

Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
February 20, 2020

Call to Order

- §1. The regular meeting of the Board of Directors of the Guam Economic Development Authority (hereafter referred to as "GEDA" or the "Authority") was held on Thursday, February 20, 2020 at 1:30 p.m. at the Guam Economic Development Authority Conference Room, 5th Floor, Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman David John to begin discussions of agenda items.

Inifresi

- §2. GEDA Board of Directors and all others in attendance recited to *Inifresi*.

Quorum and Attendance

- §3. Roll Call. As determined by the roll call made by Chairman David John, the following individuals were present:

<i>Directors:</i>	<i>Offices or Positions:</i>
David John	Chairman
Ernesto Espaldon, Jr.	Vice Chairman
Gia Ramos	Director
Siska Hutapea	Director
Fe Valencia-Ovalles	Director
Melanie Mendiola	CEO/Administrator
Artemio Hernandez	Deputy Administrator
Terrence Brooks	Legal Counsel

Also in attendance were:

Ed Camacho	GEDA
Claire Cruz	GEDA
Bernice Torres	GEDA
Larry Toves	GEDA
Antoinette Leon Guerrero	GEDA
Diego Mendiola	GEDA
Austin Grant	GEDA
Jha'Aunie Leon Guerrero	GEDA

Approval of Agenda

- §4. The first item considered was approval of the agenda. Director Fe Valencia-Ovalles made a motion to approve the meeting agenda. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

Approval of Minutes

- §5. The next item on the agenda was the approval of the board meeting minutes from January 23, 2020. Vice Chairman Ernesto Espaldon requested a correction be made to the January 23, 2020 board meeting minutes within the Investment Committee section under Committee Reports. Minutes currently states *"GEDA is on the mature side of the business cycle..."* and should be changed to *"We are on the mature side of the business cycle for both the United States and various global economies. No changes of the interest rates have been reported as if yet."*

Director Siska Hutapea made a motion to approve the January 23, 2020 board meeting minutes with the changes requested by Vice Chairman Espaldon. Director Fe Valencia-Ovalles 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 stated that GEDA has had a busy month to include focusing on the return of investments on numerous projects in the finance area. Investment allocations continue for both GEDA's investments as well as bringing on other agencies in the bond monies, in the TCDs and regulated deposited accounts. GEDA is also looking at ways to ensure optimizing the rate return and ensuring to balance this with the cash reserve requirements. Chairman John thanked the committee on their work and stated that RFPs will be issued soon.

Secondly, Chairman John reported that GEDA has been tasked to seek ways to optimize taxpayers' assets. One project will include working with the airport on public-private partnership options. Negotiations for a Memorandum of Understanding to attain a consultant are currently ongoing. GEDA will assist with looking for options as far as airport operations, maximize tax-holder value and seeking the ability to bringing money off-campus to assist with the Governor's initiative projects to include but not limited to assisting the hospital. More information will be forthcoming and will be shared.

Thirdly, Chairman John noted that GEDA was made aware that Guam Memorial Hospital may need Twenty One Million Dollars (\$21,000,000.00) in repairs, which is dependent on whether a new hospital will be built or not. If a new hospital will not be built, an evaluation of the existing hospital will need to be done to ensure the structure is safe for the next three or more years. GEDA will assist with seeking options for funding.



Next, Chairman John stated that with regards to the H2B issue, the Deputy Director of USCIS visited Guam. A request was made by USCIS Deputy Director to GEDA for additional data, which GEDA provided. Chairman John thanked all who assisted.

Then, Chairman John recapped that at the January 2020 Board Meeting, the board agreed for GEDA to proceed with the proposed lease bill. The proposed bill has been transmitted to Senator Ridgell. More details will be provided by Deputy Administrator Ricky Hernandez later in today's board meeting.

Chairman John reported that the Corona virus is affecting the tourism industry. GEDA has been asked to assist with the agencies and correspond with the bond investors to inform all that Guam is tracking the situation and will stay on top of the issue.

Chairman John noted that the committee reports for today's meeting are included in the board packets. Chairman John thanked all the board members for their continued engagement and involvement.

Lastly, Chairman John noted that GEDA RPD Manager, Larry Toves, will be retiring and today will be his last board meeting. Chairman John thanked Mr. Toves for his service before ending his remarks.

Chairman John then opened the floor to Director Siska Hutapea.

Director Hutapea commended Mr. Toves on his service. Director Hutapea then stated that she is on the board of the Chamber of Commerce. She noted that the hotel industry shared their concern about the cancellations as an effect of the Corona virus. Fortunately, the current military visit is currently filling that void. Director Hutapea is seeking GEDA to assist with coming up with preventative steps to help with the Corona virus situation.

Director Gia Ramos noted that other airports do a thermal scan of travelers. Director Ramos asked if GEDA can make a recommendation to the airport to do the same.

Chairman David John stated that a recommendation has already been made to the airport obtain a thermal scanner, however it is still being decided on where the funding would come from, whether it would be the airport or Guam Visitors Bureau. Chairman John suggested that GEDA make a recommendation to the Governor to use emergency procurement to purchase a thermal scanner. The board also agreed to recommend to the Governor to create a task force to deal with the Corona virus issue. GEDA staff will proceed with recommendations and will contact the Governor's Office.

This concluded the report for the Chairman's remarks.



CEO/Administrator's Remarks

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

CEO/Administrator Melanie Mendiola reported that the GEDA finance committee has been working hard and sometimes early hours to participate in online webinars regarding investment management in hopes to get the highest return on all of GovGuam's cash reserves without sacrificing cash flow needs. Ms. Mendiola stated that GEDA has been assisting several GovGuam agencies and that our partnerships continue to stay strong.

Secondly, Ms. Mendiola noted that while she was in Hawaii, she met with the Hawaii Lieutenant Governor's Chief of Staff, Brook Wilson. Ms. Mendiola will also be meeting with the Chief of Staff for Governor Ige to discuss approaches taken by Hawaii with regards to their economy and tourism.

Ms. Mendiola then spoke about a tobacco stamp program. This program can be found throughout the United States. Ms. Mendiola noted that in Hawaii, the local banks are the administrators for the tobacco stamp program and GEDA hopes to use some of their information to try create a similar program on Guam.

Ms. Mendiola stated that she attended the Aquaculture America Conference and has gained great knowledge of the aquaculture industry. Ms. Mendiola recapped that GEDA issued a Guam Product Seal to Core Seed Aquaculture Guam, a hatchery project, which has been growing shrimp that is now available to eat at the Hyatt Guam.

Lastly, Ms. Mendiola stated that GEDA has completed the scoring of the Qualifying Certificate Community Contribution Grant Program applications. Results will be shared later in today's meeting for the board's approval.

This concluded the remarks from Ms. Mendiola, CEO/Administrator.

Before moving on to the next item on the agenda, Chairman David John indicated that he had discussions with the Guam Chambers with regards to changing the GRT to a sales tax. However, Chairman John reported that this isn't possible at this time as the GRT's are currently encumbered by bonds. It will require a few more years before this can happen. A proposal to tax goods from internet sales will also be proposed. Chairman John noted that Deputy Administrator Ricky Hernandez is currently working on a drafting a bill. Discussion with the board followed before this item was concluded.



Communications

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

Mr. Austin Grant, GEDA Special Projects Coordinator, reported that GEDA was featured in about ten articles, most of which was regarding the Qualifying Certificate Community Contribution Grant Program. Mr. Grant also shared that CEO/Administrator Mendiola conducted an interview with Pacific News Center (PNC) regarding Guam Memorial Hospital's financing and interview was aired last night.

This concluded the Communications report.

Committee Reports

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

Real Property Committee:

Mr. Larry Toves, GEDA Real Property Division Manager, reported that the Real Property Division (RPD) has had a couple of meetings with the CHamoru Land Trust Commission (CLTC) and the Guam Ancestral Lands Commission (GALC).

Mr. Toves noted that RPD, on behalf of CLTC, has issued two Request for Proposals for properties. The first parcel is located across Proa in Tumon, which is designated as a Hotel Zone and is within the Qualified Opportunity Zone. The other parcel is located behind Yigo Gym which is designated as an Agriculture Zone. A third RFP to be issued on behalf of CLTC is located behind Nissan Motors in Upper Tumon. This lot is R2 Zoned. RPD will also issue RFPs for two other parcels later—one across GAIN in Yigo and the other at Oka Point property in Tumon. CLTC requested that additional research be done before RFPs are issued for these properties.

Next, Mr. Toves reported that RPD will issuing an Invitation for Bids, on behalf of GALC, for the roof repair of Guam Environmental Protection Agency's Operation Building in Tiyan. This property is one of those managed by RPD through the MOA with GALC.

Following, Mr. Toves reported that with regards to the return of excess federal lands, GEDA is currently working with the secretary of the Navy on this item. The Navy has requested an extension to respond to the letter of the Governor. All updates will be shared with the board.

Lastly, Mr. Toves stated that GEDA is currently managing two grants on behalf of the Office of the Governor through a Memorandum of Agreement. One grant is to update the Financial Impact Assessment Study from 2010. The other grant, for Grants Management Capacity Building, will allow for grants management trainings to GovGuam agencies. Trainings are tentatively scheduled for March 16-31 and are proposed to be one-week sessions.

This concluded the report from Mr. Larry Toves.



H2B Visa Committee:

Director Fe Valencia-Ovalles informed the Board that GEDA met with Mr. Greg Massey of Guam Department of Labor (GDOL). She then yielded the floor to Mr. Ed Camacho to continue the report.

Mr. Camacho reported that as of February 16, 2020, there have been 2,529 positions all related to NDAA filings— of this number, 2,479 positions have been approved and 1,266 positions are on ground on Guam. Last month, ten H2B petitions out of Mexico were reported, however there has not been an arrival to Guam since report.

Deputy Director Ricky Hernandez added that Mr. Greg Massey of GDOL reached out to GEDA for data as needed to provide to the Joint Region Marianas in their discussions with USCIS to understand the impacts of the lack of H2B workers on Guam. GEDA management and staff successfully provided a report in response to DOL's request. Work with USCIS is still ongoing and all updates will be provided to the board.

This concluded the report for the Investment Committee.

Other Committee Reports:

Chairman John stated that with regards to the other committee report— Telecommunications, Small Cruise Ship Industry and Agriculture, no presentations will be given during today's meeting. Although Chairman John did inform the board that the reports for these respective committees can be found within the board packet binders.

Aquaculture Committee:

CEO/Administrator Melanie Mendiola reiterated that at the January 2020 GEDA Board Meeting, the board agreed for GEDA staff to prepare a draft leasing bill to build on the aquaculture and agriculture industries. GEDA is working with Guam Department of Labor and Department of Revenue and Tax on the draft bill. Ms. Mendiola finished with her updates on this item and noted that no motion was needed.

This concluded the discussions for the Committee Reports.

Old Business

§10. The next item on the agenda was Old Business.

Qualifying Certificate Community Contribution Grant Program Update:

CEO/Administrator Melanie Mendiola recapped that GEDA received 29 applications for the QCCC Grant Program. All applications were evaluated by a committee comprised of the GEDA CEO/Administrator, GEDA Deputy Administrator, a GEDA manager, a GEDA Board of Director, a



member of the general public, and a member of the Guam Regional Medical Center team. Each evaluation member completed their evaluations individually. Evaluation scores were then submitted to the GEDA Compliance Division to compile.

As a results of the evaluations of the QCCC Grant Program applications, the top 5 applications are:

- 1) University of Guam Press for Mañe'lon i Mantitige' Writers Workshop
- 2) WestCare Pacific Islands, Inc. for Uplift Counseling Services
- 3) Inafa'Maolek Conciliation for Peace Circles/Peer Mediation Project
- 4) Judiciary of Guam for FY2020 Judiciary of Guam QC Program for Public Safety
- 5) University of Guam for UOG Annex A – Interior Improvement

The total amount recommended for awards is Two Hundred Nineteen Thousand, Eight Hundred Seventy-Four Dollars (\$219,874). Eighty Thousand Dollars (\$80,000) is the remaining available grant funding which will be awarded to the other applicants based on a second-tier evaluation.

Ms. Mendiola informed the board that GEDA management and staff intend to have another QCCC Grant Program in May 2020. Applicants whom were not awarded this round will be encouraged to re-submit their application for the next grant application cycle.

Chairman David John requested from the board of directors a motion to approve the grant awards as presented under Old Business regarding QCCC Grant Program Updates and to authorize the GEDA CEO/Administrator to award the remaining Eighty Thousand Dollars (\$80,000) to as many applicants as possible. Director Fe Valencia-Ovalles moved to make the motion as stated by Chairman John. Vice Chairman Ernesto Espaldon then recused himself from voting on the motion as he has an affiliation with an applicant. Director Gia Ramos followed with a second to the motion made. The motioned unanimously passed.

Resolution No. 20-05 Relative to Setting Recommendation Parameters with Regard to the Issuance of Qualifying Certificates to Domestic Health Insurance Companies:

Chairman David John recapped that at the January 2020 Board Meeting, Resolution No. 20-05 was presented to the board. Discussions followed as the board recapped this item. A motion was then made by Vice Chairman Ernesto Espaldon to adopt Resolution No. 20-05. The motion was seconded by Director Fe Valencia-Ovalles and was unanimously approved.

This concluded the reports under the Old Business items.

New Business

§11. The next item on the agenda was New Business.

Resolution No. 20-07 Approving the Issuance and Sale of Guam Waterworks Authority Revenue Bonds and/or Refunding Bonds and Approving and Authorizing the Execution of Related Documents, Agreements, and Actions:



CEO/Administrator Melanie Mendiola stated that Guam Waterworks Authority will be going out for financing for an aggregate amount of One Hundred Thirty-Four Million Dollars (\$134,000,000), which has been authorized by Legislation. Ms. Mendiola identified that an approval to adopt Resolution No. 20-07 is needed from the board. Discussions on this item followed.

A motion was made by Director Fe Valencia-Ovalles to approve Resolution 20-07 regarding the Issuance and Sale of Guam Waterworks Authority Revenue Bonds and/or Refunding Bonds. Director Gia Ramos seconded the motion. The motion was unanimously approved.

Memorandum of Agreement between GEDA and University of Guam – Guam Small Business Development Center:

CEO/Administrator Melanie Mendiola reported that GEDA is in receipt of a State Trade and Expansion Program (STEP) Grant, a federal grant program that helps Guam Product Seal Holders, in addition to other upstart businesses, in ways to include exporting their goods and attending trade shows and other activities. This MOA is a partnership wherein SBDC will be compensated from STEP grant funds for classes, trainings and workshops offered to these businesses. Nothing further was discussed.

Vice Chairman Ernesto Espaldon inquired from the board, a motion to approve the Memorandum of Agreement. Director Siska Hutapea moved to approve the motion. Director Fe Valencia-Ovalles seconded the motion. A unanimous approval then followed.

Memorandum of Understanding between the Government of Guam's Office of Civil Defense and Guam Economic Development Authority (Implementing Online Business License Application Processing):

Deputy Administrator Ricky Hernandez directed to the board to the report in the board packets that give a history of the MOU being presented for approval. Mr. Hernandez reported that in March 2017, the Guam Homeland Security, Office of Civil Defense applied for a Department of Interior Office of Insular Affairs Technical Assistance Program (TAP) Grant. A grant award was approved in the amount of One Hundred Twenty-Seven Thousand Dollar (\$127,000). The start date for this grant was June 2017 and the end date being September 30, 2020. The grant project was to create an automated business license and permit center software/system. Mr. Hernandez stated that the grant funding has been with Guam Homeland Security since award. A request was made in January 2020 for GEDA's assistance to procure this type of software/system.

The draft MOU was provided to the board members in their board packets for review. Mr. Hernandez noted that GEDA will not be paid under this MOU, however, GEDA agreed to assist as this project will achieve GEDA's mission towards a more efficient business license and permitting process for businesses. Discussions followed.



Then, Mr. Hernandez made a suggestion for a motion to approve the MOU between GEDA and the Office of Civil Defense, subject to final legal review, and to allow the GEDA CEO/Administrator to make adjustments as deemed necessary. Director Fe Valencia-Ovalles moved to approve the motion and Director Gia Ramos seconded the motion. The motion was then unanimously approved.

Before moving on to the next agenda item, Vice Chairman Ernesto Espaldon requested that the GEDA management and staff provide any/all updates on this MOU to the board. Mr. Hernandez concurred.

Approval of Rules and Regulations of the Guam Economic Development Authority on the Issuance of Travel Related Tax Credits:

CEO/Administrator Melanie Mendiola reported that on February 5, 2020, Public Law 35-62 was passed. With that, GEDA has updated the rules and regulations related to travel in following the Federal Travel Regulations. The board then reviewed the proposed rules and regulations. No questions were raised.

A motion was then made by Director Siska Hutapea to approve the Rules and Regulations of GEDA on the Issuance of Travel Related Tax Credits. Motion was seconded by Director Gia Ramos and was followed by a unanimous approval.

Approval of Updated Accountable Officers:

CEO/Administrator Melanie Mendiola made a recommendation to the board to approve the update list of authorized GEDA staff for document approvals, certifying officers, check signers, and investment account signers. This updated list is to always ensure someone is available when needed.

Director Siska Hutapea moved to approve the updated list of accountable officers, which was seconded by Director Fe Valencia-Ovalles. This item was unanimously approved and was passed.

Chairman David John then requested for a motion to recess before the next item, Resolution No. 20-08, was presented. Director Siska Hutapea move to approve the motion requested by Chairman John. Director Fe Valencia-Ovalles seconded the motion. The motion unanimously passed. The board recessed at 3:15 p.m. The meeting then resumed at 3:20 p.m.

Resolution No. 20-08 Relative to Commending Lawrence C. Toves for Exemplary Service While Employed at the Guam Economic Development Authority:

CEO/Administrator Melanie Mendiola narrated Resolution No. 20-08. GEDA Chairman and CEO/Administrator attested to adopt Resolution No. 20-08.

This concluded this item.



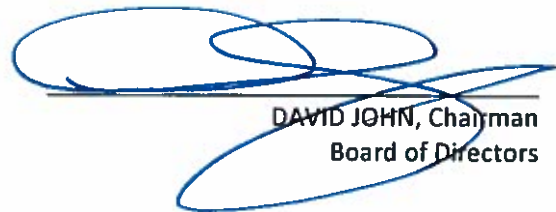
Public Comments

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

No public comments were made.

Adjournment

§13. Vice Chairman Espaldon made a motion to adjourn the board of director's meeting at 3:30 p.m. Director Fe Valencia-Ovalles seconded the motion. The motion was unanimously approved.



DAVID JOHN, Chairman
Board of Directors

ATTEST:



GIA RAMOS, Secretary
Board of Directors