

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary



Resolution No. 2025-04

RELATIVE TO MEMORIALIZING THE GENERAL MANAGER'S EXECUTION OF A LEASE AGREEMENT BETWEEN THE PORT AUTHORITY OF GUAM AND BLACK CONSTRUCTION CORPORATION TO SUPPORT THE GLASS BREAKWATER REPAIR PROJECT, A CRITICAL INFRASTRUCTURE PROJECT TO ENSURE OPERATIONAL CONTINUITY FOR THE JOSE D. LEON GUERRERO COMMERCIAL PORT AND NAVAL BASE GUAM.

BE IT RESOLVED BY BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, the duties of the Board of Directors of the Port Authority of Guam, as described in 12 GCA § 10104(f), include that the Board of Directors shall control, manage, and have jurisdiction over all government of Guam lands within the boundaries of Cabras Island and Drydock Island, except for any United States or Territorial Parks System land therein; and

WHEREAS, the Board of Directors of the Port Authority of Guam has historically tasked the General Manager to determine the best and highest use for parcels of Port real property that may or may not be essential to Port functions, and to enter into, manage, and maintain lease agreements with any person, firm, association, or corporation for various real properties as would serve the best interests of the Port Authority of Guam; and

WHEREAS, Glass Breakwater bounds the northern side of Apra Harbor and serves as vital protection against tides, currents, and storm surge into Apra Harbor; however, the breakwater suffered major damage from Typhoon Mawar, subjecting it to imminent breaching, and the failure of Glass Breakwater would catastrophically affect the ability of ships to enter and exit both the Jose D. Leon Guerrero Commercial Port and Naval Base Guam; and

WHEREAS, Naval Facilities Engineering Systems Command (NAVFAC), Marianas awarded a \$330.6 million contract to joint venture Tutor Perini Corporation-Nan, Incorporated (TPC-Nan) to repair the three most critically failed portions of Glass Breakwater, and TPC-Nan contracted with Black Construction Corporation to manage the execution of the construction work which will provide critical infrastructure resilience essential to the Port's ability to function; and

WHEREAS, Black Construction Corporation requires for its construction repair work the use and occupation of certain Port real properties, specifically the Old Hawaiian Rock parcel (Lot 265-R2 & Lot 254-2) and the entirety of Hotel Wharf (Lot Parcel 3-REM) and wishes to enter a lease agreement for said parcels for a period of four (4) years with an option to lease for one (1) additional year to complete the repair project as scheduled; and

WHEREAS, as lessee, Black Construction Corporation will construct multiple warehouse and office building structures (complete with water and electrical power service) at the Old Hawaiian Rock parcel to support its operations, which will naturally cede to the Port Authority's ownership at the conclusion of the lease agreement, and Black Construction Corporation will also pave the road to Family Beach in order to transport its concrete armor units to the breakwater; and

RESOLVED, that the Board of Directors of the Port Authority of Guam hereby acknowledges and memorializes that the General Manager of the Port Authority of Guam will imminently execute a formal, written lease agreement with Black Construction Corporation for its use and occupation of the Old Hawaiian Rock parcel and the entirety of Hotel Wharf for four (4) years, with an option to renew for one (1) additional year, at the currently established and approved open yard space rental rate (pursuant to Public Law 30-19) of fifty-six cents (\$0.56) per square foot, for the purpose of performing indispensable construction repair work upon Glass Breakwater; and be it further

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

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 23rd DAY OF JANUARY, 2025.

DOROTHY P. HARRIS
CHAIRPERSON, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

FE R. VALENCIA-OVALLES
BOARD SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

