

**REVENUE BOND AUTHORIZATION FOR
STATE FAIR PARK**

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Neal B. Hendrickson

Senate Sponsor: Mike Dmitrich

LONG TITLE

General Description:

This bill authorizes the State Building Ownership Authority to issue revenue bonds for the construction of an arena at the state fair park.

Highlighted Provisions:

This bill:

▶ authorizes the State Building Ownership Authority to issue a \$10,500,000 lease-purchase revenue bond to construct an arena at the state fair park.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63B-17-101, Utah Code Annotated 1953

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

Section 1. Section **63B-17-101** is enacted to read:

CHAPTER 17. 2008 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2008 Revenue Bond Authorizations



28 **63B-17-101. Revenue bond authorizations -- State Building Ownership Authority.**

29 (1) It is the intent of the Legislature that the State Building Ownership Authority, under
30 the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may
31 issue or execute obligations, or enter into or arrange for a lease purchase agreement in which
32 participation interests may be created, to provide up to \$10,500,000 for the construction of an
33 arena at the state fair park, together with additional amounts necessary to:

- 34 (a) pay costs of issuance;
- 35 (b) pay capitalized interest; and
- 36 (c) fund any debt service reserve requirements.

37 (2) The State Building Ownership Authority shall work cooperatively with the board of
38 directors of the Utah State Fair Corporation to seek out the most effective and prudent
39 lease-purchase plan available.

Legislative Review Note
as of 2-8-08 12:32 PM

Office of Legislative Research and General Counsel

H.B. 497 - Revenue Bond Authorization for State Fair Park

Fiscal Note

2008 General Session
State of Utah

State Impact

Enactment of this bill will require \$858,000 to pay the annual debt service on a twenty year tax-exempt bond with one year of capitalized interest; and would generate \$11,090,000 in revenue from the issuance of bonds: \$10,500,000 for building construction, \$370,000 for capitalized interest, and \$220,000 for costs of issuance. Actual debt service will depend on the term of the bonds, the number of years of capitalized interest, and whether the bonds qualify for tax-exempt status. The State Fair Park estimates that the construction of this arena will generate sufficient revenue to pay the operating costs and debt service on the new building by the third year of operation. The State Fair Park anticipates funding the revenue shortfall needed to pay the debt service in the first three years out of their operating budget. If actual revenue is less than estimated due to inclement weather, lower than anticipated ticket sales, or for any other reason; the State may be required to fund the difference so as not to default on the bond.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Dedicated Credits	\$0	\$370,000	\$858,000	\$0	\$0	\$858,000
Total	\$0	\$370,000	\$858,000	\$0	\$0	\$858,000

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs for individuals, businesses, or local governments; though certain individuals, businesses, and local governments may benefit from a new arena.