



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 701

PRINTERS NO. 1025

PRIME SPONSOR: Browne

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See fiscal impact	See fiscal impact

SUMMARY: Authorizes the conveyance of state land that is situated partly in the City of Allentown and partly in the City of Bethlehem, Lehigh County.

ANALYSIS: SB 701 authorizes the Department of General Services (DGS) to grant and convey approximately 195.167 acres of land and improvements located in the City of Allentown and the City of Bethlehem, known as the "Allentown State Hospital," to a grantee yet to be determined through a solicitation for proposal based upon best value and return on investment. This bill also includes a covenant in the deed of conveyance prohibiting the property from being utilized as a licensed gaming facility. This proposed legislation also requires DGS to demolish all buildings and structures located on the property, with the exception of a Commonwealth-owned air monitoring system.

This bill also establishes a competitive solicitation committee to review proposals and recommend a buyer. The committee shall be composed of:

- The Secretary of General Services or their designee
- The member of the Senate in whose district the majority of the property is located or their designee
- The member of the House of Representatives in whose district the majority of the property is located or their designee
- An official representative of the municipality in which the majority of the property is located in or his designees

There is a preemption of local ordinances in which the demolition of the buildings and structures on the property and additional work ancillary to the demolition of the buildings and structures on the property by DGS are authorized notwithstanding zoning ordinances, land use ordinances, building codes or other regulations adopted or enacted by a political subdivision under the authority of any statute or under the authority of a charter or home rule charter authorized and adopted under any statute or the Constitution of PA.

Effective date: Immediately

FISCAL IMPACT: According to DGS, the demolition of the buildings on the property will cost approximately \$15 million, to be paid from capital budget funds. DGS has also stated that the sale of the Lehigh County parcel will save approximately \$2 million in annual carrying costs. An appraisal conducted in February 2017 on the subject property determined a market value of \$2,570,000. All proceeds from the sale of the property shall be deposited into the General Fund.

PREPARED BY: Thomas Gwinn
House Appropriations Committee (R)

DATE: June 25, 2019

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