

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 252

**PRINTER NO.** 232

**AMOUNT**

No Fiscal Impact

**FUND**

Local Funds

**DATE INTRODUCED**

January 27, 2017

**PRIME SPONSOR**

Senator Vulakovich

## **DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 252 amends Chapter 55 (relating to parking authorities) of Title 53 (Municipalities Generally) to authorize a parking authority in a city of the second class to enter into transactions with private developers for the purpose of expanding parking opportunities.

The legislation empowers a parking authority in a city of the second class to do the following:

1. Grant an interest, such as a lease, license or easement in and to all or a portion of land, buildings and structures for dedicated parking to support commercial or residential uses. The grant of the interest is not permissible where the average occupancy rate of parking spaces for the prior six calendar months has exceeded 90% for that particular facility. Such powers are authorized if the following apply:
  - The grant of the private interest will not negatively impact the financial standing of the authority.
  - The consideration paid for the grant of the interest is appropriate considering the overall transaction.
  - The term of the interest does not extend beyond the term of the existence of the authority.
2. Develop, operate or participate in the development or operation of one or more mixed-use projects.
3. Finance mixed-use projects by incurring indebtedness. An authority may pledge, hypothecate or encumber all or a part of the authority's revenues or real or personal property for an obligation of the authority incurred in connection with the development or operation of, or participation in, a mixed-use project.

A "mixed-use project" means a commercial, industrial, residential or retail development that includes a public parking garage or public parking lot as an appurtenance.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

This act shall take effect in 60 days.

### **FISCAL IMPACT:**

Senate Bill 252 will have no adverse fiscal impact on Commonwealth or local funds.

The legislation authorizes, but does not require, a parking authority in a city of the second class to grant private interests in parking facilities to support real estate development and mixed-use projects. Presumably, the authority will use such power only in instances where such action is in its best interests.

Senate Bill 252 authorizes transactions with private developers only if, in the good faith of the authority's board, the grant of an interest will not negatively impact the financial standing of the authority and consideration received is appropriate considering the overall transaction.