
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 782 Session of
1993

INTRODUCED BY HALUSKA, FARGO, DeWEESE, BELFANTI, KASUNIC,
YEWIC, DALEY, PESCI, BUSH, TIGUE, JAROLIN, GORDNER, McCALL,
PISTELLA, WOZNIAK, REBER, BROWN, COLAIZZO, PETRARCA, TRELLO,
COY, CLARK, ROONEY, STISH, VEON, HANNA AND MELIO,
MARCH 22, 1993

REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT,
MARCH 22, 1993

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 45,000 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 start-ups 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 comprising 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 or contains an enterprise zone as designated by the Secretary
7 of Community Affairs.

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

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

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

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

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

23 Section 5. Repayment.

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

1 until the total cost of the shell building is paid in full.

2 Section 6. Sale of building.

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

6 Section 7. Amount of loan.

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

12 Section 8. Under-utilization of funds.

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

17 Section 9. Responsibility of sponsor.

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

21 Section 10. Continuing efforts to attract industry.

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

25 Section 11. Appropriation.

26 The sum of \$500,000, or as much thereof as may be necessary,
27 is hereby appropriated to the Department of Commerce for the
28 fiscal year July 1, 1993, to June 30, 1994, to carry out this
29 act.

30 Section 12. Effective date.

1 This act shall take effect immediately.