



Aturidád Inadilánton Ikunumihan Guahan

**Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
March 21, 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, March 21, 2024 at the hour of 1:40 p.m., at the GEDA conference room, Suite 511, GITC Building, Tamuning, Guam. The meeting was called to order by Chairman David J. 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 Vice Chairman Ernesto Espaldon Jr. the following individuals were present:

<i>Directors:</i>	<i>Office or Position:</i>
David J. John	Chairman
Ernesto Espaldon Jr.	Vice Chairman
Siska Hutapea	Secretary/Director
Andrew Park	Director
Dr. Doreen Crisostomo-Muna	Director
Melanie Mendiola	CEO/Administrator
Carlos P. Bordallo	Deputy Administrator (absent, excused)
Terrence M. Brooks	Legal Counsel

Also, in attendance were:

Frank San Nicolas	The Guam Daily Post
Angelene Rios	GEDA
Yong Pak	GEDA
Melvin Tabilas	GEDA
John San Nicolas	GEDA
Diego Mendiola	GEDA

Tina Garcia	GEDA
Antoinette Leon Guerrero	GEDA
Jenn Calvo Guzman	GEDA
Ed Camacho	GEDA
Ariana Villaverde	GEDA
Christina Merfalen	GEDA

Approval of Agenda

- § 4. The motion to approve the agenda was made by Secretary Siska Hutapea and was seconded by Director Dr. Doreen Crisostomo-Muna. The Directors voted and the motion was unanimously passed.

Approval of Minutes

- § 5. Director Dr. Doreen Crisostomo-Muna made a motion to approve February 2024 board meeting minutes and was seconded by Vice Chairman Ernesto Espaldon Jr. The Directors voted and the motion was unanimously passed.

Chairman's Remarks

- § 6. Chairman David J. John reported the following:
- a. The GWA bond sale went well. Investors were bullish on GEDA's triple tax-exempt paper, which resulted in oversubscription and more aggressive pricing on our part. The transaction saved GWA \$14.5 million with all in TIC of 3.97.
 - b. Leap 2 is done and transmitted to Dept of Administration for check distributions as soon as the government's cash flows will allow. The team is now reviewing applicants who applied for reconsideration. Speaking of grants, next month, we will likely be seeing some activity in anticipation of the summer months under our childcare industry programs. We will also do some small QCC grant for small community projects.

CEO/Administrator's Remarks

- § 7. Administrator Mendiola reported the following:
- a. Last month, I went with Governor Leon Guerrero to Washington, DC, where we continued to forge ahead with the Additive Manufacturing Initiative. One of the highlights that we saw a couple of months ago was that our partner was awarded to continue to work towards this, we were awarded a \$500,000 grant to continue working in the Additive manufacturing development space. Governor had a great meeting with Admiral Popano, the individual who oversees submarine maintenance and Navy's presence on Guam.

- b. I was with the team at the GWA bond sale. Investors were bullish on Guam. The supply of triple tax-exempt paper is very, very limited on the primary market and the secondary market. And this only makes it that much more appealing from the perspective of safety. When Guam's bond rating was lower, we had to pay higher interest rates. That translated to a more expensive proposition for our CIP projects here in Guam. For the bond investors, that translated to triple tax-exempt yield that was relatively high. Now it's moving the other way. My personal observation from the bond sale was that we did attract some new investors, which is great because those are investors who were not able to entertain Guam bonds previously because they weren't considered investment grade. Conversely, we found some investors who had long liked our yield were starting to get scared away because of the demand for our paper was driving up the cost. Overall investors are very comfortable with Guam and certainly appreciate all the work we're doing to keep them up to date, the news and the financials, and get the audits in on time.

- c. And then interestingly enough, that intersected with a lot of the meetings we had in Washington, DC. It seems that among other territories, many are having trouble getting their audits done. That puts Guam ahead of those territories and it's negatively affecting their CIPs and their ability to go after grant applications.

- d. Ms. Mendiola shared some minutes from 50 years ago at the GEDA. At a special meeting. Jesus Leon Guerrero, Gov Lou's father, was chairman of the board. There were two orders of business. The extension of the Guam Oil and Refining Company, Inc., QC. This was a gas refining company. Gorco was sourcing their product out of the Middle East and in 1973, the Yom Kippur War broke out, affecting supply of fuel which impaired their project. They had to come in and ask for a QC extension because they had to find new crude oil suppliers. That's what was happening at GEDA 50 years ago. It's like déjà vu as today we again have war in the Middle East. The other item of business was the opening of ITC building and sourcing its first round of tenants. One of the conditions of the GEDA board was they had to approve all the tenants. There was a list of 27 tenants submitted to the board, and the board was okay with all of them except for a nightclub. They did approve one nightclub, but a second faced some opposition. The name of the nightclub was the Guam Playmate Club. So, and I quote, the administrator agreed that when they reviewed the floor plans submitted on the GITC, there was never a nightclub shown for the third floor where Guam Playmate was to be located. The set up on the third floor was for restaurants of different nations. He also informed the board that Mr. McCartney had suggested, I think Mr. McCartney was the manager at the time, that if the board is hesitant about approving or disapproving the nightclub, that approval can be conditional, that if there is any hanky-panky going on, the approval is automatically canceled. He explained that this is a membership type nightclub. There's an actual clarification here that I wanted to read. The chairman questioned the wording of the amendment. The Deputy Administrator agreed that the term hanky-panky would not be quite right. Director Perry mentioned that he would second the motion for approval, if GEDA can step in and cancel the lease if the operation becomes objectionable or if

there's undesirable behavior and complaints are received. That is how they decided to articulate it in the amendment to the lease. That was the meeting 50 years ago at the Guam Economic Development Authority.

- e. 20 bucks for anyone who could tell why there was a hotel in here. Why? International Center, Japan? At that point in time, you couldn't get money out of Japan except for certain things, and a hotel was one of them. That's the same reason there was a hotel in Tumon Sands.
- f. What I think is very interesting about the Gorco discussion was actually that it is in line with the present board's actions. A couple of years ago, we extended one of our QC's two years because of the effect of COVID. One of the issues that went back and forth between us and our attorney was, can we do that? Does the board have the power to do that? It looks like this board behaves consistently with boards of the past.
- g. Regarding QC's, I was going to bring it up later, but I was reading through some of the committee reports here. Our QC that are QC's that are pending, have been pending since 2022 at the AG's office? Is there a time at some point that we just move forward? Unfortunately, no. The AGO is required to sign off on QC's. GEDA Legal Counsel assists in preparing the QC's, but does not have authority to sign off on them. It must be a legislative solution. The most active one that we've been following up on has been the Core Tech affordable housing QC. That one delayed us primarily because of the unpledged or pledged discussion on BPT. We fixed that, though. We came up with a solution. There was back and forth with the AGO and our most recent meeting with them, which was last year was to provide additional supporting documentation. It's unclear if the others are hung up on similar issues, like their decision on the one will affect the others. If they're able to get the affordable housing done, then the other ones will hopefully happen in rapid fire. We're trying to get that feedback.
- h.

Old Business

§ 8. Administrator Mendiola reported the following:

- a. Last meeting, we asked the team to work on three projects. I'd like to just get an update really quick. We talked about preparing the wording for a bill for procurement to permitting. Those are two different separate items, more of a timeline thing with what the Lieutenant governor was discussing with the chamber about a month ago. The idea would be a bill that for each of those, that each agency would have a certain amount of time to get a permit or the procurement done. If they don't, then it was in favor of the developer in the case of permitting any status.
- b. Relative to procurement, the front office beat us to that one, there were several bills that were transmitted down to the legislature on procurement. Nothing passed. Maybe we take

another run at it. And then on permitting, I did have a follow-up meeting with Lieutenant Governor as far as the path forward. To amend it, he said there are some things he'd like to start with RevTax because he believes that any reform at RevTax would be relatively quick because they do have lawyers on staff that could update rules and regs. The process of updating rules and regs requires a public hearing. What he would like to do is start the process just like a stakeholder's meeting where we talk about glaring inadequacies or issues.

- c. The thought regarding building permits was to put time limits on each agency to get a permit through so that they must time manage what's important. If you're putting an engineering study through for a developer who has built 180 houses, do you really need to sit there and go over every little thing because it's the same engineering study for the other 179? So you can move that one a little bit quicker. If it's something brand new, it's a big hotel, it's something off the normal path, then take your resources and spend it on that and allow for the engineers to basically sign up as a protection on the permits and move things along. There is a procurement out for permit software. If the permit software gets off the ground, then you can gage what's an appropriate timeline per agency. Unfortunately, the permit software is still in the procurement stage. The two things that we want to move, permit and procurement, and the permit is stuck because of procurement? Regarding procurement, there were a number of bills that were sent down to the legislature. One was to increase the amount of the amount that would have to go to the AG to anything under one million as opposed to 100,000 or 500,000. That was the first one. The second one that went down was a bill that lets agencies hire legal counsel because of inherent conflicts.

New Business

§ 9. Administrator Mendiola reported the following:

- a. RFP 24-001 for trustee depository and paying agent. DPW will be issuing a forthcoming Garvie bond. And the Garvie bond will need a trustee depository paying agent. That's what this particular RFP is for. In accordance with the statute, RFPs relative to the public finance area come through the board, unlike RFPs for other services, like our marketing contracts. The RFP was issued on February 14 and published in the Guam Daily Post. We issued one addendum to extend to February 23. A total of three responses were received and listed, Bank of Guam, Bank of Hawaii, and Bank of America. The evaluation, which was made up of the DPW Deputy Director, Linda Ibanez, GEDA's real property Diego Mediola and myself, reviewed the evaluations. After a thorough analysis, the team recommends that Bank of Guam be selected as the trustee depositor and lead agent for DPW's proposed Garvie bond. This is scheduled to take to market in the hopefully around May or June. We're working with Federal Highways now to secure a memorandum of understanding, and then we will go into the bond pricing process. So with that, we respectfully ask the board for your consideration and request adoption of this request.

- b. So two quick questions before voting, was there a particular advantage that the Bank of Guam had? Bank of Guam has a team that was already set up to provide those services, all three services. They've been our trustee for many years, and we continue to test the market each time we go out for trustee. Number two ranked offer, Bank of Hawaii did not have paying agent services. So although they did respond to the RFP, they were not able to provide all the complete list of items that we needed under this RFP. Because Chairman John had to recuse himself because of a conflict of interest from voting on a motion to approve the selection of Bank of Guam as trustee and depository for RFP 24-001 the Board agreed to execute a resolution to approve the selection that would be approved at the next Board meeting.

- c. Motion to pass Resolution 24-003, GEDA, relative to adopting the Guam Additive Manufacturing and Business Incubator and Technology Accelerator. This resolution, for about a little over a year, we've been working with a nonprofit group called ASTRO America. And ASTRO is the organization that did the feasibility study for additive manufacturing, and they've been doing some follow-up work with that. This is also the organization that helped us procure the \$500,000 grant to continue the work in this area. This has been an ongoing moving progress towards developing this as a viable industry. So we recently had a meeting with them, and ASTRO will be submitting for a USDA grant in the amount of \$2 million over the course of three years. And what they'd like to do is they'd like to continue to develop additive manufacturing capability, but they'd like to do it in the area of automotive parts. This has a lot more application at the entrepreneur's level, so at our local small business level. With the additive manufacturing for submarines, we expect this to attract businesses like GE to our shores. But with the automotive manufacturing, we expect this to attract small to mid-size businesses so it's a separate but related initiative. One of the discussions that we had in our last meeting with them was their need for space to house this equipment to develop this automotive additive manufacturing incubator type space. And so we thought that we could explore the use of the Star Press building back here at ITC. The Star Press building, which has gone out for several unsuccessful RFPs was identified as a possible site. There are no structural issues, but it does have asbestos and other types of things that are going to require rehab. We've been weighing the option of, should we just tear the building down and start again? But we've also been thinking, what would it take to rehab? But then if we rehab, what business would go in there? There's no parking. And we said, perhaps this would be good for an additive manufacturing, because the biggest issue with additive manufacturing is the space to house the equipment. The actual number of people working in the space will be very few. It'll be people coming through for tours and things like that or coming to try stuff, but at different hours of the day. And with the movement of the AG to down to Hagatna, there's certainly adequate parking. We'd like to explore bringing this to the table as a possible facility. So the resolution basically says, Outfit Star Press, subject to general GEDA funding, other funding sources, meaning whatever funding we end up using for this has to be approved anyway by you guys. We would like to take the first step and be able to explore the use of that building to dedicate that building towards

this effort. Basically, the essence of this resolution is to bring this to apply for the 2 million grant. If we don't get the grant, this is dead. This is really to strengthen our application such that it shows that there's a commitment towards utilizing resources towards this grant, towards building this grant. At the time, GEDA got a quote, which is probably out of date, but it was looking like \$80,000, but that was in 2015 or 2017. Today more like \$150K. But not millions. There's a lot of old equipment on this island that's being used for deliveries every day, smaller forklifts and things that are on island. But they don't make parts for anymore.

- d. The goal would be to outfit Star Press as a light industrial facility to the recipients of the RISE grant in order to house an additive manufacturing plant. Would we charge them rent? We might not, right? That could be our contribution because we would own the operation. They're putting equipment in our building. Could a company be set up and used with some of the treasury money that we have? Yes. In addition to fixing it up, we might be able to get some working capital out of that pool, too. What ASTRO would get out of this would be considered the in-kind match towards the project. Its possible that GEDA and ASTRO could form a joint venture to accomplish the goals of the grants.

§ 10. Secretary Siska Hutapea made the Motion to adopt Resolution 24-003, subject to the addition of language concerning joint venture, and was seconded by Vice Chairman Ernesto Espaldon Jr. The Directors then voted, and the motion was unanimously passed.

§ 11. Chairman John reported the following:

- a. When I'm going around talking to different people in numbers, I'm always like, where are we with these numbers? I asked them to put together a Guam centric report. They went a lot further than this, Matt and Ed and the team. But this is the first draft. Siska and I have been talking about something like this, where we have something going out once a quarter with metrics. I think they did a really good job for a first draft inside each packet, right? This is a second draft. We adjusted a little bit to be a little bit more the main highlights of everything. There's a lot of interest in learning more about Guam and the key points. It's going to be a living document, and it's going to be updated, if not quarterly, semi-annually, or annually, whatever we can update as much as possible. Also, we also have it in a digital format that's easy to see on a phone or a tablet. If you're at a meeting with someone and you have it on your phone and you want to look what the visitor arrivals are, you can just pull it up. Knowledge is power. There's a lot of interest in learning about Guam from investors all over the place. This is the greatest hit. I want to thank Director Siska. I know in the economic outlook, you always provide updates on real estate transactions. We put a lot of that in there, and that's something that's very useful and helpful. If there's something that I think that the board will love to see in it, definitely we can add it in. We will be updating it regularly, and we will disseminate it out regularly to everyone in the board, and everyone in GEDA in addition to GVB and all

these different groups and the public at large. The goal was to have it on a PDF so you can see it on your phone. You will be able to scroll up whatever information you want.

- b. We keep getting back and forth. Mel has been spending hours on this about LEAP and taxes. And originally when we issued LEAP, we were thinking it was going to be just like the PPP from the COVID response that we would issue grants to businesses to be tax exempt, and they would just get the grants if they followed certain employment pieces for the businesses. We didn't promise anything, but we certainly thought that was the way it was going to go. I know businesses thought that was the way it was going to go. Then I think that was the intention of what the governor wanted it to go. Then DRT got in touch with us on it and said, grants are taxable. And the only reason PPP was not taxable was that in the actual federal legislation, it said that this will not be taxable. So as a parallel tax to the US, we do not have the ability to make the grant not taxable. It is taxable income to the companies. The companies got 1099s on this as they were coming off the loan, which is going to trigger taxes for some of them earlier than they would like.

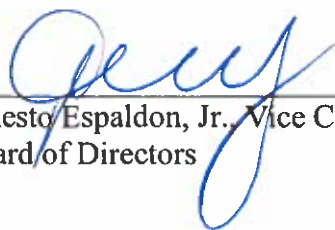
§ 12. Vice Chairman Ernesto Espaldon Jr. made a Motion to draft a letter to formally express support for the extension of tax payments related to LEAP One and LEAP Two programs to provide time relief to our local businesses, and was seconded by Secretary Siska Hutapea. The Directors then voted, and the motion was unanimously passed.

Public Comments

§ 13. There were no public comments made.

Adjournment

§ 14. A motion for the meeting to be adjourned was moved by Secretary Hutapea, and was seconded by Vice Chairman Ernesto Espaldon Jr. Adjournment of the meeting was unanimously approved.


Ernesto Espaldon, Jr., Vice Chairman
Board of Directors

Attest:


SISKA HUTAPEA
Secretary, Board of Directors

GUAM ECONOMIC DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS

Resolution Number 24-004

**RELATIVE TO THE MAÑENGGON MEMORIAL FOUNDATION 80TH ANNIVERSARY OF THE LIBERATION OF
GUAM AT THE MAÑENGGON VALLEY MEMORIAL**

WHEREAS, The Mañenggon Memorial Foundation is a Guam registered non-profit organization whose primary purpose is to honor Guam's World War II survivors and their families and memorialize the suffering, tenacity and determination of the victims and survivors of World War II on Guam; and

WHEREAS, The Foundation's primary products and services are public education about the people of Guam World War II experiences; and providing educational and historical perspective about World War II on Guam from the perspective of the people of the island. This is carried out by creating educational and historical materials, facilitating the preservation of survivors' oral history and construction permanent monuments and educational markers to honor the fallen and the survivor.; and

WHEREAS, The Foundation's name is significant as the concentration camp at the Mañenggon Valley was the largest camp and internment site in Guam during WWII. However, the honorees the foundation represents includes survivors and descendants of Guam's WWII victims and survivors of the entire island including the many massacre and internment sites; and

WHEREAS, The Mañenggon Memorial Foundation is planning to expand awareness of the suffering and eventual triumphs of the Chamorro people on Guam in WWII. The year 2024 is especially significant as it marks the 80th anniversary of the Liberation of Guam; and

WHEREAS, The Foundation has plans to complete Phase II of The Mañenggon Memorial in anticipation of the 80th anniversary celebration. The phase II project include 1) informational signage updates 2) retracement trail on north side of memorial site 3) Marketing of the event, and 4) 2024 80th Anniversary Ceremony at site; and

WHEREAS, The Mañenggon Memorial Foundation relies exclusively on goodwill contributions of cash and in-kind services to achieve its primary purposes. No other funding sources have been made available to date; and

WHEREAS, The Mañenggon Memorial Foundation has come to GEDA with its request for funding to aid them with Phase II of The Mañenggon Memorial project. GEDA has identified funding through its Community Contributions Grant Program to support this request;

THEREFORE, the GEDA Board of Directors hereby approves the appropriation of Twenty-Five Thousand dollars (\$25,000.00) to assist The Mañenggon Memorial Foundation with Phase II of the Mañenggon Memorial in anticipation of the 80th anniversary celebration of Guam's Liberation;

SO RESOLVED AND DULY AND REGULARLY ADOPTED this 25th day of April 2024 as Resolution No. 24-004.

ATTEST:



Siska Hutapea, Secretary



Ernesto Espaldon, Jr., Chairman

ATTACHMENT