



**Alaska
Industrial
Development
and Export
Authority**

Investing in Alaskans

Presentation to House Community
& Regional Affairs Committee

Ted Leonard
Executive Director
December 4, 2009



Mission

**To promote, develop and advance the
general prosperity and economic welfare
of the people of Alaska**



Major Programs

- **Loan Participation**
- **Conduit Revenue Bond**
- Loan Guaranty and Export Assistance
- Small Business Economic Development Loan Fund
- Rural Development Initiative Fund
- **Development Finance**



AIDEA's Dividend

- The FY 2010 AIDEA dividend to the state general fund is \$22.7 million. AIDEA's highest dividend was declared in FY 1998 at \$26 million
- \$251 million in dividends have been declared over the life of the program



Other Activities

- AIDEA provides financing for the Alaska Regional Development Organizations (ARDORS)
- AIDEA partners with other agencies to provide technical assistance to Alaskan Businesses
- Alaska Energy Authority (AEA) contracts with AIDEA for staff to oversee AEA programs

Moving Forward

The mission of the Alaska Industrial Development and Export Authority is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment





Results from Stakeholder Survey

- AIDEA is a competent and respected participant in the Alaskan economy
- Viewed by some, however, as reactive or passive
- AIDEA should take a more active approach to project development, particularly in developing infrastructure for traditional resource development - minerals, gas, fisheries and other marine activities
- Expand AIDEA's role as a lender alongside the banks, and potentially in providing capital for early stage companies
- Development of new programs for rural economic development



Strategic Vision and Initiatives

Become a more proactive partner in statewide economic development and a stronger resource for the state

1. Enhance efficiency and effectiveness
2. Diversify and grow assets to support economic development
3. Improve existing programs and add new economic development tools
4. Expand the deployment and impact of economic development financing



Efficiency and Effectiveness

- Develop systems and processes for rapid and efficient “intake” and assignment of economic development financing opportunities
- Coordinate with other agencies, private sector for multi-source financing opportunities
- Establish metrics and performance measures to assure successful economic development financing

Diversify and Grow

- Grow and diversify balance sheet capacity
- Dedications within the balance sheet to reflect varying risk/return profiles of different types of projects
- Manage the portfolio and manage the Authority's credit rating

FedEx Hangar



Snettisham Hydro





Improve Existing Programs and Add New Financial Tools

- Develop a new approach to setting loan rates working in conjunction with Alaska banks
- Identify and create new commercial finance programs that will incentivize business to invest in job growth and Rural Alaska
- Expand the ability to participate in Development Finance projects through equity or partial project ownership
- Create the capacity for increased financial and economic review of projects



Expand the Deployment of Economic Development Financing

- Leverage existing projects
- Ramp up development project financing to 1 – 3 projects a year totaling \$150 – 200 million over 3 years
- Reach out and develop strategies for economic development looking at 10 target sectors
- Develop outreach initiatives based on survey needs, target sectors and State economic development strategies
- Coordinate with State and ARDORS to maximize economic development opportunities
- Establish both a Business and Technical Advisory Committee



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

