



Speaker Won Pat <speaker@judiwonpat.com>

MESSAGES AND COMMUNICATIONS: 2013 Citizen Centric Report - GEDA

Speaker Won Pat <speaker@judiwonpat.com>

Fri, May 16, 2014 at 2:39 PM

To: Guam Legislature Clerks Office <clerks@guamlegislature.org>

5/16/2014 5/15/2014

Guam Economic Development Authority (GEDA) 2013 Citizen Centric Report

32-14-1643

----- Forwarded message -----

From: **Steven Dierking** <sdierking@investguam.com>

Date: Thu, May 15, 2014 at 5:00 PM

Subject: 2013 Citizen Centric Report - GEDA

To: Judith Won Pat <speaker@judiwonpat.com>, Therese Hart <therese@judiwonpat.com>, fbtorres@judiwonpat.com, Ed Pocaigue <edpocaigue@judiwonpat.com>, admin@guamopa.org, dfbrooks@guamopa.org

Cc: Mana Silva Taijeron <mstaijeron@investguam.com>, Therese Santos <tsantos@investguam.com>

Hafa Adai Speaker Won Pat:

Please see attached cover letter and copy of GEDA's CCR Report for 2013 per P.L. 30-127.

Best Regards,
Steven Dierking
Guam Economic Development Authority

32-14-1643
Speaker
Judith Won Pat, Ed. D.
5/16/14
2:39 pm
[Signature]

Ufisinan I Etmàs Ge'helo'Gi Liheslaturan Guåhan
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2 attachments

CCR Cover Letter- WON PAT.pdf
70K

GEDA- Citizens Centric Report 2013.pdf
1339K

1643

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~~[Signature]~~



GEDA

Guam Economic Development Authority

Aturidãd Inadilãnton Ikunumihan Guaban



Edward J.B. Calvo
Governor of Guam
I Maga' Lahen Guahan

Raymond S. Tenorio
Lt. Governor of Guam
I Segundo Na Maga' Lahen Guahan

John A. Rios
Acting Administrator
Adminastradot

May 15, 2014

The Honorable Judith T. Won Pat, Ed.D.,
Speaker, 32 Guam Legislature
155 Hesler Pl.
Hagatna, Guam 96910

Dear Speaker Won Pat:

Pursuant to P.L. 30-127 regarding the "Citizen Centric Report", I am hereby submitting to your office, via email, an electronic version (pdf) of the Guam Economic Development Authority's 2013 Citizen Centric Report for your perusal. It will also be posted on the GEDA Website, www.investguam.com for public viewing.

Si Yu'os Ma'ase,

Mana Silva Tajeron,
Deputy Administrator

cc: Doris Flores-Brooks, Guam OPA





GEDA

GUAM ECONOMIC DEVELOPMENT AUTHORITY

Aturidãd Inadilãnton Ikunumihan Guahan

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Guam's Rising Economic Tides

5 Years of Economic Growth

It was reported by the U.S. Census Bureau's 2012 Economic Census of Island Areas that Guam's economy generated \$7.7 billion in revenue in 2012, up 23.9 percent from \$6.2 billion in 2007. The five-year economic census provides the most authoritative and comprehensive source of information about the entire U.S. economy-- including U.S. territories like Guam. In 2012, Guam had 3,099 businesses with paid employees. These businesses employed 53,579 people and accounted for \$1.3 billion in annual payroll. By comparison, in 2007 Guam had 3,143 employer businesses, with 52,394 employees and an annual payroll of \$1.1 billion.

Guam has seen great economic progress in 2013. GEDA is proud to be a partner in reaching these milestones and will continue to focus on its mission and key areas, serving as central financial manager for the Government of Guam, assisting local businesses while promoting investments and entrepreneurial capital in Guam.

This report provides highlights of GEDA's 2013 milestones and progress and outlines GEDA's goals in continuing to provide sustainable growth of the island's economy.

Saina Ma'ãse'

Mana Silva Tajeron - GEDA Acting Administrator



GEDA MISSION

The mission of the Guam Economic Development Authority is to develop a sound and sustainable economy through innovative programs that preserve and promote local culture, economic opportunities and quality of life. As a public corporation (12 GCA Chapter 50) GEDA has broad responsibility for the centralized direction, control and supervision of an integrated plan for the economic development of Guam through its programs and offerings, which include public finance services, business and investment assistance, incentive programs, and real property management.

P1 Guam's Rising Economic Tides



- ▶ U.S. ECONOMIC CENSUS BUREAU DATA
- ▶ ADMINISTRATOR'S MESSAGE
- ▶ GEDA MISSION

P2 GEDA Milestones



- ▶ BUSINESS DEVELOPMENT DIVISION
- ▶ PUBLIC FINANCE DIVISION
- ▶ SNAPSHOTS

P3 GEDA Milestones (Cont.)



- ▶ REAL PROPERTY DIVISION
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- ▶ SERVICE EXCELLENCE AWARDS
- ▶ GEDA SUCCESS STORIES

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GUAM ECONOMIC DEVELOPMENT AUTHORITY



GEDA Business Development Division: (Seated L-R) Christina Garcia, BD Manager; Mike Willess, BD Assistant Mgr.; (Standing L-R) Carl Quinata, Diana Rivera, Brianna Benito, Industry Development Specialists.

Business Development Division

GEDA's Business Development Division is tasked in developing Guam's economy by supporting local enterprise and attracting new investments through incentive programs and industry diversification efforts. BDD is also tasked with overseeing GEDA's Qualifying Certificate (QC) Program, The Guam Product Seal (GPS) Program in addition to attending Trade Missions, meeting with potential investors to entice and promote investor activity on Guam.



GEDA is mandated by Public Law to license and regulate the Guam Product Seal. GEDA held an education seminar on April 25, 2013 with 60 participants, including 20 Customs officers and is working with the Guam Product Seal Task Force to address issues specific to updates and clarification to the law as well as proposed program benefits.

U.S. SBA State Trade and Export Program

President Obama's National Export Initiative (NEI) was introduced in 2011 as a goal of doubling U.S. exports in the next five years as a means to support job creation and a strong worldwide market for U.S. goods and services. GEDA received \$227K to support a Guam Food Export Show in Hong Kong for 9 local small businesses and a 3-day Guam Export Trade Show (GETS) and Export University Training in Guam September 2013.

Public Finance Division

GEDA serves as the Central Financial Manager for the Government of Guam and assists with, coordinates and monitors Financial Advisory Services, Capital Financing, Debt Management and access to the Capital Markets. The Public Finance Division oversees all of GEDA's Loan Programs including the State Small Business Credit Initiative (SSBCI) which provides loan guarantees in partnership with several local banks. On October 4, 2011, Governor Calvo received approval for a \$13.1 million allocation from the U.S. Treasury funding for the Guam SSBCI Program.



GEDA Public Finance Division: (Seated L-R) Arleen Evangelista, Administrative Asst.; Antoinette Leon Guerrero, Public Finance Officer; (Standing L-R) R. Gregory Sablan, Public Finance Assistant Manager; Nico Fujikawa, Finance Analyst; Lester L. Carlson Jr., Public Finance Manager.



"The SSBCI program played an important role in ensuring that our company had the support we needed to help grow our business." Derrick Muna- GUAM AUTO SPOT



"With the assistance of the Guam SSBCI program we were able to expand our business model and diversify into new aviation opportunities...with this new funding we were able to add 5 new employees." John Stewart- SKYDIVE GUAM

Guam Product Seal Applicants

Application Status	# of Clients
Approved	54
Pending	2
Inquiries	4

GEDA participated in 4 Trade missions in 2013: The Hotel Investment Conference Asia Pacific (HICAP) - March and Sept. 2013, A Vietnam Trade Mission - March 2013 and the Association of Film Commissioners Intl. (AFCI) - June 2013.



Guam Manufacturers promote their products at the HKTDC Food Expo in Hong Kong, August 2013.



This was Guam's first time to participate in one of Asia's largest food expos. Team Guam made an enormous impact to buyers.

SSBCI HIGHLIGHTS

- ▶ GEDA signed on two (2) additional SSBCI participating lenders in 2013: Coast 360 Federal Credit Union and ANZ Bank, joining Bank of Guam and Community First Guam Federal Credit Union.
- ▶ A total of nineteen (19) loans were enrolled under 17 new loan customers equating to \$4,048,100 in loans backed by SSBCI guarantees in the amount of \$3,011,075.
- ▶ GEDA's (SSBCI) loan program surpassed all other U.S. Territories and a few States in lending of the federal SSBCI funds in 2013.



2013 SSBCI SNAPSHOT

- 163 Jobs Created
- Over \$4M in Loans
- Over \$3M in Guarantees
- 19 Loan Clients Approved
- 74% of guarantee loan funds approved in Q3 and Q4.



Real Property Division (RPD)

GEDA's Real Property Division oversees numerous multimillion dollar projects and programs and manages two industrial parks: The E.T. Calvo Memorial Park and the Harmon Industrial Park, generating jobs and millions of dollars in revenue to the island. RPD is also charged with managing \$55 million in capital improvement projects funded through the 2011 Hotel Occupancy Tax Bond (HOT Bond). These projects include the renovation and restoration of cultural and historic sites throughout the island, and include the construction of the Guam Chamorro Education Facility (Guam Museum).



Ribbon Cutting Ceremony for the rehabilitated Plaza de España in Hagatna took place in December 2013.

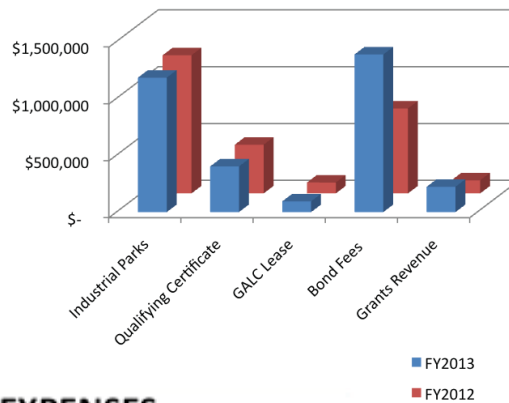
Financial Data

GEDA generates its own revenues to sustain annual operations from three primary sources:

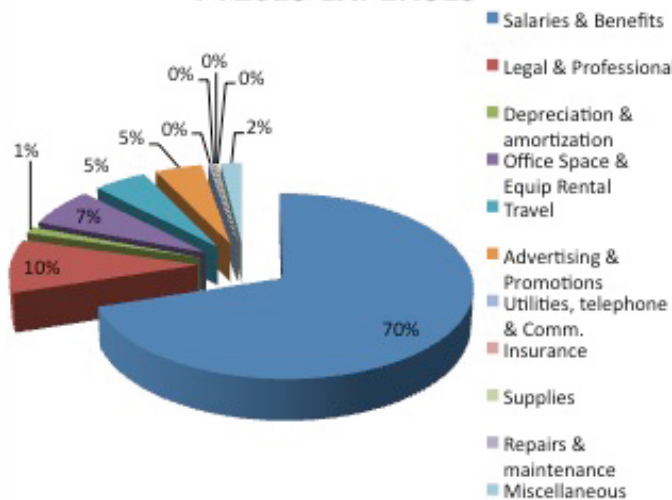
- (1) Rental income from Industrial Parks.
- (2) Application and surveillance fees from QC beneficiaries.
- (3) Management of the GALC Lease properties under the current MOU.

**Bond fees and other federal grants are additional sources of revenues, but may not represent a recurring annual income.

FY'12 / '13 REVENUE COMPARISON



FY2013 EXPENSES



**An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found on our website at www.investguam.com.

REAL PROPERTY HIGHLIGHTS

- ▶ Annual contributions to the island's economy include an average of about 918 jobs, \$29 million in payroll, over \$87 million in gross sales and \$2.8 million in GRT.
- ▶ An MOU with the Chamorro Land Trust Commission (CLTC) was approved by the Governor on April 24, 2013 for general consultancy and property management services for commercial land leases which are expected to generate over \$300K in management fees for GEDA annually.

GUAM H.O.T. BONDS MILESTONES

- ▶ Historic Inarajan Community Center was restored more than a decade after it was condemned from the wrath of Typhoon Pongsona. The \$800,000 extensive renovation project was funded through the H.O.T. Bond Project and the ribbon cutting was held in Nov. 2013.
- ▶ The Plaza de España was rehabilitated and restored to its former glory with proceeds from the H.O.T. Bond. Built in the 1770s, the Plaza de España is the oldest Spanish site throughout Micronesia. It served as the Governor's palace for the Spanish government and the first U.S. Naval Government.



Visit www.guamhotbond.com for more information progress of the capital improvement projects funded through the 2011 H.O.T. BOND.

Revenue by Source	FY 2013	FY 2012
Industrial Parks	\$1,182,977	\$1,215,345
Qualifying Certificate	\$401,463	\$428,673
GALC Lease	\$945,545	\$96,057
Bond Fees	\$1,386,626	\$747,400
Grants Revenue	\$222,599	\$114,768
Total Revenue	\$3,288,210	\$2,602,243

**Total reflects GEDA General Fund

Expenses by Category	FY 2013	FY 2012
Salaries & Benefits	\$2,100,889	\$1,894,285
Legal & Professional	\$284,636	\$222,637
Depreciation/Amortization	\$35,084	\$39,233
Office Space & Equipment	\$206,110	\$211,547
Travel	\$152,493	\$127,243
Advertising & Promotions	\$136,239	\$39,020
Utilities, Telephone & Comm.	\$8,982	\$8,476
Insurance	\$5,472	\$6,054
Supplies	\$6,334	\$9,915
Repairs & Maintenance	\$1,316	\$1,884
Miscellaneous	\$60,370	\$37,159
Total Expenses	\$2,997,925	\$2,597,453

**Total reflects GEDA General Fund



Commerce & Economic Development Division (CED)

The CED Division was established by GEDA in the mid-part of 2013 for the purpose of enhancing its ability to conduct macro and micro economic research and financial analysis. The primary mission of this unit is to respond to public inquiry concerning economic development initiatives for the territory of Guam, provide data collection for policy assessment, compile and disseminate investment related statistics and various metrics to gauge regional and local industry development, technical assistance and collateral research support as requested by government agencies and business entities.



GEDA CED DIVISION- (Seated) Henry Cruz, CED Manager; (Standing L-R) Therese Ybarra, CED Specialist; Natalia Faculo, CED Supervisor; Reanne Lefever, CED Specialist; JoyJean Mantanona, Program Coordinator.

2014 Initiatives and Outlook

Guam's growth potential is expected to reach unprecedented levels over the next several years. GEDA will continue to work with both the Executive and Legislative Branch on implementing deficit reduction plans while continuing to spur economic growth, entice investment activity and provide a better quality of life for the people of Guam.

Guam Economic Symposium

GEDA is currently planning for the 1st Annual Guam Economic Symposium to be held on Guam in August 2014. The Symposium will be Guam's first regional economic conference. The goals of the symposium are: to present opportunities for investors, explore economic issues and incentives, inspire Guam's entrepreneurial spirit and spawn continued economic growth.



GEDA Success Stories



"The opportunity, expertise and financial support to present our products and brands in a foreign country previously was a dream. Now with the STEP program and GEDA administration, it has become a reality."

Calvin Holloway Jr., Business Development Manager, Warehouse Pacific Inc.



"With the continued support of GEDA, local businesses such as Cruz Best Foods will be able to further its efforts to expand and maximize business endeavors."

Monica Cruz, Cruz Best Foods

2014 Continuing Initiatives

- Pursue EB-5 investment opportunities for immigrants investing in new US commercial enterprises.
- Work intently with GVB to pursue economic opportunities in the Russian Market.
- Work with GVB in developing a strategy to establish a business development presence in China.
- Pursue International Economic Development Council (IEDC) professional certification for GEDA staff.
- Continue work with Take Care on the promotion of Medical Industry Business Opportunities.
- Continue to respond to off-island inquires via the Internet Investor Desk and GEDA's Website.
- Continue to provide assistance to the Governor's Affordable Housing Coordinating Council.
- Continue to sit on the Guam Chamber of Commerce Small Business Committee.



SERVICE EXCELLENCE AWARDS

GEDA's Real Property Division Receives 2013 MagPro Award for Service



GEDA's Real Property Division was awarded the 2013 Program of the Year at the Governor's MagPro Awards. (L-R) Mike Cruz, Project Director; Diego Mendiola, RPD Assistant Mgr.; Larry Toves, RPD Manager; Jha'Aunie Leon Guerrero, Admin Assistant; Anthony Arriola, Program Coordinator.

GEDA's Compliance Division Receives 2013 MagPro Award for Service



GEDA's Compliance Division was awarded the Best Small Department/Agency Customer Service Team Excellence at the Governor's MagPro Awards. (Seated L-R) Tara Rivera, Loan Servicing Specialist; Claire Cruz, Compliance Manager; (Standing L-R) John San Nicolas, Compliance Supervisor; Mike Willess, Compliance Officer.