



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

JAN 05 2003

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina'Bente Singko na Liheslaturan Guåhan  
Twenty-Fifth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 417 (COR), "AN ACT TO ADD § 77112.1(d) TO TITLE 21 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION", which was **signed** into law as **Public Law No. 26-166**.

Very truly yours,

Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

Attachment: copy attached for signed bill or overridden bill  
original attached for vetoed bill

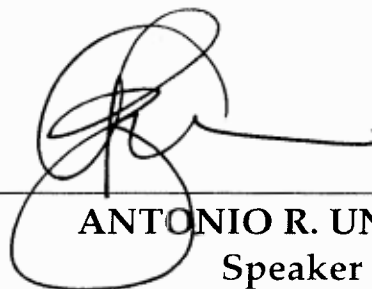
cc: The Honorable Antonio R. Unpingco  
Speaker

008

MINA'BENTE SAIS NA LIHESLATURAN GUAHAN  
2002 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 417 (COR), "AN ACT TO ADD § 77112.1(d) TO TITLE 21 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION," was on the 30<sup>th</sup> day of December, 2002, duly and regularly passed.



ANTONIO R. UNPINGCO  
Speaker

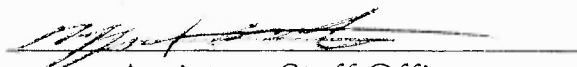
Attest:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

.....

This Act was received by *I Maga'lahaen Guahan* this 30 day of December, 2002,  
at 7:21 o'clock P. M.



Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:



CARL T. C. GUTIERREZ  
*I Maga'lahaen Guahan*

Date: 1.5.03

Public Law No. 26.166

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2002 (SECOND) Regular Session**

**Bill No. 417 (COR)**

As substituted by the Author  
and amended on the Floor.

Introduced by:

M. C. Charfauros  
L. F. Kasperbauer  
V. C. Pangelinan  
J. F. Ada  
T. C. Ada  
F. B. Aguon, Jr.  
J. M.S. Brown  
E. B. Calvo  
F. P. Camacho  
Mark Forbes  
L. A. Leon Guerrero  
K. S. Moylan  
A. L. G. Santos  
A. R. Unpingco  
J. T. Won Pat

**AN ACT TO ADD § 77112.1(d) TO TITLE 21 OF THE  
GUAM CODE ANNOTATED, RELATIVE TO  
AUTHORIZING THE LEASE OF THE PASEO  
STADIUM BY THE GUAM BASEBALL  
FEDERATION, A NON-PROFIT ORGANIZATION.**

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

2           **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
3 finds that government of Guam's precarious financial condition has forced the  
4 Department of Parks and Recreation ("DPR") to defer the maintenance and  
5 repair of many of the parks and facilities under its jurisdiction. Suffering the

1 brunt of DPR's reduced budget is the Paseo Stadium, a facility which has long  
2 served as a territorial site for adult and youth baseball games. Rebuilt in 1981,  
3 the stadium has weathered through storms, earthquakes and typhoons.  
4 Repairs, *however*, have been few and far between, due primarily to a lack of  
5 funds for maintenance and repairs and, a government-wide hiring freeze,  
6 which has prevented DPR from replacing maintenance personnel lost through  
7 attrition. Consequently, the stadium's playing field has become hazardous; its  
8 dugouts, bleachers, locker rooms and toilet facilities a haven for cockroaches,  
9 rats and termites. The metal poles for the stadium lights are corroded and  
10 require immediate, extensive maintenance work.

11 It is the consensus of *I Liheslaturan Guåhan* that DPR can relieve itself of  
12 many of its facility maintenance and repair responsibilities, particularly the  
13 stadium, by outsourcing these functions to a private entity or a non-profit  
14 organization willing and equipped to do the work on a daily basis, and, at  
15 little or no cost to the government. Outsourcing has become the wave of  
16 today and is increasingly being employed as a management tool by many  
17 financially-strapped city and state governments throughout the U.S.  
18 mainland. Private and non-profit organizations are better able to generate  
19 revenue through solicitation and acceptance of monetary donations.  
20 Moreover, they have access to resources without having to go through tedious  
21 government procurement procedures. Outsourcing stadium maintenance and  
22 repair functions to an organization, such as the Guam Baseball Federation  
23 ("GBF"), will secure the development of the stadium into a municipal facility,  
24 equipped with state-of-the-art equipment for training and development of  
25 Guam's baseball players.

1           With Guam's rising reputation as a baseball powerhouse in the Region,  
2 a municipal stadium will attract *not only* regional and international events, but  
3 also Asian professional and college baseball teams seeking a venue for spring  
4 training. Guam's year-round weather conditions and close proximity to Asian  
5 countries make it an ideal site for off-season tournaments and spring training.  
6 In 1982, shortly after the Paseo Stadium was rebuilt, one (1) of Japan's top  
7 professional baseball teams, the Yomiuri Giants, chose the Paseo Stadium as a  
8 spring training site for the entire team. This gave a much-needed shot-in-the-  
9 arm to baseball development on Guam since the Giants often left behind their  
10 training equipment and supplies for local baseball players to use. Also getting  
11 a boost from the Giants' annual training was Guam's tourism industry, since  
12 an entourage of Japan's major television networks routinely traveled with the  
13 Giants, covering their every activity, either in the stadium or out in the  
14 Community. As years went by, *however*, and typhoons, earthquakes and  
15 super-typhoons took their toll on the stadium, the Giants contingent dwindled  
16 to a point where now, only a handful of players come to Guam each year. In  
17 2002, only a mere seven (7) Giants came to train. In order to develop the  
18 existing stadium to a municipal stadium, and in the interest of further  
19 enhancing baseball development on Guam, DPR, on June 28, 2002, entered  
20 into an adopt-a-stadium agreement with the GBF, the umbrella organization  
21 for youth and adult baseball leagues on Guam. While the agreement already  
22 gives GBF the responsibility of maintaining, managing and upgrading the  
23 stadium, it is the consensus of *I Liheslaturan Guåhan* that a lease agreement  
24 would ensure the infusion of much-needed funds from the private sector for

1 the repair and development of the stadium, and more importantly, the  
2 continuity of maintenance and upkeep.

3 This bill, therefore, gives DPR the authority to enter into a lease  
4 agreement with GBF, pursuant to § 60112 of Title 21 of the Guam Code  
5 Annotated, and mandates certain conditions and stipulations which, in the  
6 interest of the Public, are to be incorporated into any agreement to lease the  
7 Paseo Stadium.

8 **Section 2.** Section 77112.1(d) is hereby *added* to Article 1, Chapter 77,  
9 Division 2 of Title 21 of the Guam Code Annotated to read as follows:

10 “(d) Notwithstanding any other provision of law, the  
11 Department of Parks and Recreation is authorized to lease the Paseo  
12 Stadium to the Guam Baseball Federation for a period to be mutually  
13 agreed upon by both parties, but *not* to exceed fifty (50) years. Such  
14 lease shall be limited to management and maintenance operations; the  
15 scheduling of games and events; the sale of billboards and other  
16 advertising signage; improvement of playing field and structure and  
17 lighting; and other provisions mutually agreed upon between the  
18 Department of Parks and Recreation and the Guam Baseball Federation,  
19 and *not* inconsistent with existing laws.”

20 **Section 3. Lease Stipulations.**

21 (a) Plans for structural changes or improvements, intended to  
22 induce private sector participation, including, but *not* limited to, the  
23 improvement, expansion or re-configuration of the facility, playing field  
24 and other ancillary facilities, shall be made in consultation with and

1 with the approval of the Director of the Department of Parks and  
2 Recreation.

3 (b) Paseo Stadium maintenance personnel currently in classified  
4 positions in the Department of Parks and Recreation and currently  
5 assigned to the Paseo Stadium, shall *not* be removed from their  
6 positions, *unless* for cause, and removal shall be carried out pursuant to  
7 Title 4 of the Guam Code Annotated. The hiring of additional personnel  
8 necessary to maintain and improve the Paseo Stadium and ancillary  
9 facilities shall be at the expense of the Guam Baseball Federation.

10 (c) The lease agreement specified under § 2 of this Act shall  
11 include a provision granting free admission to citizens fifty-five (55)  
12 years of age and older at all stadium activities and functions requiring a  
13 fee.

14 (d) The lease agreement specified under § 2 of this Act may  
15 include a provision requiring the sharing of payment of utilities charges  
16 at the Paseo Stadium. Such provision, *however*, shall be implemented in  
17 the following manner:

18 (1) payment by the Department of Parks and Recreation of  
19 all utilities charges incurred during the first year of the effective  
20 date of the lease agreement; *provided*, that the Department is  
21 allotted funds for this purpose by *I Liheslaturan Guåhan* in its  
22 annual budget appropriations;

23 (2) payment of all utilities charges during the second year  
24 of the agreement, to be shared *equally* between the Department of  
25 Parks and Recreation and the Guam Baseball Federation; *provided*,

1 that the Department of Parks and Recreation is allotted funds for  
2 this purpose by *I Liheslaturan Guåhan* in its annual budget  
3 appropriations; *and*

4 (3) payment of all utilities charges to be borne *solely* by the  
5 Guam Baseball Federation during the third year and every year  
6 thereafter that the lease is in effect.

7 (e) Any lease agreement entered into pursuant to this Act shall  
8 be subject to legislative approval.

9 **Section 4. Application of Tax Credits.** Individuals and businesses  
10 making up-front contributions towards the development, upgrading, repair  
11 and maintenance of the Paseo Stadium and ancillary facilities shall be  
12 authorized tax credits against Excise Taxes, *not* to exceed Five Hundred  
13 Thousand Dollars (\$500,000.00). The Guam Economic Development and  
14 Commerce Authority (“GEDCA”) shall administer the tax credits portion of  
15 this Act pursuant to the existing Guam Raceway Park rules and regulations.

16 **Section 5. Reporting.** The Guam Baseball Federation shall report  
17 semi-annually to *I Liheslaturan Guåhan* the cost of improvements it makes to  
18 the stadium from funds *other* than the tax credits authorized herein.

19 **Section 6. Severability.** *If* any provision of this Law or its  
20 application to any person or circumstance is found to be invalid or contrary to  
21 law, such invalidity shall *not* affect other provisions or applications of this  
22 Law which can be given effect without the invalid provisions or application,  
23 and to this end the provisions of this Law are severable.



# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 12/30/02

## VOTING SHEET

5 Bill No. 417 (COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.					✓
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.					✓
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.					✓
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

12   0   0   0   3

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence

*2nd*  
*12/26/02*  
*POF-1*  
*12/26/02*

*3rd*  
*12/26/02*

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN  
2002 (SECOND) Regular Session**

**Bill No. 417 (COR)**

As substituted by the Author.

Introduced by: \_\_\_\_\_

M. C. Charfauros

*UK*  
*VCP*

*more*  
*of FA3*

**AN ACT TO *ADD* A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that Government of Guam's precarious financial condition has forced the Department of Parks and Recreation (DPR) to defer the maintenance and repair of many of the parks and facilities under its jurisdiction. Suffering the brunt of DPR's reduced budget is the Paseo Stadium, a facility which has long served as a territorial site for adult and youth baseball games. Rebuilt in 1981, the stadium has weathered through storms, earthquakes and typhoons. Repairs, however, have been few and far between, due primarily to a lack of funds for maintenance and repairs and, a government-wide hiring freeze which has prevented the department from replacing maintenance personnel lost through attrition. Consequently, the stadium's playing field has become hazardous; its dugouts, bleachers, locker rooms and toilet facilities a haven for cockroaches, rats and termites. The metal poles for the stadium lights are corroded

**I MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**

**FLOOR AMENDMENTS/CHANGES**

5 Bill No. 417

MCC

**Senator Proposing Amendment**

*(Below for Senator to complete)*

Please describe proposed amendment, including where change to occur:

- 1.) MCC
- 2.) LFK
- 3.) VCP

*(Below only for Clerk of Legislature's use and processing))*

Date 12/26, 2002

Floor Amendment No. 43 of a total of \_\_\_\_\_ changes on above Bill.

Votes For Amendment: \_\_\_\_\_ Votes Against Amendment: \_\_\_\_\_

**AMENDMENT PASSED:** \_\_\_\_\_

Amendment Failed: \_\_\_\_\_

Amendment Withdrawn: \_\_\_\_\_

**APPROVED AS TO FORM PASSED**

JMC  
AUTHOR OF AMENDMENT

Concur *(initial)*

MS  
Clerk of Legislature

\_\_\_\_\_  
Speaker

\_\_\_\_\_  
Ass't. Amend. Clerk  
\_\_\_\_\_  
Engrossment Staff

typhoons, earthquakes and super-typhoons took their toll on the stadium, the Giants contingent dwindled to a point where now, only a handful of players come to Guam each year. In 2002, only a mere seven Giants came to train. In order to develop the existing stadium to a municipal stadium, and, in the interest of further enhancing baseball development on Guam, the DPR, on June 28, 2002, entered into an adopt-a-stadium agreement with the GBF, the umbrella organization for youth and adult baseball leagues on Guam. While the agreement already gives GBF the responsibility of maintaining, managing and upgrading the stadium, it is the consensus of *I Liheslaturan Guåhan* that a lease agreement would ensure the infusion of much-needed funds from the private sector for the repair and development of the stadium, and more importantly, the continuity of maintenance and upkeep. This bill therefore, gives DPR the authority to enter into a lease agreement with GBF, pursuant to §60112 of Title 21 GCA, and mandates certain conditions and stipulations which, in the interest of the public, are to be incorporated in any agreement to lease the Paseo Stadium.

**Section 2.** Subsection (d) is hereby *added* to Section 77112.1 of Title 21, Guam Code Annotated to read as follows:

“(d) Notwithstanding any other provision of law, the Department of Parks and Recreation is authorized to lease the Paseo Stadium to the Guam Baseball Federation for a period to be mutually agreed upon by both parties but not to exceed 50 years. Such lease shall be limited to management and maintenance operations, the scheduling of games and events, the sale of billboards and other advertising signage, improvement of playing field and structure, lighting, and other provisions mutually agreed upon between the Department of Parks and Recreation and the Guam Baseball Federation and not inconsistent with existing laws.”

Handwritten notes: "Paseo FA 1" and "P" with a checkmark.

**Section 3. Lease Stipulations.** (a) Plans for structural changes or improvements, intended to induce private sector participation, including but not limited to ~~the~~ renaming of the stadium, or the improvement, expansion or re-configuration of the facility, playing field and other ancillary facilities, shall be made in consultation with and the approval of the Director of Parks and Recreation.

(b) Paseo Stadium maintenance personnel currently in classified positions in the Department of Parks and Recreation and currently assigned to the Paseo Stadium, shall not be removed from their positions, unless for cause, and removal shall be carried out pursuant to Title 4, Guam Code Annotated. The hiring of additional personnel necessary to maintain and improve the Paseo Stadium and ancillary facilities shall be at the expense of the Guam Baseball Federation.

(c) The lease agreement specified under subsection (d) of this Act shall include a provision granting free admission to citizens 55 years and older at all stadium activities and functions requiring a fee.

(d) The lease agreement specified under subsection (d) of this Act may include a provision requiring the sharing of payment of utilities charges at the Paseo Stadium. Such provision, however, shall be implemented in the following manner: (1) payment by the Department of Parks and Recreation of all utilities charges incurred during the first year of the effective date of the lease agreement, *provided* that the department is allotted funds for this purpose by *I Liheslaturan Guåhan* in its annual budget appropriations; (2) payment of all utilities charges during the second year of the agreement, to be shared equally between the Department of Parks and Recreation and the Guam Baseball Federation, *provided* that the Department of Parks and Recreation is allotted funds for this purpose by *I Liheslaturan Guåhan* in its annual budget appropriations; and, (3) payment of all utilities charges to be borne

I MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN

FLOOR AMENDMENTS/CHANGES

Bill No. 417

tea

Senator Proposing Amendment

(Below for Senator to complete)

Please describe proposed amendment, including where change to occur:

p. 4 line 3 delete  
"the renaming of the stadium, or"

(Below only for Clerk of Legislature's use and processing))

Date 12/26, 2002

Floor Amendment No. 1 of a total of      changes on above Bill.

Votes For Amendment:      Votes Against Amendment:     

AMENDMENT PASSED:     

Amendment Failed:     

Amendment Withdrawn:     

APPROVED AS TO FORM PASSED

[Signature]

AUTHOR OF AMENDMENT

Concur (initial)

[Signature]  
Clerk of Legislature

      
Speaker

     Ass't. Amend. Clerk  
     Engrossment Staff

solely by the Guam Baseball Federation during the third year and every year thereafter that the lease is in effect.

*rep FA 2 (a)*  
*(e)*  
*rep FA 2 (a)*  
**Section 4. Application of Tax Credits.** (a) All individuals and businesses making up-front contributions towards the development, upgrading, repair and maintenance of the Paseo Stadium and ancillary facilities shall be authorized tax credits not to exceed \$1 million in the first year, \$500,000 in the second year, and no more than \$300,000 in the third and subsequent years. Any donation of merchandise contributed to the project shall be the actual cost of the item plus the cost of transportation from the point of origin to its destination.

(b) Any unused credits not used in the current tax period may be carried over into subsequent tax periods until such credits are exhausted.

(c) Total credits allowed under this Act shall not exceed the actual dollar amount of the expenditures on the project by the taxpayer.

(d) All tax credits to corporations or individuals derived under this Act shall be recovered on a straight-line basis over a period of three (3) years. If the total amount of expenditures is not recovered through tax credits within this three (3) year period, the balance carried over shall be applied to future years taxes until exhausted. The total amount of credits against Excise Taxes for the renovation and maintenance of the Paseo Stadium authorized herein shall not exceed One Million Eight Hundred

*rep FA 2 (3)*  
Thousand Dollars (\$1,800,000).

*Section 5.*  
**Section 5. Severability.** If any provision of this Law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall *not* affect other provisions or applications of this Law which can be given effect without the invalid provisions or application, and to this end the provisions of this Law are severable.

I MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN

FLOOR AMENDMENTS/CHANGES  
Bill No. 417

Senator Proposing Amendment: vcp

(Below for Senator to complete)

Please describe proposed amendment, including where change to occur:

1. Add the following to Section 3 of the Bill to read:

*1/* (e) Any Lease Agreement entered into pursuant to this Act shall be subject to legislative approval.

*2/* 2. Replace subsection (a), (b), (c), and (d) of Section 4 of the bill to read:

(a) Individuals and businesses making up-front contributions towards the development, upgrading, repair and maintenance of the Paseo Stadium and ancillary facilities shall be authorized tax credits against Excise Taxes, not to exceed Five Hundred Thousand Dollars (\$500,000)". GEDA shall administer the tax credits portion of this Act pursuant to the existing Guam Raceway Park rules and regulations.

*3/* 3. New Section: Key - The Guam Football Federation  
The GF shall report to the legislature the cost of improvements it makes to the stadium from funds other than the tax credits authorized herein.

(Below only for Clerk of Legislature's use and processing)

Date: December 2<sup>6</sup>, 2002

Floor Amendment No. 2 of a total of \_\_\_\_\_ changes on above Bill.

Votes For Amendment: \_\_\_\_\_ Votes Against Amendment: \_\_\_\_\_

AMENDMENT PASSED: \_\_\_\_\_

Amendment Failed: \_\_\_\_\_

Amendment Withdrawn: \_\_\_\_\_

APPROVED AS TO FORM PASSED

[Signature]  
AUTHOR OF AMENDMENT

Concur (initial)

*MS*



P.L. 26-166

**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Ways and Means**  
*Mina'Bente Sais Na Liheslaturan Guåhan*  
**Twenty-Sixth Guam Legislature**

December 24, 2002

Honorable Antonio R. Unpingco  
Speaker  
*Mina'Bente Sais Na Liheslaturan Guåhan*  
Hagåtña, Guam 96910

VIA: Chairperson, Committee on Rules, General Government Operations,  
Reorganization and Reform and Federal, Foreign and General Affairs

Dear Mr. Speaker:


The Committee on Ways and Means, to which was referred Bill No. 417 (COR) "AN ACT TO *ADD* A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION," has had the same under consideration, and now wishes to report back the same with the recommendation to do pass as substituted by the author.

The Committee votes are as follows:

<u>6</u>	To Do Pass
_____	Not to Pass
_____	To Report Out
_____	Abstain
_____	Inactive File

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

Thank you,

  
**KALEO S. MOYLAN**  
Chairperson

Enclosure:

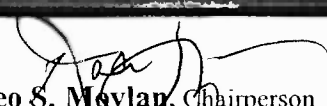

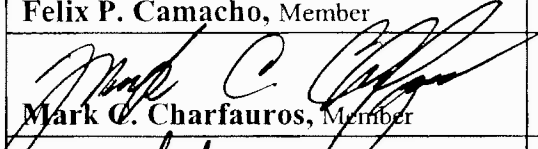



**Committee on Ways and Means**

Vote Sheet on

Bill No. 417 (COR)

As substituted by the Author.

AN ACT TO *ADD* A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION.

COMMITTEE MEMBER	TO DO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
 Kaleo S. Meylan, Chairperson	✓				
Joanne M.S. Brown, Vice Chairperson					
 Antonio R. Unpingco, Speaker & Ex-Officio	✓				
Eddie B. Calvo, Member					
Felix P. Camacho, Member					
 Mark C. Charfauros, Member	✓				
 Mark Forbes, Member	✓				
 Lawrence F. Kasperbauer, Member	✗				
 Vicente C. Pangelinan, Member	✓				

**Committee on Ways and Means  
Report On**

**Bill No. 417 (COR)**

**As substituted by the Author.**

**AN ACT TO ADD A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION.**

***PUBLIC HEARING:***

The Committee on Ways and Means, to which was referred Bill No. 417 (COR), "AN ACT TO ADD A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION. conducted a public hearing on Tuesday, December 24, 2002 at the Office of the People (Senator Vicente C. Pangelinan). Senator Kaleo S. Moylan, Chairperson of the Committee on Ways and Means, convened the hearing at 9:00 a.m. In attendance was Senator Mark C. Charfauros.

***TESTIMONY:***

At the hour so designated, the Chairman called the hearing to order. At this juncture, the Chairman then called on the main sponsor, Senator Mark C. Charfauros. The Senator informed the Chairman that he was substituting the legislation and that it be excise and not gross receipts taxes that would be affected. There being no further discussion, the Chair adjourned the hearing on Bill No 417 (COR).

***PROFILE, FINDINGS AND RECOMMENDATION***

Brief Title:	"Paseo Stadium Lease Agreement"
Date Introduced:	Monday, December 2, 2002.
Main Sponsor:	Senator M. C. Charfauros.
Committee Referral:	December 2002, from the Committee on Rules, Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs to the Committee on Ways and Means.
Public Hearing:	Tuesday, December 10, 2002, at 9:00 a.m. at the Guam Legislature Session Hall. Postponed due to Typhoon Pongsona, rescheduled for Tuesday, December 24, 2002.

Official Title: AN ACT TO *ADD* A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION.

Fiscal Note: Pursuant to the provisions of Chapter 9, Title 2 of the Guam Code Annotated, a request for a fiscal note on Bill No. 426 (COR) was made to BBMR on Tuesday, December 3, 2002.

Recommendation: To do pass as substituted by the Author.

### ***A Closer Look***

A closer look at the legislation provides that the government's precarious financial condition has forced the Department of Parks and Recreation (DPR) to defer the maintenance and repair of many of the parks and facilities under its jurisdiction. Suffering the brunt of DPR's reduced budget is the Paseo Stadium, a facility which has long served as a territorial site for adult and youth baseball games. Rebuilt in 1981, the stadium has weathered through storms, earthquakes and typhoons. Repairs, however, have been few and far between, due primarily to a lack of funds for maintenance and repairs and, a government-wide hiring freeze which has prevented the department from replacing maintenance personnel lost through attrition. Furthermore, the Guam Legislature is of the opinion that private and non-profit organizations are better able to generate revenue through solicitation and acceptance of monetary donations. Outsourcing stadium maintenance and repair functions to an organization such as the Guam Baseball Federation (GBF), will secure the development of the stadium into a municipal facility, equipped with state-of-the-art equipment for training and development of Guam's baseball players. The legislation gives DPR the authority to enter into a lease agreement with GBF, pursuant to and mandates certain conditions and stipulations which, in the interest of the public, are to be incorporated in any agreement to lease the Paseo Stadium.

### ***Section Analysis***

Section 1. Legislative Findings and Intent.

Section 2. This Section adds Subsection (d) to Section 77112.1 of Title 21, Guam Code Annotated. A closer look at the amendment provides that the Department of Parks and Recreation is authorized to lease the Paseo Stadium to the Guam Baseball Federation for a period to be mutually agreed upon by both parties but not to exceed 50 years. It also provides that such lease shall be limited to management and maintenance operations, the scheduling of games and events, the sale of billboards and other advertising signage, improvement of playing field and structure, lighting, and other provisions mutually agreed upon between the Department of Parks and Recreation and the Guam Baseball Federation and not inconsistent with existing laws.

Section 3. This Section provides for certain lease stipulations. Part of the stipulation provides that plans for structural changes or improvements, intended to induce private sector participation, including but not limited to, the renaming of the stadium, or the improvement, expansion or re-configuration of the facility, playing field and other ancillary

and require immediate, extensive maintenance work. It is the consensus of *I Liheslaturan Guåhan* that DPR can relieve itself of many of its facility maintenance and repair responsibilities, particularly the stadium, by outsourcing these functions to a private entity or a non-profit organization willing and equipped to do the work on a daily basis, and, at little or no cost to the government. Outsourcing has become the wave of today and is increasingly being employed as a management tool by many financially-strapped city and state governments throughout the U.S. mainland. Private and non-profit organizations are better able to generate revenue through solicitation and acceptance of monetary donations. Moreover, they have access to resources without having to go through tedious government procurement procedures. Outsourcing stadium maintenance and repair functions to an organization such as the Guam Baseball Federation (GBF), will secure the development of the stadium into a municipal facility, equipped with state-of-the-art equipment for training and development of Guam's baseball players. With Guam's rising reputation as a baseball powerhouse in the region, a municipal stadium will attract not only regional and international events but also Asian professional and college baseball teams seeking a venue for spring training. Guam's year-round weather conditions and close proximity to Asian countries make it an ideal site for off-season tournaments and spring training. In 1982, shortly after the Paseo Stadium was rebuilt, one of Japan's top professional baseball team, the Yomiuri Giants, chose the Paseo Stadium as a spring training site for the entire team. This gave a much-needed shot-in-the-arm to baseball development on Guam since the Giants often left behind their training equipment and supplies for local baseball players to use. Also getting a boost from the Giants' annual training was Guam's tourism industry since an entourage of Japan's major television networks routinely traveled with the Giants, covering their every activity, either in the stadium or out in the community. As years went by, however, and

facilities, shall be made in consultation with and the approval of the Director of Parks and Recreation.

Section 4. Simply put this Section provides for the application of Tax Credits not to exceed \$1 million in the first year, \$500,000 in the second year, and no more than \$300,000 in the third and subsequent years. Any donation of merchandise contributed to the project shall be the actual cost of the item plus the cost of transportation from the point of origin to its destination.

Section 5. Severability.

***COMMITTEE RECOMMENDATION:***

The Committee on Ways and Means, to which was referred Bill No. 417 (COR) "AN ACT TO *ADD* A NEW SUBSECTION (d) TO §77112.1 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE LEASE OF THE PASEO STADIUM BY THE GUAM BASEBALL FEDERATION, A NON-PROFIT ORGANIZATION," recommends that the legislation, be passed.

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN  
2002 (SECOND) Regular Session**

**Bill No. 417 (COR)**

Introduced by:

M. C. Charfauros 

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**AN ACT TO ADD A NEW SUBSECTION (d) TO §77112.1  
OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE  
TO AUTHORIZING THE LEASE OF THE PASEO  
STADIUM BY THE GUAM BASEBALL FEDERATION,  
A NON-PROFIT ORGANIZATION.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that

Government of Guam's precarious financial condition has forced the Department of  
Parks and Recreation (DPR) to defer the maintenance and repair of many of the parks  
and facilities under its jurisdiction. Suffering the brunt of DPR's reduced budget is  
the Paseo Stadium, a facility which has long served as a territorial site for adult and  
youth baseball games. Rebuilt in 1981, the stadium has weathered through storms,  
earthquakes and typhoons. Repairs, however, have been few and far between, due  
primarily to a lack of funds for maintenance and repairs and, a government-wide  
hiring freeze which has prevented the department from replacing maintenance  
personnel lost through attrition. Consequently, the stadium's playing field has  
become hazardous; its dugouts, bleachers, locker rooms and toilet facilities a haven

1 for cockroaches, rats and termites. The metal poles for the stadium lights are corroded  
2 and require immediate, extensive maintenance work. It is the consensus of *I*  
3 *Liheslaturan Guåhan* that DPR can relieve itself of many of its facility maintenance  
4 and repair responsibilities, particularly the stadium, by outsourcing these functions to  
5 a private entity or a non-profit organization willing and equipped to do the work on a  
6 daily basis, and, at little or no cost to the government. Outsourcing has become the  
7 wave of today and is increasingly being employed as a management tool by many  
8 financially-strapped city and state governments throughout the U.S. mainland. Private  
9 and non-profit organizations are better able to generate revenue through solicitation  
10 and acceptance of monetary donations. Moreover, they have access to resources  
11 without having to go through tedious government procurement procedures.  
12 Outsourcing stadium maintenance and repair functions to an organization such as the  
13 Guam Baseball Federation (GBF), will secure the development of the stadium into a  
14 municipal facility, equipped with state-of-the-art equipment for training and  
15 development of Guam's baseball players. With Guam's rising reputation as a baseball  
16 powerhouse in the region, a municipal stadium will attract not only regional and  
17 international events but also Asian professional and college baseball teams seeking a  
18 venue for spring training. Guam's year-round weather conditions and close proximity  
19 to Asian countries make it an ideal site for off-season tournaments and spring training.  
20 In 1982, shortly after the Paseo Stadium was rebuilt, one of Japan's top professional  
21 baseball team, the Yomiuri Giants, chose the Paseo Stadium as a spring training site  
22 for the entire team. This gave a much-needed shot-in-the-arm to baseball  
23 development on Guam since the Giants often left behind their training equipment and  
24 supplies for local baseball players to use. Also getting a boost from the Giants'  
25 annual training was Guam's tourism industry since an entourage of Japan's major  
26 television networks routinely traveled with the Giants, covering their every activity,



1 either in the stadium or out in the community. As years went by, however, and  
2 typhoons, earthquakes and super-typhoons took their toll on the stadium, the Giants  
3 contingent dwindled to a point where now, only a handful of players come to Guam  
4 each year. In 2002, only a mere seven Giants came to train. In order to develop the  
5 existing stadium to a municipal stadium, and, in the interest of further enhancing  
6 baseball development on Guam, the DPR, on June 28, 2002, entered into an adopt-a-  
7 stadium agreement with the GBF, the umbrella organization for youth and adult  
8 baseball leagues on Guam. While the agreement already gives GBF the responsibility  
9 of maintaining, managing and upgrading the stadium, it is the consensus of *I*  
10 *Lihselaturan Guåhan* that a lease agreement would ensure the infusion of much-  
11 needed funds from the private sector for the repair and development of the stadium,  
12 and more importantly, the continuity of maintenance and upkeep. This bill therefore,  
13 gives DPR the authority to enter into a lease agreement with GBF, pursuant to §60112  
14 of Title 21 GCA, and mandates certain conditions and stipulations which, in the  
15 interest of the public, are to be incorporated in any agreement to lease the Paseo  
16 Stadium.

17 **Section 2.** Subsection (d) is hereby added to Section 77112.1 of Title 21,  
18 Guam Code Annotated to read as follows:

19 “(d) Notwithstanding any other provision of law, the Department of Parks and  
20 Recreation is authorized to lease the Paseo Stadium to the Guam Baseball  
21 Federation for a period to be mutually agreed upon by both parties but not to  
22 exceed 50 years. Such lease shall be limited to management and maintenance  
23 operations, the scheduling of games and events, the sale of billboards and other  
24 advertising signage, improvement of playing field and structure, lighting, and  
25 other provisions mutually agreed upon between the Department of Parks and

1 Recreation and the Guam Baseball Federation and not inconsistent with existing  
2 laws.

3 **Section 3. Lease Stipulations.** (a) Plans for structural changes or  
4 improvements, intended to induce private sector participation, including but not  
5 limited to, the renaming of the stadium, or the improvement, expansion or re-  
6 configuration of the facility, playing field and other ancillary facilities, shall be made  
7 in consultation with and the approval of the Director of Parks and Recreation.

8 (b) Paseo Stadium maintenance personnel currently in classified positions in  
9 the Department of Parks and Recreation shall not be removed from their positions,  
10 unless for cause, and removal shall be carried out pursuant to Title 4, Guam Code  
11 Annotated. The hiring of additional personnel necessary to maintain and improve the  
12 Paseo Stadium and ancillary facilities shall be at the expense of the Guam Baseball  
13 Federation.

14 (c) The lease agreement specified under subsection (d) of this Act shall include  
15 a provision granting free admission to citizens 55 years and older at all stadium  
16 activities and functions requiring a fee.

17 (d) The lease agreement specified under subsection (d) of this Act may include  
18 a provision requiring the sharing of payment of utilities charges at the Paseo Stadium.  
19 Such provision, however, shall be implemented in the following manner: (1) payment  
20 by the Department of Parks and Recreation of all utilities charges incurred during the  
21 first year of the effective date of the lease agreement, *provided* that the department is  
22 allotted funds for this purpose by *I Liheslaturan Guåhan* in its annual budget  
23 appropriations; (2) payment of all utilities charges during the second year of the  
24 agreement, to be shared equally between the Department of Parks and Recreation and  
25 the Guam Baseball Federation, *provided* that the Department of Parks and Recreation  
26 is allotted funds for this purpose by *I Liheslaturan Guåhan* in its annual budget

1 appropriations; and, (3) payment of all utilities charges to be borne solely by the  
2 Guam Baseball Federation during the third year and every year thereafter that the  
3 lease is in effect.

4 **Section 3. Application of Tax Credits.** (a) All individuals and businesses  
5 making up-front contributions towards the development, upgrading, repair and  
6 maintenance of the Paseo Stadium and ancillary facilities shall be authorized tax  
7 credits not to exceed \$1 million in the first year, \$500,000 in the second year, and no  
8 more than \$300,000 in the third and subsequent years. Any donation of merchandise  
9 contributed to the project shall be the actual cost of the item plus the cost of  
10 transportation from the point of origin to its destination.

11 (b) Any unused credits not used in the current tax period may be carried over  
12 into subsequent tax periods until such credits are exhausted.

13 (c) Total credits allowed under this Act shall not exceed the actual dollar  
14 amount of the expenditures on the project by the taxpayer.

15 (d) All tax credits to corporations or individuals derived under this Act shall be  
16 recovered on a straight-line basis over a period of three (3) years. If the total amount  
17 of expenditures is not recovered through tax credits within this three (3) year period,  
18 the balance carried over shall be applied to future years taxes until exhausted. The  
19 total amount of credits against Gross Receipt Taxes for the renovation and  
20 maintenance of the Paseo authorized herein shall not exceed One Million Eight  
21 Hundred Thousand Dollars (\$1,800,000).

22 **Section 5. Severability.** *If* any provision of this Law or its application to any  
23 person or circumstance is found to be invalid or contrary to law, such invalidity shall  
24 *not* affect other provisions or applications of this Law which can be given effect  
25 without the invalid provisions or application, and to this end the provisions of this  
26 Law are severable.