

INFRASTRUCTURE DEVELOPMENT



FEBRUARY 2017 - PROJECT SUMMARY MATRIX - PROSPECTIVE PROJECTS

PROJECT	PROJECT VALUE	LOCATION	ECONOMIC BENEFIT	PURPOSE	PARTNERS	CURRENT STATUS
IEP	\$500 million	Interior, AK	<ul style="list-style-type: none"> Support between 250 and 840 total jobs and \$16.5 million to \$55.2 million in total income in the FNSB 440 jobs average estimated annual employment 350 jobs directly employed in construction industry Average annual income generated by construction activities over this timeframe expected to be \$29.1 million \$25 million income for construction workers 520 local long-term jobs annually and \$9.2 million indirectly supported at other FNSB businesses 	Reduce the cost of fuel to Interior Alaska by providing an alternative, lower cost fuel source	<i>Trucking:</i> Private Sector <i>Distribution:</i> Interior Gas Utilities, Golden Valley Electric Association <i>Natural gas supply (DCCED):</i> RFI for private partners <i>LNG capacity/alternatives:</i> Purchase of Salix Pre-FEED Materials	<p>Natural Gas Supply: Ongoing Commercial Discussions with Cook Inlet Producers</p> <p>LNG Capacity/Alternatives: Optimizing commercial structure to create for lowest cost for customers.</p> <p>Transportation: Working with private industry and AK Railroad to generate cost estimates for railing LNG. Purchase of 13,000 gallon LNG trailers.</p> <p>Distribution: MOU for integration signed by the Board of IGU and AIDEA based on sale of FNG and other assets to IGU.</p>
Bokan	Up to \$145 million	Prince of Wales Island, AK	<ul style="list-style-type: none"> Evaluation of the economic benefits to the State of Alaska in terms of jobs development, business growth, and revenue are ongoing by AIDEA Ucore continues to provide local employment in cooperation with the Prince of Wales Tribal Enterprise Consortium and Ketchikan area businesses 	Provide high-paying jobs to Alaskans and support Alaska resource development	<i>Project Proponent:</i> Ucore Rare Metals, Inc.	Ucore has confirmed the success of the SuperLig®-One (SL) technology pilot plant this past fall from an independent analysis that confirms and authenticated the separation of the Rare Earth Elements (REE). All REE have been recovered at >99% proving out the technology and providing a blueprint for future production facilities. The success of this pilot plant has initiated the planning and development of a SuperLig®-One Strategic Metals Complex (SMC) with Ucore and IBC Advanced Technologies, Inc. (IBC) of American Fork, Utah. Ucore has set out \$690k budget for detailed engineering and preliminary planning of the Production Plant. The initial feedstock is expected to be sourced from recycling, swarf and tailings-generation partners in the automotive and rare earth permanent magnet industries, with the final location of the SMC expected to be heavily dependent upon transportation logistics. "This Strategic Metals Complex represents not just a transition by Ucore towards near-term production and revenue," said Jim McKenzie, President and CEO of Ucore. "It represents a reaction to a very real domestic need for high-purity energy metals. In turn, the SMC represents a significant progression for Ucore, capitalizing on the innovative design of SuperLig®-One, and leveraging this platform in to full scale production."
REI	\$1 billion	Cook Inlet, AK	<ul style="list-style-type: none"> An estimate of employment for the various components of the LNG plant is approximately 1,000 construction related jobs and about 50 permanent jobs for the operation of the plant The construction of this Greenfield facility should assist in the continued exploration and development in the Cook Inlet basin and create both construction jobs and long-term jobs in the LNG plant itself and in associated companies 	Partner with Japan in Alaska natural gas resource development	<i>Owner/Operator:</i> Resources Energy, Inc. <i>Partners:</i> AIDEA and private entities	REI is in the process of meeting with potential investors, looking for methods to fund needed FEED work for a large Southcentral LNG plant, and organizing with private energy companies. AIDEA continues to work with REI.

PROJECT DEVELOPMENT AND ASSET MANAGEMENT

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Skagway Ore Terminal	\$14 million	Skagway	Jobs: <ul style="list-style-type: none"> Supports 5 permanent jobs at the terminal, plus 18 during ship loading and jobs associated with trucking of the concentrates Economic Benefits: <ul style="list-style-type: none"> Future opportunities for other NW Canada or Alaska mining projects Enhanced winter road maintenance and local property tax revenue 	Provide a source of year-round stable employment; fund essential renovations to the terminal	<i>Facility Owner:</i> AIDEA <i>Land Owner:</i> City of Skagway <i>User:</i> Minto Explorations Ltd. (Capstone) <i>Operator:</i> Mineral Services Inc.	Capstone will continue operating the Minto mine through November 2017. Their last shipment was on November 17 and the total tonnage shipped for 2016 was 78,492 wet metric tons. Western Copper and Gold's timeline to be operation in Skagway has slipped to 2023. AIDEA continues to follow Municipality of Skagway discussions and developments related to the Skagway Ore Terminal and AIDEA's lease. The White Pass Railroad is working with Alaska Department of Environmental Conservation to determine the types and levels of legacy contamination in the harbor and an appropriate mediation plan. AIDEA continues to monitor the situation in Skagway and is supportive of White Pass Railroad's efforts.
Camp Denali Readiness Center	\$14.1 million	Anchorage	Jobs: <ul style="list-style-type: none"> Retained 116 US Coast Guard (USCG) Anchorage jobs Economic Benefits: <ul style="list-style-type: none"> Allowed USCG to expand their civilian/local and military staff Provides improved synergy between USCG and State emergency response personnel. 	Consolidate the USCG in Anchorage and provide operational efficiency between State agencies and Department of Defense	<i>Facility Owner:</i> AIDEA <i>Land Owner:</i> JBER, Air Force <i>User:</i> USCG <i>Operator:</i> DMVA	The project was completed ahead of schedule for \$14.1 million and provides an annual payment to AIDEA of \$1.1 million. The consolidation of services provides great synergy between the U.S. Coast Guard, the State of Alaska Division of Homeland Security and Emergency Management and the Rescue Coordination Center.
BlueCrest Energy Drilling Rig Loan	\$30 million AIDEA direct project financing	Cook Inlet	Jobs: <ul style="list-style-type: none"> Up to 150 full-time jobs associated with drilling operations Up to 20 full-time jobs associated with production facility operations Additional indirect jobs from management/administration and support of drilling operations Economic Benefits: <ul style="list-style-type: none"> Rig and facility provide new Borough property tax revenues Oil from the Cosmopolitan Unit will increase current total Cook Inlet oil production, supporting local communities, businesses, and residents Oil produced from the facility is sold to the Tesoro Kenai Refinery, supporting local jobs and reducing oil imports 	Provide flexible financing support for an independent oil producer to facilitate the development of a new oil field in Cook Inlet via a loan for a new on-shore extended reach drilling rig.	<i>Borrower:</i> BlueCrest Energy <i>Lender:</i> AIDEA	BlueCrest continues drilling activities into the Cosmopolitan offshore oil unit from the Hansen production facility site north of Anchor Point. The new BlueCrest #1 on-shore drill rig, financed through the AIDEA loan authorized under Board Resolution G15-04, is now completing the lateral portion of the first well, Hansen #16. The well borehole is anticipated to be finished near the end of the month; once well fracturing activities are complete, oil production will start near the beginning of May. To date, BlueCrest's Hansen Production Facility has produced more than 52,000 barrels of oil that has been sold to the Tesoro Kenai Refinery. More than 150 individuals continue to be employed through the project, supporting drilling, production, and administrative functions.
Federal Express Aircraft Maintenance Facility	\$22.2 million	Anchorage	Jobs: <ul style="list-style-type: none"> 56 permanent, high skilled jobs Economic Benefits: <ul style="list-style-type: none"> Brought a pilot base to Alaska Demonstrates economic significance of the FedEx Anchorage operation by their ability to perform line maintenance on their fleet of aircraft operating through Anchorage and use by other cargo carriers 	Strengthen Alaska's role as an international air crossroads by improving basic services for air carriers serving Alaska	<i>Facility Owner:</i> AIDEA <i>Land Owner:</i> AK DOT/PF <i>User:</i> FedEx <i>Operator:</i> FedEx	Under the approved 2015 lease for the FedEx maintenance hangar facility, AIDEA undertook several maintenance and refurbishment projects. Refurbishment activities are complete at the FedEx Hangar and fire suppression building. The substantial completion inspection for the mechanical and electrical contract was December 12, 2016 and a punch list of outstanding items was created. A certificate of occupancy was issued. The replacement of the fabric hangar door is also complete and final payment was made.
Ketchikan Shipyard	\$80.1M Fed/State funds expended \$11.2M Market Value	Ketchikan	Jobs: <ul style="list-style-type: none"> 157 direct jobs in Ketchikan Economic Benefits: <ul style="list-style-type: none"> Provides reliable, cost effective and quality vessel maintenance repair and construction services Vigor Alaska LLC's gross revenues from operations are shared between AIDEA, Ketchikan Gateway Borough and the City of Ketchikan. All share in facility profits, when certain milestones are met. 	Through AIDEA ownership, create a viable enterprise providing long term, family wage employment and long-term economic development.	<i>Facility Owner:</i> AIDEA <i>Land Owner:</i> Ketchikan Gateway Borough, City of Ketchikan <i>User:</i> Various <i>Operator:</i> Vigor Alaska LLC	Installation of the new fire alarm/detection system in the Assembly Hall is complete. The system is undergoing a two week testing phase to detect any issues that may cause false alarms and will be commissioned during the week of February 6, 2017. The Federal Transit Administration (FTA) continues to work with the Federal Highway Administration to transfer unobligated federal funds for Ketchikan Shipyard to FTA for use on new shipyard projects. Once the funds are transferred, AIDEA will manage the project funds for the FTA and oversee the procurement and construction of the project. Under a Reimbursable Services Agreement from AIDEA, Alaska DOT&PF will manage the Civil Rights requirements for this grant.

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Snettisham Hydroelectric Facility	\$100 million (AIDEA purchase cost) investment (\$20M AIDEA)	Juneau	Jobs: <ul style="list-style-type: none"> 10 full-time direct jobs associated with facility operations 10 indirect jobs associated with facility operations 10 seasonal jobs at fish hatchery facilitated by facility operations Economic Benefits: <ul style="list-style-type: none"> Facility provides approximately 80% of Juneau's electricity Renewable, low, and stable electrical rates foster economic growth Utility sells excess power to Greens Creek mine which helps support >300 mine employees Utility also sells excess power to local cruise ships during temporary docking in city, mitigating air quality concerns from cruise ships 	Provide a renewable, long-term and low-cost power source for Juneau, supporting local jobs and reducing costly diesel requirements and minimizing air emissions.	<i>Owner:</i> AIDEA <i>Operator:</i> Alaska Electric Light and Power Company (a subsidiary of Avista Corp.)	The two hydroelectric generating stations that comprise the Snettisham project are currently providing reliable and low cost power to Juneau residents and businesses. Excess power (when available) is also provided to the Greens Creek mine and cruise ships docked in Juneau. In 2015, AIDEA refinanced the outstanding bonds for the Snettisham project, providing cost savings to AEL&P, which has helped maintain lower rates for the utility. The power station infrastructure also provided key support to the associated Snettisham Fish Hatchery, which released more than 12 million salmon smolt and fry in 2016.
Delong Mountain Transportation System	\$267 million, total	Northwest Alaska	Jobs: <ul style="list-style-type: none"> 500+ regular direct FTE positions related to mine and port operations 100 seasonal jobs (mostly related to port operations) Economic Benefits: <ul style="list-style-type: none"> Greater than \$120M of annual royalty payments to NANA and other ANCSA native corporations Provides sizeable payments-in-lieu-of-taxes (PILT) to Northwest Arctic Borough (NWAB) Teck provides significant support to NWAB organizations and events Bulk fuel is shared with local villages at significant cost savings 	Development of the Red Dog Mine and the DMTS provides a significant long-term source of non-governmental jobs and income sources for Northwest Alaska.	<i>Owner:</i> AIDEA <i>Operator:</i> Teck Alaska, Inc.	The 2016 shipping season for the DMTS was one of the most successful on-record, with Teck loading out over 1.3 million tons of concentrates (zinc and lead). This represents the 2nd highest total in the 26 year history of the DMTS. Zinc and lead prices continue their upward movement, recently closing at just over \$1.25/lb and \$1.04/lb, respectively. This represents more than 50% increases in price as compared to the lows experienced in early 2016. The NWAB and Teck continue their negotiations over a new payment-in-lieu of taxes (PILT) agreement to replace the 2011-2015 agreement. A draft of the new agreement is anticipated to be heard by the NWAB assembly this month.
Mustang Road and Production Pad	\$20 million (AIDEA) \$27 million total	North Slope	Jobs: <ul style="list-style-type: none"> Supported more than 100 jobs associated with winter drilling (Jan-Mar 2016) in ASRC Placer Unit Economic Benefits: <ul style="list-style-type: none"> Road and pad provide access that supports potential further development of local oil fields, North Slope infrastructure, and TAPS Road opens/enables exploration of other nearby fields/units 	Foster the development of North Slope oil prospects that will potentially replace decreasing TAPS flows from the legacy fields.	<i>Owner:</i> Mustang Road, LLC <i>Partners:</i> AIDEA, MEP Alaska, LLC, Caracol Petroleum, LLC, TP North Slope Development, LLC <i>Operator:</i> Brooks Range Petroleum Corp. (BRPC)	The Mustang Road (MR) and pad were completed in the Spring of 2013. The road and pad continue to be valuable assets for the ongoing exploration and development efforts on the western side of the North Slope. Construction of the Mustang (MOC1) production facility, on the MR LLC pad, which started in Spring 2015, will be continued pending the refinancing of the project.
Mustang Operations Center #1 MOC1	\$ 50M AIDEA investment (\$201M+ total project value)	North Slope	Jobs: <ul style="list-style-type: none"> Up to 25 full-time permanent jobs associated with facility operations for the production facility (when completed) Up to 250+ construction jobs in Anchorage area and on the North Slope for the construction of the facility Economic Benefits: <ul style="list-style-type: none"> Over \$45 million in property tax payments to the North Slope Borough over the lifetime of the facility Significant new royalties and other State tax payments New oil production will sustain North Slope infrastructure and TAPS, contributing additional oil to the pipeline 	Support a new Alaskan-based independent oil producer that will also foster the development of new North Slope oil production and continued exploration/development of western North Slope oil prospects to augment decreasing TAPS flows.	<i>Owner:</i> Mustang Operations Center 1, LLC <i>Partners:</i> AIDEA, Brooks Range Petroleum Corp. (BRPC), MEP Alaska, LLC, Caracol Petroleum, LLC, TP North Slope Development, LLC, CES Oil Services, Pte. <i>Operator:</i> BRPC	BRPC continues to work with its owners to develop new financing to enable the restart of the construction activities for MOC1 and the restart of field development drilling in compliance with the requirements of the 4th Plan of Development for the Southern Mileveach Unit (SMU) as approved by the DNR in November. AIDEA continues to work with BRPC to ensure that all of the MOC1 materials and equipment are being properly stored and maintained.
Seward Marine Industrial Center (SMIC) Business Plan	\$249,000	Seward	Jobs: <ul style="list-style-type: none"> Provide new jobs in the maritime industry Economic Benefits: <ul style="list-style-type: none"> Provide potential homeporting for the UAF research vessel (R/V Sikuliaq) Enhance support for oil/gas exploration and development Increases support for Arctic marine traffic and Alaska railroad trans-shipments Increase workforce development, employment opportunities, and training opportunities at AVTEC 	Develop a sustainable business plan and funding strategy for the SMIC project and identify near, mid and long-term development options for the prioritization of public investment in infrastructure and facilities.	<i>Facility Owners:</i> City of Seward <i>Land Owner:</i> City of Seward <i>User:</i> Various, Vigor Alaska <i>Operator:</i> City of Seward	AIDEA awarded a contract to Arcadis for the development of a business plan for the Seward Marine Industrial Center. The stakeholder's meeting, held at the Sheraton in Anchorage in January 2016 was successful in bringing people together for a common goal of focusing on the bigger opportunities at the industrial center. The final report was issued in October 2016 and can be found on the AIDEA website: http://www.aidea.org/Programs/ProjectDevelopment/SewardMarineIndustrialCenter.aspx