



Merrill Field

“AIP and Rate Increases vs CPI”

For

**The Enterprise & Utility Oversight
Committee**

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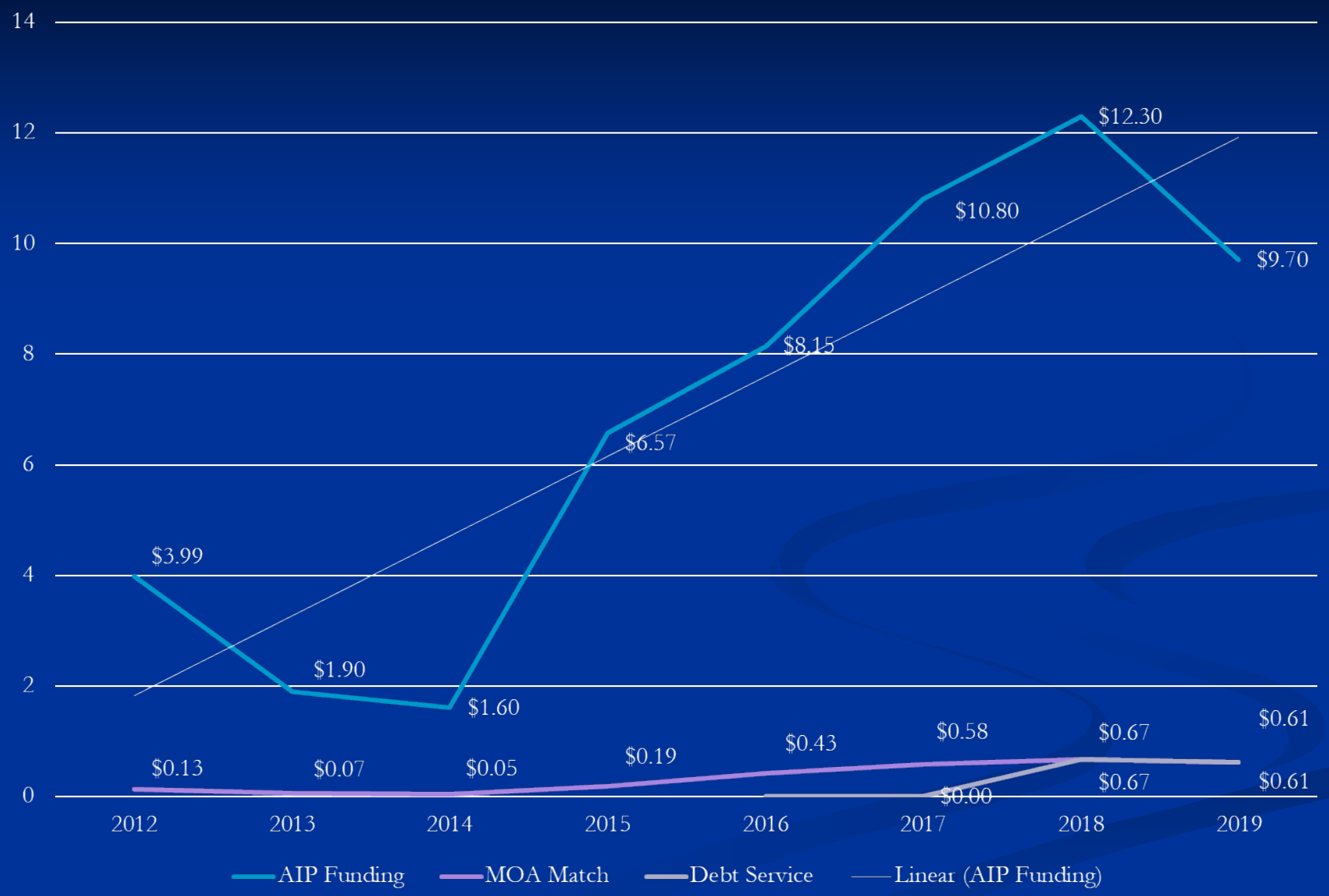
Airport Manager

June 6, 2019





MOA AIP Infrastructure Investment In \$M





MRI Revenue vs Expense in \$M





MRI Revenue, Debt, and Associated Response

- Budget History-Expenses exceeded revenues over last 4 years
- 2018/2019 AIP Debt Service – 152K per year for a 15 year loan
- To address both, the following fee increases are on the table





5-Part Strategy to Increase MRI Revenue

- I. Increase tie down and vehicle parking fees
- II. Charge fees for services previously given away for free.
- III. Increase lease rates by \$.04 per square foot, i.e., from \$.21 to \$.25
- IV. Increase Rental Rates
- V. Innovation



I. Increased fees for Tie Downs, Fuel, & Vehicle Parking Fees

- Permanent aircraft Parking Fees +15%
 - Tail-end- \$60 up to \$70/month
 - Pull-through - \$70 up to \$80/month
- Transient Aircraft Parking Fees +20%
 - \$5 up to \$6/day
- Vehicle Parking fees-long term + 50%
 - 20 foot space - \$45 up to \$70/month
 - 40 foot space - \$55 up to \$80/month
- MOA fuel fee increase +\$.02/gallon
 - \$.08 up to \$.10/gallon





II. Fees for services previously given away for free

- Services not listed in leases and previously provided at no cost, i.e.,
 - Document preparation for lease renewal or new lease
 - Repairing gates (damaged by lease holder customers, their employees, or their suppliers, etc.)





II. (Cont.) Charge fees for services previously given away for free

- Office responses to Merrill Field requests
- MRI Maintenance responses to Merrill Field requests
- MRI Maintenance responses to A/C accident or incidents
- New service setup & change Fees





III. Increase lease rates by \$.04 per square foot, i.e., from \$.21 to \$.25

- Lease rates increase by .04 per square foot. No longer tied to CPI and pays for:
 - MRI Apron lights, leasehold apron lights, and TWY/RWY light utility bills
 - Security Gates Operation
 - Snow movement to winter storage
 - Credit card recovery fees
 - Daily security patrols and interloper callouts (New)
 - SWPPP (Storm Water) fees





IV. Increase Rental Rates

- Medevac taxiway fees +10% from \$4324 up to \$4756/month
- Rental Properties +3%





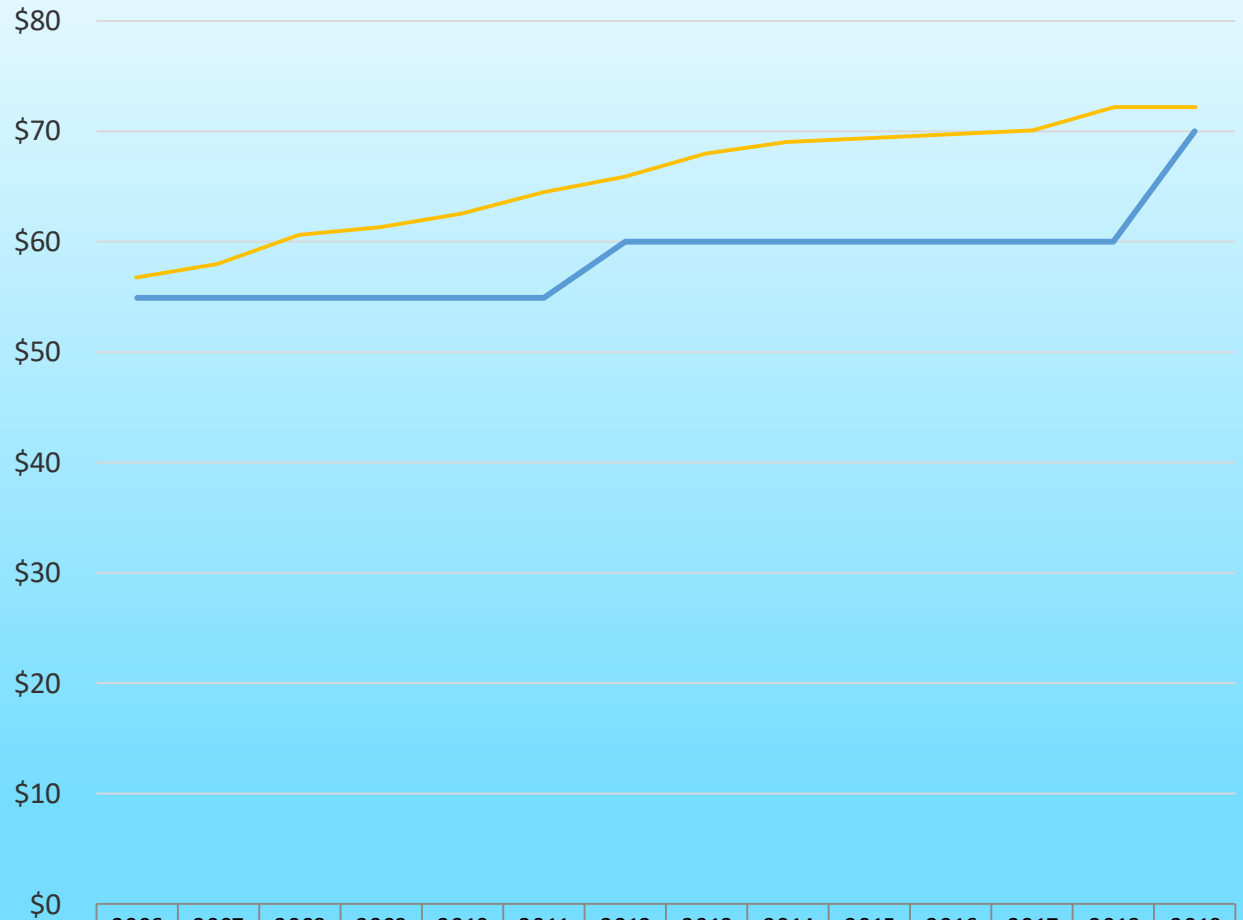
V. Innovation-Step One

- Innovation for 2020
 - Convert unused space adjacent to Airport Drive into 100 new parking spaces for RVs/Autos.





MRI Tail-in Tie Down Rates vs CPI

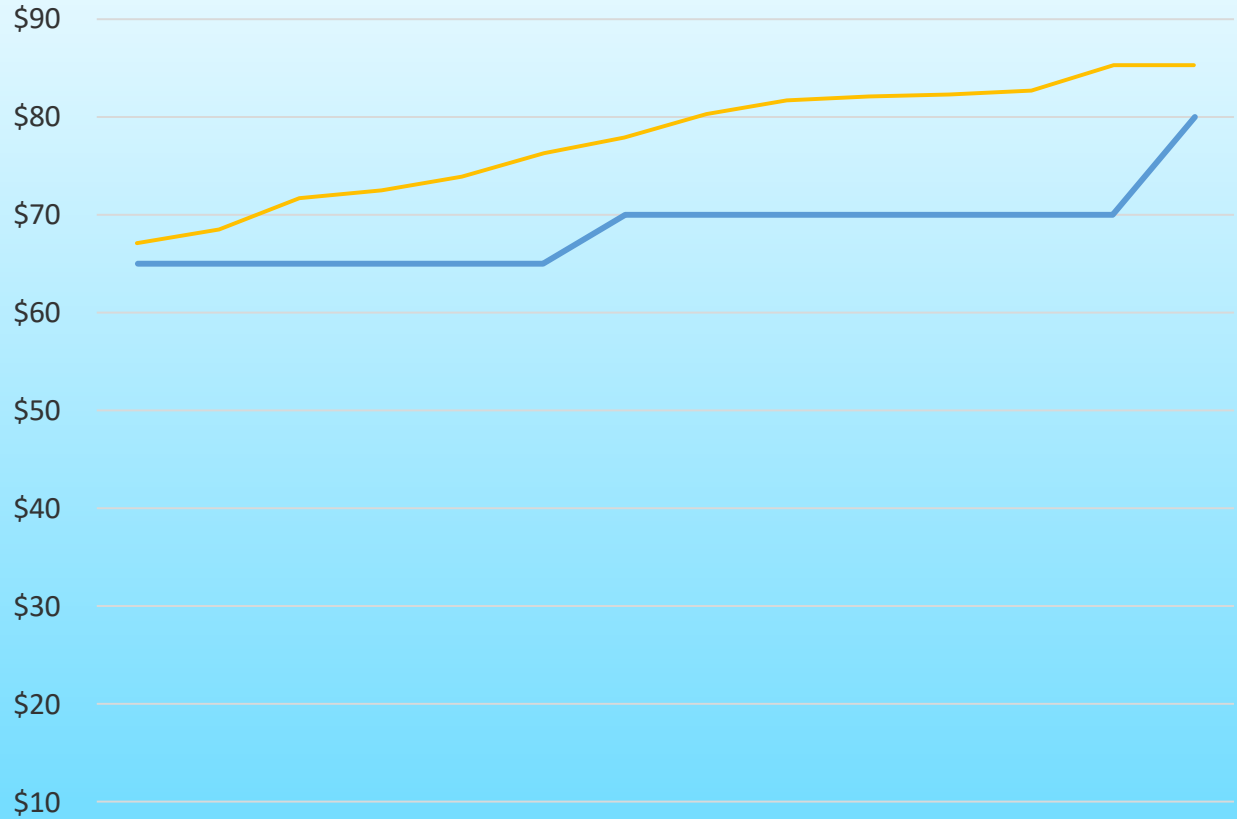


| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Tie Down Tail-in | \$55 | \$55 | \$55 | \$55 | \$55 | \$55 | \$60 | \$60 | \$60 | \$60 | \$60 | \$60 | \$60 | \$70 |
| Rate adjusted for CPI | \$56.76 | \$58.01 | \$60.68 | \$61.41 | \$62.51 | \$64.51 | \$65.93 | \$67.97 | \$69.06 | \$69.41 | \$69.68 | \$70.03 | \$72.13 | \$72.13 |

— Tie Down Tail-in — Rate adjusted for CPI



MRI Pull Thru Tie Down Rates vs CPI

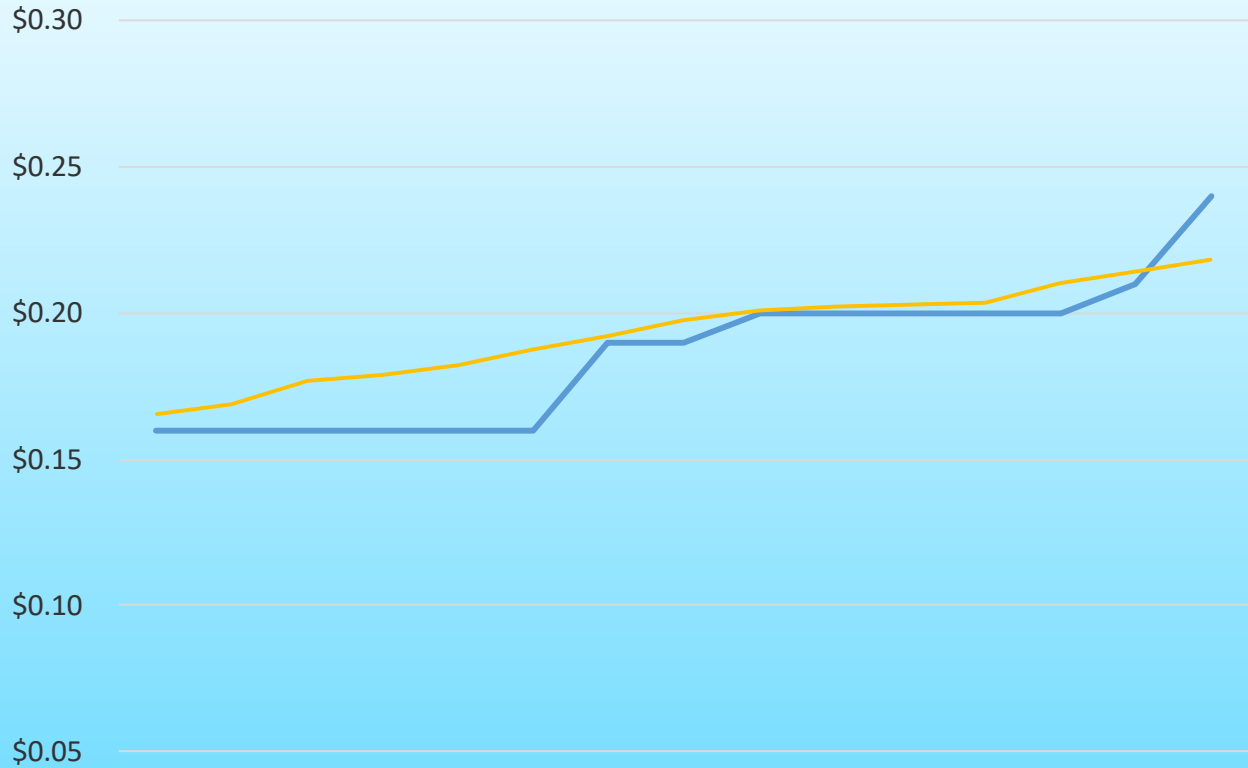


| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| — Pull Thru | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$70 | \$70 | \$70 | \$70 | \$70 | \$70 | \$70 | \$80 |
| — Rate adjusted for CPI | \$67.08 | \$68.56 | \$71.71 | \$72.57 | \$73.88 | \$76.24 | \$77.92 | \$80.33 | \$81.62 | \$82.03 | \$82.35 | \$82.77 | \$85.25 | \$85.25 |

— Pull Thru — Rate adjusted for CPI



MRI Lease Rates Per Square Foot



| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| — Lease Rates | \$0.16 | \$0.16 | \$0.16 | \$0.16 | \$0.16 | \$0.16 | \$0.19 | \$0.19 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.21 | \$0.24 |
| — Rate adjusted for CPI | \$0.17 | \$0.17 | \$0.18 | \$0.18 | \$0.18 | \$0.19 | \$0.19 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.21 | \$0.21 | \$0.22 |

— Lease Rates — Rate adjusted for CPI



Concluding Remarks

Questions?

