

**I MINA' TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION**

Bill No. 60-32(COR)

Introduced by:

Michael T. Lintiaco

2013 MAR -4 9:00

AN ACT TO CREATE THE "MADE IN GUAM" BUSINESS INCUBATOR PROGRAM WITHIN THE ANTONIO B. WON PAT GUAM INTERNATIONAL AIRPORT AUTHORITY; TO AUTHORIZE THE PROMULGATION OF RULES AND REGULATIONS FOR THE PROGRAM; TO PROVIDE INCENTIVES FOR ELIGIBLE BUSINESSES; AND, TO PROVIDE SOURCES OF FUNDING FOR THE PROGRAM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Intent. The Antonio B. Won Pat Guam International Airport Authority (the "*Authority*") is in the final award stages for the next master concessionaire agreement. The designated floor space for this vendor is specific and the concessionaire's exclusivity is limited to only the floor space they occupy, however, the Authority has determined that additional floor space is available to allow for kiosk vendors. It is the intent of *I Liheslaturan Guåhan* to establish a program that showcases "*Made in Guam*" products. *I Liheslatura* encourages the creation of such a program as a means to support local businesses, grow the economy, increase the tax base, and to create employment. Further, this program will serve as an incubator for businesses and will showcase products that are made in Guam and bear the Guam Product Seal. Participating businesses are mandated to display elements of the Chamorro culture, exposing visitors to Guam one more display of our island's vibrant and colorful culture before they depart. Additionally, it is recommended that the Authority use uniform and unique methods of displaying each vendor's wares, such as the use of kiosks designed in the fashion of the *karetan carabao* and integrating indigenous materials in the branding of each vendor's display area. To this end, *I Liheslatura* recommends the Guam Airport Authority collaborate with the Department of Chamorro Affairs and the Guam Visitors Bureau to ensure the intended branding of the vendors' display areas is consistent with the concepts advocated by the Department of Chamorro Affairs and the marketing strategies adopted by the Guam Visitors Bureau. As a local inducement to participate in this program, it is the intent of *I Liheslaturan Guåhan* to provide incentives to participate in the incubator program.

1 The Authority is urged to make available to each vendor a kiosk display area that showcases the
2 Chamorro culture, such as a kiosk designed in the form of the *karetan carabao*, and the use of
3 indigenous materials in the branding of each vendor's display area. The Authority *may* collaborate
4 with the Department of Chamorro Affairs and *shall* collaborate with the Guam Visitors Bureau to
5 assist with the branding of the vendors' display areas, and to ensure a quality image is portrayed to
6 both visitors and residents utilizing the terminal facilities. The Authority *may* seek financial
7 assistance from the Guam Visitors Bureau in the procurement of the display areas and the materials
8 to be used in the branding of these areas. The Authority and the Guam Economic Development
9 Authority shall establish a grant program for businesses participating in the incubator program.

10 **§ 1403. Program Rules and Regulations.** The Program shall be under the overall
11 supervision of the Executive Manager, and *shall* conform to all applicable local and federal
12 government rules and regulations. Program participants will be allowed to participate in the Program
13 for a maximum of five (5) years and upon completion *may* be allowed to continue to operate but *not*
14 under this Program and will be subject to the terms and conditions established by the Authority. The
15 Authority is authorized to promulgate rules and regulations specific to the Program in conformance
16 with Article 3 of Chapter 9, Title 5, Guam Code Annotated.

17 **§ 1404. Product Mix.** (a) The mix of products shall be determined by the Executive
18 Manager, but generally the Program participants *shall not* provide products that directly compete
19 with products offered by other Program participants unless substantially separated as to allow for
20 each participant to succeed, or by the holder of the master concessionaire agreement. The master
21 concessionaire *shall not* offer products that directly compete with the Program participants.

22 (b) **Advisory Board.** An Advisory Board is created herein that *shall* assist the
23 Executive Manager in creating and maintaining a quality image that will ensure consistency in the
24 representation of our island culture and the branding consistent with GVB's initiative among all the
25 participants in the Program. The Board shall consist of: the Authority's Executive Manager, or his
26 designee, who shall chair the Advisory Board, the General Manager of the Guam Visitors Bureau or
27 his designee, and a member designated by the master concessionaire. The Board shall develop its
28 procedures for carrying out this function.

29 **§ 1405. Incentive(s).** (a) Each business participating in the 'Made in Guam' Incubator
30 Program *shall* only pay one-half (1/2) of the total amount payable for the business license needed to
31 transact business at the A.B. Won Pat Guam International Air Terminal. This partial payment *shall*

1 be made available for a period of two (2) tax years from the date of entry into the program.

2 Thereafter, the licensee will pay the full cost of the business license.

3 (b) Each participant, to the extent the GIAA is allowed, *shall* be charged the
4 lowest possible percentage of gross sales for up to two (2) years and *may be* charged a *graduated*
5 rate as a percentage of gross sales after the two (2) year period, not to exceed ten (10%) percent, in
6 lieu of a charge per square foot, for lease or use of space. The Executive Manager *may* reduce or
7 waive any other charges that may be imposed on each participating business.

8 **§ 1406. Grant Program.** The Authority and the Guam Economic Development Authority
9 shall jointly develop a grant program for businesses participating in the "*Made in Guam*" Business
10 Incubator Program. Grants may be made available to participating businesses, with the proceeds
11 being used to defray the startup costs of product development, marketing and sale of the item(s) that
12 meet the definition for products that may display the Guam Product Seal. The maximum grant award
13 *shall* not exceed Ten Thousand Dollars (\$10,000.00). The terms and conditions for the grant
14 program *shall* be developed by the Guam Economic Development Authority, who shall be
15 responsible for the screening of each business's grant application, making a determination on the
16 amount of the grant award, and ensuring the proceeds from each grant are spent in accordance with
17 the approved terms and conditions. The Guam Economic Development Authority *may* receive *up to*
18 five percent (5%) of the total amount appropriated to fund administrative costs for the grant
19 program.

20 **§ 1407. Other Funding Sources.** The Authority may request financial assistance from the
21 Guam Visitors Bureau in the procurement of display areas and the indigenous materials to be used to
22 brand the display areas. Participating business will also be directed to apply for funding under the
23 State Trade and Export Promotion (STEP) Grant Program administered by the Guam Economic
24 Development Authority. The Authority may also request financial assistance from the Economic
25 Development Administration, U.S. Department of Commerce, in securing grants related to the
26 establishment and operation of the proposed incubator program.

27 **Section 3. A new subsection (c) is added to § 70126 of Title 11, Guam Code**
28 **Annotated, relative to reducing the cost of a business license.**

29 (c) Each business participating in the '*Made in Guam*' Incubator Program *shall*
30 only pay one-half (1/2) of the total amount payable for the business license needed to transact
31 business at the A.B. Won Pat Guam International Air Terminal. This partial payment *shall* be

1 made available for a period of two (2) tax years from the date of entry into the program.
2 Thereafter, the licensee will no longer be eligible for the reduced cost of a business license.”

3 **Section 4. Appropriation.** Two Hundred Thousand Dollars (\$200,000.00) is
4 appropriated from the unreserved and surplus balance of the Tourist Attraction Fund to the Guam
5 Economic Development Authority to accomplish the purposes set out in § 1405 of 12 GCA Chapter
6 1. These funds *shall not* be comingled with other funds and *shall* continue to be available until
7 expended. No later than ten (10) days after the close of each calendar quarter, the Guam Economic
8 Development Authority shall prepare a report on the number of grants awarded, the amount of each
9 award, the recipient of each award, and the type of product(s) to be developed. This report shall be
10 submitted to *I Maga'lahaen Guåhan*, the Speaker of *I Liheslaturan Guåhan*, and the Executive
11 Manager, A.B. Won Pat Guam International Airport Authority.

12 **Section 5. Severability.** If any provision of this Act or its application to any person or
13 circumstance is held invalid, the invalidity shall not affect other provisions or applications of this
14 Act which can be given effect without the invalid provision or application and to this end the
15 provisions of this Act are severable.