

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES
APPROPRIATIONS SUBCOMMITTEE**

ROOM 225 STATE CAPITOL BUILDING
February 4, 1998

Members Present: Rep. Keele Johnson, Co- Chairman
Sen. Blaze D. Wharton
Rep. Trisha Beck
Rep. Kevin S. Garn
Rep. J. W. (Bill) Hickman
Rep. David M. Jones
Rep. Jack A. Seitz
Rep. Glenn L. Way

Members Excused: Sen. Steve Poulton, Co-Chairman

Staff Present: Stan Eckersley, Fiscal Analyst
Kathryn Judd, Committee Secretary

Others Present: David Winder, Director DCED
Laurie Harvey, DCED
Mark Renda, GOPB
Donna Dahl, Utah State Fair Park
Duane Blackley, Ex. Director UTFC
William Erickson, Director UHFA

Visitors List: Visitors List available at House of Representatives

Chairman Keele Johnson called the meeting to order at 2:15 p.m.

Approval of the Minutes: Sen. Wharton made a motion to approve the minutes of February 2, 1998. The motion carried unanimously.

Old Business

Jack Quintana, DFCM Representative, appeared before the Committee to answer questions with regard to the operations, maintenance, rents, and utilization of space at the Union Pacific Depot and Rio Grande Depot. He explained the history of capital outlay for the two buildings and answered Committee questioned about the condition of the buildings. David Winder, Director DCED, suggested a study needs to be made to determine the value of the buildings in line with the proposed development in the area.

Utah State Fair Corporation

Analyst Stan Eckersley gave an overview of the Corporation and its budget. He stated the State Fair operates at a profit, but maintaining the facilities the rest of the year is a financial drain. The recommended General Fund is \$270,000.

Mr. Quintana returned to the meeting to answer Committee questions about the Fair Park buildings. Representative Hickman wanted to know the intent of the Privatization legislation with regard to ownership of the buildings. Former Senator Black said he was the senate sponsor of the bill and the

State owns the buildings.

Members of the Fair Park board spoke in favor of creating the right kind of environment to attract funds from the private sector. They requested \$600,000 General Fund.

Utah Technology Finance Corporation

The Analyst gave an overview of the budget and Agency.

Duane Blackley, Acting Director, gave a summary of the Agency, its history and operation and explained they had requested a legislative audit which was currently in progress. He stated the audit was requested to provide direction for restructuring.

A discussion among the Committee members and Agency staff ensued. This included the Agency funding, past management, the use of public funds to finance high risk loans, default rates, staff reductions, the nature of the loans, and what happens to the loans in case of liquidation of the Agency.

Mr. Blackley and Larry Holmstrom, Board Chairman emphasized the importance of the Agency which provides necessary financing and technical assistance for startup companies.

Sam Klemm, S.L. County, spoke for himself and Commissioner Mary Callahan. He gave a history of the benefits of the Agency's revolving loan funds and the niche it fills between venture capitalists and bank loans.

Motion: Sen. Wharton made a motion that UTFC come back before the Committee again before final voting decisions.

The Auditors were in attendance and expressed their doubts that the audit would be complete before the end of the session. They could not talk about the on going audit.

Chairman Johnson called for a vote on the motion. The voting was unanimous in the affirmative with Sen. Poulton and Rep. Hickman absent.

Utah Housing Finance Corporation

Mr. Eckersley stated there was no funding recommendation because this is an independent agency which has been self-sufficient since 1982.

William Erickson, Director, and David Winder, Chairman of the Board, gave a history of the Agency and their ability to provide affordable housing for low income first-time home buyers. The cost of housing vs. families' ability to pay, families being served, and bonding authority were highlighted.

Rep. Seitz made a motion to adjourn. The motion carried.

The meeting adjourned at 4:25 p.m.

Sen. Steve Poulton, Co-Chair

Rep. Keele Johnson, Co-Chair