

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AUTHORIZATIONS**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Loraine T. Pace**

7 **LONG TITLE**

8 **General Description:**

9 This bill authorizes certain state agencies and higher education institutions to issue
10 revenue bonds, to enter lease-purchase agreements, or to build capital facilities using
11 agency or institutional funds.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ authorizes the issuance of revenue bonds by the State Building Ownership Authority
- 15 and higher education institutions;
- 16 ▶ authorizes certain state entities to enter into lease-purchase agreements; and
- 17 ▶ authorizes other capital facility construction from agency or institutional funds.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 ENACTS:

24 **63B-13-201**, Utah Code Annotated 1953

25 **63B-13-202**, Utah Code Annotated 1953

26 **63B-13-301**, Utah Code Annotated 1953

27 **63B-13-401**, Utah Code Annotated 1953



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

Section 1. Section **63B-13-201** is enacted to read:

Part 2. 2004 Revenue Bond Authorizations

63B-13-201. Revenue bond authorizations -- State Building Ownership Authority.

(1) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership 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 \$8,205,000 for the acquisition and construction of five stores 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) It is the intent of the Legislature that the stores to be addressed through this authorization are:

- (i) a new Park City store;
- (ii) replacement of the Mount Olympus store;
- (iii) replacement of the North Ogden store;
- (iv) replacement of the Ogden store; and
- (v) expansion of the Provo store.

(c) It is the intent of the Legislature that proceeds from the sale of stores replaced through this authorization shall be deposited in the General Fund.

(d) It is further the intent of the Legislature that increased sales revenues be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (1).

(2) (a) It is the intent of the Legislature that 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 \$8,914,000 for the acquisition and construction of a new regional office building in Ogden, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

59 (b) It is further the intent of the Legislature that existing rent budgets be used as the
60 primary revenue source for repayment of any obligation created under authority of this
61 Subsection (2).

62 (3) (a) It is the intent of the Legislature that the State Building Ownership Authority,
63 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
64 may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in
65 which participation interests may be created, to provide up to \$1,450,000 for the acquisition of
66 the leased regional office building and adjacent land in Moab, together with additional amounts
67 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve
68 requirements.

69 (b) It is further the intent of the Legislature that existing rent budgets be used as the
70 primary revenue source for repayment of any obligation created under authority of this
71 Subsection (3).

72 Section 2. Section **63B-13-202** is enacted to read:

73 **63B-13-202. Revenue Bond Authorizations -- Board of Regents.**

74 (1) It is the intent of the Legislature that:

75 (a) the Board of Regents may issue, sell, and deliver revenue bonds or other evidences
76 of indebtedness of the Board of Regents to borrow money on the credit, revenues, and reserves
77 of the Higher Education Student Loan Program, to finance the cost of acquiring, furnishing,
78 and equipping office space;

79 (b) funds within the Board of Regents' budget that would otherwise be expended for
80 rent be used as the primary revenue source for repayment of any obligation created under
81 authority of this Subsection (1);

82 (c) the bonds or other evidences of indebtedness authorized by this Subsection (1) may
83 provide up to \$3,600,000, together with other amounts necessary to pay costs of issuance, pay
84 capitalized interest, and fund any debt service reserve requirements; and

85 (d) the Board of Regents may not request an increase, beyond that resulting from
86 inflation, in state funds for operations and maintenance of the facility acquired under this
87 authorization.

88 (2) It is the intent of the Legislature that:

89 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and

90 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
91 money on the credit, revenues, and reserves of Utah State University, other than appropriations
92 of the Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a
93 Student Living and Learning Community and a parking terrace;

94 (b) student housing revenues, parking revenues, and other auxiliary revenues be used
95 as the primary revenue source for repayment of any obligation created under authority of this
96 Subsection (2);

97 (c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may
98 provide up to \$35,500,000, together with other amounts necessary to pay costs of issuance, pay
99 capitalized interest, and fund any debt service reserve requirements; and

100 (d) the university may not request state funds for operations and maintenance.

101 (3) It is the intent of the Legislature that:

102 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
103 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
104 money on the credit, revenues, and reserves of Utah State University, other than appropriations
105 of the Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a
106 renovation of Romney Stadium and expansion of the Nelson Fieldhouse, and to repay an
107 internal debt for the purchase of the Student Wellness Center;

108 (b) student fees be used as the primary revenue source for repayment of any obligation
109 created under authority of this Subsection (3);

110 (c) the bonds or other evidences of indebtedness authorized by this Subsection (3) may
111 provide up to \$10,000,000, together with other amounts necessary to pay costs of issuance, pay
112 capitalized interest, and fund any debt service reserve requirements; and

113 (d) the university may not request state funds for operations and maintenance.

114 Section 3. Section **63B-13-301** is enacted to read:

115 **Part 3. 2004 Lease-purchase authorizations**

116 **63B-13-301. Lease-purchase authorizations.**

117 (1) (a) It is the intent of the Legislature that the Administrative Office of the Courts
118 may use existing funds to enter into a lease-purchase agreement with Tooele County for the
119 acquisition of a new courthouse in Tooele costing up to \$7,100,000.

120 (b) It is further the intent of the Legislature that the lease-purchase agreement may not

121 be executed until the Judicial Council has determined that existing budgets of the courts are
122 adequate to cover the repayment of any obligation created under authority of this Subsection
123 (1).

124 (2) (a) It is the intent of the Legislature that the Mountainland Applied Technology
125 Campus of the Utah College of Applied Technology may use existing funds to enter into a
126 lease-purchase agreement with Alpine School District for the acquisition of the Pacific Avenue
127 Applied Technology Facility costing up to \$2,900,000.

128 (b) It is further the intent of the Legislature that a lease may not be executed until the
129 State Building Board has determined that the lease-purchase option is less costly to the state
130 than the current lease.

131 Section 4. Section **63B-13-401** is enacted to read:

132 **Part 4. Capital Facility Construction Authorizations**

133 **63B-13-401. Authorizations to Construct Capital Facilities using institutional or**
134 **agency funds.**

135 (1) It is the intent of the Legislature that:

136 (a) the University of Utah may use federal grants, research funds, and other
137 institutional funds to plan, design, and construct a Department of Chemistry Gauss Haus under
138 the direction of the director of the Division of Facilities Construction and Management unless
139 supervisory authority has been delegated;

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

141 (c) the university may request state funds for operations and maintenance to the extent
142 that the university is able to demonstrate to the Board of Regents that the facility meets
143 approved academic and training purposes under Board of Regents policy R710.

144 (2) It is the intent of the Legislature that:

145 (a) the University of Utah use donations and other institutional funds to plan, design,
146 and construct a College of Health Academic Facility under the direction of the director of the
147 Division of Facilities Construction and Management unless supervisory authority has been
148 delegated;

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

150 (c) the university may request state funds for operations and maintenance to the extent
151 that the university is able to demonstrate to the Board of Regents that the facility meets

152 approved academic and training purposes under Board of Regents policy R710.

153 (3) It is the intent of the Legislature that:

154 (a) the University of Utah use donations and other institutional funds to plan, design,
155 and construct a Geology and Geophysics Building and parking terrace under the direction of
156 the director of the Division of Facilities Construction and Management unless supervisory
157 authority has been delegated;

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

159 (c) the university may request state funds for operations and maintenance to the extent
160 that the university is able to demonstrate to the Board of Regents that the facility meets
161 approved academic and training purposes under Board of Regents policy R710.

162 (4) It is the intent of the Legislature that:

163 (a) Utah State University use donations, federal grants, and other institutional funds to
164 plan, design, and construct a Child Care Facility under the direction of the director of the
165 Division of Facilities Construction and Management unless supervisory authority has been
166 delegated;

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

168 (c) the university may not request state funds for operations and maintenance.

169 (5) It is the intent of the Legislature that:

170 (a) Utah State University use donations, and other institutional funds to plan, design,
171 and construct a replacement Team Building at Romney Stadium under the direction of the
172 director of the Division of Facilities Construction and Management unless supervisory
173 authority has been delegated;

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

175 (c) the university may not request state funds for operations and maintenance.

176 (6) It is the intent of the Legislature that Utah State University use up to \$200,000 of
177 excess funds in its Contingency Reserve from state funded projects to increase the capacity of
178 its chilled water plant.

179 (7) It is the intent of the Legislature that:

180 (a) the Utah College of Applied Technology use donations to plan, design, and
181 construct an Entrepreneurial Building at the Davis ATC campus under the direction of the
182 director of the Division of Facilities Construction and Management unless supervisory

183 authority has been delegated;

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

185 (c) the college may not request state funds for operations and maintenance.

186 (8) It is the intent of the Legislature that:

187 (a) the Utah College of Applied Technology use donations, grants from the Community
188 Impact Board, and existing reserves to plan, design, and construct a technology building at the
189 Blanding campus of the Southeast ATC under the direction of the director of the Division of
190 Facilities Construction and Management unless supervisory authority has been delegated; and

191 (b) the college may request state funds for operations and maintenance.

192 (9) (a) It is the intent of the Legislature that the Department of Workforce Services use
193 up to \$2,801,000 from its Special Administrative Expense Fund to plan, design, and construct
194 an Employment Center in Logan under the direction of the director of the Division of Facilities
195 Construction and Management unless supervisory authority is delegated.

196 (b) It is the intent of the Legislature that, if agreement is reached to acquire a site from
197 Cache County or Logan City for the project, the Division of Facilities Construction and
198 Management may sell or exchange the currently-owned Workforce Services property and apply
199 the proceeds to the acquisition of the site and towards the cost of the project.

200 (10) It is the intent of the Legislature that the Department of Natural Resources use up
201 to \$250,000 of the existing balance in its Wildlife Resources Trust Account to purchase
202 property in Price to be used for a future office complex for the Department of Natural
203 Resources.

204 (11) It is the intent of the Legislature that:

205 (a) the Utah National Guard use federal funds to plan, design, and construct a Total
206 Army School System (TASS) Barracks at Camp Williams under the direction of the director of
207 the Division of Facilities Construction and Management unless supervisory authority has been
208 delegated;

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

210 (c) the National Guard may not request state funds for operations and maintenance.

211 (12) It is the intent of the Legislature that:

212 (a) the Utah National Guard use federal funds to plan, design, and construct a
213 Readiness Center at Camp Williams under the direction of the director of the Division of

214 Facilities Construction and Management unless supervisory authority has been delegated;
215 (b) no state funds be used for any portion of this project; and
216 (c) the National Guard may request state funds for operations and maintenance.
217 (13) It is the intent of the Legislature that:
218 (a) the Department of Public Safety, the Department of Corrections, and Salt Lake
219 Community College use donations, federal funds, and other non-appropriated funds to plan,
220 design, and construct a Western Regional Public Safety Education and Training Center under
221 the direction of the director of the Division of Facilities Construction and Management unless
222 supervisory authority has been delegated or the construction of the project is otherwise exempt
223 from the director's oversight;
224 (b) no state funds be used for any portion of this project other than planning and
225 design;
226 (c) the Department of Public Safety and the Department of Corrections may request
227 state funds for operations and maintenance; and
228 (d) the college may request state funds for operations and maintenance to the extent
229 that the college is able to demonstrate to the Board of Regents that the facility meets approved
230 academic and training purposes under Board of Regents policy R710.

Legislative Review Note
as of 2-24-04 7:18 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

State Impact

This bond provides authorization for the State Building Ownership Authority to issue a bond in the amount of \$8,205,000 for construction or replacement of State Liquor Stores using DABC revenue as a repayment source. It also authorizes the Authority to issue a lease revenue bond in the amount of \$10,414,000 using agency lease payments as a funding source.

The bill further authorizes the Board of Regents to issue bonds that will total \$49,940,000 for a student housing project at USU, a stadium project at USU and to purchase office space for the Commissioner's Office and the Utah Higher Education Assistance Authority. These bonds will be funded using revenue from student fees and revenue from the Student Loan Program.

The bill also authorizes the construction or acquisition of capital assets from non-state funding sources or from donations. If all projects are constructed, the anticipated impact for operation and maintenance of the new facilities will total \$831,000.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
Dedicated Credits Revenue	\$0	(\$200,000)	\$0	\$0
Liquor Control Fund	\$0	\$681,000	\$0	\$0
TOTAL	\$0	\$481,000	\$0	\$0

Individual and Business Impact

No fiscal impact.
