

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**AMENDED 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 Fund;

**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 Fund 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 **from that Fund to the Revolving Fund. After this transfer is completed, an additional \$3 million will be transferred from the Revolving Fund** to the Small Business Economic Development Revolving Loan Fund to be used for the purposes of that Fund. **This transfer complies with the requirements of AS 44.88.600.**

**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 13th day of May, 2026.

ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY

---

Chair

Seal

Attest

---

Secretary



## MEMORANDUM

**To:** Board Members  
Alaska Industrial Development and Export Authority

**From:** Randy Ruaro  
Executive Director

**Date:** May 13, 2026

**Subject:** **Technical Amendment** to Resolution No. G25-12 Transfers of Funds from the AIDEA Revolving Fund and the Rural Development Initiative Fund to the Small Business Economic Development Revolving Loan Fund

---

### **Technical Amendment to Resolution No. G25-12**

At a prior meeting, the Board authorized the transfer of \$3 million dollars from the RDIF fund to the Small Business Economic Development Fund (SBED). OMB reviewed the transfer and noted that technically, the transfer from RDIF needs to go first to the Revolving Fund and then an additional transfer is needed to go from the Revolving Fund to the SBED. The amended resolution is intended to accomplish that transfer. AS 44.88.600

### **Prior Description of the Issues and Opportunities Related to the Transfer from the RDIF Fund to the SBED Fund.**

Resolution No. G25-12 authorizes the Alaska Industrial Development and Export Authority (“AIDEA”) to transfer up to \$3 million from the Authority’s Revolving Fund and transfer up to \$3 million currently in the Rural Development Initiative Fund (“RDIF”) to the legacy (non-Covid funds) Small Business Economic Development Revolving Loan Fund (“SBED”). By a memorandum agreement with AIDEA, the Division of Investments within the Department of Commerce, Community and Economic Development (“DCCED”) administers both the SBED loan program and the RDIF program. These transfers are needed because the SBED Fund at present is undercapitalized and unable to process new loans while the RDIF is not being utilized to the same extent and is overcapitalized.

### **Current Status of the SBED Fund**

The Authority’s SBED Revolving Loan Fund program was created in 1988 to finance the startup and expansion of small businesses that create significant long-term employment in areas of the state that were experiencing economic difficulties. As of March 31, 2025, the Legacy-SBED had \$298,593 in cash available for lending. Given this amount, the Division of Investments is currently counseling prospective applicants that funds for new loans may not be available. Recent borrower inquiries indicate \$1.2 - \$1.5 million of additional loan requests are in the active pipeline. Without additional capitalization, the program will be required to stop accepting new applications and

suspend lending for approximately nine months while loan principal is recycled.

### **Status of the RDIF Fund**

In contrast, the RDIF has \$5,894,703 available for lending, but this program is constrained by statutory deposit limits, geographic eligibility, low loan amount caps and a higher interest rate. Loans can be made only to communities of up to 5,000 in population off the road system and up to 2,000 in population on the road system. The RDIF is thus underutilized and cannot be used as a substitute for business borrowers wanting an SBED loan.

### **Demand for the SBED Fund**

A fixed 4.0 percent Legacy-SBED interest rate in the current high-rate environment has increased demand from small businesses seeking expansion or startup capital. Commercial lenders are reducing commitment to smaller and higher-risk projects, increasing reliance on the SBED to fill financing gaps.

Resolution G25-12 effectuates a timely recapitalization of the SBED using two sources. First, the Resolution would transfer \$3 million from the over capitalized RDIF Fund to the SBED Fund. Secondly, it authorizes a transfer of another \$3 million from AIDEA's Revolving Fund to the SBED Fund. Using both sets of funds, the SBED Fund would be recapitalized by \$6 million allowing the program to continue making loans to small Alaska businesses. These transfers will avoid an immediate lending suspension, preserve the program's role as a source of long-term financing for underserved communities, and support AIDEA's statutory and policy objectives to diversify the state economy and foster long-term employment.

### **Recapitalization request and expected results**

The Division of Investments requests a \$6 million capital infusion to the SBED. This level of capitalization is expected to permit financing of approximately 25 to 30 small business loans at the program's prevailing average loan sizes and to create or preserve roughly 120 jobs statewide. The additional capital is expected to leverage private financing and produce indirect economic benefits that exceed the initial outlay.

AIDEA will be increasing its ability to promote economic development and support small businesses by increasing the capacity of AIDEA's SBED revolving loan fund to fund more loans to small businesses across the state.

### **Recommendation**

AIDEA staff recommends that the Authority approve Resolution G25-12 as amended to comply with technical requirements for transferring funds from RDIF to Revolving Fund first than transferring to SBED to comply with AS 44.88.600.