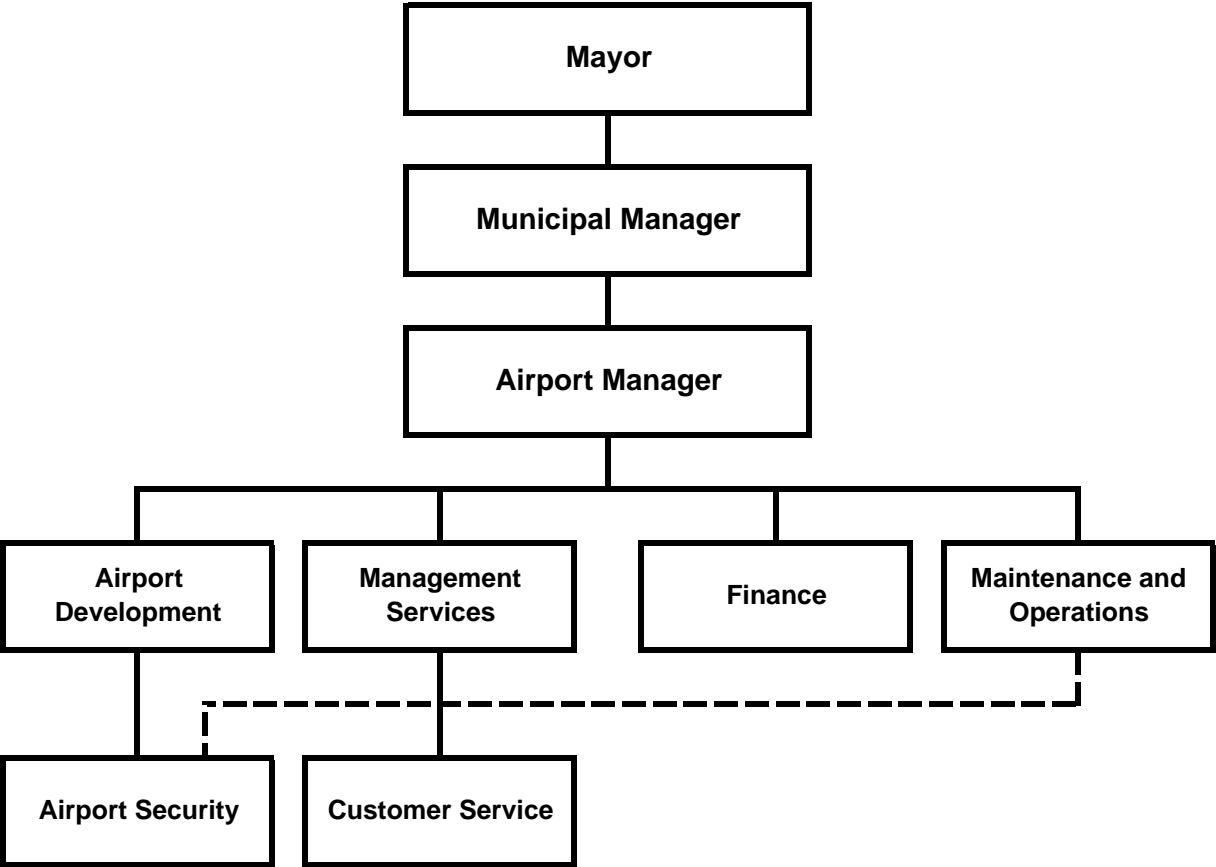


# Merrill Field Airport



## **Merrill Field Airport Organizational Overview**

Merrill Field Airport is functionally structured as a single department. Department personnel include the Airport Manager and four office staff, plus four maintenance personnel.

The Airport Manager is responsible for overall management, airport operations, risk mitigation and operational tone/policies/direction of the Airport. The Airport Manager is also the primary point of contact with the FAA regarding capital and airport planning, operations, and capital development.

The Administrative staff conducts the day-to-day operation of the Airport, including property management and servicing of leasehold and tie-down customers. Other functions include the planning, design, and oversight of the construction of Airport infrastructure. All office staff are one deep and specialized, per job duties. An additional staff person is proposed in the 2016 budget in expectation of Office Manager Darlene Sivyer's anticipated retirement (23+ years with MRI) and Leasing Specialist Linda Luebke's retirement (22+ years with MRI). The new staff person would fill presently undermet demands and cross train to become familiar with Office Manager and Leasing Specialist duties.

Maintenance personnel provide maintenance and operation of Airport facilities and equipment, as well as maintenance of all operating surfaces on the airport - runways, taxiways, roads, and aircraft tiedown areas that are not on leased property. Such responsibilities include snow removal, sanding, airfield maintenance, including coordination of Notices to Airmen (NOTAMs) and currency of the regularly updated and continuously broadcast Air Traffic Information Service (ATIS).

## **Merrill Field Airport Business Plan**

### **Background**

Merrill Field Airport (MRI) is a municipally owned and operated enterprise. It is operated as a city Enterprise Fund department under the direction of the Municipal Manager.

### **Services**

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home base to 8.9% of all aircraft registered in Alaska, Merrill Field was the 104th busiest airport in the nation in 2014.

### **Mission**

Merrill Field Airport is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

### **Business Goals**

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.
- Develop an overall Airport strategy, including leasing policies and pricing that attracts aviation support services and related businesses to Merrill Field and encourages long and short term private sector investments.
- Practice sound fiscal management to enable Merrill Field to increase its value, both to its customers and to its owner, the Municipality of Anchorage.
- Take advantage of new technologies to maximize the use and efficiency of available resources.
- Understand and be responsive to our customers to better meet their needs by providing the services and facilities they desire. This includes maintaining those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.
- Meet requisite FAA sponsor assurances resultant from AIP grant acceptance.

### **Strategies to Achieve Goals**

Merrill Field's strategic plan provides a framework to achieve results for the customer.

1. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice. Maintain a close working relationship and coordinate with the MRI FAA ATCT.
2. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
3. Work in close coordination with the Municipal Airports Aviation Advisory Commission, Fixed Based Operators, and Airport users.
4. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
5. Provide infrastructure to meet customer demand.
6. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
  - a. increasing facility productivity
  - b. adjusting user fees and/or lease rates annually.
7. Minimize expenses by:

- a. Reducing services where the impact is minimal
  - b. Employing economies of scale whenever possible
  - c. Deferring expenses, within practical limits
  - d. Performing functions in-house when workloads permit.
8. Take advantage of new technology
  - a. Continue refinement and enhancement of existing programs to facilitate better data resource management, including enabling fiber optic cabling and surveillance cameras airport-wide.
  - b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
9. Maintain database and management reporting capabilities.
10. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
11. Expediently and systematically remove snow from all surfaces. Ensure NOTAMs (Notices to Airmen) and ATIS (Air Traffic Information Service) are both proactive and current.
12. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
13. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
14. Endeavor to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
15. Manage and develop Orca Street properties to maintain and maximize lease rental revenue.
16. Pursue development of new lease lots and encourage development of commercial aviation facilities on current leaseholds.
17. Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
18. Fund pre-grant expenses for engineering services on grant-eligible projects.
19. Enhance the utility of existing tiedown aprons, taxiways, and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Actively market Airport facilities and services.
22. Acquire planned acquisition of identified parcels west of the Runway 16/34 safety area to ensure compatible land use.
23. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) thereby helping Merrill Field to more effectively compete nationally for AIP grant funds.
24. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.

### **Performance Measures to Track Progress in Achieving Goals**

Merrill Field measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Number of Vehicle-Pedestrian Deviations (VPDs)
2. Number of unfulfilled requests for aircraft parking space – Electrical Drive-Through
3. Percentage of lease spaces currently leased
4. Percent of runway pavement above the minimum PCI value of 70
5. Percent of apron pavement above the minimum PCI value of 60
6. Percent of taxiway pavement above the minimum PCI value of 60

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## Merrill Field Airport

*Anchorage: Performance. Value. Results.*

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**Mission**

Operate and maintain Merrill Field Airport to meet the aviation and business needs of our customers.

**Core Services**

- Maintain runways, taxiways, and aircraft parking aprons in a safe and secure condition.
- Provide space to operate and park aircraft.
- Provide lease space for private enterprises to support air transportation.

**Accomplishment Goals**

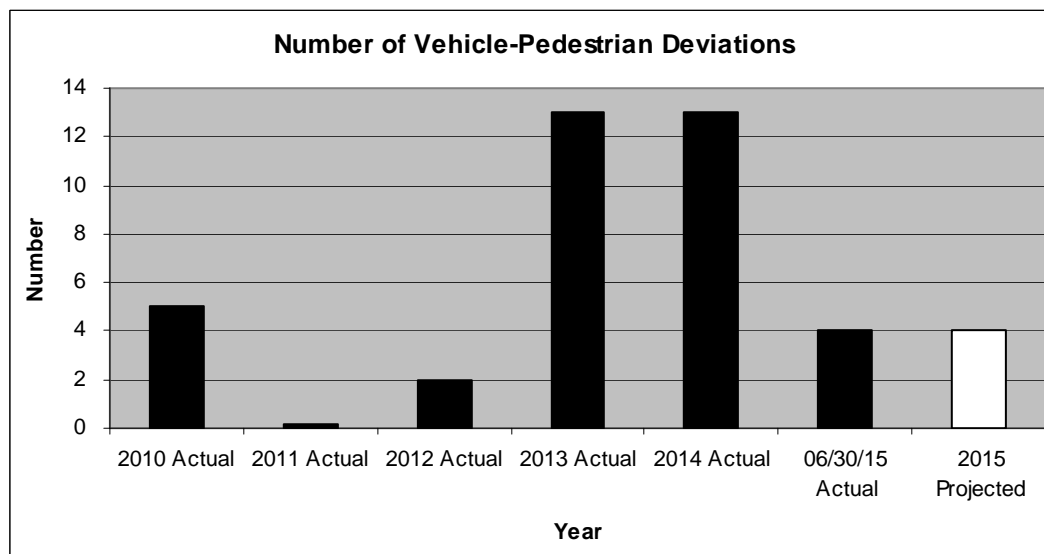
- Reduce the number of vehicle-pedestrian deviations (VPDs) - unauthorized entry into restricted areas.
- Provide sufficient aircraft parking area and business lease space to meet public demand.
- Repair and improve surface conditions on all Runway operating surfaces with a Pavement Condition Index (PCI) below 70 and all Taxiway, Apron & Roadway operating surfaces with a PCI below 60 (on a scale of 1 – 100 with 100 being the best condition).

**Performance Measures**

Progress in achieving goals will be measured by:

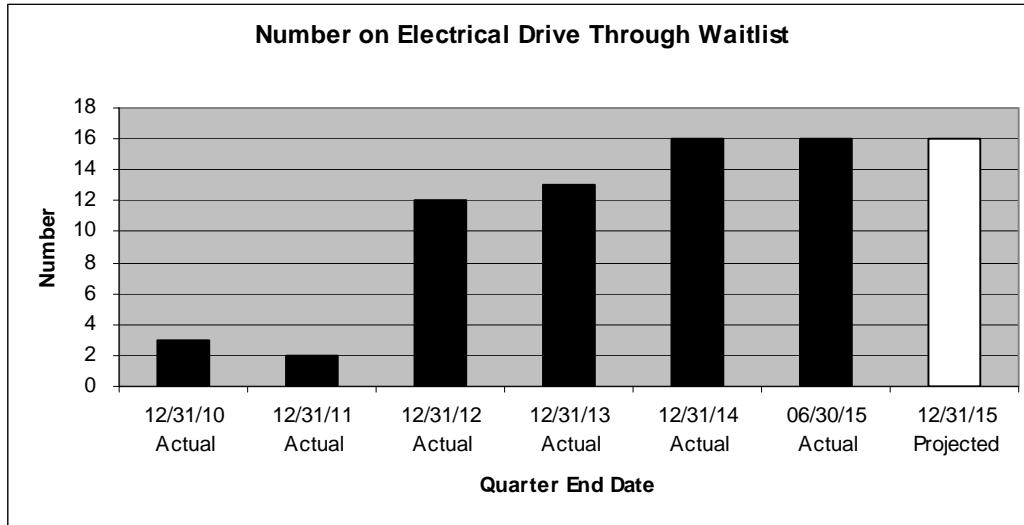
<b><u>Measure #1:</u> Number of Vehicle-Pedestrian Deviations (VPDs)</b>
--

2014 Actual	06/30/15 Actual	2015 Projected
13	4	4

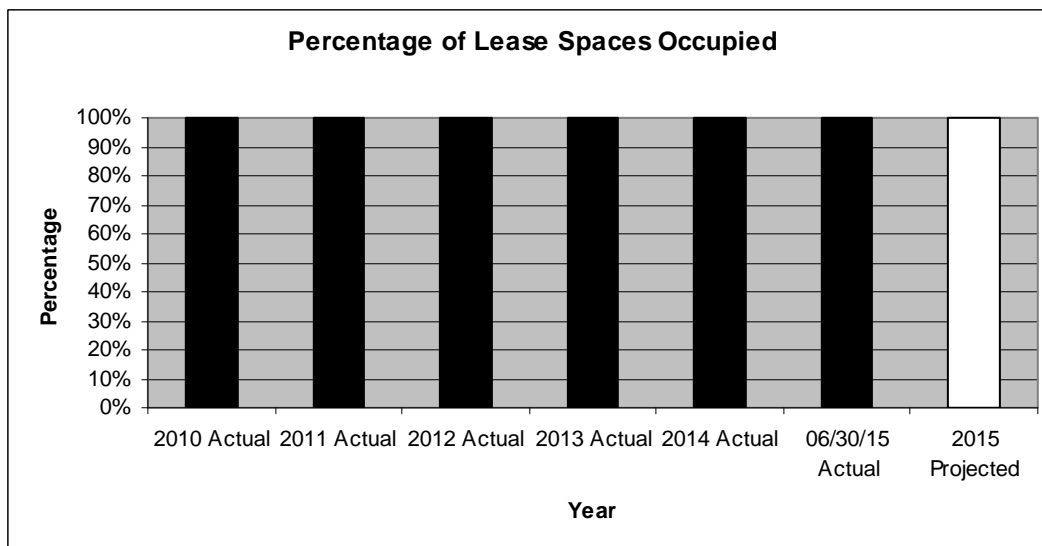


**Measure #2: Number of unfulfilled requests for aircraft parking space – Electrical Drive Through**

<b>12/31/14 Actual</b>	<b>06/30/15 Actual</b>	<b>12/31/15 Projected</b>
16	16	16

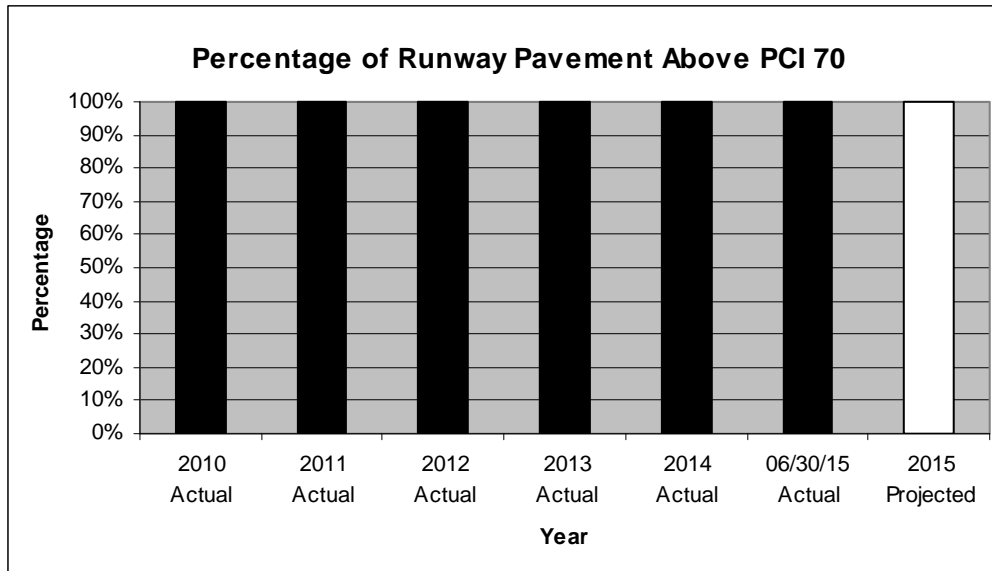

**Measure #3: Percentage of lease spaces currently leased**

<b>2014 Actual</b>	<b>06/30/15 Actual</b>	<b>2015 Projected</b>
(51/51)	(51/51)	(51/51)
100.00%	100.00%	100.00%

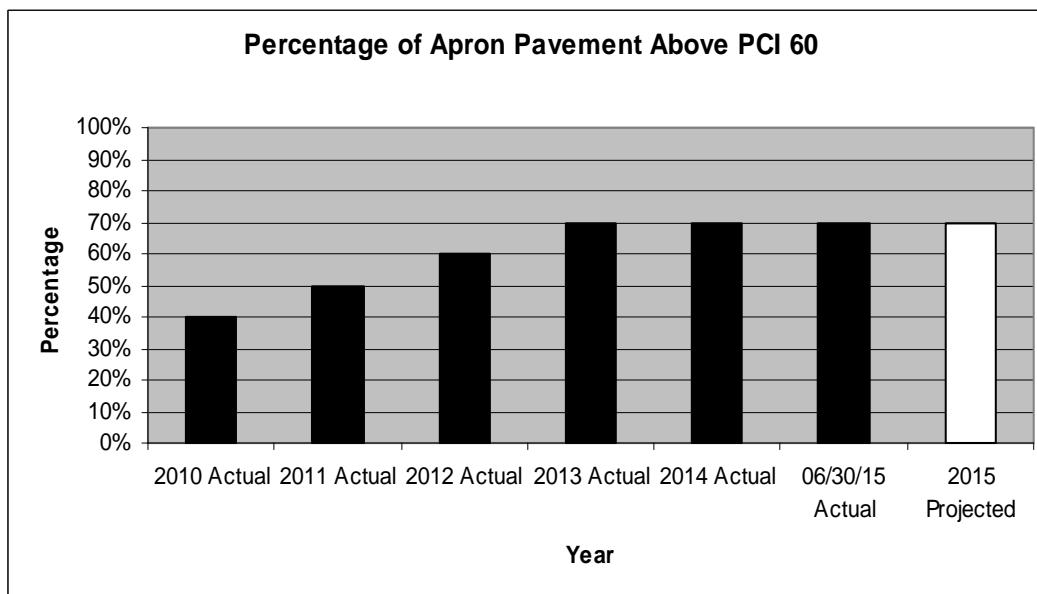


**Measure #4: Percent of runway pavement above the minimum PCI value of 70**

2014 Actual	06/30/15 Actual	2015 Projected
100%	100%	100%

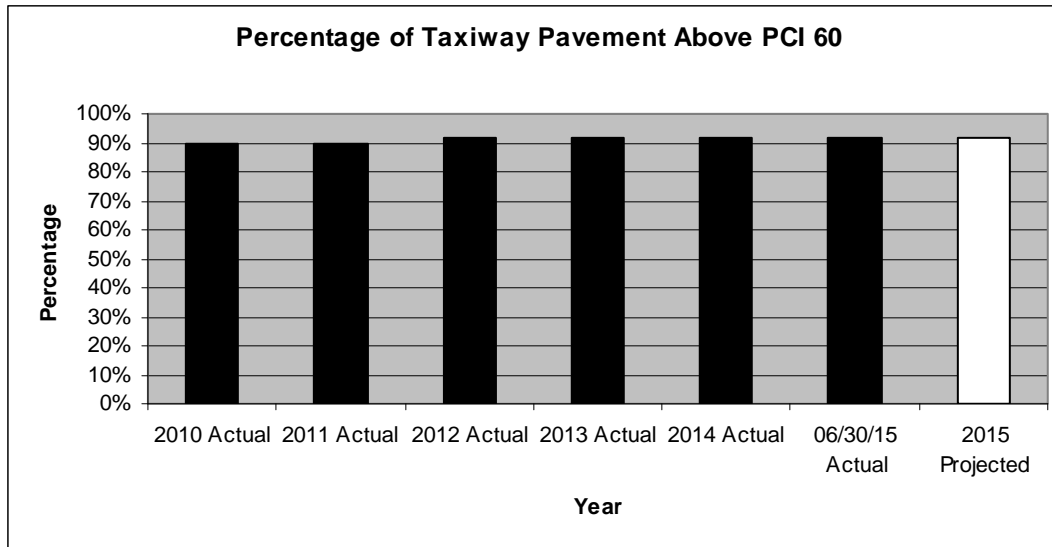
**Measure #5: Percent of apron pavement above the minimum PCI value of 60**

2014 Actual	06/30/15 Actual	2015 Projected
70%	70%	70%



<b>Measure #6: Percent of taxiway pavement above the minimum PCI value of 60</b>
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2014 Actual	06/30/15 Actual	2015 Projected
92%	92%	92%

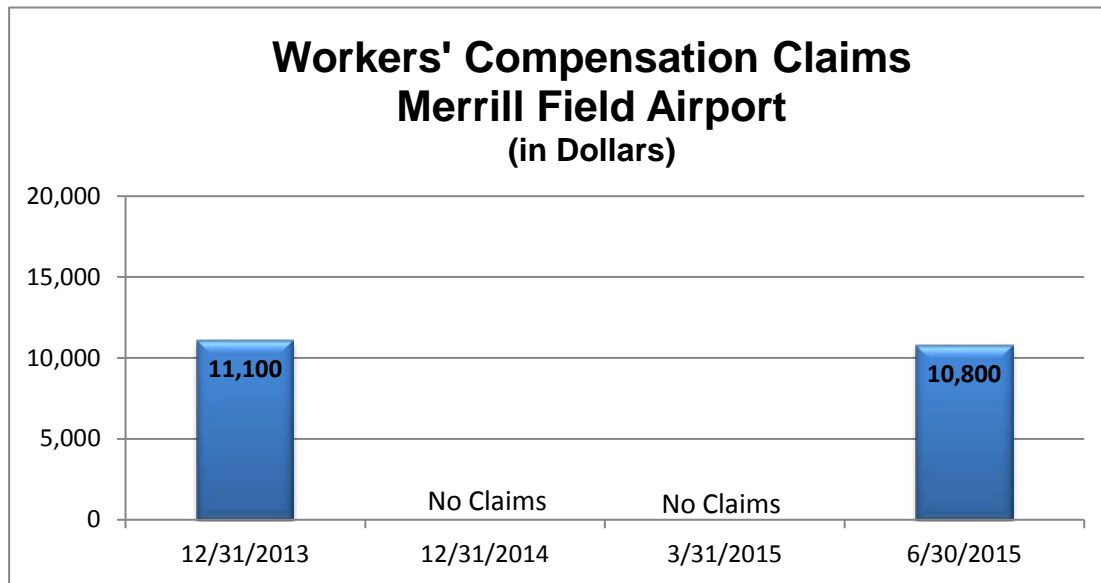




**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## **Merrill Field Airport Highlights and Future Events**

MRI continues to develop its economic revitalization program through cooperative efforts of the business owners, airport management, and surrounding communities. Over the past five years private development has invested approximately \$15 million in constructing seven new aviation related facilities including hangars, parts facilities and renovation of the historic Hangar.net hangar on 5<sup>th</sup> Avenue; over \$7 million is anticipated in private development in 2016. The Administration updated its Merrill Field lease terms in 2008 which resulted in more benefits to the airport leaseholders and makes Merrill Field leases more competitive with State airport leases.

Anticipated CY 2016 projects include Phase IV dynamic compaction of a portion of Taxiway Quebec; Phase III of the airfield security camera, ramp lighting and fiber optic cable installation on the 5<sup>th</sup> Avenue side of the airfield, Taxiway Kilo resizing and airfield gate operator refurbishment will be completed; plus continuation and completion of Airport Master Plan Phase II, officially started in 2015 will be completed in 2016. Other 2016 airfield projects are anticipated to include construction continuation of a first-in-Alaska certified aircraft paint hangar facility that will be large enough to accommodate a Dash 8/DC3 size aircraft or four smaller aircraft concurrently, adjacent to the recently completed renovation of the Wings of Freedom facility (formerly known as Hangar.net) hangar. Additionally, JayHawk Air will construct a 60'x60' hangar on its site (materials are on site; permitting was not completed in 2015 to enable project completion before winter weather onset); AK Aircraft Engines will construct a hangar on their site; North Edge Hangars plan a substantial hangar construction along 5<sup>th</sup> Av adjacent to Hudson Circle; Reeve Air Motive business has been purchased by AK Airframes and a substantial hangar expansion there is also planned; plus D&D Airpark is planning re-development of the former Aero Tech Flight Training leasehold on the east side of Runway 16/34. Also expected in 2016, MRI anticipates the acquisition of the current City Electric Property on the east side of Orca Street and north of 8<sup>th</sup> Avenue to be completed and subsequent development of this site undertaken. Three MRI owned rental buildings at 1225 and 1209 Orca Street and 1570 E 12<sup>th</sup> Avenue have been re-roofed in 2015 and selected window replacement will take place in late 2015 and 2016.

No proposed rate adjustments for the 2016 budget are projected (prior year projected CPI coupled with previously addressed CPI effectively washed; the 2/10 of one cent increase does not warrant a rate adjustment). This is in concert with adopted policy of proactive annual rate adjustments rather than reactive multi-year-in-arrear adjustments, as has been done historically.

## **Merrill Field Airport External Impacts**

With approximately 120,000 take offs and landings per year, Merrill Field (MRI) serves as a general aviation reliever airport to Ted Stevens Anchorage International Airport and also as the major general aviation link between Anchorage and our surrounding rural communities. With over 40 aviation businesses and ~830 based aircraft, Merrill Field provides a positive economic impact to Anchorage.

MRI is one of the few airports in the nation that has a taxiway link connecting directly to a hospital (Alaska Regional). Medevac aircraft land and taxi directly to the hospital and the patient is transferred from the aircraft onto a gurney and wheeled into the hospital. This service saves valuable minutes in critical situations and it is regularly utilized.

MRI continues to remain debt-free by pursuing federal airport grant funds for all grant-eligible capital improvement projects by working with federal and state grant managers to secure all available grant funding as it becomes available. These funds are used to develop/continue its economic revitalization program through cooperative efforts of the business owners, airport management, and surrounding communities.

Since its beginning in 1930 when MRI was built on the outskirts of Anchorage, it has become encroached by residential and commercial development. As a result, the airfield layout is geometrically constrained without taxiway separation from individual leasehold apron areas. Rather, MRI taxiways are effectively apron edge taxi-lanes. This apron edge taxi-lane configuration, coupled with an inadequate fencing deterrent along 5<sup>th</sup> Avenue and elsewhere often results in individuals not associated with the airport occasionally entering restricted areas (trespass across taxiways and/or runways), aka Vehicle Pedestrian Deviations or (VPD's).

To address this, in our Runway Safety Program we have implemented operational procedures and provided numerous capital improvements in an effort to curb this trespass problem. Through cooperative efforts of Airport leaseholders and implementation of our Driver Training Program, there has been a dramatic decrease in trespass incidents, from the historic number in the hundreds to 19-or-less per year over the past decade. Our ongoing goal is to improve Airport fencing and perimeter/gate security through continued education of and support of the Airport leaseholders and businesses, the Municipality of Anchorage, and the Federal Aviation Administration, with an ultimate goal of eliminating trespass incidents.

MRI noise complaints have dramatically decreased since implementing a "Fly Friendly" program that includes a revised standard protocol for all rotorcraft touch & go operations, emphasizing the use of Runway 34 only when the wind is out of the north; landing long (further down the runway); using steeper ascent and descent angles, to the degree practicable; and using Bryant Army Airfield (on JBER) for rotorcraft training, when it is available.

## Merrill Field Airport Workforce Projections

<b>Division</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Airport Manager	1	1	1	1	1	1	1	1
Airport Development	1	1	1	1	1	1	1	1
Finance	1	1	1	1	1	1	1	1
Management Services	2	2	3	3	3	3	3	3
Maintenance Technicians	4	4	4	4	4	4	4	4
<b>Total Full Time</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Part-time/Temporary	2	2	2	2	2	2	2	2
<b>Total Part Time</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Positions</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Total FTE</b>	<b>9.50</b>	<b>9.50</b>	<b>10.50</b>	<b>10.50</b>	<b>10.50</b>	<b>10.50</b>	<b>10.50</b>	<b>10.50</b>

*Merrill Field will hire up to three temporary seasonal employees for 3 months each summer, depending upon the impact of the previous winter's ops expenses experienced.*

## Merrill Field Airport 8 Year Summary

(\$ in thousands)

Financial Overview	2014 Actuals	2015 Proforma	2016 Proposed	2017	2018	2019	2020	2021
				Forecast				
Revenues (1)	1,785	1,926	1,907	1,923	1,939	1,955	1,971	1,987
Expenses (2)	3,509	3,894	4,021	4,037	4,053	4,069	4,085	4,101
<b>Net Income (Loss)</b>	<b>(1,724)</b>	<b>(1,968)</b>	<b>(2,114)</b>	<b>(2,114)</b>	<b>(2,114)</b>	<b>(2,114)</b>	<b>(2,114)</b>	<b>(2,114)</b>

(1): Revenues are projected to increase at the rate of the Consumer Price Index (CPI). Capital grant revenue is not included.

(2): Expenses shown includes all depreciation, including depreciation on assets purchased with grant funds.

Budgeted Positions	11	11	12	12	12	12	12	12
Capital Improvement Program	2,509	4,620	2,200	2,500	3,800	2,000	2,000	2,000
Bond Sales	-	-	-	-	-	-	-	-
Net Plant (12/31)	59,847	61,977	61,632	61,201	62,030	61,104	60,220	59,377
Utility Revenue Distribution	-	-	-	-	-	-	-	-
Net Assets (12/31)	65,603	65,765	63,306	61,041	60,040	57,279	54,556	51,870
Cash and Cash Equivalents	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction Cash Pool	4,913	3,724	3,384	3,306	2,993	2,931	2,869	2,806
Bond Redemption Cash	-	-	-	-	-	-	-	-
<b>Total Cash</b>	<b>4,913</b>	<b>3,724</b>	<b>3,384</b>	<b>3,306</b>	<b>2,993</b>	<b>2,931</b>	<b>2,869</b>	<b>2,806</b>
IGCs - General Government (4)	(478)	(505)	(517)	(527)	(538)	(549)	(560)	(571)
MESA	45	40	44	43	42	42	43	42
Total Debt	-	-	-	-	-	-	-	-
Debt/Equity Ratio	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100
Rate Change Percent (3)	5.3%	4.0%	0.0%	1.6%	1.6%	1.6%	1.6%	1.6%

(3): Rate increases shown in future years are for purposes of projections only and have not been approved for implementation. The intent is to reflect CPI coverage to maintain established operating budgets. Merrill Field Airport will continue to strive to find ways to avoid projected rate increases.

(4) Includes IGC charges to grants for administration and work authorizations

<b>Lease Rate/Square Foot/Year</b>	\$0.200	\$0.208	\$0.208	\$0.212	\$0.215	\$0.218	\$0.222	\$0.225
Tail-In Space Per Month	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Drive-Through Space Per Month	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
<b>Statistical/Performance Trends</b>								
Based Aircraft	833	833	833	833	833	833	833	833
Municipal Tiedowns	530	530	530	530	530	530	530	530
Flight Operations/Calendar Year	125,588	126,000	126,000	126,000	126,000	126,000	126,000	126,000
National Airport Ranking by Calendar Year	104th	104th	104th	104th	104th	104th	104th	104th

## Merrill Field Airport Statement of Revenues and Expenses

	2014 Actuals	2015 Proforma	2015 Revised	16 v 15 \$ Change	2016 Proposed	16 v 15 % Change
<b>Operating Revenue</b>						
Airport Lease Fees	659,549	687,000	687,000	-	687,000	0.0%
Airport Property Rental	434,555	480,000	457,000	23,000	480,000	5.0%
Permanent Parking Fees	279,408	279,000	275,000	-	275,000	0.0%
Transient Parking Fees	12,706	8,000	10,000	(2,000)	8,000	-20.0%
Vehicle Parking	40,044	42,000	40,000	2,000	42,000	5.0%
MOA Aviation Fuel Fees	66,637	52,000	52,000	-	52,000	0.0%
SOA Aviation Fuel Fees	18,998	18,000	18,000	-	18,000	0.0%
Medevac Taxiway Fees	49,896	50,000	50,000	-	50,000	0.0%
Other Revenue	1,612	7,000	1,000	3,000	4,000	300.0%
<b>Total Operating Revenue</b>	<b>1,563,405</b>	<b>1,623,000</b>	<b>1,590,000</b>	<b>26,000</b>	<b>1,616,000</b>	<b>1.6%</b>
<b>Non Operating Revenue</b>						
Operating Grant Revenue	167,900	242,000	202,000	40,000	242,000	19.8%
Interest Income	45,629	46,000	37,000	5,815	42,815	15.7%
Other Revenue	7,986	15,000	3,000	3,000	6,000	100.0%
<b>Total Non Operating Revenue</b>	<b>221,515</b>	<b>303,000</b>	<b>242,000</b>	<b>48,815</b>	<b>290,815</b>	<b>20.2%</b>
<b>Total Revenue</b>	<b>1,784,920</b>	<b>1,926,000</b>	<b>1,832,000</b>	<b>74,815</b>	<b>1,906,815</b>	<b>4.1%</b>
<b>Operating Expenses</b>						
Labor						
Labor and Benefits	1,139,070	1,175,000	1,119,784	112,683	1,232,467	10.1%
Overtime	3,526	5,000	27,000	(15,000)	12,000	-55.6%
<b>Total Labor</b>	<b>1,142,596</b>	<b>1,180,000</b>	<b>1,146,784</b>	<b>97,683</b>	<b>1,244,467</b>	<b>8.5%</b>
Non Labor						
Supplies	100,576	95,000	138,000	(38,000)	100,000	-27.5%
Travel	-	-	-	-	-	0.0%
Other Services	78,696	88,000	107,000	(19,000)	88,000	-17.8%
Other Expenses	287,002	256,000	261,000	6,000	267,000	2.3%
Depreciation and Amortization	2,326,561	2,490,000	2,450,000	95,000	2,545,000	3.9%
Transfers (MESA and Gross Receipts)	44,652	40,000	37,208	6,792	44,000	18.3%
<b>Total Non Labor</b>	<b>2,837,487</b>	<b>2,969,000</b>	<b>2,993,208</b>	<b>50,792</b>	<b>3,044,000</b>	<b>1.7%</b>
<b>Total Direct Cost</b>	<b>3,980,083</b>	<b>4,149,000</b>	<b>4,139,992</b>	<b>148,475</b>	<b>4,288,467</b>	<b>3.6%</b>
Charges to Other Departments	(735,004)	(737,000)	(808,960)	72,000	(736,960)	-8.9%
Charges from Other Departments	257,304	232,000	228,900	(9,054)	219,846	-4.0%
<b>Total Operating Expense</b>	<b>3,502,383</b>	<b>3,644,000</b>	<b>3,559,932</b>	<b>211,421</b>	<b>3,771,353</b>	<b>5.9%</b>
<b>Non Operating Expense</b>						
Master Plan Study	6,434	250,000	207,535	42,465	250,000	20.5%
<b>Total Non Operating Expense</b>	<b>6,434</b>	<b>250,000</b>	<b>207,535</b>	<b>42,465</b>	<b>250,000</b>	<b>20.5%</b>
<b>Total Expenses (Function Cost)</b>	<b>3,508,817</b>	<b>3,894,000</b>	<b>3,767,467</b>	<b>253,886</b>	<b>4,021,353</b>	<b>6.7%</b>
<b>Net Income</b>	<b>(1,723,897)</b>	<b>(1,968,000)</b>	<b>(1,935,467)</b>	<b>(179,071)</b>	<b>(2,114,538)</b>	<b>9.3%</b>
<b>Appropriation:</b>						
<b>Total Expenses</b>			<b>3,767,467</b>	<b>253,886</b>	<b>4,021,353</b>	
Less: Non Cash items						
Depreciation and Amortization			2,450,000	95,000	2,545,000	
Total Non-Cash			2,450,000	95,000	2,545,000	
<b>Amount to be Appropriated (Cash Expenses)</b>			<b>1,317,467</b>	<b>158,886</b>	<b>1,476,353</b>	

## Merrill Field

### Reconciliation from 2015 Revised Budget to 2016 Proposed Budget

		Positions		
	Appropriation	FT	PT	T
<b>2015 Revised Budget</b>	3,767,467	9	2	-
<b>Transfers (to)/from Other Agencies</b>				
- Transfers (MESA)	6,792	-	-	-
- Charges to/from others	62,946	-	-	-
<b>Changes in Existing Programs/Funding for 2016</b>				
- Salary and benefits adjustments	24,325	-	-	-
- Depreciation and Amortization	95,000	-	-	-
<b>2016 Continuation Level</b>	<b>3,956,530</b>	<b>9</b>	<b>2</b>	<b>-</b>
<b>2016 Proposed Budget Changes</b>				
- Add one new Junior Admin Officer position, grade 12	88,358	1	-	-
- Reduce overtime expense	(15,000)	-	-	-
- Supplies	(38,000)	-	-	-
- Repair and Maintenance, Legal, Janitorial and Bird Control Services	(19,000)	-	-	-
- Increase Master Plan Study	42,465	-	-	-
- Other Expenses	6,000	-	-	-
<b>2016 Proposed Budget</b>	<b>4,021,353</b>	<b>10</b>	<b>2</b>	<b>-</b>
<b>2016 Budget Adjustment for Accounting Transactions (Appropriation)</b>				
- Depreciation and Amortization	(2,545,000)	-	-	-
<b>2016 Proposed Budget (Appropriation)</b>	<b>1,476,353</b>	<b>10</b>	<b>2</b>	<b>-</b>

**Merrill Field Airport**  
**2016 - 2021 Capital Improvement Program**  
(in thousands)

<b>Project Category</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Buildings and Equipment	200	500	200	-	-	-	900
Land Improvements	1,000	1,000	2,600	1,000	1,000	1,000	7,600
Runways and Taxiways	1,000	1,000	1,000	1,000	1,000	1,000	6,000
<b>Total</b>	<b>2,200</b>	<b>2,500</b>	<b>3,800</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>14,500</b>

<b>Funding Source</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Federal Grants	1,875	2,344	3,375	1,875	1,875	1,875	13,219
State Grants	63	78	112	63	63	62	441
Equity/Operations	262	78	313	62	62	63	840
<b>Total</b>	<b>2,200</b>	<b>2,500</b>	<b>3,800</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>14,500</b>



**Merrill Field Airport**  
**2016 Capital Improvement Budget**  
(in thousands)

<b>Project Title</b>	<b>Federal Grants</b>	<b>State Grants</b>	<b>Equity/ Operations</b>	<b>Total</b>
Building Upgrades - Orca Street Facilities	-	-	200	200
Rehab Taxiway Quebec and Apron, Phase 5	938	31	31	1,000
Security Upgrades, Phase 4	937	32	31	1,000
<b>Total</b>	<b>1,875</b>	<b>63</b>	<b>262</b>	<b>2,200</b>

## Merrill Field Airport Statement of Cash Sources and Uses

	2014 Actual	2015 Proforma	2016 Proposed
<b>Sources of Cash Funds</b>			
Net Income/(Loss)	(1,724,874)	(1,974,000)	(2,118,000)
Depreciation	2,326,561	2,490,000	2,545,000
Grant Proceeds	1,637,682	3,431,752	4,359,875
Proceeds from Disposal of Capital Assets	-	-	-
Interest Received	45,629	46,000	46,000
<b>Total Sources of Cash Funds</b>	<b>2,284,998</b>	<b>3,993,752</b>	<b>4,832,875</b>
<b>Uses of Cash Funds</b>			
Additions to Plant/Construction Work in Progress	2,618,876	4,620,496	4,700,000
Transfers To/From Other Funds	(701,612)	562,000	473,000
<b>Total Uses of Cash Funds</b>	<b>1,917,264</b>	<b>5,182,496</b>	<b>5,173,000</b>
Net Increase (Decrease) in Cash Funds	367,734	(1,188,744)	(340,125)
Cash Balance, January 1	4,545,452	4,913,186	3,724,442
<b>Cash Balance, December 31</b>	<b>4,913,186</b>	<b>3,724,442</b>	<b>3,384,317</b>
<b>Detail of Cash and Investment Funds</b>			
Cash and Cash Equivalents	200	200	200
Equity in Construction Cash Pool	4,912,986	3,724,242	3,384,117
<b>Cash Balance, December 31</b>	<b>4,913,186</b>	<b>3,724,442</b>	<b>3,384,317</b>

## **About Merrill Field Airport**

### **Organization**

Five office staff manage the operational and financial affairs of Merrill Field, and four maintenance personnel provide maintenance for 8 airport buildings and 436 acres of property. The maintenance function includes all operating surfaces of the airport - runways, taxiways, roads and aircraft tie-down areas that are not on leased property. This includes snow removal, sanding, resurfacing, and maintenance of facilities and equipment.

### **History**

Merrill Field Airport (MRI), established in 1930 and located one mile east of downtown Anchorage, was the first real airport in Alaska and in Anchorage. The airport bears the name of Russel Hyde Merrill, an early Alaskan aviator who disappeared in September 1929 on a flight to Bethel. The first aviation beacon in the Territory of Alaska was located at Merrill Field and was dedicated on September 25, 1932 to honor Russ Merrill.

MRI is classified as a "Primary Commercial Service Airport" and serves as a general aviation reliever airport to Ted Stevens Anchorage International Airport. MRI is presently restricted to aircraft weighing 12,500 pounds or less.

MRI continues to be an integral part of Alaska's transportation network. Over the past five years aircraft operations have varied between 130,000 and 170,000 and based aircraft varied between 827 and 910: 2013's based aircraft numbered 833.

### **Service**

Merrill Field serves as the general aviation link between Southcentral Alaskan communities, rural areas, and Anchorage. Intrastate air traffic to and from Anchorage, with many passengers destined for the downtown and midtown areas, are conveniently served by MRI.

Some of the many services provided at MRI are: sale of aircraft fuel; hangar rental; flightseeing; flight and ground school instruction; aircraft maintenance and repair; sale of parts, supplies, equipment and accessories; aerial photography; propeller repair; aviation electronics; aircraft sales, rentals and charters; power plant and airframe training; a fully accredited University of Alaska Aviation Technology Division campus offering Baccalaureate/Associate degree and A&P License programs in piloting and aviation management; and direct Medevac taxiway connection to Alaska Regional Hospital.

### **Regulation**

Merrill Field is required to meet Federal Aviation Administration, Alaska Department of Transportation and Public Facilities, and Municipal regulations. Additionally, the Municipal Airports Aviation Advisory Commission advises and makes recommendations to the Administration and Assembly on all matters pertaining to the operating budget, rules, regulations, and administrative guidelines at Merrill Field.

### **Environmental Mandates**

There are many federally mandated programs which have had a direct impact on the Airport's operating costs. The Clean Water Act, Americans With Disabilities Act, Community Right To Know, Underground Storage Tank Regulations, and Clean Air Act are some of the current laws which have and will continue to affect the Airport. Approximately one-third of the MRI airfield land mass is atop the former Anchorage Municipal landfill, which was closed in 1987. As a result of this resident land mass, significant environmental challenges and additional development costs exist for airfield development and construction.

## **Physical Plant**

### **Primary Commercial Service Airport**

Hub for intra-Alaska travel

Located one mile from downtown Anchorage

General Aviation reliever airport to Ted Stevens Anchorage International Airport

Restricted to aircraft weighing 12,500 pounds or less

436 acre land area; elevation 137 feet; fee simple title

1,244 tiedown spaces; leaseholders manage 714; Municipality manages 530, including 53 for transient aircraft

Runway 7/25 length/width is 4,000' x 100'; Runway 16/34 is 2,640' x 75'; Gravel/Ski Runway 5/23 is 2,000' x 60'

Six taxiways; 102 acres of tiedown aprons

Air Traffic Control Tower owned and operated by FAA

### **Merrill Field Airport Statistics for 2014**

104<sup>th</sup> Busiest Airport in the Nation

820,453 flight operations in Alaska; 125,588 operations (15.3%) at MRI

9,347 registered aircraft in Alaska; 833 (8.9%) based at MRI

8,032 certificated pilots in Alaska; UNK at MRI

48 leaseholders lease 3,311,861 square feet of airport property with tenant improvements assessed at \$274,869,000

12 rental properties

Approximately 36 aviation related businesses operate on the airport

485 transient aircraft stayed a total of 2,197 days in 2014

Approximately 843,455 gallons of fuel were sold in 2014

Airport Plant (net of accumulated depreciation) at December 31, 2014 was \$59,846,668