
Report to
Cabinet

25 January 2005

Report of
Director of City Development and Director of Finance and ICT

Title
Coventry Airpark – Disposal of Development Site (Ward – Outside the City boundary)

1. Purpose of the Report

- 1.1 TUI bought West Midlands International Airport Limited (WMIAL), the company that holds the lease of Coventry Airport from the City Council, early last year. TUI, as the leaseholder and operator of Coventry Airport, plan to construct a new passenger terminal and car park adjoining the south aircraft apron and require additional land in order to do so. The development of the new passenger terminal is dependent upon obtaining planning permission, which is to be considered at public inquiry, later this year.
- 1.2 This report seeks authority to negotiate the leasehold disposal of City Council owned land adjoining Coventry Airport to TUI, at a capital premium, 5% of which would be payable on completion of the lease with the balance payable when planning permission for development is obtained or 2 years, whichever is the earlier and to complete formal legal documentation. An additional payment will be made by TUI after 5 years to reflect any increase in value relating to the anticipated usage of the site for commercial car parking.
- 1.3 A corresponding report on this matter appears on the private part of the agenda for this meeting, for reasons of commercial sensitivity.

2. Recommendations

- 2.1 Cabinet is recommended to authorise negotiations with TUI for the grant of the proposed lease, on the basis of the terms set out in 4.1.
- 2.2 Authorise the Director of City Development, in consultation with the Cabinet Member (Finance and Equalities), to complete negotiations with TUI regarding the proposed lease terms and to enter into the necessary formal legal documentation.

3. Information/Background

- 3.1 Coventry Airport is held by WMIAL on a 150 year lease, granted in 1998, under which the Council currently receives a rent of £385,000 per annum.

3.2 The Council has a vacant site on Coventry Airpark located on Siskin Parkway West, between Target Express and the Airport Terminal site, extending to 4.6ha (11.3ac) and shown verged black on the plan attached. The airport has very little development land to the south of the main runway and it is understood that the airport is unlikely to reach its intended commercial potential without this development site. The site was the subject of an option to WMIAL which expired in 2003, although discussions have been ongoing regarding the use of the site for airport purposes since then.

Currently, the development site does not have a specific planning permission and as such, use of the site needs to be consistent with the policy contained within the Warwick District Local Plan and Warwickshire Structure Plan. This permits facilities for aviation activity undertaken at Coventry Airport, subject to the mitigation of environmental, amenity and surface access factors.

4. Proposal and Other Option(s) to be Considered

4.1 To facilitate the proposed expansion of the airport, TUI wish to purchase the Council's development site. In this respect, terms have been provisionally agreed to grant a lease, on a capital premium and peppercorn rental basis, for a term expiring in 2143 (coterminous with the airport lease). The land would form part of the proposed terminal development, although it would be used primarily for car parking needed for airport customers. The report in private, on your agenda, indicates the commercial elements of the negotiations. The proposal represents "best consideration".

5. Other specific implications

	Implications (See below)	No Implications
Area Co-ordination	✓	
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan	✓	
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources		✓
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	✓	
Property Implications	✓	

	Implications (See below)	No Implications
Race Equality Scheme		✓
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

5.1 Area Co-ordination

Area Co-ordination officers have previously been involved in discussion relating to the Airport. There are direct impacts upon Binley and Willenhall Ward while officers are aware of concerns expressed by residents in Cheylesmore, Earlsdon and Wainbody Wards mainly relating to noise impacts but also alleging pollution problems. These issues will no doubt be fully considered at the forthcoming public inquiry.

5.2 Community Plan

Development at the Airport would contribute to the Community Plan theme of "Jobs & Our Local Economy" by increasing the number of people in paid work and attracting a wide range of businesses and jobs. It would, however, require matters in the "Transport" and the "Environment" themes to be addressed.

5.3 Finance

Coventry Airport is valuable to the local economy in Coventry and Warwickshire as a significant employer (estimated at approximately 1500 employees if passenger business reaches the maximum throughput) and through the provision of wider transport opportunities. It is important to the City therefore, that the airport reaches its full commercial potential, however, it is a prerequisite that airport operations must satisfy environmental and surface access requirements.

It is considered that the terms set out in the private report represent "best consideration".

5.4 Legal Implications

A viable future for Coventry Airport is likely to depend upon planning permission being granted for a new passenger terminal, this will be considered at public inquiry later this year.

The proposal will involve the grant of a lease, which will be coterminous with the lease granted in respect of the Coventry Airport.

5.5 Property Implications

This disposal will conclude the disposal of sites within Coventry Airpark.

6 Monitoring

6.1 Future capital receipts will be monitored through the corporate capital receipts forecasting system by officers from City Development Directorate.

7 Timescale and expected outcomes

7.1 Legal documentation is likely to be completed by the end of February 2005 with planning permission for the new terminal possible by Spring 2006.

7.2 This report needs to be considered urgently because TUI needs to be able to demonstrate to the planning inspector, at the planning inquiry which starts on 1st February 2005 into the Enforcement Notice concerning the temporary terminal, that it has a viable and credible solution in place to operate both the temporary terminal and the permanent facility. A commitment is required as to the availability of this site, which forms part of that solution.

List of background papers

Proper officer: Director of City Development

Author: Telephone 024 7683 2793

David Cass, Development Surveyor, City Development Directorate

(Any enquiries should be directed to the above)

Other contributors:

Chris Hinde

David Cadman

Jane Crawley

Richard Brankowski

John McGuigan

Martin Bullock

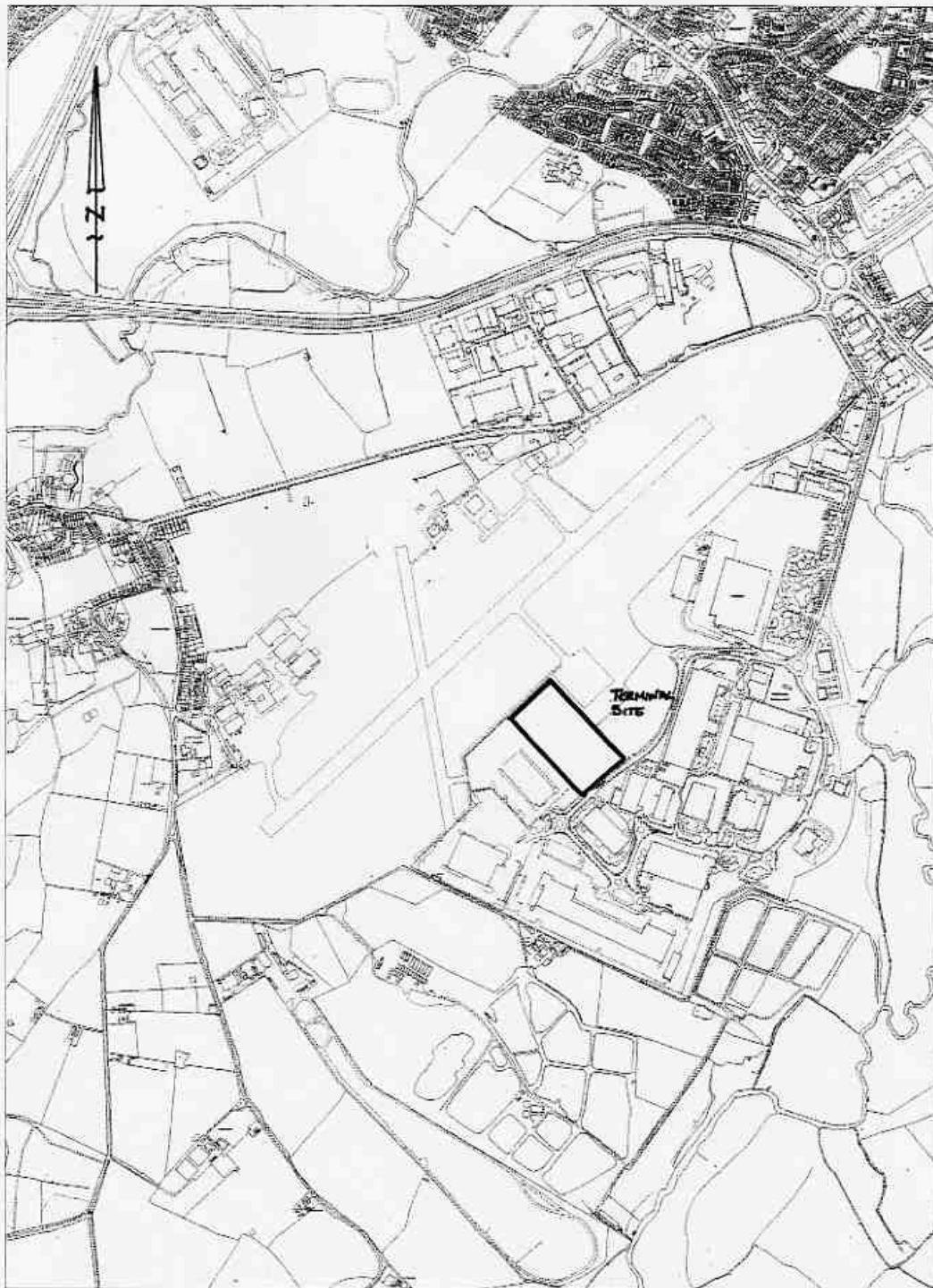
Tony Auty

Papers open to Public Inspection

Description of paper Location

Correspondence of file 959/32/A/E/11

Airpark Cabinet Public Report 20.1.05.doc



CITY DEVELOPMENT DIRECTORATE
 LAND & PROPERTY DIVISION
 4TH FLOOR TOWER BLOCK
 MUCH PARK STREET
 COVENTRY CV1 2PY
 01203 832799



COVENTRY AIRPARK - DEVELOPMENT SITE

For Identification Purposes Only

Scale 1: 10000
 O.S. Ref. No:

Drawn by DC
 LPR-

Date 7-1-05

John McGuigan - Director of City Development - Assistant Director (Projects) - Martin Bullock

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