

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AUTHORIZATIONS**

3 2009 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Wayne L. Niederhauser**

6 House Sponsor: Stephen D. Clark

7

8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes certain state agencies and higher education institutions to issue
11 revenue bonds, build capital facilities using agency, institutional, or donated funds, or
12 lease or dispose of real property.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ authorizes the issuance of revenue bonds by the State Building Ownership
16 Authority and the State Board of Regents;
- 17 ▶ authorizes other capital facility design and construction to be funded from agency,
18 institutional, or donated funds; and
- 19 ▶ authorizes the lease or disposal of certain state real property.

20 **Monies Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 ENACTS:

26 **63B-18-101**, Utah Code Annotated 1953

27 **63B-18-102**, Utah Code Annotated 1953

28 **63B-18-201**, Utah Code Annotated 1953

29 **63B-18-301**, Utah Code Annotated 1953

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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63B-18-101** is enacted to read:

CHAPTER 18. 2009 BOND AND FINANCING AUTHORIZATIONS

Part 1. 2009 Revenue Bond Authorizations

63B-18-101. Revenue bond authorizations -- State Building Ownership

Authority.

(1) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$3,800,000 for the acquisition of property in the Salt Lake City, Utah area on which to construct a Department of Alcoholic Beverage Control warehouse expansion, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements; and

(b) the Department of Alcoholic Beverage Control use increased sales revenues as the primary revenue source for repayment of any obligation created under authority of this section.

(2) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$19,904,000 for the construction of a warehouse expansion for the Department of Alcoholic Beverage Control, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(b) the Department of Alcoholic Beverage Control use increased sales revenues as the primary revenue source for repayment of any obligation created under authority of this section; and

(c) the Department of Alcoholic Beverage Control may request operation and

58 maintenance funding from sales revenues.

59 Section 2. Section **63B-18-102** is enacted to read:

60 **63B-18-102. Revenue bond authorizations -- Board of Regents.**

61 (1) The Legislature intends that:

62 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
63 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
64 money on the credit, revenues, and reserves of the university, other than appropriations of the
65 Legislature, to finance the cost of constructing a south campus housing project;

66 (b) the University of Utah use student housing rental fees and parking fees as the
67 primary revenue sources for repayment of any obligation created under authority of this
68 section;

69 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
70 this section is \$48,000,000, together with other amounts necessary to pay costs of issuance,
71 pay capitalized interest, and fund any debt service reserve requirements;

72 (d) the university may plan, design, and construct the south campus housing project
73 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of
74 Facilities Construction and Management; and

75 (e) the university may not request state funds for operation and maintenance costs or
76 capital improvements.

77 (2) The Legislature intends that:

78 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
79 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
80 money on the credit, revenues, and reserves of the university, other than appropriations of the
81 Legislature, to finance the cost of constructing an infrastructure development at the university
82 "green field" site;

83 (b) the University of Utah use research overhead funds and infrastructure fees on new
84 construction projects supported by this infrastructure development as the primary revenue
85 sources for repayment of any obligation created under authority of this section;

86 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
87 this section is \$44,000,000, together with other amounts necessary to pay costs of issuance,
88 pay capitalized interest, and fund any debt service reserve requirements;

89 (d) the university may plan, design, and construct the infrastructure development at
90 the university "green field" site subject to the requirements of Title 63A, Chapter 5, State
91 Building Board - Division of Facilities Construction and Management; and

92 (e) the university may not request state funds for operation and maintenance costs or
93 capital improvements.

94 (3) The Legislature intends that:

95 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
96 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
97 money on the credit, revenues, and reserves of the university, other than appropriations of the
98 Legislature, to finance the cost of constructing an expansion of the University
99 Neuropsychiatric Institute subject to the requirements of Subsection 63B-17-301(1);

100 (b) the University of Utah use institutional funds as the primary revenue source for
101 repayment of any obligation created under authority of this section; and

102 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
103 this section is \$45,000,000, together with other amounts necessary to pay costs of issuance,
104 pay capitalized interest, and fund any debt service reserve requirements.

105 (4) The Legislature intends that:

106 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
107 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
108 money on the credit, revenues, and reserves of the university, other than appropriations of the
109 Legislature, to finance the cost of constructing a Vernal entrepreneurship and energy research
110 center subject to the requirements of Subsection 63B-17-301(4);

111 (b) Utah State University use institutional funds as the primary revenue source for
112 repayment of any obligation created under authority of this section; and

113 (c) the maximum amount of revenue bonds or other evidences of indebtedness

114 authorized by this section is \$3,800,000, together with other amounts necessary to pay costs of
115 issuance, pay capitalized interest, and fund any debt service reserve requirements.

116 Section 3. Section **63B-18-201** is enacted to read:

117 **Part 2. 2009 Capital Facility Design and Construction Authorizations**

118 **63B-18-201. Authorizations to design and construct capital facilities using**
119 **institutional or agency funds.**

120 (1) The Legislature intends that:

121 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
122 Building Board - Division of Facilities Construction and Management, use institutional funds
123 to plan and design an ambulatory care complex;

124 (b) this authorization and the existence of plans and designs do not guarantee nor
125 improve the chances for legislative approval of the remainder of the building in any
126 subsequent year; and

127 (c) no state funds be used for any portion of this planning and design.

128 (2) The Legislature intends that:

129 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
130 Building Board - Division of Facilities Construction and Management, use \$64,445,000 in
131 donations to plan, design, and construct a replacement and expansion of the Eccles School of
132 Business Building, with 135,000 new square feet;

133 (b) no state funds be used for any portion of this project unless expressly appropriated
134 for this purpose or approved in a general obligation bond bill; and

135 (c) the university may request state funds for operation and maintenance costs and
136 capital improvements to the extent that the university is able to demonstrate to the Board of
137 Regents that the facility meets approved academic and training purposes under Board of
138 Regents policy R710.

139 (3) The Legislature intends that:

140 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
141 Building Board - Division of Facilities Construction and Management, use \$8,689,000 in

142 donations to plan, design, and construct a renovation of the Kennecott Building, with 19,400
143 new square feet;

144 (b) no state funds be used for any portion of this project; and

145 (c) the university may request state funds for operation and maintenance costs and
146 capital improvements to the extent that the university is able to demonstrate to the Board of
147 Regents that the facility meets approved academic and training purposes under Board of
148 Regents policy R710.

149 (4) The Legislature intends that:

150 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
151 Building Board - Division of Facilities Construction and Management, use \$30,737,000 in
152 donations to plan, design, and construct a Sorenson Arts and Education Complex, with 85,400
153 new square feet;

154 (b) no state funds be used for any portion of this project; and

155 (c) the university may request state funds for operation and maintenance costs and
156 capital improvements to the extent that the university is able to demonstrate to the Board of
157 Regents that the facility meets approved academic and training purposes under Board of
158 Regents policy R710.

159 (5) The Legislature intends that:

160 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
161 Building Board - Division of Facilities Construction and Management, use \$4,477,500 in
162 donations to plan, design, and construct a Meldrum Civil Engineering Building, with 11,800
163 new square feet;

164 (b) no state funds be used for any portion of this project; and

165 (c) the university may request state funds for operation and maintenance costs and
166 capital improvements to the extent that the university is able to demonstrate to the Board of
167 Regents that the facility meets approved academic and training purposes under Board of
168 Regents policy R710.

169 (6) The Legislature intends that:

170 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State
171 Building Board - Division of Facilities Construction and Management, negotiate with a
172 private developer to develop the Universe Project on land west of the university football
173 stadium;

174 (b) before entering into a contract with the developer, the university shall:

175 (i) present the final contract terms to the Legislature's Executive Appropriations
176 Committee;

177 (ii) obtain the approval of the State Building Board; and

178 (iii) the State Building Board may approve the agreement only if the university
179 demonstrates that the contract terms will be a benefit to the state;

180 (c) no state funds be used for any portion of this project; and

181 (d) the university may request state funds for operation and maintenance costs and
182 capital improvements to the extent that the university is able to demonstrate to the Board of
183 Regents that the facility meets approved academic and training purposes under Board of
184 Regents policy R710.

185 (7) The Legislature intends that:

186 (a) Utah Valley University may, subject to requirements in Title 63A, Chapter 5, State
187 Building Board - Division of Facilities Construction and Management, use \$2,650,000 in
188 grants and institutional funds to plan, design, and construct a Business Resource Center, with
189 12,000 new square feet;

190 (b) no state funds be used for any portion of this project; and

191 (c) the university may request state funds for operation and maintenance costs and
192 capital improvements to the extent that the university is able to demonstrate to the Board of
193 Regents that the facility meets approved academic and training purposes under Board of
194 Regents policy R710.

195 (8) The Legislature intends that:

196 (a) Utah Valley University may, subject to requirements in Title 63A, Chapter 5, State
197 Building Board - Division of Facilities Construction and Management, use \$1,200,000 in

198 donations and institutional funds to plan, design, and construct a track and field facility;

199 (b) no state funds be used for any portion of this project; and

200 (c) the university may request state funds for operation and maintenance costs and
201 capital improvements to the extent that the university is able to demonstrate to the Board of
202 Regents that the facility meets approved academic and training purposes under Board of
203 Regents policy R710.

204 (9) The Legislature intends that:

205 (a) Utah Valley University may, subject to requirements in Title 63A, Chapter 5, State
206 Building Board - Division of Facilities Construction and Management, use \$600,000 in
207 institutional funds to plan, design, and construct intramural playing fields;

208 (b) no state funds be used for any portion of this project; and

209 (c) the university may request state funds for operation and maintenance costs and
210 capital improvements to the extent that the university is able to demonstrate to the Board of
211 Regents that the facility meets approved academic and training purposes under Board of
212 Regents policy R710.

213 (10) The Legislature intends that:

214 (a) Southern Utah University may, subject to requirements in Title 63A, Chapter 5,
215 State Building Board - Division of Facilities Construction and Management, use \$2,000,000
216 in donations to plan, design, and construct a baseball and soccer complex upgrade;

217 (b) no state funds be used for any portion of this project; and

218 (c) the university may not request state funds for operation and maintenance costs or
219 capital improvements.

220 (11) The Legislature intends that:

221 (a) the Department of Natural Resources may, subject to requirements in Title 63A,
222 Chapter 5, State Building Board - Division of Facilities Construction and Management, use
223 \$3,000,000 in federal grants to plan, design, and construct an interagency fire dispatch center,
224 with 10,000 new square feet;

225 (b) no state funds be used for any portion of this project; and

226 (c) the department may not request state funds for operation and maintenance costs or
227 capital improvements.

228 (12) The Legislature intends that:

229 (a) the Department of Natural Resources may, subject to requirements in Title 63A,
230 Chapter 5, State Building Board - Division of Facilities Construction and Management, use
231 \$7,500,000 in federal grants to plan, design, and construct a curation facility in Vernal, with
232 21,000 new square feet;

233 (b) no state funds be used for any portion of this project; and

234 (c) the department may not request state funds for operation and maintenance costs or
235 capital improvements.

236 (13) The Legislature intends that:

237 (a) the Department of Natural Resources may, subject to requirements in Title 63A,
238 Chapter 5, State Building Board - Division of Facilities Construction and Management, use
239 \$650,000 in federal grants to plan, design, and construct an expansion to the seed warehouse
240 at the Great Basin Research Center, with 9,000 new square feet;

241 (b) no state funds be used for any portion of this project unless expressly appropriated
242 for this purpose; and

243 (c) the department may not request state funds for operation and maintenance costs or
244 capital improvements.

245 (14) The Legislature intends that:

246 (a) the Department of Veterans' Affairs may, subject to requirements in Title 63A,
247 Chapter 5, State Building Board - Division of Facilities Construction and Management, use
248 \$3,500,000 in federal grants to plan, design, and construct improvements at the Veterans'
249 Cemetery, with 15,000 new square feet;

250 (b) no state funds be used for any portion of this project unless expressly appropriated
251 for this purpose; and

252 (c) the department may not request state funds for operation and maintenance costs or
253 capital improvements.

254 Section 4. Section **63B-18-301** is enacted to read:

255 **Part 3. 2009 Property Authorizations**

256 **63B-18-301. Authorizations to lease or dispose of property.**

257 (1) The Legislature intends that:

258 (a) the Division of Facilities Construction and Management, acting in coordination
259 with the Utah State Fair Corporation, may negotiate with the Utah Transit Authority for a
260 long-term lease of land, or a license for long-term use of land, to the Utah Transit Authority at
261 the State Fairpark; and

262 (b) before entering into a contract with the Utah Transit Authority, the division shall:

263 (i) obtain the approval of the State Building Board; and

264 (ii) the State Building Board may approve the agreement only if the division
265 demonstrates that the contract terms agree with Section 63A-5-306 and will be a benefit to the
266 state.

267 (2) The Legislature intends that:

268 (a) the Department of Workforce Services may, in coordination with the Division of
269 Facilities Construction and Management, sell a Temporary Placement Office in Salt Lake City,
270 Utah, and three vacated buildings in Logan, Utah; and

271 (b) sales shall be at fair market value.