



Minutes of Special Meeting to the Board of Directors of the  
Guam Economic Development Authority  
November 10, 2020

**Call to Order**

- §1. The special meeting of the Board of Director of the Guam Economic Development Authority (referred to as "GEDA" or the "Authority") was held on Tuesday, November 10, 2020 at the hour of 1:33 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 Chairman David John 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 Chairman John, the following individuals were present:

**Directors:**

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

**Offices or Positions:**

Chairman  
Vice Chairman (via video teleconference)  
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 (via video teleconference)
Claire Cruz	GEDA (via video teleconference)
Diego Mendiola	GEDA
Bernice Torres	GEDA (via video teleconference)
Ariana Villaverde	GEDA
Leila Ilagan	GEDA
Yong Pak	GEDA
Jennifer Calvo-Guzman	GEDA
Ricardo Duenas	GEDA
Andrea Pellacani	Office of Senator Therese Terlaje (via video teleconference)
Erin Grajek	Office of Senator Clynt Ridgell (via video teleconference)
Gerry Partido	Pacific News Center (via video teleconference)
Haidee Gilbert	The Guam Daily Post (via video teleconference)
Morgan Legel	Glimpses of Guam (via video teleconference)
Arania Adolphson	IHP Medical Group (via video teleconference)

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

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

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

- §5. The next item on the agenda was the Approval of Minutes from October 22, 2020. Vice Chairman Espaldon made a correction that Gerry Partido is from Pacific News Center. With that correction, Director Hutapea moved to approve the minutes. Director Fe Valencia-Ovalles seconded the motion. A roll call for votes from the remaining board members in attendance was then conducted by Chairman John which was unanimously approved.

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

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

Chairman John stated that during this November Special Board Meeting, the board will be updated regarding GEDA's COVID-19 Grant Programs to include that Guam Small Business Pandemic Assistance Grant, the Healthcare Stabilization Grant, and a new program, the Small Business Rent Assistance Grant Program.

Chairman John outlined a few initiatives GEDA has been working on. He noted that at the direction of Governor Leon Guerrero, GEDA along with the Guam Chamber of Commerce and Governor Carl Gutierrez's team have working on a joint project to explore alternatives to diversifying our economy in the short, medium, and long term. Furthermore, he mentioned that CEO/Administrator Melanie Mendiola introduced the initiative at the last meeting and noted that the team will focus on ten initiatives: Alternative Dispute Resolution, Captive Insurance, Guam Trust Program, Relocation of High-Net-Worth individuals, Pharmaceutical Manufacturing, Construction and Labor, Ship Repair, Safe Haven Ports, Silicon Village and expanded telecommunications including data centers, and satellite space launching.

Furthermore, Chairman John stated that Alternative Dispute Resolution, Captive Insurance, Guam Trust Program have been on the books for years with limited success and noted that to make them work this time, we need a funding source to not only manage the programs but to grow the programs. Chairman John stated that the board will likely need to consider approving our legal counsel to spend time looking into what areas of the law governing these three programs that can be changed to create a better funding source to actively market these programs. Additionally, he stated that it is important that, as we revisit these industries, that the Board ensures that tax incentives be balanced with what is good for Guam and that Tax incentives should have some mandates in place concerning the use of local companies and local labor.

Next, Chairman John noted that a continuous barrier to do business is the 5-year lease law and that under the direction of Director Hutapea, the team met with the Guam Association of Realtors and other stakeholders concerning investor feedback and lost opportunity. Further, he mentioned that the feedback was shared with the Governor and she has asked GEDA to work with the legislature to remove the 5-year leasing law which has done far more harm than good in the way of lost income to the Government of Guam, jobs that were never realized, or industries never expanded because five (5) years is not nearly long enough for a meaningful investment in our island.

In addition, Chairman John mentioned that it is also time for GEDA to take a more active role as a sort of "conciierge" to investors and businesses wherein we help them navigate the processes to get business up and running on the island. He noted that the Chamber is extremely receptive to this idea.

Lastly, Chairman John mentioned that in support of our fellow GovGuam Agencies, GEDA is working with the Guam Memorial Hospital and awaiting word on funding to update the hospital study. He further noted that in the meantime, however, the team has met with the Board at GMH to discuss a way forward and potential subcommittees for financing, construction, and stakeholder involvement. In addition, he alluded that there will be two items for discussion in



the Healthcare Committee which Director Gia will lead today regarding growing our workforce and creating jobs for some displaced workers.

In closing, Chairman John stated that as we near the end of 2020, the GEDA team is not slowing down – rather we are adapting to the current environment and continuing to press forward. He then thanked Vice Chair Espaldon for stepping in while he was away and thanked everyone for their work in the subcommittees.

This concluded the Chairman’s remarks.

### ***CEO/Administrator’s Remarks***

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

CEO/Administrator Mendiola began her remarks by noting that the GEDA office remains closed but that GEDA services remain available to the public by appointment only. She stated that GEDA staff has adjusted well to the staggered schedule arrangements and all departments are covered in person and of course, virtually.

CEO/Administrator Mendiola provided several updates to the board. First, she noted that since the last board meeting, GEDA has been in contact with its Oversight Chair, Senator Clynt Ridgell and he reported that he is highly satisfied with our progress. In addition, she mentioned that GEDA received a notice of further consideration from the U.S. Economic Development Administration for a \$1.3 million grant to support the construction and replacement of outdoor market spaces in Sinajana, Mangilao, and Agat. CEO/Administrator Mendiola stated that GEDA is about 95% done with the follow up paperwork for the Green Markets Grant which included clearances from the SHPO and DLM and are preparing for the next part of the process.

Next, CEO/Administrator Mendiola mentioned that at the last board meeting, the board approved the awarding of grants to nonprofits affected by COVID-19 through its Qualifying Certificate Community Contribution Fund. She further noted that GEDA distributed 49 checks and received good feedback from the nonprofit organizations who applied.

Relative to the Guam Small Business Pandemic Grant Program, which GEDA continues to process and award, as well as the Healthcare Grant, launched last month and the Small Business Rent Assistance Grant Program, CEO/Administrator Mendiola mentioned that she will provide updates during Old and New Business.

Additionally, CEO/Administrator Mendiola informed all present that there have been numerous articles, radio spots, and stories done about a number of items concerning GEDA, most especially our Virtual Conference entitled Taking the Leap: A conference to support small businesses starting up and growing. Furthermore, she mentioned that GEDA have been meeting regularly with our partners, the University of Guam who is handling the conference backstage – the virtual pieces, breakout rooms, etc. Other partners include the Guam Chamber of

Commerce, the Guam Women's Chamber of Commerce, the Small Business Development Center and the Guam Unique Merchandise & Arts. CEO/Administrator stated that all of these organizations are providing GEDA with counselors for one-on-one sessions, panelists, and assistance with marketing and outreach. She asked the board to spread the word to friends, family, and colleagues concerning this free event.

Moving on, CEO/Administrator Mendiola stated that GEDA has been meeting regularly with the Guam Chamber of Commerce regarding numerous economic diversification initiatives they are advocating and further mentioned that one of the key pieces of moving forward is understanding what can be done through internal process improvement and SOP changes versus policy directive. CEO/Administrator noted that GEDA has met with Department of Revenue and Taxation's Director, Daphne Shimizu to discuss working with GEDA in areas of research, process improvement, most especially in the licensing and permitting process – being able to offer assistance to off island investors, and even our local businesses.

Lastly, CEO/Administrator Mendiola informed the board and all present that GEDA submitted its FY End Unaudited Revenue and Expense Report. She reported that GEDA ended with a net income of \$144,000, which nearly doubled last year's revenue which was around \$75,000. She expressed her thanks to Bernice Torres, Ariana Villaverde, and Sheena Mitchell from the ASD Department for getting GEDA to the finish line in good shape.

This concluded the CEO/Administrator's remarks.

### ***Committee Reports***

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

Secretary Gia Ramos reported for the Healthcare Committee. She informed all present that a meeting was held with Guam Regional Medical City (GRMC), Dr. Margaret Hattori-Uchima from the University of Guam (UOG), and Dorothy-Lou Duenas from the Guam Community College (GCC) seeking grant funding in the amount of \$50,000. Furthermore, she noted that both UOG and GCC have a bridge program for Certified Nursing Assistants (CNA), a curriculum to get students certified. Secretary Ramos mentioned that there is an increase demand with GRMC, GMH, and home-care industry. She further mentioned that the bridge program for the CNAs can speed up the education to get students certified and noted that there is a need for about 60 nurses and caregivers. Furthermore, Secretary Ramos noted that both the Governor and the board approved their program which offers a temporary certificate to become caregivers and CNAs to staff at GRMC and Guam Memorial Hospital (GMH).

CEO/Administrator Mendiola noted that the Governor is funding the immediate emergency training necessary (40 hours) but in January 2021, as the nursing assistants continue in their career path, they won't be able to get certified as they haven't completed the full program. She further explained that if nursing assistants want to become fully certified, they will have to complete the full 120 hours. CEO/Administrator Mendiola clarified that the UOG and GCC I



requesting for GEDA's assistance for the short-term funding separate from the Governor's funding and further noted that both UOG and GCC are applying for long-term funding under the U.S. Department of Labor.

Chairman John asked if assistance has been sought through the Endowment Fund. Director Chiu recommended to follow up with the UOG Endowment Fund. CEO/Administrator Mendiola noted that GEDA is being asked to cover part II of the training and that UOG and GCC both submitted revised proposals. She then asked legal counsel Terry Brooks for his recommendation on how to proceed. Mr. Brooks noted that he did prepare a Resolution for Unanimous consent of ratification for next board meeting but that will require all board member's signatures.

After further discussion, a determination was made to table UOG and GCC's request for the next meeting.

This concluded the Healthcare Committee report.

Other Committee Reports were included in the board packet.

### *Old Business*

59. The next item on the agenda was Old Business.

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

CEO/Administrator Mendiola provided an update and stated that 2,675 applications have been received, 302 applications have been deemed ineligible, 2,313 applications have been processed, 60 applications in-process. Total grant funding awarded is \$16,571,421.70.

The second item under Old Business was the Healthcare System Stabilization (HSS) Grant Program.

CEO/Administrator Mendiola stated that to date, 20 applications have been received and noted it includes both behavior health providers and medical providers. She mentioned that the Governor asked GEDA to look at the COVID Unified Response team for designation of the Tier 2 clinics. CEO/Administrator Mendiola noted that thus far, the three clinics who have been designated as Tier Two are FHP, American Medical Clinic and SDA. She further stated that GEDA is awaiting clarification on any more Tier 2 facilities and noted that GEDA asked all applicants, whether they're Tier 1 or Tier 2 to submit their application which they've been doing.

CEO/Administrator Mendiola informed the board that the amendment to the Standard Operating Procedures (SOP) that GEDA is requesting is to delete item D on section 2.6.



*If an Applicant under this program is also a recipient of the Guam Small Business Pandemic Assistance (GSBPA) Grant, and if the grant under this program is more than the grant received under the GSBPA grant, said Applicant shall receive a grant under Healthcare System Stabilization Grant program equal to the difference between the original GSBPA grant and the amount approved under this program. Conversely, if a grant amount under this program is less than the grant received under the GSBPA program, then said Applicant will not receive any additional grant funds.*

CEO/Administrator Mendiola explained that the amendment would allow for an eligible applicant under the HSS Grant Program who also received a GSBPA Grant, eligible for up to \$50,000 instead of offsetting their HSS award from their GSBPA award. Furthermore, she explained that to be consistent with the Small Business Rent Assistance Grant (RAG) Program, GEDA would like to make the above amendment. Additionally, she noted that Healthcare is not eligible for the RAG Program

After further discussion, Director Chiu motioned to approve the amendment to the HSS Grant Program SOP. Vice Chairman Espaldon seconded the motion. A roll call was then conducted by Chairman John to obtain votes from the remaining members in attendance. A unanimous approval of motion followed.

#### ***New Business***

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

The sole item under New Business was the Small Business Rent Assistance Grant Program Standard Operating Procedures.

Chairman John stated Governor Leon Guerrero has asked GEDA to explore programs/initiatives that will continue to support small businesses, especially with the second lockdown. He mentioned that over the past few months, the Governor and Senator Therese Terlaje have been inquiring how the government can assist landlords. He further explained that it was a struggle on how we can treat landlords as a business but the GEDA team have created a program that addresses the issue, the Small Business Rent Assistance Grant (RAG) Program. Chairman John expressed that the RAG Program will help businesses as far as their cash flow and make sure that some of the monies or the money is not only going into the hands of the businesses, but it's being used to pay for rent obligation freeing up money for other bills within the organization. He further stated that it will move the economy.

CEO/Administrator Mendiola stated that the GSBPA Grant Program was for any type of business interruption as a result of the COVID-19 pandemic and mentioned that due to the second lockdown, as additional restrictions have been in place, there have been a tremendous amount of distress for many of our local businesses. Furthermore, she stated that the Governor and



Lieutenant Governor Tenorio reported to us that they also have been receiving a lot of feedback, particularly in the area of commercial rent relief. With that, CEO/Administrator Mendiola explained that the GEDA team narrowed down the GSBPA Grant Program awardees and determined that with a budget of about \$5 million, we can assist about 500 small businesses to include the food and beverage, retail, as well as personal services industries. In addition, she explained that the food and beverage industry has been heavily affected including bars and clubs who are not allowed to open at all and they still have rent obligations.

CEO/Administrator Mendiola further stated that, similar to our GSBPA Grant Program, eligible businesses under the RAG program must classify as a small business under the North American Industry Classification System (NAICS) code or under the Small Business Administration's (SBA) definition of a small business. In addition, she stated that the program will award two months of rental relief or \$20,000, whichever is lesser. CEO/Administrator Mendiola mentioned that the target is to assist about 500 Brick and Mortar businesses and noted that eligible businesses must be selling or providing personal services (i.e., salon services) out of a commercial storefront and not home-based. In addition, CEO/Administrator Mendiola listed entities that are ineligible for the RAG Program to include those businesses who qualify under the HSS Grant Program, home-based businesses, Professional Services to include lawyers and accountants, and Administrative Services to include Insurance and Bookkeeping.

Furthermore, CEO/Administrator Mendiola stated that the Governor has not yet authorized monies for this program, however, because we are so close to the end of the year and the expiration of the CARES Act monies, the GEDA team thought it would be prudent to get the board's approval of the SOP. Furthermore, she stated that once the Governor confirms the availability of funds, GEDA can roll out the program leaving no delay waiting for a board meeting. CEO/Administrator Mendiola expressed Governor Leon Guerrero's commitment to the needs of small businesses and thanked her for listening to GEDA's feedback from the onset of the pandemic about the difficulty being faced by the business community.

Vice Chairman Espaldon inquired what documentation would be required as proof of past due rent. Chairman John clarified that the RAG Program is not just for those behind in their rent obligation and that it's also for those who have been hurt and used up other sources of funds to pay their rent. CEO/Administrator Mendiola explained that initially the program is intended for businesses with past due or for those who can demonstrate difficulty paying their rent, maybe they paid their utilities and bank loans but are in arrears with their rent. She noted that if businesses demonstrate difficulty, then GEDA will then process accordingly.

Vice Chairman sought clarification on the SBA definition of a small business. CEO/Administrator Mendiola stated that that determination is industry specific and that the NAICS code is based on number of employees or revenue. Vice Chairman also inquired the process of the CARES Act funds expiring on December 31, 2020. CEO/Administrator Mendiola clarified that the money has to be encumbered, meaning it must be transmitted down to the Department of Administration.





Secretary Ramos sought clarification on the definition of Personal Services. CEO/Administrator Mendiola defined Personal Services as salons, nail salons, hair salons, massage therapists, and gyms, Brick and Mortar personal services and noted that businesses can apply and GEDA will review their application and make an assessment. She added that if a business is licensed by a board or an association (with the exception of salons, nail salons, hair salons, massage therapists, and gyms), such as lawyers and anyone who qualified under the health care stabilization grant, they are not eligible. Secretary Ramos inquired if the limitation of types of services is in the Governor's Executive Order. CEO/Administrator Mendiola stated that the limitation is due to the amount of funds available and further stated that if \$5 million is allocated, that may possibly benefit about 500 businesses. Furthermore, she mentioned that the GEDA team gathered data from the GSBPA Grant Program and identified categories of businesses that applied who were most impacted by their business closures versus those that were less impacted. CEO/Administrator Mendiola further expressed that GEDA is not saying that those businesses didn't hurt and stated that many of the Brick and Motor businesses required full opening in order to be fully effective as a business and noted that Accountants, CPAs, lawyers, etc., many of whom applied under GSBPAG Program, can operate remotely, whereas a restaurant, bar, or a nail technician cannot.

Director Hutapea voiced a concern if businesses received the money but didn't use it to pay their rent. Deputy Administrator Joann Camacho stated that it's possible to have award checks written to the tenants and the landlords and have both sign off. Director Chiu suggested that the team review applicants under the GSBPA Grant Program who may not have received an award due to a technicality and inform them of this rent program.

After further discussion, a motion was made.

#### **RESOLUTION NO. 21-03**

#### **RELATIVE TO APPROVING THE STANDARD OPERATING PROCEDURES FOR THE SMALL BUSINESS RENT ASSISTANCE GRANT PROGRAM**

Secretary Ramos made a motion to adopt Resolution No. 21-03. Director Chiu seconded the motion. A roll call was then conducted by Chairman John 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.

Andrea Pellacani from Senator Therese Terlaje Office inquired if the SOP is available for review. CEO/Administrator Mendiola informed her that we will send a copy to their office.

This concluded Public comments.

***Adjournment***

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



DAVID JOHN, Chairman  
Board of Directors

ATTEST:

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GIA RAMOS, Secretary  
Board of Directors

This concluded Public comments.


***Adjournment***

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



DAVID JOHN, Chairman  
Board of Directors

ATTEST:

  
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GIA RAMOS, Secretary  
Board of Directors