



# Alaska Senate Resources Committee

**March 2, 2026**

**Randy Ruaro, Executive Director**

# Bonding Authority – Alaska Constitution



## Article IX – Finance and Taxation

§ 11. Exceptions– The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

# Bonding Authority – Creation of Authority



## **AS 44.88.020 – Creation of Authority**

There is created the Alaska Industrial Development and Export Authority. The authority is a public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community, and Economic Development, but with separate and independent legal existence.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.190 – Operation of certain statutes excepted**

(a) The authority may not be considered or constitute (1) a political subdivision of the state as the term is used in [AS 37.10.085](#), (2) a municipal corporation or political subdivision of the state as the terms are used in [AS 29](#), or (3) except as provided in [AS 44.88.205](#), a state agency as the term is used in [AS 37](#), but for all other purposes the authority constitutes a political subdivision and an instrumentality of the state as provided in this chapter.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.190 – Operation of certain statutes excepted**

(b) The funds, income, or receipts of the authority may not be considered or constitute money of the state, nor may real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state, or state land referred to in art. VIII of the Alaska Constitution.

# Bonding Authority – Alaska Statutory Structure



## AS 44.88.090 – Bonds of the authority.

(a) The authority may borrow money and may issue bonds, including but not limited to bonds on which the principal and interest are payable

(1) exclusively from the income and receipts or other money derived from the project or development project financed with the proceeds of the bonds or derived from the exporter or exporting transaction financed, guaranteed, or insured with the proceeds of the bonds;

(2) exclusively from the income and receipts or other money derived from designated projects or development projects or other sources whether or not they are financed, insured, or guaranteed in whole or in part with the proceeds of the bonds; or

(3) from its income and receipts or other assets generally, or a designated part or parts of them.

(b) Bonds shall be authorized by resolution of the authority, and be dated and shall mature as the resolution may provide, except that a bond may not mature more than 40 years from the date of its issue. Bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption which the resolution or a subsequent resolution may provide.

(c) All bonds, regardless of form or character, shall be negotiable instruments for all the purposes of [AS 45.01](#) — [AS 45.08](#), [AS 45.12](#), [AS 45.14](#), and [AS 45.29](#) (Uniform Commercial Code).

(d) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or times which the authority may determine.

(e) Before issuing bonds, the authority shall provide for consideration at least sufficient, in the judgment of the authority, to pay the principal of and interest on the bonds as they become due and to create and maintain the reserves for the payments that the authority considers necessary or desirable, and to meet all obligations in connection with the lease or agreement and all costs necessary to service the bonds, unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority. If the bonds are being issued to finance a project or projects under [AS 44.88.155](#) — 44.88.159, then the consideration shall be provided by lease or other agreement regarding the project or projects. If the bonds are being issued to finance a development project or development projects under [AS 44.88.172](#) — 44.88.177, then the consideration shall be provided by lease or other agreement regarding the development project or development projects.

(f) The superior court shall have jurisdiction to hear and determine suits, actions, or proceedings relating to the authority, including suits, actions, or proceedings brought to foreclose or otherwise enforce a mortgage, pledge, assignment, or security interest or brought by or for the benefit or security of a holder of its bonds or by a trustee for or other representative of the holders.

(g) [Repealed, § 23 ch 123 SLA 1990.]

(h) The authority may combine, for the purposes of a single offering, bonds financing more than one project or development project under [AS 44.88.155](#) — 44.88.159 or 44.88.172 — 44.88.177.

(i) [Repealed, § 23 ch 123 SLA 1990.]

# Bonding Authority – Alaska Statutory Structure



## AS 44.88.095 – Bonding limitations.

(a) The authority may not issue bonds in a 12-month period in an amount that exceeds \$400,000,000, excluding refunding bonds.

(b) [Repealed, § 24 ch 123 SLA 1990.]

(c) Before entering into a lease or other agreement under [AS 44.88.090\(e\)](#) regarding a project for which the authority agrees to issue bonds in an amount in excess of \$10,000,000, there must be filed with the authority a certified copy of a resolution of the governing body of the political subdivision of the state, if any, in which the project is to be located, consenting to the location of the project. The consent need only refer to the general nature of the project ultimately to be acquired or financed, as set out in a request of the proposed project applicant. Before entering into a lease or other agreement under [AS 44.88.090\(e\)](#) regarding a project, the authority shall find, on the basis of all information reasonably available to it, that

(1) the project and its development under this chapter will be economically advantageous to the state and the general public welfare and will contribute to the economic growth of the state;

(2) the project applicant is financially responsible;

(3) provision to meet increased demand on public facilities that might result from the project is reasonably assured; and

(4) the project will provide, or retain, employment reasonably related to the amount of the financing by the authority, considering the amount of investment for each employee for comparable facilities and other relevant factors.

(d) Before adopting a resolution approving a project to be financed under [AS 44.88.172](#) for which bonds must be issued, the authority shall, on the basis of all information reasonably available to it, make findings, with respect to the project, as described in (c)(1) — (4) of this section, and also find that

(1) the project is economically and financially feasible and able to produce revenue adequate to repay the bonds or loans with which it is financed;

(2) the project complies with applicable law; and

(3) issuance of the bonds is not expected to adversely affect the ability of the state or any political subdivision of the state to market other bonds.

(e) Before entering into an agreement to finance or to develop a proposed project financed under [AS 44.88.172](#) for which bonds must be issued, the authority shall obtain the approval of each Regional Resource Advisory Council appointed under [AS 44.88.174](#) or municipality in the area in which the proposed project is to be located. Approval under this subsection must be evidenced by a certified copy of a resolution of the council or of the governing body of the municipality. Before considering a resolution regarding the approval or rejection of the development or financing of a proposed project under this subsection, a Regional Resource Advisory Council shall conduct a public hearing in the region. If a proposed project is located in a municipality, the governing body of the municipality shall conduct a hearing on the proposed project.

(f) Before entering into an agreement to finance or to develop a proposed project financed under [AS 44.88.172](#) for which bonds must be issued, the authority shall compile and make available to the public a document that summarizes the projected economic, social, and environmental effects of the project; and, in conjunction with the Department of Fish and Game, the Department of Natural Resources, the Department of Environmental Conservation, and the Department of Labor and Workforce Development, the authority shall conduct a public hearing on the projected effects of the project.

(g) The authority may issue bonds in an amount greater than \$25,000,000 to assist in the financing of a development project under [AS 44.88.172](#) — 44.88.177 only if approved by the legislature, excluding refunding bonds. Refunding bonds may be issued without further approval by the legislature in a principal amount sufficient to provide funds for the payment of all bonds to be refunded by them and, in addition, for the payment of all other amounts that the authority considers appropriate in connection with the refunding, including expenses incident to the redeeming, calling, retiring, or paying of the outstanding bonds, the funding of reserves, and the issuance of the refunding bonds.

# Bonding Authority – Alaska Statutory Structure



## AS 44.88.105 – Capital reserve funds and capital reserve fund requirement

(a) For the purpose of securing one or more issues of its bonds, the authority may establish one or more special funds, called “capital reserve funds”, and shall pay into those capital reserve funds the proceeds of the sale of its bonds and other money which may be made available to the authority from other sources for the purposes of the capital reserve funds. A capital reserve fund may be established only if the authority determines that the establishment of the fund would enhance the marketability of the bonds. Money in a capital reserve fund, except as provided in this section, may be used as required only for (1) the payment of the principal of, and interest on, bonds or of the sinking fund payments with respect to those bonds; (2) the purchase or redemption of the bonds; or (3) the payment of a redemption premium required to be paid when the bonds are redeemed before maturity. However, money in a capital reserve fund may not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to less than the capital reserve fund requirement, except for the purpose of making payment, when due, of principal, interest, redemption premiums on the bonds, and sinking fund payments when other money of the authority is not available for the payments. Income or interest earned by, or increment to, a capital reserve fund, from the investment of all or part of the fund, may be transferred by the authority to other funds or accounts of the authority if the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

(b) If the authority decides to issue bonds secured by a capital reserve fund, the bonds may not be issued if the amount in the capital reserve fund is less than the capital reserve fund requirement, unless the authority, at the time of issuance of the bonds, deposits in the capital reserve fund from the proceeds of the bonds to be issued or from other sources, an amount which, together with the amount then in the fund, is not less than the capital reserve fund requirement.

(c) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the fund is invested shall be valued by a reasonable method established by the authority by resolution. Valuation shall include the amount of interest earned or accrued as of the date of the valuation.

(d) The chair of the authority shall annually, not later than January 2, certify in writing to the governor and the legislature the amount, if any, required to restore a capital reserve fund to the capital reserve fund requirement. The legislature may appropriate to the authority the amount certified by the chair of the authority. The authority shall deposit the amounts appropriated under this subsection during a fiscal year in the proper capital reserve fund. Nothing in this section creates a debt or liability of the state. In this subsection, “capital reserve fund” means a capital reserve fund that (1) is created under this section on or before January 1, 1989; (2) secures refunding bonds if the refunding bonds are issued to refund bonds that are secured by a capital reserve fund created under this section on or before January 1, 1989; (3) secures bonds issued on or after August 11, 1993, for a power transmission intertie; or (4) secures bonds issued on or after July 1, 2013, for a qualified energy development project financed under AS 44.88.650 - 44.88.690.

(e) [Repealed, § 23 ch 123 SLA 1990.]

(f) The authority may establish reserve funds, other than capital reserve funds, to secure one or more issues of its bonds. The authority may deposit in a reserve fund established under this subsection the proceeds of sale of its bonds and other money which may be made available from any other source. A reserve fund established under this subsection must comply with (a) - (c) of this section. The authority may allow a reserve fund established under this subsection to be depleted without complying with (d) of this section.

(g) [Repealed, § 23 ch 123 SLA 1990.]

(h) In this section, “capital reserve fund requirement” means the amount required to be on deposit in the capital reserve fund as of the date of computation as determined by resolution of the authority.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.110 – Validity of pledge**

It is the intention of the legislature that a pledge made in respect of bonds shall be valid and binding from the time the pledge is made; that the money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether the parties have notice. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code to be valid, binding, or effective against the parties.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.120 – Nonliability on bonds**

(a) Neither the members of the authority nor a person executing the bonds are liable personally on the bonds or are subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the authority do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, except the authority, but shall be payable solely from the income and receipts or other funds or property of the authority. The authority may not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond and the issuance of a bond by the authority does not directly or indirectly or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.130 – Pledge of the state**

The state pledges to and agrees with the holders of bonds issued under this chapter and with the federal agency that lends or contributes funds in respect to a project or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177 that the state will not limit or alter the rights and powers vested in the authority by this chapter to fulfill the terms of a contract made by the authority with the holders or federal agency and that the state will not in any way impair the rights and remedies of the holders until the bonds, together with the interest on them with interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, insofar as it refers to holders of bonds of the authority, in a contract with the holders and, insofar as it relates to a federal agency, in a contract with the federal agency.

# Bonding Authority – Alaska Statutory Structure



## AS 44.88.140 – Exemption from taxation

(a) Except as provided in AS 29.45.030 (a) (1), the real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and, together with any project or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, devoted to an essential public and governmental function and purpose, and the property, assets, income, receipts, project, development project, and leasehold interests shall be exempt from all taxes and special assessments of the state or a political subdivision of the state, including, without limitation, all boroughs, cities, municipalities, school districts, public utility districts, and other taxing units. All bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose and to be a public instrumentality, and the bonds, and the interest on them, the income from them and the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure the payments of the bonds, or interest on them, shall at all times be exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing in this section affects or limits an exemption from license fees, property taxes, or excise, income, or any other taxes, provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project, development project, or lease whether or not financed under this chapter. By January 10 of each year, the authority shall submit to the governor a report describing the nature and extent of the tax exemption of the property, assets, income, receipts, project, development project, and leasehold interests of the authority under this section. The authority shall notify the legislature that the report is available.

# Bonding Authority – Alaska Statutory Structure



## **AS 44.88.150 – Bonds legal investments for fiduciaries**

The bonds of the authority are securities in which all public officers and bodies of the state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provisions of law, the bonds of the authority are also securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized.

# Powers of AIDEA (Bonds are Contracts and Property Rights)



## **AS 44.88.080 – Powers of authority.**

(7) to issue bonds and otherwise to incur indebtedness, in accordance with AS 44.88.090, in order to pay the cost of a project or development projects or in order to provide money for the authority's purposes under this chapter; the authority may also secure payment of the bonds or other indebtedness as provided in this chapter;

(11) to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter;

# How has AIDEA been doing?

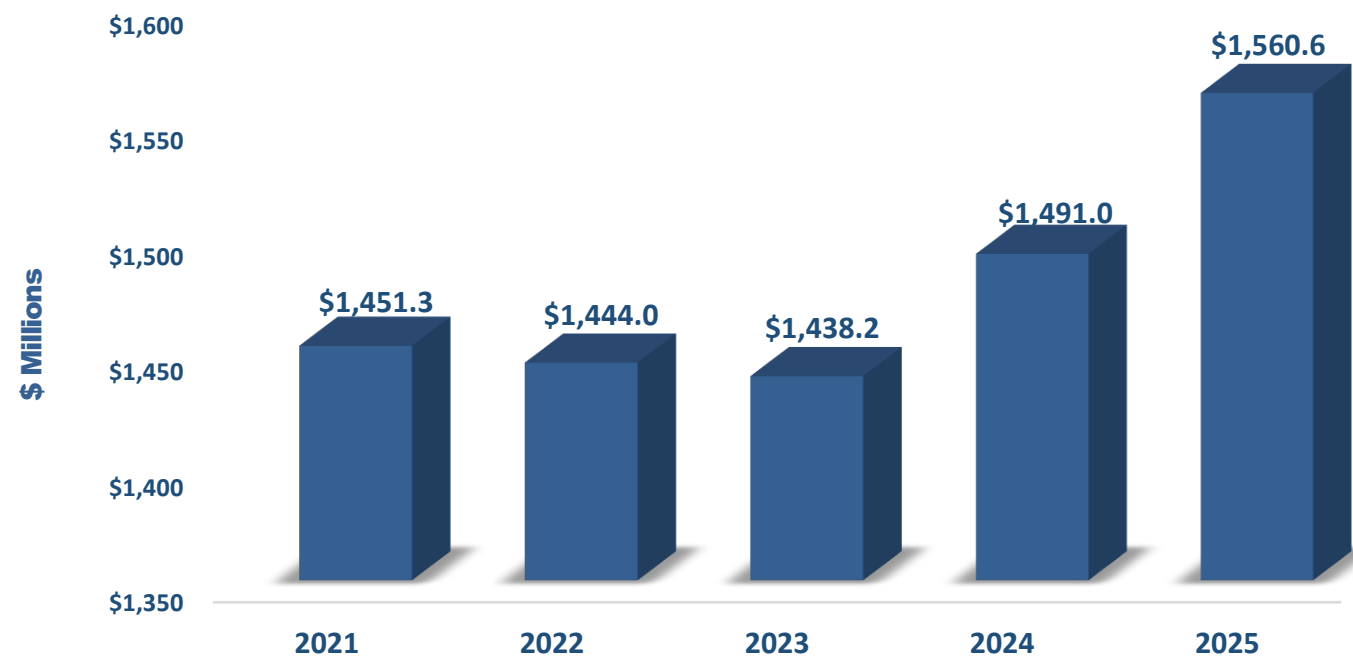
# FY 2025 Annual Report

## Record-Breaking Performance

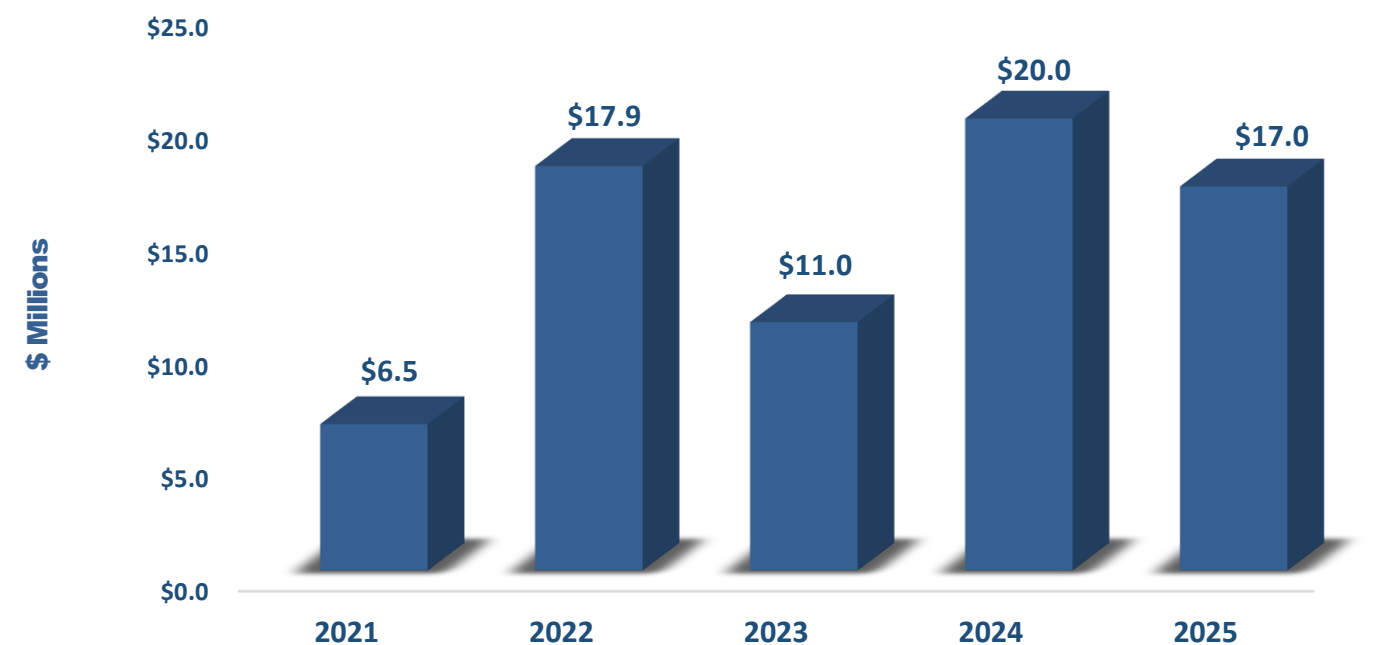


- \$69.6M** INCREASE IN NET POSITION
- \$1.75 B** TOTAL ASSETS
- \$67.4 M** HIGHEST STATUTORY NET INCOME IN AIDEA HISTORY
- AA+** CREDIT RATING (S&P GLOBAL RATINGS) HIGHEST IN AIDEA HISTORY
- \$512 M** AIDEA DIVIDENDS APPROVED CUMMULATIVE TOTAL
- \$17 M** AIDEA DIVIDEND APPROVED FOR PAYMENT IN FY2027
- +\$6.5M** (ANWR)

AIDEA NET POSITION



AIDEA DIVIDEND PAYMENTS



# Long-Term Investments

# Section 1002 Area Leases of the Arctic National Wildlife Refuge (ANWR)

## Estimated Revenues & Jobs

Government Revenues (in Millions of 2017 Dollars)	Annual Average	Total
North Slope Borough property taxes	\$49	\$1,119
State of Alaska royalties	\$782	\$15,648
State of Alaska taxes	\$1,220	\$24,425
Federal royalties	\$782	\$15,648
Federal taxes	\$673	\$13,459

Source: Northern Economics, Inc. 2023 estimate.

★ Estimated annual tax and royalty revenue for the state of roughly \$2 billion

★ Recoverable oil on AIDEA leases has an estimated volume of 4 to 6 billion barrels

Effects	Jobs (average number of part-time and full-time jobs)	Annual Average	Peak
<b>Direct</b>	Exploration	250	650
	Development	2,260	3,300
	Production	770	1,200
<b>Indirect</b>	Exploration	130	390
	Development	1,720	2,500
	Production	1,020	1,600

Source: Northern Economics, Inc. 2023 estimates based on IMPLAN 2021 data year and assumptions listed in Section 3.4.10 Economy of the Supplemental EIS for the Coastal Plain Oil and Gas Leasing Program.

**After the reconciliation bill became law in 2025, Alaska's share of royalties in ANWR after 2033 increases to 70% of the total royalties from 50%.**

# Ambler Access Project

This 211-mile road project will provide access to almost 600,000 acres of active State mining claims.

Starting from the Dalton Highway, it would stretch east towards the Ambler Mining District.

## Potential Benefits

### Mine Construction Impact

2,777 direct jobs → \$286M in annual wages  
2,034 indirect & induced jobs → \$108M in annual wages

### Mining Operations

495 direct jobs → \$72M in annual wages  
3,436 indirect & induced jobs → \$228M in annual wages

### Road Construction & Operations

360 direct jobs annually → Average over construction period  
Up to 81 direct jobs per year → Operations & maintenance over road lifespan

### Government Revenue Generation

\$393M — Mining license tax revenues  
\$524M — Corporate income taxes  
\$214M — Production royalties  
\$ 13M — Claim rents

Source: [UAA CED \(Page 17\)](#) 2019



**ESTIMATED TOTAL TAX AND ROYALTY REVENUE OF \$1,144,785,127**

# What can AIDEA do in the future?

# Future Horizons 2026 & Beyond



## EMERGING INVESTMENTS

### DATA CENTERS

Leveraging Alaska's cold climate and energy resources to build digital infrastructure for AI.

### NEW ENERGY SOURCES

- Geothermal (Mt. Augustine)
- Methanol (Alyeschem)
- Other projects in progress

# Average Net Revenue Per U.S. Data Center Planning-Level Benchmark



Typical Net Revenue:

**\$10-40M** per year



# Net Revenue Ranges Data Center Type

**Small / Edge**  
(0.5–2 MW)



**\$1–4M Net**

**Mid-Size / Enterprise**  
(5–20 MW)



**\$8–35M Net**

**Large / Colocation**  
(20–50 MW)



**\$30–100M+ Net**

**Hyperscale**  
(100+ MW)



**\$150–500M+ Net**

# Power-Based Revenue Rule

## Revenue Scales Primarily with Power Capacity (MW)

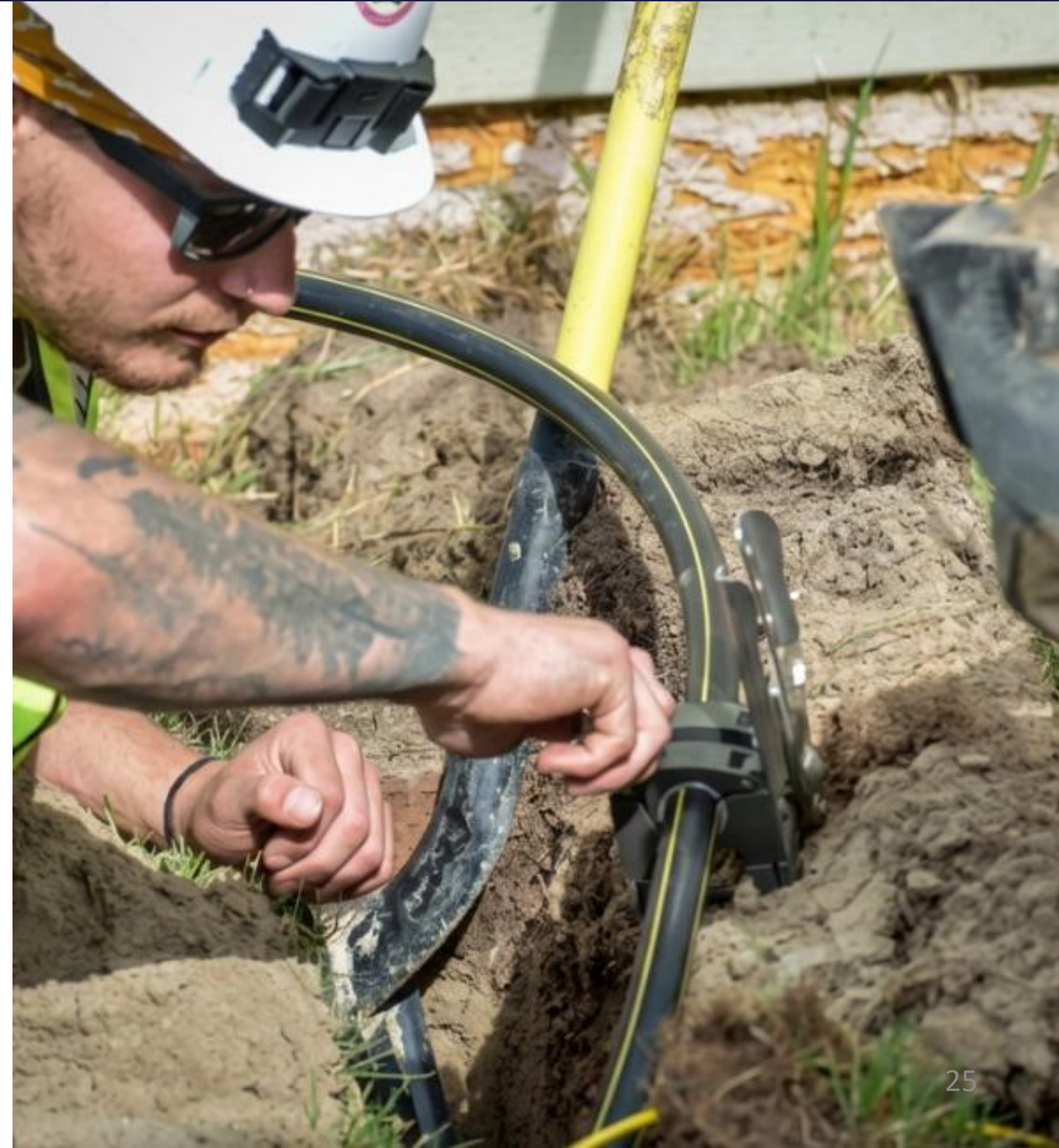
- **\$2–5M** Net Per MW Per Year
- **10 MW Facility: -\$20–50M** Net
- **Bottom Line:**  
**\$15–25M** = Solid Middle-of-Market Estimate



# Ready for Renaissance

- ✓ AA+ bond rating
- ✓ Strongest balance sheet in history
- ✓ Major federal roadblocks removed
- ✓ Building the economy of tomorrow

**Alaska is open for business.  
AIDEA is the partner of choice.**



# Questions?

# Thank You

INVESTING IN ALASKANS



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