1 **STATE FAIR PARK LEASING AGREEMENTS**

2 2004 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: James M. Evans**

6 **LONG TITLE**

7 **General Description:**

8 This bill provides for leases of the state fair park.

9 **Highlighted Provisions:**

10 This bill:

11 ▸ allows the Division of Facilities Construction and Management to lease the state

12 fair park to the Utah State Fair Corporation for up to 50 years and provides for

13 subleases of up to 50 years.

14 **Monies Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **63A-5-306**, as last amended by Chapter 297, Laws of Utah 1999

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

23 Section 1. Section **63A-5-306** is amended to read:

24 **63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities**

25 **-- Limits on debt or obligations.**

26 (1) As used in this section:

27 (a) "Corporation" means the Utah State Fair Corporation created in Section 9-4-1103.

28          (b)  "Division" means the Division of Facilities Construction and Management.

29          (c)  "State fair park" means the property and buildings owned by the state located at 155

30   North 1000 West, Salt Lake City, Utah.

31          (2)  The division shall:

32          (a) lease the state fair park to the corporation for a period beginning July 1, 1997, and

33   ending June 30, 2017, at which time the lease may be renewed:

34          (i)  at the discretion of the division; and

35          (ii)  for any time period negotiated with the corporation;

36          (b)  ensure that the lease:

37          (i)  defines which party is responsible for repairs and maintenance to the grounds and

38   buildings;

39          (ii)  defines any restrictions on the use of the property or buildings, including the

40   construction of any new buildings or facilities at the state fair park;

41          (iii)  requires that for each year under the lease the corporation holds a state fair meeting

42   the requirements of Subsection 9-4-1103(5)(a)(vi); and

43          (iv)  provides for the renegotiation or termination of the lease if the corporation:

44          (A)  no longer operates as an independent public nonprofit corporation as provided in

45   Title 9, Chapter 4, Part 11, Utah State Fair Corporation Act; or

46          (B)  engages in any activity inconsistent with Title 9, Chapter 4, Part 11, Utah State Fair

47   Corporation Act; and

48          (c)  if the lease described in Subsection (2)(a) is amended or renewed after the effective

49   date of this act and except as provided in Subsection (3), requires the corporation under the

50   lease to:

51          (i)  obtain the approval of the State Building Board before demolishing a facility at the

52   state fair park; and

53          (ii)  include the approval requirement described in Subsection (2)(c)(i) in any sublease

54   entered into, renewed, or amended after the effective date of this act.

55          (3) (a)  The approval required under Subsection (2)(c) does not apply to a facility

56   demolished in accordance with a contract entered into but not amended before the effective

57   date of this act.

58          (b)  Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a)

59    is demolished, the corporation shall notify the division concerning any demolishing of the

60    facility.

61         (4)  The State Building Board shall notify the state historic preservation office of any

62    State Building Board meeting at which consideration will be given to a proposal to demolish

63    facilities at the state fair park.

64         (5) (a)  Notwithstanding Subsection (2), the division may review and adjust the amount

65    of any payments made by the corporation under the lease every three years beginning July 1,

66    2000.

67         (b) (i)  [Notwithstanding] Beginning July 1, 2004, and notwithstanding Subsection

68    (2)(a), the division may lease the state fair park to the corporation for a period [beginning July

69    1, 1997, and ending no later than June 30, 2039] of up to 50 years, if the corporation

70    demonstrates to the satisfaction of the division that the extension of the lease period will result

71    in significant capital improvements at the state fair park by a private  §  **OR PUBLIC**  §  entity.

72         (ii)  The corporation may enter into a sublease of up to 50 years, subject to satisfying

73    the requirements of Subsections (2)(c)(i) and (5)(b)(i).

74         (6)  The state shall assume the responsibilities of the corporation under any contract that

75    is in effect on the day a lease between the division and the corporation terminates if:

76         (a)  the contract is for the lease or construction of a building or facility at the state park;

77    and

78         (b)  the lease between the division and the corporation is terminated in accordance with

79    Subsection (2)(b)(iv).

80         (7) (a)  Payments made by the corporation under a lease with the division shall be

81    deposited into the Capital Project Fund.

82         (b)  If, in accordance with Subsection (3), the payments made by the corporation under

83    a lease with the division are increased from the amount paid on July 1, 1997, the lease

84    payments made by the division shall be dedicated to capital improvements at the state fair park

85    unless, as part of the capital budget, the Legislature directs that the monies be used for other

86    capital improvements.

87         (8) (a)  A debt or obligation contracted by the corporation is a debt or obligation of the

88    corporation.

89         (b)  The state is not liable for and assumes no legal or moral responsibility for any debt

90   or obligation described in Subsection (8)(a), unless the Legislature through statute or an

91   appropriation act specifically:

92           (i)  authorizes the corporation to contract for that debt or obligation; and

93           (ii)  accepts liability for or assumes responsibility for the debt or obligation.

## State Impact

No fiscal impact.

## Individual and Business Impact

No fiscal impact.

**Office of the Legislative Fiscal Analyst**