

I Mina'Trentai Dos Na Liheslaturan Guahan
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
225-32 (COR) P.L. 32-120	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(q) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.	11/22/13 8:46 a.m.	11/22/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land	1/14/14 2:00 p.m.	1/27/14 4:24 p.m.	Fiscal Note Requested 11/25/13
	DATE PASSED	TITLE	TRANSMITTED		DUE DATE	<small>DATE SIGNED BY I MAGA'LAHEN GUAHAN</small>	PUBLIC LAW NO.	NOTES
	2/1/2014	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND.	2/1/14	10:50 p.m.	2/13/2014	2/10/2014	32-120	As amended by the Author; and further amended on the Floor.

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

FEB 13 2014

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

32-14-1301
Office of the Speaker
Judith T. Won Pat, Ed.D.
Date: 2/14/14
Time: 4:02 PM
Received by:

Dear Madame Speaker:

Transmitted herewith is Bill No. 225-32 (COR) "AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER §22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND §53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND" which I signed into law on February 10, 2014 as Public Law 32-120.

2014 FEB 14 PM 4:49

Senseramente,

EDDIE BAZA CALVO

1301

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governorofguam

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014 (SECOND) Regular Session

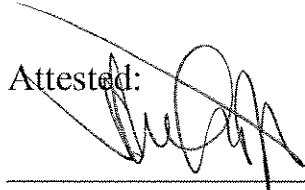
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÁHAN*

This is to certify that **Bill No. 225-32 (COR)**, "AN ACT TO *ADD* A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO *AMEND* AND *RENUMBER* § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO *AMEND* § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND," was on the 1st day of February, 2014, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



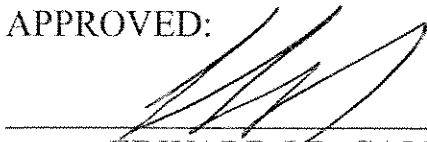
Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guáhan* this 1st day of FEB,
2014, at
10:50 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahen Guáhan

Date: FEB 10 2014

Public Law No. 32-120

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

Bill No. 225-32 (COR)

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

Introduced by:

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

AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND.

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

2 **Section 1. Title.** This Act *shall* be cited and referred to as the “*Ma Kåhat*
3 Act of 2013.”

4 **Section 2.** A new Chapter 58 D is hereby *added* to Title 5, Guam Code
5 Annotated, to read as follows:

6 **“CHAPTER 58D**

7 **MA KÅHAT ACT OF 2013**

8 § 58D101. Title.

9 § 58D102. Legislative Findings and Policies.

10 § 58D103. Definitions.

11 § 58D104. Authorization to Enter Into Long-Term Leases.

12 § 58D105. Procurement.

13 § 58D106. Responsibilities of Contractor.

14 § 58D107. Assignments.

15 § 58D108. Use of Tax-Exempt Bonds for Financing.

16 § 58D109. Pledge of Additional Revenue from the Real Property
17 Valuation.

18 §58D110. Utilities and Routine Maintenance and Repair.

19 § 58D111. Maintenance Fund.

20 § 58D112. Contractual Safeguards.

21 § 58D113. Severability.

22 **§ 58D101. Title.** This Act *shall* be known and *shall* be cited as “*Ma*
23 *Kåhat* Act of 2013.”

24 **§ 58D102. Legislative Findings and Policies.** *I Liheslaturan*
25 *Guåhan* finds that Simon Sanchez High School faces the combined
26 challenges of deteriorating conditions, out of date design, and overcrowding.
27 These combined deficiencies impair the quality of teaching and learning and

1 contribute to health and safety problems for staff and students. It should be
2 noted that it is critical for the Guam Department of Education to develop a
3 comprehensive capital improvement plan to provide a roadmap for
4 prioritizing facility improvements beyond Simon Sanchez.

5 *I Liheslatura* finds that after reviewing the summary of outstanding
6 General and Limited Obligation debts as of March 1, 2013, that the debt
7 ceiling assessed value is at One Billion One Hundred Thirty Nine Million
8 Four Hundred Sixty Four Thousand Eight Hundred Fifty Three Dollars
9 (\$1,139,464,853). It also states that the General Obligation Debt is Four
10 Hundred Forty Six Million Four Hundred Seventy Three Thousand Eight
11 Hundred Fifty Three Dollars (\$446,473,853); and the Limited Obligation
12 Debt is Six Hundred Sixty Three Million Eight Hundred Ninety Six
13 Thousand Eight Hundred Three Dollars (\$663,896,803), with an
14 accumulated total of One Billion One Hundred Ten Million Three Hundred
15 Seventy Thousand Six Hundred Fifty Six Dollars (\$1,110,370,656).
16 Subtracting the debt ceiling limit less the General and Limited Obligation
17 Debts leaves the amount for future debt obligation at Twenty Nine Million
18 Ninety Four Thousand One Hundred Ninety Seven Dollars (\$29,094,197).

19 *I Liheslatura* further finds that the cost for the renovation or
20 construction of a new Simon Sanchez High School would exceed Guam's
21 debt ceiling obligation cap if a General Obligation Bond is pursued. To
22 circumvent the debt ceiling cap, *I Liheslatura* finds that the construction of
23 *Okkodo* High School, *Astumbo* Middle School, *Liguan* Elementary School,
24 *Adacao* Elementary School, John F. Kennedy High School and the
25 expansion of *Okkodo* High School validates the fundamental soundness of
26 using a municipal lease as a vehicle to build new educational facilities. By
27 utilizing municipal leasing to renovate or construct a new Simon Sanchez

1 High School, the remaining future debt obligation may be used to fund other
2 priorities of the government.

3 *I Liheslatura* further intends to authorize *I Maga'lahaen Guåhan* to
4 pledge or reserve the additional proceeds as a source of payment for a
5 municipal lease financing, secured for the purposes stated herein, either to
6 renovate or construct a new Simon Sanchez High School. To overcome the
7 financing hurdles, *I Liheslaturan Guåhan* supports the government of
8 Guam to enter into a contract for the financing, design, renovation or
9 construction and long-term capital maintenance of Simon Sanchez High
10 School with a private sector contractor who can provide long-term
11 financing obtained through tax-exempt obligations or other
12 competitive alternative financing based on long-term lease-backs to
13 the government of Guam. In order to facilitate system-wide
14 improvements, *I Liheslatura shall* authorize the Guam Department of
15 Education to develop a comprehensive capital improvement plan for
16 prioritizing capital improvements to all Guam Department of Education
17 schools. To facilitate the financing, design, renovation or construction
18 and maintenance of an education facility envisioned by this Act, the
19 government of Guam will be authorized to lease, for up to thirty (30)
20 years, government of Guam property on which the facilities will be
21 constructed to the contractor, who will design, renovate or construct a
22 new education facility in accordance with specifications approved by
23 Guam Department of Education. The education facility and land will be
24 leased back to the government of Guam for a period *not to exceed* thirty
25 (30) years or the initial ground lease to the contractor over which time
26 the government of Guam will amortize, as lease payments to the
27 contractor, the cost of the financing, design, renovation or construction

1 and related expenses of the education facility. The contractor will also
2 be responsible for the capital maintenance of the education facility
3 constructed under this Act, which costs *shall* be paid by the government of
4 Guam, as provided for under this Act. At the expiration of the lease-back
5 period, the government of Guam real property and the education facility
6 that is renovated or constructed on the government of Guam real property
7 will revert to the government of Guam with no further obligations to the
8 Contractor.

9 **§ 58D103. Definitions.** For purposes of this Chapter and *unless*
10 otherwise specified, the following words and phrases are defined to mean:

11 (a) *Act* means Chapter 58D of Title 5, Guam Code
12 Annotated, known as the “*Ma Kāhat* Act of 2013.”

13 (b) *Comprehensive capital improvement plan* means a plan
14 that takes into consideration the physical condition of each school,
15 along with attendance area population, enrollment patterns, and
16 bussing logistics. It *shall* also include how each school meets the
17 instructional needs of GDOE and prioritizes repairs of existing
18 schools, and renovation and construction of new school facilities in
19 order to deal with GDOE limited resources.

20 (c) *Contract shall* mean the various design, renovation or
21 construction and financing agreements entered into by and between
22 the education agency and the contractor following negotiations on the
23 response to the Request for Proposal.

24 (d) *Contractor shall* mean the authorized entity which *shall*
25 be the signatory on the Contract and *shall* be fully responsible for
26 carrying out the design, renovation or construction, financing and
27 maintenance of the education facility. The contractor may cooperate

1 with another entity or entities in any manner the contractor deems
2 appropriate to provide for the financing, design, renovation,
3 construction or maintenance of the public school facilities envisioned
4 by this Act.

5 (e) *Education agency shall* mean the Guam Department of
6 Education.

7 (f) *Education facility* as used in this Act, *shall* mean the
8 renovation or construction of a new high school, and to include its
9 athletic facilities to be located on the existing site of Simon Sanchez
10 High School.

11 (g) *Lease shall* mean a lease from an education agency to the
12 contractor entered into at the time of the contract for the property.

13 (h) *Lease-back shall* mean the lease from the contractor to
14 the education agency.

15 (i) *Lease-back period shall* mean the term of the lease from
16 the contractor to the education agency.

17 (j) *Property shall* mean any property on which an education
18 facility is located.

19 **§ 58D104. Authorization to Enter Into Long-Term Leases.** For
20 the purpose of facilitating the financing of the design, renovation
21 or construction and maintenance of an education facility encompassed
22 by this Act, the government of Guam or an education agency, as the case
23 may be, is authorized to lease, if required, to the contractor sufficient
24 government of Guam real property on which to renovate or construct a
25 new education facility; *provided*, such property is in the inventory of the
26 education agency or the government of Guam. The property may be the
27 site of an existing education facility under the control of an education

1 agency, which existing facility may be renovated or demolished and
2 rebuilt under the provisions of this Act. The education agency is also
3 authorized to lease back from the contractor the property for a
4 period mutually agreed upon between the education agency and the
5 contractor as may be reasonably necessary to amortize over the lease-
6 back period the costs associated with the financing, design, renovation or
7 construction of the education facility. In no event shall the end of such
8 lease-back period be later than the date thirty (30) years from the
9 scheduled date of completion of the education facility. The lease-back
10 may be structured as an annually renewable lease with provision for
11 automatic renewals to the extent that pledged or reserved revenue under
12 §22425(q)(4) and (6) of Title 5, Guam Code Annotated, is available. The
13 lease-back *shall not* be construed as a debt under any applicable debt
14 limitation under the Guam Organic Act or Guam law.

15 **§ 58D105. Procurement.** Subject to the approval of *I Liheslaturan*
16 *Guåhan*, the government of Guam or an education agency *shall* solicit
17 Requests for Proposals (RFP) through the Department of Public Works, in
18 compliance with the Guam procurement law, for the development of the
19 comprehensive capital improvement plan, the financing, design, renovation
20 or construction of the education facility, together with insurance and
21 maintenance of the education facility over the lease-back period, according
22 to the needs of the education agency and consistent with this Chapter. The
23 choice of the contractor *shall* be made by a selection committee comprised
24 of the Superintendent of the Department of Education, serving as Chairman,
25 and including the Director of the Department of Public Works or Deputy
26 Director, the Director of the Department of Land Management or Deputy
27 Director, the Administrator of the Guam Environmental Protection Agency

1 or Deputy Administrator, and the Administrator of the Guam Economic
2 Development Authority or Deputy Administrator. The committee *shall*
3 access the prior performance of the contractor on similar projects and may
4 disqualify any Contractor that does not have a successful record of project
5 completion on Guam.

6 The selection of a contractor *shall* be based upon the proposal that
7 delivers the best value for Guam in meeting the objectives of the education
8 agency.

9 The RFP *shall* be issued within thirty (30) days of enactment of this
10 Act for the renovation or construction of a new Simon Sanchez High School
11 on the existing site, which may include demolition of such portions of the
12 existing facility as necessary.

13 **§ 58D106. Responsibilities of Contractor.** The contract *shall*
14 require that the contractor will work with GDOE to develop the
15 comprehensive capital improvement plan in connection with the design of a
16 renovated or construction of a new Simon Sanchez High School. Further,
17 the contractor *shall* be responsible for all costs, expenses and fees of any
18 kind or nature, associated with the design, civil improvements, on-site
19 and off-site infrastructure, construction, permits, and financing
20 associated with the completion of an education facility, including the
21 financing of furniture and equipment for the education facility, as, and
22 to the extent, provided by the education agency in the Request for
23 Proposals. The contract will also require that all major subcontracts be
24 covered by a performance bond; and further, that there be a specific
25 delivery date with liquidated damages for failure to deliver the school by
26 the specified date. The contractor *shall* also be responsible for the capital
27 maintenance of the schools during the lease-back period, but *shall not* be

1 responsible for the capital maintenance of the furniture and equipment.
2 The lease-back may provide that if sufficient funds are *not* appropriated
3 or otherwise available for the payment of amounts due under the lease and
4 any maintenance agreement, the education agency will have the
5 obligation to vacate the education facility, and the contractor *shall* have
6 the right of use and occupancy of the education facility for the remainder
7 of the term of the lease, *unless* new mutually satisfactory terms are entered
8 into. For this purpose, the lease may provide that its term shall be extended
9 for a period *not to exceed* the shorter of ten (10) years beyond the
10 original term of the lease-back or such period of time as is necessary to
11 repay in full any financing arranged pursuant to § 58D108. The capital
12 maintenance costs *shall* be paid by the education agency on a periodic
13 basis as incurred by the contractor on terms to be agreed to in the contract
14 for the education facility.

15 **§ 58D107. Assignments.** To facilitate the purposes of this Act
16 and to provide security for the holders of any financing instruments issued
17 pursuant to this Act, the contractor may assign, without the need of the
18 consent of the education agency, the contract, the lease, and the
19 lease-back to any underwriter, trustee, or other party as appropriate, to
20 facilitate the issuance of the tax-exempt obligations, other financial
21 instruments or alternative financing for the education facility.

22 **§ 58D108. Use of Tax-Exempt Bonds for Financing.** To
23 minimize the financing cost to the education agency, financing utilized by
24 the contractor to fund the design, renovation or construction of an
25 education facility *shall* be through tax-exempt obligations or other
26 financial instruments, provided, such financing is available at interest rates

1 determined by the education agency to be reasonable and competitive.
2 Alternatively, the contractor may use an alternative method of financing,
3 including, but *not* limited to, a short term debt, mortgage, loan, federally
4 guaranteed loan or loan by an instrumentality of the United States of
5 America, if such financing will better serve the needs of the people of
6 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*
7 *Guåhan*. The purpose for the requirements of this Section is to assure the
8 education agency pays the lowest possible interest rate so that the cost to
9 the education agency of financing the design, renovation or construction
10 of an education facility, amortized through the lease-back payments
11 from the education agency to the contractor, will be lower than regular
12 commercial rates.

13 **§ 58D109. Pledge of Additional Revenue from the Real Property**
14 **Valuation.** Rental payments under the lease and the lease-back may be
15 secured by a pledge or other reservation of revenues received by the
16 government of Guam pursuant to §22425(q)(4) and (6) Article 4, Chapter 22
17 Division 2, Title 5, Guam Code Annotated. Any amounts pledged as
18 provided in this Section are hereby continuously appropriated for the
19 purpose of making lease-back payments, but any amounts *only* reserved as
20 provided in this Section, and *not* pledged, *shall* be subject to an annual
21 appropriation for the purpose of making lease-back payments. Any such
22 pledge or reservation authorized hereunder *shall* be valid and binding from
23 the time the pledge or reservation is made, and *shall* be limited to the sum of
24 Five Million Fifty One Thousand Nine Hundred Seventy Seven Dollars and
25 Ninety Eight Cents (\$5,051,977.98) per year during the lease-back period, as
26 outlined in §22425(q)(4) and (6) of Title 5, Guam Code Annotated, hereof.
27 The revenues pledged or reserved and thereafter received by the government

1 of Guam or by any trustee, depository or custodian *shall* be deposited in a
2 separate account and *shall* be immediately subject to such reservation or the
3 lien of such pledge without any physical delivery thereof or further act, and
4 such reservation or the lien of such pledge *shall* be valid and binding against
5 all parties having claims of any kind in tort, contract or otherwise against the
6 government of Guam or such trustee, depository or custodian, irrespective of
7 whether the parties have notice thereof. The instrument by which such
8 pledge or reservation is created need not be recorded.

9 **§ 58D110. Utilities and Routine Maintenance and Repair.** The
10 education agency *shall* be responsible for the connection and payment of all
11 utilities, including without limitation, power, water, sewer, telephone and
12 cable, and all routine interior maintenance and repair and exterior
13 groundskeeping and landscaping, and upkeep of the education facility.

14 **§ 58D111. Maintenance Fund.** The contract or a separate
15 maintenance agreement with the contractor, and the lease-back, *shall*
16 provide that all capital maintenance of the education facility be performed
17 by the contractor as a separate cost, the terms of which, and the manner for
18 establishing the amount of payment, *shall* be determined as a part of the
19 contract; provided, however, that said documents may, at the discretion of
20 the education agency, provide that capital maintenance with respect to
21 equipment (including collateral equipment), onsite utilities, offsite utilities,
22 access roads and other similar improvements need not be performed by the
23 contractor.

24 **§ 58D112. Contractual Safeguards.** Prior to undertaking the work
25 of renovating or constructing a new Simon Sanchez High School, the Guam
26 Economic Development Authority, the Department of Public Works, the
27 Guam Department of Education, and the developer or contractor *shall*

1 negotiate and enter into a binding construction contract to renovate or
2 construct a new Simon Sanchez High School in accordance with the Guam
3 Building Code (21 G.C.A. Ch. 67), and any other applicable requirements.
4 The construction contract *shall* contain contractual obligations typically
5 found in government of Guam construction contracts, including, but *not*
6 limited to:

- 7 (a) warranties;
- 8 (b) liquidated damages;
- 9 (c) performance and payment bonds;
- 10 (d) indemnity;
- 11 (e) insurance;
- 12 (f) standard specifications;
- 13 (f) technical specifications;
- 14 (g) progress schedule;
- 15 (h) maintenance;
- 16 (i) compliance with Guam labor regulations;
- 17 (j) compliance with Guam prevailing wage rates for
18 employment of temporary alien workers (H2) on Guam;
- 19 (k) compliance with Public Law 29-98: restriction against
20 contractors employing convicted sex offenders to work at government
21 of Guam venues.

22 The contract *shall* be submitted for review and approval to all entities
23 charged by law with the duty to review and approve government contracts,
24 including the Office of the Attorney General.

25 **§ 58D113. Severability.** *If* any provision of this Act or its
26 application to any person or circumstance is found to be invalid or contrary
27 to law, such invalidity *shall not* affect other provisions or applications of this

1 Act which can be given effect without the invalid provisions or application,
2 and to this end the provisions of this Act are severable.”

3 **Section 3.** §22425(q) of Article 4, Chapter 22, Division 2, Title 5, Guam
4 Code Annotated, is hereby *amended* to read:

5 “(q) Notwithstanding any other provision of law, any additional real
6 property tax revenues received as a result of the most recent valuation of real
7 property due to commence during the calendar years 2013 and 2014 is
8 hereby continuously appropriated annually, *not to exceed* Eight Million Five
9 Hundred Thousand Dollars (\$8,500,000), from the Territorial Educational
10 Facilities Fund in the amounts and for purposes set forth in this Subsection:

11 (1) The sum of One Million One Hundred Fifty Eight
12 Thousand Two Hundred Eighty Three Dollars (\$1,158,283),
13 beginning in FY 2014, for the construction of the Student Services
14 Center and Engineering Annex at the University of Guam, as a source
15 of payment to the University of Guam Capital Improvements Fund for
16 the purpose of paying rental payments due under the lease-leaseback
17 agreements with the University of Guam Endowment Foundation for
18 a term of forty (40) years;

19 (2) The sum of Two Hundred Seventy-eight Thousand Nine
20 Hundred Twenty-one Dollars and Fifty-two Cents (\$278,921.52),
21 beginning in FY 2014 for forty (40) years, for the construction or
22 renovation of Building 100 and the DNA Laboratory at the Guam
23 Community College;

24 (3) The sum of One Hundred Thirty-two Thousand Fifteen
25 Dollars (\$132,015) to the Guam Public Library System to hire a
26 Territorial Librarian at Ninety-three Thousand Three Hundred

1 Seventy-seven Dollars (\$93,377), and a Computer Analyst II at
2 Thirty-eight Thousand Six Hundred Thirty-eight Dollars (\$38,638);

3 (4) The sum of One Million Seven Hundred Seven Thousand
4 Six Hundred Fifty-two Dollars (\$1,707,652) to the Guam Department
5 of Education for the renovation or construction of a new Simon
6 Sanchez High School.

7 (5) The sum of One Million Two Hundred Thousand Dollars
8 (\$1,200,000) for rental payments under the lease and the lease-back as
9 described in Chapter 58D of Title 5, Guam Code Annotated.

10 (6) other than the portions designated to be used for in Items
11 (1), (2), (3), (4) and (5) of this Subsection, eighty percent (80%) of the
12 remaining balance for rental payments due under the lease-leaseback
13 agreement with GDOE secured for the renovation or construction of a
14 new Simon Sanchez High School, to include its athletic facilities, and
15 other Guam Department of Education public school facilities
16 requiring new construction, rehabilitation or maintenance;

17 (7) other than the portions designated to be used for in Items
18 (1), (2), (3), (4) and (5) of this Subsection, 3.5% of the remaining
19 balance for the Early Childhood Program Fund, as described in
20 §53101 of Title 17, Guam Code Annotated;

21 (8) other than the portions designated to be used for in Items
22 (1), (2), (3), (4) and (5) of this Subsection, 3.5 % of the remaining
23 balance for *I Famagu'on-ta*, Child Adolescent Services Division of
24 the Guam Behavioral Health and Wellness Center, and Project
25 *Karinu*. These funds *shall not* be subject to *I Maga'lahren Guåhan's*
26 transfer authority.

1 (9) other than the portions designated to be used for in Items
2 (1), (2), (3) (4) and (5) of this Subsection, five percent (5%) of the
3 remaining balance to the Department of Revenue and Taxation for the
4 following:

5 (A) for maintenance support and sustainability of real
6 property data and system;

7 (B) for the five (5) year (quinquennial) property tax
8 revaluation as mandated by law;

9 (C) for enhancements, and technological
10 advancements related to software/hardware, and support staff
11 necessary to improve electronic services; and

12 (D) for other costs directly associated with improving
13 the efficiency of the real property tax system.

14 The Director of the Department of Revenue and Taxation *shall*
15 submit a report to *I Maga'lahen Guåhan* and *I Liheslaturan Guåhan*
16 on a monthly basis as to the expenditures of the funds following the
17 enactment of this Act, detailing all transactions;

18 (10) other than the portions designated to be used for in Items
19 (1), (2), (3), (4) and (5) of this Subsection, five percent (5%) of the
20 remaining balance *shall* be lock boxed for the procurement of a
21 unified financial management information system, as recommended
22 by consensus from the Department of Revenue and Taxation, the
23 Department of Administration, the General Services Agency, the
24 Office of Public Accountability, the Office of Technology, the
25 University of Guam, the Guam Community College, the Guam
26 Department of Education, and Guam Memorial Hospital Authority.
27 This amount shall be subject to legislative appropriation.

1 (11) Other than the portions designated to be used for in Items
2 (1), (2) (3) (4) and (5) of this Subsection, three percent (3%) of the
3 remaining balance *shall* be a source of funding for island-wide school
4 bus shelters. The Director of the Department of Public Works *shall*
5 submit a report to *I Maga'lahen Guåhan* and *I Liheslaturan Guåhan*
6 on a monthly basis as to the expenditures of the funds following
7 enactment of this Act, detailing all transactions.”

8 **Section 4.** §53101 of Title 17, Guam Code Annotated, is hereby *amended*
9 to read as follows:

10 “§ 53101. **Early Childhood Program Fund.** There is hereby
11 created, separate and apart from all other funds of the government of Guam,
12 a fund known as the “Early Childhood Program Fund.” All monies received
13 by or on behalf of the government of Guam pursuant to §22425(q)(7) of
14 Title 5 GCA, *shall* be deposited in the Fund and used for early childhood
15 programs at the University of Guam, the Guam Community College, or the
16 Guam Department of Education. The Fund *shall not* be commingled with the
17 General Fund or any other funds of the government of Guam, and it *shall* be
18 maintained in a separate bank account. All monies in the Fund *shall* require
19 legislative appropriation, and *shall not* be subject to any transfer authority of
20 *I Maga'lahen Guåhan.*”

21 **Section 5. Severability.** *If* any provision of this Act or its application to
22 any person or circumstance is found to be invalid or contrary to law, such
23 invalidity *shall not* affect other provisions or applications of this Act which can be
24 given effect without the invalid provisions or application, and to this end the
25 provisions of this Act are severable.”



FILE COPY

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
THIRTY-SECOND GUAM LEGISLATURE
155 Hesler Place, Hagåtña, Guam 96910

February 1, 2014

The Honorable Edward J.B. Calvo
I Maga'láhen Guåhan
Ufisinan I Maga'láhi
Hagåtña, Guam 96910

Dear *Maga'láhi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 61-32(COR), 70-32(COR), 71-32(COR), 130-32(COR), 146-32(COR), 169-32(COR), 179-32(COR), 180-32(COR), 190-32(COR), 192-32(COR), 197-32(COR), 201-32(COR), 202-32(COR), 204-32(COR), 206-32(COR), 214-32(COR), 221-32(COR), 225-32(COR), 226-32(COR), 231-32(COR), 232-32(COR), 235-32(COR), 236-32(COR), 237-32(COR), 242-32(COR), 245-32(COR), 247-32(COR), 248-32(COR) and 268-32(LS) which were passed by *I Mina'Trentai Dos Na Liheslaturan Guåhan* on February 1, 2014.

Sincerely,

TINA ROSE MUÑA BARNES
Legislative Secretary

FEB 1, 2014
10:50 p.m.
T.S. Muña

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014 (SECOND) Regular Session

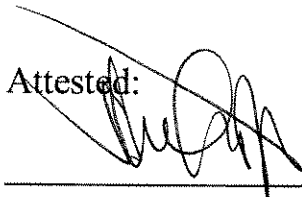
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÁHAN

This is to certify that Bill No. 225-32 (COR), "AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND," was on the 1st day of February, 2014, duly and regularly passed.



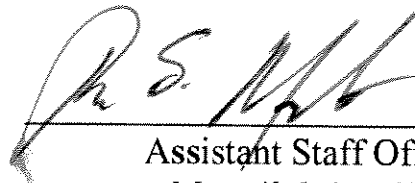
Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guáhan* this 1st day of FEB.,
2014, at
10:50 o'clock P. .M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guáhan

Date: _____

Public Law No. _____

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

Bill No. 225-32 (COR)

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

Introduced by:

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

AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND.

1 contribute to health and safety problems for staff and students. It should be
2 noted that it is critical for the Guam Department of Education to develop a
3 comprehensive capital improvement plan to provide a roadmap for
4 prioritizing facility improvements beyond Simon Sanchez.

5 *I Liheslatura* finds that after reviewing the summary of outstanding
6 General and Limited Obligation debts as of March 1, 2013, that the debt
7 ceiling assessed value is at One Billion One Hundred Thirty Nine Million
8 Four Hundred Sixty Four Thousand Eight Hundred Fifty Three Dollars
9 (\$1,139,464,853). It also states that the General Obligation Debt is Four
10 Hundred Forty Six Million Four Hundred Seventy Three Thousand Eight
11 Hundred Fifty Three Dollars (\$446,473,853); and the Limited Obligation
12 Debt is Six Hundred Sixty Three Million Eight Hundred Ninety Six
13 Thousand Eight Hundred Three Dollars (\$663,896,803), with an
14 accumulated total of One Billion One Hundred Ten Million Three Hundred
15 Seventy Thousand Six Hundred Fifty Six Dollars (\$1,110,370,656).
16 Subtracting the debt ceiling limit less the General and Limited Obligation
17 Debts leaves the amount for future debt obligation at Twenty Nine Million
18 Ninety Four Thousand One Hundred Ninety Seven Dollars (\$29,094,197).

19 *I Liheslatura* further finds that the cost for the renovation or
20 construction of a new Simon Sanchez High School would exceed Guam's
21 debt ceiling obligation cap if a General Obligation Bond is pursued. To
22 circumvent the debt ceiling cap, *I Liheslatura* finds that the construction of
23 *Okkodo* High School, *Astumbo* Middle School, *Liguan* Elementary School,
24 *Adacao* Elementary School, John F. Kennedy High School and the
25 expansion of *Okkodo* High School validates the fundamental soundness of
26 using a municipal lease as a vehicle to build new educational facilities. By
27 utilizing municipal leasing to renovate or construct a new Simon Sanchez

1 High School, the remaining future debt obligation may be used to fund other
2 priorities of the government.

3 *I Liheslatura* further intends to authorize *I Maga'lahaen Guåhan* to
4 pledge or reserve the additional proceeds as a source of payment for a
5 municipal lease financing, secured for the purposes stated herein, either to
6 renovate or construct a new Simon Sanchez High School. To overcome the
7 financing hurdles, *I Liheslaturan Guåhan* supports the government of
8 Guam to enter into a contract for the financing, design, renovation or
9 construction and long-term capital maintenance of Simon Sanchez High
10 School with a private sector contractor who can provide long-term
11 financing obtained through tax-exempt obligations or other
12 competitive alternative financing based on long-term lease-backs to
13 the government of Guam. In order to facilitate system-wide
14 improvements, *I Liheslatura shall* authorize the Guam Department of
15 Education to develop a comprehensive capital improvement plan for
16 prioritizing capital improvements to all Guam Department of Education
17 schools. To facilitate the financing, design, renovation or construction
18 and maintenance of an education facility envisioned by this Act, the
19 government of Guam will be authorized to lease, for up to thirty (30)
20 years, government of Guam property on which the facilities will be
21 constructed to the contractor, who will design, renovate or construct a
22 new education facility in accordance with specifications approved by
23 Guam Department of Education. The education facility and land will be
24 leased back to the government of Guam for a period *not to exceed* thirty
25 (30) years or the initial ground lease to the contractor over which time
26 the government of Guam will amortize, as lease payments to the
27 contractor, the cost of the financing, design, renovation or construction

1 and related expenses of the education facility. The contractor will also
2 be responsible for the capital maintenance of the education facility
3 constructed under this Act, which costs *shall* be paid by the government of
4 Guam, as provided for under this Act. At the expiration of the lease-back
5 period, the government of Guam real property and the education facility
6 that is renovated or constructed on the government of Guam real property
7 will revert to the government of Guam with no further obligations to the
8 Contractor.

9 **§ 58D103. Definitions.** For purposes of this Chapter and *unless*
10 otherwise specified, the following words and phrases are defined to mean:

11 (a) *Act* means Chapter 58D of Title 5, Guam Code
12 Annotated, known as the “*Ma Kâhat Act of 2013.*”

13 (b) *Comprehensive capital improvement plan* means a plan
14 that takes into consideration the physical condition of each school,
15 along with attendance area population, enrollment patterns, and
16 bussing logistics. It *shall* also include how each school meets the
17 instructional needs of GDOE and prioritizes repairs of existing
18 schools, and renovation and construction of new school facilities in
19 order to deal with GDOE limited resources.

20 (c) *Contract shall* mean the various design, renovation or
21 construction and financing agreements entered into by and between
22 the education agency and the contractor following negotiations on the
23 response to the Request for Proposal.

24 (d) *Contractor shall* mean the authorized entity which *shall*
25 be the signatory on the Contract and *shall* be fully responsible for
26 carrying out the design, renovation or construction, financing and
27 maintenance of the education facility. The contractor may cooperate

1 with another entity or entities in any manner the contractor deems
2 appropriate to provide for the financing, design, renovation,
3 construction or maintenance of the public school facilities envisioned
4 by this Act.

5 (e) *Education agency shall* mean the Guam Department of
6 Education.

7 (f) *Education facility* as used in this Act, *shall* mean the
8 renovation or construction of a new high school, and to include its
9 athletic facilities to be located on the existing site of Simon Sanchez
10 High School.

11 (g) *Lease shall* mean a lease from an education agency to the
12 contractor entered into at the time of the contract for the property.

13 (h) *Lease-back shall* mean the lease from the contractor to
14 the education agency.

15 (i) *Lease-back period shall* mean the term of the lease from
16 the contractor to the education agency.

17 (j) *Property shall* mean any property on which an education
18 facility is located.

19 **§ 58D104. Authorization to Enter Into Long-Term Leases.** For
20 the purpose of facilitating the financing of the design, renovation
21 or construction and maintenance of an education facility encompassed
22 by this Act, the government of Guam or an education agency, as the case
23 may be, is authorized to lease, if required, to the contractor sufficient
24 government of Guam real property on which to renovate or construct a
25 new education facility; *provided*, such property is in the inventory of the
26 education agency or the government of Guam. The property may be the
27 site of an existing education facility under the control of an education

1 agency, which existing facility may be renovated or demolished and
2 rebuilt under the provisions of this Act. The education agency is also
3 authorized to lease back from the contractor the property for a
4 period mutually agreed upon between the education agency and the
5 contractor as may be reasonably necessary to amortize over the lease-
6 back period the costs associated with the financing, design, renovation or
7 construction of the education facility. In no event shall the end of such
8 lease-back period be later than the date thirty (30) years from the
9 scheduled date of completion of the education facility. The lease-back
10 may be structured as an annually renewable lease with provision for
11 automatic renewals to the extent that pledged or reserved revenue under
12 §22425(q)(4) and (6) of Title 5, Guam Code Annotated, is available. The
13 lease-back *shall not* be construed as a debt under any applicable debt
14 limitation under the Guam Organic Act or Guam law.

15 **§ 58D105. Procurement.** Subject to the approval of *I Liheslaturan*
16 *Guåhan*, the government of Guam or an education agency *shall* solicit
17 Requests for Proposals (RFP) through the Department of Public Works, in
18 compliance with the Guam procurement law, for the development of the
19 comprehensive capital improvement plan, the financing, design, renovation
20 or construction of the education facility, together with insurance and
21 maintenance of the education facility over the lease-back period, according
22 to the needs of the education agency and consistent with this Chapter. The
23 choice of the contractor *shall* be made by a selection committee comprised
24 of the Superintendent of the Department of Education, serving as Chairman,
25 and including the Director of the Department of Public Works or Deputy
26 Director, the Director of the Department of Land Management or Deputy
27 Director, the Administrator of the Guam Environmental Protection Agency

1 or Deputy Administrator, and the Administrator of the Guam Economic
2 Development Authority or Deputy Administrator. The committee *shall*
3 access the prior performance of the contractor on similar projects and may
4 disqualify any Contractor that does not have a successful record of project
5 completion on Guam.

6 The selection of a contractor *shall* be based upon the proposal that
7 delivers the best value for Guam in meeting the objectives of the education
8 agency.

9 The RFP *shall* be issued within thirty (30) days of enactment of this
10 Act for the renovation or construction of a new Simon Sanchez High School
11 on the existing site, which may include demolition of such portions of the
12 existing facility as necessary.

13 **§ 58D106. Responsibilities of Contractor.** The contract *shall*
14 require that the contractor will work with GDOE to develop the
15 comprehensive capital improvement plan in connection with the design of a
16 renovated or construction of a new Simon Sanchez High School. Further,
17 the contractor *shall* be responsible for all costs, expenses and fees of any
18 kind or nature, associated with the design, civil improvements, on-site
19 and off-site infrastructure, construction, permits, and financing
20 associated with the completion of an education facility, including the
21 financing of furniture and equipment for the education facility, as, and
22 to the extent, provided by the education agency in the Request for
23 Proposals. The contract will also require that all major subcontracts be
24 covered by a performance bond; and further, that there be a specific
25 delivery date with liquidated damages for failure to deliver the school by
26 the specified date. The contractor *shall* also be responsible for the capital
27 maintenance of the schools during the lease-back period, but *shall not* be

1 responsible for the capital maintenance of the furniture and equipment.
2 The lease-back may provide that if sufficient funds are *not* appropriated
3 or otherwise available for the payment of amounts due under the lease and
4 any maintenance agreement, the education agency will have the
5 obligation to vacate the education facility, and the contractor *shall* have
6 the right of use and occupancy of the education facility for the remainder
7 of the term of the lease, *unless* new mutually satisfactory terms are entered
8 into. For this purpose, the lease may provide that its term shall be extended
9 for a period *not to exceed* the shorter of ten (10) years beyond the
10 original term of the lease-back or such period of time as is necessary to
11 repay in full any financing arranged pursuant to § 58D108. The capital
12 maintenance costs *shall* be paid by the education agency on a periodic
13 basis as incurred by the contractor on terms to be agreed to in the contract
14 for the education facility.

15 **§ 58D107. Assignments.** To facilitate the purposes of this Act
16 and to provide security for the holders of any financing instruments issued
17 pursuant to this Act, the contractor may assign, without the need of the
18 consent of the education agency, the contract, the lease, and the
19 lease-back to any underwriter, trustee, or other party as appropriate, to
20 facilitate the issuance of the tax-exempt obligations, other financial
21 instruments or alternative financing for the education facility.

22 **§ 58D108. Use of Tax-Exempt Bonds for Financing.** To
23 minimize the financing cost to the education agency, financing utilized by
24 the contractor to fund the design, renovation or construction of an
25 education facility *shall* be through tax-exempt obligations or other
26 financial instruments, provided, such financing is available at interest rates

1 determined by the education agency to be reasonable and competitive.
2 Alternatively, the contractor may use an alternative method of financing,
3 including, but *not* limited to, a short term debt, mortgage, loan, federally
4 guaranteed loan or loan by an instrumentality of the United States of
5 America, if such financing will better serve the needs of the people of
6 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*
7 *Guåhan*. The purpose for the requirements of this Section is to assure the
8 education agency pays the lowest possible interest rate so that the cost to
9 the education agency of financing the design, renovation or construction
10 of an education facility, amortized through the lease-back payments
11 from the education agency to the contractor, will be lower than regular
12 commercial rates.

13 **§ 58D109. Pledge of Additional Revenue from the Real Property**
14 **Valuation.** Rental payments under the lease and the lease-back may be
15 secured by a pledge or other reservation of revenues received by the
16 government of Guam pursuant to §22425(q)(4) and (6) Article 4, Chapter 22
17 Division 2, Title 5, Guam Code Annotated. Any amounts pledged as
18 provided in this Section are hereby continuously appropriated for the
19 purpose of making lease-back payments, but any amounts *only* reserved as
20 provided in this Section, and *not* pledged, *shall* be subject to an annual
21 appropriation for the purpose of making lease-back payments. Any such
22 pledge or reservation authorized hereunder *shall* be valid and binding from
23 the time the pledge or reservation is made, and *shall* be limited to the sum of
24 Five Million Fifty One Thousand Nine Hundred Seventy Seven Dollars and
25 Ninety Eight Cents (\$5,051,977.98) per year during the lease-back period, as
26 outlined in §22425(q)(4) and (6) of Title 5, Guam Code Annotated, hereof.
27 The revenues pledged or reserved and thereafter received by the government

1 of Guam or by any trustee, depository or custodian *shall* be deposited in a
2 separate account and *shall* be immediately subject to such reservation or the
3 lien of such pledge without any physical delivery thereof or further act, and
4 such reservation or the lien of such pledge *shall* be valid and binding against
5 all parties having claims of any kind in tort, contract or otherwise against the
6 government of Guam or such trustee, depository or custodian, irrespective of
7 whether the parties have notice thereof. The instrument by which such
8 pledge or reservation is created need not be recorded.

9 **§ 58D110. Utilities and Routine Maintenance and Repair.** The
10 education agency *shall* be responsible for the connection and payment of all
11 utilities, including without limitation, power, water, sewer, telephone and
12 cable, and all routine interior maintenance and repair and exterior
13 groundskeeping and landscaping, and upkeep of the education facility.

14 **§ 58D111. Maintenance Fund.** The contract or a separate
15 maintenance agreement with the contractor, and the lease-back, *shall*
16 provide that all capital maintenance of the education facility be performed
17 by the contractor as a separate cost, the terms of which, and the manner for
18 establishing the amount of payment, *shall* be determined as a part of the
19 contract; provided, however, that said documents may, at the discretion of
20 the education agency, provide that capital maintenance with respect to
21 equipment (including collateral equipment), onsite utilities, offsite utilities,
22 access roads and other similar improvements need not be performed by the
23 contractor.

24 **§ 58D112. Contractual Safeguards.** Prior to undertaking the work
25 of renovating or constructing a new Simon Sanchez High School, the Guam
26 Economic Development Authority, the Department of Public Works, the
27 Guam Department of Education, and the developer or contractor *shall*

1 negotiate and enter into a binding construction contract to renovate or
2 construct a new Simon Sanchez High School in accordance with the Guam
3 Building Code (21 G.C.A. Ch. 67), and any other applicable requirements.
4 The construction contract *shall* contain contractual obligations typically
5 found in government of Guam construction contracts, including, but *not*
6 limited to:

- 7 (a) warranties;
- 8 (b) liquidated damages;
- 9 (c) performance and payment bonds;
- 10 (d) indemnity;
- 11 (e) insurance;
- 12 (f) standard specifications;
- 13 (f) technical specifications;
- 14 (g) progress schedule;
- 15 (h) maintenance;
- 16 (i) compliance with Guam labor regulations;
- 17 (j) compliance with Guam prevailing wage rates for
18 employment of temporary alien workers (H2) on Guam;
- 19 (k) compliance with Public Law 29-98: restriction against
20 contractors employing convicted sex offenders to work at government
21 of Guam venues.

22 The contract *shall* be submitted for review and approval to all entities
23 charged by law with the duty to review and approve government contracts,
24 including the Office of the Attorney General.

25 **§ 58D113. Severability.** *If* any provision of this Act or its
26 application to any person or circumstance is found to be invalid or contrary
27 to law, such invalidity *shall not* affect other provisions or applications of this

1 Act which can be given effect without the invalid provisions or application,
2 and to this end the provisions of this Act are severable.”

3 **Section 3.** §22425(q) of Article 4, Chapter 22, Division 2, Title 5, Guam
4 Code Annotated, is hereby *amended* to read:

5 “(q) Notwithstanding any other provision of law, any additional real
6 property tax revenues received as a result of the most recent valuation of real
7 property due to commence during the calendar years 2013 and 2014 is
8 hereby continuously appropriated annually, *not to exceed* Eight Million Five
9 Hundred Thousand Dollars (\$8,500,000), from the Territorial Educational
10 Facilities Fund in the amounts and for purposes set forth in this Subsection:

11 (1) The sum of One Million One Hundred Fifty Eight
12 Thousand Two Hundred Eighty Three Dollars (\$1,158,283),
13 beginning in FY 2014, for the construction of the Student Services
14 Center and Engineering Annex at the University of Guam, as a source
15 of payment to the University of Guam Capital Improvements Fund for
16 the purpose of paying rental payments due under the lease-leaseback
17 agreements with the University of Guam Endowment Foundation for
18 a term of forty (40) years;

19 (2) The sum of Two Hundred Seventy-eight Thousand Nine
20 Hundred Twenty-one Dollars and Fifty-two Cents (\$278,921.52),
21 beginning in FY 2014 for forty (40) years, for the construction or
22 renovation of Building 100 and the DNA Laboratory at the Guam
23 Community College;

24 (3) The sum of One Hundred Thirty-two Thousand Fifteen
25 Dollars (\$132,015) to the Guam Public Library System to hire a
26 Territorial Librarian at Ninety-three Thousand Three Hundred

1 Seventy-seven Dollars (\$93,377), and a Computer Analyst II at
2 Thirty-eight Thousand Six Hundred Thirty-eight Dollars (\$38,638);

3 (4) The sum of One Million Seven Hundred Seven Thousand
4 Six Hundred Fifty-two Dollars (\$1,707,652) to the Guam Department
5 of Education for the renovation or construction of a new Simon
6 Sanchez High School.

7 (5) The sum of One Million Two Hundred Thousand Dollars
8 (\$1,200,000) for rental payments under the lease and the lease-back as
9 described in Chapter 58D of Title 5, Guam Code Annotated.

10 (6) other than the portions designated to be used for in Items
11 (1), (2), (3), (4) and (5) of this Subsection, eighty percent (80%) of the
12 remaining balance for rental payments due under the lease-leaseback
13 agreement with GDOE secured for the renovation or construction of a
14 new Simon Sanchez High School, to include its athletic facilities, and
15 other Guam Department of Education public school facilities
16 requiring new construction, rehabilitation or maintenance;

17 (7) other than the portions designated to be used for in Items
18 (1), (2), (3), (4) and (5) of this Subsection, 3.5% of the remaining
19 balance for the Early Childhood Program Fund, as described in
20 §53101 of Title 17, Guam Code Annotated;

21 (8) other than the portions designated to be used for in Items
22 (1), (2), (3), (4) and (5) of this Subsection, 3.5 % of the remaining
23 balance for *I Famagu'on-ta*, Child Adolescent Services Division of
24 the Guam Behavioral Health and Wellness Center, and Project
25 *Karinu*. These funds *shall not* be subject to *I Maga'lahren Guåhan's*
26 transfer authority.

1 (9) other than the portions designated to be used for in Items
2 (1), (2), (3) (4) and (5) of this Subsection, five percent (5%) of the
3 remaining balance to the Department of Revenue and Taxation for the
4 following:

5 (A) for maintenance support and sustainability of real
6 property data and system;

7 (B) for the five (5) year (quinquennial) property tax
8 revaluation as mandated by law;

9 (C) for enhancements, and technological
10 advancements related to software/hardware, and support staff
11 necessary to improve electronic services; and

12 (D) for other costs directly associated with improving
13 the efficiency of the real property tax system.

14 The Director of the Department of Revenue and Taxation *shall*
15 submit a report to *I Maga'lahaen Guåhan* and *I Liheslaturan Guåhan*
16 on a monthly basis as to the expenditures of the funds following the
17 enactment of this Act, detailing all transactions;

18 (10) other than the portions designated to be used for in Items
19 (1), (2), (3), (4) and (5) of this Subsection, five percent (5%) of the
20 remaining balance *shall* be lock boxed for the procurement of a
21 unified financial management information system, as recommended
22 by consensus from the Department of Revenue and Taxation, the
23 Department of Administration, the General Services Agency, the
24 Office of Public Accountability, the Office of Technology, the
25 University of Guam, the Guam Community College, the Guam
26 Department of Education, and Guam Memorial Hospital Authority.
27 This amount shall be subject to legislative appropriation.

1 (11) Other than the portions designated to be used for in Items
2 (1), (2) (3) (4) and (5) of this Subsection, three percent (3%) of the
3 remaining balance *shall* be a source of funding for island-wide school
4 bus shelters. The Director of the Department of Public Works *shall*
5 submit a report to *I Maga'lahaen Guåhan* and *I Liheslaturan Guåhan*
6 on a monthly basis as to the expenditures of the funds following
7 enactment of this Act, detailing all transactions.”

8 **Section 4.** §53101 of Title 17, Guam Code Annotated, is hereby *amended*
9 to read as follows:

10 “§ 53101. **Early Childhood Program Fund.** There is hereby
11 created, separate and apart from all other funds of the government of Guam,
12 a fund known as the “Early Childhood Program Fund.” All monies received
13 by or on behalf of the government of Guam pursuant to §22425(q)(7) of
14 Title 5 GCA, *shall* be deposited in the Fund and used for early childhood
15 programs at the University of Guam, the Guam Community College, or the
16 Guam Department of Education. The Fund *shall not* be commingled with the
17 General Fund or any other funds of the government of Guam, and it *shall* be
18 maintained in a separate bank account. All monies in the Fund *shall* require
19 legislative appropriation, and *shall not* be subject to any transfer authority of
20 *I Maga'lahaen Guåhan.*”

21 **Section 5. Severability.** *If* any provision of this Act or its application to
22 any person or circumstance is found to be invalid or contrary to law, such
23 invalidity *shall not* affect other provisions or applications of this Act which can be
24 given effect without the invalid provisions or application, and to this end the
25 provisions of this Act are severable.”

LEGISLATIVE SESSION

I MINA'TRENTAI DOS NA LIHESLATURAN

2014 (SECOND) Regular Session

Voting Sheet

Speaker Antonio R. Unipingco Legislative Session Hall
February 1, 2014

Bill No. 225-32 (COR)

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

NAME	Yea	Nay	Not Voting/ Abstained	Out During Roll Call	Absent
Senator Thomas "Tom" C. ADA	✓				
Senator V. Anthony "Tony" ADA	✓				
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ		I ✓			
Senator Christopher M. DUENAS	✓				
Senator Michael LIMTIACO	✓				
Senator Brant McCREADIE	✓				
Senator Thomas "Tommy" MORRISON	✓				
Senator Tina Rose MUÑA BARNES	✓				
Senator Vicente (ben) Cabrera PANGELINAN		✓			
Senator Rory J. RESPICIO	✓				
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓	I			
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.	✓				

TOTAL

13

2

Yea

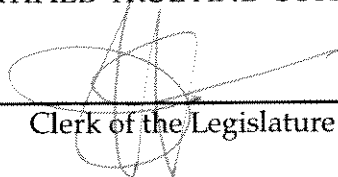
Nay

Not Voting/
Abstained

Out During
Roll Call

Absent

CERTIFIED TRUE AND CORRECT:


 Clerk of the Legislature

I = Pass



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guahan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Senator
Vicente (Ben) C. Pangelinan
Member

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Senator
Dennis G. Rodriguez, Jr.
Member

Vice-Speaker
Benjamin J.F. Cruz
Member

Legislative Secretary
Tina Rose Muña Barnes
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

November 25, 2013

VIA E-MAIL
john.rios@bbmr.guam.gov

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 222-32 (COR) through 227-32(COR)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guahan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

Si Yu'os ma'ãse' for your attention to this matter.

Very Truly Yours,

Senator Thomas C. Ada
Acting Chairperson of the Committee on Rules

Attachment (1)

Cc: Clerk of the Legislature

2013 NOV 25 PM 5:29

Bill Nos.	Sponsor	Title
222-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO AMEND §89.01(a)(2); TO AMEND §89.01(a)(2)(B); TO ADD A NEW SUBSECTION (C) TO §89.01(a)(2); TO AMEND §89.02(a)(2); TO AMEND §89.02(a)(3); TO AMEND §89.02(b)(2); TO AMEND §89.02(c)(1) AND TO ADD A NEW SUBSECTION (d) TO §89.02 ALL OF CHAPTER 89, 9 GUAM CODE ANNOTATED RELATIVE TO THE CRIMES AGAINST MINORS AND SEX OFFENDER REGISTRY.
223-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO APPROPRIATE THE SUM OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) FOR THE COMPENSATION TO FARMERS FOR CROP DAMAGES PROGRAM ESTABLISHED PURSUANT TO CHAPTER 64A, TITLE 5 OF THE GUAM CODE ANNOTATED.
224-32 (COR)	T.C. Ada, R.J. Respicio	AN ACT TO AMEND §5425, §5426, §5427, §5450, §5452, §5480, §5481 AND §§5485 (a) and (b) OF ARTICLE 9, AND §5703, §5705, §5706(b), §5707(a), §5708 OF ARTICLE 12, CHAPTER 5, TITLE 5 OF THE GUAM CODE ANNOTATED RELATIVE TO CLARIFYING LEGAL AND CONTRACTUAL REMEDIES IN GUAM PROCUREMENT LAW.
225-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(q) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.
226-32 (COR)	Judith T. Won Pat, Ed.D. T.R. Muna Barnes Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5 GUAM CODE ANNOTATED RELATIVE TO THE FINANCE, DESIGN, RENOVATION, REHABILITATION, CONSTRUCTION OR MAINTENANCE OF PUBLIC SCHOOLS.
227-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
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Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

November 22, 2013

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

MEMORANDUM

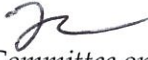
Senator
Vicente (Ben) C. Pangelinan
Member

To: Rennae Meno
Clerk of the Legislature

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Attorney Therese M. Terlaje
Legislative Legal Counsel

Senator
Dennis G. Rodriguez, Jr.
Member

From: Senator Thomas C. Ada 
Acting Chairperson of the Committee on Rules

Vice-Speaker
Benjamin J.F. Cruz
Member

Subject: Referral of Bill Nos. 225-32(COR) and 226-32(COR)

Legislative Secretary
Tina Rose Muña Barnes
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 225-32(COR) and 226-32(COR)**.

Senator
Frank Blas Aguon, Jr.
Member

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Senator
Michael F.Q. San Nicolas
Member

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Senator
V. Anthony Ada
Member
MINORITY LEADER




Attachment

Senator
Aline Yamashita
Member

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

Bill No. 125-32 (WR)

Introduced by:

J. T. Won Pat, Ed.D. 
Tina Rose Muña Barnes 
Aline A. Yamashita, Ph.D. 

AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL AND TO AMEND AND RENUMBER §22425(q) ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO REVALUATION OF REAL PROPERTY TAXES AND TO AMEND §53101 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO EARLY CHILDHOOD PROGRAM FUND.

2013 Jan 22 11:08 AM
125-32

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

2 **Section 1. Title.** This Act *shall* be cited and referred to as the “*Ma Kåhat*
3 *Act of 2013*”.

4 **Section 2. Chapter 58C is hereby added to Title 5 of the Guam Code**
5 **Annotated to read as follows:**

6 **“CHAPTER 58C**

7 ***Ma Kåhat Act of 2013***

- 8 §58C101. Title.
- 9 §58C102. Legislative Findings and Policies.
- 10 §58C103. Definitions.
- 11 §58C104. Authorization to Enter into Long-term Leases.
- 12 §58C105. Procurement.
- 13 §58C106. Responsibilities of Contractor.

1 §58C107. Assignments.

2 §58C108. Use of Tax-Exempt Bonds for Financing.

3 §58C109. Pledge of Additional Revenue from the Real Property

4 Valuation.

5 §58C110. Utilities and Routine Maintenance.

6 §58C111. Maintenance Fund.

7 §58C112. Contractual Safeguards

8 §58C113. Severability.

9 **§58C101. Title.** This Act *shall* be known and *shall* be cited as “*Ma*
10 *kāhat Act of 2013*”.

11 **§58C102. Legislative Findings and Policies.** *I Liheslaturan*
12 *Guāhan* finds that Simon Sanchez High School faces the combined
13 challenges of deteriorating conditions, out-of date design and overcrowding.
14 These combined deficiencies impair the quality of teaching and learning and
15 contribute to health and safety problems for staff and students.

16 *I Liheslatura* finds that after reviewing the summary of outstanding
17 General and Limited Obligation debts as of March 1, 2013, that the debt
18 ceiling assessed value is at One Billion One Hundred Thirty Nine Million
19 Four Hundred Sixty Four Thousand Eight hundred Fifty Three Dollars
20 (\$1,139,464,853). It also states that the General Obligation Debt is Four
21 Hundred Forty Six Million Four Hundred Seventy Three Thousand Eight
22 Hundred Fifty Three Dollars (\$446,473,853), and the Limited Obligation
23 Debt is Six Hundred Sixty Three Million Eight Hundred Ninety Six
24 Thousand Eight Hundred Three Dollars (\$663,896,803) with an accumulated
25 total of One Billion One Hundred Ten Million Three Hundred Seventy
26 Thousand Six Hundred Fifty Six Dollars (\$1,110,370,656). Subtracting the
27 debt ceiling limit less the General and Limited Obligation Debts leaves the

1 amount for future debt obligation at Twenty Nine Million Ninety Four
2 Thousand One Hundred Ninety Seven (\$29,094,197).

3 *I Liheslatura* further finds that the cost for the renovation or
4 construction of a new Simon Sanchez High School would exceed Guam's
5 debt ceiling obligation cap if a General Obligation Bond is pursued. To
6 circumvent the debt ceiling cap, *I Liheslatura* finds that the construction of
7 Okkodo High School, Astumbo Middle School, Liguán Elementary School,
8 Adacao Elementary School, John F. Kennedy High School and the
9 expansion of Okkodo High School validates the fundamental soundness of
10 using municipal lease as a vehicle to build new educational facilities. By
11 utilizing municipal leasing to renovate or construct a new Simon Sanchez
12 High School, the remaining future debt obligation may be used to fund other
13 priorities of the government.

14 *I Liheslatura* further intends to authorize *I Maga'láhen Guåhan* to
15 pledge or reserve the additional proceeds as a source of payment for a
16 municipal lease financing, secured for the purposes stated herein, either to
17 renovate or construct a new Simon Sanchez High School. To overcome the
18 financing hurdles *I Liheslaturan Guahan* supports the government of
19 Guam to enter into a contract for the financing, design, renovation or
20 construction and long-term capital maintenance of Simon Sanchez High
21 School with a private sector contractor who can provide long-term
22 financing obtained through tax-exempt obligations *or* other
23 competitive alternative financing based on long-term lease-backs to
24 the government of Guam. To facilitate the financing, design, renovation
25 or construction and maintenance of the Education Facility envisioned by
26 this Act, the government of Guam will be authorized to lease for up to
27 thirty (30) years government of Guam property on which the

1 facilities will be constructed. The lease of the government property to
2 the contractor, who will design, renovate or construct a new Education
3 Facility in accordance with specifications approved by Guam Department
4 of Education. The Education Facility and land will be leased back to the
5 government of Guam for a period *not to exceed* thirty years or the initial
6 ground lease to the contractor over which time the government of Guam
7 will amortize, as lease payments to the contractor, the cost of the
8 financing, design, renovation or construction and related expenses of the
9 Education Facility. The contractor will also be responsible for the capital
10 maintenance of the Education Facility constructed under this Act, which
11 costs *shall* be paid by the government of Guam as provided for under this
12 Act. At the expiration of the Lease-Back Period, the government of Guam
13 real property and the Education Facility renovated or constructed on the
14 government of Guam real property will revert to the government of Guam
15 with *no* further obligations to the Contractor.

16 **§58C103. Definitions.** For purposes of this Chapter and *unless*
17 otherwise specified, the following words and phrases are defined to mean:

18 (a) “*Act*” means Chapter 58C of Title of the Guam Code
19 Annotated, known as the “*Ma Kåhat* Act of 2013.”

20 (b) “*Contract*” shall mean the various design, renovation or
21 construction and financing agreements entered into by and between
22 the Education Agency and the Contractor following negotiations on
23 the response to the Request for Proposal.

24 (c) “*Contractor*” shall mean the authorized entity which shall
25 be the signatory on the Contract and shall be fully responsible for
26 carrying out the design, renovation or construction, financing and
27 maintenance of the Education Facility. The Contractor may cooperate

1 with another entity or entities in any manner the Contractor deems
2 appropriate to provide for the financing, design, renovation,
3 construction or maintenance of the public school facilities envisioned
4 by this Act.

5 (d) “*Education Agency*” shall mean the Guam Department of
6 Education

7 (e) “*Education Facility*” as used in this Act shall mean the
8 renovation or construction of a new high school and to include its
9 athletic facilities to be located on the existing site of Simon Sanchez
10 High School.

11 (f) “*Lease*” shall mean a lease from an Education Agency to
12 the Contractor entered into at the time of the Contract for the
13 Property.

14 (g) “*Lease-Back*” shall mean the lease from the Contractor to
15 the Education Agency.

16 (h) “*Lease-Back Period*” shall mean the term of the lease from
17 the Contractor to the Education Agency.

18 (i) “*Property*” shall mean any property on which an Education
19 Facility is located.

20 **§58C104. Authorization to Enter into Long-term Leases.** For the
21 purpose of facilitating the financing of the design, renovation or
22 construction and maintenance of an Education Facility encompassed by
23 this Act, the government of Guam *or* an Education Agency, as the case
24 may be, is authorized to lease, if required, to the Contractor sufficient
25 government of Guam real property on which to renovate or construct a
26 new Education Facility; provided, such property is in the inventory of the
27 Education Agency *or* the government of Guam. The property may be the

1 site of an existing Education Facility under the control of an Education
2 Agency, which existing facility may be renovated *or* demolished and
3 rebuilt under the provisions of this Act. The Education Agency is also
4 authorized to Lease Back from the Contractor the property for a
5 period mutually agreed upon between the Education Agency and the
6 Contractor as may be reasonably necessary to amortize over the Lease-
7 Back Period the costs associated with the financing, design, renovation or
8 construction of the Education Facility. In no event *shall* the end of such
9 Lease-Back Period be *later than* the date thirty (30) years from the
10 scheduled date of completion of the Education Facility. The Lease-Back
11 may be structured as an annually renewable lease with provision for
12 automatic renewals to the extent that pledged or reserved revenue under
13 Section 22425 (q)(4) and (6) of Title 5 Guam Code Annotated is available.
14 The Lease-Back *shall not* be construed as a debt under any applicable
15 debt limitation under the Guam Organic Act *or* Guam law.

16 **§58C105. Procurement.** Subject to the approval of *I Liheslaturan*
17 *Guåhan*, the government of Guam or an Education Agency shall solicit
18 Requests for Proposals ('RFP') through the Department of Public Works, in
19 compliance with the Guam Procurement Law, for the financing, design,
20 renovation or construction of the Education Facility, together with insurance
21 and maintenance of the Education Facility over the Lease-Back Period,
22 according to the needs of the Education Agency and consistent with this
23 Chapter. The choice of the Contractor shall be made by a selection
24 committee comprised of the Superintendent of the Department of Education
25 serving as Chairman and including the Director of the Department of Public
26 Works or Deputy Director, the Director of the Department of Land
27 Management or Deputy Director, the Administrator of Guam EPA or Deputy

1 Administrator, and the Administrator of the Guam Economic Development
2 Authority or Deputy Administrator. The committee shall access the prior
3 performance of the Contractor on similar projects and may disqualify any
4 Contractor that does not have a successful record of project completion on
5 Guam.

6 The selection of a Contractor shall be based upon the proposal that
7 delivers the best value for Guam in meeting the objectives of the Education
8 Agency.

9 The RFP shall be issued within thirty (30) days of enactment of this
10 Act for the renovation or construction of a new Simon Sanchez High School
11 on the existing site, which may include demolition of such portions of the
12 existing facility as necessary.

13 **§58C106. Responsibilities of Contractor.** The Contract *shall* require
14 that the Contractor be responsible for all costs, expenses and fees of any
15 kind *or* nature, associated with the design, civil improvements, on-site
16 and off-site infrastructure, construction, permits, and financing
17 associated with the completion of an Education Facility, including the
18 financing of furniture and equipment for the Education Facility, as and
19 to the extent provided by the Education Agency in the Request for
20 Proposals. The Contract will also require that all major subcontracts be
21 covered by a Performance Bond and further that there be a specific
22 delivery date with liquidated damages for failure to deliver the school by
23 the specified date. The Contractor *shall* also be responsible for the capital
24 maintenance of the schools during the Lease-Back Period, but *shall not* be
25 responsible for the capital maintenance of the furniture and equipment.
26 The Lease-Back may provide that *if* sufficient funds are *not* appropriated
27 *or* otherwise available for the payment of amounts due under the lease and

1 any maintenance agreement, the Education Agency will have the
2 obligation to vacate the Education Facility, and the Contractor *shall* have
3 the right of use and occupancy of the Education Facility for the
4 remainder of the term of the Lease, unless new mutually satisfactory terms
5 are entered into. For this purpose, the Lease may provide that its term *shall*
6 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 58C108. The capital maintenance costs *shall* be paid by the Education
10 Agency on a periodic basis as incurred by the Contractor on terms to be
11 agreed to in the Contract for the Education Facility.

12 **§58C107. Assignments.** To facilitate the purposes of this Act
13 and to provide security for the holders of any financing instruments issued
14 pursuant to this Act, the Contractor may assign, without the need of the
15 consent of the Education Agency, the Contract, the Lease and the
16 Lease-Back to any underwriter, trustee *or* other party as appropriate to
17 facilitate the issuance of the tax-exempt obligations, other financial
18 instruments *or* alternative financing for the Education Facility.

19 **§58C108. Use of Tax-Exempt Bonds for Financing.** To
20 minimize the financing cost to the Education Agency, financing utilized by
21 the Contractor to fund the design, renovation or construction of an
22 Education Facility *shall* be through tax-exempt obligations *or* other
23 financial instruments provided such financing is available at interest rates
24 determined by the Education Agency to be reasonable and competitive.
25 Alternatively, the Contractor may use an alternative method of financing,
26 including, but *not limited to*, a short term debt, mortgage, loan, federally
27 guaranteed loan *or* loan by an instrumentality of the United States of

1 America *if* such financing will better serve the needs of the people of
2 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*
3 *Guahan*. The purpose for the requirements of this Section is to assure the
4 Education Agency pays the lowest possible interest rate so that the cost to
5 the Education Agency of financing the design, renovation or
6 construction of an Education Facility, amortized through the Lease-
7 Back payments from the Education Agency to the Contractor, will
8 be lower than regular commercial rates.

9 **§58C109. Pledge of Additional Revenue from Real Property**
10 **Valuation.** Rental payments under the Lease and the Lease-Back may be
11 secured by a pledge or other reservation of revenues received by the
12 government of Guam pursuant to §22425 (q)(4) and (6) Article 4, Chapter
13 22 Division 2, Title 5, Guam Code Annotated. Any amounts pledged as
14 provided in this Section are hereby continuously appropriated for the
15 purpose of making Lease-Back payments, but any amounts only reserved as
16 provided in this Section, and not pledged, shall be subject to annual
17 appropriation for the purpose of making Lease-Back payments. Any such
18 pledge or reservation authorized hereunder shall be valid and binding from
19 the time the pledge or reservation is made and shall be limited to the sum of
20 Five Million Fifty One Thousand Nine Hundred Seventy Seven Dollars and
21 Ninety Eight Cents (\$5,051,977.98) per year during the Lease-Back Period
22 as outlined in §22425 (q)(4) and (6) of Title 5 Guam Code Annotated hereof.
23 The revenues pledged or reserved and thereafter received by the government
24 of Guam or by any trustee, depository or custodian shall be deposited in a
25 separate account and shall be immediately subject to such reservation or the
26 lien of such pledge without any physical delivery thereof or further act, and
27 such reservation or the lien of such pledge shall be valid and binding against

1 all parties having claims of any kind in tort, contract or otherwise against the
2 government of Guam or such trustee, depository or custodian, irrespective of
3 whether the parties have notice thereof. The instrument by which such
4 pledge or reservation is created need not be recorded.

5 **§58C110. Utilities and Routine Maintenance and Repair.** The
6 Education Agency *shall* be responsible for the connection and payment of all
7 utilities, including without limitation, power, water, sewer, telephone and
8 cable, and all routine interior maintenance and repair and exterior grounds
9 keeping and landscaping and upkeep of the Education Facility.

10 **§58C111. Maintenance Fund.** The Contract or a separate
11 maintenance agreement with the Contractor, and the Lease-Back, shall
12 provide that all capital maintenance of the Education Facility be performed
13 by the Contractor as a separate cost, the terms of which, and the manner for
14 establishing the amount of payment, shall be determined as a part of the
15 Contract; provided, however, that said documents may, at the discretion of
16 the Education Agency, provide that capital maintenance with respect to
17 equipment (including collateral equipment), onsite utilities, offsite utilities,
18 access roads and other similar improvements need not be performed by the
19 Contractor.

20 **§58C112. Contractual Safeguards.** Prior to undertaking the work
21 of renovating or constructing a new Simon Sanchez High School, the Guam
22 Economic Development Authority, The Department of Public Works, Guam
23 Department of Education and the Developer or Contractor shall negotiate
24 and enter into a binding construction contract to renovate or construct a new
25 Simon Sanchez High School in accordance with Guam Building Code, (21
26 G.C.A. Ch. 67) and any other applicable requirements. The Construction

1 contract shall contain contractual obligations typically found in Government
2 of Guam construction contracts, including but not limited to:

- 3 1. Warranties;
- 4 2. Liquidated damages;
- 5 3. Performance and payment bonds;
- 6 4. Indemnity;
- 7 5. Insurance;
- 8 6. Standard Specifications;
- 9 7. Technical Specifications;
- 10 8. Progress Schedule;
- 11 9. Maintenance;
- 12 10. Compliance with Guam Labor Regulations;
- 13 11. Compliance with Guam Prevailing Wage Rates for
14 Employment of Temporary Alien Workers (H2) on Guam;
- 15 12. Compliance with Public Law 29-98: Restriction Against
16 Contractors Employing Convicted Sex Offenders to Work at
17 Government of Guam Venues.

18 The contract shall be submitted for review and approval to all entities
19 charged by law with the duty to review and approve government contracts,
20 including the Office of the Attorney General.

21 **§58C113. Severability.** *If any provision of this Act or its*
22 *application to any person or circumstance is found to be invalid or contrary*
23 *to law, such invalidity shall not affect other provisions or applications of this*
24 *Act which can be given effect without the invalid provisions or application,*
25 *and to this end the provisions of this Act are severable.”*

26 **Section 3. §22425(q) Article 4, Chapter 22, Division 2, Title 5, Guam**
27 **Code Annotated is hereby amended and renumbered:**

1 §22425(q) of Article 4, Chapter 22, Division 2, Title 5, Guam Code
2 Annotated, is hereby *amended* to read:

3 “(q) Notwithstanding any other provision of law, any additional real
4 property tax revenues received as a result of the most recent valuation of real
5 property due to commence during the calendar years 2013 and 2014 is
6 hereby continuously appropriated, *not to exceed* Seven Eight Million Five
7 Hundred Thousand Dollars (\$78,050,000), from the Territorial Educational
8 Facilities Fund in the amounts and for purposes set forth in this Subsection:

9 (1) The sum of One Million Dollars (\$1,000,000), beginning
10 in FY 2014, for the construction of the Student Services Center and
11 Engineering Annex at the University of Guam, as a source of payment
12 to the University of Guam Capital Improvements Fund for the purpose
13 of paying rental payments due under the lease-leaseback agreements
14 with the University of Guam Endowment Foundation;

15 (2) The sum of Two Hundred Seventy-eight Thousand Nine
16 Hundred Twenty-one Dollars and Fifty-two Cents (\$278,921.52),
17 beginning in FY 2014 for forty (40) years, for the construction or
18 renovation of Building 100 and the DNA Laboratory at the Guam
19 Community College;

20 (3) The sum of One Hundred Thirty-two Thousand Fifteen
21 Dollars (\$132,015) to the Guam Public Library System to hire a
22 Territorial Librarian at Ninety-three Thousand Three Hundred
23 Seventy-seven Dollars (\$93,377), and a Computer Analyst II at
24 Thirty-eight Thousand Six Hundred Thirty-eight Dollars (\$38,638);

25 (4) The sum of One Million Seven Hundred Seven Thousand
26 Six Hundred Fifty-two Dollars (\$1,707,652) to the Guam Department
27 of Education for ~~the Okkodo High School Expansion to included~~

1 ~~rental, prorated insurance, maintenance and utilities~~ for the renovation
2 or construction of a new Simon Sanchez High School.

3 (5) The sum of One Million Two Hundred Thousand Dollars
4 (\$1,200,000) for rental payments under the Lease and the Lease-Back
5 as described in Chapter 58D of Title 5 Guam Code Annotated.

6 ~~(5)(6)~~ other than the portions designated to be used for in Items
7 (1), (2), (3) ~~and (4)~~ and (5) of this Subsection, eighty percent (80%) of
8 the remaining balance *shall* be appropriated as a source of payment
9 for a ~~General Obligation bond paying rental payments due under the~~
10 lease-leaseback agreement with GDOE secured for ~~the replacement or~~
11 renovation or construction of a new Simon Sanchez High School, to
12 include its athletic facilities, and other Guam Department of
13 Education public school facilities requiring new construction,
14 rehabilitation or maintenance;

15 ~~(6)(7)~~ other than the portions designated to be used for in Items
16 (1), (2), (3) ~~and (4)~~ and (5) of this Subsection, seven percent (7%) of
17 the remaining balance *shall* be deposited in the Early Childhood
18 Program Fund, as described in §53101 of Title 17, Guam Code
19 Annotated;

20 ~~(7)(8)~~ other than the portions designated to be used for in Items
21 (1), (2), (3) ~~and (4)~~ and (5) of this Subsection, ten percent (10%) of
22 the remaining balance *shall* be appropriated as a source of funding to
23 the Department of Revenue and Taxation for the following:

24 (A) for maintenance support and sustainability of real
25 property data and system;

26 (B) for the five (5) year (quinquennial) property tax
27 revaluation as mandated by law;

1 (C) for enhancements, and technological
2 advancements related to software/hardware, and support staff
3 necessary to improve electronic services; and

4 (D) for other costs directly associated with improving
5 the efficiency of the real property tax system.

6 The Director of the Department of Revenue and Taxation *shall*
7 submit a report to *I Maga'lahaen Guåhan* and *I Liheslaturan Guåhan*
8 on a monthly basis as to the expenditures of the funds following the
9 enactment of this Act, detailing all transactions; and

10 ~~(8)~~(9) Other than the portions designated to be used for in Items
11 (1), (2) (3) ~~and~~ (4) and (5) of this Subsection, three percent (3%) of
12 the remaining balance *shall* be a source of funding for island-wide
13 school bus shelters. The Director of the Department of Public Works
14 *shall* submit a report to *I Maga'lahaen Guåhan* and *I Liheslaturan*
15 *Guåhan* on a monthly basis as to the expenditures of the funds
16 following enactment of this Act, detailing all transactions; ~~and~~

17 ~~(9) In the event the purposes set forth in this Subsection are~~
18 ~~affected by the debt ceiling, the Guam Economic Development~~
19 ~~Authority may pursue municipal lease financing for any or all of the~~
20 ~~above related items."~~

21 **Section 4. §53101 of Title 17 Guam Code Annotate is hereby**
22 **amended to read as follow:**

23 **"§ 53101. Early Childhood Program Fund.** There is hereby
24 created, separate and apart from all other funds of the government of Guam,
25 a fund known as the "Early Childhood Program Fund." All monies received
26 by or on behalf of the government of Guam pursuant to §22425(q)~~(6)~~(7) of
27 Title 5 GCA, *shall* be deposited in the Fund and used for early childhood

1 programs at the University of Guam, the Guam Community College, or the
2 Guam Department of Education. The Fund *shall not* be commingled with the
3 General Fund or any other funds of the government of Guam, and it *shall* be
4 maintained in a separate bank account. All monies in the Fund *shall* require
5 legislative appropriation, and *shall not* be subject to any transfer authority of
6 *I Maga'lahaen Guåhan.*”

7 **Section 5. Severability.** *If* any provision of this Act *or* its
8 application to any person *or* circumstance is found to be invalid *or* contrary
9 to law, such invalidity *shall not* affect other provisions *or* applications of this
10 Act which can be given effect without the invalid provisions *or* application,
11 and to this end the provisions of this Act are severable.”