



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

OFFICE OF THE SPEAKER

Date: July 7, 1995

Time: 3:07pm

Received By: Phil Roberts

Print Name: Phil Roberts

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By: [Signature]

Time: 3:40

Date: 7/7/95

JUL 07 1995

The Honorable Ted S. Nelson
Acting Speaker
Twenty-Third Guam Legislature
424 West O'Brien Drive
Julale Center - Suite 222
Agana, Guam 96910

Via: Office of Speaker Don Parkinson

Dear Speaker Nelson:

Enclosed please find a copy of Substitute Bill No. 149 (LS), "AN ACT TO ADD A NEW CHAPTER 23 TO TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM AT THE UNIVERSITY OF GUAM", which I have signed into law today as Public Law No. 23-37.

Our small business sector on Guam can use all of the assistance that it can get. Although the Guam Economic Development Authority exists to give loans to businesses, in a number of states a program also exists that utilizes the resources of academia within the university setting to assist small businesses to start up, develop, and grow.

Substitute Bill No. 149 is in line with our policies in "The Way Forward" plan to encourage and stimulate small business, which is the backbone of any economy. Senator Felix P. Camacho, the main sponsor of the bill, is commended for joining in the cooperative effort to shore up this very important part of our economy. In an effort to encourage more of our people to go into business for themselves and take advantage of the opportunities on our island, I support the Small Business Incubator Program at the University of Guam.

Very truly yours,

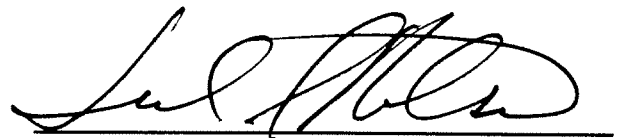

Carl T. C. Gutierrez

Attachment
230540

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 149 (LS), "AN ACT TO ADD A NEW CHAPTER 23 TO TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM AT THE UNIVERSITY OF GUAM," was on the 23rd day of June, 1995, duly and regularly passed.



TED S. NELSON
Acting Speaker

Attested:



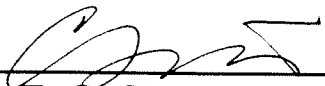
JUDITH WON PAT-BORJA
Senator and Legislative Secretary

This Act was received by the Governor this 28th day of June,
1995, at 1:50 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 7-7-95

Public Law No. 23-37

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

Bill No. 149 (LS)
As Substituted by the Author

Introduced by:

F. P. Camacho
A. R. Unpingco
J. T. San Agustin
M. Forbes
D. Parkinson
A. C. Blaz
C. Leon Guerrero
J. S. Brown
A. C. Lamorena V
E. Barrett-Anderson
F. E. Santos
S. L. Orsini
J. P. Aguon
T. C. Ada
M. C. Charfauros
H. A. Cristobal
L. Leon Guerrero
T. S. Nelson
V. C. Pangelinan
A. L. G. Santos
J. Won Pat-Borja

AN ACT TO ADD A NEW CHAPTER 23 TO TITLE 17,
GUAM CODE ANNOTATED, RELATIVE TO THE
ESTABLISHMENT OF A SMALL BUSINESS
INCUBATOR PROGRAM AT THE UNIVERSITY OF
GUAM.

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

1 **Section 1. Legislative finding.** The Legislature finds that though many
2 people on Guam have a product or service to market and a working business
3 plan, they lack the capital resources to start a business.

4 The Legislature understands that many of these entrepreneurs have
5 viable business opportunities, but are unable to immediately secure the
6 necessary financing from banks and other sources to meet the start-up costs
7 for their businesses. The Legislature further realizes that the high start-up
8 cost involved in starting a business are often attributed to the failure of many
9 small businesses. In order to support the local small businesses, the
10 Government of Guam must help those businesses get the resources they need.

11 The Legislature recognizes the need to create an economic environment
12 for steady growth and stability, and to provide Guam's entrepreneurs an
13 opportunity to participate in our local economy. Assisting Guam's small
14 businesses with the start-up resources will help to create a more stable
15 economic base for our island and will allow our local community to have
16 direct participation in our economic development. Many times the resources
17 needed to start the business are office space, office equipment, and office
18 assistance.

19 The Guam Small Business Incubator shall provide office space and
20 resources to allow those businesses to use their own resources on product
21 development and marketing, to better ensure success of the business.

22 **Section 2.** A new Chapter 23 is added to Title 17, Guam Code
23 Annotated, to read:

24 **"Chapter 23.**

25 **The Guam Small Business Incubator Program.**

26 **§23100. The Guam Small Business Incubator.** There is
27 established, to operate in cooperation with the University of Guam

1 Small Business Development Center (SBDC), a business incubator
2 program for Guam. The incubator space will be rented from current
3 available commercial rental space.

4 **§23101. Incubator goal.** The goal of the incubator is to provide
5 small business owners with the capital resources to conduct their
6 businesses and give them reasonable chance for success without the
7 added burden of high over-head costs involved in renting
8 commercial office space and in leasing/purchasing office equipment.
9 The assistance of the incubator shall be extended only to those who
10 have proven to meet the required criteria and show reasonable
11 viability of product or service.

12 **§23102. Purpose.** The business incubator is responsible for
13 providing professional office space and professional office facilities
14 to small business owners and operators who are unable to afford
15 office rental space at the going market rate. The tenants of the
16 business incubator shall be selected by the Guam Small Business
17 Incubator Board of Directors on the following basis:

18 (i) Require assistance in securing commercial office
19 rental space.

20 (ii) Require assistance to lease/purchase office
21 equipment.

22 (iii) Unable to secure timely and/or sufficient resources
23 through bank loans or other means to begin business
24 operations and secure rental space or lease/purchase office
25 equipment.

26 The Guam Small Business Incubator Board of Directors shall
27 elect only clients who meet established financial qualifications,

1 proving difficulty in affording these facilities on their own at fair
2 market value.

3 This facility is not designed to compete directly with private sector
4 businesses or to prevent such businesses from carrying out their functions in
5 the business community.

6 **§23103. Definitions.** (a) "Incubator" means any rental space
7 designated by the Guam Small Business Incubator Board of
8 Directors as commercial rental space to be used for the purposes of
9 the Business Incubator Program;

10 (b) "UOG-SBDC" means the University of Guam Small
11 Business Development Center;

12 (c) "GEDA" means the Guam Economic Development
13 Authority;

14 (d) "Board" means the Small Business Incubator Board of
15 Directors;

16 (e) "tenant" means any person or business which has met the
17 qualifications for and is currently participating in the Guam Small
18 Business Incubator Program;

19 (f) "Incubator" means the Guam Small Business Incubator at
20 the University of Guam;

21 (g) "Capital resources" means all office equipment and other
22 resources used by the participants of the incubator program as
23 provided by through the program.

24 **§23104. Guam Small Business Incubator Board of Directors.**
25 There shall be established a Board of Directors (the Board) charged
26 with the overall management of the Guam Small Business Incubator
27 Program. The Board shall consist of the following members:

1 The President of the University of Guam shall serve as
2 Chairman of the Board;

3 The Dean of the UOG College of Business Graduate
4 School, or his representative;

5 The Administrator of the UOG-SBDC, or his
6 representative;

7 The Director of GEDA, or his representative;

8 The Chairman of The Guam Chamber of Commerce, or
9 his representative.

10 **§23105. Incubator management.** (a) The Board shall select
11 on-site management for the Incubator to ensure that all tenants have
12 fair and equal access to the equipment and resources of the Incubator
13 for their use. The on-site manager shall be paid by joint funding of
14 the tenants and shall be chosen by majority approval by the Board.

15 (b) If additional personnel are hired to help operate the
16 Incubator, the tenants of the Incubator shall share their costs as well.

17 **§23106. Rules and Regulations.** The Board shall be
18 responsible for developing and adopting rules and regulations for
19 the Guam Small Business Incubator Program to ensure the
20 Incubator's goals are carried out.

21 **§23107. Services.** The Incubator shall provide the following
22 services:

23 (a) Office Space. The Board shall make a determination
24 of the program size, including a maximum number of clients for the
25 program. After such a determination is made, the Board shall then
26 set an adequate amount of office space for each tenant, and shall be

1 uniform in the assignment office space. Incubator space awarded to
2 each tenant shall be limited to office space only.

3 (b) Office Equipment. Standard office equipment such as
4 a photocopier, facsimile machine, type writers and computers shall
5 be provided as standard equipment for the incubator, and all
6 participants shall have equal access to all equipment.

7 (c) Shared personnel. The incubator shall have staff as is
8 deemed necessary by the Board, to include at least one on-site
9 manager for the Incubator.

10 **§23108. Funding.** (a) The Incubator may receive, manage and
11 invest monies or other property, real personal or mixed, which may
12 be given, bequeathed, devised or in any manner received by the
13 incubator, its improvement or adornment, or the aid or advantage of
14 its clients or staff, and in general act as trustee on behalf of the
15 incubator for any such purposes or objects, based on approval by the
16 Board.

17 (b) The Board may adopt a schedule of fees that shall be
18 charged by the Incubator for its services, publications and
19 presentations. Such fees and other monies as may be available to
20 Incubator from any other source, other than locally or federally
21 appropriated funds, shall be deposited in a special account known as
22 the "Small Business Incubator Revolving Fund" for use by the
23 Incubator, subject to the approval of the Board, for carrying out the
24 operations and activities of the Incubator.

25 (c) Funds appropriated to the Incubator shall be
26 expended only as provided by the act making such appropriation.

1 (d) The Board shall cause to be kept appropriate books of
2 all resources under the control of the incubator and provide a report
3 of such accounts annually, on the thirtieth day of October of each
4 year, to the Committee on Economic Development of the Guam
5 Legislature."

PL 23-37



Committee on Economic Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

June 22, 1995

The Honorable Don Parkinson
Speaker
Twenty-Third Guam Legislature
Suite 222, Julale Shopping Center
424 W. O'Brien Drive
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Economic-Agricultural Development and Insurance to which was referred Bill No. 149, has had the same under consideration and now wishes to report back Bill No. 149 AS AMENDED with the recommendation to do pass.

The Committee votes are as follows:

To Do Pass	<u>6</u>
Not To Pass	<u>0</u>
Abstain	<u>0</u>
Inactive File	<u>0</u>

A copy of the Committee Report and other pertinent documents are enclosed for your reference and information.

Sincerely yours,


JOE T. SAN AGUSTIN

enclosures

Committee on Economic-Agricultural Development and Insurance

Twenty-Third Guam Legislature
Senator Joe T. San Agustin, Chairman

VOTE SHEET

BILL NO. 149 AS AMENDED

AN ACT TO ADD A NEW CHAPTER 23 OF TITLE 17 GUAM CODE
ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL
BUSINESS INCUBATOR PROGRAM AT THE UNIVERSITY OF GUAM.

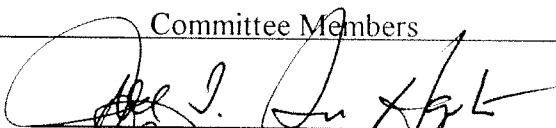
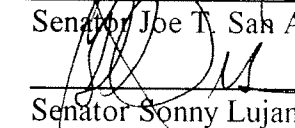
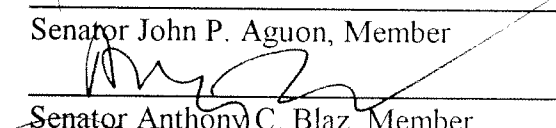
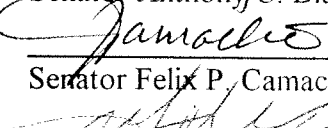
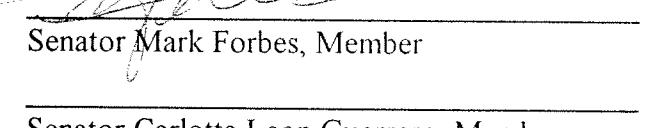
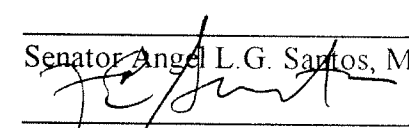
Committee Members	To Do Pass	Not To Pass	Abstain	Inactive File
1.  Senator Joe T. San Agustin, Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.  Senator Sonny Lujan Orsini, Vice-Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. _____ Senator John P. Aguon, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.  Senator Anthony C. Blaz, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.  Senator Felix P. Camacho, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.  Senator Mark Forbes, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. _____ Senator Carlotta Leon Guerrero, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. _____ Senator Vicente C. Pangelinan, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. _____ Speaker Don Parkinson, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. _____ Senator Angel L.G. Santos, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.  Senator Francis E. Santos, Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Testimony as Submitted by:

**Mr. Ovidio Calvo, Chairman /
Guam Chamber of Commerce**

Dr. Stephen Marder / U.O.G.

Dr. Karen Carpenter for

Dr. John Salas / U.O.G.

Referral Notice from Committee on Rules

**COMMITTEE ON ECONOMIC-AGRICULTURAL
DEVELOPMENT AND INSURANCE**

**Twenty-Third Guam Legislature
155 Hessler Street, Agana, Guam 96910**

**COMMITTEE REPORT
ON**

Bill 149 (As Substituted) - An Act to add a new chapter 23 of Title 17
Guam Code Annotated Relative to the establishment of a Small
Business Incubator Program at the University of Guam.

COMMITTEE MEMBERS

Chairman: Senator Joe T. San Agustin
Vice Chairman: Senator Sonny Orisini
Members: Senator John Aguon
Speaker Don Parkinson
Senator Anthony Blaz
Senator Felix Camacho
Senator Mark Forbes
Senator Carlotta Leon Guerrero
Senator Vicente Pangelinan
Senator Angel Santos
Senator Francis E. Santos

COMMITTEE ON ECONOMIC-AGRICULTURAL DEVELOPMENT & INSURANCE

Committee Report on Bill 149

An act to add a new Chapter to Title 17 of the Guam Code Annotated relative to the establishment of a Small Business Incubator Program within the Guam Economic Development Authority.

OVERVIEW

In an effort to promote small business and to diversify the economy on Guam, Senators Felix P. Camacho, Antonio R. Unpingco and Joe T. San Agustin introduced Bill 149 which, upon ratification, would provide for the establishment of a business incubator program.

On June 16, 1995, the Committee on Economic-Agricultural Development and Insurance, having jurisdiction over business and commerce matters and been referred Bill 149, conducted a public hearing in the Public Hearing Room, Guam Legislature Temporary Building in Agana.

Committee Chairman Joe T. San Agustin presided and the following members were present: Senators Felix P. Camacho and Carlotta Leon Guerrero.

SUMMARY OF TESTIMONY

Representatives from the Guam Chamber of Commerce and the University of Guam testified for the establishment of a Small Business Incubator Program. However, there were objections regarding the location of the incubator program within the Guam Economic Development Agency.

Written testimony in support of Bill 149 was submitted from Ovidio R.A. Calvo, Jr. and Daniel Webb on behalf of the Guam Chamber of Commerce. Mr. Calvo described the Chamber to be an advocate of small business development in our community and they believed that creating an environment conducive to small business start-up and development is crucial to Guam's economic well-being. However, he did find it necessary to point out that there were some operational and logistical concerns that needed to be addressed in the establishment of the incubator program. Mr. Calvo mentioned that he knew of two proposals for an incubator program being developed, one within the SBDC at the University of Guam and the one in Bill 149. He suggested that only one incubator program be established because of the size of our community and the current financial status of the government. Another suggestion made by Mr. Calvo was that the program be located in a commercial area (Tiyon or another commercial location). He also mentioned that GEDA should assist in assuring financial assistance (i.e. the U.S. Dept. Of Commerce) to the program.

Mr. Calvo closed his testimony by saying the Chamber was looking forward to the passage of Bill 149 with the inclusion of the suggestions that he mentioned. He then thanked the committee for giving them the opportunity to voice their support for Bill 149.

Second testimony in support of Bill 149 was given on behalf of the University of Guam by Dr. McGillivray, Dean of the College of Business and Public Administration.. Dr. McGillivray told the Committee that the University would like to make a few suggestions to the incubator program, that it be integrated within the SBDC - funding, etc... and the President of the University has mentioned being responsible in obtaining a location on campus for the program. Dr. McGillivray closed his testimony by introducing Dr. Stephen Marder, also representing the University of Guam.

Dr. Stephen Marder also expressed support for Bill 149. He mentioned that he attended the National Business Incubation Association's Ninth Annual Conference on Business Incubation. Dr. Marder agreed that Guam was in need for a Small Business Incubator to complement the support services available at UOG's SBDC and GEDA should help to provide financial assistance for the program. He felt the SBDC provides the training and the counseling and does not provide below market resources like a Business Incubator, with that in mind, he mentioned one without the other would not provide the proper nurturing environment to foster new business growth. Dr. Marder expressed the same concerns as his colleague, Dr. McGillivray, regarding the location of the program; the need for it to be housed at the University campus to complement the Small Business Development Center. He mentioned a study that was done by Coopers & Lybrand which indicated that Business Incubators with University ties have success rates 2/3rds higher than their peers. Dr. Marder closed his testimony by stating that the location is a second nature, however, there is a great need for the program. He repeated his support for the bill and thanked the Committee for giving him the opportunity to testify.

Dr. John Salas, President of the University of Guam, also submitted written testimony, however, it was read verbatim by Karen Carpenter, the Acting Academic Vice President of the University of Guam. Dr. Salas expressed support for the concept of Bill 149 which provides for the establishment of a business incubator program, however, felt the need for the location of the program to be on campus. Dr. Salas stated that the University would need funds to start up the program, however, it would become self sufficient through fees that would be charged the businesses themselves. He then closed his testimony by thanking the committee for soliciting the University's input.

ISSUES, FINDINGS AND RECOMMENDATIONS

A. ISSUES AND FINDINGS ON BILL 149

Starting a business on Guam, not only requires the market potential for a particular product or service combined with a competent business plan, but also a substantial reserve of financial resources (capital). It is the Legislature's understanding that due to a lack of sufficient capital, many potentially successful businesses either find it to difficult to attempt, or fail before the business is fully established. A possible solution to this impedance is establishing a fully

operational business incubator program.

A business incubator provides certain businesses, which meet a certain criteria based on financial need, with a venue to initiate the start-up operations. With little to no overhead financial burdens, these small businesses can concentrate on sales and promotions until they are able to stand alone. The business incubator will also provide shared access to the necessary office equipment to conduct administrative duties.

The business incubator program has proven to be a successful mechanism in stimulating growth in the small business sector of various economies. As proven in economies such as Hawaii and the Commonwealth of the Northern Marianas Islands, business incubators, also, play a strong role in economic diversification.

The Committee finds that, at the recommendation of all testifying, the incubator program would best be suited for establishment at the University of Guam, where it can be operated in cooperation with the UOG Small Business Development Center. The Guam Economic Development Authority and the Guam Chamber of Commerce shall also participate in the development and operations of the program. The Committee further finds that a more appropriate statutory placing of this act in the statute shall be as a new Chapter 23 to Title 17 of the Guam Code Annotated. It is within this Title that the University of Guam can be given the statutory authority to establish programs such as the proposed incubator.

B. INDUSTRY IMPACT

The business incubator program is structure to expand the sectors of the economy which have a substantially lower monetary impact than the dominant sectors. Examples of these sectors include business support services, consultant firms, wholesale distributorships, marketing firms, and advertising firms. Guam's industrial base will not only expand upon the inception of this program, but will also benefit through the increased availability of the various support services assisted through the incubator program. Thus, the impact that this incubator program will have on Guam's industry, is clearly identified as a benefit through both, its expansive, and supportive measures.

C. FAIR COMPETITION, FREE AND OPEN MARKETS

The Committee finds that the inception of an incubator program promotes fair competition by allowing the opportunity for small businesses to compete in Guam's free and open marketplace. One objective of the incubator program is to saturate the markets with firms bearing new and innovative business strategies, though in need of capital assistance, thus inducing competitive business activity within the Territory. This results in a more open and competitive market.

D. Committee Recommendation

Upon examination of all presentations before the Committee, and the review of all

findings, the committee does hereby issue its report on Bill 149 with a recommendation TO DO PASS as substituted by the Author and the Committee.

**TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session**

Bill No. 149

Introduced by:

As Substituted by the Author

**F.P. Camacho
A.R. Unpingco
J.T. San Agustin
M. Forbes
D. Parkinson
A.C. Blaz
C. Leon Guerrero
J.S. Brown
A. Lamorena
E. Barrett-Anderson
F.E. Santos
S.L. Orsini
J.P. Aguon**

**AN ACT TO ADD A NEW CHAPTER 23 TO TITLE 17 GUAM CODE
ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL
BUSINESS INCUBATOR PROGRAM AT THE UNIVERSITY OF GUAM.**

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2 **Section 1. Legislative finding.** The Legislature finds that though many people on Guam
3 have a product or service to market and a working business plan, they lack the capital resources to
4 start a business.

5 The Legislature understands that many of these entrepreneurs have viable business
6 opportunities, but are unable to immediately secure the necessary financing from banks and other
7 sources to meet the start-up costs for their businesses. The Legislature further realizes that the high
8 start-up cost involved in starting a business are often attributed to the failure of many small
9 businesses. In order to support the local small businesses, the Government of Guam must help those
10 businesses get the resources they need.

1 The Legislature recognizes the need to create an economic environment for steady growth
2 and stability, and to provide Guam's entrepreneurs an opportunity to participate in our local economy.
3 Assisting Guam's small businesses with the start-up resources will help to create a more stable
4 economic base for our island and will allow our local community to have direct participation in our
5 economic development. Many times the resources needed to start the business are office space, office
6 equipment, and office assistance.

7 The Guam Small Business Incubator shall provide office space and resources to allow those
8 businesses to use their own resources on product development and marketing, to better ensure
9 success of the business.

10 **Section 2.** A new Chapter 23 is added to Title XVII Guam Code Annotated to read:

11 **Chapter 23. The Guam Small Business Incubator Program.**

12 **§2301. The Guam Small Business Incubator.** There is established, to operate in cooperation with
13 the University of Guam Small Business Development Center (SBDC), a business incubator program
14 for Guam. The incubator space will be rented from current available commercial rental space.

15 **§2303. Incubator goal.** The goal of the incubator is to provide small business owners with the
16 capital resources to conduct their businesses and give them reasonable chance for success without
17 the added burden of high over-head costs involved in renting commercial office space and in
18 leasing/purchasing office equipment. The assistance of the incubator shall be extended only to those
19 who have proven to meet the required criteria and show reasonable viability of product or service.

20 **§2305. Purpose.** The business incubator is responsible for providing professional office space and
21 professional office facilities to small business owners and operators who are unable to afford office
22 rental space at the going market rate. The tenants of the business incubator shall be selected by the

1 Guam Small Business Incubator Board of Directors on the following basis:

2 Require assistance in securing commercial office rental space.

3 Require assistance to lease/purchase office equipment.

4 Unable to secure timely and/or sufficient resources through bank loans or other means to
5 begin business operations and secure rental space or lease/purchase office equipment.

6 The Guam Small Business Incubator Board of Directors shall elect only clients who meet established
7 financial qualifications, proving difficulty in affording these facilities on their own at fair market value.

8 This facility is not designed to compete directly with private sector businesses or to prevent such
9 businesses from carrying out their functions in the business community.

10 **§2307. Definitions.** "Incubator" means any rental space designated by the Guam Small Business
11 Incubator Board of Directors as commercial rental space to be used for the purposes of the Business
12 Incubator Program;

13 "UOG-SBDC" means the University of Guam Small Business Development Center;

14 "GEDA" means the Guam Economic Development Authority;

15 "Board" means the Small Business Incubator Board of Directors;

16 "tenant" means any person or business which has met the qualifications for and is currently
17 participating in the Guam Small Business Incubator Program;

18 "Incubator" means the Guam Small Business Incubator at the University of Guam;

19 "Capital resources" means all office equipment and other resources used by the participants of the
20 incubator program as provided by through the program.

21 **§2309. Guam Small Business Incubator Board of Directors.** There shall be established a Board
22 of Directors (the "Board") charged with the overall management of the Guam Small Business

1 Incubator Program. The Board shall consist of the following members:

2 The President of the University of Guam shall serve as Chairman of the Board;

3 The Dean of the UOG College of Business Graduate School, or his appointee;

4 The Administrator of the UOG-SBDC, or his appointee;

5 The Director of GEDA, or his appointee;

6 The Chairman of The Guam Chamber of Commerce, or his appointee.

7 **§2311. Incubator management.** (a) The Board shall select on-site management for the Incubator
8 to ensure that all tenants have fair and equal access to the equipment and resources of the Incubator
9 for their use. The on-site manager shall be paid by joint funding of the tenants and shall be chosen
10 by majority approval by the Board.

11 (b) If additional personnel are hired to help operate the Incubator, the tenants of the
12 Incubator shall share their costs as well.

13 **§2313. Rules and Regulations.** The Board shall be responsible for developing and adopting rules
14 and regulations for the Guam Small Business Incubator Program to ensure the Incubator's goals are
15 carried out.

16 **§2315. Services.** The Incubator shall provide the following services:

17 (a) Office Space. The Board shall make a determination of the program size, including a
18 maximum number of clients for the program. After such a determination is made, the Board shall
19 then set an adequate amount of office space for each tenant, and shall be uniform in the assignment
20 office space. Incubator space awarded to each tenant shall be limited to office space only.

21 (b) Office Equipment. Standard office equipment such as a photocopier, facsimile machine,
22 type writers and computers shall be provided as standard equipment for the incubator, and all

1 participants shall have equal access to all equipment.

2 (c) Shared personnel. The incubator shall have as large a staff as is deemed necessary by the
3 Board, to include at least one on-site manager for the Incubator.

4 **§2317. Funding.** (a) The Incubator may receive, manage and invest monies or other property, real
5 personal or mixed, which may be given, bequeathed, devised or in any manner received by the
6 incubator, its improvement or adornment, or the aid or advantage of its clients or staff, and in general
7 act as trustee on behalf of the incubator for any such purposes or objects, based on approval by the
8 Board.

9 (b) The Board may adopt a schedule of fees that shall be charged by the Incubator for its
10 services, publications and presentations. Such fees and other monies as may be available to Incubator
11 from any other source, other than locally or federally appropriated funds, shall be deposited in a
12 special account known as the "Small Business Incubator Revolving Fund" for use by the Incubator,
13 subject to the approval of the Board, for carrying out the operations and activities of the Incubator.

14 (c) Funds appropriated to the Incubator shall be expended only as provided by the act making
15 such appropriation.

16 (d) The Board shall cause to be kept appropriate books of all resources under the control of
17 the incubator and provide a report of such accounts annually, on the thirtieth day of October of each
18 year, to the Committee on Economic Development of the Guam Legislature.



Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

PUBLIC HEARING
9 A.M.
FRIDAY, JUNE 16, 1995
GUAM LEGISLATURE PUBLIC HEARING ROOM

A G E N D A

- I. Call to Order
- II. Introductions of Committee Members
- III. Testimony of Interested Individuals Relative to Bill No. 149.
- IV. Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)
- V. Testimony of Interested Individuals Relative to the Approval of the Endangered Species Regulation No. 6.
- VI. Approval of the Endangered Species Regulation No. 6, 5 GCA, Section 6320(c), "The Endangered Species Act of Guam."
- VII. Testimony of Interested Individuals Relative to Bill No. 131.
- VIII. Bill No. 131 AN ACT TO AMEND SUBSECTION 12002 CHAPTER 1 OF TITLE XIII OF THE GOVERNMENT CODE TO ENSURE THAT ISLAND FARMERS ARE WELL REPRESENTED ON THE AGRICULTURAL BOARD OF COMMISSIONERS. (Introduced by S. L. ORSINI)

A G E N D A

- IX. Testimony of Interested Individuals Relative to Bill No. 188.
- X. Bill No. 188 AN ACT TO ESTABLISH RULES AND REGULATIONS IMPLEMENTING NEW AND REVISED FEES FOR SERVICES AND GOODS AT THE DEPARTMENT OF AGRICULTURE. (Introduced by Chairman, Committee on Rules, by Request of the Governor in Accordance with the Organic Act of Guam)
- XI. Adjournment



Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
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SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

MEMORANDUM

**TO: All Members, Committee on Economic-Agricultural
Development and Insurance**

FROM: Chairman

SUBJECT: Public Hearing - April 21, 1995


The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m.**, in the Legislative Public Hearing Room on the following:

Department of Agriculture-APPROVAL OF THE ENDANGERED SPECIES NO.6, 5GCA, SECTION 63205(C), "THE ENDANGERED SPECIES ACT OF GUAM."

Bill No. 131 AN ACT TO AMEND SUBSECTION 12002 CHAPTER 1 OF TITLE XIII OF THE GOVERNMENT CODE TO ENSURE THAT ISLAND FARMERS ARE WELL REPRESENTED ON THE AGRICULTURAL BOARD OF COMMISSIONERS. (Introduced by S. L. ORSINI)

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)

Your presence at this hearing is appreciated. Thank you for your attention to this matter.


JOE T. SAN AGUSTIN

Attachments

cc: Executive Director Archives
Protocol Office All Senators
Maintenance All Media
Audio
Security
Legal



**Committee on Economic-Agricultural
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Mr. Frank B. Aguon, Jr.
Director
Department of Commerce
Suite 601, GITC Bldg.
590 South Marine Drive
Tamuning, Guam 96911

Dear Mr. Aguon:

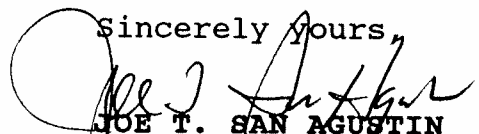
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m.**, in the Legislative Public Hearing Room on the following Bill:

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,


JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Mr. Ovidio R. A. Calvo
Chairman
Guam Chamber of Commerce
P. O. Box 283
Agana, Guam 96910

Dear Mr. Calvo:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m., in the Legislative Public Hearing Room on the following Bill:**

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)

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Thank you and we look forward to seeing you at the hearing.

Sincerely yours,


JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure



Committee on Economic-Agricultural Development and Insurance

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424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Senator Antonio R. Unpingco
Twenty-Third Guam Legislature
3rd Floor, Joseph Flores Bldg.
155 Hesler Street
Agana, Guam 96910

Dear Senator Unpingco:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m.**, in the Legislative Public Hearing Room on Bill No. 149 (introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN) as follows:

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.

We hope you or a representative from your office will be able to attend this hearing.

Sincerely yours,


JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure



**Committee on Economic-Agricultural
Development and Insurance**

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Senator Felix P. Camacho
Twenty-Third Guam Legislature
2nd Floor, Malayan Building
Hernan Cortez Avenue
Agana, Guam 96910

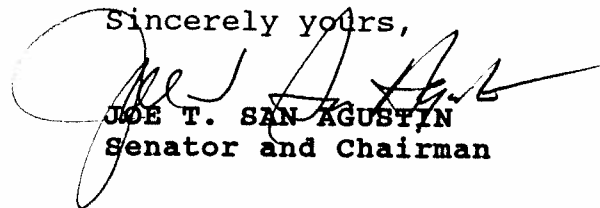
Dear Senator Camacho:

The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m., in the Legislative Public Hearing Room on Bill No. 149 (introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)** as follows:

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.

We hope you or a representative from your office will be able to attend this hearing.

Sincerely yours,



JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure



Committee on Economic-Agricultural Development and Insurance

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SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Dr. John C. Salas
President
University of Guam
Office of the President
UOG Station
Mangilao, Guam 96923

Dear Dr. Salas:

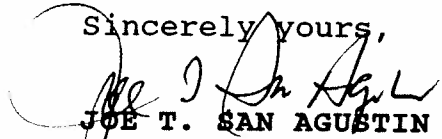
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Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,


JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure



Committee on Economic-Agricultural Development and Insurance

TWENTY-THIRD GUAM LEGISLATURE
424 W. O'Brien Dr., Julale Shopping Center, Suite #218
Agaña, Guam 96910
Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

SENATOR JOE T. SAN AGUSTIN (D)
CHAIRMAN

March 24, 1995

Mr. Gilbert E. Robles
Administrator
Guam Economic Development Authority
Suite 911, GITC Bldg.
590 South Marine Drive
Tamuning, Guam 96911

Dear Mr. Robles:

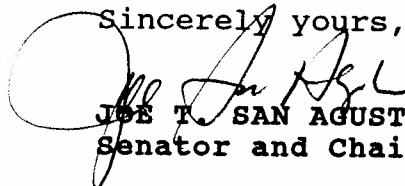
The Committee on Economic-Agricultural Development and Insurance is conducting a public hearing on **Friday, April 21, 1995, at 9 a.m.**, in the Legislative Public Hearing Room on the following Bill:

Bill No. 149 AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. CAMACHO, A. R. UNPINGCO, J. T. SAN AGUSTIN)

As this Bill directly affects the development of the territory, you are cordially invited to testify and present your opinion and comments. A copy of the Bill is enclosed for your disposition. The Committee would appreciate receiving twenty (20) copies of your testimony prior to the hearing.

Thank you and we look forward to seeing you at the hearing.

Sincerely yours,


JOE T. SAN AGUSTIN
Senator and Chairman

Enclosure

**Committee on Economic- Agricultural
Development and Insurance**
Twenty-Third Guam Legislature
Senator Joe T. San Agustin, Chairman

Attendance Sheet

June 16, 1995

(Date)

Subject: Bill No. 149 - AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM
CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM
WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.

Committee Members: Present: Absent Off-island:

1. Senator Joe T. San Agustin, Chairman	<u> /✓/ </u>	<u> / / </u>	<u> / / </u>
2. Senator Sonny Lujan Orsini, Vice-Chairman	<u> / / </u>	<u> / / </u>	<u> / / </u>
3. Senator John P. Aguon, Member	<u> / / </u>	<u> / / </u>	<u> /✓/ </u>
4. Senator Anthony C. Blaz, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>
5. Senator Felix P. Camacho, Member	<u> /✓/ </u>	<u> / / </u>	<u> / / </u>
6. Senator Mark Forbes, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>
7. Senator Carlotta Leon Guerrero, Member	<u> /✓/ </u>	<u> / / </u>	<u> / / </u>
8. Senator Vicente C. Pangelinan, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>
9. Speaker Don Parkinson, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>
10. Senator Angel L.G. Santos, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>
11. Senator Francis E. Santos, Member	<u> / / </u>	<u> / / </u>	<u> / / </u>

Other Senators in Attendance:

1. _____	2. _____
3. _____	4. _____
5. _____	6. _____
7. _____	8. _____

NOTICE OF PUBLIC HEARING



Twenty-Third Guam Legislature
Senator Joe T. San Agustin
Chairman

*Committee on Economic - Agricultural
Development and Insurance*

FRIDAY, JUNE 16, 1995
9 A.M.

GUAM LEGISLATURE PUBLIC HEARING ROOM
155 HESSLER STREET
AGANA, GUAM

A G E N D A

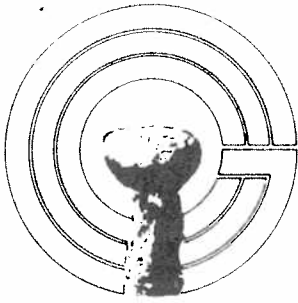
Bill No. 149 - An Act to add a new Chapter to Title 17 of the Guam Code annotated relative to the establishment of a Small Business Incubator Program within the Guam Economic Development Authority. (Introduced by F.P. Camacho, A.R. Unpingco, J.T. San Agustin)

Department of Agriculture - Approval of the endangered species No. 6, 5GCA, Section (C), "The endangered species Act of Guam."

Bill No. 131 - An Act to amend Section 12002 Chapter 1 of Title XIII of the Government Code to ensure that Island Farmers are well represented on the Agricultural Board of Commissioners. (Introduce by S.L. Orsini)

Bill No. 188 - An Act to establish rules and regulations implementing new and revised fees for services and goods at the Department of Agriculture. (Introduced by Chairman, Committee on Rules, at the Request of the Governor in Accordance with the Organic Act of Guam)

****The public is invited to express their views****



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

June 16, 1995

Senator Joe T. San Agustin
Chairman, Committee on Economic-Agricultural
Development and Insurance
Twenty-Third Guam Legislature
424 W. O'Brien Drive
Julale Shopping Center, Suite 218
Agana, Guam 96910

**RE: BILL NO. 149--ESTABLISHMENT OF A SMALL BUSINESS
INCUBATOR PROGRAM WITHIN GEDA**

Dear Senator San Agustin and Committee Members:

Thank you for the opportunity to submit comments on Bill No. 149 relative to establishing a Small Business Incubator Program within the Guam Economic Development Authority (GEDA).

The Guam Chamber of Commerce is an advocate of small business development in our community and continues to work closely with the U.S. Small Business Administration, SCORE/ACE, GEDA, the University of Guam and our Legislators in fostering entrepreneurship among our people. We believe that creating an environment conducive to small business start-up and development is crucial to Guam's economic well-being and therefore support the general intent of Bill No. 149 providing for the establishment of a Small Business Incubator Program to help local entrepreneurs get the resources they need to start-up their businesses.

There are some operational and logistical concerns that need to be addressed in the establishment of an incubator program. It has been brought to our attention that two proposals for an incubator program are being developed, one within the recently established Small Business Development Center at UOG and the one proposed in Bill No. 149. As a community, we need to maximize our resources by utilizing what value UOG and GEDA can contribute to the incubator and whatever other assets are needed to develop a comprehensive small business strategy. We are a small community and it makes sense that

Testimony on Bill No. 149
RE: Small Business Incubator
June 16, 1995
Page Two

only one incubator program be established in partnership with the two organizations.

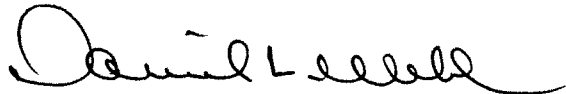
In light of the General Fund's financial situation, we encourage Economic Development Administration (EDA) financing from the U.S. Department of Commerce. We recommend that the language of the bill be amended to include the University of Guam's involvement in the program with the federal funding and ensuring the proper use of assets. Further, the incubator should be located in a commercial area, whether it be at an existing building at Tiyan or at another commercial location, with GEDA assuring back-up financial assistance. If we can operationally accomplish this, then our local entrepreneurs and our community will truly stand to benefit.

We are encouraged by your sensitivity toward the needs of Guam's small business community and look forward to Bill No. 149's passage with the inclusion of the suggestions noted herein. Thank you very much.

Sincerely yours,



OVIDIO R.A. CALVO, JR.
Chairman of the Board



DANIEL L. WEBB
Chairman, Small Business Focus &
Development Committee

Testimony Prepared for public hearing on Friday, June 16, 1995, at 9 a.m., in the Legislative Public Hearing Room on Bill No. 149:

AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY. (Introduced by F. P. Camacho, A. R. Unpingco, J.T. San Augustin)

PREPARED BY: Dr. Stephen L. Marder
Territorial Director Guam Small Business Development Center
Associate Professor of Finance.

OPENING STATEMENT:

Senators. I have just returned from attending the National Business Incubation Association's Ninth Annual Conference on Business Incubation in Scottsdale, Arizona. It was extremely informative and I would like to share with you some observations that directly apply to Bill #149.

Let me state for the record THAT GUAM NEEDS A SMALL BUSINESS INCUBATOR TO COMPLEMENT THE SUPPORT SERVICES AVAILABLE AT THE GUAM SBDC AND THE FINANCIAL ASSISTANCE AVAILABLE THROUGH GEDA - AND BILL #149 REPRESENTS THE FRAMEWORK FOR THE ESTABLISHMENT OF THIS FACILITY.

Before I proceed, however, I would like to thank this Committee, the Guam Legislature and the Governor for their support of small business development

Worldwide both national and local governments have recognized the importance of providing a nurturing environment to foster growth of new businesses within a coordinated program of economic development. The definition for a nurturing environment has varied significantly with each locality but the results from these efforts have begun to identify certain key ingredients necessary to increase the chance of a successful program. It is universally recognized that business growth is a process that begins with conception and then survives infancy to become a mature productive tax paying member of the adult business community. Successful business growth requires:

- (1) The Business Concept - The IDEA
- (2) The Market
 - Product/Service
 - Customers
 - Distribution
- (3) The Physical Resources
 - Supplies/Raw Materials
 - Space/Facilities
 - Equipment
 - Human

(5) seek federal support, under Department of Commerce Economic Development Administration #11.300, to construct/refurbish and properly equip its Business Incubator. The proposal to seek funding is in process and will be completed by the Guam SBDC prior to August 1, 1995.

(6) be housed in conjunction with the Guam SBDC at the University of Guam. The value added support that can be provided to the Business Incubator includes, at the least, all the resources of the University (Student Interns, Student Workers, Faculty Technological Assistance, Library Resources, Computer Resources, etc.) as well as the resources at Guam Community College. As a caveat a recent study indicated that 'Business Incubators with University ties have success rates 2/3rd higher than their peers.'¹

¹ Trendsetter Barometer, January 26, 1995. Coopers & Lybrand.

WE WOULD APPRECIATE YOUR SUPPORT
Guam Small Business Development Center
Federal Grant Proposal to the U. S. Small Business Administration

Executive Summary:

- * No Direct Legislative Funding Requested.**
- * Federal Support Requested.**
- * University of Guam Cash Support.**
- * Forty-Nine States, Puerto Rico, the Virgin Islands and the District of Columbia have operating centers within this Federal Program.**

It is the long-term objective of the Guam Small Business Development Center to coordinate resources, both public and private, to increase/improve the management skills and technological capabilities of existing small businesses and to nurture the formation of new businesses. The Guam Small Business Development Center will attain these objectives by the establishment of the following services:

- * Comprehensive Counseling Services will be provided without charge.**
- * Educational Training Program.**
- * Business Skills Assessment Program.**
- * International Trade Program.**
- * Economic and Business Data Analysis Program.**
- * Capital Formation Advisory Service.**
- * Technical Service Program.**
- * Business Law Information Service Program.**
- * Minority Outreach Program.**

For Pledging of Support and/or for Additional Information Please Contact:

Dr. Stephen L. Marder, Executive Director
Guam Small Business Development Center
College of Business and Public Administration
University of Guam
Box 5061 - U.O.G. Station
Mangilao, GU 96923
(671)734-9241/9132 (671)734-5362(F)



UNIVERSITY OF GUAM
UNIBETSEDÁT GUAHAN

OFFICE OF THE PRESIDENT
UOG Station, Mangilao, Guam 96923
Telephone: (671) 734-2177 Fax: (671) 734-2296

June 16, 1995

Honorable Joe T. San Agustin, Chairman
Committee on Economic-Agricultural
Development and Insurance
Twenty-Third Guam Legislature
155 Hesler Street
Agana, Guam 96910


Dear Senator San Agustin:

On behalf of the University of Guam, I would like to support the concept of Bill 149 which provides for the establishment of a business incubator program for Guam. We feel, however, that there would be advantages to having the program under the umbrella of the University of Guam. Dr. Marder will detail these advantages in a few minutes.

Dr. Marder is the Director of the Small Business Development Center at the University of Guam. Dr. Marder has been hired specifically to direct the University of Guam's efforts to assist small businesses with their development efforts. The University would need funds to finance the start up of such an incubator but feels that it would become self sufficient through the modest fees that would be charged the businesses themselves. We do believe that there may be a need for more than just office space for some of these businesses. Again Dr. Marder who has just returned from a conference dealing with business incubators will give more detailed testimony.

I want to thank the committee for soliciting our input on this important bill.

Respectfully,


John C. Salas, Ph.D.
President



COMMITTEE ON RULES

Twenty-Third Guam Legislature
155 Hesler St., Agana, Guam 96910

June M

February 24, 1995

MEMORANDUM

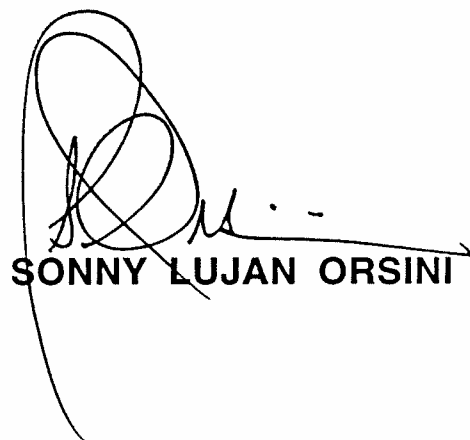
TO: Chairperson, Committee on Economic-Agricultural
Development and Insurance

FROM: Chairman, Committee on Rules

SUBJECT: Referral - Bill No. 149

The above Bill is referred to your Committee as the principal committee. Please note that the referral is subject to ratification by the Committee on Rules at its next meeting. It is recommended you schedule a public hearing at your earliest convenience.

RECEIVED
COMMITTEE ON ECONOMIC-AGRICULTURAL
DEVELOPMENT INSURANCE
DATE: 2/27/95
TIME: 3:35
REC'D BY: M. Cepeda


SONNY LUJAN ORSINI

Attachment

Introduced

MAR 13 1995

TWENTY-THIRD GUAM LEGISLATURE
1995 (FIRST) Regular Session

Bill No. 149(15)
Introduced by:

F.P. Camacho
A.R. Unpingco
J.T. San Agustin

AN ACT TO ADD A NEW CHAPTER TO TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF A SMALL BUSINESS INCUBATOR PROGRAM WITHIN THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2 Section 1. Legislative finding. The Legislature finds that though many people on Guam have a
3 product or service to market and a working business plan, they lack the capital resources to start a
4 business.

5 The Legislature understands that many of these entrepreneurs have viable business
6 opportunities, but are unable to immediately secure the necessary financing from banks and other
7 sources to meet the start-up costs for their businesses. The Legislature further realizes that the high
8 start-up cost involved in starting a business are often attributed to the failure of many small
9 businesses. In order to support the local small businesses, the Government of Guam must help those
10 businesses get the resources they need.

11 The Legislature recognizes the need to create an economic environment for steady growth
12 and stability, and to provide Guam's entrepreneurs an opportunity to participate in our local economy.
13 Assisting Guam's small businesses with the start-up resources will help to create a more stable
14 economic base for our island and will allow our local community to have direct participation in our
15 economic development. Many times the resources needed to start the business are office space, office

1 equipment, and office assistance.

2 The GEDA Small Business Incubator shall provide office space and resources to allow those
3 businesses to use their own resources on product development and marketing, to better ensure
4 success of the business.

5
6 Section 2. A new Article ___ is added to Chapter 2 Title XII of the Guam Code Annotated to read:

7 §____. Incubator. There is established under the authority of the Guam Economic Development
8 Authority (GEDA) a business incubator program for Guam. GEDA's Small Business Development
9 Officer shall manage the incubator. The incubator space will be rented from current available
10 commercial rental space.

11 §____. Incubator goal. The goal of the incubator is to provide small business owners with the capital
12 resources to conduct their businesses and give them reasonable chance for success without the added
13 burden of high over-head costs involved in renting commercial office space and in leasing/purchasing
14 office equipment. The assistance of the incubator shall be extended only to those who have proven
15 to meet the required criteria and show reasonable viability of product or service.

16 §____. Purpose. The business incubator is responsible for providing professional office space and
17 professional office facilities to small business owners and operators who are unable to afford office
18 rental space at the going market rate. The tenants of the business incubator shall be selected by
19 GEDA on the following basis:

20 Require assistance in securing commercial office rental space.

21 Require assistance to lease/purchase office equipment.

22 Unable to secure timely and/or sufficient resources through bank loans or other means to begin

1 business operations and secure rental space or lease/purchase office equipment.

2 GEDA shall elect only clients who meet established financial qualifications, proving difficulty in
3 affording these facilities on their own at fair market value.

4 This facility is not designed to compete directly with private sector businesses or to prevent such
5 businesses from carrying out their functions in the business community.

6 §____. Definitions. "Incubator" means any rental space designated by GEDA as commercial rental
7 space to be used for the purposes of the Business Incubator Program;

8 "GEDA" means the Guam Economic Development Authority;

9 "GEDA Board" means the Board of Directors of the Guam Economic Development Authority;

10 "tenant" means any person or business which has met the qualifications for and is currently
11 participating in the Business Incubator Program;

12 "Capital resources" means all office equipment and other resources used by the participants of the
13 incubator program as provided by through the program.

14
15 §____. Incubator management. (a) GEDA shall provide on-sight management for the business
16 incubator to ensure that all tenants have fair and equal access to the equipment and resources of the
17 incubator for their use. The on-sight manager shall be paid by joint funding of the tenants and shall
18 be chosen by the GEDA Board.

19 (b) If additional personnel are hired to help operate the incubator, the tenants of the incubator
20 shall share their costs as well.

21 §____. Rules and Regulations. GEDA shall be responsible for developing and adopting rules and
22 regulations for the Business Incubator Program to ensure the incubator's goals are carried out.

1 §___. Services. The incubator shall provide the following services:

2 (a) Office Space. GEDA shall make a determination of the program size, including a maximum
3 number of clients for the program. After such a determination is made, GEDA shall then set an
4 adequate amount of office space for each tenant, and shall be uniform in the assignment office space.
5 Incubator space awarded to each tenant shall be limited to office space only.

6 (b) Office Equipment. Standard office equipment such as a photocopier, facsimile machine,
7 type writers and computers shall be provided as standard equipment for the incubator, and all
8 participants shall have equal access to all equipment.

9 (c) Shared personnel. The incubator shall have as large a staff as is deemed necessary by GEDA,
10 to include at least an on-sight manager for the incubator.

11
12 §___. Funding. (a) GEDA may receive, manage and invest monies or other property, real personal
13 or mixed, which may be given, bequeathed, devised or in any manner received by the incubator, its
14 improvement or adornment, or the aid or advantage of its clients or staff, and in general act as trustee
15 on behalf of the incubator for any such purposes or objects.

16 (b) GEDA may adopt a schedule of fees that shall be charged by the incubator for its services,
17 publications and presentations. Such fees and other monies as may be available to GEDA from any
18 other source, other than locally or federally appropriated funds, shall be deposited in a special account
19 known as the "Small Business Incubator Revolving Fund" for use by GEDA, subject to the approval
20 of the GEDA Board of Directors, for carrying out the operations and activities of the business
21 incubator.

22 (c) Funds appropriated to the incubator shall be expended only as provided by the act making such

1 appropriation.

2 (d) GEDA shall cause to be kept appropriate books of all resources under the control of the
3 incubator and provide a report of such accounts annually, on the thirtieth day of October of each year,
4 to the Committee on Economic Development of the Guam Legislature.