

REVENUE BONDS AND CAPITAL FACILITIES AUTHORIZATIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill authorizes certain state agencies and institutions to issue revenue bonds and authorizes the construction or lease of certain capital facilities.

Highlighted Provisions:

This bill:

- ▶ authorizes the State Building Ownership Authority to issue revenue bonds as follows:
 - up to \$5,451,800 for constructing a Pleasant Grove or Lehi market area liquor store; and
 - up to \$8,659,000 for reconstructing the Store 4: Foothill liquor store;
- ▶ authorizes the Board of Regents to issue revenue bonds as follows:
 - up to \$105,217,000 for constructing a south campus student housing and dining project at the University of Utah;
 - up to \$31,400,000 for constructing the Space Dynamics Laboratory Phase II at Utah State University; and
 - up to \$13,000,000 for constructing a student center on the Jordan Campus at Salt Lake Community College;
- ▶ authorizes Weber State University to use up to \$17,604,700 of agency, institutional, or donated funds to plan, design, and construct the Davis Campus Computer and Automotive Engineering Building and authorizes the use of state funds for operation and maintenance costs and capital improvements of the building; and
- ▶ modifies an existing authorization to allow the Governor's Office of Economic

Development to lease, rather than construct, a building for a Southern Utah Welcome Center.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63B-24-201, as enacted by Laws of Utah 2015, Chapter 281

ENACTS:

63B-28-101, Utah Code Annotated 1953

63B-28-102, Utah Code Annotated 1953

63B-28-201, Utah Code Annotated 1953

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

Section 1. Section **63B-24-201** is amended to read:

63B-24-201. Authorizations to design and construct capital facilities using institutional or agency funds.

(1) The Legislature intends that:

(a) the University of Utah may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$8,200,000 in institutional funds to plan, design, and construct the William C. Browning Building Addition with up to 24,000 square feet;

(b) the university may not use state funds for any portion of this project; and

(c) the university may use state funds for operation and maintenance costs or capital improvements.

(2) The Legislature intends that:

(a) Utah State University may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to

\$10,000,000 in institutional funds to plan, design, and construct the Fine Arts Complex Addition/Renovation with up to 17,000 square feet;

(b) the university may not use state funds for any portion of this project; and

(c) the university may use state funds for operation and maintenance costs or capital improvements.

(3) The Legislature intends that:

(a) Salt Lake Community College may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$3,900,000 in institutional funds to plan, design, and construct a Strength and Conditioning Center with up to 11,575 square feet;

(b) the college may not use state funds for any portion of this project; and

(c) the college may not request state funds for operation and maintenance costs or capital improvements.

(4) The Legislature intends that:

(a) the Governor's Office of Economic Development may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$1,800,000 in nonlapsing balances and donations to plan, design, and construct or lease a Southern Utah Welcome Center with up to 5,000 square feet;

(b) the office may request additional state funds for the project, unless the office receives donations and begins design or construction of the project; and

(c) the office may use state funds for operation and maintenance costs or capital improvements.

Section 2. Section **63B-28-101** is enacted to read:

CHAPTER 28. 2018 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2018 Revenue Bond Authorizations

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

(1) The Legislature intends that:

(a) 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 may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$5,451,800 for a Pleasant Grove or Lehi market area liquor store, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

(b) the Department of Alcoholic Beverage Control use sales revenues as the primary revenue source for repayment of any obligation created under authority of this Subsection (1); and

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

(2) The Legislature intends that:

(a) 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 may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$8,659,000 for reconstructing the Store 4: Foothill liquor store, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

(b) the Department of Alcoholic Beverage Control use sales revenues as the primary revenue source for repayment of any obligation created under authority of this Subsection (2); and

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

Section 3. Section **63B-28-102** is enacted to read:

63B-28-102. Revenue bond authorizations -- Board of Regents.

(1) The Legislature intends 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, other than appropriations of the

Legislature, to finance the cost of constructing a south campus student housing and dining project;

(b) the University of Utah use student housing rental fees and other auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (1);

(c) the maximum amount of revenue bonds or evidences of indebtedness authorized by this Subsection (1) may not exceed \$105,217,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct a south campus student housing and dining project, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management; and

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

(2) The Legislature intends that:

(a) the Board of Regents, on behalf of Utah State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the Space Dynamics Laboratory Phase II;

(b) Utah State University use reimbursement from research projects as the primary revenue sources for repayment of any obligation created under authority of this Subsection (2);

(c) the maximum amount of revenue bonds or evidences of indebtedness authorized by this Subsection (2) may not exceed \$31,400,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the Space Dynamics Laboratory Phase II, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management; and

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

(3) The Legislature intends that:

(a) the Board of Regents, on behalf of Salt Lake Community College, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Salt Lake Community College to borrow money on the credit, revenues, and reserves of the college, other than appropriations of the Legislature, to finance the cost of constructing a student center on the Jordan Campus;

(b) Salt Lake Community College use student fees as the primary revenue sources for repayment of any obligation created under authority of this Subsection (3);

(c) the maximum amount of revenue bonds or evidences of indebtedness authorized by this Subsection (3) may not exceed \$13,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the college may plan, design, and construct a student center on the Jordan Campus, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management; and

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

Section 4. Section **63B-28-201** is enacted to read:

Part 2. 2018 Capital Facility Design and Construction Authorizations

63B-28-201. Authorization to design and construct capital facilities using institutional or agency funds.

The Legislature intends that:

(1) Weber State University may, subject to the requirements in Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$17,604,700 in donations and institutional funds to plan, design, and construct the Davis Campus Computer and Automotive Engineering Building;

(2) the university may not use state funds for any portion of this project; and

170 (3) the university may use state funds for operation and maintenance costs and capital
171 improvements.

172 Section 5. **Effective date.**

173 If approved by two-thirds of all the members elected to each house, this bill takes effect
174 upon approval by the governor, or the day following the constitutional time limit of Utah
175 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
176 the date of veto override.