



**Alaska Industrial Development and Export Authority**  
**SPECIAL BOARD MEETING**  
**MINUTES - TELECONFERENCE**  
**Friday, March 27, 2020**  
Anchorage, Alaska

**1. CALL TO ORDER**

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on March 27, 2020, at 1:02 p.m. A quorum was established.

**2. ROLL CALL: BOARD MEMBERS**

Members present: Chair Dana Pruhs (Public Member); Albert Fogle (Public Member); and Bill Kendig (Public Member).

Members present via teleconference: Vice-Chair Bernie Karl (Public Member); Julie Anderson (Commissioner, Department of Commerce, Community, and Economic Development [DCCED]); Anna MacKinnon (Department of Revenue [DOR]); and Julie Sande (Public Member) (phone).

**3. ROLL CALL: STAFF, PUBLIC**

AIDEA Staff present: Chris Anderson (Commercial Financial Director); Brenda Applegate (Chief Financial Officer); Mark Davis (Chief Infrastructure Development Officer); Alan Weitzner (Chief Investment Officer, Project Finance & Asset Management [PFAM]); Geoffrey Johns (PFAM Investment Officer); Karsten Rodvik (External Affairs Officer); Sam Tappen (Infrastructure Development Officer); Sherrie Siverson (Executive Assistant); and Aimee Sudbeck (Administrative Assistant).

AIDEA Staff present via teleconference: Tom Boutin (CEO/Executive Director); and Jeff San Juan (Sr. Infrastructure Development Officer).

AIDEA Counsel present via teleconference: Jerry Juday (Department of Law).

Public present via teleconference: Robert Scanlon (Blood Bank of Alaska); Jomo Stewart (Fairbanks Economic Development Corporation); Butch Olmsted (First Bank); Betsy Lauwer (First National Bank Alaska); Deven Barrett; Anne Beaulaurier; Alexander Bergman; Gordy Bernie; Juliette Boselli; Eva Burk; Jim Campbell; Erica Carroll; Lauren Carroll Callen Christensen; Sue Christensen; Jerryne Cole; Tony D'Aoust; Lois Epstein; Joan Franz; Zoe Fuller; Pat Gaedeke; Rachel Gaedeke; Susan Georgette; Charles Gilbert; Solaris Gillespie; Eugene Haberman; Gregory Halbach; Jeralyn Hath; Lee Hart; Representative Andy Josephson; Jim Johnson; Marci Johnson; Seth Kantner; Loren Karro; Sara Keller; Deb Lau; Princess Lucaj; Todd Mackinaw; Jim Magdanz; Erin McKittrick; Luc Mehl; John Miller; Vivian Lee Mork; Eric Moser; Philip Moser; Kristen Mrozowski; Sarah Obed; Kathleen O'Reilly-Doyle; Willie Pretty; Melissa Quinton; Ty Rilleau; Barry Santanna; Eric Santanna, Nicole Schmitt; Heidi Schoppenhorst; Scott Schoppenhorst; Jim Schwarber; Bob Shavelson; Richard Steiner; Jomo Stewart; John Strassenburgh, Christin Swearingen; Seth Tanner; Stefan Milkowski; Nancy Wainwright; Joanne Wasille; Phillip White; Mike Wood; Brooke Woods; Pat Unidentified; and Unidentified Speakers.

#### **4. AGENDA APPROVAL**

Chair Pruhs proposed that anyone who wants to make a public comment to please indicate by sending an email. He proposed the agenda be amended to limit public comments to two minutes per person to allow each person to comment. Chair Pruhs also proposed the agenda be amended to allow public comments for the subject matter of each agenda item in order of occurrence.

The agenda was approved as amended.

Chair Pruhs requested patience from everyone today. He asked each person who provides a public comment to speak clearly. Chair Pruhs asked for each person on teleconference to diligently minimize background noise. He does not believe the teleconference system was ever anticipated to accomplish the demands seen at yesterday's meeting and today's meeting. Chair Pruhs clarified his frustrating comments expressed yesterday after the public session was closed were in response to the struggles with the telecommunication system and not toward any Board member or person of the public. He apologized if he inadvertently offended anybody. Chair Pruhs noted the in-person meeting today is in a different room, with the hopes the teleconference system is more effective.

#### **5. PUBLIC COMMENTS (2 minutes per person associated with each resolution)**

#### **6. NEW BUSINESS**

#### **6A. Resolution No. G20-08 Adopting an Emergency Regulation on Waiving or Modifying the requirements of the regulations governing the Authority's Loan, Guarantee and Finance Programs**

Tom Boutin requested Alan Weitzner take the lead on describing Resolution No. G20-08. Chair Pruhs opened public comments regarding Resolution No. G20-08.

**Eugene Haberman** of Mat-Su Valley provided his telephone number and email address. He expressed deep concern regarding the items up for decisions on the agenda today. (Teleconference interference occurred) Mr. Haberman believes AIDEA is moving fast on its decisions, which makes it difficult for people to review the information presented and difficult to be able to address concerns. He believes the process is alarming and is not right. Mr. Haberman feels it is critical that the process be more connected with the public before additional such meetings are held.

**Lois Epstein**, Wilderness Society in Anchorage, expressed opposition to Resolution No. G20-08 waiving AIDEA's regulations for the Authority's loan, guarantee, and finance programs. AIDEA has not provided any evidence of the need for this blanket waiver. She believes the evidence needs to be provided and this decision should be postponed. Ms. Epstein advised there was only three days' notice for this meeting. The Legislature is in the final days of its session, which is its busiest time. The public and the media are distracted with necessary responses related to COVID-19. She believes the AIDEA Board wants to make decisions with the minimal amount of scrutiny and feels this reflects poorly on AIDEA's decision-making process.

**Barry Santanna**, of Wasilla and Pedro Bay, expressed concerns about using the COVID-19 virus to change regulations for loans, guarantees, and financing programs when the focus should be on the healthcare disaster. The regulations do not need to expand. Healthcare issues should be the focus.

**Rick Steiner**, of Anchorage, agreed with the previous speakers that it is unconscionable that AIDEA would even consider significant changes, projects, and proposals in the midst of this COVID-19 pandemic. He believes it is unbelievable and outrageous AIDEA is even holding this meeting today in such an obtuse manner. Mr. Steiner noted this AIDEA process is likely illegal. He believes times like these shows the best and the worst of humanity. He feels this AIDEA process shows some of the worst and AIDEA should be ashamed for trying to move these proposals through without adequate public scrutiny. Alaskans are currently focused on health, families, communities, and the state. Alaskans need government support for all Alaskans, not the undermining of democracy. Mr. Steiner feels the resolutions on the agenda today are unpatriotic and wrong. He requested the Board at least reschedule and postpone all of these votes for six months and/or close the funding to Ambler Road. Chair Pruhs informed Mr. Steiner's two-minute time limit was complete. Mr. Steiner noted the Ambler Road funding is not included in this agenda item. His understanding was public comment would be taken at the beginning of the meeting.

**Seth Tanner**, of Kotzebue, echoed the comments of Mr. Steiner. He believes it is embarrassing what AIDEA is undertaking with its meetings and trying to get by with the Ambler Road and slide money around. Mr. Tanner feels these actions are unpatriotic and discouraging.

**Jomo Stewart**, Fairbanks Economic Development Corporation (FEDC) said he joined the meeting to hear what the Board will be discussing. Now that he reviewed the agenda items, he commented that from an economic development perspective FEDC was asked what sorts of things the State could do to help during this economic crisis. There are a number of lending institutions run by the State that could take steps to make it easier on their current borrowers during these trying economic times, including deferral of payments and waiver of interest accrual. Mr. Stewart advised he does not know exactly what this resolution is meant to achieve, and he is giving AIDEA the benefit of the doubt that this waiver of regulations are in relation to those kinds of economic assistance recommended by FEDC.

**Callen Christensen**, of Fairbanks, commented he would not want to be remembered for wasting State funds for outside business when the money could have saved lives. At this moment, the State needs to be conserving funds and not wasting it with outside interests. Mr. Christensen believes the State should keep its money until the crisis is over and then discussions can be made. He understands AIDEA is doing what AIDEA is meant to do, but now is not the time to take the money from the community. Mr. Christensen feels the timing of the special Board meeting is disgusting. He noted AIDEA has given the road project \$26 million of State money and the road should be available for public use. Mr. Christensen does not believe the Board can legitimately act. He believes the Board is continuing the pattern of subsidizing outside private interest with the communities' money. He feels the public should have a right-of-way or Ambler should pay for the road. Mr. Christensen thinks the Board is planning to break the law with these actions and it is good the Board is giving citizens the opportunity to inform the Board they are breaking the law.

Chair Pruhs requested the next speakers focus comments on the resolution before the Board, Resolution No. G20-08.

**Unidentified Speaker** commented the waiving of regulations to a substantial fund of money now should be thought about in a more open way and should be given sufficient public notice. He expressed concerns the people promoting the Ambler mine are the same who had a failed mine in Nome. He believes AIDEA is unwittingly participating in something they will have to live with the rest of their lives.

**Eva Burk** informed she is reviewing the regulations and there are insufficient guidelines to modify the loans. She believes there needs to be a proper plan in place to identify where the funds are going and how to secure them. She does not feel three days is sufficient public notice during this time when families are focusing on things like taking care of their children, schooling their children from home, working from home, taking care of elders, and obtaining food from stores that have shortages of supplies. Ms. Burk does not see any mention of how the resolution modification will support small business. She does not believe the mega-corporations are set up to serve citizens or their shareholders and they are not set up to serve the economy. AIDEA should be focused on protecting the natural resources so we have an economy we can work from. AIDEA needs to be investing in small businesses during this time. There are limited funds and resources. Ms. Burk does not believe the corporations should have any tax write-offs or bailouts now.

**Vivian Mork** of Juneau expressed opposition to the way this is being handled. The money should be spent on Alaskan businesses and families during this pandemic time and not on multinational corporations' design and permitting. The local businesses are hurting. Ms. Mork gave an example her small business, Planet Alaska, could produce protective gear for hospitals with \$100,000, but instead this money is directly related to the Ambler Road project. It is unconscionable to be conducting these actions during this time. Ms. Mork thinks AIDEA needs to listen to the public, and halt State and Federal reviews for major infrastructure projects. The unusual time calls for unusual solutions. This is not the time to give money to multinational corporations.

Chair Pruhs reminded speakers to comment on Resolution No. G20-08.

**Deb Lau** of Kotzebue stated it is beyond the pale for AIDEA to hold the meeting today. Ms. Lau noted she is on AIDEA's website and sees nothing about this meeting. She expressed shame on AIDEA members.

**Nancy Wainwright** asked if she would be able to comment on both this resolution and the Ambler Road resolution. Chair Pruhs informed speakers get a total of two minutes. Ms. Wainwright objected to how the item is being handled and how the Board is changing the rules. She believes it is a violation of the Open Meetings Act, AS 44.62.310, which requires all meetings are open to the public and are provided reasonable notice with prior distribution of materials to be considered at the meeting. The Board did not give five days' notice as required and the Board did not provide any materials. The notice that was given did not identify the subject of the meeting. There are numerous violations of the Open Meeting Act. She reserved the remainder of her time to discuss the Ambler Road resolution. Ms. Wainwright believes Resolution No. G20-08 should have been identified and violates the Alaska Open Meetings law in the Constitution.

**Representative Andy Josephson**, State legislator in Juneau, shares in the grave concern of these hearings. The Legislature is desperately trying to fund the government and wants to get home to their families, who are concerned about our health and our well-being. Representative Josephson expressed concern Chair Pruhs informed public comment now should be focused on Resolution No. G20-08 and speakers only have two minutes to comment on all topics, which waives the right to comment on Resolution No. G20-11. He is concerned the optics of what the Board is doing is so poor, given the current situation. Representative Josephson informed he has sent an email comment to the AIDEA office. He noted AIDEA specifies that the Legislature has not capitalized the AIDEA revolving fund to advance the project in Resolution No. G20-11, which speaks volumes about the vision within the Legislature regarding the merits of the project. Representative Josephson asked the Board to reconsider the

resolutions and ensure the State will not be involved in extensive litigation challenging both the process and the substance of the actions.

**Rachel Gaedeke** echoed for the record her agreement with the previous public comments, especially Representative Josephson's comments. She believes this meeting is being conducted with a personal attack against the public who wants to be involved. Ms. Rachel Gaedeke expressed disagreement with today's decision to reduce the public comment period to two minutes rather than three minutes and to combine the total time for all resolutions. She noted public comments are often prepared in advance of the meeting and the decision to reduce the time limit was just announced during today's meeting. Ms. Rachel Gaedeke noted for the record, the meeting is being held in an extremely poor and unprofessional manner.

**Sara Keller** of Fairbanks agreed with the previous comments, including Representative Josephson. She expressed opposition to Resolution No. G20-08 and noted she has opposed the Ambler Road since the beginning.

**Willie Pretty** of Washington echoed previous comments regarding Resolution No G20-08. He believes this process is not the way a democracy should be run. He expressed opposition for the Ambler Road.

**Gary Santana** noted the public should reference the entire description of the resolution and not just the number. Resolution No. G20-08 should be referenced as adopting an emergency regulation on waiving or modifying the requirements of the regulations governing the Authority's Loan, Guarantee and Finance Programs.

**Gordy Bernie** expressed opposition to the emergency meeting with three days' notice for repositioning funds. He noted he was a miner. He believes it is a stretch to believe this issue that has been around for 40 years needs to be passed in three days. He stated the people of Koyukuk and Kobuk Rivers do not want the project.

**Sue Christensen** of Homer strongly discouraged AIDEA to allow the road to be built at this time and to use money for desperately needed testing and State preparations. She thinks using the money on a road that is not an emergency is reckless. Ms. Christensen encouraged the Board to use their integrity in making the decision and not allow the funds to be used for the Ambler Road.

**Tony D'Aoust** agreed with previous comments and believes the action is unconscionable. He thinks it is straight out of the play book of "The Shock Doctrine" by Naomi Klein and at this time with the pandemic occurring, it is completely embarrassing. Mr. D'Aoust noted reducing a minute from the three minutes the public is allowed to speak is proof AIDEA is not applying the proper rules of meeting to make this happen.

**Unidentified Speaker** expressed opposition to the resolution. He has been a resident of Alaska for over 20 years. He is a wilderness guide in the area around the proposed road. He believes AIDEA has gone to a new low by conducting this emergency meeting. He finds this utterly deplorable. He opposed this wholeheartedly. He believes people should be working from home and teaching their children, rather than taking their time to speak to AIDEA about issues that are not emergencies. There is a real emergency going on. He believes these actions for approval in the capital budget should be through the Legislature. He thinks AIDEA knows that legislative approval is not going to happen because of the prices of oil and no other revenue sources. He expressed shame on AIDEA.

**Patricia Gaedeke** commented the public testimony was interrupted yesterday. She does not believe AIDEA's assertion the \$35 million was simply a transfer from the revolving fund to the Arctic Development Fund and the money would sit there and not be spent. Ms. Patricia Gaedeke noted the next version of the resolution posted as of Wednesday night did authorize spending the \$35 million. AIDEA changed the resolution and did not reveal that change to the public. The Ambler Road project is not in Alaska's best interest during any environment; political, economic, or pandemic. The project fails nearly all of the mandates AIDEA is supposed to uphold. AIDEA's stated purpose is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska. AIDEA has forgotten the people by subsidizing foreign mining interests. The people of Alaska are now facing severe economic and personal ruin. Meanwhile, AIDEA thinks that by waiving the regulations to an emergency, the \$35 million is ready for spending and nobody will notice. AIDEA is attempting to end-run around the Legislature to fund a project that should have no standing in any economic climate. This project does not benefit Alaska.

Chair Pruhs commented it sounds like there are a lot of people that want to speak to all the resolutions during their remarks. Chair Pruhs opened the public comment forum for all the resolutions to best respect everyone's time. Chair Pruhs advised he will limit testimony until 2:30 p.m., which is 45 more minutes. He informed there are critical resolutions in front of the Board today that affect the Alaska economy, Alaska businesses, employees, and employers.

**Princess Lucaj** of Fairbanks shared her great-grandfather was from Allakaket and many of her relatives still depend upon the lands along the proposed Ambler Road for food security. She echoed previous comments. The primary focus now needs to be on the mental, physical, and spiritual well-being of Alaskans. Food security is at the top of her mind, because her community depends upon a healthy salmon run, healthy caribou, and healthy animals. This is a time for all Alaskans to unite because we all enjoy and prosper when the lands are healthy and well. Ms. Lucaj said Alaska has a real emergency in front of us. The \$35 million is too much money to push toward development of a multinational corporation that will threaten food security of the affected area. She believes there needs to be transparency and the public should remain diligent, so things do not get slipped in at the last minute.

**John Strassenburgh** of Talkeetna objected to the transfer of \$35 million for the preliminary construction costs. He expressed concern regarding the release of the FEIS yesterday. There is no record of decision and BLM is not expected to issue one for at least 30 days. A lot can happen in 30 days, including a possible lawsuit. Mr. Strassenburgh would not like to see the State spending good money after bad. He feels this action is under an exceedingly compressed timeframe and does not provide for due process and meaningful public participation. Mr. Strassenburgh noted he is 73 years old and does not want Ambler Road. He wants there to be plenty of ventilators, test kits, masks, gowns, and gloves. Mr. Strassenburgh wants small businesses and workers who have been laid off to be supported. He wants people affected by COVID-19 to be made whole for medical expenses, including testing. He believes it is outrageous for AIDEA to be rushing ahead with this decision. Mr. Strassenburgh does not think that dedicating funds to the Ambler Project is in the public interest. He thinks saving lives and providing for people's livelihoods is in the public interest. Mr. Strassenburgh requested the Board vote no on Resolution No. G20-11 and not authorize the transfer.

**Todd Mackinaw** of Fairbanks expressed opposition to holding this "emergency" meeting on very short notice for the purpose of deciding to spend a substantial sum of public money as an act of corporate welfare, as a gift to a multinational corporation, in the midst of a public health and economic emergency. Mr. Mackinaw stated he works for an Alaskan small business that is hurting now. It is unacceptable that State money should support and subsidize a multinational corporation that does not care about what the

average Alaskan is currently enduring. The review, permitting, and funding processes for large development projects, such as the Ambler Road, should pause during this unprecedented pandemic and allow the public to rightfully discuss and comment at a later time, when they are not so overwhelmed with safeguarding their family's health and safety. AIDEA should stop attempting to circumvent Alaskan citizens and their Legislature.

**Jim Schwarber** of Fairbanks, and Northwest Alaska, near the proposed route of the Ambler Road expressed opposition to providing \$35 million to the Arctic Industrial Development Fund to pay for field work, design, and permitting of the Ambler Road. That money should be spent on Alaska owned small businesses and the families who need it or other emerging priorities of the day. Alaska is currently experiencing an unprecedented drop in oil prices, along with the unprecedented public health emergency that the short and long-term impacts remain unknown, which have nearly shut down the state, nation, and world economy. The State is also facing a financial crisis, for the expenses far exceed revenues. All State commitment of funds must take these unknowns seriously and refrain from making long-term decisions at this uncertain time. Mr. Schwarber reminded the Board we are in a middle of a climate crisis, whose costs are unknown, this will require major investments for our long-term wellbeing. He urged the AIDEA Board to end their support for the Ambler Road Project. AIDEA should not be subsidizing and we cannot afford to further subsidize this hugely expensive and risky access project for the benefit of outside interests, especially with so many other competing needs for our limited resources.

**Jim Magdanz** stated he has lived in Northwest Alaska for more than 30 years and has spent most of his professional life in public service. He is retired and studying natural resources at UAF. He expressed opposition to Resolution No. G20-11 and expressed concern regarding Resolution No. G20-08. He believes there are many good reasons for AIDEA to be concerned about the COVID-19 pandemic, but Resolution No. G20-11 is not about helping the businesses and workers who are being hurt by this pandemic. Given the circumstances, adopting the two Resolutions No. G20-08 and No. G20-11 make it appear that AIDEA is using the COVID-19 pandemic as cover to write itself a blank check to advance one of Alaska's most controversial infrastructure proposals. That is not a good look.

Mr. Magdanz noted last September at the first public hearing for the Ambler Road draft EIS, AIDEA's Karsten Rodvik told the "Anchorage Daily News" that AIDEA would not help pay for the Ambler Road without a commitment from mining companies that they will repay the cost. Not a single mining company has committed and why does AIDEA suddenly need access to \$35 million of public funds. This action is completely inconsistent with AIDEA's previous message, mainly that industry will foot the bill. That is no longer true if, in fact, Alaska taxpayers will be footing the bill for this road. AIDEA should be transparent.

Mr. Magdanz commented in 30 years of public service, he has never seen a public body in Alaska, other than the Legislature, attempt to allocate such a large sum of public money with such little notice. This is not how the public's business should be conducted. This is not when this particular piece of public business should be conducted. He urged Board members to vote no on Resolution No. G20-11.

**Jerryne Cole** stated she is testifying on behalf of her husband Wallace Cole, herself, and children. She expressed opposition to the transfer of the \$35 million from the revolving fund to a fund that can only be used for the next steps in building the Ambler mining road. The funds should be kept at this point in time to help Alaska businesses that are in economic crisis due to the virus. The Ambler Road is a capital project that should be funded through the capital budget. The Legislature is divided on this issue because it failed to capitalize the Arctic Infrastructure Development Fund. She asked the Board to operate

conservatively at this critical time when Alaskans need to be properly focused on their health and physical safety.

**Phillip Moser** expressed concern with Resolution No. G20-08, which waives the requirements of the regulations governing loans. He noted AIDEA had to defend itself against accepting a no-bid contract proposal from the Governor awarding an \$8,000 per month no-bid contract to Penney Capital. The no-bid contract has since been withdrawn and put AIDEA in a precarious legal standing. Mr. Phillip Moser commented on the testimony he heard yesterday and the Board's clearly misleading responses against the proposal that the \$35 million would not be for the expressed purpose of the Ambler Road, including Chair Pruhs' quoted "He didn't give a shit" response to a testifier. Mr. Phillip Moser believes waiving regulations might shield AIDEA from what deservedly should be considered illegal behavior and may put AIDEA at legal risk. He noted if this resolution is passed and anything illegal occurs that put people at harm who are already in crisis, he will do his best to ensure AIDEA is held responsible to the fullest extent possible.

Chair Pruhs noted there are 30 minutes remaining in public testimony. He requested those who were unable to provide public comment yesterday to testify next.

**Phillip White** of Fairbanks commented if Alaskan funds cannot be dispersed in an orderly, transparent, and patient process, they should not be dispersed. He expressed embarrassment as an Alaskan that the government is trying to pull a fast one on the public in the midst of this global health pandemic. This meeting and this motion is in violation of the Public Meetings Act. AIDEA has not provided reasonable notice to the public and AIDEA has changed the nature of the agenda in the midst of the process. Mr. White noted AIDEA is not prepared to accept public comments due to technological failures. The meeting almost certainly violates the law. If this is how AIDEA conducts business, then AIDEA should be dissolved and the capital is put towards better uses. He believes in the midst of a public health and economic emergency, there are far better uses for State funds than an agency that ignores due process, transparency and the needs of the Alaskan public. This is not the time for a rush and rash decision to spend limited public monies and support corporate welfare for a foreign corporation. Mr. White opposes Resolution No. G20-11 and urged the AIDEA to act in the real public interest of all Alaskans.

**Erica Carroll** of Fairbanks noted she is the Alaska Field Representative in the Alaska regional office of the National Parks Conservation Association, the nation's oldest and largest park advocacy organization, who work on behalf of their 1.4 million members and supporters to ensure park resources and staff are getting the support the need, especially during these difficult times. Ms. Erica Carroll urged the AIDEA Board to vote down Resolution No. G20-11, which would transfer \$35 million from the revolving loan fund to the Arctic Infrastructure Development Fund. This action is inappropriate at this moment during the COVID-19 emergency. The State Legislature, which has constitutional powers of allocated State funds, has refused to allocate a single dollar to the Arctic Infrastructure Development Fund to-date.

Ms. Carroll stated the State is in crisis and needs to support local businesses, communities, individuals and families. Small communities off the road system need to be the first to receive State resources to maintain their food security and systems. A transfer of \$35 million for the Ambler Road would do the opposite. Setting aside those funds for a project that would ultimately threaten the health and sustainability of the communities in northern Alaska and the Western Arctic caribou herd, sheefish and many other natural resources for Alaskans is inappropriate. The National Park Service and numerous gateway communities are struggling to cope with the fact that there will be no tourist season this year. She believes the numerous layoffs will snowball.



Ms. Carroll shared her and her husband both serve in the Alaska Air National Guard and are raising two daughters. They are preparing to be called up but are hunkering down now and cutting back frivolous household spending. She believes the State should be doing the same. Today is the anniversary of the 1964 earthquake crisis and the State is in the midst of another crisis. The State must make important decisions on how to support Alaska and its economic future and she does not believe this is the best use of the public funds during this crisis time. Ms. Carroll asked the Board not to leave an aftershock that upends the economy and local small businesses.

**Anne Beaulaurier** of Cantwell commented she would have thought emergency meetings held during this time would be in response to COVID-19 currently wreaking havoc on our world and our state. She believes the emergency meeting would be called to talk about people's health and safety and how to protect investments, but not how to profit off of the crisis. Realizing that AIDEA is taking advantage of the distraction of the public's health crisis to quickly and quietly transfer State funds in an effort to further the potential for lining the pockets of outside industry on a very controversial project rises to a new level of corruption.

Ms. Beaulaurier noted this time calls for looking after each other and to the greater good, knowing that each person's actions affect another. At a time when people are looking at their leaders and all levels of government to offer guidance and in the best interest of all people, and at a time when countless businesses are closing their doors and are uncertain of whether they will ever be able to open them again, and at a time when we still do not know the extent of the damage the coronavirus will bring to the businesses and the economy of Alaska, it is wholly inappropriate to divert \$35 million toward the Ambler Road project. That money should be used to invest in small and moderate-sized Alaskan businesses. The diversion is not only inappropriate, it is shameful, negligent, unethical, disgraceful, short-sighted, sneaky, probably illegal, and wrong. This global health crisis should not be seen as an opportunity to disregard the public process. Ms. Beaulaurier implored AIDEA to reconsider and act in the best interest of Alaskans.

**Scott Schoppenhorst** from Interior commented on the placement of Resolution No. G20-11 at the bottom of the list hoping that comments are burned off in the upper resolutions. He expressed opposition to the \$35 million used for the Ambler Road. He does not believe it is appropriate at this time considering the State's financial and health issues.

**Melissa Quinton** of Fairbanks expressed opposition to Resolution No. G20-11 and expressed concerns regarding Resolution No. G20-08. She echoed previous comments. She believes the priorities now need to be around health and well-being of the communities. Ms. Quinton noted she is a community organizer in Fairbanks and is reviewing ways in which she can help people in Fairbanks have their voices heard and connect to opportunities to make the changes they wish to see. She expressed concern and sadness to witness the changes in this meeting today restricting the public. The changes to the rules were made without transparency and without consultation for consent from communities. Ms. Quinton feels that when there is a president that does not care to make sure that people are able to testify in the allotted time, this shows what the Board's interest is, which is not the safety and well-being of the communities they claim to serve. The Board is not interested in the economic development of the communities that they serve, but really the interest of other companies trying to profit off of Alaska's resources. Ms. Quinton asked why communities should be expected to pay for the long-term damages that these decisions will make.

Ms. Quinton feels AIDEA should be using this money to make sure that the health departments, grocery stockers, cashiers, laborers have the supplies they need to be safe. The money needs to be invested in the businesses that are going to serve the communities, not some proposed project that we know has been

thrown onto communities stricken with poverty in order to claim the coal as economic development. This is not what is needed now. Ms. Quinton encouraged the Board to be conscientious of the communities they serve, the businesses they claim to represent, and to the people who are supposed to be supportive of the decisions of AIDEA. She urged the Board to oppose both resolutions and take care of themselves by not holding meetings.

**Brooke Woods**, Chair of Yukon River Inter-Tribal Fish Commission, requested the Board listen carefully and respectfully. She does not like how the Board is treating people that are trying to comment on this very important issue. The Yukon River Inter-Tribal Fish Commission was founded on tribal unity for the health and well-being of tribal members, future generations, and all who rely on the health of the Yukon River fisheries. The Fish Commission recognizes the responsibility and the authority of the tribes to activate their tribal rights as stewards to their traditional territories and resources. To-date, there are over 30 federally recognized tribes along the river that have joined the Commission and many of these tribes will be affected by the Ambler Road impact. The Commission unanimously opposes the Ambler Road project and (indiscernible). We are in a pandemic and the current oil crisis is impacting those who are working today. Ms. Woods expressed opposition to Resolution No. G20-08. The money should not be used at this time. She described her difficulty in finding this meeting in order to participate.

**Rick Whitbeck**, State Director for Power of the Future; informed he listened to comments both yesterday and today hoping to comment sometime during the process. He believes AIDEA's mission statement to promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing in investment is doing exactly what it is supposed to do by considering Resolution 11 today. He hopes the Board will move forward with the resolution and deflect and reject the extreme positions of people who would rather see mineral resources in the ground and deny 4,000 Alaskan jobs from being created. He agreed we are in a pandemic, are trying to flatten the curve, and businesses large and small are being affected by COVID-19, but business does not stop. When the State has an opportunity to make a significant impact on future generational-length employment in an area that is already set aside for development, the State should be doing something. He encouraged the Board to pass Resolution No. G20-11 to move the State forward after the pandemic.

Chair Pruhs announced there are 15 minutes remaining for public comment. He encouraged anyone who does not get to make a public comment today to please send comments to AIDEA via email or mail, and staff will work very hard to forward the comments to the Board. Chair Pruhs requested the next speaker to be a person who did not get to comment during yesterday's meeting.

**Heidi Schoppenhorst** of Arctic Alaska and co-owner of an Alaskan business noted the previous comments have agreed we are in a national health and economic emergency. She noted AIDEA was established to support business infrastructure in Alaska that will in turn support the Alaskan economy and Alaskan residents. She believes the only item on the agenda that represents that is helping out the Blood Bank so they can get more blood. Ms. Schoppenhorst indicated the State has been in an economic crisis for years. Funds are scarce and extreme caution should be used when allocating any of our precious funds toward new or unproven projects and should certainly not be allocated for unproven projects in the midst of a national emergency. Resolution No. G20-11 allocates \$35 million of these precious few dollars into a non-proven, controversial, wish list item of a few for building a road to Ambler under the guise of Arctic infrastructure. This project has not been previously funded because it has not even passed preliminary EIS, nor has the actual monumental cost for such a project been adequately determined. The \$35 million is a drop in the bucket of the funds this project would require and there is no proof or commitment that return will ever recover funds into this potential hole. This is truly a good example of a non-essential project that clearly needs to be deleted from AIDEA's order of business. The resolution will benefit a few

possibly nonresidential interest groups or foreign entities and Alaskans will pay the price. Ms. Schoppenhorst requested the Board delete the resolution from the order of business. This is not the time for playing games with the health and well-being of Alaskans and their resources.

**Kristen Mrozowski** of Anchorage noted she is studying at UAA for healthcare. She reiterated a previous comment that 30 recognized tribes along the river that would be impacted by the Ambler Road project and that they unanimously oppose the project. She understands we are in a global health crisis that has the potential to devastate every person on this call if it is not handled properly and immediately. She does not understand why AIDEA would try to plan an infrastructure project in the midst of this global uncertainty and gravity, which does not even make good business sense. This is not an appropriate process. She does not believe the public will allow it.

**Zoe Fuller** noted she is a farmer in Palmer and is involved with Susitna River Coalition. She expressed opposition to order 11. The farmers she knows are scrambling and scared about how to get food to people over the summer. The small businesses need support and leadership of elected officials in Alaska. The last thing we need is a mining road that is unwanted by local residents. Support is needed for critical projects in the state and support of small businesses to sustain the residents in Alaska and not outside mining interests.

Chair Pruhs announced there are 10 minutes left for public comment.

**Jim Johnson** of Anchorage requested a revision to Resolution No. G20-10 in Section 3 that would mandate the Executive Director to allocate at least \$10 million for securing loans to Alaska small business with less than 100 employees.

**Lauren Carroll** noted she resides in Palmer, a small business owner, and a former resident of Northwest Alaska. She believes Resolution No. G20-11 does not belong on the agenda of an emergency meeting regarding the health pandemic. It is unacceptable that AIDEA used a global health crisis to funnel funds to a mega project benefiting rich multinational companies when small locally owned businesses have been forced to reduce operations or shutter entirely. The beneficiaries of the Ambler Road are rich multinational Canadian and Australian corporations with assets of over \$100,000 million. During this time of grave health and economic uncertainty and as separate state financial crisis, Ms. Carroll would like to see the State and agencies use all available funds for the greater humanity of the state. The focus needs to be on humanity. AIDEA should not use the health crisis to circumvent the public process and available funds should be used to address the local pandemic emergency. Anything else is deplorable.

**Susan Georgette** of Kotzebue expressed opposition to Resolution No. G20-11. The Northwest Arctic Borough is under a shelter in place directive now. The state and country are in the midst of a pandemic and economic crisis and it is outrageous that AIDEA is considering these actions right now. These resolutions lack transparency and public scrutiny. It looks like AIDEA is using the current crisis and distraction to forge ahead with an unpopular project. The Ambler Road is controversial in the Northwest Arctic. There is no consensus to build the road. Many people in the area are more concerned about long-term impacts of caribou, fish, and water quality than on the shorter-term economic benefits of the road. Ms. Georgette noted she has heard AIDEA staff speak at numerous meetings in the region assuring that the industry would pay for the road and that it would not proceed without a viable mining proposal, which has not yet been produced. She urged the Board to vote no on Resolution No. G20-11.

**Lee Hart** of Juneau informed her comments have nothing to do with the details of the Ambler Road project itself. She understands AIDEA is the agency to turn to for capital. She works in the outdoor

recreation industry, which accounts for one in 10 jobs in Alaska. Alaska has the seventh largest outdoor recreation economy in the United States, and it generates 4.2% of gross domestic product for Alaska. Most of the outdoor recreation companies are small businesses under 500 employees and many are family-run, who are in desperate need for access to capital as businesses are closed and the tourism industry suffers. Ms. Hart cannot imagine any coronavirus impacts to a road that is not even approved or built yet that exceeds the needs of Alaska's many small businesses to access capital to stay afloat as we weather the impact of the health crisis.

Ms. Hart reiterated the request to amend Resolution No. G20-10 and to reallocate the proposed \$35 million from Resolution No. G20-11 to Resolution No. G20-10 for small businesses with less than 100 employees. She believes a broader discussion needs to occur regarding how the \$35 million could go toward the benefit of all Alaskans and the greatest good. Anything less is tone deaf and blind to the reality of what is happening at this very moment across the state. She hopes all the public comments get taken into consideration.

Chair Pruhs announced the public testimony portion of the meeting has approximately five more minutes, which equates to three more public comments. If individuals do not get the opportunity to comment today, Chair Pruhs requested they please send their comments via email or mail to AIDEA.

**Mike Wood** noted he is a carpenter, log builder, and commercial fisherman in Cook Inlet and he cannot wait to be able to start fishing and to pass the fish to locals in Southcentral to help them get food on the table that they need right now. This is an extraordinary time in Alaska because the livelihood and challenges (indiscernible). Alaskans help Alaskans. Alaskans feed Alaskans and take care of each other. Mr. Wood sees AIDEA trying to hoard \$35 million for a road that has had massive opposition. He has witnessed other AIDEA investments that have had massive opposition, such as the Susitna Hydro Project, and he is disgusted. Alaska should be investing in energy projects like wind, solar, small scale hydro, and create Alaskan jobs to reduce costs for Alaskans. Weatherization programs help small business contractors and homeowners that want to conserve energy. As Alaskans, we need to treat Alaska in the same way that Alaska has treated us. The outside investors look at Alaska hoping (indiscernible) getting rid of regulations and public comment periods just to make a buck. These companies look to Alaska now as the Nigeria of the north, and take what they need with little benefits to real Alaskans that continue to make their homes and feed their families from Alaskan land. Mr. Wood urged members to oppose Resolution No. G20-11 and cease the propagation of the idea that Alaska is becoming the Nigeria of the north. The process put forth today is embarrassing.

**Stefan Milkowski** of Fairbanks informed he is a local business owner trying to figure out how he is going to get through the summer. He is also a recreational user of the Arctic. Mr. Milkowski expressed opposition to Resolution No. G20-11 for the transfer of funds to the Arctic Industrial Development Fund. He echoed previous comments that it is important at this time to focus all of our efforts on protecting and helping the state recover from the coronavirus and the impact. Mr. Milkowski expressed concern about the Ambler Road project for several reasons. There is significant opposition from the people who live in the area and who will be affected by the road. There is also strong opposition from recreational users. He understands this project is unlikely to have a positive economic impact for the state and is unlikely to return payment of the road costs.

Mr. Milkowski understands a lot of the value created will leave the state. The road itself, with both the construction and the impact for its use, is problematic in the near-term and in the future. The decisions about this project are being made against the will of those who will be most directly affected. Mr. Milkowski expressed concerned the project undervalues the subsistence economy of the area and the

recreational values that are important to so many Alaskans. He believes the State could pursue and invest in other things now that would provide more value economically, socially, and environmentally. He requested the Board consider extending the public comment period today. He understands the Board is planning to vote on these resolutions today, in which case, emailing comments would not be helpful.

Chair Pruhs informed there is time for one more person to comment. He requested people who did not have the opportunity to comment today to please email or mail their comments to AIDEA.

**Pat (Unidentified)** of McCarthy expressed opposition to the road and the process. It is not right and it is an abuse of power in a really distressing time for Alaskans. She expressed support for the local people and opposed what AIDEA is trying to do. She requested an email address be provided.

Chair Pruhs closed the public comments and requested Sherrie Siverson provide an email address for those who are still waiting online to be able to provide comments. Ms. Siverson announced her email address as Ssiverson@aidea.org. This email address is also posted on AIDEA's Board meeting page on the website.

Due to audio difficulties, this portion of the meeting was not recorded. Mr. Weitzner presented Resolution No. G20-08 and a discussion ensued between board members and staff.

**MOTION: Mr. Kendig moved to approve Resolution No. G20-08 Adopting an Emergency Regulation on Waiving or Modifying the requirements of the regulations governing the Authority's loan, Guarantee and Finance Programs. Motion seconded by Mr. Fogle.**

**The motion was approved with members Pruhs, Karl, Anderson, Fogle, Kendig, MacKinnon, and Sande voting yea.**

Due to audio difficulties, this portion of the meeting was not recorded. Mark Davis and Jeff San Juan presented Resolution No. G20-12 and a discussion ensued between board members and staff.

**6B. Resolution No. G20-12 Approving an Amendment to Blood Bank of Alaska Loan**

**MOTION: Mr. Kendig moved to approve Resolution No. G20-12 Approving Amendments to Blood Bank of Alaska Loan. Motion seconded by Mr. Fogle.**

**The motion was approved with members Pruhs, Karl, Anderson, Fogle, Kendig, MacKinnon, and Sande voting yea.**

**6C. Resolution No. G20-10 Approving the Sustaining Alaska's Future Economy Guaranty Program ("AK SAFE")**

**MOTION: Mr. Kendig moved to approve Resolution No. G20-10 Approving the Sustaining Alaska's Future Economy Guaranty Program ("AK SAFE"). Motion seconded by Mr. Fogle.**

Mr. Weitzner discussed the extent there is a request of an extension of the 10 years, the request will be provided to the Board for their review and authorization.

Ms. MacKinnon asked if different terms and limits can be considered to match the federal government's Economic Stabilization Act. This will allow an alignment with the federal government in the hopes it will benefit small businesses.

Chair Pruhs agreed with the suggestion and believes it would assist the borrower's understanding. He feels speed and deployment are critical.

Commissioner Anderson believes the terms have already been defined and are public for the Economic Industry Disaster Loan Program. Unidentified member sent all the Board members the latest information she had on that program.

Ms. Sande said she believes the terms were up to a maximum of 30 years. She believes there might be some tolerance differences in the size of the loans or the loans that are authorized for guarantee. She asked if the Board should consider breaking it at a five-year point or a 10-year or a 20-year maximum.

Chair Pruhs requested the Board consider his proposal. The federal government's Economic Stabilization Act of 2020 benchmarks and limits can be used for a maximum of five years and a pay-back protection program of 10 years, and allow staff to authorize guarantees under the program of 10 years for Alaska businesses. In addition, the staff could authorize guarantees in excess of 10 years, up to the statutory maximum of 20 years, subject to the Board's review and approval.

**MOTION: Mr. Fogle moved to use the benchmarks of the Coronavirus Economic Stabilization Act of 2020 with the maximum of five years and the Small Business Administration Protection Program with the maximum of 10 years, and to therefore allow AIDEA staff to authorize guarantees under the program up to 10 years for Alaska businesses and staff may authorize guarantees in excess of 10 years up to the statutory maximum of 20 years, subject to Board approval. Motion seconded.**

**There was no objection to the motion.**

Mr. Weitzner informed two of AIDEA's major partners in the community, First National Bank and First Bank, have representatives present today to provide feedback and concerns regarding the utilization of the program. He requested additional information from First National regarding the normal pattern of the guarantees under this program. Betsy Lawer, First National Bank Alaska, believes the most flexibility that can be provided in the program would be great. She expressed appreciation to Mr. Weitzner and staff for being responsive in developing a program that will help Alaskans. Ms. Lawer noted the devil is in the details and believes there has been a good collaborative effort to efficiently get money to the folks who need it. She applauded equitable distribution across the state. Ms. Lawer requested clarification if equitable is per capita for an area or based on the miles of the area. Those details need to be clarified to move forward. She advised banks are juggling multiple programs trying to get money to Alaskans who need it. The new CARES Act is 859 pages long. The SBA Paycheck Protection Program is different from what AIDEA is proposing. Ms. Lawer noted the AIDEA program appears to be simple and she believes it will be available for working capital. She feels it is necessary to review the programs across the board so there is no duplication, but rather a process for Alaska to fill the gap between SBA and other federal programs to leverage funds as much as possible.

Chair Pruhs agreed the easier AIDEA can make this program useful for the banks to participate within regulations and statutes will be for the better. He trusts staff to work with Alaska financial institutions to deploy the program in an appropriate and proper way.

Vice-Chair Karl asked Ms. Lawer if First National Bank Alaska is certified to provide 7A SBA loans. Ms. Lauwer advised First National Bank Alaska is approved to provide 7A SBA loans but have not made any 7A SBA loans yet.

**Mr. Weitzner** requested Butch Olmsted, First Bank, provide comments on this issue.

Mr. Olmsted expressed appreciation for the effort to provide money to the communities during this unprecedented time. He believes it is important to understand, as the terms and conditions of the program are developed, the economic situation is increasing in scale as rapidly as the pandemic is increasing. Every effort is being made to flatten the curve of the pandemic. The impact this will have on the infrastructure of the state is great. He believes the pandemic will disappear at some point in time, but the people will continue to face the economic difficulties for years.

Mr. Olmsted believes the ease that AIDEA make these funds available to institutions to lend out for these businesses is going to make or break the program. Businesses are already taking advantage of the 7A disaster programs. He expects New York City will utilize much of the programs and he does not know if there will be enough funding for everyone in line. Mr. Olmsted believes the economic curve needs to be flattened too. He feels it will take a long time for the communities and businesses to recovery from the removal of everyone's income, the shutting down of businesses, the removal of revenues from export, and the extinguishing of tourism. The consideration has to be given to the health of financial institutions in the state also. It is important for the banks to be able to access the funds quickly and efficiently without the burden of overkill. Standard operational procedure for credit is not necessarily what is appropriate during this time. Mr. Olmsted informed First Bank is a 7A approved lender and will be able to access any of the SBA programs.

Mr. Weitzner explained staff created the term sheet based on existing statutes and regulations. Staff is looking toward the modifications within Resolution No. G20-08 as the ability to change some of the issues. Mr. Weitzner requested Mr. Olmsted provide his views highlighting the program loan fees. Mr. Olmsted discussed higher loan fees are utilized to help spread the risk in the event of a default. The problem is higher rates tend to qualify higher risk fringe borrowers. If the percentage fee is lower and the volume of loans is higher, the fee income will increase as a result.

Mr. Weitzner requested Board members discuss the program fees of the term sheet. The statutes indicate the Authority may charge reasonable fees, as delineated in regulations, for the service it provides. Mr. Weitzner noted the Board's authorization of Resolution No. G20-08 allows for discussion of a waiver or change in the regulations related to fees.

Mr. Fogle suggested AIDEA waive the \$200 application fee, waive the annual service fee for 36 months, and change the loan fee to a tiered, flat-dollar fee based on the loan amount to come directly from the proceeds of the loan; \$1,000 fee for a loan up to \$150,000; \$2,000 fee for a loan above \$150,000 to \$500,000; \$5,000 fee for a loan above \$500,000.

**MOTION: Mr. Fogle moved to amend the term sheet to waive the \$200 application fee, waive the annual service fee for 36 months, and change the loan fee to a tiered flat-dollar fee based on the loan amount to come directly from the proceeds of the loan; \$1,000 fee for a loan up to \$150,000; \$2,000 fee for a loan above \$150,000 to \$500,000; \$5,000 fee for a loan above \$500,000. Motion seconded.**

Vice-Chair Karl believes AIDEA is moving in the right direction. He thinks the recovery will take several years. He feels the amendment contains fair numbers and will help the State tremendously by helping Alaskan businesses and banks.

Commissioner Anderson agreed with Vice-Chair Karl and believes this change will help businesses remain for the long-term.

Mr. Olmsted expressed support for the amendment.

Mr. Karl asked if Mr. Olmsted and Ms. Lawer believe this amendment will provides the flexibility that is needed. Mr. Olmsted agreed.

**The motion to amend the term sheet to waive the \$200 application fee, waive the annual service fee for 36 months, and change the loan fee to a tiered flat-dollar fee based on the loan amount to come directly from the proceeds of the loan; \$1,000 fee for a loan up to \$150,000; \$2,000 fee for a loan above \$150,000 to \$500,000; \$5,000 fee for a loan above \$500,000 was approved with no objection.**

Mr. Weitzner discussed the next issue relates to items on the application that would enhance the quick, simple access to the program. Staff requests the ability for AIDEA to modify what is required in the application and simplify the requested information as streamlined within the SBA requirements. This will ease the burden for Alaska businesses. If banks have additional information on the borrower, that could be provided, otherwise, no additional obligations from the borrower would be required.

Chair Pruhs expressed support for simplification and streamlining for financial institutions so the State can deploy the assistance speedily.

Ms. MacKinnon asked Mr. Olmsted and Ms. Lawer whether they need a form or information sheet that the borrower and financial institution would be allowed to share that information.

Mr. Olmsted indicated those tools exist already and will not be problematic. AIDEA is leveraging the lending institutions in the state. He noted the lending institutions are very responsible and forensically connected to communities.

Ms. Lawer expressed agreement and appreciation for Mr. Olmsted's comments. She believes it would be responsible for AIDEA to streamline and simplify the process. The banks are operating the program at the direction of AIDEA.

**MOTION: Mr. Fogle moved to amend the term sheet to simplify the application process to ease the burden of information required from Alaska businesses and mirror as much as possible the streamlined procedures originally outlined by Alaska's legislative delegation for the SBA loans and guarantees, and request copies of information as required by current regulation, if available from the lender. Motion seconded.**

**The motion to amend the term sheet to simplify the application process to ease the burden of information required from Alaska businesses and mirror as much as possible the streamlined procedures originally outlined by Alaska's legislative delegation for the SBA loans and guarantees, and request copies of information as required by current regulation, if available from the lender passed with no objection.**



Mr. Weitzner noted the next issue is also relative to input received directly from banking institutions and focuses on the maximum loan-to-value in AIDEA's regulation. Additional flexibility is required for the program to be effective. Staff views this as an emergency issue to be addressed for Alaska businesses and the economic consequences they are facing.

**MOTION: Mr. Kendig moved to amend the term sheet to allow AIDEA staff to determine increased advance rates with lenders to maximize the use and benefits of the program for Alaska businesses. Motion seconded.**

**The motion to amend the term sheet to allow AIDEA staff to determine increased advance rates with lenders to maximize the use and benefits of the program for Alaska businesses passed with no objection.**

Mr. Weitzner indicated staff will revise the term sheet and provide the final copy of the term sheet for addition to the resolution of the proposed program.

Vice-Chair Karl believes these actions are long overdue and he is proud these actions are being taken today. He feels it is important for AIDEA to lead during this time, so it is easier for banks to loan money. Vice-Chair Karl sincerely appreciates the direction AIDEA is heading.

Ms. Sande echoed Vice-Chair Karl's comments and fully supports the program. She expressed appreciation to staff for their efforts and to the banking industry representatives for providing critical feedback to create a program that will be used by communities as soon as possible.

Mr. Fogle inquired of Mr. Olmsted and Ms. Lawer if there are additional steps AIDEA can take to improve the program. Mr. Olmsted echoed this is the time when we pull together and complete the work in the very best way possible. He is glad for the program. Ms. Lawer expressed appreciation to the Board and staff for developing the program. She believes now is the time for a commonsense approach to solutions such as this collaborative effort with the Alaska Banker's Association.

Chair Pruhs commented the financial institutions play a critical role in the well-being of the state from a business perspective and from an individual family perspective. At some point in time, AIDEA will run up against its statutory limitation. Chair Pruhs asked the lending institution representatives, their Association, and other financial partners to impress on the policymakers in Juneau and the Governor if a statutory change is warranted. Mr. Olmsted agreed. Ms. Lawer agreed, and believes the Alaska Banker's Association would also be supportive. Chair Pruhs requested staff to continue to work with Mr. Olmsted and Ms. Lawer and other associations to advance the message on this program.

Mr. Weitzner expressed appreciation to both Mr. Olmsted and Ms. Lawer for their assistance in organizing the approach for the program to determine the best way to reach Alaska businesses.

Chair Pruhs commented, for the record, the Board recognizes the tremendous urgency of the situation and believes that providing Alaska-based companies with access to additional capital will help keep Alaskans employed and will put those businesses in a position to recover. With this program, AIDEA and the lending partners will have the ability to directly and positively impact, at a minimum, thousands of Alaska businesses and their employees. In this unprecedented time for Alaska, AIDEA is stepping up to the plate, using its balance sheet to help Alaska businesses, small and large, throughout the state. By guaranteeing these loans, AIDEA is taking risk off the table for Alaska's financial institutions so that much needed capital can be provided to help keep Alaskans employed. In this time of crisis, AIDEA has

acted quickly, decisively, and boldly. AIDEA is here for Alaskans during this time. AIDEA is committed to the mission and to the work that is done for all Alaskans. Chair Pruhs personally thanked the staff for their diligent efforts.

**The motion was approved with members Pruhs, Karl, Anderson, Fogle, Kendig, MacKinnon, and Sande voting yea.**

**6D. Resolution No. G20-09 Approving a BlueCrest Energy Loan Modification**

Mr. Weitzner informed staff recommends approval of Resolution No. G20-09 approving a BlueCrest Energy loan modification. He explained BlueCrest has approached AIDEA and requested a 12-month interest only period for their currently existing amortizing loan, after which full amortization would resume. The loan maturity would be extended for an additional year. BlueCrest is engaged in the Cook Inlet oil and gas sector. They developed the BlueCrest field and currently are developing and producing oil and gas. There is a much broader affect in the oil and gas sector than the occurrence of the health crisis, which will have a longer-term impact. The price of oil in the last three months has fallen over 60%. Staff has reviewed the request and staff is recommending their proposal be accepted. Mr. Weitzner asked the Board to review in its discussion the fact that BlueCrest has been extremely diligent in its payment with AIDEA since the beginning of their 2016 loan relationship. He also informed BlueCrest has a new well development approved that is expected to lead to the additional hiring 150 people for further development.

Chair Pruhs asked for information regarding BlueCrest's current contribution to the State treasury in development taxes and royalties, and BlueCrest's contribution to the Kenai Peninsula Borough for taxes under the current economic conditions. Mr. Weitzner noted he does not have that information with him. Chair Pruhs commented it would be helpful to have that information during this decision-making. Chair Pruhs stated his issue with this proposal is the Board just approved a six-month suspension for the Blood Bank and this proposal is for 12 months. He asked for Mr. Weitzner's recommendation regarding utilizing six months versus 12 months and the precedent AIDEA may be setting as a result. Mr. Weitzner explained the issue of the 12 months of interest only is relative to the oil and gas sector as a whole. The price of oil is the most reliable indicator of future prediction of forward pricing, which does not exceed recovery of above \$35 within the year. This significantly impacts the company's ability to continue to operate its existing fields and wells. This is the time period BlueCrest is communicating they need based on their analysis.

Chair Pruhs asked for the total amount of the principal deferral over 12 months. Mr. Weitzner indicated the deferral is effectively \$4.8 million. The collateral includes the rig, related pipeline infrastructure, and a man-camp. Chair Pruhs asked if BlueCrest provided a price point for oil that would free up enough cash flow to begin making the principal payments. Mr. Weitzner noted BlueCrest communicated their belief is that the oil price will recover to previous conditions of \$60 per barrel, and they will be able to satisfactorily meet their payment obligations at that point in time. Chair Pruhs requested staff get a specific price point from BlueCrest and provide the price to the Board.

Vice-Chair Karl asked Mr. Weitzner if BlueCrest has paid their loan on time. Mr. Weitzner noted BlueCrest has consistently been on time with their payments since the start of the facility. Vice-Chair Karl inquired about the reserve account that BlueCrest voluntarily released and paid on the principal. Mr. Weitzner noted under the loan agreement, a cash reserve was in place that BlueCrest elected to utilize to make a prepayment in July of 2019 to AIDEA, which significantly reduced the principal loan balance.

Vice-Chair Karl feels BlueCrest has shown good faith to this point and he feels staff believes the goodwill will continue. Vice-Chair Karl expressed support for the resolution as proposed.

Tom Boutin apologized for not having the figures available today of the substantial amounts of funds paid to the Borough and the State by BlueCrest. The additional principal payment of \$6.1 million increased AIDEA's positioning. Alaska and BlueCrest are undergoing a difficult situation due to exogenous factors. He believes this solution can be easily reached. Staff will continue to bring other case-by-case solutions before the Board. Staff strongly recommends this work-out solution be approved in the way it is proposed.

Commissioner Anderson informed she was able to retrieve the royalty information that BlueCrest paid in January and it was substantial. She expressed continued production and support of BlueCrest who has been a good player.

Chair Pruhs commented the current conditions will affect AIDEA staff significantly in the near-term. He requested staff create a program and a checklist to follow to ensure as much information is appropriately provided to the Board to make the best decisions. Chair Pruhs requested Brenda Applegate provide the Board with a cash flow analysis during executive session at the April meeting and to monitor the developments closely. He asked the Board be provided with the immediate financial effect of any future proposed loan modifications. Two requests have been made today and clearly, additional requests are expected.

Ms. Applegate informed she has completed cash flow analysis for the two requests before the Board today. Chair Pruhs commented \$54 million has been removed today from AIDEA's income. The next meeting is in two weeks. He emphasized the importance of having a process in place for decisions. AIDEA currently has the ability to act on these easy decisions. The difficult decisions will come when AIDEA does not have the ability to act. Chair Pruhs wants to avoid that scenario as long as possible.

**MOTION: Mr. Kendig moved to approve Resolution No. G20-09 Approving a BlueCrest Energy Loan Modification. Motion seconded by Mr. Fogle.**

**The motion was approved with members Pruhs, Karl, Anderson, Fogle, Kendig, MacKinnon, and Sande voting yea.**

**6E. Resolution No. G20-11 Approving a Transfer of Funds to the Arctic Infrastructure Development Fund**

Chair Pruhs requested Mark Davis brief the board on Resolution No. G20-11. Mr. Davis informed the board Resolution No. G20-11 proposes moving \$35 million from the AIDEA Revolving Fund to the Arctic Infrastructure Development Fund (AIDF). The fund currently does not have any money in it. The fund was passed by the Legislature 2012, at the time when they wanted to have construction and development in the Arctic. No funding was included because a program was not outlined at that time. Mr. Davis stated AIDEA did not get the Ambler Project until 2013. He informed he received a final notification today from the Department of Interior that the final Environmental Impact Statement (EIS) has been published in the federal register and is now a public document. This is the first Greenfield EIS in 30 years.

Mr. Davis informed the resolution asks the Board to transfer money to set aside for this project but does not ask to spend the money. Staff will conduct a phone conference next Monday with Ambler Metals, a

subsidiary of South32, to discuss the summer season. Staff has a proposed budget of approximately \$15 million, of which staff is requesting Ambler Metals to contribute \$7.5 million. Additional terms would be considered and agreed upon between both parties. If the resolution is approved today, staff can affirm to Ambler Metals at the Monday meeting that the Board has set aside funds for the project but has not yet authorized spending of the funds. Mr. Davis expressed the importance of the short 2020 summer season without snow on the ground to fly the route in the EIS using LIDAR to plot on the map. DOT and DNR both have LIDAR capabilities and an RFA will probably be used to keep the costs down.

Chair Pruhs commented he would be opposed to spending any money without Ambler Metals being 50% involved financially, and directly involved with staff managing costs and ensuring Alaska businesses have an opportunity to bid any work. Mr. Davis agreed and prefers to use the State open bid procurement process through AIDEA to have the 10% advantage for Alaska-based businesses. South32 has already agreed to the open bid process.

Vice-Chair Karl asked if his understanding is correct; \$35 million will be transferred to the AIDF and the mining companies are going to match the amount of money AIDEA spends for the project or AIDEA is not going to participate. Mr. Davis agreed. Vice-Chair Karl asked if his understanding is correct; the money that will be spent on the road will eventually all come back to the State, like Red Dog Mine, in fees that the mining companies will pay to the State of Alaska. These fees and taxes will exceed the cost of the road and will have a tremendously good rate of return to the State with the eventual opportunity of a couple billion dollars to the State. Vice-Chair Karl wants to ensure the public knows that this project is for the State and for the public, and AIDEA will get every dime back to the State coffers.

Mr. Davis explained the two issues are how to pay for the frontend engineering design and permitting costs, and the payment of the road. The frontend engineering design and permitting costs is proposed to be split 50/50 with South32. Discussions and agreements have already occurred with South32 regarding the concept that they would agree to pay fees and put up guarantees to pay those fees, even if they did not use the road. Mr. Davis informed the Chairman of South32 has communicated that their Board has agreed to use, what is called, the Red Dog model. If South32 is part owner in the road, they will receive some of the fees back. Staff's model show this project has the potential to produce between \$1 billion to \$2 billion in return over 30 years.

Vice-Chair Karl expressed the importance of the explanation and it's placed in the record. He respects the public and the public comments presented today and wants the public to know AIDEA is looking after the future of the State. Mr. Davis explained one of the reasons the road was transferred from the Department of Transportation, DOT, to AIDEA was to specifically capture the fees, pursuant to the Red Dog model. He expressed the importance of continued public communication.

Mr. Fogle requested Mr. Davis address some of the public comments today and yesterday regarding the issue the \$35 million is State dollars and somehow requires legislative approval, even though AIDEA is a separate organization from the State. Mr. Davis explained the proposal to transfer the funds is one that is under AS 48.88.810, stating the Board can transfer money from any source the Board has control over into the AIDF. The Board is authorized to make the transfer from the revolving fund by the statute given by the Legislature. Secondly, Mr. Davis explained AS 44.88.050 states the Board may take action in their meetings pursuant to the statutes. AIDEA is following the parameters given by the Legislature.

Mr. Davis noted under AIDEA statutes, AIDEA's capital budget is not subject to the Executive Budget Act, Title 37, cited in some of the comments. AIDEA has an expressed statute stating AIDEA's operating funds are subject to the Executive Budget Act. Mr. Davis explained the \$2 million to \$3 million a year

AIDEA operates goes to the Department of Commerce through the Commissioner and then goes to OMB and then gets sent in the Governor's Budget to the Legislature, and they can review it and have final decision. However, the Legislature did not include AIDEA's capital budget under the Executive Budget Act. The Legislature passed statute 44.88.190(b) that expressly states the funds of the Authority "are not funds of the State." AIDEA is the only public corporation that has this distinction.

Mr. Davis explained AIDEA's funds are from the money that AIDEA has made over the years through its investments in projects. Under Statute 44.88.010 and 44.88.070, AIDEA is to use its monies for natural resource development and infrastructure. Mr. Davis noted one of the classic ways of digging out from an economic downturn is to invest money into projects that will hire people, which the proposed 2020 summer program would hire between 100 and 200 people. The contractor would be selected through the procurement process. Mr. Davis noted under the current CDC regulations regarding the coronavirus, no one would be prevented from working on these types of LIDAR projects.

Mr. Davis explained the DeLong Mountain Transportation System (DMTS) began in 1988. In the summer of 1987, oil hit \$9 a barrel. AIDEA responded with the DMTS, the road to support the Red Dog Mine. The AIDF was designed for financing, and the goal is to finance the Ambler Road, which is consistent with the statutory direction. It will probably be financed using revenue bonds.

Mr. Boutin expressed it is important to point out the previous Governor put several large projects on hold and Ambler was one of them. Mr. Boutin believes Ambler can be seen as a 50-foot wide, 200-mile long right-of-way. The pro-resource Governor elected in 2018 restarted some of the large projects and Ambler was at the top of the list. It was not appropriate for any funds to be requested during the time the project was on hold, but it is now appropriate to ask for funds since the project is no longer on hold, the EIS is now complete, and the 2020 field season is approaching.

Mr. Boutin believes anyone who has listened to the entirety of the meeting can see the Board treats every single dollar that belongs to Alaskans as very precious and everybody is motivated to spend money wisely. There is no waste occurring. There is no emergency for this action. The special meeting was needed for other items on the agenda, but the action regarding Resolution No. G20-11 is timely in anticipation of the upcoming field season. Absent this special meeting, the resolution would have been included on the agenda for the regular April Board meeting. Before any money is spent, staff will bring the plan before the Board for approval.

Mr. Fogle commented he would argue with Mr. Boutin, and believes the transfer of funds in Resolution No. G20-11 was put on the agenda during the special meeting specifically because of the COVID-19 response that the Governor wants and that AIDEA wants for economic development and to bring jobs into the state. So by putting this money into this fund and leveraging the money, AIDEA is going to be able to create 100 to 200 jobs immediately that otherwise would have gone to waste and had to be postponed until 2021, because the field season is so short. Mr. Fogle is encouraged and glad this resolution has been included on the agenda for the special meeting so AIDEA can do what it can to create jobs and provide economic development in the state.

Mr. Weitzner understands the Board is sensitive to public comments. One of the concerns expressed regards fish. AIDEA shares concerns about fish and has taken steps to address the concerns. The BLM and Corps of Engineers expressed the U.S. Fish and Wildlife Service believes the Department of Transportation culvert standards are too constrained for salmon. Staff conducted an examination of the claim and determined that Washington State has a better culvert standard that does not cost much more. Mr. Weitzner noted AIDEA agreed to the increased standard and it is stated in the EIS document.

Chair Pruhs expressed agreement with Mr. Fogle's comments. Chair Pruhs noted he is in the construction business and is precluded from proposing on any of the contracts. He believes it is important to bring the mining group to the table and negotiate for a minimum of a 50/50 split on cost. In order for 100 to 200 people to be employed in June, action needs to be taken now or the first of April. Today's resolution only transfers money to the fund and how the money is going to be spent still has to come before the Board for approval. A process has to be followed that meets scrutiny. Chair Pruhs wished luck to Mr. Weitzner for that process.

Ms. Sande expressed appreciation to Mr. Davis and staff for addressing many of the concerns that were raised during public comments. She reiterated her appreciation for the public testimony given yesterday and today.

Chair Pruhs informed he just received a text from his daughter noting the Governor has shut down all nonessential businesses and interstate travel.

**MOTION: Mr. Kendig moved to approve Resolution No. G20-11 Approving a Transfer of Funds to the Arctic Infrastructure Development Fund. Motion seconded by Mr. Fogle.**

**The motion was approved with members Pruhs, Karl, Anderson, Fogle, Kendig, MacKinnon, and Sande voting yea.**

**6F. EXECUTIVE SESSION: Confidential financial matters related to AIDEA business**

**MOTION: Ms. MacKinnon moved to enter into Executive Session to discuss confidential financial matters related to AIDEA business. Motion seconded by Mr. Fogle.**

The Board entered Executive Session at 5:30 p.m. Participants included board members Dana Pruhs, Bernie Karl, Julie Anderson, Albert Fogle, Bill Kendig, Anna MacKinnon, and Julie Sande. AIDEA staff and guest invited to join the session at different times for related topics: Tom Boutin, Alan Weitzner, and Brenda Applegate.

The Board reconvened its regular meeting at 6:15pm p.m. Chair Pruhs advised the Board did not take any formal action on matters discussed while in executive session. Chair Pruhs apologized for the comment he made regarding the feedback in the room from the teleconference system and stated his comments were not directed at any member of the public or anyone in the room.

Chair Pruhs requested Mr. Davis place on the record the specifics discussed previously regarding the Blood Bank of Alaska. Mr. Davis stated the Blood Bank of Alaska requested operating funds of \$2.3 million, but the resolution reflects \$2.5 million to be added to the existing debt for the purpose of responding to the current COVID-19 crisis. Mr. Davis informed the board that the Blood Bank of Alaska provided projections. Staff had proposed giving additional funding to the Blood Bank of Alaska, but the Board did not approve additional funding. Mr. Davis does not recall reviewing any correspondence from the Blood Bank indicating they would close if the Board does not approve the request. Chair Pruhs informed the Board stands ready to assist the Blood Bank on any operating issues the Board can legally review. The review is to occur next week.

Chair Pruhs reiterated the Board did not take any formal action on matters discussed while in executive session.

## 7. BOARD COMMENTS

Mr. Fogle expressed appreciation to staff for an outstanding job during these extraordinary times. He thanked the Board members for their attendance. The Board is conducting important work for Alaska. Mr. Fogle expressed appreciation to those who presented public comments, especially regarding Ambler. This is the beginning of the process of economic development in the Arctic. He believes it is a tremendous opportunity to bring jobs to the Arctic this summer season and for the next generation of Alaskans. Mr. Fogle is proud to be part of opening up the Arctic to further economic development to the region that truly needs economic development.

Vice-Chair Karl echoed the comments of Mr. Fogle. Vice-Chair Karl informed he takes the public testimony very seriously because “we are the public.” He expressed appreciation to the staff for properly explaining to the public exactly what was happening. He feels there was misinformation and thanked the staff for the excellent job to educate the public. Vice-Chair Karl believes the dialog will be smarter now. He was pleased with the efforts and actions during the long day. He does not like conducting business meetings telephonically with the modern technology. Vice-Chair Karl believes the future is the brightest it has ever been. The pandemic will get over and then the focus will be on making Alaska viable again. The pandemic has swept in quickly, but the recovery will take two to three years.

Vice-Chair Karl believes the recovery has to begin with AIDEA making smart decisions to assist economic development for small businesses and big businesses. The big businesses will provide the opportunity to hire a lot of people, and the small businesses, collectively, hire more people than the big businesses. He believes AIDEA has done a monumental job today of starting the process of distributing money throughout Alaska. Vice-Chair Karl expressed appreciation to the bankers who participated today for their dialog on improvements for borrowers and streamlining AIDEA’s lending operations to make everyone more successful. He is thankful to be part of AIDEA and helping during this time.

Ms. Sande expressed appreciation to everyone. The Legislature created AIDEA to provide financing for Alaskan businesses, to expand the economy of the state, and to provide jobs for Alaska. She noted the shared passion regarding preserving resources for ourselves and future generations. Ms. Sande informed she is a healthcare worker and a small business owner. The challenges facing us today on both an economic and healthcare landscape are unprecedented. She is reassured that public servants across Alaska are working really hard on behalf of Alaska, including the staff of AIDEA and AEA. Ms. Sande is proud to be associated with the staff and with the Board. She feels confident the Board considered the best interest of all Alaskans in the passage of each resolution today, while advancing the mission of AIDEA as the Legislature originally intended. She thanked everyone who provided public comments yesterday and today.

Commissioner Anderson echoed the sentiments provided by Board members. The process has been rigorous during the past two days. She believes the public process is important; the more minds for analysis, the better the outcome. Commissioner Anderson feels the actions that were taken today are extremely important to health plans and to the recovery of the economy by putting people to work. She expressed appreciation to everyone and looks forward to the next steps.

Ms. MacKinnon noted before the Board went into executive session, she expressed trepidation regarding the Board’s action regarding the Blood Bank of Alaska. She shared that the Blood Bank of Alaska has locations in Wasilla, Anchorage, Fairbanks, and Juneau. There have been questions as to their request to AIDEA and AIDEA’s ability to respond to the request. Ms. MacKinnon asked for Chair Pruhs’ permission to have someone from the AIDEA team reach out to the executive director of the Blood Bank

to get clarification on their request for the need, and how dire the need is or whether there can be incremental steps, as the Board provided today, in the form of a \$22,000 a month reduction in payments for over six months. Ms. MacKinnon knows the Blood Bank provides good work and AIDEA supports their continued services of providing blood throughout our community while facing the pandemic. Chair Pruhs agreed staff has the direction.

Ms. MacKinnon asked if AIDEA stands ready to call an emergency meeting as soon as next week to discuss the findings in the event there is a request from the Blood Bank. Chair Pruhs informed staff will discuss the findings with the Board soon. Ms. MacKinnon expressed appreciation to the staff. She noted it is awkward to work by teleconference, which was also a sentiment shared by the general public. These are unprecedented times. Health workers are facing a dangerous situation and facing an enemy that we cannot see. She wished health workers well and all Alaskan families well, as we move forward in facing and overcoming all of the challenges throughout the different Alaskan communities. Ms. MacKinnon is confident we will be better on the other side, but there is going to be pain along the way. Some families have already lost a loved one and her heart goes out to them.

Mr. Kendig acknowledged we are going through challenging times. He expressed appreciation to staff and Board members for their efforts during these challenging times. Mr. Kendig believes we will look back with pride on AIDEA's response.

Chair Pruhs expressed appreciation to Board members for the accomplishments during the two long days. He believes AIDEA is evolving into a different business model that was not anticipated 30 days ago. Chair Pruhs is encouraged AIDEA is able to pivot so quickly. He expressed concern regarding the capacity of the lean staff. He does not know if there are outside resources that AIDEA may need to employ on a short-term and contractual basis to assist in getting information to remain at the forefront of the current issues. Chair Pruhs stated he is not advocating for spending additional funds, but the suggestion is to have good information so AIDEA can make good decisions.

Chair Pruhs expressed appreciation for the public comments yesterday and today. There are passionate Alaskans who continue to be passionate for the things they believe in. He thanked the staff and especially Ms. Siverson. Chair Pruhs noted he is available to staff and Board members for discussions and to help in any way he can. Chair Pruhs thanked the Board for the passing the AK SAFE resolution, which is the biggest resolution he has seen in front of AIDEA. He is happy AIDEA has the balance sheet to conduct such a program. He hopes policy makers in Juneau are supportive and that financial institutions follow suit.

## **8. DIRECTOR COMMENTS**


Mr. Boutin commented he will continue to keep the Board updated and will continue to have open communication. Similar to the Governor and the Administration, the demands of AIDEA have evolved into a seven-day work week organization. This emergency teleconference meeting was necessary, and the issues discussed would be difficult to recommend in ordinary times. Mr. Boutin stated the length of time this landscape will continue is unknown; three months, six months, or the end of the calendar year. The details of the AK SAFE program will continue to be discussed and formulated at tomorrow's staff meeting. Most of the staff will be telecommuting and revisions to schedules will occur. He noted Ms. Applegate worked all last weekend on cash flows regarding the new programs. Mr. Boutin expressed appreciation to staff and Board members.



Chair Pruhs told Ms. Applegate he believes the Board would be very appreciative to receive a weekly confidential update on cash flows projections. Ms. Applegate agreed.

**9. ADJOURNMENT**

There being no further business of the Board, the AIDEA meeting adjourned.

  
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Alan Weitzner, Interim Executive Director  
Secretary