated, determines how Council's property assets may be used, to whom and to what extent Council provides additional tenant support.

A critical part of Community Occupancy Management is to ensure that the legal arrangements in place between Council and its community group-based tenants are fair and impartial, enabling all members of the community to clearly understand the arrangements in place for each community organisation



### Principle 3. Leases and licences are consistent encouraging inclusion, and fair and impartial community access

**Tenant Occupancies** – will be awarded based on an assessment of Council's Property Strategy principles that will assess community contribution, reasonable market rent values, and financial capacity to ensure equal access & evidence-based allocation and awarding of leasing arrangements.

**Leases and Licences** – Consistent lease and licensing terms and conditions will be established according to tenant entitlement assessment. This will be included in an annual report to Council with recommendations of lease arrangements, tenancy expiries, renewals, and vacancies

**Building Standards** – building condition, maintenance, property function and building age will be considered in leasing & license fees, terms, conditions, and tenant contributions

**Dispute Resolution:** Formal internal review panel will consider community group appeals relating to tenancy disputes, lease/licence arrangement and changes to circumstance

### Principle 4. Property allocation and support considers evidence of tenant service delivery, performance, community participation and multi- community group utilisation

**Financial Capacity and Accountability:** All tenants receiving support from Council will be required to evidence and acquit their organisational performance, participation rates, public value and financial position before determining future Council support by a simple reporting process

**Council Support:** Variation in fees and charges, in-kind and financial support, terms & conditions between properties & leases will be fair and impartial and consider membership numbers, multi-tenancy agreements and general community access availability

**Grant Funding/Co-contribution:** Tenant applications for external funding and requests for co-contribution will require a formal consideration and approval to ensure long term alignment to Council's property priorities

### Principle 5. Long term partnership arrangements will preference shared responsibility for costs, maintenance, and facility management

**Length of Tenure:** When confirming lease durations, terms and conditions, tenant's willingness and capacity to support the ongoing upkeep of the facility and to contribute to capital improvement and facility enhancement will be considered

**Capacity to generate additional income:** When confirming lease durations, terms and conditions tenant willingness and capacity to generate additional income through sub-letting, hiring or undertaking facility events to reduce the financial and in-kind support requirements of Council will be considered

**Seasonal Management and Variation:** When confirming lease durations, terms and conditions tenant willingness to accommodate seasonal use requirements and broader access rights for the general community will be considered

## **Actions**

**Action 11:** Create a Community Occupancy Tenant register to identify the tenancy terms, conditions, and support provisions for the existing community-based tenant leases & licenses

**Action 12:** Carry out a review and audit of Council's Property Tenancy terms, conditions and support provisions for the existing community-based tenant leases & licenses

**Action 13:** Develop a suite of new property related Policies and review / update existing policies, to support the delivery of the strategy. This will include:

- Community Tenant Disputes Resolution Policy
- Leases and Licences Policy (subleasing, allocation, and support)

**Action 14:** Develop an appropriate assessment framework using the Property Strategy Principles to undertake an objective assessment of tenancy application and entitlement to allocate access to Council property assets and determine Council support

**Action 15:** Undertake a comprehensive review of Council's property leases and licenses, ensuring clearly stated and consistent terms conditions, rental reviews, agreement renewal and acquittal requirements

**Action 16:** Develop a Community Occupancy Transition Plan to address historical tenancy arrangements progressively and respectfully as they become due.

**Action 17:** Subject to Council's adoption of Action 16, implement the Community Occupancy Transition Plan to address historical tenancy arrangements that are inconsistent with the objectives of this Property Strategy

**Action 18:** Develop and provide an annual report and approval approach to enable Council to confirm Community Tenancy allocation and entitlements each year for leases that are due for renewal, vacancies, or new properties available for leasing

**Action 19:** Establish regular reviews and property inspections of tenanted properties to ensure Council and Tenant service level agreements are met in accordance with executed lease terms and conditions

## Commercial Management: Pillar Three

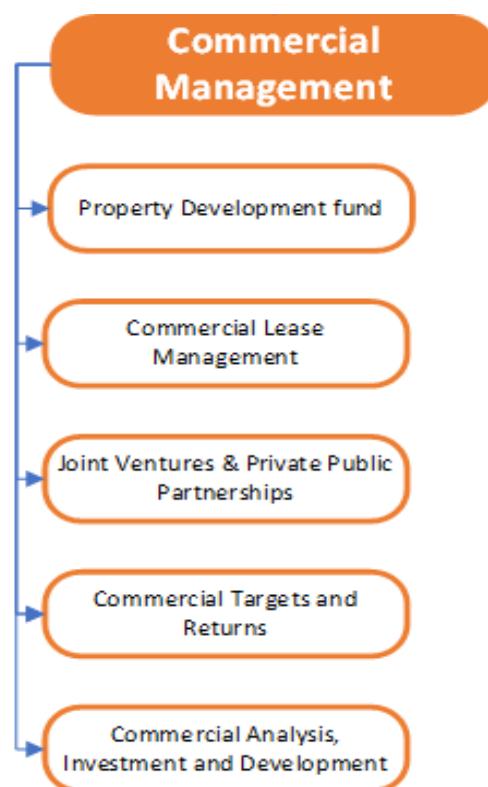
Commercial Management focuses on the use of Council's property assets for predominately profitable purposes.

It incorporates tactical consideration, analysis, and planning of commercial properties for tenancy, acquisition/disposal and/or development which maximises Council's return on investment with a view to relieving some pressure on its primary source of income being rates.

This will be supported by the creation of a Property Development Fund.

The Property Development Fund is an independent entity established to annex funding and operational resources from the rest of Council's operations for the sole purpose of deriving self-sustaining profitable development.

The aim of the Property Development Fund is to return sufficient profit to enable the funds self-perpetuation whilst also annually contributing to Council's operational income.



**Principle 6. Council property will be used to leverage strategic multi-modal community outcomes as well as commercial return where possible & appropriate**

**Maximise Commercial Opportunities:** Consideration for Commercial asset terms, conditions, fees, uses and development will be predominately for income generation purposes targeting maximising Council's financial return on investment

**Consider Profitable Alternatives:** Acquisition, disposal, development or repurposing of Commercial assets will be considered on a financial return on investment basis

**Principle 7. Differentiation will occur as to how we manage our Commercial and Community Property Portfolio outcomes**

**Property Development Fund (PDF):** Commercial property assets will be progressively managed by a PROPERTY DEVELOPMENT FUND established by Council

**Defined Community & Commercial Assets:** Council property assets will be identified as "Community" or "Commercial" assets; Each category deliberately treated differently in its management, administration, and governance

**Private Public Partnerships:** Opportunities outlined in the Local Government Act 2020 encouraging partnership with Private and Public entities will be positively considered when looking to develop Commercial assets



## **Actions**

**Action 20:** Carry out a review and audit of Council's Property and Land Register against Council's property asset classification to identify and differentiate between Community and Commercial property assets.

**Action 21:** Undertake a review of the performance of Council's Commercial Property Portfolio to include valuations, return on investment, lease & licence terms & condition, classifications, zoning and options for potential future development

**Action 22:** Undertake a feasibility analysis and business case for the development of a Property Development Fund including the recommended governance structure, funding and accounting treatment, performance targets and a preferred operating model for the consideration of Council

**Action 23:** Subject to Council adoption, develop a project plan to establish the creation of a Property Development Fund

**Action 24:** Complete implementation and commence operation of a Property Development Fund

**Action 25:** Undertake a comprehensive review of Council property considered surplus to requirement that may be recommended for disposal to provide seed funding for the Property Development Fund for consideration and adoption by Council

**Action 26:** Undertake a comprehensive review of Council property considered options for potential

future development and identify preferred pilot sites for an initial commercial development for consideration by Council

**Action 27:** Subject to Council adoption of Action 25 and 26, undertake the disposal of identified property assets and commence concept designs for Council's first commercial Property Development Fund pilot development for consideration by Council

**Action 28:** Undertake a public expression of interest to explore the potential for establishing a Private Public Partnership in Council's first Property Development Fund project with a view to identifying private co-funding options

**Action 29:** Undertake the development of a business case for a Property Development Fund pilot development for consideration by Council

**Action 30:** Subject to Council's adoption of Action 29, undertake the establishment and construction of Council's first commercial Property Development Fund pilot development

**Action 31:** Conduct a benefits realisation and pilot evaluation of Council's first Property Development Fund pilot development and report to Council for approval to continue the operation of the Property Development Fund

**Action 32:** Subject to Council's approval of Action 31, establish the ongoing Governance, reporting and approval approach for the Property Development Fund to be considered and approved by Council to enable the ongoing, independent operation of the Property Development Fund