
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 385 Session of
2015

INTRODUCED BY RAFFERTY, PILEGGI, BREWSTER, COSTA, GREENLEAF,
SCHWANK, SMITH, VULAKOVICH, WARD, YUDICHAK AND BROWNE,
FEBRUARY 3, 2015

AMENDMENTS TO HOUSE AMENDMENTS, IN SENATE, SEPTEMBER 26, 2016

AN ACT

1 Amending the act of December 8, 2004 (P.L.1801, No.238),
2 entitled "An act empowering municipalities, counties and
3 public transportation agencies to work cooperatively to
4 establish Transit Revitalization Investment Districts (TRID),
5 including partnerships with the National Railroad Passenger
6 Corporation requiring planning studies, comprehensive plan
7 and zoning amendments and use of existing statutes and
8 techniques to achieve transit-oriented development,
9 redevelopment, community revitalization and enhanced
10 community character through TRID creation; establishing value
11 capture areas as a means to reserve and use future,
12 designated incremental tax revenues for public transportation
13 capital improvements, related site development improvements
14 and maintenance; promoting the involvement of and
15 partnerships with the private sector in TRID development and
16 implementation; encouraging public involvement during TRID
17 planning and implementation; and providing for duties of the
18 Department of Community and Economic Development," in general
19 provisions, further providing for definitions; in TRID
20 creation and location, further providing for criteria for
21 proposed TRID, for TRID designation, for implementing
22 authority, for TRID planning study factors, for roles and
23 responsibilities of public transportation agencies and
24 municipalities and for amendments to TRID planning study; in
25 land development powers of public transportation agencies,
26 further providing for development or redevelopment of
27 property and providing for additional powers of management
28 entities and for prohibition on management entities; in value
29 capture approaches, further providing for creation of value
30 capture area and for dedication of tax revenues; providing
31 for grant of TRID revenue and establishing the TRID Fund;

1 and, in community involvement, further providing for public
2 meeting to explain TRID and alternative implementation
3 approaches.

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

6 Section 1. Section 103 of the act of December 8, 2004
7 (P.L.1801, No.238), known as the Transit Revitalization
8 Investment District Act, is amended by adding definitions to
9 read:

10 Section 103. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 * * *

15 "Bond." The term includes bond, note, instrument, refunding
16 bond, refunding note or other evidence of indebtedness or
17 obligation.

18 * * *

19 "Eligible project." Development or improvement within a
20 TRID, including construction, infrastructure and site
21 preparation, reconstruction or renovation of a facility within a
22 TRID which will result in economic development or transit-
23 oriented development in accordance with the TRID and the TRID
24 planning study.

25 "Management entity." Any of the following:

26 (1) A participating municipality, county or public
27 transportation agency.

28 (2) A redevelopment authority, municipal authority,
29 neighborhood improvement district management association,
30 business improvement district or a similar governmental or
31 nonprofit organization authorized to act in a manner

1 consistent with the TRID planning study and with a services
2 area compatible with the TRID.

3 "Project costs." Any expenditures made or estimated to be
4 made, or monetary obligations incurred or estimated to be
5 incurred, which are listed in a TRID plan or agreement as costs
6 of improvements that create economic development or
7 revitalization within a TRID district, plus any costs incidental
8 thereto. Project costs include, but are not limited to, the
9 capital, financing, real property assembly, professional
10 service, administrative, relocation, organizational and other
11 necessary or convenient costs delineated in the act of July 11,
12 1990 (P.L.465, No.113), known as the Tax Increment Financing
13 Act.

14 * * *

15 "Redevelopment authority." An authority created pursuant to
16 the act of May 24, 1945 (P.L.991, No.385), known as the Urban
17 Redevelopment Law.

18 * * *

19 Section 2. Sections 301, 302, 303, 304, 305, 306 and 502 of
20 the act are amended to read:

21 Section 301. Criteria for proposed TRID.

22 Local municipalities, counties, transportation authorities
23 and public transportation agencies proposing to define and
24 develop a TRID shall use the following criteria and process:

25 (1) Eligible TRID locations may include any geographic
26 area of a municipality or municipalities, including vacant,
27 underutilized or potentially redevelopable land, within an
28 area [generally formed by a minimum radius of one-eighth mile
29 and] not to exceed a radius of [one-half] three-quarters mile
30 from a railroad, transit, light rail, busway or similar

1 transit stop or station, measured from the centerline of the
2 track or roadway traversing the station or stop location.
3 TRID designation may also include new station locations
4 proposed in conjunction with a planned public transportation
5 service, as defined on an adopted county, regional or public
6 transportation agency plan.

7 [(2) The specific boundaries of a TRID may be expanded
8 or reduced based on local circumstances such as local
9 economic development and planning goals, community character,
10 property boundary and scale variations but only when:

11 (i) authorized by the governing body or bodies of
12 the affected jurisdiction or jurisdictions in cooperation
13 with the pertinent public transportation agency; and

14 (ii) the rationale for the boundaries is supported
15 by the findings of the required TRID planning study.]

16 (3) A local municipality or municipalities shall
17 [further] define and support the rationale for the TRID
18 designation through a TRID planning study as well as
19 appropriate amendments to the municipal comprehensive plan,
20 zoning ordinance and other pertinent regulations.

21 (4) A local municipality may designate the county
22 planning agency to undertake or assist the TRID planning
23 study on its behalf.

24 (5) An existing neighborhood improvement district, tax
25 increment district or urban renewal area may be used as the
26 basis for the boundaries of a TRID when justified by the TRID
27 planning study required in section 304.

28 Section 302. TRID designation.

29 (a) Designation.--Local municipalities and counties working
30 with public transportation agencies, transportation authorities,

1 AMTRAK, passenger rail transportation providers or any
2 combination thereof may designate TRIDs in advance of
3 implementation of a new public transit service or in conjunction
4 with an existing public transportation service and in advance of
5 or in conjunction with actual development proposals. A TRID and
6 its boundaries shall be established by ordinance. In a city of
7 the third class situate within a county of the second class A,
8 the designation and boundaries of the TRID shall be made
9 exclusively by the governing body of the county.

10 (b) Agreement.--To create a TRID, in addition to the
11 planning study described in section 301(3), the municipality or
12 municipalities shall enter into an agreement with the transit
13 agency that approves the TRID planning study under section
14 301(3) and defines the activities [and], commitments and
15 administrative and management roles of each party to the TRID,
16 including any specific actions or financial participation to
17 help implement the TRID. The agreement shall include the
18 development agreement specified in section 504 as well as a
19 description of the TRID management entity described in section
20 [502(4)] 303.

21 Section 303. [Implementing authority] Management entity.

22 A [participating county, local municipality, transportation
23 authority and public transportation agency may designate on
24 their behalf the county redevelopment authority to assume
25 responsibility for TRID implementation.] participating local
26 municipality or county, which made the designation under section
27 302, and the public transportation agency shall designate the
28 management entity in the TRID agreement to administer, manage
29 and facilitate the implementation of the TRID planning study.

30 Section 304. TRID planning study factors.

1 The scope and scale of transit improvements and community
2 facility improvements, as well as any needed support facilities,
3 shall be assessed in the TRID planning study. The TRID planning
4 study shall also serve as the basis for a comprehensive plan
5 amendment to establish the TRID if the municipality has a
6 currently adopted comprehensive plan. The following shall apply:

7 (1) The planning study shall consider the need for
8 capital improvements to transit-related facilities and
9 adjacent public infrastructure, including roads, sidewalks
10 and water, sewer and storm drainage service and public
11 facilities, as well as opportunities for private sector real
12 estate development and ways in which such facilities,
13 services and development can be financed.

14 (2) Municipalities and counties undertaking a TRID
15 planning study shall receive priority consideration for
16 planning [and implementation] grants and technical assistance
17 from the department[, working in partnership with the
18 pertinent county planning agency or agencies and other State
19 agencies with grant or loan programs that may be applicable
20 to TRID planning or implementations]. Any funding
21 [appropriated to the Department of Community and Economic
22 Development for the purpose of carrying out this act is
23 intended to assist counties and local governments on a 25%
24 matching basis to undertake TRID planning studies and related
25 implementation activities. Individual grants for a TRID
26 planning study or implementation project shall not exceed
27 \$75,000. The department in consultation with the Department
28 of Transportation shall administer the supplemental TRID
29 program through the existing land use planning and technical
30 assistance program, with application guidance as necessary.]

1 provided by the department to assist with TRID planning
2 studies, except where otherwise limited by law, shall require
3 a match of 25%.

4 (3) Commonwealth agencies are directed to provide State
5 resources, programs and new capital investments that will
6 assist local governments, transportation authorities and
7 [transit] public transportation agencies to implement TRIDS.

8 Section 305. Roles and responsibilities of public
9 transportation agencies and municipalities.

10 As guidelines to implement the findings and recommendation of
11 the TRID planning study, the following roles and
12 responsibilities are defined:

13 (1) [The] Identifying the scope and scale of needed or
14 proposed transit capital improvements within the TRID area
15 are the responsibility of the partnering public
16 transportation agency. The cost, financing, phasing and
17 schedule of all transit-related improvements shall be
18 included in the public transportation agency's adopted
19 capital program.

20 (2) [The] Identifying the scope and scale of needed or
21 proposed support facilities, highway accessways and community
22 or neighborhood facility improvements, for example, sidewalks
23 and recreation facilities, are the responsibility of the
24 partnering county and local jurisdiction or jurisdictions and
25 may include support from the private sector.

26 (3) [Notwithstanding these stated roles and
27 responsibilities, the parties to a TRID shall be responsible
28 for defining the administrative and management roles and
29 responsibilities that will be most appropriate to achieve
30 implementation of the TRID in their community.]

1 Administration, management and facilitation of the TRID
2 implementation are primarily the responsibility of the
3 management entity, including, but without limitation, issuing
4 bonds, securing grant funds and otherwise raising, expending
5 and administering funds for TRID projects.

6 Section 306. Amendments [to TRID planning study].

7 [Proposed real estate development or redevelopment may
8 trigger additional needs for transit improvements and community
9 facility improvements or support facilities and shall be
10 accommodated through pertinent amendments of the TRID planning
11 study and county, multimunicipal or local municipal
12 comprehensive plan.] If warranted by a changing economic or
13 community condition, planning goal, real estate development,
14 redevelopment opportunity or a demonstrated need for transit or
15 community facility improvement, a TRID or TRID planning study
16 may be amended. The following shall apply:

17 (1) The boundaries of a TRID may be expanded or reduced
18 by an amendment to the ordinance establishing the TRID and
19 shall be accompanied by justification for the boundary change
20 supported by findings in the original or amended TRID
21 planning study.

22 (2) A TRID planning study may be amended by approval of
23 the municipality, municipalities or counties and the transit
24 agency that are parties to the TRID designation under section
25 302.

26 Section 502. Development or redevelopment of property.

27 Development or redevelopment of property within a TRID shall
28 generally occur in the following manner:

29 (1) The public transportation agency, municipality or
30 management entity may acquire the property, improve it for

1 future development, such as site clearance, utility work,
2 environmental remediation and similar improvements, and work
3 cooperatively with the pertinent local jurisdiction or
4 jurisdictions and implementing agencies to offer it for sale
5 to the private sector for use or uses consistent with the
6 adopted TRID plan.

7 (2) Alternatively, the public transportation agency,
8 municipality or management entity may advertise the presence
9 of available development sites within a TRID, including a map
10 of potentially developable or redevelopable properties, and
11 invite interested developers to submit proposals in
12 cooperation with the pertinent local jurisdiction or
13 jurisdictions and implementing agencies.

14 (3) In the case of either paragraph (1) or (2), the
15 public transportation agency may not be the primary real
16 estate developer, and joint development activities are
17 confined to the construction of support and access
18 facilities: that is, vehicular access, parking, pedestrian
19 ways, building pads, foundation columns, signage and similar
20 items.

21 (4) [The partnering TRID local municipality or
22 municipalities shall designate a management entity for the
23 TRID which may be a municipal authority or joint municipal
24 authority, in accordance with the requirements of 53 Pa.C.S.
25 Ch. 56 (relating to municipal authorities) to manage and
26 facilitate TRID implementation. The local municipality or
27 municipalities involved in the TRID shall retain policy and
28 oversight responsibilities for all budgetary and programmatic
29 actions of the designated TRID management entity.] Similar
30 to, but not limited by, the act of July 11, 1990 (P.L.465,

1 No.113), known as the Tax Increment Financing Act, a public
2 transportation agency, municipality, management entity or a
3 designated agent may issue bonds, deposit money into the TRID
4 account, enter into any contracts or agreements, including
5 agreements with bondholders, as determined to be necessary or
6 convenient to implement the provisions and effectuate the
7 purposes of TRID project plans. The contracts or agreements
8 may include conditions, restrictions or covenants which
9 either run with the land or otherwise regulate the use of the
10 land.

11 (5) Creative partnerships with AMTRAK, passenger rail
12 transportation providers, transportation authorities and the
13 private sector to accomplish TRID purposes that use the
14 benefits of AMTRAK's and passenger rail service providers'
15 existing real estate development powers are both desirable
16 and encouraged.

17 [(6) Neighborhood improvement districts, business
18 improvement districts or similar entities may be designated
19 to manage the TRID implementation activities.]

20 Section 3. The act is amended by adding sections to read:

21 Section 505. Additional powers of management entities.

22 In addition to other powers and functions of management
23 entities granted under this act, a management entity shall have
24 the power to provide or borrow money for purposes of executing a
25 TRID, a TRID planning study or for an eligible project. A
26 management entity may also issue bonds, if permitted to do so
27 under Commonwealth statute, for the purposes of executing a
28 TRID, a TRID planning study or for an eligible project.

29 Section 506. Prohibition on management entities.

30 A member of the management entity may not receive money

1 directly or indirectly from the TRID.

2 Section 4. Sections 701 and 702 of the act are amended to
3 read:

4 Section 701. Creation of value capture area.

5 In conjunction with the formal establishment of the TRID
6 boundaries, a coterminous value capture area shall
7 simultaneously be created to enable local municipalities, school
8 districts, the county and the public transportation agency to
9 share the increased tax increment of real estate and other
10 designated tax revenues generated by new real estate investment
11 within the TRID. The participants in the TRID, through the
12 designated management entity, shall develop an administrative
13 and project schedule and budget to implement the project,
14 including future maintenance needs, as defined in the TRID
15 planning study, as well as the shares and use of [such tax] the
16 incremental revenues as are projected to be generated from the
17 TRID value capture area. The participating municipality or
18 municipalities may review and revise the TRID budget.

19 Section 702. [Dedication of tax revenues] Financing of project
20 costs.

21 [Tax] A portion of incremental tax revenues [generated
22 within] transferred to a TRID shall be dedicated to completion
23 and future maintenance of the specific and necessary transit
24 capital and public infrastructure improvements designated in the
25 comprehensive plan amendment and TRID planning study as follows:

26 (1) Local [municipalities and counties shall not use
27 such revenues for general government purposes, and a public
28 transportation agency shall not use such revenues for transit
29 capital investments elsewhere on the public transportation
30 system.] taxing bodies shall approve that portion of revenues

1 which shall be dedicated to support TRID implementation and
2 that portion which shall be dedicated for general government
3 purposes.

4 (1.1) A public transportation agency may not use the
5 revenue for a transit capital investment outside of a
6 designated TRID except if the investment is necessary and
7 integral to achieve an approved TRID implementation
8 objective.

9 (2) Local municipalities, school districts and the
10 county shall establish an amortization schedule for receipt,
11 investment and expenditure of any TRID tax incremental
12 revenues[, not to exceed 20 years,] similar to [the
13 amortization schedule], but not limited by, the financing of
14 costs provisions in the act of July 11, 1990 (P.L.465,
15 No.113), known as the Tax Increment Financing Act. [However,
16 where a municipal or joint municipal authority has been
17 created, it shall be responsible for fixing the amortization
18 schedule and for defining the TRID capital improvement plan.]
19 Incremental tax revenue generated by a TRID property may be
20 directed for use in TRID projects or eligible projects,
21 including for use in financing a bond the proceeds of which
22 are used in TRID projects or eligible projects, for up to 20
23 years from the date a property is designated as a parcel in a
24 TRID.

25 (3) For the purposes of this act, project costs and the
26 financing thereof shall be regarded as like and similar to
27 the provisions delineated in the Tax Increment Financing Act.

28 Section 5. The act is amended by adding a chapter to read:

29 CHAPTER 8

30 GRANT OF TRID REVENUE

1 Section 801. Establishment.

2 There is established a special fund in the State Treasury to
3 be known as the TRID Fund. Moneys deposited into the fund and
4 interest which accrues from those funds shall be used for the
5 purposes delineated in this chapter.

6 Section 802. Approval.

7 (a) Submission.--A management entity may apply to the
8 department for the purposes of funding an eligible project or
9 for covering debt service payments related to debt incurred to
10 fund an eligible project.

11 (b) Agencies.--The department, in consultation with the
12 Office of the Budget, shall approve two applications within six
13 months of the effective date of this section and may approve
14 additional applications thereafter.

15 (c) Approval schedule.--The department shall develop a
16 schedule for the approval of applications.

17 (d) Reapplication.--If an application is not approved under
18 this section, the applicant may revise the application and plan
19 and reapply for approval.

20 Section 803. Additional powers of management entities.

21 In addition to other powers and functions of management
22 entities granted under this act, a management entity shall have
23 the power to borrow money for the purposes of executing a TRID
24 or TRID planning study for which an application has been
25 approved under section 802.

26 Section 804. Prohibition on management entities.

27 A member of the management entity may not receive money
28 directly or indirectly from the TRID Fund.

29 Section 805. Transfers.

30 (a) Matching funds.--The amount of money transferred from

1 the TRID Fund utilized for the construction, including related
2 site preparation and infrastructure, reconstruction or
3 renovation of facilities, shall be matched by other sources of
4 funding at a ratio of two fund dollars to one private dollar.

5 (b) Report.--By April 1, following year one, and for each
6 year thereafter, the management entity shall file an annual
7 report with the department and the Office of the Budget that
8 contains a detailed account of the TRID Fund money expenditures
9 and the expenditures of funds from other sources and a
10 calculation of the ratio in subsection (a) for the prior
11 calendar year. The agencies shall determine whether sufficient
12 funding from other sources was utilized.

13 (c) Credit of matching funds.--For the purposes of meeting
14 the matching funding requirement, the agencies shall allow a
15 management entity to demonstrate that a multiyear eligible
16 matching funding investment was made in a particular year. In
17 subsequent years, the management entity shall refer to the gross
18 matching fund investment in the year it was established and
19 carry forward a credit in an amount of the original investment
20 minus the funds already applied as a matching fund requirement,
21 up to the remaining matching funds.

22 (d) Deduction.--If it is determined that insufficient
23 funding from other sources was utilized under subsection (a),
24 the amount of TRID Fund money utilized under subsection (a) in
25 the prior calendar year shall be deducted from the next transfer
26 of the fund.

27 (e) Financial approval.--Upon being satisfied that all
28 requirements have been met including private dollar match, the
29 department shall notify the State Treasurer to issue a grant in
30 an amount not to exceed \$350,000 annually, as established by the

1 Secretary of the Budget per TRID.

2 (f) Sales tax transfer.--On June 1, 2016, and on each June 1
3 for the next 20 calendar years, \$700,000 from the tax imposed by
4 Article II of the act of March 4, 1971 (P.L.6, No.2), known as
5 the Tax Reform Code of 1971, shall be transferred to the TRID
6 Fund for payment to the first two TRIDs approved under section
7 802(b).

8 (g) Remaining TRID Fund money.--Each year after the
9 transfers from the TRID Fund to the TRIDs under subsection (f),
10 any money remaining in the TRID Fund shall be returned to the
11 General Fund.

12 (h) Grants to other TRIDs.--For any TRID other than the
13 first two TRIDs approved under section 802(b), the department
14 may provide grants of up to \$350,000 each year for the purposes
15 delineated in this chapter.

16 Section 806. Restrictions.

17 (a) Utilization.--If the use was approved in an application
18 filed under section 802, money transferred under section 805 may
19 only be utilized for the following:

20 (1) Payment of debt service on bonds issued for the
21 construction, including related infrastructure and site
22 preparation, reconstruction or renovation of a facility in
23 the TRID.

24 (2) Construction, including related infrastructure and
25 site preparation, reconstruction or renovation of all or a
26 part of a facility.

27 (3) Replenishment of amounts in debt service reserve
28 funds established to pay debt service on bonds.

29 (4) Improvement or development of all or part of a TRID.

30 (5) Improvement projects, including fixtures and

1 equipment for a facility owned by a public authority.

2 (b) Excess money.--

3 (1) If the amount of money transferred to the fund under
4 section 805 in any one calendar year exceeds the money
5 utilized under this section in that calendar year, the
6 management entity shall submit by January 15 following the
7 end of the calendar year the excess money to the State
8 Treasurer for deposit into the General Fund.

9 (2) At the time of submission to the State Treasurer,
10 the management entity shall submit to the State Treasurer,
11 the Office of the Budget and department a detailed accounting
12 of the calculation resulting in the excess money.

13 Section 807. Expiration.

14 The TRID Fund shall expire on December 31, 2035. Upon
15 expiration, money in the fund not encumbered shall lapse to the
16 General Fund.

17 Section 808. Commonwealth pledges.

18 (a) Pledge.--If and to the extent the management entity
19 pledges amounts required to be transferred to the TRID Fund
20 under section 805 for payment of bonds issued by the management
21 entity, until all bonds secured by the pledge of the management
22 entity, together with interest on the bonds, are fully paid or
23 provided for, the Commonwealth pledges to and agrees with any
24 person, firm, corporation or government agency, in this
25 Commonwealth or elsewhere and pledges to and agrees with any
26 Federal agency subscribing to or acquiring the bonds of the
27 management entity that the Commonwealth will not, nor will it
28 authorize any government entity to, do any of the following:

29 (1) Abolish or reduce the size of the TRID.

30 (2) Limit or alter the rights vested in the management

1 entity in a manner inconsistent with the obligations of the
2 management entity with respect to the bonds issued by the
3 management entity.

4 (3) Impair revenue to be paid under this chapter to the
5 management entity necessary to pay debt service on bonds.

6 (b) Limitation.--Nothing under this section shall limit the
7 authority of the Commonwealth to change the rate, base or
8 subject of a specific tax or to repeal or enact any tax.

9 Section 809. Guidelines.

10 The department and the Office of the Budget shall develop and
11 publish guidelines necessary to implement this chapter.

12 Section 6. Section 901 of the act is amended to read:

13 Section 901. Public meeting to explain TRID and alternative
14 implementation approaches.

15 Community and public involvement in the establishment of
16 TRIDs is required. The municipality and the public
17 transportation agency shall jointly conduct at least one public
18 meeting in the proposed TRID area prior to the enactment of a
19 TRID[,] and TRID planning study[, comprehensive plan or zoning
20 amendment]. The meeting is intended to explain the purpose and
21 components of the TRID and the alternative implementation
22 approaches. The public meeting or meetings shall be in addition
23 to any required local government public hearing or hearings
24 prior to comprehensive or multimunicipal plan amendment
25 adoption. However, nothing in this act shall relieve the [TRID
26 management entity] municipality or public transportation agency
27 from conducting all public meetings required by law where the
28 TRID is acting or seeking to act under the:

29 (1) Act of May 24, 1945 (P.L.991, No.385), known as the
30 Urban Redevelopment Law.

1 (2) Act of July 11, 1990 (P.L.465, No.113), known as the
2 Tax Increment Financing Act.

3 (3) Act of December 20, 2000 (P.L.949, No.130), known as
4 the Neighborhood Improvement District Act.

5 Section 7. This act shall take effect in ~~60~~ 90 days. <--