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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 412

Session of  
1987

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INTRODUCED BY HALUSKA, DOMBROWSKI, TELEK, CAPPABIANCA, TRELLO,  
J. L. WRIGHT, LLOYD, KOSINSKI, TIGUE, MARKOSEK, CARLSON,  
BELFANTI, KUKOVICH, YANDRISEVITS, VAN HORNE, DAWIDA, BALDWIN,  
VEON, PISTELLA, SEMMEL, MERRY, SEVENTY, COLAFELLA, BUSH,  
JOHNSON, REBER, HERMAN, STABACK, STAIRS, E. Z. TAYLOR AND  
WOZNIAK, FEBRUARY 24, 1987

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REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,  
FEBRUARY 24, 1987

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AN ACT

1 Establishing a loan program for the construction of commercial  
2 and industrial shell buildings to be administered by the  
3 Department of Commerce; and making an appropriation.

4 The General Assembly finds that there is a need to develop  
5 and make available shell buildings of minimum or medial sizes,  
6 from 10,000 to 40,000 square feet, that could be expanded as the  
7 need arises for growth and development of new industries.

8 Furthermore a number of areas or communities have lost  
9 opportunities to attract new industries due to unavailability of  
10 suitable buildings. Many industries contemplating startups are  
11 in need of space that is immediately available for option which,  
12 in many instances, is a bid requirement in seeking government  
13 contracts.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Short title.

1       This act shall be known and may be cited as the Shell  
2 Building Act.

3 Section 2. Definitions.

4       The following words and phrases when used in this act shall  
5 have the meanings given to them in this section unless the  
6 context clearly indicates otherwise:

7       "Department." The Department of Commerce of the  
8 Commonwealth.

9       "Shell building" or "building." A commercial or industrial  
10 building of from 10,000 to 40,000 square feet of floor area.

11       "Sponsor" or "sponsoring agency." A municipality, an  
12 industrial development authority or similar development or  
13 redevelopment authority organized under the laws of the  
14 Commonwealth.

15 Section 3. Funding.

16       (a) General rule.--The Commonwealth, through the department,  
17 shall provide 80% of the cost of constructing shell buildings,  
18 or the expansion or renovation of existing buildings to become a  
19 shell building, in any area of this Commonwealth where a  
20 sponsoring agency is willing and able to provide the remaining  
21 20%, and the proposed building project otherwise meets the  
22 requirements of this act. This 20% may be satisfied by providing  
23 service-in-kind, including, but not limited to, utility and  
24 transportation services, which would serve the activities in the  
25 proposed building.

26       (b) Waiver of local share.--If a sponsoring agency is  
27 financially distressed due to the closing of former industries,  
28 the department may waive the local share of 20%.

29 Section 4. Requirements.

30       Sponsors shall be eligible for funding under this act upon a

1 satisfactory showing to the department the following:

2 (1) That the county, wherein the proposed building is to  
3 be located, has an average unemployment rate for the last  
4 four completed calendar quarters higher than that of the  
5 overall State average unemployment rate for the same period.

6 (2) That the proposed site has adequate water, sewage  
7 and other utility services available, or that these services  
8 can be readily made available.

9 (3) That local roads are or can be readily made,  
10 adequate to serve all activities carried out in the proposed  
11 building.

12 (4) That the lot size equals or exceeds one acre.

13 (5) That municipal governments within the county,  
14 including the county government, have made available any  
15 appropriate information under the act of December 1, 1977  
16 (P.L.237, No.76), known as the Local Economic Revitalization  
17 Tax Assistance Act.

18 (6) That the specifications of the proposed building  
19 meet the standards set by the Pennsylvania Industrial  
20 Development Authority.

21 Section 5. Repayment.

22 If a building is leased or rented by a potential client, 75%  
23 of rental amount shall be returned to the department on a  
24 quarterly basis. The remaining 25% shall be used by the sponsor  
25 for taxes, insurance and maintenance as required. Records of all  
26 expenditures must be maintained by the sponsor of the original  
27 shell building. Annual statements for these expenditures must be  
28 submitted to the department. This requirement shall continue  
29 until the total cost of the shell building is paid in full.

30 Section 6. Sale of building.

1       If the building is sold at any time, the cost of the building  
2 plus any administrative cost must be paid to the department  
3 within 30 days of the sale.

4       Section 7.   Amount of loan.

5       The maximum amount of any loan shall be \$500,000 for any one  
6 building. No second loan shall be available to the same sponsor  
7 as long as other loans to that sponsor have not been repaid. The  
8 department may supplement the maximum allotment for shell  
9 construction from any other source of funding available.

10      Section 8.   Under-utilization of funds.

11      In the event that requests for shell building loans are not  
12 being used sufficiently, the department may accept applications  
13 from sponsors in areas in need of shell buildings despite their  
14 unemployment status or statistics.

15      Section 9.   Responsibility of sponsor.

16      The sponsoring agency shall be responsible for maintenance  
17 and taxes, and for insurance that will cover total cost of the  
18 building until it is sold.

19      Section 10.   Continuing efforts to attract industry.

20      The sponsor must demonstrate to the department that  
21 continuing efforts are being made to seek and attract new  
22 industries to its respective area.

23      Section 11.   Appropriation.

24      The sum of \$500,000, or as much thereof as may be necessary  
25 is hereby appropriated to the Department of Commerce for the  
26 fiscal year July 1, 1987, to June 30, 1988, to carry out this  
27 act.

28      Section 12.   Effective date.

29      This act shall take effect immediately.