



Utah Olympic Legacy Foundation Funding Items

Infrastructure and General Government Appropriations Subcommittee

Staff: Rachel Boe, Amanda Kilian, Ivan Djambov | 10/10/2023

In the 2022 General Session, lawmakers appropriated \$22 million one-time from the General Fund to the Division of Facilities Construction Management (DFCM) pass-through line item for Olympics-related winter sports venues. In our required follow-up to that appropriation, it became clear that there is confusion as to what organization is responsible for overseeing these dollars. We recommend the Legislature move any unspent balances as well as current and future appropriations to the Olympic and Paralympic Venues Grant Fund and authorize the newly created Olympic and Paralympic Winter Games Coordination Committee to provide guidance to DFCM on grants made from the fund. We further recommend that DFCM work with recipients of existing grants to develop clear construction-related performance measures that track the progress of granted projects.

Background

Over the past six years, the Legislature has appropriated significant ongoing and one-time funds to the Division of Facilities Construction Management (DFCM) pass-through line-item for Olympic venue owners, including the Utah Olympic Legacy Foundation (UOLF) and local governments, to operate, renovate and/or expand winter sports facilities. Table 1 below shows the total appropriations for winter sports facilities since FY 2019.

Table 1: Winter Sports Facility Appropriations, FY 2019 – FY 2024

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Total |
|----------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| One-time | \$ 6,000,000 | \$ - | \$ - | \$ 8,600,000 | \$ 22,000,000 | \$ 40,000,000 | \$ 76,600,000 |
| Ongoing | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 18,000,000 |

As shown in the highlighted cell, the 2022 Legislature authorized \$22 million one-time from the General Fund to renovate winter sports facilities. That appropriation did not contain detailed language on how or to whom DFCM should allocate the money. DFCM passed most of the funding (\$19.6 million) to the UOLF, however, some of the money is also intended for Salt Lake County, Weber County, West Valley City, and Provo City.

As required under Utah Code Annotated Title 63J Chapter 1 Part [903](#), the Office of the Legislative Fiscal Analyst followed up on this appropriation at the close of FY 2023. DFCM, UOLF, and other facility owners reported the status of the projects that received FY 2023 grants, as shown in Table 2, below.

Table 2: Status of FY 2023 One-time Appropriations (\$22 m)

| UOLF FY23 Pass-Through Funding Items | Amount | Pass-Through Method | Project Status | Expenditure |
|---|----------------------|-------------------------------|----------------|----------------------|
| UOP - Snowmaking & Water Delivery | \$ 1,500,000 | DFCM to UOLF | 35% | \$ 521,278 |
| Venue Signage | \$ 500,000 | DFCM to UOLF | 18% | \$ 91,383 |
| Soldier Hollow Snowmaking Systems | \$ 500,000 | DFCM to UOLF | 100% | \$ 500,000 |
| Soldier Hollow CMB Expansion & Renovation | \$ 7,600,000 | DFCM to UOLF | 20% | \$ 1,490,783 |
| UOP West Peak Mountain | \$ 9,000,000 | DFCM to UOLF | 100% | \$ 9,000,000 |
| Utah Olympic Park Perf & High Altitude Center | \$ 500,000 | DFCM to UOLF | 9% | \$ 45,000 |
| West Valley Maverik Center | \$ 500,000 | DFCM to Maverik Center | 100% | \$ 500,000 |
| Provo Peaks Ice Arena | \$ 800,000 | DFCM to Provo City | 0% | \$ - |
| SL County Rink Renovation | \$ 300,000 | DFCM to SL Co. (tentative) | 0% | \$ - |
| Weber County Ice Rink | \$ 800,000 | DFCM to Weber Co. (tentative) | 0% | \$ - |
| Total | \$ 22,000,000 | | | \$ 11,648,444 |

DFCM passed through a total of \$20.9 million to UOLF, West Valley City, and Provo City, but is holding the remaining \$1.1 million for Salt Lake and Weber Counties until plans are finalized.



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In the 2023 General Session, legislators provided another \$40 million one-time to DFCM for Olympic venue facilities in FY 2024. Again, the appropriation lacked detailed direction on allocation of those resources. The appropriation has yet to be disbursed to venue operators.

In 2023, Policymakers also passed “State Olympic Coordination Amendments” ([House Bill 430](#)) which created a committee to provide oversight for state-level Olympic-related activities. The bill renamed an existing grant fund the “Olympic and Paralympic Venues Grant Fund.” The Venues Grant Fund includes detailed directions on how DFCM should administer money in the fund. H.B. 430 stopped short of giving the newly created committee authority to oversee the grant fund.

Issues

In our conversations with affected entities, we have discovered the following issues:

1. Neither DFCM nor UOLF are centrally coordinating all the Olympic-related renovation projects. UOLF has detailed plans and schedules for the facilities it owns, but it is not managing other venue facility projects owned and operated by other entities. DFCM feels it lacks the knowledge to coordinate these non-state projects.
2. Due to the lack of centralized coordination of these projects, we found no construction-related performance measures to help legislators track progress toward completion. UOLF has articulated Key Performance Metrics (KPMs) to measure outcomes once the projects are completed, which we commend. However, neither UOLF nor the other operators have articulated construction performance measures and related targets.
3. Facilities have different goals/timelines for when they plan to complete renovations. Provo City has stated that they do not plan to provide matching funds to renovate Provo Peaks Arena until an Olympic bid is accepted. In this case, the \$800,000 allocated to Peaks Arena in FY 2023 will remain unexpended.

Subcommittee Action

We recommend the Legislature consider the following actions:

1. Move unallocated FY 2023 and FY 2024 appropriations from the DFCM pass-through line item to the Olympic and Paralympic Venue Grant Fund. The Fund’s statutory requirements will provide much greater insight into the budget, schedule, and progress of granted projects. We recommend any future appropriations for similar purposes go to the Fund. Also, we recommend that the committee put the Fund on budget.
2. Authorize the Olympic and Paralympic Winter Games Coordination Committee to oversee DFCM’s administration of Olympic venue grants, including coordination with UOLF and other current and future grant recipients.
3. Direct DFCM, UOLF, and any entity that has already received an allocation from FY 2023’s \$22 million to develop construction-related performance measures and report those measures, related targets, and progress toward reaching those targets to the Legislative Fiscal Analyst prior to the 2024 General Session.

Accountable Budget Review

Potential IGG Subcommittee Actions, Oct. 10, 2023

Capital Budget

1. Support the closing the DFCM Prison Project Fund.
2. Support legislation changing the deadline for the Utah State Board of Higher Education to update allocations of the Higher Education Capital Projects Fund from May 31st to February 15th each year.
3. Request LFA staff to work with the Utah Olympic Legacy Foundation on proposed line item performance measures and report to the Infrastructure and General Government Appropriations Subcommittee during the 2024 General Session.
4. Transfer unallocated funds from fiscal years 2023 and 2024 from the DFCM Pass-Through line item to the Olympic and Paralympic Venue Grant Fund.
5. Direct LFA staff to put the Olympic and Paralympic Venue Grant Fund on budget and include the Fund in the IGG base bill.
6. Request the Division of Facilities Construction and Management (DFCM), the Utah Olympic Legacy Foundation (UOLF), and other facility operators to report to the Infrastructure and General Government Appropriations Subcommittee during the 2024 General Session on construction-related performance measures and the status of projects that have received funding.

Department of Government Operations (Non-ISF) Line Items

Funding Actions

7. Transfer \$1.75 million one-time in FY 2024 and \$1.75 million ongoing in FY 2025 from the “Finance Mandated – Paid Post Partum Recovery and Parental Leave Program” line item to the “Finance Mandated” line item ([p. 55 of the DGO Review](#)).
8. For DGO’s Executive Director’s Office, appropriate additional \$500,000 ongoing in Dedicated Credits and reduce the ongoing General Fund appropriation by \$500,000, starting in FY 2025. This will be a sum-zero transaction for the line item but will free up General Fund for other legislative priorities during the 2024 General Session ([p. 22 of the DGO Review](#)).
9. For the Chief Information Officer line item, appropriate additional \$450,000 ongoing in Dedicated Credits, and reduce the ongoing General Fund appropriation by \$450,000, starting in FY 2025. This will be a sum-zero transaction for the line item but will free up General Fund for other legislative priorities during the 2024 General Session ([p. 10 of the DGO Review](#)).
10. Reduce the FY 2024 General Fund appropriation for the Inspector General’s Office by \$125,000 one-time. This amount is the unused portion of the funding from FY 2023 and it can be used for other legislative priorities during the 2024 General Session ([New Funding Follow-up Report – 2023](#)).

Restructuring Actions

11. Rename the Executive Director's Office line item to DGO Administration line item and to create the following new appropriation units to the line item ([p. 22 of the DGO Review](#)):
 - a. Executive Director's Office
 - b. DGO Finance
 - c. Office of Internal Audit
 - d. Office of Resource Stewardship
 - e. DGO Privacy and Security

12. I move to request the Chief Information Officer work with the Legislative Fiscal Analyst's Office to propose additional appropriation units for the CIO and UGRC line items before the start of the 2024 General Session ([p. 10 of the DGO Review](#)).

13. I move to request the following line items work with the Legislative Fiscal Analyst's Office to propose a plan for restructuring their appropriation units that would align with their budget and administrative structures:
 - a. DFCM Administration ([p. 17 of the DGO Review](#)) and
 - b. Purchasing and General Services ([p. 32 of the DGO Review](#)).

Performance Measures Actions

14. I move to request the following line items work with the Legislative Fiscal Analyst's Office to propose additional performance measures and targets before the start of the 2024 General Session:
 - a. Finance Administration ([p. 26 of the DGO Review](#)),
 - b. DHRM ([p. 29 of the DGO Review](#)),
 - c. State Debt Collection ([p. 47 of the DGO Review](#)), and
 - d. Purchasing and General Services ([p. 32 of the DGO Review](#)).

Reporting Actions

15. I move to request the Executive Director of the Department of Government Operations provide the subcommittee during the 2024 General Session the following reports ([p. 22 of the DGO Review](#)):
 - a. An update of the department's consolidation and provide a detailed plan for the next stages and milestones of these efforts.
 - b. Outline specific steps and milestones for implementing a department-wide streamlining of processes, software, functions, and services to achieve efficiencies and savings.
 - c. Provide a plan for how DGO would pay for compensation cost increases with existing appropriations.

Final Motion on Base Budget

Under Joint Rule 3-2-101 and 3-2-402, authorize legislative staff to include in the base budget bill for the Infrastructure and General Government Appropriations Subcommittee the following:

1. The accountable process budget changes adopted earlier today;
2. Ongoing General Fund appropriations defined in the current year's appropriations acts;
3. Federal Fund, Dedicated Credit, Restricted fund and account amounts that are the lesser of current year ongoing appropriations or agency budget requests;
4. Adjustments to nonlapsing balances, transfers, and other dependent amounts as calculated; and

In consultation with the Co-Chairs of the Appropriations Subcommittee, staff may make any technical changes necessary in order to balance the overall budget.

| "Cap O" Project Funding Requests for Investments to Advance Utah's Positioning as an International Winter Sports Capital and Future Games Readiness | | | | | | | | | | Version November-2023 (full project funding method for UOLF) | |
|---|--|---|------------------------|-------------------------|--|---|---------------------------------------|-----------------------------|--|--|--|
| Project Overview | | | Proposed Local Funding | | | Proposed State Funding | | | | Project Details | |
| Utah Venue Region | Project Name | Total Project Cost 2023/24 | Total Local Funds | July 2022 Local Funding | Future Year - Contingent Local Funding | Total State Funding (sum of 3 targetd Leg sessions) | Previous State Funding (2022 Session) | 2023 Updated Target Funding | Pending Future (2024 or later) Funding Request | Impact | |
| 1 | Weber County Sports Complex | Ice Rink Building Expansion & Renovation | \$12,000,000 | \$4,000,000 | \$0 | \$4,000,000 | \$8,000,000 | \$800,000 | \$3,000,000 | \$4,200,000 | Assists local government in renovating venue for everyday use plus possible future Games use; renovation of main rink, locker rooms, concessions, seats. On Hold per Weber County pending Internal Discussions |
| 2 | Provo City - Peaks Ice Arena | Ice Rink Building Expansion & Renovation | \$12,000,000 | \$4,000,000 | \$0 | \$4,000,000 | \$8,000,000 | \$800,000 | \$3,000,000 | \$4,200,000 | Assists local government in renovating venue for everyday use plus possible future Games use; renovation & adjustment of Main sheet to NHL size |
| 3 | West Valley City - Maverik Center | Facility Renovation | \$20,000,000 | \$10,000,000 | \$0 | \$10,000,000 | \$10,000,000 | \$500,000 | \$500,000 | \$9,000,000 | Conceptually planned to renovate: Seats, Locker rooms, Rest Rooms, Front & Back of House Infrastructure, Restaurant & Concession areas, Luxury Suites, and LED Video Board/Electronics |
| 4 | UOLF - Utah Olympic Park | West Peak Mountain Expansion (Phase 2 / Games use) | \$20,000,000 | \$10,000,000 | \$10,000,000 | \$0 | \$10,000,000 | \$9,000,000 | \$1,000,000 | \$0 | Creates an alpine training center / isolates training & Games venue to address resort challenges. Local Sport Club Fundraising accounts for \$8M of Total \$18M Project Costs. |
| 5 | UOLF - Soldier Hollow Nordic Center | Competition Management Building (CMB) & Nordic Center expansion + indoor training space | \$14,700,000 | \$200,000 | \$200,000 | \$0 | \$14,500,000 | \$7,600,000 | \$6,900,000 | \$0 | Renovates & expands key event mgmt building & training center hub for this nordic & biathlon center |
| 6 | SL County - Rink Renovation + added ice rink study | Ice Rink modifications (Int'l to NHL size sheets) + renovation work. Added ice rink capacity study at Utah Olympic Oval | \$8,000,000 | \$4,000,000 | \$0 | \$4,000,000 | \$4,000,000 | \$300,000 | \$0 | \$3,700,000 | Addresses needs to modify technical sheet size for NHL vs Int'l ice sheets plus renovation costs for 3 SLCO practice rinks. Study costs plus small renovation work + 2 of 3 rink conversion to NHL size costs |
| 7 | UOLF - Utah Olympic Park | Advanced Snowmaking System Capacity - Improved Water Delivery & Storage System | \$3,300,000 | \$0 | \$0 | \$0 | \$3,300,000 | \$1,500,000 | \$1,300,000 \$1,800,000 | \$500,000 \$0 | Modernizes & expands snow making capabilities and water delivery volume and improve area water systems. Summit County & local Water Co's as local partners |
| 8 | UOLF - Soldier Hollow Nordic Center | Advanced Snowmaking systems, distribution, & storage | \$3,500,000 | \$0 | \$0 | \$0 | \$3,500,000 | \$500,000 | \$500,000 \$3,000,000 | \$2,500,000 \$0 | Further modernizes snowmaking systems, water delivery and storage systems that will extend seasons |
| 9 | UOLF - Utah Olympic Park | UOP Performance & High-Altitude Training Center | \$18,500,000 | \$0 | \$0 | \$0 | \$18,500,000 | \$500,000 | \$8,000,000 \$0 | \$10,000,000 \$18,000,000 | Creates a state-of-the-art human performance center & offices / clinic spaces for key winter sport stakeholders (NGB's, sport org's, UOLF). Done in partnership with local Health Providers (Intermountain + U of U Health); On Hold pending final funding plan and stakeholder confirmations on involvement |
| 10 | UOLF - Coordinating All Host Venue Community Signage | Updated Venue & Community Signage / Future Host Venue "freshening up" improvements | \$500,000 | \$0 | \$0 | \$0 | \$500,000 | \$500,000 | \$0 | \$0 | UOLF to coordinate an update of 2002 "Look", Signage, and tired looking elements with tie-in to bid & future Games "Look" and messaging: targeted for (10) Comp venues + HVCC Communities. |
| 11 | Athlete Services Support | UOP Residences Debt Service - Remaining P&I | \$15,800,000 | \$0 | \$0 | \$0 | \$15,800,000 | \$0 | \$15,800,000 \$16,000,000 | \$0 | Requesting funding to eliminate remaining Debt service owed on Athlete & Coach housing facility at UOP. Current costs = \$1M/yr for 15 more years. Funding for this would allow UOLF to establish a discounted rate structure for Visiting & Int'l Winter Sport teams; an initiative important to our Bid & Pre-Games efforts. |
| 12 | UOLF Venue Cap X Supplement due to rising expenses | Supplemental funding to help account for increased costs of CAP X 10-yr projection | \$7,000,000 | \$0 | \$0 | \$0 | \$7,000,000 | \$0 | \$0 \$4,800,000 | \$7,000,000 \$2,000,000 | In 2017, UOLF forecasted for a Legislative Audit a financial need of \$44M spread out over 10 years 2018-2028 based on pre-pandemic / pre-high inflation impacts. Requesting an additional \$7M to account for higher pricing and an extension of 2 years to 2030. |
| | | | \$135,300,000 | \$32,200,000 | \$10,200,000 | \$22,000,000 | \$103,100,000 | \$22,000,000 | \$40,000,000 | \$41,100,000 | |
| | | | | | | | | Year 1 | Year 2 Recommendation | Year 3 | Prepared by Colin Hilton, President & CEO of Utah Olympic Legacy Foundation |

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