



Aturidád Inadilánton Ikunumihan Guahan

**Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
August 31, 2023**

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, August 31, 2023 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 J. 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 David J. John the following individuals were present:

<i>Directors:</i>	<i>Office or Position:</i>
David J. John	Chairman
Ernesto Espaldon Jr.	Vice Chairman
Siska Hutapea	Secretary/Director
Andrew Park	Director
Dr. Doreen Crisostomo-Muna	Director
Melanie Mendiola	CEO/Administrator
Carlos P. Bordallo	Absent (Excused)
Terrence M. Brooks	Legal Counsel

Also, in attendance were:

Tina Garcia	GEDA
Angelene Rios	GEDA
Antoinette Leon Guerrero	GEDA
Diego Mendiola	GEDA
Ed Camacho	GEDA
Jennifer Calvo-Guzman	GEDA

Claire Cruz	GEDA
Christina Merfalen	GEDA
Melvin Tabilas	GEDA
Ann Dela Cruz	Starsand Technologies
Norman Taruc	Daily Post

Approval of Agenda

- § 4. The motion to approve the agenda was made by Secretary Siska Hutapea. The motion was seconded by Vice Chairman Ernesto Espaldon Jr. The Directors then voted, and the motion was unanimously passed.

Approval of Minutes

- § 5. Vice Chairman Ernesto Espaldon Jr made the motion to approve the July 31, 2023, board meeting minutes, and was seconded by Secretary Siska Hutapea. The Directors then voted, and the motion was unanimously passed.

Chairman's Remarks

- § 6. Chairman David J. John reported the following:
- a. Chairman John first discussed the 2023/28, GEDA strategic plan, fiscal year 2022 audits, and some preliminary discussions on a potential new hotel occupancy tax bond. He also noted that GEDA hosted a virtual meeting entitled Select Guam, one of the follow ups to our Select USA conference that was back in May. GEDA had investors from Philippines, Japan, and as far away as UAE and US mainland and representatives from the Department of Commerce. GEDA is now planning Select Guam investor meetings, which are scheduled in Q1 of calendar year 2024.
 - b. Chairman John attended the 2023 US and Canada leadership summit earlier this month in Taiwan. The intent of the summit was to further strengthen the relationships between the three countries. At the meetings, there was a lot of interest in investments in Guam, specifically in the area of tourism. In order to develop a Taiwanese tourism base of any scale, we need to resume some direct flights between Guam and Taiwan. Administrator Mendiola the team are actively working with the governor and our office in Taiwan. Additionally, this month for the third year in a row, we sent a group of local business owners to the ASD Market Week trade show in Las Vegas.
 - c. Over the course of the last five years, GEDA, specifically our public finance department, has saved the government over \$100 million in present value future cash flows through bond refinancing. The governor agrees that it's time to consider another round of hotel occupancy tax bonds, also known as hot bonds. The intent of the HOT would be to both make Guam a destination more attractive choice for tourists through better traveler

experience to include a customs and quarantine initiative that the governor has and to rejuvenate.

- d. Chariman John saw a cool quote while in Taiwan. It said, Support infrastructure with investment and investment with infrastructure. If the board agrees, I'd like to ask Mel and the team to reach out to the teams at GBB, DPW to look at best scenarios, maybe using this report as the basis.

CEO/Administrator's Remarks

§ 7. Administrator Melanie Mendiola reported the following:

- a. Administrator Mendiola reported that on September 14th, GEDA will be having our third annual virtual small business symposium, it is called Taking the Leap: Beyond Guam, exporting, which has to do with some training for small businesses to get their businesses to scale and get their goods.

Committee and Standing Reports

§ 8. Vice Chairman Ernesto Espaldon Jr. reported the following:

- b. Real property. GEDA put out an RFI for a request for interest for land inventory. This was at the request of the governor to continue due diligence surrounding the medical campus. We received three responses, and we are going through those responses. Basically, we'll be providing the information to the office of the Governor as well.
- c. The other report the Administrator wanted to touch on briefly was the QC committee report. We have at least one more QC in the pipeline. GEDA did get some guidance from the AG as to what their reservations were about the QCs having to do with the BPT. Any of the QCs that offer a BPT abatement are concerning to the Office of the Attorney General because of potential bond covenant violations, et cetera. The team is working on addressing the issues. GEDA is also considering a pre-qualification for QCs. Pre-qualification would give interested persons an idea of what factors that it would utilize to pre-qualify a QC prior to bringing to the board.

Old Business

§ 9. Charge off, Gabertan.

- a. The Board was apprised of the reasons for the charge-off of the Gabertan's loan. Mr. Gabertan got into a serious accident. He is no longer able to farm because of his current condition. What also happened was because he was leasing the land he was farming on, he lost that too.
- b. A motion to approve the charge off was made by Secretary Siska Hutapea The motion was seconded by Director Park. The Directors then voted, and the motion was unanimously passed.

New Business

§ 10. Administrator Mendiola reported the following new matters:

- a. GEDA team did some strategic planning sessions recently. We also did a stress in the workplace exercise to understand stress and how to best mitigate stress. Most strategic plans are moving targets. But I did want to give it a first pass to all of you to present, provide your comments and thoughts.
- b. Administrator next discussed GEDA's vision for the next 10 years. GEDA's vision sees Guam having a robust third industry, a vibrant and diverse small business community where the economy supports a highly affordable quality of life for the people of Guam. The vision aligns with Governor Leon Guerrero three main goals for Guam. She wanted to clean up the government of Guam finances, she wanted to diversify our economy, and she wanted to make it easier to do business in Guam. GEDA has been instrumental in accomplishing these goals and is working to implement new initiatives.
- c. GEDA is also very proud of is promoting sustainable practices. If you can all recall, this is the board that amended the recycling QC that had never been used, and then Core Tire was the first to come in and utilize it to get tire waste off our island and turn it into building materials.
- d. Although unemployment in down to about 4%, like the US national average, there is a mismatch in our labor sector, inside the fence, outside the fence, the construction issues, the housing issues, affordability, cost of living. So, the team came up with five overall objectives to grow the number of small businesses. These numbers are subject to verification, because we still don't have a good number of small businesses. Grow the number of small businesses by 5 % annually and increase the number of individuals employed by small businesses by 20 %. Work towards ratings upgrades to reflect higher investment ratings by 2028, not just Outlook, but actual grades.
- e. GEDA also needs to develop a multidisciplinary CIP program within GEDA's real property to manage capital projects. Basically, GEDA gets pulled on quite a bit to help with the governor's CIP projects, especially regarding economic development projects. We used to do an ad-hoc, and now it's becoming a more critical part, more significant part of our activity.
- f. The partnership with GUMA has been very, very beneficial. We talked about underrepresented groups, we want to work with the Women's Chamber, or veterans, one of our veterans' organizations, to expand small business. GEDA can push grant funding through our QC Grant program, through our SSBCI program, and through any grant writing that we do. One thing we don't have is where entrepreneurship meets innovation. What we'd like to do is apply for more grants and funding to support innovation incubators, so incubators that support app development and game development and things

like that. GEDA is also working towards ratings and upgrades. We continuing to advocate for the Rainy Day Fund and improving liquidity and fundamental financials.

- g. GEDA wants to strategize with our municipal advisors as to what factors to focus on. We always talk about our efforts with economic diversification, but that never seems to get any traction with our investors. We really need to be able to tell a stronger story about the work we're doing in economic diversification.
 - h. Administrator Mendiola stated GEDA needs to be more proactive and less reactive. We would like to issue more RFPs. We currently have a multi-term contract for an architect and engineer, but we'd like to issue one for an archeologist, for technical writers, environmental consultants, federal program management professionals just to get projects moving a little faster, and to conduct project management training with the real property team to improve the system of planning and implementation of CIPs.
 - i. A major focus on The Governor's Economic Diversification Group had several different industries. GEDA would like to really focus on tech, telecom, additive manufacturing, and some ongoing focus, but not as major on aquaculture, agriculture, captive, and pharma. GEDA should create a proper concierge program for the purpose of facilitating new business opening. It means SOPs, maintaining a list of agency contacts, including federal agencies such as the Army Corps; formalizing the relationship management process from identifying qualified investor prospects to breaking ground or making their first investors and closing the sale; having monthly check-ins with fellow agency counterparts to troubleshoot, discuss challenging permitting issues, discuss concerns, build relationships so we can pick the phone and call each other and get some things going; and maintaining a staff member who attends all of these agency meetings to develop business-friendly local legislation and to track federal issues affecting local businesses.
 - j. GEDA has primarily been working with the SBA and the US Economic Development Administration. But because of our work with the government of Guam on other CIPs, such as the medical campus, there are so many intersections with SAMHSA, the Mental Health Veterans Administration, so many other federal agencies, and the DOD, and where these agencies can work together to get these projects off the ground, support these projects. GEDA must work to eliminate bureaucratic roadblocks that slow down grant funding.
 - k. GEDA's next steps to achieve these objectives, the technical next steps of the strategic plan would be stakeholder input and assigning some timelines, and then adopting the strategic plan. This includes right-sizing and skilling our organizational personnel.
 - l. Right sizing and skilling our organizational personnel will make GEDA leaner. GEDA also needs to revisit our procurement practices, which hasn't been done for a while.
- § 11. Administrator Mendiola reported the following:

- m. GEDA's mission is to develop a sound and sustainable economy through innovative programs. The danger of the outsourcing and having a leaner and leaner staff is losing the benefit of institutional knowledge. We were primarily looking at industry experts, consultants regarding things that we really can't afford to hire in-house, like an architect, or an engineer.
- n. Another important issue is procurement services. The procurement law in Guam is really, outdated and needs an update. Doing so will help us to grow sustainable economy. One of the big issues is the treatment of protests. We would like to see that when a protest is filed, the agency can move forward with awarding the contract with the idea that the protest can still go through. GEDA was looking for a senator who would introduce a bill to update the procurement process.

Public Comments

§ 12. There were no public comments.

Adjournment

§ 13. A motion for the meeting to be adjourned was moved by Secretary Siska Hutapea and was seconded by Vice Chairman Ernesto Espaldon Jr. Adjournment of the meeting was unanimously approved.

 *FDK*

DAVID JOHN, Chairman
Board of Directors

Attest:

SISKA HUTAPEA
Secretary, Board of Directors