

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G26-01

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AUTHORIZING A BUDGET FOR GENERAL, AND ADMINISTRATIVE COSTS ASSOCIATED WITH ECONOMIC DEVELOPMENT PROJECTS

WHEREAS, one of the purposes of the Alaska Industrial Development and Export Authority (the “Authority”) is to develop and provide financing for the industrial develop and provide financing for industrial development and projects and facilities that “are essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly, alleviate unemployment in the state...”

WHEREAS, one of the purposes of the Authority (the “Authority”) is to acquire ownership interests in projects, and at times operate owned projects and at times manage and oversee various economic development projects and assets throughout the State of Alaska (collectively, the “Economic Development Projects”) as specified AS 44.88.010(10)(c) and AS 44.88.070(2) through use of funds in the Revolving Fund or through use of other funds established outside of the Revolving Fund. AS 44.88.060

WHEREAS, the Authority’s Economic Development Projects include but are not limited to, the following owned previously owned, leased, or operated assets:

- Ketchikan Shipyard (KSY)
- DeLong Mountain Transportation System (DMTS)
- FedEx Hangar Facility (FEDEX)
- Department of Military and Veterans Affairs Building (DMVA)
- Snettisham Hydroelectric Facility (SNETT);

WHEREAS, the Authority routinely incurs ongoing general and administrative costs associated with its oversight, maintenance, and legal obligations, that entail expenditures for legal services, engineering services, professional services, travel, and other project-related needs (the “Project Administrative Costs”) associated the Authority’s Economic Development Projects;

WHEREAS, these Project Administrative Costs are not included within the Authority's general operating budget, which is funded by the enterprise fund and is intended to support the Authority's day-to-day operational needs such as payroll, travel, supplies, and equipment;

WHEREAS, under AS 44.88.205(a) the operating budget of the Authority is subject to AS 37.07 (Executive Budget Act). and is not designed to absorb the variable and sometimes substantial administrative costs associated with the Economic Development Projects;

WHEREAS, historically, the Authority has relied on project-specific Board authorizations or miscellaneous fund sources to cover these Project Administrative Costs resulting in inconsistent funding availability, and

WHEREAS, establishing a dedicated annual authorization for Project Administrative Costs is necessary to ensure proper oversight, compliance, and stewardship of the Authority's Economic Development Projects and is in the best interests of the Authority and the public it serves;

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

Section 1. The Authority may expend up to \$3,000,000 annually from an appropriate fund to pay for Project Administrative and Operational Costs associated with each of the Economic Development Projects, including but not limited to, legal services, engineering services, professional services, travel, and other project-related expenses.

Section 2. Expenditures made under this Resolution shall be approved by the Executive Director.

Section 3. This authorization is on a fiscal-year basis, shall commence during the current fiscal year, and renews at the beginning of every fiscal year until terminated or amended by the Board. Unexpended authorized amounts in a fiscal year do not carry forward. Unexpended amounts at the end of a fiscal year shall lapse.

Section 4. The Executive Director shall provide, as requested, reports to the Board on expenditures made under this Resolution and incorporate these expenditures into the Authority's financial statements.

Section 5. This Resolution becomes effective immediately upon passage and approval.

Dated at Anchorage, Alaska, this 21st day of January, 2026.



Secretary

Bill Bundy
Chair



Memorandum

To: Board Members
Alaska Industrial Development and Export Authority

From: Randy Ruaro
Executive Director

Date: January 21, 2026

Subject: Resolution No. G26-01 Authorizing A Budget For General and Administrative Costs Associated With Economic Development Projects

Resolution No. G26-01 authorizes the Alaska Industrial Development and Export Authority (AIDEA) to establish a budget of up to \$3,000,000 per fiscal year beginning during the current fiscal year, for the general, administrative, and operational costs associated with AIDEA's owned, operated or leased Economic Development Projects.

Background

AIDEA owns and oversees several Economic Development Projects across the State of Alaska, such as the Ketchikan Shipyard and Snettisham Hydroelectric Facility. These assets require ongoing oversight, maintenance, compliance, and operational support. The associated legal, engineering, professional, and travel costs for these projects are not included in AIDEA's enterprise funded operating budget. That budget is limited to the day-to-day operational costs of the Authority and does not include costs and expenses needed to manage the Economic Development Projects.

Historically, AIDEA has relied on project-specific Board Resolutions or miscellaneous funding sources to cover these administrative and ongoing oversight costs for these Economic Development Project costs, a process that has resulted in inconsistent funding availability and administrative inefficiencies. Establishing an annual budget for these expenditures ensures predictable, compliant, and timely support for AIDEA's Economic Development Projects.

Summary of The Resolution

- Authorizes the Authority to expend up to \$3,000,000 annually from an appropriate fund for Project Administrative and Operational Costs associated with AIDEA's Economic Development Projects
- Requires that all expenditures under this authorization be approved by the Executive Director.
- Directs the Executive Director to provide expenditure reports to the Board upon request and to incorporate these expenditures into AIDEA's financial statements.

Recommendation

Staff recommends that the Board approve Resolution No. G26-01.