

Requested by: Chair, Municipal Airports Aviation Advisory Commission

Prepared by: Merrill Field Airport

RESOLUTION OF THE MUNICIPAL AIRPORTS AVIATION ADVISORY COMMISSION, ANCHORAGE, ALASKA, RECOMMENDING THAT THE MUNICIPALITY OF ANCHORAGE SPLIT WITH MERRILL FIELD AIRPORT ALL MUNICIPAL TAXES IMPOSED ON PRIVATE CAPITAL IMPROVEMENTS ON THE MERRILL FIELD AIRPORT TO ENABLE MERRILL FIELD AIRPORT TO CONTINUE SAFE AIRPORT OPERATIONS

WHEREAS, the Municipal Airports Aviation Advisory Commission supports the mission and goals of Merrill Field Airport and feels that airport services are at reasonable levels considering the frugal airport operating budget; and

WHEREAS, the Municipal Airports Aviation Advisory Commission recognizes the airport's need to continue to be self-sustaining by assessing costs for services in compliance with FAA mandates; and

WHEREAS, the Municipal Airports Aviation Advisory Commission recognizes that Merrill Field rates and charges are at the high end of south central Alaska airport charges and that the airport must remain price and service competitive with these airports in order to retain tenants and encourage further private sector development; and

WHEREAS, Merrill Field Airport is a significant economic generator for the Municipality of Anchorage, wherein a 2014 economic study found Merrill Field leaseholders and airport operations generated 428 direct jobs, about \$27 million in wages and benefits, and total non-wage and benefit expenditures of \$63.9 million in 2014, and this study also estimated that Merrill Field is responsible for roughly 600 direct, indirect, and induced in-state jobs, including 580 jobs inside the Municipality of Anchorage; and

WHEREAS, since this 2014 economic study, additional private investment capital improvements on Merrill Field over just the past five years has resulted in construction of twenty-one new hangars, with several more planned for 2019 construction; and

WHEREAS, the Municipal Airports Aviation Advisory Commission recognizes that significant public and private sector development improvements have occurred on Merrill Field and these private sector capital improvements on Merrill Field are currently taxed \$527,823 for calendar year 2018 by the Municipality of Anchorage; and

WHEREAS, the Merrill Field Airport Enterprise Fund pays Intergovernmental Government Charges (IGCs) to the Municipality of Anchorage, which have increased nearly 220% since 2014 to the 2017 IGCs of \$577,472; and

WHEREAS, the FAA reassessed the level of ICAP (Indirect Cost Allocation Plan) indirect charge Municipality-to-Merrill Field IGCs that Merrill Field can charge to AIP projects, reducing historic reimbursements for IGCs to only 11.7% of previous chargeable indirect IGC reimbursement to the Merrill Field Airport Enterprise Fund; and

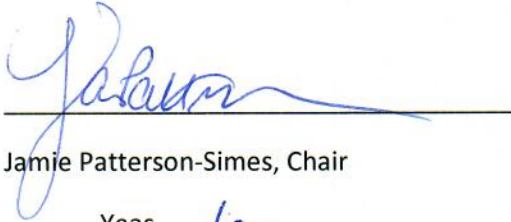
WHEREAS, the Merrill Field Airport Enterprise Fund is also assessed a Municipal Enterprise Services Assessment (MESA) which for 2018 is \$45,431; and

WHEREAS, Merrill Field Airport is the only general aviation airport in Alaska that is financially self-sufficient, without any federal, state, or local tax support for its operating budget; and

WHEREAS, Merrill Field Airport, with its very frugal airport operating budget, cannot financially continue to provide airport services at reasonable levels without financial relief;

NOW THEREFORE, be it resolved that the Municipal Airports Aviation Advisory Commission recommends the Municipality of Anchorage split 50-50 the municipal taxes assessed on private sector capital improvements on Merrill Field to enable continued safe airport operations.

Passed this 6th day of September, 2018.



Jamie Patterson-Simes, Chair

Yeas 6

Nays 0

Abstain 0

Absent 0