

AMENDED ITEM



Item No: 4.15
Title: Central Coast Aero Club
Department: Corporate Affairs

27 April 2021 Ordinary Council Meeting

Reference: F2004/06700-002 - D14567351
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Report purpose

For Council to consider a land purchase or land swap with the Central Coast Aero Club (CCAC).

Executive Summary

The Central Coast Aero Club own Lots 211 and 212 DP 812718, at 25 Jack Grant Ave (the CCAC Land) adjacent to the taxiway and runway at Warnervale Airport. The terms of its licence with Council in respect of use of Warnervale Airport, allow Council to exercise a call option such that Council can purchase the CCAC Land. This option must be exercised on or before 1 August 2021 or it will expire.

On 16 February 2021 the NSW Parliament passed the Warnervale Airport (Restrictions) Repeal Act 2020 (the WAR Repeal Act) which removes the restrictions over the Warnervale Airport. The WAR Repeal Act requires that Council develop an operations plan for the development of the Airport. While the majority of the WAR Repeal Act has not yet commenced and is unlikely to do so before the option to buy the CCAC Land expires, it is prudent to exercise the option in the expectation that the repeal legislation should commence in full in the next 3 years. This is so that when the WAR Repeal Act commences in full the Council will have secured the CCAC Land and is in a position to utilise it in the development of the required airport operations plan.

If the Council exercises the option to buy the CCAC Land the purchase price will be as agreed between the Council and the Aero Club, or, failing agreement, the market value as determined by a registered valuer,

It is recommended that Council exercise its call option and then seek to either undertake a land swap with the Aero Club and, failing agreement as to that, complete the purchase of the CCAC Land. The Council has obtained a confidential current market valuation (Confidential Attachment 2).

Corporate Affairs Recommendation

- 1 *That Council exercises its option to purchase Lots 211 and 212 DP 812718 at 25 Jack Grant, Warnervale and enters into a contract of sale with Central Coast Aero Club at a purchase price not exceeding the valuation price as contained in Confidential Attachment 2, with a delayed settlement for 12 months.*
- 2 *That during the 12 month settlement period the Council seek to negotiate a land swap with the Central Coast Aero Club of an equivalent area of land located between Lots 211 and 212 DP 812718 25 Jack Grant, Warnervale and the newly created lot (within Lot 3 DP 1230740, set out in Attachment 1), instead of completing the purchase of the Central Coast Aero Club's land.*
- 3 *If the negotiations for a land swap are successful that the Council enters into a contract to do all things necessary to effect the land swap including as appropriate by variation of, or mutually agreed termination of, the contract for sale of the Central Coast Aero Club's land.*
- 4 *That if the negotiations for a land swap are not successful that the Council complete the purchase of the Central Coast Aero Club's land.*
- 5 *That, conditional upon and commencing upon the land swap being effected, Council enter into a licence agreement with the Central Coast Aero Club to access the Aircraft landing area and taxiways for not less than 45 years from the area to be owned by the Central Coast Aero Club after the land swap has been effected.*
- 6 *That Council enter into a short term licence agreement with the Central Coast Aero Club to occupy Lots 211 and 212 DP 812718, at 25 Jack Grant Ave Warnervale after the land swap has been effected, and to access the aircraft landing area and taxiways, for a period of 2 years with a 2 year option to allow time for development approvals and construction of a new Central Coast Aero Club facility at the proposed new location (within Lot 3 DP 1230740, refer to Attachment 1).*
- 7 *That Council provides owners consent for the Central Coast Aero Club to lodge applications for appropriate approvals for development of the land to be transferred to the club as part of the land swap, for the purposes of an aero club.*
- 8 *That Council authorise the Chief Executive Officer to finalise the terms of sale, and any land swap and licences.*
- 9 *That Council resolve, pursuant to section 11(3) of the Local Government Act 1993, that Attachment 2 and 3 remain confidential in accordance with section 10A(2)(d)(i) of the Local Government Act as it contains commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and because consideration of the matter in open Council would on balance be contrary to the*

public interest as it would affect Council's ability to obtain value for money services for the Central Coast Community.

Background

In a separate report on the 13 April 2021 Ordinary Council meeting, Council has resolved on the creation of a draft masterplan for the development of the Central Coast Airport. The reorganisation of the CCAC's location is crucial to the logical arrangement of the masterplan. This potentiality was considered at the point at which the licence to the CCAC was executed. The recommendation allows for the development of the draft masterplan.

Refer to Attachment 1 which provides a proposed location of the land swap.

Current Status

Council's Economic Development and Property Unit has met with the board members of the CCAC on 1 April 2021 to discuss this arrangement and the CCAC generally supports this proposal.

The development of Western Sydney Airport (Badgerys Creek) due to open in 2026 and its likely impact on Bankstown Airport (reduced or removed Sydney Basin training area) will make Central Coast Airport at Warnervale a very important asset for the region that will increase economic, employment and tourism opportunities.

The CCAC is currently experiencing strong growth and demand for hangar space with the increased popularity of general and light aviation.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

Council has available property restricted funds which it will utilise for the development of the initial stages of the works associated with the proposed land swap and Airport Masterplan.

Central to this proposal is the subdivision of Lot 3 DP 1230740 to create of a lot of an equivalent area to one currently owned by the CCAC. This subdivision application would need to address biodiversity, services, flooding, bushfire, aboriginal heritage and other planning considerations. The consultant fees associated with this application would be approximately \$170,000.

Once the subdivision application is approved Council would be able to extend services to the proposed lot, such as the continuation of the water and power from the current site of the CCAC and connecting sewer to either the sewer main near the proposed lot or alternatively construction of a septic tank system. These works would require a budget allocation of \$130,000.

Link to Community Strategic Plan

Theme 2: Smart

Goal C: A growing and competitive region

S-C1: Target economic development in growth areas and major centres and provide incentives to attract businesses to the Central Coast.

Goal C: A growing and competitive region

S-C3: Facilitate economic development to increase local employment opportunities and provide a range of jobs for all residents.

Goal G: Good governance and great partnerships

R-G1: Build strong relationships and ensure our partners and community share the responsibilities and benefits of putting plans into practice.

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Goal H: Delivering essential infrastructure

R-H4: Plan for adequate and sustainable infrastructure to meet future demand for transport, energy, telecommunications and a secure supply of drinking water.

Risk Management

The recommended option would allow Council to methodically plan for the plan of management and the draft masterplan for the Central Coast Airport. This recommendation has been mitigated by ensuring that the swap only occurs in circumstances that are favourable to the development of the masterplan, and further that there are no financial penalties to Council should the proposal not proceed.

Options

Option 1

That Council exercise its call option to purchase the CCAC Land over Lots 211 and 212 DP 812718, at 25 Jack Grant Ave and enter a delayed settlement for 12 months.

The Council resolve to endorse an area to be swapped with the Aero Club and once the subdivision is registered, rescind the contract of sale of land at no penalty and enter a land swap agreement.

This is the preferred option.

Option 2

That Council does not exercise its call option and maintains the existing arrangement with the CCAC.



Critical Dates or Timeframes

The CCAC's licence with Council expires on 1 August 2021 and in addition Council is required to resolve the operational plan for the Airport within the next three years. As such, it is important that Council makes a resolution so that the CCAC have security of tenure at the Central Coast Airport at Warnervale.

Attachments

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| 1 | Proposed Aero Club location | D14582961 |
| 2 | Confidential - Valuation Report - 25 Jack Grant Avenue, Warnervale - | D14589970 |
| 3 | Confidential - Legal Documents - Agreements - Licence Deed - Airport - Wyong Shire Council - Central Coast Aero Club Ltd - 25 Lot 211 212 DP 812718 Jack Grant Ave Warnervale - 31/3/2015 - 1/8/2021 - | LDOC009552 |



										PROJECT NAME: WARNERVALE FEASIBILITY STUDY		DRAWING TITLE: OVERALL AERIAL PHOTOGRAPH		
										PROJECT ADDRESS & DETAILS: SPARKS ROAD, WARNERVALE				
01	12/04/21	ISSUED FOR INFORMATION	HEIGHT DATUM	COORDINATES	ORIG SHEET SIZE	A3					REVISION NO:	01	SHEET:	A01
REVISION	DATE	COMMENTS	APP'D	DRAWN BY:	DS	DESIGNED BY:	--	DRAWING No:		--				