

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary



Resolution No. 2025-17

RELATIVE TO STATING THE BOARD'S SUPPORT OF BILL NO. 109-38, "AN ACT TO AUTHORIZE THE PORT AUTHORITY OF GUAM TO GRANT A DOLLAR-FOR-DOLLAR OFFSET AGAINST LEASE PAYMENTS FOR TENANTS WHO INVEST IN TANGIBLE, DOCUMENTED IMPROVEMENTS TO PORT PROPERTY THAT PROVIDE HIGH VALUE TO THE COMMUNITY OR ENHANCE PORT OPERATIONS; AND TO ESTABLISH A STREAMLINED PROCESS FOR IMPLEMENTATION".

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

WHEREAS, the Port Authority of Guam (Port), established under Title 12, Chapter 10 of the Guam Code Annotated, is a public corporation and autonomous instrumentality of the Government of Guam tasked with managing Guam's only commercial seaport, and is governed by a Board of Directors with oversight and fiduciary responsibility for its operations; and

WHEREAS, Bill No. 109-38 (COR), introduced by Senators Jesse A. Lujan, Christopher M. Duenas, and V. Anthony Ada, would authorize the Port to grant a dollar-for-dollar offset against lease payments for tenants who invest in tangible, documented improvements to Port property, provided that those improvements offer measurable benefit to the community or enhance Port operations; and

WHEREAS, the Board recognizes that such an offset program would support public-private partnerships, promote tenant-led capital investment, and help modernize critical infrastructure on Port-controlled land without overreliance on government funds; and

WHEREAS, this program does not alter the Port's PUC-approved lease rates or tariff structure, but rather provides a post-rate offset mechanism that operates within existing financial and regulatory frameworks; and

WHEREAS, the Port's lease rates are established in accordance with 12 GCA § 12102.2 and subject to approval by the Guam Public Utilities Commission, ensuring that lease terms reflect fair market value, support the Port's financial obligations, and protect the public interest; and

WHEREAS, the proposed legislation includes safeguards requiring documentation, accountability, and the development of streamlined procedures to ensure consistent, fair, and transparent implementation; and

WHEREAS, the Board sees this measure as a tool that supports the implementation of the Port's Master Plan and Capital Improvement Program by leveraging private investment to advance shared infrastructure priorities; and

WHEREAS, potential examples of qualifying improvements under this program include tenant-funded pavement of cargo laydown areas, installation of energy-efficient lighting, security enhancements, and upgrades to the Port's recreational facilities—such as the road paving from the area fronting the 76 gas station to beyond Family Beach, which improves safe access and supports continued public use of Port lands; and

WHEREAS, any lease offset applied under this program would still be recognized as revenue in the Port's financial statements, while the tenant-funded improvements would be captured as capitalized costs, ensuring compliance with accounting standards, preserving the integrity of the Port's revenue and asset reporting, and supporting the Port's ability to meet its bond covenant requirements; and

WHEREAS, the Board recommends that the provisions of Bill No. 109-38, if enacted, be codified within Title 12, Chapter 10 of the Guam Code Annotated to ensure clarity, consistency, and proper alignment with the Port's existing statutory framework; now therefore, be it



RESOLVED, that the Board of Directors of the Port Authority of Guam hereby expresses its strong support for Bill No. 109-38 and urges its favorable consideration and passage by the 38th Guam Legislature; and be it further

RESOLVED, that the General Manager communicate the Board’s position and to provide technical input or testimony as necessary to support the successful implementation of the measure, should it become law; and be it further

RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof, and that copies of this Resolution shall be transmitted to the sponsors of Bill No. 109-38, to all senators of the 38th Guam Legislature, to the Honorable Lourdes A. Leon Guerrero, Governor of Guam, and the Honorable Joshua F. Tenorio, Lieutenant Governor of Guam.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 30th DAY OF APRIL, 2025.**

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

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

