

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
January 31, 2011
Anchorage, Alaska; Juneau, Alaska;
Las Cruces, New Mexico; Singapore, Singapore

1. CALL TO ORDER

Acting Chair Mike Felix called the meeting of the Alaska Industrial Development and Export Authority to order on January 31, 2011 at 10:33 a.m.

2. ROLL CALL: BOARD

A quorum was established.

Members present: Acting Chair Mike Felix (Public Member).

Members participating via teleconference: Susan Bell (Commissioner, Department of Commerce, Community, and Economic Development); Bryan Butcher (Commissioner, Department of Revenue); Robert Sheldon (Public Member) from Singapore; Gary Wilken (Public Member) from New Mexico.

3. AGENDA APPROVAL

The agenda was approved as presented.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Ted Leonard (AIDEA Executive Director); Mike Harper (AEA Acting Executive Director); Chris Anderson (Deputy Director-Commercial Finance); Valorie Walker (Deputy Director-Finance); Karsten Rodvik (Project Manager-External Affairs); Chris Rutz (Procurement Manager); Sandra Burrows (Administrative Assistant); Shauna Howell (AA Executive Assistant); Sherrie Siverson (AIDEA Executive Assistant); and Teri Webster (Administrative Assistant).

Others present in Anchorage: Brian Bjorkquist (Department of Law); and Catherine Claxton (Northrim Bank).

Listen to the full audio recording of this meeting at <http://www.aidea.org/boardmin.html>

5. PUBLIC COMMENTS

There were no public comments.

6. NEW BUSINESS

6A. Resolution No. G11-02 Adoption of emergency regulations related to the Loan Participation Program

Mr. Leonard provided an overview of Resolution No. G11-02 related to the Loan Participation Program setting interest rates for taxable and tax-exempt loans. This emergency regulation will change the rate on variable loan participations for taxable and tax exempt loans. Staff believes rates still need to be adjusted due to current fluctuations in the market and also to bring AIDEA's rates into alignment with commercial banks partnering in loan participations.

The two changes staff is requesting are: 1) to change the floor on variable rates from 290 basis points to 475 basis for variable loans. This would be a 185 basis point change and would increase the variable rate to approximately 5.07% for all rates. 2) to change the variable rate index to Federal Home Loan Bank of Seattle plus 200 basis points. Last month the staff changed it, through emergency regulations, to 100 points and now believe this adjustment will narrow the spread more accurately between fixed and variable rates and also put AIDEA in alignment with what the commercial banks are charging and guarantee a minimum return on our portfolio balance that will continue to support the program. This change will only affect new business.

There were no further questions from the board.

MOTION: Commissioner Bell moved to adopt Resolution No. G11-02. Seconded by Commissioner Butcher. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mr. Sheldon, Mr. Wilken, Mr. Felix, Commissioner Bell and Commissioner Butcher voting yea.

7. DIRECTOR'S COMMENTS

Mr. Leonard provided an update on the Buccaneer project. AIDEA received the true term sheet for Buccaneers financing of the project. AIDEA and Buccaneer Unlimited will be meeting this week with financial advisors to work out true terms so AIDEA can move forward with due diligence. Mr. Wilken asked if there is a deadline date for drilling to begin this season. Mr. Leonard said February is the deadline in order to drill this season, but Buccaneer is looking at other leases that would allow them to drill through the winter season.

Chair Felix mentioned that the two board work sessions on Feb 23 and 24, 2011, may have to be reversed due to a time conflict with his schedule and will notify Mr. Leonard if a change needs to be made. He asked staff to send the AIDEA Strategic Plan to each board member prior to the work session.

Mr. Leonard said he expects the Governor's office will appoint two additional board members before the date of the work session.

8. BOARD COMMENTS

There were no comments from the Board.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:47 a.m.



Ted Leonard, Executive Director/Secretary
Alaska Industrial Development and Export Authority