

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Merrill Field and Office of the  
Chief Fiscal Officer  
For reading: April 23, 2019

**ANCHORAGE, ALASKA  
AR No. 2019 – 151**

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

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15  
16 **WHEREAS,** Merrill Field Airport anticipates receiving one or more Federal Aviation  
17 Administration (FAA) administered Airport Improvement Program (AIP) Grants of  
18 up to \$9,151,875 in fiscal year 2019 beyond what was approved in the Merrill Field  
19 2019 Capital Improvement Budget; and

20  
21 **WHEREAS,** the Municipality has determined to establish an intermediate-term  
22 borrowing program (the "ITBP") to finance the Municipality's required match for the  
23 AIP grants and related financing expenses; and

24  
25 **WHEREAS,** in accordance with Anchorage Municipal Code section 6.10.045, the  
26 Assembly may alter the General Government capital budget/capital program by  
27 majority vote; and

28  
29 **WHEREAS,** the Municipality has previously, by Resolution 2018-80, approved an  
30 appropriation of \$780,000 from a borrowing program to the Merrill Field Operating  
31 Fund (580000) and to the Merrill Field Airport Capital Improvement Contribution  
32 Fund (580800); and

33  
34 **WHEREAS,** the 2019 Merrill Field Capital Improvement Budget was approved on  
35 November 20, 2018; now, therefore,

36  
37 **THE ANCHORAGE ASSEMBLY RESOLVES:**  
38

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

5  
6 **Section 2.** The additional appropriation of ITBP proceeds in an amount not to  
7 exceed Eight Hundred Eighty Five Thousand Dollars (\$885,000) to the Merrill Field  
8 Operating Fund (580000) and the appropriation of such funds to the Merrill Field  
9 Airport Capital Improvement Contribution Fund (580800) representing Municipality  
10 matching funds for FAA Grants and payment of related financing expenses for 2019  
11 Merrill Field Capital Improvements is hereby approved.

12  
13 **Section 3.** The appropriation of 2019 FAA Grants, when tendered, in an amount  
14 not to exceed Nine Million One Hundred Fifty-One Thousand Eight Hundred  
15 Seventy-Five Dollars (\$9,151,875) to the Merrill Field Airport Capital Improvement  
16 Grants Fund (580900) for Merrill Field Capital Improvements is hereby approved.

17  
18 **Section 4.** The 2019 Merrill Field Capital Improvement Budget is hereby  
19 increased by Ten Million Thirty-Six Thousand Eight Hundred Seventy-Five Dollars  
20 (\$10,036,875) from Four Hundred Five Thousand Dollars (\$405,000) to an amount  
21 not to exceed Ten Million Four Hundred Forty-One Thousand Eight Hundred  
22 Seventy-Five Dollars (\$10,441,875).

23  
24 **Section 5.** This resolution shall take effect immediately upon passage and  
25 approval.

26  
27 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_ day of  
28 \_\_\_\_\_, 2019.

29  
30  
31  
32  
33 \_\_\_\_\_  
34 Chair

35 ATTEST:  
36  
37  
38 \_\_\_\_\_  
39 Municipal Clerk

40  
41  
42 **Department of Appropriation:**  
43 Merrill Field NTE \$9,151,875  
44 Merrill Field NTE \$885,000



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 311-2019

Meeting Date: April 23, 2019

1 **From:** MAYOR

2  
3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, (1)  
4 APPROPRIATING THE PROCEEDS FROM ONE OR MORE  
5 GRANTS, WHEN TENDERED, IN AN AMOUNT NOT TO  
6 EXCEED NINE MILLION ONE HUNDRED FIFTY-ONE  
7 THOUSAND EIGHT HUNDRED SEVENTY-FIVE DOLLARS  
8 (\$9,151,875) FROM THE FEDERAL AVIATION  
9 ADMINISTRATION (FAA) AIRPORT IMPROVEMENT PROGRAM  
10 (AIP) TO THE MERRILL FIELD AIRPORT CAPITAL  
11 IMPROVEMENT GRANT FUND (580900), (2) APPROPRIATING  
12 THE PROCEEDS FROM AN INTERMEDIATE TERM  
13 BORROWING PROGRAM (ITBP), AN AMOUNT NOT TO  
14 EXCEED EIGHT HUNDRED EIGHTY-FIVE THOUSAND  
15 DOLLARS (\$885,000) TO THE MERRILL FIELD OPERATING  
16 FUND (580000) AND APPROPRIATING SUCH FUNDS TO THE  
17 MERRILL FIELD AIRPORT CAPITAL IMPROVEMENT  
18 CONTRIBUTION FUND (580800), AND (3) AMENDING THE 2019  
19 MERRILL FIELD CAPITAL IMPROVEMENT BUDGET.  
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### 21 Background

22 In fiscal year 2018 Merrill Field Airport (MRI) applied for \$14,000,000 in Federal  
23 Aviation Administration (FAA) grants, and was awarded \$13,008,000,  
24 subsequent to the approval of their original 2018 Capital Improvement Budget.  
25 Municipal Assembly Resolution No. 2018-80 provided for acceptance and  
26 appropriation of such grant funds and Municipal Assembly Ordinance No. 2018-  
27 27 provided for a portion of the required source of funds for the required  
28 matching funds and pay for related financing expenses. By Resolution 2018-80,  
29 the Municipality has previously appropriated (from a borrowing program)  
30 \$780,000 for the 2018 matching funds to the Merrill Field Operating Fund  
31 (580000) and to the Merrill Field Airport Capital Improvement Contribution Fund  
32 (580800).  
33

### 34 Purpose of the Resolution

35  
36 MRI anticipates receiving one or more FAA administered Airport Improvement  
37 Program (AIP) Grants of up to but not to exceed \$9,151,875 in fiscal year 2019  
38 beyond what was approved in the Merrill Field 2019 Capital Improvement  
39 Budget.  
40

41 FAA grant awards are based on actual construction bid dollar amounts which  
42 creates a time management challenge during the construction bid award process  
43 because timing and acceptance of AIP Grant receipt does not correlate to post-

1 grant Assembly acceptance-appropriation approval. Appropriating forecasted  
2 FAA AIP Grants prior to receiving the grant award has historically been essential  
3 to meet this timing issue.

4  
5 Merrill Field's 2019 Capital Improvement Budget was approved by the Assembly  
6 with AO 2018-87 (S) on November 20, 2018, in the amount of \$405,000.

7  
8 Due to the higher than anticipated grant opportunities, it becomes necessary to  
9 amend Merrill Field's 2019 Capital Improvement Budget by an increase of up to  
10 \$10,036,875 in accordance with FAA grants, when tendered, plus the  
11 Municipality of Anchorage's required matching funds and related financing  
12 expenses. The additional grant opportunities will provide a unique opportunity to  
13 achieve the following projects: i) Reconstruct GA Apron TWY C South, ii) Install  
14 TWY Lighting and Signage TWY C, iii) Acquire Safety and/or Security  
15 Equipment, iv) Acquire Snow Removal Equipment, v) Conduct Miscellaneous  
16 Planning Study, vi) Remove Obstruction and vii) Acquire Land for Development.

17  
18 The Municipality's required match for the 2019 anticipated grants is 6.25% of the  
19 AIP Grant amount. The total required matching funds and related financing  
20 expenses, including the financing of a debt service reserve fund, for the 2019  
21 anticipated grants are anticipated to be not to exceed \$885,000.

### 22 23 **Financing and Source of Funds**

24  
25 The source of funds for the 2018 and 2019 matching funds will be an  
26 intermediate term loan (the "ITBP").

27  
28 The attached resolution authorizes several actions upon receipt of one or more  
29 additional FAA AIP Grants.

- 30  
31 1 The resolution appropriates the grants, when tendered, to the Merrill  
32 Field Capital Improvement Grants Fund (580900).  
33 2 The resolution appropriates the proceeds of from the ITBP to the  
34 Merrill Field Operating Fund (580000) and further appropriates  
35 such funds to the Merrill Field Capital Improvement Contribution  
36 Fund (580800). These proceeds represent the requisite matching  
37 funds share for the 2019 grants and related financing expenses.  
38 3 The 2019 Merrill Field Capital Improvement Budget is amended by  
39 increasing the authorized amount by \$10,036,875 from \$405,000  
40 to an amount not to exceed \$10,441,875.

41  
42 Appropriation of grants, matching funds and funds for related financing  
43 expenses, and appropriation of the proceeds of the ITBP are contingent upon  
44 receipt of the FAA grant offers.

### 45 46 **ITBP Terms and Conditions**

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48 The determination of ITBP terms and conditions are delegated to the CFO.  
49

1  
2 The budget detail is as follows:  
3

4 **REVENUE**

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
580000-305080	Net Position	\$885,000
580900-820000-405100	Federal Grant Revenue-Direct	\$9,151,875

8  
9 **EXPENDITURE**

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
580800-820000-530040	Manager Fees	\$274,875
580800-820000-570180	Land Improvements>\$50,000	\$610,125
580900-820000-570180	Land Improvements>\$50,000	\$9,151,875

14  
15 A public hearing on May 7, 2019 is recommended by staff.  
16

17 **THE ADMINISTRATION RECOMMENDS APPROVAL.**  
18

19 Prepared by: D. Ralph Gibbs, Merrill Field Airport Manager and  
20 Ross Risvold, Public Finance & Investments Manager  
21 Approved by: D. Ralph Gibbs, Merrill Field Airport Manager  
22 Concur: Lance Wilber, Director, Office of Management & Budget  
23 Fund Certification: Alexander Slivka, CFO  
24 580900-820000-405100 \$9,151,875  
25 (Federal Aviation Administration AIP Grants)  
26 \*Subject to receipt of fully executed grant agreements  
27 580000-101240 \$885,000  
28 Concur: William D. Falsey, Municipal Manager  
29 Respectfully submitted: Ethan A. Berkowitz, Mayor