

Central Market Arcade Air Rights

Tuesday, 11 October 2022

Council

Council Member
Councillor Martin

Public

Contact Officer:
Tom McCready, Director City
Services

QUESTION ON NOTICE

Councillor Martin asked the following Questions without Notice:

'Noting the Advertiser report published on August 21st 2021 and stating that Council had been paid \$28 million for the air rights above the redeveloped Central Market Arcade known as Market Square, could the Administration advise if this amount has been added to the Future Fund calculations shown on page 9 of the Council's Long Term Financial Plan under the heading Future Fund and Investment Policy and, if not, why not?'

REPLY

1. The Project Delivery Agreement (PDA) for the Central Market Arcade Redevelopment incorporates a sale of air rights.
2. The PDA stipulates that this air rights payment is to be deducted from the total cost of Council's returnable works. Therefore, there are no cash funds received from the sale of air rights, rather it is accounted for as an offset of monies owed for the returnable works portion of the contract.
3. Given this treatment, the sale of air rights is not recognised in the Future Fund. The Future Fund and Investment Policy refers to proceeds from asset sales to be deposited into the fund. Accordingly, this has not been accounted for in the Long Term Financial Plan.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
--	---

- END OF REPORT -