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true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE AIRPORT ADVISORY COMMITTEE MEETING HELD ON 23 MAY 2018

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MINUTES

MINUTES OF A MEETING OF THE AIRPORT ADVISORY COMMITTEE HELD IN THE INDIJUP ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 23 MAY 2018 AT 10.00AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 10:02am.

2. ATTENDANCE

Presiding Member:

Cr John McCallum

Members:

Cr Paul Carter

Cr Kelly Hick

Officers:

Mrs Naomi Searle, Director, Community and Commercial Services

Miss Kate Dudley, Administration Officer, Governance

Apologies:

Cr Coralie Tarbotton

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Airport Advisory Committee Meeting held 6 March 2018

COMMITTEE DECISION

AIR1805/044 Moved Councillor P Carter, Seconded Councillor K Hick

That the Minutes of the Airport Advisory Committee Meeting held 6 March 2018 be confirmed as a true and correct record.

CARRIED 3/0

6. REPORTS

6.1 DELEGATION OF AUTHORITY TO CEO TO DISPOSE OF PROPERTY BY WAY OF LEASE FOR THE NEW GENERAL AVIATION PRECINCT AT BUSSELTON MARGARET RIVER AIRPORT

SUBJECT INDEX:	BMRA 001
STRATEGIC OBJECTIVE:	A community where local business is supported and in turn drives our economy
BUSINESS UNIT:	Community and Commercial Services
ACTIVITY UNIT:	Airport Redevelopment
REPORTING OFFICER:	Project Manager - Business Development - Emma Heys
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

Officers are seeking a Delegation of Authority or authorisation from Council to the CEO to enter into new lease agreements for land lots at the Busselton Margaret River Airport new General Aviation Precinct.

BACKGROUND

As part of the Busselton Margaret River Airport (BMRA) Development Project, the City is constructing a new General Aviation Precinct. Up to 36 new land lots will be available for lease and development.

Initially the leasable lots will be made available through two Expression of Interest programs; Program A – available only to the current tenants of the existing hangars; and Program B – allocation of remaining lots made available to the general public. Any remaining lots will be open to the public until all lots have been taken up.

Due to the high volume of potential new lease agreements (36) expected from the General Aviation Precinct and the similar nature of each lease agreement, Officers are seeking approval to delegate authority to the CEO to enter into the new lease agreements.

A Delegated Authority or authorisation to the CEO will negate the need to present each individual lease agreement to Council and expedite the timeline for the Expression of Interest program. This will ensure the completion of the construction of the General Aviation Precinct aligns with the ability of new tenants to commence construction of hangars and the generation of revenue for the City.

STATUTORY ENVIRONMENT

Section 3.58 of the *Local Government Act 1995* requires the Local Government to advertise for public comment the proposed disposition of property (by way of lease) for a minimum of 14 days and include details of the parties, the consideration of the disposal and consider any public comment prior to entering into the proposed lease agreement.

RELEVANT PLANS AND POLICIES

The current Instrument of Delegation (LG3C) only allows for the CEO to approve subsequent leases, renewals or options to exercise to a value not exceeding \$25,000. An approval or delegated authority to enter into new lease agreements for the land lots at the BMRA General Aviation Precinct only is being requested.

FINANCIAL IMPLICATIONS

The potential revenue from each new lease agreements over 20 years, based on a conservative \$9 per square meter rate, has been estimated:

# of Lots	Lot Size	Potential Revenue per lot (over 20 years)	Total potential revenue
15	18 x 10m (180sqm)	\$32,400	\$486,000
5	18 x 15m (270sqm)	\$48,600	\$243,000
3	20 x 25m (500sqm)	\$90,000	\$270,000
8	25 x 25m (625sqm)	\$112,500	\$900,000
3	35 x 25m (875sqm)	\$157,500	\$472,500
Total			\$2,371,500

Costs associated with the execution of the new lease agreements will be at the cost of the tenant.

STRATEGIC COMMUNITY OBJECTIVES

Key Goal Area 4 - Economy: Diverse, robust and prosperous.

4.1 An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.

4.2 A community where local business is supported and in turn drives our economy.

Key Goal Area 6 – Leadership: Visionary, collaborative and accountable.

6.1 Governance systems, process and practices are responsible, ethical and transparent.

6.3 Accountable leadership that is supported by a skilled and professional workforce.

RISK ASSESSMENT

A risk assessment was undertaken and following risk mitigation, no residual risks were rated as medium or high and as such a formal risk assessment is not provided.

CONSULTATION

Officers provided a briefing to Council 9th May 2018 regarding the proposed delegation request. Following this Officers present the request to the Airport Advisory Committee (23rd May) and the Policy and Legalisation Committee (29th May) for consideration.

OFFICER COMMENT

Officers are seeking a Delegation of Authority or authorisation from Council to the CEO to enter into new lease agreements for land lots at the BMRA new General Aviation Precinct.

As part of the BMRA Development Project, the City is constructing a new General Aviation Precinct. Up to 36 new land lots will be available for lease and development. The leases agreements will be made available through two Expression of Interest programs; Program A – available only to the current tenants of the existing hangars; and Program B –allocation of remaining lots made available to the general public. Any remaining lots will be open to the public until all lots have been taken up.

Due to the high volume of potential new lease agreements (36) expected from the General Aviation Precinct and the similar nature of each lease agreement, Officers are seeking approval or authority to delegate authority to the CEO to:

- Negotiate the terms and conditions of the lease agreements;
- Advertise as per the requirements of section 3.58 of the Act; and
- Provided there are no adverse public comments, enter into a lease agreement.

The current Instrument of Delegation (LG3C) only allows for the CEO to approve subsequent leases, renewals or options to exercise to a value not exceeding \$25,000.

CONCLUSION

A Delegated Authority or authorisation to the CEO will negate the need to present each individual lease agreement to Council and expedite the timeline for the Expression of Interest program. This will ensure the completion of the construction of the General Aviation Precinct aligns with the ability of new tenants to commence construction of hangars and the generation of revenue for the City.

OPTIONS

Should Council choose not to accept the Officers Recommendation, Council could choose to consider each new lease agreement, requiring Officers to present each new lease agreement through individual Council Reports.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The Officer Recommendation will be presented to the Policy and Legislation Committee at the 29th May 2018 meeting and to Council at the Ordinary meeting on 13th June 2018. Following Council endorsement the Officer recommendation will be implemented immediately.

OFFICER RECOMMENDATION

That the Council delegates authority to the CEO to exercise the powers and discharge the duties of the local government under Sections 3.58 of the *Local Government Act 1995* to:

1. Negotiate the terms and conditions of new lease agreements relating to land lots at the new Busselton Margaret River Airport General Aviation Precinct;
2. Advertise the proposed disposition of property (by way of lease) as per the requirements of Section 3.58 of the Local Government Act 1995; and
3. Provided there are no adverse public comments received, authorize the CEO to enter into individual lease agreements.

COMMITTEE RECOMMENDATION**AIR1805/045** Moved Councillor P Carter, Seconded Councillor K Hick

That the Council delegates authority to the CEO to exercise the powers and discharge the duties of the local government under Sections 3.58 of the *Local Government Act 1995* to:

1. Negotiate the terms and conditions of new lease agreements relating to land lots at the new Busselton Margaret River Airport General Aviation Precinct;
2. Advertise the proposed disposition of property (by way of lease) as per the requirements of Section 3.58 of the Local Government Act 1995; and
3. Provided there are no adverse public comments received of a significant nature, authorize the CEO to enter into individual lease agreements.

CARRIED 3/0

7. GENERAL DISCUSSION ITEMS

The Director of Community and Commercial Services presented a video time lapse of the Busselton Margaret River Airport airside construction works.

8. NEXT MEETING DATE

TBA

9. CLOSURE

The meeting closed at 10.35am.

THESE MINUTES CONSISTING OF PAGES 1 TO 7 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON TUESDAY, 25 DECEMBER 2018.

DATE: _____

PRESIDING MEMBER: _____