



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1944

PRINTERS NO. 2855

PRIME SPONSOR: Metcalfe

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0
State Treasury Armory Fund	see fiscal impact	see fiscal impact

**SUMMARY:** Authorizes the following armory transactions:

- Hunt Armory in the City of Pittsburgh, Allegheny County
- Pine Grove Armory in the Borough of Pine Grove, Schuylkill County

**ANALYSIS:** HB 1944 is an omnibus conveyance bill that encompasses the following two properties:

#### **Hunt Armory, Allegheny County:**

The bill authorizes the Department of General Services (DGS), with the approval of the Department of Military and Veterans' Affairs (DMVA), to convey approximately 1.839-acres of land and improvements known as the Hunt Armory through a competitive bid process.

#### **Pine Grove Armory, Schuylkill County:**

The bill authorizes DGS, with the approval of DMVA, to convey approximately 0.35-acres of land and improvements known as the Pine Grove Armory through a competitive bid process.

For both of the properties, any oil, gas and mineral rights, to the extent those rights are owned by the Commonwealth, will be retained by the Commonwealth and may be leased by DGS in accordance with the Indigenous Mineral Resources Development Act (Act 147 of 2012).

**FISCAL IMPACT:** The PA Historical and Museum Commission, DMVA and DGS entered into a Cooperative Agreement regarding the historical preservation of certain state armories. The Agreement stipulates that DMVA and DGS shall market the property and accept 80% of the appraised market value, as consideration for the property, in an effort to target potential buyers who will accept the historic protective covenants and inclusion of the same within the transferring deed.

The Hunt Armory has an appraised fair market value of \$2.7 million and the Pine Grove Armory has an appraised fair market value of \$135,000. The proceeds of the sale of these

properties will be deposited in the State Treasury Armory Fund. If both of the properties were to be sold at fair market value a total of \$2,835,000 would be deposited in the State Treasury Armory Fund. If both of the properties are sold at 80% of the appraised market value under a Cooperative Agreement, a total of \$2,268,000 would be deposited in the State Treasury Armory Fund.

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House Appropriations Committee (R)

**DATE:** January 27, 2014

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*