

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

February 25, 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 February 25, 2016 at the hour of 1:40 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

David J. John

Vera Wu

George Chiu

Monte Mesa

***Absent and excused was:***

Ernesto V. Espaldon, Jr.

Mana Silva Taijeron

Jay Rojas

***Offices or Positions:***

Chairman

Vice Chairman

Secretary

Director

Director

Director

GEDA Deputy Administrator

Administrator

***Also present were:***

*GEDA Officials:*

Mana Silva Tajeron	Deputy Administrator
Terrence Brooks	Legal Counsel
Lars Hellmont	ITC/FPG
Tami Salas	FPG/ITC
Marinna Valencia-Perez	OAG
Sharon Rodriguez	OAG
Jasmine Stoll	Guam Daily Post
Isa Baza	KUAM
Steve Carrara	T&E
Gloria Molo	GEDA
Angelene Guzman	GEDA
Matt Sgro	GEDA
Claire Cruz	GEDA
Larry Toves	GEDA
Diego Mendiola	GEDA
Dong Choe	GEDA
Raeann LeFever	GEDA
Natalia Faculo	GEDA
Antoinette Leon Guerrero	GEDA
Jha'Aunie Leon Guerrero	GEDA
Nico Fujikawa	GEDA
Brianna Benito	GEDA
Julius Santos	GEDA

***Approval of Agenda***

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

***Approval of Minutes***

**§4.** Minutes from the previous board meeting were not ready. They will be approved at the March Board of Directors meeting.

***Communications***

**§5.** The next item on the agenda was Communications.

Administrator, Jay Rojas informed the Board that Secretary of the Interior, Sally Jewell and Assistant Secretary for Insular Areas, U.S. Department of the Interior, Esther Kia'aina will be on island. Governor Calvo will be meeting with them and GEDA will be participating.

***Old Business***

**§6.** The next item on the agenda was Old Business. The first item under Old Business was the Memorandum of Understanding for Lot 1, Block 5, Tract 259 (Vacant Lot) with RPD.

January 21, 2016

To: GEDA Board of Directors

From: Administrator

RE: Memorandum of Understanding (MOU) re: Lot 1, Block 5, Tract 259 (Vacant Lot)

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**BACKGROUND:**

Currently Lot No. 1, Block 5, Tract 259 (the property or Vacant Lot) is being used by Fujita Property Guam (FPG), GITC, as additional parking for its tenants and customers. GEDA has an agreement with FPG for the use of the property, where FPG will not increase the currently office lease rate of \$2/sf or \$29,056 per month, for the use of the Vacant Lot.

The proposed MOU intends to further utilize the property as a parking lot to be specifically used by the Office of the Attorney General (OAG) employees that work in the Guam International Trade Center (GITC) building. The movement of OAG employee parking into the Vacant Lot will free up parking spaces that is currently being occupied by OAG employees on Lot Nos. 1 and 2, Block 6, Tract 259 (the current outdoor ITC Parking) for other GITC tenants and customers.

**ANALYSIS:**

Without this agreement the office lease rate was scheduled to increase by \$0.37/sf or over \$5K per month. The Vacant Lot was appraised at \$17.13 per square meter per year. The Property is 1 acre which at this appraisal values at \$69,325 per year or \$5,777 per month. The offset in office lease and the potential revenue generated from leasing the property at Fair Market Value (FMV) is identical.

GITC's current parking condition is directly affecting the businesses and government operations in the building. We have received notices from FPG that current tenants are not renewing leases due to the lack of parking stalls available.

**RECOMMENDATION:**

GEDA staff recommends that the Board authorize the Administrator execute the proposed MOU with the AG's Office and Fujita Properties provided that:

- GEDA will not incur any cost under this MOU.
- FPG agrees to keep and maintain the Property in good order, clean and healthful conditions.
- GEDA shall not be liable at any time for any loss, damage, or injury to the property or person
- FPG shall indemnify and hold GEDA harmless from any and all claims, demands, expenses (including attorneys' fees and court cost) or damage for any personal injury or injuries, death(s), damages, or losses to any person(s) or property that may be suffered or sustained by FPG or any of its agents, servants, employees, patrons, customers, invitees, visitors, licensees, departments, and concessionaires or by any other person or persons in, on or about the Property or any part thereof, arising from any and all causes whatsoever.
- FPG agrees to pay promptly for all labor done or materials furnished for any work of repair, maintenance, improvement, alteration or addition done by FPG in connection with the Property, and to keep and to hold the Property free, clear and harmless of an from all liens that could arise by season of any such work.

( ) Approved

( ) Disapproved

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**EDWARD J. CALVO**

Chairman of the Board

The next item under Old Business is the Determination of Need for Lot 1, Block 1, Tract 259 (GITC Building Lot) with RPD:

After further discussion, the Board unanimously agreed to add a provision stating that this MOU will terminate if GEDA doesn't exercise its option to extend its office lease. Motion was made by Director Mesa to have the Administrator move forward with finalizing the GEDA office lease and once that is done then they will sign off on the Memorandum of Understanding for the parking lot use. Motion seconded by Director Wu. The motion was unanimously approved.

March 1, 2016

Mr. Lars Hellmont

Fujita Property Guam Inc.

P.O. Box 8676

Tamuning, Guam 96931

RE: GEDA Office Lease Extension

Hafa Adai Mr. Hellmont,

Pursuant to Section 26 "Option to Renew" of the 1991 Agreement between GEDA and Fujita Property Guam (FPG), GEDA's Lease of the 5<sup>th</sup> floor of the ITC Building will be automatically extended for the three year period beginning March 1, 2017. The purpose of this letter is to inform you of GEDA's acceptance of the incentives provided to GEDA in your letter dated January 27, 2016 wherein:

1. The Rent for the period March 1, 2017 to February 28, 2020 will remain at \$29,056 per month,
2. FPG will upgrade 5<sup>th</sup> floor common area and restrooms no later than the 2<sup>nd</sup> quarter of 2016,
3. FPG will provide once a week general cleaning within GEDA's office space (emptying trash and sweeping/vacuuming), and
4. FPG will install a drop down fiber optic cable from 5<sup>th</sup> floor to 2<sup>nd</sup> floor GovGuam server room

Thank you and we look forward to continue working in partnership with FPG.

*Sinseru,*

JAY ROJAS  
Administrator

Concurred by: \_\_\_\_\_

Fujita Property Guam, Inc.

After further discussion, motion was made by Director Mesa to allow the Administrator to approve the Determination of Need, seconded by Chairman Calvo. The motion was unanimously approved.

***New Business***

**§7.** The next item on the agenda was New Business. The first item under New Business was Opening of Request for Proposal 16-003 – Underwriter Services for the Government of Guam’s Financing Projects with Public Finance. Each bid proposal was opened before the Board as required by law.

No Board action was required at this time.

***Reports***

**§10.** The next item on the agenda was Reports.


***Public Comments***

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


***Adjournment***

**§12.** Having no further items to discuss, on motion to adjourn duly made by Director Mesa and seconded by Director Chiu, at 3:35 p.m., the meeting was adjourned.

Dated this 25th day of February, 2016

  
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Edward J. Calvo  
Chairman

ATTEST:

  
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Vera Wu  
Secretary