

Minutes of Special Meeting to the Board of Directors of the  
Guam Economic Development Authority  
December 17, 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 Thursday, December 17, 2020 at the hour of 1:36 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  
Siska Hutapea  
Fe Valencia-Ovalles  
Deepak Dewan

***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  
Tom Fisher

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

***Absent and excused:***

George Chiu

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 (via video teleconference)
Yong Pak	GEDA
Jennifer Calvo-Guzman	GEDA
Tria Paulino	GEDA (via video teleconference)
Cecil Flores	Court Reporter
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)
Oyaol Ngirairiki	The Guam Daily Post (via video teleconference)
Morgan Legel	Glimpses of Guam (via video teleconference)
Javen Santos	(via video teleconference)
Tyler Matanane	KUAM (via video teleconference)

***Approval of Agenda***

§4. The first item considered was approval of the agenda. Director Siska Hutapea made the motion to move Executive Session after the Approval of Agenda. Director Fe Valencia-Ovalles seconded the motion. A roll call of the remaining board members in attendance was then conducted by Chairman John, which was unanimously approved.

§5. ***Executive Session***

Executive Session took place from 1:39 p.m. to 2:01 p.m.

***Approval of Minutes***

§6. The next item on the agenda was the Approval of Minutes from November 10, 2020. Vice Chairman Ernesto Espaldon Jr. moved to approve the minutes. Director 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. Director Deepak Dewan signified his assent to the motion by visual gesture due to his audio not working properly.

## Chairman's Remarks

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

Chairman John informed all present that since the last board meeting, GEDA launched the Rent Assistance Grant for Small Businesses further noting that during an approximate two-week application period, GEDA received over 1,000 applications. Furthermore, he mentioned that updates will be provided regarding the Guam Small Business Pandemic Assistance Grant, the Healthcare Stabilization Grant, and the Small Business Rent Assistance Grant Program. He thanked the GEDA team for their hard work and noted that the team has been staying late and working on Saturdays to ensure that the awards are processed by the deadline for payment by the Department of Administration.

Next, Chairman John mentioned that on November 19<sup>th</sup> and 20<sup>th</sup>, GEDA hosted the *Taking the Leap* Conference targeting new and upcoming businesses with over 150 participants on each day. He announced that a post conference survey was conducted which received great feedback about the event. Chairman John shared that participants have requested more support and training regarding e-commerce, online marketing, and similar topics. Chairman John stated that rather than conducting these types of trainings ourselves, the GEDA team has some ideas on how to push out more services like these to our small businesses and new entrepreneurs utilizing our partners including the local Chamber of Commerce, and organizations like GUMA and the University of Guam. He further noted that the pandemic has helped us with communication and that there has been good dialogue between GEDA, the Chambers, and other parties.

Then Chairman John mentioned that he was the moderator for the Guam Chamber of Commerce's Special Meeting on December 4<sup>th</sup> with the economy and Guam's economic forecast as discussion points. He noted that GEDA participated in healthy discussions to include Director Hutapea who discussed Real Property and CEO/Administrator Mendiola who discussed Agriculture and Aquaculture. In addition, Chairman John stated that Governor Leon Guerrero has been very supportive of the Chamber of Commerce's initiatives in Economic Diversification and has created an: *Economic Diversification Working Group*. Furthermore, he mentioned that nominees to the working group were provided by the Chamber and GEDA and are made up of representatives from the Government of Guam and the private sector. He also mentioned that letters of appointment were sent out earlier in the week.

In addition, Chairman John mentioned that Joann Camacho, Deputy Administrator, has been working with the Build Up office to secure funds for an updated hospital study and noted that the study would not only assess the needs of our hospital system, but our medical system as a whole – including the Department of Public Health and Social Services as well as Guam



Behavioral Health and Wellness Center. Furthermore, Chairman John explained that the team has drafted the task orders such that when the funding is approved, GEDA can hit the ground running with regard to gathering the necessary information. He added that the board members and the community need to stay on top of this as the pandemic has shown us that we need a stronger hospital system.

Moreover, Chairman John announced that Governor Leon Guerrero signed into law, P.L. 35-116, P.L. 35-118, and P.L. 35-119 concerning GEDA's Qualifying Certificate (QC) Program. He further noted that Public Laws Nos. 35-118 and 35-119, are relative to the drone industry and commercial fulfillment centers. Chairman John indicated that while both categories may apply under GEDA's general QC program, Senator Jim Moylan was interested in targeting these industries specifically – similar to how GEDA launched the Special Hotel QC in the past. With regard to P.L. 35-116, removing waste from the waste stream, proffered by Senator Clynt Ridgell revised the recycling QC to include removing a “meaningful” amount of waste from the waste stream as assessed by EPA and recycling stakeholders. Chairman John added that this is great for the environment as it encourages companies to consider incorporating the removal or repurposing of waste into their business model as well as providing more flexibility for the parties involved.

Chairman John then announced that the Association of Government Accountants recently bestowed on GEDA an award for *Accountability and Transparency in Citizen-Centric Reporting* - This award is to recognize GEDA's work in the annual Citizen Centric Report over the previous decade - from 2010 to 2019. He stated that all GEDA Managers contributed to the report as well as the CEO/Administrator and Deputy Administrator as the editor, Mary Camacho, Industry Development Specialist since 2015, did the heavy lifting as far as the design and layout and final copy edits. He congratulated the team.

In closing, Chairman John stated that this is the last meeting for 2020, and it's been an interesting year. He further noted that GEDA is grateful that our agency has been spared from having any workplace COVID-19 scares. He also informed all present that GEDA was able to finish the fiscal year in good shape and in the black, and that GEDA has successfully administered over \$20 million in CARES funding through the three grant programs. Chairman John did mention that the work is far from complete and noted that the Economic Diversification Working Group will be off to the races in 2021. In addition, he stated that with the recent NDAA approval, GEDA is hopeful that we will see an influx of labor and let some of the pressure off of our private sector projects. Chairman John stated that GEDA looks forward to more productivity in the area of streamlining government red tape for small businesses and working towards a more sustainable Guam.

Lastly, Chairman John thanked everyone for their hard work. He wished everyone a Merry



Christmas and a Happy New Year!

This concluded the Chairman's remarks.

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

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

CEO/Administrator Mendiola began her remarks by thanking Chairman John for his leadership in 2020. She informed all present that she will be provide updated grant numbers and shared that the GEDA team has been working late into the evenings and on weekends to process all grant applications. CEO/Administrator Mendiola reminded everyone that at the last board meeting, the Governor had not yet authorized the money for the Rent Assistance Grant. She announced that the Governor has authorized \$3 million for the rental relief grant and noted that GEDA has received over 1,000 applications and has processed all of them except for the ones still pending documents or missing information. CEO/Administrator Mendiola praised and thanked the GEDA Grants Team for rising to the challenge, especially during the holidays working late and on Saturdays. In addition, she thanked the Project Manager, Tria Paulino from the Business Development Department for her leadership in this important project.

Additionally, CEO/Administrator Mendiola announced that GEDA received notice on two additional grants from the Economic Development Administration (EDA), for which there's further consideration for funding. One is for some work in the aquaculture industry, and the other is to update our CEDS report. She noted that the CEDS report was taken off GEDA's website pending some citation corrections as proper credit is needed to some of the original authors that got lost between versions. CEO/Administrator Mendiola mentioned that notice for further consideration is for a total of \$338,000 in grant funding in which some of the work will be contracted out and some of the work will be performed internally which will assist in GEDA's budget for 2021.

CEO/Administrator Mendiola reported that GEDA had a successful virtual conference, Taking the Leap, in November with over 150 attendees each day and thanked the board members who submitted videos – Director Hutapea and Vice Chairman Espaldon – for words of advice for new entrepreneurs.

In addition, CEO/Administrator Mendiola gave the board an update on GEDA's lease noting that GEDA has extended its lease with ITC at the current rate for another two years. She thanked Deputy Administrator Joann Camacho for her work with ITC management. CEO/Administrator Mendiola further mentioned that in the coming months, GEDA will be making strides to downsize its current space as management believes that GEDA occupies too much space and stated that especially with automation, it's time for GEDA to make a measured effort towards



getting rid of things that are outdated, getting things online, storing things in a way that we're not taking up valuable real estate with space that we're not using efficiently. She noted that one of GEDA's goals in the next 12 months is to downsize GEDA's office space.

Next, CEO/Administrator Mendiola mentioned that the remaining divisions continue to remain active in ongoing projects including the upcoming potential issuance of bonds for GIAA and the Hotel Occupancy Tax (HOT), those are currently in the legislature for potential for voting and further noted that the Public Finance Division continues to work on the Ordot-Chalan Pago Multi-Purpose facility in which they received notice loan funding from the USDA and from the First Hawaiian Bank. CEO/Administrator Mendiola also stated that GEDA is working actively on the Governor's CIPs, including the pool, and of course major projects, including the healthcare system.

In closing, CEO/Administrator Mendiola thanked the Board of Directors for being engaged and active board members and for making 2020 a productive year for GEDA. In addition, she thanked the board members who have volunteered in committee work and community needs especially during this pandemic.

This concluded the CEO/Administrator's remarks.

### ***Committee Reports***

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

Committee Reports were tabled but included in the board packet.

### ***Old Business***

- §10. 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 2,338 grants have been awarded totaling \$16.7 million. She further noted that a deadline for applicants to submit pending documents is at the end of the week so that applications may be processed in a timely manner by the end of the year. She further noted that 144 applications are "in process" which includes applications submitted in error, companies that aren't located on Guam, businesses that never completed documentation, etc. CEO/Administrator Mendiola anticipates that about \$150,000 more will be used from this account.



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

CEO/Administrator Mendiola provided an update and stated that to date, 24 applications have been awarded grants in the amount of \$1,387,166 to 21 tier-one clinics and three tier-two clinics. She mentioned that there is one application that is currently pending with a potential award of \$50,000 that may put us into \$1.4 million or more. CEO/Administrator Mendiola stated that the deadline to submit application was on November 30, 2020 and noted that the program currently has one reconsideration under review.

The third item under Old Business was the Small Business Rent Assistance Grant (RAG) Program.

CEO/Administrator Mendiola stated that 1,039 applications were received and of that, 286 applicants are ineligible. She noted that Ineligibility letters have not been sent out because the GEDA team is reviewing their eligibility for a second time to ensure that those businesses do not fall under the current definition of qualified businesses. In addition, CEO/Administrator Mendiola stated that the team has processed 500 applications and there are 253 applications in process and clarified that applications in process are applications that are strictly missing documents such as a lease agreement, GRTs, business license, etc. Furthermore, CEO/Administrator Mendiola noted that the team calculated that the 500 processed applications will amount to \$3.491 million and noted that \$3 million of awards have been transmitted or being transmitted to the Department of Administration for award distribution. CEO/Administrator Mendiola that GEDA has requested an additional \$1.7 million to the Office of the Governor for the remaining awards.

Vice Chairman Espaldon inquired about the nine applicants that were deemed ineligible under the HSS Grant Program and asked for eligibility requirements. CEO/Administrator clarified that there were two main reasons for ineligibility: 1) Clinics did not suffer business interruption. Revenue had to decrease from 2019 and 2) Applicant was not a brick-and-mortar facility. CEO/Administrator Mendiola explained that some clinics did not experience any business interruption when their 2019 revenue were compared to their 2020 pandemic revenues marking them ineligible. Furthermore, she noted that that the HSS Grant Program was meant for primary care clinics, as well as the behavioral health providers, as opposed to individual doctors. Dentists and alternative medicine such as acupuncturists and chiropractors were ineligible.

There was no further business discussed.

## ***New Business***

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

The first item under New Business was the Approval of Accountable Officers for the Guam Economic Development Authority

CEO/Administrator Mendiola stated that there have been some administrative changes at GEDA with the retirement of Larry Toves, Real Property Manager and the impending retirement of Bernice Torres, ASD Manager and further noted that changes are required for authorized account signers. She referred to a memorandum presented to the Board of Directors that will remove the above signers and add Ariana Villaverde, who will replace Bernice.

Vice Chairman Espaldon made a motion to approve the Accountable Officers memo. Director Hutapea seconded the motion. Director Valencia-Ovalles then recommended a Bank Resolution. Attorney Terry Brooks agreed noting that most companies have a prepared Resolution with respect to signatories on bank accounts. Furthermore, Attorney Brooks stated that the Board of Directors may pass a motion at today's board meeting and he will follow up with a Board Resolution.

Vice Chairman amended his motion to allow the CEO/Administrator to create a Resolution related to Board Approval for Accountable Officers and signers. Director Hutapea 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. Director Deepak Dewan signified his assent to the motion by visual gesture due to his audio not working properly.

The second item under New Business was the Taking the Leap Conference: Next Steps.

CEO/Administrator Mendiola stated that the feedback we received from the Taking the Leap conference was for more services for work with small businesses in the area of e-commerce, development, etc. For discussion purposes, CEO/Administrator Mendiola sought the board's feedback on how to proceed with entrepreneur training. She stated that there are two approaches that GEDA can take that has been discussed among managers. First, CEO/Administrator Mendiola mentioned that GEDA could create a grant program and fund it with \$100,000 worth of community contribution where nonprofits can apply for the grant and carry out this type of training or do an e-commerce workshop. She noted that it would be the creation of a grant program associated with helping entrepreneurs. Second, CEO/Administrator Mendiola noted that another approach is to authorize it through GEDA's existing budget however, she did mention that this approach would require a budget modification request in which we will prepare an RFP for those services. She noted that this option would be open to





nonprofits, as well as consultants, private consultants, and same type of services in which they would provide services to small businesses in areas of e-commerce, development, etc.

Chairman John asked board members for their take regarding the Taking the LEAP Conference: Next Steps, whether GEDA should pursue continuing training initiatives for new entrepreneurs and secondly, does GEDA want to support it be a community grant money or through a budget, through our line-item budget that we have, or a combination thereof.

Director Hutapea stated that she would lean more towards a grant and not a hybrid approach. Vice Chairman Espaldon agreed noting that if there is a structure that GEDA could find where both nonprofits and for-profits can avail to because there may be some for-profits that can offer great training as well and further stated that it would be preferable if GEDA could find a way to bridge that. Director Valencia-Ovalles stated that if the budget allows it, she is in support of it be because the conference was successful and further stated that Small Business Administration (SBA) is known to assist entrepreneurs. Director Hutapea stated that, although our mission is for economic development, she does not want it to be a part of our budget further noting that SBA, PTAC, Chamber of Commerce, and the Guam Women's Chamber of Commerce already offer similar trainings. Director Hutapea further noted that she prefers the Taking the Leap conference form because it inspires people to open up businesses. Chairman John suggested that part of the conference can include a subsegment of joint partners, like small businesses who can give a quick intro into trainings available or have subject matter experts from other agencies as presenters. Director Valencia-Ovalles agreed that a partnership will work. Vice Chairman sought clarification whether there is room within the grant program to have the funds used for both nonprofits as well as for-profit organizations. CEO/Administrator Mendiola stated that it is possible noting that it's a matter of how GEDA accounts for it. Furthermore, she mentioned that GEDA could use a community contribution grant for nonprofits and for a for-profit, GEDA could transfer it to our marketing budget and then contract it out via a RFP. Secretary Ramos agreed that a community grant should be used to fund it and that it shouldn't come out of GEDA's budget noting that sometimes the budget is strained and further stated that she supports giving support to nonprofits and for-profit entrepreneurs. Director Dewan commented in the chat box that he supports it and stated that we can seek existing business to assist.

There was no further business discussed.

### ***Public Comments***

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

There were no public comments.




**Adjournment**

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

  
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DAVID JOHN, Chairman  
Board of Directors

ATTEST:

  
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G.A. RAMOS, Secretary  
Board of Directors