

**Minutes of Regular Meeting to the Board of Directors of the  
Guam Economic Development Authority  
October 21, 2021**

***Call to Order***

§ 1. The regular meeting of the Board of Directors of the Guam Economic Development Authority (“GEDA” or the “Authority”) was held on Thursday, October 21, 2021 at the hour of 1:32 p.m., at the GEDA conference room, Suite 511, GITC Building, Tamuning, Guam. The meeting was called to order by Chairman David John to consider 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:

<b><i>Directors:</i></b>	<b><i>Office or Position:</i></b>
David John	Chairman
Siska Hutapea	Director and Secretary (via video teleconference)
George Chiu	Director
Fe Valencia-Ovalles	Director (via video teleconference)
Andrew Park	Director (via video teleconference)
Melanie Mendiola	CEO/Administrator
Joann G. Camacho	Deputy Administrator
Terrence M. Brooks	Legal Counsel
Tom Fisher	Legal Counsel (via video teleconference)

Also, in attendance were:

Jennifer Calvo-Guzman	GEDA
Yong Pak	GEDA
Tina Garcia	GEDA
Claire Cruz	GEDA
Diego Mendiola	GEDA
Ed Camacho	GEDA
Ariana Villaverde	GEDA

Mike Carlson	Office of Sen. Ridgell’s Office (via video teleconference)
Morgan Legel	Glimpses of Guam (via video teleconference)
John O’Connor PNC Digital	Guam Daily Post PNC (via video teleconference)
Absent:	
Ernesto (Jun) Espaldon	Vice Chairman – Excused
Deepak Dewan	Director

### *Approval of Agenda*

- § 4. Director George Chiu made a motion to adjust the agenda. He requested that Executive Session to be moved to the top of the agenda first. Director Andrew Park seconded the motion and it passed unanimously. Chairman David John made a motion to approve of the agenda as amended. Director Fe Valencia-Ovalles second the motion. The motion unanimously passed.

### *Executive Session*

- § 5. With the motion being passed beforehand, the Board went into Executive Session after clearing the conference room.

### *Approval of Minutes*

- § 6. Motion was made by Director Chiu and seconded by Director Ovalles to approve the September 16, 2021, board meeting minutes. The motion unanimously passed.

### *Chairman Remarks*

- § 7. Chairman David John reported the following.
- Chairman John wanted to extend his thanks to Vice Chairman Ernesto (Jun) Espaldon, who led the September Board Meeting while he was away on travel.
  - The agency has engaged in a broad spectrum of projects, but Chairman John is most especially pleased with the recent announcement of the LEAP Program. LEAP stands for Local Employers’ Assistance Program, and it was authorized by an executive order and companion legislation is still pending for a total of \$50 million dollars to assist local businesses who have been hit hardest by the pandemic. The focus of the program will be towards providing assistance towards the hardest hit industries but will also assist other businesses that have experienced significant interruptions. It is one of the main priorities of the Governor in this pandemic: to reduce unemployment. There is a significant focus on employment in the LEAP. The bill needs its public hearing and all the steps to become law, but in the meantime the team is hosting stake

holder meetings and asking members to come up with something within budget that accomplishes the Governor's goals. LEAP, when completed, will be the product of the Executive Branch, Legislature Branch as well as the private sector and it is truly a shining example of what Guam can do as a community when we come together and get over our differences to focus on what's really important to the island, as a whole. Chairman John would like to personally thank everyone who has been involved in the process to include the Governor, Legislature – especially Senators Amanda Shelton and Joe San Agustin – Dave Tydingco and Simon Sanchez's Group as well as the Guam Chamber of Commerce, Woman's Chamber of Commerce, Korean Chamber of Commerce, Chinese Chamber of Commerce and the Guam Hotel and Restaurant Association. To further support the tourist industry, there was a hearing concerning Bill 66-36, a bill to extend the Special Hotel Qualifying Certificate (QC). While it was supported by the local business community, there were some Senators who expressed concern with the portions having to do with the renovations. At first glance, Chairman John understands the concerns regarding a QC for renovations, however, it is not a giveaway for tax breaks for necessary maintenance for hotel infrastructure. For what is set up, what is considered a recapitalization with at least 10% of the entire value of a hotel needed from the reinvestments in order to be approved. The goal behind it is not just putting paint down on the hotel but improving the hotel inventory and the experience of the traveler in an effort to increase our visitor experience and the ADR.

- c. Also authorized were two public laws: (1) to build the medical campus and (2) the Department of Corrections through lease back financing. The team issued an RFP for financial advisors weeks ago, which closes next week, to aid with these transactions. The Governor's Economic Diversification Working Group met up with the budget to carry out the individual initiatives. The group will be presenting to the Guam Chamber of Commerce at their meeting this month. Like the LEAP program, the project involves both private and public input and is another example on what we can do as a community. The working groups have already made progress with the infusion of the American Rescue Plan (ARP) money and will certainly multiply efforts and speed things along. Thanks to Director Siska Hutapea for continuing to work as Co-Chairwoman.
- d. With all of this, the team is still in business as usual. Public Finance closed the BPT Financing. Administrator Melanie Mendiola will give an update on the Small Business Pandemic Assistance Grant 2021, which got off the ground a little over a month ago.
- e. We closed the fiscal year and are getting ready to announce the next round of Qualifying Certificates for the Community Contribution Grants. There is much more, but there is an ambitious schedule today, so Chairman John turned the meeting over to Administrator Melanie Mendiola for her Administrator Remarks.

*CEO/Administrator's Remarks*

- § 8. Administrator Melanie Mendiola reported the following:
- a. As Chairman John had mentioned, the agenda is quite long however, much of it is an administration correction. As the law changed with regard to the advertisement requirements, GEDA use to not have to advertise the agenda, just the meeting announcement and GEDA does now. GEDA would need to ratify the actions from the past meetings where the agenda was not publicized.
  - b. There are a few highlights. As Chairman John had mentioned, we will discuss grants funded under ARP that GEDA, on behalf of the Governor is administering. The unaudited numbers look good – Administrator Melanie Mendiola will touch on it as well. GEDA will be looking at a new round of QC Grants and, lastly, the discussion of a creation of a vehicle for SSBCI Venture Capital Financing, which is very exciting.

*Community and Standing Reports*

- § 9. The following committee reports were made:
- a. Investment Committee. Nothing to report other than boarding two investment advisors – Raymond James and BG Investment Services, Inc. (BGIS).
  - b. Diego Mendiola, Real Property Division Manager. Nothing to report other than the fact that they have completed a Southern Program, designed an RFP package and had given that the DPW. The Legislature will be discussing Bill 186 to provide construction funding for that project, and it is a pretty big project that will have a lot of impact on the island.
  - c. Administrator Mendiola, Healthcare Committee. Nothing new to report.
  - d. Administrator Mendiola, Agriculture/Aquaculture Committee. GEDA applied for an EDA Grant for five hundred thousand dollars (\$500,000). Phase I is a technical assistance grant to grow a regional aquaculture industry. If awarded Phase I, GEDA will be eligible to apply for a Phase II grant between \$25 to \$75 million for an Aquaculture Regional Innovation Center. GEDA received support from our coalition partner, the Micronesian Islands Form. Administrator Mendiola believes that it will give it a competitive edge and is looking forward on receiving feedback on it. It is part of the USEDA Build Back Regional Challenge.
  - e. Administrator Mendiola, Qualifying Certificate Report. Reports are there for Board members to look through them; no discussion is needed.

*Old Business*

- § 10. Ratification of Resolution No. 21-014 – Waiver Notice and Consent to Take Action by Unanimous Consent Relative to Authorizing GEDA CEO/Administrator to Execute the Settlement and Mutual Release in Order to Resolve the Litigation that Exists between GEDA and Mega United.
- a. An agreement has been reached. Legal Counsel has negotiated an agreement to settle this case. The resolution that was circulated last month has been signed. A settlement agreement has been signed and delivered. Just need to wrap up a few final documents and get MEGA United paid and the case will be dismissed. Director Chiu has made a motion to ratify, and Director Ovalles seconded the motion. The motion unanimously passed and Chairman John asked Administrator Mendiola to take care of it.
- § 11. The Guam Small Business Pandemic Assistance Grant 2021 Update reported by Administrator Melanie Mendiola
- a. The Small Business Pandemic Assistance Grant 2021 was launched on September 9, 2021 shortly after Labor Day. GEDA has received seventeen hundred (1,700) applications, distributed one thousand one hundred and twenty-one (1,121) checks, one thousand six hundred and ninety-six (1,696) applications have been verified and sixteen hundred (1,600) have been sent to our Administrative Services Division for processing. GEDA has three hundred and forty-one (341) ineligible (20% of applications) due to their business interruption losses were less than 25%. Some of them had other reasons for their ineligibility i.e., landlords, etc. However, the vast majority of the ineligible actually did not have interruption losses of more than 25% so that means that their 2019 – 2020 numbers were very close. GEDA sent out notices detailing the process should they wish to file a reconsideration. Businesses that submitted a reconsideration are stating reasons such as, “I preformed the work in 2019, and I did not get paid until 2020 so it is a receivable timing type of situation”. There are also businesses that sold off assets, thus their revenue has gone up. GEDA is reviewing it on a case-by-case basis. All the reconsiderations are reviewed by a committee and take into account their supporting documents. The committee then makes a recommendation to accept the reconsideration and process their award or not. Director Chiu had a question and mentioned that there were programs that GEDA did prior to this second round (of applications) and if there are applications still there and if GEDA runs out of money, would GEDA need to make those up? Deputy Administrator Joann Camacho answered by saying that it is the Rent Assistant Grant in which the Governor appropriated \$1.8 million to close out. To date, GEDA has paid over two hundred and thirty (230) applicants who responded to the inquiry notice. There are about less than fifty (50) applicants left.



§ 12. GEDA Fiscal Year 2021 Update reported by Administrator Melanie Mendiola

- a. Proud to report that GEDA's unaudited numbers show it is in the black or very close to being in the black from operations – alone – not counting any passive income or investment income. The operating income was good. The two areas that GEDA did not perform according to budget were: the Qualifying Certificate (QC) fees as well as grants revenue, which is largely a timing matter. The QC fees are paid on a calendar year basis so a company can opt to pay everything at the end of the year, like December. Unfortunately, that pushes GEDA into a new Fiscal Year. As for the Grants revenue, it is also a timing consideration. Administrator Mendiola thought that work can get started but because of the pandemic, there were some federal shutdowns and individuals teleworking, etc. which delayed processing grant applications. These are all grants that have already been approved, but had been pushed off to Fiscal Year 2022. Operating expenses are nice and steady and below from what was projected, \$2.671 million versus \$2.799 million under what was projected, or about one hundred and fourteen thousand lower (\$114,000). This is primarily because of not traveling and only working within the island. Looking forward, one thing that Administrator Mendiola can say in regards to Fiscal Year 2022 is that GEDA is currently at capacity regarding operating income and operating expenses.
  
- b. Administrator Mendiola does believe that GEDA would need to grow and expand. GEDA is asking managers to look within their departments on what skill sets are lacking to accelerate the rolling out of these programs. We must work on balancing the many new roles that have become important. Chairman John added to be careful on adding individuals on short term projects because one does not want to be the person to let someone go and they may have quit another job to work here. Chairman John understands that it is a difficult task, but if there are ways on hiring temporary workers or bring people in from other agencies to help cover those temporary areas and allow the permanent hires to focus on their jobs. Administrator Mendiola stated that GEDA are all unclassified employees so, by large, everyone here is at will. Director Chiu wanted to congratulate Administrator Mendiola as well as the GEDA team. Director Chiu did have the opportunity to review the budget and current year results and compared the budget to this coming Fiscal Year and it looks very good. Administrator Mendiola added that they are in need for individuals to help GEDA with procurement type of issues like writing RFPs because of all the services and special projects getting carried out, Guam Medical Campus for example, a large number of sight and survey studies need to be done. GEDA would need to issue out RFPs for every single one of them. These are the issues that we are contemplating among other things. Chairman John then asked if there is an option on bringing in outside experts on a temporary basis. Administrator Mendiola stated that it is the idea. What is being contemplated right now is issuing an IDIQ specific to A&E because, for example, the big aquaculture grant involves some design work but that is just to apply for the grant and so something like that, GEDA would need an individual to perform that work but not necessarily see the project through. In addition, GEDA is also seeking consulting contracts for potentially more grant writing and grant support



as well as assistance in the administration side. With the large inflow of grants, there is a single audit requirement and the administrative services division would need to handle that.

- c. For the grant for the three BPT projects, Administrator Mendiola will follow up with the front. Chairman John suggested that GEDA take the lead on it and does not want to see something drop through. There has been a discussion yesterday about supply issues with parts – coming through to get things fixed. It seems to Chairman John that it is right to pick with everything going on with the global supply chain. The Governor will be going back to Washington, DC next month, so it would be nice to have something in hand.

### *New Business*

§ 13. Resolution No. 22-001 – Relative to Ratifying Action Taken at Prior Board Meetings of July, August and September of 2021 reported by Administrator Melanie Mendiola.

- a. The law changed and GEDA needed to advertise the agendas in the advertisement instead of just an announcement. Because of that, GEDA needs to reapprove all the items that were approve in previous meetings. All is covered within the resolution but to just go over for those who may have missed the meetings. Administrator Mendiola could read the items relative to the resolution.
- b. Resolution No. 22-001 ratifies actions taken from July, August and September Board Meetings.
- c. For the July 2021 meeting, the Board approved:
  - i. The approval of the agenda
  - ii. Approval of the Board minutes (June)
  - iii. Ordot – Chalan Pago Interim Financing – Approval to commence negotiations and award to the proposer, Bank of Guam
- d. The August 2021 meeting, the Board approved:
  - i. The approval of agenda
  - ii. Approval of the Board minutes (July)
  - iii. RFP 21-006 Ordot-Chalan Pago (OCP) Financing Terms – Approval to set aside \$3 million as a security for the OCP Project
  - iv. Loan Approval for Island Family Pharmacy
  - v. RFP 21-008 Underwriter Services for Guam Waterworks Authority – Opening and Acceptance of Proposals and Approval of Evaluation Team
  - vi. RFP 21-009 Underwriter Services for Guam Power Authority – Opening and Acceptance of Proposals and Approval of Evaluation Team

However, Administrator Mendiola had crafted a memo to circulate to the Board. Because Director Andrew Park is relatively new to the Board, Administrator Mendiola explained RFP 21-008 and RFP 21-009. GEDA serves as a central financial advisor for the Government of Guam. It was time for the Guam Power Authority to hire new underwriters and these are the bankers that go out to the bond market. When they would want to issue a bond, they call on two underwriter teams. The procurement has been done and two former underwriters were not selected to remain. However, because they have started on one transaction, the CCU, the Consolidated Commission on Utilities, have requested that they remain for this specific issuance because legislation was introduced. The CCU has requested that the underwriters from the former round to stay on this issuance through so long as they meet the November 30, 2021 deadline for the Bill to get approved. Administrator Mendiola then asked GEDA member Tina Garcia to assist her on the matter.

Tina Garcia stated that GEDA had received a request from the CCU and their support on the matter is that the former underwriter has been working on this for over a year. They have passed a resolution in April 2021 on approving the financing at the CCU level. They have been working with Legislature with bond counsel and the Bill 212-36 approving the financing was just introduced by the Guam Legislature on October 12, 2021.

Administrator Mendiola continued by saying that the approval of the resolution would be subject to this change on item six in the August meeting.

e. The September Meeting, the Board Approved:

- i. The approval of the agenda
- ii. Approval of the Board minutes (August 19, 2021 and August 31, 2021 [Reconvened])
- iii. RFP 21-008 Underwriter Services for Guam Waterworks Authority – Approval of Underwriters
- iv. RFP 21-009 Underwriter Services for Guam Power Authority – Approval of Underwriters
- v. Approval of GEDA Fiscal Year 2022 Budget

Administrator Mendiola mentioned that the approval of the resolution would be subject to this change on item four in the September meeting.

- f. Chairman John asked Legal Counsel if separate approvals were required for each item. Legal counsel confirmed that a single motion setting forth all of the actions is fine for this matter. Motion to approve the resolutions covering the July, August and September 2021 meetings was made by Director Park and a second was made by Director Hutapea. The motion unanimously passed (however the board members were not polled individually).



§ 14. Resolution No. 22-002 – Relative to Approving the Qualifying Certificate Community Contribution Grant Program, Series 5 reported by Administrator Melanie Mendiola.

- a. The Qualifying Certificate Community Contribution Grant Program is eagerly awaited by the community. Thus far, GEDA awarded one million ninety-three thousand five hundred and twenty-five dollars (\$1,093,525) to a total of 78 projects. Many nonprofits, agencies etc. have benefited from this program. Some of the most recent highlights in the last round, GEDA had approved the resurfacing the basketball court for the Talofofo Mayor's Office, GFD were able to purchase some drones for Search and Rescue operations out in the open sea, some nonprofit organizations i.e., an organization having a chicken raising workshop as well as a number of bootcamps in the Guam Community College for individuals who were displaced by the pandemic to get other types of job training. What GEDA is coming to the Board with is to issue Series 5 Grants in the amount of three hundred and twenty-five thousand dollars (\$325,000) so that will fund grants of max award of twenty-five thousand dollars (\$25,000). That will anticipate nine or so awards. The grant period will be open on November 1, 2021 and will close on November 19, 2021 so that GEDA can get ratification with the December Board Meeting and a nice Christmas gift to nonprofits. This will be funded under the Guam Regional Medical City (GRMC) Qualifying Certificate and the scoring of these grants is done by a panel made up of one representative from GRMC, one representative from the Board, a couple of GEDA Managers, Administrator Melanie Mendiola and Deputy Administrator Joann Camacho. A motion to pass Resolution No. 22-002 was made by Director Hutapea and a second motion was made by Director Park. The motion unanimously passed.

§ 15. Authorization to form a new GEDA subsidiary Venture Capital Corporation reported by Administrator Melanie Mendiola.

- a. As previously announced GEDA is submitting a full application to the Department of US Treasury to expand the current SSBCI credit program. SSBCI currently is a loan guarantor program, but GEDA can also add – the Treasury has highly recommended that GEDA adds – a Venture Capital Component to this. A business that is seeking Venture Capital, must have a business plan – say \$5 million dollars is what they are looking for – the business would have to come up with 50% or find financiers for 50% and the other 50% is stake comes from this SSBCI funding. In order to do so, the issuer of Venture Capital funds which would be GEDA's subsidiary would hold a Board seat and see it through to the sale of the company.

Chairman John thinks it is great so long as it is tidied up. Administrator Mendiola informed that Venture Capital is at the common stock level. Chairman John would like to have a restriction on moving money out as well as having an agreement on a buyout down the road where they can take Government out. Administrator Mendiola mentioned that much of the SSBCI guidelines are still continuing to be in development, similar to other ARPs. The Feds would generally tell GEDA what

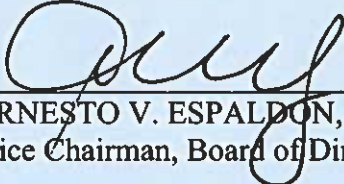
industries they prefer, the minimum level of job creation and things along those lines. What GEDA is going to do, at minimum, is have their guidelines and the way every state or jurisdiction would tailor it is, generally, the office would have strategic goals like the Governor has this very ambitious goal towards aquaculture so the Venture Capital may lean towards aquaculture. Director Hutapea then asked Administrator Mendiola on when to expect to release the guidelines and when she thinks they will send the program so that individuals can start applying for it. The guidelines were supposed to be released in a couple weeks, however GEDA member Claire Cruz thinks that it is delayed again so it could be released by next month. Administrator Mendiola added that it is still being developed by the Treasury and so GEDA follows their guidelines. Right now, it is like a pre application saying that we want the money and then in January a full application would be done by stating the plans for the money. The first issuance then comes after that. In the last conference call, it seems like it would be third quarter of Fiscal Year – perhaps March or April. With the initial SSBCI back in 2011 to generate economic activity, GEDA received \$13.1 million. For this round of SSBCI, GEDA is set to receive up to \$56 million. As GEDA moves forward and creates this corporation in the coming month, more details on the make-up of the Board and more guidelines as to what kind of investments and how to move forward will be released. Motion to authorize GEDA’s subsidiary Venture Capital Corporation was made by Director Hutapea and a second motion was made by Director Park. The motion unanimously passed. It was also mentioned that there will be a full presentation on the subsidiary Venture Capital Corporation on the next Board meeting.

***Public Comments***

§ 16. There were no public comments.

***Adjournment***

§ 17. Director Chiu motioned the meeting to be adjourned and it was second by Director Park. Adjournment of the meeting was unanimously approved.

  
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ERNESTO V. ESPALDON, JR.  
Vice Chairman, Board of Directors

Attest:

  
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SISKA HUTAPEA  
Secretary, Board of Directors