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# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES OFFICE OF THE COMMISSIONER

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December 29, 1999

The Honorable Drue Pearce  
President, Alaska State Senate  
716 W. 4th Ave, Suite 500  
Anchorage AK 99501-2133

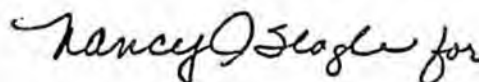
The Honorable Brian Porter  
Speaker, Alaska State House of Representatives  
716 W. 4th Ave, Suite 300  
Anchorage AK 99501-2133

Dear Senator Pearce and Speaker Porter:

Chapter 41, SLA 98 added a new subsection to Alaska Statute 37.15.420. This subsection requires the Department of Transportation and Public Facilities to submit to the Legislature by January 1 of each year a report on anticipated expenditures from the International Airports Construction Fund. Enclosed is the Department's annual report which outlines the amount expected to be expended in fiscal year 2001, the work expected to be performed during that time period, the amount to be spent on outside contracts and the amount anticipated to be spent on items other than for contracts. As you may realize, these are estimates and actual expenditures could be dependent upon a variety of factors such as unexpected permitting issues, weather delays or even the timing of additional bond issuance.

If you have any questions concerning this report, please contact Dave Eberle the program director for this project at 269-0780.

Sincerely,



Joseph L. Perkins, P.E.  
Commissioner

Enclosure

cc: Dave Eberle, Director, Central Region Construction & Operations, DOT&PF  
Kurt Parkan, Deputy Commissioner, DOT&PF  
Nancy Slagle, Director, Administrative Services, DOT&PF  
Bill O'Leary, Controller, Alaska International Airport System, DOT&PF  
Troy Stafford, Project Controls Manager, Rise Alaska



## Terminal Redevelopment Project International Airport Revenue Bond Construction Fund Report



### INTRODUCTION:

Pursuant to the Alaska Statute, AS 37.15.420 - Bond Authorization, the following is a brief project update and the FY2001 Spending Plan for the Bond Construction Fund.

### PROJECT STATUS (As of December 1999):

#### Concourse C Replacement

- The tenant relocations and the demolition of the existing Concourse C are complete.
- Design of the new concourse is in progress and approximately 95% complete.
- The construction of Concourse C Replacement will consist of two contract packages:
  - The Phase I – Structural contract is currently being advertised for bid and is scheduled for award February 2000.
  - The Phase II – Building Completion contract is scheduled to be advertised April 2000 and awarded June 2000.
- The Design Development cost estimate is in progress.
- The New Concourse C Terminal construction is scheduled to be complete and operational by April 2002.

#### Terminal Renovation

- Terminal renovations necessary to relocate regional carriers have been completed and are operational.
- Renovation work continues with the seismic upgrades of the ticket lobby and the construction of new airline offices and ticket counters.
- The bulk of the Terminal Renovation will be accomplished after Concourse C Replacement is completed.

#### Roadways & Parking

- Landside design is approximately 85% complete.
- The Phase I Roads are under construction.
  - This contract includes the elevated bridge, access ramp, the inbound airport lanes and the rerouting of Postmark Drive.
  - Construction started August 1999 and is scheduled to complete August 2000.
- Phase II Roads design is 65% complete.
  - This contract will include the airport exiting lanes, the landside parking and the new Postmark Drive intersection.
  - Design team continues to work with AIA Leasing on the acquisition of Southside properties.
  - Project is scheduled to be advertised for bid February 2000 with a scheduled completion of November 2000.

### Airside Improvements

- Overall airside design is approximately 25% complete.
- Design Development is in progress for the New Concourse C Apron.
  - This project consists of sub-grade preparation with accommodations for fueling facilities and the replacement of apron structural concrete for the new Concourse C gates.
  - The current plan is to incorporate this work into the Terminal Phase II – Building Completion Package.
  - Design is scheduled for completion January 2000.
- The Remote Over Night Parking (RON) project is currently in Design Development.
  - This project will reconstruct fueling positions R1, R2 and R3 to accommodate B747-400 aircraft by constructing a concrete apron.
  - The project is being designed by DOT&PF in conjunction with R&M Consultants.
  - The layout plan drawings for the RON's are complete. The construction documents are scheduled to be complete in January 2000.
  - Construction is scheduled to start May 2000.
- West Remote Fueling Apron project remains on hold pending completion of the Airport Cargo Master Plan.
- The Expansion of Aprons at Gates A5 through A9 is in preliminary design.
  - This project will reconstruct the concrete aprons at Gates A5 – A9.
  - Preliminary layouts are complete.
  - Design is scheduled for completion January 2001 with construction scheduled to start May 2001.

**FUNDING:**

- The total project budget for design and construction including finance cost, insurance and capital interest remains at \$230 million.
- All funding for the project is in place.
- The project funding is a combination of Airport Revenue Bonds, FAA Funds and FHWA Highway Funding:
  - In 1998, the Legislature authorized the issuance of \$179.175 million in Airport Revenue Bonds.
  - In 1998, \$26.3 million in Federal Highway Funding was programmed for the project within the State Transportation Improvement Plan (STIP).
  - In 1999, The Federal Aviation Administration (FAA) approved funding for \$48 million of the Anchorage International Airport Letter of Intent (LOI), a portion of which is designated to reimburse airside improvements for the Terminal Redevelopment Project.
  - In 1999, the Legislature authorized an additional \$25 million in Airport Revenue Bonds. Since the FAA funds are to be received over a 10 year period, it was necessary to issue an additional \$25 million in revenue bonds to meet construction cash flow requirements and maintain project schedule.

<b>Uses of Funds*</b>	
(x1000's)	
Concourse "C" Replacement	\$103,724.0
Terminal Renovation	33,722.0
Roads and Parking	31,854.0
Airside Improvements	36,000.0
Finance Costs	24,700.0
<b>Total Uses of Funds</b>	<b>\$230,000.0</b>

<b>Sources of Funds</b>	
(x1000's)	
FHWA Grants**	\$26,300.0
Series A and B Bonds	179,175.0
Phase C Bonds/LOI***	24,525.0
<b>Total Sources of Funds</b>	<b>\$230,000.0</b>

\* Approximate, subject to change.  
 \*\* FHWA Grants dedicated to roadway projects.  
 \*\*\* Phase II Bonds issued to cash flow future LOI receipts.

## **BOND CONSTRUCTION FUND:**

The Construction Fund represents approximately \$203 million in Airport Revenue Bonds for the design and construction of the Terminal Redevelopment Project. The State closed on the \$179 million Series A and B Bonds in February 1999, a portion of which was utilized to retire the Bond Anticipation Notes (BANs) in April 1999. The State closed on the \$25 million Series C Bonds in October 1999.

## **FY2000 CONSTRUCTION FUND SPENDING PLAN:**

### **(1) *The total amount of money to be spent from the construction fund:***

The total amount of money to be spent from the Bond Construction Fund in FY2001 is forecasted to be \$72 million.

### **(2) *A description of the work to be performed on airport facilities that will be financed with money from the construction fund:***

#### **□ Design**

- Provide design construction administration services for the Concourse C replacement contracts.
- Finalize design for Remote Overnight Apron.
- Complete the motor vehicle parking and landscaping design.
- Continue design of existing terminal renovations.
- Perform seismic analysis of existing terminal.
- Complete right of way acquisition.

#### **□ Concourse C Replacement**

- Complete the construction of the foundation and structural steel.
- Continue with the construction of the building completion package.
- Start the construction of the apron.
- Finalize all utility relocations.

#### **□ Terminal Renovation**

- New regional airlines ticket counters and offices will be constructed and tenants relocated.
- Relocation of Physical Plant Operations.

#### **□ Airside Improvements**

- Reconstruct the Remote Overnight Positions R1, R2, and R3.
- Begin Reconstruction of Aprons at Gates A5 through A9.

**Bond Construction Fund**  
**FY2001 Spending Plan**  
(x1000's)

Phase Description	FY2001 Spending Plan
Design and Project Management	\$11,600.0
Concourse C Replacement	\$34,600.0
Terminal Renovation	\$500.0
Airside Improvements	\$9,300.0
Roads and Parking	\$1,880.0
Program Contingency	\$4,920.0
Finance Costs	\$9,200.0
<b>Totals:</b>	<b>\$72,000.0</b>

(3) *The amount from the construction fund that will be spent under contracts with the private sector and a description of the goods or services to be provided to the state:*

The total forecasted Construction Fund expenditures for contractual services for FY2001 is approximately \$61.5 million.

**Design Services:**

- Complete the design and construction documents for the expansion of Gates A5 – A9, the Airport parking and landscaping.
- Finalize the design development documents for the balance of renovations for the existing south terminal ticket lobby and Concourse B.
- Provide construction administration services for the Phase I and Phase II -- Concourse C Replacement, the airside RON and the building apron reconstruction contracts.

**Project Management Support Services:**

- Continue to maintain the cost controls and schedule reporting systems.
- Develop public presentations and communication programs.
- Assist with the management of design.
- Monitor the financing process.

□ **Construction Management:**

- Provide construction phasing and planning.
- Provide construction oversight and inspection services.
- Administer construction contracts.
- Perform estimate reviews and value engineering for the major construction contracts.
- Coordinate the Owner Controlled Insurance Program (OCIP).

□ **Construction Contracts:**

- Concourse C Replacement , Phase I – Structural Contract
- Concourse C Replacement , Phase II – Building Completion Contract
- RON Apron Reconstruction Contract
- Expansion of Apron at Gates A5 through A9 Contract
- Airport parking and landscaping (included in the Landside Phase II Contract)

**(4) *The amounts that the state will spend from the construction fund for purposes other than contract payments:***

- The total cost for non-contractual payments for FY2001 is approximately \$10.5 million, inclusive of the following:
- Project management over-sight for design and construction.
  - Contract procurement and award.
  - Project accounting and controls.
  - Monitoring environmental HAZMAT abatement contracts.
  - Cost for reproduction of contract documents.
  - Regulatory and permitting. (A portion may be contracted).
  - Capitalized interest payments.