

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2459 SCOMM 103: HOUSE SPEC. COMM. INTL. TRADE & TOURISM, 1997-98

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

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

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

	<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

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

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

**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**

- 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

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**

- 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
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**



Anchorage Economic Development Corporation

The Center of Opportunity

February 9, 1998

Governor Tony Knowles
Office of the Governor
State Capitol
Juneau, Alaska

Dear Governor Knowles:

At the full meeting of the Board of Directors on February 4, 1998, The Anchorage Economic Development Corporation adopted the enclosed position of support for the improvement of the Anchorage International Airport.

The AEDC recognizes the need to improve the passenger terminal and to provide appropriate amenities supporting travelers. The AEDC also recognizes the importance of cargo traffic to the economic viability of the Anchorage International Airport. The transportation and access corridors play an important part in the future growth of the cargo business in Anchorage. It is important for these elements to be included in the planned improvements to AIA. The AEDC supports a financing approach that maintains the cost competitiveness of carrier operations at AIA.

Please keep us advised of the progress of this project. We will provide appropriate comment and documentation during the process of moving this complex undertaking forward.

Sincerely,

Ernest E. Hall
Chairman of the Board

cc: Joseph Perkins, Commissioner, Dept. of Transportation & Public Facilities
Mort Plumb, Director, Anchorage International Airport
Randy Simmons, Director, AIDEA

**Anchorage Economic Development Corporation
Statement of Position on
Anchorage International Terminal Expansion
February 4, 1998**

I. Introduction

The Anchorage Economic Development Corporation (AEDC) has identified the Anchorage International Airport (AIA) as one of the most important economic engines of the metropolitan area of Anchorage. With over 11,000 employees and \$319 million in payroll, the AIA accounts for almost one job in 10 in Anchorage. In 1997, 34 air carriers have landing rights at AIA. The airport currently serves over five million passengers annually, over half are Alaskans, with 25% domestic visitors, and 15% international travelers. Based on current trends, six million passengers are expected by the year 2005. The Anchorage International Airport is the top U.S. cargo airport based on landed weight of all-cargo aircraft. Over 95% of the cargo between the U.S. and Asia stops in Anchorage. The expanded cargo transfer capability ruling approved by the U.S. Department of Transportation has enhanced the ability of cargo carriers to transfer cargo in Anchorage. This makes AIA even more attractive for cargo hub operations and inter-airline cargo transfers.

II. Three Reasons to Support the Terminal Expansion

Anchorage International Airport has proposed a terminal expansion project based on forecasts of need to the year 2005. A number of scenarios were reviewed and evaluated, and the program is designed for implementation over a period of years. AIA proposed financing of the project projects results in fees for doing business at the airport which are competitive with those of medium and large hub airports in the United States.

A. Anchorage is the passenger gateway to Alaska. Based on national industry standards, current terminal facilities are inadequate for today's needs and insufficient to accommodate growth.

- Main terminal provides only 75% of space needed today.
- Ticket lobby is only 40% of the space needed today.
- Baggage claim lobby is only 43% of the space needed today.
- Concourse "C" is functionally obsolete. Built in 1952.

B. Cargo activity provides a business-based reason for aircraft to land in Anchorage.

- Of the \$191 million in the terminal expansion project, \$18 million is earmarked for hard stand development for cargo carrier refueling
- Facility and transportation infrastructure is required to support growth of cargo operations at AIA. Efficient road access for cargo and freight movement between industrial parts of the city and the airport need to be addressed.
- The AIA improvement plan includes the road access and taxiway development requirements to support cargo movement into and within the airport.

- C. Through its airport, Anchorage can make a good first impression. Vacationers and business travelers first exposure to Alaska is the Anchorage International Airport. The current terminal would benefit from amenities found at most major airports. The terminal expansion includes the following major elements:**

- Five new jet aircraft gates.
- Seven new regional aircraft parking positions.
- Expanded and new ticket lobby and baggage claim.
- Expanded curbside and road system.
- New tour group processing facilities.
- Expanded and new retail space.

III. AEDC Supports Revitalization of the Anchorage International Airport

The AEDC supports essential improvements to the passenger terminal at AIA as well as the improvements to cargo carrier service. The AEDC also supports the upgrading of roads to expedite movement of passengers and cargo between the AIA and destinations within Anchorage. The financing of these improvements should be phased to provide a continuation of competitive costs for use of the airport for both passenger and cargo carriers. The revitalization of AIA will enhance its role as a major economic engine of Anchorage and will provide a facility commensurate with its world class status in global travel and trade.



Anchorage
International
Airport

Anchorage International Airport

Terminal Concept Package

Report #8

October 1, 1997

TABLE OF CONTENTS

Terminal Concept Package

Introduction

2005 Concept

- Concept 5
- Roadways
- Massing Perspective
- Lower Level Plan
- Upper Level Plan
- Roadway Plan
- Tour Bag Plan

Implementation Plan

- Construction Staging
- Stage 1
- Stage 2
- Stage 3
- Stage 4

Cost Estimate

- Summary Sheet

Next Steps

AIA PLANNING & CONCEPT DEVELOPMENT SCHEDULE

ID	Task Name	Duration	Start	Finish	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1	1. KICKOFF MEETING	3d	2/12/97	2/14/97										
2	2. DEFINE GOALS & OBJECTIVES	3w	2/12/97	3/4/97										
3	3. DATA COLLECTION	6w	2/24/97	4/4/97										
4	4. SURVEYS	136d	3/17/97	9/22/97										
5	PASSENGER SURVEYS	136d	3/17/97	9/22/97										
6	WINTER	4w	3/17/97	4/11/97										
7	SUMMER	10w	7/15/97	9/22/97										
8	CONCESSION SURVEY	50d	7/15/97	9/22/97										
9	SUMMER	10w	7/15/97	9/22/97										
10	TRAFFIC SURVEY	50d	7/15/97	9/22/97										
11	SUMMER	10w	7/15/97	9/22/97										
12	5. SITE CONSTRAINTS	8w	3/3/97	4/25/97										
13	6. TERMINAL SPACE REQUIREMENTS	14w	2/24/97	5/30/97										
14	7. DEVELOP TERMINAL ALTERNATES	5w	3/3/97	4/4/97										
15	8. EVALUATE TERMINAL ALTERNATES	1w	4/7/97	4/11/97										
16	9. DEVELOP TERMINAL CONCEPTS	8w	4/14/97	6/6/97										
17	10. EVALUATION OF CONCEPTS	1w	6/9/97	6/13/97										
18	11. REFINE SELECTED CONCEPT	4w	6/16/97	7/11/97										
19	12. FINAL REPORT	1w	7/14/97	7/18/97										
20	14. PRESENTATION MATERIALS	14w	4/30/97	8/5/97										
21	15. CONCEPT REFINEMENT	11w	7/15/97	9/29/97										
22	AIRLINE MEETINGS	157d	3/26/97	10/31/97										
23	MEETING 1	0d	3/26/97	3/26/97										
24	MEETING 2 - WORKSHOP	0d	4/9/97	4/9/97										
25	MEETING 3 - WORKSHOP	0d	5/1/97	5/1/97										
26	MEETING 4 - WORKSHOP	0d	5/14/97	5/14/97										
27	MEETING 5 - WORKSHOP	0d	6/11/97	6/11/97										
28	AFFAIRS COMMITTEE	0d	7/15/97	7/15/97										
29	Airline Operations Meetings	11w	7/15/97	9/29/97										
30	Concept & Financing Presentation	0d	10/1/97	10/1/97										
31	AFFAIRS COMMITTEE	0d	10/15/97	10/15/97										
32	BALLOTS DUE	0d	10/31/97	10/31/97										

Project: AIA CONCEPT SCHEDULE
Date: 9/29/97

Task

Progress

Milestone

Summary

Rolled Up Task

Rolled Up Milestone

Rolled Up Progress

INTRODUCTION

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 a phased implementation program.

The planning team has worked closely with the Airlines and AIA management to develop a partnership approach to the planning process. 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.

On July 15, 1997 the planning team presented the Terminal Concept to The Affairs Committee. The Affairs Committee agreed to the release of the remaining \$2.25 million (from the original approved \$4.5 million) of ANC terminal design money to allow the airport to continue the on-going planning effort. In addition the signatory Airlines agreed by ballot to the reprogramming of \$4 million originally earmarked for Concourse 'C' repair, replacement and relocation to continue the planning and schematic design of the Terminal Expansion program. The issue of approval of the 1999 C.I.P. was deferred to October 15, 1997 to allow the planning and design team to accomplish the following:

- Meet individually with airlines using the terminal to discuss operational requirements and concerns.
- Refine the conceptual design to include concerns and issues rising from the individual meetings.
- Develop more detailed cost estimates and financing plan.

Individual meetings were held with all signatory airlines and many of the non-signatory airlines between July 15th and September 30th. This report contains the refined plans, narratives, construction sequencing, and cost estimate in response to the individual meetings. The financing plan is not part of this document but will be delivered to the Affairs Committee members on October 2, 1997.

2005 CONCEPT NARRATIVE

October 1, 1997

The 2005 Concept corrects existing terminal deficiencies and provides for growth through the year 2005 by demolishing the old 'C' Concourse and constructing a new Terminal in its place, renovating and reconfiguring the existing domestic terminals, and expanding and reconfiguring the approach roadways and parking. Specific goals and objectives of AIA and the Airlines that are met by this plan include:

- It provides the facilities necessary to meet the forecast demand for the year 2005.
- It creates a facility that has balanced capacities for airside, terminal and curbsides.
- It resolves major deficiencies that exist in current ticket lobbies, baggage claim, curbside and baggage make up areas.
- It provides a flexible terminal that can accommodate changes in fleet mix and aircraft gage.
- 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 for future terminal expansion and midfield pier to meet the forecast 2015 demand.

At the completion of this project the total area of the Domestic Terminal will be 717,000 square feet consisting of approximately 350,000 square feet of existing and remodeled space and 367,000 square feet of new terminal. 24 jet parking positions and 20 regional parking positions will be provided with 3 of the jet positions cross utilized. Significant features of the project include:

'C' Concourse Replacement

- Expansion of the flightline to the north increasing the airside capacity by 5 structural (jet) gates and 7 ground load (regional) gates.
- 300 lineal feet of new ticket lobby sized to accommodate jet aircraft.
- 300 lineal feet of new baggage claim area with areas and devices sized to accommodate jet aircraft.
- New facilities for processing Tour Groups.
- New airline ticket offices (ATO), holdrooms, baggage make up and operations space.
- Additional concession spaces in the new concourse and in the renovated core area.
- New restrooms, mechanical, electrical and maintenance spaces to support the terminal.
- Ground level connector linking the North and South Terminals.
- Offices to replace space vacated in the old 'C' Concourse and to consolidate airport administration functions.

Terminal Renovation

- Expansion of the Main Terminal, adding holdrooms and baggage make up space and allowing the ticket counters and baggage claim devices to be 'pushed back' to create lobbies that are sized to accommodate jet aircraft.
- Connection of an integrated secure circulation path to all jet gates. This will allow passengers to transfer from one flight to another without exiting and reentering the secure zone. Primary security check points will be centralized in the new core area.
- The core area at the connection of the concourse will be reorganized to create a focal point for the airport and maximize the exposure of the passengers to concession areas. Vertical circulation in the form of elevators and escalators will provide direct and obvious connection for passengers to ticketing, baggage claim, and other airport services.
- The existing 'A' and 'B' Concourse will receive code upgrades and updated interior finishes.

Roadways & Parking

- The road system will be improved to serve the new C-Concourse and provide safe and easy access to all airport facilities. To serve the new terminal area, the existing bridge will be extended to the north, and corresponding shifts made in the roadway accesses to the upper and lower ramps, rental cars, and short-term and long-term parking. The departure lanes from the upper and lower ramps and the current toll-booth exit from parking are adequate through the Year 2005 and no changes will be made in these portions of the facility.

- In conjunction with the realignment of the inbound and outbound roadways, a new return-to-terminal and parking recirculation loop will be developed. This improvement will simplify the traffic flow, and provide for safe circulation in and around the airport terminals and parking areas.

Airfield Improvements

- Cargo Parking positions which are affected by the Terminal Expansion will be relocated to another area of the airfield. The location of the cargo parking positions will be confirmed by the AIA's Cargo Masterplanning effort.
- The apron area east of the 'A' Concourse on the old Fire Station site will be leveled and paved to expand aircraft parking and maneuvering areas.
- 7 remote overnight (RON) parking positions will be provided in the terminal area. Alternatively additional cargo handstands may be constructed out of the terminal area freeing up close in positions for RON parking with potential cross utilization by cargo carriers at off peak hours.
- A 250 foot deep aircraft parking apron will be created at new terminal areas.

TERMINAL DEVELOPMENT CONCEPT 5: MASSING PERSPECTIVE



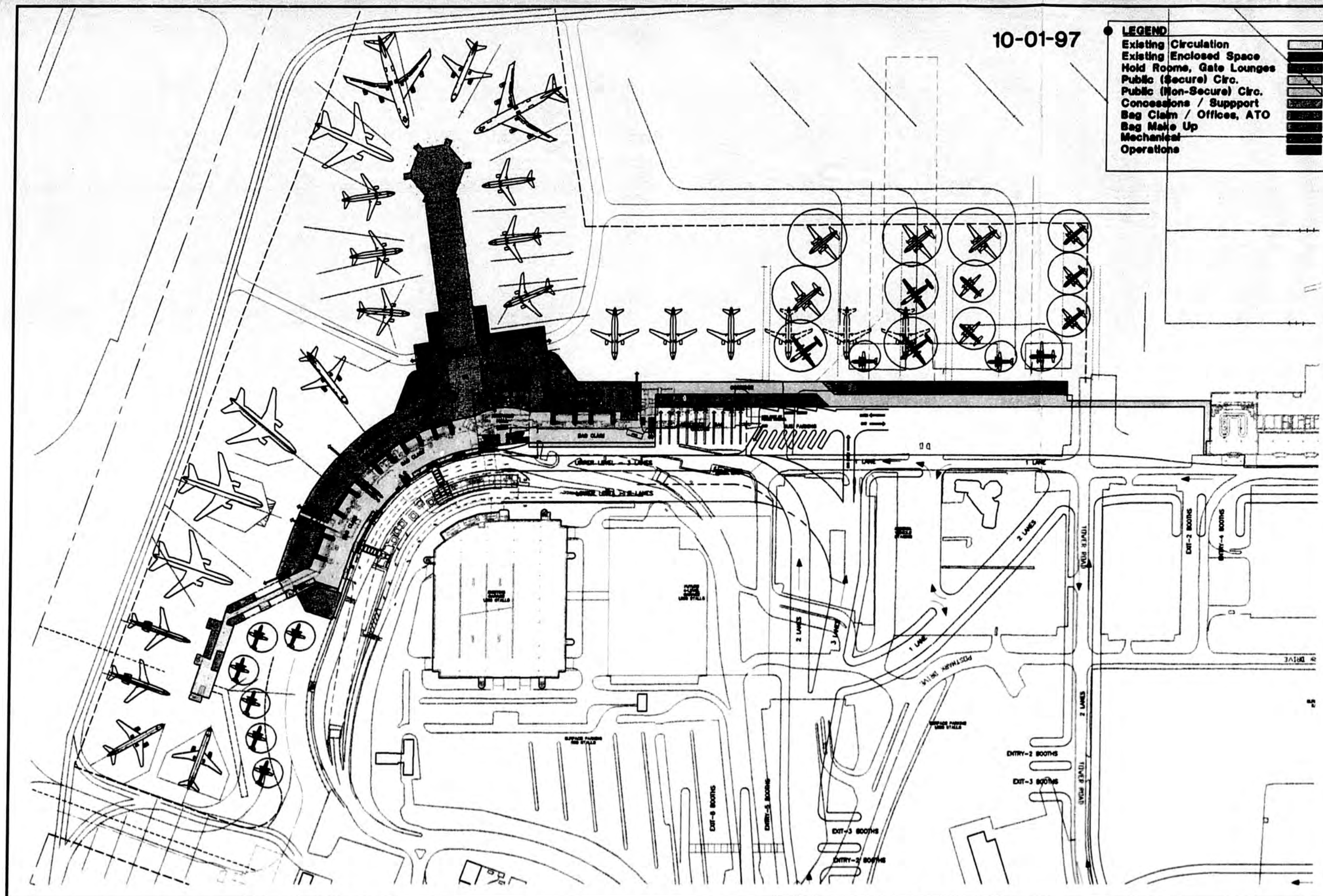
ANC: TERMINAL EXPANSION PROGRAM

SCALE: 1" = 100'

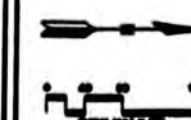
0 10 20 30

LEGEND

Existing Circulation	
Existing Enclosed Space	
Hold Rooms, Gate Lounges	
Public (Secure) Circ.	
Public (Non-Secure) Circ.	
Concessions / Support	
Bag Claim / Offices, ATO	
Bag Make Up	
Mechanical	
Operations	



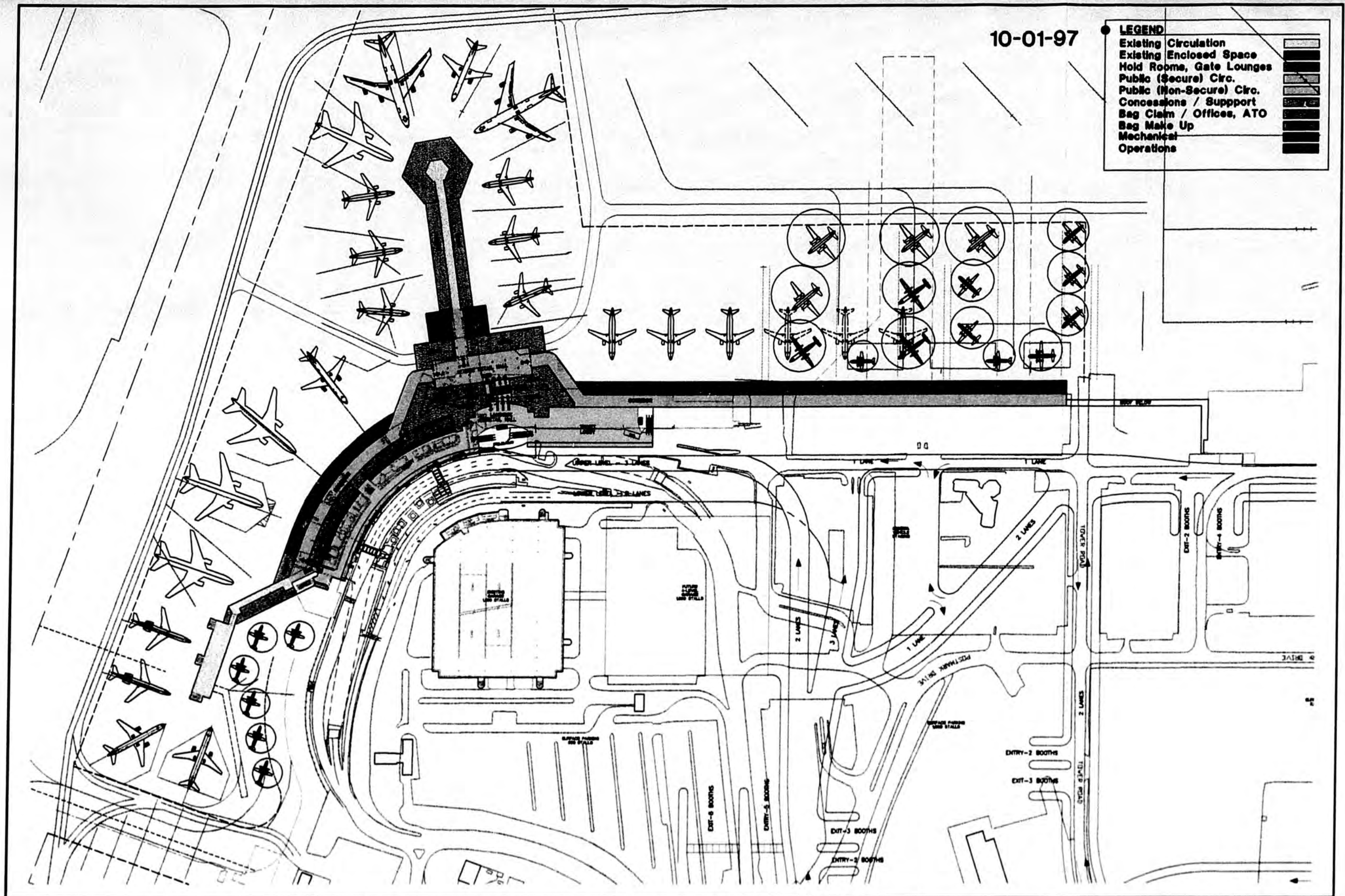
McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
901 W. 50TH AVENUE, ANCHORAGE, AK (907) 562-8474


Landrum & Brown

A1.0

10-01-97

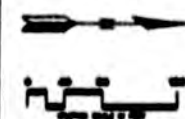
LEGEND	
Existing Circulation	
Existing Enclosed Space	
Hold Rooms, Gate Lounges	
Public (Secure) CIRC.	
Public (Non-Secure) CIRC.	
Concessions / Support	
Bag Claim / Offices, ATO	
Bag Make Up	
Mechanical	
Operations	



Anchorage International Airport Scheme 5 - Year 2005 - Upper Level

McCool Carlson Green
 ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
 991 W. 50TH AVENUE, ANCHORAGE, AK (907) 566-8474

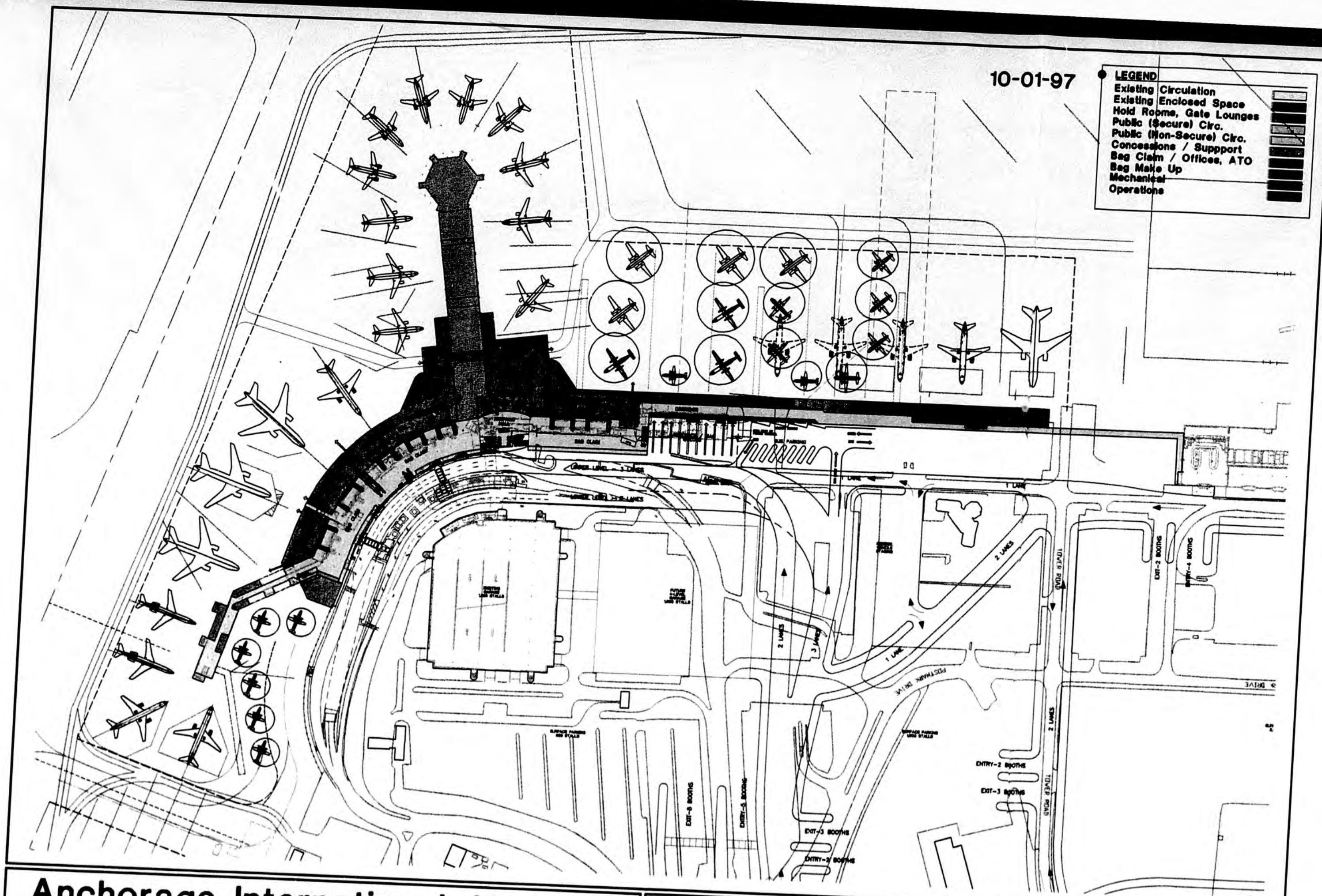
Landrum & Brown



A2.0
 Date: July 26, 1997

LEGEND

Existing Circulation	
Existing Enclosed Space	
Hold Rooms, Gate Lounges	
Public (Secure) Crc.	
Public (Non-Secure) Crc.	
Concessions / Support	
Bag Claim / Offices, ATO	
Bag Make Up	
Mechanical	
Operations	



Anchorage International Airport

Scheme 5a - Year 2005 - Lower Level

FILE: 0:97005\GAD\5a_0_1.DWG



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
991 W. 80TH AVENUE, ANCHORAGE, AK (907) 562-5474



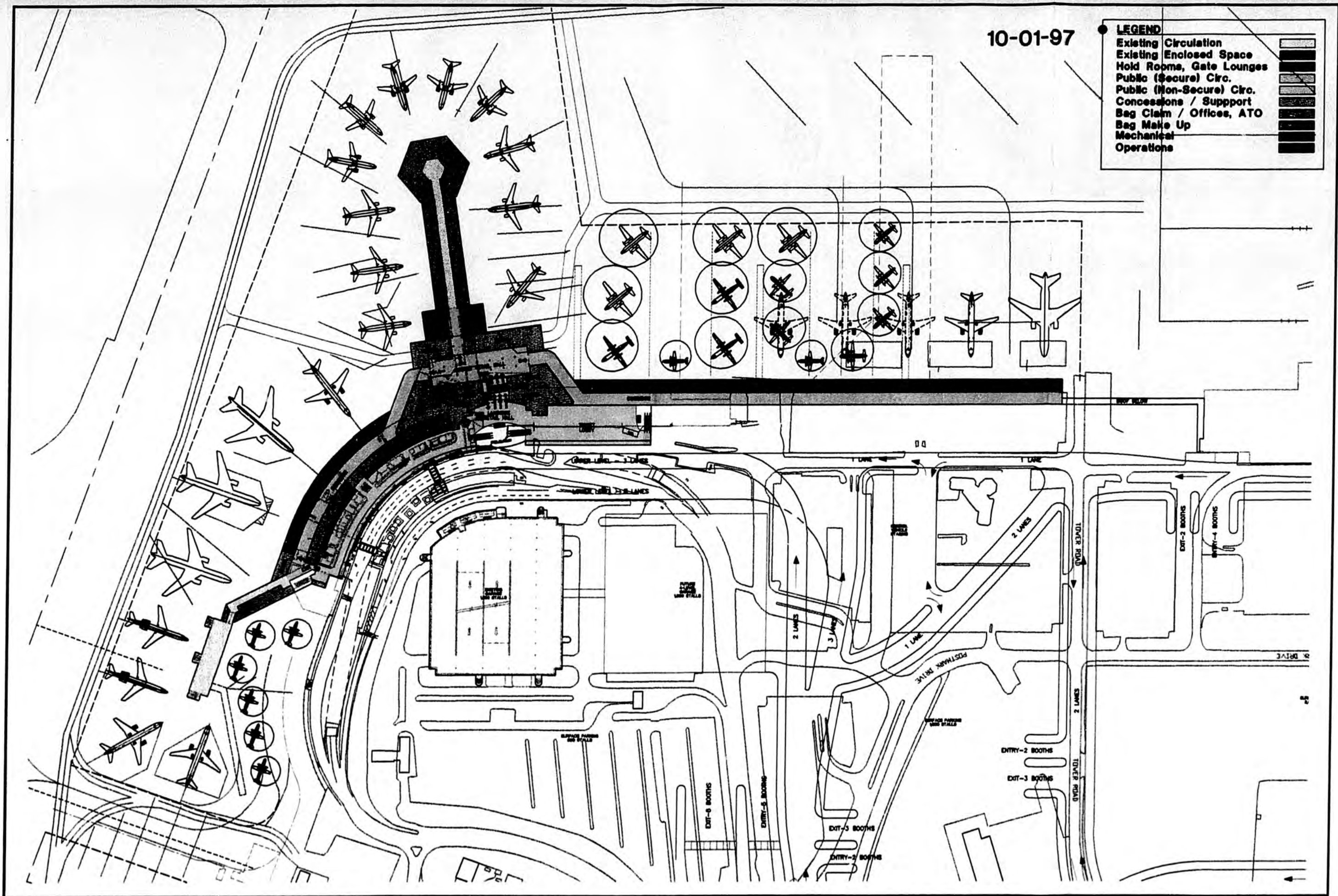
Landrum & Brown

A1.0
Date: July 22, 1997

10-01-97

LEGEND

- Existing Circulation
- Existing Enclosed Space
- Hold Rooms, Gate Lounges
- Public (Secure) Crc.
- Public (Non-Secure) Crc.
- Concessions / Support
- Bag Claim / Offices, ATO
- Bag Make Up
- Mechanical
- Operations



Anchorage International Airport **Scheme 5a - Year 2005 - Upper Level**

McCOOL CARLSON GREEN
 ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
 901 W. 50TH AVENUE, ANCHORAGE, AK (907) 565-6474

Landrum & Brown



A2.0
 Date: July 28, 1997

LAKE HOOD

ENTRANCE CHISEL

EXIT CHISEL

POSTMARK DRIVE

INTERNATIONAL AIRPORT ROAD

SURFACE PARKING

RENTAL CARS/SURFACE PARKING

EXISTING GARAGE 1200 STALLS

RETURN TO TERMINAL & PARKING

ENTRANCE CHISEL

EXIT CHISEL

POSTMARK DRIVE

INTERNATIONAL AIRPORT ROAD

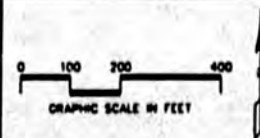
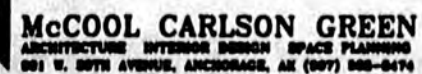
SURFACE PARKING

RENTAL CARS/SURFACE PARKING

EXISTING GARAGE 1200 STALLS

RETURN TO TERMINAL & PARKING

YEAR 2005 – ROAD LAYOUT PLAN



Sept. 25, 1997

IMPLEMENTATION PLAN

The current implementation plan focuses on delivering the new terminal and overall program in a shorter time frame than the plan discussed at the July 15 Affairs Committee meeting. This change is being recommend for two primary reasons

- To address critical terminal crowding problems which exist today in as timely a fashion as possible for airlines, passengers and other airport users.
- To take advantage of cost savings associated with reduced cost escalation and bond financing.

Construction staging has been arranged to provide facilities for all existing operations during construction while constructing the 'C' Terminal Replacement. The 4 stages of construction are outlined in the following construction plan and schedule.

STAGE 1 - ENABLING WORKS (1998-99)

This stage consists of preparing the site for the construction of the new 'C' Terminal. Enabling work construction will start in the summer of 1998 and be completed spring of 1999. Included in this stage is:

- Relocation of 2 Cargo parking positions located between the domestic and international terminals.
- Delta Airlines moves temporarily to North Terminal.
- Alaska Airlines relocates from Gates B2 & B4 to the vacated Delta Gates.

- Construct a temporary security bypass and baggage level access to allow PenAir and ERA to operate out of Gates B2 & B4.
- Relocate utilities in the 'C' Terminal Area.
- Construct temporary fencing and temporary walkways around the 'C' Terminal construction site.
- Construct interim provisions for roadway construction.
- Demolition of existing 'C' Concourse.

STAGE 2 - 'C' TERMINAL CONSTRUCTION (1999-2001)

During this stage the entire new 'C' Terminal is constructed including roadway modifications. PenAir and ERA operate out of Gates B2 and B4 and Alaska occupies Gates A2, A3, and A4 for the duration of this stage. Included in this stage is:

- New 'C' Terminal including ticketing, baggage claim, gates, concession, baggage make up and operational space for jets and regional carriers.
- Modifications to surface and elevated roadway system required to serve the new terminal.
- New ground level connector to the North Terminal.
- Tour Group handling Facility.

- Apron Paving at the new terminal and additional RON parking positions.
- Demolition of the Old Fire Station and extensions at apron paving east of Concourse 'A'.

At the conclusion of this stage the new terminal will be occupied relieving overcrowding pressures on the existing terminal.

STAGE 3 - WEST TERMINAL AREA RENOVATION (2001-02)

This stage reconstructs the core area of the terminal and enlarges the existing ticketing and baggage claim areas. To avoid conflicts with peak terminal usage the majority of this work is scheduled to occur between October 1 and May 1. Improvements to the terminal include:

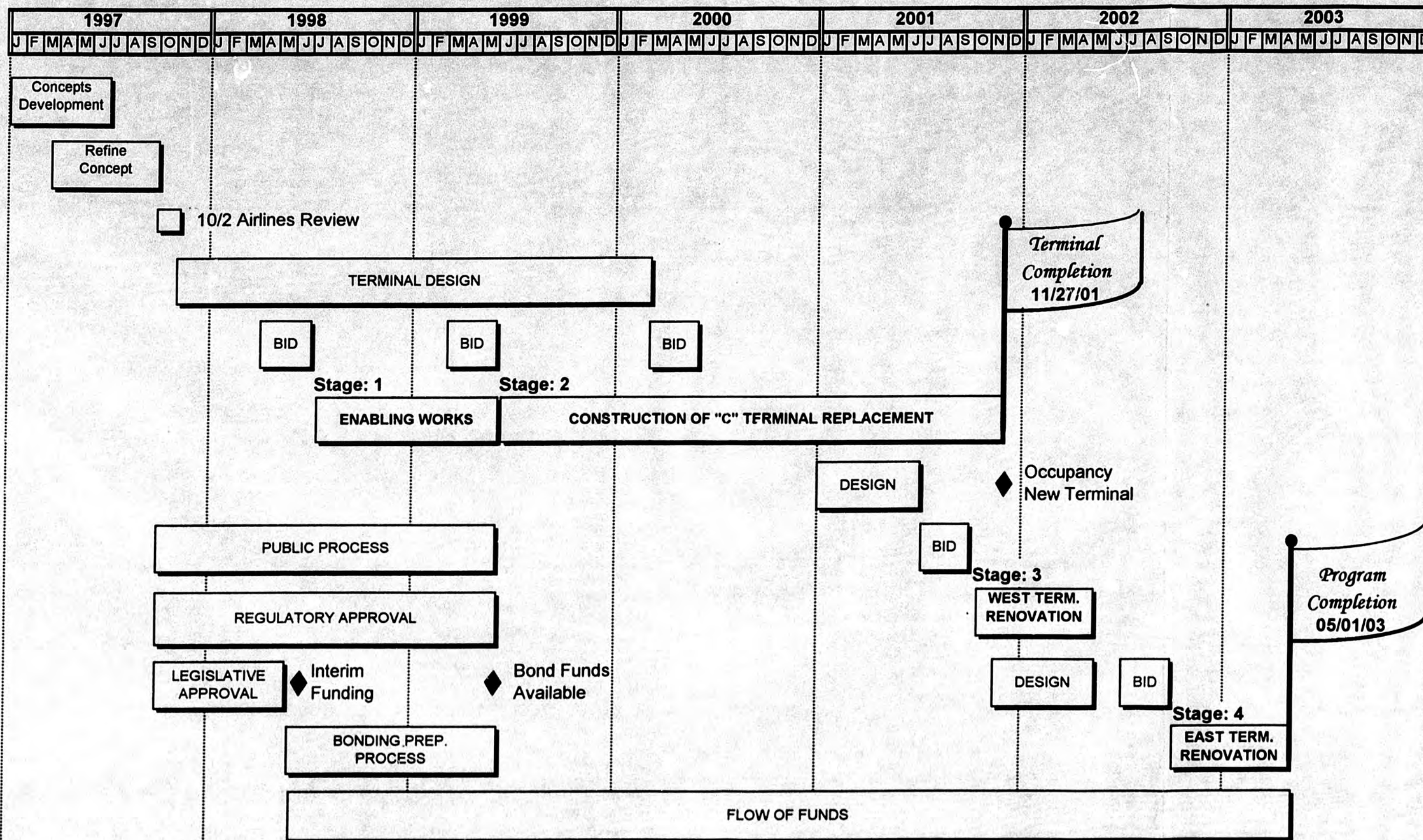
- Seismic and other upgrades to the Main Terminal core, lobbies and the 'B' Concourse.
- Widen existing terminal to provide for gate lobbies and baggage make up.
- Relocation of ticket counters, baggage make up and claim devices to enlarge queuing and circulation spaces.
- Enlargement and reconfiguration of concession areas.

STAGE 4 - EAST TERMINAL AREA RENOVATION (2002-03)

The final stage reconstructs the east area of the terminal and enlarges the existing ticketing and baggage claim areas. To avoid conflicts with peak terminal usage the majority of this work is scheduled to occur between October 1 and May 1. Improvements to the terminal include:

- Seismic and other upgrades to the Main Terminal and the 'A' Concourse.
- Widen existing terminal to provide for gate lobbies and baggage make up.
- Relocation of ticket counters, baggage make up and claim devices to enlarge queuing and circulation spaces.

Anchorage International Airport Terminal Redevelopment Program Implementation Schedule



10-01-97

Buld Internal
mods. as req'd.
for Era & PenAir
non-secure
by-pass

Buld temporary stair,
walkway - construct
security fence

Delta moves to
North Terminal →

Alaska uses
Delta gates
A2-A4

Era & PenAir operations
remain here until provisions
are ready for move

Remove exist.
Era & PenAir
counters &
ATO. Restore
space to
lobby

Interim provisions for
roadway construction

Construction
Stage 1
1998 - 99

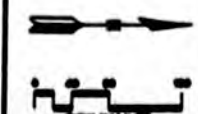
Anchorage International Airport Construction Plan 4 - Upper Level



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
901 W. 50TH AVENUE, ANCHORAGE, AK (907) 566-6474



Landrum & Brown



A1.0

Rev
July 20, 1997

10-01-97

Era & PenAir use Gate B2-B4 via
temporary stair & walkway to
access planes

Optional: Era
& PenAir pax
go thru
security or
build by-pass
corridor

POSSIBLE
NON-SECURE
ACCESS
(BY-PASS
SECURITY
CHECKPOINT)

ERA/PENAIR
GATE (B2 & B4)

WALKWAY

FENCE

Build new
Concourse C

Build new
Terminal
Expansion

Build new elevated
roadway & other
roadway
improvements

New apron
paving

Construction
Stage 2
1999 - 2001

Anchorage International Airport

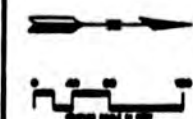
Construction Plan 4 - Upper Level



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
981 W. 99TH AVENUE, ANCHORAGE, AK (907) 565-5474



Landrum & Brown



A2.0

Date:
July 26, 1997

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

10-01-97

Era & PenAir use Gate B2-B4 via temporary stair & walkway to access planes

Optional: Era & PenAir pax go thru security or build by-pass corridor

POSSIBLE NON-SECURE ACCESS (BY-PASS SECURITY CHECKPOINT)

ERA/PENAIR GATE (B2-B4)

Build new Terminal Expansion

Build new Concourse C

Build new elevated roadway & other roadway improvements

New apron paving

Construction Stage 2
1999 - 2001

Anchorage International Airport

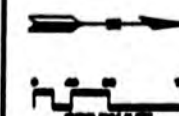
Construction Plan 4 - Upper Level



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
801 W. 90TH AVENUE, ANCHORAGE, AK (907) 508-6474



Landrum & Brown



A2.0

DATE: 10/1/97

10-01-97

Expand face of
existing Terminal

Relocate functions
and renovate
in layers

This end
remains
in use
same as
stage 2

Relocate Alaska, Era & PenAir
to permanent locations

Use new
Concourse C

Use new
portions of
Terminal

Use new
roadways

Construction
Stage **3**
2001 - 02

Anchorage International Airport

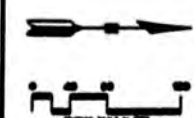
Construction Plan 4 - Upper Level



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
901 W. 50TH AVENUE, ANCHORAGE, AK (907) 566-6474



Landrum & Brown



A3.0

Date:
July 28, 1997

10-01-97

Expand face of
existing Terminal

Relocate functions
and renovate
in layers

Use renovated
portions of
Terminal

Construction
Stage 4
2002 - 03

Anchorage International Airport

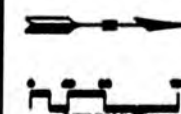
Construction Plan 4 - Upper Level



McCOOL CARLSON GREEN
ARCHITECTURE INTERIOR DESIGN SPACE PLANNING
991 W. 50TH AVENUE, ANCHORAGE, AK (907) 566-8474



Landrum & Brown



A4.0

DATE
JUL 25, 2007

HMS #97047

CONSTRUCTION COST ESTIMATE
PRELIMINARY
EXPANSION TO 2005
SCHEME 5
ANCHORAGE INTERNATIONAL AIRPORT
EXPANSION
ANCHORAGE, ALASKA

COST CONSULTANT

HMS, Inc.
4103 Minnesota Drive
Anchorage, Alaska 99503

(907) 561-1653
(907) 562-0420 FAX

ARCHITECTS

McCool Carlson Green
901 W. 29th Avenue
Anchorage, Alaska 99503

September 29, 1997

DATE: 9/29/97

NOTES REGARDING THE PREPARATION OF THIS COST ESTIMATE

This estimate has been prepared from concept descriptions, drawings, quantities and input from the architects and engineers and specialists, of the proposed expansion through the year 2005.

Prices are based on current market rates for materials, freight and equipment, also labor costs at current A.S. Title 36 rates. This estimate does not include escalation costs as per architect's instructions.

This is a statement of probable project cost only and actual phased bids and proposals will vary. It is assumed that the project will receive competitive bids, with no restrictive bidding procedures introduced.

Percentages for design, administration and some of the contingencies have been included at the direction of the State of Alaska.

This estimate exclude current on going projects for re-roofing, security upgrades and electrical improvements.

ANCHORAGE INTERNATIONAL AIRPORT EXPANSION
ANCHORAGE, ALASKA
PRELIMINARY CONSTRUCTION COST ESTIMATE

PAGE 3

DATE: 9/29/97

SUMMARY

ENABLING WORKS

Utility Relocations	931,500	
Cargo Hardstand Replacement	3,588,000	
Modifications for Temporary Relocations	1,549,641	
TOTAL ENABLING WORKS:		6,069,141

'C' TERMINAL REPLACEMENT

Demolish Existing Concourse 'C'	1,716,786	
'C' Terminal Construction	66,534,665	
Roadway and Parking Improvements *	23,956,526	
Right of Way Acquisition Costs **	5,000,000	
Tour Bag Facility	3,768,870	
Airside Improvements	28,819,368	
TOTAL CONCOURSE 'C' REPLACEMENT		129,796,215

TERMINAL RENOVATION

West Terminal Renovation	22,577,431.00	
East Terminal Renovation	12,574,295.00	
TOTAL TERMINAL RENOVATION		35,151,726

TOTAL CONSTRUCTION AND RELATED COSTS:	171,017,082
---------------------------------------	-------------

PLANNING, DESIGN AND ADMINISTRATION COST

(Based on Direct Construction Costs)

Design Fee	10.00%	14,108,540	
Regulatory, Planning & Permitting	2.00%	2,814,366	
Project Administration	2.00%	2,814,366	

TOTAL PLANNING, DESIGN AND ADMINISTRATION:	19,737,272
--	------------

PROJECT TOTAL (WITHOUT ESCALATION):	<u>\$ 190,754,354</u>
-------------------------------------	-----------------------

AIA TERMINAL EXPANSION ACTIVITIES FOR FY 1998

ID	Task Name	Cost	J	A	S	O	N	D	J	F	M	A	M	J
1	FY 1998 ACTIVITIES	\$6.40												
2	Terminal Surveys	\$0.20												
3	Curbside & Roadway	\$0.06												
4	Terminal Activity	\$0.07												
5	Terminal Market	\$0.07												
6	Modifications for Temporary Relocations	\$0.20												
7	Design	\$0.20												
8	Cargo Parking Replacement	\$0.50												
9	Design	\$0.50												
10	Utility Relocations	\$0.10												
11	Design	\$0.10												
12	Terminal Design	\$4.20												
13	Land Surveys	\$0.10												
14	Geotechnical	\$0.10												
15	Architectural Design	\$2.00												
16	Engineering Systems	\$1.50												
17	Airport Special Systems	\$0.30												
18	Cost Estimates	\$0.10												
19	Construction Sequencing	\$0.10												
20	Public Process	\$0.30												
21	Prepare Materials	\$0.10												
22	Public Meetings	\$0.20												
23	Regulatory Review Process	\$0.40												
24	State	\$0.10												
25	Municipality	\$0.10												
26	Federal	\$0.20												
27	Funding Plan	\$0.30												
28	Ongoing Scenario Evaluation	\$0.05												
29	Detailed Analysis of Preferred Scenario	\$0.15												
30	Presentation to Stakeholders	\$0.10												
31	Coordination with the Airport	\$0.10												
32	Cargo Master Plan	\$0.05												
33	Other AIA projects	\$0.05												
34	Coordination with Airlines	\$0.10												
35	Monthly Meetings & Mailouts	\$0.10												

Date: 9/26/97

Task

Progress

Milestone

Summary

Rollup Task

Rollup Milestone

Rollup Progress

SCOMM

103:7

- 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) **VOLUME II**
 - R. AIA Letter of Intent (LOI) Application
- 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
 - Willis 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



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

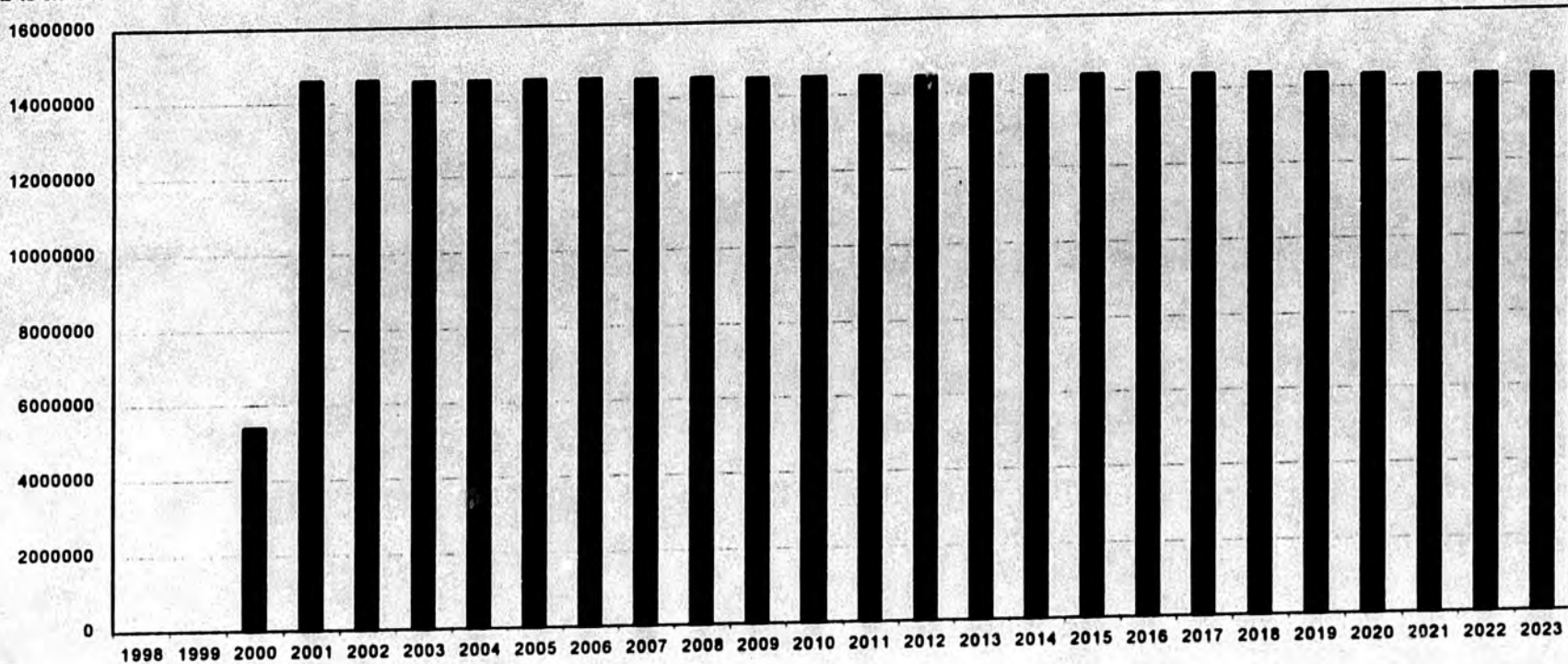
- Level Debt Service facilitates long-term planning because it creates a consistent base
- Average Life of debt is substantially less than face term of bonds
- Effect of inflation is to reduce the fixed debt as percentage of total operating costs over time
- Level debt service makes project a gradually 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**

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

**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**

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**

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
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**

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

	<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

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

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

**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**

- 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

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**

- 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
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**

PLAN OF FINANCE
PRESENTATION TO THE AIRLINE AFFAIRS COMMITTEE
OCTOBER 2, 1997
VOLUME I

TABLE OF CONTENTS – Volume I

1. **Executive Summary**
2. **Defining the Issue: Stakeholder Perspectives**
 Defining the Objective
 Role of Financial Planning
3. **FAA Benefit-Cost Analysis (BCA)**
4. **Funding Focus Issue #1:** *Pay As You Go vs. Financing*
5. **Funding Focus Issue #2:** *Structuring and Funding Should Be Done in One Step*
6. **Funding Focus Issue #3:** *Rates and Charges is a "Cash Flow Issue"*
7. **Funding Focus Issue #4:** *One Profile of a \$235 Million Project*
8. **Funding Focus Issue #5:** *Capitalized Interest Choices*
9. **Funding Focus Issue #6:** *Cost Per Enplaned Passenger*
 Terminal Project Cost Per Airline
10. **Summary**

TABLE OF CONTENTS – Volume I (cont.)

Financial Models – See Volume II

Financial Model A: 2001 Concourse C Completion with Capitalized Interest

Financial Model B: 2002 Concourse C Completion with Capitalized Interest

Financial Model C: 2001 Concourse C Completion without Capitalized Interest

Financial Model D: 2002 Concourse C Completion without Capitalized Interest

1

EXECUTIVE SUMMARY

THE CONTEXT

Need

Passenger
Cargo

Alaska Citizens and State of Alaska Public Interest

Process

Needs Assessment
Design and Structuring
Financial Plan

Outcomes

October 1997 Airline Affairs Committee Meetings for Design and Financial Planning

Action

Airlines
State of Alaska

Result

2001 / 2002 Completion Scenarios

October 2, 1997

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

SUMMARY OF RESULTS

Terminal Rents

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

Landing Fees

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

Fuel Flowage Fees

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

October 2, 1997

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

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

Financial Plan

Cost of Project in 1997 Dollars is \$191 Million

3% Escalation over five to six years is Approximately \$17 Million to \$20 Million and Financing Costs including bond insurance are \$5 Million

Two Years of Capitalized Interest is a discretionary cost of Approximately \$22.5 Million for Airport and Airlines to decide

Construction Fund Earnings Reduce Financing Needs by Approximately \$24 Million to \$29 Million

This will be discussed line by line in Section 7, "Funding Focus Issue #4 Profile of a \$235 Million Project"

Timing

Federal Tax Law is favorable to airport financing

Interest Rates are at historical lows

Bond Insurance is competitively priced

Issuance of Alaska bonds remains light, making AIAS Bonds attractive

Enplanement Performance of Airport is favorable

Cargo Performance of Airport is favorable

Underlying Credits of Airlines are favorable

Financing from Strength is lowest cost

Financing from weakness would be highest cost

October 2, 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 SPREADSHEET OF RATES AND CHARGES UNDER FINANCIAL MODELS A, B, C, AND D

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

October 2, 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 ANNUAL PROJECT COSTS CASH FLOW DERIVED FROM
BOND ISSUE DEBT SERVICE**

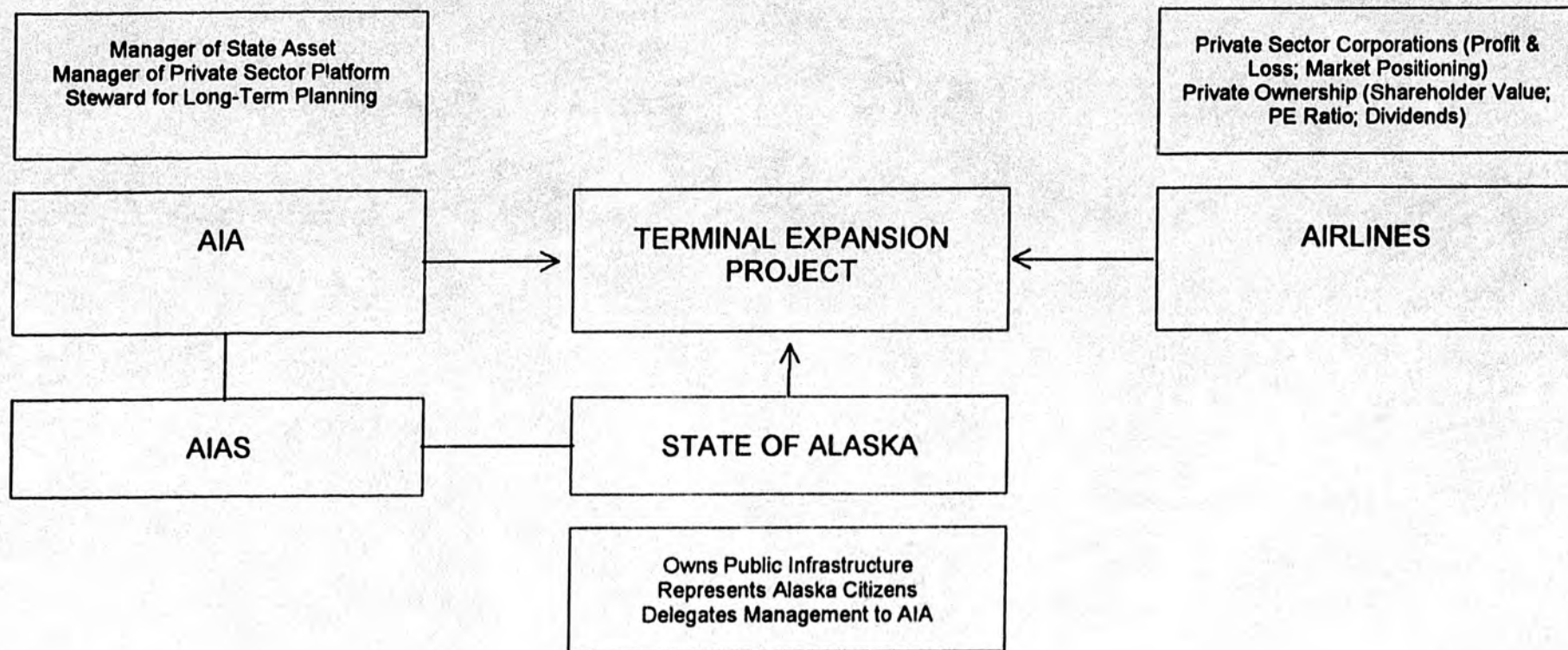
	<u>AIA Financial Model A</u>	<u>AIA Financial Model B</u>	<u>AIA Financial Model C</u>	<u>AIA Financial Model D</u>
FY 99 Debt Service	\$0	\$0	\$5,330,929	\$5,255,508
FY 00 Debt Service	\$0	\$0	\$13,933,821	\$13,739,093
FY 01 Debt Service	\$6,072,650	\$5,986,795	\$13,926,905	\$13,729,553
FY 02 Debt Service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

October 2, 1997

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

2

DEFINING THE ISSUE: STAKEHOLDER PERSPECTIVES



SAFETY

CAPACITY

LEVEL OF SERVICE

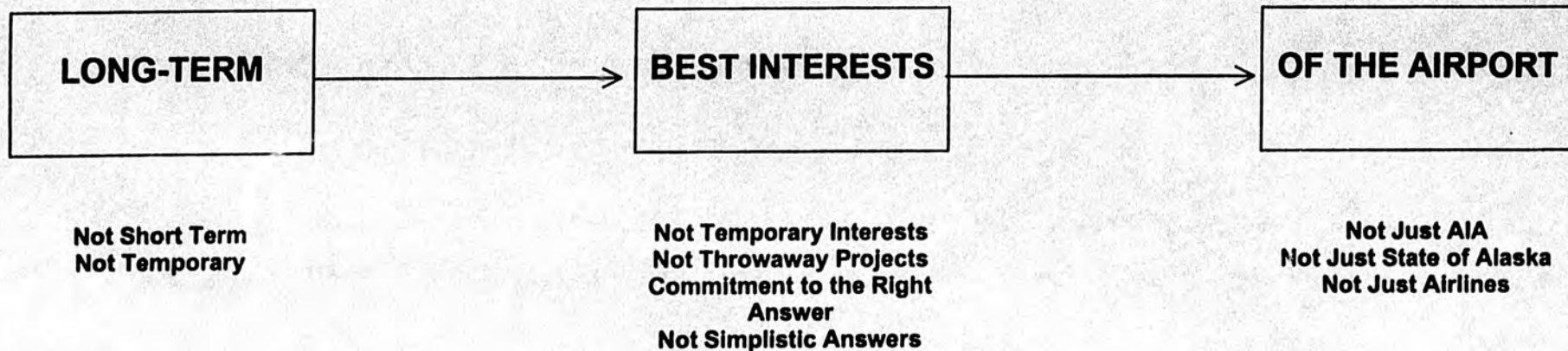
LONG TERM COMPETITIVE POSITIONING

October 2, 1997

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

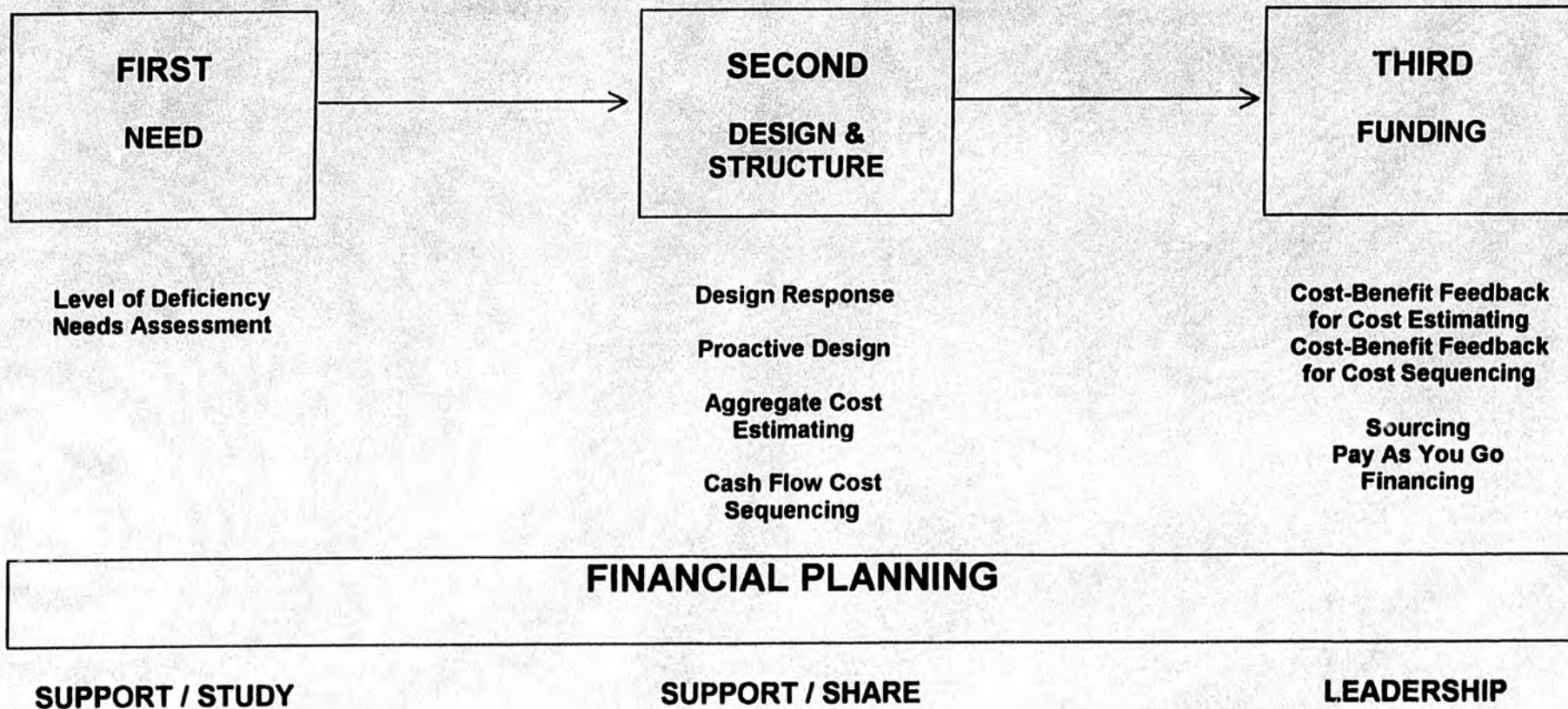
DEFINING THE OBJECTIVE

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



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

ROLE OF FINANCIAL PLANNING



October 2, 1997

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