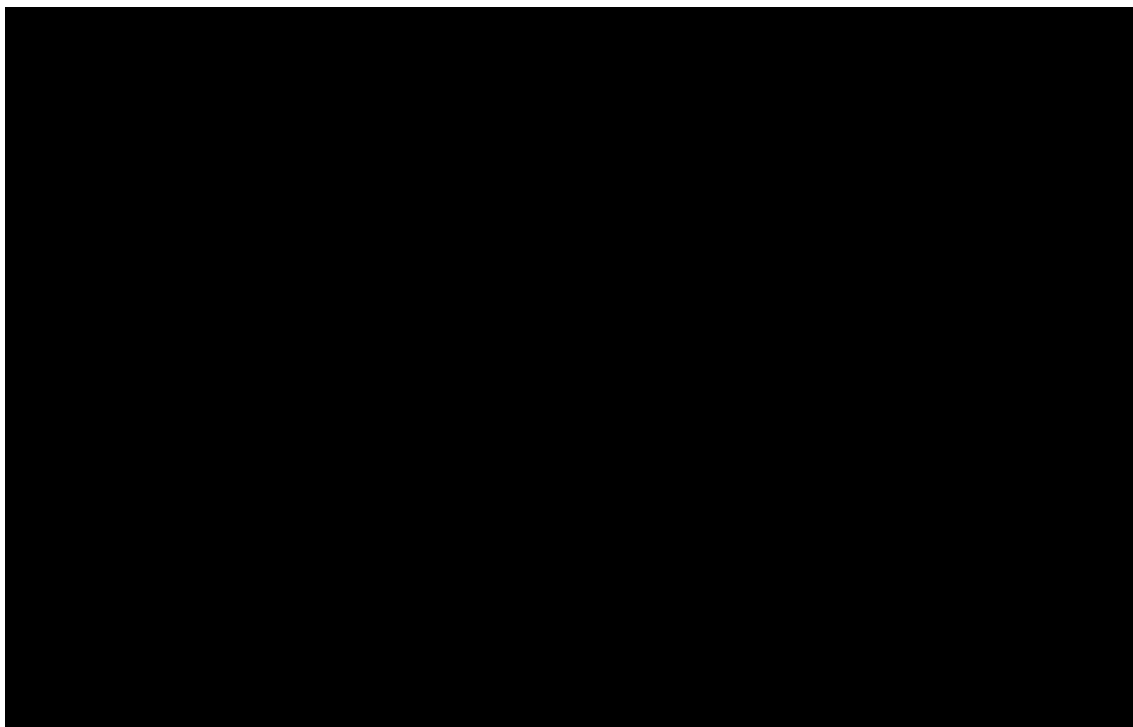




Project Business Case	
Warnervale Airport	
Development Opportunities Feasibility Study, 150 – 190 Sparks Road, WARNERVALE	
Revision Number: 0.3	Date: 08 February 2013

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Revision	Details	Date	Amended By
01	First version for internal review	10 October 2012	-
02	Draft issue for Manager's review	30 January 2013	RCH
03	Revised document format, deleted Option 4 Layouts 2 & 3. Deleted Section 6.7 Risk & Opportunity Rating. Added Section 7.6 Planning Matters - Environment and Legislation. Final version.	13 February 2013	RCH

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Author: Rod Hay

Approved By:

Date:

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1 Executive Summary

The existing Licence agreement between Wyong Shire Council and the Central Coast Aero Club for management and use of the Warnervale Airport Council expires in August 2021. This gives Council until around 2018 to determine whether the current land use of the airport site best serves the community as is or should such a valuable asset be limited to a small sector of the community.

The brief for this Business Case was to review the current airport operations and identify opportunities that may leverage Council's financial position. At present, the airport costs Wyong Shire Council (WSC) around [REDACTED] per annum with only approximately [REDACTED] return. Options to increase revenue to WSC include upgrading the existing airport, sale of the airport lands, or development the lands in a manner consistent with the current land use zoning.

There are a number of environmental and development constraints that apply to the Warnervale Airport site however it is considered that the identified constraints will not be insurmountable. The options identified and examined in this study included the existing airport use, and investigated multiple development scenarios for industrial purposes.

Calculations used in this study are based on figures provided in Section X7.3 Assumptions and Adopted Rates. At this level of feasibility review, and to quickly determine the best return on investment to WSC, all calculations used the WSC 2000 Book Value for the Warnervale Airport land rather than Net Present Value. Further investigation into any of the options presented in this document is anticipated and would include more detailed financial modelling to reflect detailing of the options. The financial modelling undertaken for the options considered in this study are high level and exclude detailed projections such as Discount Cash Flow (DCF) modelling.

The site is currently identified as an Iconic Site. Some of the Options listed below require action by Wyong Shire Council to remove the Warnervale Airport from the Expressions of Interest called for the Iconic Site. The Options presented and analysed in this document are summarised as follows:

- **Option 1 – Do nothing** - will likely result in the current operating deficit of around [REDACTED] continuing, but the aviation community will have access to an airfield;
- **Option 2 – Upgrade the airport** – Costs to WSC will be at least [REDACTED]. There has not been any investigation into opportunities to increase revenue from the current [REDACTED] per annum as a result of upgrading the airport and these would be subject to repeal of the Warnervale Airport (Restrictions) Act 1996;
- **Option 3 – Disposal of the site** - an immediate sale (pending market conditions) of the airport site could expect upwards of [REDACTED]. With consideration of the acquisition cost to Wyong Shire Council (WSC), this option provides a significant return on investment (ROI) to WSC with minimal risk. However, this option does not provide any ongoing revenue stream to WSC;
- **Option 4 – Redevelopment of the airport site** - provides WSC with numerous opportunities depending upon the layout. The evaluation undertaken in Section X7.5 clearly identifies Option 4

Introduction

with the highest rating however this Option also carries the highest risk. Development costs that could be expected range from █████ to █████, with profits up to █████. WSC can redevelop (including construction) an industrial subdivision, and subsequent sale of the developed lots, with the potential to retain parcels for future rental yield opportunities. This Option has high ROI across the layouts presented but also exposes WSC to the highest risk.

Option 3 is the recommended option to pursue unless WSC can identify development funding to carry out any of the layouts presented in Option 4. Option 3 will provide WSC with the opportunity to sell the Warnervale Airport and provide WSC with at least █████ revenue. This option presents the least risk to WSC with a good ROI.

Option 4 should provide significantly higher profits to WSC than Option 3 but at a far greater risk. Development funding would be required and WSC's ability to raise considerable funds over a three to four year period may be questionable. There may be opportunities to investigate joint ventures for Option 3 or 4 which have not been examined in this study.

2 Introduction

In 1973, the first aircraft landing occurred at the Warnervale Airport. Since then, the airport showed promise for a regional airport located on the Central Coast. The prospect of a regional airport continued to gain momentum until when in 1996 the NSW State Parliament enacted the Warnervale Airport (Restrictions) Act 1996. The Act effectively terminated any potential for the airport to make the transition to a regional airport. Ever since the 1996 Act the future of the Warnervale Airport has been the topic of discussion for Wyong Shire Council and the broader Central Coast community.

Since the 1970s, Wyong Shire Council has committed extensive resources and expenditure towards the airport site with little financial return. Unless the Warnervale Airport (Restrictions) Act 1996 is repealed, the airport will never support a commercially viable regional airport due to the limit of aircraft movements imposed by the Act. If the airport is to continue in its present guise, Wyong Shire Council will need to continue subsidising the operation. Alternatively, should the airport land be put to a better use, one that provides Council with a positive cash flow?

The Wyong Shire Councils Strategic Plan 2012-2016 as adopted by Council on 23 May 2012 included an action to identify development opportunities for the Warnervale Airport land. Council had thus determined to examine the best use of the Warnervale Airport to increase revenue to Council. This Business Case responds to the action request. The document provides a review of legislative, environmental, and economic constraints in order to determine potential development opportunities for the Warnervale Airport land.

In total, five prospective development options were identified for the Wyong Shire Council (WSC) owned lands that constitute the Warnervale Airport. The study has reviewed existing site conditions, improvements, and airport operations. Investigations were undertaken with the intent of identifying the optimal land utilisation whilst providing maximum economic return to WSC. Following sale of an adjoining parcel of land to Australian Chinese Theme Park (ACTP), two of the options were removed from consideration. The remaining three development options are detailed in this document.

The Warnervale Airport site is located within the Wyong Employment Zone (WEZ) and shown in XFigure 1.

Background

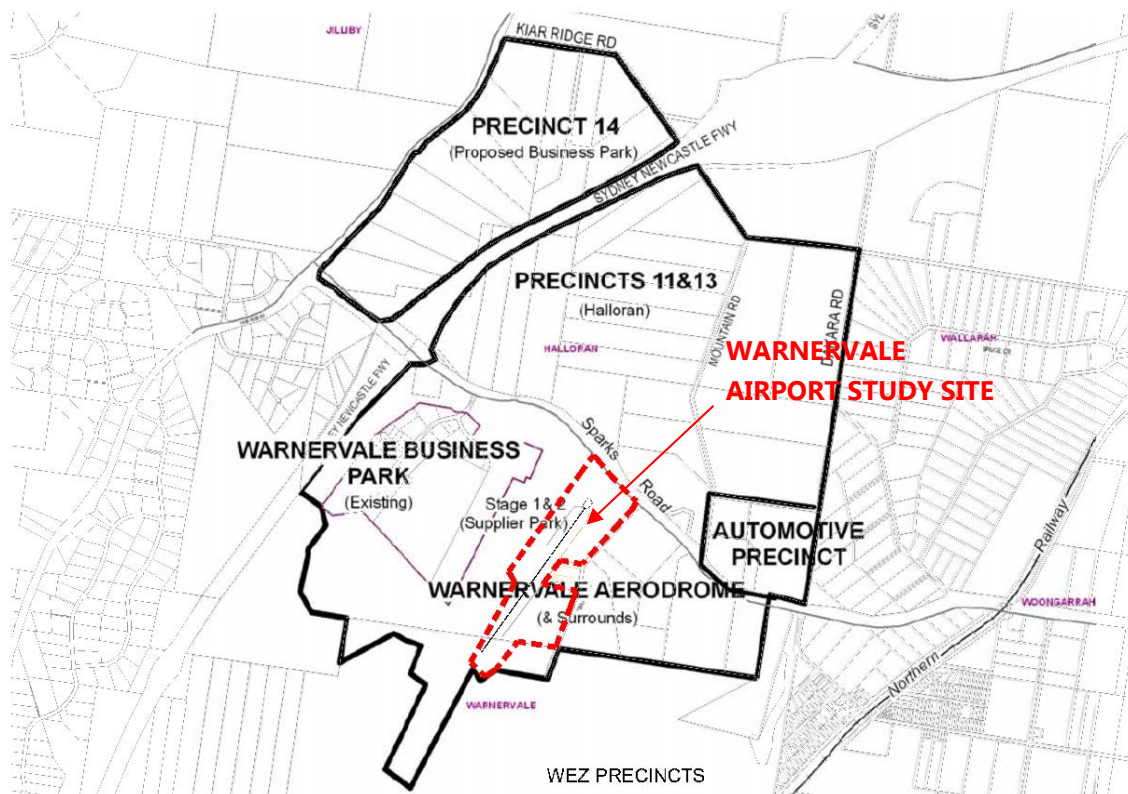


Figure 1 ~ Extract (Fig 1.1) from the WEZ State Significant Site Study with an outline of the Warnervale Airport subject land.

The Warnervale Airport is hereinafter referred to as the ‘study site’ and is outlined by a red dashed line on relevant maps and plans.

3 Background

The Warnervale Airport site is located in the northwest of the Wyong Shire within the WEZ. The WEZ covers an area of 744 hectares and includes the existing Warnervale Business Park and the Warnervale Airport both of which are located on the southern side of Sparks Road.

At present, the Warnervale Airport is operated by the Central Coast Aero Club (CCAC) on land leased from Wyong Shire Council (WSC) until the current lease expires on 30 August 2021.

The airport site commenced construction in 1972 with aircraft land at the site in 1973. Some years later (1977) the State Government’s Structure Plan for the Gosford-Wyong area designated the facility as a regional airport for general aviation, commuter operations and airport related industry. Despite being identified as a regional airport the site has never developed to that level of operation and despite community fears, was never intended to cater for large aircraft such as a Boeing 737.

At the time, a regional airport was seen to be an important catalyst for the potential economic growth of the region. The economic benefits were not from the flying operations but from the airport related industry that would be attracted to the area. During the 1990s the intent to develop a regional airport was scuttled by the State Government which imposed severe operational constraints on the airport site. The key component upon which those restrictions were based was the proposal to increase the length of the runway to enable the regional airport designation upgrade.

Background

The current airport utilises a 970 metre runway of variable width between 7 and 9 metres. The runway is constrained by its pavement design and the topography to the north which imposes development height restrictions. The adjoining Central Coast Aeroclub (CCA) site currently contains improvements including hangars, club rooms and carparking. Power lines and trees on Sparks Road restrict the actual operational runway length to something less than the full 970m runway.

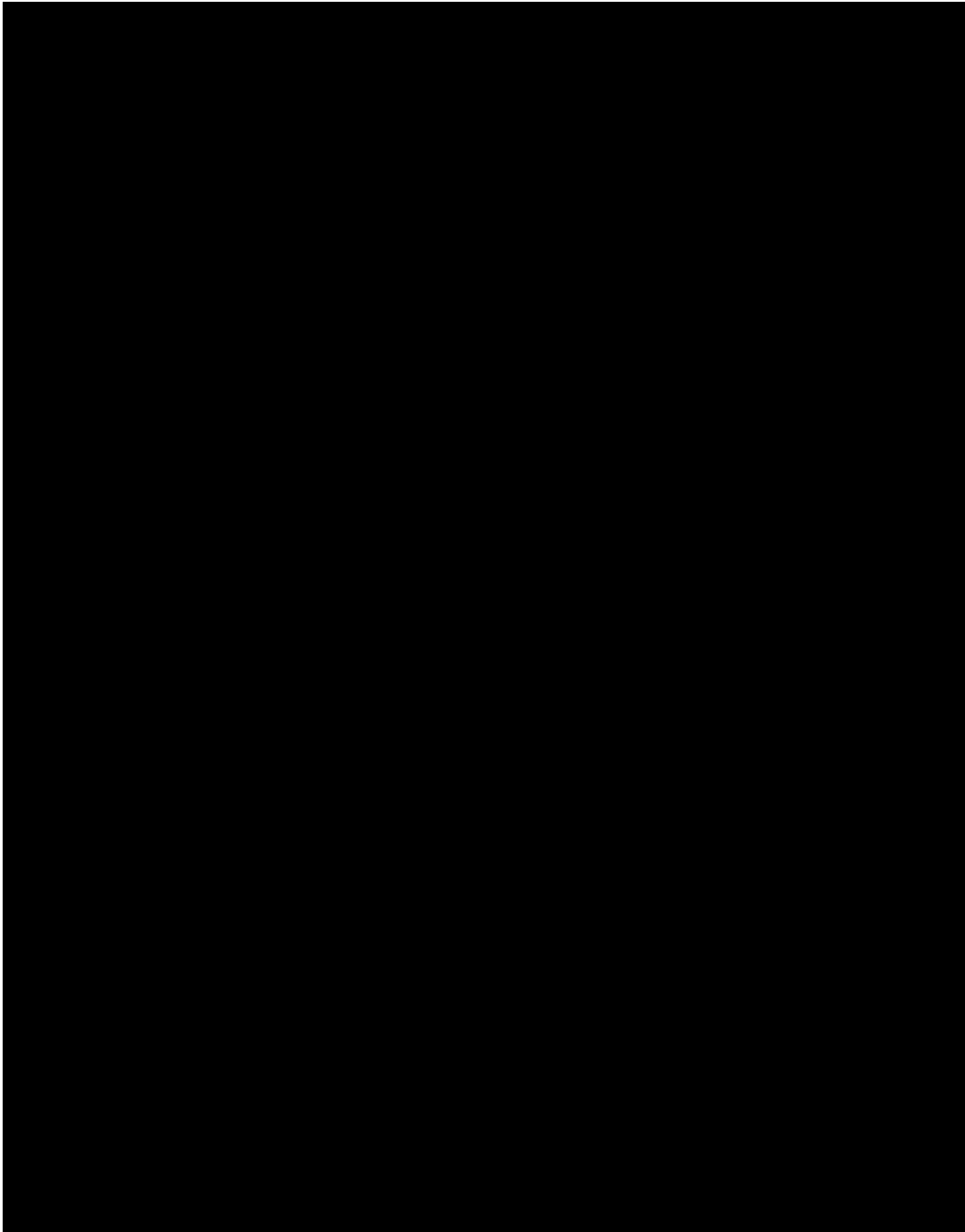


Figure 2 ~ Warnervale Airport Redevelopment - Airplan ©1994

Whilst an upgrade to a 1200 metre runway was approved by the then Minister, a subsequent member's bill resulted in the restrictive Warnervale Airport (Restrictions) Act 1996 (WAR Act). This Act severely restricts development of the airport and effectively ensured that a new 1,200 metre or longer runway would never be economically viable. Specifically, the WAR Act imposed restrictions on

Background

landings and take-offs conducted per day. Current operations at the airport exceed the limit passed by the legislation.

When the WAR Act was implemented, it was clear to Council that the State Government was opposed to any new runway at Warnervale Airport let alone an upgrade on the scale of that shown in XFigure 2. With consideration that any future government would be unlikely to reverse that stance, Council determined there was little point in tying up such a strategic landholding for something that would never happen. In February 2003, Council resolved to proceed with investigations to rezone and develop land on the western side of the existing runway for industrial purposes. That development is now known as the Warnervale Business Park.

State Significant Site

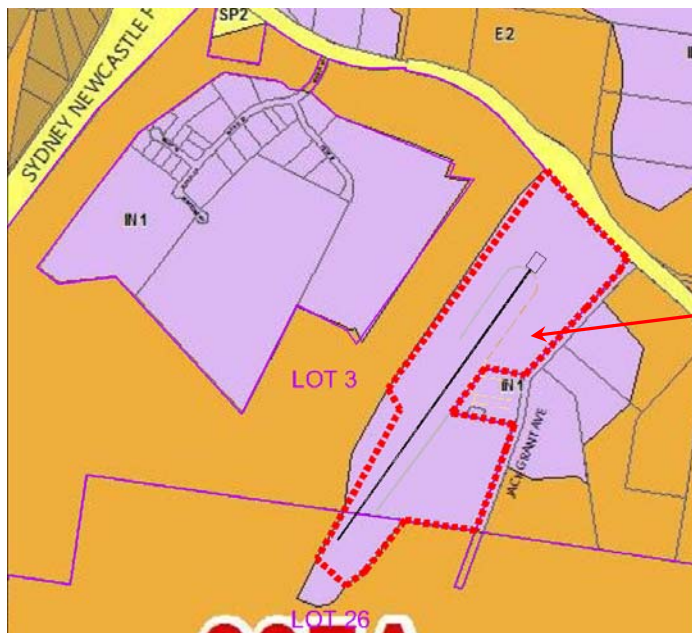
The Wyong Employment Zone (WEZ) was determined to be a State Significant Site (SSS). An application for the WEZ development was subsequently approved under State Environmental Planning Policy (Major Projects) 2005 (SEPP), Amendment No 21 – “Warnervale Employment Zone”. That amendment was gazetted on 7 November 2008. As a SSS, inclusion in the SEPP then took precedence over the Wyong Local Environmental Plan 1991 (LEP) whereby the LEP land use zonings were replaced with new SEPP zones.

As a result of the SEPP determination, the study site has two land use zones being:

- IN1 – General Industrial, and
- E1 – Environmental

The two zones provide some opportunities but overall impose significant constraints to development of WSC owned land. Rezoning of the study site to a land use zone considered to offer greater development potential is possible however any such proposal will at the very least, require a submission to be made during the exhibition period of the dLEP. An alternative land use zone to IN1 may provide WSC with the opportunity to increase the development types permissible.

In January 2013, WSC placed the Draft Wyong Local Environmental Plan 2012 (dLEP) on exhibition. The dLEP Land Use Zoning Map (LZN_007A) for the site proposes to change the SEPP zone boundaries that were applied after the SSS development application. This is shown in XFigure 3 below. The study site



boundary shown as dashed red line currently follows the SEPP zone boundaries. If the dLEP mapping is gazetted as shown, it will increase the available IN1 zoned land for development purposes.

WARNERVALE AIRPORT STUDY SITE

Figure 3 ~ Draft Wyong Local Environmental Plan Land Use Plan overlay

Background

Subdivision

The study site lot was created by an approved subdivision for the adjoining Warnervale Business Park (refer to Section X2, XFigure 1). The subdivision (DA/3130/2004) was inclusive of the airport lands in a single interim residual lot (Lot 3 in DP 1007500).

The approved subdivision (to date) has resulted in significant constraints to the study site. The development approval was for two staged subdivision as shown in the following figures (XFigure 4 and XFigure 5). The approval (DA/3130/2004/A) was determined on 30 November 2009 as:

- Stage 1:** Lots 1 & 2 as the industrial zoned lots.
Lot 3 acts as the interim residue parcel
- Stage 2:** Lot 3 as Conservation area
Lot 4 as Environmental Zoned Residue Parcel
Lot 5 as Industrial Zoned Residue Parcel

The interim residue parcel (Lot 3) was intended for future stages of this subdivision.

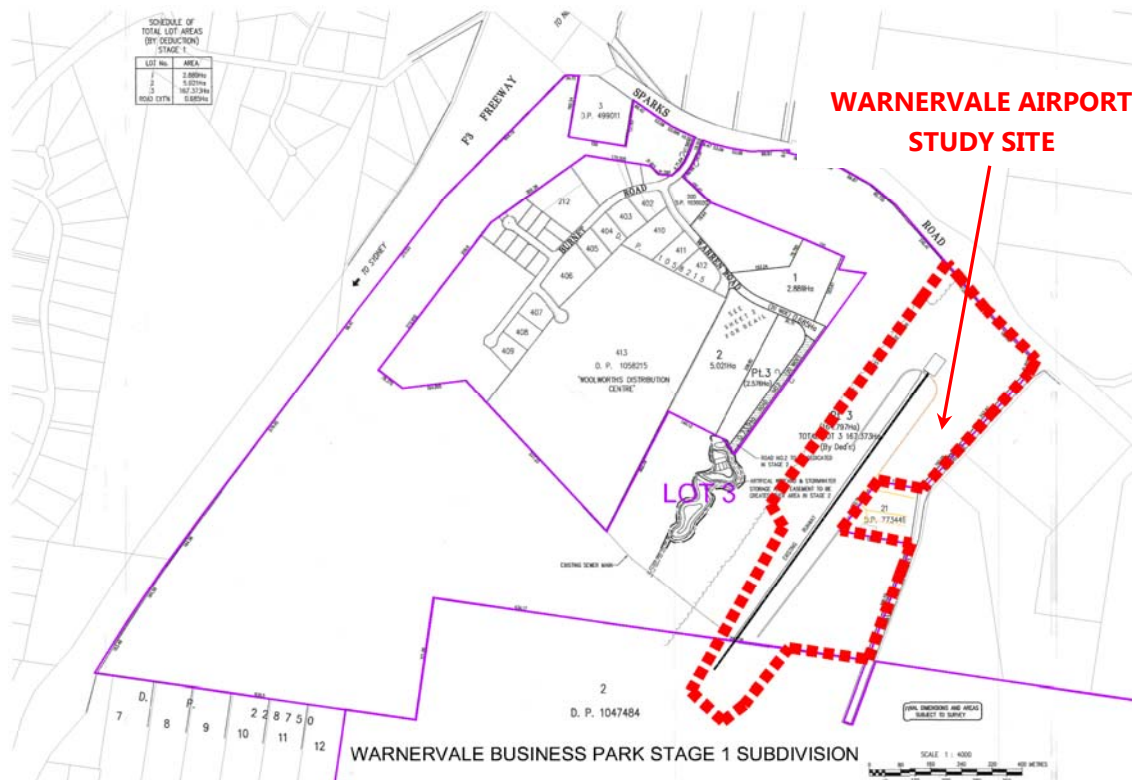


Figure 4 ~ Approved Stage 1 Subdivision layout

Background

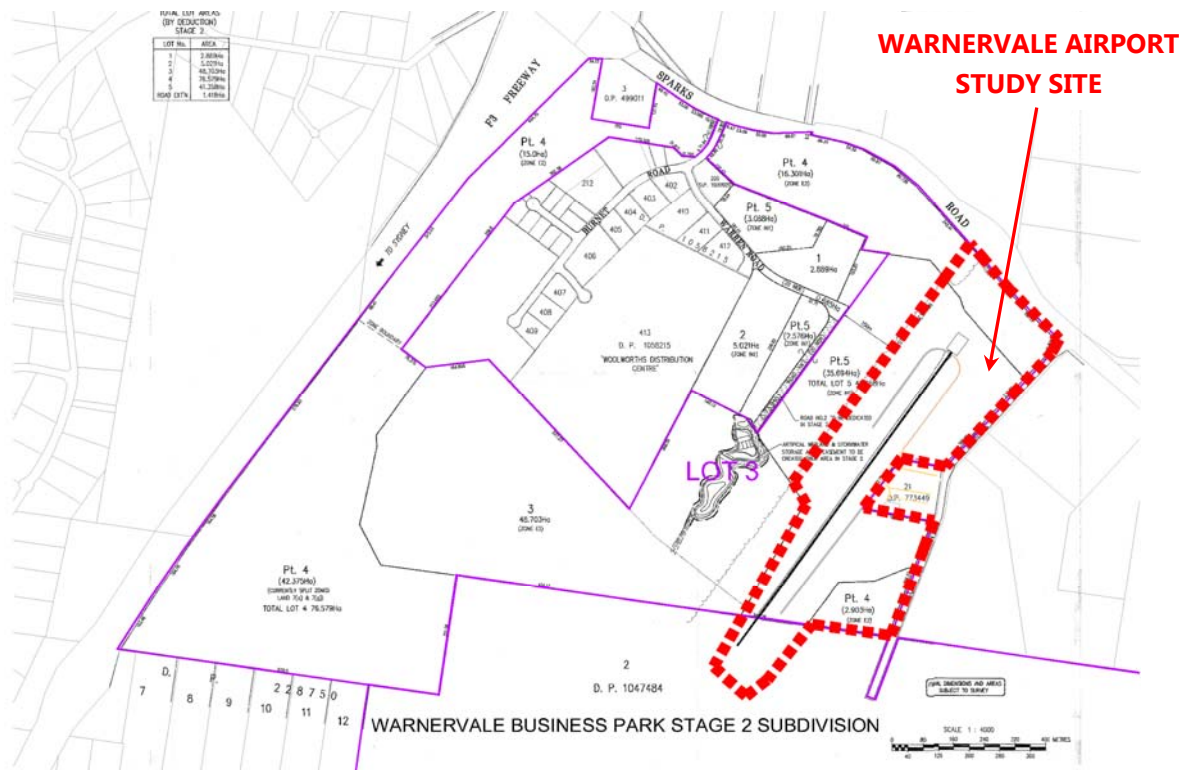


Figure 5 ~ Approved Stage 2 Subdivision layout

A recent amendment to the subdivision has resulted in the creation of a 15 hectare superlot as shown in XFigure 6. In November 2012, WSC formally approved the sale of the superlot (15.7 hectares of land) to the Australian Chinese Theme Park Pty Ltd (ACTP) for ██████████, for the purpose of constructing a \$500 million Theme Park.

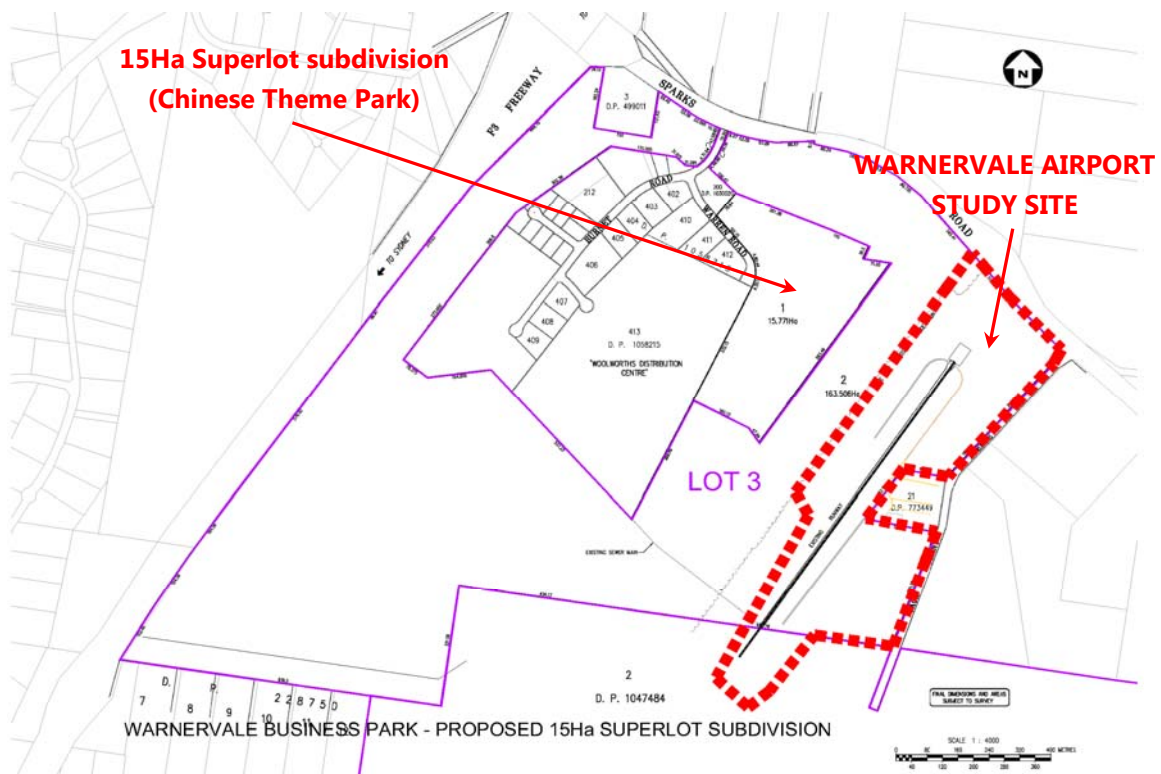


Figure 6 ~ Proposed subdivision to create 15Ha super lot

Background

Unfortunately the sale is considered contrary to the intent of the WEZ Structure Plan (XFigure 7) by removing both Collector Roads linking the airport site to the west. The two collector roads are shown in XFigure 7 as thick green lines. As a result, Jack Grant Avenue will be the only access point into the study site.



Figure 7 ~ SSS Structure Plan showing road connectivity to the Warnervale Business Park.

Source: WEZ State Significant Site Study Structure Plan 2008 (Part)

For the existing airport operations the single access may be adequate, but for a potential industrial development site of this size any increase in traffic movement may become a significant constraint.

The Business Case

The effect of removing the two Collector Roads crossing the aerodrome is discussed in Section X7.7 XSummary of the report.

4 The Business Case

4.1 Purpose of the Business Case

The purpose of this Business Case is to present the findings of the Wyong Shire Council Strategic Plan 2012-2016, 1 year Annual Plan Actions 2012/13 to:

- Make submissions and recommendations to Council on development opportunities in order to leverage Councils financial position for Warnervale Airport.

4.2 Site Details

The site is identified as Warnervale Airport, 150-190 Sparks Road, Warnervale. The following information has been identified and considered in this assessment.

Study Site Area:	34.79 Hectares (31.9Ha in Lot 3, 2.89Ha in Lot 26)	
Property	WSC ID: 356881	
Description:	Parcel Desc.:	Lot 3 in DP 1007500
	Address:	Warnervale Airport, 150-190 Sparks Road, WARNERVALE NSW 2259
	Owner/s:	Wyong Shire Council
	AREA:	188.6Ha (Study Site portion – 31.9Ha)
	Acquisition/Purchase:	Purchase value has not been accurately ascertained. For the purposes of this review, the 2000 Book Value has been adopted. This property, originally 13 parcels, was acquired by WSC over a 30 year period.
	Rateable Valuations:	
	2012-13 Rateable Value -	██████████
	WSC ID:	356881
	Parcel Desc.:	Part Lot 26 in DP 1159349
	Address:	Warnervale Federation Park, 30 Jack Grant Avenue, WARNERVALE NSW 2259
	Owner/s:	Wyong Shire Council
	AREA:	455.7Ha
	Rateable Valuations:	
	2012-13 Rateable Value -	██████████
Improvements:	970m AC paved runway	

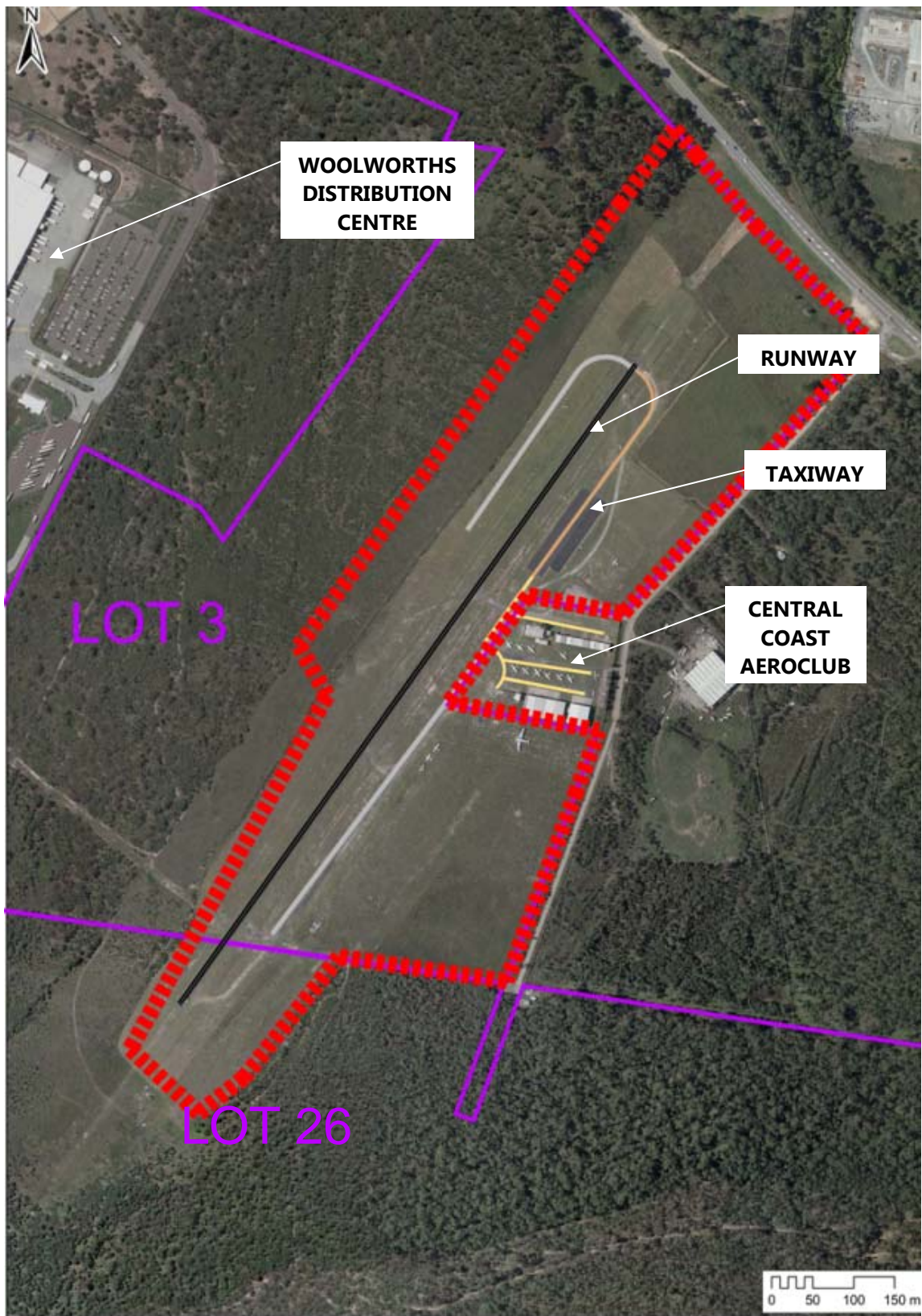


Figure 8 ~ Aerial photograph of the Warnervale Airport

Case for change

Opportunity

The existing Licence with the Central Coast Aeroclub expires in 2021. Whilst there is the option for WSC to terminate the licence beforehand, the impending expiration provides WSC with the opportunity now to assess the existing use against alternative land uses.

It should be noted that in the event that Council decides that the best use of the site is as an airport, the existing runway may not meet current standards. CASA has recently defined takeoff and landing distances required for Light Jet aircraft. As a result, some aircraft may no longer be able to land at Warnervale.

6.2 Priority Assessment

Development of any of the options outlined in this report may require 2-3 years of preparation including associated supporting studies. Therefore a decision for the long term use of the Warnervale Airport land should be made by 2018.

6.3 Benefits Assessment

A benefits assessment has been undertaken for each option considered. These are listed in Section X7 XOptions Analysis.

6.4 Stakeholder Engagement

Should Council proceed with cessation of aviation activities at the study site, the major stakeholders should include the following:

- Central Coast Aeroclub Limited,
- RMS
- NSW Department of Planning and Infrastructure,
- NSW Office of Environment and Heritage

No external consultation has been undertaken for this assessment.

6.5 Strategic Alignment

The Wyong Shire Council Strategic Plan 2012-2016 determined that WSC should re-evaluate the current use of the Warnervale Airport and identify best use of the land. Therefore the actions taken to address the plan are considered to be consistent with WSC's strategic direction.

Any development of the study site is considered to support and promote development of the WEZ. Realisation of the WEZ is the implementation of strategies that promote the creation of the 6,000 jobs in the region.

6.6 Source of Funding

If development of the study site by WSC was to proceed, WSC would be required to allocate funds and resources to the project. Funding sources would include General Funds, loans, or a Joint Venture.

6.6.1 Cost Estimates

(a) Minimum funding requirements summary

Costs are discussed further in this document but summarised in XAppendix D – Financial Review of Options.

(b) Cost breakdown

Cost breakdowns have been provided for each of the options discussed in Section X7.

(c) Cash flow

Cash flows have been provided for each of the options discussed in Section X7.

(d) Operation and maintenance cost

Maintenance costs will depend upon the options outlined in this business case.

7 Options Analysis

7.1 Options Considered

The options reviewed in this report are based on the existing identified constraints that affect the Study Site. The options are outlined with supporting information to evaluate and determine a recommended course of action. The original purchase cost of the study site is adopted from WSC's 2000 Book Value m² rate as applied to the study site which resulted in a figure of [REDACTED] for the Warnervale Airport land.

Option 1 – Do Nothing

Maintain the 'status quo' for the site. Renew the existing licence to the Central Coast Aeroclub in 2021.

- **Costs;**
 - No development costs incurred by WSC,
 - ongoing asset management costs incurred by WSC (around [REDACTED]p.a)

Option 2 – Upgrade the Warnervale Airport

Upgrade the runway to cope with the new CASA regulations to enable the airport capacity to be increased. In 2011, Edwards Aviation suggested the following three options to upgrade the runway:

- 18m wide by 1300m long - this will permit light jets back to operate,
- 23m wide by 1600m long – this length will permit larger private jets to operate at the airport,
- 30m wide by 1600m long – this length will permit regional turbo prop airliners such as Qantas link Dash-8 and Rex Saab 340 aircraft,
- **Costs;**
 - Likely challenge to WAR Act – Council staff resources,

Options Analysis

- Construction Costs – at minimum and based on replacement pavement, cost of ██████ assuming the existing runway sub-grade is in suitable condition, the total cost of an upgrade is ██████ for a 1300m runway,
- Development costs incurred by WSC,
- Ongoing asset management costs incurred by WSC

Option 3 – Sell the Warnervale Airport site

In February 2010, WSC engaged the services of Robertson and Robertson Consulting Valuers (RRC) to determine the value of the Warnervale Airport land. Two valuation methods were used; Direct Comparison Method, and Residual Method. RRC adopted a value of ██████ (at ██████), for the Warnervale Airport land.

In November 2012, RRC prepared a valuation for an adjoining 15 hectares of WSC owned land. The 2012 valuation suggested that the land value would be in the vicinity of ██████, equating to ██████ for the airport land.

Refer to XAppendix F – Valuation Reports to review the valuation reports.

- **Costs;**
 - No development costs incurred by WSC,
 - Legal & agent fees for disposal of land,

Option 4 – Subdivision of the Warnervale Airport site

The development opportunities identified and assessed in Option 4 are compared with the overall cost to Council and assumes that Council resolves to cease airport operations at the site.

Five development options have been prepared for the site and are presented and assessed in Section X7.2. It should be noted that these designs are Preliminary Masterplan layouts only and would be subject to further studies and site design.

- **Layout 1** – RRC considered subdivision of WSC's land and recommended a four lot subdivision in April 2010. An indicative layout was not provided. In the RRC advice it was stated that:

"... a more optimum use for the site, may be the development of a lower yield (larger lot) estate. ... a cash flow exercise, based upon the development of a 4 lot subdivision... would cater for large end users, such as multi-nationals, together with two smaller lot users. "

The estimated 4 lots were as follows:

- Lot 1 - 18,000 sq.m.
- Lot 2 - 43,800 sq.m.
- Lot 3 - 122,000 sq.m.
- Lot 4 - 90,980 sq.m.



- **Layout 4** – potential layout of the airport site providing up to 112 industrial lots delivered in two stages. This is a preliminary layout and subject to survey and other site studies. The two stage approach is likely to have sub-stages during the construction process ie.Stage 1a, 1b,1c...

Key elements of the design are:

- Warnervale Airport may continue operation until Stage 2 of the subdivision occurs;
- Stage 1 layout provides 26 lots;
- Stage 2 layout provides 86 lots;
- Lots range is size from 2000m² to 13,665m²;
- Large lots to the Sparks Road frontage for maximum exposure;

Stage 2 would proceed when Council determines the closure of the site as Warnervale Airport.

- **Layout 5** – potential layout of the airport site providing up to 30 industrial lots delivered in multiple stages. This is a preliminary layout and subject to survey and other site studies.

Key elements of the design are:

- Warnervale Airport has ceased operation;
- Subdivision layout provides 30 lots;
- Lots range is size from 2,937m² to 66,329m² (allowance for bulky goods warehouse development);
- Assumes a Business Park style development
- Large lots to the Sparks Road frontage for maximum exposure;
- Potential slip lane off Sparks Road (subject to RMS approval);

- **Costs;**

- Potential challenge to WAR Act,
 - Professional consultant fees – planning, design, engineering,
 - Legal and administration costs,
 - Development costs,
 - Construction Costs (if WSC undertakes the development construction),
 - ongoing asset management costs incurred by WSC
-

7.2 Comparison of Options

Criteria	Option 1 Do Nothing	Option 2 Upgrade the Warnervale Airport	Option 3 Sell the Warnervale Airport site	Option 4 Subdivision of the Warnervale Airport site (Summary)
Benefits:	WSC is not burdened by development costs.	Warnervale Airport could cater for larger aircraft and thus provide a more accessible transport option for the Central Coast community.	Revenue from sale of Study Site anticipated between █████ and █████ (RRC valuations).	Opportunity to increase capital value
	WSC owns the Study Site – no acquisition costs.	Indirect benefits to Wyong Shire through related industries, employment, and tourism.	No ongoing management costs.	Potential to develop an ongoing revenue stream to WSC.
	Central Coast aviation community is provided with airfield.	WSC owns the Study Site – no acquisition costs.	Excellent ROI	Provides possible future option and control of key WEZ location
		Increase in revenue to WSC from potential increase in fees and charges from aircraft.		'Kick-start' to key gateway of the WEZ development.
		Current leaseholder willing to stay on – providing ongoing revenue		Site development potential maximised
				Increased employment opportunities
				Removal of OLS restrictions (assuming closure of airport)
				WSC owns the Study Site – no acquisition costs.
				Potential to maintain Warnervale Airport operations for a limited time.

Criteria	Option 1 <i>Do Nothing</i>	Option 2 <i>Upgrade the Warnervale Airport</i>	Option 3 <i>Sell the Warnervale Airport site</i>	Option 4 <i>Subdivision of the Warnervale Airport site (Summary)</i>
Disbenefits:	Potential catalyst to WEZ development lost	WSC resourcing to manage upgrades.	Investment potential not realised	Greater risk to WSC (as developer)
	Employment stays at current rates	Other capital projects deferred due to reallocation of budget	Loss of potential ongoing revenue stream to WSC.	Funding required – WSC unlikely to self fund.
	Investment potential not realised	Legal costs to challenge WAR Act and remove runway restrictions.	Potential catalyst to WEZ development lost	Likely loss of airport asset to the Central Coast aviation community.
	Surrounding land is affected by OLS constraining development.	Construction costs	Likely loss of airport asset to the Central Coast aviation community.	WSC resourcing to project manage.
		Investment potential not realised		Construction costs
		Surrounding land is affected by OLS constraining development.		Slow sales - potential maintenance costs due to economic market.
		Potential additional maintenance costs incurred by Council depending upon lease agreements.		
Costs: <i>(estimated)</i>	Ongoing Asset Management Costs ██████████ p.a. (approx.)	Ongoing Asset Management Costs are likely to increase from ██████████ p.a. (approx.) depending upon extent of upgrades	Legal fees, conveyance costs around 3% of sale value.	From ██████████
Est. Project Duration	<i>Ongoing</i>	<i>Ongoing</i>	1yr	2 - 4yrs (depending upon layout selected in Option 4)
Gross Realisation	<i>Nil</i>	<i>Undetermined</i>	<i>Estimated between</i> ██████████	██████████
Risks:	<i>Nil</i>	o Difficult to ascertain benefits to	Anticipated risks that may affect WSC:	Anticipated risks that may affect WSC:

Criteria	Option 1 Do Nothing	Option 2 Upgrade the Warnervale Airport	Option 3 Sell the Warnervale Airport site	Option 4 Subdivision of the Warnervale Airport site (Summary)
		Central Coast Community. <ul style="list-style-type: none"> o Upgrades not fully utilised – Airport specific research required, o Funding sources to be identified, 	<ul style="list-style-type: none"> o Potential political issue o RRC valuation not applicable in current market place. 	<ul style="list-style-type: none"> o Assumes that site can be developed separately to WEZ as additional stage to the Warner Business Park, o WEZ is deemed undevelopable by market and suffers a similar fate to the Hunter Economic Zone (HEZ) o Funding cannot be sourced. o Potential for capital gains to not be achieved, poor ROI. o Poor market conditions continue, o Stage 2 Detailed Site Assessment identifies extensive site contamination o Protracted negotiations with RMS – Jack Grant Ave intersection upgrade o Assumes that alternative arrangements for stormwater management can be established in the absence of the Porters Creek Harvesting Scheme.
Stakeholder Impact:	<i>Nil</i>	WSC required to resource project and source funding	Central Coast Aeroclub will need to relocate.	WSC required to source funding Long term, Central Coast Aeroclub will need to relocate.
Issues:	Assumes that proposed Wye Regional Airport proposal will not adversely affect this site.	<i>Nil</i>	Political issue	<ul style="list-style-type: none"> o 20m Landscape buffer to Sparks Road, o Access issues – Loss of Burnett Road access due to 2012 sale of adjoining 15Ha . o Stormwater management, o Flooding/fill

Options Analysis

7.3 Assumptions & Adopted Rates

- 1) Site area is adopted at 35 hectares;
- 2) WSC Administration overheads are not included;
- 3) Nominal allowance for 8,000m² vegetation on site;
- 4) Value of Site per square metre @ [REDACTED];
- 5) Gross Development Value (GDV) averaged @ [REDACTED] and based on market evidence*. GDV is applied across the board without consideration to variations due to lot size or potential development type. *(Robertson & Robertson Consulting Valuer's, Warren Road advice dated November 2012);
- 6) NDA is 245,233.8m²;
- 7) Typical 30% allowance for infrastructure;
- 8) Net Present Value has not been used to calculate returns.
- 9) Sale value based on NDA at market sale rate;
- 10) Purchase Value - [REDACTED] (based on WSC Book Value for Lot 3, in 2000 and applied as sq.metre rate);
- 11) Draft S94 Contributions charges applied at total [REDACTED] per NDA, not on a per lot basis;
- 12) SIC contributions applied at total [REDACTED] per NDA, not on a per lot basis;
- 13) Layouts prepared are preliminary designs only based on hypothetical concepts for the purpose of this analysis and subject to future environmental studies, survey, and design;
- 14) No allowance for WSC retaining part or whole of subdivision options, nor calculation of future rental yields;
- 15) Construction rates based on known development costs, Rawlinson's Cost Guide, and nominal allowances;
- 16) Assumed upgrade to Jack Grant Drive for approximately 900 metres length;
- 17) Land holding costs have not been considered;
- 18) [REDACTED];
- 19) Feasibility analysis provided in *XAppendix D – Financial Review of Options* is based on high level calculations and does not include:
 - Discounted Cash Flows
 - IRR,
 - Direct Comparison, or
 - Residual Land Value techniques;
- 20) Assumed that the minimum 5,000m² lot size is to be reduced to 2,000m²;
- 21) No allowance for building envelopes, setbacks, etc...;
- 22) Allowance for the Porters Creek Stormwater Harvesting and Reuse Project is limited to the contribution amount noted in the draft S94 Contribution Plan. The feasibility analysis includes nominal amounts for construction of stormwater infrastructure on a per lot basis;
- 23) No external consultation has been undertaken with RMS, CASA, or external service providers;

7.4 Recommended Option

The study site is a key gateway location to the Wyong Shire and provides WSC with excellent opportunities to increase revenue to Council.

[REDACTED]

7.5 Evaluation Criteria

The following evaluation is a review of the essential criteria against which each of the options is measured. The evaluation criteria of the adopted project, should council proceed with any of the Options 2 – 4 would be expected to follow these criteria.

Evaluation Criteria	Significance Score 3 – High 2 - Med 1 – Low	Comments
ROI	3	Greatest return on Council investment
Development Timeframe	2	Shortest timeframe for fast project turnaround
Ongoing income stream	2	Potential to provide ongoing revenue to Council.
Capital growth rates	1	Capital growth currently around 1.76% returns on investments. Growth needs to be higher for good rate of return.

In this business case, ROI is deemed to be of highest significance to WSC and therefore has been assigned a Significance Score of 3. Other elements have been evaluated accordingly.

The Evaluation Criteria matrix below provides a summarised comparison of the options presented in this document. The *Significance Score* is adopted from the previous table. The *Rating* is the author's evaluation of the relevant Option using the figures (in blue) below and evaluated against the *Significance Score* and *Criteria*. *Score* is achieved by multiplying the *Significance Score* by the *Rating*. The *Total* is the sum of the *Score* above. The higher the *Total Score* the more the Option meets the Evaluation Criteria.

Options Analysis

Evaluation Criteria	Significance Score	Option 1		Option 2		Option 3		Option 4	
		Rating	Score*	Rating	Score*	Rating	Score*	Rating	Score*
ROI	3	1	3	1	3	3	9	3	9
Development Timeframe	2	2	4	2	4	2	4	1	2
Ongoing income stream	2	1	2	1	2	1	2	3	6
Capital growth rates	1	1	1	1	1	1	1	2	2
Total <i>(Sum of Significance Score)</i>			10		10		16		19

*Score = Significance Score x Rating Score

Rating Score against evaluation criteria

3 = Excellent

2 = Moderate

1 = Poor

Note: The higher the score, the higher scoring the proposal.



7.6 Planning Matters - Environment and Legislation

Under the current Land Use Zones of the State Environmental Planning Policy (Major Developments) 2005 (SEPP), development is limited in the IN1 – General Industrial zone to permissible uses listed in Clause 7(2). The E2 zone which essentially comprises all the land that surrounds the airport severely restricts development. In the event that the study site is developed, there may be potential to mount an argument to locate roads and stormwater infrastructure on the E2 land provided that lots can be created with dual zoning.

Whilst a minor matter, it should be noted that Clause 10 restricts the establishment of shops and child care facilities in IN1 zones. This may have some bearing depending upon the type of development proposed for the study site. For instance, any upgrade to the airport may be restricted from developing shops, or a business park development may be required to look at definitions of development prior to lodging an application.

Clause 15 restricts development on both the study site and surrounding land. The Warnervale Airport requires height limitations to restrict buildings from coming into conflict with aircraft operations. An Obstacle Limitations Surface map (OLS) provides potential land developers with maximum height controls to which all built elements must adhere. Any development adjacent to the airfield is required to ensure appropriate acoustic controls are installed. Of course, upon the determination of Council to cease airport operations at the study site, the OLS limitations can be removed from the site permitting taller development.

The Draft Wyong Employment Zone Development Control Plan No. 88 (dDCP) is yet to be completed by WSC. At this point in time DCP is considered to be a 'development standard' as defined in the Environmental Planning and Assessment Act 1979. If this definition can be argued, Clause 25 may provide development with an exception to the SEPP.

Development within the WEZ is subject to preparation of a DCP. Clause 22 requires preparation of a DCP prior to any development consent being issued within the WEZ. This has some bearing on whether development of the study site proceeds as an extension to the existing consent (DA/3130/2004). However, Clause 22 does not specifically state that a DCP shall be adopted, only that it shall be prepared. In this instance, a DCP has been prepared and it is likely that development could proceed providing that the provisions in the draft DCP are addressed by any development.

The dDCP currently requires development lots within the study site to be a minimum size of 5,000m² but is likely to be reduced to 2,000m². The smaller lot size will provide more opportunity to increase development yields and/or the lot breakup.

With regard to the ongoing operations of the Warnervale Airport, Clause 26 specifically provides for the ongoing operation of the airport. However, it does not prescribe that the airport should be preserved; only that certain development constraints exist whilst the airport exists. Therefore if the current use for an airport were to cease, there are no ongoing requirements to reserve the study site for airport operations. In the context of development costs, Clause 27 establishes design criteria for surrounding properties to address acoustic hazards from the airport. The airport therefore increases development costs to surrounding properties. Cessation of airport operations would be beneficial to development of the study site and surrounding properties.

The site is subject to flooding however this in itself is not considered to be a major constraint. Should WSC require flood modelling be provided by an applicant, then the cost of any development may increase substantially due to the costs associated with flood models.

Overall, there are no environmental or legislative constraints that are considered insurmountable to development of the study site.

7.7 Summary

The Warnervale Airport has significant political implications for any Council seeking to close the airport. The airport has been part of the Central Coast landscape since the early 1970s although its actual value to the community is difficult to ascertain. However, in the path of future population growth and its actual social and economic benefit to the community undetermined, the airport's future is now in the community spotlight.

WSC identified the site for potential development prior to the State Significant Site application. A key redevelopment factor is the rezoning that occurred as a result of the SEPP approval. Although the SEPP provides for ongoing operation of the airport, it also enables industrial redevelopment of the site. The draft Wyong Employment Zone Development Control Plan No. 88 similarly makes provision for ongoing operation of the airport whilst establishing base development guidelines.

In the context of this business case, the issue for Council is to determine one of four future directions for the Warnervale Airport site, those being:

1. Maintain the Warnervale Airport 'as is',
2. Upgrade the Warnervale Airport,

3. Sell the Warnervale Airport land, or
4. Develop the Warnervale Airport land, and subsequently sell and/or retain the subdivided parcels,

The redevelopment options (or otherwise) available to WSC for the study site are not limited to those presented in this document. Key redevelopment factors to consider are land use zoning, developer contributions under Section 94, Special Infrastructure Contributions, access, and environmental concerns. Additionally, the Porters Creek catchment Integrated Water Cycle Management (IWCM) scheme is likely to restrict overall development in the WEZ to 50% of NDA before the IWCM is required to be constructed.

Redevelopment may be approached in one of two ways. It may be possible to undertake subdivision of the Study Site as another stage of the approved subdivision (DA/3130/2004). If accepted by the consent authority, this approach would bypass a number of steps otherwise required were a new Development Application required. The current development consent that created Lot 3 is separate from the WEZ SSS approval and may provide a less rigorous subdivision process. A new Development Application may be subject to constraints that affect the WEZ.

In total five options were considered in this business case, all developed following extensive background research for the study site. Another option considered but not included in this document, was for an Airpark style residential estate. An airpark could be developed with the intent that the runway would become common property to the estate. However, research indicated that airpark style developments in Australia have a poor track record with many yet to achieve full occupancy ten years after construction. As such airpark redevelopment was not fully assessed and is not considered viable.

In total this report includes six options which were evaluated on the premise of maximising revenue to WSC. The results are summarised below and a feasibility summary of each is provided in XAppendix D – Financial Review of Options:

Option 1 (or “Do Nothing Option”)

This option is available to Council if funding is limited or the risk considered too great. The airport will continue to be a financial liability to WSC until such time the site is developed or disposed.

Option 2

Upgrade of the Warnervale Airport is not considered to be a viable option. The costs are prohibitive and significant efforts to lure associated businesses to the airport would be required.

Whilst entities such as Edwards Aviation suggest that an upgrade would result in an increase of the usability of the airport, Edwards also admitted that the Warnervale site has specific constraints. These include difficult landing during inclement weather to the extent that Edwards will not land at Warnervale.

The other issue to be considered is the Warnervale Airport (Restriction) Act. This Act was specifically designed to restrict the future use of the Warnervale Airport and to prevent upgrades. Prior to the ascension of the Act, Council sought approval for upgrades to the airport which

included an additional runway. A challenge to the Act is required in order to allow progression of any upgrade proposal.

Option 3

Based on the Options provided in this report, **Option 3 – Disposal of land** provides the highest Return on Investment (ROI) at minimal cost to WSC. However, this would be at the sacrifice of any potential ongoing revenue streams to WSC and relies upon the accuracy of the Robertson and Robertson valuations of between ██████ to ██████. In the current market there is no guarantee that the higher valuation could be achieved.

The Evaluation matrix indicated that Option 3 is second in addressing the evaluation criteria.

Sale of the Warnervale Airport site offers the path of least resistance and is relatively straight forward. The ROI figure is substantial with consideration to WSC's original acquisition of the property (Net Present Value has been excluded from calculations). Capitalisation of costs is considered to be included in the 2000 Book Value. Hence, outright sale of the site would have least impact on WSC resources.

Option 4

Development of the Warnervale Airport will be the most complex and costly option to consider. Funding to redevelop the site is required although it may be an option for WSC to undertake subdivision approvals and dispose of the property on a wholesale basis. Without specific reference to the Layouts presented under Option 4, a generalised outline of the subdivision process will require the following steps:

1. Council determine cessation of the site as an airport,
2. Environmental studies - Review of existing studies, and undertaking additional studies to fill in data gaps or update existing studies,
3. Design – undertake detailed subdivision and engineering design,
4. Consultation with other agencies – ie RMS,
5. Development Application and associated certificates,
6. Construction,
7. Marketing,

Option 4 is the most costly and represents the highest risk to Council, and is likely to take up to four years to dispose of the developed site. Note that Layouts 2 and 3 became obsolete due to the recent sale of the adjoining 15 hectares to the ACTP and have thus been removed from this document.

In making a final decision on the Warnervale Airports future, further market research is recommended to determine what interest there would be in the site based on any of the layouts provided in this report. Identifying potential tenants would also determine the preferred lot breakup.

Options Analysis

A single access point off Sparks Road into Jack Grant Avenue will require substantial negotiations with the RMS. Whilst Layout 5 shows a slip lane to access a service centre style development, the planned upgrade of this intersection by the RMS may cause traffic conflicts and make approval difficult to obtain.

A bulky goods warehouse development may be a suitable development complimented by Business Park style development. Layout 5 is directed at this style. WSC could lease parcels (land only) to interested parties with the tenants responsible for construction.

The key issue in redeveloping the Warnervale Airport land is the current market conditions.

As a footnote to this Summary, Option 4, Layouts 2 and 3 were prepared two months prior to the author's knowledge that the adjoining site was being considered for a Chinese Theme Park. The surprise sale of an adjoining 15Ha by WSC in late 2012 resulted in a review of the whole Warnervale Airport site and the direction of masterplanning. Development of the Chinese Theme Park will sever any future access from the planned extension to Warren Road as shown on the WEZ Structure Plan. The loss of a second access to Sparks Road is detrimental to development of the Warnervale Airport site and contrary to WEZ objectives. Prior to the sale of the 15Ha site, staging of development intended to provide development opportunities on both sides of the runway. This had the potential to develop an Airpark industrial development with the number of industrial lots having direct access to the runway maximised.

References

8 References

Provide a list of all documents and other sources of information referenced in this document.

Document	Trim	Date	Author
Draft S94 Development Contributions Plan – WEZ		Nov 2008	
WEZ Draft DCP		Jan 2008	WSC
WEZ Draft SIC infrastructure plan			
SEPP (Major Development) 2005			
WEZ State Significant site Study		2008	WSC
Wyong LEP 1991		1991	WSC
Biocertification Assessment WTC WEZ Draft			
WEZ Traffic Report	D00711589	Nov 2005	

9 Appendices

Appendix A – Planning & Environmental Review

Review of the Study Site was undertaken and included Legislation, Planning Instruments, and identified environmental constraints. The following table identifies issues and provides comments.

Land Use Zone/s: **State Environmental Planning Policy (Major Developments) 2005**
 The study site is located within the WEZ. Therefore the following land use zones from the SEPP, Schedule 3, Chapter 15 apply to the site.

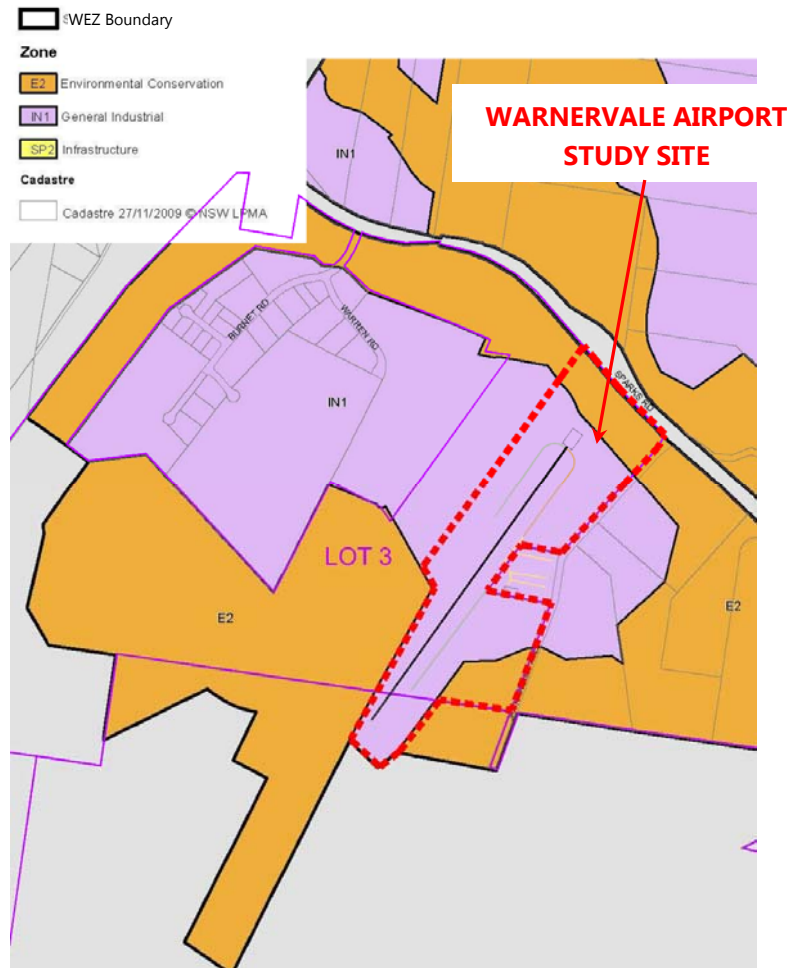


Figure 9 ~ SEPP Land Use Zone map

The SEPP makes provision for the following land uses.

"7 Zone IN1 General Industrial

(2) Development for any of the following purposes is permitted with consent on land within Zone IN1 General Industrial:

- boat repair facilities; child care centres; community facilities; depots; earthworks; environmental protection works; filming; freight transport facilities; helipads; kiosks; light industries; industries; liquid fuel depots; neighbourhood shops; recreation facilities (indoor); roads; transport depots; truck depots; warehouse or distribution centres.*

Comments.

Under IN1 Zoning, development is limited to the uses listed in Cl. 7(2)

Comments.

E2 Zoning severely restricts development. An argument may be mounted to include roads and stormwater infrastructure on E2 land were lots permitted dual zoning.

The E2 strip along Sparks Road is to be IN1 in the dLEP.

"9 Zone E2 Environmental Conservation

(2) Development for any of the following purposes is permitted with consent on land within Zone E2 Environmental Conservation:

environmental facilities; environmental protection works; flood mitigation works; roads; waterbodies (artificial).

(3) Except as otherwise provided by this Policy, development is prohibited on land within Zone E2 Environmental Conservation unless it is permitted by subclause (2)"

Comments

Cl. 10 restricts the establishment of shops and child care facilities.

Under IN1 General Industrial zoning, the permissible land uses '**kiosks, neighbourhood shops, and child care centres**' are restricted land uses as detailed in the SEPP, Clause 10:

"10 Kiosks, neighbourhood shops and child care centres in Zone IN1 General

Industrial

(1) The consent authority must not grant consent to development for the purpose of a kiosk on land within Zone IN1 General Industrial if the gross floor area of the kiosk exceeds 80 square metres.

(2) The consent authority must not grant consent to development for the purpose of a neighbourhood shop on land within Zone IN1 General Industrial if the retail floor area of the neighbourhood shop exceeds 80 square metres.

(3) The consent authority must not grant consent to development for the purpose of a child care centre on land within Zone IN1 General Industrial unless it is satisfied that the child care centre is intended to provide services to people working in the area in which the child care centre is located."

<p><u>Comments</u> Cl. 15 restricts development due to airport operations with height and acoustic limitations.</p>	<p>Clause 15 of the SEPP applies specifically to the Warnervale Airport and states:</p> <p>“15 Additional permitted uses—Warnervale Airport</p> <p>(1) This clause applies to the land identified on the <u>Warnervale Airport Operations Map</u>.</p> <p>(2) Despite any other provision of this Policy, a person may, with development consent, carry out development for the purpose of an airport on land to which this clause applies.</p>
<p><u>Comments</u> A draft Development Control Plan (DCP) has been prepared however is yet to be completed by Council. A key consideration is whether the DCP is considered a ‘development standard’? If it is, then Clause 25 may provide development with an exception to the SEPP. Cl. 22 does not specifically state that a DCP shall be adopted. In this instance, a DCP has been prepared and it is likely that development could proceed providing that the provision of the draft DCP are addressed.</p>	<p>The SEPP, Schedule 3, Chapter 15, Clause 22 requires that a Development Control Plan shall be prepared prior to the granting of consent to any development within the WEZ and stated as follows:</p> <p>“22 Development control plan for Wyong Employment Zone</p> <p>(1) Despite any other provision of this Part, the consent authority must not grant consent to development on land within the Wyong Employment Zone unless a development control plan that provides for the matters specified in subclause (2) has been prepared for the Wyong Employment Zone.</p> <p>(2) The development control plan must provide for all of the following:</p> <ul style="list-style-type: none"> (a) a staging plan for the development, (b) detailed urban design proposals for subdivision, building and landscaping, including subdivision layout, site coverage, floor space ratio, setbacks and signage, (c) proposals for storm water and water quality management controls to achieve environmentally sustainable water quality and quantity, including water sensitive urban design, water re-use and storm water drainage, (d) recommendations for the built form, including energy efficient design and the building materials and finishes to be used, (e) measures to accommodate and ameliorate geotechnical hazards and land contamination, (f) an overall flora and fauna strategy for the protection and enhancement of the natural landscape and its scenic qualities, (g) proposals for public and private transport facilities, including traffic management, car parking, access and the operation of Warnervale Airport, (h) proposals to conserve items and places of Aboriginal heritage significance.

Comments

Cl. 26 specifically provides for the ongoing operation of the airport. However, it does not prescribe that the airport should be preserved, only that certain development constraints exist whilst the airport exists.

Clauses 26 and 27 are specific to the airport Study Site:

“26 Development in the vicinity of Warnervale Airport

(1) The objectives of this clause are:

- (i) to provide for the effective and on-going operation of Warnervale Airport, and
- (j) to ensure that such operation is not compromised by any proposed development.

(2) Development consent must not be granted for the erection on land of a building, the height of which exceeds the obstacle limitation surface height for that land, unless the consent authority is satisfied that the building will not constitute an obstruction or hazard to aircraft flying in the vicinity.

(3) In this clause:

obstacle limitation surface height, for land, means the height of the obstacle limitation surface for that land shown on the Warnervale Airport Obstacle Limitation Surface Map.”

Comments

Cl.27 establishes design criteria for surrounding properties to address acoustic hazards. The airport thereby increases development costs to surrounding properties.

“27 Development in areas subject to airport noise

(1) The objective of this clause is to ensure that development for residential purposes, or for any other purpose involving regular human occupation, on land subject to significant exposure to aircraft noise incorporates appropriate mitigation measures.

(2) This clause applies to land within the Wyong Employment Zone where the ANEF contour exceeds 20.

(3) Development consent is required for the erection of a building on land to which this clause applies if it is erected for residential purposes or for any other purpose involving regular human occupation.

(4) Any such consent must not be granted unless the consent authority is satisfied that measures to mitigate aircraft noise will be taken that accord with section 3 of AS 2021.

(5) For the purpose of this clause, the extent of aircraft noise reduction is to be estimated in accordance with clause 3.2.2 of AS 2021.

(6) In this clause:

ANEF means a relevant Australian Noise Exposure Forecast contour map showing the forecast of aircraft noise levels that is expected to exist in the future produced in accordance with the Guidelines for the Production of Noise Contours for Australian Airports published by Airservices Australia.

AS 2021 means AS 2021—2000, Acoustics—Aircraft noise intrusion—Building siting and construction.

Additional information concerning the Study Site land use zoning is included in X**Appendix B - SEPP Land Use Zones** extracted from the SEPP.

Development Control Plans (DCP)

Comments

A Draft Development Control Plan (DCP) is required for the WEZ and it is important to note that DCP88 is a draft document.

Development is to be consistent with the dDCP objectives.

1. **DCP No. 88** Wyong Employment Zone Draft Development Control Plan, Section 2.3.3 Warnervale Aerodrome Precinct and Surrounds. The following extracts have specific (and possibly negative) implications for the subject site:

“Objectives

It is intended that the balance of land contained in the Aerodrome Precinct will be developed as an extension of the existing Warnervale Business Park. Any development within the Warnervale Aerodrome Precinct must be consistent with the following specific objectives:

a Continue to allow for the operation of a local airport for the immediate future.

b Promote warehousing and distribution style industrial and employment generating activities.

c Provide opportunities for development which does not prejudice the genuine requirements of those industries in need of the site’s excellent transportation links over other industries which can be located elsewhere in existing industrial areas.

d Protect and preserve environmentally sensitive areas.

5,000m² minimum site area is under review and likely to be reduced to 2,000m².

Requirements

Subdivision (including Strata Subdivision):

a The minimum allotment size is to be 5,000m² with frontages not less than 50 metres.

b Development applications for subdivision must be accompanied by a site concept plan or master plan demonstrating how each allotment and subsequent buildings will:

- allow for the continued safe operation of the aerodrome; and
- does not prejudice opportunities for the interim use of designated stormwater irrigation zones (if any) whilst the planned regional stormwater facility is constructed in Mountain Road, Halloran.

Whilst the airport is in operation.

Building Height:

a Heights of buildings and all structures are not to exceed the maximum building height standards provided on the Obstacle Limitation Surface (OLS) map for Warnervale Airport...

b All buildings and structures on land adjoining the

environmental corridor adjacent to Sparks Road and the Sydney-Newcastle Freeway are not to exceed 12 metres.

c The height of buildings and structures on the remaining land in the precinct is not to be visible above the tree line along Sydney-Newcastle Freeway and Sparks Road. Building elevations will need to be submitted with applications relative to building heights and existing vegetation.

2. **DCP14** – Tree Management

3. **DCP 66** – Subdivision

4. **DCP 75** – Industrial Development

a. FSR – 0.8:1

b. Building limited to 50% of total site

Development contributions

The Draft Wyong Employment Zone Development Contributions Plan 2010 (S94) lists developer contributions applicable to the Study Site. The S94 plan rates per hectare (NDA) by precinct and category (per the Table 1 extract below) are:

Precinct	Corridor Land Acquisition	Corridor Works	Drainage & Water Quality	Roads	Integrated Water Cycle Management	Total
11&13 South (West)						

Under the SEPP, another level of developer contributions is applied to sites within the WEZ in addition to S94, known as the Special Infrastructure Contributions Plan - WYONG EMPLOYMENT ZONE—SPECIAL CONTRIBUTIONS AREA (SIC). From the SIC, the following applies to the site:

“10. The level and nature of the contribution

10.1. The SIC contribution rate for the Wyong Employment Zone—Special Contributions Area will be [redacted] per hectare of Net Developable Area for industrial uses.

10.2. The Net Developable Area is:

“The land occupied by development, including internal streets plus half the width of any adjoining access roads that provide vehicular access, but excluding public open space indicated on the DCP and other non-employment land”.

Exclusions from the NDA for the purposes of calculating a SIC include:

- Flood affected land, below the 1 in 100 year flood level;

Comments

It has not been ascertained whether

fill on areas subjected to 1:100yr flooding are exempt from the NDA.

- **environmental land;**
- existing developed land (unless subject to new or intensified development or a change of land use zoning);
- land within a State heritage registered curtilage;
- land zoned as public open space;
- land set aside for publicly owned community facilities community services provided under the provision of section 94 of the EP&A Act;
- public schools and TAFE colleges and higher education facilities;
- publicly owned health facilities;
- ambulance stations, fire stations and police stations;
- roads to be provided under the provisions of section 94 of the Act or the SIC;
- regional RTA roads;
- existing road to be included as part of the proposed road network;
- bus depots, bus transfer stations; and
- areas for facilities provided by Sydney Water."

A detailed analysis of the Study Site to identify potential exclusions from the SIC has not been undertaken at this stage, therefore the combined S94 and SIC **developer contributions total** [REDACTED] **per NDA hectare.**

Constraints:
Flooding

The site is partially affected by the AEP 1 in 100yr flooding as shown in XFigure 10.

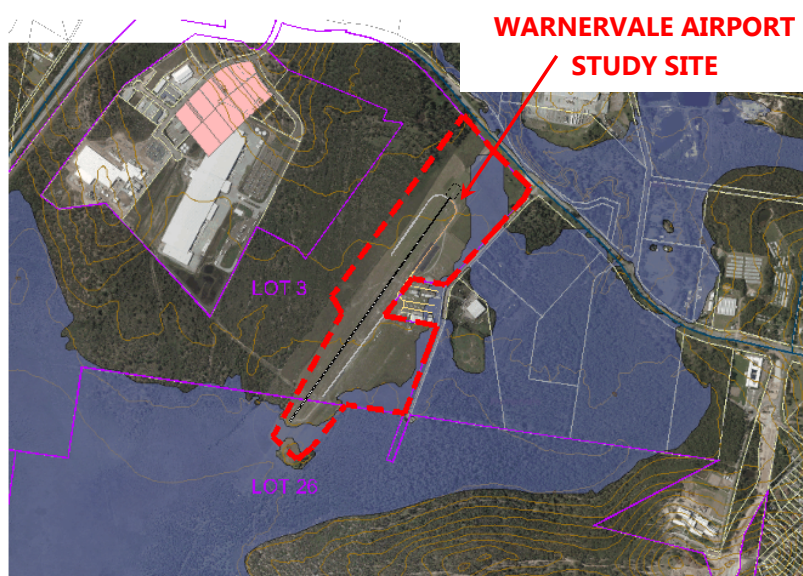


Figure 10 ~ Extent of flood affected land

Flora & Fauna The Study Site has been extensively improved. Little flora remains and as a result fauna habitat is limited. A review of existing flora and fauna studies is required to confirm this appraisal.

Access & Traffic The Warnervale Airport currently has direct access off Sparks Road into Jack Grant Avenue. Any development of the Study Site is likely to be obligated to upgrade Jack Grant Avenue to the satisfaction of WSC and the RMS.

Plans are currently being prepared by the RMS to widen Sparks Road and upgrade the existing intersection with Jack Grant Avenue. At the time of writing, up-to-date RMS plans have not been reviewed but acquisition along Sparks Road could be expected. It would be advisable to await the RMS upgrade works of the intersection to avoid development contributions. It should be noted that the loss of the western access may require a review of the proposed RMS intersection design.

It should also be noted that the Draft DCP88 requires a 20 metre landscape buffer to be implemented along properties fronting Sparks Road. This requirement is likely to adversely affect development of the site for high exposure businesses.

Mine Subsidence The site is not within a mine subsidence district.

Bushfire The study site vegetation includes limited bushfire hazard, however the site is categorised as 'bushfire prone' land. Any development will be required to address potential bushfire hazard. XFigure 11 shows the extent of Bushfire hazard affecting the study site. Orange areas are Category 1 hazard, and red indicates buffer areas.



Figure 11 ~ Bushfire prone land map

Contamination The consulting firm Coffey investigated lands within the WEZ in 2006 and determined that parts of the WEZ lands were contaminated. The airfield is listed amongst them.

The Coffey report (2006) identified the study site as having potential for contamination due to past and present aviation activities. As a result, Coffey recommended that Stage 2 Environmental Assessments be undertaken which may or may not preclude a Remediation Action Plan (RAP).

The study site is also considered to have the potential for Acid Sulfate Soils (ASS) which necessitates further investigation. If present, an ASS Management Plan would be required.

Utilities Existing sewer infrastructure is located at the southeast corner of Lot 3 and Lot 26, connecting to the Warnervale Business Park. Capacity would need to be verified by WSC if development was proposed. At this point in time it is understood the connection capacity is available. Water is available – capacity would need to be verified by WSC. WEZ - Trunk water and sewer infrastructure will be provided in accordance with draft DSP No 15.

Easements No easements have been identified on the Study site. The adjoining Aeroclub site may be affected by easement/s.

- Prior Development Applications**
- DA - 3130 / 2004 (C) - Staged industrial subdivision with residue parcels (Amendment)
 - DA - 3130 / 2004 (B) - Staged industrial subdivision with residue parcels (Amendment)
 - DA - 3130 / 2004 (A) - Stage Industrial Subdivision with Residue Parcels. (Amendment)
 - DA - 3130 / 2004 - Subdivide the 4(e) zoned part of the land into 2 industrial
 - DA - 1789 / 2004 - Temporary site shed & toilet block
 - PL - 6 / 2010 - Business Identification Sign along F3 Freeway
 - RZ - 16 / 2007 - Rezone part of Warnervale Industrial Park to 7(a)
 - RZ - 33 / 1994 - Rezone from 5(a) and 7(a) to 4(e) Regional Industrial
 - SC - 161 / 2006 - 13 Lot Subdivision (Amended application) DA-339-1995
 - SCC - 109 / 2010 - Stage Industrial Subdivision with Residue Parcels.

Appendix B - SEPP Land Use Zones & SI Land Use Definitions

“Zone IN1 General Industrial

(1) *The objectives of Zone IN1 General Industrial are as follows:*

- (a) to facilitate development for a wide range of employment-generating industrial, manufacturing, warehousing, storage or research purposes, including ancillary office space,*
- (b) to encourage employment opportunities in the Wyong Employment Zone,*
- (c) to minimise any adverse effect of industry on other land uses,*
- (d) to ensure development enhances the amenity of the Wyong Employment Zone by including high quality landscaping, adequate building setbacks, high quality external finishes and the like.*

(2) *Development for any of the following purposes is permitted with consent on land within Zone IN1 General Industrial:*

boat repair facilities; child care centres; community facilities; depots; earthworks; environmental protection works; filming; freight transport facilities; helipads; kiosks; light industries; industries; liquid fuel depots; neighbourhood shops; recreation facilities (indoor); roads; transport depots; truck depots; warehouse or distribution centres.

(3) *Except as otherwise provided by this Policy, development is prohibited on land within Zone IN1 General Industrial unless it is permitted by subclause (2).”, and*

“Zone E2 Environmental Conservation

(1) *The objectives of Zone E2 Environmental Conservation are as follows:*

- (a) to protect, manage and restore areas of high ecological, scientific, cultural or aesthetic values,*
- (b) to prevent development that could destroy, damage or otherwise have an adverse effect on those values.*

(2) *Development for any of the following purposes is permitted with consent on land within Zone E2 Environmental Conservation:*

environmental facilities; environmental protection works; flood mitigation works; roads; waterbodies (artificial).

(3) *Except as otherwise provided by this Policy, development is prohibited on land within Zone E2 Environmental Conservation unless it is permitted by subclause (2).*

SEPP Land Use Zones & SI Land Use Definitions

*“**depot** means a building or place used for the storage (but not sale or hire) of plant, machinery or other goods (that support the operations of an existing undertaking) when not required for use, but does not include a farm building.”*

*“**freight transport facility** means a facility used principally for the bulk handling of goods for transport by road, rail, air or sea, including any facility for the loading and unloading of vehicles, aircraft, vessels or containers used to transport those goods and for the parking, holding, servicing or repair of those vehicles, aircraft or vessels or for the engines or carriages involved.”*

*“**light industry** means a building or place used to carry out an industrial activity that does not interfere with the amenity of the neighbourhood by reason of noise, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil, or otherwise, and includes any of the following:*

- (a) high technology industry,*
- (b) home industry.*

Note. Light industries are a type of industry”

*“**industry** means any of the following:*

- (a) general industry,*
 - (b) heavy industry,*
 - (c) light industry,*
- but does not include:*
- (d) rural industry, or*
 - (e) extractive industry, or*
 - (f) mining.”*

*“**general industry** means a building or place (other than a heavy industry or light industry) that is used to carry out an industrial activity.*

Note. General industries are a type of industry

*“**heavy industry** means a building or place used to carry out an industrial activity that requires separation from other development because of the nature of the processes involved, or the materials used, stored or produced, and includes:*

- (a) hazardous industry, or*
- (b) offensive industry.*

It may also involve the use of a hazardous storage establishment or offensive storage establishment.

Note. Heavy industries are a type of industry”

*“**liquid fuel depot** means premises used for the bulk storage of petrol, oil, petroleum or other inflammable liquid for wholesale distribution and at which no retail trade is conducted.*

Note. Liquid fuel depots are a type of heavy industrial storage establishment”

*"**transport depot** means a building or place used for the parking or servicing of motor powered or motor drawn vehicles used in connection with a business, industry, shop or passenger or freight transport undertaking."*

*"**truck depot** means a building or place used for the servicing and parking of trucks, earthmoving machinery and the like."*

*"**warehouse or distribution centre** means a building or place used mainly or exclusively for storing or handling items (whether goods or materials) pending their sale, but from which no retail sales are made."*

Appendix C – Deposited Plan

This information is available for purchase from NSW Land Registry Services via an information broker.

DP1007500 X

Registered: 18.11.1999

C.A: SEE CERTIFICATE

Title System: TORRENS

Purpose: SUBDIVISION

Ref. Map: U 3620 - 7, 8*

Last Plan: DP239691, DP255821, DP259075
DP539361, DP605250, DP716736
DP773449, DP854018, DP855093

PLAN OF SUBDIVISION OF Pt LOT 1
Pt LOT 2, Pt LOT 3 AND Pt LOT 4
IN DP 239691, LOTS 13 AND 15
IN DP 255821, LOT 1 IN DP 259075,
Pt LOT 24 IN DP 539361, LOT 12
IN DP 605250, LOT 101 IN
DP 716736, LOT 23 IN DP 773449,
LOT 2 IN DP 854018 AND LOT 1 IN
DP 855093.

Lengths are in metres. Reduction Ratio 1: 6000

L G A WYONG

Locality: WARNERVALE

Parish: MUNMORAH/WYONG

County: NORTHUMBERLAND

This is sheet 1 of my plan in 2 sheets.
(Delete if inapplicable).

Surveyors (Practice) Regulation 1996
I, ROBERT J. RANSON
of PO BOX 6, WYONG NSW 2259

a surveyor registered under the Surveyors Act, 1929, hereby certify
that the survey represented in this plan is accurate, has been made in
accordance with the Surveyors (Practice) Regulation 1996 and was
completed on 8/10/1999

The survey relates to LOTS 1 AND 2

(here specify the land actually surveyed or specify any land shown in
the plan that is not the subject of the survey)

Datum Line: A - B
Zone: GURONG/COUNTRY
(Signature) *R. Ranson*

Surveyor registered under
the Surveyors Act 1929

Plans used in preparation of survey/ completion.

DP 47793 DP 499011 DP 812718
DP 228750 DP 539361 DP 854018
DP 239691 DP 605250 DP 855093
DP 255821 DP 716736
DP 259075 DP 773449

PANEL FOR USE ONLY for statements of intention
to dedicate public roads, to create public reserves,
drainage reserves, easements, restrictions on the
use of land or positive covenants.

PURSUANT TO SECTION 88B OF THE
CONVEYANCING ACT IT IS INTENDED
TO CREATE:-

1. EASEMENT FOR ACCESS,
18 WIDE, 19 WIDE, 20 WIDE
21 WIDE, 23 WIDE AND
VARIABLE WIDTH.
2. EASEMENT FOR ACCESS,
18 WIDE, 19 WIDE, 20 WIDE
21 WIDE, 23 WIDE AND
VARIABLE WIDTH.
3. EASEMENT FOR SERVICES,
18 WIDE, 19 WIDE, 20 WIDE
21 WIDE, 23 WIDE AND
VARIABLE WIDTH.

DP1007500

Registered:  18.11.1999

This is sheet 2 of my plan in 2 sheets
dated 8/10/1999



Surveyor registered under Surveyors Act 1929

This is sheet 2 of the plan of 2
sheets covered by my Certificate No. 6913

of
13.10.1999.



General Manager/Authorised Person

For use where space is insufficient in any panel on Plan
Form 2.

Reduction Ratio 1: 3000

SURVEYOR'S REFERENCE: 14146 DP 3

This information is available for purchase from NSW Land Registry Services via an information broker.

Appendices

Appendix D – Financial Review of Options

Option	Net Development Costs	Net Revenue	Profit (ex GST)	ROI	IRR	Timeframe (mths)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Based on site purchase value of: \$ [REDACTED]

*Excludes land value

**Robertson & Robertson calculation, adjusted to use WSC Book Value acquisition cost & market rate of \$115/m²

Calculation sheets enclosed for:

- Option 1
- Option 2
- Option 3
- Option 4
 - Option 4, Layout 1
 - Option 4, Layout 4
 - Option 4, Layout 5

Warnervale Airport Development Opportunities - Option 1 - Do Nothing

FEASIBILITY APPROACH		
Capital Costs		
+ Land costs	\$	GST exclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs		
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
+ Site preparation costs	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs		
- GST	\$	
= Net costs	(A) \$	
Revenue		
+ Property sales	\$	GST inclusive
+ Other (Fees & Charges)	\$	GST inclusive
- GST	\$	
= Net Revenue	(B) \$	
R		

Explanatory Notes

Based on the valuations by RRC (2010 & 2011), a per square metre rate of [REDACTED] has been adopted for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

$$\text{Yield} = \text{Net rent} / \text{sale price}$$

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

$$\text{Market value} = \text{Sustainable net rent} / \text{yield.}$$

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

- [REDACTED]
- [REDACTED]
- [REDACTED]

Warnervale Airport Development Opportunities - Option 2 - Upgrade to 1300m runway

FEASIBILITY APPROACH (PER LOT)		
Capital Costs		
+ Land costs	\$	GST inclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs		
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
+ Site preparation costs	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs		
	\$	
- GST	\$	
= Net costs	(A) \$	
Revenue		
+ Property sales	\$	GST inclusive
+ Other	\$	GST inclusive
- GST	\$	
= Net Revenue	(B) \$	
Return on Investment		
[REDACTED]		
[REDACTED]		

Explanatory Notes

Based on the valuations by RRC (2010 & 2012), a per square metre rate of [REDACTED] has been adopted for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

Yield = Net rent / sale price

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

Market value = Sustainable net rent / yield.

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

[REDACTED]

[REDACTED]

[REDACTED]

Warnervale Airport Development Opportunities - Option 3 - Land Disposal

FEASIBILITY APPROACH		
Capital Costs		
+ Land costs	\$	GST inclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs	\$	
<hr/>		
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
+ Site preparation costs	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs	\$	
<hr/>		
- GST	\$	
<hr/>		
= Net costs	(A) \$	
<hr/>		
Capitalised Revenue		
+ Property sales	\$	GST inclusive
+ Other	\$	GST inclusive
<hr/>		
- GST	\$	
<hr/>		
= Net Revenue	(B) \$	
<hr/>		
Return on Investment		
██		
██		

Explanatory Notes

Based on the valuations by RRC (2010 & 2012), a per square metre rate of █████ has been adopted for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

Yield = Net rent / sale price

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

Market value = Sustainable net rent / yield.

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

██

██

██

BASIC FEASIBILITY

Feasibility - Option 4, Layout 1 - RRC model 4 SuperLot Subdivision - Warnervale Airport Development Opportunities

FEASIBILITY APPROACH		
Capital Costs		
+ Land costs	\$	GST inclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs	\$	
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
Water/Sewer Contributions	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs	\$	
- GST	\$	
	\$	
= Net costs	(A) \$	
Capitalised Revenue		
+ Property sales	\$	GST inclusive
+ Other	\$	GST inclusive
- GST	\$	
	\$	
= Net Revenue	(B) \$	
Return on Investment		

Explanatory Notes

Based on the model valuation by RRC (April, 2010), **adopted** for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

$$\text{Yield} = \text{Net rent} / \text{sale price}$$

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

$$\text{Market value} = \text{Sustainable net rent} / \text{yield.}$$

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

BASIC FEASIBILITY

Feasability - Option 4, Layout 4 - 112 Lot Subdivision - Warnervale Airport Development Opportunities

FEASIBILITY APPROACH		
Capital Costs		
+ Land costs	\$	GST inclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs	\$	
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
+ Site preparation costs	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs	\$	
- GST	\$	
	\$	
= Net costs	(A) \$	
Capitalised Revenue		
+ Property sales	\$	GST inclusive
+ Other	\$	GST inclusive
- GST	\$	
	\$	
= Net Revenue	(B) \$	
Return on Investment		
[REDACTED]		
[REDACTED]		

Explanatory Notes

Based on the valuations by RRC (2010 & 2012), a per square metre rate of [REDACTED] has been adopted for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

Yield = Net rent / sale price

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

Market value = Sustainable net rent / yield.

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

[REDACTED]

[REDACTED]

[REDACTED]

BASIC FEASIBILITY

Feasibility - Option 4, Layout 5 - 30 Lot Subdivision - Warnervale Airport Development Opportunities

FEASIBILITY APPROACH		
Capital Costs		
+ Land costs	\$	GST inclusive
+ Stamp Duty	\$	GST exempt
+ Council Rates	\$	GST inclusive
+ Land tax	\$	GST exempt
Purchase Costs	\$	
+ Council / Application Fees	\$	GST inclusive
+ Professional fees	\$	GST inclusive
+ Developer Contributions	\$	GST inclusive
+ State Infrastructure Charges	\$	GST exempt
+ Site preparation costs	\$	GST inclusive
+ Building costs	\$	GST inclusive
+ Statutory fees	\$	GST inclusive
+ Interest/holding costs	\$	GST exempt
+ Selling costs & Marketing Fees	\$	GST inclusive
Development Costs	\$	
- GST	\$	
	\$	
= Net costs	(A) \$	
Capitalised Revenue		
+ Property sales	\$	GST inclusive
+ Other	\$	GST inclusive
- GST	\$	
	\$	
= Net Revenue	(B) \$	
Return on Investment		

Explanatory Notes

Based on the valuations by RRC (2010 & 2012), a per square metre rate of [REDACTED] has been adopted for this typical feasibility.

The calculation of the capitalised revenue for commercial development is undertaken using a direct capitalisation approach. This approach is based on traditional valuation theory, whereby the market net income of a single year is capitalised (multiplied) in perpetuity to arrive at the market value of the property. The net market income is capitalised using a rate or yield which is estimated from sales of investment properties.

The formula for the calculation of a yield can be expressed as:

$$\text{Yield} = \text{Net rent} / \text{sale price}$$

Given a known net income, and by applying an appropriate yield, the formula can be used to ascertain the market value of a property, as follows:

$$\text{Market value} = \text{Sustainable net rent} / \text{yield.}$$

For the purpose of the feasibility assessment, the financial viability of development has been assessed by the ROI of the project. Property developers generally aim to exceed a 'hurdle rate', which varies depending on the nature of the project and anticipated risks.

For the purpose of the feasibility assessment, the following benchmarks have been identified to assess the viability of development:

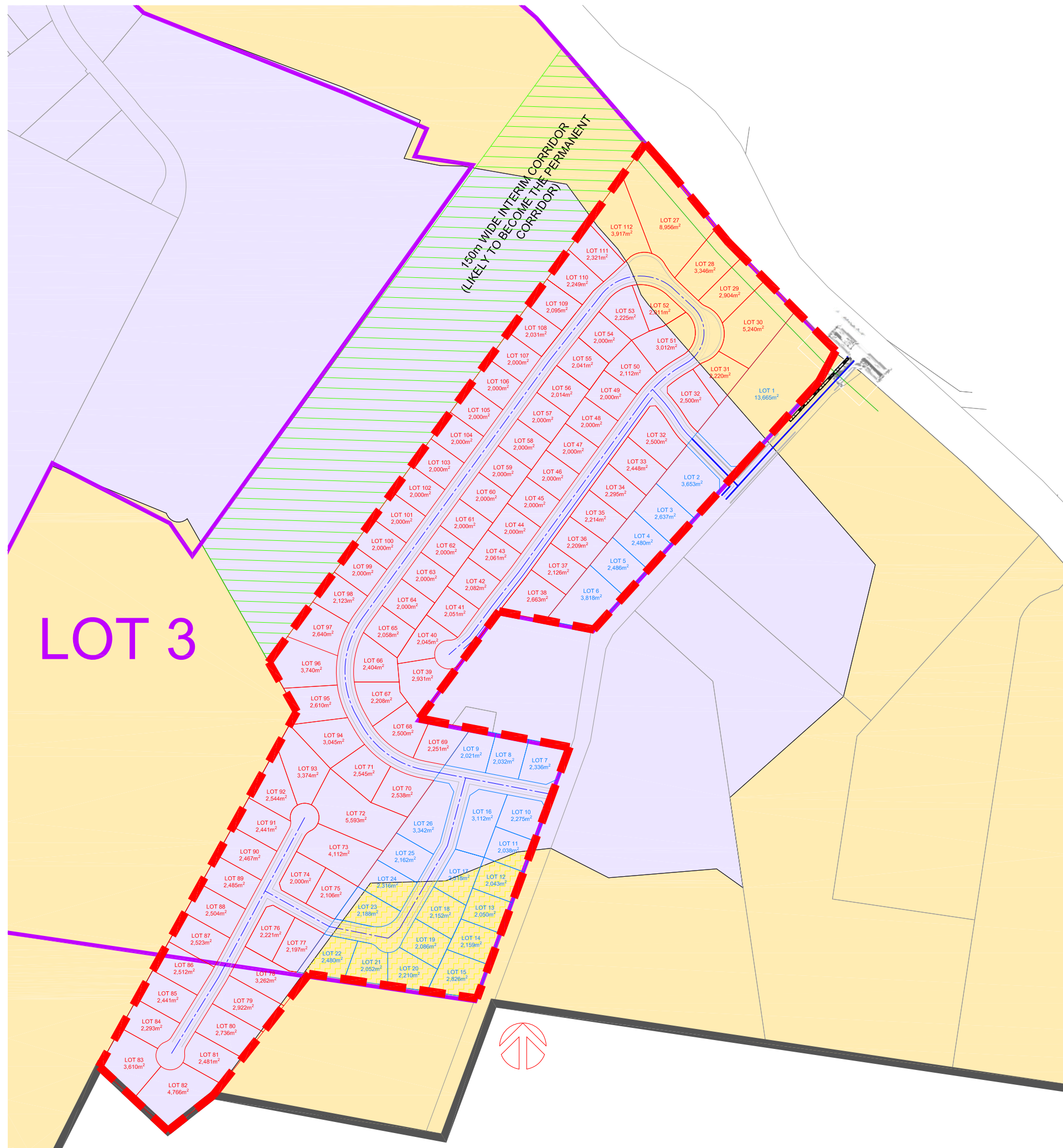
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[REDACTED]

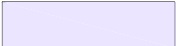

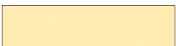




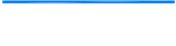
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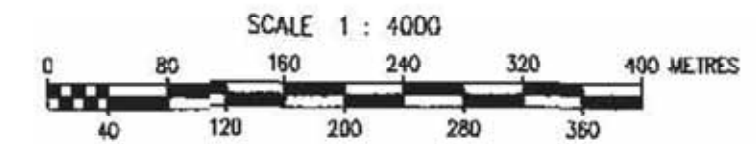
Appendix E – Option 4 Preliminary Masterplan Layouts

- Layout 4
- Layout 5



LEGEND

-  IN1 ~ GENERAL INDUSTRY (SEPP)
-  SP2 ~ INFRASTRUCTURE (SEPP)
-  E2 ~ ENVIRONMENTAL (SEPP)
-  ENVIRO CORRIDOR CROSSING
-  ALTERNATIVE ENVIRO CORRIDOR
-  PROPOSED CHANGES TO E2 ZONE BOUNDARY
-  PROPOSED STAGE 1 LOTS (26 LOTS)
-  PROPOSED STAGE 2 LOTS (86 LOTS)



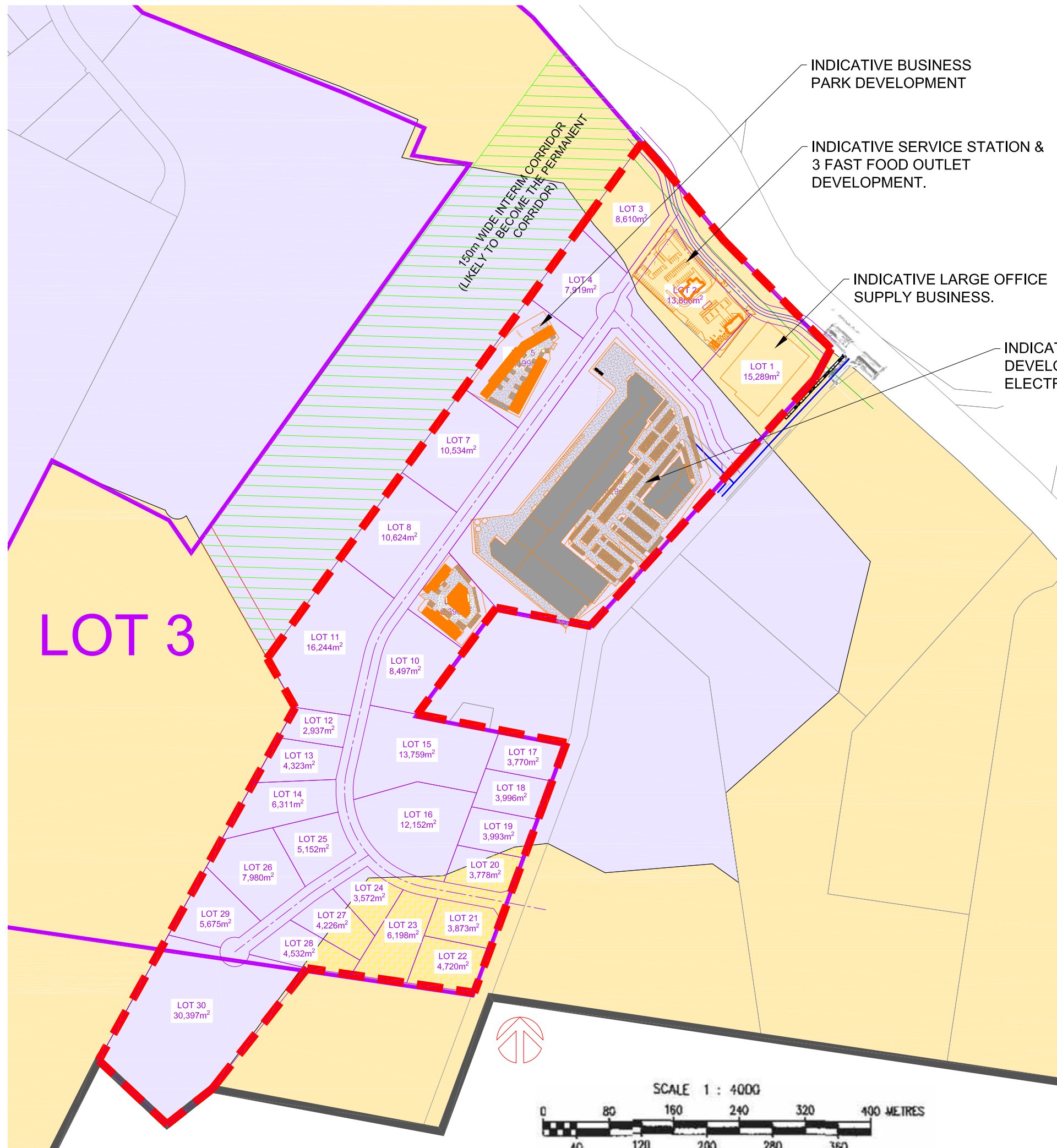
**Wyong
Shire
Council**
CENTRAL COAST

ECONOMIC & PROPERTY DEVELOPMENT January 2013








NOTES.

1. PRELIMINARY DRAFT OF POTENTIAL WARNERVALE AIRPORT SUBDIVISION (STAGED).
2. SINGLE ACCESS VIA JACK GRANT DRIVE ONTO SPARKS ROAD - UPGRADED INTERSECTION.
3. LOTS SHOWN AT 2000m² (or GREATER) WITH 40m MIN. FRONTAGES PER DCP66. ASSUMES THAT 5000m² SIZE PER DCP88 WILL NOT BE ADOPTED.
4. NO ALLOWANCE FOR BUILDING ENVELOPES, SETBACKS, ETC.
5. NO ALLOWANCE FOR WATER OR SEWER SERVICES.
6. FLOODING EXTENT SUBJECT TO MODELLING.
7. NO ALLOWANCE FOR THE PORTERS CREEK STORMWATER HARVESTING SCHEME.
8. NO CONSULTATION UNDERTAKEN WITH RMS, CASA, OR EXTERNAL SERVICES PROVIDERS.

WARNERVALE AIRPORT PRELIMINARY CONCEPT MASTERPLAN - LAYOUT 4



LEGEND

-  IN1 ~ GENERAL INDUSTRY (SEPP)
-  SP2 ~ INFRASTRUCTURE (SEPP)
-  E2 ~ ENVIRONMENTAL (SEPP)
-  ENVIRO CORRIDOR CROSSING
-  ALTERNATIVE ENVIRO CORRIDOR
-  PROPOSED CHANGES TO E2 ZONE BOUNDARY
-  PROPOSED LOTS (30 LOTS)



**Wyong
Shire
Council**
CENTRAL COAST

ECONOMIC & PROPERTY DEVELOPMENT January 2013

NOTES.

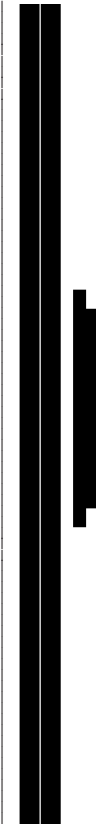
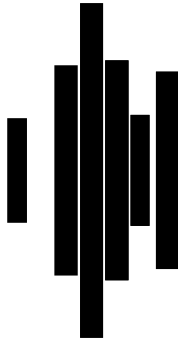
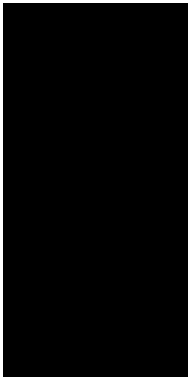
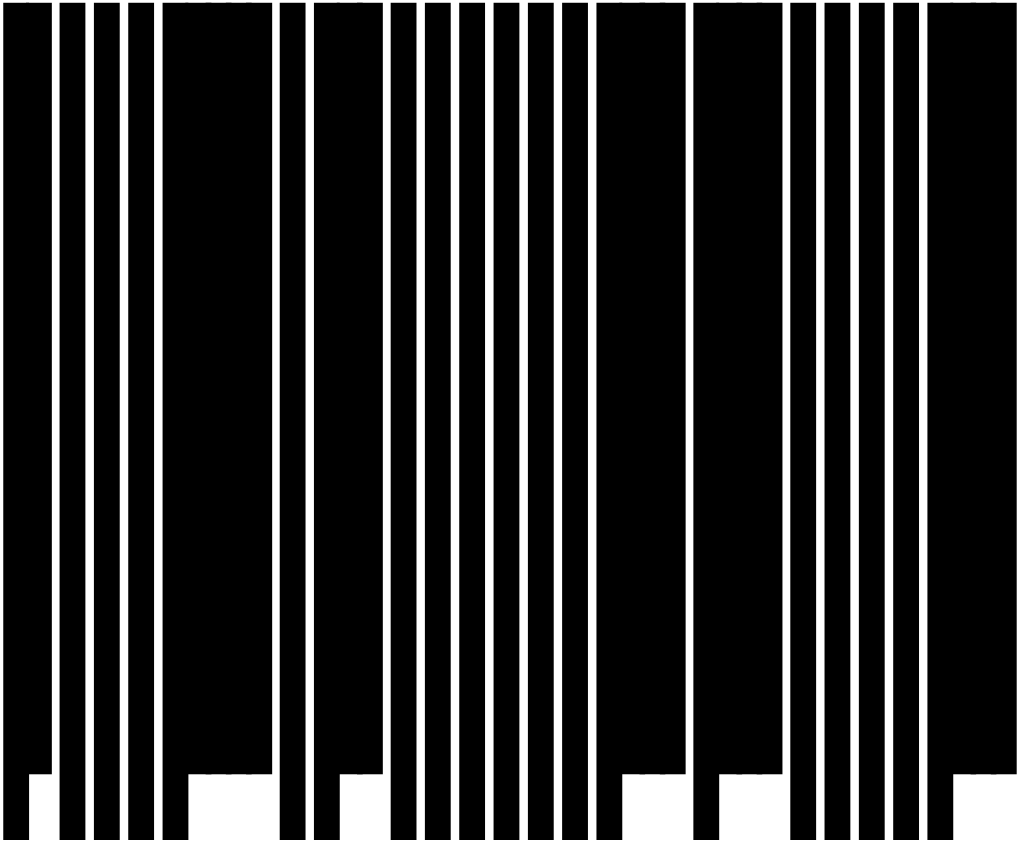
1. PRELIMINARY DRAFT OF POTENTIAL WARNERVALE AIRPORT SUBDIVISION.
2. SINGLE ACCESS VIA JACK GRANT DRIVE ONTO SPARKS ROAD - UPGRADED INTERSECTION.
3. ASSUMES SLIP LANE OFF SPARKS ROAD IS PERMISSIBLE, INCLUDING 20m LANDSCAPE BUFFER.
4. LOTS SHOWN AT 2000m² (or GREATER) WITH 40m MIN. FRONTAGES PER DCP66.
5. NO ALLOWANCE FOR BUILDING ENVELOPES, SETBACKS, ETC.
6. NO ALLOWANCE FOR WATER OR SEWER SERVICES.
7. FLOODING EXTENT SUBJECT TO MODELLING.
8. NO ALLOWANCE FOR THE PORTERS CREEK STORMWATER HARVESTING SCHEME.
9. NO CONSULTATION UNDERTAKEN WITH RMS, CASA, OR EXTERNAL SERVICES PROVIDERS.

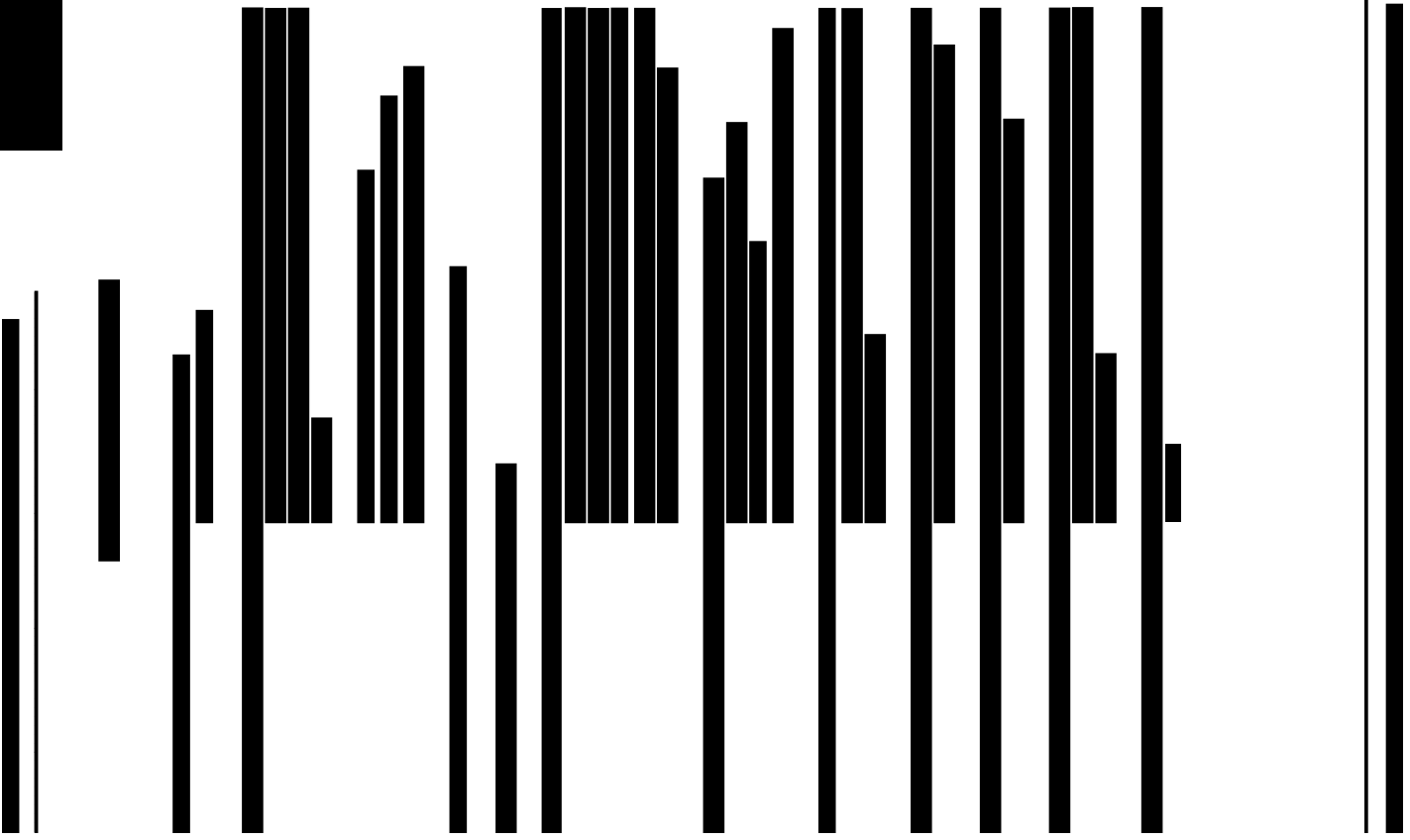
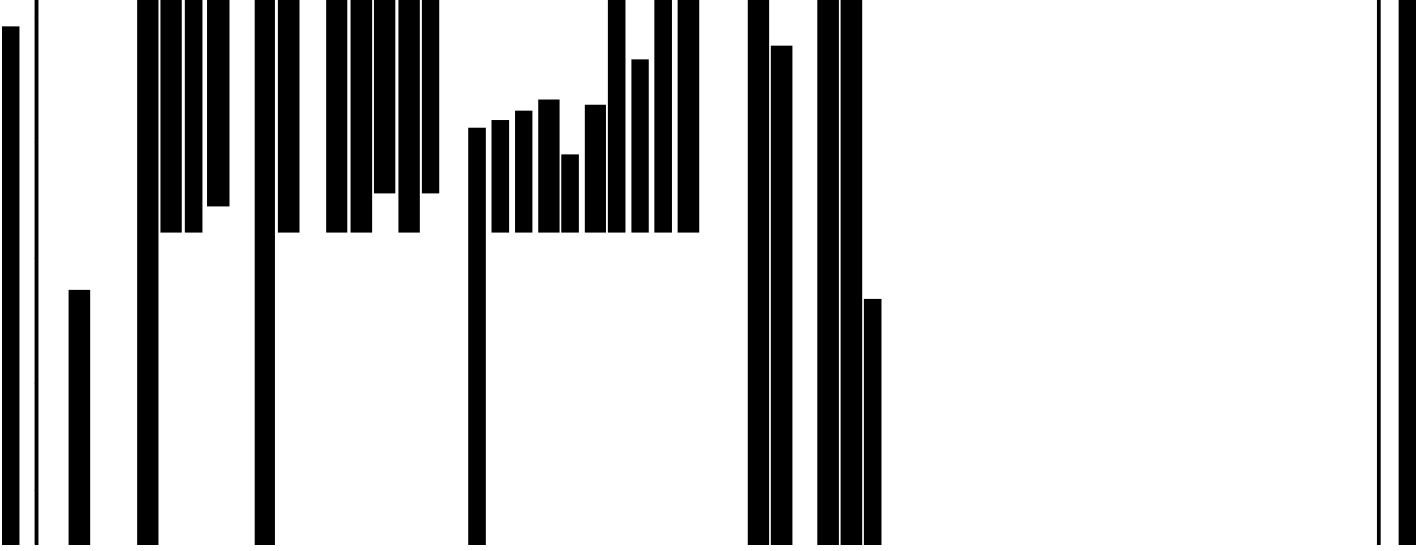
WARNERVALE AIRPORT PRELIMINARY CONCEPT MASTERPLAN - LAYOUT 5

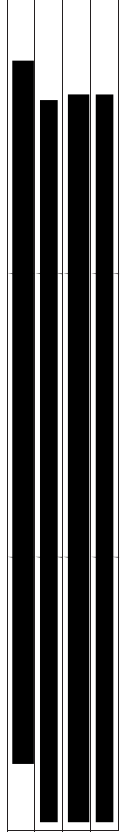
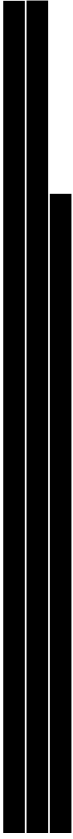
Appendix F – Valuation Reports

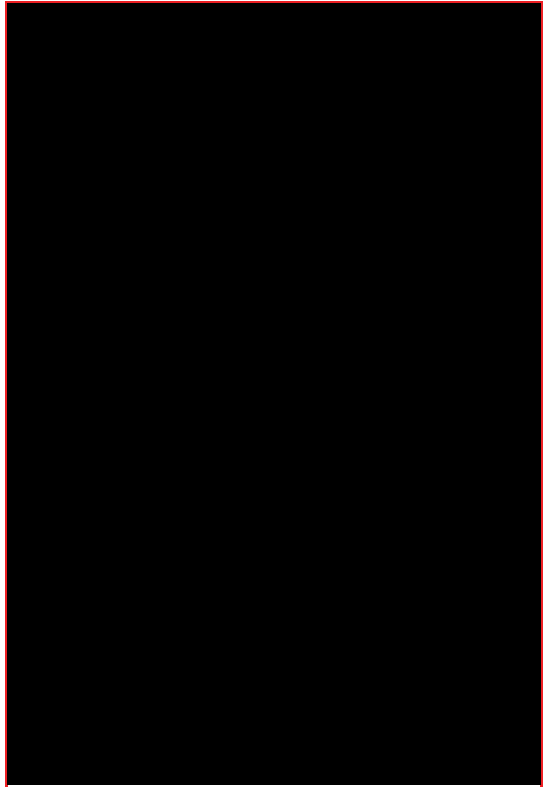
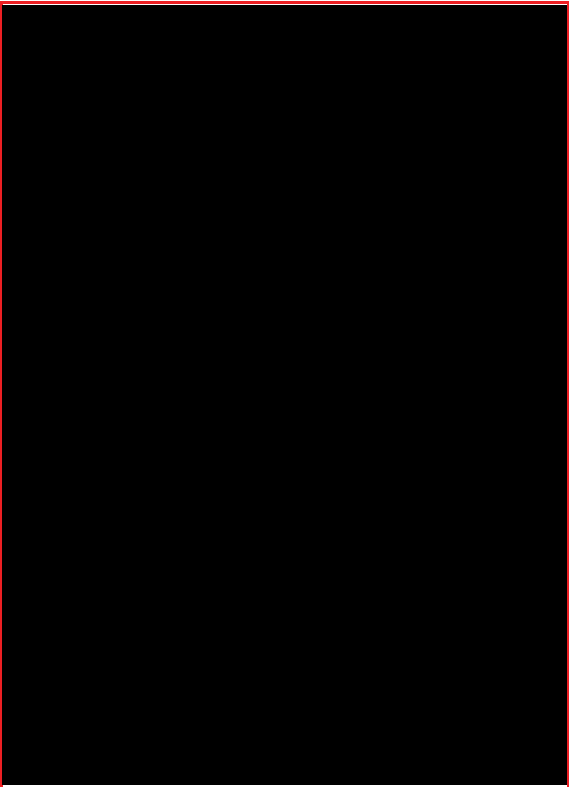
Enclosed are copies of the Robertson & Robertson Consulting Valuers' reports:

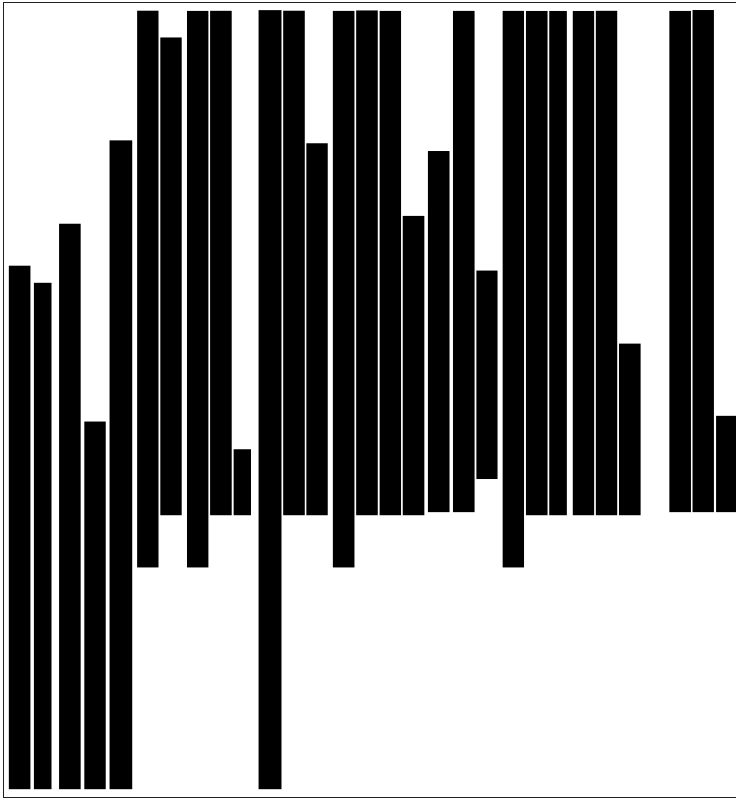
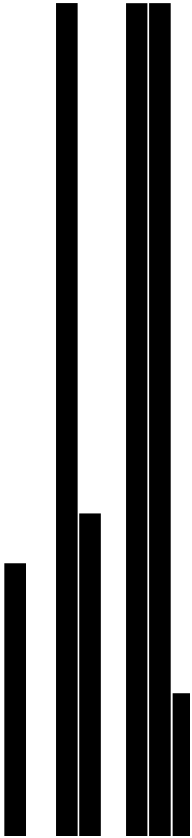
- Warnervale Airport Lands, Jack Grant Avenue, Warnervale NSW 2259, February 24, 2010
- 0201/1012 - Proposed Lot 1 Warren Road, Warnervale NSW 2259, October 31, 2012

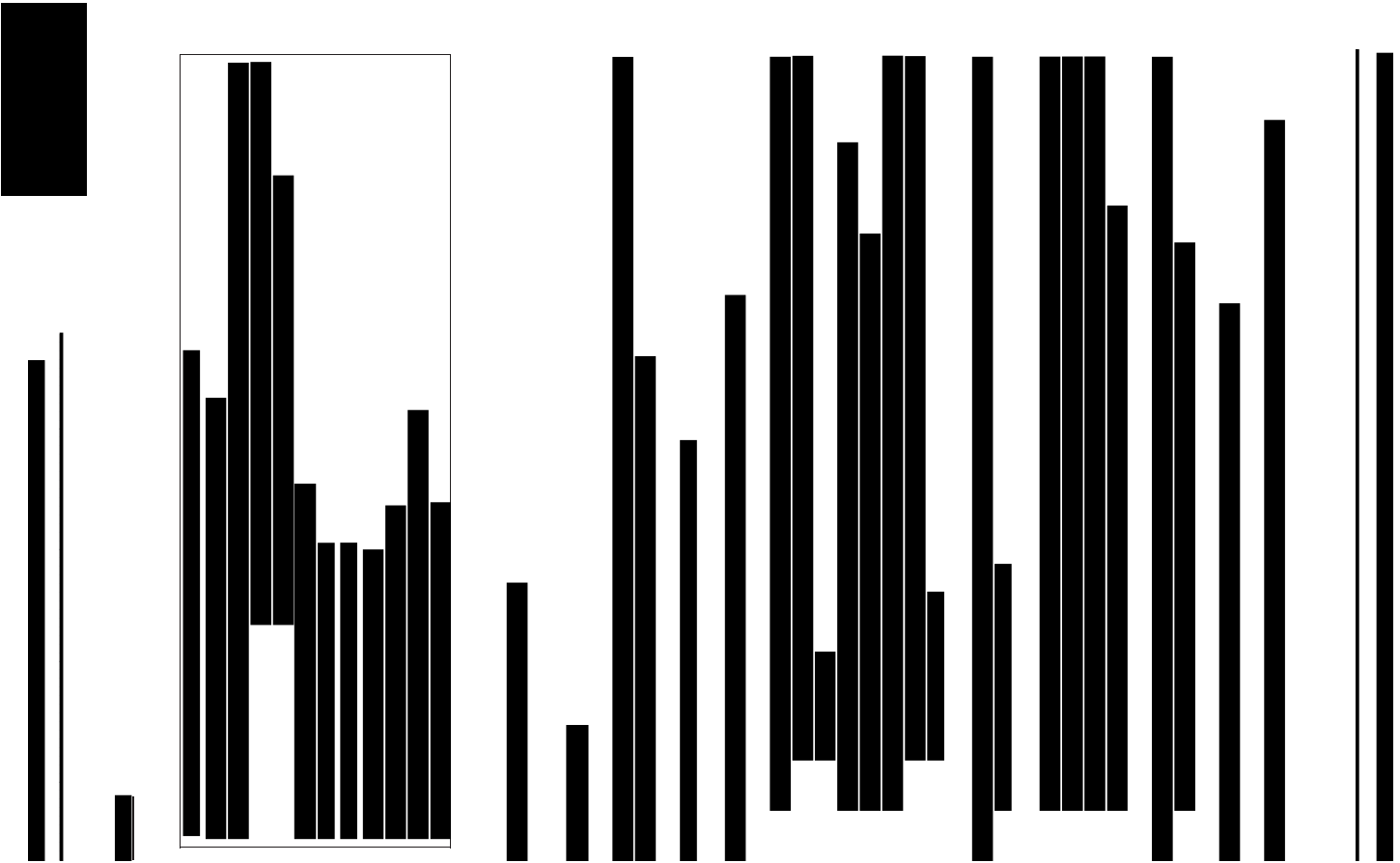


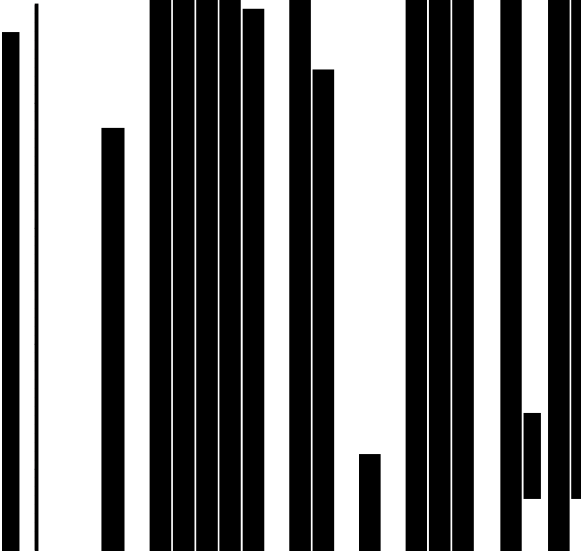
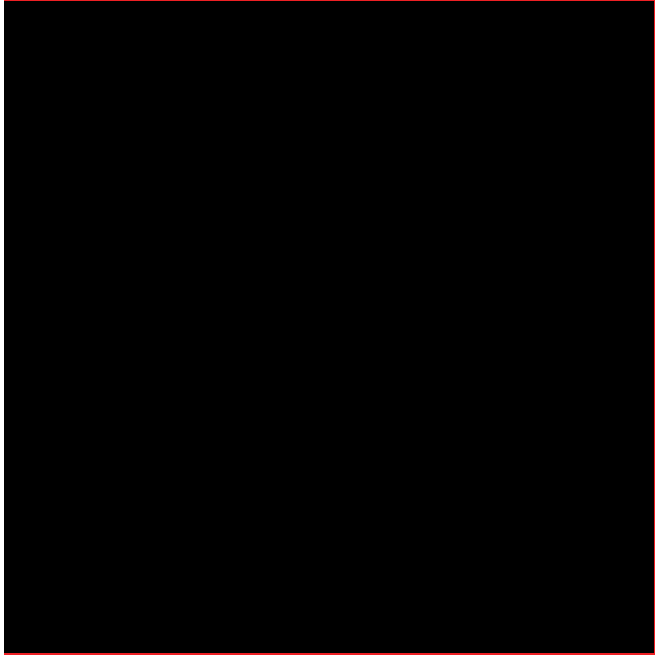


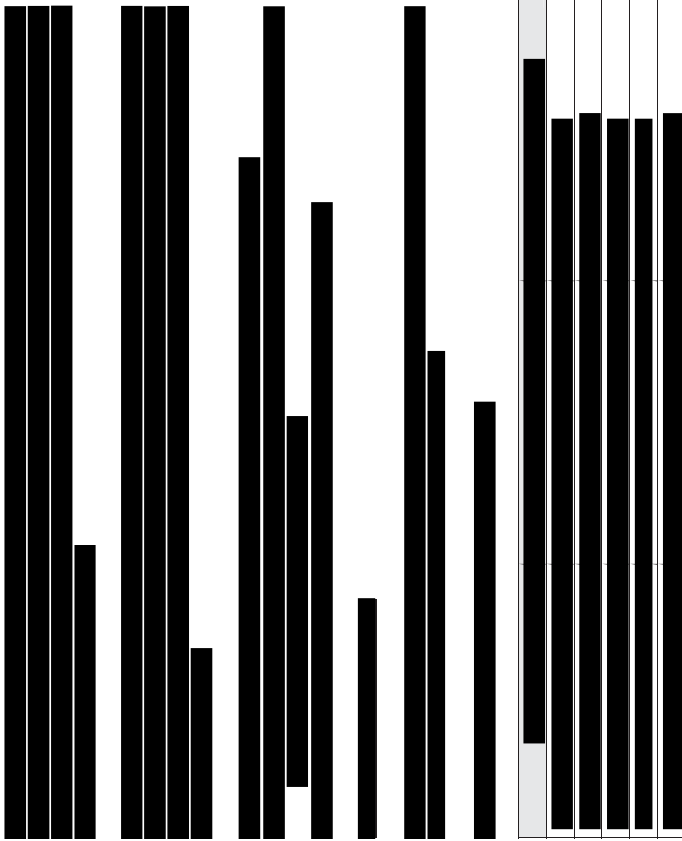
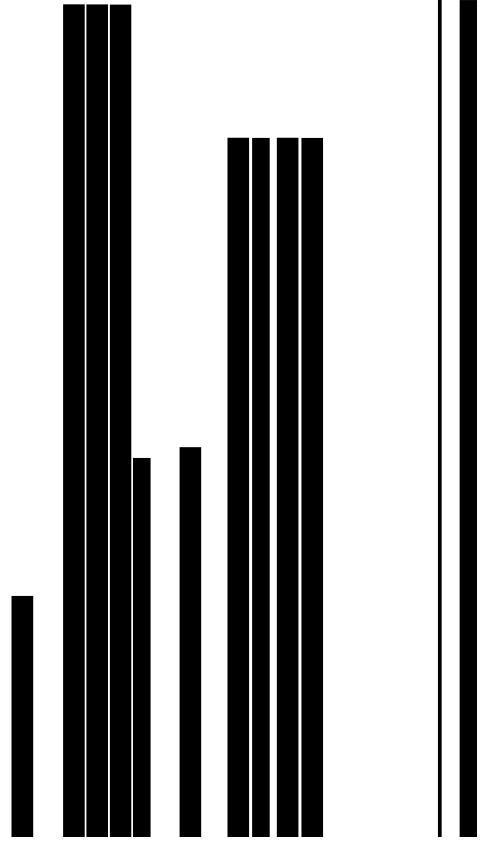
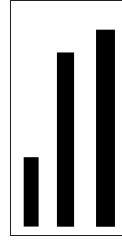
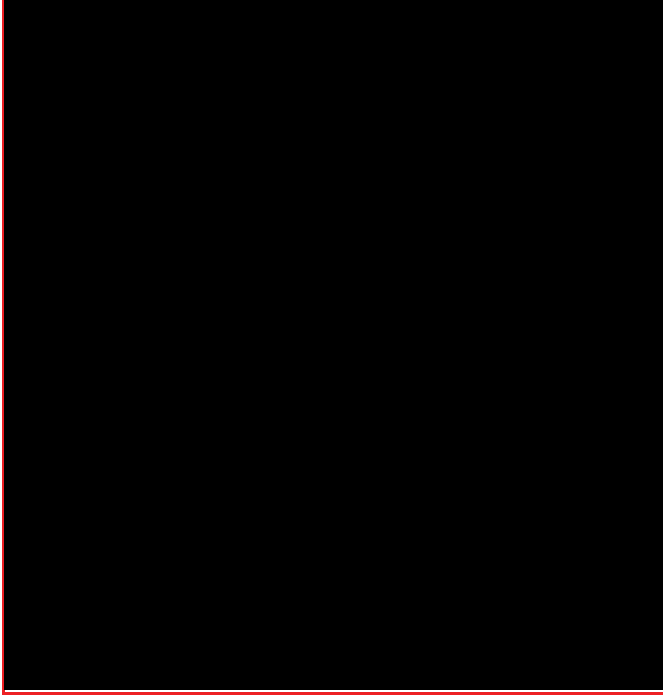


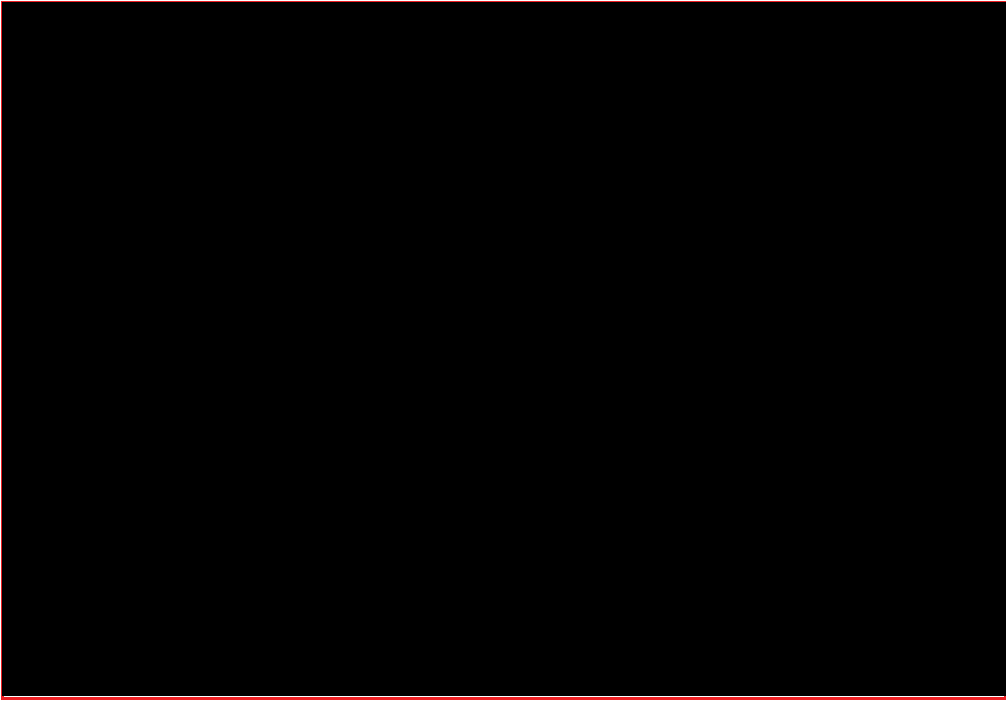


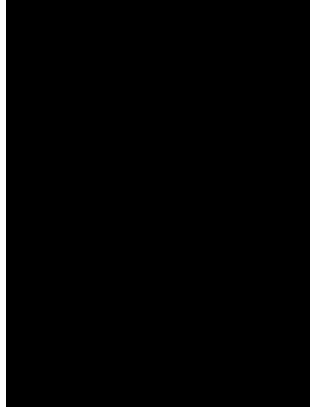
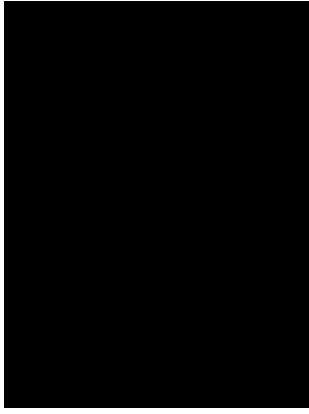
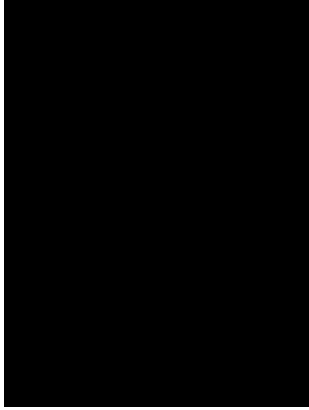
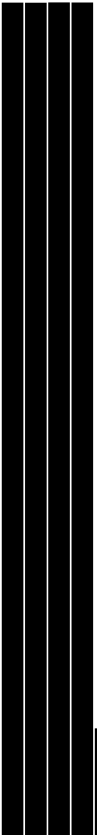


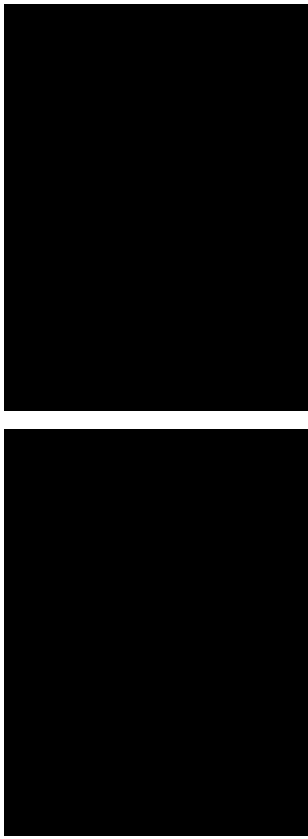
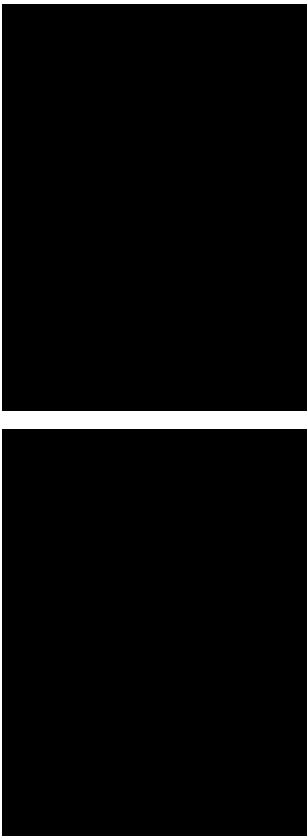
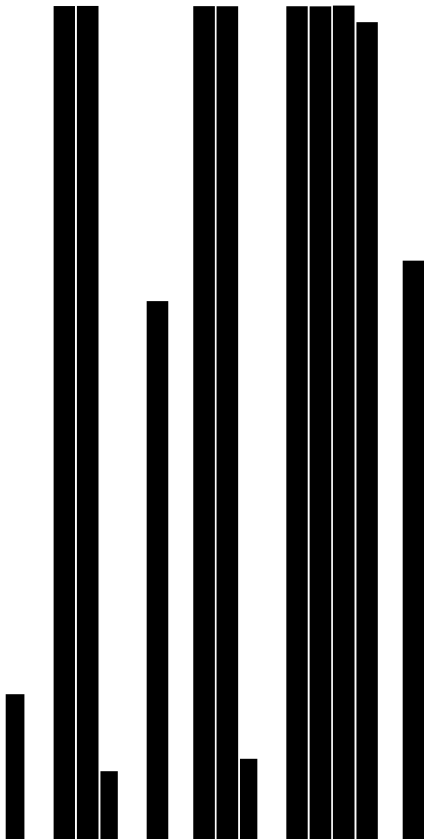
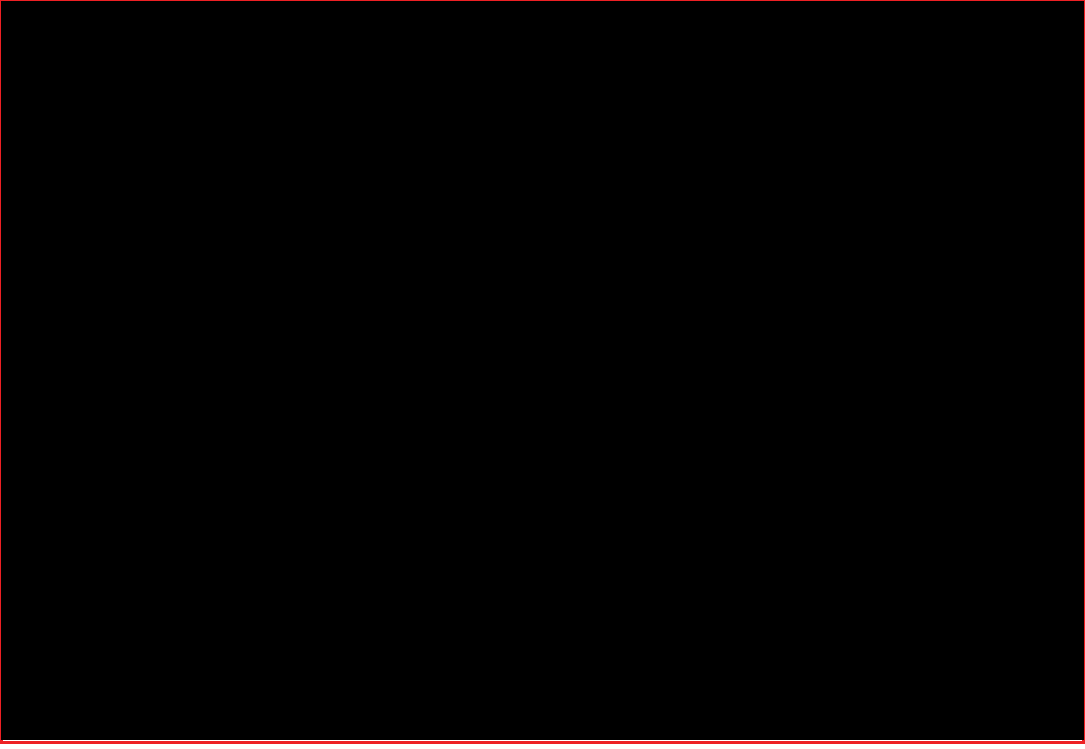


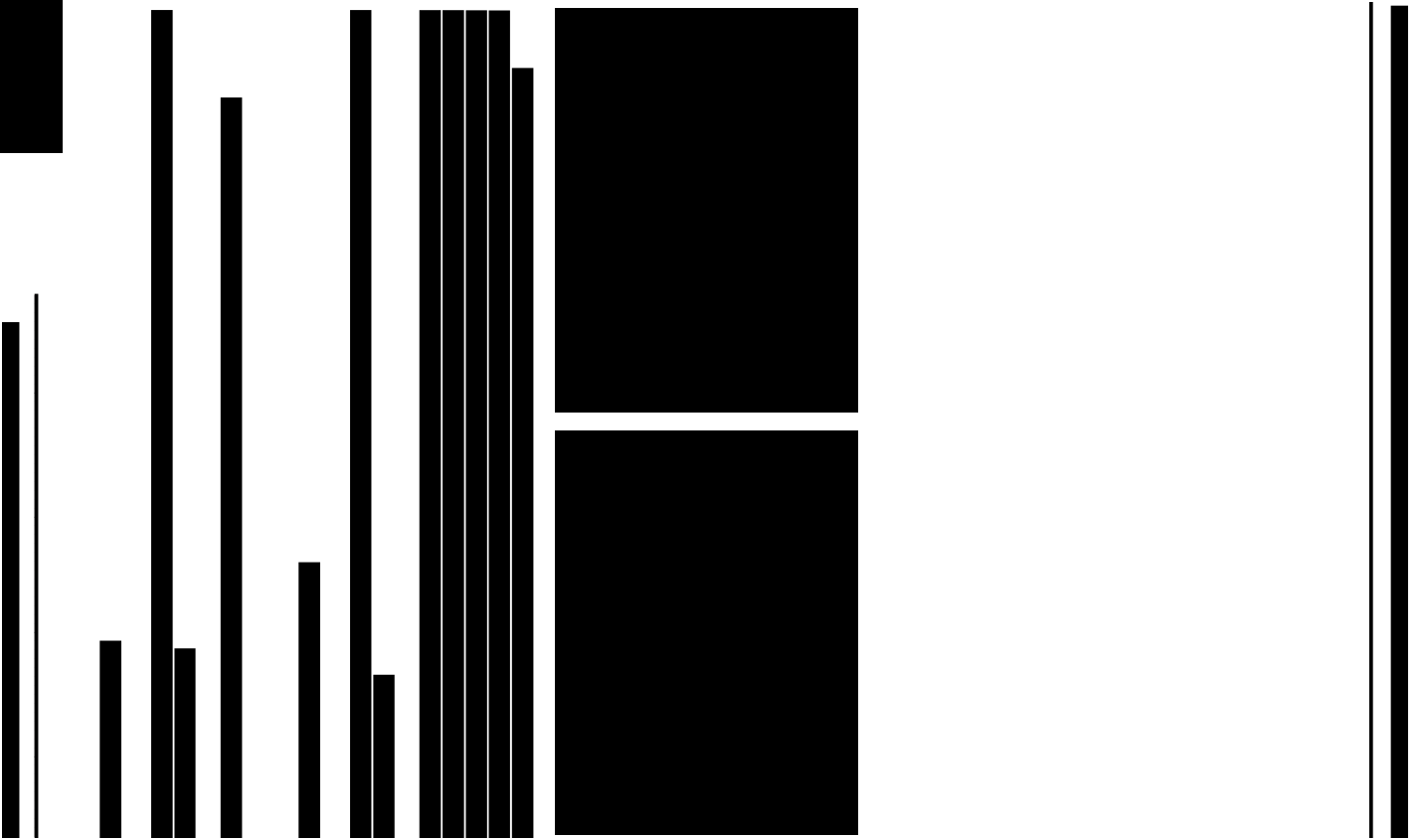
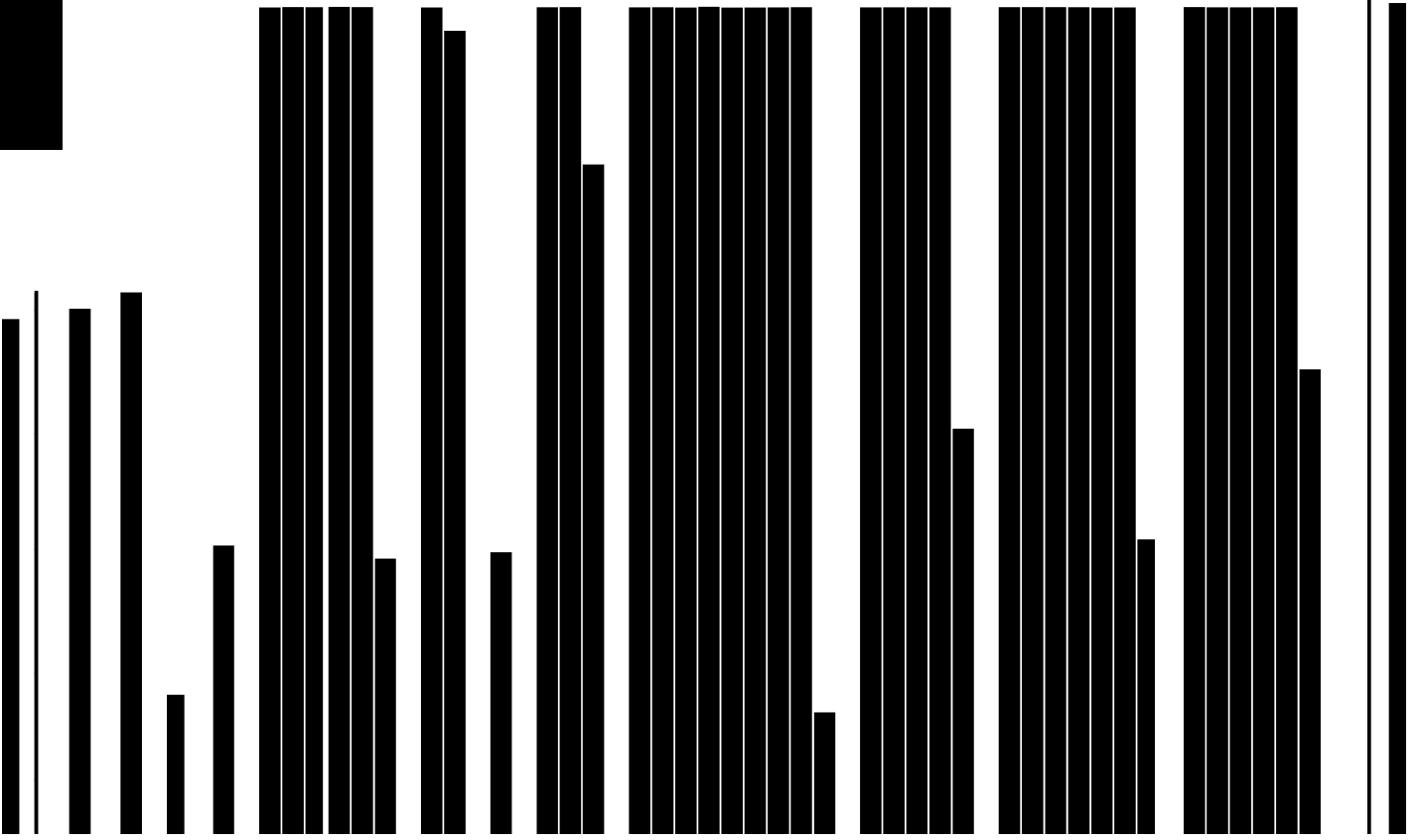


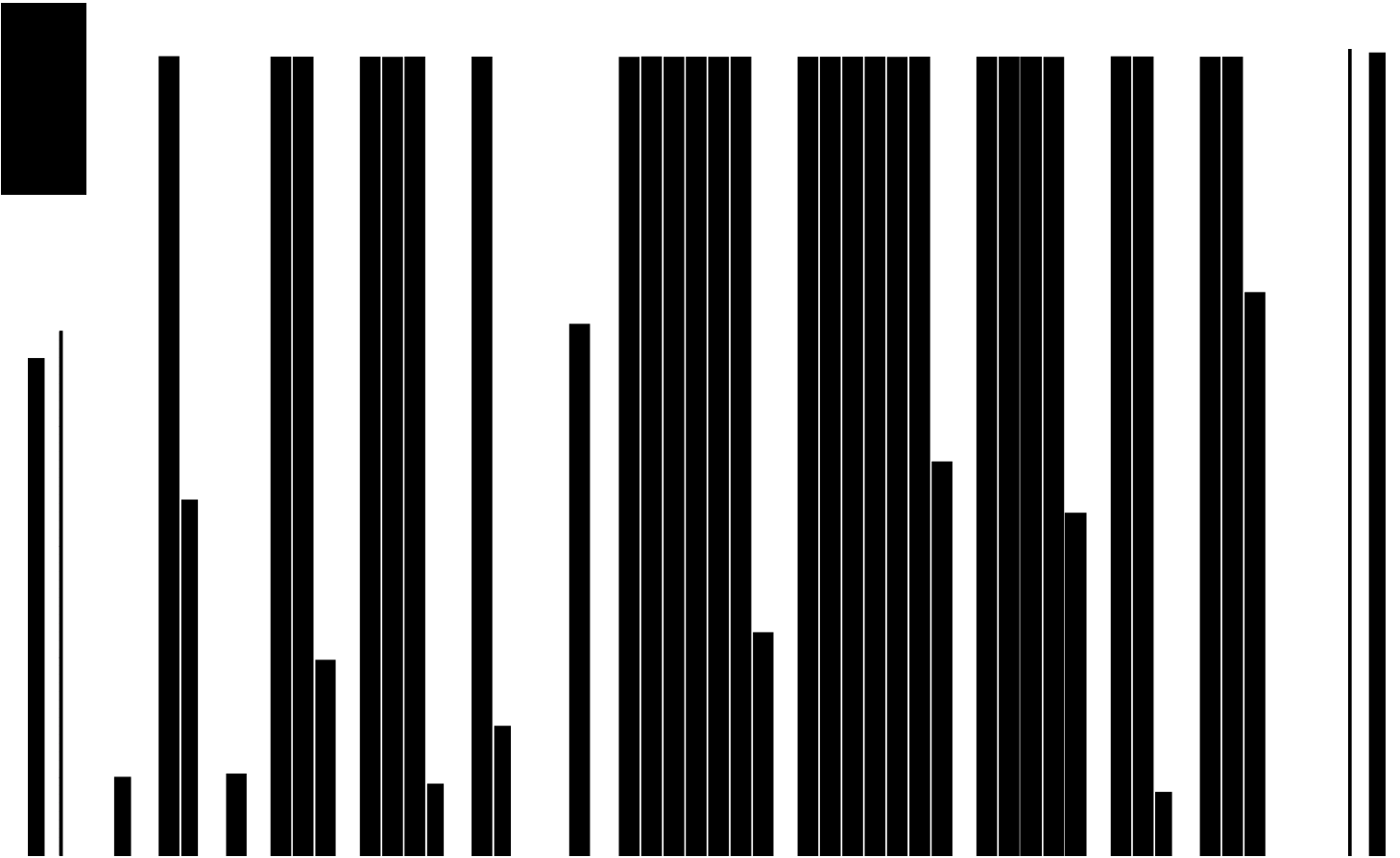
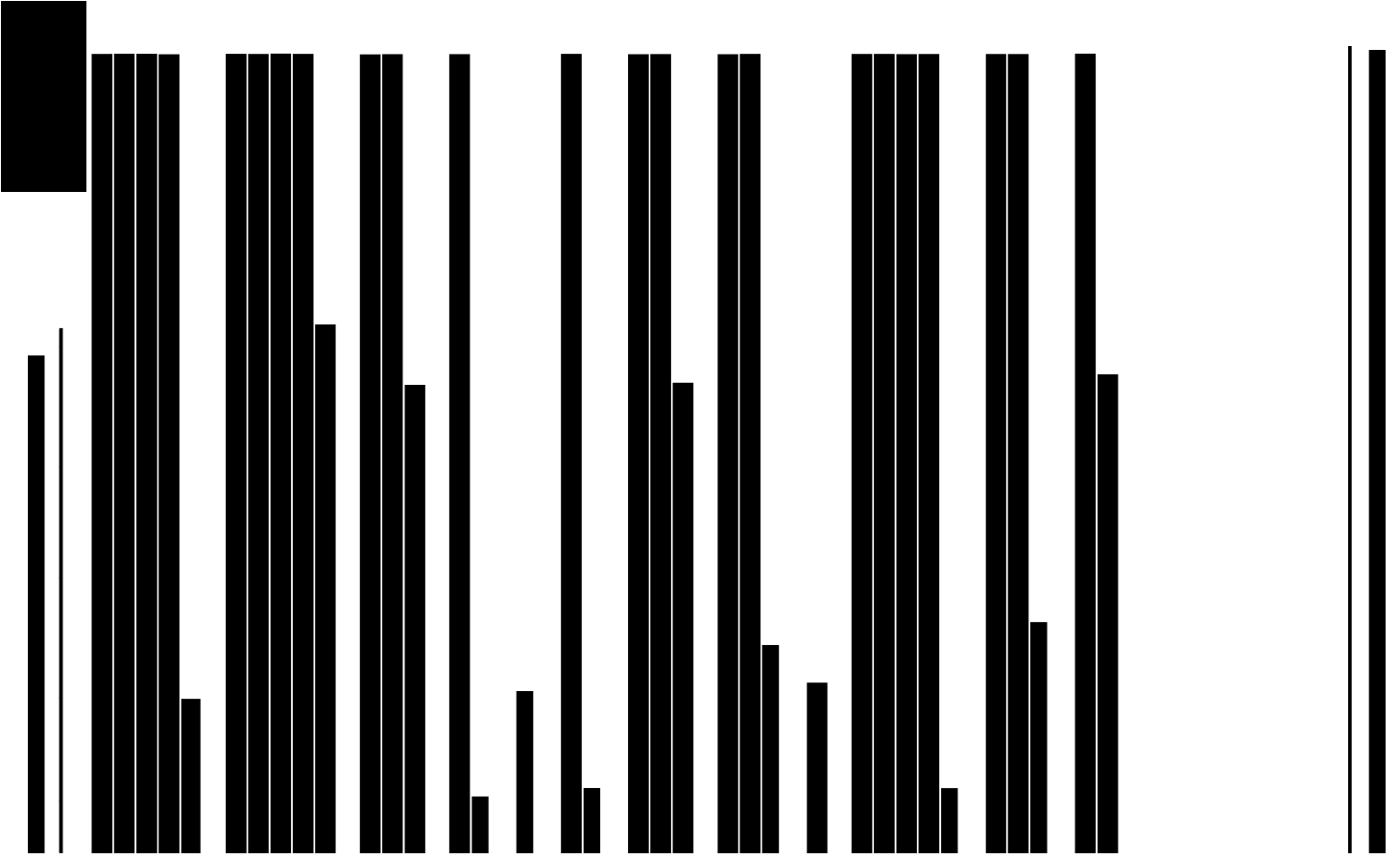














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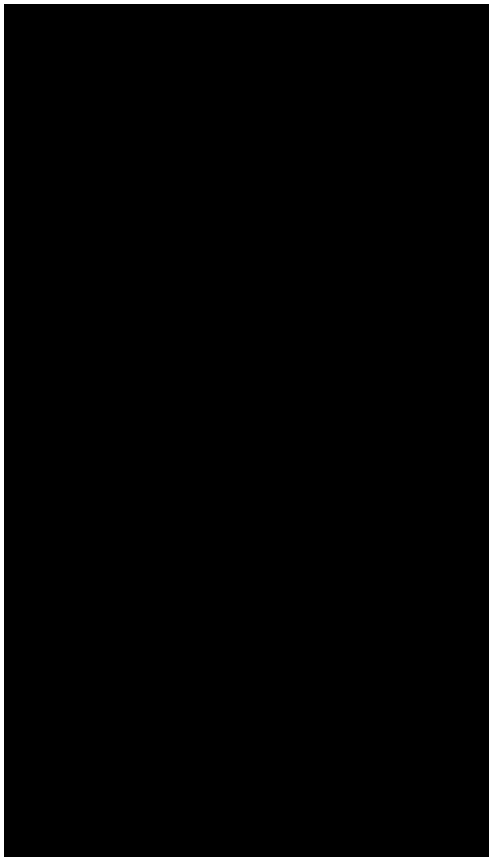
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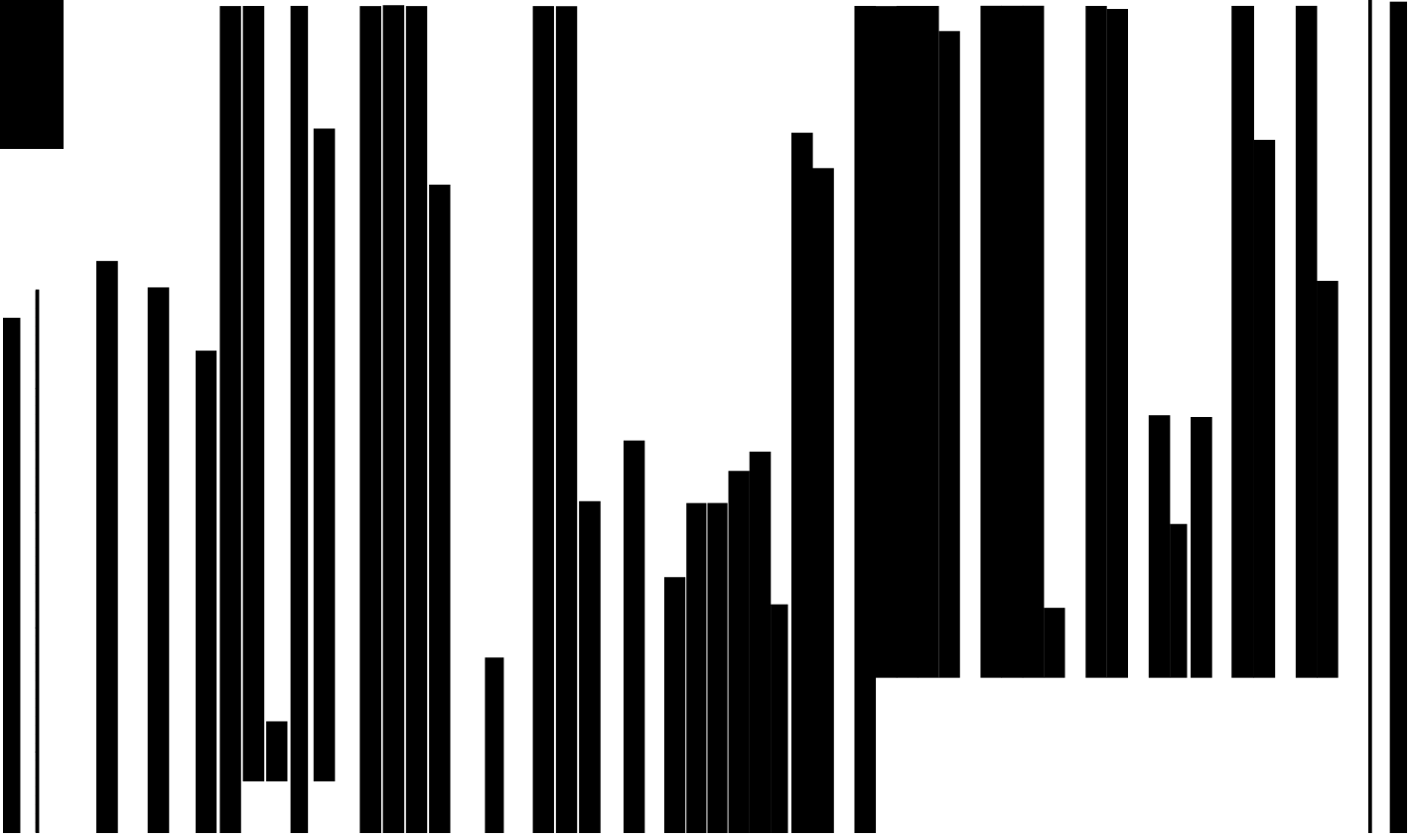
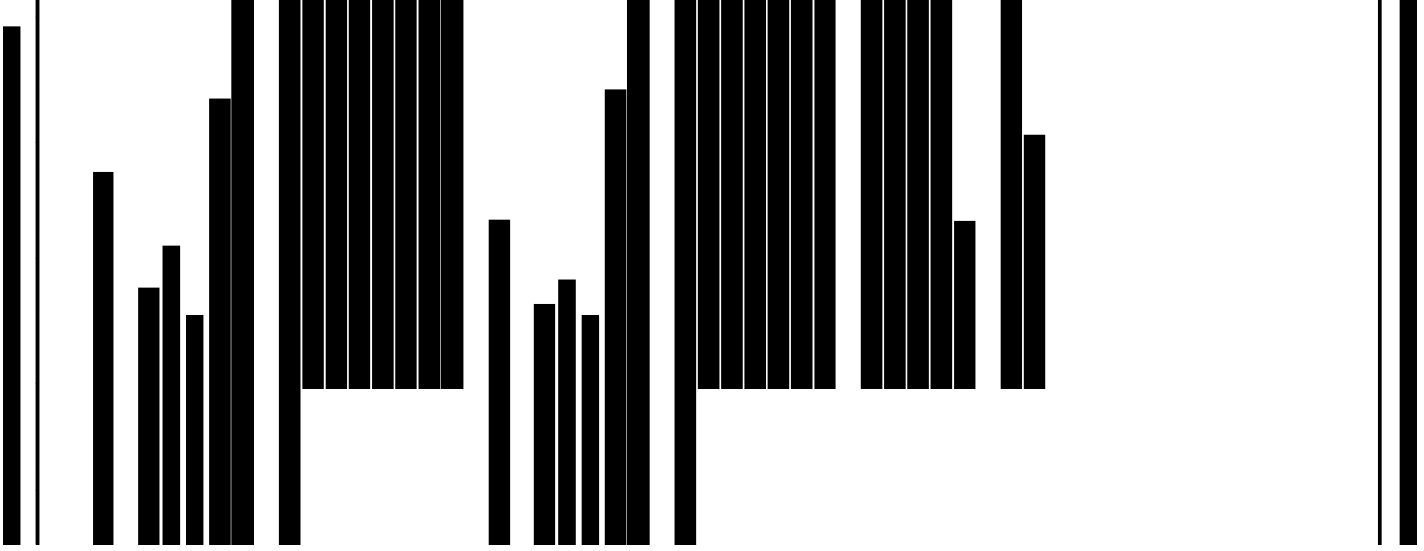
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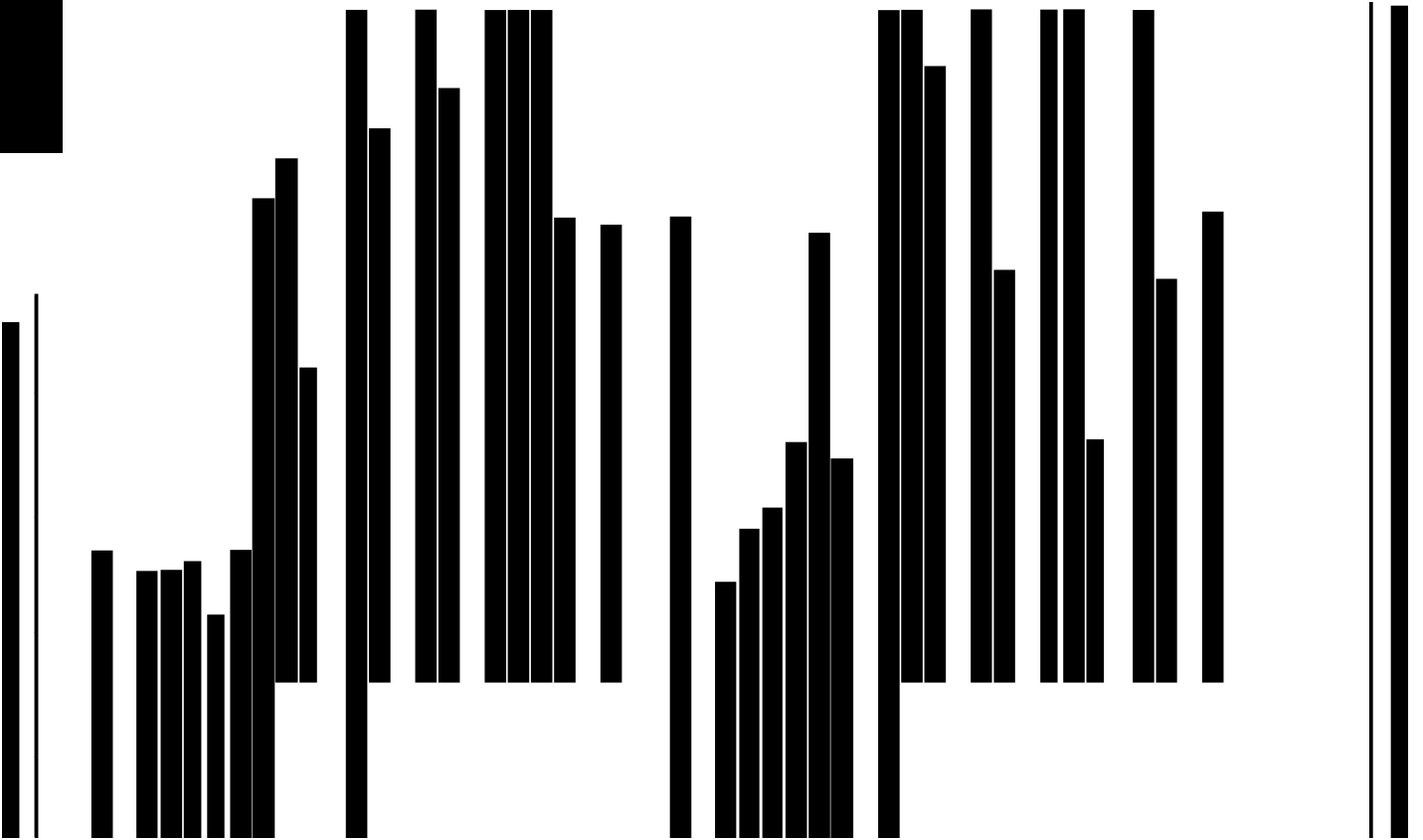
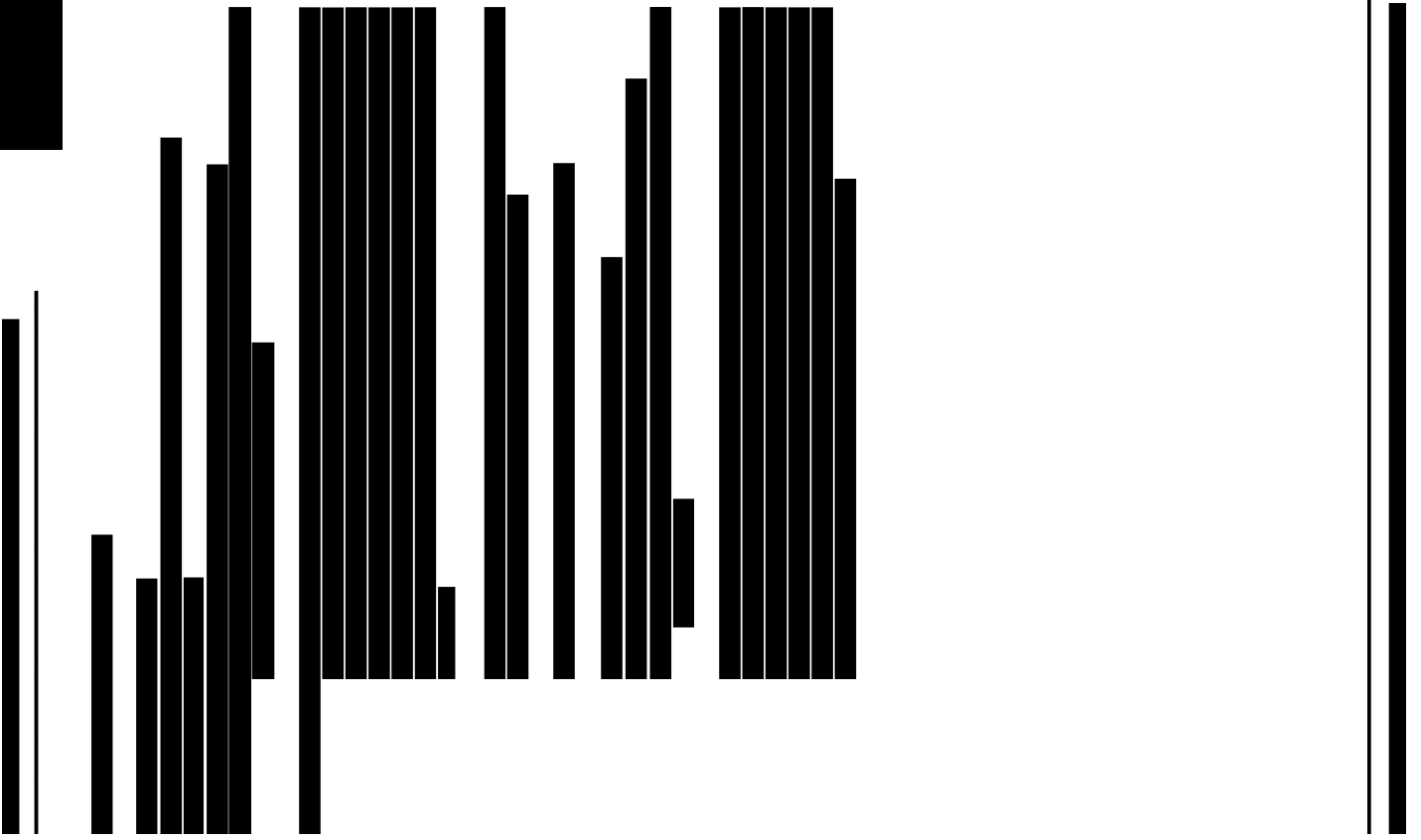
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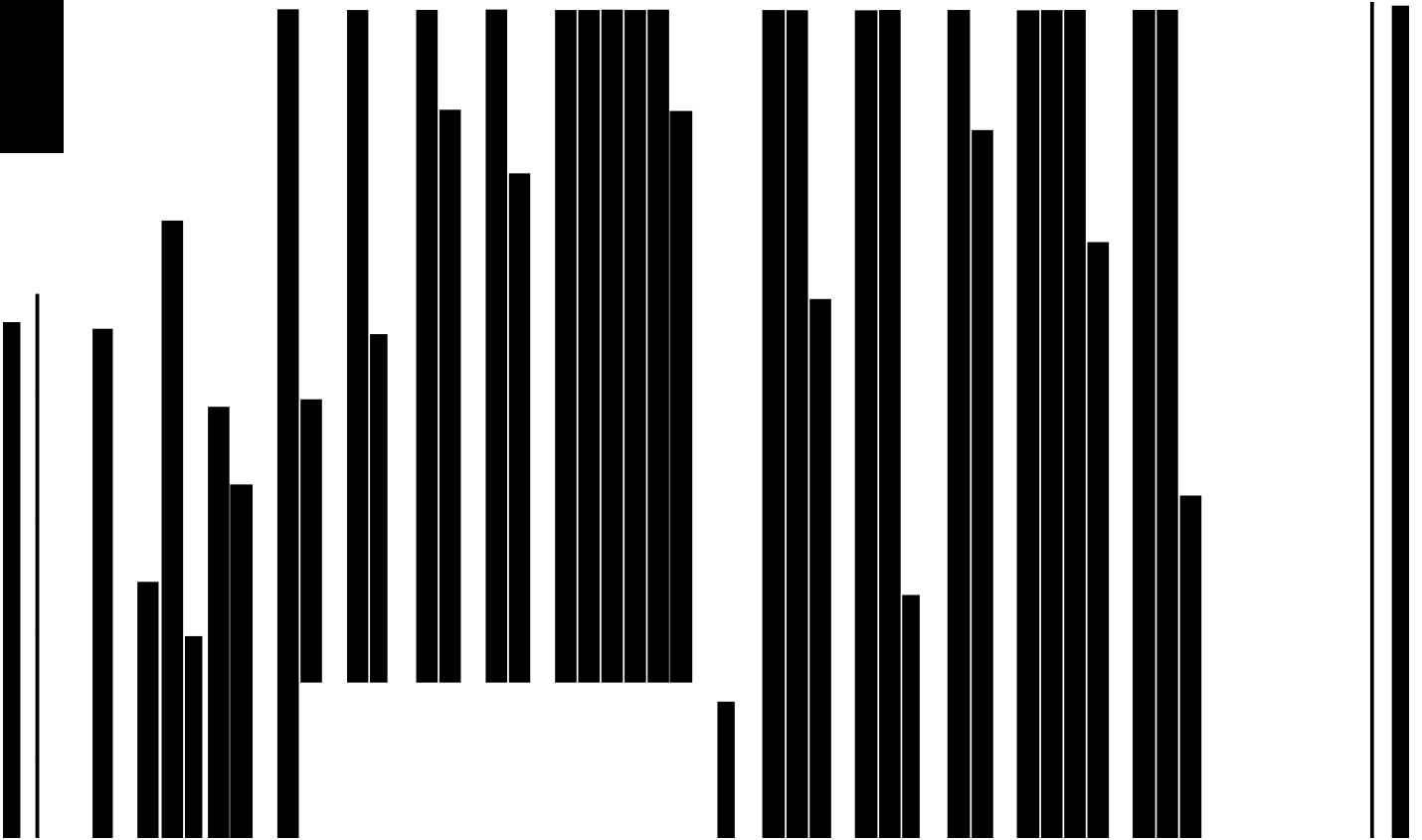
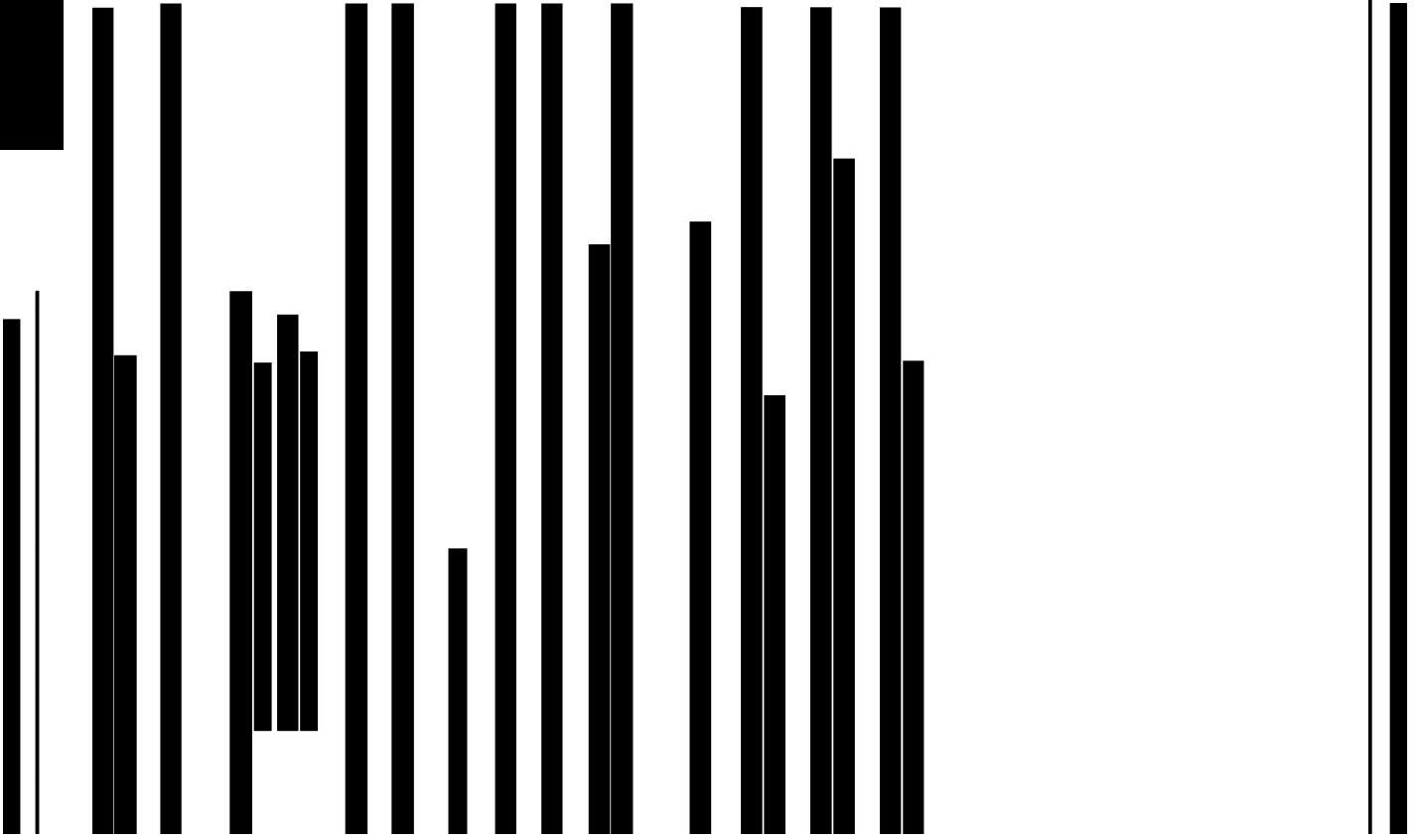
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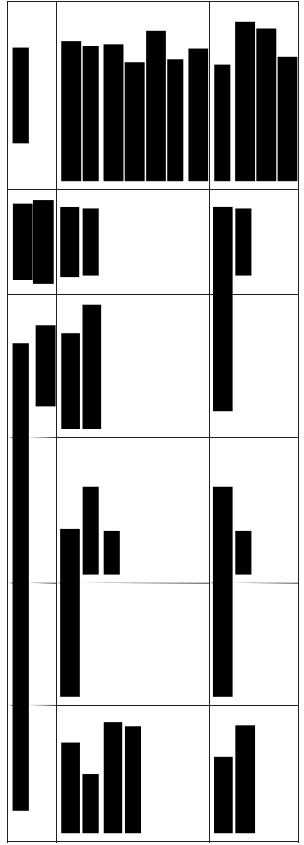
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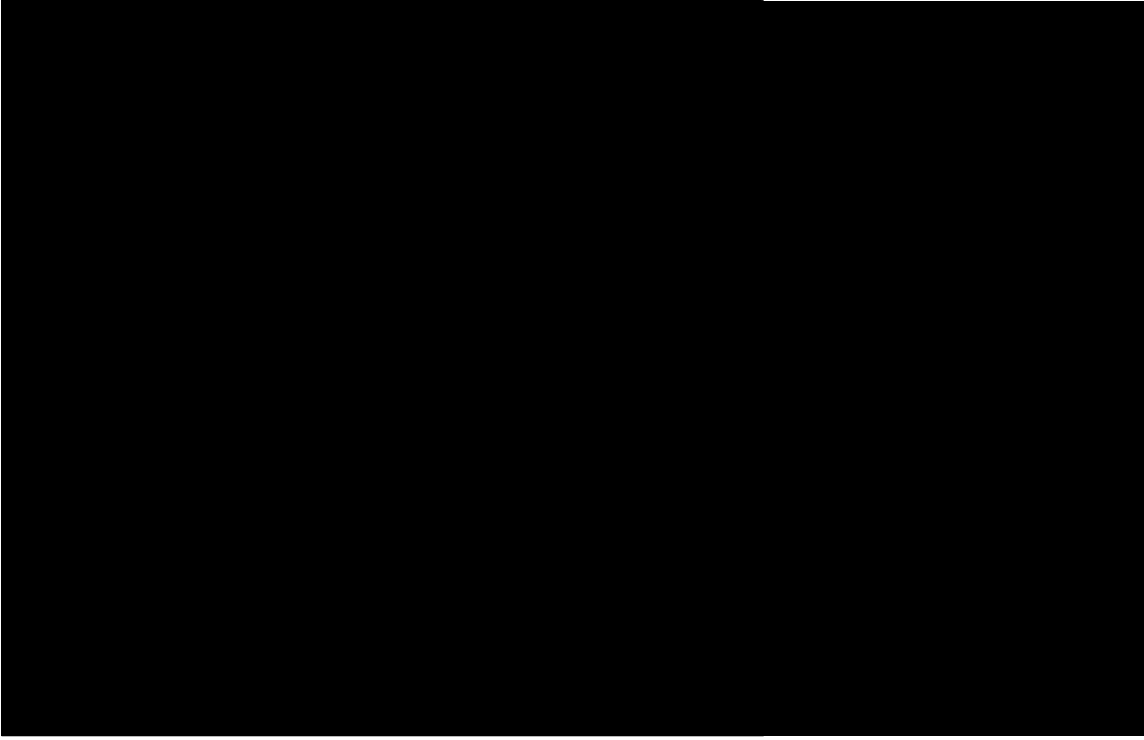


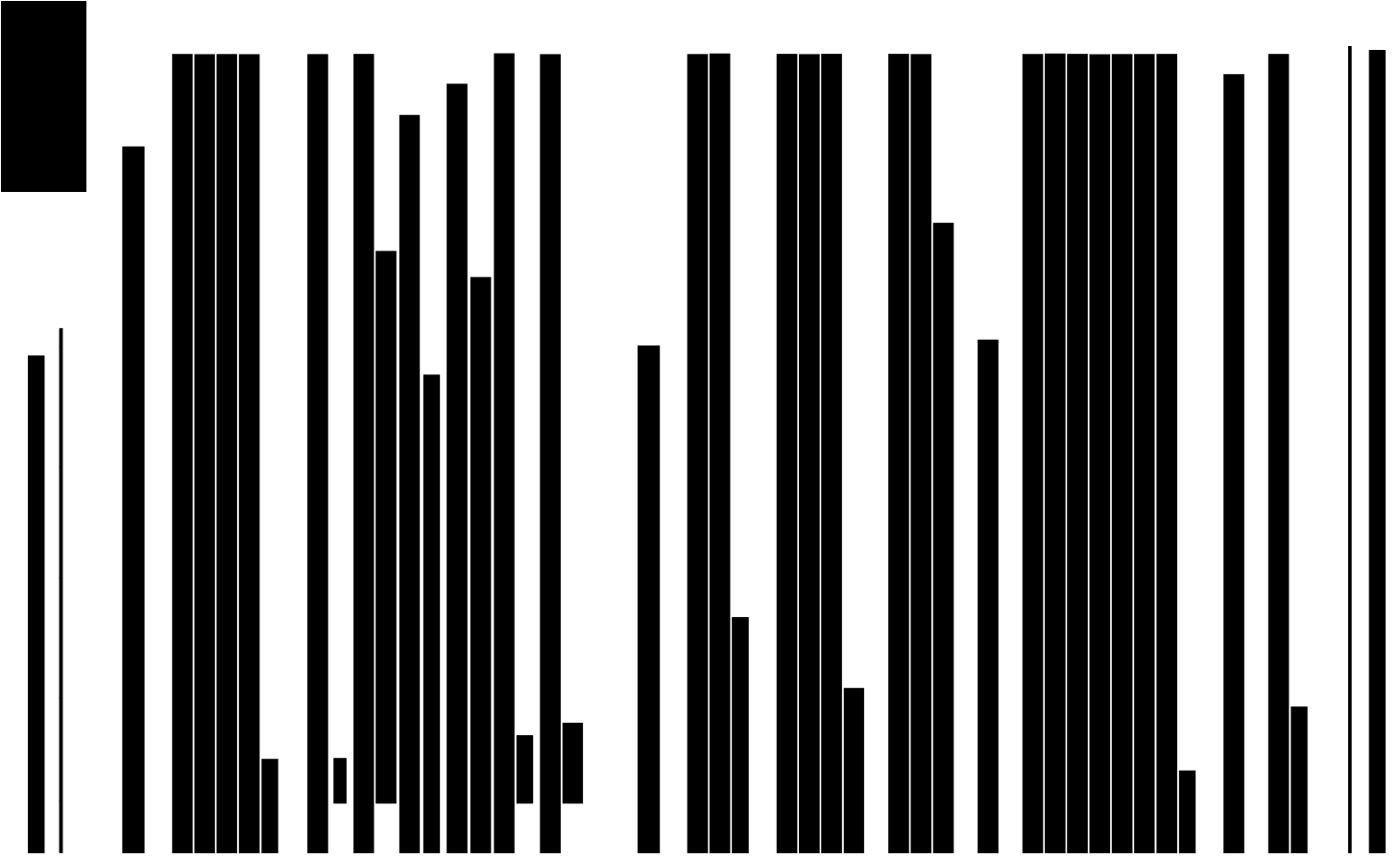


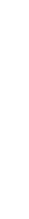


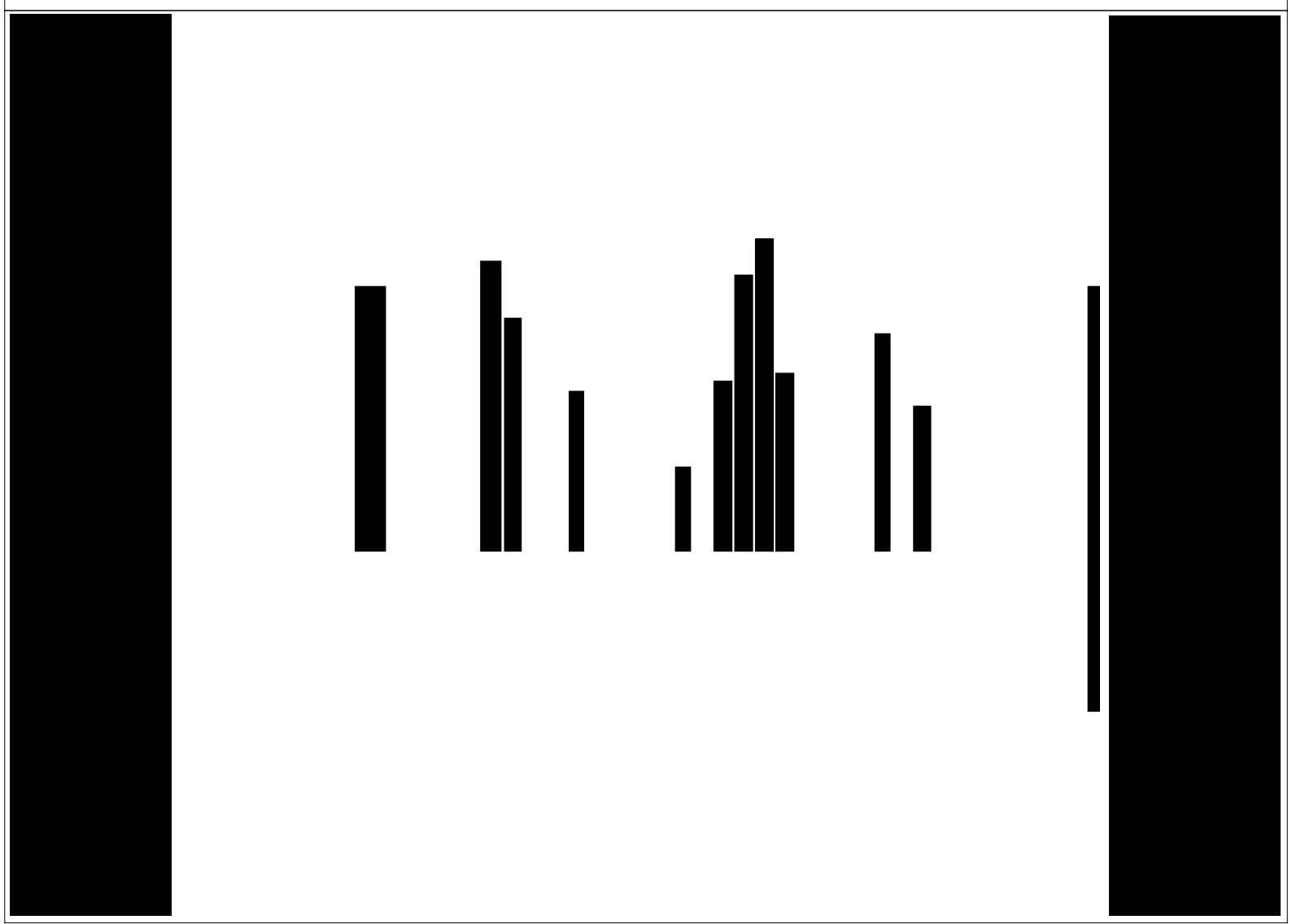
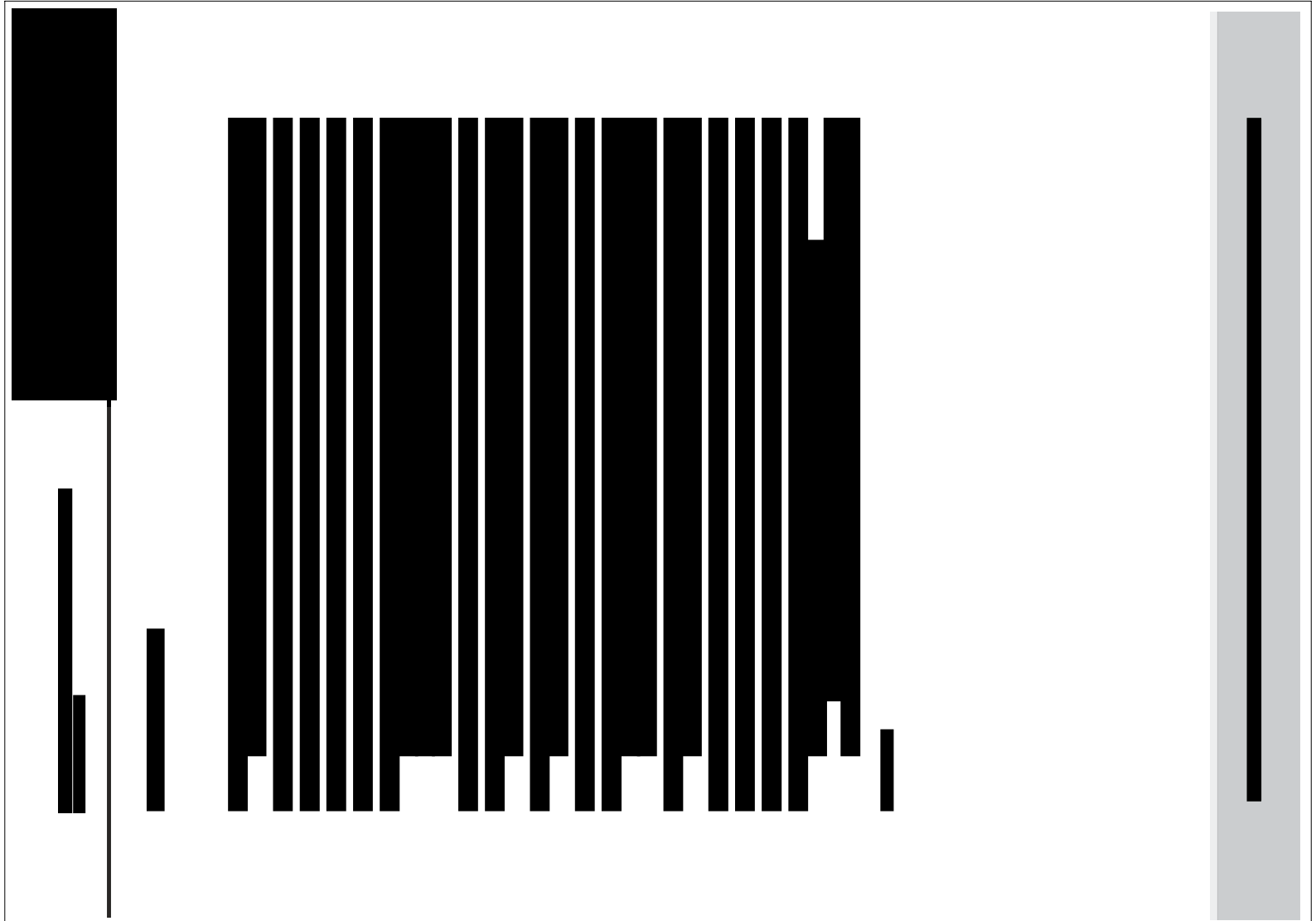


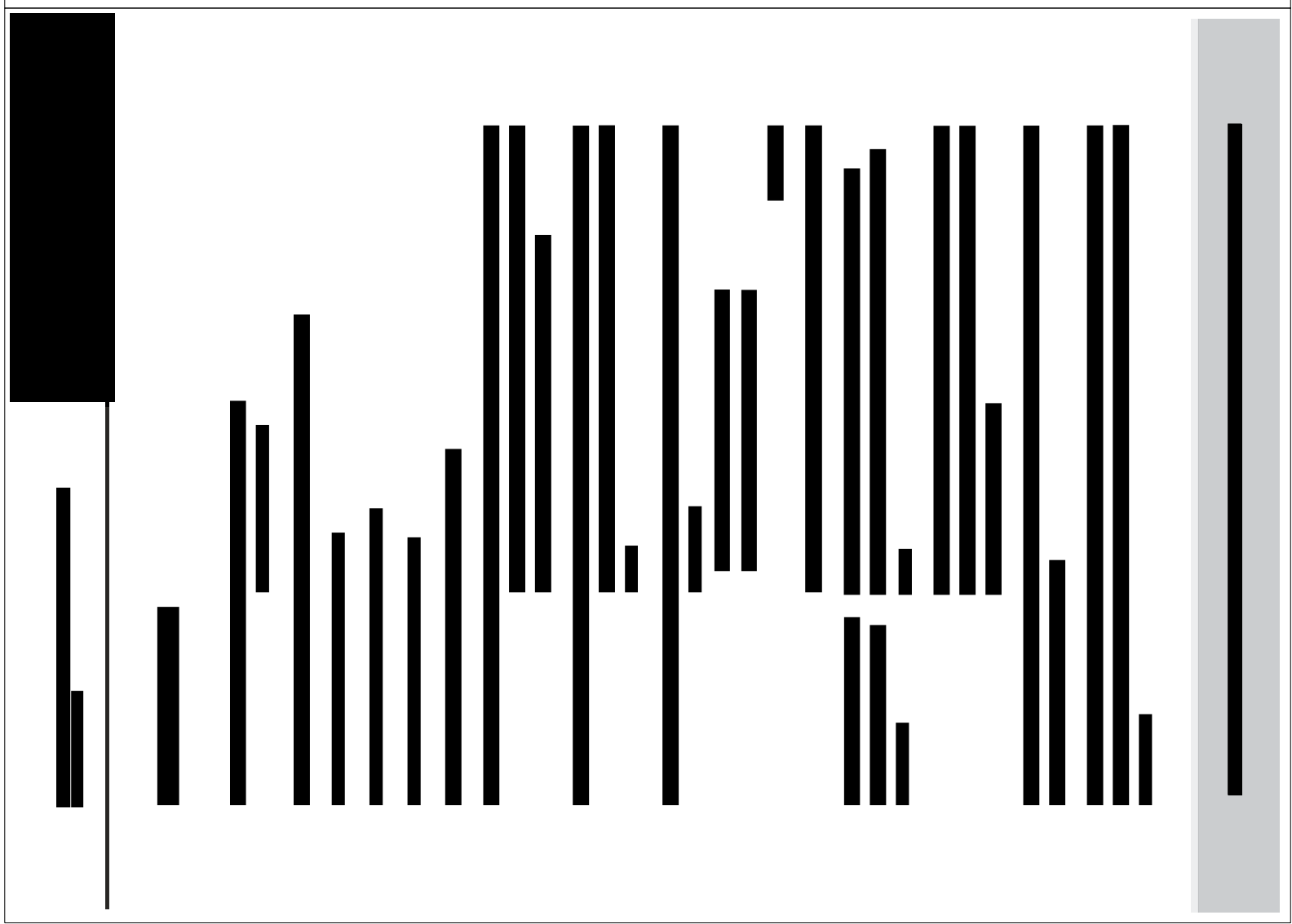


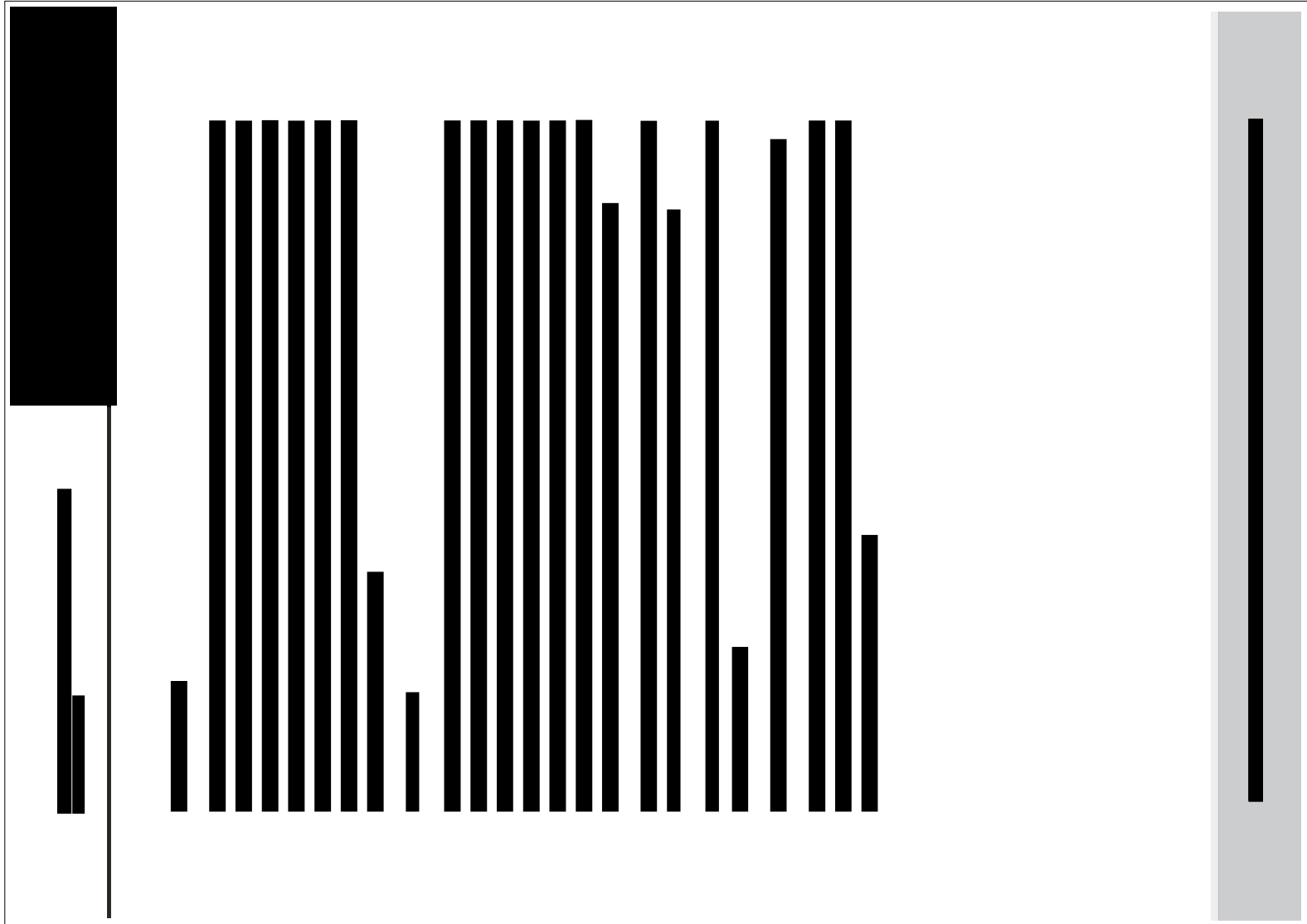


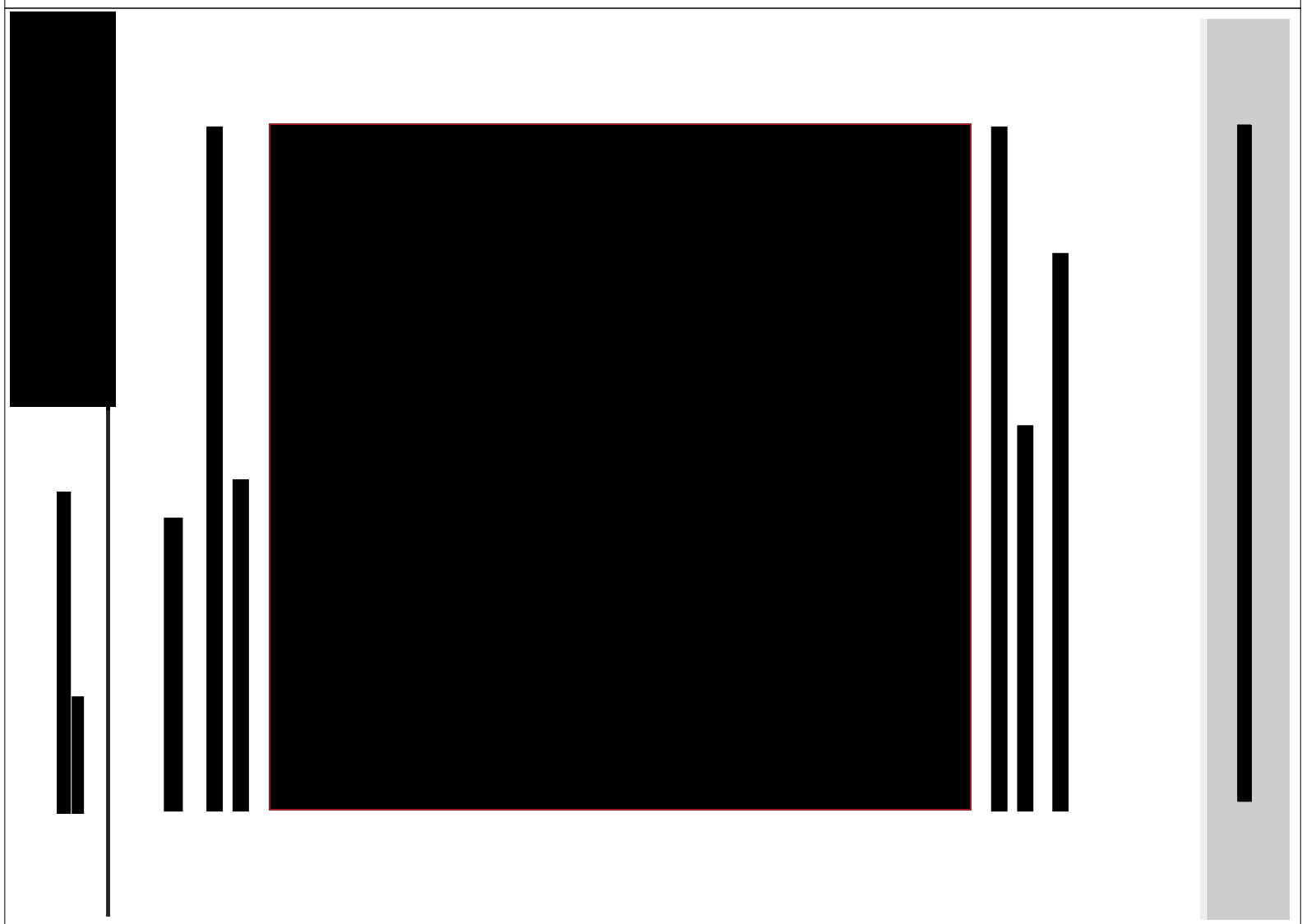


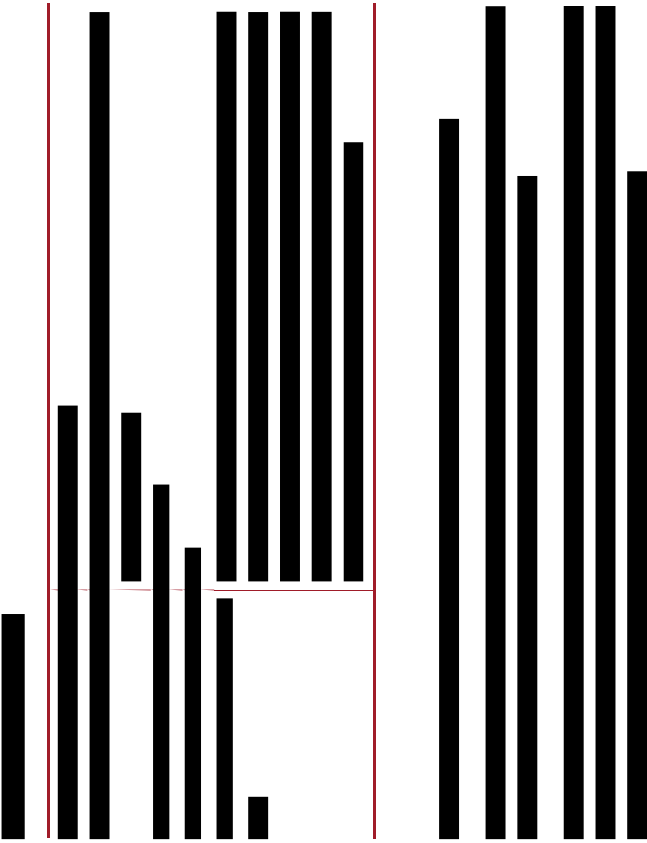




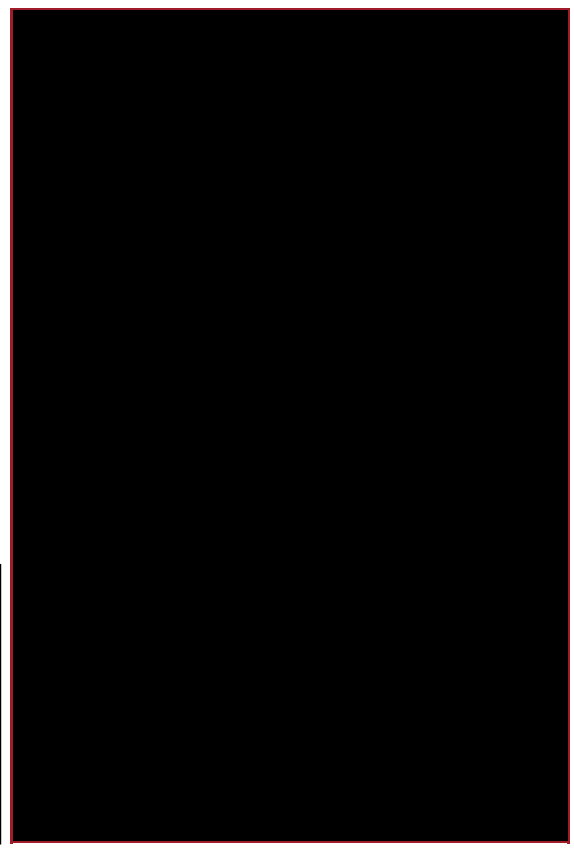
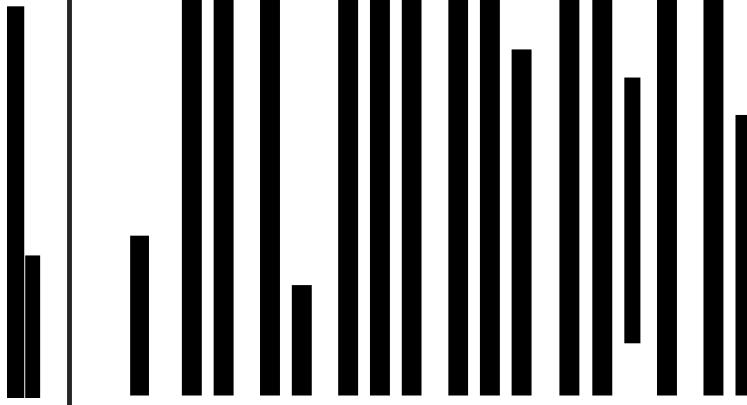
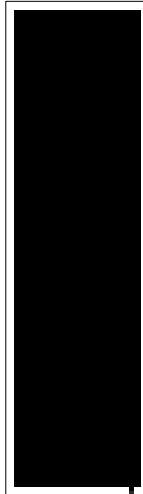












Source: Google Maps

