

Impacts of the Alaska Industrial Development and Export Authority

Executive Summary

A Report on
**The Economic and
Fiscal Contribution of
the Alaska Industrial
Development and
Export Authority**

January 2026

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

AIDEA Mission Statement

Introduction

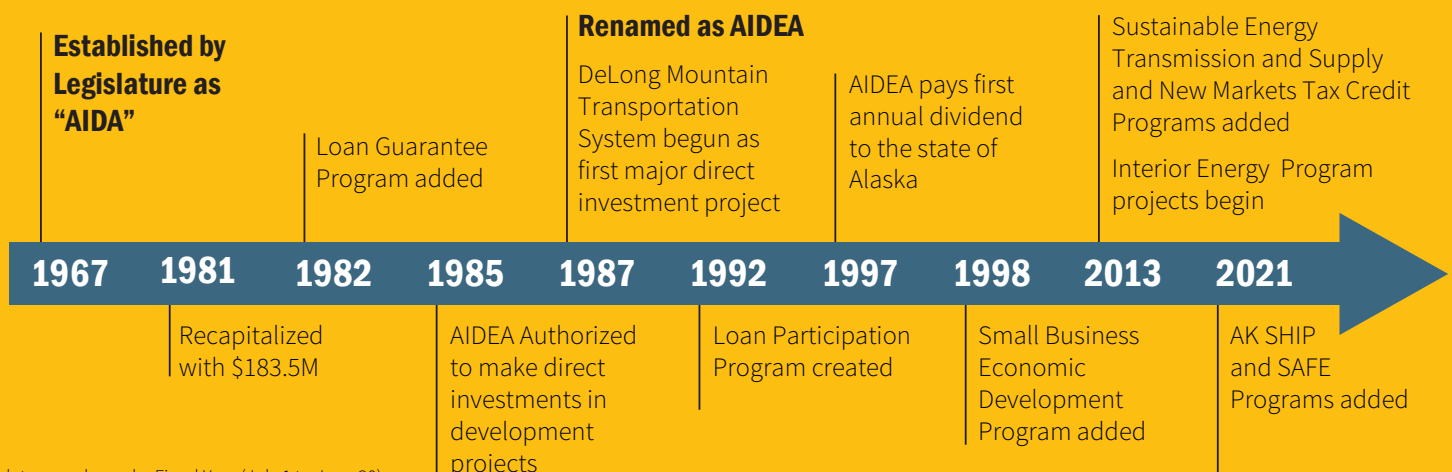
The purpose of this report is to provide Alaskans with a deeper understanding of AIDEA’s activities through the years and how it has fulfilled its mission to promote and advance economic growth in Alaska.

The report begins with a brief history of AIDEA. AIDEA was created with the purpose of promoting economic development in Alaska through direct investments or means of financing. The timeline below highlights the evolution of the tools that allow AIDEA to fulfill its mandate.

The study then examines the impacts and economic contribution of AIDEA’s direct investments and the Loan Participation Program, highlighting examples of how AIDEA projects promote growth, create economic diversity, and support jobs in various regions in the state.

Finally, the report provides a fiscal summary with details of total state contributions to AIDEA, and AIDEA’s returns to the state in the form of special payments and dividends.

The Evolution of AIDEA: Milestones through the Years



All dates are shown by Fiscal Year (July 1 to June 30)

AIDEA's History and Purpose



AIDEA was utilized to protect the Permanent Fund, which was created from Alaska's oil revenue.

"With [AIDEA]...we proved that there was a role for state involvement because some good loans were too large for the banks and some projects became feasible only when government intervention lowered interest rates."

"We could create a Development Bank out of [AIDEA] rather than [creating] one using the Permanent Fund. [AIDEA] would become a shield, absorbing the risk of state lending and deflecting the political pressure created by the 'loan-crazies'."

Dave Rose

First Director of the Alaska Permanent Fund and first Executive Director of AIDEA

Excerpted from Saving for the Future: My Life and the Alaska Permanent Fund, 2008

How AIDEA became the development finance agency for Alaska

AIDEA was created in 1967, originally as the Alaska Industrial Development Authority (AIDA), serving as a pass-through agency providing Alaskan businesses with lower interest rates through the use of tax-exempt financing bonds. However, the real value of AIDEA became clear in the mid-1970s with the development of Alaska's North Slope oil resources and creation of the Alaska Permanent Fund.

Many lawmakers thought the Fund should serve two functions: 1) a development bank issuing loans to Alaska businesses and communities, and 2) an investment to create long-term wealth. Others hoped the Fund would be protected from risky development projects and focus on prudent investment to develop long-term wealth for the state. The solution—two separate funds: 1) AIDEA would evolve to fill Alaska's development

finance needs; and 2) the Permanent Fund would focus on prudent investments for long-term wealth.

Legislative appropriations of pre-existing loan portfolios and direct capital in the early 1980s along with the authority to issue tax free bonds and direct investments in projects led to AIDEA's development and ownership of the Delong Mountain Transportation System associated with Red Dog—one of the world's largest zinc mines.

Beginning in 1997, with the growth of its assets, AIDEA began paying dividends back to the state, further cushioning the need for the state to tap the Permanent Fund to make up shortfalls in Alaska's General Fund. This makes AIDEA unique among US development finance agencies.

"The Permanent Fund is a Trust Fund for the People of Alaska.... AIDEA was established to help finance Alaska development projects...which are often very risky and sometimes fail completely."

Eric Wohlforth

Former Alaska commissioner of Revenue and two-time chairman of the Alaska Permanent Fund Corporation board

Transcribed from a phone conversation with Northern Economics, February 19, 2024

Cumulative Economic Contribution of AIDEA

AIDEA direct investments and the Loan Participation Program

The chart to the right shows the combined total economic output of AIDEA's direct investments and the Loan Participation Program.

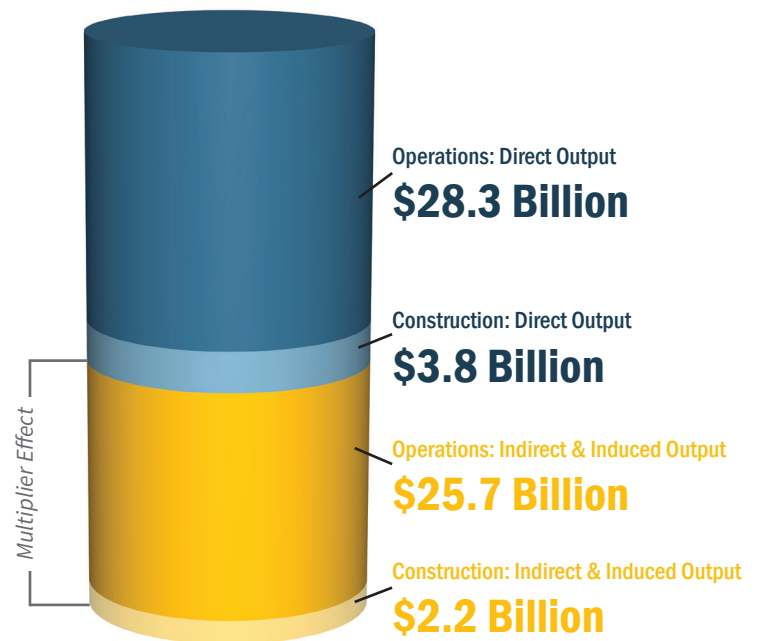
Direct Investments: AIDEA's direct investments include 20 development projects (shown in the map on the next page). These development projects are assets/facilities owned or operated, in whole or in part, by AIDEA or that have been financed by AIDEA through direct loans, bonds, or state appropriations.

Loan Participation Program (LPP): This includes 753 projects funded through the LPP for 1992 through 2024.

The Input-Output Model: The IMPLAN™ model of the Alaska economy was used to estimate the total economic contribution of each of the projects that received direct investment or LPP funding. The IMPLAN model is an input-output model that is widely used in economic impact studies to measure the direct effects and the multiplier effects (indirect and induced) of a project.

\$60.1 Billion

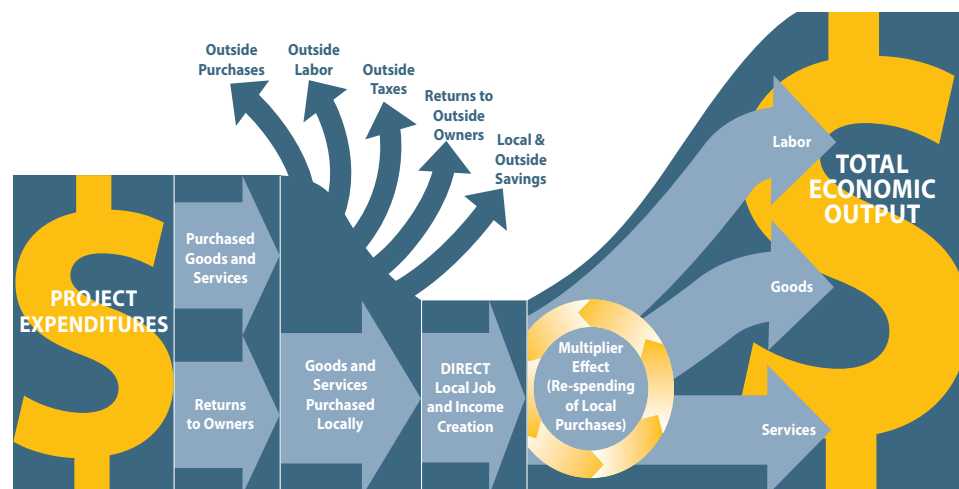
Cumulative economic output of AIDEA direct investments and the Loan Participation Program, 1987–2025.



Economic Output Effect

How Project Dollars Generate Additional Spending (the Multiplier Effect)

Economic Output is a measure of the value of economic activity (value of goods and services produced in an economy). The local spending associated with AIDEA's direct investments in projects and the loans received by LPP applicants creates a stimulus effect in the economy and results in an increase in economic activity.



Source: Northern Economics, Inc.

This initial spending causes an increase in economic activity called the **Direct Effect**. The initial spending then causes a ripple effect in the economy that further increases economic activity (business sales), commonly referred to as the multiplier effects: Indirect Effects and Induced Effects.

Indirect Effects measure the increase in economic activity or sales of the businesses (suppliers) that supply goods and services to companies during the construction and operations the facilities. **Induced Effects** measure the increase in sales of businesses that supply goods and services to the workers (both during construction and operating life of the facilities); the spending of their wages in the economy cause an increase in economic activity and these are called induced effects.

Total Economic Output is the sum of direct, indirect, and induced economic output.

Economic Analysis: AIDEA's Direct Investments

Total Economic Output from Construction

AIDEA has provided direct financing for projects that have generated crucial economic stimulus across Alaska—investments in transportation, energy, manufacturing, health, and other community infrastructure that have become essential to their regions' economic well-being. Capital direct investments to date have amounted to **\$1.7 billion in 2022 dollars** (the last year of available data) resulting in total (direct, indirect, and induced) economic output valued at **\$2.4 billion** (in 2022 dollars), and creating **13,300 jobs** during construction.

\$2.4B

**Total economic output
from construction**

\$1.7B

**Capital investment in Alaska
development projects***

**total capital investment includes both AIDEA and
non-AIDEA investments in facility construction*

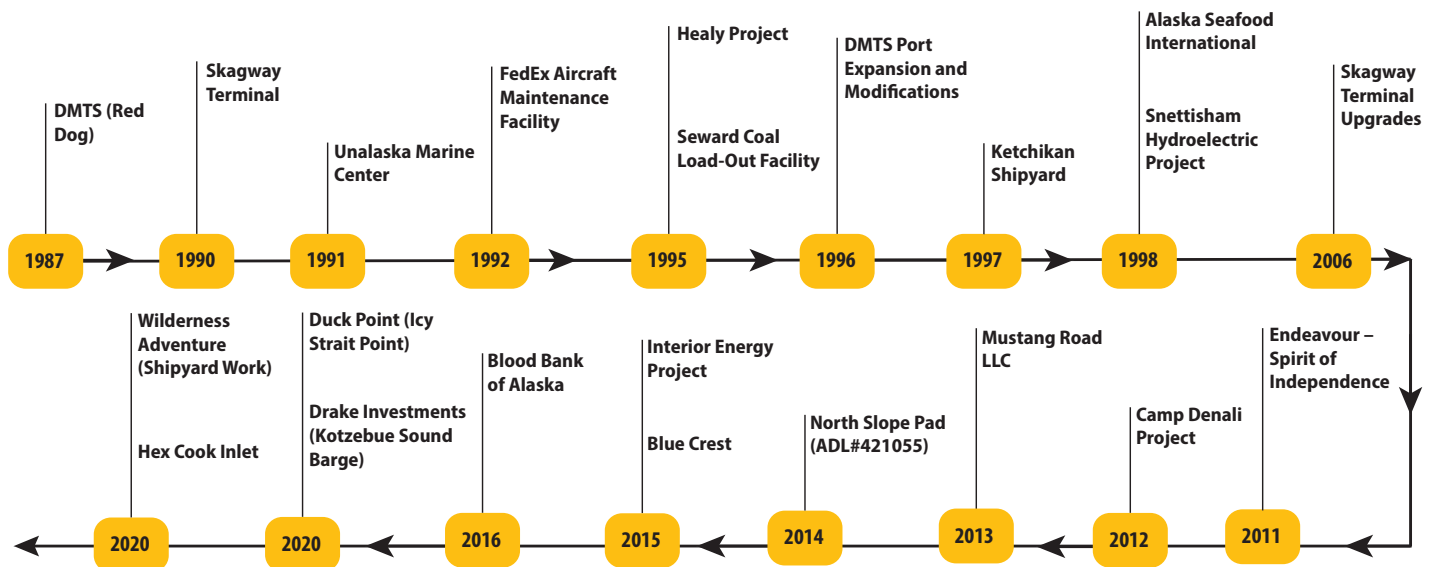
Total Economic Output from Operations

The direct investments described above have led to economic impacts to the Alaska economy over each of the years during which these projects were operational. The map on the following page lists each direct investment project along with its operational years and annualized operational impacts. Since 1989—when the DeLong Mountain Transportation System and Red Dog became operational—AIDEA Direct Investment Projects have contributed **\$46.6 Billion** (in 2022\$) in total economic output to Alaska's economy, including direct, indirect, and induced effects.

\$46.6B

**Total economic output
from operations,
1989–2024**

AIDEA Direct Investment Projects Timeline



AIDEA Direct Investment Projects By Region

Projects directly financed or owned—fully or in part—by AIDEA (Data through Calendar Year 2024)

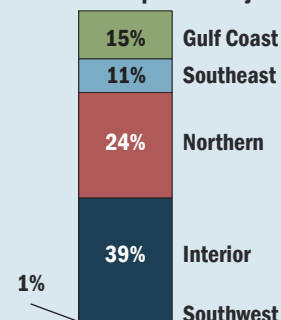
Notes:

These direct investment projects do not include LPP investments (discussed on page 9)

The numbers shown include direct and multiplier effects



Regional Distribution of the Total Capital Investments in Alaska Development Projects



About Employment Data

While the state collects employment and wage data for Alaska businesses, these data are confidential without authorization from each firm. 60% of the businesses contacted for this report made their data available. Northern Economics also researched third-party reports to verify information provided by AIDEA.

Direct Investment Project Profiles

AIDEA's direct investment projects range in type and size and cover several sectors of industry. These projects include manufacturing facilities, roads, ports, tourism facilities, federal facilities, and community and public infrastructure that are essential to the region's economic well-being.

These projects are financed through bond sales, direct investments, or more recently, through AIDEA's AK SHIP or SETS Programs.

The intent of ownership and operation of the facilities is to promote economic growth in the region. The map on the previous page, AIDEA's projects through the years, describes each of the development projects in more detail.

AIDEA's direct investments in development projects have resulted in economic growth and diversity in different regions of the state. These investments generate short-term

employment effects during the construction phase of the projects and long-term, year-round effects throughout the operating life of the facilities.

On the following pages, we profile example projects in four of Alaska's regions: Southeast, Northern, Interior, and Gulf Coast.

Southeast Region

Snettisham Hydroelectric

AIDEA projects in the Southeast region have mostly focused on marine industries. However, one of its most enduring and impactful investments was in the Snettisham Hydroelectric project.

The goal of the Snettisham Hydroelectric project was to get long-term, low-cost and renewable power to the people and businesses in the Juneau area. The Project did this while supporting local jobs as well as reducing diesel consumption and air emissions.

In the 1980s, the federal Alaska Power Administration started the process of transferring the project from federal ownership. In 1998, AIDEA acquired the Snettisham Hydroelectric Project from the federal government for \$100 million. The acquisition was financed by selling tax-exempt bonds that covered both the acquisition as well as an additional \$11 million to replace the project's damaged submarine cable system. Since the initial investment, AIDEA has contributed another \$9 million to the project.

Purchasing the Snettisham Hydroelectric Project brought more local control to the

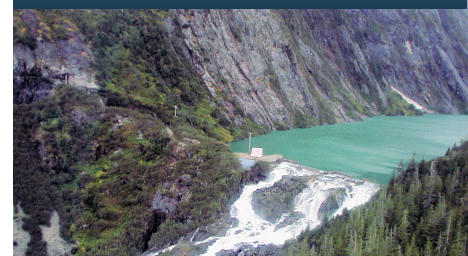
dams, which helped ensure that it remains a stable energy source for long-term economic growth in the Juneau area. The power generated by Snettisham Hydroelectric is sold to AEL&P, Juneau's electric utility, which operates and maintains the project in partnership with AIDEA.

Currently, the Snettisham power station infrastructure helps support the Snettisham Fish Hatchery, which is owned by the State of Alaska and operated by a non-profit focused on salmon.

When possible, the project also provides power to Princess Cruise Ships at the Port of Juneau and to the Greens Creek Mine.

Since AIDEA's initial investment in 1998 through 2022, Snettisham has contributed over \$441 Million in total economic output to Alaska's Economy.

Snettisham Hydroelectric



The Snettisham project created:

- 11 full-time jobs
 - 5 at AEL&P
 - 6 at the fish hatchery
- 10 indirect jobs
- 5 seasonal jobs at the fish hatchery.

DeLong Mountain Transportation System

While rich in mineral resources, the Northern region suffered from a lack of industry and low employment. Development of the Red Dog Mine, one of the world's largest zinc mines, and the supporting DeLong Mountain Transportation System provided employment and sufficient revenue to establish the Northwest Arctic Borough.

In 1982, Northwest Alaska regional Native corporation NANA formed an agreement with Cominco LTD. (now Teck) for the development of the Red Dog Mine. NANA and Cominco then reached out to the Alaska government for economic assistance, particularly seeking state ownership of the project's road and port facilities.

Recognizing the opportunity the Red Dog mine represented

for economic growth and its need for a transportation system to be viable, the Alaska Legislature provided AIDEA with significant new tools to enable its financial support of the project. Bills passed in the 13th and 14th Alaska Legislative sessions created AIDEA's economic development account, seeded the account, provided AIDEA bonding capability, and

provided distinct procurement capabilities to match the project requirements.

The DMTS project also fit AIDEA's mission of promoting economic development and job creation in Alaska. DMTS has been a remarkable demonstration of AIDEA's ability to accomplish its mission, even in a challenging remote location of Alaska.

“Probably
the most critical factor is whether the state of Alaska can assist in the initial financing of the road and port facility.

This is the single largest item in the project and accounts for almost 40% of the total project cost. Our present studies indicate that if Cominco is required to directly finance that portion of the project, the return on investment will likely not be adequate to justify developing this mine, with its problems of isolation, climate, and short shipping season.”

W.G. Wilson, President, Cominco LTD. Testimony to House Special Committee, February 8, 1985

Economic Impacts



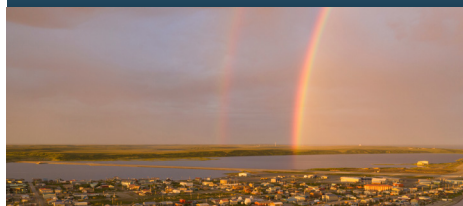
Annual Average Contributions:

- 470 direct year-round jobs
- 1,100 indirect and induced jobs
- \$167 million in total statewide direct, indirect, and induced wages
- Local hire: ~ 52% NANA shareholders

The mine has created quality jobs for thousands of Alaskans, supported the region and local communities and helped fund a wide variety of services throughout the Northwest Arctic Borough.

Red Dog Mine also pays taxes to the state that over the life of the project are estimated to have exceeded \$1 billion.

Additional Impacts



Northwest Arctic Borough (NAB)

- Payments in lieu of taxes (PILT): ~\$301 million to date (nominal)
- Total Village Improvement Fund: ~\$57 million since 2018

These revenues fund government services, infrastructure projects, and community programs across 11 villages in the region.

NANA Regional Corporation

- Royalties: \$2.3 billion

NANA has shared ~\$1.8 billion with other AK Native Corporations (7(i) and 7(j)) sharing provisions of ANCSA)

Total Economic Output

Direct Economic Output: \$23.7 billion

NAB Revenues: \$325 million

NANA Royalties: \$2.6 billion

Taxes paid to AK: Over \$1 billion (estimated)

Interior Region

Interior Energy Project

Some of the Interior region’s greatest challenges stem from a lack of good energy options. The Interior Energy Project (IEP) is an initiative to increase the availability of natural gas, increasing supply and stabilizing prices for natural gas in the region.

Creation of the Sustainable Energy Transmission and Supply Fund (SETS) during the 2013 legislative session gave AIDEA the tools to lend money and provide guarantees for “qualified energy development” projects.

SETS was appropriated \$67.5 million in starting capital. Under SETS, AIDEA can finance or guarantee qualified projects, defer principal payments, capitalize interest on project financing, enter into project financing agreements, finance projects with terms up to 30 years, and finance hydropower or transmission line projects for up to 30 years

As part of the IEP AIDEA partnered with the private sector to build a liquefied natural gas (LNG) plant and distribution system to bring a gas supply to Fairbanks.

In 2015, AIDEA authorized the acquisition of Pentex Alaska Natural Gas, the parent company of Fairbanks Natural Gas (FNG). The acquisition advanced the goals of the IEP by immediately lowering rates to existing FNG customers by accessing lower cost capital and a public ownership rate structure. It also reduced costs by integrating the services of FNG and the Interior Gas Utility (IGU).



Image Source: IGU website

Gulf Coast Region

Cook Inlet Drilling Rigs

AIDEA has supported a wide range of projects in the Gulf Coast region, Alaska’s most populous area, which includes the Municipality of Anchorage and the Kenai Peninsula Borough.

Following passage of legislation giving it the mission to encourage Cook Inlet oil and gas exploration, AIDEA has supported three major oil and gas development projects: Endeavour–Spirit of Independence (2011), Blue Crest (2015) and Hex Cook Inlet (2020).

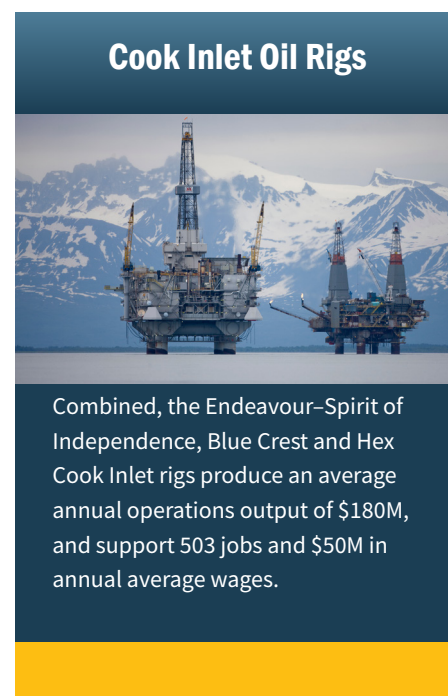
The first project was with Kenai Offshore Ventures (KOV) featuring an oil rig, the Endeavour–Spirit of Independence. It was a collaborative effort in partnership with Buccaneer Energy Limited, Ezion Holdings Limited, and Oversea-Chinese Banking Corporation Limited (OCBC). The primary goals were to drive local natural resource development and bolster the regional economy.

AIDEA purchased and upgraded the oil rig, Endeavour–Spirit of Independence, from Transocean. The rig was originally designed for the harsh conditions of the North Sea

and was extensively modified to meet local regulations. The initial refurbishing work was completed at a shipyard in Singapore, and the final efforts were completed in Homer.

The total project cost, inclusive of refurbishment, was \$104.5 million, with AIDEA contributing \$23.6 million, expecting an 8% return over five years through a preferred ownership interest in the rig.

The project had a significant economic impact on the local community. The use of local labor for the rig’s refurbishment and operations generated about 108 direct jobs and 90 industry support jobs. Additionally, economic multipliers suggest that approximately 317 jobs were created in other businesses within the Kenai Peninsula Borough, demonstrating the project’s substantial contribution to the local economy.



Combined, the Endeavour–Spirit of Independence, Blue Crest and Hex Cook Inlet rigs produce an average annual operations output of \$180M, and support 503 jobs and \$50M in annual average wages.

Loan Participation Program

The Loan Participation Program (LPP) is one of AIDEA's flagship programs and furthers its mission of promoting and maintaining economic prosperity.

The Loan Participation Program generates economic activity with cash infusions for new construction, refurbishments, facilities expansion, or equipment acquisition.

The program works in partnership with eligible banks and credit unions

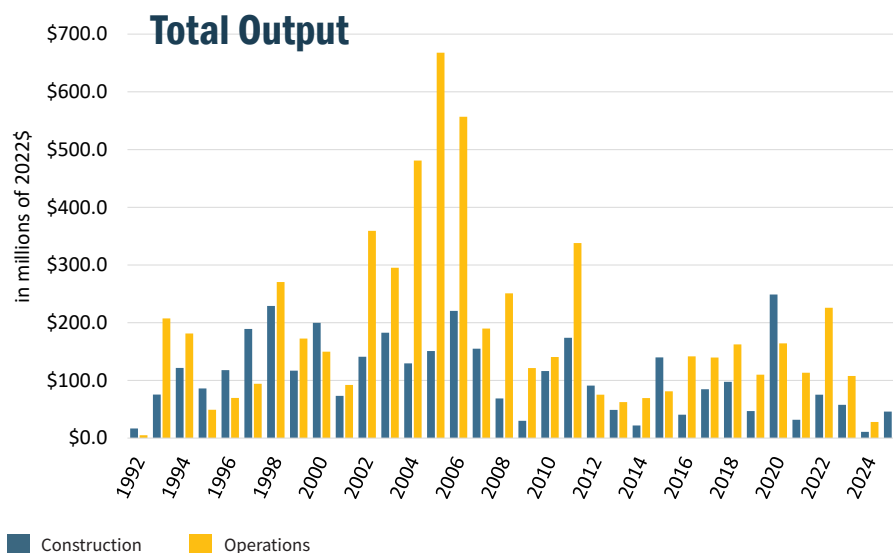
who sponsor and originate the loan. By purchasing a portion of the commercial loan (up to 90%, capping at \$25 million), AIDEA's program provides borrowers with an avenue for more flexible financing rates and longer-term repayment periods.

Since 1992, the LPP has made

753 loans,
totaling over
\$2 billion,*

enabling businesses to develop,
expand, or enhance their
operations and continue to
employ Alaskans.

** in 2022 dollars*

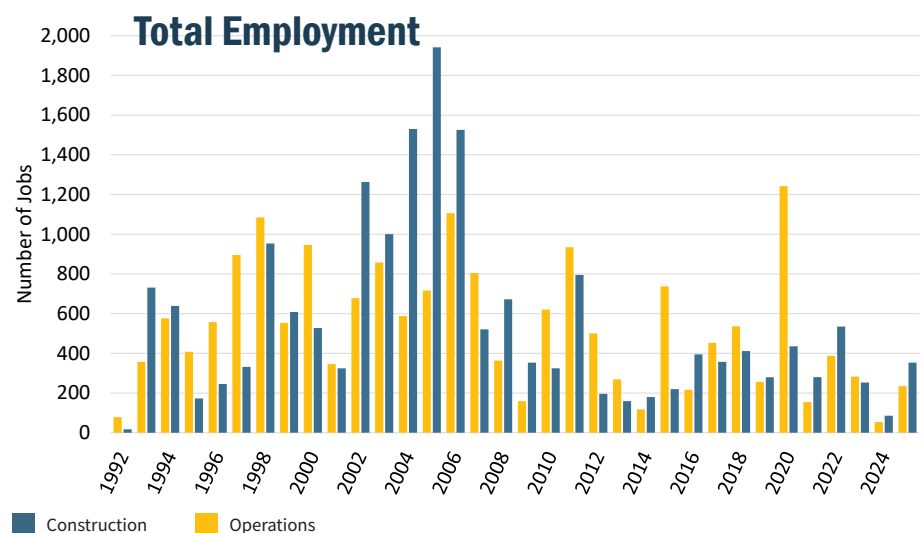


Total Output: The figure to the left shows Total Annual Direct, Indirect, and Induced Economic Output of the LPP from 1992 to 2025.

The total economic output shows the annual increase in the value of economic activity generated by AIDEA's annual investments in LPP for both construction activities and operations.

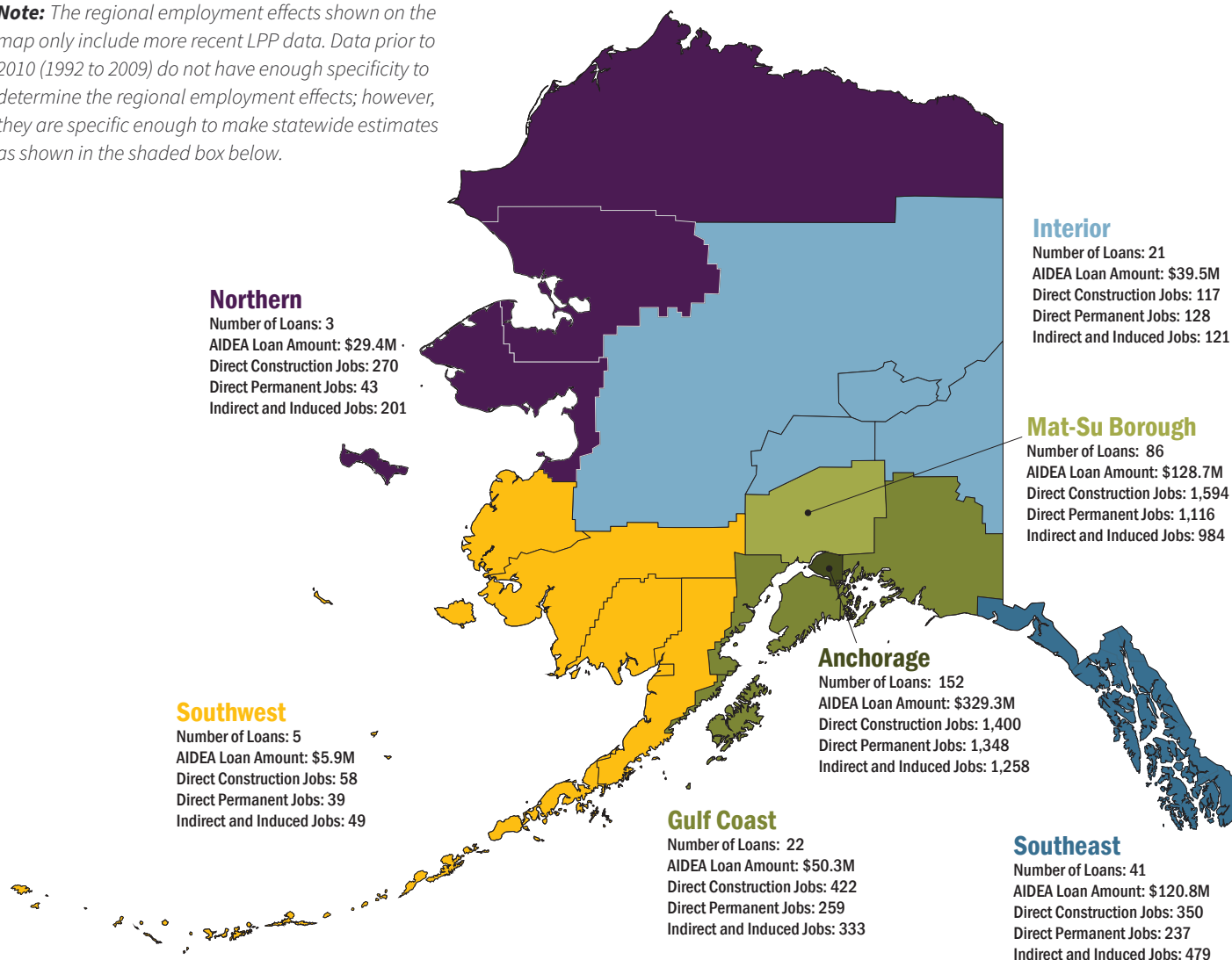
Total Employment: The figure to the right shows the total annual direct, indirect, and induced employment effects of the LPP from 1992 to 2025.

The employment numbers reflect the average number of part-time and full-time jobs.



LPP Projects: Employment Effects by Region (2010 to 2025)

Note: The regional employment effects shown on the map only include more recent LPP data. Data prior to 2010 (1992 to 2009) do not have enough specificity to determine the regional employment effects; however, they are specific enough to make statewide estimates as shown in the shaded box below.



Total statewide direct, indirect, and induced economic contribution (LPP Projects from 1992 to 2025)

Construction Activities:

19,400 jobs

\$2.2 billion in labor income

\$3.6 billion in economic output

Operations Support:

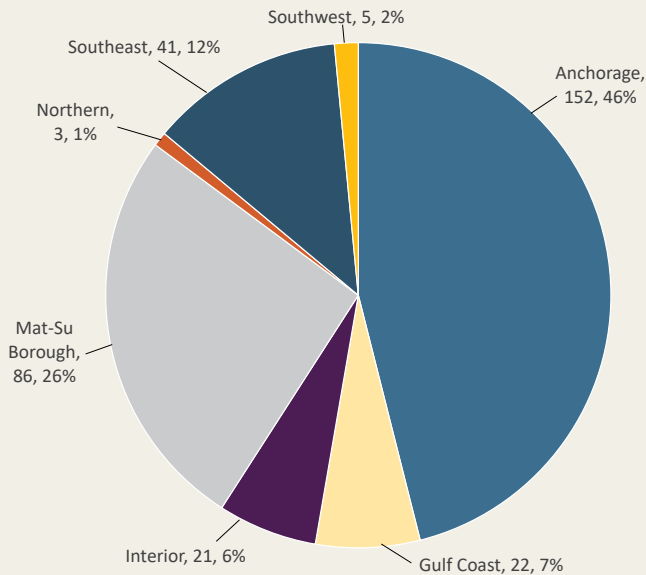
37,200 jobs retained/supported*

\$1.6 billion in labor income

\$7.4 billion in economic output

**Note: jobs numbers for operations do not necessarily represent new jobs in the economy. Rather, many are jobs that already existed but were retained because LPP loans enabled businesses to continue operations.*

LPP Project Profiles



LPP Program Highlights

The LPP program supports a variety of projects across the state, covering a wide range of sectors including health care, retail, oil & gas, and real estate. The pie chart above shows the share of total AIDEA LPP dollars spent in each region (2010 to 2025 data).

Stimulation of the Economy: The LPP directly and indirectly promotes economic activities. By facilitating financing for Alaska projects, the program aids in creating jobs and generating tax revenues for the local community.

Enhanced Loan Accessibility: The LPP allows lenders to sell a portion of their loans to AIDEA, effectively freeing up capital. This liquidity enables institutions to extend more loans to Alaskan businesses, fostering economic growth. This is especially important for smaller or local banks, who may have limits on the number or amounts of lending they can provide a borrower, or who may have tighter capital ratios than larger banks.

Risk Mitigation: By selling a portion of their loans, banks reduce their exposure to individual borrowers, thereby distributing and minimizing their risk. Loan due diligence also improves as multiple parties evaluate the deal (e.g., banker, banker supervisor, bank loan committee, and AIDEA). Bankers tend to have less than a 1% delinquency (1 in 100 failures), indicating a higher level of success for projects also vetted by a financial institution.

Long-Term Fixed Rates: A hallmark of the LPP is its ability to offer long-term fixed rates, thus providing borrowers with predictable monthly payments, easing their financial planning process.

Totem Hotel & Suites

The Totem Hotel & Suites is a 65-room, family-owned business in Valdez. In 2019 this project helped modernize and restore it following a kitchen fire in 2016.

AIDEA Portion: \$8,200,000

Total Loan Amount: \$9,150,000

Direct Jobs Supported:

75 construction, 14 permanent

Annual Wages per \$million AIDEA spent:

\$963k construction, \$47k permanent

Chugach Census Area

Northern Enterprise Boat Yard

This project was a substantial expansion of the existing boat yard in 2022 that helped further the shipyard industry in Homer and retain long-term jobs.

AIDEA Portion: \$2,246,178

Total Loan Amount: \$2,496,178

Direct Jobs Supported:

18 construction, 100 permanent

Annual Wages per \$million AIDEA spent:

\$500k construction, \$4 million permanent

Kenai Peninsula Borough

Brooks Camp, LLC

This project is a 400-man camp in Deadhorse, complete with many amenities, which helps support the North Slope oil and gas industry.

AIDEA Portion: \$20,000,000

Total Loan Amount: \$28,575,000

Direct Jobs Supported:

130 construction, 40 permanent

Annual Wages per \$million AIDEA spent:

\$813k construction, \$240k permanent

North Slope Borough

Sun Mountain Development (2020 & 2022)

This mixed-use development in Wasilla includes commercial spaces & housing. New businesses boost sales tax revenue.

AIDEA Portion: \$9,938,700

Total Loan Amount: \$11,043,000

Direct Jobs Supported:

490 construction, 215 permanent

Annual Wages per \$million AIDEA spent: \$3.8

million construction, \$666k permanent

Mat-Su Borough

Fiscal Summary

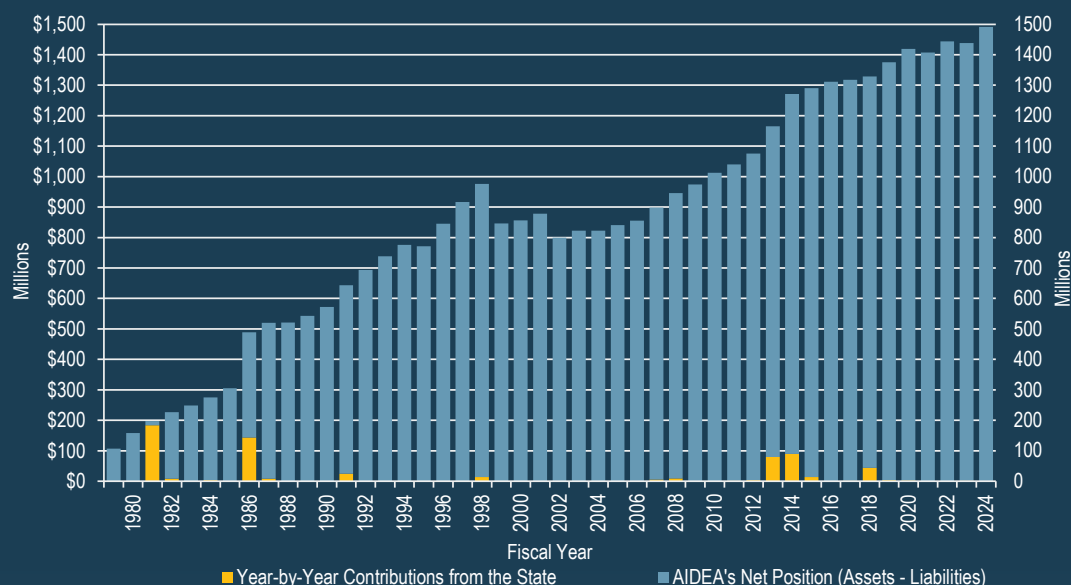
and Details of Total Funding & Returns

+5.9%

Compound annual growth of net positions.

This figure summarizes the contributions the State has provided to AIDEA over its history, and compares that with AIDEA growth in terms of its Net Position (defined as Assets minus Liabilities). By the end of FY 2024 AIDEA's Net Position is \$1.49 Billion while total contributions (appropriations and pre-existing assets) from the State are \$0.65 Billion.

AIDEA Net Positions and State Contributions*

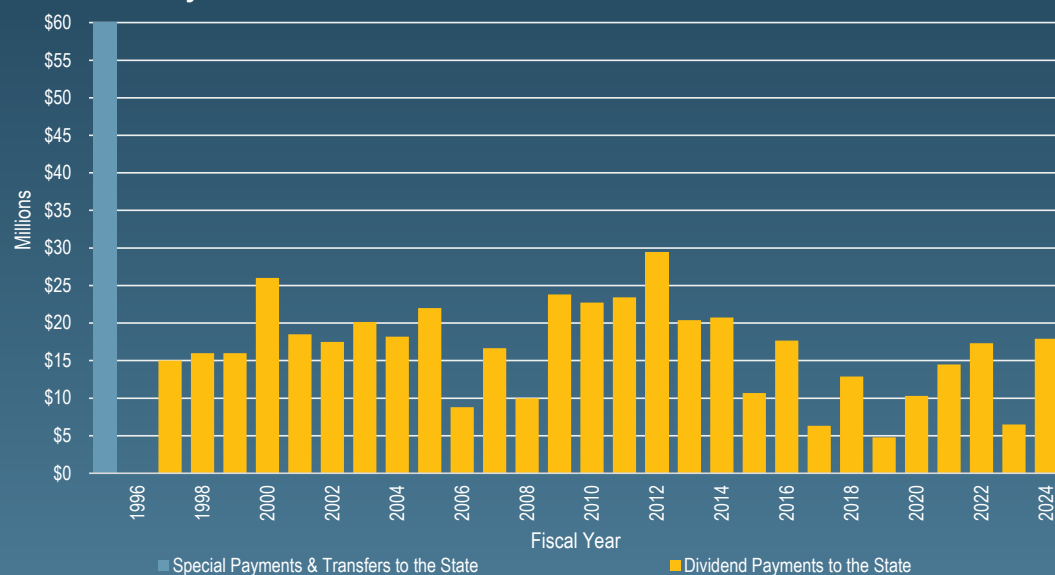


*Contributions of loans and other assets from the State are a mixture of assets and liabilities and therefore may not contribute immediately to the growth of AIDEA's Net Position.

AIDEA began making payments to the State of Alaska in 1995 when it provided a one-time \$60 Million Payment. Two years later, AIDEA began making annual dividend payments. The 1996 Legislation regarding AIDEA's dividend limits its size to be between 25% – 50% of AIDEA's statutory net income.

From 1995 – 2024, AIDEA has provided a total of \$524 million to the general fund.

AIDEA's Payments to the State of Alaska



Note: All dates are shown by Fiscal Year (July 1 to June 30)

The Future of AIDEA

Looking to Alaska's future, AIDEA continues to make investments in major projects with the potential for significant economic and fiscal benefits. The five projects described here are in various stages of development, but all reflect the same goal of continuing to facilitate Alaska's resource development, create jobs, and grow Alaska's economy.

Alyeschem LLC is a first-of-its-kind methanol and ultra-low sulfur diesel production facility on Alaska's North Slope. The project will help monetize stranded natural gas, create jobs, reduce fuel imports, and strengthen the state's energy infrastructure. The project is anticipated to generate over \$5 million annually in tax and royalty revenue for the state and the North Slope Borough. AIDEA expects to receive approximately \$2 million annually from loan repayment and royalties.

HEX Cook Inlet LLC (HEX CI). The only 100% Alaskan oil and gas company operating in Alaska, HEX CI owns natural gas leases as well as production and

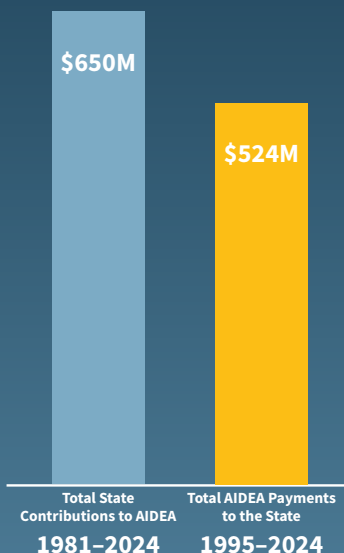
processing infrastructure for the Kitchen Lights Unit, approximately 84,000 acres off shore in upper Cook Inlet. HEX CI wants to begin a multi-year development program of the KLU leases and onshore leases in the north Kenai area. Benefits of the project include increasing local natural gas supply in Southcentral Alaska, ensuring energy reliability for the region and creating jobs for Alaskans.

The Ambler Mining District Industrial Access Project will be a controlled-access industrial road from the Dalton Highway to the Ambler Mining District. Construction of the road is expected to support about 3,000 jobs over four-years and operations will create an annual average of 141 direct, indirect and induced jobs. Preliminary estimates suggest that lifetime operations of the four mining prospects in the district made possible by the road could result in additional direct payments of \$193 million to local municipalities and about \$1.1 billion to the state of Alaska.

Section 1002 Area (Coastal Plain) Oil & Gas Leases. Alaska and its congressional delegation have sought to open a small part of Alaska National Wildlife Refuge (ANWR), called the 1002 area, for oil and gas exploration and production. The area is about 8% of the total area of ANWR but contains an estimated billions of barrels of oil and large volumes of natural gas. If these resources were developed, it would provide billions of dollars of revenue to the state of Alaska.

The West Susitna Access project consists of building a road that will provide safe, reliable, year-round road access to remote public and private lands within the MSB and areas planned for resource development. In total, the road will be 100 miles long. AIDEA's project begins where the DOT&PF 22-mile segment ends. The AIDEA road will be an industrial toll road modeled after the DMTS. Advantages of this approach include reduced reliance on state funding by covering construction and maintenance costs over the long-run through toll revenues.

Cumulative State Contributions and Cumulative AIDEA Payments to the State



AIDEA has received a total of \$650.2 million from the state of Alaska over the last 44 years from Fiscal Year (FY) 1981 to FY 2024. Of this total, \$350.1 Million (54%) came in the form of assets/liabilities and pre-existing loans issued by State of Alaska entities other than AIDEA, and \$300.1 Million (46%) in the form of direct appropriations from the Alaska Legislature. In addition, AIDEA development activities have resulted in grants and capital contributions of \$220.3

million from entities other than the state of Alaska including the federal government.

In FY 1995, AIDEA provided a \$60 Million "Return on Capital" to the state of Alaska's General Fund. Beginning in FY 1997 and every year since then, AIDEA has provided the state an annual dividend that has averaged \$16.6 million per year. From FY1995 to FY2024, AIDEA has contributed a total of \$524 Million to the state.

Note that while not quantified here, all AIDEA's payments to the state get put into the general fund and are redistributed, generating additional economic activity/multiplier effects.

All dates are shown by Fiscal Year (July 1 to June 30)

The Takeaways

A summary of major findings

AIDEA was designed to take on investments other lenders might deem too risky.

AIDEA was empowered and mandated by the legislature to be the agency to take on the risk of financing Alaska development projects to stimulate the economy. This designation effectively created a shield for the Permanent Fund, which could then be used for long-term wealth-generating investments. Despite the inherently risky nature of many of its investment projects however, AIDEA's net position has grown at a compound annual rate of +5.9%.

AIDEA's project values go beyond their initial investment.

AIDEA projects have created \$60.1 Billion in total economic output over time. Of that, \$49.1 Billion comes from its direct investments. The DMTS/Red Dog project has been the biggest contributor since it is relatively large, and has been adding to the total output since FY 1987.

AIDEA is unique as a development finance agency in that it pays dividends back to the state.

AIDEA began paying dividends to the state in 1997 after a large special payment in 1995. Those dividends go into the state's General Fund and continue to generate multiplier effects as they are respent around the state.

AIDEA's dividend payments to the state are overtaking the state's contributions to AIDEA. If historical trends continue, AIDEA's cumulative dividend payments and returns of capital will exceed the State of Alaska's cumulative contributions to AIDEA by 2043.

AIDEA has a bigger role in Alaska state economics than a typical DFA.

AIDEA takes on a much more hands-on, visible role as a partner in many projects it finances than is typical for most development fund agencies. This visibility can lead to increased scrutiny.

AIDEA compared to other DFAs

"It's fascinating to see how AIDEA, being in Alaska, has a different kind of political pressure compared to other DFAs. The close-knit nature of the community and the direct impact of AIDEA's actions make it more in the public eye. There's a heightened scrutiny." – Toby Rittner, President and CEO, Council of Development Finance Agencies

"What stands out with AIDEA is their hands-on approach. They're not just a financier; they're a partner in the truest sense. Their involvement often goes beyond capital, providing technical expertise, market insights, and more." – Ariel Miller, former Senior Director, Research & Technical Assistance The Council of Development Finance Agencies (CDFA)

A Recap of the Numbers

Total Economic Output
(through FY2024; includes multiplier effect):

\$60.1 Billion

AIDEA's Current Net Position
(in FY2024):

\$1.49 Billion

Total Dividends/payments to the state
(through FY 2024):

\$524 Million

Estimated Total Taxes paid to the state and the Northwest Arctic Borough by the operators of Red Dog mine
(through FY 2024):

\$1 Billion +



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