SCOMM

103:7

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* Included in all ITT committee member packets
** A portion of letters included in all ITT committee member packets

PLAN OF FINANCE

DISTRIBUTION TO THE AIRLINE AFFAIRS COMMITTEE

NOVEMBER 5, 1997

ADDENDUM TO OCTOBER 15, 1997 PRESENTATION

November 5, 1997

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC *Aviation, Infrastructure & Project Finance*

Purpose of Addendum

- Incorporate State of Alaska Capital Contribution of $26.3 million into Financial Model of terminal rents and landing fees
- Incorporate an assumption of less than 100% occupancy of the Airline Rentable area of the Terminal when the project comes on line in Fiscal Year 2002
- Incorporate updated concession revenues work based on the October 15th Design Presentation to the Airline Affairs Committee
- Incorporate higher operating assumptions in the areas of Custodial, Maintenance and Utility
- Update fuel flowage fee assumptions
- See pages 7 - 11 for details of assumption updates

Project Components

Note: This chart is included for illustration purposes and uses the Example of the revised Financial Model A (2001 Completion of Concourse C and 2003 Project Completion).

	Additions in $	Subtractions in $	Net in $
Total Cost of Project in 1997 Dollars	190,800,000		
State Capital Contribution		26,300,000	
AIRPORT COST OF PROJECT IN 1997 DOLLARS			**164,500,000**
Fiscal Year 1998 Allocated Funds		6,100,000	
3% Escalation per Cash Flows	14,500,000		
24 Months Capitalized Interest	20,000,000		
Credit Construction Fund Earnings		21,000,000	
Financing Costs Including Bond Insurance	4,700,000		
CORE FINANCING	**Total Additions**	**Sub-Total Subtractions**	
	230,000,000	**53,400,000**	**176,600,000**
Optional Adjustment: Take Out Capitalized Interest		20,000,000	
ADJUSTED WITHOUT CAPITALIZED INTEREST		**Total Subtractions**	
		73,400,000	**156,600,000**

November 5, 1997

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC ***Aviation, Infrastructure & Project Finance***

Total Debt Service Level Each Year

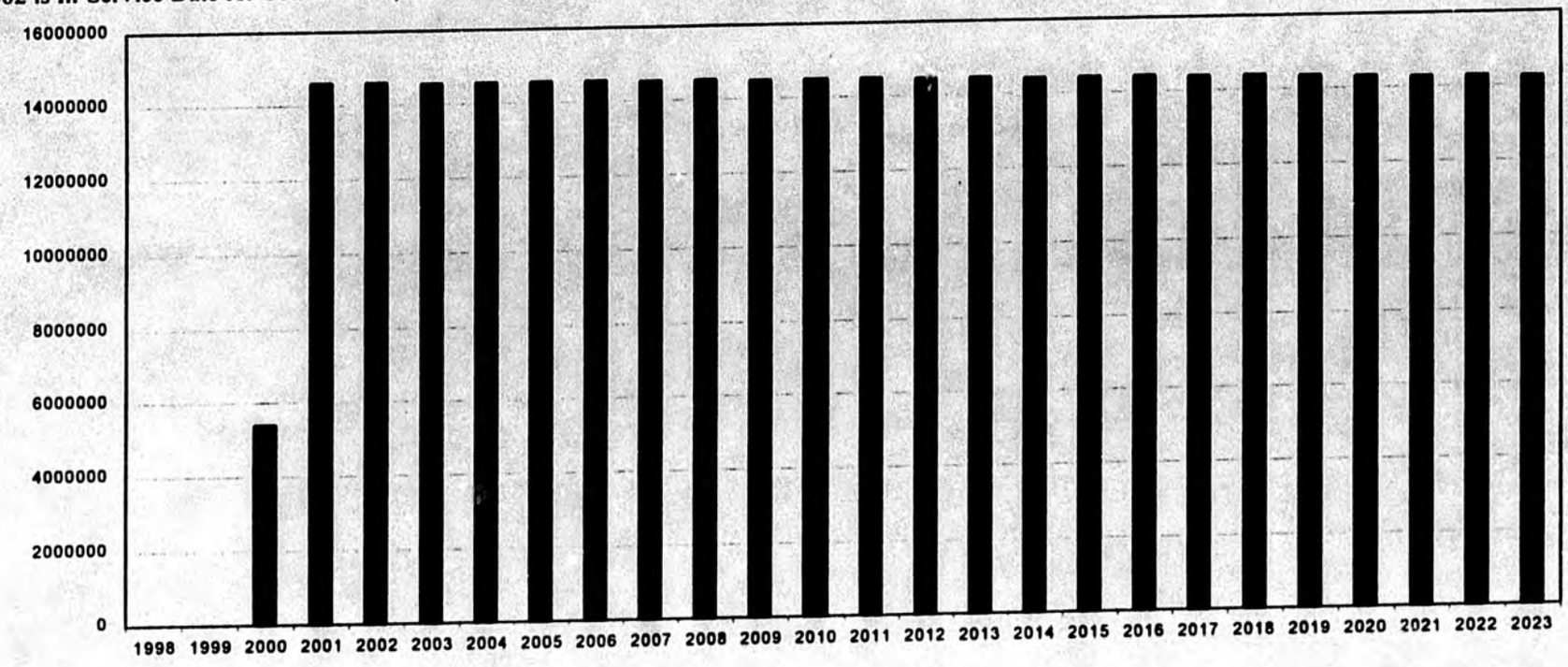
$173,000,000 Project Fund from Bond Proceeds Amortized Over 25 Years

Par Amount of Bonds	**$177,205,000**
Maximum Full Year Debt Service	**$14,583,284**
Average Life of Bonds	**16.51 years**

Recommendation for Level Debt Service

- Level Debt Service facilitates long-term planning because it creates a consistent base
- Average Life of debt is substantially less than face term of bonds
- Effect of inflation is to reduce the fixed debt as percentage of total operating costs over time
- Level debt service makes project a gradually decreasing impact on various airport and airline financial rates, charges and ratios

FY 1998 and FY 1999 are zero because of capitalized interest
FY 2000 includes one semi-annual interest payment
FY 2002 is In-Service Date for Concourse C, which is scheduled for completion during FY 2001



Summary of Rates and Charges

- FY 2001 Completion for Concourse C Replacement
- FY 2002 In-Service Date for Concourse C Replacement
- 24 Months Capitalized Interest
- Chart begins with FY 1999 because Rates and Charges for FY 1998 were set prior to July 1, 1997 using assumptions which are different from the November 5 Scenario of Model A.

Terminal Rents November 5 Scenario A	Terminal Rents October 15 Scenario A	Year	Landing Fees November 5 Scenario A	Landing Fees October 15 Scenario A
32.97	32.97	1999	0.70	0.69
33.24	33.24	2000	0.68	0.68
37.81	38.65	2001	0.76	0.77
39.71	39.08	2002	0.93	0.95
40.19	39.36	2003	0.89	0.93
40.70	39.63	2004	0.86	0.91
40.72	39.92	2005	0.83	0.89
40.44	40.21	2006	0.82	0.87
40.75	40.51	2007	0.80	0.85
41.07	40.81	2008	0.79	0.84
41.41	41.12	2009	0.77	0.82
41.75	41.43	2010	0.75	0.80

Summary of Rates and Charges (cont.)

Terminal Rents November 5 Scenario A	Terminal Rents October 15 Scenario A	Year	Landing Fees November 5 Scenario A	Landing Fees October 15 Scenario A
42.16	41.82	2011	0.75	0.80
42.59	42.22	2012	0.75	0.79
43.03	42.63	2013	0.75	0.79
43.48	43.05	2014	0.75	0.79
43.93	43.47	2015	0.75	0.79
44.42	43.92	2016	0.75	0.78
42.36	41.86	2017	0.71	0.74
42.79	42.33	2018	0.71	0.74
43.31	42.80	2019	0.71	0.74
43.84	43.29	2020	0.71	0.74
44.38	43.80	2021	0.71	0.74
44.93	44.32	2022	0.71	0.73
45.52	44.85	2023	0.71	0.73
46.10	45.40	2024	0.71	0.73
33.14	30.91	2025	0.54	0.55

State Contribution

- October 24, 1997 Letter from Commissioner of Department of Transportation and Public Facilities to the Chairman of the Airline Airport Affairs Committee
- $26.3 million commitment of federal highway funds to be received by the State which will be used to fund terminal access roads
- Clear demonstration of the State's good faith in committing non-airline funding sources
- October 24th letter refers to additional $15 million in non-airline funds:

  "The State has also identified a minimum of $15 million in airside development which is eligible for FAA Discretionary Funds. We commit to aggressively pursue these funds to further reduce the airline share of the project costs."

- October 24th letter joins the State with the airlines in pursuing lower rates and charges to make Anchorage International Airport more competitive in the aviation market
- The most explicit value of the State contribution is the lowering of annual debt service on the bond issue (see following chart)

	October 15 Bond Issue	November 5 Bond Issue
Par Amount of Bonds	$199,130,000	$177,205,000
Project Fund from Bond Proceeds	177,207,788	152,000,031
Project Fund from Airport Capital Allocation	6,400,000	6,100,000
Project Fund from State Capital Allocation	0	26,300,000
Capitalized Interest Fund Deposit	22,477,655	20,002,796
Maximum Annual Debt Service (Level Debt Structure)	16,388,159	14,583,284

Update of Other Assumptions

- New Project Fund bonding requirement based on 1997 Dollars and 3% Escalation is as follows:

Cash Flow Line	1998	1999	2000	2001	2002	2003	
6.1	6.1						
18.4	18.4	19.0					
41.9	41.9	43.2	44.5				
42.3	42.3	43.6	44.9	46.2			
42.1	42.1	43.4	44.7	46.0	47.4		
13.7	13.7	14.1	14.5	15.0	15.4	15.9	
164.5	6.1	19.0	44.5	46.2	47.4	15.9	179.0 TOTAL

Note 1: $6.1 million in FY 1998 is not included in the 172.9 million Project Fund bonding requirement.

Note 2: prior 1997 dollars were $190.9 million, escalating to a total of $207.5 million.

- Incorporate an assumption of less than 100% occupancy of the Airline Rentable area of the Terminal when the project comes on line in Fiscal Year 2002

Fiscal Year	Total Usable Square Feet	Total Available Airline Rentable Square Feet	Actual Rented as % of Available Rentable (rounded)	Total RENTED Airline Rentable Square Feet	Total VACANT Airline Rentable Square Feet
2002	591,565	232,256	80.51%	187,000	45,256
2003	631,863	257,357	80.43%	207,000	50,357
2004	631,863	257,357	83.54%	215,000	42,357
2005	631,863	257,357	89.37%	230,000	27,357
Thereafter	631,863	257,357	89.37%	230,000	27,357

- Update fuel flowage fee assumption to tie to takeoff weight assumption rather than 3% straight line growth

- Incorporate updated concession revenues work based on the October 15th Design Presentation to the Airline Affairs Committee; concession consultant has identified several additional design factors which strengthen the outlook for concession revenues, including, for example, location, size, configuration, and store content

Fiscal Year	Food & Beverage Per Enplaned Passenger	News, Gifts & Specialty Per Enplaned Passenger
1997	0.39	0.27
1998 to 2001	increase at 1.5% per annum	increase at 1.5% per annum
2002 (New Program)	0.64	0.58
2003 and thereafter	increase at 1.5% per annum	increase at 1.5% per annum

- Incorporate higher operating assumptions in the areas of Custodial and Building Maintenance for the AIA Main Terminal only

Custodial	One time step up of 10% in FY 2002; then resume 3% escalation
Building Maintenance	Includes two components: Maintenance one time step up of 5% in FY 2002; then resume 3% escalation Utilities one time step up of 15% in FY 2002; then resume 3% escalation

PLAN OF FINANCE

PRESENTATION TO THE AIRLINE AFFAIRS COMMITTEE

OCTOBER 2, 1997

VOLUME I

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC *Aviation, Infrastructure & Project Finance*

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1

EXECUTIVE SUMMARY

THE CONTEXT

Need
Passenger
Cargo
Alaska Citizens and State of Alaska Public Interest

Process
Needs Assessment
Design and Structuring
Financial Plan

Outcomes
October 1997 Airline Affairs Committee Meetings for Design and Financial Planning

Action
Airlines
State of Alaska

Result
2001 / 2002 Completion Scenarios

SUMMARY OF RESULTS

Terminal Rents

Increase from current $32.46 to range of $37.00 to $44.00 over 25 years
Individual year exceptions such as 2000 and 2002 are result of incurring debt service expenses before completion date of Concourse C
Costs of new terminal are spread over greater square footage, keeping Terminal Rents lower
Increasing square footage to support business activity will be the primary cause of terminal rental increases for most airlines
Terminal Rent is within range of national Medium Hub Terminal Rents

Landing Fees

Increase from current $0.62 to range of temporary mid-$0.90's decreasing to low $0.70's over 25 years
Public use and administration space in the terminal passes through to Landing Fee
Landing Fee will increase but not beyond the lower range of national Medium Hub Landing Fees

Fuel Flowage Fees

Assumption is to keep $0.02 fuel fee
National Medium Hub Fuel Fee is $0.059 before 3% Escalation is considered

Financial Plan

Cost of Project in 1997 Dollars is $191 Million
3% Escalation over five to six years is Approximately $17 Million to $20 Million and Financing Costs including bond insurance are $5 Million
Two Years of Capitalized Interest is a discretionary cost of Approximately $22.5 Million for Airport and Airlines to decide
Construction Fund Earnings Reduce Financing Needs by Approximately $24 Million to $29 Million
This will be discussed line by line in Section 7, "Funding Focus Issue #4 Profile of a $235 Million Project"

Timing

Federal Tax Law is favorable to airport financing
Interest Rates are at historical lows
Bond Insurance is competitively priced
Issuance of Alaska bonds remains light, making AIAS Bonds attractive
Enplanement Performance of Airport is favorable
Cargo Performance of Airport is favorable
Underlying Credits of Airlines are favorable
Financing from Strength is lowest cost
Financing from weakness would be highest cost

SUMMARY SPREADSHEET OF RATES AND CHARGES UNDER FINANCIAL MODELS A, B, C, AND D

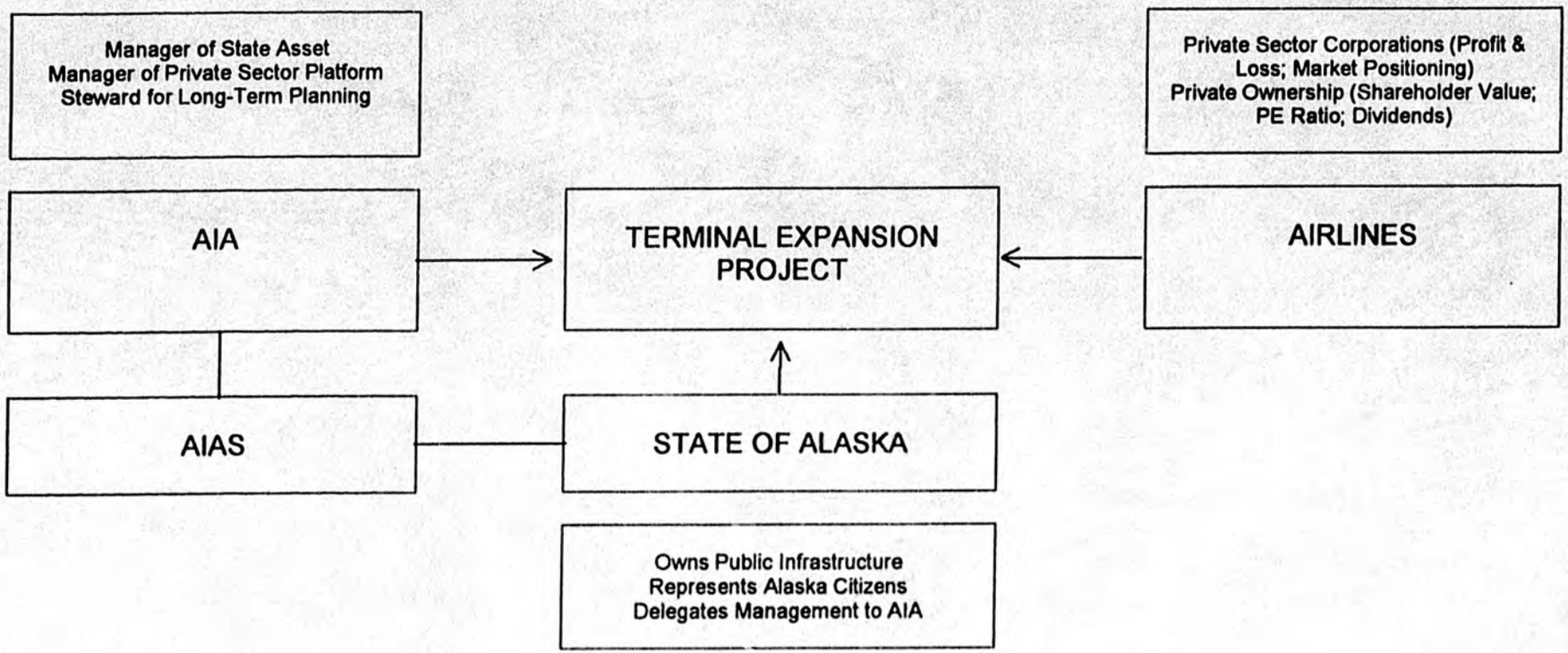
Year	AIA Model A Takeoff Weight Landing Fees	AIA Model B Takeoff Weight Landing Fees	AIA Model C Takeoff Weight Landing Fees	AIA Model D Takeoff Weight Landing Fees	AIA Model A Terminal Rent	AIA Model B Terminal Rent	AIA Model C Terminal Rent	AIA Model D Terminal Rent	AIA Projected Fuel Flowage Fee @ 0% Escalation each year from 1996 Actual ($0.02)
1998	0.62	0.62	0.62	0.62	32.46	32.46	32.46	32.46	0.02
1999	0.69	0.69	0.84	0.84	32.97	32.97	39.64	39.55	0.02
2000	0.68	0.68	1.06	1.05	33.24	33.24	50.68	50.43	0.02
2001	0.77	0.77	0.98	0.97	38.65	38.54	48.48	48.23	0.02
2002	0.95	1.02	0.89	0.95	39.08	51.63	36.76	48.59	0.02
2003	0.93	0.92	0.87	0.87	39.36	39.14	37.03	36.85	0.02
2004	0.91	0.90	0.86	0.85	39.63	39.41	37.31	37.12	0.02
2005	0.89	0.89	0.84	0.83	39.92	39.70	37.60	37.42	0.02
2006	0.87	0.87	0.82	0.82	40.21	39.99	37.89	37.70	0.02
2007	0.85	0.85	0.81	0.80	40.51	40.29	38.19	38.01	0.02
2008	0.84	0.83	0.79	0.78	40.81	40.59	38.50	38.31	0.02
2009	0.82	0.81	0.77	0.77	41.12	40.91	38.81	38.62	0.02
2010	0.80	0.79	0.76	0.75	41.43	41.22	39.12	38.94	0.02
2011	0.80	0.79	0.75	0.75	41.82	41.60	39.51	39.33	0.02
2012	0.79	0.79	0.75	0.75	42.22	42.00	39.91	39.73	0.02
2013	0.79	0.79	0.75	0.75	42.63	42.41	40.32	40.14	0.02
2014	0.79	0.79	0.75	0.75	43.05	42.83	40.75	40.56	0.02
2015	0.79	0.78	0.75	0.75	43.47	43.26	41.17	40.99	0.02
2016	0.78	0.78	0.75	0.74	43.92	43.70	41.62	41.44	0.02
2017	0.74	0.74	0.71	0.70	41.86	41.64	39.57	39.38	0.02
2018	0.74	0.74	0.71	0.70	42.33	42.11	40.04	39.85	0.02
2019	0.74	0.74	0.71	0.70	42.80	42.59	40.52	40.33	0.02
2020	0.74	0.73	0.71	0.70	43.29	43.07	41.01	40.83	0.02
2021	0.74	0.73	0.70	0.70	43.80	43.58	41.52	41.33	0.02
2022	0.73	0.73	0.70	0.70	44.32	44.10	42.04	41.86	0.02
2023	0.73	0.73	0.70	0.70	44.85	44.64	42.58	42.40	0.02

SUMMARY OF ANNUAL PROJECT COSTS CASH FLOW DERIVED FROM BOND ISSUE DEBT SERVICE

	AIA Financial Model A	AIA Financial Model B	AIA Financial Model C	AIA Financial Model D
FY 99 Debt Service	$0	$0	$5,330,929	$5,255,508
FY 00 Debt Service	$0	$0	$13,933,821	$13,739,093
FY 01 Debt Service	$6,072,650	$5,986,795	$13,926,905	$13,729,553
FY 02 Debt Service	$16,388,159	$16,157,994	$13,922,750	$13,727,948
FY 03 Debt Service	$16,380,793	$16,148,879	$13,915,363	$13,718,291
Par Amount	$199,130,000	$196,315,000	$176,045,000	$173,555,000
Total Debt Service Over 25 Years	$379,518,590	$374,149,543	$350,454,465	$345,494,438
Capitalized Interest	24 Months	24 Months	None	None
Concourse C	2001	2002	2001	2002

2

DEFINING THE ISSUE: STAKEHOLDER PERSPECTIVES



SAFETY CAPACITY LEVEL OF SERVICE LONG TERM COMPETITIVE POSITIONING

DEFINING THE OBJECTIVE

The Common Ground of Stakeholder Self-Interests and the Common Interest is at the point where action is in the

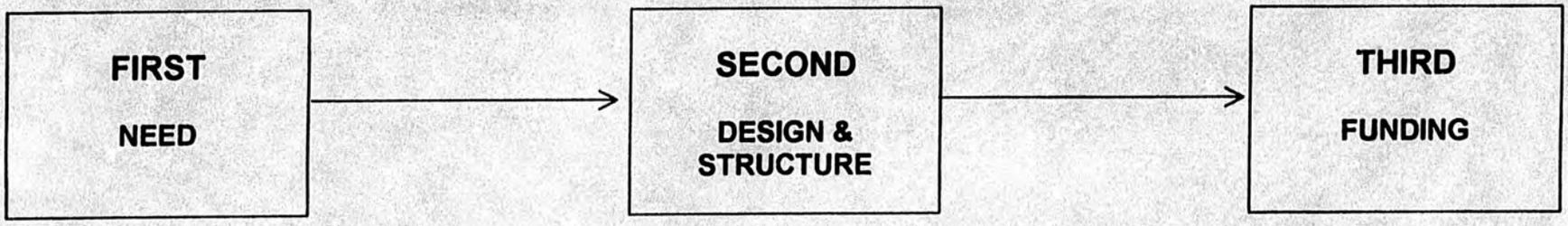
Not Short Term
Not Temporary

Not Temporary Interests
Not Throwaway Projects
Commitment to the Right Answer
Not Simplistic Answers

Not Just AIA
Not Just State of Alaska
Not Just Airlines

The Self-Discipline of Finding the Best Answer that is in the Common Interest

ROLE OF FINANCIAL PLANNING



Level of Deficiency
Needs Assessment

Design Response

Proactive Design

Aggregate Cost Estimating

Cash Flow Cost Sequencing

Cost-Benefit Feedback for Cost Estimating
Cost-Benefit Feedback for Cost Sequencing

Sourcing
Pay As You Go
Financing

FINANCIAL PLANNING

SUPPORT / STUDY

SUPPORT / SHARE

LEADERSHIP

3

FAA BENEFIT COST ANALYSIS (BCA)

We have the benefit of the "June 2, 1997 Draft FAA Airport Benefit-Cost Analysis Guidance"

Section 1.4
"FAA has attempted to present this guidance in a manner that covers both theoretical and practical issues...it is impossible to define a mechanistic blueprint for BCA that would cover all possible situations. Competent professional judgment is indispensable for the preparation of a high-quality analysis."

BCA Considers
- "All" costs related to an output or action or project, regardless of who bears the cost
- "All" benefits resulting from the output or action or project, regardless of who realizes the benefits
- The weight of net benefit to the aviation public

Distinctions made by FAA
- *Benefit Cost Analysis* applies to public investments and is searching for monetary and non-monetary gains
- *Financial Analysis* applies to private investments and considers only the net cash impact on the corporation making the investment
- "It is sometimes assumed that financial analysis should be applied to publicly financed airport projects. However, financial analysis is not appropriate because it does not measure full costs and benefits of projects to the aviation public."

Policy Regarding Off-Airport Impacts

- "...rules out consideration in BCA's of employment or output multipliers that purport to measure the secondary effects of government expenditures in measured social benefits and costs"
- FAA does acknowledge the contributions of airports to regional economic objectives but those considerations are separate from the role of a BCA

In the end, a Benefit Cost Analysis is largely about integrity and thoroughness in the process of consideration of the project.

THE TERMINAL EXPANSION PROGRAM HAS FOLLOWED THE BCA PROCESS SET UP BY FAA

1 (3.1)	Define Project Objectives (and designate the principal objective)	Yes	1. Identify the Need 2. Design reactively to cure deficiencies 3. Design proactively to meet needs assessment 4. Optimize aggregate cost, scheduling and operational impact 5. Optimize funding with Pay As You Go, Grants and Financing Analysis 6. Get to Closure on Program in Timely Way
2 (3.2)	Specify Assumptions (about future airport conditions)	Yes	Needs Assessment for Deficiencies and Growth clearly defined the assumptions about Need and the consequences of inaction The assumptions were fully explained and documented in written and oral reports
3 (3.3)	Identify the Base Case (no investment scenario)	Yes	Included in Needs Assessment Base Case illustrated the continuing deterioration of service levels in the absence of action as well as the accumulating need for a Terminal Project which would become more expensive and disruptive if it were postponed while deficiencies became extreme. The pressure to provide expensive temporary solutions involving wasteful throwaway

			projects would be driven by deficiencies affecting the public and reducing Alaska's attractiveness as a discretionary destination.
4 (3.4)	Identity and Screen Reasonable Investment Alternatives (to meet objectives)	Yes	Exhaustive Design Scenario Options Technical Affairs Committee Meeting Process One on One Operational Issues Meetings In sum, all reasonable ways of achieving the desired objectives were explored.
5 (3.5)	Determine Appropriate Evaluation Period	Yes	Terminal Project has several periods over which the benefits and costs of the Project should be measured 2001 or 2002 for Concourse C Replacement 2005 for current Passenger Growth Segment 2015 for next Passenger Growth Segment 1997 Recommendation is supportive of several approaches to 2015 while at the same time taking a decisive stand for the best interests of 2005. 25 year Amortization Period selected for Bonds is preferable to the 15 year option which also was presented. This Amortization Period is consistent with useful life of financed facility.

6 (3.6)	Establish Reasonable Level of Effort Appropriate to Importance, complexity, number of alternatives, availability of information, sensitivity of net benefits to assumptions, and consequences of incorrect decision	Yes	Task 1, Task 2 and Task 3 incremental progress and thoroughness Thorough Review of Needs, Design, Structure and Funding
7 (3.7)	Identify, Quantify and Evaluate Benefits and Costs Value some benefits and costs in dollars Value some benefits and costs in ranges as needed	Yes	Integrated Financial Planning in Needs Assessment and valued alternatives in dollars and "hard to quantify" considerations Integrated Financial Planning in Design, Cost and Sequencing Phase, including a decisive analysis of one step financing vs. two step funding Leadership of Financial Planning in Funding Phase to merge mathematical and subjective factors
8 (3.8)	Measure Impact of Alternatives on Airport Usage (the dynamic interaction between project benefits and level of airport use)	Yes	FAA BCA for a Terminal Building Capacity Project looks for benefits which the AIA Project delivers: reduced passenger and meter /greeter delay; reduced congestion; improved or shortened pedestrian traffic flows; and quicker unloading of baggage. Project Plan delivers these results. In addition, Landside Access is improved (see Section 10.3.9) Project Plan improves landside access.

9 (3.9)	Compare Benefits and Costs of Alternatives Recognize up-front resources vs. long-term value received; include Net Present Value consideration	Yes	Integration of Financial Planning in Design, Cost and Sequencing was explicitly on point in making comparisons Exhaustive review of Design alternatives Direct Evaluation of funding choices including Pay As You Go vs. Financing Costs are presented in 1997 Constant dollars and then are separately translated into escalated dollars using 3% assumption
10 (3.10)	Perform Sensitivity Analysis (measure changes in assumptions)	Yes	Every Phase had intensive Sensitivity Analysis Need Design and Structuring Funding The process was characterized by discussion, suggestions, careful review of assumptions, and the pursuit of informal consensus as a way of assuring that suggestions received proper consideration. This financial report contains several financial models which are designed to illustrate the sensitivity of 2001 vs. 2002 for C completion, for example, or including vs. excluding capitalized interest.

11 (3.11)	Make Recommendations (concerning the proposed objective)	Yes	The Terminal Expansion Program has had a decision deliverable; this is not a study to go "on the shelf" The Airport – Airline process has a timetable and decision process.

Result of FAA Benefit - Cost Analysis is "Decisions"
Result of Decisions is Accountability

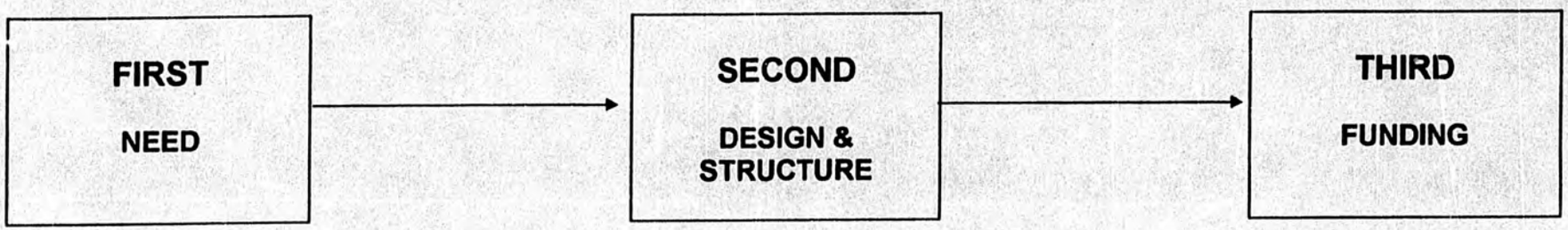
"The Decisions of the Private Sector Deliver Profit and Loss"
"The Decisions of Government Deliver Policy"

Private Sector Profit and Loss DECISIONS		Public Sector Policy DECISIONS	
Examples:	Fleet Purchasing / Leasing Fleet Makeup Strategy Systems Design and Investments Partnering Decisions	Examples:	Budget Priorities Project Choices

Market ACCOUNTABILITY		Constituency ACCOUNTABILITY	
Examples:	Price / Earnings Ratios Customer Utilization Decisions and Choices	Examples:	Citizens Vote Business Environment – Stay / Move /Grow

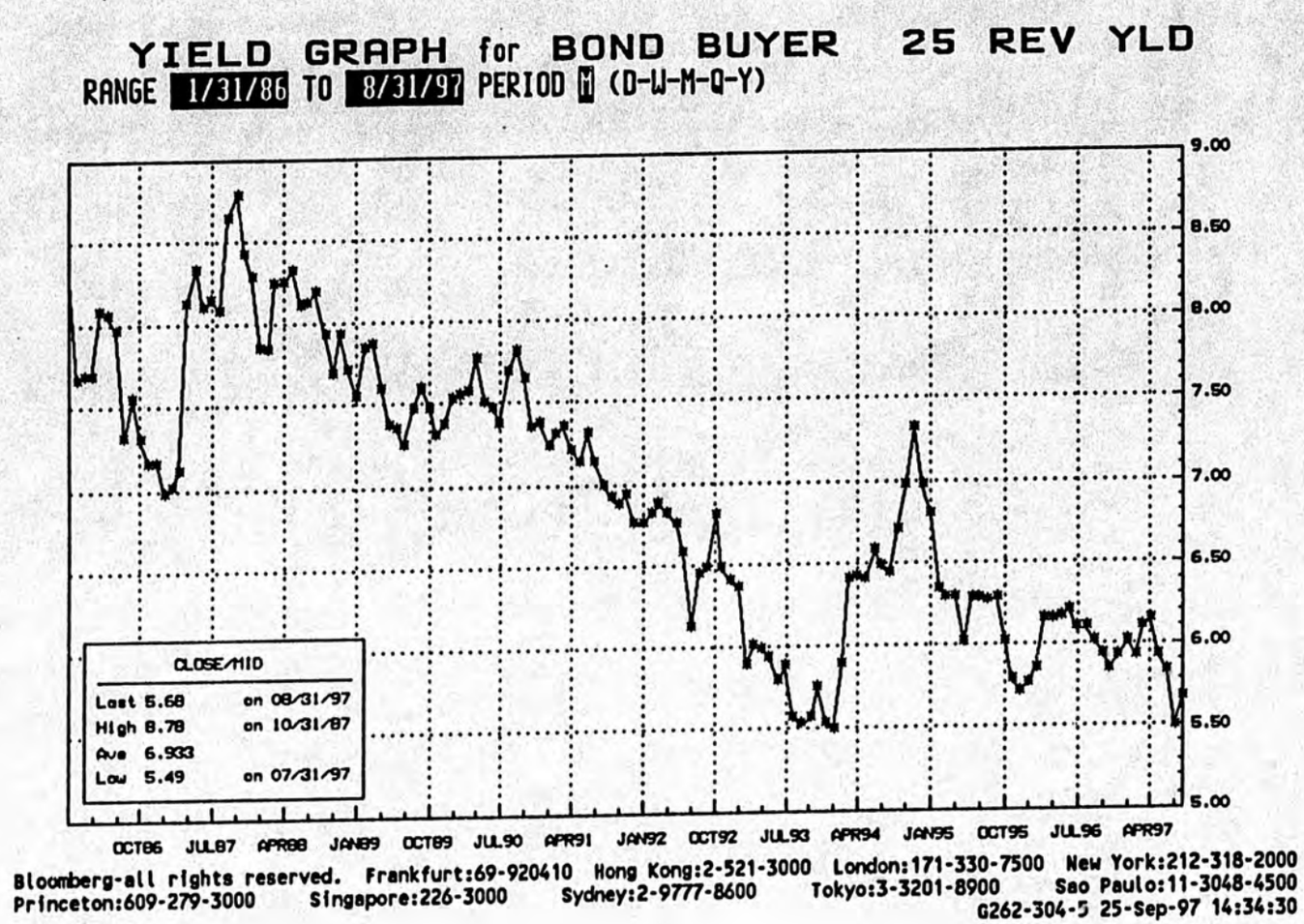
4

Funding Focus Issue #1
Pay As You Go vs. Financing



- **PAY AS YOU GO VS. FINANICNG**

1. Relative Value of Tax-Exempt Financing vs. Private Sector Funding from Airline Credit Sources (Spread between Municipals and Treasuries)
2. Implications of Airline Operating Agreement Amortization Provisions


YIELD GRAPH for BOND BUYER 25 REV YLD
RANGE 1/31/86 TO 8/31/97 PERIOD M (D-W-M-Q-Y)
9.00
8.50
8.00
7.50
7.00
6.50
6.00
5.50
5.00
CLOSE/MID
Last 5.68 on 08/31/97
High 8.78 on 10/31/87
Ave 6.933
Low 5.49 on 07/31/97
OCT86 JUL87 APR88 JAN89 OCT89 JUL90 APR91 JAN92 OCT92 JUL93 APR94 JAN95 OCT95 JUL96 APR97
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Princeton:609-279-3000 Singapore:226-3000 Sydney:2-9777-8600 Tokyo:3-3201-8900 Sao Paulo:11-3048-4500
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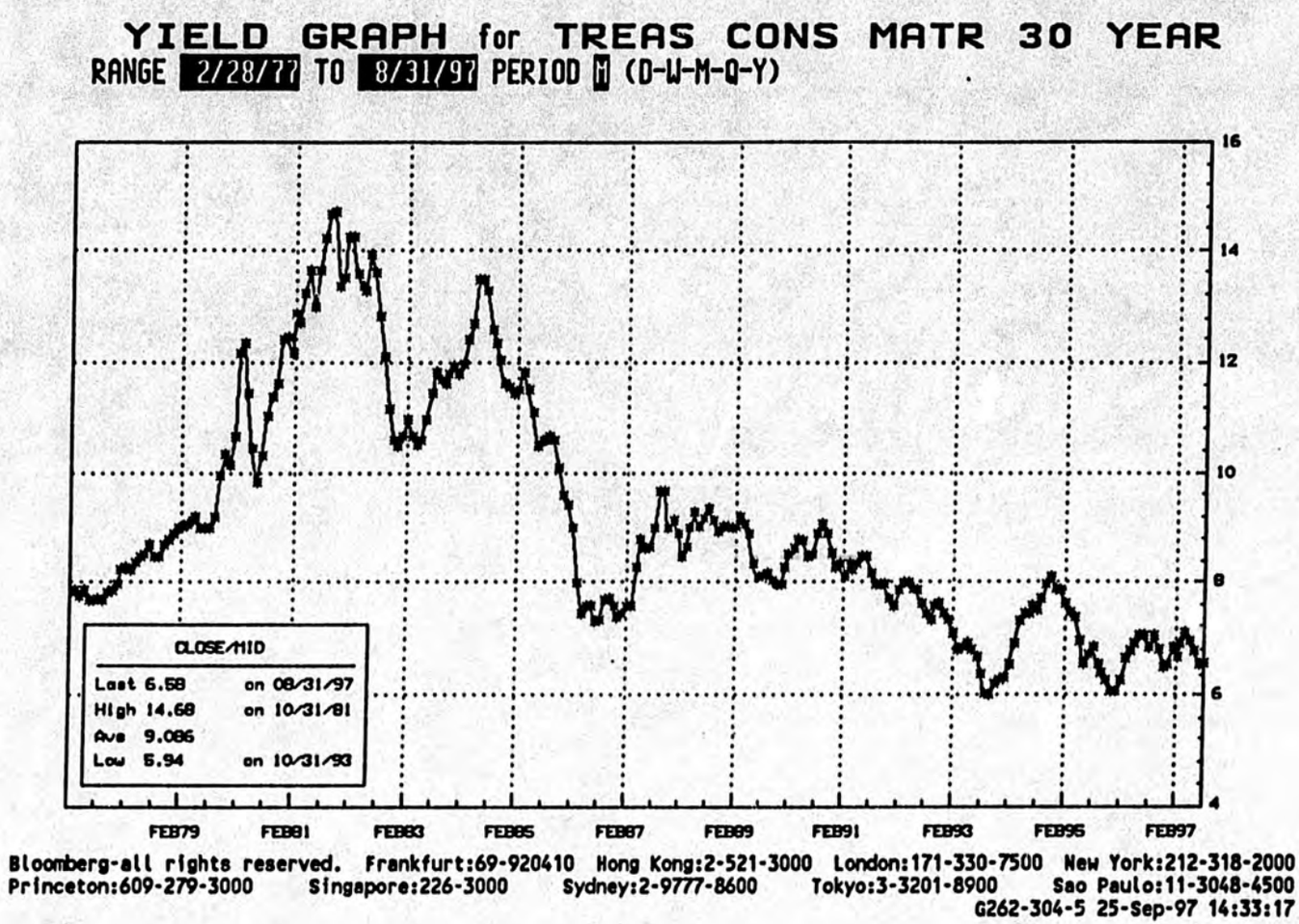

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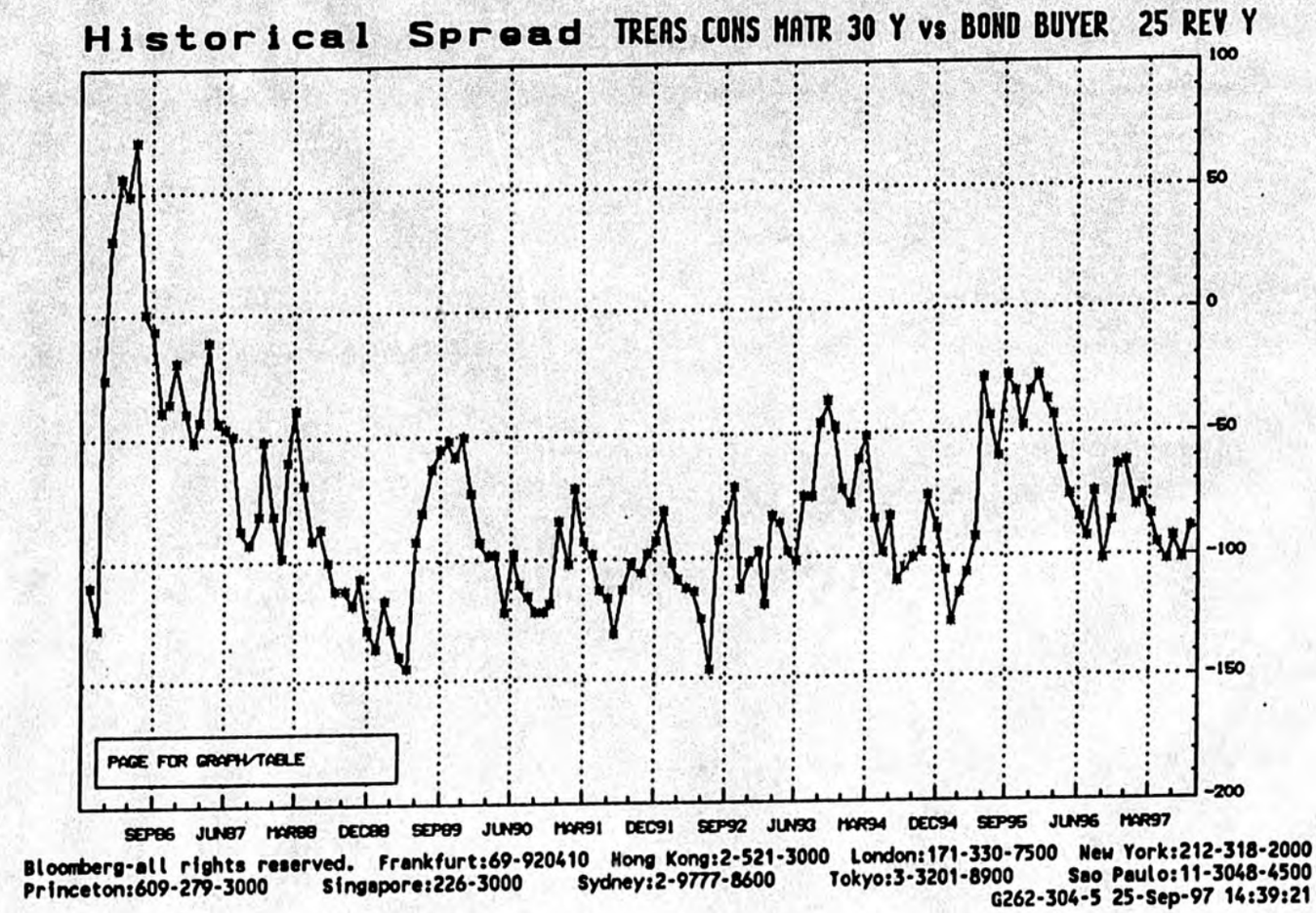
Historical Spread TREAS CONS MATR 30 Y vs BOND BUYER 25 REV Y
100
50
0
-50
-100
-150
-200
PAGE FOR GRAPH/TABLE
SEP86 JUN87 MAR88 DEC88 SEP89 JUN90 MAR91 DEC91 SEP92 JUN93 MAR94 DEC94 SEP95 JUN96 MAR97
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Princeton:609-279-3000 Singapore:226-3000 Sydney:2-9777-8600 Tokyo:3-3201-8900 Sao Paulo:11-3048-4500
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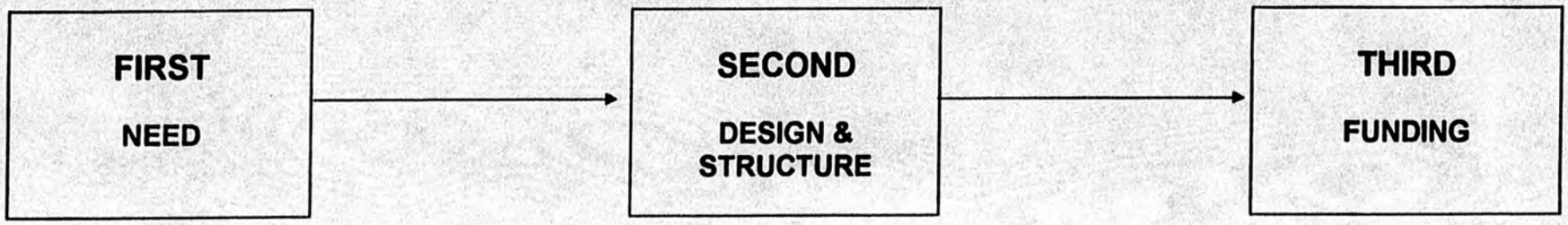
5

Funding Focus Issue #2
Structuring and Funding Should Be Done in One Step



- Pay As You Go vs. Financing
- **STRUCTURE AND FINANCE AS ONE STEP**

The Terminal Project Should Be Structured and Financed as One Step

First, it should be recognized that the Project and the Financing go hand in hand. A long and drawn-out Project will require multiple financing components to support it. A concise and condensed Project implementation will support a single financing effort or at least a single large financing with smaller completion financings as needed.

The discussion below will focus on the major risk factors which are created when a bond financing is divided. In addition, however, it should be noted that:

- Bringing the Terminal on line in a concise time period allows additional concession revenues to begin sooner, which benefits airlines under the residual agreement.
- An accelerated project implementation schedule assists the airlines in avoiding disruption to their businesses.
- The Public Nature of AIA and the business needs of the airlines argue for a minimum disruption period.
- Construction Costs and Sequencing are better controlled if the Project has momentum and final completion is the central objective.

Cost and Risk Considerations of One or Two Bond Issues

There would be duplication of costs which would require double-payment if two bond issues were utilized. Some examples would be:

Counsel to Participants

- Bond Counsel to the State and AIAS
- Counsel to the Underwriter
- Counsel to the Bond Insurer
- Trustee Counsel

Marketing and Administration Expenses for the Issue

- Preliminary and Final Official Statements
- Information Meeting Expenses (relating to meetings which would be held with major market investors in Chicago, New York and Boston in preparation for selling the bonds)
- AIA time, expenses and allocated costs of transaction
- State (Department. of Revenue) time, expenses and allocated costs of transaction

While these factors are significant (and cannot be measured only in dollars when you consider administrative time, focus and opportunity cost), the largest economic factors of a second bond issue relate to the fact that at the mid-point of the construction, with full mobilization and activity, AIAS would be going back to market without market timing flexibility.

The impact of an unfavorable market could be mitigated at that time with a short-term issue to buy time for the second leg of the long-term structure, but that would add yet a third transaction to a process which could have been done once (in

whole) at the front-end if that were the structuring decision. The alternative of passively accepting the terms of the market at the time AIAS went for the second bond issue would mean AIAS and the airport's rates and charges bases would absorb the risk of interest rate movements.

While rates move for many reasons, airport bonds are particularly subject to at least the following interest rate drivers:

General Market Conditions

- domestic drivers such as inflation, unemployment, rate of growth etc. which the Federal Reserve seeks to influence
- volatility in the stock market which has a chain reaction on the bond market under certain circumstances
- international political events which can cause either fear of negative developments (i.e., Iraq and Kuwait) or uncertainty (i.e., a political crackdown in Hong Kong or an escalation between North and South Korea are current examples)

Impact of Airline Industry

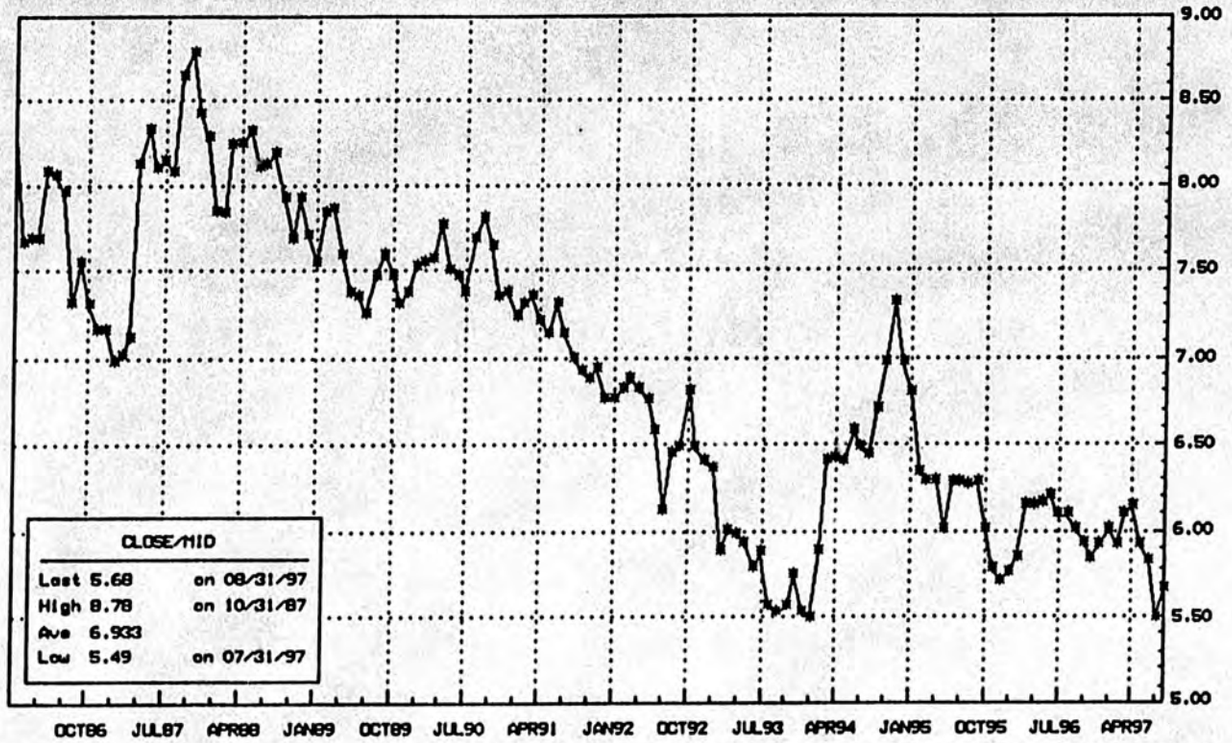
- airline industry is performing well at this time, but we all know that it is cyclical, it can be volatile on a case by case basis if there are special situations, and it is subject to the unpredictable forces of deregulation, competition, safety, and globalization
- any weakness in perception or reality of the airlines would affect airport bonds

In summary, if the market is attractive at the time AIAS needs financing, and if the structure allows AIAS to do the financing as a one-time deliverable of a long-term structure, such an approach would minimize exposure to duplicate costs and risks outside the control of AIAS or the State of Alaska. Such an approval also would reduce the risk to the airlines of higher financing costs at the mid-point of construction.

Illustration of Sensitivity of 150 Basis Points on a $100 Million Level Debt Service Structure

	Base Case	Base Case Plus 150 Basis Points
Avg. Full Year Debt Service	$8,523,258	$9,920,427
Max. Full Year Debt Service	$8,526,355	$9,923,057
Total Interest Paid Over Term of Issue	$106,256,472	$139,555,680
Average Coupon	6.24%	7.76%

YIELD GRAPH for BOND BUYER 25 REV YLD
RANGE 1/31/86 TO 8/31/97 PERIOD M (D-W-M-Q-Y)



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Princeton:609-279-3000 Singapore:226-3000 Sydney:2-9777-8600 Tokyo:3-3201-8900 Sao Paulo:11-3048-4500
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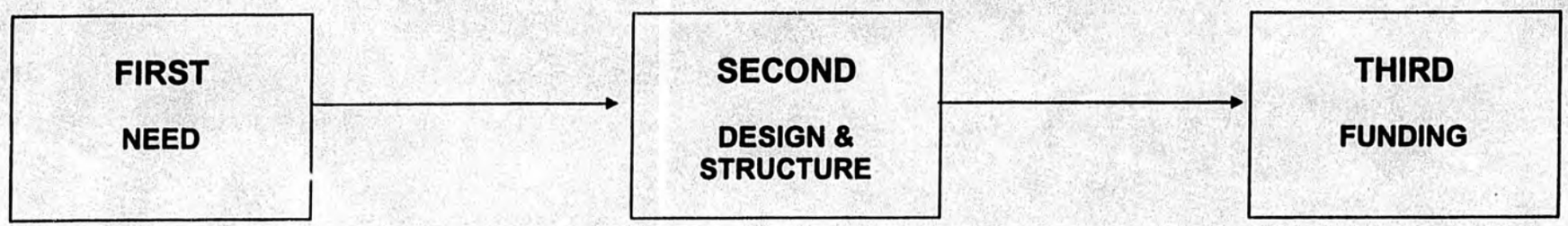
6

Funding Focus Issue #3
Rates and Charges is a "Cash Flow Issue"



- Pay As You Go vs. Financing
- Structure and Finance as One Step
- **RATES AND CHARGES IS A "CASH FLOW ISSUE"**

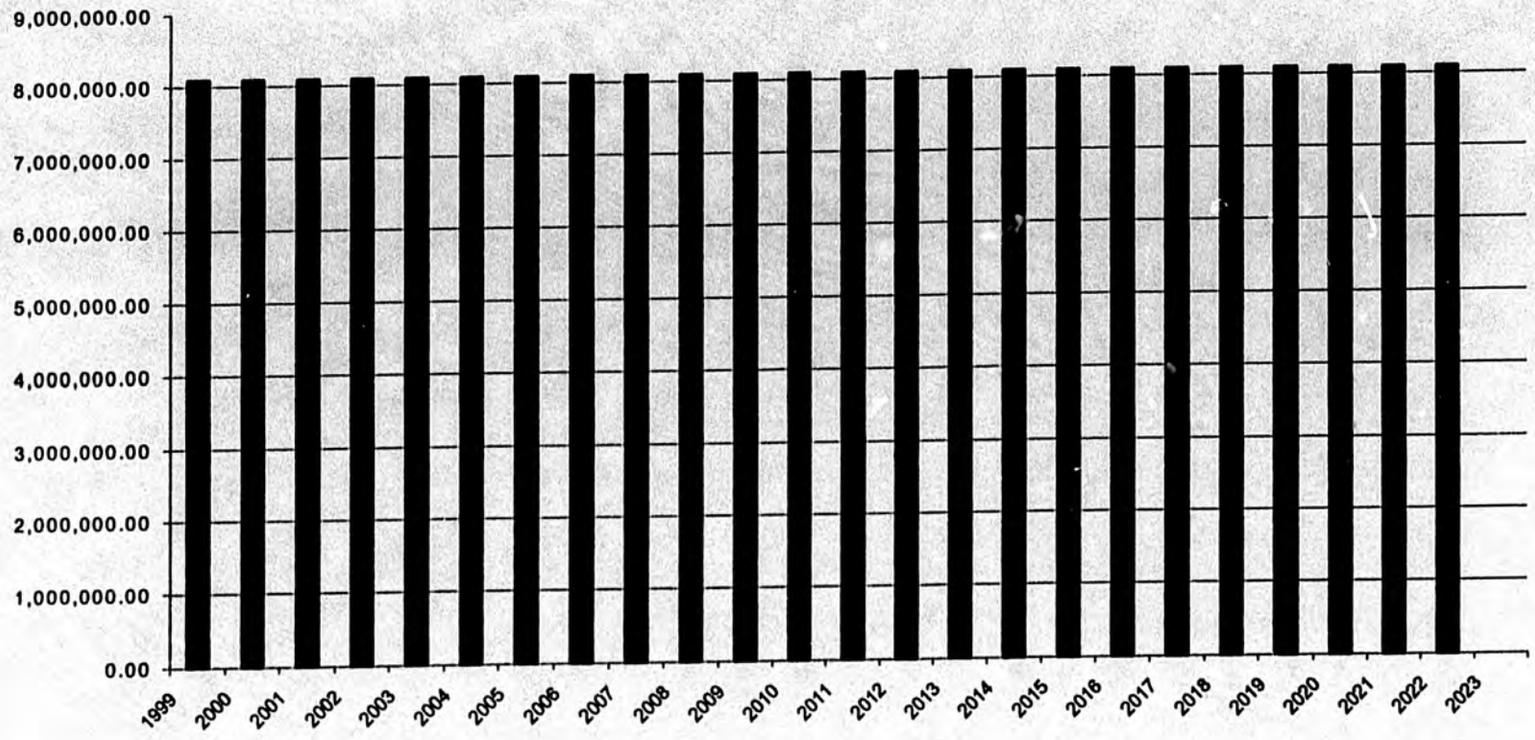
Illustration One: Total Debt Service Level Each Year

$100 Million Project Fund Amortized Over 25 Years

Par Amount of Bonds	**$106,825,000**
Average Full Year Debt Service	**$8,523,258**
Maximum Full Year Debt Service	**$8,526,355**
Average Life of Bonds	**15.928 Years**
Total Interest Over Term of Issue	**$106,256,472**

Strengths of Illustration One Approach	Weaknesses of Illustration One Approach
• Level Debt Service facilitates long-term planning because it creates a consistent base	• As compared to front-loaded debt service, level debt does restrict debt capacity in the future to a greater degree
• Average Life of debt is substantially less than face term of bonds	• Level debt pushes principal payments to later years, with a concurrent effect on the balance sheet
• Effect of inflation is to reduce the fixed debt's impact on various airport and airline financial rates, charges and ratios	• More principal is subject to the long end of the yield curve, with its associated higher interest rates

Level Debt Service for $100 Million Project
Annual Net Debt Service



Note: Debt Service Reserve Fund pays last maturity.

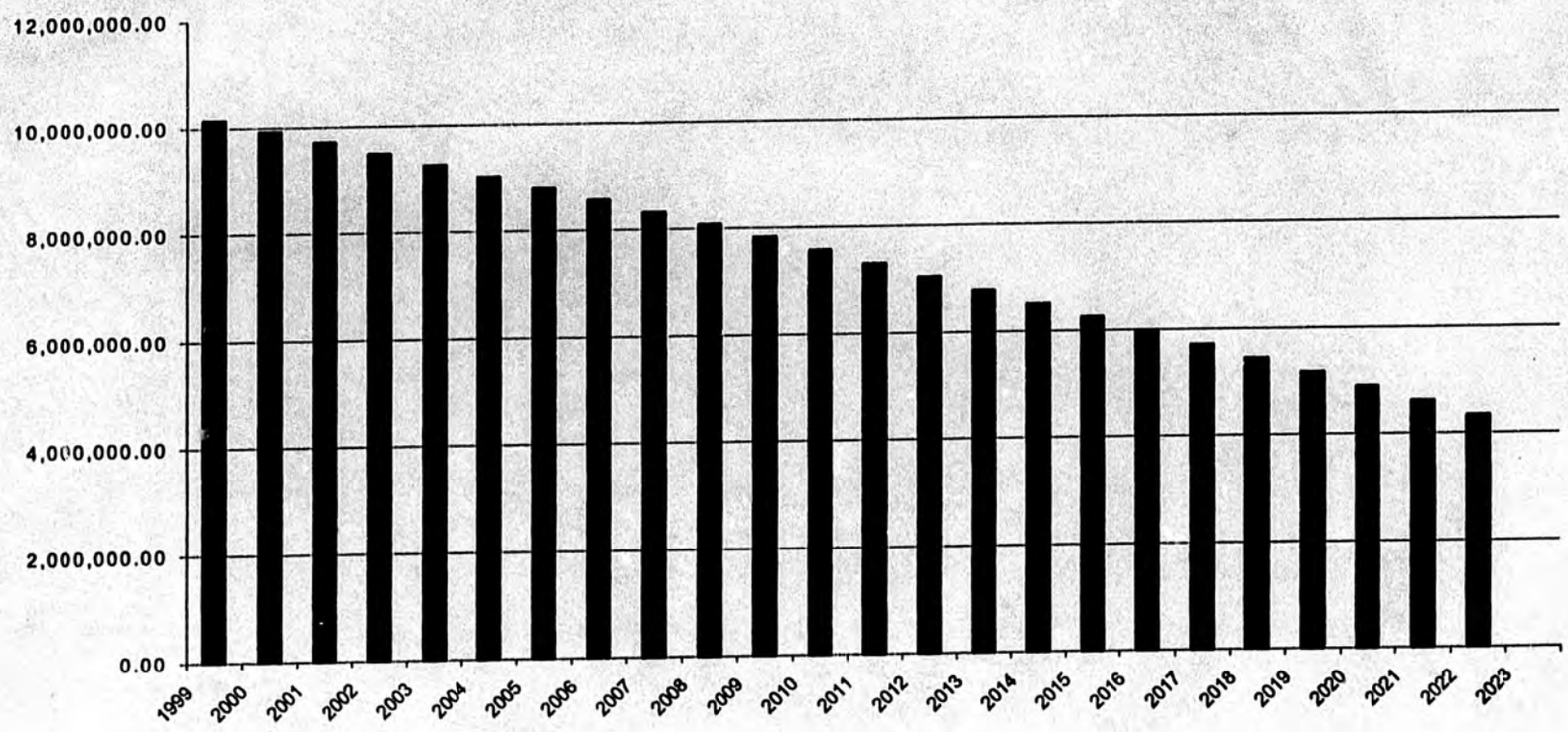
Illustration Two: Principal Only Level Each Year
(Interest and Total Debt Service not level)

$100 Million Project Fund Amortized Over 25 Years

Par Amount of Bonds	**$107,800,000**
Average Full Year Debt Service	**$7,760,342**
Maximum Full Year Debt Service	**$10,670,610**
Average Life of Bonds	**12.997 Years**
Total Interest Over Term of Issue	**$86,208,552**

Strengths of Illustration Two Approach	Weaknesses of Illustration Two Approach
• Front-loaded debt service creates the window of debt capacity in later years • Principal is concentrated in the short end of the yield curve with lower interest rates	• Disconnect between principal and interest ignores the reality of cash flow paid out, which is what drives the cost for the airlines • Amortization is not level and present value of dollars paid out could be unattractive to airlines as corporate finance matter • Balance sheet benefits of faster amortization are not relevant to the State as a governmental body (although AIAS is accountable as an enterprise fund)

Level Principal for $100 Million Project
Annual Net Debt Service



Note: Debt Service Reserve Fund pays last maturity.

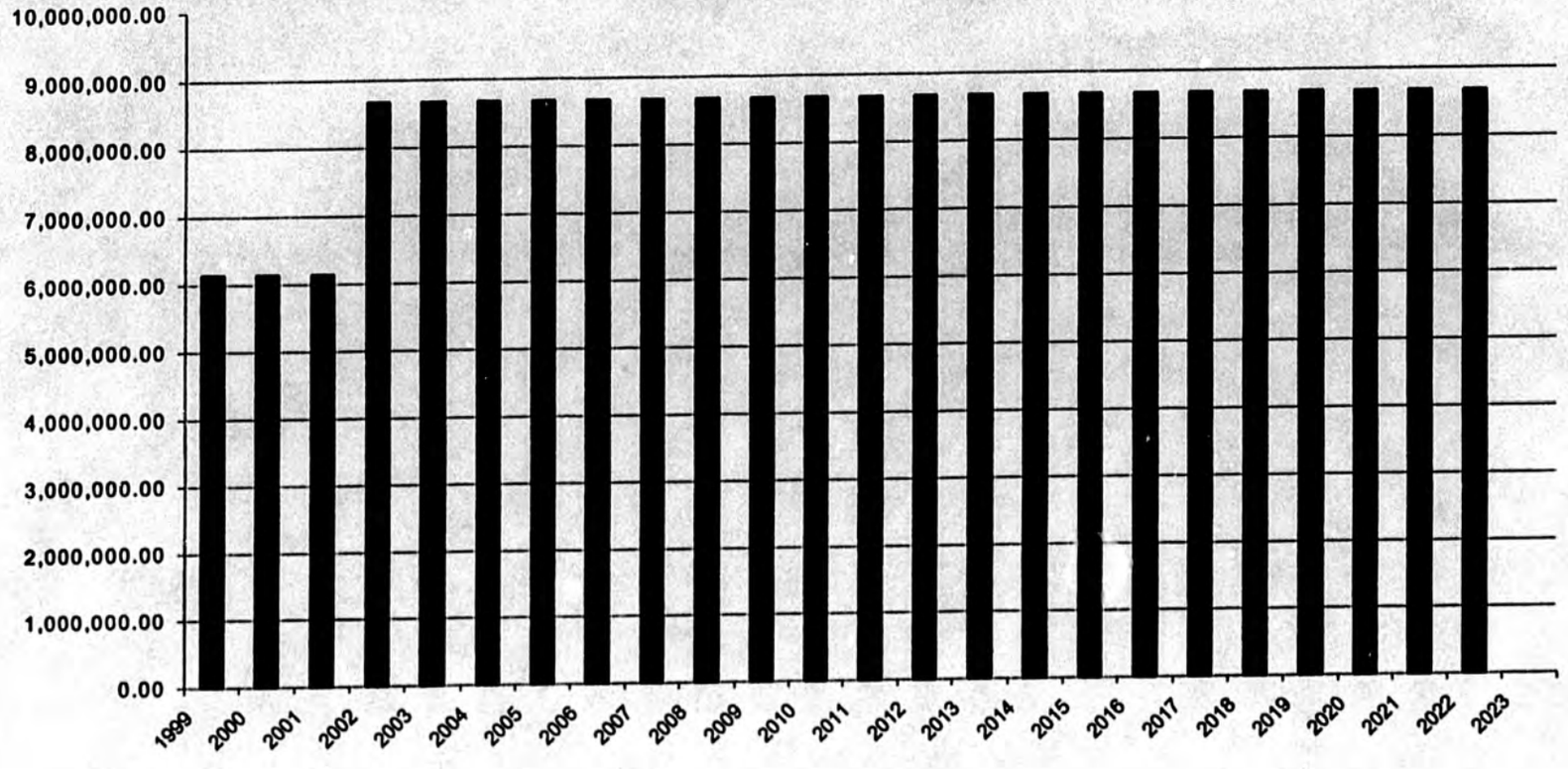
Illustration Three: Three Year Window
(Interest Only for Three Years; Then Level Debt Service Each Year to Maturity)

$100 Million Project Fund Amortized Over 25 Years

Par Amount of Bonds	**$107,480,000**
Average Full Year Debt Service	**$8,820,534**
Maximum Full Year Debt Service	**$9,125,240**
Average Life of Bonds	**16.816 Years**
Total Interest Over Term of Issue	**$113,033,350**

Strengths of Illustration Three Approach	Weaknesses of Illustration Three Approach
• Corporate Finance perspective of airlines links new facilities In Service Date to new facilities cost impact • Maximum Utilization of tax-exempt financing opportunity by deferring repayment of low interest money • Level Debt Service structure after Capitalized Interest Period (see Illustration One above)	• Rating Agencies and Credit Analysts do not like to see deferral of principal unless there is a compelling business reason • Period of Capitalized Interest also is the lowest cost of funds on the yield curve and the structure does not take advantage of those low rates • Level Debt Service structure after Capitalized Interest Period (see Illustration One above)

Interest Only - 3 Year Window for $100 Million Project
Annual Net Debt Service



Note: Debt Service Reserve Fund pays last maturity

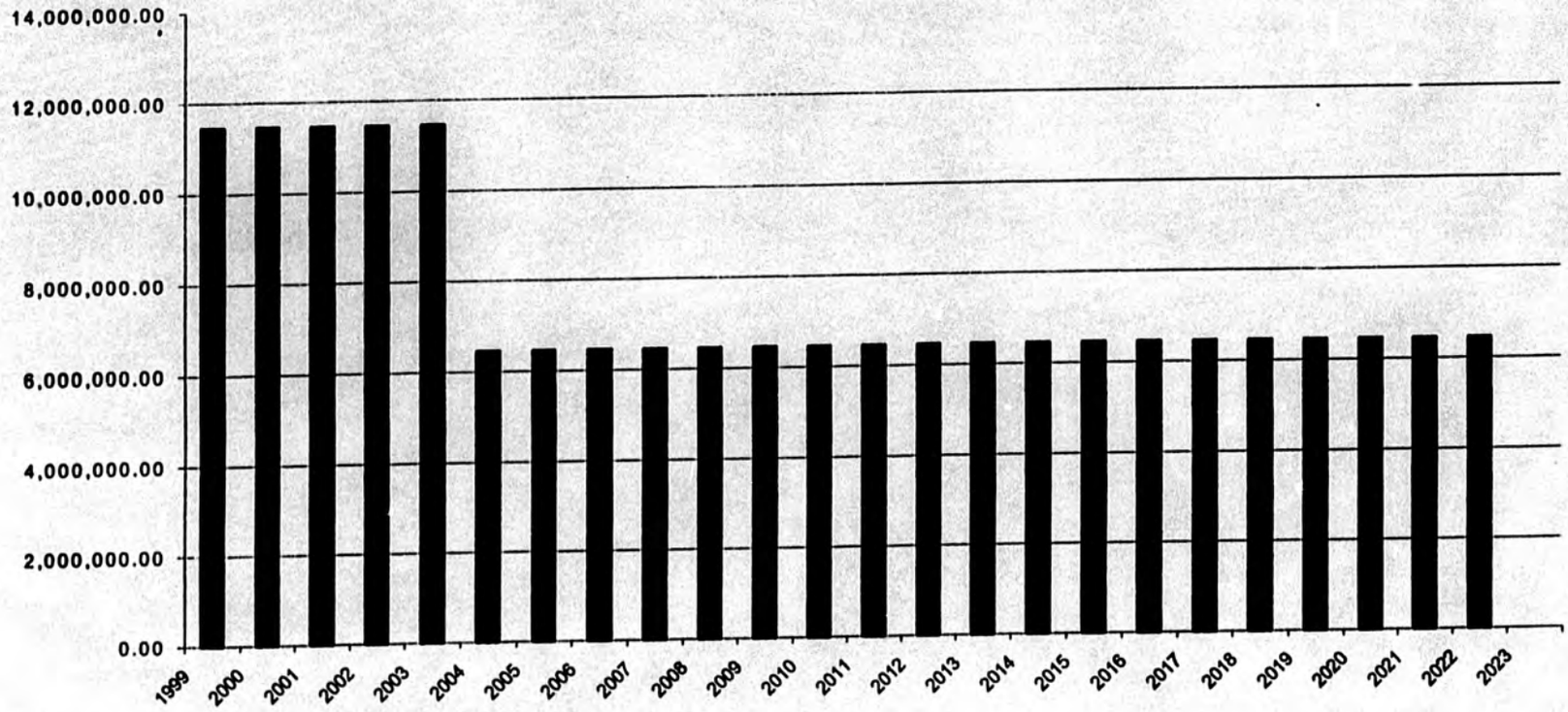
Illustration Four: Stepped Down Principal
($12 Million Debt Service Annually for Five Years; $7 Million Debt Service Annually for Remaining 20 Years)

$100 Million Project Fund Amortized Over 25 Years

Par Amount of Bonds	**$109,170,000**
Average Full Year Debt Service	**$7,984,738**
Maximum Full Year Debt Service	**$11,999,827**
Average Life of Bonds	**13.37 Years**
Total Interest Over Term of Issue	**$90,448,455**

Strengths of Illustration Four Approach	Weaknesses of Illustration Four Approach
• Uses financing as a leveling-out or bridge in what is really a "pay as you go" funding structure • Concentration of debt in early years uses the short end of the yield curve	• Massive Front-Loading of Debt Service rarely is feasible on a project of this magnitude • Does not utilize the low cost of capital of the tax-exempt market to minimize cost of project

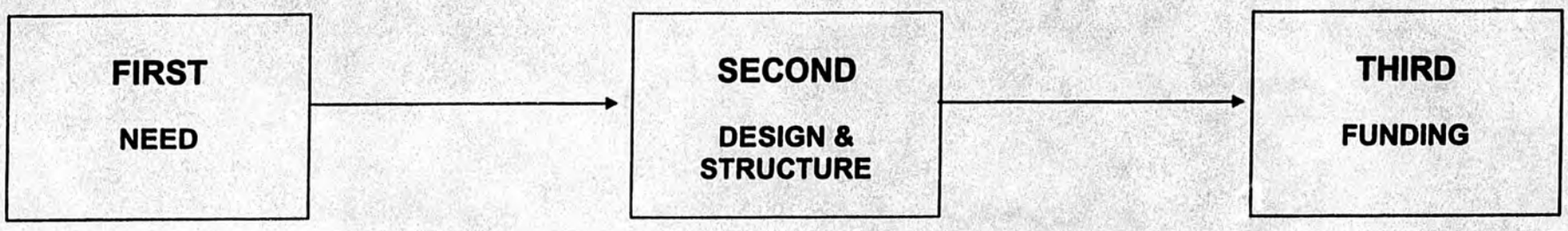
Step Down Debt Service for $100 Million Project
Annual Net Debt Service



Note: Debt Service Reserve Fund pays last maturity.

7

Funding Focus Issue #4
Profile of a $235 Million Project



- Pay As You Go vs. Financing
- Structure and Finance as One Step
- Rates and Charges is a "Cash Flow Issue"
- **PROFILE OF A $235 MILLION PROJECT**

Financial Model Summary Pages
Full Financial Models in Volume II
Performance of Model vs. National Benchmarks

ANCHORAGE INTERNATIONAL AIRPORT - TERMINAL FINANCIAL PLANNING MODEL

Level A – Probability-Adjusted Pro-Forma Output

Title	Schedule
Passenger Forecasts	A-1.0
Cargo Forecasts (Inactive)	A-2.0
Operating Revenues, Expenses, and Net Cash Flow	A-3.0
Summary Unit Results	A-4.0
Probability Statistics (Inactive)	A-5.0

Level B – Model Input (Operations)

Airport Operations		Operating Revenues		Operating Expenses	
Title	Schedule	Title	Schedule	Title	Schedule
Passenger Projections	B-1.1	Airline Rates & Fees Projections	B-2.1	O & M Expense Projections	B-3.1
		Terminal Rent Calculations	B-2.1a	O & M Allocations Calculations	B-3.1a
		Landing Fee Calculations	B-2.1b	FIA Fund Transfer Projections	B-3.2
		Non-Airline Revenue Projections	B-2.2		
		Miscellaneous Revenue Projections (Inactive)	B-2.3		

(1) Probability Adjusted Simulations

(2) Line-by-Line Projections

(3) Inflation Assumption Override Projections

Level C – Model Input (AIA Terminal Expansion)

Title	Schedule
Phase I – FY 99	C-1.1
Phase II – FY 2000 (Inactive)	C-1.2
Collateral Impacts (Inactive)	C-1.3

Global Estimates

Note: This chart is included for illustration purposes and uses the Example of Financial Model A (2001 Completion of Concourse C and 2003 Project Completion. See Volume II, Tab A for exact numbers.

	Additions in $	Subtractions in $	Net in $
Cost of Project in 1997 Dollars	191,000,000		
Fiscal Year 1998 Allocated Funds		6,400,000	
3% Escalation per Cash Flows (range 17-20MM)	16,500,000		
24 Months Capitalized Interest	22,500,000		
Credit Construction Fund Earnings (Years 1-6)		24,000,000	
Financing Costs Including Bond Insurance	5,000,000		
CORE FINANCING	**Total Additions 235,000,000**	**Sub-Total Subtractions 30,400,000**	**204,600,000**
Optional Adjustment: Take Out Capitalized Interest		22,500,000	
ADJUSTED WITHOUT CAPITALIZED INTEREST		**Total Subtractions 52,900,000**	**182,100,000**

AIA Passenger Terminal Expansion Program
Cash Flow Capital Costs with 3% Escalation
Construction Scenario 2001

Cash Flow Line	1998	1999	2000	2001	2002	2003	
6.4	6.4						
19.8	19.8	20.4					
52.2	52.2	53.8	55.4				
52.5	52.5	54.1	55.7	57.4			
46.3	46.3	47.7	49.1	50.6	52.1		
13.7	13.7	14.1	14.5	15.0	15.4	15.9	
190.9	**6.4**	**20.4**	**55.4**	**57.4**	**52.1**	**15.9**	**207.5 TOTAL**

AIA Passenger Terminal Expansion Program
Cash Flow Capital Costs with 3% Escalation
Construction Scenario 2002

Cash Flow Line	1998	1999	2000	2001	2002	2003	2004	
6.4	6.4							
22.0	22.0	22.7						
32.8	32.8	33.8	34.8					
41.4	41.4	42.6	43.9	45.2				
43.2	43.2	44.5	45.8	47.2	48.6			
32.0	32.0	33.0	33.9	35.0	36.0	37.1		
13.1	13.1	13.5	13.9	14.3	14.7	15.2	15.6	
190.9	**6.4**	**22.7**	**34.8**	**45.2**	**48.6**	**37.1**	**15.6**	**210.5 TOTAL**

Financial Model Key Assumptions and Observations

- Assumptions for Passenger Growth follow Needs Assessment percentages; See Schedule B-1.1 for detail
- Assumptions for Cargo Growth are incorporated into Takeoff Weights that key off Passenger Growth percentages (which are lower than passenger projections); 4% FY 99 through FY 2010; 3% thereafter
- Assumptions for Concessions follow Projections; see Schedule B-2.2 for detail
- Note significance of increased square footage in keeping terminal rents lower; in Financial Models C and D (without capitalized interest) the debt service comes on line before the new C Concourse and Terminal Rents reflect a temporary upward move until new square footage is activated; similar impact on Financial Models B and D which use the FY 2002 C Concourse completion rather than the FY 2001 completion; Financial Model A gets the new square footage on line before full year debt service is effective
- Financial Model matches Rates and Charges Model exactly on FY98 Terminal Rents and Landing Fees (FY 98 is the first year that the Financial Model and the Rates and Charges Model evaluated the same data simultaneously)
- Rates and Charges Model focuses on next FY but does not represent to address out years in detail and does not run bond simulations

- Financial Model focuses on full term of financing and incorporates financing simulations

- Financial Model uses actual results for FY 96 and May 1997 estimates for FY 97 – as compared to Rates and Charges Model for those periods which used conservative forward estimates as of May 1995 for FY 96 and May 1996 for FY 97. Actual performance exceeded estimates, particularly in FY 97; See Schedule B-2.1b for detail

- Note state of transition during FY 99 through first Fiscal Year after completion of C Concourse (2002 for 2001 Completion or 2003 for 2002 Completion) detracts from Financial Model projections. These areas are marked with a box on Schedules A-4.0 and B-2.1a

- Construction Fund earnings at 6% are major source of revenue ($23 to $29 MM under various Models); current Treasury rates are approximately 5.5% for one year and 6% for five years

- Interest Rates include AMT factor of 10 basis points and a market escalation of 75 basis points. Interest rates now are at historical lows as reflected in Tab 4

- Terminal Rents, Landing Fees and Fuel Flowage Rates compare favorably with national averages; see Tab 7 for detail

AIA Model vs. AAAE on Terminal Rents at Medium Hub Airports

Year	AAAE Medium Hub Counter Space @ 3% Escalation each year from 1996 Actual ($45.52)	AAAE Medium Hub Passenger Office Space @ 3% Escalation each year from 1996 Actual ($38.30)	AAAE Medium Hub Cargo Office Space @ 3% Escalation each year from 1996 Actual ($15.51)	AIA Model A Terminal Rent	AIA Model B Terminal Rent	AIA Model C Terminal Rent	AIA Model D Terminal Rent
1998	46.89	39.45	15.98	32.46	32.46	32.46	32.46
1999	48.29	40.63	16.45	32.97	32.97	39.64	39.55
2000	49.74	41.85	16.95	33.24	33.24	50.68	50.43
2001	51.23	43.11	17.46	38.65	38.54	48.48	48.23
2002	52.77	44.40	17.98	39.08	51.63	36.76	48.59
2003	54.35	45.73	18.52	39.36	39.14	37.03	36.85
2004	55.98	47.10	19.08	39.63	39.41	37.31	37.12
2005	57.66	48.52	19.65	39.92	39.70	37.60	37.42
2006	59.39	49.97	20.24	40.21	39.99	37.89	37.70
2007	61.18	51.47	20.84	40.51	40.29	38.19	38.01
2008	63.01	53.02	21.47	40.81	40.59	38.50	38.31
2009	64.90	54.61	22.11	41.12	40.91	38.81	38.62
2010	66.85	56.24	22.78	41.43	41.22	39.12	38.94
2011	68.85	57.93	23.46	41.82	41.60	39.51	39.33
2012	70.92	59.67	24.16	42.22	42.00	39.91	39.73
2013	73.05	61.46	24.89	42.63	42.41	40.32	40.14
2014	75.24	63.30	25.64	43.05	42.83	40.75	40.56
2015	77.49	65.20	26.40	43.47	43.26	41.17	40.99
2016	79.82	67.16	27.20	43.92	43.70	41.62	41.44
2017	82.21	69.17	28.01	41.86	41.64	39.57	39.38
2018	84.68	71.25	28.85	42.33	42.11	40.04	39.85
2019	87.22	73.39	29.72	42.80	42.59	40.52	40.33
2020	89.84	75.59	30.61	43.29	43.07	41.01	40.83
2021	92.53	77.86	31.53	43.80	43.58	41.52	41.33
2022	95.31	80.19	32.47	44.32	44.10	42.04	41.86
2023	98.17	82.60	33.45	44.85	44.64	42.58	42.40

AIA Model vs. AAAE on Terminal Rents at Large Hub Airports

Year	AAAE Large Hub Counter Space @ 3% Escalation each year from 1996 Actual ($57.88)	AAAE Large Hub Passenger Office Space @ 3% Escalation each year from 1996 Actual ($47.86)	AAAE Large Hub Cargo Office Space @ 3% Escalation each year from 1996 Actual ($11.20)	AIA Model A Terminal Rent	AIA Model B Terminal Rent	AIA Model C Terminal Rent	AIA Model D Terminal Rent
1998	59.62	49.30	11.54	32.46	32.46	32.46	32.46
1999	61.40	50.77	11.88	32.97	32.97	39.64	39.55
2000	63.25	52.30	12.24	33.24	33.24	50.68	50.43
2001	65.14	53.87	12.61	38.65	38.54	48.48	48.23
2002	67.10	55.48	12.98	39.08	51.63	36.76	48.59
2003	69.11	57.15	13.37	39.36	39.14	37.03	36.85
2004	71.19	58.86	13.77	39.63	39.41	37.31	37.12
2005	73.32	60.63	14.19	39.92	39.70	37.60	37.42
2006	75.52	62.45	14.61	40.21	39.99	37.89	37.70
2007	77.79	64.32	15.05	40.51	40.29	38.19	38.01
2008	80.12	66.25	15.50	40.81	40.59	38.50	38.31
2009	82.52	68.24	15.97	41.12	40.91	38.81	38.62
2010	85.00	70.28	16.45	41.43	41.22	39.12	38.94
2011	87.55	72.39	16.94	41.82	41.60	39.51	39.33
2012	90.18	74.56	17.45	42.22	42.00	39.91	39.73
2013	92.88	76.80	17.97	42.63	42.41	40.32	40.14
2014	95.67	79.11	18.51	43.05	42.83	40.75	40.56
2015	98.54	81.48	19.07	43.47	43.26	41.17	40.99
2016	101.49	83.92	19.64	43.92	43.70	41.62	41.44
2017	104.54	86.44	20.23	41.86	41.64	39.57	39.38
2018	107.67	89.03	20.84	42.33	42.11	40.04	39.85
2019	110.90	91.70	21.46	42.80	42.59	40.52	40.33
2020	114.23	94.46	22.10	43.29	43.07	41.01	40.83
2021	117.66	97.29	22.77	43.80	43.58	41.52	41.33
2022	121.19	100.21	23.45	44.32	44.10	42.04	41.86
2023	124.82	103.21	24.15	44.85	44.64	42.58	42.40

AIA Model vs. AAAE on Landing Fees at Medium Hub Airports

Year	AAAE Signatory Medium Hub Air Carriers @ 3% Escalation from 1996 Actual ($1.19)	AAAE Non-Signatory Medium Hub Air Carriers @ 3% Escalation from 1996 Actual ($1.42)	AAAE Signatory Medium Hub Air Cargo @ 3% Escalation from 1996 Actual ($1.25)	AAAE Non-Signatory Medium Hub Air Cargo @ 3% Escalation from 1996 Actual ($1.46)	AIA Model A Landed Weight Equivalent Landing Fees*	AIA Model B Landed Weight Equivalent Landing Fees*	AIA Model C Landed Weight Equivalent Landing Fees*	AIA Model D Landed Weight Equivalent Landing Fees*
1998	1.26	1.51	1.33	1.55	1.01	1.01	1.01	1.01
1999	1.30	1.55	1.37	1.60	1.12	1.12	1.37	1.37
2000	1.34	1.60	1.41	1.64	1.11	1.11	1.72	1.71
2001	1.38	1.65	1.45	1.69	1.25	1.25	1.59	1.58
2002	1.42	1.70	1.49	1.74	1.54	1.66	1.45	1.54
2003	1.46	1.75	1.54	1.80	1.51	1.50	1.41	1.41
2004	1.51	1.80	1.58	1.85	1.48	1.46	1.40	1.38
2005	1.55	1.85	1.63	1.90	1.45	1.45	1.37	1.35
2006	1.60	1.91	1.68	1.96	1.41	1.41	1.33	1.33
2007	1.65	1.97	1.73	2.02	1.38	1.38	1.32	1.30
2008	1.70	2.02	1.78	2.08	1.37	1.35	1.28	1.27
2009	1.75	2.09	1.84	2.14	1.33	1.32	1.25	1.25
2010	1.80	2.15	1.89	2.21	1.30	1.28	1.24	1.22
2011	1.85	2.21	1.95	2.27	1.30	1.28	1.22	1.22
2012	1.91	2.28	2.01	2.34	1.28	1.28	1.22	1.22
2013	1.97	2.35	2.07	2.41	1.28	1.28	1.22	1.22
2014	2.03	2.42	2.13	2.49	1.28	1.28	1.22	1.22
2015	2.09	2.49	2.19	2.56	1.28	1.27	1.22	1.22
2016	2.15	2.56	2.26	2.64	1.27	1.27	1.22	1.20
2017	2.21	2.64	2.33	2.72	1.20	1.20	1.15	1.14
2018	2.28	2.72	2.40	2.80	1.20	1.20	1.15	1.14
2019	2.35	2.80	2.47	2.88	1.20	1.20	1.15	1.14
2020	2.42	2.89	2.54	2.97	1.20	1.19	1.15	1.14
2021	2.49	2.97	2.62	3.06	1.20	1.19	1.14	1.14
2022	2.57	3.06	2.70	3.15	1.19	1.19	1.14	1.14
2023	2.64	3.15	2.78	3.24	1.19	1.19	1.14	1.14

* Take off Weight with 62.5% adjustment factor to create comparable landed weight landing fee

AIA Model vs. AAAE on Landing Fees at Large Hub Airports

Year	AAAE Signatory Large Hub Air Carriers @ 3% Escalation from 1996 Actual ($1.79)	AAAE Non-Signatory Large Hub Air Carriers @ 3% Escalation from 1996 Actual ($2.00)	AAAE Signatory Large Hub Air Cargo @ 3% Escalation from 1996 Actual ($1.85)	AAAE Non-Signatory Large Hub Air Cargo @ 3% Escalation from 1996 Actual ($1.96)	AIA Model A Landed Weight Equivalent Landing Fees*	AIA Model B Landed Weight Equivalent Landing Fees*	AIA Model C Landed Weight Equivalent Landing Fees*	AIA Model D Landed Weight Equivalent Landing Fees*
1998	1.84	2.06	1.91	2.02	1.01	1.01	1.01	1.01
1999	1.90	2.12	1.96	2.02	1.12	1.12	1.37	1.37
2000	1.96	2.19	2.02	2.02	1.11	1.11	1.72	1.71
2001	2.01	2.25	2.08	2.02	1.25	1.25	1.59	1.58
2002	2.08	2.32	2.14	2.02	1.54	1.66	1.45	1.54
2003	2.14	2.39	2.21	2.02	1.51	1.50	1.41	1.41
2004	2.20	2.46	2.28	2.02	1.48	1.46	1.40	1.38
2005	2.27	2.54	2.34	2.02	1.45	1.45	1.37	1.35
2006	2.34	2.61	2.41	2.02	1.41	1.41	1.33	1.33
2007	2.41	2.69	2.49	2.02	1.38	1.38	1.32	1.30
2008	2.48	2.77	2.56	2.02	1.37	1.35	1.28	1.27
2009	2.55	2.85	2.64	2.02	1.33	1.32	1.25	1.25
2010	2.63	2.94	2.72	2.02	1.30	1.28	1.24	1.22
2011	2.71	3.03	2.80	2.02	1.30	1.28	1.22	1.22
2012	2.79	3.12	2.88	2.02	1.28	1.28	1.22	1.22
2013	2.87	3.21	2.97	2.02	1.28	1.28	1.22	1.22
2014	2.96	3.31	3.06	2.02	1.28	1.28	1.22	1.22
2015	3.05	3.41	3.15	2.02	1.28	1.27	1.22	1.22
2016	3.14	3.51	3.24	2.02	1.27	1.27	1.22	1.20
2017	3.23	3.62	3.34	2.02	1.20	1.20	1.15	1.14
2018	3.33	3.72	3.44	2.02	1.20	1.20	1.15	1.14
2019	3.43	3.84	3.54	2.02	1.20	1.20	1.15	1.14
2020	3.53	3.95	3.65	2.02	1.20	1.19	1.15	1.14
2021	3.64	4.07	3.76	2.02	1.20	1.19	1.14	1.14
2022	3.75	4.19	3.87	2.02	1.19	1.19	1.14	1.14
2023	3.86	4.32	3.99	2.02	1.19	1.19	1.14	1.14

* Take off Weight with 62.5% adjustment factor to create comparable landed weight landing fee

AIA Model vs. AAAE on Fuel Flowage Fee at Medium Hub Airports

Year	AAAE Medium Hub Average Fuel Flowage Fee @ 3% Escalation each year fr 1996 Actual ($0.059)	AIA Projected Fuel Flowage Fee @ 0% Escalation each year from 1996 Actual ($0.020)	AIA Projected Fuel Flowage Fee @ Hypothetical 3% Escalation each year from 1996 Actual ($0.020)
1998	0.061	0.020	0.021
1999	0.063	0.020	0.021
2000	0.064	0.020	0.022
2001	0.066	0.020	0.023
2002	0.068	0.020	0.023
2003	0.070	0.020	0.024
2004	0.073	0.020	0.025
2005	0.075	0.020	0.025
2006	0.077	0.020	0.026
2007	0.079	0.020	0.027
2008	0.082	0.020	0.028
2009	0.084	0.020	0.029
2010	0.087	0.020	0.029
2011	0.089	0.020	0.030
2012	0.092	0.020	0.031
2013	0.095	0.020	0.032
2014	0.098	0.020	0.033
2015	0.100	0.020	0.034
2016	0.103	0.020	0.035
2017	0.107	0.020	0.036
2018	0.110	0.020	0.037
2019	0.113	0.020	0.038
2020	0.116	0.020	0.039
2021	0.120	0.020	0.041
2022	0.124	0.020	0.042
2023	0.127	0.020	0.043

AIA Model vs. AAAE on Fuel Flowage Fee at Large Hub Airports

Year	AAAE Large Hub Average Fuel Flowage Fee @ 3% Escalation each year fr 1996 Actual ($0.054)	AIA Projected Fuel Flowage Fee @ 0% Escalation each year from 1996 Actual ($0.020)	AIA Projected Fuel Flowage Fee @ Hypothetical 3% Escalation each year from 1996 Actual ($0.020)
1998	0.056	0.020	0.021
1999	0.057	0.020	0.021
2000	0.059	0.020	0.022
2001	0.061	0.020	0.023
2002	0.063	0.020	0.023
2003	0.064	0.020	0.024
2004	0.066	0.020	0.025
2005	0.068	0.020	0.025
2006	0.070	0.020	0.026
2007	0.073	0.020	0.027
2008	0.075	0.020	0.028
2009	0.077	0.020	0.029
2010	0.079	0.020	0.029
2011	0.082	0.020	0.030
2012	0.084	0.020	0.031
2013	0.087	0.020	0.032
2014	0.089	0.020	0.033
2015	0.092	0.020	0.034
2016	0.095	0.020	0.035
2017	0.098	0.020	0.036
2018	0.100	0.020	0.037
2019	0.103	0.020	0.038
2020	0.107	0.020	0.039
2021	0.110	0.020	0.041
2022	0.113	0.020	0.042
2023	0.116	0.020	0.043

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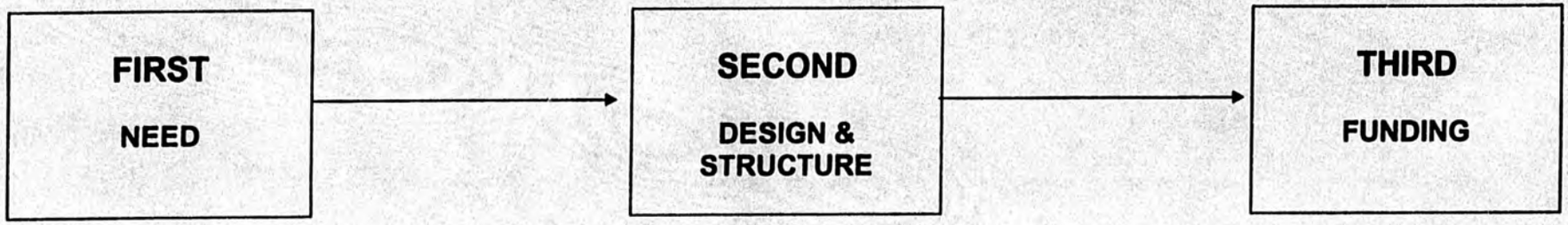
Funding Focus Issue #5
Capitalized Interest Choices



- Pay As You Go vs. Financing
- Structure and Finance as One Step
- Rates and Charges is a "Cash Flow Issue"
- Profile of a $235 Million Project
- **CAPITALIZED INTEREST CHOICES**

Sensitivity Analysis of Capitalized Interest Quantified with side by side numbers

Capitalized Interest can be used to pay borrowing costs until the financed project comes on line. The Financial Model presents the calculations including and excluding Capitalized Interest. Including Capitalized Interest increases the long-term size of the bond issue and decreases the short-term cash flow costs of the airlines.

The following comparison illustrates the relative magnitude of adding capitalized interest to a project for financing purposes. Capitalized interest sometimes is a necessary cost of doing business when cash flows to pay debt service (even interest only) prior to the time the project comes on line as revenue-producing. In the case of the Terminal Expansion Program, capitalized interest is discretionary and a source of dialogue between AIA and the airlines. The nature of the project would justify capitalized interest, but there are economic costs to the window of time when debt service is not payable from AIA revenues.

The Plan of Finance does not make a recommendation or assumption with respect to capitalized interest. The cost scenarios have been run with and without capitalized interest in order to keep the discussions of project costs as clear and unambiguous as possible.

Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program

The following comparative analysis information is intended to assist AIA and the airlines in their discussions:

	Benchmark: Illustration with 25 Year Level Debt Service Amortization and No Capitalized Interest (2001 Scenario)	Illustration with 24 Months of Capitalized Interest; Keep 25 Year Level Debt Service Amortization of Bonds (2001 Scenario)
Par Amount of Bonds	**$176,045,000**	**$199,130,000**
Amortization	25 Years	Same
Capitalized Interest	**None**	**$22,477,655**
Project Fund	$201,200,000	Same
Interest Rates	Same	Same
Cost of Debt Service Reserve Fund Surety Bond	**$490,711**	**$577,604**
Cost of Bond Insurance Premium	**$2,102,727**	**$2,277,112**

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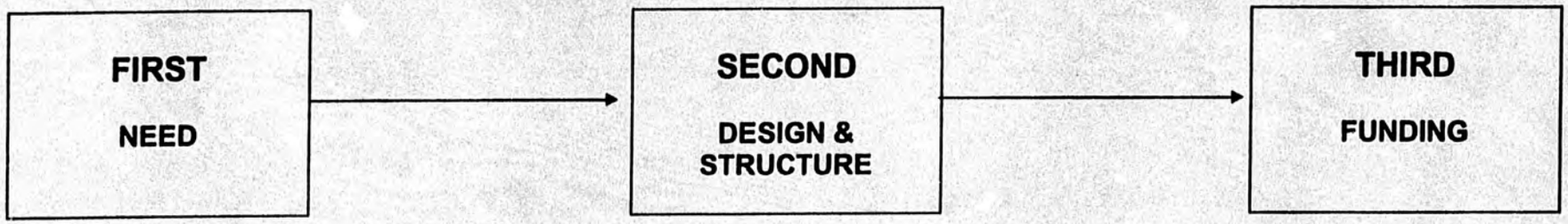
Funding Focus Issue #6
Cost Per Enplaned Passenger



- Pay As You Go vs. Financing
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- Capitalized Interest Choices
- **COST PER ENPLANED PASSENGER**

"Cost Per Enplaned Passenger" is a benchmarking concept that often is misunderstood. The objective here is clarification of what is known and recognition of the limitations on using this statistic.

Different People Use the Same Words for Different Meanings

Cost Per Enplaned Passenger is a statistic, which can be computed in very different ways. The quality and integrity of the results also varies.

Conventional Approach

Most people view the statistic in a broad way rather than relying on it for significant business or policy decisions. Because of this, the AAAE statistics of airline costs (expressed as airport revenues) and enplaned passengers provide conventional data for this approach.

Alternative Approach

Individual airports each have their own "story" as to how they interpret the Cost Per Enplaned Passenger.

Airport Examples from Significant Cargo Airports

Honolulu – they have a simple calculation of Airline Revenue (aggregating signatory and non-signatory) divided by the number of enplaned passengers. There is no apparent adjustment for cargo but the airport was #6 in FAA 1995 cargo rankings. The Cost Per Enplaned Passenger numbers were $4.94 in FY 1995 and $4.82 in FY 1996. Honolulu does not report in a complete way to AAAE so we cannot compare their calculation to an AAAE statistical calculation.

Chicago O'Hare – they do not use the statistic. O'Hare ranked #3 in the FAA 1995 cargo rankings.

Los Angeles (LAX) – they are in the process of doing an in-house Cost Per Enplaned Passenger survey. To date, they have found wide variance in the numbers attributable to methodology differences. LAX defines Cost Per Enplaned Passenger as (Total Landing Fees plus Terminal

Rent) divided by (Enplaned Passengers). LAX has compensatory operating agreements with different terminal rates which reduces the transferability of their statistics.

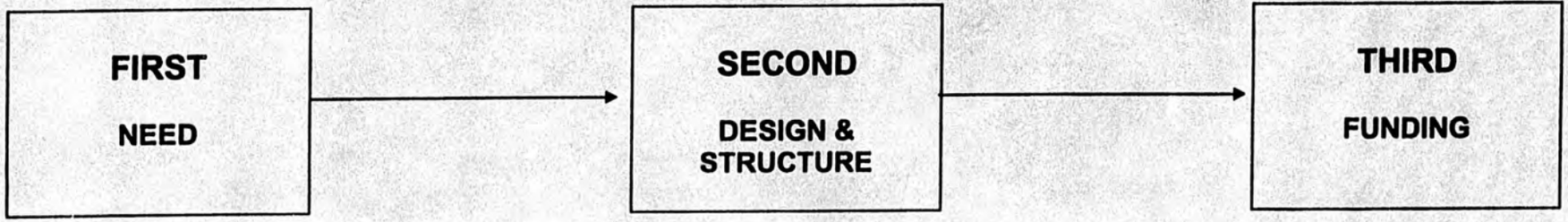
Boston Logan – they do a very complex comparison starting with comparable airports and then doing significant research into the operating agreement structures and financial statements of each of those airports to identify the similarities and differences in the method of calculating revenues and expenses. Next, the distinctions between passengers and cargo are backed out of the numbers to the greatest extent possible. They recognize the process is limited by its complexity and involves many "adjustments." However, they view the alternative (AAAE statistics) as insufficient for their benchmarking goal.

Port Authority of New York and New Jersey – this is an example of how the statistic can be based on variable assumptions and therefore can be misleading. Landing Fees (a key part of airline expense) are based on take-off weight at Kennedy, LaGuardia and Newark except that signatory airlines at LaGuardia are based on landed weight. This type of difference makes operating expense numbers incompatible and the calculation of transferable numbers impractical.

Indianapolis – they define the statistic as capital costs plus debt service plus O&M less non-airline revenue. For 1996 that figure was $3.87. Their operating agreements are residual. Indianapolis does not report to AAAE so we cannot compare their method to the conventional approach. However, Indianapolis ranks #9 in the FAA 1995 cargo rankings so they must be making cargo "adjustments" to their statistics to back out their cargo expenses and come up with $3.87 passenger costs. This illustrates the degree to which this statistic is subject to variance in methodology.

Role of Cargo	Cargo activities disrupt the Cost Per Enplaned Passenger statistic because cargo affects total airline costs at each airport significantly. Further, the category of "belly cargo" is problematical in determining accurate passenger cost statistics.
Impact of Special Situations	An example best illustrates this point. The new International Arrivals Building (terminal) project at Kennedy Airport is a privately developed project of nearly $1 billion. The private developer is directly responsible for much of the costs but those are passed on to the airlines by the developer. The other costs paid by the airport are passed on to the airlines by the airport. In an AAAE-based calculation, the developer share would not show up in their numbers, thereby misleading the reader as to the true cost per enplaned passenger.
Memphis and Louisville as top cargo airports which are medium-hub for passengers	Memphis – does not calculate or use the statistic. Per the AAAE Methodology described above, the number would be $11.57 but they would likely question the validity of such a figure. Memphis is higher than Anchorage in passenger enplanements by a significant margin. Louisville – does not calculate or use the statistic. Per the AAAE Methodology described above, the number would be $17.89 but they would likely question the validity of such a figure. Louisville is slightly below AIA in passenger enplanements but very comparable.

Funding Focus Issue #6
Terminal Project Cost Per Airline



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- Capitalized Interest Choices
- Cost Per Enplaned Passenger
- **TERMINAL PROJECT COST PER AIRLINE**

AIA will prepare an individual and interactive analysis for each requesting Airline:

Preparation of Assumptions will be interactive with the individual Airline:

1. Takeoff Weight Assumptions
   - By weight per year
   - Identify variances year to year in takeoff weights, if any
   - Identify number of years for which analysis is requested

2. Terminal Rent Assumptions
   - By square footage per year
   - Identify variances year to year in square footage, if any
   - Identity number of years for which analysis is requested

AIA will prepare a Quantitative Analysis for each requesting Airline

In addition, a Discussion of the Analysis will address other factors and include an opportunity for dialogue and questions

Contact Donn Ketner at (907) 266-2595 for further information

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Summary

Anchorage International Airport is a shared resource of tremendous value in the present and the future. It is here for everyone to utilize, but each stakeholder has to play a role in making it work.

The Common Ground is the Commitment to
Finding the Best Answer that is in the Common Interest of
The Airport, the State of Alaska and the Airlines

PLAN OF FINANCE

PRESENTATION TO THE AIRLINE AFFAIRS COMMITTEE

OCTOBER 2, 1997

VOLUME II (FINANCIAL MODELS)

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC *Aviation, Infrastructure & Project Finance*

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D. Financial Model D: 2002 Concourse C Completion without Capitalized Interest

A

FINANCIAL MODEL A:

2001 CONCOURSE C COMPLETION

WITH CAPITALIZED INTEREST

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC *Aviation, Infrastructure & Project Finance*

Passenger Forecasts

	(Actual) 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Domestic Enplanements											
Air Carrier	1,517,651	1,578,966	1,661,093	1,747,470	1,838,339	1,917,367	1,999,635	2,085,628	2,175,518	2,269,086	2,359,628
Regional	350,000	364,000	382,928	402,840	423,788	442,011	461,017	480,841	501,517	523,082	544,006
Charter/Other	150,000	156,000	164,112	172,646	181,623	189,433	197,679	206,075	214,936	224,176	233,145
Total Domestic Enplanements	2,017,651	2,098,966	2,208,133	2,322,956	2,443,750	2,548,831	2,658,431	2,772,743	2,891,971	3,016,326	3,136,979
International Enplanements											
Total	33,133	37,797	42,635	48,092	54,248	57,937	61,877	66,084	70,578	75,377	78,242
Total International Enplanements	33,133	37,797	42,635	48,092	54,248	57,937	61,877	66,084	70,578	75,377	78,242
Total Domestic and International Enplanements	2,050,784	2,136,763	2,250,768	2,371,049	2,497,998	2,606,768	2,720,308	2,838,828	2,962,549	3,091,704	3,215,221
Domestic Transit Passengers											
Total	191,967	197,554	202,296	206,139	210,056	214,047	218,114	222,258	226,481	230,784	235,169
Total Domestic Transit Passengers	191,967	197,554	202,296	206,139	210,056	214,047	218,114	222,258	226,481	230,784	235,169
International Transit Passengers											
Total	507,184	635,310	700,000	731,500	764,418	798,816	834,763	872,327	911,582	952,603	966,802
Total International Transit Passengers	507,184	635,310	700,000	731,500	764,418	798,816	834,763	872,327	911,582	952,603	966,802
Total Domestic and International Transit Passengers	699,171	832,864	902,296	937,639	974,474	1,012,863	1,052,877	1,094,586	1,138,063	1,183,387	1,223,971

Passenger Forecasts

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Domestic Enplanements											
Air Carrier	2,454,221	2,552,390	2,654,486	2,760,665	2,860,049	2,963,011	3,069,679	3,180,188	3,294,674	3,413,283	3,536,161
Regional	565,766	588,397	611,932	636,410	659,321	683,056	707,646	733,121	759,514	786,856	815,183
Charter/Other	242,471	252,170	262,257	272,747	282,566	292,738	303,277	314,195	325,508	337,224	349,364
Total Domestic Enplanements	3,262,458	3,392,957	3,528,675	3,669,822	3,801,936	3,938,805	4,080,602	4,227,504	4,379,694	4,537,363	4,700,708
International Enplanements											
Total	81,215	84,301	87,504	90,830	93,736	96,736	99,831	103,026	106,323	109,725	113,236
Total International Enplanements	81,215	84,301	87,504	90,830	93,736	96,736	99,831	103,026	106,323	109,725	113,236
Total Domestic and International Enplanements	3,343,673	3,477,258	3,616,179	3,760,652	3,895,672	4,035,541	4,180,434	4,330,530	4,486,017	4,647,088	4,813,944
Domestic Transit Passengers											
Total	239,637	244,190	248,830	253,558	258,375	263,285	268,287	273,384	278,579	283,872	289,265
Total Domestic Transit Passengers	239,637	244,190	248,830	253,558	258,375	263,285	268,287	273,384	278,579	283,872	289,265
International Transit Passengers											
Total	1,026,377	1,065,379	1,105,863	1,147,886	1,184,619	1,222,526	1,261,647	1,302,020	1,343,685	1,386,682	1,431,056
Total International Transit Passengers	1,026,377	1,065,379	1,105,863	1,147,886	1,184,619	1,222,526	1,261,647	1,302,020	1,343,685	1,386,682	1,431,056
Total Domestic and International Transit Passengers	1,266,014	1,309,569	1,354,693	1,401,444	1,442,994	1,485,811	1,529,934	1,575,404	1,622,263	1,670,554	1,720,322

Passenger Forecasts

	2018	2019	2020	2021	2022	2023	2024	2025
Domestic Enplanements								
Air Carrier	3,663,463	3,795,347	3,931,980	4,073,531	4,220,178	4,372,105	4,529,501	4,692,563
Regional	844,530	874,933	906,430	939,062	972,866	1,007,891	1,044,175	1,081,766
Charter/Other	361,941	374,971	388,470	402,455	416,943	431,953	447,504	463,614
Total Domestic Enplanements	4,869,934	5,045,251	5,226,880	5,415,048	5,609,990	5,811,949	6,021,180	6,237,942
International Enplanements								
Total	116,860	120,599	124,459	128,441	132,551	136,793	141,170	145,688
Total International Enplanements	116,860	120,599	124,459	128,441	132,551	136,793	141,170	145,688
Total Domestic and International Enplanements	4,986,793	5,165,851	5,351,339	5,543,489	5,742,541	5,948,742	6,162,350	6,383,630
Domestic Transit Passengers								
Total	294,761	300,362	306,069	311,884	317,810	323,848	330,001	336,271
Total Domestic Transit Passengers	294,761	300,362	306,069	311,884	317,810	323,848	330,001	336,271
International Transit Passengers								
Total	1,476,850	1,524,109	1,572,881	1,623,213	1,675,156	1,728,761	1,784,081	1,841,172
Total International Transit Passengers	1,476,850	1,524,109	1,572,881	1,623,213	1,675,156	1,728,761	1,784,081	1,841,172
Total Domestic and International Transit Passengers	1,771,611	1,824,471	1,878,949	1,935,097	1,992,966	2,052,609	2,114,082	2,177,443

Anchorage International Airport
Redevelopment Program

AIA Operating Revenues and Expenses

	Source *	(Actual) 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Airport Operations:											
Domestic Enplaned Passengers	TAMS	2,017,651	2,098,986	2,208,133	2,322,956	2,443,750	2,548,831	2,658,431	2,772,743	2,891,971	3,016,326
International Enplaned Passengers	TAMS	33,133	37,797	42,635	48,092	54,248	57,937	61,877	66,084	70,576	75,377
Total Enplaned Passengers		2,050,784	2,136,783	2,250,768	2,371,049	2,497,998	2,606,768	2,720,308	2,838,828	2,962,549	3,091,704
Total Domestic Airlines CMGTW (1,000 lbs.)	(FY 98 Rates & Fees, %	6,452,320	6,775,000	6,980,000	7,259,200	7,549,568	7,851,551	8,165,613	8,492,237	8,831,927	9,185,204
Total International Airlines CMGTW (1,000 lbs.)	(FY 98 Rates & Fees, %	13,969,478	15,819,000	16,610,000	17,274,400	17,965,376	18,683,991	19,431,351	20,208,605	21,016,949	21,857,627
Total CMGTW (1,000 lbs.)		20,421,798	22,594,000	23,590,000	24,533,600	25,514,944	26,535,542	27,596,963	28,700,842	29,848,876	31,042,831
Operating Revenues:											
Airfield Operations:											
Fuel Flowage Fees:											
Commercial Aircraft	(FY 98 Rates & Fees, %	11,506,500	12,730,000	13,300,000	13,832,000	14,385,280	14,960,691	15,559,119	16,181,484	16,828,743	17,501,893
General Aviation Aircraft	(FY 98 Rates & Fees, %	20,188	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Landing Fees	Calculated	13,908,965	11,246,544	14,535,095	16,916,297	17,225,471	20,441,424	26,175,278	26,670,208	27,163,062	27,658,985
Aircraft Docking Fees	(FY 98 Rates & Fees, %	1,264,000	1,600,000	1,700,000	1,768,000	1,838,720	1,912,269	1,988,760	2,068,310	2,151,042	2,237,084
Federal Inspection Fees	(FY 98 Rates & Fees, %	299,166	216,000	276,000	287,040	298,522	310,462	322,881	335,796	349,228	363,197
Aircraft Parking Fees	(FY 98 Rates & Fees, %	519,483	567,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Main Terminal Operations:											
Allowance for Terminal Building Rentals	(FY 98 Rates & Fees, %	24,431	25,000	26,000	27,000	26,000	29,000	30,000	30,000	30,000	30,000
Terminal Building Rentals	Calculated	4,157,454	4,745,499	4,663,834	4,970,227	5,010,663	5,626,123	10,492,879	10,567,000	10,641,634	10,716,940
Concession Fees:											
Food and Beverage	(FY 98 Rates & Fees, %	730,344	757,000	772,000	802,880	834,995	868,395	903,131	939,256	976,826	1,015,899
News/Gifts	(FY 98 Rates & Fees, %	749,805	773,000	788,000	819,520	852,301	886,393	921,849	958,722	997,071	1,036,954
Rental Cars	(FY 98 Rates & Fees, %	2,681,210	2,944,000	3,003,000	3,123,120	3,248,045	3,377,967	3,513,085	3,653,609	3,799,753	3,951,743
Ground Transportation	(FY 98 Rates & Fees, %	44,965	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Display Advertising	(FY 98 Rates & Fees, %	156,435	173,000	176,000	183,040	190,362	197,976	205,895	214,131	222,696	231,604
Telephone	(FY 98 Rates & Fees, %	194,622	214,000	218,000	226,720	235,789	245,220	255,029	265,230	275,840	286,873
Other	(FY 98 Rates & Fees, %	27,913	47,000	48,000	49,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Revenue	(FY 98 Rates & Fees, %	229,504	190,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000
International Terminal Operations:											
Non-Airline Terminal Building Rentals	(FY 98 Rates & Fees, %	160,249	175,000	179,000	186,160	193,606	201,351	209,405	217,781	226,492	235,552
Airline Terminal Building Rentals	Calculated	909,595	1,040,308	890,582	900,118	901,513	1,071,989	1,078,215	1,078,935	1,079,382	1,079,809
Concession Fees:											
Food and Beverage	(FY 98 Rates & Fees, %	66,323	70,000	71,000	73,840	76,794	79,865	83,060	86,382	89,838	93,431
Duty Free	(FY 98 Rates & Fees, %	1,337,100	2,209,000	2,253,000	2,354,385	2,460,332	2,571,047	2,686,744	2,807,648	2,933,992	3,066,022
Other	(FY 98 Rates & Fees, %	27,856	43,000	44,000	45,760	47,590	49,494	51,474	53,533	55,674	57,901
Land Rental Fees	(FY 98 Rates & Fees, %	1,830,447	2,116,000	2,160,000	2,224,800	2,291,544	2,360,290	2,431,099	2,504,032	2,579,153	2,656,528
Vehicle Parking Fees	(FY 98 Rates & Fees, %	3,292,316	3,666,000	3,760,000	3,910,400	4,066,816	4,229,489	4,398,668	4,574,615	4,757,600	4,947,903
Total AIA Operating Revenues		44,138,871	45,615,350	49,906,511	53,515,307	55,051,362	60,484,445	72,171,571	74,071,670	76,023,046	78,035,299
			103.35%	109.41%	107.23%	102.87%	109.87%	119.32%	102.63%	102.63%	102.65%
Operating Expenses:											
Administration	(FY 98 Rates & Fees, %	3,897,036	4,485,000	4,742,000	4,884,260	5,030,788	5,181,711	5,337,163	5,497,278	5,662,196	5,832,062
Administrative Overhead	(FY 98 Rates & Fees, %	934,206	945,000	983,000	1,012,490	1,042,865	1,074,151	1,106,376	1,139,566	1,173,753	1,208,966
Field Maintenance	(FY 98 Rates & Fees, %	4,732,156	4,966,000	5,172,000	5,327,160	5,486,975	5,651,584	5,821,132	5,995,766	6,175,639	6,360,908
Building Maintenance	(FY 98 Rates & Fees, %	5,732,636	5,946,000	5,870,000	6,046,100	6,227,483	6,414,307	6,606,737	6,804,939	7,009,087	7,219,360
Security	(FY 98 Rates & Fees, %	5,726,315	5,945,000	6,310,000	6,499,300	6,694,279	6,895,107	7,101,961	7,315,019	7,534,470	7,760,504
Custodial	(FY 98 Rates & Fees, %	3,464,646	3,479,000	3,631,000	3,739,930	3,852,128	3,967,692	4,086,722	4,209,324	4,335,604	4,465,672
Equipment Maintenance	(FY 98 Rates & Fees, %	1,554,817	1,868,000	1,813,000	1,867,390	1,923,412	1,981,114	2,040,547	2,101,764	2,164,817	2,229,761
Operations	(FY 98 Rates & Fees, %	1,765,734	2,155,000	2,338,000	2,408,140	2,480,384	2,554,796	2,631,440	2,710,383	2,791,694	2,875,445
Equipment and Replacements	(FY 98 Rates & Fees, %	297,748	350,000	350,000	360,500	371,315	382,454	393,928	405,746	417,918	430,456
Total Operating Expenses		28,105,296	30,157,000	31,209,000	32,145,270	33,109,628	34,102,917	35,126,004	36,179,785	37,265,178	38,383,133

Anchorage International Airport
Redevelopment Program

AIA Operating Revenues and Expenses

Airport Operations:	Source *	(Actual) 1996	1997 107.30%	1998 103.49%	1999 103.00%	2000 103.00%	2001 103.00%	2002 103.00%	2003 103.00%	2004 103.00%	2005 103.00%
Income (Loss) from Operations **		18,033,575	15,458,350	18,699,511	21,370,037	21,941,734	28,381,528	37,045,568	37,891,885	38,757,868	39,652,165
* FIA Fund Transfer		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Net Cash Flow Before Subordinated Expenses		12,533,575	11,958,350	15,199,511	17,870,037	18,441,734	22,881,528	33,545,568	34,391,885	35,257,868	36,152,165
Outstanding Debt Service - Series H ***	(Actual)	3,077,755	3,074,915	3,084,258	3,091,069	2,176,860					
Outstanding Debt Service - Series I ***	(Actual)	2,595,196	2,606,019	2,617,069	2,613,778	2,611,168	2,614,371	2,613,260	2,617,730	2,617,695	2,622,765
Subtotal Outstanding Debt Service		5,672,951	5,680,934	5,681,327	5,704,867	4,788,028	2,614,371	2,613,260	2,617,730	2,617,695	2,622,765
Net Debt Service - Terminal Redevelopment:											
FY 99	(Calculated)	0	0	0	0	0	6,072,650	16,388,159	16,380,793	16,372,838	16,363,083
FY 2000	(Calculated)	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (Inactive)	(Calculated)	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (Inactive)	(Calculated)	0	0	0	0	0	0	0	0	0	0
Subtotal New Terminal Debt Service		0	0	0	0	0	6,072,650	16,388,159	16,380,793	16,372,838	16,363,083
Net Debt Service - North Air Park Cargo	(Calculated)	0	0	0	0	0	0	0	0	0	0
Subtotal New North Air Park Debt Service		0	0	0	0	0	0	0	0	0	0
Net Debt Service - West Air Park Cargo:											
Series I	(Calculated)	0	0	0	0	0	0	0	0	0	0
Series II	(Calculated)	0	0	0	0	0	0	0	0	0	0
Subtotal New West Air Park Debt Service		0	0	0	0	0	0	0	0	0	0
Net Debt Service - Airfield Expansion	(Calculated)	0	0	0	0	0	0	0	0	0	0
Subtotal New Airfield Expansion Debt Service		0	0	0	0	0	0	0	0	0	0
Net Debt Service - FIA											
Series 1	(Calculated)	0	0	0	0	0	0	0	0	0	0
Subtotal New FIA Debt Service		0	0	0	0	0	0	0	0	0	0
Total Debt Service		5,672,951	5,680,934	5,681,327	5,704,867	4,788,028	8,687,021	19,001,419	18,998,523	18,990,533	18,985,848
(Operating) Debt Service Coverage		2.21	2.10	2.68	3.13	3.85	2.63	1.77	1.81	1.86	1.90
Total Subordinated Operating and Capital Expenses		0	0	768,813	868,253	971,659	1,079,058	1,190,607	1,306,587	1,427,206	1,552,650
Net Cash Flow Before Debt Service		12,533,575	11,958,350	14,430,698	17,001,784	17,469,876	21,802,440	32,354,959	33,085,298	33,830,661	34,599,515
Net Cash Flow After Debt Service		6,860,624	6,277,416	8,749,571	11,296,917	12,681,848	13,115,419	13,353,540	14,086,775	14,840,129	15,613,668

* Sources of Financial Information:
Alaska International Airport System Rates and Fees, FY 98 (projections FY 97 through FY 2000)
** Analysis disregards effects of non-cash expenses (e.g. depreciation and amortization).
*** Analysis includes all outstanding debt service of Alaska International Airport System (e.g. amounts allocated to Fairbanks as well as AIA).

Anchorage International Airport
Redevelopment Program

AIA Operating Revenues and Expenses

Airport Operations:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Domestic Enplaned Passengers	3,136,979	3,262,458	3,392,957	3,528,675	3,669,822	3,801,936	3,938,805	4,080,602	4,227,504	4,379,694	4,537,363	4,700,708
International Enplaned Passengers	78,242	81,215	84,301	87,504	90,830	93,736	96,736	99,831	103,026	106,323	109,725	113,236
Total Enplaned Passengers	3,215,221	3,343,673	3,477,258	3,616,179	3,760,652	3,895,672	4,035,541	4,180,434	4,330,530	4,486,017	4,647,088	4,813,944
Total Domestic Airlines CMGTW (1,000 lbs.)	9,552,612	9,934,716	10,332,105	10,745,389	11,175,205	11,510,461	11,855,775	12,211,448	12,577,792	12,955,125	13,343,779	13,744,092
Total International Airlines CMGTW (1,000 lbs.)	22,731,932	23,641,209	24,586,858	25,570,332	26,593,145	27,390,940	28,212,668	29,059,048	29,930,819	30,828,744	31,753,606	32,706,214
Total CMGTW (1,000 lbs.)	32,284,544	33,575,926	34,918,963	36,315,721	37,768,350	38,901,401	40,068,443	41,270,496	42,508,611	43,783,869	45,097,385	46,450,307
Operating Revenues:												
Airfield Operations:												
Fuel Flowage Fees:												
Commercial Aircraft	18,201,988	18,930,047	19,687,249	20,474,739	21,293,729	21,932,540	22,590,517	23,268,232	23,966,279	24,685,267	25,425,825	26,188,600
General Aviation Aircraft	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Landing Fees	28,159,649	28,664,221	29,167,508	29,671,343	30,166,516	30,976,134	31,805,605	32,657,513	33,527,800	34,416,359	35,334,755	34,486,575
Aircraft Docking Fees	2,326,567	2,419,630	2,516,415	2,617,072	2,721,755	2,803,407	2,887,510	2,974,135	3,063,359	3,155,260	3,249,918	3,347,415
Federal Inspection Fees	377,725	392,834	408,547	424,889	441,885	455,141	468,796	482,860	497,345	512,266	527,634	543,463
Aircraft Parking Fees	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Main Terminal Operations:												
Allowance for Terminal Building Rentals	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Terminal Building Rentals	10,796,040	10,876,299	10,957,976	11,042,022	11,125,200	11,229,039	11,335,625	11,445,625	11,557,980	11,671,932	11,791,941	11,239,066
Concession Fees:												
Food and Beverage	1,056,535	1,098,797	1,142,749	1,188,459	1,235,997	1,273,077	1,311,269	1,350,607	1,391,125	1,432,859	1,475,845	1,520,120
News/Gifts	1,078,432	1,121,570	1,166,432	1,213,090	1,261,613	1,299,462	1,338,446	1,378,599	1,419,957	1,462,556	1,506,432	1,551,625
Rental Cars	4,109,813	4,274,205	4,445,174	4,622,981	4,807,900	4,952,137	5,100,701	5,253,722	5,411,334	5,573,674	5,740,884	5,913,110
Ground Transportation	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Display Advertising	240,866	250,503	260,523	270,944	281,782	290,235	298,942	307,910	317,148	326,662	336,462	346,556
Telephone	298,348	310,282	322,693	335,601	349,025	359,496	370,281	381,389	392,831	404,616	416,754	429,257
Other	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Revenue	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000
International Terminal Operations:												
Non-Airline Terminal Building Rentals	244,974	254,773	264,964	275,562	286,585	295,182	304,038	313,159	322,554	332,230	342,197	352,463
Airline Terminal Building Rentals	1,079,848	1,079,896	1,079,730	1,079,445	1,078,630	1,082,775	1,086,999	1,091,401	1,095,769	1,100,076	1,104,836	1,026,724
Concession Fees:												
Food and Beverage	97,166	101,055	105,097	109,301	113,673	117,083	120,596	124,214	127,940	131,778	135,732	139,804
Duty Free	3,182,531	3,303,467	3,428,998	3,559,300	3,694,554	3,812,779	3,934,788	4,060,702	4,190,644	4,324,745	4,463,137	4,605,957
Other	60,217	62,626	65,131	67,736	70,445	72,559	74,736	76,978	79,287	81,666	84,116	86,639
Land Rental Fees	2,736,223	2,818,310	2,902,859	2,989,945	3,079,644	3,172,033	3,267,194	3,365,210	3,466,166	3,570,151	3,677,255	3,787,573
Vehicle Parking Fees	5,145,620	5,351,652	5,565,719	5,788,347	6,019,881	6,200,478	6,386,492	6,578,087	6,775,429	6,978,692	7,188,053	7,403,694
Total AIA Operating Revenues	80,087,726	82,205,166	84,382,764	86,625,776	88,923,812	91,218,558	93,577,534	96,005,541	98,497,947	101,055,788	103,686,776	103,868,642
	102.63%	102.64%	102.65%	102.66%	102.65%	102.58%	102.59%	102.59%	102.60%	102.60%	102.61%	100.18%
Operating Expenses:												
Administration	6,007,024	6,187,234	6,372,851	6,564,037	6,760,958	6,963,787	7,172,700	7,387,881	7,609,518	7,837,803	8,072,938	8,315,126
Administrative Overhead	1,245,235	1,282,592	1,321,070	1,360,702	1,401,523	1,443,569	1,486,876	1,531,482	1,577,426	1,624,749	1,673,492	1,723,696
Field Maintenance	6,551,735	6,748,287	6,950,736	7,159,258	7,374,035	7,595,256	7,823,114	8,057,807	8,299,542	8,548,528	8,804,984	9,069,133
Building Maintenance	7,435,940	7,659,019	7,888,789	8,125,453	8,369,216	8,620,293	8,878,902	9,145,269	9,419,627	9,702,216	9,993,282	10,293,081
Security	7,993,319	8,233,119	8,480,112	8,734,516	8,996,551	9,266,448	9,544,441	9,830,774	10,125,696	10,429,469	10,742,353	11,064,623
Custodial	4,599,642	4,737,631	4,879,760	5,026,153	5,176,938	5,332,246	5,492,213	5,656,980	5,826,689	6,001,490	6,181,534	6,366,980
Equipment Maintenance	2,296,654	2,365,554	2,436,520	2,509,616	2,584,904	2,662,452	2,742,325	2,824,595	2,909,333	2,996,613	3,086,511	3,179,106
Operations	2,961,706	3,050,560	3,142,076	3,236,339	3,333,429	3,433,432	3,536,435	3,642,528	3,751,804	3,864,358	3,980,288	4,099,697
Equipment and Replacements	443,370	456,671	470,371	484,482	499,016	513,987	529,406	545,289	561,647	578,497	595,852	613,727
Total Operating Expenses	39,534,627	40,720,666	41,942,266	43,200,555	44,496,572	45,831,469	47,206,413	48,622,605	50,081,283	51,583,722	53,131,233	54,725,170

AIA Operating Revenues and Expenses

Airport Operations:	2006 103.00%	2007 103.00%	2008 103.00%	2009 103.00%	2010 103.00%	2011 103.00%	2012 103.00%	2013 103.00%	2014 103.00%	2015 103.00%	2016 103.00%	2017 103.00%
Income (Loss) from Operations **	40,553,101	41,484,502	42,440,478	43,425,222	44,427,240	45,387,089	46,371,121	47,382,936	48,416,664	49,472,066	50,565,542	49,141,471
* FIA Fund Transfer	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Net Cash Flow Before Subordinated Expenses	37,053,101	37,984,502	38,940,478	39,925,222	40,927,240	41,887,089	42,871,121	43,882,936	44,916,664	45,972,066	47,065,542	45,641,471
Outstanding Debt Service - Series H ***												
Outstanding Debt Service - Series I ***	2,617,673	2,622,000	2,620,188	2,622,650	2,629,613	2,635,663	2,640,525	2,643,925	2,650,450	2,654,688	2,661,225	
Subtotal Outstanding Debt Service	2,617,673	2,622,000	2,620,188	2,622,650	2,629,613	2,635,663	2,640,525	2,643,925	2,650,450	2,654,688	2,661,225	0
Net Debt Service - Terminal Redevelopment:												
FY 99	16,355,270	16,342,973	16,334,723	16,323,718	16,296,760	16,264,063	16,270,918	16,260,608	16,241,628	16,218,365	16,202,663	16,180,420
FY 2000	0	0	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (inactive)	0	0	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (inactive)	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal New Terminal Debt Service	16,355,270	16,342,973	16,334,723	16,323,718	16,296,760	16,264,063	16,270,918	16,260,608	16,241,628	16,218,365	16,202,663	16,180,420
Net Debt Service - North Air Park Cargo	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal New North Air Park Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - West Air Park Cargo:												
Series I	0	0	0	0	0	0	0	0	0	0	0	0
Series II	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal New West Air Park Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - Airfield Expansion	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal New Airfield Expansion Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - FIA												
Series 1	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal New FIA Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	18,972,943	18,964,973	18,954,911	18,946,368	18,926,393	18,919,746	18,911,443	18,904,533	18,892,078	18,873,053	18,863,888	16,180,420
(Operating) Debt Service Coverage	1.95	2.00	2.05	2.11	2.16	2.21	2.27	2.32	2.38	2.44	2.50	2.82
Total Subordinated Operating and Capital Expenses	1,683,111	1,818,791	1,959,866	2,106,650	2,259,271	2,378,316	2,500,932	2,627,227	2,757,310	2,891,296	3,029,302	3,171,447
Net Cash Flow Before Debt Service	35,369,989	36,165,711	36,980,580	37,818,572	38,667,969	39,508,773	40,370,189	41,255,709	42,159,353	43,080,770	44,036,241	42,470,024
Net Cash Flow After Debt Service	16,397,046	17,200,738	18,025,669	18,872,204	19,741,576	20,589,028	21,458,746	22,351,177	23,267,276	24,207,717	25,172,353	26,289,604

* Sources of Financial Information:
Alaska International Airport System Rates and Fees, F
** Analysis disregards effects of non-cash expenses (e.g.
*** Analysis includes all outstanding debt service of Alask

Anchorage International Airport
Redevelopment Program

AIA Operating Revenues and Expenses

Airport Operations:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Enplaned Passengers	4,869,934	5,045,251	5,226,880	5,415,048	5,609,990	5,811,949	6,021,180	6,237,942	6,462,508	6,695,158	6,936,184
International Enplaned Passengers	116,860	120,599	124,459	128,441	132,551	136,793	141,170	145,688	150,350	155,161	160,126
Total Enplaned Passengers	4,986,793	5,165,851	5,351,339	5,543,489	5,742,541	5,948,742	6,162,350	6,383,630	6,612,858	6,850,319	7,096,310
Total Domestic Airlines CMGTW (1,000 lbs.)	14,156,415	14,561,106	15,018,541	15,469,097	15,933,170	16,411,165	16,903,500	17,410,605	17,932,923	18,470,911	19,025,038
Total International Airlines CMGTW (1,000 lbs.)	33,687,401	34,698,023	35,738,963	36,811,132	37,915,466	39,052,930	40,224,518	41,431,254	42,674,191	43,954,417	45,273,050
Total CMGTW (1,000 lbs.)	47,843,816	49,278,130	50,757,504	52,280,229	53,848,636	55,464,095	57,128,018	58,841,859	60,607,114	62,425,328	64,298,088
Operating Revenues:											
Airfield Operations:											
Fuel Flowage Fees:	26,974,258	27,783,486	28,616,991	29,475,500	30,359,765	31,270,558	32,208,675	33,174,935	34,170,183	35,195,289	36,251,147
Commercial Aircraft	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
General Aviation Aircraft	35,450,536	36,432,364	37,438,696	38,471,434	39,531,066	40,616,186	41,728,652	32,138,431	33,324,859	34,542,405	35,791,900
Landing Fees	3,447,836	3,551,273	3,657,811	3,767,545	3,880,571	3,996,969	4,116,896	4,240,405	4,367,617	4,498,646	4,633,605
Aircraft Docking Fees	559,767	576,560	593,856	611,672	630,022	648,923	668,391	688,442	709,096	730,368	752,279
Federal Inspection Fees	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Aircraft Parking Fees											
Main Terminal Operations:	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Allowance for Terminal Building Rentals	11,364,759	11,492,721	11,624,193	11,759,756	11,899,450	12,042,802	12,189,763	8,299,711	8,464,109	8,633,440	8,807,850
Terminal Building Rentals											
Concession Fees:	1,565,724	1,612,696	1,661,076	1,710,909	1,762,236	1,815,103	1,869,556	1,925,643	1,983,412	2,042,915	2,104,202
Food and Beverage	1,598,174	1,646,119	1,695,503	1,746,368	1,798,759	1,852,722	1,908,303	1,965,553	2,024,519	2,085,255	2,147,812
News/Gifts	6,090,504	6,273,219	6,461,415	6,655,258	6,854,915	7,060,563	7,272,380	7,490,551	7,715,268	7,946,726	8,185,127
Rental Cars	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Ground Transportation	356,953	367,661	378,691	390,052	401,753	413,806	426,220	439,007	452,177	465,742	479,714
Display Advertising	442,134	455,398	469,060	483,132	497,626	512,555	527,932	543,770	560,083	576,885	594,192
Telephone	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000	194,000
Other Revenue											
International Terminal Operations:	363,037	373,928	385,146	396,700	408,601	420,859	433,485	446,490	459,884	473,681	487,891
Non-Airline Terminal Building Rentals	1,031,575	1,036,386	1,041,302	1,046,383	1,051,624	1,056,933	1,062,366	571,999	578,778	585,760	592,953
Airline Terminal Building Rentals											
Concession Fees:	143,996	148,316	152,767	157,350	162,071	166,933	171,941	177,099	182,412	187,885	193,521
Food and Beverage	4,753,348	4,905,455	5,062,429	5,224,427	5,391,609	5,564,140	5,742,193	5,925,943	6,115,573	6,311,271	6,513,232
Duty Free	89,236	91,915	94,673	97,513	100,438	103,451	106,555	109,752	113,044	116,436	119,929
Other	3,901,200	4,018,236	4,138,783	4,262,947	4,390,835	4,522,560	4,658,237	4,797,984	4,941,924	5,090,181	5,242,887
Land Rental Fees	7,625,805	7,854,579	8,090,217	8,332,923	8,582,911	8,840,398	9,105,610	9,378,779	9,660,142	9,949,946	10,248,445
Vehicle Parking Fees											
Total AIA Operating Revenues	108,653,847	109,515,314	112,457,611	115,484,869	118,599,255	121,800,281	125,092,157	113,209,492	116,718,080	120,327,831	124,041,668
	102.66%	102.66%	102.69%	102.69%	102.70%	102.70%	102.70%	90.50%	103.10%	103.09%	103.09%
Operating Expenses:											
Administration	8,564,579	8,821,517	9,086,162	9,358,747	9,639,510	9,928,695	10,226,556	10,533,352	10,849,353	11,174,834	11,510,079
Administrative Overhead	1,775,407	1,828,670	1,883,530	1,940,036	1,998,237	2,058,184	2,119,929	2,183,527	2,249,033	2,316,504	2,385,999
Field Maintenance	9,341,207	9,621,444	9,910,087	10,207,389	10,513,611	10,829,019	11,153,890	11,488,507	11,833,162	12,188,157	12,553,802
Building Maintenance	10,601,873	10,919,929	11,247,527	11,584,953	11,932,501	12,290,476	12,659,191	13,038,966	13,430,135	13,833,040	14,248,031
Security	11,396,562	11,738,459	12,090,613	12,453,331	12,826,931	13,211,739	13,608,091	14,016,334	14,436,824	14,869,928	15,316,026
Custodial	6,557,990	6,754,730	6,957,371	7,166,093	7,381,075	7,602,508	7,830,583	8,065,500	8,307,465	8,556,689	8,813,390
Equipment Maintenance	3,274,480	3,372,714	3,473,895	3,578,112	3,685,456	3,796,019	3,909,900	4,027,197	4,148,013	4,272,453	4,400,627
Operations	4,222,688	4,349,369	4,479,850	4,614,245	4,752,673	4,895,253	5,042,110	5,193,374	5,349,175	5,509,650	5,674,940
Equipment and Replacements	632,139	651,103	670,636	690,755	711,478	732,822	754,807	777,451	800,775	824,798	849,542
Total Operating Expenses	56,366,926	58,057,933	59,799,671	61,593,661	63,441,471	65,344,715	67,305,057	69,324,209	71,403,935	73,546,053	75,752,434

AIA Operating Revenues and Expenses

Airport Operations:	2018 103.00%	2019 103.00%	2020 103.00%	2021 103.00%	2022 103.00%	2023 103.00%	2024 103.00%	2025 103.00%	2026 103.00%	2027 103.00%	2028 103.00%
Income (Loss) from Operations **	50,286,921	51,457,381	52,657,940	53,891,206	55,157,764	56,455,566	57,787,100	43,685,263	45,314,145	46,781,778	48,289,253
* FIA Fund Transfer	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Net Cash Flow Before Subordinated Expenses	46,786,921	47,957,381	49,157,940	50,391,206	51,657,764	52,955,566	54,287,100	40,185,263	41,814,145	43,281,778	44,789,253
Outstanding Debt Service - Series H ***											
Outstanding Debt Service - Series I ***											
Subtotal Outstanding Debt Service	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - Terminal Redevelopment:											
FY 99	16,164,275	16,141,706	16,117,165	16,092,463	16,067,278	16,038,435	16,007,601	0	0	0	0
FY 2000	0	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (Inactive)	0	0	0	0	0	0	0	0	0	0	0
Future Terminal Bond Sizing (Inactive)	0	0	0	0	0	0	0	0	0	0	0
Subtotal New Terminal Debt Service	16,164,275	16,141,706	16,117,165	16,092,463	16,067,278	16,038,435	16,007,601	0	0	0	0
Net Debt Service - North Air Park Cargo	0	0	0	0	0	0	0	0	0	0	0
Subtotal New North Air Park Debt Service	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - West Air Park Cargo:											
Series I	0	0	0	0	0	0	0	0	0	0	0
Series II	0	0	0	0	0	0	0	0	0	0	0
Subtotal New West Air Park Debt Service	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - Airfield Expansion	0	0	0	0	0	0	0	0	0	0	0
Subtotal New Airfield Expansion Debt Service	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service - FIA											
Series 1	0	0	0	0	0	0	0	0	0	0	0
Subtotal New FIA Debt Service	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	16,164,275	16,141,706	16,117,165	16,092,463	16,067,278	16,038,435	16,007,601	0	0	0	0
(Operating) Debt Service Coverage	2.89	2.97	3.05	3.13	3.22	3.30	3.39				
Total Subordinated Operating and Capital Expenses	3,317,857	3,466,660	3,623,966	3,783,972	3,948,756	3,720,227	3,695,049	4,075,114	4,260,582	4,451,614	4,648,377
Net Cash Flow Before Debt Service	43,469,064	44,488,721	45,533,954	46,607,236	47,709,026	49,235,339	50,592,051	36,310,169	37,553,563	38,830,164	40,140,876
Net Cash Flow After Debt Service	27,304,789	28,347,014	29,416,789	30,514,773	31,641,748	33,196,904	34,584,450	36,310,169	37,553,563	38,830,164	40,140,876

* Sources of Financial Information:
Alaska International Airport System Rates and Fees, F
** Analysis disregards effects of non-cash expenses (e.g.
*** Analysis includes all outstanding debt service of Alask

Summary Unit Results

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Domestic Enplanements	2,098,986	2,208,133	2,322,956	2,443,750	2,548,631	2,658,431	2,772,743	2,891,971	3,016,326	3,136,979	3,262,458
International Enplanements	37,797	42,635	48,092	54,248	57,937	61,677	66,084	70,578	75,377	78,242	81,215
Total Domestic and International Enplanements	2,136,783	2,250,768	2,371,049	2,497,998	2,606,768	2,720,308	2,838,828	2,962,549	3,091,704	3,215,221	3,343,673
Domestic Transit Passengers	197,554	202,296	206,139	210,056	214,047	218,114	222,258	226,481	230,784	235,169	239,637
International Transit Passengers	635,310	700,000	731,500	764,418	798,816	834,763	872,327	911,582	952,603	988,802	1,026,377
Total Domestic and International Transit Passengers	832,864	902,296	937,639	974,474	1,012,863	1,052,877	1,094,586	1,138,063	1,183,387	1,223,971	1,266,014
			(See Note 1)								
Airline Cost per Enplaned Passenger (incl. Fuel Flowage)	15.15	16.17	16.65	16.21	17.40	20.75	20.34	19.94	19.54	19.23	18.92
Average Terminal Rental Rate per s.f.	31.59	32.46	32.97	33.24	38.65	39.06	39.36	39.63	39.92	40.21	40.51
Landing Fee (per 1,000 pound CMGTW)	0.50	0.62	0.69	0.68	0.77	0.95	0.93	0.91	0.89	0.87	0.85
Concession Revenues per Enplaned Passenger:											
Food and Beverage	0.39	0.37	0.37	0.37	0.36	0.36	0.36	0.36	0.36	0.36	0.36
News and Gifts	0.36	0.35	0.35	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Other	1.61	1.56	1.54	1.52	1.51	1.51	1.50	1.49	1.49	1.49	1.49
Total Concession Revenues per Enplaned Passenger	2.36	2.28	2.25	2.22	2.22	2.21	2.20	2.19	2.18	2.18	2.18
Duty Free Revenues per Int'l. Passenger	3.26	3.03	3.02	3.01	3.00	3.00	2.99	2.99	2.98	2.98	2.98
O & M Expenses per Usable s.f. of Building Space	37.75	39.07	40.24	41.45	42.69	33.10	34.09	35.11	36.16	37.25	38.37
Ground Rent per s.f. of Leased Area											

Note 1: Unit results through 2001 based on existing terminal space allocations; results post-2001 based on new terminal design
Note 2: Airline costs include significant cargo activity which increases "Airline Costs per Enplaned Passenger"

Summary Unit Results

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Domestic Enplanements	3,392,957	3,528,675	3,669,822	3,801,936	3,938,805	4,080,602	4,227,504	4,379,694	4,537,363	4,700,706	4,869,934
International Enplanements	84,301	87,504	90,830	93,736	96,736	99,831	103,026	106,323	109,725	113,236	116,860
Total Domestic and International Enplanements	3,477,258	3,616,179	3,760,652	3,895,672	4,035,541	4,180,434	4,330,530	4,486,017	4,647,088	4,813,944	4,986,793
Domestic Transit Passengers	244,190	246,630	253,558	258,375	263,285	268,287	273,384	278,579	283,872	289,265	294,761
International Transit Passengers	1,065,379	1,105,863	1,147,886	1,184,619	1,222,526	1,261,647	1,302,020	1,343,685	1,386,682	1,431,056	1,476,850
Total Domestic and International Transit Passengers	1,309,569	1,354,693	1,401,444	1,442,994	1,485,811	1,529,934	1,575,404	1,622,263	1,670,554	1,720,322	1,771,611
Airline Cost per Enplaned Passenger (incl. Fuel Flowage)	18.61	18.31	18.01	17.82	17.62	17.43	17.24	17.05	16.87	16.16	16.01
Average Terminal Rental Rate per s.f.	40.81	41.12	41.43	41.82	42.22	42.63	43.05	43.47	43.92	41.66	42.33
Landing Fee (per 1,000 pound CMGTW)	0.84	0.82	0.80	0.80	0.79	0.79	0.79	0.79	0.78	0.74	0.74
Concession Revenues per Enplaned Passenger:											
Food and Beverage	0.36	0.36	0.36	0.36	0.35	0.35	0.35	0.35	0.35	0.34	0.34
News and Gifts	0.34	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.32	0.32	0.32
Other	1.49	1.48	1.48	1.47	1.47	1.46	1.45	1.44	1.43	1.42	1.41
Total Concession Revenues per Enplaned Passenger	2.18	2.18	2.18	2.17	2.15	2.14	2.13	2.11	2.10	2.09	2.08
Duty Free Revenues per Int'l. Passenger	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98
O & M Expenses per Usable s.f. of Building Space	39.52	40.70	41.92	43.18	44.48	45.81	47.19	48.60	50.06	51.56	53.11
Ground Rent per s.f. of Leased Area											

Note 1: Unit results through 2001 based on existing terminal space al
Note 2: Airline costs include significant cargo activity which increase

Summary Unit Results

	2019	2020	2021	2022	2023	2024	2025
Domestic Enplanements	5,045,261	5,226,880	5,415,048	5,609,990	5,811,949	6,021,180	6,237,942
International Enplanements	120,590	124,459	128,441	132,551	136,793	141,170	145,688
Total Domestic and International Enplanements	5,165,851	5,351,339	5,543,489	5,742,541	5,948,742	6,162,350	6,383,630
Domestic Transit Passengers	300,362	308,069	311,884	317,610	323,848	330,001	336,271
International Transit Passengers	1,524,109	1,572,881	1,623,213	1,675,156	1,728,761	1,784,081	1,841,172
Total Domestic and International Transit Passengers	1,824,471	1,878,949	1,935,097	1,992,966	2,052,609	2,114,082	2,177,443
Airline Cost per Enplaned Passenger (Incl. Fuel Flowage)	15.85	15.69	15.54	15.39	15.24	15.10	12.56
Average Terminal Rental Rate per s.f.	42.60	43.29	43.80	44.32	44.85	45.40	30.91
Landing Fee (per 1,000 pound CMGTW)	0.74	0.74	0.74	0.73	0.73	0.73	0.55
Concession Revenues per Enplaned Passenger:							
Food and Beverage	0.34	0.34	0.34	0.34	0.33	0.33	0.33
News and Gifts	0.32	0.32	0.32	0.31	0.31	0.31	0.31
Other	1.41	1.40	1.39	1.38	1.37	1.36	1.36
Total Concession Revenues per Enplaned Passenger	2.08	2.05	2.04	2.03	2.02	2.00	1.99
Duty Free Revenues per Int'l. Passenger	2.98	2.98	2.98	2.98	2.98	2.98	2.98
O & M Expenses per Usable s.f. of Building Space	54.70	56.34	58.03	59.77	61.57	63.41	65.32
Ground Rent per s.f. of Leased Area							

Note 1: Unit results through 2001 based on existing terminal space al
Note 2: Airline costs include significant cargo activity which increase

Anchorage International Airport
Redevelopment Program

Passenger Projections

Domestic Enplanements	Low	Most Likely	High	Low %	High %	Mean	Standard Deviation	Current Selection
Air Carrier								
1995		1,516,345						1,516,345
1996		1,517,651						1,517,651
1997		1,578,966						1,578,966
1998 +	4.00%	5.20%	6.00%	5	95	5.07%	0.57%	5.20%
2001 +	3.00%	4.30%	5.00%	5	95	4.10%	0.55%	4.30%
2006 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.60%	4.50%	5	95	3.37%	0.69%	3.60%
Regional								
1995		309,043						309,043
1996		350,000						350,000
1997		364,000						364,000
1998 +	4.00%	5.20%	6.00%	5	95	5.07%	0.57%	5.20%
2001 +	3.00%	4.30%	5.00%	5	95	4.10%	0.55%	4.30%
2006 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.60%	4.50%	5	95	3.37%	0.69%	3.60%
Charter/Other								
1995		113,281						113,281
1996		150,000						150,000
1997		156,000						156,000
1998 +	4.00%	5.20%	6.00%	5	95	5.07%	0.57%	5.20%
2001 +	3.00%	4.30%	5.00%	5	95	4.10%	0.55%	4.30%
2006 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.60%	4.50%	5	95	3.37%	0.69%	3.60%
International Enplanements								
Total International								
1995		27,451						27,451
1996		33,133						33,133
1997		37,797						37,797
1998 +	10.00%	12.80%	14.00%	5	95	12.27%	1.05%	12.80%
2001 +	5.00%	6.80%	8.00%	5	95	6.60%	0.85%	6.80%
2006 +	2.50%	3.80%	4.30%	5	95	3.53%	0.47%	3.80%
2011 +	2.00%	3.20%	4.50%	5	95	3.23%	0.77%	3.20%

Domestic Transit Passengers

Total								
1995		182,497						182,497
1996	4.00%	5.20%	6.40%	5	95	5.20%	0.73%	5.20%
1997	2.00%	2.90%	3.80%	5	95	2.90%	0.55%	2.90%
1998	1.50%	2.40%	3.30%	5	95	2.40%	0.55%	2.40%
1999	1.00%	1.90%	2.80%	5	95	1.90%	0.55%	1.90%
2000 +	1.00%	1.90%	2.80%	5	95	1.90%	0.55%	1.90%

International Transit Passengers

Total								
1995		454,502						454,502
1996		507,184						507,184
1997		635,310						635,310
1998		700,000						700,000
1999 +	3.00%	4.50%	5.00%	5	95	4.17%	0.51%	4.50%
2006 +	2.00%	3.80%	4.40%	5	95	3.40%	0.61%	3.80%
2011 +	2.00%	3.20%	4.40%	5	95	3.20%	0.73%	3.20%

Source: TAMS Traffic Forecast

Anchorage International Airport
Redevelopment Program

Airline Rates and Fees

	Low	Most Likely	High	Low %	High %	Mean	Standard Deviation	Current Selection
Landing Fees (Calculated)								
1995		N/A						N/A
1996		N/A						N/A
1997	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1998	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1999	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2000	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2001	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2002 +	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
Terminal Building Rents (Calculated)								
1995		N/A						N/A
1996		N/A						N/A
1997	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1998	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1999	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2000	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2001	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2002 +	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
Fuel Flowage Fees								
1995		10,561,602						10,561,602
1996		11,506,500						11,506,500
1997		12,730,000						12,730,000
1998		13,300,000						13,300,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Aircraft Docking Fees								
1995		1,124,500						1,124,500
1996		1,264,000						1,264,000
1997		1,600,000						1,600,000
1998		1,700,000						1,700,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%

Federal Inspection Fees								
1995		450,769						450,769
1996		299,166						299,166
1997		216,000						216,000
1998		276,000						276,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%

Source: State of Alaska International Airport System Audited Financial Statements - FY 96

Anchorage International Airport
Redevelopment Program

Terminal Rent Calculations (Calculated System Wide - AIA and FIA)

		(Actual) 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
AIA Main Terminal												
Allocated Operation & Maintenance Expense		6,002,763	6,475,400	6,678,650	6,939,216	9,207,392	9,483,614	9,768,122	10,061,166	10,363,001	10,673,891	10,994,108
Amortization of Assets Financed from IARF		3,939,661	3,990,540	4,383,000	4,752,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000
Debt Service on Outstanding Revenue Bonds		5,320,548	5,329,000	5,330,000	5,351,000	4,539,000	2,614,371	2,613,260	2,617,730	2,617,695	2,622,765	2,617,673
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	6,072,650	16,388,159	16,380,793	16,372,838	16,363,083	16,356,270
Total Main Terminal Expense		17,262,972	17,794,940	18,391,650	19,042,216	19,227,392	23,651,635	34,250,541	34,540,688	34,834,533	35,140,738	35,448,051
AIA International Terminal												
Allocated Operation & Maintenance Expense	(50,000 reserve)	4,834,343	5,109,200	5,245,050	5,403,902	5,567,519	5,736,044	5,909,625	6,088,414	6,272,567	6,462,244	6,657,611
Amortization of Assets Financed from IARF		2,124,101	2,149,640	2,337,000	2,377,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000
Debt Service on Outstanding Revenue Bonds		61,247	61,000	61,000	62,000	43,000	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Total International Terminal Expense		7,019,691	7,319,840	7,643,050	7,842,902	7,994,519	8,120,044	8,293,625	8,472,414	8,656,567	8,846,244	9,041,611
FIA												
Allocated Operation & Maintenance Expense		2,504,202	2,737,000	2,776,000	2,832,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000
Amortization of Assets Financed from IARF		790,311	797,186	803,000	809,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000
Debt Service on Outstanding Revenue Bonds		92,948	93,000	95,000	93,000	66,000	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Total FIA Terminal Expense		3,387,461	3,627,186	3,672,000	3,734,000	3,775,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000
Total System Terminal Expense		27,670,125	28,741,966	29,706,900	30,619,117	30,996,911	35,480,679	46,253,166	46,722,102	47,200,100	47,695,982	48,198,661
Less: System Auto Parking Revenue												
AIA		3,292,316	3,666,000	3,760,000	3,910,400	4,066,816	4,229,489	4,398,668	4,574,615	4,757,600	4,947,903	5,145,820
FIA		467,769	380,000	364,000	371,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000
Total		3,760,085	4,046,000	4,124,000	4,281,400	4,444,816	4,607,489	4,776,668	4,952,615	5,135,600	5,325,903	5,523,820
Prior Year Carryover Adjustment		(42,012)	537,429	350,000	0	0	0	0	0	0	0	0
Total System Terminal Requirement		23,868,028	25,233,395	25,932,900	26,337,717	26,552,095	30,873,190	41,476,498	41,769,488	42,064,500	42,370,078	42,674,842
Total Usable Space (sf)				(Existing Space Allocation)								
Main Terminal Building - AIA		383,324	383,324	383,324	383,324	383,324	383,324	645,793	645,793	645,793	645,793	645,793
International Terminal Building - AIA		287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161
Terminal Building - FIA		128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391
Total		798,876	798,876	798,876	798,876	798,876	798,876	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345
Average Cost per sf (average rental rate)		29.88	31.59	32.46	32.97	33.24	38.65	39.08	39.36	39.63	39.92	40.21
Airline Rentable Space (sf)				(Existing Space Allocation)								
Main Terminal Building - AIA		151,582	150,240	150,757	150,757	150,757	150,757	268,503	268,503	268,503	268,503	268,503
International Terminal Building - AIA		41,412	38,476	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949
Terminal Building - FIA		47,769	47,769	47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903
Airline Terminal Requirement												
Main Terminal Building - AIA	100% Occupancy	4,528,817	4,745,499	4,893,634	4,970,227	5,010,663	5,626,123	10,492,879	10,567,000	10,641,634	10,718,940	10,796,040
International Terminal Building - AIA	100% Occupancy	1,237,267	1,215,306	1,069,562	1,066,278	1,095,120	1,273,340	1,267,620	1,296,716	1,305,874	1,315,361	1,324,822
Terminal Building - FIA	80% Occupancy	1,141,756	1,207,070	1,244,012	1,263,431	1,273,715	1,480,999	1,497,608	1,508,187	1,518,839	1,529,873	1,540,877
Total Airline Terminal Building Rental		6,907,840	7,167,877	7,207,427	7,319,936	7,379,517	8,580,462	13,278,107	13,371,903	13,466,347	13,564,174	13,661,739

Terminal Rent Calculations (Calculated System Wide -

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AIA Main Terminal												
Allocated Operation & Maintenance Expense		11,323,931	11,663,649	12,013,558	12,373,965	12,745,184	13,127,539	13,521,366	13,927,006	14,344,817	14,775,161	15,218,416
Amortization of Assets Financed from IARF		5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000
Debt Service on Outstanding Revenue Bonds		2,622,000	2,620,168	2,622,850	2,629,613	2,635,663	2,640,525	2,643,925	2,650,450	2,654,688	2,661,225	0
Debt Service on Proposed Revenue Bonds		16,342,973	16,334,723	16,323,718	16,296,780	16,284,083	16,270,918	16,260,608	16,241,628	16,218,365	16,202,663	16,180,420
Total Main Terminal Expense		35,769,903	36,099,559	36,440,926	36,781,358	37,145,929	37,519,982	37,906,898	38,300,084	38,698,870	39,120,049	36,879,836
AIA International Terminal												
Allocated Operation & Maintenance Expense	(50,000 reserve)	6,858,839	7,066,104	7,279,588	7,499,475	7,725,959	7,959,238	8,199,515	8,447,001	8,701,911	8,964,466	9,234,902
Amortization of Assets Financed from IARF		2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000
Debt Service on Outstanding Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Total International Terminal Expense		9,242,839	9,450,104	9,663,588	9,883,475	10,109,959	10,343,238	10,583,515	10,831,001	11,085,911	11,348,466	11,618,902
FIA												
Allocated Operation & Maintenance Expense		2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000
Amortization of Assets Financed from IARF		822,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000
Debt Service on Outstanding Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0	0	0	0
Total FIA Terminal Expense		3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000
Total System Terminal Expense		48,721,742	49,258,664	49,813,513	50,373,833	50,964,889	51,572,220	52,199,413	52,840,085	53,493,781	54,177,517	52,207,738
Less: System Auto Parking Revenue												
AIA		5,351,652	5,565,719	5,788,347	6,019,881	6,200,478	6,386,492	6,578,087	6,775,429	6,978,692	7,188,053	7,403,694
FIA		378,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000
Total		5,729,652	5,943,719	6,166,347	6,397,881	6,578,478	6,764,492	6,956,087	7,153,429	7,356,692	7,566,053	7,781,694
Prior Year Carryover Adjustment		0	0	0	0	0	0	0	0	0	0	0
Total System Terminal Requirement		42,992,090	43,314,945	43,647,166	43,975,952	44,386,411	44,807,728	45,243,327	45,686,656	46,137,088	46,611,464	44,426,044
Total Usable Space (sf)												
Main Terminal Building - AIA		645,793	645,793	645,793	645,793	645,793	645,793	645,793	645,793	645,793	645,793	645,793
International Terminal Building - AIA		287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161
Terminal Building - FIA		128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391
Total		1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345
Average Cost per sf (average rental rate)		40.51	40.81	41.12	41.43	41.82	42.22	42.63	43.05	43.47	43.92	41.86
Airline Rentable Space (sf)												
Main Terminal Building - AIA		268,503	268,503	268,503	268,503	268,503	268,503	268,503	268,503	268,503	268,503	268,503
International Terminal Building - AIA		32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949
Terminal Building - FIA		47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903
Airline Terminal Requirement												
Main Terminal Building - AIA	100% Occupancy	10,876,299	10,957,976	11,042,022	11,125,200	11,229,039	11,335,625	11,445,625	11,557,980	11,671,932	11,791,941	11,239,066
International Terminal Building - AIA	100% Occupancy	1,334,671	1,344,694	1,355,008	1,365,215	1,377,957	1,391,037	1,404,560	1,418,323	1,432,306	1,447,033	1,379,187
Terminal Building - FIA	80% Occupancy	1,552,332	1,563,990	1,575,985	1,587,857	1,602,678	1,617,890	1,633,619	1,649,626	1,665,890	1,683,018	1,604,109
Total Airline Terminal Building Rental		13,763,302	13,866,659	13,973,015	14,078,271	14,209,674	14,344,552	14,484,003	14,625,928	14,770,128	14,921,993	14,222,362

Terminal Rent Calculations (Calculated System Wide -

		2018	2019	2020	2021	2022	2023	2024	2025
AIA Main Terminal									
Allocated Operation & Maintenance Expense		15,674,966	16,145,218	16,629,574	17,128,461	17,642,315	18,171,585	18,716,732	19,278,234
Amortization of Assets Financed from IARF		5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000	5,481,000
Debt Service on Outstanding Revenue Bonds		0	0	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		16,164,275	16,141,708	16,117,165	16,092,463	16,067,278	16,038,435	16,007,601	0
Total Main Terminal Expense		37,320,243	37,767,925	38,227,739	38,701,924	39,190,593	39,691,020	40,205,333	24,759,234
AIA International Terminal									
Allocated Operation & Maintenance Expense	(50,000 reserve)	9,513,449	9,800,353	10,095,863	10,400,239	10,713,748	11,036,659	11,369,259	11,711,836
Amortization of Assets Financed from IARF		2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000	2,384,000
Debt Service on Outstanding Revenue Bonds		0	0	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0
Total International Terminal Expense		11,897,449	12,184,353	12,479,863	12,784,239	13,097,748	13,420,659	13,753,259	14,095,836
FIA									
Allocated Operation & Maintenance Expense		2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000	2,887,000
Amortization of Assets Financed from IARF		822,000	822,000	822,000	822,000	822,000	822,000	822,000	822,000
Debt Service on Outstanding Revenue Bonds		0	0	0	0	0	0	0	0
Debt Service on Proposed Revenue Bonds		0	0	0	0	0	0	0	0
Total FIA Terminal Expense		3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000	3,709,000
Total System Terminal Expense		52,926,693	53,661,278	54,416,602	55,195,163	55,997,339	56,820,678	57,667,592	42,564,070
Less: System Auto Parking Revenue									
AIA		7,625,805	7,854,579	8,090,217	8,332,923	8,582,911	8,840,398	9,105,610	9,378,779
FIA		378,000	378,000	378,000	378,000	378,000	378,000	378,000	378,000
Total		8,003,805	8,232,579	8,468,217	8,710,923	8,960,911	9,218,398	9,483,610	9,756,779
Prior Year Carryover Adjustment		0	0	0	0	0	0	0	0
Total System Terminal Requirement		44,922,887	45,428,698	45,948,386	46,484,240	47,036,428	47,602,280	48,183,982	32,807,292
Total Usable Space (sf)									
Main Terminal Building - AIA		645,793	645,793	645,793	645,793	645,793	645,793	645,793	645,793
International Terminal Building - AIA		287,161	287,161	287,161	287,161	287,161	287,161	287,161	287,161
Terminal Building - FIA		128,391	128,391	128,391	128,391	128,391	128,391	128,391	128,391
Total		1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345	1,061,345
Average Cost per sf (average rental rate)		42.33	42.80	43.29	43.80	44.32	44.85	45.40	30.91
Airline Rentable Space (sf)									
Main Terminal Building - AIA		268,503	268,503	268,503	268,503	268,503	268,503	268,503	268,503
International Terminal Building - AIA		32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949
Terminal Building - FIA		47,903	47,903	47,903	47,903	47,903	47,903	47,903	47,903
Airline Terminal Requirement									
Main Terminal Building - AIA	100% Occupancy	11,364,759	11,492,721	11,624,193	11,759,756	11,899,450	12,042,802	12,189,763	8,299,711
International Terminal Building - AIA	100% Occupancy	1,394,612	1,410,314	1,426,448	1,443,063	1,460,226	1,477,792	1,495,851	1,018,488
Terminal Building - FIA	80% Occupancy	1,622,046	1,640,312	1,659,076	1,678,425	1,698,363	1,718,794	1,739,798	1,184,566
Total Airline Terminal Building Rental		14,381,419	14,543,347	14,709,718	14,881,264	15,058,039	15,239,188	15,425,412	10,502,765

Landing Fees (Calculated System Wide - AIA and FIA)

Full Calculation		(Actual) 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Airport System Requirement												
Operation and Maintenance Expenses												
Anchorage International	Calculated	28,105,296	30,157,000	31,209,000	32,145,270	33,109,628	34,102,917	35,126,004	36,179,785	37,265,178	38,383,133	39,534,627
Fairbanks International		8,670,741	9,387,000	9,613,000	9,606,000	9,996,000	10,297,940	10,606,878	10,925,085	11,252,837	11,590,422	11,938,135
Revenue Bond Debt Service												
Outstanding and Proposed Bonds	Calculated	5,672,951	5,680,934	5,681,327	5,704,867	4,768,028	8,667,021	19,001,419	18,998,523	18,990,533	18,985,848	18,972,943
Amortization of Assets												
Funded from AIRF	(2% Growth)	15,362,790	15,767,613	17,366,813	18,820,813	19,842,813	20,239,669	20,644,463	21,057,352	21,478,499	21,908,069	22,346,230
Duty Free Requirement	Calculated	668,550	1,104,500	1,126,500	1,177,193	1,230,166	1,285,524	1,343,372	1,403,824	1,466,996	1,533,011	1,591,265
Management Incentive Fee	(3% Growth)	1,407,085	1,569,700	1,631,600	1,660,800	1,710,624	1,761,943	1,814,801	1,869,245	1,925,322	1,983,082	2,042,575
O & M Reserve Account	(2% Growth)	278,494	643,000	318,750	203,000	205,000	209,100	213,282	217,548	221,899	226,337	230,863
Total Airport System Requirement		60,365,887	64,329,947	66,946,990	69,317,943	70,884,259	76,564,114	88,750,219	90,651,360	92,601,264	94,609,902	96,656,639
Airport System Credits												
Revenue from Sources other than Airline Rates and Charges												
Anchorage International	Calculated	12,093,191	14,037,000	14,313,000	14,841,625	15,391,174	15,961,487	16,554,439	17,169,939	17,809,935	18,475,411	19,145,930
Fairbanks International	(2% Growth)	1,977,454	1,860,000	2,003,000	2,021,000	2,050,000	2,091,000	2,132,820	2,175,476	2,218,986	2,263,366	2,308,633
Subtotal		14,070,645	15,897,000	16,316,000	16,862,625	17,441,174	18,052,487	18,687,259	19,345,416	20,028,921	20,738,776	21,454,563
Airline Terminal Rents and Fees												
Anchorage International												
Main Terminal	Calculated	4,157,454	4,745,499	4,893,634	4,970,227	5,010,683	5,626,123	10,492,879	10,567,000	10,641,634	10,716,940	10,796,040
International Terminal	Calculated	909,595	1,040,306	890,582	900,118	901,513	1,071,969	1,078,215	1,078,935	1,079,382	1,079,809	1,079,848
International Terminal Docking Fees	(Growth)	1,264,000	1,600,000	1,700,000	1,800,000	1,900,000	1,938,000	1,976,760	2,016,295	2,056,621	2,097,754	2,139,709
FIS Fees	Calculated	299,166	216,000	276,000	287,040	298,522	310,462	322,881	335,796	349,228	363,197	377,725
Fairbanks International		1,303,362	1,107,000	1,144,000	1,160,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000
Loading Bridge Fees		44,280	50,000	48,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
FIS Fees		34,625	22,000	29,000	32,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Subtotal		8,012,682	8,780,807	8,981,415	9,193,385	9,352,718	10,388,574	15,112,735	15,240,026	15,368,865	15,501,700	15,635,322
Fuel Flowage Fees												
Anchorage International	Calculated	11,506,500	12,730,000	13,300,000	13,832,000	14,385,280	14,960,691	15,559,119	16,181,484	16,828,743	17,501,893	18,201,968
Fairbanks International		878,715	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000
Subtotal		12,385,215	13,615,000	14,185,000	14,717,000	15,270,280	15,845,691	16,444,119	17,066,484	17,713,743	18,386,893	19,086,968
Prepaid Airline Revenue		10,084,400	10,837,100	5,500,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Airport System Credits		44,552,942	49,129,907	44,982,415	50,773,010	52,064,172	54,286,753	60,244,113	61,651,926	63,111,529	64,627,368	66,176,853
Airline Landing Fee Requirement	Calculated	15,812,945	15,200,040	21,964,575	18,544,932	18,820,088	22,297,361	28,506,107	28,999,434	29,489,735	29,982,533	30,479,786
Prior Year Carryover Adjustment		(4,072,000)	(4,615,084)	(6,000,000)	0	0	0	0	0	0	0	0
Total Landing Fee Requirement		11,740,945	10,584,956	15,964,575	18,544,932	18,820,088	22,297,361	28,506,107	28,999,434	29,489,735	29,982,533	30,479,786

Landing Fees (Calculated System Wide - AIA and FIA)

		(Actual) 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Full Calculation												
Total Takeoff Weight (1,000 pound units)												
Anchorage International	Calculated	20,421,798	22,594,000	23,660,000	24,533,600	25,514,944	26,535,542	27,596,963	28,700,842	29,848,876	31,042,831	32,284,544
Fairbanks International		2,317,432	2,300,000	2,320,000	2,362,000	2,362,000	2,409,240	2,457,425	2,506,573	2,556,705	2,607,839	2,659,996
Subtotal Takeoff Weight (1,000 pound units)		22,739,230	24,894,000	25,910,000	26,895,600	27,876,944	28,944,782	30,054,388	31,207,415	32,405,580	33,650,670	34,944,540
Signatory Airline Landing Fee Rate (per 1,000 pound unit)		0.52	0.43	0.62	0.69	0.68	0.77	0.95	0.93	0.91	0.89	0.87
Alternate Calculation												
Operating Budget												
Anchorage	Calculated	28,105,296	30,157,000	31,209,000	32,145,270	33,109,628	34,102,917	35,126,004	36,179,785	37,265,178	38,383,133	39,534,627
Fairbanks		8,870,741	9,367,000	9,613,000	9,606,000	9,996,000	10,297,940	10,606,878	10,925,085	11,252,837	11,590,422	11,938,135
System Office		475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Inter-Agency Charges		980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000
Bad Debts		0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal		38,431,037	41,099,000	42,377,000	43,306,270	44,662,628	45,955,857	47,287,883	48,659,869	50,073,015	51,528,556	53,027,762
Capital Projects Expensed for Financial Statements												
Environmental Assessment and Cleanup		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Terminal Roof Repairs		1,200,000	0	0	0	0	0	0	0	0	0	0
C Concourse Relocation		750,000	0	0	0	0	0	0	0	0	0	0
Other		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
		4,150,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Required Bond Coverage (1.3x)		7,374,836	7,385,214	7,385,725	7,416,327	6,224,436	11,293,127	24,701,844	24,698,079	24,687,692	24,681,602	24,684,826
Total Requirements		49,955,873	50,684,214	51,962,725	52,922,597	53,087,065	59,448,984	74,189,727	75,557,948	76,960,707	78,410,157	79,892,588
Less:												
Non-Airline Revenues	Calculated	14,070,645	15,897,000	16,316,000	16,862,625	17,441,174	18,052,487	18,687,259	19,345,416	20,028,921	20,738,776	21,454,563
Airline Terminal Rents and Fees	Calculated	8,012,682	8,780,807	8,981,415	9,193,385	9,352,716	10,388,574	15,112,735	15,240,026	15,368,665	15,501,700	15,635,322
Fuel Flowage	Calculated	12,385,215	13,615,000	14,165,000	14,717,000	15,270,280	15,845,691	16,444,119	17,066,484	17,713,743	18,386,693	19,086,968
Subtotal		34,468,542	38,292,807	39,462,415	40,773,010	42,064,172	44,286,753	50,244,113	51,651,926	53,111,529	54,627,368	56,176,853
Net Requirement		15,487,331	12,391,408	12,480,310	12,149,587	11,022,893	15,162,232	23,945,614	23,906,023	23,849,179	23,782,789	23,715,735
Estimated Gross Takeoff Weight		22,739,230	24,894,000	25,910,000	26,895,600	27,876,944	28,944,782	30,054,388	31,207,415	32,405,580	33,650,670	34,944,540
Landing Fee (per 1,000 pound unit)		0.68	0.50	0.48	0.45	0.40	0.52	0.80	0.77	0.74	0.71	0.68
Actual Unit Landing Fee:												
Maximum of Primary and Alternate Calculations		0.68	0.50	0.62	0.69	0.68	0.77	0.95	0.93	0.91	0.89	0.87

Landing Fees (Calculated System Wide - AIA and

Full Calculation		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Airport System Requirement												
Operation and Maintenance Expenses												
Anchorage International	Calculated	40,720,666	41,942,286	43,200,555	44,496,572	45,831,469	47,206,413	48,622,605	50,081,283	51,583,722	53,131,233	54,725,170
Fairbanks International		12,296,279	12,665,167	13,045,122	13,436,476	13,839,570	14,254,757	14,682,400	15,122,872	15,576,558	16,043,855	16,525,171
Revenue Bond Debt Service												
Outstanding and Proposed Bonds	Calculated	18,964,973	18,954,911	18,946,366	18,926,363	18,919,746	18,911,443	18,904,533	18,892,078	18,873,053	18,863,888	18,180,420
Amortization of Assets												
Funded from AIRF	(2% Growth)	22,793,155	23,249,018	23,713,998	24,188,278	24,672,044	25,165,485	25,668,794	26,182,170	26,705,814	27,239,930	27,784,729
Duty Free Requirement	Calculated	1,651,733	1,714,499	1,779,650	1,847,277	1,908,390	1,967,394	2,030,351	2,095,322	2,162,372	2,231,568	2,302,978
Management Incentive Fee	(3% Growth)	2,103,852	2,166,967	2,231,976	2,298,936	2,367,904	2,438,941	2,512,109	2,587,472	2,665,096	2,745,049	2,827,401
O & M Reserve Account	(2% Growth)	235,481	240,190	244,994	249,894	254,892	259,990	265,189	270,493	275,903	281,421	287,049
Total Airport System Requirement		96,766,136	100,933,039	103,162,664	105,443,825	107,792,013	110,204,422	112,685,981	115,231,691	117,842,519	120,536,945	120,632,918
Airport System Credits												
Revenue from Sources other than Airline Rates and Charges												
Anchorage International	Calculated	19,842,240	20,565,339	21,316,266	22,096,099	22,739,521	23,402,462	24,085,576	24,789,415	25,514,626	26,261,867	27,031,799
Fairbanks International	(2% Growth)	2,354,806	2,401,902	2,449,940	2,498,939	2,548,917	2,599,896	2,651,894	2,704,931	2,759,030	2,814,211	2,870,495
Subtotal		22,197,045	22,967,241	23,766,206	24,595,037	25,288,438	26,002,378	26,737,469	27,494,346	28,273,656	29,076,077	29,902,294
Airline Terminal Rents and Fees												
Anchorage International												
Main Terminal	Calculated	10,876,299	10,957,976	11,042,022	11,125,200	11,229,039	11,335,625	11,445,825	11,557,980	11,671,932	11,791,941	11,239,066
International Terminal	Calculated	1,079,866	1,079,730	1,079,445	1,078,630	1,082,775	1,086,999	1,091,401	1,095,769	1,100,076	1,104,836	1,026,724
International Terminal Docking Fees	(Growth)	2,182,503	2,226,153	2,270,676	2,316,089	2,362,411	2,409,659	2,457,853	2,507,010	2,557,150	2,608,293	2,660,459
FIS Fees	Calculated	392,634	408,547	424,889	441,685	455,141	468,796	482,860	497,345	512,266	527,634	543,463
Fairbanks International		1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000
Loading Bridge Fees		44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
FIS Fees		31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Subtotal		15,773,534	15,914,406	16,059,033	16,203,804	16,371,367	16,543,079	16,719,938	16,900,104	17,083,423	17,274,703	16,711,711
Fuel Flowage Fees												
Anchorage International	Calculated	18,930,047	19,687,249	20,474,739	21,293,729	21,932,540	22,590,517	23,268,232	23,966,279	24,685,267	25,425,825	26,188,600
Fairbanks International		885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000
Subtotal		19,815,047	20,572,249	21,359,739	22,178,729	22,817,540	23,475,517	24,153,232	24,851,279	25,570,267	26,310,825	27,073,600
Prepaid Airline Revenue		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Airport System Credits		67,785,626	69,453,896	71,184,977	72,977,569	74,477,345	76,020,974	77,610,639	79,245,729	80,927,349	82,661,606	83,687,605
Airline Landing Fee Requirement	Calculated	30,980,512	31,479,143	31,977,686	32,466,256	33,314,669	34,183,448	35,075,342	35,985,962	36,915,169	37,875,338	36,945,313
Prior Year Carryover Adjustment		0	0	0	0	0	0	0	0	0	0	0
Total Landing Fee Requirement		30,980,512	31,479,143	31,977,686	32,466,256	33,314,669	34,183,448	35,075,342	35,985,962	36,915,169	37,875,338	36,945,313

Landing Fees (Calculated System Wide - AIA and

Full Calculation		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Takeoff Weight (1,000 pound units)												
Anchorage International	Calculated	33,575,926	34,918,963	36,315,721	37,768,350	38,901,401	40,068,443	41,270,496	42,508,611	43,783,869	45,097,385	46,450,307
Fairbanks International		2,713,196	2,767,459	2,822,809	2,879,265	2,936,850	2,995,587	3,055,499	3,116,609	3,178,941	3,242,520	3,307,370
Subtotal Takeoff Weight (1,000 pound units)		36,289,121	37,686,422	39,138,530	40,647,615	41,838,251	43,064,030	44,325,995	45,625,220	46,962,810	48,339,905	49,757,677
Signatory Airline Landing Fee Rate (per 1,000 pound unit)		0.65	0.64	0.62	0.60	0.60	0.79	0.79	0.79	0.79	0.78	0.74
Alternate Calculation												
Operating Budget												
Anchorage	Calculated	40,720,666	41,942,286	43,200,555	44,496,572	45,831,469	47,206,413	48,622,605	50,081,283	51,583,722	53,131,233	54,725,170
Fairbanks		12,296,279	12,665,167	13,045,122	13,436,476	13,839,570	14,254,757	14,682,400	15,122,872	15,576,558	16,043,855	16,525,171
System Office		475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Inter-Agency Charges		980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000
Bad Debts		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal		54,571,945	56,162,454	57,800,677	59,488,047	61,226,039	63,016,170	64,860,005	66,759,155	68,715,280	70,730,088	72,805,341
Capital Projects Expensed for Financial Statements												
Environmental Assessment and Cleanup		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Terminal Roof Repairs		0	0	0	0	0	0	0	0	0	0	0
C Concourse Relocation		0	0	0	0	0	0	0	0	0	0	0
Other		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
		2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Required Bond Coverage (1.3x)		24,654,464	24,641,384	24,630,278	24,604,311	24,595,669	24,584,875	24,575,892	24,559,701	24,534,969	24,523,054	21,034,546
Total Requirements		81,426,409	83,003,837	84,630,955	86,292,358	88,021,708	89,801,045	91,635,897	93,518,856	95,450,249	97,453,142	96,039,887
Less:												
Non-Airline Revenues	Calculated	22,197,045	22,967,241	23,766,206	24,595,037	25,266,436	26,002,378	26,737,469	27,494,346	28,273,658	29,076,077	29,902,294
Airline Terminal Rents and Fees	Calculated	15,773,534	15,914,406	16,059,033	16,203,804	16,371,367	16,543,079	16,719,938	16,900,104	17,083,423	17,274,703	16,711,711
Fuel Flowage	Calculated	19,815,047	20,572,249	21,359,739	22,178,729	22,817,540	23,475,517	24,153,232	24,851,279	25,570,267	26,310,825	27,073,600
Subtotal		57,785,626	59,453,896	61,184,977	62,977,569	64,477,345	66,020,974	67,610,639	69,245,729	70,927,349	72,661,606	73,687,605
Net Requirement		23,640,784	23,549,941	23,445,978	23,314,789	23,544,363	23,780,072	24,025,258	24,273,127	24,522,900	24,791,536	22,352,282
Estimated Gross Takeoff Weight		36,289,121	37,686,422	39,138,530	40,647,615	41,838,251	43,064,030	44,325,995	45,625,220	46,962,810	48,339,905	49,757,677
Landing Fee (per 1,000 pound unit)		0.65	0.62	0.60	0.57	0.56	0.55	0.54	0.53	0.52	0.51	0.45
Actual Unit Landing Fee:												
Maximum of Primary and Alternate Calculations		0.65	0.64	0.62	0.60	0.60	0.79	0.79	0.79	0.79	0.78	0.74

Landing Fees (Calculated System Wide - AIA and

Full Calculation		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Airport System Requirement												
Operation and Maintenance Expenses												
Anchorage International	Calculated	56,366,926	58,057,933	59,799,671	61,593,661	63,441,471	65,344,715	67,305,057	69,324,209	71,403,935	73,546,053	75,752,434
Fairbanks International		17,020,926	17,531,554	18,057,500	18,599,225	19,157,202	19,731,918	20,323,875	20,933,592	21,561,599	22,208,447	22,874,701
Revenue Bond Debt Service												
Outstanding and Proposed Bonds	Calculated	16,164,275	16,141,706	16,117,165	16,092,463	16,067,278	16,038,435	16,007,601	0	0	0	0
Amortization of Assets												
Funded from AIRF	(2% Growth)	28,340,423	28,907,232	29,485,376	30,075,084	30,676,586	31,290,117	31,915,920	32,554,238	33,205,323	33,869,429	34,546,818
Duty Free Requirement	Calculated	2,376,674	2,452,727	2,531,215	2,612,213	2,695,804	2,782,070	2,871,096	2,962,971	3,057,786	3,155,636	3,256,616
Management Incentive Fee	(3% Growth)	2,912,223	2,999,590	3,089,577	3,182,265	3,277,732	3,376,064	3,477,346	3,581,667	3,689,117	3,799,790	3,913,784
O & M Reserve Account	(2% Growth)	292,790	298,646	304,619	310,712	316,926	323,264	329,730	336,324	343,051	349,912	356,910
Total Airport System Requirement		123,474,237	126,389,389	129,385,124	132,465,623	135,632,999	138,886,584	142,230,625	129,693,001	133,260,811	136,929,267	140,701,263
Airport System Credits												
Revenue from Sources other than Airline Rates and Charges												
Anchorage International	Calculated	27,825,115	28,642,525	29,484,762	30,352,579	31,246,756	32,168,091	33,117,412	34,095,569	35,103,436	36,141,922	37,211,953
Fairbanks International	(2% Growth)	2,927,905	2,986,463	3,046,192	3,107,116	3,169,258	3,232,643	3,297,296	3,363,242	3,430,507	3,499,117	3,569,100
Subtotal		30,753,020	31,628,988	32,530,954	33,459,695	34,416,014	35,400,735	36,414,709	37,458,811	38,533,945	39,641,040	40,781,052
Airline Terminal Rents and Fees												
Anchorage International												
Main Terminal	Calculated	11,364,759	11,492,721	11,624,193	11,759,756	11,899,450	12,042,602	12,189,763	8,299,711	8,464,109	8,633,440	8,807,850
International Terminal	Calculated	1,031,575	1,036,386	1,041,302	1,046,383	1,051,624	1,056,933	1,062,366	571,999	578,778	585,760	592,953
International Terminal Docking Fees	(Growth)	2,713,668	2,767,941	2,823,300	2,879,766	2,937,361	2,996,109	3,056,031	3,117,151	3,179,494	3,243,084	3,307,946
FIS Fees	Calculated	559,767	576,560	593,856	611,672	630,022	648,923	668,391	688,442	709,096	730,368	752,279
Fairbanks International		1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000	1,167,000
Loading Bridge Fees		44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
FIS Fees		31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Subtotal		16,911,768	17,115,608	17,324,652	17,539,577	17,760,458	17,986,566	18,218,550	13,919,303	14,173,477	14,434,653	14,703,028
Fuel Flowage Fees												
Anchorage International	Calculated	26,974,258	27,783,486	28,616,991	29,475,500	30,359,765	31,270,558	32,208,675	33,174,935	34,170,183	35,195,289	36,251,147
Fairbanks International		885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000	885,000
Subtotal		27,859,258	28,668,486	29,501,991	30,360,500	31,244,765	32,155,558	33,093,675	34,059,935	35,055,183	36,080,289	37,136,147
Prepaid Airline Revenue		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Airport System Credits		85,524,046	87,413,082	89,357,596	91,359,772	93,421,237	95,542,859	97,726,934	95,438,049	97,762,805	100,155,981	102,620,226
Airline Landing Fee Requirement	Calculated	37,950,191	38,976,307	40,027,528	41,105,850	42,211,762	43,343,725	44,503,692	34,254,951	35,498,206	36,773,286	38,081,035
Prior Year Carryover Adjustment		0	0	0	0	0	0	0	0	0	0	0
Total Landing Fee Requirement		37,950,191	38,976,307	40,027,528	41,105,850	42,211,762	43,343,725	44,503,692	34,254,951	35,498,206	36,773,286	38,081,035

Landing Fees (Calculated System Wide - AIA and

Full Calculation		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Takeoff Weight (1,000 pound units)												
Anchorage International	Calculated	47,843,818	49,279,130	50,757,504	52,280,229	53,848,636	55,464,095	57,128,018	58,841,859	60,607,114	62,425,328	64,298,088
Fairbanks International		3,373,518	3,440,988	3,509,808	3,580,004	3,651,604	3,724,636	3,799,129	3,875,111	3,952,614	4,031,666	4,112,299
Subtotal Takeoff Weight (1,000 pound units)		51,217,333	52,720,118	54,267,312	55,860,233	57,500,240	59,188,731	60,927,147	62,716,970	64,559,728	66,456,994	68,410,387
Signatory Airline Landing Fee Rate (per 1,000 pound unit)		0.74	0.74	0.74	0.74	0.73	0.73	0.73	0.55	0.55	0.55	0.56
Alternate Calculation												
Operating Budget												
Anchorage	Calculated	56,366,926	58,057,933	59,799,671	61,593,661	63,441,471	65,344,715	67,305,057	69,324,209	71,403,935	73,546,053	75,752,434
Fairbanks		17,020,926	17,531,554	18,057,500	18,599,225	19,157,202	19,731,918	20,323,875	20,933,592	21,561,599	22,208,447	22,874,701
System Office		475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Inter-Agency Charges		980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000
Bad Debts		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal		74,942,851	77,144,487	79,412,171	81,747,887	84,153,673	86,631,633	89,183,932	91,812,800	94,520,534	97,309,500	100,182,135
Capital Projects Expensed for Financial Statements												
Environmental Assessment and Cleanup		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Terminal Roof Repairs		0	0	0	0	0	0	0	0	0	0	0
C Concourse Relocation		0	0	0	0	0	0	0	0	0	0	0
Other		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
		2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Required Bond Coverage (1.3x)		21,013,558	20,984,220	20,952,315	20,920,201	20,887,461	20,849,966	20,809,682	0	0	0	0
Total Requirements		98,156,409	100,328,707	102,564,486	104,868,088	107,241,134	109,681,599	112,193,614	94,012,800	96,720,534	99,509,500	102,382,135
Less:												
Non-Airline Revenues	Calculated	30,753,020	31,628,988	32,530,954	33,459,695	34,416,014	35,400,735	36,414,709	37,458,811	38,533,945	39,641,040	40,781,052
Airline Terminal Rents and Fees	Calculated	16,911,768	17,115,608	17,324,652	17,539,577	17,760,458	17,986,566	18,218,550	13,919,303	14,173,477	14,434,653	14,703,028
Fuel Flowage	Calculated	27,859,258	28,668,486	29,501,991	30,360,500	31,244,765	32,155,558	33,093,675	34,059,935	35,055,183	36,080,289	37,136,147
Subtotal		75,524,046	77,413,082	79,357,596	81,359,772	83,421,237	85,542,859	87,726,934	85,438,049	87,762,605	90,155,981	92,620,228
Net Requirement		22,632,363	22,915,625	23,206,890	23,508,316	23,819,897	24,138,740	24,466,680	8,574,751	8,957,929	9,353,519	9,761,907
Estimated Gross Takeoff Weight		51,217,333	52,720,118	54,267,312	55,860,233	57,500,240	59,188,731	60,927,147	62,716,970	64,559,728	66,456,994	68,410,387
Landing Fee (per 1,000 pound unit)		0.44	0.43	0.43	0.42	0.41	0.41	0.40	0.14	0.14	0.14	0.14
Actual Unit Landing Fee:												
Maximum of Primary and Alternate Calculations		0.74	0.74	0.74	0.74	0.73	0.73	0.73	0.55	0.55	0.55	0.56

Anchorage International Airport
Redevelopment Program

Non-Airline Revenue Projections

	Low	Most Likely	High	Low %	High %	Mean	Standard Deviation	Current Selection
Airfield Area:								
Aircraft Parking Fees								
1995		494,396						494,396
1996		519,483						519,483
1997		567,000						567,000
1998		575,000						575,000
1999		575,000						575,000
2000		575,000						575,000
2001 +		575,000						575,000
2011 +		575,000						575,000
General Aviation Fuel Flowage Fees								
1995		17,173						17,173
1996		20,186						20,186
1997		25,000						25,000
1998		25,000						25,000
1999		25,000						25,000
2000		25,000						25,000
2001 +		25,000						25,000
2011 +		25,000						25,000
Main Terminal Area:								
Automobile Parking Fees								
1995		3,172,428						3,172,428
1996		3,292,316						3,292,316
1997		3,666,000						3,666,000
1998		3,760,000						3,760,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Allowance for Terminal Building Rentals								
1995		24,066						24,066
1996		24,431						24,431
1997		25,000						25,000
1998		26,000						26,000
1999		27,000						27,000
2000		28,000						28,000
2001		29,000						29,000
2002 +		30,000						30,000

Concession Fees:								
Food and Beverage		701,618						701,618
1995		730,344						730,344
1996		757,000						757,000
1997		772,000						772,000
1998	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2011 +								
News/Gifts		756,897						756,897
1995		749,805						749,805
1996		773,000						773,000
1997		788,000						788,000
1998	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2011 +								
Rental Cars		2,870,643						2,870,643
1995		2,681,210						2,681,210
1996		2,944,000						2,944,000
1997		3,003,000						3,003,000
1998	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2011 +								
Ground Tranportation		20,893						20,893
1995		44,985						44,985
1996		21,000						21,000
1997		21,000						21,000
1998		21,000						21,000
1999		21,000						21,000
2000		21,000						21,000
2001		21,000						21,000
2002 +								
Display Advertising		158,849						158,849
1995		156,435						156,435
1996		173,000						173,000
1997		176,000						176,000
1998	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2011 +								
Telephone		190,783						190,783
1995		194,622						194,622
1996		214,000						214,000
1997		218,000						218,000
1998	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2011 +								

Other								
1995		30,931						30,931
1996		27,913						27,913
1997		47,000						47,000
1998		48,000						48,000
1999		49,000						49,000
2000		50,000						50,000
2001	-1.00%	0.00%	1.00%	5	95	0.00%	0.61%	0.00%
2002 +	-1.00%	0.00%	1.00%	5	95	0.00%	0.61%	0.00%
International Terminal Area:								
Terminal Building Rentals								
1995		122,693						122,693
1996		160,249						160,249
1997		175,000						175,000
1998		179,000						179,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Concession Fees:								
Food and Beverage								
1995		85,890						85,890
1996		66,323						66,323
1997		70,000						70,000
1998		71,000						71,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Duty Free								
1995		1,125,406						1,125,406
1996		1,337,100						1,337,100
1997		2,209,000						2,209,000
1998		2,253,000						2,253,000
1999 +	4.00%	4.50%	6.00%	5	95	4.83%	0.71%	4.50%
2006 +	3.00%	3.80%	5.00%	5	95	3.93%	0.65%	3.80%
2011	2.00%	3.20%	4.00%	5	95	3.07%	0.57%	3.20%
2012 +	2.00%	3.20%	4.00%	5	95	3.07%	0.57%	3.20%
Other (Concession)								
1995		22,260						22,260
1996		27,856						27,856
1997		43,000						43,000
1998		44,000						44,000
1999	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2000	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2001 +	3.00%	4.00%	5.00%	5	95	4.00%	0.61%	4.00%
2011 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Other Miscellaneous Revenue								
1995		208,195						208,195
1996		229,504						229,504
1997		190,000						190,000
1998		194,000						194,000
1999	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2000	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2001	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2002 +	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%

Building and Grounds Area:

Land Rentals								
1995		1,739,191						1,739,191
1996		1,830,447						1,830,447
1997		2,118,000						2,118,000
1998		2,160,000						2,160,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%

Source: Alaska Department of Transportation and Public Facilities; Alaska International Airport System FY1998 Airlines Rates and Fees

Anchorage International Airport
Redevelopment Program

Operation and Maintenance Expense Projections

	Low	Most Likely	High	Low %	High %	Mean	Standard Deviation	Current Selection
Expenses by Component:								
Administration								
1995		3,906,046						3,906,046
1996		3,897,036						3,897,036
1997		4,485,000						4,485,000
1998		4,742,000						4,742,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Field Maintenance								
1995		4,694,097						4,694,097
1996		4,732,158						4,732,158
1997		4,966,000						4,966,000
1998		5,172,000						5,172,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Building Maintenance								
1995		5,569,340						5,569,340
1996		5,732,636						5,732,636
1997		5,946,000						5,946,000
1998		5,870,000						5,870,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Safety								
1995		5,360,451						5,360,451
1996		5,726,315						5,726,315
1997		5,945,000						5,945,000
1998		6,310,000						6,310,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%

Custodial								
1995		3,497,062						3,497,062
1996		3,464,646						3,464,646
1997		3,479,000						3,479,000
1998		3,631,000						3,631,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Equipment Maintenance								
1995		1,612,681						1,612,681
1996		1,554,617						1,554,617
1997		1,866,000						1,866,000
1998		1,813,000						1,813,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Operations								
1995		1,299,929						1,299,929
1996		1,765,734						1,765,734
1997		2,155,000						2,155,000
1998		2,338,000						2,338,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Equipment Less Than $100,000								
1995		331,046						331,046
1996		297,748						297,748
1997		350,000						350,000
1998		350,000						350,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
Administrative Overhead								
1995		839,990						839,990
1996		934,206						934,206
1997		945,000						945,000
1998		983,000						983,000
1999	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2000	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2001	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%
2002 +	2.00%	3.00%	4.00%	5	95	3.00%	0.61%	3.00%

Source: Alaska Department of Transportation and Public Facilities; Alaska International Airport System FY1998 Airlines Rates and Fees

Anchorage International Airport
Redevelopment Program

Terminal Rent Calculations (O & M Allocations)

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AIA Main Terminal														
Administration	30%	1,169,111	1,345,500	1,422,600	1,465,278	1,509,236	1,554,513	1,601,149	1,649,183	1,698,659	1,749,619	1,802,107	1,856,170	1,911,855
Administrative Overhead	30%	260,262	283,500	294,900	303,747	312,859	322,245	331,913	341,870	352,126	362,690	373,570	384,778	396,321
Field Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Maintenance	60%	3,439,582	3,567,600	3,622,000	3,627,660	3,736,490	3,848,584	3,964,042	4,082,963	4,205,452	4,331,616	4,461,564	4,595,411	4,733,273
Security	10%	572,632	594,500	631,000	649,930	669,428	689,511	710,196	731,502	753,447	776,050	799,332	823,312	848,011
Custodial	55%	1,905,555	1,913,450	1,997,050	2,056,962	2,118,670	2,182,230	2,247,697	2,315,128	2,384,582	2,456,120	2,529,803	2,605,697	2,683,868
Equipment Maintenance	10%	155,482	166,600	181,300	186,739	192,341	198,111	204,055	210,176	216,482	222,976	229,665	236,555	243,652
Operations	25%	441,434	538,750	584,500	602,035	620,096	638,699	657,860	677,596	697,924	718,861	740,427	762,640	785,519
Equipment and Replacement	13%	38,707	45,500	45,500	46,865	48,271	49,719	51,211	52,747	54,329	55,959	57,638	59,367	61,148
Total		8,002,763	8,475,400	8,678,850	8,939,216	9,207,392	9,483,614	9,768,122	10,061,166	10,363,001	10,673,891	10,994,106	11,323,931	11,663,649
AIA International Terminal														
Administration	20%	779,407	897,000	948,400	976,852	1,006,158	1,036,342	1,067,433	1,099,456	1,132,439	1,166,412	1,201,405	1,237,447	1,274,570
Administrative Overhead	20%	186,841	189,000	196,600	202,496	208,573	214,830	221,275	227,913	234,751	241,793	249,047	256,518	264,214
Field Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Maintenance	30%	1,719,791	1,783,800	1,761,000	1,813,830	1,868,245	1,924,292	1,982,021	2,041,482	2,102,726	2,165,808	2,230,782	2,297,706	2,366,637
Security	5%	286,316	297,250	315,500	324,965	334,714	344,755	355,098	365,751	376,723	388,025	399,666	411,656	424,006
Custodial	45%	1,559,091	1,565,550	1,633,950	1,682,969	1,733,458	1,785,461	1,839,025	1,894,196	1,951,022	2,009,552	2,069,839	2,131,934	2,195,892
Equipment Maintenance	10%	155,482	166,600	181,300	186,739	192,341	198,111	204,055	210,176	216,482	222,976	229,665	236,555	243,652
Operations	10%	176,573	215,500	233,800	240,814	248,038	255,480	263,144	271,038	279,169	287,545	296,171	305,056	314,208
Equipment and Replacement	7%	20,842	24,500	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132	31,036	31,967	32,926
Total		4,884,343	5,159,200	5,295,050	5,453,902	5,617,519	5,786,044	5,959,625	6,138,414	6,322,567	6,512,244	6,707,611	6,908,839	7,116,104
Airfield														
Administration	45%	1,753,666	2,018,250	2,133,900	2,197,917	2,263,855	2,331,770	2,401,723	2,473,775	2,547,988	2,624,428	2,703,161	2,784,255	2,867,783
Administrative Overhead	45%	420,393	425,250	442,350	455,621	469,289	483,368	497,869	512,805	528,189	544,035	560,356	577,166	594,481
Field Maintenance	90%	4,258,942	4,487,400	4,654,800	4,794,444	4,938,277	5,086,426	5,239,018	5,396,189	5,558,075	5,724,817	5,896,561	6,073,458	6,255,662
Building Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Security	80%	4,581,052	4,756,000	5,048,000	5,199,440	5,355,423	5,516,086	5,681,568	5,852,016	6,027,576	6,208,403	6,394,655	6,586,495	6,784,090
Custodial	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Maintenance	80%	1,243,654	1,492,800	1,450,400	1,493,912	1,538,729	1,584,891	1,632,438	1,681,411	1,731,853	1,783,809	1,837,323	1,892,443	1,949,216
Operations	50%	882,867	1,077,500	1,169,000	1,204,070	1,240,192	1,277,398	1,315,720	1,355,191	1,395,847	1,437,723	1,480,854	1,525,280	1,571,038
Equipment and Replacement	60%	238,198	280,000	280,000	288,400	297,052	305,964	315,142	324,597	334,335	344,365	354,696	365,336	376,297
Total		13,378,972	14,537,200	15,178,450	15,633,804	16,102,816	16,585,902	17,083,479	17,595,984	18,123,863	18,667,579	19,227,606	19,804,435	20,398,568
Building and Ground Area														
Administration	5%	194,852	224,250	237,100	244,213	251,539	259,066	266,858	274,864	283,110	291,603	300,351	309,362	318,643
Administrative Overhead	5%	46,710	47,250	49,150	50,625	52,143	53,708	55,319	56,978	58,688	60,448	62,262	64,130	66,053
Field Maintenance	10%	473,216	498,600	517,200	532,716	548,697	565,158	582,113	599,577	617,564	636,091	655,173	674,829	695,074
Building Maintenance	10%	573,264	594,600	587,000	604,610	622,748	641,431	660,674	680,494	700,909	721,936	743,594	765,902	788,879
Security	5%	286,316	297,250	315,500	324,965	334,714	344,755	355,098	365,751	376,723	388,025	399,666	411,656	424,006
Custodial	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	15%	264,860	323,250	350,700	361,221	372,058	383,219	394,716	406,557	418,754	431,317	444,256	457,584	471,311
Equipment and Replacement	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		1,839,217	1,985,200	2,056,650	2,118,350	2,181,900	2,247,357	2,314,778	2,384,221	2,455,748	2,529,420	2,605,303	2,683,462	2,763,966

Totals														
Administration	100%	3,897,036	4,485,000	4,742,000	4,884,260	5,030,788	5,181,711	5,337,163	5,497,278	5,662,196	5,832,062	6,007,024	6,187,234	6,372,851
Administrative Overhead	100%	934,206	945,000	983,000	1,012,490	1,042,865	1,074,151	1,106,375	1,139,566	1,173,753	1,208,966	1,245,235	1,282,592	1,321,070
Field Maintenance	100%	4,732,158	4,986,000	5,172,000	5,327,160	5,486,975	5,651,584	5,821,132	5,995,766	6,175,638	6,360,908	6,551,735	6,748,287	6,950,736
Building Maintenance	100%	5,732,636	5,946,000	5,870,000	6,046,100	6,227,483	6,414,307	6,606,737	6,804,939	7,009,087	7,219,360	7,435,940	7,659,019	7,888,789
Security	100%	5,726,315	5,945,000	6,310,000	6,499,300	6,694,279	6,895,107	7,101,961	7,315,019	7,534,470	7,760,504	7,993,319	8,233,119	8,480,112
Custodial	100%	3,464,646	3,479,000	3,631,000	3,739,930	3,852,128	3,967,692	4,086,722	4,209,324	4,335,604	4,465,672	4,599,642	4,737,631	4,879,760
Equipment Maintenance	100%	1,554,617	1,666,000	1,613,000	1,667,390	1,923,412	1,981,114	2,040,547	2,101,764	2,164,817	2,229,761	2,296,654	2,365,554	2,436,520
Operations	100%	1,765,734	2,155,000	2,338,000	2,408,140	2,480,384	2,554,796	2,631,440	2,710,383	2,791,694	2,875,445	2,961,708	3,050,560	3,142,076
Equipment and Replacement	100%	297,748	350,000	350,000	360,500	371,315	382,454	393,928	405,746	417,918	430,456	443,370	456,671	470,371
Total		28,105,296	30,157,000	31,209,000	32,145,270	33,109,628	34,102,917	35,126,004	36,179,765	37,265,178	38,383,133	39,534,627	40,720,666	41,942,286

Anchorage International Airport
Redevelopment Program

Terminal Rent Calculations (O &

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
AIA Main Terminal														
Administration	30%	1,969,211	2,026,287	2,089,136	2,151,810	2,216,364	2,282,855	2,351,341	2,421,881	2,494,538	2,569,374	2,646,455	2,725,849	2,807,624
Administrative Overhead	30%	408,211	420,457	433,071	446,065	459,445	473,228	487,425	502,048	517,109	532,622	548,601	565,059	582,011
Field Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Maintenance	60%	4,675,272	5,021,530	5,172,176	5,327,341	5,487,161	5,651,776	5,821,329	5,995,969	6,175,848	6,361,124	6,551,957	6,748,516	6,950,972
Security	10%	873,452	899,655	926,645	954,444	983,077	1,012,570	1,042,947	1,074,235	1,106,462	1,139,656	1,173,846	1,209,061	1,245,333
Custodial	55%	2,764,384	2,847,316	2,932,735	3,020,717	3,111,339	3,204,679	3,300,819	3,399,844	3,501,839	3,606,894	3,715,101	3,826,554	3,941,351
Equipment Maintenance	10%	250,962	258,490	266,245	274,233	282,459	290,933	299,661	308,651	317,911	327,448	337,271	347,390	357,811
Operations	25%	809,085	833,357	858,358	884,109	910,632	937,951	966,089	995,072	1,024,924	1,055,672	1,087,342	1,119,962	1,153,561
Equipment and Replacement	13%	62,983	64,872	66,818	68,823	70,888	73,014	75,205	77,461	79,785	82,178	84,643	87,183	89,798
Total		12,013,556	12,373,965	12,745,184	13,127,539	13,521,366	13,927,006	14,344,617	14,775,161	15,218,416	15,674,968	16,145,218	16,629,574	17,128,461
AIA International Terminal														
Administration	20%	1,312,607	1,352,192	1,392,757	1,434,540	1,477,576	1,521,904	1,567,561	1,614,588	1,663,025	1,712,916	1,764,303	1,817,232	1,871,749
Administrative Overhead	20%	272,140	280,305	288,714	297,375	306,296	315,485	324,950	334,698	344,739	355,081	365,734	376,706	388,007
Field Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Maintenance	30%	2,437,636	2,510,765	2,586,088	2,663,671	2,743,581	2,825,888	2,910,665	2,997,985	3,087,924	3,180,562	3,275,979	3,374,258	3,475,486
Security	5%	436,726	449,828	463,322	477,222	491,539	506,285	521,473	537,118	553,231	569,828	586,923	604,531	622,667
Custodial	45%	2,261,769	2,329,622	2,399,511	2,471,496	2,545,641	2,622,010	2,700,670	2,781,691	2,865,141	2,951,095	3,039,628	3,130,817	3,224,742
Equipment Maintenance	10%	250,962	258,490	266,245	274,233	282,459	290,933	299,661	308,651	317,911	327,448	337,271	347,390	357,811
Operations	10%	323,634	333,343	343,343	353,643	364,253	375,180	386,436	398,029	409,970	422,269	434,937	447,985	461,425
Equipment and Replacement	7%	33,914	34,931	35,979	37,058	38,170	39,315	40,495	41,710	42,961	44,250	45,577	46,945	48,353
Total		7,329,588	7,549,475	7,775,959	8,009,238	8,249,515	8,497,001	8,751,911	9,014,468	9,284,902	9,563,449	9,850,353	10,145,863	10,450,239
Airfield														
Administration	45%	2,953,817	3,042,431	3,133,704	3,227,715	3,324,547	3,424,283	3,527,012	3,632,822	3,741,807	3,854,061	3,969,683	4,088,773	4,211,436
Administrative Overhead	45%	612,316	630,685	649,606	669,094	689,167	709,842	731,137	753,071	775,663	798,933	822,901	847,588	873,016
Field Maintenance	90%	6,443,332	6,636,632	6,835,731	7,040,803	7,252,027	7,469,588	7,693,675	7,924,485	8,162,220	8,407,087	8,659,299	8,919,078	9,186,650
Building Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Security	80%	6,967,613	7,197,241	7,413,158	7,635,553	7,864,620	8,100,558	8,343,575	8,593,882	8,851,699	9,117,250	9,390,767	9,672,490	9,962,665
Custodial	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Maintenance	80%	2,007,693	2,067,924	2,129,961	2,193,860	2,259,676	2,327,466	2,397,290	2,469,209	2,543,285	2,619,584	2,698,171	2,779,116	2,862,490
Operations	50%	1,618,169	1,666,714	1,716,716	1,768,217	1,821,264	1,875,902	1,932,179	1,990,144	2,049,849	2,111,344	2,174,684	2,239,925	2,307,123
Equipment and Replacement	80%	387,585	399,213	411,189	423,525	436,231	449,318	462,797	476,681	490,982	505,711	520,882	536,509	552,604
Total		21,010,525	21,640,840	22,290,066	22,958,768	23,647,531	24,356,956	25,087,665	25,840,295	26,615,504	27,413,969	28,236,388	29,083,480	29,955,984
Building and Ground Area														
Administration	5%	326,202	336,048	346,189	356,635	369,394	380,476	391,890	403,647	415,756	428,229	441,076	454,308	467,937
Administrative Overhead	5%	68,035	70,076	72,178	74,344	76,574	78,871	81,237	83,675	86,185	88,770	91,433	94,176	97,002
Field Maintenance	10%	715,926	737,404	759,526	782,311	805,781	829,954	854,853	880,498	906,913	934,121	962,144	991,009	1,020,739
Building Maintenance	10%	812,545	836,922	862,029	887,890	914,527	941,963	970,222	999,328	1,029,308	1,060,187	1,091,993	1,124,753	1,158,495
Security	5%	436,726	449,828	463,322	477,222	491,539	506,285	521,473	537,118	553,231	569,828	586,923	604,531	622,667
Custodial	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Maintenance	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	15%	485,451	500,014	515,015	530,465	546,379	562,771	579,654	597,043	614,955	633,403	652,406	671,977	692,137
Equipment and Replacement	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		2,846,885	2,932,291	3,020,260	3,110,868	3,204,194	3,300,319	3,399,329	3,501,309	3,606,348	3,714,539	3,825,975	3,940,754	4,058,977

Totals														
Administration	100%	6,564,037	6,760,958	6,963,787	7,172,700	7,387,881	7,609,518	7,837,803	8,072,938	8,315,126	8,564,579	8,821,517	9,086,162	9,358,747
Administrative Overhead	100%	1,360,702	1,401,523	1,443,569	1,486,876	1,531,482	1,577,426	1,624,749	1,673,492	1,723,696	1,775,407	1,828,670	1,883,530	1,940,036
Field Maintenance	100%	7,159,258	7,374,035	7,595,256	7,823,114	8,057,807	8,299,542	8,548,528	8,804,984	9,069,133	9,341,207	9,621,444	9,910,087	10,207,389
Building Maintenance	100%	8,125,453	8,369,216	8,620,293	8,878,902	9,145,269	9,419,627	9,702,216	9,993,282	10,293,081	10,601,873	10,919,929	11,247,527	11,584,953
Security	100%	8,734,516	8,996,551	9,266,448	9,544,441	9,830,774	10,125,698	10,429,469	10,742,353	11,064,623	11,396,562	11,738,459	12,090,613	12,453,331
Custodial	100%	5,026,153	5,176,938	5,332,246	5,492,213	5,656,980	5,826,689	6,001,490	6,181,534	6,366,960	6,557,990	6,754,730	6,957,371	7,166,093
Equipment Maintenance	100%	2,509,616	2,584,904	2,662,452	2,742,325	2,824,595	2,909,333	2,996,613	3,086,511	3,179,106	3,274,480	3,372,714	3,473,895	3,578,112
Operations	100%	3,236,339	3,333,429	3,433,432	3,536,435	3,642,528	3,751,804	3,864,358	3,980,288	4,099,697	4,222,688	4,349,369	4,479,850	4,614,245
Equipment and Replacement	100%	484,482	499,016	513,987	529,406	545,289	561,647	578,497	595,852	613,727	632,139	651,103	670,636	690,755
Total		43,200,555	44,496,572	45,831,469	47,206,413	48,622,605	50,081,283	51,583,722	53,131,233	54,725,170	56,366,926	58,057,933	59,799,671	61,593,661

Anchorage International Airport
Redevelopment Program

Terminal Rent Calculations (O &

		2022	2023	2024	2025	2026	2027	2028
AIA Main Terminal								
Administration	30%	2,691,853	2,978,608	3,087,967	3,160,008	3,254,808	3,352,450	3,453,024
Administrative Overhead	30%	569,471	617,455	636,979	655,058	674,710	694,951	715,800
Field Maintenance	0%	0	0	0	0	0	0	0
Building Maintenance	60%	7,159,501	7,374,286	7,595,514	7,823,380	8,058,081	8,299,824	8,548,818
Security	10%	1,282,693	1,321,174	1,360,809	1,401,633	1,443,682	1,486,993	1,531,603
Custodial	55%	4,059,591	4,181,379	4,306,821	4,436,025	4,569,106	4,706,179	4,847,365
Equipment Maintenance	10%	368,546	379,602	390,990	402,720	414,801	427,245	440,063
Operations	25%	1,188,168	1,223,813	1,260,528	1,298,343	1,337,294	1,377,413	1,418,735
Equipment and Replacement	13%	92,492	95,267	98,125	101,069	104,101	107,224	110,440
Total		17,642,315	18,171,585	18,716,732	19,278,234	19,856,581	20,452,279	21,065,847
AIA International Terminal								
Administration	20%	1,927,902	1,985,739	2,045,311	2,106,670	2,169,871	2,234,967	2,302,016
Administrative Overhead	20%	399,647	411,637	423,986	436,705	449,807	463,301	477,200
Field Maintenance	0%	0	0	0	0	0	0	0
Building Maintenance	30%	3,579,750	3,687,143	3,797,757	3,911,690	4,029,041	4,149,912	4,274,409
Security	5%	641,347	660,587	680,405	700,817	721,841	743,496	765,801
Custodial	45%	3,321,484	3,421,128	3,523,762	3,629,475	3,738,359	3,850,510	3,966,026
Equipment Maintenance	10%	368,546	379,602	390,990	402,720	414,801	427,245	440,063
Operations	10%	475,267	489,525	504,211	519,337	534,917	550,965	567,494
Equipment and Replacement	7%	49,803	51,298	52,836	54,422	56,054	57,736	59,468
Total		10,763,746	11,086,659	11,419,259	11,761,836	12,114,691	12,478,132	12,852,476
Airfield								
Administration	45%	4,337,779	4,467,913	4,601,950	4,740,009	4,882,209	5,028,675	5,179,535
Administrative Overhead	45%	899,206	926,183	953,968	982,587	1,012,065	1,042,427	1,073,700
Field Maintenance	90%	9,462,250	9,746,118	10,038,501	10,339,656	10,649,846	10,969,341	11,298,421
Building Maintenance	0%	0	0	0	0	0	0	0
Security	80%	10,261,545	10,569,391	10,886,473	11,213,067	11,549,459	11,895,943	12,252,821
Custodial	0%	0	0	0	0	0	0	0
Equipment Maintenance	80%	2,948,365	3,036,816	3,127,920	3,221,758	3,318,410	3,417,963	3,520,501
Operations	50%	2,376,336	2,447,626	2,521,055	2,596,687	2,674,587	2,754,825	2,837,470
Equipment and Replacement	80%	569,182	586,258	603,846	621,961	640,620	659,838	679,633
Total		30,854,664	31,780,304	32,733,713	33,715,724	34,727,196	35,769,012	36,842,082
Building and Ground Area								
Administration	5%	481,975	496,435	511,328	526,668	542,468	558,742	575,504
Administrative Overhead	5%	99,912	102,909	105,996	109,176	112,452	115,825	119,300
Field Maintenance	10%	1,051,361	1,082,902	1,115,389	1,148,851	1,183,316	1,218,816	1,255,380
Building Maintenance	10%	1,193,250	1,229,048	1,265,919	1,303,897	1,343,014	1,383,304	1,424,803
Security	5%	641,347	660,587	680,405	700,817	721,841	743,496	765,801
Custodial	0%	0	0	0	0	0	0	0
Equipment Maintenance	0%	0	0	0	0	0	0	0
Operations	15%	712,901	734,288	756,317	779,006	802,376	826,448	851,241
Equipment and Replacement	0%	0	0	0	0	0	0	0
Total		4,180,746	4,306,166	4,435,353	4,568,414	4,705,466	4,846,630	4,992,029

Totals								
Administration	100%	9,639,510	9,928,695	10,226,556	10,533,352	10,849,353	11,174,834	11,510,079
Administrative Overhead	100%	1,996,237	2,056,184	2,119,929	2,183,527	2,249,033	2,316,504	2,385,999
Field Maintenance	100%	10,513,611	10,829,019	11,153,890	11,486,507	11,833,162	12,188,157	12,553,802
Building Maintenance	100%	11,932,501	12,290,476	12,659,191	13,038,966	13,430,135	13,833,040	14,248,031
Security	100%	12,826,931	13,211,739	13,608,091	14,016,334	14,436,824	14,869,928	15,316,026
Custodial	100%	7,381,075	7,602,508	7,830,583	8,065,500	8,307,465	8,556,689	8,813,390
Equipment Maintenance	100%	3,686,456	3,796,019	3,909,900	4,027,197	4,148,013	4,272,453	4,400,627
Operations	100%	4,752,673	4,895,253	5,042,110	5,193,374	5,349,175	5,509,650	5,674,940
Equipment and Replacement	100%	711,478	732,822	754,807	777,451	800,775	824,798	849,542
Total		63,441,471	65,344,715	67,305,057	69,324,209	71,403,935	73,546,053	75,752,434

Anchorage International Airport
Redevelopment Program

FIA Fund Transfer

	Low	Most Likely	High	Low %	High %	Mean	Standard Deviation	Current Selection
FIA Operating Subsidy								
1995		4,000,000						4,000,000
1996		3,500,000						3,500,000
1997	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1998	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
1999	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2000	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2001	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%
2002 +	0.00%	0.00%	0.00%	5	95	0.00%	0.00%	0.00%

Anchorage International Airport
Redevelopment Program

FY 99
Transaction Summary

Draft - Confidential

Sources of Funds	
AIP Grants-in-Aid	0
PFCs	0
IARF	0
Airport Capital Allocation	6,400,000
Bond Principal	199,130,000
Plus Premium / Less OID	0
Accrued Interest	0
Total Sources of Funds	205,530,000

Uses of Funds	
Building Costs:	
Terminal Construction Fund	177,207,788
Financing Costs:	
Net Capitalized Interest Fund	22,477,655
Debt Service Reserve Fund	0
DSRF Surety Premium	577,604
Bond Insurance Premium	2,277,112
Costs of Issuance	2,988,950
Accrued Interest	0
Rounding	2,891
Total Uses of Funds	205,530,000

Key Assumptions	
Dated Date	10/1/98
Delivery Date	10/1/98
First Interest Date	4/1/99
First Principal Payment Date	10/1/01
Last Principal Payment Date	10/1/23
First Capitalized Interest	4/1/99
Last Capitalized Interest	10/1/00
Bullet Principal	0
Bond Insurance Premium Rate	0.60%
DSRF Surety Premium Rate	3.50%

True Interest Cost / Average Life	
Arbitrage TIC	6.31159%
All-In TIC	6.46901%
Average Life of Bonds (yrs.)	16.51

Gross Spread	
Management Fee	1.00
Underwriting Fee	0.00
Average Takedown	7.50
Expenses	1.50
Total Gross Spread	10.00

8/29/97

Anchorage International Airport
Redevelopment Program

FY 99
Bond Amortization

Date	Coupon	Yield	Price	Amortized Principal	Interest	Capitalized Interest	Net Debt Service	Net Annual Debt Service	Net Annual Fiscal Year Debt Service
10/1/98									
4/1/99				-	6,072,650	(6,072,650)	-		-
10/1/99	4.95%	4.95%	100.000	-	6,072,650	(6,072,650)	-	-	
4/1/00				-	6,072,650	(6,072,650)	-		-
10/1/00	5.05%	5.05%	100.000	-	6,072,650	(6,072,650)	-	-	
4/1/01				-	6,072,650	-	6,072,650		6,072,650
10/1/01	5.15%	5.15%	100.000	4,355,000	6,072,650	-	10,427,650	16,500,300	
4/1/02				-	5,960,509	-	5,960,509		16,388,159
10/1/02	5.25%	5.25%	100.000	4,580,000	5,960,509	-	10,540,509	16,501,018	
4/1/03				-	5,840,284	-	5,840,284		16,380,793
10/1/03	5.30%	5.30%	100.000	4,820,000	5,840,284	-	10,660,284	16,500,568	
4/1/04				-	5,712,554	-	5,712,554		16,372,838
10/1/04	5.40%	5.40%	100.000	5,075,000	5,712,554	-	10,787,554	16,500,108	
4/1/05				-	5,575,529	-	5,575,529		16,363,083
10/1/05	5.45%	5.45%	100.000	5,350,000	5,575,529	-	10,925,529	16,501,058	
4/1/06				-	5,429,741	-	5,429,741		16,355,270
10/1/06	5.55%	5.55%	100.000	5,640,000	5,429,741	-	11,069,741	16,499,483	
4/1/07				-	5,273,231	-	5,273,231		16,342,973
10/1/07	5.60%	5.60%	100.000	5,955,000	5,273,231	-	11,228,231	16,501,463	
4/1/08				-	5,106,491	-	5,106,491		16,334,723
10/1/08	5.70%	5.70%	100.000	6,290,000	5,106,491	-	11,396,491	16,502,983	
4/1/09				-	4,927,226	-	4,927,226		16,323,718
10/1/09	6.10%	6.10%	100.000	6,645,000	4,927,226	-	11,572,226	16,499,453	
4/1/10				-	4,724,554	-	4,724,554		16,296,780
10/1/10	6.10%	6.10%	100.000	7,050,000	4,724,554	-	11,774,554	16,499,108	
4/1/11				-	4,509,529	-	4,509,529		16,284,083
10/1/11	6.10%	6.10%	100.000	7,480,000	4,509,529	-	11,989,529	16,499,058	
4/1/12				-	4,281,389	-	4,281,389		16,270,918
10/1/12	6.10%	6.10%	100.000	7,940,000	4,281,389	-	12,221,389	16,502,778	
4/1/13				-	4,039,219	-	4,039,219		16,260,608
10/1/13	6.10%	6.10%	100.000	8,420,000	4,039,219	-	12,459,219	16,498,438	
4/1/14				-	3,782,409	-	3,782,409		16,241,628
10/1/14	6.30%	6.30%	100.000	8,935,000	3,782,409	-	12,717,409	16,499,818	
4/1/15				-	3,500,956	-	3,500,956		16,218,365
10/1/15	6.30%	6.30%	100.000	9,500,000	3,500,956	-	13,000,956	16,501,913	
4/1/16				-	3,201,706	-	3,201,706		16,202,663
10/1/16	6.30%	6.30%	100.000	10,095,000	3,201,706	-	13,296,706	16,498,413	
4/1/17				-	2,883,714	-	2,883,714		16,180,420
10/1/17	6.30%	6.30%	100.000	10,735,000	2,883,714	-	13,618,714	16,502,428	
4/1/18				-	2,545,561	-	2,545,561		16,164,275
10/1/18	6.30%	6.30%	100.000	11,410,000	2,545,561	-	13,955,561	16,501,123	
4/1/19				-	2,186,146	-	2,186,146		16,141,708
10/1/19	6.35%	6.35%	100.000	12,130,000	2,186,146	-	14,316,146	16,502,293	
4/1/20				-	1,801,019	-	1,801,019		16,117,165
10/1/20	6.35%	6.35%	100.000	12,900,000	1,801,019	-	14,701,019	16,502,038	
4/1/21				-	1,391,444	-	1,391,444		16,092,463
10/1/21	6.35%	6.35%	100.000	13,720,000	1,391,444	-	15,111,444	16,502,888	
4/1/22				-	955,834	-	955,834		16,067,278
10/1/22	6.35%	6.35%	100.000	14,590,000	955,834	-	15,545,834	16,501,668	
4/1/23				-	492,601	-	492,601		16,038,435
10/1/23	6.35%	6.35%	100.000	15,515,000	492,601	-	16,007,601	16,500,203	
4/1/24				-	-	-	-		16,007,601
10/1/24				-	-	-	-	-	
4/1/25				-	-	-	-		-
10/1/25				-	-	-	-	-	
4/1/26				-	-	-	-		-
10/1/26				-	-	-	-	-	
4/1/27				-	-	-	-		-
10/1/27				-	-	-	-	-	
4/1/28				-	-	-	-		-
10/1/28				-	-	-	-	-	
4/1/29				-	-	-	-		-
10/1/29				-	-	-	-	-	
				199,130,000	204,679,190	(24,290,600)	379,518,590	379,518,590	379,518,590

Anchorage International Airport
Redevelopment Program

FY 99
Construction Fund

Date	Beginning Balance	Deposit From Bond Proceeds	Transfer From Revenues	AIA Contribution	Construction Draw	Interest Earnings @ 6.00%	Ending Balance
10/1/98	(0)	(177,207,788)			2,266,667	(674,706)	(175,815,827)
11/1/98	(175,815,827)	-			2,266,667	(667,746)	(174,416,906)
12/1/98	(174,416,906)	-			2,266,667	(660,751)	(173,010,991)
1/1/99	(173,010,991)	-			2,266,667	(653,722)	(171,598,046)
2/1/99	(171,598,046)	-			2,266,667	(646,657)	(170,178,036)
3/1/99	(170,178,036)	-			2,266,667	(639,557)	(168,750,926)
4/1/99	(168,750,926)	-			2,266,667	(632,421)	(167,316,681)
5/1/99	(167,316,681)	-			2,266,667	(625,250)	(165,875,264)
6/1/99	(165,875,264)	-			2,266,667	(618,043)	(164,426,640)
7/1/99	(164,426,640)	-			4,616,667	(799,050)	(160,609,023)
8/1/99	(160,609,023)	-			4,616,667	(779,962)	(156,772,319)
9/1/99	(156,772,319)	-			4,616,667	(760,778)	(152,916,430)
10/1/99	(152,916,430)	-			4,616,667	(741,499)	(149,041,262)
11/1/99	(149,041,262)	-			4,616,667	(722,123)	(145,146,719)
12/1/99	(145,146,719)	-			4,616,667	(702,650)	(141,232,702)
1/1/00	(141,232,702)	-			4,616,667	(683,080)	(137,299,116)
2/1/00	(137,299,116)	-			4,616,667	(663,412)	(133,345,861)
3/1/00	(133,345,861)	-			4,616,667	(643,646)	(129,372,841)
4/1/00	(129,372,841)	-			4,616,667	(623,781)	(125,379,955)
5/1/00	(125,379,955)	-			4,616,667	(603,816)	(121,367,105)
6/1/00	(121,367,105)	-			4,616,667	(583,752)	(117,334,190)
7/1/00	(117,334,190)	-			4,783,333	(562,754)	(113,113,611)
8/1/00	(113,113,611)	-			4,783,333	(541,651)	(108,871,929)
9/1/00	(108,871,929)	-			4,783,333	(520,443)	(104,609,039)
10/1/00	(104,609,039)	-			4,783,333	(499,129)	(100,324,834)
11/1/00	(100,324,834)	-			4,783,333	(477,706)	(96,019,206)
12/1/00	(96,019,206)	-			4,783,333	(456,179)	(91,692,054)
1/1/01	(91,692,054)	-			4,783,333	(434,544)	(87,343,264)
2/1/01	(87,343,264)	-			4,783,333	(412,800)	(82,972,731)
3/1/01	(82,972,731)	-			4,783,333	(390,947)	(78,580,344)
4/1/01	(78,580,344)	-			4,783,333	(368,985)	(74,165,996)
5/1/01	(74,165,996)	-			4,783,333	(346,913)	(69,729,576)
6/1/01	(69,729,576)	-			4,783,333	(324,731)	(65,270,974)
7/1/01	(65,270,974)	-			4,341,667	(304,647)	(61,233,954)
8/1/01	(61,233,954)	-			4,341,667	(284,461)	(57,176,749)
9/1/01	(57,176,749)	-			4,341,667	(264,175)	(53,099,257)
10/1/01	(53,099,257)	-			4,341,667	(243,788)	(49,001,379)
11/1/01	(49,001,379)	-			4,341,667	(223,299)	(44,883,011)
12/1/01	(44,883,011)	-			4,341,667	(202,707)	(40,744,051)
1/1/02	(40,744,051)	-			4,341,667	(182,012)	(36,584,396)
2/1/02	(36,584,396)	-			4,341,667	(161,214)	(32,403,943)
3/1/02	(32,403,943)	-			4,341,667	(140,311)	(28,202,588)
4/1/02	(28,202,588)	-			4,341,667	(119,305)	(23,980,226)
5/1/02	(23,980,226)	-			4,341,667	(98,193)	(19,736,752)
6/1/02	(19,736,752)	-			4,341,667	(76,975)	(15,472,060)
7/1/02	(15,472,060)	-			1,325,000	(70,736)	(14,217,796)
8/1/02	(14,217,796)	-			1,325,000	(64,464)	(12,957,260)
9/1/02	(12,957,260)	-			1,325,000	(58,161)	(11,690,421)
10/1/02	(11,690,421)	-			1,325,000	(51,827)	(10,417,248)
11/1/02	(10,417,248)	-			1,325,000	(45,461)	(9,137,709)
12/1/02	(9,137,709)	-			1,325,000	(39,064)	(7,851,773)
1/1/03	(7,851,773)	-			1,325,000	(32,634)	(6,559,407)
2/1/03	(6,559,407)	-			1,325,000	(26,172)	(5,260,579)
3/1/03	(5,260,579)	-			1,325,000	(19,678)	(3,955,257)
4/1/03	(3,955,257)	-			1,325,000	(13,151)	(2,643,408)
5/1/03	(2,643,408)	-			1,325,000	(6,592)	(1,325,000)
6/1/03	(1,325,000)	-			1,325,000	-	-
7/1/03	-	-				-	-
8/1/03	-	-				-	-
9/1/03	-	-				-	-
10/1/03	-	-				-	-
11/1/03	-	-				-	-
12/1/03	-	-				-	-
		(177,207,788)	0	0	201,200,000	(23,992,212)	

Anchorage International Airport
Redevelopment Program

FY 99
Capitalized Interest Fund

Date	Beginning Balance	Deposit From Bond Proceeds	Interest Earnings @ 4.50%	DSRF Earnings	Capitalized Interest Payments	Ending Balance
10/1/98	-	22,477,655	505,747	-	-	22,983,403
4/1/99	22,983,403	-	517,127	-	(6,072,650)	17,427,879
10/1/99	17,427,879	-	392,127	-	(6,072,650)	11,747,356
4/1/00	11,747,356	-	264,316	-	(6,072,650)	5,939,022
10/1/00	5,939,022	-	133,628	-	(6,072,650)	-
4/1/01	-	-	-	-	-	-
10/1/01	-	-	-	-	-	-
4/1/02	-	-	-	-	-	-
10/1/02	-	-	-	-	-	-
4/1/03	-	-	-	-	-	-
10/1/03	-	-	-	-	-	-
4/1/04	-	-	-	-	-	-
10/1/04	-	-	-	-	-	-
4/1/05	-	-	-	-	-	-
10/1/05	-	-	-	-	-	-
4/1/06	-	-	-	-	-	-
10/1/06	-	-	-	-	-	-
4/1/07	-	-	-	-	-	-
10/1/07	-	-	-	-	-	-
4/1/08	-	-	-	-	-	-
10/1/08	-	-	-	-	-	-
4/1/09	-	-	-	-	-	-
10/1/09	-	-	-	-	-	-
4/1/10	-	-	-	-	-	-
10/1/10	-	-	-	-	-	-
4/1/11	-	-	-	-	-	-
10/1/11	-	-	-	-	-	-
4/1/12	-	-	-	-	-	-
10/1/12	-	-	-	-	-	-
4/1/13	-	-	-	-	-	-
10/1/13	-	-	-	-	-	-
4/1/14	-	-	-	-	-	-
10/1/14	-	-	-	-	-	-
4/1/15	-	-	-	-	-	-
10/1/15	-	-	-	-	-	-
4/1/16	-	-	-	-	-	-
10/1/16	-	-	-	-	-	-
4/1/17	-	-	-	-	-	-
10/1/17	-	-	-	-	-	-
4/1/18	-	-	-	-	-	-
10/1/18	-	-	-	-	-	-
4/1/19	-	-	-	-	-	-
10/1/19	-	-	-	-	-	-
4/1/20	-	-	-	-	-	-
10/1/20	-	-	-	-	-	-
4/1/21	-	-	-	-	-	-
10/1/21	-	-	-	-	-	-
4/1/22	-	-	-	-	-	-
10/1/22	-	-	-	-	-	-
4/1/23	-	-	-	-	-	-
10/1/23	-	-	-	-	-	-
4/1/24	-	-	-	-	-	-
10/1/24	-	-	-	-	-	-
4/1/25	-	-	-	-	-	-
10/1/25	-	-	-	-	-	-
4/1/26	-	-	-	-	-	-
10/1/26	-	-	-	-	-	-
4/1/27	-	-	-	-	-	-
10/1/27	-	-	-	-	-	-
4/1/28	-	-	-	-	-	-
10/1/28	-	-	-	-	-	-
4/1/29	-	-	-	-	-	-
10/1/29	-	-	-	-	-	-
		22,477,655	1,812,945	0	(24,290,600)	