

1                                   **REVENUE BONDS AND CAPITAL**  
2                                   **FACILITIES AUTHORIZATIONS**

3                                   2005 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: D. Gregg Buxton**

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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-14-301**, Utah Code Annotated 1953

25          **63B-14-302**, Utah Code Annotated 1953

26          **63B-14-401**, Utah Code Annotated 1953

27          **63B-14-501**, Utah Code Annotated 1953



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

Section 1. Section **63B-14-301** is enacted to read:

**Part 3. 2005 Revenue Bond Authorizations**

**63B-14-301. Revenue Bond Authorizations -- State Building Ownership**

**Authority.**

(1) 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 \$7,867,000 for the acquisition and construction of three 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.

(2) It is the intent of the Legislature that the stores to be addressed through this authorization are:

(a) a new wine store in the downtown Salt Lake City area;

(b) a new store in Washington County; and

(c) a new store in southwest Salt Lake County.

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

(a) increased sales revenues be used as the primary revenue source for repayment of any obligation created under authority of this subsection; and

(b) the Department of Alcoholic Beverage Control may request operation and maintenance funding from sales revenues.

Section 2. Section **63B-14-302** is enacted to read:

**63B-14-302. Revenue Bond Authorizations -- Board of Regents.**

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

(a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the University of Utah, other than appropriations of the Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a west wing and parking expansion at the University Hospital;

59 (b) hospital ~~H~~→ [and parking] ←~~H~~ revenues be used as the primary revenue source  
 59a for repayment

60 of any obligation created under authority of this Subsection (1);

61 (c) the bonds or other evidences of indebtedness authorized by this Subsection (1) may  
 62 provide up to \$42,000,000, together with other amounts necessary to pay costs of issuance, pay  
 63 capitalized interest, and fund any debt service reserve requirements;

64 (d) funds from the University Hospital Foundation, hospital operations, and other  
 65 institutional funds be used to fund the balance of the project costs;

66 (e) the University of Utah may plan, design, and construct a west wing and parking  
 67 expansion at the University Hospital under the direction of the director of the Division of  
 68 Facilities Construction and Management unless supervisory authority has been delegated; and

69 (f) the university may not request state funds for operations and maintenance.

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

71 (a) the Board of Regents, on behalf of Weber State University, may issue, sell, and  
 72 deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow  
 73 money on the credit, revenues, and reserves of Weber State University, other than  
 74 appropriations of the Legislature, to finance the cost of renovating the Shepherd Union  
 75 Building;

76 (b) student fees be used as the primary revenue source for repayment of any obligation  
 77 created under authority of this Subsection (2);

78 (c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may  
 79 provide up to \$20,000,000, together with other amounts necessary to pay costs of issuance, pay  
 80 capitalized interest, and fund any debt service reserve requirements;

81 (d) Weber State University may plan, design, and renovate the Shepherd Union  
 82 Building under the direction of the director of the Division of Facilities Construction and  
 83 Management unless supervisory authority has been delegated; and

84 (e) the university may not request state funds for operations and maintenance.

85 Section 3. Section **63B-14-401** is enacted to read:

86 **Part 4. 2005 Lease-Purchase Authorizations**

87 **63B-14-401. Lease-purchase authorizations.**

88 It is the intent of the Legislature that the Mountainland Applied Technology Campus of  
 89 the Utah College of Applied Technology may use existing funds to enter into a lease-purchase

90 agreement for the development of an applied technology facility in Spanish Fork costing up to  
91 \$3,250,000.

92 Section 4. Section **63B-14-501** is enacted to read:

93 **Part 5. Capital Facility Construction Authorizations**

94 **63B-14-501. Authorizations to construct capital facilities using institutional or**  
95 **agency funds.**

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

97 (a) the University of Utah use donations and other institutional funds to plan, design,  
98 and construct an addition to the Social Work Building under the direction of the director of the  
99 Division of Facilities Construction and Management unless supervisory authority has been  
100 delegated;

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

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

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

106 (a) the University of Utah use donations and other institutional funds to plan, design,  
107 and construct the first phase of a College of Humanities Building under the direction of the  
108 director of the Division of Facilities Construction and Management unless supervisory  
109 authority has been delegated;

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

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

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

115 (a) Snow College use donations and other institutional funds to plan, design, and  
116 construct improvements to its football stadium under the direction of the director of the  
117 Division of Facilities Construction and Management unless supervisory authority has been  
118 delegated;

119 (b) the contractor may be required to provide for financing of construction costs, if  
120 necessary, to cover the timing of cash flow of committed donations;

121 (c) Snow College retain financial responsibility for all project costs through its  
122 commitment, if necessary, to raise student fees and seek future approval of a revenue bond;

123 (d) no state funds be used for any portion of this project; and

124 (e) the college may not request additional state funds for operations and maintenance.

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

126 (a) the Department of Corrections use donations and institutional funds provided by  
127 Snow College to plan, design, and construct an expansion of the education area at the Central  
128 Utah Correctional Facility under the direction of the director of the Division of Facilities  
129 Construction and Management unless supervisory authority has been delegated;

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

131 (c) the Department of Corrections may request state funds for operations and  
132 maintenance.

133 (5) It is the intent of the Legislature that the Administrative Office of the Courts  
134 exercise its option to purchase the West Valley courthouse using equity accrued through its  
135 lease payments.

136 (6) It is the intent of the Legislature that:

137 (a) the Department of Natural Resources, Division of Wildlife Resources, use up to  
138 \$938,000 from the General Fund Restricted -- Fish Hatchery Maintenance Account to plan,  
139 design, and construct a Fisheries Experiment Station Technical Services Building under the  
140 direction of the director of the Division of Facilities Construction and Management unless  
141 supervisory authority has been delegated; and

142 (b) the Department of Natural Resources may not request state funds for operations and  
143 maintenance.

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

145 (a) the Utah National Guard use federal funds to plan, design, and construct a  
146 Readiness Center for the 85th Civil Support Team 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 Utah National Guard may request state funds for operations and maintenance.

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

152 (a) the Utah National Guard use federal funds to plan, design, and construct a Joint  
153 Forces Headquarters addition under the direction of the director of the Division of Facilities  
154 Construction and Management unless supervisory authority has been delegated;

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

156 (c) the Utah National Guard may request state funds for operations and maintenance.

157 (9) It is the intent of the Legislature that:

158 (a) the Utah National Guard use federal funds to plan, design, and construct a 19th  
159 Special Forces Armory addition under the direction of the director of the Division of Facilities  
160 Construction and Management unless supervisory authority has been delegated;

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

162 (c) the Utah National Guard may request state funds for operations and maintenance.

163 (10) It is the intent of the Legislature that:

164 (a) the Utah National Guard use federal funds to plan, design, and construct a  
165 Readiness Center for the 117th Utilities Detachment and the 120th Quartermaster Detachment  
166 under the direction of the director of the Division of Facilities Construction and Management  
167 unless supervisory authority has been delegated;

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

169 (c) the Utah National Guard may request state funds for operations and maintenance.

170 (11) It is the intent of the Legislature that the Division of Facilities Construction and  
171 Management negotiate and enter into an agreement with the city of St. George for the future  
172 exchange of the current courthouse property in St. George for a replacement court facility site,  
173 with the exchange of title occurring after funding is authorized by the Legislature for the  
174 construction of the replacement facility.

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**Legislative Review Note**  
**as of 2-15-05 2:46 PM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

**State Impact**

This bill provides authorization for the State Building Ownership Authority to issue revenue bonds in the amount of \$7,867,000 for three new state liquor stores, using Department of Alcoholic Beverage Control revenue as the repayment source. Anticipated debt service is approximately \$575,000 per year for 20 years.

The bill also authorizes the State Board of Regents to issue revenue bonds that will total \$62,000,000 for a new west wing and parking expansion at the University of Utah Hospital, and to renovate the Shepherd Union Building at Weber State University. These bonds will be paid back from hospital operations and student fees over 20 years.

The bill further authorizes the construction or acquisition of capital assets from non-state funding sources or from donations.

If all projects are constructed, anticipated annual state-funded operation and maintenance impacts total \$475,400, as follows:

Corrections Gunnison Education Area Expansion:	\$48,300
University of Utah Social Work Building Addition:	\$83,000
University of Utah Humanities Building Phase I:	\$264,200
Four National Guard Future Projects:	\$79,900

The Corrections and University of Utah Buildings are expected to be completed in FY 2008 or later. The four National Guard projects will not be completed until FY 2010 or later.

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**Individual and Business Impact**

No fiscal impact.