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GEDA MISSION

The mission of the Guam Economic Development Authority, Aturidat Inadilanton Ikunumihan Guahan (GEDA), is to develop a sound and sustainable economy through innovative programs that preserve and promote economic opportunities, local culture, and quality of life.

BOARD OF DIRECTORS

- Mr. David J. John – Chair
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MELANIE MENDIOLA
Chief Executive Officer
Administrator
Atkãdi Eksekutibu
Ofisiat/Atmenestradora



JOANN CAMACHO
Deputy Administrator
Sigundon Atmenestradora

STRATEGIC GOALS

- SG1 Pandemic Response and Recovery**
GEDA mobilized its resources to become “fiscal” first responders for the island’s small businesses. Our agency overcame great challenges and became a focal point for small business assistance while maintaining a high level of productivity within the confines of the COVID19 work environment to process 4,951 applications resulting in over \$39.6M in grant awards.
- SG2 Industry & Workforce Development**
Advance the economic health of the island with the development of emerging industries and the expansion of existing industries, to include investment opportunities, tax incentives, workforce development, and local entrepreneurship opportunities.
- SG3 Compliance Monitoring**
Tax credit and tax incentive programs ensure compliance with terms outlined in contracts to avail of tax benefits with the Department of Revenue and Taxation.
- SG4 Commercial Loan Programs**
Provide financial assistance opportunities as a lender of last resort to create, expand, and promote workforce and economic development.
- SG5 Government Real Property Management**
Support the local economy by providing leasing and/or development opportunities on public-owned properties.
- SG6 Central Financial Management**
Address the financial needs stemming from capital improvement or liquidity management of various Government agencies or the Government of Guam in its entirety, by assisting with coordinating and monitoring Financial Advisory Services, Capital Financing, Debt Management and the Capital Markets.

**Fiscal Year 2021
Select Demographics**

- Over \$110 million**
Over \$110 million in direct aid planned and/or distributed to small businesses through multiple programs administered by GEDA
- 4,951 applications**
Processed 4,951 applications through 4 pandemic assistance grant programs
- \$13 million**
Bond refunding debt service savings \$13 million; a 100% increase from FY2019
- \$88 million**
Net present value savings realized with Government bond refundings

CONTACT US

590 S. Marine Corps Drive ,
ITC Bldg, Ste 511, Tamuning,
Guam 96913
T 671-647-4332 F 671-649-4146
www.investguam.com

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PUBLIC FINANCE DIVISION (PFD) SG6

The Public Finance Division participates in the strategic financial plans for government Capital Improvement and liquidity management.

Bond Market Update & Financing Summary

With the onset of the COVID-19 pandemic in 2020, global financial markets experienced extreme volatility in the municipal bond market. At the start of FY 2021, Treasury rates were at all-time lows at 0.24% versus 1.5% in 2018 and 1.7% in 2019, making it a very attractive market for bond refunding, both tax-exempt and taxable bonds. GEDA worked with all agencies to ensure the government maximizes savings and reduce outstanding debt.

\$65.4 Million

Guam Department of Education (JFK High School) Bond Refunding and Energy Efficiency, Certificates of Participation (COP) Series 2020A (Oct. 2020)

Net present value savings of \$7.9 million (13.99% PV savings), All in True Interest Cost (TIC) of 5.18%, and cash flow relief of about \$3 million for FY 2021.

\$58.9 Million

Hotel Occupancy Tax (HOT) Revenue Refunding Bonds Series 2021A (Mar. 2021)

All in True Interest Cost (TIC) of 3.23%. Net Present Value savings of \$19 million.

\$277.6 Million

Government of Guam Business Privilege Tax Refunding Bonds Series E and F (May 2021)

2.96% all-in interest cost.

\$143 Million

A.B. Won Pat Guam International Airport Authority - General Revenue Bonds, 2021 Series A (Federally Taxable) (Aug. 2021)

Net present value savings of over \$3 million. All in True Interest Cost (TIC) of 4.07%, while reducing FY 2022 debt service payments to \$8.1 million, a \$5.6 million reduction compared to the prior FY 2021 debt service.

\$9.5 Million

Chalan Pago- Ordot Municipal Planning Council Financing

BUSINESS & ECONOMIC DEVELOPMENT DIVISION (BEDD)

COVID-19 ECONOMIC ASSISTANCE PROGRAMS SG1 SG2

Direct financial assistance to small businesses that experienced COVID-19 related business interruption:

GUAM SMALL BUSINESS PANDEMIC ASSISTANCE GRANT (PAG)

\$17 million grant awards | **2352** grant applications

GUAM SMALL BUSINESS PANDEMIC ASSISTANCE GRANT 2021 (PAG21)

\$16,624,318 grant awards | **1,894** grant applications

CARES Act funds

GUAM SMALL BUSINESS RENT ASSISTANCE GRANT PROGRAM

\$4,648,635 grant awards | **681** grant applications

CARES Act funds

HEALTHCARE SYSTEM STABILIZATION GRANT PROGRAM

\$1,387,166 grant awards | **24** grant applications

CARES Act funds

COMMERCIAL LOAN PROGRAMS SG4 In coordination with the Administration's pandemic initiatives, the Temporary Economic Assistance and Mitigation (TEAM) Guam Plan was established in which five (5) commercial TEAM loans funded by G DFA totaling \$265,000.00 at very loan interest rates and 6 months payment deferral.

BUSINESS DEVELOPMENT PROGRAMS

QUALIFYING CERTIFICATE (QC) PROGRAM SG2

An incentive tool, managed by GEDA, to provide tax benefits for qualified investments into Guam. In FY 2021, no QC applications were submitted to GEDA. However, BEDD maintained the activities of the Ad Hoc Qualifying Certificate Committee and conducted research to recommend changes and/or additions to the QC program.

GUAM PRODUCT SEAL (GPS) PROGRAM SG2

Since 2012, The GPS program has focused on Guam's local manufacturers with the intent of authenticating products that are made in Guam; permitting procedures were adjusted to a digital format. In addition, there was a marked decrease in permits issued during the year.

SPECIAL PROJECTS

Governor's Economic Diversification Working Group SG1 SG2

State Trade Expansion Program (STEP) SG2

Taking the Leap I and II: SG1 SG2

Taking the Leap: Exporting SG1 SG2

BOND RATINGS	S&P	Moody's	Fitch
GovGuam General Fund & Hotel Occupancy Tax 2/25/2021		Ba1 (negative)	
GovGuam General Fund 5/4/2021		Ba1 (stable)	
Hotel Occupancy Tax Revenue Bonds Series 2011A 5/4/2021		Ba2 (stable)	
Certificate of Participation 5/4/2021		Ba2 (stable)	
GIAA Revenue Bonds 10/22/2020	BB+ (negative)	Baa2 (negative)	
Guam Power Authority	BBB (stable)	Baaa2 (stable)	
Port Authority of Guam 3/31/2021		Baaa2 (negative)	
Guam Waterworks Authority 5/4/2021		Baa2 (Stable)	
Port Authority of Guam 5/13/2021		Baaa2 (stable)	
Business Privilege Tax Bonds 2021 Series E and F, 5/6/2021		Ba1	

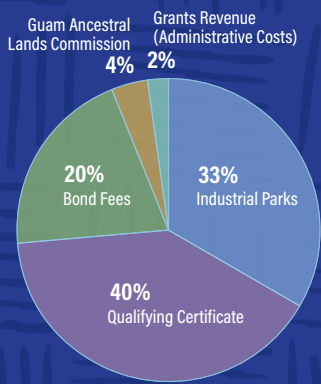
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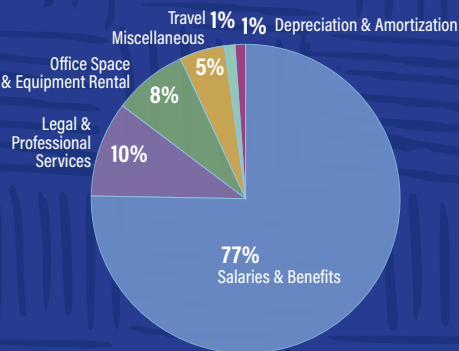
General Revenue FY2021

- Qualifying Certificate 40%
- Industrial Parks 33%
- Bond Fees 20%
- Guam Ancestral Lands Commission 4%
- Grants Revenue (Administrative Costs) 2%

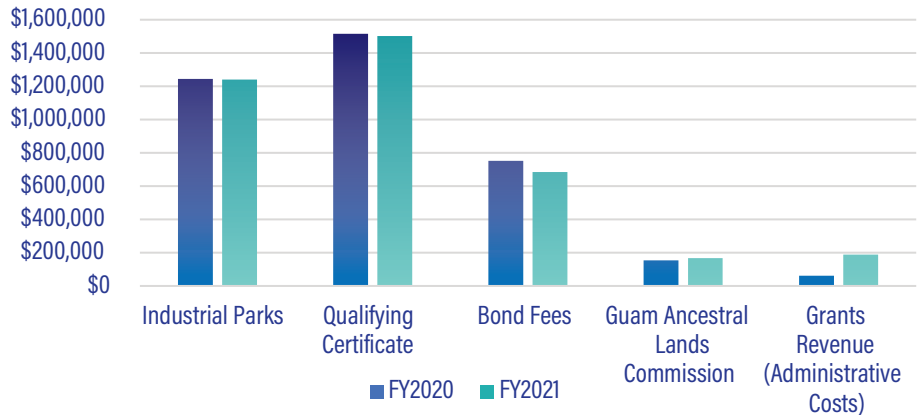


General Expenses FY2021

- Salaries & Benefits 77%
- Legal & Professional Services 10%
- Office Space & Equipment Rental 8%
- Miscellaneous 5%
- Travel 1%
- Depreciation & Amortization 1%

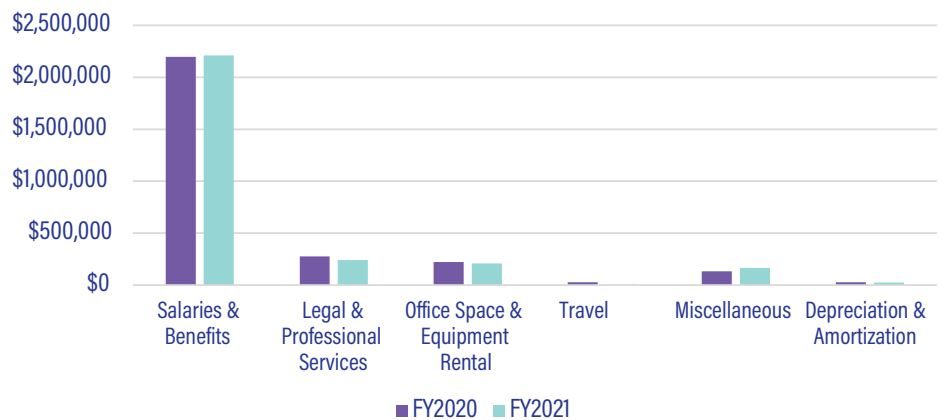


General Revenue



GEDA General Revenue	FY2020	FY2021	% change
Industrial Parks	\$1,243,208	\$1,239,573	-0.29%
Qualifying Certificate	\$1,514,609	\$1,500,788	-0.91%
Bond Fees	\$751,722	\$684,236	-8.98%
Guam Ancestral Lands Commission	\$153,069	\$166,953	9.07%
Grants Revenue (Administrative Costs)	\$60,733	\$188,123	209.75%

General Expenses



GEDA General Expenses	FY2020	FY2021	% change
Salaries & Benefits	\$2,198,265	\$2,209,773	0.52%
Legal & Professional Services	\$276,066	\$240,479	-12.89%
Office Space & Equipment Rental	\$221,985	\$209,192	-5.76%
Travel	\$27,853	\$5,876	-78.90%
Miscellaneous	\$131,240	\$166,232	26.66%
Depreciation & Amortization	\$27,881	\$25,464	-8.67%

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For more details of current and recent financial reports, visit: www.investguam.com/about-geda/financial-data/



May 2021 Board of Directors Meeting on May 20, 2021



Qualifying Certificate Community Contribution Grant Program - Series 4 Award Ceremony

FY2022 INITIATIVES

QUALIFYING CERTIFICATE

Moving forward, the Qualifying Certificate Ad Hoc Committee will continue to work to enhance and modernize the QC Program by supporting legislation to enhance the Special Hotel QC program; implementing tax incentives to health insurance companies aimed specifically at maintaining more affordable health insurance premiums to local customers; reinvigorating the QC program for captive insurance companies; implementing Public Law 35-116 to provide tax incentives for business activities in circular economy and environmental sustainability; and continuing to evaluate how the QC program can aid in the development of other key industries.

AMERICAN RESCUE PLAN ACT (ARPA) FINANCIAL ASSISTANCE PROGRAMS SG1

In FY 2022, GEDA implemented two additional grant programs, both at the direction from the Office of the Governor:

Guam Small Business Pandemic Assistance Grant Program 2021 (PAG2021)

The application period for the PAG2021 program will end on December 9, 2022. GEDA will close out the PAG2021 program in FY2022.

Local Employers' Assistance Program (LEAP)

Pursuant to Executive Order 2021-25, GEDA has been appointed the processor for LEAP and works to provide financial assistance to small businesses that have experienced the extreme levels of COVID-19 caused business interruption. The ninety (90) day application period opened on December 20, 2021.

INDUSTRY DEVELOPMENT / GOVERNOR'S ECONOMIC DIVERSIFICATION WORKING GROUP SG2

GEDA maintains its leadership role in the Governor's Economic Diversification Working Group. The Working Group plans to draft formal strategies and proposals to support the diversification of Guam's economy during the fiscal year to include the agriculture/aquaculture, circular economy, safe haven initiative, captive insurance and pharmaceutical industries.

CHILDCARE ASSISTANCE PROGRAM STABILIZATION (CAPS 2022) SG1 SG2

In FY 2022 (November 2021), GEDA implemented grant programs, at the direction from the Office of the Governor. The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, signed into law in December 2020, provided funds to states and territories to respond to the unprecedented challenges faced by children, families, and child care providers during the novel coronavirus (COVID-19) public health emergency. To assist Guam childcare centers to recover and rebuild, the Guam Childcare Assistance Program - Stabilization 2021 ("CAPS2021") was created pursuant to Governor Leon Guerrero's Executive Order (EO) 2021-28 executed on October 31, 2021.

GEDA is now working with the DPHSS to provide further support in issuing over 100 Million in grant funds to further support other sectors of the child care industry in FY 2022 to include home care, after-school programs and other entities. This program launched in March 2022.

ADDITIONAL INITIATIVES

Transshipment Task Force SG2

Economic Development Trade Missions SG1 SG2

Small Business Development Projects SG1 SG2

Guam Comprehensive Economic Development Strategy Update SG1 SG2

GEDA Venture Capital Program funded by SSBCE

Grant Funds SG1 SG2 SG6

Guam Healthcare Campus Leaseback

Financing SG5 SG6

Guam Department of Corrections Leaseback

Financing SG5 SG6

Guam Power Authority Proposed Revenue Financing SG6

GEDA Municipal Financial Advisor - Montague

DeRose and Associates SG6

Simon Sanchez High School Leaseback Financing SG6

CHALLENGES/ISSUES

Unfunded legislative mandates

GEDA over the years has been mandated by 1 Liheslaturan Guåhan to perform duties that are not financially supported. These mandates, while in line with the GEDA's mission, impose a financial burden to the agency. Unlike the line agencies, GEDA is not supported by Legislative appropriations. All expenses incurred by GEDA to meet the unfunded mandates must come out of the agency's finite operating revenues. Examples of these handed down in the 35th Legislature alone include the following: the used oil task force, the Tumon Bay parametric insurance task force, the intraregional commerce commission, and the task force on submarine cables.

Land availability/loss SG5

Property leases are the primary funding source of GEDA's operations. The vast majority of commercial leases under GEDA's purview were negotiated in the 1970s and 80s. During that time, the primary goal of GEDA was to spur economic activity through attracting industrial and commercial development. Although accomplishing this goal and with many leases are locked until 2065, the revenue generated is less able to sustain GEDA's continuing operations and initiatives into the future. GEDA has entered into two Memorandums of Understanding with the GALC as well as the CLTC to act as their land agent. This partnership has resulted in a mutually beneficial arrangement wherein GEDA does the footwork with regard to leasing and managing leased out properties while the agencies can manage the inflows of revenue towards their respective missions. The productivity of these arrangements however are a function of the appetite of the board to undertake economic development driven leasing activities, the parameters of government leasing under the 5 year law, and the strategic direction of various leader/stakeholders including the oversight chair of land and the Office of the Governor.

Ongoing & potential lawsuits

As of the date of this report, GEDA is engaged in a potentially \$2M lawsuit with contractor Inland Builders Corporation (IBC) relative to work performed on the Guam Museum. As well, GEDA anticipates another potential \$400K lawsuit with contractor Mega United Corporation (MUC) relative to work performed on the Farmer's Cooperative Association of Guam (FCAG) facility in Dededo.

Volatility in the municipal market

The Government of Guam has been fortunate to be in a time of historically low interest rates, thus prompting the refinancing of government debt for savings. In the event the municipal markets experience volatility, it may become less prudent to press forward with new or refunded issuances of public debt. In addition, an overall increase in interest rates may erode savings or slow down capital projects which GEDA supports for the Government of Guam.

5-year land lease limit

P.L. 32-40 and later amended by P.L. 34-99 imposed a five (5) year duration limit on commercial leases. The law had unintended consequences for GEDA. This public law essentially created additional requirements to public land leasing, further complicated the process, and added additional time required to complete compliance with its process. This short-time period makes GEDA's commercial leases on available government-owned lands "less" attractive to potential developers.

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