



# RESEARCH CORPORATION OF THE UNIVERSITY OF GUAM

## **Resolution No. 19-11**

### **Relative to Approving a Lease Agreement and Public Private Partnership for the Guam Aquaculture Development and Training Center**

**WHEREAS**, in 2001 the Guam Aquaculture and Development Training Center (GADTC) was transferred from the Department of Commerce to the University of Guam; and

**WHEREAS**, GADTC is a bio-secure facility that houses the University's basic and applied research in aquaculture. Current products of GADTC include high-health (Specific Pathogen Free) shrimp post-larvae and brood stock, improved strains of tilapia fry and Claris catfish fry; and

**WHEREAS**, the Department of Land Management transferred Lot No. 2517-17, Fadian, Municipality of Mangilao by quitclaim deed (Instrument No. 872209) to the University of Guam on October 30, 2014; and

**WHEREAS**, it costs the University approximately \$300,000, not including faculty salaries, to operate GADTC per annum, which equates to approximately \$6,000,000 in sunk costs over the course of 19 years; and

**WHEREAS**, although functional, the facility is in a general state of disrepair and requires an influx of capital to realize its potential; and

**WHEREAS**, on October 26, 2017, The Board of Regents (BOR) approved Resolution 17-31 Relative to Making a Determination of Need for an Exceptional Term Contract for the Renovation of GADTC. This resolution and its subsequent submission to the legislature comply with Public Law 32-040 Relative to the Duration of Commercial Leases for Public Real Property and Related Facilities; and

**WHEREAS**, Public Law 32-114 authorizes RCUOG to enter into leases on behalf of the University and to coordinate activities for the purpose of relating the University's research work to the economic development of Guam; and

**WHEREAS**, on April 18, 2019, the Board of Regents adopted resolution 19-25, which authorizes RCUOG to enter into a public-private partnership and lease for GADTC and Lot No. 2517-17 for the purposes expanding the island's aquaculture industry, to produce aquaculture

products for local consumption and export, and to establish a revenue stream for the University based on its research products; and

**WHEREAS**, on January 14, 2019 RCUOG issued RFP 19-01 seeking proposals for a Public-Private Partnership for the development of GADTC; and

**WHEREAS**, on March 27, 2019 a proposal was reviewed by an ad hoc evaluation committee comprised of five individuals representing the University of Guam, RCUOG, and the Guam Economic Development Authority, which found the proposal to be responsive; and

**WHEREAS**, On June 21, 2019 the Board of Directors authorized an ad hoc committee to negotiate and execute a public-private partnership and lease for the Guam Aquaculture Development and Training Center upon the enactment of Bill 76-35; and

**WHEREAS**, on August 6, 2019 RCUOG notified CoreSeed Aquaculture (Guam) Corp. that it had been selected as the private partner to develop GADTC; and

**WHEREAS**, Public Law 35-43, enacted on October 16, 2019, authorized the transfer 1.5 acres of from the Chamorro Land Trust Commission land to the University of Guam to correct the property boundary of UOG Lot No. 2517-17 to ensure that all University owned structures are located within the boundaries of UOG property; and

**WHEREAS**, the ad hoc committee of the Board of Directors met on October 25<sup>th</sup>, 2019 to review the draft lease which includes a clause allowing for the continuation of research by UOG faculty and students at the GADTC facility; and

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors approves the lease and public private partnership between CoreSeed Aquaculture (Guam) Corp. and the Research Corporation of the University of Guam for the purposes of expanding the island's aquaculture industry and to establish a revenue stream for the University based on its research products.

Adopted this 20th Day of December 2019.

  
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Dr. Thomas W. Krise, Chairperson

ATTESTED:

  
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Dr. Cheryl Sangueza, Secretary