



DEFENDING ALASKAN'S RIGHTS FOR OPPORTUNITIES

Associated General Contractors –
Spring Agency Day

April 14, 2023

Randy Ruaro, Executive Director

www.aidea.org

AIDEA Mission

To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.



AIDEA OVERVIEW

- ✓ Investing in Alaskans since 1967
- ✓ Alaska's Development Finance Authority
- ✓ Financially Self-Sustaining Public Corporation (no GF by statute AS 44.88.190(b))
- ✓ \$463 million in dividends declared to Alaska since 1996
- ✓ Directed over \$3.5 billion into economic development in Alaska

AIDEA 2022 Financial Highlights

Net Income*



\$35.8
MILLION



28+ YEARS

OF POSITIVE ANNUAL NET INCOME*



+45% INCREASE ABOVE THE
PREVIOUS 5 YEAR AVERAGE
(FY2017 TO FY2021)



+26% INCREASE ABOVE
THE PREVIOUS 10 YEAR AVERAGE
(FY2012 TO FY2021)

*Statutory Net Income

Annual Dividend



\$17.9
MILLION



\$463 MILLION OF
TOTAL DIVIDENDS DECLARED SINCE 1996



+67% INCREASE ABOVE
THE PREVIOUS 5 YEAR AVERAGE
(FY2017 TO FY2021)



+47% INCREASE ABOVE THE
PREVIOUS 10 YEAR AVERAGE
(FY2012 TO FY2021)

What Did Statehood Bring For Economic Development?



Statehood Act – Section 6(i)

Alaska Constitution – Article 8

Statehood Act

U.S. Supreme Court says statehood acts are a binding contract between the U.S. and the State.

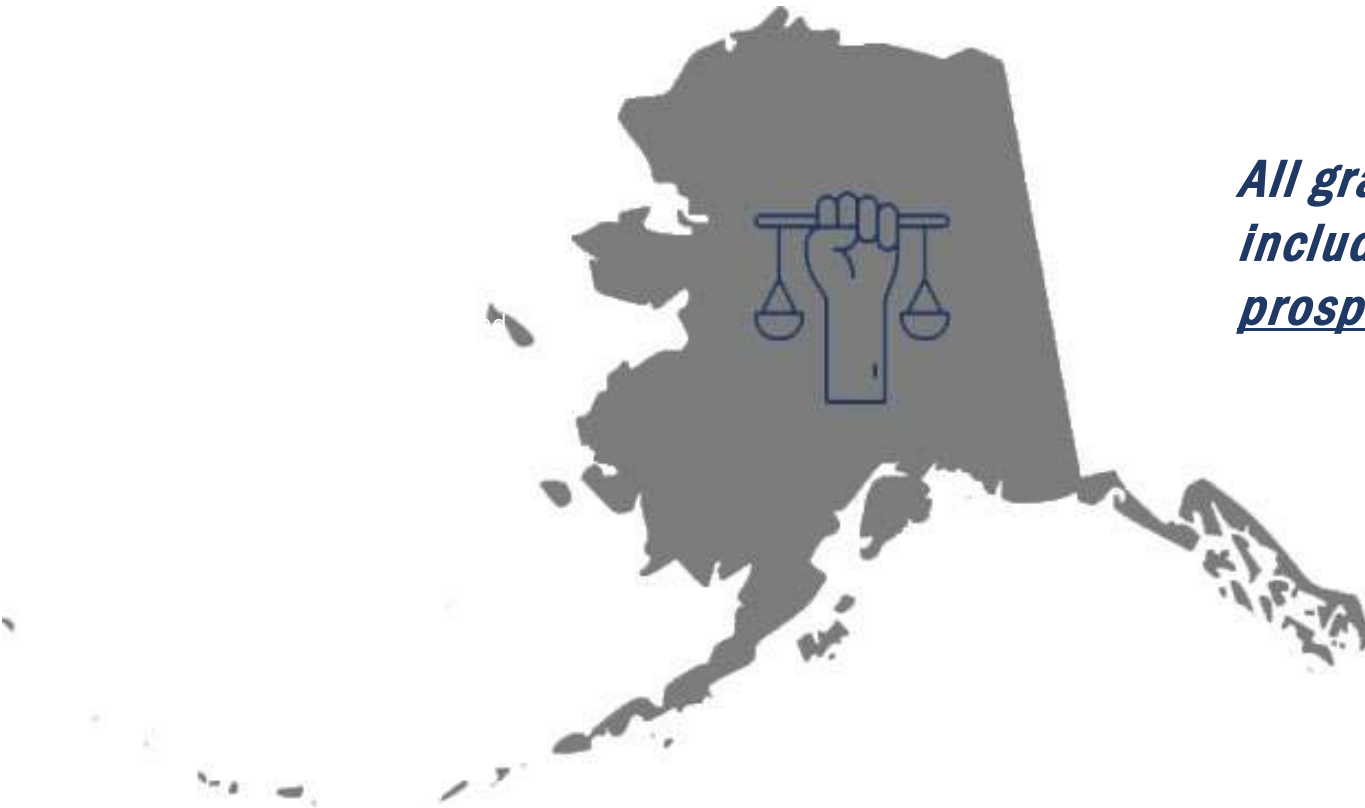


“[It] would raise grave constitutional concerns if [Congress] purported to “cloud” Hawaii’s title to its sovereign lands more than three decades after the State’s admission to the Union. ... “Congress cannot, after statehood, reserve or convey submerged lands that have already been bestowed upon a State.” Idaho v. United States, [533 U. S. 262](#), 280, n. 9 (2001); (Rehnquist, C. J., dissenting) (“[T]he consequences of admission are instantaneous, and it ignores the uniquely sovereign character of that event ... to suggest that subsequent events [acts by Congress] somehow can diminish what has already been bestowed”). ... In light of those concerns, we must not read a [subsequent act by Congress] ... to create a retroactive “cloud” on the title that Congress granted to the State of Hawaii in 1959.”

Hawaii v. Office of Hawaiian Affairs, 556 U.S. 163 (2009)

Alaska Statehood Act – Section 6(i)

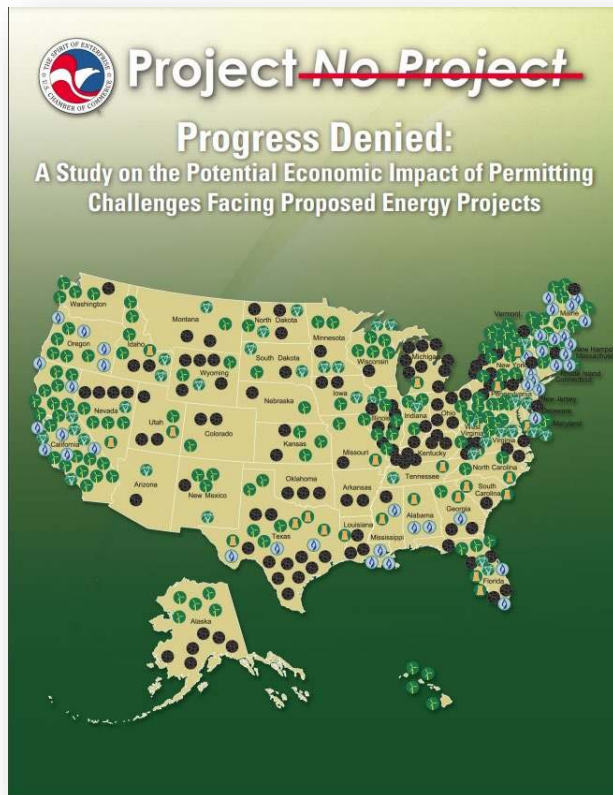
What did Alaska negotiate with Congress?



All grants [to the state of statehood lands] shall include mineral deposits ... [and] the right to prospect for, mine, and remove the [minerals]

How's That Going?

The statehood vision has not played out well. Interference by the federal government in development of lands and resources.

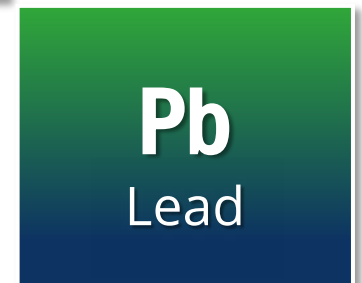
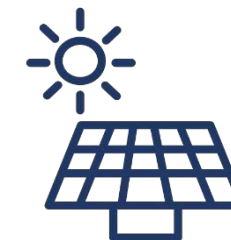
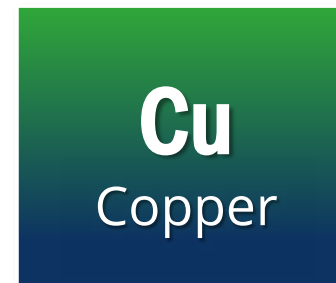


“The economic and job impact projections of this study show that millions of jobs, and hundreds of billions of dollars in potential economic value, continue to sit on the shelf. This is not good for the nation’s well-being. Widespread failure to move energy projects forward in a timely manner works against our ability to address two of our nation’s most significant concerns: promoting substantial job creation and stimulating economic growth.”

- Bill Kovacs is Senior Vice President for Environment, Technology and Regulatory Affairs at the U.S. Chamber of Commerce

Importance of Mining for Infrastructure Development

- Mining plays a critical role in supporting clean energy and technology for the emerging and future economies.
- Alaska is home to some of the largest prospective mineral belt with deposits of copper, gold, silver, and platinum.
- Aligns with federal policy to identify new sources of critical minerals, increase activity at all levels for a reliable, domestic supply chain.



AIDEA Program Highlights

LOAN Participation Program (LPP)

The LPP provides long-term fixed rate financing to Alaska's commercial businesses, through a qualified financial institution, principally in support of construction and economic growth in Alaska's commercial real estate sector.

Current LPP Statistics:

- \$422 million of program loans outstanding
- Total LPP loans outstanding has increased nearly 34% over the last 5 years
- Current borrowers are represented by 28 different industries
- Current loans outstanding represent over 6.75 million sq. ft. of total commercial collateral throughout the State of Alaska

AIDEA's Loan Participation Program works in partnership with eligible banks and credit unions to provide flexible financing rates (long-term or variable) over a longer period of time than traditional lending alone. Competitive interest rates coupled with longer repayment periods give borrowers more time to focus on building successful companies, creating and retaining jobs, and contributing to Alaska's economic development. Both for-profit and non-profit businesses are eligible to participate and loans can be used to finance new construction, expansions, and equipment purchases.



Loan Participation Program Financials



17

Loans Approved

A+

0%

Loan Delinquency



28

Industries Represented



TOTAL LOAN PARTICIPATION PROGRAM PORTFOLIO OF LOANS OUTSTANDING
\$410.6 Million



116

Construction Jobs Supported



305

Permanent Jobs Supported

\$20,556,158

Total Amount of Projects Being Financed

\$18,153,042

AIDEA Loan Total



Picture of Drake Construction's barge, Kotzebue Sound, delivering a school bus and essential supplies to Kivalina. The Kotzebue Sound was made possible because of AIDEA's AK SHIP Program.

Alaska's Ship Home-Porting For Improvements Program (AK SHIP)

AIDEA's Alaska Ship Home-Porting for Improvements Program (AK SHIP) is a financing program designed to enhance the competitiveness of Alaska's marine transport industry.

Established in 2019, this program offers short-term and bridge financing for repair, conversion, and maintenance work on commercial and industrial vessels at Alaska shipyards.



Conduit Revenue Bond Program



Tanana
Chiefs
Conference

Health Care

Expanding access for Alaska Natives
across Interior Alaska

AIDEA is one of the State's principal issuers of taxable and tax exempt Conduit Revenue Bonds, principally supporting Alaska's healthcare sector development and Alaska Native or rural community access to healthcare

**AIDEA has been involved in over \$1 billion
of bond issuances**

Financing to Tanana Chiefs Conference (TCC) in 2019
to expand access to healthcare

- Expand the Chief Andrew Isaac Health Center in Fairbanks
- Build new facilities in Tok, Evansville, Manley Hot Springs, and Northway
- \$126,685,000 principal amount series 2019A revenue bonds

Significant Transportation Projects Being Progressed

West Susitna Access Project



Ambler Access Project



1002 Leases



FEDEX Maintenance, Repair, and Operations Facility

FedEx Maintenance, Repair, and Operations Facility

LOCATION IS ONLY
9.5 hrs
FROM 90% OF THE
INDUSTRIALIZED WORLD

3.6 million
TONS OF CARGO

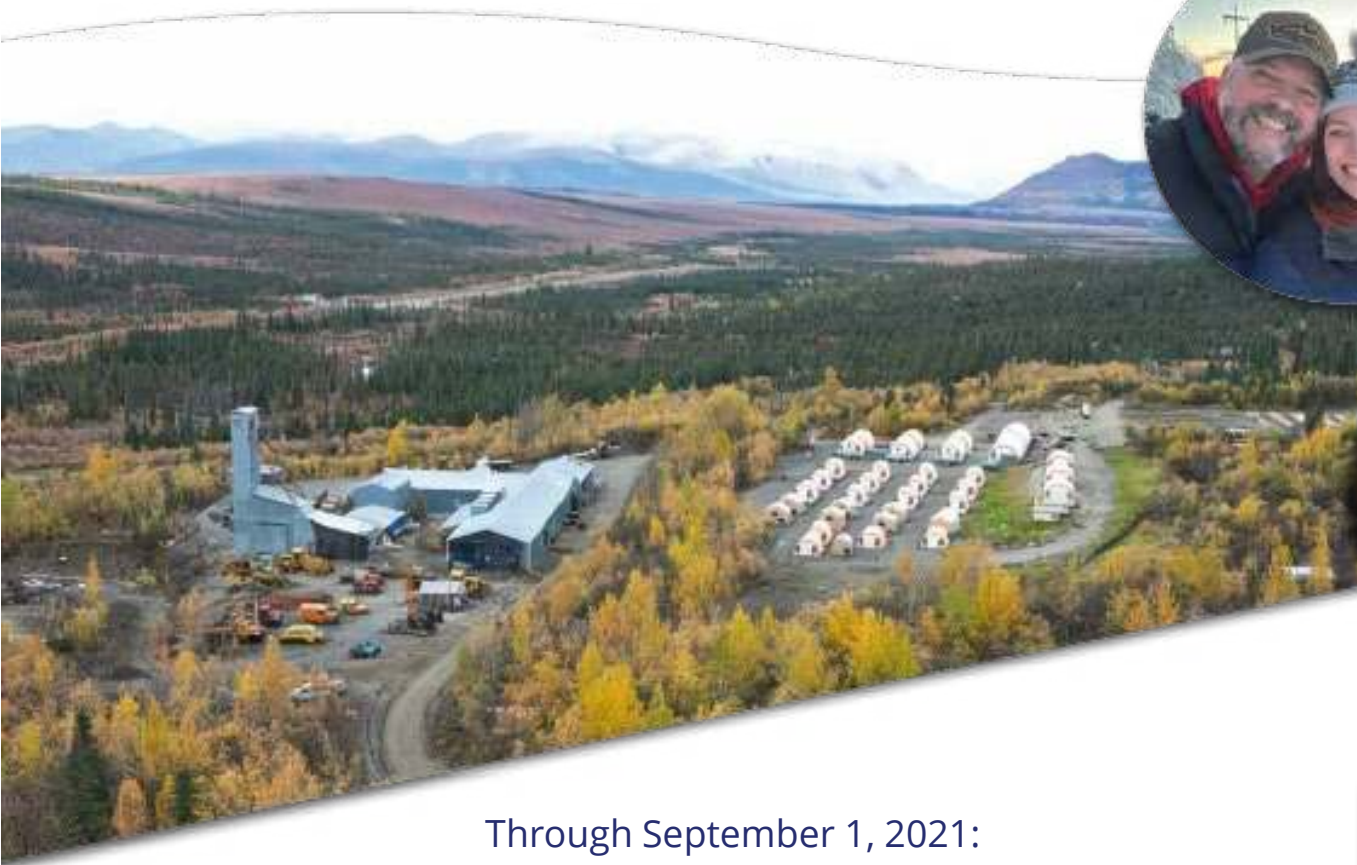
300
NEW JOBS FOR ALASKANS

4th
BUSIEST CARGO HUB
IN THE WORLD



The FedEx Maintenance, Repair, and Operations (MRO) Facility is a hangar capable of accommodating one wide-body aircraft, such as a Boeing 747.

Ambler Access Project



Ambler Access Road is a proposed 211-mile privately controlled industrial access road to the Ambler Mining District in northwestern Alaska.

Access to Ambler Mining District defined within the Alaska National Interest Lands Conservation Act (ANILCA).



Through September 1, 2021:



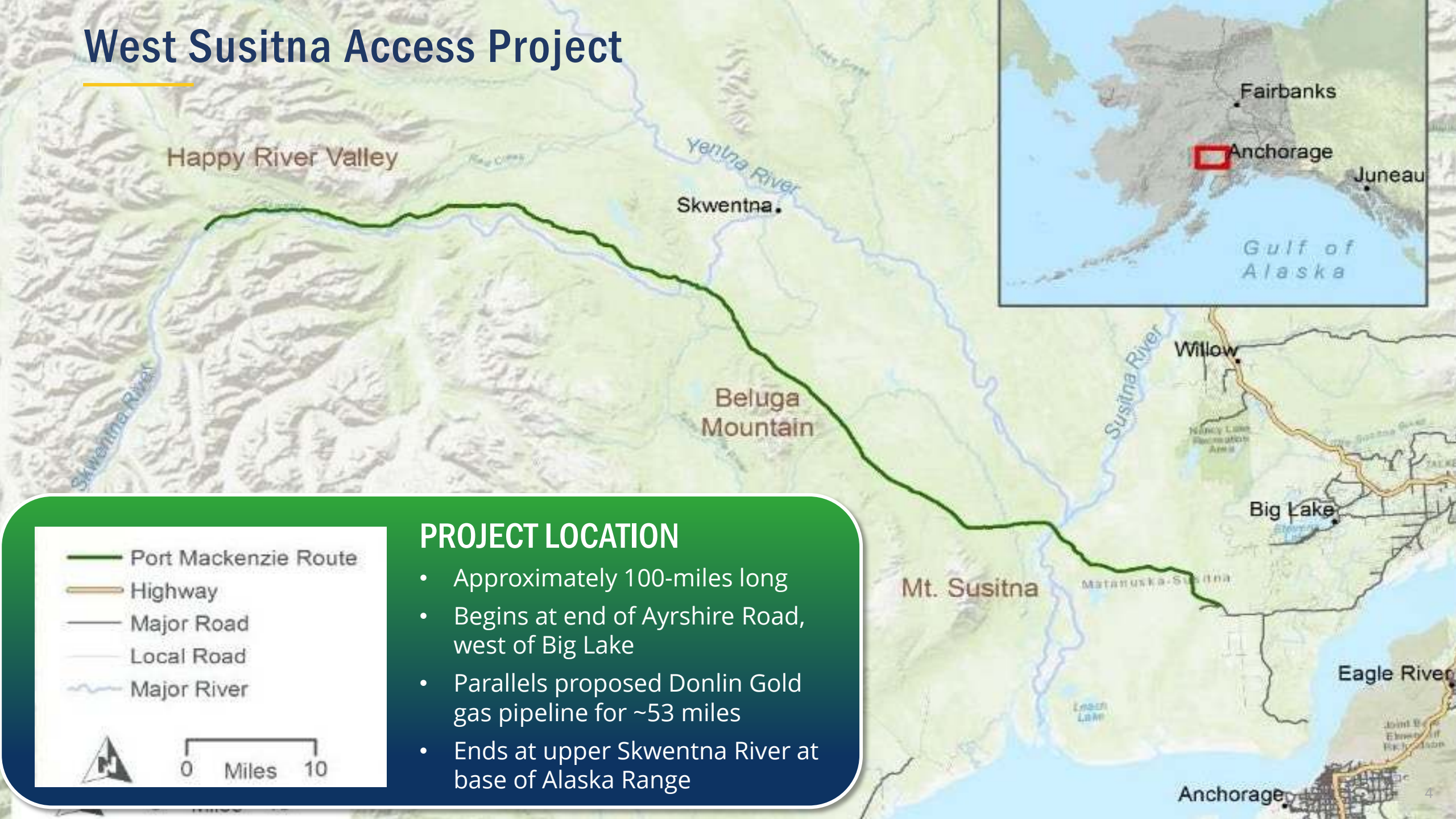
3,256 mining claims purchased for mining



3,931 jobs in mining operations & \$300 million in wages for mining operations

The Ambler Access Project is an industrial access road leading to critical mineral resources, including copper, silver, gold, lead, and zinc. The Ambler Mining District has been characterized as one of the largest undeveloped copper-zinc mineral belts in the world. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure.

West Susitna Access Project



Happy River Valley

Skwentna

Beluga Mountain

Mt. Susitna

Willow

Big Lake

Eagle River

Anchorage

Fairbanks

Anchorage

Juneau

Gulf of Alaska

PROJECT LOCATION

- Approximately 100-miles long
- Begins at end of Ayrshire Road, west of Big Lake
- Parallels proposed Donlin Gold gas pipeline for ~53 miles
- Ends at upper Skwentna River at base of Alaska Range

- Port Mackenzie Route
- Highway
- Major Road
- Local Road
- Major River



0 Miles 10

Red Dog is one of the largest zinc mines in the world.

Red Dog Mine | DMTS

1. Without AIDEA, there would be no mine
2. In 1986, AIDEA funds mine, road, and port with \$160 million
3. AIDEA saves mine in 1990 with funding \$85 million for expansion
4. Mine could continue to be successful with deposits on state land
5. Project provides significant economic benefits*
6. Project continues to yield significant dividends for NANA (royalty of \$255 million in 2021 and shares ~60% of the royalty with other Regional Corporations)
7. Future opportunities also exist (Aktigirug prospect could be one of the largest undeveloped zinc deposits in the world)

Description	Impact
Annual Average Number of Jobs (includes on-site contractors)	550
Average Salary of a Red Dog Mine Employee	\$99,000
Red Dog Wage Impact in NWAB	\$65 million
Red Dog Annual Payroll Spending	\$75 million
Spending on Goods and Services within State of Alaska (2015)	\$158 million
NANA Royalty Payments (since inception)	>\$1.3 billion
NANA 7(i) Payments from Red Dog's >\$1.3B Royalties	\$860 million
Community Investment and Donations in the Region (2010-2015)	\$2.8 million
Red Dog Mine's Payment in Lieu of Taxes (PILT) annual payment to Northwest Arctic Borough is \$14 - \$18 million per year.	\$14-18 million/yearly

*Table ES-1 Summary of Red Dog/DMTS Related Economic Impacts (thru 2016)



Red Dog Mine's Payment in Lieu of Taxes (PILT) annual payment to Northwest Arctic Borough is \$14 - \$18 million per year.

1002 Leases

"Kaktovik is the only community in the 1002 Coastal Plain . . . We are not an exhibit in a museum. Nor is the land that we have survived and thrived on for centuries to be locked away for the peace of mind of those from faraway places. This school of thought amounts to nothing more than green colonialism land-grabbing in the name of the environment."

- from the testimony by Fenton Rexford of Kaktovik before the House Resource Committee, March 6, 2019, 1:57 p.m.

Seizing Opportunities for Future Generations

*Representative of Arctic Coastline.
Photo credit: Judy Patrick*



We Need Your Help!



*Preparing
for the economy of
Tomorrow*

www.aidea.org

Opportunities for support:

- ✓ Attend AIDEA Board Meetings
- ✓ Contact communications@aidea.org
- ✓ Comment during public comment opportunities
- ✓ Join the Alaskans for Access Coalition
- ✓ Write letters of support!

THANK YOU

Randy Ruaro

Executive Director, AIDEA

