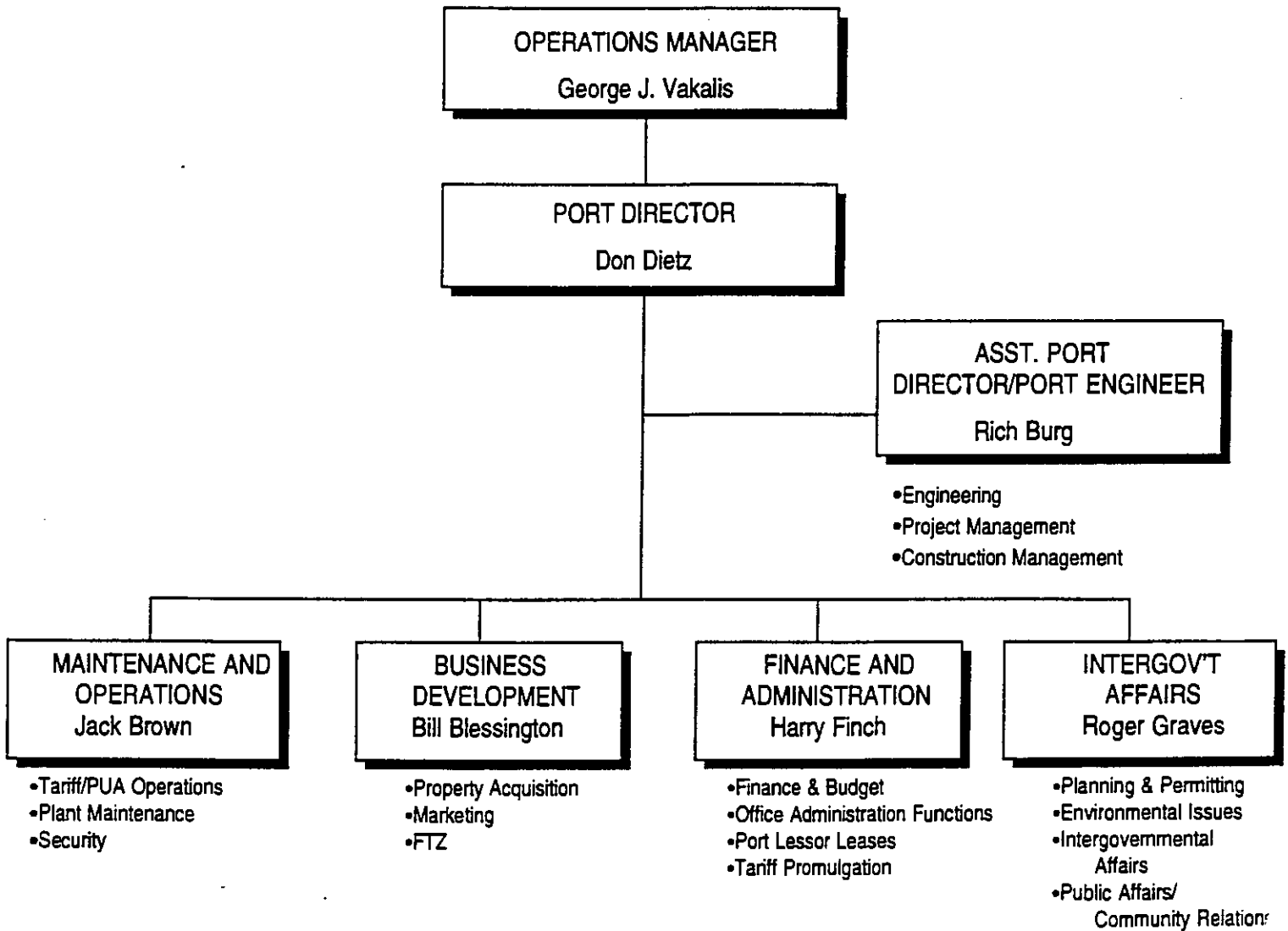


PORT OF ANCHORAGE

PORT OF ANCHORAGE ORGANIZATION CHART



PORT OF ANCHORAGE UTILITY PROFILE

ORGANIZATION

The Port of Anchorage is organized into three primary divisions: Administration, Port Development and Operations & Maintenance. The Administrative Division is responsible for day-to-day business functions and management, construction management and engineering, and real estate management. The Port Development Division is involved with planning and permitting, marketing, Foreign Trade Zone management, environmental issues and public and intergovernmental affairs tasks. The Operations & Maintenance Division is responsible for Port customer relations, management of vessel movements and dockside activities, general upkeep and operation of the facilities and equipment, and security.

HISTORY

The Port of Anchorage commenced operation in September 1961 with a single berth. 38,000 tons of cargo crossed the Port's dock that first year. 2,623,000 tons crossed the dock in 1993 and this ranked the Port as 16th in the nation in 1993 for the movement of container TEUs (twenty foot equivalent units). Today this regional Port is a major economic factor and the strongest link in the transportation chain which enables Alaskan residents west of Yakutat to take full advantage of the benefits of inexpensive waterborne commerce.

SERVICES

Cargo handling services and facilities at the Port serve 80% of Alaska's population living west of Yakutat. Approximately 90% of the consumer goods and foodstuffs sold within the Railbelt move through this facility on a year-round basis. Container service is provided twice weekly from Puget Sound by two domestic ocean carriers and is augmented seasonally by one additional container vessel per week and barge activities. Bulk shipments are both domestic and international, involving imports of basic commodities such as cement, refined petroleum products, automobiles and construction materials. The Port serves as the primary export facility for the state's largest petroleum refinery in North Pole and as the major export terminal for frozen and canned seafood products that are packed in Anchorage, Valdez and on the Kenai Peninsula.

REGULATION

Port of Anchorage Dock Revenue rates are established in the Port of Anchorage Terminal Tariff #4 and Terminal Preferential Use Agreements. Changes to the tariff and rate adjustments to the Preferential Usage Agreements require approval by the Anchorage Port Commission, the Anchorage Assembly and the Federal Maritime Commission.

Port Industrial Park Revenue is derived from long-term leases of properties in the Port Industrial Park. The leases provide for five-year rate adjustments. Leases and lease options are subject to Municipal Assembly approval.

ENVIRONMENTAL MANDATES

The Port complies with a broad range of local, state and federal environmental standards, including all provisions of the Clean Water Act, Clean Air Act, National Pollution Discharge Elimination System (NPDES), Endangered Species Act and Coastal Zone Management Plan.

PHYSICAL PLANT

Real Estate:

- 103 acres of developed uplands
- 400 acres of economically developable tidelands to the north and south of the existing Industrial Park and dock area
- 1,000 acres of submerged lands offshore from tidelands holdings
- 1,503 total acres

Terminals:

- Three general cargo terminals, 2,109 ft. of dock face, container, roll on/roll off, bulk cement and breakbulk capabilities
- Two Bulk Petroleum Product Terminals with 600 feet each of berthing space and 2,000 bbl./hr. pipelines
- Operating depth at all facilities: -35' MLLW
- Maximum vessel tonnage: 60,000 DWT
- Maximum length and breadth: No limit
- On-dock Transit Shed with 27,000 square foot heated storage/office space

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:
 - 30 ton (2)
 - 40 ton (1)
- Portable Cranes to 150 tons available
- Forklifts to 30 tons available

U.S. Port of Entry: Foreign Trade Zone service available

**PORT OF ANCHORAGE
WORKFORCE PROJECTIONS**

| | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>DIVISION</u> | | | | | | | |
| Administration/Engineering | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Operations/Maintenance | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Port Development | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> |

Port of Anchorage

1995

Operating Budget

PORT OF ANCHORAGE RECONCILIATION OF 1994 BUDGET TO 1994 PRO-FORMA

| | 1994 <u>BUDGET</u> | 1994 <u>PRO-FORMA</u> | <u>VARIANCE</u> | |
|--------------------------------|-----------------------|--------------------------|-----------------|----------|
| OPERATING REVENUE | 6,022,000 | 6,381,000 | 359,000 | A |
| OPERATING EXPENSE | | | | |
| Labor | 1,429,000 | 1,429,000 | 0 | |
| Supplies | 92,000 | 94,000 | 2,000 | |
| Other Services & Charges | 1,125,000 | 1,367,000 | 242,000 | B |
| IGC's | 230,000 | 230,000 | 0 | |
| Depreciation/Amortization | 1,902,000 | 1,911,000 | 9,000 | |
| Subtotal | 4,778,000 | 5,031,000 | 253,000 | |
| NON-OPERATING REVENUE | 1,116,000 | 1,084,000 | (32,000) | C |
| NON-OPERATING EXPENSE | 1,396,000 | 1,396,000 | 0 | |
| NET INCOME (REGULATORY) | 964,000 | 1,038,000 | 74,000 | |
| ADJUSTMENTS FOR GAAP | (572,000) | (553,000) | 19,000 | D |
| NET INCOME GAAP | <u>392,000</u> | <u>485,000</u> | <u>93,000</u> | |

Explanation of Significant Variances:

- A) 1994 Petroleum Wharfage revenue, based on 1993 figures, now estimated to be greater than originally anticipated; initiation of user charges (new tariff item effective 2/94) for land side Petroleum Valve Yard transfers; and, appraisals for Port Industrial Park land rental rate adjustments and customer demand for additional cargo storage space higher than anticipated.
- B) Unanticipated Legal Services expense on ICC rate case.
- C) Tesoro Pipeline Right-of-Way Fee and interest on deposits less than anticipated.
- D) Adjustments in depreciation schedules resulting from the Ship Creek/South Tidelands leasehold exchange.

PORT OF ANCHORAGE RECONCILIATION OF 1994 PRO-FORMA TO 1995 BUDGET

| | 1994 <u>PRO-FORMA</u> | 1995 <u>BUDGET</u> | <u>VARIANCE</u> | |
|--------------------------------|--------------------------|-----------------------|-----------------------|---|
| OPERATING REVENUE | 6,381,000 | 6,493,000 | 112,000 | A |
| OPERATING EXPENSE | | | | |
| Labor | 1,429,000 | 1,438,000 | 9,000 | |
| Supplies | 94,000 | 99,000 | 5,000 | |
| Other Services & Charges | 1,367,000 | 1,177,000 | (190,000) | B |
| IGC's | 230,000 | 215,000 | (15,000) | |
| Depreciation/Amortization | <u>1,911,000</u> | <u>1,968,000</u> | <u>57,000</u> | C |
| Subtotal | 5,031,000 | 4,897,000 | (134,000) | |
| NON-OPERATING REVENUE | 1,084,000 | 1,106,000 | 22,000 | |
| NON-OPERATING EXPENSE | 1,396,000 | 1,367,000 | (29,000) | D |
| NET INCOME (REGULATORY) | <u>1,038,000</u> | <u>1,335,000</u> | <u>297,000</u> | |
| ADJUSTMENTS FOR GAAP | (553,000) | (553,000) | 0 | |
| NET INCOME GAAP | <u><u>485,000</u></u> | <u><u>782,000</u></u> | <u><u>297,000</u></u> | |

Explanation of Significant Variances:

- A) Increase in General Cargo Wharfage combined with 1994 changes in Petroleum Valve Yard fees and land rental rates being in effect for a full year in 1995.
- B) No Legal Services expense anticipated for ICC rate case in 1995.
- C) Depreciation adjusted to reflect anticipated plant in-service.
- D) Reduction in interest portion of debt service and retirement of certain long-term obligations in 1995.

PORT OF ANCHORAGE STATEMENT OF REVENUE AND EXPENSES

| | 1993 <u>ACTUAL</u> | 1994 <u>PRO-FORMA</u> | 1995 <u>BUDGET</u> |
|--------------------------------|-----------------------|--------------------------|-----------------------|
| OPERATING REVENUE | | | |
| Dock Revenue | 4,395,106 | 4,644,000 | 4,685,000 |
| Industrial Park Revenue | 1,555,817 | 1,652,000 | 1,723,000 |
| Crane Lease/Rental Revenue | 79,778 | 79,000 | 79,000 |
| Other Operating Revenue | <u>5,787</u> | <u>6,000</u> | <u>6,000</u> |
| TOTAL OPERATING REVENUE | 6,036,488 | 6,381,000 | 6,493,000 |
| OPERATING EXPENSE | | | |
| Labor | 1,388,134 | 1,429,000 | 1,438,000 |
| Supplies | 87,046 | 94,000 | 99,000 |
| Other Services & Charges | 844,759 | 1,367,000 | 1,177,000 |
| IGC's | 151,474 | 230,000 | 215,000 |
| Depreciation/Amortization | <u>1,730,235</u> | <u>1,911,000</u> | <u>1,968,000</u> |
| TOTAL OPERATING EXPENSE | 4,201,648 | 5,031,000 | 4,897,000 |
| OPERATING INCOME | 1,834,840 | 1,350,000 | 1,596,000 |
| NON-OPERATING REVENUE | | | |
| Interest Income | 961,583 | 974,000 | 996,000 |
| Pipeline Right-Of-Way Fee | 99,919 | 110,000 | 110,000 |
| Other Non-Operating Revenue | 6,320 | 0 | 0 |
| Prior Year Expense Recovery | <u>19,013</u> | <u>0</u> | <u>0</u> |
| TOTAL NON-OPERATING REVENUE | 1,086,835 | 1,084,000 | 1,106,000 |
| NON-OPERATING EXPENSE | | | |
| Interest on Long-Term Debt | 1,475,242 | 1,396,000 | 1,367,000 |
| Other Non-Operating Expense | <u>1,000</u> | <u>0</u> | <u>0</u> |
| TOTAL NON-OPERATING EXPENSE | 1,476,242 | 1,396,000 | 1,367,000 |
| NON-OPERATING INCOME | (389,407) | (312,000) | (261,000) |
| NET INCOME (REGULATORY) | 1,445,433 | 1,038,000 | 1,335,000 |
| ADJUSTMENTS FOR GAAP | 552,884 | 553,000 | 553,000 |
| NET INCOME GAAP | <u>892,549</u> | <u>485,000</u> | <u>782,000</u> |

PORT OF ANCHORAGE

STATEMENT OF SOURCES AND USES OF CASH

| | 1993 <u>ACTUAL</u> | 1994 <u>PRO-FORMA</u> | 1995 <u>BUDGET</u> |
|---|--------------------------|--------------------------|-------------------------|
| SOURCES OF CASH FUNDS: | | | |
| Net Income GAAP | 892,549 | 485,000 | 782,000 |
| Depreciation/Amortization | 2,283,119 | 2,464,000 | 2,521,000 |
| Grants | 1,630,000 | 4,930,000 | 2,371,000 |
| Bonds | 0 | 0 | 2,000,000 |
| Amortization of Debt Discount | 30,597 | 31,000 | 31,000 |
| Principal Payments, Financing Leases | 243,300 | 263,000 | 284,000 |
| Principal Payments, Interfund Receivable | 243,900 | 83,000 | 0 |
| Other | 0 | 66,000 | 44,000 |
| TOTAL SOURCES OF FUNDS | <u>5,323,465</u> | <u>8,322,000</u> | <u>8,033,000</u> |
| USES OF CASH FUNDS: | | | |
| Additions to Plant | 1,116,586 | 8,385,000 | 7,751,000 |
| Bond Principal Payments | 1,561,906 | 1,323,000 | 1,123,000 |
| Equity Transfer Out | 178,500 | 179,000 | 358,000 |
| Net Effect of Changes in Balance Sheet Which Affect Cash | 71,642 | 0 | 0 |
| TOTAL USES OF FUNDS | <u>2,928,634</u> | <u>9,887,000</u> | <u>9,232,000</u> |
| NET INCREASE/(DECREASE) IN CASH FUNDS | 2,394,831 | (1,565,000) | (1,199,000) |
| CASH BALANCE JANUARY 1, | <u>10,144,318</u> | <u>12,539,000</u> | <u>10,974,000</u> |
| CASH BALANCE DECEMBER 31, | <u><u>12,539,149</u></u> | <u><u>10,974,000</u></u> | <u><u>9,775,000</u></u> |
| DETAIL OF CASH BALANCE | | | |
| Equity In General Cash Pool | 2,921,583 | 2,987,000 | 1,788,000 |
| Equity In Construction Cash Pool | 6,701,571 | 5,071,000 | 5,071,000 |
| Revenue Bond Reserve | 2,915,995 | 2,916,000 | 2,916,000 |
| TOTAL CASH DECEMBER 31, | <u><u>12,539,149</u></u> | <u><u>10,974,000</u></u> | <u><u>9,775,000</u></u> |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Plant Contributed From Other Funds | <u><u>1,416,767</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

PORT OF ANCHORAGE 1995 OPERATING BUDGET DETAIL

| | 1993 <u>ACTUAL</u> | 1994 <u>PRO-FORMA</u> | 1995 <u>BUDGET</u> |
|----------------------------------|-----------------------|--------------------------|-----------------------|
| LABOR | | | |
| Wages | 911,982 | 919,000 | 925,000 |
| Overtime | 29,817 | 33,000 | 33,000 |
| Benefits | 440,418 | 469,000 | 472,000 |
| Other | 5,917 | 8,000 | 8,000 |
| Subtotal | 1,388,134 | 1,429,000 | 1,438,000 |
| SUPPLIES | | | |
| Office & Operating Supplies | 14,724 | 18,000 | 19,000 |
| Fuel | 4,249 | 7,000 | 7,000 |
| Repair & Maintenance Supplies | 66,632 | 66,000 | 70,000 |
| Other | 1,441 | 3,000 | 3,000 |
| Subtotal | 87,046 | 94,000 | 99,000 |
| INTRAGOVERNMENTAL CHARGES | | | |
| IGC's From Others | 233,927 | 254,000 | 230,000 |
| IGC's To Others | (82,453) | (24,000) | (15,000) |
| Subtotal | 151,474 | 230,000 | 215,000 |
| OTHER SERVICES | | | |
| Professional Services | 151,387 | 215,000 | 297,000 |
| Legal Services | 0 | 268,000 | 0 |
| Repairs & Maintenance-Contracted | 68,936 | 101,000 | 89,000 |
| Advertising/Marketing | 40,213 | 60,000 | 60,000 |
| Contract Services | 158,796 | 175,000 | 181,000 |
| Rentals/Leases | 21,439 | 95,000 | 97,000 |
| Utilities | 295,817 | 315,000 | 315,000 |
| Other | 108,171 | 138,000 | 138,000 |
| Subtotal | 844,759 | 1,367,000 | 1,177,000 |
| OTHER EXPENSES | | | |
| Depreciation/Amortization | 2,283,119 | 2,464,000 | 2,521,000 |
| Interest on Long Term Debt | 1,475,242 | 1,396,000 | 1,367,000 |
| Other | 1,000 | 0 | 0 |
| Subtotal | 3,759,361 | 3,860,000 | 3,888,000 |
| TOTAL EXPENSES | <u>6,230,774</u> | <u>6,980,000</u> | <u>6,817,000</u> |

Port of Anchorage

1995 - 2000

**Capital Improvement
Budget/Program**

PORT OF ANCHORAGE
1995-2000 CAPITAL IMPROVEMENT BUDGETS FINANCIAL SUMMARY (000)

| <u>PROJECT CATEGORY</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>TOTAL</u> |
|-------------------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
| LAND DEVELOPMENT | 6,000 | | 6,000 | 250 | 2,000 | | 14,250 |
| TERMINAL DEVELOPMENT | 2,100 | 1,200 | 200 | 300 | 300 | 2,000 | 6,100 |
| HARBOR DEVELOPMENT | | | 448 | | | | 448 |
| REPAIRS & RENOVATIONS | 1,212 | 1,150 | 150 | 150 | 150 | 150 | 2,962 |
| EQUIPMENT | 189 | 127 | 182 | 39 | 21 | 31 | 589 |
| TOTAL | 9,501 | 2,477 | 6,980 | 739 | 2,471 | 2,181 | 24,349 |

| <u>SOURCE OF FUNDING</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>TOTAL</u> |
|--------------------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
| G.O. BONDS | | | | | | | 0 |
| REVENUE BONDS | 2,000 | | | | | | 2,000 |
| EQUITY/OPERATIONS | 3,301 | 1,477 | 2,780 | 739 | 2,471 | 2,181 | 12,949 |
| STATE GRANT | 4,200 | | 4,200 | | | | 8,400 |
| FEDERAL GRANT | | | | | | | 0 |
| LOAN | | | | | | | 0 |
| DIRECT APPROPRIATION | | | | | | | 0 |
| PVT INDUST PARTICIPATION | | 1,000 | | | | | 1,000 |
| TOTAL | 9,501 | 2,477 | 6,980 | 739 | 2,471 | 2,181 | 24,349 |