

No. 2004-238

AN ACT

HB 994

Empowering municipalities, counties and public transportation agencies to work cooperatively to establish Transit Revitalization Investment Districts (TRID), including partnerships with the National Railroad Passenger Corporation requiring planning studies, comprehensive plan and zoning amendments and use of existing statutes and techniques to achieve transit-oriented development, redevelopment, community revitalization and enhanced community character through TRID creation; establishing value capture areas as a means to reserve and use future, designated incremental tax revenues for public transportation capital improvements, related site development improvements and maintenance; promoting the involvement of and partnerships with the private sector in TRID development and implementation; encouraging public involvement during TRID planning and implementation; and providing for duties of the Department of Community and Economic Development.

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

CHAPTER 1
GENERAL PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Transit Revitalization Investment District Act.

Section 102. Declaration of policy.

The General Assembly finds and declares as follows:

(1) The overall purpose and legislative intent of this act is to authorize public transportation agencies throughout this Commonwealth to work cooperatively with counties, local governments, transportation authorities, the private sector and the National Railroad Passenger Corporation (AMTRAK) and other providers of public transportation and passenger rail services to create and designate Transit Revitalization Investment Districts (TRID).

(2) The specific purposes and intent of a designated TRID are to:

- (i) Promote local, county and regional economic development and revitalization activities through private sector investment, reinvestment and joint development activities in conjunction with public transportation improvements.
- (ii) Encourage multimunicipal, cooperative approaches to generate new investment, reinvestment and revitalization through transit-oriented development around rail transit stations and along public transportation corridors.
- (iii) Increase overall ridership on public transportation systems, including AMTRAK, while generating additional revenues for current

and expanded services, capital improvements and related ongoing maintenance.

(iv) Encourage and support municipal and multimunicipal comprehensive plan implementation, including consistency of plans at the local, county and regional levels.

(v) Stimulate public-private partnerships created by prospective development opportunities around, within or adjacent to the transit system, station areas and transit system components.

(vi) Establish appropriate mechanisms to capture the real estate taxation and other values added by joint development activities for reinvestment in the transit system and local communities.

(vii) Encourage greater community involvement in TRID location, design and implementation and resulting investment activities.

(viii) Promote flexible, cooperative, coordinated and enhanced support for innovative, intermodal solutions in TRID development and implementation activities by municipal officials, public agencies, nonprofit organizations and the private sector.

(ix) Support TRID implementation by maximizing use of existing Federal and State laws and programs that are consistent with the purposes of this act.

Section 103. Definitions.

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

“AMTRAK.” The National Railroad Passenger Corporation.

“Department.” The Department of Community and Economic Development of the Commonwealth.

“Public transportation agency.” A public transit authority or similar entity, created through the laws of this Commonwealth, charged with the provision of mass transit services to the traveling public, that owns and maintains or is authorized to own and maintain a physical plant, including rolling stock, stations, maintenance and support facilities.

“Public transportation provider.” A public or private entity that operates or is authorized to operate intercity or local commuter passenger rail services within this Commonwealth that are open to the general public and that owns and maintains or is authorized to own and maintain a physical plant, including rolling stock, stations, maintenance and support facilities.

“Transit-oriented development.” Development concentrated around and oriented to transit stations in a manner that promotes transit riding or passenger rail use. The term does not refer to a single real estate project but represents a collection of projects, usually mixed use, at a neighborhood scale that are oriented to a transit node.

“TRID.” A Transit Revitalization Investment District created in accordance with this act.

“TRID planning study.” A study required to be undertaken by one or more municipalities, with the active involvement of a public transportation agency and the pertinent county or counties, for the purpose of establishing the boundaries, existing environmental conditions, existing and proposed land use, property availability, real estate market conditions, development potential, including use of air space rights, required zoning amendments, desired infrastructure and necessary transportation-related improvements and a financial plan, including funding sources, a proposed amortization schedule where applicable and estimated future maintenance requirements, to support the designation and implementation of a proposed TRID.

“Value capture area.” An area coincident with the boundaries of a TRID, established simultaneously with TRID designation, in accordance with this act, in which real estate tax revenues and any other designated tax revenues shall, at a minimum, be shared by the participating local jurisdiction or jurisdictions and public transportation agency or agencies for the purpose of implementing a TRID.

CHAPTER 3
TRID CREATION AND LOCATION

Section 301. Criteria for proposed TRID.

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

(1) Eligible TRID locations may include any geographic area of a municipality or municipalities, including vacant, underutilized or potentially redevelopable land, within an area generally formed by a minimum radius of one-eighth mile and not to exceed a radius of one-half mile from a railroad, transit, light rail, busway or similar transit stop or station, measured from the centerline of the track or roadway traversing the station or stop location. TRID designation may also include new station locations proposed in conjunction with a planned public transportation service, as defined on an adopted county, regional or public transportation agency plan.

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

- (i) authorized by the governing body or bodies of the affected jurisdiction or jurisdictions in cooperation with the pertinent public transportation agency; and
- (ii) the rationale for the boundaries is supported by the findings of the required TRID planning study.

(3) A local municipality or municipalities shall further define and support the rationale for the TRID designation through a TRID planning

study as well as appropriate amendments to the municipal comprehensive plan, zoning ordinance and other pertinent regulations.

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

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

Section 302. TRID designation.

(a) Designation.—Local municipalities and counties working with public transportation agencies, transportation authorities, AMTRAK, passenger rail transportation providers or any combination thereof may designate TRIDs in advance of implementation of a new public transit service or in conjunction with an existing public transportation service and in advance of or in conjunction with actual development proposals.

(b) Agreement.—To create a TRID, in addition to the planning study described in section 301(3), the municipality or municipalities shall enter into an agreement with the transit agency that defines the activities and commitments of each party to the TRID, including any specific actions or financial participation to help implement the TRID. The agreement shall include the development agreement specified in section 504 as well as a description of the TRID management entity described in section 502(4).

Section 303. Implementing authority.

A participating county, local municipality, transportation authority and public transportation agency may designate on their behalf the county redevelopment authority to assume responsibility for TRID implementation.

Section 304. TRID planning study factors.

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

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

(2) Municipalities undertaking a TRID planning study shall receive priority consideration for planning and implementation grants and technical assistance from the department, working in partnership with the pertinent county planning agency or agencies and other State agencies with grant or loan programs that may be applicable to TRID planning or implementations. Any funding appropriated to the Department of

Community and Economic Development for the purpose of carrying out this act is intended to assist counties and local governments on a 25% matching basis to undertake TRID planning studies and related implementation activities. Individual grants for a TRID planning study or implementation project shall not exceed \$75,000. The department in consultation with the Department of Transportation shall administer the supplemental TRID program through the existing land use planning and technical assistance program, with application guidance as necessary.

(3) Commonwealth agencies are directed to provide State resources, programs and new capital investments that will assist local governments, transportation authorities and transit agencies to implement TRIDs.

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

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

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

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

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

Section 306. Amendments to TRID planning study.

Proposed real estate development or redevelopment may trigger additional needs for transit improvements and community facility improvements or support facilities and shall be accommodated through pertinent amendments of the TRID planning study and county, multimunicipal or local municipal comprehensive plan.

Section 307. Municipal cooperation.

Nothing in this act shall preclude two or more municipalities or a municipality and a transportation authority from working together cooperatively with a public transportation agency to define and establish one or more TRIDs along a public transportation corridor, using the criteria established under this act.

CHAPTER 5

LAND DEVELOPMENT POWERS OF PUBLIC TRANSPORTATION AGENCIES

Section 501. Authority to acquire and improve property.

Consistent with the existing authority or limitations of public transportation agencies to condemn and acquire land for public transportation purposes, such entities are hereby authorized to acquire and improve property located within a designated TRID for real estate development purposes provided such acquisition and improvement:

- (1) Is consistent with any pertinent municipal comprehensive plan and TRID planning study.
- (2) Is coordinated with pertinent county and local jurisdictions and redevelopment or other special purpose authorities.
- (3) Furthers the stated purposes of this act.
- (4) Does not exceed the minimum land area necessary to accomplish the needs specified in the TRID planning study and the development agreement.

Section 502. Development or redevelopment of property.

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

- (1) The public transportation agency may acquire the property, improve it for future development, such as site clearance, utility work, environmental remediation and similar improvements, and work cooperatively with the pertinent local jurisdiction or jurisdictions and implementing agencies to offer it for sale to the private sector for use or uses consistent with the adopted TRID plan.
- (2) Alternatively, the public transportation agency may advertise the presence of available development sites within a TRID, including a map of potentially developable or redevelopable properties, and invite interested developers to submit proposals in cooperation with the pertinent local jurisdiction or jurisdictions and implementing agencies.
- (3) In the case of either paragraph (1) or (2), the public transportation agency may not be the primary real estate developer, and joint development activities are confined to the construction of support and access facilities: that is, vehicular access, parking, pedestrian ways, building pads, foundation columns, signage and similar items.
- (4) The partnering TRID local municipality or municipalities shall designate a management entity for the TRID which may be a municipal authority or joint municipal authority, in accordance with the requirements of 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to manage and facilitate TRID implementation. The local municipality or municipalities involved in the TRID shall retain policy and oversight responsibilities for all budgetary and programmatic actions of the designated TRID management entity.

- (5) Creative partnerships with AMTRAK, passenger rail transportation providers, transportation authorities and the private sector to accomplish TRID purposes that use the benefits of AMTRAK's and passenger rail

service providers' existing real estate development powers are both desirable and encouraged.

- (6) Neighborhood improvement districts, business improvement districts or similar entities may be designated to manage the TRID implementation activities.

Section 503. Coordination of development activities.

The public transportation agency shall coordinate development activities with the pertinent county or local redevelopment authority, planning commission and governing body. If such entities are able to accommodate the land acquisition or marketing needs of the TRID in a more timely fashion, an agreement may be established between the public transportation agency and such entities to implement this aspect of the overall TRID program.

Section 504. Development agreements.

In furtherance of the agreement specified in section 302, the partnering municipality, transportation authority, public transportation agency and, if participating, county representatives, including the designated management entity, shall enter into a development agreement with the pertinent private sector development organization or organizations to implement the proposed TRID. The development agreement shall stipulate the final project scope as well as the partners' roles, responsibilities, financing arrangements, schedule of improvements and the exactions or contributions to the project.

CHAPTER 7

VALUE CAPTURE APPROACHES

Section 701. Creation of value capture area.

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

Section 702. Dedication of tax revenues.

Tax revenues generated within a TRID shall be dedicated to completion and future maintenance of the specific and necessary improvements designated in the comprehensive plan amendment and TRID planning study as follows:

- (1) Local municipalities and counties shall not use such revenues for general government purposes, and a public transportation agency shall not

use such revenues for transit capital investments elsewhere on the public transportation system.

(2) Local municipalities, school districts and the county shall establish an amortization schedule for receipt, investment and expenditure of any TRID tax revenues, not to exceed 20 years, similar to the amortization schedule in the act of July 11, 1990 (P.L.465, No.113), known as the Tax Increment Financing Act. However, where a municipal or joint municipal authority has been created, it shall be responsible for fixing the amortization schedule and for defining the TRID capital improvement plan.

Section 703. Applicability of other statutes.

Local municipalities, counties, transportation authorities, the public transportation agency and local property owners are encouraged and may make maximum use of existing laws and regulations to advance and further implement TRID purposes. Without limitation, application of the following acts and similar acts as well as pertinent Federal programs and statutes are consistent with the intent of TRID implementation:

- (1) Act of May 24, 1945 (P.L.982, No.383), known as the Redevelopment Cooperation Law.
 - (2) Act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.
 - (3) Act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax Assistance Act.
 - (4) Act of July 9, 1985 (P.L.187, No.47), known as the Transportation Partnership Act.
 - (5) Act of July 11, 1990 (P.L.465, No.113), known as the Tax Increment Financing Act.
 - (6) Act of July 11, 1996 (P.L.677, No.116), known as the Infrastructure Development Act.
 - (7) Act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act.
 - (8) Act of December 20, 2000 (P.L.949, No.130), known as the Neighborhood Improvement District Act.
- Section 704. Private sector involvement.

Nothing described in this act shall preclude a private sector entity from offering to implement or finance needed public transportation or community improvements at the initiation of or concurrent with proposed TRID-related real estate development.

CHAPTER 9 COMMUNITY INVOLVEMENT

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

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

- (1) Act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law.
 - (2) Act of July 11, 1990 (P.L.465, No.113), known as the Tax Increment Financing Act.
 - (3) Act of December 20, 2000 (P.L.949, No.130), known as the Neighborhood Improvement District Act.
- Section 902. Public meeting to review proposed joint development plan and related improvements.

The municipality and the public transportation agency shall jointly conduct at least one public meeting in the TRID area to review the proposed joint development plan and its related public improvements prior to implementation.

Section 903. Cooperation with neighborhood or community representatives. The municipality and the public transportation agency shall encourage private sector real estate entities and land developers to work proactively and cooperatively with pertinent neighborhood or community representatives during the planning and implementation of TRID development proposals.

CHAPTER 21 MISCELLANEOUS PROVISIONS

Section 2101. Repeal.

All acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 2102. Effective date.

This act shall take effect in 60 days.

APPROVED—The 8th day of December, A.D. 2004.

EDWARD G. RENDELL