

Submitted by: Chair of the Assembly
at the Request of the Mayor
Prepared by: Merrill Field Airport
For reading: May 31, 2005

CLERK'S OFFICE

ANCHORAGE, ALASKA

APPROVED

No. AO 2005- 71

Date: 6-14-05

1 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AMENDING
2 ANCHORAGE MUNICIPAL CODE SECTION 11.60.200 TO ADJUST MANDATORY
3 AIRPORT FEES AND CHARGES.
4

5
6 WHEREAS, Increased expenses make it necessary to adjust mandatory airport fees
7 and charges at Merrill Field; and,
8

9 WHEREAS, The Assembly shall establish all mandatory airport fees and charges
10 imposed by the Municipality; and,
11

12 WHEREAS, It is intended that Merrill Field Airport be a self-sustaining facility and
13 operate without support from the general fund; now, therefore
14

15 THE ANCHORAGE ASSEMBLY ORDAINS:
16

17 **Section 1.** Anchorage Municipal Code section 11.60.200 is amended to read as
18 follows (*the remainder of the section is not affected and therefore not set out*):
19

20 **11.60.200 Fees and charges.**
21

22 * * *

23
24 C. The following fees and charges shall be payable to the municipality at the
25 office of the airport manager:
26

- 27 1. *Fee for distribution of aviation fuel.* Every distributor of aviation fuel
28 shall pay the municipality a fee of \$0.06 [\$0.05] for every gallon of
29 aviation fuel that it delivers to a person at an airport. The
30 distributor shall pay the fee monthly and attach a legible certified
31 monthly summary [invoice copy] indicating the quantity of fuel
32 delivered to each person during the past month. Deliveries to
33 agencies of the United States government for the agency's use
34 shall be exempt from this fee. Fuel transiting an airport as cargo is
35 exempt from this fee.
36

37 * * *
38

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

- 4. *Tiedown space fees.* Tiedown Space fees are as follows:
 - a. Tail-end space: \$50.00 [\$45.00] per month.
 - b. Pull-through space: \$60.00 [\$55.00] per month.

- 5. *Impoundment.* Impoundment fees are as follows:
 - a. Basic fee: \$50.00 [\$40.00].
 - b. Twenty-four-hour storage fee: \$5.00 [\$6.00].

- 6. *Motor vehicle parking.* Motor vehicle parking fees are as follows:
 - a. Daily parking:
Zero to 24 hours: \$5.00.
 - b. Long-term parking:
20 foot space: \$37.00 [\$35.00] per month.
40 foot space: \$47.00 [\$45.00] per month.

* * *

(AO No. 78-177; AO No. 82-203; AO No. 90-121; AO No. 91-169; AO No. 94-90, § 3, 5-24-94; AO No. 95-143, § 2, 6-20-95; AO No. 2003-152S, § 7, 1-1-04)

Section 2. This ordinance shall be effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 14th day of June, 2005.

Anna J. Fairclough
Chair

ATTEST:

Barbara S. Gruenke
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2005-71

Title: **An Ordinance amending AMC Section 11.60.200 to increase mandatory airport fees and charges.**

Sponsor: **David A. Lundeby**
 Preparing Agency: **Merrill Field Airport**
 Others Impacted: **None**

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	
Operating Revenues:						
TOTAL OPERATING REVENUES	\$20	\$ 40	\$ 40	\$ 40	\$ 40	
Operating Expenses:						
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$20	\$40	\$40	\$40	\$40	
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 fee increase for distribution of aviation fuel, aircraft parking, vehicle parking and aircraft impoundments will result in approximately \$40,000 in additional revenue annually.

Prepared by: David A. Lundeby

Telephone: 343-6303

Validated by OMB: _____

Date: _____

Approved by: _____
 (Director, Preparing Agency)

Date: _____

Concurred by: _____
 (Director, Impacted Agency)

Date: _____

Approved by: _____
 (Municipal Manager)

Date: _____

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 367 -2005

Meeting Date: May 31, 2005

1 **From:** Mayor

2
3 **Subject:** AMENDING ANCHORAGE MUNICIPAL CODE SECTION 11.60.200 TO
4 ADJUST MANDATORY AIRPORT FEES AND CHARGES

5
6 This ordinance amends Anchorage Municipal Code Section 11.60.200 to increase
7 mandatory airport fees and charges for distribution of aviation fuel, aircraft parking,
8 vehicle parking and aircraft impoundment fees.

9
10 Increased expenses make it necessary to adjust rates and charges at Merrill Field
11 Airport. These increases will allow the airport to continue to provide services at the
12 current levels and to remain self-supporting. The Municipal Airports Aviation Advisory
13 Commission supports the proposed rate increases.

14
15 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE
16 AMENDING ANCHORAGE MUNICIPAL CODE SECTION 11.60.200 TO INCREASE
17 MANDATORY AIRPORT FEES AND CHARGES.

18
19
20 Prepared by: David A. Lundeby, Manager, Merrill Field Airport

21 Concur: Denis C. LeBlanc, Municipal Manager

22 Respectfully Submitted, Mark Begich, Mayor

MUNICIPALITY OF ANCHORAGE MEMORANDUM

DATE: May 9, 2005

TO: Anna Fairclough, Chair, Anchorage Assembly

THRU: Denis C. LeBlanc, Municipal Manager

FROM: David A. Lundeby, Manager, Merrill Field Airport

SUBJECT: Review of the Merrill Field's Lease Terms

The Administration has completed an extensive review of Merrill Field's lease terms and has compiled a summary report with recommended revisions to the Merrill Field Lease Agreement. The proposed revisions would result in more benefits to the airport leaseholders and would make Merrill Field's leases more competitive with State airport leases.

The proposed revisions to the Merrill Field Lease Agreement were discussed at the May 5, 2005 Municipal Airports Aviation Advisory Commission (MAAAC) meeting. The MAAAC supports the proposed revisions to the Merrill Field Lease Agreement and also supports the proposed increases to the mandatory airport fees and charges.

The Administration recommends the following revisions to the Merrill Field Lease Agreement;

1) Rental Rates and Future Rent Increases:

- Continue utilizing a cost approach as a method of establishing uniform land rental rates for airport properties.
- Provide for limits on the rent adjustments that may take place during the first year or several years of a lease, depending on the length of the lease.
- Approve an amended version of AO 2004-153 which would include an additional increase to the aircraft parking fees (from \$2/mo increase to \$5/mo increase). The increased aircraft parking fees would provide the revenue needed to meet increased expenses and offset the need to increase lease rates for the current budget year.

2) Determination of Length of Lease or Lease Extension:

- Determine the length of a lease or lease extension based on the amount of investment expended by the tenant and other factors in addition thereto including the purchase price paid for the permanent improvements and the fair market value and/or remaining useful life of the permanent improvements.

3) Disposition of Improvements at Lease Termination:

- Provide that all improvements placed by the tenant on the leased premises during the term of the lease belong to the tenant at the termination of the lease and allow the tenant to sell the improvements to a succeeding lessee and provide that the

Municipality may require the tenant to remove the improvements only if the improvements do not comply with written airport operational policies or are not in MOA's best interest, the improvements are not sold, MOA makes written findings that the improvements are a hazard to public health and safety or constitute a nuisance, the improvements have existing building code violations, or the improvements create landfill gas concerns or interfere with the operation of the landfill gas extraction system.

Future Assembly actions will be required to implement the recommended revisions to the Merrill Field Lease Agreement.

The Assembly requested this summary for their consideration prior to taking action on Ordinance AO 2004-153, a proposed ordinance amending AMC 11.60.200 to increase the mandatory airport fees and charges (AO 2004-153 was postponed indefinitely on January 18, 2005). The Administration has submitted a new Ordinance which increases Merrill Field's Municipal aircraft tiedown fees. As discussed at previous Assembly work sessions, the increase will make Merrill Field's Municipal tiedown fees more in balance with Merrill Field Leaseholder's tiedown fees and the State of Alaska Lake Hood's tiedown fees.

The following documents are attached for reference;

- Memorandum to MAAAC, dated May 5, 2005
- Review of Merrill Field Lease Terms, dated May 3, 2005
- Assembly Resolution AR No. 2005-6, amended and approved January 11, 2005

Attachments

Cc: Assembly Members
Dan Coffey, Vice Chair
Ken Stout
Dan Sullivan
Allan Tesche
Dick Traini
Paul Bauer
Chris Birch
Pamela Jennings
Debbie Ossiander
Janice Shamberg

Content Information**Content ID :** 002885**Type:** Ordinance-InvolvingFunds - AO

An Ordinance of the Municipality of Anchorage Amending

Title: Anchorage Municipal Code Section 11.60.200 to Adjust Mandatory Airport Fees and Charges**Author:** katkusja**Initiating Dept:** Merrill**Description:** Amending Anchorage Municipal Code Section 11.60.200 to Adjust Mandatory Airport Fees and Charges**Keywords:** Amending Anchorage Municipal Code Section 11.60.200 to Adjust Mandatory Airport Fees and Charges**Date Prepared:** 5/12/05 1:10 PM**Director Name:** David A. Lundeby**Assembly Meeting Date MM/DD/YY:** 5/31/05**Public Hearing Date MM/DD/YY:** 6/14/05

CLERKS OFFICE

2005 MAY 23 PM 2:14

M.O.A.

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllFundOrdinanceWorkflow	5/12/05 1:16 PM	Checkin	luebkela	Public	002885
AllFundOrdinanceWorkflow	5/12/05 2:51 PM	Reject	lundebyda	Public	002885
AllFundOrdinanceWorkflow	5/12/05 3:16 PM	Checkin	luebkela	Public	002885
Merrill_SubWorkflow	5/12/05 3:48 PM	Approve	lundebyda	Public	002885
OMB_SubWorkflow	5/16/05 5:25 PM	Approve	mitsonjl	Public	002885
CFO_SubWorkflow	5/17/05 4:39 PM	Approve	sinzje	Public	002885
Legal_SubWorkflow	5/18/05 2:48 PM	Approve	fehlenrl	Public	002885
MuniManager_SubWorkflow	5/19/05 10:54 AM	Checkin	katkusja	Public	002885
MuniManager_SubWorkflow	5/20/05 8:08 AM	Approve	leblancdc	Public	002885
MuniMgrCoord_SubWorkflow	5/23/05 8:13 AM	Approve	abbottmk	Public	002885