ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672
9491 HOUSE TRANSPORTATION

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Exhibit B-1
SUMMARY OF PROJECT COSTS
Capital Improvement Program
System Office
For Fiscal Years Ending June 30
(in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and adopted by, DOT/PF management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

						Assumed source of funding		Allocation of project costs funded with revenue bonds			
	Project costs	Project program year	Escalated project costs	AIP grants-in-aid(a)	Net project cost	Surplus revenues (IARF)	Revenue bonds (Constr. Fund)	Airfield Area	Main Terminal Area	International Terminal Area	Buildings And Grounds Area
1996											
Total 1996 Project Costs	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0
1997											
Total 1997 Project Costs	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0
1998											
Development Fund	$4,000	1998	$4,000	$0	$4,000	$4,000	$0	$0	$0	$0	$0
Total 1998 Project Costs	$4,000		$4,000	$0	$4,000	$4,000	$0	$0	$0	$0	$0
Total project costs	$4,000		$4,000	$0	$4,000	$4,000	$0	$0	$0	$0	$0

a. Consists of entitlement and discretionary AIP funds.

Source: Alaska Department of Transportation and Public Facilities.

Exhibit B-2
SUMMARY OF PROJECT COSTS
Capital Improvement Program
Anchorage International Airport
For Fiscal Years Ending June 30
(in thousands)

						Assumed source of funding		Allocation of project costs funded with revenue bonds			
	Project costs	Project program year	Escalated project costs	AIP grants-in-aid(a)	Net project cost	Surplus revenues (IARF)	Revenue bonds (Constr. Fund)	Airfield Area	Main Terminal Area	International Terminal Area	Buildings nd Grounds Area
1996											
Runway 32 Extension	$4,000	1996	$4,000	$3,600	$400	$400					
Runway 14/32 Overlay & Groove	2,500	1996	2,500	2,250	250	250					
Ramp Area Reconstruction	2,400	1996	2,400	2,100	300	300					
Storm Drain System	2,250	1996	2,250		2,250	2,250					
Airport Pavement Assessment	500	1996	500		500	500					
Terminal Reroofing - Ph III	1,500	1996	1,500	1,000	500	500					
Annual Improvements	650	1996	650		650	650					
Environmental Assessment & Cleanup	1,000	1996	1,000		1,000	1,000					
Equipment	673	1996	673		673	673					
North Terminal Fire Alarm Upgrade	300	1996	300		300	300					
ADA Compliance	250	1996	250		250	250					
North Terminal Escalator	400	1996	400		400	400					
Field Maintenance Building Feasibility & Design	250	1996	250		250	250					
South Terminal Bagwell Rehabilitation	650	1996	650		650	650					
Centerline Lights for Taxiways E&R	750	1996	750	675	75	75					
Total 1996 Project Costs	$18,073		$18,073	$9,625	$8,448	$8,448	$0	$0	$0	$0	$0
1997											
Storm Drain Construction Ph I	$1,200	1997	$1,200		$1,200	$1,200					
Runway 6L Safety Area Extension	1,900	1997	1,900	$1,710	190	190					
Annual Improvements	650	1997	650		650	650					
Environmental Assessment & Cleanup	1,000	1997	1,000		1,000	1,000					
Equipment	625	1997	625		625	625					
Garage Renovation & Repair	1,250	1997	1,250		1,250	1,250					
Advanced Project Design	950	1997	950	405	545	545					
South Terminal Ramp Reconstruction	2,200	1997	2,200	1,980	220	220					
Terminal Electrical Upgrades	3,250	1997	3,250		3,250	3,250					
Terminal Health & Safety	750	1997	750		750	750					
Roads/Grounds Upgrade & Reconstruction	750	1997	750		750	750					
Tug Road Extension & Rebuild	1,200	1997	1,200		1,200	1,200					
Runway 32 Queing Taxiway Construction	3,700	1997	3,700	3,330	370	370					
Wetland Development Ph I	500	1997	500		500	500					
Concourse C Relocation	7,200	1197	7,200		7,200	7,200					
General Aviation Improvements Ph 3	1,000	1997	1,000	900	100	100					
Total 1997 Project Costs	$28,125		$28,125	$8,325	$19,800	$19,800	$0	$0	$0	$0	$0

Exhibit B-2 Continued
Capital Improvement Program
Anchorage International Airport

	Project costs	Project program year	Escalated project costs	AIP grants-in-aid(a)	Net project cost	Assumed source of funding: Surplus revenues (IARF)	Assumed source of funding: Revenue bonds (Constr. Fund)	Allocation of project costs funded with revenue bonds: Airfield Area	Main Terminal Area	International Terminal Area	Buildings nd Grounds Area
1998											
South Terminal Ramp Reconstruction	$2,400	1998	$2,400	$2,160	$240	$240					
Snow Storage Area Construction	1,500	1998	1,500		1,500	1,500					
Annual Improvements	650	1998	650		650	650					
Environmental Assessment & Cleanup	1,500	1998	1,500		1,500	1,500					
Equipment	796	1998	796		796	796					
Runway 6R/24L Rehabilitation	5,400	1998	5,400	4,860	540	540					
Cargo Ramp Reconstruction Ph I	2,200	1998	2,200	1,800	400	400					
Cargo Fueling Apron Expansion	5,200	1998	5,200	4,680	520	520					
Terminal Rehabilitation	750	1998	750		750	750					
Advanced Project Design	1,050	1998	1,050	495	555	555					
Total 1998 Project Costs	$21,446		$21,446	$13,995	$7,451	$7,451	$0	$0	$0	$0	$0
Total project costs	$67,644		$67,644	$31,945	$35,699	$35,699	$0	$0	$0	$0	$0

a. Consists of entitlement and discretionary AIP funds.
Source: Alaska Department of Transportation and Public Facilities.

Exhibit B-3
SUMMARY OF PROJECT COSTS
Capital Improvement Program
Fairbanks International Airport
For Fiscal Years Ending June 30
(in thousands)

	Project costs	Project program year	Escalated project costs	AIP grants-in-aid(a)	Net project costs	Assumed source of funding: Surplus revenues (IARF)	Assumed source of funding: Revenue bonds (Constr. Fund)	Allocation of project costs funded with revenue bonds: Airfield Area	Allocation of project costs funded with revenue bonds: Main Terminal Area	Allocation of project costs funded with revenue bonds: Buildings And Grounds Area
1996										
Runway 1L/19R Extension Design	$750	1996	$750	$700	$50	$50				
Runway 1L/19R Extension Construction	7,890	1996	7,890	7,395	495	495				
East Side Utilities Development Design	100	1996	100		100	100				
Terminal Area Roads/Parking Design	150	1996	150		150	150				
Maintenance Facility Design	465	1996	465		465	465				
East Side Lease Lot Improvements	900	1996	900	840	60	60				
Drainage Improvements Construction	500	1996	500	450	50	50				
Environmental Assessment & Cleanup	500	1996	500		500	500				
Annual Improvements	300	1996	300		300	300				
Equipment	770	1996	770		770	770				
Total 1996 Project Costs	$12,325		$12,325	$9,385	$2,940	$2,940	$0	$0	$0	$0
1997										
Annual Improvements	$200	1997	$200		$200	$200				
Equipment	542	1997	542		542	542				
Total 1997 Project Costs	$742		$742	$0	$742	$742	$0	$0	$0	$0
1998										
Terminal Reroof Design	$100	1998	$100	$69	$31	$31				
Terminal Improvements Design, Ph I	400	1998	400	400	0	0				
Terminal Area Roads/Parking, Ph II	130	1998	130	43	87	87				
Environmental Assessment & Cleanup	500	1998	500		500	500				
Annual Improvements	200	1998	200		200	200				
Equipment	592	1998	592		592	592				
Total 1998 Project Costs	$1,922		$1,922	$512	$1,410	$1,410	$0	$0	$0	$0
Total Project Costs	$14,989		$14,989	$9,897	$5,092	$5,092	$0	$0	$0	$0

a. Consists of entitlement and discretionary AIP funds.

Source: Alaska Department of Transportation and Public Facilities.

ATTACHMENT #7

PLAN OF FINANCE ADDENDUM

PLAN OF FINANCE

DISTRIBUTION TO THE AIRLINE AFFAIRS COMMITTEE

NOVEMBER 5, 1997

ADDENDUM TO OCTOBER 15, 1997 PRESENTATION

November 5, 1997

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

Purpose of Addendum

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

Project Components

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

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

November 5, 1997

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

Total Debt Service Level Each Year

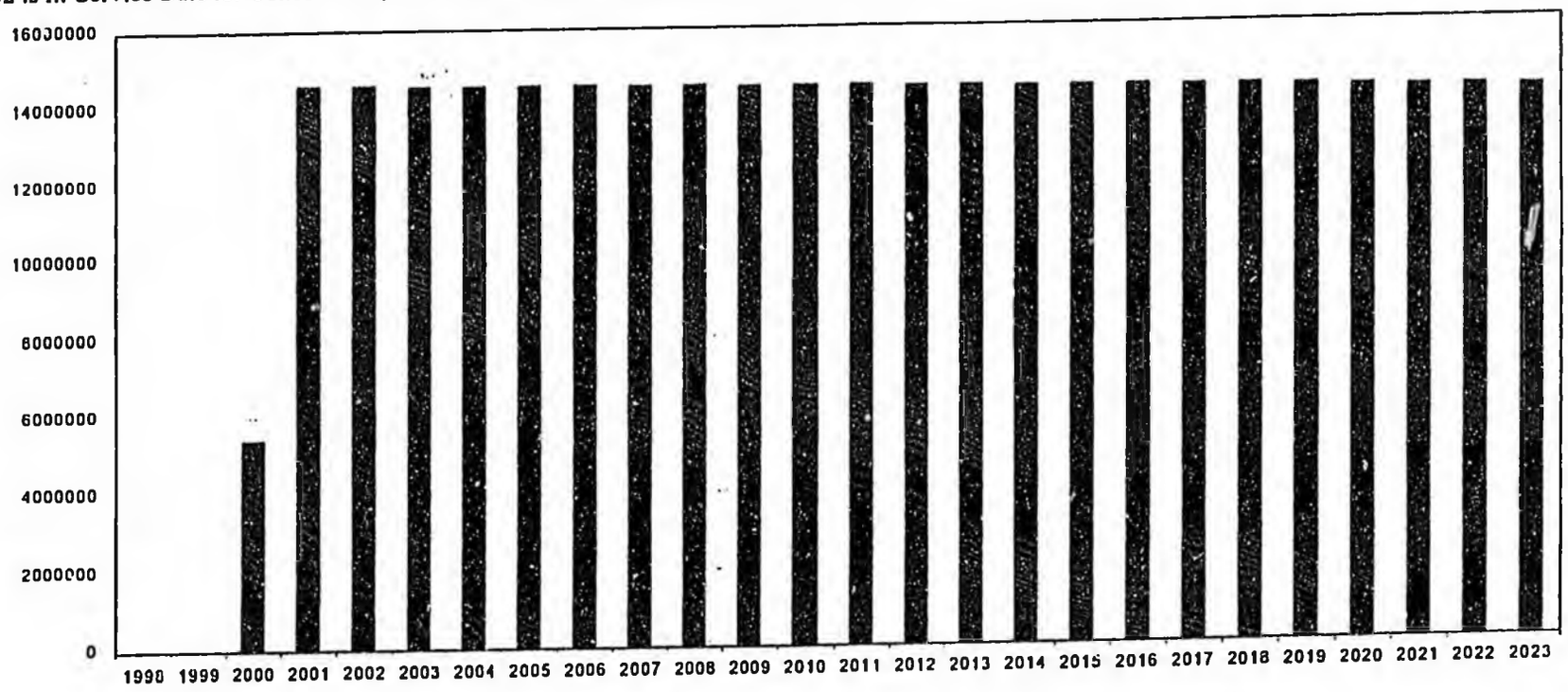
$173,000,000 Project Fund from Bond Proceeds Amortized Over 25 Years

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

Recommendation for Level Debt Service

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

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



Summary of Rates and Charges

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

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

Summary of Rates and Charges (cont.)

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

State Contribution

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

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

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

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

Update of Other Assumptions

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT #8

STATUS REPORT

Concourse C Funding

Appropriations:	Description	AR YR	AMOUNT
A[illegible]837	O/AIA CONCOURSE C	1994	$3,000,000
A[illegible]198	O/AIA CONCOURSE C RELOCATION	1997	$7,200,000
A[illegible]336	O/AIA TERMINAL EXPANSION	1994	$4,500,000
			$14,700,000

Projects:	Spent	Encumbered	Balance	Project Total
Concouse C Repair, Rehabilitation, Replace				
Design & Construction of Safety Repairs	$210,000			
Seismic / Code Evaluations	$235,000			
Misc	$43,534			
	$488,534	$10,107	$302,536	$801,177
PPO Office Addition				
Design and Admin	$338,499			
	$338,499	$88,169	$23,332	$450,000
PPO Warehouse / Maintenance Shops / Office				
Design and Admin	$317,762			
Utilities & Civil	$67,562			
Construction	$2,733,963			
	$3,119,287	$31,051	$449,662	$3,600,000
Concourse C Tenant Relocations				
Program analysis, design, and Force Account	$29,264			
	$29,264	$37,079	$1,261,050	$1,327,393
1% for Art (Warehouse / Maint Facility)	$0			
	$0	$21,430	$0	$21,430
AIA Terminal Redevelopment				
Terminal Assessment				
Aviation Forecast	$217,966			
Needs Assessment	$265,185			
Masterplan	$148,658			
Concept Design	$884,408			
Environmental Planning	$122,074			
Financial Planning	$282,862			
Program Management	$478,847			
	$2,400,000	**$0**	**$0**	**$2,400,000**
Terminal Schematic Design				
Schematic Design and Admin.	$605,878			
	$605,878	**$4,089,510**	**$604,612**	**$5,300,000**
Landside Design				
Landside Design and Admin.	$0			
	$0	**$314,316**	**$85,684**	**$400,000**
[illegible]onmental Assessment				
Environmental Assessment	$0			
	$0	**$316,232**	**$83,768**	**$400,000**
	$6,981,462	**$4,907,894**	**$2,810,644**	**$14,700,000**

UNEXPENDED

ATTACHMENT #9

AIAS
UNEXPENDED CIP APPROPRIATIONS
AS OF 03/06/97

AIAS
UNEXPENDED CIP APPROPRIATIONS
as of 06/30/97

AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION			EXPENDITURES TO DATE			ENCUMBERED			LAPSED PRE FY97			LAPSED FY97			UNEXPENDED BALANCE		
		IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL	IARF	AIP	TOTAL
	AIA																		
1988	TERMINAL RENOVATION	5,000	0	5,000	4,819	0	4,819	26	0	26	-11	0	-11	-20	0	-20	124	0	124
1988	RECONSTRUCTION OF RAMP	1,200	0	1,200	1,049	0	1,049	0	0	0	0	0	0	-40	0	-40	111	0	111
1989	EXPAND SAND STORAGE	300	0	300	16	0	16	0	0	0	0	0	0	0	0	0	284	0	284
1990	AIAS MAINT EQUIP	1,997	0	1,997	1,995	0	1,995	0	0	0	1,057	0	1,057	0	0	0	2	0	2
1990	AIA INTERNAL RDS/TUG	2,500	0	2,500	2,496	0	2,496	1	0	1	2,500	0	2,500	-3	0	-3	0	0	0
1991	AIA CODE UPGRADE	3,000	0	3,000	1,799	0	1,799	0	0	0	-1,136	0	-1,136	-1	0	-1	64	0	64
1991	AIA ENVIR ASSMT/CLNUP	2,000	0	2,000	1,881	0	1,881	4	0	4	0	0	0	0	0	0	114	0	114
1991	AIA TERMINAL ROOF R	1,500	0	1,500	1,256	0	1,256	12	0	12	0	0	0	0	0	0	233	0	233
1992	AIA POSTMARK DRIVE	0	1,000	1,000	0	640	640	0	0	0	0	0	0	0	-314	-314	0	46	46
1992	AIA NO TERMINAL MODI	350	0	350	317	0	317	2	0	2	0	0	0	0	0	0	30	0	30
1992	AIA ACCESS CONTROL	500	1,092	1,592	70	146	216	28	396	422	0	0	0	0	0	0	404	550	954
1992	AIA ENVIR ASSMNT & C	2,000	0	2,000	1,273	0	1,273	91	0	91	0	0	0	0	0	0	635	0	635
1992	AIA ROADWAY RECONSTR	1,743	5,760	7,503	557	5,601	6,158	0	0	0	0	0	0	-1,174	-159	-1,333	12	0	12
1993	AIAS ADVANCE PRJ DES	656	203	759	429	203	632	13	0	13	0	0	0	-75	0	-75	39	0	39
1993	AIAS ENVR AIA SHARE	500	0	500	392	0	392	10	0	10	0	0	0	0	0	0	98	0	98
1993	AIA, TAXIWY K* SAFE *	390	2,600	2,990	174	2,289	2,462	9	135	144	0	0	0	-204	-130	-334	3	47	50
1993	AIA, TERMINAL AUTO R	250	850	1,100	202	736	938	0	0	0	0	0	0	-8	-113	-121	40	1	41
1993	AIA, TERMINAL REHABI	1,000	0	1,000	982	0	982	5	0	5	0	0	0	0	0	0	12	0	12
1993	AIA, ANNUAL IMPROVEM	650	0	650	615	0	615	8	0	8	0	0	0	-20	0	-20	7	0	7
1993	AIA, CONVEYOR SYST R	500	0	500	378	0	378	1	0	1	0	0	0	0	0	0	121	0	121
1994	AIA ENVIRON ASSESS	0	500	500	0	425	425	0	16	16	0	0	0	0	0	0	0	59	59
1994	AIA ROOF REPAIR	0	2,200	2,200	0	1,150	1,150	0	0	0	0	0	0	0	0	0	0	1,050	1,050
1994	AIAS ENVIR-AIA SHARE	700	0	700	492	0	492	21	0	21	0	0	0	0	0	0	187	0	187
1994	AIA RUNWAY 6R/24L* *	240	2,520	2,760	103	1,536	1,639	109	932	1,041	0	0	0	0	0	0	28	52	80
1994	AIA WINTER MNTC STOR	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0	50	450	500
1994	AIA ANNUAL IMPROVEME	650	0	650	496	0	496	112	0	112	0	0	0	-2	0	-2	40	0	40
1994	AIA AUTO RAMP SUPPOR	100	900	1,000	90	553	644	0	0	0	0	0	0	-9	-335	-344	1	12	12
1994	AIA CONCOURSE C* RE *	3,000	0	3,000	552	0	552	10	0	10	0	0	0	0	0	0	2,438	0	2,438
1994	AIA CFR BOAT HOUSE	100	0	100	2	0	2	0	0	0	0	0	0	0	0	0	98	0	98
1994	AIA DOMESTIC TERM FL	400	0	400	290	0	290	0	0	0	0	0	0	0	0	0	110	0	110
1994	AIA GARAGE REHAB & R	415	0	415	206	0	206	0	0	0	0	0	0	0	0	0	208	0	208
1994	AIA GENERAL AVTN IMP	200	1,800	2,000	118	931	1,049	0	4	4	0	0	0	-4	-56	-60	78	810	888
1994	AIA NO TERMINAL MODI	1,000	3,000	4,000	985	2,908	3,893	0	7	7	0	0	0	-5	-10	-16	10	75	85
1994	AIA OPS & MTNC EQUIP	310	469	779	204	469	673	106	0	106	0	0	0	0	0	0	0	0	0
1994	AIA TERM EXPAN DESGN	2,810	1,690	4,500	1,053	658	1,712	126	239	365	0	0	0	0	0	0	1,629	794	2,423
1994	AIA TAXIWY ROMEO EXT	145	2,120	2,265	134	1,932	2,066	0	27	27	0	0	0	-11	-65	-76	0	66	66
1994	AIA TERM REROOF PHI	1,500	0	1,500	627	0	627	0	0	0	0	0	0	0	0	0	873	0	873
1995	AIA ARFF RESID (IARF ONLY)	30	0	30	0	0	0	0	0	0	0	0	0	-30	0	-30	0	0	0
1995	AIA N/S RW EXT	204	0	204	188	0	188	1	0	1	0	0	0	-4	0	-4	1	0	1
1995	AIA AIRCRAFT RAMP RE	121	1,100	1,221	86	711	799	0	0	0	0	0	0	0	-333	-333	33	56	89

AIAS
UNEXPENDED CIP APPROPRIATIONS
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AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION IARF	AIP	TOTAL	EXPENDITURES TO DATE IARF	AIP	TOTAL	ENCUMBERED IARF	AIP	TOTAL	LAPSED PRE FY97 IARF	AIP	TOTAL	LAPSED FY97 IARF	AIP	TOTAL	UNEXPENDED BALANCE IARF	AIP	TOTAL
1995	AIA RADIO SYSTEM PUR	70	950	1,020	2	31	33	0	0	0	0	0	0	0	0	0	68	919	987
1995	AIA ANNUAL IMPROVMTS	650	0	650	423	0	423	53	0	53	0	0	0	0	0	0	175	0	175
1995	AIA ENVIRON ASSESS &	1,975	0	1,975	239	0	239	109	0	109	0	0	0	0	0	0	1,627	0	1,627
1995	AIA EQUIP PURCHASE	394	313	707	385	313	698	9	0	9	0	0	0	0	0	0	0	0	0
1995	AIA FED PRGM PRECONS	35	500	535	14	393	407	0	8	8	0	0	0	0	0	0	21	104	125
1995	AIA PART 150 NOISE P	50	450	500	20	290	310	7	100	107	0	0	0	0	0	0	24	60	83
1996	AIA RW 6R/24L	540	0	540	1	0	1	232	0	232	0	0	0	0	0	0	307	0	307
1996	AIA AIRCRAFT TERMINA	300	2,400	2,700	139	1,555	1,694	31	3	34	0	0	0	-83	-305	-389	47	536	583
1996	AIA CENTERLINE LIGHT	75	680	755	50	493	543	2	0	2	0	0	0	-6	-55	-61	17	132	149
1996	AIA RUNWAY 14/32 OVE	250	2,250	2,500	127	1,691	1,818	0	0	0	0	0	0	-122	-556	-678	1	3	4
1996	AIA TERMINAL RERCOF	500	1,000	1,500	103	152	255	3	10	13	0	0	0	0	0	0	394	838	1,233
1996	AIA-ADA COMPLIANCE	250	0	250	17	0	17	0	0	0	0	0	0	0	0	0	233	0	233
1996	AIA ANNUAL IMPROVEME	650	0	650	248	0	248	70	0	70	0	0	0	0	0	0	332	0	332
1996	AIA ENVIRON ASSESSMT	1,000	0	1,000	212	0	212	59	0	59	0	0	0	0	0	0	729	0	729
1996	AIA EQUIPMENT	673	0	673	505	0	505	53	0	53	0	0	0	0	0	0	116	0	116
1996	AIA MAINTENANCE BUIL	250	0	250	46	0	46	0	0	0	0	0	0	0	0	0	204	0	204
1996	AIA NORTH TERM ESCAL	400	0	400	8	0	8	0	0	0	0	0	0	0	0	0	392	0	392
1996	AIA NORTH TERM FIRE	300	0	300	86	0	86	214	0	214	0	0	0	0	0	0	0	0	0
1996	AIA PAVEMENT ASSESSM	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
1996	AIA SOUTH TERM BAGWE	650	0	650	62	0	62	3	0	3	0	0	0	0	0	0	584	0	584
1996	AIA STORM DRAIN SYST	2,250	0	2,250	6	0	6	0	0	0	0	0	0	0	0	0	2,244	0	2,244
1997	FED CONTG - AIA 6R/24L	0	4,566	4,566	0	21	21	0	4,181	4,181	0	0	0	0	0	0	0	783	783
1997	AIA ANNUAL IMPROVEME	650	0	650	6	0	6	0	0	0	0	0	0	0	0	0	644	0	644
1997	AIA CONCOURSE C RELO	7,200	0	7,200	3,369	0	3,369	127	0	127	0	0	0	0	0	0	3,685	0	3,685
1997	AIA ENVIRONMENTAL AS	1,000	0	1,000	98	0	98	42	0	42	0	0	0	0	0	0	860	0	860
1997	AIA EQUIPMENT REPLAC	625	0	625	0	0	0	285	0	285	0	0	0	0	0	0	340	0	340
1997	AIA GARAGE RENOVATIO	1,250	0	1,250	11	0	11	0	0	0	0	0	0	0	0	0	1,239	0	1,239
1997	AIA GENERAL AVIATION	100	900	1,000	0	0	0	0	0	0	0	0	0	0	0	0	100	900	1,000
1997	AIA ROADS/GROUNDS UP	750	0	750	103	0	103	0	0	0	0	0	0	0	0	0	647	0	647
1997	AIA RUNWAY 32 QUEUEI	370	3,330	3,700	156	2,293	2,449	4	68	62	0	0	0	-197	-920	-1,117	13	60	73
1997	AIA RUNWAY 6L SAFETY	190	1,710	1,900	74	978	1,052	5	72	77	0	0	0	-108	-525	-633	3	135	136
1997	AIA SOUTH TERM RAMP	220	1,980	2,200	118	1,687	1,805	9	99	108	0	0	0	0	0	0	93	194	287
1997	AIA STORM DRAIN CONS	1,200	0	1,200	0	0	0	0	0	0	0	0	0	0	0	0	1,200	0	1,200
1997	AIA TERMINAL ELECTRI	3,250	0	3,250	6	0	6	163	0	163	0	0	0	0	0	0	3,080	0	3,080
1997	AIA TERMINAL HEALTH	750	0	750	132	0	132	12	0	12	0	0	0	0	0	0	607	0	607
1997	AIA TUG ROAD EXTENSI	1,200	0	1,200	5	0	5	41	0	41	0	0	0	0	0	0	1,154	0	1,154
1997	AIA WETLAND DEVELOPM	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
1997	STWD AVIATION PRECON	50	235	285	0	0	0	0	0	0	0	0	0	0	0	0	50	235	285
1997	AIA PRECONSTRUCTION	495	170	665	62	67	129	0	1	1	0	0	0	0	0	0	433	102	535
	AIA ACTIVE:	69,473	50,107	119,580	33,193	30,880	64,073	2,228	6,282	8,510	-1,147	0	-1,147	-2,127	-3,876	-6,003	30,779	9,069	39,848

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UNEXPENDED CIP APPROPRIATIONS
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AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION IARF	AIP	TOTAL	EXPENDITURES TO DATE IARF	AIP	TOTAL	ENCUMBERED IARF	AIP	TOTAL	LAPSED PRE FY97 IARF	AIP	TOTAL	LAPSED FY97 IARF	AIP	TOTAL	UNEXPENDED BALANCE IARF	AIP	TOTAL
	FIA																		
1987	FIA LAND ACQ	341	0	341	0	0	0	0	0	0	0	0	0	0	0	0	341	0	341
1988	LAND ACQUISITION	700	0	700	272	0	272	0	0	0	0	0	0	0	0	0	428	0	428
1990	FIA COMPUTERIZED ACC	31	469	500	28	417	445	3	44	47	0	0	0	0	0	0	1	8	8
1991	FIA: REPAIRS/MECHANI	700	0	700	662	0	662	23	0	23	0	0	0	0	0	0	15	0	15
1991	FIA: NOISE ZONING IM	75	0	75	31	0	31	23	0	23	0	0	0	0	0	0	22	0	22
1991	FIA: RUNWAY 01R-19L	70	0	70	7	0	7	0	0	0	0	0	0	-63	0	-63	0	0	0
1992	FIA ACCESS CONTROL S	200	1,800	2,000	122	1,043	1,165	1	11	12	0	0	0	0	0	0	77	746	823
1992	FIA NRTHWST APRON &	200	1,800	2,000	141	1,763	1,904	0	0	0	0	0	0	0	0	0	59	37	96
1992	FIA ANNUAL IMPROVEME	300	0	300	286	0	286	0	0	0	0	0	0	0	0	0	14	0	14
1992	FIA DEC APPROV FIRE	250	0	250	202	0	202	0	0	0	0	0	0	0	0	0	48	0	48
1993	AIAS ADVANCE PRJ DES	101	145	246	80	145	225	15	0	15	0	0	0	0	0	0	6	0	6
1993	AIAS ENVR FIA SHARE	250	0	250	250	0	250	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA, FAA SIGN SYSTEM	30	270	300	29	267	297	0	0	0	0	0	0	0	0	0	1	3	3
1993	FIA, ARFF DRAIN CNST	27	248	275	9	106	115	9	142	151	0	0	0	0	0	0	8	0	8
1994	AIAS ENVIR-FIA SHARE	300	0	300	91	0	91	53	0	53	0	0	0	0	0	0	156	0	156
1994	FIA FIELD LIGHTG UPG	100	890	990	44	599	634	1	21	22	0	0	0	0	0	0	54	269	334
1994	FIA SAFETY AREA STAB	30	270	300	21	268	288	0	0	0	0	0	0	0	0	0	9	4	12
1994	FIA WEST INDUS RD UT	550	0	550	397	0	397	0	0	0	0	0	0	0	0	0	153	0	153
1995	FIA ANNUAL IMPROVEMT	300	0	300	273	0	273	6	0	6	0	0	0	0	0	0	22	0	22
1995	FIA EQUIPMENT PURCHS	100	500	600	70	0	70	0	0	0	0	0	0	0	0	0	30	500	530
1995	FIA FED PRGM PRECONS	45	450	495	11	135	146	2	37	39	0	0	0	0	0	0	32	278	310
1995	FIA SAFETY AREA IMPR	192	1,750	1,942	1	8	9	1	9	10	0	0	0	0	0	0	190	1,733	1,923
1995	FIA UNIV AVE EXTENS	39	350	389	1	0	1	0	0	0	0	0	0	0	0	0	38	350	388
1996	STWD CONTG - FIA LAND	0	3,159	3,159	0	3,159	3,159	0	0	0	0	0	0	0	0	0	0	0	0
1996	FIA DRAINAGE IMPROVE	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0	50	450	500
1996	FIA RUNWAY EXTENSION	645	8,100	8,645	381	5,593	5,974	73	1,324	1,397	0	0	0	0	0	0	91	1,183	1,274
1996	FIA TAXIWAY D EXTENS	60	840	900	0	0	0	0	0	0	0	0	0	0	0	0	60	840	900
1996	FIA ADVANCED PRJ DES	720	0	720	215	0	215	386	0	386	0	0	0	0	0	0	119	0	119
1996	FIA ANNUAL IMPROVEME	300	0	300	167	0	167	0	0	0	0	0	0	0	0	0	133	0	133
1996	FIA ENVIRONMENTAL AS	500	0	500	47	0	47	302	0	302	0	0	0	0	0	0	151	0	151
1996	FIA EQUIPMENT	770	0	770	731	0	731	27	0	27	0	0	0	0	0	0	12	0	12
1997	FIA ANNUAL IMPORVEME	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0	200	0	200
1997	FIA EQUIPMENT REPLAC	542	0	542	74	0	74	405	0	405	0	0	0	0	0	0	63	0	63
	FIA ACTIVE	8,618	21,491	30,109	4,644	13,492	18,136	1,330	1,588	2,918	0	0	0	-63	0	-63	2,561	6,411	8,992
	TOTAL ACTIVE	78,091	71,598	149,689	37,837	44,373	82,209	3,558	7,870	11,427	-1,147	0	-1,147	-2,190	-3,876	-6,066	33,360	15,480	48,839

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AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION IARF	AIP	TOTAL	EXPENDITURES TO DATE IARF	AIP	TOTAL	ENCUMBERED IARF	AIP	TOTAL	LAPSED PRE FY97 IARF	AIP	TOTAL	LAPSED FY97 IARF	AIP	TOTAL	UNEXPENDED BALANCE IARF	AIP	TOTAL
ZERO BALANCE PROJECTS REMOVED FROM UNEXPENDED CIP REPORT AS OF 06/30/97																			
	AIA																		
1977	77 IARF - INTERNLA RDWYS PJ	11	0	11	0	0	0	0	0	0	-11	0	-11	0	0	0	0	0	0
1984	STWD PJ DEV - CB DECK PJ	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
1984	FU13407 - CON C MECH PJ	75	0	75	0	0	0	0	0	0	-75	0	-75	0	0	0	0	0	0
1985	AIA CFR FACILITY	550	4,950	5,500	263	4,950	5,213	0	0	0	0	0	0	-287	0	-287	0	0	0
1985	OFFICE SPACE/OB DECK PJ	846	0	846	846	0	846	0	0	0	0	0	0	0	0	0	0	0	0
1986	AIA TERM EXPN - AUTO RAMP P	322	0	322	322	0	322	0	0	0	0	0	0	0	0	0	0	0	0
1986	AIA TERM EXPN - C MECH PJ	825	0	825	825	0	826	0	0	0	0	0	0	0	0	0	0	0	0
1986	DOME TERM EXPN-OB DECK P	742	0	742	742	0	742	0	0	0	0	0	0	0	0	0	0	0	0
1986	AIA TERM EXPAN - ART PJ	117	0	117	117	0	117	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - C MECH PJ	19	0	19	19	0	19	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - ART PJ	50	0	50	50	0	50	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - AUTO RAMP P	176	0	176	176	0	176	0	0	0	0	0	0	0	0	0	0	0	0
1987	DOME TERM RE - FIRE ALARM P	16	0	16	0	0	0	0	0	0	0	0	0	-16	0	-16	0	0	0
1987	SAFETY BUILDING CONS	3,508	1,260	4,768	3,167	794	3,960	0	0	0	0	0	0	-341	-467	-808	0	0	0
1987	TERM BLD-OB DECK PJ	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0
1988	DOME TERM EXP III - AUTO RA	23	0	23	23	0	23	0	0	0	0	0	0	0	0	0	0	0	0
1988	DOME TERM EXP III - C MECH P	5,034	0	5,034	5,034	0	5,034	0	0	0	0	0	0	0	0	0	0	0	0
1988	HIGH SPEED TAXIWAY	546	1,300	1,846	524	1,300	1,824	0	0	0	-22	0	-22	0	0	0	0	0	0
1988	OFF SPACE - BLDG DRW PJ	44	0	44	44	0	44	0	0	0	0	0	0	0	0	0	0	0	0
1988	OFF SPACE - OB DECK PJ	1,359	0	1,359	1,347	0	1,347	0	0	0	0	0	0	-12	0	-12	0	0	0
1989	AIA REMT FUEL APR EX	281	4,219	4,500	154	3,736	3,890	0	0	0	0	0	0	-127	-483	-610	0	0	0
1989	UPS CONTRIB AIA REMT FUEL	0	235	235	0	235	235	0	0	0	0	0	0	0	0	0	0	0	0
1989	AIA RESURF TAXIWAY-K	187	2,813	3,000	176	2,389	2,564	0	0	0	0	0	0	-12	-424	-436	0	0	0
1989	AIA INTRNL RD IMPROV	1,000	0	1,000	996	0	996	0	0	0	0	0	0	-4	0	-4	0	0	0
1989	AIA SURUPST LAND OC	300	0	300	272	0	272	0	0	0	0	0	0	-28	0	-28	0	0	0
1989	AIA SITE PREP FOR LA	155	2,050	2,205	100	0	100	0	0	0	0	-1,956	-1,956	-55	-94	-149	0	0	0
1989	AIA RECONST TAXIWY G	138	2,075	2,213	127	1,873	2,000	0	0	0	-11	0	-11	0	-202	-202	0	0	0
1989	AIA RAMP - SOIL PJ	6	0	6	6	0	6	0	0	0	0	0	0	0	0	0	0	0	0
1990	AIAS-ANCH WATER & WA	950	0	950	466	0	466	0	0	0	-55	0	-55	-429	0	-429	0	0	0
1992	AIA SATELLITE DR DES	200	0	200	0	0	0	0	0	0	0	0	0	-200	0	-200	0	0	0
1990	DOME EXP III - CONC C	2,700	0	2,700	2,700	0	2,700	0	0	0	0	0	0	0	0	0	0	0	0
1990	AIA RAMP AREA RECONS	791	341	1,132	790	341	1,131	0	0	0	0	0	0	-1	0	-1	0	0	0
1990	AIA BLAST PROTECTION	113	1,555	1,668	104	1,355	1,459	0	0	0	0	0	0	-9	-200	-209	0	0	0
1990	AIA ANN IMP - BLDG DRW PJ	41	0	41	41	0	41	0	0	0	0	0	0	0	0	0	0	0	0
1990	DEV- DEVELOPMENT	500	0	500	0	0	0	0	0	0	-500	0	-500	0	0	0	0	0	0
1990	DEV- PARCEL & CARGO	8,550	0	8,550	6,091	0	6,091	0	0	0	-2,459	0	-2,459	0	0	0	0	0	0
1991	AIA: TAXIWAY I/R RES	190	1,710	1,900	165	1,709	1,874	0	0	0	-8	-1	-9	-25	-1	-26	0	0	0
1991	AIA: MAINTENANCE EQU	1,200	0	1,200	1,199	0	1,199	0	0	0	0	0	0	-1	0	-1	0	0	0

AIAS
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AR FY	APPROPRIATION DESCRIPTION	TOTAL AUTHORIZATION IARF	AIP	TOTAL	EXPENDITURES TO DATE IARF	AIP	TOTAL	ENCUMBERED IARF	AIP	TOTAL	LAPSED PRE FY97 IARF	AIP	TOTAL	LAPSED FY97 IARF	AIP	TOTAL	UNEXPENDED BALANCE IARF	AIP	TOTAL
1991	AIA: RAMP AREA RECON	77	923	1,000	44	864	908	0	0	0	0	0	0	-33	-59	-92	0	0	0
1992	AIA TAXIWAY/LINK CNS	279	2,511	2,790	203	2,511	2,714	0	0	0	0	0	0	-76	0	-76	0	0	0
1992	AIA TAXIWAY T' EXTE '	148	1,328	1,475	140	1,328	1,468	0	0	0	0	0	0	-7	0	-7	0	0	0
1992	AIA RAMP AREA RECST	62	1,472	1,534	57	1,198	1,255	0	0	0	0	0	0	-5	-275	-280	0	0	0
1992	AIA REMOTE RAMP SHUT	117	257	374	85	258	342	0	0	0	0	0	0	-32	-1	-32	0	0	0
1993	F/AIA TERM AUTO RAMP -	0	1,400	1,400	0	1,400	1,400	0	0	0	0	0	0	0	0	0	0	0	0
1993	AIA, FAA SIGN SYSTEM	10	540	550	9	125	134	0	0	0	0	0	0	-1	-415	-416	0	0	0
1993	AIA, TXWY N' PVMNT '	250	0	250	218	0	218	0	0	0	0	0	0	-32	0	-32	0	0	0
1993	AIA, MSTR PLN STUDY	50	450	500	50	450	500	0	0	0	0	0	0	0	0	0	0	0	0
1994	F/AIA RAMP LOAD INCR	0	1,404	1,404	0	1,404	1,404	0	0	0	0	0	0	0	0	0	0	0	0
1994	AIAS UNIX COMPUTER	350	0	350	349	0	349	0	0	0	0	0	0	-1	0	-1	0	0	0
1994	AIA LK HOOD WTR & SW	325	0	325	325	0	325	0	0	0	0	0	0	0	0	0	0	0	0
1994	OLD INT'L ARPT RD RE	550	5,500	6,050	0	0	0	0	0	0	0	0	0	-550	-5,500	-6,050	0	0	0
1994	SO AIRPARK WTR LINE	900	0	900	900	0	900	0	0	0	0	0	0	0	0	0	0	0	0
1994	WEST AIR PARK DEVELP	100	900	1,000	100	0	100	0	0	0	0	0	0	0	-900	-900	0	0	0
1995	AIA RESCUE/FIREFIGHT	0	100	100	0	0	0	0	0	0	0	0	0	0	-100	-100	0	0	0
	AIA DELETIONS:	-35,264	-39,293	-74,576	29,866	28,217	58,083	0	0	0	-3,133	-1,957	-5,090	-2,284	-9,119	-11,403	0	0	0
	FIA																		
1985	FIA ANN IMP - CFR BLDG PJ	16	0	16	16	0	16	0	0	0	0	0	0	0	0	0	0	0	0
1987	FIA ANN IMPV - CFR BLD PJ	5	0	5	5	0	5	0	0	0	0	0	0	0	0	0	0	0	0
1988	FIA ANN IMP - CFR BLDG PJ	6	0	6	6	0	6	0	0	0	0	0	0	0	0	0	0	0	0
1988	CRASH/FIRE/RESCUE BU	200	0	200	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0
1988	ACCESS ROAD A' CONS '	3,000	0	3,000	2,945	0	2,945	0	0	0	0	0	0	-55	0	-55	0	0	0
1989	FIA CFR BLDG UPGD CO	2,000	0	2,000	1,984	0	1,984	0	0	0	0	0	0	-16	0	-16	0	0	0
1989	FIA ANN IMPR - ACCESS PJ	40	0	40	40	0	40	0	0	0	0	0	0	0	0	0	0	0	0
1989	FIA ANN IMPR CFR PJ	8	0	8	0	0	0	0	0	0	0	0	0	-8	0	-8	0	0	0
1990	FIA EPA APPROVED FIR	550	0	550	550	0	550	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA, DRAINAGE STUDY	65	0	65	65	0	65	0	0	0	0	0	0	0	0	0	0	0	0
1993	FIA W INDUS. RD UTIL	479	0	479	479	0	479	0	0	0	0	0	0	0	0	0	0	0	0
1994	FIA ANNUAL IMPROVEME	300	0	300	300	0	300	0	0	0	0	0	0	0	0	0	0	0	0
1994	FIA CPS & VNTC EQUIP	588	197	785	575	0	575	0	0	0	0	0	0	-13	-197	-210	0	0	0
1995	FIA TERMINAL CARPET	286	0	286	284	0	284	0	0	0	0	0	0	-2	0	-2	0	0	0
	FIA DELETIONS:	7,543	197	7,740	7,449	0	7,449	0	0	0	0	0	0	-94	-197	-291	0	0	0
	TOTAL DELTIONS:	42,826	39,490	82,316	37,315	28,217	65,532	0	0	0	-3,133	-1,957	-5,090	-2,378	-9,316	-11,695	0	0	0
	TOTAL ACTIVE & DELETIONS:	120,917	111,088	232,005	75,152	72,589	147,741	3,558	7,870	11,427	-4,280	-1,957	-6,237	-4,568	-13,193	-17,761	33,360	15,480	48,839

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

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

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

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

Q.2 **What is the consequence of delaying the project?**
A delay of this program will increase risks, increase capital costs to Airlines, increase current operating costs to the airport and delay addressing serious deficiencies which currently exist. The Airport, Airlines and DOT, recognizing the existing terminal deficiencies, have recommended proceeding immediately with implementation of program to minimize risks, capital costs and operating costs while meeting documented public needs. Further, market place conditions for interest rates on revenue bonds are at record lows and make this an ideal time to put financing in place. Postponement will risk losing an opportunity to significantly reduce the long-term cost of this project.

Specific issues are as follows:

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

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

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

- The current level of service provided to the traveling public particularly during the summer months is at a failure rating for ticketing and baggage claim. The terminal has less that 40% of the area needed for the ticket lobby to serve today's passenger traffic.

- As demand for facilities continues to grow, the need to accelerate design and construction to meet this unserviced demand will increase. Accelerated schedules cost more and will disrupt the traveling public.

- Nobody can predict future interest rates with certainty, however we do know that interest rates are currently at a record low. Legislative approval this year will allow AIA to take advantage of any further reduction in the interest rate over the next year and pass those savings on to public and Airlines.

- If the proposed bond legislation is not approved this year, there will be insufficient funding available to advance the design beyond the schematic level. All work will have to be suspended in Fall 1998.

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

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

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

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

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

Q.5 What are the proposed future cargo projects? How much will they cost?

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

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

Note:

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

Q.6 How do the proposed landing fees compare to Asian airports?

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

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

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

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

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

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

* Does not include Terminal Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Anchorage
International
Airport

Gateway
Alaska

Terminal
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Project

Gateway Alaska

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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 p[illegible]m 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	367,000 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	36
	$191.0 million

Funding

Federal Highway funds	$ 26.3 million
Airport revenue bonds	164.7
FAA funding	*
	$191.0 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	US Aviation Forecast
1996 to 2005 = 4.3%	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 Signatory	Passenger Non-Signatory	Cargo Signatory	Cargo Non-Signatory
$1.19	**$1.42**	**$1.25**	**$1.46**

Large Hub Airports

Passenger Signatory	Passenger Non-Signatory	Cargo Signatory	Cargo Non-Signatory
$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.

Airline Vote

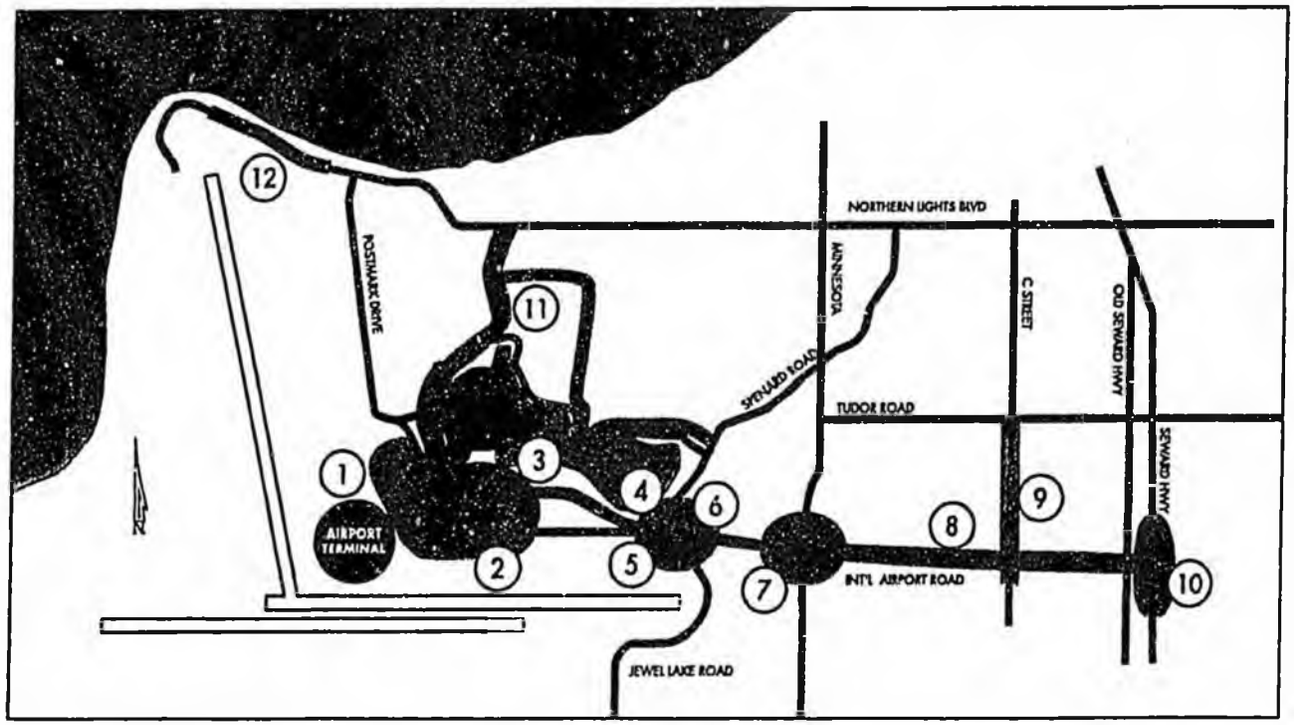
Airlines Contributing 89% of Domestic Passenger Airline Revenue Voted YES

Airlines Representing 84% of Departing Domestic Passengers Voted YES

Domestic Passenger Airlines	Vote	Domestic Airline Revenue	% of Total	Departing Passengers	% of Total	Samples of Increase per Departing Passenger*
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	$139,477	2%	42,697	2%	
		$8,249,207	100%	1,792,304	100%	

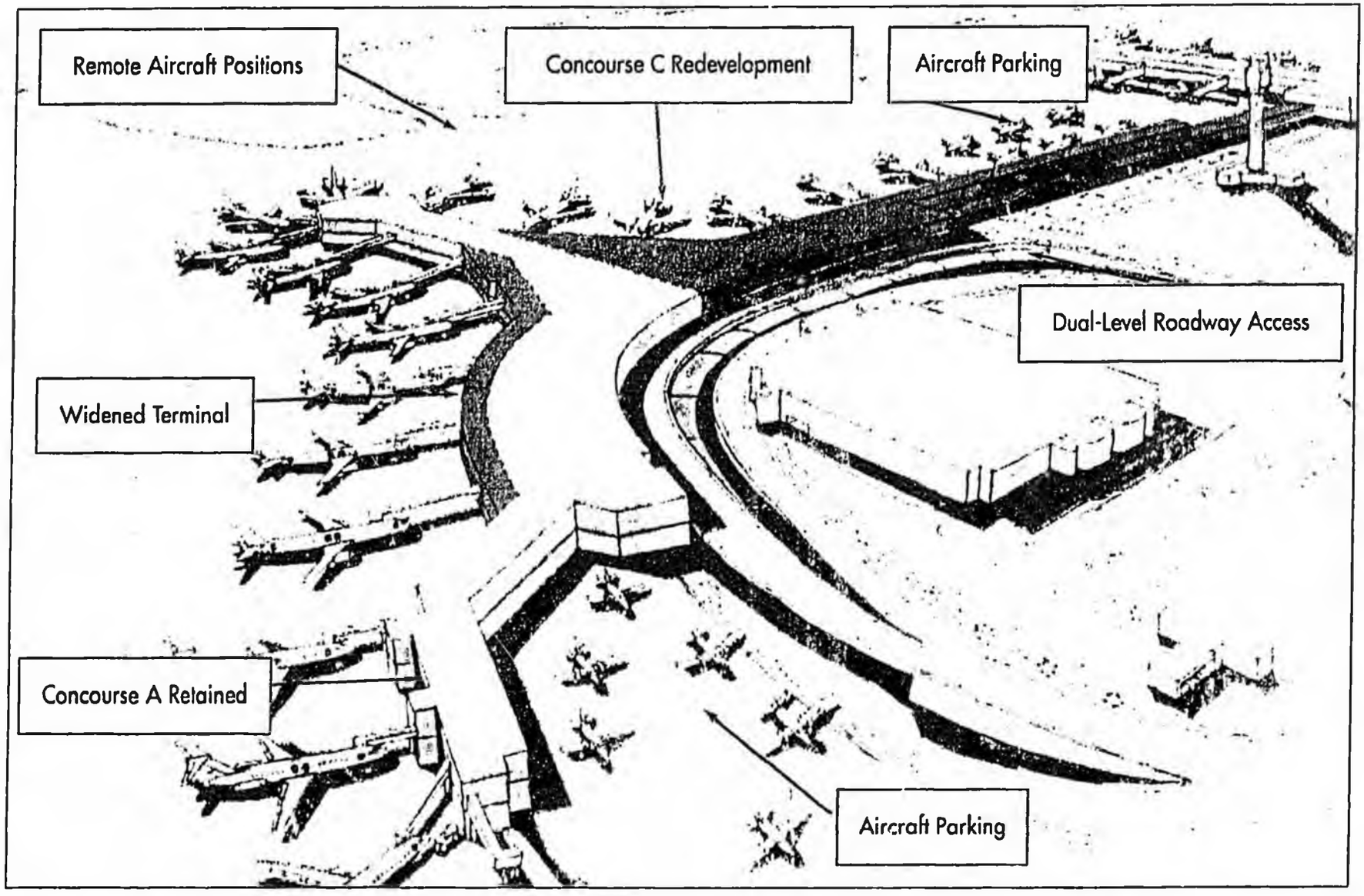
**Based on flatline projection of FY 97 activity and rates*

Gateway Alaska



TRANSPORTATION & PUBLIC FACILITIES
STATE OF 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 Jewel 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

Anchorage International Airport

Department of Transportation & Public Facilities

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

Project Components

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

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

November 5, 1997

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

Total Debt Service Level Each Year

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

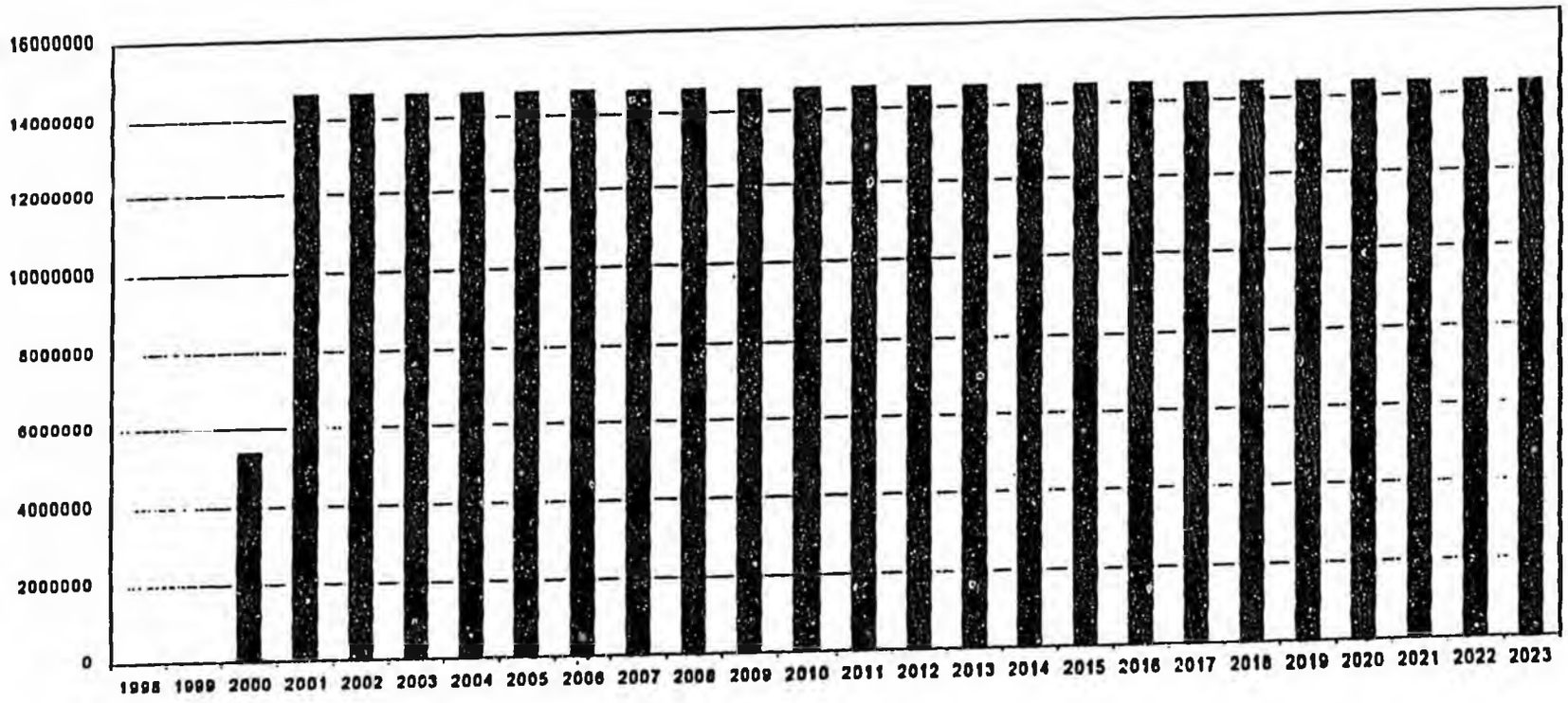
Par Amount of Bonds	**$177,205,000**
Maximum Full Year Debt Service	**$14,583,284**
Average Life of Bonds	**16.51 years**

Recommendation for Level Debt Service

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

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

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



Summary of Rates and Charges

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

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

Summary of Rates and Charges (cont.)

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

State Contribution

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

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

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

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

Update of Other Assumptions

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

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

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

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

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

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

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

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

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

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

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

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 III

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

550 West Seventh Avenue, Suite 1400 ▪ Anchorage, Alaska 99501 ▪ phone 907-258-3700 ▪ fax 907-258-6646 ▪ e-mail aedc@alaska.net

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.

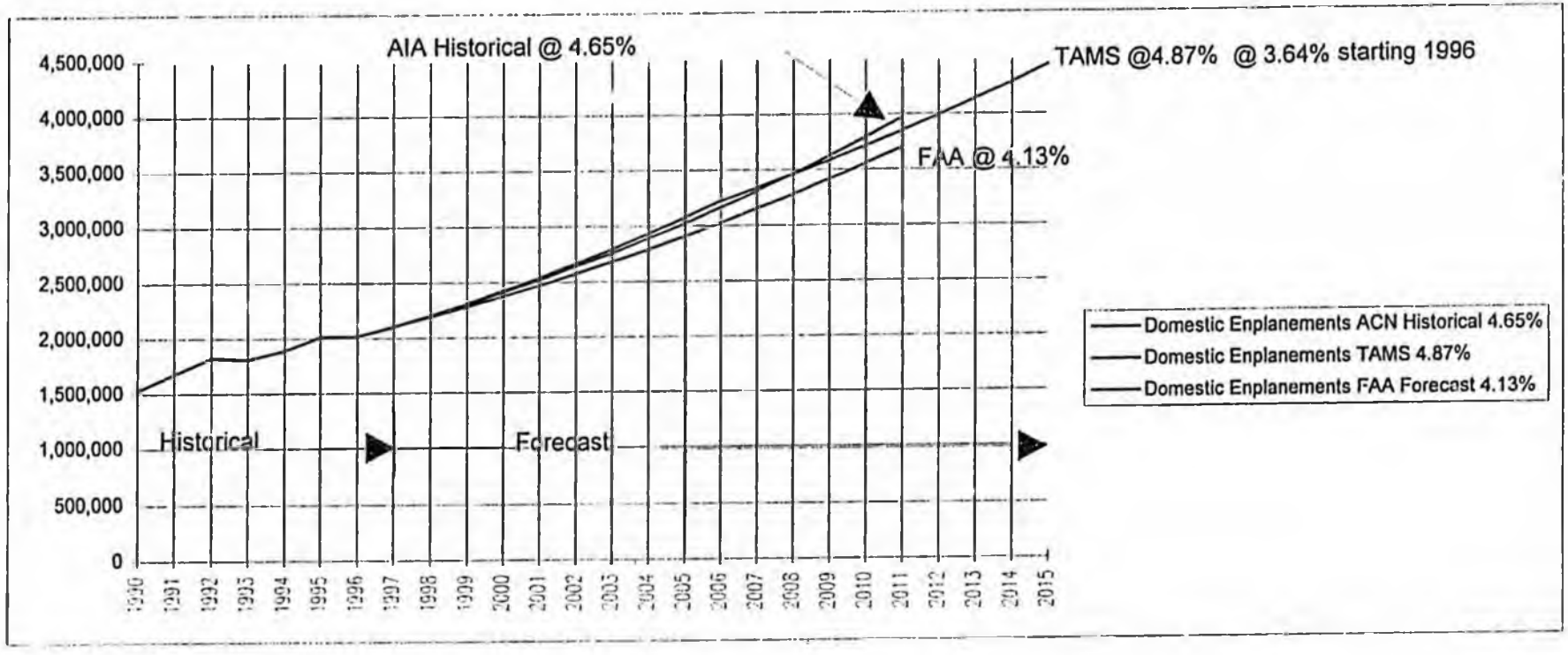
Anchorage International Airport

Terminal Redevelopment Project

Supplemental Information

2/24/98

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%.

FY 99 CAPITAL BUDGET
ANCHORAGE INTERNATIONAL AIRPORT
TERMINAL REDEVELOPMENT PROJECT

SUMMARY

COST:

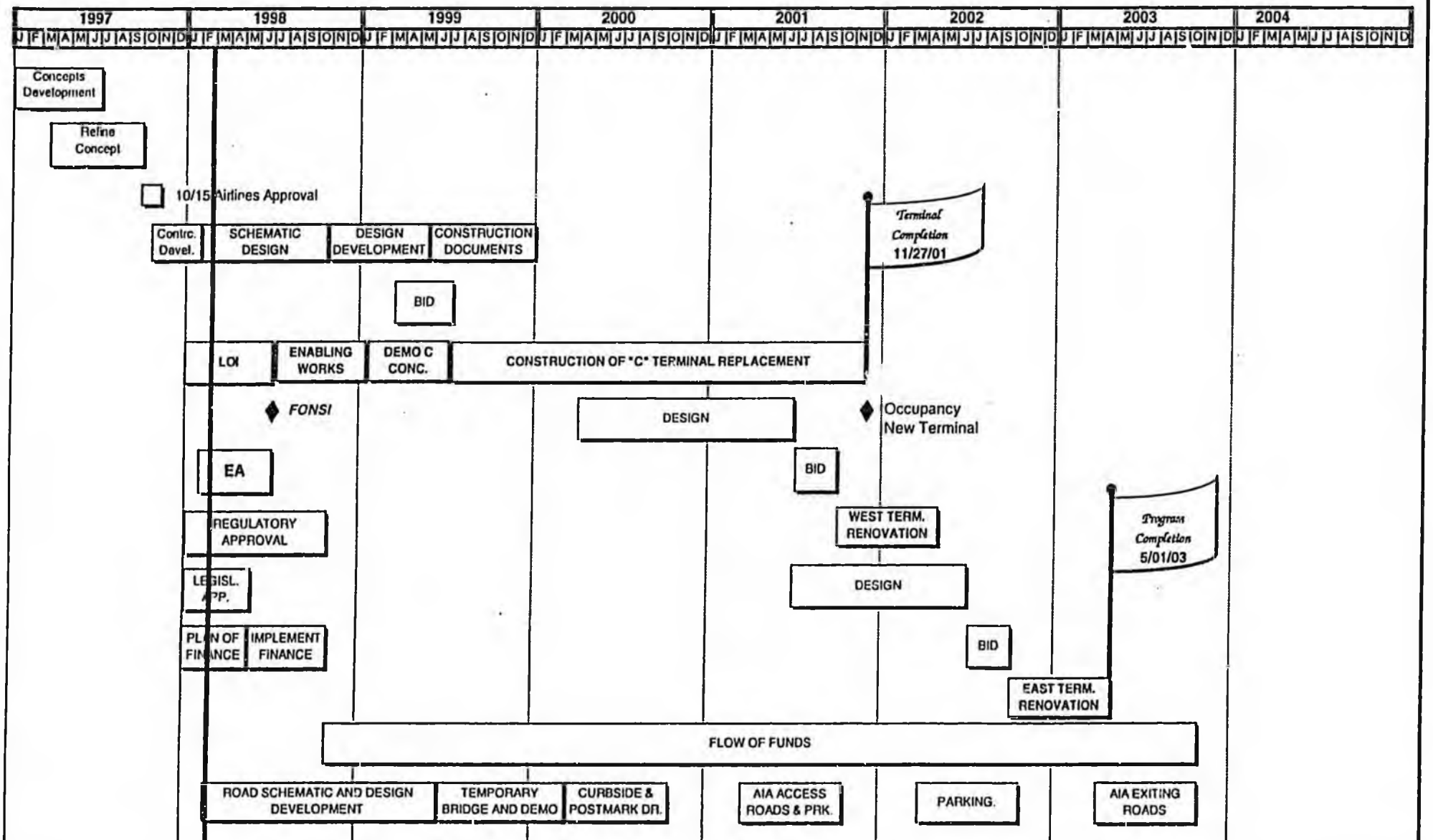
$190.8 MILLION	PROJECT COST (1997 $)
$ 14.5	ESCALATION
$205.3 MILLION	
$ 24.7	CAPITALIZED INTEREST/ ISSUANCE COST
$230.0 MILLION	TOTAL CAPITAL REQUEST

FUNDING SOURCES:

$204.0 MILLION	AIRPORT REVENUE BONDS
$ 26.0*	FEDERAL HIGHWAY FUNDS
$230.0 MILLION	TOTAL CAPITAL REQUEST

* ALSO SHOWN IN HIGHWAY CAPITAL REQUEST

Anchorage International Airport Terminal Redevelopment Program
Implementation Schedule



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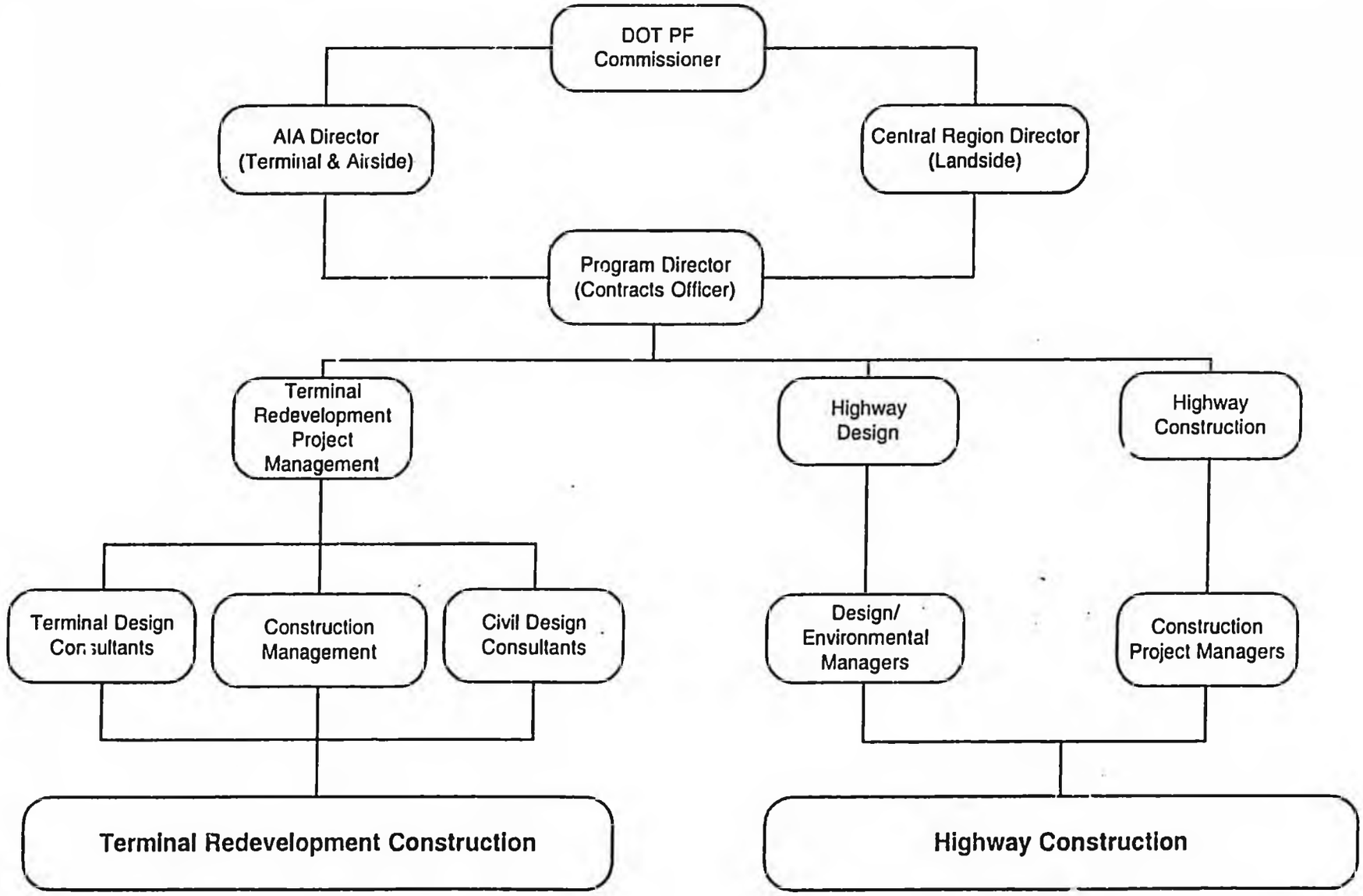
2/20/98

Gateway Alaska Organization Structure



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DATE: 12/08/97

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

Era Aviation, Inc.

March 4, 1998

The Honorable John Cowdery
Chairman,
Special Committee on International Trade and Tourism
House of Representatives
State Capitol, Room 416
Juneau, Alaska 99801-1182

Ref: HB 432; Terminal Expansion 2005

Dear Chairman Cowdery,

Thank you for the opportunity to testify before your committee last week on the Anchorage Airport terminal expansion project. As you recall, Speaker Phillips had questions regarding the use of Passenger Facilities Charges (PFCs or Head Taxes) as one source of funding for this project. The following is offered to clarify my answer to her questions on this subject and to provide additional information on the role PFCs have played in this project and the airline voting process.

In the cover letter for its ballot (attached, November 7, 1997), Federal Express stated, "We also hope to see PFC implementation next year."

In his letter to all airlines encouraging a vote for the project (attached, October 24, 1997), Commissioner Perkins stated, "To further achieve this goal I will consider other funding alternatives including a Passenger Facility Charge program that is acceptable to the public and reflects the unique nature of Alaska."

In his letter transmitting the ballots to Director Plumb (attached, November 17,1997), Mr. Cliff Argue stated, "[T]he airlines expect the airport and the State of Alaska to aggressively pursue and obtain additional sources of non-airline revenue as promised in Commissioner Perkins' letter."

Mr. Argue made special mention that, "With PFC's included in financing, Reeve Aleutian will change to approve project."

In a meeting on October 2, 1997, Director Plumb publicly encouraged the airlines to contact their legislators and the governor's office supporting implementation of

6160 Carl Brady Drive, Anchorage, Alaska 99502, (907) 248-4422, Facsimile: (907) 266-8383

PFC's. Mr. Leif Selkregg stated there would be "retroactive opportunities" for the use of PFC's in connection with this project.

Over the past several years, virtually every airline voting in favor of the project has indicated its strong support for PFC funding. This was evidenced in the Legislative Budget and Audit Committee hearings in the Summer of 1996, and more recently at the July 15, 1997, Airline Airport Affairs Committee, when the Chairman conducted a "straw poll" on PFC's.

In a related matter, Delta's ballot was expressly made "Subject to the State of Alaska capital contribution of $26.3M resulting in a net funding approval of $165M." Copies of Delta's cover letter and ballot are also attached.

If we can provide additional information, please do not hesitate to contact either myself or Jack Birmingham at 248-4422.

Sincerely,

Joseph A. Sprague
Director of Marketing

PROPERTIES/FACILITIES

NOV 07 1997

RECEIVED

FEDERAL EXPRESS CORPORATION
Properties & Facilities Department
2003 Corporate Avenue, 2nd floor
Memphis, TN 38132

FAX

To: Cliff Argue Fax: (206) 431-7031
cc: Mark Plumb ~~Tele:~~ (907) 243-0663

From: Teri Kerschenko Fax: (901) 395-4873
Tele: (901) 395-3652

Number of pages, this sheet included: 2

Enclosed please find Federal Express' ballot on the Terminal Expansion. We appreciate the Airport's commitment to seek additional sources of revenue/financing (as evidenced by the $26.3 million in Fed. Highway Funds for terminal access roads). We also hope to see PFC implementation next year.

Have a fantastic day!!

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898

TEXT: (907) 465-3652
FAX: (907) 586-8365
PHONE: (907) 465-3900

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

October 24, 1997

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

Dear Mr. ~~Argue~~ Cliff

The ballot for the Anchorage Terminal expansion presented to the Airline Affairs Committee on October 15 included a pledge by AIAS to seek alternate sources of funding to reduce airline cost exposure.

Governor Knowles noted the vital importance of the airport and its terminal as the gateway to Alaska when he addressed the Committee. In keeping with the Governor's desire to work with the Airlines to achieve the needed expansion at Anchorage International Airport, I have directed the Department to reserve and commit $26.3 million in federal highway funds for the terminal access roads. This will reduce the construction amount being financed through Airport Revenue Bonds from $190.8 million to $164.5 million. The benefit to the airlines rates and charges of this State investment will be set forth in an addendum to the October 15 presentation, which will be distributed to all members of the Airline Affairs Committee no later than Wednesday, October 29.

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.

As we discussed on October 15, the State and the airlines will have an ongoing opportunity to further reduce the bond amount and annual debt service, both before and after the issuance date of the bonds. The State joins with the airlines in recognizing that lower rates and charges makes Anchorage International Airport more competitive in the aviation market. To further achieve this goal I will consider other funding alternatives including a Passenger Facility Charge program that is acceptable to the public and reflects the unique nature of Alaska.

The financial commitments outlined above clearly demonstrate the State's good faith in committing non-airline funding sources. We look forward to continuing this partnership through the design, funding, and construction of the Terminal Expansion 2005 project. I request the support of the signatory airlines for this project.

Sincerely,

Joseph L. Perkins, P.E.
Commissioner

cc: Airline Affairs Committee

2ANA-T34LH

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

November 17, 1997

VIA FAX 907 243-0663

Mr. Morton Plumb
Airport Director
Anchorage International Airport
P.O. Box 196960
Anchorage, AK 99519-6960

Re: FY99 Capital Improvement Request - ANC Terminal Expansion 2005

Dear Mort:

This letter will serve to provide certification of certain signatory airline votes on the above captioned project. In accordance with your request at our October 15, 1997 Airlines Airport Affairs Committee in Anchorage, a vote was taken among the signatory carriers on adding the proposed expansion and renovation of the Domestic Terminal at Anchorage to the previously approved FY99 International Airports Revenue Fund Capital Improvement Program.

Ballots were received from 22 of the 25 signatory airlines at Anchorage and Fairbanks International Airports. A ballot showing approval was received from Polar Air Cargo shortly after the deadline. The individual votes received by me are listed on the attached report. According to the Airline Lease and Operating Agreement, a project must receive 67 percent disapproval votes (17 or more) to be deleted from the airport's capital program. You will note that 12 disapproval votes were submitted, but 10 airlines voted to approve the project. Therefore, the terminal expansion is approved by the signatory airlines.

Although the ballot listed the project cost at $191 million, the airline approval is based on the revised cost of $184.5 million as set forth in Commissioner Perkins' letter to the airlines dated October 24, 1997. Further, the approval is based on the financial plan and revenue bond analysis presented at the October 15 meeting and as amended November 5.

However, given the size and financial impact of this project, the airlines expect the airport and the State of Alaska to aggressively pursue and obtain additional sources of non-airline revenue as promised in Commissioner Perkins' letter. We hereby request periodic reports on these efforts.

The expansion of the Domestic Terminal is an important project for Anchorage and the entire state, and the airlines serving the airport. We look forward to working closely with you, your staff, and the consultant team throughout the design, construction, and financing process, in the same spirit of cooperation and partnership that was evident in the studies and concept development to date.

Copies of each ballot as received from the signatory airlines are being sent to you with the mailed original of this letter. If you have any questions, please contact me.

Sincerely,

Cliff Argue /mcg

Clifford T. Argue
Chairman, ANC/FAI AAAC

c: J. Perkins, Commissioner DOTPF
K. Parkan, Deputy Commissioner DOTPF
J. Ungar, Controller, IARF
ANC/FAI AAAC

Delta Air Lines, Inc.
Post Office Box 20706
Atlanta, Georgia 30320-6001

November 11, 1997

Sent by FAX: 206-431-7031

Mr. Cliff Argue
Chairman, ANC AAAC
Alaska Airlines
Properties and Facilities
P. O. Box 68900
Seattle, WA 98168

Dear Cliff,

Attached is Delta's approval of the ANC MII ballot for FY99-04 Capital Improvement Projects. As we discussed, our approval of this project is predicated upon the incorporation by the State of Alaska a capital contribution of $26.3M into the project which would result in a net funding approval of $165M.

Thank you for your assistance on this matter.

Sincerely,

Rodger Holman
Regional Director - Properties & Facilities

Attachment