

2023 Airport Budget - Discussion Document

Introduction

“The airport runway is the most important main street in any town” is a quote coined by Norm Crabtree, former Director of Aeronautics for the state of Ohio. While often forgotten or overlooked, municipal airports play a large role in the economy of a community such as Alexandria. Based on MnDOT Aeronautics’ Economic Impact Study released in February 2020, the Alexandria Municipal Airport is responsible for adding well over \$14.6 million to the local economy each year while supplying 140 equivalent jobs to the area and attracting over 5,400 visitors.

An airport has the unique ability to further the economic impact that an industry has on its community. For instance, look at our medical industry. Our local hospital is able to act as a regional medical hub due in part to the presence of an air ambulance based at the airport delivering patients from neighboring communities. Another example is the manufacturing industry, where overnight freight delivery via airplane allow the various manufacturing companies to utilize just-in-time inventory for products and increase their efficiency.

Alexandria Municipal Airport/Chandler Field is the sole airport in Douglas County and serves as the largest airport for Douglas, Pope, Todd, Grant and Stevens Counties. Alexandria Municipal Airport averages 70 operations a day and is home to more than 70 aircraft. Uses for the airport include personal, business, air ambulance, training, freight, aerial surveying, and more. Six businesses call Chandler Field home as well.

Mission Statement

To provide a first class facility for visitors and residents of Alexandria alike.

What Do We Do?

Airport Management performs the following duties on a regular basis at the Alexandria Airport:

- ✓ Manage and negotiate leases for City owned hangars/buildings
- ✓ Collect revenue on City owned hangars/buildings
- ✓ Maintain City owned hangars/buildings and terminal building
- ✓ General maintenance such as mowing grass, plowing snow, replacing runways lights
- ✓ Informing airport users of any hazards or unsafe airport conditions
- ✓ Working with FAA and MNDOT to attain grants and monies
- ✓ Promoting the airport in the local community

PBB Inventory & Costing Estimate

Program	\$/yr	%
Facilities Rental/Leasing	\$90,500	41%
Airport Maintenance	\$56,250	26%
Terminal Building	\$42,500	19%
Airport Management & Training	\$25,600	12%
Fuel System	\$3,000	2%
Total	\$217,850	100%

i The following includes some of the activities within each program element noted in the PBB estimate table above:

Facilities Rental/Leasing: The airport makes its largest portion of revenue on the income received from rent or leases on airport properties. This includes the 54 personal T-hangars currently on field, mass hangars, ground leases, plus more. This part of the budget is dedicated to maintaining and improving these structures that provide revenue for the City. A majority of this balance is due to the addition of the Bellanca Building. With a grant that allowed much needed upgrades to the mechanical systems of the building, the Bellanca Building is here to stay under the City's ownership. The 2023 budget reflects a cautious changes in utility costs due to the uncertainty of energy costs. In reality we hope we won't expend all these dollars as the leases are now required to pay a portion of the utilities. The Bellanca Building will be a continual project as we hope to have it occupied by renters indefinitely. Renovations that need to occur yet are painting the exterior concrete, re-cladding the exterior steel, as well as possibly retrofitting the garage doors for airport snow removal equipment. Another possibility is adding a marketing budget for attracting tenants.

Airport Maintenance: Sitting on 640 acres with several miles worth of pavement, the land which the airport sits on requires non-stop maintenance and grooming. In the summertime this could mean mowing the grass, or in the winter it is promptly removing snow after a snowfall to keep operations going. Other maintenance items include filling in gopher holes, spraying weeds, and replacing runways lights, signs, etc. The 2023 budget changes are mostly driven by increased fuel costs and continued maintenance on aging equipment, such as vehicles, plows, and lighting.

Terminal Building: When somebody lands at the Alexandria Airport, their first impression of Alexandria is our terminal building. Built in 1991, the building is starting to show its age. There is a series of projects identified and set to occur within the next several years to help refresh the building as well as accomplish our mission statement of providing a first class facility. These projects include bathroom remodeling, new carpeting, new wood baseboards, and security cameras. The budget has been adjusted to begin accomplishing 1-2 of these tasks per year over the next few years.

Airport Management & Training: The City contracts with Alexandria Aviation to perform the management at the airport. This agreement has been in place for several decades, was last updated in 2019, and has proven to be a win-win for the City and contractor. The Airport Manager also attends the annual MN Council of Airports' annual conference, which will be held in Alexandria in April of 2023!

Fuel System: While Alexandria Aviation sells the fuel at the airport, the City owns and maintains the fuel pumps. In return, a percentage of the fuel sales by Alexandria Aviation goes back to the City.