



**Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
October 24, 2024**

Call to Order

- § 1. The regular meeting of the Board of Directors of the Guam Economic Development Authority (“GEDA” or the “Authority”) was held on Thursday, October 24, 2024 at the hour of 1:30 p.m., at the GEDA conference room, Suite 511, GITC Building, Tamuning, Guam. The meeting was called to order by Chairman David John to consider items on the Agenda.

Inifresi

- § 2. GEDA Board of Directors and all others in attendance recited the *Inifresi*.

Quorum and Attendance

- § 3. **Roll call.** As determined by the roll call made by Chairman David John, the following individuals were present:

Directors:

David J. John
Ernesto Espaldon Jr.
Siska Hutapea
Andrew Park
Dr. Doreen Crisostomo-Muna
Melanie Mendiola
Carlos P. Bordallo
Georgette Bello Concepcion

Office or Position:

Chairman
Vice Chairman (zoom)
Secretary/Director (absent)
Director (zoom)
Director (zoom)
CEO/Administrator (off island)
Deputy Administrator
Legal Counsel

Also, in attendance were:

Angelene Rios
Bernice Torres

GEDA
GEDA

Christina Garcia	GEDA
Mary Camacho	GEDA
John San Nicolas	GEDA
Antoinette Leon Guerrero	GEDA
Tria Paulino Chang	GEDA
Jennifer Calvo Guzman	GEDA
Melvin Tabilas	GEDA
Yong Park	GEDA

Approval of Agenda

- § 4. The motion to approve the agenda was made by Vice Chairman Ernesto Espaldon Jr. and Director Dr. Doreen Crisostomo-Muna, with a change to table item C under new business. The motion was seconded by Director Andrew Park. The Directors then voted, and the motion was unanimously passed.

Approval of Minutes

- § 5. The motion to approve the September 26, 2024 board minutes, and October 3, 2024 special board minutes, was made by Director Dr. Doreen Crisostomo-Muna, was seconded by Director Andrew Park. The Directors then voted, and the motion was unanimously passed.

Chairman's Remarks

- § 6. Chairman David John reported the following:
- a. Chairman John begin by thanking Vice Chairman Espaldon for conducting the last two board meetings. He also reported that the governor transmitted a new nominee to the GEDA board to the legislature, and his hearing will be on October 31st. The day after our September meeting, we received news receiving a state trade and export grant in the amount of \$150,000. It's to go toward the support of small businesses seeking to break into the export market. This is an excellent follow-up to our support from the GUMA Incubator program. He congratulated Mel and Jen, leading our small business service department for this win.
 - b. Additionally, the Chairman reported that GEDA's first venture capital application under our SSBCI program has been filed. We look forward to seeing how this process unfolds and putting new money into our economy. Specifically, this one is related to tourism. Guam's tourism recovery is among the slowest in the world. Arrivals from Japan remain 70% below 2019 levels. Korean arrivals are down over 50%, even though Korea has largely recovered. In terms of Japan, we have the necessary seat capacity. The primary issue is the Yen's value. However, there is potential growth if we collaborate as an industry to develop cost-effective packages, enhance awareness of our offerings, and focus on the Japanese market that's less price sensitive. However, now, our primarily focus should be on the Korean market. Before COVID-

19, we had 90,000 monthly seats to Guam. At the start of this year, we had 60,000. Since then, we've lost an additional 50% of our seat capacity to just 30,000 monthly seats. This is unsustainable for the industry. We need to get back to where we were at the beginning of the year, at least, to see any light to a pathway of recovery. The situation is straightforward. If we don't increase our capacity out of Korea and fill these seats, businesses will close. When businesses shut down, tourists who do visit the island perceive Guam as a ghost town, opting for competitors like Vietnam or Hawaii. This leads to even more closures, reduced hotel investments, and ultimately, fewer visitors. This is a classic example of a potential industry death spiral, if we're not careful. Moreover, the challenges are not solely linked to currency exchange rates. Guam's tourism product marketing strategies have not kept pace with the evolving consumer preferences. This decline has significantly impacted our economic situation, resulting in over a billion dollars in lost economic activity and \$100 million in foregone tax revenue. Resources that could have gone to support services for the community. To be clear, we've become complacent. We've assumed that tourism would automatically rebound after the pandemic with minimum effort. This was a huge mistake. The world has changed, and so has tourism.

- c. Chairman John reported to revitalize our tourism industry, we need a fundamental shift in our approach. A concerted effort involving both private and public sectors is essential to reignite tourism on Guam. Governor Leon Guerrero will be asking the board and management to work with industry stakeholders to invest money in a tourism recovery plan. GVB's \$20 million will not be going to grant aid to businesses. Instead, the money will be invested in Tumon, the visitor infrastructure, partnerships with airlines that stimulate demand and strategic investments. GEDA has been tasked with issuing another HOT (Hotel Occupancy Tax) bond, part of which will take on the Matapang Beach rehabilitation so GVB can shift resources toward an immediate recovery plan.

Deputy Administrator's Remarks

§ 7. Deputy Administrator Carlos Bordallo reported the following:

- a. So, as we closed out fiscal year 2024 and move into fiscal year 2025, we continue to be busy, but it's a different busy. We spent the last four years running pandemic aid-related programs. These are all tapering down. We lead a healthy foundation for small businesses with our partnerships with GUMA and SBDC for our venture capital incubator and export programs. Our plan for this year is to really gain some traction with our VC program and lending programs and possibly even launch a security bonding program for contractors. We also focus our energies on moving things that have been stuck, such as our QCs, which remain stuck upstairs at the AG's office. We are also planning the Lieutenant Governor's next licensing and permitting meeting to continue to make reforms to that process. Our tourism businesses remain in distress, so a new HOT bond is in the planning stages right now. We also have some issuances, both new and refunding in the pipeline. We had a great in-person gathering with ASTRO America to report on the progress since the feasibility study. The

workforce piece has moved forward nicely with on-the-job training paid for by the DOD for a pilot group of individuals. We also continue to plan towards the physical footprint of the GAMMA Additive Manufacturing and Materials Accelerating. Today, we are pleased to be discussing the launch of our Signature Community Contribution Grant program, in addition, presenting the results of RFP valuations open during the last special meeting.

New Business

§ 8. Christina Garcia reported the following:

a. Award for RFP 24-004:

- i. Ms. Garcia reported on the RFP 24-004 for Underwriter Services. After thorough analysis, the evaluation team recommends that RBC Capital Markets, LLC, and Raymond James serve as co-managing underwriters for the Guam Waterworks Authority's bond financing projects for initial term of two years, with two year options to renew afterwards. With that, we respectfully submit this recommendation to the GEDA Board of directors for consideration and request adoption by resolution.

§ 9. The motion to approve RFP 24-004 was made by Director Dr. Doreen Crisostomo-Muna, was seconded by Director Andrew Park. The Directors then voted, and the motion was unanimously passed.

b. Award for RFP 24-005:

- i. GEDA issued RFP 24-005 for underwriter services. Again, the current underwriter contract was terminated at the request the government due to the departure of the one underwriter and the government's desire to secure two underwriters to work on future financings. The GEDA RFP 24-005 was issued on September 4, with a close date of September 24th. After thorough analysis, there were a total of seven projects that are being assigned underwriting teams on behalf of the Government of Guam, and I will go through the list right now. For any general obligation or Section 30 financing, the evaluation team is recommending Raymond James and Ramirez. For the grant, anticipation Revenue Vehicle, also known as a GARVEE bond, selected were Barclays Capital and J. P. Morgan Securities. For any school lease financing, the evaluation team is recommending Bank of America Securities and Morgan Stanley. For health care financing, recommended is Raymond James and Ramirez & Company. For the Port Authority of Guam Financing, recommended is Bank of America Securities and Morgan Stanley. For the Hotel and Occupancy Tax Bonds, the team recommends Wells Fargo Securities and Bank of America. And for the business privilege tax bonds, the team recommends Morgan Stanley and Wells Fargo. Recommendation for initial term of two years, with two year options to renew afterwards.

- § 10. The motion to approve RFP 24-005 was made by Director Dr. Doreen Crisostomo-Muna, was seconded by Vice Chairman Ernesto Espaldon Jr. with the recommendation for initial term of two years, with two years options to renew afterwards be put in the documents. The Directors then voted, and the motion was unanimously passed.
- § 11. Compliance Resolution 25-001, relative to the approval of the qualifying certificate for community grant contributions.
- a. In your package, you have resolution number 25-001, relative to approving the qualifying certificate, 2025 Community Contribution Grant program. The grant program offers a significant option for nonprofits and government of Guam Departments and agencies to secure vital funding for community-focused initiatives. The grant program will be funded through the community contribution received from the Guam Regional Medical City. We are requesting the amount of \$300,000 to provide grant funding for up to \$25,000 per award for eligible projects and programs. The grant application period will open on October 28, 2024, and will close on November 19, 2024. Since inception, November 2019, a total of six grants have been awarded, totaling \$1.8 million. And we kindly request the GEDA board of directors to approve the allocation and disbursement of \$300,000 from the QC Community Contribution Fund received from the Guam Regional Medical City to fund the 2025 Community Contribution Grant program.
- § 12. The motion to approve Resolution number 25-001 with the title stating, relative to approving the qualifying certificate, Community Contribution Grant Program, Series 7, increasing the amount from \$300,000.00 to \$600,000.00 was made by Director Dr. Doreen Crisostomo-Muna, was seconded by Vice Chairman Ernesto Espaldon Jr. The Directors then voted, and the motion was unanimously passed.

Public Comments

- § 13. There were no public comments.

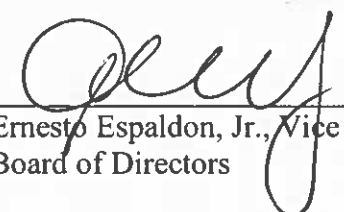
Adjournment

§ 14. A motion for the meeting to be adjourned was moved by Secretary Siska Hutapea, was seconded by Chairman David John. Adjournment of the meeting was unanimously approved.

Attest:



SISKA HUTAPEA
Secretary, Board of Directors



Ernesto Espaldon, Jr., Vice Chairman
Board of Directors