

BOARD OF DIRECTORS

Oscar A. Calvo, Vice Chairman

Melanie R. Mendiola, Board Secretary

Maria D.R. Taitano, Member



Resolution No. 2017-01

RELATIVE TO THE ADOPTION OF THE UPDATED APPRAISAL AND CONSULTING REPORT REGARDING MARKET RENTAL ANALYSIS FOR THE PORT AUTHORITY OF GUAMS OFFICE, WAREHOUSE, OPEN YARD AND TELECOMMUNICATIONS SPACES

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, Public Law 30-52 placed the Jose D. Leon Guerrero Commercial Port under the oversight of the Public Utilities Commission (PUC) for establishment or modifications of rates and other charges; and

WHEREAS, Public Law 30-19 empowers the Port Authority of Guam (PAG) Board of Directors with the authority to set lease rates; and

WHEREAS, on December 16, 2016, Captain & Associates ("C&A"), PAG consultant, provided an updated appraisal and consulting report on PAG's current fee structure to determine possible rate increases and/or decreases for use of office, warehouse, open yard and telecommunications space; and

WHEREAS, the appraisal and consulting report of PAG properties as prepared by C&A, found that the "existing rents are above market except for telecommunications which approximates market rent"; and

WHEREAS, PAG's existing rate schedule per square foot for the letting of port properties include office space at \$1.79, warehouse space at \$0.84 and open space at \$0.51; and

WHEREAS, the current market rates per square foot as determined by C&A conclude that office space rate at \$1.48, warehouse space at \$0.74 and open space at \$0.25 - \$0.37; and

WHEREAS, based on the analysis, C&A advises that the current rates should remain unchanged or be lowered to market levels. However, Public Law 30-19 Section 4 relative to Setting Facility Lease and Use Rate, requires the Port Authority Board of Directors to set lease rates at a ten percent (10%) increase over the previously charged rate; and

WHEREAS, the Port Authority Board of Directors hereby adopts the findings contained in the Updates Appraisal and Consulting Report Regarding Market Rental Analysis and shall defer to the PUC on the matter of the application of the mandated 10% escalation; now therefore be it

RESOLVED, the Port Authority Board of Directors hereby authorizes management to proceed with the proper filing of the necessary petition to the PUC as it relates to the letting of port properties at \$1.79 per square foot for office space, warehouse space at \$0.84 per square foot and open space at \$0.51 per square foot; and be it further

RESOLVED, the Chairman certifies and the Secretary attest to, the adoption hereof and that a copy of this resolution be sent to the Public Utilities Commission.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 13th DAY OF FEBRUARY, 2017.

**OSCAR A. CALVO
VICE CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**



**MELANIE R. MENDIOLA
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**