



City of Palmer
Airport Advisory Commission Packet

April 11, 2024

**AIRPORT ADVISORY COMMISSION
REGULAR MEETING
APRIL 11TH, 6 P.M.
CITY COUNCIL CHAMBERS
231 W. EVERGREEN AVENUE, PALMER
www.palmerak.org**



CHAIR
VICE CHAIR
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER

Leighton Lee
Beau Honeycutt
Scott Work
Jeff Helmericks
Joyce Momarts
Shannon Jardine
Stacia Joyce

AGENDA

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Approval of Agenda
- E. Minutes of Previous Meeting – 2/8/2024
- F. Reports – Airport Superintendent
 - 1. Airport Maps
- G. Audience Participation
- H. Unfinished Business
 - 1. Airport Lease Rate Adjustment
 - i. Airport Superintendent presentation
 - ii. Public Comment
 - iii. Commission Questions and Comments
- I. New Business
 - 1. Capital Improvement Plan March 2024
 - 2. Capital Improvement Plan October 2023
- J. Commission Member Comments
- K. Adjournment



Minutes from 2/8/2024

A. CALL TO ORDER

A regular meeting of the Airport Advisory Commission was held on February 8, 2024, at 6:00 p.m. in the Council Chambers, Palmer, Alaska. Chairman Leighton Lee called the meeting to order at 6:00 p.m.

B. ROLL CALL

Comprising a quorum of the council, the following were present:
Chairman Leighton Lee, Beau Honeycutt, Jeff Helmericks, Scott Work, and Joyce Momarts.

Shannon Jardine and Stacia Joyce attended via phone.

Staff in attendance was the following:

John Diument, Airport Superintendent

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. Chair and Vice Chair Selection

Main Motion: To Remove this Item from the Agenda

Moved by:	Honeycutt
Seconded by:	Helmericks
Vote:	Unanimous
Action:	Motion Carried

E. APPROVAL OF AGENDA

Main Motion: To Approve the Agenda as presented

Moved by:	Jardine
Seconded by:	Honeycutt
Vote:	Unanimous
Action:	Motion Carried

F. MINUTE OF PREVIOUS MEETING

Main Motion: To Approve the Minutes from 11/2/2023 as presented

Moved by:	Momart
Seconded by:	Jardine
Vote:	Unanimous
Action:	Motion Carried

G. REPORTS – AIRPORT SUPERINTENDENT

The Airport Superintendent gave a verbal and written report of the current status of the airport:

- Airport lighting issues
 - PAPI – currently incandescent lights. Incandescent lights are getting harder to find.
 - Runway 16 PAPI inoperative
 - Need electrician to troubleshoot Runway 16 PAPI
 - REIL – need to be replaced. North end lights do not blink in unison with each other.
 - Runway and taxiway edge lighting -
 - Incandescent lights no longer sourceable. Using halogen bulbs with same rating
 - \$23 apiece
 - Made in Germany
 - Recommendation – replace with LED bulbs
 - Transformers going bad
 - Lighting downstream of transformers inoperative
 - Needs troubleshooting from electrician
 - Pilot control lighting problem
 - Blows circuit breaker when activated
 - Solution – leave lights on all the time – expensive
- Airport construction is on hold for the winter.
 - New taxiways are completed
 - Water impoundments in infield are not completed
 - Dirt work on Taxiway A not completed
 - Apron E will be built in 2024
- Electrical replacement grant is in process, City Council approved to move forward with design and environmental work
- Avigation easement
 - Final report with HDL due to the FAA
 - Talking with the MatSu Borough about accomplishing obstacle removal
 - No timelines as of yet
- Security improvements will be a FY 2025 issue, proposals at the next meeting
- Plans to propose T-Hangars on the existing ramp at next meeting
- Alaska Airmen’s Association
 - Proposing a hangar at the Palmer Airport
 - The Great Alaska Aviation Gathering scheduled for May 4-5, 2024
- Next Airport Advisory Commission meetings April 11, July 11, October 10, 2024.
- Written reports on electrical issues and Capital Improvement Program schedule.

H. AUDIENCE PARTICIPATION

Rex Gray:

- Comments on snow removal.
- Ice remains on the runway, making taxiing in the wind difficult
- Some surrounding airport runways are dry and clear
- Different equipment may be needed for snow removal

I. UNFINISHED BUSINESS

1. Avigation Easement – covered in Superintendent’s update

The status of the Avigation Easement was determined to be unfinished business for the commission. The Airport Superintendent updated the status of the easement in the Superintendent's report.

J. NEW BUSINESS

- a. Airport Lease Rate Adjustment
 1. Superintendent's presentation included in packet
 2. Public Comment

Steven Thomas

- Road Service Area contractor in the borough talking about snow removal on an icy runway
- Suggesting a large blade for apron snow removal to prevent having to haul snow

K. COMMISSION MEMBER COMMENTS

Commissioner Hendricks

- Lease rate increase can be justified with improved service
- Same person performing snow removal year after year
- Suggests pushing snow vs blowing snow

Commissioner Lee

- Suggests full-time vs part-time personnel for next meeting
- Equipment suggestions/recommendations for next meeting

Commissioner Momarts

- More information necessary to vote on a lease rate recommendation

L. ADJOURNMENT

With no further business before the Commission, the meeting adjourned at 7:09 p.m.

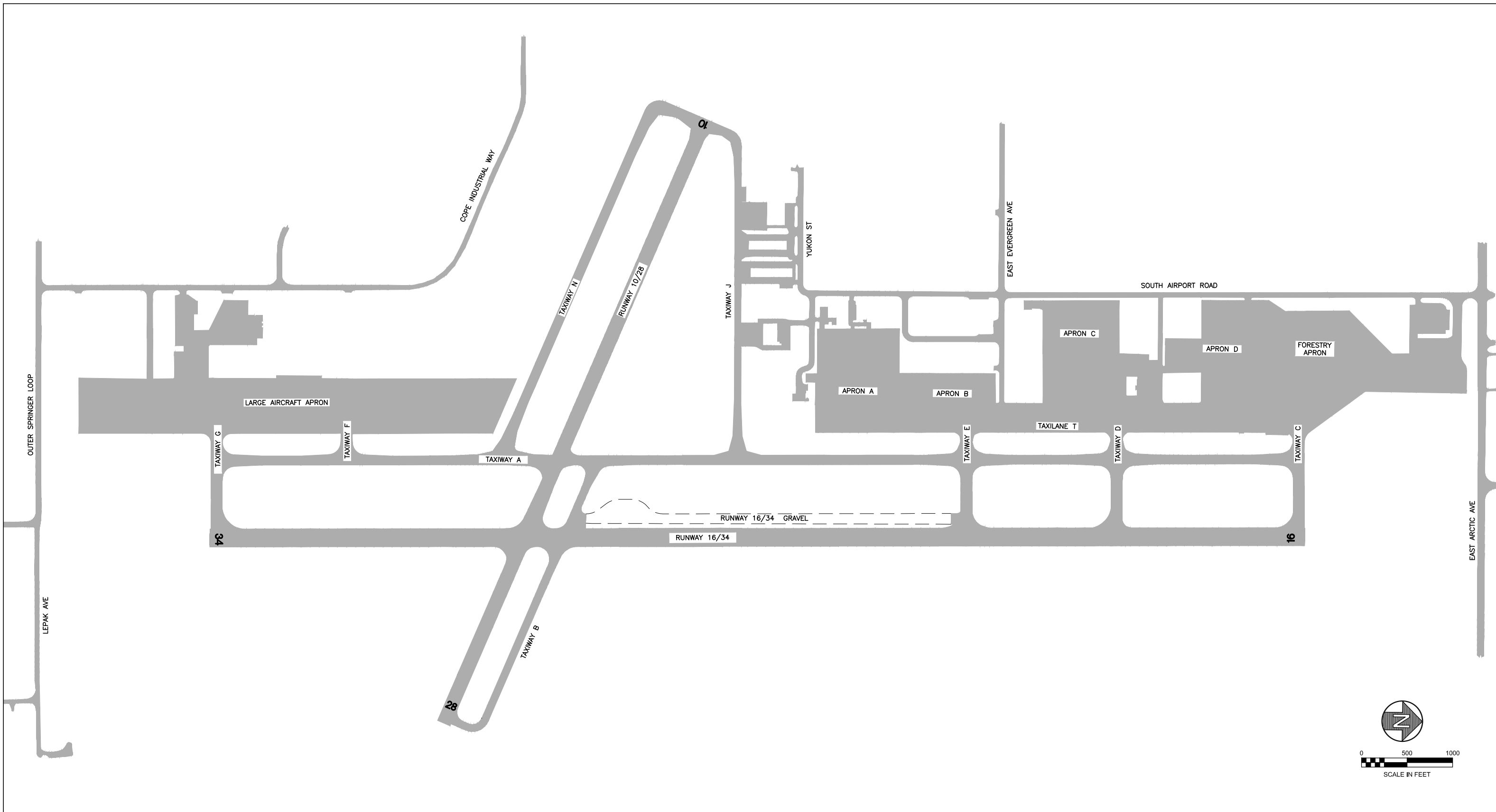


**CITY OF PALMER
AIRPORT ADVISORY COMMISSION
SUPERINTENDENT REPORT**

SUBJECT: Airport Superintendent Report

AGENDA OF: April 11, 2024

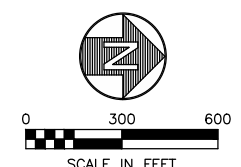
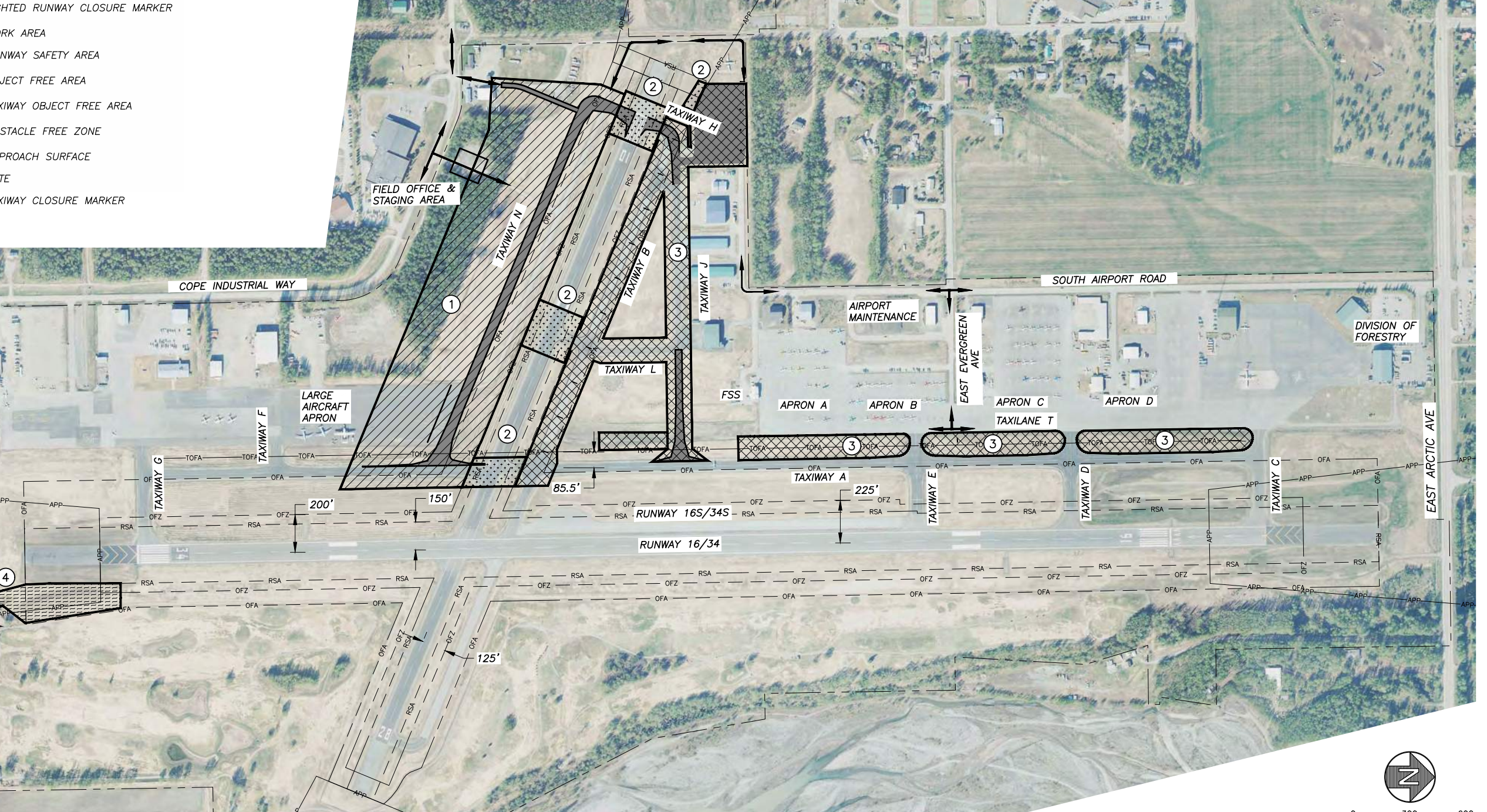
Attachment(s): 1) Palmer Airport Maps



PALMER MUNICIPAL AIRPORT

Figure 1
Airport Map

- UNLIGHTED RUNWAY CLOSURE MARKER
- WORK AREA
- CONSTRUCTION SAFETY AREA
- OBJECT FREE AREA
- TAXIWAY OBJECT FREE AREA
- OBSTACLE FREE ZONE
- APPROACH SURFACE
- GRASSY AREA
- TAXIWAY CLOSURE MARKER





**CITY OF PALMER
AIRPORT ADVISORY COMMISSION
INFORMATION MEMORANDUM 24-001**

SUBJECT: Palmer Airport Lease Rate

AGENDA OF: April 11, 2024

ACTION: Recommend 2024 lease rate for the Palmer Airport.

Attachment(s):

- 1) Summary of Proposed Lease Rate
- 2) Detailed Proposal
- 3) South Central Lease Rate Comparables
- 4) Available land lease potential income
- 5) Current City of Palmer Pay Plan
- 6) 2024 Lease Payment Increases
- 7) 2025 – 2026 Lease Payment Increases
- 8) Airport Revenues
- 9) Airport Expenses (Amended Budget)
- 10) Full Time Equipment Operator Expected Costs
- 11) Airport Superintendent Recommendation
- 12) Resolution 24-001 Airport Lease Rate

Summary In order to fund an equipment operator dedicated to the airport, extra funding must be obtained. It is proposed that the Palmer Airport lease rate be increased to fund this position.

Recommendation The Airport Superintendent recommends approval of the attached Capital Improvement Plan.

Summary

Cost of Operator

Includes 1000 hours/year plus
100 hours of overtime

Range	Low	High
	\$ 35,000.00	\$ 48,000.00

2024	\$ 35,500.00	\$ 48,500.00
2025	\$ 36,565.00	\$ 49,955.00
2026	\$ 37,661.95	\$ 51,453.65

Currently in the budget

\$ 18,400.00

Gap

2024	\$ 30,100.00
2025	\$ 31,555.00
2026	\$ 33,053.65

Additional Lease Revenue

2024		total all years
\$ 0.085	\$ 20,931	\$ 20,931
\$ 0.090	\$ 26,254	\$ 26,254
\$ 0.095	\$ 31,576	\$ 31,576

2025		
\$ 0.085	\$ 2,895	\$ 23,826
\$ 0.090	\$ 5,355	\$ 31,608
\$ 0.095	\$ 7,815	\$ 39,391

2026		
\$ 0.085	\$ 980	\$ 24,806
\$ 0.090	\$ 2,398	\$ 34,007
\$ 0.095	\$ 3,816	\$ 43,207

Additional Tiedown Est.

2024 \$ 4,420

2025 \$ 10,608

2026 \$ 10,608

Total Add'l Revenue

2024	
\$ 0.085	\$ 25,351
\$ 0.090	\$ 30,674
\$ 0.095	\$ 35,996

2025	
\$ 0.085	\$ 34,434
\$ 0.090	\$ 42,216
\$ 0.095	\$ 49,999

2026	
\$ 0.085	\$ 35,414
\$ 0.090	\$ 44,615
\$ 0.095	\$ 53,815

Lease Comparables

2024

Generic	0.217 (Paved/5000+ feet/lighted)
Homer	0.217
Valdez	0.160
Birchwood	0.144
Talkeetna	0.144
Gulkana	0.131
Big Lake	0.116
Willow	0.116
Wasilla	0.100
Palmer	0.090

Other sources of Revenue

Additional Lease Lot(s)

acres	sq/acre		Per sq foot		
			\$ 0.090	\$ 0.085	\$ 0.080
10	43560	435600	\$ 39,204	\$ 37,026	\$ 34,848
8	43560	348480	\$ 31,363	\$ 29,621	\$ 27,878
4	43560	174240	\$ 15,682	\$ 14,810	\$ 13,939

Source: 17 AAC 45.127 Rental and Fee Rates

Additional Airport Income and Expenses

The purpose of this document is to outline the extra cost incurred by hiring an equipment operator dedicated to the airport and to propose a path for paying that extra cost by raising the current lease rate at the Palmer Municipal Airport to \$0.09 per square foot.

The cost outlined below reflects 1000 hours (25 weeks at 40 hours per week) and 100 hours of overtime. The pay rate is assumed to be a level 7, step 10 on the City of Palmer pay scale. A 3% annual increase is assumed.

Range	Low	High
	\$ 35,000.00	\$ 48,000.00
2024	\$ 35,500.00	\$ 48,500.00
2025	\$ 36,565.00	\$ 49,955.00
2026	\$ 37,661.95	\$ 51,453.65

Currently, \$23,400 is in the budget for part-time personnel. Annually, the airport can expect to spend up to \$5,000 for a summer maintenance groundskeeper, leaving \$18,400 for use with the airport operator. This leaves a funding gap as follows.

FY	Funding Gap
2024	\$ 30,100.00
2025	\$ 31,555.00
2026	\$ 33,053.65

In order to fill the gap, an increase of lease rates from their current level to \$0.09 per square foot is proposed. The lease rate increase will result in the following **additional revenue** to the airport budget shown below. Also shown is an option for lease rates to increase to \$.085 and \$.095 per square foot.

Additional Lease Revenue

2024		total all years
\$ 0.085	\$ 20,931	\$ 20,931
\$ 0.090	\$ 26,254	\$ 26,254
\$ 0.095	\$ 31,576	\$ 31,576

2025		
\$ 0.085	\$ 2,895	\$ 23,826
\$ 0.090	\$ 5,355	\$ 31,608
\$ 0.095	\$ 7,815	\$ 39,391

2026		
\$ 0.085	\$ 980	\$ 24,806
\$ 0.090	\$ 2,398	\$ 34,007
\$ 0.095	\$ 3,816	\$ 43,207

In addition to the lease rate increases, the airport will also benefit from additional tiedowns becoming available in Apron E when the work is completed this year. There will be 16 additional tiedowns each with an electric outlet. The lease rate for the tiedowns has yet to be determined. What is assumed is monthly revenue of \$65 and an expense of \$9.75 (15%) for each tiedown.

**Additional
Tiedown Est.**

2024	\$ 4,420
2025	\$ 10,608
2026	\$ 10,608

The following illustrates the total additional net revenue the airport will experience in the next three years. These reflect the totals of lease rate increases and tiedown fees from the new tiedown points only.

**Total Addtl
Revenue**

2024	
\$ 0.085	\$ 25,351
\$ 0.090	\$ 30,674
\$ 0.095	\$ 35,996

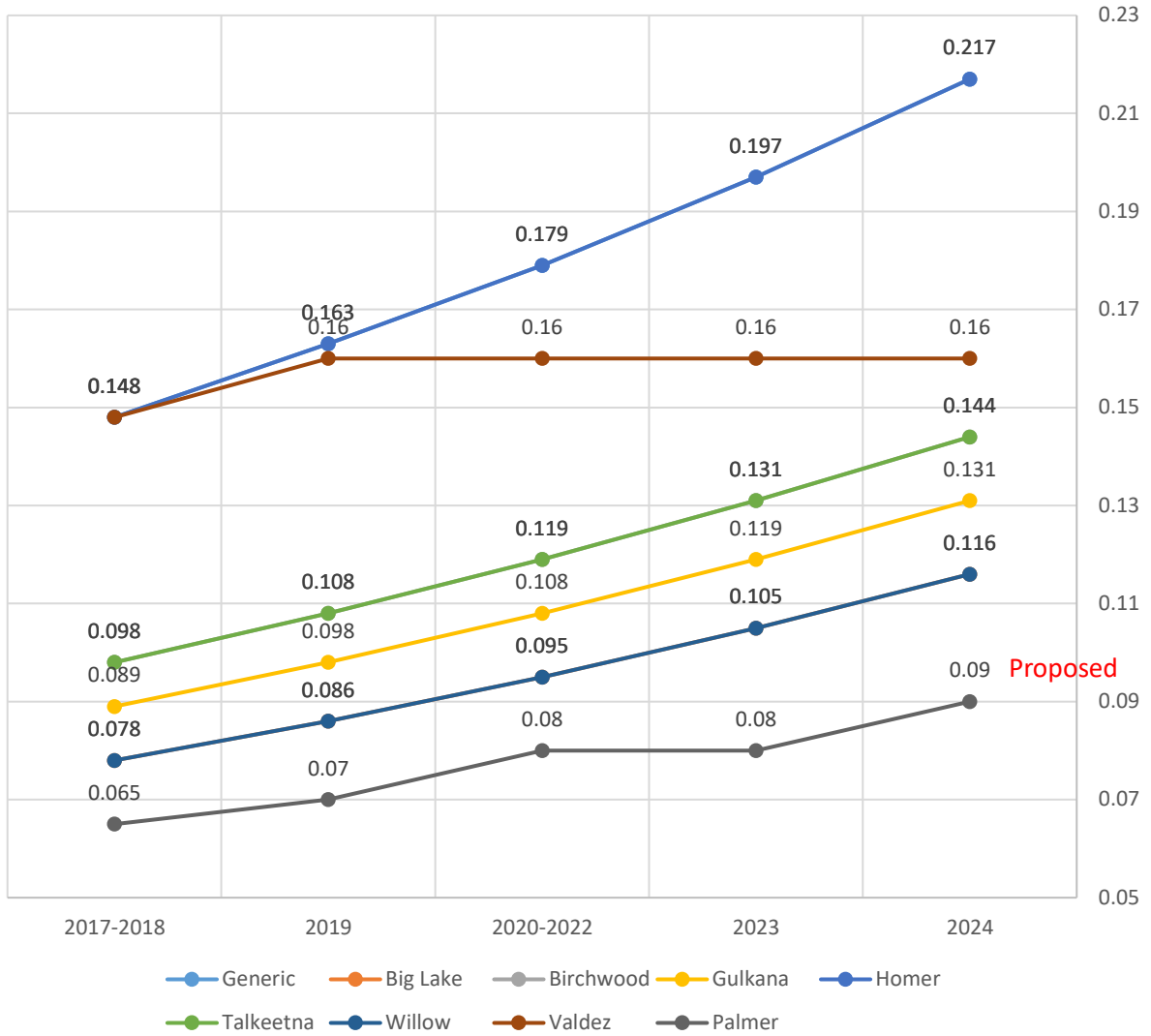
2025	
\$ 0.085	\$ 34,434
\$ 0.090	\$ 42,216
\$ 0.095	\$ 49,999

2026	
\$ 0.085	\$ 35,414
\$ 0.090	\$ 44,615
\$ 0.095	\$ 53,815

To justify a lease rate increase, the following page is a comparison of lease rates from surrounding airports. The majority of the airports in South Central are owned and operated by the State of Alaska. Not listed is the City of Wasilla's airport, which currently charges a lease rate of \$0.10 per square foot.

The Generic Airport listed has the same configuration as the Palmer Airport in that it 1) Is lighted, 2) Has a main runway longer than 5000 feet, and 3) Is paved.

Alaska DOT Airport Lease Pricing



	2024	2023	2020-2022	2019	2017-2018
Generic	0.217	0.197	0.179	0.163	0.148
Big Lake	0.116	0.105	0.095	0.086	0.078
Birchwood	0.144	0.131	0.119	0.108	0.098
Gulkana	0.131	0.119	0.108	0.098	0.089
Homer	0.217	0.197	0.179	0.163	0.148
Talkeetna	0.144	0.131	0.119	0.108	0.098
Willow	0.116	0.105	0.095	0.086	0.078
Valdez	0.16	0.16	0.16	0.16	0.148
Palmer	0.09	0.08	0.08	0.07	0.065

Source: <https://www.akleg.gov/basis/aac.asp#17.45.127>
 (Alaska Administrative Code Title 17, Chapter 45, Article 127
 Rental and fee rates)

Listed below is the income possible from leasing newly available land adjacent to Taxiway N from the current airport configuration project scheduled to be completed in summer of 2024. There are currently approximately 10 acres available for lease.

acres	Sq ft.	\$	Lease Rate Per sq foot				
			0.090	\$	0.085	\$	0.080
10	435600	\$	39,204	\$	37,026	\$	34,848
8	348480	\$	31,363	\$	29,621	\$	27,878
4	174240	\$	15,682	\$	14,810	\$	13,939

2024 Lease Payment Increases

next_renewal_date	current	0.085		0.09		0.095	
	lease payment	TOTAL	increase	total	increase	total	increase
7/1/2031	\$ 16,614	\$ 16,613.80	\$ -	\$ 16,614	\$ -	\$ 16,614	\$ -
7/1/2024	\$ 3,511	\$ 4,591.12	\$ 1,080.26	\$ 4,861	\$ 1,350	\$ 5,131	\$ 1,620
7/1/2023	\$ 4,207	\$ 5,501.12	\$ 1,294.38	\$ 5,825	\$ 1,618	\$ 6,148	\$ 1,942
7/1/2022	\$ 7,080	\$ 9,259.05	\$ 2,178.60	\$ 9,804	\$ 2,723	\$ 10,348	\$ 3,268
7/1/2022	\$ 15,375	\$ 20,105.12	\$ 4,730.62	\$ 21,288	\$ 5,913	\$ 22,470	\$ 7,096
7/1/2024	\$ 9,215	\$ 12,050.45	\$ 2,835.40	\$ 12,759	\$ 3,544	\$ 13,468	\$ 4,253
7/1/2023	\$ 3,120	\$ 4,080.00	\$ 960.00	\$ 4,320	\$ 1,200	\$ 4,560	\$ 1,440
7/1/2024	\$ 1,560	\$ 2,040.00	\$ 480.00	\$ 2,160	\$ 600	\$ 2,280	\$ 720
7/1/2023	\$ 3,900	\$ 5,100.00	\$ 1,200.00	\$ 5,400	\$ 1,500	\$ 5,700	\$ 1,800
7/1/2022	\$ 2,600	\$ 3,400.00	\$ 800.00	\$ 3,600	\$ 1,000	\$ 3,800	\$ 1,200
7/1/2022	\$ 2,407	\$ 3,147.21	\$ 740.52	\$ 3,332	\$ 926	\$ 3,517	\$ 1,111
7/1/2022	\$ 3,374	\$ 4,412.69	\$ 1,038.28	\$ 4,672	\$ 1,298	\$ 4,932	\$ 1,557
7/1/2024	\$ 3,120	\$ 4,080.00	\$ 960.00	\$ 4,320	\$ 1,200	\$ 4,560	\$ 1,440
7/1/2022	\$ 2,860	\$ 3,740.00	\$ 880.00	\$ 3,960	\$ 1,100	\$ 4,180	\$ 1,320
7/1/2022	\$ 2,184	\$ 2,856.00	\$ 672.00	\$ 3,024	\$ 840	\$ 3,192	\$ 1,008
7/1/2024	\$ 1,683	\$ 2,044.08	\$ 360.72	\$ 2,164	\$ 481	\$ 2,285	\$ 601
7/1/2024	\$ 3,360	\$ 4,080.00	\$ 720.00	\$ 4,320	\$ 960	\$ 4,560	\$ 1,200
7/1/2026	\$ 15,682	\$ 15,681.66	\$ -	\$ 15,682	\$ -	\$ 15,682	\$ -
7/1/2025	\$ 14,720	\$ 14,719.80	\$ -	\$ 14,720	\$ -	\$ 14,720	\$ -
10/1/2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7/1/2026	\$ 4,080	\$ 4,080.00	\$ -	\$ 4,080	\$ -	\$ 4,080	\$ -
7/1/2026	\$ 3,366	\$ 3,366.00	\$ -	\$ 3,366	\$ -	\$ 3,366	\$ -
7/1/2027	\$ 2,285	\$ 2,284.56	\$ -	\$ 2,285	\$ -	\$ 2,285	\$ -
1/1/2025	\$ 2,178						
1/1/2025	\$ 4,356						
1/1/2025	\$ 1,125						
1/1/2025	\$ 22,700						
1/1/2025	\$ 9,428						
	\$ 7,164						
	\$ 52,582						
Totals	\$ 225,835	\$ 147,232.65	\$ 20,930.78	\$ 152,555	\$ 26,254	\$ 157,878	\$ 31,576

2025

0.09		0.085		0.095	
\$ 16,560	\$ 1,840	\$ 15,640	\$ 920	\$ 17,480	\$ 2,760
\$ 2,396	\$ 218	\$ 2,287	\$ 109	\$ 2,505	\$ 327
\$ 5,271	\$ 915	\$ 5,031	\$ 675	\$ 5,510	\$ 1,154
\$ 1,238	\$ 113	\$ 1,181	\$ 56	\$ 1,294	\$ 169
\$ 24,970	\$ 2,270	\$ 23,835	\$ 1,135	\$ 26,105	\$ 3,405

	\$ 5,355		\$ 2,895		\$ 7,815
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2026

0.09		0.085		0.095	
\$ 17,642	\$ 1,960	\$ 16,662	\$ 980	\$ 18,622	\$ 2,940
\$ 4,320	\$ 240	\$ 4,080	\$ -	\$ 4,560	\$ 480
\$ 3,564	\$ 198	\$ 3,366	\$ -	\$ 3,762	\$ 396

	\$ 2,398		\$ 980		\$ 3,816
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Other Sources of Revenue

Additional Lease Lot(s)

acres	sq/acre	\$	Per sq foot				
			0.090	\$	0.085	\$	0.080
10	43560	435600 \$	39,204	\$	37,026	\$	34,848
8	43560	348480 \$	31,363	\$	29,621	\$	27,878
4	43560	174240 \$	15,682	\$	14,810	\$	13,939

Apron E Tiedowns

tiedowns	monthly	months	total	
16	\$ 70.00	5	\$ 5,600	
16	\$ 65.00	5	\$ 5,200	FY 2024
16	\$ 60.00	5	\$ 4,800	
16	\$ 70.00	12	\$ 13,440	
16	\$ 65.00	12	\$ 12,480	
16	\$ 60.00	12	\$ 11,520	

CITY OF PALMER 2024 PROPOSED BUDGET

Revenues - 03 Airport Fund

Taxes	2020 Actual	2021 Actual	2022 Actual	2023 Budgeted	2024 Budgeted	Incr (Decr)
Property Taxes	\$ 21,777	\$ 24,166	\$ 27,051	\$ 25,000	\$ 27,000	\$ 2,000
Airport Sales Tax	\$ 41,686	\$ 50,652	\$ 50,251	\$ 45,000	\$ 52,000	\$ 7,000
TOTAL Taxes	\$ 63,463	\$ 74,818	\$ 77,302	\$ 70,000	\$ 79,000	\$ 9,000
Grants/ Fed Funding						
Aviation Fuel - Revenue Share	\$ 879	\$ 680	\$ 1,169	\$ 1,500	\$ 3,000	\$ 1,500
Fuel Flowage Fees Revenue	\$ 9,795	\$ 14,359	\$ 20,916	\$ 10,000	\$ 15,000	\$ 5,000
TOTAL	\$ 10,674	\$ 15,039	\$ 22,085	\$ 11,500	\$ 18,000	\$ 6,500
Fees & Services						
Airport Revenue-Tiedowns	\$ 49,889	\$ 59,849	\$ 60,732	\$ 50,000	\$ 60,000	\$ 10,000
Land Leases	\$ 164,093	\$ 189,975	\$ 114,746	\$ 195,000	\$ 115,000	\$ (80,000)
Airport Agriculture Leases	\$ 8,096	\$ 7,443	\$ 7,987	\$ 7,987	\$ 7,987	
COP land leases	\$ 35,401	\$ 39,786	\$ 39,786	\$ 39,787	\$ 40,000	\$ 213
Grants Administrative Overhead	\$ 3,498	\$ 2,491	\$ 1,012	\$ 175,000	\$ 75,000	\$ (100,000)
TOTAL	\$ 260,977	\$ 299,544	\$ 224,263	\$ 467,774	\$ 297,987	\$ (169,787)
Other Revenues						
Lease Interest Income	\$ -	\$ -	\$ 126,326	\$ -	\$ 118,000	\$ 118,000
Transfers From Other Funds	\$ -	\$ -	\$ 2,000	\$ -		
Miscellaneous Income	\$ 158,979	\$ 1,500	\$ 300	\$ -		
NPO Write Off	\$ 8,371	\$ 23	\$ (1,948)	\$ -		
Insurance Reimbursement	\$ -	\$ -	\$ 22,644	\$ -		
TOTAL Other Revenues	\$ 167,350	\$ 1,523	\$ 149,322	\$ -	\$ 118,000	\$ 118,000
TOTAL Revenues	\$ 502,464	\$ 390,924	\$ 472,972	\$ 549,274	\$ 512,987	\$ (36,287)

**CITY OF PALMER
2024 PROPOSED BUDGET AIRPORT FUND**

AMENDED

**Fund 03 Airport Fund
Administration Expenses**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 CURRENT BUDGET	2024 APPROVED BUDGET	\$Incr(Decr)
PT Salaries	\$ 3,115	\$ 1,913	\$ 3,716	\$ 23,400	\$ 23,400	\$ -
Audit	\$ 1,739	\$ 1,988	\$ 2,318	\$ 2,100	\$ 3,000	\$ 900
Advertising	\$ 1,332	\$ -	\$ 475	\$ 1,500	\$ 1,500	\$ -
Subscriptions & Dues	\$ -	\$ 275	\$ 323	\$ 350	\$ 350	\$ -
Travel	\$ -	\$ -	\$ 6,305	\$ 5,000	\$ 5,000	\$ -
Training	\$ -	\$ -	\$ 267	\$ 6,000	\$ 6,000	\$ -
Legal Fees	\$ 28,160	\$ 1,801	\$ 13,317	\$ 7,500	\$ 7,500	\$ -
Engineering	\$ 5,380	\$ 7,453	\$ 10,646	\$ 7,500	\$ 7,500	\$ -
Services	\$ 1,956	\$ 2,100	\$ 1,993	\$ 3,000	\$ 3,000	\$ -
Contractual Services	\$ 5,494	\$ 3,169	\$ 14,372	\$ 20,000	\$ 20,000	\$ -
Telephone	\$ 3,732	\$ 3,738	\$ 6,555	\$ 5,000	\$ 9,500	\$ 4,500
Power	\$ 18,601	\$ 18,327	\$ 22,565	\$ 18,000	\$ 18,000	\$ -
Heat	\$ 6,088	\$ 5,678	\$ 5,843	\$ 6,000	\$ 6,000	\$ -
Water/Sewer/Garbage	\$ 467	\$ 474	\$ 490	\$ 500	\$ 550	\$ 50
Fuel	\$ 1,481	\$ 6,041	\$ 13,494	\$ 7,500	\$ 7,500	\$ -
Rental & Lease	\$ -	\$ -	\$ -	\$ 500	\$ 6,000	\$ 5,500
Insurance	\$ 16,982	\$ 17,767	\$ 19,985	\$ 21,550	\$ 33,474	\$ 11,924
Vehicle Insurance	\$ 375	\$ 410	\$ 460	\$ 550	\$ 750	\$ 200
Office Supplies	\$ 118	\$ 158	\$ 1,005	\$ 600	\$ 600	\$ -
Operating Supplies	\$ 138	\$ 281	\$ 621	\$ 300	\$ 300	\$ -
Repair & Maintenance	\$ 80,331	\$ 26,543	\$ 57,667	\$ 45,000	\$ 56,000	\$ 11,000
Small Tools & Equipment	\$ 60	\$ 5	\$ 1,145	\$ 300	\$ 300	\$ -
Buildings	\$ -	\$ -	\$ 9,620	\$ 5,000	\$ 5,000	\$ -
Equipment	\$ 3,728	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -
Office Equipment	\$ 947	\$ 1,772	\$ 564	\$ 1,000	\$ 3,000	\$ 2,000
Board Stipends	\$ 150	\$ 300	\$ 150	\$ 1,000	\$ 1,400	\$ 400
Transfers Out	\$ 100,000	\$ 60,000	\$ 8,446	\$ -	\$ -	\$ -
General Admin Exp	\$ 92,153	\$ 102,995	\$ 101,659	\$ 116,618	\$ 118,903	\$ 2,285
TOTAL Administration	\$ 372,527	\$ 263,188	\$ 304,001	\$ 307,768	\$ 346,527	\$ 38,759

Full Time Operator Funding Summary

Cost of Operator

Includes 40 hours per week
100 hours of overtime

Range	Low	High
	\$ 131,900.00	\$ 147,200.00

2024	\$ 132,400.00	\$ 147,700.00	\$ 129,300.00
2025	\$ 141,400.00	\$ 152,131.00	\$ 133,731.00
2026	\$ 151,500.00	\$ 156,694.93	\$ 138,294.93

**Currently
in the budget**
\$ 18,400.00

Gap
\$ 129,300.00
\$ 133,731.00
\$ 138,294.93

Additional Lease Revenue

2024		
\$ 0.200	\$ 143,354	\$ 143,354
\$ 0.180	\$ 122,063	\$ 122,063

2025		
\$ 0.200	\$ 2,895	\$ 146,249
\$ 0.180	\$ 5,355	\$ 127,418

2026		
\$ 0.200	\$ 980	\$ 147,229
\$ 0.180	\$ 2,398	\$ 129,816

Additional Tiedown Est.

2024	\$ 4,420
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2025	\$ 10,608
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2026	\$ 10,608
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Total Addt'l Revenue

Shortfall

2024		
\$ 0.200	\$ 147,774.15	\$ (18,474.15)
\$ 0.180	\$ 126,483.13	\$ 2,816.88
\$ 0.090	\$ 30,673.54	\$ 98,626.47

2025		
\$ 0.200	\$ 156,857.36	\$ (27,557.36)
\$ 0.180	\$ 138,026.05	\$ (8,726.05)
\$ 0.090	\$ 42,216.46	\$ 87,083.54

2026		
\$ 0.200	\$ 157,837.46	\$ (19,542.53)
\$ 0.180	\$ 140,424.26	\$ (2,129.33)
\$ 0.090	\$ 44,614.67	\$ 93,680.26

Lease Comparables

2024

Generic	0.217 (Paved/5000+ feet/lighted)
Homer	0.217
Valdez	0.160
Birchwood	0.144
Talkeetna	0.144
Gulkana	0.131
Big Lake	0.116
Willow	0.116
Wasilla	0.100
Palmer	0.090

Other sources of Revenue

Additional Lease Lot(s)

acres	sq/acre	sq ft	Per sq foot		
			\$ 0.090	\$ 0.085	\$ 0.200
10	43560	435600	\$ 39,204	\$ 37,026	\$ 87,120
8	43560	348480	\$ 31,363	\$ 29,621	\$ 69,696
4	43560	174240	\$ 15,682	\$ 14,810	\$ 34,848

Source: 17 AAC 45.127 Rental and Fee Rates



Warren (Bud) Woods Palmer Municipal Airport

John Diument
Airport Superintendent

March 26, 2024

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Palmer Municipal Airport
Airport Advisory Committee

Mail: 231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
Location: 901 East Yukon St.
www.palmerak.org

RE: 2024 Lease Rate Recommendation

Ladies and Gentlemen,

The Palmer Airport Superintendent recommends an increase in the annual lease rate to \$0.09 per square foot. This increase will allow the airport to hire a seasonal equipment operator for the purpose of clearing snow over the winter months. A \$0.09 per square foot rate should be sustainable to support airport operations for the next several years.

While it is feasible to increase the lease rate up to \$0.20 per square foot, there are a number of issues that prevent me from making that recommendation.

First and foremost, the lease rate would nearly triple for most leaseholders on the airport. I feel that this large increase would be unfair for the persons and businesses that hold a lease on the airport.

Second, the airport income is not large enough to sustain two full time personnel. The pay and budget increases will quickly overshadow what is affordable for the airport. It will be necessary to continually implement rate increases for all users to the point where the airport will no longer be affordable.

If lease rates increase substantially, they will be a reflection on property values. The increase in value may be reflected in the amount of property taxes charged to the leaseholders at the airport, further burdening airport tenants.

Finally, a rate increase to \$0.20 is outside of the established pattern for property values. Property values do not change on a linear scale. While property on the airport may be worth more than what was estimated, I feel that it is not worth substantially more to charge much more than the proposed increase.

Respectfully,

John Diument
Airport Superintendent

LEGISLATIVE HISTORY

Introduced by: Airport Superintendent

Date: 4/11/24

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Resolution No. 24-001

A Resolution of the City of Palmer Airport Advisory Commission Recommending that the Airport Superintendent Set the Palmer Airport Aeronautical Lease Rate at \$0.09 Per Square Foot and the Non-Aeronautical Lease Rate at \$0.11 Per Square Foot

WHEREAS, the Palmer City Council approved the establishment of an Equipment Operator position at the airport; and

WHEREAS, in order for the position to be filled for the entire winter season with allowance for overtime, additional funding is necessary in the Airport Enterprise Fund; and

WHEREAS, the lease rate increase should be made solely for the purposes of covering the additional Equipment Operator; and

WHEREAS, the current aeronautical lease rate at the Palmer Airport is \$0.08 per square foot and the current non-aeronautical lease rate is \$0.10 per square foot.

NOW, THEREFORE, BE IT RESOLVED by the City of Palmer Airport Advisory Commission recommends that the aeronautical lease rate for the Palmer Airport be set at \$0.09 per square foot and the non-aeronautical lease rate be set at \$0.11 per square foot.

Approved by the Airport Advisory Commission this 11th day of April, 2024.

Leighton Lee, Chairman

John Diumenti, Airport Superintendent

Capital Improvement Plan Update

This Capital Improvement Project Plan update includes projects anticipated during the five-year planning period of 2024 to 2029. This plan should be re-evaluated annually as the City's needs and priorities change with time. The Total Project Cost Estimates include an inflation factor of 3% per year.

Table 1. Capital Improvement Plan Summary

Project	Title	Total Project Estimate (\$)	Year	Env Doc Needed	Federal Share	City (Local Share)	Non-AIP Eligible	AIP Entitlement	BIL AIG	AIP Discretionary
PAQ 01	Rehabilitate Airport Lighting and NavAids	3,306,800	2025	CE	3,100,100	206,700	0	300,000	477,000	2,323,100
PAQ 02	Rehabilitate Apron C	8,194,800	2026	CE	7,682,600	512,200	0	150,000	0	7,532,600
PAQ 03	Acquire Snow Removal Equipment	503,500	2026	CE	472,000	31,500	0	0	0	472,000
PAQ 04	Airport Master Plan, Phase 1	544,900	2026	CE	510,800	34,100	0	0	0	510,800
PAQ 05	Rehabilitate Aprons A, B, & D	2,516,200	2027	CE	2,358,900	157,300	0	150,000	0	2,208,900
PAQ 06	Airport Master Plan, Phase 2	497,100	2027	CE	466,000	31,100	0	0	0	466,000
PAQ 07	Airport Security Improvements - Gates	219,440	2027	CE	205,700	13,700	0	0	0	205,700
PAQ 08	Rehabilitate Large Aircraft Apron & Heliport Pavement	3,024,900	2028	CE	2,835,800	189,100	0	450,000	0	2,385,800
PAQ 09	Acquire Avigation Easement, Construct Mitigation, & Relocate RW 16 Threshold	2,352,100	2028	CE	2,205,100	147,000	0	0	0	2,205,100
PAQ 10	Reconstruct Storm Water Outfall (Non-FAA, Non-Airport)	7,106,500	2029	CE	0	7,106,500	7,106,500	0	0	0

Project Descriptions

PAQ-01 Rehabilitate Airport Lighting and NavAids. This project will rehabilitate the runway and taxiway lighting and navigational aids. The new system will meet current standards and include LED fixtures.

Rationale: Most existing runway and taxiway lighting was installed between 2001 and 2007 and is experiencing ongoing maintenance issues. Replacement incandescent lamps are no longer available. The system has exceeded its useful life and needs to be rehabilitated.

Budget Level Cost: \$3,306,800

PAQ-02 Rehabilitate Apron C. This project includes the rehabilitation of Apron C and adjacent paved areas totaling approximately 9.5 acres. Work would include milling existing pavement, reuse of a portion of millings as base course, and installation of electrical outlets, paving, and pavement markings. This project also includes construction of T-Hangers on a portion of the Apron.

Rationale: The existing pavement is an overlay that was constructed in 1996. The 2019 PCI was 55; the 2022 PCI was 47. The pavement condition is continuing to deteriorate and the pavement needs to be replaced. Additional apron lighting is needed for safety when operating on the apron and electrical outlets are needed for warming of aircraft engines in winter conditions. The T-Hangers provide an alternative to open tie-downs for aircraft parking.

Budget Level Cost: \$8,194,800

PAQ-03 Acquire Snow Removal Equipment. This project will acquire a new motor grader to replace the motor grader purchased in 2005 (AIP-12) and acquire new blade and broom attachments for the loader.

Rationale: The existing motor grader is nearly 20 years old and is starting to require excessive maintenance. The loader attachments will provide better snow removal capabilities.

Budget Level Cost: \$503,500

PAQ-04 Airport Master Plan Update, Phase 1. This project will consist of developing the foundational information for an Airport Master Plan update.

Rationale: The most recent Airport Master Plan was completed in 2016 and needs to be updated based on recent development on the airport and surrounding areas,

and to account for an overall increase in aviation interest in the area and at the airport.

Budget Level Cost: \$544,900

PAQ-05 Rehabilitate Aprons A, B, & D. This project includes the rehabilitation of a portion of Aprons A, B, and D and adjacent paved areas, totaling approximately 9.5 acres. Work would include milling existing pavement, reuse of a portion of millings as base course, and installation of electrical outlets, paving, and pavement markings.

Rationale: The existing pavement is an overlay that was constructed in 1996. The 2019 PCI ranged from 57-63; the 2022 PCI ranged from 48-57. The pavement condition is continuing to deteriorate and the pavement needs to be replaced. Additional apron lighting is needed for safety when operating on the apron and electrical outlets are needed for warming of aircraft engines in winter conditions.

Budget Level Cost: \$2,516,200

PAQ-06 Airport Master Plan Update, Phase 2. This project will consist of completing the Airport Master Plan Update.

Rationale: The most recent Airport Master Plan was completed in 2016 and needs to be updated based on recent development on the airport and surrounding areas, and to account for an overall increase in aviation interest in the area and at the airport.

Budget Level Cost: \$497,100

PAQ-07 Airport Security Improvements - Gates. This project would construct three motorized gates at the primary entrances to the airport.

Rationale: These gates will reduce access to the airport by unauthorized users and will serve as a notice of legal boundary.

Budget Level Cost: \$219,440

PAQ-08 Rehabilitate Large Aircraft Apron & Heliport Pavement. This project includes the rehabilitation of a portion of the Large Aircraft Apron and the Heliport area pavement, totaling approximately 10.3 acres. Work would include removal of existing pavement and installation of paving and pavement markings.

Rationale: The existing pavement is an overlay that was constructed 1996. The 2019 PCI was 69 and the 2022 PCI was 64. The pavement condition is continuing to deteriorate and the pavement needs to be replaced.

Budget Level Cost: \$3,024,900

PAQ-09 Acquire Avigation Easement, Construct Mitigation, and Relocate RW 16

Threshold. This project includes acquiring an avigation easement for approximately 20 acres of land located off the north end of Runway 16-34, constructing mitigation measures, removing obstacles in the approach slope (trees) and relocating the runway threshold. The underlying land is owned by the Matanuska-Susitna Borough and is located in the Matanuska River Park.

Rationale: The easement is needed to remove obstructions from the runway approach surface and to allow for full-utilization of the runway.

Budget Level Cost: \$2,352,100

PAQ-10 Reconstruct Storm Water Outfall (Non-FAA).

An existing storm water outfall line is located on the north side of Runway 10-28 and crosses the airport from west airport boundary to the Matanuska River. The project would upsize the existing pipeline, add an additional storm water pipeline to add capacity, add subsurface storage in the approach RPZ to Runway 10, or some combination of the three solutions. The project would cross Taxiways J, A, and M and Runway 16-34. The project would be funded with non-FAA funds.

Rationale: The City completed a storm water system study that determined that the existing 5,800 feet of 36-inch diameter storm water outfall line that crosses the airport is undersized for current and anticipated flows. The system must be upgraded to avoid back-ups and localized flooding.

Budget Level Cost: \$7,106,500

Capital Improvement Plan Update

This Capital Improvement Project Plan update includes projects anticipated during the planning period of 2024 to 2040. This plan should be re-evaluated annually as the City’s needs and priorities change with time. The Total Project Cost Estimates include an inflation factor of 3% per year.

Table 1. Capital Improvement Plan Summary

Project	Title	Total Project Estimate (\$)	Year	Env Doc Needed	Federal Share	City (Local Share)	Non-AIP Eligible	AIP Entitlement	BIL AIG	AIP Discretionary
PAQ-1	Rehabilitate Airport Lighting and NavAids	3,235,900	2024	CE	3,033,700	202,200	0	300,000	477,000	2,256,700
PAQ-2	Airport Master Plan, Phase 1	517,500	2024	CE	485,200	32,300	0	0	0	485,200
PAQ-3	Rehabilitate Apron C	2,314,600	2025	CE	2,169,900	144,700	0	150,000	0	2,019,900
PAQ-4	Airport Master Plan, Phase 2	472,000	2025	CE	442,500	29,500	0	0	0	442,500
PAQ-5	Rehabilitate Aprons A, B, & D	2,462,100	2026	CE	2,308,200	153,900	0	150,000	0	2,158,200
PAQ-6	Acquire Avigation Easement, Construct Mitigation, & Relocate RW 16 Threshold	2,283,500	2026	CE	2,140,800	142,700	0	0	0	2,140,800
PAQ-7	Construct Sand Storage Building	2,933,300	2026	CE	2,750,000	183,300	0	0	318,000	2,432,000
PAQ-8	Construct ARFF Building (Non-FAA)	2,833,200	2026	CE	0	2,833,200	2,833,200	0	0	0
PAQ-9	Reconstruct Storm Water Outfall (Non-FAA, Non-Airport)	6,949,600	2028	CE	0	6,949,600	6,949,600	0	0	0
PAQ-10	Rehabilitate Large Aircraft Apron & Heliport Pavement	3,092,300	2029	CE	2,899,000	193,300	0	450,000	0	2,449,000
PAQ-11	Aviation Campground	1,077,300	2030	CE	1,010,000	67,300	0	150,000	0	860,000
PAQ-12	Acquire Buffer Lands	3,033,500	2032	N/A	2,843,900	189,600	0	300,000	0	2,543,900
PAQ-13	Construct Taxiway N and Interlink, Phase 2	5,577,300	2040	CE	5,228,700	348,600	0	450,000	0	4,778,700
PAQ-14	Remove Golf Course Fence; Install Security Fence	1,438,200	2040	CE	1,348,300	89,900	0	0	0	1,348,300

Projects

PAQ-01 Rehabilitate Airport Lighting and NavAids. This project will rehabilitate the runway and taxiway lighting and navigational aids. The new system will meet current standards and include LED fixtures.

Rationale: Most existing runway and taxiway lighting was installed between 2001 and 2007 and is experiencing ongoing maintenance issues. Replacement incandescent lamps are no longer available. The system has exceeded its useful life and needs to be rehabilitated.

Budget Level Cost: \$3,235,900

PAQ-02 Airport Master Plan Update, Phase 1. This project will consist of developing the foundational information for an Airport Master Plan update.

Rationale: The most recent Airport Master Plan was completed in 2014-2016 and needs to be updated based on recent development on the airport and surrounding areas, and to account for an overall increase in aviation interest in the area and at the airport.

Budget Level Cost: \$517,500

PAQ-03 Rehabilitate Apron C. This project includes the rehabilitation of Apron C and adjacent paved areas totaling approximately 9.5 acres. Work would include milling existing pavement, reuse of a portion of millings as base course, and installation of electrical outlets, paving, and pavement markings.

Rationale: The existing pavement is an overlay that was constructed in 1996. The 2019 PCI was 55; the 2022 PCI was 47. The pavement condition is continuing to deteriorate and the pavement needs to be replaced. Additional apron lighting is needed for safety when operating on the apron and electrical outlets are needed for warming of aircraft engines in winter conditions.

Budget Level Cost: \$2,314,600

PAQ-04 Airport Master Plan Update, Phase 2. This project will consist of completing the Airport Master Plan Update.

Rationale: The most recent Airport Master Plan was completed in 2014-2016 and needs to be updated based on recent development on the airport and surrounding areas, and to account for an overall increase in aviation interest in the area and at the airport.

Budget Level Cost: \$472,000

PAQ-05 Rehabilitate Aprons A, B, & D. This project includes the rehabilitation of a portion of Apron A and Aprons B and D and adjacent paved areas, totaling approximately 9.5 acres. Work would include milling existing pavement, reuse of a portion of millings as base course, and installation of electrical outlets, paving, and pavement markings.

Rationale: The existing pavement is an overlay that was constructed in 1996. The 2019 PCI ranged from 57-63; the 2022 PCI ranged from 48-57. The pavement condition is continuing to deteriorate and the pavement needs to be replaced. Additional apron lighting is needed for safety when operating on the apron and electrical outlets are needed for warming of aircraft engines in winter conditions.

Budget Level Cost: \$2,462,100

PAQ-06 Acquire Avigation Easement, Construct Mitigation, and Relocate RW 16 Threshold. This project includes acquiring an avigation easement for approximately 20 acres of land located off the north end of Runway 16-34, constructing mitigation measures, removing obstacles in the approach slope (trees) and relocating the runway threshold. The underlying land is owned by the Matanuska-Susitna Borough and is located in the Matanuska River Park.

Rationale: The easement is needed to remove obstructions from the runway approach surface and to allow for full-utilization of the runway.

Budget Level Cost: \$2,283,300

PAQ-07 Construct Sand Storage Building. This project would construct a new 60 foot by 80 foot sand storage building adjacent to the existing airport snow removal equipment building.

Rationale: The airport experiences extended periods of cold temperatures and freezing rain, which requires sand be applied to airport surfaces for aircraft control. A sand storage building is needed to protect sand from saturation and freezing making it difficult to load into equipment.

Budget Level Cost: \$2,933,300

PAQ-08 Construct Aircraft Rescue and Firefighting (ARFF) Building (Non-FAA). This project would construct a new 60 foot by 80 foot ARFF building south of the west end of Runway 10-28. This project would be constructed with non-FAA funds.

Rationale: Growth at the airport continues to move towards the need to provide ARFF services. An ARFF building is needed to house ARFF equipment and personnel.

Budget Level Cost: \$2,833,200

PAQ-09 Reconstruct Storm Water Outfall (Non-FAA). An existing storm water outfall line is located on the north side of Runway 10-28 and crosses the airport from west airport boundary to the Matanuska River. The project would upsize the existing pipeline, add an additional storm water pipeline to add capacity, add subsurface storage in the approach RPZ to Runway 10, or some combination of the three solutions. The project would cross Taxiways J, A, and M and Runway 16-34. The project would be funded with non-FAA funds.

Rationale: The City completed a storm water system study that determined that the existing 5,800 feet of 36-inch diameter storm water outfall line that crosses the airport is undersized for current and anticipated flows. The system must be upgraded to avoid back-ups and localized flooding.

Budget Level Cost: \$6,949,600

PAQ-10 Rehabilitate Large Aircraft Apron & Heliport Pavement. This project includes the rehabilitation of a portion of the Large Aircraft Apron and the Heliport area pavement, totaling approximately 10.3 acres. Work would include removal of existing pavement and installation of paving and pavement markings.

Rationale: The existing pavement is an overlay that was constructed 1996. The 2019 PCI was 69. The pavement condition is continuing to deteriorate and the pavement needs to be replaced.

Budget Level Cost: \$3,092,300

PAQ-11 Aviation Campground. This project includes purchase of approximately 7 acres of private lands, construction of approximately 1,200 feet of new taxiways and taxilanes, and twelve 20 by 20-foot paved aircraft parking pads and related improvements for an aviation campground located north of Runway 10-28.

Rationale: The project is needed to accommodate the summertime transient flying public that frequent the area.

Budget Level Cost: \$1,077,300

PAQ-12 Acquire Buffer Lands. This project includes the purchase of approximately 35 acres of private land to the west of the airport to ensure compatible land use and to preserve space for long-term growth.

Rationale: The project is needed to provide a buffer for residential development from airport noise and to avoid incompatible residential development immediately adjacent to the airport.

Budget Level Cost: \$3,033,500

PAQ-13 Construct Taxiway N Phase 2. This project includes construction of approximately 1,490 feet of new taxiway on the south side of Runway 10-28 east of Taxiway A and related taxiway edge lighting, markings, and signage. Project also includes removal of Taxiway B east of RW 16/34.

Rationale: The project will provide commercial lease lot access to the taxiways and runways when the golf course is converted to aviation related uses.

Budget Level Cost: \$5,577,300

PAQ-14 Remove Golf Course Fence; Install Perimeter Fence. This project will remove approximately 8,100 feet of existing fence that separates the airfield from the golf course and is currently within the Runway 16-34 and Runway 10-28 OFAs. The project will also install a new perimeter fence along the eastern edge of the airport. The project will be performed along with decommissioning of the golf course.

Rationale: The improvements are needed to meet FAA OFA standards. Fencing will reduce the potential for conflicts with people and wildlife inadvertently entering aircraft movement areas.

Budget Level Cost: \$1,438,200