

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
	8000	Port of Anchorage	8970		

MISSION

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

PLANNING ASSUMPTIONS

The following assumptions were used in developing the Port's 1985-1990 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.

1. Tonnage Growth

The percent of increase will abate to some degree from the growth experienced during 1982-83, however, general cargo tonnage will increase by approximately 2% each year and oil barges will replace tankers as the vessel of choice.

Port Tonnage Estimates (Millions of Tons)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
General	1.46	1.49	1.52	1.55	1.58	1.61
POL	<u>.40</u>	<u>.40</u>	<u>.40</u>	<u>.40</u>	<u>.40</u>	<u>.40</u>
TOTAL	1.86	1.89	1.92	1.95	1.98	2.01

2. Sea-Land Service, Inc. will replace its ships now in service with larger vessels in 1986.

3. The Port will receive limited capital funding from the State of Alaska, however, the private sector role in financing Port capital projects will markedly increase during the 1985-1990 period.

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Planning Assumptions (Cont.)

4. The Port may be required to provide a portion of the annual dredging costs during the U.S. Government's FY 1985. This expense will be offset by charges to carriers using the Port.
5. The State of Alaska will acquire the Alaska Railroad.

EXTERNAL FACTORS AFFECTING THE PORT

1. Present and projected demand for land by marine transportation companies.
2. Increases in population which directly affect marine transportation demands.
3. Increased capacity by new and/or expanding marine carriers calling at competitive Southcentral ports.
4. Need to direct Municipal assets toward the development of general cargo handling facilities.
5. Entitlement of general public to use a portion of Anchorage waterfront for recreational purposes.

MAJOR GOALS

The goals of the Port of Anchorage are to:

1. Provide facilities for direct water transportation of commercial cargoes to Anchorage, the Railbelt and the balance of Alaska.
2. Manage and maintain the facilities in a manner that enables carriers to operate efficiently, thereby holding down transportation costs for consumers.
3. Promote the movement of cargoes that encourage sound economic development.
4. Insure the future viability of the Port by husbanding resources, monitoring transportation activities statewide and by conserving Anchorage's limited waterfront for marine-related activities.

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OBJECTIVES

The Port's major objectives over the next six years will be:

1. To acquire and develop the additional staging and storage areas needed to accommodate increased general cargo tonnage.
2. To prepare for the advent of Sea-Land's larger ships in 1986 by modification and/or replacement of existing terminals and container cranes.
3. To maintain and renew existing Port facilities to lessen effects of aging and deterioration.
4. To develop rate schedules and financial plans to provide funding for operating expenses and capital projects and still remain competitive.
5. To develop and/or expand computerized systems to facilitate financial and operational processes.
6. To modernize and expand existing Port facilities to accommodate increased movement of general cargo.
7. To broaden the Port's support base through development of a strong marketing plan.
8. To attempt to lessen the impact of proposed federal "user" fees which may be assessed to defray the U.S. Government's maintenance dredging expense and to alleviate Upper Cook Inlet draft limitations wherever possible.

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PROGRAMS NECESSARY TO SATISFY GOALS AND REACH OBJECTIVES

1. Acquire and develop additional staging and storage areas.
 - ° Construct Transit Area D and Lot 1-E.
 - ° Maintain legislative presence in order to secure state capital assistance wherever possible.
 - ° Resolve the cost/benefit ratio of development of federal government lands.
 - ° Press for control of development of Alaska Railroad tidelands and other railroad land within ARR Terminal Reserve.
2. Prepare for Sea-Land's larger vessels.
 - ° Modify the dock, if necessary, to meet new vessel and crane requirements.
 - ° Define and implement operational modifications.
 - ° Negotiate new preferential usage and crane agreements.
 - ° Arrange for issuance of revenue or Industrial Development bonds to finance new cranes on a buy-back, lease-back basis.

3. Maintain and renew existing Port facilities.

Major maintenance projects:

Cost (Millions)

- | | |
|--|----|
| ° Modify cathodic protection electrical system on Terminals 1 and 2 and portion of Petroleum Terminal. | .5 |
| ° Replace sacrificial anodes which are part of cathodic protection system (anodes were installed in 1981 and have expected life of 3-5 years). | .5 |

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<u>Major Maintenance Projects (Cont.)</u>					Cost (Millions)
° Purchase street-grade sander and sweeper and 10-yard dump to aid in ice and dust control.					.2
° Replace rail switches.					.1
° Repair and replace damaged fender piling.					.4
4. Develop rate schedules and financial plans.					
° Evaluate and implement revisions to tariff rates and policies.					
° Renegotiate Sea-Land's Preferential Usage Agreement which expires December 31, 1985.					
° Negotiate new five-year Preferential Usage rate with Totem Ocean Trailer Express to be effective January 1, 1986.					
° Ensure that unexpected costs are recoverable wherever possible.					
5. Develop computerized systems.					
° Develop and provide training to fully utilize system.					
° Develop and implement automated computer-assisted programs.					
6. Modernize and expand existing Port facilities.					
° Modify Terminal No. 1.					
° Expand Terminal No. 1 and Petroleum Terminal into new Container Terminal.					
° Construct rail spur to Lot 12-B.					
° Consolidate bulk cement lines and construct cement header system.					

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7. Develop a strong marketing plan.

- ° Maintain marketing activity to heighten local, regional and statewide perception of Port's role.
- ° Develop a trans-shipment/backhaul campaign.
- ° Monitor fish processing/industrial park/new industry developments with an eye toward possible Port involvement.

8. Attempt to less impact of Federal dredging user fees.

- ° Monitor Congressional actions concerning maintenance dredging and cost sharing.
- ° Seek to ensure that any assessed dredging costs are recoverable.
- ° Keep the Congressional delegation and others informed of the Port's position, via association memberships, to ensure an acceptable bill.
- ° Promote Corps of Engineers review of dredging technology and applications in the Anchorage harbor.
- ° Monitor the West Point Shoal for any movement.

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	<u>Resource Impacts</u>					
	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Growth Factors-Tonnage	1,860,000	1,889,000	1,920,000	1,950,000	1,980,000	2,001,000
Bond Sales-Rev/Industrial Development	5,000,000	9,700,000	7,100,000	-0-	3,000,000	-0-
Grants Anticipated	4,200,000	-0-	3,500,000	-0-	-0-	4,000,000
Personnel (Permanent)	17	17	18	18	18	19
Personnel (Temporary)	4	4	4	4	4	4
Total Personnel	21	21	22	22	22	23
Revenue	6,189,000	6,622,000	6,754,000	6,889,000	7,027,000	7,168,000
Expense	5,366,000	5,634,000	5,916,000	6,212,000	6,522,000	6,849,000
Net Income Regulatory	823,000	988,000	838,000	677,000	505,000	319,000
Possible Rate Increase		15%				

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MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1983 ACTUAL	1984 PRO-FORMA	1985 PROPOSED	1985 ADOPTED	
<u>STATEMENT OF REVENUE AND EXPENSE</u>					
<u>OPERATING REVENUE</u>					
Dock Revenue	3,197,000	2,834,000	2,896,000	2,896,000	
Gantry Crane Revenue	46,000	40,000	40,000	40,000	
Industrial Park Revenue	965,000	1,000,000	1,033,000	1,033,000	
Other Operating Revenue- Dredging User Fees	-0-	-0-	1,000,000	1,000,000	
Total Operating Revenue	4,208,000	3,874,000	4,969,000	4,969,000	
<u>OPERATING EXPENSE</u>					
Personnel Services	815,000	932,000	1,062,000	1,062,000	
Supplies	75,000	199,000	612,000	612,000	
Other Services and Charges	492,000	924,000	1,161,000	1,161,000	
Other Operating Expense-Dredging	0	0	1,000,000	1,000,000	
Charges from Other Departments	134,000	172,000	182,000	182,000	
Depreciation - Non-Contributed Plant	668,000	723,000	742,000	742,000	
Other Charges	-0-	-0-	-0-	-0-	
* Total Operating Expense	2,184,000	2,950,000	4,759,000	4,759,000	
Operating Income	2,024,000	924,000	210,000	210,000	
* Depreciation of Contributed Plant Not Included.					

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MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1983 ACTUAL	1984 PRO-FORMA			
			1985 PROPOSED	1985 ADOPTED	
<u>NON-OPERATING REVENUE</u>					
Container Crane Leaseback	69,000	66,000	63,000	63,000	
Trestle Leaseback	64,000	62,000	59,000	59,000	
Interest Earned	937,000	950,000	960,000	960,000	
Right-of-Way Fees	137,000	138,000	138,000	138,000	
Total Non-Operating Revenue	1,207,000	1,216,000	1,220,000	1,220,000	
<u>NON-OPERATING EXPENSE</u>					
Interest on Long-Term Debt	696,000	653,000	607,000	607,000	
Total Non-Operating Expense	696,000	653,000	607,000	607,000	
Non-Operating Income	511,000	563,000	613,000	613,000	
Net Income	2,535,000	1,487,000	823,000	823,000	
<u>RECONCILIATION</u>					
Net Income Regulatory	2,535,000	1,487,000	823,000	823,000	
Less: Depreciation of Contributed Plant	435,000	503,000	537,000	537,000	
Net Income for Governmental Financial Reporting	2,100,000	984,000	286,000	286,000	

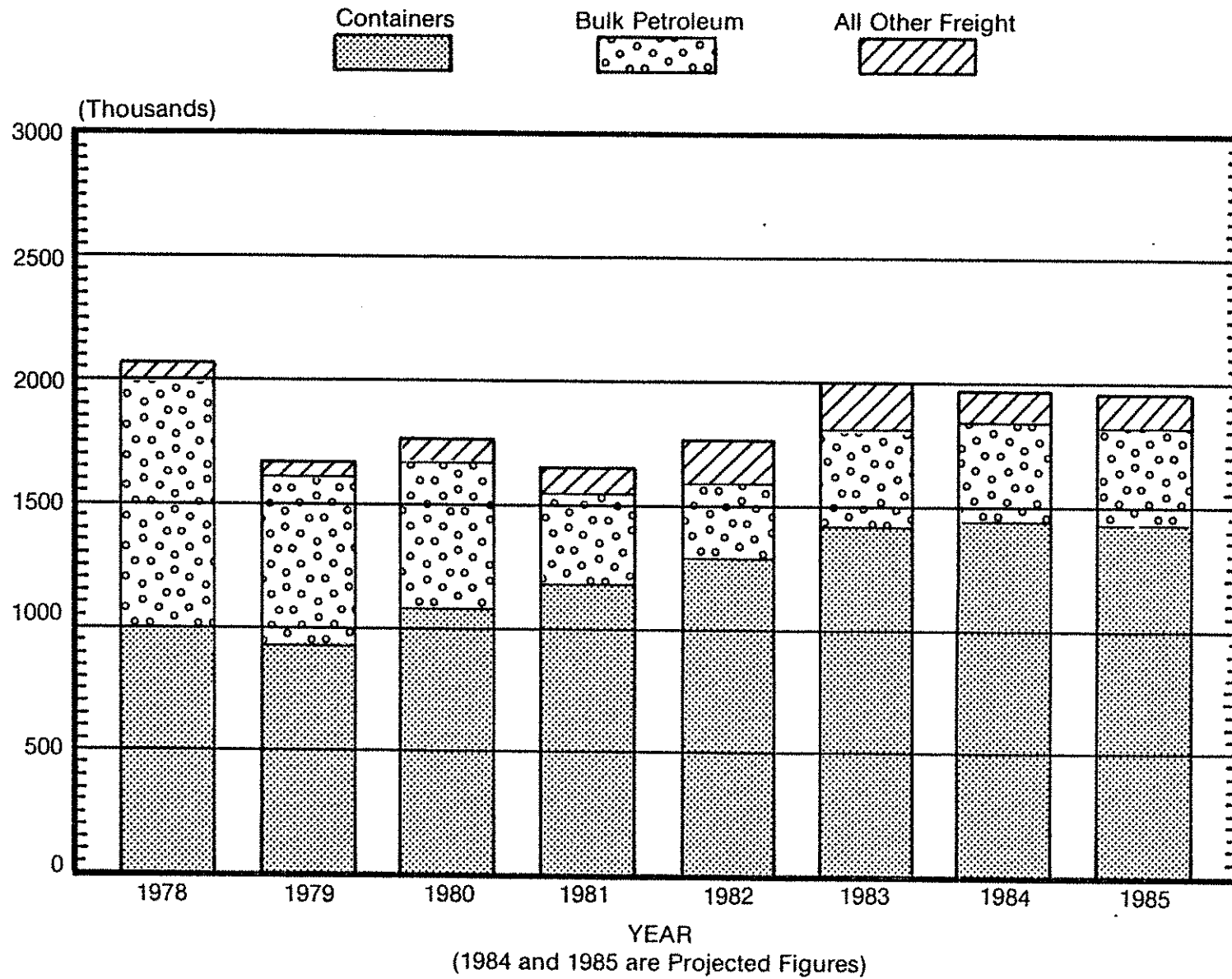
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CAPITAL IMPROVEMENT PROJECTIONS
1985-1990

(\$ in thousands)

CIP	1985	1986	1987	1988	1989	1990	TOTAL
BONDS							
Terminal Development	-0-	-0-	7,100	-0-	3,000	-0-	10,100
Land Development	-0-	9,700	-0-	-0-	-0-	-0-	9,700
New Equipment	5,000	-0-	-0-	-0-	-0-	-0-	5,000
SUBTOTAL	5,000	9,700	7,100	-0-	3,000	-0-	24,800
OPERATIONS							
Terminal Development	1,045	-0-	-0-	440	-0-	-0-	1,485
Repair and Rehabilitation	1,250	-0-	-0-	-0-	-0-	-0-	1,250
New Equipment	255	-0-	-0-	-0-	-0-	-0-	255
SUBTOTAL	2,550	-0-	-0-	440	-0-	-0-	2,990
GRANTS							
Terminal Development	1,200	-0-	-0-	-0-	-0-	-0-	1,200
Land Development	4,000	-0-	3,500	-0-	-0-	-0-	7,500
Harbor Development	1,993	-0-	-0-	-0-	-0-	4,000	5,993
SUBTOTAL	7,193	-0-	3,500	-0-	-0-	4,000	14,693
TOTAL CIP	14,743	9,700	10,600	440	3,000	4,000	42,483

PORT OF ANCHORAGE
TONNAGE BY LINE-OF-BUSINESS
1978 - 1985



PORT OF ANCHORAGE
TONNAGE
1976 - 1985

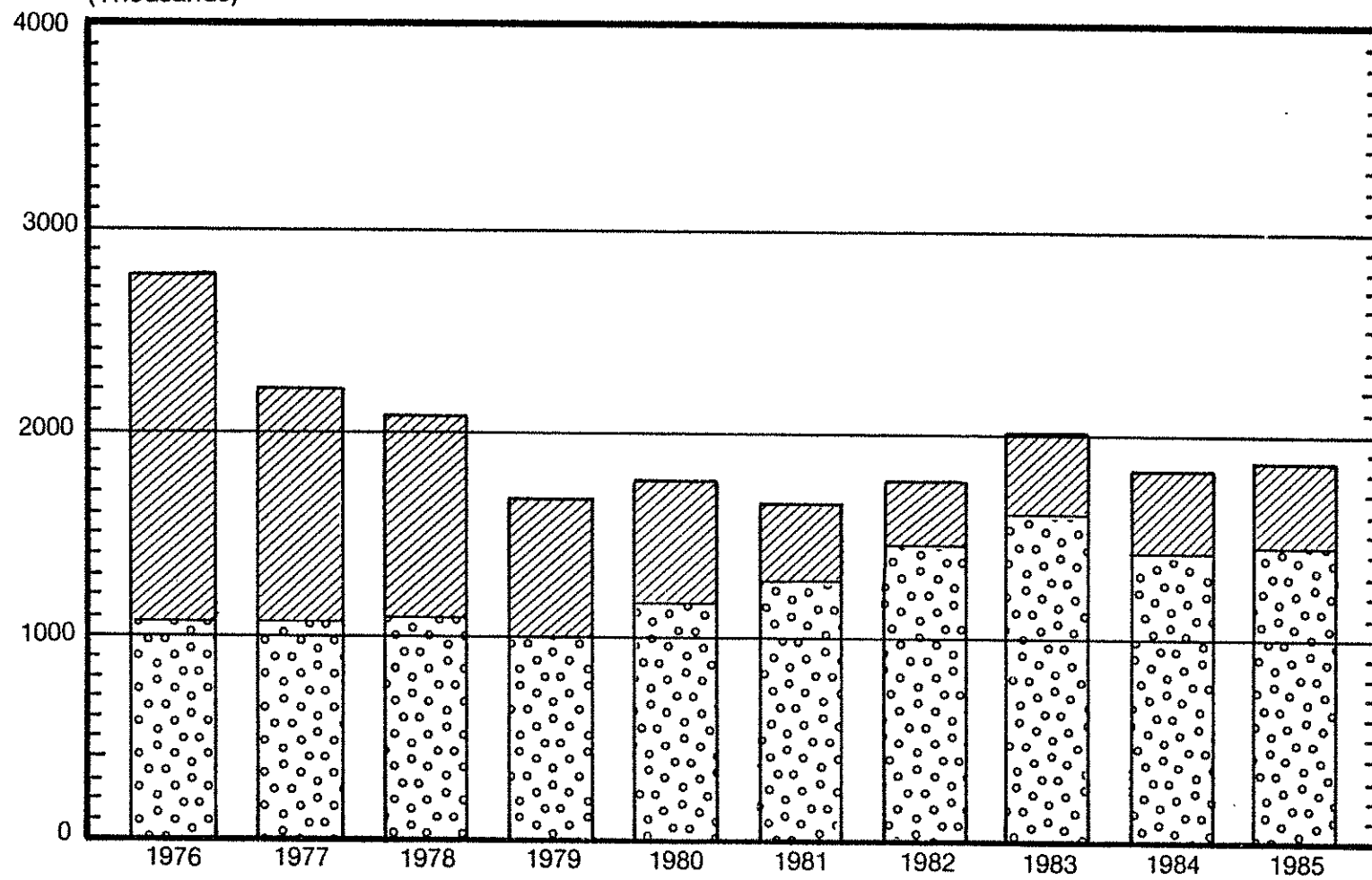
General Cargo



Bulk Petroleum



(Thousands)



YEAR

(1984 and 1985 are Projected Figures)