

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Merrill Field Airport
For reading: April 23, 2019

**ANCHORAGE, ALASKA
AO No. 2019-60**

**AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER
11.60.200, MERRILL FIELD AIRPORT, TO UPDATE THE LANGUAGE FOR
FACILITY DAMAGE LIABILITY AND TO ADJUST MANDATORY AIRPORT
FEES AND CHARGES.**

WHEREAS, increased expenses make it necessary to adjust mandatory airport historically low fees and charges at Merrill Field;

WHEREAS, the Assembly shall establish all mandatory airport fees and charges imposed by the Municipality; and,

WHEREAS, it is intended that Merrill Field Airport be a self-sustaining facility and operate without support from the general fund; now, therefore

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 11.60.060 is amended to read as follows *(the remainder of the section is not affected and therefore not set out)*:

11.60.060 Liability for costs of damage to facilities.

Any person who damages any airport property shall be strictly liable for all costs incurred by the airport in repairing or replacing the damaged property without regard to fault or negligence of any person. If the person who damages airport property is not identified, lessees shall remain liable for all costs incurred by the airport in repairing or replacing airport property damaged on lessees' leased premises without regard to fault or negligence.

(AO No. 78-177)

Section 2. Anchorage Municipal Code section 11.60.200 is amended to read as follows *(the remainder of the section is not affected and therefore not set out)*:

11.60.200 Fees and charges.

C. The following fees and charges shall be payable to the municipality at the office of the airport manager:

1. Fee for distribution of aviation fuel. Every distributor of aviation fuel shall pay the municipality a fee of \$0.10 [\$0.08] for every gallon of aviation fuel that it delivers to a person at an airport.

1 The distributor shall pay the fee monthly and attach a legible
2 certified monthly summary indicating the quantity of fuel
3 delivered to each person during the past month. Deliveries to
4 agencies of the United States Government for the agency's
5 use shall be exempt from this fee. Fuel transiting an airport as
6 cargo is exempt from this fee.
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8 2. *Access fees.* A person in possession of land which is used in
9 whole or in part for aviation activities shall pay a monthly fee
10 for direct access from that land to a runway or taxiway at a
11 municipal airport. The fee shall be calculated at the rate of
12 [331/3 PERCENT OF] the current tail-end tiedown fee set forth
13 in this section for each aircraft stored on such land, and shall
14 be paid quarterly.
15

16 3. *Daily transient aircraft parking.* The fee for daily transient
17 aircraft parking is as follows:

- 18 a. *Zero to six hours:* No charge.
19 b. *Six to 24 hours:* \$6.00 [5.00].
20

21 4. *Tiedown space fees.* Tiedown Space fees are as follows:

- 22 a. Tail-end space: \$70.00 [60.00] per month.
23 b. Pull-through space: \$80.00 [70.00] per month.
24

25 5. *Impoundment.* Impoundment fees are as follows:

- 26 a. *Basic fee:* \$75.00 [50.00].
27 b. *Twenty-four-hour storage fee:* \$10.00 [5.00].
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29 6. *Motor vehicle parking.* Motor vehicle parking fees are as
30 follows:

- 31 a. Daily parking:
32 Zero to 24 hours: \$6.00 [5.00].
33 b. Long-term parking:
34 20 foot space: \$70.00 [45.00] per month.
35 40 foot space: \$80.00 [55.00] per month.
36

37 * * *

38 (AO No. 78-177; AO No. 82-203; AO No. 90-121; AO No. 91-169; AO No.
39 94-90, § 3, 5-24-94; AO No. 95-143, § 2, 6-20-95; AO No. 2003-152S, § 7,
40 1-1-04; AO No. 2005-71, § 1, 6-14-05; AO No. 2006-143, § 1, 10-31-06; AO
41 No. 2011-111, § 1, 11-22-11, eff. 1-1-12)

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Section 3. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2019.

Chair

ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 309 - 2019

Meeting Date: April 23, 2019

1 **From: MAYOR**
2

3 **Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE**
4 **CHAPTER 11.60.200, MERRILL FIELD AIRPORT, TO UPDATE**
5 **THE LANGUAGE FOR FACILITY DAMAGE LIABILITY AND TO**
6 **ADJUST MANDATORY AIRPORT FEES AND CHARGES.**
7

8 This ordinance amends Anchorage Municipal Code 11.60.200 to increase
9 mandatory airport fees and charges for distribution of aviation fuel, aircraft
10 parking and vehicle parking. It is necessary to adjust rates and charges at Merrill
11 Field (MRI) in order to cover the approximately \$200,000 in negative cash flow
12 operating costs. Some airport fees have not increased since 2012.
13

14 Increasing the mandatory airport fees and charges for aircraft parking, vehicle
15 parking, fuel fees, transient fees, and airport access fees through this ordinance
16 will offset Merrill Field's negative cash flow and pay for debt service on a small
17 amount of debt for the required matching funds. The attached Summary of
18 Economic Effects (SEE) addresses only \$87,100 in additional revenue, resulting
19 from the codified increase in mandatory airport fees and charges.
20

21 Merrill Field also intends to administratively increase airport lease rates by
22 \$0.04/SF/YR effective January 1, 2020. This lease rate increase results in
23 \$142,080 of additional revenue. Other administrative increases across the airport
24 will result in an estimated \$62,820 of additional revenue. These fees recoup
25 airport expenses for services previously provided at no cost to airport customers,
26 as well as property rental user increases. The net total of all three revenue
27 increases to the Merrill 2020 Annual budget is \$292,000.
28

29 Additionally, for the 2021 budget cycle, MRI is converting unused airport property
30 to create 100 additional auto/RV parking spaces, resulting in an increase of
31 annual revenue by approximately \$60,000. This additional source of revenue,
32 plus the previously noted \$292,000, will increase the 2021 annual budget by
33 \$352,000.
34

1 These additional funds will 1) allow the airport to continue to provide services at
2 current levels, 2) remain self-supporting by covering the previously masked
3 \$200,000 annual shortfalls, and 3) service debt for the matching funds of
4 important FAA airport improvement programs (AIP) which is approximately
5 \$152,000 per year. The proposed increases will be included in Merrill Field's
6 proposed 2020 and 2021 budgets.

7
8 Additionally, this ordinance would change liability under AMC 11.60.060 to
9 include lessees' liability. Merrill Field requests this change due to the fact that the
10 lessees have total control of access and use of airport gates and other airport
11 property on the leased premises. Often, when damage is done, nobody takes
12 responsibility for the damage. Merrill Field has also caught people working on the
13 airport's gates when that is strictly prohibited. A new vehicle gate replacement is
14 \$3500 minimum and Merrill Field requests this change to help pay for the rising
15 costs.

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18 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

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20 Prepared by: Merrill Field Airport
21 Approved by: Donald R. Gibbs, Manager, Merrill Field Airport
22 Concur: Lance Wilber, Director, Office of
23 Management & Budget
24 Concur: Alexander Slivka, CFO
25 Concur: Deitra L. Ennis, Acting Municipal Attorney
26 Concur: William D. Falsey, Municipal Manager
27 Respectfully submitted: Ethan A. Berkowitz, Mayor
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: **2019-60**

Title: **AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 11.60.200, MERRILL FIELD AIRPORT, TO UPDATE THE LANGUAGE FOR FACILITY DAMAGE LIABILITY AND TO ADJUST MANDATORY AIRPORT FEES AND CHARGES.**

Sponsor: **Mayor**
 Preparing Agency: **Merrill Field Airport**
 Others Impacted: **None**

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	F1Y9	FY20	FY21	FY022	FY23	
Operating Revenues:						
	\$ -	\$ 87	\$ 87	\$ 87	\$ 87	
TOTAL OPERATING REVENUES	\$ -	\$ 87	\$ 87	\$ 87	\$ 87	
Operating Expenses:						
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ -	\$ 87	\$ 87	\$ 87	\$ 87	
POSITIONS: FT/PT and Temp						

PUBLIC SECTOR ECONOMIC EFFECTS:

The proposed increases will allow Merrill Field Airport to continue to provide services at the current level and remain self-supporting.

PRIVATE SECTOR ECONOMIC EFFECTS:

The codified fee increases proposed within this will result in approximately \$87,100 in additional revenue annually.

Prepared by: Donald R. Gibbs, Manager, Merrill Field Airport

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