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. Currently, there are 34 employees.

JAY ROJAS
Administrator
Adminastradot

MANA SILVA TAIJERON
Deputy Administrator
Sigundo Na Adminastradot

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.

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REPORT CONTENTS

Although GEDA has a series of broad mandates, GEDA focused on key areas, serving as a central financial manager for the Government of Guam (GovGuam), assisting local enterprise while promoting investments of entrepreneurial capital in Guam, along with an internal focus on program compliance, process improvement measures and leveraging limited resources. With that, the accomplishments and strides achieved have been milestones, overcoming great challenges and a vision to realize great opportunities for the sustainable growth of the island’s economy.

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The Business Development (BD) Division of GEDA prioritizes the development of Guam’s economy by supporting local enterprise and attracting new investments through incentive programs and industry diversification efforts.

ECONOMIC DEVELOPMENT
TRADE MISSIONS
Executed 5 in 2017 resulting in:

Following headline news related to North Korea and Guam, reassurances were made to promote Guam as a safe place to visit and invest.

Presentations were made to investors at the Hotel Investment Conference Asia Pacific (HICAP).

Opening dialog and relations on bi-lateral investment opportunities.

Interest in building a small manufacturing lab, power generation, affordable housing, telecommunications and energy efficient technology, tourism, hotel development and airlines.

QUALIFYING CERTIFICATE (QC) PROGRAM
The QC is an economic incentive tool to entice investors in use for over five decades, and has had a substantial positive impact upon the economic development of the island.

The passage of P.L. 32-233 established the Special Hotel QC, which addressed the need for additional hotel rooms.

In 2018, Governor Calvo issued Executive Order 2018-02, which placed a 90 day moratorium on the renewal of any existing QC’s.

GEDA has been placing priority on improving the program for both the new economic reality and the government financial situation.

2. Department of Public Works Permit Center
BDD developed a preliminary report identifying the operations and cost of a One Stop Business License and Permit Center under the management of GEDA. The objective being to improve operations of business licensing and permitting.

3. Community Outreach and Marketing Program
BDD has participated and continues to participate in numerous business associations and activities as part of our marketing and education outreach program.

GUAM PRODUCT SEAL PROGRAM
79 Guam Product Seal permits were issued in 2017 to local manufacturers.

The annual “Made in Guam” Product Fair was held on 12/02/17 at the Agana Shopping Center with over 20 vendor participants and hundreds in attendance.

SPECIAL PROJECTS
1. Chamorro Village (CV)
Since 2016 BDD developed a marketing plan to promote CV. Due to legal concerns, a Memorandum of Understanding and Executive Order providing GEDA with authority has been unsuccessful. In the interim, BDD has been actively supporting and networking with CV staff and vendors with guidance and assistance with their daily operations.

VEDUCATION
UNIVERSITY OF GUAM ENDOWMENT LOAN
$21.7M loan authorized by P.L. 32-120 for the construction of new Student Services Center & new School of Engineering.
USDA approved direct loan to UOGEFI at an interest rate of 2.375% (Dec 2016).

GUAM COMMUNITY COLLEGE LOAN
$5M loan authorized by P.L. 32-120 for the construction, expansion renovation and/or hardening of GCC crime lab & building #100.
USDA approved direct loan to GCC at an interest rate of 2.375% (Dec 2016).

PROMESA PROMPTS FITCH DOWNGRADE OF GUAM BPT BONDS
Following the signing of Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), Fitch downgraded the Government of Guam’s outstanding business privilege tax bonds from A to BB (Dec 2016). The rating had nothing to do with a change in Guam’s credit strength or any factor within Guam’s control. Fitch stated they are concerned with the Government’s inability to sustain a structural balance and high liability burden.

PRIVATE ACTIVITY BOND PROGRAM
2017 carry-over volume cap in the amount of $248M will be available during the year for any of the designated types of bonds.

INVEST GUAM SYMPOSIUM
GEDA hosted the Invest Guam Symposium on 2/22-23/17 at the Dusit Thani Hotel that provided an opportunity for bond investors to experience first-hand assets they have or will invest in.

The goal was to provide investors with updates in Guam’s overall growth and alleviate concerns with the PROMESA.

BOND RATINGS

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<td>HOTEL OCCUPANCY TAX REVENUE BONDS</td>
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State Small Business CREDIT INITIATIVE
On October 4, 2011, Governor Calvo received approval of the $13,168,350 U.S. TREASURY FUNDING for the Guam Small Business Credit Initiative Program. The Guam SSBCI Programs provide credit enhancement to lenders and borrowers who cannot otherwise obtain loans or credit lines through standard commercial underwriting guidelines.

IN 2017, GEDA HAS DEPLOYED:

- **$8.8M** TO SUPPORT LOANS TO 70 SMALL BUSINESSES
  - 50 MINORITY OWNED
  - 19 WOMEN OWNED
  - 1 VETERAN OWNED

- **$12M** NEW MONEY INTO GUAM

- **$40M** GENERATED IN REVENUES
  - 410 + 474 NEW JOBS CREATED & RETENTION OF JOBS
GEDA manages three industrial parks: the E.T. Calvo Memorial Park, the Harmon Industrial Park and a small portion of Port Authority of Guam property. In an effort to generate additional revenues, GEDA purchased improvements resulting in annual lease rents collected at about $1.1M.

**HOT BONDS**

Public Law 30-228 authorizes $55M+ of the 2011 Hotel Occupancy Tax Bond proceeds to be used for the construction of various Capital Improvement Projects throughout the island.

As of the end of calendar year 2017, GEDA has completed nearly all of the projects listed to include:

- Plaza De Espana restoration
- Inarajan Community Center
- Farmer's and Dededo Flea Market Facility
- Hagatna Swimming Pool and Tennis Facility restoration
- Malesso Bell Tower restoration
- Numerous public parks

The other remaining projects anticipated for conclusion in 2018 include new Pedestrian Safety features in Tumon, completion of the Hagatna Master Plan, lighting improvements at Ypao Park, mitigation of flooding in Tumon and completion of improvements to the Fisherman’s Cooperative facility along with reinforcement of the seawall at Paseo.

**$260K GRANT**

**BOAT RAMP FEASIBILITY STUDY & DESIGN**

United States Department of Interior awarded a grant in the amount of $260K to conduct a Boat Ramp Feasibility Study and Design to determine the most feasible boat ramp locations and enhance it to better provide emergency response to the Eastern seaboard of Guam. GEDA issued a Request for Proposal (RFP16-005) soliciting proposals from qualified individuals or firms to provide professional technical services to assist GEDA in implementation of projects in a fashion that meets various objectives and expands and improves Guam’s economy.

As of September 30, 2017, GEDA ended with a change in net position of $1,712. Due to GASB 68/73 net adjustment of ($200,182) related to pension and other retirement supplemental benefits, change in net position resulted in ($198,470). An independent audit was conducted, resulting in a clean audit opinion. Complete financial information is available at our website: www.investguam.com
Moving FORWARD

FISCAL YEAR 2018 INITIATIVES

QUALIFYING CERTIFICATE

The Business Development Division has begun to hold regular meetings with the Compliance Division and members of the GEDA Board to formulate strategies to improve the QC Program by granting targeted, controlled tax incentives to specific industries and activities. These strategies will also take into account the current financial situation of the Government of Guam as well as current economic trends.

GUAM FILM OFFICE

The Business Development Division will update the prepared draft Rules & Regulations for the Guam Film Office, and will empanel the requisite advisory committee as per Public Law 31-159. Once GEDA management as well as the Board of Directors review the draft rules and regulations, they will be submitted to the Guam Legislature, with an anticipated adoption by September 30, 2018.

ECONOMIC DEVELOPMENT

TRADE MISSIONS

BDD will be develop and lead trade missions and business trips to market Guam’s various economic opportunities. Not only are we focused on enticing investment in key industries, we aim to secure investment into new and burgeoning industries. Planned 2018 trade missions include:

- Philippines (June), Taiwan (July), and U.S. Mainland (October).

GUAM PRODUCT SEAL (GPS)

GEDA will continue to seek local manufacturers to enroll in the Guam Product Seal program; with a goal of 90 GPS permit holders by the end of 2018. Additionally, plans to have more GPS events in 2018 are underway, with a GPS Spring Fair in May and the GPS Holiday Fair in December. Additionally, GEDA will provide sponsorship, via the utilization of Special Hotel QC Community Contributions, to the GVB for their 2018 #InstaGuam Fair in Manila, Philippines in June. The sponsorship will allow for GPS Program and its permit holders to be featured during the event and all its media exposure.

Challenges Affecting GEDA

1. UNFUNDED LEGISLATIVE MANDATES

GEDA over the years has been mandated by the I Liheslaturan Guahan to perform duties that are not financially supported. 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 limited operating revenues.

2. PUBLIC LAW 32-40 LEASE LIMITATIONS

Public Law 32-40 imposes a five (5) year duration on commercial leases. 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.

3. H2B VISAS

Since 2015, Guam employers have been experiencing extremely high incidents of H2B petition denials and requests for evidence notices from U.S. Citizenship & Immigration Services. Denials have been about 95% compared to an approval rate of about 96% for the past 30 years. This change in USCIS adjudication appears to be due to a Returning Workers provision included in the 2016 Omnibus spending bill that quadrupled alien workers eligible under the U.S. Mainland’s H-2B cap, and the pressure by construction labor unions to reduce foreign workers in the U.S. But Guam does not have an H2B cap nor construction labor unions.

Guam is an isolated insular economy, 6,000 miles from the continental U.S. (CONUS) with a small population of about 170,000. Guam’s remoteness and size have historically made it very difficult to recruit and retain U.S. construction workers from CONUS. Despite an active vocational training system and apprenticeship program, Guam is not able to train enough construction tradespersons to match our current and projected economic growth. Investors and developers’ on-island and abroad are cognizant of our labor issues and projects are being pushed back as a result.