

Alaska Industrial Development and Export Authority  
BOARD MEETING MINUTES  
Tuesday, April 11, 2023  
Anchorage, Alaska

**1. CALL TO ORDER**

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on April 11, 2023, at 11:54 am. A quorum was established.

**2. ROLL CALL: BOARD MEMBERS**

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bill Kendig (Public Member); Adam Crum (Commissioner, DOR); Julie Sande (Commissioner, DCCED); Albert Fogle (Public Member); Randy Eledge (Public Member); and Bill Vivlamore (Public Member).

**3. AGENDA APPROVAL**

Chair Pruhs suggested to add Crystal Nygard, City of Wasilla, as a presenter during Item 5. Public Comments. There were no objections.

**MOTION: A motion was made by Vice-Chair Kendig to approve the agenda, as presented. Motion seconded by Mr. Fogle.**

**The motion to adopt the agenda as presented passed without objection.**

**4. PRIOR MINUTES – March 1, 2023**

A suggestion was made to make a motion to amend the minutes under Item 6D. Resolution G23-06 BlueCrest Loan Modification/Extension, that references to Jeff San Juan are changed to Geoff Johns. There was no objection.

**MOTION: A motion was made by Vice-Chair Kendig to approve the Minutes of March 1, 2023, as amended, changing any reference to Jeff San Juan to Geoff Johns under Item. 6D. Motion seconded by Mr. Fogle.**

**The motion to approve the Minutes of March 1, 2023, as amended, passed without objection.**

**5. PUBLIC COMMENTS (2 minutes per person, for one hour)**

There were no members of the public online or in-person who requested to comment.

Chair Pruhs invited Ms. Nygard to speak. He commented that she is a former AIDEA Board member. Ms. Nygard stated that one of the items discussed during this year's strategic planning for the City of Wasilla was the importance of improving communications with neighbors, including AIDEA. Ms. Nygard provided an update and an overview of the current status and

future plans for Wasilla. She noted that Wasilla is growing in population at an average of 10% a year. A report will be completed in June that will provide a 10-year outlook of economic priorities that span the economic district from the port to the hospital. Wasilla services 80% of the Matanuska-Susitna (Mat-Su) Borough.

Wasilla is focusing on infrastructure projects, including a \$6 million project to enhance the wastewater treatment system, \$6.2 million from the Mat-Su Borough to build out water system redundancy by connecting to the City of Palmer's water system, and the airport expansion. Ms. Nygard discussed that the masterplan for the airport is approximately 2/3 complete. The airport location area to be developed is over 400 acres. The long-term intent is to have flights from Wasilla to Seattle. There is a designated area at the airport for the terminal and for a potential logistics center to aid in the transportation of smaller packages off the road system.

Ms. Nygard discussed the amount of new construction square footage underway, which does not include the expansion and additional square footage of existing businesses. One new restaurant has opened, and two restaurants who are renting buildings have plans to construct their own facilities. The new construction also includes storage units and warehouses. She highlighted that the challenges for Wasilla are similar to the challenges around the state, such as supply chain issues, costs, and workforce. Wasilla is meeting quarterly with the utilities to understand the timing of bringing power to Wasilla. Currently, the lead time for a transformer is two years, and its cost has increased 380%. The lead time for fiber is almost three years. Understanding these factors is important for construction projects to be economically successful. Another challenge relates to alcohol licenses. Wasilla will be eligible for a full-pour license in about 7.5 years and eligible for a brewery in 10 years. One license is granted for every 1,500 residents in the city. However, property is being acquired for commercialization rather than residential use.

Ms. Nygard added that the Borough is developing a Municipal Planning Organization (MPO) like the format utilized by Anchorage and Fairbanks. Wasilla is in a great financial position and has no debt. Wasilla will invest in its infrastructure and wants to partner with the private sector. Wasilla is "open for business," with minimal government involvement. Wasilla has a 2.5% sales tax and is fiscally conservative. There are no property taxes and no bed taxes. Ms. Nygard invited all to attend the Mat-Su Commercial Investment and Development Forum on April 28<sup>th</sup>. Any additional information can be obtained by calling the City of Wasilla directly.

Chair Pruhs requested Ms. Nygard provide the Forum details to Mr. Eledge to distribute. Ms. Nygard agreed. There were no questions and no other public comments.

## 6. NEW BUSINESS

**MOTION: A motion was made by Vice-Chair Kendig to enter into executive session to discuss matters listed in AS 44.62.310(c), which includes matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of AIDEA, personnel matters, matters which by law are required to be confidential, matters involving consideration of government records that are not required to be disclosed under the Alaska Public Records Act, as well as matters subject to attorney/client privilege. Each of these matters in Executive Session are supported by the Open Meetings Act. Motion seconded by Mr. Fogle.**

**A roll call vote was taken and the motion to enter into Executive Session passed unanimously.**

**6A. EXECUTIVE SESSION: 12:07 pm. Matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; personnel matters, matters which by law are required to be confidential, including deliberative, executive, and attorney/client privilege.**

The Board reconvened its regular meeting at 2:37 pm. Chair Pruhs advised that the Board did not take any action on matters discussed while in Executive Session. The session was limited to discussion of matters directly protected from public disclosure by the Open Meetings Act.

**6B. Resolution No. G23-08 Rare Earth Metals, New Mining Districts, Industrial Access Roads, Due Diligence of Projects**

Chair Pruhs requested Randy Ruaro, Executive Director and Secretary-Treasurer, to present Resolution No. G23-08. Mr. Ruaro explained that Resolution No. G23-08 would create a funding bucket to hold FY23 unspent funds of approximately \$2 million to \$3 million. The funds would be available to perform due diligence and other legal work on projects, as needed by the Board, and to accurately assess and fiscally model projects. Mr. Ruaro informed that he would provide advance notice of expenditures to the Board, as well as monthly updates and quarterly reports. There were no questions.

**MOTION: A motion was made by Vice-Chair Kendig to approve Resolution No. G23-08, Resolution of the Alaska Industrial Development and Export Authority relating to the approval of the expenditure of funds for the purpose of initial planning and analysis with respect to developing and financing AIDEA projects, infrastructure development, energy development projects, land and project site development, and intermodal transportation, industrial transportation, industrial access roads and ports. Motion seconded by Mr. Fogle.**

**A roll call was taken, and the motion to approve Resolution No. G23-08 passed unanimously.**

## **7. DIRECTORS COMMENTS**

### **7A. Makushin Geothermal Project**

Chair Pruhs requested Mr. Ruaro to discuss Makushin Geothermal Project. Mr. Ruaro informed that he and AEA Executive Director Curtis Thayer, as well as AIDEA and AEA staff, traveled to Unalaska to meet with several Makushin Geothermal Project stakeholders, including the City, the fish processing sector, plant owners, and the local Village corporation. The grid in Unalaska is segregated and divided. Each processing plant generates its own power from diesel and is not connected. Discussion occurred regarding fiscal models, the benefits of connecting the grid, and the generation of geothermal power. A site visit was conducted. Due diligence continues regarding the resource, tax credits and fiscal modeling. Mr. Ruaro will report on the progress of the due diligence at the next meeting.

Chair Pruhs asked if the due diligence will be conducted under the passage of the previous

resolution. Mr. Ruaro agreed. Chair Pruhs requested Mr. Ruaro continue his discussion for the record, regarding other project plans in Unalaska. Mr. Ruaro commented that after attending several days of meetings in Unalaska, it was clear that the energy project is not an isolated project and ties into an approximately \$450 million Trident Seafoods plant project. Trident Seafoods is moving their plant from Akutan to Unalaska. They are interested in the geothermal energy production and the use of 100% renewable energy. A significant amount of funding will be necessary by both Trident and the City to tie into a unified grid. The ultimate goal is to have the state-of-the-art Trident plant connected to a unified grid utilizing 100% geothermal renewable energy. The estimated amount for the total investment goal is approximately \$750 million. The geothermal plant is the key to the vision's success. There were no questions.

**7B. Loan Dashboard Report** – Included in Board packet

A comment was made that the Hex Cook Inlet loan is approaching full repayment status and is one of AIDEA's success stories.

**7C. Board Resolution Report** – Included in Board packet

**7D. Next regularly scheduled AIDEA Board Meeting Tuesday, May 24, 2023**

Chair Pruhs noted that May 24<sup>th</sup> conflicts with the Alaska Sustainable Energy Conference. He requested Mr. Ruaro and Mr. Thayer poll the Board members for an alternative meeting date.

**8. BOARD COMMENTS**

Commissioner Sande thanked staff and Mr. Ruaro for their efforts regarding the information provided today. She is particularly encouraged regarding the continued outreach and the positive results from the trip to Unalaska.

Commissioner Crum commented that he is excited about the overall prospects regarding Alaskan communities focusing on solving energy problems, as well as increased local economic development. He thanked Mr. Ruaro and Mr. Thayer for visiting Unalaska to understand the project and prospects for the State. He expressed appreciation to the community of Unalaska, the Tribal organization, and the private sector for their efforts in developing the project and the economic activity thus far.

Mr. Fogle expressed appreciation to staff for the information provided and for their diligent efforts daily. He thanked Mr. Ruaro and the team for their attentive and thorough review to find additional funds and for uncovering other issues.

Chair Pruhs thanked Board members for their attendance and participation, especially Commissioner Sande and Commissioner Crum. He expressed appreciation to Mr. Ruaro and to staff for their good work.

**9. ADJOURNMENT**

There being no further business of the Board, the AIDEA meeting adjourned at 2:47 pm.



Randy Ruaro, AIDEA Executive Director

Secretary