

**MINUTES OF THE
SPORTS ADVISORY COMMITTEE**

Wednesday, May 5, 1999 - 8:30 a.m. - Room 403 State Capitol

Members Present:

Sen. Beverly Evans, Senate Chair
Rep. Jordan Tanner, House Chair
Sen. Karen Hale
Sen. L. Alma Mansell
Sen. John L. Valentine
Rep. Perry L. Buckner
Rep. David L. Gladwell
Rep. Neal B. Hendrickson
Rep. A. Lamont Tyler
Rep. David Ure
Mayor Lewis Billings
Mr. Roger Cutler
Mr. Max Hogan
Ms. JoAnn Seghini
Comm'r. James Soter

Members Excused:

Sen. Paula F. Julander
Rep. Duane Boudeaux
Mr. Hugh Daniels
Ms. Sidney Foncesbeck
Ms. Lou Mueller
Mr. Howard Peterson
Mr. Randy Will

Members Absent:

Comm'r. Brent Overson

Staff Present:

Mr. Brian Allred,
Research Analyst
Ms. Janetha Hancock,
Associate General Counsel
Ms. Beverlee LeCheminant
Legislative Secretary

Note: A list of others present and handouts distributed are on file in the Office of Legislative Research and General Counsel.

1. Call to Order - Sen. Evans called the meeting to order at 8:45 a.m.

Approval of Minutes of December 2, 1998 -

MOTION: Commissioner James Soter moved to approve the minutes of the December 2, 1998 meeting. The motion passed unanimously.

Discussion of Proposed Interim Study Plan - Mr. Brian Allred, Research Analyst, told the committee that staff has met with the chairs and discussed the committee's study plan for the year. The proposal of the chairs is that the committee hold its next meeting in July and that one of the main items on the agenda will be a discussion of the costs to local governments associated with hosting the Olympics.

The committee scheduled the next meeting for July 14, 1999, at 9:00 a.m.

2. Background and Review of Selected Olympic Issues - Mr. Allred gave an overview of selected Utah Olympic-related entities. He indicated that this committee has primarily been an advisory committee to the Utah Sports Authority and the Legislature regarding issues related to

building the Winter Sports Park. To try and reflect the changing role of this committee now that the work of the Utah Sports Authority has been largely completed, the Legislature passed H.B. 229 which directs the Sports Advisory Committee to review and make recommendations to the Legislature, the governor, and local government on any issue that significantly relates to the coordination of state and local government in hosting the Olympics. He explained that the role of the Olympic Coordination Committee is to look primarily at issues relating to the Olympic Games that affect the state. He provided committee members with printed copies of his overview.

Mr. Allred gave an overview of the Winter Sports Park creation, sale, and payment. He provided committee members with printed copies of his overview.

Ms. Janetha Hancock, Associate General Counsel, gave background information regarding the postponement of the sale of the Winter Sports Park. She explained that S.J.R. 17 from the 1994 General Session provided for a purchase price of \$99 million and authorized the sale and purchase of the Winter Sports Park. The Winter Sports Park Purchase Agreement was later executed and the terminology in the purchase agreement was that the closing of the sale would be on April 15, 1999, or at such later date as the parties may agree. The Legislature passed S.J.R. 5 approving the terms of the Winter Sports Park Purchase Agreement which states that there may be an extension if the parties agree. Before April 15, 1998, there was an agreement between SLOC and the Sports Authority to extend the closing of the sale of the Winter Sports Park for no more than 90 days.

Ms. Hancock provided committee members with a letter from the Speaker of the House and the President of the Senate to Mr. Randy Dryer and Mr. Mitt Romney regarding the extension, a copy of the Extension Agreement, and the Interim Operating Agreement. She indicated that the Speaker and the President requested that there be no further extensions beyond the 90-day extension that the parties agreed to which would extend the closing of the sale to July 14, 1999.

Mr. Allred distributed a list of Olympic-related items that were part of the Master Study Resolution from the 1999 General Session. He pointed out some of the items that would be of interest to the committee such as law enforcement costs of the Olympics, coordination with local government, and Soldier Hollow.

Rep. Tanner spoke regarding two other issues the committee needs to address: 1) does the state want to fund on an annually appropriated basis a winter sports foundation; and 2) the role of the Utah Athletic Foundation (UAF) in connection with the state and whether the state should help fund it.

3. Utah Sports Authority (USA Report) -

a. Delay of the Utah Winter Sports Park Sale to Salt Lake Olympic Organizing Committee (SLOC) - Mr. Randy Dryer UAF, Chair, USA, told the committee that S.J.R. 17 which addresses the sale of the Winter Sports Park reflects the will of the citizens of Utah. It contains two significant policy pronouncements: 1) that the state wanted to privatize the ownership and operation of the

Winter Sports Park; and 2) that the ultimate ownership of the Winter Sports Park and the oval should be in the hands of a private foundation. These policy pronouncements were included to eliminate state liability and to ensure that the facilities benefit Utah citizens by providing a legacy to benefit recreational and developmental sports in Utah. He indicated that in August of 1994, the Sports Authority and SLOC entered into an agreement to effectuate the purposes of S.J.R. 17. The sale of the Winter Sports Park was scheduled to close on April 15, 1999, and a week before that date, SLOC management recommended approximately an \$84 million cut to SLOC's budget. One of those cuts was \$5 million from the operation of the Winter Sports Park and the oval. Because of the budget cut, it did not seem prudent to proceed with the sale, and discussions between the Sports Authority and SLOC were held, which resulted in a 90-day extension agreement. Mr. Dryer said that it is his firm belief that the sale will close on July 14, 1999, and that the facilities will continue to be used for Salt Lake recreational purposes.

b. Ongoing role of USA - Mr. Dryer indicated that the Sports Authority has fulfilled its three primary missions: 1) to build the Olympic facilities; 2) to promote amateur athletes for the benefit of the state; and 3) to foster economic development. He explained to the committee that the Sports Authority should continue in existence because it is the signatory to the Purchase and Sales Agreement and needs to receive the payment from SLOC, but it will have limited resources and its role will be significantly different.

4. Utah Athletic Foundation (UAF Report)

a. Role of the UAF - Mr. Dryer told the committee that the UAF's primary purposes are to: 1) own and operate the Sports Park after 2002; 2) assist in the funding of the Speed Skating Oval beginning in 2002; 3) foster the development of sports programming; and 4) promote amateur athletics. He indicated that the UAF is funded by the \$40 million legacy payment from the SLOC and that the money is restricted by the terms of the grant and the legislative creation of the UAF. Another source of potential revenue for the UAF is any surplus revenue from the Olympic Games.

b. Changes to UAF Articles of Incorporation - Mr. Dryer said that the UAF was recently restructured by: 1) electing a new chair; 2) diversifying the membership of the board; 3) putting in process a program to hire a staff person to begin scheduling post Olympic events; and 4) planning some transitions.

Mr. Dryer suggested that the state might want to encourage through its Economic Development Department a sports commission to oversee sport development and bringing events to Utah. The UAF could serve as an entity to promote the development of sports and to promote events coming into the state. Its charter is broad enough to do this, but the financial side of it would have to be addressed. He urged the committee to study the role of the state, if any, in supporting and promoting winter sports after the 2002 Olympic Games and prior to the games in terms of sport development.

6. Adjourn -

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MOTION: Sen. Hale moved to adjourn. The motion passed unanimously with Sen. Mansell absent for the vote.

Chair Evans adjourned the meeting at 10:30 a.m.