

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

July 26, 2012
(continuation from July 24, 2012)

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 July 24, 2012 and reconvened on July 26, 2012 at the hour of 1:42 p.m. at the Guam Economic Development Authority Conference Room, Fifth Floor, Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order to consider two items on the agenda.

Attendance and quorum

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

Directors:

Ricardo C. Duenas
Edward J. Calvo
Arlene P. Bordallo
George Chiu
Robert P. Salas

Offices or positions:

Chairman
Vice Chairman
Assistant Secretary

Absent and excused:

Ramona L.E. Jones
David J. John

Secretary

Also present were:

GEDA officials:

Karl A. Pangelinan
Christina D. Garcia
Janalynn Damian

Administrator
Acting Deputy Administrator
GEDA Legal Counsel
(Calvo Fisher & Jacob LLP)

Antoinette Leon Guerrero
Charlene Concepcion
Maree Pelkey
Arleen Evangelista

Public Finance Officer
Executive Assistant
Management Analyst
Administrative Assistant, FSD

New Business

§ 3. The first item discussed was RFP 12-019 for Underwriter Services for the Government of Guam's Proposed Financing Projects ("RFP 12-019"). Mrs. Christina Garcia, Acting Deputy Administrator and Financial Services Manager, referred the Board to the Memorandum from Administrator Pangelinan dated July 26, 2012, and included as part of the Board's packet. Said memorandum listed the proposed financings covered under RFP 12-019, which are:

- 1) Guam Department of Education anticipates new financing for the purpose(s) of capital facility repairs and renovations in an amount not to exceed \$140,000,000.00.
- 2) A.B. Won Pat Guam International Airport Authority, Guam (GIAA) anticipates new financing for the purpose(s) of capital improvement projects and other uses in an amount not to exceed \$120,000,000.00 and anticipates refunding all or a portion of 2003 Revenue Bonds for savings.
- 3) Port Authority of Guam (PAG) anticipates new financing for the purpose(s) of capital improvement project for PAG's Master Plan in an amount not to exceed \$195,000,000.00.
- 4) Guam Economic Development Authority (GEDA) anticipates project revenue bond financing for various government of Guam projects currently authorized under Guam Public Law 29-135 and 30-201 for the Department of Land Management Building, the University of Guam, and the Guam Community College.

Mrs. Garcia reminded the Board that the proposed financings are still subject to approval by the Legislature. Mrs. Garcia briefed the Board on the results of the evaluation committee's

recommendations for the selection of one managing underwriter or two co-managing underwriters for each of the proposed financings. The evaluation committee's recommendations were as follows:

- 1) Co-Managers Bank of America, Merrill Lynch, and Citigroup for Guam Department of Education's anticipated financing for the purpose(s) of capital facility repairs and renovations in an amount not to exceed \$140,000,000.00;
- 2) Co-Managers Citigroup and Wells Fargo for A.B. Won Pat Guam International Airport Authority, Guam's anticipated financing for the purpose(s) of capital improvement projects and other uses in an amount not to exceed \$120,000,000.00;
- 3) Co-Managers Bank of America, Merrill Lynch and Citigroup for the Port Authority of Guam's anticipated financing for the purpose(s) of capital improvement project for PAG's Master Plan in an amount not to exceed \$195,000,000.00; and
- 4) Co-Managers Bank of America, Merrill Lynch and Citigroup for Guam Economic Development Authority's (GEDA) anticipated bond financing for various government of Guam projects currently authorized under Guam Public Laws 29-135 and 30-201 for
 - a) Department of Land Management ("DLM") (\$15,750,000.00 for the construction of the DLM's Land Resource Public Facility Building);
 - b) University of Guam (\$21,670,000.00 for the expansion and renovation of the UOG Student Services Center and for the construction of an Engineering Annex facility onto the existing College of Natural and Applied Science Building), and
 - c) Guam Community College (\$6,000,000.00 for GCC's Gregorio G. Perez Crime Lab Building, for the renovation and hardening of GCC Buildings 100 and 200);

There was discussion by the Board on the extent GEDA can obtain recovery of its costs from the underwriters and to include such discussions during price negotiations with the selected

underwriters. After further discussion, on motion duly made by Director Calvo and seconded by Director Chiu, the following resolution was unanimously passed:

Resolution No. 12-037

RESOLVED, that the Board approves the evaluation committee's recommendation that the Board select the following underwriters for the anticipated financing projects as set forth in RFP 12-019:

1) Co-Managers Bank of America Merrill Lynch and Citigroup for Guam Department of Education's anticipated financing for the purpose(s) of capital facility repairs and renovations in an amount not to exceed \$140,000,000.00;

2) Co-Managers Citigroup and Wells Fargo for A.B. Won Pat Guam International Airport Authority, Guam's anticipated financing for the purpose(s) of capital improvement projects and other uses in an amount not to exceed \$120,000,000.00;

3) Co-Managers Bank of America Merrill Lynch and Citigroup for the Port Authority of Guam's anticipated financing for the purpose(s) of capital improvement project for PAG's Master Plan in an amount not to exceed \$195,000,000.00; and

4) Co-Managers Bank of America Merrill Lynch and Citigroup for Guam Economic Development Authority's anticipated bond financing for various government of Guam projects currently authorized under Guam Public Laws 29-135 and 30-201:

a) Department of Land Management (\$15,750,000.00 for the construction of the DLM's Land Resource Public Facility Building);

b) the University of Guam (\$21,670,000.00 for the expansion and renovation of the UOG Student Services Center and for the construction of an Engineering Annex facility onto the existing College of Natural and Applied Science Building); and

c) Guam Community College (\$6,000,000.00 for GCC's Gregorio G. Perez Crime Lab Building, for the renovation and hardening of GCC Buildings 100 and 200).

RESOLVED FURTHER, that Management, in consultation with legal counsel, pursues during price negotiations the recovery of GEDA costs from the underwriters' fees, to the extent permissible.

§ 4. The next item of New Business for discussion was RFP 12-024 for Underwriter Services for the Guam Power Authority's Anticipated 1993 and 1999 Revenue Bond Refunding/Refinancing ("RFP 12-024"). Mrs. Christina Garcia, Acting Deputy Administrator and

Financial Services Manager, referred the Board to the Memorandum from Administrator Pangelinan dated July 26, 2012, and included as part of the Board's packet. Mrs. Garcia reminded the Board that presently there is no legislation authorizing and approving the 1993 and 1999 refunding/refinancing for which underwriting services were being solicited under RFP 12-024. Thus, the actual authorizing legislation for the bonds, if any, may authorize bonds for different purposes and/or with different security. RFP 12-024 is intended to encompass any refunding/refinancing bonds issued by July 30, 2014.

Mrs. Garcia then briefed the Board on the results of the evaluation committee recommendation and requested approval of such recommendation, which was as follows: Morgan Stanley Smith Barney and Barclays Capital to serve as co-managers to assist GPA with developing the financial structure of the bonds contemplated with the 1993 and 1999 bond refunding/refinancing if the issuance of the bonds is approved by Guam law. After discussion, on motion duly made by Director Chiu and seconded by Director Salas, the following resolution was approved.

Resolution No. 12-038

RESOLVED, that the Board approves the evaluation committee's recommendation to select the following co-managing underwriters for Guam Power Authority's anticipated 1993 and 1999 bond refunding/refinancing as solicited under RFP 12-024: Morgan Stanley Smith Barney and Barclays Capital to serve as Co-Managers for Guam Power Authority's Anticipated 1993 and 1999 Revenue Bond Refunding/Refinancing, if the issuance of the bonds is approved as required by Guam law.

Adjournment

§ 5. There was a recommendation to adjourn the meeting. On motion duly made by Director Calvo and seconded by Director Salas at 1:57 p.m., the meeting was adjourned.

Dated this 23 day of August, 2012.



Ricardo C. Duenas
Chairman

ATTEST:



Arlene P. Bordallo
Assistant Secretary