

# INVESTING IN ALASKANS



AIDEA AT A GLANCE

WHO WE ARE

Alaska Industrial Development and Export Authority (AIDEA) is a Public Corporation and the Development Finance Authority for the State of Alaska.

MISSION

To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.

ORGANIZATION

Headquartered in Anchorage, AIDEA supports enterprise economic development efforts across the state of Alaska.

FUNDING

AIDEA is a self-funded public corporation, using its own earned income to fund loans and investments in economic development, in addition to its operation and capital expenses, as well as its annual dividend to the State.

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# WHO WE ARE

AIDEA is a public corporation of the State of Alaska, created in 1967 by the Alaska Legislature “in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises...”

We are proud to serve the people of Alaska as the State's development finance authority. AIDEA's mission is to provide various means of financing to promote economic growth and diversity. We do that by acting as a financing resource in partnership with other financial institutions, private sector enterprises, economic development groups, and guarantee agencies.

AIDEA has been facilitating financing for Alaskan companies both large and small, in every industry across the state for 50 years and has facilitated more than \$12 billion in export and investment activity. More than 90 per cent of AIDEA's customers are small and medium-sized companies, and a substantial amount of its annual activity is in Alaska's rural areas.

## AIDEA'S CHAIRMAN'S AND EXECUTIVE DIRECTOR'S BIOGRAPHIES

### CHAIRMAN OF THE BOARD | **DANA PRUHS**



Mr. Dana Pruhs, of Anchorage, was appointed to the Board on August 15, 2013. He is a lifelong Alaskan and the owner of Pruhs Construction, Quality Sand and Gravel, Meridian Investments, and Harr Technologies. Having been previously involved in a number of public service roles, including the Alaska Board of Game, Pruhs currently serves on the Alaska Royalty Oil and Gas Development Advisory Board and the Associated General Contractors Board of Directors. He previously served on the Municipality of Anchorage Planning and Zoning Commission and with the Anchorage Community Development Authority.

Mr. Pruhs earned a Bachelors of Science in Transportation Engineering from California Polytechnic State University.

### EXECUTIVE DIRECTOR | **JOHN SPRINGSTEEN**



John Springsteen was appointed Executive Director of AIDEA on March 16, 2015. Prior to his appointment, Mr. Springsteen served as Infrastructure Development Officer for AIDEA.

Prior to joining AIDEA, Mr. Springsteen worked for global audit, tax, and advisory firms Grant Thornton LLP, PwC, and Deloitte and with the management consulting firms Bridge Strategy Group and The Chicago Group.

In addition, John served as Vice President and Chief Financial Officer for a small, publicly traded, natural gas exploration company focused on China resource development. In his early career, John worked as an environmental engineer. His engineering experience includes environmental site assessments, engineering, procurement, construction, operation, and maintenance of environmental clean-up systems and project close-outs.

John received his Bachelors of Science in Civil Engineering from the Massachusetts Institute of Technology in 1991 and he holds a Masters of Business Administration from the Kellogg Graduate School of Management, Northwestern University.

“AIDEA provides assistance to the economic development of Alaska through its ability to develop, own and operate facilities within the state. AIDEA’s ownership of these assets is intended to advance the prosperity of a region. These projects cover a range of types and size, and through several industry sectors. Manufacturing facilities, roads, ports, infrastructure for tourism destination facilities, federal facilities, community public purpose, and communications essential for regional economic well-being are considered eligible projects.

## HISTORY

In 1967, Alaska State Legislature created AIDEA, the intent of which was to have a statewide entity facilitating economic growth and diversification, and to support the creation and retention of jobs for Alaskans. This proud mission continues today with a comprehensive set of financial tools and processes that allow AIDEA to invest in a wide range of industries and sectors.

During the 1980s, the Legislature capitalized the Authority with approximately \$321 million in cash, loan portfolios, and bond authorization. Over the ensuing years, AIDEA has responsibly invested those funds into growing the economy, catalyzing job creation and retention, and maximizing a return to our shareholders, the 735,000 citizens of Alaska. The results speak for themselves – AIDEA’s net position, as of June 30 2016, was approximately \$1.31 billion, AIDEA has declared dividends to the State of Alaska General Fund of \$392 million, and in addition, AIDEA has issued 318 conduit bonds totaling \$1.38 billion.

In 2012, the Legislature created the Sustainable Energy Transmission and Supply Development Fund (SETS) to facilitate the development of the state’s energy infrastructure in order to lower the cost of energy for Alaskans. In a similar vein, the Legislature created the Arctic Infrastructure Development Fund in 2014, to incentivize the development of infrastructure in Alaska’s Arctic to meet the increasing demands on the region.

## WHAT WE DO

AIDEA responsibly meets its mission through a variety of programs. AIDEA’s loans and investments in projects, which are the result of comprehensive underwriting, analysis, and decision-making processes, are all collateralized to protect the Authority’s assets. AIDEA’s loan and investment portfolio covers a broad variety of commercial and industrial sectors including, oil and gas, office space, warehousing, tourism, recreation, retail, logistics, federal facilities, ship building and repair, and hotels. AIDEA has facilitated the investment of billions of dollars into the Alaska economy, resulting in thousands of jobs for Alaskans.

AIDEA maintains a lean, core staff who manage the day to day operations of the Authority, and perform underwriting, due diligence, and analysis on each proposed transaction before it goes before AIDEA’s Board for their consideration. AIDEA’s seven-member board, appointed by the Governor, is responsible for oversight of the Authority’s policies and capital expenditures, as well as approving loan participations, loans, conduit revenue bond issuances, and other project finance investments.

AIDEA’s investments touch many communities and regions throughout the State and often result in revenue streams that are reinvested into the community for schools, infrastructure, safety, health, and other critical public services. AIDEA also provides the State of Alaska’s General Fund with an annual dividend that is equivalent of a quarter to half of the Authority’s statutory net income.



# ACCOUNTABILITY

AIDEA is governed through its statutory authority (AS 44.88). AIDEA is also subject to provisions within the Executive Budget Act (AS 37.07), Open Meetings Act (AS 44.62.310), and Public Records Disclosure Act (AS 40.25.110). Although the Authority is exempt from the State's Procurement Code (AS 36.30), it was required to adopt its own procurement regulations that reflect competitive bidding principles. AIDEA did that in 3 AAC chap. 100.

AIDEA reports its weekly activities to The Governor's Office through the Commissioner of the Department of Commerce, Community, and Economic Development. AIDEA is required by statute (AS 44.88.210) to annually publish a report on its operations for distribution to the governor, legislature, and the public. The report includes such things as the Authority's independently audited financial statements, a statement of investments, and the levels of bonding and investment activities.

# PARTNERSHIPS

AIDEA's ability to meet the needs of Alaska's businesses is dependent on its strong relationships with public and private sector partners. Partnership is a longstanding priority for the Authority, and allows AIDEA to leverage information and expertise from government departments, financial institutions, and other sources as needed. By leveraging our respective capacity, expertise, ideas, and business networks, AIDEA has been able to enhance overall market capacity and ensure that more Alaskan companies have access to the support they need.

# PROGRAMS AND FINANCIAL INSTRUMENTS

AIDEA's strategy is focused on strengthening Alaska's economic and financial capacity within an economic development mandate to grow and diversify the economy, and provide jobs for Alaskans. As a result, AIDEA is a trusted partner with Alaska businesses, financial institutions, economic development organizations, its shareholders – the 735,000 residents of Alaska, and its institutional shareholders – the Governor and Legislature.

AIDEA is committed to creating pathways to long-term capital in partnership with Alaskans to grow and diversify the economy. Our programs offer a great deal of flexibility, not only in what can be financed, but how. AIDEA is able to issue debt, either directly or through a commercial lending institution, provide loan and bond guarantees, and take an ownership position in appropriate projects. We serve the commercial, industrial, for-purpose, and public sectors, with projects in all sizes from several hundred thousand dollars to multi-million dollar infrastructure projects. AIDEA's current capacity limits direct investments to \$50 million for an individual project.

It is important to note that all of the companies AIDEA supports have viable business plans, and the financial services provided are on commercial terms. AIDEA does not provide grants, subsidies, or incentives of any kind to any industry.

## Conduit Revenue Bond Program

AIDEA is able to leverage private capital markets by issuing taxable and tax-exempt

revenue bonds on behalf of businesses and for-purpose entities.

[AIDEA programs within our Revolving Fund include:](#)

- Loan Participation
- Project Development and Asset Management
- Infrastructure Development

[AIDEA has specialty funds created by the Legislature that focus on specific statewide priorities:](#)

- Sustainable Energy Transmission and Supply (SETS) Development Program for energy infrastructure;
- Arctic Infrastructure Development Fund

[In addition, the Governor and Legislature have tasked AIDEA with specific projects that are a high priority in developing the state and providing economic opportunity for its residents. The two projects currently assigned to AIDEA are:](#)

- The Ambler Mining District Industrial Access Project – Prepare the scoping portion of an SF-299 ANILCA right-of-way application for surface access to the Ambler Mining District from the Dalton Highway
- Interior Energy Project – Assists in finding a solution to poor air quality and high energy costs common to Interior Alaska. AIDEA is working in partnership with numerous entities including the local communities, EPA, the Alaska Housing Finance Corporation, and the Alaska Energy Authority.



# FY 2016 RESULTS

Facilitated the creation or retention of:

**646**

Construction Jobs

**1129**

Permanent Jobs

**\$17.65 million**

Dividend Paid

**\$1.31 billion**

Net Position

**\$13.0 million**  
Conduit Bonds Issued

**\$65.7 million**

Total Loan Participation  
Gross Value



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