



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guam 96932

Phone: 475-4251 Fax: 477-8082

Felix P. Camacho
Governor of Guam

Michael W. Cruz, M.D.
Lieutenant Governor of Guam

Commission Members

David J. Matanane
Commissioner

Oscar A. Calvo
Commissioner

Pauline Gumataotao
Acting Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Joseph M. Borja
Administrative Director

REGULAR BOARD MEETING AGENDA Guam Ancestral Lands Commission Conference Room, Anigua October 24, 2007; 1pm

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES (March 28, 2007)
- III. PUBLIC COMMENTS
- IV. UNFINISHED BUSINESS
 1. Guam Youth Football League
 2. Evictions and Trespassing Cases
 3. Guam Shooting Center
- V. DIRECTOR'S REPORT
- VI. NEW BUSINESS
 1. Premier Hotels & Resorts (Guam), Inc.
represented by Calvo & Clark - Request to utilize Alupat Island
 2. From George Toves - Request to utilize Lot 10120-21NEW-8,
Dededo for commercial purposes
 3. From RPM - Re: Request for property to facilitate an automotive
technical institute
 4. From Ironwood Estates - Request to utilize additional CLTC
property for green space & recreational facility on Lot 10090-1,
Machanao, Dededo
 5. From Community Affairs, Governor's Office - Lack of water
services in Dededo
 6. From Juan Q. Acfalle - Request to utilize 3 acres for commercial
farming
 7. From George Torres - Request to utilize Lot 7163, Yigo for quarry
Purposes
 8. From Ironwood Estates – Request to utilize Lot 10114-NEW-2,
Dededo for construction of a housing community
- VII. ADVISORY and ADMINISTRATIVE MATTERS
- VIII. EXECUTIVE SESSION – yes, personnel and legal matters
- IX. ADJOURNMENT



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COMMISSION MEETING MINUTES Guam Ancestral Lands Commission Conference Room, Anigua October 24, 2007; 1:15pm – 5:11pm

I. CALL TO ORDER

Meeting was called to order at 1:15pm by Administrative Director Joseph M. Borja. Present were Chairman Pro-Tem Oscar Calvo, Commissioner David Matanane, Acting Commissioner Pauline Gumataotao and Legal Counsel Ike Aguigui.

II. APPROVAL OF MINUTES (March 28, 2007)

Commissioner Matanane made a motion to approve the minutes of March 28, 2007. Acting Commissioner Gumataotao seconded the motion. There were no objections, **MOTION PASSED.**

III. PUBLIC COMMENTS

- 1. Ernest Sablan Wusstig** – (full time farmer from Dededo). I came down here for other reasons but when I noticed this New Business like item no. 1. Request to utilize Alupat Island I think before they utilize that place they need to check the endangered species on that place number one and number two if the Land Trust does lease that island is it going to be leased just like private properties out here? That is an untouched island that is a rock and if we are going to out there and destroy that then what is for our next generation? We know it now as an island right there but when they utilize it and put a hotel in it then it is just a stone out there, just a rock. Before requesting that I think the Land Trust needs to do it's homework on this one. On item no. 7 regarding the rock quarry it kind of disturbs me that someone is going to go in and start taking out the Chamorro's rocks. The people of Guam own those rocks and someone is going to go in there and take it and make profit. I'm a farmer, I've had people come up to me and ask for dirt but I won't give it to them because it is not mine. It belongs to the people of Guam. I won't even give a bucket of dirt out because that belongs to the land, that belongs to the people. So somebody is trying to get in and trying to get those rocks out and profit out of the people of Guam, it can be allowed maybe if there was a 60% for the people of Guam and 40% for the people who worked after expenses. You've got to consider that and not just like what happened to the race track. A lot of coral had been sold out of it and I don't think the Land Trust is making money out of that and we don't want to repeat that.

Commissioner Matanane inquired that if the Alupat Island is for tourist only and not to disturb the island would you agree to that to be utilized as such?

Ernest Wusstig commented but there has to be strict conditions because we want to preserve that for our next generation. We don't want it to be just a piece of rock out there. To go out there and bull dozer it down and build something on it I disagree with it.

2. Ben Gumataotao – I'd like to discuss that particular island, back in 1974 I went and saw the late Governor Camacho if I could utilize that place and I found out that it belongs to the Dept. of Interior. Just recently I learned that it belongs to the Government of Guam now under the Land Trust. Now any utilization to be made in that area I am in favor for one reason, it will generate revenue for the people of Guam provided that they do not take any rock and it's an improvement to be made. That is what I would like to see and anything that would make money for the entire island would be good for the people of Guam. It is very simple, it is nothing that will anger us. Preservation, you preserve it properly by you people, make your ideas what you really need to do but we need someone to utilize that place. I am in favor for if anybody comes in to do that I would be very glad to see it happen. People of Guam will appreciate. With the finance that we have in the Government of Guam right now we need more money so let's try and make the best out of it.

Acting Commissioner Gumataotao informed Mr. Gumataotao that she is sure that the infrastructure of the island would also be taken into consideration, what it's able to sustain as far as construction so that nothing gets damaged or the ecosystem in that area and if there are any animals that reside on that island isn't harmed.

Ben Gumataotao commented that is where you people come in. Make your restriction what needs to be done but don't hinder the progress of making money. That is the point I am getting at. We need money right now. We are very critical so anything that can make money, do it, provided that we do it in a proper way.

3. Esther Eclavea – There is unfinished business here that I'd like to point out. This is Tagachang that has been going on for many, many years and it is getting tiresome already. I wanted to carry out what my intention was and that is to farm the land, sell, share whatever crops I get out of it. Maybe I won't make a truckload of money but it is a start. Like what he is saying make money for the government. I am going to swallow my pride and plead with you to please get this thing to a closure because it is redundant. I'm getting old I can't even start to begin my project because something is hampering it along the way. I have spent a lot of money that I had to abandon because these people would call the cops on me and things like that. I'm trying very hard to keep this very legal and correct but it seems like I'm always ending up with the short end of the stick. So what do I do? Even if I'm not a rich person I'll even get a lawyer to get that court order and put this to rest once and for all. I cannot keep doing this thing over and over. It is already too much. Even saying it here is not fun for me but I did every thing legally, the right way to do it, what the law calls for. Why am I still on the outside looking in on my property that we had for decades on in? My mother was the one that grandfathered that land. Isn't there something wrong with this picture? Why would I be on the outside and these newcomers can do anything they want and it is okay? They are embedded too long. They need to be stopped and say hey they are here first according to the law, arrendo first and that is the right way to go with this thing. I am trying very hard to be the good guy here and I am. I am really doing everything possible in my power to make everything straight and true. Now why am I coming here doing this thing like it is all over and over

again? I don't want to talk about this anymore. I want you to say okay, you are illegal now get out. What does it take for me to let this thing happen so I can go in there and be a farmer that I want to be? I like to stick my hand in the dirt and grow things. Share it, give it away, sell it but it will happen, what ever the Land Trust says for me to do I do it. I'm not rich I put out a lot of money to cut up the land. Why are they still there three years later? I don't understand that. I don't want to be mad or speak out of turn or hurt anyone but why are those who are following the rules and regs are not being there on their land that they grandfathered to begin with? I want to do this and quickly because while I'm sitting here telling you my problems I'm growing older and older and my project will never get started. I want to jump start this and do the right thing and do what Land Trust told me to do because that is the right thing to go with in everything in Government. Sometimes I think am I the only one who is whacked out here. Is this the norm where you can just go in and build without permits and then treat people bad around you? This has got to stop. Nobody seems to know where I am coming from but this is one time where I am going to pour out everything and let you know that I'm already up to my neck with this particular case because it is a repeat over and over and there is no end in sight. Help me here because I want to go in there and utilize my land as per the instruction of the Land Trust, Land Management maybe later on but right now that is what I want.

Chairman Pro-Tem Calvo commented I know we are following up in your problem.

Administrative Director commented that was the recommendation, one of the cases that I made that should initiate legal action by Legal Counsel. We have sent her notices down there, we've made provisions to relocate the three people that I mentioned on that and we'll send the information to legal counsel that we have exhausted the administrative remedies and at this point staff is recommending that court action be initiated to accomplish the eviction of that trespasser.

Chairman Pro-Tem informed the Administrative Director and Legal Counsel to meet to solve the problem.

Esther Eclavea – I am not going to quit until this is done. I'm stubborn because I'm right, I know I'm right. I've covered all bases and nobody ever told me that I am in the wrong because if I were I would sit back and think about it but right now everything that needed to be said and to be done had already been done and said. I think that it is time now to put a closure to this and quickly because I'm getting older and I want to do that farming thing that I wanted so much to carry out.

Chairman Pro-Tem requested that the Administrative Director provide Ms. Eclavea with a status report on the matter.

4. Vicente Garrido (Magalahi I Nasion Chamorro) – Joe, this is for respect, do you want to meet again in the office because we have already met in the office about this case. You know that what I am going to say is fresh again, this is about Angel Santos. It has been said that he has come down to the office to meet with you. He said he has met with you and one of your staff members from your office also said that you have met with him and then the other staff said he didn't meet with him. This is about his case up there and I think he doesn't know what to do anymore. I told him that your staff has been meeting with him but not paying attention to his case.

Administrative Director commented that the last time I met with Angel Santos, Sr. it was about last week and I told him to give me two weeks time from the time I met him which should be about next week that I would meet him about his case up there. Nothing has changed other than that is one of the evictions that we will be looking at. But since we met together up there and I met Mr. Santos again nothing has changed other than he's in a hurry for closure like Ms. Eclavea.

Vicente Garrido – That is good that you met with him last week. I met him the other day and he said he was going to come to the meeting last week and he didn't come because I read the newspaper incorrectly because it's for today.

Administrative Director commented yes, I did meet with him, he was referred over by John Acfalle from the Community Affairs Office.

Vicente Garrido – Okay Joe, thank you. There are a lot of people that have been approaching me. It is true that if I wrote down their names I would have a long list but I would say this that a lot have been complaining about waiting too long for the land. They have been offered and when they come in they are told that the staff to help them is not there or is not at work to perform their service. Still a lot has approached me. Someone asked me, there is one that applied for agricultural, he wanted to apply for 3 or 4 acres and he was told that he cannot be given, only a half or one acre. Then he was asked if he had any holdings and any assets to use for farming or materials or equipment and he said he has all of that but he felt that the staff helping him wasn't paying attention. I told him this is about two weeks back to go meet with you (Mr. Borja). I forgot his name I am not sure if his last name is Benavente but he was bothered with what he was told by your staff because he wants to farm, he has money, heavy equipment and other things and he was told that is the biggest lot size that they can give him. Another thing under New Business #8, Ironwood Estates, how many acres are they asking for the community housing?

Administrative Director commented that Lot 10114 if he's not mistaken is about 15 acres. This lot is right next to the Dededo Staff Housing by Maria Elementary School and side by side with Benavente Middle School. I think it is anywhere between 8 to 15 acres. I don't know if it is as big as 15 acres but it might be as big as 15 and might be as small as 10.

Vicente Garrido inquired on who is priority when they apply for the housing. Is it the Chamorros?

Administrative Director commented that he doesn't know because the request just came in and he doesn't know if it's just for Chamorros or including non-Chamorros.

Vicente Garrido – So if you can since its Chamorro Land Trust land first in order should be given to the Chamorros and if its true that they are going to build and have a preference for low income or needy people I would think that there would be a lot that would qualify. If we keep doing it this way pretty soon there will be no land for the Chamorro people. That is why I am looking at this and questioning it for me and for the Chamorro Nation group that is also questioning it. The same as item number 4, that is asking for recreation that we can understand because it's already there but the lower one (item 8) is the one that I am looking at.

Administrative Director commented this is another area. The other area is Machananao further up behind the golf course. Lot 10114 is in the middle of Dededo. The letter here is saying lower to moderate income and the client is asking if Chamorro Land Trust is interested in discussing this proposal. There are no details yet. The size of this land is 11 acres almost 12 so be following the request so we can see what the details are. October 23 is the date the letter came in just yesterday and there is nothing yet that this person has presented to the Board.

Vicente Garrido – So okay, Joe I understand and you saw what happened with the 5 schools that is being built all on Chamorro Land Trust land and I say this time if its going to be like this it should benefit and it would also assist the government to attend to the needs of the Chamorro people. The problem here is our people still cannot make ends meet. A lot are poor and living in what the Americans refer to as tin shacks and like a ranch. If you're looking at this case and questioning it that is why I brought up to your attention with what is happening now. So that is all and that is why I have spoken up because a lot have approached me.

Administrative Director commented so lets meet in the office especially for that matter so we can see their names and check if we can assist them.

Vicente Garrido commented that is all, thank you .

5. Ernest Sablan Wusstig – I'm with the Mayor's Council in Dededo and I believe about two meetings ago we talked about this lot and I believe it is being proposed right now for a drug prevention center that is being requested to be put in there. If I'm not mistaken I think that parcel is in the municipality of the Dededo Mayor's council so I hope we don't just give it away.

Administrative Director commented that through reading the past meeting minutes he did find something about the Dededo Municipal Planning Council but was not aware too much of the details. Certainly before we make a response to Item No. 8 that Mr. Wusstig pointed out we'll research the issue or any commitment made by the Commission to the Dededo Community regarding that property.

IV. UNFINISHED BUSINESS

1. Guam Youth Football League

Administrative Director commented that this request was brought up at the last meeting which was tabled until the next meeting and staff is requesting if this request could be tabled further pending clarification as to the organizational make up of the requesting party.

Commissioner Matanane inquired if we have established the area and what they are going to use.

Administrative Director commented this is the field that was previously used as the Hal Shiroma Football field right next to Wettengel.

Commissioner Matanane inquired on how many acres are they requesting.

Administrative Director commented that we haven't determined that yet.

Commissioner Matanane inquired if that was the youth football field that they were utilizing previously and within the confined area.

Administrative Director commented that is correct.

Commissioner Matanane inquired on the estimated acreage that had been used.

Administrative Director commented approximately 7 acres.

Commissioner Matanane made a motion to table the matter until the next meeting. Acting Commissioner Gumataotao seconded the motion. There were no objections, MOTION PASSED.

2. Evictions and Trespassing Cases

Administrative Director commented that during the meeting with Legal Counsel approximately 1 week ago we clarified the different situations between evictions of people who have leases such as in the defaulted leases and the evictions under trespassing cases. Basically the eviction that we have is for a loan default on an SBA house in Dededo which is Debbie Santos Duenas. The administrative remedies in this situation had been exhausted and we now recommend that Legal Counsel take necessary court action for the eviction of that leaseholder from that defaulted mortgage loan. Under the trespassing cases these are cases where the people occupying the property do not have any leases at all or any authorization from the Chamorro Land Trust Commission. We have three immediate ones that we have exhausted the administrative remedies which is in Lot 198, Yona. In these three particular cases we are also recommending that Legal Counsel initiate legal action to evict these trespassers from the premises who are Teresita Naputi, Cindy Elona and Vanessa Bagro. There is a difference in the type of action we want to take. One is a pure eviction where the people have leases but have defaulted in the mortgage loans and the other case for legal action now is the trespassing case where they absolutely have no permission from the Land Trust to occupy those properties. These cases are a couple of years old and the Administrative Director's recommendation is that Legal Counsel initiate legal action because the administrative remedies have been exhausted.

3. International Shooting Center

Administrative Director commented that the third type of eviction we are seeking is the termination of a commercial license due to non-payment of rent money due on that. The three different cases that we have is a loan default, trespassing and termination of commercial license which are being recommended for legal action. Whenever we instill legal action there is a corresponding increase in legal cost in that but at this point there is no choice for the Commission but to proceed in that avenue which is legal action.

Commissioner Matanane inquired if we have already sent a notice to the Guam Shooting Center.

Administrative Director commented that we had sent them a letter in July and gave them 10 days to respond and there was no response made. We made a follow up visit on it but as of today there were no response from George Flores and his son I believe George Flores Jr. who was at the initial meeting. I met with him and informed him of the Commission action and we also served him a letter and a follow up phone call three weeks later but no response has been made. In this particular case I also recommend legal action to terminate the commercial license.

Commissioner Matanane commented so after we terminate the license to Mr. Flores then we can discuss the Guam Outdoor Shooting Range's request.

Administrative Director commented at such time that Legal Counsel advises the Commission that we are free and clear to do something with the leasehold interest on that property.

Chairman Pro-Tem Calvo commented that we have given them ample time on that issue and advised the Administrative Director to work with Legal Counsel on the actual termination.

Legal Counsel commented that the official name of the entity is the International Shooting Center.

V. DIRECTOR'S REPORT

Budget Status - Administrative Director commented that the Director's report is somewhat long because the last meeting was six months ago, March 28, 2007 so there has been a lot of things that has happened since then. Also it's the end and the beginning of a fiscal year. Government operates on October to September not January to February in terms of the year. I do want to give a short report on Fiscal Year 2007 in terms of the budget and other matters. In Fiscal Year 2007 the Commission was appropriated \$497,000 for its budget. We spent approximately \$453,000 so that means that we did not spend approximately \$44,000 which is what they call a lapse. In this particular case it's a cash lapse because that money is actually cash money coming in from our clients and not what we call appropriated money which is money that is basically invented at that time. In addition to that we anticipated on bringing in revenues of \$497,000 but what we collected was \$626,000. So we collected about \$150,000 over what we had projected to collect. It's very important to know that because our entire budget is funded by the special fund and not by the general fund. Why is our budget \$497,000 because that is what we anticipated to bring in.

Commissioner Matanane inquired on what was the \$44,000.

Administrative Director commented the \$44,000 was appropriated money that we did not spend. That was because one staff member resigned at the beginning of the year in November and the salary of the previous Administrative Director was not charged to the Commission for several months. We want to go back to the Legislature and ask for a budget adjustment that will allow us to spend that \$44,000 from last year that we did not spend and also to spend the difference between what we thought we were going to collect and what we actually collected. We're looking at possibly adding \$200,000 to our budget and I would like to ask the Commission that we designate that for additional staff as well

as the anticipated increase in rent because we are looking at doubling our office space. We would like to see if we could get that additional money to spend for those particular purposes. The financial status of the Commission is in very good shape at least at this time. Like I said we do have some budget adjustments that need to be done. The cash lapse that was unspent, the \$44,000 and then the cash collected over and above what we anticipated on collecting which is approximately like I said about \$150,000.

Staffing Level – Administrative Director commented our staff level at the Commission remains on our staffing pattern of 12 employees. However, out of the 12 employees we have one that is on long term medical leave that we anticipate on looking forward to his retirement when he does come back to work. We have two employees that are on and on assigned to military deployment and we have the remaining 6 employees for admin and that leaves 4 employees that actually do land agent work which are the 4 land agents. I've been chipping in assisting but these 4 land agents each have a client list of approximately 2,500 people. That is not a very good ratio.

Commissioner Matanane inquired on what is the time frame of the two employees on military leave.

Administrative Director commented they are back to work. Aside from a long stint last year they are usually gone for a week maybe two weeks on training. It is not a long duration but because of that you can't really give them long duration projects because you don't know when they go. Of course the remaining staff members do the substantive work on that. I bring that up only because for the last 6 months since I've been with the Commission we've been tackling some complex problems and I think it is only going to get worse in the next 3 months with our current staff level just because we really can't handle the amount of work coming in a timely fashion that it should be given attention to. Hopefully, with bringing in a couple more staff people on the actual land agent type of work that we would be able to provide the service that these people need and have.

Commercial Division – Administrative Director commented it's not only the land agents that we do have a problem with in terms of staff work. We also have a problem with the commercial division because the employee that is on long term medical leave was actually the sole staff member in the commercial division. I've assigned that commercial division work now to the Board Secretary, Terese to handle. They've done along with Lorraine Nededog and Greg Sablan they've done a physical inventory of all the commercial files that we have and Terese is on the verge of completing the commercial database and then we should be able to provide reports as to who is delinquent, who doesn't have a license and things of that sort. We'll issue out delinquency letters immediately without coming back to the Commission for the report. If they're delinquent we'll send out the letter to do a collection on them. There might be a couple of cases that we might have to refer to Legal Counsel for collection work or at least in termination of licenses. I do anticipate an increase in the billings for legal services because we do have quite a bit of legal services pending.

Commissioner Matanane inquired if we will have purified receivables from them.

Administrative Director commented yes. The commercial division is very important because that is our bread and butter. That operates our budget. If we don't collect that

money then people would be put on furloughs and we won't pay our bills. We're looking at that staff level and at the last budget hearing the legislature approved I believe approximately 12 unfunded positions. With these positions we cannot hire until we fund them so we're looking at this budget adjustment, increase budget hopefully, approximately \$200,000. Maybe out of that \$200,000 maybe \$150,000 can be devoted into bringing in two or three staff members to help us not only with the regular residential and agricultural leasing but to also beef up the commercial division. Under the commercial division we have developed rules and regulations. The Land Trust Commission is strictly prohibited from issuing commercial leases, 50 years and 49 year options because of that provision because we haven't done our commercial rules and regulations. I will transmit those rules and regulations to Legal Counsel to make sure that nothing in the rules and regulations conflict with the enabling legislation and then give it to the Commission for review one more time and then transmit it through the Governor or to the legislature so that they can look into introducing a bill and enacting that into law. Then we can actually do true commercial long term leases rather than these 21 year license. Developers are leery of these 20-25 year licenses because normally it takes 30-40 years to recover investments on property and it's not just long enough for them. So we will address that because that's an issue that has been brought up by the Public Auditor as well as the legislature as to why the Commission has failed since 1999 to transmit those commercial rules and regulations.

Rules & Regulations – Administrative Director commented that staff is recommending that the Commission along with Legal Counsel do maybe one or two working sessions to review the general rules and regulations as they stand now. Staff working with clients have found several issues that need to be addressed. For example, husband and wife, Chamorro husband, non-Chamorro wife, no children, Chamorro husband dies, non-Chamorro wife now living on the property now, how do we handle that situation? Also we may want to look at requesting the legislature to change by law the rent for agricultural tracts that are larger than one acre. The situation that we have now is we have agricultural lessees of 20 acres paying \$1 a year and agricultural lessees of one acre paying \$1 a year. It doesn't seem fair on that. I've mentioned this to the legislature but the legislature has mentioned to me that you guys develop the rules and regulations and we'll review it and if everything is okay we'll pass it but they don't want to be the ones to do it. We have the input from staff in terms of what should be addressed and maybe we might want to transmit that to Legal Counsel or at least take it up before the Commission and instruct Legal Counsel to incur some time in it and maybe developing amendments to the rules and regulations. The rules and regulations have been developed in 1994 and it was developed in a vacuum. We didn't have any idea what potential problems we may have and now we do.

VI. NEW BUSINESS

1. Premier Hotels & Resorts (Guam), Inc. represented by Calvo & Clark – Request to utilize Alupat Island

Applicant representatives present: Ed Calvo (Calvo & Clark), Jack Yoshino and Kev Yanagashwa.

Ed Calvo - This summer we submitted an application for a license regarding Alupat Island. There is minimal improvement on the island, there is not going to be the removal of rock,

there won't be any endangered species or any other species that will be affected except in a positive way by the licensee if we are able to obtain the license. Premier Hotel Resorts is the owner of the Sheraton Hotel and several other hotels on Guam and they would really like to obtain a license for the island to use it to promote Guam and their properties in a very positive way without making a lot of improvements on the island. There will be no hotel there or any big improvements it is really just to be used as an amenity to the hotel and will also be accessible to the public. It is truly a win-win situation for all of us if this license is granted.

Chairman Pro-Tem commented that he is glad that Mr. Calvo had brought up the issue about the public because adjacent to that you have the other hotels which is the Onward and Alupang Beach Towers. I know for a fact that the area is pretty much used a lot too because growing up in Tamuning I used do a lot of fishing there. It is a good fishing area and to this day I know there are a lot of people who go fishing there. My only concern on this issue is if the public is going to have access. If you guys were to build that is it going to be like a bridge across there or just a walking path? Are you going to do some dredging there to get to that small island?

Ed Calvo commented initially the access from the Sheraton to the island would be something that would be owned by the Sheraton and would be principally for the guest but as you know access to the island is pretty easy. On high tide you could jet-ski or you could actually walk through in low tide. The perimeter of the island is mostly rock. There are some small portions of sandy beach and we've always assumed that is also going to be available to the public pursuant to any Guam law that provides that all beaches are public property. If someone wants to walk there or ride a boat there or jet ski there, they have access to and use of that facility. There is no exclusion on the island with respect to the beach. The idea though would be from the Sheraton there will be either a ferry system or one day a bridge that would be accessible by land by the main land base to Alupang Island for principally guests at the Sheraton but that does not mean that other people cannot use the island as well. It just means it would be an amenity to the hotel. To do any dredging work there or any improvements we are going to have to go through the usual permitting process and as you know are pretty stringent with respect to anything involving the water or the reef. We'll go through that process, the Army Corps of Engineers, the GLUC, GEPA are all going to have to look at it and are going to have to approve it. So there is going to be no danger or risk that the fish or the wildlife or the coral are going to be affected adversely by this project. In fact it's been PHR's policy to embrace the environment and local culture to promote it because their philosophy is that is really the answer to our growing tourist needs here. Is that we have to promote our environment and our local culture to get Guam to be a unique place for people to want to continue to come and that's been their theme of all their developments and all their projects. In fact they are heavily involved in many projects on the island right now like the ancient canoe building project. They are very much involved in the Gef Pago project so these are things that they think not only help solidify and build our culture in our community but also help promote Guam as a destination for our visitors.

Chairman Pro-Tem commented the reason why he said that is because he knows that place needs dredging and he is familiar with the place as he had done a lot of fishing in his younger days and even to this day he sees a lot of fishermen still go there. The dredging would still play in there if we grant you the lease. One of the issues why Palace

was built the way it was is for people to walk across to the island. When the tide is low you can actually walk across. The danger part of that is the safety of the people. That is also close to the reef. I want to make sure that every safety factors are built in there because if not then what is the use of having it and having people drown for that matter. I want to make sure that the public has access to it.

Ed Calvo commented that the idea is that the perimeter of the island, the beach is the only thing that is usable because most of it is just rocks. So the beach is always going to be open to the public. The idea would be initially in a very safe way there is no one more concerned about liability risk than the Sheraton or its lawyers so there will be initially a ferry system which will have minimal intrusion into the bay. It is going to be a ferry system that will be used to bring the guest from the Sheraton to the island. Eventually we may consider doing a bridge but that bridge is something that is going to have to be in compliance to all the regulations and the laws to protect the fish life, the reef, the sand and so on. So there is no danger of anything happening there that is going to endanger any of those elements. With respect to the property itself there is going to be complete access to the public except that with the concession as we indicate we are actually going to probably put in some nature trails to the top of the island which right now no one uses because it is just too dangerous and its hazardous and so we may do that. Now that portion of the island which is only the interior part of the island not accessible right now nor is it being used by anybody would be for the Sheraton guest or other paying guests. But the perimeter of island to the beach will not be obstructed now or in the future.

Chairman Pro-Tem commented that the island belongs to the people of Guam so in the near future if Sheraton was to close down or sell the lease of that area will terminate.

Ed Calvo commented understood so it won't be assignable and for the record Sheraton is not selling.

Commissioner Matanane commented that we should look over the presentation and probably at the next meeting we can decide on this.

Chairman Pro-Tem requested that the applicant give the Commission until the next meeting for a decision.

Ed Calvo commented that the brochure is a famous character in Japan about a famous cartoon character in Japan and have also provided books. PHR through its parent corporation have obtained these rights I believe from NHK which is a large national television company in Japan. The idea here is that this character will be promoted with Alupat Island on a nationwide basis in Japan. They are prepared to do that and they want to commence that promotional activity as soon as possible. That is what the cartoon character is about.

Chairman Pro-Tem requested that the applicant give the Board until the next meeting on its decision.

Ed Calvo commented the sooner we could do it the better because they would actually like to commence the promotional program, in fact they have sort of started promoting the character.

Chairman Pro-Tem commented he likes the idea on the issue and for a newly Board member we would like to give her time to fully understand the issues of what we have going on.

Acting Commissioner Gumataotao inquired in regards to the book that was presented to the Board is PHR planning on translating it into English as well for the local children or is only for the tourist.

Ed Calvo commented it is well known in Japan.

Mr. Yoshino commented certainly I am willing to do that to increase awareness of Alupat Island not only for the tourist but for the local people.

Acting Commissioner Gumataotao commented she believes that it will be very beneficial to the children as well and educational also.

Mr. Yoshino commented that it will also help inter-relationship between the tourists and the local people because they are talking the same thing, a good thing.

Chairman Pro-Tem commented it will not only help the tourist but in the hotel you have different ethnic groups living in the hotel and it won't be fair for them to just have bilingual just in Japanese. If you can put one in Chamorro that will be great and maybe a Chamorro character.

Ed Calvo commented that is a good idea.

Commissioner Matanane commented that is the reason why he asked for Acting Commissioner Gumataotao's sake because she is not apprised of what is going on until such time she gets her feet wet.

Ed Calvo commented okay.

Chairman Pro-Tem commented he would like to give Acting Commissioner Gumataotao the opportunity because it won't be fair for her to just say yes and I want to make sure that she fully understands what we are going through but we would have something at the next meeting.

2. From George Toves – Request to utilize Lot 10120-21NEW-8, Dededo for commercial purposes

George C. Toves, Jr. – I had initially sent a letter dated May 30, 2007 to Mr. Joe Borja of the Chamorro Land Trust Commission requesting to acquire the property up in Ukudo fronting Route 3, Lot No. 10120-21NEW-8. Just for correction Lot No. 10120-21NEW-9 is my property and so adjacent to that is Lot 10120-21NEW-8. I had provided Mr. Borja with the letter requesting to lease this particular lot for commercial purposes. I intend to utilize my property for an annex to be built to provide for a franchise restaurant and a tire repair shop and to possibly utilize the Chamorro Land Trust property since it is sort of narrow. It is not as wide as it normally would be. I think it is less than 50 feet wide at one portion

and 120 feet wide at the closest point to my property to be utilized for a parking lot area or its best use.

Chairman Pro-Tem commented if we were to grant you this would you be the one to install the infrastructure? You want to use this piece of property whether it be a parking lot or commercial, what is your time frame on these things? The reason why I ask for a timeframe is because I don't want a piece of property to be sitting for a couple of years and that has been our problem here and I don't want to see that because it is not fair for other people who might want to use that property. We want to make sure that if we decide to give you that there be progress within a year or two in that particular area.

George Toves commented we can expect by summer of next year to have this piece of property including if it's approved by the Chamorro Land Trust to be utilized to its best use. If you're concerned about whether this property is going to remain idle for the next few years as you are aware because of the military build up and because of the new high school that is being built behind it and in consultation with Mr. Joe Borja when he was Director for Land Management, Route 3 is going to be a very busy highway come 2010 and even prior to that. I anticipate the new high school would be completed next year. The property I wish to lease from the Chamorro Land Trust is not going to sit idle. What it determines for me is whether I scale down my project because it is not approved for me but I want to make this a win-win situation. The Chamorro Land Trust will start receiving income from the lease of this property as soon as I finalize all my negotiations with securing the funding to build these facilities on that piece of property including mine. If you're concerned that the property is going to be sitting idle for the next several years we've been in the planning stages for almost a year and a half on this property since I took a portion and gave it over to the Government of Guam for the new high school to be built for easement purposes.

Commissioner Matanane inquired on what kind of business Mr. Toves has on his property right now.

George Toves commented nothing right now because we are still trying to base on whether we are going to scale down my project if the lease is not approved.

Commissioner Matanane commented you mentioned that you are going to utilize the Chamorro Land Trust property as a parking lot.

George Toves commented yes but I did mention also to be used for its best use because the property is very narrow. The annex might extend over into the Chamorro Land Trust portion.

Commissioner Matanane inquired from Mr. Toves on what kind of business enterprise he is pursuing.

George Toves commented what he had mentioned initially is a franchised restaurant to include a tire and repair shop. Right now there are still negotiations on whether we can put the gas station in because of the legality of being built in front of a high school, selling liquor and most of these corporations what to make sure they clarify that.

Commissioner Matanane commented 200 feet from any school.

George Toves commented right.

Chairman Pro-Tem commented so in reality the piece of property that you are requesting for is to be used mostly for parking space and the building will be on your lot.

George Toves commented yes, sir.

Chairman Pro-Tem stated that in his mind the Commission can't really issue the license if you are going to utilize the property and whether you are going to lease your lot or sublease because there will be a conflict of interest to that. Since you are going to build your own building within your own lot that alone we can't tell you what to do but certainly in the Chamorro Land Trust area you are actually going to be using it only basically for parking for your customers.

George Toves commented he doesn't know what the restrictions are with commercial spaces whether parking spaces are out of the question. But because of the size of the property even though it is a little over 4,000 square meters it is kind of narrow.

Chairman Pro-Tem inquired from Mr. Toves if he had gone to Public Works regarding the issue because he would still need a clearance from them if there is an expansion on Route 3. Just for precaution, we don't know yet. You would need to find out from Public Works on their intentions on this if they are going to do a road widening in the near future. I think it would be best at this point in time to find out from Public Works on their position on this and if none then maybe we can come back and give you authorization for that matter.

George Toves commented he doesn't know what the engineers had responded as far as this but based on my physical observation of the highway and the utility easement there is almost 10 to 15 feet more space before you even get to the boundary of my property to include Chamorro Land Trust property. I know it has been brought to my attention last week that they would probably have to upgrade the highway in Route 3. Where my property is located that road has already been improved. Now if they are going to upgrade we're talking about adding in a center lane because of the new high school and probably a traffic light. It's past the Chamorro Land Trust property going towards the intersection or the junction of Astumbo, Dededo that they would have to improve up to NCTAMS or up to Santa Ana. That is the only area that still needs a lot of improvement as far as widening the lanes. But in front of my property or in front of the new high school, Ukudo High School area, it would not require some major construction as far as widening the road except on the west side of the highway which would affect some of the landowners there because of the utility easement which is right at the boundary of the landowners. It is not much of an impact in front of our area to include the Ukudo High School. I will send a letter to Mr. Larry Perez (DPW) and see what they have in their planning stage and how much more do they need to widen that road because it is a highway already up to our portion of that land area. Like I mentioned before any more improvement would be from Astumbo all the way up to Santa Ana area if they were to do any upgrades. It's a win-win situation.

Chairman Pro-Tem commented he doesn't have any problems with that and he just wants to be very cautious and wants to make sure that Mr. Toves not only checks with Public Works but with GWA as well especially now with the upgrades of waterlines. Chairman Pro-Tem requested that Mr. Toves get a letter from these agencies.

George Toves inquired that once he provides the information would it require him to come back at another hearing to seek approval.

Chairman Pro-Tem commented yes.

Acting Commissioner Gumataotao commented that just for consideration I know the military build up is happening and to just check with Mr. Perez if Route 3 is included not so much as improvements but because there is a military base there as well and a lot more military families are going to be moving in. Not only improvements but as well as additions. There might be like a sidewalk that they plan on putting there, we just don't know.

3. From RPM – Re: Request for property to facilitate an automotive technical institute

Mike Anderson (representative of Smartech Guam) – We currently own an automotive repair shop called RPM. We don't have any properties identified for what we would like to propose. We would like to build on Guam, Guam's first private technical institute center to train and to educate and to skill a lot of the young folks on the island and folks who have not been able to go off-island for college or anything like that and who have just been basically thrown out into the work force market here on Guam. We want to give them technical skills in welding, heavy equipment, automotive, truck driving skills, fork lift skills and certifications also. These are factory level certifications. It's a full fledge private technical institute based primarily to develop the economy and help these young kids find other avenues to earn better wages and to build themselves better careers for the betterment for their families.

Chairman Pro-Tem commented that he likes the idea of the institution because it would save a lot of money for the local people from going back to the mainland. One of the things he wanted to point out is in the certification. Would it be a legitimate one not only for Guam itself? If you only have certification from a community college for example, not to say that they are not good but that only takes a limitation on the island itself and for them to be more competitive when they go back there they can honestly be competitive and also be recognized by national whether he or she goes to Arizona, Hawaii or wherever. I would like to visualize that for the young ones today that if they finish that school that you would also help them in getting new jobs or whatever for that matter. Like GCC they try to work it out with an automotive company where a student works for 3 to 4 hours in that institution until he or she is ready to be certified.

Mike Anderson commented yes sir that is incorporated in our plans. When you look at the certifications a lot of the recognized certifications out there for automotive or any kind of heavy equipment is the ASC certifications. That is the certification with the blue seal that most of you have seen in a lot of these auto establishments or you see them in these technical schools that are advertised out in the mainland. That is one of certifications that we are also going to be awarding to the kids once they are able to sit there and pass the

technical part and technical training. The other form of certification that we are offering is actually a factory certification. This is the highest level of certification you can get in any kind of technical training. The difference is the factory certification like the Nissans, Toyotas, Fords and Chevys, they basically collaborate an automotive service of excellence which is the ASC and they basically say that if you can understand these concepts of the vehicles then you can earn this ASC certification. So that is kind of a broad general certification, the ASC certification is what we want to bring to the island and this is something that has actually been a problem throughout the nation and throughout Japan and Europe and it is something that I had recently been able to identify here on Guam. What we see here with a lot of these technical institutes around the world, in the mainland and in Guam with GCC and the new trade centers down south is what they primarily do is they educate these kids about cars. They basically just bring them in and teach them about a vehicle. They say this is a vehicle if you were to dismantle it this is how, if you were to repair it this is how and then they send them out of the school and they walk out of the schools and I'm sure some of you know that there are many students on the island who have gone off-island to Arizona or Hawaii and have gone to these actual technical institutes. They spend \$30,000 there and they come back and all they have is basically an ASC certification or a certification from that school. That is not what they need in order to sit there and gain jobs. What they need is skill. What we want to offer out of this school is a skilled certification. Education is one thing, learning about a vehicle is one thing, having work experience on a vehicle is another thing but that doesn't mean you have skill. You need to incorporate both types of trainings in order to sit there and generate skill. What we want to do here out of this technical institute and it works perfectly here on Guam because of the type of environment we have is we want to build productive skill. The kind of skill where these kids, once they leave the school they're able to have the certification that they can work on a vehicle and not only do they have the certification they have the hands on experience and an effective measurement for their experience. That is what the manufactures and that's what these dealerships and all these employers are looking for. When they hire someone they want to look for somebody that can get on the floor and basically can have a good skill and turn the jobs in and out for them, no problems with it and then you can go in and get hired. You can't just come out of a school and go to a dealership and ask for a job and say that they want to make \$14 per hour because they have gone through all the training but they put you out to the floor and you really have no idea what it takes to become a mechanic. You have a lot of knowledge but it takes more than knowledge to have skill. In our print out this is a concept that I have come up with here on Guam. It is actually a new format of training and it's a format that incorporates a lot of the training that we have in the mainland and a lot of the hands on experience training that we have out here on Guam. Guam is very unique to this type of training. It is no secret on Guam we've never had the opportunity to go to technical schools or going and learning from any expert or anything like that and bringing the skills here on Guam. We basically are an island here where our equipment deteriorates at a very fast pace because of rust. For example, you don't see any vehicles out there running that are older than 20 years. Most of these vehicles out here are new so that means that's a lot of new modern technology that continue to sit there and operate here on Guam. We've got new vehicles that are coming out in 2006, 2007, and 2008 that are hybrid vehicles and are very high specific technology, very high grade technology that are coming out here. At the same time we don't have a technical institute that's out here to train these guys who are out here working and to sit there and educate these kids on what they need to do. Basically it's just a school of hard knocks they keep at until they

learn it and they actually end up fixing it. That says a lot about Guam because that says a lot about the determination. It says a lot about the practice and it says a lot about how deep we go as far as our knowledge on equipment. We all know that in order for us to sit there and keep our machines not just our automobile whether it's a chain saw or a bushcutter or a car or any kind of heavy equipment or these cars that we put on a car show we need basically good skill. This is very good ground work here on Guam. This is something that we've always had. We've just never had any technical institute to enhance that.

Chairman Pro-Tem commented that your goals and plans are to include the neighboring islands which is good like Kosrae, Yap, Pohnpei, Republic of the Marshall Islands, Palau and the Commonwealth of the Northern Marianas. This itself you will also send out packages to all these islands if they want anyone within their island to come to school here and get that certification. Like you said it would save a lot of money for all these other islands. The other thing that brings in to mind is what are we looking at in terms of size of property to build the institution and also if you do build the institution is it just an institution with a rack on top to lift up the lifters and so forth? Are you going to have the entire up to date equipment?

Mike Anderson commented yes, sir.

Chairman Pro-Tem commented we can say we open the institution and you can get the racks up there and lift it up and so forth and that is very vital in that point and of course the individuals are going to be learning who want to know everything about the electronic part or the mechanical part of the vehicle or whatever that they want to go to school for. This is not only to train kids with a small machine but you are also talking about the big machines. I'm thinking in my mind that if you are going to go into dump trucks and bull dozers that requires a big chunk of property.

Mike Anderson commented it does. We originally were looking at between 5 and 7 acres of commercial property. If we are approved for the property because this is a school and it has to do with economic development it's something that the property is kind of like the key part of our whole project. The school just to answer your question about the professional look of the school we are bringing in here we noted that there are a couple of partners that we work with from Japan that are from Nissan Corporation, technical training centers from New Zealand and also in Japan. They built technical schools all over the world. These are some friends of mine that we decided that we could actually build a very good technical school on Guam that can represent the pacific rim as far as being a school of high curriculum in the technical area. So it's a school that will have basically shop equipment in there. There will be a lot of equipment that we will have in there, it will be the latest in advance equipment that we see out in the market today that we see in the shops. That's a key part of the training and a key part of the skill so when these kids walk out of there they walk out of there operating in the latest equipment and the professional equipment and it really says a lot about the kind of skill they are able to build. In order to work on some of these big equipment and we are not looking at a lot of big equipment, a dump truck, an earthmover or a grader they all basically have the same engine and transmission. We are basically teaching the basic mechanics of it. A lot of the stuff that are on the outside are not something that we really need to go into detail into teaching

where we need to dismantle a whole bulldozer in the shop, no. Those kind of things we work on them in yards the way we work on them on the island right now.

Chairman Pro-Tem inquired if this also includes in the training for diesel mechanics and jet mechanics and things of that nature.

Mike Anderson commented just diesel mechanics. It's diesel mechanics, automotive and welding. These skills are the basic skills that anybody that is going to be getting into engineering or any kind of aviation they all basically start out with these types of skills, automotive, mechanics and diesel skills and then they end up going into the other skills.

Commissioner Matanane inquired if Mr. Anderson had looked around as to where the institution would be suitable.

Mike Anderson commented they have had discussions about different areas but like road areas that would be important for a school like this. I don't really know where the commercial properties are that are available and that's what Mr. Borja mentioned to me that he will get it to me at a later date. I'm not too familiar where the properties are or what is available but I can assure you that as soon as we are able to find a property and locate it then you will get a full scale blue print on what exactly we plan to do with the property, the type of facility we plan to erect on it, the yard size and all the way down to what kind of equipment are going to be operating inside the facility.

Commissioner Matanane commented that he is all for it but like he said we didn't touch the first step on it as to locating the property. We need to get to certain areas so we can assess the situation there. Right now you're up in the air.

Mike Anderson commented yes, we are up in the air. This is just something that I talked with the Chamorro Land Trust about 3 or 4 months ago. This is something new. We've been trying to find other ways to try to open up our school but land was kind of one of the biggest issues. That is when I thought why not come over to the Chamorro Land Trust and let them know what we want to do especially since its something that affects our community as a whole.

Commissioner Matanane suggested that Mr. Anderson get together with Mr. Borja to find an area.

Administrative Director commented that we have two big issues with it. One of course is the land itself, 5 to 7 acres and then also because of the nature of the type of school and in the Chamorro Land Trust enabling legislation it does specifically allow for schools. In the zoning issue though there is a zone for commercial property, there is a zone for school property and then because this may involve some petroleum product work it might be required that the property might be light industrial and it is not easy to find those properties. We'll certainly work with Mr. Anderson to try to find something suitable and of course we are looking at something in the central part of the island because of the population base. We will look and see on how we can assist Mr. Anderson. The only other comment is maybe there might be some discussion if in fact the property is licensed or leased to Mr. Anderson, to Smartech Guam and he's successful in creating this

institute that maybe there might be some discussion on a possible tuition break maybe for Land Trust lessees.

Commissioner Matanane commented that should be incorporated in the lease agreement.

Mike Anderson commented yes, that is one of the breaks for having a school like that here on Guam which is that these kids don't have to fly off-island and spend \$30,000 to get out there and get that kind of training so it's really a benefit and it's a benefit to also a lot of the lessees through Chamorro Land Trust and there are many others. There's a lot of our young groups that are out there, many of them are not college material and I can tell you that a lot of us are not college material but when it comes to putting our mind in something and wanting to learn a different type of skill we're all for that so definitely.

Administrative Director informed the Board that staff will work with Mr. Anderson between now and the next meeting which should be next month to see if we can identify properties that meet his needs.

Chairman Pro-Tem inquired that if we do identify a piece of property for you at this point what is your time frame on this.

Mike Anderson commented our time frame on it is we are a non-profit association so this is something that we want to put together and build with grant money and we've already identified the grant for it. The only thing we don't have is we don't have the property. We weren't able to secure the property. So as far as the whole plan and the fact that it is an economic development plan we have people working with us at UOG and it's also something I'd like to sit and approach the Governor about if he might be able to push forward with it pretty quickly. That is going to be a hurdle for us.

Chairman Pro-Tem commented you are trying to set up with the grant money and everything and I like the idea of this thing for not only for the young kids and I have no problems with that and Mr. Borja will get with you and hopefully by the next meeting we will have something on the agenda. But precisely you have to let us know how much property you are actually looking for. For start at least on whatever you are actually going to need for ground break. I have no problems.

Acting Commissioner Gumataotao commended Mr. Anderson for starting this institute for the young kids and she does know for a fact that ASC certified technicians are welcomed in big businesses across the US and overseas.

4. From Ironwood Estates – Request to utilize additional CLTC property for green space & recreational facility on Lot 10090-1, Machanao, Dededo

Carlos Camacho - I appreciate this opportunity for us to speak on hopefully utilizing portions of Lot 10090-1 as a recreational and green space area. To give you a little history this is the lot that we are temporarily using as our staging area that we got approved through the Commission in FY2005. We are now in the third phase of the Ironwood Estates over 300 homes we are building in that area. We found out through Waterworks that on this property there are four water wells and typically there is what they call a 1,000 foot radius where you can't build structures. Waterworks had asked us if we were interested in clearing the property since we've cleared all the white goods that were

abandoned there as one of our conditions way back to clean. We cleaned all that and put up a fencing to protect at least that side of the assets. Now the buildings do not have graffiti that they used to have because we kind of secured it as what we had committed. When we found out that you can't build anything within a 1,000 foot radius and there are 4 water wells in every corner of this property pretty much the whole internal part within the 1,000 foot radius is not developable based on the Waterworks rule. I've met with Mayor Savares to see if she is interested in partnering with us, the Ironwood community and hopefully the Machanao community if we could convert this into a park. We would clear the boonies and open it up as a green space and make it available for families to use as a park since we can't build structures anyway. That's how the idea came about so we brought the letter to Mr. Borja several months back to see what we needed to do to get this green space concept approved. That is why we are here today. We are willing to spend our funds, our energy as you've seen us being good partners with you guys in a lot of our closely related properties with you. For our families and not only our families but also the Machanao families in that area to have a place for families to congregate to a parks type of park area within the area. When we did this we also found out that if it is designated as a park then we could use it to bring in park facilities. We are here to hopefully seek your support in us utilizing this as a park for green space.

Commissioner Matanane inquired on how many acres are we talking about.

Carlos Camacho commented I wanted to be in the safe zone. I wanted to make sure that if we do everything within the 1,000 foot radius because anyway nothing could be built on concrete so if you want to use it anything within the 1,000 foot radius wherever the water wells are at we are willing to convert that zone into green space so the people could use that as a park. I do not have the size but from talking with Mayor Savares because the community not only our families which is 300 homes the other homes surrounding Machanao is a large community and there is no actual park in that whole area in her letter she is requesting from 20 to 25 acres of park.

Commissioner Matanane commented that is a substantial amount.

Carlos Camacho commented he thinks that is within the 1,000 foot radius anyways that can't be built. So if you want to use a safeguard that is a 1,000 foot radius scenario then we can use that as a benchmark. How big that is, I don't know.

Chairman Pro-Tem commented if you were to take that because right now this also coincides with the Commissioner of Dededo and with your project next to it who would really benefit on that?

Carlos Camacho commented the reason we got Mayor Savares involved is because she wanted to make sure that the Machanao community other than the Ironwood community everybody close to that neighborhood and also by the C&H Farm and also open to the public would have access to this park.

Chairman Pro-Tem inquired if they are going to maintain it.

Carlos Camacho commented that is correct. We want to contribute to maintain it so we can keep the place looking clean.

Chairman Pro-Tem clarified if the community of Dededo would have access to the park.

Carlos Camacho commented that is correct.

Chairman Pro-Tem inquired if he had worked it out with the Mayor.

Carlos Camacho commented yes, we worked out a partnership arrangement where even the Mayor said they are willing to participate and providing some kind of maintenance with their staff. But we also said we have our maintenance staff that maintains the Ironwood community that will come in to make sure that is good. We want to make sure that it is maintained because if it looks nice close to our neighborhood it also protects the value.

Chairman Pro-Tem commented yes, it protects the neighborhood and the value of the houses. I can understand your point but 25 acres?.

Carlos Camacho commented I was only using the 1,000 foot radius. If that means it is only 6 acres, 7 acres unless you want me to draw out the 1,000 for all the water wells and then maybe get a letter from Waterworks.

Chairman Pro-Tem commented yes, why don't we do that so we'll definitely know where we stand. I think it is best that you get with GWA and really identify where those water wells are and if it's within that radius area I don't see any problems there because like you said you can't build anything there because the water lens.

Carlos Camacho commented he will get the letter from GWA so that way there is supporting documents on my testimony.

Chairman Pro-Tem yes, why don't you that and that would be more sufficient to us and also 25 acres I think that is a big chunk of land and I don't think all 25 acres has all that water lens there.

Administrative Director inquired from Carlos Camacho if he is looking at adding the additional to his existing license or is he just looking at the Land Trust declaring it as a park space.

Carlos Camacho commented the existing license that we got was only a temporary license for our construction staging area and that will expire after our 3rd phase around 2010 or 2011.

Administrative Director commented so this will be a separate license.

Carlos Camacho commented yes, a separate license. He will get Waterworks survey department to circular the 1,000 radius and if that statement is correct that you can't build he'll make sure that it comes from Waterworks not from a third party like him.

Commissioner Matanane inquired if Ironwood Estates is willing to lease whatever piece of property that you would acquire concerning the green acreage.

Carlos Camacho commented we were hoping to utilize the green and park area that is within the 1,000 foot radius because truly at 1,000 foot radius if that is a true statement from Waterworks then that's unusable property that you can't build something above it.

Commissioner Matanane commented but you mentioned about 25 acres.

Carlos Camacho commented I mentioned that because the Mayor's Office was asking for that. I was thinking within the zone because anything outside the zone you guys could use to give out.

Chairman Pro-Tem commented that the area that we gave you for the staging area like you said when you started out your company that is one of the reasons why so you hold all the stuff and everything. The staging area is pretty big there where you guys stored all your equipment.

Carlos Camacho commented I think that is almost a 5 acre parcel.

Chairman Pro-Tem commented why don't we just stick around that ratio. Tell the Mayor anything over the fence is another issue but stick within the fence.

Carlos Camacho commented if we are able to clean the 1,000 foot radius it still belongs to Chamorro Land Trust where families can just use it to walk. We are willing to clear all the boonies and make it all green space.

Chairman Pro-Tem commented he has no problems with that he can do that.

Carlos Camacho commented we are not going to put any structures that way one day when you guys say sorry we're converting your park because all the water wells has been terminated and the Chamorro Land Trust needs it for housing because all the water wells have been dried, I don't know, you just never know. Right now within that timeline while the water wells are there and active we want to open the green space within the 1,000 foot radius scenario. Whatever that is, I'll get a surveyor to circular that. Typically they'll take the water well and draw 1,000 foot around it and where ever that bubble is at is where Waterworks says you can't build a structure.

Chairman Pro-Tem commented I have no problem with that so why don't we do it that way, get the clearance from Waterworks.

Carlos Camacho commented okay.

5. From Community Affairs, Governor's Office – Lack of water services in Dededo
Administrative Director informed the Commission that there are no representatives from the Community Outreach Office and explained that from time to time constituents go down to the Governor's Office seeking assistance. In this particular case I believe there were 9 families that requested assistance in getting water services into an area where they are at in Dededo, Chalan Natibu. The Office of the Governor, Community Outreach program had a meeting with Guam Waterworks Authority and determined that they needed 2,400 feet of piping to service these people. Of course your requirement is that every 500 feet there must be a fire hydrant. Collectively this project is looking at costing \$41,000 and

that breaks down to 2,400 linear feet of 8 inch by 20 feet pvc pipe and 5 fire hydrants over that 2,400 feet. The fire hydrants costs \$4,000 each or \$20,000 collectively so the Office of the Governor, Community Outreach program is actually asking the Commission to approve \$41,000 to install water lines into this area.

Chairman Pro-Tem inquired if that includes the fire hydrants.

Administrative Director commented it says here that it includes it but would like to ask the Commission to table this matter until the next meeting to verify the amounts and then again to see who is going to be doing the installation because the estimate total of \$41,000 is just the materials and it specifically says not including labor.

Chairman Pro-Tem commented I think we should go ahead and table that because he would like to discuss that more in detail.

Commissioner Matanane agreed.

Administrative Director commented that he will make a report at the next meeting.

6. From Juan Q. Acfalle – Request to utilize 3 acres for commercial farming

Administrative Director commented that Mr. Acfalle is not present today and he is requesting to lease 3 acres of agricultural land in Dededo or Yigo for commercial farming. He is not applying under the normal agricultural \$1 a year specifically for a tract. He is looking at leasing property for commercial farming. We don't have any other details on the request.

Chairman Pro-Tem commented since he is not here we don't know what his intentions are so we'll just table it.

Administrative Director commented he will get more information from him.

7. From George Torres – Request to utilize Lot 7163, Yigo for quarry purposes

George Torres – I am requesting if I can lease a portion of a property in Yigo which is Lot 7163 and I'm inquiring for a quarry. I'm a first business person to inquire. I'm trying to open up my own business myself and being a local. There is only 5 quarries on Guam and one of them is Hawaiian Rock who only does asphalt and IBC. With the construction that is coming down the years between 2010 I got myself involved in this infrastructure business. I'd like to try if the Government would let me lease a portion of their property to start my business. I was told by a lot of government agencies that to start this business I would not be allowed to open up this quarry in residential which I really understand that. Another that I would not do a quarry if I would not follow the law where a lot of these quarries have dug to China meaning the ocean is right in the middle of their quarry. If I was granted to lease this property I would temper it down for the future of the kids and also if I can build this property where we can have a beach park on the northern side of Guam then I would do my best as a business person who is a new incumbent. So I'm only asking the Chamorro Land Trust to help me out as a new incumbent as a business person. I did my research and I am willing to pay for a surveyor and all the documents on my behalf because the Government does not have the money to do all that paperwork. Although that when the time comes and you do give me that chance then I am willing to

sit down and negotiate the terms. But until that time comes I would like to be given a chance to start a new business on Guam locally because Hawaiian Rock is owned by Hawaiian Rock which is out of Hawaii, Perez Bros is the only Perez Bros but only does quarry. I am trying to bring in 3 different types of machines to the island of Guam. One for making concrete, one for doing asphalt and one for base course. This business is not a million dollar business it's a multi-billion dollar business and its not for tomorrow its for the years to come even when we're all dead. If it does survive with the good concept of a businessman which I'm going to try, I will benefit the island of Guam not for me but for the local people who I can trust and willing to work under safety. Not hiring anybody without any clearance or any drug test. I am here to ask the Government to help me out in leasing a portion of land up in Yigo and it is right beside Smithbridge. I'm willing to try to open up a business on my own if the government would give me a chance.

Commissioner Matanane inquired if Mr. Torres had spoken to Mr. Borja about the request.

George Torres commented he had done all the research. He went to Land Management to research the property and the property that he was told would be capable of doing this business is right beside another quarry.

Commissioner Matanane inquired on how big is the lot.

George Torres commented it is 1,663,000 square meters.

Chairman Pro-Tem requested that the Administrative Director look into the matter.

Administrative Director commented that he had met with Mr. Torres and as mentioned in his letter one of the obstacles on that particular property as there are not very many lots that are available for a quarry and this is one of those properties. However, I did inform Mr. Torres that Lot 7163, Yigo is presently unregistered but Mr. Torres has indicated in his letter that he is willing to provide legal services and surveying services for land registration purposes on behalf of the Commission if he would be allowed to lease the property. At least in his letter he did say that he is willing to incur that cost and again the property is unregistered so the Commission is actually prohibited from effectively leasing that property to do it. Nobody has requested for the property or inquired officially by letter other than Mr. Torres.

Chairman Pro-Tem commented so why don't you get with legal counsel to find out the legal aspects of that.

George Torres commented he did his homework. He went and got some documents from Land Management. The property was surveyed for the purpose of giving someone an easement which is one of the Taitano families and it was done by Judge Unpingco. I have a document from Land Management and it is recorded for the same property that I am requesting.

Chairman Pro-Tem commented he is not disputing but the nature of this type of work that you are looking for in this and we want to make sure in this Chamorro Land Trust that we are also covering our part. Maybe that is only registered for the easement but what about the surrounding area and that is what I want to know.

George Torres commented okay.

Commissioner Matanane inquired on who is the owner of the quarry next door.

George Torres commented he only knows that Smithbridge and IBC are adjacent to each other.

Commissioner Matanane inquired if it is Chamorro Land Trust property.

Administrative Director commented until it is actually registered it is no one's property.

Commissioner Matanane commented he is just curious about it because if next door has no problems with Mr. Torres and if it is unregistered.

George Torres commented there are properties that have 3 quarries before the one I am requesting and right when you pass this quarry I am requesting is the race track. So the property is in between but it is adjacent to an existing quarry. I suggested too that with all the years I've lived here and as much as you guys, you've been to Hawaiian Rock and Perez Bros quarry and I guess I'm not saying federal guidelines but if you ever see an ocean right in the middle of the quarry that will really scare somebody because when the ocean start breathing that water comes up. As much as Hawaiian Rock, they dug two different sites and they dug down to the sea level. Well I'm not going to destroy the land because it's not mine to begin with. I'm there to make money, yes, it's true but the money will benefit the island of Guam too. The income, you guys would have to charge me for a lease and also to turn around and charge me for commercial. I would have to start first and start producing the volume of rocks that I need to make to sell in order for me to pay you. But at the same time I'm willing to do all the paper works and spend my money to start up this business and I'm willing to do it in 6 months. I did all my research to try to bring in the equipment to get it going before they start doing the infrastructure on Guam. I'm only inquiring on it because I'm interested on starting.

Chairman Pro-Tem commented if you stated and like I said I'll leave that with Mr. Borja and the legal counsel and whatever the legal counsel and Mr. Borja come up then we'll discuss it with the rest of the board. It would be foolish for me say at this point in time that we are in agreement and I applaud you to run a quarry. I just want to make sure that this kind of magnitude of work and business like you said it's not just a million dollars but you are talking about billions of dollars and I've got to look at that too. It's going to serve its purpose for the locals and I know what you are trying to do. You're trying to set yourself for the new incoming so called military and all those things and you want to be ahead of the game, I understand that.

George Torres commented he is the president of the corporation and he is going to give Power of Attorney to someone to stand for him when he is gone because he is going for medical purposes. All I'm asking the Government is that I'm willing to do all the run around if Mr. Borja and the Chairman will allow me. I'll do the run around for the paper works.

Chairman Pro-Tem commented as long as he gives Mr. Borja the person who to connect with and only deals with that person.

8. From Ironwood Estates – Request to utilize Lot 10114-NEW-2, Dededo for construction of a housing community

Carlos Camacho commented he is here to seek the opportunity to potentially lease Lot 10114-NEW-2 in Dededo. The only other landmark you can use is it is almost the corner lot of Ysengsong and Santa Monica road right behind the old DOA staff housing, it's close to the Dededo Middle School and the DOA staff housing is right between that spot. We are looking into developing a senior housing project for the Manamko. These homes are not to be sold. They are strictly similar to our Ironwood project where they are leased through a federal program through a targeted audience. My thought here is again we are just leasing the property. We will negotiate a land lease hopefully a good cash flow to your agency to receive xx dollars based on our cash flow. We are looking at building 150 units which will generate based on our performance if it's similar to our Ironwood about a million dollars a year in cash flow. A percentage of that will go to Chamorro Land Trust as seed money to use. My thought is to use it as a land survey revolving fund. Lets assume we give you 30% to the dollar, \$300,000, if that's the lease formula I don't know we are not in that stage yet but to use some of those funds so that and the only reason I chose the land survey revolving fund is because I also worked with a lot of your individual families when they apply for certain federal grants to rehabilitate their home their existing structures, a lot of impediments they have is the lack of surveyed property. That is one of the conditions they need to get these funds. I was thinking instead of sending our lease payments to operation, set it aside for a land survey revolving fund so you have a survey source for the families who truly needs their lot to be surveyed. At a given timeline negotiated and I don't know that timeline based on our performa, the buildings then will be negotiated hopefully when this becomes a reality if it sounds positive after a given time leased period, the structures then will be available for Chamorro Land Trust to own the structures after we exercise what we call our compliance period. So one of the other positive things is after 20-30 years from now we then turn over the assets back to Chamorro Land Trust and by that time you guys will have ownership of a structure that is income producing and at the same time it will increase your asset value. But that's something negotiated.

Chairman Pro-Tem inquired if it is almost like the GHURA housing.

Carlos Camacho commented it is almost but if you look at our Ironwood project we've built 300. We're utilizing a federal program to build these homes. We get 25 million a year for Guam that nobody has used. We've been successful in using it in 3 fiscal years. This is why we were able to do 300 units. The reason why we are now looking at Government properties as the same speakers has been talking earlier, the private sector properties are being pretty expensive now. Since our target audience is the working class, the working poor, these are the families that cannot afford market rate units because the cost of goods are going up. We are running out of land opportunities so instead of us loosing the annual allocation that the IRS gives companies like us, 25 million, I thought it would be best for us to see if we could utilize some government property so we could infuse the money to build such a project, generate the cash flow. Instead of having it all go to us we want to give a portion of our cash flow through a land lease which at the end of the day should be a positive for you guys so you can use it for your other uses as administration.

Chairman Pro-Tem commented you stated that this would strictly be for the elderly. Because if it's for the elderly there are a lot of them out there that need a home and it's going to be designed that they are going to be affordable for their income. I just want to make sure not just anybody can come in there. What is the age limit of manamko (elderly) anyway?

Carlos Camacho commented I think I get the gist of your comments. Our IRS program is picked by qualified income categories. In other words we are picked to say we are only going to service these types of income communities. If we decide because we built this beautiful project and we decide to give to 80-100 thousand dollar salary families then that doesn't do our purpose in regards to providing affordable housing. We're getting these grants but the grants are tied with pre-requisites. The pre-requisites are here are xx dollars, build these homes, but then these are your targeted audience only. What they do is we have an annual compliance to comply with to make sure that the families living on our project fit the income category established by HUD. That's the safe guard in regards to putting other people that just want to live there because it is a gated community and all the amenities that we offer. It is actually for the working class. In Congress they call it the working poor but I'm trying to change the term because I hate to stigmatize a group of family, the working poor. These are actually the 60% of the medium income. These are the guys only earning 18,000 and most 29,000 year. These are the guys today because of the military build-up can't afford housing cost right now. These are the guys that probably need other assistance.

Chairman Pro-Tem inquired on what happens if the elderly applicant dies and there is a younger generation living in the house also.

Carlos Camacho commented just to clarify on our tax credit housing program it is strictly a rental housing community on a year to year making the rentals affordable for the family. So if the applicant wanted to move out they can move out anytime they want there is no restriction. They can move out within the one year time and there is no prepayment penalty. If they pass away during the one year lease then the lease goes to the next available tenant on the waiting list. That's why I say there is no homeownership angle here because we are not selling the units to anyone. The units are strictly a tax credit program for a rental housing project. That's why we're generating cash flow and from that cash flow this is why were are able to at that point a negotiation to figure out either we are going to go with a land value approach lease or are we going to go with a cost share approach. At that point I don't know it depends on what you want to negotiate at that point but we're open because at the end of the day we want to make sure that the Chamorro Land Trust gets the best bank for their buck. The bottom line here is the 20 million dollars is zero debt so it's not like a bank where we have to pay a mortgage. Most of the cash flow go to amenities for the manamko. Such as a dining center, swimming pool therapy program, beauty salon, ambulatory services or a busing program. All of these are part of our operation cash flow because we have zero debt. Because we have zero debt we are also able to negotiate some good lease payment and hopefully after the compliance period either negotiate to give the units all back to you guys at zero cost or at some value. At this point we're looking to lease the property straight forward.

Alicia Pinaula – You mentioned that you are dealing with HUD and since the influx of the Micronesians and Section 8 are you planning or ever consider having your own Section 8 since you're dealing with HUD? GHURA is dealing with a lot of Section 8 applicants and they are overwhelmed.

Carlos Camacho commented we are targeting what are called the 60% medium income which is above the 50% threshold. The Section 8 that she is talking about are families who are at the 50% income and below. Yes it is a HUD program that is administered by GHURA, we do not administer that class of society. Typically what happens there is those families will apply for a HUD voucher if they don't meet a certain income and then they will go out to the community, the housing community, and they would lease homes from the homeowner to the voucher participant. We do not have our own vouchers. What ours is entailed is they tell us we have to fit a 60% medium income communities. These are the guys that say they make too much money. They can't go to GHURA to get assistance. These are the same guys who say I don't make too much above 80% to go buy in the community or pay the high rents because I don't make that much money. This is what we call the gap families. These are the guys in between a subsidized assistance and the guys who are making enough money to go on their own. These are that group of families who can't find a product. So when congress created this program it's called the tax reform act of 1986 under Section 42 of the IRS code. They said okay they are going to provide a funding source for developers to build projects targeted for these group of families. So that is what we're going after. We do not administer any voucher program that would be GHURA and HUD.

Alicia Pinaula commented you mentioned the low income working class families who cannot afford a home, you consider a \$794 for a three bedroom unit for people who are earning below \$24,000 affordable for this?

Carlos Camacho commented the technicality is if you look at the 60% of the medium income is considered below moderate income communities so they are above the very low and below the very moderate so they are called the low income communities. 60% have different income categories and there's different household size, family of 3, 4 or 5 have different household thresholds. So I'm assuming you're talking about my Ironwood project at \$794. If you look at a similar home in Guam's community that type of home with those amenities we offer those homes are going out for \$1,300 or \$1,400 a month. Our rents are almost half that and yes it may still be higher for the people at the 50% level but we're targeting a working class. It's been successful just to let you know our first phase is 100% occupied and if you look at our demographics it's exactly what congress created. Our families are at \$32,000, \$28,000, \$27,000 a year. It can't be a solve all scenario. We are only working at a certain targeted income. For lower families that is why they have the subsidized assistance from GHURA where they get portions of the rent subsidized and some of them put their dollars.

Commissioner Matanane inquired if there will be any impediments because the license structure is 21 years.

Carlos Camacho commented I would yield to legal counsel if there is an opportunity when we come to the due diligence side of the period if within the statute if we are able to make it work through your license or lease at that point our due diligence period will tell us to

move forward or not. I haven't gotten to the legal side of the equation. Every January is when we apply for the tax credit. We are two months away from January this is why I am doing my due diligence now trying to see where I could find potential opportunity for the development. I would talk to legal counsel later to see what types of lease structures are available through the statute.

Commissioner Matanane commented he just wanted to caution him on that.

Carlos Camacho commented yes he saw the 21 years and he hears different variations that you can do one plus one or just one. He would have to wait for legal counsel's opinion for that.

Chairman Pro-Tem commented that along like what you said to have Mr. Borja and legal counsel to look into that issue and see what manufacturing we can accommodate the issue. Because of the newcomer here I would like her to also have the opportunity to really see what is going on and what all these mean. I think maybe by our next meeting we can have something in that terms and even maybe from Mr. Borja and legal counsel on the issue.

Carlos Camacho informed the Commission that for the next meeting he will try to finish off the 1,000 foot radius for item 4 and hopefully work with legal counsel with regards to item 8.

VII. ADVISORY and ADMINISTRATIVE MATTERS

Landfill - Administrative Director commented that several years ago under a different administration and under a different Commission there was a license for property in the Guatali area in Piti to GRRP (Guam Resource Recovery Partners). They received a license from the Commission at the very last 11th hour of a previous administration. Last week the group submitted for my signature a landfill permit application to EPA and to Public Works to open up the landfill in Piti. I don't think that my signature is necessary because it is not the Commission that is applying but it may be necessary for form. I would like to refer the matter to Legal Counsel for advice as to whether I should sign the application on it. Also in the license the Commission agreed at that time to require and this is one issue that I would like to ask Legal Counsel to look at, it requires the Administrative Director to negotiate with the United States Government about potentially or possibly leasing out federal property next to the Chamorro Land Trust property for the Guatali site. Basically what I'm looking at is for Legal Counsel to review that license because this landfill issue is coming up and it seems that the licensee GRRP is ready to apply for a landfill permit with the regulatory agencies, EPA and DPW. I do have some serious concerns on it. The actual license part is really not where people think the Guatali landfill is. It's at least probably 2 or 3 miles away from where people think it is. Again there are a couple of things in there that are required of the Commission and I just want to make sure that I am not signing anything that I'm not supposed to sign so I'll refer that to Legal Counsel.

Chairman Pro-Tem inquired if there was ever an environmental impact study on that because when the water flows there it runs all the way down to Polaris Point.

Administrative Director commented not that I know of. I believe that site was chosen because the water people said that there was water there but not necessarily an environmental impact study. Definitely before they do anything on there especially for a landfill I'm sure that they will be required to do the things that are required by law and certainly one of them is an environmental impact study. To top it off the property is actually zoned "R-1" so they still have an uphill battle in getting that permit.

Chairman Pro-Tem commented that he remembers a couple of years ago there were people who got their property released.

Administrative Director commented it was sort of down river.

Chairman Pro-Tem instructed the Administrative Director and Legal Counsel to work it out when the time comes.

Administrative Director commented that it is just that the landfill issue is popping up and these guys could probably open the landfill maybe faster than the Government can.

Lot 7022, Yigo - The Administrative Director commented that when he came into office here as the Administrative Director there was already an on-going survey project up in Yigo which is across the street from F.B. Leon Guerrero and Simon Sanchez school. The project is now completed and the last thing remaining is for the surveyor to take out the Land Trust staff and actually show them where the point markers are. We scheduled it twice but because of the inclement weather we had to reschedule it. This subdivision was basically created because if you remember there were some people that had come to the Commission complaining that the assigned lots that they had were unregistered property. I believe there were about 9 people who came before the Commission in a couple of meetings earlier this year. We surveyed these properties in the hopes of convincing these people to relocate to these properties because the infrastructure is there, its registered land and the survey is done on it. We are now passing out that property. The survey is complete and I believe the map is pending approval at Land Management and the showing of our points but for all concerned it is basically done. I would like Commission approval to pay the remainder of the contract which is \$13,000. I think we got a pretty good deal on that and it was done pretty quickly. It is one of our good subdivisions in the sense that the water and power in that area are about 100 feet away from all of these lots so they are ready to build on that particular subdivision.

Tract 1022, Dededo - We have another subdivision here that involves some costs not necessarily on the part of the Commission which is Tract 1022. The legislature appropriated \$106,000 for that project. The project comes in two phases and we have paid I believe \$56,000 on the first phase that's completed. To let the Commission know I will go ahead and give the notice to proceed on the second part of the project which will cost about \$49,000 or \$50,000. That money is not coming from the accounts of the Chamorro Land Trust Commission. That money for this project comes from the General Fund and it has created a problem because it comes from the General Fund. It took us almost 18 months to pay off the first phase because of the cash flow. It is not like our account that if we have an expenditure the expenditure is approved by the Commission, we cut the check and sign it and it's paid for and the check is good. In this particular project we have to go through Dept. of Administration, request the check. The contract is

registered on there but the danger of this is sometimes when you pay off the contract and they give you the work product because it took too long to pay it the data in it might be outdated or you might not be able to use it. So that is kind of like the danger in doing that. I will go ahead and give the notice to proceed on that project. On that particular project what it was originally was the basic lot was surveyed and they were surveyed at a quarter acre lots because the intent was to connect the infrastructure to a subdivision that was being created by GHURA. That subdivision did not materialize therefore we can't hook up to that infrastructure. The contract with Duenas&Bordallo was to resurvey those lots, consolidate two quarter acre lots and create a half acre lot which is within the law of lot sizes in that area. Again we (the Commission) are being watched because of the Gill Baza situation with quarter acre lots and no infrastructure at all. The government, DPW and Land Management are more critical now on subdivisions along with Land Trust subdivisions because we are a developer and we create subdivisions and we put people in subdivisions that should have the proper size so that the sewer situation is not aggravated. In terms of the infrastructure that we put in previously the Commission had approved \$15,000 to open up some of the roads that we have. For example up in Yigo we're opening up a 160 lot subdivision and we haven't even opened up the access road to it so we're leasing these properties already to these people but yet they can't even get to the properties because the roads haven't been opened up. It's not really the obligation of the lessee to do that, it's the obligation of the developer to open up those roads so I'm asking the Commission for some money to open up the additional roads in Mangilao, Yigo and in Dededo. Specifically Lot 7160, Lot 5401, Lot 5402, Lot 10120 as well as Tract 1022. There are some easements that I think that we should open up so that these people can start getting access to their properties.

Fee Schedule - The Administrative Director commented that presently we do not charge anything for copies. The staff has developed a fee schedule that we would like to begin charging for people asking for extra copies of documents. We've been handing those out free for now because we don't have the authority to charge for them so we will go through the administrative adjudication law so that we can get a fee schedule so that we can start charging for these.

Unregistered properties - The Administrative Director commented again we are creating subdivisions so that people who are ready to build that were given unregistered lands will have registered lands at their disposal if they want to build. We do have some people though who want to remain on those unregistered lands until such time as we register it and we just make sure that they sign off that they know that the property that they are on is unregistered. We have met with the surveyors group and they're willing to of course do contracts for land registration purposes. We're just looking now as to how to make the procurement much easier. The surveyors are basically saying we have 12 active registered land surveyors, give us 12 projects, we'll put it all in the hat, we'll pull it out and everybody gets one and they're happy with that. I do have to check with GSA and the Office of the Public Auditor if that procurement procedure can be used like that. We might be able to do that only because only licensed surveyors can apply for the project. Since that is a closed group there is only 12 of them and if they agree that we are the only people that can apply for the project, we agree that the procurement process is fair to us and they are willing to accept it, maybe the public auditor might make it easier because that will cut down on time and cost.

Commissioner Matanane commented he believes 3 fiscal years the legislature had approved \$750,000 for survey and inquired if the Director had looked into it if it had been appropriated but guesses there is no money.

Administrative Director commented it's an amount appropriated from the general fund which is lower priority level for expenditures in that fund. A couple of years ago former Director Tom Elliot did set up an account with Dept. of Administration with an account number with that particular appropriation however, there has never been any money on that and that account has since been closed. Knowing the financial condition of the government there might be money coming in on it and the economy looks like its going to be getting better but in terms of priority where we are at and the government or Dept. of Administration paying for something like that.

Commissioner Matanane inquired if it was under the budget law where if it's not being used it will carry on.

Administrative Director commented some accounts are continuing accounts and some accounts are fiscal year accounts and that one I am not sure how it was treated. There was never any cash in it so you might consider it as a continuing. I'll check into it. The potential problem we may have is it might engage a contract and then the person does the work and then we might take so long to pay it.

Account status - Commissioner Matanane inquired if we have a remaining balance on our account that we are using right now.

Administrative Director commented yes, we do.

Commissioner Matanane inquired if there is no income to support the account and if we exhaust it that is it.

Administrative Director commented that is correct. We anticipated on collecting \$467,000 but instead collected \$626,000 and the difference went to DOA. They're holding that in an account and was reminded that it is a cash account and it's for that account and no where else. James Diaz has been getting the account balances.

Commissioner Matanane commented our account is only depleting.

Administrative Director commented in that account we have \$259,000.

Commissioner Matanane reminded everyone that as soon as we deplete the account we need some procedures as to all our expenses that we need to disburse on. We'd like to get an avenue before hand before we even deplete this account so we would know where to turn to after that.

Administrative Director commented we have two plans on that. When we do present the budget adjustments which will have to be in bill form we can certainly submit a draft to the legislature asking that incoming money be deposited to this account and maybe they'll feel better about it. Secondly, we have sent a letter to Dept. of Revenue and Tax because

under Section 75112 of the Land Trust law Revenue and Tax is supposed to be collecting payment for improvements on the property as well as on the property themselves. Several months ago when they had the delinquency roll if you look under the Cs you'll see some of the Chamorro Land Trust delinquent because some people haven't been paying and some Land Trust have been paying their taxes on it. The money collected under that law is supposed to go directly to the Home Loan Guarantee Fund. When we send this budget adjustments over I'm going to ask the legislature that maybe we get 10 to 15% in that for our operations so that when they collect taxes on those leases that were given out maybe 10% of that money can go into this account to supplement our operations. You're right in the sense to start looking ahead on it. Originally this account had about \$864,000. We took out half a million dollars for the loan guarantee with USDA. We've already gotten I believe about a couple of thousand dollars in interest on the \$200,000 account and at the end of the term in March 2008 the \$300,000 account would probably get maybe another \$12,000 in interest.

Commissioner Matanane commented that those interests should go to our account.

Administrative Director commented that it will remain in that account until we give instructions to the bank as to where it should be.

Commissioner Matanane inquired if the current budget indicated if all our collections are going to the general fund.

Administrative Director commented it remains the same, its status quo so it goes to the general fund.

Commissioner Matanane inquired if it stipulates on it.

Administrative Director commented that he would have to read on all the administrative provisions.

Commissioner Matanane commented that because if it is only for fiscal year 2006 or 2007 then the following year has to be stipulated also. I would like a report from them as to how much was collected.

Building Committee - Administrative Director commented that several months ago Dept. of Land Management came over here concerning the building committee and I have not had any information from Land Management on the status of the new building. We're going to approach Dept. of Land Management one more time and see but we may have to come back and decide whether we still want to pursue the building even if it's on our own rather than with Land Management. I'm recommending that we still continue to see about the possibility of building a building for us as well as a couple of other agencies.

Office Space - The Administrative Director commented we will be putting out an office space RFP lease for other areas. I know we were planning on doing this a couple of months ago however, we got caught right at that end of the fiscal year and the beginning of the fiscal year that delayed us about 3 months. We have the request for proposal and the scope of work already and Mr. Diaz is checking with GSA on the process and procedure on how to do that. We are not exactly budgeted under the budget law for that

expenditure but we do have a separate account to pay for the rent so we do have to set something up differently mechanically in terms of putting out the request for proposal on the office space lease.

Subdivision report - The Administrative Director commented we have a 160 lots subdivision in Yigo and some larger agricultural subdivisions. We're looking at an area right across the Yigo gym for a subdivision and the one over by F.B. Leon Guerrero. In Mangilao we are creating four subdivisions over by the old Kinneys Café and over by Latte Heights. We did look at possibly receiving 44 surveyed lots in the Ija Extension and we seem to be having a lot of action in the lots in Agat. Previously we have been doing most of our leases and our problem areas in Yigo and Dededo. Land Management has surveyed a parcel in Agat for a land exchange and we are looking at several land issues in the Agat area. Not only individual problems of double assignments of the same lot but also the mayor and community of Agat is looking for property for a fire station and a police station as well as property for potential land exchange for private property that may be used for a fire station or a police station.

Land Registration – The Administrative Director commented we've given counsel a list of 5 lots to begin land registration. We're looking to possibly expand that to a list of 20 to 25 lots. We need to register our lands to protect them and we need registered land so we can begin subdivisions of these. Of course there are two big issues with land registrations. One is the legal services to initiate the land registration case and even before that the actual land registration survey map that has to be approved within a year otherwise the map becomes stale.

Commercial Properties- We need to increase our inventory of registered lands as well as designation of lands in our inventory for commercial purposes. The way that we do the commercial licenses is we ask them to get it appraised then we come back and we charge them anywhere between 3% to 6% maybe even considering sometimes 20% on our land inventory. The proposed rules and regulations that we have basically changes the procedure a little bit. We would look at the list of properties that we have and designate certain properties as commercial and then we would publish the list of properties for commercial and have people come in and bid on them. So that if we do an appraisal for lot #1 and its price is \$1 a year per square meter to rent then we make the minimum bid \$1 per square meter per year to rent and people would come in and bid on them rather than this procedure that we have now. Again, we'll run to Legal Counsel to make sure it doesn't conflict and to the Commission to make sure that is what the Commission wants rather than the existing procedure and then submit that for public hearing and to the legislature for action to deny it, inaction to approve it or just allow it to get into law.

Chairman Pro-Tem commented they may win the bid on the lot that is to be put out for commercial and then not do anything on it.

Administrative Director commented maybe we should say a reasonable bid. Just because someone bids \$50 and someone else bids \$25, maybe the \$25 bid might be a better deal. It would be up to the Commission to balance it out.

Chairman Pro-Tem commented that if we do the bid I want to make sure that the they understand that the bid is just that they are awarded the property but then there will be

another fee for the whole term of the license. Even with a long term lease we have to be very careful with that.

Administrative Director commented that we can always work out the terms of the lease. Normally though 30 to 40 years initial lease is something that investors can go with. Not too many investors want to invest money for a 10 year lease.

Ypao Point Report – The Administrative Director commented that the Topoff 4 exercise was held on Ypao Point which is now over. I did meet with the Topoff 4 officials Tuesday morning and they wanted to ask what more did the Commission want to restore the site back to what it was. Actually we don't want the site restored back to what it was because there was a lot of trash on that. If you were to go up to the site today it is a very clean area. There are still some materials from Topoff 4 that will be taken off the site and DPW still has some trash heap to remove. The entire site is basically clean. The next phase of the Governor's order to clean up in the area is the demolition of the buildings in the area. We would have to be meeting with EPA on that because of asbestos in the area. The Topoff exercise is over and they did ask us if we wanted to seed the area but most of the area is gravel and asphalt. I basically just told them to level off some of the dips and holes that were there and spread the coral and make sure that access is denied to vehicles by blocking off all the access roads into the property. They said that they would do that so people don't go in there and dump things because it's quite clean in that area.

Chairman Pro-Tem commented one of the things that we had talked about on that is to put a gate.

Administrative Director commented we tried to get the FED people to build a fence around it.

Chairman Pro-Tem inquired on what about getting the big boulders.

Administrative Director commented they have the 3 feet by 3 feet cement boulders. They have the materials up there to block off access and they'll be doing that in the next couple of days. I did instruct them to make sure that they block off access completely so that vehicles can't go in. We'll be meeting with EPA next week for the next phase of the clean up which is the demolition of the buildings.

The Administrative Director commented that the 2nd thing happening in the area is the 8.9 acres for the cultural group and other than the cleaning of the area they did clean up the area and I know they had some security problems in the area. The 3rd thing happening in the area is the Healing Hearts section and it was the Rape Crisis Center that was there reserved by Public Law. A half acre lot has been surveyed by Land Management. Dept. of Mental Health and Substance Abuse did receive a federal grant to build the Healing Hearts Center there but I haven't seen any ground breaking or anything like that.

Chairman Pro-Tem commented that is where the modular home is.

Administrative Director commented yes, but the modular home is gone now. The area is basically cleared and spread with coral.

The last item that came up on Ypao Point is from the Director of Agriculture on an emergency bases. Several weeks ago in the newspaper was a story on the coconut beetle that has invested the coconut trees in Tumon. Dept. of Agriculture has quarantined all coconut leaves down in Ypao. They can't take any coconut leaves out of there. Recently, they had the big Micronesian Fair and there were a lot of coconut leaves. What Dept. of Agriculture needs to do before they can take that and dump it or release it as mulch is they need to process it and provide chemicals that will kill the coconut beetle. Their problem and what they need us for is they don't have a staging area to set up the compost machine and the mulcher. It's not one of these small chippers, it's a big chipper that you load things into like a dump truck or a pick up truck and then you back it off on the side and dump it into this big thing that breaks it up and compost it. It's a big industrial thing, its as big as a bus so they need a big staging area so they're requesting use of Ypao Point next to the cultural group to utilize for the processing of that. The Governor has declared a state of emergency on that. Dept. of Agriculture is not looking at putting anything permanent on it. What would be on it is the giant chipper composting machine and traffic coming to dump green waste for it to be treated and mulched so it can be taken out of Ypao.

Chairman Pro-Tem commented that they would have to use the main entrance unless they are going to use the back gate.

Administrative Director commented he did talk to them that they would have to check with the cultural group if they want it open and Joe Torres, Deputy Director of Agriculture said no and that they would just prefer passing through the front. I did mention to him that if approval was given to use the property that we are concerned about access that it be closed and opened and they don't want people dumping stuff in there too along with their stuff so they want to make sure no access is allowed. The public is not going to be allowed to their operation.

Chairman Pro-Tem commented they still have to barricade where they dump that to an actual site. I think it is easier for them to come in from the cultural center gate and use that point there for their dumping site than for them to travel all the way up.

Administrative Director commented I think the reason why Mr. Torres mentioned that is he hadn't spoken to the cultural group and he was already assuming probably that they would not agree to it for them passing. I agree that once you make that turn you don't have to worry about traffic.

Chairman Pro-Tem commented that the shorter the route is the better it is.

Administrative Director commented that he agrees and it is just that we leased out the property. If they are going to use it rather than us the Commission giving approval I would think that they would check with the cultural group because we had already leased that to them if they can pass by that road. I would certainly facilitate the request. I would recommend that they use that road it's easier and safer.

The Administrative Director commented that Counsel had already said that we have jurisdiction on it so does the Commission want to activate the Ypao Point Taskforce which is what is provided for under P.L. 25-179? We the Commission haven't done anything on

it other than to ask Legal Counsel to look into the issue but if the Commission does decide that they want to activate that and take that as a project then there are certain administrative things that we have to do like sending out letters. The members of the Taskforce are not just Land Trust Commissioners but also other agencies and other entities.

Legal Counsel commented that P.L. 25-179 deals with this Oka Point property or Ypao Point property I don't know what the proper designation is but it also calls for the convening of a Taskforce. I think before my firm came on board I believe the Commission already went through the process to try to solicit potential bids for development of that property. Correct me if I'm wrong but my understanding is the Taskforce was convened, bids were solicited and then the Commission attempted to negotiate a lease for that property but for one reason or another the negotiations failed through, is that correct?

Administrative Director commented yes, that is correct when it came time to make the deposit they backed out on the deal.

Legal Counsel commented that basically what P.L. 25-179 does is it expresses an intent of the legislature to make that property available for leasing and then it says that the Commission can utilize the services of Guam Economic Development Authority to facilitate a lease process. But then it goes on and it says prior to even going into this negotiated lease process the Commission has to establish a Taskforce composed of nine members and it says "to explore the potential development schemes" and the law doesn't define what explore the potential development schemes are.

Administrative Director commented development could be a green park.

Legal Counsel commented development could mean a green park it could also mean development schemes meaning the schemes that are proposed by the various bidders.

Administrative Director commented for example a strip mall like individual shops or one big hotel.

Legal Counsel commented that the law is unclear as to what role this Taskforce plays except to explore the potential development scheme and present it to the Commission and work with the Commission with regards to that. I don't know what work the previous Taskforce performed whether it came forth with any type of recommendation as to what's the best use of that property.

Administrative Director commented there were five entities that picked up the package and three submitted. The negotiation started not in terms of the lease or amount but presentations were made as to what it is before the Commission but the Commission never approved the development scheme that was being presented. The other two were basically the same development scheme except for one. It was a mix of residential, condo and hotel. All three were the same development scheme none of them were really different. It is just the magnitude and the layout. GEDA staff helped the Commission do it and what they did is they developed this system where you are given so many points for this particular purpose. These people submitted that in and the highest one was brought before the Commission. However when the time came for the \$50,000 non-refundable

deposit the developer said that they were leery of entering into that lease agreement with a potential suit that was being threatened with Tom Sheldon and Dave Davis on the Commission utilizing the proceeds of that government land, public land just for the Chamorro Land Trust Commission. That is the reason they used and then after that, that was it.

Legal Counsel inquired on what role did the nine member taskforce play if at all.

Administrative Director commented basically they came to the Commission and said we put out request for proposals, this is what came in, this is what we are referring to you.

Legal Counsel inquired if the Taskforce actually did the work.

Administrative Director commented I believe they actually did. That is why the Commission, Chairman Delfin at that time and Oscar Calvo said we did that, are we done with that or do we have to go back and do it all over again is what they are asking. I would say it came to the point where the Commission would have said yes or no.

Chairman Pro-Tem commented what these people really want is to own the property. They wanted to buy it which is not going to happen.

Legal Counsel commented that it is prohibited by the law.

Chairman Pro-Tem commented we can go back to another form of Commission and say what do you want us to do with this, make it a cultural center, make it a hotel or recreational whatever the thing is, the long term lease maybe 50 years to 100 years. I don't know but that was one of the arguments with the Legal Counsel here with the Chinese because they are not going to spend millions of dollars and find out in the end that they own it. Eventually if things don't work on their part and they decide to sell this piece of property up there for xx amount of millions at least to recover what they lost in the beginning and this is not like going down to Hilton and you can buy the whole Hilton and the transaction is done but here it is not. I think this where the problem is and I don't know how that is going to be resolved. I don't know if the legislature is going to do that but I think this is where I see the real problem.

Administrative Director commented but it is always going to be a leasehold interest.

Legal Counsel commented it depends on the Commission.

Administrative Director commented I think the Taskforce accomplished and took it to the point where it says here it is and then the Commission started negotiating that and they couldn't work out a deal.

Legal Counsel commented I think there is nothing to prevent it from doing this again from going through a second process and reconvening a Taskforce. If you want to take a more active role I think the law doesn't prohibit you from doing that. Maybe another suggestion, I don't know if you approached this before was asking the legislature or meeting with the oversight chairperson.

Administrative Director commented that Speaker Forbes had oversight and when he had spoken with him several months ago he did mention that he was thinking of taking the land back and giving it back to the legislature and let the legislature decide what to do with it. But he never did anything.

Commissioner Matanane commented that we should advertise it that we have so many square meters of property that can be developed.

Legal Counsel commented that part I think you can do but you do have to deal with the issue of the Taskforce.

Commissioner Matanane commented well the Taskforce is the Commission in actuality.

Legal Counsel commented not really because the way the law works its two different things. The Commission ultimately has the authority to dispose of it. The Taskforce does though have an important advisory role. It's ambiguous.

Commissioner Matanane commented if we do form the Taskforce the Taskforce can advertise that we have a piece of property that could be leased out as to the utilizing of that piece of property for any use and when they have people coming in wanting to lease that and specify what type of business they want to do up there then they can turn it over to the Commission and let them negotiate.

Legal Counsel commented that's what the law does, can provide for but you can interpret it another way too.

Chairman Pro-Tem commented that's the most logical way to do it with Ypao Point rather than to exploit it into something very big where we are not going to get anything seriously because that's the whole point, everybody wants up there to build a cultural center, a hotel but the investors that are going to go in there will say I'll build that but I want the legal deed of the property. The taskforce should recommend to subdivide the property and make it into a commercial zone. That's the most feasible way. I think if they do that it would be a nice and wonderful commercial zone.

Administrative Director commented we could set up a meeting with the Vice-Chair of the oversight committee or decide at the next meeting on what you guys want to do with Ypao Point.

Chairman Pro-Tem commented on why don't we get the opinion of the Vice-Chair or the legislature.

Legal Counsel commented the Vice-Chair of the Taskforce is the GEDCA administrator so you may want to talk to him, Tony Blaz.

Acting Commissioner Gumataotao inquired if it is specified on how the members are selected for the Taskforce.

Administrative Director commented yes, the Chairman is the Director of the Land Trust, the Vice-Chair is the Administrator of GEDCA, 2 CLTC Board members, 2 GEDCA Board

members, one appointee from the Governor, one appointee from the Speaker and the ninth member is selected by the other eight which is normally the Mayor of Tamuning.

Legal Counsel commented I think it is from a legal perspective of someone who reviews things like this if the Commission does form at some point. The issue of why that previous bidder backed out is a concern. Generally that should be addressed by the Taskforce because if generally you're going to finance a project that is going to cost well into the tens of millions of dollars and finance it I do understand the concerns of these clients Chairman Pro-Tem commented that one of their concerns was if they are going to spend millions of dollars on the property then they want the deed.

Commissioner Matanane commented that he thinks the main reason why they backed out also the notion that was up in the air and in the newspaper about its Chamorro Land Trust property and it is only for the Chamorros. The developer was geared up already.

Chairman Pro-Tem commented that the developer didn't want to hassle with the Chamorro issues.

Acting Commissioner Gumataotao inquired on how is that different from PIC.

Administrative Director commented that PIC he believes is private property.

Chairman Pro-Tem commented that belonged to Perez who then sold it. I gave my thoughts to the Governor and said that the only way to do that is to divide it and make it into a commercial zone. That is the most logical thing.

Legal Counsel commented I think the law also allows you to do that, it doesn't say that you have to lease all of the properties in one bulk it just says and it does refer to lease or leases.

Administrative Director commented so it makes room for more than one lease.

Legal Counsel commented yes.

Chairman Pro-Tem commented they can do a lot.

Chairman Pro-Tem commented that this area started back since Ricky Bordallo's time if I'm not mistaken. That was one of Ricky's dreams to build a big cultural center. That has always been a piece of property where every Governor thought about and what they want to do but what they are failing to see is this is a government asset. In the last round we had a lot of problems with the Perez' because they gave that up as the property for the hospital but they were willing to negotiate and we gave them an exchange with property in the back road to Anderson.

Legal Counsel commented that is also true and maybe Joe and I can talk about that. There is an issue of the original conveyance of that property.

Song reimbursement – The Administrative Director commented for information purposes there's a gentleman that is seeking reimbursement from the Commission for some work

that he did in anticipation of getting a license from the Commission, a Mr. Yung Moo Song who is off-island and has been contacting me. I'm getting all the information together but Mr. Song basically states that he was promised a commercial license under the Land Trust on two separate areas. He did two separate appraisals and two separate surveys then his license request was not approved and he's seeking reimbursement. I think it's approximately \$50,000 that he is seeking. I don't have all the details yet but I'm digging up because this happened about a couple of years ago. I'll provide more information as I find it, I am reviewing the minutes of the previous meetings.

Commissioner Matanane commented for whatever reason why his license was not approved we'd like to know also.

VIII. EXECUTIVE SESSION

Administrative Director commented in terms of our personnel our level is really insufficient for the amount of work that we are doing. I know that the Chairman has received several calls about inadequate service that we provide in terms of returning phone calls. I do want to let the Commission know that until we get those two other staff members it might get to be a little worse before it gets better. I do have a couple of projects and I take quite a lot of these loads when we do have these problems. We do have problems for example one lot in Dededo was assigned to four different people. Each of the land agents are just doing their own thing. Now I think we're organizing it a little bit more. Our target is to not have anymore duplication from now in the future and we'll see how that goes. We also have some on-going investigations from the Attorney General's office in terms of some members of our staff and that's on-going.

On the legal matters we have one eviction, one ejection and one license termination.

Legal Counsel commented that evictions are people who have leases, ejections are people who don't have authorization.

Legal Counsel informed the Administrative Director to transmit the record of the specific ones that he wants him to review.

Administrative Director commented that is where we have the insufficient level for staff in terms of somebody sitting down and looking at the process. I'll try and convince one of the staff that has experience in mortgage loans to see if he can help us at least in this one particular case to get it going.

Chairman Pro-Tem commented on the land registration to follow through on it.

Administrative Director commented we sent a letter to them because even before Legal Counsel starts the case we need to have the survey map.

Chairman Pro-Tem commented that the going back to the map that is done by F.B. Leon Guerrero in Yigo I know that the surveyor is waiting for the staff to go out there to see the marks.

Administrative Director commented I'll have it processed because that project is finished.

IX. ADJOURNMENT

Meeting adjourned at 5:11pm.