

DECEMBER 2020

Palisade Investment Partners awarded long term lease of Coffs Harbour Airport



Palisade Investment Partners (**Palisade**) has been confirmed as the commercial partner for Coffs Harbour Airport (**CHA**), entering into a binding agreement for a 50-year lease (plus 49-year option).

CHA sits within the broader Coffs Coast region, one of the fastest growing regional areas within New South Wales and also a significant tourism destination. In 2019, CHA serviced more than 400,000 passengers, and has demonstrated a positive recovery profile since the onset of COVID-19.

The transaction also includes the operation of the Coffs Harbour Airport Enterprise Park, a 23-hectare commercial, industrial and logistics precinct adjacent to the airport.

The region will also benefit from a significant pipeline of future projects, such as the \$1.8 billion Coffs Harbour Bypass project.

The long-term lease of the airport includes:

- An upfront payment of \$25 million
- Additional payments totalling \$56.5 million over seven years, including contributions to the development of the Airport Enterprise Park
- A share of revenue from both airport and Enterprise Park operations

Palisade Managing Director & CEO Roger Lloyd, said: "This transaction builds on Palisade's long-standing investments in the regional airports sector, including Darwin, Alice Springs and Sunshine Coast airports, and represents an excellent addition to our portfolio."

Palisade Investment Director, Mike Reynolds, said: “We look forward to forging a long-term partnership with Coffs Harbour City Council to grow this critical infrastructure asset for the benefit of the Coffs Coast community and Palisade’s investors.

“By leveraging the expertise from our existing airport investments, particularly Sunshine Coast Airport, we will position CHA for future growth in aviation demand as well as diversifying its revenue streams following the development of the Airport Enterprise Park”.

Palisade will actively explore opportunities to invest further in CHA and the Airport Enterprise Park.

As part of the transaction, a revenue share arrangement has also been put in place (subject to the achievement of certain performance metrics) which will enable Council to continue to benefit from the long-term growth of CHA.

Consistent with Palisade’s focus on ESG and sustainability, Palisade has a strong track record in working with the regional communities in which its assets are located. In 2019 Palisade launched its undergraduate scholarship program, which involves certain assets in the Palisade portfolio awarding scholarships to university undergraduates, with a focus on those who are financially disadvantaged and are required to relocate from a regional area to undertake studies. The program also focuses on fostering diversity, with an aim to promote pathways for women to study and be employed in careers such as engineering and agriculture.

Palisade also maintains a strong focus on environmental factors in its investment activities. Specifically with respect to its airports portfolio, Sunshine Coast Airport is Australia’s first carbon neutral airport, whilst Palisade assisted in the development of a 5.5MW solar farm at Darwin Airport.

RBC Capital Markets acted as financial adviser and Herbert Smith Freehills as legal adviser to Palisade on the transaction.

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About Palisade Investment Partners

Palisade is a specialist, independent infrastructure manager that provides institutional and wholesale investors with access to Australian infrastructure projects through tailored portfolios and co-mingled funds. Palisade's multi-disciplinary and experienced team focuses on attractive mid-market assets that are essential to the efficient functioning of the communities and economies they serve.



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