

STATE FAIR PARK LEASING AGREEMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: James M. Evans

LONG TITLE

General Description:

This bill provides for leases of the state fair park.

Highlighted Provisions:

This bill:

▶ allows the Division of Facilities Construction and Management to lease the state fair park to the Utah State Fair Corporation for up to 50 years and provides for subleases of up to 50 years.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities -- Limits on debt or obligations.

(1) As used in this section:

(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 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.

Legislative Review Note
as of 2-11-04 4:25 PM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0234

State Fair Park Leasing Agreements

18-Feb-04

12:55 PM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst