



Alaska Industrial Development and Export Authority
BOARD WORK SESSION – DAY 2
MINUTES
Friday, June 10, 2011
Anchorage, Alaska

1. CALL TO ORDER

Chairman Short called the meeting in session at 9:10 a.m.

2. ROLL CALL: BOARD

Members present: Hugh Short (Public Member), Jerry Burnett (Deputy Commissioner, Department of Revenue); Ron Arvin (Public Member), Robert Sheldon (Public Member), and Gary Wilken (Public Member). A quorum was established.

Joined the meeting in progress: Susan Bell (Commissioner, Department of Commerce, Community, and Economic Development).

3. ROLL CALL: STAFF & PUBLIC

Staff present: Ted Leonard (Executive Director); Mark Davis (Economic Development Officer); Chris Anderson (Deputy Director-Commercial Finance); Valorie Walker (Deputy Director-Finance); Jim Hemsath (Deputy Director-Business Development); Karl Reiche (Project Development Manager); Chris Rutz (Procurement Officer); Shelby Weems (Accountant); Sandy Burrows (Administrative Assistant); and Teri Webster (Administrative Assistant).

Others present in Anchorage: Mark Gardiner, Pat Clancy and Gordon Davis (Western Financial Group); Barbara Johnson (First Southwest Company); and Jim McMillan (First National Bank Alaska).

Joined the meeting in progress: Brenda Applegate (Controller); Brian Bjorkquist (Department of Law); Aaron Rhoades (Human Resource Administrator); and Mike Catsi (Business Development Officer).

Listen to the full audio recording of the 6/10/2011 meeting at <http://www.aidea.org/boardmin.html>

4. AGENDA REVIEW

Mr. Leonard reviewed the agenda for the day. He noted the three line functions for AIDEA are: 1) commercial finance which gives access for Alaska businesses to capital; 2) project development and asset management; and 3) investment finance, the last two concentrating on projects, business projects and economic infrastructure. He deferred to Mr. Mark Gardiner from Western Financial Group as the presenter of the PowerPoint.

5. AIDEA BOARD WORK SESSION, continued from June 9, 2011

Mr. Gardiner continued his report from the Thursday afternoon meeting.

Commercial Finance

Speaking about access to capital programs for businesses, Mr. Gardiner said that the loan participation is by far the biggest program that AIDEA has. AIDEA also has statutory authority over loan guarantees and working capital. Although the working capital is a part of the loan guarantee program, it has not been used for some time. He said the recent addition has been the potential for an interest rebate for targeted economic development projects.

A conversation ensued regarding the differences between working capital and loan guarantee funding. These are both part of one program called the Loan Guarantee Program.

Mr. Arvin asked if there is a process for AIDEA funding for "conduit" type purposes. Ms. Anderson replied that those types of requests are usually referred to the Import-Export Bank and described the reasoning for using the Import-Export Bank. Mr. Arvin asked about the title of AIDEA: Alaska Industrial Development and Export Authority. Mr. Leonard explained that "Export Authority" was added to the title because of the interfacing with the export bank and the fact that AIDEA's guarantee can be used for those transactions. Chair Short said that if AIDEA is referring those types of deals, maybe it would make sense for AIDEA to figure out how to build a program that would be more user-friendly to Alaskan businesses. There is a customer base out there that is not being served. Mr. Arvin said there are customers out there that are going to conventional lenders and paying exorbitant fees for use of very short-term dollars. It was suggested to come up with a program that issues LLC and standby letters of credit. It would need to be a program that would only take a couple of months for approval. Mr. Sheldon suggested using a Customer Relationship Management program (CRM) to get a list of potential customers and have the Board preapprove the list annually or semiannually. Mr. Leonard and staff will design a proposal for the Board for a new program for this type of funding. It will be made available to the Board at the October meeting for review and adjustments, prior to introducing it to the legislature in December.

Mr. Gardiner continued with his presentation saying the loan participation program has three roles in the AIDEA mission. First is the direct economic development funding alongside the banks, second is providing liquidity and support for Alaska lenders, and third is providing an element of strength and capacity on the AIDEA balance sheet and income statement. Mr. Leonard said the debt-service coverage provides a substantial amount for going out into the market.

Referring to the loan participation guiding principles, Mr. Gardiner said that the key to the loan participation program for an economic development finance agency is providing long-term, fixed-rate financing where it otherwise might not be available. Mr. Leonard said a loan participation program or revolving loan for a development financial authority is based on reasonable fixed-rate or long-term costs, not rate. A conversation took place regarding the AIDEA mission, percentage rates, rate risk, duration of loans, declining interest rate, portfolio management risk analysis, resets on adjustable rates and fixed rates.

Commercial Finance – Loan Participation – Priorities and Metrics

Mr. Gardiner said they do not target sectors on geographic targets but track where loans are going and the type of loan.

Program Metrics

Program metrics look at what is being done for market liquidity overall. Typical customary lending criteria are used and they are now integrating more of a focus on jobs into the loan participation program.

Commercial Finance – Sector “Roles”

Mr. Leonard said there are eight target sectors in the strategic plan but the loan participation program is not a tool that does target sectors. A conversation was held on monitoring the types of loans and how many of each type is in the mix. Mr. Gardiner talked about economic development with the loan participation program and listed the different sectors and the roles they play. Mr. Leonard and Mr. Gardiner explained those roles in detail.

Commercial Finance – Key Policies – Loan Terms

Mr. Gardiner said the loan terms are the core policies in the loan participation program. He briefly went over the terms which include up to 90% of total loan, up to \$20M, terms, debt service coverage, fees, fixed and variable rates. He introduced the interest rural rebate program for targeted economic development. There was a discussion on the qualification of “rural” and how to set apart these regions. It was suggested to take out Anchorage, Juneau and Fairbanks to see what projects have used the loan programs according to region.

Potential New Programs/Policies

Mr. Gardiner said besides export financing as a revived or a new program, they are planning on implementing a more refined rate-setting system. The interest rate committee will follow the market, looking at bank trends, AIDEA’s portfolio trends, cost of funds and then coming quarterly to the Board with suggested rates.

Mr. Leonard provided information on the Revised Loan Committee Process and the Pre-approved program allocation. He stated they need an overall target in order for the program to work. A conversation took place regarding what that would entail. Mr. Leonard requested the Board set a target of \$100M for funding for the next two years. There was a discussion regarding the purpose and the Board approved the \$100M target.

Dashboard Examples of New Loans

Mr. Gardiner noted these are dashboard examples of the Loan Participation Program broken down into graphs of dollars funded and approved and quantity funded and approved as of 1/31/11. Staff will be providing these dashboard reports to the Board monthly.

Loans by Region and Loans by Industry

A discussion ensued regarding how these figures were arrived at and how they could better reflect information for the cities and boroughs. The Board asked that staff do a breakdown of tourism by region.

Loan Portfolio Asset Allocation

Mr. Gardiner stated that if you were trying to strictly manage sector allocation, you would try to target those sectors. A discussion regarding targeting sectors and balancing the percentage of allocations for sectors followed.

Chair Short suggested that there be proactive communication to partners regarding expectations of deals that this body would like to see when balancing types of loans for the portfolio.

Mr. Gardiner thanked the Board for giving the staff good guidance about what they want to see and how to fix some of the concerns.

Recess: 10:42 a.m.

Reconvene: 10:55 a.m.

Investment Finance

Mr. Gardiner said the commercial finance area is traditional lending and the investment finance area is more like investment banking. It is intended to try to provide a one-stop resource for economic development financing to get things done. It is a comprehensive tool box of financing tools like tax credits, tax incentive programs, public-private-partnerships (3P's) and it also has an outreach element to it listed in the key policies. So unlike the loan participation program which is of a necessity and mostly responsive to what the banks are bringing in, the intent here is going to be an outward reaching activity to look for potential projects and then provide the different creative methods of financing those things to make them come together.

Mr. Gardiner said the discussion held June 9 about the on-balance sheet and off-balance sheet will be worked on by Mr. Davis' group. He showed a list of potential new programs. The focus is to serve the State in third-party financing mechanisms in doing public-private-partnerships and then, assuming authority is given to do it, doing direct project financing. Presently AIDEA is required to own a portion of a project and would like to be able to not have to own a project, just finance it.

Mr. Sheldon asked for a point of clarity. He asked, as long as it is completely funded off of the Authority's balance sheet anything can be done at this point in time, project finance etc. So the direct project financing that is being referenced here is going to market with bonding. Is that accurate?

Mr. Leonard said in direct project financing for example with Buccaneer, the Authority's attorneys would have been much happier and now at least can be part under this LLC and that corporate shield. It would have been better to actually be lending for that project and not be an owner. We would still be second tier to an overseas corporate body (OCB) but by being just a financier of the project, would have no liability.

Mr. Gardiner said the only authority AIDEA has now is through the loan participation program and these projects do not necessarily meet the criteria for that program. AIDEA is pursuing the ability to finance projects that typically would be project financing revenue supported but not a conventional commercial loan. AIDEA does not have the authority to do that now.

Mr. Arvin asked if AIDEA had the authority to do that now, would we have done Buccaneer differently. Mr. Gardiner replied absolutely.

Mr. Wilken asked for more information about the new models for 3P's. Mr. Davis said he and Mr. Leonard will be attending a 3P Conference in New York where investment bankers will be attending to pursue these kinds of issues. He said looking at the jack-up rig, it is kind of a PPP. AIDEA has money into it as a State agency, the bank from Singapore is definitely private capital, and it is equity capital coming from the private side. The goal is to leverage State funds so that they go farther. He said often these projects do not go forward because, as you saw with the jack-up rig, it needs a little bit more cash than the private sector is able to raise. Mr. Leonard added that in a 3P, having a semi-State agency in the partnership helps with the investment banks.

Mr. Sheldon expressed his approval of this legislation and said with the two bills that passed people are paying attention to what is going on in Alaska. He said there are entities who now want to co-invest and participate in what he calls a syndicate in Alaska as an emerging market. He expressed his interest in funding projects that create jobs for Alaskans.

Chair Short recently traveled to Hollywood where he met with people interested in Alaska for its film tax credit. He said because of there are no long-term contracts there is no infrastructure (i.e. sound stage) in place at this time. Everyone he spoke to said Alaska needs a sound stage but they lose money. He felt this was something AIDEA could invest patient capital in to take some of the risk out of the deal. He noted there probably would never be a great return but people who invest in it will want the ancillary benefits of having a film industry here. It would affect the service industry, transportation, equipment rentals, manpower, and catering. Mr. Leonard added that this is another good example of a 3P. Mr. Davis said the way these things can be financed is with patient capital from AIDEA or a similar entity because revenue does not flow through these projects rapidly which can be an issue.

Chair Short said the risk here is another ASI. Mr. Gardiner said another way would be to liken the tax credits to use of that facility if they use the sound stage. Mr. Leonard said that the rating agencies will understand that there will be some projects that will not pay. If it can be shown that the policies are in place and the way the projects are analyzed, it will not kill AIDEA to have one that does not work as long as there are three or four very secure ones that balance that off.

Chair Short referenced Sitka Meal Oil and Gelatin (SMOG) as an example of a project that came to the Authority with no private money and it was a finance project. He said at one time if the Board had said yes, the Authority would have bought that deal. Mr. Gardiner replied that it would have been taken to the next stage. Whether or not it would have gotten through the fences after that, he could not say. Chair Short asked to have the checks and balances in place before it comes to the Board and to have that private equity in place to make the deals go.

Mr. Leonard said they need to set up a policy or procedure up front with the Board that states AIDEA will probably not be involved in projects if there isn't 20% to 30% equity. He added that going through Buccaneer and SMOG projects has been good for the Authority and acknowledges that there needs to be more formal policies going through the due diligence processes and bringing them to the Board.

Mr. Davis said there needs to be both an input strategy and an exit strategy. The Authority is not designed to hold things forever. The idea is to build it, make it run and make it profitable so someone will want to buy it which recapitalizes the Authority. Mr. Leonard said it is based on infrastructure. AIDEA will be in that long term with DeLong Mountain Transportation System (DMTS), whereas with a SMOG or jack-up rig or that class of assets, AIDEA only wants to be in it for five to seven years or whatever it needs to make the project happen.

Mr. Sheldon said that part of the ports and DMTS, even though being viewed as risky to begin with, are looked at as a credit enhancer. If the time does come to monetize those sorts of assets or cut off pieces, this has to be thought out very carefully. He thinks the Authority needs to look at the broader ramifications of selling any pieces off because it is part of their credit rating now.

Mr. Leonard said assets and liabilities tie to the liability that the Authority has. When talking to the rating agencies, that stable cash flow from those infrastructure projects and the loan participation is very important. It all comes back to divestiture policy, too. Talking about the manufacturing plants that AIDEA is involved in; it is not the goal to hold those types of investments for a long time. A major infrastructure in Cook Inlet, that would be something that AIDEA could hold for a long time and would have a stable revenue source or natural gas storage. Mr. Davis said each has to be analyzed of when to hold and not. If it is held too long, one might face a cash call. The business is going to need a capital infusion which is not normally what an investment bank wants to do. That is when banks go in, raise value, and get out. But with a pipeline, that tends to actually appreciate over time and the revenue stream becomes more robust as the debt reduces.

Mr. Sheldon said his point was to bring up this idea that we do have assets. Some people have approached the Authority. I think that it's healthy that they have and maybe there is some way to participate in the future, but I think we need to be careful about how that happens because it is buttressing our rating. We are now at the top of the heap and have a AA- rating.

Chair Short said that if the Board is going to hold a Board meeting in Kotzebue and view the Red Dog mine, he feels the Board needs to have a conversation around what the history of relations with the Borough has been. Mr. Leonard replied that it would be a part of the July 19 meeting.

Commissioner Bell said she is glad the Board is going to discuss this. She said this time last year Commissioner Galvin worked during session to protect AIDEA. The Northwest Arctic Borough is very skillful in looking for a way to maximize their return and we are really proud of the role we played in funding DMTS. It is the foundation of the Borough's finances. Mr. Leonard said he thinks the Authority has convinced the Borough that AIDEA will not be selling the asset. In the history of DMTS, the Borough came in wanting a discount sale of the asset and the previous boards were fairly clear that this was not a transaction they wanted. AIDEA wants to work on how the Borough could be helped through economic development and other things, but the Authority was not going to sell an asset, that in essence was valued at \$240M or so at the time, for \$100M.

Mr. Sheldon said it is a little more expansive than that. Carlisle Investment Group plans on having a foot in Alaska. They love ports and now is not the time to look at things like Skagway and those sorts of items. Those sorts of items from an investment banking perspective can be

grossed up, grown, and maybe down the road they can provide the Authority with liquidity in an exit strategy. Alaska has a lot of opportunities here. AIDEA has the right types of things and so it's not just DMTS.

Mr. Leonard said DMTS, Skagway and the Ketchikan Shipyard are all strategic assets for AIDEA right now. Mr. Hemsath added the FedEx building could be considered in that category, too.

Mr. Arvin asked Chair Short if the people in Hollywood gave him a rough order of magnitude (ROM) on sound stage assets and what they thought that might cost. Chair Short said if you take the middle of the road approach and build new, it would be an investment of somewhere around, \$10M to \$15M in a facility that could have at least two 18,000 sq. ft. buildings with 45 foot ceilings. Two or three of those are needed and surrounding office space for rent and enough ground for outside filming and those types of things. It is a significant investment to do it right.

Project Development – Functional Areas

Mr. Hemsath gave a history of what has been development finance or project development. He said that it is not the commercial real estate, it is the FedEx, it is the Red Dog, it is the Skagway Ore Terminal and they have tended historically to be somewhat infrastructure. He said that his personal bias is toward the larger industrial projects where the authority can make the largest single point differences in economic development. The Authority is looking at owning the asset and that asset management component of it. If the asset is owned then how that asset is maintained and operated is controlled. As a project development, the Authority has some influence in terms of safe operating procedures and best practices. Mr. Arvin asked about the process for soliciting prospects. A discussion ensued regarding how the Authority solicits for potential projects at trade shows, a Port and Harbor Committee meeting, through the Native Corporations, booths at the big conventions, etc. Chair Short said he would like to see a more formalized process for soliciting projects.

What is Project Development?

Mr. Hemsath said the project development is designed to finance, promote, develop, and advance prosperity. Things can be done by the sheer ability to own and operate a facility or an asset. Mr. Gardiner added that in the past AIDEA had to own all of it. Mr. Hemsath said two years ago it was 100% of an asset. Owning a portion of it answers the question of how we encourage and show stability. This can change the economics of the other partners or credit enhancements so that the whole aspect of being able to own a portion of an asset changes the structure of what we do completely. This triples the number of opportunities that are available to AIDEA. Mr. Davis said we have the legal structures so we can own a portion, but can also do the LLC's or subsidiaries so we have to make the correct legal decisions.

Mr. Hemsath said it provides aspects of liabilities and departmentalization that needs to happen to protect the Authority as a whole and gives us a whole new set of tools to allow the Authority to acquire, manage and operate projects necessary for economic development and still own 100%.

A discussion ensued regarding the projects being endorsed by the local government and the project being economically advantageous to the State and general public welfare. Mr. Leonard

said that as a rule of thumb, if the Authority issues more than \$6M, whether it is development finance or a loan, the local government has to approve the location of the project. Mr. Arvin asked a specific question about Watana, as it moves forward. If the MatSu Borough did not give their approval, would this halt the process? Ms. Walker has been given the task to look into this issue or find someone qualified to look into this issue.

Recess:12:00 p.m.

Reconvene: 12:20 p.m.

Project Development – Key Policies

Mr. Hemsath talked about Project Development policies using the “portfolio asset management” approach. This approach looks at the strategic infrastructure and long-term hold and at industrial facilities and how to get them established and then exit. The Authority does not want to be involved in the daily business. Project underwriting and structuring is done with minimum equity for industrial projects, secured financing, targeting the rate of return based on economic development criteria, and downside risk balanced with upside potential. He stated that many opportunities are available where we take a minimum amount of return of revenue to meet some bond requirement for a longer period of time with the potential for the upside where there might be a return that builds the asset base where we could do other projects. SMOG and other projects could be achieved that way and Red Dog was similarly organized that way.

Mr. Hemsath handed out a matrix graph showing a list of potential projects in the next two years, going over the different features of the graph and how it would be used. The topic of Rare Earth investment was brought up and AIDEA is looking to invest heavily in that sector. Mr. Sheldon recommends staff talking with Jack Lifton whom he says is extremely knowledgeable about the people who are willing to move and how much a project would cost.

Several Board members mentioned they feel the matrix list is very valuable for seeing what is coming down the pipeline.

Mr. Sheldon said he is invested in UCore and he will need to be taken out of the votes if we do business with them.

Mr. Leonard would like AIDEA to be proactive in searching out new projects rather than waiting for them to approach AIDEA, especially in certain sectors that are thought to be progressive.

Confidentiality and public information were discussed. It was determined that upon initial contact from a prospect, the meeting is public. If confidential information is covered it would need to be marked. Mr. Bjorkquist suggested updating the public records manual. Currently, AIDEA has a statute that allows the process of evaluating confidential information through the Executive Director. By updating the public records manual and getting it adopted by regulation will provide a formal process. Everyone will be able to see how they can deal with AIDEA and keep information confidential.

Project Development – Project Criteria Weighting

Mr. Hemsath said one of the tools they would use to evaluate projects is a project criteria weighting factor. This tool would help AIDEA look at 100 projects and determine which ones should be carried forward. Those that create new Alaska jobs and have a community impact will

be at the top of the list. This is done internally and is something to keep focused on the priorities.

Mr. Wilken asked why the Ketchikan Shipyard does not show any annual receipts coming in. Mr. Hemsath said the income received for working on vessels matches the expenses, including the maintenance costs of the shipyard. It was not set up to receive cash revenue. Mr. Leonard said we do not receive cash revenue on that project. It was an Economic Development project and has been very successful. Over the last two years Alaska Ship & Dry Dock has brought in over \$60M to \$70M investment through federal funds to build up the shipyard.

Snettisham is also a pass-through project. Mr. Bjorkquist said that AIDEA helped finance the acquisition of Snettisham from the federal government. AIDEA is here to help young conduits finance the acquisition of the project from the federal government.

This was the conclusion of the Project Development section.

Recess: 1:18 p.m.

Reconvene: 1:30 p.m.

Legislative Initiatives

The last topic for discussion was legislative initiatives. Mr. Leonard introduced this topic stating the Board requested us to review the legal aspect of House Bill 119 (HB119). He said when legislation started on this bill it was half the size. Many riders were added onto the bill. Alaska Housing, and something related to harbor facility grants were added on because they knew this bill would be one that would pass. Commissioner Bell was involved in the negotiations and the Governor sponsored this bill.

The major sections of HB119:

- Allows AIDEA to adopt regulations to govern AIDEA's procurement of supplies, services and construction.
- Allows AIDEA to own all or a percentage of a corporation or be a member of an LLC for which a development project is the sole asset of the corporation or LLC.
- Allows AIDEA to create subsidiaries to finance development projects under AS 44.88.172.
- Allows the Authority to update its project definitions in order to enhance economic and industrial development.
- Authorizes AIDEA to issue up to \$65 million in bonds to finance the expansion, modification, and upgrading of the Skagway Ore Terminal.

AIDEA has two current pending bills in legislation.

- HB120 – An act creating a new markets tax credit assistance guarantee and loan program – passed Senate and is House Finance Committee.
- HB121 – DCCED's micro loan program statute (will continue to support – may be a Board resolution.)

Commissioner Bell described the background of HB121. She said at this last session the Governor reintroduced the bill that has three pieces.

1. A micro loan where a single individual could get a loan up to \$35,000 or two or more people up to \$70,000.
2. A mariculture revolving loan fund that is very popular in coastal Alaska.
3. A loan for commercial charter and halibut fishermen recognizing that the federal permitting structure has changed and hundreds of Alaskan businesses will need to acquire permits to stay in business.

These three made it unanimously through the House and Senate Finance and will start in a good position next year. Commissioner Bell had a lot of communication with communities in the industries that are being engaged in this to become advocates. She also talked candidly with the banking community and recognized what this bill is trying to do is fill a niche.

Research was done for finding the loan amounts and interest rates ahead of time so that the banking community does not immediately object. They are part of the business community and part of the strength in this bill.

Chair Short said the Investment Committee wanted to give the Board an opportunity to ask questions about HB119. This is significant legislation and a tool AIDEA can use that opens up whole new possibilities for investments.

Mr. Arvin asked to clarify the bill. It talks about bonding authority but also harbor facility grants. Mr. Leonard said the harbor facility grants have nothing to do with AIDEA. This was an add-on by Senate Finance. Mr. Bjorkquist went into detail on what the add-on for Alaska Housing Finance Corporation meant. This had no impact with AIDEA or AEA at all. Mr. Davis said it was basically a cleanup measure. When you have a bill that is going through, you attract friends and this was the case.

Mr. Sheldon said one of his concerns in the past was that he learned the State can become an extra-active entity itself and look at AIDEA as its resource. He asked Mr. Bjorkquist if once the Authority engages in an LLC, is it true that it would be very difficult to pull dollars back out of that LLC? Mr. Bjorkquist said this statute provides for two different ways to structure a transaction with a development finance program. One is AIDEA can create a subsidiary which would be wholly owned by AIDEA. The money in the subsidiary corporation would be subject to appropriation as long as it is cash money. Once that money is converted into an asset, you have a separation of powers issue. The legislators cannot go in and force the executive branch to do something with a physical asset. The other is an LLC where AIDEA is a member, there are other members, and AIDEA makes an investment into that. That is no longer AIDEA or State money. The legislature would not have authority to appropriate those funds. They could ask AIDEA to change its investment but they could not force something to happen because of the separation of powers.

Mr. Sheldon questioned structuring for large regional development projects. He asked if there was a syndicate which owned one percent of an LLC and AIDEA owned the other 99%, would that prevent the State from being able to strip that LLC from its funding if some of it were in cash? He said it was important because they want assurances that the money is not going to

opportunity for public discussion and the Board asking for input as we develop these regulations in terms of how AIDEA does business.

Mr. Bjorkquist asked what the status of the public process is. Mr. Rutz said the public comment period closes June 30, 2011. Staff hopes to have the regulations adopted in early August. A public hearing was conducted June 8, 2011 and there were no comments. Mr. Bjorkquist said since we are in the middle of a public process he suggests treating this as an informational item and not getting into questions or deliberations.

Mr. Leonard gave the Board a list of future legislative items. One of the items was to set up an AIDEA program that would assist in funding large infrastructure projects through a 3P model. Deputy Commissioner Burnett asked if we needed legislation for 3Ps. Mr. Leonard said it is needed if we want to tie into separate funding. Staff is still looking at this. A portion of a 3P is being able to help a subsidiary.

Mr. Wilken suggested that if we are making a list for next year's legislation to make sure it is only things that you must have.

5. DIRECTORS COMMENTS

There were no comments.

6. BOARD COMMENTS

Board thanked staff for the very informative two days.

Mr. Wilken said he was intrigued with the interchange between certain Board members about the brokerage and LLC. He saw there was something going on that would help Alaska. He does not think that conversation would have happened without the new look and new direction from the legislation. He was very encouraged for all of us and for the people of Alaska. He suggested when they saw the Lt. Governor that evening to mention how productive the two day meetings have been and to pass on to the Governor that the new thing that his office and legislators came up with last year for AIDEA is starting to work. A year from now when we benefit from these meetings AIDEA will be a quantum leap ahead of where it is today and it is because of the Governor and legislative leaders who saw the need and had the wisdom to change the way AIDEA and AEA do business.

7. ADJOURNMENT

There being no further business of the Board, the meeting was adjourned at 2:06 p.m.

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