

Office of the Governor
 Department of Public Lands
CITIZEN-CENTRIC REPORT
 Fiscal Year 2019



About DPL

Who We Are

In 2006, Public Law 15-2 was signed into law which created 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 IX of the Northern Mariana Islands Constitution.

The Department of 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.

DPL's overall responsibilities include 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:

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

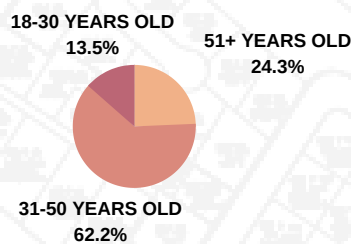
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DPL Secretary
Marianne Concepcion-Teregyo



Staff Demographics



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.



Our Progress

Main Achievements

- DPL amended its regulation for lease projects that will need longer than two years of construction time to now stipulate the condition that the project's capital investment must be no less than \$36 million, set a cap of \$4 million in base rent, \$5 million in additional rent and must have a Public Benefit for the CNMI. New lease agreements have infused thousands of dollars worth of public benefits including homestead infrastructure improvements, educational scholarships, job training and opportunities, discounts for hotel services and facilities, public park playground equipment, and discounts in stores and restaurants. This regulation ensures the financial buffer for the lessee and increases public welfare well before the completion of the project.
- To ensure better communication with the Marianas Public Land Trust, DPL hosted meetings with MPLT to include two joint meetings between DPL's Advisory Board and MPLT Trustees, a first of its kind.
- DPL hosted its Third Annual Professional Development Day for all DPL employees from all divisions and district offices on August 23, 2019.
- DPL has completed the digitization of village maps for Saipan, Tinian and Rota to easily access land lots and lot numbers. The village maps for these islands can be found online at www.dpl.gov.mp/village-maps/.
- From 2017 until now, DPL Land Claims Division has successfully paid out over \$1.5 million in land compensation to land owners and heirs of land owners whose lands were acquired to serve a public purpose like roadways, pond basins or wetlands, with the assistance of Governor Ralph Torres's Administration, the CNMI Legislature, the Department of Public Works and the Department of Finance.
- The Department underwent an unqualified audit for FY 2018. DPL commissions an audit after the end of every fiscal year and it's a testament to DPL's hard work to be unqualified with no major auditing citations.



Directive 5

Directive 5 was implemented in 2017 by Secretary Concepcion-Teregeyo to address delinquent accounts of companies and individuals that date back to the 1980's. In 2015, the accumulated debt to DPL reached \$12,400,000.00. The Directive 5 created a single master list of all overdue leases and permits including the status of inspection reports and account updates. They then implemented a more aggressive billing strategy in March of 2018 and hold monthly meetings to discuss the progress and necessary actions to be taken. To date, DPL has billed over one million in delinquent leases and permit charges and has collected half a million through this directive alone.



DPL Land Use Plan

A significant accomplishment was the adoption of the Land Use Plan on March 2019. The plan is a guide for public land management and disposition that will be updated every five years. The first Land Use Plan was adopted in 1989 and upon creation of DPL in 2006, PL 15-2 mandated that DPL adopt a Land Use Plan. The plan has a wealth of information including forecasting trends for future village and agricultural homestead needs and potential reserved sites, existing infrastructure areas and future needs which are necessary in the consideration and planning of capital improvements. The DPL Land Use Plan is now available at <https://www.dpl.gov.mp/land-use-plan-resources/>.



\$1,503,955.00 was collected in tourist and non-resident landing fees for the island of Managaha in FY 2019.



The Annual Grazing Price was lowered to \$150 at \$10 per hectare and the limit of public land for cattle grazing was expanded from 5 hectares to 25 hectares per household.



Many new land lots were established for agricultural homesteads. There are 44 lots in Pagan, approximately 298 lots in Rota and 144 lots in Tinian available.



Regular annual inspections were completed for public land leases and temporary occupancy agreements to ensure compliance with respective agreements and renewal purposes.



A homestead lottery was hosted this year for Kagman III, Saipan and 20 village homestead lots were awarded. A second lottery will occur before the end of 2019.



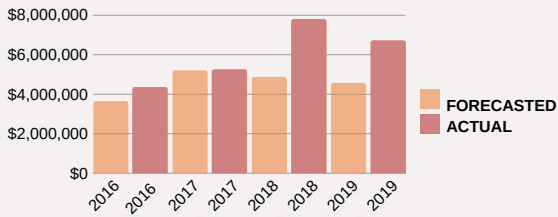
Revenues and Expenses

Revenues

Fiscal Year	2014	2015	2016	2017	2018	2019
Annual Budget	5,260,796.00	3,399,774.00	3,632,187.00	5,184,376.00	4,854,044.00	4,550,453.00

Revenue	2014	2015	2016	2017	2018	2019
Total Revenue	4,027,168.00	5,485,204.00	7,170,984.00	8,007,437.00	7,787,100.00	6,702,776.96

REVENUE
FORECASTED V. ACTUAL



Each year, DPL's actual revenue continues to surpass its forecasted revenue predicted in the annual budget. Since 2016, revenue has increased and in 2019, factors such as the expenses of creating the Land Use Plan, the large remittance to MPLT and other general operating expenses contributed to the revenue decrease which are particular to this year.

SOURCES OF REVENUE

Long-term Leases	\$2,384,023.97
Estimated Revenue BGRTs	\$1,771,142.60
Royalties	\$211,039.33
Temporary Permits	\$405,755.70
Commercial Permits	\$7,323.43
AGPs	\$7,516.80
Submerged Land	\$15,000.00
Other Revenues	\$1,545,873.38

Total collections	\$6,347,675.21
Interest Income	\$355,101.75

Total Revenue \$6,702,776.96

LEASES AND TEMPORARY OCCUPANCY AGREEMENTS

Renewed Leases

13.5%

New TOAs
28.8%



New Leases
3.8%

Renewed TOAs
53.8%

A portion of DPL's profits are contributed by Lease Agreements and Temporary Occupancy Agreements (TOAs) under the Real Estate Division. In FY 2019, there were 15 new TOAs, 28 TOA renewals, 2 new leases and 7 lease renewals.

Expenses

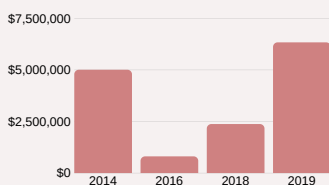
Payroll	2014	2015	2016	2017	2018	2019
Total Payroll	1,835,934.00	1,822,812.00	1,896,048.00	2,263,712.00	2,519,327.00	2,498,532.53

Accounts Payable Expenses	2014	2015	2016	2017	2018	2019
Accounts Payable Expenses	506,071.00	501,255.00	587,891.00	1,044,522.00	1,119,152.00	1,108,972.49
Homestead Development	579,908.00	584,508.00	*	*	602,871.00	180,532.89
Travel	65,067.00	54,037.00	79,897.00	108,958.00	191,582.00	173,589.88
Total Other OP Expense	1,151,046.00	1,139,800.00	667,788.00	1,153,480.00	1,913,605.00	1,463,095.26

Total Expenses Payroll + Accounts Payable	2,986,980.00	2,962,612.00	2,563,836.00	3,417,192.00	4,432,932.00	3,961,627.79
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*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.

REMITTANCE TO MPLT



DPL continues to satisfy its constitutional obligation by remitting money 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 and in 2019, DPL remitted \$6,327,685.23.

The Department of Public Lands continues to optimize our budget and collection strategies as part of our fiduciary duty to the CNMI. The Department collected \$4,550,453.00 for Fiscal Year 2019 and collected \$6,702,776.96 in revenue. This fiscal year, DPL remitted \$6,327,685.23 to MPLT which is the most the Department has ever remitted in one year and from 2016 to the present, DPL has remitted 58% of all money remitted to MPLT since its creation in 2006.

**\$6.7
million**



Moving Forward

Challenges:

Since the internal audit from FY 2018, DPL has been making an effort to:
Improve interdepartmental communication
Increase response to requests and data acquisitions in a timely manner
Establish and Implement an updated Data Tracking System

Returning to work-as-usual after the Devastation of Typhoon Yutu created a push back with the Department's daily pursuits with the different areas of public land damaged by the typhoon and allowing staff to assist with FEMA efforts. DPL has sent letters to insurance companies that have public land leases requiring that insurance claims on typhoon damages go towards renovation costs.

Tackling delinquent accounts through aggressive billing efforts and lessee and permittee follow up. If an applicant or a principal of a company applies for any permit or lease within DPL, they are required to clear their pending balance before a new permit can be issued.

Prohibition of using lease revenue for infrastructure.



We want to hear from you!
Let us know if you have any questions about the DPL Citizen-Centric Report and if there is additional information you think we should include.

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

Goals:

In Fiscal Year 2020, the Department of Public Lands would like to:

Begin implementation of an effective and efficient data management system to monitor processes, finances, and information storage that can be used and accessed by appropriate divisions and staff.

Work with all maturing leases and TOAs for renewals in advance to meet deadlines including Hyatt Hotel and Fiesta Resort.

Process homestead applications for eligible CNMI applicants of Northern Marianas Descent for all available homesteads locations. Continue to work with Legislature to seek funding for infrastructure.

Successfully complete another unqualified audit with the improvements made in FY 2019.

Continue to work with aggressive billing to collect more than projected revenue.

