



PUBLIC HEARING

10:30 a.m. Monday, June 11, 2018
Alaska Industrial Development and Export Authority
813 West Northern Lights Boulevard
Anchorage, Alaska 99503

MINUTES

1. CALL TO ORDER

The meeting was called to order at 10:30 a.m. by designated hearing officer Sherrie M. Siverson.

2. ATTENDANCE

AIDEA staff present, Sherrie M. Siverson, Executive Assistant.

3. PROPOSED AMENDMENTS TO AIDEA REGULATIONS

The Alaska Industrial Development and Export Authority proposes to adopt regulation changes in Title 3 of the Alaska Administrative Code. The changes include an increase to the rates and fees it charges for services provided for its conduit revenue bond program, commercial and development finance program, Sustainable Energy Transmission and Supply Development Fund program, and the Arctic Infrastructure Development Fund program; to add the definition of basis points, and to change non-whole numbers to basis points.

The purpose of the fee increase is to reflect increases in costs to administer programs, and to clarify percentage used in calculations.

A copy of the proposed amendments will be furnished upon request, or can be found on AIDEA's website at <http://www.aidea.org/About/Regulations.aspx>

1. 3 AAC99.110(b) increase nonrefundable application fee from [\$1,000] to \$1,100
2. 3 AAC99.140(a)(1) change non-whole numbers: (one half of one percent) to 50 basis points; (two-tenths of one percent) to 20 basis points; (one and one half tenth of one percent) to 15 basis points
3. 3 AAC 99.140(a)(2) change non-whole numbers: (four-tenths of one percent) to 40 basis points; (one-tenth of one percent) to 10 basis points; (nine one-hundredths of one percent) to 15 basis points
4. 3 AAC 99.140(b) add text (nonrefundable) before amount of fee; increase modification fee from [\$500] to \$550; move \$550 to before the word fee
5. 3 AAC 99.160(c) add word (nonrefundable); change non-whole numbers (one-half of one percent) to 50 basis points; (one-quarter percent) to 25 basis points
6. 3 AAC 99.210(b) increase nonrefundable preliminary application fee from [\$200] to \$250
7. 3 AAC 99.220(b) increase nonrefundable application fee from [\$1,000] to \$1,100
8. 3 AAC 99.220(b) add a sentence, the financial institution must reimburse all third-party expenses of the authority related to the issuance of the authority's loan participation.
9. 3 AAC 99.260(c) loan commitment term extension, change non-whole number [from one-eighth (0.125%) percent] to 12.5 basis points
10. 3 AAC 99.260(c) subsequent loan commitment term extensions for additional 30-day periods, change non-whole number [from one-eighth (0.125%) percent] to 12.5 basis points

11. 3 AAC 99.290(c) nonrefundable modification fee increase from [\$100] to \$500
12. 3 AAC 99.290(e) add new subsection (e) The authority may approve the assumption of an outstanding loan in which the authority participates after evaluating the collateral securing the loan and the financial and credit history and ability to repay of the entity proposing to assume the loan. The authority must receive a nonrefundable assumption fee of one percent of the outstanding balance before entering a loan assumption agreement.
13. 3 AAC 99.320(b) increase nonrefundable application fee from [\$1,000] to \$1,100
14. 3 AAC 99.350(e)(1)(B)(i) language changed to read, rate during any fiscal year will not be lower than 375 basis points [from 475]
15. 3 AAC 99.350(e)(1)(B)(ii) language changed to read, rate during any fiscal year will not be lower than 100 basis points [from 200]
16. 3 AAC 99.360(c) change non-whole number [from one-eighth (0.125%) percent] to 12.5 basis points
17. 3 AAC 99.390(c) increase loan modification fee from [\$100] to \$500
18. 3 AAC 99.390(e) loan assumption nonrefundable fee increased from [\$200] to one percent of the outstanding loan balance
19. 3 AAC 99.520(b) to add language “or the regional resource advisory council”
20. 3 AAC 99.575(a) language changed [from 250 to 450] to will be no less than 250 basis points
21. 3 AAC 99.590(a) add word nonrefundable before application fee
22. 3 AAC 99.590(a)(1) increased from [\$5,000] to \$5,500 for financing of less than \$10,000,000
23. 3 AAC 99.590(a)(2) fee increased from [\$10,000] to \$11,000 fee for financing from \$10,000,000 to \$20,000,000
24. 3 AAC 99.590(a)(3) fee increased from [\$20,000] to \$22,000 for financing in excess of \$20,000,000
25. 3 AAC 99.710(g) delete language [Issuance of loan guarantees in amounts exceeding \$500,000 per loan will be suspended when the total initial principal amount of all loans having an initial guarantee exceeding \$500,000 reaches \$25,000,000.]
26. 3 AAC 99.750(a) increase nonrefundable application fee from [\$200] to \$250 and increase nonrefundable modification fee from [\$100] to \$500
27. 3 AAC 99.810(b) increase nonrefundable application fee from [\$200] to \$250
28. 3 AAC 99.810(c) non-whole number changed from [one and one-half percent of] to 15 basis points
29. 3 AAC 99.810(d) language changed, from [5%] to five-percent
30. 3 AAC 99.810(e) increase extension fee from [\$25] to \$50
31. 3 AAC 99.830(a)(2) add the word and at the end of the sentence
32. 3 AAC 99.830(a)(3) delete sentence [(3) A \$100 nonrefundable application fee; and]
33. 3 AAC 99.830(a)(4) renumber [(4)] to 3
34. 3 AAC 99.865 delete language “but not less than six percent per annum”
35. 3 AAC 99.880(b) increase nonrefundable application fee from [\$100] to \$150
36. 3 AAC 99.880(f) increase nonrefundable modification fee from[\$100] to \$150
37. 3 AAC 99.930 add new definition (2) “basis points” means the common unit of measure for interest rates and other percentages in finance; one hundred basis points equals one percent;
38. 3 AAC 99.930(2-34) renumber all definitions following (2)
39. 3 AAC 101.140(a) language changed from (an application fee) to a nonrefundable application fee

40. 3 AAC 101.140(b)(1) fee increased from [\$5,000] to \$5,500 for financing of less than \$10,000,000
41. 3 AAC 101.140(b)(2) fee increased from [\$10,000] to \$11,000 for financing from \$10,000,000 to \$20,000,000
42. 3 AAC 101.140(b)(3) fee increase from [\$20,000] to \$22,000 for financing in excess of \$20,000,000
43. 3 AAC 101.180(b) change language from [AN application fee] to a nonrefundable application fee
44. 3 AAC 101.180(b)(1) increase fee from [\$5,000] to \$5,500 for any financing arrangement up to \$10,000,000
45. 3 AAC 101.180(b)(2) increase fee from [\$10,000] to \$11,000 for financing from \$10,000,000 to \$20,000,000
46. 3 AAC 101.180(b)(3) increase fee from [\$20,000] to \$22,000 for any financing arrangement over \$20,000,000
47. 3 AAC 102.070(a) increase nonrefundable application fee from [\$1,000] to \$1,250
48. 3 AAC 102.080(g) change non-whole number from [one and one-half percent of] to 150 basis points
49. 3 AAC 102.110(c) change non-whole number from [one and one-half percent of] to 150 basis points
50. 3 AAC 102.120(b)(1)(B)(i) change [475] basis points to 375
51. 3 AAC 102.120(b)(1)(B)(ii) change [200] basis points to 100
52. 3 AAC 102.900 add new definition (2) "basis points" means the common unit of measure for interest rates and other percentages in finance; one hundred basis points equals one percent;
53. 3 AAC 102.900 (3-11) renumber all definitions following (2)
54. 3 AAC 103.140(b)(1) increase fee from [\$5,000] to \$5,500 for a loan or guarantee of less than \$10,000,000
55. 3 AAC 103.140(b)(2) increase fee from [\$10,000] to \$11,000 for a loan or guarantee from \$10,000,000 to \$20,000,000
56. 3 AAC 103.140(b)(3) increase fee from [\$20,000] to \$22,000 for a loan or guarantee in excess of \$20,000,000

4. PUBLIC COMMENTS

No public comments were received.

5. ADJOURNMENT

Hearing no objections, the hearing was adjourned at 11:30 a.m.

John Springsteen, CEO / Executive Director
Alaska Industrial Development and Export Authority