

**MINUTES OF THE
OLYMPIC COORDINATION COMMITTEE**

Thursday, May 24, 2001 - 2:00 p.m. - Room 403 State Capitol

Members Present:

Sen. Beverly Ann Evans, Senate Chair
Rep. David Ure, House Chair
Sen. Ron Allen
Sen. Karen Hale
Sen. John L. Valentine
Rep. David N. Cox
Rep. Neil Hansen
Rep. Neal B. Hendrickson
Rep. Joseph G. Murray
Rep. A. Lamont Tyler

Members Absent:

Sen. Al Mansell
Rep. Duane Bourdeaux

Staff Present:

Mr. Brian Allred,
Research Analyst
Mr. Keith Woodwell,
Associate General Counsel
Ms. Joy L. Miller,
Legislative Secretary

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

1. Committee Business

Chair Ure called the meeting to order at 2:10 p.m. He introduced the staff and new members of the committee.

MOTION: Rep. Hendrickson moved to approve the minutes of the November 20, 2000 meeting. The motion passed unanimously, with Sen. Valentine absent for the vote.

2. Background and Overview of Committee History and Responsibilities

Mr. Allred distributed a handout "A Background and Overview of the Committee's History and Responsibilities." Some of the private Utah Olympic/Sports related entities include the Salt Lake Olympic Organizing Committee (SLOC), Utah Athletic Foundation (UAF), Utah Sports Commission, and Soldier Hollow Legacy Foundation. Mr. Allred stated public entities include the Utah Sports Authority, Olympic Coordination Committee (OCC), and State Olympic Officer. The Sports Authority was created to use \$59 million in sales tax diversion funds to build facilities in preparation for the Olympics. OCC may review and make recommendations on any issue relating to the Olympics. The State Olympic Officer's primary duties are to review and coordinate all agreements between the state and SLOC and review and report on the SLOC budget.

Mr. Allred discussed four Olympic related events that have taken place including the construction of the Utah Winter Sports Park (Park) and Speed Skating Oval. For a ten-year period the state diverted a portion of the sales and use tax for the purpose of building Olympic facilities. The total amount diverted and used for Olympic facilities was \$59 million. That sum will be repaid by SLOC as part of the \$99 million purchase of the Park. Forty million dollars will be added to that sum to go to the UAF to maintain and operate the Park when the games are

completed. Mr. Allred discussed state bonding for the Olympic Village (Village) and Olympic Stadium (Stadium) construction. SLOC has agreed to pay approximately \$32 million to the state in 2005 for use of the Village and approximately \$8 million to the University of Utah in 2003 for use of the Stadium. The Biathlon and Cross Country Venue will be at Soldier Hollow. It is state owned but will be operated by the private Soldier Hollow Legacy Foundation. That particular venue is not funded by the \$40 million received by the UAF. There currently is no legacy fund or identified funding source for Soldier Hollow. Mr. Allred reviewed the Olympic Public Safety funding. The legislature repealed the sales tax on ticket sales for the Olympics which was estimated at approximately \$13 million. SLOC will use the \$13 million along with some of its own funds to help pay for the cost of public safety during the Olympics.

Mr. Woodwell discussed the repeal of the Utah Sports Advisory Committee in 2001. He explained that the committee was created in 1989 at the same time as the Utah Sports Authority. The committee contained both legislative and nonlegislative membership and originally served in an advisory role to the Utah Sports Authority. Later responsibilities included coordinating the efforts of state and local governments on Olympic issues. The State Olympic Coordination Act enacted in 1996 created the position of the State Olympic Officer and the OCC. He reviewed the list of potential study items for committee consideration.

The committee discussed possible items to review during the year. Some of these items include coordination of the UAF and Olympic venue sites, financing for Soldier Hollow, and tourism and economic development during and following the Olympics. It is important that the state ensure that the venues stay viable and useful. Maintenance and operation of the facilities also needs to be considered.

3. Salt Lake Olympic Organizing Committee (SLOC) Budget

Mr. Fraser Bullock, Chief Operating Officer, SLOC, distributed a handout "SLOC Finance Update." He said SLOC has a very regimented, controlled budget process. The SLOC budget stays consistent at \$1.3 billion. The contribution from the organizing committee towards state permanent facilities and the endowment fund total \$211 million. Approximately 63 percent of the SLOC budget is committed, 40 percent of the budget has been spent. He stated the budget gap has been narrowed to \$57 million. There is a contingency fund of \$117 million to cover that gap. Currently there is a positive cash balance of \$121 million. He said SLOC will try to avoid having to borrow money. Mr. Bullock discussed the steps SLOC has taken regarding risk assessment. Each department has reviewed its remaining cash at the activity level. Any budget without a defined use is to go into department reserve to cover risks. The result is that SLOC departments have set aside a combined \$9.5 million in department reserves. Currently the risk summary is at \$71 million and the available reserve at \$70 million. SLOC will continue to refine the risks and try to reduce or eliminate them while continuing to raise money.

Mr. Robert Garff, SLOC Board Chairman, mentioned they have great confidence in their staff. He said they are working closely with the Finance Committee in the number one priority of not leaving any debt to the state.

Mr. Gordon Crabtree, SLOC, pointed out that currently there are no sponsors behind in their payments. SLOC expects to collect about 80 percent of its revenues from sponsors prior to the games. Mr. Crabtree briefly reviewed the sales tax issue regarding local governments and the rooms purchased through SLOC. He said from what they can tell they are not going below any county's revenue estimates, they are exceeding most of them.

Sen. Evans asked Mr. Crabtree to provide her with specific information for Wasatch County on that issue.

Mr. Leo Memmott, Deputy State Olympic Officer, distributed a copy of the quarterly financial report. He indicated most of the information on the report has been updated by the previous presentation. Mr. Memmott reviewed SLOC's financial obligations. The state sales tax repayment of \$59 million and the \$40 million payment to the UAF are both projected to come out of NBC's final payment. The U of U stadium obligation and housing bonds are to come out of OPUS sponsors. SLOC owes approximately \$10.2 million for the public safety services escrow account. It also owes a combined \$13 million to Provo City, Salt Lake City, and West Valley City. Mr. Memmott said ticket sales will probably exceed the \$180 million level.

4. Utah Olympic Public Safety Command (UOPSC) Update

Mr. Bob Flowers, State Olympic Public Safety Commander, stated he was appointed commander in January 2001. He said the UOPSC board is meeting routinely and giving out briefings on a weekly basis. They want to provide a safe game for everyone. With the resources they have, plans are coming together quite well.

Mr. Dave Tubbs, State Olympic Public Safety Officer, said they are in the process of making their plans operational. Many items have been added to their budget such as risk management, liability insurance, and additional individuals. Mr. Tubbs indicated they are looking at having federal law enforcement officers outside the venue perimeters and state and local authorities inside working with SLOC's event services personnel. He said they are fortunate that federal authorities have stepped forward in terms of law enforcement. With UOPSC costs, their budget will be approximately \$30 million. They are trying to reduce that amount and still provide effective public safety. He noted that approximately 30 Utah law enforcement agencies have stepped forward to provide assistance. It is their goal to keep the number of volunteers from out of state low.

5. State Olympic Officer Update

Mr. Memmott said they have spent a lot of their time working with local officials. Money was appropriated during the last general session for flags and banners. They are in the process of finalizing how that money will be awarded to the local governments. The Olympics are moving along as needed in order to provide the Olympics for the world.

Rep. Ure asked if the governor has signed the SLOC budgets. Mr. Memmott responded that the governor is required to sign them every six months. The last one was given to the committee in January 2001 for the quarter that ended in October 2000. He said it is on their schedule to have the budgets signed and sent to the committee in June.

Sen. Evans asked if there is any issue that they perceive the committee should be addressing. Mr. Memmott stated he was not aware of anything at the present time.

MOTION: Sen. Allen moved to adjourn the meeting at 4:05 p.m. The motion passed unanimously.