

*Expression of Interest*

# **AIRSIDE LAND AT EAST KIMBERLEY REGIONAL AIRPORT**

*EOI 01 22/23*



<b>INTRODUCTION</b>	<b>2</b>
<b>GENERAL INFORMATION</b>	<b>3</b>
<b>CURRENT AIRPORT CAPABILITY</b>	<b>3</b>
<b>LAND USE</b>	<b>4</b>
<b>SITE INFORMATION</b>	<b>4</b>
<b>LEASE/SALE REQUIREMENTS</b>	<b>5</b>
<b>LICENCES/OTHER CONSIDERATIONS</b>	<b>6</b>
<b>AIRPORT REQUIREMENTS</b>	<b>6</b>
<b>INSURANCE</b>	<b>6</b>
<b>FORM OF THE EXPRESSION OF INTEREST</b>	<b>6</b>
<b>LODGEMENT OF SUBMISSIONS AND DELIVERY</b>	<b>7</b>
<b>DEADLINE FOR EXPRESSIONS OF INTEREST</b>	<b>7</b>
<b>LEGISLATION</b>	<b>7</b>
<b>CONTACT INFORMATION</b>	<b>8</b>
<b>VIEWING</b>	<b>8</b>
<b>APPENDIX A</b>	<b>9</b>
<b>APPENDIX B</b>	<b>9</b>



## Introduction

The East Kimberley Regional Airport (EKRA) is located 5km from the Kununurra town centre and is owned and operated by the Shire of Wyndham East Kimberley. The EKRA is the eastern gateway to the remote Kimberley region in northern Western Australia.

The East Kimberley Regional Airport Master Plan (2017) identifies the opportunity to expand airside lots to the west of the airport terminal to provide the opportunity for a range of aviation businesses to be established at the airport, referred to in the master plan as the 'Southern Aviation Precinct'.

The Shire of Wyndham East Kimberley (the Shire) is proposing to make four (4) airside lots available for long-term lease, with one also open for the option to purchase, within the Southern Aviation Precinct and are inviting expressions of interest (EOI) from suitable aviation businesses to establish an airside premises at the East Kimberley Regional Airport.

The lots are primarily to cater for aviation-related facilities such as hangars which require airside access. Potential operations could include commercial charters, aircraft maintenance, private hangars, air freight, or other aviation-related businesses/operations that require airside access.



## General Information

The airport infrastructure at EKRA currently accommodates Code 3C aircraft operations. EKRA has 46 weekly scheduled regular passenger traffic (RPT) services and is serviced by numerous operators, including Virgin Australia, Airnorth, charter airlines and the Royal Flying Doctor Service (RFDS).

The Shire of Wyndham East Kimberley has developed a master plan for the EKRA to serve as a planning framework for the long-term aeronautical and nonaeronautical development of EKRA in response to forecasted traffic growth over a 20-year planning horizon.

The East Kimberley Regional Master Plan (2017) identifies the scope for diversification through new/expanded opportunity areas that could include the ability to accept larger aircraft, support the economic growth of Kununurra and the tourist, agriculture, resources sectors and defence capabilities.

A number of aeronautical and non-aeronautical developments are recommended to be undertaken during the 20-year planning horizon including to:

- Expand the existing 1,829 metres x 30 metres runway to 2,430 metres x 45 metres;
- Increase the size of the passenger terminal to accommodate multiple Code 4C aircraft; and
- Facilitate additional commercial development of airport land to encourage synergies, provide additional revenue sources and support economic development.

The master plan also identifies the opportunity to expand lots to the west of the airport terminal to provide the opportunity for a range of aviation and non-aviation businesses to be established at the airport, referred to as the 'Southern Aviation Precinct', 'Southern Commercial Precinct' and 'Freight Precinct'.

To initiate this expansion, the Shire is proposing to make 4 lots with airside access available for long-term lease (including one also open for the option to purchase) within the Southern Aviation Precinct and are inviting expressions of interest (EOI) from suitable aviation businesses to establish an airside premises at the East Kimberley Regional Airport.

## Current Airport Capability

### Runway capability

The current runway at the Airport has the following characteristics:

Designation: 12/30

Runway length: 1,829 metres

Runway strip Width: 30 metres

Graded strip width: 150 metres

Graded strip length: 1,949 metres

Runway Shoulder width: 3 metres

Surface: Asphalt, grooved

Runway pavement strength: 60,000kg

Maximum allowable tyre pressure: 1200 kPa (174 psi).

Pavement Classification Number (PCN): 40

Subgrade strength category: low strength

The Shire of Wyndham East Kimberley has been undertaking maintenance works, to upgrade taxi ways and aprons, and are currently seeking more funding to lengthen the existing runway.

### **West GA apron:**

The subject lots have airside access to the West General Aviation (GA) apron located west of the passenger terminal building.

The West GA apron has two areas for aircraft parking: the larger area has a length of 200 metres and a depth of 10 metres while the smaller area has a length of 150 metres and a depth of 9 metres. These parking areas can accommodate a total of 21 Code A aircraft. There is also designated helicopter parking west of this apron for four helicopters.

## **Land Use**

The EKRA is zoned Special Use – Airport under the Shire of Wyndham East Kimberley Local Planning Scheme No. 9.

The Southern Aviation Precinct is available for aviation based commercial operations including maintenance and servicing, charter, aviation tourism and related businesses, as well as for general aviation for private and recreational use.

Other uses may be permitted by the local government provided that they are incidental to the predominant use of the land or deemed to be dependent on the function of the Airport or are shown to the satisfaction of local government to be consistent with the Airport's long-term operational needs.

## **Site Information**

The East Kimberley Regional Airport is located at Lot 200 Peter Reid Drive Kununurra, 5km west of the Kununurra town site on the northern side of Victoria Hwy opposite the Lake Kununurra Golf Club. The Southern Aviation Precinct is located to the west of the Airport Terminal on the northern side of Laine Jones Drive.

There are four parcels proposed to be made available:

Lot marked 1A for lease or purchase comprising 3,108 square metres;

Lot marked 1B for lease comprising 3,108 square metres;

Lot marked 1C for lease comprising 4,908 square metres, and

Lot marked 1D for lease comprising 4,908 square metres.

A location map of the EKRA and Southern Aviation Precinct is attached to this document as **Appendix A**, and plans showing the proposed lots and dimensions are attached in **Appendix B**.

## **Access**

The lots have direct airside access to the West GA apron which includes parking areas for Code A aircraft, and access to taxiways and runways.

Lots 1A, 1B and 1C do not currently have frontage to a constructed road. Infrastructure to provide access to these lots will be provided by the Shire as an unsealed road initially and a sealed road once funds become available for the development of the adjoining land side properties. Lot 1D has direct frontage/access to Laine Jones Drive.



## **Services/utilities/infrastructure**

Applicants will need to acknowledge that properties are offered “as is” and any costs of infrastructure and utilities required on site are at their own expense.

Lots 1A, 1B, 1C and 1D are not connected to electricity, reticulated water or sewer, however are in proximity to electricity and water services, and the applicant will be responsible for the connection of the lot to relevant services. There is a pre-laid reticulated water connection to Lot 1D.

There is no reticulated sewer in this area so application and approval will also be required to install an onsite waste water system to service the proposed development.

## **Lease/Sale Requirements**

Any lease (or sale) subsequent to this Expression of Interest process will be required to be entered into between the successful parties and the Shire in accordance with the Local Government Act 1995.

The Shire will bear the costs of survey, subdivision and valuations. The contract costs for either lease or sale will be borne by the successful applicants following the EOI.

### **Lease Term**

The term of each lease is negotiable, but will be a minimum of 10 years and a maximum lease term of 50 years, inclusive of options.

### **Lease Rent/Purchase Price**

In line with the Shire’s Commercial Leasing policy and the Local Government Act 1995, rent will be charged annually and will be based on a current market valuation no older than 6 months old, or if older than 6 months is resolved by Council to be a true indication of the value at the time of the proposed disposition.

The rent will also be subject to an annual Consumer Price Index (CPI) review process.

As a guide, a previous valuation estimated rental value of between \$11.00 and \$14.00 (ex GST) per square metre per annum, and a sale value of between \$100 to \$150 (ex GST) per square metre. Based on these previous valuations, estimated annual rental values for the Lots, and the estimated purchase price of Lot 1A, are as follows:

Estimated Annual Lease Rent Lots 1A & 1B	\$34,188 - \$43,512 plus GST per annum
Estimated Annual Lease Rent Lots 1C & 1D	\$53,988 - \$68,712 plus GST per annum
Estimated Purchase Price Lot 1A	\$310,800 - \$736,200 plus GST

## **Outgoings**

Lessees will be responsible for separately paying all applicable rates, taxes and other utilities.

## **Development Milestones**

For the purpose of the Expression of Interest development on site must have commenced within 24 months from the date of the agreement to purchase or lease the property and must be substantially complete within 60 months from the date of the agreement, unless extended by the Shire by agreement.

## **Licences/other considerations**

The successful Lessee or Purchaser will be responsible for obtaining all CASA approvals required to operate their business. They will also be required to comply with:

- Civil Aviation Act and Safety regulations
- Aviation Transport Security Act and Regulations

The successful Lessee or Purchaser will also be required to comply with the local building and planning requirements which will include obtaining:

- Development (planning) Approval
- Building Permit
- Septic Approval

Likely conditions with respect to the development (planning) approval, include:

- Car parking and access
- Landscaping
- Signage
- Utilities and services
- General appearance
- Specific requirements recommended by the Shire's Manager Airports

## **Airport Requirements**

The design of any structures within this precinct must also conform to the building height restrictions imposed by the obstacle limitation surface (OLS) contours for the runway.

Airside access for personnel will have to meet the requirements of CASA.

## **Insurance**

Any successful proponents, must as leaseholder, indemnify the Shire from any claims arising from the use and the land. The leaseholder will also be required to maintain current public liability insurance, and any other insurance cover as required by law which may apply.

## **Form of the Expression of Interest**

Respondents submitting an expression of interest will be required to address the following criteria in writing and must include all information requested within this document to be considered, including:

- (a) The full details (name, address and contact details) of all parties involved in the submission.
- (b) Indicate the preferred lot.
- (c) Indicate the preferred length of tenure.
- (d) Provide the contact details of at least two (2) suitable referees that are able to provide independent feedback to the Shire.
- (e) Demonstrate financial capacity to operate a business of the type proposed.
- (f) Detail previous experience within the aviation industry.
- (g) Detail the proposed business operation, including opening days, hours and anticipated number of staff, and outline the requirement for airside access.
- (h) Provide any other relevant requirements or information regarding the proposed business/operations.

All criteria are considered desirable and to ensure a balanced assessment all submissions should provide the above information.

## **Lodgement of Submissions and Delivery**

The submission must be lodged by the deadline. The submission is to be:

- Placed in sealed envelope clearly marked with the Expression of Interest number and title “**EOI 01 22/23 – Airside Land at East Kimberley Regional Airport**” as shown on the front cover of this Expression of Interest; and
  - delivered by hand to the Kununurra Shire Administration Office located at 20 Coolibah drive Kununurra; or
  - mailed and addressed to the Chief Executive Officer to PO Box 614, Kununurra, WA 6743

Or:

- Electronic mail submissions will be accepted. Respondents must use email [mail@swek.wa.gov.au](mailto:mail@swek.wa.gov.au) and ensure the Expression of Interest number and title “**EOI 01 22/23 – Airside Land at East Kimberley Regional Airport**” is in the subject line.

## **Deadline for Expressions of Interest**

Submissions must be received no later than 2pm, **Friday 10 March 2023**. Submissions will be rejected without consideration in the event that:

- It is not submitted before the deadline; or
- It is not submitted at a place specified in the Expression of Interest; or
- It fails to comply with any other requirements of the Expression of Interest

## **Legislation**

The *Local Government Act 1995* requires that the disposal of any local government property (including by way of lease or sale) is required to be advertised in the event that local government has agreed the method and terms of disposal without having utilised a tender or auction process.

As such, respondents are advised that following successful negotiation with any party with respect to obtaining a lease or purchasing land, the Shire will undertake a statutory period of



advertising (minimum period of 14 days, however submission period is open for a period of 30 days) and must consider a submission made with respect to this matter before it is able to enter into any legal agreement with the preferred party. The annual lease rental or purchase price has been determined by a market valuation.

## **Contact Information**

General enquiries should be directed to Gary Wright, Airport Manager, on 9168 4100 or via email to [Gary.Wright@swek.wa.gov.au](mailto:Gary.Wright@swek.wa.gov.au)

Clarification of EOI details must be in writing and sought prior to **Wednesday 8 March 2023**.

**Canvassing of Councillors during or following the completion of the advertising period will disqualify.**

## **Viewing**

Appointments to view the site can be made by contacting Gary Wright or on 9168 4100 or email [Gary.Wright@swek.wa.gov.au](mailto:Gary.Wright@swek.wa.gov.au)

## Appendix A

### Location plan





## Appendix B

### Aerial Plan of Lots with dimensions

