

**INVESTING IN ALASKANS**



# MILITARY ZONE FACILITY LAND DEVELOPMENT UPDATE

Alliance Fairbanks Forum  
October 13, 2022

Alan Weitzner, Executive Director

# AIDEA MISSION

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

## Investing in Alaskans

- Revenue generated by AIDEA's investments go to two places:
  1. reinvested in AIDEA programs and projects and
  2. issued as dividends to the State of Alaska.
- AIDEA works with Alaska's communities and businesses to advance your economic development priorities.
- Projects must meet two important criteria:
  1. be a sustainable financial investment; and
  2. create tangible benefits for Alaska and its communities.

## AIDEA OVERVIEW

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- ✓ Investing in Alaskans since 1967
- ✓ Alaska's Development Finance Authority
- ✓ Financially Self-Sustaining Public Corporation (no GF by statute AS 44.88.190(b))
- ✓ \$446 million in Dividends to Alaska since 1997
- ✓ Directed over \$3.5 billion into economic development in Alaska

# AIDEA PROGRAMS + PROJECTS

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- Conduit Revenue Bond Program
- Loan Participation Program
- Development Project Finance
- Sustainable Energy Transmission and Supply (SETS)
- Arctic Infrastructure Development Fund (AIDF)
- Small Business Economic Development Revolving Loan Fund
- Rural Development Initiative Loan Fund
- Business Export Assistance Program
- AK CARES Emergency Relief Funding

## Development Project Finance:

- ✓ Delong Mountain Transportation System
- ✓ Skagway Ore Terminal
- ✓ FedEx Aircraft MRO Hangar
- ✓ Snettisham Hydroelectric Facility
- ✓ Alaska Ship & Drydock, Ketchikan
- ✓ Camp Denali Readiness Center (JBER)
- ✓ Interior Energy Project
- ✓ AK SHIP – Vessel Repair Finance Program
- ✓ Duck Point Development II (Icy Strait Point)
- ✓ HEX Cook Inlet, LLC
- ✓ SSQ Transmission Line (Bradley Lake Hydro)
- ✓ Ambler Access Project
- ✓ West Susitna Access Road Project
- ✓ Section 1002 Area Leases
- ✓ FNSB Military Facility Zone Land
- ✓ Mustang Holding LLC

# MILITARY FACILITY ZONE LAND DEVELOPMENT



Photo credit: U.S. Air Force/Senior Airman Keith Holcomb



## CONTINUED SUPPORT OF MILITARY PRESENCE IN ALASKA

Development of quality and affordable housing supporting Stratotanker and F-35 personnel. Increase available rental or permanent housing options to accommodate families relocating to Alaska.



## STRATEGIC POSITIONING IN ARCTIC & INDO-PACIFIC REGIONS

Eielson AFB, as America's northern-most air base, is strategically located for quick assembly to deter aggressions from foreign adversaries, like China and Russia.



## UTILITY INFRASTRUCTURE EXPANSION OPPORTUNITY

Extending and establishing utilities like water, waste water, natural gas and electric in areas of North Pole that were previously inaccessible, while maintaining clean and reliable standards.



## INJECTION OF FUNDS INTO THE LOCAL ECONOMY

Building new housing and welcoming new military families will inject additional funds into local businesses and provide new rate-payers to local utilities in the North Pole region.

# ECONOMIC BENEFITS

Project will advance the US Department of Defense's Arctic Strategy as well as provide economic and job growth benefits to the Interior and State:



## OFF-BASE HOUSING

Critical need within FNSB with the addition of **3,000+** service members and their families to Eielson AFB



## OFF-BASE GOODS + SERVICES

Shopping, restaurants, and consuming other services directly benefits community businesses



## NEW REVENUES

Add significant new revenues for both local and state governments



## DRIVES LOCAL PROCUREMENT

More than **\$5.6 billion** across all business sectors from FY17 - FY19 (UA CED Report, June 2021)



## MILITARY SPENDING IN ALASKA

**\$1.87 billion** per year on goods and services in Alaska (UA CED Report, June 2021)



## MILITARY SPENDING CREATES JOBS

Created **58,000** total jobs and **1 in 10** civilian jobs (UA CED Report, June 2021)

# PROJECT CONCEPT

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AS 44.88.172(a) authorizes AIDEA to own and invest in public use facilities (*i.e. projects with a public purpose*) which includes infrastructure for an area that is designated as a military facility zone (AS 44.88.900(13)(I))

- Public/Private Partnership for initial phase housing development:
  - Target development sizing: 100 to 150 housing units
- Partnership with FNSB through acquisition and transfer of agreed land to AIDEA
  - 10 year property tax abatement
- Define cost-efficient specifications with Military Command / local housing contractors (*focus on leasing*)
- AIDEA funds land master development, utilities, permitting, including design and specifications for structures via a special purpose company
- Lots to be made available for long term lease to multiple interested housing contractors to build upon.
- Partnership with local lenders for construction and permanent financing through AIDEA subordination of land and funded infrastructure
- Patient Capital: AIDEA to recover its capital investment through pro-rata repayment of housing unit sales or through an multi-year assessment recovered through leasing proceeds

# PROJECT CONCEPT

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AIDEA Board Approved Resolution G22-02 on January 27th authorizing the Authority to undertake Development Activities, provided \$150,000 for expenses and authorized Executive Director to enter into agreements related to the development activities

- February 10<sup>th</sup>: FNSB Ordinance No. 2022-11 adopted providing tax incentives for housing
- March 7<sup>th</sup>: City of North Pole passed an approved Resolution 22-08 in support of AIDEA to identify lands for development.
- March 21<sup>st</sup>: Mayor Welch placed earnest money and signed agreement to purchase Howard Property contingent upon City Council approval
- April 18<sup>th</sup>: AIDEA updated North Pole City Council on the project, discussed results of Environmental Phase 1 and Subdivision Concept Design.
- May 9<sup>th</sup>: City of North Pole held an Executive Session to discuss the project
- May 15<sup>th</sup>: AIDEA provided BAH analysis to Senator Murkowski and Sullivan. Requested BAH increase for Fairbanks MHA to align with market.
- July 13<sup>th</sup>: AIDEA met with Mayor and City Services Director to discuss the Sample results and Latest Subdivision Concept Design.
- August 1<sup>st</sup>: Work Session with North Pole City Council.
- September 19<sup>th</sup>: City of North Pole declines mutual development agreement with AIDEA



# CONCEPT DESIGN

- 167 Total Units
- 48 one bedroom apartments
- 119 Townhomes: 2 and 3 bedrooms
- 13 lots for builders
- 10 acres green space, including a Community Site and a Park
- Utilities to be constructed to City of North Pole Utility Standards
- Water: New 10" main near Perimeter Drive & Tanana Drive
  - 3625' offsite, 1500' parallel supply/return, freeze protect
  - 3950' onsite, 500' parallel, small circulation pump station.
- Sewer: Main on Perimeter Drive, Tanana Liftstation
  - Upgrade pumps in Tanana liftstation to 5 hp
  - Gravity feed is viable based on topographic survey
  - 2025' 10" main + 2760' 8" main + 1-2 residential pumps

CONCEPT STATISTICS		
	acres	
TOTAL AREA OUTLINED	35.9	
less WETLANDS	8.0	
GROSS DEVELOPABLE AREA (GDA)	27.9	100.0%
<b>RESIDENTIAL</b>	<b>20.2</b>	<b>72.4%</b>
Townhouses	119 Units	15.7
Apartments	48 Units	4.5
<b>OPEN SPACE</b>	<b>2.4</b>	<b>8.6%</b>
Open Space & Parks	1.2	
Community Site	1.2	
<b>PUBLIC DEDICATION</b>	<b>5.3</b>	<b>19.0%</b>
Roads	5.3	

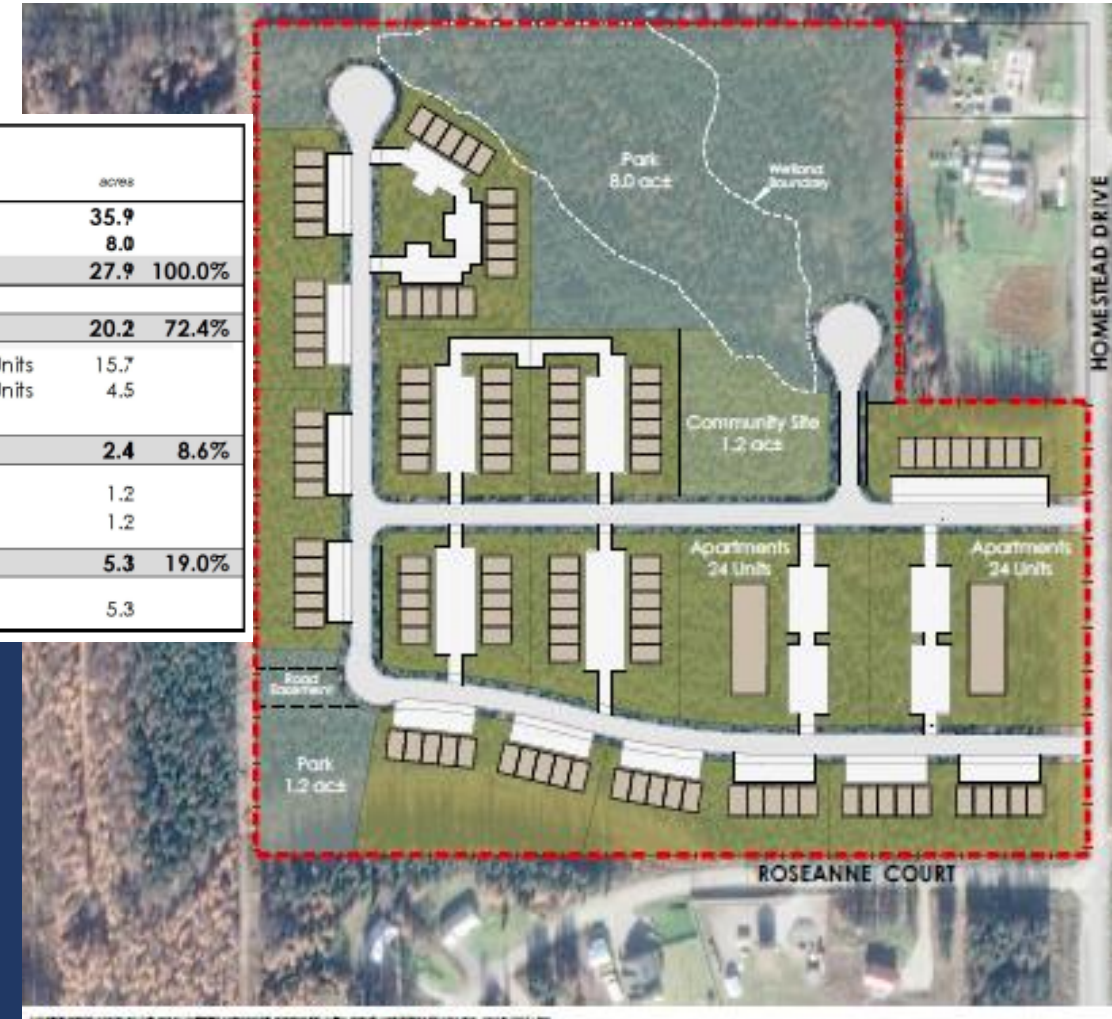


FIGURE 1.0 | NORTH POLE HOUSING DEVELOPMENT

Concept Plan

AIDEA





# NEXT STEPS

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- **AIDEA Board Resolution supporting increase in Fairbanks MHA Housing Allowance**
- **Advance Development Concepts with Fairbanks North Star Borough**
- **Identify available properties within the borough that meet density and housing criteria**
- **Environmental Due Diligence**
- **Final Concept Design**
- **Partnership Principles between Builders, Investors, Banks for development**

# STAYING FOCUSED ON MISSION

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Independence from imports



Responsible resource development



Good-paying jobs for Alaskan families



Revenue for state, local, and tribal governments

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# TAKE ACTION

## Letters to the Editor

### Letter: AIDEA loans

By Orin Seybert  
Updated: 1 day ago  
Published: 1 day ago

Regarding the recent article about the Alaska Industrial Development and Export Authority's investment history (Sept. 29), I spent more than 50 years building an airline to serve mostly Bristol Bay and the Aleutian/Pribilof islands.

We used AIDEA at least a dozen times to assist us. We never asked for or received any money, but they would guarantee loans from banks to secure our buildings, aircraft purchase, etc., making those expenses possible. The funds always came from the bank or other lending agency. And of course we never defaulted on payments, so AIDEA never came into play.

As to the seafood processing plant, I knew from day one it was not feasible; I learned from all my days of flying the area that seafood has to be processed as soon as it is caught, and Anchorage is too far from the major fisheries. I just assumed that some other agency in the state made the decision to proceed, and AIDEA was used to guarantee the financing. I feel they have done an excellent job of assisting small businesses.

*Anchorage Daily News 10/10/2022*

## Your Voice Needs to Be Heard :

- ✓ Advocate for responsible development of Alaska's resources
- ✓ Join the Alaskans for Access Coalition
- ✓ Participate in Public Comment and Scoping Forums
- ✓ Calls and letters to Department of Interior, Alaska's Congressional Delegation, and Alaska Legislators in support of Alaskan development
- ✓ AIDEA board meetings public comment (*schedule at [www.aidea.org](http://www.aidea.org)*)

# THANK YOU

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