

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

SEP 04 2013

32-13-752

9.48
3:42pm
Received

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

Dear Madame Speaker:

Transmitted herewith is Bill No. 155-32 (COR) "AN ACT TO ACCEPT AND APPROVE THE TERMS AND CONDITIONS OF THE APPENDED AGREEMENT BETWEEN THE BANK OF GUAM AND *I LIHESLATURAN GUÅHAN*, WITH THE ASSISTANCE AND ADVICE OF THE GUAM ECONOMIC DEVELOPMENT AUTHORITY (GEDA), RELATIVE TO FINANCING THE RECONSTRUCTION OF THE HISTORIC GUAM LEGISLATURE BUILDING IN *HÅGATÑA*, IN CONJUNCTION WITH THE GUAM PRESERVATION TRUST, TO INCLUDE MODERNIZING, REFURBISHING AND RESTORING THE EXISTING STRUCTURE, WHICH IS AN IMPORTANT COMPONENT OF THE REVITALIZATION OF *HÅGATÑA*" which I signed into law on August 30, 2013 as Public Law 32-067.

Senseramente,

EDDIE BAZA CALVO

Enclosure:

2013 SEP -4 PM 3:55

752



I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

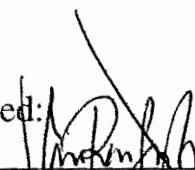
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 155-32 (COR)**, "AN ACT TO ACCEPT AND APPROVE THE TERMS AND CONDITIONS OF THE APPENDED AGREEMENT BETWEEN THE BANK OF GUAM AND *I LIHESLATURAN GUÅHAN*, WITH THE ASSISTANCE AND ADVICE OF THE GUAM ECONOMIC DEVELOPMENT AUTHORITY (GEDA), RELATIVE TO FINANCING THE RECONSTRUCTION OF THE HISTORIC GUAM LEGISLATURE BUILDING IN *HAGÁTÑA*, IN CONJUNCTION WITH THE GUAM PRESERVATION TRUST, TO INCLUDE MODERNIZING, REFURBISHING AND RESTORING THE EXISTING STRUCTURE, WHICH IS AN IMPORTANT COMPONENT OF THE REVITALIZATION OF *HAGÁTÑA*", was on the 22nd day of August, 2013, duly and regularly passed.

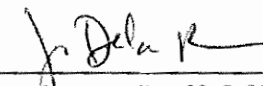


Judith T. Won Pat, Ed.D.
Speaker

Attested:


Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 22nd day of Aug., 2013, at 2:37 o'clock P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: AUG 30 2013

Public Law No. 32-067

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 155-32 (COR)

As amended by the Author;
and further amended on the Floor.

Introduced by:

R. J. Respicio
T. C. Ada
B. J.F. Cruz
T. R. Muña Barnes
Dennis G. Rodriguez, Jr.
Aline A. Yamashita, Ph.D.
V. Anthony Ada
Brant T. McCreadie
Frank B. Aguon, Jr.
Chris M. Dueñas
Michael T. Limtiaco
Tommy Morrison
Vicente (ben) C. Pangelinan
Michael F. Q. San Nicolas
Judith T. Won Pat, Ed.D.

AN ACT TO ACCEPT AND APPROVE THE TERMS AND CONDITIONS OF THE APPENDED AGREEMENT BETWEEN THE BANK OF GUAM AND *I LIHESLATURAN GUÅHAN*, WITH THE ASSISTANCE AND ADVICE OF THE GUAM ECONOMIC DEVELOPMENT AUTHORITY (GEDA), RELATIVE TO FINANCING THE RECONSTRUCTION OF THE HISTORIC GUAM LEGISLATURE BUILDING IN *HAGÅTÑA*, IN CONJUNCTION WITH THE GUAM PRESERVATION TRUST, TO INCLUDE MODERNIZING, REFURBISHING AND RESTORING THE EXISTING STRUCTURE, WHICH IS AN IMPORTANT COMPONENT OF THE REVITALIZATION OF *HAGÅTÑA*.

1 **Section 1. Legislative Findings and Intent.** *I Liheslatura* finds that the
2 authority to renovate and construct legislative facilities, and fund the renovation
3 and construction of legislative facilities is contained in Title 2, Guam Code
4 Annotated, §1126: *Liheng Para Sagan I Liheslaturan Guåhan*, which reads as
5 follows:

6 “*I Liheslaturan Guåhan*” shall create, construct, lease or purchase a
7 new building or buildings or refurbish, repair, or renovate the Old
8 Legislative Hall and the Manuel F.L. Guerrero Building for its session hall,
9 public meetings, activities and offices of its members, their staffs and other
10 legislative employees as appropriate or for other purposes. ... The funding
11 for the construction, purchase, lease or other means of acquisition shall be
12 by legislative appropriation, funds currently in the budget for *I Liheslatura*
13 and appropriated for lease of the buildings in *Hågatña* now occupied by *I*
14 *Liheslatura*, grant from the Department of Administration, grant or loan
15 from any agency or part of the federal or local government, a loan from a
16 private financial institution, donations or contributions, an appropriate
17 combination of said means or by any appropriate means. Leases, contracts
18 and construction contracts with private entities authorized by this Section
19 shall be entered into pursuant to the procurement laws applicable to *I*
20 *Liheslatura*.”

21 **Section 2. Reconstruction of the Historic Guam Legislature Building.**

22 Pursuant to the adoption of Resolution No. 628-31 (COR) by *I Mina'Trentai Unu*
23 *Na Liheslaturan Guåhan* on the 26th of November, 2012, and under the authority
24 of Title 2, Guam Code Annotated, §1126, the Guam Economic Development
25 Authority (GEDA), on behalf of *I Liheslatura*, sought and obtained the financing
26 necessary for the reconstruction of the historic Guam Legislature Building in
27 *Hagåtña*, in the amount of Four Million Dollars (\$4,000,000).

1 **Section 3. Adequate Office Space for *I Liheslatura*.** It is the intent of *I*
2 *Liheslaturan Guåhan* to adequately house certain offices within the revitalized
3 Guam Legislature Building, including certain sections of the legislative central
4 operations, as well as offices for the Speaker, Vice Speaker, Legislative Secretary,
5 Majority Leader, and Committee on Rules Chairperson, as an integral part of the
6 restoration process. In order to accomplish this goal, a second (2nd) floor and a
7 wider footprint, comprising an area of approximately eight thousand two hundred
8 (8,200) square feet, is proposed to be included in the construction of the north side
9 wing (hereinafter referred to as the “north wing modification”), and the Guam
10 Preservation Trust has agreed that the “north wing modification” can be
11 constructed concurrently with the reconstruction of the original structure.

12 **Section 4. North Wing Modification.** The construction of the “north
13 wing modification” may be financially supplemented through space rental savings
14 realized by relocating *I Liheslatura*’s central operations and Senatorial offices from
15 its existing location, to the renovated Guam Legislature Building. Such savings,
16 combined with rental income from other properties managed by *I Liheslatura*, as
17 well as other authorized funding sources, *shall* supplement the funding needed for
18 the Guam Legislature Building and provide a permanent home adequate to meet its
19 needs now and in the future.

20 **Section 5. Historic Guam Legislature Building is a Component of a**
21 **Revitalized *Hågatña*.** Built by the United States Navy after World War II, the
22 Guam Legislature Building was presented to the people of Guam by Rear Admiral
23 Charles A. Pownall, Naval Governor of Guam, on July 21, 1948, four years after
24 the liberation of Guam. Originally known as the “Guam Congress Building,” this
25 historic structure was added to the list of the National Register of Historic Places
26 on February 1, 2007. Located across from the *Dulce Nombre de Maria* Cathedral-
27 Basilica, the Guam Museum (now under construction), and the *Plaza de España*,

1 the reconstruction of the Guam Legislature Building will be coinciding with
2 planned and ongoing projects that will serve to revitalize Guam's capitol city of
3 *Hågatña*.

4 **Section 6. Financing Secured for Historic Guam Legislature Building.**

5 In compliance with *I Liheslatura's* request, GEDA has secured financing in the
6 amount of up to Four Million Dollars (\$4,000,000), GEDA having been informed
7 on April 23, 2013, that the Bank of Guam "has approved a credit facility in the
8 amount of \$4,000,000.00 in favor of the Guam Legislature and the Government of
9 Guam for the reconstruction and the rehabilitation of the Guam Legislature
10 Building," the Notice of Provision of Services having been signed by Bank of
11 Guam Executive Vice President and Chief Operating Officer William D. Leon
12 Guerrero, and delivered to GEDA. A copy of the Notice of Provision of Services-
13 amended, and dated August 13, 2013, is appended to this document and identified
14 as "Attachment 1."

15 **Section 7. Notice of Award.** The Notice of Award (RFP 13-002), dated
16 May 29, 2013, issued by GEDA and signed by Acting GEDA Administrator Mana
17 Silva Taijeron, indicates that the Bank of Guam was selected to provide the
18 financing necessary for the reconstruction of the historic Guam Legislature
19 Building in *Hagåtña*. A copy of the Notice of Award is appended to this document
20 and identified as "Attachment 2."

21 The Notice of Award includes the following notes:

- 22 (a) The Bank of Guam has been selected to provide the financing
23 for the project in the amount of up to Four Million Dollars (\$4,000,000.00);
24 (b) Closing costs are waived;
25 (c) (Payments shall be) Interest only for eighteen (18) months on
26 drawdowns;

1 (d) No collateral relative to the U.S. Postal Service parcel or the
2 Guam Legislature Building will be necessary;

3 (e) The Bank of Guam must receive a Pledge and Assignment of
4 Capitol District Fund and a Pledge of Full Faith and Credit of the
5 Government of Guam as collateral for the loan.

6 **Section 8. Pledge and Assignment of Capitol District Fund. *I***

7 *Liheslaturan Guåhan* and the people of Guam do hereby accept the terms and
8 conditions described in the Bank of Guam's Provision of Services letter RFP 13-
9 002, and do hereby pledge and assign the Capitol District Fund, as established by
10 Title 21 GCA §§ 79601 and 79602 of Article 6, to the Bank of Guam until the full
11 repayment of the Bank of Guam loan by *I Liheslatura*, including principal and
12 interest, at which time the assignment *shall* cease, and the Capitol District Fund
13 *shall* revert to *I Liheslatura*.

14 **Section 9. Authorization to Borrow.** In accordance with the conditions

15 set by the Bank of Guam, a pledge of the full faith and credit of the government of
16 Guam *shall* be secured, with the concurrence of *I Maga'lahaen Guåhan*. Such
17 pledge and concurrence *shall* be in the form of *I Maga'lahi's* signature affixed to
18 this Act, thereby authorizing *I Liheslaturan Guåhan*, on behalf of the government
19 of Guam, to borrow the sum of \$4,000,000.00 from the Bank of Guam upon the
20 terms and conditions and for the purposes substantially as provided herein.

21 **Section 10. Pledge of Full Faith and Credit of the Government of**

22 **Guam.** The obligation for repayment of the loan from the Bank of Guam *shall* be
23 a general obligation of the government of Guam, *not* limited in recourse to any
24 funds or amounts pledged as security for repayment of the loan, and *shall* be
25 secured by the full faith and credit of the government of Guam, which is pledged
26 for the repayment of the loan from the Bank of Guam.

WILLIAM D. LEON GUERRERO
Executive Vice President and
Chief Operating Officer

BANK OF GUAM
THE PEOPLE'S BANK

Headquarters • P.O. Box BW • Hagåtña, Guam 96932

Tel: (671) 472-5273
Fax: (671) 477-8887



Member FDIC

Provision of Services

RFP 13-002

April 23, 2013

Henry Taitano
Administrator
Guam Economic Development Authority
ITC Building, Suite 511
590 South Marine Corps Drive
Tamuning, Guam 96913

Re: RFP 13-002 for the Guam Legislature

Dear Mr. Taitano:

The Bank of Guam is pleased to inform you it has approved a credit facility in the amount of \$4,000,000.00 in favor of the Guam Legislature and the Government of Guam for the reconstruction and the rehabilitation of the Guam Legislature Building with the following terms and conditions:

Borrower: Guam Legislature and the Government of Guam

Amount: \$4,000,000.00

Terms: Eighteen (18) months of interest only payments during reconstruction and rehabilitation period. Once reconstruction and rehabilitation period is completed, the loan will be amortized over Two Hundred and Twenty Two (222) months, and will mature in Sixty (60) months.

Maturity: 5 year maturity with an 18.5 year amortization, with 3 options to renew for an additional 5 years

Rate: The interest rate for the 18 month reconstruction and rehabilitation period will be variable at One and one quarter (1.25%) percent over the Wall Street Journal Prime Rate, with a minimum rate of Four and one half (4.50%) percent. The rate during the reconstruction and rehabilitation period will adjust on the 1st day of the next month after a change in the Wall Street Journal Prime Rate.

The interest rate once the reconstruction and rehabilitation period is completed will be fixed at 1.25% over the Wall Street Journal Prime Rate, with a minimum rate of 4.50%. The rate will adjust on the anniversary date of the loan.

The Wall Street Journal Prime Rate is currently at 3.25%, therefore, if the loan closed today the rate would be 4.50%.

Fee: None

Collateral: Pledge and Assignment of the Capital District Fund and the Full Faith and Credit of the Government of Guam.

Guarantor: None.

In the granting of the above facility the following will be obtained and agreed:

Agreement: In accordance with our usual customary practices, the bank shall conduct periodic reviews of this credit facility and the financial condition of the Borrower for loan continuance. In the event of an adverse change in the Borrower's financial condition, default by the Borrower under any of its obligation that may affect this loan, or should the Bank deem itself insecure, the Bank reserves the right to terminate any further advances or accelerate the maturity date under this or any credit facility.

- Other Terms:**
1. A completed construction contract by a contractor acceptable to the Bank shall be submitted to and approved by the Bank.
 2. Disbursements during the reconstruction and rehabilitation period will be made in accordance with a formal budget approved prior to funding. Borrower shall submit periodic updates when budget changes occur. Changes will be subject to the Bank's approval.
 3. 100% completion and performance bond with the Bank and assignees named as loss payee.
 4. Legal Opinion from Attorney General and Bank's Legal Counsel that the loan and conditions do not violate any laws, regulations, and agreements.
 5. All loan documents to be prepared by the Bank's Attorney. The legal fees from the loan document preparation to be paid by the Borrower.
 6. All costs related to the closing of this loan are to be borne by the Borrower. This includes the UCC1 filing fees.
 7. Waiver of Sovereign Immunity.
 8. Interest on the loan to be Income Tax-exempt.
 9. Audited Financial Statements of the Government of Guam are to be submitted annually and no later than 120 days after the completion of the audit.

The above terms and conditions are not to be all-inclusive. This conditional commitment is conditional on the preparation, execution and delivery of legal documentation in form and substance satisfactory to the Bank and its Legal Counsel.

TERMS AND CONDITIONS CONTAINED AND OUTLINED ABOVE SHALL BE VALID UNTIL July 30, 2013.

We appreciate your business and look forward to continuing to serve your financing needs.

Sincerely,



WILLIAM D. LEON GUERRERO
Executive Vice President and Chief Operating Officer



Aturidá Inadilánton Ikunumihan Guahan

May 29, 2013

Mr. Keven Camacho, VP / Chief Lending Officer
Bank of Guam
111 Chalan Santo Papa
Hagatna, Guam 96910

RE: Notice of Award – RFP 13-002 Request for Proposal from Any Bank, Banks or Commercial Lending Institutions for the Proposed Financing for the Reconstruction and Rehabilitation of the 1948 Guam Legislature Building in the amount of Four Million Dollars (\$4,000,000.00)

Hafa Adai Mr. Camacho!

It is my pleasure to inform you that Bank of Guam has been selected to provide the financing for the above Request for Proposal which seeks financing from any bank, banks or commercial lending institutions for the proposed financing for the reconstruction and rehabilitation of the 1948 Guam Legislature Building in the amount of four million dollars (\$4,000,000.00).

A thorough review of your proposal was followed by a negotiation meeting with you and Ms. Lou Leon Guerrero held on Thursday May 23, 2013. Key elements of our negotiation included:

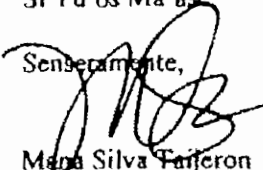
- Closing costs waived;
- Interest only for eighteen (18) months on drawdowns; and
- No collateral (U.S. Postal Service Parcel or the Guam Legislature Building)

On behalf of the Guam Legislature and GEDA, we hereby find the financing terms, as submitted in your proposal to be acceptable.

We thank you for your excellent proposal and look forward to working with you and your firm. Should you have any questions, please contact Antoinette T. Leon Guerrero, GEDA's Public Finance Officer at (671) 647-4332 or via email at alg@investguam.com.

Si Yu'os Ma'ñse

Sensemante,


Maria Silva Tarjeron
Acting Administrator

Attachment

Cc: Antoinette T. Leon Guerrero, GEDA's Public Finance Officer
George Bamba, GEDA's Administrative Services Officer
Vince Arriola, Guam Legislature Executive Director
Agnes Cruz, Guam Legislature Chief Financial Officer

