

Introduced by: City Manager Wallace  
 Date: February 23, 2016  
 Public Hearing: March 8, 2016  
 Action: Postponed to April 26, 2016  
 Action: Adopted  
 Vote: Unanimous

Yes:	No:
Best Carrington Combs DeVries Hanson Johnson LaFrance	

CITY OF PALMER, ALASKA

**Ordinance No. 16-008**

**An Ordinance of the Palmer City Council Enacting Palmer Municipal Code Section 12.08.015 Fuel Flowage Fee**

Whereas, the City of Palmer owns and operates an airport named the Warren "Bud" Woods Palmer Municipal airport, which is used for the taking off, landing, operation and storage of aircraft, and the conduct of businesses supporting aviation activities.; and

Whereas, the airport is an important asset for the community.; and

Whereas, it is essential that the airport be financially self-sufficient to perform its transportation role in the community and provide cost effective aviation facilities.; and

Whereas, the revenues received from users of the airport are vital to the economic well-being of the airport.; and

Whereas, the airport will incur substantial expenditure for capital investment, operation, maintenance and development of the facilities at the airport to meet future demand for airport services to accommodate airport activities.; and

Whereas, the airport has sustained net losses throughout the respective period of operation by the City of Palmer and has not produced revenue sufficient to offset the City's capital and operating costs for aeronautical assets in use at the airport.; and

Whereas, many airports in Alaska collect a fuel flowage fee for fuels that are delivered on or thru the airport.; and

Whereas, these funds are used to support maintenance operations and upgrades at the collecting airport; and

Whereas, the Warren "Bud" Woods Palmer Municipal airport currently does not collect this fee and the addition of this revenue should move the operations of the airport to a more sustainable position; and

Whereas, the fee would not be the sole source of funds deriving from fuel at the airport; and

Whereas, the flowage fee would be imposed on all fuels at the airport, used as "over the wing" fuel for aircraft; and

Whereas, as a recipient of financial assistance from the United States Government for development of the airport, the City is required, pursuant to 49 USC 47107, to maintain a schedule of charges for the use of facilities and services at the airport that will make the airport operations as self-sustaining as possible under the circumstances existing at the airport.; and

Whereas, in order to generate revenue for the purposes of making the airport as self-sustaining as possible under the circumstances existing at the airport and maintaining, operating and developing the airport for the safe and efficient use of aviation users, and to preserve existing revenues, protect the public, preserve order, enhance the welfare of the City, and govern use of the airport property, it is necessary for the airport to adopt and implement this fee pursuant to the criteria established in this Ordinance to be paid by persons utilizing the airport for aviation purposes.; and

Whereas, in accordance with City code, it is recommended that the Council adopt the following fuel flowage fee for the Warren "Bud" Woods Palmer Municipal airport:

THE CITY OF PALMER, ALASKA ORDAINS:

Section 1. Classification. This ordinance is permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

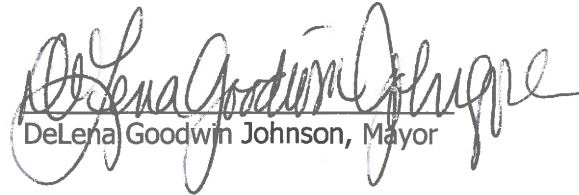
Section 3. Section 12.08.015 is hereby enacted to read as follows:

**12.08.015 Fuel flowage fee.**

- A. Any person, firm or corporation who delivers aviation fuel including gasoline, motor vehicle gasoline, Jet A, Jet B, or 100 low lead fuel and others diesel fuel, kerosene, aviation jet fuel or like substance (hereafter referred to as fuel) to any person, firm or corporation at the Warren "Bud" Woods Palmer Municipal airport for use in an aircraft for flight or "~~over the wing~~" fueling, shall pay a fuel flowage fee of five cents (\$0.05) for each gallon of fuel.
- B. Any person, firm, or corporation who transports fuel to another location for sale outside city limits for resale may be entitled to a rebate within 45 days of the City of Palmer fuel flowage fee.
1. A rebate request must be accompanied by proof of purchase of a fuel flowage fee at the Warren "Bud" Woods Palmer Municipal Airport; and
  2. Proof of resale outside Palmer city limits.
- C. ~~B-~~ The funds derived from fuel flowage fees shall be utilized solely for the maintenance, operation and improvements of the Warren "Bud" Woods Palmer Municipal airport.

Section 4. Effective Date. Ordinance No. 16-008 shall take effect on July 1, 2016.  
~~upon adoption by the Palmer City Council.~~

Passed and approved by the City Council of the City of Palmer, Alaska this 26<sup>th</sup> of  
April, 2016.

  
DeLena Goodwin Johnson, Mayor

  
Norma I. Alley, City Clerk