Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932 Phone: 649-5263 ext. 651 Fax: 649-5383

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

(Vacant)
Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

Joseph I. Cruz
Commissioner

Michael J.B. Borja
Director

REGULAR BOARD MEETING
AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, August 21, 2014; 1pm

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES
1. July 25, 2014

IV. OLD BUSINESS
1. Guam Racing Federation – Waiving of escalation amount
2 Subdivision map requirement
3. Guam International Country Club – Status of lease payments
4. Global Recycling Center – Commercial license request for Lot 10122-15, Dededo
5. Guam Outdoor Shooting Range - Commercial license request for portion of Lot 5412-R11, Mangilao

V. NEW BUSINESS
1. Joaquin Naputi – Request for additional acreage
2. Jeffery Duenas Kosaka – Request to relinquish residential lease for agriculture/grazing

VI. PUBLIC COMMENTS

VII. DIRECTOR'S REPORT
1. Revenue collection report for the month of July 2014

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932 Phone: 649-5263 ext. 651 Fax: 649-5383

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

(Vacant)
Chairman

David J. Matanane
Acting Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A.Sablan
Commissioner

Joseph I. Cruz
Commissioner

Michael J.B. Borja
Director

Rev. 07/10/2014

COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, August 21, 2014; 1:05pm – 2:40pm

I. CALL TO ORDER

Meeting was called to order at 1:05pm by Acting Chairman David Matanane.

II. ROLL CALL

Present were Acting Chairman David Matanane, Commissioner Amanda Santos, Commissioner Pascual Sablan, Legal Counsel Kristan Finney and Director Michael Borja. Not present was Commissioner Joseph Cruz.

III. APPROVAL OF MINUTES (July 25, 2014)

Acting Chairman David Matanane – Commissioners the approval of the last meeting which is July 25, 2014, any objections, questions or what? Please before you speak direct it to the Chairman and then the Chairman will acknowledge for you to speak on the floor, thank you.

Commissioner Amanda Santos moved to approve the minutes of July 25, 2014 subject to corrections. Commissioner Pascual Sablan seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS – None.

V. OLD BUSINESS

1. Guam Racing Federation – Waiving of escalation amount

Director Michael Borja – Mr. Chairman I would like for you to table this business until later. The purpose of waiving this escalation was to allow the extraction vehicles to transit through the Guam Raceway but right now we're having some discussions on the status of the Pure Stone contract.

Acting Chairman David Matanane – I'd like to make a comment on that Mr. Director, is this particular entity that we gave GEDA to go on an RFP and to tier and level up in Mangilao?

Director Michael Borja – Up in Yigo.

Acting Chairman David Matanane – In Yigo okay. Please look into the memorandum of understanding on GEDA. I believe in 2013 check on that because once we give it to them they have all that and I hate to go to a previous contract or lease agreement and defer from that. You were talking

about the raceway right? I kind of would like to deviate from that particular angle but look into it Mr. Director please and maybe we can discuss it.

Director Michael Borja – The Guam Raceway was not through GEDA.

Acting Chairman David Matanane – No, no but we are planning on trying to get him to reduce his or add on for his access egress on that.

Director Michael Borja – Well it wasn't for their purpose it was for the purpose of the mineral extraction from the adjacent lot. Instead of the heavy trucks loading up the rocks and coming through the neighborhood they would come through the racetrack area. He was proposing that they charge the vehicles someway for transiting through and our proposal was we could perhaps look at waiving the increase in his lease payments.

Acting Chairman David Matanane – Okay can we discuss that Mr. Director maybe after the meeting?

Director Michael Borja – Sure but this one we don't need to discuss this.

Acting Chairman David Matanane – Well you know to me when we made that agreement that MOU with GEDA if you look at this.

Director Michael Borja – But there's no GEDA involved with the Guam Raceway.

Acting Chairman David Matanane – No, no the people that are extracting the minerals; those agreements between GEDA and that particular entity.

Director Michael Borja – Right.

Acting Chairman David Matanane – Okay so when we gave GEDA they are the one responsible and when they made the RFP and whatnot they cannot deviate from that I mean you know GEDA is handling it and us coming in to entertain I believe I don't know maybe we can speak with (interrupted).

Director Michael Borja – We can talk about that there probably is a need.

Acting Chairman David Matanane – I did make a research on that anyway I have the documents Mr. Director can we discuss it?

Director Michael Borja – Okay.

Acting Chairman David Matanane – That's going to be quite a while.

2. Subdivision map requirement

Director Michael Borja – In the last meeting you were presented a presentation by the Chiefs of the Planning Division and the Survey Division about the proposal to recommend a

resolution be issued from the Chamorro Land Trust asking the Guam Land Use Commission to permit us to go forth in taking our lands and drawing them out into subdivisions and getting the Land Use Commission to approve that so that when we're ready to issue lots on these different lands that we'll be able to have; we'll have the lands sensibly laid out. As opposed to what we've been doing lately where we go in and begin to just draw from empty lots without any planning whatsoever. So that's all we're asking because as we go move forward and we get these lands registered and with existing lands that are already registered we want to begin the process. I'm still working with the Administration to get the funding to produce or to get surveyors to begin surveying lots and we would like to get the subdivisions laid out on some of these lots so that it'll be sensible. We'd have some plan for the surveyors to go out and survey the lands appropriately and then we can issue those lots out or to use for developing at a later date when we put infrastructure in. So that's all we're asking is that the Chamorro Land Trust wants to have Department of Land Management create subdivisions, agricultural and residential subdivisions they can easily do that and then we'll go through with Land Management and get the Land Use Commission to also approve those subdivision layouts.

Acting Chairman David Matanane – Of course we're working hand in hand on that Mr. Director.

Director Michael Borja – So all we're doing today is going back to what we did last month when we had that briefing this is the same resolution that we presented to approve the resolution so we can present it to the Land Use Commission.

Acting Chairman David Matanane – Do we have a certain area that (inaudible).

Director Michael Borja – No this doesn't necessarily have to deal with any specific area but like I said as we begin to register the lots that have never been registered then we can take those tracts of lands we can take them and subdivide into agricultural and residential and to also take existing areas that we have and do a subdivision planning for them. Because in subdivision planning you would lay out areas that are for recreation you would lay out all kinds of, there's specific requirements with doing subdivisions that makes a whole lot of sense. But if we can create subdivisions and get the surveyors or get the funds to bring in the surveying at least they'll understand what they're surveying and they create these subdivisions which at some time in the future we can go and develop with infrastructure as well.

Acting Chairman David Matanane – As we did up in Yigo.

Director Michael Borja – As we did up in Yigo. So we'll do something similar to that but we'll go ahead and take large parcels of land and do them correctly.

Acting Chairman David Matanane – I have no problems with that Mr. Director. Commissioners we need a motion on that.

Director Michael Borja – Yeah we need a motion to approve the resolution.

Commissioner Pascual Sablan – I move. I think it's safe to say that this is like to establish maybe not the (inaudible) but a boiler plate pattern.

Director Michael Borja - Well every piece of property is going to be kind of unique in its own way because for example if you take existing tracts of lands where we've already been issuing some lands we're going to try to get it subdivided but some of the challenges we have is that there might have already been a house plot in the place where there was supposed to be a street. It takes into account the contouring of the land so obviously we're not going to just lay it down where there's cliff down there where it's not going to make any sense. When we do get the funding and we do get surveyors assigned that we can use to task and go out at least we can give them the plan and say this is what we want you to survey.

Acting Chairman David Matanane – Just to remind you what ever happened to the letter that Ms. Trini Torres sent to Senator Pangelinan back in I believe March?

Director Michael Borja – I don't know what letter?

Acting Chairman David Matanane – Can we maybe look into that? She's requesting for $800,000 for the survey.

Director Michael Borja – Oh well yes Ms. Torres yes that's part of this whole thing. When the Governor asked how much do I think we need the number $800,000 was put on the floor and it raised up a bit. So we're going to try and get on out there and do this and that's what we're working on right now. We're in the middle of all the budget issues but we're still trying to search for the funds that we can use. Some of the funding that we can probably use may come from taxes you know the property taxes that are being assessed. Some of the funding I was hoping to be using was the stuff that comes out in mineral extractions at Lajuna Point but that hasn't taken off yet. So you know some of this funding for doing the survey may not; I don't want to get the money for the funding and tell surveyors to go out and I don't have a plan for them to survey. And that's what this whole purpose is so yes that $800,000 was a suggestion to the Senators and it was not put into the budget per say but it's definitely an action item with the financial advisor with the Administration.

Acting Chairman David Matanane – Do you have any idea of how far has it gone?

Director Michael Borja – Well we're working on trying to source the funds and it may not be if it's $800,000 it may not be all in this year it could be maybe half this year half next year kind of thing because we don't need to get everything all surveyed all immediately but the point is once we get them surveyed we could issue out the leases. Also we would have to work some kind of legislation I believe that if people's lands get surveyed that's a compensation that other people didn't get and do I need to repay them back? We don't want to get into that mess so what we're looking at is possibly getting legislation introduced as well that there's a seven year exemption on their property tax if you get Chamorro Land Trust that they waive that seven year exemption in lieu of getting their property surveyed by

the Government and then it'd be much more fair for everybody that has already paid for their survey and for those that didn't have to pay.

Acting Chairman David Matanane – It should be in range on what they are paying right now the value of the surveyors right now what's the going rate?

Director Michael Borja – Well the rough rate is $1,000 an acre.

Acting Chairman David Matanane - So it would be in that range?

Director Michael Borja – Well it could probably be a little less I mean depending on how large the lot is. If it's just a half acre lot for example I don't know what the property value on that would be but let's just say they're paying $27.00 a year for an empty lot right because there's no house on it but once the house gets put on there then there's a different assessment on the lot. $20.00 a year times 7 is only $140.00 so he got a pretty good deal but let's say it can be even more than that over time it could be more than that but its land unused because we can't issue it because it hasn't been surveyed.

Acting Chairman David Matanane – In light of that at the previous meeting remember I asked the Director can you please look into this section 8107, section 31, a, b, c and section 32 on that $875,000 I was requesting and just to heads up on it.

Director Michael Borja – For the $875,000 that was being requested?

Acting Chairman David Matanane – Yes.

Director Michael Borja – Oh, oh on this, you did a lot of homework Mr. Chairman let's discuss this on the Director's report because I'm ready for it.

Acting Chairman David Matanane – I was kind of ahead of myself. When I was looking at all the documents last night I was reading it I came across that.

Director Michael Borja – It exists as a fund site but whether there's funds in that site that's a different story. I'll talk about it in the Director's report.

Acting Chairman David Matanane – And here's the one I was asking earlier please look at the second page and that's the reason why I asked because on the second page there they're supposed to give us the rules (interrupted).

Director Michael Borja – You're jumping out of order Mr. Chairman.

Acting Chairman David Matanane – Yeah I'm out of order but hey I got to get it across. I'm sorry but maybe I'm giving you too much homework but please before we jump into anything please look into it because really (interrupted).

Commissioner Pascual Sablan – Since we're in that discussion about that corporation.

Acting Chairman David Matanane - Yes on that area because they're supposed to provide us the rules and regulations on commercials and licenses, GEDA.

Director Michael Borja – No, no GEDA is not supposed to do that.

Acting Chairman David Matanane – Yes, yes.

Director Michael Borja – No, no, no they already did, they did Mr. Chairman and you know what (interrupted).

Acting Chairman David Matanane – They did?

Director Michael Borja – Yes they have yes it was all done. We sat in some those meetings, I did when I was in the Commission and I have been chasing after it for the last couple of months. In fact yesterday I resent it back to all the powers that be they're supposed to be reviewing this, I said come on. So yes they did produce the rules and regs it's resting with the Administration for their review and it's still there. So I'm trying to get this thing out. I mean my goal was to get it done this year and it hasn't moved so we're pushing it.

Acting Chairman David Matanane – And the reason why I brought it up because going ahead with the agenda as we hit the other people that are coming down with the Guam Outdoor Shooting Range and all that. That comes into play with GEDA's policy.

Director Michael Borja – Right exactly and that's the point I made to the people that are supposed to be reviewing this.

Acting Chairman David Matanane – That's all I just want a heads up on you and maybe you overlooked it.

Director Michael Borja – No I have not overlooked this at all Mr. Chairman.

Acting Chairman David Matanane - But please just look at it. Moving along, the motion?

Commissioner Pascual Sablan – I make a motion to approve this resolution.

Commissioner Amanda Santos – I second it.

Acting Chairman David Matanane – It's been moved and approved Mr. Director.

3. Guam International Country Club – Status of lease payments
Acting Chairman David Matanane – Are they here?

Director Michael Borja – No they're not here. We had a discussion with them and they will be wiring before the end of this month two months worth of payment that would give them

current and 30 days that they are delinquent on but they're expecting a wiring and they have been good on their word in the past so we're awaiting that as well.

Acting Chairman David Matanane – I'm pretty sure that you will take care of that and give him whatever message that they have to send. Thank you Mr. Director

4. Global Recycling Center – Commercial license request for Lot 10122-15, Dededo
Director Michael Borja – Is anyone here from the Guam Global Recycling? No. In your package you do have a complete history of what's been going on with them and I think Mr. Matanane you probably may recall the whole issue that's gone back quite a long way. So a couple of issues are here, they're using some property that we haven't been able to give them a specific lease for for various reasons to include not having the commercial rules and regs completed and secondly is a matter of payment.

Acting Chairman David Matanane – I wanted Commissioner Sablan to go ahead and get the gist of what's going on with this. It's a long reading material that they have here dating back since 2006 I believe right.

Director Michael Borja – Right part of it was all to help clean up Chamorro Land Trust properties, they were using this area they have a notice of violation from the EPA. A bunch of things came down and in the package you saw that there were a number of letters, the late Monte Mafnas was also making demands for them to make payments and it came up to a large sum. The resolution that came up out of this was that one way or the other we either had to move him. I think we were looking for a site up on Yigo. Have they done that Mrs. Borja? They have not moved right? And a lot of it had again deal with the fact that we didn't have the rules and regs to finalize the lease and this as you well pointed out is a significant issue for many of the other things that we have going on it. And it's a cause of concern that I've somewhat elevated in my email to certain senior staff for them to be aware of this. And hopefully following this meeting I'm going to be in a cabinet meeting again so I'll have the opportunity to bring this up once more and if I need to I'm definitely going to move forward with speaking with the Governor (interrupted).

Acting Chairman David Matanane – Have they made any payments on the promise that (interrupted).

Director Michael Borja – Now did they make any payments on this? No, no payments have been made. So no payments have been made and in light of that whether they need to operate and we want to extend this I think what we did before is we had a written authorization to extend an additional three years but they haven't made any payments.

Acting Chairman David Matanane – Without a lease without any arrangements on that for so many years and he thinks he's doing us a favor? Are we doing him a favor? No I'm really concerned because this has been going on for quite a while and we need to have him come in here. Of course I have met him before in a previous meeting (interrupted).

Director Michael Borja – Did we make contact with him to attend?

Margarita Borja (DLM) – He called me to find out whether or not he's going to be on the agenda and I told him yes and I told him the date and time.

Acting Chairman David Matanane – And that's Mr. Chu?

Margarita Borja (DLM) - The son, the son Alan Chu.
Acting Chairman David Matanane - We probably have to send him a letter again.

Director Michael Borja – We will, we'll get a letter to serve to him so let's move this to the next meeting and we'll have him present.

5. Guam Outdoor Shooting Range – Commercial license request for portion of Lot 5412-R11, Mangilao
Director Michael Borja – Margarita can you provide some background information on this? Can you just speak through it?

Margarita Borja (DLM) – I provided a staff report for everyone to review and we have Mr. Joe Mesa coming before the Board once again to request for a lease for a portion of 5412-R11. This lot is located behind the existing GPA central office being built along Route 15.

Director Michael Borja – Their castle on our land.

Margarita Borja (DLM) – We did a site inspection and we found that there may be an issue with the access if approved if the lease for him to lease the property is approved the existing access that the shooting range before was utilizing was currently going through the GPA central office site. So with them being there it has blocked the access down to the area the proposed area that he is looking at.

Acting Chairman David Matanane – Who is being there that's blocking the access?

Margarita Borja (DLM) – GPA and what it is is we deeded GPA a portion where the access was.

Director Michael Borja – There is a road that goes up to the back side and I didn't notice whether or not it continued an access down in there because of the growth of all the jungle. But there is a way to go all the way to the back and go up over that little berm that goes down into this coral pit area. They're looking to use this area down there that old coral pit down below as a shooting range.

Joe Mesa (GOSR) – My name is Joe Mesa with the GOSR, Inc. dba Guam Outdoor Shooting Range. We had been pursuing this for the longest time and we always look forward to the feasible time that we can be here with all of you today. Mr. Chairman, Commissioners, Mrs. Santos and Director Mr. Borja, good afternoon. Like I said earlier we have been pursuing this for the longest time. I see the fact that the access area is not feasible at this present time of the area of interest on a portion of Lot 5412. I really don't

because I did go up there occasionally just to see what's going on but I never did go into the area because it's a restricted area because of the ongoing construction. But assuming that there is a possibility to provide access we will do that ourselves into the area so that we'll have access into the area. Also you know with the appraisal that we have to look into and the survey of the land itself as the amount of acreage that we need we'd be more than happy to do that. All we're looking for right now is the Chamorro Land Trust's decision and the Director of Department of Land Management's decision as to either it be a yay or a nay. We are a legit company on the island we are a legit corporation here on the island and we are looking forward to provide more jobs you know some jobs for the people here on Guam and hopefully a first class shooting range here on the island. I did manage a shooting range up in Talofofo for the past 8 years it has been very, very successful. Till now it's still running and now we're looking into building a much, expanding the services and activities that we have to offer for visitors here on the island and also for the law enforcement agencies that we have here on Guam. Needless to say whether GPD, Guam Customs, Airport Police, Port Authority Police, Homeland Security almost all the law enforcement agencies here on the island they do come up to our facilities but it's a very limited area. So pretty much more we're looking into the feasibility of obtaining a piece of land okay so that we can look into expanding our activities and services that we can offer for the island and the people of Guam.

Director Michael Borja – Margarita does this property Lot 5412-R2 is that whole area that whole lot been allocated to GPA?

Margarita Borja (DLM) – The remainder is CLTC.

Director Michael Borja – I took a site visit out there a couple of weeks ago and I was kind of sarcastically referring to GPA's facility as a palace until I drove around it now I call it a castle but the road does lead up into the area to the back side. There is a delineation in the lot with the fence line you can see the pit down a ways towards the back. The road kind of came to an end it just went around to some pavilions up on a berm but I don't know where the access would be to go down there. But if that was our, more of our lot back there they can't deny the access to that area that should be a permissible access if that's our access route to that. There has to be an easement or something that goes into that area right? There was no designed easement in the line the lot line?

Margarita Borja (DLM) – They didn't take that into consideration.

Director Michael Borja – So it's landlocked?

Margarita Borja (DLM) – No that lot is really big, it's a big property.

Acting Chairman David Matanane – As you are aware that we have that moratorium of licenses and that's the reason why I brought up the agreement between GEDA and us to get that rules and regulations. But in the meantime if you're mentioning Margarita that there is an access Mr. Director maybe you can show Mr. Mesa. Mr. Mesa is willing to open up the access like he mentioned earlier.

Director Michael Borja – Well I'd also like to take it even a step further and make sure that it's zoned properly. That certain conditions are placed within the use of it since its close proximity to a public facility especially since it's going to be a shooting range and that's a public facility that's going to be on the land above. I just need to make sure that there aren't any kind of restrictions or if there are some conditions that can be placed that permits this because if he does go through the permitting process he's going to still have to get all the clearances anyway through us to make sure that the activity of his business is proper and accordance with the zoning and the conditions of the zone. So I think some things still needs to be looked forward on this. You have not gone before sir to talk with the Planning people to determine whether or not that area you are looking at has the correct zoning or the correct conditions set for you do any kind of shooting?

Joe Mesa (GOSR) – No not at the moment sir. I never did because it's pretty much we were rather looking into the feasibility of looking for as to whether or not we're going to get it. And if it's fine its fine with us we can do that we can go to Planning and see.

Director Michael Borja – I think too we probably have to definitely advise the most immediate neighbors any of the other folks that are in there whether they're Chamorro Land Trust lease holders or in this case the GPA offices just to make sure that there's no issues with them concerning this. I just want to caution because of the new public facility and because of the immense size and most likely the amount of customers they will be serving in that area there may be some concerns that may arise because of the shooting range back behind. Even though it's back behind and down and there's a berm in between there may still be some issues that they'll have with just anything that can happen. Potential stray bullet things like that someone's shooting in the air unauthorized, you know incorrectly and improperly. There could be those kinds of concerns we have to then let them know. So we probably may be contacting them as well but we'll need to also look at the zoning.

Acting Chairman David Matanane - I believe if I remember correctly Hawaiian Rock also has a thing there I don't know if they're finished with it.

Director Michael Borja – That pit has been abandoned a long time because there's significant growth. Have you seen the area back there sir?

Joe Mesa (GOSR) – Yes sir I have.

Director Michael Borja – There's a lot of growth back there now right I mean it's not like it (interrupted).

Joe Mesa (GOSR) – Yes pretty much more now.

Director Michael Borja – It's not like it's been recently abandoned.

Commissioner Amanda Santos – Where is this exactly?

Director Michael Borja – You know where the Eagle Field is? The football field?

Commissioner Amanda Santos – Yeah.

Director Michael Borja – Almost across the street just before the road starts to go down the hill there's a big area in there it's a brand new road they redid the road too. So you can't miss it I mean you look over there and you're going to go that's a castle.

Commissioner Pascual Sablan – Mr. Director I commend you for looking into all those things but I understand that that land where GPA and Guam Waterworks are going to be in it's under the Chamorro Land Trust then the legislature transferred it again right?

Director Michael Borja – It still belongs to Chamorro Land Trust they have the right to use it to build that facility for I think it's a 99 year (interrupted).

Margarita Borja (DLM) – We deeded it.

Director Michael Borja – We deeded it over completely? But they cannot sell it.

Commissioner Pascual Sablan – Yeah but if they have the right to use I don't know the language of the legislature then that access if there's an existing access then that would belong to the GPA and Guam Waterworks.

Director Michael Borja – We'll just have to find another access we won't leave a piece of property landlocked purposely. We should not have overlooked that.

Commissioner Pascual Sablan – If Mr. Mesa is willing to open an access then I think he has to understand that at some point he's going to start doing grading then you have to go through EIS, CIA process right.

Director Michael Borja – Right.

Acting Chairman David Matanane – I guess Mr. Mesa has been trying to get that piece of property for quite some time and as you know there are so many obstacles that we have encountered but sometimes they say patience is a virtue. But we are trying and hopefully that we can work out something on that Mr. Mesa. Right now the Director is going to make the research and maybe get into another obstacle (interrupted).

Director Michael Borja – Right we might you know see if there's any other alternatives that might be available that might help out.

Joe Mesa (GOSR) – I do have a question if possible. You did mention alternative earlier we'd be more than happy to look into that. But I do have one question here with what has been discussed earlier on the table what I'm very concerned about here is the timeframe concerning the safety issues with GPA it being a public facility and with the access ability of the area and all these other safety concerns and all that, what time frame are we looking at Mr. Director?

Director Michael Borja – You know I don't know if I can give you a timeframe on any of that I mean there is one of the things we can do is as we go through like in the zoning process there's an application review committee and something like that takes 60 to 90 days just for agencies to look at something but that's for when we want to rezone a piece of property or there's other kinds of things that needs to be done, any kind of zoning issues that needs to be done. But we don't begin that process until we and I can't engage the other outside agencies to begin the process unless there's an actual application in. In this case we're looking for still a piece of property. So my suggestion is work with Margarita or Matt Leon Guerrero and chat with them and see what we can do to maybe try to identify something else that might be sufficient and workable for you as well that may not pose other kinds of problems that this one may pose. I'm just saying I don't know what problems this can create but just knowing you know that the fact that it's a public facility and these people may want some quiet in their area as well but most definitely they'll probably argue that they would like to have the safety for the customers that come to their facilities as well as the employees. Because sitting on top of that berm I might add on the back side of this building are two huge pavilions, concrete pavilions that they built you know I don't know for picnics or smoking area. But one rest down below the berm and one rest up on top of the berm so you can actually look out and see quite a distance from up there. And if you walk around that top side you can actually look down at this hole at the pit.

Acting Chairman David Matanane - Probably we can set up an appointment or see Mr. Borja, Mr. Mesa and maybe go through those options that he has mentioned Mr. Borja and Mr. Mesa.

Director Michael Borja – Sure okay so give the CLTC a call too and set up an appointment if we need to see him we'll set up an appointment as well.

Joe Mesa (GOSR) – Okay thank you so much.

VI. NEW BUSINESS

1. Joaquin Naputi – Request for additional acreage

Director Michael Borja – Mr. Naputi was originally or given in his original lease was awarded 3 acres of property but in reality what he got was only 1 acre of property. This map here is the area of interest. Under the old scheme if you look at the area I think it's called Lot 6-5 that's the area what he currently holds. He actually is asking to have the additional 2 acres to make up for the 3 that he was originally supposed to have. So in trying to get something in the adjacent area where we're looking at if you went across what looks like a street and went across the other two lots if you look at the revised scheme over here we joined the two other lots across the street minus a portion which adds a little bit over, it adds under another acre right.

Margarita Borja (DLM) – Under an acre.

Acting Chairman David Matanane - Where is he occupying right now?

Director Michael Borja – 6-5 right here.

Acting Chairman David Matanane – And you're moving it across?

Director Michael Borja – Well we'll add most of the part across the street, three-fourths of the part across the street. If you look at the new scheme it's that part called Lot 6. That's the most we can do right now to give him something that is currently adjacent to what he has existing and this is for agricultural. So I just wanted to bring you up to speed on where this is at.

Joaquin Naputi – Hi my name is Joaquin Naputi. Just to give the Commission a background, in February of 2009 Mr. Borja was stating the Commission granted me and approved 3 acres. However between staff and the change of leadership here I was given and shown a 1 acre area within that same lot number. In 2011 I followed up with Mr. Oscar Calvo again requesting if I can get that additional 2 acres. I have not received any response to that and then I followed up again with Mr. Monte Mafnas and with Mr. David Camacho. There appears to be confusion here because Mr. Camacho is telling me you already got 3 acres and I said supposedly on paper but in actuality I only have 1 acre. This is the reason why I'm coming back to this body again if I can get the additional 2 acres. What I have done with that 1 acre is I have planted the whole lot with pineapples and coconuts and you'll see me at Two Lover's Point on a daily basis and Chamorro Village on Wednesday nights selling this coconut to our visitors to Guam. So the reason why I'm requesting the two additional acres is because what I have down there is not enough to provide for our tourism industry. So I'm hoping that this body would be able to grant me that 2 acres.

Acting Chairman David Matanane – But right now you're occupying 1 acre and you're requesting for 2 acres additional.

Joaquin Naputi – That have been previously approved by the Commission.

Acting Chairman David Matanane – When you say previously that means it's been surveyed and paperwork is (interrupted).

Director Michael Borja – No, no, no well the lease that he has; what's the date on his lease?

Acting Chairman David Matanane - On your lease does it say 1 acre?

Margarita Borja (DLM) – He doesn't have a lease.

Director Michael Borja – Well then what is that agreement?

Margarita Borja (DLM) – A survey authorization.

Director Michael Borja – Oh it's a survey authorization oh okay so that was only a survey authorization it wasn't the lease itself.

Joaquin Naputi – Actually even the 1 acre I had it surveyed but a lease, since 2009 but a lease was never effected.

Director Michael Borja – What a lease was never what?

Joaquin Naputi – Was never effectuated.

Acting Chairman David Matanane - The lease, do you have a lease?

Joaquin Naputi – No lease. Since 2009 the survey as a matter of fact two days after I was shown the lot I had it surveyed and the map by Mr. Ventura was submitted to CLTC.

Director Michael Borja – The 3 acre lot or just 1 acre?

Joaquin Naputi – Just the one.

Director Michael Borja – See and that's the thing (interrupted).

Joaquin Naputi – There's that confusion.

Director Michael Borja – Well no but you're asked to do a survey of 3 acres and you only submit 1 we can't (interrupted).

Joaquin Naputi – I wasn't able to because staff showed me that there was only 1 acre available at that time and I think Mr. Borja was confused himself.

Director Michael Borja – Even this Mr. Borja. So then in essence what we have is no lease, a request to survey for 3 acres but the most we can provide is 1.75 acres that's adjacent so that you don't have to uproot your existing crops that you have and that's what we can work with right now.

Joaquin Naputi – I'm amenable to that Mr. Director.

Director Michael Borja – Would that work out for you?

Joaquin Naputi – That would work out for me for security reasons and also for cost effectiveness because you know like it's right adjacent to it.

Director Michael Borja – What we would need then is we can issue out a new survey request. You can finish off the rest of the survey according to the areas that we've shown on the map here and once that's done immediately come in so we can get the lease done and then we're set to go because those are the kinds of issues that we keep encountering when stuff like this loose ends come up that were not completed and you've already begun your work. Would that be fine to do this for now?

Joaquin Naputi – That would be fine.

Acting Chairman David Matanane – Please get together with the Director and work it out please.

Director Michael Borja – No see the CLTC folks Matt Leon Guerrero or Margarita and then we can begin the process to get your request to survey and once that's completed we'll begin the lease. We'll get the lease done as soon as possible.

Joaquin Naputi – Thank you.

Commissioner Pascual Sablan – Wait, wait, wait, wait with all due respect Mr. Director but what does the Commission approve for Mr. Naputi?

Acting Chairman David Matanane – We haven't approved anything yet.

Commissioner Pascual Sablan – How can you give an authorization for survey for 3 acres when we haven't approved?

Director Michael Borja – The Commission already gave him the authorization for 3 acres and he was only able to in the end only 1 was provided.

Commissioner Pascual Sablan – But does the Commission approve the 3?

Director Michael Borja – The Commission already approved him for the 3 acres that's why he has a request to survey for 3 but the land size (interrupted).

Commissioner Pascual Sablan – Is it showing that we approved for 3?

Margarita Borja (DLM) – His authorization that was signed by the Director.

Commissioner Pascual Sablan – Authorization is one thing, approval by the Commission is another thing which is normally authorization comes after the approval of the Commission.

Director Michael Borja – No sir, if an applicant comes in and request in his application that he wants agriculture and there was already going to be 3 acres given that's what was already given. All these when we do these; we're not approving here on a regular basis at all you know for when people come in for their half acre or quarter acre residential lot we've already gone through the application process. When there are issues like this I guess he's bringing up the fact that we got this problem where he was already been permitted to have 3 acres but he only got 1. And he's asking for us to make good on the remainder of the acreage that he didn't get to have and so what the agents did is they determined that what he had and what was available across the street we can make most of it, some of it good not even most of it we can only other than 2 acres to balance we can only provide him three-fourths of an acre.

Acting Chairman David Matanane – The error was done by the other Mr. Borja.

Commissioner Pascual Sablan – So in other words there is a previous approval for 3.

Director Michael Borja – Yes sir.

Commissioner Pascual Sablan – Oh okay.

Director Michael Borja – We do have an approval for 3.

Acting Chairman David Matanane – Evidently Mr. Naputi is a very nice person he didn't demand that 3. Okay Mr. Naputi I think you can work it out with the staff.

Joaquin Naputi – Thank you, alright.

2. Jeffery Duenas Kosaka – Request to relinquish residential lease for agriculture/grazing

Jeffery Duenas Kosaka – Good Afternoon Mr. Chairman, Director, members of the Board, Land Trust Commission and the public. My name is Jeffery Duenas Kosaka, this is my son Jared. I brought him here today to kind of follow in my footsteps in what I'm doing so that in the event I move on he'll take over what I'm doing.

Director Michael Borja – Too young.

Jeffery Kosaka – Last month I was here for the Board meeting and I requested for grazing land and at the time I didn't have a grazing plan set so the Board told me that I had to go back and see the Land Trust Commission and work on my grazing plan which I did. I provided the Land Trust the grazing plan to be submitted for the meeting for today. Now within that process Mr. Leon Guerrero had inquired of my agriculture lease and I told him that I do not have one but I have a lease a residential since 1995. So in order for me to qualify based on their recommendation was to give up my residential lot to get the agricultural lot. So I did a letter requesting the Land Trust to voluntarily give up the residential lot and hopefully I can get approved to get the agricultural grazing lot.

Acting Chairman David Matanane – Where is your residential area at?

Jeffery Kosaka – So if you look at the third to the last page the reason why I came up with Santa Rita around the school area is because I've done a little research since June when Mr. Dave Herrera and I had met and he had mentioned to me that he had to (interrupted).

Acting Chairman David Matanane – Mr. Kosaka I asked you where's your residential lot?

Jeffery Kosaka – In Santa Rita it's behind the J.P. Torres school.

Matthew Leon Guerrero (DLM) – Your residential lease it's in 319, Pagachao.

Jeffery Kosaka – Oh I'm sorry it's located in Pagachao, Tract 319.

Acting Chairman David Matanane – That's in Agat?

Jeffery Kosaka – That's in Agat. What I was asked to do was to give up the residential in Agat and ask for the agriculture based on what I'm asking for. Now the reason why I came up with the Santa Rita lot is I've done some research and again back in June I met Mr. Dave Herrera and he had talked about grazing cattle so I took that into consideration and I started doing my research based on what he's done already. So with the lot that he's got was adjacent to his property down in Umang so the reason why I came up with Santa Rita because we stay in Santa Rita. My wife has a house in Santa Rita right across J.P. Torres up the hill towards the water tank. So right below there where Pale Obispo on the corner that's us that's where we live and right across our house is J.P. Torres. In addition to that Mr. Chairman my in-laws have been using the place for farming and raising a couple of cattle back in the days all the way up to the water tank. So they've been using the area the place hasn't been developed nothing has been happening around the area so it's now called the J.P. Torres Alternative School for the adults.

Acting Chairman David Matanane – Who's your in-laws?

Jeffery Kosaka – Santiago San Nicolas Perez and Avelina Quinata Perez they're both deceased.

Acting Chairman David Matanane – How are they occupying the property? Is it theirs?

Jeffery Kosaka – It's not theirs it's just Government land known Government land that they were just using to farm and also my brother-in-law back in the early 90s had a little shack there that he was living on and eventually moved over to the main house when my mother-in-law got sick. After that we just continued to maintain the area you know cut the grass. We've planted so many trees, bananas, star apple, avocado, coconut trees. I planted right on the corner a lemai tree the breadfruit tree back in 1995 and it's now a humungous tree it bares fruit all year long. So we constantly continue to keep maintaining it. So with that said as I was doing my research I went and I did my path my walk along the area to kind of see what the surroundings were and would it be feasible to do a little cattle grazing there only because it's adjacent to our lot. So as I was going through the stuff I stumbled across Mayor Alvarez's property on the bottom so when I saw that I remember back in the early 90s when I got my lot I had asked if there was any area in Santa Rita and they said there was nothing available. So I continued my research and I found out that Waterworks got some, Anderson, the Mayor, the antennae farm and I believe I'm not sure if it's a Delfin so what that's telling me is that the options are there. Based on Public Law 22-18 that I read that J.P. Torres area was not part of that list that was supposed to be reserved for its intended purposes back in 1993, 94 before the lands were given back to the Land Trust as a whole.

Director Michael Borja – There is no reserved property for J.P. Torres.

Jeffery Kosaka – So there is no reserved property based on 22-18 so I did my research on that. Now I developed this plan here based on the program google and I just did this just as

my research and to show the Commission that there's possibilities of future for this area. Meaning public private partnership with me and J.P. Torres 4H Club of Santa Rita maybe to include Southern High School students to learn agriculture which is part of the curriculum for the high school. So at a closer venue for them to conduct some kind of (interrupted).

Acting Chairman David Matanane – Can you state again your in-laws?

Jeffery Kosaka – Santiago San Nicolas Perez deceased and (interrupted).

Acting Chairman David Matanane – Santiago San Nicolas.

Jeffery Kosaka – San Nicolas Perez.

Acting Chairman David Matanane – First name is Santiago?

Jeffery Kosaka – Yes Mr. Chairman.

Acting Chairman David Matanane – You know you got to; you have talked to your in-laws concerning that piece of property?

Jeffery Kosaka – Mr. Chairman he's deceased Mr. Chairman.

Commissioner Amanda Santos – They're deceased.

Acting Chairman David Matanane - You know sometimes they surprise us where they have certain documents that they have the right to occupy that place but we don't know. We would like to see the in-laws find out how they are occupying.

Commissioner Amanda Santos – They're deceased.

Jeffery Kosaka – Mr. Chairman I just, I mentioned, I stated earlier that they're both deceased at this time.

Acting Chairman David Matanane – Oh they're both deceased?

Jeffery Kosaka – Yes one died in 1992 or 95 and other one just died in 2011.

Acting Chairman David Matanane – As far as you know that they were the ones that were occupying that piece of property.

Jeffery Kosaka – Yes and again I met my wife back in 1990 and I've been around that area then we built out house is 1996 so we took care of the property meaning maintaining it and cutting the grass and planted more trees, fruitful trees that we use today. That's basically why I came up with this area.

Acting Chairman David Matanane – I just wanted to clarify whether Chamorro Land Trust owns the property or if it's private property. We just want to make sure that we're not trying to lease out a piece of property that is not ours which has happened before. So what I want you to do is to verify those properties that you are requesting from Mr. Borja.

Jeffery Kosaka – What got my attention on this Mr. Chairman was as I was doing my research you know I came across Mayor Alvarez's lot so that was in 2012 when he was given the lot so what that's telling me is (interrupted).

Acting Chairman David Matanane – Who is this? Who was given the lot?

Jeffery Kosaka – Mayor Alvarez was given a portion of Lot 470-R2 which is the same lot that I'm asking for based on my grazing plan. I got the map right here Mr. Chairman if you would like to see if you guys don't have it.

Director Michael Borja – I took a survey of this area a few weeks ago for other reasons and there is no reserved land as Mr. Kosaka had mentioned for J.P. Torres. I'm taking that these blue lines on this map are designated as the roads.

Jeffery Kosaka – Yes I drew that in as a (interrupted).

Director Michael Borja – Okay so there is an area that does go up to Mayor Alvarez's lot that he has in there and all these other property is Chamorro Land Trust I believe and it's in a pretty dismal condition because somebody has been using it for dumping trash. This other area you're leading all the way up by the Waterworks tower that's up in the hill then?

Jeffery Kosaka – It's a gradual slope up the hill but that's on the road side but for the property mentioned here it's more like just a little hill and then it's flat and towards the backside where the paddock 3 and 4 is adjacent to Mayor Alvarez's property it's pretty grassy back there which is really nice for grazing.

Director Michael Borja – You're not finding any land sliding up there too, shifting of the soil?

Jeffery Kosaka – I'm not seeing anything like the normal water erosion.

Director Michael Borja – Because I know down in the housing area there's a lot of (interrupted).

Jeffery Kosaka – And that's where I believe if I'm given this area that we can develop it to help maintain the erosion control and help the school do a public private partnership with the school and develop the place.

Director Michael Borja – The property you have over in Agat that area is that a usable area? Or is it one of those Agat properties that was on a slope?

Margarita Borja (DLM) – It's a tract it's a subdivision.

Jeffery Kosaka – It's a subdivision site so I was told already that we can't have any grazing down that area where I'm at.

Margarita Borja (DLM) – Have you done anything to the property or built anything?

Jeffery Kosaka – Well back in 95 when I got the lot you know the Land Trust was new we just started and then it wasn't until a year after that you know my wife, girlfriend at the time had tried to build a house and had some problems so eventually my focus shifted towards the house and then the rift happened in like 2000 when I was working for PWC I joined the service. So time and time I've been gone on deployment I did three deployments so now that I'm back prior to Mr. Mafnas passing away I had approached him about my situation and he said Mr. Kosaka that's no problem when you're ready to do what you need to do with the property continue to do what you're going to do. So that's the last I've done with this so when I came back I started clearing the lot and then when I met Mr. Dave Herrera he had mentioned this thing about grazing so I really thought it was a good plan. Not that I'm giving up on the lot but (interrupted).

Director Michael Borja – So the Agat property has no improvements other than you cleared the land. There's nothing built on there?

Jeffery Kosaka – Nothing yet Mr. Director.

Acting Chairman David Matanane – How big is the land?

Jeffery Kosaka – It's a quarter acre Mr. Chairman.

Acting Chairman David Matanane – On the residential area?

Jeffery Kosaka – On the residential yes.

Acting Chairman David Matanane – And you're requesting for how big grazing?

Jeffery Kosaka – Well again the law allows us up to 20 but you know maybe by parcel you know 5 acres, 4 acres at a time up to 20 acres. This is a long term goal that I'm looking at from a couple of cows that I've down paid with Mr. Herrera all the way up to however number we can manage.

Director Michael Borja – How many heads of cattle do you have so far?

Jeffery Kosaka – Right now I have two I made my down payment already with Mr. Herrera and also you know there's a few out there that I've out sourced if you know what I'm talking about Mr. Director. There's some out there in the other areas that are, that's just a joke.

Acting Chairman David Matanane – You know Mr. Kosaka since we have not identified I believe for you to come in and see the Director and to find out which land are available for the grazing area and are we going to give him of course we have a program that says that we have to give him 5 at a time on a piecemeal type. Right Mr. Borja?

Director Michael Borja – Right so this whole area this paddock 1, 2, 3, 4 how big of an area is this so far do you know?

Jeffery Kosaka – Mr. Director if I may answer your question on that one if you guys don't mind if you notice the size of the paddocks it's almost equivalent to the size of Mayor Alvarez. It's not to scale but I did the measurement based on the feet the square meters and I converted it so I kind of broke the paddocks down into like one and a half, two acres maybe in those sizes. So if you're looking at it I'm counting one, two, three, four, maybe four to six acres at the most that's on that area which is at a minimum of what I'm asking to start off, what I'm requesting for. I think that's a feasible and a manageable size and again it will bring great investment to the area to the school.

Acting Chairman David Matanane – Why don't you work it out with the Director and identify the area that you are requesting for.

Director Michael Borja – Yes come and meet with us and we'll look at the property that we have here. So we have on file you are willing to without any reservations you are willing to make a switch from residential to agriculture.

Jeffery Kosaka – Yes Mr. Director and again I signed that form and I'm willing to do it.

Director Michael Borja – Do we have a letter of agricultural do we need any farmers certification or anything?

Margarita Borja (DLM) – If he is requesting for that. Did you fill out the form to change over from residential to agriculture?

Jeffery Kosaka – I'll let Mr. Leon Guerrero answer that.

Matthew Leon Guerrero (DLM) – Sir he wanted to ensure that you know that he would get this before giving that up because the reason I said for him to do that transfer is because he doesn't have an agricultural application with us it's residential and he was already granted it and in order to keep that 95 date and time he had to switch that application from residential to agricultural. But he wants to do that if we can ensure that this Board will grant him based on his; grant him the acreage he's requesting for based on his grazing plan.

Director Michael Borja – Okay so come in and see us, make an appointment to see Matt so we can work this thing out and see what we can do okay.

Jeffery Kosaka – I appreciate it.

Director Michael Borja – And I hear Mr. Herrera's cattle is pretty, they come tamed right?

Jeffery Kosaka – I'm new to cattle members but what I learned on the cow is if you hold the ring and pet them they'll be your friend they will not poke you. But I think it was him introducing this cattle business to me I think it's going to be a long haul for me to like it and not only that but you know my son is playing a lot of interest in this too.

Director Michael Borja – Good. Come work with us okay.

Jeffery Kosaka – Okay will do Mr. Director.

Commissioner Pascual Sablan – So actually we're not approving anything.

Director Michael Borja – No nothing yet. He's going to work with us and see what we've got. Well he's entitled to, he already went through the application process and he's one of the first applicants and he's already received a residential lot but in hind sight after all these years now he'll rather be agricultural rather than residential. So without having to restart the whole process we're allowing him to go in and work to see what we can do for agricultural and it's only in sections like 5 acres as opposed to 20.

Commissioner Amanda Santos – He's doing a tremendous job on his cattle.

Commissioner Pascual Sablan – I think that's the one from Saipan.

Director Michael Borja – No Mr. Herrera is one of our agricultural (interrupted).

Jeffery Kosaka – He's my mentor.

Acting Chairman David Matanane – So work it out with the Director Mr. Kosaka and then we can get everything straightened out and then we'll (inaudible).

Jeffery Kosaka – Thank you.

Director Michael Borja – Good luck.

3. Tiyan Parkway

Director Michael Borja – This is the Tiyan Parkway on the old NAS and the area I have highlighted is Chamorro Land Trust property which is currently encroaching on to the proposed parkway area.

Acting Chairman David Matanane - Who's encroaching?

Director Michael Borja – No, no it's not acquired. The roadway has to go through a Chamorro Land Trust property. The lines that look like they're multiple lines they're kind of dark on your map that is the proposed Tiyan Parkway. The construction effort behind this is pretty multi-tasked involving many, many agencies from Public Works to the FAA, the

Airport and all that, Ancestral Lands. All the Ancestral Lands issues have already been resolved pretty much but there's this one property which I highlighted in yellow up in the corner called Lot Number 2098 Portion A. You can see that the roadway goes right through half of that property. The reason the road is taking this curving path is because it's actually following the contour of the layout of the cliff. In an effort for this roadway to continue we have to turn this land over and the only people that can do that is the legislature obviously. But what I need your concurrence on is to have a motion that we deed over a portion of Lot 2098 Portion A just a portion of we haven't subdivided it out to determine what part we can keep for ourselves.

Acting Chairman David Matanane – You know Mr. Director at one point in time I believe the Airport owes us some money on this particular lot because I believe there was some negotiations concerning that particular lot or some payment going towards Chamorro Land Trust.

Director Michael Borja – I don't have any history on that at all.

Acting Chairman David Matanane – The reason why I'm asking because at one point in time hearing that Airport owes Chamorro Land Trust for a certain portion of land that was up there.

Director Michael Borja – But this is not this is outside the gate, outside the fence line of NAS and this is not in the purview of the Airport. The part over to the side the Harmon Sink is the area right to the right of it that's all Airport.

Acting Chairman David Matanane – And now we're going to turn over this piece of property to whom?

Director Michael Borja – To DPW actually for DPW for the construction of the road. The Federal Government is acquiring all the properties they need and if it's private they're paying if its Government they're not and this is Government and they're not paying but they can't build the road without it being released.

Acting Chairman David Matanane – Of course the transfer of this piece of property from Chamorro Land Trust to DPW has to be done by the Legislature.

Director Michael Borja – Exactly but I'm asking for the Commissioner's approval to proceed in getting it put in a bill for the Legislature. If I can get that done today my hope is I can get an amendment to the budget law that's being looked at right now because this is the time we can put in amendments for all kinds of things that we can get this put in. If not it's just going to go before the regular legislative hearing process.

Acting Chairman David Matanane – How big is that Mr. Director?

Director Michael Borja – Its 3,015 square meters. It's a whole piece I mean even if I divide it in half I don't know what the usable parts is going to be.

Acting Chairman David Matanane – Is this the one next to that tank that used to be when it (interrupted).

Commissioner Pascual Sablan – Water tank.

Acting Chairman David Matanane – Yes.

Director Michael Borja – Close to it, close to it. You know where this is too remember when Mental Health came in asking for some property it's right in that area that's why I kept saying where's this roadway going to go?

Acting Chairman David Matanane – And they wanted to build the Alee Shelter.

Director Michael Borja – No, no that's totally different. The other one was the foster care that we did a land exchange for with Public Health.

Acting Chairman David Matanane – Alright I have no problems with that unless the Commissioners have any objections to that.

Commissioner Pascual Sablan – No compensation?

Director Michael Borja – No it doesn't come when the Federal Government is building the road. They pay private owners but not the Government because they're already paying the road.

Acting Chairman David Matanane - They're going to apply the eminent domain on it?

Director Michael Borja – They haven't been applying eminent domain on anything yet on any of this but what they have been dealing with were slivers of Ancestral Lands which they wouldn't have to deal with in the first place had it not been completely handed over like it was. But they didn't go that route just because they wanted to slice a piece it was only after a telephone conference call yesterday that we realized that that piece of property was the only one that had not been resolved.

Acting Chairman David Matanane – Are you sure that we don't have any other piece of property right down the middle?

Director Michael Borja – Oh there's other pieces all around there but the road is not cutting through us.

Acting Chairman David Matanane – That's just indicating where the road is going to go but we do have Chamorro Land Trust (interrupted).

Director Michael Borja – We have Chamorro Land Trust all the way down this whole cliff line side on the bottom under the cliff that's all Chamorro Land Trust. Right behind ITC all

the way down towards Cinema Theater actually all the way over here to Airport Road that's all Chamorro Land Trust.

Acting Chairman David Matanane – Over here too even the Post Office.

Director Michael Borja – Well I don't think the Post Office is but this building is.

Acting Chairman David Matanane – What I understood yes. Anyway okay Commissioners you want to make a motion to accept that?

Director Michael Borja – I need a motion to have the Legislature (interrupted).

Commissioner Amanda Santos – I move that the Legislature will (didn't finish).

Director Michael Borja – To turn this land over to Department of Public Works for the purpose of getting the Tiyan Parkway.

Commissioner Pascual Sablan – 3,015 square meters if they need only 2,000 (interrupted).

Director Michael Borja – Well no a portion of Lot 2098 Portion A so we'll determine what it is we'll go out there with our surveyors and figure out exactly where it is that they need. But the only problem is when it comes down to it that may be just a small little sliver left that we may have to, it'll be substandard and we may have to merge it in with another lot just to get it reused. We'll just give them a portion. But it's not going to even be that easy to even be used because it's on the cliff and if there's only a sliver left of that part hanging off the cliff or it's down below we'll see what we can do but we'll do a portion of.

Acting Chairman David Matanane – It has been moved any second?

Commissioner Pascual Sablan – I second it.

Acting Chairman David Matanane – It's a majority, Mr. Chair also votes for that. It's moved and approved Mr. Director. MOTION PASSED.

Director Michael Borja – Alright thank you very much Commissioners.

VII. DIRECTOR'S REPORT

1. Revenue collection report for the month of July 2014

Director Michael Borja – On the issue of the $875,000 after additional research into that and I had them all pulling it up out of their books down in Adelup there is a fund site designated as the Autonomous Agencies Collection Fund of which we're supposed to get $875,000 that's supposed to be given to us. However no autonomous agency is putting any money into it and this fund site has been going on for a long time. The fund site exists, there's no funds in that fund site that we're supposed to take from.

Acting Chairman David Matanane – I just wanted to ask whether we received it in 2012.

Director Michael Borja – No we didn't receive any money. They're still looking at the possibility of you know if there's a way to move some money into there before end of the fiscal year for this. This may be a source partial source for the surveys we're going to try and do but there is a bill pending in the Legislature right now to repeal this specific requirement just letting you guys know that.

Acting Chairman David Matanane – There will be a cut-off date when they do repeal it right?

Director Michael Borja – Well we'll see, we'll see. Just to give you guys additional information well let me go through the revenue report going on down the line here we already talked about the Guam International Country Club. Also still owing us money is the Guam Resource Recovery Partners, GRRP. They still owe us $41,000 of which $20,000 is overdue but they're saying that by the end of this month as well they expect to get something. We're supposed to get something actually by next week again hopefully by certified mail. So they're well aware of that and we're waiting payment for that but we have given them notice once again that they need to pay us.

Acting Chairman David Matanane – We have the Guam Recovery Partners the 30 days is up?

Director Michael Borja – The 30 days is next week. So we've already updated them on the need to make that payment.

Acting Chairman David Matanane – On the Guam Broadcasting Partners how come?

Director Michael Borja – Oh that was the one if you recall a long time ago Mr. Sorensen came in here understanding full well that they have gone grossly delinquent and he had asked to stretch out his payments over a different amount of time and he's been in compliance with that. The Guam Broadcast Partners this was a while back this was when I think there was some big issues he had going on within the company where there was missed out, you don't remember Mr. Sorensen coming in?

Acting Chairman David Matanane – I think they tried to reorganize right?

Director Michael Borja – Well half his business was owned by his wife and then they went through a divorce so there was that issue that whole change over that caused this big delinquency.

2. Budget

Director Michael Borja - In the course of the new budget that has been submitted the Legislature has added six bodies to the Chamorro Land Trust Commission which I was only looking for really two permanent ones in the CLTC and one in the Survey Division. Of these six positions four of them are survey related, a registered surveyor, a surveyor supervisor,

two engineers and then two Land Trust agents. If it goes through they're on limited term appointment and we'll be proceeding in using these people quickly and getting them filled as quickly as possible.

Acting Chairman David Matanane – How many are you requesting?

Director Michael Borja – I didn't request I was given six additional bodies. I was working through our own budget process to get three permanent people, two land agents and a registered surveyor. The issue that came up yesterday at the budget hearing was whether or not we should have another registered surveyor. The registered surveyor's position is really quite important for Land Management overall and especially if you begin to do a lot of surveys for the Chamorro Land Trust and then outside surveyors end up doing the project if we can get it done that way. All surveyors have to have a registered surveyor to certify their maps but before Land Management can certify it it has to also be done by a registered surveyor and there's only one of those people in this Department. If he's on leave or sick and can't come around nothing is going to get done until we get someone on board. So it's kind of a critical position within the Land Management.

Acting Chairman David Matanane – Are you thinking of getting anybody in the office where they monitor the receivables?

Director Michael Borja – Okay let me go into the OPA report.

3. Audit Report

Director Michael Borja – In the Public Auditor's report the issues that they brought to our attention and some of them are kind of related. It starts off with approximately 13 million dollars in loan guaranties that the Chamorro Land Trust has done over the course of the years. When we looked at this much closer of that 13 million, 10 million were for SBA loans done after a disaster, disaster loans. Most of these loans especially those SBA ones they're all 12 years or older so technically if the borrowers have been paying their loans we're not guarantying 13 million anymore we're guarantying much, much less. I went to talk to SBA to find out what's going on with those loans if they have any information on it. Unfortunately what we had found is that SBA sold probably almost all the loans and that those loans the ones that got sold had been subsequently sold multiple other times. What we don't have at all and what my folks are working on right now is they're going through every record to find every person on this loan and we're going to call them in, they're going to give us a copy of their latest statement so we know number one how much is owed if they're delinquent and who is the current lender. Then we're going to advise the current lender as well that they have an obligation to inform us whenever they go 60days delinquent so that we can begin our processing on this end because what we're seeing is if somebody goes delinquent we're not hearing from them until they're ready to foreclose. In one case that we had to deal with recently and Kristan had to go court on Monday to sort out was that this one family while technically they're pretty much current to date when the loan had gone to Bank C and there was a delinquency they went out and decided to make a claim. I don't know when that claim was originally made but it's already now going to Bank

E. So now this lawyer for Bank C is trying to collect on a delinquency that had since been paid off to Bank D and E. So it's really kind of crazy there's a lot of (interrupted).

Acting Chairman David Matanane – They keep passing it.

Director Michael Borja – Yeah it keeps getting passed. What we're also working to do is that individual that they say hey someone is not monitoring we've already identified a person in fact he's the individual who did a lot of the collating and direct coordination with the auditor. He's going to be moved down into Chamorro Land Trust to begin the process of monitoring all the leases and monitoring of these loans. Some of things we're also working for on these loan guaranties is that if we have another disaster which we probably will at some point I do not want the Government today or in the future to be put in a position where the Federal authorities with the money to provide assistance for a disaster are saying Government of Guam (interrupted).

Acting Chairman David Matanane – That's why I recommend for you to get somebody to monitor those things so that you would know ahead of time too. And also how's the process with guarantying those loans? Who approves them? I want to know.

Director Michael Borja – The approval of those loans is signed by the Administrative Director and then it is not valid until it's concurred by the Attorney General. But what happened was they weren't being concurred by the Attorney General so now moving forward anything that we sign in not valid until it's approved by the Attorney General.

Acting Chairman David Matanane – And that's where our policies and procedures comes into play.

Director Michael Borja – Exactly we're creating a whole new set of policies because I want to make sure like I said that nobody can deny the Government of Guam; they say CLTC doesn't have the management to deal with loan guaranties so we're not giving any loans to CLTC disaster (inaudible). So we're working on that so that's the other part and then when we get these other two land agents as well that can help assist us with the enforcement and compliance that this mentioned. And as you know I think you were there with the auditor Dave this is the 2011 and 2012 audit. The 2013 audit is already underway. So as you know after every audit they say well what have you accomplished since the last audit two weeks ago? And if I don't have an accomplishment it's going to be well repeat you didn't accomplish anything. But that's not really why I'm doing this is because what I found is this 13 million dollars is an extremely serious problem and so we're moving in to try and sort out to get on top of this as quickly as we can.

Acting Chairman David Matanane - That's all the reason why I asked you about the $875,000 hoping to see it in the 2012 but it stop at September 30 so it didn't get booked.

Director Michael Borja – Right and then the other thing that has to do with this whole loan guaranty program is that we have to have; we currently have $500,000 in a reserve fund in the Chamorro Land Trust. That $500,000 is there to provide to have money available in the

event we have to withdraw to pay if we have to make any payments for foreclosure or to pay for delinquencies. And then any money we use from that we have to then get it replenished immediately while we're in the process of still trying to collect for that money. But that amount of $500,000 if we're looking to go do 4,000 more new leases and the only way a person can get a loan for their house is through a loan guaranty from Chamorro Land Trust that's not an adequate amount so we're looking again to maybe even the property taxes moving forward are supposed to go to that fund to keep it growing. But on top of that what we're also looking at is that we want to create a table, we're going to be meeting with the HUD people soon to kind of get some ideas from them and to base our tables on actual requirements. But it will be something like this if you're a family of three the minimum requirement for you to have the minimum standard you need to have is so many x square feet of a house and so many x square feet times a certain amount to build or to repair this house this is the minimum amount you need to build this facility and therefore that's all we'll guaranty. So if you come in and you're a family of three and you're trying to get a loan guaranty to build a house that's fit for a king then that's fine if you got the money but we can't guaranty that we can only guaranty a certain amount and that's again so we can allow as many people the opportunity to get some kind of a loan guaranty but we can't be obligated to do the full amount if it's well beyond. Because if you look in this listing of these SBA disaster loans some of them were atrocious they're like $110,000. What did they build with that? What happened to their house? That's a whole house.

Acting Chairman David Matanane - If you divide the number of people that were guarantied into that dollar amount you know for each.

Director Michael Borja – Well 13 million is 151 people.

Acting Chairman David Matanane – And you divide that.

Director Michael Borja – Yeah so it's a lot it comes out to around $60,000 or $70,000 but like I said again that amount that the auditor used was based on what the guaranty amount was not on what the current balance is. So our job now is to determine the current balance and to maintain an understanding of that current balance. Again even to the borrower we're going to say we're guarantying your loan we're like a co-signer you tell me what we're going to do. But in the process what we're also going to definitely have in place is an action plan when we have to foreclose and find the individual that's next on the list that's qualified work with Guam Housing Corporation so they can help pre-approve someone for a certain amount. And if they go in to take over a $100,000 appraised value home and all that's left in the balance of the lien let's say $30,000 well if I had to pay anything we're going to add that too. We may end up doing the loan has to be for the appraised value or they're going to get it for appraised value because we're not going to be left holding the bucket. But any cost will be incurred by the new borrower but they're probably going to get a better deal than what they could have gotten (interrupted).

Acting Chairman David Matanane – You're going to have somebody else replace that.

Director Michael Borja – Lastly there's one other thing if you remember on Monday we're also going to have another lease signing again at 2 o'clock on Monday at the Governor's Office again. Sometime next week as well we're going to go and be doing the ground breaking for the Sagan Linahyan model homes. Remember how we approved the ten lots well unfortunately we've got four solid and a fifth one we're waiting for their review of the user agreement. It's a user agreement for them to be able to use the lot to build their model home the model home has to be a model home for one year at which time it can be sold and only sold to a qualified applicant who has already been awarded a piece of property or who is next in line to receive one. But that means that's only for purchasing that house on that lot but nothing is to stop anyone on the island who wants to review the model homes from seeing these model homes and then getting something built on their own lots or on their own Chamorro Land Trust lot. But we'll give you a heads up on that.

Commissioner Pascual Sablan – That's my biggest worry you know last Thursday when we were down at the Governor's Office Martin Benavente was there and of course trying to sell this program the housing and all those things what would happen if a Chamorro Land Trust recipient would say I want that kind of house and it's stainless steel and it's a substandard you know?

Director Michael Borja – No, no, no these houses have all been prequalified. They've been checked to make sure that they're typhoon proof, they're insurable by the insurance companies for typhoon insurance. They've already gone through a pretty strict process through Guam Housing as the (interrupted).

Acting Chairman David Matanane - Even if our client wants that it's the availability to pay where it's not just because they wanted a bigger house no it's your ability to pay. They have to take their financials and if you're only earning $20,000 and you're going to go with a $100,000 to $200,000 you cannot afford to you know we cannot give that.

Commissioner Pascual Sablan – Do we have language in the law that for example let's say a recipient of the Chamorro Land Trust got a loan then we guaranty the loan then they default the loan do we have the language where the Chamorro Land Trust can take the property?

Director Michael Borja – Oh yes it's all in the loan guaranty.

Acting Chairman David Matanane - And also we can pick up to the next one in line to take over that.

Director Michael Borja – It's all in the loan guaranty that states that we have the ability but the problem I'm having right now is that the banks whoever is the current lender is not notifying us if anybody goes delinquent. We haven't run into too many of those.

Commissioner Pascual Sablan – I know one individual where they built a house through SBA and that is over 30 years ago and they haven't paid any real estate taxes.

Acting Chairman David Matanane – Oh that is forth coming.

Director Michael Borja – Well it's forth coming. A lot of it is because the land was never valued and there's no valuation done but let me tell you we've been going through some pretty hefty hurdles here lately and we're still doing it. A lot of it has already been done on most of the private places but the Chamorro Land Trust properties our agents and our surveyors have been out there assessing. Looking at what has been built and who is on these properties that we have no record of and trying to get as much information of what's going on because the Rev and Tax is formulating the new assess values.

Commissioner Pascual Sablan – Let me explain this particular individual I think after Typhoon Pamela he applied for some kind of I'm going to call this a disaster relief grant now they went to SBA and SBA told them to why don't you go to someone in authority that says that land is for you and we'll give you a loan to build a house. So this individual went to the Governor and the Governor signed documents to back up. All along this house the land has been surveyed I'm talking about Chamorro Land Trust except them that they're the first ones to build a house there and they haven't surveyed the land and they haven't paid a penny on real estate taxes.

Acting Chairman David Matanane – Let's (inaudible) and we can discuss it. Anything else on that if not then we'll adjourn the meeting at 2:40pm.

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

IX. <u>ADJOURNMENT</u>
Meeting adjourned at 2:40pm.

Transcribed by: Teresa Topasna: Teresa Topasna

Approved by Board motion in meeting of: Sept. 18, 2014

Michael J.B. Borja, Director: _____ Date: 9/19/14

David Matanane, Acting Chairman: _____ Date: 9/18/14