

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

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WV

Bill No. 30-446 (LS)
Introduced by:

Judith T. Won Pat, Ed.D.
F.B. Aguon, Jr.
T.R. Muna-Barnes
J.V. Espaldon

AN ACT AUTHORIZING THE FUNDING FOR THE
CONSTRUCTION OF THE UNIVERSITY OF GUAM
STUDENT SERVICES CENTER AND THE ANNEX
BUILDING FOR THE SCHOOL OF ENGINEERING

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**
2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 the capacity of the current forty (40) year old University of Guam Student
4 Center is reaching the limit of its 3,500-4,000 support range and needs
5 expansion and renovation towards an enrollment build-out capacity plan to
6 serve up to 7,000 students.
7 Unlike its current configuration, the expansion/renovation will turn the
8 facility into a Student Services Center that will serve as a one-stop center by
9 fully integrating University student services that are scattered throughout the
10 University campus. The expansion/renovation will include, but not limited to,
11 financial aid; student admissions and records (undergraduate and graduate);
12 graduate school and research unit offices; collections office; and Federal
13 Programs such as Equal Opportunity, Title IX, and the disability support

1 services office.

2 This is in addition to the current Enrollment Management and Student
3 Services office and student health office, and will also include additional
4 resources for student life activities such as computer labs and technical
5 support, multi-purpose seminar/meeting rooms, student governance hall,
6 safety and security office, bookstore, and cafeteria. The Student Services
7 Center will incorporate energy efficient and green building construction
8 standards (LEED certification criteria).

9 The proposed Student Services Center will cost approximately Eighteen
10 Million Sixty Five Thousand Six Hundred Twenty Five Dollars
11 (\$18,065,625.00).

12 *I Liheslatura* also finds that there is a severe shortage of engineers in
13 Guam and the Western Pacific. The University of Guam currently offers only
14 a pre-engineering degree program, necessitating many students to leave
15 Guam in pursuit of their engineering degrees and in most cases, opting to not
16 return to Guam. With the projected demands of the military buildup on the
17 island infrastructure, the need to build capacity for an engineering program is
18 even more critical. To address this need, the University of Guam has
19 approved the creation of the School of Engineering and is proposing the
20 construction of a new annex facility onto the University's existing College of
21 Natural and Applied Sciences (CNAS) building to house the program. The
22 classroom and labs of this annex will also serve other academic programs to
23 maximize the use of limited classroom/lab spaces. The proposed annex will

1 cost approximately Three Million Six Hundred Four Thousand Three
2 Hundred Seventy Five Dollars (\$3,604,375.00).

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

10 The USDA offers low interest direct and guaranteed loans with a
11 maximum term of forty years. It is in the best interest of the government of
12 Guam to pursue this financing opportunity with the USDA this fiscal year as
13 loan amounts for the next fiscal year is anticipated to be reduced to sub
14 million dollar levels, as was the case in previous fiscal years prior to the
15 American Recovery and Reinvestment Act. It is therefore the intent of *I*
16 *Liheslaturan Guahan*, to authorize the University of Guam to enter into a long
17 term loan with the United States Department of Agriculture for the
18 construction of these buildings and authorize the debt service for such loans.

19 **Section 2. Authorization to Enter Into Loan Agreement.** The
20 University of Guam is hereby authorized to enter into a loan agreement with
21 the United States Department of Agriculture for the following purposes:

- 22 a.) Refinance existing USDA Community Facilities Loan for the Jesus
23 and Eugenia Leon Guerrero School of Business and Public

1 Administration Building.

2 b.) Expansion and renovation of the University of Guam Student
3 Services Center.

4 c.) Construction of an annex facility onto the existing College of Natural
5 and Applied Sciences (CNAS) building at the University of Guam for
6 the School of Engineering.

7 **Section 3. Pledge of Liquid Fuel Tax.**

8 a.) Debt service payments for the University of Guam's USDA
9 Community Facilities Loan Programs for the expansion/renovation of the
10 Student Services Center and construction of the School of Engineering Annex,
11 up to Nine Hundred Thirty Nine Thousand Five Hundred Ninety-Seven
12 Dollars (\$939,597.00) per year, may be secured by a pledge of liquid fuel tax.
13 Any pledge or reservation of liquid fuel tax, authorized by the Act shall be
14 subordinate only to the existing lien securing the Government of Guam
15 Limited Obligation Highway Refunding Bond 2001 Series A (Liquid Fuel
16 Taxes and other sources). Any such pledge or reservation authorized
17 hereunder shall be valid and binding from the time the pledge or reservation
18 is made and shall be limited to Nine Hundred Thirty Nine Thousand Five
19 Hundred Ninety-Seven Dollars (\$939,597.00) per year not to exceed forty (40)
20 years.

21 b.) The amount pledged in Section 3(a) shall be deposited into the
22 University of Guam Capital Improvement Fund.

23 **Section 4. Savings From Refinancing of Existing USDA Community**
24 **Facilities Loan.** The savings, as a result of the refinancing of the USDA
25 Community Facilities Loan for the Jesus and Eugenia Leon Guerrero School of

1 Business and Public Administration Building, shall be re-deposited into the
2 University of Guam Capital Improvement Fund to fund the debt service
3 incurred from projects listed in Section 2 of this Act.

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

7 **“§ 16132. Creation of the University of Guam Capital Improvements**
8 **Fund.** (a) There is hereby created, separate and apart from other funds
9 of the government of Guam, a fund known as the University of Guam
10 Capital Improvements Fund. The University of Guam Capital
11 Improvements Fund shall not be commingled with either the General
12 Fund, the Current Fund of the University of Guam, or any other fund of
13 the government of Guam. The University of Guam Capital
14 Improvements Fund shall be held in an account, or accounts, at a Guam
15 financial institution, or institutions, separate and apart from all other
16 accounts and funds of the government of Guam account. The University
17 of Guam Capital Improvements Fund shall be expended exclusively for
18 the payment of debt service incurred for the design, construction and
19 collateral equipment of the College of Business and Public
20 Administration, ~~and for~~ the replacement of the roof of the Fine Arts
21 Building, the refinancing of the existing USDA Community Facilities
22 Loan for the Jesus and Eugenia Leon Guerrero School of Business and
23 Public Administration Building, the expansion and renovation of the

1 University of Guam Student Services Center, and the construction of an
2 annex facility onto the existing College of Natural and Applied Sciences
3 (CNAS) building for the School of Engineering.

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

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