



Investing in Alaskans



2023
ANNUAL REPORT



For additional information about any of the programs or projects in this annual report please visit www.aidea.org.org.

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 - Wait for the code to scan
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This publication on the activities and financial condition of the Alaska Industrial Development and Export Authority is submitted in accordance with AS 44.88.210.

The report was printed in Anchorage, Alaska by Color Art Printing.

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An aerial photograph showing a wide, reddish-brown dirt road that curves through a vast, green, flat landscape. In the distance, a small vehicle is visible on the road. Further back, a range of blue mountains is visible under a clear sky. The road is bordered by a light-colored, sandy or gravelly material. In the lower right, two large, brown, box-like vehicles are driving along the road.

DeLong Mountain
Transportation System
(DMTS) supporting
Red Dog Mine.

LETTER FROM THE GOVERNOR



MIKE DUNLEAVY
Governor

Dear Fellow Alaskans,

The core mission of the Alaska Industrial Development and Export Authority (AIDEA) is the establishment and expansion of industrial, manufacturing, export, small business, and business enterprises that are essential to the development of our natural resources and the long-term economic growth of our State. "Industrial Development" and "Export" are foundational to the goals of a self-sufficient Alaskan economy.

AIDEA continues as a crucial financial resource for Alaskan business owners and for investments across our State. Whether supporting tourism infrastructure in Southeast Alaska, bolstering Alaska's global logistics capabilities, or financing next-generation petrochemical projects on the North Slope, AIDEA's robust and dynamic portfolio of ongoing and upcoming projects underscores the Alaskan spirit as a hub for innovation, investment, and opportunity.

AIDEA provides investment and support to Alaskan businesses through direct project financing, issuing industrial development and conduit revenue bonds, and in collaboration with Alaska lending institutions via AIDEA's Loan Participation Program. Through its various programs, AIDEA fosters growth and diversification across all market sectors and regions of our great state to consistently boost the Alaskan economy.

Two significant longstanding AIDEA investments, the world-class hangar used by FedEx at the Ted Stevens Anchorage International Airport and the Delong Mountain Transportation System, commonly known as the Red Dog Road and Port, have enabled thousands of jobs, benefitted countless individuals, and contributed significantly to our economy and to Alaskans. In 1986, AIDEA's initial investment of \$180.2 million dollars for the road and port made the Red Dog Mine possible. Since mining began, the Red Dog Mine has provided more than 3,000 jobs and over \$1.3 billion in payments to the State of Alaska and to the Northwest Arctic Borough.

In addition to job opportunities and community financial benefits, AIDEA investments continue to contribute dividends to the State. AIDEA approved a dividend of \$11 million to the State of Alaska for FY2025. This dividend represents 42 percent of AIDEA's current year statutory net income. In total, AIDEA has contributed over \$468 million in dividends to the Unrestricted General Fund since 1997.

I extend my heartfelt appreciation to the dedicated staff, Board, and clients of AIDEA for their unwavering commitment, having the courage to build, and steadfastly supporting an economy to generate opportunities for all Alaskans.

Sincerely,

A handwritten signature in blue ink, reading "Mike Dunleavy".

Mike Dunleavy
Governor

AIDEA BOARD MEMBERS



J. Dana Pruhs
Chair, Public Member



Bill Kendig
Vice Chair, Public Member



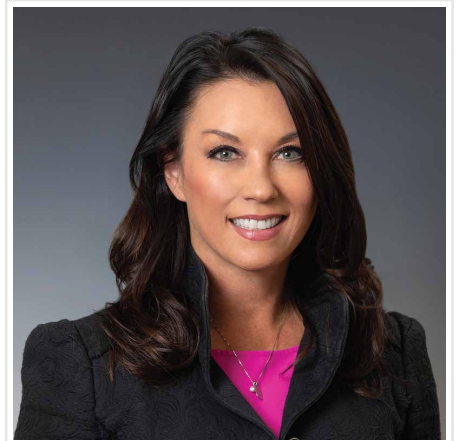
Adam Crum
Commissioner, Alaska Department
of Revenue



Randy Eledge
Public Member



Albert Fogle
Public Member



Julie Sande
Commissioner, Alaska Department of
Commerce, Community, and Economic
Development



Bill Vivlamore
Public Member

LETTER FROM THE CHAIRMAN



J. DANA PRUHS
Chair, Public
Member

On behalf of the Board of Directors at AIDEA, we are proud to present highlights from 2023. This year has been a period of significant activities and growth as we continued our mission to promote economic opportunities and jobs for Alaskans.

Among our notable accomplishments, we approved over \$23.5 million in loans through the Loan Participation Program for local businesses, contributing to economic development and jobs. AIDEA's net income of \$25.8 million resulted in an \$11 million dividend for the State of Alaska Unrestricted General Fund. This marks the 29th consecutive year of positive annual statutory net income since the establishment of the dividend payment to the state (AS 44.88.088) in 1996 for a total of \$468 million in dividends.

We continued our commitment to responsible development with the ANWR leases, Amber Road, West Susitna Access Road, and created a methodology to determine state and federal wetland jurisdiction.

We are steadfast on responsible infrastructure development and support for local businesses as our core mission. This year's successes are a testament to the hard work and dedication of the AIDEA team. Thank you to the staff, partners, and the Alaskan community who have contributed to these achievements.

As we look forward to the future, we are excited to continue our efforts in fostering a thriving and diverse Alaskan economy through investing in Alaskans.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Pruhs", followed by a horizontal line.

J. Dana Pruhs
Chairman, AIDEA Board of Directors

AIDEA EXECUTIVE STAFF



Randy Ruaro
Executive Director



Brandon Brefczynski
Deputy Director



Karen Turner
Human Resources Director



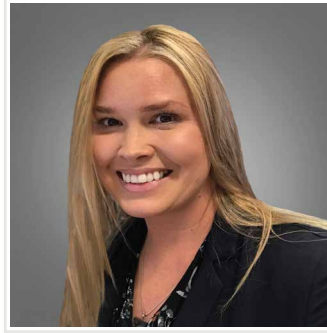
Geoff Johns
Chief Investment Officer



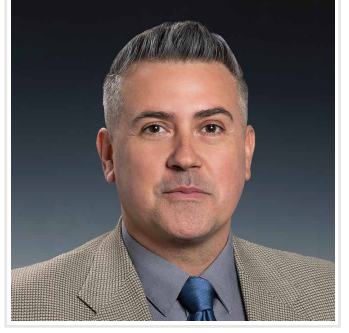
Clay Christian
Chief Financial Officer



Z. Kent Sullivan
General Counsel



Tiffany Janssen
Chief Lending Officer



Robert Hawkins
Information Technology Officer



Josie Wilson
Director of Communications
and External Affairs



Mark Davis
Special Counsel

LETTER FROM THE EXECUTIVE DIRECTOR



RANDY RUARO
**Executive
Director**

As we reflect on the past year, it is with great pride that I share the remarkable progress we have made in fulfilling our mission to promote economic growth and diversification across the state of Alaska. This annual report highlights the accomplishments from 2023 and showcases several historical AIDEA projects that continue to benefit communities across the state and enable jobs for Alaskans. Without AIDEA, these projects would not have become a reality.

You can read about these longstanding AIDEA success stories on pages 16-17:

- Red Dog Road and Port/DeLong Mountain Transportation System
- FedEx Maintenance, Repair, and Operations (MRO) Facility/Hangar
- Ketchikan Shipyard, Operated by Vigor Alaska
- Interior Energy Project
- Snettisham Hydroelectric Facility

A few of the most noteworthy accomplishments of AIDEA this past year include:

- Ensuring the State of Alaska asserts rights under the Statehood Act and ANILCA to access resources across federal lands (page 8).
- Defending and advancing development in the ANWR Section 1002 area leases for oil and gas production and jobs (page 9).
- Investing in opportunities to utilize natural gas from the North Slope (Interior Energy Project on page 17) and production of natural gas from the Cook Inlet (HEX LLC on page 18).

AIDEA is committed to fostering economic development, enabling jobs, and ensuring the interests of Alaskans are at the forefront of our initiatives. Thank you to the AIDEA team, our partners, stakeholders, and Alaskans for their continued support.

Sincerely,


Randy Ruaro
Executive Director

ABOUT AIDEA

The Alaska Industrial Development and Export Authority – known as AIDEA – is an independently governed public corporation of the State of Alaska and serves as Alaska’s development finance authority.

Formed by the Alaska State Legislature in 1967, AIDEA fulfills an economic development-focused mission by making investments and offering financing tools to businesses and communities. While we are best known for our larger-scale projects, such as the Red Dog Mine, we’re in Alaska’s communities every day through a suite of financing programs for small and mid-sized businesses, such as our Conduit Revenue Bond Program, Direct Finance Program, Loan Participation Program, Small Business Economic Development Fund, and Rural Development Initiative Fund.

This annual report provides a look back at AIDEA’s investments and economic development activities over 2023 with a focus on the individuals, businesses, and communities that have benefited from AIDEA’s investments.

Mission

Our mission is to promote, develop, and advance the creation of jobs and economic growth in Alaska by providing various means of financing and investment.

What does AIDEA do?

- Partners in projects with private sector developers (P3).
- Finances projects that have an economic impact and provide jobs for Alaskans.



Debt

- Loan Participations
- Energy Loans
- Project Finance Loans
- Tax-Exempt Bonds
- Taxable Bonds



Equity

- 100% Ownership
- Partner in LCC or Subsidiary Corporation
- Secured and Collateralized



Enhancements

- Loan Guarantee
- Bond Guarantee
- Letters of Support

FY 2023 FINANCIAL HIGHLIGHTS

Jobs



Balance Sheet



Annual Dividend



Net Income*



*Statutory Net Income as defined in AS 44.88

AIDEA'S FINANCIAL TOOLBOX

Loan Participation

The Loan Participation program provides long-term fixed and variable rate financing to Alaska's commercial businesses.



Conduit Revenue Bonds

AIDEA is one of the State's principal issuers of taxable & tax exempt Conduit Revenue Bonds.



Project Finance

AIDEA can finance projects (whole or partial) through its ability to develop & own assets within the State.



Infrastructure Development

Focused on responsible development of long-term infrastructure needs for the growth of the Alaskan economy.



Energy & Resource Development

The Alaska Sustainable Energy Transmission Supply Fund (SETS) & Arctic Infrastructure Development Fund (AIDF) created new programs and powers within AIDEA to address the State's energy, Arctic infrastructure, and resource needs.



UPHOLDING ALASKA'S SOVEREIGN RIGHTS FOR RESPONSIBLE DEVELOPMENT

This past year, AIDEA took significant steps to assert Alaska's statehood rights and promote responsible infrastructure development.

In 1957, Congress considered a bill that would offer Alaskans a chance to vote and accept terms of statehood offered by Congress. In considering that bill (H.R. 7199) which would become the Alaska Statehood Act, members of Congress reviewed how the federal government agencies were managing land in Alaska. They found the federal government owned 98% of the land in Alaska, and had failed miserably to develop resources for the benefit of Alaskans or the nation.

The rights offered by Congress to Alaskans for statehood included:

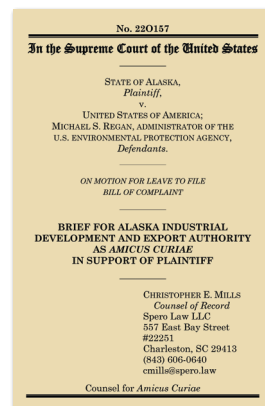
- ✓ The right to select and receive ownership title to approximately 30% of the state (105 million acres) as "statehood lands;"
- ✓ Ownership of all minerals, oil, and gas beneath statehood lands;
- ✓ A right of access to "prospect for, mine, and remove" state-owned minerals on state lands; (Section 6(i) Statehood Act)
- ✓ The right to manage and decide whether resources should be developed on state lands according to laws passed by the Alaska Legislature and the Alaska Constitution;
- ✓ Title to submerged lands and minerals beneath navigable waters, and right to make development decisions. (Section 6(m) Statehood Act)

Alaskans accepted the terms of statehood by a vote of the people. The State's property rights could not be taken away later by Congress or a federal agency. Alaska became the state with the strongest set of sovereign property rights over state lands ever approved by Congress. The new State of Alaska would be in charge of development decisions on state lands - not the federal government.



Dwight D. Eisenhower, Mike Stepovich, and Fred A. Seaton celebrate Alaska statehood January 3, 1959.

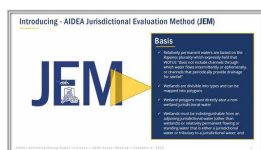
On September 25, 2023, AIDEA filed an amicus brief in the U.S. Supreme Court, reinforcing Alaska's autonomy over its lands and resources, as enshrined in its statehood rights. EPA's preemptive veto of development project on state lands in Alaska, contradicts the Statehood Act and the Alaska National Interest Lands Conservation Act (ANILCA). The AIDEA amicus brief highlights the importance of critical mineral development for economic growth, and the potential to create jobs and infrastructure in Alaska. EPA's actions undermine Alaska's economic viability and national benefit from the production of minerals in the United States under the strictest standards in the world.



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

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

On October 18, Alaska Day, AIDEA took a bold stand against the Department of Interior (DOI) for their illegal cancellation of leases in the 1002 area of the Arctic National Wildlife Refuge. This lawsuit was not just about land rights but a statement of Alaskan resilience and commitment to its communities. Supported by state leaders, AIDEA's lawsuit in the U.S. District Court for the District of Columbia marked a pivotal moment in defending Alaska's natural resource development rights. This lawsuit exemplifies AIDEA's dedication to Alaska's economic interests.



On November 9, 2023, AIDEA introduced a method for determining the boundaries of state and federal wetlands, based

on the U.S. Supreme Court's Sackett v. EPA decision. This method, known as the AIDEA Jurisdictional Evaluation Method, or JEM, clarifies the much-reduced area of wetlands falling under federal jurisdiction. This initiative is seen as a significant step towards protecting Alaskan landowners and promoting state control over wetlands, and development decisions affecting wetlands.

AIDEA's Deputy Director, Brandon Brefczynski and Deantha Skibinski of Alaska Miners Association at the 2023 American Exploration & Mining Association Conference



AIDEA LOAN PARTICIPATION PROGRAM

AIDEA's Loan Participation Program (LPP) offers long-term, fixed and variable-rate financing to Alaska's commercial businesses while partnering with a qualified Alaska bank to spur construction and economic growth. Competitive interest rates coupled with longer repayment periods gives borrowers the chance to build during a time when interest rates would otherwise prevent development. This creates and retains jobs, and contributes to the overall economic development of Alaska. Due to the increased interest rate environment in mid-2023, LPP experienced a high demand of inquiries from almost all eligible lending institutions in the State. Significant utilization of the program is anticipated in 2024, with several loan applications already submitted.

FY2023 Loan Participation Program HIGHLIGHTS

\$23.6 MILLION
TOTAL FINANCED

\$20.6 MILLION IN
AIDEA LOAN PORTION

\$387.5 MILLION IN
OUTSTANDING LOANS

\$83 MILLION IN
LOAN REQUEST
PIPELINE

0%
DELINQUENT

10 LOANS
FINANCED

27 INDUSTRIES
REPRESENTED

For more information about the
Loan Participation Program:



Click or Scan

212
PERMANENT
JOBS

278
CONSTRUCTION
JOBS



For more information about
The Shoppes at Sun Mountain,
please click or scan the QR code.

Enjoying a community event at the AIDEA-financed
Shoppes at Sun Mountain in Wasilla, Alaska.

LOAN PARTICIPATION PROGRAM SUCCESS STORIES

GCR Tires & Service

On September 15, 2023, AIDEA funded 85% of the long-term financing for purchasing the GCR Tire building in Fairbanks, AK. GCR Tires & Service has operated in the facility for over 20 years. This \$1.2 million project helped to retain 17 jobs, and transferred ownership from an out-of-state organization to local business owners.

For more information
about GCR Tire &
Services:



Click or Scan



AIDEA's Ingrid St John at
GCR Tire in Fairbanks, Alaska

Interior Women's Health Clinic, LLC

On December 20, 2023, AIDEA partnered with First National Bank of Alaska to fund 90% of a consolidation loan for the Interior Women's Health Clinic in Fairbanks, AK. This \$3.3 million project will enable the clinic to stabilize costs and provide long-term financial security. Interior Women's Health is a full-service women's care clinic and procedure center that provides gynecological care including minimally invasive surgeries and procedures with sedation. It is the only practice in the area to do so, saving patients the trouble and expense of hospital care. Certified nurse midwives provide a full range of exceptional healthcare to women from adolescence and beyond. The staff consists of board-certified OB-GYNs, midwives, and advanced nurse practitioners.

Click here
for more
information
about Interior
Women's Health:



Click or Scan



AIDEA FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

As of June 30, 2023
(in thousands)

Assets and deferred outflows of resources

Assets:

Investment securities and cash	\$ 695,531
Loans, net	555,219
Lease receivables	205,464
Capital assets	212,405
Other assets	<u>33,494</u>
Total assets	1,702,113
Deferred outflows of resources	<u>1,379</u>
Total assets and deferred outflows of resources	<u>\$ 1,703,492</u>

Liabilities, deferred inflows of resources, and net position

Liabilities	\$ 33,348
Deferred inflows of resources	195,224
Net position	<u>1,474,920</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,703,492</u>

For AIDEA's complete Audited Financial Statements for FY 2023, please click or scan this QR Code or visit the Financial Statements page on the website at www.aidea.org or by calling (907) 771-3000.

Exemption from Taxation: The Alaska Industrial Development and Export Authority is a political subdivision of the State of Alaska performing an essential governmental function and as such is not subject to federal or state income taxation. In accordance with AS 44.88.140(a), the Authority submits the following information describing the nature and extent of the tax exemption of the Authority's property: all furniture, fixtures, and equipment utilized by Authority personnel and real property occupied by the Authority offices within the Municipality of Anchorage are exempt from Municipality of Anchorage property taxes. All real and personal property associated with or part of projects developed, originally owned or operated under the Economic Development Account located within cities, municipalities, and/or boroughs are exempt from any respective real and personal property taxes.



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AIDEA FINANCIAL STATEMENTS

Operating Revenues

Interest on loans	\$ 17,397
Lease revenue	26,080
Investment interest	20,147
Net change in fair value of investments	(12,104)
Income from state agencies	6,276
Other income	<u>12,820</u>

Total operating revenues	<u>70,616</u>
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Operating Expenses

General and administrative	12,763
Net pension related adjustments	(269)
Net OPEB related adjustments	(803)
Provision for loan losses	5,362
Depreciation/amortization	9,768
Project expenses	<u>4,653</u>

Total operating expenses	<u>31,474</u>
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Operating Income	<u>39,142</u>
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Nonoperating Revenues (Expenses)

Capital contributions	7,274
Appropriations and contributions from the State of Alaska	1,631
Dividend to the State of Alaska	<u>(6,480)</u>

Total nonoperating revenues	<u>2,425</u>
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Extraordinary Item

Impairment loss	<u>10,630</u>
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Increase in Net Position	<u>30,937</u>
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Net Position - Beginning of Year - As Previously Reported	1,434,687
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Prior Period Adjustment	<u>9,296</u>
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Net Position - Beginning of Year - Restated	<u>1,443,983</u>
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Net Position - End of Year	<u><u>\$ 1,474,920</u></u>
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SMALL BUSINESS LOAN PROGRAMS* HIGHLIGHTS & DETAILS

4
LOANS
IN FY 2023)

\$1.5 MILLION
FUNDED
IN FY 2023

32
JOBS CREATED
IN FY 2023

\$44.6 MILLION
APPROVED
SINCE INCEPTION

2,320
JOBS CREATED
SINCE INCEPTION

SMALL BUSINESS ECONOMIC DEVELOPMENT FUND (SBED)

Steve and Lesley Kamm, the driving forces behind SeaWind Aviation in Southeast Alaska, have crafted a unique venture that merges their deep love for aviation with the breathtaking Alaskan wilderness. With over 33 years of commercial flying experience, Steve, a second-generation Alaskan pilot, ensures that each flightseeing tour is not only safe but an unforgettable experience. Lesley, adept in managing ground operations, reservations, and marketing, complements this with her organizational skills, making SeaWind Aviation a go-to for exploring Misty Fjords, bear viewing tours, and charter flights.

Their use of the AIDEA's Small Business Economic Development Fund was pivotal in elevating SeaWind Aviation to new heights. This funding allowed the Kamms to strategically invest in a fleet that includes a turbine DeHavilland otter and several DeHavilland beavers as well as a commercial building. These steps, facilitated by the SBED program, were crucial in expanding their operations and fulfilling their vision of sharing Alaska's rugged beauty from the skies.

SeaWind Aviation has been a top-rated tour operator since its inception. Steve and Lesley are convinced that the SBED Program has contributed to enhancing their professionalism and boosting tourism in Alaska.

For information on SeaWind Aviation, visit Seaplane Tours & Flightseeing Ketchikan Charter Flights at www.seawindaviation.com, or:



The SBED Program provides long-term private sector employment by financing business start-up and expansion for companies that are a small business as defined by the Small Business Administration. Applicants are required to match loan funds with cash or other private financing. Eligibility for the SBED program includes all communities in the state of Alaska with a population of less than 30,000. Loans in communities of 30,000 or more are available on a limited basis, depending on fund availability.

SBED loans must result in the creation of new jobs or the retention of existing jobs. The typical loan amount is \$300,000 for a maximum of 20 years on fixed assets and five years for working capital; all loans must be adequately secured.

*These two AIDEA Loan Programs are administered by the State of Alaska Department of Commerce, Community and Economic Development, Division of Investments.

RURAL DEVELOPMENT INITIATIVE FUND (RDIF)

In the heart of Alaska's untouched wilderness, Alaska Charters and Adventures, led by Brenda Schwartz-Yeager and John Yeager, epitomizes the fusion of entrepreneurial spirit and environmental stewardship. Based in the scenic town of Wrangell, their enterprise offers personalized outdoor experiences, ranging from wildlife viewing to cultural explorations. The duo's deep connection with Alaska's natural splendor, coupled with their commitment to sustainable tourism, has been the driving force behind their success. Their journey took a significant leap forward with the support of the Rural Development Initiative Fund (RDIF), a loan program aimed at catalyzing economic growth in rural communities.

The RDIF loan program has been crucial in facilitating this growth. It enabled Brenda and John to expand their business, providing the means to complete a highly competitive process, achieve top marks among numerous guiding companies, and secure access to exclusive bear viewing sites. This success necessitated the purchase of additional assets, such as new vessels, and the hiring of more staff, including a new captain. The expansion allowed them to offer more services and employ additional people, contributing to sustainable tourism and increasing tax revenue for the community of Wrangell, as well as providing more families with opportunities to earn a living. The RDIF loan program spurred an increase in the purchase of goods and services within the community, boosting both the regional and local economies. This included operational needs like fuel and food for tours which, ultimately, created jobs in Southeast Alaska, where jobs are scarce.

The story of Brenda Schwartz-Yeager and John Yeager, and their collaboration with the Rural Development Initiative Fund, serves as a powerful example of how strategic investments and supportive financial programs can fuel rural business development. Their investment in new vessels was not merely a business expansion, but also an investment in the community's sustainable growth. As they continue to navigate the path of success, their dedication to sustainable tourism remains unwavering, making a significant contribution to both the economic and ecological prosperity of Alaska. This narrative is more than a business success story; it's an inspiration for rural entrepreneurs, showcasing the transformative impact of strategic decisions and the vital role of programs like RDIF in nurturing rural enterprises.



For information on
Alaska Charters and Adventures,
please visit Real Alaska Tours
& Alaska Charters and Adventures
Wrangell Island at
www.alaskaupclose.com:



Brenda Schwartz-Yeager
& John Yeager

The RDIF Program provides long-term, private-sector employment by financing business start-up and expansion in communities with a:

- population of 5,000 or less, and not connected by road or rail to Anchorage or Fairbanks, or
- population of 2,000 or less connected by road or rail.

Applicable uses of loan funds include working capital, equipment and construction and must result in the creation of new jobs or the retention of existing jobs. The maximum loan amount is \$150,000 for one person or up to \$300,000 for two or more people for a maximum of 25 years, with the interest rate being fixed at the time of loan approval.

*For more information on these Small Business Loans, please visit <http://commerce.alaska.gov/ded/fin/loanPrograms.html>.

AIDEA HISTORICAL SUCCESS STORIES

AIDEA has a history of successful projects that continue to benefit communities across the state and enable jobs for Alaskans. Without AIDEA, these projects would not have become a reality.

Red Dog Road and Port/DeLong Mountain Transportation System

The DeLong Mountain Transportation System, also known as the Red Dog Road and Port, was opened in 1989 to support the development of the Red Dog Mine in northwestern Alaska. The Red Dog Mine, operated by Teck Alaska, Inc. on behalf of NANA Regional Corporation, Inc., is one of the world's largest producing zinc mines. The Red Dog Road and Port provide the necessary infrastructure to transport ore from the mine site to the ore export barges. The expansion of the port facilities in 1999 enabled Teck to increase mine and port throughput, improving the overall project economics.



DeLong Mountain Transportation System Port

Due to the road, the Red Dog Mine provides:

Nearly \$100 million of annual royalty payments to NANA and other ANCSA corporations

Over 3,000 individual shareholder jobs since mining began

Bulk fuel is shared with local villages at significant cost savings

\$49 million to the Northwest Arctic Borough village improvement fund since the start of production through 2021

\$269 million in payments-in-lieu-of-taxes (PILT) to the Northwest Arctic Borough (NWAB) since mining began through 2021

Snettisham Hydroelectric Facility, Operated by Alaska Electric Light and Power Company

AIDEA is the owner of the Snettisham Hydroelectric Facility which provides renewable long-term and low-cost power for Juneau, supports local jobs, and reduces costly diesel consumption while minimizing air emissions. The Snettisham Hydroelectric Facility, operated by Alaska Electric Light and Power Company, provides approximately 70% of Juneau's electricity. It also provides power to Princess Cruise Ships and Greens Creek Mine when available. Sale of excess power to local cruise ships during temporary docking reduces onboard power requirements from diesel generators and removes air pollution during docking. Power sales to these cruise ships also produce rebates to local Juneau power customers. The continued operation and local ownership of the Snettisham Hydroelectric Facility has enabled the City and Borough of Juneau to enjoy some of the lowest electrical rates in Alaska. These low electrical rates have helped foster growth and development of the city. The facility has enabled 11 full-time jobs, 10 indirect jobs, and 5 seasonal jobs at the associated Snettisham Fish Hatchery, which provides critical support to the local fishing industry. Additionally, AIDEA's ownership of the Snettisham Hydroelectric Facility has saved costs to Juneau ratepayers because the project is held on the books as an AIDEA asset that is not subject to property tax. The establishment of the Snettisham Hydroelectric Facility was only made possible through the investment and active participation of AIDEA.

Snettisham Hydroelectric Facility

FedEx Maintenance, Repair, and Operations (MRO) Facility/Hangar

The FedEx Maintenance, Repair, and Operations (MRO) Facility, which is owned by AIDEA, consists of a hangar capable of accommodating one wide-body aircraft, a ramp, taxiway, road, utilities, a fire suppression pump house, and a water storage facility. The facility enables 56 permanent high-skilled jobs and has contributed to the Ted Stevens Anchorage International Airport becoming the 3rd largest airport in the world in terms of international cargo throughput (#1 Hong Kong, #2 Hong Kong Memphis). Ted Stevens Anchorage International Airport has produced an economic impact of 1 in 10 jobs in Anchorage and 15,577 airport and community jobs directly related to the airport.



Operated by Interior Gas Utility (IGU)

High transportation costs, challenging environmental conditions, logistical problems and punishingly cold winters all contribute to high energy costs in Interior Alaska. In 2013, Legislation passed authorizing AIDEA to provide the financing package, the Interior Energy Project (IEP), to partner with the private sector to bring affordable, clean-burning natural gas to Interior Alaska.

AIDEA has been working diligently with the Interior Gas Utility (IGU) on the goal of bringing natural gas to as many Interior Alaska customers as possible, at the lowest cost possible, as soon as possible. Clean-burning natural gas will help substantially improve Fairbanks and North Pole air quality by providing an affordable substitute for wood and oil-burning heating systems. This will help the region meet federal Environmental Protection Agency (EPA) air quality standards and provide the community relief from high-energy costs. In 2023, IGU was able to bring natural gas to 535 new homes in the interior.

Ketchikan Shipyard, Operated by Vigor Alaska

In 1997, AIDEA acquired the title to and ownership of the Ketchikan Shipyard. The shipyard, operated by Vigor Alaska, is located in Ketchikan, Alaska, and is adjacent to the Alaska Marine Highway System ferry facility. It consists of approximately 25.27 acres of real property, various buildings, fixtures and improvements, floating dry docks (10,000 ton and 2,500 ton lift capacity), various equipment and tools, and other items. The Ketchikan Shipyard provides maintenance for the Alaska Marine Highway System and the Department of Defense.

In September 2023, Vigor Alaska began maintenance and repair on the U.S. Coast Guard Cutter John McCormick at the Ketchikan Shipyard. This \$3.65 million contract symbolized a significant collaboration between AIDEA, Vigor, and the U.S. Coast Guard, enhancing Ketchikan's economy and supporting local jobs. The project involved comprehensive maintenance, including hull inspection, propulsion system work, and hull coating renewal. With about 150 workers devoting their expertise, the project not only bolstered the local economy but also demonstrated the shipyard's capability for such significant maritime projects. In December 2023, the maintenance work was completed and the U.S. Coast Guard Cutter John McCormick was returned to service ahead of schedule.

Read more about the Ketchikan Shipyard on page 19.



Making Progress for Alaskans HEX COOK INLET LLC

Commitment to Family, Community, and Sustainable Economic Development

HEX Cook Inlet LLC (HEX LLC), a valued partner in Alaska's energy sector, fully repaid its \$7.5 million loan ahead of schedule this past year. This early repayment, achieved eight months before the due date, is a clear indication of operational efficiency and financial stability. AIDEA's initial investment, aimed at supporting Hex's acquisition of the Kitchen Lights Unit, has not only fostered energy delivery for Alaska but also exemplifies the potential of strategic public-private partnerships in driving economic growth. Nearly 40 local jobs have been created because of the investment by AIDEA. This accomplishment underlines AIDEA's commitment to investing in projects that yield tangible benefits for the Alaskan economy and jobs.

Ben Christianson, born and raised on the Kenai Peninsula in Alaska, is deeply connected to his roots and the local community. As Operations Superintendent at HEX LLC, he has been instrumental in bringing gas from the Cook Inlet to Southcentral Alaska since October 2020. Ben is a devoted father, with his daughter being a central part of his life. His personal and profes-



sional journeys are intertwined, reflecting his commitment to family, community, and the sustainable development of his home region.

When John Hendrix, President and CEO of HEX Cook Inlet, LLC, purchased the company, a majority of the workforce were out-of-state workers. Since HEX LLC's takeover, there has been a concerted effort to shift the company's workforce to local Alaskan employment. This strategic move represents a deep commitment to community enrichment and sustainable economic development within Alaska.

Ben Christianson, with his profound connection to the region, is proud to have been involved in this transition, demonstrating how local talent and resources can drive both company success and community advancement.



Ben Christianson and family on the Julius-R platform

Sailing into the Future: AIDEA's Ketchikan Shipyard is a Maritime Marvel



Making Progress for Alaskans KETCHIKAN SHIPYARD

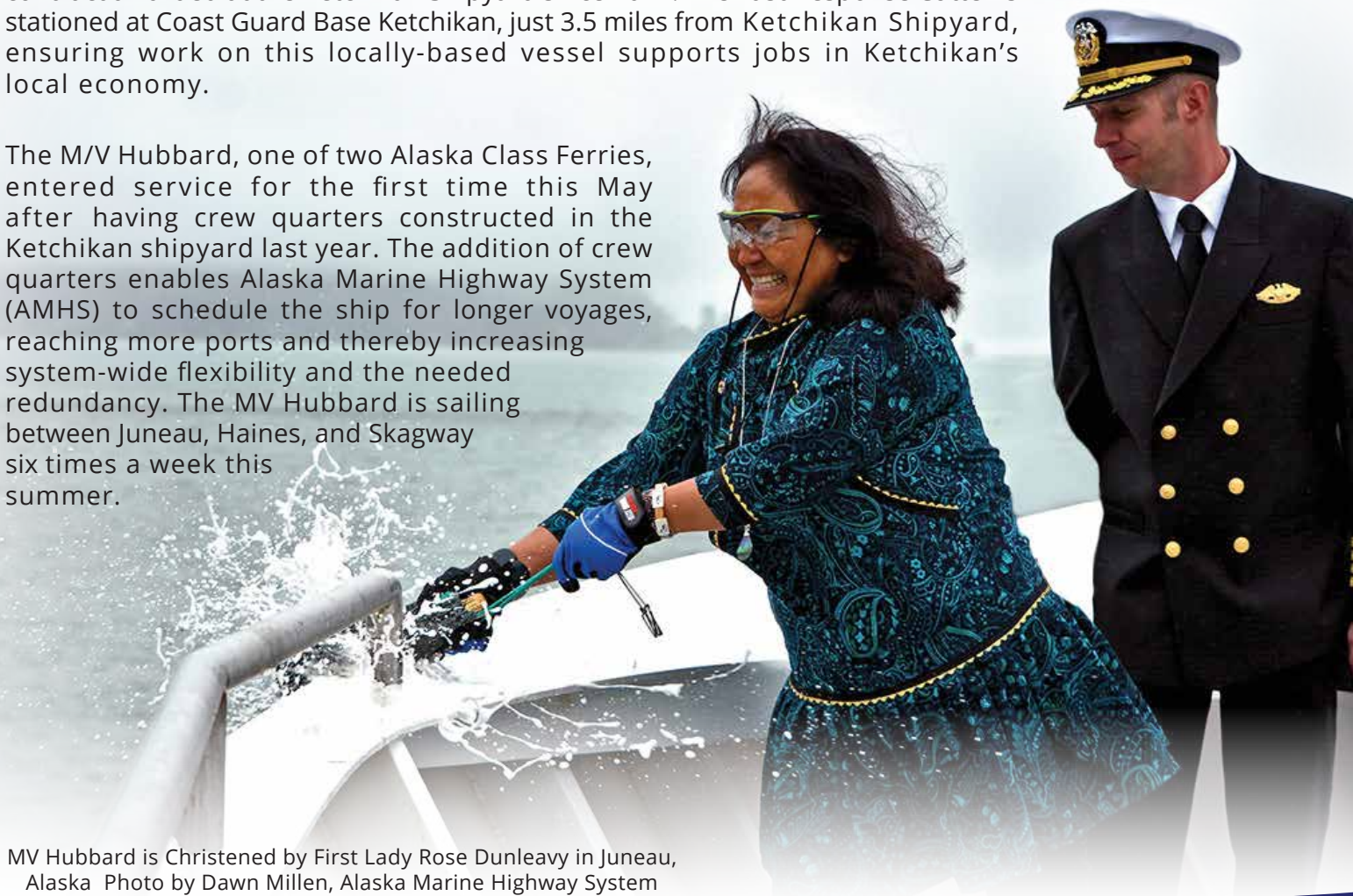
AIDEA is proud to spotlight three significant milestones that underscore the state's commitment to maritime excellence in Southeast Alaska. These accomplishments exemplify AIDEA's dedication to fostering economic growth, advancing shipyard capabilities, and celebrating the luminaries who have shaped the maritime landscape.

The Ketchikan Shipyard Assembly Hall was renamed in honor of Doug Ward (pictured left), a respected local figure integral to the shipyard's history. As reported by the Ketchikan Daily News, the renaming pays homage to Ward's enduring commitment and leadership within the shipbuilding community.

The U.S. Coast Guard awarded Vigor Alaska, the current operator of the Ketchikan Shipyard, to perform maintenance and repairs on the United States Coast Guard Cutter (USCGC) John McCormick. USCGC John McCormick was the first Coast Guard maintenance

contract awarded at the Ketchikan Shipyard since 2011. The Fast Response Cutter is stationed at Coast Guard Base Ketchikan, just 3.5 miles from Ketchikan Shipyard, ensuring work on this locally-based vessel supports jobs in Ketchikan's local economy.

The M/V Hubbard, one of two Alaska Class Ferries, entered service for the first time this May after having crew quarters constructed in the Ketchikan shipyard last year. The addition of crew quarters enables Alaska Marine Highway System (AMHS) to schedule the ship for longer voyages, reaching more ports and thereby increasing system-wide flexibility and the needed redundancy. The MV Hubbard is sailing between Juneau, Haines, and Skagway six times a week this summer.



MV Hubbard is Christened by First Lady Rose Dunleavy in Juneau, Alaska Photo by Dawn Millen, Alaska Marine Highway System

SECTION 1002 AREA LEASES

In 2017, Congress passed the “Tax Cuts and Jobs Act.” Part of the bill directed the Department of the Interior (DOI) to hold lease sales and allow oil and gas development in the Arctic National Wildlife Refuge (ANWR).

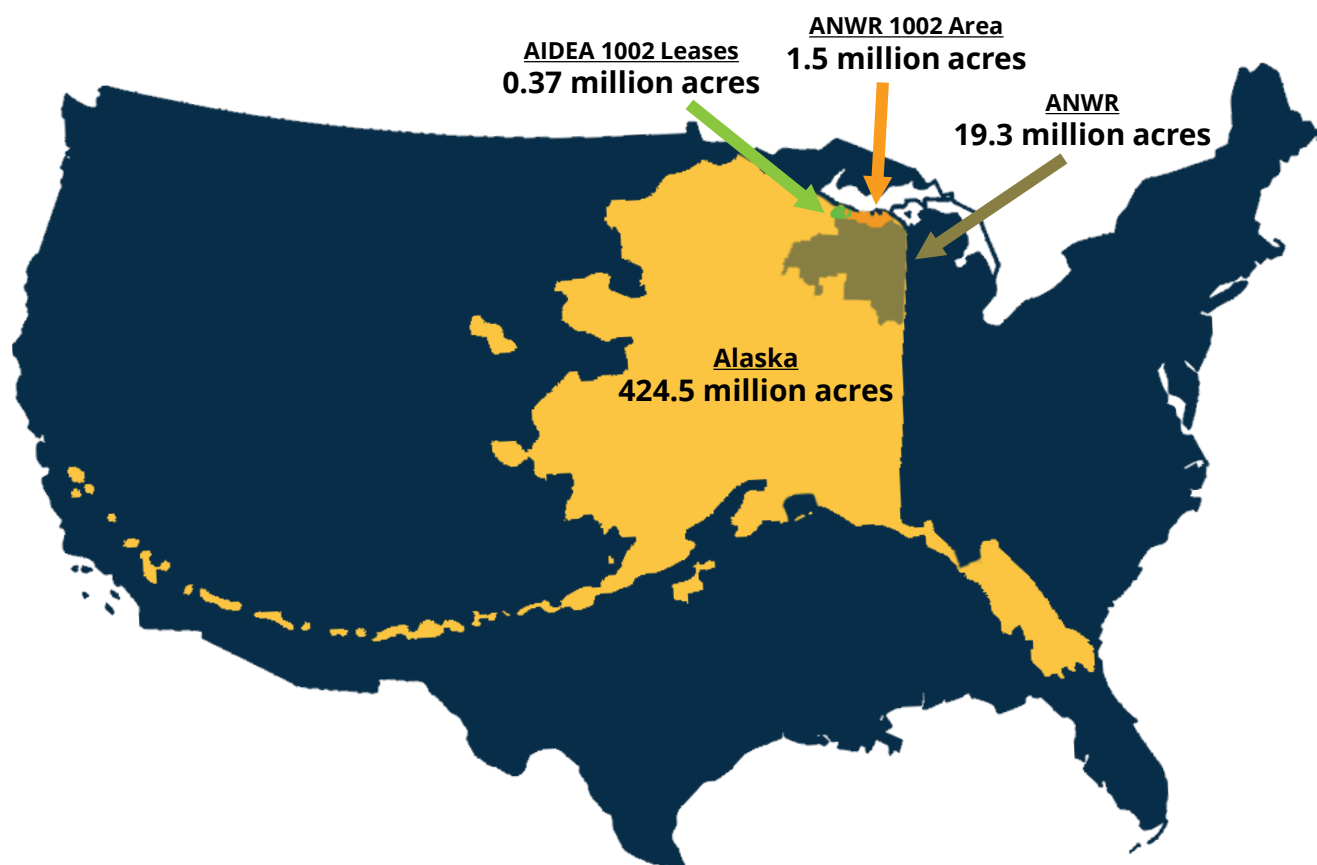
President Biden, who made a political campaign statement to stop oil and gas development in ANWR, ordered DOI to illegally cancel AIDEA’s leases which halted progress and eliminated jobs for Alaskans. AIDEA has filed a lawsuit to protect Alaska’s property rights in the leases.

Additionally, on November 8, 2023, Representatives Stauber, Peltola, Hern, and Pfluger introduced the “Alaska’s Right to Produce Act of 2023.” This bill aims to reverse the unlawful decisions of the Biden Administration.

A hearing was conducted on the bill on Wednesday, November 29, 2023. In the words of Congressman Russ Fulcher from Idaho as expressed in the hearing, “H.R. 6285 rightfully puts some sanity back into the energy policy in Alaska and empowers the locals [to make development decisions].”



Congressman Russ Fulcher from Idaho
at the November 29, 2023 hearing for H.R. 6285.



WEST SUSITNA ACCESS PROJECT

In 2023, AIDEA made significant strides to enhance Alaska's economic landscape with the West Susitna Access Project. In March, AIDEA in conjunction with the Governor's Office, released the West Susitna Economic Impact Report prepared by the McKinley Research Group. Results indicate access to the mining area will create thousands of jobs and generate millions in revenue for Alaska. AIDEA's project will improve access to strategic minerals critical for renewable energy projects.

In July, the Alaska Department of Transportation & Public Facilities (DOT&PF) announced its intent to develop a separate project for a public road and associated facilities in the Matanuska-Susitna (Mat-Su) Valley to meet the region's growing demand for improved access to public land, waterways, and recreational areas west of the Little Susitna and Susitna Rivers.

AIDEA is focused on an access project to reach mining, energy, agricultural, and other economic interests in the area. These developments, along with AIDEA's ongoing exploration work, mark a concerted effort to foster economic growth and infrastructure development in the Mat-Su Valley and for all Alaskans.



PROJECT BENEFITS



Mineral Resources

Copper, gold, silver, coal, and platinum potential; more than 3,000 active mining claims within the basin



Oil & Gas

Active oil and gas exploration in the northern Cook Inlet; nine oil and gas producing units and fields in the study area



Alternative Energy

Opportunities including geothermal and hydroelectric projects, and woody biomass resources



Recreational Resources

Opportunities for snowmachining, fishing, hunting, boating, recreational mining, and use of cabins



Forestry

700,000+ acres available for harvest; enhances emergency response & fire prevention



Agricultural Resources

More than 65,000 acres of agricultural land identified for potential agricultural uses

AMBLER ACCESS PROJECT ACCESS TO OPPORTUNITIES

The Ambler Access Project (Ambler Road) will create economic opportunities for all Alaskans. Once complete, the road will provide surface transportation access to the Ambler Mining District and enable economic development for the region. With extensive mineral resources, including copper, zinc, cobalt, germanium, lead, gold, and silver, the Ambler Mining District has been characterized as one of the largest undeveloped copper-zinc mineral belts in the world. These elements are essential for a green economy, national security, and independence from imports. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure.

Since 2020 when AIDEA received the Joint Record of Decision, over \$78 million has been invested.

Table 1: Required Annual Labor Filings to the Department of Natural Resources on Active Mining Claims				
Claims	2020	2021	2022	2023
Arctic Deposit (Ambler Metals)	\$ -	\$2,563,700	\$4,905,042	\$6,940,586
Roosevelt Block (South 32)	\$1,028,867	\$3,235,998	\$4,119,294	\$14,261
Sun Deposit (Valhalla)	\$16,210	\$8,394	\$268,542	\$4,392,315
Helpmejack (Trilogy/995)	\$ -	\$18,547	\$31,133	\$64,519
TOTALS	\$1,045,077	\$5,826,639	\$8,924,011	\$25,658,821

Table 1 illustrates the economic impact of existing mineral development and the increase of existing mineral explorations. *These amounts do not include investments from AIDEA and Ambler Metals totaling approximately \$38 million.

Source: Department of Natural Resources - Required Annual Labor Filings on Active Mining Claims Anticipated Jobs and Revenue

Mine Construction

- 2,777 direct jobs with \$286 million in wages annually
- 2,034 additional indirect and induced jobs with \$108 million in wages annually

Mining Operations

- 495 direct jobs with \$72 million in wages annually
- 3,436 additional indirect and induced jobs with \$228 million in wages annually

Road Construction and Operations

- An annual average of 360 direct jobs over the road construction period
- Up to 81 direct annual jobs for road operations and maintenance over the life of the road

Government Revenue Generation

- \$393 million in mining license tax revenues
- \$524 million in corporate income taxes
- \$214 million in production royalties
- \$13 million in claim rents

For more
information
about this
project:



Click or Scan

Like the Red Dog Road and Port, the Ambler Access Project, once constructed, will have similar benefits to local communities. Benefits to local communities, such as:

- Offering fuel at over 50% discount compared to current community prices
- Surface transportation for essential materials, equipment, goods and services
- First responder access
- Potential fiber optic connection

TRANSFORMING LIVES AMBLER ACCESS PROJECT

Derek Simon's Journey on the Ambler Access Project

In Allakaket, where tradition meets progress, Derek Simon stands as a testament to the transformative power of opportunity and collaboration.

A fresh high school graduate in 2015, Derek found himself caught between the desires of his youth and the collective opposition of his village elders regarding responsible resource development.

Fast forward ten years, after the landscape of Allakaket had undergone a remarkable shift and understanding how responsible development could coexist with a subsistence lifestyle, Derek decided to embrace change. Three years ago, he joined the Ambler Access Project, a decision that would reshape not only his life but others in his community as well. His choice to step into the job opportunities presented by the Ambler Road Project.

Derek's testimony underscores the commitment of AIDEA to invest in projects like the Ambler Access Project for jobs and economic opportunities in the state. "They gave me training and provided everything I needed to go to work," he proudly states. As a bear guard, tribal liaison, and landing zone director, Derek has become a symbol of the successful integration of traditional values with modern roles, striking a balance that benefits both the individual and the community. His journey serves as a beacon, inspiring others to reconsider their stance and embrace the possibilities that partnership with the Ambler Access Project can bring.

Derek Simon's story becomes more than an individual account—it becomes a chapter in the evolving story of the opportunities for residents in Northwestern Alaska. Together, we move forward, fostering a shared future that honors tradition with progress and creates opportunities that empower individuals and uplift communities.

Derek Simon, pictured below (center) with an Ambler Access field crew.



AIDEA's mission is to promote, develop, and advance economic growth and jobs in Alaska by providing various means of financing and investment.

Thank you for your support of AIDEA's services and programs.
Together we are enabling long-term jobs and economic opportunities for Alaskans.



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