

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary

Mark B.C. Mendiola, Board Member



Resolution No. 2025-39

RELATIVE TO MEMORIALIZING THE GENERAL MANAGER'S EXECUTION OF TWO LEASE AGREEMENTS BETWEEN THE PORT AUTHORITY OF GUAM AND IP&E HOLDINGS, LLC, IN ORDER TO CONTINUE IP&E'S LEASE AT F-3 FOR FUEL STORAGE AND REFUELING FACILITIES, AND TO LEASE CERTAIN SUBTERRANEAN AND SURFACE PORTIONS OF F-4 FOR FUEL PIPELINE AND FUEL BUNKERING PITS FOR THE FUELING OF BERTHING MARINE VESSELS.

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, IP&E Holdings, LLC dba IP&E Guam has, since 2010, leased a total area of 13,925 square feet at the F-3 pier for the purpose of operating fuel storage and refueling facilities, while having installed and/or operated substantial improvements, structures, and equipment, including two fuel storage tanks; several gauges, valves, pumps, and motor controllers; cathodic protection systems; covered storage area; electrical control room; bunkering pits; and pipelines; and

WHEREAS, IP&E seeks to continue to lease the same area at F-3, while also planning to install significant improvements and implement upgrades, including an automated tank gauging system, a portable truck loading system and pipeline modification (for typhoon readiness), fire arresters, lighting upgrades, a security system, a fire suppression system, fire hydrant(s), and pipeline replacement, all of which should result in improved safety, prolonged use of existing assets, enhanced operational capabilities, and industry standard upgrades. IP&E hopes to continue to lease the area at F-3 to provide necessary petroleum fuel provisioning services to Guam's community; and

WHEREAS, Guam currently lacks infrastructure necessary to efficiently and effectively fuel visiting marine vessels at the Port, and IP&E hopes to lease certain subterranean and surface areas at F-4 to develop such fueling infrastructure in the form of bunkering pits and subsurface pipelines that would be supported by its existing infrastructure located at F-3; and

WHEREAS, as lessee, IP&E could only invest in substantial fueling and fuel storage improvements and upgrades at F-3, and install pipelines and bunkering pits at F-4 to fuel vessels visiting the Port, if it were able to lease those areas from the Port over an extended duration, namely fifteen (15) years for both areas. IP&E hopes to develop for Guam the advantage of attracting marine vessels with this new capability for efficient and effective fueling and refueling from the F-4 wharf, which could only be made possible with a fifteen-year lease agreement; and

WHEREAS, on April 12, 2025, *I Maga'hågan Guåhan* Lourdes A. Leon Guerrero signed into law Public Law 38-1, which grants public agencies, such as the Port Authority of Guam, the ability to enter into commercial leases of public real property for terms of up to fifteen (15) years without first obtaining legislative approval; now, therefore, be it

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 two formal, written lease agreements with IP&E Holdings, LLC for its use and occupation of certain portions of F-3 and F-4, each for up to fifteen (15) years, at the currently established and approved open space rental rate (pursuant to Public Law 30-19) of sixty-two cents (\$0.62) per square foot, for the purpose of installing and operating fuel storage and refueling facilities, and bunkering pits and pipelines, respectively; 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 21st DAY OF NOVEMBER, 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

