Speaker's Office <speaker@guamlegislature.org>

M&C Fwd: GEDA Board of Directors Meeting Packet | January 23, 2020

1 message

Speaker's Office <speaker@guamlegislature.org>
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>
Bcc: Tina Muna Barnes <tinamunabarnes@gmail.com>

Fri, Feb 7, 2020 at 3:49 PM

02-06-20	2:36 PM	01-23-20	Board of Directors Meeting Packet for January 23, 2020.*	Guam Economic Development Authority	35GL-20-1519

Sinseru yan Minagâhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
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35GL-20-1519
Speaker Tina Rose Muña Barnes

FEB 0 6 2020
Time 2:36 ( )AM (X)PM
Received By: matt

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Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiâtmente para hâgu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespâtcha. Yanggen lachi rinisibu-mu nu este na mensâhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensâhi. Si Yu'os ma'âse'.

---------- Forwarded message ---------
From: **Austin Grant** <austin.grant@investguam.com>
Date: Thu, Feb 6, 2020 at 2:36 PM
Subject: GEDA Board of Directors Meeting Packet | January 23, 2020
To: Speaker's Office <speaker@guamlegislature.org>

Håfa Adai Speaker Tina Muña Barnes,

Pursuant to 5 GCA § 8113.1 Reporting Requirement for Boards and Commissions, we have attached the meeting agenda, approved minutes and attachments from **GEDA's Board of Directors Meeting** held on **January 23, 2020**

Audio from the meeting can be found on the Office of Public Accountability's website.

Please let me know if you have any questions or concerns. I will be glad to assist you.

Si Yu'os Ma'âse!

Warm Regards,

AUSTIN GRANT
GEDA Special Projects Coordinator

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January 2020 BODM Packet_Final.pdf
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GUAM
ECONOMIC
DEVELOPMENT
AUTHORITY
America in Asia
Aturidåd Inadilånton Ikunumihan Guahan

REGULAR BOARD OF DIRECTORS MEETING

Thursday, January 23, 2020
1:30 p.m.
GEDA 5th Floor GITC Building
Ste. 511, 590 South Marine Corps Drive
Tamuning, Guam 96913

LOURDES A. LEON GUERRERO
Governor of Guam
I Maga'Haga Guahan

JOSHUA F. TENORIO
Lt. Governor of Guam
I Segundo Na Maga'Lahen Guahan

GUAM ECONOMIC DEVELOPMENT AUTHORITY
America in Asia
Aturidåd Inadilånton Ikunumihan Guahan

MELANIE MENDIOLA
Chief Executive Officer/Administrator
Åkto Ge'helo' Ekseketibu Ofisiåt

ARTEMIO "RICKY" HERNANDEZ, Ph.D.
Deputy Administrator
Sigundo Ge'helo'

NOTICE OF A REGULAR BOARD OF DIRECTORS MEETING
PLEASE TAKE NOTE TO ANYONE WHO WISHED TO ATTEND AND PARTICIPATE THAT REGULAR BOARD OF DIRECTORS MEETING WILL BE HELD:

DATE: Thursday, January 23, 2020
TIME: 1:30 p.m.
PLACE: GEDA 5th Floor GITC Building
Ste. 511, 590 South Marine Corps Drive
Tamuning, Guam 96913

Public Notice: Distributed on Wednesday, January 15, 2020 & on Tuesday, January 21, 2020 and sent to the media on those dates.

AGENDA

I. Call to Order
II. Inifresi
III. Roll Call
IV. Approval of Agenda
V. Approval of Minutes
   - December 2019 Board Meeting | December 31, 2019
VI. Chairman's Remarks
VII. CEO/Administrator's Remarks
VIII. Communications
IX. Committee Reports
   a. Real Property Committee
   b. Investment Committee
   c. H2B Visa Committee
   d. Telecommunications Committee
   e. Small Cruise Ship Industry Committee
   f. Agriculture Committee
   g. Aquaculture Committee
X. Old Business
   a. Qualifying Certificate Community Contribution Grant Program Update
XI. New Business
   a. Rules and Regulations on the Use of Video Teleconferencing in Board Meetings- Amendment
   b. Modification of Qualifying Certificate 252- Guam Healthcare Development, Inc., dba Guam Regional Medical Center
   c. Memorandum of Agreement between the Department of Administration and the Guam Economic Development Authority
   d. Resolution No. 20-04 | Relative To Extending The Construction Period For The Tsubaki Hotel For An Additional Ninety (90) Days Pursuant To §3.04 Of Qualifying Certificate No. 254
   e. Resolution No. 20-05 | Relative To Setting Recommendation Parameters With Regard To The Issuance Of Qualifying Certificates To Domestic Health Insurance Companies
   f. Resolution No. 20-06 | Relative To Setting Recommendation Parameters With Regard To The Issuance Of Qualifying Certificates To Captive Insurance Companies

XII. Executive Session
XIII. Public Comment
XIV. Adjournment

Enclosures: Real Property Committee Report, Investment Committee Report, H2B Visa Committee Report, Telecommunications Committee Report, Small Cruise Ship Industry Committee Report, Agriculture Committee Report, Aquaculture Committee Report

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I Maga'Haga Guahan

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ARTEMIO "RICKY" HERNANDEZ, Ph.D.
Deputy Administrator
Sigundo Ge'helo'

Board of Directors Regular Meeting
Attendance Sheet
Thursday, January 23, 2020
1:30 PM

David J. John, Chairman

Ernesto V. Espaldon, Jr., Vice Chairman — absent

Gia B. Ramos, Secretary

George Chiu, Director

Siska S. Hutapea, Director

Fe Valencia-Ovalles, Director — absent

Deepak R. Dewan, Director

Melanie Mendiola, CEO/Administrator — on the phone

Artemio "Ricky" Hernandez, Deputy Administrator

Terry Brooks, Legal Counsel

Tom Fisher, Legal Counsel — absent.

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Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
December 31, 2019

Call to Order

§1. The regular meeting of the Board of Director of the **Guam Economic Development Authority** (referred to as "GEDA" or the "Authority") was held on Tuesday, December 31, 2019 at the hour 10:30 a.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 David John to consider several 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:	***Offices or Positions:***
David John	Chairman
Ernesto Espaldon, Jr.	Vice Chairman
Fe Valencia-Ovalles	Director
Gia Ramos	Director
George Chiu	Director
Siska S. Hutapea	Director
Melanie Mendiola	CEO/Administrator
Artemio Hernandez	Deputy Administrator
Terrence Brooks	Legal Counsel
Absent and excused:	
Deepak Dewan	Director
Also present were:	
Erin Grajek	Office of Senator Clynt Ridgell

Austin Grant	GEDA
Larry Toves	GEDA
Claire Cruz	GEDA
Bernice Torres	GEDA
Edward Camacho	GEDA
Christina Garcia	GEDA
Diego Mendiola	GEDA
Matthew Baza	GEDA
Jennifer Calvo-Guzman	GEDA

Approval of Agenda

§4. The first item considered was approval of the agenda. Director George Chiu made the motion to approve the meeting agenda. Vice Chairman Ernesto Espaldon, Jr. added an amendment to include the Investment Committee report in the agenda and seconded the motion. The motion was unanimously approved.

Approval of Minutes

§5. The next item on the agenda was the Approval of Minutes from October 17, 2019. Director Chiu moved to approve the minutes. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

Chairman's Remarks

§6. The next item on the agenda was Chairman's Remarks.

Chairman David John informed all present that GEDA received the petition from the Attorney General regarding the legislature stating that in the previous administration, the legislature required its approval of all Qualifying Certificates. Chairman John added that QCs are more of a contractual piece rather than a legislature piece. Furthermore, he stated that the Attorney General's opinion is that the legislature has no authority to negotiate, review, or approve Executive branch contracts. In addition, Chairman John indicated that the provision of General Budget Appropriations Act of 2020 requiring legislative approval of first-time Qualifying Certificate applications and contracts is "inorganic and unenforceable." Chairman John then stated that GEDA will continue issuing QCs directly with companies and with new QCs like Hotel QCs, Health Insurance QCs, and Captive and Renewables, GEDA will seek the legislature for advice and discussion and move forward with GEDA BOD approval.

Secondly, Chairman John then informed attendees that there are currently 1,100-1,200 H2B workers on island correlating to 100% of approvals related to the NDAA to include the Tsubaki Towers and Route 3 NCS Road. Furthermore, he mentioned that there are positive movements and will have discussions with appropriate parties hopefully leading to H2B presence outside the fence.

Thirdly, Chairman John stated that the BOD would be asked to continue the Special Hotel Qualifying Certificate program. Program was established five years ago and is designed to encourage companies to boost the hotel industry by building 2,000 hotel rooms.

Next, Chairman John announced that GEDA successfully sold the Guam International Airport Authority's Bonds further stating that it was oversubscribed showing commitments to the markets and our economy. Guam Power Authority ratings with Fitch went well via telephone. GEDA will be working with Government agencies to update the Standard Operating Procedures (SOP) for travel related to bonds. Further stating that relationships have been established with investors and rating agencies; therefore limiting the amount of personnel traveling. Will seek Board approval for updated SOP.

Lastly, Chairman John mentioned that GEDA received 28 applications for the Qualifying Certificate Community Contribution Grant Program. Committee will be reviewing applications and bring to the Board at the next meeting.

Chairman John congratulated Mr. Ricky Hernandez on his marriage and thanked and wished the BOD and GEDA Team a Happy New Year.

There were no further remarks.

CEO/Administrator's Remarks

§7. The next item on the agenda was CEO/Administrator's Remarks.

CEO/Administrator Melanie Mendiola thanked the Board for their engagement and getting committees operational. She recognized the BOD for their work throughout the year.

Ms. Mendiola continued her remarks and stated that efforts continue in diversifying our economy in agriculture and aquaculture with the Governor's initiatives informing all present that GEDA recently gave the Farmer's Co-Op a $25,000 Agriculture Development Fund loan to get their store front running. Additionally, Ms. Mendiola mentioned produce delivery from local farmers into schools, namely Okkodo High School, has begun. In Aquaculture, Ms. Mendiola stated that the University of Guam finalized their lease with the Guam Aquaculture Development and Training Center, a multimillion-dollar initiative to be a supplier of shrimp to our island and aquaculture farmers on island and abroad. Furthermore, she stated that GEDA presented to visitor industry professionals at the Micronesian Cruise Association (MCA) meeting and with the Governor's executive order, MCA is reinvigorating with assistance from GVB and GEDA. Committee Reports have detailed information.

In addition, Ms. Mendiola stated that GEDA has been busy with other initiatives such as the telecom technology, applying for grants, EPA grants for environmental work, and the pilot of the Qualifying Certificate Community Contribution Grant Program, which received 28 applications and will be reviewed this month. Furthermore, she indicated that the one motion on the agenda is a request to extend the Special Hotel QCs in order to meet the 1,600 hotel room mark. Moreover, the Governor has asked GEDA to assist

with the Capital Improvement Planning Project to address building a new hospital, the need for Public Health, and other government CIPs.

Furthermore, Ms. Mendiola asked the BOD for their thoughts for the schedule of 2020 board meetings to be held on the third Thursday of every month adding that GEDA is also looking into purchasing new equipment to provide improved video conferencing capabilities. Mr. Ricky Hernandez clarified that according to the Rules and Regulations passed by the BOD, a 24-hour request must be given to CEO/Administrator or Deputy Administrator if member will be traveling adding that all parties must be able to see and hear everyone. Director Ramos stated that teleconferencing is another mean to generate revenue by leasing out space for teleconferencing. After some discussion, Mr. Hernandez indicated that the 24-hour request can be addressed and adjusted at the next meeting.

That concluded the remarks from the CEO/Administrator.

Communications

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

Mr. Austin Grant gave BOD a "GEDA in the Media" report. GEDA received a letter from the University of Guam's thanking the agency for their support and contribution for StartUp Weekend 2019. Additionally, he reported that from October 17, 2019 to date, there have been 27 publications; of those, four were Radio/Talk Show Interviews regarding the QC Grant Program which received considerable downloads and interest. Mr. Grant added that coverage mainly pertained to the Special Hotel QCs in addition to the Guam Film Office, the Legislature's Appropriation's Act, and Ms. Mendiola's speaking engagement at the Bank of Guam's Economic Forum.

There were no further remarks.

Committee Reports

§9. The next item on the agenda was Committee Reports.

INVESTMENT COMMITTEE

Vice Chairman Ernesto Espaldon, Jr. reported.

Vice Chairman Espaldon gave an update on GEDA's financial performance for the 3rd Quarter as of September 30, 2019 informing all present that the GEDA portfolio earned 1.09%. Moreover, Vice Chairman Espaldon stated it is a modest gain given the economic environment and the Geo-political scene during the 3rd quarter compared to 1.19% for the S&P and -.09% for NASDAQ. He stated that during the 3rd quarter, the Federal Reserve cut rates (10-year yields down), there was a yield inversion of the curve, and a rise in volume of the US/China trade talks. Vice Chairman Espaldon noted that a number of stocks tanked during August and recovered in September. Furthermore, he stated that GEDA's funds Year-to-Date as September

30, 2019, are up 15.35%, well within the investment policy guidelines as to what the target return should be. Lastly, Vice Chairman Espaldon expressed that GEDA looks forward to positive results for the 4th quarter and will report the numbers beginning of 2020.

No further comments made.

REAL PROPERTY COMMITTEE

Director Hutapea referred to Mr. Larry Toves, Real Property Division (RPD) Manager to give report.

Mr. Toves highlighted three main items of interest:

(1) **Military Affairs/Excess Federal Lands** – Mr. Toves stated that Governor Leon Guerrero sent a letter in July to the Secretary of the Navy indicating her preference as to parcels of property that Navy has indicated as excess under the NDAA. RPD has confirmed and added additional parcels to the report, and the Governor submitted letter to SECNAV. Secretary acknowledged letter/report and is under the review by Joint Land Use Committee. RPD staff met with Navy personnel over the last few months. Pursuant to the law, the Navy is required to respond to the Governor by February 4, 2020. Furthermore, Mr. Toves mentioned that they anticipate that the local command will meet with the Governor prior to that date to address any comments or issues identifying that the request is to return almost 2,600 acres of property and 17,000 acres of submerged land to the Government of Guam. Mr. Toves noted that GEDA is aggressively working with the Navy to ensure that requested lands are returned to the Government of Guam.

(2) **Chamorro Land Trust Commission (CLTC)** – Mr. Toves reiterated to all present that a Memorandum of Agreement with the CTLC is in place to provide property management services to commercially lease out and develop on their behalf. Furthermore, Mr. Toves stated that on December 19, 2019, GEDA presented drafts of Request for Proposals (RFP) to the commission for three properties: (i) Lot 5075-REM-A-NEW-R1 (1.9 acres – Behind East West Business Center, Upper Tumon), (ii) Lot 7054-RS (11.9 acres located adjacent to Yigo Gym), and (iii) Tract 111, Lot 12 (0.6 acres located across Proa Restaurant in Tumon). Mr. Toves noted that final drafts of RFPs are ready to submit to the commission for approval. Once approved, GEDA will issue the public notices for properties generating revenue for the commission and 14% for GEDA's management services.

(3) **Hesler Building** – Mr. Toves referred to Management to discuss. Mr. Ricky Hernandez stated that the Hesler Building is a leasehold interest purchased by the Government of Guam through a Department of Interior grant, 1.5 million dollars plus a one million dollar grant for the purchase of leasehold interest plus renovations to be completed by the leasehold interest owner. Various Government of Guam agencies will move into the building. Director of BBMR has been interviewed in prior news coverage and was the point of contact. Mr. Hernandez noted that GEDA's involvement is not known at this time and that a Memorandum of Agreement (MOA) is being drafted between the director of DOA and GEDA to determine the responsibilities of the respective agencies. No approval needed by the BOD at this time.

No further comments made.

Recommendations:

- RPD continues to work with the local Navy in identifying Federal Lands for return to the Government of Guam for economic development.
- RPD will issue public notices advertising CLTC RFPs as soon as they are approved by the CLTC.

H-2B VISA COMMITTEE

Director Fe Valencia-Ovalles referred to Ed Camacho, Business and Economic Development (BEDD) Manager to give report.

Mr. Camacho reported that as of December 18, 2019, there are 1,219 H-2B visa workers currently on Guam and 2,131 USCIS filings, of those 1,850 petitions have been approved. He also stated that the USCIS are approving petitions 100% because the Department of Labor is tying those applications to the NDAA buildup noting that there are zero declinations of any H-2B positions. Furthermore, Mr. Camacho mentioned that on December 12, 2019, the District Court denied holding the USCIS in contempt for refusing to approve H-2B petitions because the USCIS haven't denied any H-2B visas in the last 18 months. He also stated that it's a quiet resolution, however there's still a ban on H-2B workers from the Philippines to the United States.

Mr. Hernandez added that the ban on Philippines has an NDAA exemption for H-2B workers related to military realignment projects. Ms. Mendiola mentioned that GEDA would like to meet with the Governor and the Admiral to clarify what "NDAA related" means to understand what's "NDAA related" in hopes to advocate for the development outside the fence. After some discussion, Mr. Hernandez reiterated that the 100% approvals are all related to the NDAA exemption further stating that some residential homes or apartments have been approved on a case-by-case basis related to the NDAA exemptions.

No further comments made.

Recommendations:

- Committee will continue to work with the Guam Department of Labor and Chief Advisor Carl Gutierrez to resolve the H2 issue and monitor and report updates on the class action suit filed against USCIS by the Guam Contractors Association and 11 other companies.

ASSISTED LIVING COMMITTEE

Director Gia referred to Diego Mendiola, Real Property Assistant Manager to give report.

Mr. Mendiola stated that GEDA has been performing research on Residential Care Facility for the Elderly (RCFE). Through research, GEDA determined that it is separate from Nursing Homes. Existing public laws allow for Nursing Homes to be established and licensed by Public Health but there is no mention of Residential Care Facilities. He further stated that the intention is to research rules and regulations governing those facilities in Hawaii and California and model their regulations. Additionally, he mentioned that the committee is also looking into what insurance companies and programs, such as the Medically Indigent Program (MIP) will cover but that all insurances (to include Medicaid and MIP) have limited services on a limited basis.

Mr. Diego noted that once the research is completed, GEDA will bring the findings to Senator Therese Terlaje and is hopeful to garner support. Director Ramos added that Medicaid is expanding, increasing funding to Guam, and is looking to fund the Micronesian Islands as well adding that Medicaid is mainly federally funded. Furthermore, she said there's a need to work with Public Health to draft legislative bill and present to the Legislature. After some discussion, Director Ramos thanked Mr. Mendiola for his work thus far.

No further comments made.

Recommendations:

- Committee will meet with Dr. Roseann Jones to discuss results of feasibility Study and will meet with Dr. Akimoto to discuss Magas Patriot Group's efforts.
- Committee will draft legislation to allow for RCFE and lobby for support.
- Committee will continue research on increasing Medicaid Coverage in State Plan and expand MIP coverage for Intermediate Care and RCFE.

TELECOMMUNICATIONS COMMITTEE – Submitted as written

Central Issue: GEDA is identifying concrete opportunities to encourage the growth of the telecommunications and technology industry in Guam through the following projects: 1) Guam Silicon Village Park - a technology park that would provide a central location for the clustering of a high-tech industry; 2) High Tech Workforce Development - programs to support training for higher level paying jobs; and 3)Technology Entrepreneurship - creating opportunities for tertiary industries, jobs, and services to support the tech industry.

Key Meetings: Melvin Tabilas, GEDA's Industry Development Specialist:

- Attended the Guam Registered Apprenticeship Forum hosted by the Guam Department of Labor.
- Met with UOG regarding their plans to support a local technology industry.
- Met with the U.S. Department of Commerce to discuss potential opportunities to support GEDA's technology-related initiatives.

Other News and Updates:

- Two potential sites for the Guam Silicon Village Park may no longer be feasible – the ownership of the former FAA housing site is in contention and an RFP will soon be announced on the Andy South property for lease of land.
- DOL workforce development grants identified but require GEDA to collaborate with public/private entities and UOG as a potential lead applicant.
- Additional tech-related grants being tracked for upcoming FY2020 announcements.

Action Items:

- Meetings planned with GCC, Guam Registered Apprenticeship Program, and Docomo regarding tech workforce development.
- Meeting planned with the Pacific Islands Small Business Development Center Network regarding tech entrepreneurship initiatives.

- Identify potential grant funding for technology workforce development initiatives.

SMALL CRUISE SHIP INDUSTRY COMMITTEE – Submitted as written

Central Issue: GEDA has been engaged in long term research and study to potentially establish Guam as a homeport for a cruise ship. In 2016, the government of Guam received from the Pacific Asia Travel Association (PATA) a report that indicates that Guam may be a ripe location to homeport a cruise ship of no more than 400 passengers. The government has received a grant to refurbish Hotel Wharf at the Commercial Port to accommodate a cruise ship and Governor Leon Guerrero issued EO 2019-17 to form a working group to determine a strategy.

Key Meetings: Dec 6: Micronesian Cruise Association held its first meeting with GEDA,GVB, PAG and other regional stakeholders. MCA Gerry Perez asked the group if MCA should be re-established since it has been inactive for several years and the group voted unanimous to continue MCA. The Next MCA meeting is scheduled for April 2020 during the PATA meeting in Pohnpei.

Other News and Updates:

- Oct 9-11: GEDA attended the 2019 Seatrade Asia Pacific Cruise Conference in Shanghai | In line with the administration's priority to develop a small cruise line homeport for Guam to service Micronesia, the Guam delegation attended the annual Seatrade Asia Pacific Cruise Conference in Shanghai at the Delta Hotel by Marriott. The purpose for attending was to meet industry leaders and their groups to establish a network of support and interest to help Guam with its initiative.

  The conference attracted over 1,000 participants with many of which were top group executives and leaders of some of the global brands such as Carnival, Princess Cruises, Genting Cruises, and Mediterranean Shipping Company (MSC) among others. The conference enabled the Guam delegation to meet and network with key groups and organizations to consider our island and its region as a potential location to do business in. While their focus has been developing the rapidly growing China market, they all agree finding new destinations and products to offer their clientele is surely a priority as a common denominator.

Action Items:

- GEDA is developing an RFP for professional services to assist with creating of a comprehensive implementation strategy. RFP will be circulated for review before the end of October. This is still pending.
- GEDA has a working file completed by potential island port calls. This serves as a foundation for working groups in the respective island nations for planning and preparations.

AGRICULTURE COMMITTEE – Submitted as written

Central Issue: Guam is highly dependent upon the import of agriculture products, and efforts must be taken to grow and develop the local farming industry to become more sustainable and ultimately reduce imports.

GEDA initiatives:

1. Expand and build agriculture assets
2. Workforce development
3. Private investment initiatives

Key Meetings: Since April this year, GEDA has been meeting regularly with relevant parties to identify issues and action items to achieve a more sustainable industry. Engaged parties include representatives from GEDA, GDOE, DoAG, Guam EPA, and local farmers.

Other News and Updates:

- The first Purchase Order for the Farm to Cafeteria program to provide locally grown farm products to GDOE was issued to Farm to Table for $30K. The program will supply produce to Okkodo High once a week throughout FY2020.
- The Farmer's Cooperative store will open in early 2020 with the assistance through a GEDA loan and QC Community Contribution grant.
- Trip Report: October 2019 - GEDA attended the National Direct Agriculture Marketing Summit in Rosemont, Illinois. The summit focused on networking opportunities, direct to consumer markets, local food systems and value-added technical assistance. The information learned will assist GEDA's initiative to grow and develop a sustainable agriculture industry.

Action Items:

- GEDA will submit an EDA grant by January 2020 to finance improvements for "Green Market Facilities" in Agat, Mangilao and Sinajana.
- Draft legislation to allow agriculture/aquaculture producers to partner with businesses to avail of the Guam Registered Apprenticeship Program (GRAP) tax benefits.
- Explore initiatives to develop an agriculture incubator program and the creation of an agriculture master plan.

AQUACULTURE COMMITTEE – Submitted as written

Central Issue: Guam needs to develop an Aquaculture industry to become more sustainable and less reliant on imports.

GEDA initiatives:

1. Help establish a process and pathway forward with regulatory agencies
2. Workforce development
3. Private investment initiatives
4. Expand and build aquaculture assets

Key Meetings:

- Aug-Oct 2019: GEDA has been meeting with task force members to identify issues and concerns, as well as assign sub-committee chairs.
- Dec. 2019, GEDA met with AICI Corp., a Taiwan Company, looking to acquire land in Agat, adjacent to Namo River, to develop a shrimp farm. The company will again visit Guam in January 2020 to negotiate the purchase of the property.

Other News and Updates:

- Governor LG issues EO No. 2019-12 creating the Aquaculture Task Force with DoAG, GEDA, UOG, GCC, GDOE, GEPA and any other stakeholder or partner as necessary.
- GEDA and DoAG co-chair the task force
- UOG lease of their Hatchery Facility will be presented to their board for consideration and possible signing on Dec. 20, 2019.

Action Items:

- Draft legislation to allow agriculture/aquaculture producers to partner with businesses to avail of the Guam Registered Apprenticeship Program (GRAP) tax benefits.

There were no further Committee Reports.

Old Business

§10. The next item on the agenda was Old Business. The item under Old Business was the Qualifying Certificate Community Contribution Grant Program update. Update given in CEO/Administrator's remarks.

There was no other business.

New Business

§11. The next item on the agenda was New Business. The first item under New Business was the Special Hotel Qualifying Certificate.

Ms. Mendiola requested the Board to extend the Special Hotel Qualifying Certificate application period for an additional two (2) years pursuant to the QC Law. Public Law 32-233 provides the "Sunset" Provision and extension requirements. Law was to incentivize to build 1,600 hotel rooms. Ms. Mendiola mentioned that 340 rooms are under construction and 500 rooms may begin construction in 2020 and further stated that GEDA would like to apply for an extension. She noted that actions taken related to the request include, a letter to legislature to seek input with formal inquiries from Senator Terlaje in which GEDA responded, GEDA also met with the oversight Chairman of Committee on Economic Development, Senator Clynt Ridgell, and have received no objections from the legislatures thus far. Furthermore, Ms. Mendiola indicated that GEDA obtained visitor industry input noting letters of support from the Guam Visitor's Bureau on November 20, 2019 and from the Guam Chamber of Commerce on December 9, 2019. Additionally, GEDA met with the Governor Leon Guerrero, and she hasn't expressed any objection. Furthermore, Ms. Mendiola stated that a

public hearing was held on December 12, 2019 at GEDA. As per the Open Government law, notices were advertised on the Guam Daily Post on December 4, 2019 and on December 10, 2019 noting that there were no members of the public present.

Ms. Mendiola then requested for approval of Resolution 20-03, adopting the extension of the Special Hotel Qualifying Certificate for two (2) years.

Vice Chairman Espaldon inquired about Senator Terlaje's questions. Mr. Ed Camacho explained that Senator Terlaje's questions related to the interest in the program, how decisions are made, and Community Contributions. He further stated that there have been two (2) QCs approved to include Tsubaki Hotel and one delayed until next year (behind Acanta Mall). He also noted that Senator Terlaje needed clarification but that she didn't have much concerns. Chairman John added that the manner the QC law is written, it's very clear that the intent is have QC recipients become full tax paying citizens five (5) or six (6) years down the line and further stated that the Special Hotel QC Program is a means to help recipients reduce financing cost and make the investment more attractive. Mr. Camacho added that QC benefits are defined. Chairman John noted that without extending the current Special Hotel Qualifying Certificate, GEDA would have to redraft legislation and current law will not be in effect.

After further discussion, Director Hutapea moved to approve the extension of the Special Hotel QC for two years. Director Valencia-Ovalles seconded the motion. All were in favor.

For clarification, Ms. Mendiola then formally requested motion to adopt Resolution 20-03 as presented.

Director Hutapea moved to adopt Resolution 20-03, which formally extends the Special Hotel QC program for two years. Director Valencia-Ovalles seconded the motion. The motion was unanimously approved.

There was no further business discussed.

Public Comments

§12. The next item on the agenda was Public Comments.
No public comments were made.

AdjournmentJan

§13. After further discussion there was a recommendation to adjourn the meeting. On motion duly made by Director Chiu and seconded by Vice Chairman Espaldon at 11:15 a.m., the meeting was adjourned.

DAVID JOHN, Chairman
Board of Directors

ATTEST:

ERNESTO ESPALDON JR., Vice Chairman
Board of Directors

LOURDES A. LEON GUERRERO
Governor of Guam
I Maga'Haga Guahan

JOSHUA F. TENORIO
Lt. Governor of Guam
I Segundo Na Maga'Lahen Guahan

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MELANIE MENDIOLA
Chief Executive Officer/Administrator
Åkto Ge'helo' Ekseketibu Ofisiåt

ARTEMIO "RICKY" HERNANDEZ, Ph.D.
Deputy Administrator
Sigundo Ge'helo'

Real Property Committee Report: Amend the 5 year law 1/23/2020

Key Meetings:

- Director Siska Hutapea, January 15, 2020

Items of Interests:

- The Real Property Committee has drafted legislation to amend Public Law 32-40 as amended by P.L. 34-99 which require that leases for terms longer than 5 years need Legislative approval.
- In the Committee's view, existing legislation does not encourage responsible stewardship of lands as agencies are hindered from utilizing leasable properties for the purposes established under law. The Guam Ancestral Lands Commission and the Chamorro Land Trust Commission are unable to generate monies to survey and provide infrastructure for their beneficiaries.
- Intent of draft bill is to exempt GEDA properties first.
- The draft bill retains the existing requirement for development, publication and notification to the Speaker of Determinations of Need to ensure transparency.

Recommendations:

- The Committee worked with GEDA's Legislative Oversight Committee Chairman, Senator Ridgell to introduce the bill and to secure passage of the draft legislation.

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I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. ( )

Introduced by: _____

AN ACT TO *AUTHORIZE* COMMERCIAL CONTRACTS, LEASES, PERMITS, OR LICENSES FOR USE OF GUAM ECONOMIC DEVELOPMENT AUTHORITY-LEASED PUBLIC REAL PROPERTY, AND RELATED FACILITIES FOR A TERM NOT TO EXCEED FORTY (40) YEARS, WITH THE ADDITION OF A FIFTEEN (15) YEAR EXTENSION, OPTION, OR RENEWAL.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Exemption and Requirements for Commercial Leasing of Guam Economic Development Authority-Leased Properties and Related Facilities. Notwithstanding § 5127, Subarticle C, Article 2, Chapter 5, Division 1, Title 5 of the Guam Code Annotated, commercial contracts, leases, permits, or licenses for use of Guam Economic Development Authority (GEDA)-leased public real property, and related facilities by any non-governmental person or entity is authorized to be solicited, negotiated, entered into, or made for a term not to exceed forty (40) years, with the addition of a fifteen (15) year extension, option, or renewal to allow the GEDA to ensure responsible steweardship of GEDA assets including the maximization of revenues for its economic development initiatives and operations. For the purposes of this Section, GEDA-leased public real property, and related facilities *shall only* include public real property, and related facilities directly leased by the GEDA and *shall not* include public real property, and related facilities managed by the GEDA under any property management agreement.

(1) Prior to soliciting any such contract, lease, permit, or license, the GEDA Board of Directors *shall* make a written Determination of Need specifying the full term, inclusive of extensions, options and renewals, for such contract, lease, permit, or license, and provide a copy of such Determination of Need to the Speaker of *I Liheslaturan Guåhan*.

(2) No contract, lease, permit, or license of Guam Economic Development Authority-leased public real property, and related facilities *shall* be solicited *unless* a Determination of Need is obtained from the GEDA Board of Directors.

(3) A written Determination of Need *shall* be valid for two (2) years or until a contract, lease, permit, or license of GEDA-leased public real property, and related facilities is executed to fill the stated need, whichever comes first.

Section 2. Effective Date. This Act *shall* become effective upon enactment.

Section 3. Severability. *If* any provision of this Act or its application to any person or circumstance is held invalid, the invalidity *shall not* affect other provisions or applications of this Act which can be given effect without the invalid provision or application and to this end the provisions of this Act is severable.

DRAFT

LOURDES A. LEON GUERRERO
Governor of Guam
I Maga'Haga Guahan

JOSHUA F. TENORIO
Lt. Governor of Guam
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Deputy Administrator
Sigundo Ge'helo'

Investment Committee
Director Ernesto (Jun) Espaldon, Jr., Chairperson
January 2020 GEDA BOD Meeting

Calendar Year 2019 Highlights:

- The GEDA portfolio delivered a 22.18% return for the year, and has a 8.57% annualized return since inception
- In the 4th qtr. 2019, the portfolio returned 5.9% to close out the year on a strong positive note.
- The US Equity allocation was a main contributor to overall portfolio performance with all asset classes up 25% or more for the year. International Equity was also up double digits
- Fixed income was also a major contributor with all asset classes returning positive for the year.

Outlook for CY 2020:

- The U.S. and global economies continue mature into the late phases of the business cycle with moderate but slow growth expected
- Recession risk remains low
- Monetary policy remains accommodative; however, we do not foresee any changes to interest rates in 2020
- We do not anticipate making any asset allocation changes at this time, but will continue to monitor changes in the markets and adjust as necessary.

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GEDA COMMITTEE REPORT

COMMITTEE

H2B VISA AD HOC

CENTRAL ISSUE

Since 2015 USCIS has denied almost all H2 applications due the petitioner being unable to demonstrate "temporary need". This changed in 2018 to allow H2 workers for NDAA projects.

January 19, 2019: Department of Homeland Security removes Philippines from the 2019 register of approved countries for the H-2A and H-2B Non-immigrant Worker Program. The removal is for one year. Shortly thereafter DHS issues a new NDAA allowing H2 labor for Military related projects, on or off military bases for Guam.

OTHER NEWS AND UPDATES

01/19/2020 - USCIS list of approved H-2B Countries was published. Philippines was NOT on the list.

12/12/2019 - GCA Lawsuit Temporary Injunction. District Court Judge denies holding USCIS in contempt for refusing to approve H-2B petitions.

H-2B Workers on Guam as of 01/21/2020
- USCIS filings: 2,131 positions (All related to NDAA)
- USCIS approvals: 2,064 positions
  100% approvals from USCIS
- Current Worker Population on Guam: 1,169

KEY MEETINGS

01/09/2020 - Committee met with Gov LG and team. All agreed that that the current process of DOL associating all petition request with NDAA and obtaining support and endorsement from the Admiral is working. DOL has instructed us that no further work is required as we are at 100% approvals.

ACTION ITEMS

Committee will continue to work with Guam Department of Labor to assist with their outreach efforts to ensure contractors and developers that H-2B petitions are being approved on a case by case basis and their have been no denials.

TRIP REPORT

JANUARY 2020

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GEDA COMMITTEE REPORT

COMMITTEE

TELECOM/TECH

CENTRAL ISSUE

GEDA is identifying concrete opportunities to encourage the growth of the telecommunications and technology industry in Guam through the following projects: 1) Guam Silicon Village Park - a technology park that would provide a central location for the clustering of a high-tech industry; 2) High Tech Workforce Development - programs to support training for higher level paying jobs; and 3)Technology Entrepreneurship - creating opportunities for tertiary industries, jobs, and services to support the tech industry.

OTHER NEWS AND UPDATES

1. Identified potential models for tech workforce development and entrepreneurship trainings.

2. Identified several upcoming events - Hannover Messse, Hannover Messe USA, and SelectUSA - that provide opportunities to attract tech companies and investments.

3. Additional tech-related grants being tracked for upcoming FY2020 announcements.

4. GCC considering developing a Tech Bootcamp.

KEY MEETINGS

Met with UOG Office of Technology on EPSCoR.

Met with GCC Office of Continuing Education and Workforce Development regarding potential Tech Bootcamp.

Met with Docomo regarding their apprenticeship and training programs.

Met with Tech Center Guam regarding their company vision and programs.

ACTION ITEMS

Meetings planned with GCC School of Technology & Student Services and Guam Registered Apprenticeship Program regarding tech workforce development.

Meeting planned with the Pacific Islands Small Business Development Center Network regarding tech entrepreneurship initiatives.

TRIP REPORT

None

January 2020

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COMMITTEE

SMALL SHIP CRUISE INDUSTRY

CENTRAL ISSUE

GEDA has been engaged in long term research and study to potentially establish Guam as a homeport for a cruise ship. In 2016, the government of Guam received from the Pacific Asia Travel Association (PATA) a report that indicates that Guam may be a ripe location to homeport a cruise ship of no more than 400 passengers. The government has received a grant to refurbish Hotel Wharf at the Commercial Port to accommodate a cruise ship and Governor Leon Guerrero issued EO 2019-17 to form a working group to determine a strategy.

OTHER NEWS AND UPDATES

- Oct 9-11: GEDA attended the 2019 Seatrade Asia Pacific Cruise Conference in Shanghai

KEY MEETINGS

Dec 6: Micronesian Cruise Association held its first meeting with GEDA,GVB, PAG and other regional stakeholders. MCA Gerry Perez asked if MCA should be re-established since it has been inactive for several years and the group voted unanimous to continue MCA. The Next MCA meeting is scheduled for April 2020 during the PATA meeting in Pohnpei.

Jan 27-Jan 31 - Targeted week for first round of confernce calls with insland nations pending the assembly of thier respective working groups

ACTION ITEMS

GEDA is developing an RFP for professional services to assist with creating of a comprehensive implementation strategy. RFP will be circulated for review before the end of January 2020.

GEDA has a working file completed by potential island port calls. This serves as a foundation for working groups in the respective island nations for planning and preparations.

MOA draft in progress between Gov't agencies per EO

TRIP REPORT

In line with the administration's priority to develop a small cruise line homeport for Guam to service Micronesia, the Guam delegation attended the annual Seatrade Asia Pacific Cruise Conference in Shanghai at the Delta Hotel by Marriott. The purpose for attending was to meet industry leaders and their groups to establish a network of support and interest to help Guam with it's initiative.

The conference attracted over 1,000 participants with many of which were top group executives and leaders of some of the global brands such as Carnival, Princess Cruises, Genting Cruises, and Mediterranean Shipping Company (MSC) among others. The conference enabled the Guam delegation to meet and network with key groups and organizations to consider our island and it's region as a potential location to do business in. While their focus has been developing the rapidly growing China market, they all agree finding new destinations and products to offer their clientele is surely a priority as a common denominator.

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COMMITTEE

AGRICULTURE

CENTRAL ISSUE

Guam's high dependency on the importation of agriculture products creates a need to grow and develop the local agriculture into a sustainable industry and reduce imports.

GEDA initiatives:
1. Expand and build agriculture assets
2. Workforce development
3. Private investment initiatives

OTHER NEWS AND UPDATES

• GRAP amendment PL 35-39
- Extends the GRAP for an additional 5 years

• Farm to Cafeteria
- The first Purchase Order was submitted in December 2019.
- GDOE to conduct taste testing with local farmers.

KEY MEETINGS

- 01/23/2020: Mel to meet with Herbert Thweatt (EDA) in Hawaii to discuss EDA grant for Guam Green Markets

ACTION ITEMS

- EDA grant submission: Guam Green Markets (MCOG)

- Draft GRAP bill (to include agriculture and aquaculture industries) has been prepared and submitted to DOL for review prior to potential submission to the legislation.

- Agriculture Development Marketing plan underway

TRIP REPORT

No Trips Taken.

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GEDA COMMITTEE REPORT

COMMITTEE

AQUACULTURE

CENTRAL ISSUE

Guam needs to develop an Aquaculture industry to become more sustainable and less reliant on imports.

GEDA initiatives:
1. Help establish a process and pathway forward with regulatory agencies
2. Workforce development
3. Private investment initiatives
4. Expand and build aquaculture assets

OTHER NEWS AND UPDATES

- Governor LG issues EO No. 2019-12 creating the Aquaculture Task Force with DoAG, GEDA, UoG, GCC, GDOE, GEPA and any other stakeholder or partner as necessary.
- GEDA and DoAG co-chair the task force
- UoG lease of their Hatchery Facility was approved by the RCUOG Board of Directors at their Dec. 20, 2019 meeting.
- Mel to attend Aquaculture America Convention 2020 in Honolulu, Hawaii Feb 9-12

KEY MEETINGS

- Aug-Oct 2019: GEDA has been meeting with task force members to identify issues and concerns, as well as assign sub-committee chairs.

- Dec. 2019, GEDA met with AICI Corp., a Taiwan Company, looking to acquire land in Agat, adjacent to Namo River, to develop a shrimp farm. The company will again visit Guam in January 2020 to negotiate the purchase of the property.

ACTION ITEMS

- Draft legislation to allow agriculture/aquaculture producers to partner with businesses to avail of the Guam Registered Apprenticeship Program (GRAP) tax benefits.
- GEDA visits OUG hatchery 1/22 to meet with investor for updates and next steps

TRIP REPORT

No Trips Taken

JANUARY 2020

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Guam Economic Development Authority
Rules and Regulations on the Use of Video Teleconferencing in Board Meetings
Adopted: July 8, 2019; Amended: January 23, 2020

§ 1000. Background
§ 1001. Objective and Policy Statement
§ 1002. Definitions
§ 1003. Technical and Operations Standards
§ 1004. Procedures

§ 1000. Background.

Pursuant to § 43121, Chapter 43, Title 5 of the Guam Code Annotated, the use of video teleconferencing at government of Guam board and commission regular and special meetings are allowable for the purposes of participation in such meetings and to meet the requirements for a quorum. Pursuant to § 43121(c), government of Guam boards and commissions shall develop rules and regulations and education on the use of video teleconferencing for their members, in consultation with the Office of Technology and the Office of the Attorney General, in accordance with their individual missions and functions, and in accordance with existing statute, specifically the Open Government Law contained in Chapter 8, Title 5 of the Guam Code Annotated.

§ 1001. Objective and Policy Statement.

While it is legally permissible for members of the Guam Economic Development Authority (GEDA) Board of Directors (Board) to attend meetings and vote via video teleconferencing, a Director's use of video teleconferencing should occur only sparingly and subject to a Director's inability to physically attend such board meetings due to being off-island or other reason as approved by the GEDA Board. The primary purpose of attendance by video teleconference should be to accommodate the GEDA Board as a whole to allow meetings to occur when circumstances would otherwise prevent the physical attendance of a quorum of the GEDA Board. A secondary purpose of attendance by video teleconferencing should be to ensure that all Directors may participate in business of the GEDA Board that is emergency or highly important in nature and arose quickly so as to make attendance at a regular meeting impractical. Except in emergency situations, all efforts should be expended to ensure that a quorum of the GEDA Board be physically present at the normal meeting place of the GEDA Board. Additionally, not more than two (2) Directors shall be authorized to attend regular and special meetings via video teleconference during any single meeting.

§ 1002. Definitions.

(a) Video Teleconferencing. For the purposes of these rules and regulations, "video teleconferencing" shall refer to a means of communication where at least one

Director of the GEDA Board participates in regular or special meetings via an electronic connection made up of three components: (1) a live video transmission of the Director of the GEDA Board not in physical attendance to be seen by those in physical attendance; (2) a live audio transmission allowing the Director of the GEDA Board not in physical attendance to be heard by those in physical attendance; and (3) a live audio transmission allowing the Director of the GEDA Board not in physical attendance to hear those in physical attendance. If at any time during a regular or special meeting, one or more of the elements of a video teleconference becomes compromised (e.g., if any participants are unable to see, hear, or fully communicate), then the video teleconference participant is deemed immediately absent and this absence should be reflected in the minutes. A video teleconference participant's absence may compromise a quorum in which case the applicable Guam laws shall take effect regarding a broken quorum.

(b) Meeting means the convening of the GEDA Board for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. Meeting does not include any on-site inspection of any project or program.

§ 1003. Technical and Operating Standards.

(a) Frequency of Use of Video Teleconferencing. A Director of the GEDA Board shall not attend more than four (4) meetings via video teleconference in a rolling twelve-month period. In keeping with the policy stated in § 1001 above, the attendance via video teleconferencing should only occur sparingly and for good cause. Such good cause shall be at the discretion of the Director seeking to attend by video teleconference, but may be for specific reasons such as being off-island, illness or injury of the Director of a member of the Director's immediate family, including father or mother, spouse, sibling, child, or grandchild, or other reason(s) determined reasonable by the GEDA Board Chairperson.

(b) Physical Location. Members of the public may not participate in a GEDA Board regular or special meeting via video teleconference. The public wishing to attend a meeting and Directors not participating via video teleconferencing of a regular or special meeting, shall participate at the physical location where meetings of the GEDA Board are typically held, or as provided in a notice provided in accordance with Open Government Law. The GEDA Board shall cause there to be provided at the physical location, communication equipment consisting of an audio and visual display, and a camera and microphone so that the Director(s) of the GEDA Board participating via video teleconference, the Directors of the GEDA Board in physical attendance, and the public in physical attendance may actively participate in the regular or special meeting accordingly. The communication equipment at the physical location of the regular or special meeting must allow for all meeting attendees to see, hear, and fully communicate with the video teleconferencing participant.

(c) Prohibition. Executive sessions and due process hearings conducted by the GEDA Board, if any, shall not be conducted via video teleconferencing.

(d) Minutes. In the regular and special meetings, whether in open or in closed session, the minutes taken should reflect the Director, if any, participating via video teleconference; the Directors in physical attendance; and Directors, if any, absent.

§ 1004. Procedures.

(a) Up to two (2) Directors of the GEDA Board may participate in regular or special meetings by video teleconference only upon the submission of a written request to the Chairperson of the GEDA Board at least one (1) hour before the time of the meeting. Such written request may be delivered via physical or electronic copy and such request shall be attached to the minutes of said meeting.

Artemio Hernandez 1/14/2020 10:01 AM
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Artemio Hernandez 1/14/2020 10:01 AM
Deleted: s

(b) At least thirty (30) minutes prior to the regular or special meeting, the GEDA Chief Executive Officer (CEO)/Administrator shall ensure the video teleconference medium selected is tested to ensure the participating Director(s) is/are able to participate pursuant to the requirements in § 1002(a). The Director(s) participating via video teleconferencing shall ensure that at least fifteen (15) minutes prior to the regular or special meeting, he or she is available for such testing.

(c) The GEDA CEO/Administrator shall make every effort to send the Director(s) participating via video teleconference the agenda and pertinent documents necessary to fully participate in the regular or special meeting.

Artemio Hernandez 1/14/2020 10:03 AM
Deleted: within twenty-four (24) hours of the meeting

(d) The GEDA CEO/Administrator may moderate or designate a moderator who shall act to facilitate technical and video teleconferencing clarity issues during the regular or special meeting. The moderator may, or may not, be a participant in the regular or special meeting, but ensures that the video and audio at the physical meeting site is clear, and cooperates with Directors attending via video teleconference in resolving technical difficulties. Moderator(s) should check camera focus, audio, and camera range prior to each meeting. Moderator(s) should ensure that all speakers, if any, are within camera range throughout the regular or special meeting.

(e) A roll call for attendance at each regular or special meeting of the GEDA Board shall be conducted wherein the Director(s) participating via video teleconference shall state their name, location, and confirmation that they have received an agenda and all pertinent documents required to fully participate in the regular or special meeting.

(f) At least one screen or monitor per Director at a minimum of 15 inches in size (as measured by the industry) showing the video feed of each Director attending via video teleconference shall be made visible to all Directors in physical attendance and shall be on at all times during the regular or special meeting. It shall not be required that Director(s) attending via video teleconference have the ability to see other Director(s) attending via video teleconference. Directors participating via video teleconference shall ensure that they are in a well-lit area, free from distracting sights and sounds. Directors attending via video teleconferencing must make every effort to be dressed in attire that they would normally have worn if they had been in physical attendance.

(g) Directors attending via video teleconference should have their microphones mute enabled unless such Director is speaking.

(h) All votes taken at a regular or special meeting that includes a Director attending via video teleconference shall be taken by voice vote and via roll call. Directors attending via video teleconference shall identify themselves each time they vote.

(i) Participation of Directors by video teleconference may be accomplished by use of any stable video conference platform such as Skype, Facetime, GoToMeeting, Zoom, and/or Adobe Connect. Such platform shall ensure it includes within the definition of video teleconference in § 1002(a).

(j) The GEDA CEO/Administrator may adopt Standard Operating Procedures to further adopt any additional procedures required to ensure a smooth and orderly meeting.

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ARTEMIO "RICKY" HERNANDEZ, Ph.D.
Deputy Administrator
Sigundo Ge'helo'

MODIFICATION & ADMINISTRATIVE ACTION

January 14, 2020

To: GEDA Board of Director's

From: Melanie Mendiola, CEO/Administrator

Prepared by: Claire L. Cruz, Compliance Division Manager

Date: January 13, 2020

RE: **Request to Modify QC 252 issued to GRMC**

Beneficiary: Guam Healthcare Development, Inc., *dba* Guam Regional Medical Center

Date QC issued: January 9, 2015,

Required per QC: §3.12 of the QC requires GRMC to make Public Investments by making annual cash contributions, currently in the amount of $1,000,000 per year, to the GEDA to be used for Healthcare, including supporting the Guam Memorial Hospital Authority (GMHA) and the Department of Public Health and Social Services (DPHSS).

Request: GRMC had closed its labor and delivery ward (LDR) and has proposed providing the equipment and supplies to the GMHA in exchange for a credit to its Public Investment requirement under §3.12 of its QC.

GEDA action taken:

- 10/17/19 Sent GRMC Labor and Delivery Room Assets Inventory as of 11/31/18 to GMH with depreciated values as of 11/31/18.
- 10/16/19 coordinated on-site inspection of assets with representatives of GEDA, GMH & GRMC.
- 11/04/19 after discussions among the parties GRMC to update LDR Assets inventory on items needed to be added and deleted from the original inventory. Sent a copy to GMH.
- 11/21/19 Received GMH's scrubbed list of the GRMC LDR items they want to acquire.
- 11/26/19 GEDA Sent GMH list to GRMC requesting they provide the depreciation values as of 12/31/19 for the items on GMH list.

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- 12/31/19 GRMC advised LDR assets values would remain as $742,211.33 as of 11/31/18.
- 01/09/20 Received GMH's scrubbed list of GRMC LDR Inventory to which GMH/GEDA updated depreciated values to $638,374.72 as of 12/31/19. Emailed to GRMC on 1/13/20 for their review.
- 1/14/20 GRMC agreed that the maternity ward assets will be valued at six hundred thirty eight thousand three hundred seventy four dollars and seventy two cents ($638,374.72) and will be allocated to its Public Investment of one hundred thousand dollars ($100,000.00) per year over a period of five (5) years and a final payment of the balance of one hundred thirty eight thousand three hundred seventy four dollars and seventy two cents ($138,374.72) in the sixth year commencing on January 1, 2021

Staff Recommendation: GEDA believes this one-time acceptance of goods and services on the terms proposed would be of great benefit to the GMHA; and since the QC does not provide for the contribution of equipment or supplies in lieu of a cash payment for its Public Investment we support the request of GRMC for this one-time acceptance of the LDR assets at the agreed to value of $638,374.72 to be allocated as $100,000.00 per year over a period of five (5) years and a final payment of the balance of $138,374.72 in the sixth year commencing on January 1, 2021

DATE: 1/16/2020

BM MELANIE MENDIOLA
CEO/Administrator

BOARD ACTION: APPROVED /✓/ DISAPPROVED / /

DATE: 1-23-20

DAVID JOHN
Chairman

GUAM ECONOMIC DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS

Resolution Number 20-04

RELATIVE TO EXTENDING THE CONSTRUCTION PERIOD FOR THE TSUBAKI HOTEL FOR AN ADDITIONAL NINETY (90) DAYS PURSUANT TO §3.04 OF QUALIFYING CERTIFICATE NO. 254

WHEREAS, TNN Guam, Inc. (TNN). obtained a Special Hotel Qualifying Certificate (QC), specifically QC #254, for the construction and operation of the Tsubaki Hotel; and

WHEREAS, TNN's QC authorized a tax benefit equal to ten percent (10%) of allowable hotel development and construction costs in exchange for meeting various requirements; and

WHEREAS, pursuant to §3.04 of QC #254, one of those requirements was to complete construction and obtain a full occupancy certificate no later than forty two (42) months after the approval of QC #254 by the Governor of Guam; and

WHEREAS, approval was granted for QC #254 on September 28, 2016; and

WHEREAS, the forty two (42) month construction period is scheduled to end on March 28, 2020; and

WHEREAS, TNN submitted a letter to the Guam Economic Development Authority (GEDA) on January 16, 2020 requesting a brief ninety (90) day extension of the construction schedule; and

WHEREAS, they indicated in their letter that circumstances out of their control have caused delays to the construction project, namely the difficulty in obtaining necessary temporary labor during the early stages of the project due to the H-2B visa denial issues, as well as the increased occurrence of inclement weather and typhoon warnings that caused construction work to stop for days on end; and

WHEREAS, TNN has also indicated in their letter that despite of these delays they have continued to work diligently to complete the construction of the

Tsubaki Hotel in a timely manner, mainly due to their desire to comply with the forty two (42) month construction schedule contained in their QC; and

WHEREAS, the GEDA Board of Directors has reviewed their request, and has determined that TNN has maintained full and complete effort to complete the construction of the Tsubaki Hotel within the original construction schedule; and

WHEREAS, the GEDA Board has determined that the causes for the slight delay in the completion of the Tsubaki Hotel are not due to any irresponsibility or lack of effort on TNN's part; and

WHEREAS, it has been determined that the delays in the project are to be found with good cause.

NOW THEREFORE BE IT:

RESOLVED, that the Board of Directors of the Guam Economic Development Authority hereby approves the extension of the construction schedule for the Tsubaki Hotel for an additional ninety (90) days, pursuant to the authority granted to it in §3.04 of Qualifying Certificate No. 254; and be it further

RESOLVED, that the additional ninety (90) day period shall commence on March 29, 2020 and end on June 27, 2020; and be it further

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

SO RESOLVED AND DULY AND REGULARLY ADOPTED this 23rd day January, 2020.

David J. John
Chairman

ATTEST:

Ernesto Espaldon, Jr.
Vice Chairman

GUAM ECONOMIC DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS

Resolution Number 20-06

RELATIVE TO SETTING RECOMMENDATION PARAMETERS WITH REGARD TO THE ISSUANCE OF QUALIFYING CERTIFICATES TO CAPTIVE INSURANCE COMPANIES

WHEREAS, the Board of Directors of the Guam Economic Development Authority (GEDA) has the sole authority to recommend the issuance of Qualifying Certificates (QC) to the Governor of Guam; and

WHEREAS, 12 GCA §58103 states that "a Qualifying Certificate shall entitle the Beneficiary to tax rebates or tax abatements or both in return for meeting the conditions and requirements prescribed by the Authority in this Chapter and in the Qualifying Certificate; and

WHEREAS, domestic insurance companies, which include captive insurance companies, have been eligible to apply for QCs for over twenty (20) years; and

WHEREAS, 12 GCA 58 (the QC Law), specifically 12 GCA §§58127.5, 58128.4 and 58130 establish Business Privilege Tax (BPT) abatements, corporate income tax and dividend tax rebates for domestic insurance companies; and

WHEREAS, the initial purpose of these tax incentives was to spur the development of a strong local insurance industry, with one of the main goals of the passage of Public Law 23-109 being the development of a strong captive insurance industry in Guam; and

WHEREAS, over the past two decades the Guam insurance industry has grown and matured due to the contributions of the QC program, with the industry creating hundreds of jobs and providing a critical service to the people of Guam; and

WHEREAS, although other sectors of the local insurance industry have grown, there has been little to no growth in the captive insurance sector; and

WHEREAS, §58105.6 of the QC law states that the "establishment of Guam as a financial/insurance center for the Pacific" is one of the main goals of the QC program; and

WHEREAS, the GEDA Board has determined that renewed effort should be undertaken to create a clear and concise captive insurance QC program, and desires to set the parameters with which they will make a recommendation on the issuance of a QC for a captive insurance company; and

WHEREAS, Guam already has significant regulatory framework to properly monitor and regulate the captive insurance industry, as captive insurance legislation has been the law of the land for over two decades; and

WHEREAS, by establishing these parameters, GEDA will be better able to articulate the captive insurance QC program to interested investors and the public at large; and

WHEREAS, the parameters to be set by the GEDA Board, through the adoption of this resolution is in line with the authority granted to it by virtue of the QC Law and the additional compliance requirements are part and parcel of already mandatory reporting processes by local insurance companies to the Commissioner of Banking and Insurance at the Department of Revenue and Taxation.

NOW THEREFORE BE IT:

RESOLVED, that the Board of Directors of the Guam Economic Development Authority hereby sets the following parameters with regards to the recommendation of issuance of a Qualifying Certificate to a captive insurance company; and be it further

RESOLVED, that parameters shall be as follows:

1. A rebate of 100% of corporate income taxes for a period of three (3) years from insurance underwriting either inside or outside of Guam, including all income derived from investing funds derived from operating an insurance underwriting business on Guam;
2. NO abatement of Business Privilege Taxes (BPT);
3. NO rebate of dividend taxes for both resident and non-resident shareholders;
4. QCs may be considered for renewal after the first three (3) year period with renewal requests submitted to GEDA no less than one hundred

eighty (180) days prior to the expiration of a captive insurance QC, granted that no subsequent law, rule or regulation is enacted that prohibits the renewal of a QC to a captive insurance company; and

5. Each beneficiary issued a QC shall pay a public investment to GEDA to support local economic development activities equal to five percent (5%) of annual premiums, with a minimum fee of two thousand five hundred dollars ($2,500) and a maximum fee of fifty thousand dollars ($50,000), the payment terms of which shall be negotiated in the final QC;
6. Each beneficiary issued a QC shall provide the Commissioner of Banking and Insurance all mandatory annual financial statements and reports, and comply with all examinations and investigations and all other requirements as set forth by the Commissioner of Banking and Insurance. Beneficiaries shall ensure that copies of the annual report are filed with GEDA. Failure to provide these reports may prevent the beneficiary from utilizing authorized tax benefits;
7. GEDA may, from time to time, require beneficiaries to provide other necessary financial and business information as needed;
8. GEDA shall also apply any compliance requirements contained in the QC law that are deemed necessary and applicable;
9. As a condition of receiving QC benefits, each beneficiary shall agree that investments held by the captive must be Guam situsued. In regards to property, assets must be Guam property. In regards to liquid securities such as Certificates of Deposit (CDs), Bonds, Stocks and contracts, the investment accounts shall be held by an institution maintaining an active Guam business license;
10. Applications for renewal shall be analyzed in the manner as any other application, and a thorough review and analysis of the prior activities of beneficiaries shall occur in the consideration of renewal; and be it further

RESOLVED, that GEDA shall cause to inform any potential applicant for a QC for a domestic captive insurance company of the parameters set forth in this resolution prior to the submission of any QC application, and that all relevant GEDA marketing material, collateral and website contain information regarding the parameters contained in this resolution; and be it further

RESOLVED, that these parameters shall be in force and effect immediately upon adoption of this resolution, and shall be in force and effect until rescinded or modified by subsequent resolution of applicable Guam law; and be it further

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

SO RESOLVED AND DULY AND REGULARLY ADOPTED this 23rd day January, 2020.

David J. John
Chairman

ATTEST:

Ernesto Espaldon, Jr.
Vice Chairman

Brooks Concepcion Law, P.C.

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EXECUTIVE SESSION

DECLARATION UNDER PENALTY OF PERJURY

TO: GEDA BOARD OF DIRECTORS

FROM: GEORGETTE BELLO CONCEPCION
GEDA Legal Counsel

SUBJECT: EXECUTIVE SESSION

DATE: January 23, 2020

Georgette Bello Concepcion, the attorney for the Guam Economic Development Authority hereby declares under penalty of perjury:

1. I attended the Guam Economic Development Authority Board of Directors meeting on January 23, 2020.
2. Before the meeting I advised the Board that it was appropriate to go into Executive Session to discuss ongoing litigation or litigation which has been threatened.
3. The Board went into Executive Session to discuss the ongoing or threatened litigation.
4. Minutes of the Executive Session were taken by a certified Court Reporter.
5. Only matters relating to litigation or pending litigation were discussed in Executive Session.

I declare under penalty of perjury that the foregoing is true and correct. Executed in Tamuning, Guam on January 23, 2020.

Georgette Bello Concepcion, Esq.