

Pat

FILE COPY

**I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session**

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

This is to certify that **Substitute Bill No. 446-30 (LS)**, "AN ACT TO AUTHORIZE THE FUNDING FOR THE CONSTRUCTION OF THE UNIVERSITY OF GUAM STUDENT SERVICES CENTER AND THE ANNEX BUILDING FOR THE SCHOOL OF ENGINEERING; FOR THE EXTENSION OF THE GUAM COMMUNITY COLLEGE (GCC) GREGORIO G. PEREZ CRIME LAB BUILDING; AND FOR THE RENOVATION AND HARDENING OF GCC BUILDINGS 100 AND 200", was on the 30th day of November 2010, duly and regularly passed.



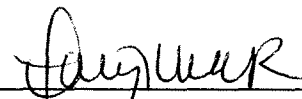
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 1st day of Dec, 2010, at 1100 o'clock A.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 446-30 (LS)

As substituted by Committee on Economic Development,
Health & Human Services, and Judiciary, and
further substituted and amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D.

F.B. Aguon, Jr.

T. R. Muña Barnes

J.V. Espaldon

Judith P. Guthertz, DPA

T. C. Ada

V. Anthony Ada

F. F. Blas, Jr.

E. J.B. Calvo

B. J.F. Cruz

Adolpho B. Palacios, Sr.

v. c. pangelinan

R. J. Respicio

Telo Taitague

Ray Tenorio

**AN ACT TO AUTHORIZE THE FUNDING FOR THE
CONSTRUCTION OF THE UNIVERSITY OF GUAM
STUDENT SERVICES CENTER AND THE ANNEX
BUILDING FOR THE SCHOOL OF ENGINEERING;
FOR THE EXTENSION OF THE GUAM COMMUNITY
COLLEGE (GCC) GREGORIO G. PEREZ CRIME LAB
BUILDING; AND FOR THE RENOVATION AND
HARDENING OF GCC BUILDINGS 100 AND 200.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the capacity of the current forty (40) year old University of Guam Student

1 Center is reaching the limit of its three thousand five hundred (3,500) to four
2 thousand (4,000) support range and needs expansion and renovation towards an
3 enrollment build-out capacity plan to serve up to seven thousand (7,000) students.

4 Unlike its current configuration, the expansion/renovation will turn the
5 facility into a Student Services Center that will serve as a one-stop center by fully
6 integrating University student services that are scattered throughout the University
7 campus. The expansion/renovation will include, but *not* be limited to, financial
8 aid; student admissions and records (undergraduate and graduate); graduate school
9 and research unit offices; collections office; and federal programs such as Equal
10 Opportunity, Title IX, and the disability support services office.

11 This is in addition to the current enrollment management and student
12 services office, and student health office, and will also include additional resources
13 for student life activities, such as computer labs and technical support, multi-
14 purpose seminar/meeting rooms, student governance hall, safety and security
15 office, bookstore, and cafeteria. The Student Services Center will incorporate
16 energy efficient and green building construction standards (LEED certification
17 criteria).

18 The proposed Student Services Center will cost approximately Eighteen
19 Million Sixty-five Thousand Six Hundred Twenty-five Dollars (\$18,065,625).

20 *I Liheslaturan Guåhan* also finds that there is a severe shortage of engineers
21 in Guam and the Western Pacific. The University of Guam currently offers only a
22 pre-engineering degree program, necessitating many students to leave Guam in
23 pursuit of their engineering degrees and in most cases, opting to not return to
24 Guam. With the projected demands of the military buildup on the island
25 infrastructure, the need to build capacity for an engineering program is even more
26 critical. To address this need, the University of Guam has approved the creation of
27 the School of Engineering and is proposing the construction of a new annex facility

1 onto the University's existing College of Natural and Applied Sciences (CNAS)
2 building to house the program. The classroom and labs of this annex will also
3 serve other academic programs to maximize the use of limited classroom/lab
4 spaces. The proposed annex will cost approximately Three Million Six Hundred
5 Four Thousand Three Hundred Seventy-five Dollars (\$3,604,375).

6 To fund the construction of these new buildings, the University of Guam
7 will enter into a loan agreement with the United States Department of Agriculture,
8 through their Rural Development - Community Facilities Loan Program. The loan
9 agreement will include the re-financing of the existing Community Facilities (CF)
10 Loan for the Jesus and Eugenia Leon Guerrero School of Business and Public
11 Administration Building, with the savings to be utilized to lower the debt service
12 for the new loan.

13 *I Liheslaturan Guåhan* finds that the Guam Community College is likewise
14 seeking to further develop their institution through the construction, expansion,
15 and/or renovation of the Gregorio G. Perez Crime Lab Building, and the hardening,
16 expansion, and/or renovation of the Guam Community College Building #100 and
17 Building #200. The construction of the Gregorio G. Perez Crime Lab Building is
18 estimated at Three Million Dollars (\$3,000,000) and the hardening, expansion,
19 and/or renovation of Building #100 and Building #200 is estimated at Three
20 Million Dollars (\$3,000,000).

21 *I Liheslaturan Guåhan* further finds that it is beneficial to the public interest
22 to facilitate their development by way of providing a secure source for loan
23 repayment for both institutions. In this regard, it is deemed practicable to provide
24 for a shared source of loan repayment security.

25 The USDA offers low interest direct and guaranteed loans with a maximum
26 term of forty (40) years. It is in the best interest of the government of Guam to
27 pursue this financing opportunity with the USDA this fiscal year as loan amounts

1 for the next fiscal year is anticipated to be reduced to sub million dollar levels, as
2 was the case in previous fiscal years prior to the American Recovery and
3 Reinvestment Act. It is, therefore, the intent of *I Liheslaturan Guåhan* to authorize
4 the University of Guam and the Guam Community College to respectively enter
5 into long term loans with the United States Department of Agriculture for the
6 construction of their respective capital improvement projects and authorize the
7 debt service for such loans.

8 **Section 2. University of Guam and Guam Community College;**
9 **Authorization to Enter Into Loan Agreement.**

10 (a) The University of Guam and Guam Community College are hereby
11 authorized to enter into a loan agreement in a sum *not to exceed* Forty Million Five
12 Hundred Thousand Dollars (\$40,500,000) with the United States Department of
13 Agriculture, or other available financing programs such as the Qualified School
14 Construction Bond Program, or Buy America Bond Program, for the following
15 purposes:

16 (1) University of Guam – Thirty-four Million Five Hundred Thousand
17 Dollars (\$34,500,000)

18 (A) Refinance existing USDA Community Facilities Loan for the
19 Jesus and Eugenia Leon Guerrero School of Business and Public
20 Administration Building - Twelve Million Eight Hundred Thirty Thousand
21 Dollars (\$12,830,000).

22 (B) Expansion and renovation of the University of Guam Student
23 Services Center – Eighteen Million Sixty-five Thousand Six Hundred
24 Twenty-five Dollars (\$18,065,625).

25 (C) Construction of an annex facility onto the existing College of
26 Natural and Applied Sciences (CNAS) building at the University of Guam

1 for the School of Engineering – Three Million Six Hundred Four Thousand
2 Three Hundred Seventy-five Dollars (\$3,604,375).

3 (2) The Guam Community College – Six Million Dollars (\$6,000,000).

4 (A) Construction of the extension of the Gregorio G. Perez Crime
5 Lab Building at the Guam Community College for the Criminal Justice
6 Program - Three Million Dollars (\$3,000,000).

7 (B) Hardening, expansion, and/or renovation of the Guam
8 Community College Building #100 and Building #200 - Three Million
9 Dollars (\$3,000,000).

10 **Section 3. Pledge of Liquid Fuel Tax; University of Guam and Guam**
11 **Community College.**

12 (a) Debt service payments for the University of Guam’s USDA
13 Community Facilities Direct Loan Programs, or USDA Guaranteed Loan Programs
14 or other available financing programs, such as the Qualified School Construction
15 Bond Program, or Buy America Bond Programs, for the expansion/renovation of
16 the Student Services Center and construction of the School of Engineering Annex,
17 and, for the Guam Community College’s USDA Community Facilities Direct Loan
18 Programs, or USDA Guaranteed Loan Programs or other available financing
19 programs, such as the Qualified School Construction Bond Program, or Buy
20 America Bond Programs, for the construction, expansion, and/or renovation of the
21 Gregorio G. Perez Crime Lab Building, and, the hardening, expansion, and/or
22 renovation of the Guam Community College Building #100 and Building #200, of
23 One Million Three Hundred Thousand Dollars (\$1,300,000) per year, *shall* be
24 secured by a pledge of liquid fuel tax revenue. Any pledge or reservation of liquid
25 fuel tax authorized by the Act *shall* be subordinate *only* to the existing lien
26 securing the Government of Guam Limited Obligation Highway Refunding Bond
27 2001 Series A (Liquid Fuel Taxes and other sources). Any such pledge or

1 reservation authorized hereunder *shall* be valid and binding from the time the
2 pledge or reservation is made and *shall* be limited to One Million Three Hundred
3 Thousand Dollars (\$1,300,000) per year, *not to exceed* forty (40) years.

4 (b) The pro-rata amount of funds pledged in Section 3(a) *shall* be
5 deposited into the University of Guam Capital Improvement Fund, for the
6 repayment of the University of Guam projects authorized in Section 2(a)(1) of this
7 Act, and *shall* be reserved for the debt service of the University of Guam for
8 projects authorized pursuant to this Act.

9 (c) The pro-rata share of the amount of funds pledged in Section 3(a)
10 *shall* be deposited into the University of Guam Capital Improvement Fund, for the
11 repayment of the Guam Community College projects authorized in Section 2(a)(2)
12 of this Act, and *shall* be reserved for the debt service of the Guam Community
13 College for projects authorized pursuant to this Act. The share of the Guam
14 Community College funds deposited into the University of Guam Capital
15 Improvement Fund *shall* be maintained in an account apart and separate from other
16 accounts of the University of Guam and may *only* be utilized and dispersed for the
17 *sole* purpose of paying the Guam Community College's debt service for projects
18 authorized pursuant to this Act. If necessary, the University of Guam may
19 establish a new separate account, which is apart and separate from all other
20 University of Guam accounts, and is apart and separate from all other accounts of
21 the government of Guam, for the purpose of paying the debt service for projects
22 authorized pursuant to this Act.

23 (d) The determination of the amounts due to the University of Guam and
24 the Guam Community College *shall* be based upon the amount respectively
25 borrowed. Any funds required for debt service payments in excess of the amount
26 secured and pledged pursuant to this Section 3 (a) *shall* be secured and pledged by

1 the respective borrowers from funds available to them and authorized pursuant to
2 applicable law.

3 (e) This Section 3 *shall* be liberally interpreted in a manner conducive to
4 the cooperative participation of the University of Guam and the Guam Community
5 College in their efforts to develop and improve their higher education facilities. It
6 is the intent of *I Liheslaturan Guåhan* that since the two (2) educational institutions
7 are partially securing funding repayment from a common source, as provided for in
8 this Section 3, that it is in both their interests to develop a workable and mutually
9 beneficial means of managing the funds secured for repayment of their respective
10 loans.

11 **Section 4. Savings From Refinancing of Existing USDA Community**
12 **Facilities Loan.** The savings, as a result of the refinancing of the USDA
13 Community Facilities Loan for the Jesus and Eugenia Leon Guerrero School of
14 Business and Public Administration Building, *shall* be re-deposited into the
15 University of Guam Capital Improvement Fund to fund the debt service incurred
16 from projects listed in Subsection (a) of Section 2 of this Act.

17 **Section 5. Amendment to §16132 of Title 17, Guam Code Annotated.**
18 Notwithstanding any other provision of law, §16132 of Title 17, Guam Code
19 Annotated, is hereby *amended* to read as follows:

20 “§16132. **Creation of the University of Guam Capital**
21 **Improvements Fund.** (a) There is hereby created, separate and apart from
22 other funds of the government of Guam, a fund known as the University of
23 Guam Capital Improvements Fund. The University of Guam Capital
24 Improvements Fund *shall not* be commingled with either the General Fund,
25 the Current Fund of the University of Guam, or any other fund of the
26 government of Guam. The University of Guam Capital Improvements Fund
27 *shall* be held in an account, or accounts, at a Guam financial institution, or

1 institutions, separate and apart from all other accounts and funds of the
2 government of Guam account. The University of Guam Capital
3 Improvements Fund *shall* be expended exclusively for the payment of debt
4 service incurred for the design, construction and collateral equipment of the
5 College of Business and Public Administration, the replacement of the roof
6 of the Fine Arts Building, the refinancing of the existing USDA Community
7 Facilities Loan for the Jesus and Eugenia Leon Guerrero School of Business
8 and Public Administration Building, the expansion and renovation of the
9 University of Guam Student Services Center, and the construction of an
10 annex facility onto the existing College of Natural and Applied Sciences
11 (CNAS) building for the School of Engineering.

12 There is hereby appropriated annually, beginning with Fiscal Year
13 2002, the sum of Five Hundred Thousand Dollars (\$500,000.00) from the
14 Guam Highway Fund to the University of Guam Capital Improvements
15 Fund for the purpose of the paying for the debt service incurred for the
16 design, construction and collateral equipment of the College of Business and
17 Public Administration of the University of Guam and the replacement of the
18 roof of the Fine Arts Building is fully paid. No funds appropriated herein
19 shall result in a reduction of appropriations or allocation of funds
20 appropriated or allocated to or in support of the Department of Public Works
21 (DPW) Highway Division.”

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