ANCHORAGE, ALASKA
AR No. 2019 – 151

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,

(1) APPROPRIATING THE PROCEEDS FROM ONE OR MORE GRANTS,
WHEN TENDERED, IN AN AMOUNT NOT TO EXCEED NINE MILLION ONE
HUNDRED FIFTY-ONE THOUSAND EIGHT HUNDRED SEVENTY-FIVE
DOLLARS ($9,151,875) FROM THE FEDERAL AVIATION ADMINISTRATION
(FAA) AIRPORT IMPROVEMENT PROGRAM (AIP) TO THE MERRILL FIELD
AIRPORT CAPITAL IMPROVEMENT GRANT FUND (580900),
(2) APPROPRIATING THE PROCEEDS FROM AN INTERMEDIATE TERM
BORROWING PROGRAM (ITBP), AN AMOUNT NOT TO EXCEED EIGHT
HUNDRED EIGHTY-FIVE THOUSAND DOLLARS ($885,000) TO THE MERRILL
FIELD OPERATING FUND (580000) AND APPROPRIATING SUCH FUNDS TO
THE MERRILL FIELD AIRPORT CAPITAL IMPROVEMENT CONTRIBUTION
FUND (580800), AND (3) AMENDING THE 2019 MERRILL FIELD CAPITAL
IMPROVEMENT BUDGET.

WHEREAS, Merrill Field Airport anticipates receiving one or more Federal Aviation
Administration (FAA) administered Airport Improvement Program (AIP) Grants of
up to $9,151,875 in fiscal year 2019 beyond what was approved in the Merrill Field
2019 Capital Improvement Budget; and

WHEREAS, the Municipality has determined to establish an intermediate-term
borrowing program (the “ITBP”) to finance the Municipality’s required match for the
AIP grants and related financing expenses; and

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the
Assembly may alter the General Government capital budget/capital program by
majority vote; and

WHEREAS, the Municipality has previously, by Resolution 2018-80, approved an
appropriation of $780,000 from a borrowing program to the Merrill Field Operating
Fund (580000) and to the Merrill Field Airport Capital Improvement Contribution
Fund (580800); and

WHEREAS, the 2019 Merrill Field Capital Improvement Budget was approved on
November 20, 2018; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:
Section 1. An aggregate borrowing under the ITBP in the amount of not to exceed One Million Six Hundred Sixty-Five Thousand Dollars ($1,665,000), are hereby approved and represent the source of funding for the 2018 and 2019 matching funds.

Section 2. The additional appropriation of ITBP proceeds in an amount not to exceed Eight Hundred Eighty Five Thousand Dollars ($885,000) to the Merrill Field Operating Fund (580000) and the appropriation of such funds to the Merrill Field Airport Capital Improvement Contribution Fund (580800) representing Municipality matching funds for FAA Grants and payment of related financing expenses for 2019 Merrill Field Capital Improvements is hereby approved.

Section 3. The appropriation of 2019 FAA Grants, when tendered, in an amount not to exceed Nine Million One Hundred Fifty-One Thousand Eight Hundred Seventy-Five Dollars ($9,151,875) to the Merrill Field Airport Capital Improvement Grants Fund (580900) for Merrill Field Capital Improvements is hereby approved.

Section 4. The 2019 Merrill Field Capital Improvement Budget is hereby increased by Ten Million Thirty-Six Thousand Eight Hundred Seventy-Five Dollars ($10,036,875) from Four Hundred Five Thousand Dollars ($405,000) to an amount not to exceed Ten Million Four Hundred Forty-One Thousand Eight Hundred Seventy-Five Dollars ($10,441,875).

Section 5. This resolution shall take effect immediately upon passage and approval.

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

________________________________________________________________________
Chair

ATTEST:
________________________________________________________________________
Municipal Clerk

Department of Appropriation:
Merrill Field  NTE  $9,151,875
Merrill Field  NTE  $885,000
From: MAYOR

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, (1) APPROPRIATING THE PROCEEDS FROM ONE OR MORE GRANTS, WHEN TENDERED, IN AN AMOUNT NOT TO EXCEED NINE MILLION ONE HUNDRED FIFTY-ONE THOUSAND EIGHT HUNDRED SEVENTY-FIVE DOLLARS ($9,151,875) FROM THE FEDERAL AVIATION ADMINISTRATION (FAA) AIRPORT IMPROVEMENT PROGRAM (AIP) TO THE MERRILL FIELD AIRPORT CAPITAL IMPROVEMENT GRANT FUND (580900), (2) APPROPRIATING THE PROCEEDS FROM AN INTERMEDIATE TERM BORROWING PROGRAM (ITBP), AN AMOUNT NOT TO EXCEED EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS ($885,000) TO THE MERRILL FIELD OPERATING FUND (580000) AND APPROPRIATING SUCH FUNDS TO THE MERRILL FIELD AIRPORT CAPITAL IMPROVEMENT CONTRIBUTION FUND (580800), AND (3) AMENDING THE 2019 MERRILL FIELD CAPITAL IMPROVEMENT BUDGET.

Background
In fiscal year 2018 Merrill Field Airport (MRI) applied for $14,000,000 in Federal Aviation Administration (FAA) grants, and was awarded $13,008,000, subsequent to the approval of their original 2018 Capital Improvement Budget. Municipal Assembly Resolution No. 2018-80 provided for acceptance and appropriation of such grant funds and Municipal Assembly Ordinance No. 2018-27 provided for a portion of the required source of funds for the required matching funds and pay for related financing expenses. By Resolution 2018-80, the Municipality has previously appropriated (from a borrowing program) $780,000 for the 2018 matching funds to the Merrill Field Operating Fund (580000) and to the Merrill Field Airport Capital Improvement Contribution Fund (580800).

Purpose of the Resolution
MRI anticipates receiving one or more FAA administered Airport Improvement Program (AIP) Grants of up to but not to exceed $9,151,875 in fiscal year 2019 beyond what was approved in the Merrill Field 2019 Capital Improvement Budget.

FAA grant awards are based on actual construction bid dollar amounts which creates a time management challenge during the construction bid award process because timing and acceptance of AIP Grant receipt does not correlate to post-
grant Assembly acceptance-appropriation approval. Appropriating forecasted FAA AIP Grants prior to receiving the grant award has historically been essential to meet this timing issue.

Merrill Field’s 2019 Capital Improvement Budget was approved by the Assembly with AO 2018-87 (S) on November 20, 2018, in the amount of $405,000.

Due to the higher than anticipated grant opportunities, it becomes necessary to amend Merrill Field’s 2019 Capital Improvement Budget by an increase of up to $10,036,875 in accordance with FAA grants, when tendered, plus the Municipality of Anchorage’s required matching funds and related financing expenses. The additional grant opportunities will provide a unique opportunity to achieve the following projects: i) Reconstruct GA Apron TWY C South, ii) Install TWY Lighting and Signage TWY C, iii) Acquire Safety and/or Security Equipment, iv) Acquire Snow Removal Equipment, v) Conduct Miscellaneous Planning Study, vi) Remove Obstruction and vii) Acquire Land for Development.

The Municipality’s required match for the 2019 anticipated grants is 6.25% of the AIP Grant amount. The total required matching funds and related financing expenses, including the financing of a debt service reserve fund, for the 2019 anticipated grants are anticipated to be not to exceed $885,000.

**Financing and Source of Funds**

The source of funds for the 2018 and 2019 matching funds will be an intermediate term loan (the “ITBP”).

The attached resolution authorizes several actions upon receipt of one or more additional FAA AIP Grants.

1. The resolution appropriates the grants, when tendered, to the Merrill Field Capital Improvement Grants Fund (580900).
2. The resolution appropriates the proceeds of from the ITBP to the Merrill Field Operating Fund (580000) and further appropriates such funds to the Merrill Field Capital Improvement Contribution Fund (580800). These proceeds represent the requisite matching funds share for the 2019 grants and related financing expenses.
3. The 2019 Merrill Field Capital Improvement Budget is amended by increasing the authorized amount by $10,036,875 from $405,000 to an amount not to exceed $10,441,875.

Appropriation of grants, matching funds and funds for related financing expenses, and appropriation of the proceeds of the ITBP are contingent upon receipt of the FAA grant offers.

**ITBP Terms and Conditions**

The determination of ITBP terms and conditions are delegated to the CFO.
The budget detail is as follows:

### REVENUE

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### EXPENDITURE

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A public hearing on May 7, 2019 is recommended by staff.

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: D. Ralph Gibbs, Merrill Field Airport Manager and Ross Risvold, Public Finance & Investments Manager

Approved by: D. Ralph Gibbs, Merrill Field Airport Manager

Concur: Lance Wilber, Director, Office of Management & Budget

Fund Certification: Alexander Slivka, CFO

580900-820000-405100 $9,151,875 (Federal Aviation Administration AIP Grants)

*Subject to receipt of fully executed grant agreements

Concur: William D. Falsey, Municipal Manager

Respectfully submitted: Ethan A. Berkowitz, Mayor