



# GEDA

## GUAM ECONOMIC DEVELOPMENT AUTHORITY

*Aturidãd Inadilãnton Ikunumihan Guahan*

590 South Marine Corps Drive, ITC Building Suite 511 Tamuning, Guam 96913  
Email: [help@investguam.com](mailto:help@investguam.com) Tel: (671) 647-4332 Fax: (671) 649-4146 [www.investguam.com](http://www.investguam.com)



**John A. Rios**  
Administrator



**Mana Silva Taijeron**  
Deputy Administrator

### GEDA MISSION

The mission of the Guam Economic Development Authority is to develop a sound and sustainable economy through innovative programs that preserve and promote local culture, economic opportunities and quality of life. As a public corporation (12 GCA Chapter 50) GEDA has broad responsibility for the centralized direction, control and supervision of an integrated plan for the economic development of Guam through its programs and offerings, which include public finance services, business and investment assistance, incentive programs, and real property management.

GEDA is mandated by Public Law to license and regulate the Guam Product Seal. GEDA held an education seminar on April 25, 2013 with 60 participants, including 20 Customs officers and is working with the Guam Product Seal Task Force to address issues specific to updates and clarification to the law as well as proposed program benefits.



### **P1** Guam's Rising Economic Tides



▶ GEDA MISSION

### **P2** GEDA Milestones



- ▶ BUSINESS DEVELOPMENT DIVISION
- ▶ PUBLIC FINANCE DIVISION

### **P3** GEDA Milestones (Cont.)



- ▶ REAL PROPERTY DIVISION
- ▶ FINANCIAL DATA
- ▶ H.O.T. BONDS MILESTONES

### **P4** A Look Forward



- ▶ CED DIVISION
- ▶ 2015 INITIATIVES AND OUTLOOK

Visit us online  
**InvestGuam.com**  
GUAM ECONOMIC DEVELOPMENT AUTHORITY



## Business Development Division

GEDA's Business Development Division is tasked in developing Guam's economy by supporting local enterprise and attracting new investments through incentive programs and industry diversification efforts. BDD is also tasked with overseeing GEDA's Qualifying Certificate (QC) Program, The Guam Product Seal (GPS) Program in addition to attending Trade Missions, meeting with potential investors to entice and promote investor activity on Guam.

### U.S. SBA STEP Grant Awarded to GEDA

GEDA was notified that approval of Grant Year 2 in the amount of \$227,445.00 on January 1, 2014 to promote President Obama's NEI which seeks to double U.S. exports in the next 5 years. Besides maximizing the opportunity in the Tourism industry, GEDA focused on assisting new and existing businesses with training on the development, manufacturing and marketing of products geared towards the souvenir and gift markets, now described as "Carry-On" products. GEDA's also used funds for the promotion of Guam Product Seal (GPS) Program for products manufactured on Guam.

## Public Finance Division

GEDA serves as the Central Financial Manager for the Government of Guam and assists with, coordinates and monitors Financial Advisory Services, Capital Financing, Debt Management and access to the Capital Markets. The Public Finance Division oversees all of GEDA's Loan Programs including the State Small Business Credit Initiative (SSBCI) which provides loan guarantees in partnership with several local banks. On October 4, 2011, Governor Calvo received approval for a \$13.1 million allocation from the U.S. Treasury funding for the Guam SSBCI Program.

## Bond Disclosure Program

GEDA is the Dissemination Agent for the Government of Guam and is designated to file the required bond disclosure documents on the Municipal Securities Rulemaking Boards' Electronic Municipal Market Access (EMMA) system website, the official site for Bond statements and trade data for the Municipal Market. Reports have been filed for the following bonds:

- 2007 Guam Economic Development Authority Tobacco Settlement Asset-Backed Bonds – 2013 Bond Information Report, GEDA's FY 2013 audited financial statement;
- 2007 General Obligation Bonds – 2013 Bond Information Report, GovGuam FY2013 audited financial statement;
- 2009 General Obligation Bonds - 2013 Bond Information Report, GovGuam FY2013 audited financial statement;
- 2009 Limited Obligation (Section 30) Bonds - 2013 Bond Information Report;
- 2010 Certificate of Participation's (John F. Kennedy project) - 2013 Bond Information Report, GovGuam FY2013 audited financial statement;
- 2011 Government of Guam Hotel Occupancy Tax Revenue Bonds – 2013 Bond Information Report, GovGuam FY2013 audited financial statement;
- 2011, 2012, 2013 Government of Guam Business Privilege Tax Bonds - 2013 Bond Information Report.

## Private Activity Bond Program

Private Activity Bonds (PAB's) are tax-exempt bonds issued by public entities to provide below-market financing for certain types of private projects that serve a public purpose, as specified by Federal tax law. Federal tax law also imposes a number of other restrictions and requirements on the issuance of Private Activity Bonds, among which is a "volume cap" at the state level that limits the amount of PAB's that can be issued each year. Each state receives an annual PAB volume cap allocation, calculated according to a formula established by federal tax law. In addition, federal law allows unused volume cap to be carried forward for future use; carry forward amounts expire after three years.

2015 carry-over volume cap in the amount of approximately \$242,490,588.00 will be available during the year for any of the designated types of bonds.

## Qualifying Certificates (QC) Highlights

- ▶ Guam Regional Medical Center
- ▶ Core Tech Affordable Housing
- ▶ Guam Hardwood Construction Supply
- ▶ *Lina' La*
- ▶ Quantum Guam

## 53 Guam Product Seal Permits Issued

## 2014 Accomplishments

- ▶ *Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2013 (December 2013)*
- ▶ *Government of Guam General Obligation: Guam Memorial Hospital Authority Loan (February 2014)*
- ▶ *Port Authority of Guam Loan (April 2014)*
- ▶ *Government of Guam General Obligations: Guam Legislature Building (April 2014)*
- ▶ *Guam Waterworks Authority Water and Wastewater System Revenue Bonds, Series 2014 (August 2014)*
- ▶ *Guam Power Authority Revenue Bonds, 2014 Series A (September 2014)*

## Future Projects

- ▶ Department of Land Management (DLM)
- ▶ Department of Public Works GARVEE bond.
- ▶ Public School Financing - Guam Department of Education.
- ▶ University of Guam
- ▶ Guam Community College



**Real Property Division (RPD)**

GEDA's Real Property Division oversees numerous multimillion dollar projects and programs and manages two industrial parks: The E.T. Calvo Memorial Park and the Harmon Industrial Park, generating jobs and millions of dollars in revenue to the island. RPD is also charged with managing \$55 million in capital improvement projects funded through the 2011 Hotel Occupancy Tax Bond (HOT Bond). These projects include the renovation and restoration of cultural and historic sites throughout the island, and include the construction of the Guam Chamorro Education Facility (Guam Museum).



Construction of the Guam Museum

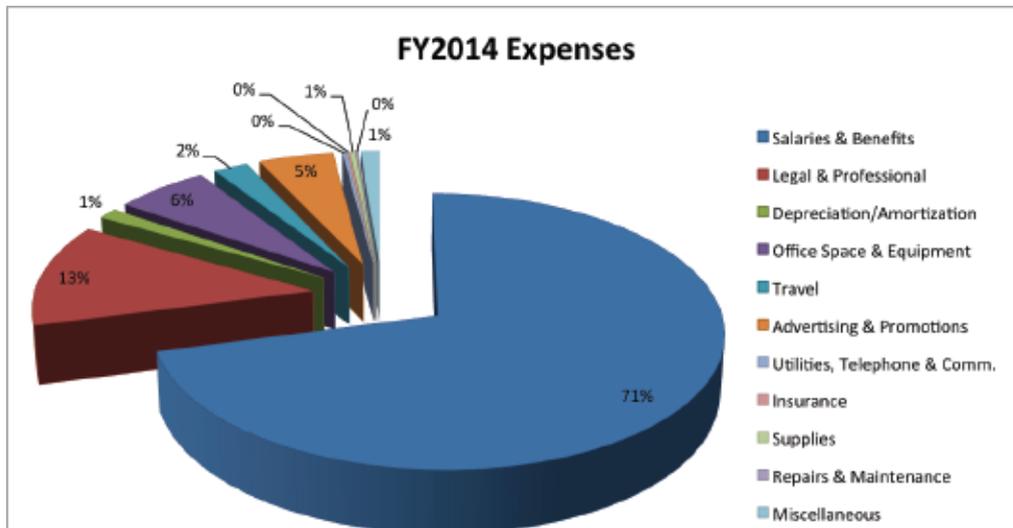
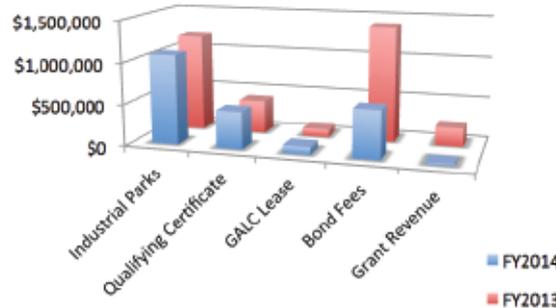
**Financial Data**

GEDA generates its own revenues to sustain annual operations from three primary sources:

- (1) Rental income from Industrial Parks.
- (2) Application and surveillance fees from QC beneficiaries.
- (3) Management of the GALC Lease properties under the current MOU.

\*\*Bond fees and other federal grants are additional sources of revenues, but may not represent a recurring annual income.

**FY'13 / '14 REVENUE COMPARISON**



\*\*An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found on our website at [www.investguam.com](http://www.investguam.com).

**REAL PROPERTY HIGHLIGHTS**

- ▶ Annual contributions to the island's economy include an average of about 700 to 1000 jobs, \$41 million in payroll, over \$130 million in gross sales and over \$6 million in GRT.
- ▶ A Memorandum of Agreement with the Governor's Office, on August of 2014, procured consultant services for various studies associated with the military relocation to Guam, whereby DoD appropriated over \$1.7 million to fund preparations of the studies to include approximately \$217K as GEDA's management fee.

**GUAM H.O.T. BONDS MILESTONES**

- ▶ Pursuant to Public Law 30-228, over \$55 million in proceeds from the 2011 Hotel Occupancy Tax (HOT) Revenue Bonds have been set aside for Infrastructure Improvement projects around the Island. Through a Memorandum of Understanding (MOU) with the Office of the Governor of Guam, the Guam Economic Development Authority (GEDA) has been designated as the PMO for these projects including the Guam Museum which is about 58% complete as of today. Projects that have been completed in the last month include renovations to the Hagatna Tennis Courts, as well as the restoration and repairs to scenic byways, overlooks, and historic sites such as the Angel L. G. Santos Park, formerly known as the Latte Stone Park in Hagatna.

Revenue by Source	FY 2014	FY 2013
Industrial Parks	\$1,080,091	\$1,182,977
Qualifying Certificate	\$448,415	\$401,463
GALC Lease	\$89,089	\$94,545
Bond Fees	\$576,460	\$1,386,626
Grants Revenue	\$22,701	\$222,599
<b>Total Revenue</b>	<b>\$2,216,756</b>	<b>\$3,288,210</b>
Provision for bad debts	(\$76,426)	
<b>Net Total Revenue</b>	<b>\$2,140,330</b>	

\*\*Total reflects GEDA General Fund

Expenses by Category	FY 2014	FY 2013
Salaries & Benefits	\$2,318,246	\$2,100,889
Legal & Professional	\$407,260	\$284,636
Depreciation/Amortization	\$42,518	\$35,084
Office Space & Equipment	\$201,503	\$206,110
Travel	\$74,021	\$152,493
Advertising & Promotions	\$160,123	\$136,239
Utilities, Telephone & Comm.	\$7,540	\$8,982
Insurance	\$5,126	\$5,472
Supplies	\$11,139	\$6,334
Repairs & Maintenance	\$4,103	\$1,316
Miscellaneous	\$40,153	\$60,370
<b>Total Expenses</b>	<b>\$3,271,732</b>	<b>\$2,997,925</b>

\*\*Total reflects GEDA General Fund



## Commerce & Economic Development Division (CED)

The CED Division was established by GEDA in the mid-part of 2013 for the purpose of enhancing its ability to conduct macro and micro economic research and financial analysis. The primary mission of this unit is to respond to public inquiry concerning economic development initiatives for the territory of Guam, provide data collection for policy assessment, compile and disseminate investment related statistics and various metrics to gauge regional and local industry development, technical assistance and collateral research support as requested by government agencies and business entities.

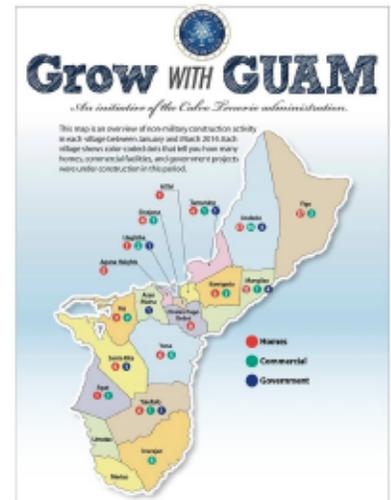


## 2015 Initiatives and Outlook

Guam's growth potential is expected to continue to grow over the next several years. GEDA will continue to work with both the Executive and Legislative Branch on implementing deficit reduction plans while continuing to spur economic growth, entice investment activity and provide a better quality of life for the people of Guam.

### Guam Economic Symposium

GEDA worked closely with its board and members of the community to convene an economic symposium "Invest Guam... The Time is Now" on October 22-24, 2014 at the Hyatt Regency Guam. The symposium brought investors from Guam, Asia, Europe and the U.S. together to discuss the investment potential Guam offers over the next five to seven years. GEDA was informed that representatives from the Philippines, Singapore and China have already begun organizing trade investment interests in Guam as a result of the symposium.



### 2015 Continuing Initiatives

- Pursue EB-5 investment opportunities for immigrants investing in new US commercial enterprises that create direct/indirect employment for US workers.
- Work with GVB in developing a strategy to establish a business development presence in China.
- Continue to respond to off-island inquires via the Internet Investor Desk and GEDA's Website.
- Continue work with Take Care on the promotion of Medical Industry Business Opportunities and acquire additional institutional knowledge in the Insurance Industry.
- Development of a Database of properties available for development.
- Continue to provide assistance to the Governor's Affordable Housing Coordinating Council.
- Continue to sit on the Guam Visitors Bureau Greater China Committee and the Guam Chamber of Commerce Small Business Committee
- Continue to work with the Guam Farmer's Cooperation on the realization of a new Farmer's Co-op Facility.

