

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE

**GUAM ECONOMIC DEVELOPMENT AUTHORITY**

July 22, 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 July 22, 2016 at the hour of 1:44 p.m. 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

Mana Silva Taijeron

Ernesto Espaldon Jr

George Chiu

Monte Mesa

***Offices or Positions:***

Chairman

Secretary

Deputy Administrator

Director

Director

Director

***Absent and excused was:***

David J. John	Vice Chairman
Jay Rojas	Administrator

***Also present were:***

***GEDA Officials:***

Angelene Guzman	GEDA
Diego Mendiola	GEDA
RaeAnn LeFever	GEDA
John San Nicholas	GEDA
Ed Camacho	GEDA
Antoinette Leon Guerrero	GEDA
Tony Arriola	GEDA
Dong Choe	GEDA
Matt Baza	GEDA
Michael Borja	DLM/CLTC/GALC
Joy White	Marianas Business Journal
Georgette Concepcion Law, PC	Legal Counsel – Brooks Concepcion

***Approval of Agenda***

**§3.** The first item considered was approval of the agenda. On motion duly made by Director Chiu and seconded by Director Espaldon to approve the agenda, the motion was unanimously approved.

***Approval of Minutes***

**§4.** Approval of minutes from the June 2016 board meeting was next on the agenda for consideration. Motion to approve the minutes was made by Director Espaldon and seconded by Director Chiu after changes to Director Chiu's spelling and a change from Director Espaldon to Vice Chairman John was made to the adjournment of the minutes, as Director Espaldon was not present at the June board meeting. The motion was unanimously approved.

***Communications***

§5. The next item on the agenda was Communications. The board welcomed Ms. Georgette Concepcion as Terry Brooks' new partner – BROOKS CONCEPTION LAW PC.

***Old Business***

§6. The next item on the agenda was Old Business. There was none.

***New Business***

§7. The next item on the agenda was New Business. The first item on the agenda for new business was the IFB 16-002L San Vitores Flood Mitigation Phase 2:

July 22, 2016

To: GEDA Board of Directors

*From: Administrator*

RE: IFB 16-002– San Vitores Flood Mitigation Phase 2

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**BACKGROUND:**

On May 25, 2016, GEDA publicized IFB 16-002 for the construction of San Vitores Flood Mitigation Phase 2. Twelve companies picked up the IFB and registered with GEDA. On the June 30, 2016 deadline, only 2 bids were received. Stanley Consultants has evaluated both bids.

**ANALYSIS:**

Maeda Pacific and Rex International Ltd. were the two companies submitting bids. Both bids contained certain deficiencies as documented in the attached letter from Stanley Consultants. However, each of

these deficiencies were considered "minor informalities" as allowed by the procurement law on the basis that they did not affect the base bid price.

Stanley Consultants estimated the cost for construction at \$764,574 for the base bid which consists of increasing the number of storm water inlets on San Vitores Road, maintenance and improvement of the Fujita Ponding Basin and constructing trench drains at certain road intersections on San Vitores. Maeda Pacific's bid was \$872,000 while Rex International's bid was \$959,600.

The IFB also identified optional work which might be undertaken depending upon need, cost and budget. The most costly option is expansion of the ponding basin into adjacent privately-owned property upon which GovGuam has a storm water easement. Exercise of this option requires owner approval which has not been received.

**RECOMMENDATION:**

As recommended by Stanley Consultants, GEDA staff recommends that the Board of Directors approve the award of a contract to Maeda Pacific Corp. in the amount of \$872,000 for the San Vitores Flood Mitigation Phase 2 Project. Staff also recommends that the Board authorize the Administrator to execute the contract upon final review by Legal Counsel. Thereafter, BBMR, AG and Governor approvals will be required.

Approved

Disapproved

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**EDWARD J. CALVO**

Chairman of the Board

Date: \_\_\_\_\_

Attachment

The motion to approve IFB 16-002 for San Vitores Flood Mitigation Phase 2 by Director Chiu and seconded by Director Mesa. The motion was unanimously approved.

The next item on the agenda under new business was the Request to Approve a Resolution Approving the Issuance and Sale of Government of Guam Limited Obligation (Section 30) Bonds:

BOARD OF DIRECTORS OF THE  
GUAM ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. \_\_\_\_

RESOLUTION APPROVING THE ISSUANCE AND SALE OF GOVERNMENT OF GUAM LIMITED OBLIGATION (SECTION 30) BONDS; APPROVING AN AMENDED AND RESTATED INDENTURE AND A FIRST SUPPLEMENTAL INDENTURE; APPROVING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND OTHER RELATED DOCUMENTS; AND THE TAKING OF RELATED ACTIONS

WHEREAS, pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, agencies and instrumentalities of the Government shall issue bonds and other obligations only by means of and through the agency of the Guam Economic Development Authority ("GEDA") and only with the approval of the Legislature of Guam (the "Legislature") of the terms and conditions of such bonds;

WHEREAS, pursuant to Article 8 of Chapter 51 of Title 10 of the Guam Code Annotated, as amended, and an Indenture, dated as of June 1, 2009 (as amended and supplemented, the "Original Indenture") among the Government of Guam (the "Government"), the Bank of Guam, as trustee (the "Trustee") and U.S. Bank National Association, as co-trustee (the "Co-Trustee"), the Government previously issued \$202,425,000 original aggregate principal amount of its Government of Guam Limited Obligation (Section 30) Bonds, Series 2009A (the "2009 Section 30 Bonds");

WHEREAS, the Legislature has, by the enactment of Public Law 33-\_\_\_\_ (Bill No. 340-33) (the "Act"), authorized and approved the issuance of one or more series of Government of Guam Limited Obligation (Section 30) Bonds for the following purposes: (i) to refund the 2009 Section 30 Bonds, (ii) to refinance a loan from the Bank of Guam to the Guam Memorial Hospital Authority (the "Bank Loan"), (iii) to refinance the Government's obligations with respect to Guam Education Financing Foundation II, Inc., Certificates of Participation (Okkodo High School Expansion Project), Series 2013B Certificates (the "2013B Certificates"), (iv) to pay off outstanding Guam Memorial Hospital Authority ("GMHA") vendor payables, (v) to fund a reserve fund, and (vi) to pay related expenses and costs of issuance, all as more particularly described in Section 3 of this resolution (collectively, the "Project");

WHEREAS, as provided in the Act, no 2016 Section 30 Bonds shall be sold until the Board of Directors of GEDA has approved the sale by resolution, and the Governor has requested that GEDA approve the issuance and sale of the 2016 Section 30 Bonds in accordance with Section 50103(k) of Title 12 of the Guam Code Annotated;

WHEREAS, this Board of Directors has determined that it is in the public interest for the Government to sell the 2016 Section 30 Bonds or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator of GEDA, in one or more series, for the purpose of financing the Project; and

WHEREAS, there have been presented to this Board of Directors the proposed forms of an Amended and Restated Indenture, dated as of August 1, 2016, amending and restating the Original Indenture (the "General Indenture") and a First Supplemental Indenture, dated as of August 1, 2016 (the "Supplemental Indenture"), each among the Government, the Trustee and the Co-Trustee, pursuant to which the 2016 Section 30 Bonds would be issued, a proposed substantially final form of a preliminary Official Statement relating to the 2016 Section 30 Bonds, and a bond purchase agreement (the "Bond Purchase Agreement") pursuant to which the 2016 Section 30 Bonds would be sold;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Guam Economic Development Authority as follows:

Section 1. The issuance and sale of the 2016 Section 30 Bonds, or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator or Chairman of GEDA (each, an "Authorized Representative") are hereby approved in accordance with Section 50103(k) of Title 12 of the Guam Code Annotated.

Section 2. The form of General Indenture and Supplemental Indenture presented to this meeting, pursuant to which the 2016 Section 30 Bonds would be issued, and which are to be executed and delivered by the Governor on behalf of the Government, are hereby approved, with such additions, changes and modifications as the Governor may approve upon consultation with an Authorized Representative and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the General Indenture and the Supplemental Indenture.

Section 3. The form of Bond Purchase Agreement presented to this meeting, relating to the 2016 Section 30 Bonds and to be executed and delivered by the Governor on behalf of the Government and by an Authorized Representative on behalf of GEDA, is hereby approved for execution and delivery on behalf of the Government and GEDA, with such additions, changes and modifications as the Governor and such Authorized Representative may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreements on behalf of the Government and GEDA; *provided, however,* that the 2016 Section 30 Bonds shall have an aggregate principal amount not to exceed (1) up to \$30,000,000 to pay off outstanding GMHA account payables; (2) \$15,000,000 for GMHA fiscal year 2017 account payables subject to legislative authorization and appropriation in the General Appropriations Act of FY 2017; and (3) the

principal amount necessary in order to provide for one or more of the following purposes: (A) to finance a reserve fund, (B) to refund all of the 2009 Section 30 Bonds with a final maturity that does not exceed the existing final maturity of the 2009 Section 30 Bonds, (C) to refinance the outstanding Bank Loan, (D) to refinance the Government's obligations with respect to the 2013B Certificates with a final maturity that does not exceed the existing final maturity of the 2013B Certificates; and (E) to pay expenses relating to the authorization, sale and issuance of the 2016 Section 30 Bonds, including, without limitation, printing costs, costs of reproducing documents, credit enhancement fees, underwriting, legal, feasibility, financial advisory and accounting fees and charges, fees paid to banks or other financial institutions providing credit enhancement, costs of credit ratings and other costs, charges and fees in connection with the issuance, sale and delivery of the 2016 Section 30 Bonds, not to exceed 1.5% of the par; and *provided further* that the 2016 Section 30 Bonds shall have a final maturity not later than not later than thirty-one (31) years after their date of issuance, shall bear interest at such rates and be sold for such price or prices as shall result in a yield to the bondholders that does not exceed five percent (5%) per annum; and that the combined present value of debt service on the 2016 Section 30 Bonds issued to refund the 2009 Section 30 Bonds, the Bank Loan and the 2013B Certificates shall be at least two percent (2%) less than the present value of debt service on the bonds and loan being refunded or refinanced, and as otherwise set forth by the Act.

Section 4. The distribution of an Official Statement, pursuant to which the 2016 Section 30 Bonds would be described to potential investors (the "Official Statement"), to be executed and delivered by the Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel (such approval to be conclusively evidenced by the execution of the final Official Statement by the Governor), is hereby approved. The Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel is hereby authorized to certify to the underwriters of the 2016 Section 30 Bonds that the Official Statement in preliminary form was deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The underwriters of the 2016 Section 30 Bonds are hereby authorized and directed to deliver copies of the final Official Statement to all subsequent purchasers of the 2016 Section 30 Bonds.

Section 5. The Governor and an Authorized Representative are hereby authorized and directed to do any and all things and to execute and deliver any and all documents or certificates which they may deem necessary or advisable in order to consummate the sale of the 2016 Section 30 Bonds and otherwise to effectuate the purposes of this resolution. Such actions may include, but are not limited to, the approval of the distribution for each series of 2016 Section 30 Bonds of such preliminary Official Statement and final Official Statement as the Governor may approve upon consultation with the Administrator and legal counsel (such approval to be conclusively evidenced by the execution of the final Official Statement by the Governor or his designee), the execution and delivery of any amendments or subordination agreements relating to existing indebtedness of the Government secured or otherwise subject to repayment by Section 30 Revenues (as such term is defined in the General Indenture), the execution and delivery of such other documents, instruments and agreements relating to the 2016

Section 30 Bonds and the Project, including tax certificates, escrow letters or escrow agreements, the distribution of other information and material relating to the 2016 Section 30 Bonds and the holding of any appropriate information meetings concerning the 2016 Section 30 Bonds. In the event of the absence of the Governor, any document or instrument described herein as to be executed and delivered by the Governor on behalf of the Government may be executed and delivered with equal force and effect by the Lieutenant Governor or such other designee approved by the Governor in writing.

Section 6. This resolution shall take effect from and after its adoption.

**RESOLVED FURTHER**, that the Chairman certify and the Secretary attest to the adoption of this resolution.

**SO RESOLVED AND DULY AND REGULARLY ADOPTED** this 22nd day of July 2016.

**Certified by:**

**Attested by:**

\_\_\_\_\_  
Chairman, GEDA Board of Directors

\_\_\_\_\_  
Secretary, GEDA Board of Directors



CERTIFICATE

I, Vera Wu, Secretary of the Board of Directors of the Guam Economic Development Authority, do hereby certify as follows:

The foregoing is a full, true and correct copy of Resolution 16-\_\_\_\_ duly adopted at a regular meeting of the members of the Board of Directors of said Authority duly and legally held at the regular meeting place thereof on July 22, 2016, of which meeting all of said members had due notice and at which at least a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

DATED: \_\_\_\_\_.

(S E A L)

\_\_\_\_\_  
Secretary, Board of Directors

The motion to approve the resolution to Request to Approve a Resolution Approving the Issuance and Sale of Government of Guam Limited Obligation (Section 30) Bonds was made by Director Mesa and seconded by Director Chiu. The motion was unanimously approved.

**Reports**

**§8.** The next item on the agenda was Reports. Diego Mendiola, Assistant Manager for Real Property Division updated the board on the HotBond projects that are currently open with GEDA. There were no decisions made.

**Public Comments**

§9. The next item on the agenda was Public comments. Michael Borja, Director for the Department of Land Manager, Administrative Director of the Chamorro Land Trust Commission and the Guam Ancestral Lands Commission asked to be heard. He stated that he is GEDA's client for handling some of leases for the Guam Ancestral Lands Commission and in dealing with some of the RFP's for the Chamorro Lands Commission. The CLTC did pass 3 resolutions for 3 parcels of properties to be used for commercial use. One of the properties is for the development of affordable housing, which they can't discuss until the 90 day period has passed – which should be around August 23, 2016. If the legislature hasn't taken action regarding these properties, then GALC will be able to move forward. Two of the properties are located in YIGO by GAIN, across from each other, the third property right behind East-West Rental Center in Tamuning.

For the Guam Ancestral Lands Commission, Borja states that they have numerous properties that GEDA handles, the crown lands – the lands that don't belong to anyone. They are given to GALC to be leased out for the purpose of paying ancestral landowners that are dispossessed and will most likely not see their land back.

Borja is asking for the Board's help in getting GEDA's financial reports for the properties that GEDA manages for CLTC and GALC in a timely manner and with a more detailed report. He thanks GEDA for all their help and looks forward to continuing his work with us.

**Adjournment**


§12. Having no further items to discuss, on motion to adjourn duly made by Director Espaldon and seconded by Director Chiu, at 2:39p.m., the meeting was adjourned.

Dated this 25th day of August, 2016



Edward J. Calvo  
Chairman

ATTEST:

  
\_\_\_\_\_  
Vera Wu  
Secretary