

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

AUG 07 2013

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-13-669
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 8/7/13
Time 3:42pm
Received by [Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No.1 (2-S) "AN ACT TO AUTHORIZE THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO ISSUE REVENUE BONDS FOR THE PURPOSE OF REFUNDING THE GENERAL REVENUE BONDS, 2003 SERIES A, B, AND C, TO FINANCE NEW PROJECTS, AND TO REFINANCE THE ENERGY EFFICIENCY LOAN ON A SUBORDINATE BASIS" which I signed into law on August 5, 2013 as **Public Law 32-062**.

Senseramente,


EDDIE BAZA CALVO
I Maga'lahaen Guåhan
Governor of Guam

Enclosure:

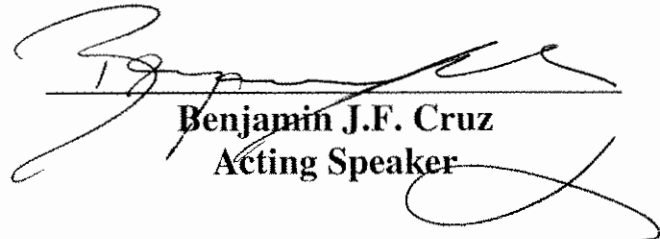
2013 AUG - 7 PM 3:48
[Signature]



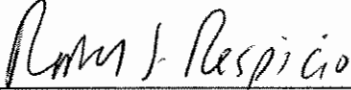
I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (SECOND) Special Session

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

This is to certify that **Bill No. 1 (2-S) "AN ACT TO AUTHORIZE THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO ISSUE REVENUE BONDS FOR THE PURPOSE OF REFUNDING THE GENERAL REVENUE BONDS, 2003 SERIES A, B, AND C, TO FINANCE NEW PROJECTS, AND TO REFINANCE THE ENERGY EFFICIENCY LOAN ON A SUBORDINATE BASIS"**, was on the 31st day of July, 2013, duly and regularly passed.


Benjamin J.F. Cruz
Acting Speaker

Attested:


Rory J. Respicio
Acting Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 31st day of July,
2013, at 11:00 o'clock P.M.


C. A. Faustino #703
Assistant Staff Officer
Maga'lahaen's Office

APPROVED:


EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: AUG 05 2013

Public Law No. 32-062

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (SECOND) Special Session

Bill No. 1 (2-S)

As amended on the Floor and further amended
in the Committee of the Whole.

Introduced by:

Committee on Rules, Federal,
Foreign & Micronesian Affairs,
Human & Natural Resources,
and Election Reform

by request of *I Maga'lahaen Guåhan* in
accordance with the Organic Act of Guam.

**AN ACT TO AUTHORIZE THE A.B. WON PAT
INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO
ISSUE REVENUE BONDS FOR THE PURPOSE OF
REFUNDING THE GENERAL REVENUE BONDS, 2003
SERIES A, B AND C, TO FINANCE NEW PROJECTS,
AND TO REFINANCE THE ENERGY EFFICIENCY
LOAN ON A SUBORDINATE BASIS.**

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

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

3 (a) § 1216 of Title 12 of the Guam Code Annotated provides that the
4 Antonio B. Won Pat International Airport Authority, Guam (Authority) is
5 authorized to incur indebtedness by the issuance of general revenue bonds for the
6 purpose of refunding any general revenue bonds of the Authority then outstanding.

7 (b) § 1208 of Title 12 of the Guam Code Annotated provides that no
8 general revenue bonds of the Authority shall be issued unless authorized by the
9 Board of the Authority in a bond resolution adopted by it and approved by *I*

1 *Maga'lahaen Guåhan*, and unless *I Liheslaturan Guåhan* approves the terms and
2 conditions of the bonds.

3 (c) § 50103 of Title 12 of the Guam Code Annotated provides that public
4 corporations of the government of Guam, including the Authority, *shall* issue
5 bonds and other obligations only by means of, and through the agency of the Guam
6 Economic Development Authority (GEDA), and that GEDA *shall not* sell any
7 bond without the approval by *I Liheslaturan Guåhan* of the terms and conditions of
8 the bonds.

9 (d) Based on low interest rates and current market conditions, the
10 Authority expects to be able to refinance its outstanding general revenue bonds for
11 substantial debt service savings.

12 (e) The Authority has incurred an energy efficiency loan with a final
13 bullet maturity in 2017 that it expects to restructure or refinance with a longer-term
14 subordinate loan.

15 (f) The Authority needs to finance security improvements and other
16 capital projects that are expected to enhance the operational efficiency and
17 passenger experience at the Airport.

18 (g) In order to benefit the Airport, and the tourism industry that depends
19 on the Airport, *I Liheslaturan Guåhan* has determined to approve the issuance of
20 revenue bonds by the Authority to refund its general revenue bonds and to finance
21 new projects at the Airport and, with respect to the energy efficiency loan, to
22 authorize and approve the restructuring or refinancing of such loan with a longer-
23 term subordinate loan, all subject to approval by *I Maga'lahaen Guåhan* and the
24 Board of Directors of GEDA in accordance with law.

25 **Section 2. Approval of the Terms and Conditions of the Antonio B.**
26 **Won Pat International Airport Authority Refunding Bonds.**

1 *I Liheslaturan Guåhan*, pursuant to §1208(a) and §50103(k) of Title 12 of
2 the Guam Code Annotated, hereby approves the terms and conditions of the
3 issuance of general revenue bonds by the Authority for the purpose of refunding all
4 of the Authority’s outstanding general revenue bonds (the outstanding bonds being
5 refunded are referred to herein as the “prior bonds”) in accordance with the
6 following requirements, limitations, terms and conditions:

7 (a) All obligation of the Authority to pay debt service on, and the
8 redemption price of, the prior bonds *shall* be discharged concurrently with the
9 issuance of the refunding bonds. Thereafter, the prior bonds *shall* be payable
10 solely from and secured solely by an escrow established for such purpose in
11 accordance with the Authority’s existing bond indenture.

12 (b) The final maturity of the refunding bonds *shall not* be greater than the
13 final maturity of the prior bonds.

14 (c) Such bonds *shall* be issued and sold in compliance with the provisions
15 of Article 2 of Chapter 1 of Title 12 of the Guam Code Annotated, including
16 approval of the bond resolution by the Board of Directors of the Authority and by *I*
17 *Maga’lahen Guåhan* as provided therein.

18 (d) The sale of the bonds *shall* be approved by the Board of Directors of
19 GEDA as provided by Chapter 50 of Title 12 of the Guam Code Annotated.

20 (e) The debt service savings resulting from the issuance of the refunding
21 bonds *shall be not less than* an amount equal to two percent (2%) of the principal
22 amount of the prior bonds. Debt service savings is defined for this purpose to be
23 the amount by which the present value of debt service on the prior bonds exceeds
24 the present value of debt service on the refunding bonds, using the yield on the
25 refunding bonds as the discount rate for purposes of calculating present value.

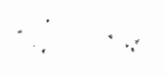
26 **Section 3. Approval of the Terms and Conditions of the Issuance by**
27 **the Authority of General Revenue Bonds to Finance Airport Projects.**

1 (a) *I Liheslaturan Guåhan*, pursuant to §1208(a) and §50103(k) of Title
 2 12 of the Guam Code Annotated, hereby approves the terms and conditions of
 3 general revenue bonds by the Authority in one or more series in an aggregate
 4 principal amount *not to exceed* One Hundred Twenty-five Million Dollars
 5 (\$125,000,000) for the purpose of financing or refinancing the projects and paying
 6 the other costs listed in Subsection (c) of this Section, *provided*, that such bonds
 7 have a final maturity *not later than* thirty-two years from their date of issuance,
 8 bear interest at such rate or rates and are sold for such price or prices as *shall* result
 9 in a net interest cost to the Authority *not to exceed* six and one-half percent (6.5%)
 10 per annum, and are issued and sold pursuant to the Airport's existing bond
 11 indenture as it may be amended in compliance with the provisions of Chapter 1 of
 12 Title 12 of the Guam Code Annotated, including approval by the Authority and by
 13 *I Maga'lahaen Guåhan* as provided therein.

14 (b) The sale of the bonds *shall* be approved by the Board of Directors of
 15 GEDA as provided by Chapter 50 of Title 12 of the Guam Code Annotated.

16 (c) The proceeds of the bonds may be applied to pay for the costs of
 17 issuance of the bonds, for accrued and capitalized interest thereon, for credit
 18 enhancement therefore, to provide for reserves, and the costs of capital
 19 improvement projects at the Airport, to be determined by the GIAA Board of
 20 Directors:

- 21 (1) International Arrivals Corridor
- 22 (2) Phase 3 Near-Fault Seismic Upgrade
- 23 (3) Hold Bag Screening Relocation
- 24 (4) SSCP Improvements
- 25 (5) FIDS Replacement
- 26 (6) Integrated PLB Replacement
- 27 (7) Common Use Check-In Facilities



- 1 (8) Parking Expansion
- 2 (9) Interisland Passenger Facility
- 3 (10) ARFF Facility Replacement
- 4 (11) Replace Terminal Seating
- 5 (12) Phase 4 Near-Fault Seismic Upgrade
- 6 (13) Access Control and Security Improvements
- 7 (14) Terminal Flooring Replacement
- 8 (15) Upgrade Airport IT and FMS
- 9 (16) Route 10A Landscape Component
- 10 (17) Enclose Arrival Tunnels
- 11 (18) Replace Conveyance Systems
- 12 (19) Strengthen and Expand Curbside Canopies.

13 **Section 4. Authorization and Approval of the Terms and Conditions of**
14 **Subordinate Indebtedness to Refinance the Authority’s Energy Efficiency**
15 **Loan.**

16 (a) The Authority may incur subordinate indebtedness to restructure or
17 refinance the loan that the Authority incurred in 2012 for the purpose of financing
18 certain energy efficiency upgrades to the terminal building. Such subordinate
19 indebtedness, whether restructured or newly issued, may be obtained from the
20 Authority’s current lender, First Hawaiian Bank, *shall* be approved by a resolution
21 adopted by a majority of all of the members of the Authority’s Board and approved
22 by *I Muga’lahi* (the Governor), and may be evidenced by a contract with any
23 person or by one or more promissory notes executed as provided in this Article and
24 delivered to any person. Any such indebtedness *shall* be subject and subordinate to
25 any contractual obligations of the Authority to the holders of any bonds, and the
26 principal thereof and interest on such subordinate indebtedness may be paid either

1 from revenue or, if incurred for a purpose for which bonds may be issued, from
2 revenue or from the proceeds of the sale of bonds.

3 (b) *I Liheslaturan Guåhan*, pursuant to §50103(k) of Title 12 of the Guam
4 Code Annotated, hereby approves the terms and conditions of subordinate
5 indebtedness restructured or newly issued by the Authority for the purpose
6 specified in Subsection (a) of this Section in an aggregate principal amount *not to*
7 *exceed* the amount necessary for such purpose and for paying the costs of issuance
8 of such subordinate indebtedness, *provided*, that such subordinate indebtedness
9 *shall* have a final maturity *not later than* ten years from its date of restructuring or
10 reissuance, *shall* be structured with approximately level debt service over its
11 remaining term, and *shall* bear interest at a rate or rates not exceeding the rate of
12 interest on the existing energy efficiency loan plus two percent (2.0%) per annum.
13 The terms and conditions of such subordinate indebtedness *shall* be approved by
14 the Board of Directors of GEDA as provided by Chapter 50 of Title 12 of the
15 Guam Code Annotated.

16 **Section 5. Severability.** The provisions outlined in this Act are declared to
17 be separate and severable. The invalidity of any clause, sentence, paragraph,
18 subdivision, section or portion of this statute, or the invalidity of the application
19 thereof to any person or circumstance *shall not* affect the validity of the remainder
20 of this statute or the validity of its application to other persons or circumstances.