

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
8-38 (COR)	Joe S. San Agustin	AN ACT TO <i>AMEND</i> SUBSECTION (a) AND <i>REPEAL</i> SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.	1/13/25 8:00 a.m. ^1/22/25 3:09 a.m.	1/29/25 3:40 p.m.	Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure.	1/29/25	2/13/25	3/12/25 As Amended.	



OFFICE OF THE VICE SPEAKER V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

February 28, 2025

Honorable Frank F. Blas, Jr

Speaker

Mina'trentai Ocho na Liheslaturan Guåhan

163 Chalan Santo Papa

Hagåtña, Guam 96910

VIA: Honorable V. Anthony Ada 

Chairperson, Committee on Rules

Re: Committee Report on Bill No. 8-38 (COR) As amended

Håfa adai Speaker Blas:

Transmitted herewith is the Committee Report on the **Bill No. 8-38 (COR) As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure** – Joe S. San Agustin – “AN ACT TO AMEND SUBSECTION (a) AND REPEAL SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.”

Committee votes are as follows:

<u>5</u>	TO DO PASS
<u>0</u>	TO NOT PASS
<u>1</u>	TO REPORT OUT ONLY
<u>0</u>	TO ABSTAIN
<u>0</u>	TO PLACE IN INACTIVE FILE



COMMITTEE ON RULES

RECEIVED:

February 28, 2025 4:49 p.m.

Kamarin Nelson

Si Yu'os ma'åse',



V. Anthony Ada



OFFICE OF THE VICE SPEAKER

V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

COMMITTEE REPORT

Bill No. 8-38 (COR)

As Amended by the Committee on Land, Environment, Housing,
Agriculture, Parks and Infrastructure

Introduced by Joe S. San Agustin

AN ACT TO AMEND SUBSECTION (a) AND REPEAL
SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127
SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5,
GUAM CODE ANNOTATED RELATIVE TO THE
EXTENSION OF GOVERNMENT OF GUAM LEASES
FROM FIVE (5) TO THIRTY (30) YEARS.

by Vice Speaker V. Anthony Ada



OFFICE OF THE VICE SPEAKER V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

February 27, 2025

MEMORANDUM

To: All Members
Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure

From: Vice Speaker V. Anthony Ada 
Committee Chairperson

Subject: Committee Report on Bill No. 8-38 (COR), As amended

Transmitted herewith for your consideration is the Committee Report on **Bill No. 8-38 (COR) As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure** – Joe S. San Agustin – “AN ACT TO AMEND SUBSECTION (a) AND REPEAL SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.

This report includes the following:

- COR Referral of Bill No. 8-38 (COR)
- Notices of Public Hearing
- Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Testimonies
- Committee Vote Sheet
- Committee Report Digest
- Bill No. 8-38 (COR)
- Bill No. 8-38 (COR) as amended by the Committee
- Bill No. 8-38 (COR) Committee markup
- Fiscal Note

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Si Yu'os ma'åse'



COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guahan

38th Guam Legislature

January 29, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Referral of Bill No. 8-38 (COR)**

Håfa Adai,

As per my authority as Chairperson of the Committee on Rules and subject to §6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 8-38 (COR)**—Joe S. San Agustin. – “AN ACT TO *AMEND* SUBSECTION (a) AND *REPEAL* SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127 SUBARTICLEC, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.”

Please ensure that the subject bill is referred to the Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure chaired by Vice Speaker V. Anthony Ada. I also request that the same be forwarded to the Prime Sponsor of the subject bill and to Management Information Services (MIS) for posting on our website.

A copy of the bill is available on our legislative website.

Should you have any questions or concerns, please feel free to contact Kamarin Nelson, Committee on Rules Director at 671-472-2461.



Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

FIRST NOTICE of Public Hearing: February 13, 2025

Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>
Bcc: phnotice@guamlegislature.gov

Thu, Feb 6, 2025 at 3:07 PM

FOR IMMEDIATE RELEASE

February 6, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Vice Speaker V. Anthony Ada
Re: FIRST NOTICE of Public Hearing: February 13, 2025

The Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure will conduct a public hearing on **Thursday, February 13, 2025 at 2:00 pm** in the Public Hearing Room in the Guam Congress Building. The agenda is as follows:

- **Bill No. 6-38 (COR)** – Joe S. San Agustin - AN ACT TO TRANSFER LOT 5138-2-R3 NEW-1-1 TO SPECIAL OLYMPICS GUAM FOR THE ESTABLISHMENT OF THEIR ADMINISTRATIVE OFFICE AND TRAINING FACILITY IN SUPPORT OF GUAM'S SPECIAL OLYMPICS ATHLETES AND PROGRAM.
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If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via electronic mail at vicespeakertonyada@guamlegislature.gov for further guidance.

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The Public Hearing will broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and stream online via i Liheslaturan Guåhan's live feed. Written testimonies may be sent via email at vicespeakertonyada@guamlegislature.gov.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via email at vicespeakertonyada@guamlegislature.gov.

**Vice Speaker V. Anthony Ada**

Chairperson for Committee on Rules (COR). Land, Environment, Housing, Agriculture, Parks, and Infrastructure.

38th Guam Legislature
Office of Vice Speaker V. Anthony Ada
I Mina'trentai Ocho Na Liheslaturan Guåhan
Guam Congress Building, 2nd Floor
163 Chalan Santo Papa
Hagåtña, Guam 96910

☎ 1-671-989-0855

✉ vicespeakertonyada@guamlegislature.gov

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4 attachments

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252K

 **11a Bill No. 6-38 (COR) As introduced.pdf**
870K

 **Bill No. 8-38 (COR) Referred Version.pdf**
1120K

 **11a Bill No. 15-38 (COR) As introduced.pdf**
2338K



OFFICE OF THE VICE SPEAKER

V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

FOR IMMEDIATE RELEASE

February 6, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Vice Speaker V. Anthony Ada

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If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via electronic mail at vicespeakertonyada@guamlegislature.gov for further guidance.

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The Public Hearing will broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and stream online via i Liheslaturan Guåhan's live feed. Written testimonies may be sent via email at vicespeakertonyada@guamlegislature.gov.

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FIRST NOTICE of Public Hearing: February 13, 2025

FIRST NOTICE of Public Hearing: February 13, 2025

PUBLIC HEARING

 **Posted on:** 02/06/2025 03:11 PM

 **Posted by:** Erin Grajek, Committee Director

 **Public Hearing Date:** 02/13/2025 02:00 PM

 **Department(s):** GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):** OFFICE OF VICE SPEAKER V. ANTHONY ADA (/notices?division_id=261)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

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FOR IMMEDIATE RELEASE

February 6, 2025

MEMORANDUM**To: All Senators, Stakeholders, Media****From: Vice Speaker V. Anthony Ada****Re: FIRST NOTICE of Public Hearing: February 13, 2025**

The Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure will conduct a public hearing on **Thursday, February 13, 2025 at 2:00 pm** in the Public Hearing Room in the Guam Congress Building. The agenda is as follows:

§ Bill No. 6-38 (COR)

[https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%206-38%20\(COR\)%20HISTORY.pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%206-38%20(COR)%20HISTORY.pdf)) – Joe S. San Agustin - AN ACT TO TRANSFER LOT 5138-2-R3 NEW-1-1 TO SPECIAL OLYMPICS GUAM FOR THE ESTABLISHMENT OF THEIR ADMINISTRATIVE OFFICE AND TRAINING FACILITY IN SUPPORT OF GUAM'S SPECIAL OLYMPICS ATHLETES AND PROGRAM.

§ Bill No. 8-38 (COR)

[https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20\(COR\)%20Referred%20Version.pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20(COR)%20Referred%20Version.pdf)) – Joe S. San Agustin - AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.

§ Bill No. 15-38 (COR)

[https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2015-38%20\(COR\)%20HISTORY.pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2015-38%20(COR)%20HISTORY.pdf)) – Telo T. Taitague. – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, DIVISION 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASING OF PUBLIC REAL PROPERTY AND RELATED FACILITIES.”

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AD SCRIPT – 02/06/2025

FIRST NOTICE OF PUBLIC HEARING: FEB. 13, 2025

February 6, 2025

FIRST NOTICE of Public Hearing: February 13, 2025

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INVOICE: I LIHESLATURAN GUAHAN-37TH GUAM LEGISLATURE



600 Harmon Loop Road Ste 102
Dededo, GU 96929
Tel: 671.637.5826
Mobile: [REDACTED]

To: I LIHESLATURAN GUAHAN
38TH GUAM LEGISLATURE
Attn: Accounting Department

DATE 2/4/2025
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Date(s)	Service Details	Amount
2/4/2025	COMMITTEE ON LAND, ENVIRONMENT, HOUSING, AGRICULTURE, PARKS & INFRASTRUCTURE PH NOT1 2.6.25 (2.13.25) Please make check payable to: KUAM PAYMENT IS DUE UPON RECEIPT OF INVOICE. THANK YOU.	\$ 160.00
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Should you have any questions please contact: 671-687-8879 or 671-635-5836.

Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

SECOND NOTICE of Public Hearing: February 13, 2025

Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

Tue, Feb 11, 2025 at 9:03 AM

Bcc: phnotice@guamlegislature.gov

FOR IMMEDIATE RELEASE

February 11, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media**From: Vice Speaker V. Anthony Ada****Re: SECOND NOTICE of Public Hearing: February 13, 2025**

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**Vice Speaker V. Anthony Ada**

Chairperson for Committee on Rules (COR). Land, Environment, Housing, Agriculture, Parks, and Infrastructure.

38th Guam Legislature
Office of Vice Speaker V. Anthony Ada
I Mina'trentai Ocho Na Liheslaturan Guåhan
Guam Congress Building, 2nd Floor
163 Chalan Santo Papa
Hagåtña, Guam 96910

☎ 1-671-989-0855

✉ vicespeakertonyada@guamlegislature.gov

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4 attachments

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 **Bill No. 8-38 (COR) Referred Version.pdf**
1120K

 **11a Bill No. 15-38 (COR) As introduced.pdf**
2338K



OFFICE OF THE VICE SPEAKER V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

FOR IMMEDIATE RELEASE

February 11, 2025

MEMORANDUM

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From: Vice Speaker V. Anthony Ada

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SECOND NOTICE of Public Hearing: February 13, 2025

SECOND NOTICE of Public Hearing: February 13, 2025

PUBLIC HEARING

 **Posted on:** 02/11/2025 01:30 PM

 **Posted by:** Erin Grajek

 **Public Hearing Date:** 02/13/2025 02:00 PM

 **Department(s):** GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):** OFFICE OF VICE SPEAKER V. ANTHONY ADA (/notices?division_id=261)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

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FOR IMMEDIATE RELEASE

February 11, 2025

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§ Bill No. 8-38 (COR)

([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20\(COR\)%20Referred%20Version.pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20(COR)%20Referred%20Version.pdf)) – Joe S. San Agustin - **AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.**

([http://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20\(COR\)%20Referred%20Version.pdf](http://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%208-38%20(COR)%20Referred%20Version.pdf))

§ Bill No. 15-38 (COR)

([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2015-38%20\(COR\)%20HISTORY.pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2015-38%20(COR)%20HISTORY.pdf)) – Telo T. Taitague. – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, DIVISION 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASING OF PUBLIC REAL PROPERTY AND RELATED FACILITIES.”

If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via electronic mail at vicespeakertonyada@guamlegislature.gov for further guidance.

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The Public Hearing will broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and stream online via i Liheslaturan Guåhan's live feed. Written testimonies may be sent via email at vicespeakertonyada@guamlegislature.gov.

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AD SCRIPT – 02/11/2025

SECOND NOTICE OF PUBLIC HEARING: FEB. 13, 2025

February 11, 2025

SECOND NOTICE of Public Hearing: February 13, 2025

The Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure will conduct a public hearing on **Thursday, February 13, 2025 at 2:00 pm** in the Public Hearing Room in the Guam Congress Building. The agenda is as follows:

- **Bill No. 6-38 (COR)** – Joe S. San Agustin - AN ACT TO TRANSFER LOT 5138-2-R3 NEW-1-1 TO SPECIAL OLYMPICS GUAM FOR THE ESTABLISHMENT OF THEIR ADMINISTRATIVE OFFICE AND TRAINING FACILITY IN SUPPORT OF GUAM’S SPECIAL OLYMPICS ATHLETES AND PROGRAM.
- **Bill No. 8-37 (COR)** – Joe S. San Agustin - AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.
- **Bill No. 15-38 (COR)** – Telo T. Taitague. – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, DIVISION 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASING OF PUBLIC REAL PROPERTY AND RELATED FACILITIES.”

If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via electronic mail at vicespeakertonyada@guamlegislature.gov for further guidance.

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INVOICE: I LIHESLATURAN GUAHAN-37TH GUAM LEGISLATURE



600 Harmon Loop Road Ste 102
Dededo, GU 96929
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DATE 2/7/2025
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OFFICE OF THE VICE SPEAKER

V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

Public Hearing

Public Hearing Room · Guam Congress Building
Thursday, February 13, 2025 – 2:00 pm

Agenda

- **Bill No. 6-38 (COR)** – Joe S. San Agustin - AN ACT TO TRANSFER LOT 5138-2-R3 NEW-1-1 TO SPECIAL OLYMPICS GUAM FOR THE ESTABLISHMENT OF THEIR ADMINISTRATIVE OFFICE AND TRAINING FACILITY IN SUPPORT OF GUAM'S SPECIAL OLYMPICS ATHLETES AND PROGRAM.
- **Bill No. 8-38 (COR)** – Joe S. San Agustin - AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.
- **Bill No. 15-38 (COR)** – Telo T. Taitague. – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, DIVISION 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASING OF PUBLIC REAL PROPERTY AND RELATED FACILITIES.”

—

Written testimonies may be submitted to the Office of Vice Speaker V. Anthony Ada at (671) 989-0855 or via electronic mail at vicespeakertonyada@guamlegislature.gov.

The Public Hearing will broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and stream online via i Liheslaturan Guåhan's YouTube live feed.



OFFICE OF THE VICE SPEAKER

V. Anthony Ada

1 Mina'trentai Ocho Na Liheslaturan Guahan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

PUBLIC HEARING SIGN-IN SHEET

Thursday, February 13, 2025 · 2:00 pm · Public Hearing Room, Guam Congress Building

Bill No. 8-38 (COR) – Joe S. San Agustin - AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.

NAME	AGENCY/ ORGANIZATION	POSITION	TESTIMONY	CONTACT INFO
1. Tim Ada	self	SUPPORT ☒ OPPOSE ☐	WRITTEN ☐ ORAL ☒	
2. Steve Carrara	ITE	SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☒	
3. John Quintana	GIAA	SUPPORT ☒ OPPOSE ☐	WRITTEN ☒ ORAL ☐	
4. Eric GARCIA	CEJC	SUPPORT ☐ OPPOSE ☐	WRITTEN ☒ ORAL ☒	
5. Diego Mandiola	GEDA	SUPPORT ☒ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
6. Brian Bamber	GIAA	SUPPORT ☒ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
7. Omar Lerao	PMT	SUPPORT ☒ OPPOSE ☐	WRITTEN ☒ ORAL ☒	
8. Ricky Hernandez	GIAA	SUPPORT ☒ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
9.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
10.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	



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February 13, 2025

Honorable V. Anthony Ada
Vice Speaker, Guam Legislature
Chairperson, Committee on Land, Environment, Agriculture, Parks and Infrastructure
38th Guam Legislature
163 Chalan Santo Papa
Hagåtña, Guam 96910

RE: Testimony on Bill 8-38 (COR) – An Act Relative to the Extension of Government of Guam Leases from Five (5) to Thirty (30) Years

Håfa Adai Vice Speaker Ada and Members of the Committee on Land, Environment, Agriculture, Parks and Infrastructure. Thank you for the opportunity to submit this testimony on Bill 8-38, An Act to Amend Subsection (a) and Repeal Subsections (d), (1), (2), (3), and (4) All of § 5127 Sub article C, Article 2, Chapter 5, Division 1, Title 5 of the Guam Code Annotated, Relative to the Extension of Government of Guam Leases from Five (5) to Thirty (30) Years.

The A. B. Won Pat International Airport Authority, Guam (GIAA) fully supports any increase in the authorized term for the contract, lease, permit, or license for use of public real property, and related facilities by any non-governmental person or entity beyond the current five (5) year limitation. The GIAA believes that increasing the 5-year limit upwards would be most beneficial for the ability to attract responsible tenants, developers, and/or investors to invest in the development and/or improvement of GIAA land and existing facilities.

The GIAA continues to work with our oversight Chairman, Senator Jesse Lujan and the Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs for opportunities to enhance lease terms for periods of thirty (30) years or more and are appreciative of his continued collaboration with the GIAA on this important topic.

It is common sense that a longer term authorized in a less cumbersome and more certain process for both the GIAA and any potential tenant, developer, and/or investor will help to advance the growth and development of Guam's only commercial airport, while also ensuring adequate time for the recoupment of any investment into a property. The last time the GIAA was able to negotiate the lease of property for a period longer than five (5) years was with the Papa's Restaurant now Capitol Kitchen which was

over a decade ago. Although there has been heavy interest, the current law as written has continued to be an impediment to progress.

The Guam Legislature has previously authorized longer lengths of property leases in Public Law 35-114, which authorized the University of Guam to contract and lease property for up to 30 years. Authority for similar term of up to 30 years will provide potential tenants, investors, or developers the ability to obtain the necessary commercial financing and a term to fully amortize their initial investments and achieve a return on investment for their planned capital improvements. As another comparison, CNMI Public Law 20-84 increased the terms of public land leases for up to forty (40) years, plus an extension of 15 years, for a total of fifty-five (55) years.

Chairman Ada and Honorable Senators now is a critical time in the history of Guam's only commercial airport to expand our ability to diversify our revenues through leveraging our existing properties for responsible investments in capital infrastructure. Especially at a time when the visitor industry continues to recover and airport revenues continues to be impacted, laying the groundwork today will open the doors to investment in facilities on airport property tomorrow—that have the potential to create new industries and generate additional revenue for the airport and economic activity on Guam.

Once again, on behalf of the GIAA, we thank you for this opportunity to testify on Bill 8-38. We look forward to working with this Committee to advance policies in support of continued economic and airport development.

Sincerely,



JOHN M. QUINATA
Executive Manager



PORT OF GUAM
ATURIDAT / PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96915
Telephone: 671-477-5931/5 | Facsimile: 671-477-2689
Website: www.portofguam.com



Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

February 12, 2025

Honorable V. Anthony Ada
Vice Speaker
Chairperson, Committee on Land
38th Guam Legislature
163 Chalan Santo Papa
Hagatna, Guam 96910

Subject: Testimony for Bill No. 8-38 (COR)

Buenas yan Hafa Adai Chairperson and Committee Members:

Thank you for the opportunity to testify in support of Bill No. 8-38 (COR), “AN ACT TO AMEND SUBSECTIONS (d), (1), (2), (3), AND (4) ALL OF §5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS,” introduced by Sen. Joe S. San Agustin. This measure seeks to modernize the process for long-term government land leases, a necessary step to remove barriers that have hindered economic growth while maintaining transparency and oversight to protect public assets.

As General Manager of the Port Authority of Guam, I see firsthand how the current statutory restrictions, though perhaps necessary at the time of their passage, may have been too draconian and resulted in unintended consequences. I was the third main sponsor of the law that created these restrictions, and at that time, the intent was to ensure that public land leases were subject to greater scrutiny and legislative oversight. Given concerns about transparency and accountability in past lease agreements, these safeguards may have been necessary then. However, the landscape has changed, and the restrictions now create unnecessary hurdles that discourage long-term private investment in critical infrastructure.

One of the most pressing challenges we face is securing a public-private partnership for the modernization of our fuel piers and fuel storage facilities. Fuel infrastructure is vital to Guam’s energy security, commercial trade, economic stability, and regional military operations. However, these large-scale, capital-intensive projects require lease terms that provide investors with long-term certainty. A five-year lease restriction simply does not align with the investment timelines necessary for such critical projects.

Some have argued that longer leases can still be granted through the legislative approval process. While technically true, this requirement introduces uncertainty, delays, and additional procedural hurdles that deter potential investors. Companies looking to invest in major infrastructure projects require a clear and predictable process, not one that depends on shifting legislative

priorities and political cycles. The added risk of legislative inaction or prolonged debate makes it difficult for investors to commit to multimillion-dollar projects, particularly when they have other markets with more streamlined leasing frameworks.

As we work to strengthen Guam's economic position, we must also look at emerging opportunities that can make the Port and the island a stronger player in the global supply chain. One such opportunity is the designation of the Port Authority of Guam and the Guam International Airport as free trade zones. The recent trade policies under the Trump administration, particularly the imposition of new tariffs on Chinese goods, create an opening for Guam to position itself as a strategic hub for transshipment, warehousing, and distribution. By establishing a free trade zone, businesses would be able to import goods, store, assemble, and re-export them without being subject to U.S. tariffs unless they enter the domestic market. This would make Guam more attractive for companies looking to reduce costs and navigate complex international trade dynamics.

An FTZ designation at the Port and Airport would enhance Guam's role as a critical link in the regional supply chain by allowing goods to flow through the island efficiently. This initiative would attract foreign and U.S. investment in warehousing, distribution, and light manufacturing, creating jobs and increasing revenue. Furthermore, it would help us expand our transshipment opportunities, taking full advantage of Guam's location between Asia and the U.S. Businesses could offload cargo, repackage, and ship products to tariff-friendly markets such as Japan, South Korea, and Australia, increasing the volume of goods passing through the Port.

Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio and the Guam Economic Development Authority can use this initiative as a tool to attract investors, making Guam a more competitive and attractive option for companies that rely on global trade. This aligns with Sen. Tina Muna Barnes' initiative to position Guam as a key player in international commerce, diversifying the economy beyond tourism and the military buildup. I also appreciate that our oversight chair, Sen. Jesse Lujan, has expressed interest in advancing this discussion. It is encouraging to see momentum building in the Legislature for forward-thinking, solution-oriented initiatives that drive progress rather than maintaining outdated restrictions. Revisiting statutory limitations, such as those addressed in this bill, is essential to creating new economic opportunities and job growth for our island.

The Port Authority of Guam already has strong lease management practices in place that ensure accountability and transparency. The Port's lease rates are set by statute, ensuring fair, standardized pricing that prevents undervaluation or arbitrary negotiations. Many Port leases include development obligations, requiring lessees to make improvements, expand operations, or invest in infrastructure within a set timeframe. The Port conducts regular lease reviews to ensure tenants are meeting their commitments, which can include annual reports, site inspections, and financial assessments. The Port also retains the authority to terminate leases if lessees fail to meet contractual obligations, ensuring that public assets are not misused or underutilized.

Letter to Vice Speaker V. Anthony Ada/Bill No. 8-38 (COR)

February 12, 2025

Page 3 of 3

These existing safeguards demonstrate that extending lease terms to 30 years will not compromise oversight but will instead enhance the Port's ability to secure major investments in critical infrastructure, transshipment, and warehousing. The combination of statutory lease rates, regulatory oversight, and accountability measures ensures that longer leases remain in the public's best interest.

This bill aligns with the pro-business approach of the 38th Guam Legislature and the Leon Guerrero-Tenorio administration's push for expanded economic opportunities for all residents. By amending the current statute from 5 years to 30 years, we will unlock the potential for transformative investments that will strengthen our island's infrastructure, create jobs, and enhance economic resilience—while still maintaining transparency and accountability.

I strongly urge the passage of Bill No. 8-38 (COR) to create a more balanced and sustainable approach to land lease agreements and to support broader economic initiatives that will benefit Guam for decades to come. Thank you for your time and consideration. I am available for any questions you may have.

Very truly yours,



Rory J. Respicio
General Manager

Cc: PAG Board of Directors

February 13, 2025

Honorable V. Anthony Ada

Vice Speaker and Chairperson, Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure, 38th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

RE: TESTIMONY ON BILL NO. 8-38 (COR) AN ACT TO AMEND SUBSECTION (A) AND REPEAL SUBSECTIONS (D), (1), (2), (3), AND (4) ALL OF SECTION 5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELEVANT TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS; and

BILL NO. 15-38 (COR) AN ACT TO AMEND §5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, DIVISION 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASING OF PUBLIC REAL PROPERTY AND RELATED FACILITIES.

Hafa Adai Vice Speaker Ada and members of the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure. My name is Melanie Mendiola, CEO/Administrator of the Guam Economic Development Authority (GEDA), and I hereby submit this written testimony on Bill Nos. 8-38 and 15-38.

Both Bills amend the above stated GCA which finds its origins in Public Law (PL) 32-40 (more commonly known as the "5-year law") as amended by PL 34-99. GEDA would like to take this opportunity to restate a number of points to consider with regard to Bill Nos. 8-38 and 15-38:

1. The current five-year term limit for commercial leasing, permitting, or licensing for government real property is not clearly or adequately defined as "reasonable" as various developments hold differing requirements to come to fruition, a five-year limit on almost any real property development will almost consistently be deemed "unfeasible."
2. Existing laws already provide for the makeup of various agencies' directors and board members who are then legislatively confirmed and are granted authority to act in their official capacities, to include disposition or management of their respective agency assets.
3. The required additional layer of Legislative approval without a timely status deadline creates additional obstacles and delays for promoting economic activity in terms of planning, financing, marketing, investment, permitting and development.

4. Since the enactment of PL 32-40 in 2013, GEDA has had firsthand experiences with foreign investors losing interest in Guam along with missed opportunities that may have generated economic activity and increased our local workforce.

With respect to the Bills specifically, GEDA **fully supports** the extension of the term limit of a lease agreement from five (5) years to ten (10) years as proposed in Bill 15-38 and thirty (30) years as proposed in Bill 8-38. Both Bills provide additional time to take advantage of market opportunities, although GEDA and prospective developers would prefer the longer term of 30 years as provided in Bill 8-38.

Bill 15-38 attempts to provide clarity with respect to the timeliness of Legislative approval of leases which is a concern that many agencies have had. Under the current law, there is no specific time frame for Legislative approval as current law specifies legislative action tolled after the submission of the Legislative Committee Report but does not provide a deadline for the Report. Bill 15-38 corrects this problem but unfortunately, in doing so, specifies a maximum of 13 months for legislative approval. While the expectation is that the Legislature will act more expeditiously, a prospective developer will not wait this long because financing, market opportunities, and other economic factors require quicker action. Even at 180 days for a developer to await legislative approval, after already negotiating a contract with the relevant board or commission, is an added obstacle to spur and advance economic development and this time frame does not even include the development permitting process. As was plainly evident over the past 4 years, the business and economic environment can dramatically shift within this timeframe and could set the course of business demise. Without a shorter time frame for approval or disapproval, the result is more uncertainty on the part of a developer that further complicates planning, discourages investment and tarnishes Guam's overall attractiveness as an investment destination.

On the other hand, Bill 8-38 removes the requirement for Legislative approval which GEDA fully supports. That said, we recognize the legitimate legislative concern regarding previous leases that favor the lessee over the people of Guam but we believe that reasonable mechanisms are already in place to ensure transparency and accountability and do not adversely affect the Executive Branch's ability to generate revenue from private business endeavors on public property.

As we move forward with our economic recovery and growth, Bill No. 8-38 should play a vast part in the types of investment opportunities for our island and elevating our competitiveness in the region. Thank you for the opportunity to provide testimony on Bill Nos. 8-38 and 15-38 as they directly affect GEDA's mission to promote and advance economic development and activity for the people of Guam.

Si Yu'os Ma'ase,


MELANIE MENDIOLA
CEO/Administrator



OFFICE OF THE VICE SPEAKER

V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

COMMITTEE VOTE SHEET

Bill No. 8–38 (COR) As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure – Joe S. San Agustin – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.”

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Vice Speaker V. Anthony Ada Chairperson	 02/27/2025	✓				
Senator Christopher M. Dueñas Vice Chairperson	EVOTE 02/27/2025	✓				
Speaker Frank F. Blas, Jr. Member	EVOTE 02/27/2025	✓				
Senator Sabrina Salas Matanane Member						
Senator Shelly V. Calvo Member						
Senator Vincent A.V. Borja Member	EVOTE 02/27/2025	✓				
Senator Sabina F. Perez Member						
Senator Chris Barnett Member	EVOTE 02/27/2025			✓		
Senator Tina Muña Barnes Member						
Senator Joe S. San Agustin Member	EVOTE 02/28/2025	✓				



Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

REQUEST for E-vote: Committee Report - Bill No. 8-38 (COR)

Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Thu, Feb 27, 2025 at 2:09 PM

To: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>

Cc: "Speaker Frank F. Blas Jr." <speakerblas@guamlegislature.gov>, Office Senator Bri <office.senatorbri@guamlegislature.gov>, Office of Senator Shelly Calvo

<officeofsenatorshellycalvo@guamlegislature.gov>, Senator Vince Borja <vince.borja@guamlegislature.gov>, Office Senator Perez <office.senatorperez@guamlegislature.gov>, Senator Tina Muna Barnes

<senator.munabarnes@guamlegislature.gov>, Senator Darrel Christopher Barnett

<malafunkshun@guamlegislature.gov>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, erin.grajek@guamlegislature.gov, tiffany.ko@guamlegislature.gov, brenda.judicpa@guamlegislature.gov

To do pass

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Office of Senator Christopher M. Dueñas

Chairman, Committee on Government Finance and Operations

259 Martyr St., Hagatna, Guam 96910

senator.duenas@guamlegislature.gov

(671) 989-9554

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Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

REQUEST for E-vote: Committee Report - Bill No. 8-38 (COR)

Senator Darrel Christopher Barnett <malafunkshun@guamlegislature.gov>
To: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>

Thu, Feb 27, 2025 at 3:54 PM

To report out only.

**The Office of Senator Chris Barnett***I Mina'trentai Ocho Na Liheslaturan Guåhan*

Suite 202 · Calvo- Arriola Building · 259 Martyr St. · Hagåtña, Guam 96910

(671)969-3586 · malafunkshun@guamlegislature.gov

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Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

REQUEST for E-vote: Committee Report - Bill No. 8-38 (COR)

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov>

Thu, Feb 27, 2025 at 3:26 PM

To: Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Cc: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Office Senator Bri <office.senatorbri@guamlegislature.gov>, Office of Senator Shelly Calvo

<officeofsenatorshellycalvo@guamlegislature.gov>, Senator Vince Borja <vince.borja@guamlegislature.gov>, Office Senator Perez <office.senatorperez@guamlegislature.gov>, Senator Tina Muna Barnes

<senator.munabarnes@guamlegislature.gov>, Senator Darrel Christopher Barnett

<malafunkshun@guamlegislature.gov>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, erin.grajek@guamlegislature.gov, tiffany.ko@guamlegislature.gov, brenda.judicpa@guamlegislature.gov

To Do Pass

**Speaker, Frank F. Blas, Jr.****I Mina'trentai Ocho na Lihenslaturan Guåhan 38th Guam Legislature****Guam Congress Building, 163 Chalan Santo Papa, Hagatña****(671)969-6456****speakerblas@guamlegislature.gov****Guam Legislature (@GuamLegislatureMedia) | Twitter**

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Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

REQUEST for E-vote: Committee Report - Bill No. 8-38 (COR)

Joe S. San Agustin <senatorjoessanagustin@gmail.com>

Fri, Feb 28, 2025 at 8:02 AM

To: "Vice Speaker V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>

Cc: Chris Duenas <senator.duenas@guamlegislature.gov>, "Speaker Frank F. Blas Jr."

<speakerblas@guamlegislature.gov>, Office Senator Bri <office.senatorbri@guamlegislature.gov>, Office of Senator Shelly Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, Senator Vince Borja

<vince.borja@guamlegislature.gov>, Office Senator Perez <office.senatorperez@guamlegislature.gov>, Senator Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Senator Darrel Christopher Barnett

<malafunkshun@guamlegislature.gov>, erin.grajek@guamlegislature.gov, tiffany.ko@guamlegislature.gov, brenda.judicpa@guamlegislature.gov

To Do Pass

The Office of Senator Joe S. San Agustin*I Mina'trentai Ocho na Liheslaturan Guåhan*

38th Guam Legislature

Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910

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Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

REQUEST for E-vote: Committee Report - Bill No. 8-38 (COR)

Senator Vince Borja <vince.borja@guamlegislature.gov>

Thu, Feb 27, 2025 at 3:50 PM

Reply-To: Senator Vince Borja <vince.borja@guamlegislature.gov>

To: vicespeakertonyada@guamlegislature.gov

Cc: senator.duenas@guamlegislature.gov, speakerblas@guamlegislature.gov, office.senatorbri@guamlegislature.gov, officeofsenatorshellycalvo@guamlegislature.gov, office.senatorperez@guamlegislature.gov, senator.munabarnes@guamlegislature.gov, malafunkshun@guamlegislature.gov, senatorjoessanagustin@gmail.com, erin.grajek@guamlegislature.gov, tiffany.ko@guamlegislature.gov, brenda.judicpa@guamlegislature.gov, vicespeakertonyada@guamlegislature.gov

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OFFICE OF THE VICE SPEAKER

V. Anthony Ada

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson - Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure

COMMITTEE REPORT DIGEST

I. OVERVIEW

Bill No. 8-38 (COR) was introduced on **January 13, 2025**, by Senator Joe S. San Agustin and was subsequently referred to the Committee on Rules to the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure on **January 29, 2025**.

The Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure convened a public hearing on February 13, 2025, at 2:00 pm at the Public Hearing Room of the Guam Congress Building.

Public Notice Requirements

Public Hearing notices were disseminated via **e-mail** to all senators and all main media broadcasting outlets on **February 6, 2025** (5-Day Notice), and again on **February 11, 2025** (48-Hour Notice).

Senators Present

Senator Christopher M. Dueñas – Committee Vice Chairperson
Senator Joe S. San Agustin – Sponsor/Committee Member
Senator Sabrina Salas Matanane – Committee Member
Senator Shelly V. Calvo – Committee Member
Senator Vincent A.V. Borja – Committee Member
Senator Chris Barnett – Committee Member
Senator Sabina F. Perez – Committee Member
Senator Telo T. Taitague
Senator Eulogio S. Gumataotao
Senator Therese M. Terlaje
Senator William Parkinson

Attendees

Tom Ada
Steve Carrara, General Counsel – IT&E
John Quinata, Executive Manager – Guam International Airport Authority
Earl Garrido, Commissioner – Chamorro Land Trust Commission
Diego Mendiola, Real Property Manager – Guam Economic Development Authority
Rory Respicio, General Manager – Port Authority of Guam
Ricky Hernandez, Deputy Executive Manager – Guam International Airport Authority

Written Testimony Provided by

Rory Respicio, General Manager – Port Authority of Guam
Melanie Mendiola, CEO/Administrator – Guam Economic Development Authority

John Quinata, Executive Manager – Guam International Airport Authority

II. SUMMARY OF TESTIMONY & DISCUSSION

The **public hearing** was Called-to-Order at **2:04 pm.**

[See public hearing on Bill No. 6-38 (COR)]

Tom Ada: Thank you very much, Senator Ada. My name is Tom Ada and I'm here in my capacity as a private citizen. My motivation for coming here to present testimony simply to provide some context into this thirty-year lease and exceptional term contracts since I was party to the formulation of that policy back in 2013 and even on another measure in 2010. To start with, I should state that I do support Bill 8-38. Now the idea of a 30-year lease term certainly is not without precedent. Back in 2010, the Port Authority of Guam entered into a 30-year lease agreement with the company called Cementon Micronesia. Now, Cementon Micronesia and the port had actually gone through the process of negotiating a lease for that property. And the investor was willing to go with five years, let's just get this thing out the gate and start moving, but in their contract, they were asking for three, five year increments but every five years they have to come back to the table to renegotiate the price and whatnot. The legislature held a public hearing on that particular bill which was Bill 442-30 which later got enacted as Public Law 30-209. Cementon came in asking for 20 years and they walked out of here with 30 years. They presented their information, what they were going to do and I guess they did a good enough job of presenting what they were going to accomplish and how it's going to benefit the island and the legislature saw fit to provide a 30-year lease instead. So, what's so magical about 30 years, right? Why not 50? Why not 60? The 30 years in lieu of a 5-year limitation, at least in my time in government was that whenever the investor went out into the bond market it was always like a minimum of borrowing money from the bond market minimum payback of 30 years and whatnot so they needed that term and I think that's one justification for the 30 year lease. I think the other justification for 30 years is the fact that it gives them a long-term horizon to be able to see what variables they have to play with and certainly 30 years gives them a lot of leeway. The genesis of the exceptional term contract, which is mentioned in page 2 of paragraph B, 51-27 B, the exceptional term contract, that was introduced back in 2013 and quite honestly, that was moreso in reaction to some of the things that the legislative committee had discovered. For example, if we dig into the contract on the lease where the ITC building sits on, that lease agreement was actually for something like the initial period was 50-years renewable for another 50. So that lease is from about 100 years. And the increase in rent from day one to the hundredth year was something like \$0.15 and so granted based on examples such as that it was prudent to want to put a microscope on these things so certainly the legislative review was important. There was also one of the sponsors of the bill that introduced which was at the time Bill 69-32 which later got enacted as bill 32-40 back in 2013 the cosponsors were Senator BJ Cruz and Senator Rory Respicio and the other example that kind of motivate this exceptional term and requiring the contract to come down to the legislature and for the legislature to review the contract and whatnot was really the issue about the airport industrial building where the airport provided the land, a developer came in and built the building but best of my recollection I don't think the airport was getting any revenues out of that. From one standpoint, it seemed like the airport was getting the short end of the stick because it wasn't getting any big revenues but on the other hand, the developer was able to provide a facility that was able to then enable the other providers such as customs to enforce our customs laws, united airlines and whatnot to be able to carry out their functions to the benefit of the island. I know that probably the one item that's a lightning rod in Bill 8 is the idea of eliminating the ability for the legislature to review these long-term contracts. By deleting what the portion that Bill 8 proposes is really not without precedent. It was done with Cementon as a lessee as a tenant of the port when they came down to the legislature, they did not come down with their contract and reveal all the details of that particular contract. Instead, they made themselves available and they were able to satisfy the legislature to what they were going to do, how it was going to benefit the

island, how it was going to benefit the port. Like I said, it was a good enough exchange of information, they came in asking for 20, walked out with 30. It's not without precedent that potential tenants doesn't come in and provides his contract and then the approval of that contract could take – although it says a 60-day period, in that 60-day period, time can be told from the time that you do the public hearing and the committee report the term could be out and it will never see the day of light. But at any rate, I think it's not irresponsible for what the Bill 8 is proposing but I think there's other ways possibly it was done with Cementon and I think that has turned out to be a good arrangement and if nothing else, in lieu of the legislative review is maybe the legislature should establish what the parameters are. What are going be the cost, the rent escalation over the years. What happens if you don't pay rent which does happen? Put those parameters in so that the players know what the rules of the games are and then let the agency take it to its finality with the expertise that they have.

Steve Carrara, General Counsel – IT&E: Thank you, good afternoon, everyone and thank you for the opportunity to testify. We support the legislation in order to promote investments on public land, I think a longer period of time is necessary to capitalize your investment. Also dealing with permitting, permitting has escalated exponentially over the last couple years. That extra expense needs to be taken in account so that when you invest you need more time to amortize your investment. In addition to rental income that the property generates, there's also a multiplier effect. The payroll taxes and everything else that goes along with it. We struggle with the situation and we would like to clarify in the legislation this should also include current leases because right now there's no mechanism to extend the current lease if the lease is expired so could you add another 30 years on to that or at least 10 years but there's got to be a mechanism because like in our case, we're a public utility IT&E and we have some cell site all over the island and they're on small pieces of public land but we can't renew it so we're in this stalemate right now. Do we provide a public service? Yes. Does the public rely on us in emergencies? Yes. Does everybody want that as service? Yes. Does the public want us to move something 10 year to satisfy a requirement that we can't go beyond 10 years or 5 years? I don't think anybody wants that so if the legislature could consider some flexibility for small pieces of land. These are not big things Senator alluded to about some sort of inequity applying so again we support longer term leases for investment in the island. I think it works well for everybody and appreciate your consideration for the request I made.

John Quinata, Executive Manager – Guam International Airport Authority: [Written testimony presented orally]

Earl Garrido, Commissioner – Chamorro Land Trust Commission: Once again, Håfa adai Mr. Speaker and the esteemed members of the 38th Guam Legislature. I am Earl Garrido and I am a member of CLTC board. I come before you today in a dual function as a board member and on my own personal capacity and also as a retired resident of Guam. On Bill 8-38 I stand in support of this bill if you include the CLTC as a recipient of this legislation, please give us the autonomy to make such leases and licenses. The ancestral land trust has the authority to operate as such, I ask you to recognize the limitation on the CLTC and grant us the equality to operate under the same sovereignty. In regards to Bill 15-38, I do oppose the bill simply because commercial leases should have a term of around 20 to 30 years for developmental purposes. A developer must expand substantial amounts of money to develop unimproved lands also referred to as vacant lands to realize a return on investment. The longer term is necessary to accelerate a win-win position for both the people of Guam and for the private developer. Thank you for giving me this time to bring --.

Diego Mendiola, Real Property Manager – Guam Economic Development Authority: [Written testimony provided by Ms. Melanie Mendiola, CEO/Administrator of the Guam Economic Development Authority presented orally by Mr. Diego Mendiola]

Rory Respicio, General Manager – Port Authority of Guam: [Written testimony presented orally]

Ricky Hernandez, Deputy Executive Manager – Guam International Airport Authority: Thank you, Vice Speaker Ada, member of the Committee on Land and Environment. My name is Ricky Hernandez. I'm the Deputy Executive Manager at the Guam International Airport Authority. Just here in support of both bills as they relate to the intent of increasing the lease limitations upwards of five years. Here to answer any of your questions. I do want to just note that the integrated air cargo facility that my former boss Senator Ada had mentioned, we do collect a ground lease on at around 350,000 per year with some escalations built into that lease agreement so I just wanted to add that as clarification but subject to any of your questions that you might have. Thank you.

Senator Telo T. Taitague agreed to the important of increasing the lease from five years but relayed that she had a problem with three decade and that there's no reason "you can't come before the legislature and explain to us what you're going to use it for...it's scrutinized not just at the legislative level but at the public level, too."

Committee Vice Chairperson Christopher M. Dueñas asked the panel if they'd be able to realize in their capacities what they need to attract investment at a ten-year rate or if they need the 30 years to be serious about what they're going to do.

Mr. Mendiola said that 30 years is the magic number with regards to financing and that it depends on the type of project or type of investment that the developer wants to do. If the investment is for a small time where there's already infrastructure then ten years is reasonable and that could be negotiated and they'd appreciate the ability to do so.

Mr. Respicio said that up to 30 years would put the government in a better position to seek investments. He said they are required every three years to do an appraisal and the rate for an open space has to be the appraisal rate or 10%, whichever is higher.

Mr. Ada said if you go off the bond market, the minimum is 30 years loan period and if an investor wants more time there's the exceptional term contract provision and it's a little more red tape.

Vice Chair Dueñas asked if the panel would support a markup on the bill to add some language they are discussing.

Mr. Ada said that the exceptional term provision of the [previously mentioned] bill and legislative review that goes with it was reactionary on the legislator's part.

Mr. Garrido presented his viewpoint that a 30-year lease time is ideal for vacant lands where you develop from the ground up and a ten-year lease he would apply to a structured property where there's an existing building. He mentioned a clause into the contract where an actual appraisal will be done every seven to ten years and the lease would be renegotiated.

Mr. Quinata said from the airport's perspective and the type of investments that are going, they have to support a minimum of 30 years and hopefully up to 50 years is the industry standard for airports.

Mr. Hernandez said that it would be difficult to not have the flexibility to negotiate if there was not an adequate time period for hangar facilities that cost in "nine digits minimum"; that the FAA requires that the priority for their property go to aeronautical use with a very specific definition that it has to relate to the operation of an aircraft; that the FAA requires fair market value for leases; there are not a lot of companies and airlines that want to throw nine digits at the airport as there are a lot of other places in the region that we are competing with; Guam has its own uniqueness that we want to leverage as the airport is still recovering as tourism is not in the same place as it was in 2019; any policy that

adjusts the lease beyond five years; it's going to take at least three years to get something that will benefit us in the future and something upwards of 30 years is necessary for that type of investment.

Mr. Carrarra said that he thinks there are systems in place that the government is very capable of negotiating fair leases; we are in an unprecedented situation that it goes up every year; during bad times, leases still got paid; referring to the ITC building as an example that without the long-term lease, that building would not have been built; that this still requires oversight and they have provisions in place.

Senator Eulogio S. Gumataotao stated that by lengthening the term of a lease agreement for government opportunity for the Government of Guam to collect an extended incremental rental value for rental of public real property and that a lengthen term may increase the overall interest for investors to enter into a commercial agreement with additional revenue that will be collected for public services; proposed lease term extension means that the base appraised value of a government property cannot be re-evaluated until the contract least permit or license has expired and asked if there would be a recommendation for the bill to require that lease agreements include periodic rent adjustments allowing for the government to collect additional rent payments based on future appraised value of lease properties.

Mr. Mendiola referred to 1970s leases that had a 1% increase per year when Guam was trying to build an economy and industry; in their practice, they use fair market appraisal at whatever interval which we negotiate with the potential lessee or developer; they support that kind of provision.

Mr. Respicio said that for their annual leases, every time they do an appraisal, every three years they make those adjustments and he thinks there should be a standard escalation clause because policies shouldn't change when people rotate out.

Mr. Ada said he thinks there's a need for the escalation clause because the value of the property is going to increase over the years.

Mr. Garrido supports periodical adjustments and escalation based on if it's a long-term lease based on the appraisal at that time but it should not be every five years, it should be at least between seven to ten year period.

Mr. Quinata supports the escalation and as far as fair market value, they do have that in process with non-aeronautical.

Mr. Hernandez said it's the non-aeronautical will require fair market value escalation; if the market goes down, you want to maintain a level of revenue and it depends on the project is what the agency expects to be there in terms of a future, what the uses of some property or land is and then make an informed decision.

Mr. Carrarra said he was torn and asked if the appraisal is based on the value of an acre of land or based on the value of improvements.

Senator Terlaje commented on leases that have benefit the lessee much more than they benefitted the people of Guam; questioned giving blanket authority to all boards and agencies for all purposes to enter into long-term leases at whatever terms they want; there are no parameters in the bill; there's nothing that prevents the port from coming into the legislature way in advance so there is no delay for anyone who actually wins the award; referred to lack of competition or ability to avoid competition; they have escalation clauses; long term leases should be easy to justify to boards and senators and the people of Guam; we do not have general parameters, we cannot have general parameters but she

welcomes specific parameters for specific industries and specific lands; and asked if the panel agreed with her.

Mr. Hernandez said that as the industry changes, the parameters may change; we should have some type of parameters, but it'll change and we don't know when or how quickly or exactly the entire gamut of what could be out there.

Senator Shelly V. Calvo – Committee Member asked if the requirement for legislative approval has ever impeded the negotiation of a public private partnership for their agencies.

Mr. Respicio said that they have not undertaken any such process other than the partnership that the board recently passed with a resolution to develop the scope of work through an RFP process which in the current state would have to be approved by the legislature but doesn't want to be in the same situation as other agencies have mentioned where it's going to provide a chilling effect on any proposed investment for those facilities.

Mr. Quinata said that they couldn't even get to that step because once "they" hear about the five-year limitation, they don't go beyond that.

Senator Calvo asked if it is going to be very helpful if we disregard or eliminate legislative approval.

Mr. Ada said that what potential investors bristle at is having to bring in their contract with details that put them in a vulnerable position, saying what they will be doing and have a competitor sitting there; the boards of these agencies do not operate by themselves because they have to go out to the bond market to borrow millions of dollars and they have lawyers to make sure they are conducting business properly.

Mr. Quinata said that in talking to investors for airports, they not only compete on Guam but in other destinations and do not want to open up their secrets.

Senator Chris Barnett – Committee Member expressed confusion with Mr. Ada's testimony because it seemed like he was opposing the bill; pointed out that Mr. Respicio was the third main sponsor of the law that created these restrictions to ensure that public land leases were subject to oversight; he does not agree because what the people want is more transparency and accountability; he spoke to BJ Cruz and he doesn't support the bill; and that ten years seems more prudent than 30 years.

Senator Sabrina Salas Matanane – Committee Member said that during her tour of the airport, she was able to talk with employees and tour the facilities and saw a lot of potential and jobs that can be created; she understands the concerns but does not want them to be an impediment to progress; the airport was a highly regulated agency by the federal government.

Senator Sabina F. Perez – Committee Member referred to strong lease management practices in place to ensure accountability and transparency and asked what lessons we learned now that we have created stronger accountability transparency measures.

Mr. Respicio said he recognizes the five-year limitation and exceptional term lease process but the board said there's another process notwithstanding the provision of the law process; it has had a chilling effect; they're not just going to be handpicking investors to engage with, they will be submitting requests for proposals through a solicitation process, there will be an evaluation committee and proposals will be determined on the highest and best use.

Senator Perez said that once we release this restriction, the concern is what is there to safeguard that we are getting the best end of this deal; she needs to see more details as there is potential to go back to practices where we were lowballing ourselves.

Mr. Respicio said that there are other statutes that govern the action of leasing of government property and port lease rates are set by every three years, they have to do an appraisal.

Senator Perez asked about safeguards if they remove the five-year cap.

Chairman Ada closed by talking about how much revenue the airport has lost over the years, needing to move into the future, bringing other industries within the aviation business to Guam and also within the Port Authority; a need to not rely so heavily on the military buildup; needing to build our own industries whether it be in aviation maintenance or what we can do to bring back the ship repair facility as they were very viable businesses back in the day; the need to be more open and acceptable to see what works best for those involved; businesses investing tens to hundreds of millions of dollars and needing to recoup that in five years; tourism isn't coming back quickly; the need to start looking at different avenues of revenue.

The public hearing was adjourned at **5:31 pm.**

III. FINDINGS & RECOMMENDATIONS

The committee finds that the bill's title is somewhat misleading. There is currently no limit on the term of any leases of government land. More accurately, there is a 5-year limitation on lease of government land unless a longer term is approved by the legislature. This bill proposes to allow for leases of government land for up to thirty years.

The sentiments of the individuals testifying on the bill were supportive of the bill's enactment. The perception, however, was that Guam law limits leases to 5 years and the only way to get a lease over 30 years was change the law. The bill removes the procedural requirements that the legislature must follow to consider land leases longer than 5 years.

The bill was amended by the Committee to continue to allow the Chamorro Land Trust (CLT) to have flexibility over leases and licenses for utilities on CLT land.

The Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure hereby reports out Bill No. 8-38 (COR) As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure – Joe S. San Agustin – “AN ACT TO AMEND § 5127 OF SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS,” with the recommendation **TO REPORT OUT ONLY.**

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 8-38 (COR)

Introduced by:

Joe S. San Agustin 

**AN ACT TO AMEND SUBSECTION (a) AND REPEAL
SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127
SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5,
GUAM CODE ANNOTATED RELATIVE TO THE
EXTENSION OF GOVERNMENT OF GUAM LEASES
FROM FIVE (5) TO THIRTY (30) YEARS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 2. § 5127 of Subarticle C, Article 2, Chapter 5, Title 5, Guam Code
Annotated is hereby *amended* to read:

**“§ 5127. Commercial Leasing of Public Real Property and Related
Facilities.**

(a) Public Real Property and Related Facilities. From the effective date
of this law, and notwithstanding any other provision of this Chapter, no
commercial contract, lease, permit, or license for use of public real property,
and related facilities by any non-governmental person or entity, shall be
solicited, negotiated, entered into, or made for a term in excess of ~~five (5)~~
thirty (30) years, inclusive of any extension, option, or renewal-, provided the
terms and conditions of the commercial contract, lease, permit, or license have
been satisfied during the initial thirty (30) years as evidenced in a written
approval by *I Maga'hågan Guåhan* or relevant Board of Directors of the
Government of Guam.

1 (1) Any contract, lease, permit or license made, renewed or
2 extended in violation of this law shall become void upon the ~~fifth (5th)~~
3 thirtieth (30th) anniversary of the making of such contract, lease, permit,
4 or license.

5 (2) This limitation shall not apply to residential and agricultural
6 leases to beneficiaries under the Chamorro Land Trust.

7 (3) Any such contract, lease, permit, or license shall mean a
8 “lease of real property” and not the lease of supplies as that term is used
9 in § 5030(u) of this Chapter.

10 (b) Exceptional Term Contracts. The Chief Procurement Officer, the
11 Director of Public Works, or the head of a purchasing agency, as authority
12 may exist therefore, may solicit a contract for a term longer than otherwise
13 allowed by this Section (an “Exceptional Term Contract”).

14 (1) Prior to soliciting any Exceptional Term Contract, I
15 *Maga’håga/Maga’låhi* or, in the case of an autonomous agency, the
16 Board of Directors, shall make a written Determination of Need
17 justifying by a quantifiable sum an Exceptional Term Contract, and
18 specifying the full term, inclusive of extensions, options and renewals,
19 for such contract, and provide a copy of such Determination of Need to
20 the Speaker of *I Liheslaturan Guåhan*.

21 (2) No Exceptional Term Contract shall be solicited unless a
22 Determination of Need is obtained from *I Maga’håga/Maga’låhi* or, in
23 the case of an autonomous agency, the Board of Directors.

24 (3) A written Determination of Need shall be valid for two (2)
25 years or until an Exceptional Term Contract is executed to fill the stated
26 need, whichever comes first.

1 (c) Subsequent to transmitting a Determination of Need to the Speaker of *I*
2 *Liheslaturan Guåhan*, a notice of solicitation shall be published as provided in §
3 5211(c) of Subarticle B of Article 3 of this Chapter, such notice to conspicuously
4 note the solicitation is for an Exceptional Term Contract, and specifying the term
5 thereof, as well as the date of the proper Determination of Need. Any Exceptional
6 Term Contract made in violation of this Section shall be void.

7 ~~(d) Legislative Approval Required for Exceptional Term Contracts.~~
8 ~~Subsequent to satisfying the requirements of this § 5127, the commercial~~
9 ~~contract, lease, permit, or license for use of public real property and related~~
10 ~~facilities shall be transmitted to *I Liheslaturan Guåhan* for approval or~~
11 ~~disapproval, in whole.~~

12 ~~(1) *I Liheslaturan Guåhan* shall take action to approve or~~
13 ~~disapprove the commercial contract, lease, permit, or license within~~
14 ~~sixty (60) calendar days from the date of filing with the Speaker.~~

15 ~~(2) A public hearing shall be conducted by the Chairperson of~~
16 ~~the Legislative Committee having oversight jurisdiction during the~~
17 ~~sixty (60) day review period, and said Committee shall report its~~
18 ~~findings and recommendations to *I Liheslaturan Guåhan*.~~

19 ~~(3) The sixty (60) day period allowed for *I Liheslaturan Guåhan*~~
20 ~~to approve or disapprove the contract, lease, permit, or license shall be~~
21 ~~tolled from the time that a public hearing is noticed and until a~~
22 ~~Committee Report is completed.~~

23 ~~(4) Legislative approval shall be by enactment into law.~~

24 (d) The solicitation and award of any such contract, lease, permit, or
25 license shall be conducted as provided in this Chapter, and the Determination
26 of Need shall be a part of such record and subject to § 5251 of this Chapter,

1 along with any modification, amendment, exercise of option or renewal, or
2 extension of such contract, lease, permit, or license.”

3 **Section 3. Severability.** If any provision of this Act or its application to
4 any person or circumstance is found to be invalid or inorganic, such invalidity shall
5 not affect other provisions or applications of this Act that can be given effect without
6 the invalid provision or application, and to this end the provisions of this Act are
7 severable.

8 **Section 4. Effective Date.** This Act shall be effective upon enactment.

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 8-38 (COR)

As Amended by the Committee on Land,
Environment, Housing, Agriculture,
Parks and Infrastructure

Introduced by:

Joe S. San Agustin

**AN ACT TO *AMEND* SUBSECTION (a) AND *REPEAL*
SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127
SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5,
GUAM CODE ANNOTATED RELATIVE TO THE
EXTENSION OF GOVERNMENT OF GUAM LEASES
FROM FIVE (5) TO THIRTY (30) YEARS.**

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and related facilities by any non-governmental person or entity, shall be
solicited, negotiated, entered into, or made for a term in excess of ~~five (5)~~
thirty (30) years, inclusive of any extension, option, or renewal, provided the
terms and conditions of the commercial contract, lease, permit, or license have
been satisfied during the initial thirty (30) years as evidenced in a written

1 approval by *I Maga'hågan Guåhan* or relevant Board of Directors of the
2 Government of Guam.

3 (1) Any contract, lease, permit or license made, renewed or
4 extended in violation of this law shall become void upon the ~~fifth (5th)~~
5 thirtieth (30th) anniversary of the making of such contract, lease, permit,
6 or license.

7 (2) (a) This limitation shall not apply to residential and
8 agricultural leases to beneficiaries under the Chamorro Land Trust.

9 (b) This limitation shall not apply to leases and site licenses,
10 and extensions thereof, of Chamorro Land Trust Commission
11 licensed telecommunications providers and any government
12 authority provided that the applicable fee is adjusted to a fair
13 market value rate not less than every ten (10) years.

14 (3) Any such contract, lease, permit, or license shall mean a
15 “lease of real property” and not the lease of supplies as that term is used
16 in § 5030(u) of this Chapter.

17 (b) Exceptional Term Contracts. The Chief Procurement Officer, the
18 Director of Public Works, or the head of a purchasing agency, as authority
19 may exist therefore, may solicit a contract for a term longer than otherwise
20 allowed by this Section (an “Exceptional Term Contract”).

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22 *Maga'håga/Maga'låhi* or, in the case of an autonomous agency, the
23 Board of Directors, shall make a written Determination of Need
24 justifying by a quantifiable sum an Exceptional Term Contract, and
25 specifying the full term, inclusive of extensions, options and renewals,
26 for such contract, and provide a copy of such Determination of Need to
27 the Speaker of *I Liheslaturan Guåhan*.

1 (2) No Exceptional Term Contract shall be solicited unless a
2 Determination of Need is obtained from *I Maga'håga/Maga'låhi* or, in
3 the case of an autonomous agency, the Board of Directors.

4 (3) A written Determination of Need shall be valid for two (2)
5 years or until an Exceptional Term Contract is executed to fill the stated
6 need, whichever comes first.

7 (c) Subsequent to transmitting a Determination of Need to the Speaker of *I*
8 *Liheslaturan Guåhan*, a notice of solicitation shall be published as provided in §
9 5211(c) of Subarticle B of Article 3 of this Chapter, such notice to conspicuously
10 note the solicitation is for an Exceptional Term Contract, and specifying the term
11 thereof, as well as the date of the proper Determination of Need. Any Exceptional
12 Term Contract made in violation of this Section shall be void.

13 ~~(d) Legislative Approval Required for Exceptional Term Contracts.~~
14 ~~Subsequent to satisfying the requirements of this § 5127, the commercial~~
15 ~~contract, lease, permit, or license for use of public real property and related~~
16 ~~facilities shall be transmitted to *I Liheslaturan Guåhan* for approval or~~
17 ~~disapproval, in whole.~~

18 ~~(1) *I Liheslaturan Guåhan* shall take action to approve or~~
19 ~~disapprove the commercial contract, lease, permit, or license within~~
20 ~~sixty (60) calendar days from the date of filing with the Speaker.~~

21 ~~(2) A public hearing shall be conducted by the Chairperson of~~
22 ~~the Legislative Committee having oversight jurisdiction during the~~
23 ~~sixty (60) day review period, and said Committee shall report its~~
24 ~~findings and recommendations to *I Liheslaturan Guåhan*.~~

25 ~~(3) The sixty (60) day period allowed for *I Liheslaturan Guåhan*~~
26 ~~to approve or disapprove the contract, lease, permit, or license shall be~~

1 ~~tolled from the time that a public hearing is noticed and until a~~
2 ~~Committee Report is completed.~~

3 ~~(4) Legislative approval shall be by enactment into law.~~

4 (d) The solicitation and award of any such contract, lease, permit, or
5 license shall be conducted as provided in this Chapter, and the Determination
6 of Need shall be a part of such record and subject to § 5251 of this Chapter,
7 along with any modification, amendment, exercise of option or renewal, or
8 extension of such contract, lease, permit, or license.”

9 **Section 3. Severability.** If any provision of this Act or its application to
10 any person or circumstance is found to be invalid or inorganic, such invalidity shall
11 not affect other provisions or applications of this Act that can be given effect without
12 the invalid provision or application, and to this end the provisions of this Act are
13 severable.

14 **Section 4. Effective Date.** This Act shall be effective upon enactment.

Committee Markup

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 8-38 (COR)

Introduced by:

Joe S. San Agustin

AN ACT TO *AMEND* SUBSECTION (a) AND *REPEAL* SUBSECTIONS (d),(1),(2),(3), AND (4) ALL OF § 5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 2. § 5127 of Subarticle C, Article 2, Chapter 5, Title 5, Guam Code Annotated is hereby *amended* to read:

“§ 5127. Commercial Leasing of Public Real Property and Related Facilities.

(a) Public Real Property and Related Facilities. From the effective date of this law, and notwithstanding any other provision of this Chapter, no commercial contract, lease, permit, or license for use of public real property, and related facilities by any non-governmental person or entity, shall be solicited, negotiated, entered into, or made for a term in excess of ~~five (5)~~ thirty (30) years, inclusive of any extension, option, or renewal-, provided the terms and conditions of the commercial contract, lease, permit, or license have been satisfied during the initial thirty (30) years as evidenced in a written approval by *I Maga'hågan Guåhan* or relevant Board of Directors of the Government of Guam.

1 (1) Any contract, lease, permit or license made, renewed or
2 extended in violation of this law shall become void upon the ~~fifth (5th)~~
3 thirtieth (30th) anniversary of the making of such contract, lease, permit,
4 or license.

5 (2) (a) This limitation shall not apply to residential and
6 agricultural leases to beneficiaries under the Chamorro Land Trust.

7 (b) This limitation shall not apply to leases and site licenses,
8 and extensions thereof, of Chamorro Land Trust Commission
9 licensed telecommunications providers and any government
10 authority provided that the applicable fee is adjusted to a fair
11 market value rate not less than every ten (10) years.

12 _____ (3) Any such contract, lease, permit, or license shall mean a
13 “lease of real property” and not the lease of supplies as that term is used
14 in § 5030(u) of this Chapter.

15 (b) Exceptional Term Contracts. The Chief Procurement Officer, the
16 Director of Public Works, or the head of a purchasing agency, as authority
17 may exist therefore, may solicit a contract for a term longer than otherwise
18 allowed by this Section (an “Exceptional Term Contract”).

19 (1) Prior to soliciting any Exceptional Term Contract, I
20 *Maga’håga/Maga’låhi* or, in the case of an autonomous agency, the
21 Board of Directors, shall make a written Determination of Need
22 justifying by a quantifiable sum an Exceptional Term Contract, and
23 specifying the full term, inclusive of extensions, options and renewals,
24 for such contract, and provide a copy of such Determination of Need to
25 the Speaker of *I Liheslaturan Guåhan*.

1 (2) No Exceptional Term Contract shall be solicited unless a
2 Determination of Need is obtained from *I Maga'håga/Maga'låhi* or, in
3 the case of an autonomous agency, the Board of Directors.

4 (3) A written Determination of Need shall be valid for two (2)
5 years or until an Exceptional Term Contract is executed to fill the stated
6 need, whichever comes first.

7 (c) Subsequent to transmitting a Determination of Need to the Speaker of *I*
8 *Liheslaturan Guåhan*, a notice of solicitation shall be published as provided in §
9 5211(c) of Subarticle B of Article 3 of this Chapter, such notice to conspicuously
10 note the solicitation is for an Exceptional Term Contract, and specifying the term
11 thereof, as well as the date of the proper Determination of Need. Any Exceptional
12 Term Contract made in violation of this Section shall be void.

13 ~~(d) Legislative Approval Required for Exceptional Term Contracts.~~
14 ~~Subsequent to satisfying the requirements of this § 5127, the commercial~~
15 ~~contract, lease, permit, or license for use of public real property and related~~
16 ~~facilities shall be transmitted to *I Liheslaturan Guåhan* for approval or~~
17 ~~disapproval, in whole.~~

18 ~~(1) *I Liheslaturan Guåhan* shall take action to approve or~~
19 ~~disapprove the commercial contract, lease, permit, or license within~~
20 ~~sixty (60) calendar days from the date of filing with the Speaker.~~

21 ~~(2) A public hearing shall be conducted by the Chairperson of~~
22 ~~the Legislative Committee having oversight jurisdiction during the~~
23 ~~sixty (60) day review period, and said Committee shall report its~~
24 ~~findings and recommendations to *I Liheslaturan Guåhan*.~~

25 ~~(3) The sixty (60) day period allowed for *I Liheslaturan Guåhan*~~
26 ~~to approve or disapprove the contract, lease, permit, or license shall be~~

1 ~~tolled from the time that a public hearing is noticed and until a~~
2 ~~Committee Report is completed.~~

3 ~~(4) Legislative approval shall be by enactment into law.~~

4 (d) The solicitation and award of any such contract, lease, permit, or
5 license shall be conducted as provided in this Chapter, and the Determination
6 of Need shall be a part of such record and subject to § 5251 of this Chapter,
7 along with any modification, amendment, exercise of option or renewal, or
8 extension of such contract, lease, permit, or license.”

9 **Section 3. Severability.** If any provision of this Act or its application to
10 any person or circumstance is found to be invalid or inorganic, such invalidity shall
11 not affect other provisions or applications of this Act that can be given effect without
12 the invalid provision or application, and to this end the provisions of this Act are
13 severable.

14 **Section 4. Effective Date.** This Act shall be effective upon enactment.



COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guåhan

38th Guam Legislature

January 29, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 8-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 8-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 08-38 (COR)

AN ACT TO AMEND SUBSECTION (a) AND REPEAL SUBSECTIONS (d), (1), (2), (3), AND (4) ALL OF §5127 SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE EXTENSION OF GOVERNMENT OF GUAM LEASES FROM FIVE (5) TO THIRTY (30) YEARS.

Department/Agency Appropriation Information

Dept./Agency Affected: Government of Guam Wide	Dept./Agency Head: Lourdes A. Leon Guerrero, Governor
Department's General Fund (GF) appropriation(s) to date:	\$906,464,877
Department's Other Fund (Specify) appropriation(s) to date: All Special Funds	\$212,273,986
Total Department/Agency Appropriation(s) to date:	\$1,118,738,863

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2024 Unreserved Fund Balance		\$0	\$0
FY 2025 Adopted Revenues	\$0	\$0	\$0
FY 2025 Appro. (P.L. 37-125)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2025 (if applicable)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / / Yes / / No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? / X / N/A / / Yes / / No
If no, what is the additional amount required? \$ / X / N/A
3. Does the Bill establish a new program/agency? / / Yes / X / No
If yes, will the program duplicate existing programs/agencies? / / N/A / / Yes / X / No
Is there a federal mandate to establish the program/agency? / / Yes / X / No
4. Will the enactment of this Bill require new physical facilities? / / Yes / X / No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / X / Yes / / No
/ X / Requested agency comments not received by due date / / Other:

Analyst: <u>Jason Baza</u>	Date: _____	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>JAN 29 2025</u>
Jason Baza, BMA Admin		Lester L. Carlson, Jr., Director	

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 08-38 (COR)

The proposed legislation intends to amend Subsection (a) §5127 of Subarticle C, Article 2, Chapter 5, Division 1, Title 5 Guam Code Annotated (GCA) by extending the term for commercial contracts, leases, permits, and licenses for use of public real property from the current five (5) year limit to now be Thirty (30) years. Additionally, the proposed legislation intends to repeal Subsections (d), (1), (2), (3), and (4) of §5127, Subarticle C, Article 2, Chapter 5, Division 1, Title 5 GCA by removing the requirement of submitting Exceptional Term Contracts to the Guam Legislature for approval/disapproval.

Although the legislation appears to be administrative in nature, there are potential residual impacts of extending such agreements for use of public real property for an additional twenty-five (25) years, particularly when it comes to revaluation of each property's appraised value.

Most commercial agreements for use of public real property are based on the appraised value of the property at the time of agreement and often include a clause for incremental increases regarding rental payments throughout the term of the agreement. By lengthening the term of the agreement to another twenty-five (25) years, the proposed legislation provides an opportunity for the Government of Guam to collect an extended incremental rental value for rental of public real property. Further, a lengthened term may increase the overall interest for investors to enter into a commercial agreement for use of public real property and compound the revenues from rental payments mentioned above.

Conversely, extending the term length means that the base appraised value of the property cannot be revaluated until the contract, lease, permit, and license has expired. Revaluation of the property would mean a potential increase to the base appraised value of the property as well as a potential increase to the rental payments associated with the agreement.

The Bureau notes that there are pros and cons to extending the term of commercial contracts, leases, permits, and licenses for use of public real property. However, the Bureau cannot determine an approximate financial impact at this time due to not having sufficient information on many variables that constitute an agreement for use of public real property, including the appraised value of each property being commercially utilized, the conditions of each agreement, and the potential increase to the property's value should a revaluation occur.