

1                                   **UTAH ATHLETIC FOUNDATION RESOLUTION**

2   2006 GENERAL SESSION

3   STATE OF UTAH

4   **Chief Sponsor: David Ure**

5   Senate Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9               This joint resolution approves the negotiation of the sale of a portion of the Winter  
10 Sports Park under certain conditions and addresses other issues related to the Utah  
11 Athletic Foundation.

12 **Highlighted Provisions:**

13               This resolution:

- 14               ▶ approves the Foundation's negotiation of a sale of a portion of the Winter Sports  
15 Park under certain conditions;
- 16               ▶ authorizes changes to the governing documents of the Foundation including:
  - 17               • modifications to the purposes of the Foundation;
  - 18               • revisions to the Foundation's investment policy; and
  - 19               • modifications of requirements related to the board of directors;
- 20               ▶ directs changes to the governing documents of the Foundation regarding the  
21 imposition of a minimum number of voting members on the board of directors;
- 22               ▶ requires the Foundation provide the Legislature amended governing documents;
- 23               ▶ addresses the effect of this resolution on prior resolutions; and
- 24               ▶ provides for the distribution of the resolution.

25 **Special Clauses:**

26               None

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28 *Be it resolved by the Legislature of the state of Utah:*

29 WHEREAS, as used in this resolution:

30 (1) "Foundation" means the Utah Athletic Foundation;

31 (2) "Purchase Agreement" means the Winters Sports Facility Purchase Agreement  
32 Between the Utah Sports Authority, as Seller and the Salt Lake City Bid Committee for the  
33 Olympic Winter Games, as Purchaser executed August 1, 1994, as amended; and

34 (3) "Winter Sports Park" means the Foundation's winter sports park and access road  
35 from State Highway 224 located in Summit County, Utah, consisting of certain real property  
36 and all improvements thereon, including three separate venues, a nordic ski jump complex, a  
37 freestyle aerial jump and pool complex, and a bobsled and luge track together with associated  
38 facilities and all rights-of-way and other rights of ingress and egress that the Foundation owns;

39 WHEREAS, the Salt Lake Organizing Committee of the Olympic Winter Games of  
40 2002 successfully hosted the Olympic Winter Games of 2002;

41 WHEREAS, the state contributed in significant ways to the success of the Olympic  
42 Winter Games of 2002 including building winter sports facilities used in hosting the Olympic  
43 Winter Games of 2002;

44 WHEREAS, because of the success of the Olympic Winter Games of 2002, the  
45 Foundation has received over \$70,000,000 from the revenues of the Olympic Winter Games of  
46 2002;

47 WHEREAS, S.J.R. 17, 1994 General Session, and subsequent joint resolutions of the  
48 Legislature govern the sale of the Winter Sports Park and payment of a Legacy Fund to the  
49 Foundation by the Salt Lake Organizing Committee for the operation and maintenance of  
50 certain Olympic venues operated by the Foundation;

51 WHEREAS, S.J.R. 17, 1994 General Session, and subsequent joint resolutions of the  
52 Legislature address various aspects of the structure and governance of the Foundation;

53 WHEREAS, the board of directors of the Foundation should be held to the standards of  
54 other similar organizations in its implementation of an investment policy;

55 WHEREAS, the citizens of Utah have an interest in the long-term financial and  
56 operational success of the Foundation because of the importance of winter sports to the state  
57 and because of the reversionary interest the state has in the Winter Sports Park under specified  
58 circumstances;

59 WHEREAS, ongoing communication and openness between the Foundation and the  
60 citizens of the state will promote the long-term viability of the Foundation's operations and  
61 foster the Foundation's charge to benefit Utah's citizens;

62 WHEREAS, the Foundation has an opportunity to sell a portion of the Winter Sports  
63 Park for private development of a condominium hotel;

64 WHEREAS, the Foundation believes that a sale negotiated in accordance with this joint  
65 resolution will help improve the long-term viability of the Winter Sports Park; and

66 WHEREAS, legislative approval is required for the Foundation to negotiate the sale of  
67 any real property of the Winter Sports Park:

68 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah  
69 approves the Foundation negotiating the sale of a portion of the property under the conditions  
70 set forth in this resolution. The Legislature's approval terminates the day on which the  
71 Foundation fails to comply with this resolution in negotiating the sale. The conditions are as  
72 follows:

73 (1) the negotiated sale may not be for more than 5% of the acreage of the Winter Sports  
74 Park;

75 (2) the sale may be made only for the development of a condominium hotel on the  
76 portion of the Winter Sports Park being sold;

77 (3) the board of directors of the Foundation shall ensure that the transaction involving  
78 the sale of a portion of the Winter Sports Park provides for a fair return on the value of the real  
79 property being sold by the Foundation;

80 (4) the final agreement for the sale of a portion of the Winter Sports Park must be  
81 executed by all parties by no later than December 31, 2006;

82 (5) the Foundation must obtain, prior to execution of any agreement that obligates the  
83 Foundation to sell a portion of the Winters Sports Park, any necessary written approval or other  
84 action by the Governor required for the development of a condominium hotel on the portion of  
85 the Winter Sports Park that is subject to negotiation for sale, including requirements under the  
86 Purchase Agreement;

87 (6) the Foundation may encumber that portion of the Winter Sports Park that is not  
88 being sold, including the granting of rights-of-way, only to the extent:

89 (a) necessary for the reasonable operation of a condominium hotel on the portion of the

90 Winter Sports Park being sold; and

91 (b) approved in writing by the Governor after the Governor determines that the  
92 Foundation is legally able to encumber the Winter Sports Park;

93 (7) before executing any agreement obligating the Foundation to sell a portion of the  
94 Winter Sports Park, the Foundation must obtain a written legal opinion that any legal  
95 requirements or restrictions related to the sale of a portion of the Winter Sports Park can be  
96 satisfied prior to the execution of the sale of a portion of the Winter Sports Park; and

97 (8) the Foundation must enter into an agreement with the Governor's office to  
98 indemnify, hold harmless, and release the state and any of its entities, officers, members,  
99 agents, volunteers, and employees from and against any and all losses, claims, damages,  
100 injuries, liabilities, suits, or proceedings arising out of the transaction to sell a portion of the  
101 Winter Sports Park or the performance of that transaction including without limitation court  
102 costs, reasonable attorneys' fees and disbursements, and all amounts paid in investigation,  
103 defense, or settlement in connection with, arising out of, or resulting from a transaction to sell a  
104 portion of the Winter Sports Park.

105 BE IT FURTHER RESOLVED that prior to the Governor providing any approval or  
106 other action required for the development of a condominium hotel on the portion of the Winter  
107 Sports Park that is subject to negotiation for sale:

108 (1) the Governor or the Governor's designee shall meet with the Legislative  
109 Management Committee regarding the Governor's decision as to whether or not to grant the  
110 approval or take other action; and

111 (2) the Governor shall take reasonable steps to ensure that any legal requirements or  
112 restrictions on the state related to the sale of a portion of the Winter Sports Park can be  
113 satisfied prior to the execution of the sale of a portion of the Winter Sports Park.

114 BE IT FURTHER RESOLVED that the Legislature of the state of Utah authorizes the  
115 Foundation to amend its articles of incorporation and bylaws by no later than July 1, 2006 to do  
116 the following:

117 (1) delete references in the purposes of the Foundation concerning the assumption of  
118 the Community Ice Sheet Lease Operation and Maintenance Agreement among Weber County,  
119 the Utah Sports Authority, and Weber State University if permitted by contract;

120 (2) notwithstanding prior joint resolutions and subject to all other prior joint resolution

121 requirements, modify the membership qualifications for members of the board of directors as  
122 follows:

123 (a) delete the requirement that one member reside in and represent the interests of  
124 Wasatch County;

125 (b) modify the reference to a member residing in Salt Lake County to read as follows:  
126 "one member residing in Salt Lake County who is familiar with the needs and interests of the  
127 Utah Olympic Oval"; and

128 (c) modify the reference to a member residing in Summit County to read as follows:  
129 "one member residing in Summit County who is familiar with the needs and interests of the  
130 Utah Olympic Park"; and

131 (3) notwithstanding H.J.R 25, 2002 General Session, provide that the investment  
132 policy of the Foundation read as follows: "adopt and comply with an investment policy which  
133 policy shall provide for investment management of the type appropriate for a trust or  
134 endowment fund managed with the exercise of that degree of judgment and care, under the  
135 circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise  
136 in the management of their own affairs".

137 BE IT FURTHER RESOLVED that the Legislature of the state of Utah directs the  
138 Foundation to amend its articles of incorporation and bylaws by no later than July 1, 2006 to  
139 require that the board of directors of the Foundation have no fewer than 11 voting members.

140 BE IT FURTHER RESOLVED that the Foundation use its best efforts to develop a  
141 plan for the long-term funding of the operations at the Utah Olympic Oval through user fees  
142 and other private funding.

143 BE IT FURTHER RESOLVED that the Foundation provide a copy of amended articles  
144 of incorporation and bylaws adopted by the board of directors that conform to this joint  
145 resolution to the Legislature through the Office of Legislative Research and General Counsel.

146 BE IT FURTHER RESOLVED that S.J.R. 17, 1994 General Session, and subsequent  
147 resolutions relating to the Winter Sports Park and the Foundation remain in full force and  
148 effect except to the extent that they are expressly superseded by this joint resolution.

149 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Foundation.

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**Legislative Review Note**

**as of 2-13-06 3:39 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**

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**Fiscal Note**  
**Bill Number HJR030**

**Utah Athletic Foundation Resolution**

*16-Feb-06*

*11:10 AM*

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**AMENDED NOTE**

**State Impact**

Mailing provisions of this resolution can be handled within existing budgets.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**