

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

Bill No. 129-32 (COR)

Introduced By:

T.R. MUÑA BARNES
C.M. DUENAS

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AN ACT TO AUTHORIZE THE A.B. WON PAT GUAM INTERNATIONAL AIRPORT AUTHORITY TO ISSUE REVENUE BONDS FOR THE PURPOSE OF REFUNDING THE GENERAL REVENUE BONDS, 2003 SERIES A, B, C AND D, REFINANCE THE ENERGY EFFICIENCY LOAN, TO FINANCE NEW PROJECTS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent.

(a) Section 1216 of Title 12 of the Guam Code Annotated provides that Antonio B. Won Pat International Airport Authority (the “Authority”) is authorized to incur indebtedness by the issuance of general revenue bonds for the purpose of refunding any general revenue bonds of the Authority then outstanding.

(b) Section 1208 of Title 12 of the Guam Code annotated provides that no general revenue bonds of the Authority shall be issued unless authorized by the Board of the Authority in a bond resolution adopted by it and approved by *I Maga'låhen Guåhan* and unless *I Liheslaturan Guåhan* approves the terms and conditions of the bonds.

(c) Section 50103 of Title 12 of the Guam Code Annotated provides that public corporations of the government of Guam, including the Authority, shall issue bonds and other obligations only by means of, and through the agency of the Guam Economic Development Authority (“GEDA”), and that GEDA shall not sell

1 any bond without the approval by *I Liheslaturan Guåhan* of the terms and
2 conditions of the bonds.

3 (d) Based on historic low interest rates and current market conditions, the
4 Authority expects to be able to refinance its outstanding general revenue bonds for
5 substantial debt service savings.

6 (e) The Authority has incurred an energy efficiency loan with a final
7 bullet maturity in 2017 that it expects to refinance with general revenue bonds.

8 (f) The Authority needs to finance security improvements and other
9 capital projects that are expected to enhance the operational efficiency and
10 passenger experience at the airport.

11 In order to benefit the airport and the tourism industry that depends on the
12 airport, *I Liheslaturan Guåhan* has determined to approve the issuance of revenue
13 bonds by the Authority to refund its general revenue bonds and an outstanding
14 energy efficiency loan and to finance new projects at the airport, all subject to
15 approval by *I Maga'låhen Guåhan* and the Board of Directors of GEDA in
16 accordance with law.

17 **Section 2. Approval of the Terms and Conditions of Antonio B. Won**
18 **Pat International Airport Authority Refunding Bonds.** *I Liheslaturan Guåhan*,
19 pursuant to §1208(a) and §50103(k) of Title 12 of the Guam Code Annotated,
20 hereby approves the terms and conditions of the issuance of general revenue bonds
21 by the Authority for the purpose of refunding all or a portion of the Authority's
22 outstanding general revenue bonds (the outstanding bonds being refunded are
23 referred to herein as the ("prior bonds")) in accordance with the following
24 requirements, limitations, terms and conditions:

25 (a) All obligation of the Authority to pay debt service on, and the
26 redemption price of, the prior bonds shall be discharged concurrently with
27 the issuance of the refunding bonds. Thereafter, the prior bonds shall be

1 payable solely from and secured solely by an escrow established for such
2 purpose in accordance with the Authority's existing bond indenture.

3 (b) The final maturity of the refunding bonds shall not be greater
4 than the final maturity of the prior bonds.

5 (c) Such bonds shall be issued and sold in compliance with the
6 provisions of Article 2 of Chapter 1 of Title 12 of the Guam Code
7 Annotated, including approval of the bond resolution by the Board of
8 Directors of the Authority and by *I Maga'låhen Guåhan* as provided therein.

9 (d) The sale of the bonds shall be approved by the Board of
10 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
11 Annotated.

12 The debt service savings resulting from the issuance of the refunding bonds
13 shall be not less than an amount equal to two percent (2%) of the principal amount
14 of the prior bonds. Debt service savings is defined for this purpose to be the
15 amount by which the present value of debt service on the prior bonds exceeds the
16 present value of debt service on the refunding bonds, using the yield on the
17 refunding bonds as the discount rate for purposes of calculating present value.

18 **Section 2. Approval of the Terms and Conditions of the Issuance by**
19 **the Authority of General Revenue Bonds to Finance Airport Projects and**
20 **Refinance an Energy Efficiency Loan.**

21 (a) *I Liheslaturan Guåhan*, pursuant to §1208(a) and §50103(k) of
22 Title 12 of the Guam Code Annotated, hereby approves the terms and
23 conditions of general revenue bonds by the Authority in one or more series
24 in an aggregate principal amount not to exceed One Hundred Twenty Five
25 Million Dollars (\$125,000,000) for the purpose of financing or refinancing
26 the projects and paying the other costs listed in subsection (c) of this section,
27 *provided*, that such bonds have a final maturity not later than 32 years from

1 their date of issuance, bear interest at such rate or rates and are sold for such
2 price or prices as shall result in a net interest cost to the Authority of not to
3 exceed six and one-half percent (6.5%) per annum, and are issued and sold
4 pursuant to the Airport's existing bond indenture as it may be amended in
5 compliance with the provisions of Chapter 1 of Title 12 of the Guam Code
6 Annotated, including approval by the Authority and by *I Maga'låhen*
7 *Guåhan* as provided therein.

8 (b) The sale of the bonds shall be approved by the Board of
9 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code
10 Annotated.

11 (c) The proceeds of the bonds may be applied to pay for the costs
12 of issuance of the bonds, for accrued and capitalized interest thereon, for
13 credit enhancement therefore, to provide for reserves, for refinancing the
14 Authority's outstanding energy efficiency loan and the costs associated with
15 such refinancing, and the costs of capital improvement projects at the
16 airport, in the following order of priority:

- 17 (1) Priority 1
 - 18 a. International Arrivals Corridor
 - 19 b. Phase 3 Near-Fault Seismic Upgrade
 - 20 c. Hold Bag Screening Relocation
 - 21 d. SSCP Improvements
 - 22 e. FIDS Replacement
 - 23 f. Integrated PLB Replacement
 - 24 g. Common Use Check-In Facilities
 - 25 h. Parking Expansion
 - 26 i. Interisland Passenger Facility
 - 27 j. ARFF Facility Replacement

- 1 k. Replace Terminal Seating
- 2 (2) Priority 2
- 3 a. Phase 4 Near-Fault Seismic Upgrade
- 4 b. Access Control and Security Improvements
- 5 c. Terminal Flooring Replacement
- 6 d. Upgrade Airport IT and FMS
- 7 e. Route 10A Landscape Component
- 8 f. Enclose Arrival Tunnels
- 9 g. Replace Conveyance Systems
- 10 h. Strengthen and Expand Curbside Canopies

11 **Section 4. Severability.** The provisions outlined in this Act are declared
12 to be separate and severable. The invalidity of any clause, sentence, paragraph,
13 subdivision, section or portion of this statute, or the invalidity of the application
14 thereof to any person or circumstance shall not affect the validity of the remainder
15 of this statute or the validity of its application to other persons or circumstances.