

1 AN ACT concerning economic development.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-523 as follows:

7 (20 ILCS 605/605-523 new)

8 Sec. 605-523. Downtown development and improvement
9 revolving loan and grant program. As used in this Section,
10 "downtown" means an area of a municipality that is now or was
11 once a central business district of the municipality.

12 (a) The Department may administer the Downtown Development
13 and Improvement Fund, a special fund in the State treasury, to
14 make revolving loans and grants, subject to appropriation, to
15 municipalities seeking financial assistance with the
16 development and improvement of commercial or residential
17 property in the downtown area of a municipality.

18 (b) The Department shall grant or loan the funds only for
19 projects that are part of a downtown revitalization plan
20 approved by the corporate authorities of the municipality and
21 that meet guidelines established by the Department by rule. In
22 establishing those guidelines, the Department shall consult
23 recognized standards and guidelines for the development of
24 downtown areas, including standards and guidelines for the
25 development of historically significant buildings and
26 property.

27 (c) The funds shall be used for the following purposes:

28 (1) facade improvements;

29 (2) leasehold improvements, including: (i) interior
30 demolition; (ii) stripping and paint removal; (iii) waste
31 removal; (iv) cleaning; (v) window repair; (vi) building
32 and security improvements; and (vii) any other

1 improvements required by the Department by rule; and
2 (3) upper floor improvement for commercial or
3 residential occupancy.

4 (d) Recipients may not use loan or grant funds for
5 reimbursements for work they have completed themselves.

6 (e) Grants or loans made under this Section must not exceed
7 the following amounts:

8 (1) For grants or loans for facade improvement
9 projects, \$20,000 per project, or 40% of the project cost.

10 (2) For grants or loans for leasehold improvement
11 projects, \$10,000 per project.

12 (3) For grants or loans for upper floor improvement
13 projects for residential use, \$5,000 for a one-bedroom
14 residential unit, \$7,500 for a two-bedroom residential
15 unit, or 60% of the proposed residential unit cost.

16 (4) For grants or loans for upper floor improvement
17 projects for commercial use, the lesser of \$2 per square
18 foot of leasable office space, or 60% of the project cost.

19 At no time shall the amount of a grant or loan exceed
20 \$50,000 per project.

21 (f) The term of a grant or loan made under this Section may
22 not exceed:

23 (1) For grants or loans for facade improvement
24 projects, 20 years.

25 (2) For grants or loans for leasehold improvement
26 projects, 5 years.

27 (g) The Department may adopt any rules necessary to
28 implement and operate this program.

29 Section 10. The State Finance Act is amended by adding
30 Section 5.625 as follows:

31 (30 ILCS 105/5.625 new)

32 Sec. 5.625. The Downtown Development and Improvement Fund.

33 Section 99. Effective date. This Act takes effect January

1 1, 2005.