

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1231 Session of  
2007

INTRODUCED BY D. EVANS, BELFANTI, BISHOP, DALEY, GIBBONS,  
JOSEPHS, W. KELLER, KENNEY, KORTZ, MANDERINO, PARKER,  
R. TAYLOR, WALKO, WILLIAMS AND YUDICHAK, MAY 4, 2007

REFERRED TO COMMITTEE ON APPROPRIATIONS, MAY 4, 2007

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public  
2 Corporations) of the Pennsylvania Consolidated Statutes,  
3 defining, in Commonwealth Financing Authority, "commercial  
4 corridor," "retail" and "retail development"; further  
5 providing, in Commonwealth Financing Authority, for revolving  
6 loan program accounts and for indebtedness; and establishing,  
7 in Commonwealth Financing Authority, the Commercial Corridor  
8 Revitalization Program.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. Section 1504 of Title 64 of the Pennsylvania  
12 Consolidated Statutes is amended by adding definitions to read:

13 § 1504. Definitions.

14 The following words and phrases when used in this chapter  
15 shall have the meaning given to them in this section unless the  
16 context clearly indicates otherwise:

17 \* \* \*

18 "Commercial corridor." An existing business district  
19 targeted for redevelopment to create new and improve existing  
20 retail activity in cities of the first class, cities of the

1 second class, cities of the second class A, cities of the third  
2 class, boroughs and incorporated towns located within this  
3 Commonwealth.

4 \* \* \*

5 "Retail." The business of selling products and services to  
6 the public as the ultimate consumer.

7 "Retail development." The commercial activity involved in  
8 transforming an existing commercial corridor.

9 \* \* \*

10 Section 2. Section 1542 of Title 64 is amended by adding a  
11 subsection to read:

12 § 1542. Revolving loan program accounts.

13 \* \* \*

14 (c) Commercial Corridor Revitalization Program account.--The  
15 authority shall establish an account for the program established  
16 in section 1559 (relating to Commercial Corridor Revitalization  
17 Program). Proceeds of bonds issued to fund the Commercial  
18 Corridor Revitalization Program and any moneys received as loan  
19 repayments under the Commercial Corridor Revitalization Program,  
20 or moneys otherwise made available to the program, shall be  
21 deposited in the account and made available for additional  
22 planning grants, project grants or loans for the purposes of the  
23 program in section 1559, subject to the provisions of any pledge  
24 to or agreement made by the authority with obligees of the  
25 authority.

26 Section 3. Section 1543(b) and (d) of Title 64 are amended  
27 to read:

28 § 1543. Indebtedness.

29 \* \* \*

30 (b) Program limitations.--Indebtedness incurred by the

1 authority under subsection (a) shall not, in aggregate, exceed  
2 any of the following:

3 (1) \$300,000,000 for the program established in section  
4 1551 (relating to Business in Our Sites Program).

5 (2) \$150,000,000 for the program established in section  
6 1552 (relating to First Industries Program).

7 (3) \$60,000,000 for the program established in section  
8 1557 (relating to New Pennsylvania Venture Capital Investment  
9 Program).

10 (4) \$150,000,000 for the program established in section  
11 1555 (relating to Building Pennsylvania Program).

12 (5) \$75,000,000 for the program established in 12  
13 Pa.C.S. Ch. 29.

14 (6) \$250,000,000 for the program established in section  
15 1554 (relating to New Pennsylvania Venture Guarantee  
16 Program).

17 (7) \$100,000,000 for the program established in section  
18 1556 (relating to Tax Increment Financing Guarantee Program).

19 (8) \$50,000,000 for the program established in section  
20 1553 (relating to Second Stage Loan Program).

21 (9) \$250,000,000 for the program established in section  
22 1559 (relating to Commercial Corridor Revitalization  
23 Program).

24 \* \* \*

25 (d) Exception.--Subsection (c) shall not apply to the  
26 aggregate amount of indebtedness incurred by the authority,  
27 including through the issuance of bonds, for the following  
28 programs:

29 (1) The program established in section 1553.

30 (2) The program established in section 1554.

1           (3) The program established in section 1556.

2           (4) The program established in section 1559.

3           \* \* \*

4           Section 4. Title 64 is amended by adding a section to read:

5   § 1559. Commercial Corridor Revitalization Program.

6       (a) Establishment.--There is established a program to be  
7 known as the Commercial Corridor Revitalization Program. The  
8 program shall provide financial assistance for commercial  
9 corridor retail development projects located within this  
10 Commonwealth.

11       (b) Applications for planning grants.--A municipality,  
12 municipal authority, redevelopment authority, nonprofit economic  
13 development organization, other nonprofit organization or  
14 business district authority may submit an application to the  
15 authority requesting a planning grant for costs associated with  
16 predevelopment activities and feasibility studies for a retail  
17 development project. The application shall be on the form  
18 required by the board and shall include or demonstrate all of  
19 the following:

20           (1) The applicant's name and address.

21           (2) The location of the retail development project.

22           (3) A statement that the retail development project is  
23 consistent with any existing comprehensive county plan where  
24 the retail development project is located.

25           (4) A description of the retail development project  
26 which includes a statement that the retail development  
27 project is for the redevelopment, reuse or revitalization of  
28 an existing commercial corridor.

29           (5) An estimate of the cost of the predevelopment  
30 activities and feasibility studies.

1           (6) A statement of the amount of the planning grant  
2           sought.

3           (7) Any other information required by the board.

4           (c) Review and approval of planning grant applications.--

5           (1) The board shall review the application. Upon being  
6           satisfied that all requirements have been met, the board may  
7           approve the application and, if approved, the authority shall  
8           award a planning grant.

9           (2) Copies of all reports and studies prepared with  
10          planning grant funds shall be filed with the authority and  
11          shall be made available to any person upon request.

12          (d) Applications for project financing.--A municipality,  
13          municipal authority, redevelopment authority, nonprofit economic  
14          development organization, other nonprofit organization or  
15          business district authority may submit an application to the  
16          authority requesting a loan or a combination of a loan and  
17          project grant for a retail development project. A private  
18          developer may submit an application to the board requesting a  
19          loan for a project. The application shall be on the form  
20          required by the board and shall include or demonstrate all of  
21          the following:

22               (1) The applicant's name and address.

23               (2) The location of the retail development project.

24               (3) A statement that the retail development project is  
25               consistent with any existing comprehensive county plan where  
26               the project is located.

27               (4) A description of the retail development project  
28               which includes a statement that the retail development  
29               project is for the redevelopment, reuse or revitalization of  
30               a previously developed commercial corridor and is zoned for

1 such development at the time of application.

2 (5) An estimate of the cost of the retail development  
3 project, prepared by an engineer or other qualified  
4 professional.

5 (6) A statement of the amount of the loan or combined  
6 loan and project grant sought. If the applicant is requesting  
7 a project grant, a statement as to the financial necessity  
8 for the project grant must be included.

9 (7) Proof that notification of the retail development  
10 project has been sent to the governing bodies of the county  
11 or counties and of the municipality or municipalities in  
12 which the retail development project is located.

13 (8) Any other information required by the board.

14 (e) Review of project financing applications.--The board  
15 shall review the applications to determine all of the following:

16 (1) That the retail development project is consistent  
17 with any existing comprehensive county plan where the retail  
18 development project is located.

19 (2) That the redevelopment project is for the  
20 redevelopment, reuse or revitalization of a previously  
21 developed commercial corridor and is zoned for such  
22 development at the time of application.

23 (3) That the value of the proposed collateral and the  
24 financial resources offered by the applicant are sufficient  
25 to repay the loan.

26 (4) That there is a substantial likelihood the land or  
27 buildings will be used upon project completion.

28 (5) That the retail development project will enable  
29 future employment opportunities in or have a net positive  
30 economic impact on the surrounding neighborhood.

1       (6) That the statement of the estimated cost of the  
2       retail development project is reasonable.

3       (7) That the applicant complied with all other criteria  
4       established by the board.

5       (f) Approval of project financing applications.--Upon being  
6       satisfied that all requirements have been met, the board may  
7       approve the application and, if approved, the authority shall  
8       award a loan or a combination of a loan and project grant to be  
9       used for costs of the retail development project. A combined  
10      loan and project grant may be awarded only if the board finds  
11      that the value of the proposed collateral and the financial  
12      resources offered by the applicant are not sufficient to repay a  
13      loan in the amount of the total project cost.

14      (g) Limitations.--

15      (1) A planning grant awarded for a retail development  
16      project under subsection (c) shall not exceed \$250,000. No  
17      more than \$10,000,000 of the funds made available for the  
18      program authorized by this section may be used for planning  
19      grants.

20      (2) A project grant awarded under subsection (f) shall  
21      not exceed 50% of the total amount of financing awarded by  
22      the board for the project or \$5,000,000, whichever is less.  
23      No more than one-half of the funds made available for the  
24      program authorized by this section may be used for all  
25      project grants less the amount authorized under paragraph  
26      (1).

27      (3) No more than 15% of the funds made available for the  
28      program authorized by this section may be awarded for retail  
29      development projects located within any one city, town or  
30      borough of this Commonwealth.

1       (4) The anticipated use of the land or buildings may not  
2 be primarily residential or primarily recreational.

3       (5) A project grant may be used only for one or more of  
4 the following purposes related to a retail development  
5 project:

6           (i) Environmental assessment and remediation.

7           (ii) Construction, repair, renovation or improvement  
8 of any building, structure, facility or physical public  
9 betterment or improvement.

10          (iii) Acquisition of any land or rights in land.

11          (iv) Preserving the architectural heritage of  
12 properties.

13          (v) Installation or rehabilitation of  
14 infrastructure.

15          (vi) Reimbursement of engineering and administrative  
16 expenses associated with any of the activities listed in  
17 subparagraphs (i) through (v).

18       Section 5. This act shall take effect in 60 days.