



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

22 DEC 2004

of the People's Speaker
vicente (ben) c. pangelinan

The Honorable Vicente C. Pangelinan
Speaker
Mina' Bente Siete Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

DEC 23
TIME: 10:57 AM
RECEIVED BY: [Signature]

Dear Mr. Speaker:

Transmitted herewith is Bill No. 255 (LS), "AN ACT TO AUTHORIZE THE ISSUANCE OF TAX CREDITS TO ENTITIES WHO CONTRIBUTE TO THE DEVELOPMENT AND CONSTRUCTION OF AN OUTDOOR MULTI-PURPOSE SPORTS COMPLEX AT THE UNIVERSITY OF GUAM, BY ADDING A NEW ARTICLE 4 TO CHAPTER 77, DIVISION 2 OF TITLE 12, GUAM CODE ANNOTATED," now designated as Public Law 27-130.

Sinseru yan Magåhet,

[Signature of Felix P. Camacho]

FELIX P. CAMACHO
I Maga'låhen Guåhan
Governor of Guam

Attachment: copy attached of signed bill

cc: The Honorable Tina Rose Muna-Barnes
Senator and Legislative Secretary



**MINA' BENTE SIETE NA LIHESLATURAN GUÅHAN**  
TWENTY-SEVENTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

December 21, 2004

The Honorable Felix P. Camacho  
*I Maga'lahaen Guåhan*  
*Ufisinan I Maga'lahi*  
Hagåtña, Guam 96910



Dear *Maga'lahi* Camacho:

Transmitted herewith is Substitute Bill No. 255(LS) which was overridden by *I Mina'Bente Siete Na Liheslaturan Guåhan* on December 20, 2004, notwithstanding your veto.

Sincerely,

TINA ROSE MUNA BARNES  
Senator and Legislative Secretary

Enclosure (1)

I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN  
2004 (SECOND) Regular Session

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

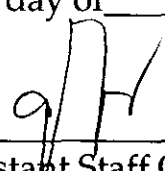
This is to certify that Substitute Bill No. 255 (LS), "AN ACT TO AUTHORIZE THE ISSUANCE OF TAX CREDITS TO ENTITIES WHO CONTRIBUTE TO THE DEVELOPMENT AND CONSTRUCTION OF AN OUTDOOR MULTI-PURPOSE SPORTS COMPLEX AT THE UNIVERSITY OF GUAM, BY ADDING A NEW ARTICLE 4 TO CHAPTER 77, DIVISION 2 OF TITLE 12, GUAM CODE ANNOTATED," returned without approval of *I Maga'lahen Guåhan*, was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 20<sup>th</sup> day of December, 2004, to pass said bill notwithstanding the veto of *I Maga'lahen Guåhan* by a vote of Eleven (11) Members.

  
\_\_\_\_\_  
vicente (ben) c. pangelinan  
Speaker

Attested:

  
\_\_\_\_\_  
Tina Rose Muña-Barnes  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahen Guåhan* this 21<sup>st</sup> day of Dec., 2004, at 12:30  
o'clock P.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahi's* Office

Public Law No. 27-130

I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN  
2004 (SECOND) Regular Session

**Bill No. 255 (LS)**

As substituted by the Committee on Economic  
Development, Retirement, Investment, Public Works  
and Regulatory Functions and amended on the Floor.

Introduced by:

L. A. Leon Guerrero

J. A. Lujan

J. M. Quinata

T. R. Muña Barnes

F. B. Aguon, Jr.

C. Fernandez

L. F. Kasperbauer

R. J. Respicio

J. M.S. Brown

F. R. Cunliffe

Mark Forbes

R. Klitzkie

v. c. pangelinan

Toni Sanford

Ray Tenorio

**AN ACT TO AUTHORIZE THE ISSUANCE OF TAX  
CREDITS TO ENTITIES WHO CONTRIBUTE TO THE  
DEVELOPMENT AND CONSTRUCTION OF AN  
OUTDOOR MULTI-PURPOSE SPORTS COMPLEX AT THE  
UNIVERSITY OF GUAM, BY ADDING A NEW ARTICLE 4  
TO CHAPTER 77, DIVISION 2 OF TITLE 12, GUAM CODE  
ANNOTATED.**

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

2 **Section 1. A new Article 4 is hereby *added* to Chapter 77,**

3 **Division 2 of Title 12, Guam Code Annotated, to read:**

1 "Article 4

2 §77401. Legislative Findings and Intent.

3 §77402. Tax Credits.

4 §77403. Maximum Amount of Tax Credits Authorized.

5 §77404. Determination of Amount of Contribution for Donated  
6 Merchandise.

7 §77405. Approval of Contributions.

8 §77406. Miscellaneous.

9 §77407. Rules and Regulations.

10 §77401. Legislative Findings and Intent. As a result of the  
11 damage caused by the typhoons and super-typhoons that have  
12 plagued our Island in the last five (5) years, Guam's outdoor sporting  
13 facilities have deteriorated dramatically. Guam's youth and adult  
14 sporting leagues are left searching for sites to hold their annual  
15 sporting competitions. It is the consensus of *I Liheslaturan Guåhan* that  
16 the development and construction of a multi-purpose outdoor sports  
17 facility will enhance the growth of such outdoor sports as football,  
18 soccer, tennis, baseball, softball, and rugby on Guam and attract *not*  
19 *only* regional and international events, but also Asian professional and  
20 college teams seeking a venue for spring training, giving a much  
21 needed boost to Guam's tourism industry. The University of Guam,  
22 with its existing outdoor sports facilities provides a suitable location  
23 for the development of a first class outdoor multi-purpose sports  
24 complex.

25 §77402. Tax Credits. Guam sole proprietorships,  
26 corporations, partnerships, and limited liability companies making

1 contributions towards the development, construction, financing,  
2 maintenance, and improvement of an outdoor multi-purpose sports  
3 complex at the University of Guam shall be entitled to tax credits  
4 against those excise taxes levied against the contributor pursuant to  
5 Chapter 22 (Annual Excise and Admission Taxes), Article 3 of  
6 Chapter 26 (Alcoholic Beverage Tax), Article 6 of Chapter 26  
7 (Tobacco Tax), and Chapter 28 (Use Tax) of Division 2 of Title 11 of  
8 the Guam Code Annotated. All tax credits referred to in this Article  
9 shall mean tax credits applied against excise tax liabilities.

10 **§77403. Maximum Amount of Tax Credits Authorized.**

11 The aggregate amount of tax credits authorized by this Article for all  
12 contributors shall *not* exceed One Million Dollars (\$1,000,000).

13 **§77404. Determination of Amount of Contribution for**  
14 **Donated Merchandise.** The amount of contribution of any donated  
15 merchandise used in the development, construction and  
16 improvement of the outdoor multi-purpose sports complex at the  
17 University of Guam shall be the actual cost of the item plus the cost  
18 of transportation from the point of origin to its destination without  
19 profit, mark-up or taxes.

20 **§77405. Approval of Contributions.** The University of  
21 Guam or its designee shall be responsible for approving the  
22 contributions made towards the development, construction,  
23 financing, maintenance, and improvement of the outdoor multi-  
24 purpose sports complex at the University of Guam.

1           **§77406. Miscellaneous.** The tax credits authorized by this  
2 Act shall be subject to the following conditions:

3           (a) Tax credits that cannot be applied during a single  
4 tax year may be applied to excise tax liability in  
5 subsequent years.

6           (b) A single contributor shall only be entitled to claim  
7 tax credits up to Twenty-Five Thousand Dollars  
8 (\$25,000.00) per month, *not* to exceed Three  
9 Hundred Thousand Dollars (\$300,000.00) per year  
10 or tax credits shall *not* be applied to more than fifty  
11 percent (50%) of the contributor's monthly excise  
12 tax liability.

13           (c) To be eligible for the tax credits authorized by this  
14 Article, contributors must be licensed to do business  
15 on Guam.

16           **§77407. Rules and Regulations.** In accordance with the  
17 Administrative Adjudication Law, the Guam Economic Development  
18 and Commerce Authority shall formulate rules and regulations  
19 governing the issuance of the tax credits and the allocation of the  
20 aggregate tax credits among contributors authorized by this Article."

21           **Section 2. Severability.** *If* any provision of this Law or its  
22 application to any person or circumstances is found to be invalid or  
23 contrary to law, such invalidity shall *not* affect other provisions or  
24 applications of this Law which can be given effect without the invalid

1 provisions or applications, and to this end the provisions of this Law are  
2 severable.





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Office of the People's Speaker
vicente (ben) c. pangelinan

MAY 04 2004

TIME: 5:03 ( ) AM ( ) PM
RECEIVED BY: [Signature]

Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

0 1 MAY 2004

The Honorable Vicente C. Pangelinan
Speaker
Mina' Bente Siete Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 255 (LS), "AN ACT TO AUTHORIZE THE ISSUANCE OF TAX CREDITS TO ENTITIES WHO CONTRIBUTE TO THE DEVELOPMENT AND CONSTRUCTION OF AN OUTDOOR MULTI-PURPOSE SPORTS COMPLEX AT THE UNIVERSITY OF GUAM", which I have vetoed.

As you are well aware the government of Guam is fiscally strapped and is vigilantly addressing financial shortfalls, especially for the government of Guam's primary areas of responsibility: health services, safety and education. While the intent of Bill No. 255, the construction of an outdoor multi-sports complex at the University of Guam, is certainly an admirable endeavor, I am opposed to the use of a revenue source that is direly needed in areas of critical care. The Healthy Futures Fund was established as a revenue based for the Guam Memorial Hospital, Department of Mental Health and Substance Abuse, the Department of Public Health and Social Services, the Department of Education, the Guam Police Department and the Department of Integrated Services for Individuals with Disabilities.

We have heard the tremendous outcry from our community as well as the international community regarding the use of funds, which are intended to treat and prevent the use of tobacco and alcohol products to potentially alleviate the very tax obligation of those companies supplying tobacco and alcohol products. This action is contrary to the principles on which the Healthy Futures Fund was established.

Additionally, the Guam Memorial Hospital is in a serious crisis. The management of the hospital and the doctors who provide care at the hospital have done everything in their power to keep GMH operational. I also have transferred \$3 million in funding to the hospital over the past year. However, we are at a point where immediate, available funding must be directed to the Guam Memorial Hospital.

Earmarking the Healthy Futures Fund:

As you and the other members of the Guam Legislature already have indicated your willingness to release the balance of the Healthy Futures Fund for purposes such as sports facilities, I am

certain that you also would be willing to appropriate those funds to ensure that the Guam Memorial Hospital can provide the level of care our people require. Therefore, I am calling on you and the members of the Guam Legislature to appropriate the remaining \$3 million in the Healthy Futures Fund to the Guam Memorial Hospital immediately.

Last year, the Guam Legislature passed the increase in the alcohol and tobacco taxes to finance public healthcare needs. The healthcare system remains seriously under-funded in many areas. I cannot support a measure that takes funding away from the critical health needs of our island, even for the outdoor multi-sports complex.


Again, I am calling on you and the other members of the Guam Legislature to immediately appropriate the remaining balance of the Healthy Futures Fund to the Guam Memorial Hospital so that we can begin to address the dire shortfalls within our healthcare system. Let us not lose sight of the priorities we must establish as leaders. Appropriating this funding to GMH will show the people of Guam that their health needs are a top priority.

Enacting Bill No. 255 while ignoring the problems at the Guam Memorial Hospital would go against the very principle upon which you and your fellow Senators established the Healthy Futures Fund.

Alternative funding for Sports Complex:

As a funding alternative for the proposed UOG Sports Complex in Bill No. 255, Guam's U.S. Department of Agriculture office has confirmed that the remaining balance of the \$13.5 million earmarked for the construction of the University of Guam's Jesus and Eugenia Leon Guerrero College of Business and Public Administration Building can be used for any other capital improvements at the University of Guam. I understand that UOG intends to award the construction contract for the CBPA building for \$10.4 million, with an additional \$1.5 million earmarked toward other construction costs. That means that there is an additional \$1.6 million remaining. I believe that we should work with the University to determine their priorities for the use of this money; perhaps this remaining balance can be used toward the construction of the outdoor multi-sports complex at the University.

Sincerely yours,



**FELIX P. CAMACHO**  
*I Maga' Låhen Guåhan*  
*Governor of Guam*

Attachment: copy attached of signed bill

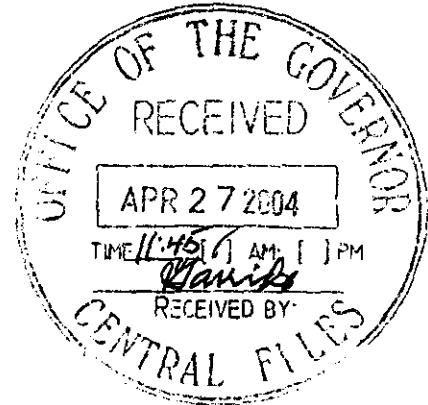
cc: The Honorable Tina Rose Muna-Barnes  
Senator and Legislative Secretary



**MINA' BENTE SIETE NA LIHESLATURAN GUAHAN**  
TWENTY-SEVENTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

April 27, 2004

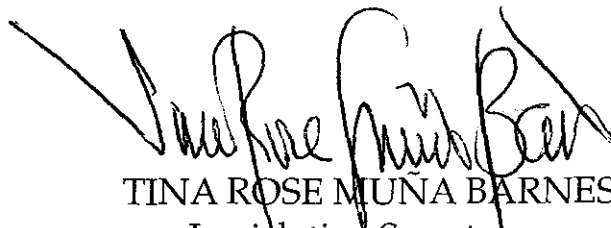
The Honorable Felix P. Camacho  
*I Maga'lahaen Guahan*  
*Ufisinan I Maga'lahi*  
*Hagåtña, Guam 96910*



Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill Nos. 178(LS), 193(COR), 256(LS), 261(LS) and 277(COR), and Substitute Bill Nos. 17(LS), 115(COR), 119(COR), 146(LS), 172(LS), 175(LS), 177(LS), 183(COR), 220(COR), 230(LS), 231(LS), 249(COR), 255(LS) and 258(LS) which were passed by *I Mina' Bente Siete Na Liheslaturan Guahan* on April 23, 2004.

Sincerely,

  
TINA ROSE MUNA BARNES  
Legislative Secretary

Enclosures (19)

CFI- 0404- 2294

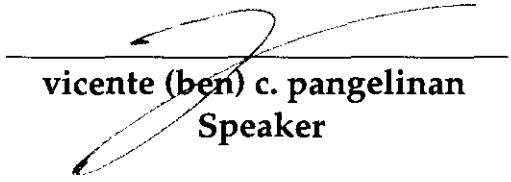
I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN  
2004 (SECOND) Regular Session

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

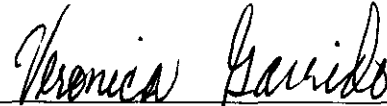
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Attested:

  
Tina Rose Muña Barnes  
Senator and Legislative Secretary

  
vicente (ben) c. pangelinan  
Speaker

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This Act was received by *I Maga'lahen Guåhan* this 27 day of April, 2004,  
at 11:45 o'clock A. .M.

  
Assistant Staff Officer  
*Maga'lahi's* Office

APPROVED:

  
FELIX P. CAMACHO  
*I Maga'lahen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_



Office of Senator Antoinette (Toni) Sanford  
Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions  
Suite 15B, 777 Route 4, Sinajana, Guam 96910 /Telephone (671) 479-8664/6 Fax (671) 479-8667 Email: [senatorsanford@ite.net](mailto:senatorsanford@ite.net)

April 1, 2004

Senator Lou Leon Guerrero  
Chairperson, Committee on Rules & Health  
TWENTY-SEVENTH GUAM LEGISLATURE  
155 Hesler Street  
Hagatna, Guam 96910

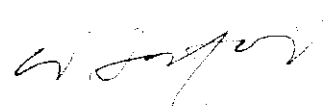
Dear Senator Leon Guerrero,

The Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions, to which Bill No. 255 (LS) An act to authorize the issuance of tax credits to entities who contribute to the development and construction of an outdoor multi-purpose sports complex at the University of Guam. was referred, wishes to report its findings and recommendation TO DO PASS as substituted.

The voting record is as follows:

TO PASS	<u>7</u>
NOT TO PASS	<u>0</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee report and other pertinent documents are attached.

  
Antoinette (Toni) Sanford

Attachment.



Office of Senator Antoinette (Toni) Sanford  
Assistant Majority Leader

TWENTY-SEVENTH GUAM LEGISLATURE

Chairwoman, Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions  
Suite 15B, 777 Route 4, Sinajana, Guam 96910 / Telephone (671) 479-8664/6 Fax (671) 479-8667 Email: [senatorsanford@ite.net](mailto:senatorsanford@ite.net)

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April 1, 2004

MEMORANDUM

TO: Committee Members

FROM: Chairwoman

SUBJECT: Committee Report and Voting

Transmitted herewith for your information and action is the report on Bill No. 255 (LS) An act to authorize the issuance of tax credits to entities who contribute to the development and construction of an outdoor multi-purpose sports complex at the University of Guam.

Please review the report and take the appropriate action on the voting sheet. Your prompt attention and action on this matter is greatly appreciated. Should you have any questions regarding the report or accompanying documents, please do not hesitate to contact me.

Antoinette (Toni) Sanford

Attachment.

**COMMITTEE ON ECONOMIC DEVELOPMENT, RETIREMENT,  
INVESTMENTS, PUBLIC WORKS, AND REGULATORY  
FUNCTIONS**

Twenty-Seventh Guam Legislature  
155 Hesler Street, Hagatna Guam 96910



**COMMITTEE REPORT  
ON**

Bill No. 255 (LS) An act to authorize the issuance of tax credits to entities who contribute to the development and construction of an outdoor multi-purpose sports complex at the University of Guam.

**COMMITTEE MEMBERS**

Chairperson Senator Toni Sanford  
Vice-Chairperson Senator Frank B. Aguon, Jr.

Majority Members

Senator Lou Leon Guerrero  
Senator Tina Muna Barnes  
Senator John M. Quinata  
Senator Rory Respicio  
Speaker ben c. pangelinan (ex-officio)

Minority Members

Senator Jesse A. Lujan  
Senator Larry Kasperbauer

## I. OVERVIEW

### A. Purpose and Essential Elements

#### **INTENT**

To give tax credits to those private companies who choose to contribute to the development and construction of an outdoor multi-purpose sports complex at the University of Guam.

#### SECTION BY SECTION

**Section 1. Legislative Findings and Intent.** States that due to the number of typhoons that has overwhelmed our island in the past few years, Guam's outdoor sporting facilities have deteriorated dramatically. Guam's adult and youth sporting leagues are left searching for available venues to hold annual competitions. The development and construction of a multi-purpose outdoors sports facility will enhance the growth of such outdoor sports such as football, soccer, tennis, baseball, softball, and rugby will be greatly improved. It will attract regional, international, and most of all, Asian professional and college teams seeking a venue for spring training, giving Guam's tourism industry a huge boost. With the University of Guam's existing facilities, it provides for a suitable place for the development of a first class outdoor sports facility.

**Section 2. Tax Credits.** If any of the Guam's sole proprietorships, corporations, partnerships, and limited liability companies making contributions towards the development, construction, financing, maintenance, and improvement of an outdoor multi-purpose sports complex at the University of Guam shall be entitled to tax credits against those excise taxes levied against the contributor pursuant to Chapter 22 (Annual Excise and Admission Taxes), Article 3 of Chapter 26 (Alcohol Beverage Tax), Article 6 of Chapter 26 (Tobacco Tax), and Chapter 28 (Use Tax) of Division 2 of Title 11 or GCA.

**Section 3. Maximum Amount of Tax Credits Authorized.** The aggregated amount of tax credits authorized by this Act for all contributors should not exceed One Million Dollars (\$1,000,000.00). Director of Department of Revenue and Taxation will determine allocation of the aggregate tax credits among contributors.

**Section 4. Determination of Amount of Contribution for Donated Merchandise.** The amount of contribution of any merchandise that is used for the development, construction, and improvement of the multi-purpose complex will be the actual cost of the item plus the cost of transportation from point of origin to its destination without profit, mark-up or taxes.

**Section 5. Approval of Contributions.** University of Guam or its designee is responsible for the approving of contributions toward the development, construction, financing, maintenance, and improvement of the outdoor multi-purpose sports complex.

**Section 6. Miscellaneous.** Conditions of tax credits authorized by Act.

- (a) Tax credits that cannot be applied during a single tax year may be applied to excise tax liability in subsequent years.
- (b) Single contributor is only entitled to claim tax credits up to \$10,000 per month, not to exceed \$100,000 per year *or* tax credits shall not be applied to more than fifty percent (50%) of contributors monthly excise tax liability.
- (c) To be eligible for tax credits, contributors must be licensed to do business on Guam.

**Section 7. Rules and Regulation.** In agreement with the Administrative Adjudication Law, GEDCA will put together the rules and regulations leading the issuance of the tax credits authorized by this Act.



**Section 8. Standard Severability Clause.**

**B. Public Hearing Conducted**

The Committee on Economic Development, Retirement, Investments, Public Works and Regulatory Functions conducted a public hearing on Monday, March 8, 2004 in the Legislative Public Hearing Room, I Liheslaturan Guahan, in Hagatna. Public notice was provided on February 27, 2004 and March 4, 2004.

Committee Chairwoman Toni Sanford called the public hearing to order at 10:06am in the Legislative Public Hearing Room. Committee members present were: Senators John Quinata and Speaker Ben C. Pangelinan. Non-committee members present: Senators Robert Klitzkie, Carmen Fernandez and Ray Tenorio.

**II. SUMMARY OF TESTIMONY**

Senator Lou Leon Guerrero stated the intent of Bill 255 is to expand sports tourism in Guam and addressing the lack of local sports facilities by providing incentives for companies to put money to help develop these facilities. The purpose of the bill is to incentivize companies who contribute to taxes in government to put up tax credits towards building a sports complex at the University of Guam. It looks at the tobacco proceeds, allows businesses who do business in alcohol, tobacco beverages to be able to have credit towards those taxes that they pay if they contribute to the development, financing, and contributions of a sports complex. It is capped at \$1 million, it is an aggregate and provides a \$10,000 per month event. This is just a tax credit to those entities who provide business in tobacco and alcohol sales to allow them to be a developer, investor, financier, contributor and to encourage them to do so by giving them some tax credits on the proceeds that that they make.

Written testimony was received from Mr. William H. Calori, the Guam Football Players and Coaches Association; the Independent Interscholastic Athletic Association of Guam; and the Guam Economic Development and Commerce Authority, however, no representatives appeared before the Committee.

Mrs. Leonard P. Calvo, Eric Hayes, and Ray Souza all directors of the Guam Football Players and Coaches Association submitted a joint written testimony in support of Bill 255. Their testimony stated the planned improvements at the UOG Fieldhouse would provide a sports facility that would enable the GFPCA meets its goals to:

- 1) improve the quality of athletes through training and maintaining a high level of competition;
- 2) improve military and civilian relations through sports competitions and provide a clean and safe environment for spectators;

- 3) attract visitors through sports marketing of American football, a sport that is growing in popularity worldwide.

Mr. Ed Brown, President of the Independent Interscholastic Association of Guam submitted written endorsing the passage of Bill 255. Mr. Brown stated facilities needed for the activities of the IIAAG have always been a major difficulty and that he expects the proposed UOG sports complex would be available for use to the ILLAAG. Mr. Brown requested consideration of a favorable rate (rent) structure for non-profit organizations like the IIAAG as their funding is also limited.

Mr. Gerald S.A. Perez, Administrator for the Guam Economic Development and Commerce Authority provided written testimony providing recommendations to Bill 258, however, he did not take a position in support or in opposition to the bill. Mr. Perez stated GEDCA's recommendations are based on its experience with a similar program authorized for the Guam Raceway Park under PL 24-141. Mr. Perez stated because Guam statute currently requires an economic impact assessment for such an endeavor prior to the implementation of such a program, he recommended adding language to Bill 255 which would outline which entity is required to complete the impact assessment and how that task would be funded.

Mr. Perez's testimony suggested the bill should specify how tax credits are to be applied (i.e. dollar – for – dollar) as in the Guam Raceway legislation. He also stated it has been GEDCA's experience that requiring the beneficiary of the program (UOG) to develop a project master plan could provide GEDCA with a guide to be utilized in monitoring the activities under the program and certifying qualifying contributions. Additional language to the bill is needed to require UOG to develop this master plan which GEDCA can then use to enforce compliance and benefits of the program.

Mr. William H. Calori submitted written testimony in support of Bill 255 and stated the provisions would help the University develop programs and initiatives to further the University's mission and, while simultaneously generating revenue..

Dr. Harold Allen, President of the University of Guam appeared before the Committee and provided oral testimony in support of Bill 255. Dr. Allen stated the sports complex envisioned by the UOG is consistent with the university's Capital Facilities Master Plan that was developed some years ago when the existing Fieldhouse was originally constructed in the late 1970s. It was envisioned that the university owned properties continuous with the Fieldhouse would eventually provide a home for an integrated Sports Complex that would serve the university's needs as well as the greater growing community as well. Academic facilities needs reflected a much higher priority in what funding has been available to the institution has been focused largely on academic student and research needs and as important as the Sports Complex is it has had to assume a lesser priority.

Dr. Allen stated with the development of a new strategic plan in 2002, the university began what I believe was a more serious effort to focus its attention on student learning

and the creation of an environment that supports student learning and student well being as well as strengthening community engagement and improving community health. We believe the facility for which we have now completed a conceptual design will achieve these various and multiple goals. We envision the planned UOG Sports Complex will first and foremost provide our students with a first class athletics facility; a facility that will expand opportunities for intramural and intercollegiate athletics and student recruitment. The endowment foundation and the university hosted a weeks' worth of Friendship Basketball Games these past year, and by any measure the event was an international success; hosting teams from Guam, the Philippines, Korea, and Japan. Not only was the event a fundraising success with a sell out attendance but a signal example of the effectiveness of sports tourism that can support and assist Guam's developing economy.

Dr. Allen stated we also envision another positive outcome of having a UOG Sports Complex at the university proper and that would be to host teams from countries planning to participate in the Beijing Olympics. In another year to 18 months, most countries planning to participate in the Olympics will begin to search out quality facilities in a similar time zone and climate so that their teams can train and acclimate to our type of environment. We have dormitory space and access to food service that can support these teams while they resident at the university of Guam; we also believe the Sports complex and access to dormitory space can support a Japanese Baseball Farm team for Spring training exercises perhaps, in conjunction with activities already planned and scheduled for Leo Palace. I would like to emphasize several remaining points:

- 1) the university has had considerable success with summer sports camps for young people of varying ages; we would like to see these programs expanded for other young children;
- 2) with creative and imaginative marketing of the Fieldhouse this past year saw the Athletics Program move into the black for the first time while supporting a variety of community based programs and initiatives.

We would like to see a Sports Complex developed for the benefit of our institution and the community. It can become an important element of community health and community well being. With growing concerns about child and adult obesity, diabetes, hypertension – in Guam and throughout the nation, we see the UOG Sports Complex as a responsible and badly needed addition to the university and to our overall island community. Dr. Allen urged the Committee and the Legislature to support Bill 255.

Mr. Robert Pelkey, Director of UOG's Athletics Program Fieldhouse appeared before the Committee and provided oral testimony in favor of Bill 255. He presented a preliminary drawing of the proposed complex which would provide a multi-purpose football/soccer field with astro synthetic turf which is easier to maintain with a track that we can use for training. We also want to put in a practice soccer field because it is in high demand. With the Guam Football Association developing its two fields and proposing to host future tournaments, they would need additional practice fields. We also have a baseball field which we are hoping to expand into a stadium with some softball fields for our extra murals and intramural programs; add some tennis courts with

a Grant Tennis Court for hopefully, attracting people from the tennis circuit here in the South Pacific. We still have some spaces to fill in here with an outdoor basketball court; I would like to propose we put some beach volleyball courts because it is now a recognized South Pacific sport and we look forward to expanding this project to accommodate that. There are some additions here for concessions, restrooms, storage spaces, and batting cages that would enhance this total project.

Mr. Pelkey stated Bill 258 represents 'opportunity.' The development of an outdoor multi-sports complex at UOG is an opportunity to revisit the Master Plan, finalize details to ensure all pieces of the puzzle are put together in a manner that maximizes space but does not compromise any of the standard requirements of international regulations for each playing facility. Bill 258 is an opportunity to develop an extremely significant sports complex to conduct athletic and recreational sports program and to enhance our academic program for physical education majors. It is common knowledge the facilities dictate programs; the outdoor multi purpose sports complex proposed is an opportunity to be a great community resource that can used to host a multitude of activities from sports specific camps, clinics, team training practices, home games, hosting of international and extramural sports leagues and tournaments.

Mr. Pelkey stated developing the sports complex will give the University an opportunity to develop young student athletes and teams that will compete with other universities within our region in exhibitions and tournaments as the host institution. The development of our sports teams for competitions will give us the opportunity to recruit student athletes to represent UOG. The availability of the sports complex at the UOG will allow us the opportunity to invite sporting federations from other countries to come to our campus to train; the sports complex facilities will give us opportunity to assist the local development of national athletes as well as host international sporting events in partnership with local internationally sport Federations.

Mr. Robert J. Steffy, a 30-year Guam resident and Secretary General of the Guam National Olympic Committee appeared before the Committee and provided written and oral testimony in support of the bill. He stated the \$1 million dollars cap is not enough; and suggested the Legislature needs to set a cap per year to accommodate Bill 258 and other bills being considered to address the overall financial needs for sports facilities and to find some basis for the allocation of the tax credit.

He stated the University of Guam is an ideal site for a multi-purpose outdoor sports facility, however had several concerns relative to specific sections of the bill:

- 1) stated the allocation of the tax credit should not be determined by the director of the department of revenue and taxation, but rather pro rata depending on the amount of the proposed contributions – a maximum cap should be placed on all proposals of this type per year or the Legislature should appropriate an amount for sports capital improvements and divide it on some reasonable basis.
- 2) On Section 7 the limitations per month and per year are too low; and suggested the contributions may be increased to \$25,000 a month to a maximum of \$300,000 – if not, the development of this project will just take too long. Raising

the contributions even higher should also be considered because it is conceivable that a large contributor would come in and then the project can be fast – tracked. Leaving the limitations at \$10,000 per month will stymie the length of time it would take to develop and complete the project.

Mr. Jesse Leon Guerrero, Chairman of the UOG Endowment Foundation appeared before the Committee and provided written and oral testimony in favor of Bill 258. He stated if completed, the Sports Complex would provide the Foundation with an additional vehicle for various fundraising events. He reminded the Committee, UOG is the only U.S. institution of higher learning in the Western Pacific Region; the construction of a Sports Complex allows Guam to pursue this geographic advantage and become a Mecca for academia and sports locally, regionally, and internationally and will substantially form the sports section of the University's Master Plan. Mr. Leon Guerrero stated he agreed with Mr. Steffy's suggested amendments concerning 'fast track funding' and increasing the caps provided in the bill.

UOG Regent Enrique Castro, Vice-Chair of the UOG Board of Regents appeared before the Committee and provided written and oral testimony in support of the passage of Bill 258 on behalf of Mr. Ron Leach, Chairman of the UOG Board of Regents. Mr. Castro read into the record Mr. Leach's written testimony which stated Bill 258 provides an incentive for investment in the University through tax abatement. In a time when government resources are scarce, alternative means to raise funds must be explored for the development and construction of facilities such as a UOG Multi-Sports Complex. Forming partnerships with private entities and the business community, the UOG will be able to build facilities to benefit the University and the community at large.

Mr. Leach's stated also stated the construction of the complex will assist the UOG in recruitment to attract students; allows new and current students and employees to participate in classes and intramural sports at a first class outdoor complex. These same benefits will be available to the community at large which is in line with the UOG Strategic Initiatives of community engagement.

Mr. Leach's testimony further stated the facility will provide an economic advantage for the island; the potential to attract regional and international games and events as well as professional and college teams looking for locations to train – these games stimulate economic activity in our tourism industry as spectators follow to watch their teams to train or to compete on Guam. While Bill 255 is an extremely positive bill for the UOG and the community, more work will have to be done to ensure its promise will be realized. Prior to construction the UOG will have the task of ensuring it will be able to complete construction of the complex as well as maintain and improve the complex through contributions as well as revenue to be generated by use of the complex. A marketing and operations' plan will be needed to be developed to ensure these issues as well as prepare for competition it may face from private businesses on island developing facilities for the same markets.

Former Senator and Commissioner of the Guam Baseball Federation Mark Charfaurous appeared before the Committee and provide oral testimony in favor of Bill 255. He stated sports tourism is an untapped market in this community; even though Bill 258 would extend tax credits to build the UOG complex, the revenues and increased participation in sports generated will more than pay off the investment of these tax dollars. He stated he agreed with Mr. Steffy's testimony to reconsider upping the \$1 million cap; increasing the monthly limitations; as total allowable per year per contributor.

Mr. Charfaurous stated \$1 million may seem an exorbitant amount of money, however, it is not. The lack of facilities on our island has been a detriment to the local sports organizations. The Federation and baseball community has had to look at other sources to get these facilities up and running – we just don't have the general fund resources. The Soccer groups to maintain it two soccer fields, the Guam Football Association pays \$5,000 a month just on the maintenance costs on those two fields – that's an example of the maintenance costs needed to built and maintain these facilities. The efforts in Inarajan – Mayor Taitague and Mr. Don Weakley – they're basically constructing their own baseball field through donations by GPA (poles ); personal donations of time and use of privately owned equipment.

Mr. Charfaurous stated the Federation has given a proposal to all the mayors in that they would like to participate in the concessions of all the village fiestas – our proposal is after costs expended on the concessions, 50% of whatever the Federation generates would be given to each of the village to help build or maintain facilities in their own villages. Mr. Charfaurous stated on the international standards and standings, Guam is a giant when it comes to the sports facilities. Guam's soccer team while competing in Fiji came in with a silver and almost won out the gold knowing full well that they have competed with soccer countries in the South Pacific; baseball and body building teams have come home to Guam with gold medals as well. Our problem is the ability of facilities to get these athletes the proper training equipment. We've been also been working with GEPA – there have been fines given to developers for failing to adhere to environmental codes; rather than have these violators pay these fines directly to Guam EPA – maybe they can contribute a portion of these fines for the use of the creation of sports facilities around the island.

Mr. Charfaurous stated the Leo Palace charges anywhere from \$200 to \$300 an hour to use their baseball facility. We're at a disadvantage because I understand that we have given them tax credits and I understood those credits were supposed to contribute back into the community. The sports federations don't have the power and we're forced to either pay these fees or try to make makeshift facilities like they do in Inarajan just to continue on with our activities. The Federation supports Bill 255; commends the author; and urges the Committee to pass the bill.

Ms. Flora Baza Quan, Executive Director of the UOG Endowment Foundation and mother of children who love sports appeared before the Committee and provided written an oral testimony in favor of Bill 255. She related the personal story of her son TJ who

became the first Male Athlete Scholar of Guam and was selected to compete in the NCAA Division I, II, or III team. She stated he was invited to represent Guam in the World Track and Field Championships in Lisbon and was forced to train in Australia because of the lack of local facilities which met the required qualifying standards for the competition. Ms Quan reiterated the potential academic, athletic, and economic benefits in earlier testimony more than justify Legislative approval of Bill 255. She stated she also agreed with Mr. Steffy's earlier testimony to consider upping the amount of tax credits made available in the bill in order to fast track the completion of the project. She stated the Endowment Foundation could be utilized as the designee of such contributions of the UOG as envisioned under Bill 255.

Mr. Richard Lai, Chairman of the Sports Tourism Committee of the Guam Visitors Bureau and provided oral testimony in favor of Bill 255. He stated GVB completed an infrastructure facility inventory study which revealed over 90% of the sports facilities on Guam are currently not up to par. Bill 255 would enhance and further the goal of establishing sports tourism in Guam. Mr. Lai stated only one sports facility which is up to far to competition standards and that is the Leo Palace. While the Leo Palace is a privately owned facility, Mr. Lai stated the government needs to have its own public sports facility.

Mr. Lai stated for the last 2 months, the Yomiuri Giants Baseball Team; a couple of professional soccer and swimming teams, softball teams from Japan came to Guam for training, however they all were housed, fed, and trained at the Leo Palace; all the business and economic infusion only went to one company. Mr. Lai stated Guam needs public facilities as well so other businesses can also have the same equal opportunity economic opportunity as the Leo Palace. Other hotels should be able to bid on these Spring Training contracts if they have access to a public sports complex at the UOG; these activities will generate revenues for the University as well and help them raise the funds to maintain and operate the complex once constructed. Mr. Lai stated 'sports' has no restrictions; sports fans and spectator will watch and play the sports regardless of economic impact.

Mr. Lai also stated as President of Guam Football Association, each year hundreds of island youths travel off island to compete and yet we still don't have a facility that is up to par for training. Our Federation is currently building 2 full sized football fields which will be completed by the end of April. The Federation would love to see more sports facilities built to benefit other sports events; basketball, tennis, etc. He stated he supports Bill 255 – UOG needs the facility and the community at large also needs it.

In reference to Mr. Steffy's suggestion to accelerate or increasing the cap in Bill 255, Speaker Pangelinan stated the issue here is 'cash flow' – we have to manage the government's cash flow. He stated this tax money is usually used for government operations and that is the trade off the government is making in offering these tax credits to build the complex. Speaker Pangelinan stated although it will be tax credit granted on companies that make donations – they're really not donations; it's the same as if we actually collected that money and appropriated it out for this purpose. It is not that the

companies that are going to be participating in this program are not really funding the project – it's the government of Guam that ends up funding these facilities through the issuance of these tax credits.

Speaker Pangelinan stated Bill 255 sets the decision to spend this money for this purpose and in this manner and it's the same as if we collected that money and appropriated out. He stated Bill 255 is a good endeavor; it is a good way of facilitating the project without the government having the cash; there is some benefit through this process – the companies are contributing some benefits through this process in terms of helping the government of Guam manage its cash flow to implement these facilities. He stated Bill 255 and Bill 258 provide for this identical concept – helping the government to manage its cash flow and to earmark these public dollars to fund these critical facilities. Speaker Pangelinan stated Bill 255 provide good, wholesome development of programs that facilitate and enhance the quality of life in our community; building of opportunities for our young individuals and young adults and it is an endeavor that merits our support.

Senator Lou Leon Guerrero asked Mr. Pelkey how much the complex would cost? Mr. Pelkey stated probably well over \$2 million. Senator Leon Guerrero stated she was disappointed that the Committee to Get Guam Working did not offer any comment on Bill 255 which exemplifies that we are a government that provides opportunities to the private sector and in return give them back some tax credit to provide for an adequate multi purpose sports complex that would benefit the University of Guam in terms of potential revenues; meet the needs of the local island community; and to help promote sports tourism as an economic stimulus. I am disappointed that the Committee To Get Guam Working did not take this opportunity to testify – when this bill focuses on the very same issues we would expect them to be focused on.

Senator Tenorio asked Dr. Allen how much, in addition to the budget for UOG, would they need to add to maintain the facilities and the operations of these additional facilities? Dr. Allen stated UOG is hopeful that these facilities will become self sufficient – it would maybe take two to three years to accomplish self-sufficiency; it depends on the programming and the rate at which the UOG can utilize the facility. It also depends on when the facility comes on line. Our expectation is that it is going to have to self-sufficient with a business plan that ensures that that occurs. Senator Tenorio reiterated that is the Legislature's concern because of the reductions in appropriations made annually the UOG – whether there is going to be a need for additional costs to maintain these facilities from the General Fund. As long as it is going to be self-sustaining, I don't see any reason that the Legislature would object to the project. Dr. Allen affirmed stating the facility would provide an economic opportunity for Guam.

Senator Carmen Fernandez asked the Bill's author to consider adding her co-sponsor as she supports the bill. She asked Dr. Allen what is the timeframe plan of action for the project? Dr. Allen stated they are hoping to finalize a conceptual and to move to an actual plan within the next 6 months; we envision about 18 months time for construction. If we are going to try to position the facility for potential use for pre-Olympic training, the timing is perfect; once we break ground and are making progress we can begin to



market the use of it with an anticipated start date – which would be about 18 months out from the 6 months of design work and site preparation. Mr. Pelkey estimated the cost about \$2 million – the architectural design.

Senator Fernandez stated the project has great potential and housing it at the University is an ideal location as well in conformance with the University's physical master plan. If the plan is to make it self-sustaining will there be a different fee structure for local and community use? Mr. Pelkey affirmed stating in line with the use of the UOG Fieldhouse – we would be developing a fee structure for non-profit use, commercial, private, and professional. Senator Fernandez asked whether the local use fees would be fraction of the costs charge for private use and perhaps lower than what the privately owned facilities at the Leo Palace charges? Mr. Pelkey affirmed stating the UOG desire to work with local sports federations so those fees will be significantly reduced; we're hoping that these federations would also get funding from the Olympic solidarity and perhaps assist them in getting the University designated as an institute of sports.

Senator Quinata stated he supports the bill and reiterated his request to the author to become a co-sponsor. He agreed with Mr. Lai, acknowledging efforts and progress made over the past year in furthering sports tourism in Guam to diversify the local economy. He stated the project would probably cost more than \$2 million. He asked Mr. Steffy – referring to Mr. Steffy's testimony putting \$2,500 per month, \$300,000 per year – do we also need to also increase the \$1 million cap and if we do how much should we increase the cap? With the estimated \$300,000 per year, it would shorten the amounts. Mr. Steffy affirmed stating that is why he believes the number is to low and I think the amounts per month are too low. I'm not really sure – it's really up the UOG, however, I believe we need to support whatever that amount is within reason.

Former Senator Charfaurous stated one of the ways to reduce the costs is to get the other agencies to help perhaps on the labor or the maintenance side. Major Frank Crisostomo of the Dept of Corrections who has been largely supportive in utilizing the inmates at DOC in helping clear and maintain fields around the island. If the government coffers are limited in providing the funds; if the government of Guam pulls together with very limited resources – as in Inarajan, Agat and other villages the community is pulling together with very limited resources to get these types of projects off the ground and if we were to involve other agencies to helping facilitate these efforts in the construction of these facilities maybe that can be an answer in reducing the costs of constructing these facilities.

Senator Quinata stated he hoped to get those numbers to review and agreed with Speaker pangelinan that the funding is just an opportunity for these businesses to participate, however, it is actually the people of Guam's taxes that are being used to help finance the costs.

Senator Sanford stated she is also in full support of the intent of the bill; it is something that is needed to further expand sports tourism. We've always talked about economic diversification and here is proposal that will further that goal and make it a reality. She

agreed with the Speaker's concern stated earlier about how much is actually appropriated for this project and raised the question of how much can we afford? The Guam Raceway project is similarly structured in terms of using tax credits. She agreed with Mr. Steffy's suggestion to identify all the other projects that provide for tax credits, other bills that have similar provisions for the purpose quantifying the overall needs for such facilities throughout the island and to determine how much can we afford in tax credits to apply to such construction projects which impact sports tourism.

Senator Sanford stated sports plays an important role in helping to provide a healthy distraction for island youths; an ounce of prevention is certainly worth a whole lot more than having to care for their needs after they've not gotten positively distracted from the more negative exposures to delinquency and youth crime. I know through the University of Guam through its capital expenditure plan already has this and we congratulate them for moving forward and we hope we can assist them in taking action on Bill 255. Sports tourism will certainly provide some new diversification of economic opportunities that we need to continue to strive for. She encouraged Mr. Lai to continue his efforts on behalf of the GVB Sports Tourism Committee, on behalf of the Guam Football Association and congratulated him on the progress achieved thus far.

### III. COMMITTEE FINDINGS

The Committee on Economic Development, Retirement, Insurance, Public Works, and Regulatory Functions finds that several other suggestions provided by those testifying were appropriate and would improve the legislation and therefore has made the following changes:

- Assigns the allocation of the aggregate tax credits among distributors to the Guam Economic Development and Commerce Authority by making the following deletions and additions to Sections 3 and 8 of the Bill:

**Section 3. Maximum amount of Tax Credits Authorized.** The aggregate amount of tax credits authorized by this Act for all contributors shall not exceed One Million Dollars (\$1,000,000.00). ~~The Director of the Department of Revenue and Taxation shall determine the allocation of the aggregate tax credits among contributors.~~

**Section 8. Rules and Regulations.** In accordance with the Administrative Adjudication Law, the Guam Economic Development and Commerce Authority shall formulate rules and regulations governing the issuance of the tax credits and the allocation of the aggregate tax credits among distributors authorized by this Act.

- Increased the tax credit ceiling for individual contributors from \$10,000 per month to \$25,000 per month, not to exceed \$300,000 per year:

**Section 7. Miscellaneous.** The tax credits authorized by this Act shall be subject to the following conditions:

- (a) Tax credits that cannot be applied during a single tax year may be applied to excise tax liability in subsequent years.
- (b) A single contributor shall only be entitled to claim tax credits up to ~~\$10,000~~ \$25,000 per month, not to exceed

~~\$100,000~~ \$300,000 per year ~~or~~ Tax credits shall not be applied to more than fifty percent (50%) of the contributor's monthly excise tax liability.

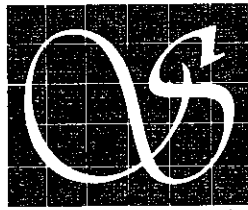
To be eligible for the tax credits authorized by this Act, contributors must be licensed to do business on Guam.

#### **IV. COMMITTEE RECOMMENDATIONS**

The Committee on Economic Development, Retirement, Investments, Public Works, and Regulatory Functions recommends that Bill 255, as Substituted by the Committee on Economic Development, Retirement, Investments, Public Works, and Regulatory Functions be reported out with the recommendation TO DO PASS.



ROBERT J. STEFFY



CERTIFIED PUBLIC ACCOUNTANT

210 ARCHBISHOP F.C. FLORES ST.  
SUITE 100 • HAQATŪA, GUAM 96910  
TEL: (671) 477-7TAX • FAX: (671) 477-7845

TESTIMONY ON BILL NO. 255

ROBERT J. STEFFY

My name is Bob Steffy. I am a 30 year resident of Guam and have been active in sports as a competitor, coach and administrator during that time.

I totally support the concept proposed in the bill and agree that the University of Guam is an ideal site for a multi-purpose outdoor sports facility which will enhance the development of sports on island.

I have concerns relative to specific sections of the bill as follows:

1. Section 3 maximum credit \$1,000,000

I believe that a maximum cap should be placed on all proposals of this kind per year, or the Legislature should appropriate an amount for sports capital improvements and divide it on some reasonable basis.

The allocation of the tax credit should not be determine by the Director of the Department of Revenue & Taxation. The allocation should be determined by regulations or pro rata depending on the amount of the proposed contributions.

2. Section 7

I believe that the maximum amounts by single contributors should be increased to \$25,000 per month, not to exceed \$300,000 per year to allow for the speedy development of the facility.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'R. Steffy', is located at the bottom right of the page.

UNIVERSITY  
OF GUAM  
FOUNDATION

University Station, Mangilao, Guam 96923  
Telephone: (671) 734-9205 • Fax: (671) 734-3118

March 8, 2004

THE HONORABLE TONI SANFORD  
Senator and Chairperson  
COMMITTEE ON ECONOMIC DEVELOPMENT,  
RETIREMENT, INVESTMENT, PUBLIC WORKS  
& REGULATORY FUNCTIONS  
27<sup>TH</sup> GUAM LEGISLATURE  
Hagatna, Guam 96910

**RE: TESTIMONY IN SUPPORT OF LEGISLATIVE BILL NO. 255 (LS)**  
**RELATIVE TO AN ACT AUTHORIZING THE ISSUANCE OF TAX**  
**CREDITS TO ENTITIES WHO CONTRIBUTE TO THE DEVELOPMENT**  
**AND CONSTRUCTION OF AN OUTDOOR MULTI-PURPOSE SPORTS**  
**COMPLEX AT THE UNIVERSITY OF GUAM.**

The Honorable Senator Sanford and Members of the Committee:

First of all, on behalf of the members of the Board of Directors of the University of Guam Endowment Foundation, I wish to thank you and the members of your committee for considering this complex which will certainly provide our island and region with a first class sports facility. A Special thanks also to the sponsor of this measure for her vision at continually providing venues for a healthier island community.

Secondly, the UOG Endowment Foundation is unequivocally in support of this measure as this proposed complex, when completed, will provide the Foundation with an additional vehicle for various fundraising events. Through its joint effort and commitment with the University's Board of Regents, along with the tireless support from President Allen, this sports complex will provide our local, regional and international athletes with a venue for tournaments, league play and even a pro and semi-pro training facility. Rumors of Guam as a possible venue for the

2007 South Pacific Games are in the mill; and a positioning for training of US athletes on Guam prior to competing in the Summer Olympics of 2008 in China, are just some of the possible international use for this facility. The possibilities, of course, are endless.


Moreover, it is important to note that the University of Guam is the only US institution of higher learning in the Western Pacific Region. This phenomenon, in and of itself, allows Guam to be the mecca for academia and sports, locally, regionally and internationally. The proposed sports complex will most certainly compliment our already internationally renown UOG Fieldhouse and substantially forms the sports section of our UOG Masterplan.

From a local perspective, the sports complex will be available for football, soccer, rugby, baseball, softball, tennis, basketball, track and field and a proposed beach volleyball court. This will further provide additional activities and a place for our youth to interact and compete within a wholesome environment.

Finally, I do not have to convince you of the value and positive impact that such a facility will provide for our community. You yourselves can deduce that from your own personal experiences. I only respectfully request that you support this proposed measure for the interest of a healthy community and a venue for local, regional and international competition.

Thank you for your anticipated cooperation and favorable consideration in the matter and should you have any questions, please don't hesitate to call.

Sincerely,



JESSE A. LEON GUERRERO  
Chairman



UNIVERSITY OF GUAM  
UNIBETSEDAT GUAHAN

OFFICE OF THE PRESIDENT

UOG Station, Mangilao, Guam 96923

Telephone: (671) 735-2990 • Fax: (671) 734-2296

REC'D BY: [Signature]  
TIME: [Signature] (AM) (PM)

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OFFICE OF SENATOR  
ANTONETTE (TONI) SANFORD

March 8, 2004

Senator Toni Sanford, Chairperson  
Committee on Economic Development, Retirement, Investment,  
Public Works & Regulatory Functions  
Mina'Bente Siete Na Liheslaturan Guahan  
155 Hesler Place  
Hagatna, Guam 96910

Dear Senator Sanford:

Chairman Sanford, Speaker Pangelinan, members of the Twenty-Seventh Guam Legislature. Thank you for the opportunity to offer testimony in support of Bill 255, a Bill that would authorize a tax credit for entities seeking to underwrite the cost of constructing a sports complex at the University of Guam.

The sports complex that we envision and which will be described by Bobbie Pelkey, Director of the University's Athletics Program, is consistent with the University's Capital Facilities Master Plan. When the existing Field House was originally constructed it was envisioned that the University-owned property contiguous with the Field House would eventually provide a home for an integrated sports complex that would serve not only the University's needs but those of the Guam community as well. However, academic facilities needs reflect a higher priority and what funding has been available has been focused largely on academic and research needs. As important as the sports complex is, it has had to assume a lesser priority.

With the development of a new strategic plan in 2002, the University began a serious effort to focus its attention on student learning, and the creation of an environment that supports student learning and student well-being, as well as strengthened community engagement and improved community health. We believe the facility for which we now have completed a conceptual design will achieve these multiple goals.



We believe the planned UOG sports complex will first and foremost provide our students with a first-class athletics complex, and a facility that will expand opportunities for intramural and inter-collegiate sports, and student recruitment. The Endowment Foundation and the University hosted a week's worth of Friendship Basketball games this past year. By any measure the event was an international success, hosting teams from Guam, the Philippines, Korea and Japan. Not only was the activity a fund-raising success for the University with sell-out attendance, but a signal example of the effectiveness of sports tourism that can assist Guam's economy.

We also envision another positive outcome of having a sports complex at the University, and this would be to host teams from countries planning to participate in the Beijing Olympics. In another year to eighteen months, most countries planning to participate in the Olympics will begin to search out quality facilities in a similar time-zone and climate so that their teams can train and acclimate to the environment. We have ample dormitory space and access to food service that can support these teams while they are resident at the University of Guam. We also believe that the sports complex and access to dormitory space can support a Japanese Baseball Farm Team for spring training, perhaps in conjunction with activities already planned for Leo Palace.

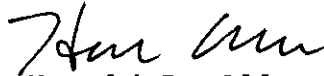
I would emphasize several other points, one being that the University has had considerable success with summer sports campus for young people of varying ages. This past summer is a perfect example. We would like to see these opportunities expanded for Guam's school children.

As well, creative and imaginative marketing of the Field House this past year saw the Athletics Program move into the black for the first time ever, while supporting a variety of community-based programs and initiatives. We are proud of what we have accomplished for the community and our goal would be to make the UOG sports complex self-supporting. We strongly believe that the UOG sports complex can become an important element of improved community health and well being for all of the citizens of our island community. With growing concerns about child and adult obesity, diabetes and hypertension, not just on Guam and in

Micronesia, but across the United States, we see the UOG sports complex as a responsible and badly needed addition to the University and the community. I would urge each member of the Twenty-Seventh Guam Legislature to support Bill 255.

Thank you again for the opportunity to offer testimony in support of Bill 255.

Sincerely,

A handwritten signature in black ink, appearing to read "Harold L. Allen".

Harold L. Allen  
President

Good morning Honorable Chair and other Senators (I will be brief as possible)

My name is Bob Pelkey. I am the Director of Athletics and Field House at the University of Guam. I've come to speak on Bill 255. When I read this bill, the word that came to my mind was opportunity. The development and construction of an outdoor Multi-purpose Sports Complex at the University of Guam is an opportunity to revisit the master plan and finalize details that insure that all pieces of the puzzle are put together in a manner that maximizes space but doesn't compromise any of the standard requirements of international regulations for each playing facility. It is an opportunity to develop an extremely significant sports complex to conduct athletic and recreational sports program and enhance our academic program for Physical Education majors. It is common knowledge that Facilities dictate programs. The outdoor multi-purpose sports complex is an opportunity to be a great community resource that can be used to host a multitude of activities from sports specific camps, clinics, team training/practices, home games, hosting of international and extramural sports league and tournaments. The sports complex development will give us the opportunity to train and develop young student athletes and teams that will compete with other Universities within our region in exhibitions and tournaments as the host institution.

The development of our teams for competitions will give us the opportunity to recruit student athletes to represent our institution and our island. The availability of the sports complex at the University of Guam will allow us the opportunity to invite international Sporting Federations from other countries to come to our campus to train. The sports complex facilities will give us the opportunity to assist in local development of national athletes as well as host international sports events in partnership with local international sports federations or organizations.

As I have mentioned, the construction and development of the multi-purpose sports complex at the University of Guam will be a significant Capital Improvement project that will be a great community resource for the University and for our island community. These facilities will enable us to develop individuals and teams that will compete regionally and internationally and allow us to recruit student athletes. The capability to host visiting teams collegiate or otherwise to train, as well as the ability to partner with a local sports federation to host local, regional or international competitions is fantastic.

Needless to say, I take this opportunity to give my support of Bill 255, and I humbly ask from you, Honorable Senators of *mina Bente Siete na Liheslaturan Guahan* for your support of Bill 255 and to seek the support of your distinguished colleagues who are not present today to vote in approval of Bill 255 for the Construction and Development of an Outdoor Multi-purpose Sports Complex at the University of Guam, it is too important an opportunity to pass up or vote otherwise.

Thank you for this opportunity to speak in front of you this morning.

Si Yuus Maase!

OFFICE OF SENATOR  
ANTOINETTE (TONI) SANFORD

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**TESTIMONY ON BILL 255- AN ACT TO AUTHORIZE THE ISSUANCE OF  
TAX CREDITS TO ENTITIES WHO CONTRIBUTE TO THE DEVELOPMENT  
AND CONSTRUCTION OF AN OUTDOOR MULTI PURPOSE SPORTS  
COMPLEX AT THE UNIVERSITY OF GUAM**

**BY FLORA BAZA QUAN, EXECUTIVE DIRECTOR, FOUNDATION,  
INC. UOG ENDOWMENT**

Senator Sanford, and members of the 27<sup>th</sup> Guam Legislature's Committee on Economic Development, Retirement, Investment, Public Works and Regulatory Functions, thank you for this opportunity to testify in favor of Bill 255.

Ten years ago, my oldest son, TJ had a passion for middle distance running, basketball, football and a few other athletic activities which eventually garnered him the prestige of being the first Male Athlete Scholar of Guam. At that time, there were a few indoor gyms and athletic fields which some of our high schools utilized for there year round events. Being selected to compete in an NCAA Division I, II or III team was unheard of and it was beyond the wildest dreams of many coaches that such an opportunity would present itself to some of our athletes.

As luck would have it, TJ was invited to represent Guam in the World Track and Field Championships in Lisbon for the following year because he had broken the middle distance records not only in Guam but in the region. We were caught in a dilemma, however, because he needed to start college but there were expectations from the International Amateur Athletic Association in Australia to meet the qualifying standards for the world competition. This required intense training at a sports facility with a qualified trainer that would prepare him for such a feat. The fact of the matter was that there were no fields here on Guam or in the region so that he could train and prepare for such an exhaustive competition. We were given the option of training in Adelaide in Australia, which meant he would have to deter his studies for a year. Although he did not have to alter his plans, he chose to give himself and Guam that opportunity of a lifetime and indeed it was. Not only did TJ break his own personal record after that training in Adelaide for a year, he eventually became the first Chamorro athlete to run for an NCAA Division I track team when he was selected to become a member of the University of Washington Huskies.

This is a minute illustration of the sacrifices and endurance our athletes and their families make to elevate to the next level of competitive athleticism. Fortunately the story ended well for TJ but there may be many more young stars who may have the same passion but not necessarily the right venue or opportunity.

Allowing the expansion and the building of our multi sports complex at the University of Guam, not only makes it more viable for the University to provide adequate and state of the art facilities for our students and our young athletes, but also makes our University more attractive for many students not only regionally but also internationally.

If companies who have the means to contribute to such a complex are given the opportunity to develop, maintain, construct, finance, and improve such a multi purpose facility and need the tax credits applied against excise tax liabilities, then we would

encourage such a move so that the immediate effect of such plans can come to fruition sooner.

I would also like to further state that the University of Guam Endowment Foundation, as the philanthropic arm of the University can be the designee of such contributions made towards the development , construction, financing, maintenance and improvements of the outdoor multi purpose complex at the University of Guam.

There are several points to favorably augment this argument. The proposed multi purpose complex falls within the purview of the UOG Master Plan. It would indeed enhance the University's plans and vision to expand eventually into a wellness related center, thus providing the community with a venue for promoting multi pronged events related to wellness issues.

Currently the Foundation hosts international basketball tournaments which are lauded in the community for the intrinsic value of such events including international comraderie and exposure for Guam. The establishment of a multi complex will also increase more of these international as well as local intramural sports activities.

The potential revenue opportunities for the University as well as for Guam can be astronomical if we posture our services for the Pre-Olympic and Olympic opportunities considering the proximity of China and the 2008 Olympics there.

The issue is not the need. The issue is whether the usage of excise taxes and its immediacy will provide this vehicle which will benefit ALL our people and our visitors as well. Our vision as leaders should provide this vehicle of sustainability, but with careful and diligent planning. I encourage you , and the rest of the 27<sup>th</sup> Guam Legislature to favorably pass Bill 255 so that the multi sports complex for many of our children who have a dream to follow their star... whether it's on a football field, a soccer field or even a golf driving range...can become a reality. Ginen I fuetsan I masahalomta na sina todu possible! (It is through all our sweat (and endurance) , that all is possible!)

**Si Yu'os Ma'ase!**

Aturidad Inadilanton



Ikunumihan Guahan

**Governor**  
Felix P. Camacho

March 8, 2004

**Lieutenant Governor**  
Kaleo S. Moylan

Senator Antoinette Sanford  
Chairperson  
Committee on Economic Development, Retirement,  
Investments, Public Works and Regulatory Functions  
27<sup>th</sup> Guam Legislature  
Hagatña, Guam 96910

RE: Testimony on Bill No. 255

Dear Senator Sanford:

Thank you for the opportunity to comment on Bill No. 255, which would authorize the issuance of tax credits to entities contributing to the development and construction of an outdoor sports complex at the University of Guam.

We offer a few recommendations on the proposed legislation, based on our experience in administering a similar program authorized for the Guam Raceway Park.

First, Guam statute currently requires an economic impact assessment for such an endeavor prior to the implementation of such a program. I suggest that language be included in the bill outlining which entity is required to complete the impact assessment and how it is to be paid.

Second, the proposed legislation should specify how tax credits are to be applied (i.e. dollar-for-dollar), as in the case in the Guam Raceway Park program, in order to avoid any confusion in implementing this program.

Third, the bill describes development, construction and improvement activities as qualifying activities under the proposed program. It has been our experience that requiring the beneficiary of the program, in this case the University of Guam, to develop a project master plan which would be used to guide GEDCA in monitoring activities under the program and certifying qualifying contributions. We would recommend language in the bill requiring the University to develop this project master plan, which GEDCA can then use to enforce compliance and benefits of the program.

Should you have any questions, please do not hesitate to let me know.

Sincerely,

Gerald S.A. Perez  
Administrator

Guam USA ~ The Ultimate Destination

GUAM FOOTBALL PLAYERS & COACHES ASSOCIATION  
138 Martyr Street  
Hagatna, Guam 96910

March 8, 2004

Senator Antoinette "Toni" Sanford  
27<sup>th</sup> Guam Legislature  
Assistant Majority Leader,  
Chairwoman; Committee on  
Economic Development,  
Retirement, Investments,  
Public Works & Regulatory Functions

Sinajana Shopping Mall Phase II  
Suite 15B, 777 Route 4  
Sinajana, Guam 96926

Dear Senator Sanford:

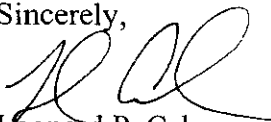
On behalf of the GFPCA, I commend you for your efforts to improve sports on Guam. The GFPCA fully endorse Bill No. 255 and hope our comments and concerns are considered.

Year after year, our athletes have struggled to find a clean, safe and well developed facility to compete. The planned improvements to the UOG Field would provide us with a sports facility that enables our organization to meet our goals, which include;

- Improve the quality of athletes through training and maintain a high level of competition;
- Improve military and civilian relations through sports and provide a clean and safe environment for spectators;
- Attract visitors through sports marketing of American football, a sport growing in popularity worldwide.

And these points are the reason why we fully endorse this bill.

Sincerely,

  
Leonard P. Calvo  
Director

  
Eric Hayes  
Director

  
Ray Souza  
Director

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INDEPENDENT INTERSCHOLASTIC ATHLETIC ASSOCIATION OF GUAM

Senator Antoinette "Toni" Sanford  
27th Guam Legislature  
Assistant Majority Leader,  
Chairwoman; Committee on  
Economic Development,  
Retirement, Investments,  
Public Works & Regulatory Functions

Sinajana Shopping Mall Phase II  
Suite 15B, 777 Route 4  
Sinajana, Guam 96926

Dear Senator Sanford,

My name is Ed Brown and I am the President of the Independent Interscholastic Athletic Association for Guam. Again, I commend you for your support of the IIAAG efforts. I am submitting this letter with the hope that you will consider my thoughts and endorsement of Bill No. 255.

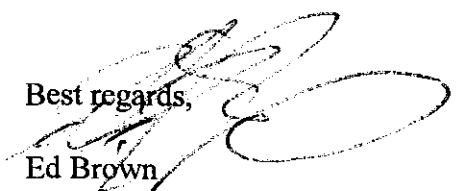
These past years organizing and holding sport leagues for the various schools on Guam have certainly been a challenge. Facilities have always been a major difficulty. There has been some concern for the safety of our athletes who are using the current facilities available. Bill No. 255 for the Development and Construction of an outdoor multi-purpose sport complex at the University of Guam will certainly provide those facilities.

It is my understanding that those facilities will be available for use by organizations like the IIAAG. It is important that those sport fields be safe for all participants and spectators. With more and better sport facilities, we could enjoy a growth in participation by our athletes. I although would like you to consider a favorable rate (rent) structure for such NPO's like the IIAAG as funding is already difficult.

Once again, I strongly support the passage of Bill No. 255

Thank you for your time.

Best regards,



Ed Brown  
President  
IIAAG



DATE: March 8, 2004

TO: Committee on Economic Development, Retirement, Investments, Public Works & Regulatory Functions

FROM: William H. Calori

RE: Testimony for Bill 255 – An Act to Authorize the Issuance of Tax Credits to Entities Who Contribute to the Development and Construction of an Outdoor Multi-Purpose Sports Complex at the University of Guam

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*The following testimony represents my personal opinion regarding Bill 255, and shall not be interpreted as representative of the opinion of the University of Guam or its Board of Regents.*

I submit this testimony to show my support of Bill 255, as proposed by Senator Leon Guerrero. This Bill will effectively provide another mechanism that ultimately results in the development and enhancement of the University of Guam. The University strives continually to develop its offerings to its students and the local community. Simultaneously, it takes a proactive stance in developing programs and initiatives that capitalize on existing University resources to further the mission of the University, while simultaneously generating revenue.

This Bill fully supports the aforementioned efforts of the University of Guam, and will serve all of Guam's stakeholders for a long time to come. With the development of a first-class outdoor sports facility, the University will have a stronger strategic position from which to attract the attention of markets that have not been approachable as of yet. While this attention will enhance the image and perception of the University and the Island of Guam, it also represents many lucrative revenue generating possibilities.

These benefits represent only a small glimpse at the great opportunities that can be pursued by the University, as supported through Bill 255 and similarly wise legislation. In this tone, I reiterate my support of Bill 255, and urge its favorable passage by this Committee and the 27<sup>th</sup> Guam Legislature as a whole.

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