



FRIENDS OF BUSINESS SUMMIT

AUGUST 10
2022



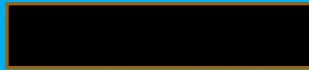
Commonwealth Economic Development Authority - CEDA

DATE: AUGUST 10, 2022

PRESENTER: DAVE GUERRERO

DISCLAIMER

The opinions, beliefs, and viewpoints expressed by the various authors and participants in this presentation **do not** necessarily reflect the opinions, beliefs and viewpoints of the Commonwealth Economic Development Authority (CEDA) or can be construed to be official policy of CEDA.

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House passes bill to transform CDA into CEDA

Emmanuel T. Erediano Mar 26, 2021 Updated Mar 26, 2021 Comments



HB 22-21 passes **unanimously** on March 25, 2021.

H. B. No. 22-21, HD1

AN ACT

**TO STRENGTHEN THE TOOLS AND POWERS OF THE CNMI
GOVERNMENT TO PROMOTE AND EXPAND ECONOMIC
DEVELOPMENT AND TO ESTABLISH THE COMMONWEALTH
ECONOMIC DEVELOPMENT AUTHORITY.**

Who is CEDA? (formerly known as CDA)

- Commonwealth Economic Development Authority
- CEDA is an autonomous public agency primarily responsible for stimulating the economic development of the CNMI.
- CEDA's mission is to provide appropriate financial and technical assistance to facilitate the start-up or expansion of private and public enterprise for the mutual benefit of the CNMI, its economic viability and long-term sustainability.

NEW MANDATES

HB 22-21 PL 22-01, 6/7/2021

5 “(1) To assist in the development of the economic development plan for the
6 Commonwealth, and control and implement that part of the plan assigned to it by law.

7 (2) To be responsible for actively promoting the CNMI as a location for private
8 investment.

9 (3) To promote and encourage the CNMI and development of new businesses
10 within the Commonwealth, as well as promote the retention and expansion of existing
11 businesses.

HB 22-21 PL 22-01, 6/7/2021

12 (4) To promote and encourage the expansion and development of market for the
13 products of the CNMI and to encourage the establishment of commercial linkages of
14 CNMI products within the CNMI tourism industry.

15 (5) To coordinate, develop, and participate in off-island investor missions to
16 generate interest and investment in the CNMI, with emphasis on business investments
17 from the United States of America.”

CNMI Governor

CEDA

BOARD OF DIRECTORS

Executive Director

Assistant AG

Comptroller

Executive Assistant

**Development
Banking Division**

**Development
Corporation Division**

ACCOUNTING

LOAN

FIELD OFFICES

ADMINISTRATION

**ECONOMIC
DEVELOPMENT**

Analyst Financial
Accountant & Supervisor

Manager, Loan

Rota Field
Representative

Tinian Field
Representative

Administrative &
Personnel Manager

Economic Dev.
Manager

Accountant IV

Loan Compliance &
Collection Officer

Loan Officer III

Admin & Procurement
Specialist

Business
Development
Specialist-VACANT

At the Helm: Economic Development Division

- Dave Guerrero, Economic Development Manager
- Private Sector Background:
 - Commercial banking
 - Compliance
 - Underwriting
 - Anti-money laundering and fraud
 - Investments (Brokerage & Advisory, Institutional & Retail)
 - Banking operations

SOME IDEAS:

- Airstrip on Pagan
- Vertical agriculture and composting
- Small manufacturing plant for mango jam, et al.
- Broadband connectivity: CNMI primary hub direct from US and Asia
 - Cybersecurity
 - Technology Infrastructure
- Public-Private Partnership
- **Garapan Fishing Base**
- **Marpi Visitor's Center**
 - hiking trails, biking trails on all islands
 - lookout information
 - hub for sport events
- Sport Events
- Canoe Culture
- Breakwater for existing investments:
 - Hyatt, Crowne Plaza
- Blighted properties
- Land Bank
- Energy upgrade
- Waste management
- Fuel Farm
- Regional partnership with Guam on food security.
- Jones Act
- Aerospace
- Pharmaceuticals
- Commercial fishery
- Farming

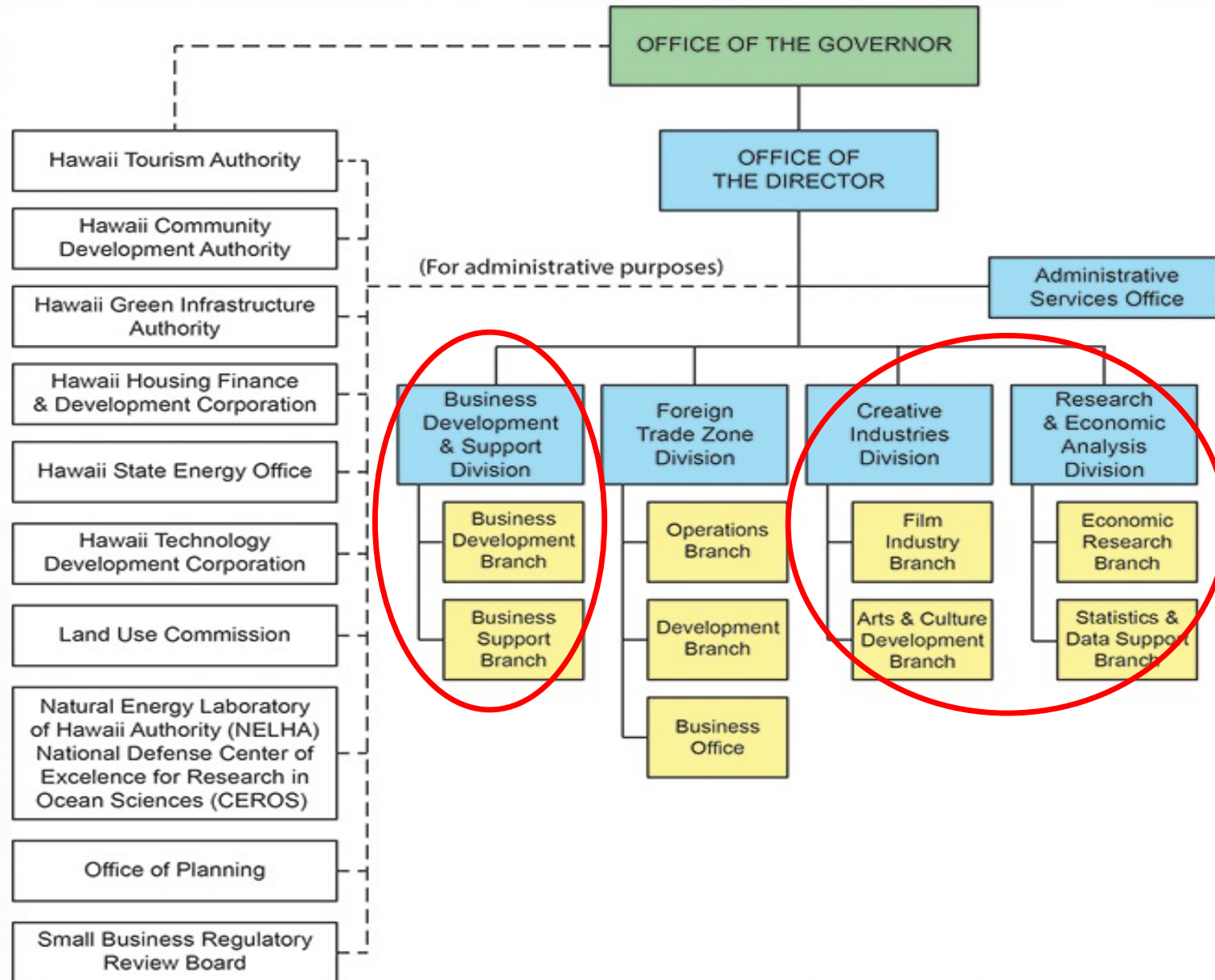
HB 22-21 PL 22-01, 6/7/2021

FUNDING of New Mandates:

1 “(5) To allocate and expend funds for the purposes of promotion of the CNMI
2 as a location for private investment, the expansion and retention of existing businesses,
3 the promotion and marketing of products of the CNMI, and the undertaking of
4 promotional activities for CNMI investments in line with the economic development
5 plan for the CNMI, in accordance with the responsibilities of the Authority contained
6 in 4 CMC § 10203;

What are our Island
Neighbors Doing?

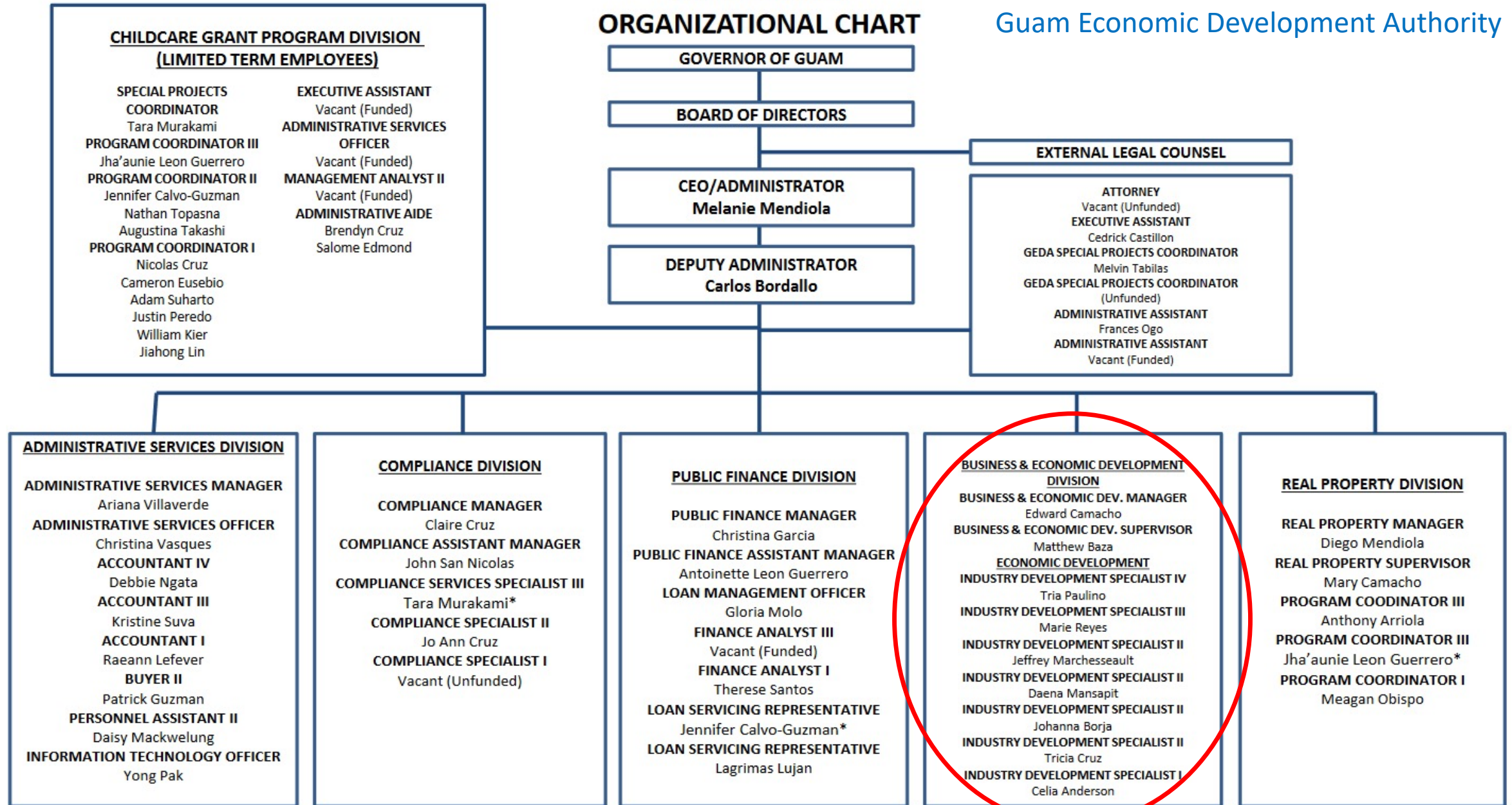
Hawaii: Department of Business, Economic Development, and Tourism



GEDA FY2022

ORGANIZATIONAL CHART

Guam Economic Development Authority



Quote:

Start by doing what's necessary;
Then do what's possible;
And suddenly you are doing the impossible.

BPR: Borrower, Purpose, Repayment 1 & 2

Income Statement, I/S

1. What are Revenues like?
2. What are Gross Profit Margins?
3. What are the Operating Expense?
 - Salary
 - Rent
 - Depreciation...
4. Is there a Net Profit or Net Loss?

Balance Sheet, B/S

Do numbers match to type of business?

11. How much cash is available?
10. Are there a lot of A/R's?
9. Movement of Inventory?
8. Is there a lot of FF&E or PP&E?

Explore Total Assets

7. What is their current debt?
6. What is their long-term debt?

Explore Total Liabilities

5. What is their Net Worth? Retained Earnings?

QUESTIONS?

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References

- Governor's Council of Economic Advisors (GCEA)
 - <https://www.cnmieconomy.com/>
- Commonwealth Law Revision Commission
 - <https://cnmilaw.org/>

QC Program:

The Investment Incentive Act of 2000, as amended, authorizes the granting of rebates and/or abatements of up to one hundred percent (100%) for a period of up to twenty-five (25) years to qualified investors.

The following are among the activities targeted by the Program:

<u>Category</u>	<u>New</u>	<u>Expansion</u>
Franchise restaurant	\$1,000,000	\$500,000
Water park	\$1,000,000	\$500,000
Aquarium	\$1,000,000	\$500,000
Cultural center	\$1,000,000	\$500,000
Theme park	\$10,000,000	\$5,000,000
New expansion, resort hotel or condominium	\$5,000,000	\$2,500,000
Golf course	\$10,000,000	\$5,000,000
Convention center	\$1,000,000	\$500,000
Dinner theater	\$1,000,000	\$500,000
Special event	\$500,000	\$250,000
CNMI based airlines or other aviation related activity	\$1,000,000	\$500,000
Manufacturing or processing of high technology products	\$1,000,000	\$500,000
Internet related businesses and/or businesses engaged in internet commerce	\$100,000	\$50,000
Any development or project not listed above that is approved pursuant to this Chapter	\$1,000,000	\$500,000