

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2458 SCOMM 103: HOUSE SPEC. COMM. INTL. TRADE & TOURISM, 1997-98

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 19

DATE: 9/29/97

SCHEME NO. 5
EAST TERMINAL RENOVATION

New Construction - East Terminal

1. Substructure (lower floor area)	11,612	SF	14.40	167,213
2. Floor structure (upper floor area)	12,165	SF	18.85	229,310
3. Roof structure	12,190	SF	11.15	135,919
4. Exterior closure	11,532	SF	36.70	423,224
5. Roof system	12,190	SF	10.00	121,900
6. Interior Construction				
a. Gates	3,893	SF	33.50	130,416
b. Airline space (OPS, Bag Handling, ATO)	5,150	SF	20.00	103,000
c. Retail (shell)	1,558	SF	5.00	7,790
d. Public areas (Bag Claim, Circulation, Toilets, Lobbies)	8,917	SF	30.00	267,510
8. Mechanical (total new floor area)	22,571	SF	38.00	857,698
9. Electrical and Communications (total new floor area)	22,571	SF	22.00	496,562
11. Equipment and Furnishings	22,571	SF	5.00	<u>112,855</u>

SUBTOTAL NEW CONSTRUCTION - EAST TERMINAL:

\$ 3,053,397

• Estimator's Contingency	10.00%	305,340
• Change Order Contingency	10.00%	<u>305,340</u>

SUBTOTAL CONSTRUCTION COSTS:

\$ 3,664,077

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 20

DATE: 9/29/97

SCHEME NO. 5
EAST TERMINAL RENOVATION

CONSTRUCTION RELATED COSTS

• Construction Admin/Management	10.00%	366,408
• Other Construction Related Costs	5.00%	<u>183,204</u>

SUBTOTAL CONSTRUCTION RELATED COSTS: 549,612

TOTAL NEW CONSTRUCTION - EAST TERMINAL: \$ 4,213,689

SCHEME NO. 5
EAST TERMINAL RENOVATION

Remodel Areas - East Terminal

1. Airline Space (Total Area - 45,232 SF) (OPS, Bag Handling, ATO)				
a. Minimal - 50%	7,463	SF	10.80	80,600
b. Modifications - 75%	3,732	SF	23.85	89,008
c. Heavy - 25%	3,732	SF	54.00	201,528
2. Retail (Shell) (Total Area - 31,923 SF)				
a. Minimal - 25%	2,634	SF	6.00	15,804
b. Modifications - 50%	5,267	SF	13.50	71,105
c. Heavy - 25%	2,634	SF	25.00	65,850
3. Gates (Total Area- 1688 SF)				
a. Modifications	557	SF	27.00	15,039
4. Public Space (Total Area- 110,424 SF) (Bag Claim, Circulation, Toilets, Lobbies)				
a. Minimal - 25%	9,110	SF	12.25	111,598
b. Modifications - 50%	18,220	SF	27.00	491,940
c. Heavy - 25%	9,110	SF	55.60	506,516
5. Mechanical and Electrical upgrades to remodeled areas	62,458	SF	9.00	562,122
6. Seismic strengthen existing building (major areas)	39,567	SF	35.00	1,384,845
7. Seismic strengthen existing building (typical areas)	51,051	SF	21.00	1,072,071

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 22

DATE: 9/29/97

SCHEME NO. 5
EAST TERMINAL RENOVATION

Remodel Areas Continued

9. Fireproof existing building	42,016	SF	10.00	420,160
10. Reroof existing building	42,016	SF	12.00	<u>504,192</u>

SUBTOTAL REMODEL AREAS - EAST TERMINAL: \$ 5,592,378

• Estimator's Contingency	20.00%	1,118,476
• Change Order Contingency	10.00%	<u>559,238</u>

SUBTOTAL CONSTRUCTION COSTS: \$ 7,270,092

CONSTRUCTION RELATED COSTS

• Construction Admin/Management	10.00%	727,009
• Other Construction Related Costs	5.00%	<u>363,505</u>

SUBTOTAL CONSTRUCTION RELATED COSTS: 1,090,514

TOTAL REMODEL AREAS - EAST TERMINAL: \$ 8,360,606

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 23

DATE: 9/29/97

**SCHEME NO. 5 OPTION #1
TEMPORARY REGIONAL TERMINAL**

New Construction

1. Substructure	600	SF	14.40	8,640
2. Floor structure	600	SF	18.85	11,310
3. Roof structure	600	SF	11.15	6,690
4. Exterior closure	980	SF	36.70	35,966
5. Roof system	600	SF	10.00	6,000
6. Interior Construction				
a. Departure lounges	10,251	SF	Existing	
b. Airline space	6,600	SF	Existing	
c. Public areas (New Entry)	600	SF	20.00	12,000
7. Conveying Systems				
a. Baggage slide	1	EA	5000.00	5,000
b. Ticketing conveyors	40	LF	600.00	24,000
8. Mechanical	600	SF	38.00	22,800
9. Electrical	600	SF	22.00	13,200
10. Equipment and Furnishings	600	SF	2.00	<u>1,200</u>

SUBTOTAL TEMPORARY REGIONAL TERMINAL:

\$ 146,806

• Estimator's Contingency 10.00%

14,681

• Change Order Contingency 10.00%

14,681

SUBTOTAL CONSTRUCTION COSTS:

\$ 176,168

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 24

DATE: 9/29/97

SCHEME NO. 5 OPTION #1
TEMPORARY REGIONAL TERMINAL

CONSTRUCTION RELATED COSTS

• Construction Admin/Management	10.00%	17,617
• Other Construction Related Costs	5.00%	<u>8,808</u>

SUBTOTAL CONSTRUCTION RELATED COSTS: 26,425

TOTAL TEMPORARY REGIONAL TERMINAL: \$ 202,593

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ANCHORAGE INTERNATIONAL AIRPORT
FOR FISCAL YEAR ENDED JUNE 30, 1997

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ESTIMATE
OF FUEL FEE
PD TO SUPPLIER
(Estimate based
% total CMGTW)

AIRLINE	LANDING FEES	TOT. REVENUE BEFORE FUEL FEES	% REVENUE	ENPLANED PAX	% ENP PAX	ESTIMATE OF FUEL FEE PD TO SUPPLIER (Estimate based % total CMGTW)
SIGNATORY						
ALASKA AIRLINES, INC.	\$1,545,630	\$3,788,267	15.53%	1,009,412	47.24%	\$1,252,686
KOREAN AIR LINES	\$1,985,860	\$2,457,503	10.07%	9,124	0.43%	\$1,609,478
FEDERAL EXPRESS	\$1,584,354	\$2,325,909	9.53%	0	0.00%	\$1,284,070
NORTHWEST AIRLINES, I	\$1,188,248	\$1,673,078	6.86%	133,473	6.25%	\$981,417
JAPAN AIR LINES CO.,	\$1,118,688	\$1,478,079	6.05%	0	0.00%	\$906,662
CHINA AIRLINES	\$1,012,997	\$1,299,209	5.32%	3,330	0.13%	\$821,003
ASIANA AIRLINES	\$837,381	\$1,082,992	4.44%	17	0.00%	\$678,672
UNITED PARCEL SERVICE	\$976,453	\$1,055,840	4.33%	1,932	0.09%	\$791,385
NIPPON CARGO AIRLINES	\$837,568	\$950,606	3.90%	7	0.00%	\$678,623
DELTA AIR LINES	\$394,835	\$936,919	3.84%	234,078	10.95%	\$320,002
CATHAY PACIFIC AIRWAY	\$573,206	\$924,403	3.79%	0	0.00%	\$464,566
UNITED AIRLINES	\$203,653	\$866,231	3.55%	106,596	4.99%	\$165,055
EVA AIRWAYS CORPORATI	\$557,088	\$863,750	3.54%	29	0.00%	\$451,503
POLAR AIR	\$339,669	\$461,463	1.89%	0	0.00%	\$275,392
ERA AVIATION, INC.	\$251,036	\$421,018	1.73%	189,779	8.88%	\$203,458
REEVE ALEUTIAN AIRWAY	\$160,975	\$357,344	1.46%	36,993	1.73%	\$130,466
RENO AIR, INC.	\$135,914	\$324,694	1.33%	81,216	3.80%	\$110,155
EVERGREEN INTERNATION	\$188,970	\$195,130	0.80%	0	0.00%	\$153,155
NORTHERN AIR CARGO	\$180,810	\$193,292	0.79%	0	0.00%	\$146,541
PENINSULA AIRWAYS, IN	\$63,107	\$131,016	0.54%	48,372	2.26%	\$51,147
AMERICA WEST AIRLINES	\$80,530	\$112,515	0.46%	59,077	2.76%	\$65,267
LYNDEN AIR CARGO	\$79,016	\$79,016	0.32%	0	0.00%	\$64,040
AIR HONG KONG	\$73,964	\$76,758	0.31%	0	0.00%	\$59,946
	<u>\$14,368,152</u>	<u>\$22,053,032</u>	<u>90.38%</u>	<u>1,913,435</u>	<u>89.55%</u>	<u>\$11,644,688</u>
NON SIGNATORIES						
AIR CHINA	\$226,161	\$355,024	1.46%	185	0.01%	\$183,297
SINGAPORE AIRLINES	\$309,981	\$316,023	1.30%	0	0.00%	\$251,230
AEROFLOT	\$65,495	\$272,561	1.12%	2,108	0.10%	\$53,083
WORLD AIRWAYS	\$159,945	\$228,062	0.93%	5,913	0.28%	\$129,631
UNDER \$1000 LANDING FEES	\$119,666	\$218,368	0.89%	21,069	0.99%	\$96,868
AMERICAN INTERNATIONAL	\$113,687	\$123,937	0.51%	0	0.00%	\$92,321
AMERICAN TRANS AIR	\$34,463	\$101,821	0.42%	127	0.01%	\$27,931
SOUTHCENTRAL AIR, INC	\$43,700	\$93,458	0.38%	20,906	0.96%	\$35,961
CONTINENTAL AIRLINES	\$38,732	\$92,544	0.38%	35,405	1.66%	\$31,391
ATLAS AIR	\$59,279	\$88,043	0.36%	0	0.00%	\$48,044
YUTE AIR ALASKA, INC.	\$26,696	\$83,743	0.34%	11,406	0.53%	\$21,637
ARCO ALASKA, INC.	\$53,462	\$60,212	0.25%	51,956	2.43%	\$43,330
BP EXPLORATION	\$51,099	\$55,099	0.23%	51,029	2.39%	\$41,415
AIR CARGO EXPRESS	\$29,330	\$42,331	0.17%	0	0.00%	\$23,771
GEMINI AIR CARGO	\$32,832	\$36,357	0.15%	0	0.00%	\$26,610
ALASKA CENTRAL EXPRES	\$34,159	\$36,140	0.15%	0	0.00%	\$27,661
HAWAIIAN AIRLINES	\$24,948	\$34,658	0.14%	18,958	0.89%	\$20,220
SOUTHERN AIR TRANSPOR	\$30,315	\$30,579	0.13%	542	0.03%	\$24,570
F.S. AIR SERVICE	\$16,071	\$26,782	0.11%	3,744	0.18%	\$13,026
TOWER AIR	\$13,899	\$22,405	0.09%	0	0.00%	\$11,265
ABX AIR, INC.	\$17,803	\$17,813	0.07%	0	0.00%	\$14,429
EMPIRE AIRLINES (ID)	\$11,169	\$11,209	0.05%	0	0.00%	\$9,053
	<u>\$1,513,092</u>	<u>\$2,347,169</u>	<u>9.62%</u>	<u>223,346</u>	<u>10.45%</u>	<u>\$1,226,762</u>
	<u>\$15,881,244</u>	<u>\$24,400,201</u>	<u>100.00%</u>	<u>2,136,783</u>	<u>100.00%</u>	<u>\$12,871,650</u>

.02 gal

.023 gal.

FAIRBANKS INTERNATIONAL AIRPORT
FOR FISCAL YEAR ENDED JUNE 30, 1997

AIRLINE	LANDING FEES	TOT. REVENUE BEFORE FUEL FEES	% REVENUE	ENPLANED PAX	% ENP PAX	ESTIMATE OF FUEL FEE PD TO SUPPLIER (Estimate based % total CMGTW)
SIGNATORY						
ALASKA AIRLINES, INC.	\$398,706	\$1,197,207	38.76%	266,330	64.91%	\$237,787
LUFTHANSA GERMAN AIRLI	\$313,331	\$406,882	13.17%	0	0.00%	\$188,870
DELTA AIR LINES	\$102,251	\$381,664	11.71%	47,950	11.69%	\$60,982
AIR FRANCE	\$218,120	\$251,167	8.13%	216	0.05%	\$130,086
CARGOLUX AIRLINES INTE	\$91,262	\$94,540	3.06%	0	0.00%	\$54,429
ALASKA INDUSTRIAL DEVE	\$0	\$73,237	2.37%	0	0.00%	\$0
NORTHERN AIR CARGO, IN	\$26,300	\$26,520	0.86%	0	0.00%	\$15,685
AIR NORTH CANADA	\$2,344	\$5,891	0.19%	907	0.22%	\$1,400
EVERGREEN INTERNATIONAL	\$525	\$547	0.02%	0	0.00%	\$313
	<u>\$1,152,839</u>	<u>\$2,417,455</u>	<u>78.26%</u>	<u>315,403</u>	<u>76.88%</u>	<u>\$687,553</u>
NON SIGNATORIES						
RENO AIR, INC.	\$48,588	\$255,763	8.28%	25,269	6.16%	\$28,978
NORTHWEST AIRLINES, IN	\$16,543	\$78,572	2.48%	12,052	2.94%	\$9,868
EVERTS AIR FUEL, INC.	\$25,424	\$48,413	1.57%	0	0.00%	\$15,163
UNDER \$5000 LANDING FEES	\$31,616	\$47,366	1.53%	3,743	0.91%	\$23,646
FRONTIER FLYING SERVIC	\$32,216	\$40,857	1.32%	17,188	4.19%	\$19,214
ERA AVIATION, INC.	\$8,758	\$35,938	1.16%	7,767	1.89%	\$5,223
AIR CARGO EXPRESS	\$34,440	\$35,117	1.14%	0	0.00%	\$20,540
BOEING COMPANY	\$23,593	\$23,633	0.77%	0	0.00%	\$14,071
WARBELOW'S AIR VENTURE	\$20,908	\$20,996	0.86%	12,021	2.93%	\$12,632
BROOKS FUEL	\$19,180	\$19,180	0.62%	0	0.00%	\$11,440
B.P. EXPLORATION (ALAS	\$18,637	\$18,637	0.60%	3,816	0.93%	\$11,115
WRIGHT AIR SERVICE, IN	\$10,377	\$15,602	0.51%	5,949	1.45%	\$7,703
SOUTHERN AIR TRANSPORT	\$8,029	\$9,517	0.31%	0	0.00%	\$4,788
ARCO AVIATION	\$9,362	\$9,362	0.30%	1,026	0.25%	\$5,584
EMPIRE AIRLINES	\$8,076	\$8,076	0.26%	0	0.00%	\$4,817
LARRY'S FLYING SERVICE	\$6,227	\$6,425	0.21%	6,046	1.47%	\$3,714
	<u>\$321,974</u>	<u>\$671,454</u>	<u>21.74%</u>	<u>94,877</u>	<u>23.12%</u>	<u>\$198,496</u>
	<u>\$1,474,813</u>	<u>\$3,088,909</u>	<u>100.00%</u>	<u>410,280</u>	<u>100.00%</u>	<u>\$886,049</u>

Name of Airport: Anchorage International Airport

Fiscal Year Ended: June 30, 1997

FORM: OFS97

LG:

Operating Financial Summary

Please complete this form in order to assist the public in understanding airport services and the use of airport generated revenue

Operating Revenue		Acct	Amount \$	Operating Expenses		Amount \$
Airline and other aeronautical revenue				1. Personnel Compensation & Benefits		\$ 18,625,863
1. Landing Fees			\$ 15,881,245	2. Communications & Utilities		\$ 2,243,129
2. Terminal/International arrival area rental or other charge			\$ 7,604,600	3. Supplies, Materials, Repairs, Maintenance		\$ 2,861,581
3. Apron charges/tiedowns			\$ 588,285	4. Services (1)		\$ 4,169,770
4. Fuel flowage fees			\$ 12,871,649	5. Insurance & Claims		\$ 588,290
5. Utilities				6. Government in lieu, permit, impact fees, etc.		
6. Field Based Operator revenue-contract or sponsor operated				7. Misc. (should not exceed 5% of expenses)		\$ 49,262
7. Cargo and hangar rentals				8. (Add other categories if applicable)		
8. Securities reimbursement				Total Operating Expenditures		\$ 28,537,895
9. Misc. (should not exceed 5% of total aeronautical)				Deb't Service Payments Net of Capitalized Interest		\$ 5,519,450
10. Rent/Land rental-aviation use			\$ 1,418,976	Transfer to Reserves		
Total Aeronautical Revenue			\$ 38,344,735	1.		
Non aeronautical				2.		
1. Rent/Land rental			\$ 557,824	Total Reserve Transfers		\$ -
2. Concessions			\$ 4,407,829	Non-Operating Capital Expenditures		
3. Parking			\$ 3,638,148	1. Capital costs expensed on financial stmts.		\$ 2,581,876
4. Rental Cars			\$ 2,931,067	2. Capital costs capitalized on financial stmts.		\$ 17,417,043
5. In flight catering				Total Capital Expenditures		\$ 19,998,919
6. Interest Income			\$ 5,070,949	Other Expenditures		
7. Royalties from natural resource sales				1.		
8. Misc. (should not exceed 5% of total aeronautical)			\$ 244,082	2.		
9. (Add other categories if applicable)				Total Expenditures		\$ -
Total Non-Aeronautical Revenue			\$ 16,849,899	Total Non-Operating Expenditures		\$ 25,518,369
Total Operating Revenue			\$ 55,194,634	Total Expenditures		\$ 54,056,264
Non-Operating Revenue & Other Receipts				REVENUE SURPLUS (LOSS)		\$ 10,009,706
Bond Proceeds				Guidance used for accounting (check one or more)		
Proceeds from sale of property not subject to Federal obligations			\$ 4,640	GAAP Accrual with certain adjustments required by this form		
Proceeds from sale of property subject to SPA/grant obligations				(1) Services include fees for other governmental services		
Grant payments			\$ 8,866,696	not included in other categories.		
Passenger Facility Charges						
Other (Identify)						
Total Non-Operating Revenue/other receipts			\$ 8,871,336			
TOTAL REVENUE and OTHER RECEIPTS			\$ 64,065,970			

In Compliance with section 47107(a)(19) of Title 49 United States Code and section 111(b) of the FAA Authorization Act of 1994.
I certify that the information on this form is true and accurate to the best of my knowledge and belief.

Authorized Representative: _____ Date: _____

Title: **Administrative Services Director, Comptroller**

Name of Airport: Fairbanks International Airport
Fiscal Year Ended: June 30, 1997
FORM: OFS97
LC:

Operating Financial Summary

Please complete this form in order to assist the public in understanding airport services and the use of airport generated revenue

Operating Revenue		Acct	Amount \$	Operating Expenses		Amount \$
Airline and other aeronautical revenue				1. Personnel Compensation & Benefits		\$ 6,632,628
1. Landing Fees			\$ 1,474,813	2. Communications & Utilities		\$ 730,025
2. Terminal/International arrival area rental or other charge			\$ 1,660,412	3. Supplies, Materials, Repairs, Maintenance		\$ 989,702
3. Apron charges/tiedowns			\$ 155,868	4. Services (1)		\$ 658,280
4. Fuel flowage fees			\$ 888,049	5. Insurance & Claims		\$ 123,645
5. Utilities				6. Government in lieu, permit, impact fees, etc.		
6. Field Based Operator revenue-contract or sponsor operated				7. Misc. (should not exceed 5% of expenses)		\$ 39,094
7. Cargo and hangar rentals				8. (Add other categories if applicable)		
8. Securities reimbursement				Total Operating Expenditures		\$ 9,173,374
9. Misc. (should not exceed 5% of total aeronautical)				Debt Service Payments Net of Capitalized Interest		\$ 264,061
10. Rent/Land rental-aviation use			\$ 335,081	Transfer to Reserves		
Total Aeronautical Revenue			\$ 4,512,223	1.		
Non aeronautical				2.		
1. Rent/Land rental			\$ 46,910	Total Reserve Transfers		\$ -
2. Concessions			\$ 209,590	Non-Operating Capital Expenditures		
3. Parking			\$ 359,183	1. Capital costs expensed on financial stmts.		\$ 217,217
4. Rental Cars			\$ 511,669	2. Capital costs capitalized on financial stmts.		\$ 6,964,682
5. In flight catering				Total Capital Expenditures		\$ 7,181,899
6. Interest Income			\$ 5,045	Other Expenditures		
7. Royalties from natural resource sales				1.		
8. Misc. (should not exceed 5% of total aeronautical)			\$ 31,051	2.		
9. (Add other categories if applicable)				Total Expenditures		\$ -
Total Non-Aeronautical Revenue			\$ 1,163,448	Total Non-Operating Expenditures		\$ 7,445,960
Total Operating Revenue			\$ 5,675,671	Total Expenditures		\$ 16,619,334
Non-Operating Revenue & Other Receipts				REVENUE SURPLUS (LOSS)		\$ (5,149,991)
Bond Proceeds				Guidance used for accounting (check one or more)		
Proceeds from sale of property not subject to Federal obligations				GAAP Accrual with certain adjustments required by this form		
Proceeds from sale of property subject to SPA/grant obligations				(1) Services include fees for other governmental services		
Grant payments			\$ 5,793,672	not included in other categories.		
Passenger Facility Charges						
Other (Identify)						
Total Non-Operating Revenue/other receipts			\$ 5,793,672			
TOTAL REVENUE and OTHER RECEIPTS			\$ 11,469,343			
In Compliance with section 47107(a)(19) of Title 49 United States Code and section 111(b) of the FAA Authorization Act of 1994.						
I certify that the information on this form is true and accurate to the best of my knowledge and belief.						
Authorized Representative:			Date:			
Title: Administrative Services Director, Comptroller						

CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION**



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Name of Airport:-Fairbanks International Airport

Fiscal Year Ended: June 30, 1997

FORM: OFS97

LC:

Please complete this form in order to assist the public in
understanding airport services and the use of airport generated revenue

Operating Financial Summary

Operating Revenue	Acct	Amount \$	Operating Expenses	Amount \$
Airline and other aeronautical revenue			1. Personnel Compensation & Benefits	\$ 6,632,628
1. Landing Fees		\$ 1,474,813	2. Communications & Utilities	\$ 730,025
2. Terminal/International arrival area rental or other charge		\$ 1,660,412	3. Supplies, Materials, Repairs, Maintenance	\$ 989,702
3. Apron charges/tiedowns		\$ 155,868	4. Services (1)	\$ 658,280
4. Fuel flowage fees		\$ 886,049	5. Insurance & Claims	\$ 123,645
5. Utilities			6. Government in lieu, permit, impact fees, etc.	
6. Field Based Operator revenue-contract or sponsor operated			7. Misc. (should not exceed 5% of expenses)	\$ 39,094
7. Cargo and hanger rentals			8. (Add other categories if applicable)	
8. Securities reimbursement			Total Operating Expenditures	\$ 9,173,374
9. Misc. (should not exceed 5% of total aeronautical)			Debt Service Payments Net of Capitalized Interest	\$ 264,061
10. Rent/Land rental-aviation use		\$ 335,081	Transfer to Reserves	
Total Aeronautical Revenue		\$ 4,512,223	1.	
Non aeronautical			2.	
1. Rent/Land rental		\$ 46,910	Total Reserve Transfers	\$ -
2. Concessions		\$ 209,590	Non-Operating Capital Expenditures	
3. Parking		\$ 359,183	1. Capital costs expensed on financial stmts.	\$ 217,217
4. Rental Cars		\$ 511,669	2. Capital costs capitalized on financial stmts.	\$ 6,964,682
5. In flight catering			Total Capital Expenditures	\$ 7,181,899
6. Interest Income		\$ 5,045	Other Expenditures	
7. Royalties from natural resource sales			1.	
8. Misc. (should not exceed 5% of total aeronautical)		\$ 31,051	2.	
9. (Add other categories if applicable)			Total Expenditures	\$ -
Total Non-Aeronautical Revenue		\$ 1,163,448	Total Non-Operating Expenditures	\$ 7,445,960
Total Operating Revenue		\$ 5,675,671	Total Expenditures	\$ 16,619,334
Non-Operating Revenue & Other Receipts			REVENUE SURPLUS (LOSS)	\$ (5,149,991)
Bond Proceeds			Guidance used for accounting (check one or more)	
Proceeds from sale of property not subject to Federal obligations			GAAP Accrual with certain adjustments required by this form	
Proceeds from sale of property subject to SPA/grant obligations			(1) Services include fees for other governmental services	
Grant payments		\$ 5,793,672	not included in other categories.	
Passenger Facility Charges				
Other (Identify)				
Total Non-Operating Revenue/other receipts		\$ 5,793,672		
TOTAL REVENUE and OTHER RECEIPTS		\$ 11,469,343		

In Compliance with section 47107(a)(19) of Title 49 United States Code and section 111(b) of the FAA Authorization Act of 1994.

I certify that the information on this form is true and accurate to the best of my knowledge and belief.

Authorized Representative:

Date:

Title: Administrative Services Director, Comptroller

SCOMM

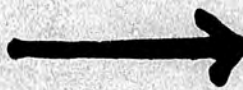
103:6

I. Bill / Sponosr / Fiscal / Statutes

VOLUME I

- A. CSHB 432 (ITT) *
- 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

VOLUME II

III. Supporting Testimony

VOLUME III

- A. Letters of Support **
 - Air Transport Assoc.
 - Regal Alaskan Hotel
 - Anchorage Economic Development Corp
 - Municipality of Anchorage
 - Associate General Contractors
 - Willlis Corroon
 - Commonwealth North
 - Alaska Airlines
 - United Airlines

IV. Non Supporting Testimony

- A. Letters of Opposition **
- B. ERA answers from 2/25 *
- C. Northern Air Cargo Key Points
- D. File Note: Teleconference with Don Harris

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

C

I

**Anchorage
International
Airport**

State of Alaska DOT & PF
P.O. Box 198900
Anchorage, Alaska
USA 99519-8900
(907) 266-2525
FAX (907) 243-0863

Post-It™ brand fax transmittal memo 7671		# of pages > 5
To <i>Mort Plumb</i>	From <i>Tom Midland</i>	
Co.	Co.	
Dept.	Phone # <i>266-2544</i>	
Fax # <i>465-2389</i>	Fax #	

Cliff Argue
Chairman, Airline Airport Affairs Committee
Alaska Airlines Properties and Facilities
P.O. Box 68900
Seattle, WA 98168

Dear Mr. Argue:

The Airline Airport Affairs Committee requested Anchorage International Airport review the Six Year CIP for major projects that might be added in the next update in 1998. In response to other requests, we are also listing some projects that are anticipated beyond the Six Year CIP timeframe. The following is our initial review of the Six Year CIP. Cost estimates are generally rough planning level estimates, not the result of engineering studies. As always, we will be preparing a more comprehensive review, in accordance with the Operating Agreement, in 1998.

Major projects being considered in the Airfield/Air Cargo Master Plan that could be added to the Six Year CIP, if tenant development requires them and a positive benefit/cost is shown:

- Taxiway Access to North Airpark Between International Terminal and Federal Express - \$10 million (roughly \$1.4 million per 1000 feet of taxiway)
- Taxiway Access to West Airpark - roughly \$1.4 million per 1000 feet of taxiway with length dependent on tenant development requirements
- Additional Cargo Fueling Aprons - \$1.5 million to \$2.0 million per hardstand

Major projects likely to be outside the Six Year CIP timeframe, but could be initiated in the 7 - 20 year timeframe, based on programatic (demand) requirements:

- Domestic Terminal Parking Garage Expansion - existing parking garage cost \$37 million in 1992, including financing costs
- New Midfield Domestic Concourse - \$100 million

A project that could be required to address the needs of a 15 year old terminal that has had minimal repairs/renovations since it was constructed:

- North Terminal Renovations - not studied or estimated

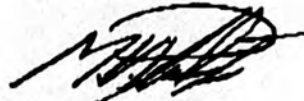
The DOT&PF is considering future FHWA funding scenarios that could provide FHWA funding for some or all of the following projects as well as other road projects currently in the Six Year CIP.

- International Airport Road/Postmark Drive Interchange
- West Airpark Road/Tug Road Access
- North Airpark Access Road (east of Postmark Drive)

Infrastructure requirements for AIRIS & Lynx/MAPCO. The airport is finalizing lease negotiations with AIRIS and has executed a lease with Lynx/MAPCO. In both cases, these developers are required to provide all basic infrastructure to begin operations, with the exception of the already approved tug road expansion to the North Airpark.

If you have any questions about these projections, please let me know.

Sincerely,



Morton V. Plumb
Director

cc: Airline Airport Affairs Committee

**ANCHORAGE/FAIRBANKS
AIRLINES AIRPORT AFFAIRS COMMITTEE
P. O. Box 68900
Seattle, WA 98168**

October 16, 1997

To: ANC/FAI AAAC Signatory Airlines

Subject: ANC Terminal Expansion Ballot

Ladies and Gentlemen:

Enclosed is a ballot to record your company's position on the request by Anchorage International Airport to include the proposed Domestic Terminal Expansion in the FY 1999 Capital Improvement Program. This project was discussed in detail at our October 15, 1997 AAAC meeting in Anchorage and in various previous meetings of the Airline Technical Committee, Executive Committee, and AAAC. In addition, a number of reports relating to the technical and financial aspects of the project have been distributed to all Signatory Airlines.

This is a large and complex project with significant impact on the airport and its users. I urge that you study the materials you have been provided very carefully. If you have questions or concerns, please contact ANC Airport Director Mort Plumb or the airport's Project Manager Donn Kettner.

As noted on the ballot, all responses are due to me no later than Noon, PST, Monday, November 17, 1997. I will then provide the airport with a consolidated response on behalf of the Signatory Airlines. In accordance with the Operating Agreement, failure to respond is considered approval.

Also enclosed are a written summary of Mr. Plumb's forecast of possible future additional capital projects for ANC Airport and a report on the airports plan for complying with the Year 2000 computer date issue.

Thank you for your attention to this important matter. If you have any questions, please contact me. Thanks.

Sincerely,



Clifford T. Argue
Chairman, ANC/FAI AAAC

BALLOT**ALASKA INTERNATIONAL AIRPORT SYSTEM
FY99-2004 AIRLINE CAPITAL IMPROVEMENT REQUEST**

In accordance with Article 4, Section 4.02 A&B Anchorage and Fairbanks International Airports Airline Operating Agreement and Terminal Building leases dated November, 1990 and extended in June, 1995, the Signatory Airline identified below approves or disapproves the Capital Improvement listed below as indicated. The Signatory Airline's vote takes into consideration, among other things, the Terminal Concept Package Report #8 dated 10/1/97, Plan of Finance (Volume I & II) dated 10/2/97, and previous reports, the discussions at the October 15, 1997 Airlines Airport Affairs Committee meeting in Anchorage and preceding Airline Executive Committee and Technical Committee meetings.

FY 99					FUNDING X \$1,000	
AIRPORT	PROJECT	AIP	IARF	TOTAL	APPROVE	DISAPPROVE
ANC	TERMINAL EXPANSION 2005		191,000*	191,000*		

* Project costs identified in 1997 dollars. Approval authorizes AIAS to issue up to \$235 million in airport revenue bonds, which includes escalation and financing costs. AIAS pledges to use its best efforts to obtain alternate sources of funding/financing to reduce airline cost exposure.

SIGNATORY AIRLINE NAME _____

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

DATE _____ TITLE _____

Cliff Argue has agreed to serve as designated representative and collect and tally votes and provide the requisite written certification within the required time. He requests Ballots sent to him arrive by 12:00 noon, PST, November 17, 1997 at Alaska Airlines, P.O. Box 68900, Seattle WA 98168, FAX (206)431-7031 or TTY SEAPZAS.

FY 1999 CAPITAL PROJECT REQUEST**PROJECT TITLE:** ANC: Terminal Expansion 2005**FUNDING:****FEDERAL AIP:****IARF: \$191,000,000*****TOTAL: \$191,000,000***

* Project costs identified in 1997 dollars. Approval authorizes AIAS to issue up to \$235 million in airport revenue bonds, which includes escalation and financing costs.

PROJECT DESCRIPTION:

Design, construct and equip a renovation and expansion of the South (Domestic) Terminal, including airside and landside improvements. Project includes improvements to terminal roads and parking, extension of upper level enplaning curbside bridge and curbside roads, replacement of Concourse C, renovation and expansion of existing terminal space, tour group processing, and improvements to airside facilities. Project includes all facilities necessary to implement and phase construction.

PROJECT JUSTIFICATION:

In September of 1996, AIA initiated a planning process to develop the AIA Terminal Master Plan concept for the planning horizon year 2015, supported by a carefully developed needs assessment and phased implementation program.

Based on a series of workshops, meetings and direct input, a preferred Terminal Master Plan concept has been identified for the year 2005 which maintains maximum flexibility for Terminal development beyond 2005 to the year 2015.

The requested plan provides facilities which meets anticipated demand for the target year 2005. The South Terminal is substantially deficient even for today's passenger population. These deficiencies are as follows;

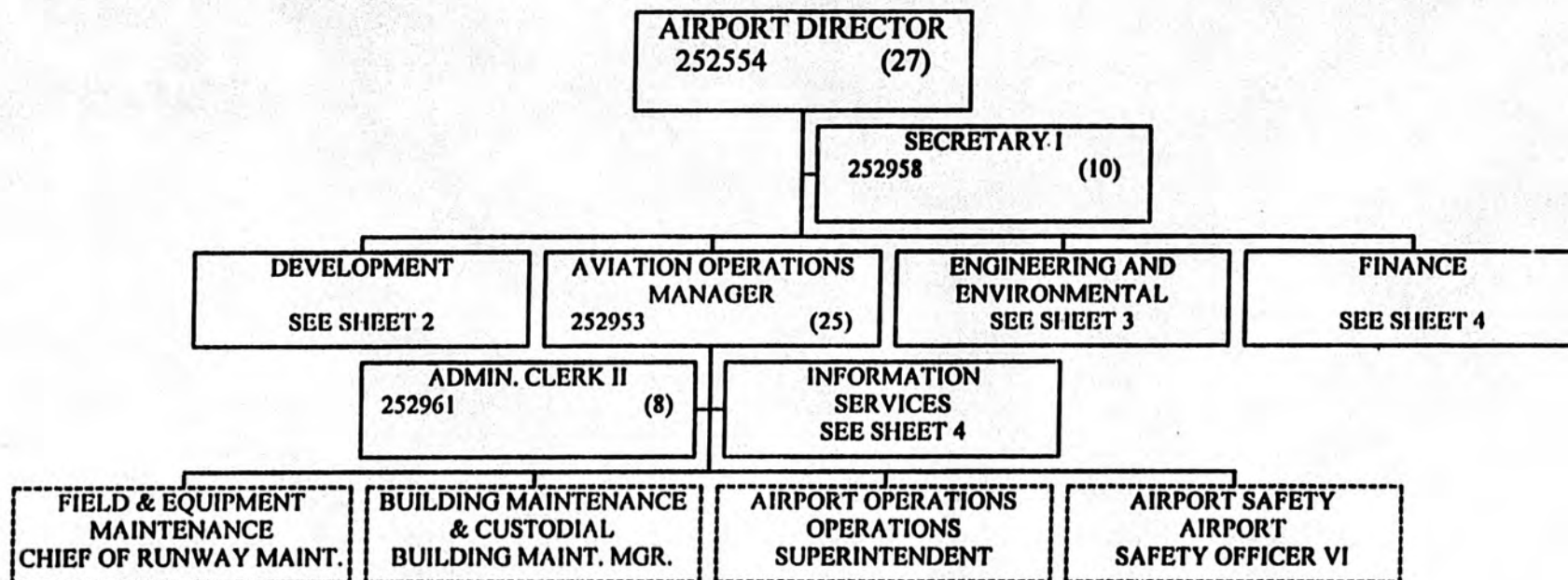
Baggage Claim Area = 43% of the space needed today

Ticket Lobby Area = 40% of the space needed today

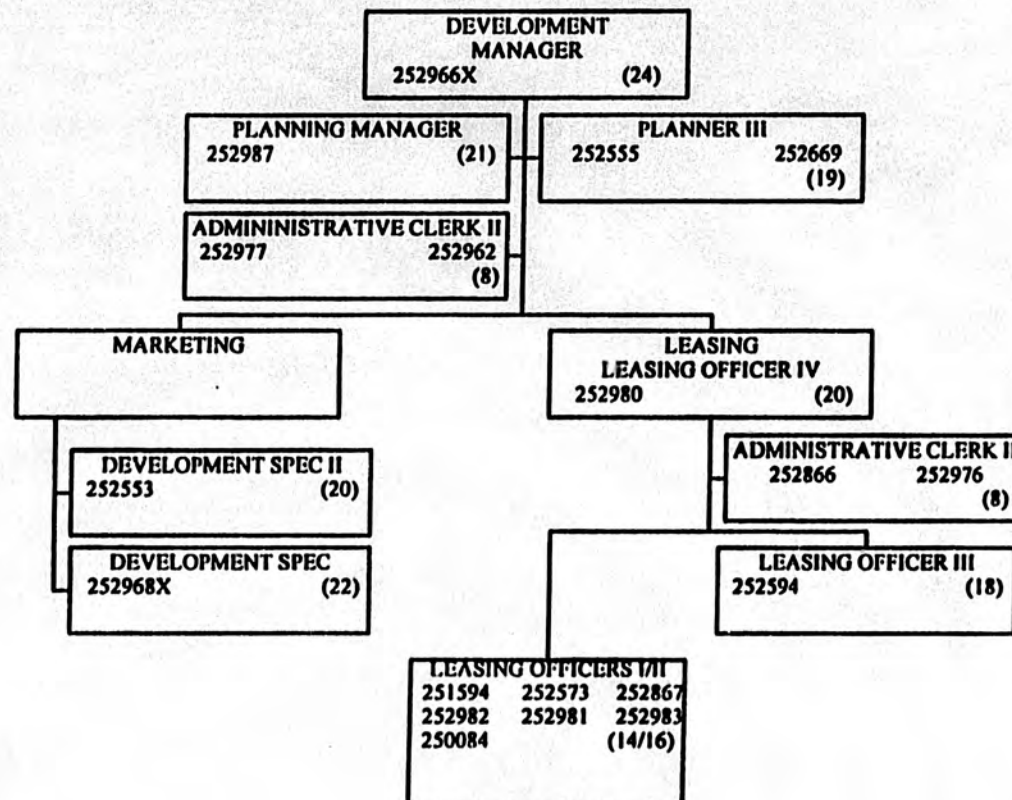
Overall Terminal Area (without Concourse C) = 75% of the space needed today.

J

ANCHORAGE INTERNATIONAL AIRPORT ADMINISTRATION FY 99

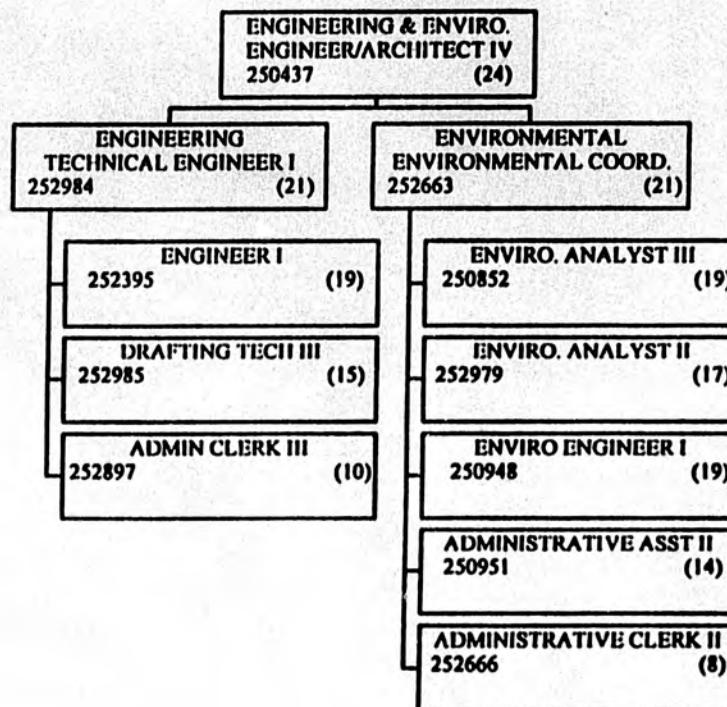


ANCHORAGE INTERNATIONAL AIRPORT ADMINISTRATION FY99



111143

ANCHORAGE INTERNATIONAL AIRPORT ADMINISTRATION FY99



111144

HB 432



Anchorage
International
Airport

AIRPORT STATISTICS OVERVIEW

REPORTED ACTIVITY

PASSENGERS					
	FY92	FY93	FY94	FY95	FY96
Enplaned	1,860,525	1,836,895	1,916,602	2,039,839	2,050,660
Deplaned	1,845,758	1,832,400	1,898,891	2,038,500	2,033,919
Transit	784,827	577,449	542,944	597,749	678,505
TOTAL	4,491,110	4,246,744	4,358,437	4,676,088	4,763,084

OPERATING REVENUES TO INTERNATIONAL AIRPORT REVENUE FUND*					
	FY92	FY93	FY94	FY95	FY96
In million \$US	42.8 m	41.3 m	39.5 m	42.9 m	44.9 m

*Through five-year operating and terminal lease agreements, the signatory airlines guarantee revenue to cover Airport operating expenses.

REVENUE LANDINGS					
	FY92	FY93	FY94	FY95	FY96
PASSENGER AIRCRAFT	71,459	65,134	60,617	61,142	55,474
CARGO AIRCRAFT	20,100	19,106	21,732	23,363	26,552
TOTAL	91,559	84,240	82,349	84,505	82,026

CERTIFIED MAXIMUM GROSS TAKEOFF WEIGHTS**					
	FY92	FY93	FY94	FY95	FY96
PASSENGER (1000#)	7,064,951	6,362,677	6,128,238	6,106,000	6,313,000
CARGO (1000#)	10,964,570	10,530,232	11,422,460	12,863,000	14,109,000
TOTAL	18,629,521	16,892,909	17,550,998	18,969,000	20,422,000

**Landing fees are based on these Certificated Maximum Gross Takeoff Weights and are measured in 1000's of pounds.

K

FY 1999 CAPITAL PROJECT REQUEST

PROJECT TITLE: ANC: Terminal 2005 Design/Construction Phase 1

FUNDING:

FEDERAL AIP \$4,800,000

IARF: \$28,200,000

TOTAL: \$33,000,000

PROJECT DESCRIPTION:

Plan, design and construct stage one of a multi-staged terminal development program to be completed by 2005. The 2005 Terminal Development Plan includes replacement and expansion of C Concourse, renovation and expansion of the main terminal building, expansion of the terminal curbside and landside road and parking system, and expanded aircraft parking aprons. Detailed information about the stage one elements will be provided in a separate mailout and at the July 15 meeting.

PROJECT JUSTIFICATION:

The domestic terminal is significantly undersized to meet the existing and year 2005 needs. Once the old, existing C Concourse is demolished, the domestic terminal will provide only 75% of the total area needed to meet 1996 traffic levels. By the year 2005 the existing terminal will provide only 53% of the required square footage. Primary deficiencies include inadequate sized baggage claim and ticketing areas, curbside, and need for additional gates. Furthermore, the existing C Concourse must be demolished and replaced because of code, maintenance and functional problems.

L

Notes from airport meeting with Mr. Plumb

Financial Consultant

Lowest Cost

Lowest sustained interest rate in twenty to thirty years

We can borrow money at 5%

A 1.5% increase in interest rates would translate into 30 million extra in cost per 100 million borrowed.

As an enterprise fund the airport is an attractive investment because it has demonstrated steady growth, is served by profitable airlines with good load factors and an expanding traveler base. Recent "open skies" agreements with Canada and Japan have made Anchorage even more favorable.

↳ China possibly Japan

This is the moment to bargain from strength.

Lowest Risk

The financial projections to meet the debt load are not based on passenger travel, which may be volatile, but actual facilities charges (presumed to be stable).

Revenue bonds are not based on any "hypothetical" projections.

Flexibility

The payment of the bond debt is spread equally among all users, both today and tomorrow - level debt service.

Should it benefit AIA, the structure of debt can be reduced.

Other Comments

If the need arises in 2005 to expand further there will be a correspondingly greater consumer base from which to finance further projects.

The current proposal was designed not to build "throwaways."

There are three sources of project funds for airport projects:

FAA grants

Income from "rates and charges"

Revenue bonds

Federal Highway funds for curbside improvements (John)

Over the last 6 years the airport has averaged 4.72% growth.

With the proposed project funded AIA's landing fee would be \$1.16, still significantly lower than other comparable airports nationwide, current fees are between \$.72 and \$.62.

What if Alaska Airlines takes a downturn?

Alaska Airlines only accounts for 16% of income.

AIA income is very diversified and thus strong.

Actual cost increase to ERA would be in the \$.58 range.

Take a look at Dallas/Ft. Worth when Baniff went under. (Marco)

M

*Exclude
STIP*

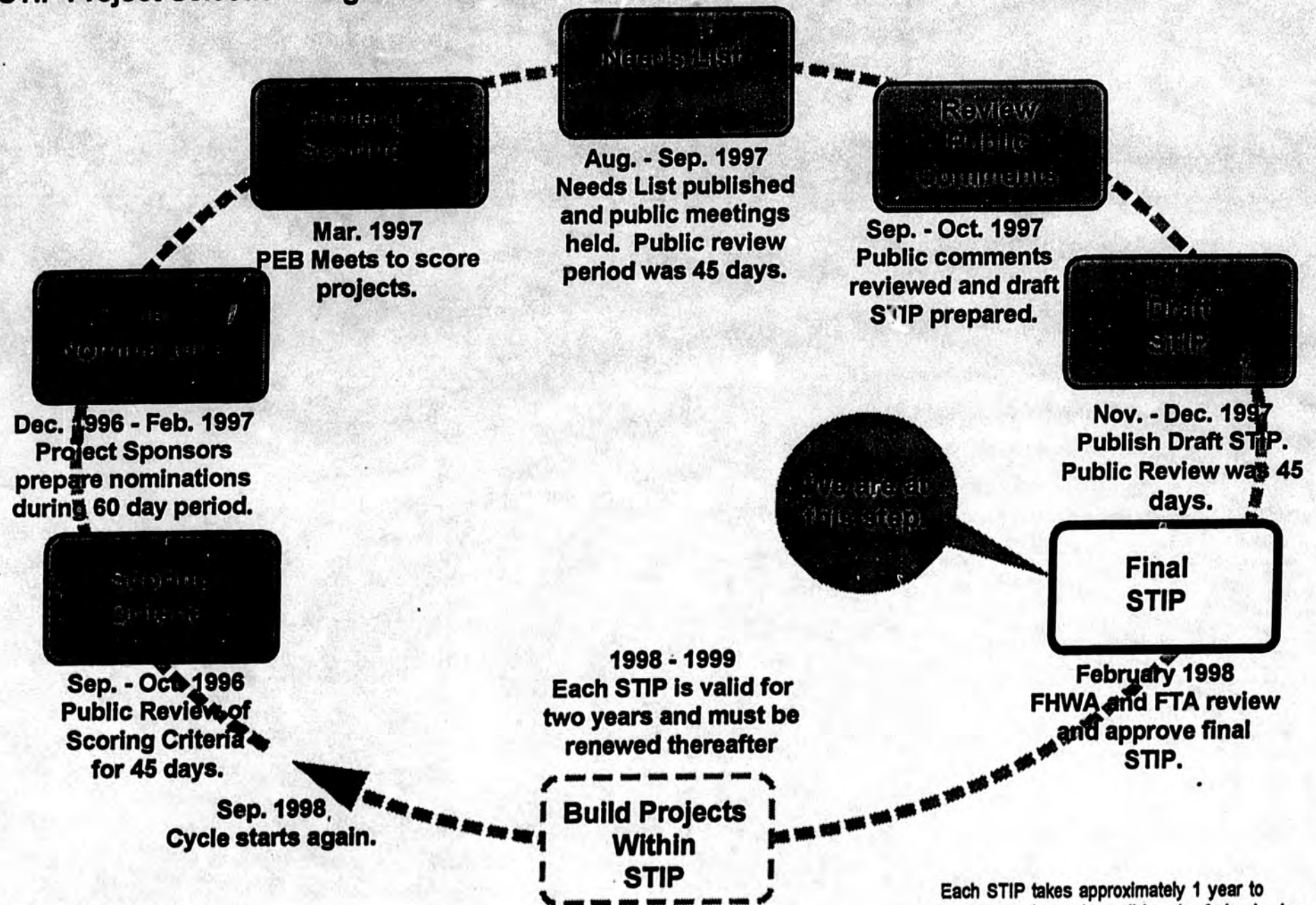
**Statewide Transportation Improvement Program
(STIP)
Aviation Improvement Program
(AIP)**

Briefing for the Senate Finance Committee

February 4, 1998

**Department of Transportation
& Public Facilities**

STIP Project Selection Diagram



Each STIP takes approximately 1 year to prepare and remains valid under federal rules for 2 years.

Basis of Financial Resources 1998 - 2000 Final STIP

Estimate of STIP Funding for 1998

	Total US	Alaska's	Alaska's
	FHWA \$	Share %	Share \$
US Senate	\$ 24,000	1.24%	\$ 297.6
US House	\$ 24,000	1.05%	\$ 252.0
STIP Federal \$			\$ 273.6
State Match \$			\$ 30.4
Total STIP \$			\$ 304.0

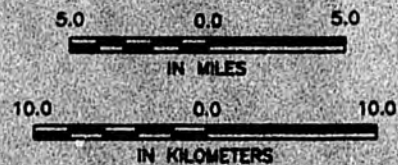
Estimate of STIP Funding for 1999 - 2000

	Total US	Alaska's	Alaska's
	FHWA \$	Share %	Share \$
US Senate	\$26,000	1.24%	\$ 322.4
US House	\$26,000	1.05%	\$ 273.0
STIP Federal \$			\$ 296.1
State Match \$			\$ 32.9
Total STIP \$			\$328+/-

Comparison of Anticipated STIP Funding Levels by State Program and Year

Program	1996-1997	1998	1999	2000
NHS	\$ 125.0	\$ 171.5	\$ 185.6	\$ 185.0
CTP	\$ 95.0	\$ 110.2	\$ 110.3	\$ 120.0
TRAAK	\$ 20.0	\$ 22.3	\$ 21.3	\$ 24.0
SIB			\$ 9.8	
Total	\$ 240.0	\$ 304.0	\$ 327.0	\$ 329.0

(All dollars in millions.)



Canada
United States

HAINES/SKAGWAY

NATIONAL HIGHWAY SYSTEM STANDARD / SUBSTANDARD SEGMENTS DECEMBER 1997

Prepared By The
ALASKA DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
DIVISION OF STATEWIDE PLANNING

In Cooperation With
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

City or Town
Substandard NHS
At Standard NHS
Non NHS Roads
Railroad
NHS Ferry Route

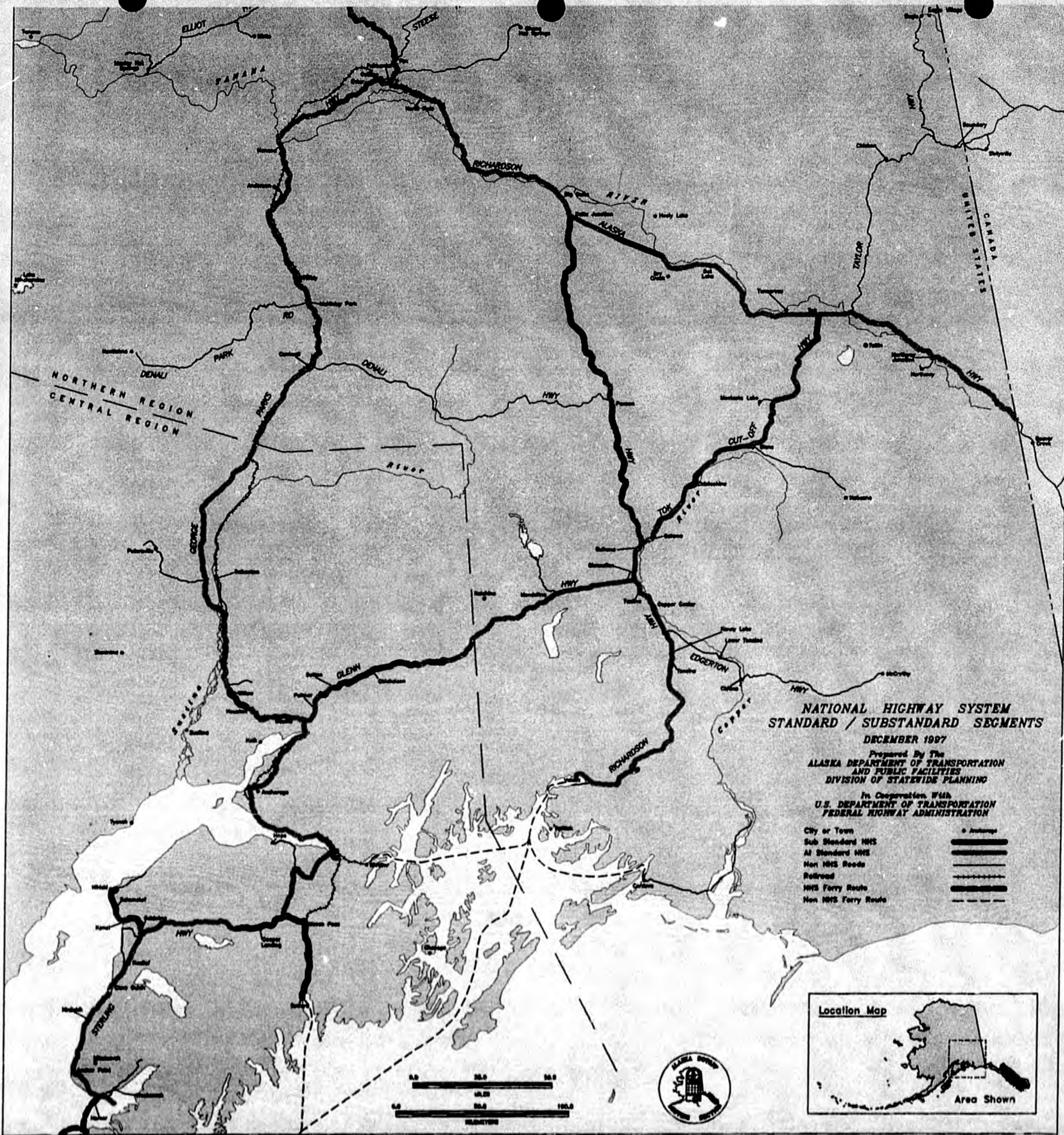
• Anchorage
—————
—————
—————
+ + + + +
- - - - -

Skagway

Haines

LYNN

CANAL



**NATIONAL HIGHWAY SYSTEM
STANDARD / SUBSTANDARD SEGMENTS
DECEMBER 1997**

Prepared By The
ALASKA DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
DIVISION OF STATEWIDE PLANNING

In Cooperation With
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

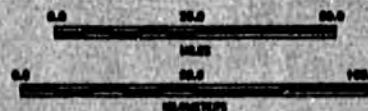
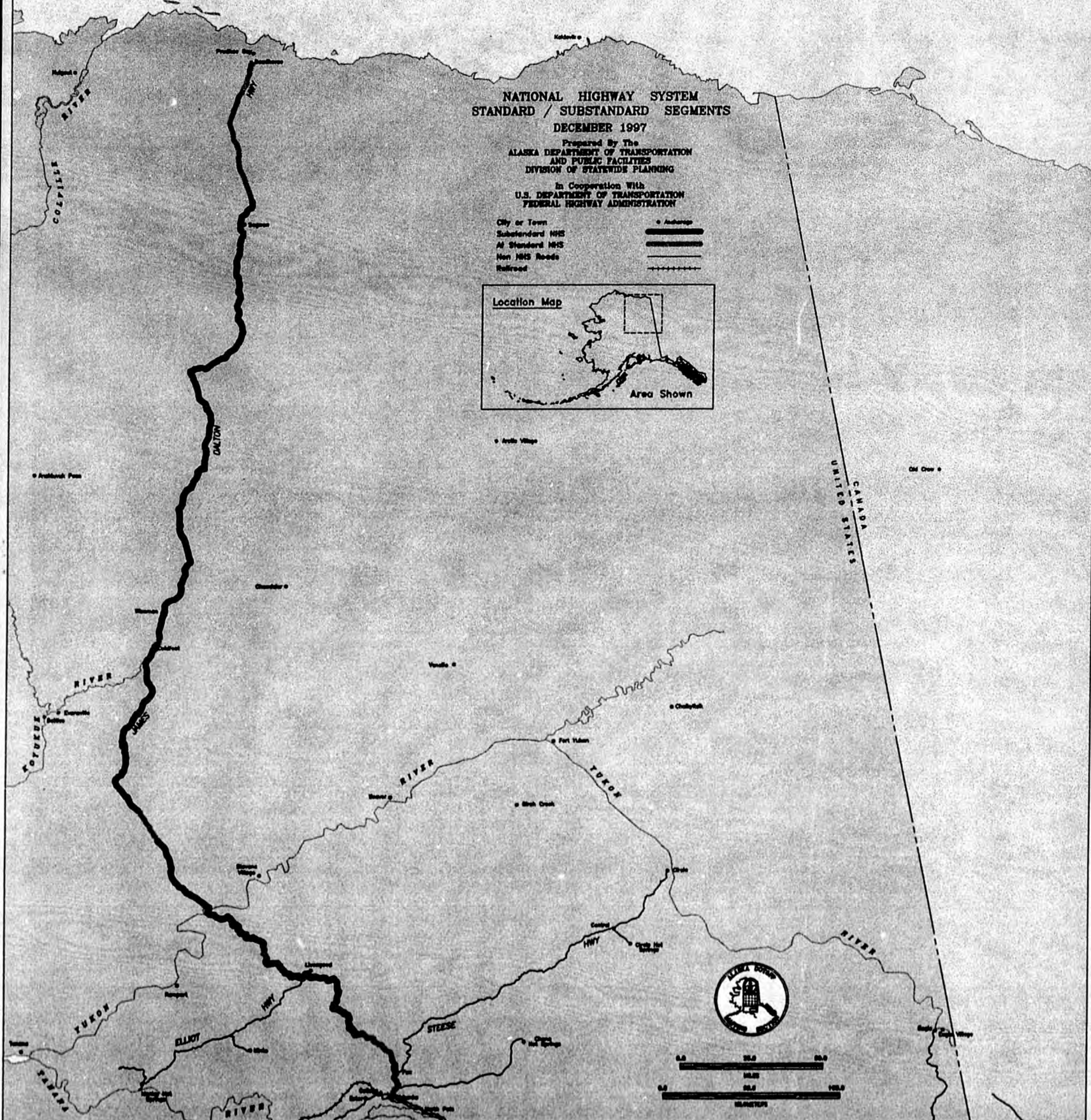
City or Town	•
Substandard NHS	—
At Standard NHS	—
Non NHS Roads	—
Railroad	—

• Airports

Location Map



Area Shown

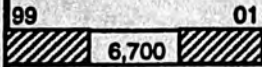


**National Highway System
Seward & Sterling Highways
Reconstruction - Major Projects**

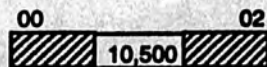
99 00 01 02 03 04 05 06 07 08

Seward Highway

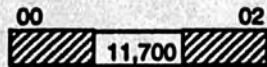
**MP 13-18
Summit to Snow
River
Rehabilitation**



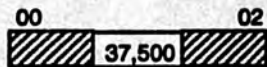
**MP 8-13 Grouse
Cr. Canyon
Rehabilitation**



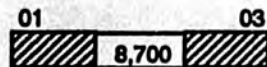
**Soldotna Urban
& Kenai River
Bridge
Replacement**



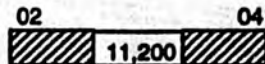
**MP 100-115 Bird
Pt - Anch.
Passing Lane &
Trail**



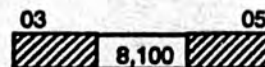
**MP 00-8 Seward
to Grouse Creek
Canyon
Rehabilitation**



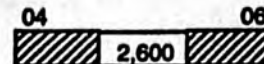
**MP 18-25
Snow River to
Falls Creek
Rehabilitation**



**MP 25-30
Falls Creek to
Moose Pass
Rehabilitation**

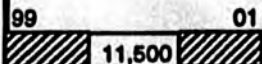


**MP 30-36
Moose Pass to
Sterling Wye
Rehabilitation**

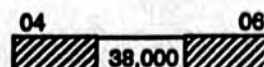


Sterling Highway

**MP 36-45
Sterling &
Seward Wye to
Sunrise**



**MP 45-60
Sunrise to Skilak
Lake Rd.
Reconstruction**



Construction \$119,460.0
Design & Right of Way \$30,900.0

National Highway System Rail/Road Grade Separations										
	99	00	01	02	03	04	05	06	07	08
Summit to Snow River (Includes Rehab. 5 Miles Seward Hwy.)	99	6,500		01						
Whites Crossing (Includes Road Rehab. To MP68)	00		17,200		02					
Mondorosa (Parks)	00		3,200		02					
Peridot (Richardson)	01			5,500		03				
Rex (Parks)	02			3,200		04				
Broad Pass (Parks)	02			3,500		04				
Moose Creek (Richardson)	03			5,500		05				
MP 1 Trainor Gate (Steese)	04				5,500		06			
Summit (Parks MP 204)	05					3,500		07		
Airport Spur (Richardson MP 359)	Construction - \$62,350.0 Million Design & Right of Way - \$9,400 Million					06		5,500		08

Construction - \$62,350.0 Million
Design & Right of Way - \$9,400 Million

National Highway System Haines Highway Reconstruction - Major Projects										
	98	99	00	01	02	03	04	05	06	07
MP 0-3.5 Union St. - Airport	98	99								
MP 27.5-31.5 Mosquito Lake Rd. Little Boulder Cr.		99		01						
Ferry Terminal-Union St.				01		03				
MP 34-37 Big Boulder Cr.-North McKenzie Loop					02		04			
MP 24-27.5 Chilkat River Br.-Mosquito Lake Rd.						03		05		
MP 37-40 North McKenzie Loop-Canadian Border						03		05		
MP 3.5-24 Airport Rd. to Chilkat River Br.							04		06	
MP 24 Chilkat River Bridge								05		07
	Construction - \$56,250.0 Million Design & Right of Way - \$3,170.0 Million									

Construction - \$56,250.0 Million
Design & Right of Way - \$3,170.0 Million

[illegible]

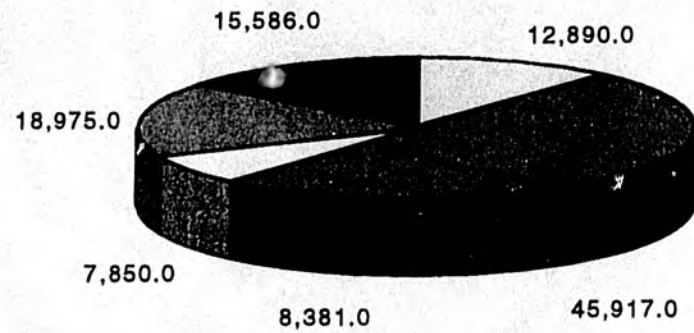
Construction - \$96 Million
Design & Right of Way - \$15 Million
Total - \$111 Million

National Highway System Dalton Highway Reconstruction - Major Projects										
	98	99	00	01	02	03	04	05	06	07
MP 144-176 Jim River #3 to Coldfoot Reconstruction										
Atigun Bridges MP 253 and 273										
MP 335-362 Happy Valley to Pump #2 Reconstruction										
MP 37-49 Hess Creek to Yukon River Reconstruction										
MP 274-284 Galbraith Lake to Kuparuk River Reconstruction										
MP 111-144 Beaver Slide to Jim River #3										
MP 289-350 Kuparuk River to Slope Mountain Reconstruction										
MP 9-18 9 Mile Hill Reconstruction										
MP 00-9 Livengood to 9 Mile Hill Reconstruction										
	Construction - \$83 Million Design & Right of Way - \$12 Million									

Construction - \$83 Million
Design & Right of Way - \$12 Million

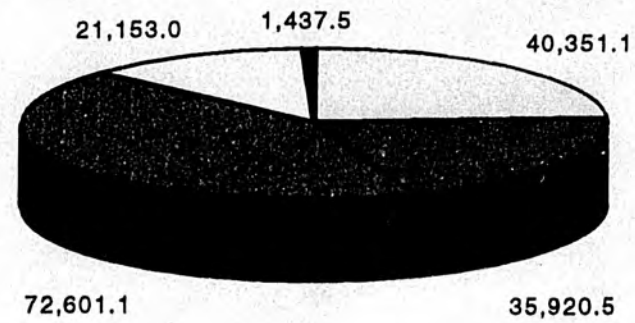
1998

Community Transportation Program



□ NEW ■ Rehabilitation ■ Reconstruction □ Maintenance ■ AMATS ■ Other

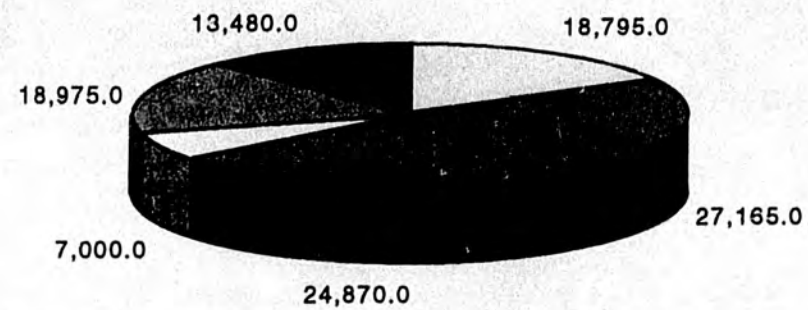
National Highway System



□ NEW ■ Rehabilitation ■ Reconstruction □ Maintenance ■ Other

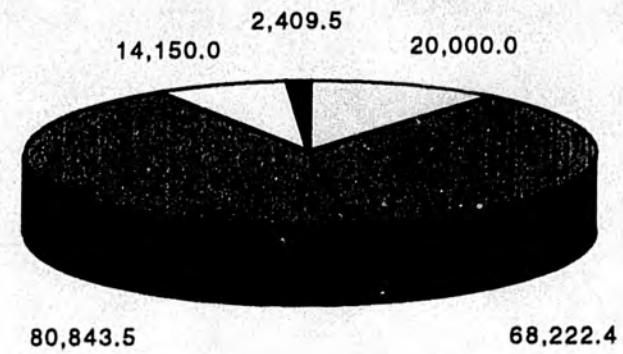
1999

Community Transportation Program

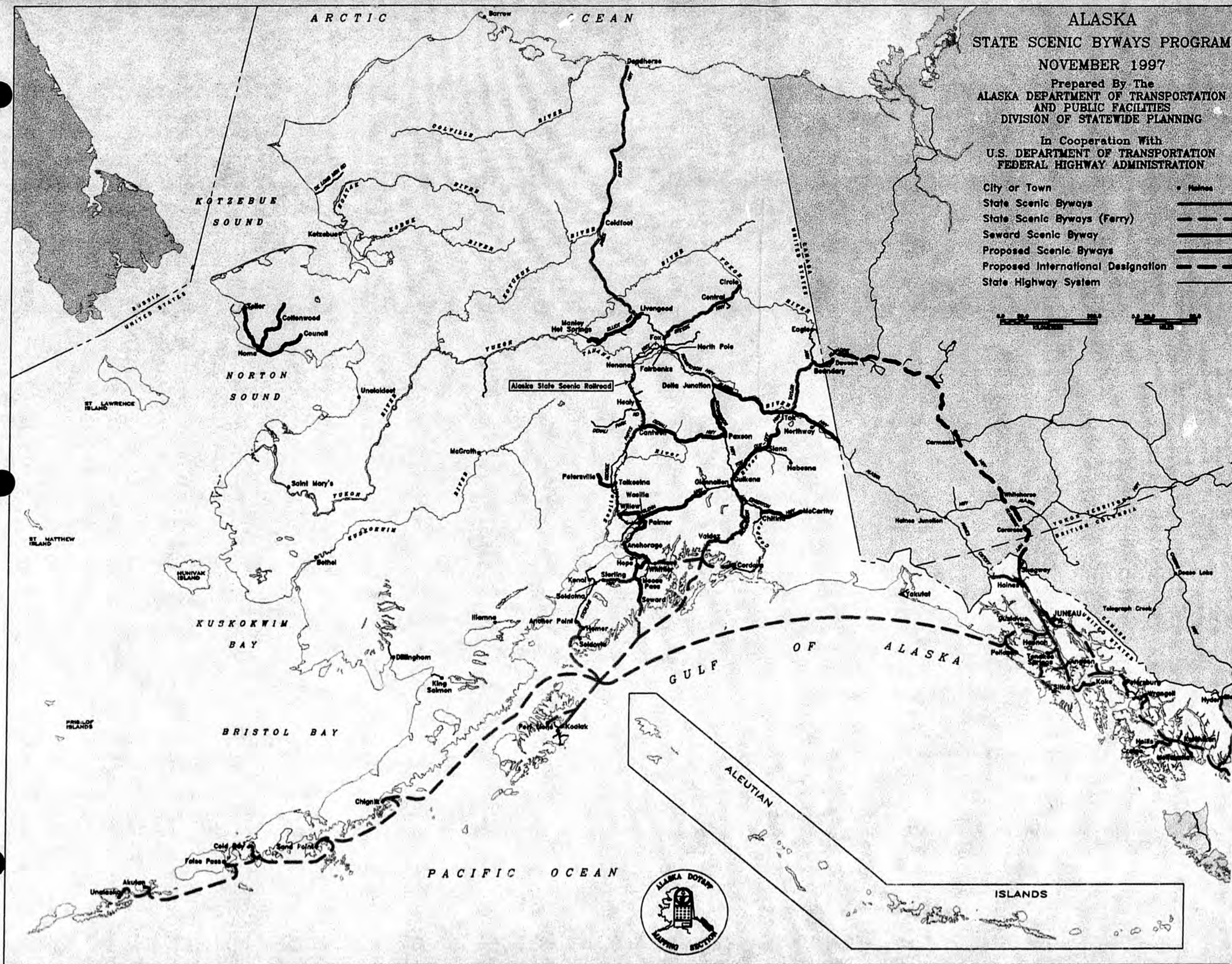


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National Highway System



□ NEW ■ Rehabilitation ■ Reconstruction □ Maintenance ■ Other



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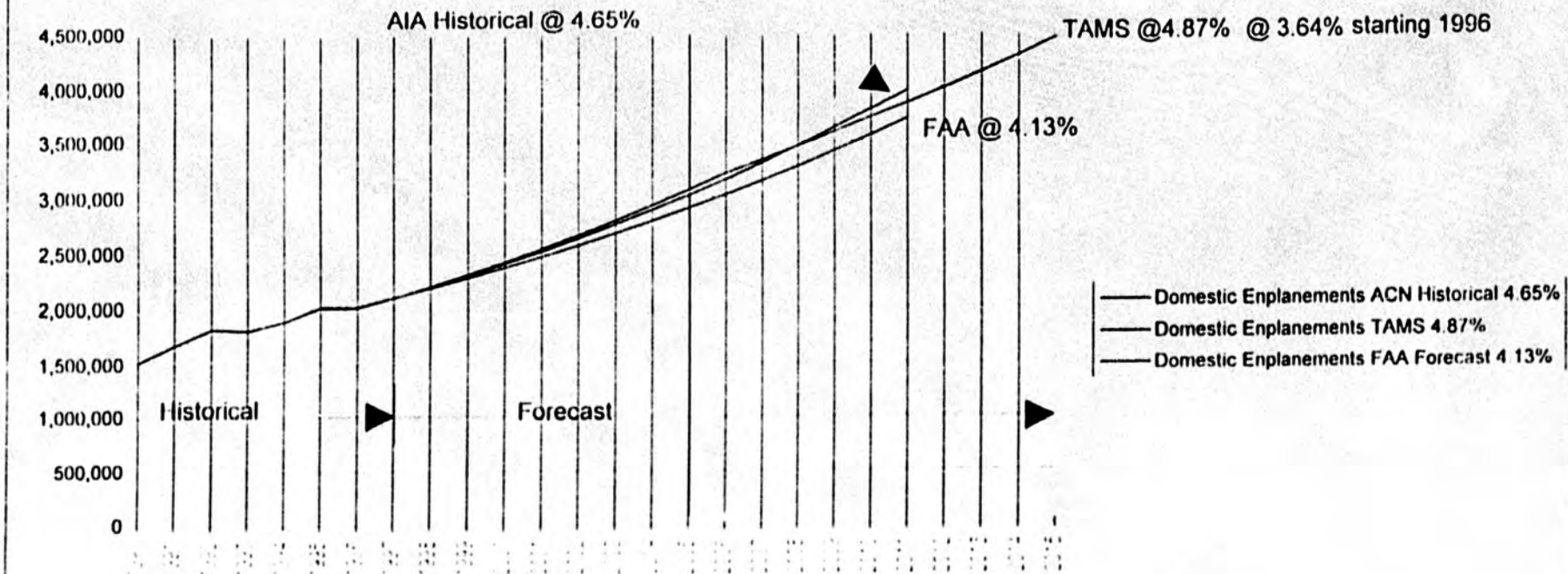
Anchorage International Airport

Terminal Redevelopment Project

Supplemental Information

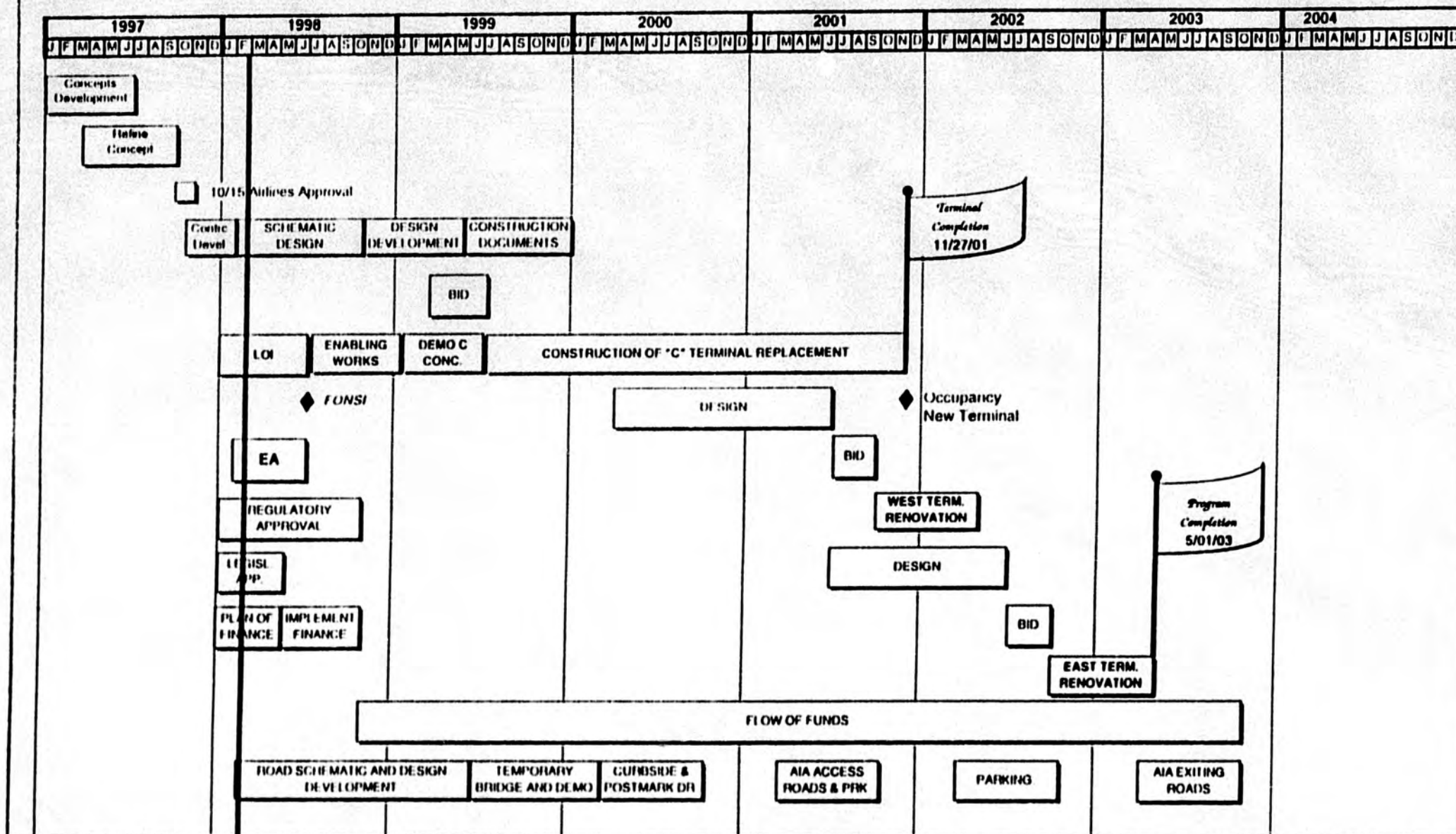
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ANCHORAGE INTERNATIONAL AIRPORT ENPLANEMENT FORECAST

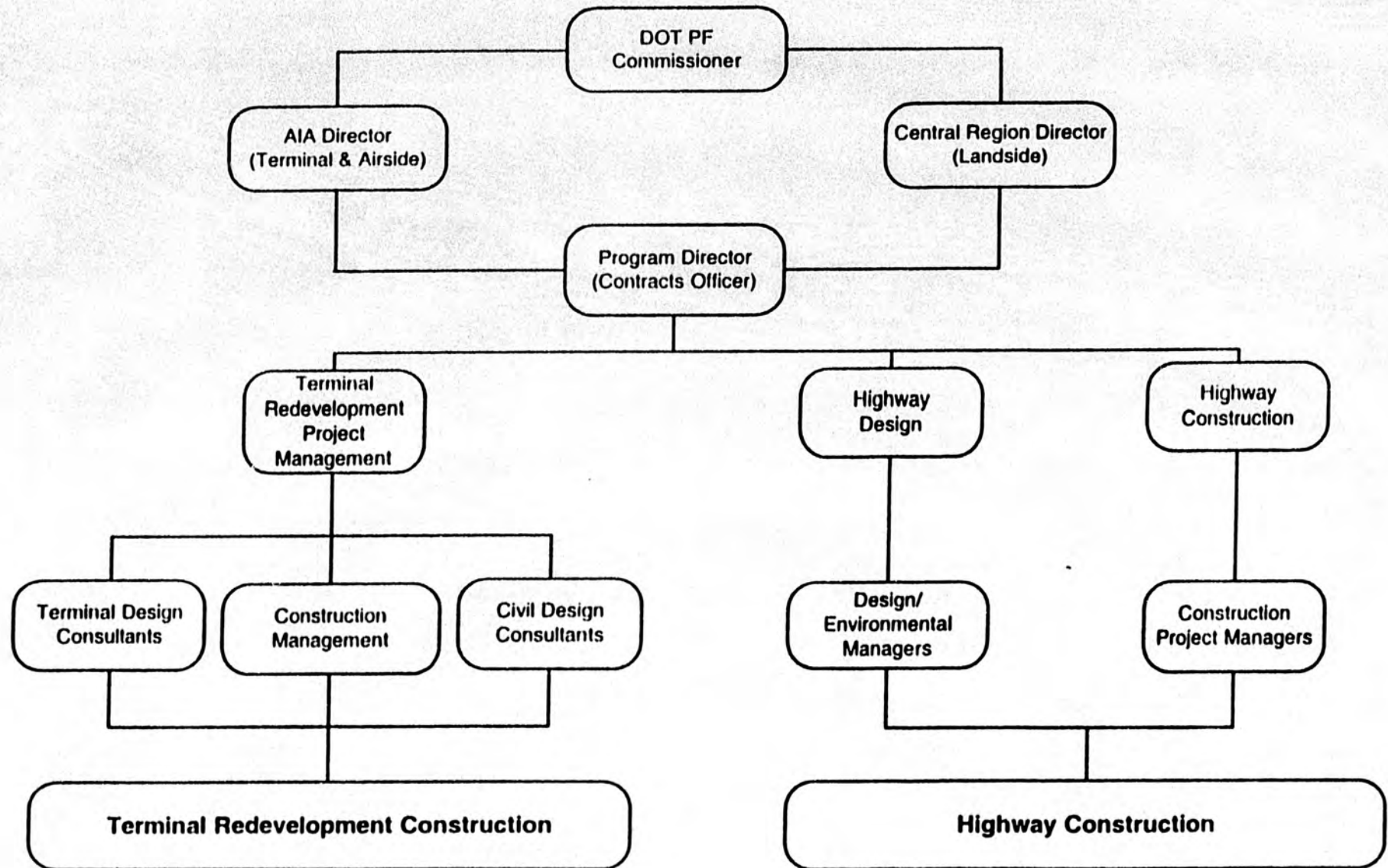


**Note: The last terminal expansion was in 1983 which added A Concourse.
Since that time, fifteen years ago, passenger traffic has increased over 60%.**

Anchorage International Airport Terminal Redevelopment Program Implementation Schedule



Gateway Alaska Organization Structure



Plan of Finance: Key Points

- Provides funds for 2001 Completion of Concourse C
- Keeps Fees and Charges Smooth –Match Bond Payments with "In-Service Date" of New Facility
- Finances with Tax-Exempt Bonds - Lowest Interest Rates in 20/30 Years
- Uses Cost-Effective Bond Insurance to Lower Interest Rates
- Timing – Capture Current Interest Rates to the Greatest Extent Possible
- Timing Advantages

Federal Tax Law is favorable to airport financing

Interest Rates are at historical lows

Bond Insurance is competitively priced

Issuance of Alaska bonds remains light, making AIAS Bonds attractive

Enplanement Performance of Airport is favorable

Cargo Performance of Airport is favorable

Underlying Credits of Airlines are favorable

Financing from Strength is lowest cost

Financing from weakness would be highest cost

P



**Anchorage
International
Airport**

***Gateway
Alaska***

***Terminal
Redevelopment
Project***



Gateway Alaska

Table of Contents

		Page
Executive Summary	<i>Gateway Alaska—Improving Alaska's Gateway to the World</i>	1-5
Terminal Project Overview	<i>Anchorage International Airport's Economic Importance Today's Situation Future Needs Plan of Action</i>	6
Terminal Project Information	<i>Elements Size Cost Funding</i>	7
Major Elements of Terminal Project	<i>Enabling Works C Terminal Replacement Airside Improvements Roadway and Parking Terminal Renovations</i>	8-9
Terminal Project Review of Process and Findings	<i>Process Forecasts Program Requirements Financial Impact of Delay Effect on Rates and Fees Comparison of ANC Landing Fee with Other Airports</i>	10-11
Airlines Contributing 89% of Domestic Passenger Airline Revenue Voted YES	<i>Listing by domestic carrier</i>	12
Airlines Representing 84% of Departing Passenger Voted YES	<i>Listing by domestic carrier</i>	12
Illustrations	<i>Road Projects Terminal Project</i>	
Plan of Finance	<i>November 5, 1997 Plan of Finance Distributed to the Anchorage International Airport Airline Affairs Committee</i>	
Resolution and Letters of Support		



Gateway Alaska

Improving Alaska's Gateway to the World

Anchorage International Airport (AIA) has become a vital business center and Alaska's link to the world. Future economic development in Anchorage and throughout the state will depend upon the airport's ability to meet this growth in traffic and to provide an acceptable level of service for airport users.

More than 4.4 million passengers arrived, departed, or transited the domestic terminal in 1997; another 600,000 passengers used the international terminal. For out of state visitors, the airport is often their first impression of Alaska and should represent the state in an appropriate manner. AIA is now serving nearly twice the number of passengers that passed through 10 years ago. In addition, over a 4.5 percent annual increase in domestic travelers is forecast through 2005.

According to David Hinson, former FAA Administrator, "Growth in airline passenger traffic is projected to outpace both population growth and the economy by expanding as much as 5.6 percent annually over the next 20 years."

Alaska's economy is driven, in a large part, by the engines of our aviation industry. A 1995 University of Alaska Institute of Social & Economic Research study identified 7,000 jobs directly related to the airport and another 4,000 airport-associated jobs in the Anchorage area. These figures are expected to increase another five percent during the coming years.

Cargo traffic at Anchorage has grown by double digits over the past three years and is expected to continue growing by at least 6 percent annually. The Gateway Alaska program, which is designed to meet these needs, is comprised of two major development components: domestic terminal redevelopment project and a series of highway improvement projects that will address the airport needs. Cargo operations at the AIA is being addressed in a separate Cargo Master Plan under development and is not currently a part of the Gateway Alaska program.

Addressing the Needs

Domestic Terminal Redevelopment: Anchorage International Airport domestic terminal currently offers an unacceptable level of service to the traveling public, especially during peak summer months.

The airport's main terminal has only 75 percent of the space necessary to serve today's passengers. By the year 2000, the existing terminal will provide only 60 percent of the space needed. Certain public areas of the terminal, such as the ticket lobby and bag claim lobby, currently have less than half of the space needed to operate efficiently.



Concourse C, built in the 1950's, is both functionally obsolete and code deficient. The roof has been repaired numerous times and still leaks. The heating system is literally held together with duct tape. The only sensible and cost-effective solution to updating this area is to demolish and replace this part of the terminal.

The AIA redevelopment project is critical if the airport is to provide capacity for the needs of today and growth in the near term. It is unreasonable to continue such poor levels of service, especially when considering the potential for adverse affects on tourism and business development in Alaska.

Terminal curbside roads need to be 50% longer to relieve congestion. A continuous return loop road is needed for improved safety and convenience. The intersection of Postmark Drive and International Airport Road must be reconfigured to accommodate current traffic and to improve overall safety.

Highway Improvements: Improvements to the primary access route to the airport are needed to meet current and projected traffic demands. An interchange at International Airport Road and Minnesota Drive along with widening of 'C' Street to six lanes will reduce accidents and improve traffic flow and circulation associated with projected increases. Additional intersection improvements along International Airport Road may also be needed as traffic increases continue.

Program Description

The Gateway Alaska program will renovate and expand the AIA Domestic Terminal, including airside and landside improvements. It will also improve highway access to the airport through a series of programmed and planned improvements along International Airport Road.

The terminal project includes improvements to terminal roads and parking, extension of upper level departure curbside bridge and roads, replacement of Concourse C, renovation and expansion of existing terminal space, tour group processing, and improvements to airside facilities. The plan provides facilities which meet anticipated demands for the target year 2005. The proposal calls for construction to begin by 1999 and end by 2004.

It will provide five new jet aircraft gates, seven regional aircraft parking positions, demolish Concourse C and construct a new concourse that will provide more curbside access, baggage claim, ticket lobby, and retail space.

This plan meets specific goals and objectives of AIA and the airlines:

- It provides the roadway and terminal facilities necessary to meet the forecast demand.
- It creates a facility with balanced capacities for airside, terminal and curbside areas.
- It resolves major deficiencies that exist in current ticket lobbies,



- baggage claim, curbside and baggage pick up areas.
- It provides a flexible terminal that can accommodate changes in fleet mix and other factors that could change in the future.
- It is a cost effective approach, maximizing the use of existing facilities.
- It provides for construction while continuing the operations of the Airport.
- It provides flexibility for future terminal expansion to meet continued increased demand.

Program History

Announced by Governor Knowles in November 1997, the 10-year, "Gateway Alaska" plan calls for improvements and expansion of airport facilities to support airport operations and access into the airport area.

Governor Knowles told the Anchorage Chamber of Commerce that the airport is "entering a new era of prosperity". At the same time, this prosperity is being threatened by an out-dated facility that cannot even meet today's demand.

In September of 1996, AIA initiated a planning process to develop the AIA Passenger Terminal Master Plan concept for the planning horizon year 2015, supported by a carefully developed needs assessment and phased implementation program.

Based on a series of workshops, meetings and direct airline input, a preferred Terminal Master Plan concept has been identified for the year 2005 which maintains maximum flexibility for terminal development beyond 2005 to the year 2015.

Airport consultants conducted a six-month Terminal Needs Assessment to forecast passenger loads and identify existing terminal deficiencies. Based upon these findings, the airport worked extensively with the airlines over the past twelve months to identify the general requirements of terminal redevelopment at Anchorage. The terminal project was approved by the airlines serving both Anchorage and Fairbanks airports in accord with terms of the airline/airport operating agreement, including support from the airlines who carry over 84% of the passenger traffic and produce almost 90% of the passenger revenue.

As a parallel effort to the terminal study, the Department of Transportation and Public Facilities took a look at International Airport Road to see what improvements may be needed to accommodate the current and projected traffic demands.

Program Financing

The entire Gateway Alaska program will cost approximately \$350 million over 10 years.

- Terminal and airside improvements: \$165 million (1997 dollars)



provided through airport revenue bonds.

- Terminal curbside and access roads: \$26 million using federal highway funds.
- Additional road improvements along International Airport Road from Postmark Drive to the Seward Highway: \$159 million using federal highway funds.

Gateway Alaska Program Summary

Terminal Redevelopment Project

Baggage Claim

Problem: Currently, the AIA domestic terminal has only 43 percent of the space needed to handle baggage. Passengers typically wait an unreasonable amount of time for their luggage. The baggage claim area, once a test of patience only during the summer months, is now in this condition on a daily basis.

Proposed Solution: Renovate and expand the existing baggage claim area. Replace the existing Concourse C with 300 linear feet of new baggage claim area with enough space and adequate equipment to handle luggage efficiently.

Ticket Lobby

Problem: The existing lobby has only 40 percent of the space needed to adequately handle passenger ticketing. The result is long lines, a crowded lobby and frustrated passengers.

Proposed Solution: Renovate and expand the existing ticket lobby. Replace the existing Concourse C with 300 linear feet of new ticket lobby space, large enough to accommodate projected passenger traffic through 2005.

Vehicle Curbside

Problem: Passenger drop off and pick up at the curbside is extremely difficult. Curbside space is insufficient for the number of people trying to get to and from the airport.

Proposed Solution:

- Improve the road system to serve the new C Concourse and provide safe and easy access to all airport facilities.
- Extend the existing elevated curbside road to the north, and make corresponding shifts in the roadway accesses to the upper and lower ramps, rental cars, and short-term and long-term parking.
- Develop a new return-to-terminal and parking circulation loop to simplify traffic flow and provide safe circulation in and around the airport terminals and parking areas.



C Concourse

Problem: C Concourse is code deficient and functionally obsolete. The 45 year old facility is costly to repair and maintain.

Proposed Solution: The only efficient, cost-effective remedy is to completely replace the C Concourse and expand the flightline to the north, which will increase airside capacity by 5 jet gates and 7 regional gates, several of which can be used by either jets or smaller aircraft.

Retail Area

Problem: Retail concession space is limited and located in areas of the terminal that are not ideal for maximizing customer shopping. Long lines at food stands add to the terminal's congestion and passenger frustrations, resulting in lost airport revenues from these retail operations.

Solution: Expand the amount of space available for concessions by creating retail areas in the new concourse and expand space in the renovated core area.

Highway Improvement Projects

Problem: Increased airport traffic requires improved access to AIA.

Solution: Improve the primary road network leading to the airport to make access safer and more efficient, and accommodate increased traffic and minimize impacts to surrounding neighborhoods. Programmed projects, include:

- Build interchange where International Airport Road crosses Minnesota Drive. (*construction start 1998*)
- Widen C Street from Tudor Road to International Airport Road. (*construction start 1998*)
- Improve International Airport Road, including bike and pedestrian trails. (*est. construction start 1999*)
- Intersection improvements and partial realignment of Postmark Road where it intersects International Airport Road. (*est. construction 1999*)

Additional contemplated improvements which will be reviewed and programmed as needed, include:

- A new grade separation at International Airport Road and the New Seward Highway.
- Interchange on International Airport Road at Jewel Lake Road and at-grade railroad crossings to improve safety.
- Improve Old International Airport Road, where many cargo operations are located.
- Build bike and pedestrian trails along Lakeshore Drive, which winds around Lake Hood.
- Repair an eroding section of the Tony Knowles Coastal Trail near the north end of the airport.



Terminal Redevelopment Project Overview: ***Today's Situation, Future Needs and Plan of Action***

Anchorage International Airport's Economic Importance

State's # 1 transportation hub
Serves over 5 million passengers per year

- 60% Alaskans
- 25% Visitors
- 15% International Transit

Jobs in the community: about 1 in 10 jobs in Anchorage

- 7,000 airport jobs
- 4,000 community jobs

Today's Situation

Domestic Terminal inadequate for today's traffic

- Concourse C, built in 1952, is functionally obsolete and code deficient- needs to be replaced
- Ticket lobby is only 40% of the space needed today
- Baggage claim lobby is only 43% of the space needed today
- Curbside road needs to be 50% longer
- Main terminal provides only 75% of space needed today

Future Needs

Forecast over 6 million passengers by 2005

- Expanded ticketing and baggage claim
- Tour group processing facility
- Additional aircraft gates (5 jets, 7 regional parking positions)
- Improved road access, curbside road, and parking

Plan of Action

Replace Concourse C
Renovate and expand existing terminal and retail core
Extend curbside road
Construct new access road and terminal return road
Expand aircraft gates and aircraft parking



Terminal Redevelopment Project Information

Elements, Size, Cost, Funding

Major Elements

5 new jet aircraft gates for total of 24
7 new regional aircraft parking positions for total of 20
Expanded and new ticket lobby and baggage claim
Expanded curbside and road system
New tour group processing facilities
Expanded and new retail space

Size

1997 Domestic Terminal	435,000 s.f.
Demolition of C Concourse	(85,000) s.f.
Replace C Concourse plus	
New terminal area	<u>367,000</u> s.f.
	717,000 s.f.

Cost

Project costs in 1997 dollars:

Early construction	\$ 5 million
Concourse C replacement	78
Terminal renovation and expansion	40
Roads and parking	32
Airside improvements	<u>36</u>
	\$191.0 million

Funding

Federal Highway funds	\$ 26.3 million
Airport revenue bonds	164.7
FAA funding	*
	<u>\$191.0</u> million

*FAA funding being sought to further reduce bond requirement or payment



Major Elements of Terminal Redevelopment Project

Early Construction

- ***Utility Relocation*** Relocate communications, water, sewer gas
- ***Cargo aircraft parking positions replacement*** Replace two aircraft parking positions displaced by construction
- ***Modifications for temporary relocation of airlines and tenants*** Relocation of tenants to allow for construction phasing
- ***Relocate loading bridge*** Relocate Gate B2 loading bridge for construction phasing
- ***Demolition of C Concourse*** Demolish C Concourse

C Concourse Replacement

- ***C Concourse Replacement*** New ticket lobby, baggage claim, gates, operations, north terminal connector
- ***Group tour bag facility*** Processing facility for tour passengers with baggage

Airside Improvements

- ***Apron*** New apron on new C Concourse and adjustments to Concourse B apron
- ***Aircraft hardstands*** Seven remote aircraft parking positions for overnight parking of passenger aircraft and daytime refueling of cargo aircraft

Roadway and Parking

- ***Roadway and parking near terminal*** Reconstruction of International Airport Road, new return loop road, connection to Postmark Drive, expanded surface parking, expanded upper curbside by 500'
- ***Right of way acquisition*** Acquire leases and property required for road improvements



Terminal Renovations
• *New construction*

30 foot expansion of terminal toward apron Gates A1-A3

30 foot expansion of terminal toward apron Gates A4-5

Renovation

Renovation of ticket lobby and baggage claim



Terminal Redevelopment Project

Review of Process and Findings

Process

The planning team has worked with the airlines to review enplanement (passenger traffic) forecasts and to make input into the master plan in a series of meetings and workshops over the past year. Both the Airline Technical Committee and the Airline Affairs Committee have been an integral part of the terminal concept development.

Forecasts

The enplanement forecasts, which are the foundation upon which the facilities requirements are based, considered historical air traffic growth, tourism, and governmental policies affecting international trade. Interviews with signatory airlines provided important information to the forecasting process. The projected growth for domestic passenger enplanements compares favorably with FAA's average percentage growth for the nation over the same time period.

Forecast for ANC

1996 to 2005 = 4.3%

US Aviation Forecast

1996 to 2005 = 4.15%

The forecast and associated program requirements were calculated in a conservative range to ensure a favorable bond rating and to avoid over-building. In light of the new tour ships being constructed, the number of new hotels and rooms, and an on-going effort to market Alaska as a tourist destination, the above forecast meets this goal.

Program Requirements

The terminal expansion concept developed for the year 2005 is based on aviation forecasts and program requirements which provide reasonable levels of service to the traveling public during an average summer peak hour. This means that even with the new expanded terminal facility, the public will still experience some delays and inconvenience.

It is important to remember that of the 661,800 s.f. required for the year 2005, 454,761 s.f. is needed to meet today's passenger traffic. This means that 207,200 s.f. is required to meet future demand in the year 2005. Construction is currently scheduled to be completed in 2004 only one year prior to the forecast demand.

Impact of Delay or Phasing

To delay or phase construction of the project will result in the lost opportunity to sell bonds at current historic low rates. The cost to build this same space in the future would be increased by escalation and potentially higher lending rates on



bonds. An extended construction period would also unreasonably inconvenience the traveling public.

Financial Impact on Airlines

The airline costs resulting from the requested bond package are on the low side of the average cost to do business at other medium and large hub airports in the US. This fact does not justify the project, but does show building much needed facilities at Anchorage International Airport results in landing fees and terminal rental rates which are still below the national average.

Comparison of AIA Landing Fee with Other Airports

In a comparison of AIA projected landing fee with the average landing fees at other United States airports, AIA compares well. The comparison is based on the 1996 AIA landing fee (which has since become even lower) with the 1995-96 American Association of Airport Executives landing fee statistics.

Average Landing Fees

Medium Hub Airports			
Passenger <u>Signatory</u>	Passenger <u>Non-Signatory</u>	Cargo <u>Signatory</u>	Cargo <u>Non-Signatory</u>
\$1.19	\$1.42	\$1.25	\$1.46
Large Hub Airports			
Passenger <u>Signatory</u>	Passenger <u>Non-Signatory</u>	Cargo <u>Signatory</u>	Cargo <u>Non-Signatory</u>
\$1.79	\$2.00	\$1.85	\$1.96

AIA Projected Equivalent Landing Fee for Year 2002

(*factored from takeoff weight fee of \$.92)

\$1.16

*Some airports in the US, like Anchorage International, charge a landing fee that is based on aircraft takeoff weights. Other US airports charge landing fees based on aircraft landed weights. In order to fairly compare landing fees, a conservative calculation is made above to fairly compare Anchorage's landing fee with other airports' landing fees. In any event, Anchorage's landing fee compares extremely well with other airports.

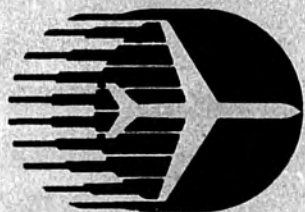


Airlines Contributing 89% of Domestic Passenger Airline Revenue Voted YES

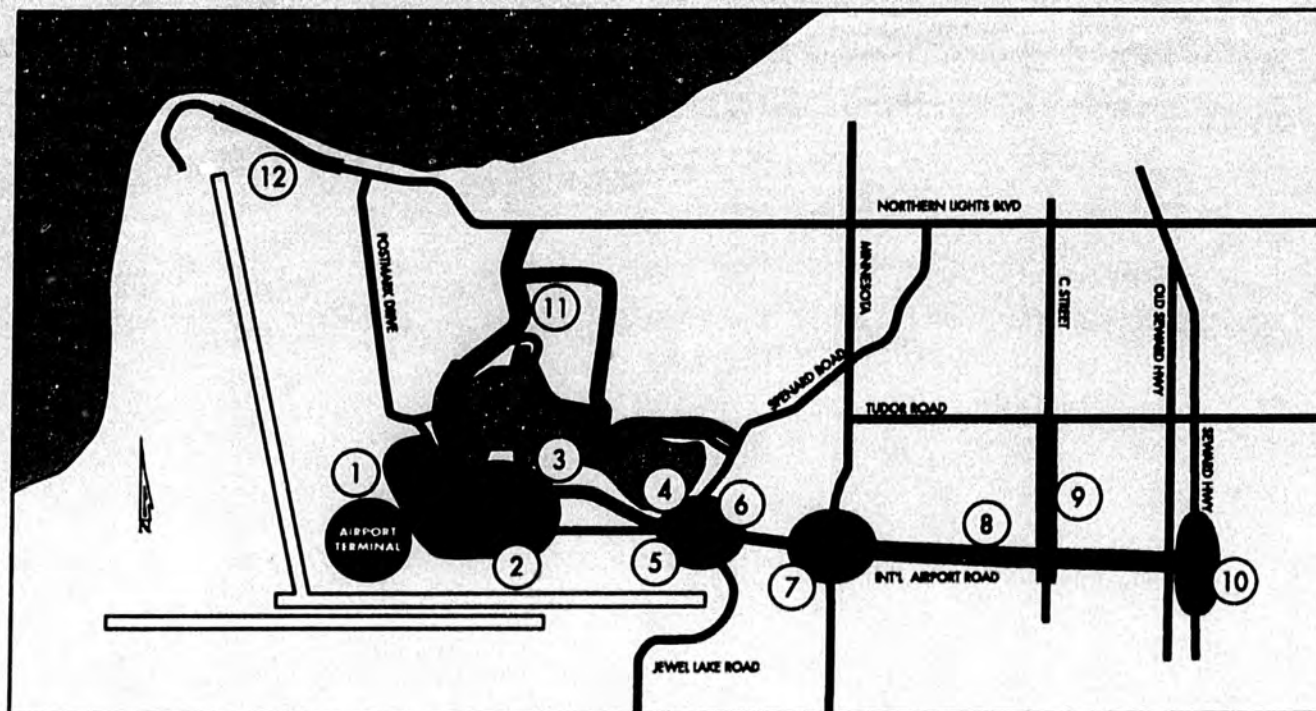
Airlines Representing 84% of Departing Domestic Passengers Voted YES

<u>Domestic Passenger Airlines</u>	<u>Vote</u>	<u>Domestic Airline Revenue</u>	<u>% of Total</u>	<u>Departing Passengers</u>	<u>% of Total</u>	<u>Samples of Increase per Departing Passenger*</u>
Alaska Airlines	Yes	\$3,687,952	45%	947,421	53%	\$0.96
Northwest Airlines	Yes	\$1,657,866	20%	129,380	7%	\$1.02
Delta Airlines	Yes	\$965,639	12%	215,627	12%	
United Airlines	Yes	\$851,133	10%	151,479	8%	
Reno Air	Yes	\$162,049	2%	61,616	3%	
America West	Yes	\$8,519	0%	3,479	0%	
Era Aviation	No	\$418,539	5%	201,012	11%	\$0.58
Reeve Aleutian	No	\$358,033	4%	39,593	2%	
Peninsula Airways	No	<u>\$139,477</u>	<u>2%</u>	<u>42,697</u>	<u>2%</u>	
		\$8,249,207	100%	1,792,304	100%	

**Based on flatline projection of FY 97 activity and rates*

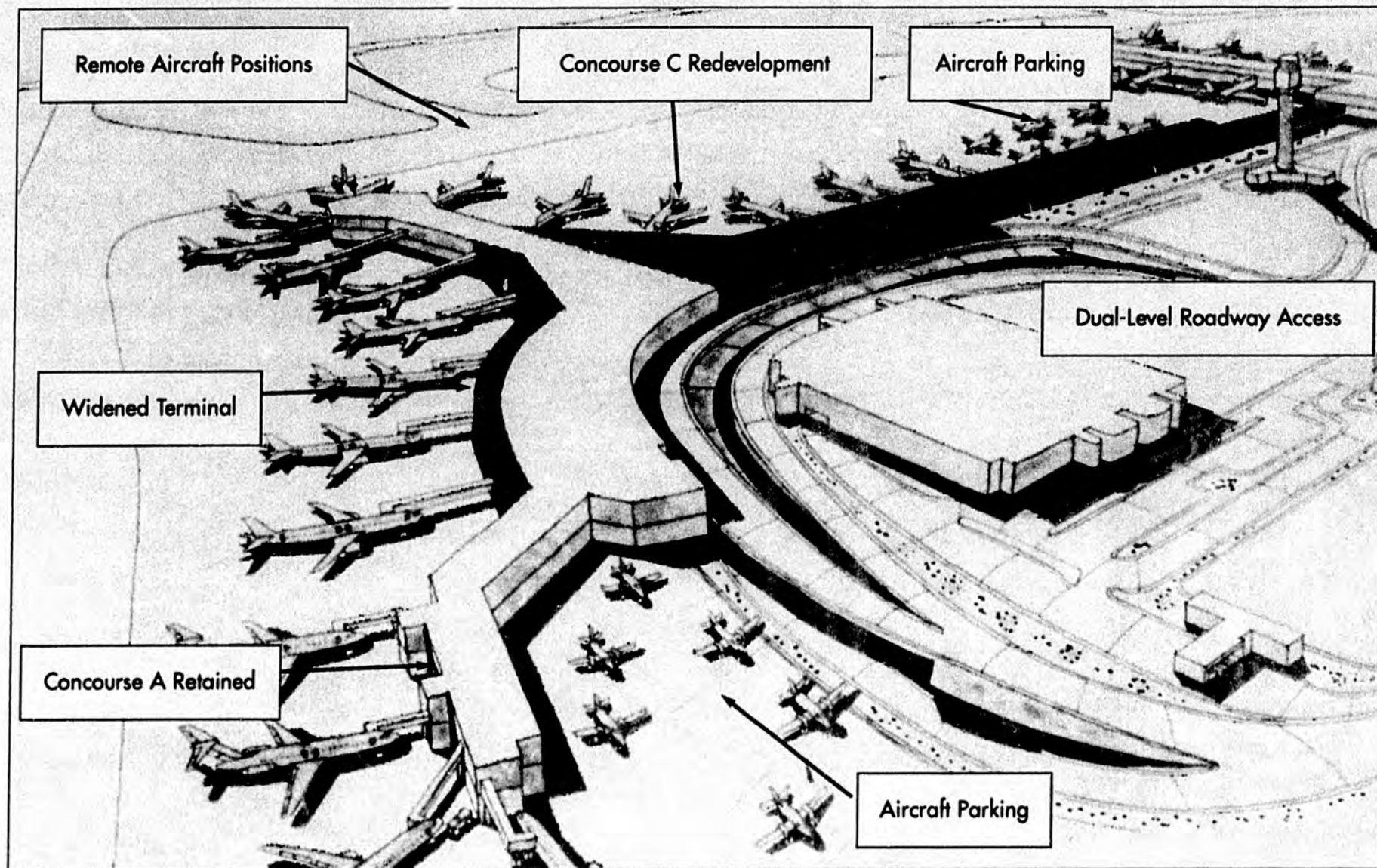


**Gateway
Alaska**



- 1 AIA Terminal Redevelopment-Terminal and Airside
- 2 AIA Terminal Redevelopment-Landside
- 3 Postmark Drive Interchange
- 4 Int'l Airport Road - Airport to Minnesota Drive
- 5 Old International Airport Road
- 6 Jewell Lake Road Interchange

- 7 Minnesota Drive Interchange
- 8 Int'l Airport Road - Minnesota Drive to Old Seward Hwy
- 9 "C" Street Widening
- 10 New Seward Highway Grade Separation
- 11 Lakeshore Drive Trail
- 12 Coastal Trail Bluff Stabilization



Terminal and Airside AIA Terminal Redevelopment



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

PLAN OF FINANCE

DISTRIBUTION TO THE AIRLINE AFFAIRS COMMITTEE

NOVEMBER 5, 1997

ADDENDUM TO OCTOBER 15, 1997 PRESENTATION

November 5, 1997

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

Purpose of Addendum

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

November 5, 1997

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

**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**

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

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

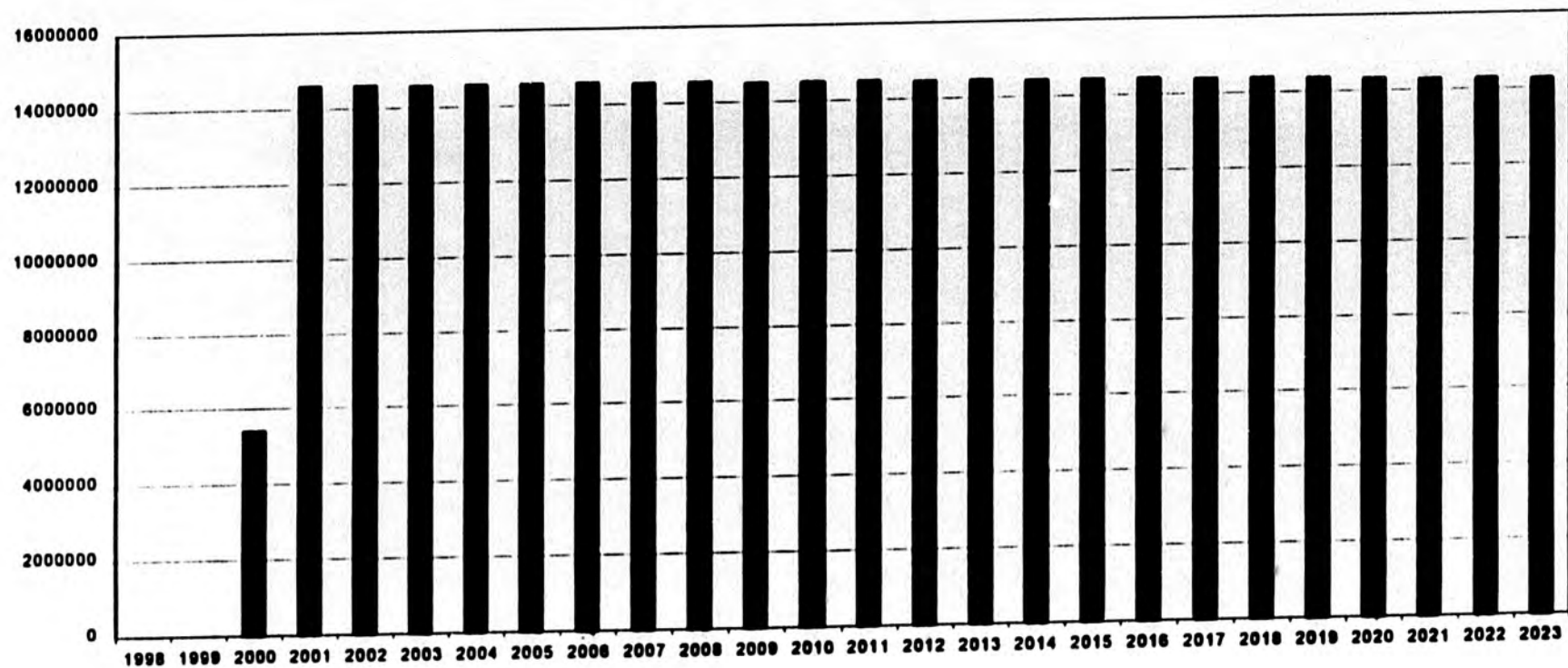
November 5, 1997

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

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

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

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



November 5, 1997

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

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

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

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

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

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