



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

22 APR 2009

2009 APR 22 PM 4:45 EPM

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 78(COR) "AN ACT TO ADOPT THE PROPOSED AMENDED LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACE, AS WELL AS THE NEWLY ESTABLISHED FEE STRUCTURE FOR TELECOMMUNICATIONS AT THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM (PAG)" which was signed into law on April 17, 2009 as Public Law 30-19.

Sinseru yan Magâhet,

[Handwritten signature of Michael W. Cruz]

MICHAEL W. CRUZ, M.D.
I Maga'lâhen Guåhan para pa'go
Acting Governor of Guam

Attachment: copy of Bill

30-09-0492
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 4/22/09
Time
Received by

I MINA'TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) Regular Session

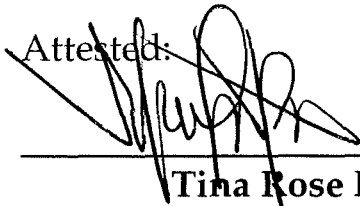
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 78 (COR)**, "AN ACT TO *ADOPT* THE PROPOSED AMENDED LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACE, AS WELL AS THE NEWLY ESTABLISHED FEE STRUCTURE FOR TELECOMMUNICATIONS AT THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM (PAG)" was on the 3<sup>rd</sup> day of April, 2009, duly and regularly passed.



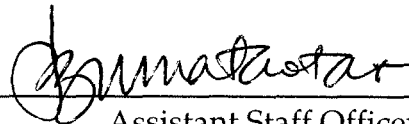
Judith T. Won Pat, Ed. D.  
Speaker

Attested:



Tina Rose Muña Barnes  
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahaen Guåhan* this 6 day of April, 2009, at 4:45 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's* Office

APPROVED:



MIKE W. CRUZ, MD  
GOVERNOR OF GUAM ACTING

Date: 17 APR 2009

Public Law No. 30-19

*I MINA'TRENTA NA LIHESLATURAN GUÅHAN*  
**2009 (FIRST) Regular Session**

**Bill No. 78 (COR)**

As substituted by the Committee  
on Utilities, Transportation,  
Public Works and Veterans Affairs,  
and amended on the Floor.

Introduced by:

T. C. Ada  
F. B. Aguon, Jr.  
T. R. Muña Barnes  
F. F. Blas, Jr.  
E. J.B. Calvo  
B. J.F. Cruz  
J. V. Espaldon  
Judith Paulette Guthertz, DPA  
Adolpho B. Palacios, Sr.  
v. c. pangelinan  
M. J. Rector  
R. J. Respicio  
Ray Tenorio  
Telo Taitague  
Judith T. Won Pat, Ed. D.

**AN ACT TO *ADOPT* THE PROPOSED AMENDED LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACE, AS WELL AS THE NEWLY ESTABLISHED FEE STRUCTURE FOR TELECOMMUNICATIONS AT THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM (PAG).**

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1. Legislative Intent.** The Jose D. Leon Guerrero Commercial Port  
3 of Guam (PAG) owns interest in various office, warehouse, open yard and

1 telecommunication spaces located at the Jose D. Leon Guerrero Commercial Port  
2 of Guam in the municipality of Piti, Island of Guam. The current lease rate fee  
3 structure was established in 1988, twenty (20) years ago, and is *not* reflective of  
4 the changes in economic conditions and factors that typically impact private sector  
5 market lease rents.

6 **Section 2.** Notwithstanding any provision of law, *I Liheslaturan Guåhan*  
7 hereby approves the rates for the leasing of Port property, as adopted by the Board  
8 of Directors through PAG Resolution 09-02, dated January 22, 2009, and  
9 concurred to by Acting Governor Michael W. Cruz, MD, on February 20, 2009.  
10 The rates approved by this Act are as follows:

Type of Space	Approved Rate (\$/sf/mo)
Office	1.63
Warehouse	0.76
Open Yard	0.46
Telecom	500-1,000 per month

11 The rates established under this Section *shall* be subject to an additional five  
12 percent (5%) per month surcharge to provide additional funding specifically for the  
13 Port Police for its operations.

14 **Section 3. Telecommunication Lease Rates.** Telecommunication lease  
15 rates will apply to any space used for the mounting *or* installation of  
16 telecommunications *or* transmission antennas, structures *or* equipment, including,  
17 but *not* limited to, the following:

18 (a) Small roof space. A fee of Five Hundred Dollars (\$500) per  
19 month will be assessed to the lessee for the installation and/or mounting of  
20 an individual structure and/or equipment that requires a footprint *no greater*  
21 *than* six (6) square feet and maximum height of ten (10) feet;

1 (b) Large roof space. A fee of Seven Hundred Fifty Dollars (\$750)  
2 per month will be assessed to the lessee for the installation and/or mounting  
3 of an individual structure and/or equipment that requires a footprint *greater*  
4 *than* six (6) square feet and/or a height *greater than* ten (10) feet;

5 (c) Ground rate. A fee of One Thousand Dollars (\$1000) per  
6 month will be assessed to the lessee for the installation and/or mounting of  
7 an individual structure and/or equipment that has a height *greater than* four  
8 (4) feet; in addition to the ground rate, any and all applicable standard open  
9 space rates will also be assessed for the square footage leased for the safe  
10 installation of the structure; and

11 (d) Communication closets. A fee of Five Hundred Dollars (\$500)  
12 per month will be assessed for indoor space *no greater than* twenty (20)  
13 square feet that is occupied by equipment for use in telecommunications. A  
14 fee of One Thousand Dollars (\$1000) per month will be assessed for  
15 occupied indoor space that is *greater than* twenty (20) square feet.

16 Prior to installation of any telecommunications *or* transmission equipment,  
17 all installation plans must be reviewed and approved by the General Manager of  
18 the Port Authority of Guam.

19 **Section 4. Setting Facility Lease and Use Rates.** At a minimum, once  
20 every three (3) years the Port *shall* conduct assessments of the value of Port real  
21 properties and other related facilities. Such assessments *shall* be conducted *no*  
22 *later than* the second quarter of the fiscal year commencing on the third fiscal year  
23 after enactment of this Act.

24 Prior to the start of the fiscal year next succeeding the property evaluation,  
25 the Board of Directors *shall* set lease rates at a ten percent (10%) increase over the  
26 previously charged rate, *or* the amount determined by the recent assessment, which

1 ever is greater. The rates set by the Board *shall* be the minimum amount charged  
2 by the Port for the leasing and use of Port property.

3 Notwithstanding any other provisions of law, the Port *shall* provide sixty  
4 (60) days prior notice to the public and to existing Port tenants of any lease and use  
5 rate adjustments. Upon expiration of this notice period and adoption of lease and  
6 use rates by the Board of Directors of the Port, the lease and use rates set by the  
7 Board *shall* become effective immediately. Changes in lease and use rates *shall*  
8 apply to all new leases and use agreements and those existing leases and use  
9 agreements subject to adjustment of lease and use rates.

10 **Section 5.** The new Rates *shall* be effective upon enactment of this Act.

9

# I MINA' TRENTA NA LIHESLATURAN GUÅHAN

2009 (FIRST) Regular Session

Date: April 3, 2009

## VOTING SHEET

SBill No. 78(COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RECTOR, Matthew *	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo	✓				
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

15

CERTIFIED TRUE AND CORRECT:

  
 Clerk of the Legislature

\* 3 Passes = No vote  
 EA = Excused Absence



# Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

March 25, 2009

**The Honorable Judith T. Won Pat, Ed.D.**

Speaker  
I Mina' Trenta Na Liheslaturan Guåhan  
155 Hesler Place  
Hagåtña, Guam 96910

**VIA: The Honorable Judith P. Guthertz, DPA**  
Acting Chairperson, Committee on Rules

**RE: Committee Report – Bill No. 78 (COR)**

The Committee on Utilities, Transportation, Public Works, and Veterans Affairs, to which was referred **Bill No. 78 (COR)** – “An act to adopt the proposed amended lease rates for office, warehouse and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero commercial Port of Guam (PAG)”, hereby reports out with the recommendation **TO PASS** the bill as substituted by the Committee.

Transmitted herewith for your consideration and action is our committee report on the above subject matter.

The voting record is as follows:

- 3   TO PASS
- NOT TO PASS
- 2   TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE INACTIVE FILE

Copies of the Committee Report and other pertinent documents are attached. Thank you for your attention on this matter.

Si Yu'os Ma'ase,  
  
Thomas C. Ada

2009 MAR 27 PM 2:04 PM





## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

March 25, 2009

### MEMORANDUM

To: All Members, Committee on Utilities, Transportation, Public Works and Veterans Affairs

From: Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: Voting Sheet for Bill No. 78 (COR)

Included herewith for your information and action is the Committee Report on:  
**SubBill No. 78 (COR) – “An act to adopt the proposed amended lease rates for office, warehouse and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero commercial Port of Guam (PAG)”**

Please take the appropriate action on the voting sheet. Should you have questions regarding the report or accompanying documents, please do not hesitate to contact me. Your attention and cooperation in this matter is greatly appreciated.

Si Yu'os Ma'ase,

Thomas C. Ada

Attachments: Committee Voting Sheet  
Committee Report  
Bill No. 78 (COR)  
Public Hearing Sign-In Sheet  
Notice of Public Hearing



## **Senator Thomas C. Ada**

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

### **Committee Report**

#### **Bill No 78 (COR)**

As Substituted by the Committee  
on Utilities, Transportation, Public Works  
and Veterans Affairs



# Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
 30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

## VOTING RECORD

**Bill No. 78 (COR) – “An act to adopt the proposed amended lease rates for office, warehouse and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero commercial Port of Guam (PAG)” as substituted by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs.**

Committee Members	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT OF COMMITTEE	ABSTAIN	INACTIVE FILE
Senator Thomas C. Ada, Chairman		✓				
Senator Adolpho B. Palacios, Sr., Vice Chairman						
Senator Frank B. Aguon, Jr.						
Vice Speaker Benjamin J. F. Cruz						
Senator Tina Rose Muña-Barnes				✓		
Senator Rory J. Respicio						
Senator James V. Espaldon						
Senator Telo Taitague						
Senator Ray Tenorio				✓		

## **Public Hearing**

### **Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

### **I. Overview**

The Committee on Utilities, Transportation, Public Works and Veterans Affairs convened on March 23, 2009 at 9:00 am to hold a public hearing on Bill 78 (COR). Notice of the hearing was disseminated to all local media outlets via facsimile on March 17, 18, 19, and 20 of 2009, thus meeting the requirements of the Open Government Law. Notice of the hearing was also posted on the Guam Legislature's website.

#### Committee Members and Senators present:

Senator Thomas C. Ada	Chairman
Senator Adolpho B. Palacios, Sr.	Vice Chairman
Senator James V. Espaldon	Member
Speaker vicente "ben" c. pangelinan	
Senator Matt Rector	

#### Testimony Submitted by:

Glenn Leon Guerrero, Port GM  
Siska Hutapea, Consultant  
Vivian Leon, Port  
Glenn Nelson. Port  
Joe Garrido

### **II. Summary of Testimonies**

#### Glenn Leon Guerrero

*Provided oral and written testimony (written testimony attached)*

Mr. Leon Guerrero is in favor of Bill No. 78. Mr. Leon Guerrero, General Manager, Jose D. Leon Guerrero Commercial Port of Guam, read his written testimony as oral testimony. In his testimony, Mr. Leon Guerrero noted that the Port is Guam's lone commercial and publically held seaport, and as such, ninety percent of all goods go through the Port. He enlightened the Committee on the short history of the Port and how its inception can be attributed to the first military buildup, but further emphasized that the anticipated 15 billion in projected relocation cost for the next military buildup will highlight the importance of the PORT of Guam to provide support for the military as well as to accommodate for the increase in local demand for goods and products. He reiterated the Port's objective for modernization as stipulated in the Master Plan and thus associated Bill 78 as a small but important component in fulfilling this process.

Mr. Leon Guerrero further testified that it is the intent of this legislation to adopt the proposed amended lease rates as approved by the Board of Directors and concurred by the acting Governor, Michael W. Cruz. He testified that it is the PORT's intent to bring the lease rate structure of the Port near market levels and to propose policy that will prevent a similar neglect in regards to lease rate adjustments. Mr. Leon Guerrero continued his testimony by citing the proposed amendments to the lease rates as suggested by Captain, Hutapea & Associates and as proposed in Bill 78. He closed his testimony with the statement that the Port has been collecting on rents that did not reflect the true market value of its property and thus was putting the Port at an economic disadvantage. He justified the proposed lease rates by stating that it is the responsibility of the Port to bring its lease fee structure to market level for the sake of investments, upgrades and to achieve a greater level of fiscal responsibility.

Siska S. Hutapea

*Provided oral and written testimony (written testimony is attached)*

Ms. Siska Hutapea is the Vice President of Captain, Hutapea & Associates. She had testified on behalf of the consulting company in regards to the proposed lease rates suggested by them and adopted, then approved by the Port's Board of Directors. She communicated to the Committee the tasks that were assigned to their consulting firm by the Port of Guam, which included the analysis of PAG's present day fee structure to determine possible rate increases and/or decreases for office, warehouse, short term ground leases, applicable common area charges, modified gross rent conclusions and to determine the telecommunication site market rent value of the Port Administration and Annex Building and Warehouses. Ms. Hutapea made mention that the Summary Appraisal and Consulting Report as completed by Captain, Hutapea & Associates was submitted to the Port Authority. She further reiterated that the consulting company is testifying as an objective witness. She made clarification to Bill 78 in regards to the Market Rate Conclusion found in the table to include "per month". She continued with the assessments that were made and concluded in their Summary report and supported the proposed lease rates as a fair representation of the current market value of the Port properties and leases. Her closing suggestions advised the Port to seek a reasonable leeway with the negotiation of rents with tenants as opposed to basing rates exclusively on benchmarks listed in the report.

Joe Garrido

*Provided oral testimony*

Mr. Garrido is not support of Bill 78. Mr. Garrido came forward as a concerned citizen and would like to know how these rate increases will affect the public. He believes it is the right of the public to know how these increases may possibly change the costs incurred by consumers.

**Question and Answer**

**Senator Ada:** Senator Ada seeks clarification on the use of benchmarks and approved rates, and how these rates differ according to size. He is concerned that the bill is restrictive insomuch that it sets a fixed rate regardless of the amount of floor space being rented. Senator Ada also seeks clarification on how telecommunications entities will be charged differently.

**Siska Hutapea:** Ms. Hutapea explains that in a typical market, the smaller the size, the higher the rate charged per square foot. The typical sizes for benchmarks are included in the report, and

that a smaller rental place will charge higher. She also explains that different rates are applied to telecommunications entities because the height of antennas may require different floor space requirements.

**Glenn Leon Guerrero:** Mr. Leon Guerrero notes that although the study says the port could charge a higher amount, the port is approved to only charge the amount as written in the bill. He further clarifies that all entities pay the same fixed rate.

**Glenn Nelson:** Mr. Nelson explains that the port has wished to revisit the issue of antennas, and it is their desire to implement these new rates (though they will tend toward the \$500).

**Senator Palacios:** Senator Palacios is concerned that there has been no adjustment to port rates in last twenty years and asks of why it is now only being changed by 19%. He also asks how long the proposed increase may remain valid, and asks if there is a way for the port to adjust rates without having to come to the legislature.

**Siska Hutapea:** Ms. Hutapea explains that their analysis was based on comparative data from other entities based on current rates, and as such, the numbers reflect current market rates. She estimates, in her personal opinion, that these proposed rates will remain valid for 12-24 months.

**Glenn Leon Guerrero:** Mr. Leon Guerrero agrees with Senator Palacios that it is a good idea to allow the port to adjust its rates in accordance to market conditions.

**Senator Rector:** Senator Rector is concerned that it is invalid to base benchmark rates on other rates on Guam because the specialized nature of the port is unique, and as such, port rates would be set too low if based on general facilities found elsewhere.

**Siska Hutapea:** Ms. Hutapea explains that the benchmarks take into account the unique nature of the port, and that comparative studies were conducted on other international ports.

**Senator pangelinan:** Senator pangelinan does not see how this study reflects the premium the port deserves. He asks where the rate amounts recommended are based on comparative asking prices or renting prices. Senator pangelinan also wishes to know why indoor telecom rates cost more than indoor office rate, and questions the fairness of determining rates for the office space according to the value of the property. Lastly, Senator pangelinan seeks clarification on whether the lease of the rails be affected by the proposed rate changes of this bill.

**Siska Hutapea:** Ms. Hutapea notes that the rates are based on comparable renting prices, and not asking prices.

**Glen Nelson:** Mr. Nelson explains that the equipment is worth more, and as such, rates should reflect the means by which the space is used (and not just the space itself).

**Vivian Leon:** Ms. Leon explains that the port is not allowed to negotiate anything above the set rates.

**Senator Espaldon:** Senator Espaldon wishes to know whether these proposed rates reflect the costs of modernizing the port. He also wishes to know when the master plan be completed and whether we should wait until the master plan completed before establishing revised rates. Senator Espaldon also seeks clarification on whether the rate as stated in this bill includes a common area fee. Lastly, Senator Espaldon asks if the port has engaged in any long-term leases, or whether all leases are conducted only month-to-month.

**Glenn Leon Guerrero:** Mr. Leon Guerrero explains that the rates proposed in this bill do not include the costs of anticipated construction because these costs are not known yet. He further notes that at this point in time, we should anticipate returning to these rates in 12-24 months and revise them. Mr. Leon Guerrero is striving to get the master plan out in a month; but, he recommends moving forward with these rates, and returning to revise these rates when the master plan is out. He also notes that the port only does month-to-month leases.

**Siska Hutapea:** Ms. Hutapea notes that power is not included in rate, but common area costs are. She also notes that they cannot break down common area fee more, because the market itself does not do so.

**Senator Espaldon:** Senator Espaldon asks if discounts are currently being given to any shippers. He also wishes to know the funding sources already secured for port modernization.

**Glenn Leon Guerrero:** Mr. Leon Guerrero does not know of any shippers being provided with discounts, and does not believe it is done. He also states the funding sources and amounts secured for the port modernization, and that these amounts were not incorporated into the proposed rates.

**Senator Palacios:** Senator Palacios asks Mr. Leon Guerrero would support a rate increase that anticipates the increased costs of the buildup five years from now. He also asks if Mr. Leon Guerrero believes these rates are too low.

**Glenn Leon Guerrero:** Mr. Leon Guerrero states that if he could charge a higher rate, he would like to do so. However, he also notes, it may be difficult to do so as lessees will be unhappy with such increases.

**Senator pangelinan:** Senator pangelinan asks why the board has not used escalation clause.

**Senator Ada:** Senator Ada notes that historically the governor has overruled the escalation clause. Additionally, he notes, changes in the Administrative Adjudication Act removed the ability of the port to pursue the escalation clause.

**Joe Garrido:** Mr. Garrido notes that the law stipulates that an a short economic impact assessment must be done, and he asks whether this has been completed.

**Senator Ada:** Senator Ada explains that the economic assessment was estimated at \$350,000, and as such, does not meet the thresh-hold to legally conduct an economic impact statement.

### **III. Findings and Recommendation**

The Committee on Utilities, Transportation, Public Works and Veterans Affairs finds that the real estate market conditions on Guam have significantly changed in the last twenty (20) years. With the impending relocation and military buildup to occur on Guam in the next few years, a demand for industrial property as well as Port usage will expectedly increase. In respect to following the Port Modernization plan, updating the lease rates to reflect current market prices would be a small yet significant milestone to be included in this process.

The Committee found that there was a general consensus of agreement that the current rates need to be changed as summarized by the consultant or as suggested by several Senators to increase the proposed rate to higher percentage. Additionally, a concern brought up by the Committee panel was the lack of details on how telecommunication leases would be determined. This issue was addressed with the following language included in the substituted bill.

- Small roof space: A fee of Five Hundred Dollars (\$500) per month will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that requires a footprint no greater than six (6) square feet and maximum height of ten (10) feet;
- Large roof space: A fee of Seven Hundred and Fifty Dollars (\$750) per month will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that requires a footprint greater than six (6) square feet and/or a height greater than ten (10) feet;
- Ground rate: A fee of One Thousand Dollars (\$1000) will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that has a height greater than four (4) feet; in addition to the ground rate, any and all applicable standard open space rates will also be assessed for the square footage leased for the safe installation of the structure;
- Communication closets: A fee of Five Hundred Dollars (\$500) per month will be assessed for indoor space, no greater than twenty (20) square feet that is occupied by equipment for use in telecommunications. A fee of One Thousand Dollars (\$1000) will be assessed for occupied indoor space that is greater than twenty (20) square feet.

Testimony made by Mr. Joe Garrido, a private citizen, showed his concern regarding the increase of lease rates at the Port. He was concerned that the increase in rates would translate into an increase in commodity rates that the people of Guam would have to pay for. He raised the question if there was an economic impact study done in regards to these new rates. He testified as a concerned citizen and was heard by the Committee.

Other concerns made by the Committee and the public regarding Bill 78 was taken into consideration and addressed as necessary. A provision was added to Bill 78 as substituted by the Committee, to address the Board's authority to set lease rates, provided that they would give sufficient notice to the lessees. Minor grammatical errors were also addressed.



**Bill 78 (COR) as substituted by the Committee on Utilities, Transportation, Public Works and Veterans Affairs** is duly reported to *I Liheslaturan Guåhan* with the recommendation **TO PASS.**







**PORT AUTHORITY OF GUAM**  
**ATURIDAT I PUEYTON GUAHAN**  
**Jose D. Leon Guerrero Commercial Port**  
**GOVERNMENT OF GUAM**

1026 Cabras Highway, Suite 201  
 Piti, Guam 96925



Telephone: (671) 477-5931/35

(671) 477-2683/85

Facsimile: (671) 477-2689/4445

Webpage: [www.portofguam.com](http://www.portofguam.com)

**ELIX P. CAMACHO**  
 Governor of Guam

**MICHAEL W. CRUZ**  
 Lieutenant Governor

February 23, 2009

The Honorable Judith T. Won Pat, Ed.D.  
 Speaker  
 Chairperson, Committee on Education  
 Thirtieth Guam Legislature  
 155 Hesler Street, Suite 201  
 Hagatna, Guam 96910

30-09-0279  
 Office of the Speaker  
 Judith T. Won Pat, Ed. D.  
 Date: 2/23/09  
 Time: 3:30  
 Received by: [Signature]

FEB 23 PM 3:31

Dear Speaker Won Pat,

Pursuant to 5 GCA Chapter 9 §9303, Administrative Adjudication Law, transmitted herewith is the Jose D. Leon Guerrero Commercial Port's proposed amended space lease rates for Office, Warehouse and Ground Spaces as well as the newly established fee structure for Telecommunications as adopted by the Board of Directors on January 22, 2009, henceforth approved by the Acting Governor Michael W. Cruz, MD on February 20, 2009.

Document of record is herewith enclosed for your disposition in accordance with 5 GCA §9303(c) which indicates that the rules shall be effective upon compliance with the provisions of the Act and ninety (90) calendar days have elapsed from the date of filing with the Legislative Secretary at which time the Guam Legislature may approve, disapprove or amend any rule within the ninety (90) calendar days from the date of filing with the Legislative Secretary.

Should you have any questions, please feel free to contact this office.

Respectfully,

[Signature]  
 GLENN A. LEON GUERRERO  
 General Manager

Enclosures: Approval by Acting Governor; Resolution No. 09-02; Economic Impact Statement; Summary Appraisal and Consulting Report; Summary of Testimony; Record of Minutes with Written Testimony

cc: Senator Tina R. Muna-Barnes, Legislative Secretary, 30<sup>th</sup> Guam Legislature  
 Senator Thomas C. Ada, Port Oversight Committee Chair  
 Corporate Services Manager, Port Authority  
 Commercial Manager, Port Authority  
 Financial Affairs Controller, Port Authority



**PORT AUTHORITY OF GUAM**  
**ATURIDAT I PUETTON GUAHAN**  
**Jose D. Leon Guerrero Commercial Port**  
**GOVERNMENT OF GUAM**

1026 Cabras Highway, Suite 201  
 Piti, Guam 96925



Telephone: (671) 477-5931/35

(671) 477-2683/85

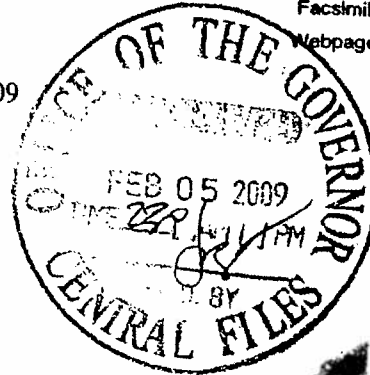
Facsimile: (671) 477-2889/4445

Webpage: www.portofguam.com

**FELIX P. CAMACHO**  
 Governor of Guam

**MICHAEL W. CRUZ**  
 Lieutenant Governor

February 5, 2009



The Honorable Felix P. Camacho  
 Governor of Guam  
 Office of the Governor  
 Ricardo J. Bordallo Governor's Complex  
 Adelup, Guam 96910

Dear Governor Camacho,

Pursuant to 5 GCA Chapter 9 §9303, Administrative Adjudication Law, transmitted herewith for your approval is the Jose D. Leon Guerrero Commercial Port's proposed amended space lease rates for Office, Warehouse and Ground Spaces as well as the newly established fee structure for Telecommunications as adopted by the Board of Directors on January 22, 2009.

In compliance with the Administrative Adjudication Law process, the Port Authority has produced an Economic Impact Statement in accordance with 5 GCA §9301(d)(i) and as reviewed by its Legal Counsel found that the evaluation satisfies the requirements of such section.

The Port Authority conducted a Public Hearing on December 9, 2008 of the Proposed Amended Space Lease Rates with its Legal Counsel serving as Hearing Officer.

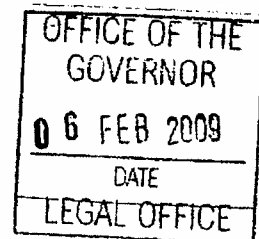
Documents attached include:

- a. Resolution No. 09-02
- b. Economic Impact Statement
- c. Summary Appraisal and Consulting Report
- d. Summary of Testimony
- e. Record of Minutes with Written Testimony

Should you have any questions, please do not hesitate to contact this office.

Sincerely,

GLENN A. LEON GUERRERO  
 General Manager



**Attachments**

cc: Senator Thomas C. Ada, Port Oversight Committee Chair  
 Corporate Services Manager  
 Commercial Manager  
 Port Marketing Administrator

**APPROVED:**

**DISAPPROVED:**

MIKE W. CRUZ, MD  
 GOVERNOR OF GUAM ACTING  
 DATE: 20 FEB 2009

CFD0209150

DATE:

**BOARD OF DIRECTORS**

**Resolution No. 09-02**

**Chairman:**

*Monte Mesa*

**Vice Chairperson:**

*Jovyna Lujan*

**Secretary:**

*Marilou Lacson*

**Members:**

*Joseph Camacho*



**RELATIVE TO APPROVING THE PROPOSED AMENDED SPACE LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACES AS WELL AS THE ESTABLISHMENT OF NEW FEE STRUCTURE FOR TELECOMMUNICATION RELATED FACILITY USERS**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM:**

WHEREAS, pursuant to 12 GCA §10104(j), the Port Board of Directors has the authority to fix all rates, deckage, rentals, tolls, pilotage, wharfage and charges for the use and occupation of the public facilities or appliances of the Port; and

WHEREAS, the Port Authority of Guam's existing rates for leases and rentals were adopted in 1988; and

WHEREAS, Section IX. Item 60. f. of the Port Authority of Guam's Terminal Tariff states in part that rates for lease or rental of any port facility or portion thereof, shall be established and published by the Port Authority Board of Directors, exclusive of the Terminal Tariff, in accordance with the provisions of the Administrative Adjudication Act; and

WHEREAS, in February 2008, the Port entered into an agreement for Real Estate Appraisal and Consulting Services to determine the fair market value of the Port's office, warehouse and ground spaces as well as determine the value of various Port telecommunications facilities; and

WHEREAS, on July 24, 2008, the Port Board of Directors approved staff recommendations to adopt proposed rates and authorized management to proceed with the process to implement the proposed lease and telecommunication rate structure; and

WHEREAS, the Port held a public hearing on December 9, 2008 as required by the Administrative Adjudication Act and received testimonies from the public which revealed no overwhelming opposition on the proposed increase to the fee schedule; and

WHEREAS, on January 22, 2009, the proposed amended lease rates for office, warehouse, and ground spaces as well as the newly established telecommunication related user fees was presented to the Board of Directors for review and consent; now therefore be it

RESOLVED, that the Board of Directors approve and adopt the Proposed Amended Space Lease Rates for Office, Warehouse, and Ground Spaces and the Newly established Telecommunication related user fees as such fees were presented before the Board on January 22, 2009; and be it further

RESOLVED, that the Proposed Amended Space Lease Rates for Office, Warehouse, Ground Spaces as well as the Newly established Telecommunication related user fees be forwarded to the *I Maga'lahaen Guahan* for approval and transmittal to the *Mina'Trenta Na Liheslaturan Guahan* in accordance with the Administrative Adjudication Act; and be it further

RESOLVED, that the Chairman certify to and the Secretary attest the adoption hereof and a copy of the resolution be transmitted to the *I Maga'lahaen Guahan* and Chairman of the Committee on Utilities, Transportation, Public Works and Veterans Affairs of the *Mina'Trenta Na Liheslaturan Guahan*.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS**

**THIS 22<sup>nd</sup> DAY OF January, 2009.**

**MONTE D. MESA  
CHAIRMAN, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**

**MARIA LOURDES S. LACSON  
SECRETARY, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**



10000 North Loop West, Suite 1000  
Houston, Texas 77037  
Tel: 713-865-1000  
Fax: 713-865-1001



Telephone: (713) 477-5931  
(713) 477-5931  
Facsimile: (713) 477-5931  
E-mail: [www.portofhouston.com](mailto:www.portofhouston.com)

FELIX P. C. MANCINO  
Director of ISM

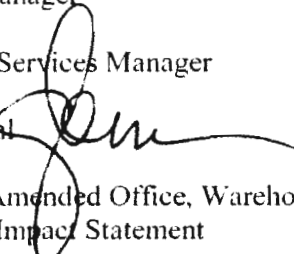
October 30, 2008

MICHELLE W. RUIZ  
Director of ISM

**MEMORANDUM**

TO: General Manager

VIA: Corporate Services Manager

FROM: Commercial 

SUBJECT: Proposed Amended Office, Warehouse, Open Yard & Telecommunication Space Rates;  
Economic Impact Statement

As you know, the Board of Directors approved staff recommendation to implement the new lease fee structure prepared by Captain, Hutapea & Associates on July 24, 2008, pursuant to process of the Administrative Adjudication Act. In doing so, the attached requisite Economic Impact Statement ("EIS") is hereby provided for your review.

It is requested that approval be given to forward the EIS to legal counsel so that we may schedule a public hearing as also required by the adjudication process. The hearing is necessary to afford our valued tenants as well as the general public, the opportunity to review and provide comment on the proposed fee increase.

As to process detail, this would involve a ten (10) day public notice, legal designation of a hearing officer and the selection of a site as well as schedule the date of the hearing. Also, no expenditure of funds is being contemplated at this time.

If you have any questions or may require further information, please contact the Commercial Division at 477-5931 ext 481 ~ 484. Thank you.

APPROVED / DISAPPROVED

  
GLENN A. LEON GUERRERO  
General Manager

Attachment (1)

CC: Corporate Services Manager  
Marketing Manager  
Commercial

## **I. INTRODUCTION**

5 GCA Chapter 9 § 9301 requires that any changes related to rules, regulations or fee increases are required to be accompanied by an economic impact statement at the time of submittal for review and approval by the Governor and the Legislature.

The economic impact statement shall address:

1. The purpose and the need for the rule or regulation;
2. The financial impact of the proposed rule or regulation;
3. Any potential increase or decrease in the cost of living on Guam;
4. Any direct or indirect impact upon employment on Guam;
5. Any increase or decrease in the cost of doing business as an enterprise or industry on Guam; and
6. Any adverse or beneficial economic impact which is attributable to the proposed rule or regulation.

Subsection 9301(j) exempts the requirement for an economic impact statement if the annual impact to the general public is less than \$500,000 as determined by an autonomous agency. This economic impact statement has been prepared in order to address any questions relating to economic impact that may arise, and in order to facilitate the passage of the Proposed Amended Port Authority of Guam's Office, Warehouse, Open Yard & Telecommunication Space Rates as adopted by the Port Authority Board of Directors on July 24, 2008.

## **II. BACKGROUND**

The existing lease fee structure was adopted in 1988. Since then no new rates have ever been adopted, the Port has been using these fees as adopted by the Board and pursuant to the Port's Terminal Tariff.

Section IX. Item 60. f.

Rates for lease or rental of any port facility or portion thereof, shall be established and published by the Port Authority Board of Directors, exclusive of the Terminal Tariff, in accordance with the provisions of the Administrative Adjudication Act. Any such lease or rental agreements in effect at the date of this tariff by the Board of Directors shall be continued in effect at the existing rates until expiration of such agreements, unless otherwise provided in the subject agreements.



Jose D. Leon Guerrero Commercial Port Authority of Guam  
Subject: Proposed Amended Office, Warehouse, Open Yard & Telecommunication Space Rates:  
Economic Impact Statement

---

Provided is a brief summary of how the lease rates have evolved throughout the years.

I. Prior to 1988:

Office: \$ 1.00 per ft<sup>2</sup>  
Warehouse: \$ 0.30 per ft<sup>2</sup>  
Ground: \$ 0.15 per ft<sup>2</sup>

II. 1988 – Board approved new base rates inclusive of 5% escalation every three years:

Office: \$ 1.30 per ft<sup>2</sup>  
Warehouse: \$ 0.50 per ft<sup>2</sup>  
Ground: \$ 0.35 per ft<sup>2</sup>

III. 1991 - Lease rate 5% escalation as established in 1988:

Office: \$ 1.37 per ft<sup>2</sup>  
Warehouse: \$ 0.53 per ft<sup>2</sup>  
Ground: \$ 0.37 per ft<sup>2</sup>

IV. Between 1994 to 1995, Chris Felix of Century 21 conducted a current market analysis of which is provided below. Although the former Board of Directors approved the rates on March 31, 1995 and forwarded same to the Governor on January 31, 1996, it was not approved as required by the Administrative Adjudication Act.

Office: \$ 1.45 – \$ 1.65 per sq ft<sup>2</sup> (Ground Floor)  
\$ 1.40 - \$ 1.60 per sq ft<sup>2</sup> (Upper Floors)  
Warehouse: \$ 0.85 - \$ 0.95 per sq ft<sup>2</sup>  
Office: \$ 0.30 - \$ 0.40 per sq ft<sup>2</sup>

The Commercial division took the opportunity to revisit the existing lease fee structure. The initiative was conceived based on the continued desire to make yet another attempt to have the fees comparable with present fair market values.

The Port issued RFP 07-010 for Real Estate Appraisal & Consulting Services and entered into a contract with Captain, Hutapea & Associates (CH&A) on February 4, 2008.

Soon thereafter, the Port had requested CH&A to perform the following:

- a. Fair market analysis of the Port's present day fee structure to determine possible rate increase and/or decrease for office, warehouse and ground leases to include the appropriate and applicable common area charges; and
- b. Determine the telecommunications (i.e., telecom support equipment, antennae, etc.) value of the Port administration, annex buildings and warehouses, including rooftops and recommendation to either implement license or lease agreement.

On June 13, 2008, CH&A provided their report with the following recommendations:

Type of Space	Benchmark Size (sf)	Market Rent Conclusion (\$/sf mo.)
Office	1,000	\$ 1.63
Warehouse	87	\$ 0.76
Open Yard	64	\$ 0.46
Telecom	37	\$ 500-\$1,000-month <sup>1</sup>

On June 19, 2008, the Port staff requested the Board to approve the proposed rates and to authorize management to proceed with the processes in implementing such rates through the Administrative Adjudication Act. Such recommendations were approved by the Board on July 24, 2008.

### III. EVALUATION OF ECONOMIC IMPACT

The current revenues received from 61 tenants with a total of 93 lease agreements is \$2.1M per annum. The total area leased is as follows:

Type of Space	Total (sf)
Office	20,491
Warehouse	56,479
Open Yard	119142
Telecom	18 <sup>2</sup>

The increased revenue to be received from current tenants is estimated at \$350,000 per year, not including the telecommunication leases. The Port is estimating that an additional \$100,000 will

---

<sup>1</sup> Rooftop Only: additional charges apply for office space if required.

<sup>2</sup> As to date, 16 Rooftop antennas and 2 interior telecom support equipment sites.

realized in revenues for the rooftop telecommunication leases. It is estimated that implementation of the proposed fees will result in a 20% increase in current revenues.

#### **IV. CONCLUSION**

Although the increase in fees appears substantial, the overall economic impact would be less than \$500,000. As there are only 61 tenants of the Port, the impact to the island-wide economy is minimal.

As stated above, 5 GCA Chapter 9 § 9301 (i) allows for exemptions to the requirement for an economic impact statement if “the annual economic impact to the general public is Five Hundred Thousand Dollars (\$500,000.00) or less, as determined by the department, agency, autonomous agency, office or instrumentality proposing the rule, change of rule, regulation or request to impose or raise fees.” The above serves as documentation for the exemption.

In order to expedite the processing of the Proposed Amended Port Authority of Guam’s Office, Warehouse, Open Yard & Telecommunication Space Rates, the following is provided in accordance with 5 GCA Chapter 9 § 9301.

1. The purpose and the need for the rule or regulation.

The existing lease rate fee structure is 20-years-old and is not reflective of the ever changing economic conditions and other factors that typically impact private sector market lease rents.

2. The financial impact of the proposed rule or regulation.

The financial impact will be minimal, affecting only tenants of the Port Authority of Guam.

3. Any potential increase or decrease in the cost of living on Guam.

No anticipated change in the cost of living in Guam.

4. Any direct or indirect impact upon employment on Guam.

No anticipated change in employment on Guam.

Summary Appraisal and Consulting Report

Regarding

Analysis of the Port Authority  
of Guam's Office, Warehouse, Open  
Yard and Telecommunication Spaces  
Piti, Island of Guam

For

Port Authority of Guam  
Piti, Guam

June 2008

# CAPTAIN, HUTAPEA & ASSOCIATES

June 13, 2008

Mr. Carlos H. Salas  
Interim General Manager  
Port Authority of Guam  
Jose D. Leon Guerrero Commercial Port  
1026 Cabras Highway, Suite 201  
Piti, Guam 96915

7/13/2008  
Port Authority of Guam  
General Manager's Office  
RECEIVED

Dear Mr. Salas:

**Subject: Final Summary Appraisal and Consulting Report Regarding Analysis of the Port Authority of Guam's Office, Warehouse, Open Yard and Telecommunication Spaces Located at Piti, Island of Guam**

In response to your request, we have completed this Summary Appraisal and Consulting Report. The Port Authority of Guam ("PAG") owns the fee simple interest in various office, warehouse, open yard and telecommunication spaces located at the Jose D. Leon Guerrero Commercial Port of Guam ("Port") or ("Commercial Port") in the Municipality of Piti, Island of Guam. The Commercial Port provides the people of Guam with ocean commerce, shipping, recreational and commercial boating as well as sea vessel navigation. PAG provides a critical role with a reported 90 percent of the day-to-day goods and supplies consumed by Guam residents passing through the Port. The Commercial Port became operational in 1969 and requires a significant modernization. The proposed \$15± billion military build-up on Guam through 2014 is expected to result in a massive increase in demand at the Commercial Port.

Most recently, an agreement between PAG and the U.S. Department of Transportation's Maritime Administration allows for federal assistance in the Port's efforts to upgrade and modernize the facilities. The Maritime Administration is the lead agency once the Legislature approves the 2007 Port Modernization Master Plan. The Master Plan calls for a wide range of upgrades and a preliminary capital cost estimate of \$193± million.

The Port Authority of Guam recently retained Captain, Hutapea & Associates, Inc. to complete appraisal and consulting work to include the analysis of PAG's present day fee structure to determine possible rate increases and/or decreases for office, warehouse and short term ground leases (open yard space), to include the appropriate and applicable common area charges and/or a modified gross rent conclusion (exclusive of power). PAG further requires us to determine the telecommunications (ie. telecom support equipment, antennae, and others) site market rent value of the Port Administration and Annex Buildings & Warehouses, including rooftops, and our recommendation as to the type of agreement to be implemented

agreement. You represent PAG in these matters and require an appraisal estimating the market rent of the fee simple interest in the subject properties for internal decision-making purposes. You further require consulting services regarding the application of benchmark rent conclusions, the impact of tenant improvements and other factors detailed herein.

Our assignment was to prepare a FIRREA-compliant Summary Appraisal and Consulting Report including our estimates of market rent for the fee simple interest in the subject properties. The function of this appraisal is to provide informed fee simple market rent conclusions, in addition to relevant supporting data, upon which internal decisions may be based. The function of our consulting work is to provide the client with guidance in the application of our rent conclusions. The intended users of our report include the client, its authorized representatives and any auditors or regulators that may be involved with oversight. This report is subject to the Assumptions and Limiting Conditions contained in a following section. The effective date of this appraisal is May 6, 2008, the date of inspection by the appraiser/consultant.

Based on our research and analyses completed, subject to the Assumptions and Limiting Conditions stated in this report, assuming typical lease terms, average conditions and benchmark space sizes, our conclusions are summarized as follows.

Summary of Conclusions Table

<u>Type of Space</u>	<u>Benchmark Size (sf)</u>	<u>Market Rent Conclusion (\$/sf/mo.)</u>
Office	1,000	\$1.63
Warehouse	3,400	\$0.76
Open Space	N/A	\$0.46
Telecom	N/A	\$500-\$1,000 per month <sup>1</sup>

Our benchmark conclusions assume lease terms that are typical in the marketplace and are subject to our assumptions and limiting conditions contained herein. Benchmark market rent conclusions may have somewhat limited direct application considering that additional factors may justify the negotiation of rent at levels higher or lower than the benchmarks. The application of a benchmark market rent conclusion across a wide range of space types and sizes is not typical in the market place. It is advised that the client seek reasonable leeway with the negotiation of rents with tenants. It is advisable that our benchmark conclusions are considered in light of specific circumstances including the following.

<sup>1</sup> Rooftop only; additional charges apply for office space if required.

#### Benchmark Application Factors

- Lease Term
- Tenant Improvements
- Type of Space Leased
- Size of Space Leased

The typical lease term for an industrial tenant is three to five years. The length of lease term is typically negotiated and factors considered include lessee relocation expenses, time/distance relationships, business preferences and other factors. Longer lease terms may apply if a tenant invests substantially in build-out, installation of specialized fixed improvements (possibly including cold storage areas and other upgrades). It is unusual for industrial landlords in the private sector to maintain tenancy on a month-to-month basis. This situation may arise if landlords seek a rental increase and tenants are unable to incur additional expenses under a fixed term scenario.

Tenant improvements may also be considered by a landlord negotiating the lease of vacant industrial space. Tenants may incur significant expense in improving a leased premises with fixed improvements including office space, cold storage and other upgrades. Tenant improvements that are not fixed improvements or are of minimal desirability to alternate tenants may not justify a negotiated rental discount considering that the landlord benefits are minimized under this scenario. Tenant improvements that the landlord will eventually benefit from may be considered by landlords on a cost/amortization basis, which partially allows tenants to recover the cost of investment.

The type of space leased is another factor that should be considered by an industrial landlord. The current PAG practice of allocating warehouse space at one rent level and interior office space (within the warehouse) at another rent level is not typically reflected in the wider marketplace, particularly if the tenant is responsible for the cost of the improvements. If the industrial space leased benefits from additional improvements such as office, cold storage or other upgrades, the rent charged by the landlord may include a premium for these attributes (assuming such premium is justified in marketplace).

The size of space leased is an additional factor that is typically considered by industrial landlords in the marketplace. Typically, the overall unit rate rent charged (most commonly \$ per square foot per month) would decline for spaces that are larger than the typical size in the marketplace. Size adjustments can vary widely, and it would not be unusual to see very large space tenants paying unit rates that are less than half of that reflected by an unusually small sized space tenant. Preliminary size adjustment tables that may be considered by the landlord are included within this report.

Real estate market conditions on Guam have recently been characterized by strong demand, substantial foreign investment and increasing prices. Economic conditions are relatively flat, but speculation has soared since the late 2005 announcement that 8,000 Marines will relocate from Okinawa to Guam by 2014 and additional Navy, Air Force and Army expansions are proposed. Since 2003, sales activity, median prices and the number of transactions has increased significantly. Demand for industrial property has increased and peak demand is anticipated during the 2010 to 2013 period of maximum military construction activity on Guam.

Details regarding our research and analyses are contained in the body of this report. An Executive Summary is contained in a following section. W. Nicholas Captain, MAI, CRE, FRICS has completed numerous appraisals and consulting reports regarding market rent studies on Guam and he is competent to complete this report.

The undersigned hereby certifies that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or a direction in value that favors the cause of the client, the amount of the value opinion, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of the loan;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice;
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I made a personal inspection of the subject property;
- as of the date of this report, W. Nicholas Captain, MAI, CRE, FRICS has completed the requirements of the continuing education program of the Appraisal Institute; and,



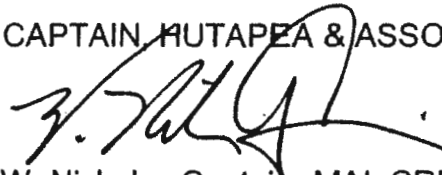
Mr. Carlos H. Salas  
June 13, 2008  
Page 5

- Siska S. Hutapea, MAI, MRE provided various real property appraisal and consulting assistance to the person signing this report.

Thank you for the opportunity to complete this real estate appraisal and consulting assignment for you.

Sincerely,

CAPTAIN HUTAPEA & ASSOCIATES



W. Nicholas Captain, MAI, CRE, FRICS  
President

Guam Certified Appraiser  
License No. CA-07-017  
Certificate Expires 02/06/09

WNC/mjp

**PORT AUTHORITY OF GUAM**  
**Proposed Amended Space Lease Rates**

On Tuesday, December 9, 2008, a public hearing was conducted by Mr. Joaquin Cruz, Deputy General Manager, on the proposed amended space lease rates. Mr. Cruz convened the meeting at 2:05 p.m. in the Port Authority Board of Director's conference room. Present for the Port were Vivian Leon, Rebecca Santo Tomas, Glenn Nelson, Doris Sanchez, Rita Carbullido, Marylyne Pecina and Joann Conway.

The Deputy Manager began the hearing with a brief history of efforts and events leading up to the hearing related to adopting new rental rates.

On December 2007, the Port Authority contracted Captain, Hutapea & Associates to conduct a Real Estate Appraisal and Consulting Services to provide the Port with a new rent schedule that is consistent with the real estate economic conditions. This report was completed on June 13, 2008.

**SUMMARY OF TESTIMONY**

1. **Dan Swavely**, representing Fung Li Fisheries gave an oral testimony but stated he will be submitting written testimony but went on to state that the rental revisions are understandable but that the Board should not just accept the proposal by Captain, Hutapea & Associates. "Even their study recommends that the Board use discretion in the amounts that are being recommended and I would see the need for discretion in these areas." "The nature of the warehouse office space available at the Port is unlike that anywhere else on Guam and so it's very difficult to draw up a similarity between office space in Harmon or Tiyan for instance and reflect it here at the Port." His client has "...no other alternatives available to clients like my own in the fishing industries, that there is no competition on Guam that really sets the market place fee rate, we can only go here." Mr. Swavely also stated the "...conventional lease terms and conditions that exist in other places on Guam or private real estate are not replicated here at the Port". "While we have request for landlord improvements received and somewhat processed for the most part, those improvements fall on the tenants responsibility to undertake in terms of what needs to be done, getting bids, arranging for it, paying for it, financing and then eventually getting a rebate back on their rent, that doesn't happen in other places." Lastly Mr. Swavely stated that he "...would like the Board to consider that fact that there's been a lot of market place speculation with respect to the military buildup on Guam and all the supplemental growth that's supposedly going to occur – that has served to in my mind artificially inflate the value of everything on Guam." He goes on to state that it "occurred primarily at the time when this appraisal took place or the data was collected." He would like the "Board to use its discretion is to understand that the snapshot used by Captain here for Guam's economy and prices in his report were at the height in my mind, the height of the speculation of the buildup that's to come..." and thinks "the market place has since last summer reacted significantly to

reduce the prices and the appraised values of all real estate including warehouse real estate that is appraised here.”

2. Mike Abraham, representing Paradise Aqua located at the Family Beach area asked “what’s the current rate now and the proposed increased” as he is unsure. Glen Nelson responded that in Paradise Aqua’s case, the rate is from \$0.37 to \$0.46 per square foot. Mr. Abraham asked if it has already taken effect. He was informed it hasn’t.
3. Patrick Doromal, representing Marianas Steamship gave an oral testimony and stated they “understand that the rates have not been increased for 15 years.” He went on to state that the company has started here 11 years ago but “if you’re going to increase the rate for the lease, would that be also on your part to ensure the safety of the office – inside and outside of the office?” Mr. Doromal went on to indicate that they have been informed by Department of Public Works that the stairs and fire escape is unsafe and “not to be used actually” and the liability of someone getting injured. He indicated that “two or three customers almost fell down the stairways...” He hopes that if the rates are increased that “the corresponding responsibility also to make sure that the safety of the office – inside and outside, should be also taken into consideration as well.”
4. Ren Mabesa, representing Mobil Oil Guam, requested verification on Page 3, Section III, Evaluation of Environmental Impact that says “Open Yard” if “....that’s the total that you guys are leasing out right now, 119,142 square feet...” Glen Nelson responded by stating that the “rate actually applies to those areas within the greater Port compound to include under the eaves, sorts of that nature. The Open Space on the outside are not factored into that equation.” Mr. Mabesa wanted to find out how this affects their lease “...because our lease is extended every ten years” and “...that the lease states that at the time that we do the extension, we come to term of agreement on what the new term is going to be.” He asked if “are those rates going to be this now or are they going to be based on something else?” He stated it was something they wanted aware of but doesn’t need an answer now. Mr. Mabesa went on to state that “...your comment here that is a 20 percent increase does not apply to us, it’s more like a 700 percent increase.” He also stated that “....if we get forced under this lease agreement or these rates, that other companies under the same type of lease agreements also treated fairly because right now we don’t have the same exact rates with everybody. He went to say that “if we do apply to this and we do get all of sudden the 700 percent increase in our rate..... that we will have infrastructure repairs because right now we’re having problems with the power pressuring...” Lastly, Mr. Mabesa commented that he “....not everybody’s lease comes up at the same time, so for example, my lease comes up let’s say in three years and somebody else’s lease doesn’t come up for another five years, and theirs doesn’t get revisited until there comes us, and we’re applied to this 700 percent increase – you now put us at a economic disadvantage because they are going to paying a lease let’s say 15 years ago and I’ll be paying a lease current and then now in competition they’ll be at an advantage....”

5. Two written testimonials were submitted within the allotted ten (10) day period of record.
- a. Tyco Telecommunications letter to GM dated 12.14.08, agreed that a rate increase is warranted; however preliminary cost analysis associated with recent build out costs amounting \$250K did not factor a 43% increase in lease fees. Further, Mr. David Hoard suggested that the Port spread increase out over multiple years, at least 2 -3 years as well as that the Port should offer longer term leases, up to five years, instead of the month to month we currently have in place.
  - b. Fung Li Fisheries (Guam) Inc. letter to GM dated 12.15.08, written testimony reflects oral testimony provided by Mr. Dan Swavely. In addition, he does not have objection to the methodology and conclusions by CH&A regarding benchmark rates; however, he asks that the same credibility be extended to CH&A concurrent advice in its report that PAG seek reasonable leeway with the negotiations of those benchmark rents with its tenants by citing the following four conditions which should affect PAG's negotiation of rents. They are lease term, tenant improvements, type of space leased and size of space leased. Further, he implies that the "leeway" suggested by CH&A is a downward adjustment from the proposed benchmark rates, and that CH&A's proposed benchmark rates be viewed by PAG as the maximum possible amount.

He further offered the following three additional provisos for PAG to consider regarding the final revised lease rate. There are no Guam comparables for PAG shoreside facilities, so the benchmark rates lack competitive values; CH&A appraisal was conducted during a period when Guam real estate in general was over valued as result of the announced military buildup; and PAG should not use this opportunity to "catch up" for 18 years of inaction since current rates were enacted in 1991.

Finally, he requests that PAG approve new rental rates at an increase of no than 3% per year for each of the next three years, after which another appraisal should be conducted.

#### **FINDINGS**

- No overwhelming opposition either oral or written made on the matter of need for a proposed increase to the open space rate schedule.
- After much consideration, it is the position of staff that no change to the working recommendations will be necessary. This stated due the fact that many of the issues presented were related to facility conditions, present Port practice and the lack of Port business sense to routinely revisit its lease rate structure.
- Much at issue can and will be addressed by Management of which the appropriate authority will be duly vested, rate implementation will be subject only to the favorable consent by both the Governor and the Guam Legislature.

## RECOMMENDATION

1. It is recommended that you approve the Proposed Amended Lease Space Rates in present draft form and consent to further this matter to the Governor of Guam and 30<sup>th</sup> Guam Legislature for the final approvals: and
2. Board action requiring Management to draft policy related to the establishment and implementation of new space lease rates every two years.



**ELIX P. CAMACHO**  
Governor of Guam

**MICHAEL W. CRUZ**  
Lieutenant Governor

**PORT AUTHORITY OF GUAM**  
**ATURIDAT I PUETTON GUAHAN**  
**Jose D. Leon Guerrero Commercial Port**  
**GOVERNMENT OF GUAM**

1026 Cabras Highway, Suite 201  
Piti, Guam 96925



Telephone: (671) 477-5931/35

(671) 477-2683/85

Facsimile: (671) 477-2689/4445

Webpage: [www.portofguam.com](http://www.portofguam.com)

**COMMERCIAL PROPOSED RATE INCREASE**  
**PUBLIC HEARING**  
(Office, Warehouse, Ground Spaces, Telecommunication)  
Port Authority Board Conference Room - Piti  
**Tuesday, December 9, 2008**  
2:00 p.m.

**AGENDA**

- I. CALL TO ORDER
- II. INTRODUCTION
  - Joaquin P. Cruz, Deputy General Manager
  - Attorney Rebecca Santo-Tomas, Hearing Officer
- III. PUBLIC COMMENT PERIOD
- IV. ADJOURNMENT

---

Each speaker during the public comment period will be allotted five minutes for a presentation. Written testimony (include name) may be submitted online to [www.webmaster@portofguam.com](mailto:www.webmaster@portofguam.com) or at the General Manager's office located at 1026 Cabras Highway, Suite 201, Piti, Guam. Deadline submission is **December 19, 2008** at 5:00 p.m.

December 9, 2008  
2:00 pm

GOVERNMENT OF GUAM  
ATURIDAT I PUETTON GUAHAN  
Jose D. Leon Guerrero Commercial Port  
GOVERNMENT OF GUAM

1026 Cabras Highway, Suite 201, Piti, Guam 96925

**PUBLIC HEARING:** Proposed increases in lease rates of office, warehouse and ground spaces, as well as the establishment of new fee structures for telecommunication (i.e. telecom support equipment, antennae, and others) related facility users.

**LOCATION:** Board of Directors Conference Room

	NAME (PRINT)	Initial	Telephone Number(s)	Email Address
1	STUBBS TIC	X	472-0558	
2	JOHN MULLER	X	688-8029	
3	CELIL LEWIS	X	477-6817/8	claw@telecommunications.guam.gov.gu
4	THOMAS WELLS	X	721-6003	Tom@telecommunications.guam.gov.gu
5	WILLIAM ABRAHAM	X	492-1800	william@telecommunications.guam.gov.gu
6	DAVID PEREZ	X	472-1109	perez@telecommunications.guam.gov.gu
7	JOHN GILBERT	X	688-2216	john@telecommunications.guam.gov.gu
8	JOHN MORGAN	X	687-9897	john@telecommunications.guam.gov.gu
9	HILLO HUNG	X	688-6657	h.hung@telecommunications.guam.gov.gu
10	LUCY WILLIAMS	X	477-8120	lucy@telecommunications.guam.gov.gu
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				



**PORT AUTHORITY OF GUAM  
 ATURIDAT I PUETTON GUAHAN  
 Jose D. Leon Guerrero Commercial Port  
 GOVERNMENT OF GUAM**

1026 Cabras Highway, Suite 201  
 Piti, Guam 96925



Telephone: (671) 477-5931/35

(671) 477-2683/85

Facsimile: (671) 477-2889/4445

Webpage: www.portofguam.com

**FELIX P. CAMACHO**  
 Governor of Guam

**MICHAEL W. CRUZ**  
 Lieutenant Governor

**COMMERCIAL PROPOSED RATE INCREASE  
 PUBLIC HEARING**  
 (Office, Warehouse, Ground Spaces, Telecommunication)  
 Port Authority Board Conference Room - Piti  
**Tuesday, December 9, 2008**  
 2:00 p.m.

**I. CALL TO ORDER**

The Public Hearing for the Commercial Proposed Rate Increase was called to order at 2:05 p.m., Tuesday, December 9, 2008. Present at the meeting were:

- Joaquin P. Cruz, Deputy General Manager
- Vivian C. Leon, Corporate Services Manager
- Glenn B. Nelson, Commercial Manager
- Doris Sanchez, Commercial Division
- Rita Carbullido, Commercial Division
- Marylyne Pecina, Commercial Division
- Joann Conway, Finance Division
- Atty. Rebecca Santo-Tomas, Legal Counsel (Hearing Officer)

Also present were Robert Ho, Dan Swavely, Eric Lewis, Tomonohi Saeki, Patrick Doromal, Ray Cruz, Ren Mabesa, Hilo Hsueh, Eucy Villanueva.

**II. INTRODUCTION -** Joaquin P. Cruz, Deputy General Manager  
 Attorney Rebecca Santo-Tomas, Hearing Officer

**Joaquin P. Cruz, Deputy General Manager** - Buenas! I'm Joaquin Cruz, Deputy General Manager of the Jose D. Leon Guerrero Commercial Port. I would like to thank all of you for attending today's public hearing for the proposed amended Office, Warehouse, Open Yard & Telecommunication Space Rates.

Just to give you a little history of this undertaking, the Port made several attempts to adopt new rental rates over the years but for one reason or another, have not been able to do so.

The Commercial Division took the opportunity to revisit the existing lease fee structure that is over fifteen years old. This initiative was conceived based on the continued desire to make yet



another attempt to have the fees comparable with present term market values. In the earlier part of this year, the Port sought the services of a Real Estate Appraiser to revisit our rental rates. In doing so, Mr. Nick Captain was contracted by the Port to determine the new rent schedule consistent with the ever changing real estate economic conditions. He completed the report on June 13, 2008.

The following is a brief summary of his findings.

1. The Office rate of \$1.37 per square foot is proposed for increase to \$1.63 per square foot;
2. The Warehouse rate of \$0.53 per square foot is proposed to increase to \$0.76 per square foot;
3. The Open Space rate of \$0.37 per square foot is proposed to increase to \$0.46 per square foot; and
4. Proposed Newly established Telecommunication rate for Telecom support equipment storage, rooftop antennas, etc... of \$500 - \$1,000 per month for rooftops and recommendation for a higher charge for sites within Port buildings.

On June 19, 2008, the Port staff requested the Board to approve the proposed rate structure as well as authorization for management to proceed with the process to implement the proposed rates through the Administrative Adjudication Act. Board approval was given on July 24, 2008.

In doing so, today's hearing is yet another step that is required to further this matter.

Here with me today to answer any questions you may have are Glenn B. Nelson, Commercial Manager; Atty. Rebecca Santo-Tomas, Legal Counsel (Hearing Officer). With that, I now turn the floor over to Ms. Santo-Tomas. Thank you.

**Atty. Rebecca Santo-Tomas, Legal Counsel (Hearing Officer)** - We are holding this public hearing in accordance with the Administrative Adjudication Law which is 5 GCA Section 9100 and those that follow. As Mr. Cruz stated, we have put forth the proposed changes to the Board who did adopt it and we published notice of the proposed changes in both the Pacific Daily News and the Marianas Variety on November 28, 2008. Since that time, copies of the proposed changes have been available for public review at the Commercial Division office and as well on the Port's website. And this hearing today is to take public comments on the proposed changes. I believe the procedure for doing so is that we've asked people to sign-in first. If you'd like to make public comments, we'll take them in the order of sign-in. And thereafter, if anybody whose written comments on the proposed changes, they can submit those comments and this is on the agenda, to the [www.webmaster@portofguam.com](mailto:www.webmaster@portofguam.com) and we will be taking written comments until December 19, 2008 at 500 p.m. Any questions, procedurally.

**Ren Mabesa** – Commenting here verbally will preclude you from commenting later on in written.

**Hearing Officer** – I don't believe so, you can submit in both forms. Any other questions?

**III. PUBLIC COMMENT PERIOD** *(Roll call was made based on the sign-in sheet for those who wish to make public comment.)*

**Hearing Officer** – We are recording the proceedings if you have a comment that you'd like to make, we ask that you sit at the table.

**Robert Ho** – No comments.

**Commercial Manager** – Mr. Ho, again, that ten day period of record does exist to submit written testimony, so if you're not ready to make a comment today, you could write it, then submit it.

**Dan Swavely** – My name is Dan Swavely and I'm appearing here on behalf of my client Fung Li Fisheries who has been a long term tenant at the Port. I will submit written testimony, in general though what I'd like to say is this. - The need for revising fees, tenant fees, lease amounts like this is understandable. I think however that the Board should not just accept the proposal by Captain Hutapea & Associates. Even their study recommends that the Board use discretion in the amounts that are being recommended and I would see the need for discretion in these areas:

1. The nature of the warehouse office space available at the Port is unlike that anywhere else on Guam and so it's very difficult to draw up a similarity between office space in Harmon or Tiyan for instance and reflect it here at the Port. It's because there are no other alternatives available to clients like my own in the Fishing Industry, that there is no competition on Guam that really sets the market place fee rate – we can only go here. So, I believe the Board needs to use that kind of captured market in its discretion to set a final rate if it is going to be changed.
2. Secondly, the conventional lease terms and conditions that exist in other places on Guam or private real estate are not replicated here at the Port. We work on a month-to-month basis for the most part. We do not have any permanence of the continuity for short terminus of the continuity of our leases. While we have request for landlord improvements received and somewhat processed for the most part, those improvements fall on the tenants responsibility to undertake in terms of what needs to be done, getting bids, arranging for it, paying for it, financing and then eventually getting a rebate back on their rent, that doesn't happen in other places. So, there's another area that I think discretion that the Board should take with respect to that.
3. Lastly, I would like the Board to consider the fact that there's been a lot of market place speculation with respect to the military buildup on Guam and all the supplemental growth that's supposedly going to occur – that has served to in my mind artificially inflate the value of everything on Guam. And that occurred primarily at the time when this appraisal took place or the data was collected. Even six months ago, if you look at market place prices six months ago from today, you can see there's a decrease today. So the third area I'd like the Board to use its discretion is to understand that the snapshot used by Captain here for Guam's economy and the prices in his report were at the height in my mind, the height of the speculation of the buildup that's to come – which will come, but I think the market place has since last summer reacted

significantly to reduce the prices and the appraised values of all real estate including warehouse real estate that is appraised here. Those are my three request for the Board's discretion and final determination for revised rates.

**Eric Lewis** – No comments.

**Tomonohi Saeki** – No comments.

**Mike Abraham** – Thank you. We represent Paradise Aqua, we're down at the family area – Family Beach. Our question is – What's the current rate now and the proposed increase. We're not quite sure on this.

**Commercial Manager** – In your particular case it would be from \$0.37 to \$0.46 per square foot.

**Mr. Abraham** – That's already taken effect.

**Commercial Manager** – No, not yet sir, that's why we're here.

**Mr. Abraham** – Oh okay. That's all we have.

**Patrick Doromal** – I am representing Marianas Steamship tenant. Our office is upstairs. We do understand that the rates have not been increased for 15 years. On our part because our company started here 11 years ago. My comment is if you're going to increase the rate for the lease, would that be also on your part to ensure the safety of the office – inside and outside of the office. Because my problem right now is we have working with the Port Authority regarding the safety of our office – especially the fire escape and the stairs. We have been working on that with you guys for two years already. As a matter of fact we have received a letter from Department of Public Works on the stairs – it's not safe, it's unsafe – not to be used actually. And we have been working with you guys already for several weeks and then a lot of delays. So if you're going to increase this I hope that you have to ensure also the safety of the office – inside and outside. So please do look into that as soon as possible because we got already I think two or three customers almost fell down the stairways and that's a big, big liability for us, for you guys, so it has to be removed. So I hope that if you increase the rates, the corresponding responsibility also to make sure that the safety of the office – inside and outside, should be also taken into consideration as well. We do understand that you need also to increase the rates – they're reasonable rates, but don't forget your responsibility as well. Thank you.

**Commercial Manager** – Mr. Doromal, I would like to get with you offline. There have been recent events I believe a week or two ago, but after the meeting if you have a minute.

**Mr. Doromal** – Yes, I would appreciate that, thank you.

**Ray Cruz** – No comments.

**Ren Mabesa** – Before I start I have a quick question though if that's okay. On page 3, Section III of your document, I just want a verification for your 'Evaluation of Environmental Impact'

where it says 'Open Yard' on that table – am I to understand that that's the total that you guys are leasing out right now – 119,142 square feet – is that correct?

**Commercial Manager** – Yes, but let me put things in perspective. That rate actually applies to those areas within the greater Port compound to include under the eaves, sorts of that nature. The Open Space on the outside are not factored into that equation.

**Mr. Mabesa** – Okay, so our office space doesn't fall under this.

**Commercial Manager** – No it doesn't. You guys actually have a separate document that will not be impacted by this action. You have a ninety year agreement with us.

**Mr. Mabesa** – However, the reason I ask this question is because *[interrupted]*

**Hearing Officer** – Mr. Mabesa, I'm sorry, we are recording, could I just clarify, I wasn't sure if you said who were speaking on behalf of.

**Mr. Mabesa** – I'm sorry. My name is Ren Mabesa and I represent Mobil Oil Guam. Now that the question is over, my comments begin. First, again we do have a lease with you, I wanted to see how this affects us because our lease extended every ten years. However, in the lease it states that at the time that we do the extension, we come to term of agreement on what the new term is going to be. So let's say I'm extending again in the next two years or whatever, we meet with the Port Authority and we decide what the rates are going to be. Are those rates going to be this now or are they going to be based on something else. That's one question that we need to be aware of, but we're not there yet, so I don't need the answer now. Second thing is - if it's going to be based on this I need you to understand that your comment here that is a 20 percent increase does not apply to us, it's more like a 700 percent increase. So understand to us – the 20 percent is a really a big number – not 20 percent. And that being the case, if we do follow this lease schedule, we'd also like to ensure that we are not the only ones under this type of lease agreement, so that if we get forced under this lease agreement or these rates, that other companies under the same type of lease agreements also treated fairly because right now we don't have the same exact rates with everybody. If you look at ours versus the company across the street from us or these guys that in the room, I don't think we're getting the same for Open Space amounts. That being said, if we do apply to this and we do get all of sudden the 700 percent increase in our rate, we are also expecting like the gentlemen before me, that we will have infrastructure repairs because right now we're having problems with the power pressuring – you're aware of that. So we expect that the money that we're going to be putting in will be used for those as well. So we can't see our rates increase, but then services still stays where there at. That's another thing. And the final comment I wanted to make was that not everybody's lease comes up at the same time, so for example, my lease comes up let's say in three years and somebody else's lease doesn't come up for another five years, and theirs doesn't get revisited until there's comes us, and we're applied to this 700 increase - you now put us at a economic disadvantage because they are going to paying a lease let's say 15 years ago and I'll be paying a lease current and then now in competition they'll be at an advantage, so just wanted to make sure

that you are aware of that and those are the issues that we have. But this does not preclude us from submitting written testimony.

**Hearing Officer** – Everybody has an opportunity until December 19, 2008.

**Hilo Hsueh** – No comments.

**Eucy Villanueva** – No comments.

**Hearing Officer** – We've actually reached the bottom of the sign-up list. Is there anybody else with any comments at this time. Okay. We won't actually force you to come up at this time, you do have until the 19<sup>th</sup> (December) to submit any comments.

#### **IV. ADJOURNMENT**

**Hearing Officer** - Again, the website at which you can submit your comments, the address is on the bottom of the agenda, please do take a copy. We will be considering all comments pursuant to the Administrative Adjudication Law when we make our final decision on whether or not to pursue with the proposed changes. If there are no other comments at this time we are going to close this hearing. Thank you everybody for your attendance and your comments.

Public Hearing adjourned at 2:30 p.m.

**tyco**

*Telecommunications*

December 14, 2008

General Manager  
Port Authority of Guam  
1026 Cabras Highway  
Piti, Guam 96915

Dear Mr. Guerrero

I am writing in response to the proposed rate increase for leased space in the Port Authority of Guam's property. You have done well in outlining the history of the rate structure of PAG and I must agree a rate increase is warranted. However, a 43% increase after yearly budgets have been set presents a certain amount of required explanations to my CFO. Actually after investing at least \$250,000.00 in capital improvements we are in no position to walk away over a 43% increase.

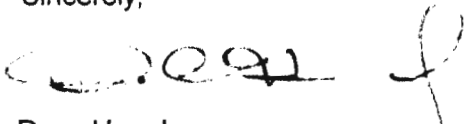
I only offer two suggestions that may make this large increase more palatable to tenants and /or their corporate officers:

1. Spread the increase out over multi-years, at least two or three years.
2. Offer tenants a long term lease agreement, up to five years, instead of the month to month we currently have in place

I thank you for the opportunity to comment on the proposal and look forward to a long relationship with Port Authority of Guam.

Should you have any questions please feel free to contact me at (503)329-8977 or e-mail at [dhoard@tycotelecom.com](mailto:dhoard@tycotelecom.com).

Sincerely,



Dave Hoard  
Senior Manager



## Fung Li Fisheries (Guam) Inc.

Address: 1026 Cabras Hwy #300  
Piti, Guam 96925 USA  
Tel: ( 671 ) 475-7502~4 Fax: 472-4247

December 15, 2008

Mr. Glenn A. Leon Guerrero, General Manager  
Port Authority of Guam  
Government of Guam  
1026 Cabras Highway, Suite 201  
Piti, Guam 96925

Subject: PAG Proposed Amended Office, Warehouse Open Yard & Telecommunications  
Space Lease Rates

Re: Written testimony following public hearing on December 9, 2008

Hafa Adai Mr. Leon Guerrero,

Thank you for this opportunity to testify about the proposed increase in lease rates at the Port Authority of Guam. This written testimony reflects my oral testimony at the public hearing on December 09 on behalf of Fung Li Fisheries, a long time PAG tenant.

Everyone recognizes the need to review real property lease rates in conjunction with current market values, and PAG is expected to maintain rates which are reasonable and responsive to Guam's market. Further, I believe that PAG tenants appreciate the selection of Captain, Hutapea & Associates ("CH&A") to conduct an appraisal of the Port's office, warehouse, and open yard & telecommunication spaces, as that firm's credentials are unsurpassed on Guam.

We have no objection to the methodology and conclusions by CH&A regarding benchmark rates. However, we ask that the same credibility be extended to CH&A's concurrent advice in its report that PAG seek reasonable leeway with the negotiation of those benchmark rents with its tenants (CH&A Summary Appraisal to Carlos H. Salas dated June 13, 2008, page 2, last paragraph). CH&A expands on the reasons for PAG to extend reasonable leeway from the benchmark rates by citing the following four conditions which should affect PAG's negotiation of rents.

1. Lease term. Industrial leases are typically three to five years in term; whereas PAG's leases are month-to-month.
2. Tenant improvements. Credit for tenant improvements (either those improvements inherited but need to be removed and/or those improvements needed to be constructed for new business operations) are not considered by PAG in setting its rental rates.
3. Type of space leased. Commercial marketplace rates do not typically distinguish between one rate for warehouse space and another rate for office space within the warehouse; yet this is PAG's practice.
4. Size of space leased. Industrial landlords typically reduce the "per sq. ft." rate for larger leased areas; however, PAG has one rate regardless of the size of the area being leased.

Please note that in the context of each of these four conditions, CH&A makes the case that PAG leased areas as well as PAG lease conditions are atypical to the Guam market from which the proposed benchmark rates were derived. Therefore, I imply that the "leeway" suggested by CH&A is a downward adjustment from the proposed benchmark rates, and that CH&A's proposed benchmark lease rates be viewed by PAG as the maximum possible amount.

The remaining challenge for PAG, therefore, would be to determine a fair, downward adjustment from the CH&A proposed benchmark rates.

Additionally, in making that determination, we offer three additional provisos for PAG to consider regarding the final revised lease rates.

1. There are no Guam comparables for PAG shore side facilities, so the benchmark lease rates lack competitive values

Inasmuch as PAG has the only commercial shore side leasable real estate on Guam, we don't have any comparable rates from which to draw a true comparison. Consequently, benchmark lease rates proposed by CH&A cannot fairly compare the PAG warehouse facilities in the absence of other identical and competitive real estate.

Also, in addition to the lack of commercially comparable rates for shore side facilities, PAG carries a public service mission to support vital economic development that is shore side dependent. Take, for example, the case of tuna fishing and transport. The Government has already approved economic development plans which identify tuna fishing and transport as a viable industry



for the economic development of the Territory. Yet such an industry is impossible to support without attendant shore side facilities, which are available only at the PAG. Consequently, a strict application of commercial benchmark rates to PAG leasable areas is contraindicative to the Territory's overall economic well being.

2. The CH&A appraisal was conducted during a period when Guam real estate in general was over-valued as a result of the announced military build-up.

Historical data since the second quarter of 2008 when CH&A conducted its appraisal have shown that property values and transactions overall have since dropped across the board. This trend is most recently tracked by the November 2008 "Captain Real Estate Newsletter" in which it is reported that year to date real estate sales volume (as one example of real estate value) is down by 41 percent vs. 2007 figures. Consequently, the market snapshot by CH&A in the second quarter of 2008 is not reflective of the year as a whole. In fairness, we note that CH&A was not charged with forecasting market trends, only an appraisal during the second quarter 2008 study period.

The dissimilarity between market conditions today compared to those which existed during the appraisal study period confirm that the proposed benchmark rates are too high for today's circumstances. I'm certain it is unnecessary to elaborate on the negative effect being inflicted by the global financial crisis upon PAG's tenants who must compete in today's international marketplace.

3. PAG should not use this opportunity to "catch-up" for 18 years of inaction since the current rates were enacted in 1991.

We note that the current rates were enacted in 1991, and this proposal is viewed as an opportunity for PAG to catch-up for early two decades of rent rate inactivity. That justification does not conform to good business practices, as all PAG Board members who own or manage a private business can well understand. The case could be similarly made that a decrease in PAG rental rates was justified during those periods since 1991 in which rental rates universally declined throughout the island. Instead of playing catch-up, therefore, we recommend that PAG undertake a program of routine rental rate appraisals, say every three years, followed by PAG adjustments accordingly, rather than using this current rate review as a correction factor for the past (or next) 18 years.

In recap, we see the need for judicious PAG Board discretion in setting the revised rental rates for the reasons advised by CH&A and further supplemented by the observations and justifications in this letter. In addition to reforms in PAG lease conditions which address lease terms, tenant improvements, type of space leased, and size of space leased, we request that PAG approve new rental rates at an increase of no

Letter to G. Leon Guerrero, PAG General Manager  
Subject: PAG Proposed Amended Lease Rates  
Re: Written testimony following public hearing  
December 15, 2008  
Page 4

more than 3% per year for each of the next three years, after which another appraisal should be conducted.

Thank you for this opportunity to be heard, and we are grateful for the progressive management style of both PAG's Board and management.

Respectfully,

s. *Dan Swavely*

Daniel D. Swavely  
Representative, Fung Li Fisheries

Buenas! Today, I offer testimony on behalf of the Jose D. Leon Guerrero Commercial Port of Guam to support Bill 78. I'm Glenn Leon Guerrero, the General Manager of the Port.

I would like to thank the Committee on Utilities, Transportation, Public Works and Veteran Affairs for the opportunity to express my full support for Bill No. 78 introduced by The Honorable Chairman Tom C. Ada.

Guam's lone commercial and publicly held seaport is without a doubt the lifeline of the island. In fact, it is common knowledge that more than ninety percent of all goods on Guam come through our facility.

This has been the case for nearly 40 years and throughout our brief history the Port did little to modernize and upgrade its cargo handling and receiving facilities.

The Port was a product of the last great military buildup and as we all know, we are embarking on what is arguably an even greater military buildup. It has been nearly three years since the announcement was made that a sizable contingency of U.S. Marines will be relocated to Guam with relocation costs projected to exceed \$15B.

It is, to some, another proud, patriotic and notable moment in our young history. Fact remains that Guam is a critical component to our nation's regional defense posture, a strategic location in the midst of or within close proximity to ongoing and potential conflicts.

It is also during these times that the Port will be challenged to be the single most vital local component to support the activity associated with not only the ever increasing local demand for goods and products but also for the military buildup.

To do this, we have prepared an ambitious master plan to assist in preparing and guiding us through these unprecedented and exiting times. There is much required of us and Bill 78 is small but important step in this process.

The purpose of Bill 78 is to adopt the proposed amended lease rates for office, warehouse and ground space as well as the newly established fee structure for telecommunications at the Port of Guam.

It is a product of staff initiative intended to tactfully revisit the rate structure in compliance with and guided by the Administrative Adjudication Act to accomplish the following.

- 1] to attain rent levels at or near market; and
- 2] Set precedence for proposed policy that will prevent potential for future huge increases after years of administrative neglect.

The Port's existing lease fee structure is over twenty years old. The Port had made several attempts to revisit its' lease fee structure over the years but for some reason or another it failed to do so.

In the earlier part of last year, the Port sought the services of a Real Estate Appraiser to revisit our rental rates.

In doing so, the Port contracted Mr. Nick Captain of Captain, Hutapea & Associates, to determine the new rent schedule consistent with the ever changing real estate economic conditions. The report was completed on June 13, 2008.

The following is a brief summary of his findings:

1. The Office rate of \$1.37/ft<sup>2</sup> is proposed for increase to \$1.63/ft<sup>2</sup> (+19%);
2. The Warehouse rate of \$0.53/ft<sup>2</sup> is proposed to increase to \$0.76/ft<sup>2</sup> (+43%);
3. The Open Space rate of \$0.37/ft<sup>2</sup> is proposed to increase to \$0.46/ft<sup>2</sup> (+24%); and
4. Proposed Newly established Telecommunication rate for Telecom support equipment storage, rooftop antennas, etc... of \$500 - \$1,000 per month for rooftops and an recommendation for a higher charge for sites within Port buildings.

On June 19, 2008, Port staff requested the Board to approve the proposed rate structure as well as the authorization for management to proceed with the process to implement the proposed rates as required by the Administrative Adjudication Act. Board approval was given on July 24, 2008 and the required public hearing was held on December 9, 2008, with due notice to the general public and our valued tenants.

On January 22, 2009, the Board approved and adopted the Proposed Amended Lease Rates. Soon after, Acting Governor Mike Cruz also approved the proposed rule and rate change on February 20, 2009.

With almost a year having passed since staff initially taking on this task, the product of our effort is now before you today in the form of Bill 78 and yes, it is simply the means to increase our rental rates.

For twenty years the Port has been collecting on rents that did not determine nor reflect the true value of its properties. Worst yet, the Port continued to place itself at an economic disadvantage when challenged to meet the costs of its' corresponding leasing responsibilities.

The only responsible justification for this proposed action is that it remains the Port's obligation to bring its' lease fee structure to market level for the sake of investments, upgrades and to achieve a greater level of fiscal responsibility.

Once again, thank you for allowing me the opportunity to support Bill 78. We remain hopeful and look forward to your favorable approval of Bill 78.

March 23, 2009

Senator Thomas C. Ada  
Mina' Trenta Na Liheslaturan Guåhan  
Ada Plaza Center, Suite 207  
173 Aspinall Avenue  
Hagåtña, Guam 96910

Dear Senator Ada:

Subject: Bill No. 78, An Act to Adopt the Proposed Amended Lease Rates

My name is Siska S. Hutapea, Vice President of Captain, Hutapea & Associates. The Port Authority of Guam recently retained Captain, Hutapea & Associates, Inc. to complete appraisal and consulting work to include the analysis of PAG's present day fee structure to determine possible rate increases and/or decreases for office, warehouse and short term ground leases (open yard space), to include the appropriate and applicable common area charges and/or a modified gross rent conclusion (exclusive of power). PAG further requires us to determine the telecommunications (ie. telecom support equipment, antennae, and others) site market rent value of the Port Administration and Annex Buildings & Warehouses, including rooftops, and our recommendation as to the type of agreement to be implemented agreement. We completed the Summary Appraisal and Consulting Report Regarding Analysis of the Port Authority of Guam's Office, Warehouse, Open Yard and Telecommunication Spaces and our report dated June 13, 2008 was submitted.

It is important to note that we are not advocates for the Port's position. We are paid to complete independent third party analyses which would have also been provided had we been hired by the companies that pay the Port. The current rent schedule was set prior to 1991 and these rents, as shown in our report, are not accurate indicators of market rent.

Our assignment was to prepare a Summary Appraisal and Consulting Report including our estimates of market rent for the fee simple interest in the subject properties. The function of the appraisal is to provide informed fee simple market rent conclusions, in addition to relevant supporting data, upon which internal decisions may be based. The function of our consulting work is to provide the client with guidance in the application of our rent conclusions, the impact of tenant improvements and other factors detailed in the report.

Based on our research and analyses completed, subject to the Assumptions and Limiting Conditions stated in the report, assuming typical lease terms, average conditions and benchmark space sizes, our conclusions are summarized as follows.

Summary of Conclusions Table

<u>Type of Space</u>	<u>Benchmark Size (sf)</u>	<u>Market Rent Conclusion (\$/sf/mo.)</u>
Office	1,000	\$1.63
Warehouse	3,400	\$0.76
Open Space	N/A	\$0.46
Telecom	N/A	\$500-\$1,000 <u>per month</u> <sup>1</sup>

Our benchmark conclusions assume lease terms that are typical in the marketplace and are subject to our assumptions and limiting conditions contained in the report. Benchmark market rent conclusions may have somewhat limited direct application considering that additional factors may justify the negotiation of rent at levels higher or lower than the benchmarks. The application of a benchmark market rent conclusion across a wide range of space types and sizes is not typical in the market place. It is advised that the client seek reasonable leeway with the negotiation of rents with tenants. It is advisable that our benchmark conclusions are considered in light of specific circumstances including the following.

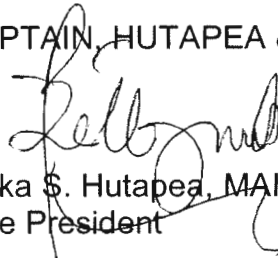
Benchmark Application Factors

- Lease Term
- Tenant Improvements
- Type of Space Leased
- Size of Space Leased

A detailed analyses are included in our June 13, 2008 report.

Sincerely,

CAPTAIN HUTAPEA & ASSOCIATES



Siska S. Hutapea, MAI, MRE  
Vice President

WNC/mjp

<sup>1</sup> Rooftop only; additional charges apply for office space if required.



MINA' TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) REGULAR SESSION

Bill No. 78  
As Substituted by the  
Committee on Utilities,  
Transportation, Public Works, and Veterans Affairs

Introduced by:

T.C. Ada  

---

**AN ACT TO ADOPT THE PROPOSED AMENDED LEASE  
RATES FOR OFFICE, WAREHOUSE AND GROUND  
SPACE AS WELL AS THE NEWLY ESTABLISHED FEE  
STRUCTURE FOR TELECOMMUNICATIONS AT THE  
JOSE D. LEON GUERRERO COMMERCIAL PORT OF  
GUAM (PAG).**

**BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

**Section 1. Legislative intent.** The Jose D. Leon Guerrero Commercial Port of Guam

("Port") owns interest in various office, warehouse, open yard and telecommunication spaces located at the Jose D. Leon Guerrero Commercial Port of Guam in the municipality of Piti, Island of Guam. The current lease rate fee structure was established in 1988, twenty (20) years ago and is not reflective of the changes in economic conditions and factors that typically impact private sector market lease rents.

**Section 2.** Notwithstanding any provision of law, *I Liheslaturan Guåhan* hereby approves the rates for the leasing of Port property as adopted by the Board of Directors through PAG Resolution 09-02 dated January 22, 2009 and concurred to by the Acting Governor Michael W. Cruz, MD. on February 20, 2009. The rates approved by this Act are as follows:

Type of Space	Approved Rate (\$/sf/mo)
Office	1.63
Warehouse	0.76
Open Yard	0.46
Telecom	500-1,000 per month

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

**Section3. Telecommunication Lease Rates.**

Telecommunication lease rates will apply to any space used for the mounting or installation of telecommunications or transmission antennas, structures or equipment, including but not limited to the following :

- a. Small roof space: A fee of Five Hundred Dollars (\$500) per month will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that requires a footprint no greater than six (6) square feet and maximum height of ten (10) feet;
- b. Large roof space: A fee of Seven Hundred and Fifty Dollars (\$750) per month will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that requires a footprint greater than six (6) square feet and/or a height greater than ten (10) feet;
- c. Ground rate: A fee of One Thousand Dollars (\$1000) will be assessed to the lessee for the installation and/or mounting of an individual structure and/or equipment that has a height greater than four (4) feet; in addition to the ground rate, any and all applicable standard open space rates will also be assessed for the square footage leased for the safe installation of the structure;

1 d. Communication closets: A fee of Five Hundred Dollars (\$500) per month will be  
2 assessed for indoor space, no greater than twenty (20) square feet that is occupied by  
3 equipment for use in telecommunications. A fee of One Thousand Dollars (\$1000)  
4 will be assessed for occupied indoor space that is greater than twenty (20) square feet.

5 Prior to installation of any telecommunications or transmission equipment, all installation  
6 plans must be reviewed and approved by the General Manager of the Port Authority of Guam.

7 **Section 4. Setting Facility Lease and Use Rates.**

8 At a minimum once every three years the port shall conduct assessments of the value of  
9 port real properties and other related facilities. Such assessments shall be conducted no later than  
10 the second quarter of the fiscal year commencing on the third fiscal year after enactment of this  
11 act.


12 Prior to the start of the fiscal year next succeeding the property evaluation, the Board of  
13 Directors shall set lease rates at a ten percent (10%) increase over the previously charged rate, or  
14 the amount determined by the recent assessment, which ever is greater. The rates set by the  
15 Board shall be the minimum amount charged by the Port for the leasing and use of Port property.

16 Notwithstanding any other provisions of law, the Port shall provide sixty (60) days prior  
17 notice to the public and to existing Port tenants of any lease and use rate adjustments. Upon  
18 expiration of this notice period and adoption of lease and use rates by the Board of Directors of  
19 the Port, the lease and use rates set by the Board shall become effective immediately. Changes  
20 in lease and use rates shall apply to all new leases and use agreements and those existing leases  
21 and use agreements subject to adjustment of lease and use rates.

MINA' TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) REGULAR SESSION

Bill No. 78(COR)

Introduced by:

T.C. Ada 

2009 MAR 13 PM 2:25 MC

**AN ACT TO ADOPT THE PROPOSED AMENDED LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACE AS WELL AS THE NEWLY ESTABLISHED FEE STRUCTURE FOR TELECOMMUNICATIONS AT THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM (PAG).**

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2

3 **Section 1. Legislative intent.** The PAG owns the fee simple interest in various office,  
4 warehouse, open yard and telecommunication spaces located at the Jose D. Leon Guerrero  
5 Commercial Port of Guam in the municipality of Piti, Island of Guam. The existing lease rate  
6 fee structure is twenty (20) years old and is not reflective of the ever changing economic  
7 conditions and other factors that typically impact private sector market lease rents.

8 **Section 2.** Notwithstanding any provision of law, *Liheslaturan Guåhan* hereby  
9 approves the rates as adopted by the Board of Directors through PAG Resolution 09-02 dated  
10 January 22, 2009 and concurred to by the Acting Governor Michael W. Cruz, MD. on February  
11 20, 2009. The rates approved by this Act are as follows:

12

Type of Space	Benchmark Size (SF)	Approved Rate (\$/sf/mo)
Office	1,000	1.63
Warehouse	87	0.76
Open Yard	64	0.46
Telecom	37	500-1,000

13



# COMMITTEE ON RULES

*I Mina'Trenta na Liheslaturan Guåhan* • 30th Guam Legislature

155 Hesler Place, Hagatña, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

2009 MAR 13 PM 3:09m

**SENATOR  
RORY J.  
RESPICIO  
CHAIRPERSON**

March 13, 2009

**SENATOR  
Judith P. Guthertz  
VICE  
CHAIRPERSON**

Memorandum


**MAJORITY  
MEMBERS:**

To: Clerk of the Legislature  
*I Mina'Trenta Na Liheslaturan Guåhan*

**Judith T. Won Pat  
SPEAKER**

Attorney Therese M. Terlaje, Legislative Legal Counsel  
*I Mina'Trenta Na Liheslaturan Guåhan*

**Benjamin J. F. Cruz  
VICE SPEAKER**

From: Senator Rory J. Respicio   
Chairperson, Committee on Rules  
*I Mina'Trenta Na Liheslaturan Guåhan*

**Tina Rose Muña Barnes  
LEGISLATIVE SECRETARY**

Subject: Referral of Bill No. 78(COR)

**Thomas C. Ada  
SENATOR**

As Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 78(COR).

**Frank B. Aguon, Jr.  
SENATOR**

Please ensure that the subject Bill is referred, in my name, to the respective Chairperson, as shown on the attachment. I am also requesting that the same be forwarded to all Senators of *I Mina'Trenta Na Liheslaturan Guåhan*.

**Adolpho B. Palacios, Sr.  
SENATOR**

**Vicente C. Pangelinan  
SENATOR**

Should you have any questions, please contact Elaine Tajalle or Stephanie Mendiola from my office.

**Matthew Rector  
SENATOR**

*Si Yu'os Ma'åse.*

**MINORITY  
MEMBERS:**

*Attachment*

**Frank F. Blas, Jr.  
SENATOR**

**James V. Espaldon  
SENATOR**

Bill/Resolution Introduction/Referral

Bill	Sponsor	Description	Date Introduced	Date Referred	Committee Referred
78(COR)	T.C. Ada	An act to adopt the proposed amended lease rates for office, warehouse and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).	3/13/09	3/13/09	Committee on Utilities, Transportation, Public Works, and Veterans Affairs

## **Notices of Public Hearing**



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

### AGENDA

#### COMMITTEE ON UTILITIES, TRANSPORTATION, PUBLIC WORKS, AND VETERANS AFFAIRS

##### Public Hearing

March 23, 2009, 9:00 am and 5:30 pm

Public Hearing Room, *I Liheslatura*

The following Bills will be heard by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs;

9:00 am

**Bill No. 78 (COR)** – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

9:30 am

**Bill No. 73 (LS)** – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

5:30 pm

*Additional hearing on*

**Bill No. 73 (LS)** – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.





## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • *I Mina' Trenta Na Liheslaturan Guahan*

March 17, 2009

### MEMORANDUM

To: All Senators

From: Senator Thomas C. Ada,  
Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Public Hearing Notice: March 23, 2009 at 9:00 am and 5:30 pm**  
**Agenda: Bills 78 and 73.**

3/17/09  
8:45  
T.C. Ada

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing on March 23, 2009 at 9:00 am and 5:30 pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*.

#### On the agenda:

##### 9:00 am

##### Bill No. 78 (COR) – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

##### 5:30 pm

##### Bill No. 73 (LS) – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office should you have any questions or concerns.

*Sj Yu'os Ma'ase.*

Thomas C. Ada

cc: Clerk of the Legislature  
Sergeant of Arms and Protocol



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • *I Mina' Trenta Na Liheslaturan Guahan*

March 17, 2009

### MEMORANDUM

To: All Media

From: Senator Thomas C. Ada,  
Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Public Hearing Notice: March 23, 2009 at 9:00 am and 5:30 pm**  
**Agenda: Bills 78 and 73.**

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guahan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

**9:00 am**

**Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**5:30 pm**

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office should you have any questions or concerns.

Si Yu'os Ma'ase,

Thomas C. Ada

# WorkCentre 7232 Broadcast Report

GS ID

6714723203

Date Time: 03/17/2009 02:27PM

Page: 1 (Last Page)

Local Name  
Logo

SENATOR THOMAS ADA

Document Size: 8,571175EP



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature - *I Mina' Trenta Na Liheslaturan Guåhan*

March 17, 2009

### MEMORANDUM

To: All Media

From: Senator Thomas C. Ada,  
Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Public Hearing Notice: March 23, 2009 at 9:00 am and 5:30 pm**  
**Agenda: Bills 78 and 73.**

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

#### 9:00 am

##### Bill No. 78 (COR) - T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### 5:30 pm

##### Bill No. 73 (LS) - Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office should you have any questions or concerns.

Si Yu'os Ma'ase,  
  
Thomas C. Ada

Ada Plaza Center, Ste. 207 - 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: [Tom@SenatorAda.org](mailto:Tom@SenatorAda.org)

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1557	KUAM	3-17: 2:19PM	15s	1	SG3 BC	BC	CP
2	1557	Pacific Daily News	2:20PM	29s	1	ECM BC	BC	CP
3	1557	Marianas Variety	2:22PM	17s	1	SG3 BC	BC	CP
4	1557	K-Stereo	2:22PM	29s	1	ECM BC	BC	CP
5	1557	Pacific News Centr	2:24PM	0s	-	G3 BC	BC	EH
6	1557	Hit Radio	2:25PM	15s	1	SG3 BC	BC	CP
7	1557	K-57	2:26PM	14s	1	SG3 BC	BC	CP

Note:  
RE: Resend      ME: Send to Mailbox      BC: Broadcast      MP: Multi Polling      RV: Remote Service  
PG: Polling      RB: Relay Broadcast      RS: Relay Send      BF: Box Fa. Forward      CP: Completed  
SA: Send Again      EH: Engaged      AS: Auto Send      TM: Terminated



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30 - Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

**March 23, 2009 at 9:00 am and 5:30 pm**  
**Public Hearing Room, *I Liheslaturan Guåhan***

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

**9:00 am**

**Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**5:30 pm**

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

# WorkCentre 7232 Broadcast Report

GS ID

6714733303

Date Time: 03/17/2009 02:47 PM

Page: 1 (Last Page)

Local Name  
Logo

SENATOR THOMAS ADA

Document Size: 8.5 x 11" SEF



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature - *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

March 23, 2009 at 9:00 am and 5:30 pm  
Public Hearing Room, *I Liheslaturan Guåhan*

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

#### 9:00 am

#### Bill No. 78 (COR) – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### 5:30 pm

#### Bill No. 73 (LS) – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: [Tom@SenatorAda.org](mailto:Tom@SenatorAda.org)

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1562	KUAM	3-17: 2:38PM	17s	1	I SG3 BC		CP
2	1562	Pacific Daily News	2:39PM	30s	1	I ECM BC		CP
3	1562	Marianas Variet.	2:41PM	22s	1	I SG3 BC		CP
4	1562	Pacific News Centr	2:42PM	0s	-	I G3 BC		EII
5	1562	Hit Radio	2:45PM	15s	1	I SG3 BC		CP
6	1562	K-57	2:46PM	15s	1	I SG3 BC		CP
7	1562	K-Stereo	2:46PM	0s	-	I G3 BC		EII

#### Note:

RE: Resend MB: Send to Mailbox BC: Broadcast MP: Multi Polling RV: Remote Service  
 PG: Polling RB: Relay Broadcast RS: Relay Send BF: Bo. Fax Forward CP: Completed  
 SA: Send Again EII: Engaged AS: Auto Send TM: Terminated

# WorkCentre 7232 Broadcast Report

GS ID

6714733303

Date Time: 03/18/2009 03:18PM

Page: 1

Local Name  
Logo

SENATOR THOMAS ADA

Document Size: 8.5 x 11" SEF



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

March 23, 2009 at 9:00 am and 5:30 pm  
Public Hearing Room, *I Liheslaturan Guåhan*

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslaturan*.

On the agenda:

#### 9:00 am

##### Bill No. 78 (COR) – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### 5:30 pm

##### Bill No. 73 (LS) – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78** (until **March 25, 2009**) and for **Bill 73** (until **April 2, 2009**). Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: [Tom@SenatorAda.org](mailto:Tom@SenatorAda.org)

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1586	671	3-18: 3:00PM	18s	1	1	SG3 BC	CF
2	1586	6474866	3:00PM	43s	1	1	ECM BC	CF
3	1586	6496178	3:02PM	15s	1	1	SG3 BC	CF
4	1586	671	3:02PM	18s	1	1	SG3 BC	CF
5	1586	671 472 1917	3:03PM	31s	1	1	ECM BC	CF
6	1586	671 6461321	3:07PM	21s	1	1	SG3 EC	CF
7	1586	4772689	3:09PM	40s	1	1	ECM BC	CF
8	1586	6714724247	3:11PM	32s	1	1	ECM BC	CF

# WorkCentre 7232 Broadcast Report

63 ID

6714733303

Date Time: 03/20/2009 01:44PM

Page: 1 (Last Page)

Local Name  
Logo

SENATOR THOMAS ADA

Document Size 9.5x11" SEF



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

March 19, 2009

### MEMORANDUM

To: All Media  
From: Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs  
Subject: **Amended Schedule - Public Hearing For Bill 73 (Water For The People Act)**

Requests have been received by the Committee to provide an **additional public hearing opportunity** for Bill 73, in addition to the hearing that is scheduled for 5:30pm on Monday, March 23, Public Hearing Room, Guam Legislature.

Hence, The Committee will be conducting an additional hearing at **9:30am, Monday, March 23, 2009** at the Public Hearing Room, Guam Legislature, for the Consolidated Commission on Utilities (CCU), the Guam Waterworks Authority (GWA), the Chamorro Land Trust Commission (CLTC), the Chamber of Commerce, and anyone from the general public interested in providing oral and written testimony.

The public hearing originally scheduled for 5:30pm, Mon, March 23, will still be held at that time to receive additional testimony from members of the public who may not be able to attend the morning hearing. Please also see the attached memo for the revised, complete agenda.

Si Yu'os Ma'ase,

Thomas C. Ada

attachments: revised agenda (1)

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: Tom@SenatorAda.org • www.SenatorAda.org

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1666	KUAM	3-20 1:36PM	24s	2	SG2 BC		CP
2	1666	Pacific Daily News	1:37PM	43s	2	ECM BC		CP
3	1666	Marianas Variety	1:39PM	25s	2	SG3 BC		CP
4	1666	Pacific News Centr	1:40PM	0s	-	G3 BC		EH
5	1666	K-Stereo	1:41PM	46s	2	ECM BC		CP
6	1666	Hit Radio	1:43PM	21s	2	SG3 BC		CP
7	1666	K-57	1:44PM	21s	2	SG3 BC		CP

Note:  
RE: Resend      ME: Send to Mailbox      BC: Broadcast      MP: Multi Polling      RV: Remote Service  
FG: Polling      RB: Relay Broadcast      RS: Relay Send      BF: Box Fax Forward      CP: Completed  
SA: Send Again      EH: Engaged      AS: Auto Send      TM: Terminated



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
301 Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

**March 23, 2009 convening at 9:00 am and 5:30 pm**  
**Public Hearing Room, *I Liheslaturan Guåhan***

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

#### **9:00 am**

##### **Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### **9:30 am**

##### **Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

#### **5:30 pm**

*Additional hearing on*

##### **Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78** (until **March 25, 2009**) and for **Bill 73** (until **April 2, 2009**). Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.



# WorkCentre 7232 Broadcast Report

03 10

8714733303

Date Time: 03/19/2009 01:20PM

Page: 1

Local Name  
Logo

SENATOR THOMAS ADA

Document Size: 9,5X11"SEF



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature - *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

**March 23, 2009 convening at 9:00 am and 5:30 pm**  
**Public Hearing Room, 1 Liheslaturan Guåhan**

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

#### 9:00 am

##### **Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### 9:30 am

##### **Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

#### 5:30 pm

##### *Additional hearing on*

##### **Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: Tom@SenatorAda.org

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1604	671	3-19-12:54PM	19s	1	1	SG3 BC	CP
2	1604	6474866	12:55PM	47s	1	1	ECM BC	CP
3	1604	6496178	12:56PM	16s	1	1	SG3 BC	CP
4	1604	671	12:57PM	19s	1	1	SG2 BC	CP
5	1604	+6714776788	12:58PM	17s	1	1	SG3 BC	CP
6	1604	671 472 1917	12:59PM	23s	1	1	ECM BC	CP
7	1604	6716462335	1:00PM	19s	1	1	SG3 BC	CP
8	1604	671 6461221	1:01PM	16s	1	1	SG3 BC	CP



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

March 19, 2009

### MEMORANDUM

To: All Senators

From: Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works and Veterans Affairs

Subject: **Amended Schedule - Public Hearing For Bill 73 (Water For The People Act)**

Requests have been received by the Committee to provide an **additional public hearing opportunity** for Bill 73, in addition to the hearing that is scheduled for 5:30pm on Monday, March 23, Public Hearing Room, Guam Legislature.

Hence, The Committee will be conducting an additional hearing at **9:30am, Monday, March 23, 2009** at the Public Hearing Room, Guam Legislature, for the Consolidated Commission on Utilities (CCU), the Guam Waterworks Authority (GWA), the Chamorro Land Trust Commission (CLTC), the Chamber of Commerce, and anyone from the general public interested in providing oral and written testimony.

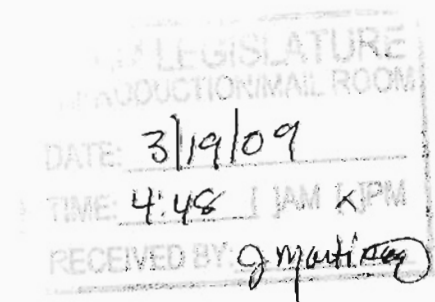
The public hearing originally scheduled for 5:30pm, Mon, March 23, will still be held at that time to receive additional testimony from members of the public who may not be able to attend the morning hearing. Please also see the attached memo for the revised, complete agenda.

Si Yu'os Ma'ase,

Thomas C. Ada

cc: Clerk of the Legislature  
Sergeant of Arms and Protocol

attachments: revised agenda (1)





## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • I Mina' Trenta Na Liheslaturan Guåhan

### AMENDED PUBLIC HEARING NOTICE

March 23, 2009 convening at 9:00 am and 5:30 pm  
Public Hearing Room, *I Liheslaturan Guåhan*

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

**9:00 am**

**Bill No. 78 (COR)** – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**9:30 am**

**Bill No. 73 (LS)** – M.J. Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

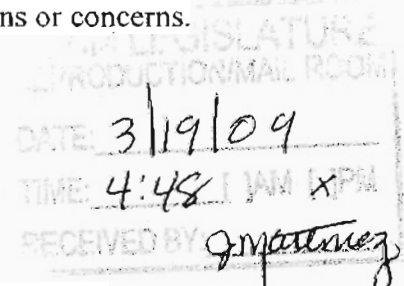
**5:30 pm**

*Additional hearing on*

**Bill No. 73 (LS)** – M.J. Rector

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.





Senator Tom Ada

Cyrus Luhr &lt;cyrus@senatorada.org&gt;

## Public Hearing - March 23 - Bills 73 and 78

Cyrus Luhr &lt;cyrus@senatorada.org&gt;

Thu, Mar 19, 2009 at 2:00 PM

Bcc: leasantos@hotmail.com, amiller@ambyth.guam.net, gdavid@ambyth.guam.net, fjsantos@seabridgeguam.com, Gordon Lowe <gordon.lowe@fe.navy.mil>, Hugh Healey <hhealey@horizonlines.com>, Jay Sunga <ajsunga@senatorada.org>, Ken Constantino <ken\_constantino@mariana-express-guam.com>, Len Isotoff <lisotoff@matson.com>, Major Derwin Moody <derwin.moody@guam.navy.mil>, "Paul L. Blas" <plblas@seabridgeguam.com>, Tom Dillon <tdillon@matson.com>, Margret Katsuren <mdkatsuren@portofguam.com>, "Richard P. Quiambao" <richard.quiambao@guamcc.edu>, gca@ite.net, "Lawrence 'Larry' P. Perez" <zerepyrral@yahoo.com>, morrison@guam.net, frances.cepada@clb.guam.gov, Joseph Manibusan <jmanibus@mail.gov.gu>, "Joseph C. Manibusan" <Joseph.Manibusan@doa.guam.gov>, info@guampuc.com, leno@guamwaterworks.org, gpagm@ite.net, gdcmgr@ite.net, lorilee.crisostomo@guamepa.net, jrojas\_ghc@yahoo.com, deandrade@fe.navy.mil, ccp@ite.net, henry\_al@giccguam.com, jetans@onwardguam.com, glengng@portguam.com, dds@guam.net, elewis@atlantissubmarines.com, ren.mabesa@exxonmobil.com, hilohsueh@aol.com, tblaz@guameda.net, Anthony Blaz <tblaz@investguam.com>, chairman@guamchamber.com.gu, rleddy@guamchamber.com.gu, Tom Ada <tom@senatorada.org>

Hafa Adai,

The Committee on Utilities, Transportation, Public Works and Veterans Affairs will be holding a Public Hearing on Bills 73 and 78 on March 23rd. We believe your organization may be interested in attending and/or submitting testimony on one of these bills.


Please see the attached pdf document regarding the upcoming Public Hearing on Bills 73 and 78. Additionally, copies of each of these bills are attached to this email.


If you have any questions or concerns, or difficulty opening the documents, please contact me at Cyrus@SenatorAda.org.


Sincerely,  
Cyrus

---  
Cyrus Luhr  
Staff Analyst  
Office of Senator Thomas C. Ada  
I Mina' Trenta na Liheslaturan Guåhan - 30th Guam Legislature

### 3 attachments

 **Public Hearing - March 23.pdf**  
47K

 **Bill No. 073 (LS).pdf**  
168K

 **Bill No. 078 (COR).pdf**  
35K

---



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

**March 23, 2009 convening at 9:00 am and 5:30 pm**  
**Public Hearing Room, *I Liheslaturan Guåhan***

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

**9:00 am**

**Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**9:30 am**

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

**5:30 pm**

*Additional hearing on*

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

# WorkCentre 7232 Broadcast Report

G3 ID: 6714733303 Date/Time: 03/18/2009 03:18PM Page: 1

Local Name: SENATOR THOMAS ADA  
Logo:

Document Size: 8.5x11" SEF



**Senator Thomas C. Ada**  
CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature - *I Mina' Trenta Na Liheslaturan Guåhan*

**PUBLIC HEARING NOTICE**  
March 23, 2009 at 9:00 am and 5:30 pm  
Public Hearing Room, *I Liheslaturan Guåhan*

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslaturan*.

On the agenda:

**9:00 am**  
**Bill No. 78 (COR)** – T.C. Ada  
An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**5:30 pm**  
**Bill No. 73 (LS)** – Matt Rector  
An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

Ada Plaza Center, Ste. 207 - 173 Aspinall Avenue - Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: [Tom@SenatorAda.org](mailto:Tom@SenatorAda.org)

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1586	671	3-18 3:00PM	18s	1	1	SG3 BC	CP -
2	1586	6474866	3:00PM	43s	1	1	ECM BC	CP -
3	1586	6496178	3:02PM	15s	1	1	SG3 BC	CP -
4	1586	671	3:02PM	18s	1	1	SG3 BC	CP -
5	1586	671 472 1917	3:03PM	31s	1	1	ECM BC	CP -
6	1586	671 6461321	3:07PM	21s	1	1	SG3 BC	CP -
7	1586	4772689	3:09PM	40s	1	1	ECM BC	CP -
8	1586	6714724247	3:11PM	32s	1	1	ECM BC	CP -







## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
301 Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### **PUBLIC HEARING NOTICE** **March 23, 2009 at 9:00 am and 5:30 pm** **Public Hearing Room, *I Liheslaturan Guåhan***

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

#### **9:00 am**

##### **Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### **5:30 pm**

##### **Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

# WorkCentre 7232 Broadcast Report

63 ID

6714733303

Date/Time: 03/19/2009:01:20PM

Page: 1

Local Name  
Logo

SENATOR THOMAS ADA

Document Size: 8.5x11"SEF



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature - *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

March 23, 2009 convening at 9:00 am and 5:30 pm  
Public Hearing Room, *I Liheslaturan Guåhan*

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslaturan*.

On the agenda:

#### 9:00 am

##### Bill No. 78 (COR) – T.C. Ada

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

#### 9:30 am

##### Bill No. 73 (LS) – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

#### 5:30 pm

##### Additional hearing on

##### Bill No. 73 (LS) – Matt Rector

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

The Committee will continue to accept written or electronic testimonies for **Bill 78 (until March 25, 2009)** and for **Bill 73 (until April 2, 2009)**. Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

Ada Plaza Center, Ste. 207 • 173 Aspinall Avenue • Hagåtña, Guam 96910  
Phone: (671) 473-3301 • Fax: (671) 473-3303 • Email: Tom@SenatorAda.org

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
1	1604	671	3-19; 12:54PM	19s	1	1	SG3 BC	CP
2	1604	6474866	12:56PM	47s	1	1	ECM BC	CP
3	1604	6496178	12:56PM	16s	1	1	SG3 BC	CP
4	1604	671	12:57PM	19s	1	1	SG3 BC	CP
5	1604	+6714776788	12:58PM	17s	1	1	SG3 BC	CP
6	1604	671 472 1917	12:59PM	33s	1	1	ECM BC	CP
7	1604	6716462335	1:00PM	19s	1	1	SG3 BC	CP
8	1604	671 6461321	1:01PM	16s	1	1	SG3 BC	CP





## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
30<sup>th</sup> Guam Legislature • *I Mina' Trenta Na Liheslaturan Guåhan*

### PUBLIC HEARING NOTICE

**March 23, 2009 convening at 9:00 am and 5:30 pm**  
**Public Hearing Room, *I Liheslaturan Guåhan***

Please be advised that the Committee on Utilities, Transportation, Public Works and Veterans Affairs is holding a public hearing to receive testimony on Bills 78 and 73 of *I Mina' Trenta Na Liheslaturan Guåhan*. This meeting will take place on March 23, 2009 at 9:00 am and 5:30 pm in the Public Hearing Room of *I Liheslatura*.

On the agenda:

**9:00 am**

**Bill No. 78 (COR) – T.C. Ada**

An act to adopt the proposed amended lease rates for office, warehouse, and ground space as well as the newly established fee structure for telecommunications at the Jose D. Leon Guerrero Commercial Port of Guam (PAG).

**9:30 am**

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.

**5:30 pm**

*Additional hearing on*

**Bill No. 73 (LS) – Matt Rector**

An act to create a new §14104.3 of title 12, chapter 14, GCA and to amend §14117 title 12, chapter 14, requiring the Guam Water Authority to provide full service to all leased properties held by the Chamorro Land Trust Commission without charge to land trust commission lessees. This act shall be herein referred to as: The water for the people act.


The Committee will continue to accept written or electronic testimonies for **Bill 78** (until **March 25, 2009**) and for **Bill 73** (until **April 2, 2009**). Please address these testimonies to Senator Thomas C. Ada, Chairperson, Committee on Utilities, Transportation, Public Works, and Veterans Affairs. Your participation is greatly appreciated.

Copies of these agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Additionally, and in accordance with the Open Government Law, notice of this public hearing was distributed to all local media via fax on March 17, 2009. Please feel free to contact the Office of Senator Thomas C. Ada with any questions or concerns.

MINA' TRENTA NA LIHESLATURAN GUÅHAN  
2009 (FIRST) REGULAR SESSION

Bill No. 78(COE)

Introduced by:

T.C. Ada 

2009 MAR 13 PM 2:25 MC

**AN ACT TO ADOPT THE PROPOSED AMENDED LEASE RATES FOR OFFICE, WAREHOUSE AND GROUND SPACE AS WELL AS THE NEWLY ESTABLISHED FEE STRUCTURE FOR TELECOMMUNICATIONS AT THE JOSE D. LEON GUERRERO COMMERCIAL PORT OF GUAM (PAG).**

**BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

**Section 1. Legislative intent.** The PAG owns the fee simple interest in various office, warehouse, open yard and telecommunication spaces located at the Jose D. Leon Guerrero Commercial Port of Guam in the municipality of Piti, Island of Guam. The existing lease rate fee structure is twenty (20) years old and is not reflective of the ever changing economic conditions and other factors that typically impact private sector market lease rents.

**Section 2.** Notwithstanding any provision of law, *I Liheslaturan Guåhan* hereby approves the rates as adopted by the Board of Directors through PAG Resolution 09-02 dated January 22, 2009 and concurred to by the Acting Governor Michael W. Cruz, MD. on February 20, 2009. The rates approved by this Act are as follows:

Type of Space	Benchmark Size (SF)	Approved Rate (\$/sf/mo)
Office	1,000	1.63
Warehouse	87	0.76
Open Yard	64	0.46
Telecom	37	500-1,000