

Submitted by: Chair of the Assembly at the
Request of the Acting Mayor
Prepared by: Merrill Field Airport
For reading: May 26, 2009

CLERK'S OFFICE
APPROVED

ANCHORAGE, ALASKA
AO NO. 2009-65

Date: _____

1 AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE
2 MUNICIPALITY OF ANCHORAGE AS LESSOR AND MICHAEL B. SPERNAK
3 AND MARITA C. CROSBY AS LESSEE OF LOT 3A, BLOCK 3, MERRILL FIELD
4 REPLAT ADDITION NO. 2, LOCATED BETWEEN RUNWAY 7-25 AND
5 MERRILL FIELD DRIVE.
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7
8 **WHEREAS**, the lease between the Municipality of Anchorage as Lessor and
9 Michael B. Spernak and Marita C. Crosby as Lessee of Lot 3A, Block 3, Merrill
10 Field Replat Addition No. 2 provides for an initial term ending on June 30, 1969
11 and also provides for five – ten year extension options; and
12

13 **WHEREAS**, Michael B. Spernak and Marita C. Crosby, d.b.a. Spernak Airways as
14 Lessee, elects to exercise the fifth and final option to extend for 10 years
15 commencing on July 1, 2009 and terminating on June 30, 2019; and
16

17 **WHEREAS**, Spernak Airways has operated a very successful business on Merrill
18 Field Airport for over fifty years and has provided superior service to the general
19 aviation community throughout Alaska; and
20

21 **WHEREAS**, Merrill Field Airport is very supportive of the continued operation of
22 Spernak Airways, further reflecting a new sense of confidence and revitalization
23 for our locally owned airport thereby having a positive economic benefit to the
24 Municipality; and
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26 **WHEREAS**, the current Merrill Field lease rate is consistent for all Merrill Field
27 Airport land leases with like uses and considered to be the market rate for airport
28 properties restricted to aeronautical uses; and
29

30 **WHEREAS**, Anchorage Municipal Codes section 25.30.050 D provides a renewal
31 or extension of a lease shall be treated as a new lease; and
32


33 **WHEREAS**, Anchorage Municipal Codes section 25.30.020 states disposal of
34 Municipal land shall be by ordinance only; now, therefore
35
36

1 **THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:**
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3 **Section 1.** The Municipality of Anchorage is authorized to extend the lease of Lot
4 3A, Block 3, Merrill Field Replat Addition No. 2, located within the Anchorage
5 Recording District of the Third Judicial District, composed of approximately
6 102,469 square feet, to Michael B. Spernak and Marita C. Crosby upon the terms
7 and conditions summarized in the accompanying Assembly Memorandum.
8

9 **Section 2.** This ordinance shall take effect immediately upon passage and
10 approval by the Assembly.

11
12 PASSED AND APPROVED by the Anchorage Assembly this 16th day of
13 June, 2009.
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16 
17 _____
18 Chair of the Assembly

19 ATTEST:
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24 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2009-65

Title: **AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR AND MICHAEL B. SPERNAK AND MARITA C. CROSBY AS LESSEE OF LOT 3A, BLOCK 3, MERRILL FIELD REPLAT ADDITION NO. 2, LOCATED BETWEEN RUNWAY 7-25 AND MERRILL FIELD DRIVE**

Sponsor: **ACTING MAYOR**
 Preparing Agency: **Merrill Field Airport**
 Others Impacted: **None**

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY09	FY10	FY11	FY12	FY13	
Operating Revenues:						
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ -					
POSITIONS: FT/PT and Temp						

PUBLIC SECTOR ECONOMIC EFFECTS:

No effect. The square footage of Lot 3A, Block 3, Merrill Field Replat, is remaining the same.

PRIVATE SECTOR ECONOMIC EFFECTS:

No effect.

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

Telephone: 343-6303

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 289-2009

Meeting Date: May 26, 2009

1 **FROM: ACTING MAYOR**

2
3 **SUBJECT: AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE**
4 **BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR**
5 **AND MICHAEL B. SPERNAK AND MARITA C. CROSBY AS**
6 **LESSEE OF LOT 3A, BLOCK 3, MERRILL FIELD REPLAT**
7 **ADDITION NO. 2, LOCATED BETWEEN RUNWAY 7-25 AND**
8 **MERRILL FIELD DRIVE.**
9

10 Michael B. Spernak and Marita C. Crosby are the current Lessees under the
11 original Lease of Lot 3A, Block 3, Merrill Field Replat Addition No. 2 dated March
12 3, 1961 between the Municipality of Anchorage and George Spernak, d.b.a.
13 Spernak Airways. The original term of the Lease ended June 30, 1969. The
14 Lease provided the Lessee with the option to extend the Lease for five - ten (10)
15 year periods. At this time Michael B. Spernak and Marita C. Crosby is exercising
16 the fifth ten year option to extend the original Lease to June 30, 2019. The
17 Administration is very supportive of the continuing the Lease at Merrill Field Airport
18 with Michael B. Spernak and Marita C. Crosby and recommends approval of the
19 Lease extension for ten additional years.

20
21 Spernak Airways has operated a very successful business located on the south
22 side of Runway 7-25 for over fifty years and has provided superior service to the
23 general aviation community throughout Alaska. The continuation of this very
24 successful enterprise should result in a positive economic benefit for the citizens
25 of the Municipality and supports the operational objective of Merrill Field to
26 operate, maintain and develop airport facilities, to provide an environment that
27 meets the needs of the general aviation community and to encourage private
28 business while maintaining a viable financial position.

29
30 Because of the federal interest in promoting civil aviation, the Federal Aviation
31 Administration authorizes programs for granting funds, property and other
32 assistance to local communities for the development of Airport facilities. The
33 Municipality, as a local sponsor, has received numerous grants for the
34 development of Merrill Field Airport and has assumed certain obligations, either by
35 contract or by restrictive covenants and deeds, which require it to maintain and
36 operate its airport facilities safely and efficiently and in accordance with certain
37 specified and agreed upon conditions. Airport property, as a condition, is
38 restricted to aeronautical uses unless a determination is made by the FAA that it is
39 in surplus of that need. Also, all revenue derived from the use of obligated airport
40 property must be used for the operation, maintenance or development of

1 the airport and the airport should be as self-sustaining as possible under the
2 circumstances. These obligations and grant assurances impact on property
3 values and must be complied with at all times for the airport to retain and continue
4 to receive its Federal grant funding assistance.

5
6 The rent, as set forth in the Lease, is the current per square foot rate paid by the
7 other existing long term leaseholders at Merrill Field. The lease rates at Merrill
8 Field are reviewed yearly and the current rate is considered to be the market rate,
9 taking into account the restrictions and obligations imposed on the property. The
10 Administration believes the use of the premises under the provisions of the Lease
11 furthers the operational objective of Merrill Field Airport. The Lessee has satisfied
12 all required conditions of the Lease for the Lease extension.

13
14 The following provisions are pertinent to the Lease extension:

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16 Lessor: Municipality of Anchorage

17
18 Lessee: Michael B. Spernak and Marita C. Crosby d.b.a Spernak
19 Airways, Inc.

20
21 Location: Lot 3A, Block 3, Merrill Field Replat Addition No. 2, consisting
22 of approximately 102,469 square feet (between Merrill Field
23 Drive and Runway 7-25).

24
25 Rent: Rental rate is \$0.17 per sq. ft. per year.

26
27 Rental Adjustment: Annually and at five year intervals.

28
29 Term: June 1, 1961 to June 30, 2009

30
31 Services provided: Utilities and maintenance of Lessee improvements.

32
33 Special Provisions: Property usage shall be restricted to aeronautical uses.

34
35 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
36 **AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE MUNICIPALITY**
37 **OF ANCHORAGE AS LESSOR AND MICHAEL B. SPERNAK AND MARITA C.**
38 **CROSBY AS LESSEE OF LOT 3A, BLOCK 3, MERRILL FIELD REPLAT**
39 **ADDITION NO. 2, LOCATED BETWEEN RUNWAY 7-25 AND MERRILL FIELD**
40 **DRIVE.**

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42 Prepared by: Merrill Field Airport

43 Approved by: David A. Lundebly, Manager, Merrill Field Airport

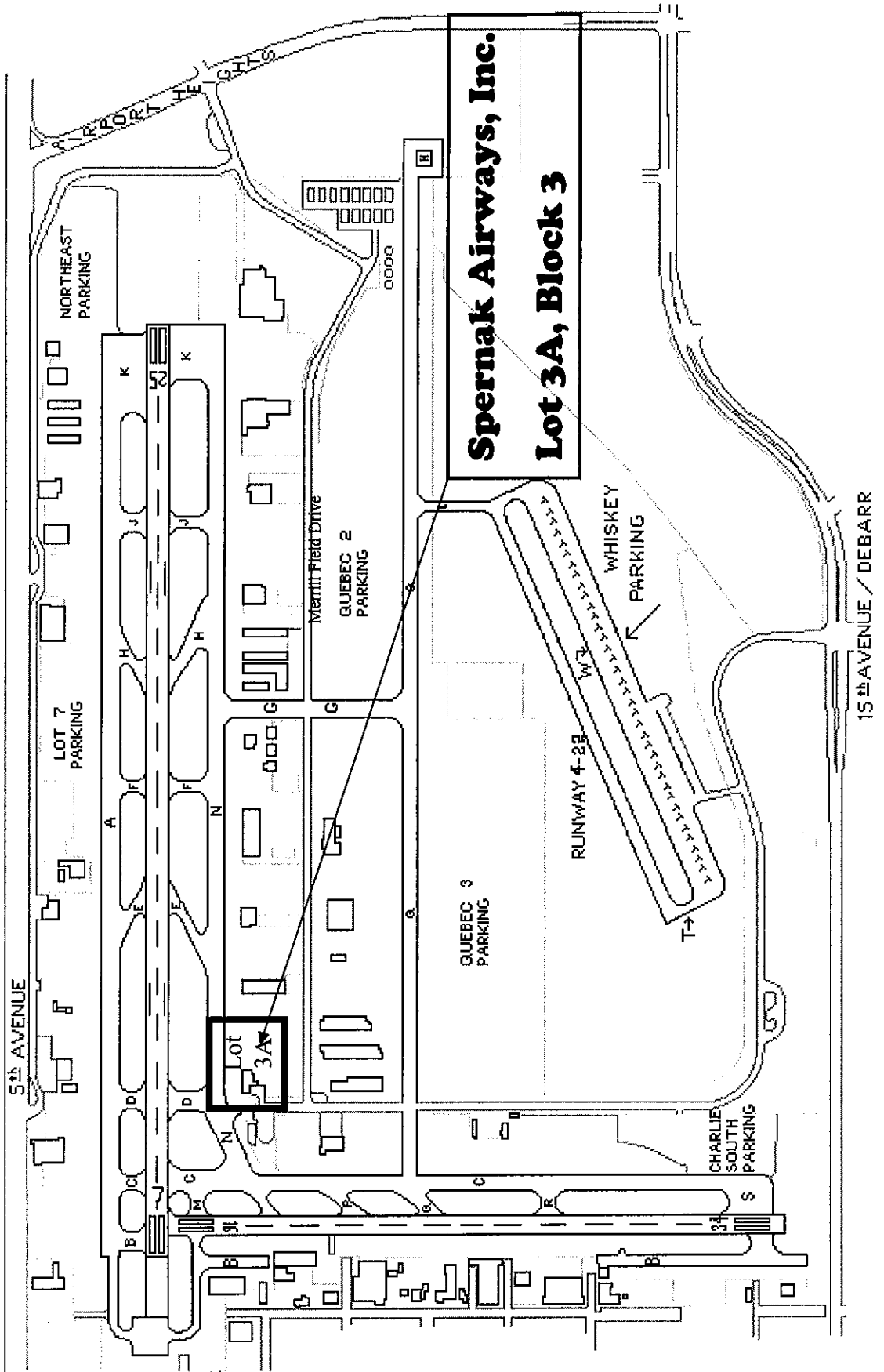
44 Concur: James N. Reeves, Municipal Attorney

45 Concur: Michael K. Abbott, Municipal Manager

46 Respectfully Submitted, Mathew W. Claman, Acting Mayor

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MERRILL FIELD AIRPORT



Content ID: 007703

Type: Ordinance - AO

AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR AND MICHAEL B.

Title: SPERNAK AND MARITA C. CROSBY AS LESSEE OF LOT 3A, BLOCK 3, MERRILL FIELD REPLAT ADDITION NO. 2, LOCATED BETWEEN RUNWAY 7-25 AND MERRILL FIELD DRIVE

Author: luebke

Initiating Dept: Merrill

Description: An Ordinance authorizing extension of the lease between the Municipality of Anchorage as lessor and Michael B. Spernak and Marita C. Crosby as lessee of lot 3A, block 3, Merrill Field, located between runway 7-25 and Merrill Field Drive.

Keywords: An Ordinance authorizing extension of the lease between the Municipality of Anchorage as lessor and Michael B. Spernak and Marita C. Crosby as lessee of lot 3A, block 3, Merrill Field, located between runway 7-25 and Merrill Field Drive.

Date Prepared: 5/5/09 1:22 PM

Director Name: David A. Lundeby

Assembly Meeting Date: 5/26/09

Public Hearing Date: 6/9/09

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	5/15/09 10:49 AM	Exit	Joy Maglaqui	Public	007703
MuniMgrCoord_SubWorkflow	5/15/09 10:49 AM	Approve	Joy Maglaqui	Public	007703
MuniManager_SubWorkflow	5/15/09 10:48 AM	Approve	Joy Maglaqui	Public	007703
Legal_SubWorkflow	5/6/09 3:30 PM	Approve	Rhonda Westover	Public	007703
Finance_SubWorkflow	5/5/09 5:04 PM	Approve	Sharon Weddleton	Public	007703
OMB_SubWorkflow	5/5/09 2:48 PM	Approve	Bruce Holmes	Public	007703
Merrill_SubWorkflow	5/5/09 1:51 PM	Approve	David Lundeby	Public	007703
AllOrdinanceWorkflow	5/5/09 1:30 PM	Checkin	Linda Luebke	Public	007703