

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AUTHORIZATIONS**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: D. Gregg Buxton**

6 Senate Sponsor: Scott K. Jenkins

7

8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes certain state agencies and higher education institutions to issue
11 revenue bonds, build capital facilities using agency or institutional funds, or acquire or
12 exchange property.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ authorizes the issuance of revenue bonds by the State Building Ownership Authority
16 and the State Board of Regents;
- 17 ▶ authorizes other capital facility construction from agency or institutional funds;
- 18 ▶ authorizes the acquisition or exchange of certain higher education property;
- 19 ▶ approves the sale of a state building and directs the use of the sale proceeds;
- 20 ▶ approves the purchase of a building and directs its use; and
- 21 ▶ directs that the Division of Facilities Construction and Management enter into a
22 lease with the new owner of the sold building to allow the building's current tenants
23 to continue to occupy it until alternatives become available.

24 **Monies Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 ENACTS:

- 30 **63B-16-101**, Utah Code Annotated 1953
- 31 **63B-16-102**, Utah Code Annotated 1953
- 32 **63B-16-201**, Utah Code Annotated 1953
- 33 **63B-16-301**, Utah Code Annotated 1953

34

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

36 Section 1. Section **63B-16-101** is enacted to read:

37 **CHAPTER 16. 2007 FINANCING AUTHORIZATIONS**

38 **Part 1. Revenue Bond Authorizations**

39 **63B-16-101. Revenue Bond Authorizations -- State Building Ownership**

40 **Authority.**

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

42 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
43 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
44 into or arrange for a lease-purchase agreement in which participation interests may be created,
45 to provide up to \$5,662,000 for the acquisition and construction of three stores for the
46 Department of Alcoholic Beverage Control, together with additional amounts necessary to pay
47 costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

48 (b) the stores to be addressed through this authorization are:

49 (i) expansion of the North Temple store in Salt Lake County;

50 (ii) expansion of the Taylorsville store in Salt Lake County; and

51 (iii) reconstruction of the Bountiful store in Davis County;

52 (c) increased sales revenues be used as the primary revenue source for repayment of
53 any obligation created under authority of this section; and

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

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

57 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter

58 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
59 into or arrange for a lease-purchase agreement in which participation interests may be created,
60 to provide up to \$1,476,000 for the acquisition and construction of a production warehouse for
61 Utah Correctional Industries, together with additional amounts necessary to pay costs of
62 issuance, pay capitalized interest, and fund any debt service reserve requirements;

63 (b) Utah Correctional Industries' revenues be used as the primary revenue source for
64 repayment of any obligation created under authority of this section;

65 (c) Utah Correctional Industries may plan, design, and construct the production
66 warehouse subject to requirements in Section 63A-5-206; and

67 (d) Utah Correctional Industries may not request state funds for operation and
68 maintenance costs or capital improvements.

69 Section 2. Section **63B-16-102** is enacted to read:

70 **63B-16-102. Revenue Bond Authorizations -- Board of Regents.**

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

72 (a) when the University of Utah certifies to the Board of Regents that the university has
73 obtained reliable commitments, convertible to cash, of \$15,000,000 or more in nonstate funds
74 to construct an on-campus student life center, the Board of Regents, on behalf of the University
75 of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the
76 University of Utah to borrow money on the credit, revenues, and reserves of the University of
77 Utah, other than appropriations from the Legislature, to finance the cost of constructing an
78 on-campus student life center;

79 (b) student recreation fees be used as the primary revenue source for repayment of any
80 obligation created under authority of this section;

81 (c) the University of Utah may increase student recreation fees to not more than \$60
82 per semester for not more than 20 years, and use those revenues, together with the \$15,000,000
83 collected under Subsection (1)(a), to service the student life center revenue bond debt;

84 (d) the bonds or other evidences of indebtedness authorized by this section may
85 provide up to \$42,500,000, together with other amounts necessary to pay costs of issuance, pay

86 capitalized interest, and fund any debt service reserve requirements:

87 (e) the University of Utah may plan, design, and construct the on-campus student life
88 center subject to requirements in Section 63A-5-206; and

89 (f) the university may not request state funds for operation and maintenance costs or
90 capital improvements.

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

92 (a) the Board of Regents, on behalf of Southern Utah University, may issue, sell, and
93 deliver revenue bonds or other evidences of indebtedness of Southern Utah University to
94 borrow money on the credit, revenues, and reserves of Southern Utah University, other than
95 appropriations of the Legislature, to finance the cost of constructing on-campus student
96 dormitories;

97 (b) student housing rental fees be used as the primary revenue source for repayment of
98 any obligation created under authority of this section;

99 (c) the bonds or other evidences of indebtedness authorized by this section may provide
100 up to \$17,500,000, together with other amounts necessary to pay costs of issuance, pay
101 capitalized interest, and fund any debt service reserve requirements;

102 (d) Southern Utah University may plan, design, and construct the on-campus student
103 dormitories subject to requirements in Section 63A-5-206; and

104 (e) the university may not request state funds for operation and maintenance costs or
105 capital improvements.

106 Section 3. Section **63B-16-201** is enacted to read:

107 **Part 2. Capital Facility Construction Authorizations**

108 **63B-16-201. Authorizations to construct capital facilities using institutional or**
109 **agency funds.**

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

111 (a) Utah State University may, subject to requirements in Section 63A-5-206, plan,
112 design, and construct a classroom building funded and owned by Tooele County on the
113 university's Tooele campus;

114 (b) no state funds be used for any portion of this project, including for future purchase
115 or otherwise acquiring the building from Tooele County;

116 (c) the university may not request state funds for operation and maintenance costs or
117 capital improvements while the building is not owned by the university; and

118 (d) the university may request state funds for operations and maintenance costs and
119 capital improvements if the building is donated to the university and if the university is able to
120 demonstrate to the Board of Regents that the facility meets approved academic and training
121 purposes under Board of Regents policy R710.

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

123 (a) Weber State University may, subject to requirements in Section 63A-5-206, use
124 donations and other institutional funds to plan, design, and construct a Lifelong Learning
125 Center;

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

127 (c) the university may request state funds for operations and maintenance costs and
128 capital improvements to the extent that the university is able to demonstrate to the Board of
129 Regents that the facility meets approved academic and training purposes under Board of
130 Regents policy R710.

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

132 (a) Salt Lake Community College may, subject to requirements in Section 63A-5-206,
133 use institutional funds to plan, design, and construct a Facilities/Security/Parking Services
134 Building;

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

136 (c) the college may request state funds for operations and maintenance costs and capital
137 improvements to the extent that the college is able to demonstrate to the Board of Regents that
138 the facility meets approved academic and training purposes under Board of Regents policy
139 R710.

140 Section 4. Section **63B-16-301** is enacted to read:

141 **Part 3. Property Acquisition, Sale, Lease, and Exchange Authorizations**

142 **63B-16-301. Authorizations to acquire, sell, lease, or exchange property.**

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

144 (a) the Southeast Applied Technology Campus of the Utah College of Applied
145 Technology and the College of Eastern Utah may cooperatively enter into negotiations with a
146 nonstate entity and complete a real property exchange to acquire an applied technology facility
147 in Price;

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

149 (c) the college may request state funds for operations and maintenance costs and capital
150 improvements to the extent that the college is able to demonstrate to the Board of Regents that
151 the facility meets approved academic and training purposes under Board of Regents policy
152 R710.

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

154 (a) the Mountainland Applied Technology Campus of the Utah College of Applied
155 Technology may exercise its option to purchase additional property in northern Utah County
156 adjacent to property purchased with the appropriation in Chapter 367, Item 41, Laws of Utah
157 2006;

158 (b) the purchase be financed through donations, institutional funds, a land exchange
159 involving Lehi City and the Utah Transit Authority, or some combination of donations,
160 institutional funds, and a land exchange involving Lehi City and the Utah Transit Authority for
161 future development of a commuter rail station;

162 (c) the purchase be conducted under the direction of the director of the Division of
163 Facilities Construction and Management; and

164 (d) no state funds be used for any portion of this purchase.

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

166 (a) the Department of Human Services Complex located at 120 North 200 West, Salt
167 Lake City, Utah be sold for \$11,000,000;

168 (b) that the proceeds from the sale be used to:

169 (i) payoff the outstanding bond on the Human Services Complex;

170 (ii) purchase the Brigham Young University Salt Lake Center located at 3760 South
171 Highland Drive, Salt Lake City, Utah for up to \$6,000,000 for occupancy by the Utah State
172 Board of Education Schools for the Deaf and Blind; and
173 (iii) the remaining funds be used to remodel the Salt Lake Center; and
174 (c) the Division of Facilities, Construction and Management enter into a lease with the
175 buyer of the Human Services Complex for and on behalf of the Department of Human Services
176 that allows the Department of Human Services to continue to occupy the complex for the
177 period of time needed for the state to purchase, construct, or lease a replacement facility for the
178 Department of Human Services.