

INVESTING IN ALASKANS



AIDEA OVERVIEW + ACCESS TO OPPORTUNITIES

AGC of Alaska, Fairbanks Spring Agency Day
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Alan Weitzner, Executive Director

AIDEA MISSION

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

Investing in Alaskans

- Revenue generated by AIDEA's investments go to two places:
 1. reinvested in AIDEA programs and projects and
 2. issued as dividends to the State of Alaska.
- AIDEA works with Alaska's communities and businesses to advance your economic development priorities.
- Projects must meet two important criteria:
 1. be a sustainable financial investment; and
 2. create tangible benefits for Alaska and its communities.

AIDEA OVERVIEW

- ✓ Investing in Alaskans since 1967
- ✓ Alaska's Development Finance Authority
- ✓ Financially Self-Sustaining Public Corporation (no GF by statute AS 44.88.190(b))
- ✓ \$446 million in Dividends declared to Alaska since 1997
- ✓ Directed over \$3.5 billion into economic development in Alaska

AIDEA PROGRAMS + PROJECTS

- Conduit Revenue Bond Program
- Loan Participation Program
- Development Project Finance
- Sustainable Energy Transmission and Supply (SETS)
- Arctic Infrastructure Development Fund (AIDF)
- Small Business Economic Development Revolving Loan Fund
- Rural Development Initiative Loan Fund
- Business Export Assistance Program

Development Project Finance:

- ✓ Delong Mountain Transportation System
- ✓ Skagway Ore Terminal
- ✓ FedEx Aircraft MRO Hangar
- ✓ Snettisham Hydroelectric Facility
- ✓ Alaska Ship & Drydock, Ketchikan
- ✓ Camp Denali Readiness Center (JBER)
- ✓ Mustang Holding LLC
- ✓ Interior Energy Project
- ✓ BlueCrest Energy Drilling Rig Loan
- ✓ AK SHIP – Vessel Repair Finance Program
- ✓ Duck Point Development II (Icy Strait Point)
- ✓ HEX Cook Inlet, LLC
- ✓ SSQ Line
- ✓ Ambler Access Project
- ✓ West Susitna Access Road Project
- ✓ Section 1002 Area Leases
- ✓ FNSB Military Facility Zone Land

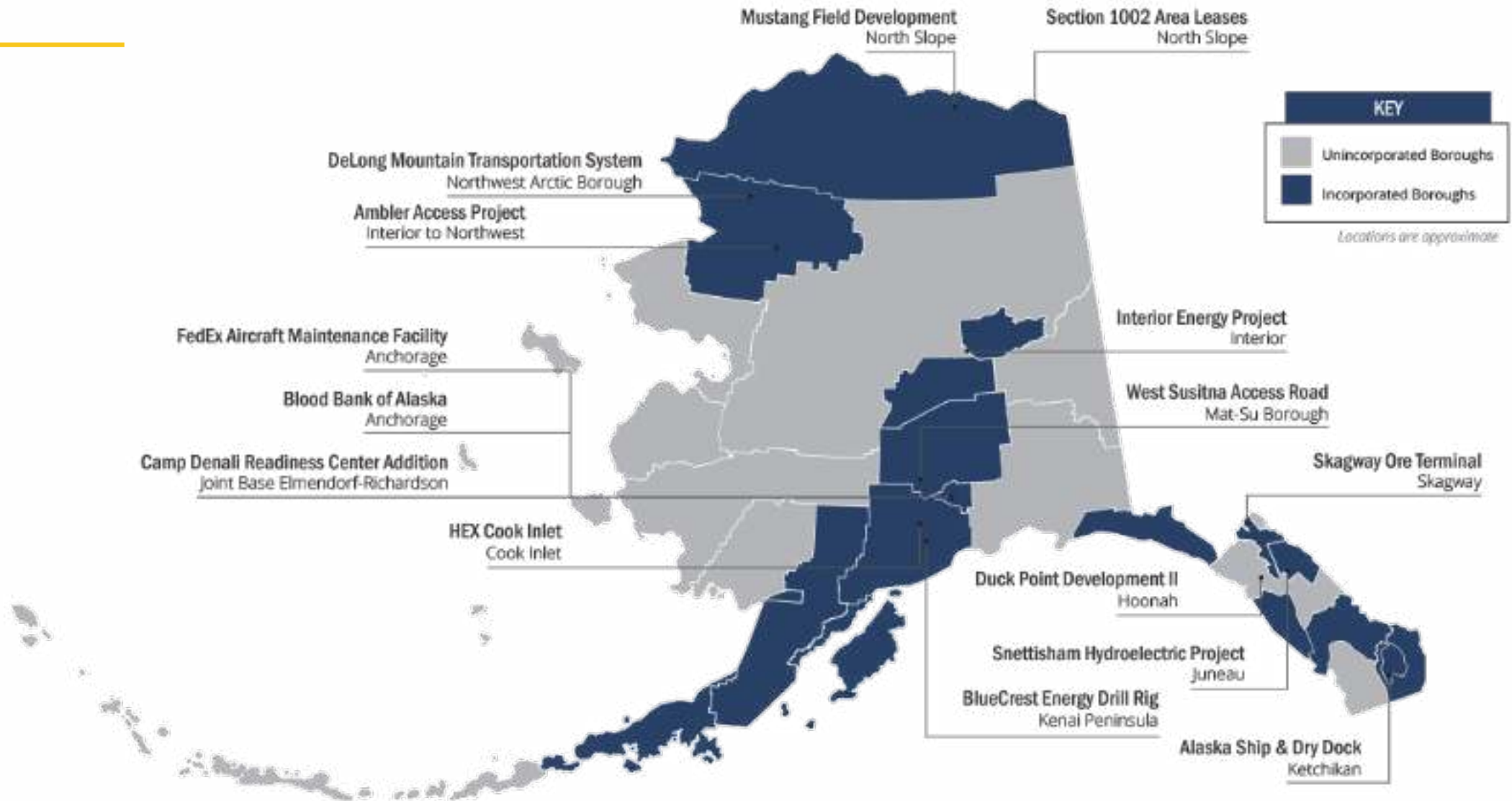
PUBLIC-PRIVATE PARTNERSHIPS (P3)

WHAT IS A P3?

A public-private partnership is a cooperative agreement between government and private sector investors that work together to create, build, or provide services to communities.

- A P3 arrangement can mobilize additional sources of funding and financing for infrastructure – it doesn't replace public sector financing entirely.
- Mechanism for greater private-sector participation in all phases of the development, operation, and financing of infrastructure projects vs. traditional procurement.
- Infrastructure to access resources is a prime example of the value of a P3.
- Provides certainty to infrastructure investors – public sector is critical in driving certainty and reducing risk.

PROJECTS + ASSETS



CURRENT EVENTS

**THE
WALL STREET
JOURNAL**

Biden bans imports of Russian Oil, Natural Gas [March 8, 2022](#)

Forbes

China and Russia make critical minerals grab in Africa while the US snoozes [Jan. 13, 2022](#)

**THE
WALL STREET
JOURNAL**

Let Alaska Sell American Energy to the World - Harry Brower Jr. and Josiah Patkotak [March 4, 2022](#)

SAFE, SECURE + RELIABLE DOMESTIC DEVELOPMENT



Independence from imports



Responsible resource development



Good-paying jobs for Alaskan families



Revenue for state, local, and tribal governments

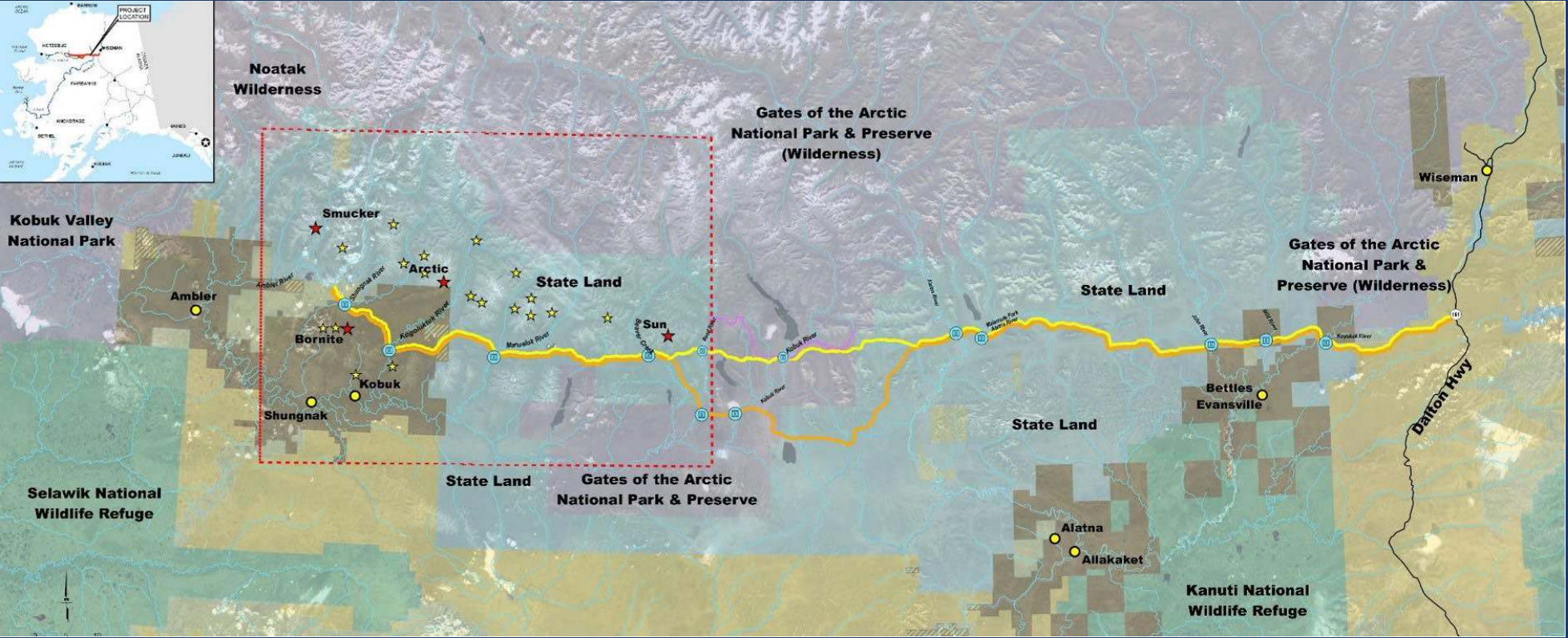


IMPORTANCE OF MINING IN THE TRANSITIONAL ECONOMY

- Mining plays a critical role in supporting clean energy and technology for the emerging and future economies.
- The Ambler Mining District is a large prospective copper-zinc mineral belt with deposits of cobalt, germanium, gallium, arsenic, palladium, lead, gold, silver, and platinum.
- Aligns with federal policy to identify new sources of critical minerals, increase activity at all levels for a reliable, domestic supply chain.



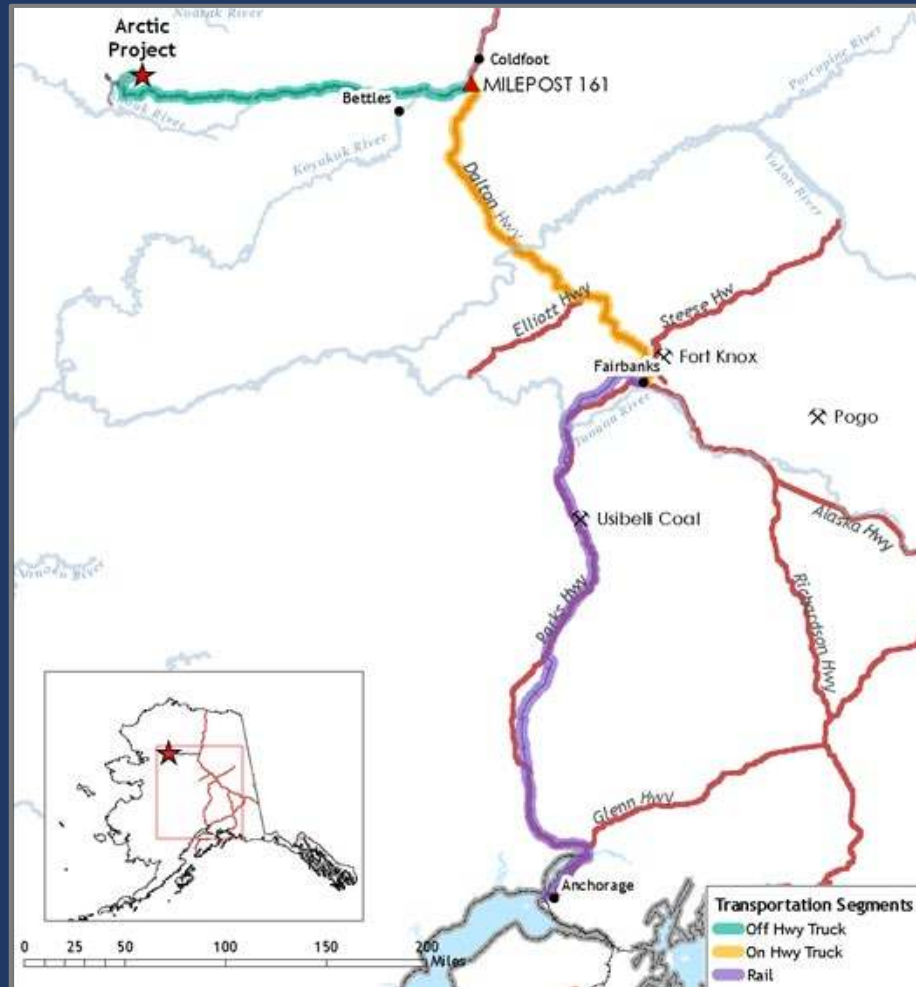
AMBLER ACCESS PROJECT



Proposed 211-mile private controlled industrial access road to the Ambler Mining District in northwestern Alaska.

Access to Ambler Mining District defined within the Alaska National Interest Lands Conservation Act (ANILCA).

ARCTIC MINE CONCENTRATE TRANSPORTATION



ARCTIC MINE TO DALTON HIGHWAY

- 214 miles
- Off-highway trucks
- 2 containers per truck

DALTON HIGHWAY JUNCTION TO FAIRBANKS

- 240 miles
- On-highway trucks
- 1 container per truck due to Dalton Hwy weight restrictions

FAIRBANKS TO ANCHORAGE BY RAILWAY

- 360 miles
- 2 dedicated trains per week with extras on mixed load trains


Courtesy: Ambler Metals

ECONOMIC DEVELOPMENT + JOB OPPORTUNITIES


Economic benefits from road access facilitating development of four major deposits in the district:

ROAD CONSTRUCTION + OPERATIONS	CONSTRUCTION OF MINES
<ul style="list-style-type: none"> ▪ 360 direct jobs for road construction on an annual average ▪ Up to 81 direct annual jobs for road operations and maintenance over the life of the road 	<ul style="list-style-type: none"> ▪ 2,777 direct jobs for mine construction; \$286M in wages annually ▪ 2,034 additional indirect and induced jobs; \$108M in wages annually
MINING OPERATIONS	GOVERNMENT REVENUES (LIFE OF ALL FOUR MINES)
<ul style="list-style-type: none"> ▪ 495 direct jobs; \$72M in wages annually ▪ 3,436 additional indirect and induced jobs; \$228M in wages annually 	<ul style="list-style-type: none"> ▪ \$393M in mining license tax revenues to the State ▪ \$524M in corporate income taxes to the State ▪ \$214M in production royalties to the State ▪ \$13M in claim rents to the State ▪ \$193M in payments to local governments


SOURCE: University of Alaska, Center for Economic Development. (2019). *Economic Impacts of Ambler Mining District Industrial Access Project and Mine Development*.



BROADBAND INTERNET



LOWER COST FUEL AND GOODS



SIGNIFICANT NEW REVENUES FOR LOCAL AND STATE GOVERNMENTS

2021 STAKEHOLDER OUTREACH



Subsistence Advisory Committee

Working group and formal committee established.
October 19, 2021 and December 9, 2021



Workforce Development Working Group

Working group established.
October 19, 2021 and December 9, 2021



Visits To Allakaket + Alatna



New Website for PC, Mobile Devices



Email Correspondence System



SOAR Communication Database

Subsistence Advisory Committee (SAC)

Members from: Huslia, Kiana, Alatna, Allakaket, Ambler, Hughes, Kobuk, Noorvik, Shungnak, Evansville, and Gates of the Arctic Regional SAC

- Each member practices subsistence and is knowledgeable about the land, animals and culture around their respective communities.
- Integral part of the project's development as permitting and design work continues.



2022 AAP ACTIVITIES

Cultural Resources

Continue field surveys in prioritized areas.

Geotechnical Investigations

Characterize subsurface conditions of the riverine environment, general soil characteristics along alignment, and assess viability of material sites. Borings at 45 river crossings, 11 material sites and 10 roadway sites along alignment. Summer and winter activities planned.

H+H Investigations

Assess conditions for area drainage, culvert placement, and bridge design; spring breakup monitoring at 26 rivers; establish stream gauges at bridge sites.

Land Survey Activities

Establish land ownership boundaries, bodies of water, and major design features; survey Northwest Arctic Borough boundary; survey alignment over 4 months for land ownership and project features.

Roadway Design

Establish project design criteria, advance preliminary engineering to 35% design.

Fish Habitat Studies

ADF&G will continue 2021 field efforts to collect fish habitat, water quality, species presence, or critical spawning area data, focusing on mid-alignment (MP 58-130) at 57 locations.

Wetland Investigations

Field evaluation of eastern 50 miles of alignment; survey for wetlands and waters of the U.S.; invasive species, if found; sensitive plant species, if found.

Stakeholder Outreach

Website update, events calendar, mail newsletter, distribute press releases (letters of support, etc.), continue subsistence advisory committee & workforce development working group, launch social media.



EXPANDING ENGAGEMENT WITH ALASKA BUSINESSES

- Amidst the pandemic, 2021 ushered in the first field season for the Ambler Access Project (AAP) with a specific focus on broadening opportunity for Alaskan contractors across 12 tasks.
- 30+ Alaska prime and subcontractor companies that will continue with cultural, archaeological, logistics, geotechnical, design, and other field season tasks.
- Professional Services Procurement Policy adopted to encourage minority Alaskan-owned companies to bid through an MBE program. Currently, MBE entities represent 30 percent of AAP contracts.



SECTION 1002 AREA LEASES

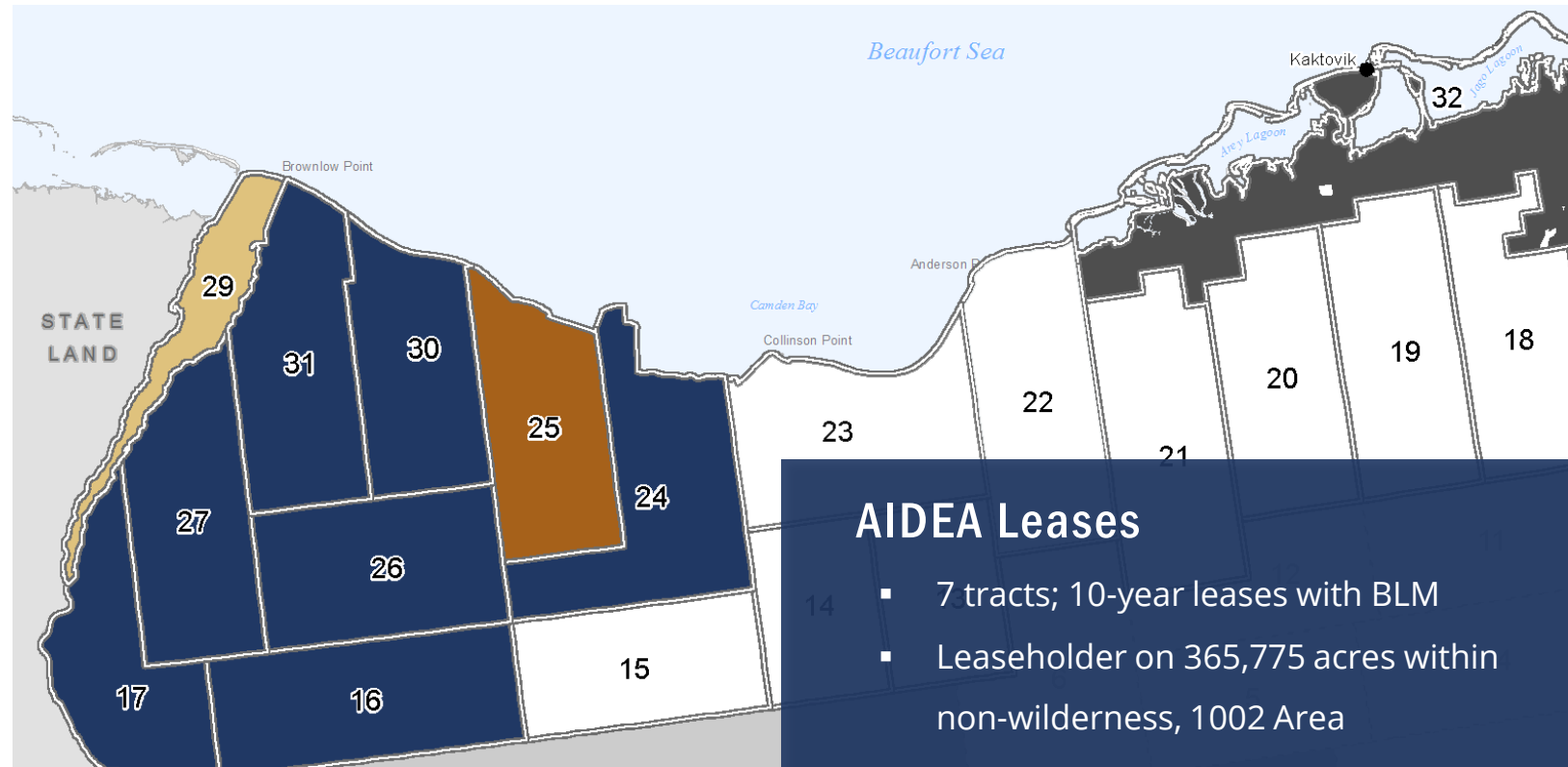
- ✓ ASRC
- ✓ North Slope Borough
- ✓ Kaktovik Iñupiat Corporation

What is ANWR?

The Arctic National Wildlife Refuge (ANWR) is a 19.3 million-acre refuge in northeastern Alaska that was created in 1980 under the Alaska National Interest Lands Conservation Act (ANILCA).

What is the “Section 1002 Area”?

A small **non-wilderness** area of ANWR specifically set aside for future oil and gas development. Named after “Section 1002” of ANILCA, which classifies the area as non-wilderness.



AIDEA Leases

- 7 tracts; 10-year leases with BLM
- Leaseholder on 365,775 acres within non-wilderness, 1002 Area

- Knik Arm Services LLC
- Regenerate Alaska, Inc.

SECTION 1002 AREA LEASES

Why is AIDEA involved?

Our role is to identify economic development opportunities in Alaska. These tracts preserve future resource access and economic development opportunities for all Alaskans.

Support for responsible development

VOICE of the Arctic Iñupiat (*a non-profit coalition comprised of 24 entities including tribal councils, regional organizations, municipal governments, and ANCSA corporations located in/around 1002 Area*) | 64% of Alaskans | Governor Dunleavy | Alaska State Legislature (HJR 12) | Alaska's congressional delegation since 1980

AIDEA's lawsuit

Nov. 2021, AIDEA filed a lawsuit against President Biden for violations of its leases. Joined by Kaktovik Iñupiat Corporation, North Slope Borough, and Arctic Slope Regional Corporation



Economic Benefits

- Mean est. **7.3 billion** barrels of economically recoverable oil (*approx. \$65/barrel*)
- Mean est. **7 trillion** cubic feet of natural gas
- Estimated to add **1.4 million** barrels per day through TAPS
- Provide **16.67%** fixed royalty to State, Federal governments
- Local tax revenue funds health centers, schools, wastewater, and utilities



Jobs

- 1,430 direct jobs annually
- 6,350 indirect jobs annually
- 2,480 direct jobs at peak
- 10,100 indirect jobs at peak

MILITARY FACILITY ZONE LAND DEVELOPMENT



Photo credit, U.S. Air Force/Senior Airman Keith Holocomb



CONTINUED SUPPORT OF MILITARY PRESENCE IN ALASKA

Development of quality and affordable housing supporting Stratotanker and F-35 personnel. Increase available rental or permanent housing options to accommodate families relocating to Alaska.



STRATEGIC POSITIONING IN ARCTIC & INDO-PACIFIC REGIONS

Eielson AFB, as America's northern-most air base, is strategically located for quick assembly to deter aggressions from foreign adversaries, like China and Russia.



UTILITY INFRASTRUCTURE EXPANSION OPPORTUNITY

Extending and establishing utilities like water, waste water, natural gas and electric in areas of North Pole that were previously inaccessible, while maintaining clean and reliable standards.



INJECTION OF FUNDS INTO THE LOCAL ECONOMY

Building new housing and welcoming new military families will inject additional funds into local businesses and provide new rate-payers to local utilities in the North Pole region.

PROJECT STRUCTURE

AS 44.88.172(a) authorizes AIDEA to own and invest in public use facilities (*i.e. projects with a public purpose*) which includes infrastructure for an area that is designated as a military facility zone (AS 44.88.900(13)(I))

- Public/Private Partnership for initial phase housing development:
 - Target development sizing: 100 to 150 housing units
- Partnership with City of North Pole / FNSB through acquisition and transfer of agreed land to AIDEA
- Define cost-efficient specifications with Military Command / local housing contractors (*focus on leasing*)
- AIDEA funds land master development, utilities, permitting, etc. through special purpose company
- Lots to be defined for availability to multiple interested housing contractors
- Partnership with local lenders for construction and permanent financing through AIDEA subordination of land and funded infrastructure
- Patient Capital: AIDEA to recover its capital investment through pro-rata repayment of housing unit sales or through an multi-year assessment recovered through leasing proceeds

ECONOMIC BENEFITS

Project will advance the US Department of Defense's Arctic Strategy as well as provide economic and job growth benefits to the Interior and State:



OFF-BASE HOUSING

Critical need within FNSB with the addition of **3,000+ service** members and their families to Eielson AFB



OFF-BASE GOODS + SERVICES

Shopping, restaurants, and consuming other services directly benefits community businesses



NEW REVENUES

Add significant new revenues for both local and state governments



DRIVES LOCAL PROCUREMENT

More than **\$5.6 billion** across all business sectors from FY17 - FY19 *(UA CED Report, June 2021)*



MILITARY SPENDING IN ALASKA

\$1.87 billion per year on goods and services in Alaska *(UA CED Report, June 2021)*



MILITARY SPENDING CREATES JOBS

Created **58,000** total jobs and **1 in 10** civilian jobs *(UA CED Report, June 2021)*

CHALLENGES + OPPORTUNITIES

- Long development periods
- Dis-information campaigns
- Public engagement & perception
- Litigation
- Political change
- Market value uncertainty
- Inflation
- Labor shortage



Independence from imports



Responsible resource development



Good-paying jobs for Alaskan families



Revenue for state, local, and tribal governments

TAKE ACTION



Your Voice Needs to Be Heard :

- ✓ Advocate for responsible development of Alaska's resources
- ✓ Participate in Public Comment and Scoping Forums
- ✓ Calls and letters to Department of Interior, Alaska's Congressional Delegation, and Alaska Legislators in support of Alaskan development
- ✓ AIDEA board meetings public comment (*schedule at www.aidea.org*)

THANK YOU

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