

9.5 Mudgee Aero Club Lease Proposal

REPORT BY THE PROPERTY COORDINATOR
TO 18 MAY 2022 ORDINARY MEETING
GOV400098, 26220

RECOMMENDATION

That Council:

1. **receive the report by the Property Coordinator on the Mudgee Aero Club Lease Proposal;**
2. **note, subsequent to the 16 March 2022 meeting, the Mudgee Aero Club, the General Manager and Mayor met to discuss specific issues that relate to the Mudgee Aero Club request; and**
3. **not approve the revised lease proposal by Mudgee Aero Club.**

Executive summary

This report is to consider a revision of the proposed lease of Lot 2 DP1271269 to the Mudgee Aero Club (the Club).

Disclosure of Interest

Nil

Detailed report

The Club have made a further submission subsequent to a meeting between the Club, the General Manager and Mayor, and Council Meeting and resolution of 16th March 2022 to not approve the proposed lease of Lot 2 DP1271269 at Mudgee Airport by the Club.

The submission seeks further consideration by Council and offers a revised lease proposal for Lot 2 DP12711269 (as per Attachment 1).

It is recommended that Council remain consistent with the strategic direction for development of the airport as identified in the Master Plan and in future only consider commercial applications in respect Lots 1-13 DP1271269.

The Club will be provided with an opportunity to lease land when development and subdivision in the northern precinct of the Airport is progressed by Council.

Community Plan implications

Theme	Building a Strong Local Economy
Goal	An attractive business and economic environment
Strategy	Support the expansion of essential infrastructure and services to match business and industry development in the Region

Strategic implications

Council Strategies

Mudgee Regional Airport Masterplan 2015

Council Policies

Leasing and Licencing of Council Property Policy

Legislation

Not applicable

Financial implications

Not applicable

Associated Risks

Any approved development that contravenes the Mudgee Airport Master Plan 2015 and its recommended framework for development in the short, mid to long term could set a precedent for future disjointed development and lease applications that detract from the intended purpose and release of these lots to attract business to the Mudgee region.

KELLY BARNES
PROPERTY COORDINATOR

NEIL BUNGATE
ACTING CHIEF FINANCIAL OFFICER

5 May 2022

- Attachments:*
1. Mudgee Aero Club Revised Lease Proposal. (Confidential - separately attached)
 2. Supplementary Information provided by Mudgee Aero Club.
 3. Mudgee Aero Club History.
 4. Report Council Meeting 16 March 2022 Mudgee Aero Club Lease Request.
 5. Council Minute 16 March 2022 Mudgee Aero Club Lease request.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER

Establishment, Growth and Purpose of the

MUDGEE AERO CLUB

The Mudgee Aero Club was first formed in June 1947. Some training was carried out but lapsed after a time due to the lack of aircraft and other training facilities.

In September, 1953, a general meeting was called with a view to recommencing flying operations. Mr. Len Farrow was largely responsible for this step being taken and credit should be given to him. Seventeen members attended the meeting and permission was granted by the Department of Civil Aviation for the use of the old racecourse as an aerodrome.

Many things have been accomplished since the re-establishment of the club. The building of an aircraft hangar was the first of these and funds for the project were swelled considerably by generous monetary donations from the people of Mudgee and district. The erection of the hangar was done almost entirely by voluntary labour, club members giving up their free time so that their work could be done as speedily as

possible. A cement floor and sliding doors have since been added to complete the building, which is large enough to house at least four light aircraft.

Next came the installation of two underground fuel tanks and bowser type pumps. This has made it possible for aircraft to be refuelled at any time and much more speedily than before. It has also meant added revenue to the Club as the fuel is sold on a commission basis.

More recently electricity has been installed at the hangar building and power connected to the bowzers. A workshop has been built on the side of the hangar. Electric power has been connected to this also, and an engineer will be based at Mudgee to carry out all aircraft maintenance. The area immediately in front of the hangar has been levelled and

is now sealed with bitumen.

Wherever possible in all these undertakings members have given of their time and strength so that the work may be done at a minimum cost, whilst several builders, plasterers and a plumber have generously given their time and skill wherever required.

Plans are now being drawn up for the erection of a Flight Hut / Crew Room and it is hoped a start will be made before very long.

Membership has increased steadily and there are now ninety members in the Club. Training has been carried out regularly. Thirty members are actively flying, twelve of whom hold their Private Pilot's Licence, two of these have their Commercial Licences, and one other has his Commercial with Instructor's Endorsement. During their training, pilots have had ex-

perience in the handling of Tiger-Moth, Auster, and Chipmunk aircraft. Four members now have their own aircraft. Assistance has been given by the Club during the bushfire periods, when planes have been used for pin-pointing fires.

All flying training is done through Royal Newcastle Club, which has been one of the largest flying training organisations in the world. Mr. George Campbell is the Chief Flying Instructor and the friend and councillor to the Club on all flying matters. To him goes all credit for the large amount of flying that takes place.

At the present time persons desirous of learning to fly must expect to pay not less than £175 to obtain a Private Pilot's Licence as at least 40 hours' flying training is required to reach that standard.

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A History of Events Leading to Establishment of the Mudgee Aerodrome

The ultimate provision of an aerodrome near Mudgee is the result of a long period of close co-operative effort on the part of the Cudjegong Shire and Mudgee Municipal Councils.

The possibilities of the use of the present site as an aerodrome first came under notice when the Mudgee Sub-Branch of the R.S.S. and A.I.L.A. held an Air Pageant on the area (then the Mudgee Racecourse) in January, 1936. The Hon. Organiser of this Pageant was Mr. O. R. Thwaites.

This Air Pageant was an outstanding success and it focussed public attention upon the suitability of the area for aviation purposes. The R.S.S. and A.I.L.A., particularly, did much at this time to obtain the interest of all local public bodies with a view to the racecourse being used as a landing ground.

A close investigation into the question by the two Councils showed that there was no area of land close to the town of Mudgee as suitable for an aerodrome as the Mudgee Racecourse, particularly as the hills in the vicinity of the town automatically excluded some lands which might otherwise have been considered suitable.

Much discussion took place involving the Land Board, Local Trustees and Councils, until, finally, on 11th September, 1939, the Minister for Lands dissolved the Trust and appointed the Cudjegong Shire Council as Trustee, the area to be used as a racecourse and for public recreation and aviation purposes.

The area inside the race track was then cleared and graded and a license was granted by the Civil Aviation Department on 24th July, 1940, allowing single engine 'planes only to use the aerodrome.

In the interim World War II had broken out and the landing field was used as a satellite ground for pilots undergoing elementary training. Many patriotic ladies in the community will recall the hours they spent at the racecourse dispensing tea, etc., to these young pilots.

During the War years the site was seriously considered as the location of an Elementary Air Training School and it was believed in 1941 that Mudgee would be selected for this purpose. Unfortunately,

however, this did not eventuate. If it had, the town and district would have obtained free of cost an up-to-date aerodrome as is the case in some other centres.

After the war further efforts were frustrated as Council was bound to make provision for horseracing and many obstacles were encountered. The Department finally cancelled the Licence on 12th May, 1949, because the area was used for horseracing and the runways could not be extended.

The Councils, after the War, faced a seemingly insoluble situation; they had a ground which could be developed for aviation but the race track fence made any further move impossible.

It was decided to make one final effort to meet the position but the project planned was considered not possible of fulfillment by the most optimistic people. A public meeting was held on 6th September, 1946, to examine the question of bringing into being a Combined Sports Ground, provision to be made for horseracing on the site.

The various sporting bodies (including the several Race Clubs) strongly supported this move, realising that this was the only way in which the aerodrome could be established.

The Combined Ground Investigation Committee was set up and it performed yeoman work. Then the seemingly impossible happened. On 17th September, 1947, the Lands Department offered the Cudjegong Shire Council a grant of £4,000 towards the acquirement of an area owned by Mr. W. J. Caghey, local interests to provide the balance of the purchase price.

However, this did not speedily resolve matters. Protracted negotiations took place and it was not until 31st March, 1950, that the Cudjegong Shire Council was in a position to advise the Department that the necessary additional funds were available and that the Combined Ground could be acquired. The new Combined Ground was vested in the Cudjegong Shire on 4th September, 1952, and the pow-

ers of control and development of this area were placed in the hands of the Combined Ground Committee, which is still improving the ground and hopes to be in a position soon to hold the first race meeting on the new track.

The way was now open for a final approach to the problem, but it was found that the requirements of the Civil Aviation Department had so tightened up that no design which had been prepared by the Councils measured up to modern standards.

The Civil Aviation Department finally decided to send a technical team to clear up all questions regarding suitability, and on 21st October, 1953, the Department forwarded a design of an aerodrome of DC3 or equivalent standard which complied fully with all conditions.

This design was revolutionary compared with previous designs, and the aerodrome as it now exists conforms with these plans.

The question of finance and acquisition of additional land now became the final obstacles to surmount and, on 1st October, 1954, the Mudgee Municipal and Cudjegong Shire Councils entered into an agreement under which the latter became responsible for such matters as construction and maintenance and the former pledged itself to pay one half of the loan instalments and the cost of upkeep.

Additional land had to be acquired from some five or six properties in the locality to allow runways to be provided and it is gratifying to state that, whilst no landowner desired interference with his or her land, every person concerned met the Council's wishes willingly and under quite reasonable financial terms.

Whilst negotiations were in progress on the matter of land acquirement, arrangements were made with the Commonwealth Bank to borrow amounts totalling £20,000, and the first work of construction (the fencing of the land) commenced in January, 1955.

The works carried out con-

sisted of fencing, clearance of trees, cutting and filling to proper gradients, consolidation, planting of the main strip with couch, rye and clover, diversion of electricity transmission lines, lowering and painting of telephone lines, provision of signal square, cone and gable markers, provision of an up-to-date terminal building and water tanks, construction of access roads.

The main runway is 6,020 feet in length and the secondary strip is 4,500 feet.

The area of the original racecourse was 144 acres and the total area involved in the aerodrome is 227 acres.

The total cost of the project (including acquisition, legal expenses, etc.) to 31st March, 1958, is £18,052 and, unless some unforeseen difficulty presents itself, the project should be completed for the original estimated amount.

The licence for the 'drome was issued on 7th March, 1958, and Butler Air Transport Pty. Ltd. made its first regular service flight on 10th March, 1958.

It has been a long hard road from the dream of January, 1936, to the arrival of the first passenger 'plane inaugurating a regular air service on 10th March, 1958, and to the official opening of the aerodrome on 3rd May, 1958, and many obstacles have been overcome in this period. It is, however, an example of what can be achieved by consistent and co-operative effort, and the Mudgee Municipal Council and the Cudjegong Shire Council can look back over the years on a job well done.

The benefits which accrue from a direct air link with the capital city are inestimable and it now only remains for the people of this town and district to give the service such patronage as will ensure that it pays the operator to give continuity and regularity of service. The aerodrome has been constructed mainly with an air service in view and an air service will only operate where the facilities exist and the demand warrants it.

9.2 Mudgee Aero Club Lease Request

REPORT BY THE PROPERTY CO-ORDINATOR
TO 16 MARCH 2022 ORDINARY MEETING
GOV400098, F0470002

RECOMMENDATION

That Council:

1. receive the report by the Property Co-ordinator on the Mudgee Aero Club Lease Request;
2. acknowledge the key objectives of the Mudgee Regional Airport Master Plan 2015, as Attachment 3, and only consider commercial lease applications in respect to the South East Development Zone identified as Lots 1-13 DP1271269 at Mudgee Airport;
3. accept the rental valuation determination for Lots 1-13 by City Valuers as at 11 October 2021, as per Confidential Attachment;
4. note that authority has been previously approved for the General Manager to negotiate the rental amounts for no more than 10% less than the rental valuation for all 13 lots;
5. not approve the proposed lease of Lot 2 DP1271269 to the Mudgee Aero Club as they do not meet the criteria for commercial development; and
6. note that under the Mudgee Regional Airport Masterplan 2015 there may be future release of land at the airport that may be a better fit for not-for-profit groups such as the Mudgee Aero Club.

Executive summary

Council has received a request from the Mudgee Aero Club (the Club) to lease vacant land (attachment 1) being lot 2 DP1271269 in the recent 15 lot subdivision located in the South East Development Zone (SEDZ) at Mudgee Airport.

This report is to confirm Council's commitment to the Mudgee Regional Airport Masterplan 2015 (the Master Plan) and its recommendation to retain this area strategically for commercial development only and acknowledge that future land development and release in the northern area at the Mudgee Airport would be a longer term, better fit for the Club.

Disclosure of Interest

Nil

Detailed report

Council has received a request from the Club in respect to leasing Lot 2 DP1271269 (attachment 2) for development into an additional hangar space to expand their existing facilities. The Club have also requested that Council consider heavily reducing the lease fees. Please refer to the confidential

attachments – valuation report – for an outline of the recommended annual return for each available lot (attachment 4).

The Club presently lease Lot 3 DP1003936, Lot 5 DP1003936 and Lot 8 DP1133385 at Mudgee Airport. The permitted use of these sites under their lease are for Club House (Lot 3) and Aircraft Hangar & related storage (Lot 5 & 8), although it is also noted that Airbnb type accommodation is also offered at one of these sites.

The Master Plan has established a framework for the future development and release of land at the Airport. The key trends identified in the Master Plan, forecasts future aviation industry growth through supply of available, specifically developed land suitable for commercial purpose. Through implementation of the Master Plan, Council recently implemented SEDZ through registration and subdivision of 13 industrial lots, created strategically to attract aviation business to the Mudgee region. These lots will soon be advertised for commercial lease and development, with adoption of recommended lease yields and within the scope of the General Managers authority to negotiate.

Additionally, Council recently acquired Lot 63 DP618063 for expansion of the Airport to the north and as recommended in the Master Plan, this land may be subdivided for release and is considered better suited to community lease applications such as the Mudgee Aero Club.

It is also recommended that Council remain consistent with the strategic direction for development of the airport as identified in the Master Plan and in future only consider commercial applications in respect to Lots 1-13 DP1271269.

Community Plan implications

Theme	Looking After Our Community
Goal	Effective and efficient delivery of infrastructure
Strategy	Provide infrastructure and services to cater for the current and future needs of our community

Strategic implications

Council Strategies

Mudgee Regional Airport Masterplan 2015

Council Policies

Leasing and Licencing of Council Property Policy

Legislation

Not Applicable

Financial implications

Not Applicable

Associated Risks

Any approved development that contravenes the Master Plan and its recommended framework for development in the short, mid to long term could set a precedent for future disjointed development applications that detract from the intended purpose and release of these lots to attract business to the Mudgee region.

MID-WESTERN REGIONAL COUNCIL | ORDINARY MEETING - 16 MARCH 2022
REPORT 9.2

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KELLY BARNES
PROPERTY CO-ORDINATOR

NEIL BUNGATE
ACTING CHIEF FINANCIAL OFFICER

22 February 2022

- Attachments:*
1. Mudgee Aero Club Request. (separately attached)
 2. Lot 2 DP1271269. (separately attached)
 3. Mudgee Regional Airport Master Plan 2015. (separately attached)
 4. City Valuers - Rental Valuation Determination. (Confidential - separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER



MID-WESTERN REGIONAL COUNCIL

COUNCIL MEETING EXTRACT
COUNCIL MEETING: 16 MARCH 2022

9.2 MUDGEE AERO CLUB LEASE REQUEST

GOV400098, F0470002

01/22

MOTION Cavalier / Shelley

That Council:

1. receive the report by the Property Co-ordinator on the Mudgee Aero Club Lease Request;
2. acknowledge the key objectives of the Mudgee Regional Airport Master Plan 2015, as Attachment 3, and only consider commercial lease applications in respect to the South East Development Zone identified as Lots 1-13 DP1271269 at Mudgee Airport;
3. accept the rental valuation determination for Lots 1-13 by City Valuers as at 11 October 2021, as per Confidential Attachment;
4. note that authority has been previously approved for the General Manager to negotiate the rental amounts for no more than 10% less than the rental valuation for all 13 lots;
5. not approve the proposed lease of Lot 2 DP1271269 to the Mudgee Aero Club as they do not meet the criteria for commercial development; and
6. note that under the Mudgee Regional Airport Masterplan 2015 there may be future release of land at the airport that may be a better fit for not-for-profit groups such as the Mudgee Aero Club; and
7. organise a meeting between the Mudgee Aero Club, the General Manager, Mayor and any Councillors that wish to attend, to discuss specific issues that relate to the Mudgee Aero Club request.

The motion was carried with the Councillors voting unanimously.