

# HOUSE BILL REPORT

## SHB 1083

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### As Passed Legislature

**Title:** An act relating to providing greater certainty in association with selling city-owned property used for off-street parking.

**Brief Description:** Providing greater certainty in association with selling city-owned property used for off-street parking.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Stonier, Vick and Frame).

### Brief History:

#### Committee Activity:

Local Government: 1/22/19, 1/30/19 [DPS].

#### Floor Activity:

Passed House: 3/5/19, 86-12.

Senate Amended.

Passed Senate: 4/17/19, 43-4.

House Concurred.

Passed House: 4/24/19, 85-9.

Passed Legislature.

### Brief Summary of Substitute Bill

- Allows a city legislative authority to sell, transfer, exchange, lease, or dispose of real property obtained for off-street parking when one or more of the following conditions is met: (1) there is a determination by the legislative authority that the property is no longer necessary for off-street parking purposes; (2) all bonds issued for acquisition or construction of the property have been paid in full; or (3) property within a local improvement district created for acquisition or construction of off-street parking is no longer subject to assessment.
- Allows proceeds from the sale, transfer, exchange, or lease to be used to pay the remaining balance on the bonds or financing contract.
- Requires the legislative body, when selling or disposing of property used for off street parking obtained by means of eminent domain or condemnation, to notify and allow the former owner to repurchase the property at fair market value.

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Pollet, Chair; Peterson, Vice Chair; Kraft, Ranking Minority Member; Appleton and Senn.

**Minority Report:** Do not pass. Signed by 1 member: Representative Goehner.

**Staff:** Robbi Kesler (786-7153).

### **Background:**

#### City Off-Street Parking Facilities.

First- and second-class cities may provide off-street parking space and facilities located on land dedicated for park or civic center purposes or on other municipally-owned land where the primary purpose of an off-street parking facility is to provide parking for persons who use such park or civic center facilities. Cities may finance the acquisition and construction of off-street parking through the issuance and sale of revenue bonds, general obligation bonds, or both. Cities may also create local improvement districts (LID) and utilize available LID financing procedures for off-street parking projects.

Cities may obtain by lease, purchase, donation, or by eminent domain real property for off-street parking as the cities' legislative bodies determine to be necessary by ordinance. Such property may be sold, transferred, exchanged, leased, or otherwise disposed of by the city when its legislative body has determined by ordinance that such property is no longer necessary for off-street parking purposes.

#### General Obligation Bonds, Revenue Bonds, and Local Improvement District Financing.

General obligation debt is secured by the full faith and credit of the local government issuing the debt. The local government pledges its tax revenues unconditionally to pay the interest and principal on the debt as it matures. General obligation bonds issued by the local government are secured by a pledge of the taxing district's property tax authority; bond holders have a legal claim on all the general income of the jurisdiction if a default occurs. Revenue debt is guaranteed by the specific revenues generated by the issuer. Revenue bonds may be issued to finance projects for an enterprise that is self-supporting.

Local improvement districts are special assessment districts that finance improvements to benefit property owners within the district. Local improvement districts are generally paid for by assessments on the benefitting properties. Subject to certain exceptions, both the city and affected property owners must approve the creation of a LID. Local improvement district financing involves the sale of bonds to investors and the retirement of those bonds via annual payments by the property owners within a district.

### **Summary of Substitute Bill:**

A city legislative authority may sell, transfer, exchange, lease or otherwise dispose of real property obtained for off-street parking when one or more of the following conditions is met:

1. there is a determination by the legislative authority that the property is no longer necessary for off-street parking purposes;
2. all bonds issued for acquisition or construction of the property have been paid in full; or
3. property within a local improvement district created for acquisition or construction of off-street parking is no longer subject to assessment.

The city legislative authority, when disposing or selling property used for off-street parking obtained by means of eminent domain or condemnation, to notify the former owner and allow the former owner to repurchase the property at fair market value and prescribes a process and timeline for such a sale.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Cities need flexibility to develop downtown areas, while still making off-street parking a priority. The City of Vancouver (City) purchased a building and parking lot in 1967. The property originally created a local improvement district (LID) to utilize LID-related financing procedures. However, the property is now paid off and not subject to a LID assessment. The City would like to sell the property to a developer, but currently the only way to do that is to legislatively declare there is no longer a need for off-street parking. This bill would allow for more flexibility. The operative word is "or" and the intent is clear. Either the city does not need off-street parking, or the debt is retired and the city would like to sell the property. In the case of a city that has not retired the debt and does not need off-street parking, they could make a legislative finding and sell the property. In this case, of the City would like to sell the property and also have a covenant with the developer to maintain parking that would be available to the public, although the parking may have different rates than the city's current meter system.

(Opposed) None.

**Persons Testifying:** Representative Stonier, prime sponsor; and Brian Enslow, City of Vancouver.

**Persons Signed In To Testify But Not Testifying:** None.