



July 30, 2026

The Honorable Representative Jubilee Underwood
Alaska State Legislature
600 E Railroad Avenue
Wasilla, Alaska 99654

Re: Response to Constituent Concerns Regarding Potential Conveyance of Land North of Houston from the Department of Natural Resources to AIDEA

Dear Representative Underwood,

Thank you for conveying the questions and concerns raised by your constituents regarding the Department of Natural Resources' preliminary decision concerning approximately 19,950 acres north of Houston. We appreciate the opportunity to address those concerns directly and to clarify the nature of the proposal under consideration.

No project has been approved or selected. There is no committed data-center tenant, industrial developer, site plan, power source, cooling system, water-supply plan, or construction schedule. DNR is evaluating whether to convey the land to AIDEA; it is not deciding whether to approve a finished industrial park. The preliminary decision remains open for public comment through August 19, after which DNR will determine whether and under what conditions to proceed.

AIDEA's development plan identifies a range of possibilities—rail-served logistics, shared utility corridors, advanced manufacturing, local material production, energy infrastructure, workforce housing, and, potentially, data centers. Listing possible uses allows the public and reviewing agencies to understand the range under consideration. It does not constitute a commitment that any particular use will be built.

Any future project would be subject to rigorous review. A proposal would need to demonstrate market demand, realistic infrastructure and energy requirements, financing capacity, technical feasibility, and measurable public benefit, and it would have to satisfy all applicable local, state, and federal permits, reviews, and authorizations. A project that cannot make economic sense or responsibly address its impacts should not move forward simply because it appeared in a planning document.

Concerns about data centers, trails, wildlife, and water are appropriately addressed at the project level. Data centers vary widely in scale, power demand, cooling technology, and water use. With no specific proposal before AIDEA, it would be premature to promote or reject any particular design. If one emerges, AIDEA would evaluate power and water requirements, infrastructure impacts, site conditions, employment and tax effects, and benefits to Houston, the Matanuska-Susitna Borough, and the State.

The same careful approach applies to trails, wildlife, and water resources. The area includes public rights-of-way, RS 2477 routes, mushing and recreational use, wetlands, and waterways. Before any siting decisions, AIDEA would need to understand how residents use the area, map legal and practical access, and evaluate water and habitat conditions. The development plan already contemplates concentrating activity on suitable uplands, using existing corridors where feasible, and maintaining stewardship and buffer areas around Deception Creek and wetter ground. Local knowledge is essential to filling gaps that agency records alone may miss.

Conveyance to AIDEA, rather than continued passive State ownership, creates tools that undeveloped State land does not. AIDEA can lease land, build shared infrastructure, finance eligible development, retain an ownership interest in a project, or contribute land and on-site materials such as sand, gravel, and rock. These tools can reduce private cash requirements for site preparation and allow the public to retain a share of long-term value. Revenue from leases, repayments, and retained interests can support AIDEA's net income, from which the Authority declares an annual dividend to the State. Including the dividend declared for fiscal year 2026, AIDEA has declared approximately \$495 million in dividends to the State. No return to Houston is guaranteed, and no responsible agency would claim otherwise before a project exists. Ownership simply creates a mechanism to convert land and materials into recurring public value that passive State ownership does not provide.

AIDEA ownership can also create flexibility for the Borough. If collaborative planning identifies land better suited to a Borough facility, local infrastructure, housing, recreation, or public access, AIDEA can evaluate a conveyance or exchange under its property authorities. Any such transaction would require AIDEA Board action, public-interest safeguards, title and survey work, and applicable public notice.

AIDEA is prepared to work with the City of Houston, the Matanuska-Susitna Borough, residents, trail users, utilities, the Alaska Railroad, state agencies, and private partners before committing land to specific projects. The goal is not to impose a single concept on nearly 20,000 acres. It is to identify which ground is suitable for development, which should remain buffer or stewardship area, which access routes must be protected, and where local ownership makes better sense.

Alaska rarely has the opportunity to plan for growth before a project arrives. The Houston conveyance offers that chance—provided the planning occurs with the Mat-Su rather than around it. The public comment period is the beginning of that work, not the end.

We welcome the opportunity to discuss these matters further with you and your constituents. Please do not hesitate to contact us if additional information would be helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Ruaro", is positioned above the typed name and title.

Randy Ruaro
Executive Director
Alaska Industrial Development and Export Authority