



**Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
May 26, 2022**

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, May 26, 2022 at the hour of 1:30 p.m., at the GEDA conference room, Suite 511, GITC Building, Tamuning, Guam. The meeting was called to order by Vice Chairman Ernesto V. Espaldon, Jr 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 Vice Chairman Ernesto V. Espaldon, Jr, the following individuals were present:

Directors:

David J. John
Ernesto V. Espaldon, Jr.
Siska Hutapea
Fe Valencia-Ovalles
Andrew Park
Melanie Mendiola
Ed Camacho
Terrence M. Brooks

Office or Position:

Chairman (via teleconference)
Vice Chairman
Secretary
Director (via teleconference)
Director (via teleconference)
CEO/Administrator
Acting Deputy Administrator
Legal Counsel

Also, in attendance were:

Cedrick Castillon
Yong Pak
Claire Cruz
Diego Mendiola
Christina Vasquez
Melvin Tabilas
Hannah Borita
Ariana Villaverde

GEDA
GEDA
GEDA
GEDA
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GEDA

Morgan Legel Smith
Michael Carlson

Glimpse of Guam
Office of Sen Ridgell



Approval of Agenda

- § 4. Director and Secretary Siska Hutapea made the motion to approve the agenda. The motion was seconded by Director Andrew Park. The Directors voted and the motion was unanimously passed.

Approval of Minutes

- § 5. Director and Secretary Hutapea made the motion and was seconded by Director Park to approve the April 21, 2022, board meeting minutes. The Directors voted and the motion was unanimously passed.

Vice Chairman Remarks

- § 6. Vice Chairman Ernesto V. Espaldon, Jr reported the following.
- a. The highlight for April was Governor Lou Leon Guerrero's commitment to businesses through the addition of seven million dollars (\$7,000,000.00) to the LEAP – Local Employers Assistance – program. Demand for the program exceeded the supply of funds and exhausted the original twenty-five million (\$25,000,000.00) from ARP and another twenty-five million (\$25,000,000.00) appropriated by the Legislature. Governor Leon Guerrero initially approved five million dollars (\$5,000,000.00) and then came in with an additional of seven million dollars (\$7,000,000.00). It came in as a total of twelve million dollars (\$12,000,000.00) above the original fifty million dollars (\$50,000,000.00) allocated to help businesses in Guam.
 - b. Vice Chairman Espaldon being the Vice Chairman and Investment Committee Chairman, informed the Board that the Guam Ancestral Land Commission Memorandum of Understanding for Investment Services has been approved by the Attorney General as well as the Governor's Office. A resolution is pending to designate GEDA to direct the investments. The Guam Ancestral Land Commission will control additions and distributions from the account. GEDA is there for support and to lend resources to the commission if needed. GEDA has invited some individuals of the Commission to serve the Investment Committee.
 - c. Director and Secretary Hutapea had a wonderful appearance at the real estate forum with approximately two hundred (200) persons in attendance. Chairman David John was a panelist to discuss real estate investing.
 - d. Administrator Melanie Mendiola was the keynote speaker at the Chamber of Commerce General Membership meeting that was held on May 25, 2022. The discussions went very well.
 - e. The Child Care Programs are continuing with great momentum. The partnership with the Guam Community College (GCC) for certifying day care workers kicked off this



month with the first cohort of nineteen (19) individuals. The goal is to train at least a hundred (100) by the end of 2022.

CEO's/Administrator's Remarks

- § 7. Administrator Melanie Mendiola reported the following:
- a. GEDA has had another incredibly busy month. With the funding from Governor Leon Guerrero for the LEAP program, GEDA has been wrapping up this big project. Administrator Mendiola will give an update on it later in the agenda.
 - b. GEDA took in applications for the Commercial Farmers Grant Program. This was done in partnership with the Farmers' Cooperative Association of Guam.
 - c. GEDA participated in a public hearing concerning an amendment to the Special Hotel Qualifying Certificate. This is to allow substantial renovations which GEDA would like to see utilized by some of the local properties to modernize, refresh, update, and make more energy efficient. It has not been reported out to the committee yet as far as GEDA knows.
 - d. Vice Chairman Espaldon and Administrator Mendiola have been invited to meet the Indonesia Consulate during their visit to Guam. They were there with the members of the Business Committee to discuss forging stronger relations between the regions.
 - e. GEDA is readying themselves to launch the next round of QC Community Contributions. GEDA is keeping it simple and are issuing the applications out on June 1, 2022. The deadline of the applications is July 1, 2022. GEDA will vote on approvals during the July Board meeting and aim for the Governor to present the awards like she has done for the last few rounds.
 - f. SSBCI – GEDA's application is currently under review. The Treasury has sent a follow up request for information and GEDA has been proactively in communication with the Treasury and are hopeful for an approval and receipt of additional SSBCI funding this summer.
 - g. For the first time, GEDA will be participating in the Select USA Conference. Forty-nine (49) states and most territories have a presence there and this will be Guam's first time participating. It the trade event hosted by the Department of Commerce. There will be an exhibitor's booth in addition to participation of the conference. Last year President Biden provided a keynote speech. If any Board members are interested in participating this Select USA Conference, please let the Directors know ASAP so it is sure that they are vetted and have the credentials to participate. The conference will be from June 26, 2022 to June 30, 2022 in Maryland. It is expected to have two thousand (2,000) participants from the States and the Territories as well as investors from around the world. The event is to



show case what each State or Territory has to offer to private investment outside of the United States.

- h. The reengagement with investors, in addition to Prugrãman i Pinilan (the childcare program), all of the grant programs is will be discussed with the midyear budget today.
- i. Administrator Mendiola wanted to carry on the tradition on reading from the Board Minutes from fifty (50) years ago. There was a discussion on giving a tax incentive – a qualifying certificate – to a manufacturing company. The Chairman of the Board, Jesus Leon Guerrero, said that he had felt that the Board is faced with a situation of either giving the QC’s they needed or losing an industry completely. He felt that Guam needed to offer incentives to induce industries to Guam to be competitive. She quotes, “not only is there the high wage problem here, but also, there is a problem of the unavailability of workers, power costs are high, as well as transportation costs and obtaining land [from the government], is not an easy task.” Administrator Mendiola stated that she saw that and thought “Wow. History’s repeating itself; it’s déjà vu fifty (50) years later.”

The QC that was being discussed was to give a seventy-five percent (75%) rebate on income tax for fifteen (15) years, a hundred (100%) percent abatement of property tax on improvements for ten (10) years and seventy-five (75) rebate on income tax and dividends for five (5) years. This was for Corn manufacturing. They were going to bring in cut garments from Taiwan and finish them in Guam.

Committee and Standing Reports

- § 8. Vice Chairman Espaldon informed that the committee reports are in the packets provided and individuals can see the summary of each committee.

Old Business

- § 9. The American Rescue Plan (ARP) Funded Grant Updates were reported by Administrator Melanie Mendiola.
 - a. **Local Employers’ Assistance Program. LEAP.** The last seven million dollars (\$7,000,000.00) loaded into the account and batch twelve (12) has been sent down. GEDA has funded nine hundred thirteen (913) eligible applications. It started with one thousand two hundred and fifty nine (1,259) applications and then nine hundred and thirty-eight (938) were ultimately approved the remaining twenty five (25) would need their DUNS or their EIN and these are awards greater than fifty thousand (\$50,000.00). Once they have their DUNS number, GEDA will go ahead and release their funds. What GEDA has been also been

doing is that any applicants that are having trouble with getting their DUNS or their EUI, Trina Paulino – from the GEDA office – has been guiding them on obtaining the DUNS. The nine hundred and thirty-eight that has been approved represents the sixty-one point five million dollars (\$61,500,000.00). The twenty-five (25) that are pending promissory notes or DUNS number equates to about two point seven million (\$2,700,000.00). There will be remaining funds, however, it is not significant enough to do anything.

- b. Growth Accelerator Program. GAP.** The GAP program has entered into a Memorandum of Understanding or an MOU with GHUMA, a local incubator provider. They are working with local businesses to accelerate new businesses and also expand existing small businesses. GEDA has a gap year between funding. Administrator Mendiola recalled the event that took place last year with the STEP program where GEDA received money from the SBA which was about one hundred twenty-five thousand (\$125,000.00) that was utilized for travel to bring Guam businesses to a trade show in Las Vegas, Nevada for the purpose of forging ties, relationships, and customers to start exporting their goods. The feedback from the participants was terrific. GEDA is in the process of applying for new funding. What GEDA will be doing is utilizing some of the Guam Economic Working Group and some marketing money to be able to provide, at least, some support on this. It will be less than a hundred thousand (\$100,000.00); maybe forty (\$40,000.00) to fifty thousand (\$50,000.00). This is to sponsor several companies participating. It will be paying booths as well as some other travel. This was covered by the grant last year and will be covering the grant this year. Administrator Mendiola went ahead and asked the Board members who would like to volunteer to sit in the “shark tank” for 2.5 hours where multiple companies will pitch, score them and the top two will receive the travel scholarship to travel to the event. She informed that the Board members could volunteer now or later.
- c. Commercial Farmers Grant.** The deadline was last week and this was done in conjunction with the Farmer’s Cooperative Association of Guam. It is meant for commercial farmers that would have to make a minimum of ten thousand dollars in annual income, pre-pandemic or any time in the last several years; GEDA has been flexible on that. There was a total of seventeen (17) eligible applications and GEDA is evaluating the possibility of modifying on some of the awards and giving them a bit more because it came in under budget. Right now, the smallest award is two thousand (\$2,000.00) and the largest award is fifteen thousand (\$15,000.00). If the award amounts are modified, the smallest award amount may be bumped up to three (\$3,000.00) or four thousand (\$4,000.00). GEDA would also like to look at the overall budget as well as meet with the Farmers’ Cooperative Association to discuss more in case anyone has been left out. The source of these funds is from the ARP which is the same as the GHURA incubator program.
- d. Childcare Assistance Program 2022.** Prugrâman i Pinilan is six (6) different



programs. Of the six (6) different programs, GEDA has launched the Expanded Block Grant (the voucher for reduced childcare), an Employer's Program (for employers to sponsor a day care on sight or for employers to get documents done and have it benefit the employee), the Boot Camp, and the Childcare Certification Programs. For the Expanded Block Grant Program, GEDA has taken in four hundred and seven five (475) applications. GEDA is making their way through them being halfway done. One hundred two (102) have been processed, one hundred twenty (120) are going through interviews, pending documents, or are about to complete the process, then a number of them are under review. GEDA is hoping to have some translators to help expand the program more.

New Business

- § 10. Resolution no. 22-012 Relative to Approving Qualifying Certificates relevant to Affordable Homes by Acting Deputy Administrator Ed Camacho.
- a. A motion is needed to discuss and approve Resolution 22-012. Director and Secretary Hutapea has made a motion and Chairman David John seconded the motion. Acting Deputy Administrator Ed Camacho informed that the current QC program does not provide guidance relative to how to determine the value of rental or sale of affordable homes. In the research that was made, both Guam Housing and GHURA uses the US HUD Guidelines – Housing and Urban Development. Acting Deputy Administrator Camacho reached out to the legal team to assist on research as well as draft the Resolution so it could provide the team some guidance to determine eligibility, rental and sell prices for affordable homes when the application of QC's becomes available. In regards to amounts, it will vary based on household, income as well as other variables to determine if it is an affordable amount. Administrator Mendiola informed that there was a law that was passed that dictated the benefits of the affordable housing Qualifying Certificate. Though it dictates the benefits, the law does not dictate the definition and that is what is being rectified with the resolution. The law that provided the QC's for affordable sales expired some time ago. Legal Counsel explained that the general Guam Law guiding QC's allows the Board to find areas where they can implement QC programs. This resolution taps affordable housing and affordable rentals as one of those areas where QC's should be available and so the Board is within its powers implementing a new QC program which will be based on the HUD criteria. There's an application and SOPs for the QC already. Director and Secretary Hutapea suggests that once the QC passes that it should be communicated with the Guam Association of Realtors and Guam Contractors Association so they could utilize it.
 - b. With a motion to approve the resolution already made and seconded, the Directors then voted, and the motion was unanimously passed and Resolution 22-012 has been approved.

- § 11. Midyear Budget Review by Administrator Melanie Mendiola and Administrative

Services Division Manager Ariana Villaverde.

- a. Administrator Mendiola informed that a motion is needed for the adoption of the midyear budget because there is a request for an amendment to the budget.
- b. Column A lists the budget that was approved at the beginning of the fiscal year. Column B is the new supplemental request that GEDA is requesting for the rest of the fiscal year. Column C is the budget for six (6) months and the actuals through March. Nothing significant has occurred in regard to revenues, with the exception of the grant revenues. These are all the administrative fees that GEDA is billing for the different grant programs that GEDA has been running including the ARP funded programs. That resulted in an increase in the grants revenue and that increase is reflected under Column B on the grants revenue line from two hundred seventy-five thousand four hundred and sixty (\$275,460.00) to one million, two hundred thirteen thousand and seventy-five dollars and 10/100 cents (\$1,213,075.10) is the new restated income. With that increased income, GEDA has expanded certain areas where is now in need of support. Salaries and benefits were not mortified right away because GEDA was making do with the existing staff and then an expansion of staffing was required in support of Prugrâman i Pinilan and everything associated with that. An increase of salaries and benefits is requested for the rest of the fiscal year for about three hundred thousand (\$300,000.00). GEDA is taking part of Select USA and also engaged with RIMS, a marketing company, and will be doing a brand refresh. No traveling has been made to do any trade missions, outreach or any kind of marketing in the past years due to COVID and so GEDA is revamping. The other increase in Column B have to do with two areas of the organization: a. grants management or b. expanded marketing. Expanded marketing is shared with the Economic Working Group but the Economic Working Group pays specific to their marketing. There is a significant increase in the amount of travel. GEDA is looking on traveling for some events like the Select USA, the ASD Marketing in Las Vegas, Nevada, and another trade mission that could happen in Asia, like Taiwan.
- c. Administrator Mendiola is requesting the Board for the modification of the budget to what is presented which reflects an increase in operating income from three million nine thousand and twenty dollars (\$3,009,020.00) to three million nine hundred forty-six thousand six hundred and thirty five dollars and 10/100 cents (\$3,946,635.10) and an increase on operating expenses from two million nine hundred fifty-seven thousand three hundred dollars (\$2,957,300.00) to three million three hundred ninety-nine thousand one hundred and ten dollars (\$3,399,110.00). The floor was then open for discussion, questions or concerns. Vice Chairman had a question and asked if the original budget on some parts of the budget still valid if it is not needed to change or would additional funds be added? Administrator Mendiola answered that sometimes it's just a manner of timing. A motion to approve the midyear budget for the Guam Economic Development Authority was made by Director Fe Valencia-Ovalles and was seconded by Director Park. The Directors then voted, and the motion was unanimously passed and the budget has been approved.



Public Comments

§ 12. There were no public comments.

Adjournment

§ 13. A motion for the meeting to be adjourned was moved by Director and Secretary Hutapea and it was seconded by Director Ovalles. Adjournment of the meeting was unanimously approved.



DAVID JOHN, Chairman
Board of Directors

Attest: 

SISKA HUTAPEA
Secretary, Board of Directors

