

Minutes of Regular Meeting to the Board of Directors of the  
**Guam Economic Development Authority**  
October 22, 2020

**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 Thursday, October 22, 2020 at the hour of 1:34 p.m. at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building Tamuning, Guam. The meeting was called to order by Vice Chairman Ernesto Espaldon, Jr. to consider several items on the agenda.

**Inifresi**

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

**Quorum and Attendance**

- §3. **Roll call.** As determined by the roll call made by Vice Chairman Espaldon, the following individuals were present:

**Directors:**

David John  
Ernesto Espaldon, Jr.  
Gia Ramos  
George Chiu  
Siska Hutapea  
Fe Valencia-Ovalles

**Offices or Positions:**

Chairman (via video teleconference)  
Vice Chairman  
Secretary (via video teleconference)  
Director (via video teleconference)  
Director (via video teleconference)  
Director (via video teleconference)

Melanie Mendiola  
Joann G. Camacho  
Terry Brooks

CEO/Administrator  
Deputy Administrator  
Legal Counsel (via video teleconference)

**Absent and excused:**

Deepak Dewan Director

**Also in attendance were:**

Edward Camacho GEDA

Christina Garcia	GEDA
Claire Cruz	GEDA (via video teleconference)
Diego Mendiola	GEDA (via video teleconference)
Bernice Torres	GEDA (via video teleconference)
Ariana Villaverde	GEDA
Yong Pak	GEDA
Jennifer Calvo-Guzman	GEDA
Senator Therese Terlaje	35 <sup>th</sup> Guam Legislature (via video teleconference)
Rita Nauta	(via video teleconference)
Anne Wen	Pacific Daily News (via video teleconference)
Gerry Partido	Pacific News Center (via video teleconference)
Peter Santos	KUAM (via video teleconference)
Morgan Legel	Glimpses of Guam (via video teleconference)
Erin Grajek	Office of Senator Clynt Ridgell (via video teleconference)

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

- §4. The first item considered was approval of the agenda. Director Siska Hutapea made the motion to approve the meeting agenda. Secretary Gia Ramos seconded the motion. A roll call of the remaining board members in attendance was then conducted by Vice Chairman Espaldon, which was unanimously approved.

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

- §5. The next item on the agenda was the Approval of Minutes from September 17, 2020. Director Hutapea moved to approve the minutes. Chairman David John seconded the motion. A roll call for votes from the remaining board members in attendance was then conducted by Vice Chairman Espaldon, which was unanimously approved.

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

- §6. The next item on the agenda was Vice Chairman's Remarks.

Vice Chairman Espaldon announced that the Business and Economic Development Division, which led the Small Business Pandemic Grant is now working on the Healthcare System Stabilization (HSS) Grant which was announced in the Governor's Executive Order 2020-35 on the 29<sup>th</sup> of September. He informed all that Governor Leon Guerrero asked GEDA to stand up this program so that clinics who participated in the COVID-19 response could seek some relief

for additional expenditures in staff, personal protective equipment, and other COVID-related expenditures. Furthermore, he informed the board of directors (BOD) that the HSS Grant Program's Standard Operating Procedures will be an item for board action.

Vice Chairman Espaldon then reported that the Public Finance Division closed on the John F. Kennedy bond on October 13, 2020 resulting in a net present value savings of \$7.9 million (13.99%) to the government of Guam. In addition, Vice Chairman Espaldon mentioned that discussions will take place regarding the negotiation of Ordot-Chalan Pago (OCP) Multi-purpose Recreation/Emergency Center financing and further noted that the project is valued at \$6.5 million and will be covered by an OEA grant in the amount of \$3.5 million and a loan for \$2.5 million being taken out by the OCP Municipal Planning Council.

Furthermore, Vice Chairman stated that Governor Leon Guerrero has requested GEDA's Public Finance and Real Property Division's assistance with the Guam Memorial Hospital's Task Force in moving a new hospital project forward, as well as other government projects including the Hagatna Pool and the Fishermen's Co-op. Additionally, he noted that the Real Property Division has been assisting with the Governor Leon Guerrero's requests regarding the return of excess land from the U.S. Military.

Vice Chairman noted that the Compliance Division's main focus has been processing the Qualifying Certificate Community Contribution (QCCC) Grant Program applications. He informed all present that the grantees will be announced during the meeting and announced that awards totaled to about \$300,000. He thanked Director Fe Valencia-Ovalles for being a part of the QCCC evaluation panel.

Next, Vice Chairman stated that the Administrative Services Division kicked off its meeting this month with Ernst & Young concerning GEDA's annual audit.

Lastly, Vice Chairman Espaldon informed all in attendance that Chairman John and CEO/Administrator Mendiola continue to participate in the Governor's Economic Recovery Group whose focus is to open up our economy as safely as possible and noted that CEO/Administrator Mendiola will discuss GEDA's industry diversification and small business support efforts.

This concluded the Vice Chairman's remarks.

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

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

CEO/Administrator Melanie Mendiola stated that GEDA services remain available to the public while COVID-19 continues to batter our island but noted that as Governor Leon Guerrero had asked GEDA to increase efforts to allow employees to work from home to prevent the spread of COVID-19, GEDA staff have staggered schedules. Furthermore, she informed all that there are less than 10 employees in the office at one time but that all divisions are covered in person and of course, virtually.

Next, CEO/Administrator Mendiola stated that GEDA has reached out to all of its SSBCI Partners concerning expanding the loan program to include an “Interest Only” until 2022 option for borrowers noting that GEDA is already offering this as an option for GDFA and ADF loan applicants. Furthermore, she stated that collateral materials will be available soon in efforts to inform the community.

CEO/Administrator Mendiola mentioned that Governor Leon Guerrero directed GEDA, well before COVID-19 to diversify our economy and further mentioned that COVID-19 has accelerated the need for diversification – more jobs and new businesses in diverse industries. She stated that farm groups have asked GEDA to support their curbside initiatives through sponsorships, which GEDA did, and CEO/Administrator Mendiola announced that not only did farm groups sell bags of produce to the community, but they also used GEDA support to fill an order for DPHSS for nearly 2,000 bags of local produce deliveries to our Manamko during the pandemic. In addition, she noted that the Co-op is using the community contribution to complete their store, which will be opened next month. CEO/Administrator stated that pre-pandemic, GEDA, on behalf of the Mayor’s Council of Guam applied for a \$1.3 million grant with the EDA to strengthen the Council’s market sites and build a new market site. She announced that this past month, GEDA received a notice of further consideration, which is a good sign of the odds of funding. Furthermore, she stated that the Aquaculture and Healthcare Committees have been active and that the committees will likely seek board action in the coming months for projects.

Recognizing that rebuilding our economy cannot happen alone, CEO/Administrator Mendiola stated that GEDA is consistently meeting with the Guam Chamber of Commerce, the Guam Women’s Chamber of Commerce, the Guam Hotel and Restaurant Association (GHRA), and most recently with the business incubator, the Guam Unique Merchandise & Arts (GUMA) and the Small Business Development Center (SBDC). She added that the Chamber has GEDA involved in various aspects of their industry initiatives and are requesting GEDA’s assistance to promote Captive Insurance Investments, Alternate Dispute Resolution, and Trust work. Additionally, CEO/Administrator Mendiola indicated that the Chambers, in the long term, are looking at Pharma and Telecom, for which GEDA will offer its support. Similarly, she mentioned that GHRA is working on a program to benefit hotels and restaurants which Governor Leon Guerrero and GEDA support pending the availability of funds.



Lastly, CEO/Administrator Mendiola announced a couple of programs that GEDA will undertake including the Healthcare System Stabilization Grant Program and a virtual conference with the assistance of the University of Guam and in partnership with the Chambers, GUMA, and SBDC, entitled – Taking the Leap; Launching a new business in 2021 – targeted towards the unemployed or those who want to make their side hustle their main hustle. She noted that the tentative dates are November 18-20 (two or three days) and the GEDA will utilize marketing funds for the virtual conference.

This concluded the CEO/Administrator’s remarks.

### ***Committee Reports***

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

Vice Chairman reported for the Investment Committee. He noted that the third quarter of the calendar year has closed and shared that the total market value ending this quarter was up \$1.3 million since last quarter end. He conveyed that despite a slight selloff in September, the portfolio still delivered a 5.55% return for the 3rd quarter further noting that the portfolio remains positive YTD at 0.39%, up 30 basis points on our target benchmark. Vice Chairman stated that all asset classes delivered positive returns for the quarter, led by Emerging Markets and U.S. Equities. Additionally, he announced that GEDA’s performance for the full Fiscal Year 2020 is 6.53% in line with GEDA’s investment target and noted that the long-term performance remains strong at 7.27% annualized since inception (2017). Lastly, Vice Chairman Espaldon stated that all asset allocation remains within target range.

This concluded the Investment Committee report.

Other Committee Reports were included in the board packet.

### ***Old Business***

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

The first item under Old Business was the Qualifying Certificate Community Contribution (QCCC) Grant Program.

CEO/Administrator Mendiola stated that the QCCC Grant program for non-profit organizations (NPO) was authorized on July 23, 2020 with the application period open from August 6 – 28, 2020 and extended to September 11, 2020 due to the Governor’s Stay-at-Home order, Executive





Order No. 2020-27. CEO/Administrator Mendiola gave a report and indicated the following: 56 applications were received and of that, 49 were deemed eligible for evaluation, maximum grant award amount was \$10,000, a panel of five (5) evaluated each application, calculation was based on number of points received, points were attached to a dollar amount, and amounts ranged from \$3,047 to \$7,852. CEO/Administrator Mendiola stated that NPOs, like small businesses, are hurting as a result of the pandemic and noted that NPO revenues are down, fundraising efforts are either canceled or postponed, donors are pulling back, and resources are moving away from NPOs to emergency needs. Furthermore, she stated that NPOs have staffing expenses, operation expenses, and on-going missions to meet. CEO/Administrator Mendiola mentioned that NPOs have pivoted their focus to serve the needs of the community in these Covid-19 times and that a number of NPOs are interested in using their grant funding for virtual trainings. Lastly, she stated that NPOs are committed to their mission.

Director Fe Valencia-Ovalles agreed with CEO/Administrator Mendiola and recommended that GEDA continue to support the NPOs. Vice Chairman Espaldon added that he was glad that we were able to help the community and hopes that additional funds will become available to assist the community even further. He commended the GEDA staff for their work on the two QCCC grant rounds and further noted that the program has been organized and efficient.

After further discussion, a motion was made.

#### **RESOLUTION NO. 21-01**

#### **RELATIVE TO APPROVING THE QUALIFYING CERTIFICATE COMMUNITY CONTRIBUTION GRANT PROGRAM SERIES 2 DISBURSEMENTS**

Director Valencia-Ovalles made a motion to adopt Resolution No. 21-01. Chairman John seconded the motion. A roll call was then conducted by Vice Chairman Espaldon to obtain votes from the remaining members in attendance. A unanimous approval of motion followed.

The second item under Old Business was the Guam Small Business Pandemic Assistance Grant (GSBPAG) Program.

CEO/Administrator Mendiola informed the Board of Directors and all present that with the board's recommendation last meeting to request for additional funding for businesses, Governor Leon Guerrero approved and authorized an additional \$1 million. CEO/Administrator Mendiola expressed her gratitude to the Governor. She reported that to date, 2,663 applications have been processed totaling \$16.5 million and 29 applications are pending required documentation. CEO/Administrator noted that around the second closure, GEDA observed an increase of applications but indicated that it has tapered off since and further noted that of the



additional \$1 million that the Governor authorized, there are funds available for those pending applicants and new applicants.

Director Hutapea inquired about a previous board meeting discussion to use additional funding as a supplemental award to those businesses who already received the grant and further mentioned that those businesses need more assistance. CEO/Administrator Mendiola noted that GEDA brought that message to the Governor, and she is sympathetic to the struggles of our businesses further noting that it's up for consideration and awaiting feedback. Director Hutapea recommended to request for the remaining funds from the initial \$20 million. Vice Chairman agreed noting how quickly the additional \$1 million was awarded and that the program continues to demonstrate a need.

After further discussion, there was no other business.

### ***New Business***

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

The first item under New Business was the Approval to Commence Negotiation and Award for RFP 20-006, Proposed Financing for the Chalan Pago-Ordot Municipal Planning Council for the Construction of a Multi-purpose Recreation/Emergency Center.

Mrs. Christina Garcia, GEDA Public Finance Manager stated that pursuant to 12 G.C.A. §§ 50103(k) and 50103.l(b), GEDA on behalf of the Chalan Pago-Ordot Municipal Planning Council is seeking financial assistance from an Offeror to provide a loan of an amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00) for a period of Twenty-Five (25) years for the construction of a Multipurpose Recreation/ Emergency Center. She further stated that RFP 20-006 was issued on August 26, 2020 with a deadline of submission of proposals on September 16, 2020 at 4:00 p.m. Chamorro Standard Time.

Mrs. Garcia announced that a total of two (2) responses were received from the Bank of Guam (2 options offered) and First Hawaiian Bank. The proposals were opened in the presence of two (2) Procurement Officers and the Evaluation Team was named and approved. She named the members of the evaluation committee which included Mayor Jessy C. Gogue, Chalan Pago-Ordot Mayor, Edward Camacho, GEDA Business & Economic Development Manager, and Mrs. Garcia. Evaluations were held on October 16, 2020 at GEDA's office and via Zoom Conference Meeting. Mrs. Garcia informed all present that after thorough analysis of the two proposals, the evaluation committee ranked the proposals with the First Hawaiian Bank ranking first and the Bank of Guam ranking second.

Furthermore, Mrs. Garcia requested and submitted a recommendation to the GEDA Board of Directors for approval to commence negotiations and award to the best-qualified proposer with the First Hawaiian Bank as first ranking proposer. She then noted that if GEDA, with participation of the Chalan Pago-Ordot Mayor, are unable to reach an agreement, negotiations will then commence with the Bank of Guam.

Vice Chairman asked how the Chalan Pago-Ordot Municipal Planning Council will pay back the funds. Ms. Garcia informed the board that the council receives a percentage of the revenue collection from the Guam Solid Waste Commission. She further mentioned that the council receives \$150,000 a year as host to the community and will continue to receive that funding until the Ordot Landfill is completely closed and deemed safe. Ms. Garcia noted that through GEDA's involvement with the Guam Solid Waste Commission to secure funding to build a new landfill with discussion to the closure of the landfill, GEDA learned that the initial 25-year term will take a little longer but are confident the Chalan Pago-Ordot Municipal Planning Council will continue to receive funds annually. In addition, Ms. Garcia mentioned that the council has been receiving the funds since 2011 and have accumulated about \$1 million and \$100,000 from that pot has been used to make immediate repairs during disasters.

Vice Chairman inquired the status of the OEA grant. Mrs. Garcia noted that the OEA approved a grant of \$3.5 million but that the total project cost is \$6.5 million. Furthermore, she noted that there is a timing deadline to confirm all funds on the local side and that the OEA is requesting the balance of \$3 million to come from local funds. Additionally, Ms. Garcia disclosed that both proposals came in below \$2 million, and therefore, GEDA has submitted a request to USDA to also participate in a loan. Ms. Garcia communicated that GEDA, with USDA support, will work with the banks to secure a loan.

Chairman John inquired if GEDA can bridge the difference with GEDA funds. Mrs. Garcia noted that GEDA funds cannot be used for government facilities and are strictly for business operations. She further mentioned that the status of the Municipal Planning Council will disqualify the applicant from using GEDA funds.

After further discussion, Director Valencia-Ovalles made a motion to approve the Commencement of Negotiation and Award for RFP 20-006, Proposed Financing for the Chalan Pago-Ordot Municipal Planning Council for the Construction of a Multi-purpose Recreation/Emergency Center. Secretary Ramos seconded the motion. A roll call was then conducted by Vice Chairman Espaldon to obtain votes from the remaining members in attendance. A unanimous approval of motion followed.

The second item under New Business was the Healthcare System Stabilization (HSS) Grant Program Standard Operating Procedures (SOP).



CEO/Administrator Mendiola presented the HSS Standard Operating Procedures and stated that GEDA is authorized to administer the HSS Grant Program under Executive Order 2020-35. Under the CARES Act, Governor Leon Guerrero set aside \$2 million for Tier 1 and Tier 2 facilities. She noted that we are currently seeking clarification on the criteria for Tier 2 clinics. She noted that Tier 1 clinics are those who are not considered Tier 2 or Tier 3. Furthermore, she announced that one of the eligibility requirements is that medical providers/individuals must practice on Guam and be licensed by the Guam Board of Medical Examiners and/or behavior health providers licensed by the Guam Board of Allied Health Examiners and for brick and motor clinics.

CEO/Administrator Mendiola announced that GEDA will launch the HSS Grant Program on Monday, October 26, 2020 and encouraged all clinics, regardless of tier, to submit an application. She noted that the applicant's 2019 GRT filings will be required to determine business interruption. CEO/Administrator indicated that if the GRT does not tell the whole story, the application will move forward to a case manager, and the case manager will work with applicant to determine the impact the pandemic has had on their business operations. Additionally, CEO/Administrator Mendiola informed all present that GEDA held virtual meetings with some Tier 1 and Tier 2 clinics for their input. She stated that Tier 1 clinics are subject to a maximum grant amount of \$50,000 and further reiterated that GEDA is pending clarification on the Tier 2 clinics. CEO/Administrator noted that all applicants will be considered Tier 1 until designated as a Tier 2 and mentioned that authorized grant amounts will be transmitted to the Department of Administration for their distribution to the clinics. CEO/Administrator expressed her thanks to Ed Camacho, Business and Economic Development Division, Joann Camacho, Deputy Administrator, and the team for their work.

Director Valencia-Ovalles questioned why GEDA is seeking board adoption of the SOP without Tier 1 clarification. CEO/Administrator stated that GEDA is clear on Tier 1 clinics with the grant calculation based on their revenue which is included in the SOP. She further noted that the Office of the Governor will direct GEDA the award amount for Tier 2 clinics and GEDA will request for supporting documents.

Vice Chairman Espaldon clarified that the HSS Grant Program is connected to a reimbursement of COVID-related expenses and based on a percentage of their actual revenue. CEO/Administrator Mendiola stated that in initial discussion with clinics, they prepared for a surge in business activity, particularly a surge of COVID cases by increasing their staff, purchasing PPEs, and readying their spaces for potential cases coming in. Furthermore, CEO/Administrator stated that it wasn't a question of their expenses but opportunity cost as their regular patients canceled appointments and whereas clinics experienced interruption and expending more on sanitization, PPEs, and other surges of COVID-related expenses.

Secretary Ramos inquired if those three facilities that were designated to treat COVID-19 patients and compensated by the government will qualify for the HSS grant. CEO/Administrator Mendiola clarified that the three designated clinics have not been receiving \$250,000 - \$300,000 monthly payments from the government of Guam and further noted that clinics are getting reimbursed for COVID testing, about \$50-\$60 per test. In addition, she noted that there have been various discussions about the clinics prior to GEDA's involvement with the HSS Grant. Director Chiu stated the three clinics are American Medical Clinic, Seventh Day Adventist Clinic, and FHP that a Memorandum of Understanding was signed but no funding has been disseminated to the clinics.

CEO/Administrator Mendiola explained that grant fund recipients cannot use the funds for the same expenses. Chairman John recommended that GEDA have HSS grant applicants sign a waiver acknowledging that they have not received funds for the same expenses. CEO/Administrator stated that applicants will need to sign a Self-Certification form prior to disbursements of funds. She added that while there are federal sources that clinics can apply for aid, at the Governor's request, some clinics were available to take patients, whether insured or uninsured and to continue to care for the people of Guam as to not overwhelm GMH and GRMC. Recognizing the critical nature of our healthcare system, CEO/Administrator Mendiola stated that Governor Leon Guerrero authorized that funding to assist those clinics with the additional expenses to include additional precautionary measures, augmenting staffing pattern, and structure modifications. This, she states, is following through with that commitment the Governor Leon Guerrero made prior to GEDA's involvement in the HSS Grant Program.

Vice Chairman sought clarification if testing provided by private clinics will be reimbursed by the Department of Public Health. CEO/Administrator Mendiola and Deputy Administrator Joann Camacho both noted that they are aware of some form of reimbursements but are not aware of the terms. CEO/Administrator Mendiola noted that there are other programs available for clinics, such as HHS and Medicaid advance payments. She further stated that GEDA's concern is that grant funding is not used to cover the same expenses twice and that is stipulated in the HSS SOP and that applicants are subject to audit review. CEO/Administrator Mendiola stated that Attorney Terry Brooks has reviewed the HSS SOP.

CEO/Administrator Mendiola announced that applications will be available on GEDA's website on Monday, October 26th, a press release will be sent out with relevant information, and a dedicated email and help line will be available. Vice Chairman noted that there are provisions in the SOP that may be amended with board approval and oversight and noted that the HSS SOP serves as a template and allows GEDA to move forward with the processing grant applications. CEO/Administrator Mendiola noted that GEDA is the administrator of the grant funds but that the CARES Act funds are under the control of the Office of the Governor. Lastly, CEO/Administrator Mendiola stated that the HSS SOP is speaking to the process of intaking and



processing applications and then transmitting it to the Department of Administration for disbursements. Furthermore, she noted that GEDA does not determine if one applicant is more deserving than another.

Chairman John recommended that GEDA continue to research for other federal funds to assist the medical community, and in the meantime, move forward with approving the HSS SOP. Vice Chairman Espaldon sought clarification from Attorney Brooks to ensure that there is no procurement issue with the HSS Grant Program funds. Attorney Brooks indicated that some procurement laws have been suspended with respect to the CARES Act funds so that the process can move forward quickly. Also, he noted that this is not technically a procurement but the issuing of grants.

After further discussion, a motion was made.

**RESOLUTION NO. 21-02**  
RELATIVE TO APPROVING THE STANDARD OPERATING PROCEDURES FOR THE HEALTHCARE  
SYSTEM STABILIZATION GRANT PROGRAM

Secretary Ramos made a motion to adopt Resolution No. 21-02. Director Chiu seconded the motion. A roll call was then conducted by Vice Chairman Espaldon to obtain votes from the remaining members in attendance. A unanimous approval of motion followed.

There was no further business discussed.

***Public Comments***

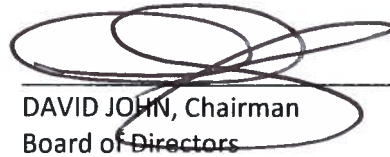
§11. The next item on the agenda was Public Comments.

Senator Therese Terlaje inquired if GEDA received notice of a public hearing regarding 396-35 regarding refinancing the Hot Bonds allowing GVB to use proceeds for their operations. Senator Terlaje stated that this bill is solely for the refinancing. CEO/Administrator Mendiola noted that the refinancing the Hot Bonds will have an upfront savings of \$13.3 million. Senator Terlaje stated that the Hot Bond project list was changed by GEDA with the Tumon Bay Flood Mitigation removed seeming that there's no further need. Chairman John indicated that it was altered in cost structure, where to pump out would cost about \$50 million and further noted that Phases I and II were completed but funding and environmental concerns have stalled Phase 3. Senator Terlaje then inquired about the timeline of awarding the HSS grant funds. CEO/Administrator indicated that GEDA can process within two weeks assuming all required documentation are in order including the applicant's SAM's and DUNN's registration and the Self-Certification form.

This concluded Public comments.

***Adjournment***

§12. After further discussion there was a recommendation to adjourn the meeting. On motion duly made by Director Valencia-Ovalles and seconded by Director Chiu. A roll call was then conducted by Vice Chairman Espaldon to obtain votes from the remaining members in attendance. A unanimous approval of motion followed.



DAVID JOHN, Chairman  
Board of Directors

ATTEST:



GIA RAMOS, Secretary  
Board of Directors