


MINA' TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 169-33 (COR)

Introduced by:

Judith T. Won Pat, Ed.D. 

N. B. Underwood, Ph.D. 

AN ACT TO AMEND SECTION 18(i) OF PUBLIC LAW 31-277 AND ITEM (q)(1) OF SECTION 22425 OF TITLE 5 GUAM CODE ANNOTATED, RELATIVE TO APPROVING LEASE-LEASEBACK AGREEMENTS BETWEEN THE UNIVERSITY OF GUAM AND THE UNIVERSITY OF GUAM ENDOWMENT FOUNDATION FOR THE CONSTRUCTION OF THE STUDENT SERVICES CENTER AND ENGINEERING ANNEX AT THE UNIVERSITY OF GUAM.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. **Legislative Findings and Intent.**

3 (a) Subsequent to the enactment of Public Laws 31-277, 32-063 and
4 32-120, the United States Department of Agriculture (USDA) has informed the
5 University of Guam (University) that the University will need to secure financing
6 (Interim Financing) for the construction of the University's Student Services Center
7 and Engineering Annex projects (Projects) and that the USDA financing will only be
8 available to refinance the Interim Financing once the Projects have been constructed.
9 *I Liheslaturan Guåhan* wishes to authorize the Interim Financing and certain moneys
10 to be used to make payments on the Interim Financing.

11 **Section 2.** Section 18(i) of Public Law 31-277 is hereby amended to read as
12 follows:

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1 (i) To minimize the financing costs to the University, the
2 Foundation has applied to the USDA for a loan secured by the base rental
3 payments to be made by the University pursuant to ~~the~~ a lease -leaseback
4 agreement. Alternatively, The USDA has required that as a condition for
5 making the loan, the Foundation obtain interim financing for the
6 construction of expansion and renovation of the University of Guam
7 Student Services Center and the construction of an Engineering Annex
8 facility onto the existing Agriculture and Life Sciences Building. In the
9 event the Foundation is-unable to secure funding through a USDA loan
10 prior to ~~December 31, 2012~~ January 31, 2016, the University and the
11 Guam Economic Development Authority are hereby authorized to enter
12 into the ~~lease agreement and lease-back agreement~~ described above,
13 subject to the same terms, conditions and provisions set forth in this
14 Section (substituting the Authority for the Foundation). *I Liheslaturan*
15 *Guåhan*, pursuant to § 50103(k), Title 12 Guam Code Annotated, hereby
16 approves either the USDA loan or loans, including the interim financing,
17 and/or the issuance and sale by the Guam Economic Development
18 Authority of Project Revenue Bonds pursuant to Chapter 64 of Title 12 of
19 the Guam Code Annotated for the purposes set forth in Subsection (b) of
20 this Section, such loans and interim financing or such Project Revenue
21 Bonds to be secured by the base rental payments to be made by the
22 University pursuant to the lease-leaseback agreement; provided,
23 however, that the terms and conditions of such loan or bonds, and the
24 related ~~lease and leaseback~~ agreements, *shall* be consistent with this
25 Section, that any interim financing shall be consistent with this Section,
26 and any such interim financing shall bear interest at a rate that does not

1 exceed the annual appropriation authorized by Item (q)(1) of section
2 22425 of Title 5 Guam Code Annotated in the amount of One Million
3 One Hundred Fifty Eight Thousand Two Hundred Eighty Three Dollars
4 (\$1,158,283) and have a term that does not exceed four (4) years, and any
5 such USDA loan shall bear interest at a rate that does not exceed five
6 three and one half percent (5%) (3.5%) per annum and with a term that
7 does not exceed forty (40) thirty six (36) years, and that any such bonds
8 shall mature not later than forty (40) thirty six (36) years after their date
9 of issuance and shall bear interest at such rates and be sold for such price
10 or prices as shall result in a yield to the bondholders that does not exceed
11 eight and one half percent (8.5%) the annual appropriation authorized by
12 Item (q)(1) of section 22425 of Title 5 Guam Code Annotated in the
13 amount of One Million One Hundred Fifty Eight Thousand Two Hundred
14 Eighty Three Dollars (\$1,158,283) per annum, and provided further that
15 the interim financing is only authorized and approved if, prior to or
16 concurrently with the execution and delivery of the interim financing
17 documents, the USDA irrevocably commits to refinancing the interim
18 financing when such interim financing comes due.”

19 **Section 3.** Item (q)(1) of §22425 of Title 5 Guam Code Annotated is
20 hereby amended to read as follows:

21 “(1) The sum of One Million One Hundred Fifty Eight Thousand
22 Two Hundred Eighty Three Dollars (\$1,158,283), beginning in FY 2014 2015,
23 for the construction of the Student Services Center and Engineering Annex at
24 the University of Guam, as a source of payment to the University of Guam
25 Capital Improvements Fund for the purpose of paying rental payments due
26 under the lease-leaseback agreements with the University of Guam Endowment

1 Foundation for a term of forty (40) years; including any lease-leaseback
2 agreements entered into in connection with the interim financing;”

3 **Section 4. Severability.** If any provision of this law or its application to any
4 person or circumstance is found to be invalid or contrary to law, such invalidity shall
5 not affect other provisions or applications of this law which can be given effect
6 without the invalid provisions or application, and to this end the provisions of this law
7 are severable.