

Minutes of Regular Meeting to the Board of Directors of the  
Guam Economic Development Authority  
May 20, 2021

**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, May 20, 2021 at the hour of 1:37 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.  
George Chiu  
Siska Hutapea  
Deepak Dewan  
Gia Ramos

**Offices or Positions:**

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

Melanie Mendiola  
Joann G. Camacho  
Terry Brooks

CEO/Administrator  
Deputy Administrator  
Legal Counsel

**Absent:**

Fe Valencia-Ovalles

Director

**Also in attendance were:**

Claire Cruz

GEDA

Ariana Villaverde	GEDA
Edward Camacho	GEDA
Christina Garcia	GEDA
Diego Mendiola	GEDA
Yong Pak	GEDA
Tria Paulino	GEDA (via video teleconference)
Jennifer Calvo-Guzman	GEDA
Michael Carlson	Office of Senator Clynt Ridgell (via video teleconference)
Gerry Partido	Pacific News Center (via video teleconference)
Morgan Legel	Glimpses of Guam (via video teleconference)
Steve Limtiaco	Pacific Daily News (via video teleconference)

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

- §4. The first item considered was approval of the agenda. Director George Chiu made the motion to approve the agenda. Chairman David John 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 April 15, 2021. Director Siska Hutapea moved to approve the minutes. 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.

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

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

Vice Chairman Espaldon greeted everyone present and stated that he will chair the meeting as Chairman David John is away on travel. While we await feedback from the American Rescue Plan (ARP), Vice Chairman Espaldon stated that GEDA continues to forge ahead in its various initiatives to build our island's economy. Vice Chairman Espaldon then proceeded to provide updates to various GEDA initiatives.

First, Vice Chairman mentioned that GEDA sent out a press release regarding the successful refunding of Business Privilege Tax (BPT) Bonds which yielded a total estimated savings for the government of Guam of about \$63 million at a true interest cost of 2.96% and further stated that the GEDA team spent early mornings last week in Investor Roadshow conference calls

discussing tourism, military, and of course, our diversification efforts. Furthermore, Vice Chairman Espaldon announced that next for the team is the Guam International Airport Authority (GIAA) Refunding to realize savings for the airport, which as we all know, is under considerable strain as a result of the pandemic.

Next, Vice Chairman stated that there has been media coverage on recent upgrades by one of the ratings agencies and noted that Moody's changed the outlook for all of our general credits and the Guam Waterworks Authority from negative to stable. Moreover, Vice Chairman stated that ratings agencies always discuss Guam's opportunity to improve in two areas, liquidity and economic diversification and added that the government's improved finances in the last two years certainly lent to the liquidity piece, while ongoing diversification efforts will lead to a longer term and more permanent upgrade in the future.

Furthermore, Vice Chairman stated that the Governor's Economic Diversification Working Group, co-chaired by Director Siska Hutapea continues to meet on this front. In addition, Vice Chairman announced that GEDA has been appointed to Chair the Transshipment Task Force to explore opportunities in this area and will be led by Business and Economic Development Manager, Ed Camacho at the request of Governor Leon Guerrero.

Additionally, and as far as immediate results that may be associated with these initiatives, Vice Chairman informed all that GEDA has received four letters of intent to apply for Qualifying Certificates (QC) since the start of the year from a manufacturer of medical equipment, a microbrewery, a solar farm, and a recycling company. Moreover, Vice Chairman stated that GEDA is especially proud to have received the letter of intent for our Circular Economy QC for removing waste from the waste stream and added that this is significant because the original "Recycling QC" legislation was adopted in 1998 which received zero applications for that QC. In addition, Vice Chairman mentioned that the GEDA team updated the QC – more aligned with today's goals of sustainability and economic diversification and now the "Circular QC" and will be evaluating one application less than six months after the bill's adoption in which the company applying would like to divert waste generated by existing hotel and apartment building properties as well as new construction projects away from the landfill towards various recycling efforts.

Moreover, Vice Chairman mentioned that GEDA testified at a public hearing for Bill 66-36 on May 19<sup>th</sup> and in support of extending the Special Hotel QC for another ten years to achieve two goals - more overall hotel rooms and more modern and updated hotel rooms in our inventory. Furthermore, Vice Chairman said that notable amendments recommended in this QC is an increased benefit for significant renovations that extend the life of the hotel and provide for a more superior guest experience. Overall, Vice Chairman noted that the reception to the Special Hotel QC legislation was very positive across the board.



Vice Chairman Espaldon then mentioned that the Guam Medical Center Task Force has been meeting regularly and that GEDA is staffing and administering the task force and are planning to make the first round of recommendations to Governor Leon Guerrero next week with recommendations under three areas: Land, Medical Services, and Financing.

Turning to matters related to the American Rescue Plan, Vice Chairman Espaldon stated that GEDA is in the design phase of the Guam Small Business Pandemic Assistance Grant 2021 and that GEDA hosted four stakeholder meetings to gain input and consensus. In addition, he stated that GEDA has consulted the preliminary federal guidance on ARP and Administrator Mendiola and team will discuss more about the positive and welcome news.

Next, Vice Chairman Espaldon commented that under the Qualifying Certificate Community Contribution Program Series 4, the board will hear the last recommendation of this fiscal year to award grants to 15 organizations and thanked Director Fe Valencia-Ovalles for her commitment as a member of the Evaluation Committee since the beginning. Additionally, Vice Chairman expressed his appreciation to Francis Santos, Senior Vice President of Guam regional Medical Center (GRMC) who has also volunteered to sit on the Evaluation Committee.

Lastly, Vice Chairman announced that at today's Board of Directors (BOD) Meeting, we will bid farewell to Director/Secretary Gia Ramos and stated that Director Ramos has served on the board since her appointment in the previous administration and has played an active role in championing the healthcare industry. In addition, Vice Chairman Espaldon mentioned under Director Ramos' command, the Healthcare Subcommittee was created, GEDA sponsored workforce development programs at the Guam Community College (GCC) and the University of Guam (UOG) to get more workers trained in this industry, and forged stronger ties with the Department of Labor – all thanks to Director Ramos' participation and leadership. Vice Chairman articulated that the BOD has been happy to have had Director Ramos' participation and contribution through her regular attendance to board meetings. In closing and on behalf of the BOD and the GEDA team, Vice Chairman Espaldon thanked Director/Secretary Gia Ramos for serving the people of Guam through the GEDA Board and wished her the best.

This concluded the Vice Chairman's remarks.

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

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

On behalf of the GEDA team, CEO/Administrator Melanie Mendiola thanked Secretary Ramos for her service and support of the organization over the last several years.

This concluded the CEO/Administrator's remarks.

### ***Committee & Standing Reports***

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

Diego Mendiola, Real Property Division (RPD) Manager, reported for the Real Property Committee and stated that RPD has been extremely busy with several projects to include assisting the Governor's office by facilitating the Matrix Task Orders to include the Financial Impact Assessment Study update funded by the Office of Economic Adjustment (OEA), the Medical Healthcare Task Force Steering Committee and Subcommittees in relation to the Medical Action Plan, and as well as Grants Management Training for the government of Guam. Furthermore, Mr. Mendiola stated that RPD has been assisting in the Department of Public Works' Request for Proposal (RFP) Evaluation Committee for Management Services for the Highway and Horizontal Construction Division. Additionally, Mr. Mendiola noted that RPD has also been assisting the Department of Chamorro Affairs (DCA) with maintenance repairs and upgrades to Chamorro village. With regard to the Guam Ancestral Lands Commission (GALC), Mr. Mendiola stated that his division has also been helping the agency with an IFB repair of the EPA roof and the appraisal for the Polaris point property. Furthermore, Mr. Mendiola stated that RPD is also assisting Guam Department of Education with their Facilities Master Plan. We've been facilitating the design build RFP package for a Southern Boat Ramp under an a DOI grant. Mr. Mendiola also indicated that with regard to the HOT Bonds, the Guam Museum is requesting for HOT Bond funding for maintenance and repairs and that the Guam Visitors Bureau is also requesting for HOT Bond funding for streetlights. In addition, Mr. Mendiola reported that RPD has been working on GEDA's Citizen Centric Report, as well as assisting with the Beautification Task Force. Lastly, Mr. Mendiola informed the board that the lawsuits involving GEDA are listed in the report but recommended discussion for next Executive Session.

CEO/Administrator Mendiola reported for the Healthcare Committee and stated that GEDA has been primarily assisting the Governor administering the Healthcare Task Force for the medical campus. CEO/Administrator Mendiola informed all that the Healthcare Task Force steering meeting will be on Tuesday, May 25<sup>th</sup> and further mentioned that the Land & Infrastructure, Medical Services, and Finance Subcommittees have been meeting and GEDA has been staffing the three subcommittees. CEO/Administrator Mendiola stated that the Medical Services Subcommittee's main task is to update the 2012 and 2016 studies relative to the hospital, DPHSS, and GBHWC as there have been updates to our healthcare system since 2012 such as the GRMC opening, Dr. Shieh's clinic, and other private facilities. Moreover, CEO/Administrator Mendiola stated that GEDA's Public Finance Manager, Tina Garcia, is the spokesperson for the Finance Subcommittee and that the committee and is exploring various funding sources and methods. In addition, CEO/Administrator Mendiola mentioned that DPHSS has received some funding for a CDC lab and for an Environmental Health Office with the next step likely being to secure funding for their headquarters as the Mangilao Headquarters is nonfunctioning and the



agency is in need of one. Furthermore, she stated that the Finance Subcommittee is exploring that concurrent with the Governor Leon Guerrero's hospital plans.

Secretary Ramos recommended that the GEDA team continue to follow up with the assisted living and the Residential Care Facility for the Elderly (RCFE) and offered her assistance as a member of the public. Mr. Mendiola stated that the proposed legislation is with Senator Joe San Agustin. In addition, Secretary Ramos recommended that GEDA meet with Vice Speaker Tina Muna Barnes as she has expressed interest in the RCFE.

Moving onto Agriculture/Aquaculture Committee Report, CEO/Administrator Mendiola reported that the Aquaculture Task Force met on May 13<sup>th</sup> and that an RFP for Professional Consulting for an Aquaculture Industry Feasibility Study was issued. Additionally, she announced that local trainings have been taking place – not quite at a commercial level but a community production level to sell to local markets. CEO/Administrator Mendiola also noted that GEDA expects to receive feedback in the coming months with regard to an EDA grant that GEDA received and is pending a notice to proceed and a but has received clearance from SHPO. Vice Chairman Espaldon inquired about the RFP timeframe. CEO/Administrator Mendiola stated that the RFP was issued on May 10, 2021 and is due on May 29<sup>th</sup>. Correction: The RFP deadline is 4:00 PM on June 10, 2021.

Next on the agenda was the Communications Report. CEO/Administrator Mendiola informed all present that the report format has changed which allows for better tracking and a more detailed report. In addition, she stated that the last two pages of the report includes the breakdown and list articles that mentions GEDA or GEDA personnel.

Lastly, CEO/Administrator Mendiola gave the Grants Report and announced that GEDA received a Notice of Award to update the Guam Comprehensive Economic Development Strategy (CEDS) Report. CEO/Administrator Mendiola mentioned that periodically, a community can apply for a grant to renew or update the information in the report. She then provided a brief background into the CEDS Report that was initially issued in 2019. In the 2019 CEDS Report, CEO/Administrator Mendiola stated that there are about 40 projects listed and further stated that out of the 40 projects, 8 projects have been funded for a total of about \$18.8 million in grant funding and \$10 million in private funding with the most notable projects under the CEDS that have been funded since its adoption are the partnership on the hatchery at the University of Guam. In addition, the University of Guam's School of Health received a \$12 million grant to upgrade the School of Health to train more nurses and healthcare professionals. In addition, CEO/Administrator Mendiola noted that the two OEA grants received were a \$3.5 million grant for the Ordot-Chalan Pago Multipurpose Center and a \$1.8 million grant for the Medical Campus Feasibility Study. Furthermore, she stated that there is a matching requirement of 20% on most EDA grants in cash or resources, such as the value of land to secure the inflow of funds. CEO/Administrator then mentioned that GEDA received a little under \$100,000 to update the



CEDS Report and then solicit new projects from government agencies and other stakeholders to include in the updated CEDS Report with an anticipated completion by the end of the year.

This concluded the Committee and Standing reports.

*Old Business*

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

The sole item under Old Business was the Qualifying Certificate Community Contribution (QCCC) Program, Series 4 Update and Resolution No. 21-10.

CEO/Administrator Mendiola stated that through a press release last month, GEDA announced that the QCCC Series 4 Program application period was opened from April 7, 2021 to April 28, 2021 in which GEDA held a Grantee Informational Session via Zoom in between and received 35 applications as of the closing date with the Evaluation Team consisting of Director Fe Valencia-Ovalles, GRMC's Senior Vice President, Francis Santos, a GEDA Manager, Deputy Administrator Joann Camacho, and herself. CEO/Administrator Mendiola stated that any member of the Evaluation Team could abstain from scoring as she did for Farm to Table Guam because she is a former employee. Furthermore, CEO/Administrator Mendiola explained that during the evaluation process, the lowest score was dropped and the top four scores for every applicant were compiled. With the BOD previously approving \$300,000 for the QCCC Series 4 Program, CEO/Administrator Mendiola announced the 15 awardees: Sinajana Mayor's Office, Guam Fire Department, Talofoto Mayor's Office, Guam Educational Telecommunications Corp dba PBS Guam, Elim Pacific Ministries, Farm To Table Guam, Breaking Wave Theatre Company, Kosraean Association of Guam, Guam Amateur Baseball Association, Junior Achievement Guam, Sanctuary Incorporated of Guam, the Guam Basketball Confederation, Pacific War Museum Foundation, Guam Football Association, and Micronesia Training and Development Institute.

Furthermore, CEO/Administrator Mendiola stated that upon the board's approval of Resolution No. 21-10, GEDA will issue a press release and notices to all awardees, as well as notices to those organizations who did not receive the grant. In addition, there will be an award ceremony with Governor Leon Guerrero where some organizations will have an opportunity to discuss their program and projects. CEO/Administrator Mendiola went on to highlight the top three awardees. Ranking # 1 is the Sinajana Mayor's Office. CEO/Administrator Mendiola stated that Mayor Robert Hoffman secured a multimillion-dollar grant to upgrade the Senior Center among other initiatives, and also is building a Community Arts Hall, and the mayor will be utilizing the QCCC Grant funds to help with the cosmetics, interior, professional lighting of the theater as well as to purchase professional audio/visual equipment. Ranking # 2 is the Guam Fire Department who will be using the funds to purchase drones to assist in the search and rescue in open water or in Guam's jungles. Lastly, CEO/Administrator Mendiola announced that the



Talofoto Mayor's Office ranked # 3 and will utilize the funds to resurface their basketball court and for fence replacement.

**Resolution No. 21-10  
Relative to Approving the QCCC Series 4 Disbursements**

Director Hutapea moved to adopt Resolution 21-10. Secretary Ramos seconded the motion. A roll call of the remaining board members in attendance was then conducted Vice Chairman Espaldon, the motion was unanimously approved.

There was no further business discussed.

***New Business***

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

The first item under New Business was the Guam Small Business Pandemic Assistance Grant 2021 (PAG21) Program.

CEO/Administrator Mendiola restated that GEDA held four stakeholder meetings for Guam Small Business Pandemic Assistance Grant 2021 (PAG21) Program and that GEDA has submitted a request to the Office of the Governor for about \$30 million for grants related to small businesses. Although Governor Leon Guerrero has expressed a strong desire to give another round of grants, CEO/Administrator Mendiola informed the BOD and all present that at this time, GEDA is not aware of the final breakdown or intentions for the use of the ARP Act funds and is unsure of the amount the grant program will be given. CEO/Administrator Mendiola did state that the program was built around GEDA's request and that the team is presenting the program's Standard Operating Procedures (SOP) to the Board today because the ARP money is imminent and the GEDA team is ready to launch the program once given the go-ahead. Upon the BOD's adoption of the PAG21 Program's SOPs, CEO/Administrator Mendiola stated that next step will be Governor Leon Guerrero's concurrence, as well as the concurrence of the Department of Administration (DOA) and the Bureau of Budget and Management Research (BBMR).

Furthermore, CEO/Administrator Mendiola mentioned that there's ongoing discussion at the moment between GEDA and DOA on how the program should be carried out from the perspective of cash handling as there are questions about the audit process. Aside from that, CEO/Administrator Mendiola declared that once the SOPs are adopted, the Governor releases the Executive Order, and the ARP funds are received, GEDA can launch the program. While CEO/Administrator Mendiola is hopeful that this will occur next week, she informed the BODs





that they are more than welcome to give the program's SOPs some thought and discussion before adopting, however, she reiterated that should the Board approve the SOPs, the GEDA team is ready.

Referring to a PowerPoint Presentation, CEO/Administrator Mendiola informed all that thus far, GEDA has managed three COVID-19 economic grant programs: 1) the Guam Small Business Pandemic Assistance Grant Program, 2) the Healthcare System Stabilization Grant Program, and 3) the Guam Small Business Rent Assistance Grant Program processing approximately 2,780 applications with over \$21 million distributed to Guam's small businesses. Moreover, CEO/Administrator Mendiola stated all three programs (funded with CARES Act) were developed and administered in house with the partnership of the DOA and within the oversight of the Office of the Governor.

CEO/Administrator Mendiola said that with the American Rescue Plan (ARP) Act funds allocated to Guam, GEDA proposed and requested \$30 million for PAG21 Program. Furthermore, she discussed some parameters of the program - eligibility shall be based on business type, business interruption, gross receipts, Small Business Administration's (SBA) size standards, business must be licensed and filing taxes in Guam. In addition, CEO/Administrator Mendiola stated that ineligible business types include passive investments, such as landlords, internationally headquartered businesses in Guam like Ross or Kmart. With regard to business interruption, applicants must show evidence of business interruption by providing their filed Gross Receipt Tax (GRT) documents.

Again, CEO/Administrator Mendiola stated the GEDA will follow SBA's definition of a small business and explained that for the first 30 days, \$10,000,000 of the total grant budget will be set aside for applicants with \$1,500,000 or less in eligible 2020 gross receipts and that any incomplete applications or completed applications that have not been processed will go into a general pot. CEO/Administrator Mendiola further explained that if after the 30 days, we only have \$5 million worth of awards calculated for the \$1.5 and below businesses, the remaining \$5 million will be placed in the general pot of funds, however, she encouraged businesses to submit their applications as soon as possible. Although landlords are not eligible for the program, CEO/Administrator Mendiola stressed that landlords, as determined in the stakeholder meetings, are an important part of our community and are also suffering and that in order to prioritize landlords with a portion of the award, applicants will be informed that no less than 30% of their grant award will be prioritized to current or future rental payments (if applicable). Additionally, CEO/Administrator Mendiola stated that restaurants and bars must indicate if they applied for an SBA grant under the Restaurant Revitalization Fund (RRF) and if so, their PAG21 application will be considered after the initial 30-day period and because a business can't double dip with federal funds – can't use RRF and PAG21 funds for the same thing. CEO/Administrator Mendiola added that those business will be asked to submit an expenditure plan for funds they may receive under the RRF and under PAG21.



Vice Chairman Espaldon inquired if businesses who apply for the SBA's RRF will be eligible for PAG21. CEO/Administrator Mendiola indicated yes; they are still eligible to apply provided they meet all other eligibility requirements. Vice Chairman also clarified those ineligible entities include nonprofit organizations (NPO) and businesses that were once opened and are now permanently closed. CEO/Administrator Mendiola stated yes and added that a business must intend to reopen. Furthermore, referring to the preliminary guidance under the American Rescue Plan Act, the purpose of the ARP Act is for future economic rebuilt whereas the CARES Act was for businesses suffering at that point in time. Having said that, CEO/Administrator Mendiola stated that a business that has permanently closed will not be eligible. With regard to NPOs, GEDA is awaiting guidance from the Office of the Governor whether or not they'd like us to create a program for NPOs but also stated that because GEDA's focus is on economic development, we focused on small businesses.

With regard to the grant calculation, CEO/Administrator Mendiola stated that awards will equal fifty percent (50%) of the average monthly gross receipts from the pre-pandemic business period and awards are capped at \$50,000 meaning if your business received \$50,000 in the first grant, you'll probably receive \$50,000 this time around, however, if you're a very small business and received \$2,000 in the last round, you may receive \$4,000. CEO/Administrator Mendiola further explained that this is because the last round of grants was only 25% of average monthly while this round of grants is 50% of the average monthly gross receipts and further stated that GEDA expanded the percentage because we found that with the last grant program, we might have been a little bit too conservative with the 25% calculation as some awards were coming out smaller than what was kind of impactful and believes that this calculation will be more impactful to businesses.

Vice Chairman Espaldon stated that it is a positive change and is hoping to get more money into people's pockets. To clarify, Vice Chairman stated that all eligible businesses will have to demonstrate business interruption of at least fifteen percent (15%). Business interruption is calculated based on the difference between the average monthly gross receipts of the pandemic period (January 2020 – December 2020) and the average monthly gross receipts of the pre-pandemic period (January 2019 – December 2019).

Furthermore, CEO/Administrator Mendiola stated that for businesses that commenced operations on or after January 1, 2020, their grant awards will be calculated based on comparing available gross receipts and eligible incurred expenses as those businesses do not have pre pandemic numbers to compare loss in revenue. In addition, she stated that those applications will be provided to a separate committee for review, determination of grant award, if eligible, and may request additional supporting documents such an itemized list to help articulate their business interruption as a result of the pandemic. As an example of what GEDA will consider, CEO/Administrator Mendiola stated that if a business started paying rent in February 2020 but due to the government closures in March 2020, they weren't able to obtain their permit until



June 2020 leaving them with four months of rent, they still owe to the landlord. Although GEDA doesn't anticipate that there will be many businesses who fall in that category, CEO/Administrator Mendiola noted that those applications will be evaluated in the same fashion as applications that were denied and went through the appeal process and added that with the appeal process, applications will be provided to the committee as well for evaluation and determination of award.

Moving on and referring to the presentation, CEO/Administrator Mendiola presented a comparison chart of the last grant in 2020 and the PAG21 Program. For PAG21, CEO/Administrator Mendiola stated that the grants team will be evaluating an entire year's worth of interruption and not from one month alone with a minimum of 15% business interruption compared to 25% in the last grant. In line with the Department of the Treasury's interim rules and guidance, CEO/Administrator Mendiola noted that the award calculation is based on 50% of the average monthly receipts rather than 25% with a max remaining at \$50,000. Furthermore, CEO/Administrator Mendiola stated that there are no tiers meaning the application period will not be opened for one week for a particular group and that everyone can apply once the program is launched, however, funds will be set aside for the smaller of small businesses for the first 30 days and cannot exceed SBA size standards. Business and Economic Development Manager, Ed Camacho added that there were less than 40 businesses that opened in 2020 based on the 2000+ applications GEDA received in the last round. CEO/Administrator Mendiola added that if home-based businesses can't demonstrate interruption or demonstrate that there were inadvertent delays as a result of COVID-19, they would not necessarily be eligible.

Secretary Ramos inquired if any applicants did not receive a grant due to lack of funds. CEO/Administrator Mendiola stated no, not for the previous Guam Small Business Pandemic Assistance Grant Program but did mention that funds were exhausted for the Gram Small Business Rent Assistance Grant Program. Furthermore, she explained that anyone who was eligible by the time the funding cut off received a grant and clarified that when the applicant pool slowed down in June 2020, the Governor redirected some of the funds to other uses to include the current quarantine facilities. Then with the second closure in August, CEO/Administrator Mendiola stated that incoming applications spiked, and the Governor redirected some funds back to the grant program, however that funding was exhausted in December 2020.

Regarding the Rent Assistance Grant (RAG) Program, CEO/Administrator Mendiola reminded everyone that \$3 million was allocated for the RAG Program and that when the program application period ended, GEDA was in receipt of applications that were deemed eligible but because funding had exhausted, the status of those applicants remains "eligible, pending additional funding." Furthermore, CEO/Administrator Mendiola stated that GEDA requested an additional \$1.8 million to close out the RAG Program. She then emphasized that the Office of Governor is committed to granting GEDA's request with the ARP Act funds. Vice Chairman



Espaldon inquired if there is a good chance that businesses will receive a grant if they are still waiting. CEO/Administrator Mendiola stated yes, and that Governor Leon Guerrero has reaffirmed her desire to complete the RAG Program. However, CEO/Administrator did note that the only reason the program may not be completed is if the ARP Act doesn't allow it. CEO/Administrator Mendiola expressed GEDA's commitment to address that need in the event the ARP Act doesn't permit it. Vice Chairman added that the public shouldn't be discouraged as they've been waiting for quite some time for that rental relief.

Secretary Ramos inquired if there are funds set aside for essential workers under the ARP Act or if any discussions regarding that have taken place. CEO/Administrator Mendiola stated that GEDA is not aware if there have been discussions but did see that listed in the Department of Treasury's rules and is unsure how the Governor plans to address the use of funding for essential workers. Secretary Ramos asked if that funding is included in GEDA's request of \$30 million. CEO/Administrator Mendiola answered that it is not included.

Vice Chairman Espaldon remarked that GEDA did a good job executing the first grant and offered his Congratulations. Although Vice Chairman Espaldon believes that GEDA reached a majority of the businesses on Guam, he recommended that GEDA continue to emphasize how these programs are communicated to the community. Adding to that, Vice Chairman Espaldon also suggested that including a survey or question on the application regarding how they heard about the program and what would be the most practical way to communicate with them about future programs can be useful.

CEO/Administrator Mendiola stated that GEDA has forged good partnerships with the different industry organizations and received great feedback about the program during the stakeholder meetings with the Guam Chamber of Commerce, the Guam Women's Chamber of Commerce, the Korean Chamber of Guam, the Chinese Chamber of Guam, the Guam Hotel and Restaurant Association, and a few small businesses, and they are also interested in disseminating information about the PAG21 Program. Vice Chairman Espaldon suggested that GEDA reach out to businesses who are not part of industry organizations. CEO/Administrator Mendiola agreed and mentioned that GEDA will also post the information on its social media accounts – Twitter, Facebook, and Instagram, and further noted that for the last grant program, GEDA broadcasted free commercials on the Public Information networks.

Additionally, CEO/Administrator Mendiola stated that the numbers for the last grant program in 2020 closely mirrored the numbers for SBA's Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program and believes that GEDA was consistent and reached its targeted businesses. Furthermore, CEO/Administrator Mendiola said the GEDA team has learned from its previous grants where we can get better and improve and further stated that the team is ready and excited to launch.



Secretary Ramos inquired about the Business Interruption (BI) aspect of the grant. CEO/Administrator Mendiola explained that in the US Treasury guidance, GEDA must propose how we determine business interruption, and must be auditable. CEO/Administrator Mendiola further explained the importance of filed BPTs/GRTs, filed Tax Returns and stated that the 15% BI is a guiding light, a formula but not absolutely set in stone and gave an example that in the last grant, the BI was 25%, but there were some businesses with 23.8% who upon submitting an appeal, received a grant because their BI was still significant. Moreover, CEO/Administrator Mendiola said it also depends on the type of business and the team will analyze further for businesses who don't fall under the framework.

CEO/Administrator stated that the PAG21 collateral materials, program guidance, and SOPs have been modified from the previous program, and the SOPs is what is being presented to the BOD. In addition, CEO/Administrator Mendiola noted that any policies set forth by the ARP federal guidance, by the Office of the Governor, or by DOA may trump policies in the SOP as far as the handling of funds or award calculations. Furthermore, she mentioned that GEDA received concurrence and stated that the PAG21 will have a 90-day application period to avoid the reprogramming of funds.

Furthermore, CEO/Administrator Mendiola added that the only thing that didn't occur at the Stakeholder meetings was the creation of a great title for this program, and mentioned that it was decided on the name - the Guam Small Business Pandemic Assistance Grant Program 2021. Regarding the tentative deployment timeline, CEO/Administrator Mendiola stated that in April 2021, GEDA reached out to the stakeholders and BOD and submitted its request to the Governor and the Lieutenant Governor and further stated that in May 2021, the team developed the SOPs and are presenting it to the BOD for their approval. CEO/Administrator Mendiola indicated that we expect to launch the PAG21 in June 2021 with a 90-day application period. In addition, she mentioned that GEDA conducted a grants team training. Assuming there are no modifications and no major changes to the PAG21 program, specifically, with regard to any audit or cash handling procedures, CEO/Administrator Mendiola indicated that we will not need to come back to the board anytime soon but will provide monthly updates.

Vice Chairman Espaldon asked if GEDA has a date for when the PAG21 application will be available on GEDA's website. CEO/Administrator Mendiola stated that the timing for the PAG21 launch is dependent on when the Governor releases the Executive Order and that GEDA will be ready to launch soon after. Furthermore, CEO/Administrator Mendiola stated that collateral materials are in draft mode and that GEDA is aiming to have all the collateral – application, Program Information, FAQs, etc. all ready within the next two weeks. In addition, CEO/Administrator Mendiola noted that we are hoping that at some point in time, in early June, that the American Rescue Plan (ARP) money will make its way to Guam but that the Governor will decide the allocations as there are different agencies who have also submitted their requests. Moreover, CEO/Administrator Mendiola stated that a draft Executive Order has been



submitted to Governor Leon Guerrero's legal team for their review but noted that there are other agencies, as far as need, may be in front of our request such as the DPHSS, GMH, and DOL. However, CEO/Administrator Mendiola said that we are aiming to launch the PAG21 in June.

**Resolution No. 21-11**

**Relative to Approving the Standard Operating Procedures for the Guam Small Business Pandemic Assistance Grant 2021 (PAG21) Program.**

Director Deepak Dewan motioned to adopt Resolution 21-11. Director Hutapea seconded the motion. A roll call of the remaining board members in attendance was then conducted Vice Chairman Espaldon, the motion was unanimously approved.

The second item under New Business was the State Small Business Credit Initiative (SSBCI) Program and Resolution No. 21-12.

Claire Cruz, Compliance Manager, informed the Board of Directors and all present that GEDA will be receiving \$52 million dollars through the SSBCI program and that for every enrollment of the loan, lenders will provide 20% in cash into their financial institution and GEDA is requesting approval via Resolution No. 21-12 to enter into an agreement with financial institutions who are participating lenders with the SSBCI Program on Guam to establish a savings account for the SSBCI loan programs. Furthermore, Ms. Cruz stated that doing so ensures that if a loan goes bad and the delinquency is not curable, financial institutions can sweep the account. In addition, Ms. Cruz indicated that this is a blanket request as there are several participating institutions and will be cumbersome to come back to the board for each request.

Director Hutapea asked if the SSBCI program has commenced and when can businesses apply. CEO/Administrator Mendiola stated that the SSBCI has existed in GEDA since 2010 but noted that the \$52 million is new monies from the Department of Treasury and the first tranche is expected in January 2022. Furthermore, CEO/Administrator Mendiola that GEDA submitted a Letter of Intent on behalf of the Office of the Governor. Following that, CEO/Administrator Mendiola stated that GEDA is working on an application articulating how the funds will be spent and is expected to complete it in the next month or two. Additionally, CEO/Administrator Mendiola also stated that specific to SSBCI, businesses can apply now because we still have money in the bank for the SSBCI loan program and further noted that the public can visit GEDA's website for the SSBCI lending opportunity. However, CEO/Administrator stated that the Venture Capital portion will commence when the new SSBCI funds are received. Director Hutapea inquired about the lending max. Mr. Camacho indicated that GEDA will guarantee up to \$500,000 or 75%. CEO/Administrator also mentioned that there's some flexibility with the new monies that are coming in though and the maximum is higher, up to \$2 million.

Vice Chairman Espaldon clarified that the \$52 million is separate from the \$30 million that GEDA has requested and further stated that the \$52 million is dedicated to loans as well as an equity program that small businesses can partake in and asked the media partners to spread the word on the various programs to as we want to circulate the funds in our economy. Director Gia Ramos inquired about the time period to disburse. Ms. Cruz indicated that the \$52 million will come in three tranches and with approximately a 10-year period to disburse the funds. Furthermore, Ms. Cruz stated that with the first tranche of \$18 million, GEDA will have up to two years to spend 80% of the funds or risk receiving the second and third tranches. Furthermore, CEO/Administrator Mendiola stated that the speed of deploying the first tranche funds is of utmost importance. Deputy Administrator Camacho added that that Guam received the same amount as other small states.

**Resolution No. 21-12**

**Relative to Authorize the Guam Economic Development Authority to Enter into Agreement with Financial Institutions who are Participating Lenders with the SSBCI Program on Guam to Establish a Savings Account for SSBCI Loan Programs**

Secretary Ramos moved to adopt Resolution 21-12. Director Hutapea seconded the motion. A roll call of the remaining board members in attendance was then conducted Vice Chairman Espaldon, the motion was unanimously approved.

The third item under New Business was Marketing and Outreach Communication.

Although board action is not required, CEO/Administrator Mendiola informed the BODs that GEDA issued an RFP for a Web Redesign and stated that as GEDA's website is functional, it needs a new look as we are competing for investors. In addition, CEO/Administrator mentioned that we also need to develop better collateral materials and are contemplating the need of a marketing person for our various initiatives, including the lending campaigns, grant opportunities, and foreign investment opportunities and may, at some point, seek the board's approval for a marketing and outreach budget.

There was no further business discussed.

**Public Comments**

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

As an advocate of senior care, Secretary Ramos commented about the Residential Care Facility for the Elderly (RCFE) and stated that RCFE could decrease our costs in providing senior care for the population as it's currently being handled at institutions such as St. Dominic's and that RCFE will provide economic stimulation as more businesses will open and provide relieve from the



hospitals. Secretary Ramos also stated that many seniors who can't be placed anywhere else end up staying in the hospital and aren't paying customers as they have no home. Moreover, Secretary Ramos stated that RCFE is popular in the United States and Hawaii, and would like Guam to provide an RCFE as the local community doesn't currently have that option to care for our seniors. Secretary Ramos requested that once the legislature hears the proposed bill and adds language to allow MIP to cover RCFE, she would like to be involved as a supporter and champion for the elderly community. Vice Chairman Espaldon thanked Secretary Ramos for her comments, and CEO/Administrator Mendiola stated that the bill is ready to go and it's just a matter of a senator adopting it and it moving in the legislative process.

There were no other public comments.

***Adjournment***

- §12. After further discussion there was a recommendation to adjourn the meeting. On motion duly made by Director Dewan and seconded by Secretary Ramos. A roll call of the remaining board members in attendance was then conducted by Vice Chairman Espaldon, the motion was unanimously approved.

  
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DAVID JOHN, Chairman  
Board of Directors

ATTEST:

  
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ERNESTO ESPALDON JR., Vice Chairman  
Board of Directors