



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 252

PRINTERS NO. 232

PRIME SPONSOR: Vulakovich

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
Pittsburgh Parking Authority Funds	\$0	\$0

SUMMARY: Allows the Pittsburgh Parking Authority (Authority) to enter into agreements with private developers to provide dedicated parking spaces to support commercial or residential uses. It would also allow them to develop or operate mixed-use projects and finance such projects. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends Chapter 55 (Parking Authorities) of Title 53 (Municipalities Generally) of the PA Consolidated Statutes by adding a new section 5508.4 (Granting of interests and mixed-use projects for authorities in cities of the second class).

This new section provides that the Authority shall have the power 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.
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, by borrowing money, making an issuing notes, bonds or other debt instruments or entering into secured financing transactions. An authority may pledge or encumber all or part of their revenues or real or personal property, constituting all or part of a mixed-use project for an obligation of the authority incurred in connection with the development or operation of, or participation in, a mixed-use project.

When granting of interest in a lease, license or easement, it shall be the good faith opinion of the Authority board that such interest will not negatively impact the financial standing of the Authority and that the granting of the interest is appropriate considering the overall transaction.

The legislation also provides that the granting of 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.

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

The legislation contains the following findings and declarations:

1. The health, safety and general welfare of the people of this Commonwealth are directly dependent upon the continual encouragement, development, growth and expansion of business, industry, commerce and tourism.
2. Unemployment, the spread of poverty and the heavy burden of public assistance and unemployment compensation can be avoided by the promotion, attraction, stimulation, development and expansion of business, industry, commerce and tourism in this Commonwealth through the support of commercial and residential real estate development by the Authority.
3. Due to the size, total population and population density of a city of the second class, it can be inefficient to devote property within a city of the second class solely to parking facilities for purely public use on a first-come, first-served basis, and that empowering the authority of a city of the second class to grant private interests in parking facilities to support commercial and residential real estate development and develop, operate or participate in mixed-use projects can be an important factor in the continual encouragement, development, attraction, stimulation, growth and expansion of business, industry, commerce and tourism within a city of the second class, the surrounding counties and this Commonwealth as a whole.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth, City of Pittsburgh or Pittsburgh Parking Authority Funds as the legislation simply authorizes, but does not require, the Authority to grant private interests in parking facilities to support real estate development and mixed-use projects only in instances where such action is in its best interests.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: December 12, 2017

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