

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 Councils 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.

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