

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G25-12

**RESOLUTION OF THE ALASKA INDUSTRIAL
DEVELOPMENT AND EXPORT AUTHORITY
PROVIDING FOR THE TRANSFER OF FUNDS FROM
THE REVOLVING FUND AND FROM THE RURAL
DEVELOPMENT INITIATIVE FUND TO THE SMALL
BUSINESS ECONOMIC DEVELOPMENT REVOLVING
LOAN FUND**

WHEREAS, pursuant to AS 44.88.400 the Small Business Economic Development Revolving Loan Fund (the “SBED Fund”) is created in the Alaska Industrial Development and Export Authority (“AIDEA”);

WHEREAS, the purpose of the SBED Fund is to finance the start-up and expansion of small businesses in Alaska that will create significant long-term private sector employment in eligible communities;

WHEREAS, the SBED Fund was established in 1988 with Title IX funding from the U.S. Economic Development Administration (“EDA”) and has been recapitalized on multiple occasions with EDA grants matched by AIDEA;

WHEREAS, pursuant to a Memorandum of Agreement between AIDEA and the Department of Commerce, Community, and Economic Development (“DCCED”), dated September 1988, AIDEA has contracted with DCCED’s Division of Investments to administer the SBED Fund;

WHEREAS, after the passage in 2020 of the federal Reinvigorating Lending for the Future Act (“RLF Act”), the Division of Investments applied for and executed an Agreement to Release the EDA Federal Interest, and the EDA released its federal interest in the SBED fund on March 7, 2024;

WHEREAS, that defederalization removed restrictive federal operational constraints such as rigid job cost ratios and matching fund requirements, materially improving program accessibility so that more loans were made;

WHEREAS, as of March 31, 2025, the primary SBED Fund had \$298,593 in cash available for lending;

WHEREAS, the Division of Investments is currently counseling prospective applicants that funds may not be available while \$1.2 - \$1.5 million of additional loan requests are active;

WHEREAS, without additional capitalization, the SBED program will be required to stop accepting new applications and suspend lending for approximately nine months while loan principal is recycled;

WHEREAS, pursuant to AS 44.88.600, the Rural Development Initiative Fund (“RDIF”) is created in the authority outside of the revolving fund;

WHEREAS, the purpose of the RDIF is to stimulate long-term private sector employment in Alaska’s small and remote communities by financing businesses and business expansions in communities of up to 5,000 in population off the road system and population of up to 2,000 on the road system;

WHEREAS, pursuant to a Memorandum of Agreement between AIDEA and DCCED, dated February 2001, AIDEA has contracted with DCCED’s Division of Investments to administer the RDIF;

WHEREAS, the RDIF has \$5,894,703 in available funds, but is not being utilized as much as the SBED Fund because the RDIF is constrained by statutory deposit limits, geographic eligibility, loan amount caps and a higher interest rate;

WHEREAS, at present the SBED Fund is undercapitalized and the RDIF is overcapitalized;

WHEREAS, providing additional funds to the SBED Fund will allow the Fund to continue to make small business loans that are in the pipeline, and continue to do so in the future in accordance with the Fund's goals and purpose, and that continued lending will support AIDEA's mission to promote, develop, and advance economic growth in Alaska by providing financing to businesses.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:


Section 1. Up to \$3 million in the Authority's Revolving Fund monies be, and hereby are transferred and appropriated by the Authority to the Small Business Economic Development Revolving Loan Fund to be used for the purposes of that Fund.

Section 2. Up to \$3 million in monies located in the Rural Development Initiative Fund be, and hereby are transferred by the Authority to the Small Business Economic Development Revolving Loan Fund to be used for the purposes of that Fund.

Section 3. The Executive Director is hereby authorized and directed to take such, and all actions as may be needed, necessary or convenient to make these transfers and execute any documents in the name of, and on behalf of, the Authority to carry out this Resolution.

Dated at Anchorage, Alaska this 10th day of December 2025.

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY


Chair


Secretary

