

EDDIE BAZA CALVO

Governor

RAY TENORIO Lieutenant Governor

Office of the Governor of Guam.

MAY 1 9 2016

Honorable Judith T. Won Pat, Ed.D. Speaker I Mina'trentai Tres Na Liheslaturan Guåhan 155 Hesler Street Hagåtña, Guam 96910 33-16-1659

Office of the Speaker Judith T. Won Pat, Ed.D

Date: <u>65-19-16</u>

Received By: _

Dear Madame Speaker:

Transmitted herewith is Bill No. 268-33 (LS), "AN ACT TO AUTHORIZE A COMMERCIAL LEASE BETWEEN THE DEPARTMENT OF LAND MANAGEMENT AND THE DEDEDO PAYLESS SUPERMARKET FOR USE OF A PORTION OF THE DEDEDO BUFFER STRIP, AS SPECIFIED BY § 68901 OF ARTICLE 9, CHAPTER 68, TITLE 21, GUAM CODE ANNOTATED," which lapsed into law on May 18, 2016, as Public Law 33-161.

Senseramente,

EDDIE BAŽĄ ĆALVO

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I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN 2016 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LÂHEN GUÂHAN

This is to certify that Substitute Bill No. 268-33 (LS), "AN ACT TO AUTHORIZE A COMMERCIAL LEASE BETWEEN THE DEPARTMENT OF LAND MANAGEMENT AND THE DEDEDO PAYLESS SUPERMARKET FOR USE OF A PORTION OF THE DEDEDO BUFFER STRIP, AS SPECIFIED BY § 68901, OF ARTICLE 9, CHAPTER 68, TITLE 21, GUAM CODE ANNOTATED," was on the 3rd day of May 2016, duly and regularly passed.

Judith T. Won Pat, Ed.D. Speaker Attested: Tina Rose Muña Barnes Legislative Secretary This Act was received by I Maga'låhen Guåhan this _____ day of ______ day, Maga'låhi's Office APPROVED: EDWARD J.B. CALVO I Maga'låhen Guåhan MAY 18 2016 Date: Public Law No. 33-161

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN 2016 (SECOND) Regular Session

Bill No. 268-33 (LS)

As substituted by the Sponsor; and further substituted on the Floor.

Introduced by:

V. Anthony Ada
T. C. Ada
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
James V. Espaldon
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
R. J. Respicio
Dennis G. Rodriguez, Jr.
Mary Camacho Torres
N. B. Underwood, Ph.D.
Judith T. Won Pat, Ed.D.

AN ACT TO AUTHORIZE A COMMERCIAL LEASE BETWEEN THE DEPARTMENT OF LAND MANAGEMENT AND THE DEDEDO PAYLESS SUPERMARKET FOR USE OF A PORTION OF THE DEDEDO BUFFER STRIP, AS SPECIFIED BY § 68901 OF ARTICLE 9, CHAPTER 68, TITLE 21, GUAM CODE ANNOTATED.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

- 2 Section 1. Legislative Statement and Intent. § 68901(a) of Chapter 68,
- 3 Article 9 of Title 21, Guam Code Annotated, authorized the Department of Land
- 4 Management, with the approval of I Maga'låhi, after consultation with the Dededo

1 Municipal Planning Council, to enter into commercial lease agreements for properties

2 known as the *Dededo* Buffer Strip. These properties have been leased to numerous

business establishments and pursuant to law, commercial leases cannot extend more than

4 ten (10) years.

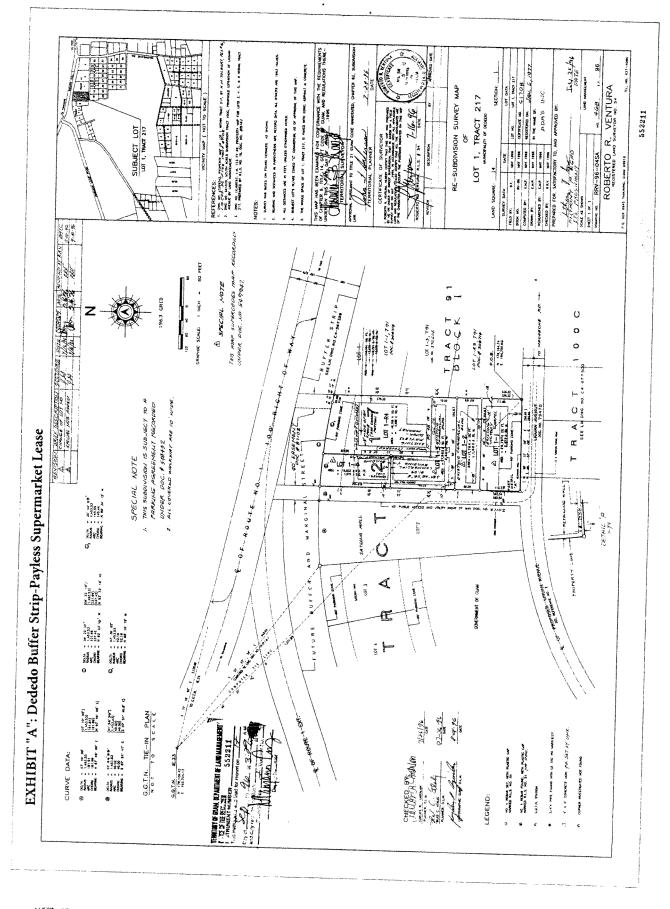
In 2004, Payless Supermarket entered into a commercial lease agreement with the Department of Land Management, government of Guam, with concurrence by the *Dededo* Municipal Planning Council, and has maintained a portion of the *Dededo* Buffer Strip, particularly identified as that portion of the *Dededo* Buffer Strip, immediately adjacent to Lot 1-4, Lot 1-R4, Tract 217, Municipality of *Dededo*, as shown on map prepared by Roberto R. Ventura, RLS No. 54, Land Management No. 468FY96, Re-Subdivision Survey Map of Lot 1, Tract 217, Municipality of *Dededo*, recorded under Document No. 552211, and having the same length as the common boundary shared with LESSEE's property, containing an area of 2,410± Square Meters. The lease agreement expired in 2014, and they have requested to enter into another ten (10) year lease with the Department of Land Management, government of Guam. The *Dededo* Municipal Planning Council has supported this request through the passage of Resolution No. 2015-08, dated April 14, 2015, stating that Payless Supermarket has complied with the mandates of the lease agreement by paving the area for parking, beautification and maintenance of the property.

Furthermore, § 60112 of Title 21, Guam Code Annotated, as amended, mandated that any government-owned real property *shall not* be leased, sub-leased, exchanged or otherwise transferred without the prior approval by *I Liheslaturan Guåhan*. The *Dededo* Buffer Strip is considered government-owned property, and thereby pursuant to law any lease agreement *shall* be approved by *I Liheslaturan Guåhan*.

It is, therefore, the intent of *I Liheslaturan Guåhan* to authorize the Department of Land Management, government of Guam, to enter into a commercial lease agreement with Payless Supermarket for a portion of the *Dededo* Buffer Strip, particularly

- 1 identified as portion of the *Dededo* Buffer Strip, immediately adjacent to Lot 1-4, Lot 1-
- 2 R4, Tract 217, Municipality of *Dededo*, as shown on map prepared by Roberto R.
- 3 Ventura, RLS No. 54, Land Management No. 468FY96, Re-Subdivision Survey Map of
- 4 Lot 1, Tract 217, Municipality of *Dededo*, recorded under Document No. 552211, and
- 5 having the same length as the common boundary shared with LESSEE's property,
- 6 containing an area of 2,410± Square Meters.
- 7 Section 2. Approval of commercial Lease Agreement (Exhibit C).
- 8 Notwithstanding any other provision of law, I Liheslaturan Guåhan authorizes the
- 9 Department of Land Management, government of Guam, to lease a portion of the
- 10 Dededo Buffer Strip, particularly identified as portion of the Dededo Buffer Strip,
- immediately adjacent to Lot 1-4, Lot 1-R4, Tract 217, Municipality of Dededo, as shown
- on map prepared by Roberto R. Ventura, RLS No. 54, Land Management No. 468FY96,
- 13 Re-Subdivision Survey Map of Lot 1, Tract 217, Municipality of *Dededo*, recorded
- under Document No. 552211, and having the same length as the common boundary
- shared with Tract 217, Lot 1-R4, Municipality of *Dededo*, containing an area of 2,410+
- 16 Square Meters, for a period of ten (10) years. The commercial lease agreement is
- 17 attached as Exhibit C and shall comply with the provisions of § 68901(a), Chapter 68,
- 18 Article 9 of Title 21, Guam Code Annotated.
- 19 Section 3. Rental Stipulations. Notwithstanding any provision of the lease,
- 20 the annual rent shall be set at Thirteen Thousand Eight Hundred Ninety Dollars
- 21 (\$13,890) beginning May 2016, and is to be paid annually in advance at the signing of
- the lease agreement and on subsequent anniversaries. The rent amount shall escalate 3%
- 23 every three (3) years based on the previous amount for the duration of the lease
- 24 agreement.
- 25 **Section 4. Prohibited Use.** The property *shall not* be used so as to make the
- 26 property unusable upon the expiration of the lease term. This *shall* include, but *not* be
- 27 limited to, such uses as ponding basins.

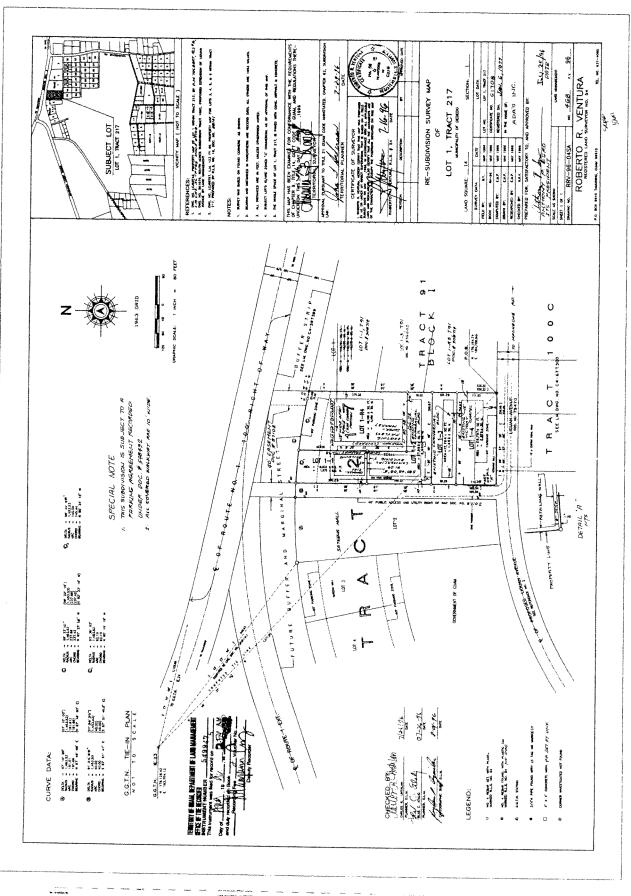
Section 5. Severability. *If* any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application and to this end the provisions of the Act are severable.





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EXHIBIT "B"

12-04-2015

DEDEDO MUNICIPAL PLANNING COUNCIL MUNICIPALITY OF DEDED

RESOLUTION NO. 2015-08

Introduced by:

Melissa B. Savares, Chairperson

Andrew Peter A. Benavente, Vice Chairperson

MEMBERS:

Acda, Romy

Artero, Pascual V.

Chan, Jose-Arthur Jr.

Cruz, Elizia

Espinosa, Laura

Gines, Bernardo

Mafnas, Frank

Makepeace, Annie

Pangelinan, Edith

San Nicolas, Jospeh

Tainatongo, Carmen

Wusstig, Emie

Relative to the Dededo Municipal Planning Council's (DMPC) support of Pay-Less Supermarkets request to lease a portion of the Dededo Buffer Strip, fronting Lot No. 1-4, Lot No. 1-R4, Tract No. 217, in the Municipality of Dededo.

BE IT RESOLVED BY THE DEDEDO MUNICIPAL PLANNING COUNCIL:

WHEREAS, on Tuesday, April 14, 2015, during a DMPC meeting, members reviewed and discussed the request from Pay-Less Supermarkets to renew the lease for a portion of the Dededo Buffer Strip, fronting Lot No. 1-R4, Tract No. 217; and

WHEREAS, members discussed that in the last ten (10) years, Pay-Less Supermarkets did pave the area for a parking and continue to beautify the property; and

WHEREAS, members agreed that Pay-Less Supermarkets staff continue to maintain the above property in a sanitary manner; and

WHEREAS, members motioned for Pay-Less Supermarkets to pay 6% of the appraised value per square foot for the lease of this property; and

BE IT RESOLVED, that after further discussion, members of the DMPC motioned to approve the lease for this portion of the Dededo Buffer Strip, fronting Lot No. 1-4, Lot No. 1-R4, Tract No. 217; and therefore be it

FURTHER RESOLVED, that the Chairperson of the Dededo Municipal Planning Council certify to and the secretary attest the adoption hereof and that copies of the same be therefore transmitted to the Department of Land Management, Department of Public Works and the Department of Administration.

DULY RECORDED AND REGULARLY ADOPTED BY THE DEDEDO MUNICIPAL PLANNING COUNCIL ON THIS 14th DAY OF April 2015.

MELISSAB. SAVARES, MAYOR OF DEDEDO

YVONNE S. ACDA, Secretary DMPM

(ODAOT A DOUT	
(SPACE ABOVE THIS LINE FOR RECORDER'S USE)	

DEDEDO BUFFER STRIP PAYLESS SUPERMARKET LEASE AGREEMENT

This Agreement, made this _____ day of ______, 2016, by and between the DEPARTMENT OF LAND MANAGEMENT, GOVERNMENT OF GUAM, LESSOR, whose address is P.O. Box 2950, Hagatna, Guam 96932, and PAYLESS SUPERMARKET, LESSEE, whose address is 116 West Chalan Santo Papa, P.M. Calvo Building, Hagatna, Guam 96910; and

WHEREAS, Government of Guam is the owner of the "Dededo Buffer Strip", Municipality of Dededo, as identified on Land Management Drawing No. C4-58T399, recorded on the 5th day of August, 1960, under Document No. 39272; and

WHEREAS, the commercial lease of portions of the Dededo Buffer Strip has been authorized by Public Law 23-45, which is codified as 21 G.C.A., Subsection 68901, a portion of which was repealed and reenacted by Public Law 24-59, and amended by Public Law 24-237; and

WHEREAS, Public Law 33-___ has authorized the renewal of lease for a portion of the Dededo Buffer Strip between the LESSOR AND THE LESSEE.

WHEREAS, LESSEE is the owner of real property immediately adjacent to the Dededo Buffer Strip and has applied with LESSOR in accordance with applicable law to

lease that portion of the Dededo Buffer Strip immediately adjacent to LESSEE's real property (hereafter LEASED PREMISES); and

WHEREAS, the LEASED PREMISES is described as follows and is Exhibit A:

That portion of the Dededo Buffer Strip, immediately adjacent to Lot No. 1-4, Lot No. 1-R4, Tract No. 217, Municipality of Dededo, as shown on map prepared by Roberto R. Ventura, RLS No. 54, Land Management No. 468FY96, Re-Subdivision Survey Map of Lot 1, Tract 217, Municipality of Dededo, recorded under Document No. 552211, and having the same length as the common boundary shared with LESSEE's property, containing an area of 2,410± square meters; and

WHEREAS, LESSOR has consulted with the Dededo Municipal Planning Council on the terms and conditions of the LEASE AGREEMENT; and

WHEREAS, LESSEE has been leasing the LEASED PREMISES having already obtained approval of beautification plans for the LEASED PREMISES from the Department of Parks and Recreation in consultation with the Dededo Municipal Planning Council; and

WHEREAS, LESSEE has obtained two appraisals, within six months of the date of execution of this LEASE AGREEMENT, from Guam licensed appraisal companies, of the fair market value of the property to be leased, the average of which will be used in determining the annual lease fee for the LEASED PREMISES.

NOW, THEREFORE, in consideration of the terms and conditions set forth in this LEASE AGREEMENT, the PARTIES agree as follow:

- 1. The LEASED PREMISES shall be used by LESSEE only for the purposes of public parking, and beautification and landscaping.
- 2. The annual lease fee, which LESSEE SHALL PAY TO LESSOR, shall be based on a percentage of the fair market value of the LEASED PREMISES. That percentage shall be established by the Dededo Mayor's Municipal Planning Council and is **Exhibit B**. This annual fee does not exceed twenty percent (20%) of the fair market value of the

LEASED PREMISES as per P.L. 24-59. Fair market value and the annual lease fee is **Exhibit C**.

- 3. LESSOR shall immediately deposit all fees collected under this LEASE AGREEMENT into Department of Administration Account No. 326742802 (the Dededo Municipal Planning Council Buffer Strip Account).
- 4. This LEASE AGREEMENT shall be effective and commence only upon the date of execution by the Governor of Guam and shall end ten (10) years following the effective date of this LEASE AGREEMENT. In no event shall this LEASE AGREEMENT EXCEED a term of ten (10) years.
- 5. LESSEE shall provide its first annual lease payment directly to LESSOR at the time LESSEE executes this LEASE AGREEMENT. Thereafter, annual payments shall be made to LESSOR on or before the yearly anniversary of the execution of this LEASE AGREEMENT by the Governor.
- 6. Should LESSEE fail to meet the annual fee payment obligation, LESSEE shall be in default. Upon failure to cure the default within thirty (30) days after the due date of any payment, LESSOR may terminate the contract without notice and enter upon the premises to take possession thereof. In the event of default under this paragraph, LESSEE shall be liable for the unpaid annual lease fee plus interest as allowed by law.
- 7. Should LESSEE fail to begin, within three (3) months of the commencement of this LEASE AGREEMENT, or maintain the approved improvements upon the LEASED PREMISES, LESSEE shall be in default and LESSOR may terminate this LEASE AGREEMENT without notice and enter upon the premises to take possession thereof. In the event of default under this paragraph, the annual lease fee shall be kept by the LESSOR as liquidated damages.
- 8. LESSEE shall not sell, sublet, assign, or transfer in any way the LEASED PREMISES.
- 9. LESSEE shall indemnify, defend and hold LESSOR harmless against any claim for loss, liability or damage including claims for property demand by third persons for loss,

personal injury or wrongful deaths arising out of any accident on the LEASED PREMISES or in any way related to the LEASED PREMISES.

- 10. LESSOR shall not be held responsible for, and LESSEE shall indemnify LESSOR against, any claim or suit for loss, liability, or damage on account of any personal injury or death arising out of any accident or incident occurring on the LEASED PREMISES caused by the acts or omissions of LESSEE or its officers, agents, servants or employees.
- 11. LESSEE shall be responsible for the provision of water and power to the LEASED PREMISES as needed. Water and power are available within 100 feet of the LEASED PREMISES.
- 12. Should LESSEE change ownership of its private commercial business activity, or sell its assets, this LEASE AGREEMENT shall immediately terminate and the new owner must reapply to lease this property from the Government of Guam.

UPON all the terms and conditions contained herein, LESSOR and LESSEE hereby agree:

LESSOR:	LESSEE:
MICHAEL J.B. BORJA Director, Department of Land Management	(NAME) Vice President/Chief Financial Officer Payless Supermarket
Date:	Date:
APPROVED AS TO FORM:	APPROVED:

ELIZABETH BARRETT-ANDERSON Attorney General of Guam	EDDIE BAZA CALVO Governor of Guam	
Date:	Date:	
Acknowl	ledgements	
notary, personally appeared MICHAEL J Management (LESSOR), known to me to	, 2015, before me, the undersigned J.B. BORJA, Director, Department of Landbe the person whose name is signed on the nowledged to me that he signed it voluntarily	
IN WITNESS WHEREOF, I have he day and year first above written.	ereunto affixed my name and official seal the	
Officer, Payless Supermarket (LESSEE), kr	, 2015, before me, the undersigned , Vice President/Chief Financial nown to me to be the person whose name is nent, and acknowledged to me that he signed	
IN WITNESS WHEREOF, I have he day and year first above written.	reunto affixed my name and official seal the	

EXHIBIT C - Bill No. 268-33 (LS)