

PORT OF ANCHORAGE

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Mission

Provide a modern, efficient Port facility for the movement of goods into and out of Southcentral Alaska. Expand on existing property, facilities and equipment to meet growth in established marine trade and to handle new cargo movement. Support and assist increases in volume cargo movement that will aid and stimulate the economy and quality of life of Anchorage.

Goals

- Provide facilities for direct water transportation of commercial cargos to Anchorage, the Railbelt and the balance of Alaska.
- Manage and maintain the facilities in a manner that enables carriers to operate efficiently, thereby holding down transportation costs for consumers.

Factors Driving the Utility

- Present and projected demand for land and facilities by marine transportation companies.
- Increases in population directly affect marine transportation service demands.

Planning Assumptions

The following assumptions were used in developing the Port's 1984-1989 long range plans. They are not intended to be a fixed course of action. They are, however, the best data available at this stage of planning.

Tonnage Growth

General cargo tonnage will increase by approximately 2% each year during the 1984-1989 period.

Bulk petroleum throughout will remain static at approximately 300,000 tons per year.

PORT TONNAGE ESTIMATES (Millions of Tons)

	1984	1985	1986	1987	1988	1989
General	1.45	1.48	1.52	1.56	1.59	1.63
Bulk Petroleum	.30	.30	.30	.30	.30	.30
TOTALS	1.75	1.78	1.82	1.86	1.89	1.93

- Sea-Land Service, Inc. will replace its ships now in service with larger vessels (SL-18's) in 1985.

Objectives

- Prepare for the advent of Sea-Land's larger ships in 1985 by modification and/or replacement of existing terminals and container cranes.
- Acquire and develop the additional staging and storage areas needed to accommodate increased general cargo tonnage.

Programs

A six-year capital improvement program has been developed based primarily on the recommendations contained in the Port's Marketing and Development Plan, Phase I and II prepared by Booz, Allen & Hamilton and Tippetts-Abbett-McCarthy-Stratton, respectively. The program includes the following major projects:

- | PROJECT | Cost (Millions) | Year |
|--|-----------------|-----------|
| Modify Two Container Cranes and Purchase One to Accommodate SL-18's (Repayment to be Guaranteed by User) | \$5.0 | 1984 |
| Construction of Lot 12B | 5.7 | 1984 |
| Construction of Transit Area D and Lot 1-E | 6.7 | 1984-1985 |
- **PREPARATION FOR SEA-LAND'S LARGER VESSELS IN 1985**

Following resolution of engineering evaluations of the loading limitations of Terminals No. 1 and No. 2, the Port will:

Modify the dock, if necessary, to meet new vessel and crane requirements.

Define and implement operational modifications.
 - **LAND**

The Port's top priority over the next several years will be to acquire and develop staging and storage areas in support of over-the-dock cargo movement and to achieve the utmost utilization of existing facilities. Additionally, the Port will:

Maintain Legislative presence sufficient to insure funding for capital projects.

Resolve the need for federal government land following receipt of engineering cost estimates.
 - **RATES**

Recommendations contained in the 1983 study of tariff rates and Industrial Park leases will be evaluated and implemented during 1984.

Sea-Land's Preferential Usage Agreement which expires December 31, 1985 will be renegotiated.

The Port will seek to insure that unexpected costs, such as maintenance dredging, are recoverable.
 - **MARKETING AND DEVELOPMENT**

A high level of marketing activity will be maintained in an effort to heighten local, regional and statewide perception of the Port's role.

Emphasis will also be placed on developing a transshipment/backhaul campaign.

MANPOWER FORECAST

DIVISIONS	1983	1984	1985	1986	1987	1988	1989
Administration/Finance	5	5	6	6	6	6	6
Operations/Maintenance	11	11	11	11	12	12	12
TOTAL	16	16	17	17	18	18	18

RESOURCE IMPACTS

	1984	1985	1986	1987	1988	1989
Growth Factor - Tonnage (thousands)	1,750	1,785	1,820	1,857	1,894	1,932
Bond Sales - Rev/Industrial Development (thousands)	\$ 5,000	\$ -0-	\$1,200	\$ -0-	\$ -0-	\$ -0-
Grants Anticipated (thousands)	\$ 6,700	\$9,200	\$3,300	\$7,100	\$3,300	\$3,000
Personnel Increases	-0-	1	-0-	1	-0-	-0-
Revenue (thousands)	\$ 6,009	\$6,146	\$6,580	\$6,741	\$6,793	\$6,845
Expense (thousands)	4,638	4,900	5,122	5,416	5,677	5,966
Net Income Regulatory (thousands)	\$ 1,371	\$1,246	\$1,458	\$1,325	\$1,116	\$ 879
Possible Rate Increases (Year Requested)			15%			

1984 BUDGET IMPACTS

Operational

1. The Port will be required to provide part of the annual dredging cost, starting in 1984. This service has previously been funded entirely by the U.S. Corps of Engineers. The expense will be offset by charges to carriers using the Port. Expense and revenue have been budgeted at \$1,000,000 in 1984.
2. \$100,000 has been budgeted in 1984 to provide replacement sacrificial anodes that are part of the Port's cathodic protection system.
3. Plans are underway to expand the Small Boat Facility. \$20,000 has been requested to fund the lease of lands adjacent to Ship Creek.
4. Operating revenues have been projected conservatively. A 2% general cargo tonnage increase over pro-forma 1983 is estimated for 1984. Industrial Park revenues are estimated to increase approximately \$25,000 because of a five-year rental adjustment of Parcel 4-B scheduled for February, 1984.

Capital

1. A 1983 legislative grant of \$5.7 million will fund construction of Lot 12-B in 1984. The Port will actively seek additional funding in 1984 to develop Transit Area D and Lot 1-E.
2. The container cranes will be modified and one new container crane will be added to accommodate new and larger ships entering the Alaskan trade. Financing will be provided through Revenue/Industrial Development Bonds and will be repaid by the user.

BUDGET SUMMARY

	1982 ACTUAL	1983 PRO-FORMA	1984 PROPOSED
OPERATING BUDGET			
Revenue	\$5,259,496	\$4,937,490	\$ 6,009,960
Expense (Including Depreciation on Non-Contributed and Contributed Plant)	3,416,656	3,921,410	5,140,610
Net Income for Government Reporting	\$1,842,840	\$1,016,080	\$ 869,350
Adjustment for Regulatory Reporting	435,292	447,900	502,540
Net Income (Regulatory)	\$2,278,132	\$1,463,980	\$ 1,371,890
CAPITAL BUDGET			
	Appropriated		
Project Category - Port of Anchorage	\$1,456,000	\$5,304,000	\$12,032,000
TOTAL	1,456,000	\$5,304,000	12,032,000