



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

2008 MAY -9 PM 3:32

07 MAY 2008

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Bente Nuebi Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

29-08-0370
Office of the Speaker
Judith T. Won Pat, Ed.D.
Date 5/10/08
Time 10:20
Received by

Dear Speaker Won Pat:

Transmitted herewith is 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" which I signed into law on April 29, 2008 as Public Law 29-69.

I would like to thank you and I Mina' Bente Nuebi Na Liheslaturan Guahan for the expeditious enactment of my proposed measure to provide for the financing and procuring of the requisite collateral equipment for the new schools to open for the 2008-2009 school year.

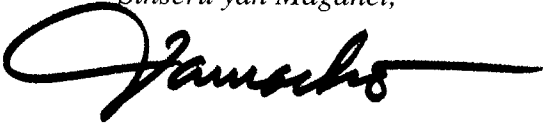
However, the version that was enacted inserted a provision, Distribution of Proceeds, to the original measure that would allocate and disburse the bond proceeds to go towards payment of the bond. Bond Counsel would not be able to approve a transaction in which proceeds of the sale of certificates of participation would be used to pay costs of issuance or make a deposit into a reserve of any type, including the Certificate Debt Service Reserve Fund.

Although not required, Bond Counsel recommends the following technical amendment to lead-in to Section 6 of the Bill as follows: "The Guam Education Financing Foundation shall allocate and disburse the net proceeds received pursuant to this Act, after payment of financing costs and deposits into required reserves, according to the following priorities:" The rest of Section 6 is fine.

Bond Counsel has also recommended another technical amendment to change the definition of collateral equipment in Section 7 of the Bill to mean "items having an economic useful life of three years or longer" which is more appropriate than "shelf life".

Again, I respectfully request your immediate action to make these necessary technical amendments in order to ensure that the new schools will have the collateral equipment for the start of the new school year 2008-2009.

Sinseru yan Magâhet,

A handwritten signature in black ink, appearing to read 'F. Camacho', with a long horizontal flourish extending to the right.

FELIX P. CAMACHO

I Maga'lâhen Guåhan

Governor of Guam

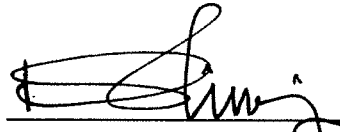
Attachment: copy of Bill

cc: The Honorable Tina Rose Muña Barnes,
Senator and Legislative Secretary

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

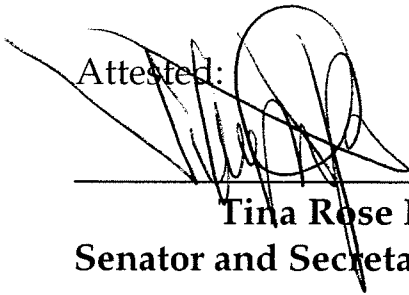
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

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.



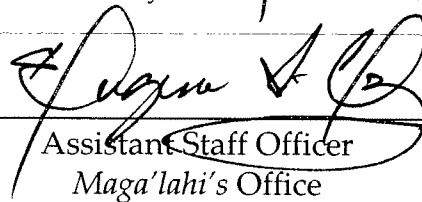
Dr. David L.G. Shimizu
Acting Speaker

Attested:



Tina Rose Muña Barnes
Senator and Secretary of the Legislature

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



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 29 APRIL 2008

Public Law No. 29-69

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'lahaen 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.**

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

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

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

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

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

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

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

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

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

21 **Section 4.** The following provisions are hereby *added* at the end of
22 §58105 of Chapter 58 of Title 5 of the Guam Code Annotated:

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

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

3 **"§58110. Contractor Responsible for Capital Maintenance.** The
4 Contract with the Contractor, and the Lease-Back, *shall* provide that all
5 capital maintenance and repair of the Education Facility be performed by the
6 Contractor as a separate cost; provided, however, that said documents may,
7 at the discretion of the Education Agency, provide that capital maintenance
8 and repair with respect to equipment (including collateral equipment), onsite
9 utility construction, offsite utility connections, access roads, and other
10 similar improvements to the Education Facility need *not* be performed by the
11 Contractor. The terms by which the Contractor is to perform such capital
12 maintenance *shall* be determined as a part of the bid process and *shall* be
13 part of the conditions of the Contract. The Contract *shall* provide initial
14 funding for the first five (5) years after the completion of the
15 Education Facility."

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

19 1st Priority – Up to One Million Two Hundred Eighty-seven Thousand
20 Dollars (\$1,287,000) to fund the off-site infrastructure for *Liguan* and *Adacao*
21 Elementary Schools, *Astumbo* Middle School and *Okkodo* High School, including,
22 but *not* be limited to, water, sewer, power, street lights, telephone, cable,
23 intersection designs, and access roads.

24 2nd Priority – Three Million Two Hundred Seventy-eight Thousand Seven
25 Hundred Sixty-three Dollars (\$3,278,763) to fund the collateral equipment for the
26 new schools.

27 3rd Priority – Any unused funds *shall* go towards payment of the bond.

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

3 **Section 8.** Financing instruments, as amended by this Act, *shall* have a final
4 maturity date *not later than* six (6) years after their date of issuance, and bear
5 interest at such rate and *shall* be sold for such price *or* prices as *shall* result in a
6 yield to the holders of such instruments *not exceeding* seven and one-half percent
7 (7.5%) per annum.

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

10 **“§79601. Creation of Guam Capitol District.** The Guam Capitol
11 District is hereby established, consisting of the grounds and structures
12 comprising the old Guam Congress Building (the old legislative building),
13 Skinner Plaza, *Plaza de Espana*, the Manuel F.L.Guerrero Administration
14 Building and, upon the termination *or* expiration of any leases attached to
15 the property, the Post Office in *Hagåtña*. Properties included in the Guam
16 Capitol are hereby placed under the control and supervision of *I*
17 *Liheslaturan Guåhan*. This Section *shall not* be interpreted as preventing
18 the development and beautification of Skinner Plaza, as detailed in the
19 Budget Act for Fiscal Year 1998. Government agencies and departments
20 utilizing facilities in the Guam Capitol District *shall* continue to do so unless
21 subsequently and otherwise indicated by *I Liheslaturan Guåhan*. The
22 Department of Parks and Recreation, the Department of Public Works and
23 other government agencies that may provide maintenance, security and other
24 services on property within the Guam Capitol District *shall* continue to do so
25 unless subsequently and otherwise indicated by the Guam Legislature. The
26 provisions of other Sections of this Act do *not* apply to the Guam Capitol
27 District. Notwithstanding any other provision of law, The Speaker of *I*

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

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

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

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

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

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

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

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