

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

January 27, 2014  
(Reconvened from January 16, 2014)

***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 January 16, 2014 and reconvened on January 27, 2014 at the hour of 2:00 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 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  
Arlene P. Bordallo  
George Chiu  
Monte Mesa  
Vera Wu

***Offices or Positions:***

Chairman  
Secretary  
Director  
Director  
Director

***Not present were:***

David J. John  
Henry J. Taitano

Vice Chairman  
Administrator

***Also present were:***

***GEDA Officials:***

Mana Silva Taijeron  
Janalynn Cruz Damian

Diego Mendiola  
Claire Cruz  
Christina D. Garcia  
Lester Carlson  
Larry Toves

Deputy Administrator  
GEDA Legal Counsel  
(Calvo Fisher & Jacob LLP)  
Real Property Assistant Manager  
Compliance Division Manager  
Business Development Manager  
Public Finance Manager  
Real Property Manager

Bernice Torres	Administration & Operations Manager
Carl Quinata	Industry Development Specialist
Gloria Molo	Administrative Services Officer
Greg Sablan	Public Finance Assistant Manager
Therese Santos	Executive Assistant
Calvin Kelly	GEDA PMO
Steven Dierking	Chief Information/Marketing Manager
Mike Cruz	Project Director

***Approval of Minutes***

§3. The next item on the agenda was the adoption of the corrected minutes from the regular board meeting on December 10, 2013 and the minutes of the reconvened meeting on December 17, 2013. On motion duly made by Director Chiu, and seconded by Director Mesa, the following resolution was unanimously approved:

***Resolution No. 14-006***

RESOLVED, that the Board approves the corrected minutes of the December 10, 2013 regular board meeting and the minutes of the reconvened meeting on December 17, 2013.

***Communications***

§4. The next item on the agenda was Communications.

Chairman Calvo requested that the Board receive updates on the feasibility study under the GEDA - Department of Chamorro Affairs ("DCA") Memorandum of Understanding ("MOU").

§5. Mr. Larry Toves, Real Property Manager, presented for the Board's consideration a MOU with the Department of Chamorro Affairs relating to the Percent for the Arts Program for the HOT Bonds projects. Mr. Toves explained that the MOU allows DCA to procure various artwork for the Guam and Chamorro Educational Facility with GEDA using HOT bond funds to pay for the artwork. Dealing with artists is DCA's core responsibility and strength and allowing DCA to procure arts for the museum would be efficient and effective. Procurement of artwork is an integral part of the museum and also allows compliance with Public Law 20-27 as amended, regarding the purchase of artwork for public facilities. HOT Bond funds within the budget are available for the acquisition of artwork.

GEDA staff recommended that the Board of Directors authorize the Administrator to execute the MOU between DCA and GEDA for procurement of and payment for artwork for the Guam and Chamorro Educational Facility.

On motion duly made by Director Mesa, and seconded by Director Bordallo, the following resolution was unanimously approved:

***Resolution No. 14-007***

RESOLVED, that the Board authorizes the Administrator to finalize and execute the Memorandum of Understanding between GEDA and the Department of Chamorro Affairs regarding the purchase of artwork for the Guam Chamorro and Educational Facility in satisfaction of the Percent for the Arts law.

***Old Business***

§6. The next item on the agenda was Old Business.

The first item under Old Business was from the Public Finance Division: Revised Travel Request – Rating Agency Meeting & Underwriter Oral Presentation. Mr. Lester Carlson, Public Finance Manager, explained that at the December 10, 2013 meeting, the Board approved the establishment of an Evaluation Team to review the proposals in response to GEDA RFP 14-001. RFP 14-001 seeks to select one or more Senior Managers and one or more Co-Managers for any General Obligation, Limited Obligation or Certificates of Participation bonds issued by the Government of Guam for a period of two years from the time of appointment. Because of scheduling conflicts, the Board is requested to approve of the following revised Evaluation Team:

1. Administrator, Guam Economic Development Authority
2. Public Finance Manager, Guam Economic Development Authority
3. Business Development Manager, Guam Economic Development Authority

On motion duly made by Director Chiu, and seconded by Director Mesa, the following resolution was unanimously approved:

***Resolution No. 14-008***

RESOLVED, that the Board approves the following individuals to evaluate the proposals received in response to Request for Proposal 14-001 for Underwriter Services:

- Administrator, GEDA;
- Public Finance Manager, GEDA; and
- Business Development Manager, GEDA.

§7. The next item on the agenda under Old Business was Real Property Division: Contract for Construction of the Farmers Coop facility. Mr. Larry Toves informed Chairman Calvo that an update on the Farmers Coop facility will be included in the HOT Bond Projects update.

### ***Reports***

§8. The next item was Reports. The first item under reports was the RFP for the Event Coordinator for the Economic Symposium. Mrs. Christina Garcia, Business Development Manager, presented that the Business Development Division closed the RFP for the Event Coordinator and there were four proposals received. The Business Development Division would like to discuss potential exposure to this particular event planner RFP. At the last Board meeting \$60,000 was approved for this planner.

Mr. Carl Quinata, Industry Development Specialist, continued to explain that within the RFP the respondents provided a budget proposal, not a final budget, just guidance until it is known what to be expected. The next step would be to notify the firm that it has been selected by the evaluation committee and to negotiate fees.

Management anticipates that these initiatives will involve partnerships with other government agencies as well as create revenues and GEDA expects to fully recover the amount allocated. Discussions are ongoing which will be reported to the Board as soon as the details are finalized.

Chairman Calvo asked if it was possible to leave the budget as stated at the last meeting (at \$60,000), and negotiate an initial contract within the budget and then come back to the Board as more funding is required.

Director Chiu proposed to the Chair to give the Business Development Division an allowance of plus or minus \$10,000.00 so no further Board action would be required.

On motion duly made by Director Chiu, and seconded by Director Mesa, the following resolution was unanimously approved:

### ***Resolution No. 14-009***

RESOLVED, that the Board hereby approves award of RFP for the Event Coordinator for the Economic Symposium to the best qualified proposer, subject to negotiation of a fair and reasonable fee within the budget plus or minus \$10,000.00.

§9. The next item on the agenda was Reports. The first item under Reports was the Administrator's Report. There was none.

§10. The next item under Reports was the HOT Bond Projects Update: Mr. Larry Toves presented that PL 30-228 was enacted on December 30, 2010. This law appropriated \$27M for the museum and \$41.5M for 32 other projects (some projects contained sub-projects e.g., Scenic Byways includes the Umatac Overlook, Santos Park in Piti, the Fadian Overlook in Mangilao and East Agana). The HOT bonds were sold in April 2011. After paying off obligations required by the law and allocating \$27M for the museum, \$28.569M was available for other HOT bond projects rather than \$41.5M appropriated by the law.

Public Law 31-196 added the Guam Fishermen's Cooperative Association Facility ("GFCA") to the list of projects on March 28, 2012, but did not provide new money for this project. Instead, to pay for the facility, the law directed that \$5,000,000 in HOT bond money would be loaned to the GFCA. While assessing whether adequate funds would be available given that only \$28.569M was available, GEDA staff worked with bond counsel to ensure that the issuance of a loan would not violate bond requirements, which might jeopardize the entire program. Bond counsel issued his opinion on June 20, 2012 indicating that the use of bond funds for a loan to a non-government entity would not violate bond requirements so long as no more than 10% of bond proceeds would be used for nongovernmental persons (e.g., GFCA).

Public Law 32-56 (enacted July 8, 2013) changed the \$5M loan to a \$5M grant and mandated that \$2M in HOT bond funds be immediately allocated to the Fishermen's Coop project regardless of the significant amount work that was on-going on various public facilities that were in dire need of improvement including the Inarajan Community Center, the Nimitz Beach Park, the Plaza de España, the Tumon flooding, the Senator Angel Santos Memorial and numerous other park projects.

As required by Public Law 32-56, GEDA reallocated almost \$1.5M from projects that were not going to be implemented (acquisition of Gun Beach); projects that were funded by other agencies (street light projects, funded by Guam Power Authority); and projects whose actual bids came in below budget (scenic and informational highway signs). Funding for high priority projects such as the Guam Museum, the Tumon flooding, the Farmers Coop was untouched. In addition, almost \$450K from construction management and \$37K from archaeological services were reallocated to fund the Fishermen's Coop facility. The balance will be funded using interest generated from investments of the principal. P.L. 32-56 also required that disbursements for payments of expenses associated with the construction, repair and improvements of the Fishermen's Coop facility be countersigned by GEDA.

The MOU requires GFCA to:

- Perform all activities necessary for the construction, repair and improvement of the GFCA facility
- Submit invoices to GEDA for payment of all expenses incurred for the construction, repair and improvement of the GFCA facility;
- Certify that it has complied with all applicable law and that expenditures are for construction, repair and improvements and that GFCA will retain all records necessary for auditing purposes;
- Coordinate with the Hagåtña Restoration and Redevelopment Authority pursuant to Article 3, Chapter 79 of Title 21 Guam Code Annotated;
- Provide to GEDA a copy of the certificate of occupancy, as-built plans and all other documentation deemed necessary by GEDA to demonstrate completion of the project; and
- Indemnify and hold harmless GEDA and the Government of Guam from and against all attachments, liens, charges, and all expenses resulting from this MOA and any claims by any supplier of goods and services used by GFCA in constructing, repairing and improving the GFCA facility.

Other requirements contained in the MOU follow legal requirements imposed on the GFCA by the various laws that authorize GFCA to lease the government property it currently uses.

GEDA staff recommends that the Board of Directors authorize the Administrator to execute the Memorandum of Understanding between GFCA and GEDA to carry out the requirements of Public Law 32-56.

The Board discussed the requirements that the Fishermen's Coop must follow to receive disbursements. Director Chiu suggested that GEDA require the Fishermen's Coop to hire a construction manager to oversee the project.

After further discussion on the details of the Memorandum of Understanding, the Board requested to table the MOU and have legal counsel review Public Law 32-56.

§11. The next item on the agenda was the Economic Symposium Update. Chairman Calvo mentioned that the main discussion was the Marketing Budget. There was no further discussion on this item.

**Public Comments**

§12. The next item on the agenda was Public Comments. There were none.

§13. The next item was the approval of the purchase price of the Tamuning property. Legal Counsel, Janalynn Cruz Damian informed the Board that during the December Board meeting Mrs. Claire Cruz updated the Board on the sale of the Tamuning property and authorization was given to the Administrator to negotiate the terms of the sale. Mrs. Cruz later came back to the Board to give an update but there was no Board action. Legal Counsel requested that the Board approve the actual acceptance of the purchase price of \$2.35M from E&I Camacho.

On motion duly made by Director Mesa and seconded by Director Wu, the following resolution was unanimously approved.


**Resolution No. 14-010**

RESOLVED, that the Board accepts the offer of \$2.35M from E&I Camacho to purchase Lot 2145-REM-7, Tamuning.


**Adjournment**

§14. Having no further items to discuss, on motion to adjourn duly made Director Bordallo and seconded by Vice Chairman John, at 2:17 p.m., the meeting was adjourned.

Dated this 20<sup>th</sup> day of MARCH, 2014.

  
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Edward J. Calvo  
Chairman

ATTEST:

  
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Arlene P. Bordallo  
Secretary