



Alaska International Airport System
Ted Stevens Anchorage International Airport
Fairbanks International Airport

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Invitation for Expression of Interest (EOI)

EOI Procurement #2519H027

QUICK CARGO CENTER WAREHOUSE FACILITY AT TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT

The State of Alaska Department of Transportation and Public Facilities (DOT&PF) is seeking qualified applicants to submit an EOI outlining their capabilities and expertise in the design, construction and operation or lease of a Quick Cargo Center warehouse facility at the Ted Stevens Anchorage International Airport (ANC).

General Background Information

ANC is a major air cargo gateway for Trans-Pacific air cargo and one of the busiest B747 and B777 freighter airports in the world, offering numerous competitive advantages and opportunities for growth in the aviation industry. ANC is the 2nd busiest air cargo airport in North America and 5th busiest in the world. On a typical day, ANC will handle 150 plus wide-body freighter operations. Located within 9.5 hours of 90 percent of the industrialized world, Alaska's strategic location on the great circle route has made ANC a critical node in the global air cargo supply chain, particularly as a technical stop and trans load hub for air cargo freighters flying between Asia and North America. Along with state-of-the-art landing systems and infrastructure to accommodate larger next generation aircraft, ANC offers unmatched access to the world's markets. ANC's liberalized air cargo transfer rights and location allow for both cost and operational efficiencies not available elsewhere. Anchorage is an ideal location for international warehousing and distribution of high-value, time-sensitive products.

Vision for the Quick Cargo Center

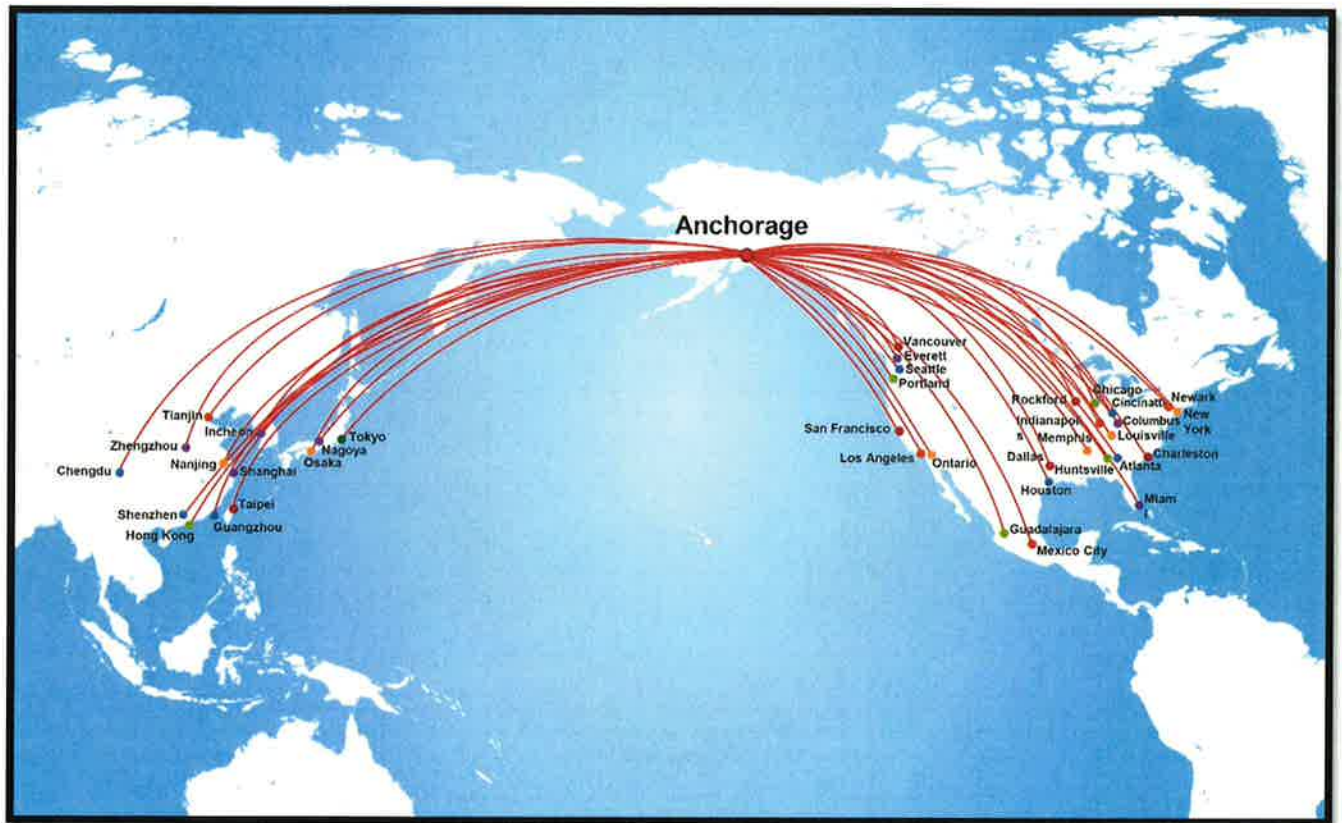
ANC's special air cargo transfer rights allow airlines to use ANC as a cargo hub. Airlines can perform hub and spoke operations with cargo just like the passenger airlines do with people. ANC is using this EOI to explore the operation of a Quick Cargo Center that will take advantage of ANC's special cargo transfer rights. Just as passengers use terminals to wait for their connecting flight, ANC envisions the Quick Cargo Center being a temporary storage facility for cargo that arrives on one flight and needs to wait for a connection to another flight. The facility would be a secure, climate controlled environment with close proximity to aircraft parking positions where tugs can quickly store and retrieve cargo pallets.

ANC's network of freighter aircraft provides the potential for over 400 connections using ANC. With multiple daily operations to large Asian gateways like Hong Kong, Shanghai, Seoul, Taiwan, Tokyo, Singapore, Guangzhou, and airports in interior China, North American freight can be efficiently distributed from ANC. Asian freight can be distributed to Chicago, Cincinnati, New York, Miami, Dallas, Memphis, Louisville, Los Angeles, Houston, Toronto, Atlanta, Columbus, Mexico City, and Guadalajara.

In addition to quick cargo operations, the airport also sees the potential to add to the facility by including warm storage and office space for cargo handling companies. Cargo handling companies at ANC have expressed interest in facilities close to the main aircraft parking areas that would add efficiency to their operation. A portion of the Quick Cargo Center could be dedicated to warm storage of aircraft handling equipment and staff mezzanine office space.

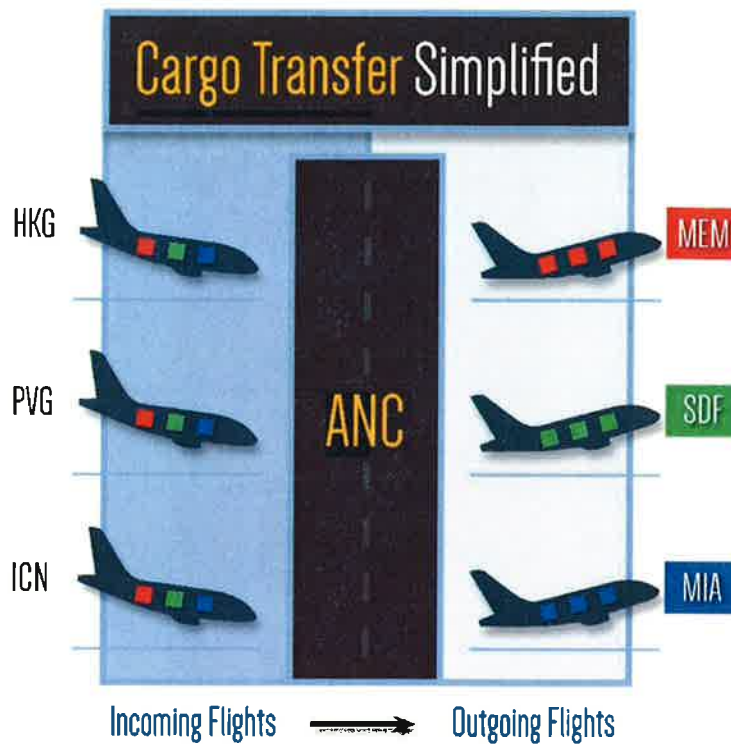
The Anchorage Advantage

- ANC ranks second in the Western Hemisphere for landed weight of cargo aircraft, and fifth in the world for cargo throughput
- Every cargo carrier flying all-cargo aircraft on the trans-Pacific trade route has all or most of those aircraft stop at ANC
- 80% of freighter aircraft cargo on the trans-Pacific trade route transits through ANC
- Approximately 150 wide body cargo operate at ANC daily
- Major integrator airlines UPS, FedEx, and DHL all have significant operations at ANC
- More than 5 million annual passengers served
- Operates 24/7 and does not close for winter conditions
- Over 10 daily wide body freighter typically operate between Anchorage and Chicago, Hong Kong, Seoul, Shanghai, Cincinnati, Louisville, Taipei, and Tokyo
- Three runways greater than 10,000 feet with CAT II/III capabilities
- Liberalized air cargo transfer rights and ANC's location allow for both cost and operations efficiencies that are not available elsewhere
- Economics favor refueling at ANC with heavier payload than bypassing ANC with lighter payload
- Major sorting and transfer hub for domestic and international carriers
- Offers unbeatable combination of location, flexibility, certainty, capacity, throughput, handling and economy
- Airport is located in a Foreign Trade Zone (FTZ)



Expanded Air Cargo Transfer Rights

- In 2003 the US Congress passed a law granting a limited exception to the cabotage prohibition for certain cargo operations in Alaska. ANC is unique among US airports in that air carriers operating in Alaska have the capability of utilizing liberalized air cargo transfer rights unavailable to other US locations.
- ANC's liberalized air cargo transfer rights and location allow for both cost and operations efficiencies that are not available elsewhere. Air carriers can achieve efficiencies by locating their aircraft operations centers at this strategic location. For manufacturers and third party logistics providers there are numerous global logistic efficiencies inherent in an Anchorage location.
- Eligible cargo taken on or off in Alaska is not deemed to have broken its international journey, allowing interline between non-US carriers. These expanded air cargo rights allow foreign flag carriers' domestic carriage of international freight as illustrated below.



Cargo Transfer Possibilities

- Transfer cargo to other planes within your cargo fleet, and send it on to other destinations in the US or internationally.
- Transfer cargo to other carriers and types of planes destined to other US locations.
- Co-mingle US-bound and foreign-bound cargo on your same flight, then transfer to planes headed to multiple destinations.
- Offload your cargo to unlimited US carriers headed for US destinations.
- Offload your cargo to US and foreign destinations, and receive cargo from US and foreign origins.
- Starburst Change of Gauge: Arrive a B747 and transfer its cargo to multiple B767 or other gage aircraft.

Partners in Development

Financing and Development: The Alaska Industrial Development and Export Authority (AIDEA) is a public corporation of the State of Alaska which works with private, public and non-profit enterprises to provide financing for the development of commercial, industrial and infrastructure projects. AIDEA's mission is: "To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment" and has issued \$1.53 billion in bonds, supported the financing of over \$500 million in infrastructure, and financed over \$1 billion in loans in Alaska since its inception by the Alaska Legislature.

AIDEA has proudly supported the growth of ANC in partnership with private capital, airport management and Alaska's Department of Transportation since the mid '80s. As a prime example of this ongoing partnership, AIDEA has invested over \$36 million as owner and manager of a MRO Facility at ANC under long-term lease with FedEx. Financial options available through AIDEA for ANC related facilities include co-investment in the project or infrastructure, direct loans, conduit revenue

bonds (both taxable and tax exempt), and loan guarantees. AIDEA also has the ability to provide permanent financing, both taxable and tax-exempt, to borrowers through a qualified originator/lender for the purpose of acquiring or refinancing commercial real estate, such as hotels.

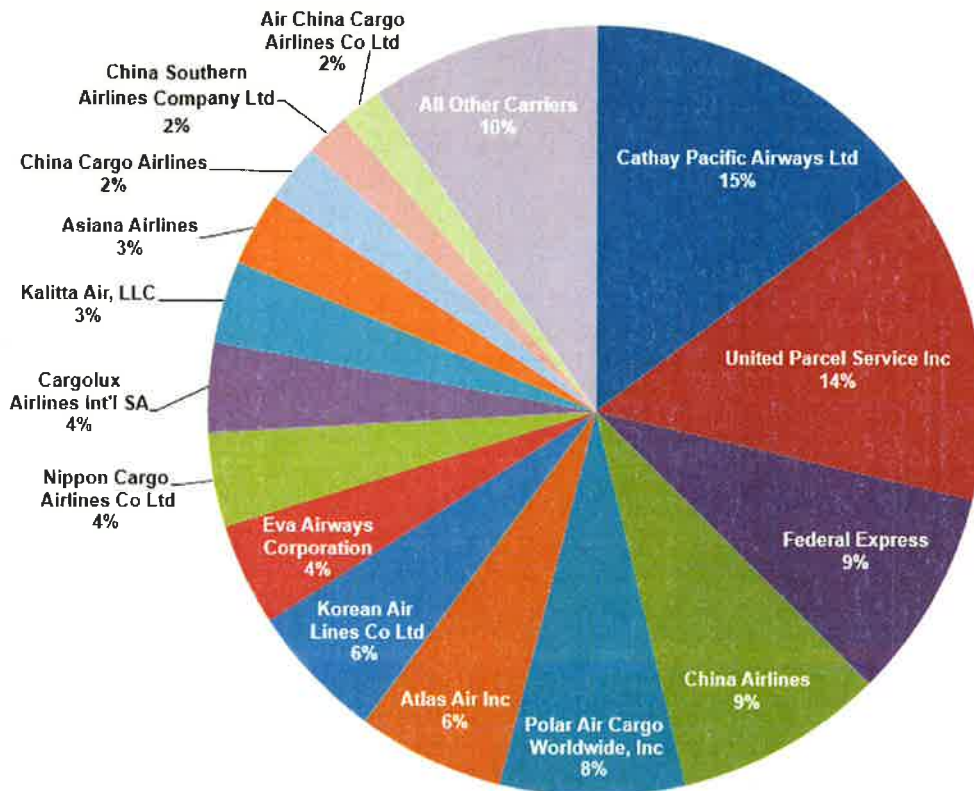
For more information, please contact Michael Catsi at (907)-771-3060 or mcatsi@aidea.org.

http://www.aidea.org/Portals/0/PDF%20Files/PFS_FedEx.pdf

<http://www.aidea.org/>

ANC Tenants

- Diversified cargo fleet: International hub for FedEx, UPS, DHL, Polar Air Cargo, and Atlas Air.
- FedEx: 12 wide-body hardstands. ANC is a primary hub.
- UPS: 11 wide-body hardstands with ANC as a primary hub.
- Alaska Airlines: ANC is the Alaskan hub with operations spanning over 50 years.
- Lynden: ANC is the primary hub for global operations.
- Northern Air Cargo: ANC is the primary hub including international operations.



FY2018 Cargo Carrier Market Share by Certified Maximum Gross Takeoff Weight

Business Development Expectations

1. The developer is proposed to be responsible for, among other matters:
 - a. Performing design, development, permitting, financing, construction, operation, and management of the cargo warehouse facility in accordance with Federal Aviation Administration (FAA) regulations and ANC guidelines
2. ANC is proposed to be responsible for:
 - a. Providing the warehouse facility project site
 - b. Drafting Land Lease Agreement
 - c. Assisting in coordination with ANC activities and operations
 - d. Facilitating business connections with the Anchorage Economic Development Corporation, World Trade Center Alaska, and other state and non-profit organizations to support market entry

Notional Sites

- Two notional facility sites on ANC property have been identified on the attached site drawing.
- Site area is flexible based on need, and additional sites proposed by Applicant will be considered.
- Available as-built drawings of roads and utilities can be provided upon request.

Submission of EOI

The EOI shall include the following submissions and declarations and shall not exceed 10 pages:

1. Letter of EOI stating the Applicant's interest
2. Initial business concept
3. A brief description of the Applicant's relevant corporate history and experience
4. Indication of financial capabilities in undertaking warehouse construction and operation
5. Details of individual who will serve as the Applicant's point of contact to include phone number and email, mailing and physical addresses

Applicants are requested to submit their EOI via email to Tom Mayer, Procurement Specialist, at tom.mayer@alaska.gov no later than December 14th, 2018, 4:00 PM ADT. Applicants should clearly mark any information that is proprietary or a trade secret.

Evaluation of EOI

The issuance of this EOI is to identify prospective candidates who have the interest and competencies to develop and maintain a Quick Cargo Center warehouse facility at ANC. The EOI will also help the airport understand the market's opinion on the two different sites or potentially another site. Based on the outcome of the EOI, DOT&PF may hold site visits and discussions and release a Request for Proposal (RFP). DOT&PF reserves the right to not proceed with prospective tenant discussions or the RFP process at any time.

SITE MAP and DESCRIPTIONS



Note: Site areas shown are approximate.

SITE 1



- a) Up to 100,000 sf
- b) Close proximity to non-secure area
- c) Level surface currently utilized for snow disposal
- d) Landside access

SITE 2



- a) Up to 380,000 sf
- b) Adjacent to aircraft operating surfaces and cargo hardstands
- c) Level surface currently utilized for snow disposal
- d) No direct landside access