

AN ACT concerning economic development.

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

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

(20 ILCS 605/605-523 new)

Sec. 605-523. Downtown development and improvement revolving loan and grant program. As used in this Section, "downtown" means the traditional center business district of a municipality that (i) has served as the center for socio-economic interaction in the municipality, (ii) is characterized by a cohesive core of commercial and mixed use buildings that may be interspersed with civic, religious, and residential buildings and public spaces, and (iii) is typically arranged along a main street and intersecting side streets and served by public infrastructure.

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

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

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

(1) facade improvements;

(2) leasehold improvements, including: (i) interior demolition; (ii) stripping and paint removal; (iii) waste removal; (iv) cleaning; (v) window repair; (vi) building and security improvements; and (vii) any other improvements required by the Department by rule; and

(3) upper floor improvement for commercial or residential occupancy.

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

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

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

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

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

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

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

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

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

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

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

Section 10. The State Finance Act is amended by adding

Public Act 093-0790

HB5023 Enrolled

LRB093 16668 MKM 42319 b

Section 5.625 as follows:

(30 ILCS 105/5.625 new)

Sec. 5.625. The Downtown Development and Improvement Fund.

Section 99. Effective date. This Act takes effect January 1, 2005.