



Minutes of Regular Meeting to the Board of Directors of the  
**Guam Economic Development Authority**  
 June 5, 2019

**Call to Order**

§1. The regular meeting of the Board of Director of the **Guam Economic Development Authority** (referred to as "GEDA" or the "Authority") was held on Wednesday, June 5, 2019 at the hour of 9:30 a.m. at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building Tamuning, Guam. The meeting was called to order by Chairman David John to consider several items on the agenda.

**Quorum and Attendance**

§2. **Roll call.** As determined by the roll call, the following directors were present:

**Directors:**

David John  
 George Chiu  
 Gia Ramos  
 Siska Hutapea

**Offices or Positions:**

Chairman  
 Director  
 Director  
 Director  
  
 CEO/Administrator  
 Deputy Administrator  
 Legal Counsel

Melanie Menidola  
 Artemio Hernandez  
 Terry Brooks

**Absent and excused:**

Ernesto Espaldon  
 Fe Valencia-Ovalles

Vice Chairman  
 Director

**Also present were:**

Austin Grant  
 Erin Grajek  
 Siska Hutapea  
 Anumita Kaur  
 Claire Cruz  
 Antoinette Leon Guerrero  
 Larry Toves  
 Tria Paulino

GEDA  
 Senator Clynt Rigell  
 GEDA  
 PDN  
 GEDA  
 GEDA  
 GEDA  
 GEDA

### ***Approval of Agenda***

§3. The first item considered was approval of the agenda. Director George Chiu made the motion to approve the meeting agenda. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

### ***Approval of Minutes***

§4. The next item on the agenda was the Approval of Minutes from April 16, 2019. Director Chiu moved to approve the minutes. Director Gia Ramos seconded the motion. The motion was unanimously approved.

### ***Chairman's Remarks***

§5. The next item on the agenda was Chairman's Remarks.

Chairman John stated the GEDA has been working with the front office on a number of initiatives to include telecommunications. CEO/Administrator Melanie Mendiola stated that GEDA is also working on the improvement of public finance, more recently, the bond for the Guam Solid Waste Authority. GEDA presented to the 35<sup>th</sup> Guam Legislature regarding the bond process. Ms. Mendiola mentioned that most senators are new to this process and were thankful for the presentation made.

Additionally, GEDA will be attending Bond Rating meetings along with Chairman David John. Ms. Mendiola noted that the purchase of the bond is important, as it is the first bond to be issued by this administration and the first General Obligation (GO) Bond in the last 10 years.

The bond is for \$30 million for the construction of a new cell for the Layon Municipal Sanitary Landfill with triple tax-exemption and a target rate of 4.25%.

Chairman John went on to discuss the Health Insurance Qualifying Certificate (QC) program. Business Development Manager, Edward Camacho joined the table for discussion. Mr. Camacho stated in collaboration with the board chairman; GEDA has drafted a bill relative to the Health Insurance QC. The legislation allows for a renewal provision of five (5) years with the only benefit being 100% rebate of the Business Privilege Tax (BPT). If signed by the Governor, the law will take effect October 1<sup>st</sup> and will sunset after 5 years.

After further discussion, there were no further remarks.

### ***CEO/Administrator's Remarks***

§6. The next item on the agenda was CEO/Administrator's Remarks.

CEO/Administrator Melanie Mendiola discussed the target points as stated in the transition report. Ms. Mendiola stated that GEDA has worked to improve on the targets. However, a marketing strategy is in the works as it comes after the development of the strategic plan.

In the Public Finance Division, the staff is working on a number of debt issues to include:

- GSWA Cell #3 Financing- \$30 million
- GIAA Refunding- \$33.2 million
  - Savings of 2-8% (2 million in saving)
- PAG Reprogramming- \$7 million
  - Reprogramming \$7 million to Hotel Wharf
- UOG SOE/SSC Projects- \$25 million
- GDOE Projects- \$125 million
  - The reconstruction of Simon Sanchez High School and refinancing of other schools
- DPW Garvee Bonds- \$75 million
- Labor & Delivery Ward- \$9.2 million
  - A&E was completed but project is on hold due to Governor requesting for a study to be conducted by the Army Corps of Engineers to ensure GMH is structurally sound. No timeline as been specified.
- DISID & GRTA Facility

Regarding legislation, Ms. Mendiola stated that Senator San Agustin introduced Bill 140-35, which is for the refunding of GIAA bond and Senator Ridgell introduced Bill 149-35, which is for the reprogramming of the PAG bond.

In the Real Property Division, GEDA is working with the Guam Ancestral Lands Commission (GALC):

- to issue an RFP for Polaris Point (13 acres)
- to negotiate a lease with AT&T for back-rent of the Tanguisson property
- to assist with the management of the WIC lease

Regarding the Chamorro Land Trust Commission (CLTC), GEDA has entered a Memorandum of Understanding for the management of property needing CLTC board action at which time GEDA will proceed with assessing the property and issuing a RFP.

Regarding the Piti Mayor's Office, GEDA has drafted a Memorandum of Understanding for the management of the Santos Park in Piti across the USO. The Piti Mayor's Office wants to assess the land for interests in commercial use with funds to benefit various village programs.

Regarding the Guam Department of Education, the agency has a few warehouses near GSA needing assessment of the properties for potential GEDA management.

In the Business Development Division, GEDA has been appointed as one of co-chairs of the Aquaculture industry taskforce. The Governor signed an executive order for GEDA and the Department of Agriculture to take the lead. Ms. Mendiola stated she will provide an update to the board after the first taskforce meeting.

Regarding Bill 56-35 relative to requiring the completion of independent economic impact statement relative to fiber-optic undersea cable landing stations, GEDA provided testimony. Deputy Artemio Hernandez stated that he provided testimony on behalf of GEDA to recommend instead of taxing the companies rather provide incentives to the company.

Furthermore, Mr. Hernandez stated the author of the bill mentioned the legislation has been completely revised to develop a taskforce.

Regarding Opportunity Zones, Ms. Mendiola stated that Governor Gutierrez and GEDA Business Development Manager attended an expo in Las Vegas and spoke with potential investors for Guam. Invitations to 25 investors were made and follow ups have been scheduled.

Ms. Mendiola mentioned that she attended an International Economic Development Council training to discuss how other states and jurisdictions are moving forward with Opportunity Zones.

In addition, GEDA has been promoting Opportunity Zones (OZ) locally by presenting at the Guam Association of Realtors, Mayor's Council of Guam and has been invited to the Guam Chamber of Commerce. Furthermore, there is interest from lawyers and CPAs to host a session geared toward OZs.

Regarding trade missions, Governor Gutierrez has been promoting the island in the Philippines and China. He has been featured in a number of media outlets while on the missions. Taiwan mayor has since invited GEDA for a visit and there is potential to present Guam investment opportunities in Lebanon.

Ms. Mendiola stated the GEDA has released its Citizen Centric Report for FY2018 and is enclosed for board review.

Furthermore, GEDA hosted Bonds 101 training at the University of Guam on May 9, 2019. There were two sessions, which were attended by the Legislature, Adelup staff and individuals from various agencies. The focal point of the training was to promote responsible debt and understand how the bond process works. Director Chiu stated the next trainings should emphasize what GEDA does and the value of the bonds.

Regarding loans, Ms. Mendiola stated that Tria Paulino was appointed to SBDC Advisory Board. GEDA has also presented to the Farmer's Co-op and NRCS and has visited farms with the Department of Agriculture. 14 applications have been distributed with one pending for Agriculture Development Fund, one pending for Guam Development Fund Act and one pending for SSBCI. One loan under the Agriculture Development Fund has been approved.

After further discussion, no further remarks from the CEO/Administrator.

### ***Communications***

§7. The next item on the agenda was Communications.

There were no Communications.

### ***Committee Reports***

§8. The next item on the agenda was Committee Reports.

There were no Committee Reports.

### ***Old Business***

§9. The next item on the agenda was Old Business. The first item under Old Business was the Election of Board Secretary.

Director Chiu moved to nominate Director Gia Ramos as Board Secretary. Director Hutapea seconded the motion. On that motion, it was unanimously approved. Director Gia Ramos will serve as Board Secretary.

The next item under Old Business was the Elections on Committee Chairs.

Director Hutapea moved to nominate Director Fe Vallencia-Ovalles as Chairperson of the H2B Visa Committee. Director Chiu seconded the motion. On that motion, it was unanimously approved. Director Ovalles will serve as Chairperson of the H2B Visa Committee.

Director Chiu moved to nominate Director Hutapea as Chairperson of Real Property Committee. Director Hutapea accepted and board acknowledged the appointment.

Director Hutapea moved to nominate Director Chiu as Chairperson of Telecommunication & Power Costs. Director Ramos seconded the motion. On that motion, it was unanimously approved. Director Chiu will serve as Chairperson of Telecommunication & Power Costs.

There was no further business discussed.

### ***New Business***

§4. The next item on the agenda was New Business. The first item under New Business was the Memorandum of Agreement- Piti Mayor- Property Management Services.

Real Property Management, Larry Toves spoke on the matter.

#### **Background**

In its efforts to seek development opportunities and additional revenues for its municipal programs, services and activities, the Piti Mayor, Mr. Jesse Alig met with GEDA's CEO/Administrator earlier this year in February at which time he expressed the desire and commitment to using municipal properties in the best interest of the people of the Village of Piti. During these discussions, the Mayor had deemed it strategically beneficial to form a partnership with GEDA in order to take advantage of the Authority's unique mandates and capabilities in assisting sister GovGuam agencies with their economic and developmental goals. To this end, it was decided that a Memorandum of Agreement (MOA) be collaboratively forged between the Piti Mayor's Office (PMO) and GEDA.

#### **Analysis**

GEDA's Real Property Division over a decade now has provided property management services to various government agencies with a commitment to spurring economic development through private sector leasing and development of government-owned properties in a fashion that generates jobs and additional revenues. The development of

designated public properties to their highest and best use is in the public interest, and so the PMO has designated the Pedro C. Santos Memorial Park, legally described as Lot 262 containing an area of 5.5 acres and placed under the administrative jurisdiction of the Piti Mayor is an appropriate site for such development through this MOA.

### **Recommendation**

GEDA staff recommends that the Board of Directors authorize the CEO/Administrator to execute the Memorandum of Agreement (copy attached) with the Piti Mayor's Office (PMO) whereby GEDA will provide the PMO with general consultancy and property management services relating to maximizing the development of designated municipal properties for the ultimate benefit of the community and Village of Piti. The Board also authorizes GEDA to retain a management fee of 14% percent of base rent as payment for services. The GEDA Administrator shall periodically report to the Board on the nature and status of activities required under the MOA.

The Board recommended the push to extend the term of GovGuam leases, seek common ground.

After further discussion, Director Hutapea moved to approve the MOA with Piti Mayor's Office. Director Chiu seconded the motion. The motion was unanimously approved.

The next item under New Business was the Memorandum of Agreement- Office of the Governor- Guam Military Buildup.

Ms. Mendiola and Mr. Toves spoke on the matter.

### **Background**

Attached for the Board's consideration and approval is a Memorandum of Agreement between GEDA and the Office of the Governor. The original agreement approved by the GEDA board in 2014 has since expired and there are now opportunities to continue the relationship with the Office of the Governor, which has recently received various federal grants to support the Military Buildup on Guam. The MOU allows GEDA to receive payment for any work assigned by the Office of the Governor under the MOA.

### **Analysis**

Previously, the Office of the Governor received federal grants from the Office of Economic Adjustment, Dept. of Defense to perform work associated with the relocation of Marines to Guam. The original MOA allowed for this and GEDA received reimbursement for resultant costs. Currently, the Office of the Governor has received new federal grants to carry out the need for Professional Multi-Discipline Consulting Services for Research, Development, Planning and Implementation of Economic Development Initiatives and Opportunities associated with the Department of Defense Impact Task Orders approved by the Office of the Governor. The Office of the Governor desires that GEDA carry out this and future work, hence the need for the MOA. The MOA allows GEDA to utilize the services of its consultants, if necessary, and to receive reimbursement for associated costs.

### **Recommendation**

GEDA staff recommends that the Board of Directors authorize the CEO/Administrator to execute the Memorandum of Agreement (copy attached) with the Office of the Governor of Guam. The Board also authorizes the Administrator to execute Task Orders with its consultants should the need arise to utilize their services, provided that costs associated

with the use of consultants are reimbursed under the MOA. The GEDA Administrator shall periodically report to the Board on the nature and status of activities required under the MOA.

After further discussion, Director Chiu moved to approve the MOA with the Office of the Governor. Director Ramos seconded the motion. The motion was unanimously approved.

The next item under New Business was the Mid-Year Budget Review.

Ms. Mendiola stated that revenues are below by half-a-million from projected budget. This is due to GRMC Qualifying Certificate community contributions be directed out of GEDA to the Healthy Futures Fund.

Chairman John stated that GEDA needs to work with the Legislature to identify a revenue source for the agency. Furthermore, the board identified areas that GEDA can generate more funding.

Ms. Mendiola stated the GEDA is working to generate revenue and decrease shortfall by collecting from bond issuances, AT&T arrears, GWSA and GIAA bond fees. Travel budget reduced by \$20,000. Legal services budget reduced by \$25,000. Removed one professional services contract. Removed a software not being used. Total expenses are down.

The next item under New Business was the Organizational Charts.

Ms. Mendiola stated there were no changes in the Real Property Division. The Business Development Division was changed to Business & Economic Development Division with the addition of a Business & Economic Development Supervisor and with an Economic Development focus and Industry Development focus. In the Public Finance Division, the Finance Analyst II was unfunded. The Commerce and Economic Development Division was removed and remaining staff will be transferred to another division when CEDS grant ends. No changes to the Compliance Division. In the Administrative Services Division, an Administrative Services Supervisor position was created.

After further discussion, Director Chiu moved to approve the revised organizational chart. Director Hutapea seconded the motion. The motion was unanimously approved.

There was no further business discussed.

### ***Public Comments***

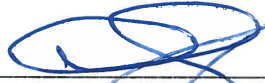
§10. The next item on the agenda was Public Comments.

Ms. Mendiola stated that a special meeting might be needed around June 18, 2019 specific to approving the purchase of the bond. The board noted that they would work to provide their availability. It was recommended to look into teleconferencing rules and regulations.

There was no further business discussed.

***Adjournment***

§11. After further discussion there was a recommendation to adjourn the meeting. On motion duly made by Director Ramos and seconded by Director Ramos at 11:11 a.m., the meeting was adjourned.



---

DAVID JOHN, Chairman  
Board of Directors

ATTEST:



---

GIA RAMOS, Board Secretary  
Board of Directors