

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2456 SCOMM 103 HOUSE SPEC. COMM. INTL. TRADE & TOURISM, 1997-98

**Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program**

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**

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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

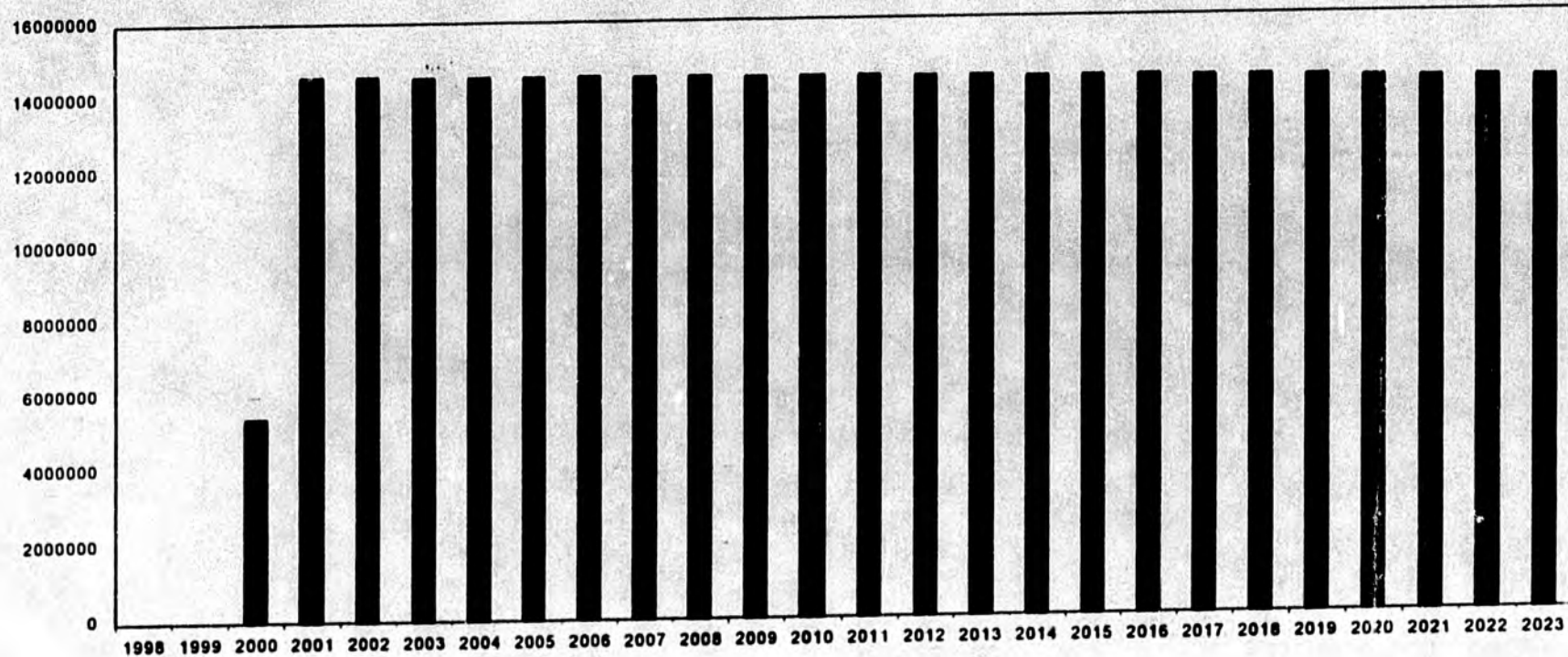
- Level Debt Service facilitates long-term planning because it creates a consistent base
- Average Life of debt is substantially less than face term of bonds
- Effect of inflation is to reduce the fixed debt as percentage of total operating costs over time
- Level debt service makes project a gradually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

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Level Debt Service
For \$173,000,000 Project Fund
Annual Fiscal Year Net Debt Service
 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



November 5, 1997

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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

November 5, 1997

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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

November 5, 1997

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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)

November 5, 1997

**Leif Selkregg Associates Program Management Team
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**Airline Affairs Committee Presentation
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	<u>October 15 Bond Issue</u>	<u>November 5 Bond Issue</u>
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

November 5, 1997

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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.

November 5, 1997

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**Airline Affairs Committee Presentation
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- 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

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- 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

November 5, 1997

**Leif Selkregg Associates Program Management Team
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ATTACHMENT #8

STATUS REPORT

Concourse C Funding

Appropriations:	Description	AR YR	AMOUNT
AR5837	O/AIA CONCOURSE C	1994	\$3,000,000
AR5898	O/AIA CONCOURSE C RELOCATION	1997	\$7,200,000
AR63836	O/AIA TERMINAL EXPANSION	1994	\$4,500,000
			\$14,700,000

Projects:	Spent	Encumbered	Balance	Project Total
Concourse C Repair, Rehabilitation, Replace				
Design & Construction of Safety Repairs	\$210,000			
Seismic / Code Evaluations	\$235,000			
Misc	\$43,534			
	\$488,534	\$10,107	\$302,536	\$801,177
PPO Office Addition				
Design and Admin	\$338,499			
	\$338,499	\$88,169	\$23,332	\$450,000
PPO Warehouse / Maintenance Shops / Office				
Design and Admin	\$317,762			
Utilities & Civil	\$67,562			
Construction	\$2,733,963			
	\$3,119,287	\$31,051	\$449,662	\$3,600,000
Concourse C Tenant Relocations				
Program analysis, design, and Force Account	\$29,264			
	\$29,264	\$37,079	\$1,261,050	\$1,327,393
1% for Art (Warehouse / Maint Facility)				
	\$0			
	\$0	\$21,430	\$0	\$21,430

AIA Terminal Redevelopment

Terminal Assessment

Aviation Forecast	\$217,966			
Needs Assessment	\$265,185			
Masterplan	\$148,658			
Concept Design	\$884,408			
Environmental Planning	\$122,074			
Financial Planning	\$282,862			
Program Management	\$478,847			
	\$2,400,000	\$0	\$0	\$2,400,000

Terminal Schematic Design

Schematic Design and Admin.	\$605,878			
	\$605,878	\$4,089,510	\$604,612	\$5,300,000

Landside Design

Landside Design and Admin.	\$0			
	\$0	\$314,316	\$85,684	\$400,000

Environmental Assessment

Environmental Assessment	\$0			
	\$0	\$316,232	\$83,768	\$400,000

\$6,981,462 \$4,907,894 \$2,810,644 \$14,700,000

UNEXPENDED

ATTACHMENT #9

**ALIAS
UNEXPENDED CIP APPROPRIATIONS
AS OF 03/06/97**

P. 03/07

FAX NO. 9072662676

AIA DIRECTORS OFFICE

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A I A S
CNEXPENDED CIP APPROPRIATIONS
as of 06/30/97

AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
	AIA																		
1988	TERMINAL RENOVATION	5,000	0	5,000	4,819	0	4,819	26	0	26	-11	0	-11	-20	0	-20	124	0	124
1988	RECONSTRUCTION OF RAMP	1,200	0	1,200	1,049	0	1,049	0	0	0	0	0	0	-40	0	-40	111	0	111
1989	EXPAND SAND STORAGE	300	0	300	16	0	16	0	0	0	0	0	0	0	0	0	284	0	284
1990	AIAS MAINT EQUIP	1,997	0	1,997	1,995	0	1,995	0	0	0	1,995	0	1,995	0	0	0	2	0	2
1990	AIA INTERNAL RDS/TUG	2,500	0	2,500	2,496	0	2,496	1	0	1	2,500	0	2,500	-3	0	-3	0	0	0
1991	AIA: CODE UPGRADE	3,000	0	3,000	1,799	0	1,799	0	0	0	-1,136	0	-1,136	-1	0	-1	64	0	64
1991	AIA: ENVIR ASSCLNUP	2,000	0	2,000	1,881	0	1,881	4	0	4	2,000	0	2,000	0	0	0	114	0	114
1991	AIA: TERMINAL ROOF R	1,500	0	1,500	1,255	0	1,255	12	0	12	0	0	0	0	0	0	233	0	233
1992	AIA POSTMARK DRIVE	0	1,000	1,000	0	640	640	0	0	0	0	0	0	0	-314	-314	0	46	46
1992	AIA NO TERMINAL MODI	350	0	350	317	0	317	2	0	2	0	0	0	0	0	0	30	0	30
1992	AIA ACCESS CONTROL	500	1,092	1,592	70	146	216	28	398	422	0	0	0	0	0	0	404	550	954
1992	AIA ENVIR ASSMNT & C	2,000	0	2,000	1,273	0	1,273	91	0	91	0	0	0	0	0	0	635	0	635
1992	AIA ROADWAY RECONSTR	1,743	5,760	7,503	557	5,601	6,158	0	0	0	0	0	0	-1,174	-159	-1,333	12	0	12
1993	AIAS ADVANCE PRJ DES	558	203	759	429	203	632	13	0	13	0	0	0	-75	0	-75	39	0	39
1993	AIAS ENVR AIA SHARE	500	0	500	392	0	392	10	0	10	0	0	0	0	0	0	88	0	88
1993	AIA, TAXIWAY K SAFE	390	2,600	2,990	174	2,289	2,462	9	135	144	0	0	0	-204	-130	-334	3	47	50
1993	AIA, TERMINAL AUTO R	250	850	1,100	202	736	938	0	0	0	0	0	0	-8	-113	-121	40	1	41
1993	AIA, TERMINAL REHAB	1,000	0	1,000	982	0	982	5	0	5	0	0	0	0	0	0	12	0	12
1993	AIA, ANNUAL CIPROVEM	650	0	650	615	0	615	8	0	8	0	0	0	-20	0	-20	7	0	7
1993	AIA, CONVEYOR SYST R	500	0	500	378	0	378	1	0	1	0	0	0	0	0	0	121	0	121
1994	AIA ENVRCH ASSESS	0	500	500	0	425	425	0	16	16	0	0	0	0	0	0	0	59	59
1994	AIA ROOF REPAIR	0	2,200	2,200	0	1,150	1,150	0	0	0	0	0	0	0	0	0	0	1,050	1,050
1994	AIAS ENVR -AIA SHARE	700	0	700	492	0	492	21	0	21	0	0	0	0	0	0	187	0	187
1994	AIA RUNWAY GR/24L	240	2,520	2,760	103	1,536	1,639	109	932	1,041	0	0	0	0	0	0	28	52	80
1994	AIA WINTER MNTC STOR	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0	50	450	500
1994	AIA ANNUAL IMPROVEME	650	0	650	496	0	496	112	0	112	0	0	0	-2	0	-2	40	0	40
1994	AIA AUTO RAMP SUPPOR	100	900	1,000	90	553	644	0	0	0	0	0	0	-9	-335	-344	1	12	12
1994	AIA CONCOURSE C RE	3,000	0	3,000	552	0	552	10	0	10	0	0	0	0	0	0	2,438	0	2,438
1994	AIA CFR BOAT HOUSE	100	0	100	2	0	2	0	0	0	0	0	0	0	0	0	98	0	98
1994	AIA DOMESTIC TERM FL	400	0	400	290	0	290	0	0	0	0	0	0	0	0	0	110	0	110
1994	AIA GARAGE REHAB & R	415	0	415	206	0	206	0	0	0	0	0	0	0	0	0	238	0	238
1994	AIA GENERAL AVTN IMP	200	1,800	2,000	118	931	1,049	4	0	4	0	0	0	-4	-56	-60	78	810	888
1994	AIA NO TERMINAL MODI	1,000	3,000	4,000	985	2,908	3,893	0	7	7	0	0	0	-5	-10	-16	10	75	85
1994	AIA OPS & MTNC EQUIP	310	469	779	204	469	673	106	0	106	0	0	0	0	0	0	0	0	0
1994	AIA TERM EXPAN DESGN	2,810	1,690	4,500	1,055	659	1,712	126	239	365	0	0	0	0	0	0	1,629	794	2,423
1994	AIA TAXIWAY ROMEO EXT	145	2,120	2,265	134	1,952	2,086	0	27	27	0	0	0	-11	-65	-76	0	66	66
1994	AIA TERM REROOF PHU	1,500	0	1,500	627	0	627	0	0	0	0	0	0	0	0	0	873	0	873
1995	AIA ARFF RESID (IARF ONLY)	30	0	30	0	0	0	0	0	0	0	0	0	-30	0	-30	0	0	0
1995	AIA NIS RAW EXT	204	0	204	198	0	198	1	0	1	0	0	0	-4	0	-4	1	0	1
1995	AIA AIRCRAFT RAMP RE	121	1,100	1,221	86	711	799	0	0	0	0	0	0	0	-333	-333	33	56	89

11/21/97

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P. 04/07

FAX NO. 9072662676

AIA DIRECTORS OFFICE

MAR-05-98 THU 12:51 PM

A I A S
UNEXPENDED CIP APPROPRIATIONS
as of 06/30/97

AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
1995	AIA RADIO SYSTEM PUR	70	950	1,020	2	31	33	0	0	0	0	0	0	0	0	0	68	919	987
1995	AIA ANNUAL IMPROVMTS	650	0	650	423	0	423	53	0	53	0	0	0	0	0	0	175	0	175
1995	AIA ENVIRON ASSESS &	1,975	0	1,975	239	0	239	109	0	109	0	0	0	0	0	0	1,627	0	1,627
1995	AIA EQUIP PURCHASE	394	313	707	385	313	698	9	0	9	0	313	0	0	0	0	0	0	0
1995	AIA FED PRGM PRECONS	35	500	535	14	393	407	0	3	3	0	0	0	0	0	0	21	104	125
1995	AIA PART 150 NOISE P	50	450	500	20	290	310	7	100	107	0	0	0	0	0	0	24	60	83
1996	AIA RAW GR/24L	540	0	540	1	0	1	232	0	232	0	0	0	0	0	0	307	0	307
1996	AIA AIRCRAFT TERMINA	300	2,400	2,700	139	1,555	1,694	31	3	34	0	0	0	-83	-303	-389	47	536	583
1996	AIA CENTERLINE LIGHT	75	680	755	50	493	543	2	0	2	0	0	0	-6	-55	-61	17	132	149
1996	AIA RUNWAY 14/32 OVE	250	2,250	2,500	127	1,691	1,818	0	0	0	0	0	0	-122	-556	-678	1	3	4
1996	AIA TERMINAL REPCOF	500	1,000	1,500	103	152	255	3	10	13	0	0	0	0	0	0	394	838	1,233
1996	AIA-ADA COMPLIANCE	250	0	250	17	0	17	0	0	0	0	0	0	0	0	0	233	0	233
1996	AIA ANNUAL IMPROVEME	650	0	650	248	0	248	70	0	70	0	0	0	0	0	0	332	0	332
1996	AIA ENVIRON ASSESSMT	1,030	0	1,030	212	0	212	59	0	59	0	0	0	0	0	0	729	0	729
1996	AIA EQUIPMENT	673	0	673	505	0	505	53	0	53	0	0	0	0	0	0	116	0	116
1996	AIA MAINTENANCE BUIL	250	0	250	46	0	46	0	0	0	0	0	0	0	0	0	204	0	204
1996	AIA NORTH TERM ESCAL	403	0	403	8	0	8	0	0	0	0	0	0	0	0	0	392	0	392
1996	AIA NORTH TERM FIRE	300	0	300	83	0	83	214	0	214	0	0	0	0	0	0	0	0	0
1996	AIA PAVEMENT ASSESSM	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
1996	AIA SOUTH TERM BAGWE	650	0	650	62	0	62	3	0	3	0	0	0	0	0	0	584	0	584
1996	AIA STORM DRAIN SYST	2,250	0	2,250	6	0	6	0	0	0	0	0	0	0	0	0	2,244	0	2,244
1997	FED CONTG - AIA GR/24L	0	4,688	4,688	0	21	21	0	4,181	4,181	0	0	0	0	0	0	0	753	783
1997	AIA ANNUAL IMPROVEME	650	0	650	6	0	6	0	0	0	0	0	0	0	0	0	644	0	644
1997	AIA CONCOURSE C RELO	7,200	0	7,200	3,369	0	3,369	127	0	127	0	0	0	0	0	0	3,685	0	3,685
1997	AIA ENVIRONMENTAL AS	1,000	0	1,000	96	0	96	42	0	42	0	0	0	0	0	0	662	0	662
1997	AIA EQUIPMENT REPLAC	625	0	625	0	0	0	285	0	285	0	0	0	0	0	0	340	0	340
1997	AIA GARAGE RENOVATIO	1,250	0	1,250	11	0	11	0	0	0	0	0	0	0	0	0	1,239	0	1,239
1997	AIA GENERAL AVIATION	100	900	1,000	0	0	0	0	0	0	0	0	0	0	0	0	100	900	1,000
1997	AIA ROADS/GROUNDS UP	750	0	750	103	0	103	0	0	0	0	0	0	0	0	0	647	0	647
1997	AIA RUNWAY 32 QUEUEI	370	3,330	3,700	156	2,293	2,449	4	58	62	0	0	0	-197	-920	-1,117	13	60	73
1997	AIA RUNWAY 6L SAFETY	190	1,710	1,900	74	978	1,052	5	72	77	0	0	0	-108	-525	-633	3	135	138
1997	AIA SOUTH TERM RAMP	220	1,980	2,200	118	1,687	1,805	8	99	108	0	0	0	0	0	0	93	194	287
1997	AIA STORM DRAIN CONS	1,200	0	1,200	0	0	0	0	0	0	0	0	0	0	0	0	1,200	0	1,200
1997	AIA TERMINAL ELECTRI	3,250	0	3,250	6	0	6	163	0	163	0	0	0	0	0	0	3,080	0	3,080
1997	AIA TERMINAL HEALTH	750	0	750	132	0	132	12	0	12	0	0	0	0	0	0	607	0	607
1997	AIA TUG ROAD EXTENSI	1,200	0	1,200	5	0	5	41	0	41	0	0	0	0	0	0	1,154	0	1,154
1997	AIA WETLAND DEVELOPM	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
1997	STWD AVIATION PRECON	50	235	285	0	0	0	0	0	0	0	0	0	0	0	0	50	235	285
1997	AIA PRECONSTRUCTION	495	170	665	62	67	129	0	1	1	0	0	0	0	0	0	433	102	535
AIA ACTIVE:		69,473	50,107	119,580	33,193	30,880	64,073	2,228	6,282	8,510	-1,147	0	-1,147	-2,127	-3,878	-5,003	30,778	8,069	38,847

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A I A S
UNEXPENDED CIP APPROPRIATIONS
as of 06/30/97

AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
	FIA																		
1997	FIA LAND ACQ	341	0	341	0	0	0	0	0	0	0	0	0	0	0	0	341	0	341
1998	LAND ACQUISITION	700	0	700	272	0	272	0	0	0	0	0	0	0	0	0	428	0	428
1990	FIA COMPUTERIZED ACC	31	469	500	28	417	445	3	44	47	0	0	0	0	0	0	1	8	9
1991	FIA: REPAIRS/MECHAN	700	0	700	662	0	662	23	0	23	0	0	0	0	0	0	15	0	15
1991	FIA: NOISE ZONING IM	75	0	75	31	0	31	23	0	23	0	0	0	0	0	0	22	0	22
1991	FIA: RUNWAY 01R-19L	70	0	70	7	0	7	0	0	0	0	0	0	-63	0	-63	0	0	0
1992	FIA ACCESS CONTROL S	200	1,800	2,000	122	1,043	1,165	1	111	112	0	0	0	0	0	0	77	748	825
1992	FIA NRTHWST APRON &	200	1,800	2,000	141	1,763	1,904	0	0	0	0	0	0	0	0	0	59	37	96
1992	FIA ANNUAL IMPROVEME	300	0	300	286	0	286	0	0	0	0	0	0	0	0	0	14	0	14
1992	FIA DEC APPROV FIRE	250	0	250	202	0	202	0	0	0	0	0	0	0	0	0	48	0	48
1993	AIAS ADVANCE PRJ DES	101	145	246	80	145	225	15	0	15	0	0	0	0	0	0	6	0	6
1993	AIAS ENVR FIA SHARE	250	0	250	250	0	250	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA, FAA SIGN SYSTEM	30	270	300	29	267	297	0	0	0	0	0	0	0	0	0	1	3	3
1993	FIA, ARFF DRAIN CNST	27	248	275	9	106	115	9	142	151	0	0	0	0	0	0	8	0	8
1994	AIAS ENVR-FIA SHARE	300	0	300	91	0	91	53	0	53	0	0	0	0	0	0	158	0	158
1994	FIA FIELD LIGHTG UPG	100	890	990	44	588	632	1	21	22	0	0	0	0	0	0	54	280	334
1994	FIA SAFETY AREA STA8	33	270	300	21	268	289	0	0	0	0	0	0	0	0	0	9	4	12
1994	FIA WEST INDUS RD UT	550	0	550	397	0	397	0	0	0	0	0	0	0	0	0	153	0	153
1995	FIA ANNUAL IMPROVEMT	300	0	300	273	0	273	6	0	6	0	0	0	0	0	0	22	0	22
1995	FIA EQUIPMENT PURCHS	100	500	600	70	0	70	0	0	0	0	0	0	0	0	0	30	500	530
1995	FIA FED PRGM PRECONS	45	450	495	11	135	146	2	37	39	0	0	0	0	0	0	32	278	310
1995	FIA SAFETY AREA IMPR	192	1,750	1,942	1	8	9	1	9	10	0	0	0	0	0	0	190	1,733	1,923
1995	FIA UNIV AVE EXTENS	39	350	389	1	0	1	0	0	0	0	0	0	0	0	0	38	350	388
1996	STDY CONTG-FIA LAND	0	3,159	3,159	0	3,159	3,159	0	0	0	0	0	0	0	0	0	0	0	0
1996	FIA DRAINAGE IMPROVE	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0	50	450	500
1996	FIA RUNWAY EXTENSION	645	8,100	8,645	381	5,593	5,974	73	1,324	1,397	0	0	0	0	0	0	91	1,183	1,274
1996	FIA TAXIWAY D EXTENS	60	840	900	0	0	0	0	0	0	0	0	0	0	0	0	60	840	900
1996	FIA ADVANCED PRJ DES	720	0	720	215	0	215	386	0	386	0	0	0	0	0	0	119	0	119
1996	FIA ANNUAL IMPROVEME	300	0	300	167	0	167	0	0	0	0	0	0	0	0	0	133	0	133
1996	FIA ENVIRONMENTAL AS	500	0	500	47	0	47	302	0	302	0	0	0	0	0	0	151	0	151
1996	FIA EQUIPMENT	770	0	770	731	0	731	27	0	27	0	0	0	0	0	0	12	0	12
1997	FIA ANNUAL IMPROVEME	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0	200	0	200
1997	FIA EQUIPMENT REPLAC	542	0	542	74	0	74	405	0	405	0	0	0	0	0	0	63	0	63
	FIA ACTIVE:	8,618	21,431	30,109	4,644	13,492	18,136	1,330	1,588	2,918	0	0	0	-63	0	-63	2,581	6,411	8,992
	TOTAL ACTIVE:	78,091	71,598	149,689	37,837	44,373	82,209	3,558	7,870	11,427	-1,147	0	-1,147	-2,190	-3,876	-6,066	33,380	15,480	48,839

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A I A S
UNEXPENDED CIP APPROPRIATIONS
as of 06/30/97

AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
ZERO BALANCE PROJECTS REMOVED FROM UNEXPENDED CIP REPORT AS OF 06/30/97																			
AIA																			
1977	77 IARF - INTERNAL RDWYS PJ	11	0	11	0	0	0	0	0	0	-11	0	-11	0	0	0	0	0	0
1984	STWD PJ DEV - CB DECK PJ	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
1984	FU13407 - CONC MECH PJ	75	0	75	0	0	0	0	0	0	-75	0	-75	0	0	0	0	0	0
1985	AIA CFR FACILITY	550	4,950	5,500	283	4,950	5,213	0	0	0	0	0	0	-287	0	-287	0	0	0
1985	OFFICE SPACE/OB DECK PJ	846	0	846	846	0	846	0	0	0	0	0	0	0	0	0	0	0	0
1988	AIA TERM EXPN - AUTO RAMP PJ	322	0	322	322	0	322	0	0	0	0	0	0	0	0	0	0	0	0
1988	AIA TERM EXPN - C MECH PJ	825	0	825	825	0	825	0	0	0	0	0	0	0	0	0	0	0	0
1988	DOME TERM EXPN-OB DECK PJ	742	0	742	742	0	742	0	0	0	0	0	0	0	0	0	0	0	0
1988	AIA TERM EXPAN - ART PJ	117	0	117	117	0	117	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - C MECH PJ	19	0	19	19	0	19	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - ART PJ	50	0	50	50	0	50	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - AUTO RAMP PJ	176	0	176	176	0	176	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - FIRE ALARM PJ	16	0	16	16	0	16	0	0	0	0	0	0	-16	0	-16	0	0	0
1987	SAFETY BUILDING CONS	3,508	1,261	4,769	3,167	791	3,958	0	0	0	0	0	0	-341	-467	-808	0	0	0
1987	TERM BLD-OB DECK PJ	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0
1988	DOME TERM EXP II - AUTO RAMP PJ	23	0	23	23	0	23	0	0	0	0	0	0	0	0	0	0	0	0
1988	DOME TERM EXP III - C MECH PJ	5,034	0	5,034	5,034	0	5,034	0	0	0	0	0	0	0	0	0	0	0	0
1988	HIGH SPEED TAXIWAY	548	1,300	1,848	524	1,300	1,824	0	0	0	-22	0	-22	0	0	0	0	0	0
1988	OFF SPACE - BLDG DRW PJ	44	0	44	44	0	44	0	0	0	0	0	0	0	0	0	0	0	0
1988	OFF SPACE - OB DECK PJ	1,359	0	1,359	1,347	0	1,347	0	0	0	0	0	12	-12	0	-12	0	0	0
1989	AIA RENT FUEL APR EX	281	4,219	4,500	154	3,733	3,887	0	0	0	0	0	0	0	0	0	0	0	0
1989	UPS CONTRIB AIA RENT FUEL	0	235	235	0	235	235	0	0	0	0	0	0	-12	-424	-436	0	0	0
1989	AIA RESURF TAXIWAY-K	187	2,813	3,000	176	2,389	2,565	0	0	0	0	0	0	-4	0	-4	0	0	0
1989	AIA INTRNL RD IMPROV	1,000	0	1,000	996	0	996	0	0	0	0	0	0	-28	0	-28	0	0	0
1989	AIA SURF/ST LAND OC	300	0	300	272	0	272	0	0	0	0	0	0	-55	-14	-149	0	0	0
1989	AIA SITE PREP FOR LA	155	2,050	2,205	100	0	100	0	0	0	-11	0	-11	0	-202	-202	0	0	0
1989	AIA RECONST TAXIWAY G	138	2,075	2,213	127	1,873	2,000	0	0	0	0	0	0	0	0	0	0	0	0
1989	AIA RAMP - SOIL PJ	6	0	6	6	0	6	0	0	0	0	0	0	0	0	0	0	0	0
1990	AIA ANCH WATER & WA	950	0	950	468	0	468	0	0	0	-55	0	-55	-429	0	-429	0	0	0
1992	AIA SATELLITE OR DES	200	0	200	0	0	0	0	0	0	0	0	0	-200	0	-200	0	0	0
1990	DOME EXP III - CONC C	2,700	0	2,700	2,700	0	2,700	0	0	0	0	0	0	0	0	0	0	0	0
1990	AIA RAMP AREA RECONS	791	341	1,132	790	341	1,131	0	0	0	0	0	0	-1	0	-1	0	0	0
1990	AIA BLAST PROTECTION	113	1,555	1,668	104	1,355	1,459	0	0	0	0	0	0	0	0	0	0	0	0
1990	AIA ANN ILP - BLDG DRW PJ	41	0	41	41	0	41	0	0	0	0	0	0	0	0	0	0	0	0
1990	DEV- DEVELOPMENT	500	0	500	0	0	0	0	0	0	-500	0	-500	0	0	0	0	0	0
1990	DEV- PARCEL & CARGO	8,550	0	8,550	8,091	0	8,091	0	0	0	-2,459	0	-2,459	0	0	0	0	0	0
1991	AIA TAXIWAY IIR RES	190	1,710	1,900	185	1,709	1,874	0	0	0	-8	-1	-9	-25	0	-25	0	0	0
1991	AIA MAINTENANCE EQU	1,200	0	1,200	1,199	0	1,199	0	0	0	0	0	0	-1	0	-1	0	0	0

A I A S
UNEXPENDED CIP APPROPRIATIONS
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AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
1991	AIA RAMP AREA RECON	77	923	1,000	44	864	908	0	0	0	0	0	0	-33	-59	-92	0	0	0
1992	AIA TAXIWAY/LINK CNS	279	2,511	2,790	203	2,511	2,714	0	0	0	0	0	0	-76	0	-76	0	0	0
1992	AIA TAXIWAY T' EXTE "	148	1,328	1,475	140	1,328	1,458	0	0	0	0	0	0	-7	0	-7	0	0	0
1992	AIA RAMP AREA RECON	62	1,472	1,534	57	1,188	1,255	0	0	0	0	0	0	-5	-275	-280	0	0	0
1992	AIA REMOTE RAMP SHUT	117	257	374	85	257	342	0	0	0	0	0	0	-32	0	-32	0	0	0
1993	FIAA TERM AUTO RAMP	0	1,400	1,400	0	1,400	1,400	0	0	0	0	0	0	0	0	0	0	0	0
1993	AIA, FAA SIGN SYSTEM	10	540	550	9	125	134	0	0	0	0	0	0	-1	-415	-416	0	0	0
1993	AIA, TAXIWAY N' PAVINT	250	0	250	218	0	218	0	0	0	0	0	0	-32	0	-32	0	0	0
1993	AIA, MSTR PLN STUDY	50	450	500	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0
1994	FIAA RAMP LOAD INCR	0	1,404	1,404	0	1,404	1,404	0	0	0	0	0	0	0	0	0	0	0	0
1994	AIAS UNIX COMPUTER	350	0	350	349	0	349	0	0	0	0	0	0	-1	0	-1	0	0	0
1994	AIA LX HOOD WTR & SW	325	0	325	325	0	325	0	0	0	0	0	0	0	0	0	0	0	0
1994	OLD INT'L ARPT RD RE	550	5,500	6,050	0	0	0	0	0	0	0	0	0	-550	-5,500	-6,050	0	0	0
1994	SO AIRPARK WTR LINE	900	0	900	900	0	900	0	0	0	0	0	0	0	0	0	0	0	0
1994	WEST AIR PARK DEVELP	100	900	1,000	100	0	100	0	0	0	0	0	0	0	-900	-900	0	0	0
1995	AIA RESCUE/FIREFIGHT	0	100	100	0	0	0	0	0	0	0	0	0	0	-100	-100	0	0	0
AIA DELETIONS:		35,284	39,293	74,576	29,888	28,217	58,083	0	0	0	-3,133	-1,957	-5,090	-2,214	-9,149	-11,403	0	0	0
FIA																			
1983	FIA ANN IMP - CFR BLDG PJ	16	0	16	16	0	16	0	0	0	0	0	0	0	0	0	0	0	0
1987	FIA ANN IMPV - CFR BLD PJ	5	0	5	5	0	5	0	0	0	0	0	0	0	0	0	0	0	0
1988	FIA ANN IMP - CFR BLDG PJ	6	0	6	6	0	6	0	0	0	0	0	0	0	0	0	0	0	0
1988	CRASH/FIRE/RESCUE BU	200	0	200	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0
1988	ACCESS ROAD A' CONS "	3,000	0	3,000	2,945	0	2,945	0	0	0	0	0	0	-55	0	-55	0	0	0
1989	FIA CFR BLDG UPGRD CO	2,000	0	2,000	1,984	0	1,984	0	0	0	0	0	0	-16	0	-16	0	0	0
1989	FIA ANN IMPR - ACCESS PJ	40	0	40	40	0	40	0	0	0	0	0	0	0	0	0	0	0	0
1989	FIA ANN IMPR CFR PJ	8	0	8	0	0	0	0	0	0	0	0	0	-8	0	-8	0	0	0
1990	FIA EPA APPROVED FIR	550	0	550	550	0	550	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA, DRAINAGE STUDY	65	0	65	65	0	65	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA W INDUS. RD UTIL	479	0	479	479	0	479	0	0	0	0	0	0	0	0	0	0	0	0
1994	FIA ANNUAL IMPROVEME	303	0	303	300	0	300	0	0	0	0	0	0	0	0	0	0	0	0
1994	FIA OPS & MNTC EQUIP	588	197	785	575	0	575	0	0	0	0	0	0	-13	-197	-210	0	0	0
1995	FIA TERMINAL CARPET	286	0	286	284	0	284	0	0	0	0	0	0	-2	0	-2	0	0	0
FIA DELETIONS:		7,543	197	7,740	7,449	0	7,449	0	0	0	0	0	0	-94	-197	-291	0	0	0
TOTAL DELTIONS:		42,826	39,490	82,316	37,315	28,217	65,532	0	0	0	-3,133	-1,957	-5,090	-2,379	-9,316	-11,695	0	0	0
TOTAL ACTIVE & DELETIONS:		120,917	111,088	232,005	75,152	72,589	147,741	3,558	7,870	11,427	-4,280	-1,957	-6,237	-4,588	-13,193	-17,761	33,360	15,480	48,839

SCOMM

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 - B. Sponsor Statement *
 - C. Committee Chairman Statements
 - D. Fiscal Note *
 - E. DOT/PF Amendments not presented
 - F. Statutes - AS 37.15.410 – AS 37.15.550 "International Airports Revenue Bonds"
- II. DOT/PF Anchorage International Airport Submittals**
- A. ITT Questions About Project
 - B. DOT/PF Answers from 2/24, 2/25 *
 - C. DOT/PF answers from 3/5 *
 - D. Hudson AIPF (George King) Financial Consultant Portfolio
 - E. Consultant Biographies
 - F. Perkins summary of key issues letter *
 - G. Construction Cost Estimate (McCool Carlson Green – HMS Consultants)
 - H. Carrier Revenue Reports
 - I. AIA letter to Airline Airport Affairs
 - J. AIA Administration Chart
 - K. FY 1999 Capital Project Request
 - L. Notes from meeting with Mort Plumb
 - M. Aviation Improvement Program Extract
 - N. AIA Terminal Concept Package Report #8 10/1/97
 - O. AIA Terminal Redevelopment Project *
 - P. AIA Terminal Redevelopment Project Supplemental Information 2/24/98 *
 - Q. Plan of Finance (Vol I & II)
 - R. AIA Letter of Intent (LOI) Application
- III. Supporting Testimony** **VOLUME II**
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 - Air Transport Assoc.
 - Regal Alaskan Hotel
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 - Municipality of Anchorage
 - Associate General Contractors
 - Willlis Corroon
 - Commonwealth North
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- IV. Non Supporting Testimony** **VOLUME III**
- A. Letters of Opposition **
 - B. ERA answers from 2/25 *
 - C. Northern Air Cargo Key Points
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- V. IT&T Consultant Report (Noonan – Wells)**
- A. Special Review HB 432 *
- VI. Public Hearing Transcripts**
- A. Witness List
 - B. Contact Sheet
 - C. Tape Log Minutes
 - D. Draft Minutes
- VII. Collateral Material & Research**
- A. 1983 – HB 321 – Anchorage International Airport
 - B. Letter to Senator Stevens - PFC*
 - C. CFR 158.1 – 158.95 re: PFC's

* Included in all ITT committee member packets

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



Cawclery

**House Special Committee on International Trade & Tourism
Response to Additional Questions 3/19/98**

Q.1 Has the airport considered the alternatives of building a new terminal in a new location, rather than adding to and expanding the existing terminal? Explain the planning process.

Yes, new terminal alternatives were considered as part of the planning process. The planning team for this project worked with the Airlines to develop an aviation forecast, statement of need, terminal master plan, and the concept design for the project. In a series of eight workshops over a six-month period, fourteen different master plan alternatives for the year 2015 were developed. Ideas from both the planning team and the Airlines were included in the alternatives. Two of the fourteen alternatives considered were new terminal concepts that did not preserve the existing terminals. Each of the 14 concepts was evaluated in a formal decision matrix and three concepts were selected for further consideration. The preferred master plan, as selected by the Airlines, combined various aspects of the shortlisted concepts. Using the Airlines selected master plan for 2015, three 2005 terminal concept designs were developed and evaluated in the same manner. Again, the Airlines assisted the planning team in developing a preferred concept, which combined components of the three original concepts.

All concepts, which construct a new terminal at a new location, would substantially increase the cost of the project. Replacement of existing terminal buildings, support facilities, parking garage, utilities, curbside and access roads could easily approach \$1 billion.

Q.2 What is the consequence of delaying the project?

A delay of this program will increase risks, increase capital costs to Airlines, increase current operating costs to the airport and delay addressing serious deficiencies which currently exist. The Airport, Airlines and DOT, recognizing the existing terminal deficiencies, have recommended proceeding immediately with implementation of program to minimize risks, capital costs and operating costs while meeting documented public needs. Further, market place conditions for interest rates on revenue bonds are at record lows and make this an ideal time to put financing in place. Postponement will risk losing an opportunity to significantly reduce the long-term cost of this project.

Specific issues are as follows:

Concourse C is substantially out of compliance with seismic, fire, and life safety codes. Continued operation of Concourse C places the State of Alaska at risk for liability. Maintenance costs are high to keep the building operational. Major building systems, such as, heating and roofing face eminent failure. Emergency funds could be used for temporary solutions, but such costs are "throw away". To delay demolition of Concourse C places the airport and the state at greater risk and increased maintenance cost.

The main ticket lobby in the Domestic Terminal does not meet minimum guidelines for structural resistance to earthquakes and must be upgraded to

provide for greater public safety. This upgrade is included as a part of the proposed project.

- The current level of service provided to the traveling public particularly during the summer months is at a failure rating for ticketing and baggage claim. The terminal has less than 40% of the area needed for the ticket lobby to serve today's passenger traffic.
- As demand for facilities continues to grow, the need to accelerate design and construction to meet this unserved demand will increase. Accelerated schedules cost more and will disrupt the traveling public.
- Nobody can predict future interest rates with certainty, however we do know that interest rates are currently at a record low. Legislative approval this year will allow AIA to take advantage of any further reduction in the interest rate over the next year and pass those savings on to public and Airlines.
- If the proposed bond legislation is not approved this year, there will be insufficient funding available to advance the design beyond the schematic level. All work will have to be suspended in Fall 1998.

Q.3 Explain again what happens if an airline leaves Anchorage and other carriers have to accommodate this traffic. Doesn't this result in higher load factors, fewer landings, and reduced revenue?

Revenues will not decrease if an airline chooses to leave Anchorage. When an airline leaves the Anchorage market existing carriers and new carriers absorb this traffic by increasing their load factors and adding new flights. This has recently been observed with the departure of MarkAir when other carriers pick-up the unmet demand.

Q.4 How does the proposed terminal rent compare to other airports nationwide?

The 1995/1996 survey of the American Association of Airport Executives (AAAE) is the most current national data available. From the 1995/1996 survey the following information is available:

Annual Rate per Square Foot	1996 Large Hub (for reference)	1996 Medium Hub (AIA is medium hub)	1997 AIA Rent	1998 AIA Rent	2002 Proposed AIA Rent
Terminal Counter Space	\$57.90	\$45.52	\$32.64	\$32.46	\$39.71
Airline Office Space	\$47.86	\$38.30	\$32.64	\$32.46	\$39.71

9.5**What are the proposed future cargo projects? How much will they cost?**

Proposed air cargo projects have been identified in the 6-year CIP and the 10-year Letter Of Intent. The air cargo master plan is being updated which will contain additional information addressing project needs for the next 20 years.

Project	Cost
Parallel Taxiway East of Romeo	\$9,200,000
North Airpark Taxiway into Wetlands	3,000,000
Deicing Collection Facility	1,500,000
Engine Runup Pad/D&D Holding Area	2,100,000
North Airpark Tug Roads	5,400,000
West Airpark Parallel Taxiways	23,000,000
South Airport Tug Roads	2,000,000
Land Acquisition	1,000,000
Roads/Utilities Reconstruction Upgrade	5,500,000
North Airpark Access Road Construction	9,000,000
Runway Extension	6,200,000
Cargo Apron Reconstruction	6,000,000
Cargo Fueling Apron Expansion	4,500,000
Total	\$78,400,000

Note:

Based on 1996 Master Plan, Six Year CIP and the LOI request.
Re-evaluation of projects and costs occurring with master plan update currently in progress.
Some of these projects and others to be a part of FAA Letter of Intent funding.
Projects do not include private cargo development projects underway or planned by airlines, private developers and others.

9.6**How do the proposed landing fees compare to Asian airports?**

An International Landing Fees Report was requested from the Airport Council International in Geneva, Switzerland. This information will be forwarded as soon as it is received.

Q.7 Do the budget percentages given in the last set of answers apply to the total project cost of \$205.3 million?

Yes, the budget percentages previously provided and shown below apply to the \$205.3 million budget costs. The \$190.8 million 1997 project budget including escalation equals \$205.3 million exclusive of financing costs.

Program Contingency	10%
Planning, Environmental & Permitting	2%
Design/Engineering & Construction Admin.	10%
Project Administration	2%
Construction	<u>76%</u>
Total	100%

Q.8 What is the total by each funding source for the six-year CIP?

	AIA *	FIA	Total
Federal	\$ 62,930.0	\$ 14,915.7	\$ 77,845.7
IARF	<u>79,320.0</u>	<u>18,218.3</u>	<u>97,538.3</u>
Total	\$.0	\$.0	\$.0

* Does not include Terminal Project.

Q.9 How will the airport be able to afford future projects? Aren't we using up our bonding capacity?

Other than very large projects, such as this terminal project, AIAS traditionally uses internally generated cash and Federal AIP monies to finance its capital program. Although the Terminal Project will use up a significant share of our present bonding capacity, AIA's bonding capacity will increase with increased airport activity.

The financial model developed for the Terminal Project anticipates and provides for approximately \$13 million a year of IARF funds for future ANC capital projects. To provide a point of reference, ANC capital projects from FY91 to FY98 have averaged \$ 9,100.0 of IARF funds. FY98's capital budget requested \$ 7,451.0 in IARF funds. Any need to construct large projects in the future requiring bond financing would be in response to increased demand, which also means additional revenues and increased bond capacity.

Q.10 Why do we want to incur debt for 25 years, when another expansion may be needed in the year 2010 and 2015?

The Terminal Project has a useful life of more than 25 years. Structuring the debt costs over 25 years and using level debt service, the costs in each individual year are lower than they would be if the debt had a shorter term. Paying for it over 25 years will spread the payment of debt costs over the full group of beneficiaries of the project to the greatest extent possible. The current project is responding to currently deficiencies and projected needs through 2005 without "over-estimating" growth by building for 2015 at this time.

Q.11 Explain again how a 100-point basis change will affect the cost of the project.

A 100-point basis change will not affect the cost of the project, but will affect the total amount paid in debt service and interest over the life of the bonds.

We reviewed the effect of a 100 basis point change in interest rates in connection with the fiscal note calculations prepared by the Department of Revenue. The following information relates to both \$204 million and \$179 million bonding scenarios:

	\$179 million issue	\$204 million bond issue
February 1998 Insured Rates	Total Interest \$144 million	Total Interest \$164 million
Plus 100 basis points	Total Interest \$178 million	Total Interest \$203 million
Plus 200 basis points	Total Interest \$213 million	Total Interest \$242 million

Q.12 Will the FAA Control Tower need to move for the project or the future master plan?

The current location of the FAA Control Tower is acceptable for the term of the Master Plan for 2015. All the Master Plan alternatives and design concepts show the tower in its present location.

Q.13 Please provide a 25-year CIP plan.

There is no 25-year CIP plan. We have a 6-year CIP and the Letter of Intent, which provides recommendations for a 10-year program. AIA has a Terminal Master Plan that projects needs to 20 years and a similar Air Cargo Master Plan is being prepared.

Q.14 What is the schedule for the development of the new operating agreement?

AIA is in the process of hiring a consultant to help with the development of a new operating agreement. It is anticipated that the new operating agreement will become effective with the expiration of the current agreement.

Q.15. What is the cost of the AIA office space for the project and specifically the finish work cost associated with that office space?

AIA office construction and associated finish work is included in the estimated \$142 per square foot construction cost. This cost is exclusive of the cost of design and administration.

D

HUDSON AIPF, LLC

Aviation, Infrastructure & Project Finance

730 Fifth Avenue • New York, New York 10019

Tel (212) 333-8684 • Fax (212) 307-3187 • www.HudsonNY.com

Hudson AIPF, LLC

Aviation, Infrastructure & Project Finance

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INTRODUCTION TO HUDSON AIPF

Introduction to Hudson AIPF

Hudson AIPF, LLC is a specialist investment banking firm based in New York City with a concentration serving special-situation advisory and financing clients doing business in the United States. Our approach is based on combining experience, expertise, insight and creativity across multi-discipline skill areas. Hudson is highly selective in its client commitments and we operate primarily from referrals from prior and existing clients as well as joint ventures with other firms.

Hudson AIPF is a New York limited liability company and provides advisory services and private placement financing directly from its professional staff while teaming with other firms for execution of transactions requiring a broker-dealer. The extensive experience of Hudson's senior staff makes access to their counterparts at the senior levels of domestic and international business and financial firms both efficient and effective.

Specialist investment banking firms require a clear focus on their mission, competencies and value-added. Specialist firms can be large or small under this definition. Hudson AIPF has the focus, capability and commitment to bring experienced and skilled teams to projects and business situations to deliver high-quality results in structuring and distribution.

PROJECT FINANCE AND ADVISORY

Project Finance and Advisory

Innovative, creative and flexible credit analysis is at the core of successful project financings, together with the ability to persuade investors and sometimes the rating agencies to embrace innovative and creative financing approaches and structures. An example is the new thirty year amortization curve for the \$1 billion debt of North Slope Borough, Alaska, which previously had been subject to a consensus ten year limit imposed by the rating agencies, credit enhancers and investors for the past decade. It took eighteen months of persistent effort and a new demand study to successfully challenge assumptions and change the market's view of the credit. Optimizing the efficiency of traditional transactions has been highly beneficial to Hudson AIPF clients as well. For example, for several higher education clients, the combination of operating knowledge, accounting and legal input to the transaction structure, and utilizing several aspects of the capital markets in addition to tax-exempt bonds has resulted in significant enhancements to each institution's transaction and overall capital structure.

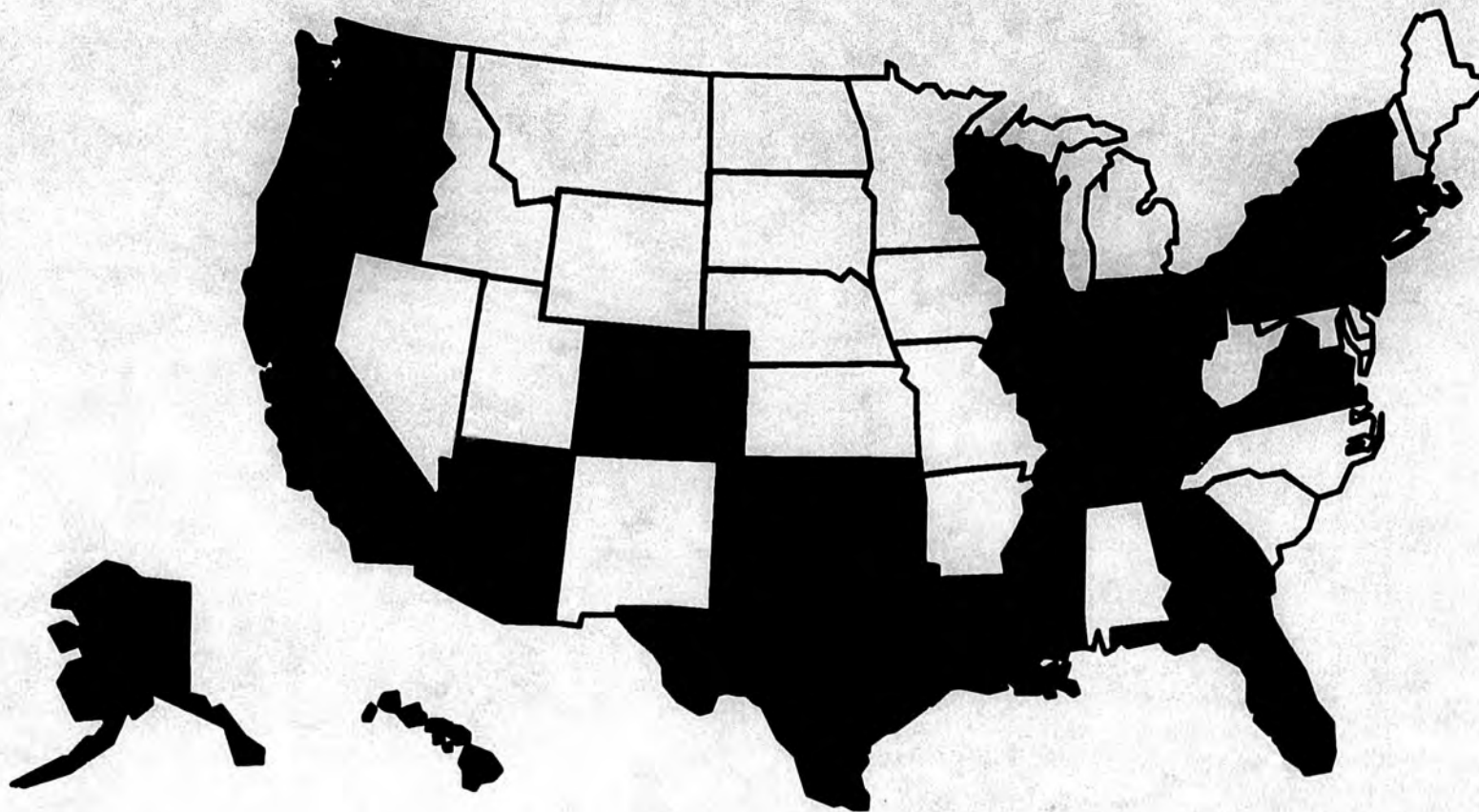
Hudson AIPF's ability to accomplish the client's objective in a complex project finance situation, whether funding or advisory, is based on the following characteristics:

1. combine and craft components of intellectual capital into a cohesive business plan and credit analysis presentation
2. lead a team of professionals and experts to create a value-added financial structure and Plan of Finance
3. navigate back and forth across different departments of firms and among finance, business, governmental and legal team members
4. exercise the judgement to both know and sense when a transition is ready to present itself to the market successfully and when the markets are ready to embrace the transaction

Project Finance and Advisory

Examples of Project Finance and Advisory Experience

Hudson AIPF professionals bring experience with more than 250 financial transactions in 25 states aggregating more than \$15 billion, as well as more than 100 corporate advisory and transactional negotiation assignments.



Project Finance and Advisory

The following projects illustrate the success of Hudson AIPF's approach to Project Finance and Advisory situations:

Stewart International Airport of the State of New York

Hudson AIPF serves as the Project Manager for a consortium of five investment banking, aviation and real estate specialist and law firm institutions retained by New York State to transfer to the private sector Stewart International Airport, New York's fourth major airport consisting of more than 9,000 acres of aviation and real estate properties strategically situated north of New York City in a prime intermodal transportation location. The Stewart project will be the most significant disposition of a public aviation facility in the United States to date and will incorporate cutting-edge concepts of a public-private partnership.

Anchorage International Airport of the State of Alaska

As part of a strategic partnership with Tim D. Wilschetz of John Nuveen & Co., Hudson AIPF has served as the financial planning arm of the RISE Alaska/Leif Selkregg Associates Program Management Team with respect to a multi-phased engagement for the Anchorage International Airport relating to a Passenger Terminal Expansion Program, a Business Plan, and other advisory work. This assignment has involved an in-depth review of Airline Operating Agreements, property leases, non-airline operating agreements, O & M expenses, bond resolutions, CIP, AIP and PFC funding sources and other core aspects of the airport and aviation industry. Mr. Wilschetz and Mr. King of Hudson AIPF have developed a comprehensive financial planning model which re-creates the Airport System's historical financial performance, layers in all relevant information from the System's Airline Rates and Fees Calculations, and incorporates all relevant AIA operational and capital performance information, including operating and capital projections of the planning team. In addition, the process relating to financial planning at AIA has broken new ground, integrating the finance team with cost estimators, architects and the Airline Affairs Committee with a degree of advance preparation and thoroughness which has established an unusual degree of confidence and credibility in the eyes of the key airline representatives.

***CORPORATE FINANCE AND
ADVISORY***

Corporate Finance and Advisory

Hudson AIPF assists growth companies in the early and middle stages in utilizing capital markets strategies to support and facilitate the company business plan and transition to the next stages of both business size and market valuation.

Opportunities for creating or expanding market valuation consistently present themselves in the form of a prototype early stage private company with an economically or environmentally essential technology, product or position in the market. In some cases, the essentiality of certain projects makes the company's Project Finance transaction(s) both (i) less speculative and (ii) subject to being repeated to form the basis for a private growth company. In other cases, the company is building a client-driven business as contrasted to a project-focussed business. In both cases, the quality of management is strong enough to present an interesting opportunity to the private equity market to help fund the company's growth. Examples of business sectors in which Hudson AIPF's corporate finance and advisory clients are operating include telecommunications, energy deregulation and emergency transportation signaling for urban areas and railroad crossings. Hudson AIPF also is assisting several growth companies in the design of their business and capital markets strategies relative to retail product opportunities.

***FINANCIAL PRODUCTS
STRUCTURING AND IMPLEMENTATION***

Financial Products Structuring and Implementation

Financial Products present a dilemma to many clients in both the public and private sector. The potential benefits are compelling, at a conceptual level: optimizing the value of cash flows with forward delivery agreements; risk mitigation using interest rate swaps; accessing the variable rate market and the short end of the yield curve using interest rate swaps; hedging the risk of future interest rate increases before coming to market by using forward delivery structures and options; and taking advantage of buy-side preferences with evolving products such as credit derivatives. Further, sophisticated use of credit enhancements leads into the Financial Products market. The practical limitations are significant and real: Financial Products are a complex combination of financial and legal provisions; it is unacceptable for clients to rely on a "black box" explanation of financial terms or performance from Financial Products providers; for public sector clients, federal tax laws and regulations are complex; the credit quality and credit risks of different Financial Product providers vary considerably and many providers even offer a choice of several different counterparty entities; and few clients deal in these markets regularly enough to navigate through the complexity involved.

*Hudson AIPF delivers a solution to the Financial Products dilemma that is controlled, measured and results-oriented without prejudice toward a particular outcome or even to implementing or not implementing the transaction. Hudson's professional staff brings a multi-dimensional analysis to our clients, drawing upon both financial and legal expertise of our professionals. In addition, our experience with *actual new product development* is invaluable in getting beyond the "black box" which characterizes too many Financial Product proposals and transactions. Hudson also can assist clients in locating and interviewing proper legal counsel for Financial Product transactions to supplement their general counsel in this specialized area.*

PROFESSIONAL STAFF

Professional Staff

George A. King
Senior Managing Director

Mr. King is a Senior Managing Director of Hudson AIPF, LLC, an investment banking and corporate advisory firm located in New York City. Mr. King founded Hudson AIPF in January 1997 after serving as a Partner, Managing Director, member of the Executive Committee, and one of five NASD Broker Dealer License Members of Record of Cambridge Partners, a New York investment banking firm he founded with twenty-five other officers of CS First Boston in February 1995. Mr. King has completed more than \$15 billion of securities offerings, representing more than two hundred fifty transactions in twenty-five states. His experience includes debt issues; advisory and financing for venture capital, early stage companies and corporate finance situations; tender offers for outstanding bonds; bankruptcy restructurings; and a variety of structured financial products (securities and investments) for both debt and balance sheet management purposes. Mr. King has been instrumental in the development and utilization of new financial products on behalf of CS First Boston and J.P. Morgan as well as governmental and private-sector clients, including various asset and investment techniques, inverse floaters securities, municipal call rights, interest rate swap structures, and investment of reserve funds and cash flows.

Mr. King has been active on a national basis in integrating concepts of corporate finance and public finance in the form of Public-Private Project Finance and Public Sector M&A through privatization, asset divestitures and private contracting. Representative projects include leading the financing of the Alaska SeaLife Center, a \$50 million marine research center in Seward, Alaska acknowledged to be the leading cold-water research facility in the world upon its opening in February 1998; and organizing and serving as the Project Manager for a consortium of five investment banking, aviation & real estate specialist and law firm institutions retained by New York State to divest through sale or long-term lease Stewart International Airport, New York's fourth major airport consisting of more than 9,000 acres of aviation and real estate properties strategically situated north of New York City in a prime intermodal transportation location. The Stewart project will be the most significant disposition of a public aviation facility in the United States to date. Together with The Rise Group of Chicago, Illinois, Mr. King has developed a Joint Venture specializing in Project Finance, Advisory and Program Management to bring the concept of totally integrated "design-finance-build-operate" proposals which is used internationally more aggressively to the United States project finance marketplace.

Prior to founding Hudson AIPF, Mr. King was a Managing Director of Cambridge Partners and a Vice President in Cambridge's predecessor firm, CS First Boston. While at CS First Boston, Mr. King worked extensively with Credit Suisse Financial Products on financial transactions, new product development and marketing. Prior to joining CS First Boston, Mr. King was a finance attorney with the New York office of the international law firm of Mudge Rose Guthrie Alexander & Ferdon. Mr. King is a cum laude graduate of Colgate University and received his law degree from Fordham Law School, where he was Editor-in-Chief of the Fordham Urban Law Journal. He is a Trustee of Wagner College in New York City, where he is a member of the Finance Committee, and the author of two books relating to finance and tax issues.

Professional Staff

George A. King – References (alphabetical)

Gregory Brown, M.D.
President
Bays-Brown Laboratories, Inc.
Louisville, Kentucky
(502) 581-0400

David Cyganowski
Managing Director & Co-Head of Health Care
Smith Barney
New York, New York
(212) 723-5618

Dan Dixon
Formerly Director of International Trade
State of Alaska
Presently Board of Advisors
Cambridge Partners, LLC
Seattle, Washington
(206) 447-2919

Brad Higgins
Senior Managing Director
Cambridge Advisors, LLC
New York, New York
(212) 715-0989

Frank Mahoney
Formerly Executive Vice President
Empire State Development Corporation
New York, New York
Presently First Vice President
PaineWebber Incorporated
New York, New York
(212) 713-4079

Charles M. Millard
President
NYC Economic Development Corporation
New York, New York
(212) 312-3500

Leif Selkregg
President & Founder
The Rise Group/Leif Selkregg Associates
Anchorage, Alaska
(907) 276-8095
Chicago, Illinois
(312) 494-1600

Martin Weinberg, Esq.
Senior Partner
Obermayer, Rebmann, Maxwell & Hippel
Philadelphia, Pennsylvania
(215) 665-3196

Timothy Wilschetz
Vice President
John Nuveen & Co.
Chicago, Illinois
(312) 917-7968

Professional Staff

Thomas J. Russo
Senior Managing Director

Mr. Russo is a Senior Managing Director of Hudson AIPF and has more than 40 years experience specializing in complex, multiple party business transactions. Mr. Russo has been involved in all aspects of transactions in the fields of transportation, international trade, economic development, and not-for-profit education and health care organizations. Mr. Russo also has been a long-time advisor to many government executive, legislative and administrative agency officials.

Mr. Russo is a graduate of Wagner College and Fordham Law School. He is an experienced litigator and presently serves as Senior Partner of Russo, Fusco, Scamardella and D'Amato, P.C., as well as General Counsel to Wagner College. He has served in many prominent public service capacities including Chairman of the Board of Managers of the Staten Island YMCA, Member of the Board of Trustees of Staten Island Hospital and Member of the Executive Committee of the Wagner College Board of Trustees.

References (alphabetical)

Albert C. Corbin
Director and Senior Vice President
Todd Shipyards Corporation (Retired)
New York, New York
(609) 655-8419

James R. Coyle
President and Chief Operating Officer
Staten Island Savings Bank
Staten Island, New York
(718) 447-7900

John J. DePierro
President and Chief Executive Officer
Sisters of Charity Health Care Center
Staten Island, New York
(718) 354-5080

Frank Lourenso
Executive Vice President
Chase Manhattan Bank, N.A.
New York, New York
(212) 270-2191

Michael Manzulli
Chairman and Chief Executive Officer
Richmond County Savings Bank
Staten Island, New York
(718) 448-3015

Thomas G. Moles
Managing Director and Sr. Portfolio Manager
J. & W. Seligman & Company
New York, New York
(212) 850-1467

Professional Staff

Thomas J. Russo – References (alphabetical) (continued)

Robert C. O'Brien
Managing Director
Corporate Banking and Structured Finance
Credit Suisse North America
New York, New York
(212) 325-9166

Alfred Palladino
First Vice President
Branch Manager
Gruntal & Co.
New York, New York
(212) 850-9501

Hadi Shalchi
President
Continental A.P. Co. Inc.
Woodbridge, New Jersey
(908) 442-3900

Dr. Norman R. Smith
President
Wagner College
Staten Island, New York
(718) 390-3131

Donald W. Spiro
Chairman Emeritus
Oppenheimer Management Corporation
President
Oppenheimer Funds, Inc.
New York, New York
(212) 323-0500

Perrin F. Morse ***Finance Associate***

Ms. Morse is a Finance Associate with Hudson AIPF, LLC, and assists in credit analysis, research and project management aspects of Project Finance and Corporate Finance advisory and funding transactions. Ms. Morse also is the Business Manager for Hudson AIPF, a position which oversees the accounting, payroll and other related functions of the firm. Prior to joining Hudson AIPF, Ms. Morse was an Analyst at Cambridge Partners, LLC in New York. Ms. Morse received her B.A. from the University of Rochester.

Professional Staff

Stephanie M. Ade
Finance Associate

Ms. Ade is a Finance Associate with Hudson AIPF, LLC, and assists in quantitative and credit analysis, as well as research and project management aspects of Project Finance advisory and funding transactions. Ms. Ade also is the Information and Technology Manager for Hudson AIPF, a position which oversees the research, communications and information systems functions of the firm. Prior to joining Hudson AIPF, Ms. Ade was the Senior Associate to the Chief Operating Officer of the Empire State Development Corporation, New York State's economic development and financing agency. While at the Empire State Development Corporation, Ms. Ade also served as liaison to the Governor's office, State agencies and authorities, and leading business and financial corporations in New York State. Prior to joining the Empire State Development Corporation, Ms. Ade was a public finance research assistant in the Fixed Income Division of CS First Boston. Ms. Ade received her B.A. from Boston University and is presently pursuing an M.A. in Public Administration at Baruch College.

Brian J. Fitzpatrick
Project Specialist

Mr. Fitzpatrick is a Project Specialist with Hudson AIPF and assists in quantitative support, credit analysis and research aspects of Project Finance and Corporate Finance advisory and funding transactions as well as reinvestment programs related to financing and asset management strategies. Prior to joining Hudson AIPF, Mr. Fitzpatrick worked in research capacities with the United Nations Secretariat on Education (New York), the Organization of American States (Washington D.C.) and the Office of the Mayor of The City of New York. Mr. Fitzpatrick is a magna cum laude graduate of New York University and also completed coursework at the New York University in Spain (Madrid and Salamanca, Spain). He has near-native fluency in Spanish and proficiency in Portuguese.

John- Paul Cruz
Analyst

Mr. Cruz is an Analyst with Hudson AIPF, LLC and provides technology, computer and quantitative support to the firm's projects.

***APPENDIX A:
PUBLIC FINANCE AND
BROKER-DEALER RELATIONSHIP***

Appendix A: Public Finance and Broker-Dealer Relationship

Hudson AIPF is not a broker-dealer and does not engage in the sale or distribution of securities to investors. Rather, those transactions are handled by fully licensed broker dealers.

Hudson's Senior Managing Director, George King, also is a Senior Vice President and Manager of Investment Banking for Belle Haven Investments, a fully licensed broker dealer and national public finance firm headquartered in Greenwich, CT. Hudson has no participation in any transaction in which Belle Haven is involved. Mr. King manages the New York office of Belle Haven and holds Series 7, 24 and 63 licenses from the National Association of Securities Dealers (NASD).

Belle Haven Investments was founded in 1991 with six professionals and has grown to 34 employees. Belle Haven established its reputation in the sales and trading community by building the firm with professionals who average more than 15 years of experience. Belle Haven has averaged more than \$3 billion of secondary market sales activity in the past two years and presently has offices in Greenwich, CT, New York City, Princeton, NJ, Chicago, IL and Atlanta, GA. Belle Haven started to emphasize the primary market in addition to the secondary market in 1996 and presently has four professionals concentrating in investment banking. Information relating to Belle Haven follows.

Appendix A: Public Finance and Broker-Dealer Relationship

EXCERPTS FROM....

INTRODUCTION
TO
BELLEHAVEN
INVESTMENTS

Headquarters

5 Greenwich Office Park
Greenwich, CT 06831

New York, New York

730 Fifth Avenue
New York, NY 10019

Chicago, Illinois

208 LaSalle Street
Chicago, IL 60604

Atlanta, Georgia

2191 Northlake Parkway
Tucker, GA 30084

Princeton, New Jersey

4 Research Way
Princeton, NJ 08540

Overview of Belle Haven Investments

Senior Management

Dean Gestal

Richard Bell

Curtiss Roach

Sales & Trading Professionals

Dean Gestal
David Butler
Barbara Gillespie
Paul Joyaux
Steve Lopiano
Cynthia Pinto
Carlos Rodriguez

Richard Bell
Matthew Dalton
Bob Hoffman
Ken Kramer
Scott Morley
Chuck Rankin
Mark Steffen

Curtiss Roach
John Dwyer
Cary Holcomb
Tracy Law
Richard Memeger
Curt Reed
John Tibbs

Pedro Aliaga
Padraic Furlong
David Johnston
Richard Locher
Chris Morton
Gene Reilly

Investment Banking

Curtiss Roach

George King

Judith Simon

Stephanie Ade

Compliance & Administration

Kevin Cavanagh

John Antiaris

Lisa Pappas

Steve Schum

Overview of Belle Haven Investments

Organization

Belle Haven Investments, L.P. was founded in 1991 by a group of Wall Street professionals who had previously managed large, Manhattan-based municipal bond departments. Belle Haven's headquarters is located in Greenwich, Connecticut, with regional offices in New York City, Princeton, Atlanta, and Chicago. Belle Haven currently has 34 professionals specializing in the public finance market.

The firm's expertise in the public finance market stems from the specialization of its employees. Professionals average more than 15 years experience focusing on full-service sales, trading, underwriting, and structuring of tax-exempt debt in the public finance market. Bankers bring prior experience as financial advisors, issuers, regulators and bond counsel. Sales and trading professionals have long-standing relationships with the full range of first-tier institutional investors as well as high-net-worth individuals and second- to fifth-tier specialized portfolio managers.

Growth

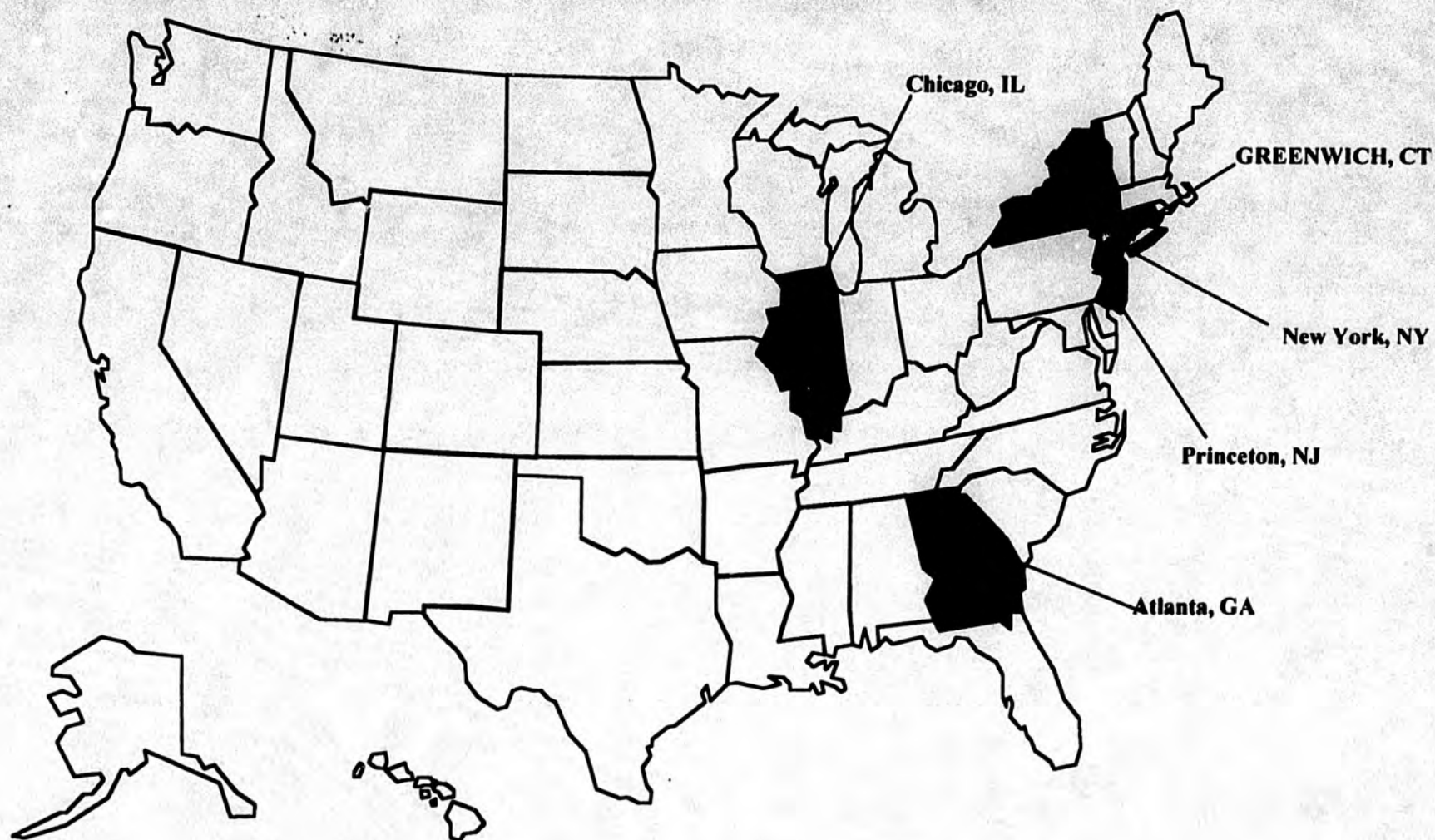
Belle Haven was established in 1991 with six professionals; today, that number stands at 34 employees. In recent years, several established firms of every size have left the public finance business even as Belle Haven has steadily expanded its own operations and averaged \$2.4 billion in annual total sales over the past five years. The firm's total sales in 1996 were nearly \$3.4 billion. During the past six years, Belle Haven has built its institutional sales force to the point where it is now on a comparable level with firms such as Bear Stearns, JP Morgan and Morgan Stanley.

Future Plans

Belle Haven is committed to serving its clients in the public finance marketplace. The firm plans to evolve with its clients as well as continue to expand the scope of Belle Haven's public sector finance activities on a selective and opportunistic basis.

Overview of Belle Haven Investments

Belle Haven Office Locations



Sales and Trading

Capability

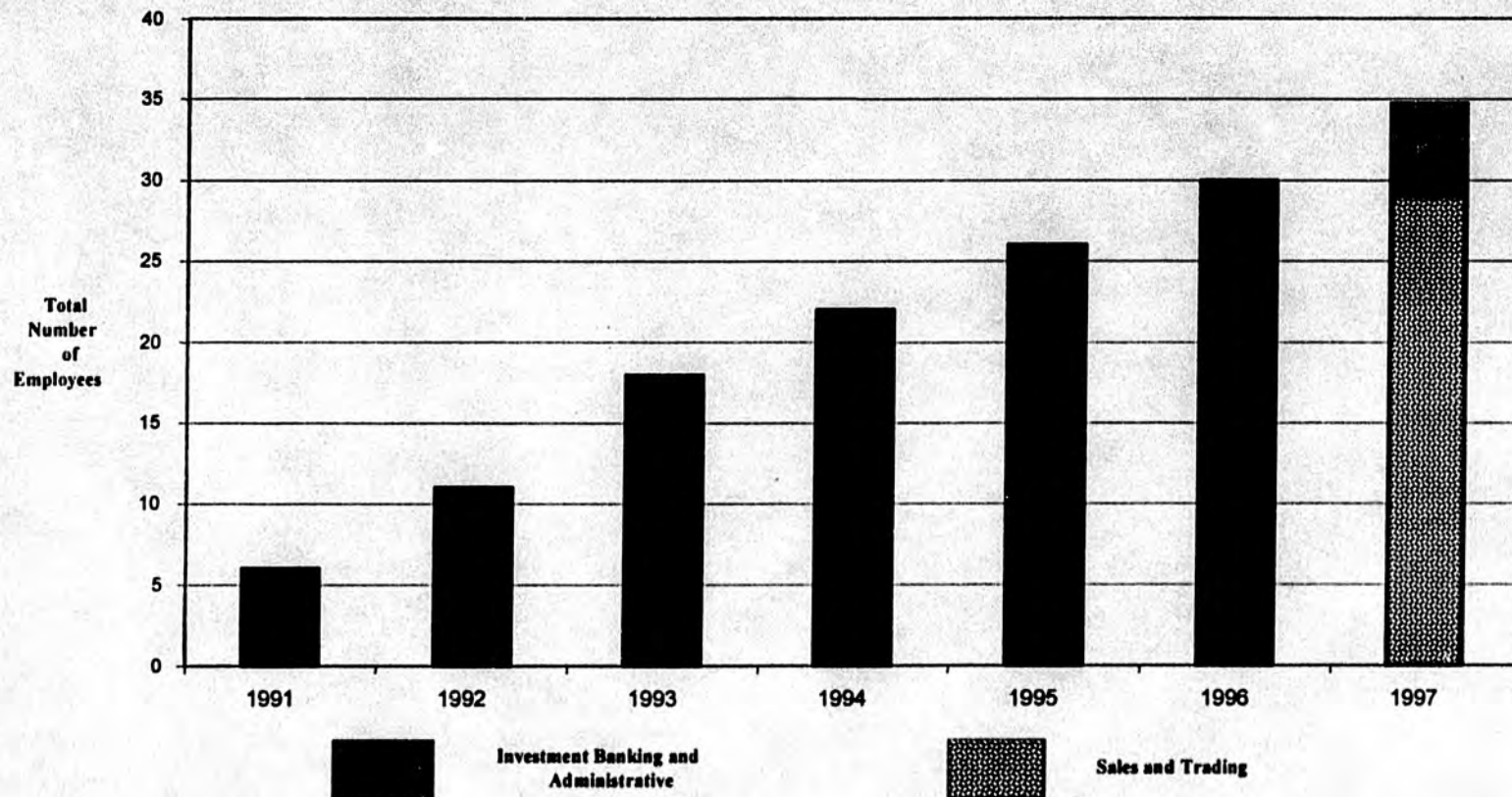
Since inception, Belle Haven's capital has grown annually. As of June 30, 1997, the firm's total capital was more than \$4.6 million. With capital and credit access, the firm is able to commit up to approximately \$40 million in underwriting. As a co-manager and selling group member, Belle Haven regularly places substantial orders for bonds. The driving cause of Belle Haven's consistent success is the collective experience of the firm's professionals. Individually, they average more than 15 years of public finance experience and have weathered many market cycles. This seasoning, in turn, has led to good judgment and novel approaches in servicing clients.

Focus

Belle Haven has become a full service public finance firm by adding professionals to serve new-issue clients and expanding the scope of activities of certain Belle Haven sales and trading professionals. Still, for many of Belle Haven's clients, the firm's staple remains its role in the secondary sales market, which was the focus of the firm during its first six years. Belle Haven's established reputation has allowed the firm to approach the new issue market with momentum and credibility. Size and discipline have differentiated Belle Haven from the larger competitors, who must emphasize volume over specialization.

Sales and Trading

Belle Haven's Strength is Based on a Top-Tier Sales and Trading Capability



Investment Banking

Expertise

Belle Haven's investment banking strengths are in three categories: The firm has *technical concentrations* in the areas of infrastructure, transportation, housing, appropriation-backed bonds, general obligation bonds, economic development, education and health care. Belle Haven also is able to *structure and place* different types of securities as well as credit structures. Belle Haven's investment banking team brings *multiple perspectives* to each of its client activities, as the firm's bankers' experience has taken many roles, including financial advisors, bond counsel firms, regulators and issuers, as well as investment banking firms.

Close Interaction with Sales and Trading

Belle Haven's strength is based on a top-tier sales and trading capability. Investment Banking builds on this strength by adding a sophisticated analysis and structuring capability to the sales force capabilities. The firm works well in coordinating various functions and has its roots in the distribution of securities. Belle Haven bankers can effectively track the pulse of the market because the Investment Banking team supports Sales and Trading in meeting the needs of their investor accounts. Additionally, the Investment Banking team utilizes its knowledge of the new issue business to structure the most efficient transaction for underwriting distribution. Finally, the Sales and Trading team works closely with the Investment Banking team to focus on distribution innovations using private placements and limited public offerings involving institutional investors.

E



**Anchorage
International
Airport**

State of Alaska DOT & PF
P.O. Box 196960
Anchorage, Alaska
USA 99519-6960
(907) 266-2525
FAX (907) 243-0663

**Morton V. Plumb Jr.
Biography**

Morton V. Plumb Jr., Director of Anchorage Airport, brings extensive executive management experience in the aviation field to his current position. As director, he is responsible for domestic and international activity and operations that annually include 5 million total passenger, 35 airlines, and over 3 billion pounds of freight.

Mr. Plumb has served in key management positions for the United States Air Force, including service to the Joint Chiefs of Staff in Washington, D.C. His experience ranges from congressional liaison work to oversight and management of \$100 million construction budgets and \$350 million operation and maintenance budgets.

During his USAF appointments in Alaska--as Vice Commander of the 11th Air Force, Chief of Staff, and Director for Operations for the Alaskan Command.--Mr. Plumb managed several operational organizations and supervised a broad range of special staff agencies. He was also responsible for directing the Department of Defense's military support for the 1989 Exxon Valdez oil spill.

Mr. Plumb holds an MBA degree from Marymount University in Virginia and a B.A. degree in history and political science from Tusculum College in Tennessee. His post graduate work includes studies in project management and systems analysis at the America University in Washington D.C., the Executive Management programs at Harvard University Graduate School of Business Administration, and the Wharton School at University of Pennsylvania. Mr. Plumb is a command pilot with more than 4,100 total hours and 500 combat hours. His professional military education includes Squadron Officer School, Air Command and Staff College, and Air War College.

Mr. Plumb serves as an executive member of the Board of Directors of the Western Council of Boy Scouts and is Vice President of Administration for that organization. Mr. Plumb also serves on the boards of the Armed Services YMCA, the Anchorage Economic Development Corporation, Commonwealth North, Special Olympics, Anchorage Chamber of Commerce, and as an ex-officio member of the Alaska International Airports Tourism Marketing Council. He is also a member of the Anchorage Rotary Club, and Alaska State Chamber of Commerce.

Steven L. Van Horn, P.E.
Engineering and Projects Manager
Anchorage International Airport

As the manager responsible for implementing capital projects and supervising engineering at Anchorage International Airport, Steve Van Horn brings 24 years of civil engineering experience in Alaska. Twelve years have been in development of airports, and related experience includes planning, design, and construction engineering for highways and industrial facilities including the Alyeska oil pipeline. He has been licensed in Alaska since 1979

From 1988 through 1996 he was Airport Design Chief for Central Region of the Alaska Department of Transportation & Public Facilities. Projects designed under his supervision ranged from runway and taxiway improvements for Boeing 747 aircraft to much smaller gravel surfaced airports for remote Alaska villages. Examples are the Runway 32 Extension and Queuing Taxiway projects at Anchorage International Airport, thermal stabilization of Runway 18-36 at Bethel Airport, and the new airport at St. George in the Pribilof Islands.

For the past 17 years his assignments within the Department have involved development of capital projects at virtually all stages from initial concept through legislative approval, design, and final construction. This has included interaction with local communities, airport user groups, the Federal Aviation Administration, and other government agencies.

Mr. Van Horn served four years as a Radar Intercept Officer in the US Navy, flying combat missions in F-4B Phantom aircraft from the aircraft carriers Coral Sea and Ranger. He holds a B.S. degree in Civil Engineering and a B.A. degree in English Literature, both from the University of Colorado.

Summary Professional Resume
Donald M. Ketner, Architect, CCS
Terminal Project Manager

December 1997

Experience

Mr. Ketner has provided project management services to Anchorage International Airport since July of 1978. Mr. Ketner has managed over 150 million dollars worth of design and construction projects for the airport. Examples of these projects are;

International Terminal Building (North Terminal)
AIA Parking Garage and related Terminal Improvements
AIA Ground Transportation Lobby Second Tunnel
AIA Baggage Claim Lobby Upgrade
AIA Ticket Lobby Upgrade and Escalator Installation
AIA North Terminal Baggage Addition
Master Plan Study to evaluate conversion of International Terminal to Domestic Use
AIA Terminal Reroofing Program

As a senior project manager for DOT&PF Public Facilities Section, Mr. Ketner has also managed projects for other departments of the State. He has extensive experience in managing project programming, master planning, budget and scope development, design, scheduling, project tracking and documentation, cost control, and the construction process.

Professional Registrations and Certifications

2/9/78 to present	Registered Architect State of Delaware #2084
2/7/79 to present	Registered Architect State of Alaska #A-4688
6/83 to present	Certified Construction Specifier Construction Specifications Institute

Education / Teaching

Mr. Ketner has a five year Bachelor in Architecture from Pennsylvania State University. He has been active in continuing education, particularly with the Construction Specifications Institute. He has taught courses at the University of Alaska Anchorage in specification writing and architectural materials technology.

SUMMARY OF PROFESSIONAL RESUME

**Donald M. Ketner, Architect, CCS
3884 Caravelle Drive
Anchorage, Alaska 99502**

- **Extensive experience in project management for design and construction of public facilities.**
 - **Masterplanning**
 - **Budget and scope development**
 - **Project scheduling**
 - **Project tracking and documentation**
 - **Fiscal accounting and cost control**
 - **Substantial experience with use of computers**
- **Comprehensive knowledge of state procurement regulations, building codes, and design/construction procedures.**
- **Knowledgeable in contract document preparation and specification writing.**
- **Experienced in technical design issues, cold weather design and construction, and related maintenance issues.**
- **Familiar with DOT&PF system for inventory and condition surveys of existing state owned facilities.**
- **Registered Architect - Delaware and Alaska**
- **Certified Construction Specifier, Construction Specifications Institute**
- **Professionally involved and dedicated to continuing education for all design professionals.**

PROFESSIONAL RESUME

Donald M. Ketner, Architect, CCS
3884 Caravelle Drive
Anchorage, Alaska 99502
907-266-1693 (wk)
907-248-1440 (hm)

PERSONAL INFORMATION:

Birth date:	September 10, 1950
Race/Gender:	White Male
Height:	5'-10"
Weight:	150
Marital Status:	Married, 3 Children
Military:	No Service Record
Social Security:	409-84-0047

PROFESSIONAL REGISTRATIONS AND CERTIFICATIONS

2/9/78 to present	Registered Architect State of Delaware #2084
2/7/79 to present	Registered Architect State of Alaska #A-4688
6/83 to present	Certified Construction Specifier Construction Specifications Institute

PROFESSIONAL AFFILIATIONS

	CONSTRUCTION SPECIFICATIONS INSTITUTE
3/79 to 12/96	Professional Member
1981	Treasurer - Alaska Chapter CSI
1982	Vice President - Alaska Chapter CSI
1983	President & Newsletter Editor Alaska Chapter CSI
	INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS
12/81 to Present	Professional Member
1981 to 1984	Class "A" voting member for Department of Transportation and Public Facilities

PROFESSIONAL AWARDS

CONSTRUCTION SPECIFICATIONS INSTITUTE

- 1983 Northwest Regional Award for Newsletter excellence.
- 1985 Chapter Educational Award for efforts in organizing and teaching Certified Construction Specifier (CCS) Study Workshop Series.
- 1987 Northwest Regional Education Award for CCS Study Workshop Series.
- Note that series is now a pilot course in the Architectural and Engineering Technology program at UAA.

RELATED AWARDS

- 2/16/75 Rotary International - District 763
Selected as one of seven "Outstanding Young Professionals" to form an exchange and study program to New Zealand.
- 2/66 Boy Scouts of America
Rank of Eagle

EDUCATION:

- 1968 - 1973 Pennsylvania State University
College of Arts and Architecture
State College, Pennsylvania
Degree: Bachelor of Architecture
(5 year professional degree)
Honors: Graduated with Distinction
Deans List on Six Occasions
Thesis: Design for mainstreaming developmentally disabled children into the public educational setting.
- Spring Semester
1972 Participated in independent work/study program in Helsinki, Finland. Obtained employment with Finnish architectural firm for school credits. Thesis completed on the history of Finnish architecture and its impact on modern and contemporary design.

EDUCATION: (continued)

Summer 1976	Goddard College, Vermont Completed courses during special summer program in alternative energy and social ecology. Primary areas of study were solar and wind energy systems for small community based power.
Fall Semester 1978	University of Alaska at Anchorage Arctic Engineering (CE 603) Graduate level course required for professional registration in Alaska.
Spring Semester 1983	Anchorage Community College Introduction to Real Estate Appraisal Completed undergraduate level course.
Starting Spring Semester 1989	University of Alaska at Anchorage Taught three consecutive semesters in the Architectural and Engineering Technology program. See work experience.

WORK EXPERIENCE

EMPLOYER: STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES, DIVISION OF DESIGN AND
CONSTRUCTION

ADDRESS: 4111 AVIATION DRIVE
P.O. BOX 196900, ANCHORAGE, AK 99519-6900

TITLE: PROJECT MANAGER II

REFERENCE: STEVE FLODIN, CHIEF BUILDING DESIGN AND
CONSTRUCTION

FROM: 12/5/84 TO: PRESENT

Position requires the design and construction management of major public facilities.

Primary responsibilities include:

- Project identification and prioritization.
- Establishment of project scope, schedule, and budget.
Use of critical path scheduling is required.
- Assist client agency in preparation of project definition and funding request.

- Establish reimbursable service agreements with client agencies.
- Selection, negotiation, and contract management of professional service agreements.
- Coordination with client agencies and various user groups to establish architectural program requirements.
- Working with design team, client, regulatory authorities, and other interested parties to identify specific project requirements.
- Writing bidding and contract requirements included in the construction specifications.
- Reviewing technical specifications and drawings for compliance with client requirements, laws and regulations, and constructability.
- Facilitation communication and coordination between client and design team.
- Maintain project records and track changes in scope, schedule, and budget.
- Management of in-house state personnel, including assignment of work load and projects to architectural assistant(s). Writing performance evaluations.
- Providing bid phase services to clients. Tracking contractor questions during bid period, running prebid conference, and issuing addenda as required.
- Providing design support and project administration during construction. Providing review of contractor problems and facilitating conflict resolution.
- When claims arise, reviewing claim and contract documents to estimate state's exposure. Making recommendations regarding validity of claim to Contracting Officer.

Position requires careful time management, extensive use of both written and verbal communication skills, and the ability to work well with people.

WORK EXPERIENCE

EMPLOYER: STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES, DIVISION OF STANDARDS AND TECHNICAL
SERVICES
ADDRESS: 4111 AVIATION DRIVE
P.O. BOX 196900, ANCHORAGE, AK 99519-6900
TITLE: PROJECT MANAGER II
REFERENCE: LOREN RASMUSSEN, CHIEF STANDARDS SECTION,
907-465-2960
FROM: 10/22/81 TO: 12/4/84

Responsible for overall management of Building Design, Construction, and Maintenance Standards Section for the Department. The Section's primary goal was the development of building related design and construction standards to improve the quality and longevity of State owned facilities.

Primary Responsibilities Included:

- Identification of programs and research required to support goals.
- Identification of funding required to initiate and complete programs and research.
- Using research results to establish design, construction, and maintenance standards for public buildings.
- Management of staff of four. Assignment of work, performance evaluation, and resolution of employee conflicts.
- Tracking annual budget expenditures and assigning priorities for expenditure of funds.
- Management of personnel, acquisition of state office space and equipment.
- Management of consultant agreements.
- Coordination with national professional organizations, regulatory authorities, and State Attorney General's Office.

While in charge of Building Standards, our section substantially completed the "Design Standards Manual For Buildings", "Roofing Standards / State of Alaska", and a statewide report on "Building Failures On State Owned Facilities".

WORK EXPERIENCE

EMPLOYER: STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES, DIVISION OF STANDARDS AND
TECHNICAL SERVICES
ADDRESS: 4111 AVIATION DRIVE
P.O. BOX 196900, ANCHORAGE, AK 99519-6900
TITLE: ARCHITECT / PROJECT MANAGER I
REFERENCE : EDWIN B. THOMPSON, AIA, CHIEF BUILDINGS DESIGN
907-266-1680
FROM: 7/20/78 TO: 10/21/81

Primary responsibility was to manage the design of the new North (International) Terminal at Anchorage International Airport. Total project cost was just under \$30,000,000.

Responsibilities included:

- Overall project management including the development of scope, schedule, and budget.
- Consultant selection and contract negotiations.
- Managing design progress and presenting concepts to airlines and other user groups, such as, Federal agencies, concessionaires, and other State agencies.
- Tracking payments to consultants and final signature authority on consultant payments.

- Maintaining all project records, attending meetings, and issuing project related correspondence.
- Providing design assistance during construction and managing construction administration services performed by the consultant.
- Supervision of 2 architectural assistant positions.

Duties during this period also included performing technical, code, and quality control reviews on other State projects.

EMPLOYER: DONALD J. REEVES & ASSOCIATES
(PRIVATE ARCHITECTURAL FIRM)
ADDRESS: 3631 FIFTH AVENUE
SAN DIEGO, CALIFORNIA
TITLE: PROJECT ARCHITECT
REFERENCE: DONALD J. REEVES, PRINCIPAL
FROM: 2/24/78 TO: 7/1/78

As Project Architect, responsibilities included architectural program development, conceptual design, and production of drawings and specifications for several small commercial and government projects. Specific duties included, meeting with clients to determine functional project requirements, preparation of presentation documents, drafting, specification writing, materials research, and construction administration services.

Specific projects designed while with the firm were:

- Support facilities for Embarcadero Park. Client - San Diego Port Authority.
Project included design of concession space, changing and toilet structures, and maintenance facilities for a ocean front municipal park.
- Condominium apartment renovation. Client - Private developer.
Project included renovation and restoration of an old victorian hotel into condominiums.
- Interior renovation of Spinal Cord Injury Unit. Client - Veteran's Administration Hospital, San Diego, CA. Project included renovation of 20,000 square feet of a spinal cord injury unit. Design only completed through early design development before I left the firm.

EMPLOYER: COOPERSON AND BRECK ASSOCIATES
(ARCHITECTURAL AND ENGINEERING FIRM)
ADDRESS: P.O. BOX 65
MONTCHANIN, DELAWARE 19711
TITLE: ARCHITECTURAL DESIGNER
REFERENCE: JAY NORMAN COOPERSON, PRINCIPAL
TODD BRECK, P.E., PRINCIPAL
FROM: 12/3/76 TO: 11/18/77

Duties included of the design of various projects under supervision of Jay Cooperson.
Responsibilities included:

- conceptual and schematic design
- preparation of presentation drawings and architectural models
- preparation of working drawings and outline specifications
- preparation of marketing brochures for the office
- feasibility studies for conceptual projects

Projects on which I had primary design involvement:

- Burlington Senior Center, Burlington N.J. Project involved the design of a community center for senior citizens.
- Wilmington Swim Club Addition, Wilmington Delaware. Project consisted of the addition of a pool and new public entrance. The project included the addition of semi - concentrating solar collectors to provide space heating and to preheat pool water. Project was partially funded by a Federal ERDA grant.

EMPLOYER: WHITESIDE MOECKEL CARBONELL, ARCHITECTS
(ARCHITECTURAL FIRM)
ADDRESS: P.O. BOX 2355
WILMINGTON, DELAWARE 19899
TITLE: ARCHITECTURAL DESIGNER
REFERENCE: WILLIAM R. MOECKEL, AIA, SENIOR PARTNER
FROM: 10/13/73 TO: 12/2/76

Duties included primarily architectural programming, conceptual and schematic design, preparation of presentation drawings, model building, and architectural photography.

Primary responsibility was for a 20,000 square foot addition to a maintenance facility for the University of Delaware. My responsibility included program and design development, outline specifications, and assisted in preparation of bidding documents and construction administration.

David R. Eberle
11955 Wilderness Drive
Anchorage, Alaska 99516
Telephone: (907) 345-0119 hm
(907) 266-1500 wk

Career Summary:

Over 25 years of experience in the engineering and construction industry. Extensive project management experience in the planning, design and construction of projects ranging in size up to \$350 million. Strong knowledge and experience in civil engineering and energy related fields including design and construction of: dams, highways, airports, marine facilities, tunnels, transmission lines, power generation and the operation and maintenance of completed projects. Proven leadership, management, team building and communications skills.

Qualifications and Strengths:

- Project planning
- Scheduling and cost control
- Engineering management
- Construction management
- Operations and maintenance
- Power generation and transmission
- Highway and airport construction
- Project financing
- Public procurement
- Contract disputes resolution
- Personnel management
- Arctic design and construction
- Dam and tunnel construction

Education :

University of Wisconsin, Madison
Bachelor of Science, Mechanical Engineering, 1972

University of Alaska, Anchorage
Arctic Engineering, 1974

Professional Experience:

State of Alaska, Department of Transportation and Public Facilities

1995 to Present **DIRECTOR, DESIGN AND CONSTRUCTION (Grade 26)**

Director of the Design and Construction Division for the Department of Transportation and Public Facilities, Central Region. Responsible for the overall management of design and construction of highways, airports, and public facilities in southcentral and southwestern Alaska with an annual program exceeding \$200 million. Responsibilities include preliminary

David R. Eberle
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engineering, permitting, right-of-way acquisition, final design, scheduling, cost control, procurement, and construction. Manages a division staff of over 250 full time and 150 seasonal/part time employees. Serves as the Contracting Officer for all professional services contracts, materials procurement and construction contracts. Responsible for interagency coordination of design and construction programs within the Anchorage Metropolitan Area Transportation Study (AMATS) Transportation Improvement Program as well as other local, state and federal agencies participating in the programming and use of federal ISTEA funding.

State of Alaska, Alaska Industrial Development and Export Authority

1993 to 1995 PROJECT MANAGER (Grade 25)

Project Manager for the design and construction of a broad range of energy projects throughout the state. Responsibilities included directing and managing feasibility evaluations, licensing, design and construction of new projects, repairs and modifications to existing energy projects, and review of potential projects for financing by the Authority. Created project development plans, directed consulting engineers, established project budgets and schedules, reviewed plans and specifications, issued and administered construction and services contracts. Typical projects included: small hydroelectric, geothermal electric, coal-water fuel demonstration, rural diesel generation, and tunnel inspection and repairs.

State of Alaska, Alaska Energy Authority

1985 to 1993 PROJECT MANAGER (Grade 25)

Project Manager for the \$350 million Bradley Lake Hydroelectric Project. Responsible for the overall management and administration of licensing, design and construction. Supervised a multi-discipline project team comprised of in-house staff, A/E design engineer and onsite construction management contractor. Managed the preparation of bid documents, award and administration of construction contracts in excess of \$100 million and major equipment procurement contracts. Responsible for establishing and controlling overall project budgets and schedules. Served as the owner's principal point of contact for contractors, regulatory agencies, electric utilities, local communities and the general public. The project was completed on time and \$43 million under budget.

David R. Eberle
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1982 to 1985

PROJECT MANAGER (Grade 22)

Project Manager for the design and construction of a \$125 million high-voltage transmission line and associated substations. Responsible for overall project management and administration. Supervised professional engineering firms in the preparation of project designs; contract plans and specifications; award of construction and equipment procurement contracts; management of construction contractors and field activities; and the acquisition of permits and rights-of-way. Prepared and controlled project budgets and schedules. The project was completed on time and \$6 million under budget.

U.S. Army Corps of Engineers, Alaska District
Anchorage, Alaska (June 1974 to April 1982)

1979 to 1982

SUPERVISORY CIVIL ENGINEER (GS-13)

Chief, Navigation & Flood Control Branch, Construction/Operations

Responsible for the management of the District's Civil Works operation and maintenance program. Responsibilities included management of contract and hired labor maintenance of marine facilities and flood control projects; technical review of proposed construction projects; final inspection of completed projects; fiscal year and long range planning and budgeting; personnel management; and coordination with federal, state and local interests. Managed up to 35 salaried staff and wage grade personnel.

1977 to 1979

SUPERVISORY CIVIL ENGINEER (GS-11/12)

Chief, Waterways Maintenance, Navigation & Flood Control Branch

Responsible for accomplishing hired labor and contract maintenance of navigation projects and marine facilities. Duties included contract preparation, contract inspection, operation of three government owned dredges, management of project funding, fiscal year budgeting and personnel management. Also served as Assistant Emergency Operations Manager for flood and disaster recovery operations.

David R. Eberle
Page 4 of 5

1976 to 1977

CIVIL ENGINEER (GS-9)
Navigation and Flood Control Branch

Served as staff engineer preparing hired labor and contract estimates, designing modifications to floating plant, coordinating installation and maintenance of radio communications systems, preparing contract plans and specifications, inspecting contract and hired labor dredging, and assisting in emergency operations planning.

1974 to 1976

CIVIL ENGINEER (GS-7)
Engineering Training Program

Rotational training assignments throughout the various divisions of the District. Duties included designing small construction projects, reviewing plans and specifications, inspecting contract work, reviewing shop drawings and analyzing stream flow and hydrologic data.

Crews, MacInnes & Hoffman Engineering
Anchorage, Alaska

1973 to 1974

MECHANICAL ENGINEER

Designed heating, ventilation, plumbing and air conditioning systems for various types of commercial buildings.

L.G. Arnold Construction Co.
Eau Claire, Wisconsin

1967 to 1973

BRIDGE CONSTRUCTION

Worked as a laborer, pile driver and crew foreman during summers while in college. Constructed bridges over rivers and lakes. Worked full-time for one year prior to moving to Alaska.

David R. Eberle
Page 5 of 5

Professional and Civic Affiliations:

- Project Management Institute, Alaska Chapter
- Board of Directors, Alaska District Engineers Credit Union (5 years, Chairman 2 years)
- Little League Baseball Coach
- Ducks Unlimited, Anchorage Sponsors Committee Chairman

Personal:

- age: 47
- married
- 2 children
- hobbies: golfing, skiing, hunting and fishing, private pilot

References:

Available upon request.

Robert E. Prasch, P.E.
Aviation/Program Management Specialist
Leif Selkregg Associates, Anchorage

Mr. Prasch has over 30 years of professional experience in the areas of planning and design / construction / program management of transportation and heavy civil engineering projects. During the past 15 years he has been involved, almost exclusively, in major airport programs on a world-wide basis. His assignment on the AIA Program is to assist in program start-up, and produce the Program Management Plan and Procedures.

From 1981 to 1993, he was deeply involved in just two such programs - nine years on the \$2.8 billion O'Hare Development Program, and two years on the \$2.0 billion Newark International Airport Redevelopment Program. Since 1993 he has been involved, to varying degrees, with other airport development programs including Macau International Airport, Chaing Kai-Shek International Airport, Taipei, Taiwan; New Kuala Lumpur International Airport, Malaysia; Heathrow Expansion Program, UK; and the Second Bangkok International Airport, Thailand.

Mr. Prasch's diverse experience on the O'Hare Development Program offers the most pertinent example of the experience he will bring to the AIA Expansion Program. He was a senior management member of O'Hare Associates (OHA) from the advent of the Program Management services to the City of Chicago. OHA and Prasch's services began at a stage almost identical to that of AIA at the present: i.e. five expansion concepts had been identified by others, and the task was to evolve the concept that would provide a balanced airside/terminal area/landside development program at a cost the airlines could accept.

Mr. Prasch joined OHA as the Director of Construction Management, subsequently becoming General Manager. OHA provided comprehensive services in the areas of Program Definition, Design Management, Construction Planning, Construction Management, Program Finance and Control. Mr. Prasch, personally, was involved in the set up of the budget development/estimating system, determination of the preferred (and approved) development concept, the construction phasing plan for implementation, progress reporting including annual meetings with the revenue bond rating agencies, construction/aviation operations coordinating meetings, presentations to the FAA Regional Office, Airlines Affairs Committee; and the development of Program Procedures. The total development program was built within 5% of the Airlines financial commitment and over the 12.5 year duration of the program.

Mr. Prasch served as Program Manager on the Newark International Redevelopment Program through the Program Definition period of 1989 - 1991,