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SB 264 TITLE & SPONSOR SUMMARY  
AMENDED TITLE:

11:02 6/27/83 PAGE 1 OF

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT  
OF TRANSPORTATION AND PUBLIC FACILITIES FOR  
IMPROVEMENTS AND EXPANSION OF THE TERMINAL AT THE ANCHORAGE  
INTERNATIONAL AIRPORT; PROVIDE AN EFFECTIVE DATE

GENERAL DOLLARS: \$28,000,000 (APPROX)

PRIME SPONSOR: SENATE TRANSPORTATION COMMITTEE.

OTHER DOLLARS: \$0

CO-SPONSORS:

CURRENT STATUS: 6/13/83 RET (S) RULES

SB 264 SENATE ACTION

11:02 6/27/83 PAGE 2 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/19/83	01	0745	FIRST READING -- COMMITTEE REPORTS
05/06/83	02	0913	TRAN -- DP04
06/01/83	03	1158	FIN -- DP05
06/01/83	04	1158	FIN F/NOTE EQUALS ZERO
06/10/83	05	1259	RLS -- OTHER03
06/13/83	06	1281	RECOMMITTED TO RLS BY UNAN CONSENT RULES

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# Anchorage airport expansion to begin this summer

By CHUCK KLEESCHULTE  
Daily News reporter

Work will start this summer on the first phase of a \$23.1 million project to modernize and expand the existing domestic passenger terminal at Anchorage International Airport.

Governor Bill Sheffield Monday afternoon announced he has directed the state's Department of Transportation and Public Facilities to break ground on the first part of the expansion this summer.

Sheffield said the work initially will involve the renovation of the airport's B Concourse, formerly used for international flights, the construction of a 100-foot addition on the southeast end of the terminal and construction of a concourse for commuter aircraft.

In Anchorage Monday, state Commissioner

of Transportation Dan Casey said the improvements will be financed by the sale of revenue bonds to be repaid through proceeds from the state's International Airport revenue fund.

"The project should greatly ease overcrowding by providing improved commuter gates, more ticket counter space and a standby power generation system," Casey said.

He said Concourse B contains six gates formerly used for international flights. Those flights now operate out of a new international concourse completed last summer.

The B concourse will receive an additional facelift plus electrical improvements, installation of a fire suppression system and renovation of the first-floor area, previously occupied by the Federal Inspection Service (Cus-

toms).

Casey said additional ticket counter space will be provided on the second floor with construction of the 100-foot addition to the front of the terminal. Downstairs, the extension will offer additional baggage make-up and claim space.

The new commuter concourse will provide additional gates for intra-state and small commuter aircraft. Baggage facilities for the flight operations will be included in the concourse addition, Casey said.

Sheffield said he is preparing legislation for submission to lawmakers which will authorize the sale of the needed revenue bonds. He said he expects such legislation to pass this session.

Future phases of the expansion will include extending the front of the current terminal to allow more room for passengers waiting at airline ticket counters.

The renovation plans had been outlined by state officials last year, but had been placed in doubt in January when no funding source for the project appeared in the first draft of Sheffield's capital budget. Casey earlier this month said his department always intended to proceed with the work this coming fiscal year, but was simply awaiting a review of the ability of the revenue fund to pay for the 10-year expansion program.

Casey Monday said the state believes it will be able to start on the project immediately, using existing revenues in the fund.

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

HB 321/322  
Ron

March 31, 1983

RECEIVED

APR 06 1983

The Honorable Joe L. Hayes  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

DOT/PF  
COMMISSIONER'S OFFICE

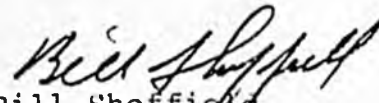
Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills to accomplish the first phase of a comprehensive remodeling and expansion program for the domestic terminal at the Anchorage International Airport. This program is consistent with the comprehensive analysis of air traffic trends and corresponding facility needs for our traveling public.

The first bill will increase the revenue bond authorization contained in AS 37.15.410 by \$28,000,000. The second bill will appropriate the proceeds of the sale of this additional amount of bonds. The appropriation is to the Department of Transportation and Public Facilities for the purpose of making the improvements at the Anchorage International Airport and other expenses required to accomplish the sale of the bonds.

The need for this project is well recognized and I request that you work with me so that these improvements may begin this spring.

Sincerely,

  
Bill Sheffield  
Governor

STATE OF ALASKA  
FISCAL NOTEI. REQUEST

Bill/Resolution No.: SB 264  
 Title: Anch Int'l. Terminals Improvements  
 Sponsor: Senate Transportation Committee  
 Requestor: Governor Sheffield

II. FISCAL DETAIL

Agency Affected: DOT&PF  
 Program Category Affected: Transportation  
 BRU, Program or Subprogram(s) Affected: Anchorage International Airport

## EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES				500.0	530.0	560.0
200 TRAVEL				250.0	265.0	280.0
300 CONTRACTUAL				58.0	63.0	67.0
400 COMMODITIES				2.0	2.0	3.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
<b>TOTAL OPERATING</b>				810.0	860.0	910.0
<b>CAPITAL</b>		28,000.0				
<b>REVENUE</b>				500.0	500.0	500.0

## FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)*IARF				810.0	860.0	910.0
INT'L AIRPORT REVENUE BONDS		28,000.0				

\*International Airport Revenue Fund

## POSITIONS:

FULL-TIME				8.0	8.0	8.0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This project will be paid for through revenue generated at the Anchorage International Airport. The revenue projection does not assume any change in rates and fees, but does include anticipated revenue from the expansion, calculated at present terminal rental rates.

## IV. ANALYSIS: Attached.

Prepared By: William R. Snell  
 Division: Acting Deputy Commissioner

Phone: 266-1440  
 Date: 3/30/83

Approved by Commissioner: *W. R. Snell*  
 Department: Transportation and Public Facilities

Date: 3/31/83

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## PROJECT NEED:

Existing facilities in the passenger terminal complex are undersized. Facilities are not adequate for present domestic aviation traffic needs. Continued growth in aviation activity is anticipated, therefore, pressure for expanded facilities will increase. Existing international facilities have been relocated to the new international terminal, thus freeing space for domestic aviation needs. The west concourse must be remodeled before use by the domestic air carriers. Additional landside facilities, airport ticket offices, baggage claim and public areas are needed to accommodate domestic flight traffic. Air commuter facilities are minimal. New facilities are essential to provide adequate service to this growing segment of the aviation market. Construction of a new concourse off the east terminal expansion will accommodate commuters. Utility work airside is required in order to make the terminal expansion usable for the air carriers and commuter planes.

## PROJECT DESCRIPTION:

Funding requested is for the first phase of a comprehensive remodeling and expansion program, at an estimated cost of \$23.1 million. The project includes the following:

Extension of existing terminal 100-feet to the east (both levels). First level to house additional baggage claim and makeup areas and mechanical room. Second level to provide additional counter space, snack bar, storage, elevator and gate lobbies.

Construction of a commuter concourse providing passenger waiting space, equipment storage, crew lounge area, restroom facilities, snack bar, baggage makeup and baggage claim.

Preliminary engineering and construction to remodel west concourse to accommodate domestic carrier operations.

Preliminary engineering and construction of apron utility work required with the terminal remodeling.

## PROJECT COST:

Bond sale costs at 3% to take care of closing costs, audit costs, fees to rating agencies, financial advisor, etc.

$$\$28,000,000 \times 3\% = \$840,000$$

In addition, an estimated \$3 million was assumed for immediate deposit into the bond reserve fund. This is approximately 1 year's principal and interest on the bonds.

The estimated cash available after obligations is \$24,160,000:

$$\$28,000,000 - (\$840,000 + \$3,000,000) = \$24,160,000$$

Capitalized interest during project construction has not been estimated. Depending on investment yield, interest earned on the cash could roughly equal or exceed interest obligations on the bonds. If, however, capitalized interest payments are required, DOT&PF will utilize International Airport Revenue Fund (IARF) cash for such payments. This is consistent with how capitalized interest was treated in earlier revenue bond issues.

## OPERATING COSTS:

Costs identified are based upon our current costs for maintenance and custodial which approximate \$11 per square foot.

Added 66,000 sq. ft. x \$11 = \$726,000

1983 cost \$726.0

1986 cost \$810.0. Inflation is estimated at 6% per year.

No estimate is provided for the debt service since the yearly cost would vary so greatly based upon the interest rate and term of borrowings.

# COMMITTEE REPORT

## SENATE

4/19/83

FURTHER: Finance

Date: May 5, 1983

Mr. President:

The Committee on Transportation has had SB 264

Making a special appropriation to the Department of Transportation and Public Facilities for improvements and expansion of the terminal at the Anchorage International Airport; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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[Signature]  
CHAIRMAN