

By: Senator(s) Jackson (32nd), Frazier

To: Public Property

SENATE BILL NO. 2745
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 55-23-8, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO CANCEL
3 CERTAIN LEASE AGREEMENTS ON PARCELS OF MISSISSIPPI VETERANS
4 MEMORIAL STADIUM PROPERTY AND EXECUTE NEW LEASE ON THE PARCELS FOR
5 A TERM NOT TO EXCEED 40 YEARS PLUS RENEWAL OF 10 YEARS; TO
6 TRANSFER ALL LEASING AUTHORITY OF STADIUM PROPERTY FROM THE
7 VETERANS MEMORIAL STADIUM COMMISSION TO THE DEPARTMENT OF FINANCE
8 AND ADMINISTRATION; TO AUTHORIZE THE DEPARTMENT OF FINANCE AND
9 ADMINISTRATION TO CONTRACT WITH A CONSULTANT TO STUDY THE
10 MANAGEMENT OF THE MISSISSIPPI VETERANS MEMORIAL STADIUM; TO
11 PROVIDE, FROM AND AFTER JULY 1, 2008, THE MISSISSIPPI VETERANS
12 MEMORIAL STADIUM COMMISSION SHALL BE ABOLISHED AND ALL POWERS
13 TRANSFERRED TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION; TO
14 CREATE A SPECIAL COMMITTEE FOR THE PURPOSE OF CONSULTING WITH THE
15 DEPARTMENT OF FINANCE AND ADMINISTRATION ON THE LEASE OF STADIUM
16 PROPERTY AND FOR THE PURPOSE OF STUDYING THE MANAGEMENT AND
17 OPERATIONS OF THE STADIUM; AND FOR RELATED PURPOSES.

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

19 **SECTION 1.** Section 55-23-8, Mississippi Code of 1972, is
20 amended as follows:

21 55-23-8. (1) The Department of Finance and Administration
22 is authorized to renegotiate any lease agreements entered into
23 before the effective date of Senate Bill No. 2745, 2007 Regular
24 Session, with one or more public or private entities in regard to
25 the granting of a property interest to such public or private
26 entities in all or any part of the real property located in Hinds
27 County, Mississippi, generally known as the "Mississippi Veterans
28 Memorial Stadium Property," being any property under the
29 jurisdiction of the Department of Finance and Administration and
30 any other state-owned property located in the area bounded on the
31 North by Taylor Street, on the West by North West Street, on the
32 South by Woodrow Wilson Avenue and on the East by North State
33 Street used as part of or in connection with Mississippi Veterans
34 Memorial Stadium, for the purpose of the construction of

35 improvements thereon. The Department of Finance and
36 Administration is authorized to cancel lease agreements on parcels
37 of stadium property entered into before the effective date of
38 Senate Bill No. 2745, 2007 Regular Session, and to execute a new
39 lease on such parcels for a term not to exceed forty (40) years
40 and renew for a term not to exceed ten (10) years.

41 * * *

42 (2) In and for the consideration to be provided under any
43 lease, the Department of Finance and Administration, in its
44 discretion, is authorized to, on such terms and conditions
45 determined to be appropriate by the Department of Finance and
46 Administration: (a) enter into agreements with any such lessee or
47 lessees (or any designee of any such lessee or lessees), which
48 agreements may extend over any period of time not exceeding the
49 term of such lease (including renewals and extensions) permitting
50 use of any property referred to in subsection (1) of this section
51 for parking, access and other uses in connection with events in
52 facilities constructed on property leased from the Department of
53 Finance and Administration; (b) grant, as part of and for the term
54 of any lease, to any lessee or lessees (or any designee of any
55 such lessee or lessees), one or more easements with respect to all
56 or any part of the property referred to in subsection (1) of this
57 section for vehicle and pedestrian ingress and egress, for vehicle
58 parking and for such other purposes necessary and appropriate for
59 the construction, operation and use of the improvements; (c) enter
60 into agreements with any such lessee or lessees (or any designee
61 of any such lessee or lessees), which agreements may extend over
62 any period of time not exceeding the term of such lease (including
63 renewals and extensions), permitting use by such lessee or lessees
64 (or any designee of any such lessee or lessees) of Mississippi
65 Veterans Memorial Stadium for events; (d) enter into agreements
66 with any such lessee or lessees (or any designee of any such
67 lessee or lessees), which agreements may extend over any period of

68 time not exceeding the term of such lease (including renewals and
69 extensions), pursuant to which the state shall be obligated to
70 purchase improvements constructed on such property and/or any
71 residual rights in connection with such improvements upon terms
72 and for a purchase price, not to exceed Ten Million Dollars
73 (\$10,000,000.00), as set forth in or determined in accordance with
74 such agreement; (e) enter into agreements with any such lessee or
75 lessees (or any designee of any such lessee or lessees) providing
76 that such lessee or lessees (or any designee of any such lessee or
77 lessees) shall indemnify and hold harmless the Department of
78 Finance and Administration for any personal injury or property
79 damage related to events conducted on property leased from the
80 Department of Finance and Administration; and/or (f) enter into
81 such other agreements with any such lessee or lessees (or any
82 designee of any such lessee or lessees) or any other public or
83 private entities, which agreements may extend over any period of
84 time not exceeding the term of such lease (including renewals and
85 extensions), relating to any such lease and any improvements to be
86 constructed on property leased from the Department of Finance and
87 Administration as the Department of Finance and Administration
88 shall determine to be appropriate. However, the State of
89 Mississippi shall not be obligated to purchase any improvements
90 constructed on property leased under this section and/or any
91 residual rights in connection with such improvements unless the
92 construction of all such improvements on the property is complete.
93 The Department of Finance and Administration, acting through the
94 Bureau of Building, Grounds and Real Property Management shall
95 make the determination regarding whether the construction of the
96 improvements is complete.

97 (3) Any public body shall be authorized to enter into: (a)
98 agreements (which may extend over any period of time) with the
99 Department of Finance and Administration, any public body, any
100 party leasing property from the Department of Finance and

101 Administration (or any designee or designees of any such lessee),
102 and/or any other party to provide or contribute funds in
103 connection with the construction, financing and/or operation of
104 any improvements constructed on property leased from the
105 Department of Finance and Administration, and any such agreement
106 or agreements and the obligations of any public body thereunder
107 shall not be included in computing amounts subject to any debt
108 limitations applicable to any such public body; and/or (b)
109 agreements (which may extend over any period of time) to lease
110 property from the Department of Finance and Administration and to
111 provide or contribute funds in connection with the construction,
112 financing and/or operation of any improvements constructed on such
113 property and to lease or sublease any such property or
114 improvements to public or private entities, and any such agreement
115 or agreements shall not be included in computing amounts subject
116 to any debt limitations applicable to any such public body.

117 (4) The Department of Finance and Administration, in its
118 discretion, is authorized to enter into all other agreements as
119 may be necessary or appropriate in connection with any financing
120 by any lessee or lessees (or any designee of any such lessee or
121 lessees) of any improvements to be constructed on property leased
122 from the Department of Finance and Administration.

123 (5) The provisions of any statutes establishing a role for
124 the Department of Finance and Administration and the State Bond
125 Commission in financing, construction and improvement of buildings
126 on the Veterans Memorial Stadium property shall not apply to the
127 financing, refinancing, construction, repair or improvement of any
128 improvements on any property leased pursuant to this section.

129 (6) Before entering into any lease or other agreement with
130 any private entity under this section, the Department of Finance
131 and Administration shall require such entity to enter into a
132 binding commitment providing that if the private entity fails to
133 complete the construction of all improvements commenced by the

134 entity on property leased under this section, such entity shall
135 reimburse the State of Mississippi for costs incurred by the state
136 relating to the improvements. The Department of Finance and
137 Administration, acting through the Bureau of Building, Grounds and
138 Real Property Management shall make the determination regarding
139 whether the construction of the improvements is complete.

140 (7) Any lease, renewal thereof, or other agreement entered
141 into by the Department of Finance and Administration under this
142 section shall not be valid unless approved by the * * * Public
143 Procurement Review Board and the Attorney General, upon the active
144 involvement and consultation with the University of Mississippi
145 Medical Center, Jackson State University and the Department of
146 Health.

147 (8) Except as otherwise provided in subsection (1), the
148 Department of Finance and Administration may not enter into any
149 lease or other agreement under this section * * *.

150 (9) Any lessee or lessees (or any designee of any such
151 lessee or lessees) of property leased from the Department of
152 Finance and Administration under this section shall not be
153 considered as being the state, any political subdivision of the
154 state or any officer or servant of the state for the purposes of
155 any liability that may be waived under Section 11-46-1 et seq.

156 (11) It is the intent of the Legislature that from and after
157 the effective date of Senate Bill No. 2745, 2007 Regular Session,
158 the Mississippi Veterans Memorial Stadium Commission shall have no
159 authority to lease the property described in subsection (1), and
160 all authority previously provided to the commission in this
161 section shall be transferred to the Department of Finance and
162 Administration.

163 **SECTION 2.** It is the intent of the Legislature in Section 1
164 of this act that the Department of Finance and Administration may
165 cancel the leases of Mississippi Veterans Memorial Stadium
166 Property consisting of approximately five (5) acres with Madison

167 Communities and approximately one (1) acre with Bridgeforth
168 Rutledge. The Department of Finance and Administration is
169 authorized to negotiate and execute a new lease on the combined
170 properties for a term not to exceed forty (40) years and may renew
171 for a term not to exceed ten (10) years. The combined properties
172 will be developed as a mixed-use development consisting of
173 commercial, residential and retail space, with an investment of
174 not less than Fifty Million Dollars (\$50,000,000.00). The
175 development shall not in any manner detract from the operations of
176 the University Medical Center, the Mississippi Veterans Memorial
177 Stadium and the State Department of Health. The new lease shall
178 contain a provision which provides the State of Mississippi the
179 right to terminate the lease if development of the property has
180 not commenced within three (3) years after execution date of the
181 lease. The Department of Finance and Administration's authority
182 to execute the new lease shall be contingent upon the
183 renegotiation of the existing development agreement with the
184 developer, whereby the developer agrees to a commission not to
185 exceed forty percent (40%) of the lease income per year from the
186 combined properties for the first twelve (12) years of the lease
187 and not to exceed ten percent (10%) of the lease income per year
188 from the combined properties thereafter through the end of the
189 lease, and whereby the developer agrees to relinquish all of his
190 rights to the remaining undeveloped property, approximately four
191 (4) acres, bounded on the West by North West Street.

192 **SECTION 3.** (1) From and after July 1, 2008:

193 (a) The Mississippi Veterans Memorial Stadium
194 Commission shall be abolished and all powers and duties of the
195 commission shall be transferred to, and exercised by, the
196 Department of Finance and Administration;

197 (b) The Office of the Executive Director of the
198 Mississippi Veterans Memorial Stadium Commission shall be
199 abolished and all powers and duties of the executive director

200 shall be transferred to, and exercised by, the Executive Director
201 of the Department of Finance and Administration;

202 (c) All records, property, funds and other assets and
203 personnel of the Mississippi Veterans Memorial Stadium Commission
204 shall be transferred to the Department of Finance and
205 Administration; and

206 (d) Any personal service, management or other contracts
207 of like nature entered into by the Mississippi Veterans Memorial
208 Stadium Commission shall be cancelled.

209 (2) The Department of Finance and Administration shall grant
210 Jackson State University the right to hold any of its sports,
211 ceremonial and concert events at the Mississippi Veterans Memorial
212 Stadium without any rental payment, and shall allow the proper
213 signage designating the stadium as the home stadium of Jackson
214 State University. All profits realized by the Department of
215 Finance and Administration after paying all expenses and costs,
216 including management fees, from any event held on stadium property
217 shall be deposited to the credit of a special fund and authorized
218 for expenditure by the Board of Trustees of State Institutions of
219 Higher Learning exclusively for Jackson State University.

220 (3) From and after July 1, 2008, wherever the term
221 "Mississippi Veterans Memorial Stadium Commission", or the term
222 "commission" when referring to the Mississippi Veterans Memorial
223 Stadium Commission, appears in the laws of the state, the terms
224 shall mean the "Department of Finance and Administration".

225 **SECTION 4.** (1) There is created a special committee for the
226 purpose of consulting with the Department of Finance and
227 Administration on the lease of the property authorized in Section
228 55-23-8, Mississippi Code of 1972, and for the purpose of studying
229 the Mississippi Veterans Memorial Stadium to make recommendations
230 regarding its management and operations. The committee shall also
231 study the disbursement of revenue generated from the lease of

232 stadium property. The committee shall be composed of the
233 following members:

234 (a) The Chairmen of the Senate and House Public
235 Property Committees, who shall serve as co-chairmen;

236 (b) The Chairmen of the Senate Finance Committee and
237 the House Ways and Means Committee, or their designee;

238 (c) One (1) member of the House of Representatives, to
239 be appointed by the Speaker of the House; and

240 (d) One (1) member of the Senate, to be appointed by
241 the Lieutenant Governor;

242 (e) The President of Jackson State University, or his
243 designee;

244 (f) The Vice-Chancellor of Health Affairs at the
245 University of Mississippi Medical Center, or his designee;

246 (g) The State Health Officer, or his designee; and

247 (h) The President of Jackson State University National
248 Alumni Association, or his designee.

249 (2) Members of the committee who are not legislators shall
250 not receive any compensation or per diem, but may receive travel
251 reimbursement provided under Section 25-3-41. Legislative members
252 of the committee shall receive per diem, travel or other expenses,
253 if authorized by the Management Committees of the Senate and the
254 House of Representatives, from the contingent expense funds of
255 their respective houses in the same amounts as provided for
256 committee meetings when the Legislature is not in session; provide
257 that no per diem or expense for attending meetings of the
258 committee shall be paid while the Legislature is in session.

259 (3) Upon submitting its recommendations to the Legislature,
260 the committee shall be dissolved.

261 (4) The Department of Finance and Administration, in
262 consultation with Jackson State University, shall enter into a
263 contract with a consultant to study the Mississippi Veterans
264 Memorial Stadium and make suggestions regarding its management,

265 repair, renovation, parking and future use. The cost of such
266 contract, not to exceed Five Hundred Thousand Dollars
267 (\$500,000.00), shall be paid out of the Mississippi Veterans
268 Memorial Stadium Operating Fund or from any funds available to the
269 Department of Finance and Administration. The Department of
270 Finance and Administration is authorized to escalate funds and
271 positions to defray the cost of such contract. The Department of
272 Finance and Administration may solicit RFP's, but shall not be
273 authorized to contract for the management and operations of the
274 stadium without further legislative action.

275 **SECTION 5.** This act shall take effect and be in force from
276 and after its passage.