MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN
TWENTY-NINTH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

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April 25, 2008

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

Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill Nos. 255(EC), 269(EC), 277(LS); and Substitute Bill Nos. 12(LS) & 156(EC) which were passed by *I Mina'Bente Nuebi Na Liheslaturan Guåhan* on April 25, 2008.

Sincerely,

TINA ROSE MUNA BARNES
Senator and Secretary of the Legislature

Enclosures (5)

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I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

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

This is to certify that **Bill No. 269 (EC), "AN ACT TO *AMEND* CERTAIN PROVISIONS OF CHAPTER 58 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE FINANCING AND CONSTRUCTION OF EDUCATION FACILITIES,"** was on the 25th day of April, 2008, duly and regularly passed.

Dr. David L.G. Shimizu
Acting Speaker

Attested:

Tina Rose Muña Barnes
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahen Guåhan* this 25th day of April, 2008, at 4:25 o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 269 (EC)
As amended on the Floor.

Introduced by: Committee on Calendar
By request of I Maga'lahen Guåhan, the Governor of Guam, in accordance with the Organic Act of Guam.

AN ACT TO *AMEND* CERTAIN PROVISIONS OF CHAPTER 58 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE FINANCING AND CONSTRUCTION OF EDUCATION FACILITIES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that pursuant to the Education Construction Initiative Act of 2005, the government of Guam executed a municipal lease to construct four (4) new schools and convert an elementary school to a middle school. The construction of the schools is nearing completion and could open for the 2008-2009 school year.

I Liheslaturan Guåhan further finds that the budget for the Guam Public School System (GPSS) does *not* include the necessary appropriation to procure collateral equipment for the schools. GPSS is seeking assistance to fund this equipment in order for the schools to be ready to open for the 2008-2009 school year. Notwithstanding the government's procurement process, *I Liheslaturan Guåhan* finds that it is estimated to take approximately twenty (20) weeks to order and deliver the collateral material.

In order to assist GPSS, *I Maga'lahen Guåhan* has committed an additional One Million Dollars ($1,000,000) of Guam's allocation of Compact Impact Funds

for approximately six (6) years to secure the purchase of this equipment. In order for the government to avail itself of this option, the current legislative authorization has to be amended to allow the government, through its Contractor, to arrange for financing and procuring of the equipment.

Section 2. Subsection (g) of §58103 of Chapter 58 of Title 5 of the Guam Code Annotated is hereby *amended* to read as follows:

"(g) *'Lease-Back'* shall mean the facilities lease *or* other lease of the property from the Contractor back to the Education Agency, over the term of which the costs of the design, construction, financing and maintenance of an Education Facility are amortized according to the terms agreed to between the government of Guam and the Contractor."

Section 3. The second paragraph of §58104 of Chapter 58 of Title 5 of the Guam Code Annotated is hereby *amended* to read as follows:

"Any lease of property pursuant to this Act will be for a period mutually agreed upon between the Education Agency and the Contractor as may be reasonably necessary to amortize over the Lease-Back period of the Contract, the costs associated with the financing, design, construction and maintenance of the Education Facility, and in no event *shall* such period *exceed* thirty (30) years from the date of commencement of the Lease-Back period."

Section 4. The following provisions are hereby *added* at the end of §58105 of Chapter 58 of Title 5 of the Guam Code Annotated:

"Notwithstanding the foregoing, in connection with any amendments to an existing Lease *or* Lease-Back, the Contractor with respect to such amendments *shall* be the Contractor with respect to the existing Lease *or* Lease-Back."

Section 5. §58110 of Chapter 58 of Title 5 of the Guam Code Annotated is hereby *amended* to read as follows:

"**§58110. Contractor Responsible for Capital Maintenance.** The Contract with the Contractor, and the Lease-Back, *shall* provide that all capital maintenance and repair of the Education Facility be performed by the Contractor as a separate cost; provided, however, that said documents may, at the discretion of the Education Agency, provide that capital maintenance and repair with respect to equipment (including collateral equipment), onsite utility construction, offsite utility connections, access roads, and other similar improvements to the Education Facility need *not* be performed by the Contractor. The terms by which the Contractor is to perform such capital maintenance *shall* be determined as a part of the bid process and *shall* be part of the conditions of the Contract. The Contract *shall* provide initial funding for the first five (5) years after the completion of the EducationFacility."

Section 6. Disbursement of Proceeds. The Guam Educational Financing Foundation *shall* allocate and disburse the proceeds received pursuant to this Act, according to the following priorities:

1st Priority – Up to One Million Two Hundred Eighty-seven Thousand Dollars ($1,287,000) to fund the off-site infrastructure for *Liguan* and *Adacao* Elementary Schools, *Astumbo* Middle School and *Okkodo* High School, including, but *not* be limited to, water, sewer, power, street lights, telephone, cable, intersection designs, and access roads.

2nd Priority – Three Million Two Hundred Seventy-eight Thousand Seven Hundred Sixty-three Dollars ($3,278,763) to fund the collateral equipment for the new schools.

3rd Priority – Any unused funds *shall* go towards payment of the bond.

Section 7. Collateral Equipment. For the purpose of this Act, Collateral Equipment *shall* mean items having a shelf life of three (3) years *or* longer.

Section 8. Financing instruments, as amended by this Act, *shall* have a final maturity date *not later than* six (6) years after their date of issuance, and bear interest at such rate and *shall* be sold for such price *or* prices as *shall* result in a yield to the holders of such instruments *not exceeding* seven and one-half percent (7.5%) per annum.

Section 9. §79601 of Title 21, Guam Code Annotated, is hereby *amended* to read:

"**§79601. Creation of Guam Capitol District.** The Guam Capitol District is hereby established, consisting of the grounds and structures comprising the old Guam Congress Building (the old legislative building), Skinner Plaza, *Plaza de Espana*, the Manuel F.L.Guerrero Administration Building and, upon the termination *or* expiration of any leases attached to the property, the Post Office in *Hagåtña*. Properties included in the Guam Capitol are hereby placed under the control and supervision of *I Liheslaturan Guåhan*. This Section *shall not* be interpreted as preventing the development and beautification of Skinner Plaza, as detailed in the Budget Act for Fiscal Year 1998. Government agencies and departments utilizing facilities in the Guam Capitol District *shall* continue to do so unless subsequently and otherwise indicated by *I Liheslaturan Guåhan*. The Department of Parks and Recreation, the Department of Public Works and other government agencies that may provide maintenance, security and other services on property within the Guam Capitol District *shall* continue to do so unless subsequently and otherwise indicated by the Guam Legislature. The provisions of other Sections of this Act do *not* apply to the Guam Capitol District. Notwithstanding any other provision of law, The Speaker of *I*

Liheslaturan Guåhan may be authorized by Legislative Resolution passed by two thirds (2/3) vote of the Members to negotiate, approve, and execute lease agreements for the premises of the Agana Post Office to the United States Postal Service in one (1) year increments, terminable by *I Liheslatura* upon *no more than* one hundred twenty (120) days notice. Leases of property within the Capitol District *shall* be procured pursuant to procurement laws applicable to *I Liheslatura*, and *shall* be approved as to form by Legislative Counsel."

Section 10. A new §79601.1 is *added* to Title 21, Guam Code Annotated, to read:

"**Capitol District Fund.** Income received pursuant to any lease of property within the Capitol District, *shall* be deposited to the Capitol District Fund, which is hereby created as a special fund of the government of Guam and *shall not* be commingled with any other fund of the government of Guam *nor* subject to transfer by *I Maga'lahi*. The Capitol District Fund *shall* be under the exclusive purview and control of *I Liheslatura* and *shall* be dedicated and used *solely* for the repair, restoration, renovation, or refurbishment of the Guam Congress Building *or* other Capitol District properties in compliance with the Capitol District law (§79601, Title 21, GCA), with *I Liheng Para Sagan I Liheslaturan Guåhan* (§1126, Title 2, GCA), and the historical preservation laws of Guam. Expenditure from the Capitol District Fund *shall* be pursuant to Legislative Resolution and *shall not* be used for operations."

Section 11. Section 2 of P.L. 29-04, as amended by P.L. 29-52:12, is hereby *amended* as follows:

"**Section 2. Fund Authorized for COLA Settlement Payment.** The promissory note for Ten Million Dollars ($10,000,000) plus interest and any

proceeds therefrom executed pursuant to the GTA purchase agreement between the government of Guam and TeleGuam Holdings, LLC, as part of the payment for the purchase of the Guam Telephone Authority by TeleGuam Holdings, LLC, are hereby irrevocably assigned and appropriated to payment of the judgment entered in *Rios et al. v. Camacho, et al.*, Superior Court of Guam Case No. SP0206-93. The assignment of the note and appropriation of its proceeds *shall* permit the COLA class to sell, pledge, assign, transfer *or* otherwise liquidate the note to another party for the purpose of distributing cash payments to eligible COLA class recipients.

The Government of Guam hereby guarantees all payments due by TeleGuam Holdings, LLC, pursuant to the terms of the December 31, 2004, Promissory Note executed pursuant to the GTA purchase agreement between the government of Guam and TeleGuam Holdings, LLC, as part of the payment for the purchase of the Guam Telephone Authority by TeleGuam Holdings, LLC. This Guarantee is a general obligation of the government of Guam, subject to the full faith and credit of the government of Guam, and may be enforced against the Guarantor without and independent of any action *or* proceeding against the Payor under the Note. The Guarantor consents to any and all extensions of time and waivers *or* modifications of obligations guarantied hereunder that may be granted by the Purchaser of the Note to the Payor of the Note, but the guarantee shall *not* extend to payments due under those waivers *or* modifications beyond the original maturity date of the Note. If the guarantee is called by the purchaser of the note, and the government performs on the guarantee, the note *shall* become the property of the government of Guam with full rights of collection of any amounts paid by the government under the guarantee. The Attorney General *shall* use all efforts to collect on the Note."

Section 12. Appropriation for Forensic Crime Lab. The sum of Three Hundred Twenty-four Thousand Dollars ($324,000) paid to the Judiciary of Guam by the law firm of Greenberg Traurig, pursuant to a cooperation settlement agreement between the firm and the Attorney General of Guam, as part of criminal case CF527-06 is hereby appropriated to the Guam Police Department for the purchase of lab equipment for the Forensic Crime Lab currently under construction on the campus of the Guam Community College. The Guam Police Department *shall* have the discretionary authority to prioritize the equipment to be purchased with this appropriation.