

# Alaska Cargo and Cold Storage Project Fact Sheet

## ► Project Overview

The project, known as Alaska Cargo and Cold Storage (ACCS), is a business partnership with AEA, Alaska-based McKinley Capital Management, LLC and Rocky Mountain Resources. The partnership, will construct a cargo storage, warehouse facility at the Ted Stevens Anchorage International Airport (ANC). This facility will be a state-of-the-art building that is exceptionally energy efficient. It will maximize use of available renewable and energy efficient technologies.

The building will house administrative offices, temporary storage, and a climate-controlled warehouse capacity. This project has cleared ANC's public process and has an Advance Limited Right of Entry to complete geotechnical drilling and soil contamination testing. ACCS and ANC are currently negotiating a 55-year lease agreement with projected lease completion by early summer 2020. ACCS will be the first cargo transfer and cold storage facility developed at ANC that will be utilizable by ANC's high volume major air cargo carriers, which are individually able to support the development of their own similar cargo facility. While FedEx and UPS operate cargo facilities for their exclusive use at ANC, UPS, and FedEx combined account for only 22 percent of air cargo flown into Anchorage.

## ► Phase 1

AEA has been awarded a \$21 million Better Utilizing Investments to Leverage Development (BUILD) grant to complete the \$87.9 million Phase I of the ACCS facility, a state-of-the-art, ~190,000 square foot high-efficiency cold storage and climate-controlled air cargo transfer facility. This project will be the first phase of a ~715,000-square-foot cargo transfer facility.

Groundbreaking will likely occur in winter/spring 2021. The facility will begin operations by the summer of 2022.

## ► Phase 2

As a follow-on to Phase I, ACCS plans that Phase II will include up to 525,000 additional square feet of quick cargo transfer space and longer period air cargo storage. Wide-body aircraft parking may be added to the project during Phase II if final building configuration and FAA line of sight requirements are met.

In total, \$21 million of BUILD Funds will help catalyze the development of a ~\$220 million facility that will be the cornerstone for ANC's transformation to a global logistics hub.

## ► Project Objective

The project's objective is to transform an optimally situated site at ANC into an energy-efficient and technologically-advanced cold storage and cargo transfer facility. By partnering with the AEA for BUILD funding, ACCS will significantly reduce development costs and benefit also from AEA's expertise as it incorporates best-in-class energy efficiency in its facility.

## ► Project Benefits

**Jobs and Spending** – Construction during Phase I will generate 830 jobs producing \$56.9 million in labor income and \$147.6 million in total Alaska expenditures. Phase II is projected to generate an additional 1,245 jobs, \$75.6 million in labor income, and \$220.5 million in total Alaska expenditures. ACCS operations are expected to generate 115 permanent jobs and \$9.1 million in total labor income following the completion of Phase I; Phase II operations are expected to generate an additional 190 jobs and \$15.5 million in total labor income.

**Improved Efficiency for Air Cargo Carriers Utilizing ANC** – ACCS will enable the transfer of goods and equipment between planes transported through ANC, thereby improving the efficiency of international and domestic cargo shipments.

**Alaska Food Security** – Limited availability of cold storage has made Alaska vulnerable to supply chain disruptions. ACCS will improve Alaska's food security and reduce dependency on WA-based cold storages.

**ANC Competitive Location** – ACCS will provide ANC with a highly marketable

facility that will allow air cargo operators to take advantage of ANC's polar route location for time and fuel cost savings as well as a transfer point for southern delivery points.

**Value-Added Manufacturing** – Alaska is the largest seafood producer in the nation, harvesting more seafood than all other states combined. In the 2017 and 2018 period, annual Alaska seafood harvests of approximately 2.5 million tons were worth \$4.7 billion after processing. The opportunity exists for more of the state's seafood processors to store seafood in Anchorage rather than WA. The proposed cold storage facility in Anchorage is favorably positioned to store seafood and value-added product from all over the state, and store it securely before delivering product to air carriers serving domestic and international markets.

## ► Total Investment

ACCS and financial partners will contribute and/or secure \$62.9 million in funding for Phase I of ACCS. This represents 71.5 percent of total project costs. BUILD Funding will provide \$21 million; this represents 28.5 percent of total project costs.

## ► Permitting

The Municipality of Anchorage, State, and Federal approvals are already in progress and must be obtained before commencement of final engineering. An appropriate construction permits will also be necessary before commencing construction.