



**PORT OF GUAM**

*ATURIDAT I PUETTON GUAHAN*

**Jose D. Leon Guerrero Commercial Port**

1026 Cabras Highway, Suite 201, Piti, Guam 96925

Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445

Website: [www.portguam.com](http://www.portguam.com)



Eddie Baza Calvo  
Governor of Guam

Ray Tenorio  
Lieutenant Governor

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

Jose D. Leon Guerrero Commercial Port

Tuesday, July 10, 2018

11:45 a.m.

**A G E N D A**

I. CALL TO ORDER

II. NEW BUSINESS

1. Port Authority of Guam Bond Financing Program Relates

III. ADJOURNMENT



**PORT OF GUAM**

ATURIDATI P UETTON GUAHAN

**Jose D. Leon Guerrero Commercial Port**

1026 Cabras Highway, Suite 201, Piti, Guam 96925

Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445

Website: [www.portguam.com](http://www.portguam.com)



Eddie Baza Calvo  
Governor of Guam

Ray Tenorio  
Lieutenant Governor

July 9, 2018

**MEMORANDUM**

TO: Board of Directors

FROM: General Manager

SUBJECT: Port Authority of Guam Bond Financing Program Relates

---

As you are aware, and in accordance with Public Law 34-70 relative to authorizing the Port Authority of Guam (PAG) to issue revenue bonds, the PAG Management team has for the past few months been engaged in a series of meetings with numerous parties. Parties include: WSP (Port Owners/Agent), and GEDA representatives as well as, but not limited to, Bond representatives of Orrick, Citigroup, RBC, and Kutak Rock. In the most recent meeting sessions held in June 2018 was for the purpose of bond presentation to potential investors, market update and bond pricing. The issuance of bonds will address capital improvement projects of the Port Authority and refinancing of port outstanding loans.

**Port Bond Issuance for Related Activities:**

1. Capital Improvement Projects
  - EQMR Building
  - H-Wharf Revitalization Project
  - New Administration Building Project
  - Golf Pier Project
  - Warehouse #1 Project
  - Waterline Replacement and Relocation
  
2. Refinancing of Port Outstanding Loans
  - \$12M ANZ Loan
  - \$10M Bank of Guam Loan (SLE Loan)
  - \$2M USDA Loan

Through various meetings of PAG, GEDA and Bond representatives, the Port Bond Financing Program is at its final stages. In order to effectuate the closing documents for the bond issuance, the following Board action is necessary.

**Port Board Action/Recommendation:**

**1. \$3.5M ANZ Equipment Loan – Balance Payoff**

Public Law 34-70 provides that for any refinancing, savings must be two percent (2%) or greater. The \$3.5M ANZ Loan is below the threshold of 2% and is unable to be refinanced through the bond. Request is therefore being made for the Board to authorize management to pay off the balance using Port funds which has been budgeted in the Port FY2018 approved budget.

Board Action: Motion to authorize management to pay off the balance of the \$3.5 ANZ Equipment Loan estimated at \$2,111,214.48 as of July 2018.

**2. Cost of Issuance**

Public Law 34-70 provides that for any costs or expenses relating to the authorization, issuance or sale of bonds shall be in an amount not to exceed two percent (2%) of issuance. The Cost of Issuance in bond service is outlined as follows:

<b>Description</b>	<b>Amount</b>
Cost of Issuance	\$1,995,616.25
Less 2% Par Limit	\$1,428,900.00
<b>PAG Share</b>	<b>\$566,716.25</b>

Board Action: Motion to authorize management to pay the PAG Share of \$566,716.25 for the Cost of Issuance from the following Port funding source:

<b>Port Funding Source</b>	<b>Amount</b>
SLE Loan Reserve Funds	\$444,077.21
Budgeted Debt Service	\$122,639.04
<b>Total:</b>	<b>\$566,716.25</b>

I am available should you have any questions.

  
ALFRED F. DUENAS  
*Acting*