

Office of the Governor
Department of Public Lands



CITIZEN-CENTRIC REPORT
Fiscal Year 2020

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2. OUR PROGRESS
3. OUR FINANCES
4. MOVING FORWARD

About DPL

Marianne
 Concepcion-Teregyo
DPL SECRETARY



The mission of the Department of Public Lands, as trustees for public lands in the Commonwealth, is to provide for the efficient and effective services in the management, use, disposition and development of public lands for the economic and social betterment of individuals of Northern Marianas Descent and to implement the strategic Land Use Plan to promote cultural and economic growth for the benefit of our present and future generations.



- ACCOUNTING DIVISION
- ADMINISTRATIVE DIVISION
- COMPLIANCE DIVISION
- HOMESTEAD DIVISION
- LAND CLAIMS DIVISION
- PLANNING DIVISION
- REAL ESTATE DIVISION
- ROTA DISTRICT OFFICE
- TINIAN DISTRICT OFFICE

CNMI Public Law 15-2 was signed into law in 2006 to create the Department of Public Lands under the Executive Branch. The enactment of DPL transferred the obligations and responsibilities of the former Marianas Public Land Corporation which was established in 1979 under Article XI of the Northern Mariana Islands Constitution.

DPL's overall responsibilities include our ongoing programs such as a homesteading, the commercial leasing and permitting of idle public lands, the settling of land claims and designating of public land parcels to other government agencies for the fulfillment of public purpose. Additional revenue is remitted to the Marianas Public Land Trust to continue to benefit the CNMI. The Department of Public Lands is comprised of the following divisions and district offices:

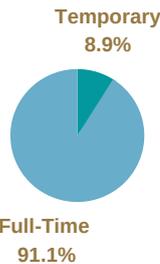
The Public Lands Advisory Board is also a product of PL 15-2 as amended whose members meet with DPL every month to discuss important land matters and provide input on behalf of the islands and the people of Northern Marianas Descent. Each member is of Northern Marianas Descent, and represents each island senatorial district that include the islands of Rota, Tinian, Saipan and the Northern Islands and one member is appointed by the Governor.



Staff Demographics

35 FEMALES

75 MALES



DPL hired 11 temporary staff to assist with the maintenance and upkeep of unleased properties in Marpi, Saipan.

40 DLNR Division of Parks and Recreation staff was detailed to DPL

This move helped continue the parks and recreation program and ensured that public lands to include beach sites, community basketball courts, and tourist sites remain maintained

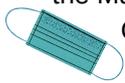


Our Progress

The Department of Public Lands staff take pride in ensuring the fulfillment of our constitutional mandate to the CNMI. Although the COVID-19 pandemic has had a large-scale impact on department operations this year, DPL has continued to work on leases and permits while implementing safety procedures and providing and requiring face masks and disinfection stations so our employees can work safely.

COVID-19 Efforts

With the assistance of the Governor's Office, the COVID-19 taskforce, Homeland Security, EMO, OGM, DPW, and other departments and agencies, DPL has been able to convert and maintain the former Marianas Resort property, referred to as the Marpi Properties, into an active COVID-19 quarantine site for incoming passengers.



Over **2,500** personnel hours were invested to prep the facility

Throughout the shutdown, DPL continued to work with clients via email, telephone, and video conferencing to resolve land matters and continue negotiations with interested investors.

DPL continues to follow pandemic safety measures for the Saipan, Tinian, and Rota offices including

- Reconfiguring office work stations
- Using masks & social distancing
- Daily temperature checks
- Installing plexiglass for front desks

Leases & Public Benefits

2020 Lease Agreements

- 1- year lease extension- **GSA Koblerville**
- 15 - year lease extension- **Ken Coward**
- 25-year lease- **West Lake Motors**
- 40-year lease- **Fiesta Resort and Spa**



= **77 Active Leases**

NMD Scholarships

\$4,850 in scholarships were secured for students of Northern Marianas Descent annually for a minimum of 15 years through public benefits from public land lessees. Public benefits are now required for all impending leases and this scholarship amount will grow as DPL continues to focus on public benefits that directly assist our NMDs.

DPL reduced the percentage of Fair Market Value (FMV) for matured leases from "5%" to "up to 3%" to account for the necessity of capital improvements needed for structures 40 years or older and to account that the fee simple appraisal on raw land with improvements. See regulation here:



DPL closed the Request for Proposal bids for the former Marianas Resort properties on October 16, 2020 and received **6** proposals for review.

Homesteads & Permits



Saipan Village Homestead applicants decreased from

3,182 in 2016

to

2,148 in 2020



43 Quitclaim Deeds were awarded to qualified homesteaders, **Tinian** (38) **Saipan** (8)



A Saipan Village Homestead lottery is scheduled for **November 2020**

The Saipan **Agricultural Grazing Permit** moratorium will be lifted **November 2020**.

Land Designations

Directive 7 was created on May 15, 2020 to prioritize a monthly status review of all pending lots that have not been issued, determine any possible encroachments or misuse of public lands, and identify potential uses under the DPL Land Use Plan.

Over **200** additional plots have been identified and will be offered by the end of the year for subsistence farming.

Granted **12** Designations of Public Domain in 2020 such as:

- Marpi Fire station
- Tinian Children's Park
- Tanapag Youth Center
- Tinian Municipal Office Building
- As Rosalia Agricultural Substation
- Northern Marianas Trades Institute
- Institution of Traditional Learning Facility
- Procurement and Supply Administrative Office
- Develop the Fernando M. Benavente Memorial
- Install Street lights in Tweeksberry and Liyo, Rota to help control the spread of the Coconut Rhino Beetle population



Land Compensation

\$405,586.00 was issued in certifications for land compensation payments to land compensation claimants whom have executed and completed land exchange documents.

\$270,900.00 in partial payments

\$134,686.00 in full payment



Department of Public Lands
CCR 2020



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Our Finances

Revenue

| Fiscal Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Annual Budget | \$ 3,632,187.00 | \$ 5,184,376.00 | \$ 4,854,044.00 | \$ 4,550,453.00 | \$ 4,103,864.58 |
| Total Revenue | \$ 7,170,984.00 | \$ 8,007,437.00 | \$ 7,787,100.00 | \$ 6,702,776.96 | \$ 5,392,254.45 |

SOURCES OF REVENUE

| | |
|--------------------|-----------------|
| Long-term Leases | \$ 2,132,412.43 |
| Est. Revenue BGRTs | \$ 1,201,926.30 |
| Royalties | \$ 224,904.13 |
| Temporary Permits | \$ 376,832.90 |
| Commercial Permits | \$ 5,140.72 |
| AGPs | \$ 16,881.74 |
| Submerged Land | \$ 60,000.00 |

| | |
|----------------------|-----------------|
| Revenue Collections | \$ 4,018,098.22 |
| Non-A.R. Collections | \$ 1,374,156.23 |

Total Revenue \$5,392,254.45



REVENUE FORECASTED V. ACTUAL



Each year, DPL's actual revenue continues to surpass its forecasted revenue predicted in the annual budget. Since the beginning of the Torres Administration in 2016, revenue has increased, however the downward trend in revenue after 2018 is a result of the Commonwealth-wide recovery from Super Typhoon Yutu in 2019 and the COVID-19 global pandemic of 2020.

The Department's conservative effort to limit expenses and focus on collections continue to take effect.

Expenses

| Payroll | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Payroll | \$ 1,896,048.00 | \$ 2,263,712.00 | \$ 2,519,327.00 | \$ 2,498,532.53 | \$ 2,768,426.60 |

| Operating Expenses | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Accounts Payable Expenses | \$ 587,891.00 | \$ 1,044,522.00 | \$ 1,119,152.00 | \$ 1,108,972.49 | \$ 978,836.63 |
| Homestead Development | * | * | \$ 602,871.00 | \$ 180,532.89 | \$ 116,476.86 |
| Travel | \$ 79,897.00 | \$ 108,958.00 | \$ 191,582.00 | \$ 173,589.88 | \$ 45,496.24 |
| Total Operating Expenses | \$ 667,788.00 | \$ 1,153,480.00 | \$ 1,913,605.00 | \$ 1,463,095.26 | \$ 1,140,809.73 |

* In 2016 and 2017, DPL Planning Division used their previously allocated funds for the homestead development on the different islands for expenses such as surveying, transportation and equipment that were already allocated elsewhere in the budget. Homestead Development costs usually consist of contracting outside design services.

Travel- Since March 2019 and through the whole year of 2019, the DPL Planning Division staff took weekly trips between Saipan and Tinian to survey land for 100 Agricultural Homestead lots with a crew of approximately 6 surveyors per trip. Surveyors also traveled to Rota in early 2019 to begin surveying the Finafa area.

| | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Expenses (Payroll + Operating Expenses) | \$ 2,563,836.00 | \$ 3,417,192.00 | \$ 4,432,932.00 | \$ 3,961,627.79 | \$ 3,909,236.33 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|

The Office of Insular Affairs awarded DPL a **\$220,652** Maintenance Assistance Program Grant for the **Managaha Safety Railing Project** to install railing and signage on the Managaha pier.

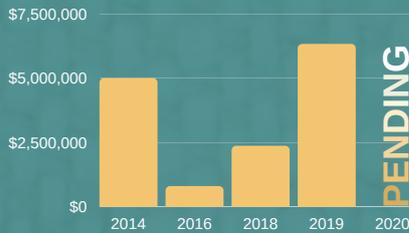
DPL successfully received an unqualified audit from Deloitte and Touché for the

4th consecutive year!

DPL commissions an audit after the end of every fiscal year and it is a testament to DPL's hard work and fiscal responsibility to be unqualified once again for FY 2019 with no major auditing citations.

REMITTANCE TO MPLT

DPL has a constitutional obligation to remit all remaining revenue after necessary expenses to the Marianas Public Land Trust.



DPL remitted \$5,000,000 in 2014 as an advance payment to future net of operations covering 2015's remittance and requiring a reduced payment of \$800,334.16 in 2016. In 2018, \$2,367,513.00 was remitted for fiscal years 2016 and 2017 post-financial audit. In 2019, DPL remitted \$6,327,685.23. With the completion of the FY 2019 audit, EOY collections will be adjusted to remit to MPLT before the end of 2020.



Five of DPL's Finance Division staff attended the 31st Annual Association of Pacific Islands Public Auditors (APIPA) Conference organized by Graduate School USA. This year's conference was hosted by the CNMI from August 3rd to August 14th, but due to the COVID-19 pandemic, it was hosted as a virtual conference.

The Finance Division also successfully completed the full implementation of the **SAGE 50** accounting software.

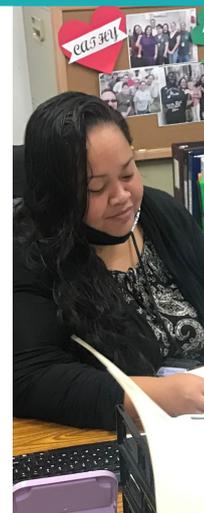
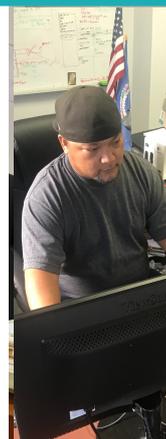


Moving Forward

We want to hear from you!

Let us know if you have any questions about our report and if you have any suggestions to improve our CCR for next year.

Please contact us at dpl@dpl.gov.mp
or at (670) 234-3751/52/53/54.



CHALLENGES:



INFRASTRUCTURE

Working with the legislature and finding alternative funding sources for infrastructure throughout the islands so homesteaders can complete homestead requirements.



COVID-19

Adjusting day-to-day operations for the safety of DPL staff and clientele amidst the COVID-19 pandemic.



HIRING

Addressing unfilled vacancies due to austerity and COVID-19. There are currently 13 FTE vacancies and 6 temporary vacancies.



COLLECTIONS

Collecting rent, BGR and interest from lessees, permittees, and clientele also affected by the economic impact of COVID-19.



TRAINING

Limiting in-person and department-wide training opportunities this year to socially distant internal trainings and virtual conferences.



GOALS for 2021:

CONDUCT A HOMESTEAD LOTTERY ON SAIPAN, TINIAN & ROTA

BEGIN THE A.H. PROGRAM FOR THE NORTHERN ISLANDS

NEGOTIATE FOR THE BEST AND HIGHEST USE OF PUBLIC LANDS

WORK WITH LESSEES, PERMITEES & HOMESTEADERS TO IMPROVE DPL REGULATIONS

FIND PERMANENT LOCATION FOR DPL OFFICE SPACE

COMPLETE MANAGAHA SAFETY RAILING PROJECT

ENSURE ALL PERMITTING FILES ARE UPDATED

SECURE MORE PUBLIC BENEFITS FOR NORTHERN MARIANAS DESCENT



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