

Gateway Airport Gateway Garage



Ted Stevens
Anchorage
International Airport



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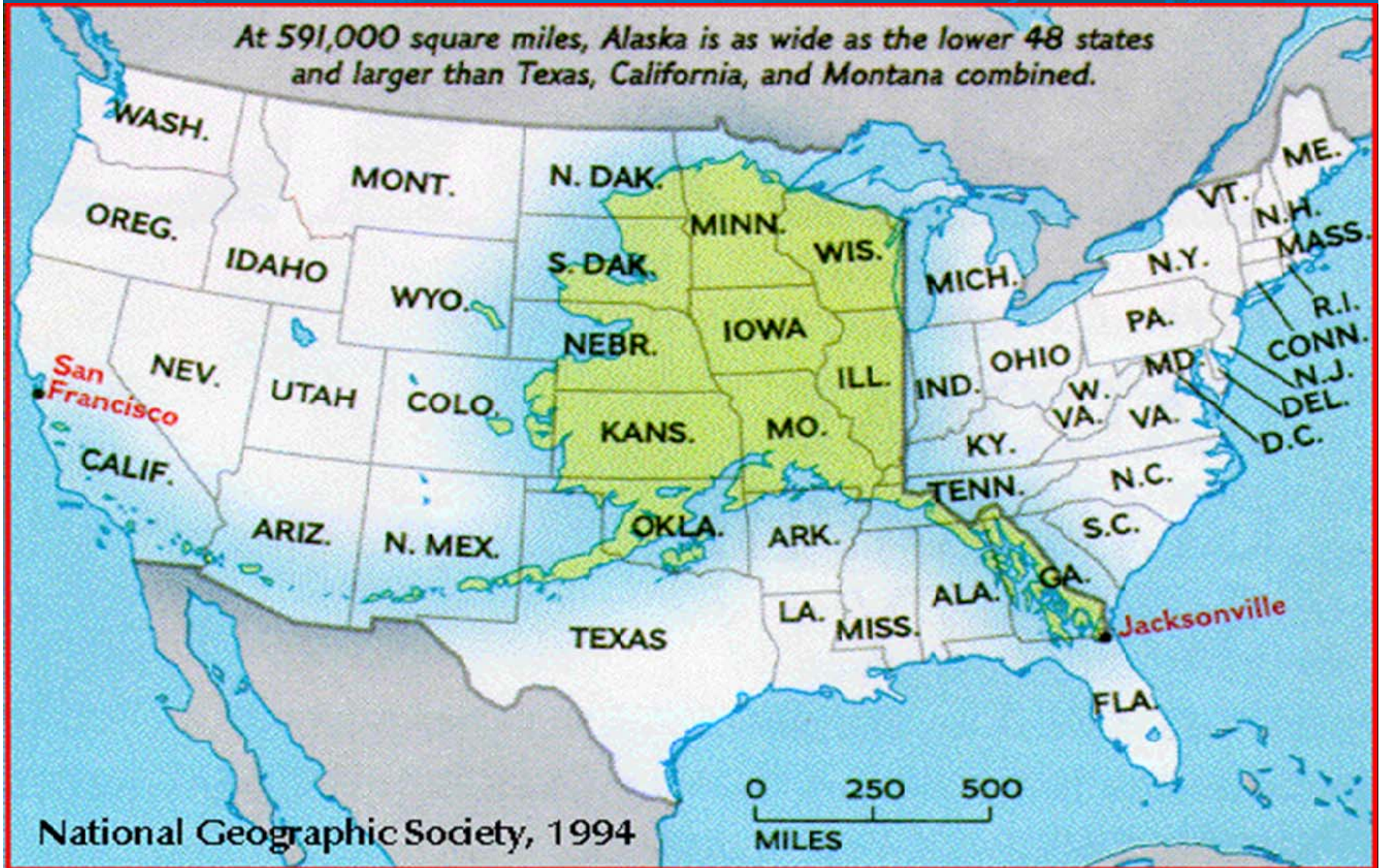
The Ted Stevens Anchorage International Airport Mission Statement:

Provide More Value to Our
Customers

Reduce Costs and Increase
Productivity

Alaska's Size

At 591,000 square miles, Alaska is as wide as the lower 48 states and larger than Texas, California, and Montana combined.



ANC



Busiest Floatplane Base in World



Lakes Hood & Spenard





Ted Stevens
Anchorage
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International Cargo Airport



Strategic Location



*9.5 hours from
90% of the World*

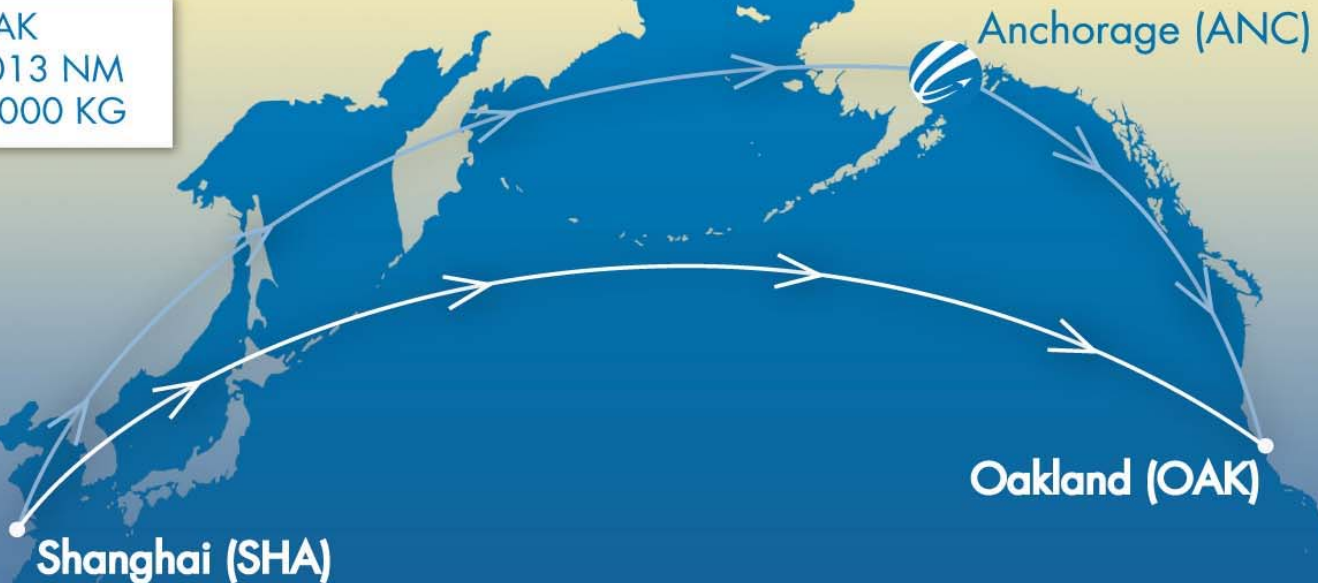
DISTANCES FROM ANCHORAGE

City	Nautical Miles
Singapore	5,792
Hong Kong	4,415
Frankfurt	4,064
London	3,902
Moscow	3,791
Miami	3,479
Beijing	3,442
Seoul	3,286
Mexico City	3,284
Tokyo	2,983
New York	2,941
Chicago	2,473
Honolulu	2,413
Los Angeles	2,037

ANC Advantage Cargo Carriers Increase Revenue

SHA - ANC - OAK
Distance = 6,157 NM
Payload = 110,000 KG

SHA - OAK
Distance = 6,013 NM
Payload = 65,000 KG



SHA - ANC - OAK Revenue (\$2.00/kg)	\$220,000
SHA - OAK Revenue	\$130,000
Increased Revenue with ANC stop	\$90,000

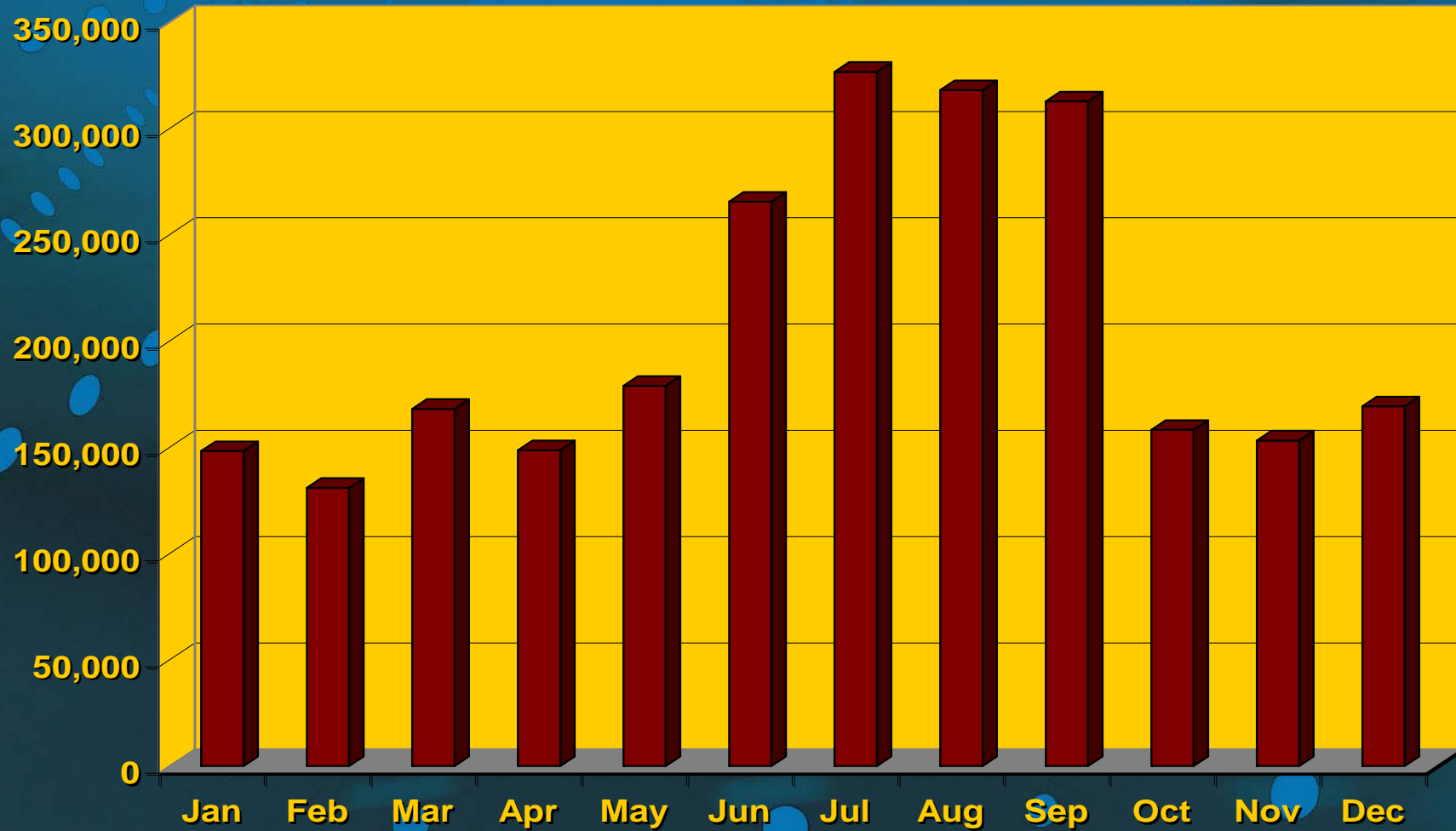


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Busy Passenger Airport



2005 Passenger Enplanements



Rental Car Center

- Airport Growth Fueled Development
- New C Concourse Inspired RACs to act
- RACs/Third Party Developer/ Airport made it happen





The ART of The DEAL

Memorandum of Understanding

- No cost to Airport
- Reduced operating costs to RACs
- Provide quick turn facilities
- More space in public parking garage
- Covered parking AND terminal connection for all RAC customers
- Off-Airport RACs required to use garage area for pick up of customers

The ART of The DEAL

Statutory Change

- State law (AS 02.15.090) amended to allow RACs to charge Customer Facility Charge (CFC) and Facility Maintenance Charge (FMC) to pay for facility capital costs. (Winter/Spring 2005)
- Facility deeded to State upon completion and FMC to pay for operations and maintenance costs.

The ART of The DEAL

Amended Concession Agreement

- RACs must have Airport Concession agreement to be a sublessee in garage.
- All on-airport RACs required to rent and operate in garage.
- Bidding process for on-airport RACs and favorable positioning within facility.
- On-Airport RACs reduced from 9 to 8

The ART of The DEAL

Interim Financing

- Developer borrows 1.5 million from First National Bank Alaska for interim financing (June 2005)
- Initial CFC pays interim financing note.
- Bond sale to pay off note at closing.

The ART of The DEAL

CFC/FMC Order & Commitment

- Financial feasibility consultant (Unison Maximus) reviews debt service, operating costs, RAC transaction days and recommends CFC of \$4.00 (May 2005)
- Deal closes (September 2005)
- CFC and FMC amounts set by DOT&PF Commissioner. (December 2005)
- CFC changed to \$4.04 and FMC of .26 cents created. (February 2006)

The ART of The DEAL

Financing Documentation

- Alaska Industrial Development and Export Authority (AIDEA) issued \$63 million public special facility revenue bonds at request of Developer.
- Airport must own facility after construction.
- RAC occupancy right cannot exceed 80% of facility useful life (35-40 years).
- Bond Trustee (Bank of New York Trust Company) set up by AIDEA to handle bond covenants; i.e., all capital payment processing, CFC/FMC revenue collection, bond payments, maintenance payments, etc.

The ART of The DEAL Land Lease Agreement

- Developer leases land from Airport for 30 years.
- Subleases facility space to RACs upon completion.
- Rental rate – no net loss of revenue to Airport. RACs pay prorata share of land rent to Land Lessee

Thanks!

