Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Oscar A. Calvo
Commissioner

David J. Matanane
Commissioner

Michael J B. Borja
Commissioner

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

COMMISSION MEETING MINUTES
Guam Housing Corporation Conference Room
5th Flr., ITC Building, Tamuning
Thursday, December 15, 2011; 1:15pm - 2:55pm

I. CALL TO ORDER

Meeting was called to order at 1:15pm by Acting Chairman Oscar Calvo.

II. ROLL CALL

Present were Acting Chairman Oscar Calvo, Vice-Chairman David Matanane, Commissioner Michael Borja, Commissioner Amanda Santos and Administrative Director Monte Mafnas.

III. APPROVAL OF MINUTES (November 17, 2011)

Commissioner Michael Borja moved to approve the minutes of November 17, 2011. Vice-Chairman David Matanane seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS - None.

V. OLD BUSINESS

1. MOUs - GEDA & USDA

Administrative Director Monte Mafnas - Unfortunately the representatives are attending a meeting at this point in time from GEDA to confirm or not accept the MOU and they're having a meeting right now as we speak. So we have to table this until next month's meeting. Also the USDA, one person is sick and the other person is off-island so they will be present at next month's meeting.

2. Younex International Inc. - payment status

Administrative Director Monte Mafnas - As of today we have before us a memorialized conversation and offer submitted by the Law Office of Cynthia Ecube Esquire representing Younex International. Basically it has two options. Option 1, Younex agrees to pay and deliver a cashier's check in the amount of one-hundred thousand dollars ($100,000), payable of course to Chamorro Land Trust. And Number 2, Younex agrees to offer an in-kind services to be rendered upon CLTC's discretion in the amount of a hundred and fifty thousand dollars ($150,000). Now this is for utilizing three acres of land for a couple of years belonging to Chamorro Land Trust known as the Oka Point and I want to thank Younex for finally resolving this issue and moving forward. So actually there's three options, we counter, and the fourth option is we decline. I just want to put that for the Board that there's really four options.

Acting Chairman Oscar Calvo - Either we accept it or not.

Administrative Director Monte Mafnas - Right or we counter. But having seen the offer I formally request we consider it enthusiastically. Thank you.

Attorney Cynthia Ecube (representing Younex) - Mr. Mafnas said it so correctly, essentially I'm here on behalf of Younex and they've made two offers with respect two options as part of the offer. Mr. Mafnas has indicated two other options I leave that to the Board's discretion. I was just asked to come here and make this presentation and appear before the Board. As Mr. Mafnas has indicated Younex is very anxious to put closure to this. They've been financially challenged because of this stop with the development project however they want to put closure to this particular issue and we've presented the two options with respect to remitting payment. The first one is cash up front of a hundred thousand payable upon execution of the settlement documents. What I've indicated in my letter is simply to have your legal counsel draft the documents, the settlement documents, mutual release of claims, we'll review it if everything is in order once it's been signed off then they'll tender the payment immediately. The other option is to offer a hundred and fifty thousand in-kind services for any utilization of any projects that will benefit recipients under the Chamorro Land Trust Commission. So I leave those two options with respect to payment or services as compensation to the Board and would urge the Board at this time to really consider it so that we could move forward and put closure to this.

Vice-Chairman David Matanane - I believe you have already vacated the property right?

Attorney Cynthia Ecube - Oh yes it's been vacated, it's been cleaned up.

Vice-Chairman David Matanane - And it's in good order? I mean I saw some boulders over there that you guys have dug up and has it been cleared up? Have you checked on that?

Administrative Director Monte Mafnas - It still remains there.

Vice-Chairman David Matanane - It's still there? Well if we consider the services then they'll probably would have to clear those things and make it into you know where when you first came in and it wasn't dug up and all those big boulders that are around there, maybe usable maybe the boulders are usable and that's my take on that.

Attorney Cynthia Ecube - Mr. Matanane, Vice-Chair we'll go ahead and I'll make sure that I convey that to my client. I'm sure they want to bring the property back to the condition that it was when they first entered the property. I don't anticipate that as an issue.

Acting Chairman Oscar Calvo - When they started that, that was one of the conditions anyway that when they leave the place that they clean up or whatever material that they used in there for that matter.

Attorney Cynthia Ecube - Yes, I'll certainly convey that comment and have that addressed.

Commissioner Michael Borja - Well seeing how we had some issues in the past with in-kind contributions and having to get the Governor's approval on it I would prefer that we not go that route it just seems to be more encumber some. I would favor option 1.

Vice-Chairman David Matanane - Yeah you know I'm looking at the, we do need the money right Monte?

Administrative Director Monte Mafnas - Yes sir the whole Government is in dire straits.

Vice-Chairman David Matanane - You know I'm agreeable with the first option but like I said like I mentioned that we need that property you know cleared and presentable at any point in time we might have a client to occupy that property.

Attorney Cynthia Ecube - I will get confirmation with my client but I'm sure they would want to put it back in the condition that it was when they first began utilizing the property.

Vice-Chairman David Matanane - You know it's not presentable as is right now. So that I agree with the option 1 I'm looking at the option 1 and..(interrupted).

Acting Chairman Oscar Calvo - I also want to just put my comments to that and Monte and I did speak about this issue and I agree on that hundred thousand dollars too but only on one issue that I need to get it clarified and the you know the entrance to that main hospital okay to actually put a gate there like maybe twenty feet both side and about an eight foot fence. That's the only area that I want because right now I went up there a couple of times and there's already people coming in there you know started to drive. That's the only but you know including with the hundred thousand dollars too.

Attorney Cynthia Ecube - Okay to put a, you mean a gate in front.

Acting Chairman Oscar Calvo - Yeah you know a double fence to that about an eight foot and that should really be okay with me I don't know about the other two.

Attorney Cynthia Ecube - Okay I'll certainly discuss that with my client and we can reconfirm that, I'll speak to Mr. Mafnas.

Acting Chairman Oscar Calvo - I did talk to Dave and you know on these issues too so and I'm glad that we finally came to an agreement to a better understanding now so everybody can move ahead in their lives and the lives of other people. So as the Board I think we or we want to take a vote on this on the options which is option 1 Dave.

Vice-Chairman David Matanane - Move to accept the Option 1 with the conditions of the property itself being cleared and put up the fence.

Commissioner Michael Borja - I second it.

There were no objections.

Acting Chairman Oscar Calvo - So be it approved and Monte will get with you in how to get this thing but it has to be a cashier's check okay.

Attorney Cynthia Ecube - I don't think that will be a problem Mr. Calvo and it will be payable to CLTC.

Acting Chairman Oscar Cavo - Right.

Attorney Cynthia Ecube - The only issue I would have and I address it to the Board and to Mr. Mafnas is to ensure that there will be somebody from legal counsel from your end to prepare the documents. I could prepare the documents but we need somebody from as far as your legal representation for this.

Administrative Director Monte Mafnas - Can you please do that?

Attorney Cynthia Ecube - Yes.

Administrative Director Monte Mafnas - Because we don't have a counsel at this point in time.

Attorney Cynthia Ecube - Okay so I can prepare the documents but obviously you'll have somebody that'll review that for you too.

Acting Chairman Oscar Calvo - And hopefully maybe by the next Board meeting on January once we finally and present and make the final and on the next Board meeting they'll present the check by that time.

Attorney Cynthia Ecube - Sure.

Acting Chairman Oscar Calvo - So I think it's amplitude time more than thirty days allotted to that issue so if you're going to prepare that document and you know okay.

Administrative Director Monte Mafnas - Thirty days from receiving the document.

Acting Chairman Oscar Calvo - Yeah right.

Attorney Cynthia Ecube - Yes, we'll prepare the documents, I'll forward it over to Mr. Mafnas for review with the Board and then subject to finality and everything being executed in the proper form then we'll have the payment ready.

Acting Chairman Oscar Calvo - Right thank you.

Attorney Cynthia Ecube - Thank you .

VI. NEW BUSINESS

1. Tonko Reyes Inc. c/o Richard Untalan - St. Lourdes Subdivision nka Paradise Meadows

Administrative Director Monte Mafnas - Next on the agenda is Tonko Reyes Inc. in care of Mr. Richard Untalan and the President Mr. Eduardo G. Camacho in respect with the St. Lourdes Subdivision now known as Paradise Meadows. Correct, Mr. Camacho and Mr. Untalan? Oh, okay.

Richard Untalan - Good afternoon Mr. Chairman and Commission members. My name is Richard Untalan, President of TRI Inc. formerly Tonko Reyes Inc. and with me today is my Chief Executive Officer Eduardo G. Camacho as well as our Attorney, Attorney Michael Pangelinan from Calvo, Fisher and Jacob and our Project Engineer Mr. Ernie Baldeviso and our land surveyor Mr. Frank Castro. We've been communicating with your Administrative Director Mr. Mafnas on this matter involving actually two issues which we would like to resolve. He wanted to resolve it together. Our Attorney prepared a Memorandum of Understanding. Attorney Michael Pangelinan prepared this Memorandum of Understanding for the Chamorro Land Trust Commission to consider and hopefully that we enter into it as soon as we tweak out all the details. There's two issues and Mr. Mafnas correct me if I'm wrong if I'm going down the wrong way. The first issue is the issue of compensation regarding the use of the staging area we had for Paradise Estates. Although the history goes back to the time when we started Paradise Estates when Jesse Garcia was there as the Administrative Director allowed us the use of the land but that was oral but Mr. Mafnas said no we need to do something more than that and I said okay we've agreed. What we agreed to do is this as you would find in the Memorandum of Understanding. First of all we spent over two million dollars as you know just to run the power, water, sewer everything underground right up to where Chamorro Land Trust land is, right at the end of Paradise Estates subdivision. We will allow Chamorro Land Trust Commission to connect without charge because the present current law is that anyone who wants to connect to infrastructure that you've installed at your expense they have to pay their fair share. So number one, we will allow Chamorro Land Trust in perpetuity to connect at anytime. That infrastructure alone can accommodate quite a few more things, homes, whatever structures you want to put on your land. Number two, we've agreed to survey up to one million square meters of that property behind Paradise Estates Subdivision, it extends all the way back to as Mr. Castro said it's far off to the left to the right. It's really far. Okay we will do that at our expense and we will do it in three or four phases of two hundred and fifty thousand square meters each okay. We also offered our services to Mr. Mafnas that in that retracement survey we can break it up into smaller sections if you want. The point being is I think down the road as Chamorro Land Trust deals with the issue of affordable housing and other issues in Guam that would be one way to go and we will lay the ground work for that at our expense. The second issue is in our new project called Paradise Meadows up in Yigo a hundred and one homes tract subdivision, it will be like Paradise Estates although the sell price are going to be lower. Our market again is all local market, local market, we're not going for the high end market we're going for locals. And back then when we started this project and started developing it we dealt with Joe Borja then the Administrative Director who entered into an agreement with Mr. Castro to allow us to what we thought was a win-win situation. I think it still is, is where there'll be easements going into toward our property

over Chamorro Land Trust lands but in the exchange we will do a retracement of all the surrounding properties, 7128REM and the other one is 7150-3-R4 consisting of at least thirty, forty, five maybe almost sixty acres of property there. Correct Frank that's about all together?

Frank Castro - About forty all in all. Thirty acres on 7128REM and about ten acres roughly at this time on 7150-3-R4.

Administrative Director Monte Mafnas - Which has been completed just about, right? Already completed that survey right?

Richard Untalan - Yes.

Frank Castro - We got to give you a chronology of events of what we have done.

Administrative Director Monte Mafnas - I just want the Board to understand it has been completed.

Richard Untalan - I think it's in your minutes too. So with the consent of Mr. Borja and the Board we proceeded with the retracement survey of those properties as well as recently the topo map. The topo of the entire area as well we did that as well and we submitted that to the Chamorro Land Trust Commission.

Acting Chairman Oscar Calvo - The topo map is important there Rich because that ideally would tell us what the ground consist of and to identify the water lens and so forth there.

Richard Untalan - As built, in the retracement we did an as-built showing what's on the property if there are any homes or if someone is on the property and everything because we understand there is no written leases for some of the people staying on that property. So we've identified where the pig pen is where the houses are, everything, it's all there.

Administrative Director Monte Mafnas - Utilities the roads.

Richard Untalan - Utilities and roads and everything so what we'd like to do further in exchange for this easement well it's not an easement that we own it's just an easement over the property okay and in also on those two easements what we'd like to propose to the Chamorro Land Trust Commission is a public park area so that when we do Paradise Meadows we will develop a public park. Again not for our ownership but for the use of the public and owned still by Chamorro Land Trust. We will develop that in fact in our budget we set aside a hundred thousand dollars just for that public park.

Acting Chairman Oscar Calvo - Monte note that on the park issue there which is ideally really a good thing maintaining of that issue they said we would maintain the park itself.

Richard Untalan - That's exactly what we'd like to do we would like to do an adopt a park program as we did with Paradise Estates with Parks and Rec there was an abandoned

baseball field there we adopted the park, we've developed it, we put trees and everything and the homeowners association will be maintaining that park.

Acting Chairman Oscar Calvo - The reason why I wanted that in there because financially Parks and Recs I don't think so can hack with that anyway anymore than what it is. And it benefits the people that are living up there at the Estate once the developer comes in anyway. So it's basically it's like a privately owned park for that matter. But still public you know facilities I guess in some way but you guys would be the one to maintain it and so forth. But I wanted to make sure on that Monte because we did talk about that.

Richard Untalan - Okay and it's in the MOU. And what we'd like to do is also parcel those two lots into three lots and the purpose of this is really to make your property more developable. Because Monte keeps driving the point the fact that we want to make these properties available for our clients and by doing what we're planning to do it will make it more developable. We're going to parcel one, two and three and I'll leave it up to Chamorro Land Trust Commission because we're developers and that's why we're doing this because we know how to lay the ground work for future developments as Monte knows. And by doing these parceling one, two and three again at our expense we'll do that we'll lay the ground work that if you want to build affordable homes down the road as the Governor's goal was to build three thousand affordable homes here and the executive officer of that council is here Mr. Marcel Camacho this will lay the ground work for that. And quite honestly we'd like to compete whenever there is a request for proposal comes out because we submitted our group a local group to come in and compete with anyone to build affordable homes for GovGuam on a complete turn-key basis. Meaning we will do all the financing, we will find your clients, go through your directory, pre-qualify them through their banks and let them buy their own homes qualifying through the USDA. Guarantee up in Yigo they can get a hundred percent financing. There's a lot that can be done but you know again we're just giving you some ideas but we'd like to be part of the solution on that if possible. So that's where we are those first two issues and that's all incorporated in the Memorandum of Understanding.

Acting Chairman Oscar Calvo - Now the only comment to that if we do agree to these issues and I like these issues Rich and Board is timeframe of these things. What is the set time?

Richard Untalan - On the one million square meters Monte said you can have three years but we can do it far faster than that. In fact what we'd like to do is sometime early next year I'd like to go with our engineer, surveyor, with Monte, maybe with Paul Santos the Territorial Surveyor and maybe his staff and we want to drive through the land in back of Paradise Estates so that with his experienced eye, my eye and my engineer's and surveyor we can determine where shall we go first because we'll know based on the terrain what's going to happen. On Paradise Meadows no problems because we've done it already and in fact we've done sketches and everything but we'll get that to Mr. Mafnas. We've done sketches on what he can put in there but that's not before this Board. We'll give that to Mr. Mafnas so he can bring it before the Board. There's a lot you can do up there.

Vice-Chairman David Matanane - The outlined blue markings are those Chamorro Land Trust properties?

Richard Untalan - Correct.

Vice-Chairman David Matanane - And the pink?

Richard Untalan - The pink is the easement and the public park.

Vice-Chairman David Matanane - And the park belongs to Chamorro Land Trust.

Richard Untalan - Chamorro Land Trust.

Vice-Chairman David Matanane - Okay.

Richard Untalan - And the easement as well I mean that's all on Chamorro Land Trust lot, we're not, it's just public easement, that's all and it's just going to be part of Chamorro Land Trust still.

Vice-Chairman David Matanane - How many acres is that?

Richard Untalan - Two acres on the park and the easement is sixty feet wide.

Vice-Chairman David Matanane - So thirty, thirty.

Richard Untalan - Yes that's right.

Vice-Chairman David Matanane - I'm trying to assimilate distance here because this is the first time I saw it so maybe it's been discussed before but that was quite a long time ago. So I'm trying to bring it back to my and as far as the MOU this is the first time I've seen it.

Acting Chairman Oscar Calvo - The MOU just came about now on this issue because of the dispute that we had with them.

Vice-Chairman David Matanane - No offense I'm just trying to assimilate all these stuff that's coming.

Richard Untalan - So I'd like to have you review it, Mr. Mafnas review it, tweak out any details, have my attorney finalize it and then we can execute it so we can start right away.

Administrative Director Monte Mafnas - I want to say on record that today is a blessed day and praise the Lord. What is offered on the table is really overwhelming. It is a win-win for the beneficiaries of the Trust, the developer would be developers and it's just the right thing to do. I want to commend TRI for their presentation and their eager to work with us. As you know back in May and June I presented this solo and like Commissioner Matanane we're refreshing the minds. But it's really a fair and equitable in my point of view as to what the

offer is. It's just nothing but a win-win scenario. I do want to make a suggestion to TRI that the easement as denoted in your map if they can reconsider going this way in an angle to service this easement because across the street is another easement and maybe we can put a streetlight for a four-way intersection.

Richard Untalan - When we do the retracement we'll finish this and then when you do whatever you want to do, develop later on we can also put that in.

Administrative Director Monte Mafnas - I believe that to be proper planning so that's my suggestion.

Richard Untalan - So when we do the retracement on this which we will do we'll put that easement as well in.

Administrative Director Monte Mafnas - Very good thank you very much. Conceivable there's retracement survey upon the next phase of subdividing could entail anywhere from a thousand lots to probably fourteen hundred at five hundred square meter lots. Now it is really a canvas wherein Mona Lisa can be painted. I foresee a mixed use master plan by Department of Land Management and the developers together with CLTC to define highest and best use of the property. I envision a school, community center, a business section, it's just a win-win and affording and enabling the beneficiaries to hook up to the utilities as given by TRI is a man up from heaven because it will save them five thousand for sewer. That's a savings of approximately eight thousand per hookup per house per lot. So we're talking about substantial savings on record. And I've been speaking with Mr. Untalan, Mr. Camacho and Mr. Pangelinan about the Memorandum of Understanding but in all fairness it's basically what we've agreed to. Of course I apologize it just came to you guys but Mr. Pangelinan and Mr. Untalan has put a lot of thought in it and there's been a lot of blood, sweat and tears also put on it. And most of all I just want to inform the Board that in line of the Governor's blueprint 2020 all these availability would be given to affordable homes council, coordinating council, Mr. Camacho is the chairman and I'm also the vice-chairman and again this will enable the beneficiaries of the Trust to build homes anywhere from five hundred to a thousand maybe. But we will hold their hands to effectuate this plan so it's all conducive it's just living synergistically.

Commissioner Michael Borja - Just to give me a picture of this, this is this located beyond the Yigo Catholic Church on the way to Anderson?

Richard Untalan - Yes you know where the gym is it's basically right across.

Commissioner Michael Borja - Okay so I can see you wanted to move this easement down so that it's in front of the island break.

Administrative Director Monte Mafnas - Right in front of the island correct.

Richard Untalan - We can have both, we can put both. Yeah we'll put both we need that for here too because we're going to go through here.

Administrative Director Monte Mafnas - Okay no problem.

Commissioner Michael Borja - And this concrete house that's on the Chamorro Land Trust is that somebody that has a lease or is that just somebody that..(interrupted).

Administrative Director Monte Mafnas - At this point in time according to our record there is no executed lease. There is a lease that has been prepared unfortunately the lessee has not signed it based on our file. So we would have to talk to them and work with them but for the greater good of the people especially the Trust I'm sure we can work something equitably.

Commissioner Michael Borja - Now just for full disclosure, Marcel you're a part of this?

Marcel Camacho - No.

Administrative Director Monte Mafnas - No he's not.

Commissioner Michael Borja - So you're here on behalf of..(interrupted).

Richard Untalan - The council.

Marcel Camacho - I have been appointed as the Executive Officer of the Governor's Affordable Housing Coordinating Council. My interest here today is to listen to any opportunity for additional affordable housing for the island of Guam in support of the three thousand number that we were trying to (inaudible).

Administrative Director Monte Mafnas - I just want to state on record that Mr. Marcel Camacho is not involved other than his father married his mother. That's the only conflict but other than that nothing of record.

Commissioner Michael Borja - I think it's a great deal here too. I don't see any problems with the MOU as I have already read it and you know there's a lot of work that's going into this really from the surveying to..(interrupted).

Administrative Director Monte Mafnas - And money spent.

Commissioner Michael Borja - Right and money spent.

Richard Untalan - A lot of money.

Acting Chairman Oscar Calvo - So Monte, we're going to go with parcel 1, 2, and 3 in stages.

Richard Untalan - We can start on that right away actually.

Acting Chairman Oscar Calvo - So I guess since we already I guess the Board has very strong sentiment to this I have no gripes with this Rich. I think it's a win-win situation and you know why we have to come to the round table on these issues you know it was important. And I know that the issues was a fallen back issue back then but..(interrupted).

Richard Untalan - Since Joe Borja's days.

Acting Chairman Oscar Calvo - But you know what has surpassed we can't bring the past but now we're in the present and we need to look more into the future.

Richard Untalan - It's good actually, it's good that we're doing this, excellent.

Acting Chairman Oscar Calvo - Yeah so there is one issue on this MOU is remember that this is going to be a competitive once we start doing the..(interrupted).

Administrative Director Monte Mafnas - That's another phase Mr. Chairman when it gets into the affordable homes there's an existing listing of about thirteen or eighteen interests that has been expressed to develop homes and one of them is TRI. But we should not preclude them from submitting their bid proposals.

Acting Chairman Oscar Calvo - No it will be an open bid for everybody I think it's just you know because I just don't want down the trench and say well you did all, that we surveyed and we all did this I think we should have first crack at it. That's not the way.

Richard Untalan - Actually in my original statement I said that we want the opportunity to take a crack at it.

Acting Chairman Oscar Calvo - And I did hear you earlier but I just want to reiterate that issue.

Administrative Director Monte Mafnas - On the record too we never discussed the housing part so there is no way that you will be conflicted out. We never discussed that, that's a different phase.

Acting Chairman Oscar Calvo - The Board sentiment on this I think it's over willing and support.

Vice-Chairman David Matanane - I move that you know have Monte and Mr. Untalan go through the MOU and iron out all the details on it and then by that time it will be smoothed out, all the ts and dots are done and then we can probably when you're coming back on the next meeting.

Administrative Director Monte Mafnas - Maybe if you can upon review and acceptance then we just execute it.

Acting Chairman Oscar Calvo - Yeah we can do that.

Administrative Director Monte Mafnas - It doesn't have to be the next Board meeting.

Richard Untalan - The sooner we can sign it so we can proceed.

Acting Chairman Oscar Calvo - And Mr. Castro you have no problem with the surveying on this issue?

Frank Castro - No.

Acting Chairman Oscar Calvo - You're actually you're ahead of it anyway right?

Frank Castro - Very much so.

Commissioner Amanda Santos - I second it.

There were no objections.

Acting Chairman Oscar Calvo - So be it passed.

2. Marcel Camacho

Acting Chairman Oscar Calvo - You want to bring in Mr. Marcel about this issue?

Administrative Director Monte Mafnas - The Chairman would like Mr. Marcel Camacho to come up and just explain a little about the affordable housing.

Marcel Camacho - Thank you for the opportunity Mr. Chairman. The Governor recently appointed me as the Executive Officer of an affordable housing coordinating council and with specific mandates. The Executive Order is on my website, www.ghura.org so of course there are times I wear the GHURA hat and times where I have to take it off and wear the Executive Officer hat but I am the direct link to the Governor for the development of three thousand affordable homes and that number was determined based on a need that GHURA identified in a housing study published in 2009. The strategic plan for the development of affordable homes embodies trying to assist developers because we realize the Government of Guam cannot do it ourselves. We have limited resources. One of the things we do have is land and some of it is under Ancestral Lands ownership, some of it is under Chamorro Land Trust ownership, some of it is under Land Management's ownership, some of it is under Guam Housing Corporation and still others are under GHURA's ownership. But I think collectively in order to effectuate affordable homes we need to look at providing incentives for developers who want to partner with us to collaborate with us and to make it happen and this is the Governor's vision. So bringing together one of the five elements of the strategic plan and that's land and making it available to the developers. The second component would be financing and there are opportunities through HUD the Housing and Urban Development that GHURA administers, the grant from through the United States Department of Agriculture's Rural Development programs. Again either grants or loans for infrastructure for lands, things of that sort. There are tax credits from the

Department of Treasury as a matter of fact today my Board over at GHURA began the process of awarding some loan and housing tax credits and we expect that the allocation that we have this year may result to about a hundred and fifty additional affordable homes for the island. There are private activity bonds for affordable homes and I was just talking to Tina Garcia here at GEDA a couple of minutes ago saying I think it's time we do a seminar for companies that are interested in collaborating with us, partnering with us and she said yes because I want to describe these private activity bonds and how we can entice developers to participate. There are other ways like through GHURA of project basing development so that if you commit to building some rental units for us and to capping the rental rates that we can give you tenants and pay you every month for the entire project guaranteeing your income stream.

Acting Chairman Oscar Calvo - I'm glad you brought that issue because the Chamorro Land Trust on the tenant part okay I know that you can't discriminate on the Section 8 and so forth for that matter but you know I would like to see though in essence to that the local people really have first preference to all these housings. Whether it be the GHURA, be Chamorro Land Trust building this place us that the Chamorro people should really have first crack on all of these houses first for that matter. I know you can't discriminate to that degree but I think ideally I think it's you know it's our land it's our island and I think we should be proud of that and that's my fore take on that issue.

Marcel Camacho - I think with respect to Chamorro Land Trust properties the law is pretty clear. With respect to the HUD programs it's a federal program and the priority is U.S. citizens that are employed, second priority would be U.S. citizens that are unemployed, third priority would be non U.S. citizens that qualify that are lawful aliens that are employed and then the fourth category is non U.S. citizens that are lawful aliens that are unemployed. So with that respect it's not technically locals or Chamorros they're U.S. citizens that have priority over non U.S. citizens.

Acting Chairman Oscar Calvo - But with this case they have to actually present that they're actually U.S. citizens right?

Marcel Camacho - That's correct.

Acting Chairman Oscar Calvo - Like on the influx of all these Micronesians coming in and other ethnic group coming in okay I'm just saying this that you know I think that I think preference and I can't really speak for GHURA and its own Board and so forth. But I think with the Chamorro Land Trust you know we have the Trust that we have to protect here and that's the only thing that I'm looking forward is that you know that the screening part I guess would be you know really done thoroughly and be fair play for the Chamorro Land Trust people too.

Marcel Camacho - Oh absolutely.

Acting Chairman Oscar Calvo - You can't I mean at the end of the day you really can't put people out there homeless too you know I understand that.

Marcel Camacho - No I think from the coordinating council's level we're not proposing at any way that any of the Chamorro Land Trust properties be used for anyone except Chamorros. But I'm talking about the opportunity for other lands that are under Government ownership and if we're dealing with the federal funds again those priorities are set. The compact of free association allows for the freely associated states citizens to come here and to participate in the program but at a lesser priority than the U.S. citizens. So that's the second part of the strategic plan the financing. Third of course we're looking at infrastructure trying to ensure that the areas that we do develop can accommodate the size of development and that we want to lower the cost of infrastructure. The project proposal right before this was talking about an opportunity to avoid an eight thousand dollar cost imposed by Guam Waterworks Authority called the system development charge and that's something that the coordinating council is pushing very heavily. We have the support of the Co-Chair who is Senator Tina Rose Muna Barnes and she's working on legislation to say that if it's an affordable housing development that the system development charge would be looked at very carefully. Hopefully to be removed or lessened because ultimately these opportunities are passed to the consumer. We don't want to burden the developer because they end up burdening the consumer. So things with that with the infrastructure we're also looking at trying to have the Guam EPA sanction a package treatment plant for sewer if there is no sewer connection available and at an affordable cost so we can start developing subdivisions in areas outside of the central and northern areas. Fourth, we talk about incentives, tax abatements, tax rebates so we're working very closely with GEDA. We're talking about again just for affordable developments and that could result in just saving from a taxation stand point. We talk about grants, we talk about low interest loans and yes the developers are interested if we can give them an extra edge. Part of that waiver the system development charge if we can reach it is an incentive to them right. You talk about taxes on importation of goods that go into the development, rebar and plywood and all these other stuff all those things can be packaged together to try to lower the cost. So we're looking at it from a council level and trying to come up with..(interrupted).

Acting Chairman Oscar Calvo - Well that's the only way you're going to get the affordable home to giving that incentive portion.

Marcel Camacho - And I've shared with your Director also some alternative building materials and hopefully we'll have a sample shortly with a product that three men can put up in four days after the foundation is put and then they do the finishing, kind of a sweat equity type for fifty thousand dollars or less.

Acting Chairman Oscar Calvo - These are concrete?

Marcel Camacho - No not concrete, alternative so they're composite material but they can withstand the wind, they can withstand the earthquake. You know a lot of people they can't afford a hundred and fifty thousand dollars right so get them into a house to start and a decent size house and let them graduate as their income grows over time. So that's one of the things that we're looking at. Lastly, I just want to say that from a policy standpoint we are effectuating policy for affordable housing and that's with the help of the Co-Chair

Senator Barnes and with the Governor through his executive order powers. So that's everything in a nut shell and I hope I haven't taken too much time.

Administrative Director Monte Mafnas - One question, in the event Chamorro Land Trust builds rental units conceivably we can have Section 8 Chamorros.

Marcel Camacho - Absolutely.

Administrative Director Monte Mafnas - I just want to put that on record because we would want to generate some income not just giving out the land. We need to generate some income.

Marcel Camacho - Sure you can become landlords.

Acting Chairman Oscar Calvo - And that's why I pose that question on the you know on the Chamorro Land Trust the preference would be Chamorro people that qualifies for Section 8 for that matter and that's basically why I reiterate that question to you.

Marcel Camacho - We would only keep an eye on whether or not your maintaining the unit correctly because we must meet the federal housing quality standards. So if you're a bad landlord we're not going to send our people to you. Sometimes some people say we're too strict, we're only looking out for the best interest of the people that we're serving.

Vice-Chairman David Matanane - I'd just like to mention that SUTA program have you any intents on it?

Marcel Camacho - We supported when the Governor asked we supported the concept and we're hoping that he transmitted that to USDA and if he did I think there's a possibility that in March we might see the entire island designated as a Substantially Underutilized Trust Area and that will trigger the opportunity for low interest or no interest loans for developers and for the Government in general. That's exciting and we talked about it at the last housing symposium in June and hopefully in June of 2012 we'd be able to announce that you guys accomplished it and we'll be there beside you congratulating you.

Administrative Director Monte Mafnas - 2% over 75 years conceivably.

Marcel Camacho - When you stretch things out to longer terms and you have a low interest rate which is locked in that's when it becomes affordable. But even some of the developers are saying if you give me forty I can make it work.

Administrative Director Monte Mafnas - Currently it's at 45 with the possibility of stretching it to 75 years.

Marcel Camacho - But I'm talking about taking out financing for the entire development, 40 years is better than 30. I had developers coming in and proposing that they keep the development capped, the rents capped for 61 years so that almost guarantees that we have

affordable rental units for that period of time right and they can't rent it to the military at that point because they're locked in. Thank you.

Commissioner Amanda Santos - So Mr. Camacho, GHURA doesn't have any plan for these homeless people?

Marcel Camacho - We are heading the homeless coalition. Some of them are homeless because they want to be homeless and you have to recognize that also. Some of them we can't help because they don't want our help. But we do do a homeless count every other year and GHURA has some federal money to combat homelessness, it's never enough. But we try as much as we can with the resource that we can to affect as many people as we can.

3. John Rios - Request to purchase bull cart trail

Administrative Director Monte Mafnas - He did submit a letter and he wanted to ask the Board if it's necessary for him to appear and of course I told him that he needs to pay for two appraisals and he has to pay for any map cost and he has to record it.

Commissioner Amanda Santos - Is that Rios from Dededo?

Administrative Director Monte Mafnas - Yes well I think he is. He is currently the Director for BBMR. He has an estate in Harmon, there's a bull cart trail traversing north to south on their property and he wants to purchase it. The estate owns both sides.

Acting Chairman Oscar Calvo - But we can't sell that it has to run through the legislature.

Administrative Director Monte Mafnas - Confirm the sale at the Legislature correct, Napu? We can effectuate the sale but it has to be confirmed. I think we have the power to negotiate the sale it's my opinion. I could be wrong but the confirmation is done by the Legislature and we could ascertain that Napu right? Sit down with the dear Senator and work it out.

Vice-Chairman David Matanane - Isn't the bill 241 or was it I was reading that's not the one you had..(interrupted).

Administrative Director Monte Mafnas - Yes that's the waiver of the subdivision requirements and exemptions. That has been vetoed by the Governor but another bill will be submitted, more mindful of the current subdivision.

Acting Chairman Oscar Calvo - I think you should just make sure, reiterate to him that as far as the bull cart issue that we still have to work with the legislature on this.

Commissioner Michael Borja - Where in Harmon is this?

Administrative Director Monte Mafnas - At the end of the drag strip past Black Construction where although prior to getting to Hemlani where all those potholes are at and you veer left

that connects to Senator Sanchez Street also known as Hamburger Street there's a white concrete building there, Aladin Services and Black Construction on the right side so it's all that land. It's massive land it's about several hectares of land.

Commissioner Michael Borja - And he owns that land back in there and there's a bull cart trail cutting through that's being used by everyone.

Administrative Director Monte Mafnas - No nobody is using it he's never used it.

Commissioner Michael Borja - He says here that there's continuous travel through the property.

Administrative Director Monte Mafnas - I stand corrected because basically the potholes are real deep back in there if you ever traverse there.

Acting Chairman Oscar Calvo - Why don't we, I guess what do you want to do with this Mike, you guys on that Mr. Rios issue? I think we still need to..(interrupted).

Administrative Director Monte Mafnas - We can table it upon seeing some research.

Acting Chairman Oscar Calvo - Yeah I think we should do that.

Administrative Director Monte Mafnas - But it's right in front of the huts that P.D. Hemlani had I remember he used to block it off and charge toll fee. He owns all that land in front of it so really actually I don't think a lot of people traverse through that because it's really a bad road. But please be mindful Board too that there's a lot of that old Agana Piti road, old Agana Yigo road that we should address and possibly sell because if it's not being utilized by anyone then we should generate an income. Especially if it cuts the property diagonally and it renders two parcels useless so we should consider it.

Acting Chairman Oscar Calvo - I have no problem with that for them as long as they do the appraisal value to that because it's a bull cart and what's the size, it's less than 40 feet right of way. I mean that's basically what it is I mean you know 40 feet you can still build a shack that's about it really but then at the end of the day you can't really.

Commissioner Michael Borja - He just needs to include the lot numbers and diagram to show.

Administrative Director Monte Mafnas - Sure. But actually I would like to suggest that even though we have two appraisals we should charge them10% above the appraisal the mean.

Acting Chairman Oscar Calvo - Yeah why not.

Administrative Director Monte Mafnas - Or use the higher amount.

Acting Chairman Oscar Calvo - Because once that piece of property it's going to be out of our hands.

Administrative Director Monte Mafnas - Because the appraisal is an opinion by the appraiser so you would get the mean of the high and the low but I suggest we should get the high.

Acting Chairman Oscar Calvo - Okay so let's just table that and once you clarify all those issue then you know.

4. In-kind services, P.L. 23-100, Evicting CLTC from DPR's lot

Administrative Director Monte Mafnas - The in-kind services I wrote a letter I apologize I didn't bring it over here, basically requesting for the Governor to give us to enable us to receive in-kind services. For number one, using IBC they have punched four roads, two in Agat and two in Yigo and based on an amount I would like to suggest that for his consideration. Number two, for Global Recycling and number three, for JR Mateo. Now the reason why I'm requesting that is there's a lot of solid waste materials all over Chamorro Land Trust property. A perfect example and Mr. Mandell is here that can attest there's one container right in the middle of the road. Is that correct Mr. Mandell?

Desmond Mandell (CLTC staff) - Yes.

Administrative Director Monte Mafnas - He and I went to this subdivision that Chamorro Land Trust owns and the tenant not only built his house right next to the road he put another container right in the middle of the road. Actually there's several situations like that because they physically occupied the lot and then surveys was commenced so there's a lot of problems with solid waste material. To date Layon landfill does not accept green waste neither nor solid waste material. So all the population base would find a way to dispose of it because it's their trash and unfortunately I think 89% of that ends up in Chamorro Land Trust property. So that's why I requested and I'll bring it to the Board next time but I sent a letter to the Governor for his perusal and consideration.

Commissioner Michael Borja - For those specific issues?

Administrative Director Monte Mafnas - Yes. The next one on file is there's a letter here from Annette Meno and Mr. Albert San Agustin and the purpose of this exercise is to start building information and ammunition to go against the illegal squatters as represented by the General Council of FSM and Palau.

Commissioner Michael Borja - Where is this one specifically at?

Administrative Director Monte Mafnas - In Dededo, Swamp Road. There's really hundreds like this.

Commissioner Michael Borja - So they were taking showers in this person's house?

Administrative Director Monte Mafnas - That is correct. See in Chuuk I guess they just don't have rules and regulations or they're pretty lackadaisical and that's the problem. These people need to be taught, educated, there are rules of the land. They don't know. If you have a lemai tree and it's ready I will pick it up and if I'm hungry and I see your door open I go eat your food.

Commissioner Amanda Santos - And they say its Government land so they own it.

Administrative Director Monte Mafnas - But the worst thing is they never say thank you they just take whatever they want. So I have met as I mentioned to the Board that I have met with the two Consul Generates and basically I gave them verbal notice that the clock has started that pursuant to the public law the native Chamorros is going to get their land one way or another. And right now they're illegally squatting and if they cannot prove that there's a lease a license or written authorization they must vacate the property. Because every square meter, acre or hectare of land that they utilize or occupy is an injustice for the beneficiaries of the Trust. So I told them the clock has started and I will send them memorializing our conversation but also that I have the Attorney General behind me and the Chief of Police. So in the event they need to be escorted out of the property we will provide those services.

Acting Chairman Oscar Calvo - Monte have you pretty much identified some of these squatters right now?

Administrative Director Monte Mafnas - Actually I think if not a hundred, hundreds.

Acting Chairman Oscar Calvo - But at least to show cause that we're not just saying it at this point in time.

Administrative Director Monte Mafnas - Well there's two specified areas one in Pagat, Mangilao and the other one is in Swamp Road. In Pagat there's a lot of Palauans but there's a Palauan family with the last name Borja that can justify their lineage, their genealogy that they do have Chamorro blood. But it's still the burden of proof is encumbered upon them to prove to us. But in Swamp Road there's all kinds of squatters and I'm not going to stop until I serve notice to all Consul Generals. I'm not going to skip anybody, they could be Japanese, it could Korean, it could be Filipino, any and everybody.

Commissioner Michael Borja - In this specific case with Annette Meno did she talk with the Dededo Mayor to help her out with this problem?

Administrative Director Monte Mafnas - She did but these people are very smart they run into the jungle and disappear into oblivion. So it's pretty hard, they pick and chose their time. They watch you, they watch your habit. Men are creatures of habit so they know what time you go to sleep, what time you wake up, what time you eat, what time you go to work, what time you come home. I really feel sorry for them because the Chamorros are very passive people but if needed they can be very vigilant and very destructive people too. So I just wanted to alert the Board that this is my plan to get all the bullets I can and I've

already written a letter to the Governor and the Attorney for the Governor said it's too mean, too harsh and I responded by saying what kind of letter is necessary to evict people. It will be too mean, it will be too harsh regardless you're evicting someone somehow. So I'm working with the Governor's office to effectuate and tone that letter down.

Vice-Chairman David Matanane - Going back to Parks and Rec, that was not discussed here in Public Law 23-100 evicting CLTC?

Administrative Director Monte Mafnas - Actually that law is true that they took CLTC's land inventory of the land set aside for Parks and Rec. It basically started at Public Law 12-100 back in 1970 identifying 270 acres of land for Parks and Rec then they amended the law to include the use of Harmon Loop Elementary School now known as J.M. Guerrero. But the bus section and the GPA Substation does belong to the Chamorro Land Trust.

Acting Chairman Oscar Calvo - I'm glad you brought that up because we talked about that the other day. We got to get back with GPA on this too.

Administrative Director Monte Mafnas - So what happened is Mr. Peter Calvo has declared war on the Chamorro Land Trust beneficiaries and that's not very nice.

Commissioner Michael Borja - So what he's trying to do here is this is his way of doing it by closing off a road, to try to close off a road?

Administrative Director Monte Mafnas - And ultimately he's done all his research and yes you're right Commissioner he would close it from point A to point B on the POL line and has been given an approval but I don't know the extent of that approval. Does it mean that..(interrupted).

Commissioner Michael Borja - The Navy.

Administrative Director Monte Mafnas - Yes the Navy authorized, it just says authorized but I don't understand the nature of the authorization. But the intent is clearly to block off the road here in blue is the northern section that says authorized by the Navy and the south section.

Acting Chairman Oscar Calvo - But see if you read here the Navy only gave him permission to decide to close the access to only to maintain his use but that's a verbal.

Administrative Director Monte Mafnas - No it's in writing but it did not clearly authorized them to put a pole and block off this portion or put up a pole and block of this portion it didn't say that it just says we authorize you.

Vice-Chairman David Matanane - Where is this at?

Administrative Director Monte Mafnas - This is the northern sports complex, this is the Harmon Loop Road, this is the J.M. Guerrero School, this is the bus, this is the GPA

substation parking lot, this is the boxing hall and this is the soccer field also known as football and this is the POL line which starts at Apra Harbor and ends on Anderson. This is actually Department of Parks and Rec land but in the years 1998 to 2004 the Administrative Director then executed 53 leases, 46 agricultural and 7 residential and as you can see from the aerial there's a lot of farm activity. Now there's also a lot of Notice of Intent to Award, survey authorizations. The exercise was defined for farm use for Chamorro Land Trust use. I believe there's a lot of arrendo here and Land Use Permit here that was effectuated and approved since the 60s, 70s and 80s when Governor Bordallo started the green revolution. So from the spirit of humanitarian I strongly suggest we, if the Board support me because the Attorney General came and said you have to evict everybody and I told him no way. I am going to stand for the leases, I am going to stand for the farmers. I think it's the humane thing to do. I did suggest to the Attorney General and Mr. Peter Calvo that I can have survey division from Department of Land Management survey all this land and propose to relinquish or exchange them meter for meter on other Chamorro Land Trust property. It's just not right I mean can you imagine evicting a mother with kids and this is the only living subsistence. The produce that they generate from the ground is sold to a vendor and the vendor sells it to the consumers which basically is all of us.

Commissioner Michael Borja - So basically that land he claims belongs to Parks and Rec and it's been leased out in the past for agricultural purposes and so he's saying he's closing the road because of vandalism to his facilities as the reason for closing this off but really it's so that he could cut off the access to properties he claims belongs to Parks and Rec. What is the reason why he's trying to claim this property? Or why is he acting this way?

Administrative Director Monte Mafnas - He believes there's a mandate that authorizes him to do that. I can understand that if we are in the high times, good times. I believe that there's no money for any amenity and I don't agree with his train of thought.

Vice-Chairman David Matanane - The way you were saying it and I didn't know that Chamorro Land Trust has a brother or a sister doing the same thing as you know ownership of that property. So I don't know, when Chamorro Land Trust was created they were told to submit which land do they want to hold on and everything else was to Chamorro Land Trust. Now did he do those or not? And who received the proceeds of the lease if there's a lease going on in that particular lot. That's why I'm being maybe not sarcastic but don't you know that Chamorro Land Trust has a brother in the Parks and Rec that does the same thing as Chamorro Land Trust?

Commissioner Michael Borja - But what is he trying to, is he trying to do something with the land? Is he going to build facilities back there?

Administrative Director Monte Mafnas - Exactly pursuant to his master plan. Now I did ask AG Monte May what's his objective because I just told him there's no way we're going to back off on this. Did you know that there's supposed to be a tennis court here? I said I don't know but why didn't you build it? Why didn't DPR build it? Instead of this area allocated for soccer they built one half of the field for soccer. So that's your problem that's not mine, oh, but I'm a tennis buff. So I told Mr. May go and play tennis down at Tamuning

court because that land belongs to Chamorro Land Trust. But he said that it's too far for him, he lives generally across the street. I mean let's be real.

Commissioner Michael Borja - Who is this you're talking about?

Administrative Director Monte Mafnas - His name is Monte May which I really love his first name.

Commissioner Michael Borja - What's he going to do with this?

Administrative Director Monte Mafnas - He's the AG, they sent a pit bull against me.

Commissioner Michael Borja - But does Peter Calvo ever talk to you?

Administrative Director Monte Mafnas - No. I've called him, I've called him and I've called him. So finally he called me today and he said I want to sit no he didn't say Merry Christmas or I think he did say Merry Christmas I said it's not a good Christmas with your train of thinking. I know his idea but I don't agree with it at all but we're going to meet tomorrow and I told him several months ago there's no way that Chamorro Land Trust is going to evict these beneficiaries of the Trust. The law was written 41 years ago, what was highest and best use at that point in time does not necessarily mean it is the highest and best at this time.

Acting Chairman Oscar Calvo - If there was maybe three or four in there maybe I can sympathize with that but you're talking about hundreds in there and already been in there.

Commissioner Michael Borja - Hundreds of what, people?

Administrative Director Monte Mafnas - Oh yes.

Commissioner Michael Borja - That is a green place when you fly over it.

Administrative Director Monte Mafnas - A lot of these people are from Dededo and regardless if they're all hundred percent democrat they are Chamorros.

Commissioner Michael Borja - I also concur with you that if they had to be moved then it should be done in an orderly basis where they're swapped out somewhere else. But that's going to be a very gross inconvenience to them because if they have farms that's not easy just to move the farm. But not just to wholeheartedly block access. You cannot block the access. I mean I can go, if the guy that supposedly owns the property on Tiyan where the signs are at you're traversing through private property puts a broken down concrete pole across the street because that's his property he's not going to be a very nice person.

Acting Chairman Oscar Calvo - Well I think ideally you know just tell Pete the sentiment of the Board is you know we're not going to back off.

Administrative Director Monte Mafnas - I appreciate that Commissioners because..(interrupted).

Acting Chairman Oscar Calvo - Because I think for him to literally..(interrupted).

Commissioner Michael Borja - He needs to full notice and have a public hearing from the village as well so that everyone there knows what he is going to do.

Administrative Director Monte Mafnas - I intend to visit each and every one of these farmers and actually I want to circulate a petition appealing to the census of the Legislature and to the powers that be, the Governor and Lieutenant Governor, emotionally and physically.

Commissioner Michael Borja - But we're doing things for Parks and Rec too right? I mean like you said the Tamuning tennis court is on Chamorro Land Trust that's their venue.

Administrative Director Monte Mafnas - We just heard Paradise Meadows, 2 acres, we can transfer that we don't care. I told them and I hope I didn't overstep my boundaries but meter for meter and I suggested to them that they should build a southern sports complex. Why is everything up north? Why not balance it out.

Commissioner Michael Borja - Who brought this to the media?

Administrative Director Monte Mafnas - He did and he did not have the courtesy or the audacity to call me up and guess what PNC is coming to knock on your door. It should be handled internally he should not expose our dirty laundry.

Acting Chairman Oscar Cavlo - Well just tell if you do meet with Peter tomorrow that the sentiments of the Board is I'm supporting you and the rest of the Board is backing and we'll stand with that because if Pete is thinking that it's just free and simple just to go tomorrow and even the Attorney General okay. The Attorney General will play a major involvement on this okay.

Administrative Director Monte Mafnas - Yes because he has an objective that's a personal interest that's not right.

VII. DIRECTOR'S REPORT

Acting Chairman Oscar Calvo - One last issue Monte I know that we tried and I spoke to you yesterday on the issue that one up in Tamuning but I know that Del told me that he wasn't around but I definitely want to see that guy on the next meeting.

Administrative Director Monte Mafnas - Yes definitely and we did make all kinds of attempt to bring in Mr. Bim or whatever his name to attend today's meeting. I do want to show the Board that I'm reviewing and perusing through a lease and quarry agreement. I'm going to change that verbiage to extraction agreement. Actually we did discuss this with Senator Ben Pangelinan our Chair and he agreed that in the spirit of fundraising revenue enhancement we can work this extraction of minerals on behalf of the Chamorro Land Trust

to take that seed money and borrow against the SUTA program so we can initiate embedding infrastructure. So this is forthcoming so next month I would like to present it to the Board and I'll give you the final comments.

Building rental

Administrative Director Monte Mafnas - Also I need for the Board to understand this request. We're consolidating pursuant to the law, Reorganization No. 5 and because Land Management has 16,000 square feet we actually need 21,000 square feet to consolidate the Department of Land Management, CLTC and Ancestral. And because of this and not to request a substantial amount of money from the head office and concurrence with the Legislature I thought of a plan to give us that leverage for a period of three years and the plan is this. One, we would extend the leasehold interest on this property with underline property of International Trade Center for a period of 50 years pursuant to the same terms and condition that GEDA has annotated in their lease. They have recently renewed the lease for a period of 50 years and I'm requesting that the Board support me to give them another 50 years. In exchange for that we get the 3rd floor which is 5,100 square feet. But also I wanted to protect the 7th floor because that's 3,100 square feet and that we're currently using. Now I went to the mental exercise to try and bring the 7th floor down to the 3rd floor unfortunately because of all the wiring and etcetera the cost is prohibited. It did not make any economic sense to bring the 7th floor down because I'm willing to be in the trenches with all the workers. So therefore the building management is asking for an additional $6,000. Now the total cost is something like about $23,000 per month. So all they're asking is if we agree on extending the other 50 years all we need to come up with is $6,000 per month, $6,300 actually. I did discuss this with Mr. Chairman and I'm also putting it on the table today. The actual rent is supposed to be $2.75 per square foot and the offer is at $2.00 a square foot. Now this includes rental space, common area expenses such as water, power, sewer and also the common area cleaning providing paper products, cleaning the commode, the restrooms the vacuuming all the office spaces and stripping down the floors. So basically it includes all common area expenses. I'm short $6,000 per month that's why I'm asking the Board to consider. And Mr. Chairman made a suggestion that instead of taking half of the 7th floor to reduce it from probably 8,000 down to 1,600. So if I can humbly request from the Board to allow me at least $3,000 a month to pay for this because it would be too expensive to move down to the 3rd floor. Now I only ask for 3 years simply because I expect to break ground no later than June of 2012. Now if I'm lucky and I get everything efficiently taken care of we will break ground the first quarter of the year to build the land resource building in Agana. That way I can consolidate all and merge everyone and also have our own conference room. You know sometimes this is fine that we're using theirs but sometimes they bump us up because they need the space and this has happened also on the GEDA side. So we have 5 meetings every month that I have to attend not including the Application Review Committee and that's also another 4. So basically we need 10 meetings every month. So our board room is really highly utilized. So I need to free that up and bring in and incorporate Chamorro Land Trust, Land Management and Ancestral here.

Commissioner Michael Borja - So where's this money going to come from? I mean you're asking for $3,000 a month.

Vice-Chairman David Matanane - You're budget did you request for that?

Administrative Director Monte Mafnas - Actually we do have some money set aside for the attorney and the auditor unfortunately the last administration did not properly execute the request for proposal and that failed the audit part failed. So we have to request again for audit and rebid it. But we have a $108,000 set aside for the attorney general. Now I know that we need an attorney no doubt but I'm asking if we can use some of that money because I'm trying to get Ancestral to pay for the attorney because we need a full time attorney to handle the land registration process. And actually we really need a second attorney for just the Board and the daily operations because registering 250 lots or 240 lots is a gargantuas task full time. So actually we have some funds I mean we just generated a $100,000 last month and we're going to generate another $100,000 this month. Unfortunately we ran out of space.

Acting Chairman Oscar Calvo - If you went on a 3 years but you're not looking at actually 3 years..(interrupted).

Administrative Director Monte Mafnas - We'll be out of here before 3 years, guarantee that.

Acting Chairman Oscar Calvo - Yeah but you gave that the 3 so.

Administrative Director Monte Mafnas - Just as a cushion just in case.

Vice-Chairman David Matanane - How much are you renting it, the space now?

Administrative Director Monte Mafnas - Chamorro Land Trust is not paying anything at all, Land Management is paying $22,000.

Vice-Chairman David Matanane - Across the way here have they paid the rent? We have properties here right?

Administrative Director Monte Mafnas - Oh yes, no I'm going to start leasing that out. From Route 10A all the way down to the bus company Kloppenberg is Chamorro Land Trust property even GPA.

Acting Chairman Oscar Calvo - And speaking of that and Monte and I talked about it on this issue remember when we talked with the Senator's office on that GPA that we have that $875,000 that's another that we can encumber.

Administrative Director Monte Mafnas - That's another $875,000.

Commissioner Michael Borja - Did that become law?

Administrative Director Monte Mafnas - Yes it's codified into law but I don't know how the funding is going to be realized but its law.

Acting Chairman Oscar Calvo - We have to butt heads with GPA now on that.

Administrative Director Monte Mafnas - And probably CCU.

Commissioner Michael Borja - Oh to tell them who to send the rent check too?

Administrative Director Monte Mafnas- Yes.

Commissioner Michael Borja - The law tells them to change the rent to, oh they were supposed to..(interrupted).

Administrative Director Monte Mafnas - See Senator Pangelinan had it right but Senator ADA changed it.

Commissioner Michael Borja - They were receiving the rent from seventy six is what you're talking about?

Administrative Director Monte Mafnas - No that's different, this is for the Route 15 property next to Fadian they're getting 15 acres of Chamorro Land Trust property. Supposed to be Senator Pangelinan introduced a bill and did not pass but Senator Ada's passed.

Napu Castro - No neither one of them passed it was thrown back.

Administrative Director Monte Mafnas - Oh I stand corrected I thought that was codified into law.

Vice-Chairman David Matanane - So where were you planning on getting the money? Well you have an idea I think you have an idea.

Administrative Director Monte Mafnas - I was thinking when we accept the check they can just put and/or the building management GITC, Guam International Trade Center or whatever the corporate name is. That's $72,000 or $75,000 but I don't know if that's legitimate I need to check that because it doesn't sound right.

Acting Chairman Oscar Calvo - That's $36,000 for the whole year.

Administrative Director Monte Mafnas - No, it's $6,300 a month.

Acting Chairman Oscar Calvo - No but if we go at $3,000 that's what I'm saying.

Administrative Director Monte Mafnas - Okay at $3,000 yes its $36,000.

Commissioner Michael Borja - Did CLTC ever receive money in the budget for..(interrupted).

Administrative Director Monte Mafnas - Rent, no. We were paying $4,000 prior to moving to Harmon under DPW.

Napu Castro - Does that include Ancestral Lands?

Administrative Director Monte Mafnas - Yes it would include.

Napu Castro - They have their own buildings.

Administrative Director Monte Mafnas - That's right so that's why I want to bring them over here and then charge them later on once we rent out the property. But the problem is that property may be needed for the opening and continuing opening of Central Boulevard because FAA wants to close that out which we're fighting. So worst case scenario I'm going to need $3,000 best case scenario I'm going to need $6,300. Right now we're not paying a dime but we're getting a pretty good rate for this and we can start occupying it now really. So we can tap that from the Attorney General's fee under contracts. That's legal right, Commissioner Matanane?

Acting Chairman Oscar Calvo - We do that on a year basis though instead of 3 years.

Vice-Chairman David Matanane - That's operations though so if its operations that's probably transferrable.

Acting Chairman Oscar Calvo - So we'll do it on a year instead of 3 years and then up for renewal every year.

Vice-Chairman David Matanane - And the next time that we submit our budget we will request for rental.

Administrative Director Monte Mafnas - Also next time we're going to have a considerable amount of money that we have generated collectively and collaboratively.

Acting Chairman Oscar Calvo - I think we did pretty good so far for this year.

Administrative Director Monte Mafnas - At the rate we're going we collected about over a million dollars really.

Vice-Chairman David Matanane - Check the tax..(interrupted).

Administrative Director Monte Mafnas - Oh that's a done deal. Going back to the property tax roll there's been an account set aside for Chamorro Land Trust Home Guarantee Fund and that should be anywhere from $800,000 to a million dollars per annum. We've already quantified that quantitatively with the Revenue and Tax Real Property Division, with Land Management digitizing the maps. Once it's all there and actually a team of Chamorro Land Trust, Terese, Jarid, Jerika, Eileen and Mario we all worked one night up to midnight, this

was prior to the bond which I'm happy to say that as a team we're part of that integral component to make it happen. Chamorro Land Trust was a very vital component.

Vice-Chairman David Matanane - You know you have already checked the budget itself, how much for operations and for capital improvement. Do we have any money there?

Administrative Director Monte Mafnas - Yes.

Vice-Chairman David Matanane - Except for category for the employees you can't touch that but anything else in there for the operation can be transferred.

Administrative Director Monte Mafnas - What I'm trying to do in exercise one is we've identified lapse funds and requested that we get it back and enable us to spend it.

Commissioner Michael Borja - I thought those are erased at the end of the fiscal year?

Acting Chairman Oscar Calvo - It would roll over.

Vice-Chairman David Matanane - Usually it will roll over if you're requesting for it.

Administrative Director Monte Mafnas - That's true Commissioner but basically they're not supposed to co-mingle with the Trust funds. This is a Trust this is not a line department this is a Trust.

Vice-Chairman David Matanane - Like I mentioned is it a true Trust or are we just saying it in name you know.

Acting Chairman Oscar Calvo - Get with the Bureau of Budget.

Administrative Director Monte Mafnas - We submitted it already to Department of Administration and Bureau of Budget.

Acting Chairman Oscar Calvo - I know that we have at least forty some thousand there and maybe more.

Administrative Director Monte Mafnas - I think about $170,000.

Acting Chairman Oscar Calvo - Because we were trying to do that on the last Legislature and the budget.

Administrative Director Monte Mafnas - Once we begin this extraction agreement that would generate us a substantial income and they're ready.

Acting Chairman Oscar Calvo - So go ahead and work out with the Bureau of Budget on that.

Administrative Director Monte Mafnas - We have to clear it and get the blessings of the Senator we don't want to do anything wrong. But please be mindful that building management can issue us a notice and vacate in 90 days.

Vice-Chairman David Matanane - Let's not wait for it you know we'll take action.

Acting Chairman Oscar Calvo - Well the faster you work with Bureau of Budget to get that money out then maybe we can contemplate on that.

Administrative Director Monte Mafnas - Starting with lapse funds and then we can go into contractual probably.

Vice-Chairman David Matanane - By the way have you closed the checking account on that?

Administrative Director Monte Mafnas - No we still.

Acting Chairman Oscar Calvo - Okay so follow through with that and if you can make it happen you know just by at least the next board meeting I don't think so we have any problems. But go with the lapse funds first once we clear that out and whatever lapse funds we identified there.

Administrative Director Monte Mafnas - By the way I'm sure that when they invoke the option to renew for another 50 years none of us is going to be around because you add 50 plus 50 that's a 100 years forthcoming.

Acting Chairman Oscar Calvo - Okay so I'm good to that and support to that.

Administrative Director Monte Mafnas - Thank you so as soon as we get that I'll need your concurrences.

Acting Chairman Oscar Calvo - Yeah no problem.

Administrative Director Monte Mafnas - In all fairness we have to clear it with the Senator to make sure it's allowable.

VIII. <u>EXECUTIVE SESSION</u> - None.

IX. <u>ADJOURNMENT</u> - Meeting adjourned at 2:55pm.

Transcribed by: Teresa Topasna: Teresa Topasna Date completed: December 30, 2011

Approved by Board motion in meeting of: Jan. 19, 2012

Administrative Director, Monte Mafnas: Monte Mafnas Date: 1-19-12

Chairman (Acting), Oscar Calvo: Date: 1-18-12