**clerks@guamlegislature.org**

**From:** Speaker's Office <speaker@guamlegislature.org>
**Sent:** Wednesday, July 22, 2020 12:35 PM
**To:** Clerks Office
**Cc:** Rennae Meno
**Subject:** M&C Fwd: GEDA FY2019 Citizen Centric Report
**Attachments:** GEDA_CCR_FY 2019_2020 07 20.pdf; Email-GEDA FY2019 Citizen Centric Report.pdf

| | | | | | |
|---|---|---|---|---|---|
| 07-22-20 | 9:36 AM | 07-22-20 | FY2019 Citizen Centric Report.* | Guam Economic Development Authority | 35GL-20-2033 |


*Sinseru yan Minagåhet,*

**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
T: (671) 477-2520/1
speaker@guamlegislature.org



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


---------- Forwarded message ---------
From: **Austin Grant** <austin.grant@investguam.com>
Date: Wed, Jul 22, 2020 at 9:36 AM
Subject: GEDA FY2019 Citizen Centric Report
To: Speaker's Office <speaker@guamlegislature.org>
Cc: Melanie Mendiola <mel.mendiola@investguam.com>

*Håfa Adai Speaker Muña Barnes,*

Pursuant to Public Law 30-127, the Guam Economic Development Authority submits its Citizen Centric Report (CCR) for fiscal year ended September 30, 2019.

The report can also be found on our website at www.investguam.com

Please do not hesitate to contact us if you have any questions or concerns.

*Si Yu'os Ma'åse!*

Warm Regards,

**AUSTIN GRANT**
*GEDA Special Projects Coordinator*

590 S. Marine Corps. Drive, Suite 511
Tamuning, GUAM 96913
**T** 671 647 4332
**F** 671 649 4146
**E** austin.grant@investguam.com
**W** investguam.com

Speaker's Office <speaker@guamlegislature.org>

# GEDA FY2019 Citizen Centric Report

1 message

**Austin Grant** <austin.grant@investguam.com> Wed, Jul 22, 2020 at 9:36 AM
To: Speaker's Office <speaker@guamlegislature.org>
Cc: Melanie Mendiola <mel.mendiola@investguam.com>

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Warm Regards,

35GL-20-2033
Speaker Tina Rose Muña Barnes

JUL 22 2020
Time 9:35 AM ( )PM
Received By:


**AUSTIN GRANT**
*GEDA Special Projects Coordinator*

GUAM ECONOMIC DEVELOPMENT AUTHORITY

590 S. Marine Corps. Drive, Suite 511
Tamuning, GUAM 96913
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**E** austin.grant@investguam.com
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**GEDA_CCR_FY 2019_2020 07 20.pdf**
12044K

GUAM ECONOMIC DEVELOPMENT AUTHORITY
America in Asia
*Aturidåd Inadilånton Ikunumihan Guahan*

# CITIZEN CENTRIC REPORT
FISCAL YEAR 2019



## ABOUT GEDA
UPDATES
FINANCES
OUTLOOK

### GEDA MISSION
The mission of the Guam Economic Development Authority, *Aturidat Inadilanton Ikunumihan Guahan* (GEDA), is to develop a sound and sustainable economy through innovative programs that preserve and promote economic opportunities, local culture, and quality of life.

### BOARD OF DIRECTORS
**DAVID J. JOHN,** *Chairman*

**ERNESTO (JUN) V. ESPALDON, JR.,** *Vice Chairman*

**GIA BLANCAFLOR RAMOS,** *Secretary*

**GEORGE CHIU,** *Director*

**SISKA S. HUTAPEA, MAI, SRA, AI-GRS, MRICS, R/W-AC, MRE,** *Director*

**FE VALENCIA-OVALLES,** *Director*

**DEEPAK R. DEWAN,** *Director*

### CONTACT US
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**T** 671-647-4332 **F** 671-649-4146
www.investguam.com

Do you have any suggestions on how we can improve our reporting? Please contact **Melanie Mendiola** at (671) 647-4332 or via email at **mel.mendiola@investguam.com**

CITIZEN-CENTRIC REPORTING CCR AGA

### ABOUT US
Founded in 1965, the Guam Economic Development Authority (GEDA) is a public not for profit corporation (12GCA Chapter 50) that has broad responsibility for the centralized direction, control and supervision of an integrated plan for the economic development of Guam through its programs and offerings, which include public finance services, business and investments assistance, incentive programs, and real property management. Fiscal Year 2019 began with a period of transition, as the outgoing administration was replaced with the Leon Guerrero-Tenorio administration.





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

**ARTEMIO R. HERNANDEZ, Ph.D**
Deputy Administrator
*Sigundo Ge'helo'*

## STRATEGIC PRIORITIES

### INDUSTRY DEVELOPMENT
Advance the economic health of the island with the development of emerging industries and the expansion of existing industries.

### BUSINESS TAX CREDIT INCENTIVES
Create incentives for private entities to participate in diversifying industries through job creation and promotion.

### WORKFORCE DEVELOPMENT
Provide opportunities to enhance the development of a skilled and talented local workforce and attract investments with local employment prospects

### BUSINESS FRIENDLY ENVIRONMENT
Create tools and programs to address investors' due diligence needs, workforce, and navigate government leasing.

### VILLAGE DRIVEN ECONOMIC DEVELOPMENT
Encourage entrepreneurship by creating opportunities for village residents to showcase their produce, products, and services.

### REPURPOSE INFRASTRUCTURE
Invest in existing infrastructure to increase the value of assets and provide opportunities for business development.

## SELECT DEMOGRAPHICS

**$100,000**
total amount of 3 loans (ADF & GDFA) made in FY2019

**$100,000**
SSBCI loan guarantee in FY2019

**0.75%**
decrease in annual rental income in FY2019

**$6.3M**
collected in annual lease revenue for GALC properties

**1.8%**
increase in Qualifying Certificate revenue in FY2019

**82.36%**
decrease in bond fees
*(result of the closing of one bond)*

**$309,995.72**
total amount of FY2019 QC Community Contributions made in 16 disbursements

Doc. No. 35GL-20-2033 *

## KEY ACTIVITIES, PROGRAMS & PROJECTS

- Agriculture Development Fund (Loan)
- Bond Disclosure Services
- Business & Investment Services
- Capital Financing
- Capital Markets
- Chamorro Land Trust Commission (CLTC) General Consultancy & Property Management Services
- Community Outreach & Marketing
- Debt Management
- Financial Advisory Services
- GovGuam Central Financial Manager
- Guam Ancestral Lands Commission (GALC) Lease Management
- Guam Development Fund Act (Loan)
- Guam Film Office
- Guam Product Seal (GPS) Program
- Incentive Programs
- Industry Development
- Investment Trade Missions
- Opportunity Zones
- Private Activity Bond (PAB) Program
- Public Financial Services
- Qualifying Certificate (QC) Program
- Real Property Management
- State Small Business Credit Initiative (SSBCI)
- State Trade Expansion Program (STEP)

### RPI TRADE MISSIONS



The Philippines trade missions focused on support for the resolution of the H-2B petition denials and exclusion of allowable countries; as well as to gain support for the inclusion of the RPI into the Guam-CNMI Visa Waiver program.

### TW TRADE MISSION



The Taiwan trade mission promoted investment opportunities and introduced the new administration, which expressed interest for Sister City relationships.

### CA TRADE MISSION



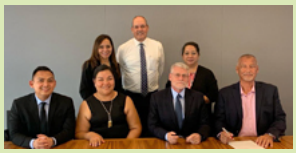
The California trade mission was organized to meet with investors interested developing a world-class resort, aerial transportation system, cruise ship operations, and a data center.

### HOT BONDS PROJECTS



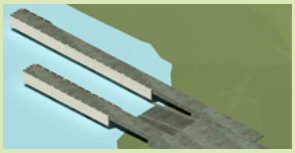
In FY2019, GEDA had concluded Tumon capital improvement projects from the HOT Bonds: pedestrian safety features, Ypao Park and Amphitheater lighting improvements, and the Tumon Flooding Mitigation Plan.

### LAYON LANDFILL BOND SALE



GovGuam sold General Obligation bonds to fund the new cell at the Layon Landfill at a final true interest rate of 3.25%. The bond offer was oversubscribed 12.9 times.

### U.S. DOI $260K GRANT



U.S. Department of Interior awarded a $260k grant to conduct a Boat Ramp Feasibility Study. In FY2019, GEDA partnered with Department of Agriculture to assist in the funding of the design.

### MADE IN GUAM FAIR




GEDA hosted a successful Guam Product Seal, "Made in Guam" Holiday Fair at the Agana Shopping Center on December 15, 2018.

### GEDA MANAGED INDUSTRIAL PARKS STATS

5-year average survey

- E.T. CALVO MEMORIAL PARK
- HARMON INDUSTRIAL PARK
- PORT AUTHORITY OF GUAM

**500-700** jobs

**$21M** annual payroll

**$57M** annual gross sales

**$2M** annual GRT

**$1.3M** annual lease revenue for GEDA

MADE IN GUAM

**70** PERMITS ISSUED

**17** NEW MANUFACTURERS

**560+** LOCAL EMPLOYEES

**200+** CERTIFIED PRODUCTS

### BOND RATINGS

| | S&P | MOODY | FITCH |
|---|---|---|---|
| GovGuam Series 2019 GO Bonds | BB- | Ba1 | |
| GovGuam Limited Obligation (Section 30) Bonds | BB | | |
| Hotel Occupancy Tax Revenue Bonds | BB | | |
| GIAA Guam's Senior General Revenue Bonds | BBB+ | Baa2 | |
| Business Privilege Tax Bonds Series A, B, & C | BB | | |
| GPA Senior Lien Revenue Bonds | BBB | Baa2 | BBB- |
| GWA Water & Wastewater System Revenue Bonds | A- | Baa2 | BBB- |
| PAG Port Revenue Bonds Series A, B, & C | A | Baa2 | |
| GovGuam Series 2010 (JFK) COPs | B+ | | |
| GEFF Series 2016 COPs | BB | | |

### GEDA LOANS IN FY2019

Agriculture Development Fund (ADF)

**$50,000**

Guam Development Fund Act (GDFA)

**$50,000**

State Small Business Credit Initiative (SSBCI) - Loan Guarantee

**$100,000**





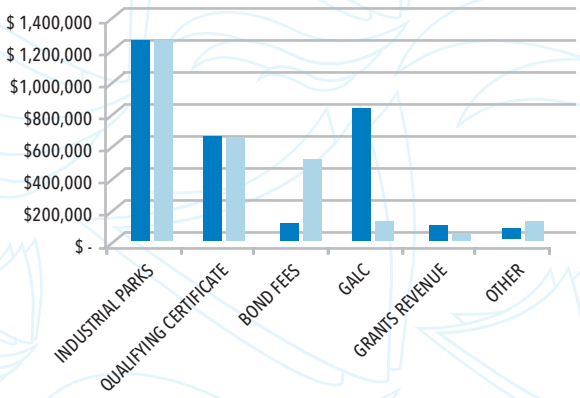




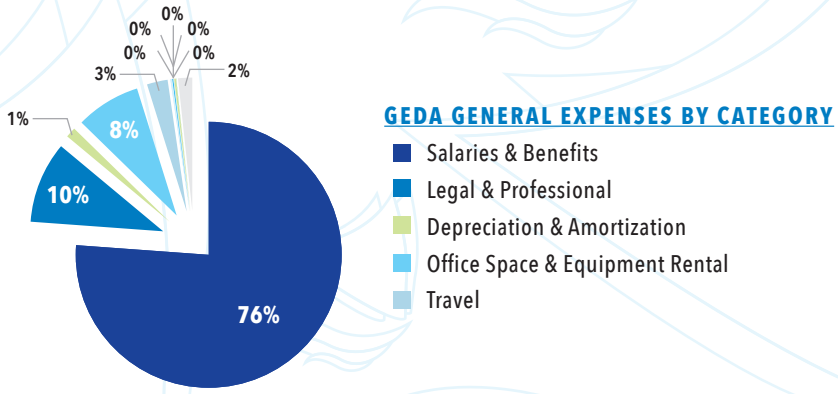
*An independent audit was conducted, resulting in a clean audit opinion.*

*Complete financial information is available at our website: www.investguam.com*

| GEDA GENERAL REVENUE BY SOURCE | 2019 | 2018 | % CHANGE |
|---|---|---|---|
| Industrial Parks | $ 1,224,867 | $ 1,234,109 | -0.75% |
| Qualifying Certificate | $ 646,596 | $ 635,141 | 1.80% |
| Bond Fees | $ 88,440 | $ 501,486 | -82.36% |
| Guam Ancestral Lands Commission | $ 810,847 | $ 115,956 | 599.27% |
| Grants Revenue | $ 80,638 | $ 23,420 | 244.31% |
| Other | $ 59,309 | $ 108,886 | -45.53% |
| **TOTAL** | **$ 2,910,697** | **$ 2,618,998** | **11.14%** |




| GEDA GENERAL EXPENSES BY CATEGORY | 2019 | 2018 | % CHANGE |
|---|---|---|---|
| Salaries & Benefits | $ 2,155,968 | $ 2,152,138 | 0.18% |
| Legal & Professional | $ 280,230 | $ 285,778 | -1.94% |
| Depreciation & Amortization | $ 35,383 | $ 40,160 | -11.89% |
| Office Space & Equipment Rental | $ 222,880 | $ 226,224 | -1.48% |
| Travel | $ 71,452 | $ 84,351 | -15.29% |
| Advertising & Promotions | $ 5,731 | $ 12,664 | -54.75% |
| Utilities, Telephone & Communications | $ 2,780 | $ 2,761 | 0.69% |
| Insurance | $ 1,985 | $ 2,070 | -4.11% |
| Supplies | $ 5,490 | $ 6,566 | -16.39% |
| Repairs & Maintenance | $ 564 | $ 396 | 42.42% |
| Miscellaneous | $ 48,531 | $ 56,046 | -13.41% |
| **TOTAL** | **$ 2,830,994** | **$ 2,869,154** | **-1.33%** |




| SALARIES AND BENEFITS ALL FUNDS | 2019 | 2018 | % CHANGE |
|---|---|---|---|
| Salaries and wages | | | |
| Salaries | $ 1,608,507 | $ 1,730,772 | -7.06% |
| Benefits | $ 967,355 | $ 847,841 | 14.09% |
| Total salaries and wages | $ 2,575,862 | $ 2,578,613 | -0.10% |
| Employees at end of year | 31 | 29 | 6.89% |

Doc. No. 35GL-20-2033.*

# ABOUT GEDA
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## FY2020 INITIATIVES AND UPCOMING PROJECTS

### QUALIFYING CERTIFICATE
Extend the Special Hotel QC Program with the adoption of GEDA Board Resolution 20-03. The QC Ad Hoc Committee seeks to enhance and modernize the programs for new and expanding industries.

### SMALL SHIP CRUISE INDUSTRY
Executive Order 2019-17 appointed GEDA as the leading member of the Small Ship Cruise Industry Working Group.

### AGRICULTURE & AQUACULTURE
Executive Order 2019-12 established the Guam Aquaculture Task Force and appointed GEDA as a member.

### TELECOMMUNICATIONS & TECHNOLOGY
GEDA plans to place renewed emphasis on exploring new opportunities in these industries by developing strategies to encourage workforce development and data center presence to capitalize on the undersea cable network flowing through the island.

### $40.6M GIAA GENERAL REVENUE BONDS
P.L. 35-33 authorized the issuance of revenue bonds of the Guam International Airport Authority (GIAA) to refund all or a portion of its outstanding General Revenue Bonds, Series 2013 C.

### PAG BOND PROCEEDS REPROGRAMMING
GEDA will work with Bond Counsel to amend the existing Port Authority of Guam (PAG) tax certificate to reprogram a portion of the $71.4M bond proceeds to be used to fund port repairs.

### GWA NEW REVENUE BOND FINANCING
The Guam Waterworks Authority (GWA) is looking to issue a $134M Water and Wastewater System Revenue Bonds, Series 2020.

### SSHS LEASEBACK FINANCING
Land surveying of Simon Sanchez High School (SSHS) is on-going to be awarded by Feb2020. The leaseback financing will commence with a goal to conclude by the end of the current fiscal year.

### JFK BOND REFUNDING OPPORTUNITY
GEDA is working on the refunding of the outstanding GovGuam's obligations with respect to the CaPFA Capital Corp. 2010A Certificates of Participation Series 2010A, and capitalize on savings for the General Fund.

### DEPARTMENT OF LAND MANAGEMENT (DLM)
P.L. 29-135 authorized the financing for a new Land Resources Public Facility and for the purchase of collateral equipment in an amount not to exceed $15.75M.

### $9.2M GMHA LABOR & DELIVERY WARD FINANCING
P.L. 32-204 as amended by P.L. 33-151 authorized a $9.2M financing for renovation of the Guam Memorial Hospital Labor and Delivery Ward. GEDA has been working to close this loan with USDA at an interest rate of 2.75%. GEDA will work with GMHA and USDA to update and issue a new RFP to secure a financier.

## CHALLENGES AFFECTING GEDA

### UNFUNDED LEGISLATIVE MANDATES
GEDA has been mandated by the I Liheslaturan Guahan to perform duties that are not financially supported. These mandates, while in line with GEDA's mission, impose a financial burden to the agency. Unlike the line agencies, GEDA is not supported by Legislative appropriations. All expenses incurred by GEDA to meet the unfunded mandates must come out of the agency's finite operating revenues.

### H-2B VISAS
Since 2018, Guam employers have seen 100% approval of H-2B petition for foreign labor from the Philippines. The Philippines had been removed from the USCIC list of approved countries for H-2B visas since January 2019 and remains off the list. Small contractors are reluctant to test the new process and therefore the chilling effect of the denials of the past are still shared by many contractors and developers.

### LAND AVAILABILITY/LOSS
Property leases are the primary funding source of GEDA's operations. The majority of commercial leases were negotiated in the 70's and 80's with many leases locked until 2065. The revenue generated is less able to sustain GEDA. Without additional properties it would be impractical for property lease revenue to sustain GEDA or implement any program regarding economic, free trade, or opportunity zones.

### PUBLIC LAW 32-40 LEASE LIMITATIONS
P.L. 32-40 and later amended by P.L. 34-99 imposes a 5 year duration limit on commercial leases. This created additional requirements to public land leasing and added additional time required to complete the compliance with its process. This short time period makes GEDA's commercial leases on available government-owned lands less attractive and difficult to market at fair market rental value.

Do you have any suggestions on how we can improve our reporting? Please contact **Melanie Mendiola** at (671) 647-4332 or via email at **mel.mendiola@investguam.com**

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