

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION  
Revision 1

May 5, 2003

**TO:** Honorable David Swinford, Chair, House Committee on Government Reform

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3499** by Raymond (Relating to the lease of certain state parking lots and garages.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3499, As Introduced: a positive impact of \$1,306,500 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$653,250
2005	\$653,250
2006	\$653,250
2007	\$653,250
2008	\$653,250

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2004	\$653,250
2005	\$653,250
2006	\$653,250
2007	\$653,250
2008	\$653,250

Fiscal Analysis

The bill would require the Building and Procurement Commission to establish a pilot program to develop private, commercial uses for state-owned parking lots and garages located within the Warehouse District in the City of Austin. There would be a positive revenue impact to General Revenue of approximately \$1,306,500 for the 2004-05 biennium and each biennium thereafter.

In order for the revenue to be certified, the General Appropriations Act would have to contain a rider that would reduce the general revenue appropriation to the Building and Procurement Commission by \$653,250 each year and appropriate to the commission the proceeds from the pilot program.

**Methodology**

State-owned parking garages located in the area described by the bill include garage N at the corner of San Antonio and 3rd streets and garage L located below the William P. Hobby Building at the corner of Guadalupe and 4th streets in Austin, Texas. The garages contain 1,143 available parking spaces. The following assumptions can be made regarding the pilot program to develop the private, commercial use of the aforementioned parking spaces:

- 1) The garages can only be used for commercial purposes between the hours of seven p.m. and six a.m.;
- 2) A private vendor will be able to charge five dollars (\$5) per space per vehicle per evening (this is the current, competitive rate for the area);
- 3) The garages will be utilized seven nights per week, 52 weeks per year;
- 4) A maximum utilization of seventy percent (70%) will be allowed in order to ensure adequate spaces remain for state employees who work hours outside regular work hours.

Weekday evening usage estimated at 685 parking spaces (60% of 1,143 available spaces) at \$5.00 per space = \$3,425.00 potential income per night with a total of \$17,125.00 potential income per week;

Weekend usage estimated at 800 parking spaces (70% of 1,143 available spaces) at \$5.00 per space = \$4,000.00 potential income per night with a total of \$8,000.00 income per weekend;

\$17,125.00 + \$8,000.00 = \$25,125.00 potential income per week.

\$25,125.00 x 52 weeks per year = \$1,306,500.00 potential income per year;

For a conservative approach, a sixty percent (60%) utilization of parking spaces will be used to determine weekday evening figures and 70% utilization of parking spaces will be used to determine weekend figures. Other factors, such as special events, could result in slight increases in revenues, which could optimize utilization of available parking spaces.

The state would negotiate a fee based on the type of master lease agreement with a private contractor. A reasonable rate of 50% would yield revenues of approximately \$653,250.00 per year to be credited to the General Revenue Fund.

No additional personnel would be required to maintain the program. Current contract administrators at the Building and Procurement Commission would be available and responsible for oversight of the new initiative. All necessary modifications to the parking garages would be the responsibility of the private contractor and would not be an expense to the State.

**Local Government Impact**

The City of Austin and the State could see an increase in revenue from additional sales taxes paid by the private parking lot lessees.

**Source Agencies:** 303 Building and Procurement Commission, 304 Comptroller of Public Accounts  
**LBB Staff:**  
JK, SD, JO, GO, MS, RG