

Alaska Industrial Development and Export Authority  
BOARD MEETING MINUTES  
Friday, May 19, 2023  
Anchorage, Alaska

**1. CALL TO ORDER**

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on May 19, 2023, at 11:53 am. A quorum was established.

**2. ROLL CALL: BOARD MEMBERS**

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

**3. AGENDA APPROVAL**

**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 – April 11, 2023**

**MOTION: A motion was made by Vice-Chair Kendig to approve the Minutes of April 11, 2023. Motion seconded by Mr. Fogle.**

**The motion to approve the Minutes of April 11, 2023 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.

**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, AS 44.62.310 (c1, 3, 4). Motion seconded by Mr. Fogle.**

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

**6A. EXECUTIVE SESSION: 11:57 am. 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 1:48 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. G23-04 AIDEA Regulations – Updates and Amendments**

Chair Pruhs requested Randy Ruaro, Executive Director and Secretary-Treasurer, to present Resolution No. G23-04. Mr. Ruaro explained that outdated regulations are being updated to reflect name changes and corrections to standard references in the regulations.

Tiffany Janssen, Commercial Finance Director, informed that the public comment period was held on May 16, 2023, and no comments were received. The updates and amendments are terminology changes that occurred in 2015. The updates and amendments do not affect AIDEA's underwriting. There were no questions.

**MOTION: A motion was made by Vice-Chair Kendig to approve Resolution No. G23-04. Motion seconded by Mr. Fogle.**

Chair Pruhs expressed appreciation to staff for bringing these changes to the Board.

**A roll call was taken, and the motion to approve Resolution No. G23-04 passed unanimously.**

**7. DIRECTORS COMMENTS**

**7A. Update Makushin Geothermal**

Chair Pruhs requested Mr. Ruaro to discuss Makushin Geothermal Project. Mr. Ruaro advised that AIDEA is engaged in a due diligence review that is comprised of four different areas. Each area is expected to produce an expert report; resource, tax credits, fiscal modeling, and fiscal support in financing. The reports are all due in approximately 30 days. Good progress is being made.

Mr. Fogle asked Mr. Ruaro if he will discuss the reports at the June meeting or if the reports will be sent via email. Mr. Ruaro noted that he hopes to report on the updates at the next meeting. There were no additional questions.

**7B. Building Update**

Chair Pruhs requested Brad Bigelow, AIDEA Owned Assets Manager, to provide the building update. Mr. Bigelow noted that the parking lot project is not yet underway. The right-of-way permits are stuck in Department of Transportation (DOT) due to a project on Northern Lights from Muldoon to Minnesota. Mr. Bigelow explained that the permit application was submitted in

July 2022. The completed drawings were submitted in September 2022. However, the plan and profile does not match the new project, which will have lowered sections for handicap ramps for the nearby bus stops.

Chair Pruhs asked Mr. Ruaro if he has escalated this issue. Mr. Ruaro agreed, and indicated this is on the list of items to review with Commissioner Anderson and others.

Mr. Bigelow informed that the Request for Proposals (RFP) for the full project cannot go out until the right-of-way permit is obtained. He expressed opposition to beginning a partial project.

Chair Pruhs suggested that Mr. Bigelow continue with a partial project.

Mr. Eledge commented that there may be remobilization expenses associated with a partial project.

Chair Pruhs discussed that there are two different contractors; one to work on the parking lot and one to work with DOT and traffic control.

Commissioner Sande requested to table the discussion. She expressed discomfort in providing directions to staff when they have made their determination.

Chair Pruhs noted that the agenda item is an update. He stated from a policy standpoint, the project could be split up to achieve progress this year or wait until next year to begin the project.

Mr. Ruaro commented that he will continue discussion with Mr. Bigelow and will provide direction for the project. There were no further questions on the parking lot project.

Chair Pruhs requested an update on the FedEx negotiations. Mr. Bigelow informed that the bench test is ongoing and there is confidence that most of the pipes can be cleaned in-state. Some sections of pipe will have to be removed out of state. The two land leases for the hangar facility and the fire suppression water storage tank are in the public comment stage until June 4, 2023. Mr. Bigelow discussed the meeting that occurred last week at the facility site with Commissioner Anderson and Commissioner Campbell's team. The draft term sheet with FedEx is in its final negotiations.

Chair Pruhs asked if any work will be completed inside the building. Mr. Bigelow requested direction regarding the lobby project. He noted that he has conducted preliminary discussions with the term contractor. Chair Pruhs asked if the term contractor's in-house architect can provide concepts. Mr. Bigelow agreed.

Chair Pruhs inquired as to additional building updates. Mr. Bigelow discussed that a previous large caulking job completed years ago was poorly executed. Substantial leaks have occurred, resulting in repair and painting costs, and in potential mold and mildew issues. The current contractor is engaged in removing and replacing the old sealant. The window glass is approximately 50 years old and has heat loss issues. Chair Pruhs inquired about energy upgrades for the windows through AEA. Chair Pruhs asked if the additional staff members who have joined AEA have adequate office space. Mr. Bigelow agreed.

Mr. Fogle asked Mr. Bigelow if he is happy with the security of the parking lot. Mr. Bigelow agreed and noted that security has been helpful. Mr. Fogle inquired as to cameras on the property. Mr. Bigelow noted that the property currently has camera surveillance and will be upgraded as part of the project. Mr. Fogle asked if the electric vehicle (EV) charging units are still within the parking lot plan. Mr. Bigelow agreed and noted that he will provide the drawings of the location to the members again. He explained that the charging is not free, and the person charging will have to pay for the Level III charge with a credit card.

Chair Pruhs asked for Mr. Bigelow's opinion and wants to ensure that the EV charging station location will not disrupt the daily business of AEA and AIDEA. Chair Pruhs noted the possibility that the EV charging station could be located in the parking lot across the street. Mr. Bigelow responded that he does not see a problem with the current charging station location. Chair Pruhs commented on the possibility of cars using the charging site all day and night. He asked if there is a potential that a person could leave their car charging overnight at the location. Mr. Bigelow indicated that he does not have an answer to that question.

Mr. Bigelow continued the update and discussed that two fans were replaced in the third floor penthouse. A heat fan and an air handling unit are on backorder and will be installed this fall. Chair Pruhs asked if the employees were kept apprised of the progress of the parking lot project. Mr. Bigelow agreed. There were no additional questions.

#### **7C. Loan Dashboard Report**

Mr. Ruaro advised that the Loan Dashboard Report is included in the packet. He requested Ms. Janssen to provide a brief summary. Ms. Janssen discussed that all loans are stable. A decline in payoffs has occurred and loans are being onboarded regularly. There are no delinquencies.

Chair Pruhs asked about the pipeline of upcoming loans. Ms. Janssen explained that discussions have occurred with borrowers and lenders regarding approximately \$66 million worth of projects over \$5 million that are expected begin the loan process. The information is available for members as part of the confidential packet, if requested. There were no other questions.

#### **7D. Next regularly scheduled AIDEA Board Meeting Wednesday, June 21, 2023**

### **8. BOARD COMMENTS**

Mr. Eledge expressed appreciation for staff's diligent work and for maintaining no delinquencies within the loan portfolio.

Vice-Chair Kendig commented on the good meeting and updates. He complimented Mr. Ruaro, Mr. Bigelow, and staff.

Chair Pruhs welcomed a new employee to AIDEA. He expressed appreciation to staff for their efforts.

### **9. ADJOURNMENT**

There being no further business of the Board, the AIDEA meeting adjourned at 2:13 pm.

A handwritten signature in blue ink, appearing to read "Randy Ruaro", is positioned above a horizontal line.

Randy Ruaro, AIDEA Executive Director

Secretary