



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

DEC 05 1995

The Honorable Ted S. Nelson  
Acting Speaker  
Twenty-Third Guam Legislature  
Guam Legislature Temporary Building  
155 Hesler Street  
Agana, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>Allefin</u>
Time	<u>11:10</u>
Date	<u>12/6/95</u>

Dear Speaker Nelson:

Enclosed please find a copy of Substitute Bill No. 337 (LS), "AN ACT TO ADD A NEW ARTICLE 11 TO CHAPTER 2, TITLE 12, GUAM CODE ANNOTATED, TO DIRECT THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO ACT AS THE REUSE PLANNING COMMITTEE AND AS THE LOCAL REDEVELOPMENT AUTHORITY FOR THE CONVERSION OF CLOSED MILITARY FACILITIES AND PROPERTIES AS A RESULT OF THE BRAC '95 RECOMMENDATIONS", which I have signed into law today as **Public Law No. 23-51**.

This public law provides for the Guam Economic Development Authority (GEDA), an existing public corporation which handles bond issues and other economic and financial development programs for the territory, to handle the necessary functions related to the return of excess military land included in BRAC '95. This public law is a natural and expected outgrowth of the "Guam Steering Committee" created by Executive Order No. 95-17 on September 15, 1995.

Very truly yours,

  
Carl T. C. Gutierrez

Attachment  
**230003**

Office of VICE-SPEAKER TED S. NELSON	
Received by	
<u>Bobbin</u>	<u>lee</u>
Print Name	Initial
Date: <u>12-6-95</u>	Time: <u>10:52</u>

TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 337 (LS), "AN ACT TO ADD A NEW ARTICLE 11 TO CHAPTER 2, TITLE 12, GUAM CODE ANNOTATED, TO DIRECT THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO ACT AS THE REUSE PLANNING COMMITTEE AND AS THE LOCAL REDEVELOPMENT AUTHORITY FOR THE CONVERSION OF CLOSED MILITARY FACILITIES AND PROPERTIES AS A RESULT OF THE BRAC '95 RECOMMENDATIONS," was on the 22nd day of November, 1995, duly and regularly passed.



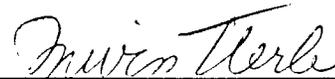
\_\_\_\_\_  
DON PARKINSON  
Speaker

Attested:



\_\_\_\_\_  
JUDITH WON PAT-BORJA  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 29th day of November,  
1995, at 4:55 o'clock P.M.



\_\_\_\_\_  
Assistant Staff Officer  
Governor's Office

APPROVED:



\_\_\_\_\_  
CARL T. C. GUTIERREZ  
Governor of Guam

Date: 12-5-95

Public Law No. 23-51

TWENTY-THIRD GUAM LEGISLATURE  
1995 (First) Regular Session

Bill No. 337 (LS)

As Substituted by the Committee on  
Economic-Agricultural Development  
and Insurance

Introduced by:

J. T. San Agustin  
J. P. Aguon  
F. P. Camacho

---

T. S. Nelson  
T. C. Ada  
E. Barrett-Anderson  
A. C. Blaz  
J. S. Brown  
M. C. Charfauros  
H. A. Cristobal  
M. Forbes  
A. C. Lamorena V  
C. Leon Guerrero  
L. Leon Guerrero  
S. L. Orsini  
V. C. Pangelinan  
D. Parkinson  
A. L. G. Santos  
F. E. Santos  
J. Won Pat-Borja  
A. R. Unpingco

AN ACT TO ADD A NEW ARTICLE 11 TO CHAPTER 2,  
TITLE 12, GUAM CODE ANNOTATED, TO DIRECT  
THE GUAM ECONOMIC DEVELOPMENT  
AUTHORITY TO ACT AS THE REUSE PLANNING  
COMMITTEE AND AS THE LOCAL  
REDEVELOPMENT AUTHORITY FOR THE  
CONVERSION OF CLOSED MILITARY FACILITIES  
AND PROPERTIES AS A RESULT OF THE BRAC '95  
RECOMMENDATIONS.

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2 **Section 1.** A new Article 11 is hereby added to Chapter 2, Title 12,  
3 Guam Code Annotated, to read:

4  
5 **"Article 11.**

6 **Reuse Planning and Redevelopment of Former Military Bases.**

7 **§2960. Legislative Findings and Intent.** The Legislature hereby  
8 finds and declares:

9 (a) That there is a need to enhance economic activity on  
10 Guam by attracting financial, transshipment,  
11 telecommunications, manufacturing, assembly, industrial,  
12 aviation and other activities conducive to economic development  
13 and promotion in order to provide a stronger, more balanced and  
14 stable economy.

15 (b) That the economic well-being of the people of Guam  
16 and the public and private business resources of the Territory  
17 provides unique economic opportunities for the redevelopment of  
18 the Ship Repair Facility, the Fleet and Industrial Supply Center  
19 and other facilities within Naval activities in Guam slated for  
20 closure.

21 (c) That public and private partnership is essential for  
22 successful redevelopment of these military bases and thus the  
23 need to create a business-management type entity with board  
24 members, management and staff experience in financing and  
25 property management and in attracting new business prospects.

26 (d) That an interim reuse and broad-based planning  
27 committee is needed and as such will differ markedly from the  
28 establishment of a permanent base reuse organization whose

1 focus must be on developing and managing the "Real Estate,"  
2 attract private sector industrial clients, work with federal  
3 agencies to accelerate the environmental clean-up and permitting  
4 process, maintain the roadways and common property and  
5 provide for the business-like operations and financing of a major  
6 real estate holding.

7 (e) That planning, replanning, rehabilitation,  
8 redevelopment, and other preparation for reuse of military bases  
9 and military base property are public and governmental functions  
10 that cannot be accomplished through the ordinary operations of  
11 private enterprise because of the provisions of federal law that  
12 provide for the expeditious and affordable transfer of military  
13 base property to an entity established by local government, and  
14 the necessity for requiring the proper use of the land to best serve  
15 the interests of the territory and its people.

16 (f) That there is a need to provide financing mechanisms  
17 and subsidies essential for successful long term redevelopment.

18 (g) That it is the intent of the Legislature to establish a  
19 permanent and legal multi-jurisdictional collaborative structure  
20 and to authorize a redevelopment entity capable of developing,  
21 implementing and managing reuse strategies, rooted in reality but  
22 focused on opportunities and providing for a consensus outreach  
23 and open public planning process that guides and coordinates  
24 conversion activities and promotes economic redevelopment at  
25 these military base properties.

26 (h) That the best instrument both for completing the plans  
27 for the reuse of the former military facilities and properties at

1 Apra Harbor and for implementing these reuse plans is the Guam  
2 Economic Development Authority, because it is a public  
3 corporation, with its own budget, independent of taxpayers'  
4 funds, directed by a board of directors made up of local  
5 businessmen and women, and established to assist in the  
6 implementation of an integrated program for the economic  
7 development of Guam. This public instrumentality is best able to  
8 develop an effective reuse strategy that will achieve the objectives  
9 of this article, which are to both create and maintain employment,  
10 provide economic opportunities for private businesses, facilitate  
11 the continued operation and expansion of seaport facilities and  
12 generally to take maximum advantage of federal laws and  
13 regulations allowing cost free conveyances of surplus property  
14 and facilities for public benefit and economic redevelopment  
15 purposes.

16 **§2961. General provisions.** Upon the enactment of this article,  
17 the Guam Economic Development Authority ("the Corporation") is  
18 hereby constituted as the Reuse Planning Committee and as the Local  
19 Redevelopment Authority to carry out both planning for the reuse of  
20 closed military bases which are made available as a result of the BRAC  
21 '95 closures and to act as the legal authority to implement the reuse  
22 plans, and thus shall have the powers set forth herein over any property  
23 it shall acquire by lease or deed or to authorize other public entities to  
24 acquire title to the Military Base Property.

25 **§2962. Activities as the Reuse Planning Committee.** The  
26 Corporation, in its capacity as the Reuse Planning Committee shall  
27 include but are not limited to the following:

1 (a) Creation of a three (3) year economic redevelopment or reuse  
2 plan.

3 (b) Creation of an annual business plan.

4 (c) Conducting community outreach activities which shall include  
5 public education and information.

6 (d) Applying for and administering grants from any source for  
7 activities related to the Corporation's functions.

8 (e) Coordinating the environmental remediation and clean-up  
9 mandated by federal and Guam statues.

10 (f) Creation of a set of rules, organizational structure and  
11 operating procedures for developing the reuse plans.

12 (g) Creation of subcommittees in order to develop reuse guidance  
13 on specific issues, utilizing, as necessary, persons with relevant skills  
14 and knowledge.

15 (h) Conduct all meetings of the committee openly, pursuant to the  
16 Guam Sunshine Law.

17 **§2963. Definitions.** For purposes of this Article,

18 (a) "Military Base" means a DOD military Installation in Guam  
19 that is scheduled for closing or is to be completely or partially closed, as  
20 a result of the BRAC '95 recommendations.

21 (b) "Military Base Property" means real and personal property  
22 that is currently or was formerly part of a Military Base and is subject  
23 to reuse.

24 (c) "Local Redevelopment Authority (LRA)" means that division  
25 of the Corporation able to receive property under an Economic  
26 Development Conveyance from DOD to enter into interim leases or

1 early transfers of parcels for undertaking early reuses prior to the  
2 departure of the military from the closed base.

3 (d) "Reuse Planning Committee" means that division of the  
4 Corporation charged with planning the reuse of military bases and  
5 military base property available through the BRAC process. As such, it  
6 is eligible to apply and receive planning and organizational grants from  
7 the DOD Office of Economic Adjustment.

8 (e) "PAG" means the Port Authority of Guam

9 (f) "DOD" means the U.S Department of Defense.

10 (g) "Base Commander" means the military or Naval officer in  
11 command of the Military Base being closed in Guam pursuant to the  
12 BRAC process.

13 (h) "BRAC '95" means the U.S. Base Closure and Realignment  
14 Commission's final decision announced in 1995 as it affects certain  
15 Military Bases in Guam.

16 (i) "OEA Project Manager" means that person appointed by the  
17 Office of Economic Adjustment of DOD who coordinates and guides  
18 Guam's adjustment to the Military Base closures brought about  
19 through the BRAC process.

20 (j) "Reuse Plan" means the plan prepared by the Reuse Planning  
21 Committee or the Local Redevelopment Authority for the reuse or  
22 redevelopment of the Military Bases in Guam affected by BRAC '95.

23 (k) "Guam Steering Committee" means that committee created  
24 by Executive Order No. 95-17, executed September 15, 1995, which  
25 committee is charged with planning the reuse of Military Bases and  
26 Military Base Property available to Guam through the BRAC '95  
27 process.

1           (l) "HUD" means the U.S. Department of Housing and Urban  
2           Development.

3           **§2964. Delegation of Authority.** The Corporation shall delegate to  
4           PAG and/or the Guam Steering Committee all planning and management  
5           activities and responsibilities to such Military Bases and Military Base  
6           Property as will be leased and/or acquired by PAG. In connection with any  
7           such delegation, the Corporation shall assist, coordinate and provide the  
8           support necessary, as the case may be, in obtaining grants to carry out such  
9           planning and management services.

10          **§2965. Powers of the Corporation.** The enumerated powers of the  
11          Corporation shall include but not be limited to those powers delegated by this  
12          article. Such powers shall include the power to:

13               (a) Investigate, study and survey the area surrounding and the  
14               real property and structures that are part of a Military Base.

15               (b) Investigate, study and determine the means by which Military  
16               Base Property may be redeveloped and reused by private enterprise to  
17               promote economic development or by local government to otherwise  
18               benefit the welfare of the people of Guam.

19               (c) Promote the reuse of Military Base Property in the manner  
20               that best serves the interests of Guam.

21               (d) Cooperate with departments and agencies of the government  
22               of Guam and of other governmental entities, including the federal  
23               government, in the manner that best serves the purposes of this article.

24               (e) Hold, acquire, operate, manage, lease (as lessee or lessor),  
25               construct or repair, or dispose of real and personal property in the  
26               name of the Corporation.

1 (f) Make and enter into contracts, including, without limitation,  
2 contracts with non-profit corporations and contracts with government  
3 of Guam and federal agencies.

4 (g) Cooperate with the federal government in all respects  
5 concerning implementation of the final Record of Decision concerning  
6 the disposal and reuse of Military Base Property.

7 (h) Make and enter into contracts with agencies or departments  
8 of the federal government for the provision of caretaker services for all  
9 or a portion of Military Base Property after closure. This power  
10 includes the power to make and enter into contracts with third parties  
11 for the provision of such services as deemed appropriate by the  
12 Corporation.

13 (i) Engage a full-time staff to carry out the work of the  
14 Corporation. The initial staff of the Reuse Planning Committee of the  
15 Corporation ("The Committee") shall consist of an executive director  
16 and an administrative assistant, and as more sub-committees are  
17 established which need staff support, as the reuse planning process  
18 involves more agencies requiring coordination, and as consultants are  
19 retained to conduct the reuse planning studies, the committee may  
20 engage additional staff as necessary.

21 (j) Retain qualified consultants to assist in developing reuse  
22 plans. In doing so, the Committee should identify the preliminary scope  
23 of work, the technical qualifications and support services of the  
24 consultants which will provide the types of information needed by the  
25 Committee to develop reuse plans.

26 (k) Provide for the furnishing of services, privileges, works,  
27 streets, roads, public utilities or educational or other facilities for or in

1 connection with a project; to dedicate property acquired or held by it for  
2 public works, improvements, facilities, utilities and purposes; and to  
3 agree, in connection with any of its contracts, to any conditions that it  
4 deems reasonable and appropriate including, but not limited to,  
5 conditions attached to federal financial assistance, and to include in any  
6 contract made or let in connection with any project of the Corporation  
7 provisions to fulfill such of said conditions as it may deem reasonable  
8 and appropriate.

9 (l) Fix, maintain, and revise fees, rates, rents, security deposits,  
10 and charges for functions, services, or facilities provided by the  
11 Corporation.

12 (m) Adopt a master economic redevelopment and reuse plan  
13 which shall include a three (3) year plan, which shall be updated prior to  
14 the expiration of each three (3) year period, establishing strategies and  
15 goals for promoting and marketing redevelopment activities at the  
16 Military Bases, securing development commitments for job creation  
17 and such purpose.

18 (n) Accept contributions, grants, or loans from any public or  
19 private agency, individual, or the federal government or any  
20 department, instrumentality, or agency thereof, for the purpose of  
21 financing its activities.

22 (o) Take all actions necessary or appropriate to carry out and  
23 implement the provisions of this Article.

24 **§2966. Negation of certain powers.** In determining what implied  
25 powers the Committee has under §2965 herein, it shall be clearly understood  
26 the Committee shall not have the following powers:

27 (a) Taxation.

1 (b) Condemnation or eminent domain.

2 (c) Creation of general obligation debt.

3 (d) Zoning or other governmental powers over land use.

4 (e) Enforcing of building, fire code, public health or safety  
5 regulations.

6 (f) Control and acceptance of public rights of way.

7 **§2967. Interim Leases.** The Corporation will enter into interim leases  
8 or early transfer of all or a portion of Military Base Properties, parcels or  
9 buildings suitable for leasing which can be used for redevelopment purposes  
10 and provide job opportunities prior to the military's departure from a  
11 Military Base, which interim leases may also provide income to help with the  
12 maintenance and operational cost of the site. In such event, any leases or  
13 subleases entered into by the Corporation as lessor shall include, at a  
14 minimum, substantially the following provisions:

15 (a) The sublessee shall maintain, at its own cost, comprehensive  
16 general liability and property damage insurance on buildings and real  
17 property in a reasonable minimum amount as determined by the  
18 Corporation. A certificate of insurance naming the Corporation as an  
19 additional insured evidencing such insurance shall be delivered to the  
20 Corporation contemporaneously with the execution of the sublease  
21 agreement.

22 (b) The sublessee shall not assign or transfer its rights under the  
23 sublease agreement or sublet the leased premises without first  
24 obtaining written consent from the Corporation.

25 (c) The sublessee shall use the leased premises in a careful, safe  
26 and proper manner and shall not use or permit the premises to be used

1 for any purpose prohibited by the laws of the United States, or the laws  
2 of Guam.

3 **§2968. Assets of the Corporation.** The Corporation shall maintain an  
4 asset inventory list for any and all real or personal property acquired by the  
5 Corporation by lease, purchase, donation or federal conveyance. This list  
6 shall designate how the asset was acquired, the date of acquisition, and the  
7 date of any sale or other disposition of any asset transferred by the  
8 Corporation, together with the amount of consideration received or paid by  
9 the Corporation. All military property book lists shall be examined by the  
10 Corporation for items marked as surplus.

11 **§2969. Funding.** The Corporation shall obtain planning funding from  
12 the DOD Office of Economic Adjustment and thereafter shall obtain  
13 implementation funding from various sources such as the Economic  
14 Development Administration of the U.S. Department of Commerce and  
15 other various DOD conversion programs, and various funding programs  
16 with the government of Guam.

17 **§2970. Access Improvements.** The Corporation shall work with the  
18 Department of Public Works, the Guam Mass Transit Authority, the Public  
19 Utility Agency of Guam, Guam Power Authority, Guam Telephone Authority,  
20 and PAG, as appropriate, to improve access to a site in order to make it  
21 competitively marketable.

22 **§2971. Approval of Boundaries.** The Corporation shall approve  
23 proposed new boundaries at PAG and the inner Apra Harbor respectively.

24 **§2972. Marketing Plan.** The Corporation shall develop a plan for  
25 marketing the sites or sites in order to attract the desired types of economic  
26 activities, using existing marketing structures including the Guam Chamber  
27 of Commerce.

1           **§2973. Adoption of Reuse Plans.** The Corporation shall submit to the  
2 Governor any reuse plan completed and adopted by the Committee. Upon  
3 approval, the Governor shall transmit the proposed reuse plan to the  
4 Legislature for review and approval by statute within 60 calendar days of  
5 receipt by the Speaker. If the Legislature does not act upon the proposed plan  
6 within such period, the plan shall be deemed approved. After approval, the  
7 plan shall be submitted by the Governor to HUD and DOD for approval and  
8 subsequently incorporated by the Territorial Planning Commission into the  
9 comprehensive master plan for Guam and by the Territorial Land Use  
10 Commission into the territorial zoning systems for lands covered by the plan,  
11 as zoned by the plan. However, Zoning approval and compliance of the  
12 Reuse Plan shall be deferred until such time as the negotiated fair market  
13 value purchase price, the economic development conveyance, or the public  
14 benefit conveyance is approved by the federal government, including an  
15 understanding as to how public infrastructure will be financed for the site.

16           **§2974. Implementation of Reuse Plans.** The Corporation shall work  
17 with representatives of PAG to identify Military Base Property which should  
18 be acquired by PAG for the further development, improvement, operation  
19 and expansion of Guam's civilian sea ports, including property needed to  
20 develop sources of revenue to sustain viable Industrial and seaport  
21 operations and jobs, pursuant to a Public Benefit Transfer or other  
22 conveyance authorized by federal law. In addition, the Corporation, as the  
23 LRA, shall implement the reuse plans for properties under the Guam Land  
24 Use Plan, 1994 ("GLUP '94") declared excess to military needs under BRAC  
25 '95, as it pertains only to Naval Activities properties deemed available for  
26 immediate reuse that will enhance and improve vital seaport activities and  
27 facilities. All other properties under GLUP '94 declared excess federal lands

1 that have no relation to the economic development of seaport activities shall  
2 be implemented separately from the overall Reuse Plan pursuant to Public  
3 Law 22-145 and U.S. Public Law 103-339, wherein the desires and interest of  
4 any original landowners shall be considered.

5       **§2975. Military Approval.** The Corporation shall submit to the  
6 appropriate military branch each reuse plan approved by the Governor in  
7 time to become the "preferred action" for the Base closure environmental  
8 impact statement."

9       **Section 2. Severability.** If any provision herein contained shall be  
10 adjudged to be insubstantial and invalid or unenforceable by a court of  
11 competent jurisdiction or by operation of any applicable law, such invalid or  
12 unenforceable provision shall not affect the validity of the Act as a whole and  
13 all other provisions shall be given full force and effect.

14       **Section 3. Non-discrimination.** In connection with the performance of  
15 work under the Article contained in Section 1 of this Act, the Corporation  
16 shall not refuse to hire, discharge, promote or demote, or to discriminate in  
17 matters of compensation against any person otherwise qualified, solely  
18 because of race, color, religion, national origin, gender, age, military status,  
19 sexual orientation, marital status, or physical or mental disability. The  
20 Corporation shall insert substantially the foregoing provision in all contracts  
21 to which the Corporation is a party which affects or relates to this Article.

22       **Section 4. Effective Date.** This Act shall take effect immediately upon  
23 its enactment.

9/22/95

✓



# Committee on Economic Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

November 15, 1995

The Honorable Don Parkinson  
Speaker  
Twenty-Third Guam legislature  
Suite 222, Julale Center  
Agana, Guam

Dear Mr. Speaker:

The Committee on Economic-Agricultural Development and Insurance to which was referred Bill 337, has had the same under consideration and now wishes to report back Bill 337 AS SUBSTITUTED with the recommendation to do pass.

The Committee votes are as follows:

To Do Pass	10
Not To Pass	0
Abstain	0
Inactive File	1

A copy of the Committee Report and other pertinent documents are attached for your reference and information.

Sincerely,

Sonny L. Orsini  
Senator and Acting Chairman

enclosures

# Table of Contents

Voting Sheet

Committee Report

Committee Attendance Sheet

Witness Sign-In Sheet

Public Hearing Agenda

Public Hearing Notices

Bill 337 (as substituted)

Bill 337 (as originally introduced)

Testimony submitted from

- Governor Carl T.C Gutierrez
- Eulogio C. Bermudes, General Manager of PAG
- Paul Bordallo, Chairman of GEDA Board of Directors

BRAC '95 Final Recommendations

Base Reuse Overview Presentation

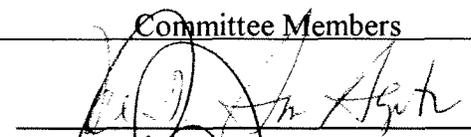
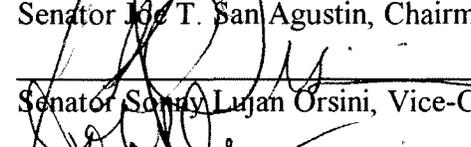
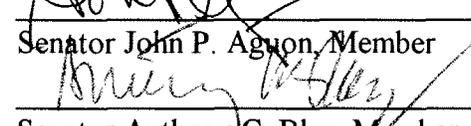
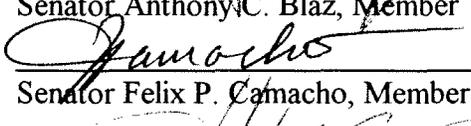
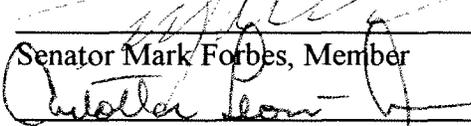
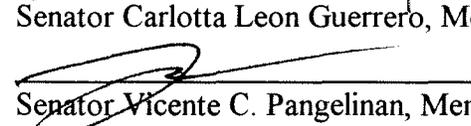
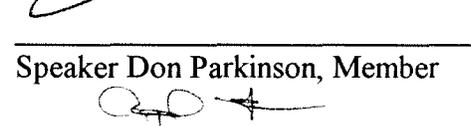
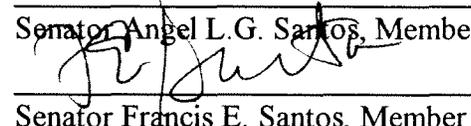
**Committee on Economic-Agricultural  
Development and Insurance**

Twenty-Third Guam Legislature  
Senator Joe T. San Agustin, Chairman

**VOTE SHEET**

**BILL NO. 337 (As Substituted)**

**AN ACT TO ADD ARTICLE 10 TO CHAPTER 2 TITLE 12,  
GCA TO DIRECT THE GUAM ECONOMIC DEVELOPMENT  
AUTHORITY TO ACT AS THE REUSE PLANNING COMMITTEE  
AND AS THE LOCAL REDEVELOPMENT AUTHORITY FOR THE  
CONVERSION OF CLOSED MILITARY FACILITIES AND PROPERTIES  
AS A RESULT OF THE BRAC'95 RECOMMENDATIONS.**

	Committee Members	To Do Pass	Not To Pass	Abstain	Inactive File
1.	 Senator Joe T. San Agustin, Chairman	✓			
2.	 Senator Sonny Lujan Orsini, Vice-Chairman	✓			
3.	 Senator John P. Aguon, Member	✓			
4.	 Senator Anthony C. Blaz, Member	✓			
5.	 Senator Felix P. Camacho, Member	✓			
6.	 Senator Mark Forbes, Member	✓			
7.	 Senator Carlotta Leon Guerrero, Member	✓			
8.	 Senator Vicente C. Pangelinan, Member	✓			
9.	Speaker Don Parkinson, Member				
10.	 Senator Angel L.G. Santos, Member	✓			
11.	 Senator Francis E. Santos, Member	✓			

**Committee on Economic-Agricultural  
Development and Insurance**  
Twenty-Third Guam Legislature  
155 Hessler Street, Agana, Guam

**Committee Report**

**on**

Bill 337 (as Substituted) - An Act to Add Article 10 to Chapter 2  
Title 12, GCA to direct the Guam Economic Development Authority  
to act as the Reuse Planning Committee and as the Local  
Redevelopment Authority for the conversion of closed military  
facilities and properties as a result of the BRAC '95 recommendations.

**Committee Members**

Chairman:	Senator Joe T. San Agustin
Vice Chairman:	Senator Sonny Orsini
Members:	Senator John P. Aguon
	Speaker Don Parkinson
	Senator Francis Santos
	Senator Vicente Pangelinan
	Senator Angel Santos
	Senator Carlotta Leon Guerrero
	Senator Mark Forbes
	Senator Felix Camacho
	Senator Anthony Blaz

## COMMITTEE REPORT

### I) Overview

Bill 337 as substituted was introduced by Senator Joe T. San Agustin and Senator John Aguon. The Bill was referred to the Committee by the Committee on Rules.

The Committee on Economic-Agricultural Development and Insurance conducted a Public Hearing at 6:30 pm on Tuesday, September 19, 1995 in the Public Hearing Room of the Legislature's temporary building in Agana.

Committee members present: Senator Joe T. San Agustin

Other Senators present: Senator Hope Cristobal

### II) Background of Bill 337 (as substituted)

Bill 337 as substituted proposes to add a new Article 10 to Chapter 2 of Title 12 of GCA that directs the Guam Economic Development Authority to act as the Reuse Planning Committee and the Local Redevelopment Authority (LRA) for the conversion of military facilities and properties slated for closure under the BRAC '95 recommendations, specifically the Ship Repair Facility, The Fleet and Industrial Supply Center, other realigned facilities at Naval Activities as well as the excess lands under GLUP '94.

Upon enactment of Bill 337, the Guam Economic Development Authority will be constituted as the Reuse Planning Committee and the LRA in order to carry out both planning and implementation phases of the base reuse process. The bill, however, allows GEDA to delegate its authority to the Port Authority of Guam any planning and management activities over the base properties the Port Authority will be leasing or acquiring for seaport purposes.

The activities of GEDA, as the Reuse Planning Committee, consist of the following: a) Creation of a three year economic redevelopment plan, b) creation of an annual business plan, c) conducting outreach activities, d) applying for planning grants from various federal sources, e) creating rules, organizational structures and operating procedures, f) creating sub-committees.

GEDA, as the Local Redevelopment Authority shall have other specific powers added to its authority in order to carry out its responsibilities as an LRA.

The bill has a provision that allows the Committee to submit

to the Governor of Guam a reuse plan that has been approved. The Governor will then have final approval before the reuse plan is submitted to the federal government. The bill defers all zoning approval and compliance of the reuse plan until such time as the negotiated fair market value purchase price, the economic development conveyance, or the public benefit conveyance is approved by the federal government.

### III) Summary of Testimony

Jerry Crisostomo, Legislative Assistant to Senator San Agustin opened the hearing with a slide presentation on the base reuse overview and the LRA organizational process and composition. Mr. Crisostomo provided a proposed closure timeline of the reuse process.

Clifford Guzman, Special Assistant to Governor Carl T.C. Gutierrez presented an oral and written testimony from the Governor. The Governor supports the spirit of the bill which is to make economic development the reuse priority of the Government of Guam as it pertains to BRAC'95 properties and assets. However, in the interim and transition phase, it is imperative that we demonstrate to the Military Sealift Command (MSC) that workers at SRF and FISC can continue to perform the work for MSC under a privatized operation. In the long-term, the transformation of the inner Apra Harbor area can be developed into a vibrant commercial center for transshipment, warehousing, industrial repairs that will be a key to Guam's economic growth. The Governor also states that he also believes GEDA should play a fundamental role during this planning phase and an even more prominent role in the administrative and staffing role once the reuse planning phase is completed. The Governor's testimony also alluded to the status of Tiyan. The Komitea Para Tiyan is principally a reuse planning body and not a reuse implementation body. Due to the Navy's rapid pull-out at NAS, the Komitea was unable to finalize its long term reuse plans before interim reuse opportunities availed themselves. Thus, the interim reuse opportunities have been delegated to the Administration. The Governor concludes his written testimony by concurring that GEDA provides the most appropriate vehicle for implementing the redevelopment plans and that economic development will be the primary focus of our government's military base redevelopment actions.

Phil Carbullido, Legal Counsel to the Port Authority of Guam presented written testimony on behalf of Eloy Bermudes, General Manager of PAG who is currently off-island on Port related business. The Port Authority supports in principle the concept of Bill 337. However, Governor Gutierrez recently signed Executive Order 95-17 that establishes a Guam Steering Committee as the Reuse Planning Committee

relating solely to BRAC '95. The Steering Committee was formed due to the urgency in starting the pre-planning process, but with anticipation of the passage of Bill 337. The Testimony also states that the military fully intends to close the base facilities within two years, which does not give the Government of Guam much time to complete a reuse plan. The Governor has requested of President Clinton and other top DOD officials for a four year closure time period. The Port Authority, through Mr. Carbullido, has submitted a substitute Bill 337 with appropriate amendments relative to BRAC '93 and BRAC '95. The amendments take into consideration the prior experiences of communities affected by other base closures.

Mr. Andy Gayle, Legal Counsel for the Guam Economic Development Authority presented a written testimony on behalf of Mr. Paul Bordallo, Chairman of the Board of Directors of GEDA. However, Mr. Gayle later withdrew the testimony after reviewing Bill 337 as substituted. The testimony submitted reflected on the original Bill 337 which does not give GEDA control and authority over the LRA in light of GEDA providing the funds for the LRA. However, the substituted Bill 337 has received GEDA's full support and endorsement. Mr. Gayle stated that GEDA is up to the challenge of assuming both the Reuse Planning efforts in coordination with the Port Authority as well as the implementation phase once the reuse plans have been approved and adopted. He further states that GEDA is the best instrumentality to handle this process since it has powers that no other government agency has including autonomy from the general fund.

#### IV) **Summary of Committee Questions**

Senator Hope Cristobal asked Mr. Andy Gayle how does GEDA intend to fund this process or does GEDA already have a budget established for this? Mr. Gayle responded by stating that GEDA is currently in the process of finalizing its 1996 Budget plan and will be establishing a budget amount of \$500,000 for the base reuse process. This will be start-up money until OEA federal funds have been approved and transmitted to the Government of Guam. GEDA can then be reimbursed for this expense using OEA planning funds.

Senator Cristobal also asked how will GEDA handle the various tasks involved in the planning phase? Mr. Gayle replied that the bill as a substituted authorizes GEDA to establish specialized sub-committees to facilitate the various issues involved. In addition, GEDA would also contract with a consultant either locally or in the U.S. mainland to help with the reuse plan and the implementation of the plan once approved. Senator San Agustin mentioned that as a result of the base closures since 1988, a new industry on base reuse planning and consultants have been

created.

Senator Cristobal also asked who at GEDA will spearhead the campaign to retain the MSC if GEDA is the Reuse Planning Committee. Andy Gayle responded that this would have to be delegated. The Senator also asked about the Navy Seals wanting to use a portion of the Wharf for their operations, who would negotiate this? Phil Carbullido indicated that the Port Authority would take charge of this matter by delegation from GEDA. In addition, Senator Cristobal also asked who would handle the public benefit transfer and what should constitute a public benefit transfer. Senator San Agustin replied that the Department of Defense would announce any property available for public benefit transfer. Educational institutions, recreational, public airport and seaport would constitute a public benefit conveyance.

#### VI) **Committee Findings**

The Committee finds that the actions of the BRAC '95 decisions in recommending the closure of certain military bases in Guam and the realignment of other facilities have resulted in much extremely valuable military property being now available to the people of Guam.

The Committee also finds that there is a need to move expeditiously in establishing a legally recognized structure such as an LRA, and as required by federal law to begin to address the BRAC '95 recommendations as it pertains to the inner Apra Harbor military facilities.

There is also a need to enhance economic activity by attracting the types of business and industrial activities that will result in job creation and economic opportunities. The BRAC '95 recommendations have created both a real challenge for the Government of Guam to take the necessary action to find employment for those workers most affected by the closure and at the same time an unparalleled opportunity to develop these extremely valuable military properties and assets in such a way as to create jobs, increase Guam's tax base, create a vibrant commercial ship and industrial repair and seaport facilities and warehouses and generally enhance the economic growth of Guam.

The Committee finds that Bill 337 as substituted would create a much needed legal and permanent structure LRA as the Guam Economic Development Authority, because it is a public corporation, with its own budget, independent of the general fund, governed by a board of directors made up of local businessmen and women and established to assist in the implementation of an integrated program for the economic development of Guam. The Committee also further recognizes that amendments to the substitute legislation will be

adopted in the final version in order to address only BRAC '95 recommendations.

V) **Committee Recommendations**

The Committee discussed the proposed changes to Bill 337 as substituted. The bill will only address the BRAC '95 recommendations and not Tiyan since Bill 326 as introduced by Senator Hope Cristobal addresses the Tiyan Redevelopment process including the implementation of the Tiyan Reuse plan.

The Committee on Economic-Agricultural Development and Insurance by a majority vote hereby recommends that Bill 337 as substituted be reported out of Committee to the full Legislature with recommendation to do pass.



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 29, 1995

## MEMORANDUM

TO: Members, Committee on Economic-Agricultural  
Development and Insurance

FROM: The Chairman

SUBJECT: Bill 337 as Substituted

I am enclosing a draft copy of Bill 337 as substituted for your review and comments prior to my reporting the bill out of Committee. As you may know, a Public Hearing was conducted on this bill on September 19, 1995. Several changes and amendments were presented by members of the Administration and have been incorporated into the substitute Bill. Please review and submit any comments or changes to my office by no later than Friday, October 6, 1995.

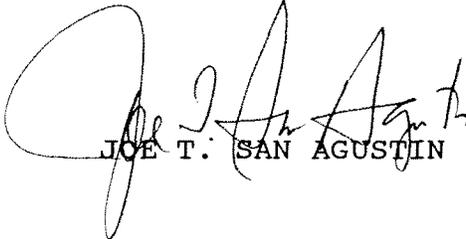
For your information, Bill 337 as substituted directs the Guam Economic Development Authority to act as the Reuse Planning Committee and thereafter as the Local Redevelopment Authority (LRA) for the BRAC '95 Recommendations. The establishment of a Reuse Planning Committee and more importantly of an LRA is required by Federal Law under the Base Closure and Community Redevelopment Act of 1994. This entity, once established by statute will be the only recognized authority to apply and receive title to military properties under an economic development conveyance or public benefit transfer.

Although, the proposed legislation will constitute GEDA as the legal entity for both the planning and implementation phases of the Reuse Plan, it also allows GEDA to delegate its authority to the Port Authority of Guam for planning and management activities and responsibilities of the military bases and properties that will be acquired or leased by the Port for seaport related activities. The implementation phase of the reuse plan will be under the direction of GEDA as called for in the bill.

In addition, the BRAC '95 Recommendations also includes military properties declared excess to military needs as described in the Guam Land Use Plan (GLUP '94). The bill allows GEDA, as the LRA to implement the reuse plans under GLUP'94 as it pertains only to properties at Naval Activities for the improvement of seaport activities and facilities. All other properties under GLUP '94 declared excess and have no relevance to the economic development of the Port Authority and its mission shall be implemented seperately at the discretion of the Governor, taking into consideration, the desires and interest of the original landowners affected. Thus, GEDA would not be involved in the implementation of the reuse plan as it relates to these excess military properties.

In most other affected jurisdictions across the country, the Local Economic Development Authority or a State created Local Redevelopment Authority (LRA) is established for the base reuse and conversion process. Rather, than create another bureaucratic agency, it would be a natural for GEDA to assume this task of converting these military bases into economic opportunities and maintaining and creating jobs. Afterall, GEDA is charged by its enabling law with "assisting in the implementation of an integrated program for the economic development of the Territory."

Both the Legal Counsel's for the Port Authority, Mr. Phil Carbullido and GEDA, Mr. Andy Gayle have reviewed and approved the bill as substituted. Therefore, I appreciate your taking the time to review the proposed legislation and submit any comments, questions or proposed changes to my office as soon as possible. There is a real urgency to move this reuse and planning process along given the military's intention to close the base facilities under BRAC '95 within two years. Although, the Governor has requested of President Clinton for a four year closure time period. We must work under the assumption of a two year closure timeframe and begin the process of converting these facilities to both public and private usage to maintain jobs needed by our people.

  
JOE T. SAN AGUSTIN







# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

## PUBLIC HEARING ON BILL NO. 337

6:30 P.M.  
TUESDAY, SEPTEMBER 19, 1995  
GUAM LEGISLATURE PUBLIC HEARING ROOM

### A G E N D A

- I. Call to Order
- II. Introductions of Committee Members
- III. Testimony of Interested Individuals Relative to  
Bill No. 337.
- IV. Bill No. 337 - AN ACT TO CREATE A GUAM BASES REDEVELOPMENT  
CORPORATION AS A POLITICAL SUBDIVISION WITHIN  
THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.  
(Introduced by J. T. San Agustin, J. P.  
Aguon)
- V. Adjournment



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 14, 1995

Mr. Steven B. Cruz  
Acting General Manager  
Guam Airport Authority  
P. O. Box 8770  
Tamuning, Guam 96931

Dear Mr. Cruz:

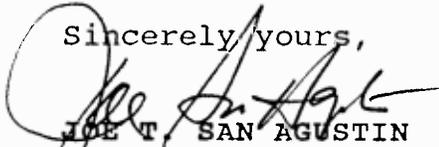
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on Tuesday, September 19, 1995, at 6:30 p.m., instead of Monday, September 18, 1995 in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337     AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 14, 1995

Mr. Gilbert E. Robles  
Acting Administrator  
Guam Economic Development Authority  
Suite 911, GITC Bldg.  
590 South Marine Drive  
Tamuning, Guam 96911

Dear Mr. Robles:

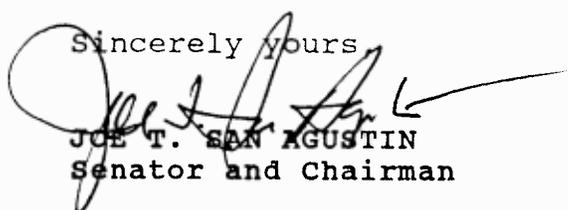
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on Tuesday, September 19, 1995, at 6:30 p.m., instead of Monday, September 18, 1995, in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337    AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 14, 1995

Mr. Eulogio C. Bermudes  
General Manager  
Port Authority of Guam  
1026 cabras Highway  
Suite 201  
Piti, Guam 96925

Dear Mr. Bermudes:

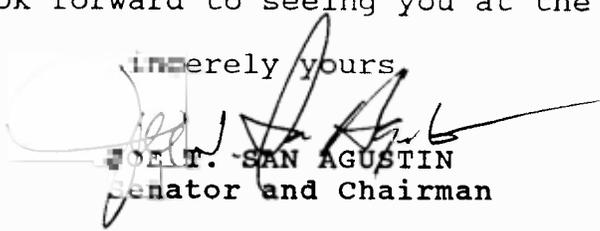
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on Tuesday, September 19, 1995, at 6:30 p.m., instead of Monday, September 18, 1995, in the Guam Legislature Public Hearing Room on the following Bill:

Bill No. 337    **AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural  
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 14, 1995

Mr. Richard L. Underwood  
Superintendent  
Tiyon Reuse Authority  
P. O. Box 2950  
Agana, Guam 96910

Dear Mr. Underwood:

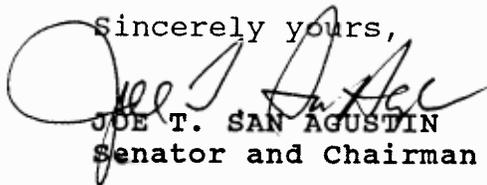
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Tuesday, September 19, 1995, at 6:30 p.m., instead of Monday, September 18, 1995, in the Guam Legislature Public Hearing Room** on the following Bill:

**Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 15, 1995

## MEMORANDUM

**TO:** Members, Committee on Economic-Agricultural  
Development & Insurance

**FROM:** Chairman

**SUBJECT:** Public Hearings- September 18, 1995 and September  
19, 1995, Guam Legislature Public Hearing Room

The Committee on Economic-Agricultural Development and Insurance has changed the time of the public hearing scheduled for Monday, September 18, 1995, from 9 a.m. to 6:30 p.m. for Bill No. 299 as follows:

Bill No. 299 AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 43385, 43386, AND 43387 RELATING TO INSURANCE RATES UNDER THE INSURANCE LAW. (Introduced by J. T. San Agustin, E. B. Anderson, S. L. Orsini)

Bill No. 348 (HAS BEEN POSTPONED UNTIL FURTHER NOTICE)

TUESDAY, SEPTEMBER 19, 1995, 6:30 P.M.

Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J. T. San Agustin, J. P. Aguon)

Your presence at this hearing is appreciated. Thank you for your attention to this matter.

  
JOE T. SAN AGUSTIN

cc: Executive Director Security Audio  
Protocol Office Legal All Senators  
Maintenance Archives All Media



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 15, 1995

## MEMORANDUM

**TO:** Members, Committee on Economic-Agricultural  
Development & Insurance

**FROM:** Chairman

**SUBJECT:** Public Hearings- September 18, 1995 and September  
19, 1995, Guam Legislature Public Hearing Room

The Committee on Economic-Agricultural Development and Insurance has changed the time of the public hearing scheduled for **Monday, September 18, 1995, from 9 a.m. to 6:30 p.m.** for Bill No. 299 as follows:

**Bill No. 299** AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 43385, 43386, AND 43387 RELATING TO INSURANCE RATES UNDER THE INSURANCE LAW. (Introduced by J. T. San Agustin, E. B. Anderson, S. L. Orsini)

**Bill No. 348** (HAS BEEN POSTPONED UNTIL FURTHER NOTICE)

TUESDAY, SEPTEMBER 19, 1995, 6:30 P.M.

**Bill No. 337** AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J. T. San Agustin, J. P. Aguon)

Your presence at this hearing is appreciated. Thank you for your attention to this matter.

  
JOE T. SAN AGUSTIN

cc: Executive Director Security Audio  
Protocol Office Legal All Senators  
Maintenance Archives All Media



**Committee on Economic-Agricultural  
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Mr. Steven B. Cruz  
Acting General Manager  
Guam Airport Authority  
P. O. Box 8770  
Tamuning, Guam 96931

Dear Mr. Cruz:

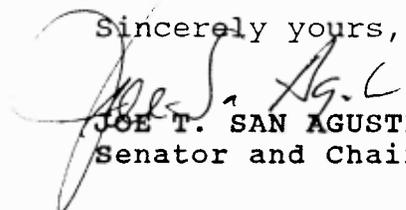
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 1 p.m.**, in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Senator John P. Aguon  
Chairman  
Committee on Tourism and Transportation  
Twenty-Third Guam Legislature  
Suite 301, Bank of Guam Bldg.  
479 West O'Brien Drive  
Agana, Guam 96910

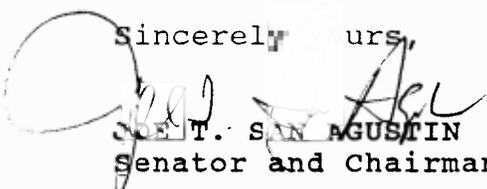
Dear Senator Aguon:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 1 p.m., in the Legislative Public Hearing Room on Bill No. 337 (introduced by J. T. San Agustin, J.P. AGUON, as follows:**

**Bill No. 337    AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.**

We hope you or a representative from your office will be able to attend this hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Senator Vicente Pangelinan  
Chairman  
Committee on Youth, Labor & Parks &  
Recreation  
Twenty-Third Guam Legislature  
Suite 101, Biscoe Bldg.  
130 Aspinal Avenue  
Agana, Guam 96910

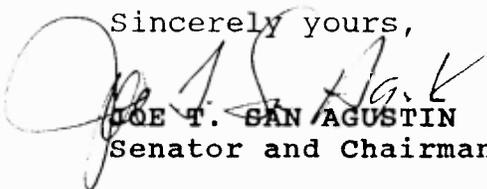
Dear Senator Pangelinan:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 9 a.m., in the Legislative Public Hearing Room on Bill No. 348 (introduced by J. T. San Agustin, V.C. Pangelinan, C. A. Leon Guerrero as follows:**

Bill No. 348      AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 47400  
AND 47401 RELATIVE TO CHANGING THE NAME OF THE  
GUAM PUBLIC MARKET TO THE CHAMORRO VILLAGE AND TO  
ALLOW FOR THE PRIVATIZATION OF THE MANAGEMENT AND  
THE OPERATIONS OF THE GUAM PUBLIC MARKET.

We hope you or a representative from your office will be able to attend this hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Senator Carlotta Leon Guerrero  
Twenty-Third Guam Legislature  
Suite 215, Union Bank Bldg.  
194 Hernan Cortez Avenue  
Agana, Guam 96910

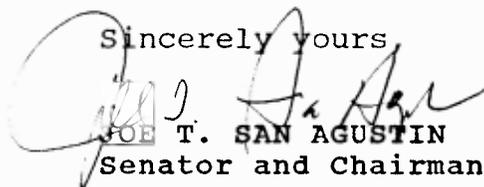
Dear Senator Leon Guerrero:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 9 a.m.**, in the Legislative Public Hearing Room on **Bill No. 348** (introduced by J. T. San Agustin, V.C. Pangelinan, C. A. Leon Guerrero as follows:

Bill No. 348    AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 47400  
AND 47401 RELATIVE TO CHANGING THE NAME OF THE  
GUAM PUBLIC MARKET TO THE CHAMORRO VILLAGE AND TO  
ALLOW FOR THE PRIVATIZATION OF THE MANAGEMENT AND  
THE OPERATIONS OF THE GUAM PUBLIC MARKET.

We hope you or a representative from your office will be able to attend this hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



# Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Mr. Frank B. Aguon, Jr.  
Director  
Department of Commerce  
102 M Street  
Tiyan, Guam 96913

Dear Mr. Aguon:

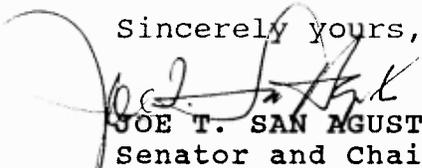
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 9 a.m.**, in the Guam Legislature Public Hearing Room on the following Bill:

Bill No. 348    AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 47400 AND 47401 RELATIVE TO CHANGING THE NAME OF THE GUAM PUBLIC MARKET TO THE CHAMORRO VILLAGE AND TO ALLOW FOR THE PRIVATIZATION OF THE MANAGEMENT AND THE OPERATIONS OF THE GUAM PUBLIC MARKET.  
(Introduced by J. T. San Agustin, V. C. Pangelinan, C. A. Leon Guerrero)

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural  
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Mr. Ovidio R. A. Calvo, Jr.  
Chairman of the Board  
Guam Chamber of Commerce  
P.O. Box 283  
Agaña, Guam 96910

Dear Mr. Calvo:

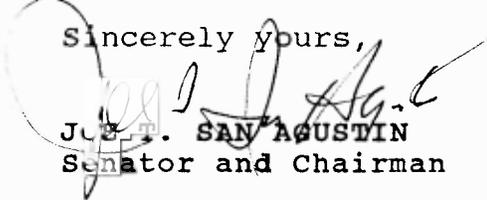
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 9 a.m., in the Guam Legislature Public Hearing Room on the following Bill:**

**Bill No. 348      AN ACT TO AMEND GUAM GOV'T CODE SUBSECTION 47400  
AND 47401 RELATIVE TO CHANGING THE NAME OF THE  
GUAM PUBLIC MARKET TO THE CHAMORRO VILLAGE AND TO  
ALLOW FOR THE PRIVATIZATION OF THE MANAGEMENT AND  
THE OPERATIONS OF THE GUAM PUBLIC MARKET.  
(Introduced by J. T. San Agustin, V. C.  
Pangelinan, C. A. Leon Guerrero)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



## Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 7, 1995

Mr. Eulogio C. Bermudes  
General Manager  
Port Authority of Guam  
1026 cabras Highway  
Suite 201  
Piti, Guam 96925

Dear Mr. Bermudes:

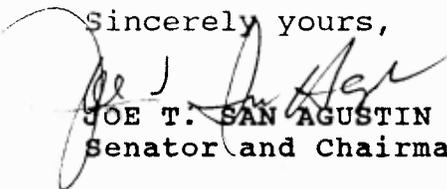
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 1 p.m.**, in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural  
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 7, 1995

Mr. Gilbert E. Robles  
Acting Administrator  
Guam Economic Development Authority  
Suite 911, GITC Bldg.  
590 South Marine Drive  
Tamuning, Guam 96911

Dear Mr. Robles:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 1 p.m.**, in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

**T. SAN AGUSTIN**  
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural  
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE  
424 W. O'Brien Dr., Julale Shopping Center, Suite #218  
Agaña, Guam 96910  
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)  
CHAIRMAN

September 8, 1995

Mr. Richard L. Underwood  
Superintendent  
Tiyán Reuse Authority  
P. O. Box 2950  
Agana, Guam 96910

Dear Mr. Underwood:

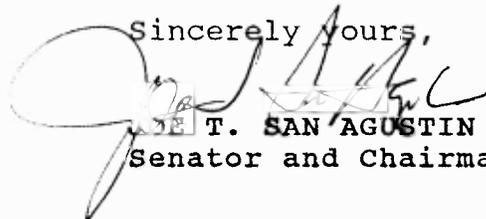
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Monday, September 18, 1995, at 1 p.m.**, in the Guam Legislature Public Hearing Room on the following Bill:

**Bill No. 337 AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by J.T. San Agustin, J. P. Aguon)**

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,

  
JOE T. SAN AGUSTIN  
Senator and Chairman

Enclosure

# NOTICE OF PUBLIC HEARING



Twenty-Third Guam Legislature  
SENATOR JOE T. SAN AGUSTIN  
Chairman

*Committee on Economic-Agricultural  
Development and Insurance*

MONDAY, SEPTEMBER 18, 1995  
Guam Legislature Public Hearing Room  
155 Hesler Street  
Agana, Guam  
Telephone No.: 477-8527/9120

## AGENDA 9 A.M.

Bill No. 299 AN ACT TO AMEND GUAM GOV'T CODE  
SUBSECTION 43385, 43386, AND 43387  
RELATING TO INSURANCE RATES  
UNDER THE INSURANCE LAW.  
(Introduced by J. T. San Agustin, E.B.  
Anderson, S.L. Orsini)

Bill No. 348 AN ACT TO AMEND GUAM GOV'T CODE  
SUBSECTION 47400 AND 47401  
RELATIVE TO CHANGING THE NAME OF  
THE GUAM PUBLIC MARKET TO THE  
CHAMORRO VILLAGE AND TO ALLOW  
FOR THE PRIVATIZATION OF THE  
MANAGEMENT AND THE OPERATIONS  
OF THE GUAM PUBLIC MARKET.  
(Introduced by J. T. San Agustin, V. C.  
Pangelinan, C. A. Leon Guerrero)

## 1 P.M.

Bill No. 337 AN ACT TO CREATE A GUAM BASES  
REDEVELOPMENT CORPORATION AS  
POLITICAL SUBDIVISION WITHIN THE  
GUAM ECONOMIC DEVELOPMENT  
AUTHORITY. (Introduced by J.T. San  
Agustin, J. P. Aguon)

\*\*The public is invited to express their views\*\*

TWENTY-THIRD GUAM LEGISLATURE

1995 (First) Regular Session

Bill No. 337

(As Substituted by the Committee on  
Economic-Agricultural Development and Insurance)

Introduced by:

J.T. San Agustin

J.P. Aguon

F.P. Camacho

AN ACT TO ADD ARTICLE 10 TO CHAPTER 2, TITLE 12,  
GUAM CODE ANNOTATED TO DIRECT THE GUAM  
ECONOMIC DEVELOPMENT AUTHORITY TO ACT AS THE  
REUSE PLANNING COMMITTEE AND AS THE LOCAL  
REDEVELOPMENT AUTHORITY FOR THE CONVERSION  
OF CLOSED MILITARY FACILITIES AND PROPERTIES AS  
A RESULT OF THE BRAC '95 RECOMMENDATIONS.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Article 10 is hereby added to Chapter 2, Title 12,

3 Guam Code Annotated to read:

4 "Article 10. Reuse Planning and Redevelopment of Former

5 Military Bases.

6 § 2950. Legislative Findings and Intent. The Legislature hereby

7 finds and declares:

8 (a) That there is a need to enhance economic activity on Guam by

9 attracting financial, transshipment, telecommunications, manufacturing,

10 assembly, industrial, aviation and other activities conducive to

1 economic development and promotion in order to provide a stronger,  
2 more balanced and stable economy.

3 (b) That the economic well-being of the people of Guam and the  
4 public and private business resources of the Territory provides unique  
5 economic opportunities for the redevelopment of the Ship Repair  
6 Facility, the Fleet and Industrial Supply Center and other facilities  
7 within Naval activities in Guam slated for closure.

8 (c) That public and private partnership is essential for successful  
9 redevelopment of these military bases and thus the need to create a  
10 business-management type entity with board members, management  
11 and staff experience in financing and property management and in  
12 attracting new business prospects.

13 (d) That an interim reuse and broad-based planning committee is  
14 needed and as such will differ markedly from the establishment of a  
15 permanent base reuse organization whose focus must be on developing  
16 and managing the "Real Estate," attract private sector industrial clients,  
17 work with federal agencies to accelerate the environmental clean-up  
18 and permitting process, maintain the roadways and common property  
19 and provide for the business-like operations and financing of a major

1 real estate holding.

2 (e) That planning, replanning, rehabilitation, redevelopment, and other  
3 preparation for reuse of military bases and military base property are  
4 public and governmental functions that cannot be accomplished  
5 through the ordinary operations of private enterprise because of the  
6 provisions of federal law that provide for the expeditious and  
7 affordable transfer of military base property to an entity established by  
8 local government, and the necessity for requiring the proper use of the  
9 land to best serve the interests of the territory and its people.

10 (f) That there is a need to provide financing mechanisms and subsidies  
11 essential for successful long term redevelopment.

12 (g) That it is the intent of the Legislature to establish a permanent and  
13 legal multi-jurisdictional collaborative structure and to authorize a  
14 redevelopment entity capable of developing, implementing and  
15 managing reuse strategies, rooted in reality but focused on  
16 opportunities and providing for a consensus outreach and open public  
17 planning process that guides and coordinates conversion activities and  
18 promotes economic redevelopment at these military base properties.

19 (h) That the best instrument both for completing the plans for the reuse  
20 of the former military facilities and properties at Apra Harbor and for

1 implementing these reuse plans is the Guam Economic Development  
2 Authority, because it is a public corporation, with its own budget,  
3 independent of taxpayers' funds, directed by a board of directors made  
4 up of local businessmen and women, and established to assist in the  
5 implementation of an integrated program for the economic  
6 development of Guam. This public instrumentality is best able to  
7 develop an effective reuse strategy that will achieve the objectives of  
8 this article, which are to both create and maintain employment, provide  
9 economic opportunities for private businesses, facilitate the continued  
10 operation and expansion of seaport facilities and generally to take  
11 maximum advantage of federal laws and regulations allowing cost free  
12 conveyances of surplus property and facilities for public benefit and  
13 economic redevelopment purposes.

14 § 2951. General provisions. Upon the enactment of this article,  
15 the Guam Economic Development Authority ("the Corporation") is  
16 hereby constituted as the Reuse Planning Committee and as the Local  
17 Redevelopment Authority to carry out both planning for the reuse of  
18 closed military facilities and properties at Apra Harbor which are made  
19 available as a result of the BRAC '95 closures and as the legal

1 authority to implement the reuse plans and thus shall have the powers  
2 set forth herein over any property it shall acquire by lease or deed or to  
3 authorize to other public entities to acquire title to the Military Base  
4 Property.

5 § 2952. Activities as the Reuse Planning Committee. The  
6 Corporation, in its capacity as the Reuse Planning Committee shall  
7 include but are not limited to the following:

8 2952.01. Creation of a three (3) year economic redevelopment  
9 or reuse plan.

10 2952.02. Creation of an annual business plan.

11 2952.03. Conducting community outreach activities which  
12 shall include public education and information.

13 2952.04. Applying for and administering grants from any  
14 source for activities related to the Corporation's functions.

15 2952.05. Coordinating the environmental remediation and  
16 clean-up mandated by federal and Guam statutes.

17 2952.06. Creation of a set of rules, organizational structure  
18 and operating procedures for developing the reuse plans.

19 2952.07. Creation of subcommittees in order to develop  
20 reuse guidance on specific issues, utilizing, as necessary, persons

1 with relevant skills and knowledge.

2 2952.08. Conduct all meetings of the committee

3 openly, pursuant to the Guam Sunshine Law.

4 § 2953. Definitions. For purposes of this Article,

5 (a) "Military Base" means a DOD military Installation in Guam that  
6 that is scheduled for closing or is to be completely or partially closed,  
7 as a result of the BRAC '95 recommendations.

8 (b) "Military Base Property" means real and personal property that  
9 is currently or was formerly part of a Military Base and is subject to  
10 reuse.

11 (c) "Local Redevelopment Authority (LRA)" means that division of  
12 the Corporation able to receive property under an Economic  
13 Development Conveyance from DOD to enter into interim leases or  
14 early transfers of parcels for undertaking early reuses prior to the  
15 departure of the military from the closed base.

16 (d) "Reuse Planning Committee" means that division of the  
17 Corporation charged with planning the reuse of military bases and  
18 military base property available through the BRAC process. As such,  
19 it is eligible to apply and receive planning and organizational grants

- 1 from the DOD Office of Economic Adjustment.
- 2 (e) "PAG" means the Port Authority of Guam
- 3 (f) "DOD" means the U.S Department of Defense.
- 4 (g) "Base Commander" means the military or Naval officer in  
5 command of the Military Base being closed in Guam pursuant to the  
6 BRAC process.
- 7 (h) "BRAC '95" means the U.S. Base Closure and Realignment  
8 Commission's final decision announced in 1995 as it affects certain  
9 Military Bases in Guam.
- 10 (i) "OEA Project Manager" means that person appointed by the  
11 Office of Economic Adjustment of DOD who coordinates and guides  
12 Guam's adjustment to the Military Base closures brought about through  
13 the BRAC process.
- 14 (j) "Reuse Plan" means the plan prepared by the Reuse Planning  
15 Committee or the Local Redevelopment Authority for the reuse or  
16 redevelopment of the Military Bases in Guam affected by BRAC '95.
- 17 (k) "Guam Steering Committee" means that committee created by  
18 Executive Order No. 95-17, executed September 15, 1995, which  
19 committee is charged with planning the reuse of Military Bases and  
20 Military Base Property available to Guam through the BRAC'95

1 process.

2 (l) "HUD" means the U.S. Department of Housing and Urban  
3 Development.

4 § 2954. Delegation of Authority. The Corporation shall delegate to  
5 to PAG and/or the Guam Steering Committee all planning and  
6 management activities and responsibilities to such Military Bases and  
7 Military Base Property as will be leased and/or acquired by PAG,  
8 respectively. In connection with any such delegation, the Corporation  
9 shall assist, coordinate and provide the support necessary, as the case  
10 may be, in obtaining grants to carry out such planning and management  
11 services.

12 § 2955. Powers of the Corporation. The enumerated powers of the  
13 Corporation shall include but not be limited to those powers delegated  
14 by this article. Such powers shall include the power to:

15 2955.01. Investigate, study and survey the area surrounding and  
16 the real property and structures that are part of a Military Base.

17 2955.02. Investigate, study and determine the means by  
18 which Military Base Property may be redeveloped and reused by  
19 private enterprise to promote economic development or by local

1 government to otherwise benefit the welfare of the people of Guam;

2 2955.03. Promote the reuse of Military Base Property in the  
3 manner that best serves the interests of Guam;

4 2955.04. Cooperate with departments and agencies of the  
5 government of Guam and of other governmental entities, including the  
6 federal government, in the manner that best serves the purposes of this  
7 article.

8 2955.05. Hold, acquire, operate, manage, lease (as lessee  
9 or lessor), construct or repair, or dispose of real and personal property  
10 in the name of the Corporation;

11 2955.06. Make and enter into contracts, including,  
12 without limitation, contracts with non-profit corporations and contracts  
13 with government of Guam and federal agencies;

14 2955.07. Cooperate with the federal government in all  
15 respects concerning implementation of the final Record of  
16 Decision concerning the disposal and reuse of Military Base Property.

17 2955.08. Make and enter into contracts with agencies or  
18 departments of the federal government for the provision of caretaker  
19 services for all or a portion of Military Base Property after closure.

20 This power includes the power to make and enter into contracts

1 with third parties for the provision of such services as deemed  
2 appropriate by the Corporation;

3 2955.09. Engage a full-time staff to carry out the work of  
4 the Corporation. The initial staff of the Reuse Planning Committee of  
5 the Corporation ("The Committee") shall consist of an executive  
6 director and an administrative assistant, and as more sub-committees  
7 are established which need staff support, as the reuse planning process  
8 involves more agencies requiring coordination, and as consultants are  
9 retained to conduct the reuse planning studies, the committee may  
10 engage additional staff as necessary.

11 2955.10. Retain qualified consultants to assist in developing  
12 reuse plans. In doing so, the Committee should identify the preliminary  
13 scope of work, the technical qualifications and support services of the  
14 consultants which will provide the types of information needed by the  
15 Committee to develop reuse plans.

16 2955.11. Provide for the furnishing of services, privileges;  
17 works, streets, roads, public utilities or educational or other facilities  
18 for or in connection with a project; to dedicate property acquired or  
19 held by it for public works, improvements, facilities, utilities and

1 purposes; and to agree, in connection with any of its contracts, to any  
2 conditions that it deems reasonable and appropriate including, but not  
3 limited to, conditions attached to federal financial assistance, and to  
4 include in any contract made or let in connection with any project of  
5 the Corporation provisions to fulfill such of said conditions as it may  
6 deem reasonable and appropriate;

7 2955.12. Fix, maintain, and revise fees, rates, rents,  
8 security deposits, and charges for functions, services, or facilities  
9 provided by the Corporation;

10 2955.13. Adopt a master economic redevelopment and  
11 reuse plan which shall include a three (3) year plan, which shall be  
12 updated prior to the expiration of each three (3) year period,  
13 establishing strategies and goals for promoting and marketing  
14 redevelopment activities at the Military Bases, securing development  
15 commitments for job creation and such purpose;

16 2955.14. Accept contributions, grants, or loans from any  
17 public or private agency, individual, or the federal government or any  
18 department, instrumentality, or agency thereof, for the purpose of  
19 financing its activities;

20 2955.15. Take all actions necessary or appropriate to carry

1 out and implement the provisions of this Article.

2 §2956. Negation of certain powers. In determining what implied  
3 powers the Committee has under §2955, herein, it shall be clearly  
4 understood the Committee shall not have the following powers:

5 2956.01. Taxation.

6 2956.02. Condemnation or eminent domain.

7 2956.03. Creation of general obligation debt.

8 2956.04 Zoning or other governmental powers over land  
9 use.

10 2956.05. Enforcing of building, fire code, public health or  
11 safety regulations.

12 2956.06. Control and acceptance of public rights of way.

13 § 2957. Interim Leases. The Corporation will enter into interim  
14 leases or early transfer of all or a portion of Military Base  
15 Properties, parcels or buildings suitable for leasing which can be used  
16 for redevelopment purposes and provide job opportunities prior to the  
17 military's departure from a Military Base, which interim leases may  
18 also provide income to help with the maintenance and operational cost  
19 of the site. In such event, any leases or subleases entered into by the

1 Corporation as lessor shall include, at a minimum, substantially the  
2 following provisions:

3 2957.01. The sublessee shall maintain, at its own cost,  
4 comprehensive general liability and property damage insurance on  
5 buildings and real property in a reasonable minimum amount as  
6 determined by the Corporation. A certificate of insurance naming the  
7 Corporation as an additional insured evidencing such insurance shall be  
8 delivered to the Corporation contemporaneously with the execution of  
9 the sublease agreement.

10 2957.02. The sublessee shall not assign or transfer its rights  
11 under the sublease agreement or sublet the leased premises without  
12 first obtaining written consent from the Corporation.

13 2957.03. The sublessee shall use the leased premises in a  
14 careful, safe and proper manner and shall not use or permit the  
15 premises to be used for any purpose prohibited by the laws of the  
16 United States, or the laws of Guam.

17 § 2958. Assets of the Corporation. The Corporation shall  
18 maintain an asset inventory list for any and all real or personal  
19 property acquired by the Corporation by lease, purchase, donation or  
20 federal conveyance. This list shall designate how the asset was

1 acquired, the date of acquisition, and the date of any sale or other  
2 disposition of any asset transferred by the Corporation, together with  
3 the amount of consideration received or paid by the Corporation. All  
4 military property book lists shall be examined by the Corporation for  
5 items marked as surplus.

6 § 2959. Funding. The Corporation shall obtain planning funding  
7 from the DOD Office of Economic Adjustment and thereafter shall  
8 obtain implementation funding from various sources such as the  
9 Economic Development Administration of the U.S. Department of  
10 Commerce and other various DOD conversion programs, and various  
11 funding programs with the government of Guam.

12 § 2960. Access Improvements. The Corporation shall work with the  
13 Department of Public Works, the Guam Mass Transit Authority, the  
14 Public Utility Agency of Guam, Guam Power Authority, Guam  
15 Telephone Authority, and PAG, as appropriate, to improve access to a  
16 site in order to make it competitively marketable.

17 § 2961. Approval of Boundaries. The Corporation shall approve  
18 proposed new boundaries at PAG and the inner Apra Harbor  
19 respectively.

1     § 2962. Marketing Plan. The Corporation shall develop a plan for  
2     marketing the sites or sites in order to attract the desired types of  
3     economic activities, using existing marketing structures including the  
4     Guam Chamber of Commerce.

5     § 2963. Adoption of Reuse Plans. The Corporation shall submit  
6     to the Governor for his review and approval through executive order  
7     any reuse plan completed and adopted by the Committee. After  
8     approval by the Governor, the plan shall be submitted to HUD and  
9     DOD for approval and subsequently incorporated by the Territorial  
10    Planning Commission into the comprehensive master plan for Guam  
11    and by the Territorial Land Use Commission into the territorial zoning  
12    systems for lands covered by the plan, as zoned by the plan. However,  
13    Zoning approval and compliance of the Reuse Plan shall be deferred  
14    until such time as the negotiated fair market value purchase price, the  
15    economic development conveyance, or the public benefit conveyance  
16    is approved by the federal government, including an understanding as  
17    to how public infrastructure will be financed for the site.

18    § 2964. Implementation of Reuse Plans. The Corporation shall work  
19    with representatives of PAG to identify Military Base Property which  
20    should be acquired by PAG for the further development, improvement,

1 operation and expansion of Guam's civilian sea ports, including  
2 property needed to develop sources of revenue to sustain viable  
3 Industrial and seaport operations and jobs, pursuant to a Public Benefit  
4 Transfer or other conveyance authorized by federal law. In addition,  
5 the Corporation, as the LRA, shall implement the reuse plans for  
6 properties under the Guam Land Use Plan, 1994 ("GLUP '94")  
7 declared excess to military needs under BRAC '95, as it pertains only  
8 to Naval Activities properties deemed available for immediate reuse  
9 that will enhance and improve vital seaport activities and facilities. All  
10 other properties under GLUP '94 declared excess federal lands that  
11 have no relation to the economic development of seaport activities shall  
12 be implemented separately from the overall Reuse Plan pursuant to  
13 Public Law 22-145 and U.S. Public Law 103-339, wherein the desires  
14 and interest of any original landowners shall be considered.

15 § 2965. Military Approval. The Corporation shall submit to  
16 the appropriate military branch each reuse plan approved by the  
17 Governor in time to become the "preferred action" for the Base  
18 closure environmental impact statement."

19 Section 2. Severability. If any provision herein contained shall be

1 adjudged to be insubstantial and invalid or unenforceable by a court of  
2 competent jurisdiction or by operation of any applicable law, such  
3 invalid or unenforceable provision shall not affect the validity of the  
4 Act as a whole and all other provisions shall be given full force and  
5 effect.

6 Section 3. Non-discrimination. In connection with the  
7 performance of work under the Article contained in Section 1 of this  
8 Act, the Corporation shall not refuse to hire, discharge, promote or  
9 demote, or to discriminate in matters of compensation against any  
10 person otherwise qualified, solely because of race, color, religion,  
11 national origin, gender, age, military status, sexual orientation, marital  
12 status, or physical or mental disability. The Corporation shall insert  
13 substantially the foregoing provision in all contracts to which the  
14 Corporation is a party which affects or relates to this Article.

15 Section 4. Effective Date. This Act shall take effect immediately  
16 upon its enactment.

//

//

//

//

TWENTY-THIRD GUAM LEGISLATURE

1995 (First) Regular Session

95 AUG - 3 PM 4:21

Bill No. 337

Introduced by:

  
J.T. San Agustin  
J.P. Aguon

AN ACT TO CREATE A GUAM BASES REDEVELOPMENT CORPORATION AS A POLITICAL SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Legislative Findings and Intent. The Legislature hereby  
3 finds and declares:

4 (a) That there is a need to enhance economic activity on Guam  
5 by attracting financial, trans-shipment, telecommunications, manufacturing,  
6 assembly, industrial and other activities conducive to economic development  
7 and promotion in order to provide a stronger, more balanced and stable  
8 economy.

9 (b) The Legislature also hereby finds that the economic well-being of  
10 the people of Guam and the Public and Private business resources of the  
11 Territory provides unique economic opportunities for the redevelopment of  
12 the former Naval Air Station, the Ship Repair Facility, the Fleet and Industrial

1 Supply Center and other facilities within Naval Activities slated for closure.

2 (c) That Public and Private partnership is essential for successful  
3 redevelopment of these military bases and thus the need to create a business-  
4 management type entity with board members, management and staff  
5 experience in financing and property management and in attracting new  
6 prospects.

7 (d) The Legislature hereby acknowledges that the Komitea Para Tiyan  
8 (NAS Agana Reuse Committee) established by Executive Order 94-07 and  
9 subsequently amended by Executive Order 95-02 is an Interim Reuse  
10 and broad-based planning Committee and as such will differ markedly from  
11 the establishment of a Permanent Base Reuse Organization whose focus must  
12 now be on developing and managing the "Real Estate", attract private sector  
13 industrial clients, work with federal agencies to accelerate the environmental  
14 clean-up and permitting process, maintain the roadways and common  
15 property and provide for the business-like operations and financing of a major  
16 real estate holding.

17 (e) The planning, replanning, rehabilitation, redevelopment, and other  
18 preparation for reuse of military bases and military base property are public  
19 and governmental functions that cannot be accomplished through the ordinary

1 operations of private enterprise because of the provisions of federal law that  
2 provide for the expeditious and affordable transfer of military base property  
3 to an entity established by local government, and the necessity for requiring  
4 the proper use of the land to best serve the interests of the territory and its  
5 people.

6 (f) The Legislature also finds that there is a need to provide financing  
7 mechanisms and subsidies essential for successful long term redevelopment.

8 (g) It is the intent of the Legislature to establish a Permanent and legal  
9 structure multi-jurisdictional collaboration and to authorize a redevelopment  
10 entity capable of developing, implementing and managing reuse strategies,  
11 rooted in reality but focused on opportunities and provides for a consensus  
12 outreach and open public planning process that guides and coordinates  
13 conversion activities and promotes economic redevelopment at these  
14 military base properties.

15 Section 2. General Provisions. (a) Upon the enactment of this  
16 act, there is hereby established a separate and legal entity within the Guam  
17 Economic Development Authority to be known as the Guam Bases  
18 Redevelopment Corporation ("Corporation"). The Corporation shall have the  
19 powers set forth herein over any property it shall acquire by lease or deed and  
20 to perform caretaker services within the area known as Naval Air Station,

1 Ship Repair Facility, Fleet and Industrial Supply Center and other facilities  
2 within Naval Activities.

3 (b) The Corporation shall be governed by a nine (9) member Board of  
4 Directors ("Board") which Board shall have the power to provide the  
5 functions and services for which the Corporation is established, as set forth  
6 more fully herein.

7 (c) The Corporation is organized for the purpose of providing necessary  
8 and incidental ownership, management, maintenance and economic  
9 redevelopment services and improvements within the area known as Naval  
10 Air Station, Ship Repair Facility, Fleet and Industrial Supply Center, and  
11 other facilities within Naval Activities as set forth herein, including but not  
12 limited to the following:

13 A. Creation of a three (3) year economic redevelopment or reuse  
14 plan.

15 B. Creation of an annual business plan.

16 C. Conducting community outreach activities which shall include  
17 public education and information.

18 D. Applying for and administering grants from any source for  
19 activities related to the Corporation's functions.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

E. Coordinating the environmental remediation and clean-up mandated by federal and local statutes.

(d) The Corporation shall at all times maintain with responsible issuers insurance policy to cover General Liability and other insurance as mandated by federal and local statutes.

Section 3. Definition. (a) "military base" means a United States government military base or other military installation that is scheduled for closing or is completely or partially inactive or closed.

(b) "military base property" means real and personal property that is currently or was formerly part of a military base and is subject to reuse.

(c) "Redevelopment Corporation" means a military base redevelopment corporation established for the purposes of providing economic redevelopment services.

Section 4. Organizational Structure. (a) The Corporation's governing Board shall be comprised of nine (9) members who shall serve without compensation but may be reimbursed for their actual expenses incurred in serving the corporation. The Chairpersons of the Board of Directors of the Guam Economic Development Authority, the Guam Airport Authority and the Port Authority of Guam shall be automatic members of

1 the Board of Directors. The Governor of Guam shall appoint the remaining  
2 six (6) members from the community at large, subject to legislative  
3 confirmation, with at least three (3) members having experience and  
4 background in financial, property management and business development.

5 No employee of the corporation shall be eligible to be a member of the  
6 Board.

7 (b) The Executive Director of the Guam Economic Development  
8 Authority, the General Manager of the Port Authority of Guam and the  
9 Executive Manager of the Guam Airport Authority shall serve as ex-officio  
10 members of the Board. In addition, the Board may appoint ex-officio  
11 members of the Board as is deemed necessary by the Board. Ex-Officio  
12 members shall have no voting rights and shall not be counted to constitute  
13 a quorum.

14 (c) The terms of the members of the Board shall be three (3) years. The  
15 Governor of Guam shall be responsible for appointing new members to full  
16 three (3) year terms as members' terms expire. Vacancies shall be filled by  
17 the Governor of Guam for the unexpired term of any member whose term  
18 becomes vacant.

19 (d) Each member of the Board shall have one (1) vote. A quorum of the  
20 Board shall consist of five (5) members . No official action may be taken

1 by the Board on any matter unless a quorum is present.

2 (e) The Board shall adopt Bylaws, Rules and Regulations as necessary and  
3 in accordance with the Administrative Adjudication Act, for the conduct of  
4 the Corporation so long as such Bylaws and Rules and Regulations are not  
5 in conflict with the provisions of this Act. The Bylaws and Rules and  
6 Regulations shall be adopted within two (2) months of the effective date of  
7 this Act. The Bylaws and Rules and Regulations shall include, but are not  
8 limited to, provisions for the appointment of an Executive Director to manage  
9 the affairs of the Corporation and provisions allowing for amendment of such  
10 Bylaws and Regulations by a vote of two-thirds of the Board.

11 (f) The Board shall elect a Chairperson, Vice Chairperson, Secretary  
12 -Treasurer from its members. The officers shall perform the duties  
13 normal for their office including but not limited to the following:

14 A. The Chairperson shall preside over all Board meetings  
15 and sign all contracts or agreements on behalf of the  
16 Corporation, except contracts or agreements which may  
17 be signed by officers delegated by the Guam Economic  
18 Development Authority.

19 B. The Vice Chairperson shall perform all of the Chairperson's

1 duties in the absence of the Chairperson and such other  
2 duties as may be authorized by the Board.

3 C. The Secretary/Treasurer shall attest to all contracts or  
4 agreements signed by the Chairperson, Vice Chairperson or  
5 other officers, except routine matters which need no attestation.  
6 Shall keep and maintain the financial books and records of the  
7 Corporation. The Executive Director of the Corporation shall  
8 at the direction of the Secretary-Treasurer, provide staff support  
9 for maintaining the financial records of the Corporation.

10 (g) Meetings of the Board shall be at the call of the Chairperson and shall  
11 be conducted in accordance with the following requirements:

12 A. The Board shall hold at least one (1) regular meeting each  
13 month at such time and place as the Corporation shall decide  
14 and may, upon the call of the Chairperson or any three (3)  
15 Board members, hold special meetings.

16 B. All regular and special meetings held by the Board and any  
17 Sub-committee meetings of the Board where public business  
18 is discussed or at which formal action may be taken shall be  
19 open to the public. Notice of all regular and special meetings of  
20 the Board shall include an agenda, location, time and date of

1 meeting and shall posted and announced in accordance with  
2 Guam's Open Government Law.

3 C. The Board shall keep minutes of its proceedings showing the  
4 presence or absence of each Board member and the vote of  
5 each member upon every motion. Minutes and records of the  
6 Board shall be open to the public for inspection in accordance  
7 with Guam's Open Government Law.

8 (h) The Board shall create two distinct and seperate entities known as  
9 the Tiyan Reuse Authority and the Apra Harbor Redevelopment Authority  
10 and shall direct and supervise its activities to receive information, technical  
11 support, recommendations, caretaker services, coordination, phasing and  
12 funding of improvements within the military base property.

13 Section 5. Powers of the Corporation. (a) The enumerated powers  
14 of the Corporation shall be those powers delegated by this Act. Such powers  
15 shall include the following:

16 A. Investigate, study and survey the area surrounding and the  
17 real property and structures that are part of a military base  
18 within the corporate boundaries;

19 B. Investigate, study and determine the means by which military

1 base property may be redeveloped and reused by private  
2 enterprise to promote economic development or by local  
3 government to otherwise benefit the welfare of the people of  
4 Guam;

5 C. Promote the reuse of military base property in the manner that  
6 best serves the interests of the Territory;

7 D. Cooperate with departments and agencies of the Government of  
8 Guam and of other governmental entities, including the federal  
9 government, in the manner that best serves the purposes of this  
10 Act.

11 E. To hold, acquire, operate, manage, lease (as lessee or lessor),  
12 construct or repair, or dispose of real and personal property  
13 in the name of the Corporation;

14 F. To make and enter into contracts, including, without limitation,  
15 contracts with non-profit corporations and contracts with local  
16 and federal agencies;

17 G. To make and enter into contracts, subject to payment provided  
18 by federal and local funding, from revenues generated by the  
19 Corporation, as deemed appropriate, for goods and services;

20 H. To sue and be sued in the name of the Corporation;

- 1 I. To cooperate with the federal government in all respects  
2 concerning implementation of the final Navy record of decision  
3 concerning the disposal and reuse of military base property.
- 4 J. To make and enter into contracts with agencies or departments  
5 of the federal government for the provision of caretaker services  
6 for all or a portion of military base property after closure. This  
7 provision shall include the power to make and enter into  
8 contracts with third parties for the provision of such services as  
9 deemed appropriate by the Corporation;
- 10 K. To hire and fire agents, employees, consultants and professionals  
11 that are necessary or desired by the Corporation in exercising its  
12 powers or carrying out its responsibilities under this Act and  
13 pursuant to the Bylaws and Rules and Regulations of the  
14 Corporation and in accordance with the Personnel Rules and  
15 Regulations of the Government of Guam.
- 16 L. To make repairs and maintain structures acquired for the  
17 purposes of this Act;
- 18 M. To provide for the furnishing of services, privileges, works,  
19 streets, roads, public utilities or educational or other facilities

1 for or in connection with a project; to dedicate property  
2 acquired or held by it for public works, improvements, facilities,  
3 utilities and purposes; and to agree, in connection with any of its  
4 contracts, to any conditions that it deems reasonable and  
5 appropriate including, but not limited to, conditions attached to  
6 federal financial assistance, and to include in any contract made  
7 or let in connection with any project of the Corporation  
8 provisions to fulfill such of said conditions as it may deem  
9 reasonable and appropriate;

10 N. To fix, maintain, and revise fees, rates, rents, security deposits,  
11 and charges for functions, services, or facilities provided by the  
12 Corporation;

13 O. To prepare and implement a pay, retirement and benefits  
14 compensation plan for all employees of the Corporation in  
15 accordance with Government of Guam Rules and Regulations;

16 P. To prepare and adopt an annual operating budget, and necessary  
17 amended or supplemental budgets in accordance and  
18 concurrence with the Guam Economic Development Authority.

19 Q. To adopt, modify and amend Bylaws and Regulations pursuant  
20 to section 3 (e);

1 R. To keep and maintain financial records and books to account  
2 for all expenditures of funds, and to obtain an independent  
3 audit conducted by Certified Public Accountants selected by  
4 the Board, of such records annually with the results of same  
5 submitted to the Board and the Guam Economic development  
6 Authority Board of Directors;

7 S. To adopt a master economic redevelopment and reuse plan  
8 which shall include a three (3) year plan, which shall be updated  
9 prior to the expiration of each three (3) year period, establishing  
10 strategies and goals for promoting and marketing redevelopment  
11 activities at Naval Air Station, Ship Repair Facility, Fleet and  
12 Industrial and Supply Center, and other facilities within Naval  
13 Activities securing development commitments for said purpose;

14 T. To accept contributions, grants, or loans from any public  
15 or private agency, individual, or the federal government or  
16 any department, instrumentality, or agency thereof, for the  
17 purpose of financing its activities;

18 U. To take all actions necessary or appropriate to carry out and  
19 implement the provisions of this Act.

1 (b) In determining what implied powers the Corporation has under Section  
2 four (4) of this Act, herein, it shall be clearly understood the Corporation shall  
3 not have the following powers:

4 A. Taxation.

5 B. Condemnation or eminent domain.

6 C. Creation of general obligation debt.

7 D. Zoning or other governmental powers over land use.

8 E. Building, fire code, public health and safety regulations.

9 F. Control and acceptance of public rights of way.

10 G. Assignment or delegation of any specific powers, duties or  
11 responsibilities imposed by this Act except as authorized by  
12 the Board and the Guam Economic Development Authority.

13 (c) The Corporation will enter into interim leases for all or a portion of  
14 military base properties and the Corporation will sublet all or a portion of  
15 said leased property to third parties. In such event, any leases or subleases  
16 entered into by the Corporation as lessor shall include, at a minimum,  
17 substantially the following provisions:

18 A. Sublessee shall maintain, at its own cost, comprehensive  
19 general liability and property damage insurance on buildings  
20 and real property in a reasonable minimum amount as

1                   determined by the Corporation. A certificate of insurance  
2                   naming the Corporation as an additional insured evidencing  
3                   such insurance shall be delivered to the Corporation  
4                   contemporaneously with the execution of the sublease  
5                   agreement.

6           B.    Sublessee shall not assign or transfer its rights under the  
7                   sublease agreement or sublet the leased premises without  
8                   first obtaining written consent from the Corporation.

9           C.    Sublessee shall use the leased premises in a careful, safe and  
10                  proper manner and shall not use or permit the premises to be  
11                  used for any purpose prohibited by the laws of the United States,  
12                  and the laws of the Territory of Guam.

13   (d)   The Corporation is limited in its spending powers to the annual total  
14           budget approved by the Board. Annual expenditures shall not exceed  
15           anticipated revenues for the year plus beginning unreserved cash balances.

16           Section 6. Assets of the Corporation. (a) The Corporation shall  
17           maintain an asset inventory list for any and all real or personal property  
18           acquired by the Corporation by lease, purchase, donation or federal  
19           conveyance. This list shall designate how the asset was acquired, the date

1 of acquisition, and the date of any sale or other disposition of any asset  
2 transferred by the Corporation, together with the amount of consideration  
3 received or paid by the Corporation.

4 Section 7. Budget and Funding. (a) The Board of Directors of the  
5 Guam Economic Development Authority shall appropriate the necessary  
6 funding for start up purposes until such time as the Corporation has applied  
7 and has received federal funding and grants for reuse activities.

8 (b) No later than June 1 of each year, the Executive Director of the  
9 Corporation shall submit to the Board a proposed annual budget plan for  
10 next fiscal year and shall also submit a copy of the proposed annual budget  
11 to the Board of Directors of the Guam Economic Development Authority.

12 (c) Any federal or local funds appropriated to the Komitea Para Tiyan and  
13 the Tiyan Reuse Authority shall be transferred to the Corporation.

14 Section 8. Miscellaneous Provisions. (a) Severability. If any provision  
15 herein contained shall be adjudged to be insubstantial and invalid or  
16 unenforceable by a court of competent jurisdiction or by operation of any  
17 applicable law, such invalid or unenforceable provision shall not affect the  
18 validity of the Act as a whole and all other provisions shall be given full force  
19 and effect.

20 (b) In connection with the performance of work under this Act, the

1 Corporation shall not refuse to hire, discharge, promote or demote, or to  
2 discriminate in matters of compensation against any person otherwise  
3 qualified, solely because of race, color, religion, national origin, gender, age,  
4 military status, sexual orientation, marital status, or physical or mental  
5 disability. The Corporation shall insert substantially the foregoing provision  
6 in all contracts to which the Corporation is a party which affects or relates to  
7 this Act.

8 (c) This Act shall supersede the prior establishment of the Tiyan Reuse  
9 Authority which said authority shall now fall under the jurisdiction of the  
10 Corporation, including all personnel, assets, expenditures to date, policies,  
11 regulations, reuse plans.

12 (d) The Komitea Para Tiyan, established by Executive Order shall  
13 continue its authority, duties and responsibilities, as an Advisory Committee  
14 to the Corporation during the interim period and until such time as all  
15 requirements are accomplished for the issuance of title to military bases to the  
16 Government of Guam.

17 (e) There shall be no other creation or establishment of a redevelopment or  
18 reuse authority or corporation for that portion of the military base slated for  
19 closure or is closed.

1

Section 9. Effective Date. This Act shall take effect immediately

2

upon its enactment.

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//



UFISINAN I MAGA'LAHI  
TERITORION GUAM

Statement of the Governor of Guam  
Before the  
Committee on Economic-Agricultural  
Development and Insurance  
23rd Guam Legislature

Bill 337

September 19, 1995

Good evening Mr. Chairman and Members of the Committee on Economic-Agricultural Development and Insurance. My name is Clifford Guzman and I am here to deliver testimony on behalf of the Governor of Guam.

First, Mr. Chairman, allow me to thank you for your letter of yesterday expressing your views on Executive Order 95-17. I am disappointed that our efforts to make specific reference to your proposed legislation and to GEDA's role did not satisfy you. However, I look forward to your constructive contributions in the Steering Committee's reuse planning efforts.

From the beginning let me say that I wholeheartedly support the spirit of the bill as I understand it; to make economic development the reuse priority of the Government of Guam as it pertains to BRAC 95 properties and assets. More correctly stated, "economic redevelopment" should be our primary focus. In the interim and transition phase we must demonstrate to the Military Sealift Command (MSC) that our people now at SRF and FISC can continue to perform work for the MSC under a privatized operation. In the long-term, the transformation of the military spaces in Inner Apra Harbor into a vibrant commercial center for transshipment, warehousing, industrial repairs and numerous other activities, will be key to Guam's continued economic growth.

Like you, Mr. Chairman, I firmly believe that GEDA should play a fundamental role during the reuse planning for BRAC 95 affected closures and a more prominent administrative and staffing role once planning phase has been completed. It is for this reason that the GEDA Board Chairman has been included as a Member of the BRAC 95 Steering Committee and why GEDA Counsel and administrators have participated in the *ad hoc* work leading up to the Steering Committee.

However, during the planning phase, a community response to base closures is sought by the Defense Department. This community response is noted in numerous DoD descriptions of the reuse process to include State officials, Congressional representatives, business and community leaders. Additionally, homeless organizations must be represented and I want to thank you for bringing that issue to my attention as Executive Order 95-17 was being developed.

Let's be frank about the process of reuse planning. Many of the issues are fundamental in bringing fairness and justice for our people. For example, in the past few weeks the Navy has been developing its Post-BRAC 95 footprint plan. What the Navy identifies it "needs" equates to land which they do not want to give to us. When we in the local community respond to Navy's views, our voice has much more affect when it comes from political and business leadership; no bureaucratic agency has the clout locally or in Washington's view, to adequately respond.

Let me clarify this further. Is GEDA in the position to negotiate with federal decision-makers to keep MSC work at a privatized FISC and SRF, protecting the jobs of our people there? I don't believe so. Moreover, I personally believe that I would be shirking my responsibility not to be directly involved in this "planning process." Many of the decisions critical during the planning phase are inherently political that must be lobbied at the highest levels.

Given many of the continuous and difficult political decisions which must be made throughout the planning process, it is only appropriate that political and local business leaders and community representatives provide direction. Anything less than participation by such leadership would diminish the credibility of the reuse planning effort vis-a-vis the Department of Defense expectations. Moreover, any apparent acquiescence on the part of Guam's political and business leadership during this delicate phase might be interpreted as an abandonment of the interests of our people at SRF and FISC who expect our leadership.

Having noted these issues, I would like to make it clear that I see GEDA playing a central role, along with the Port Authority of Guam, in supporting the reuse planning efforts at a technical, advisory and staffing level. The Steering Committee, like any other body of its nature, requires extensive staff assistance. In the instance of BRAC 95, I believe that staff assistance will in fact be very significant. Unlike the process at Tiyan, where staff support was *ad hoc* from existing government resources, the BRAC 95 process will require local staff supervision and tracking on a full-time basis. BRAC 95 is simply too massive in terms of its implication to our economic future for *ad hoc* processes to continue.

We anticipate the hiring of consultants (with federal funds) for business engineering and reuse planning, experts which will be overseen by competent local staff (also hired with federal funds). It is in this process of reuse planning and its staffing, that I believe GEDA can play a critical role. I would urge you to work with me on the Steering Committee to push GEDA to a preeminent role in the process of reuse planning and the staffing of this activity.

I also would like to note that the reuse planning process must begin immediately. The existing *ad hoc* staff of the Steering Committee (whose role will be supplanted once permanent staff are brought aboard), are in the process of preparing multi-year funding requests to the Office of Economic Adjustment (OEA) for reuse planning and consultants.

As you are aware, once the reuse plans have been drawn up by the Steering Committee, it will be necessary to make the transition to a formal Local Redevelopment Authority (LRA) to administer reuse and redevelopment activities. This change of gears will mark the transition from reuse-planning (Planning Phase) to reuse-implementation (Implementation Phase). It is at this point that the establishment of an LRA for BRAC 95 is most appropriate and GEDA can best fill that role in my opinion.

Before closing let me briefly talk about Tiyan, and the *Komitea Para Tiyan* which is the reuse planning body. I know that you have a lot of concerns about how Tiyan reuse has occurred, but I want to make a couple of things clear.

First, the existing *Komitea Para Tiyan* is principally a reuse planning body, not a reuse-implementation body. However, as events have unfolded with changes in Administration, and the Navy's rapid pull out (a so-called "model closure" by Navy officials), the *Komitea* was unable to finalize its long-term reuse plans before interim reuse opportunities availed themselves. These interim reuse opportunities have been delegated to the Administration.

Compounding this problem is the fact the Navy stated, in writing, that if Guam did not assume the caretaker responsibilities, then the Navy would put the property at Tiyan out onto the open market for lease. In this situation the community would have had no control over the interim (and perhaps even the long-term) use of Tiyan. We took the good with the bad, and are doing what we can in the interim to make use of the facilities -- primarily those facilities on the north side of the runways. I fully support the use of the facilities in their interim configuration, but it is now necessary to begin the process of reuse-implementation for the non-airport related properties on the south side of Guam's international airport. I urge you, and your colleagues, to endorse statutes which would create an LRA for the south-side properties which the *Komitea* has dedicated for economic development. Again, I concur that GEDA provides the most appropriate vehicle for implementing redevelopment plans there.

Mr. Chairman, thank you for your continued interest in the BRAC process which goes back many years. I know that with your persevering focus on these issues, the people of Guam can be sure that economic development will be the focus of our government's military base redevelopment actions.



**PORT AUTHORITY OF GUAM  
ATURIDAT I PUETTON GUAHAN**

GOVERNMENT OF GUAM  
1026 Cabras Highway  
Suite 201  
Piti, Guam 96925

Telephone: (671) 477-5931/35  
(671) 477-2683/85  
Telex: (721) 6689 PAGGUM  
Facsimile: (671) 477-2689

**TESTIMONY OF EULOGIO C. BERMUDEZ  
IN REFERENCE TO  
BILL NO. 337, "AN ACT TO CREATE A GUAM BASES  
REDEVELOPMENT CORPORATION AS A POLITICAL  
SUBDIVISION WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY"**

Mr. Chairman and Members of the Committee:

My name is EULOGIO C. BERMUDEZ. I am the General Manager of the Port Authority of Guam. I apologize for not being personally present this evening. I am away on important Port business related to the development of our fisheries industries in Guam.

My testimony before the Committee this evening is to support in principle the concept of Bill 337.

As you are aware, Governor Gutierrez, last Friday signed Executive Order No. 95-17. This Executive Order established a Steering Committee as the Reuse Planning Committee relating solely to BRAC'95. The Steering Committee was formed because of the urgency in starting the pre-planning process, but with the anticipation of the passage of Bill 337. Under the present time schedule, the military fully intends to close the base facilities under BRAC'95 within two years. This does not give us much time to complete our reuse plan. The Governor has requested of President Clinton and top DOD officials for a four year closure time period. Their decision however, is completely discretionary. I understand Senator Aguon has or will be introducing a legislative resolution in support of this position.

There are two phases involved in the local process of using a closing military base for economic development purposes: (1) organizing for the development of a reuse plan (the "Planning Phase") and (2) organizing for implementation of the Reuse Plan (the LRA [Local Redevelopment Authority] Phase).

Planning for site reuse is the community's first major effort in base redevelopment. This planning phase requires an organization to oversee its accomplishments. This



Commonwealth Now!

organization is generally referred to in the BRAC process as the Steering Committee or Reuse Planning Committee. This initial planning phase organization is often not a "legal" entity which can own and transfer property. The Planning Phase Organization is usually transformed later during the plan implementation phase into a legal entity which can receive, own and transfer property title.

The Office of Economic Adjustment (OEA) of the Department of Defense will recognize a "non-legal" entity such as the Steering Committee created by Executive Order No. 95-17 as the "Local Redevelopment Authority" or LRA during the Planning Phase for purpose of receiving planning and organizational grants. However, the OEA recognition does not give an informal organization the legal authority to own or transfer land title. A legally recognized authority created in conformance with applicable territorial law, such as the Guam Economic Development Authority, will be necessary during the implementation phase, if it is to receive, own, or transfer title to former military property.

It is with this organizational structure of the BRAC process in mind that I submit for your consideration an amended version of Bill 337 which is attached herein with my testimony. Our legal counsel has amended Bill No. 337 to provide that during the Planning Phase the Steering Committee created by Executive Order 95-17 will act at the Reuse Planning Committee. The Steering Committee which consists of elected officials, government representatives, and members of the business and community at large, will be tasked with the preparation of a reuse plan. After the reuse plan is completed and approved, it will then be turned over to the Guam Economic Development Authority for implementation.

The gravest error in base reuse organization is trying to create the base "Governance" structure well before the final land uses are agreed upon. Premature efforts to create a permanent organization are often aimed at predetermining the eventual land uses and base reuse plan -- without a deliberative public planning process.

The permanent management organization differs markedly from the initial broad-based Reuse Planning Committee. At the implementation phase, the focus must be on what type of entity will manage the real estate, attract the private sector industrial clients, maintain the roadways and common property, and provide for the business-like operations and financing of a major real estate holding. GEDA is a natural for this stage of the BRAC process.

Mr. Chairman and members of the Committee, we are at a slight advantage in having the benefit of hindsight in the BRAC process. In the earlier base closures, affected communities made their way through mostly by trial and error. The amendments to Bill

337 I am suggesting takes into consideration the prior experiences of communities affected by the base closures. It is my sincere hope that you favorably take into consideration these amendments.

Thank you for giving the me the opportunity to testify on Bill 337.

Si Yuus Maase,

  
EULOGIO C. BERMUDES

DRAFT: 9/16/95 - 3:00 P.M.

**TWENTY-THIRD GUAM LEGISLATURE**

**1995 (FIRST) REGULAR SESSION**

Bill No. 337

Introduced by:

J.T. San Agustin

J.P. Aguon

FP CAMACHO

As substituted by the  
Committee on Economic and  
Agricultural Development  
and Insurance

AN ACT TO ADD ARTICLE 10 TO CHAPTER 2, TITLE 12, GUAM CODE ANNOTATED, TO DIRECT THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO ACT AS THE LOCAL REDEVELOPMENT AUTHORITY TO WORK WITH THE STEERING COMMITTEE ESTABLISHED BY EXECUTIVE ORDER 95-17 AND ITS REUSE PLANS FOR LAND MADE AVAILABLE TO THE PEOPLE OF GUAM THROUGH THE ACTIONS OF THE U.S. BASE CLOSURE AND REALIGNMENT COMMISSION, AND TO IMPLEMENT SUCH REUSE PLANS.

Section 1. Article 10 is hereby added to Chapter 2, Title 12, Guam Code

Annotated to read:

Article 10. Reuse Planning and Development of former military bases.

§2950. *Statement of Legislative findings and purposes.* The Legislature finds that the actions of the U.S. Base Closure and Realignment Commission ("BRAC") in recommending the closure of certain military bases in Guam and the realignment of others, have resulted in much extremely valuable military property being now available to the people of Guam, neither the Congress nor the President having set aside the BRAC recommendations, and have created both a real challenge for the government of Guam to take the necessary action to find employment for those many Guam workers who will no longer have positions at the bases being closed down and at the same time an unparalleled opportunity to develop these extremely valuable military properties and assets now potentially available to various entities of the government of Guam in such a way as to create jobs, particularly for those losing military positions, increase the Guam tax base, create commercial aviation, ship repair and port facilities, and generally enhance the economic growth of Guam by putting to the most effective public use these assets to be made available as the BRAC closures take place. The Legislature further finds that because of the magnitude of the base closures in Guam and the resulting enormous economic impact, the bases themselves being scattered from one end of the island to the other, and the economic impact being the most severe faced by any

American community suffering closures through the BRAC process, coordinated and effective planning must immediately be developed on an island-wide basis to maximize the opportunities presented and to minimize any duplication of efforts. Additionally, because the BRAC closures have occurred over a period of years, beginning in 1993, reuse planning is nearly completed for the former Naval Air Station known as "Brewer Field," but it is now necessary to complete and implement the reuse plan for *Tiyan*, the Chamorro name for the area. The Legislature further finds that the best instrument for preparing the reuse plan for BRAC'95 is the Steering Committee created by Executive Order 95-17. The Legislature further finds that the best instrument for completing the plans for the reuse of the former military lands and assets under BRAC'93 is the Guam Economic Development Authority. Finally, the Legislature finds that the best instrument for implementing the reuse plans for BRAC'93 and BRAC'95 is the Guam Economic Development Authority.

§2951. **Definitions.** For purposes of this Article—

"Base commander" means the military or Naval officer in command of the Military Base being closed in Guam pursuant to the BRAC process.

"Base transition coordinator" means that person or officer appointed by the command whose Military Base is being closed who serves as an ombudsman between Guam and the military command to improve the transition process through the identification and resolution of problems within the process.

"BRAC'93", means the U.S. Base Closure and Realignment Commission's final decision announced in 1993 as it affects certain Military Bases in Guam.

"BRAC'95" means the U.S. Base Closure and Realignment Commission's final decision announced in 1995 as it affects certain Military Bases in Guam.

"OEA project manager" means that person appointed by the Office of Economic Adjustment of the U.S. Department of Defense ("DOD") who coordinates and guides Guam's adjustment to the Military Base closures brought about through the BRAC process.

"Vision Statement" means the detailed statement of the Corporation's mission to achieve the objectives set out in §2950 of this Article.

*"Komitea Para Tiyan,"* also known as the NAS Agaña Reuse Committee, means the committee established by Executive Orders 94-07 and 95-02 as an interim reuse planning committee with respect to the Naval Air Station Military Base.

"Military Bases" means a DOD military installation in Guam that is closed, or is to be completely or partially closed, as a result of the BRAC process. It also includes all GLUP '94 lands.

"Military Base Property" means real and personal property that is currently or was formerly part of a Military Base and is available for reuse.

"Reuse Plan" means the plan prepared by the Steering Committee or local Redevelopment Authority for the reuse or redevelopment of the Military Bases in Guam affected by BRAC'93 and/or BRAC'95.

"Steering Committee" means that committee created by Executive Order No. 95-17, executed September 15, 1995, which committee is charged with planning the reuse of Military Bases and Military Base Property available to Guam through the BRAC'95

process. As such, it is eligible to receive planning and organizational grants from the DOD Office of the Economic Adjustment.

“Local Redevelopment Authority” means that division of the Corporation able to receive property under an Economic Development Conveyance from DOD to enter into interim leases or early transfers of parcels for undertaking early reuses before the military is gone from the Military Base being closed.

“GAA” means the Guam Airport Authority.

“PAG” means the Port Authority of Guam.

“GLUP ‘94” means the Department of Defense lands on Guam declared excess to military needs as described in the Guam Land Use Plan, 1994.

§2952. *The mandate of the Corporation.* The Guam Economic Development Authority (the “Corporation”) is hereby constituted as the Local Redevelopment Authority to act as the local authority to implement the reuse plans developed by the Steering Committee and the Komitea Para Tiyan and thus to acquire itself or

to authorize to other public entities to acquire title to the Military Base Property.

§2953. *Activities as the Reuse Planning Committee.* The Steering Committee, (the "Committee") shall be responsible for organizing the development of one (1) or more reuse plans in reference to the BRAC'95 process for the economic development of Guam. The Committee's activities in such planning shall include but are not necessarily limited to the following:

2953.01. *Organization.* To create a set of rules, organizational structure and operating procedures for developing the reuse plans.

2953.02. *Cooperation with Project Manager.* To cooperate with the OEA Project Manager, who shall be a non-voting *ex officio* member of the Committee.

2953.03. *Base commanders.* To cooperate with the various Base commanders in order to obtain smooth transitions from military to civilian use,

and to invite a representative of each of the Base commanders to attend every meeting of the Committee to foster cooperative dialogue. The Committee shall take all action necessary to keep the Base commanders informed of the Committee's actions, and of all questions, issues or problems which will eventually involve the Base commander, his or her higher commands, or the Base population.

2953.04. *Base transition coordinator.* To work with each Base transition coordinator for all of the Military Bases subject to the BRAC closures and to make each Base transition coordinators non-voting *ex-officio* members of the Committee invited to attend all meetings of the Committee.

2953.05. *Subcommittees.* To create subcommittees of the Committee to develop reuse guidance on specific issues, utilizing, as necessary, persons with relevant skills and knowledge. Such subcommittees shall include but are not limited to subcommittees on housing, on personal property, on

aviation, on transshipment, on shipping, on scheduling and timelines, on port facilities, on education, on transportation, on social and human services, on historic preservation, on environmental restoration, and on utilities.

2953.06. *Timeline.* To establish, regularly monitor and update a detailed timeline of all local actions involved in the transition process, including major military action timelines.

2953.07. *Vision Statement.* To develop a Vision Statement to share with the Committee's consultants and the public.

2953.08. *Public meetings.* Pursuant to the Guam Sunshine Law, to conduct all meetings of the Committee openly, with adequate notice to the public and to the press.

§2954. *Same: powers.* The Committee shall have the following powers, in addition to those powers already given it in

Executive Order No. 95-17.

2954.01. *Personnel.* To engage a full-time staff to carry out the work of the Committee, its initial staffing plans to take into consideration future needs, which plans will not hinder either such needs nor the committee's independence.

2954.02. *Staffing grants.* The Committee shall work with the OEA project manager or managers for grant funding to hire staff, retain consultants and establish a Committee office, as needed.

2954.03. *Initial staff.* The initial staff of the Committee shall consist of an executive director and an administrative assistant, and as more subcommittees are established which need staff support, as the reuse planning process involves more agencies requiring coordination, and as consultants are retained to conduct the reuse planning studies, the Committee may engage additional staff as necessary. The staff of the Committee shall be fully devoted to assisting the

Committee to accomplish the reuse planning needed to carry out the Vision Statement.

2954.04. *Consultants*. To retain qualified consultants to assist in developing reuse plans. In doing so, the Committee should identify the preliminary scope of work, the technical qualifications and the support services of the consultants which will provide the types of information needed by the Committee to develop reuse plans.

2954.04.01. *Costs*. To estimate in advance the cost of consultant services, in consultation with the OEA project manager, and to include such estimated amount included in the Committee's grant requests.

2954.04.02. *Scope of services*. To coordinate the scope of services of the consultants with the Base transition coordinators to allow Military Base personnel to identify the most efficient way of working with the consultants to provide copies of

existing studies, data, maps and reports, and to allow access for interview, building and utility investigations, physical surveys, and other needed demands on Base personnel and their time.

2954.04.03. *Meetings.* To meet regularly during the reuse planning process to provide direction for the consultants in preparing their reuse plan or plans, and to provide guidance and direction to the staff of the Committee in undertaking the daily activities involved in coordination, planning, advance marketing, public relations, and financial planning for the Base transitions.

2954.04.04. *Adoption of Reuse plans.* To submit to the Governor for his review and approval through executive order any reuse plan completed by the Committee. After approval by the Governor, each plan shall be submitted and incorporated by the Territorial Planning Council into the comprehensive master plan for Guam and by the Territorial Land Use Commission into the territorial

zoning systems for the lands covered by the plan, as zoned by the plan.

2954.04.05. *Preparation For Implementation Of The Reuse Plans.* To work with representatives of GAA and PAG to identify Military Base Property which should be acquired by GAA or PAG for the further development, improvement, operation and expansion of Guam's civilian air and sea ports, including Property needed to develop sources of revenue to sustain viable air and sea port operations, pursuant to a Public Benefit Transfer or other conveyance authorized by federal law. Also to work with representatives of the Guam Power Authority, the Public Utility Agency of Guam and the Guam Telephone Authority, which utilities shall be expected to take over military-owned utilities when the Bases close. Representatives of these utilities shall be given the opportunity to inspect the systems being transferred to determine the improvements necessary to bring them up to the territory's standards. The Committee shall establish for each of the facilities to be turned over a

timeline which indicates when turnover action should begin in order to achieve the plan reuse function at the time needed. Such timeliness shall be reviewed periodically by the Committee.

2954.04.06. *Military Approval Of Reuse Plan.* To submit to the appropriate military branch each reuse plan approved by the Governor in time to become the "preferred action" for the Base closure environmental impact statement.

2954.05. *Personal Property Inventory.* To review the amount of personal property potentially available to the territory from a closing Military Base for retention and reuse potential. All military property book lists shall be examined by the Committee for items marked as surplus. The personal property subcommittee of the Committee shall make walkthrough inspections, supported, if appropriate, with video taping, to evaluate the types and conditions of equipment available.

2954.06. *Use of GAA and PAG.* To delegate to GAA and to PAG, respectively, *all* the planning activities and

responsibilities relative to such Military Bases and Military Base Property as will be leased and/or acquired by GAA or PAG, respectively. In connection with any such delegation, the Committee shall support GAA or PAG, as the case may be, in obtaining necessary grants to carry out such planning.

**§2955. Corporation as the Local Redevelopment Authority.**

The Corporation is hereby declared to be the Local Redevelopment Authority (the "LRA") to carry out the reuse plans prepared by the Committee or others and approved by the Governor by executive order. As the LRA, the Corporation shall take title to property under an Economic Development Conveyance or other transfer authority from DOD. The LRA may also enter into interim leases for early transfers of parcels suitable for interim leasing to make early reuse of Military Base Property. Alternatively, the LRA may authorize GAA or PAG to take title through a Public Benefit Transfer and to enter into interim leases of Property intended for airport or sea port use, future expansion or revenue generation to sustain viable civil air or sea port operations.

2955.01. **LRA to take over Komitea.** All  
of the powers, functions and duties of the **Komitea**

*Para Tiyan* are transferred to the LRA on the effective date of this Article. The Authority may retain such personnel of the *Komitea Para Tiyan* as it deems necessary in carrying out its function of implementing the reuse plan adopted by the *Komitea*. The LRA shall undertake to complete the *Tiyan* reuse plan and to implement the same, working closely with GAA in doing so.

§2956. *Activities of the LRA.* The LRA, in implementing a reuse plan shall have the following powers:

2956.01. *Funding.* To obtain implementation funding from various sources such as the U.S. Economic Development Administration, various DOD conversion programs, and various funding programs within the government of Guam.

2956.02. *Access Improvements.* To work with the Department of Public Works, the Guam Mass Transit Authority, the Guam public utilities, or GAA or PAG, as appropriate, to improve access to a

site in order to make it competitively marketable.

2956.03. *Base Cleanup.* To cause staff of the LRA to attend all Base cleanup team and restoration advisory board meetings to provide the reuse planning coordination needed for these efforts.

2956.04. *Approval of Boundaries.* To approve proposed new boundaries of GAA and PAG at the former Naval Air Station and inner Apra Harbor, respectively.

2956.05. *Property Transfer.* To negotiate and obtain interim leases or other early transfer of parcels or buildings suitable for leasing which can be used to attract jobs or provide for redevelopment purposes prior to the military's departure from a Military Base. In addition, to authorize GAA and PAG to enter into interim leases and to obtain public benefit transfers of Military Base Property to facilitate airport and seaport operations and expansion, and to develop sources of revenue to sustain viable civil air and seaport operations.

2956.06. *Marketing Plan.* To develop a plan for marketing the site or sites to attract the desired types of activities, using existing marketing structures including the Guam Chamber of Commerce, to help with such efforts, and in doing so, to perform the following additional tasks:

2956.06.01. *Distribution Of Materials.*

To prepare appropriate marketing materials and distribute them selectively.

2956.06.02. *Publicity.* To obtain as much multi-media publicity as possible to keep the various sites in the public eye.

2956.06.03. *Interim Uses.* To plan for interim uses of assets to provide temporary jobs until long-term employers can be recruited to the various sites, which interim uses may also provide income to help with the maintenance and operational cost of the sites.

2956.06.04. **Three Year Plan.** To adopt a master economic plan on a three (3) year basis, to be updated prior to the expiration of each three (3) year period, establishing strategies and goals for promoting and marketing redevelopment activities at the Military Bases, securing development commitments for such purpose.

2956.06.05. **Grants.** To accept contributions, grants, or loans from any public or private agency, individual, or from the U.S. government or any department, instrumentality, or agency thereof, for the purpose of financing its activities.

2956.06.06. **Necessary Action.** To take all actions necessary or appropriate to carry out and implement the provisions of this Article."

Section 2. **Severability.** If any provision contained in this Article shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any

applicable law, such invalid or unenforceable provision shall *not* affect the validity of the Article as a whole and *all other* provisions shall be given full force and effect, being hereby declared to be *severable*.

Section 3. *Non-discrimination*. In connection with the performance of any work under this Article, the Corporation shall not refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against, any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability. The Corporation shall insert substantially the foregoing provision in all contracts to which the Corporation is a party which affects or relates to this Article.

Section 4. *Tiyan*. This Act supersedes the prior establishment of the *Tiyan* Reuse Authority and the assets, expenditures to date, and reuse plans thereof are transferred to the Corporation.

Section 5. *Effective date*. This Act shall take effect immediately upon its enactment."

STATEMENT ON BILL NO. 337 ON UTILIZING THE GUAM  
ECONOMIC DEVELOPMENT AUTHORITY FOR PLANNING  
AND IMPLEMENTING REUSE PLANS FOR LANDS OBTAINED  
BY GUAM UNDER THE BRAC PROCEDURE

September 18, 1995

Mr. Chairman and members of the Committee:

As chairman of the board of directors of the Guam Economic Development Authority ("GEDA"), I am pleased to be here this morning to represent GEDA before this Committee which has oversight powers over us. I am also pleased to support in principle Bill No. 337 since I agree that GEDA is the appropriate vehicle for undertaking the implementation of the economic reuse plans developed for the properties now available to the people of Guam through the BRAC closure procedures. As that public instrumentality charged with developing and strengthening the private economy of Guam, we do agree with the authors of this legislation that GEDA is the appropriate tool under the circumstances. However, we feel that GEDA's role is more appropriate for the implementation of reuse plans to be drawn by others since GEDA does not have a planning staff, but it is in a position to implement plans once they have been completed. The Governor has established a Steering Committee by Executive Order No. 95-17, which committee is intended to complete the planning for the reuse of these military facilities, taking over the function to some extent of the *Komitea Para Tiyan* and working with the Port Authority of Guam and the Guam Airport Authority on their plans for their particular properties. GEDA supports the role of the Steering Committee in such planning and would like to work with it in implementing the plans as they are completed.

Bill No. 337 in its current form is, unfortunately, not completely acceptable to GEDA. The bill sets up within GEDA a planning committee headed by various *ex officio* officers which then undertakes the planning and implementation activities required to meet the challenge of the BRAC closures. However, although the committee is within GEDA, and GEDA must provide it logistic and financial support, GEDA has no real control over its activities. If GEDA is to be the vessel whereby planning and implementing the transfers of base property under the BRAC procedure are carried out, then it wishes to have some degree of control over what is ostensibly being carried out under its name. GEDA sits in on an informal BRAC committee which has, among other things, reviewed Bill No. 337. This committee has prepared a proposed substitute Bill No. 337 which gives GEDA more direct power over the implementing of the reuse plans and leaves the reuse planning itself with the Steering Committee created by the executive order, but substantially expands the powers of the Steering Committee to have it conform to the typical

reuse planning committee utilized by other communities in such reuse planning. We would therefore like to respectfully recommend to your committee that this proposed substitute bill be examined closely by you and your staff, and if possible, it be utilized in lieu of the original bill, *subject*, of course, to all modifications and changes therein that you deem appropriate.

GEDA stands willing and able to work in implementation of the plans necessary to appropriately reuse the military bases and properties now available through the BRAC closures. It does not desire the planning function, but wishes to work closely with the instrumentality that does undertake the planning, which GEDA would suggest should be the Steering Committee already established.

In closing, may I reiterate GEDA's support of the basic thrust of Bill No. 337, which is that GEDA play the major role in the implementation of the reuse plans drawn up ~~in answer~~ to the challenges presented by the transfer of the military bases and their properties to Guam pursuant to the BRAC Commission's recommendations.

Thank you for permitting me to testify.



DEFENSE

BASE

CLOSURE

AND

REALIGNMENT

COMMISSION

REPORT TO

THE PRESIDENT

Weapons Station, Charleston achieves an enhanced training capability, provides ready access to the moored training ships now at the Weapons Station, and avoids the significant costs of building and/or renovating facilities at New London.

### *Community Concerns*

Community concerns were received from both New London, Connecticut and Orlando, Florida. The New London community expressed concern over whether they were fairly evaluated. The community argued the cost estimates for New London construction were greater than in Charleston because the projected student load used was higher for New London. Additionally, the community asserted the Navy added unnecessary costs for the school in general when they decided to move the school to a new location. The New London community questioned the decision to create new infrastructure in Charleston, and also questioned whether the Charleston cost estimates included all new infrastructure expenses. Finally, the New London community believes synergy would be lost between the Nuclear Power School students and the Sub School in New London if the redirect was accepted.

The Orlando community expressed concern that the Navy had not considered retaining the school in Orlando following a change in the situation that necessitated the redirect in the first place. The Orlando community argued no large military construction costs would be necessary to keep the school in Orlando and that this represented the best scenario for the Department of the Navy.

### *Commission Findings*

The Commission found that even after considering possible variances in the original cost estimates, the final analysis still supported the recommendation to redirect the training center from New London to Charleston. The Commission found the recurring savings associated with the Charleston site overcame cost avoidance and cost of construction at the New London and Orlando sites. The recurring cost savings at Charleston derived from both lower base operating costs and Permanent Change of Station (PCS) cost avoidances. The PCS savings occur because the Navy Nuclear Prototype Trainer, a follow-on school attended by one half of each graduating class, is already located in Charleston. Other causes of cost variance reviewed by the Commission included updated

bachelor housing requirements which raised the amount of space per person from the original standard and student base loading which decreased from the 1993 recommendation baseline. The Commission also found that there was sufficient room for development at the Charleston site without encroaching on any wetlands or explosive arcs from the Naval Magazine.

### *Commission Recommendation*

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: change the receiving site specified by the 1993 Commission (1993 Commission Report, at page 1-38) for the "Nuclear Power School" (or the Navy Nuclear Power Propulsion Training Center) from "the Submarine School at the Naval Submarine Base (NSB), New London" to "Naval Weapons Station, Charleston, South Carolina."

### **Fleet and Industrial Supply Center, Guam**

*Category: Supply Center*

*Mission: Supply Support*

*One-time Cost: \$17.9 million*

*Savings: 1996-2001: \$128.8 million*

*Annual: \$27.8 million*

*Return on Investment: 1997 (Immediate)*

**FINAL ACTION: Disestablish**

### *Secretary of Defense Recommendation*

Disestablish the Fleet and Industrial Supply Center, Guam.

### *Secretary of Defense Justification*

Fleet and Industrial Supply Centers (FISC) are follower activities whose existence depends upon active fleet units in their homeport area. Prior and current BRAC actions closing both Naval Air Station, Guam and a portion of Naval Activities, Guam have significantly reduced this activity's customer base. The remaining workload can efficiently be handled by other activities on Guam or by other FISCs.

### *Community Concerns*

In addition to the concerns mentioned in the Naval Activities Guam section, Guam's community expressed concern that the fuel farm the Fleet and Industrial Supply Center (FISC) owns and operates

could not be turned over to a private organization because of its age, as well as a possible requirement to store DoD fuels. Additionally, the community expressed concern the language in the recommendation was not specific enough for Guam to be assured it would be able to reuse the facilities for economic revitalization.

**Commission Findings**

The Commission found the requirement for the Fleet and Industrial Supply Center (FISC) was tied to the location of its largest customer, the Military Sealift Command (MSC) vessels. If the MSC ships remain on Guam, a supply center would have to be retained by the Navy. Retention of the FISC would eliminate most of the savings projected by the Navy and the Commission.

The Commission agreed with the Commander in Chief United States Forces, Pacific that appropriate assets, the fuel farm and associated facilities should be retained given the strategic location of Guam.

**Commission Recommendation**

The Commission finds the Secretary of Defense deviated substantially from final criterion 1. Therefore, the Commission recommends the following: disestablish the Fleet and Industrial Supply Center (FISC), Guam. Retain appropriate assets and the FISC fuel facilities, including piers D and E, tank farms, and associated pipelines and pumping systems, under DoD operational control to support military service fuel requirements. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

**Naval Activities, Guam**

- Category: Naval Station*
- Mission: Support Homeported Ships*
- One-time Cost: \$93.1 million*
- Savings: 1996-2001: \$66.2 million*
- Annual: \$42.5 million*
- Return on Investment: 2000 (1 year)*
- FINAL ACTION: Realign**

**Secretary of Defense Recommendation**

Realign Naval Activities Guam. Relocate all ammunition vessels and associated personnel and support to Naval Magazine, Lualualei, Hawaii. Relocate all other combat logistics force ships and associated personnel and support to Naval Station,

Pearl Harbor, Hawaii. Relocate Military Sealift Command personnel and Diego Garcia support functions to Naval Station, Pearl Harbor, Hawaii. Disestablish the Naval Pacific Meteorology and Oceanographic Center-WESTPAC, except for the Joint Typhoon Warning Center, which relocates to the Naval Pacific Meteorology and Oceanographic Center, Pearl Harbor, Hawaii. Disestablish the Afloat Training Group-WESTPAC. All other Department of Defense activities that are presently on Guam may remain either as a tenant of Naval Activities, Guam or other appropriate naval activity. Retain waterfront assets for support, mobilization and contingencies and to support the afloat tender.

**Secretary of Defense Justification**

Despite the large reduction in operational infrastructure accomplished during the 1993 round of base closure and realignment, since 1993 force structure experiences a reduction of over 10 percent by the year 2001, there continues to be additional excess capacity that must be eliminated. In evaluating operational bases, the goal was to retain only that infrastructure necessary to support the future force structure without impeding operational flexibility for deployment of that force. Shifting deployment patterns in the Pacific Fleet reduce the need for a fully functional naval station. Operational and forward basing considerations require access to Guam. However, since no combatant ships are homeported there, elimination of the naval station facilities which are not required to support mobilization and/or contingency operations allows removal of excess capacity while retaining this necessary access.

**Community Concerns**

The Guam community expressed concern on a variety of issues. Foremost was the issue of reuse. The community believes it should be given every opportunity for full use of the facilities and property for economic revitalization. The community believes this is essential in light of the unique difficulties Guam has experienced since the end of World War II.

The Guam community argued two other related scenarios should be looked at instead of the proposed recommendations. First, the reference to the receiving site should be removed from all recommendations. This would give the Navy more flexibility in properly stationing the assets to meet operational requirements.

Second, all accepted recommendations should be executed on the last day of the two year implementation period. This would allow a two year transitional period and permit more time for economic revitalization planning.

In addition to the alternative scenarios, the community voiced concern over the land disposition process. During the turnover process associated with Guam Land Use Plan 1977 (GLUP 77), lands were tied up in legal proceedings for decades, thus removing any chance for revitalization. The community asked that all lands marked as excess during GLUP 77 and 94, which had not been turned over for reuse, be included in the Commission's recommendation.

The community also asked the Commission to direct the Navy to bring to full, efficient, working order any facilities that were to be closed before being turned over to the community. This included Pitl Power plant, fuel farms and any piers damaged by the last earthquake.

Finally, the Guam community asked the Commission to close the Naval Magazine and that its associated water reservoir be turned over to the Government of Guam. The magazine would then be consolidated with the magazine at Andersen Air Force Base, Guam.

### *Commission Findings*

The Commission found the key to all of the Guam recommendations was the disposition of the Military Sealift Command (MSC) vessels. The Commission concurred with the Secretary of Defense's position that shifting deployment patterns in the Western Pacific (WESTPAC) have lessened the requirement for the MSC ships to be stationed out of Guam. This changing requirement impacts the Fleet and Industrial Supply Center (FISC) mission and HC-5 helicopter squadron because this support needs to be located wherever the MSC vessels are to be stationed. Concurrently, the Commission agreed with the Secretary of Defense that Guam would continue to be of strategic importance and require continued access to the facilities and harbor.

The Commission also agreed with the request of the operational commander to allow flexibility in locating the Military Sealift Command vessels and their support. If a decision is made to retain the MSC vessels on Guam, then most of the savings projected in the above figures will not occur.

The Commission reviewed the 1994 Guam Land Use Plan (GLUP) implementation process at the community's request. The Commission found including the release of GLUP lands in the Commission's recommendation would allow a more rapid transfer of lands and property. The Commission also analyzed the possibility of closing the Naval Magazine on Guam or consolidating it with the magazine on Andersen Air Force Base (AAFB). With the assistance of the Navy, the Commission found closing or consolidating the magazine was uneconomical, unsafe, and would mean the loss of irreplaceable training capabilities.

Finally, the Commission found that it was in the best interests of both the Navy and the community to work together for economic revitalization. The Commission supports the Navy's position, as stated in Assistant Secretary of the Navy Pirie's April 21, 1995 letter to Delegate Robert A. Underwood of Guam.

*It is our objective to convey, through long-term leases, outright transfers, or any other mutually agreeable arrangements, as much of the land and facilities as possible from the affected activities on Guam so as to stimulate local economic growth while, at the same time, providing us (the U.S. Navy) with the strategic flexibility to maintain the necessary operational access to Guam port facilities.*

### *Commission Recommendation*

The Commission finds the Secretary of Defense deviated substantially from final criterion 1. Therefore, the Commission recommends the following: realign Naval Activities, Guam. Locate all Military Sealift Command assets and related personnel and support at available DoD activities or in rented facilities as required to support operational commitments. Disestablish the Naval Pacific Meteorology and Oceanographic Center-WESTPAC, except for the Joint Typhoon Warning Center, which relocates to the Naval Pacific Meteorology and Oceanographic Center, Pearl Harbor, Hawaii. Disestablish the Afloat Training Group-WESTPAC. All other Department of Defense activities that are presently on Naval Activities may remain either as a tenant of Naval Activities or other appropriate naval activity. Retain waterfront assets for support, mobilization, contingencies, to support the afloat tender, and to support shared use of these assets consistent with operational requirements if appro-

3

private. Dispose of property owned by Naval Activities declared releasable under the 1994 Guam Land Use Plan with appropriate restrictions. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

### **Naval Air Station, Agana, Guam**

*Category: Naval Air Station*

*Mission: Support Naval Aviation Operations*

*One-time Cost: \$43.8 million*

*Savings: 1996-2001: \$213.8 million*

*Annual: \$21.7 million*

*Return on Investment: 1996 (Immediate)*

**FINAL ACTION: Redirect**

### **Secretary of Defense Recommendation**

Change the receiving site specified by the 1993 Commission (1993 Commission Report, at page 1-21) for "the aircraft, personnel, and associated equipment" from the closing Naval Air Station, Agana, Guam from "Anderson AFB, Guam" to "other naval or DoD air stations in the Continental United States and Hawaii."

### **Secretary of Defense Justification**

Other BRAC 95 actions recommended the partial closure of Naval Activities, Guam, with retention of the waterfront assets, and the relocation of all of the vessels currently homeported at Naval Activities, Guam to Hawaii. Among the aircraft at Naval Activities, Guam is a squadron of helicopters performing logistics functions in support of these vessels. This redirect would collocate these helicopters with the vessels they support. Similarly, regarding the other aircraft at the closing Naval Air Station, the Fleet Commander-in-Chief desires operational synergies for his surveillance aircraft, which results in movement away from Guam. This redirect more centrally collocates those aircraft with similar assets in Hawaii and on the West Coast, while avoiding the new construction costs required in order to house these aircraft at Andersen Air Force Base, Guam, consistent with the Department's approach of eliminating capacity by not building new capacity.

### **Community Concerns**

In addition to the concerns mentioned in the Naval Activities Guam section, Guam's community expressed concern that while the redirect of the VQ-1 and VQ-5 squadrons is understandable, the

redirect of the HC-5 helicopter squadron would leave Guam with no organic Search and Rescue (SAR) capability.

### **Commission Findings**

The Commission agreed with the Secretary of Defense that the fixed wing air squadrons originally planned for relocation from NAS Agana to Anderson Air Force Base are more appropriately located at other locations. The Commission found the HC-5 helicopter squadron should be located near the homeport of the Military Sealift Command ships currently on Guam. Movement of HC-5 aircraft off the island will eliminate the only current helicopter Search and Rescue (SAR) capability on Guam.

### **Commission Recommendation**

The Commission finds the Secretary of Defense deviated substantially from final criterion 1. Therefore, the Commission recommends the following: change the receiving sites specified by the 1993 Commission (1993 Commission Report, at page 1-21) for "the aircraft, personnel, and associated equipment" from the closing Naval Air Station, Agana, Guam from "Anderson AFB, Guam" to "other naval or DoD air stations." The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

### **Public Works Center, Guam**

*Category: Public Works Centers*

*Mission: Public Works Support*

*One-time Cost: None*

*Savings: 1996-2001: None*

*Annual: None*

*Return on Investment: None*

**FINAL ACTION: Realign**

### **Secretary of Defense Recommendation**

None. The Commission added this military installation to the list of bases to be considered by the Commission for closure or realignment as a proposed change to the list of recommendations submitted by the Secretary of Defense.

### **Community Concerns**

In addition to the concerns mentioned in the Naval Activities Guam section, the community expressed concern over the proposal to retain the officer housing at the former Naval Air Station (NAS) Agana, Guam, and over the status of the Piti

**Power Plant.** The community believes the officer housing should be turned over to the community because it is the only part of the former NAS that was retained. In addition, the community believes that because the housing is in a separate area, retaining it would not be consistent with the Guam Land Use Plan (GLUP), which stated consolidation of facilities was a primary goal. The community further believes there is sufficient housing available for military officers. The community is worried that the Navy would not maintain the Piti Power Plant prior to turning it over to the Government of Guam. Additionally, the community believes that because the closings or realignments will not reduce any PWC functions, closing it would not make sense.

### *Commission Findings*

The Commission found it was not economical to entirely close the Public Works Center but the Navy should be allowed to reduce workforce and facilities as workload decreases. The Commission also found, there was no need to retain the officer housing on the former Naval Air Station Agana, Guam, because the number of officers on Guam has been reduced.

### *Commission Recommendation*

The Commission finds that the Secretary of Defense deviated substantially from final criterion 5. Therefore, the Commission recommends the following: realign Public Works Center, Guam, to match assigned workload. Close the officer housing at the former Naval Air Station, Agana, Guam. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

### **Ship Repair Facility, Guam**

*Category: Naval Shipyards*

*Mission: Maintenance and Repair of Naval Ships*

*One-time Cost: \$8.4 million*

*Savings: 1996-2001: \$171.9 million*

*Annual: \$37.8 million*

*Return on Investment: 1996 (Immediate)*

**FINAL ACTION: Close**

### *Secretary of Defense Recommendation*

Close the Naval Ship Repair Facility (SRF), Guam, except transfer appropriate assets, including the piers, the floating drydock, its typhoon basin anchorage, the recompression chamber, and the floating crane, to Naval Activities, Guam.

### *Secretary of Defense Justification*

Despite substantial reductions in depot maintenance capability accomplished in prior base closure evolutions, as force levels continue to decline, there is additional excess capacity that needs to be eliminated. While operational and forward basing considerations require access to Guam, a fully functional ship repair facility is not required. The workload of SRF Guam can be entirely met by other Department of the Navy facilities. However, retention of the waterfront assets provides the DON with the ability to meet voyage repair and emergent requirements that may arise in the Western Pacific.

### *Community Concerns*

In addition to the concerns mentioned in the Naval Activities Guam section, the community expressed concern Guam was being penalized under the Navy's interpretation of 10 U.S.C. 7309, which has prohibited performance of any non-voyage repair work on U.S. Navy vessels other than those homeported in Guam. If Guam is prohibited from bidding on U.S. ship repair work, then a major potential source of income would be excluded from any economic revitalization efforts. The community also argued the best way for the facilities and equipment to be maintained at the SRF would be for them to be used by the private sector because the high humidity and heat would deteriorate the equipment if it were left idle.

### *Commission Findings*

The Commission agreed with the Secretary of Defense that large reductions in workload, present excess capacity at the facility, and the possible departure of the Military Sealift Command (MSC) ships from Guam, justified closure. The Commission also found that if the MSC ships remain on Guam, then a private sector ship repair capability must be developed. The Commission was concerned about a current Navy policy which does not allow Guam repair facilities to bid on certain U.S. ship repair work. The Commission believes that this policy should be modified to allow more work at private repair facilities on Guam.

### *Commission Recommendation*

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: close the

(5)

Naval Ship Repair Facility (SRF), Guam, except transfer appropriate assets, including the piers, the floating drydock, its typhoon basin anchorage, the recompression chamber, and the floating crane, to Naval Activities, Guam.

**Naval Air Station, Barbers Point, Hawaii**

*Category: Naval Air Stations*  
*Mission: None; Base Closed*  
*One-time Cost: \$ .04 million*  
*Savings: 1996-2001: \$17.6 million*  
*Annual: \$0.1 million*  
*Return on Investment: 1996 (Immediate)*  
**FINAL ACTION: Redirect**

**Secretary of Defense Recommendation**

Change the recommendation of the 1993 Commission regarding items excepted from the closure of Naval Air Station, Barbers Point, Hawaii (1993 Commission, at page 1-19) from "Retain the family housing as needed for multi-service use" to "Retain the family housing as needed for multi-service use, including the following family housing support facilities: commissary facilities, Public Works Center compound with its sanitary landfill, and beach recreational areas, known as Nimitz Beach and White Plains Beach."

**Secretary of Defense Justification**

While specific mention was made of retention of family housing in the BRAC 93 recommendation relating to NAS Barbers Point, certain aspects conducive to supporting personnel in family housing were not specifically mentioned, which is required for their retention. Quality of life interests require either that these facilities be retained or that new ones be built to provide these services. Another advantage of retaining these facilities to support multi-service use is the avoidance of the costs of closing the existing landfill and either developing another one on other property on the island of Oahu or incurring the costs of shipping waste to a site off-island.

**Community Concerns**

There were no formal expressions from the community.

**Commission Findings**

The Commission found retaining the requested portions of the Naval Air Station would avoid

costs in developing replacements and would improve Quality of Life issues in the affected area.

**Commission Recommendation**

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: change the recommendation of the 1993 Commission regarding items excepted from the closure of Naval Air Station, Barbers Point, Hawaii (1993 Commission, at page 1-19) from "Retain the family housing as needed for multi-service use" to "Retain the family housing as needed for multi-service use, including the following family housing support facilities: commissary facilities, Public Works Center compound with its sanitary landfill, and beach recreational areas, known as Nimitz Beach and White Plains Beach."

**Naval Air Warfare Center, Aircraft Division, Indianapolis, Indiana**

*Category: Navy Technical Center*  
*Mission: In-Service Engineering for Avionics and Electronics*  
*One-time Cost: \$77.6 million*  
*Savings: 1996-2001: \$7.7 million*  
*Annual: \$39.2 million*  
*Return on Investment: 2001 (1 year)*  
**FINAL ACTION: Close**

**Secretary of Defense Recommendation**

Close the Naval Air Warfare Center (NAWC), Aircraft Division, Indianapolis, Indiana. Relocate necessary functions along with associated personnel, equipment and support to other naval technical activities, primarily Naval Surface Warfare Center, Crane, Indiana; Naval Air Warfare Center, Aircraft Division, Patuxent River, Maryland; and Naval Air Warfare Center, Weapons Division, China Lake, California.

**Secretary of Defense Justification**

There is an overall reduction in operational forces and a sharp decline of the DON budget through FY 2001. Specific reductions for technical centers are difficult to determine, because these activities are supported through customer orders. However, the level of forces and the budget are reliable indicators of sharp declines in technical center workload through FY 2001, which leads to a rec-

6

(REPRODUCED AT GOVERNMENT OF

# **BRAC 1995**

## **An Orientation**

---



**Patrick J. O'Brien**  
Office of Economic Adjustment  
Project Manager



*Office of Economic Adjustment, August 1995*

# Base Reuse A Community-Based Approach

**ORGANIZE**  
(10/95-03/96)

**PLAN**  
(04/96 - 02/97)

**IMPLEMENT**  
(03/97 - 02/98)



## **Organization - Planning Vs. Implementation**

### ■ Planning LRA

- Analysis of the impact
- Develops community vision
- Defines community needs, homeless outreach
- Identifies alternative uses and market opportunities
- Develops consensus-based reuse/redevelopment plan

### ■ Implementation LRA

- Must have local zoning and land use authorities
- Must have capacity to finance
- Responsible for all aspects of implementation of reuse plan:  
marketing, financing, lease, purchase, manage property
- Only eligible EDC applicant



## Organization October 1995 - March 1996

### Community

- ✓ Create LRA
- Create Restoration Advisory Board (RAB)
- Consult with Military Department on property

### DoD

- Recognize LRA
- Publish in Federal Register
- Begin environmental planning (inc. Environmental Impact Statement (EIS))
- Complete personal property inventory
- Identify DoD and Federal property needs
- Make surplus determinations
- Publish available properties



## Planning

April 1996- February 1997

### Community

- Conduct outreach to homeless
- Publish process
- ☛ Solicit needs from homeless, state, and local interests (August 1996)
- Prepare and adopt redevelopment/reuse plan (February 1997)

### DoD/Federal Departments

- Provide technical support
- ☛ Identify uncontaminated parcels (February 1997)



## Implementation March 1997- February 1998

### Community

- Submit completed plan to DoD and HUD
- Transition LRA for implementation
- Access property and implement the plan

### DoD/Federal Government

- Sponsoring Federal agencies solicit interests
- Sponsoring Federal agencies submit recommendations to Military Department
- HUD completes review of plan
- Complete EIS (1 Year following completion of plan)
- Issue disposal decisions



## **LRA Recognition Process**

- OEA Project Manager visits site/ assesses needs and capacity
- Community works with OEA through interactive process on creation of LRA
- LRA is designated locally: political and financial backing
- OEA recognizes LRA on basis of preceding actions
- The recognized LRA will be published in the Federal Register



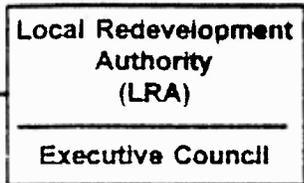
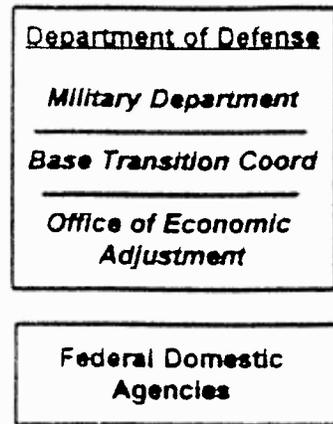
## **LRA Organizational Structure**

- Broad-based and inclusive
- Representative of the impact area
- Private and public sector involvement
- Manageable number
- Specialized subcommittees
- Maximizes existing resources - political and financial (i.e. may be existing organization)
- Grant is not a pre-requisite
- Flexible

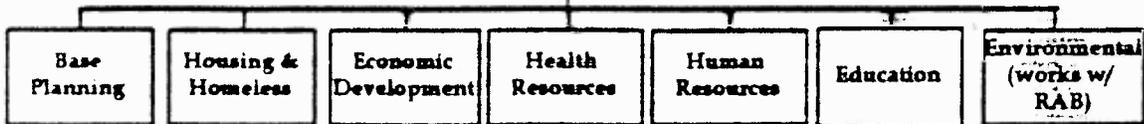
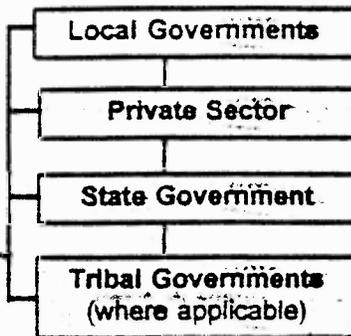


# CONCEPTUAL LRA ORGANIZATION

## Sources of Assistance



## Potential Members



## The DoD Team

- Military Department
  - Installation commander
  - Disposal agent
  - BRAC Environmental Coordinator (BEC)
- Office of Secretary of Defense
  - Office of Economic Adjustment Project Manager
  - Base Transition Coordinator (BTC)
  - Civilian Personnel
- Other
  - Base Human Resources Office (Housing, Education, Workers)
  - Base Contracting Office (Contracts)



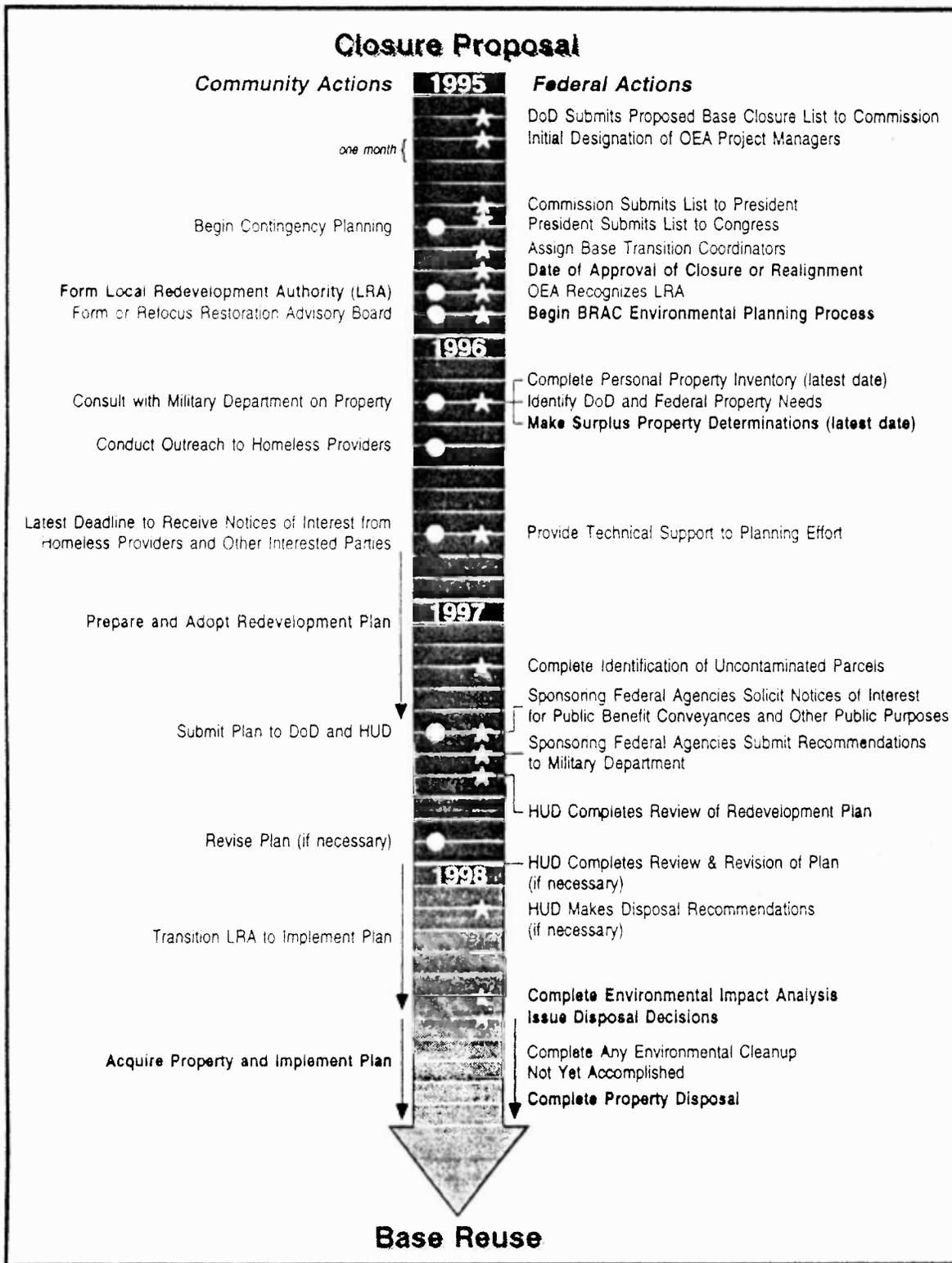
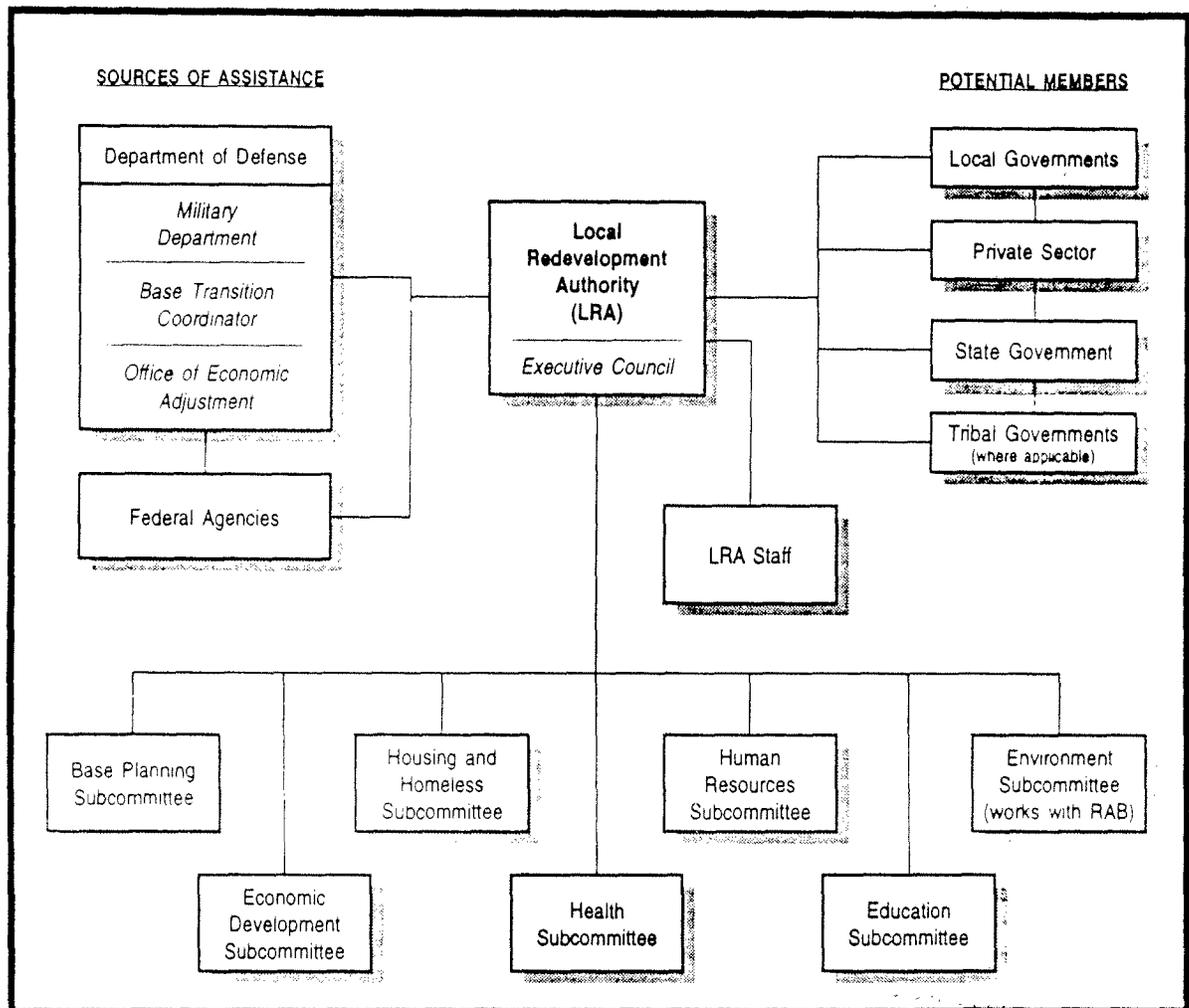


Figure 1. Generalized Reuse Process Timeline for BRAC '95 Bases



**Figure 3. Conceptual LRA Organizational Structure**

- **Strive for a manageable number of members for an executive council.** Groups of no more than 6 to 8 are most effective for team dynamics. The executive council should have an equitable representation of political, economic, and other community interests. The executive council provides oversight and leadership. Most members will be requested to donate their time to the cause; an LRA should minimize the time needs of the group.
- **Aim to create a comprehensive subcommittee structure** to draw upon local resources. While the executive council oversees the actions of the community effort, subcommittees perform the detailed work in specific program areas. These areas might be environmental issues, housing and homeless needs, worker adjustment, community adjustment, business adjustment,

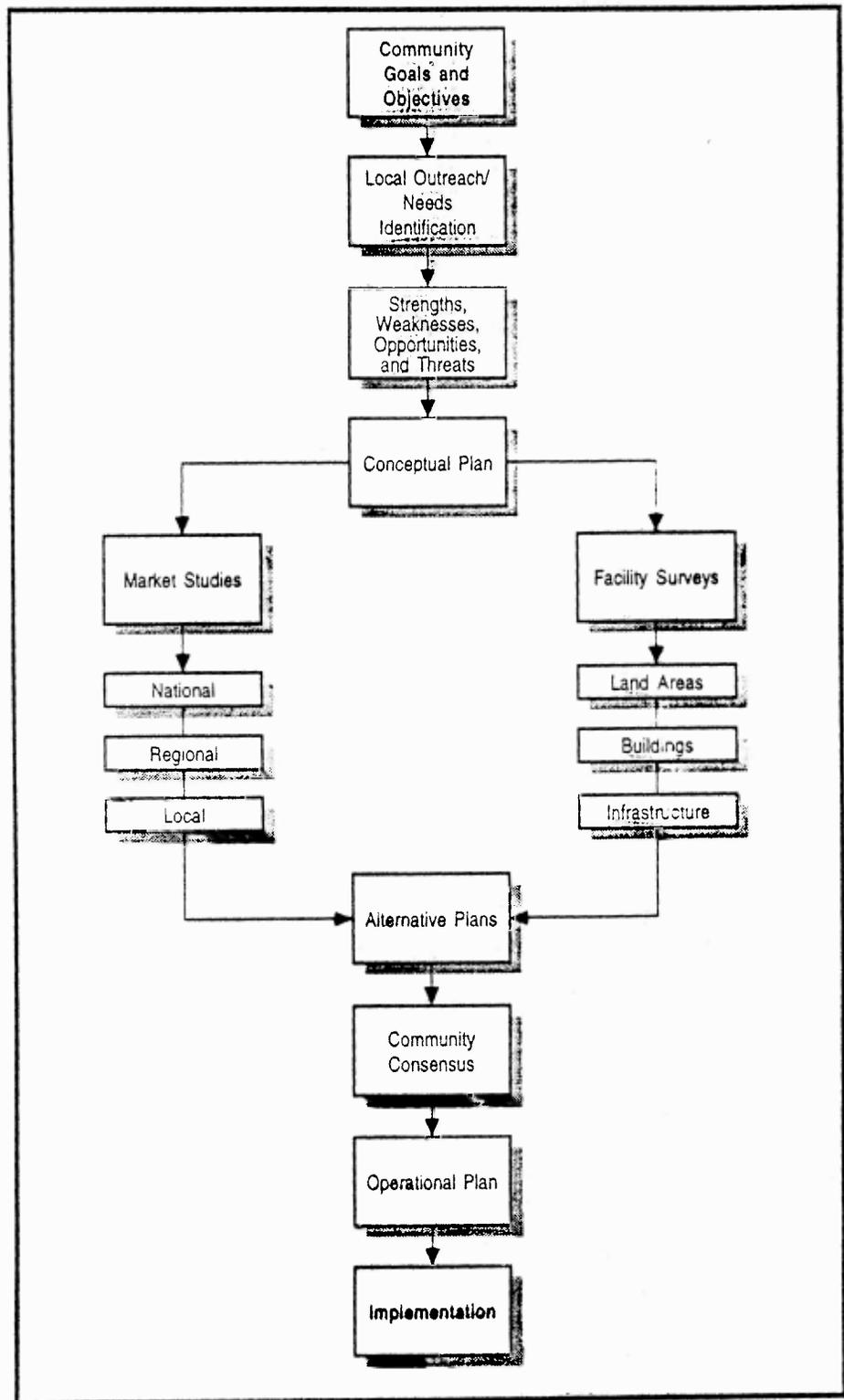


Figure 4. Redevelopment Planning Process Flow Chart

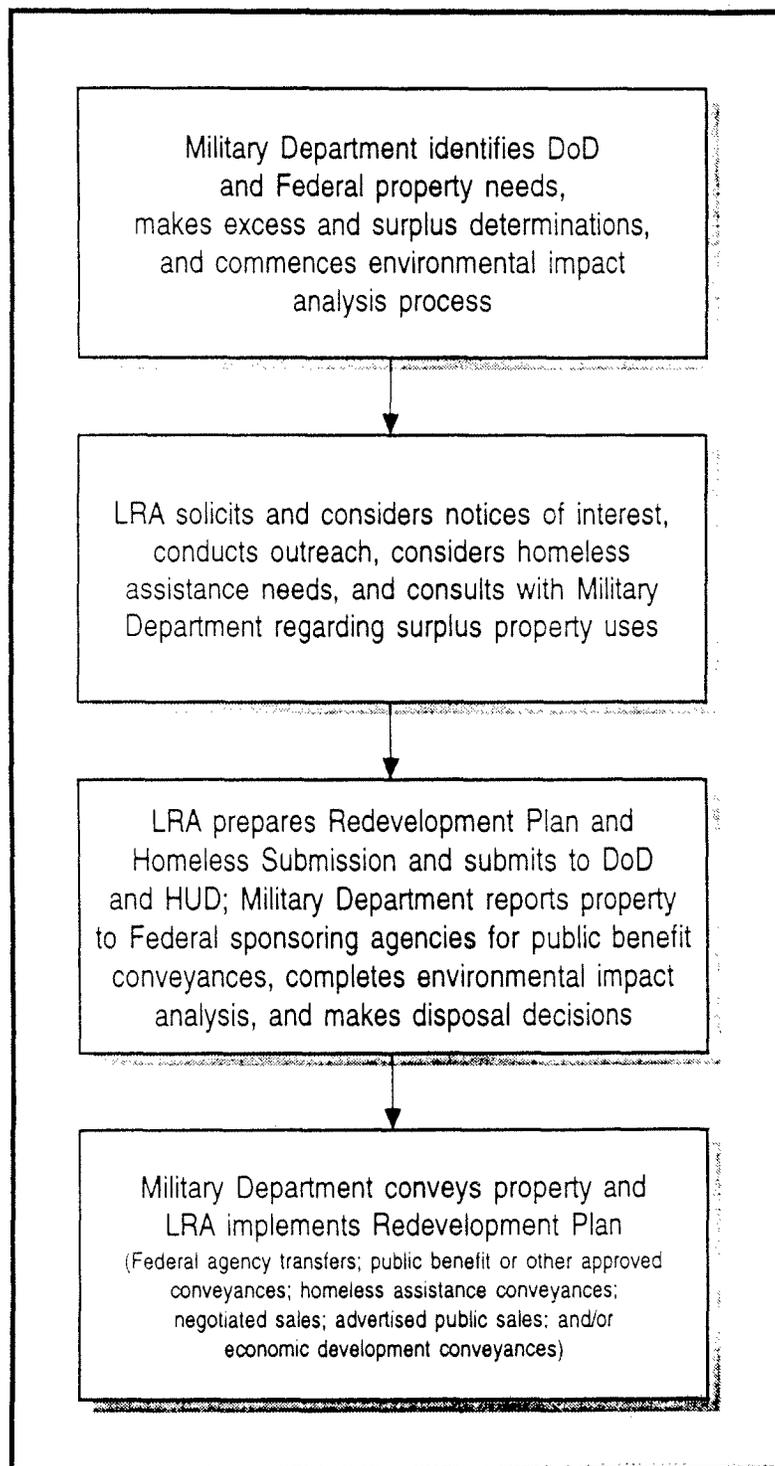
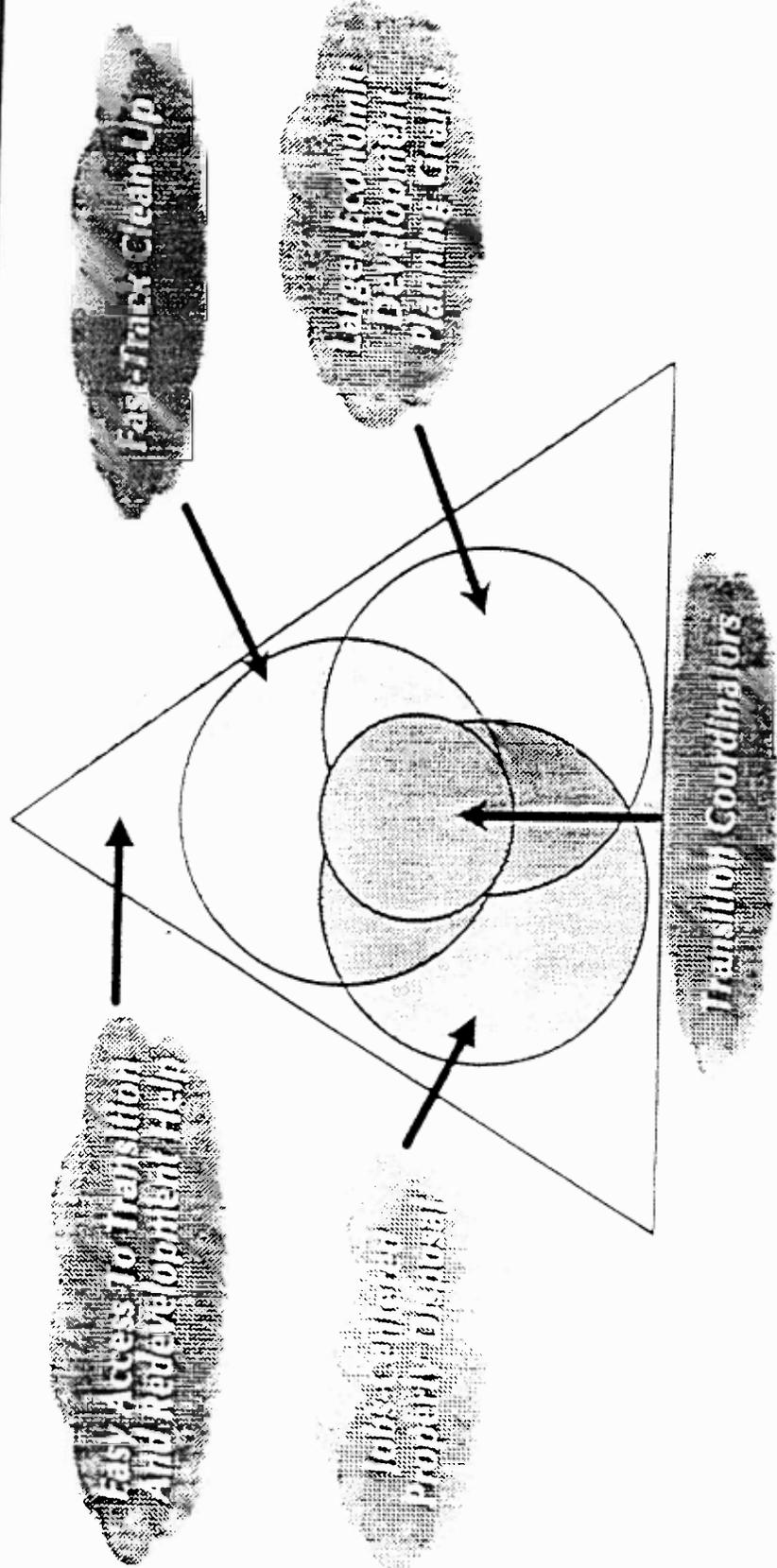


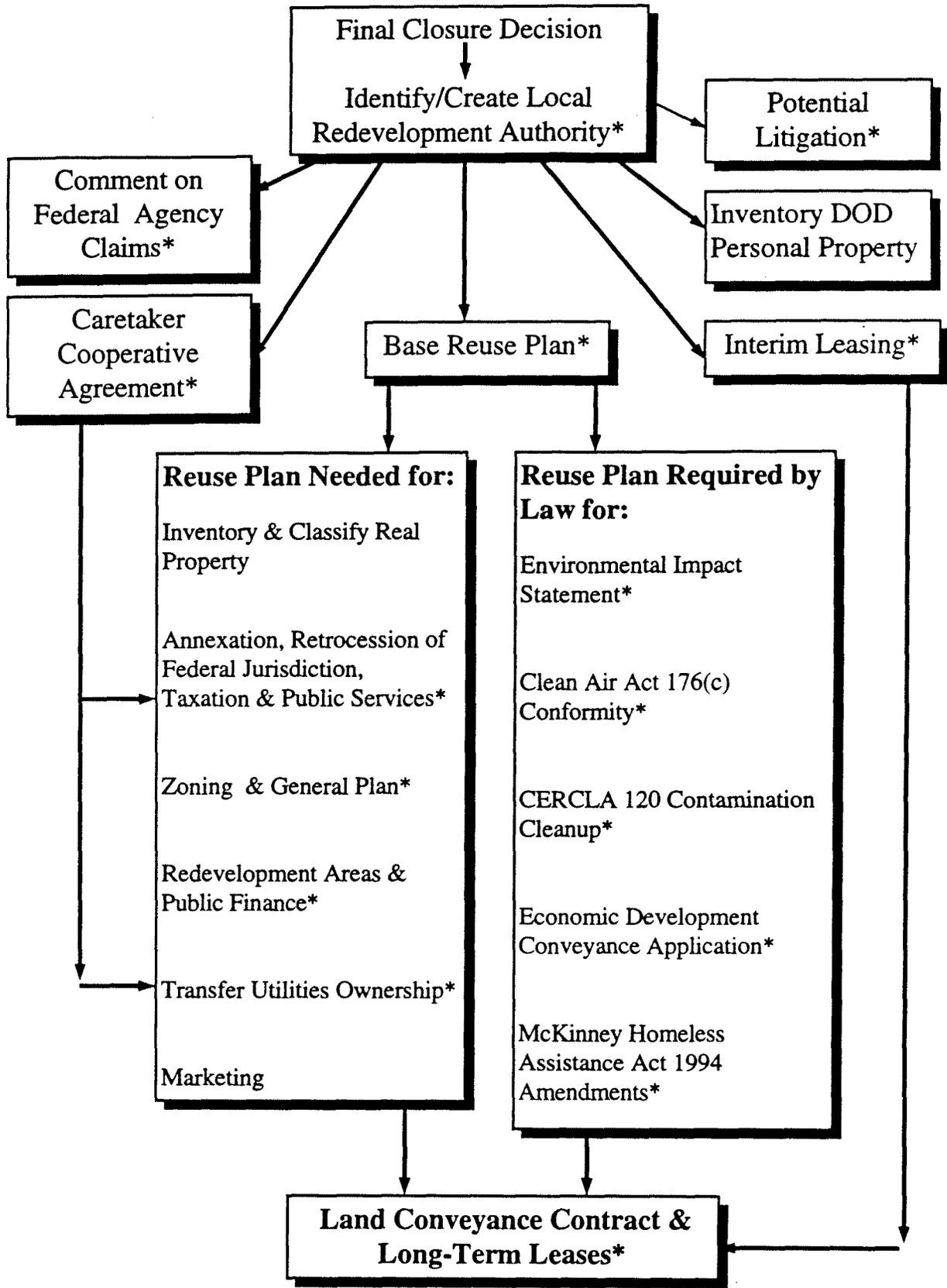
Figure 2. General Disposal Process Flow Diagram



# President's Five-Part COMMUNITY REINVESTMENT PROGRAM



2 July 1993



\* Legal Counsel Needed

© Ballard Spahr Andrews & Ingersoll 1995  
 (801) 531-3024 / FAX (801) 531-3001

## **The Role of Public Finance in Military Base Closure and Redevelopment**

by Raymond Takashi Swenson, Lt. Colonel, USAF (Ret.)

*Colonel Swenson leads Ballard Spahr's Base Reuse Practice out of our Salt Lake City office. He served as Air Force Regional Counsel for the Western U.S. and has a dozen years experience in military real property, environmental, base reuse and litigation matters at some 49 installations across the U.S. and its territories. He is a frequent lecturer and writer on base redevelopment matters, authors a legal column for the Base Reuse Report, and has prepared congressional testimony for the National Association of Installation Developers and Business Executives for National Security. This article is based on his recent presentations to the Base Reuse Consortium of the International City/County Managers Association and at a seminar sponsored by the National Council on Urban Economic Development. Our Base Reuse Group has served clients in California, Utah, Colorado, Illinois and Ohio. Colonel Swenson, along with Richard Goldberg and Lynn Axelroth of our Real Estate Group, will teach seminars on base redevelopment in Washington, DC, October 12-13 and in San Francisco, November 13-14. Questions about this article can be directed to him at (801) 531-3024.*

On July 1, 1995, the Base Realignment and Closure Commission gave to President Clinton its list of recommendations to close or realign over 20 major military installations. After a heated discussion about the closure of bases in California, the President forwarded the list to Congress without modification. If, as seems likely, Congress follows the precedent set in 1988, 1991, and 1993, the bases selected will join some 80 large installations, and many small ones, that were picked for closure in previous years. Nearly a hundred communities across the nation will then be engaged in the effort to move civilian employers into the vacant bases to make up for the thousands of jobs lost in each local economy.

Fortunately, the actual departure of military units generally follows some two to six years after final listing, so there is a window of opportunity to create and begin to implement a plan for economic recovery. The core of that plan is embodied in a document called a Base Reuse Plan.

The principal way that the federal government supports this economic redevelopment is by providing former military property, both land and equipment, at a discount. To make this property economically viable will require substantial investment in upgrading or replacing infrastructure and facilities. In addition, many communities will want to invest in the property to fulfill other public needs, such as affordable housing, education and recreation. Clearly, public finance will play a major role in accomplishing these goals.

Converting an abandoned military base into a productive component of the community is a complex process that is governed by many distinct and sometimes incompatible federal laws. The process can be made more understandable by dividing it into three groups of actions, identified by their relationship to the key component of the base redevelopment process, the Base Reuse Plan.

The Base Reuse Plan is the community's best effort at envisioning a rational allocation of former military base resources in support of economic development and other public purposes. It is required by several federal statutes as a prerequisite to other steps toward transfer of military property. It also provides important guidance to other essential steps in the process. Important as it is, however, there are some parts of the base redevelopment process which can proceed before the Base Reuse Plan is completed.

These are our three categories: processes where the reuse plan is mandatory, processes where the plan is needed, and processes to which the plan is parallel. Their relationship is illustrated by the flowchart accompanying this article. We will note the relationship and role of public finance within each process.

### **Processes Parallel to the Base Reuse Plan**

While creation of the Reuse Plan is essential in determining the ultimate disposition of base property, much can be done to mitigate the economic impact of base closure while the Reuse Plan is being prepared.

*Identifying the Local Redevelopment Authority.* The first and most important step for the community adjoining a closing military base is to identify or create a local government entity which will serve as the "local redevelopment authority" or LRA under federal law. The Defense Department wants to deal with one and only one local government entity when it is arranging the transfer of its property to civilian hands. Disagreements between cities or between cities and counties over how much control each will exercise over redevelopment will simply put the process on hold. That was the case in San Bernardino County, California, where the City of Adelanto sued the Victor Valley Economic Development Agency and its component city and county governments, a lawsuit that was only recently resolved against Adelanto some six years after George Air Force Base was picked for closure. The court ruled that Adelanto had improperly used its redevelopment agency funds to finance the score of lawsuits. In order to avoid similar disputes, the State of California felt the need to designate LRAs for 22 closing bases within the state by an act of its legislature.

If the military base is wholly within an unincorporated area of a county, or is wholly within an incorporated city, those local government units will generally become the LRA. The governments may, in turn, create special corporations to exercise some of their duties. Where portions of the base are within or adjacent to several local jurisdictions, the governments affected have generally joined to create a Joint Powers Authority or other entity having municipal powers, either through delegation from the constituent governments or by virtue of state statute. In some cases, a special statute creates the entity, while in California the state has formally enabled the creation of joint government Base Reuse Authorities. These municipal powers usually include the authority to issue bonds to finance base redevelopment.

The LRA will be dealing with several facets of the federal government. Until cessation of military operations, there will be the base commander and his or her staff, who are very knowledgeable about the resources under their command and generally willing to support the LRA's requests for information. In addition, each of the military services has a branch which manages base redevelopment and property transfer. For the Army, it is the Corps of Engineers, through its Division and District offices. For the Navy and Marine Corps, it is the Naval Facilities Engineering Command (often abbreviated NAVFAC), which operates through several regional division offices or subordinate Engineering Field Activities

(EFAs). Unlike the other services, which had existing real estate management arms, the Air Force had to create a new agency, the Air Force Base Conversion Agency, which has small offices on each closed installation and a large flexible support staff in Arlington, VA, that is organized internally by geographic regions. These agencies include real estate, environmental, legal, and other specialists, with whom the LRA will negotiate in each of the processes of redevelopment.

The Defense Department has its own ombudsman, called a Base Transition Coordinator, serving each community as a means of getting information and expressing concerns outside formal service channels. DOD also provides grants to LRAs through the regional offices of the Office of Economic Adjustment, to pay much of the cost of preparing the Reuse Plan and other essential steps of redevelopment, including some non-litigation legal counsel fees. OEA even made these planning funds available to the communities which had only been proposed for closure in early 1995. Other federal agencies, such as the Departments of Commerce, Housing and Urban Development, Labor, and Transportation administer grant programs to aid LRAs. These grants include millions of dollars which can be combined with locally obtained funds to build or upgrade infrastructure, such as new roads and utilities systems, or affordable housing. The Federal Aviation Administration can tap into its trust fund to support conversion of military airfields to civilian airports.

***Federal Agency Property Requests.*** Once the LRA has been established and officially recognized, it is entitled to be consulted by the Department of Defense (DOD) on requests by other federal agencies for surplus property at the installation. In many cases, the LRA will support these requests, since they will bring jobs onto the base. For example, the Forest Service is moving its regional headquarters from downtown San Francisco to Mare Island Naval Shipyard, in Vallejo, in the northeast corner of the Bay.

In other cases, however, the LRA may wish to voice its opposition. For example, the Bureau of Prisons in the Department of Justice may need expanded facilities, or the Department of the Interior may wish to transfer the property to an Indian tribe in order to foster the tribe's economic development, in both cases potentially depriving the LRA of tax revenues. The Fish & Wildlife Service may claim hundreds of acres to protect endangered species; thus, the entire runway complex at Naval Air Station Alameda, in eastern San Francisco Bay, may be reserved to protect an existing colony of "least terns."

***Interim Leases and Subleases.*** Possibly the most important role the LRA will have before the reuse plan is completed is the negotiation of interim leases from DOD. DOD has used interim leases to provide revenue for its natural resource management programs, accommodate services such as banks or credit unions, and to house its contractors. LRAs can sublease existing facilities, with their equipment, to businesses, and pay a portion of the subtenant's rent to DOD. Interim leases allow rapid insertion of new employers into bases, even before they are fully closed, and the federal law allows the LRA to tax the possessory interest of the subtenant, even before ownership or jurisdiction are transferred out of DOD. These lease revenues can form an initial revenue stream to supplement federal grants and support the LRA's base reuse efforts. If the LRA is constituted as a redevelopment agency over the base, the tax revenues will be part of the tax increment which can be tapped to repay public bonds.

Interim leases will have a significant role in the effort to "privatize" military industrial operations at the Air Logistics Centers in Sacramento, CA, and San Antonio, TX. DOD will contract with companies to take over the work currently done by federal employees, and the

military workshops and hangars will be leased to the LRA and then sublet to the contractor. The contractor could use the premises to do work for non-federal customers, especially as DOD needs wind down. This "dual use" approach could become a model for spinning off federal work at active installations, as well.

Congress is currently considering the Military Family Housing Revitalization Act of 1995, which would enable DOD to lease, sell or swap military land to developers in return for construction of new or renovated military housing at active bases. Communities will want to be actively involved in these efforts.

***Caretaker Cooperative Agreements.*** The second most important activity for the LRA in these initial stages is to consider negotiating a "cooperative agreement" with the military service, under which DOD pays the LRA to carry out DOD's duties for operation and maintenance of the base, its utilities, roads, and infrastructure. While this is viewed as a "break even" proposition, with DOD paying over its own budget for these services, the community may be able to realize some economies. For example, many DOD units will pay inordinately high amounts for certain utilities, because as an accounting mechanism the overhead goes to support other DOD units acting the role of utility providers. If the LRA steps into the shoes of DOD, it can realize a profit in such a case. The assumption of control over utilities is an important function, since DOD is generally reluctant to operate and maintain utilities after its operational mission ceases, even though the process of maintenance of the closed facility obviously requires continued supplies of power and water, even if for no other reason than fire safety.

***Personal Property Inventory.*** Another important early role for the LRA is to inventory all the personal property, furnishings and equipment held by DOD and not needed at other installations. This property is available to the LRA at little or no cost for use in interim leasing to businesses, for use in its activities under the cooperative agreement, and for inclusion with buildings at final transfer of ownership. Thus, tenant businesses can get cranes and lathes, office equipment and computers, and the LRA can get fire engines and supplies.

***Potential Litigation.*** Litigation has arisen in the base reuse process at many points along the way, from the organization of the LRA to the final disposition of real estate. Even though some of the litigation is premised on environmental laws, the consistent focus is on control over the use and distribution of military property. Because such suits present many unprecedented legal issues, the LRA should ensure that it has legal counsel that is knowledgeable in the federal laws, regulations and policies affecting base reuse, who can educate the judge and jury, and sometimes the plaintiffs, in how the process is meant to work. For example, in a 1994 case in Colorado, several homeowners associations used environmental law arguments in an attempt to halt execution of the Base Reuse Plan, but dropped the suit after a preliminary injunction was denied and the author pointed out to them that their efforts would actually increase the amount of property taken over by homeless assistance organizations at the closed base. In current litigation in the District of Columbia federal district court, Ballard Spahr attorneys have intervened on behalf of a client LRA as a co-defendant with DOD in a lawsuit brought by a corporation that seeks to force the DOD to sell base property to the plaintiff and to enjoin all interim leases to the LRA. Lawsuits have been brought by environmental organizations, homeless providers, competing communities claiming the LRA mantle, and, most recently, by an LRA which claims the Air Force has not followed the proper procedures for distribution of personal property--including a \$340,000 fire engine--at an installation that is being reduced in size.

### **Base Reuse Plan Needed as Information**

The Base Reuse Plan is often prepared for the LRA by a team of consultants, with expertise in land use and planning, landscape architecture, industrial site development, law, marketing, and the specific uses which appear reasonable options, such as airport development at a military airfield. Most of the cost of Reuse Plan preparation can be funded by grants from DOD's Office of Economic Adjustment (OEA).

**Inventory of Real Property.** Preparing a realistic and effective Reuse Plan is important to most of the other processes involved in base redevelopment. It is not simply a square-filling exercise. Most large military installations are complex and diverse properties, often thousands of acres in size, with areas that include major transportation support facilities (airports, ship docks, rail terminals and highway interchanges), industrial facilities, warehouses, extensive office facilities, schools and training centers (often equivalent in size and facilities to a small college), retail centers, hospitals, residential neighborhoods (with all grades of housing from extremely poor to large and historic), recreational (from bowling alleys to softball fields, swimming pools, gymnasiums, and golf courses), open space (used as a buffer for security, airport noise, and field exercises), and utility systems (often equivalent to a complete town, from electrical and heat generation to sewage treatment and waste disposal). While a realistic inventory of these properties is essential to preparing a Reuse Plan, the overall recommendations about neighborhood character, traffic patterns, and rational land use groupings also will affect whether individual facilities and infrastructure are classified for preservation, adaptation or demolition.

**Annexation, Jurisdiction, Taxation & Public Services.** In the past, some cities have annexed part or all of a military base for various reasons, sometimes to allow them to expand on the other side of the installation, or to include the base population in its statistics for purposes of state or federal grants. Since municipal laws do not generally apply to federal activities and property (due to the legal doctrines of sovereign immunity and federal supremacy), such annexation has been a matter of indifference to DOD. When a base is selected for closure, however, such annexation usually determines which cities can claim to act as, or participate in, the LRA.

While annexation is an assertion of municipal jurisdiction, before the city can actually legislate for base property the obstacle of federal exclusive jurisdiction must be removed. Prior to 1940, when the federal government acquired property for a military enclave, it usually acquired "exclusive federal jurisdiction" over the site. This jurisdiction effectively transformed the base into a federal territory, legally outside the boundaries of the encompassing state. Neither state, county nor city is able to enforce criminal or civil law or levy taxes within such areas. Law enforcement and prosecution is fully a federal matter.

Most large military bases are a combination of areas of exclusive federal jurisdiction and areas where the federal government simply owns the property. Each base has a map showing the approximate boundaries of these areas, based on title searches and records of state relinquishment of jurisdiction. To return or "retrocede" federal jurisdiction to the state usually requires a positive proposal by the DOD and a formal acceptance by a representative of the governor. Thus, in California acceptance is considered by the State Lands Commission, a process which typically takes 6 to 12 months.

Transfer of jurisdiction allows full imposition of state and local tax laws on the former base property and business activities within it. It also triggers, for the first time, the

application of zoning, building, and utility safety codes. These code requirements will make any adaptation of existing buildings more costly than would be the case if the facility were still within an active base.

Retrocession of jurisdiction is also a prerequisite to the operation of local police forces on the base. While the DOD may desire the LRA, under the caretaker cooperative agreement, to use its police forces to replace DOD security forces, ironically the DOD is prohibited by opinions of the Comptroller General from paying for police and fire services, until the last 6 months before full closure of the base.

The ability to tax, and to commit a tax increment to pay off indebtedness incurred through public bonds, thus depends upon working out this complex process in a way and at a time that will most rationally accommodate the schedule of redevelopment that is envisioned in the Base Reuse Plan.

**Zoning & General Plan.** The most directly transferable product of the Base Reuse Plan is an amendment to the local governments' general plans to accommodate the uses recommended in the Reuse Plan. The consortium of developers who are investing in the renovation of Hamilton Air Force Base in Marin County, California (which was closed in 1974), have observed that land has no value until its zoning and range of permissible land uses is well defined. They should know, since their predecessor developers, who attempted to reuse Hamilton Field for several years, were frustrated by local government opposition to the size of their project. In the modern base closure process, where local governments become the master developer, they have sometimes used their zoning authority to frustrate competing proposals from private businesses who have bid to purchase higher value properties at a base, such as a golf course.

**Redevelopment Areas.** Many LRAs have sought to adapt existing redevelopment area authorities to the process of base redevelopment. Since federal property was never subject to local taxation of property or sales, the "tax increment" includes all revenues realized from civilian business and ownership within the former base boundaries.

Since most military bases are too well maintained to be considered "blighted" under traditional definitions, states have passed laws creating a presumption of this condition to empower new or existing redevelopment agencies to extend their jurisdiction over the former bases, as well as much adjoining territory that was often dependent on the base for its economy. In California, with 28 major facilities now closing, the assembly has been unable to enact a generic law addressing closing base redevelopment, but a plethora of special laws for specific cities have been enacted.

Once implemented, these redevelopment areas can provide a mechanism to finance investment in infrastructure that is essential to attracting businesses as tenants or purchasers of the base property. A recent survey of LRAs in California found that 2/3 are using or planning to use tax increment financing to support their base redevelopment efforts, and the State of California plans to use public finance to fund a bank which will provide grants and loans to LRAs for base redevelopment.

Existing laws in California, and many of the base-specific redevelopment laws, include requirements for preserving or replacing much of the low-to-moderate income housing which exists on military bases. A recent statute has deferred these requirements for LRAs, to allow initial investment which will attract employers rather than home buyers. The Base Reuse Plan will justify the allocation of funds realized from the redevelopment agency process.

***Transfer of Utilities.*** The lifeblood of any Reuse Plan is the utilities which provide energy, communications, water, and sewer services to tenant businesses. Unfortunately, the DOD is unwilling to provide utilities for an indefinite period. The military services press LRAs to take over operation of the utilities through a caretaker cooperative agreement, and will continue to press to find someone to assume full ownership of the systems.

It is usually straightforward for local governmental units, such as special service districts or cities, to take over water supply, sewer, storm sewer and solid waste management functions. The more difficult issues arise with electricity, natural gas, telephone and cable television. While investor-owned, publicly-regulated utility companies have a general obligation to provide service to all customers, they are hesitant to assume ownership of on-base utility systems.

This is for several reasons. First, while these utility companies have generally been the main or sole supplier of these services for the base for decades, and received revenue commensurately, they had in the past only supplied services to a single point at the base boundary, while maintenance and operation of internal distribution systems was conducted by the military. There is thus a question of valuing the military systems for sale to utilities.

Second, since the military systems were never subject to state regulation, they often do not conform to state standards for performance or safety (although some of these requirements are probably out of date, since they were designed "B.C.P."--"before cherry pickers" were in wide use by electrical and telephone linemen). The new owners will eventually have to bring them up to code.

Third, the utility companies view civilian uses at a base as "new" and thus require that the LRA and its business tenants fund all the new infrastructure that may be required by either code compliance or simply changing the system to meet the new demands of the tenant. For example, meters will have to be installed for the first time at each building used on the base. The utility companies feel that the public utility commissions of each state will bar them from distributing these "connect" costs to the ratepayers generally, and their stockholders will object to bearing the burden of that particular benefit. One way of easing the transition is for the utility company to take over full service to each building while the military customer is still in place and part of the ratepayer base.

Faced with this reluctance of the utility companies on the one hand, and the need to assure potential tenants and buyers of adequate utility service, many LRAs have bitten the bullet and contemplated or instituted a municipal utility entity to own and operate the systems on base. The costs and risks which are often too great for the PG&Es of the world are now being assumed by cities of less than 100,000 population. The ability to issue bonds to obtain the necessary funds for this venture can be vital to its success.

The Reuse Plan can be a guide to an LRA's investment in utilities infrastructure. For example, the Inland Valley Development Agency, in San Bernardino, CA, designed a main trunk road to improve access to and through the former Norton Air Force Base, and incorporated in its design accommodations for main trunk lines of all major utilities in a "backbone" that will support gradual redevelopment on either side of the base.

### **Base Reuse Plan as a Legal Prerequisite**

The federal laws governing the transfer of federal land to LRAs all require the completion of a Reuse Plan for the DOD to consider before deciding on the transfer, either

by long term lease or warranty deed.

***Environmental Impact Statement.*** The National Environmental Policy Act of 1970 requires every federal agency, including DOD, to research and analyze the environmental consequences of a proposed action, and reasonable alternatives to the proposal, whenever the proposal may result in a significant environmental impact. The use of NEPA as a club by persons seeking to delay base closings was so successful in the past that, when Congress passed the 1988 and 1990 base closure laws, it specifically exempted the selection of closing bases from the NEPA law. However, it left intact the requirement to analyze impacts of base reuse. The Pryor Amendments to the Fiscal Year 1993 DOD Authorization Act levied a specific requirement that, upon presentation by an LRA of a Base Reuse Plan, the DOD would use the Reuse Plan as the proposed action in an Environmental Impact Statement, which would be produced within 12 months after the Reuse Plan was published.

Until the Reuse Plan is completed, no long-term lease or major transfer of land title can be executed. Interim leases, for a period of usually five years, can be executed with a lower level of NEPA analysis called an environmental assessment and finding of no significant impact. In states such as California, which have independently required local governments to do impact analyses, the DOD is usually willing to collaborate on a joint document with the LRA which satisfies both federal and state laws.

When the Record of Decision, designating the type of disposal of each portion of base property, is published, opponents have only 60 days to bring a lawsuit challenging the allocation. However, if the Reuse Plan undergoes major changes, a strict interpretation of NEPA would require the DOD to determine whether the EIS needs to be revised or supplemented to reflect the new plan.

***Conforming to Air Pollution Standards.*** The 1990 Clean Air Act Amendments created a new requirement in Section 176(c) which is similar in application to NEPA but much more draconian in its consequences. Federal agencies who contemplate a major action which may negatively affect air quality, in regions where that quality is below EPA standards, must analyze the air pollution potentially caused by the proposed action and, if the impact is negative and significant, the federal action is barred from proceeding.

The EPA regulations implementing the statute are in two parts: first, governing federally funded building of highways; and second, all other federal actions, including such things as Federal Aviation Administration conversion of military airfields into civilian airports. After much debate within the federal government, EPA agreed to exempt actual transfers of federal land from the analysis requirement. However, most leases of federal land to private parties still leave the federal government in control sufficiently to trigger the "conformity" analysis.

The analysis will evaluate air pollution generated by the reuse activities projected in the LRA's Base Reuse Plan. If the plan is unrealistically large in scope, within an area of high existing air pollution, the DOD conformity analysis may actually prevent DOD from leasing property to the LRA, or transferring an airfield to the FAA, to carry out the Reuse Plan.

***Cleaning Up Contamination.*** Federal installations, including military ones, which have areas of soil and groundwater contamination are governed by a special section of the Superfund cleanup law, section 120. Under Section 120(h)(3), a deed to federal land cannot be issued unless the federal government gives a warranty that all necessary cleanup has been accomplished, and that the DOD will pay for any future cleanup that is caused by DOD

waste.

Thus, unlike private land sales where contaminated property can be sold, with costs and risks allocated through site investigation, adjustment of price, purchase of insurance, and indemnifications, DOD can only sell clean land. That means it must be either investigated and certified as already clean, or investigated, cleaned up, and then certified clean. The analysis process is called an "Environmental Baseline Survey" or EBS, similar to a Phase I or Phase II environmental site assessment in the private sphere. The certification is called either a Finding of Suitability to Lease (FOSL) or Finding of Suitability to Transfer (FOST).

The Reuse Plan affects the cleanup process in two ways. First, it can guide the LRA and the DOD in selecting which sites to cleanup first. While traditional site cleanup by EPA is based on the philosophy of cleaning the most dangerous sites first, or "worst first," the timely implementation of the Base Reuse Plan requires that the parcels of land that have the greatest commercial potential be cleaned up and made available first, a "best first" principle of prioritization.

The second way the Reuse Plan can affect cleanup is by determining cleanup standards. If the Reuse Plan designates an area for heavy industry, there is no point in trying to clean that site up to residential standards of contamination. While this principle still needs to be formally adopted into the Superfund statute, it is already being used in most EPA site cleanup decisions.

There is a particular risk that a business which moved into the base early in the cleanup process, perhaps through an interim lease, may find that cleanup remedies will interfere with the business's use of the premises. That was the case with a lease by Lockheed of a hangar at Norton Air Force Base.

A challenge for LRAs is finding a mechanism for influencing the cleanup decisions which are most intimately tied to the Base Reuse Plan. One method is by participating in the local Restoration Advisory Board (RAB), which provides an opportunity for representative citizens of the neighborhoods near the base to learn about, and comment upon, the course of the base cleanup. Another is for the LRA to insist that it be allowed to participate in decision meetings of the DOD, EPA, and state concerning site cleanup.

***Economic Development Conveyance.*** When the 1988 and 1990 base closure laws were enacted, the only two ways an LRA could obtain title to property from DOD were by purchase at full market value, or by a free "public benefit" transfer which restricted the use to educational, public recreational or welfare, and public airport activities. The Pryor Amendments in late 1993 created a new authority to transfer federal lands, as a below-market-price "economic development conveyance" for the purpose of creating jobs.

Final regulations implementing this option were issued by DOD in July 1995. To obtain DOD land and structures at less than market value, the LRA must submit an application, which includes the Base Reuse Plan as its core component. The LRA is asked to show how it plans to use the property to create jobs. The LRA must include an analysis of the market feasibility of the Reuse Plan as a creator of jobs. Communities that are either in rural areas or areas heavily impacted by closures, such as multiple closures in the same region, are entitled by law to significant discounts.

In addition to the discounting of price, the DOD can effectively finance the LRA's purchase of property by accepting payment on easy terms, with no money down, and small payments in the early years as redevelopment gets underway. DOD is also amendable to arguments over the value of property, and is willing to credit the LRA's expenditures to

maintain buildings and infrastructure toward the price of the facilities.

**McKinney Homeless Assistance Act Amendments.** The final process in which the Base Reuse Plan plays a mandatory role is in connection with requests for use of base facilities by organizations which provide services to the homeless. These "homeless providers" were originally given higher priority than the LRA through a pre-Base Closure Commission statute, the McKinney Act, which requires all federal agencies to offer suitable surplus property to homeless providers, on a repeating 6-month interval. An amendment that was part of the Pryor Amendments ensured that, after the homeless organizations took the "first bite" of the base, the LRA could take the "second bite."

In the fall of 1994, the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 amended the process again. Now, homeless providers must submit a list of their needed facilities to the LRA, which must incorporate some reasonable accommodation of those needs within the Base Reuse Plan. The Reuse Plan is then submitted not only to DOD, but also to the Secretary of Housing and Urban Development for approval. If the Secretary of HUD is dissatisfied with the allocation of benefits to the homeless organizations, it can simply, by fiat, overrule and rewrite the Reuse Plan. The joint DOD/HUD regulations governing this process were issued in August 1995.

Some LRAs may want to emulate the "Denver Gambit," which involved using a \$5 million grant from HUD to obtain housing dispersed around the Denver metropolitan area, to offer to various homeless providers in exchange for the release of their claims under the McKinney Act. Just as many state laws require set-asides of redevelopment funds to support low-income housing, the LRAs may want to invest funds in renovating accommodations for the homeless as a way of preserving rational business use of the rest of the base property, in accordance with the Reuse Plan. Another alternative is for the LRA to agree to dedicate a percentage of its net income, such as from sale or rental of base housing, to support homeless provider organizations off the base, an option that is attractive to organizations that need cash instead of more assets that are costly to maintain.

## **Conclusion**

Cities and counties impacted by the loss of jobs and revenue caused by military base closure need to appreciate the complexity of the process of arranging leases and transfers of military facilities. Public finance plays an important role in several crucial phases of base redevelopment.

Most parts of the overall process can be understood by their relationship to the Base Reuse Plan, which the local government creates. In effect, the community gets to draw its own roadmap for base redevelopment, but then is generally bound to follow it. The plan needs to be comprehensive yet flexible, and prepared early enough so it can be used to maximum benefit in the many steps of the base redevelopment process. Most importantly, each community must prepare its Base Reuse Plan with an understanding of how it will affect other parts of redevelopment, and consult experts in all the disciplines needed for the entire base redevelopment process so that the plan will be realistic and useful throughout that process.

AUG 17 1995

TWENTY-THIRD GUAM LEGISLATURE  
1995 (First) Regular Session

Bill No. 337 (LS)

Introduced by:

  
J.T. San Agustin  
J.P. Aguon

AN ACT TO CREATE A GUAM BASES REDEVELOPMENT  
CORPORATION AS A POLITICAL SUBDIVISION WITHIN  
THE GUAM ECONOMIC DEVELOPMENT AUTHORITY

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Legislative Findings and Intent. The Legislature hereby  
3 finds and declares:

4 (a) That there is a need to enhance economic activity on Guam  
5 by attracting financial, trans-shipment, telecommunications, manufacturing,  
6 assembly, industrial and other activities conducive to economic development  
7 and promotion in order to provide a stronger, more balanced and stable  
8 economy.

9 (b) The Legislature also hereby finds that the economic well-being of  
10 the people of Guam and the Public and Private business resources of the  
11 Territory provides unique economic opportunities for the redevelopment of  
12 the former Naval Air Station, the Ship Repair Facility, the Fleet and Industrial

1 Supply Center and other facilities within Naval Activities slated for closure.

2 (c) That Public and Private partnership is essential for successful  
3 redevelopment of these military bases and thus the need to create a business-  
4 management type entity with board members, management and staff  
5 experience in financing and property management and in attracting new  
6 prospects.

7 (d) The Legislature hereby acknowledges that the Komitea Para Tiyon  
8 (NAS Agana Reuse Committee) established by Executive Order 94-07 and  
9 subsequently amended by Executive Order 95-02 is an Interim Reuse  
10 and broad-based planning Committee and as such will differ markedly from  
11 the establishment of a Permanent Base Reuse Organization whose focus must  
12 now be on developing and managing the "Real Estate", attract private sector  
13 industrial clients, work with federal agencies to accelerate the environmental  
14 clean-up and permitting process, maintain the roadways and common  
15 property and provide for the business-like operations and financing of a major  
16 real estate holding.

17 (e) The planning, replanning, rehabilitation, redevelopment, and other  
18 preparation for reuse of military bases and military base property are public  
19 and governmental functions that cannot be accomplished through the ordinary

1 operations of private enterprise because of the provisions of federal law that  
2 provide for the expeditious and affordable transfer of military base property  
3 to an entity established by local government, and the necessity for requiring  
4 the proper use of the land to best serve the interests of the territory and its  
5 people.

6 (f) The Legislature also finds that there is a need to provide financing  
7 mechanisms and subsidies essential for successful long term redevelopment.

8 (g) It is the intent of the Legislature to establish a Permanent and legal  
9 structure multi-jurisdictional collaboration and to authorize a redevelopment  
10 entity capable of developing, implementing and managing reuse strategies,  
11 rooted in reality but focused on opportunities and provides for a consensus  
12 outreach and open public planning process that guides and coordinates  
13 conversion activities and promotes economic redevelopment at these  
14 military base properties.

15 Section 1. General Provisions. (a) Upon the enactment of this  
16 act, there is hereby established a separate and legal entity within the Guam  
17 Economic Development Authority to be known as the Guam Bases  
18 Redevelopment Corporation ("Corporation"). The Corporation shall have the  
19 powers set forth herein over any property it shall acquire by lease or deed and  
20 to perform caretaker services within the area known as Naval Air Station,

1 Ship Repair Facility, Fleet and Industrial Supply Center and other facilities  
2 within Naval Activities.

3 (b) The Corporation shall be governed by a nine (9) member Board of  
4 Directors ("Board") which Board shall have the power to provide the  
5 functions and services for which the Corporation is established, as set forth  
6 more fully herein.

7 (c) The Corporation is organized for the purpose of providing necessary  
8 and incidental ownership, management, maintenance and economic  
9 redevelopment services and improvements within the area known as Naval  
10 Air Station, Ship Repair Facility, Fleet and Industrial Supply Center, and  
11 other facilities within Naval Activities as set forth herein, including but not  
12 limited to the following:

13 A. Creation of a three (3) year economic redevelopment or reuse  
14 plan.

15 B. Creation of an annual business plan.

16 C. Conducting community outreach activities which shall include  
17 public education and information.

18 D. Applying for and administering grants from any source for  
19 activities related to the Corporation's functions.

1 E. Coordinating the environmental remediation and clean-up  
2 mandated by federal and local statutes.

3 (d) The Corporation shall at all times maintain with responsible issuers  
4 insurance policy to cover General Liability and other insurance as mandated  
5 by federal and local statutes.

6 Section 2. Definition. (a) "military base" means a United States  
7 government military base or other military installation that is scheduled  
8 for closing or is completely or partially inactive or closed.

9 (b) "military base property" means real and personal property that is  
10 currently or was formerly part of a military base and is subject to reuse.

11 (c) "Redevelopment Corporation" means a military base redevelopment  
12 corporation established for the purposes of providing economic  
13 redevelopment services.

14 Section 3. Organizational Structure. (a) The Corporation's  
15 governing Board shall be comprised of nine (9) members who shall serve  
16 without compensation but may be reimbursed for their actual expenses  
17 incurred in serving the corporation. The Chairpersons of the Board of  
18 Directors of the Guam Economic Development Authority, the Guam Airport  
19 Authority and the Port Authority of Guam shall be automatic members of

1 the Board of Directors. The Governor of Guam shall appoint the remaining  
2 six (6) members from the community at large, subject to legislative  
3 confirmation, with at least three (3) members having experience and  
4 background in financial, property management and business development.

5 No employee of the corporation shall be eligible to be a member of the  
6 Board.

7 (b) The Executive Director of the Guam Economic Development  
8 Authority, the General Manager of the Port Authority of Guam and the  
9 Executive Manager of the Guam Airport Authority shall serve as ex-officio  
10 members of the Board. In addition, the Board may appoint ex-officio  
11 members of the Board as is deemed necessary by the Board. Ex-Officio  
12 members shall have no voting rights and shall not be counted to constitute  
13 a quorum.

14 (c) The terms of the members of the Board shall be three (3) years. The  
15 Governor of Guam shall be responsible for appointing new members to full  
16 three (3) year terms as members' terms expire. Vacancies shall be filled by  
17 the Governor of Guam for the unexpired term of any member whose term  
18 becomes vacant.

19 (d) Each member of the Board shall have one (1) vote. A quorum of the  
20 Board shall consist of five (5) members . No official action may be taken

1 by the Board on any matter unless a quorum is present.

2 (e) The Board shall adopt Bylaws, Rules and Regulations as necessary and  
3 in accordance with the Administrative Adjudication Act, for the conduct of  
4 the Corporation so long as such Bylaws and Rules and Regulations are not  
5 in conflict with the provisions of this Act. The Bylaws and Rules and  
6 Regulations shall be adopted within two (2) months of the effective date of  
7 this Act. The Bylaws and Rules and Regulations shall include, but are not  
8 limited to, provisions for the appointment of an Executive Director to manage  
9 the affairs of the Corporation and provisions allowing for amendment of such  
10 Bylaws and Regulations by a vote of two-thirds of the Board.

11 (f) The Board shall elect a Chairperson, Vice Chairperson, Secretary  
12 -Treasurer from its members. The officers shall perform the duties  
13 normal for their office including but not limited to the following:

14 A. The Chairperson shall preside over all Board meetings  
15 and sign all contracts or agreements on behalf of the  
16 Corporation, except contracts or agreements which may  
17 be signed by officers delegated by the Guam Economic  
18 Development Authority.

19 B. The Vice Chairperson shall perform all of the Chairperson's

1 duties in the absence of the Chairperson and such other  
2 duties as may be authorized by the Board.

3 C. The Secretary/Treasurer shall attest to all contracts or  
4 agreements signed by the Chairperson, Vice Chairperson or  
5 other officers, except routine matters which need no attestation.  
6 Shall keep and maintain the financial books and records of the  
7 Corporation. The Executive Director of the Corporation shall  
8 at the direction of the Secretary-Treasurer, provide staff support  
9 for maintaining the financial records of the Corporation.

10 (g) Meetings of the Board shall be at the call of the Chairperson and shall  
11 be conducted in accordance with the following requirements:

12 A. The Board shall hold at least one (1) regular meeting each  
13 month at such time and place as the Corporation shall decide  
14 and may, upon the call of the Chairperson or any three (3)  
15 Board members, hold special meetings.

16 B. All regular and special meetings held by the Board and any  
17 Sub-committee meetings of the Board where public business  
18 is discussed or at which formal action may be taken shall be  
19 open to the public. Notice of all regular and special meetings of  
20 the Board shall include an agenda, location, time and date of

1 meeting and shall posted and announced in accordance with  
2 Guam's Open Government Law.

3 C. The Board shall keep minutes of its proceedings showing the  
4 presence or absence of each Board member and the vote of  
5 each member upon every motion. Minutes and records of the  
6 Board shall be open to the public for inspection in accordance  
7 with Guam's Open Government Law.

8 (h) The Board shall create two distinct and seperate entities known as  
9 the Tiyan Reuse Authority and the Apra Harbor Redevelopment Authority  
10 and shall direct and supervise its activities to receive information, technical  
11 support, recommendations, caretaker services, coordination, phasing and  
12 funding of improvements within the military base property.

13 Section 4. Powers of the Corporation. (a) The enumerated powers  
14 of the Corporation shall be those powers delegated by this Act. Such powers  
15 shall include the following:

16 A. Investigate, study and survey the area surrounding and the  
17 real property and structures that are part of a military base  
18 within the corporate boundaries;

19 B. Investigate, study and determine the means by which military

- 1 base property may be redeveloped and reused by private  
2 enterprise to promote economic development or by local  
3 government to otherwise benefit the welfare of the people of  
4 Guam;
- 5 C. Promote the reuse of military base property in the manner that  
6 best serves the interests of the Territory;
- 7 D. Cooperate with departments and agencies of the Government of  
8 Guam and of other governmental entities, including the federal  
9 government, in the manner that best serves the purposes of this  
10 Act.
- 11 E. To hold, acquire, operate, manage, lease (as lessee or lessor),  
12 construct or repair, or dispose of real and personal property  
13 in the name of the Corporation;
- 14 F. To make and enter into contracts, including, without limitation,  
15 contracts with non-profit corporations and contracts with local  
16 and federal agencies;
- 17 G. To make and enter into contracts, subject to payment provided  
18 by federal and local funding, from revenues generated by the  
19 Corporation, as deemed appropriate, for goods and services;
- 20 H. To sue and be sued in the name of the Corporation;

- 1 I. To cooperate with the federal government in all respects  
2 concerning implementation of the final Navy record of decision  
3 concerning the disposal and reuse of military base property.
- 4 J. To make and enter into contracts with agencies or departments  
5 of the federal government for the provision of caretaker services  
6 for all or a portion of military base property after closure. This  
7 provision shall include the power to make and enter into  
8 contracts with third parties for the provision of such services as  
9 deemed appropriate by the Corporation;
- 10 K. To hire and fire agents, employees, consultants and professionals  
11 that are necessary or desired by the Corporation in exercising its  
12 powers or carrying out its responsibilities under this Act and  
13 pursuant to the Bylaws and Rules and Regulations of the  
14 Corporation and in accordance with the Personnel Rules and  
15 Regulations of the Government of Guam.
- 16 L. To make repairs and maintain structures acquired for the  
17 purposes of this Act;
- 18 M. To provide for the furnishing of services, privileges, works,  
19 streets, roads, public utilities or educational or other facilities

1 for or in connection with a project; to dedicate property  
2 acquired or held by it for public works, improvements, facilities,  
3 utilities and purposes; and to agree, in connection with any of its  
4 contracts, to any conditions that it deems reasonable and  
5 appropriate including, but not limited to, conditions attached to  
6 federal financial assistance, and to include in any contract made  
7 or let in connection with any project of the Corporation  
8 provisions to fulfill such of said conditions as it may deem  
9 reasonable and appropriate;

10 N. To fix, maintain, and revise fees, rates, rents, security deposits,  
11 and charges for functions, services, or facilities provided by the  
12 Corporation;

13 O. To prepare and implement a pay, retirement and benefits  
14 compensation plan for all employees of the Corporation in  
15 accordance with Government of Guam Rules and Regulations;

16 P. To prepare and adopt an annual operating budget, and necessary  
17 amended or supplemental budgets in accordance and  
18 concurrence with the Guam Economic Development Authority.

19 Q. To adopt, modify and amend Bylaws and Regulations pursuant  
20 to section 3 (e);



- 1           R.    To keep and maintain financial records and books to account  
2                   for all expenditures of funds, and to obtain an independent  
3                   audit conducted by Certified Public Accountants selected by  
4                   the Board, of such records annually with the results of same  
5                   submitted to the Board and the Guam Economic development  
6                   Authority Board of Directors;
- 7           S.    To adopt a master economic redevelopment and reuse plan  
8                   which shall include a three (3) year plan, which shall be updated  
9                   prior to the expiration of each three (3) year period, establishing  
10                  strategies and goals for promoting and marketing redevelopment  
11                  activities at Naval Air Station, Ship Repair Facility, Fleet and  
12                  Industrial and Supply Center, and other facilities within Naval  
13                  Activities securing development commitments for said purpose;
- 14          T.    To accept contributions, grants, or loans from any public  
15                  or private agency, individual, or the federal government or  
16                  any department, instrumentality, or agency thereof, for the  
17                  purpose of financing its activities;
- 18          U.    To take all actions necessary or appropriate to carry out and  
19                  implement the provisions of this Act.

1 (b) In determining what implied powers the Corporation has under Section  
2 four (4) of this Act, herein, it shall be clearly understood the Corporation shall  
3 not have the following powers:

4 A. Taxation.

5 B. Condemnation or eminent domain.

6 C. Creation of general obligation debt.

7 D. Zoning or other governmental powers over land use.

8 E. Building, fire code, public health and safety regulations.

9 F. Control and acceptance of public rights of way.

10 G. Assignment or delegation of any specific powers, duties or  
11 responsibilities imposed by this Act except as authorized by  
12 the Board and the Guam Economic Development Authority.

13 (c) The Corporation will enter into interim leases for all or a portion of  
14 military base properties and the Corporation will sublet all or a portion of  
15 said leased property to third parties. In such event, any leases or subleases  
16 entered into by the Corporation as lessor shall include, at a minimum,  
17 substantially the following provisions:

18 A. Sublessee shall maintain, at its own cost, comprehensive  
19 general liability and property damage insurance on buildings  
20 and real property in a reasonable minimum amount as

1 determined by the Corporation. A certificate of insurance  
2 naming the Corporation as an additional insured evidencing  
3 such insurance shall be delivered to the Corporation  
4 contemporaneously with the execution of the sublease  
5 agreement.

6 B. Sublessee shall not assign or transfer its rights under the  
7 sublease agreement or sublet the leased premises without  
8 first obtaining written consent from the Corporation.

9 C. Sublessee shall use the leased premises in a careful, safe and  
10 proper manner and shall not use or permit the premises to be  
11 used for any purpose prohibited by the laws of the United States,  
12 and the laws of the Territory of Guam.

13 (d) The Corporation is limited in its spending powers to the annual total  
14 budget approved by the Board. Annual expenditures shall not exceed  
15 anticipated revenues for the year plus beginning unreserved cash balances.

16 Section 5. Assets of the Corporation. (a) The Corporation shall  
17 maintain an asset inventory list for any and all real or personal property  
18 acquired by the Corporation by lease, purchase, donation or federal  
19 conveyance. This list shall designate how the asset was acquired, the date

1 of acquisition, and the date of any sale or other disposition of any asset  
2 transferred by the Corporation, together with the amount of consideration  
3 received or paid by the Corporation.

4 Section 6. Budget and Funding. (a) The Board of Directors of the  
5 Guam Economic Development Authority shall appropriate the necessary  
6 funding for start up purposes until such time as the Corporation has applied  
7 and has received federal funding and grants for reuse activities.

8 (b) No later than June 1 of each year, the Executive Director of the  
9 Corporation shall submit to the Board a proposed annual budget plan for  
10 next fiscal year and shall also submit a copy of the proposed annual budget  
11 to the Board of Directors of the Guam Economic Development Authority.

12 (c) Any federal or local funds appropriated to the Komitea Para Tiyan and  
13 the Tiyan Reuse Authority shall be transferred to the Corporation.

14 Section 7. Miscellaneous Provisions. (a) Severability. If any provision  
15 herein contained shall be adjudged to be insubstantial and invalid or  
16 unenforceable by a court of competent jurisdiction or by operation of any  
17 applicable law, such invalid or unenforceable provision shall not affect the  
18 validity of the Act as a whole and all other provisions shall be given full force  
19 and effect.

20 (b) In connection with the performance of work under this Act, the

1 Corporation shall not refuse to hire, discharge, promote or demote, or to  
2 discriminate in matters of compensation against any person otherwise  
3 qualified, solely because of race, color, religion, national origin, gender, age,  
4 military status, sexual orientation, marital status, or physical or mental  
5 disability. The Corporation shall insert substantially the foregoing provision  
6 in all contracts to which the Corporation is a party which affects or relates to  
7 this Act.

8 (c) This Act shall supersede the prior establishment of the Tiyan Reuse  
9 Authority which said authority shall now fall under the jurisdiction of the  
10 Corporation, including all personnel, assets, expenditures to date, policies,  
11 regulations, reuse plans.

12 (d) The Komitea Para Tiyan, established by Executive Order shall  
13 continue its authority, duties and responsibilities, as an Advisory Committee  
14 to the Corporation during the interim period and until such time as all  
15 requirements are accomplished for the issuance of title to military bases to the  
16 Government of Guam.

17 (e) There shall be no other creation or establishment of a redevelopment or  
18 reuse authority or corporation for that portion of the military base slated for  
19 closure or is closed.



1           Section 8.   Effective Date. This Act shall take effect immediately  
2    upon its enactment.  
3    //  
4    //  
5    //  
6    //  
7    //  
8    //  
9    //  
10   //  
11   //  
12   //  
13   //  
14   //  
15   //  
16   //  
17   //  
18   //  
19   //  
20   //