

On My Mind
12/12/08

A hearing was held earlier this week by a joint session of the House Committee on Natural Resources and the Senate Committee on Resources, Economic Development and Programs to get public input on a proposed lease of some 109,000 square meters of public land situated in Marpi, north of the former Nikko Hotel and south of the Marianas Resort, to Korean investors for development as a hotel, water park, convention center and yacht basin.

Chairman of the House Committee Ramon A. Tebuteb began the hearing by asking for public comments. It caught attendees, and there were a goodly number of them, off-guard, since ordinarily, so far as I recall, such hearings begin with an opening presentation by the investors. At the San Roque school on Wednesday of this past week, this did not occur. When I asked for an opening statement, some explanation, it was, inappropriately enough, the Secretary of Public Lands, rather than any member of the investor party, who got up to do so.

A primary concern voiced by attendees was the impact of the proposed development on Pau Pau Beach Park. It would appear the development boundary is north of the park, but no one, neither Public Lands Secretary John S. Del Rosario nor any member of the investor group present, could state that with absolute certainty.

Attendees raised questions about provisions for water, sewer, power and were told that these do not fall under the control of the legislature, but under the Coastal Resource Management Office. They were also told that questions of parking and set-backs did not fall under the legislature either, but under the Zoning office - the panel was only concerned with the lease and its terms. Hearings by the other agencies are expected to follow, Tebuteb said.

Water seemed a particular sore subject, with one attendee asking how water could be supplied to the hotel, while surrounding villages still get only one hour of water a day.

Also questioned was the ability of the investors to finance the construction, given the current dollar-won ratio and the state of the general economy.

Given the current low occupancy rate at local hotels - and the empty Plumeria Hotel sitting near by, I asked why a new hotel was needed to begin with. I also noted that the even more fundamental question was whether, at this point, leasing this parcel of public land - of which the CNMI has very little left - for hotel development is the most appropriate, most beneficial use that can be made of the land in question.

The prospectus, if it can be called that, makes mention of a "convention center," but in fact the center is only a large auditorium capable of holding 400-500 people. If a real convention center were contemplated - one that also provided rooms for committee meetings, open areas for vendor displays, adequate parking, and an auditorium capable of accommodating the annual meeting of some professional group or other from Japan, for example, it might make sense to build the convention center first, and if it brings in enough business, go ahead and build the rest of the development, but as it stands, the

development just doesn't make a lot of sense right now.

A second hearing was held at the Multi-Purpose Center the following evening. The red Pierre Cardin boxes containing a red towel were far less in evidence than on the previous night, where there was one at every seat. This time a representative of the investors did make a presentation, not that it was very intelligible.

Nor was it very clear exactly how much the investors would be paying for the land lease. One figure, on the voluminous hand-out, had hand-written figures that showed between four and eight cents per square meter! And while I was told that the income the hotel was expected to generate - and consequent Business Gross Revenue and other income that would come to the CNMI - would make the land lease rental inconsequential, that revenue will only exist if the hotel is completed, and maximally occupied - something that cannot be guaranteed. In the meantime, pennies per square meter does not seem an acceptable rental, particularly when the appraised value indicated it should be about \$24 per square meter.

The investors' brochure for their Flame SAKO Resort and Spa deserves separate mention. No one will deny that English is a difficult language, and it must seem especially so for those whose own language is not even written using the same characters. But there really is no excuse for investors seeking support for their project from both government agencies and the public to put out a product that is so poorly translated that it fails to make any sense at all.

All the right words are there, but not in the right sequence. Best example: "Wonderment in bosom inside perfect paradise outspread" which is the statement on the front of their brochure. Then there's the diagram, showing by numbers what is located where, which has the parting [sic] lot out in the middle of the lagoon.

It should not be all that difficult to find someone who could have translated whatever the intention was into something everyone could understand. And it needn't cost that much - I am sure there are students at Northern Marianas College who might even have done it for free.

It just doesn't inspire a lot of confidence, doesn't generate a lot of respect.

With calls for that "P" word getting louder and more frequent, will things change? One indicator will emerge this evening, as the Public Utilities Commission conducts a hearing in the Senate Chamber at 6:00 p.m. on CUC rates together with input from the Georgetown Consulting Group on the status of CUC as a whole. The GCG report includes a "contract review protocol" for CUC which, **if accepted and implemented**, would be a critical first step in getting matters there under control. Without reliable power, there's not much point worrying about anything else.

Former Justice Jose dela Cruz, Roger Ludwick, Tony Pellegrino, among others, are

calling for plans to deal with the economy. Ludwick asks who will do the planning. But perhaps more important, what happens once the plans are made? Who will implement them? How? Can the private sector do that too? Particularly since there's already a Strategic Economic Development Committee in existence, wouldn't it be better to join forces with it, instead of trying to re-invent the wheel yet again? The SEDC has been kind of proprietary about its doings. Maybe just opening it up would help move things along. Or at least provide a departure point from which to proceed.

Good planning takes time. The CNMI does not have a lot of time. Its economy is failing now. It might be better, in the short term, if interested parties tried to work with the SEDC to come up with some meaningful immediate actions, to get the CNMI back on the road to recovery, and then turn to some more long range planning. SEDC contact points: Marian Aldan-Pierce, Bob Jones of Triple-J.

Short takes:

I plead guilty of doing the exact same thing I've criticized others of doing - ignoring CNMI's Constitution Day. It was this past Monday, and went by unmarked by anything other than a day off for government workers, and it finally dawned on me that no other place I can think of observes the signing anniversary of its founding document either. But if it's not worth commemorating, does it really merit a day off?

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Bill Stewart sure paints a scary picture in his column in Thursday's *Saipan Tribune*. If Retirement Funds run out in three years, what will happen to everyone's health and life insurance? Right now, the fees are deducted from the retirement check. But if there's no more retirement check, then what? Will the stock market revive soon enough to give the Retirement Fund more time? There's no point in waiting for the many government agencies to pay their share.....

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For a first-hand account of what open-heart surgery involves, go to <
<http://saipanscubablogspot.com/2008/08/most-frightening-of-words.html>>, and click on the story down on the right-hand side of the page. It's pretty compelling.

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Only one social event this week-end that I know of: The Friends of the Arts's production of *It's Beginning To Look A Lot Like Christmas* at the Multi-Purpose Center tonight at 7:00 p.m., Saturday at 3:00 p.m. and 7:00 p.m., and Sunday at 3:00 p.m. Admission: \$10 for members, \$12 for non-members, \$5 for students, except Sunday, when entry fee is goods or cash to be donated to Guma Esperanza.