

# SENATE BILL REPORT

## SHB 1083

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As Reported by Senate Committee On:  
Local Government, March 19, 2019

**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:** Passed House: 3/05/19, 86-12.

**Committee Activity:** Local Government: 3/14/19, 3/19/19 [DPA].

### Brief Summary of Amended Bill

- Allows a city legislative authority to sell, transfer, exchange, lease, or dispose of real property obtained for off-street parking when certain conditions are met.
- 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.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass as amended.

Signed by Senators Takko, Chair; Salomon, Vice Chair; Short, Ranking Member; Honeyford.

**Staff:** Bonnie Kim (786-7316)

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*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.*

**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 (LIDs) 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.

LIDs are special assessment districts that finance improvements to benefit property owners within the district. LIDs 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. LID 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 Amended 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:

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

Proceeds from the sale, transfer, exchange, or lease of real property obtained for off-street parking may be used to pay the remaining balance on bonds or a financing contract.

If the legislative body determines that all or a portion of the property that is being disposed of was acquired through condemnation or eminent domain, the former owner has the right to repurchase. "Former owner" means the person or entity from whom the legislative body acquired title. The legislative body must mail notice of a planned sale to the former owner of the property at the former owner's last known address at least 90 days before the planned

sale. If the former owner notifies the legislative body within 30 days of the date of the notice of an intent to repurchase the property, the legislative body must sell the property to the former owner for fair market value.

The right of repurchase is extinguished if:

- the former owner of the property's last known address, or forwarding address, is no longer the former owner of the property's address;
- the former owner does not provide timely written notice to the legislative body of an intent to exercise a repurchase right; or
- the sale to the former owner is not completed within six months of the date of notice that the former owner intends to repurchase the property.

**EFFECT OF LOCAL GOVERNMENT COMMITTEE AMENDMENT(S):**

- 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 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.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Substitute House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: We are looking to take advantage of an urban development opportunity. There is a developer interested in purchasing property in downtown Vancouver that includes off-street parking. The developer has agreed to maintain the same number of off-street parking spots.

**Persons Testifying:** PRO: Brian Enslow, City of Vancouver.

**Persons Signed In To Testify But Not Testifying:** No one.