

**BOARD OF DIRECTORS**

*Francisco G. Santos, Chairman  
Nathan T. Taimanglo, Vice Chairman  
Isa Marie C. Koki, Board Secretary*



**Resolution No. 2020-16**

**RELATIVE TO APPROVING THE DETERMINATION OF NEED FOR AN EXCEPTIONAL TERM CONTRACT FOR AREA A TANK FARM**

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

**WHEREAS**, in the 2013 Master Plan Update, the liquid bulk cargo is slated to increase from 6.96 million barrels in 2013 to 8.42 million barrels in 2033; and

**WHEREAS**, the petroleum companies are reviewing the island's current storage capacity to accommodate the increase and prefer to have the storage tanks near the Port of Guam's fuel piers (Golf Pier and F-1) to allow quicker transport of transshipped fuel onto their vessels; and

**WHEREAS**, Area A Fuel Storage Tank Facility is located on the north side of Cabras Highway, between Golf Pier and the Port Administration Building on Cabras Island and is approximately 16,000 plus square meters and is currently designated as a fueling facility and cement loading area in the master plan; and

**WHEREAS**, on the area there are five (5) fuel storage tanks with an estimated total capacity of 214,973 barrels, which three (3) of the tanks and a loading rack are not in use due to deteriorating resulting from lack of maintenance and capital improvements; and

**WHEREAS**, the facility has a paved yard, pipelines, security fence, fire suppression and fuel spill containment systems, power and water, however there is no sewer; and

**WHEREAS**, the improvements to the facility is estimated at \$22 million if the lessor is to rehabilitate the tanks and loading rack; now therefore be it

**RESOLVED**, the Board of Directors, unanimously, hereby affirm and approve the Determination of Need for an Exceptional Term Contract, pursuant to Public Law 34-99 for which purpose is to solicit industry and market interest(s) in the Area A Fuel Storage Tank Facility for the following reasons:

1. The greater financial benefit from renovation or redevelopment that contemplates major capital improvements to the property would allow for business expansion, modernization of facilities, aesthetic enhancement; or that will sustain or increase the existing revenue stream to the Port Authority of Guam by such expansion or renovation of the existing facility; and
2. The length of a new or exceptional term contract term should be based on the reasonable life expectancy of such improvement. Any exceptional term contract will be based on the magnitude of capital improvement to be made by the Lessor and the economic life expectancy of the development; and
3. The Port Authority of Guam wishes to consider other relevant information in determining if a longer lease term is warranted, such as, if the investment is expected to generate above average returns to the Port and/or will reposition the property to a higher standard of quality and use; and be it further

**RESOLVED**, the Port Authority of Guam Board of Directors authorize management to issue a Request for Information to generate interest to lease Area A Fuel Storage Tank Facility; and be it further

**RESOLVED**, that the Chairman certify to, and the Secretary attest to, the adoption hereof.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 29<sup>th</sup> DAY OF OCTOBER, 2020.**

**FRANCISCO G. SANTOS  
CHAIRMAN, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**

**ISA MARIE C. KOKI  
SECRETARY, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**

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