

Representative Gage Froerer proposes the following substitute bill:

FAIRPARK LEASING AUTHORIZATION REVISIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to leasing of the state fair park.

Highlighted Provisions:

This bill:

▶ requires the Division of Facilities Construction and Management to obtain:

- the approval of the State Building Board, the Legislative Management

Committee, and the Infrastructure and General Government Appropriations

Subcommittee before leasing the state fair park to the Utah State Fair

Corporation; and

- certain recommendations from the Legislative Management Committee and the

Infrastructure and General Government Appropriations Subcommittee before

allowing the Utah State Fair Corporation to enter into a sublease for 10 years or

more; and

▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **63A-5-306**, as last amended by Laws of Utah 2011, Chapter 370

29 **63H-6-103**, as last amended by Laws of Utah 2012, Chapters 20 and 347

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

32 Section 1. Section **63A-5-306** is amended to read:

33 **63A-5-306. Leasing of state fair park -- Lease -- Terms -- Demolition of facilities**
34 **-- Limits on debt or obligations.**

35 (1) As used in this section:

36 (a) "Corporation" means the Utah State Fair Corporation created in Section **63H-6-103**.

37 (b) "Division" means the Division of Facilities Construction and Management.

38 (c) "State fair park" means the property and buildings owned by the state located at 155
39 North 1000 West, Salt Lake City, Utah.

40 (2) The division:

41 (a) may lease the state fair park to the corporation for a period not to exceed 50 years:

42 (i) subject to the division and the corporation satisfying the requirements of

43 ~~[Subsection]~~ Subsections (5)(b)(i) and (ii); and

44 (ii) except that on June 30, 2017, that portion of the state fair park known as the White
45 Ball Field located on the south side of North Temple Street shall revert to the division and not
46 be a part of any continuing lease agreement between the division and the corporation, unless
47 otherwise agreed upon by the division and the corporation prior to June 30, 2017;

48 (b) shall ensure that any lease entered into under Subsection (2)(a):

49 (i) defines which party is responsible for repairs and maintenance to the grounds and
50 buildings;

51 (ii) defines any restrictions on the use of the property or buildings, including the
52 construction of any new buildings or facilities at the state fair park;

53 (iii) requires that for each year under the lease the corporation holds a state fair meeting
54 the requirements of Subsection **63H-6-103(5)(a)(vi)**; and

55 (iv) provides for the renegotiation or termination of the lease if the corporation:

56 (A) no longer operates as an independent public nonprofit corporation as provided in

57 Title 63H, Chapter 6, Utah State Fair Corporation Act; or

58 (B) engages in any activity inconsistent with Title 63H, Chapter 6, Utah State Fair
59 Corporation Act;

60 (c) may:

61 (i) require that any lease entered into under Subsection (2)(a) grants the division the
62 right to unilaterally terminate the lease at its discretion; and

63 (ii) provide a process to determine compensation, if any, the division shall pay the
64 corporation for termination of the lease under Subsection (2)(c)(i); and

65 (d) if the lease described in Subsection (2)(a) is amended or renewed after the effective
66 date of this act and except as provided in Subsection (3), shall require the corporation under the
67 lease to:

68 (i) provide notice and obtain the approval of the State Building Board, the Legislative
69 Management Committee, and the Infrastructure and General Government Appropriations
70 Subcommittee before demolishing a facility at the state fair park; and

71 (ii) include the approval requirement described in Subsection (2)(d)(i) in any sublease
72 entered into, renewed, or amended after the effective date of this act.

73 (3) (a) The approval required under Subsection (2)(d) does not apply to a facility
74 demolished in accordance with a contract entered into but not amended before the effective
75 date of this act.

76 (b) Notwithstanding Subsection (3)(a), before a facility described in Subsection (3)(a)
77 is demolished, the corporation shall notify the division concerning any demolishing of the
78 facility.

79 (4) The State Building Board shall notify the state historic preservation office of any
80 State Building Board meeting at which consideration will be given to a proposal to demolish
81 facilities at the state fair park.

82 (5) (a) Notwithstanding Subsection (2), the division may review and adjust the amount
83 of any payments made by the corporation under the lease every three years beginning July 1,
84 2000.

85 (b) (i) ~~[The]~~ Subject to Subsection (5)(b)(ii), the division may lease the state fair park
86 to the corporation for a period not to exceed 50 years, if the corporation demonstrates to the
87 satisfaction of the division that the lease period will result in significant capital improvements

88 at the state fair park by a private or public entity.

89 (ii) The division shall obtain the approval of the Legislative Management Committee
90 and the Infrastructure and General Government Appropriations Subcommittee before executing
91 a lease under this Subsection (5)(b).

92 [~~(ii) The~~] (iii) Subject to Subsections (5)(iv) and (v), the corporation may enter into a
93 sublease of up to 50 years, [subject to satisfying the requirements of Subsections (2)(d)(i) and
94 (5)(b)(i).] if the corporation obtains the approval of the division and the State Building Board.

95 (iv) Before the division may approve a sublease of 10 years or more under Subsection
96 (5)(iii), the division shall submit a copy of the sublease to, and consider the recommendations
97 of, the Legislative Management Committee and the Infrastructure and General Government
98 Appropriations Subcommittee.

99 (v) The recommendations of the Legislative Management Committee and the
100 Infrastructure and General Government Appropriations Subcommittee may include that the
101 division:

102 (A) approve the sublease;

103 (B) reject the sublease;

104 (C) modify the sublease; or

105 (D) submit the sublease to the Legislature for further consideration.

106 (6) The state shall assume the responsibilities of the corporation under any contract that
107 is in effect on the day a lease between the division and the corporation terminates if:

108 (a) the contract is for the lease or construction of a building or facility at the state park;
109 and

110 (b) the lease between the division and the corporation is terminated in accordance with
111 Subsection (2)(b)(iv).

112 (7) (a) Payments made by the corporation under a lease with the division shall be
113 deposited into the Capital Project Fund.

114 (b) If, in accordance with Subsection (5), the payments made by the corporation under
115 a lease with the division are increased from the amount paid on July 1, 1997, the lease
116 payments made by the division shall be dedicated to capital improvements at the state fair park
117 unless, as part of the capital budget, the Legislature directs that the money be used for other
118 capital improvements.

119 (8) (a) A debt or obligation contracted by the corporation is a debt or obligation of the
120 corporation.

121 (b) The state is not liable for and assumes no legal or moral responsibility for any debt
122 or obligation described in Subsection (8)(a), unless the Legislature through statute or an
123 appropriation act specifically:

124 (i) authorizes the corporation to contract for that debt or obligation; and

125 (ii) accepts liability for or assumes responsibility for the debt or obligation.

126 Section 2. Section **63H-6-103** is amended to read:

127 **63H-6-103. Utah State Fair Corporation -- Legal status -- Powers.**

128 (1) There is created an independent public nonprofit corporation known as the "Utah
129 State Fair Corporation."

130 (2) The board shall file articles of incorporation for the corporation with the Division
131 of Corporations and Commercial Code.

132 (3) The corporation, subject to this chapter, has all powers and authority permitted
133 nonprofit corporations by law.

134 (4) The corporation shall, subject to approval of the board:

135 (a) have general management, supervision, and control over all activities relating to the
136 state fair and have charge of all state expositions except as otherwise provided by statute;

137 (b) for public entertainment, displays, and exhibits or similar events:

138 (i) provide, sponsor, or arrange the events;

139 (ii) publicize and promote the events; and

140 (iii) secure funds to cover the cost of the exhibits from:

141 (A) private contributions;

142 (B) public appropriations;

143 (C) admission charges; and

144 (D) other lawful means;

145 (c) establish the time, place, and purpose of state expositions; and

146 (d) acquire and designate exposition sites.

147 (5) (a) The corporation shall:

148 (i) use generally accepted accounting principles in accounting for its assets, liabilities,
149 and operations;

150 (ii) seek corporate sponsorships for the state fair park and for individual buildings or
151 facilities within the fair park;

152 (iii) work with county and municipal governments, the Salt Lake Convention and
153 Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote
154 expositions and the use of the state fair park;

155 (iv) develop and maintain a marketing program to promote expositions and the use of
156 the state fair park;

157 (v) in cooperation with the Division of Facilities Construction and Management,
158 maintain the physical appearance and structural integrity of the state fair park and the buildings
159 located at the state fair park;

160 (vi) hold an annual exhibition that:

161 (A) is called the state fair or a similar name;

162 (B) includes expositions of livestock, poultry, agricultural, domestic science,
163 horticultural, floricultural, mineral, and industrial products, manufactured articles, and
164 domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial,
165 artistic, and educational pursuits and the sharing of talents among the people of Utah;

166 (C) includes the award of premiums for the best specimens of the exhibited articles and
167 animals;

168 (D) permits competition by livestock exhibited by citizens of other states and territories
169 of the United States; and

170 (E) is arranged according to plans approved by the board;

171 (vii) fix the conditions of entry to the exposition described in Subsection (5)(a)(vi); and

172 (viii) publish a list of premiums that will be awarded at the exhibition described in
173 Subsection (5)(a)(vi) for the best specimens of exhibited articles and animals.

174 (b) In addition to the state fair to be held in accordance with Subsection (5)(a)(vi), the
175 corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science,
176 horticultural, floricultural, mineral, and industrial products, manufactured articles, and
177 domestic animals that, in its opinion, will best stimulate agricultural, industrial, artistic, and
178 educational pursuits and the sharing of talents among the people of Utah.

179 (6) The corporation may:

180 (a) employ advisers, consultants, and agents, including financial experts and

181 independent legal counsel, and fix their compensation;

182 (b) (i) participate in the state's Risk Management Fund created under Section

183 [63A-4-201](#); or

184 (ii) procure insurance against any loss in connection with its property and other assets,

185 including mortgage loans;

186 (c) receive and accept aid or contributions of money, property, labor, or other things of

187 value from any source, including any grants or appropriations from any department, agency, or

188 instrumentality of the United States or Utah;

189 (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the

190 purposes of the corporation, subject to the conditions, if any, upon which the aid and

191 contributions were made;

192 (e) enter into management agreements with any person or entity for the performance of

193 its functions or powers;

194 (f) establish whatever accounts and procedures as necessary to budget, receive, and

195 disburse, account for, and audit all funds received, appropriated, or generated;

196 (g) subject to the provisions of Section [63A-5-306](#), enter into agreements for the

197 leasing of any of the facilities at the state fair park, if approved by the board; and

198 (h) sponsor events as approved by the board.

199 (7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the

200 corporation is exempt from:

201 (i) Title 51, Chapter 5, Funds Consolidation Act;

202 (ii) Title 51, Chapter 7, State Money Management Act;

203 (iii) Title 63A, Utah Administrative Services Code;

204 (iv) Title 63G, Chapter 6a, Utah Procurement Code;

205 (v) Title 63J, Chapter 1, Budgetary Procedures Act; and

206 (vi) Title 67, Chapter 19, Utah State Personnel Management Act.

207 (b) The board shall adopt policies parallel to and consistent with:

208 (i) Title 51, Chapter 5, Funds Consolidation Act;

209 (ii) Title 51, Chapter 7, State Money Management Act;

210 (iii) Title 63A, Utah Administrative Services Code;

211 (iv) Title 63G, Chapter 6a, Utah Procurement Code; and

212 (v) Title 63J, Chapter 1, Budgetary Procedures Act.

213 (c) The corporation shall comply with the legislative approval requirements for new

214 facilities established in Subsection [63A-5-104\(3\)](#).