

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
GUAM ECONOMIC DEVELOPMENT AUTHORITY

December 29, 2016

Call to Order

§1. The regular meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held on December 29, 2016 at the hour of 1:41PM at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman Edward J. Calvo to consider several items on the agenda.

Attendance and Quorum

§2. Roll Call. As determined by the roll call, the following directors were present:

Directors:

Edward J. Calvo

Vera Wu

Ernesto Espaldon Jr

Monte Mesa

Jay Rojas

Mana Silva Taijeron

Absent and excused was:

David J. John

George Chui

Offices or Positions:

Chairman

Secretary

Director

Director

Administrator

Deputy Administrator

Vice Chairman

Director

Also present were:

George Castro	Independent Court Reporter
Angelene Guzman	GEDA
Mary Camacho	GEDA
Tina Garcia	GEDA
Claire Cruz	GEDA
Mark Mendiola	GEDA
Mike Cruz	GEDA
RaeAnn LeFever	GEDA
John San Nicholas	GEDA
Tony Arriola	GEDA
Matt Baza	GEDA
Julius Santos	GEDA
Larry Toves	GEDA
Tria Paulino	GEDA
Matt Baza	GEDA
Dong Choe	GEDA
Terry Brooks	Legal Counsel – Brooks Concepcion Law, PC
Tom Fisher	Legal Counsel – Fisher & Associates

Approval of Agenda

§3. The first item considered was approval of the agenda. Motion to move the executive session from item eleven on the agenda to item six was motioned by Director Espaldon and seconded by Director Mesa. The motion was unanimously approved.

Approval of Minutes

§4. Approval of minutes from the November 2016 board meeting was next on the agenda for consideration. Motion to approve the minutes was made by Director Mesa and seconded by Director Wu. The motion was unanimously approved.

Executive Session

§5. The conference room was cleared and a court reporter was tasked to record the minutes of executive session and the Board along with legal counsel Tom Fisher and Administrator, Jay Rojas and Deputy Administrator, Mana Silva Tajeron and RPD Manager, Larry Toves were in executive session from 1:46PM – 2:15PM. Attorney Terry Brooks was also present for the executive session.

Communications

§6. The next item on the agenda was Communications. Administrator, Jay Rojas spoke about the news that we received over night Thursday into Friday that Fitch had

actually downgraded our BPT Bonds. GEDA anticipated that this was going to happen because of the passage PROMESA, we did actually receive some media coverage for that – Administrator Rojas believes that we were pretty well prepared. Because Fitch changed their methodologies half way through the rating of the BPT Bond itself – GEDA asked them to withdraw their rating, after they had set the rating down to the cap rating of what they call the issue or default rating of a BB. The proposed Fitch rating would reduce the BPT bonds to a non-investment grade – because of that and the change in methodologies; GEDA asked them to withdraw their rating and they agreed. They will no longer be rating the BPT Bonds. They will still continue to rate the GWA, GPA and he believes the GIAA Bonds. Right now the BPT bonds are singly rated by S&P and they have affirmed their A Rating for the BPT. No decisions were made by the board.

Old Business

§7. The next item on the agenda was Old Business. Real Property Division presents the MOU w/ DCA regarding Contract Services for GCEF:

December 28, 2016

To: GEDA Board of Directors

From: Administrator

RE: Memorandum of Understanding Between the Department of Chamorro Affairs and GEDA

BACKGROUND:

The Department of Chamorro Affairs is the entity responsible for management and operation of the Guam and Chamorro Educational Facility which was constructed by GEDA using the proceeds of the Series 2011A Hotel Occupancy Tax bond. Since issuance of the Occupancy Permit on September 14, 2016, DCA hired Galaide Group to operate and maintain the facility. DCA/Galaide has held a number of events at the museum including events associated with FestPac, a soft opening, and a film industry initiative. During these events, Galaide and DCA have identified a number of construction and equipment items not included in the original design or construction that would allow for more efficient operation and maintenance of the facility. Enactment by the Governor of Public Law 33-206 which lifts the \$27M appropriations ceiling provides an opportunity to address these issues and DCA has asked for GEDA assistance in this regard.

ANALYSIS:

Approximately \$80K is needed for this effort, subject to further refinement and funding availability. GEDA and DCA propose to enter into a Memorandum of Agreement that will allow GEDA to pay for construction

and equipment expenses incurred by DCA to improve operations or maintenance of the facility; to fund items excluded from the construction contractor's scope of work in order to reduce costs; and to make safety and aesthetic improvements. Examples of items covered by the MOA include: converting the security room fire extinguishing system from a wet system to a dry system to protect sensitive security equipment in the event of fire, purchasing and installing a power supply for the roll up doors that was excluded from the contractor's scope as a cost reduction method, fixing areas where ponding of water occurs, installing a sink and other items in the area now designated for curation of artifacts, concealing exposed pipes in certain areas for aesthetic purposes, and correcting safety issues including stairway modifications and relocation of security cameras. Construction contractor punch list and items under warranty are not included in this MOA. In submitting invoices for payment, DCA must certify that funds were used for construction or equipment, to ensure that all expenditures are consistent with bond requirements.

RECOMMENDATION:

GEDA staff recommends that the Board of Directors authorize the Administrator to execute the Memorandum of Agreement between DCA and GEDA. Thereafter, approval from the Attorney General and the Governor would be required. GEDA staff also recommends that the Board authorize the Administrator to allocate additional funding should the need arise provided that funds are available and use of the funding is consistent with bond requirements.

() Approved

() Disapproved

EDWARD J. CALVO
Chairman of the Board

The motion to approve was made by Director Espaldon and seconded by Director Mesa. The motion was unanimously approved by the board.

New Business

§8. The next item on the agenda was New Business. RPD Manager Larry Toves presented the IFP for IDIQ Contract Services:

December 28, 2016

To: GEDA Board of Directors

From: Administrator

RE: RFP 16-005 - for Technical Consulting Services in the Implementation of GEDA Programs and Projects

BACKGROUND:

At the June 16, 2016 meeting, the Board was informed that RFP 16-005 for Technical Consulting Services in the Implementation of GEDA Programs and Projects would be issued. The intent of the RFP was to obtain proposals from consultants that were interested in providing a wide variety of services to GEDA. The impetus for this RFP was a federal grant from the Office of Insular Affairs, U. S. Department of the Interior for \$260K for the feasibility and design of a boat ramp in southern Guam.

ANALYSIS:

On August 31, 2016, the six proposals submitted in response to the RFP were opened. Respondents included Paradigm Consulting Group, Strategic Global Management, Matrix Design Group, AM Orient, RIM Architects and Stanley Consultants. An evaluation team comprised of Director Vera Wu, Director Jun Espaldon, Fire Chief Joey San Nicolas, Governor's Special Assistant Tricee Limtiaco and RPD Manager Larry Toves ranked Stanley Consultants as the highest ranking offeror. Thereafter, labor and overhead rates were negotiated and applied to the scope of work for the southern Guam boat ramp project resulting in a fee of approximately \$250K to prepare a feasibility study and design of the southern Guam boat ramp.

RECOMMENDATION:

GEDA staff recommends that the Board of Directors authorize the Administrator to execute a master contract with Stanley Consultants to carry out the services under RFP 16-005 upon final review of the contract by legal counsel. Staff also recommends that the Board of Directors approve the award of Task Order Number 1 for the feasibility and design of the southern Guam boat ramp project to Stanley Consultants for an amount not to exceed \$250K. Should additional task orders under the master contract be contemplated, prior approval by the GEDA Board of Directors will be necessary.

() Approved () Disapproved

EDWARD J. CALVO

Chairman of the Board

Director Wu and Director Espaldon have recused themselves from the voting of this business as they were a part of the evaluation team. Legal Counsel, Terry Brooks suggested that we do an electronic vote via email and have it ratified at the next board meeting. Recommendation to move to electronic vote was motioned by Director Mesa and Chairman Calvo seconded. This motion was unanimously approved by the board.

The next item for new business was from Loans & Compliance regarding GRMC's QC Contribution Allocation by Administrator, Jay Rojas. GEDA received a QC Contribution request from GRMC to allocate \$100,000.00 from their QC Community Contribution to the Guam Community College for their nursing and technology training, as well as the University of Guam to receive the same amount for the same thing. When the board approved the GRMC QC, you asked that you hear about all the allocations that they chose to make. GEDA wanted to find out if the board wanted to continue to look at every allocation or would they like for the administrator or the administrator's representative to approve amounts such as the current allocation. Chairman Calvo mentioned that he would continue to know where all QC allocations are going. Administrator Rojas requests that approval be given so that the administrator will be able to sign off on the GRMC QC allocations going forward and will report to the board how the allocations were made because of timing issues. GRMC's QC is the only QC that goes to the board for approval of allocation of funds. Currently, they're community contribution will not be able to be done unless the board approves it. Administrator and Deputy Administrator explained to the board that all the allocations from GRMC QC currently has specific criteria that GEDA must follow. Chairman Calvo motioned to grant discretion for our Administrator or Administrator's designee to sign off on allocations of GRMC's QC Community Contributions and will update the board on its allocation at the following board meetings should requests come in between board meetings. The motion was seconded by Director Espaldon. The motion was unanimously approved by the board.

Reports

§9. The next item on the agenda was Reports. No board approval was needed.

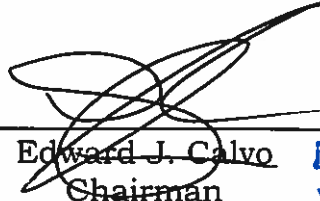
Public Comments

§10. The next item on the agenda was Public comments. There were none.

Adjournment

§11. Having no further items to discuss, on motion to adjourn duly made by Director Espaldon and seconded by Director Mesa, at 2:50PM, the meeting was adjourned.

Dated this 26th day of January, 2017



Edward J. Calvo
Chairman

DAVID JOHN
VICE CHAIRMAN

ATTEST:



Vera Wu
Secretary