

Austin Grant	GEDA
Larry Toves	GEDA
Claire Cruz	GEDA
Bernice Torres	GEDA
Edward Camacho	GEDA
Christina Garcia	GEDA
Diego Mendiola	GEDA
Matthew Baza	GEDA
Jennifer Calvo-Guzman	GEDA

Approval of Agenda

§4. The first item considered was approval of the agenda. Director George Chiu made the motion to approve the meeting agenda. Vice Chairman Ernesto Espaldon, Jr. added an amendment to include the Investment Committee report in the agenda and seconded the motion. The motion was unanimously approved.

Approval of Minutes

§5. The next item on the agenda was the Approval of Minutes from October 17, 2019. Director Chiu moved to approve the minutes. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

Chairman’s Remarks

§6. The next item on the agenda was Chairman’s Remarks.

Chairman David John informed all present that GEDA received the petition from the Attorney General regarding the legislature stating that in the previous administration, the legislature required its approval of all Qualifying Certificates. Chairman John added that QCs are more of a contractual piece rather than a legislature piece. Furthermore, he stated that the Attorney General’s opinion is that the legislature has no authority to negotiate, review, or approve Executive branch contracts. In addition, Chairman John indicated that the provision of General Budget Appropriations Act of 2020 requiring legislative approval of first-time Qualifying Certificate applications and contracts is “inorganic and unenforceable.” Chairman John then stated that GEDA will continue issuing QCs directly with companies and with new QCs like Hotel QCs, Health Insurance QCs, and Captive and Renewables, GEDA will seek the legislature for advice and discussion and move forward with GEDA BOD approval.

Secondly, Chairman John then informed attendees that there are currently 1,100-1,200 H2B workers on island correlating to 100% of approvals related to the NDAA to include the Tsubaki Towers and Route 3 NCS Road. Furthermore, he mentioned that there are positive movements and will have discussions with appropriate parties hopefully leading to H2B presence outside the fence.

Thirdly, Chairman John stated that the BOD would be asked to continue the Special Hotel Qualifying Certificate program. Program was established five years ago and is designed to encourage companies to boost the hotel industry by building 2,000 hotel rooms.

Next, Chairman John announced that GEDA successfully sold the Guam International Airport Authority's Bonds further stating that it was oversubscribed showing commitments to the markets and our economy. Guam Power Authority ratings with Fitch went well via telephone. GEDA will be working with Government agencies to update the Standard Operating Procedures (SOP) for travel related to bonds. Further stating that relationships have been established with investors and rating agencies; therefore limiting the amount of personnel traveling. Will seek Board approval for updated SOP.

Lastly, Chairman John mentioned that GEDA received 28 applications for the Qualifying Certificate Community Contribution Grant Program. Committee will be reviewing applications and bring to the Board at the next meeting.

Chairman John congratulated Mr. Ricky Hernandez on his marriage and thanked and wished the BOD and GEDA Team a Happy New Year.

There were no further remarks.

CEO/Administrator's Remarks

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

CEO/Administrator Melanie Mendiola thanked the Board for their engagement and getting committees operational. She recognized the BOD for their work throughout the year.

Ms. Mendiola continued her remarks and stated that efforts continue in diversifying our economy in agriculture and aquaculture with the Governor's initiatives informing all present that GEDA recently gave the Farmer's Co-Op a \$25,000 Agriculture Development Fund loan to get their store front running. Additionally, Ms. Mendiola mentioned produce delivery from local farmers into schools, namely Okkodo High School, has begun. In Aquaculture, Ms. Mendiola stated that the University of Guam finalized their lease with the Guam Aquaculture Development and Training Center, a multimillion-dollar initiative to be a supplier of shrimp to our island and aquaculture farmers on island and abroad. Furthermore, she stated that GEDA presented to visitor industry professionals at the Micronesian Cruise Association (MCA) meeting and with the Governor's executive order, MCA is reinvigorating with assistance from GVB and GEDA. Committee Reports have detailed information.

In addition, Ms. Mendiola stated that GEDA has been busy with other initiatives such as the telecom technology, applying for grants, EPA grants for environmental work, and the pilot of the Qualifying Certificate Community Contribution Grant Program, which received 28 applications and will be reviewed this month. Furthermore, she indicated that the one motion on the agenda is a request to extend the Special Hotel QCs in order to meet the 1,600 hotel room mark. Moreover, the Governor has asked GEDA to assist

with the Capital Improvement Planning Project to address building a new hospital, the need for Public Health, and other government CIPs.

Furthermore, Ms. Mendiola asked the BOD for their thoughts for the schedule of 2020 board meetings to be held on the third Thursday of every month adding that GEDA is also looking into purchasing new equipment to provide improved video conferencing capabilities. Mr. Ricky Hernandez clarified that according to the Rules and Regulations passed by the BOD, a 24-hour request must be given to CEO/Administrator or Deputy Administrator if member will be traveling adding that all parties must be able to see and hear everyone. Director Ramos stated that teleconferencing is another mean to generate revenue by leasing out space for teleconferencing. After some discussion, Mr. Hernandez indicated that the 24-hour request can be addressed and adjusted at the next meeting.

That concluded the remarks from the CEO/Administrator.

Communications

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

Mr. Austin Grant gave BOD a "GEDA in the Media" report. GEDA received a letter from the University of Guam's thanking the agency for their support and contribution for StartUp Weekend 2019. Additionally, he reported that from October 17, 2019 to date, there have been 27 publications; of those, four were Radio/Talk Show Interviews regarding the QC Grant Program which received considerable downloads and interest. Mr. Grant added that coverage mainly pertained to the Special Hotel QCs in addition to the Guam Film Office, the Legislature's Appropriation's Act, and Ms. Mendiola's speaking engagement at the Bank of Guam's Economic Forum.

There were no further remarks.

Committee Reports

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

INVESTMENT COMMITTEE

Vice Chairman Ernesto Espaldon, Jr. reported.

Vice Chairman Espaldon gave an update on GEDA's financial performance for the 3rd Quarter as of September 30, 2019 informing all present that the GEDA portfolio earned 1.09%. Moreover, Vice Chairman Espaldon stated it is a modest gain given the economic environment and the Geo-political scene during the 3rd quarter compared to 1.19% for the S&P and -.09% for NASDAQ. He stated that during the 3rd quarter, the Federal Reserve cut rates (10-year yields down), there was a yield inversion of the curve, and a rise in volume of the US/China trade talks. Vice Chairman Espaldon noted that a number of stocks tanked during August and recovered in September. Furthermore, he stated that GEDA's funds Year-to-Date as September

30, 2019, are up 15.35%, well within the investment policy guidelines as to what the target return should be. Lastly, Vice Chairman Espaldon expressed that GEDA looks forward to positive results for the 4th quarter and will report the numbers beginning of 2020.

No further comments made.

REAL PROPERTY COMMITTEE

Director Hutapea referred to Mr. Larry Toves, Real Property Division (RPD) Manager to give report.

Mr. Toves highlighted three main items of interest:

- (1) **Military Affairs/Excess Federal Lands** – Mr. Toves stated that Governor Leon Guerrero sent a letter in July to the Secretary of the Navy indicating her preference as to parcels of property that Navy has indicated as excess under the NDAA. RPD has confirmed and added additional parcels to the report, and the Governor submitted letter to SECNAV. Secretary acknowledged letter/report and is under the review by Joint Land Use Committee. RPD staff met with Navy personnel over the last few months. Pursuant to the law, the Navy is required to respond to the Governor by February 4, 2020. Furthermore, Mr. Toves mentioned that they anticipate that the local command will meet with the Governor prior to that date to address any comments or issues identifying that the request is to return almost 2,600 acres of property and 17,000 acres of submerged land to the Government of Guam. Mr. Toves noted that GEDA is aggressively working with the Navy to ensure that requested lands are returned to the Government of Guam.
- (2) **Chamorro Land Trust Commission (CLTC)** – Mr. Toves reiterated to all present that a Memorandum of Agreement with the CLTC is in place to provide property management services to commercially lease out and develop on their behalf. Furthermore, Mr. Toves stated that on December 19, 2019, GEDA presented drafts of Request for Proposals (RFP) to the commission for three properties: (i) Lot 5075-REM-A-NEW-R1 (1.9 acres – Behind East West Business Center, Upper Tumon), (ii) Lot 7054-RS (11.9 acres located adjacent to Yigo Gym), and (iii) Tract 111, Lot 12 (0.6 acres located across Proa Restaurant in Tumon). Mr. Toves noted that final drafts of RFPs are ready to submit to the commission for approval. Once approved, GEDA will issue the public notices for properties generating revenue for the commission and 14% for GEDA's management services.
- (3) **Hesler Building** – Mr. Toves referred to Management to discuss. Mr. Ricky Hernandez stated that the Hesler Building is a leasehold interest purchased by the Government of Guam through a Department of Interior grant, 1.5 million dollars plus a one million dollar grant for the purchase of leasehold interest plus renovations to be completed by the leasehold interest owner. Various Government of Guam agencies will move into the building. Director of BBMR has been interviewed in prior news coverage and was the point of contact. Mr. Hernandez noted that GEDA's involvement is not known at this time and that a Memorandum of Agreement (MOA) is being drafted between the director of DOA and GEDA to determine the responsibilities of the respective agencies. No approval needed by the BOD at this time.

No further comments made.

Recommendations:

- RPD continues to work with the local Navy in identifying Federal Lands for return to the Government of Guam for economic development.
- RPD will issue public notices advertising CLTC RFPs as soon as they are approved by the CLTC.

H-2B VISA COMMITTEE

Director Fe Valencia-Ovalles referred to Ed Camacho, Business and Economic Development (BEDD) Manager to give report.

Mr. Camacho reported that as of December 18, 2019, there are 1,219 H-2B visa workers currently on Guam and 2,131 USCIS filings, of those 1,850 petitions have been approved. He also stated that the USCIS are approving petitions 100% because the Department of Labor is tying those applications to the NDAA buildup noting that there are zero declinations of any H-2B positions. Furthermore, Mr. Camacho mentioned that on December 12, 2019, the District Court denied holding the USCIS in contempt for refusing to approve H-2B petitions because the USCIS haven't denied any H-2B visas in the last 18 months. He also stated that it's a quiet resolution, however there's still a ban on H-2B workers from the Philippines to the United States.

Mr. Hernandez added that the ban on Philippines has an NDAA exemption for H-2B workers related to military realignment projects. Ms. Mendiola mentioned that GEDA would like to meet with the Governor and the Admiral to clarify what "NDAA related" means to understand what's "NDAA related" in hopes to advocate for the development outside the fence. After some discussion, Mr. Hernandez reiterated that the 100% approvals are all related to the NDAA exemption further stating that some residential homes or apartments have been approved on a case-by-case basis related to the NDAA exemptions.

No further comments made.

Recommendations:

- Committee will continue to work with the Guam Department of Labor and Chief Advisor Carl Gutierrez to resolve the H2 issue and monitor and report updates on the class action suit filed against USCIS by the Guam Contractors Association and 11 other companies.

ASSISTED LIVING COMMITTEE

Director Gia referred to Diego Mendiola, Real Property Assistant Manager to give report.

Mr. Mendiola stated that GEDA has been performing research on Residential Care Facility for the Elderly (RCFE). Through research, GEDA determined that it is separate from Nursing Homes. Existing public laws allow for Nursing Homes to be established and licensed by Public Health but there is no mention of Residential Care Facilities. He further stated that the intention is to research rules and regulations governing those facilities in Hawaii and California and model their regulations. Additionally, he mentioned that the committee is also looking into what insurance companies and programs, such as the Medically Indigent Program (MIP) will cover but that all insurances (to include Medicaid and MIP) have limited services on a limited basis.

Mr. Diego noted that once the research is completed, GEDA will bring the findings to Senator Therese Terlaje and is hopeful to garner support. Director Ramos added that Medicaid is expanding, increasing funding to Guam, and is looking to fund the Micronesian Islands as well adding that Medicaid is mainly federally funded. Furthermore, she said there's a need to work with Public Health to draft legislative bill and present to the Legislature. After some discussion, Director Ramos thanked Mr. Mendiola for his work thus far.

No further comments made.

Recommendations:

- Committee will meet with Dr. Roseann Jones to discuss results of feasibility Study and will meet with Dr. Akimoto to discuss Magas Patriot Group's efforts.
- Committee will draft legislation to allow for RCFE and lobby for support.
- Committee will continue research on increasing Medicaid Coverage in State Plan and expand MIP coverage for Intermediate Care and RCFE.

TELECOMMUNICATIONS COMMITTEE – Submitted as written

Central Issue: GEDA is identifying concrete opportunities to encourage the growth of the telecommunications and technology industry in Guam through the following projects: 1) Guam Silicon Village Park - a technology park that would provide a central location for the clustering of a high-tech industry; 2) High Tech Workforce Development - programs to support training for higher level paying jobs; and 3) Technology Entrepreneurship - creating opportunities for tertiary industries, jobs, and services to support the tech industry.

Key Meetings: Melvin Tabilas, GEDA's Industry Development Specialist:

- Attended the Guam Registered Apprenticeship Forum hosted by the Guam Department of Labor.
- Met with UOG regarding their plans to support a local technology industry.
- Met with the U.S. Department of Commerce to discuss potential opportunities to support GEDA's technology-related initiatives.

Other News and Updates:

- Two potential sites for the Guam Silicon Village Park may no longer be feasible – the ownership of the former FAA housing site is in contention and an RFP will soon be announced on the Andy South property for lease of land.
- DOL workforce development grants identified but require GEDA to collaborate with public/private entities and UOG as a potential lead applicant.
- Additional tech-related grants being tracked for upcoming FY2020 announcements.

Action Items:

- Meetings planned with GCC, Guam Registered Apprenticeship Program, and Docomo regarding tech workforce development.
- Meeting planned with the Pacific Islands Small Business Development Center Network regarding tech entrepreneurship initiatives.

- Identify potential grant funding for technology workforce development initiatives.

SMALL CRUISE SHIP INDUSTRY COMMITTEE – Submitted as written

Central Issue: GEDA has been engaged in long term research and study to potentially establish Guam as a homeport for a cruise ship. In 2016, the government of Guam received from the Pacific Asia Travel Association (PATA) a report that indicates that Guam may be a ripe location to homeport a cruise ship of no more than 400 passengers. The government has received a grant to refurbish Hotel Wharf at the Commercial Port to accommodate a cruise ship and Governor Leon Guerrero issued EO 2019-17 to form a working group to determine a strategy.

Key Meetings: Dec 6: Micronesian Cruise Association held its first meeting with GEDA, GVB, PAG and other regional stakeholders. MCA Gerry Perez asked the group if MCA should be re-established since it has been inactive for several years and the group voted unanimous to continue MCA. The Next MCA meeting is scheduled for April 2020 during the PATA meeting in Pohnpei.

Other News and Updates:

- Oct 9-11: GEDA attended the 2019 Seatrade Asia Pacific Cruise Conference in Shanghai | In line with the administration's priority to develop a small cruise line homeport for Guam to service Micronesia, the Guam delegation attended the annual Seatrade Asia Pacific Cruise Conference in Shanghai at the Delta Hotel by Marriott. The purpose for attending was to meet industry leaders and their groups to establish a network of support and interest to help Guam with its initiative.

The conference attracted over 1,000 participants with many of which were top group executives and leaders of some of the global brands such as Carnival, Princess Cruises, Genting Cruises, and Mediterranean Shipping Company (MSC) among others. The conference enabled the Guam delegation to meet and network with key groups and organizations to consider our island and its region as a potential location to do business in. While their focus has been developing the rapidly growing China market, they all agree finding new destinations and products to offer their clientele is surely a priority as a common denominator.

Action Items:

- GEDA is developing an RFP for professional services to assist with creating of a comprehensive implementation strategy. RFP will be circulated for review before the end of October. This is still pending.
- GEDA has a working file completed by potential island port calls. This serves as a foundation for working groups in the respective island nations for planning and preparations.

AGRICULTURE COMMITTEE – Submitted as written

Central Issue: Guam is highly dependent upon the import of agriculture products, and efforts must be taken to grow and develop the local farming industry to become more sustainable and ultimately reduce imports.

GEDA initiatives:

1. Expand and build agriculture assets
2. Workforce development
3. Private investment initiatives

Key Meetings: Since April this year, GEDA has been meeting regularly with relevant parties to identify issues and action items to achieve a more sustainable industry. Engaged parties include representatives from GEDA, GDOE, DoAG, Guam EPA, and local farmers.

Other News and Updates:

- The first Purchase Order for the Farm to Cafeteria program to provide locally grown farm products to GDOE was issued to Farm to Table for \$30K. The program will supply produce to Okkodo High once a week throughout FY2020.
- The Farmer's Cooperative store will open in early 2020 with the assistance through a GEDA loan and QC Community Contribution grant.
- Trip Report: October 2019 - GEDA attended the National Direct Agriculture Marketing Summit in Rosemont, Illinois. The summit focused on networking opportunities, direct to consumer markets, local food systems and value-added technical assistance. The information learned will assist GEDA's initiative to grow and develop a sustainable agriculture industry.

Action Items:

- GEDA will submit an EDA grant by January 2020 to finance improvements for "Green Market Facilities" in Agat, Mangilao and Sinajana.
- Draft legislation to allow agriculture/aquaculture producers to partner with businesses to avail of the Guam Registered Apprenticeship Program (GRAP) tax benefits.
- Explore initiatives to develop an agriculture incubator program and the creation of an agriculture master plan.

AQUACULTURE COMMITTEE – Submitted as written

Central Issue: Guam needs to develop an Aquaculture industry to become more sustainable and less reliant on imports.

GEDA initiatives:

1. Help establish a process and pathway forward with regulatory agencies
2. Workforce development
3. Private investment initiatives
4. Expand and build aquaculture assets

Key Meetings:

- Aug-Oct 2019: GEDA has been meeting with task force members to identify issues and concerns, as well as assign sub-committee chairs.
- Dec. 2019, GEDA met with AICI Corp., a Taiwan Company, looking to acquire land in Agat, adjacent to Namo River, to develop a shrimp farm. The company will again visit Guam in January 2020 to negotiate the purchase of the property.

Other News and Updates:

- Governor LG issues EO No. 2019-12 creating the Aquaculture Task Force with DoAG, GEDA, UOG, GCC, GDOE, GEPA and any other stakeholder or partner as necessary.
- GEDA and DoAG co-chair the task force
- UOG lease of their Hatchery Facility will be presented to their board for consideration and possible signing on Dec. 20, 2019.

Action Items:

- Draft legislation to allow agriculture/aquaculture producers to partner with businesses to avail of the Guam Registered Apprenticeship Program (GRAP) tax benefits.

There were no further Committee Reports.

Old Business

§10. The next item on the agenda was Old Business. The item under Old Business was the Qualifying Certificate Community Contribution Grant Program update. Update given in CEO/Administrator's remarks.

There was no other business.

New Business

§11. The next item on the agenda was New Business. The first item under New Business was the Special Hotel Qualifying Certificate.

Ms. Mendiola requested the Board to extend the Special Hotel Qualifying Certificate application period for an additional two (2) years pursuant to the QC Law. Public Law 32-233 provides the "Sunset" Provision and extension requirements. Law was to incentivize to build 1,600 hotel rooms. Ms. Mendiola mentioned that 340 rooms are under construction and 500 rooms may begin construction in 2020 and further stated that GEDA would like to apply for an extension. She noted that actions taken related to the request include, a letter to legislature to seek input with formal inquiries from Senator Terlaje in which GEDA responded, GEDA also met with the oversight Chairman of Committee on Economic Development, Senator Clynt Ridgell, and have received no objections from the legislatures thus far. Furthermore, Ms. Mendiola indicated that GEDA obtained visitor industry input noting letters of support from the Guam Visitor's Bureau on November 20, 2019 and from the Guam Chamber of Commerce on December 9, 2019. Additionally, GEDA met with the Governor Leon Guerrero, and she hasn't expressed any objection. Furthermore, Ms. Mendiola stated that a

public hearing was held on December 12, 2019 at GEDA. As per the Open Government law, notices were advertised on the Guam Daily Post on December 4, 2019 and on December 10, 2019 noting that there were no members of the public present.

Ms. Mendiola then requested for approval of Resolution 20-03, adopting the extension of the Special Hotel Qualifying Certificate for two (2) years.

Vice Chairman Espaldon inquired about Senator Terlaje's questions. Mr. Ed Camacho explained that Senator Terlaje's questions related to the interest in the program, how decisions are made, and Community Contributions. He further stated that there have been two (2) QCs approved to include Tsubaki Hotel and one delayed until next year (behind Acanta Mall). He also noted that Senator Terlaje needed clarification but that she didn't have much concerns. Chairman John added that the manner the QC law is written, it's very clear that the intent is have QC recipients become full tax paying citizens five (5) or six (6) years down the line and further stated that the Special Hotel QC Program is a means to help recipients reduce financing cost and make the investment more attractive. Mr. Camacho added that QC benefits are defined. Chairman John noted that without extending the current Special Hotel Qualifying Certificate, GEDA would have to redraft legislation and current law will not be in effect.

After further discussion, Director Hutapea moved to approve the extension of the Special Hotel QC for two years. Director Valencia-Ovalles seconded the motion. All were in favor.

For clarification, Ms. Mendiola then formally requested motion to adopt Resolution 20-03 as presented.

Director Hutapea moved to adopt Resolution 20-03, which formally extends the Special Hotel QC program for two years. Director Valencia-Ovalles seconded the motion. The motion was unanimously approved.

There was no further business discussed.

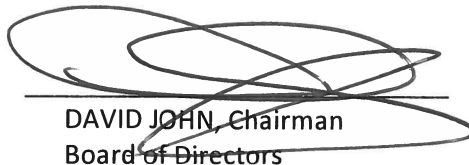
Public Comments

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

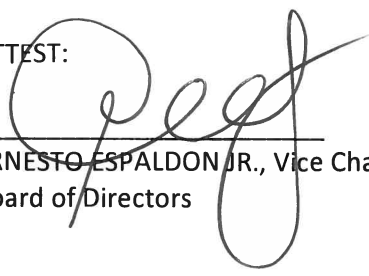
No public comments were made.

Adjournment

§13. After further discussion there was a recommendation to adjourn the meeting. On motion duly made by Director Chiu and seconded by Vice Chairman Espaldon at 11:15 a.m., the meeting was adjourned.


DAVID JOHN, Chairman
Board of Directors

ATTEST:


ERNESTO ESPALDON JR., Vice Chairman
Board of Directors