

17D-2-404 Lease of local entity's site to local building authority.

- (1) A local entity desiring to have a local building authority construct a project for the use of the local entity upon a site that the local entity owns may lease the site to the local building authority for a nominal rental.
- (2) Each lease under Subsection (1) shall grant the local building authority an option to renew the lease on the same terms and conditions if, by the time of the expiration of the lease, the local building authority has not been fully repaid the project costs it actually invested in the project.
- (3) A lease under this section, including any renewal of the lease under Subsection (2), may not exceed the period specified in Subsection 17D-2-402(2).
- (4)
 - (a) As used in this Subsection (4):
 - (i) "Project lease agreement" means a lease agreement between a local building authority and its creating local entity under which the local building authority leases to the creating local entity a project constructed on a site owned by the creating local entity.
 - (ii) "Site lease" means a creating local entity's lease of a site to a local building authority.
 - (b) A local entity that has entered into a site lease with a local building authority may grant the local building authority an option to purchase the site within six months after the termination of the creating local entity's lease payment obligation under the project lease agreement, to be exercised if the creating local entity under the project lease agreement:
 - (i) defaults under the terms of the project lease agreement; and
 - (ii) does not exercise its option to purchase the project under the terms of the project lease agreement.

Enacted by Chapter 360, 2008 General Session