

GUAM:

The United States' Developing Territory

PROPERTY OF
BUREAU OF BUDGET
& Management Research
DO NOT REMOVE



JANUARY 1977

PROPERTY OF
BUREAU OF BUDGET
& Management Research
DO NOT REMOVE

GUAM: THE UNITED STATES'
DEVELOPING TERRITORY
1977

GOVERNMENT OF GUAM



RICARDO J. BORDALLO
GOVERNOR OF GUAM



TERRITORY OF GUAM
OFFICE OF THE GOVERNOR
AGAÑA, GUAM 96910
U. S. A.

RICARDO J. BORDALLO
GOVERNOR

MESSAGE FROM THE GOVERNOR

As I look at Guam and what it has become and what it can be, I see that our island has been formed by the forces of history.

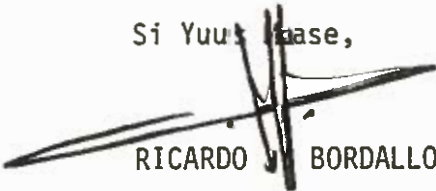
Fortunately, many times these forces have been beneficial. Our island became a part of the United States of America in 1898, was liberated from invaders in 1944, and is destined to play a crucial role in our country's defense as America's most hospitable base of military operations in the Western Pacific and Asia.

Today, the forces of history combine to place our community in a predicament. In addition to the worldwide inflation and recession, Guam has suffered from a serious decline in tourism and the winding-down of military operations in Asia. Operation New Life brought more refugees to Guam than there are residents. Supertyphoon Pamela brought destruction and devastation to our island. All these events have reminded us once again that the island's infrastructure cannot support the level of economic development necessary to satisfy Guam's needs.

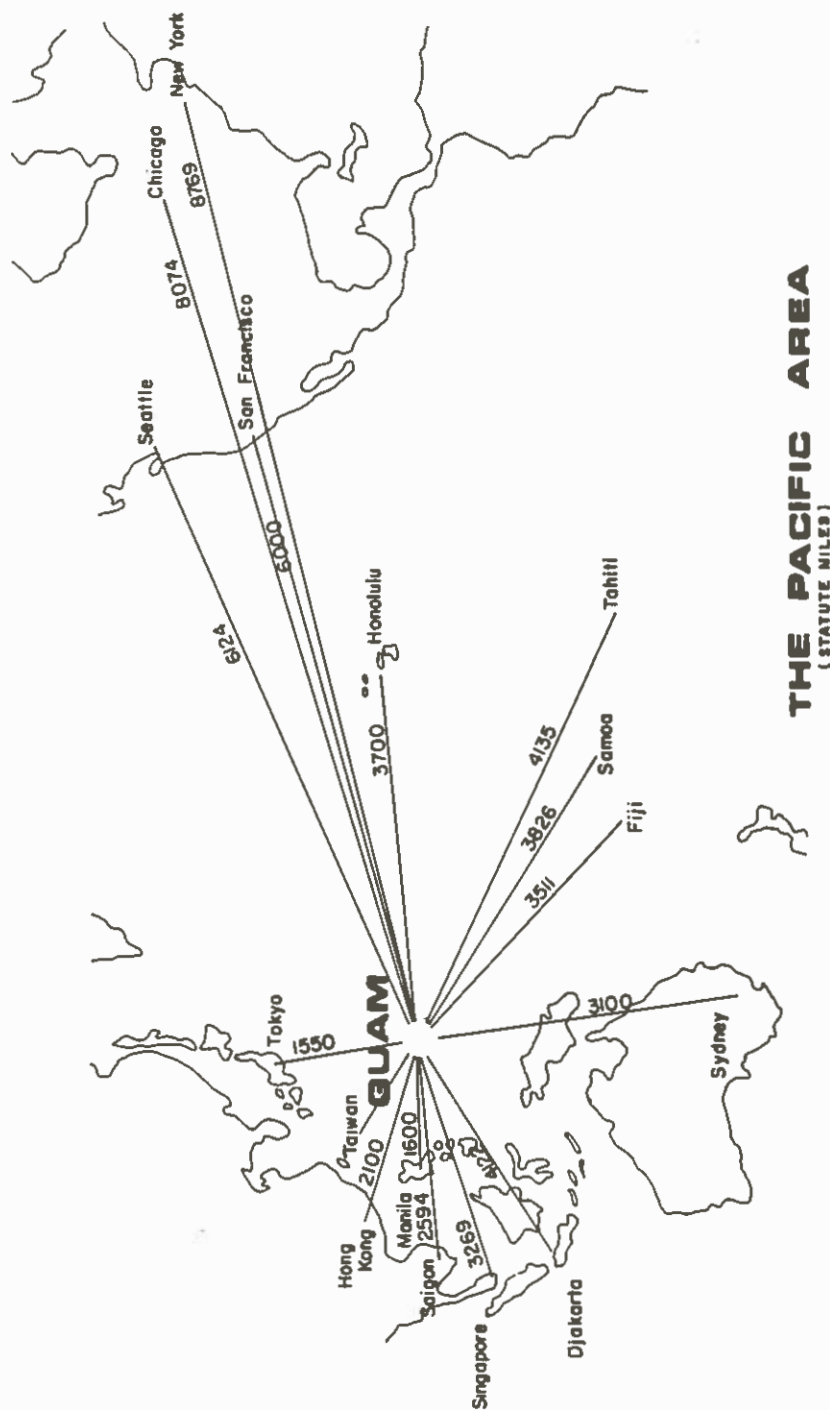
Our spirit is undaunted. We plan for the future; for economic growth and a better standard of living. There are roadblocks to be overcome and trials to be met. We reach for our future, knowing we will succeed with the assistance and cooperation of the Federal government.

I am pleased to present Guam: The United States' Developing Territory.

Si Yuus base,



RICARDO J. BORDALLO



THE PACIFIC AREA

(STATUTE MILES)

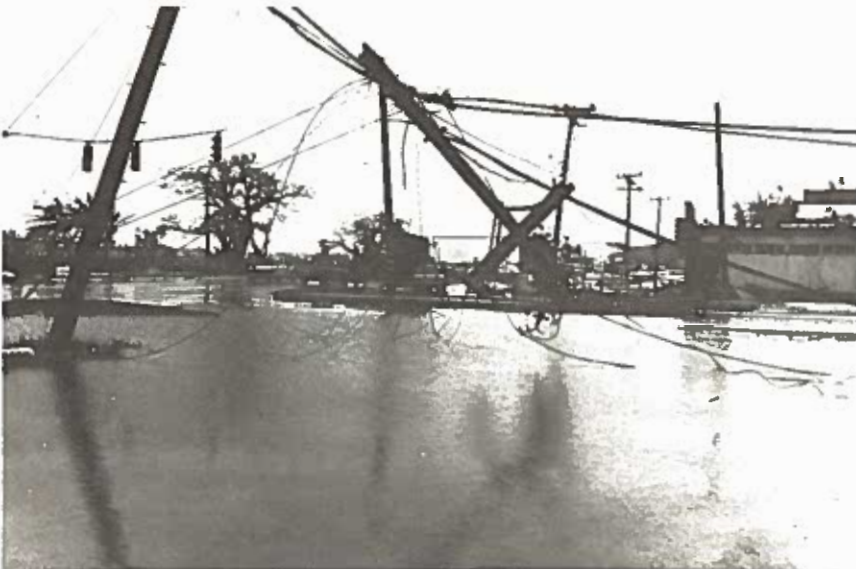
PICTORIAL: TYPHOON PAMELA DAMAGES, MAY 1976



Commercial Damage,
Tamuning



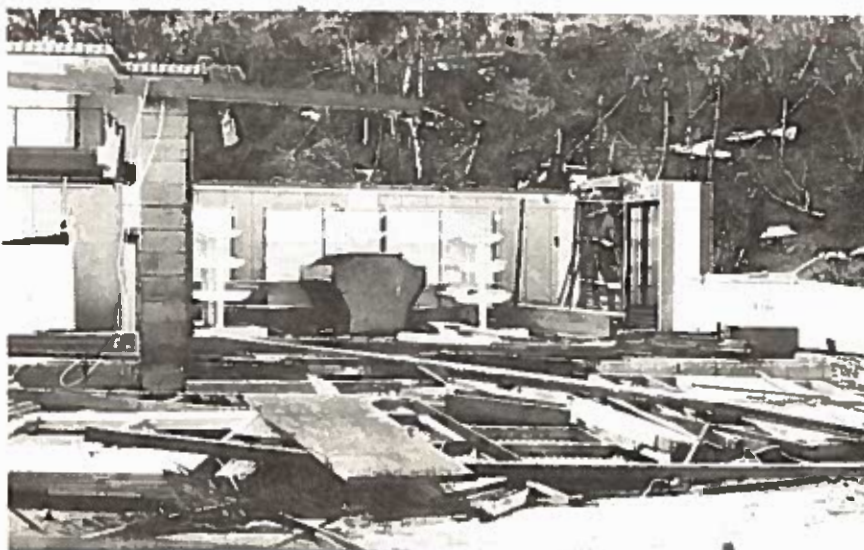
Residential Damage,
Dededo



Flooding and Destruction
of Public Facilities,
Agana

PICTORIAL: TYPHOON PAMELA DAMAGES, MAY 1976

Commercial Damage



Residential Damage and Flooding

Residential Damage



INTRODUCTION

The southernmost and largest of the Mariana Islands, Guam is the United States' gateway into Asia. More than 6,000 miles west of San Francisco, the island has been a territory of the United States since 1898. Governed by the U.S Navy for over four decades, the island was captured by the Japanese in December, 1941. For more than two and a half years, the population survived under the harsh authority of a Japanese occupation force. The liberation of Guam in July, 1944 brought the island's residents back into the American family, but at an extreme cost. During its recapture by American forces, all of the island's public and private facilities were totally demolished. It could be said that as of July, 1944, Guam's infrastructure and economy stood at zero, and economic development was to be delayed for yet another twenty years.

In June, 1962, President Kennedy abolished the Naval Security Clearance restrictions which paralyzed Guam's economic development. Five months later the ravages of Typhoon Karen destroyed almost all of the island's homes and buildings, and the community's limited infrastructure was severely damaged. With the use of Rehabilitation Funds, the beginning and expansion of the Japanese tourist industry, and an increasing military presence due to the Vietnam War, the economy of Guam developed and boomed during the late 1960's and the early 1970's. Dependent upon the United States and Japanese economies, Guam found itself in the throes of the global recession in 1974. Since then, the local economic picture has dimmed. The passage of Typhoon Pamela last May significantly worsened the local economy, and more importantly, brought untold human suffering to the island's people. The Government of Guam looks forward to working with the new Democratic Administration in addressing the territory's problems.

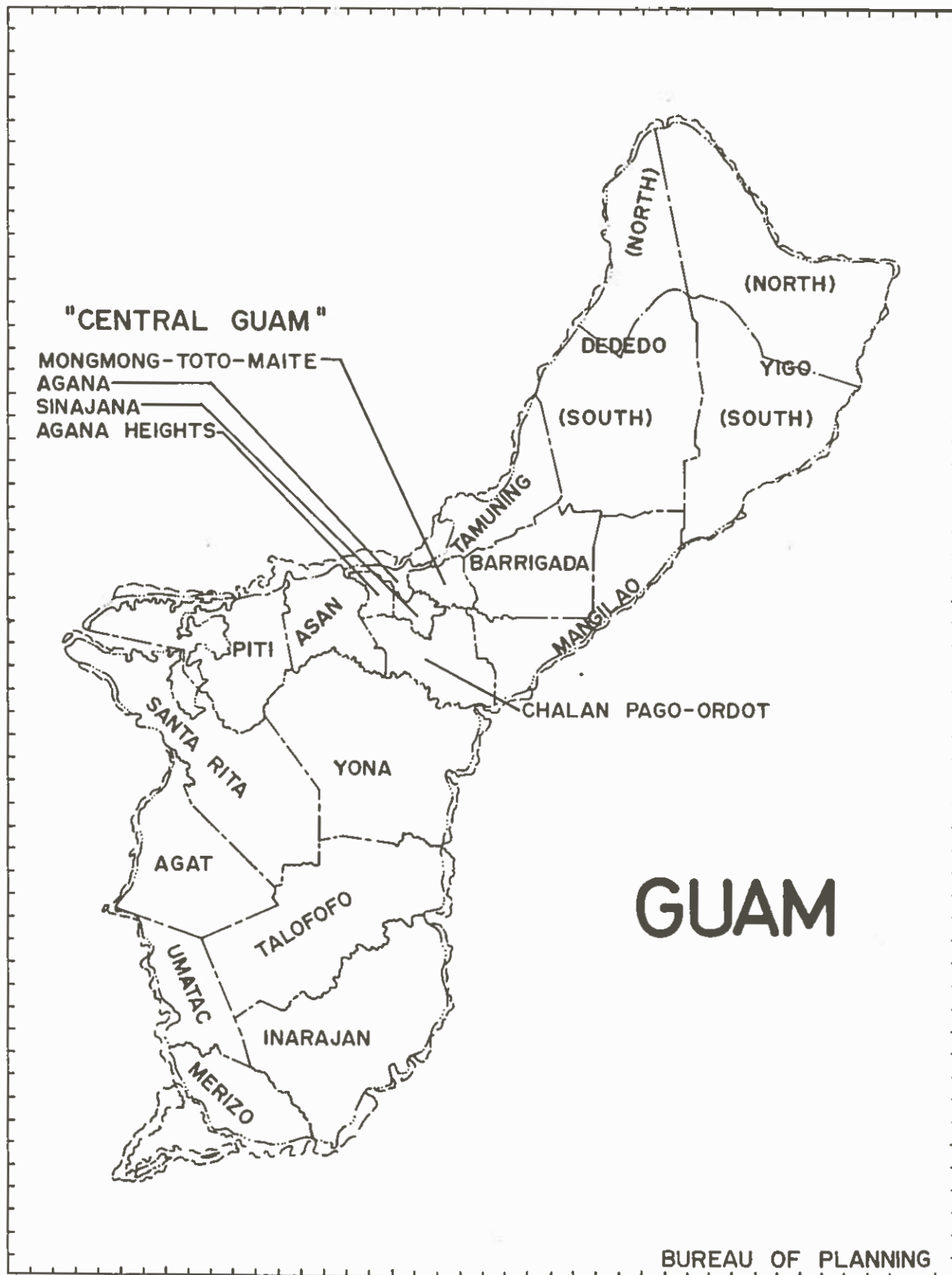


TABLE OF CONTENTS

	<u>Page</u>
Governor's Message	iii
Map: The Pacific Area	iv
Pictorial: Typhoon Pamela Damages	v
Introduction	vii
Map of Guam	viii
Table of Contents	ix
Pictorial: Typhoon Pamela Damages	x
Guam Today	1
Post Typhoon Pamela Upgrade and Restoration Program	4
Government Operations Program	16
Rehabilitation and Economic Development Program	21
Community Development Program	31
Conclusions	34
Pictorial: Typhoon Pamela Damages	37

Pictorial: Typhoon Pamela Damages

Residential
Damage



Highway
Destruction

Damage to
Educational
Facilities



GUAM TODAY

More than 110,000 people inhabit the 210 square miles of the island of Guam. Development has been largely limited to the coastline and the narrow center portion of the island. (See Map.) More than 22,000 of the island's residents are U.S. Air Force and Navy personnel and dependents. The civilian population reflects the rapid social change occurring on Guam over the last twenty years. While 56% of the residents can claim indigenous lineage to the Ancient Chamorros, more than 19% of the population is of Filipino origin, 9% of Stateside origin, and 16% of Asiatic or other ethnic origins. The population has more than doubled since 1950, and today's population is expected to double once again during the next twenty-five years.

Since World War II, the increasingly rapid rate of change has had drastic consequences on the lifestyle of island residents, particularly for Guamanian families. The military population, the immigration of Filipino, and other Asiatics, and the predominate mainland cultural influence, have created a new society on Guam. The new society shares the same goals and aspirations of any American community. Yet the island's distance from the mainland, its constraining political status, its vulnerability to natural disasters, its dependence on other economies and the U.S. military posture in Asia, make the realization of these goals difficult.

Guam's Problems: Today and Tomorrow

Guam's economy is in trouble. The boom years have ended. A sagging tourist industry, a reduction of military forces, and the resulting decreasing revenues into the government's treasury are all signs of a worsening situation. Though below the month of May's 13%, the current island unemployment rate of 9%

is an indicator of the seriousness of today's problem. Another indicator is the inability of local residents to afford decent housing. Approximately 60% of Guam's residents cannot afford decent homes and are forced into substandard dwelling units.

Guam is in a dependent and poor fiscal status today because, beyond tourism, it has no viable economy independent of the military and other government agencies. The lack of an adequate infrastructure prevents the island from developing and attracting new sources of revenue to stimulate and broaden its economic base. Without the ability to generate an annual surplus of revenue over operating costs, the Government of Guam will, for many years to come, be unable to raise sufficient capital to construct the public facilities so urgently needed today.

As of this date, with the exception of the years of Japanese occupation, the Territory of Guam is confronted by the most serious crisis experienced during the history of its administration by the United States Government. The social, economic, and financial crisis facing Guam today has pushed the territory in a vicious downward cycle of deterioration which threatens destruction of the local culture, lowers the standard of living, and jeopardizes the health, safety, and security of the citizens. A sense of anxiety and pessimism now characterizes a community whose normal characteristics are an extraordinary capacity for joy and optimism.

The time has come to transform the consumptive and dependent economy of Guam into productive self-sufficiency. This will not occur until new industries locate on island and local productivity develops. An infusion of funds is necessary to construct an infrastructure to support such development. These funds, along with a relaxation of federal legal constraints which hamper economic expansion, are necessary to stop the downward spiral of the last three years. To fully realize the economic potentials of tourism, agriculture, fishing, manufacturing, transshipment, and to meet our social obligation to ensure the provision of decent, safe, and sanitary homes, the island of Guam needs assistance. Immediate needs are for

improvements to the water system, an expanded sewer system, a myriad of community development projects, including housing rehabilitation, and air terminal and commercial port expansions to support commercial and industrial development (See Attached List of Proposed Capital Improvements).

A relaxation of certain federal laws is also necessary if economic self-sufficiency is to occur. Trade and shipping laws, particularly the Jones Act, should be adjusted to recognize Guam's closeness to Asian supply and market areas. Civil Aeronautics Board's decisions should recognize the island's dependence on air transportation. There is also an urgent need to adjust the application of federal immigration laws. Immigrants qualifying under federal criteria add significant pressures to Guam's limited infrastructure and government services. The Federal income tax regulations and adjustments to them have disastrous effects on the local economy. All these laws, as well as certain federal environmental and agricultural legislation, place serious constraints on the economic development potential of Guam.

The Government of Guam looks forward to working closely with the new Administration of President Carter in creating a better tomorrow for the island's residents. As is happening from coast to coast on the mainland, the residents of Guam are anxiously awaiting for the new tomorrow to begin.

To achieve our community and economic development objectives, vital capital improvement projects must be financed. These projects, listed on the following pages, are categorized according to four development objectives: Post Typhoon Pamela Upgrade and Restoration, Government Operations, Rehabilitation and Economic Development, and Community Development. A significant federal contribution is necessary to ensure the achievement of these objectives.

POST TYPHOON PAMELA UPGRADE AND RESTORATION PROGRAM

On May 21, 1976, Super Typhoon Pamela passed over Guam resulting in extensive damage to the island's public facilities. As in previous years, the island suffered another serious setback in its efforts to become economically self-sufficient. In order to restore damaged facilities and prevent further damages, the Government of Guam must implement an upgrade and restoration program as detailed on the following pages.



Residential Damage

GRANT PROGRAM
PROGRAM A: POST TYPHOON PAMELA
UPGRADE AND RESTORATION
GOVERNMENT OF GUAM

Projects	Budget Year	Budget Estimate	A & E Fee	Remarks
Replace damaged water facilities (pumphouses, chlorine buildings, warehouse and meter building)	1978	\$ 336,000	\$ 21,000	
Truman Elementary School	1979	1,056,000	54,000	
San Miguel Elementary School	1979	2,117,000	108,000	Including R/W
Route 4 Elevation	1978	7,912,000	688,000	
Disaster Relocation Program-- Umatac/Merizo/Agat/Inarajan	1979	7,570,000		A & E Fee not required.
Access roads, southern Guam	1979	4,127,000	143,000	
Sewer System--Inarajan	1978	2,376,000	122,000	
Sewer System--Talofofo	1978	2,389,000	122,000	
Sewer Relief Lines--Tamuning	1978	1,475,000	80,000	
Sewer System Expansion--Agat/ Santa Rita	1978	7,000,000	260,000	
Water Resources Development Feasibility Study	1978		476,305	Design Fee Only.
Water System--Northern District	1979	2,470,000	150,000	
Relief Water System--Tumon	1979	349,000	21,000	
Water System, Agana Heights/ Adelup/Anigua Loop System/ Asan Link	1979	420,000	26,000	
Waterline replacement-- northern, central, and southern areas	1979	3,095,000	189,000	

GRANT PROGRAM
PROGRAM A: POST TYPHOON PAMELA
UPGRADE AND RESTORATION
GOVERNMENT OF GUAM
(Continued)

Projects	Budget Year	Budget Estimate	A & E Fee	Remarks
Replacement of Bridges Agfayan, Inarajan and Talofofo	1979	3,592,000	190,000	
Water Systems--Sinifa	1979	525,000	32,000	
Two monitoring wells, Barrigada Heights	1979	175,000	11,000	
Flood Control Facility-- Namo River	1978	1,750,000	85,000	
Central Library	1978	2,800,000		A & E Fee Included
Asan Elementary School	1979	2,760,266		A & E Fee Included
Talofofo Soil Erosion	1979	313,102		
Hospital Road	1980	1,498,420		Supplemental Grant
Agat-Nimitz Sewage Interceptor	1980	1,069,060		
Hospital Purchase	1978	25,000,000		
SUB-TOTAL		\$82,174,848	\$2,778,305	
TOTAL PROGRAM A		\$84,953,153		

POST TYPHOON PAMELA UPGRADE AND
RESTORATION PROGRAM: UPGRADING
PUBLIC FACILITIES

PROJECTS

Replacement of Damaged Water
Facilities

Truman Elementary School
San Miguel Elementary School

DESCRIPTIONS

To replace water facilities that were destroyed or substantially damaged by Typhoon Pamela. These facilities include pumphouses, chlorine buildings, a warehouse and a meter building. Future damages will be minimized by constructing typhoon-resistant structures.

To improve the physical condition of these schools damaged by the May typhoon and to acquire the necessary access easements and rights-of-way. Improvements will emphasize typhoon-resistant structures primarily for education purposes but alternatively as disaster shelters.



Highway Damage

PROJECTS

Route 4 Elevation

DESCRIPTIONS

Existing road between Inarajan and Merizo is very low and being eroded by wave action. During extreme high tides and heavy rains, this portion of Route 4 is impassable. Project will include:

1. Elevate road with an average of five feet high backfill.
2. Concrete lined ditch
3. Concrete culverts and headwalls.
4. Concrete seawall.
5. Armor rock and coral fill.

Disaster Relocation Program Umatac/Merizo/Agat/Inarajan

To relocate residential and business interests located in Guam's seashore and typhoon vulnerable areas in Umatac, Agat, Merizo, and Inarajan by purchasing or exchanging land and buildings on which they are located for building sites on land to be acquired or owned by the Government of Guam. The program is basically one of land acquisition and will result in substantial reduction of property losses in future catastrophes, a better and more healthful environment for individuals formerly living in such areas, and as a side-effect a desirable, beautiful, and useful shoreline available to Guam's citizenry as well as to the tourist for shoreline recreation. The program has been authorized by Guam's Seashore Protection Law and proposed Coastal Zone Management Plan.

1. Relocate 300 families to government subdivisions now under development.
2. Relocate 250 families to government-owned land. (The government will provide on-site and off-site utilities, and site improvements; home owners will construct their own units.)
3. Outright purchase of private properties by the government. (100 families are involved).

Access Roads in Southern Guam

To open up prime agricultural areas not accessible, and to give access to tourist and resident recreational sites.

PROJECTS

Sewer System-Inarajan

DESCRIPTIONS

Project proposes to provide facilities for the collection, transportation, treatment, and disposal of sewage in compliance with the requirements of the Federal Water Pollution Control Act as amended and the Standards of Water Quality for Waters in the Territory of Guam.

Inarajan Sewer System includes: 0.167 MGD secondary treatment plant, pump stations, gravity sewer pipelines, force main and out-fall sewerline extension.

Construction will include provision of emergency generators, electrical substation and distribution, area lighting, fencing, and other related site preparation and improvement.

Sewer System--Talofofo

Project proposes to provide facilities for the collection, transportation, treatment, and disposal of sewage in compliance with the



Flooding, Commercial Port

PROJECTS

DESCRIPTIONS

requirements of the Federal Water Pollution Control Act as amended and the Standards of Water Quality for Waters of the Territory of Guam.

Construction of the Talofofo sewer system will provide: a secondary treatment plant with 0.30 M G D capacity, pump stations, gravity sewer pipeline and force main.

Construction includes: provision of emergency generators, electrical transformer substation and distribution, area lighting, paving, fencing, and other related site improvements.

Sewer Relief Lines--Tamuning

Proposed project will provide improvements to the Tamuning Sewerage System to meet the current and future sewage disposal requirements in this area.

Sewer relief lines include:

- a. Underground sewer pipelines.
- b. Modifications to Ypao Pump Station.
- c. Construction of two additional pump stations.
- d. Patch damaged paving.
- e. Related earthwork.

Sewer System Expansion--Agat-Santa Rita

Project proposes to provide facilities for the collection, transportation, treatment and disposal of sewage in compliance with the requirements of the Federal Water Pollution Control Act as amended and the Standards of Water Quality for Waters in the Territory of Guam.

Expansion of Agat-Santa Rita Sewer System includes: 1.50 MGD secondary treatment plant, pump stations, gravity sewer pipelines, force main and outfall sewerline extension.

Construction will include provision of emergency generators, electrical substation and distribution, area lighting, fencing, and other related site preparation and improvement.

Water Resources Development Feasibility Study (Design Fee)

Proposed design fee includes: consultation, plans, specifications, estimates, and calculations.

PROJECTS

Water Resources Development
Feasibility Study (Design Fee)

Water System--Northern District

Relief Water System--Tumon

Water System--Agana Heights/
Adelup/Anigua Loop System; and
Asan Link

Waterline Replacement--Northern
Central, and Southern Areas

DESCRIPTIONS

In addition, the cost of engineering services, reproductions, subsistence and travel, and Guam tax are included.

The Northern district of Guam is mostly served with two-inch galvanized pipe of several miles in length. During the peak water demand, people in remote areas are completely without water forcing them to resort to oil barrels for holding tanks which are easily contaminated and cause people to get infected with water-borne diseases. Project proposes to provide facilities to minimize these problems and eliminate them entirely in the future.

Water system consists of : 8" and 12" underground water lines, steel storage tank, and pump stations.

Construction will include: electrical transformer and distribution line, sanitary sewerline, paving, site improvement, clearing/demolition, and related earthwork.

The area to be served is commonly known as "Hotel Row" which is the center of the tourist industry. High rise buildings are in existence whereas the available waterline is an old 6-inch pipe which is inadequate to support domestic requirements, and provide fire protection. Project proposes to fulfill the projected water requirements of high density development.

Construct Tumon Relief Water System to include: underground waterline, gate valves, paving, and related earthwork.

Relief from the U. S. Navy Water System will come about for the villages of Asan and Piti including the water requirements of Cabras Power Generation Plant. Proposed project is the initial step to become independent from the military water infrastructure. Required for the new Asan school.

Construct the Agana Heights/Adelup/Anigua Loop System/and Asan Link to include: underground waterline, gate valves, paving, and related earthwork.

To provide adequately sized water distribution pipelines capable of supplying the water requirements during peak demand.

PROJECTS

Waterline Replacement--Northern
Central, and Southern Areas

DESCRIPTIONS

Replace existing waterline in Northern,
Central, and Southern areas to include:

- a. Underground distribution pipeline.
- b. Gate valves and valve boxes.
- c. Patch damaged paving.
- d. Clearing and demolition.

Replacement of Bridges Agfayan,
Inarajan and Talofofo

Project proposes to provide permanent rein-
forced concrete bridge replacements of the
temporary bridges located in these areas.
Project includes:

1. Precast pre-stressed concrete piles;
2. Precast concrete rail;
3. Pre-stressed concrete girders;
4. Structural concrete; decking;
5. Road paving;
6. Road embarkment;
7. Erosion control and fencing; and
8. Earthwork



Residential Damage

PROJECTS

DESCRIPTIONS

Water System--Sinifa (Agat)

Agricultural land of considerable acreage will become available in support of the "green revolution" because of the irrigation water which will be supplied by the facilities to be constructed under this proposed project. Project will be an incentive to farmers.

Two Monitoring Wells--Barrigada Heights

Proposed project will provide facilities to monitor the effect of storm runoff disposed on the ground, to determine the thickness and fluctuation in thickness of the fresh water lens, and to determine and monitor the depth-salinity profile of the ground water body at the site.

Construct monitoring wells with casing and to include monitoring equipment shelters.

Construction will also include electrical service line, gravel road, fence enclosure and related earthwork.

Flood Control Facility--Namo River

To provide facilities to prevent flooding of the adjacent villages. In addition, proposed project will prevent silting of the river bed caused by erosion of the agricultural lands in this area.

Construction of the river flood control facility includes:

- a. Clearing, excavation, and backfill.
- b. Coral bed and riprapped embankment.
- c. Steel piling.
- d. Concrete paving, box culvert and miscellaneous outlet structures.

Central Library

The present central library is the depository for all public documents. The existing structure is inadequate to accommodate the growing number of volumes being acquired. Constructing a new library facility with adequate research areas, visual aid rooms and book storage areas will greatly increase the capability of the library system in meeting the needs of a growing population.

PROJECTS

Asan Elementary School

DESCRIPTIONS

To improve the physical condition of this school which was damaged by the May typhoon. Improvements will emphasize a typhoon-resistant structure primarily for education purposes but alternatively as a disaster shelter.

Talofofo Soil Erosion

Proposed project is required to protect Talofofo Bay shoreline from further damage due to erosion caused by wave action. Talofofo Bay has beach and park facilities for various recreational activities.

Talofofo Beach shore protection system includes:

- a. Coral fill and grouted armor rock revetment.
- b. Walkways and stairs.
- c. Drainage structures.
- d. Graded backshore.
- e. Miscellaneous site improvements and disposal of debris.

Hospital Road

Improvement of Route 14. Presently consisting of 2-12 feet travel lanes and 2-8 feet shoulders. Travel lanes with 2 inches pavement and shoulder single bituminous surface treatment.

Improvement:

- a. Widening to 4-11 feet travel lanes, 14 feet center lanes for left turn, channelization and 8 feet shoulder.
- b. Structural road section: 3 inches thick bituminous pavement 5 inches thick base course and recondition of existing roadbed.
- c. Improvement of underground utilities.
- d. Drainage and access roads entrance improvements.
- e. Pavement markers.

PROJECTS

Agat-Nimitz Sewage Interceptor

DESCRIPTIONS

This project will provide a major catalyst to the island construction industry. The long term benefit will be the elimination of the use of septic tanks which are inefficient and failing due to the physical characteristics of the areas.

The project will include the construction of 18" interceptor lines, force main, pumping station, house laterals and stubouts.

Hospital Purchase

The existing hospital facility was extensively damaged by Typhoon Pamela and cannot meet the medical needs of a growing population. The island is in need of a new public hospital facility and instead of constructing a new facility, a recently constructed private facility should be acquired. With the purchase of this hospital, the government can implement its plans to convert the existing hospital into a convalescent care facility.



Residential Flooding

GOVERNMENT OPERATIONS

Certain federal policies have a negative impact on the Government of Guam's ability to provide necessary development programs. The Tax Reform Act of 1976 amends the Internal Revenue Code of 1954 (which is the Guam territorial income tax law), and makes a number of changes in allowable deductions and credits for individual income taxpayers. This law has created additional deductions, credits, and exclusions which result in benefits to individual and business taxpayers but causes serious revenue losses to the Government of Guam. Since the economy of Guam is not as self-sufficient, strong, or resilient as the economy of the U. S., it is hardly in a position to withstand such revenue losses. Accordingly, it is believed that the tables in this report afford a basis for Guam to request financial assistance or additional grants in the nature of relief to offset the revenue losses which will flow from the Tax Reform Act.



Damage to the
Administration
Building, Gov-
ernment of Guam

GRANT PROGRAM
PROGRAM B: GOVERNMENT OPERATIONS
GOVERNMENT OF GUAM

PROJECT	BUDGET YEAR	BUDGET ESTIMATE	REMARKS
Tax Package:			
Previous Audit Report	1974-76	\$15,302,879	Federal Audit Report for 1974, 1975 and 1976.
Post Audit Report	1977-81	\$30,021,692	Estimated future Revenue losses 1977-81
TOTAL PROGRAM B		\$45,324,571	



Damage to Public Facilities

GOVERNMENT OF GUAM
INCOME TAX REVENUE LOSS DUE TO FEDERAL
INCOME TAX REVISIONS - 1974, 1975 AND 1976
SUMMARY OF AUDIT RESULTS*

	1974	1975	1976	TOTAL
Tax Rebate Payments	\$2,291,424			\$ 2,291,424
Investment Credit		488		488
Earned Income Credit		424,297		424,297
Housing Tax Credit		267,502		267,502
Personal Exemption Credit		2,014,888		2,014,888
Individual Retirement Credit		75,000		75,000
Changes to Standard Deductions and Low Income Allowance		1,218,889		1,218,889
Changes to Withholding taxes - military personnel		2,003,731	3,005,596	5,009,327
Revenue loss projected at same basis as 1975, except for withholding taxes			4,001,064	4,001,064
TOTAL	\$2,291,424	\$6,004,795	\$7,006,660	\$15,302,879

*Source: "Audit Report on the Government of Guam Income Tax Revenue Loss Due to Federal Income Tax Revisions - 1974, 1975 and 1976" by the Office of the U.S. Government Comptroller for Guam, Dept. of the Interior, July, 1976 Report No. RG76-17.

TAX REFORM ACT OF 1976

GUAM REVENUE LOSS*

	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>TOTAL</u>
I. Personal Exemption Credit	\$3,500,000	\$1,274,000	\$ 0	\$ 0	\$ 0	\$ 4,774,000
II. Standard Deductions	1,901,554	2,053,701	2,217,974	2,395,406	2,587,032	11,155,667
III. Earned Income Credit	450,000	500,000	0	0	0	950,000
IV. Child Care Tax Credit	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
V. Section 30 W/Taxes	<u>628,405</u>	<u>628,405</u>	<u>628,405</u>	<u>628,405</u>	<u>628,405</u>	<u>3,142,025</u>
TOTAL	<u>\$8,479,959</u>	<u>\$6,456,106</u>	<u>\$4,846,379</u>	<u>\$5,023,811</u>	<u>\$5,215,437</u>	<u>\$30,021,692</u>

*Source: "Estimated Revenue Losses of Guam under the Tax Reform Act of 1976, P.L. 94-455" Memorandum to the Governor of Guam from the Director of Revenue and Taxation, December 14, 1976.



Damage to
Educational
Facilities

PROGRAM B: GOVERNMENT OPERATIONS

PROJECTS

Tax Package

DESCRIPTIONS

Reimbursement to the Government of Guam for revenue losses resulting from the enactment of the Tax Reform Act of 1976. This law has created additional deductions, credits and exclusions which result in benefits to the individual and business taxpayers but causes serious revenue losses to the Government of Guam.



Commercial Damage

REHABILITATION AND ECONOMIC DEVELOPMENT PROGRAM

Guam's economy is rapidly deteriorating. The island's major revenue generator, tourism and military spending, are experiencing serious cutbacks. Stimulating growth in economic sectors while simultaneously decreasing Guam's dependency on international sources of revenue entails the implementation of two subcategories of projects. Guam's tourist industry can be bolstered by implementing projects that increase Guam's attractiveness as a tourist destination area. Secondly, projects that encourage local diversification in agriculture and import substitution can prevent the tremendous drain of local funds for imported products.



Destruction of Roads to Agriculture Areas

GRANT AND LOAN PROGRAM
PROGRAM C: REHABILITATION AND
ECONOMIC DEVELOPMENT
GOVERNMENT OF GUAM

Projects	Budget Year	Budget Estimate	A & E Fee	Remarks
Tourist-oriented recreational facility architectural and engineering specs., Phase I	1978	\$ 1,217,000	\$ 471,000	A & E Fee includes Phase II
Tourist-oriented recreational construction, Phase II	1979	7,983,000	-----	A & E Fee included in Phase I
Fumigation Plants--GIAT and Commercial Port	1978	430,000	26,000	
Agana Marina, Phase II, Agana	1978	1,650,000	86,000	
Cannery	1979	225,000	22,000	
Slaughterhouse	1979	150,000	15,000	
Fish Hatchery (shrimp)	1979	300,000	30,000	
Ugam River Dam	1979	18,850,000	720,000	
Water Transmission and Storage System	1979	3,055,000	186,000	
Agat Junior High School	1980	1,554,000	84,000	
Agat Elementary School	1979	2,615,000	141,000	
Dededo Junior High School	1979	553,000	30,000	
Paseo Development Architectural and Engineering Specs.	1978	-----	630,000	Refer to Paseo Dev. Construction
Paseo Development Construction--Agana	1979	10,554,000	-----	
Container Yard Expansion	1980	4,321,000	220,000	
Dredging, East Agana Bay	1978	4,008,000	205,000	
Cultural Center--Adelup	1978	6,828,000	350,000	
Ipao Beach Park Improvements	1980	564,990		

GRANT AND LOAN PROGRAM
PROGRAM C: REHABILITATION AND
ECONOMIC DEVELOPMENT
GOVERNMENT OF GUAM
(Continued)

Projects	Budget Year	Budget Estimate	A & E Fee	Remarks
University of Guam Kennedy Library	1979	1,416,000		
Penitentiary Architectural and Engineering Specs.	1978	----	320,000	Refer to Penitentiary Construction
Penitentiary Construction	1979	6,214,000		
Courthouse Extension	1980	489,077		
SUB-TOTAL PROGRAM C		\$72,977,067	\$3,536,000	
TOTAL PROGRAM C		\$76,513,067		



Residential
Damage

PROJECTS

DESCRIPTIONS

Tourist-Oriented Recreation
Facility (Design and
Construction)--Dededo

To make available to the tourist and local population a recreational complex which will enhance Guam's potential for attracting tourist groups from the Orient including a stadium, gymnasium, playing and practice fields, and similar athletic support facilities for visiting and local teams. Such a complex would serve as a substantial tourist magnet, would enhance Guam's most viable industry, and would increase Guam's position as a tourist destination point vitally needed in the competitive tourist market in the Orient. The 200 acre area has been designated by law in Dededo and has the necessary available support infrastructure.

The tourist-oriented recreation complex will be made up of an activity cluster, including a gymnasium, volleyball courts, handball courts, and a boxing and wrestling arena; ancillary facilities; such as parking lots, roads, landscaping, etc.; administration facilities, and aquatic facilities including a swimming pool, locker rooms, etc.

Construction will include: utility connections, paving, perimeter fencing, area lighting, landscaping, and related site improvement and earthwork.

Fumigation Plant--Guam
International Airport and
Commercial Port Areas

Project proposes to provide facilities for the disinfection of incoming foreign produce, and export of local produce.

Construct two permanent concrete fumigation plants to be located at Guam International Airport Terminal and Guam Commercial Port areas.

Construction includes utility connections and paving.

PROJECTS

Agana Marina-Phase II

DESCRIPTIONS

Proposed project will provide the required harbor facilities for the safety of boating activities on Guam. In addition, this project provides needed tourist activities, stimulates sport and commercial fishing, and creates marine-oriented employment.

Phase II of the Agana Marina will provide: new channel, launch ramp, slips, moorings, circulation conduits, and harbor master station.

Construction will include: utility connections, area lighting, paving, toilet facility, and related earthwork dredging.

Vegetable Cannery

Successful vegetable production on island has oftentimes resulted in overproduction. A vegetable cannery is necessary to process excess yields of vegetables and assist Guam's farmers in meeting the demand for locally grown products. Total cannery (excluding land) is estimated at \$247,000.

Poultry/Pig Slaughterhouse

A multi-purpose animal slaughterhouse will promote broiler and swine production on the island and increase Guam's self-sufficiency in these areas.

Fish Hatchery

Establishment of a fish hatchery will augment local fish production, increase employment and broaden the island's economic base. The building, land preparation (land excluded), equipment and initial fish supply is projected to cost \$330,000.

Ugam Dam--Talofofo

Project proposes to provide facilities for the development of fresh water resources on the island. This project will augment the inadequate water supply and will greatly encourage agriculture in the immediate vicinity.

Construction of Ugam Dam includes: earthfill dam, intake and outlet structures, reservoir, pumping station, treatment plant, water transmission lines, and irrigation distribution lines.

Construction will include: clearing/grubbing of the watershed area and paved access road.

PROJECTS

Water Transmission and Storage
System--Agat-Santa Rita

DESCRIPTIONS

Second increment of the 10-year program of water supply transmission from Ugam Dam along Route 17 to Agat-Santa Rita and at the same time making available to agriculture lands irrigation water. This project is an inducement to the farm oriented citizenry to make available fruit products for tourist consumption.

Construct water transmission and storage facility to include:

- a. Main water distribution line.
- b. Storage tank.
- c. Booster pump station.
- d. Electrical substation and distribution.
- e. Sanitary sewerline.
- f. Parking.
- g. Site preparation and improvement.



Flooding of Public Roads

PROJECTS

Agat Jr. High School
Agat Elementary School
Dededo Jr. High School

Paseo Development--Agana

Container Yard Expansion

DESCRIPTIONS

To improve the physical condition of these schools damaged by the May Typhoon. Improvements will emphasize typhoon-resistant structures primarily for education purposes but alternatively as disaster shelters.

Project proposes to make available to the tourist and local population facilities for education and entertainment; display and exhibition of special items which highlight Guam's historical and cultural heritage; public market for the sale of local craft items and produce on a continuing basis. In addition, the proposed construction will provide parking spaces and other related facilities needed to enhance Guam's potential for attracting the tourist trade.

Paseo Development Construction provides a permanent two-story concrete public market building and one-story permanent concrete band stand/stage.

Construction includes: precast concrete piles for special foundation, utility connections, paving, area lighting, mall, courtyard and landscaping of Paseo de Susanna park.

The Commercial Port needs to expand the container yard in order to increase Guam's transshipment industry. Proposed project will provide expansion of the present facilities which will generate additional yearly revenue for the port.

Upgrading of the container yard will include provision of: additional paved container yard, control tower, gantry crane, straddle hoist, and yard tractors.

Construction includes: relocation of utilities and road, drainage structures, fencing and related earthwork.

PROJECTS

Dredging--East Agana Bay

DESCRIPTIONS

To make available to the tourist and local population a man-made scenic and picturesque beach offering facilities for swimming, wading, sunbathing, and picnicking.

Scope of work includes:

- a. Man-made islands.
- b. Walkways and interconnected foot bridges.
- c. Public sheds and toilet facilities.
- d. Area lighting.
- e. Dredging of the swimming/wading area.

Cultural Center

Project proposes to make available to the tourist and local population, a cultural complex which will enhance Guam's potential for attracting the tourist trade, as well as providing facilities for the local population.

Construct one-story permanent reinforced concrete buildings for the Chamorro Cultural Center to include a public Library; Museum; Marianas Area Research Center and Spanish-Chamorro Cultural Institute; Territorial Archives, and an Auditorium.

Construction includes: utility connections, paving, and site improvements.

Ipao Beach Park Improvement

To provide for construction activities aimed at improving and providing facilities within the Ipao Beach Park compound for use of the citizenry and tourist and other visitors.

Construction includes:

1. Paved parking for 60 autos/6 buses
2. Administrative structure (restrooms, Office space and storage)
3. Restroom structure
4. Utilities (power/water/telephone)
5. Sewage system
6. 10' service road
7. Shelters at beach areas
8. Miscellaneous minor scope of services
9. Landscaping/drainage
10. Demolition of existing toilet facility.

PROJECTS

University of Guam R.F.
Kennedy Library

DESCRIPTIONS

The Robert F. Kennedy Library of the University of Guam was designed in 1964 to serve a projected fulltime enrollment of 2,000 that was expected by 1972. Reduction in funds and increasing construction costs resulted in the loss of 6,145 square feet of reading room and stack space even before the building was completed in 1968. When 1972 arrived, UOG had 2,487 full time equivalent students on campus. By the Fall of 1975, this had climbed to 2,832. A Library with a gross square footage of only 21,054 square feet is clearly inadequate to serve such a student body. Moreover, a breakdown of the student body shows that full time students outnumber part-timers by over 2 to 1, making the need for adequate Library facilities even more pressing. It is no surprise that the 1974 Accreditation Team from the Western Association for Schools and Colleges strongly recommended that the University consider Library expansion one of its top priorities. The project includes a two-story reinforced concrete east addition approximately 5,500 square feet; a one-story reinforced concrete west addition approximately 2,190 square feet and concrete block enclosure on the south side approximately 650 square feet with a total gross floor area of approximately 8,365 square feet and a usable area of approximately 6,936 square feet, plus utilities, and access road and parking area.

Penitentiary

Proposed project will replace and expand existing inadequate and substandard structures in one permanent facility, to be sited away from populated areas.

Construction includes:

- a. Two-story permanent concrete main penitentiary building.
- b. One-story permanent concrete chapel.
- c. Reinforced concrete guard towers.
- d. Electrical substation and service.
- e. Area lighting, communication, and alarm systems.
- f. Water and sewer lines.
- g. Security perimeter road and fencing.
- h. Access road and parking.
- i. Site preparation and improvements.

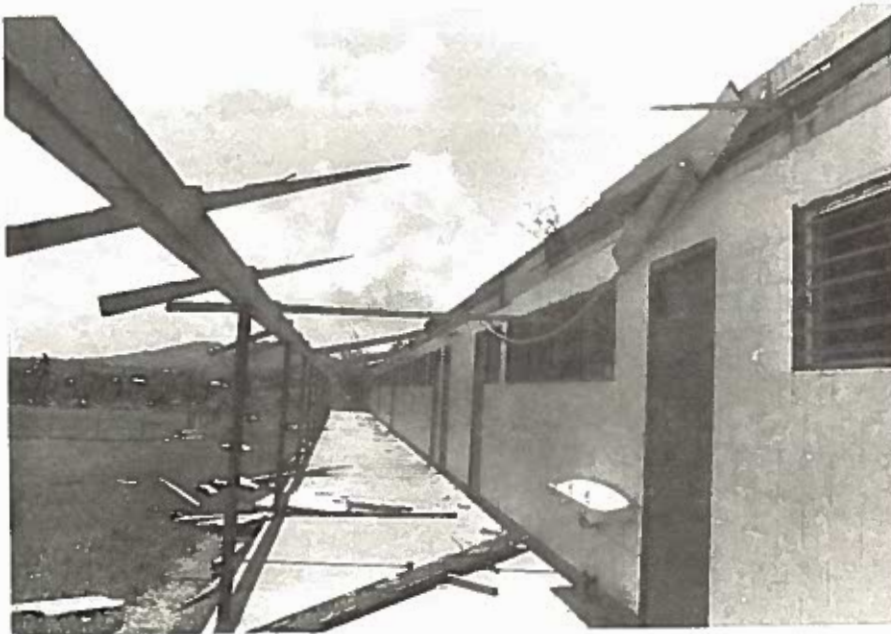
PROJECTS

Courthouse Extension

DESCRIPTIONS

The increased population with the resultant increase in court proceedings require expansion of existing Courts of Guam facilities.

The project will include a one-story expansion on the NE side of the existing building. This 4,620 square feet shall house two new courtrooms, two judges' chambers, court administrator and his staff, traffic court administrator and staff, file room, toilets and lobby. Construction is concrete masonry units with concrete floor and roof slabs.



Damage to Educational Facilities

COMMUNITY DEVELOPMENT PROGRAM

The condition of Guam's economy has had serious impacts on the local housing inventory. Today, more than half of the island's homes are substandard. Approximately 60% of the households will not be able to purchase or construct decent homes and will be forced into substandard living quarters. There is a definite need for an extensive urban development program that encompasses upgrading homes to standard conditions, particularly in providing housing opportunities for the elderly and low income households. To encourage the development of viable communities, supportive facilities and services must also be provided.



Residential Damage

GRANT AND LOAN PROGRAM
PROGRAM D: COMMUNITY DEVELOPMENT
GOVERNMENT OF GUAM

Project	Budget Year	Budget Estimate	A & E Fee	Remarks
Agana	1978	\$47,382,000		
Asan	1978	6,053,653		
Piti	1978	5,126,125		
Low Rent Public Housing	1978-80	11,250,000		
Elderly Housing	1978-80	4,500,000		
Section 8 Existing Housing Program	1978-80	3,200,000		Annual Contribution Contract
Fractional Lot Acquisition - Agana	1978	5,224,000		A & E Fee not required.
TOTAL PROGRAM D		\$82,735,778		



Destruction of
Island Homes

PROGRAM D: COMMUNITY DEVELOPMENT

PROJECTS

Island-Wide Community
Development Program
for the villages of:

1. Agana
2. Asan
3. Piti

DESCRIPTIONS

To undertake an on-going, island-wide program for the villages under the Housing and Community Development Act of 1974, a community and neighborhood development project on a priority basis in order to eradicate the existence of substandard lots; to plan for the best use of existing land; and to provide for much needed parks, playgrounds, and other public facilities.

To provide to all the villages throughout the territory, public facilities that are non-existing; improve those facilities already available; eliminate existing septic tanks, out-houses and cesspools hazardous to the health of the people, and to plan for present and future expansions of rights-of-way; to provide adequate, decent, safe and sanitary housing units; bring rehabilitable structures up to code standards; and encourage an island-wide maintenance and beautification program sponsored by both the government and private organizations.

Low Rent Public Housing

To construct 375 housing units for large and very large low income families and to provide them at below market rental rates.

Elderly Housing

To construct 150 elderly housing units.

Section 8 Existing
Housing Program

To utilize 900 privately owned units to house low income families under the Department of Housing and Urban Development's Rental Subsidy Program.

Fractional Lot Acquisition--
Agana

To supplement exhausted funds under the Rehabilitation Act to acquire fractional lots in Agana created by the replotting of Agana after World War II by the Navy. Lots are of substandard size and undevelopable. Condemnation of such lots and resale will result in useful land for development, and make available land needed for government buildings, park and recreation facilities.

Lot Acquisition in Agana includes:

- a. Outright purchase of fractional lots.
- b. Relocate homeowners.
- c. Demolish temporary structures.
- d. Re-parcel lots to standard sizes.

CONCLUSIONS

A joint Federal and local commitment towards the implementation of the described projects will guarantee achievement of the island's development objectives. Community and economic growth will be stimulated and a new and continuing era of prosperity will be established. Admittedly, rebuilding Guam's economy is a monumental task. It is only through the cooperative efforts of the Carter Administration and the People of Guam can the Territory finally realize its potential as the United States' showcase in the Western Pacific.



Destruction of Roads
in Low-Lying Areas

SUMMARY OF FEDERAL FUND REQUIREMENTS
GOVERNMENT OF GUAM

PROGRAM/PROJECT/YEAR	ESTIMATED COST
Program A: POST TYPHOON PAMELA UPGRADE AND RESTORATION (GRANTS)	
1. Water Facilities FY-78	\$ 833,305
2. Educational Facilities FY-78	2,800,000
3. Educational Facilities FY-79	6,095,266
4. Water Delivery System FY-79	7,463,000
5. Sewer System FY-78	13,824,000
6. Sewer System FY-80	1,069,060
7. Flood Control FY-78	1,835,000
8. Erosion Control FY-79	313,102
9. Transportation Facilities FY-78	8,600,000
10. Transportation Facilities FY-79	8,052,000
11. Transportation Facilities FY-80	1,498,420
12. Disaster Relocation FY-79	7,570,000
13. Hospital Facility FY-78	25,000,000
TOTAL PROGRAM A	\$84,953,153

SUMMARY OF FEDERAL FUND REQUIREMENTS
GOVERNMENT OF GUAM
(Continued)

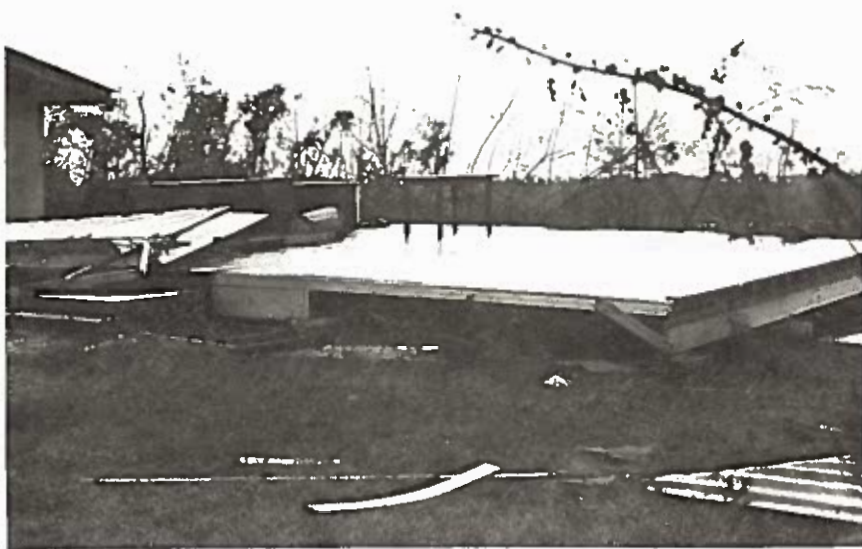
PROGRAM/PROJECT/YEAR	ESTIMATED COST
Program B: GOVERNMENT OPERATIONS (GRANTS)	
1. Tax Package FY-74-76	\$ 15,302,879
2. Tax Package FY-77-81	30,021,692
TOTAL PROGRAM B	\$ 45,324,571
Program C: REHABILITATION AND ECONOMIC DEVELOPMENT (GRANTS AND LOANS)	
1. Tourist Facilities FY-78	\$ 15,445,000
2. Tourist Facilities FY-79	18,537,000
3. Tourist Facilities FY-80	564,990
4. Agricultural Development FY-79	23,553,000
5. Industrial Development FY-78	456,000
6. Transportation FY-80	4,541,000
7. Educational Facilities FY-79	4,755,000
8. Educational Facilities FY-80	1,638,000
9. Public Buildings FY-78	320,000
10. Public Buildings FY-79	6,214,000
11. Public Buildings FY-80	489,077
TOTAL PROGRAM C	\$ 76,513,067
Program D: COMMUNITY DEVELOPMENT (GRANTS AND LOANS)	
1. Urban Redevelopment FY-78	\$ 63,785,778
2. Urban Redevelopment FY-78-80	18,950,000
TOTAL PROGRAM D	\$ 82,735,778
TOTAL FEDERAL FUNDS, REQUIRED FOR PROGRAMS A, B, C, AND D	\$289,526,569

Pictorial: Typhoon Pamela Damages



Destruction of
Classrooms,
Truman Elementary

Destruction of
Classrooms,
Torres Elementary



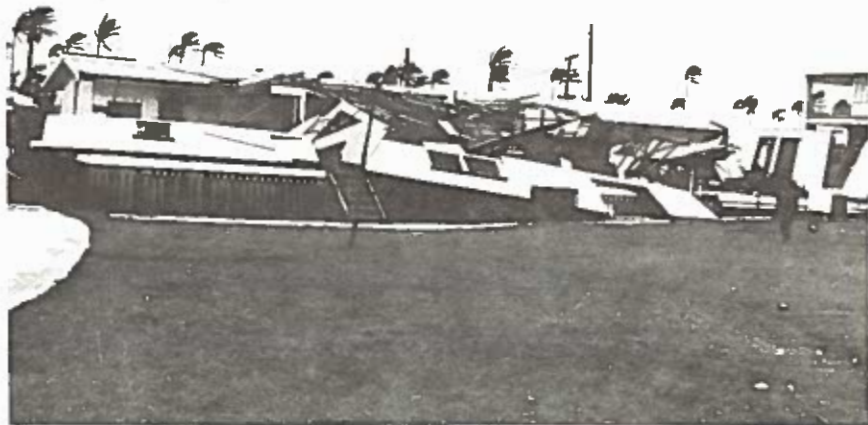
Destruction of
Classrooms,
Agat Elementary

Pictorial: Typhoon Pamela Damages



Damage to Public
Works Facilities

Damage to Inarajan
Community Center



Destruction of Roads
in Low-Lying Areas,
Route 4