



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0595

Introduced 2/8/2021, by Rep. Tom Demmer

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.3-5

65 ILCS 5/11-74.4-4

65 ILCS 5/11-74.6-10

from Ch. 24, par. 11-74.4-4

Amends the Business District Development and Redevelopment Law, the Tax Increment Allocation Redevelopment Act, and the Industrial Jobs Recovery Law of the Illinois Municipal Code. Provides that, for purposes of the respective Act and Laws, parcels are also contiguous if they touch or adjoin one another in a reasonably substantial physical sense or if they meet the criteria for annexation to a municipality under a specified provision of the Illinois Municipal Code.

LRB102 10629 AWJ 15958 b

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.3-5, 11-74.4-4, and 11-74.6-10 as
6 follows:

7 (65 ILCS 5/11-74.3-5)

8 Sec. 11-74.3-5. Definitions. The following terms as used
9 in this Law shall have the following meanings:

10 "Blighted area" means an area that is a blighted area
11 which, by reason of the predominance of defective,
12 non-existent, or inadequate street layout, unsanitary or
13 unsafe conditions, deterioration of site improvements,
14 improper subdivision or obsolete platting, or the existence of
15 conditions which endanger life or property by fire or other
16 causes, or any combination of those factors, retards the
17 provision of housing accommodations or constitutes an economic
18 or social liability, an economic underutilization of the area,
19 or a menace to the public health, safety, morals, or welfare.

20 "Business district" means a contiguous area which includes
21 only parcels of real property directly and substantially
22 benefited by the proposed business district plan. For purposes
23 of this Division, parcels are also contiguous if they touch or

1 adjoin one another in a reasonably substantial physical sense
2 or if they meet the criteria for annexation to a municipality
3 under Section 7-1-1 of the Illinois Municipal Code. A business
4 district may, but need not be, a blighted area, but no
5 municipality shall be authorized to impose taxes pursuant to
6 subsection (10) or (11) of Section 11-74.3-3 in a business
7 district which has not been determined by ordinance to be a
8 blighted area under this Law.

9 The changes made by this amendatory Act of the 102nd
10 General Assembly are intended to be declaratory of existing
11 law.

12 "Business district plan" shall mean the written plan for
13 the development or redevelopment of a business district. Each
14 business district plan shall set forth in writing: (i) a
15 specific description of the boundaries of the proposed
16 business district, including a map illustrating the
17 boundaries; (ii) a general description of each project
18 proposed to be undertaken within the business district,
19 including a description of the approximate location of each
20 project and a description of any developer, user, or tenant of
21 any property to be located or improved within the proposed
22 business district; (iii) the name of the proposed business
23 district; (iv) the estimated business district project costs;
24 (v) the anticipated source of funds to pay business district
25 project costs; (vi) the anticipated type and terms of any
26 obligations to be issued; and (vii) the rate of any tax to be

1 imposed pursuant to subsection (10) or (11) of Section
2 11-74.3-3 and the period of time for which the tax shall be
3 imposed.

4 "Business district project costs" shall mean and include
5 the sum total of all costs incurred by a municipality, other
6 governmental entity, or nongovernmental person in connection
7 with a business district, in the furtherance of a business
8 district plan, including, without limitation, the following:

9 (1) costs of studies, surveys, development of plans
10 and specifications, implementation and administration of a
11 business district plan, and personnel and professional
12 service costs including architectural, engineering, legal,
13 marketing, financial, planning, or other professional
14 services, provided that no charges for professional
15 services may be based on a percentage of tax revenues
16 received by the municipality;

17 (2) property assembly costs, including but not limited
18 to, acquisition of land and other real or personal
19 property or rights or interests therein, and specifically
20 including payments to developers or other nongovernmental
21 persons as reimbursement for property assembly costs
22 incurred by that developer or other nongovernmental
23 person;

24 (3) site preparation costs, including but not limited
25 to clearance, demolition or removal of any existing
26 buildings, structures, fixtures, utilities, and

1 improvements and clearing and grading of land;

2 (4) costs of installation, repair, construction,
3 reconstruction, extension, or relocation of public
4 streets, public utilities, and other public site
5 improvements within or without the business district which
6 are essential to the preparation of the business district
7 for use in accordance with the business district plan, and
8 specifically including payments to developers or other
9 nongovernmental persons as reimbursement for site
10 preparation costs incurred by the developer or
11 nongovernmental person;

12 (5) costs of renovation, rehabilitation,
13 reconstruction, relocation, repair, or remodeling of any
14 existing buildings, improvements, and fixtures within the
15 business district, and specifically including payments to
16 developers or other nongovernmental persons as
17 reimbursement for costs incurred by those developers or
18 nongovernmental persons;

19 (6) costs of installation or construction within the
20 business district of buildings, structures, works,
21 streets, improvements, equipment, utilities, or fixtures,
22 and specifically including payments to developers or other
23 nongovernmental persons as reimbursements for such costs
24 incurred by such developer or nongovernmental person;

25 (7) financing costs, including but not limited to all
26 necessary and incidental expenses related to the issuance

1 of obligations, payment of any interest on any obligations
2 issued under this Law that accrues during the estimated
3 period of construction of any development or redevelopment
4 project for which those obligations are issued and for not
5 exceeding 36 months thereafter, and any reasonable
6 reserves related to the issuance of those obligations; and

7 (8) relocation costs to the extent that a municipality
8 determines that relocation costs shall be paid or is
9 required to make payment of relocation costs by federal or
10 State law.

11 "Business district tax allocation fund" means the special
12 fund to be established by a municipality for a business
13 district as provided in Section 11-74.3-6.

14 "Dissolution date" means the date on which the business
15 district tax allocation fund shall be dissolved. The
16 dissolution date shall be not later than 270 days following
17 payment to the municipality of the last distribution of taxes
18 as provided in Section 11-74.3-6.

19 (Source: P.A. 99-452, eff. 1-1-16.)

20 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

21 Sec. 11-74.4-4. Municipal powers and duties; redevelopment
22 project areas. The changes made by this amendatory Act of the
23 91st General Assembly do not apply to a municipality that, (i)
24 before the effective date of this amendatory Act of the 91st
25 General Assembly, has adopted an ordinance or resolution

1 fixing a time and place for a public hearing under Section
2 11-74.4-5 or (ii) before July 1, 1999, has adopted an
3 ordinance or resolution providing for a feasibility study
4 under Section 11-74.4-4.1, but has not yet adopted an
5 ordinance approving redevelopment plans and redevelopment
6 projects or designating redevelopment project areas under this
7 Section, until after that municipality adopts an ordinance
8 approving redevelopment plans and redevelopment projects or
9 designating redevelopment project areas under this Section;
10 thereafter the changes made by this amendatory Act of the 91st
11 General Assembly apply to the same extent that they apply to
12 redevelopment plans and redevelopment projects that were
13 approved and redevelopment projects that were designated
14 before the effective date of this amendatory Act of the 91st
15 General Assembly.

16 A municipality may:

17 (a) By ordinance introduced in the governing body of
18 the municipality within 14 to 90 days from the completion
19 of the hearing specified in Section 11-74.4-5 approve
20 redevelopment plans and redevelopment projects, and
21 designate redevelopment project areas pursuant to notice
22 and hearing required by this Act. No redevelopment project
23 area shall be designated unless a plan and project are
24 approved prior to the designation of such area and such
25 area shall include only those contiguous parcels of real
26 property and improvements thereon substantially benefited

1 by the proposed redevelopment project improvements. For
2 purposes of this Division, parcels are also contiguous if
3 they touch or adjoin one another in a reasonably
4 substantial physical sense or if they meet the criteria
5 for annexation to a municipality under Section 7-1-1 of
6 the Illinois Municipal Code. Upon adoption of the
7 ordinances, the municipality shall forthwith transmit to
8 the county clerk of the county or counties within which
9 the redevelopment project area is located a certified copy
10 of the ordinances, a legal description of the
11 redevelopment project area, a map of the redevelopment
12 project area, identification of the year that the county
13 clerk shall use for determining the total initial
14 equalized assessed value of the redevelopment project area
15 consistent with subsection (a) of Section 11-74.4-9, and a
16 list of the parcel or tax identification number of each
17 parcel of property included in the redevelopment project
18 area.

19 The changes made by this amendatory Act of the 102nd
20 General Assembly are intended to be declaratory of
21 existing law.

22 (b) Make and enter into all contracts with property
23 owners, developers, tenants, overlapping taxing bodies,
24 and others necessary or incidental to the implementation
25 and furtherance of its redevelopment plan and project.
26 Contract provisions concerning loan repayment obligations

1 in contracts entered into on or after the effective date
2 of this amendatory Act of the 93rd General Assembly shall
3 terminate no later than the last to occur of the estimated
4 dates of completion of the redevelopment project and
5 retirement of the obligations issued to finance
6 redevelopment project costs as required by item (3) of
7 subsection (n) of Section 11-74.4-3. Payments received
8 under contracts entered into by the municipality prior to
9 the effective date of this amendatory Act of the 93rd
10 General Assembly that are received after the redevelopment
11 project area has been terminated by municipal ordinance
12 shall be deposited into a special fund of the municipality
13 to be used for other community redevelopment needs within
14 the redevelopment project area.

15 (c) Within a redevelopment project area, acquire by
16 purchase, donation, lease or eminent domain; own, convey,
17 lease, mortgage or dispose of land and other property,
18 real or personal, or rights or interests therein, and
19 grant or acquire licenses, easements and options with
20 respect thereto, all in the manner and at such price the
21 municipality determines is reasonably necessary to achieve
22 the objectives of the redevelopment plan and project. No
23 conveyance, lease, mortgage, disposition of land or other
24 property owned by a municipality, or agreement relating to
25 the development of such municipal property shall be made
26 except upon the adoption of an ordinance by the corporate

1 authorities of the municipality. Furthermore, no
2 conveyance, lease, mortgage, or other disposition of land
3 owned by a municipality or agreement relating to the
4 development of such municipal property shall be made
5 without making public disclosure of the terms of the
6 disposition and all bids and proposals made in response to
7 the municipality's request. The procedures for obtaining
8 such bids and proposals shall provide reasonable
9 opportunity for any person to submit alternative proposals
10 or bids.

11 (d) Within a redevelopment project area, clear any
12 area by demolition or removal of any existing buildings
13 and structures.

14 (e) Within a redevelopment project area, renovate or
15 rehabilitate or construct any structure or building, as
16 permitted under this Act.

17 (f) Install, repair, construct, reconstruct or
18 relocate streets, utilities and site improvements
19 essential to the preparation of the redevelopment area for
20 use in accordance with a redevelopment plan.

21 (g) Within a redevelopment project area, fix, charge
22 and collect fees, rents and charges for the use of any
23 building or property owned or leased by it or any part
24 thereof, or facility therein.

25 (h) Accept grants, guarantees and donations of
26 property, labor, or other things of value from a public or

1 private source for use within a project redevelopment
2 area.

3 (i) Acquire and construct public facilities within a
4 redevelopment project area, as permitted under this Act.

5 (j) Incur project redevelopment costs and reimburse
6 developers who incur redevelopment project costs
7 authorized by a redevelopment agreement; provided,
8 however, that on and after the effective date of this
9 amendatory Act of the 91st General Assembly, no
10 municipality shall incur redevelopment project costs
11 (except for planning costs and any other eligible costs
12 authorized by municipal ordinance or resolution that are
13 subsequently included in the redevelopment plan for the
14 area and are incurred by the municipality after the
15 ordinance or resolution is adopted) that are not
16 consistent with the program for accomplishing the
17 objectives of the redevelopment plan as included in that
18 plan and approved by the municipality until the
19 municipality has amended the redevelopment plan as
20 provided elsewhere in this Act.

21 (k) Create a commission of not less than 5 or more than
22 15 persons to be appointed by the mayor or president of the
23 municipality with the consent of the majority of the
24 governing board of the municipality. Members of a
25 commission appointed after the effective date of this
26 amendatory Act of 1987 shall be appointed for initial

1 terms of 1, 2, 3, 4 and 5 years, respectively, in such
2 numbers as to provide that the terms of not more than 1/3
3 of all such members shall expire in any one year. Their
4 successors shall be appointed for a term of 5 years. The
5 commission, subject to approval of the corporate
6 authorities may exercise the powers enumerated in this
7 Section. The commission shall also have the power to hold
8 the public hearings required by this division and make
9 recommendations to the corporate authorities concerning
10 the adoption of redevelopment plans, redevelopment
11 projects and designation of redevelopment project areas.

12 (l) Make payment in lieu of taxes or a portion thereof
13 to taxing districts. If payments in lieu of taxes or a
14 portion thereof are made to taxing districts, those
15 payments shall be made to all districts within a project
16 redevelopment area on a basis which is proportional to the
17 current collections of revenue which each taxing district
18 receives from real property in the redevelopment project
19 area.

20 (m) Exercise any and all other powers necessary to
21 effectuate the purposes of this Act.

22 (n) If any member of the corporate authority, a member
23 of a commission established pursuant to Section
24 11-74.4-4(k) of this Act, or an employee or consultant of
25 the municipality involved in the planning and preparation
26 of a redevelopment plan, or project for a redevelopment

1 project area or proposed redevelopment project area, as
2 defined in Sections 11-74.4-3(i) through (k) of this Act,
3 owns or controls an interest, direct or indirect, in any
4 property included in any redevelopment area, or proposed
5 redevelopment area, he or she shall disclose the same in
6 writing to the clerk of the municipality, and shall also
7 so disclose the dates and terms and conditions of any
8 disposition of any such interest, which disclosures shall
9 be acknowledged by the corporate authorities and entered
10 upon the minute books of the corporate authorities. If an
11 individual holds such an interest then that individual
12 shall refrain from any further official involvement in
13 regard to such redevelopment plan, project or area, from
14 voting on any matter pertaining to such redevelopment
15 plan, project or area, or communicating with other members
16 concerning corporate authorities, commission or employees
17 concerning any matter pertaining to said redevelopment
18 plan, project or area. Furthermore, no such member or
19 employee shall acquire of any interest direct, or
20 indirect, in any property in a redevelopment area or
21 proposed redevelopment area after either (a) such
22 individual obtains knowledge of such plan, project or area
23 or (b) first public notice of such plan, project or area
24 pursuant to Section 11-74.4-6 of this Division, whichever
25 occurs first. For the purposes of this subsection, a
26 property interest acquired in a single parcel of property

1 by a member of the corporate authority, which property is
2 used exclusively as the member's primary residence, shall
3 not be deemed to constitute an interest in any property
4 included in a redevelopment area or proposed redevelopment
5 area that was established before December 31, 1989, but
6 the member must disclose the acquisition to the municipal
7 clerk under the provisions of this subsection. A single
8 property interest acquired within one year after the
9 effective date of this amendatory Act of the 94th General
10 Assembly or 2 years after the effective date of this
11 amendatory Act of the 95th General Assembly by a member of
12 the corporate authority does not constitute an interest in
13 any property included in any redevelopment area or
14 proposed redevelopment area, regardless of when the
15 redevelopment area was established, if (i) the property is
16 used exclusively as the member's primary residence, (ii)
17 the member discloses the acquisition to the municipal
18 clerk under the provisions of this subsection, (iii) the
19 acquisition is for fair market value, (iv) the member
20 acquires the property as a result of the property being
21 publicly advertised for sale, and (v) the member refrains
22 from voting on, and communicating with other members
23 concerning, any matter when the benefits to the
24 redevelopment project or area would be significantly
25 greater than the benefits to the municipality as a whole.
26 For the purposes of this subsection, a month-to-month

1 leasehold interest in a single parcel of property by a
2 member of the corporate authority shall not be deemed to
3 constitute an interest in any property included in any
4 redevelopment area or proposed redevelopment area, but the
5 member must disclose the interest to the municipal clerk
6 under the provisions of this subsection.

7 (o) Create a Tax Increment Economic Development
8 Advisory Committee to be appointed by the Mayor or
9 President of the municipality with the consent of the
10 majority of the governing board of the municipality, the
11 members of which Committee shall be appointed for initial
12 terms of 1, 2, 3, 4 and 5 years respectively, in such
13 numbers as to provide that the terms of not more than 1/3
14 of all such members shall expire in any one year. Their
15 successors shall be appointed for a term of 5 years. The
16 Committee shall have none of the powers enumerated in this
17 Section. The Committee shall serve in an advisory capacity
18 only. The Committee may advise the governing Board of the
19 municipality and other municipal officials regarding
20 development issues and opportunities within the
21 redevelopment project area or the area within the State
22 Sales Tax Boundary. The Committee may also promote and
23 publicize development opportunities in the redevelopment
24 project area or the area within the State Sales Tax
25 Boundary.

26 (p) Municipalities may jointly undertake and perform

1 redevelopment plans and projects and utilize the
2 provisions of the Act wherever they have contiguous
3 redevelopment project areas or they determine to adopt tax
4 increment financing with respect to a redevelopment
5 project area which includes contiguous real property
6 within the boundaries of the municipalities, and in doing
7 so, they may, by agreement between municipalities, issue
8 obligations, separately or jointly, and expend revenues
9 received under the Act for eligible expenses anywhere
10 within contiguous redevelopment project areas or as
11 otherwise permitted in the Act. With respect to
12 redevelopment project areas that are established within a
13 transit facility improvement area, the provisions of this
14 subsection apply only with respect to such redevelopment
15 project areas that are contiguous to each other.

16 (q) Utilize revenues, other than State sales tax
17 increment revenues, received under this Act from one
18 redevelopment project area for eligible costs in another
19 redevelopment project area that is:

20 (i) contiguous to the redevelopment project area
21 from which the revenues are received;

22 (ii) separated only by a public right of way from
23 the redevelopment project area from which the revenues
24 are received; or

25 (iii) separated only by forest preserve property
26 from the redevelopment project area from which the

1 revenues are received if the closest boundaries of the
2 redevelopment project areas that are separated by the
3 forest preserve property are less than one mile apart.

4 Utilize tax increment revenues for eligible costs that
5 are received from a redevelopment project area created
6 under the Industrial Jobs Recovery Law that is either
7 contiguous to, or is separated only by a public right of
8 way from, the redevelopment project area created under
9 this Act which initially receives these revenues. Utilize
10 revenues, other than State sales tax increment revenues,
11 by transferring or loaning such revenues to a
12 redevelopment project area created under the Industrial
13 Jobs Recovery Law that is either contiguous to, or
14 separated only by a public right of way from the
15 redevelopment project area that initially produced and
16 received those revenues; and, if the redevelopment project
17 area (i) was established before the effective date of this
18 amendatory Act of the 91st General Assembly and (ii) is
19 located within a municipality with a population of more
20 than 100,000, utilize revenues or proceeds of obligations
21 authorized by Section 11-74.4-7 of this Act, other than
22 use or occupation tax revenues, to pay for any
23 redevelopment project costs as defined by subsection (q)
24 of Section 11-74.4-3 to the extent that the redevelopment
25 project costs involve public property that is either
26 contiguous to, or separated only by a public right of way

1 from, a redevelopment project area whether or not
2 redevelopment project costs or the source of payment for
3 the costs are specifically set forth in the redevelopment
4 plan for the redevelopment project area.

5 (r) If no redevelopment project has been initiated in
6 a redevelopment project area within 7 years after the area
7 was designated by ordinance under subsection (a), the
8 municipality shall adopt an ordinance repealing the area's
9 designation as a redevelopment project area; provided,
10 however, that if an area received its designation more
11 than 3 years before the effective date of this amendatory
12 Act of 1994 and no redevelopment project has been
13 initiated within 4 years after the effective date of this
14 amendatory Act of 1994, the municipality shall adopt an
15 ordinance repealing its designation as a redevelopment
16 project area. Initiation of a redevelopment project shall
17 be evidenced by either a signed redevelopment agreement or
18 expenditures on eligible redevelopment project costs
19 associated with a redevelopment project.

20 Notwithstanding any other provision of this Section to
21 the contrary, with respect to a redevelopment project area
22 designated by an ordinance that was adopted on July 29,
23 1998 by the City of Chicago, the City of Chicago shall
24 adopt an ordinance repealing the area's designation as a
25 redevelopment project area if no redevelopment project has
26 been initiated in the redevelopment project area within 15

1 years after the designation of the area. The City of
2 Chicago may retroactively repeal any ordinance adopted by
3 the City of Chicago, pursuant to this subsection (r), that
4 repealed the designation of a redevelopment project area
5 designated by an ordinance that was adopted by the City of
6 Chicago on July 29, 1998. The City of Chicago has 90 days
7 after the effective date of this amendatory Act to repeal
8 the ordinance. The changes to this Section made by this
9 amendatory Act of the 96th General Assembly apply
10 retroactively to July 27, 2005.

11 (Source: P.A. 99-792, eff. 8-12-16.)

12 (65 ILCS 5/11-74.6-10)

13 Sec. 11-74.6-10. Definitions.

14 (a) "Environmentally contaminated area" means any improved
15 or vacant area within the boundaries of a redevelopment
16 project area located within the corporate limits of a
17 municipality when, (i) there has been a determination of
18 release or substantial threat of release of a hazardous
19 substance or pesticide, by the United States Environmental
20 Protection Agency or the Illinois Environmental Protection
21 Agency, or the Illinois Pollution Control Board, or any court,
22 or a release or substantial threat of release which is
23 addressed as part of the Pre-Notice Site Cleanup Program under
24 Section 22.2(m) of the Illinois Environmental Protection Act,
25 or a release or substantial threat of release of petroleum

1 under Section 22.12 of the Illinois Environmental Protection
2 Act, and (ii) which release or threat of release presents an
3 imminent and substantial danger to public health or welfare or
4 presents a significant threat to public health or the
5 environment, and (iii) which release or threat of release
6 would have a significant impact on the cost of redeveloping
7 the area.

8 (b) "Department" means the Department of Commerce and
9 Economic Opportunity.

10 (c) "Industrial park" means an area in a redevelopment
11 project area suitable for use by any manufacturing,
12 industrial, research, or transportation enterprise, of
13 facilities, including but not limited to factories, mills,
14 processing plants, assembly plants, packing plants,
15 fabricating plants, distribution centers, warehouses, repair
16 overhaul or service facilities, freight terminals, research
17 facilities, test facilities or railroad facilities. An
18 industrial park may contain space for commercial and other use
19 as long as the expected principal use of the park is industrial
20 and is reasonably expected to result in the creation of a
21 significant number of new permanent full time jobs. An
22 industrial park may also contain related operations and
23 facilities including, but not limited to, business and office
24 support services such as centralized computers,
25 telecommunications, publishing, accounting, photocopying and
26 similar activities and employee services such as child care,

1 health care, food service and similar activities. An
2 industrial park may also include demonstration projects,
3 prototype development, specialized training on developing
4 technology, and pure research in any field related or
5 adaptable to business and industry.

6 (d) "Research park" means an area in a redevelopment
7 project area suitable for development of a facility or complex
8 that includes research laboratories and related operations.
9 These related operations may include, but are not limited to,
10 business and office support services such as centralized
11 computers, telecommunications, publishing, accounting,
12 photocopying and similar activities, and employee services
13 such as child care, health care, food service and similar
14 activities. A research park may include demonstration
15 projects, prototype development, specialized training on
16 developing technology, and pure research in any field related
17 or adaptable to business and industry.

18 (e) "Industrial park conservation area" means an area
19 within the boundaries of a redevelopment project area located
20 within the corporate limits of a municipality or within 1 1/2
21 miles of the corporate limits of a municipality if the area is
22 to be annexed to the municipality, if the area is zoned as
23 industrial no later than the date on which the municipality by
24 ordinance designates the redevelopment project area, and if
25 the area includes improved or vacant land suitable for use as
26 an industrial park or a research park, or both. To be

1 designated as an industrial park conservation area, the area
2 shall also satisfy one of the following standards:

3 (1) Standard One: The municipality must be a labor
4 surplus municipality and the area must be served by
5 adequate public and or road transportation for access by
6 the unemployed and for the movement of goods or materials
7 and the redevelopment project area shall contain no more
8 than 2% of the most recently ascertained equalized
9 assessed value of all taxable real properties within the
10 corporate limits of the municipality after adjustment for
11 all annexations associated with the establishment of the
12 redevelopment project area or be located in the vicinity
13 of a waste disposal site or other waste facility. The
14 project plan shall include a plan for and shall establish
15 a marketing program to attract appropriate businesses to
16 the proposed industrial park conservation area and shall
17 include an adequate plan for financing and construction of
18 the necessary infrastructure. No redevelopment projects
19 may be authorized by the municipality under Standard One
20 of subsection (e) of this Section unless the project plan
21 also provides for an employment training project that
22 would prepare unemployed workers for work in the
23 industrial park conservation area, and the project has
24 been approved by official action of or is to be operated by
25 the local community college district, public school
26 district or state or locally designated private industry

1 council or successor agency, or

2 (2) Standard Two: The municipality must be a
3 substantial labor surplus municipality and the area must
4 be served by adequate public and or road transportation
5 for access by the unemployed and for the movement of goods
6 or materials and the redevelopment project area shall
7 contain no more than 2% of the most recently ascertained
8 equalized assessed value of all taxable real properties
9 within the corporate limits of the municipality after
10 adjustment for all annexations associated with the
11 establishment of the redevelopment project area. No
12 redevelopment projects may be authorized by the
13 municipality under Standard Two of subsection (e) of this
14 Section unless the project plan also provides for an
15 employment training project that would prepare unemployed
16 workers for work in the industrial park conservation area,
17 and the project has been approved by official action of or
18 is to be operated by the local community college district,
19 public school district or state or locally designated
20 private industry council or successor agency.

21 (f) "Vacant industrial buildings conservation area" means
22 an area containing one or more industrial buildings located
23 within the corporate limits of the municipality that has been
24 zoned industrial for at least 5 years before the designation
25 of that area as a redevelopment project area by the
26 municipality and is planned for reuse principally for

1 industrial purposes. For the area to be designated as a vacant
2 industrial buildings conservation area, the area shall also
3 satisfy one of the following standards:

4 (1) Standard One: The area shall consist of one or
5 more industrial buildings totaling at least 50,000 net
6 square feet of industrial space, with a majority of the
7 total area of all the buildings having been vacant for at
8 least 18 months; and (A) the area is located in a labor
9 surplus municipality or a substantial labor surplus
10 municipality, or (B) the equalized assessed value of the
11 properties within the area during the last 2 years is at
12 least 25% lower than the maximum equalized assessed value
13 of those properties during the immediately preceding 10
14 years.

15 (2) Standard Two: The area exclusively consists of
16 industrial buildings or a building complex operated by a
17 user or related users (A) that has within the immediately
18 preceding 5 years either (i) employed 200 or more
19 employees at that location, or (ii) if the area is located
20 in a municipality with a population of 12,000 or less,
21 employed more than 50 employees at that location and (B)
22 either is currently vacant, or the owner has: (i) directly
23 notified the municipality of the user's intention to
24 terminate operations at the facility or (ii) filed a
25 notice of closure under the Worker Adjustment and
26 Retraining Notification Act.

1 (g) "Labor surplus municipality" means a municipality in
2 which, during the 4 calendar years immediately preceding the
3 date the municipality by ordinance designates an industrial
4 park conservation area, the average unemployment rate was 1%
5 or more over the State average unemployment rate for that same
6 period of time as published in the United States Department of
7 Labor Bureau of Labor Statistics publication entitled "The
8 Employment Situation" or its successor publication. For the
9 purpose of this subsection (g), if unemployment rate
10 statistics for the municipality are not available, the
11 unemployment rate in the municipality shall be deemed to be:
12 (i) for a municipality that is not in an urban county, the same
13 as the unemployment rate in the principal county where the
14 municipality is located or (ii) for a municipality in an urban
15 county at that municipality's option, either the unemployment
16 rate certified for the municipality by the Department after
17 consultation with the Illinois Department of Labor or the
18 federal Bureau of Labor Statistics, or the unemployment rate
19 of the municipality as determined by the most recent federal
20 census if that census was not dated more than 5 years prior to
21 the date on which the determination is made.

22 (h) "Substantial labor surplus municipality" means a
23 municipality in which, during the 5 calendar years immediately
24 preceding the date the municipality by ordinance designates an
25 industrial park conservation area, the average unemployment
26 rate was 2% or more over the State average unemployment rate

1 for that same period of time as published in the United States
2 Department of Labor Statistics publication entitled "The
3 Employment Situation" or its successor publication. For the
4 purpose of this subsection (h), if unemployment rate
5 statistics for the municipality are not available, the
6 unemployment rate in the municipality shall be deemed to be:
7 (i) for a municipality that is not in an urban county, the same
8 as the unemployment rate in the principal county in which the
9 municipality is located; or (ii) for a municipality in an
10 urban county, at that municipality's option, either the
11 unemployment rate certified for the municipality by the
12 Department after consultation with the Illinois Department of
13 Labor or the federal Bureau of Labor Statistics, or the
14 unemployment rate of the municipality as determined by the
15 most recent federal census if that census was not dated more
16 than 5 years prior to the date on which the determination is
17 made.

18 (i) "Municipality" means a city, village or incorporated
19 town.

20 (j) "Obligations" means bonds, loans, debentures, notes,
21 special certificates or other evidence of indebtedness issued
22 by the municipality to carry out a redevelopment project or to
23 refund outstanding obligations.

24 (k) "Payment in lieu of taxes" means those estimated tax
25 revenues from real property in a redevelopment project area
26 derived from real property that has been acquired by a

1 municipality, which according to the redevelopment project or
2 plan are to be used for a private use, that taxing districts
3 would have received had a municipality not acquired the real
4 property and adopted tax increment allocation financing and
5 that would result from levies made after the time of the
6 adoption of tax increment allocation financing until the time
7 the current equalized assessed value of real property in the
8 redevelopment project area exceeds the total initial equalized
9 assessed value of real property in that area.

10 (1) "Redevelopment plan" means the comprehensive program
11 of the municipality for development or redevelopment intended
12 by the payment of redevelopment project costs to reduce or
13 eliminate the conditions that qualified the redevelopment
14 project area or redevelopment planning area, or both, as an
15 environmentally contaminated area or industrial park
16 conservation area, or vacant industrial buildings conservation
17 area, or combination thereof, and thereby to enhance the tax
18 bases of the taxing districts that extend into the
19 redevelopment project area or redevelopment planning area. On
20 and after the effective date of this amendatory Act of the 91st
21 General Assembly, no redevelopment plan may be approved or
22 amended to include the development of vacant land (i) with a
23 golf course and related clubhouse and other facilities or (ii)
24 designated by federal, State, county, or municipal government
25 as public land for outdoor recreational activities or for
26 nature preserves and used for that purpose within 5 years

1 prior to the adoption of the redevelopment plan. For the
2 purpose of this subsection, "recreational activities" is
3 limited to mean camping and hunting. Each redevelopment plan
4 must set forth in writing the bases for the municipal findings
5 required in this subsection, the program to be undertaken to
6 accomplish the objectives, including but not limited to: (1)
7 an itemized list of estimated redevelopment project costs, (2)
8 evidence indicating that the redevelopment project area or the
9 redevelopment planning area, or both, on the whole has not
10 been subject to growth and development through investment by
11 private enterprise, (3) (i) in the case of an environmentally
12 contaminated area, industrial park conservation area, or a
13 vacant industrial buildings conservation area classified under
14 either Standard One, or Standard Two of subsection (f) where
15 the building is currently vacant, evidence that implementation
16 of the redevelopment plan is reasonably expected to create a
17 significant number of permanent full time jobs, (ii) in the
18 case of a vacant industrial buildings conservation area
19 classified under Standard Two (B)(i) or (ii) of subsection
20 (f), evidence that implementation of the redevelopment plan is
21 reasonably expected to retain a significant number of existing
22 permanent full time jobs, and (iii) in the case of a
23 combination of an environmentally contaminated area,
24 industrial park conservation area, or vacant industrial
25 buildings conservation area, evidence that the standards
26 concerning the creation or retention of jobs for each area set

1 forth in (i) or (ii) above are met, (4) an assessment of the
2 financial impact of the redevelopment project area or the
3 redevelopment planning area, or both, on the overlapping
4 taxing bodies or any increased demand for services from any
5 taxing district affected by the plan and any program to
6 address such financial impact or increased demand, (5) the
7 sources of funds to pay costs, (6) the nature and term of the
8 obligations to be issued, (7) the most recent equalized
9 assessed valuation of the redevelopment project area or the
10 redevelopment planning area, or both, (8) an estimate of the
11 equalized assessed valuation after redevelopment and the
12 general land uses that are applied in the redevelopment
13 project area or the redevelopment planning area, or both, (9)
14 a commitment to fair employment practices and an affirmative
15 action plan, (10) if it includes an industrial park
16 conservation area, the following: (i) a general description of
17 any proposed developer, (ii) user and tenant of any property,
18 (iii) a description of the type, structure and general
19 character of the facilities to be developed, and (iv) a
20 description of the type, class and number of new employees to
21 be employed in the operation of the facilities to be
22 developed, (11) if it includes an environmentally contaminated
23 area, the following: either (i) a determination of release or
24 substantial threat of release of a hazardous substance or
25 pesticide or of petroleum by the United States Environmental
26 Protection Agency or the Illinois Environmental Protection

1 Agency, or the Illinois Pollution Control Board or any court;
2 or (ii) both an environmental audit report by a nationally
3 recognized independent environmental auditor having a
4 reputation for expertise in these matters and a copy of the
5 signed Review and Evaluation Services Agreement indicating
6 acceptance of the site by the Illinois Environmental
7 Protection Agency into the Pre-Notice Site Cleanup Program,
8 (12) if it includes a vacant industrial buildings conservation
9 area, the following: (i) a general description of any proposed
10 developer, (ii) user and tenant of any building or buildings,
11 (iii) a description of the type, structure and general
12 character of the building or buildings to be developed, and
13 (iv) a description of the type, class and number of new
14 employees to be employed or existing employees to be retained
15 in the operation of the building or buildings to be
16 redeveloped, and (13) if property is to be annexed to the
17 municipality, the terms of the annexation agreement.

18 No redevelopment plan shall be adopted by a municipality
19 without findings that:

20 (1) the redevelopment project area or redevelopment
21 planning area, or both, on the whole has not been subject
22 to growth and development through investment by private
23 enterprise and would not reasonably be anticipated to be
24 developed in accordance with public goals stated in the
25 redevelopment plan without the adoption of the
26 redevelopment plan;

1 (2) the redevelopment plan and project conform to the
2 comprehensive plan for the development of the municipality
3 as a whole, or, for municipalities with a population of
4 100,000 or more, regardless of when the redevelopment plan
5 and project was adopted, the redevelopment plan and
6 project either: (i) conforms to the strategic economic
7 development or redevelopment plan issued by the designated
8 planning authority of the municipality or (ii) includes
9 land uses that have been approved by the planning
10 commission of the municipality;

11 (3) that the redevelopment plan is reasonably expected
12 to create or retain a significant number of permanent full
13 time jobs as set forth in paragraph (3) of subsection (1)
14 above;

15 (4) the estimated date of completion of the
16 redevelopment project and retirement of obligations
17 incurred to finance redevelopment project costs is not
18 later than December 31 of the year in which the payment to
19 the municipal treasurer as provided in subsection (b) of
20 Section 11-74.6-35 is to be made with respect to ad
21 valorem taxes levied in the twenty-third calendar year
22 after the year in which the ordinance approving the
23 redevelopment project area is adopted; a municipality may
24 by municipal ordinance amend an existing redevelopment
25 plan to conform to this paragraph (4) as amended by this
26 amendatory Act of the 91st General Assembly concerning

1 ordinances adopted on or after January 15, 1981, which
2 municipal ordinance may be adopted without further hearing
3 or notice and without complying with the procedures
4 provided in this Law pertaining to an amendment to or the
5 initial approval of a redevelopment plan and project and
6 designation of a redevelopment project area;

7 (5) in the case of an industrial park conservation
8 area, that the municipality is a labor surplus
9 municipality or a substantial labor surplus municipality
10 and that the implementation of the redevelopment plan is
11 reasonably expected to create a significant number of
12 permanent full time new jobs and, by the provision of new
13 facilities, significantly enhance the tax base of the
14 taxing districts that extend into the redevelopment
15 project area;

16 (6) in the case of an environmentally contaminated
17 area, that the area is subject to a release or substantial
18 threat of release of a hazardous substance, pesticide or
19 petroleum which presents an imminent and substantial
20 danger to public health or welfare or presents a
21 significant threat to public health or environment, that
22 such release or threat of release will have a significant
23 impact on the cost of redeveloping the area, that the
24 implementation of the redevelopment plan is reasonably
25 expected to result in the area being redeveloped, the tax
26 base of the affected taxing districts being significantly

1 enhanced thereby, and the creation of a significant number
2 of permanent full time jobs; and

3 (7) in the case of a vacant industrial buildings
4 conservation area, that the area is located within the
5 corporate limits of a municipality that has been zoned
6 industrial for at least 5 years before its designation as
7 a project redeveloped area, that it contains one or more
8 industrial buildings, and whether the area has been
9 designated under Standard One or Standard Two of
10 subsection (f) and the basis for that designation.

11 (m) "Redevelopment project" means any public or private
12 development project in furtherance of the objectives of a
13 redevelopment plan. On and after the effective date of this
14 amendatory Act of the 91st General Assembly, no redevelopment
15 plan may be approved or amended to include the development of
16 vacant land (i) with a golf course and related clubhouse and
17 other facilities or (ii) designated by federal, State, county,
18 or municipal government as public land for outdoor
19 recreational activities or for nature preserves and used for
20 that purpose within 5 years prior to the adoption of the
21 redevelopment plan. For the purpose of this subsection,
22 "recreational activities" is limited to mean camping and
23 hunting.

24 (n) "Redevelopment project area" means a contiguous area
25 designated by the municipality that is not less in the
26 aggregate than 1 1/2 acres, and for which the municipality has

1 made a finding that there exist conditions that cause the area
2 to be classified as an industrial park conservation area, a
3 vacant industrial building conservation area, an
4 environmentally contaminated area or a combination of these
5 types of areas. For purposes of this Division, parcels are
6 also contiguous if they touch or adjoin one another in a
7 reasonably substantial physical sense or if they meet the
8 criteria for annexation to a municipality under Section 7-1-1
9 of the Illinois Municipal Code.

10 The changes made by this amendatory Act of the 102nd
11 General Assembly are intended to be declaratory of existing
12 law.

13 (o) "Redevelopment project costs" means the sum total of
14 all reasonable or necessary costs incurred or estimated to be
15 incurred by the municipality, and any of those costs
16 incidental to a redevelopment plan and a redevelopment
17 project. These costs include, without limitation, the
18 following:

19 (1) Costs of studies, surveys, development of plans,
20 and specifications, implementation and administration of
21 the redevelopment plan, staff and professional service
22 costs for architectural, engineering, legal, marketing,
23 financial, planning, or other services, but no charges for
24 professional services may be based on a percentage of the
25 tax increment collected; except that on and after the
26 effective date of this amendatory Act of the 91st General

1 Assembly, no contracts for professional services,
2 excluding architectural and engineering services, may be
3 entered into if the terms of the contract extend beyond a
4 period of 3 years. In addition, "redevelopment project
5 costs" shall not include lobbying expenses. After
6 consultation with the municipality, each tax increment
7 consultant or advisor to a municipality that plans to
8 designate or has designated a redevelopment project area
9 shall inform the municipality in writing of any contracts
10 that the consultant or advisor has entered into with
11 entities or individuals that have received, or are
12 receiving, payments financed by tax increment revenues
13 produced by the redevelopment project area with respect to
14 which the consultant or advisor has performed, or will be
15 performing, service for the municipality. This requirement
16 shall be satisfied by the consultant or advisor before the
17 commencement of services for the municipality and
18 thereafter whenever any other contracts with those
19 individuals or entities are executed by the consultant or
20 advisor;

21 (1.5) After July 1, 1999, annual administrative costs
22 shall not include general overhead or administrative costs
23 of the municipality that would still have been incurred by
24 the municipality if the municipality had not designated a
25 redevelopment project area or approved a redevelopment
26 plan;

1 (1.6) The cost of marketing sites within the
2 redevelopment project area to prospective businesses,
3 developers, and investors.

4 (2) Property assembly costs within a redevelopment
5 project area, including but not limited to acquisition of
6 land and other real or personal property or rights or
7 interests therein.

8 (3) Site preparation costs, including but not limited
9 to clearance of any area within a redevelopment project
10 area by demolition or removal of any existing buildings,
11 structures, fixtures, utilities and improvements and
12 clearing and grading; and including installation, repair,
13 construction, reconstruction, or relocation of public
14 streets, public utilities, and other public site
15 improvements within or without a redevelopment project
16 area which are essential to the preparation of the
17 redevelopment project area for use in accordance with a
18 redevelopment plan.

19 (4) Costs of renovation, rehabilitation,
20 reconstruction, relocation, repair or remodeling of any
21 existing public or private buildings, improvements, and
22 fixtures within a redevelopment project area; and the cost
23 of replacing an existing public building if pursuant to
24 the implementation of a redevelopment project the existing
25 public building is to be demolished to use the site for
26 private investment or devoted to a different use requiring

1 private investment.

2 (5) Costs of construction within a redevelopment
3 project area of public improvements, including but not
4 limited to, buildings, structures, works, utilities or
5 fixtures, except that on and after the effective date of
6 this amendatory Act of the 91st General Assembly,
7 redevelopment project costs shall not include the cost of
8 constructing a new municipal public building principally
9 used to provide offices, storage space, or conference
10 facilities or vehicle storage, maintenance, or repair for
11 administrative, public safety, or public works personnel
12 and that is not intended to replace an existing public
13 building as provided under paragraph (4) unless either (i)
14 the construction of the new municipal building implements
15 a redevelopment project that was included in a
16 redevelopment plan that was adopted by the municipality
17 prior to the effective date of this amendatory Act of the
18 91st General Assembly or (ii) the municipality makes a
19 reasonable determination in the redevelopment plan,
20 supported by information that provides the basis for that
21 determination, that the new municipal building is required
22 to meet an increase in the need for public safety purposes
23 anticipated to result from the implementation of the
24 redevelopment plan.

25 (6) Costs of eliminating or removing contaminants and
26 other impediments required by federal or State

1 environmental laws, rules, regulations, and guidelines,
2 orders or other requirements or those imposed by private
3 lending institutions as a condition for approval of their
4 financial support, debt or equity, for the redevelopment
5 projects, provided, however, that in the event (i) other
6 federal or State funds have been certified by an
7 administrative agency as adequate to pay these costs
8 during the 18 months after the adoption of the
9 redevelopment plan, or (ii) the municipality has been
10 reimbursed for such costs by persons legally responsible
11 for them, such federal, State, or private funds shall,
12 insofar as possible, be fully expended prior to the use of
13 any revenues deposited in the special tax allocation fund
14 of the municipality and any other such federal, State or
15 private funds received shall be deposited in the fund. The
16 municipality shall seek reimbursement of these costs from
17 persons legally responsible for these costs and the costs
18 of obtaining this reimbursement.

19 (7) Costs of job training and retraining projects.

20 (8) Financing costs, including but not limited to all
21 necessary and incidental expenses related to the issuance
22 of obligations and which may include payment of interest
23 on any obligations issued under this Act including
24 interest accruing during the estimated period of
25 construction of any redevelopment project for which the
26 obligations are issued and for not exceeding 36 months

1 thereafter and including reasonable reserves related to
2 those costs.

3 (9) All or a portion of a taxing district's capital
4 costs resulting from the redevelopment project necessarily
5 incurred or to be incurred in furtherance of the
6 objectives of the redevelopment plan and project, to the
7 extent the municipality by written agreement accepts and
8 approves those costs.

9 (10) Relocation costs to the extent that a
10 municipality determines that relocation costs shall be
11 paid or is required to make payment of relocation costs by
12 federal or State law.

13 (11) Payments in lieu of taxes.

14 (12) Costs of job training, retraining, advanced
15 vocational education or career education, including but
16 not limited to courses in occupational, semi-technical or
17 technical fields leading directly to employment, incurred
18 by one or more taxing districts, if those costs are: (i)
19 related to the establishment and maintenance of additional
20 job training, advanced vocational education or career
21 education programs for persons employed or to be employed
22 by employers located in a redevelopment project area; and
23 (ii) are incurred by a taxing district or taxing districts
24 other than the municipality and are set forth in a written
25 agreement by or among the municipality and the taxing
26 district or taxing districts, which agreement describes

1 the program to be undertaken, including but not limited to
2 the number of employees to be trained, a description of
3 the training and services to be provided, the number and
4 type of positions available or to be available, itemized
5 costs of the program and sources of funds to pay for the
6 same, and the term of the agreement. These costs include,
7 specifically, the payment by community college districts
8 of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the
9 Public Community College Act and by school districts of
10 costs under Sections 10-22.20a and 10-23.3a of the School
11 Code.

12 (13) The interest costs incurred by redevelopers or
13 other nongovernmental persons in connection with a
14 redevelopment project, and specifically including payments
15 to redevelopers or other nongovernmental persons as
16 reimbursement for such costs incurred by such redeveloper
17 or other nongovernmental person, provided that:

18 (A) interest costs shall be paid or reimbursed by
19 a municipality only pursuant to the prior official
20 action of the municipality evidencing an intent to pay
21 or reimburse such interest costs;

22 (B) such payments in any one year may not exceed
23 30% of the annual interest costs incurred by the
24 redeveloper with regard to the redevelopment project
25 during that year;

26 (C) except as provided in subparagraph (E), the

1 aggregate amount of such costs paid or reimbursed by a
2 municipality shall not exceed 30% of the total (i)
3 costs paid or incurred by the redeveloper or other
4 nongovernmental person in that year plus (ii)
5 redevelopment project costs excluding any property
6 assembly costs and any relocation costs incurred by a
7 municipality pursuant to this Act;

8 (D) interest costs shall be paid or reimbursed by
9 a municipality solely from the special tax allocation
10 fund established pursuant to this Act and shall not be
11 paid or reimbursed from the proceeds of any
12 obligations issued by a municipality;

13 (E) if there are not sufficient funds available in
14 the special tax allocation fund in any year to make
15 such payment or reimbursement in full, any amount of
16 such interest cost remaining to be paid or reimbursed
17 by a municipality shall accrue and be payable when
18 funds are available in the special tax allocation fund
19 to make such payment.

20 (14) The costs of construction of new privately owned
21 buildings shall not be an eligible redevelopment project
22 cost.

23 If a special service area has been established under the
24 Special Service Area Tax Act, then any tax increment revenues
25 derived from the tax imposed thereunder to the Special Service
26 Area Tax Act may be used within the redevelopment project area

1 for the purposes permitted by that Act as well as the purposes
2 permitted by this Act.

3 (p) "Redevelopment Planning Area" means an area so
4 designated by a municipality after the municipality has
5 complied with all the findings and procedures required to
6 establish a redevelopment project area, including the
7 existence of conditions that qualify the area as an industrial
8 park conservation area, or an environmentally contaminated
9 area, or a vacant industrial buildings conservation area, or a
10 combination of these types of areas, and adopted a
11 redevelopment plan and project for the planning area and its
12 included redevelopment project areas. The area shall not be
13 designated as a redevelopment planning area for more than 5
14 years, or 10 years in the case of a redevelopment planning area
15 in the City of Rockford. At any time in the 5 years, or 10
16 years in the case of the City of Rockford, following that
17 designation of the redevelopment planning area, the
18 municipality may designate the redevelopment planning area, or
19 any portion of the redevelopment planning area, as a
20 redevelopment project area without making additional findings
21 or complying with additional procedures required for the
22 creation of a redevelopment project area. An amendment of a
23 redevelopment plan and project in accordance with the findings
24 and procedures of this Act after the designation of a
25 redevelopment planning area at any time within the 5 years
26 after the designation of the redevelopment planning area, or

1 10 years after the designation of the redevelopment planning
2 area in the City of Rockford, shall not require new
3 qualification of findings for the redevelopment project area
4 to be designated within the redevelopment planning area.

5 The terms "redevelopment plan", "redevelopment project",
6 and "redevelopment project area" have the definitions set out
7 in subsections (l), (m), and (n), respectively.

8 (q) "Taxing districts" means counties, townships,
9 municipalities, and school, road, park, sanitary, mosquito
10 abatement, forest preserve, public health, fire protection,
11 river conservancy, tuberculosis sanitarium and any other
12 municipal corporations or districts with the power to levy
13 taxes.

14 (r) "Taxing districts' capital costs" means those costs of
15 taxing districts for capital improvements that are found by
16 the municipal corporate authorities to be necessary and a
17 direct result of the redevelopment project.

18 (s) "Urban county" means a county with 240,000 or more
19 inhabitants.

20 (t) "Vacant area", as used in subsection (a) of this
21 Section, means any parcel or combination of parcels of real
22 property without industrial, commercial and residential
23 buildings that has not been used for commercial agricultural
24 purposes within 5 years before the designation of the
25 redevelopment project area, unless that parcel is included in
26 an industrial park conservation area.

1 (Source: P.A. 96-606, eff. 8-24-09.)