



Office of the Governor of Guam

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Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

01 JUL 2005

The Honorable Mark Forbes
Speaker
Mina' Bente Ocho Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 46 (EC), "AN ACT TO ADD A NEW CHAPTER 59 TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A MEANS FOR CONSTRUCTION OF PUBLIC SAFETY FACILITIES TO HOUSE PUBLIC SAFETY AGENCIES" which I signed into law on June 30, 2005, as Public Law 28-60.

Sins eru yan Magåhet,

[Handwritten signature of Felix P. Camacho]

FELIX P. CAMACHO
I Maga'låhen Guåhan
Governor of Guam

Attachment: copy attached of signed bill

cc: The Honorable Eddie Baza Calvo
Senator and Legislative Secretary

Office of the Speaker
MARK FORBES

Date: 7/5/05
Time: 4:25 PM
Rec'd by: [Signature]
Print Name: [Signature]
28-05-0289

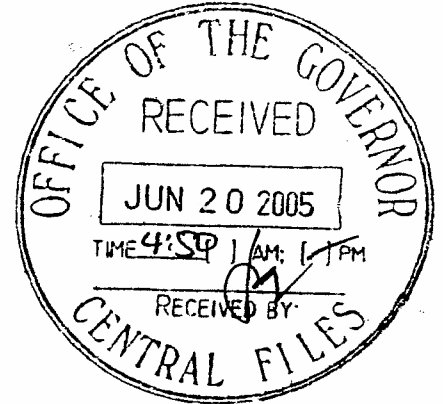
Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE
ACKNOWLEDGEMENT RECEIPT
Rcv'd by: [Signature]
Print Name & Initial
Time: 3:00 Date: 7-7-05



MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

June 20, 2005

The Honorable Felix P. Camacho
I Maga'lalen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910



Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill Nos. 97(EC) & 103(LS); and Substitute Bill Nos. 41(EC), 46(EC), 59(EC), 61(EC), 69(EC), 77(EC), 87(LS), 100(EC), 112(EC), 119(EC), 122(EC), 128(EC) and 137(EC) which were passed by *I Mina' Bente Ocho Na Liheslaturan Guåhan* on June 17, 2005.

Sincerely,

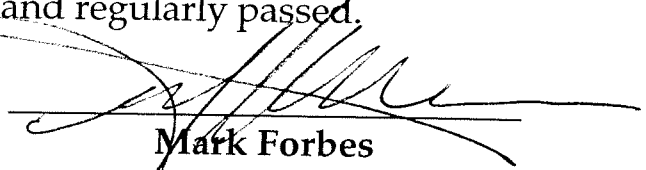
EDWARD J.B. CALVO
Senator and Secretary of the Legislature

Enclosures (15)


I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

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


This is to certify that Substitute Bill No. 46 (EC), "AN ACT TO ADD A NEW CHAPTER 59 TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A MEANS FOR CONSTRUCTION OF PUBLIC SAFETY FACILITIES TO HOUSE PUBLIC SAFETY AGENCIES," was on the 17th day of June, 2005, duly and regularly passed.


Mark Forbes
Speaker

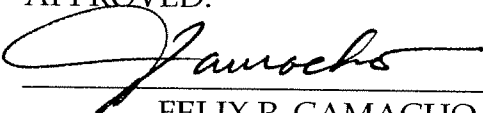
Attested:


Edward J.B. Calvo
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahaen Guåhan* this 20 day of June, 2005,
at 4:50 o'clock P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 6/30/05

Public Law No. 28-60

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 46 (EC)

As substituted by the Committee on
Finance, Taxation and Commerce, and
amended on the Floor.

Introduced by:

Ray Tenorio
L. F. Kasperbauer
J. T. Won Pat
A. B. Palacios
F. B. Aguon, Jr.
R. J. Respicio
B. J.F. Cruz
J. M.S. Brown
Edward J.B. Calvo
Mike Cruz
Mark Forbes
R. Klitzkie
L. A. Leon Guerrero
J. A. Lujan
A. R. Unpingco

**AN ACT TO ADD A NEW CHAPTER 59 TO TITLE 5 OF THE
GUAM CODE ANNOTATED, RELATIVE TO
ESTABLISHING A MEANS FOR CONSTRUCTION OF
PUBLIC SAFETY FACILITIES TO HOUSE PUBLIC SAFETY
AGENCIES.**

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

2 **Section 1. Title.** This Act shall be cited and referred to as "*The Public*
3 *Safety Facilities Construction Initiative Act of 2005.*"

4 **Section 2. Chapter 59** is hereby *added* to Division 5 of Title 5 of the
5 **Guam Code Annotated** to read as follows:

1 "CHAPTER 59

2 THE PUBLIC SAFETY FACILITIES

3 CONSTRUCTION INITIATIVE ACT OF 2005

4 Section 59101. Title.

5 Section 59102. Definitions.

6 Section 59103. Authorization to Enter into Long-Term Leases.

7 Section 59104. Procurement.

8 Section 59105. Responsibilities of Contractor.

9 Section 59106. Assignments.

10 Section 59107. Use of Tax-Exempt Bonds for Financing.

11 Section 59108. Utilities and Routine Maintenance and Repair.

12 Section 59109. Contractor Responsible for Capital
13 Maintenance.

14 Section 59110. Severability.

15 Section 59101. Title. This Act shall be known and shall be cited
16 as *'The Public Safety Facilities Construction Initiative Act of 2005.'*

17 Section 59102. Definitions. For purposes of this Chapter, unless
18 otherwise specified, the following words and phrases are defined to
19 mean:

20 (a) *'Act'* means Chapter 59 of Title 5 of the Guam Code
21 Annotated, known as *'The Public Safety Facilities
22 Construction Initiative Act of 2005.'*

23 (b) *'Contractor'* shall mean the authorized entity which shall
24 be the signatory on the Contract and shall be fully

1 responsible for carrying out the design, construction,
2 financing and maintenance of the public safety facility.

3 (c) '*Contract*' shall mean the design, construction, financing
4 and maintenance contract entered into by and between
5 the government of Guam and the Contractor following
6 negotiations on the response to the Request for
7 Proposal.

8 (d) '*Government*' shall mean the government of Guam.

9 (e) '*Public Safety Facility*' shall mean any structure or
10 structures, together with all ancillary facilities,
11 including parking facilities, utilities, infrastructure and
12 equipment associated with providing the services
13 required by a public safety agency. Public Safety
14 Facility may include an existing facility being converted
15 or rehabilitated by the Contractor.

16 (f) '*Lease*' shall mean a ground or site lease of the property
17 from the public safety agency, the Chamorro Land
18 Trust Commission, or other government land, as
19 applicable to the Contractor.

20 (g) '*Lease-Back*' shall mean the lease between the Contractor
21 and the public safety agency over the term of which the
22 costs of the design, construction, financing, and
23 maintenance of a Public Safety Facility are amortized
24 according to the terms agreed to between the
25 government of Guam and the Contractor.

1 (h) 'Property' shall mean any property on which a Public
2 Safety Facility is located.

3 (i) 'Public Safety Agency' shall mean the Guam Police
4 Department, the Guam Fire Department, the Customs
5 and Quarantine Agency, the Department of Corrections
6 and the Department of Law.

7 **Section 59103. Authorization to Enter into Long-Term Leases.**

8 For the purpose of facilitating the financing of the design, construction
9 and maintenance of a Public Safety Facility encompassed by this Act, the
10 government of Guam or a Public Safety Agency is authorized to lease, *if*
11 *required*, to the Contractor, *subject* to legislative approval, sufficient
12 government of Guam real property on which to construct, convert or
13 rehabilitate a Public Safety Facility. The location of the property may be
14 at the site of an existing Public Safety Facility under the control of an
15 Agency, which may be demolished and rebuilt under the provisions of
16 this Act.

17 Any lease of property pursuant to this Act will be for a period
18 mutually agreed upon between the government and the Contractor as
19 may be reasonably necessary to amortize over the Lease-Back period of
20 the Contract the costs associated with the financing, design,
21 construction, and maintenance of the Public Safety Facility, and in no
22 event shall such period be *less than* twenty (20) years, or *exceed* thirty (30)
23 years from the date of commencement of the Lease-Back period.

24 The Contractor shall lease back to the Public Safety Agency the
25 property for the Lease-Back period. Upon the expiration of the Lease

1 and the Lease-Back periods and the fulfillment of the terms and
2 conditions of the Lease-Back by the Public Safety Agency, the property
3 and the Public Safety Facility shall become the property of the
4 government and the Contractor shall have no further right, title or
5 interest in the property or the Public Safety Facility.

6 **Section 59104. Procurement.** Subject to legislative approval, *I*
7 *Maga'lahi* shall solicit Requests for Proposals ('RFP') through the
8 Department of Public Works, in compliance with the Guam
9 Procurement Law, for the financing, design and construction of the
10 Public Safety Facility, together with maintenance of the Public Safety
11 Facility over the term of the Lease-Back, according to the needs of the
12 Public Safety Agency and consistent with this Chapter.

13 **Section 59105. Responsibilities of Contractor.** The Contract shall
14 require that the Contractor be responsible for all costs, expenses and fees
15 of any kind or nature, associated with the design, civil improvements,
16 infrastructure, construction, permits and financing associated with the
17 completion of a Public Safety Facility.

18 The Contractor shall also be responsible for the capital
19 maintenance and upkeep of public safety facilities during the Lease-
20 Back term. The costs of the design, construction and financing for a
21 Public Safety Facility shall be paid in periodic installments over the term
22 of the Lease-Back period, which shall be mutually determined by the
23 Public Safety agency and the Contractor, but which shall *not* exceed
24 thirty (30) years. The Lease and Lease-Back may provide that if
25 sufficient funds are not appropriated or otherwise available for the

1 payment of such installments, the Public Safety Agency will have the
2 obligation to vacate the Public Safety Facility, and the Contractor shall
3 have the right of use and occupancy of the Public Safety Facility for the
4 remainder of the term of the Lease unless new mutual satisfactory terms
5 are entered into. For this purpose, the Lease may provide that its term
6 shall be extended for a period not to exceed the shorter of ten (10) years
7 beyond the original term of the Lease-Back or such period of time as is
8 necessary to repay in full any financing arranged pursuant to Section
9 59107.

10 The capital maintenance, repair and upkeep costs shall be paid on
11 a periodic basis as incurred by the Contractor on terms to be agreed to in
12 the Contract for each Public Safety Facility.

13 **Section 59106. Assignments.** To facilitate the purposes of this
14 Chapter and to provide security for the bondholders, the Contractor
15 may assign, without the need of the consent of the Public Safety Agency,
16 the Contract, the Lease and the Lease-Back to any trustee, underwriter
17 or other appropriate party as may be necessary to facilitate the issuance
18 of the tax-exempt bonds or other financial instrument to provide the
19 financing for the Public Safety Facility.

20 **Section 59107. Use of Tax-Exempt Bonds for Financing.** To
21 minimize the financing cost to the government, all financing utilized by
22 the Contractor to fund the design, construction, development and
23 maintenance of a Public Safety Facility shall be through tax-exempt
24 bonds or other financial instruments, *if* a mechanism to do so is
25 available. The purpose for this requirement is to assure the government

1 pays the lowest possible interest rate so that the cost of financing the
2 design, construction, development and maintenance of a Public Safety
3 Facility to the government amortized through the Lease-Back payments
4 from the government to the Contractor, will be lower than regular
5 commercial rates.

6 **Section 59108. Utilities and Routine Maintenance and Repair.**

7 The Public Safety Agency shall be responsible for the connection and
8 payment of all utilities, including without limitation, power, water,
9 sewer, telephone and cable. Capital maintenance and repair shall be
10 performed by the Contractor as provided for in 5 GCA §59109. Routine
11 maintenance, repair and upkeep shall be the responsibility of the Public
12 Safety Agency and/or the Contractor, as may be provided by the terms
13 of the contract.

14 **Section 59109. Contractor Responsible for Capital Maintenance.**

15 The Contract with the Contractor, and the Lease-Back, shall provide that
16 *all* capital maintenance and repair of the Public Safety Facility be
17 performed by the Contractor as a separate cost. The Contractor shall be
18 responsible, during the Lease-Back period, for the timely filing of any
19 applicable insurance claims and for the payment of any deductible
20 required to repair a Public Safety Facility covered by an insurance policy
21 on the Public Safety Facility. The terms by which the Contractor is to
22 perform such Capital Maintenance shall be determined as a part of the
23 bid process and shall be part of the conditions of the Contract.

24 **Section 59110. Severability.** *If* any provision of this Chapter or its
25 application to any person or circumstance is found to be invalid or

1 contrary to law, such invalidity shall *not* affect other provisions or
2 applications of this Chapter which can be given effect without the
3 invalid provisions or application, and to this end the provisions of this
4 Chapter are severable.”

6

I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN

2005 (FIRST) Regular Session

Date: 6/17/05

VOTING SHEET

SBill No. 46(EC)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J.F.	✓				
CRUZ, Michael (Dr.)	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
KLITZKIE, Robert	✓				
LEON GUERRERO, Lourdes A.					✓
LUJAN, Jesse A.	✓				
PALACIOS, Adolpho B.	✓				
RESPICIO, Rory J.	✓				
TENORIO, Ray	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14 0 0 0 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

PL 28-60



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
SEVENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: senatorcalvo@hotsheet.com
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

May 06, 2005

The Honorable Mark Forbes
Speaker
Mina Bente Ocho na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910


Håfa adai, Mr. Speaker:

The Committee on Finance, Taxation, and Commerce, to which **Bill No. 46 (EC): "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities"**, was referred, wishes to report its findings and recommendations **TO PASS** Bill No. 46 (EC), as substituted by the Committee.

The voting record for Bill No. 46 (EC) is as follows:

TO PASS	<u>5</u>
NOT TO PASS	<u>0</u>
TO REPORT OUT	<u>1</u>
ABSTAIN	<u>0</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee Report and other pertinent documents are attached. Thank you for your attention in this matter. *Si Yu'os Ma'åse!*


Senator Edward J.B. Calvo
Chairman



MINA BENTE OCHO NA LIHESLATURAN GUAHAN
SEVENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: senatorcalvo@hotsheet.com
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

May 06, 2005

MEMORANDUM

To: Committee Members

From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: Committee report on Bill 46 (EC) as substituted by the Committee

This memorandum is accompanied by the following:


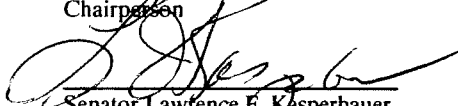
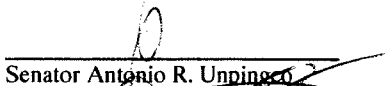
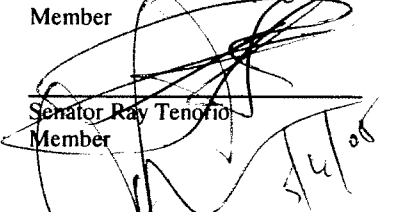
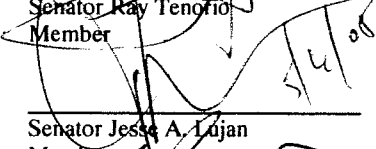

1. Committee voting sheet
2. Public Hearing sign-in sheet
3. Notice of Public Hearing
4. Testimonies submitted

Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated. Should there be any questions regarding this matter, please feel free to contact my office at 475-8801.

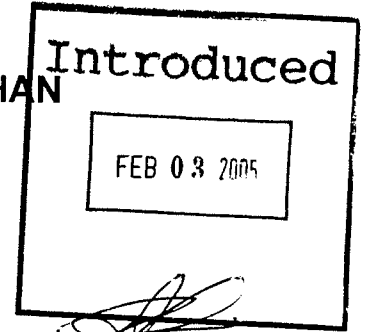
Senator Edward J.B. Calvo
Chairman

Committee Voting Sheet
Committee on Finance, Taxation, and Commerce
Office of Finance and Budget
Sinadot Edward J.B. Calvo, Ge'Hilo'

Bill No. 46 (EC): "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities", as substituted by the Committee.

Committee Members	To Pass	Not to Pass	Report Out	Abstain	Inactive File
 Senator Edward J.B. Calvo Chairperson	✓				
 Senator Lawrence F. Kasperbauer Vice Chairperson	X				
Speaker Mark Forbes Member					
 Senator Antonio R. Unpingco Member	✓				
 Senator Ray Tenorio Member	✓				
 Senator Jesse A. Lujan Member			✓		
 Senator Adolpho B. Palacios Member	✓				
Senator Frank B. Aguon, Jr. Member					

MINA'BENTE OCHO NA LIHESLATURAN GUAHAN
2005 (FIRST) Regular Session



Bill No. 46 (EC)

Introduced by:

Ray Tenorio
L.F. KASSABIAN

AN ACT TO ADD A NEW CHAPTER 59 TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A MEANS FOR CONSTRUCTION AND DEVELOPMENT OF PUBLIC FACILITIES.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Title. This Act shall be cited and referred to as "*The*
3 *Public Facilities Construction and Development Initiative Act of 2005.*"

4 Section 2. Chapter 59 is hereby added to Division 5 of Title 5 of the
5 Guam Code Annotated to read as follows:

6 "CHAPTER 59.

7 THE PUBLIC FACILITIES

8 CONSTRUCTION AND DEVELOPMENT INITIATIVE ACT OF 2005.

9 Section 59101.

Title.

10 Section 59102.

Legislative Findings and Policy.

11 Section 59103.

Definitions.

12 Section 59104.

Authorization to Enter into Long-
Term Leases.

14 Section 59105.

Procurement.

15 Section 59106.

Responsibilities of Contractor.

16 Section 59107.

Assignments.

1 **Section 59108.**

**Use of Tax-Exempt Bonds for
Financing.**

2
3 **Section 59109.**

**Utilities and Routine Maintenance
and Repair.**

4
5 **Section 59110.**

Maintenance Fund.

6 **Section 59111.**

**Rules, Regulations and
Restrictions.**

7
8 **Section 59112.**

Severability.

9 **Section 59101. Title.**

This Act shall be known and shall be
10 cited as '*The Public Facilities Construction and Development Initiative
11 Act of 2005.*'

Section 59102. Legislative Findings and Policy. There is a critical
12 shortage of public facilities on Guam. Many existing public facilities are
13 antiquated and *not* fit for the purpose of public use. Some government
14 public facilities have already been condemned. The government is
15 currently spending millions of dollars annually in rental payments for a
16 variety of agencies and instrumentalities funded by the General Fund.
17 The government lacks funding for the design, construction and
18 acquisition of new public facilities, and is unable to seek financing, in its
19 own name, through the bond market.
20

I Liheslaturan Guåhan desires to authorize the government to
21 enter into contracts for the financing, design, construction, development
22 and long-term capital maintenance of new public facilities with private
23 sector contractors who can provide long-term financing obtained through
24 tax-exempt bonds.
25

To facilitate the financing, design, construction, development and
26 maintenance of public facilities for public use envisioned by this Act, the
27

1 government will be authorized to lease, for *up to* thirty (30) years,
2 government of Guam property on which the public facilities will be
3 constructed, and to enter into long-term leases of privately held real
4 estate with or without improvements.

5 The lease of the government property will be to the contractor,
6 who will provide funding for the design and construction of public
7 facilities through the use of tax-exempt bonds. Upon completion of the
8 construction, the facilities and land will be leased back to the
9 government for a period *not to exceed* the initial ground lease to the
10 contractor over which time the government will amortize, as lease
11 payments to the contractor, the cost of the financing, design,
12 construction and related expenses of the public facilities. In the case of
13 acquisition of real property owned by parties other than the government
14 for the purpose of development and utilization for public use, the land
15 shall be similarly leased back to the government.

16 The contractor will also be responsible for the capital
17 maintenance and repair of each of the public facilities allowed for under
18 this Act, which costs shall be paid by the government as provided for
19 under this Act. At the expiration of the lease-back period, the real
20 property and the public facilities constructed on the real property will
21 revert to the government with no further obligations to the contractor.

22 **Section 59103. Definitions.** For purposes of this Chapter,
23 unless otherwise specified, the following words and phrases are defined
24 to mean:

- 25 (a) 'Act' means Chapter 59 of Title 5 of the Guam Code
26 Annotated, known as '*The Public Facilities*
27 *Construction and Development Initiative Act of 2005.*'

1 (b) '*Contractor*' shall mean the authorized entity which
2 shall be the signatory on the Contract and shall be
3 fully responsible for carrying out the design,
4 construction, financing and maintenance of the public
5 facility. The Contractor may cooperate with another
6 entity or entities in any manner the Contractor deems
7 appropriate to provide for the financing, design,
8 acquisition and construction of the public facilities
9 envisioned by this Chapter.

10 (c) '*Contract*' shall mean the design, construction,
11 development, acquisition and finance contract entered
12 into by and between the government of Guam and the
13 Contractor following negotiations on the response to
14 the Request for Proposal.

15 (d) '*Government*' shall mean the government of Guam.

16 (e) '*Public Facility*' shall mean any structure or structures,
17 together with all ancillary facilities, including parking
18 facilities, utilities and infrastructure associated with
19 providing the services required of the government.

20 (f) '*Lease*' shall mean a lease from a government agency
21 to pay funds to the Contractor for the use of the facility
22 for the public through an agreement entered into at the
23 time of the Contract for the real property and
24 commencing upon completion of the construction or
25 acquisition of the Public Facility.

26 (g) '*Lease-Back*' shall mean the period of the term of the
27 lease between the Contractor and the government

1 over which period the costs of the design, construction,
2 financing, acquisition and maintenance of a Public
3 Facility is amortized according to the terms agreed to
4 between the government and the Contractor. The
5 period of the Lease and the Lease-Back shall be
6 identical.

7 (h) 'Property' shall mean any property on which a Public
8 Facility is located.

9 **Section 59104. Authorization to Enter into Long-Term**
10 **Leases.**

11 For the purpose of facilitating the financing of the design, construction,
12 development and maintenance of a Public Facility encompassed by this
13 Act, the government is authorized to lease, *if* required, to the Contractor,
14 *subject* to legislative approval, sufficient government real property on
15 which to construct a Public Facility. The location of the Property may be
16 at the site of an existing Facility under the control of an Agency, which
17 may be demolished and rebuilt under the provisions of this Act.

18 Any lease of property pursuant to this Act will be for a period
19 mutually agreed upon between the government and the Contractor as
20 may be reasonably necessary to amortize over the Lease-Back, the
21 costs associated with the financing, design, construction, development
22 and maintenance of the Public Facility, and in no event shall such period
23 be *less than* twenty (20) years, or *exceed* thirty (30) years.

24 Upon completion of the construction of the Public Facility, the
25 Contractor shall lease back to the government the Property for the
26 period of the Lease-Back period. Upon the expiration of the Lease and
27 the Lease-Back of the Property, and the fulfillment of the terms and

1 conditions of the Lease-Back by the government, the Property and the
2 Public Facility shall become the property of the government and the
3 Contractor shall have no further right, title or interest in the Property or
4 the Public Facility.

5 **Section 59105. Procurement.** Upon identifying property
6 adequate for the placement of a Public Facility, the Governor shall solicit
7 Requests for Proposals ('RFP'), through the Department of Public
8 Works, in compliance with the Guam Procurement Law, for the
9 financing, design and construction of the Public Facility, together with
10 maintenance of the Public Facility over the term of the Lease-Back,
11 according to the needs of the government and consistent with this
12 Chapter.

13 **Section 59106. Responsibilities of Contractor.** The Contract
14 shall require that the Contractor be responsible for all costs, expenses
15 and fees of any kind or nature, associated with the design, civil
16 improvements, infrastructure, construction, permits and financing
17 associated with the completion of a Public Facility.

18 The Contractor shall also be responsible for the capital
19 maintenance and upkeep of public facilities during the period of the
20 Lease-Back term. The costs of the design, construction and financing
21 for a public facility shall be paid in *substantially* equal monthly
22 installments over the term of the Lease-Back period, which shall be
23 mutually determined by the government and the Contractor, but which
24 shall *not* exceed thirty (30) years.

25 The capital maintenance, repair and upkeep costs shall be paid on
26 a periodic basis as incurred by the Contractor on terms to be agreed to
27 in the Contract for each Public Facility.

1 **Section 59107. Assignments.** To facilitate the purposes of this
2 Chapter and to provide security for the bondholders, the Contractor may
3 assign, without the need of the consent of the government, the Contract,
4 the Lease and the Lease-Back to any underwriter or other appropriate
5 party that has facilitated the issuance of the tax-exempt bonds
6 necessary to provide the financing for the Public Facility.

7 **Section 59108. Use of Tax-Exempt Bonds for Financing.** To
8 minimize the financing cost to the government, all financing utilized by
9 the Contractor to fund the design, construction, development and
10 maintenance of a Public Facility shall be through tax-exempt bonds or
11 other financial instruments, *if* a mechanism to do so is available. The
12 purpose for this requirement is to assure the government pays the
13 lowest possible interest rate so that the cost of financing the design,
14 construction, development and maintenance of a Public Facility to the
15 government amortized through the Lease-Back payments from the
16 government to the Contractor, will be lower than regular commercial
17 rates.

18 **Section 59109. Utilities and Routine Maintenance and Repair.**
19 The government shall be responsible for the connection and payment of
20 all utilities, including without limitation, power, water, sewer, telephone
21 and all routine interior maintenance and repair and exterior grounds-
22 keeping and landscaping, and upkeep of the Public Facility. Capital
23 maintenance and repair shall be performed by the Contractor as
24 provided for in this Chapter.

25 **Section 59110. Maintenance Fund.** The Contract with the
26 Contractor, and the Lease-Back, shall provide that *all* capital
27 maintenance and repair of the Public Facility be performed by the

1 Contractor as a separate cost, the terms of which, and the manner for
2 establishing the amount of payment, shall be determined as a part of the
3 bid process. The Contract shall provide sufficient initial funding of a
4 separate maintenance fund for this purpose with sufficient funds to pay
5 the costs of capital maintenance and repair for the first five (5) years
6 *after* the completion of the Public Facility. The maintenance fund shall
7 be used *exclusively* for the purpose of capital maintenance and repair,
8 and shall be in an interest bearing account segregated from other funds
9 of the government.

10 **Section 59111. Rules, Regulations and Restrictions.** The
11 Department of Public Works may promulgate rules and regulations
12 pursuant to Guam law necessary to implement the provisions of this
13 Chapter.

14 **Section 59112. Severability.** *If any provision of this Chapter*
15 *or its application to any person or circumstance is found to be invalid or*
16 *contrary to law, such invalidity shall not affect other provisions or*
17 *applications of this Chapter which can be given effect without the invalid*
18 *provisions or application, and to this end the provisions of this Chapter*
19 *are severable."*



MINA' BEN E OCHO NA LIHESLATURA GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
S E C R E T A R Y O F T H E L E G I S L A T U R E

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: senatorcalvo@hotsheet.com
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

WAIVER OF FISCAL NOTE REQUIREMENT

In accordance with §9105 of Title 2 of the Guam Code Annotated, I hereby certify that prompt committee action on Bill No. 46 (EC) is necessary for the proper conduct of legislative business. Therefore, I am waiving the requirement for a fiscal note on Bill No. 46 (EC).

A handwritten signature in black ink, appearing to read "E. Calvo".

Senator Edward J.B. Calvo

Chairman

Committee on Finance, Taxation, and Commerce



MINA' BEN E OCHO NA LIHESLATURA GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
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Committee Report on

Bill No. 46 (EC): "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities", as substituted by the Committee on Finance, Taxation, and Commerce.

I Mina' Bente Ocho Na Liheslaturan Guåhan
Committee on Finance, Taxation, and Commerce
Sinadot Edward J.B. Calvo, Ge' hilo

I. OVERVIEW

The Committee on Finance, Taxation, and Commerce held a Public Hearing on Tuesday, March 22, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room on Bill No. 46 (EC), "*An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities*". Notices of this public hearing were disseminated throughout all local media via facsimile and are attached herein.

a. Senators present:

Senator Edward J.B. Calvo, Chairman
Senator Lawrence F. Kasperbauer, Vice-Chairman
Speaker Mark Forbes, Ex-officio Member
Senator Adolpho B. Palacios, Member
Senator Ray Tenorio
Senator Benjamin J. Cruz
Senator Lou Leon Guerrero
Senator Robert Klitzkie

b. Appearing before the Committee:

Attorney Joe Guthrie, Deputy Attorney General
Mrs. Tina Garcia, Guam Economic Development
and Commerce Authority
Carlos Camacho, Governor's Capital Improvement
Projects Coordinator

c. Written testimony provided:

Mr. Terezo R. Mortera, Registrar, Guam Contractors
Licensing Board

Mr. Lawrence Perez, Acting Director, Department of
Public Works

Mr. Gerald Perez, Administrator, Guam Economic
Development and Commerce Authority

Mr. Frankie T. Ishizaki, Chief of the Guam Police Department

II. SUMMARY OF VERBAL TESTIMONIES:

Following introductory remarks by Chairman Edward J.B. Calvo, Senator Ray Tenorio, author of Bill No. 46 (EC), provided brief comments concerning the evolution of Bill No. 46 (EC). Senator Tenorio cited that the measure has evolved around a concept the governor is going about in building new schools. Senator Tenorio stated that when a lease comes into fruition as a result of this proposed measure then the government will be the benefactor of the new facility. This is solution that involves participation through a public-private partnership which the government of Guam has increasingly explored within the last several years. The measure is a vehicle that is an alternative in building needed public facilities and is a win-win solution for the government and the private contractor.

Deputy Attorney General Joseph Gutherie was the first to provide comments on Bill No. 46 (EC). He extended the Attorney General's support of the concept contained within Bill 46 (EC). The bill appears to impact upon ongoing litigation in the Ninth Circuit Court whether the government of Guam has exceeded its debt ceiling imposed by the Organic Act. The facilitation of revenues accorded to finance the lease-back regiment may be subjected to a pledge of funds by the government of Guam through an instrument or bond taken out by the contractor. The measure is just like using a credit

card allowing the contractor/developer to impose a lien on the property and public facility. The use of tax exempt bonds to enable the government to obtain the lowest financial rates for the contractor/developer, could be used which the government may have to guarantee. This option will impact on the AG's court case concerning the assessment and valuation of properties relating to government indebtedness. However, the proposed measure suggests that financing may or may not interject onto the existing debt ceiling which is contingent on the agreed financing terms or arrangement between the government and the contractor/developer. Deputy Attorney General Gutherie deliberated on the Department of Education and the Chamorro Land Trust Commission's involvement which is not clearly elaborated within the proposed measure. Both entities are stakeholders. He stated that the Attorney General request that language be added into the bill allowing the Department of Law to participate with a private developer for an Attorney General's Office.

Mrs. Tina Garcia Public Finance Officer of Guam Economic Development and Commerce Authority (GEDCA), provided testimony on behalf of the Administrator in support of Bill No. 46 (EC). Mrs. Garcia shared ongoing arrangements involving GEDCA on the Administration's facilitation with existing lease-back arrangements utilized towards building new schools. The concept proposed by Bill No. 46 (EC) has been applied through the Education Facilities Construction Initiative Act Of 2001 (5 GCA Chapter 58). She expounded on the experience and evolution of the lease-back RFPs sent out by GEDCA. Mrs. Garcia does not believe that the government's credit ratings will be bypassed with this alternate financing arrangement in building new public facilities. The Authority offered amendments that are outlined within GEDCA's written position.

Mr. Carlos Camacho Capital Improvement Coordinator for the Governor of Guam, provided oral testimony supporting Bill No. 46 (EC). Mr. Camacho claims that

he participated in drafting the measure before the Committee. He agrees that there are technical amendments that must be made incorporating suggestions offered by the Attorney General's Office and GEDCA.

Speaker Forbes elaborated on several concerns on the proposed measure and of the testimony submitted. He requested from GEDCA clarification on the last sentence within the Authority's testimony. The sentence alluded that the government of Guam does not follow its budget. According to Speaker Forbes, the measure requires the government to enter into a binding (Build/operate/transfer development regiment) long term lease (no less than 20 years) and the contractor/developer will be required to maintain the facility during the duration of the lease. The Speaker is concerned that the measure does not require legislative appropriation or concurrence. The governor is able to enter into long term contracts and create long term debt. The passage of this measure may trump other existing laws that provide other forms and regiments for developing government property. The speaker commented that this method has some appeal but should be used sparingly as a mechanism to develop government facilities.

Deputy Attorney General Gutherie stated that the Attorney General is concerned that money that may be earmarked for developing may be better spent on the payment of the retirement fund debt.

After much discussion and deliberation on Bill No. 46 (EC), the Chairman offered Senator Tenorio, author of the Bill No. 46 (EC) an opportunity to provide closing remarks. Senator Tenorio stated that the proposed measure provides an alternate vehicle towards building much needed public facilities. He concluded by assuring to his understanding that the proposed measure will not trump existing laws. Discussions on Bill No. 46 (EC) concluded at 12:50 p.m.

III. SUMMARY OF WRITTEN TESTIMONIES:

The following are summaries of individual testimony presented before the Committee on Finance, Taxation, and Commerce relative to Bill No. 46 (EC) and are attached herein:

Mr. Frankie T. Ishizaki, Chief of the Guam Police Department (GPD) submitted written testimony in support of Bill No. 46 (EC). Chief Ishizaki stated that the "Public Facilities Construction and Development Initiative Act of 2005" is what Guam needs. The legislative findings are accurate that many of the existing public facilities are antiquated, condemned, or not suitable for use. Chief Ishizaki continued within his testimony that the government is spending millions of dollars annually in rental payments, which would not be the case if the government owned the buildings. He continued that the Guam Police Department has never had a headquarters building of its own and desperately needs one. GPD has various divisions and sections dispersed throughout Tiyan. The construction of a Police headquarters building would not only facilitate closer proximity and better communication, but solidarity and cohesiveness as well. Other projects that are ongoing and will be enhanced by this law are the new Agat Precinct, the new Central Precinct, a precinct for Yigo and a precinct for the southeast, in Talofofo or Inarajan. Chief Ishizaki concluded within his written testimony that Bill No. 46 (EC) is the vehicle which would make possible the realization and construction of needed GPD facilities.

Mr. Gerald S.A. Perez, Administrator of the Guam Economic Development and Commerce Authority submitted written testimony supporting Bill No. 46 (EC). Mr. Perez stated that the lease financing vehicle is a tool used by many jurisdictions to build vitally needed facilities when traditional financing options are not available. This

financing vehicle is being used by the Administration to build four new schools and to rehabilitate an existing one. Tax-exempt leases are structured as a series of one-year renewable obligations that are subject to the government's ability to appropriate funds for the continuation of lease payments. Payments constitute a current expense of the government and, in the event that sufficient funds are not available for payment, the agreement is terminated and the facility is delivered to the lessor. Absent this early termination, however, the facility and the property revert back to the government of Guam upon conclusion of the lease term.

Mr. Perez continued that municipal lease agreements include a non-appropriation clause which enables the lessee to terminate the lease agreement at the end of the period without further obligation or penalty. It should be pointed out, however, that non-appropriation lease obligations are generally rated below the bonds of the same issuer. The government's credit rating problems are bypassed with lease financing. Investors do require security, either by conversion to other uses (upon any government default) or securing a pledgeable stream of revenues. As experienced with the school lease financing negotiations, the developer's requirement of a pledge of the Compact Impact Funds is somewhat inconsistent with a non-appropriation lease, but required because of Guam's poor investment grade rating. This financing method is inferior to traditional bond financings and will cost as much as 80-100 basis points over the lease term. Based on GEDCA's experience with the recent school lease financing arrangement Mr. Perez within his testimony offered technical amendments to enhance the bill's intent.

Larry Perez, the Acting Director of the Department of Public Works, provided written testimony in support of Bill No. 46. The proposed Legislation is a win-win solution to private property owners, to the Government of Guam, and to the taxpayers who expect the government to maximize on its limited financial resources. He provided amendments to the proposed measure within his testimony. He suggested

that the government may negotiate the inclusion of insurance, utilities, grounds maintenance, routine maintenance & repairs, and compliance to evolving building codes that would allow the respective Agencies to focus on their mandates, to minimize their account receivables and bureaucracies allowing private landlords to extend their discounted rate entitlements as a private entity toward the Government. Additionally, he suggested that successful negotiations should include "turnkey" provision for utilities, routine maintenance & repairs including language such that the Government may require title, credit and appraisal reports for its determinations and prior to engaging in the long-term lease.

Mr. Terezo R. Mortera, Registrar, Guam Contractors Licensing Board, provided written testimony on Bill No. 46 (EC). He submitted that the Contractors License Board is only concerned whether the contractor is licensed and holds the right classification in order for the job to be performed. The Contractors License Board is requesting that the agency that puts out the bid would be responsible to require a Letter of Good Standing from the Board. This will help the process in which the authorized agency will be able to determine what classifications the contractor has, how long the contractors has been license, any pending cases and any other important information needed in regards to the contractor.

IV. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee on Finance, Taxation, and Commerce finds that there is a need to build and renovate new public facilities. There is evidence that there is a shortage of public facilities on Guam. Many existing government facilities, offices and stuctures will not pass OSHA inspection and in some cases are *not* fit for public use. The

government of Guam spends large sums in rental payments annually, housing many governmental functions. It lacks the necessary cash resources to fund for the design and construction of new public facilities. The propose measure provides for an alternate means of financing new facilities through a lease back regiment. The measure authorizes the government to enter into contracts for the financing, design, construction and long-term capital maintenance of new public facilities with private sector contractors who can provide long-term financing and obtain tax-exempt bonds.

The government will be authorized to lease, for *up to* thirty (30) years, government of Guam property on which the public safety facilities will be constructed. The facility and land will be leased back to the government for a period *not to exceed* the initial ground lease to the contractor over which time the government will amortize, as lease payments, the cost of the financing, design, construction and related expenses of the new public facilities. At the expiration of the lease, the government of Guam real property and the public facility constructed on the leased property will revert to the government with no further obligation to the contractor. The Committee further finds that public safety agencies are immediately in need of new facilities while educational facility are embraced within the “the Education Facilities Construction Initiative Act Of 2001 (5 GCA Chapter 58).

Therefore, the Committee recommends that a substitute bill be prepared incorporating its findings and recommendations. The substitute bill is submitted herewith. The Committee on Finance, Taxation and Commerce, to which Bill No. 46 (EC) “*An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction Of Public Safety Facilities To House Public Safety Agencies,*” was referred, does hereby submit its findings and recommendations to *I Mina’ Bente Ocho Na Liheslaturan Guåhan* **TO PASS** Bill No. 46 (EC) as Substituted and retitled.

*Guam Contractors License Board
Guahan Inetnon Manlisenaiyen Kontratista
Government of Guam*

542 N. Marine Corp Dr. - A Tamuning, Guam 96913; 649-2211, 649-9676 or 646-7262 or 649-2210 (Fax)

March 22, 2005

Senator Edward J.B. Calvo
155 Hesler St.
Hagatna, Guam 96910

Reference: **Bill 46**

Hafa Adai, Senator Calvo:

On regards to Bill 46 the only concern Contractors License Boards has is the contractor should be a licensed contractor and that the contractor holds the right classification in order for the job to be performed.

Contractors License Board is requesting that the agency that puts out the bid would be responsible to require a Letter of Good Standing from our agency. This will help the process in which the authorized agency will be able to see the classifications the contractor has, how long the contractors has been license, any pending cases and any other important information needed on regards to the contractors.

If the committee has any concerns please feel free to contact Maria Perez Borja at 649-2212.

Si' Yuus Ma'ase



Terezo R. Mortera

Registrar



GOVERNOR
Felix P. Camacho
LT. GOVERNOR
Kaleo S. Moylan



DIRECTOR
Joseph W. Ducnas
DEPUTY DIRECTOR
Michael C. James

The Honorable Senator Edward J.B. Calvo
Chairman
Committee on Finance, Taxation & Commerce
The Office of Finance & Budget
155 Hesler Street
Hagatna, Guam 96910

RE: Testimony on Bill No. 46

Buenas Yan Hafa Adai Senator & Chairman Eddie Calvo, Senators, Ladies & Gentlemen,

I am Larry Perez, the Acting Director of the Department of Public Works, and I am here to testify in support of Bill No. 46. The proposed Legislation is a win-win-win solution to private property owners, to the Government of Guam, and to the taxpayers who expect our Government to maximize on the limited financial resources of our Government.

I do offer the following for your consideration ...

1. To amend Section 59109 such that the Government may negotiate the inclusion of insurance, utilities, grounds maintenance, routine maintenance & repairs, compliance to evolving building codes, etc. This alternative would allow the respective Agencies to focus on their mandates, to minimize their account receivables and bureaucracies thereof, and to allow private landlords to extend their discounted rate entitlements as a private entity toward the Government;
2. In concert with the above-said amendment to Section 59109, to also amend Section 59110 such that successful negotiations which include the "turnkey" provision of utilities, routine maintenance & repairs may be exempted from the "...maintenance fund..."; and
3. To include language such that the Government may require title, credit and appraisal reports for its determinations and prior to engaging in the long-term lease.

Un Dan'Kulo Na Si Yu'os Ma'asi for the opportunity and for your time.

Lawrence P. Perez



Bill No. 46 (EC)

An Act to add a new Chapter 59 to Title 5 of the Guam Code Annotated, relative to establishing a means for construction and development of Public Facilities

Public Hearing Testimony of Gerald S.A. Perez, Administrator
Guam Economic Development and Commerce Authority (GEDCA)
March 22, 2005

Good morning, Senator Calvo, and members of the Committee on Finance, Taxation and Commerce, Ladies and Gentlemen. My name is Gerald Perez, Administrator of the Guam Economic Development and Commerce Authority. Thank you for inviting GEDCA to provide testimony in support of Bill No. 46 (EC).

The lease financing vehicle is a tool used by many jurisdictions to build vitally needed facilities when traditional financing options are no longer available. This is the same financing vehicle being employed by this Administration to build four new schools and to rehabilitate an existing one. Tax-exempt leases are structured as a series of one-year renewable obligations that are subject to the government's ability to appropriate funds for the continuation of lease payments. Payments constitute a current expense of the government and, in the event that sufficient funds are not available for payment, the agreement is terminated and the facility is delivered to the lessor. Absent this early termination, however, the facility and the property revert back to the government of Guam upon conclusion of the lease term.

Municipal lease agreements include a non-appropriation clause which enables the lessee to terminate the lease agreement at the end of the current appropriation period without further obligation or penalty. It should be pointed out, however, that non-appropriation lease obligations are generally rated below the bonds of the same issuer. We do not believe that the government's credit rating problems are bypassed with lease financing. In fact, we have found that investors do require security, either by conversion to other uses (upon any government default) or securing a pledgeable stream of revenues. As we have experienced with the school lease financing negotiations, the developer's requirement of a pledge of the Compact Impact Funds is somewhat inconsistent with a non-appropriation lease, but required because of Guam's poor investment grade rating.

It should be understood that this financing method is inferior to traditional bond financings and will cost as much as 80 – 100 basis points over the lease term.

That said, and based on our experience with the recent school lease financing arrangement, the following technical amendments are required to enhance the bill's intent:

- * Section 59103 Definitions, item (b), last sentence: The Contractor may cooperate with another entity or entities in any manner the Contractor deems appropriate to provide for the financing, design and, construction **and maintenance** of the public school facilities envisioned by this Chapter.
- * Section 59103 Definitions, item (b): 'Contract' shall mean the design, construction and, financing **and maintenance** contract...

* Section 59103 Definitions, item (e): 'Public Facility' shall mean any structure or structures, together with all ancillary facilities, including parking facilities, utilities and, infrastructure and equipment associated with providing the services required of the government. **'Public Facility' may include an existing facility being converted or rehabilitated by the Contractor.**

* Section 59104, end paragraph 2, line 22: ...in no event shall such period be less than twenty (20) years, or exceed thirty (30) years **from the date of commencement of the Lease-Back period.**

* Section 59106 Responsibilities of the Contractor, paragraph 2, line 20: "The costs of the design, construction and financing for a Public Facility shall be paid in ~~substantially equal monthly~~ **periodic** installments over the term of the Lease-Back period,...

o *COMMENT: This will provide better flexibility in contract negotiations.*

* Section 59108, Use of Tax Exempt Bonds for Financing should be amended to add the following at the end of the existing section: **The Lease and the Lease-Back may contain terms acceptable to the government and the Contractor and that are necessary or appropriate to obtain tax-exempt financing at a reasonable cost. Such additional terms may include, but are not limited to, a pledge of federal grant revenues that are legally available for such purpose. Any such pledge made hereunder shall be valid and binding from the time the pledge is made. The revenues pledged and thereafter received by the government of Guam or by any trustee, depository or custodian shall be deposited in a separate account and shall be immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the government of Guam or such trustee, depository or custodian, irrespective of whether the parties have notice thereof. The instrument by which such pledge is created need not be recorded.**

o *COMMENT: This will provide better flexibility in contract negotiations.*

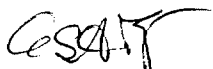
* Section 59109, Utilities and Routine Maintenance and Repair: The government shall be responsible for the connection and payment of all utilities, including without limitation, power, water, sewer, telephone and cable, ~~and all routine interior maintenance and repair and exterior grounds keeping and landscaping, and upkeep of the Public Facility.~~ Capital maintenance and repair shall be performed by the Contractor as provided for in this Chapter. **Routine maintenance, repair and upkeep shall be the responsibility of the government or the Contractor, as provided by the Lease-Back.**

o *COMMENT: The contractor should be responsible for the routine interior maintenance and repairs as well as for exterior grounds upkeep.*

Finally, I take this opportunity to remind this committee of the Government of Guam's current speculative "B" bond rating by Standard & Poor. Our soft economic conditions, failure to stay within the budget ceiling over the past several years and the high debt burden, exacerbated by a sizeable unfunded pension, are serious reasons that must be overcome if Guam debts are to regain investment grade status.

We cannot stress enough the importance of establishing financial discipline. Without balanced budgets, deficit reductions, and fiscal initiatives to bring financial stability to this government, we fear that our poor rating now will worsen and potentially trigger calls on existing bonds, an event we can ill afford to see happen.

Thank you for the opportunity to comment on this bill.



Gerald S.A. Perez
Administrator



GUAM POLICE DEPARTMENT



FELIX P. CAMACHO
Governor of Guam

KALEO S. MOYLAN
Lieutenant Governor

Government of Guam
Bldg No. 233, Central Avenue, Tiyan, Guam 96913
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Fax: (671) 472-4036

FRANKIE T. ISHIZAKI
Chief of Police

MAJOR JOAQUIN G. REYES
Interim Acting Police Commander

March 22, 2005

The Honorable Edward J.B. Calvo
Senator, 28th Guam Legislature
Chairman- Committee on Finance, Taxation, and Commerce
155 Hesler Place
Hagatna, Guam 96910

Subject: Introduction of Bill No. 46 [EC]

Dear Senator Calvo,

Hafa Adai! I am writing in support of Bill No. 46 (EC) introduced by Senator Ray Tenorio, which is an act to add a new chapter 59 to Title 5 of the Guam Code Annotated, relative to establishing a means for construction and development of Public Facilities. *The Public Facilities Construction and Development Initiative Act of 2005* is something that we all know Guam needs.

The legislative findings are accurate in that many of the existing public facilities are antiquated, condemned, or not suitable for use. The government is in fact spending millions of dollars annually in rental payments, which would not be so in the case of government owned buildings.

As you are aware, the Guam Police Department has never had a headquarters building of it's own, which it desperately needs. Presently, the department has various divisions and sections dispersed throughout Tiyan. The construction of a Police headquarters building would not only facilitate closer proximity and better communication, but solidarity and cohesiveness as well. This legislation is the vehicle which would make possible the realization of this endeavor.


Senator Edward J.B. Calvo
ACKNOWLEDGEMENT RECEIPT
Rcv'd by: Nikete
Print Name & Initial
Time: 3:05
Date: 3-23-05

*picked up by
Jason T. @
GPD chiefs office*

Letter to the Honorable Edward J.B. Calvo
Subject: Introduction of Bill 46 [EC]
page 2

Other projects that are ongoing and will be enhanced by this law are the new Agat Precinct, the new Central Precinct, and further down the road, a precinct for Yigo and a precinct for the southeast, in Talofofu or Inarajan.

Si Yu'os Ma'ase'.


FRANKIE T. ISHIZAKI



MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
WENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE
OFFICE OF FINANCE AND BUDGET

COPY

E-Mail address: senatorcalvo@hotsheet.com
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

March 15, 2005

The Honorable Ray Tenorio
Senator and Majority Leader
Mina' Bente Ocho na Liheslaturan Guåhan
155 Hessler Place
Hagåtña, Guam 96910

RECEIVED
[Signature]
15 MAR 2005

Reference: Public Hearing for Bill Nos. 46 (EC) and 73 (EC):

Håfa adai, Senator Tenorio:

Please be advised that the Committee on Finance, Taxation, and Commerce has scheduled public hearings on March 22 and March 29, 2005 at *I Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public on the following measures, which you have authored:

Tuesday, March 22, 2005, 9:30 a.m.:

- **Bill 46 (EC):** "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities."

Tuesday, March 29, 2005, 9:30 a.m.:

- **Bill 73 (EC):** "An Act To Authorize The Attorney General Notwithstanding Any Other Provision Of Law And Including The Guam Procurement Law To Directly Negotiate An Office Lease For The Office Of The Attorney General's Operations."

Should you have any questions regarding this matter, please feel free to contact my office at 475-8801. I look forward to your attendance and participation.

Si Yu'os Ma'åse'!

Senator Edward J.B. Calvo



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

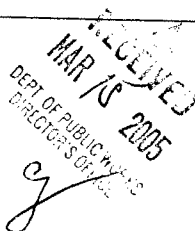
OFFICE OF FINANCE AND BUDGET

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Telephone: (671) 475-8801
Facsimile: (671) 475-8805

March 15, 2005

Mr. Lawrence Perez
Acting Director
Department of Public Works
542 North Marine Drive
Tamuning, Guam 96913



Reference: Committee on Finance, Taxation, and Commerce Public Hearing.

Håfa adai, Mr. Perez:

The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on March 22, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public regarding the following measure:

- **Bill 46 (EC):** "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities."

The *Committee* encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. Should you be unable to attend, please contact my office at 475-8801 as soon as possible.

Si Yu'os Ma'åse'!

Senator Edward J.B. Calvo

Attachments

COPY



MINA' BENTE OCHO NA LIHESLATU'AN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

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Telephone: (671) 475-8801
Facsimile: (671) 475-8805

March 15, 2005

Mr. Terry Mortera
Executive Registrar
Guam Contractors Licensing Board
542 North Marine Drive, Suite A
Tamuning, Guam 96913

Reference: Committee on Finance, Taxation, and Commerce Public Hearing.

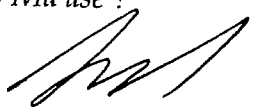
Håfa adai, Mr. Mortera:

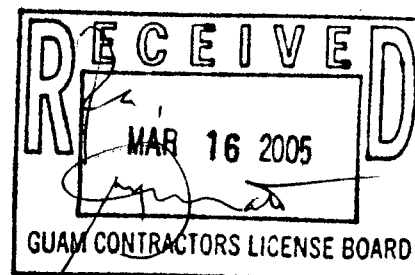
The Committee on Finance, Taxation, and Commerce has scheduled a public hearing on March 22, 2005, 9:30 a.m. at *I Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public regarding the following measure:

- **Bill 46 (EC):** "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities."

The *Committee* encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. Should you be unable to attend, please contact my office at 475-8801 as soon as possible.

Si Yu'os Ma'åse'!


Senator Edward J.B. Calvo



Attachments

COPY



MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE

Chairman
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: senatorcalvo@hotsheet.com
155 Hesler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801
Facsimile: (671) 475-8805

March 15, 2005

Mr. Gerry Perez
Administrator
Guam Economic Development and Commerce Authority
ITC Building, Suite 511
Tamuning, Guam 96927

Reference: Committee on Finance, Taxation, and Commerce Public Hearings.

Håfa adai, Mr. Perez:

The Committee on Finance, Taxation, and Commerce has scheduled public hearings on March 22 and March 29, 2005 at *I Liheslaturan Guåhan's* Public Hearing Room. The *Committee* will receive written and verbal testimonies from the Public regarding the following measures:

Tuesday, March 22, 2005, 9:30 a.m.:


- **Bill 46 (EC):** "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities."

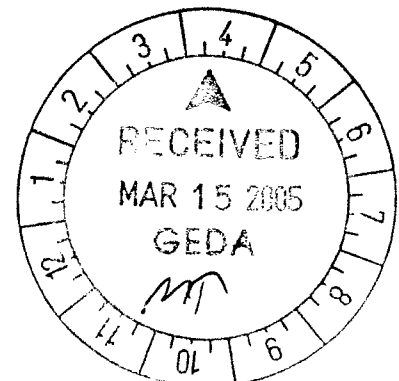
Tuesday, March 29, 2005, 9:30 a.m.:

- **Bill 87 (LS):** "An Act To Reserve The Sum Of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) From The Debt Service Savings Resulting From The Payoff Of The Government Of Guam's 1995 General Obligation Bond For Public Education."

The *Committee* encourages verbal testimony, however, written testimony is preferred and should be submitted to my office by 12 noon the day prior to the public hearing. Should you be unable to attend, please contact my office at 475-8801 as soon as possible.

Si Yu'os Ma'åse'!


Senator Edward J.B. Calvo





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TWENTY-EIGHTH GUAM LEGISLATURE

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Facsimile: (671) 475-8805

March 22, 2005

Public Hearing Agenda:

1. **Bill 28 (EC):** "An Act To Earmark The Proceeds Of The Sale Of GTA To The Department Of Education."
2. **Bill 30 (EC):** "An Act Creating 'Guam GRT Living Wage Tax Credit' Adding §26215 Chapter 26, Title 11 Guam Code Annotated."
3. **Bill 41 (EC):** "An Act To Appropriate The Sum Of Six Hundred Thousand Dollars From The Healthy Futures Fund To The Department Of Mental Health And Substance Abuse For Local Non-Governmental Service Providers Of Residential In-Patient And Out-Patient Drug And Alcohol Detoxification, Rehabilitation, And Prevention Programs; To Create The Guam Drug And Alcohol Detoxification, Rehabilitation, And Prevention Grant Program; And To Provide Continuing Appropriations."
4. **Bill 45 (LS):** "An Act To Amend Section 3 Of Chapter VI Of Public Law 27-106 Relative To The Government Rate Of Contribution To The Government Of Guam Retirement Fund."
5. **Bill 46 (EC):** "An Act To Add A New Chapter 59 To Title 5 Of The Guam Code Annotated, Relative To Establishing A Means For Construction And Development Of Public Facilities."
6. **Bill 52 (EC):** "An Act To Appropriate The Sum Of \$97,000 For The Repair And Maintenance Of The Tiyan Gate Theater."

Individuals wishing to submit verbal/written testimonies, please sign your name on the sign-in sheet available at the Legislative Staff Table.



MINA' BENTE OCHO NA LIHESLATU'AN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE

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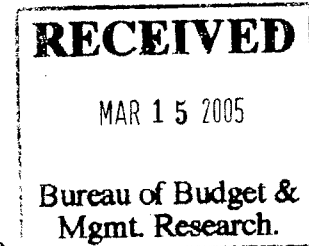
COPY

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March 15, 2005

MEMORANDUM



To: Mr. Carlos Bordallo, Acting Director
Bureau of Budget Management and Research

From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: **REQUEST FOR FISCAL NOTES**

Pursuant to 2 GCA §9102, I respectfully request BBMR to prepare fiscal notes for the following measures:

- **Bill 28 (EC):** "An Act To Earmark The Proceeds Of The Sale Of GTA To The Department Of Education."
- **Bill 30 (EC):** "An Act Creating 'Guam GRT Living Wage Tax Credit' Adding §26215 Chapter 26, Title 11 Guam Code Annotated."
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- **Bill 52 (EC):** "An Act To Appropriate The Sum Of \$97,000 For The Repair And Maintenance Of The Tiyan Gate Theater."