

# JUMP START YOUR ART

## MARKETING, RESOURCES, & GUIDES

A CAHA WORKSHOP

# GEDA

## Guam Economic Development Authority

Presented by

**Julius Santos**

Industry Development Specialist, GEDA



Sponsored by





GUAM CAHA



CAHA'S  
**JUMP START YOUR ART**  
PRESENTATION

24 SEPTEMBER 16

# ABOUT US

## > MISSION STATEMENT

GEDA's mission is to **develop a sound & sustainable economy** through innovative programs that preserve & promote local culture, economic opportunities & quality of life.

## > HISTORY



In 1951 during a trip to the US & Puerto Rico, **Congressman Frank D. Perez** was inspired by the idea of outside industrial development & diversified agriculture in Guam.

In 1965 Frank Perez and a group of colleagues introduced a bill to create an economic development authority. The bill was passed by the 8<sup>th</sup> Guam Legislature and became **Public Law 8-80**, thus creating the Guam Economic Development Authority

# GUAM'S ECONOMIC OVERVIEW

**GROSS DOMESTIC PRODUCT  
2010-2014 IN MILLIONS**



**DIVERSIFIED  
PRIVATE SECTOR**



**BUT THIS IS  
NOT  
WHY YOU'RE  
HERE**

## EMPLOYMENT RATE

	6/2014	9/2014	12/2014	3/2015	6/2015	CHANGE (1 YR)
Private Sector	46,340	46,490	46,530	46,970	47,610	2.7%
Federal Government	4,100	4,050	4,110	4,000	3,980	-4.1%
Government of Guam	11,110	11,310	11,730	11,750	10,940	-1.5%
Total Employment	61,600	61,850	62,370	62,730	62,530	1.5%

## UNEMPLOYMENT RATE

3/2014	6/2014	9/2014	3/2015	CHANGE (1 YR)
7.4%	9.0%	7.6%	6.9%	-0.5

# GEDA PROGRAMS

## > BUSINESS DEVELOPMENT

QUALIFYING CERTIFICATE (QC)

GUAM PRODUCT SEAL (GPS)

## > LOANS

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

AGRICULTURE DEVELOPMENT FUND

GUAM DEVELOPMENT FUND ACT

# QUALIFYING CERTIFICATE (QC) PROGRAM

## BUSINESS DEVELOPMENT PROGRAM

*Initiated in 1965 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam.*

### ELIGIBLE ACTIVITIES INCLUDE:

Green Technology  
Agriculture  
Aquaculture  
Mariculture  
Manufacturing  
Commercial Fishing  
Tourism  
Recycling  
Guam-based Trusts

### TAX INCENTIVES: BASIC PROGRAM

1. Up to 75% Rebate of corporate income tax for up to 20 years.
2. Up to 75% Rebate of corporate dividends for up to 5 years.
3. Up to 100% abatement of real property tax for up to 10 years on property utilized by QC beneficiary to operate its business.
4. Up to 100% abatement of Business Privilege tax on income derived from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to 10 years.

# GUAM PRODUCT SEAL (GPS) PROGRAM

## BUSINESS DEVELOPMENT PROGRAM

*The GPS Program serves to stimulate economic opportunities on Guam by promoting the manufacturing of local products.*



## GUAM PRODUCT SEAL

- With the Seal, consumers are able to identify products that are “Made in Guam.”

## MEMBERS

- Approximately 86 members are enrolled in the program (as of August 2016)





# GUAM PRODUCT SEAL (GPS) EVENTS + OPPORTUNITIES

CHAMORRO VILLAGE/WED. NIGHT MARKET

FESTIVAL OF THE PACIFIC ARTS

GEDA MARKETING COLLATERAL

SMALL BUSINESS FAIR

GUAM PRODUCT SEAL FAIR



# STATE SMALL BUSINESS CREDIT INITIATIVE

## LOAN PROGRAM

*A Federal program administered by the Department of the Treasury that was funded with **\$1.5B** to strengthen state programs that support private financing to small businesses and small manufacturers.*

# \$13.1M

ALLOCATED TO GUAM  
TO BE USED FOR  
3 LENDING PROGRAMS:

1. **Capital Access**
2. **Loan Participation**
3. **Credit Guarantee**

### > CAPITAL ACCESS PROGRAM

This is a reserve pool concept which will allow lenders to draw funds in the event of default. It provides businesses with access to capital they might otherwise be disqualified. The Maximum loan amount is \$200,000.00

### > LOAN PARTICIPATION PROGRAM

GEDA can purchase up to 40% from a lender on new diversification projects that exhibit short-term cash flow deficiency. GEDA can offer preferred terms (no interest and/or principal) for up to 36 months.

### > CREDIT GUARANTEE PROGRAM

This program is meant to encourage banks to make small business loans that are not traditionally bankable. The program provides a lender with the necessary security, in the form of a guarantee, for the lender to approve a loan or line-of-credit it might normally disapprove. GEDA will guarantee up to 75% of a loan, not to exceed \$500,000.00

# AGRICULTURE DEVELOPMENT FUND

## LOAN PROGRAM

*A joint project with the Department of Agriculture and the UOG College of Agriculture and Life Sciences and is designed to aid in the development of locally produced agriculture products.*

### ELIGIBILITY REQUIREMENTS

1. Individuals must be U. S. Citizens or permanent resident aliens who are residents of Guam for at least 3 years.
2. Applicants must obtain a written certification and recommendation from the Department of Agriculture and UOG Agriculture Natural Resources (ANR), Co- operative Extension Service (CES) identifying them as a “bonafide” farmer or commercial farming enterprise.
3. The business must meet one of the following criteria:
  1. Creation of employment
  2. Replacement of imports
  3. Reduction of consumer prices
  4. Creation of a vitally needed facility
4. Applicants must be a registered business and have a valid Guam business license or the ability to obtain one.

### MAXIMUM LOAN AMOUNT

**\$50,000.00**

### TERMS

- LINE OF CREDIT
- 1YR TERM  
*(No prepayment penalty)*
- INTEREST RATE  
**FIXED AT 4%**

# SUCCESS STORY

# AUTO SPOT



- **JOB CREATION:**
  - 100+ jobs have been created since initial loan closing
- **INDUSTRY:**
  - Retail and Service
- **OWNERSHIP:**
  - 100% Pacific Islander
- **MILESTONES:**
  - Expanded Inventory
  - Obtained Mitsubishi Dealership
  - Guam Auto Spot expanded and opened it's 2<sup>nd</sup> location in August of 2013
  - Obtained GM dealership

# SUCCESS STORY



Locally owned restaurant, utilizing local produce to provide unique local cuisine encompassing true local sustainability. Proa is open in Tumon and Hagatna, Guam.

- **JOB CREATION:**
  - 20+ jobs have been created since initial loan closing
- **INDUSTRY:**
  - Hospitality
- **OWNERSHIP:**
  - 100% Pacific Islander
- **MILESTONES:**
  - 2<sup>nd</sup> location opened in November 2012

# SUCCESS STORY

## ISLAND VIEW FARMS

Island View Farms is owned and operated by Ernest Wusstig.

The farm is located in northern Guam and has been in operation for over 15 years.

- **JOB CREATION:**
  - 3
- **INDUSTRY:**
  - Agriculture Crops
- **OWNERSHIP:**
  - 100% Pacific Islander
- **MILESTONES:**
  - Expanding used acreage
  - ADF Client
  - STEP Grant Client



# CONTACT US



590 South Marine Corps Drive  
ITC Building, Suite 511  
Tamuning, Guam 96913

**TEL** (671) 647-4332

**FAX** (671) 649-4146

**WEB** [www.investguam.com](http://www.investguam.com)

**FB** [www.facebook.com/GuamEDA](http://www.facebook.com/GuamEDA)

Si yu'os ma'ase!

