ABOUT US
Founded in 1965, the Guam Economic Development Authority (GEDA) is a public not for profit corporation (12GCA Chapter 50) that 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 investments assistance, incentive programs, and real property management. Fiscal Year 2019 began with a period of transition, as the outgoing administration was replaced with the Leon Guerrero-Tenorio administration.

S T R A T E G I C PRIORITIES

INDUSTRY DEVELOPMENT
Advance the economic health of the island with the development of emerging industries and the expansion of existing industries.

BUSINESS TAX CREDIT INCENTIVES
Create incentives for private entities to participate in diversifying industries through job creation and promotion.

WORKFORCE DEVELOPMENT
Provide opportunities to enhance the development of a skilled and talented local workforce and attract investments with local employment prospects.

BUSINESS FRIENDLY ENVIRONMENT
Create tools and programs to address investors’ due diligence needs, workforce, and navigate government leasing.

VILLAGE DRIVEN ECONOMIC DEVELOPMENT
Encourage entrepreneurship by creating opportunities for village residents to showcase their produce, products, and services.

REPURPOSE INFRASTRUCTURE
Invest in existing infrastructure to increase the value of assets and provide opportunities for business development.

SELECT DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>total amount of 3 loans (ADF &amp; GDFA) made in FY2019</td>
<td>$100,000</td>
</tr>
<tr>
<td>SSBCI loan guarantee in FY2019</td>
<td>$100,000</td>
</tr>
<tr>
<td>0.75% decrease in annual rental income in FY2019</td>
<td>0.75%</td>
</tr>
<tr>
<td>collected in annual lease revenue for GALC properties</td>
<td>$6.3M</td>
</tr>
<tr>
<td>1.8% increase in Qualifying Certificate revenue in FY2019</td>
<td>1.8%</td>
</tr>
<tr>
<td>82.36% decrease in bond fees (result of the closing of one bond)</td>
<td>82.36%</td>
</tr>
<tr>
<td>total amount of FY2019 QC Community Contributions made in 16 disbursements</td>
<td>$309,995.72</td>
</tr>
</tbody>
</table>
ABOUT GEDA

UPDATES

FINANCES

OUTLOOK

KEY ACTIVITIES,
PROGRAMS & PROJECTS

Agriculture Development Fund (Loan)
Bond Disclosure Services
Business & Investment Services
Capital Financing
Capital Markets
Chamorro Land Trust Commission (CLTC)
General Consultancy & Property Management Services
Community Outreach & Marketing
Debt Management
Financial Advisory Services
GovGuam Central Financial Manager
Guam Ancestral Lands Commission (GALC)
Lease Management
Guam Development Fund Act (Loan)
Guam Film Office
Guam Product Seal (GPS) Program
Incentive Programs
Industry Development
Investment Trade Missions
Opportunity Zones
Private Activity Bond (PAB) Program
Public Financial Services
Qualifying Certificate (QC) Program
Real Property Management
State Small Business Credit Initiative (SSBCI)
State Trade Expansion Program (STEP)

GEDA LOANS IN FY2019

Agriculture Development Fund (ADF)
$50,000

Guam Development Fund Act (GDFA)
$50,000

State Small Business Credit Initiative (SSBCI) - Loan Guarantee
$100,000

In FY2019, GEDA had concluded Tumon capital improvement projects from the HOT Bonds: pedestrian safety features, Ypao Park and Amphitheater lighting improvements, and the Tumon Flooding Mitigation Plan.

U.S. Department of Interior awarded a $260k grant to conduct a Boat Ramp Feasibility Study. In FY2019, GEDA partnered with Department of Agriculture to assist in the funding of the design.

GovGuam sold General Obligation bonds to fund the new cell at the Layon Landfill at a final true interest rate of 3.25%. The bond offer was oversubscribed 12.9 times.

GEDA hosted a successful Guam Product Seal, “Made in Guam” Holiday Fair at the Agana Shopping Center on December 15, 2018.

The Philippines trade missions focused on support for the resolution of the H-2B petition denials and exclusion of allowable countries; as well as to gain support for the inclusion of the RPI into the Guam-CNMI Visa Waiver program.

The Taiwan trade mission promoted investment opportunities and introduced the new administration, which expressed interest for Sister City relationships.

The California trade mission was organized to meet with investors interested developing a world-class resort, aerial transportation system, cruise ship operations, and a data center.

BOND RATINGS

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>S&amp;P</th>
<th>MOODY</th>
<th>FITCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>GovGuam Series 2019 GO Bonds</td>
<td>BB-</td>
<td>Ba1</td>
<td></td>
</tr>
<tr>
<td>GovGuam Limited Obligation (Section 30) Bonds</td>
<td>BB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Occupancy Tax Revenue Bonds</td>
<td>BB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIAA Guam’s Senior General Revenue Bonds</td>
<td>BBB+</td>
<td>Baa2</td>
<td></td>
</tr>
<tr>
<td>Business Privilege Tax Bonds Series A, B, &amp; C</td>
<td>BB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GPA Senior Lien Revenue Bonds</td>
<td>BBB</td>
<td>Baa2</td>
<td>BBB-</td>
</tr>
<tr>
<td>GWA Water &amp; Wastewater System Revenue Bonds</td>
<td>A</td>
<td>Baa2</td>
<td>BBB-</td>
</tr>
<tr>
<td>PAG Port Revenue Bonds Series A, B, &amp; C</td>
<td>A</td>
<td>Baa2</td>
<td></td>
</tr>
<tr>
<td>GovGuam Series 2010 (JFK) COPs</td>
<td>B+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEFF Series 2016 COPs</td>
<td>BB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HISTORY

U.S. DOI: $260K GRANT

HOT BONDS PROJECTS

LAYON LANDFILL BOND SALE

MADE IN GUAM FAIR

70 PERMITS ISSUED

17 NEW MANUFACTURERS

560+ LOCAL EMPLOYEES

200+ CERTIFIED PRODUCTS
An independent audit was conducted, resulting in a clean audit opinion.
Complete financial information is available at our website: www.investguam.com
UNFUNDED LEGISLATIVE MANDATES
GEDA has been mandated by the I Liheslaturan Guahan to perform duties that are not financially supported. These mandates, while in line with 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.

H-2B VISAS
Since 2018, Guam employers have seen 100% approval of H-2B petition for foreign labor from the Philippines. The Philippines had been removed from the USCIC list of approved countries for H-2B visas since January 2019 and remains off the list. Small contractors are reluctant to test the new process and therefore the chilling effect of the denials of the past are still shared by many contractors and developers.

FISCAL YEAR 2020 INITIATIVES AND UPCOMING PROJECTS

QUALIFYING CERTIFICATE
Extend the Special Hotel QC Program with the adoption of GEDA Board Resolution 20-03. The QC Ad Hoc Committee seeks to enhance and modernize the programs for new and expanding industries.

SMALL SHIP CRUISE INDUSTRY
Executive Order 2019-17 appointed GEDA as the leading member of the Small Ship Cruise Industry Working Group.

AGRICULTURE & AQUACULTURE
Executive Order 2019-12 established the Guam Aquaculture Task Force and appointed GEDA as a member.

TELECOMMUNICATIONS & TECHNOLOGY
GEDA plans to place renewed emphasis on exploring new opportunities in these industries by developing strategies to encourage workforce development and data center presence to capitalize on the undersea cable network flowing through the island.

$40.6M GIAA GENERAL REVENUE BONDS
P.L. 35-33 authorized the issuance of revenue bonds of the Guam International Airport Authority (GIAA) to refund all or a portion of its outstanding General Revenue Bonds, Series 2013 C.

PAG BOND PROCEEDS REPROGRAMMING
GEDA will work with Bond Counsel to amend the existing Port Authority of Guam (PAG) tax certificate to reprogram a portion of the $71.4M bond proceeds to be used to fund port repairs.

GWA NEW REVENUE BOND FINANCING
The Guam Waterworks Authority (GWA) is looking to issue a $134M Water and Wastewater System Revenue Bonds, Series 2020.

SSHS LEASEBACK FINANCING
Land surveying of Simon Sanchez High School (SSHS) is on-going to be awarded by Feb 2020. The leaseback financing will commence with a goal to conclude by the end of the current fiscal year.

JFK BOND REFUNDING OPPORTUNITY
GEDA is working on the refunding of the outstanding GovGuam’s obligations with respect to the CaPPA Capital Corp. 2010A Certificates of Participation Series 2010A, and capitalize on savings for the General Fund.

DEPARTMENT OF LAND MANAGEMENT (DLM)
P.L. 29-135 authorized the financing for a new Land Resources Public Facility and for the purchase of collateral equipment in an amount not to exceed $15.75M.

$9.2M GMHA LABOR & DELIVERY WARD FINANCING
P.L. 32-204 as amended by P.L. 33-151 authorized a $9.2M financing for renovation of the Guam Memorial Hospital Labor and Delivery Ward. GEDA has been working to close this loan with USDA at an interest rate of 2.75%. GEDA will work with GMHA and USDA to update and issue a new RFP to secure a financier.

PUBLIC LAW 32-40 LEASE LIMITATIONS
P.L. 32-40 and later amended by P.L. 34-99 imposes a 5 year duration limit on commercial leases. This created additional requirements to public land leasing and added additional time required to complete the compliance with its process. This short time period makes GEDAs commercial leases on available government-owned lands less attractive and difficult to market at fair market rental value.

Do you have any suggestions on how we can improve our reporting? Please contact Melanie Mendiola at (671) 647-4332 or via email at mel.mendiola@investguam.com