



THOMPSON THOMPSON
& ALCANTARA, P.C.

JAN 08 2018

TIME: 10:45am
REC'D BY: [Signature]

Marina User Fees

Submitted to:
Guam Public Utilities Commission
P.O. Box 862
Hagatna, Guam 96932

Submitted by:
Port Authority of Guam
1026 Cabras Highway Suite 201
Piti, Guam 96925

January 2018

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Tab 1



PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96925
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com



Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

January 5, 2018

Dr. Jeff Johnson, Chairperson
Public Utilities Commission
Suite 207, GCIC Building
414 West Soledad Avenue
Hagåtña, Guam 96910

Subject: Rate Change Petition; Marina Fees

Hafa Adai! Mr. Chairman:

The Port Authority of Guam ('Port') is pleased to file a petition on the matter of our intent to modify the facility user fees for the Gregorio D. Perez Marina, the Agat Small Boat Marina and the Harbor of Refuge for the Public Utilities Commission's ('PUC') review and consideration.

The Port has not made it a practice to revisit the marina fees in timely intervals due to the dilapidated condition of the slips at the marinas. The timing of this request comes now after so much improvement has been made at the facilities.

On October 31, 2016, Captain & Associates, a Port consultant, provided an updated appraisal and consulting report detailing certain recommendations for marina related matters ranging from maintenance and repair, operations as well as revisiting the current marina user fee schedule using common appraisal industry methods to include the use of comparable marina operations from other relevant jurisdictions.

On February 13, 2017, the Port Board of Directors unanimously moved to adopt the findings contained in the report to revisit and update the fee schedules for recreational, commercial and transient vessels mooring activities at the small boat harbors under the jurisdiction of the Port. With this approval also came the authorization for management to proceed with the process incidental to the appropriate filing with the PUC.

As it was the Port's desire not to implement the new fee schedule during the current lease year, we opted to file this rate change petition with cause for new schedule implementation for the upcoming calendar lease year.

Pursuant to 12 G.C.A. Section 12001.2(f), the Port published the Notice to the General Public of our intent to revisit the fee schedule by way of this filing to the PUC on November 6, 2017. Incidentally, although not required, and to further bridge any potential

Letter to Chairman Jeff Johnson
Subject: Rate Change Petition; Marina Fees
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disconnect that may exist between the Port and our valued tenants, we further intend to conduct outreach proceedings during the second week of January. We do acknowledge that these proceedings will be separate and apart from the mandated public hearings expected to be facilitated by the PUC.

The following information is enclosed to support your review of our request. It is further asked that you use these documents as the basis for compliance with filing requirements:

1. Consulting Report Update Regarding Recommendations Including Marina Fees dated October 2016;
2. Port Authority of Guam Board of Directors Resolution No. 2017-02;
3. Port letter to Marina tenants dated September 26, 2017; and
4. Copy of Notice to the General Public dated November 6, 2017

If you would like to discuss this matter further, or should you require additional information, please contact this office at 477-5931, extension 301. Thank you.

Sincerely,


@ JOANNE M.S. BROWN
General Manager

CC: Deputy General Manager, *Admin. & Finance*

BOARD OF DIRECTORS
Oscar A. Calvo, Vice Chairman
Melanie R. Mendiola, Board Secretary
Maria D.R. Taltano, Member



Resolution No. 2017-02

**RELATIVE TO THE ADOPTION OF THE CONSULTING REPORT UPDATE REGARDING
RECOMMENDATIONS INCLUDING MARINA USER FEES FOR THE GREGORIO D. PEREZ MARINA
AND THE AGAT SMALL BOAT MARINA**

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, the Port Authority of Guam (PAG) Board of Directors has control and jurisdiction over all areas designated as small boat basins or recreational boating facilities; and

WHEREAS, on October 31, 2016, Captain & Associates ("C&A"), PAG consultant, provided an updated appraisal and consulting report on PAG's current marina user fee schedule; and

WHEREAS, the appraisal and consulting report concluded that the mooring fees for vessels based on Guam, transient vessels as well as live aboard vessels should be revised; and

WHEREAS, the Port Authority Board of Directors hereby adopts the findings contained in the aforementioned Consulting Report Update relative same dated October 31, 2016; 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 timely implementation of the revised fee structures for vessel mooring activity at the impacted facilities; 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



Tab 2

**Consulting Report Update
Regarding
Recommendations Including Marina Fees
Gregorio D. Perez Marina and Agat Marina
For
Port Authority of Guam
Piti, Guam**

October 2016

CAPTAIN & ASSOCIATES

REAL ESTATE APPRAISAL & CONSULTING

October 31, 2016

Ms. Joanne Brown
General Manager
Port Authority of Guam
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201
Piti, Guam 96915

Dear Ms. Brown:

Subject **Update Report Regarding Marina Fees and Recommendations for
the Gregorio D. Perez Agana and Agat Marinas, Island of Guam**

In response to your request, we completed the following marina-related Update Report. In May 2011, our predecessor firm completed an Analysis of Alternate Management Regimes for the Gregorio D. Perez and Agat Marinas, Island of Guam. In October 2012, Captain & Associates completed an update regarding PUC Order Docket 11-01 regarding marina repair strategy. This Update Report involves a scope limited to recommendations with emphasis on marina fees, excluding considerations of subsidies. Select excerpts from our prior reports were updated and included herein.

Under Government of Guam ownership, the Port Authority of Guam ("PAG") controls the Gregorio D. Perez ("GDP") and Agat Marinas. PAG's core business is to oversee the Guam Commercial Port, which provides the people of Guam with ocean commerce, shipping, recreational and commercial boating as well as sea vessel navigation. PAG provides a critical role with a reported 90 percent of the day-to-day goods and supplies consumed by Guam residents passing through the Port. Control of Guam's marinas was transferred to PAG in 1984, partially because of its expertise in managing harbors, ship docking and implementing harbor safety.

Guam's marinas provide a gateway to the island's vast oceanic resources. The marinas support Guam's boater population, which reportedly includes approximately 300 offshore subsistence, recreational and commercial fisherman and boaters. The marinas remain critical to Guam's visitor industry, with estimates of more than 250,000 visitors annually using the marinas for para-sailing, dolphin watching, fishing charters and other activities. For many years prior to 2012, Guam's marinas suffered from neglect and both marinas were in overall poor to fair condition. Most recently, significant marina-related improvements were completed and various major repair work projects remain on-going or are proposed.

Overall, based on our research and analyses, we conclude that mooring fees for recreational vessels based on Guam should be revised as follows.

| <u>Slip Length</u> | <u>Old Rate (\$/ft/mo)</u> | <u>Recommended New Rate (\$/ft/mo)</u> | <u>Recommended Rate Change (\$/ft/mo)</u> |
|-----------------------------------|----------------------------|--|---|
| <u>Agat Recreational Use</u> | | | |
| 25' | \$5.50 | \$5.00 | (\$0.50) |
| 40' | \$5.50 | \$5.50 | \$0.00 |
| 60' | \$5.50 | \$6.00 | +\$0.50 |
| <u>GDP Agana Recreational Use</u> | | | |
| 20' | \$2.00 | \$5.50 | +\$3.50 |
| 30' | \$2.00 | \$6.00 | +\$4.00 |
| 40' | \$2.00 | \$6.50 | +\$4.50 |
| Outer Basin | \$1.50 | \$3.00 | +\$1.50 |
| <u>Agat Commercial Use</u> | | | |
| 25' | \$8.50 | \$8.00 | (\$0.50) |
| 40' | \$8.50 | \$8.50 | \$0.00 |
| 60' | \$8.50 | \$9.00 | +\$0.50 |
| <u>GDP Agana Commercial Use</u> | | | |
| 20' | \$3.50 | \$8.50 | +\$5.00 |
| 30' | \$3.50 | \$9.00 | +\$5.50 |
| 40' | \$3.50 | \$9.50 | +\$6.00 |
| Outer Basin | \$2.50 | \$4.25 | +\$1.75 |

We further recommend that live aboard fees be revised as follows.

| <u>Slip Length</u> | <u>Current Live Aboard Rates (\$/mo)</u> | <u>New Recommended Rate Live Aboard (\$ per month)</u> | | |
|--------------------|--|--|------------|--------------------|
| | | <u>Slip Fee</u> | <u>Fee</u> | <u>Total</u> |
| <u>Agat</u> | | | | |
| 25' | \$162.50 | \$125.00 | \$100.00 | \$225.00 |
| 40' | \$260.00 | \$220.00 | \$100.00 | \$320.00 |
| 60' | \$390.00 | \$360.00 | \$100.00 | \$460.00 |
| <u>Agana</u> | | | | |
| 20' | \$120.00 | \$110.00 | \$100.00 | \$210.00 |
| 30' | \$180.00 | \$180.00 | \$100.00 | \$280.00 |
| 40' | \$240.00 | \$260.00 | \$100.00 | \$360.00 |
| Outer Basin | \$5.00/ft/mo | Varies | \$100.00 | Slip fee +\$100.00 |

Ms. Joanne Brown
October 31, 2016
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Certification - The undersigned hereby certifies that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- we have provided prior consulting assistance to the client regarding the subject properties;
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined conclusion that favors the cause of the client, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this report;
- this report is subject to the Code of Professional Ethics of The Counselors of Real Estate;
- I made personal inspections of the subject properties;
- no one provided real property consulting assistance to the person signing this report.

Thank you for the opportunity to complete this marina consulting assignment for you. We sincerely appreciate the support we received from your Commercial Division in completing this study. We appreciate your patience in the delivery of this report, which was delayed due to various circumstances that were beyond our control.

Sincerely,

CAPTAIN & ASSOCIATES

**W. Nicholas Captain, CRE
President**

WNC/mp

1.0 INTRODUCTION

Under Government of Guam ownership, the Port Authority of Guam ("PAG") controls the Gregorio D. Perez ("GDP") and Agat Marinas. PAG's core business is to oversee the Guam Commercial Port, which provides the people of Guam with ocean commerce, shipping, recreational and commercial boating as well as sea vessel navigation. PAG provides a critical role with a reported 90 percent of the day-to-day goods and supplies consumed by Guam residents passing through the Port. Control of Guam's marinas was transferred to PAG in 1984, partially because of its expertise in managing harbors, ship docking and implementing harbor safety.

1.1 Assignment

Guam's marinas provide a gateway to the island's vast oceanic resources. The marinas support Guam's boater population, which reportedly includes over 300 offshore subsistence, recreational and commercial fisherman and boaters. The marinas are also critical to Guam's visitor industry, with estimates of more than 250,000 visitors annually using the marinas. For many years prior to 2012, Guam's marinas suffered from neglect and both marinas were in overall poor to fair condition. Most recently, many marina-related concerns were addressed and most of the required major repair work has been completed. PAG now requires updated recommendations including marina fees in light of the recent repairs.

The Port Authority of Guam recently retained Captain & Associates, Inc. to complete this analysis regarding updated recommendations including marina fees for Guam marinas. Our assignment was to prepare a Consulting Report Update including marina fee and other recommendations for Guam's marinas. Marina fees analyzed herein include recreational and commercial mooring fees along with live aboard and transient (casual) mooring fees. The function of this consulting report is to provide informed market based analyses and conclusions, in addition to relevant supporting data, upon which internal, marina management-related decisions may be based. The intended users of our report include the client, its authorized representatives and any auditors or regulators that may be involved with oversight. This report is subject to the Assumptions and Limiting Conditions contained in a following section. The effective date of this consulting assignment is October 31, 2016.

1.2 Background of Study

The lack of suitable and functional infrastructure, according to PAG, has long been identified as the major impediment to the successful growth and expansion of Guam's small scale commercial fishery and charter operations to enhance Guam's tourism plant and overall economic base, as well as the sustainability of traditional and cultural activities associated with the marine environment.

1.4 Executive Summary

1.4.1 Role and Operations of Marinas

Marinas provide a gateway connecting land and sea. Marinas typically involve a boat basin that provides dockage and other services to pleasure craft. A wide range of services and activities are provided at modern marina facilities. The services and activities provided are frequently determined by an individual marina's characteristics. The GDP and Agat marinas involve recreational marina facilities with substantial commercial uses.

Marinas are usually affected by the same macro and microeconomic forces that affect commercial real estate. The factors include population growth and aging patterns, disposable income and other factors. Marinas can be affected by legislation and changes in regulations. It is widely expected that demand for marina facilities on Guam will grow along with normalized economic growth. Guam is a unique market where there is no competitive supply.

Management of marinas is highly specialized and it is important that management has knowledge of basic business practices, understands the labor-intensive nature of the job, and liability issues. Quality management must be aware of boater's needs and provide improvements or services to meet these needs. Specialized knowledge is required for most labor assignments at marinas. Management must also emphasize safety, as docks and ships must be periodically inspected. Proactive damage containment is critical for marinas that may be impacted by severe wind and high waves. Management must monitor trash removal, cleanliness, mechanical equipment and safeguards for gasoline pumps, tanks and other facilities.

Marina fees have not been changed in many years. Approximately \$5.1 million has been spent on upgrades since 2011. The substantial commercial use of marinas by tourists reflects an opportunity to increase revenues.

1.4.2 PAG Marina Rules and Regulations

The PAG Marina Rules and Regulations were adopted in September 2007. The purpose is to:

- Ensure the safe and efficient control and management of vessels using Guam Marinas in order that the public may enjoy safe, orderly, and convenient water-related recreation activities consistent with all applicable laws.

The GDP marina, also commonly known as Agana Boat Basin or Hagåtña Marina, benefits from a prime location on the waterfront of Guam's capital city, Hagåtña. The GDP Marina improvements were originally built in the pre-World War II era. The existing improvements were mostly constructed by the US Army Corps of Engineers in 1977 at a cost of \$1.2 Million. The marina consists of two small lagoons formed by a series of breakwaters consisting of earth fill retained by steel sheet piles. The marina contains 8.23 acres of fast and submerged land and includes 62 mooring locations: 44 slips at the inner basin, 8 mooring locations at the inner wall and 10 mooring locations at the outer basin.

The Agat Marina is located along Route 2 and the oceanfront in Agat. The Agat Marina was built by the U.S. Army Corps of Engineers under the authority of Section 107 of the Rivers and Harbors Act of 1960. The project was completed and dedicated in March 1989, and construction of shore-side facilities by the Government of Guam was completed in September 1990. This marina is comprised of over two acres of shore side facilities and approximately nine acres in the basin. The original design included a total of 154 slips including accommodations for 9 sixty foot vessels, 30, forty five foot vessels, and 115 twenty five foot vessels or less. Dock "B" is currently damaged and proposed for removal and replacement.

1.4.4 Comparable Marina Operations

Hawaii and CNMI both involve island communities with cultural and historic subsistence fishing traditions, as well as significant economic reliance on tourism. These locations involve U.S. jurisdictions and were considered comparable to the subject Guam marinas. We further considered marina data from the west and east coasts of the United States, as well as selected marina data from New Zealand and Australia. In addition to these locations, we further completed marina research inclusive of aggregate market data compiled for the entire industry in the U.S.

1.4.5 Fee Analysis and Recommendations

Our assignment involves estimating mooring fees for the GDP and Agat Marinas for recreational and commercial users, as well as estimating live aboard and transient (casual) user mooring fees, we further provided updated marina recommendations which included maintenance and repair, financial, and management sectors. We further advise that PAG consider additional future fee increases or new funding sources as needed to reflect actual and separate financial accounting of marina operating expenses. Once accounting is revised to reflect actual marina operations, such a review process could be completed. The most obvious additional future fee is a \$ per passenger commercial fee, but other possible fees include commercial vehicle fees, terraced transient user fees and various others. Further details are included in our forthcoming Alternative Management Regime Update Study.

We further recommend that live aboard fees be revised as follows.

| Slip Length | Current Live Aboard Rates (\$/mo) | New Recommended Rate Live Aboard (\$ per month) | | |
|--------------|-----------------------------------|---|----------|--------------------|
| | | Slip Fee | Fee | Total |
| <u>Agat</u> | | | | |
| 25' | \$162.50 | \$125.00 | \$100.00 | \$225.00 |
| 40' | \$260.00 | \$220.00 | \$100.00 | \$320.00 |
| 60' | \$390.00 | \$360.00 | \$100.00 | \$460.00 |
| <u>Agana</u> | | | | |
| 20' | \$120.00 | \$110.00 | \$100.00 | \$210.00 |
| 30' | \$180.00 | \$180.00 | \$100.00 | \$280.00 |
| 40' | \$240.00 | \$260.00 | \$100.00 | \$360.00 |
| Outer Basin | \$5.00/ft/mo | Varies | \$100.00 | Slip fee +\$100.00 |

Regarding transient mooring fees, we recommend that the fees be revised as follows.

| Slip Length | Captain Recommended Rate (\$/ft/mo) | Estimated Premium | Recommended Transient Rate | |
|--------------|-------------------------------------|-------------------|----------------------------|-------------|
| | | | (\$/ft/mo) | (\$/ft/day) |
| <u>Agat</u> | | | | |
| Recreational | | | | |
| 25' | \$5.00 | 100% | \$10.00 | \$0.33 |
| 40' | \$5.50 | 100% | \$11.00 | \$0.37 |
| 60' | \$6.00 | 100% | \$12.00 | \$0.40 |
| Commercial | | | | |
| 25' | \$8.00 | 100% | \$16.00 | \$0.53 |
| 40' | \$8.50 | 100% | \$17.00 | \$0.57 |
| 60' | \$9.00 | 100% | \$18.00 | \$0.60 |
| <u>Agana</u> | | | | |
| Recreational | | | | |
| 20' | \$5.50 | 100% | \$11.00 | \$0.37 |
| 30' | \$6.00 | 100% | \$12.00 | \$0.40 |
| 40' | \$6.50 | 100% | \$13.00 | \$0.43 |
| Commercial | | | | |
| 20' | \$8.00 | 100% | \$16.00 | \$0.53 |
| 30' | \$8.50 | 100% | \$17.00 | \$0.57 |
| 40' | \$9.00 | 100% | \$18.00 | \$0.60 |

- **Litigation Support** – Unless prior arrangements have been made with the person signing this report, we are not required to provide testimony or appear in court solely based on completion of this assignment.
- **Disclosure Requirements** – Disclosure of the contents of this report may be governed by the Code of Professional Ethics of The Counselors of Real Estate. The contents of this report may be subject to review, upon request of The Counselors of Real Estate, by duly constituted committees or individual members thereof when such committees or members are acting within the scope of their authority under the applicable regulations.
- **Hazardous Materials and Mold** – Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the consultant. We have no knowledge of the existence of such materials on or in the property. However, we are not qualified to detect such substances. The presence of substances such as PCB, asbestos, urea-formaldehyde foam insulation, used petroleum products, mustard gas, mold, unexploded ordinance or other potentially hazardous materials may affect the repair and maintenance of the property. Our conclusions assume that no such condition would affect the subject properties. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. All clients are typically recommended to retain an expert in this field, if desired.

Risk⁷

The probability that foreseen events will not occur.

Berth⁸

A mooring, and includes any place where a vessel lies at anchor or is made fast or is aid alongside.

Commercial Vessel⁹

A vessel or vessel operator that receives cash, credit or any other form of valuable consideration for activities including, but not limited to, carrying passengers for hire, boat rental, with or without a pilot, parasailing, tow-boating, water skiing, or other trade or business where the vessel owner or operator must obtain a business license.

Recreational Vessel¹⁰

A vessel used primarily for recreational purposes where no profit or payment is requested by or paid to the Vessel operator or owner.

Dock Length¹¹

The length of mooring slip or finger pier from the start of the main dock.

Marina Manager¹²

The person assigned by the Port Manager to manage the day-to-day affairs of a designated Marina.

Slip¹³

Navigable water space between two piers; generally used for small boat storage.¹⁴

⁷ Appraisal Institute, *The Dictionary of Real Estate*, 5th ed. (Illinois Appraisal Institute, 2010): page 173.

⁸ 2007 Marina Rules and Regulations

⁹ Ibid

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

¹³ Appraisal Institute, *The Dictionary of Real Estate*, 5th ed. (Illinois Appraisal Institute, 2010): page 182.

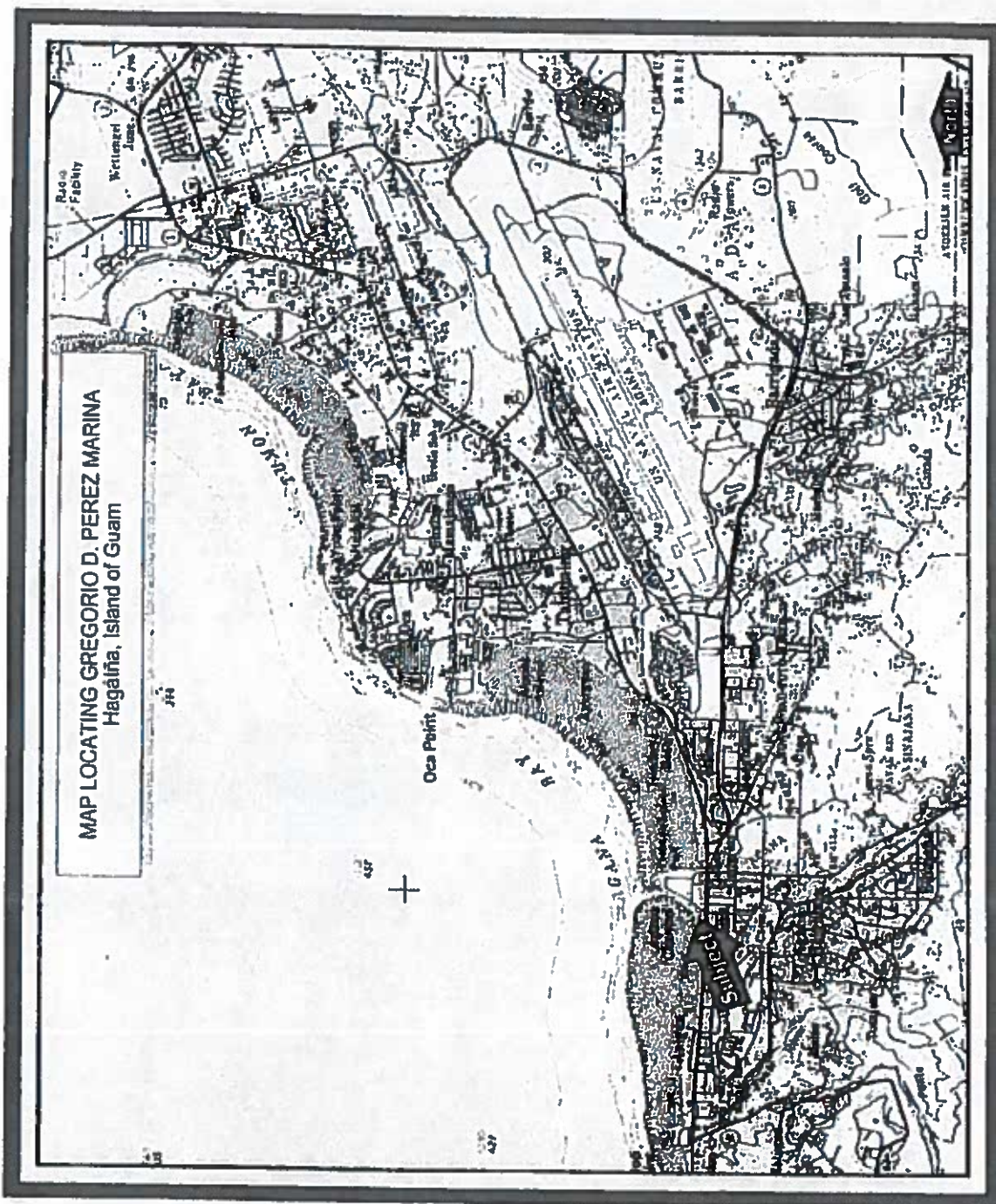
unique market where there is no competitive supply. The lack of competition tends to reduce incentive for quality management.

Various site and building characteristics affect marina operations. These factors include the amount of submerged land (the basin), visibility, location, utilities available, type of improvements and other factors.

Management of marinas is highly specialized and it is important that management has knowledge of basic business practices, understands the labor-intensive nature of the job, and liability issues. Quality management must be aware of the boaters needs and provide improvements or services to meet these needs. Specialized knowledge is required for most labor assignments at marinas. Management must also emphasize safety, as docks and ships must be periodically inspected. Proactive damage containment is critical for marinas that may be impacted by severe wind and high waves. Management must monitor trash removal, cleanliness, mechanical equipment and safeguards for gasoline pumps potentially unsafe self-refueling practices, tanks and other facilities.

Map – Island of Guam Map





series of breakwaters consisting of earth fill retained by steel sheet piles. The marina contains 8.23 acres of fast and submerged land and includes 42 slips in three docks, plus 8 mooring slips at the inner wall basin and 10 at the outer basin. A property data sheet is included on the following page.

The marina includes an entrance channel that is 860 feet long, 120 feet wide, and 12 to 15 deep; a 1.2 acre turning basin 12 feet deep; a main access channel that is 540 feet long, 80 feet wide, and 10 feet deep; a revetted mole 1,135 feet long, an east breakwater 200 feet long; a west breakwater 525 feet long; a 250-foot long wave absorber; three circulation channels; and navigation aids. The lagoon contains floating slips and moorings and has a total capacity reported at about 122 boats. Other boats are on blocks or are on trailers for storage or maintenance/repairs.

The marina serves both recreational and commercial boats. The marina includes two boat ramps and a wash down rock as well as parking and dry storage facilities. A fuel dock is operated by the adjacent Guam Fisherman's Cooperative Association ("GFCA"). Improvements also include a concrete building that houses Guam Fire Department. There are public restrooms and a small marina manager's office. The marina features adequate upland area for dry boat storage, auto and trailer parking, but prime parking areas fill quickly during periods of peak use. A satellite image of the GDP Marina and key features is included on following pages. A marina layout map, current tenant list and photographs of the GDP Marina are included on following pages.

The GDP Marina currently serves 58 users and reportedly operates at 100 percent occupancy. Almost 65 percent of users reflect recreational use while 30 percent reflect commercial use. Total annual income reflects almost \$50,000 in slip fees. There are 24 applicants currently on the waitlist for slips. Eight waitlisted applicants have been on the list since 2009.

The adjacent land to the east is controlled by the not-for-profit Guam Fisherman's Cooperative Association ("GFCA"), currently lead by Mr. Manny Duenas. The GFCA must be considered with respect to any major GDP Marina decisions, as they are effectively partners serving users of the facility. GFCA controls nearly 2 acres of upland, and was granted a monopoly regarding fuel services at the marina. A lot map and a summary of the GFCA commercial lease agreement is included on the following pages.

Protection from Storms, Waves, and Wind – Marinas are typically more susceptible to damage from elements and are typically located in protected coves or inlets. The GDP Marina consists of two small lagoons formed by a series of breakwaters. Major typhoons typically damage Guam's marinas.



Table – Summary of Port Authority of Guam GDP Marina Tenant List

SUMMARY OF PORT AUTHORITY OF GUAM GDP AGANA MARINA TENANT LIST
Hagalna, Island of Guam

| No | Slip | Owner | Use | Slip (ft) | Boat (ft) | Rental Fee |
|---------------|------------|------------------------------|------------|-----------|-----------|------------|
| DOCK A | | | | | | |
| 1 | A-01 | Guam Fire Department | G | 40 | NA | \$0.00 |
| 2 | A-02 | Guam Police Department | G | 40 | NA | \$0.00 |
| 3 | A-03 | Fish Hook, Inc. | C | 40 | 42 | \$140.00 |
| 4 | A-04 | US Customs | G | 40 | NA | \$0.00 |
| 5 | A-05 | Quinata, Frank | NA | 40 | NA | \$70.00 |
| 6 | A-06 | Cruz, James/ Kaneshiro | R | 40 | 28.6 | \$80.00 |
| 7 | A-07 | Fish Hook, Inc. | R | 40 | 42 | \$140.00 |
| 8 | A-08 | Alupang Beach Club | C | 25 | 29 | \$109.38 |
| 9 | A-09 | Alupang Beach Club | C | 25 | 29 | \$109.38 |
| 10 | A-10 | Welbacher, Walden | R | 25 | 22 | \$50.00 |
| 11 | A-11 | Duenas, Christopher M | R | 25 | 27.3 | \$50.00 |
| 12 | A-12 | Mamulan Charters | C | 25 | 31 | \$87.50 |
| 13 | A-13 (sub) | Habeck, Terry | R | 25 | 28 | \$50.00 |
| 14 | A-14 | McClelland Terry/ Pangelinan | R | 25 | 22 | \$50.00 |
| 15 | A-15 | Mamulan Charters | NA | 25 | NA | \$87.50 |
| 16 | A-16 | Flores, William A | R | 25 | 28 | \$50.00 |
| 17 | A-16 (sub) | Euh, Sol Y. | R | 25 | 21 | \$50.00 |
| 18 | A-17 | Packbier, Paul | R | 25 | 31 | \$50.00 |
| | | | Subtotals | 555 ft | | \$1,173.76 |
| DOCK B | | | | | | |
| 19 | B-01 | Nguyen, Hoa Van, MD | R | 40 | 33 | \$40.00 |
| 20 | B-02 | Perez, Thomas C. LG | R | 40 | 28 | \$80.00 |
| 21 | B-03 | Guam Discovery, Inc. | C | 40 | 38 | \$140.00 |
| 22 | B-04 | Duenas, Roy P. | R | 40 | 34 | \$80.00 |
| 23 | B-05 | Tenbala Guam, Inc. | C | 40 | 38 | \$140.00 |
| 24 | B-06 | Poppe, Edward H. | R | 40 | 20 | \$80.00 |
| 25 | B-07 | Camacho, Antonio Frank | R | 20 | 28 | \$40.00 |
| 26 | B-08 | Robinson, Merl | R | 20 | 23.8 | \$40.00 |
| 27 | B-09 | Cruz, John R. | R | 20 | 21 | \$40.00 |
| 28 | B-10 | Baba, Hideharu | R | 20 | 20 | \$40.00 |
| 29 | B-11 | Yu, Niko K. | R | 20 | 21 | \$40.00 |
| 30 | B-12 | Wang, Jackey | R | 20 | 42 | \$80.00 |
| | B-13 | Brechon, Michael | R | 20 | 23 | \$40.00 |
| | B-14 | Ocean Jet Club | C | 20 | 28 | \$70.00 |
| | | | Subtotals: | 440 ft | | \$950.00 |

Table – GDP MARINA WAITING LIST

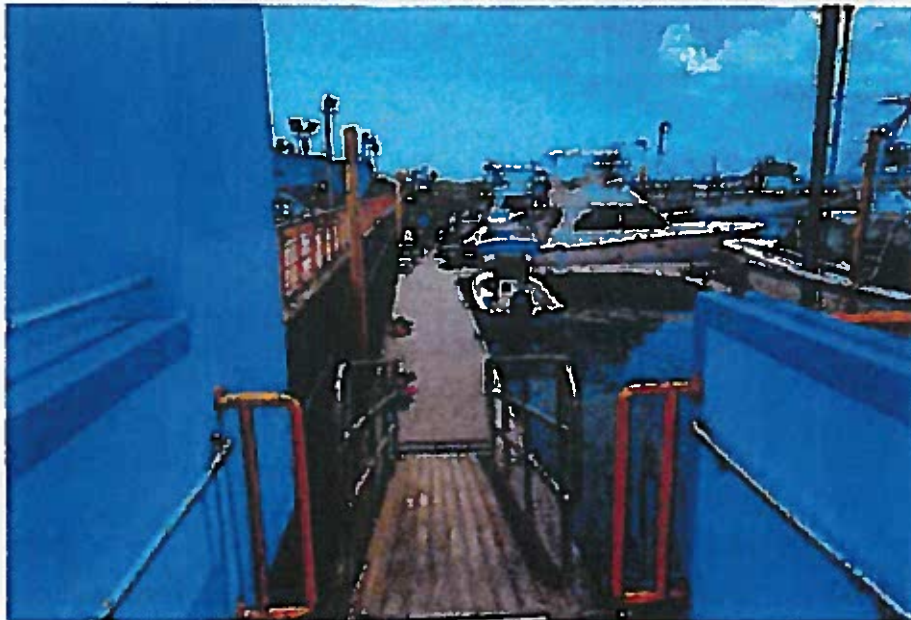
PORT AUTHORITY OF GUAM
WAIT LIST FOR GDP MARINA

| Date | Applicant | Vessel Name | Reg. # | Vessel Size | | | Preference Location | |
|------------|--------------------------------------|------------------------|------------|-------------|------|-------|---------------------|-------|
| | | | | Len. | Wid. | Draft | Agency | Usage |
| 7/11/2009 | Taftano, John G. | AKJal II | GU 2770 A | 19 | 8 | 1 | ✓ | Rec |
| 8/12/2009 | Moore, James | Monrosa | GU 1716 PU | 23 | 8 | | ✓ | Rec |
| 8/13/2009 | Ruedas, Esperanza B | Esperanza | GU 5704 PU | 23 | | | ✓ | N/A |
| 8/18/2009 | Wong, Jen-Nan | Southern Cross | | 32 | 10.4 | 2 | ✓ | Rec |
| 8/26/2009 | Decaney, Michael/Ann | Miss Annie | GU 5632 PU | 22 | 8.6 | 1.5 | ✓ | Rec |
| 8/26/2009 | Decaney, Michael/Ann | Miss Annie | GU 5632 PU | 22 | 8.6 | 1.5 | ✓ | Rec |
| 6/30/2009 | Waterfield, Michael G./Jim Parish | Monkey Bines | GU 4404 PU | 26 | 8 | 2 | ✓ | Rec |
| 6/30/2009 | Waterfield, Michael G | Shanghai Cit | GU 1856 PU | 20 | 7 | 2 | ✓ | Rec |
| 1/11/2010 | Auto Marine Inc. | Flyer II III Pluto | | | | | ✓ | Comm |
| 1/11/2010 | Ridton, Daniel A | | | 21 | | | ✓ | Rec |
| 1/13/2010 | Osakana Cruise, Inc. / Akahiro, Tani | Flying Fish | 598881 | 49.1 | 14.8 | 6.3 | ✓ | Comm |
| 1/29/2010 | Alapang Beach Club | | | | | | ✓ | Comm |
| 5/4/2010 | Nakajima, Masanori | Sunrise | GU 567 PU | 18 | 7 | 2 | ✓ | Rec |
| 6/16/2010 | Marsolo Omwene | | GU 2180 PU | 18.7 | 6 | 2 | ✓ | Rec |
| 4/15/2011 | Blue Pacific Alliance | Endeavor | 1048893 | 29 | 12 | 5.6 | ✓ | Comm |
| 11/7/2011 | Eusebio, Ricardo B. | Dayaw | | 25 | | | ✓ | Rec |
| 2/3/2012 | San Nicolas, Jose | Lucky Lady | | | | | ✓ | Rec |
| 10/17/2012 | Osakana Cruise, Inc. / Akahiro, Tani | Flying Fish | 598881 | 49 | 14 | 6 | ✓ | |
| 2/1/2013 | Head, David/Helene | Buldog | 1205403 | 33.5 | 11.6 | 8.7 | ✓ | Rec |
| 12/31/2013 | Jim Parish | Race "Em" In | GU 2756 CP | 26 | 13 | 4.5 | ✓ | Comm |
| 1/1/2014 | Paul Shida | Formula | GU 3230 CP | 18' | 6' | 2.10' | ✓ | Comm |
| 1/1/2014 | Sol Y. Euh | Dolce Marmalad | GU 6058 PU | 24' | 6' | 2' | ✓ | Rec |
| 12/11/2015 | PSV Corp | New Boat / parasailing | | 25 | | | ✓ | |
| 1/11/2016 | Gregory Brock | 2nd Trl | 982062 | 45 | 25 | 4 | ✓ | Comm |

PHOTOGRAPHS OF SUBJECT PROPERTY – GDP MARINA (CONT.)
Hagåtña, Island of Guam



Westerly view along subject marina dry dock area. The outer basin area is to the right.

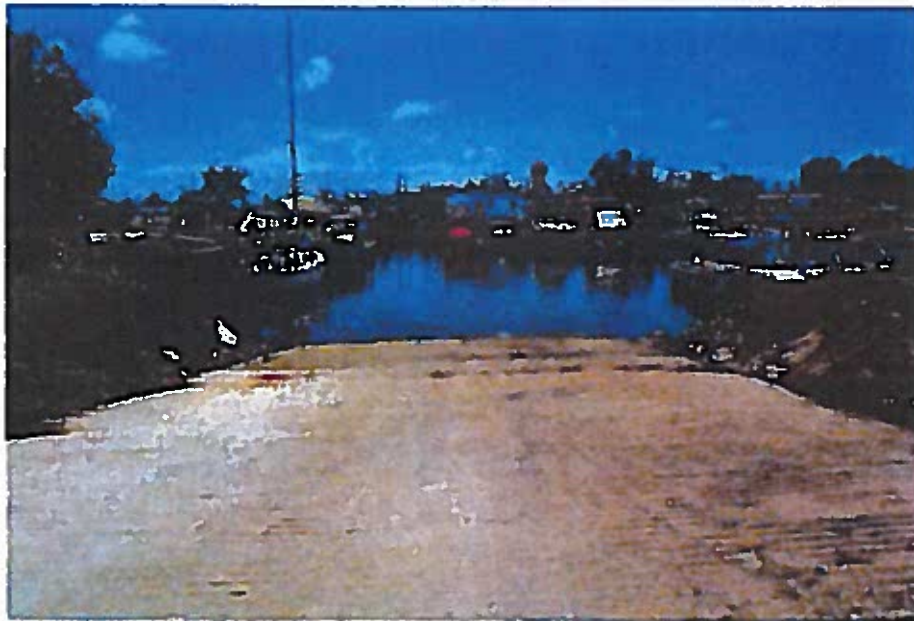


Northerly view along "A" Dock.

PHOTOGRAPHS OF SUBJECT PROPERTY – GDP MARINA (CONT.)
Hagåtña, Island of Guam



View of marina boat ramp.

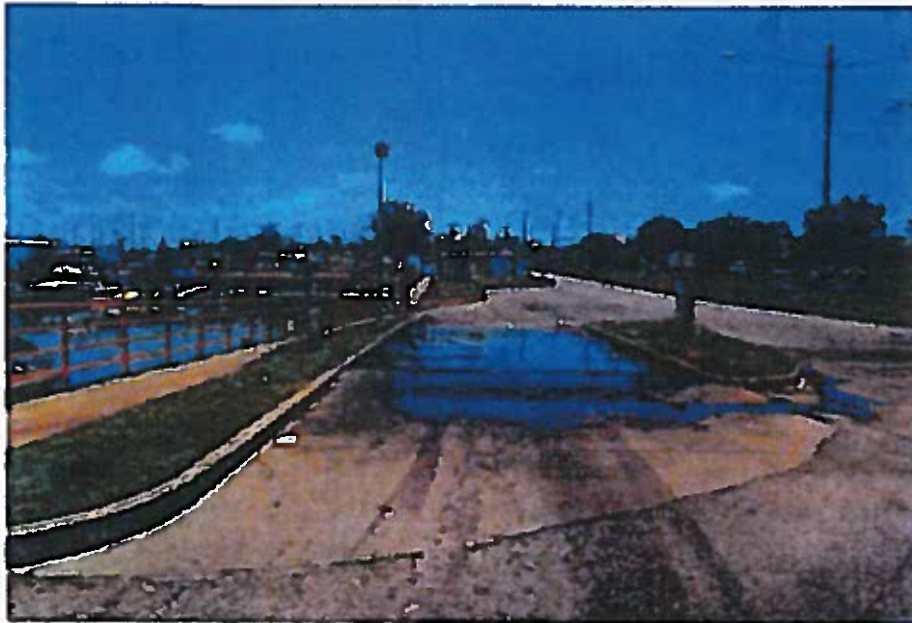


View of marina boat ramp.

PHOTOGRAPHS OF SUBJECT PROPERTY – GDP MARINA (CONT.)
Hagåtña, Island of Guam



View of newly replaced sheet piles along dry dock area.



View of wash down area.

Table – Summary of GFCA Commercial Lease Agreement

**SUMMARY OF GFCA COMMERCIAL LEASE AGREEMENT
Portion of Gregorio D. Perez Marina, Hagåtña, Island of Guam**

| | |
|--|---|
| Document Title: | Commercial Lease Agreement |
| Document Date: | May 11, 2010 |
| Recorded: | Instrument No. 806519 |
| Lessor: | Government of Guam |
| Lessee: | Guam Fishermen's Cooperative Association ("GFCA") |
| Leased Premises: | Lot No. Paseo de Susana-1, Guam, containing a land area of 7,944± square meters (1.96± acres) |
| Lease Term: | 65 years from May 11, 2010 through May 10, 2075 |
| Option to Extend: | N/A; at beginning of the last year of the lease, Lessor and Lessee may negotiate the terms of a new lease; provided that Lessee gives notice by registered mail of desire to enter into new lease. |
| Ground Rent: | \$2.00 per year (payable on or before November 30 of each year), |
| Use: | To construct a facility complimentary and accessory to overall development plan of Paseo de Susana Planned Development District in accordance with Public Law 27-24, Section 7. |
| Improvements: | All improvements constructed on premises by Lessee shall be owned by Lessee until expiration or termination of Lease term. Lessee shall not remove improvements until normal expiration of Lease term. Lessee is responsible to keep and maintain all improvements. |
| Sublease: | Lessee shall not sublease property or assign the leasehold; however, Lessee may enter into tenant leases for no greater than 25 years for spaces or rooms within the property where tenants may operate retail, service or restaurant business consistent with purpose of master plan. |
| Taxes, Assessments and Other Charges: | Lessee shall pay all real and personal property taxes, general and special assessments, and other charges of every description levied on or assessed against the premises, improvements or any sublease hold estate. |
| Other: | This lease contains other covenants regarding default, mortgage, indemnification, insurance, etc. |

Dredging – Most marina owners dredge periodically to prevent excessive buildup of siltation. Siltation builds up as currents flow in and out, carrying sediment to an area where there is relatively little water movement. As sediment builds up, the slips become shallower. Most pleasure boats need a minimum of one to two feet of water below their propellers during low tide.

Dredging may include excessive costs, protracted periods to obtain permits, the possibility of pollutants embedded in dredged material, and a lack of places that accept dredged material. The GDP Marina requires various dredging of the access channel and the entrance to outer marina. We are not aware of approvals or any formal plans to complete this work.

Flood Zone – Marinas are usually located within the most severe flood zones. The GDP Marina is located in flood Zone VE, coastal flood zone with velocity hazard (wave action).

Deep Water Slips – Deep water slips involve those that accommodate 40 foot boats. The GDP Marina has limited ability to accommodate boats over 40 feet in length.

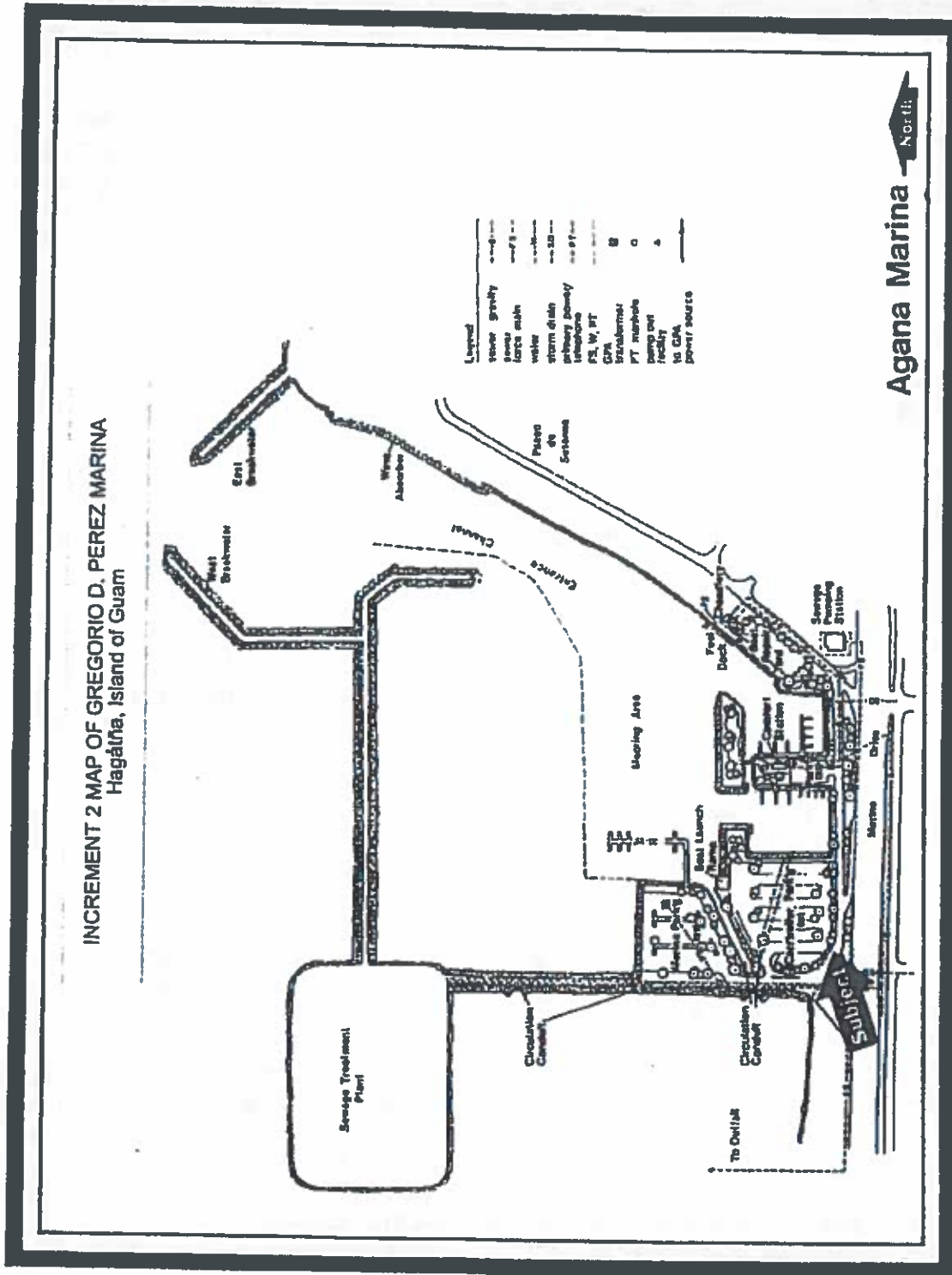
Other Building Improvements – Marina buildings are usually constructed of low quality materials and basic in design due to flood zone issues. It is rare for a marina to not have a lift or crane. The GDP marina includes improvements that house the marina managers office, police department and other improvements.

Long-term needs identified by GFCA for the GDP Marina reflect approximately \$7.5 million and include:

- Raise dry storage area and extend 50 feet towards outer basin with steel sheet piles. Provide concrete covering, sump for collecting containments and utilities.
- Construct boat ramp and parking areas between Inner Marina and Sewer treatment access road
- Replace fuel dock
- Construct fire rescue and harbor police building
- Construct 75 slips in Outer Marina

Marina Master Plan – Details to the Paseo De Susanna Master Plan were previously included herein. Regarding future development plans, the Master Plan notes that the Agana Marina Development Plan in November 1976 phased the specific development activities within the marina. Maps showing these phases, or increments are included on the following pages. Phase 1 consisted of the development of the marina plus dredging of sufficient material from the entrance channel, access channel and south berthing area to construct. Phases 2, 3, and 4 include a wide range of improvements, expansion, fill work and other improvements detailed as follows. The master plan reports that only Phase I was completed after 30 years. The document stated that total Fiscal Year 2002 revenue from rental slips was less than \$20,000.

Map – Increment 2 Map of Gregorio D. Perez Marina



3.3 Agat Marina

The Agat Marina is located along Route 2 and the oceanfront in Agat. A map of the location is included on following page. The property is located along the southern portion of the west coast of the Island of Guam. Agat is bordered to the north by Naval Station, Apra Harbor and Piti. Umatac borders Agat to the south. Santa Rita, the War in the Pacific National Historical Park (Mount Alifan Unit) and the United States Naval Magazine border Agat to the east. Agat Bay and the Philippine Sea border Agat to the west. The capital of Guam, Hagåtña, is located approximately eight miles northeast of Agat.

Agat is primarily residential and rural in character, although commercial development exists along primary roadways. Most of the commercial development in Agat is located along Route 2. Route 2 is the primary access road serving Agat. This two-lane roadway provides for traffic flow in generally north and south directions. Route 2 abuts the subject property to the east. An aerial photograph of the marina and vicinity are included on a following page.

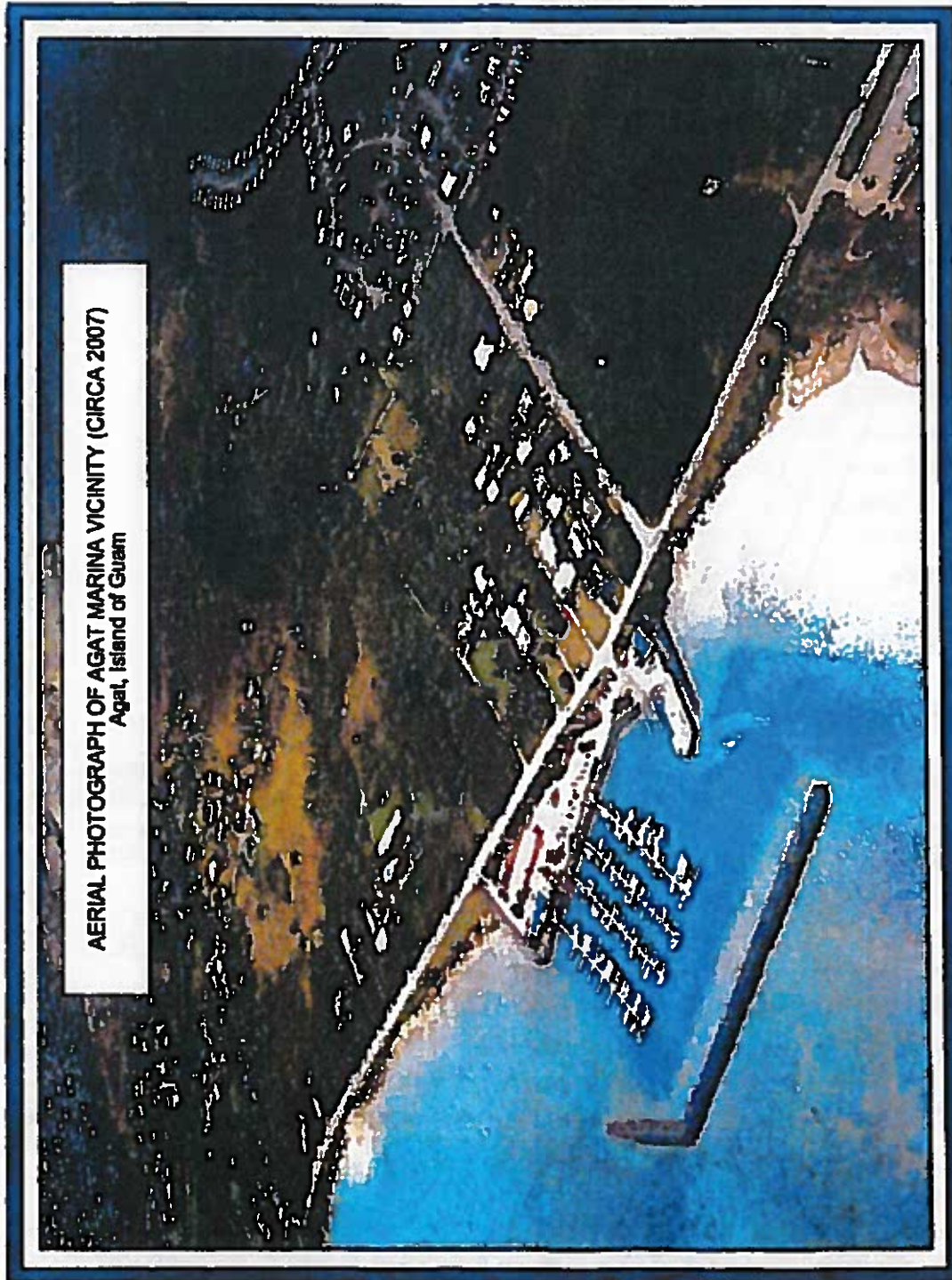
The Agat Marina was built by the U.S. Army Corps of Engineers under the authority of Section 107 of the Rivers and Harbors Act of 1960. The project was completed and dedicated in March 1989, and construction of shore-side facilities by the Government of Guam was completed in September 1990. Reportedly, the facility cost \$7.6 million, with PAGs contribution of \$5.5 million. A property data sheet is included on a following page.

This marina is comprised of over two acres of shoreside facilities and approximately nine acres in the basin. The original design included a total of 154 slips including accommodations for 9 sixty foot vessels, 30, forty five foot vessels, and 115 twenty five foot vessels or less. Each slip has power and water facilities available. Electronic (now manual) security lock systems were installed on the gangways to each dock.

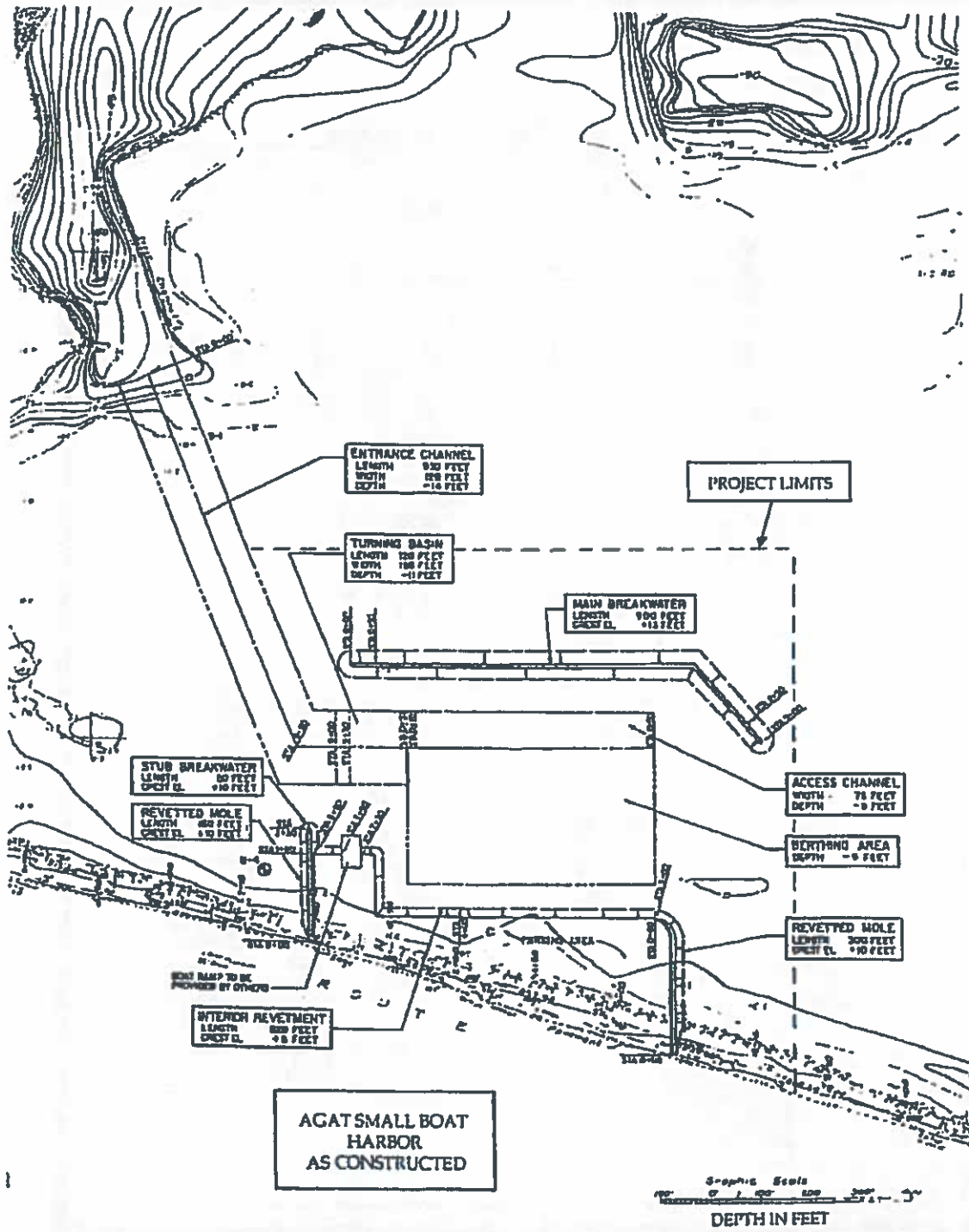
The Agat marina consists of an entrance channel 930 feet long, 120 feet wide, 14 feet deep; a turning basin 120 feet long, 150 feet wide, 7 to 11 feet deep; a main access channel 500 feet long, 75 feet wide, 9 feet deep; two breakwaters 985 feet long and 50 feet long, respectively; and two revetted moles 180 feet long and 300 feet long. A drawing of these areas is shown on a following page.

The marina was designed to accommodate 162 boats with supporting shoreside facilities for fuel, loading, car and trailer parking, water hookups, and pump-out facilities. Currently, four docks provide 116 slips, including 48 slips at Dock "B" which is damaged and proposed for removal and replacement. The marina also has a full-service restaurant with outdoor dining area and detached bar. The marina's draft capacity was originally 7 feet. However, the area adjacent to D-Dock remains undredged. A master development plan of the marina is included on a following page.

Photo – Aerial Photograph of Agat Marina Vicinity (Circa 2007)



Map – Agat Small Boat Harbor As Constructed



3

FIGURE 2

Following the marina construction, it was discovered that wave setup from 10 to 15 foot surf on the reef edge would cause high velocity currents to enter the marina in a north to south direction. This led to two problems for the marina: (1) the first row of berths became unusable; and (2) a shoal developed on the north side of the berthing area. In response the Corps of Engineers developed a corrective scheme to reduce the current velocities and shoaling.

The marina serves both recreational and commercial boats. There is a boat ramp that allows two vessels to load/unload simultaneously. The administration building houses the Guam Fire Department and the other building includes Marina Grill restaurant and bar. Parking was designed to accommodate 20 trailers, 64 cars and 3 buses.

There are currently 71 registered users and 9 boats (all over 35 feet length) are on the wait list. A summary of the current tenant list of registered users as well as the waitlist are shown on following pages. Approximately 80 percent of users involve recreational vessels, with approximately 20 percent involving commercial vessels. The total annual income reflects over \$210,000 from slip rentals. A satellite image and photographs of the Agat Marina are included on following pages.

The facility has improved with repair and replacement of docks and the new restaurant and bar. However, Dock "B" requires replacement. Replacing as-is will result in over supply of 25 foot slips as demand reflects 40 and 60 foot slips. Further, the public restrooms are closed or in poor condition. The fueling facilities are no longer operational. There have been growing security issues and marina users complain about parking and other management issues.

Protection from Storms, Waves, and Wind – Marinas are typically more susceptible to damage from elements and are typically located in protected coves or inlets as previously noted. The Agat Marina includes a main breakwater, revetment, revetted moles and a stub breakwater to limit negative impacts from storms. However, major typhoons typically cause damage to Guam's marinas.

Utilities – Full service marinas offer a wide range of utilities including water for liveaboards, sewer, electricity, bottled gas, gasoline, cable TV, sanitary sewage and waste removal. The Agat Marina offers water and power services. A fuel dock is no longer operational.

On-Site Services – By providing services, marinas can derive additional revenues. The most common service is boat storage. Boat storage includes wet slips, open air ground storage and dry rack storage. Boat repair and washing is another common service found at marinas. Wet slips are available at the Agat Marina. Additional on-site services include the restaurant and bar.

Table – Summary of Port Authority of Guam Agat Marina Tenant List

SUMMARY OF PORT AUTHORITY OF GUAM AGAT MARINA TENANT LIST
Agat, Island of Guam

| No. | Slip | Boat Name | Use | Slip Size (ft.) | Boat Size (ft.) | Annual Fee |
|--|------------|------------------------|-----|---------------------------|-----------------|------------|
| DOCK A | | | | | | |
| 1 | A-01 | MDA | C | 60 | 38 | \$6,120 |
| 2 | A-02 | Oakens Cruise, Inc. | C | 60 | 48 | \$6,120 |
| 3 | A-03 | Guam Song Woo | C | 60 | 48 | \$6,120 |
| 4 | A-04 | Tasi Tours | C | 60 | 46 | \$6,120 |
| 5 | A-05 | PSV: Joo Gi Bum | C | 60 | 42 | \$6,120 |
| 6 | A-06 | Scuba Company | C | 60 | 43 | \$6,120 |
| 7 | A-07 | Scuba Company | C | 60 | 34 | \$6,120 |
| 8 | A-08 | Margarita Charters | C | 60 | 53 | \$6,120 |
| 9 | A-09 | Fantasia Charters | C | 60 | 46 | \$6,120 |
| 10 | A-10 | Scuba Company | C | 60 | 43 | \$6,120 |
| 11 | A-11 | Scuba Company | C | 25 | 42 | \$6,120 |
| 12 | A-12 | Scuba Company | C | 25 | 35.7 | \$6,120 |
| 13 | A-13 | Vacant | | 25 | | |
| 14 | A-14 | Seger, Randy G | R | 25 | 20 | \$1,650 |
| 15 | A-15 | Vacant | | 25 | | |
| 16 | A-16 | Vacant | | 25 | | |
| 17 | A-17 | Auto Marine, Inc. | C | 25 | 30 | \$2,550 |
| 18 | A-18 | Vacant | | 25 | | |
| 19 | A-19 | Vacant | | 25 | | |
| 20 | A-20 | Vacant | | 25 | | |
| 21 | A-21 | Vacant | | 25 | | |
| 22 | A-22 | Vacant | | 25 | | |
| 23 | A-23 | Vacant | | 25 | | |
| 24 | A-24 | Vacant | | 25 | | |
| 25 | A-25 | Vacant | | 25 | | |
| 26 | A-26 | Go Nakane | R | 25 | 24 | \$1,650 |
| 27 | A-27 | Vacant | | 25 | | \$2,550 |
| 28 | A-28 | Vacant | | 25 | | |
| 29 | A-29 | Vacant | | 25 | | |
| 30 | A-30 | Vacant | | 25 | | |
| 31 | A-31 | Vacant | | 25 | | |
| 32 | A-32 | Liberty Lawrence | R | 25 | 33 | \$1,850 |
| 33 | A-33 | Peterson, George | R | 25 | 20 | \$1,650 |
| 34 | A-34 | Alvarez, Dale/ Patrick | N/A | 25 | N/A | \$1,650 |
| DOCK B - (TO BE DEMOLISHED AND REBUILT) | | | | | | |
| 35 | B-01 to 48 | Empty | N/A | 1,200 (total 48 slips) | N/A | \$0 |

Table – Summary of Port Authority of Guam Agat Marina Tenant List (Continued)

| SUMMARY OF PORT AUTHORITY OF GUAM AGAT MARINA TENANT LIST <u>Agat, Island of Guam</u> | | | | | | |
|--|------|---------------------------|-----|----------------|-----------------|------------|
| No | Slip | Boat Name | Use | Slip Size (ft) | Boat Size (ft.) | Annual Fee |
| DOCK D | | | | | | |
| 84 | D-01 | Bradford, William | R | 40 | 33 | \$2,640 |
| 85 | D-02 | Unitek Environmental Guam | R | 40 | 38 | \$2,640 |
| 86 | D-03 | Felix, Christopher | R | 40 | 32 | \$2,640 |
| 87 | D-04 | Quinata, Carlos/ Amber | R | 40 | 33 | \$2,640 |
| 88 | D-05 | San Nicholas, Jose | R | 40 | 34 | \$2,640 |
| 89 | D-06 | Cañy, James | R | 40 | 36 | \$2,640 |
| 90 | D-07 | Berg, Julia | R | 40 | 33.3 | \$2,640 |
| 91 | D-08 | Guam Discovery | C | 40 | 38 | \$2,640 |
| 92 | D-09 | Swanenoel, Dean | R | 40 | 30 | \$2,640 |
| 93 | D-10 | Fedricks, Dianne | R | 40 | 40 | \$2,640 |
| 94 | D-11 | Haft, John | R | 40 | 40 | \$2,640 |
| 95 | D-12 | Williams, Michael | R | 40 | 40 | \$2,640 |
| 96 | D-13 | Bald, Austin | R | 40 | 41 | \$2,640 |
| 97 | D-14 | Fox, Norman | R | 40 | 36 | \$2,640 |
| 98 | D-15 | Hagen, William | R | 40 | 38 | \$2,640 |
| 99 | D-16 | Coffman, John | R | 40 | 42 | \$2,640 |
| 100 | D-17 | Mars, Thomas | R | 40 | 38.8 | \$2,640 |
| 101 | D-18 | Coffman, John | R | 40 | 41 | \$2,640 |
| 102 | D-19 | Castro, Jesse | R | 40 | 30 | \$2,640 |
| 103 | D-20 | Ames, Todd | R | 40 | 42 | \$2,640 |
| 104 | D-21 | Akademir, Linden | R | 40 | 30 | \$2,640 |
| 105 | D-22 | Castro, Jesse | R | 40 | 36 | \$2,640 |
| 106 | D-23 | Guam Discovery | R | 40 | 33.5 | \$2,640 |
| 107 | D-24 | Head, Davis | R | 40 | 45 | \$2,640 |
| 108 | D-25 | Brock, Gregory | R | 40 | 42 | \$2,640 |
| 109 | D-26 | Brock, Gregory | R | 40 | 42 | \$2,640 |
| 111 | D-27 | Guam Discovery | R | 40 | 33 | \$2,640 |
| 112 | D-28 | Talsacan, Nicholas | R | 40 | | \$2,640 |
| 113 | D-29 | Vacant | | 40 | 29.9 | \$0 |
| 114 | D-30 | Nemo | C | 40 | | \$4,080 |
| 115 | D-31 | Vacant | | 40 | | \$0 |
| 116 | D-32 | Paradis, Gvy | N/A | 40 | | \$2,640 |

Summary

No. of Slips:

Current Use:

Use Fee Allocation:

Recreational Use:

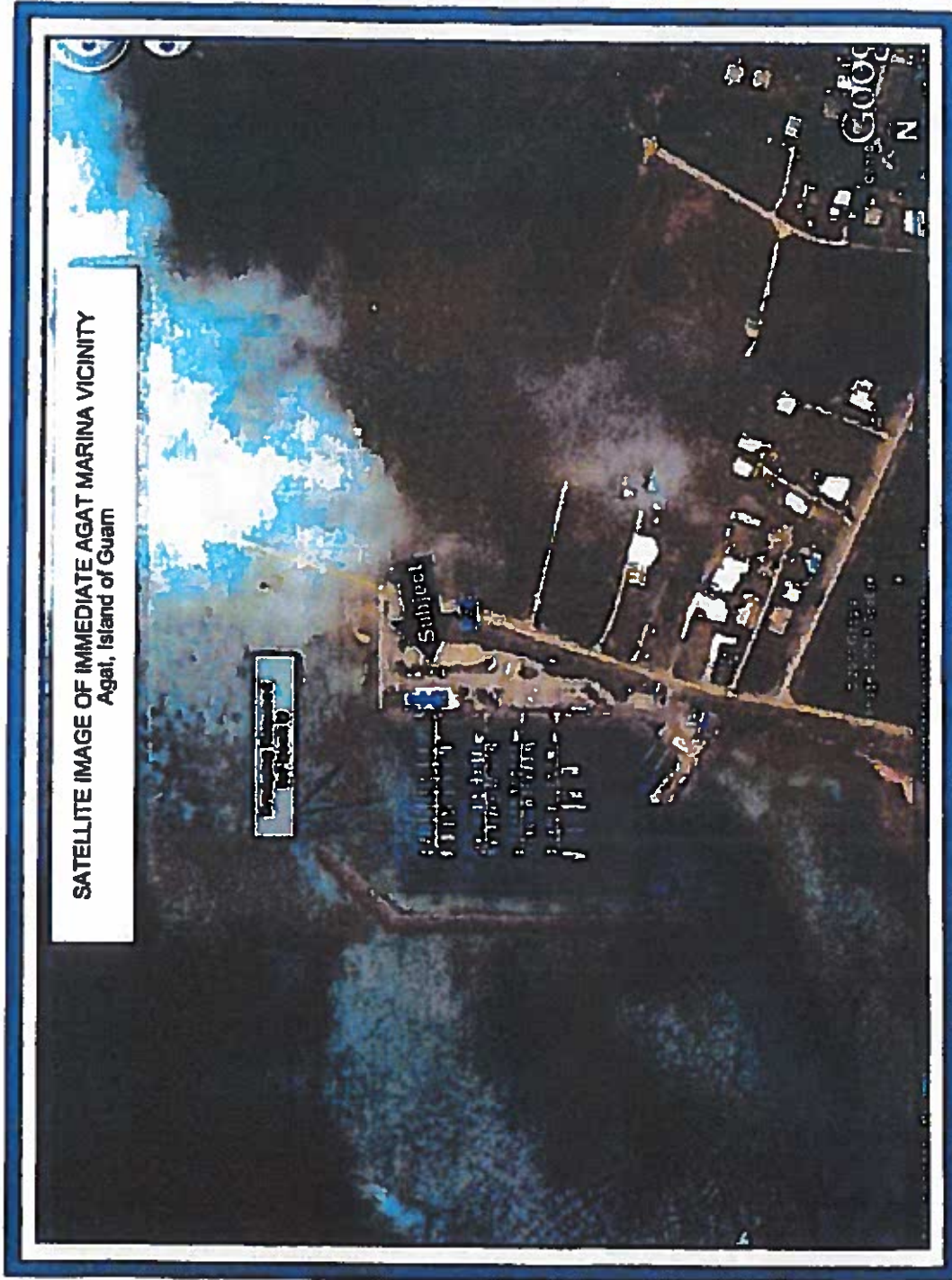
Commercial Use:

Government Use::

Total Agat Marina Slip 4,080 ft (Incl. 1,200 ft Dock B- to be demolished)

Recreation Fees
Commercial Fees

Map – Satellite Image of Immediate Agat Marina Vicinity



PAG- Marina Fees and Recommendations

| | | | |
|--|---|--|---|
| <p>Alt. Hsu L-24 25 Slip W L-21 P</p> | <p>Alt. Hsu L-21 25 Slip W L-21 P</p> | <p>D-16 Frank #1849240 Coffman, John Randall 25 Slip Rattner D-15 P Hayes, William</p> | <p>D-17 Crystal Showery Alzo Thomas #1749240 25 Slip D-18 Miguel Alzo Coffman, Randall</p> |
| <p>Coffman, John/Rene GU 2099 PU C-22 P 25 Slip Spencer L-21 W Covee Jeeve</p> | <p>Pat. Kewash P-29 GU 1891 PU - Robinson L-20 P 25 Slip GU 1847 L-19 W Blow Air Agent Howard, Lyndee</p> | <p>Meredith 2-15) Fox, Norman Murray Star D-14 P 25 Slip Flying Spool D-13 W Rood Austin/Delinda New 8/11/18</p> | <p>Amey, Todd & Ann 25-19 Angeline GU 6524 PU 25 Slip D-20 Southern Cross Resalido, Herman C</p> |
| <p>25 Slip L-18 P New 10/10/18 17 W Covee Jeeve</p> | <p>L-16 C-11 25 Slip Zoe CM 0112 PU C-13 W Shogren</p> | <p>Walker, Michael 4/6/15 (1) 6455 PU D-12 25 Slip Joe D-11 W Hak Brown</p> | <p>Vessel Arrives by order: June 20 A 1-21 Akabara London 25 Slip D-22 The Southcoast Covee Jeeve</p> |
| <p>25 Slip GU 1556 CP C-11 W DeLand, Bob Fishers</p> | <p>Rosa, Maria L-37 GU 6666 PU 25 Slip L-37 W W C-28</p> | <p>Fisher, Wang D-10 P 25 Slip GU 6623 PU D-9 W Kassam, David Proton Express</p> | <p>Wang, Jacky D-21 Reef Lamin 25 Slip D-21 Hailing</p> |
| <p>25 Slip GU 1715 PU C-08 Reynolds, C-09 W GU 1821 PU Shaw, Van</p> | <p>Under Water World C-43 Makro GU 4661 CP 25 Slip C-44</p> | <p>DeBary, Warren D-04 P 25 Slip Chris Pella D-01 W New 7/1/19</p> | <p>Wang, Jacky GU 1756 CP D-20 Reef Em 36 25 Slip D-20 Harvey Greenwood</p> |
| <p>Reynolds, Julian C-04 25 Slip New 10/10/18 17 W Covee Jeeve</p> | <p>Under Water World C-43 Makro GU 4661 CP 25 Slip W C-46</p> | <p>Under Environmental Larry Moore Cove Moore D-02 P 25 Slip Patricia D-1 W Bradford, William 8/10/19</p> | <p>D-11 25 Slip D-12 WSM Co Parodi, Oav</p> |
| <p>Reynolds, River/Bonnie GU 2637 PU C-41 P 25 Slip Boys Toy C-01 W</p> | <p>Quinta, Carlos P-47 18-wagon 25 Slip W C-48 Vela Lora</p> | <p>25 Slip C-41 W New 7/1/19</p> | |
| <p>Flores, Joseph C GU 1799 PU</p> | <p>Under Water World C-43 Makro GU 4661 CP 25 Slip</p> | | |

PHOTOGRAPHS OF SUBJECT PROPERTY – AGAT MARINA (Cont.)
Agat, Island of Guam



Southwesterly view at Marina Grill restaurant building located on the subject property.

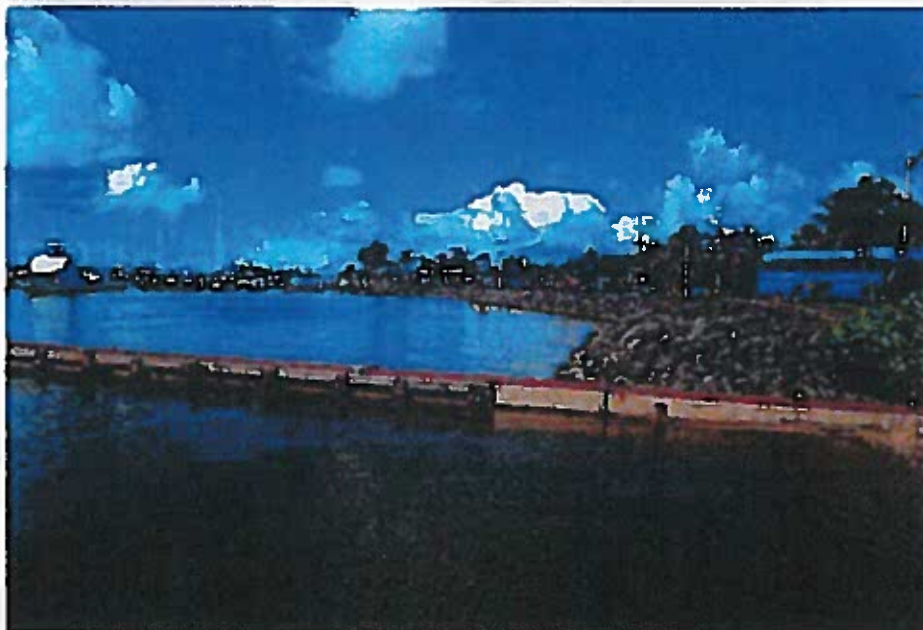


View of restrooms one-story concrete building.

PHOTOGRAPHS OF SUBJECT PROPERTY – AGAT MARINA (Cont.)
Agat, Island of Guam



Easterly view along boat ramp and adjacent dock.



Westerly view along interior rock wall revetment.

PHOTOGRAPHS OF SUBJECT PROPERTY – AGAT MARINA (Cont.)
Agat, Island of Guam



View of condemned Dock B (to be removed and replaced).



View of typical slip with utilities stub.

PHOTOGRAPHS OF SUBJECT PROPERTY – AGAT MARINA (Cont.)
Agat, Island of Guam



Interior view of the Marina Grill restaurant.



View of the paved parking lot in front of Marina Grill restaurant.

Other Building Improvements – Marina buildings are usually constructed of low quality materials and basic in design due to flood zone issue. It is rare for a marina to not have a lift or crane. The Agat marina includes improvements that house the restaurant, fire department, restrooms (closed) and other improvements.

We previously reviewed a government report indicating that a revetted mole breakwater is required north of Dock D to prevent storm surge from entering this part of the marina. This work would also eliminate or reduce silt deposits. The Guam Economic and Development Authority previously estimated the cost at \$1.5 million.

Table – GDP and Agat Mooring Fees for Vessels Based in Guam

**MOORING FEES FOR VESSELS BASED IN GUAM
GREGORIO D. PEREZ MARINA AND AGAT MARINA
Hagåtña and Agat, Island of Guam**

GREGORIO D. PEREZ MARINA

Recreational Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------------|-----------------------------|-----------------------------|
| 20 | \$2.00 | \$40.00 |
| 30 | \$2.00 | \$60.00 |
| 40 | \$2.00 | \$80.00 |
| Outer Basin charge per vessel foot | \$1.50 | |

Commercial Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------------|-----------------------------|-----------------------------|
| 20 | \$3.50 | \$70.00 |
| 30 | \$3.50 | \$105.00 |
| 40 | \$3.50 | \$140.00 |
| Outer Basin charge per vessel foot | \$2.50 | |

Live Aboard Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------------|-----------------------------|-----------------------------|
| 20 | \$6.00 | \$120.00 |
| 30 | \$6.00 | \$180.00 |
| 40 | \$6.00 | \$240.00 |
| Outer Basin charge per vessel foot | \$5.00 | |

AGAT MARINA

Recreational Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------|-----------------------------|-----------------------------|
| 25 | \$5.50 | \$137.50 |
| 40 | \$5.50 | \$220.00 |
| 60 | \$5.50 | \$330.00 |

Commercial Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------|-----------------------------|-----------------------------|
| 25 | \$8.50 | \$212.50 |
| 40 | \$8.50 | \$340.00 |
| 60 | \$8.50 | \$510.00 |

Live Aboard Vessels

| <u>Slip Length (ft.)</u> | <u>Fee per ft. (\$)</u> | <u>Fee per mo. (\$)</u> |
|------------------------------|-----------------------------|-----------------------------|
| 25 | \$6.50 | \$162.50 |
| 40 | \$6.50 | \$260.00 |
| 60 | \$6.50 | \$390.00 |

extensive use of any Port Authority property or facilities at a Marina for private gain or private purposes shall be permitted without corresponding and reasonable benefits and returns to the Port Authority and to the public." The interpretation of this provision may be a critical factor in assessing future potential marina revenue growth.

Currently, the only reported income generated at the subject marinas involves slip rentals with minimal dry storage income from GDP Marina, and limited rental income from Agat Marina. Users previously reported that higher fees could be justified if the marinas are properly maintained and managed. Recent upgrades justify an increase in rates as detailed herein.

The potential revenue flows from additional sources must be considered within the context of existing operations and agreements, which could ultimately impact a repair strategy. For example, it is unlikely that any proposal to charge fees for boat launching could be implemented because of historic and cultural fishing rights. Further, the GFCA has the exclusive right to fueling operations at the GDP Marina. In Agat, there are unknown costs associated with the repair of the non-operational former Shell fueling facility. Fuel operations contribute a national average of 10 percent of marina revenues, and the service is considered essential for safety and the convenience of marina users.

The Guam marina operations could potentially benefit from utility fees, which are currently included in the slip rental (additional fee applies to live aboard). Hawaii marinas charge flat utility rates for different types of users, from around \$10 to \$25 per month. The wash down area in Agana is widely utilized and a fee for this service may be appropriate. Parking and transfer fees could also generate additional revenue.

4.1 Commonwealth of the Northern Mariana Islands

In researching comparable marinas in the Commonwealth of the Northern Mariana Islands ("CNMI"), data was gathered and compiled through communication with CNMI's Department of Land and Natural Resources, Division of Fish and Wildlife. The division is responsible for management and administration of the Smiling Cove Marina, located on the island of Saipan, CNMI.

Specific mooring rates apply to the harbor facility in commercial and non-commercial rates based upon categorical vessel size (per foot). According to Mr. Roke Santos, Marina Manager, there are no immediate plans to increase the marina rates. Further details to the rates are included on the summary table. Note that non-commercial slip fees reflect \$3.50 to \$8.00 per foot, depending on vessel length. Commercial rates at this marina reflect \$5.00 to \$15.00 per foot, depending on vessel length. A marina layout map is also included on the following page as Map 5.3.

It is noted that an estimated \$1.3 million rehabilitation project was recently completed at this Marina. The majority of costs incurred were for dock replacement with aluminum framed composite plastic marine-grade decks. It is further noted that the project was reportedly fully funded by a grant via the U.S. Fish and Wildlife Service Sportsfish Restoration's Boating Access Program. A photograph of the marina, downloaded from the marina website, is shown below.



The CNMI's Department of Land and Natural Resources is also responsible for management and administration of the Outer Cove Marina, located on the island of Saipan, CNMI. Specific mooring rates apply to the harbor facility for commercial vessels only. Rates are based categorically by vessel size (per foot). Further details to mooring rates are included on a following page. The marina was previously privately owned and has since been involved in legal issues which ultimately led to the Department of Land and Natural Resources owing a private management corporation (Marine Revitalization Corporation) millions of dollars. In 2015, Outer Cove suffered typhoon damage and was subsequently closed for use.

However, the marina was recently operated on a commercial vessel only basis. Mooring rates at the Outer Cove Marina ranged from \$5.00 to \$20.00 per foot of vessel length, prior to closure. A photograph of the marina, downloaded from the marina website, is shown below.



4.3 National Marina Market Data

A summary of aggregate national marina market data, as compiled by the International Marina Institute, is included on the following page. It is noted that the most recent data available was from 2005. The national facilities lease a majority of spaces to powerboats, with less than 30 percent to sailboats, and only 5 percent to commercial vessels. Occupancy rates typically reflect over 90 percent. About two-thirds of marinas report wait lists with turnover reflecting an average of 5 years. Only 10 percent of facilities offer a free public boat launch, including only 25 percent of municipal marinas offering this service. Over 60 percent of facilities report dry storage, with fees, and substantial parking stalls available. The most common services provided with dockage include fresh water, electricity, security, septic dump, cable TV and telephone.

Annual revenues per occupied slip reflects under \$1,400 for lower revenue marinas, to over \$2,000 for larger facilities. A breakdown of marina revenues is shown below.

Table – National Marina Revenue Figures

ALL MARINAS BY SIZE

| | Operations Management - All Marinas by Size | | | |
|---------------------------------------|---|--------------|-------------------|---------------|
| | All Marinas | \$0 - \$500K | \$500K - \$1,750K | Over \$1,750K |
| Annual Revenue per Occ. Slip | \$2,216 | \$1,375 | \$2,283 | \$2,896 |
| Annual Revenue per Dry Storage Unit | \$1,252 | \$1,221 | \$778 | \$1,929 |
| Annual Rev. per Emp-High Season | \$74,008 | \$58,775 | \$78,082 | \$106,280 |
| Annual Rev. per Emp-Low Season | \$138,685 | \$113,318 | \$141,778 | \$165,799 |
| Annual Rev. per Linear Ft. of Moorage | \$174 | \$126 | \$203 | \$164 |

ALL MARINAS BY TYPE

| | Operations Management - All Marinas by Type | | | |
|---------------------------------------|---|----------------|------------------|--------------------|
| | Port Authority | Private Marina | Municipal Marina | Destination Resort |
| Annual Revenue per Occ. Slip | \$1,950 | \$2,318 | \$2,304 | \$1,872 |
| Annual Revenue per Dry Storage Unit | \$848 | \$1,035 | \$1,797 | \$3,084 |
| Annual Rev. per Emp-High Season | \$92,457 | \$83,202 | \$89,485 | \$60,332 |
| Annual Rev. per Emp-Low Season | \$138,685 | \$148,778 | \$158,087 | \$82,341 |
| Annual Rev. per Linear Ft. of Moorage | \$121 | \$174 | \$198 | \$179 |

Capital improvement budgets for aggregate national marina data typically range from \$100,000 to over \$1.0 million, with destination resort marinas reflecting the lowest allocation (highest maintenance costs). The average for all marinas reflected approximately \$500,000 per year as shown below.

Table – National Marina Capital Improvement Budget

ALL MARINAS BY SIZE

| | <i>Capital Improvement Budget by Year - All Marinas by Size</i> | | | |
|-------------|---|---------------------|-------------------------|---------------------|
| | <i>All Marinas</i> | <i>\$0 - \$800K</i> | <i>\$800K - \$1.75M</i> | <i>Over \$1.75M</i> |
| 2001 | \$387,251 | \$160,786 | \$541,667 | \$1,386,333 |
| 2002 | \$526,962 | \$100,089 | \$744,000 | \$1,196,000 |
| 2003 | \$495,541 | \$100,089 | \$492,000 | \$1,411,000 |
| 2004 | \$484,391 | \$102,019 | \$527,500 | \$1,004,286 |
| 2005 | \$526,962 | \$100,089 | \$744,000 | \$1,196,000 |

ALL MARINAS BY TYPE

| | <i>Capital Improvement Budget by Year - All Marinas by Type</i> | | | |
|-------------|---|-----------------------|-------------------------|---------------------------|
| | <i>Port Authority</i> | <i>Private Marina</i> | <i>Municipal Marina</i> | <i>Destination Resort</i> |
| 2001 | \$250,000 | \$350,337 | \$693,167 | \$201,667 |
| 2002 | \$744,000 | \$420,077 | \$1,196,000 | \$153,281 |
| 2003 | \$492,000 | \$323,333 | \$1,411,000 | \$173,036 |
| 2004 | \$527,500 | \$357,500 | \$1,004,286 | \$184,375 |
| 2005 | \$744,000 | \$420,077 | \$1,196,000 | \$153,281 |

PAG- Marina Fees and Recommendations

SUMMARY OF COMPARABLE MARINA RECREATIONAL MOORING FEES
Selected Marinas, USA

| Trans. No. | Marina (City/State) | No of Slips | Berthing Rates (\$/ft./mo.) Range of Boat Length/Slip Size | Westside Amenities (1) | Eastside Amenities (2) | Latitude | Longitude | Comments |
|----------------------|-----------------------------|-------------|---|------------------------|------------------------|--------------------------|-----------|--|
| EUROPE | | | | | | | | |
| 1 | GDQ Agaya Marina | 58 | 20'-10' \$2.00 | F | W, P | WD, T, I | | New docks Slip fees include utilities. Discount for outer harbor. Toilets included. |
| 2 | Agat Marina | 116 | 25-60' \$3.50 | | W, P | R, B, I | | |
| CANADA | | | | | | | | |
| 3 | Spring Cove Marina, Selkirk | 70 | <25' \$3.50 | | | | | \$1.3 million in upgrades in 2011 |
| HAWAII | | | | | | | | |
| 4 | Koko Marina Center | N/A | 25-35' \$10.00 | F, B, S | W, P, C | R, B, S T, I | | Located at Hawaii Kai. Slip fee only, additional fees apply. |
| 5 | Kawaloa Beach | 70 | 30'-70' \$12.20 | F, B, S | W, P, C | R, B, S T, I | | Private, member only rates. Additional fees apply. |
| 6 | Ko Olona | 330 | 40' \$18.85 | F, B, S | W, P, C | R, B, S T, I | | Upscale private marina in resort area. Parking \$80/mo. Electric metered. |
| US WEST COAST | | | | | | | | |
| 7 | Various Locations | N/A | 25-30' \$11.76-\$18.75 | F, P, S (typ) | W, P, C (typ) | R, B, S T, I (typ) | | Wide variety of prices, full service marina operations in California. Typical amenities noted but varies by location |
| US EAST COAST | | | | | | | | |
| 8 | Various Locations | N/A | 21'-50' \$8.33 to \$12.50 | F, P, S (typ) | W, P, C (typ) | S, T, I (typ) | | Eight limited service marinas in Washington D C area |
| NEW ZEALAND | | | | | | | | |
| 9 | Seawater, Wellington | 314 | 32'-50' \$8.25-\$10.48 | F, P, S | W, P, C | S, T, I | | Various aail and rigging and other services available. |
| AUSTRALIA | | | | | | | | |
| 10 | Scarborough Marina | 235 | 32'-50' \$11.86-\$14.48 | F, P, S | W, P, L | S, T, I | | Queenstand location. |

(1) F= Fuel, P= Pump Out, S= Security
 (2) W= Water, P= Power, C= Cable
 (3) R= Restaurant, B= Bar, S= Shopping, L= Laundry, I= Ice, WD= Wash down, T= Toilets/Shower

Commercial Vessels – Commercial use adjustments to existing mooring fees are also justified due to the improvements completed (and pending) at the marinas. In order to estimate mooring fees for commercial users, we employed a similar methodology as was employed for recreational use. We considered existing and historic rates along with a wide variety of market data. It is noted that substantially less market data is available for commercial use of marinas, as the vast majority of comparables involve recreational users only.

A summary of market data is included on the following page. It is noted that in Hawaii state owned marinas, the commercial rate is either double the recreational rate or three percent of gross sales, whichever is greater. In Saipan, commercial rates reflected \$5.00 to \$15.00 per foot per month, depending on length. In Saipan, a fee of \$4 per commercial passenger was adopted, but never implemented.

A per passenger commercial use fee may be appropriate in the near term, after Harbor of Refuge and other improvements are completed. This potential user fee should be accounted for separately and allocated to marina repairs and maintenance. However, considering condition and other issues, we recommend that PAG begin by collecting data on number of users, and verifying reports, before implementing a user fee. As additional improvements are made and the Harbor of Refuge becomes usable, a per passenger user fee of \$1 to \$2 per passenger will be justified. However, this fee should be separately accounted for and utilized for marina repairs and upgrades only. Further, a \$ per passenger fee for commercial users should be implemented only after additional improvements are made such as permanent shelters and adequate restrooms.

Overall, based on our research and analyses, we conclude that mooring fees for commercial vessels based on Guam should be revised as follows. If the recommended fees are adapted, we further recommend that PAG revisit mooring fee schedules every three years to reflect the prevailing marina conditions.

| <u>Slip Length</u> | <u>Old Rate (\$/ft/mo)</u> | <u>Recommended New Rate (\$/ft/mo)</u> | <u>Recommended Rate Change (\$/ft/mo)</u> |
|--|----------------------------|--|---|
| <u>Agat Commercial Use</u> | | | |
| 25' | \$8.50 | \$8.00 | (\$0.50) |
| 40' | \$8.50 | \$8.50 | \$0.00 |
| 60' | \$8.50 | \$9.00 | +\$0.50 |
| <u>GDP Agana Commercial Use</u> | | | |
| 20' | \$3.50 | \$8.50 | +\$5.00 |
| 30' | \$3.50 | \$9.00 | +\$5.50 |
| 40' | \$3.50 | \$9.50 | +\$6.00 |
| Outer Basin | \$2.50 | \$4.25 | +\$1.75 |

The fees should be based on the overall length of boat or length of slip, whichever is greater. The boat length overall should include bow pulpit and spirits, swim platforms, etc.

Live Aboard Fee – Live aboard rates for vessels based on Guam have not changed in many years. Currently, live aboard fees are based on \$ per foot per month, but the typical marina practice involves a flat fee, as a premium in addition to the standard slip fee. In Agat, the fee is an extra \$1 per foot per month, or \$25 per month on a 25 foot slip. In Agana, the fee is \$0.50 per foot per month less than Agat, which may have reflected the condition of The GDP Marina at the time of the revision.

In order to estimate a recommended live aboard fee, we applied a similar methodology as employed for mooring fees. We assume that pump outs are available and operating, along with showers. We also assume that the best indicator of reasonable live aboard fees are those fees reflected by comparable marinas. We researched and considered differences between a range of marinas with the Guam subject properties. A summary of this research is shown as follows.

| Comp No. | Location | Live aboard Fee (\$/mo) |
|----------|----------|-------------------------|
| 1 | CA | \$350 |
| 2 | MA | \$125 |
| 3 | CA | \$300 (2 pax) |
| 4 | NZ | \$82 |
| 5 | CA | \$200 (1 pax) |
| 6 | QNL | \$170 (1 pax) |
| 7 | WA | \$120 |
| 8 | FL | \$40 (1 pax) |
| 9 | MD | \$100 |
| 10 | FL | \$170 |
| 11 | CA | \$175 |
| 12 | CA | \$200 |

Our research did not disclose any marina live aboard fees based on slip or boat length. Some marinas charge based on the number of occupants. The 12 indicators, excluding the two highest and two lowest fees, reflect a range of \$100 to \$200 per month. Notably, In Hawaii, the live aboard rate at state owned harbors in 2010 was proposed at two to three times the rate of the mooring fee, based on a law that requires mooring fees to cover harbor operating and maintenance costs.

Based on location, amenities and other factors, we estimate that the Guam live aboard fee, which shall be in addition to the mooring fee for both marinas, shall be based on a flat rate of \$100 per month. Separate fees for utilities should be set considering estimated consumption (which typically increases along with boat length) or a flat fixed fee that allows PAG to recover its actual expense in providing the service. A summary of our live aboard fee conclusions is shown as follows.

Mooring Fees for Transient Vessels or Small Craft Occupying Moorings - The current mooring fees for transient vessels or small craft occupying moorings is currently based on a rate of \$6.00 per foot per month for recreational vessels and \$9.50 per foot per month for commercial vessels. These transient rates apply to both marinas on Guam. The current transient recreational vessel premium in Agat is 9 percent and the current premium in Agana is 300 percent. The current transient commercial premium in Agat is 12 percent and the current premium in Agana is 271 percent.

In order to analyze transient rates for mooring fees on Guam, we completed a methodology similar to that employed for the other sectors of our analyses. We researched marina operations for premiums associated with casual daily rates vs. long term fees. Some marinas include transient rates based on a daily, weekly or monthly basis, with daily rates reflecting the highest fees. A summary of premiums reflected in the market as disclosed by our research is shown below.

| Comp No. | Location | Casual Rate Premium |
|-----------------|-----------------|----------------------------|
| 1 | NZ | +205% to 245% |
| 2 | QNL | +272% to 303% |
| 3 | FL | +415% |
| 4 | MD | +328% |
| 5 | FL | +175% to 483% |
| 6 | CA | +225% |
| 7 | CA | +110% to 183% |
| 8 | DC | +212% to 692% |
| 9 | DC | +439% |
| 10 | HI | 375% |

Additional Recommendations – A summary of additional marina management recommendations, some of which were included in our prior work, follows.

Maintenance and Repair

- Commitment to maintain & improve marinas
- Complete Agat Dock "B" replacement (consider 40 and 60 foot slip options based on user demand)
- Complete health and safety required repairs (Harbor of Refuge moorings, bathrooms, fueling in Agat, siltation issues, navigation, fire suppression and security)
- Review and improve operational layout of marinas including Loading Zones and parking management

Financial

- Modify accounting to include separate marina cost accounting
- Complete cost accounting and determine actual level of marina subsidy
- Include marina capital expenditure planning in CIP budgeting
- Waive GFD and GPD fair rent and utility costs (if necessary) in exchange for security presence
- Utilities and costs (determine if existing rates cover costs)

Management

- Recognize marinas as business unit
- Revise Commercial Manager Job Description to include separate line item for marinas
- Analyze Master Plan for GDP – commit to completion or ammend as necessary
- Plan to complete future phases of GDP Marina portion of the Paseo de Susana Master Plan.
- Expand Grant writing program for Guam marinas
- ID and secure additional grant funding (NOAA etc.)
- Request US DOI to designate PAG as recipient for majority (or all) of DJ Sport Fish grant for use in improving and maintaining Guam's marinas
- Fill Marina Manager position
- Allow Commercial Division flexibility to solve marina problems and complete repairs quickly
- Plan periodic user and community outreach/update meetings
- Coordinate with federal and local partners to obtain dredging approvals and seek funding
- Adopt best practices program
- Review and update compliance with 2008 Master Plan or propose amendments

W. NICHOLAS CAPTAIN, MAI, CRE

PROFESSIONAL BACKGROUND

President, Captain & Associates, Captain Realty Advisors and The Captain Company
Qualified Expert/Authority, Supreme Court of the United States (Case No. 06-116), Superior Court of Guam, Superior Court of the CNMI, Supreme Court of the Republic of Palau, Nuclear Claims Tribunal of the Republic of the Marshall Islands and the Board of Appeals in the City and County of Honolulu, State of Hawaii
Organizer and Host, The Micronesia Real Estate Investment Conference (MREIC 2001 to 2009)

PROFESSIONAL AND OTHER AFFILIATIONS

The Counselors of Real Estate - Designated Member
Appraisal Institute - Designated Member
Real Estate Broker, Island of Guam
Appraisal Institute, Former Ambassador to Micronesia, Philippines and Indonesia
Guam Educational Radio Foundation, Former Chairman of the Board of Trustees
The Counselors of Real Estate, Member, International Task Force, 2005
Appraisal Institute, International Relations Committee, 2001 - 2004
Appraisal Institute, Former National Instructor (USPAP Classes)
The Appraisal Foundation, Former National Instructor (USPAP Classes)
Territory of Guam Certified General Appraiser
Commonwealth of Northern Mariana Islands Certified General Appraiser
Hawaii State Certified General Appraiser, 1995 to 2007
University of Guam, Former Adjunct Instructor, CCEOP
Guam Association of Realtors, Board of Directors, 2004 to 2008
Beta Gamma Sigma, Member, National Honor Society for Collegiate Schools of Business
Appraisal Institute, Young Advisory Council, 1997 (Hawaii Chapter Scholarship Recipient)
Pan Pacific Congress, The Counselors of Real Estate's Alternate Chief Delegate in 2016 (Kyoto), Chief Delegate in 2004 (Taiwan) and 2008 (Korea); Appraisal Institute's Alternate Chief Delegate in 2006 (San Francisco) and in 2002 (Malaysia)
Guam Racquetball Federation, Past President and 1999 Asian Racquetball Championships Team Member (Taiwan)

EDUCATION

Master of Business Administration Classes, University of Hawaii at Manoa, Honolulu, Hawaii
Bachelor of Business Administration Degree, University of Hawaii at Manoa, Honolulu, Hawaii, Finance Major (Graduated with 4.0 on 4.0 scale)

Special Real Estate Courses And Seminars Completed:

Appraisal Institute, Uniform Standards of Professional Practice, 2015
Appraisal Institute, Basic Appraisal Principles, 2014
Appraisal Institute, Business Practices and Ethics, 2014
Appraisal Institute, Uniform Standards of Professional Practice, 2013
Appraisal Institute, Small Hotel/Motel Valuation, 2006
Appraisal Institute, Uniform Standards of Professional Practice, 2004
Appraisal Institute, Online Business Practices and Ethics, 2004
Appraisal Institute, Online General Applications, 2004
The Appraisal Foundation, Instructor Certification Course, 2003
Appraisal Institute, Scope of Work, 2002
Appraisal Institute, The Appraiser as an Expert Witness: Preparation & Testimony, Condemnation Appraising, Eminent Domain, Special Purpose and other courses (1996-1999)
Duplanty School of Real Estate, Various Courses, 1996
Appraisal Institute, Course 540, Report Writing and Valuation Analysis, 1993
Appraisal Institute, Course 2-1, Case Studies in Real Estate Valuation, 1992
Appraisal Institute, Capitalization Theory and Techniques, Parts A & B, 1992

Tab 3

GUAM DAILY POST • MONDAY, NOVEMBER 6, 2017

Trump: US, allies ready to defend freedom



ASIA TODAY: President Donald Trump shakes hands with Japan's Prime Minister Shinzo Abe on Nov. 5 at Aomori Bay Country Club in Kanagawa, Japan. Jonathan Ernst/Reuters.

KAWAGOE, Japan (Reuters) - President Donald Trump ramped up his tough rhetoric against North Korea when he arrived in Japan on Sunday, saying that the United States and its allies are prepared to defend freedom and that "no dictator" should underestimate U.S. resolve.

Trump kicked off a 12-day Asian trip and is looking to present a united front with Japan against North Korea through meetings with Prime Minister Shinzo Abe amid heightened tensions over Pyongyang's nuclear and missile tests.

He told reporters on Air Force One en route to Asia that North Korea would figure prominently in discussions during the trip. He also singled

out trade, which he said had been "badly handled" in the region for years.

Trump has rattled some allies with his vow to "totally destroy" North Korea if it threatens the United States and his dismissal of North Korean leader Kim Jong Un as a "rocket man" on a suicide mission.

"No dictator, no regime, no nation should ever underestimate American resolve," Trump told hundreds of cheering U.S. and Japanese troops in camouflage uniforms gathered at Yokota Air Base, just west of Tokyo, soon after he arrived.

"Every once in a while, in the past, they underestimated us. It was not pleasant for them, was it?" said Trump, who wore a leather bomber jacket as he addressed the troops.

North Korea's recent actions, including several missile tests that overflew Japan and Pyongyang's sixth and largest nuclear test, have raised the stakes in the most critical international challenge of Trump's presidency.

Recent drills over South Korea by two U.S. strategic bombers have further raised tensions.

"We will never yield, never waver and never falter in defense of our freedom," Trump said.

China tests new dredger ship for land projects

BEIJING (Reuters) - China is testing a new dredger ship that will greatly enhance its land reclamation capabilities, a state media report said on Sunday, as the country continues to develop facilities in the South China Sea in a bid to strengthen its claims in the waters.

State-run Beijing News newspaper said the Tian Kun began water tests on Friday. A cutter suction dredger is a type of ship used for large-scale projects to create or reclaim land.

"For example, there are many hard coral reefs on the sea floor of the South China Sea," the paper quoted Zhang Xiaofeng, chief engineer for the vessel, as saying, adding the ship will be put into service sometime in the first half of 2018.

Recent satellite images show that China has quietly undertaken more construction and reclamation in the South China Sea, through which about \$5 trillion in shipborne trade passes each year, in a bid to strengthen its grip despite objections from Brunei, Malaysia, the Philippines, Taiwan and Vietnam as well as the United States.

PORT OF GUAM
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Eddie Ibanez Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

NOTICE TO THE GENERAL PUBLIC

The Port Authority of Guam (PAG) wishes to advise the general public and its tenants of our intent to file a petition with the Public Utilities Commission (PUC), to revise fee structures for vessel mooring activities over all areas designated as small boat berths or recreational boating facilities. Public Law 30-52 placed the Jose D. Leon Guerrero Commercial Port under the oversight of the PUC for establishment or modification of rates and other charges. The Port Authority Board of Directors authorizes management to proceed with the proper filing of necessary petition to the PUC as it relates to timely implementation of the revised fee structures for vessel mooring activity at the impacted facilities.

After the filing is made, PUC will review the petition with supporting documentation and schedule a time for the rate case to be presented to PUC commissioners. During this time, the public will be given an opportunity to provide testimony to the PUC on three different hearing dates throughout the island. PUC will also notify the public of the specific dates upon which the hearing will be scheduled. The notice of the established proposed rates may be viewed at the Port Authority's Administration Office or on its website at <http://www.portguam.com>. Any public or tenant comments concerning the proposed increased rental rates may be submitted to the PAG at the address indicated above or via email at tariff@portguam.com.

JOANNE M.S. BROWN
General Manager

| Silo Length | ABAY MARRIA | | | Silo Length | GREGORIO D. PEREZ MARRIA (GDP) | | |
|-------------------------------|-------------|------------|----------|-------------|--------------------------------|------------|-----------|
| | Old Rate | Prop. Rate | Change | | Old Rate | Prop. Rate | Change |
| Recreational User: | | | | | | | |
| 25' | \$5.50 | \$5.00 | -\$0.50 | 20' | \$3.00 | \$3.50 | +\$0.50 |
| 40' | \$5.50 | \$5.50 | \$0.00 | 30' | \$2.00 | \$2.00 | \$0.00 |
| 60' | \$5.50 | \$6.00 | +\$0.50 | 40' | \$2.00 | \$6.50 | +\$4.50 |
| Outer Basin | | | | Outer Basin | | | |
| N/A | | | | N/A | | | |
| Commercial User: | | | | | | | |
| 25' | \$4.50 | \$4.00 | -\$0.50 | 20' | \$3.50 | \$4.50 | +\$1.00 |
| 40' | \$4.50 | \$4.50 | \$0.00 | 30' | \$3.50 | \$3.50 | \$0.00 |
| 60' | \$4.50 | \$5.00 | +\$0.50 | 40' | \$3.50 | \$9.50 | +\$6.00 |
| Outer Basin | | | | Outer Basin | | | |
| N/A | | | | N/A | | | |
| Live Aboard User: | | | | | | | |
| 25' | \$182.00 | \$225.00 | +\$43.00 | 20' | \$120.00 | \$110.00 | -\$90.00 |
| 40' | \$260.00 | \$320.00 | +\$60.00 | 30' | \$180.00 | \$180.00 | \$100.00 |
| 60' | \$380.00 | \$460.00 | +\$70.00 | 40' | \$240.00 | \$160.00 | -\$120.00 |
| Outer Basin | | | | Outer Basin | | | |
| N/A | | | | N/A | | | |
| Transient Mooring Fees | | | | | | | |
| Recreational User: | | | | | | | |
| 25' | \$3.00 | \$18.00 | \$5.00 | 20' | \$5.50 | \$11.00 | \$9.50 |
| 40' | \$5.50 | \$11.00 | \$3.50 | 30' | \$6.00 | \$12.00 | \$6.00 |
| 60' | \$6.00 | \$12.00 | \$6.00 | 40' | \$6.00 | \$19.00 | \$7.00 |
| Commercial User: | | | | | | | |
| 25' | \$4.00 | \$16.00 | \$8.00 | 20' | \$8.00 | \$16.00 | \$8.00 |
| 40' | \$4.50 | \$17.00 | \$4.50 | 30' | \$8.50 | \$17.00 | \$8.50 |
| 60' | \$9.00 | \$18.00 | \$9.00 | 40' | \$9.00 | \$18.00 | \$9.00 |



PORT OF GUAM
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Website: www.portguam.com



Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

September 26, 2017

TO: Marina Tenants
FROM: General Manager
SUBJECT: Notice for Adjusted Marina User Fees

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 over all areas designated as small boat basins or recreational boating facilities.

On October 31, 2016, Captain & Associates ("C&A"), PAG consultant, provided an updated appraisal and consulting report on PAG's current marina user fee schedule, and concluded that the mooring fees for vessels based on Guam, transient vessels as well as live aboard vessels should be revised.

On February 13, 2017, the Port Authority Board of Directors authorized management to proceed with the proper filing of the necessary petition to the PUC as it relates to timely implementation of the revised fee structures for vessel mooring activities at the impacted facilities.

PAG intends to raise the rates effective January 1, 2018. The following rates for Marina fees will be as follows:

| RECREATIONAL USE | | Recommended | Recommended |
|--|-------------------|--------------------|--------------------|
| Slip Length | Old Rate | New Rate | Rate Change |
| <u>Agat Recreational Use</u> | (\$/ft/mo) | | (\$/ft/mo) |
| 25' | \$5.50 | \$5.00 | (\$0.50) |
| 40' | \$5.50 | \$5.50 | \$0.00 |
| 60' | \$5.50 | \$6.00 | \$0.50 |
| <u>GDP Agana Recreational Use</u> | | | |
| 20' | \$2.00 | \$5.50 | \$3.50 |
| 30' | \$2.00 | \$6.00 | \$4.00 |
| 40' | \$2.00 | \$6.50 | \$4.50 |
| Outer Basin | \$1.50 | \$3.00 | \$1.50 |

| COMMERCIAL USE | | Recommended | Recommended |
|---------------------------------|------------|-------------|-------------|
| Slip Length | Old Rate | New Rate | Rate Change |
| <u>Agat Commercial Use</u> | (\$/ft/mo) | | (\$/ft/mo) |
| 25' | \$8.50 | \$8.00 | (\$0.50) |
| 40' | \$8.50 | \$8.50 | \$0.00 |
| 60' | \$8.50 | \$9.00 | \$0.50 |
| <u>GDP Agana Commercial Use</u> | | | |
| 20' | \$3.50 | \$8.50 | \$5.00 |
| 30' | \$3.50 | \$9.00 | \$5.50 |
| 40' | \$3.50 | \$9.50 | \$6.00 |
| Outer Basin | \$2.50 | \$4.25 | \$1.75 |

| LIVE ABOARD | Current Live | New Recommended Rate | | |
|--------------------|--------------|-----------------------------|----------|--------------------|
| | Aboard Rates | Live Aboards (\$ per month) | | |
| Slip Length | (\$/mo) | Slip Fee | Fee | Total |
| <u>Agat</u> | | | | |
| 25' | \$162.50 | \$125.00 | \$100.00 | \$225.00 |
| 40' | \$260.00 | \$220.00 | \$100.00 | \$320.00 |
| 60' | \$390.00 | \$360.00 | \$100.00 | \$460.00 |
| <u>Agana</u> | | | | |
| 20' | \$120.00 | \$110.00 | \$100.00 | \$210.00 |
| 30' | \$180.00 | \$180.00 | \$100.00 | \$280.00 |
| 40' | \$240.00 | \$260.00 | \$100.00 | \$360.00 |
| Outer Basin | \$5.00/ft/mo | Varies | \$100.00 | Slip fee +\$100.00 |

| TRANSIENT | Captain | Estimated | Recommended Transient Rate | |
|--------------------|-----------------|-----------|----------------------------|-------------|
| | Recommended | Premium | (\$/ft/mo) | (\$/ft/day) |
| Slip Length | Rate (\$/ft/mo) | | | |
| <u>Agat Marina</u> | | | | |
| Recreational | | | | |
| 25' | \$5.00 | 100% | \$10.00 | \$0.33 |
| 40' | \$5.50 | 100% | \$11.00 | \$0.37 |
| 60' | \$6.00 | 100% | \$12.00 | \$0.40 |
| Commercial | | | | |
| 25' | \$8.00 | 100% | \$16.00 | \$0.53 |
| 40' | \$8.50 | 100% | \$17.00 | \$0.57 |
| 60' | \$9.00 | 100% | \$18.00 | \$0.60 |

| TRANSIENT | | Captain Recommended | Estimated | Recommended Transient Rate | |
|------------------|-----------------|---------------------|-----------|----------------------------|-------------|
| Slip Length | Rate (\$/ft/mo) | | Premium | (\$/ft/mo) | (\$/ft/day) |
| GDP/Agana Marina | | | | | |
| Recreational | | | | | |
| 20' | \$5.50 | | 100% | \$11.00 | \$0.37 |
| 30' | \$6.00 | | 100% | \$12.00 | \$0.40 |
| 40' | \$6.50 | | 100% | \$13.00 | \$0.43 |
| Commercial | | | | | |
| 20' | \$8.00 | | 100% | \$16.00 | \$0.53 |
| 30' | \$8.50 | | 100% | \$17.00 | \$0.57 |
| 40' | \$9.00 | | 100% | \$18.00 | \$0.60 |

Should you have any questions, please feel free to contact the Commercial Division at 477-5931 ext. 482-484.


 JOANNE M.S. BROWN
 General Manager

CC: Commercial
 Operations Manager

