

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3122 Session of
1994

INTRODUCED BY STURLA, LAUGHLIN, CAPPABIANCA, KIRKLAND, DEMPSEY,
HASAY, WOZNIAK, CAWLEY, SERAFINI, B. SMITH, SAYLOR, STETLER,
COLAFELLA, VEON, LaGROTTA, O'BRIEN, MERRY, SCRIMENTI, BEBKO-
JONES, KELLER, MELIO AND LESCOVITZ, OCTOBER 3, 1994

REFERRED TO COMMITTEE ON APPROPRIATIONS, OCTOBER 3, 1994

AN ACT

1 Appropriating money from the Sunny Day Fund to the Department of
2 Commerce for various projects throughout this Commonwealth
3 for Fiscal Year 1994-1995; making an appropriation from the
4 General Fund to the Sunny Day Fund; and making repeals.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The sums set forth in section 2, or as much
8 thereof as may be necessary, are hereby specifically
9 appropriated from the Sunny Day Fund to the Department of
10 Commerce for the fiscal year July 1, 1994, to June 30, 1995, for
11 the projects listed to enhance economic development and the
12 creation of jobs in this Commonwealth in accordance with the
13 provisions of Chapter 1 of the act of July 1, 1985 (P.L.120,
14 No.32), known as the Sunny Day Fund Act.

15 Section 2. The following amounts are appropriated to the
16 Department of Commerce to induce companies to locate large
17 industrial, manufacturing or research and development
18 enterprises within this Commonwealth:

1 (1) For the purpose of making a loan to
2 AEP Industries, Inc., to construct a
3 manufacturing facility in Luzerne County. The
4 total project cost is in excess of \$17,000,000.
5 It is estimated that this project will create
6 220 new jobs within three years of operation.
7 State appropriation..... 3,300,000
8 (2) For the purpose of making a loan to
9 Tate Access Floor, Inc., to acquire an existing
10 manufacturing facility in York County. The
11 total project cost is \$12,950,000. It is
12 estimated that this project will create 123 new
13 jobs within three years of operation.
14 State appropriation..... 2,750,000
15 (3) For the purpose of making a loan to
16 Brodart Company to expand its existing
17 manufacturing facility in Lycoming County. The
18 total project cost is \$17,300,000. It is
19 estimated that this project will create 200 new
20 jobs within three years of operation.
21 State appropriation..... 2,000,000
22 (4) For the purpose of making a loan to
23 Worldclass Steel, Inc., to commence operation
24 of a steel mini-mill located in Beaver County.
25 The total project cost is \$290,000,000. It is
26 estimated that this project will create 350 new
27 jobs within three years of operation.
28 State appropriation..... 6,000,000
29 (5) For the purpose of making a loan to
30 Crown, Cork & Seal Company, Inc., to construct

new headquarters and consolidate its operations in Philadelphia County. The total project cost is in excess of \$20,000,000. It is estimated that this project will create 391 new jobs within three years of operation.

State appropriation..... 4,250,000

(6) For the purpose of making a loan to R. Donnelley & Sons Company to expand its existing manufacturing facility located in Lancaster County. The total project cost is \$69,000,000. It is estimated that this project will create 112 new jobs within three years of operation.

State appropriation..... 2,000,000

(7) For the purpose of making a loan to American Steel & Wire, Inc., to locate a steel mini-mill in Erie County. Although the site for the proposed facility is presently zoned industrial, a lack of available private funds to finance the development of the site has resulted in an economically undesirable nonindustrial use of the site. It is, therefore, anticipated that this project will, in part, be financed by tax increment bonds. The total project cost is \$243,300,000. It is estimated that this project will create 350 new jobs within three years of operation.

State appropriation..... 6,000,000

(8) For the purpose of making a loan to Metro Machine of Pennsylvania, Inc., to locate

1 a manufacturing facility in Delaware County,
2 with the possibility of locating an additional
3 facility in Philadelphia County, both of which
4 facilities would produce double hull tanker
5 mid-bodies. The total project cost is
6 \$103,490,000. It is estimated that this project
7 will create 1,000 new jobs within three years
8 of operation.

9 State appropriation..... 5,000,000

10 (9) For the purpose of making a loan to
11 BRW Steel to acquire and modernize the
12 Bethlehem Steel facility in Cambria County. The
13 total project cost is \$114,850,000. It is
14 estimated that this project will create 525 new
15 jobs within five years of operation.

16 State appropriation..... 13,000,000

17 (10) For the purpose of making a standby
18 grant to National Westminster Bancorp, Inc., to
19 cover customized job training costs in excess
20 of those available to be funded in Fiscal Year
21 1994-1995 from the Customized Job Training
22 Program. The grant shall only be drawn down, if
23 and to the extent, National Westminster
24 Bancorp, Inc.'s, training costs in Fiscal Year
25 1994-1995 exceed \$1,750,000. Any Sunny Day
26 funds disbursed for this purpose to National
27 Westminster Bancorp, Inc., shall reduce, dollar
28 for dollar, the Department of Education's four-
29 year commitment to provide customized job
30 training to National Westminster Bancorp, Inc.

1 The combined maximum amount which the
2 Commonwealth will provide to National
3 Westminster Bancorp, Inc., from either the
4 Customized Job Training Program or the Sunny
5 Day Fund for customized job training in no
6 event shall be greater than \$4,500,000.

7 State appropriation..... 950,000

8 (11) For the purpose of making a loan to
9 Starbucks Coffee Company, Inc., to construct a
10 facility to be located in East Manchester
11 Township, York County. The total project cost
12 is approximately \$20,000,000. It is estimated
13 that this project will create 275 new jobs
14 within three years of operation.

15 State appropriation..... 6,250,000

16 Section 3. It is the intent of the General Assembly that the
17 appropriations in section 2 shall be loaned at an annual
18 interest rate that in no case shall be less than the
19 Pennsylvania Industrial Development Authority's rate for the
20 area in which the project is located and for a term that shall
21 be the same as the term for an equivalent Pennsylvania
22 Industrial Development Authority project. Private companies
23 which receive Sunny Day Fund assistance but fail to make the
24 investment in the enterprise development as specified in section
25 2 shall be liable for the repayment of all Sunny Day Loan Fund
26 moneys, including any accrued interest thereon and any penalties
27 set by the Secretary of Commerce. Private companies which
28 receive Sunny Day Fund assistance but fail to create the number
29 of jobs specified in the approved loan or other agreements with
30 the Commonwealth shall be liable for a penalty equal to an

1 increase in the interest rate charged to 2% greater than the
2 current prime interest rate for the remainder of the loan,
3 unless the penalty is waived by the Secretary of Commerce
4 because the failure is due to circumstances outside the control
5 of the private company. The Secretary of Commerce shall consult
6 with the chairmen of the Appropriations Committee of the Senate
7 and the Appropriations Committee of the House of Representatives
8 prior to the establishment of waiver of penalties.

9 Section 4. For a period equal to the term of assistance
10 provided each project approved under this act, the Department of
11 Commerce shall provide a written report on the status of each
12 project to the Secretary of the Senate and the Chief Clerk of
13 the House of Representatives by June 30 of each year. This
14 report shall contain, at a minimum, information pertaining to
15 the specific use of the Sunny Day Fund money, the interest rate
16 and term of the Sunny Day Fund loan, the amount of principal
17 outstanding and interest due on the loan and the number of jobs
18 created by the project. All recipients of funds under this act
19 shall be required to provide any and all information required by
20 the Department of Commerce for the purpose of this act.

21 Section 5. No loan funds under this act shall be awarded by
22 the Department of Commerce after June 30, 1996. Any funds from
23 this appropriation remaining unexpended or unencumbered on June
24 30, 1996, shall automatically lapse into the Sunny Day Fund.

25 Section 6. All sums of money expended under section 2(1) and
26 (6) of the act of April 22, 1994 (P.L. , No.3A), entitled "An
27 act appropriating money from the Sunny Day Fund to the
28 Department of Commerce for various projects throughout this
29 Commonwealth for fiscal year 1994-1995," or section 2(2) of the
30 act of July 1, 1994 (P.L. , No.50A), entitled "An act

1 appropriating money from the Sunny Day Fund to the Department of
2 Commerce for various projects throughout this Commonwealth for
3 fiscal year 1994-1995," shall be credited against the similar
4 appropriations in section 2 of this act.

5 Section 7. The following acts and parts of acts are
6 repealed:

7 Sections 2(1) and (6) of the act of April 22, 1994 (P.L. ,
8 No.3A), entitled "An act appropriating money from the Sunny Day
9 Fund to the Department of Commerce for various projects
10 throughout this Commonwealth for fiscal year 1994-1995."

11 Section 2(2) of the act of July 1, 1994 (P.L. , No.50A),
12 entitled "An act appropriating money from the Sunny Day Fund to
13 the Department of Commerce for various projects throughout this
14 Commonwealth for fiscal year 1994-1995."

15 Section 8. The sum of \$19,600,000, or as much thereof as may
16 be necessary, is hereby specifically appropriated from the
17 General Fund to the Sunny Day Fund for the fiscal period July 1,
18 1994, to June 30, 1995. This appropriation shall be in addition
19 to any sums appropriated in section 209 of the act of June 16,
20 1994 (P.L. , No.6A), known as the General Appropriation Act
21 of 1994.

22 Section 9. This act shall take effect immediately.