

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by changing Section 11-74.6-10 as follows:

(65 ILCS 5/11-74.6-10)

Sec. 11-74.6-10. Definitions.

(a) "Environmentally contaminated area" means any improved or vacant area within the boundaries of a redevelopment project area located within the corporate limits of a municipality when, (i) there has been a determination of release or substantial threat of release of a hazardous substance or pesticide, by the United States Environmental Protection Agency or the Illinois Environmental Protection Agency, or the Illinois Pollution Control Board, or any court, or a release or substantial threat of release which is addressed as part of the Pre-Notice Site Cleanup Program under Section 22.2(m) of the Illinois Environmental Protection Act, or a release or substantial threat of release of petroleum under Section 22.12 of the Illinois Environmental Protection Act, and (ii) which release or threat of release presents an imminent and substantial danger to public health or welfare or presents a significant threat to public health or the environment, and

(iii) which release or threat of release would have a significant impact on the cost of redeveloping the area.

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

(c) "Industrial park" means an area in a redevelopment project area suitable for use by any manufacturing, industrial, research, or transportation enterprise, of facilities, including but not limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities. An industrial park may contain space for commercial and other use as long as the expected principal use of the park is industrial and is reasonably expected to result in the creation of a significant number of new permanent full time jobs. An industrial park may also contain related operations and facilities including, but not limited to, business and office support services such as centralized computers, telecommunications, publishing, accounting, photocopying and similar activities and employee services such as child care, health care, food service and similar activities. An industrial park may also include demonstration projects, prototype development, specialized training on developing technology, and pure research in any field related or adaptable to business and industry.

(d) "Research park" means an area in a redevelopment

project area suitable for development of a facility or complex that includes research laboratories and related operations. These related operations may include, but are not limited to, business and office support services such as centralized computers, telecommunications, publishing, accounting, photocopying and similar activities, and employee services such as child care, health care, food service and similar activities. A research park may include demonstration projects, prototype development, specialized training on developing technology, and pure research in any field related or adaptable to business and industry.

(e) "Industrial park conservation area" means an area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both. To be designated as an industrial park conservation area, the area shall also satisfy one of the following standards:

(1) Standard One: The municipality must be a labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials

and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area or be located in the vicinity of a waste disposal site or other waste facility. The project plan shall include a plan for and shall establish a marketing program to attract appropriate businesses to the proposed industrial park conservation area and shall include an adequate plan for financing and construction of the necessary infrastructure. No redevelopment projects may be authorized by the municipality under Standard One of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the industrial park conservation area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency, or

(2) Standard Two: The municipality must be a substantial labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain

no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area. No redevelopment projects may be authorized by the municipality under Standard Two of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the industrial park conservation area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency.

(f) "Vacant industrial buildings conservation area" means an area containing one or more industrial buildings located within the corporate limits of the municipality that has been zoned industrial for at least 5 years before the designation of that area as a redevelopment project area by the municipality and is planned for reuse principally for industrial purposes. For the area to be designated as a vacant industrial buildings conservation area, the area shall also satisfy one of the following standards:

(1) Standard One: The area shall consist of one or more industrial buildings totaling at least 50,000 net square feet of industrial space, with a majority of the total area

of all the buildings having been vacant for at least 18 months; and (A) the area is located in a labor surplus municipality or a substantial labor surplus municipality, or (B) the equalized assessed value of the properties within the area during the last 2 years is at least 25% lower than the maximum equalized assessed value of those properties during the immediately preceding 10 years.

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

(g) "Labor surplus municipality" means a municipality in which, during the 4 calendar years immediately preceding the date the municipality by ordinance designates an industrial park conservation area, the average unemployment rate was 1% or more over the State average unemployment rate for that same period of time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The

Employment Situation" or its successor publication. For the purpose of this subsection (g), if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be: (i) for a municipality that is not in an urban county, the same as the unemployment rate in the principal county where the municipality is located or (ii) for a municipality in an urban county at that municipality's option, either the unemployment rate certified for the municipality by the Department after consultation with the Illinois Department of Labor or the federal Bureau of Labor Statistics, or the unemployment rate of the municipality as determined by the most recent federal census if that census was not dated more than 5 years prior to the date on which the determination is made.

(h) "Substantial labor surplus municipality" means a municipality in which, during the 5 calendar years immediately preceding the date the municipality by ordinance designates an industrial park conservation area, the average unemployment rate was 2% or more over the State average unemployment rate for that same period of time as published in the United States Department of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection (h), if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be: (i) for a municipality that is not in an urban county, the same as the

unemployment rate in the principal county in which the municipality is located; or (ii) for a municipality in an urban county, at that municipality's option, either the unemployment rate certified for the municipality by the Department after consultation with the Illinois Department of Labor or the federal Bureau of Labor Statistics, or the unemployment rate of the municipality as determined by the most recent federal census if that census was not dated more than 5 years prior to the date on which the determination is made.

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

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

(k) "Payment in lieu of taxes" means those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality, which according to the redevelopment project or plan are to be used for a private use, that taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and that would result from levies made after the time of the adoption of tax increment allocation financing until the time the current equalized assessed value of real property in the redevelopment project area exceeds the total initial equalized

assessed value of real property in that area.

(1) "Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate the conditions that qualified the redevelopment project area or redevelopment planning area, or both, as an environmentally contaminated area or industrial park conservation area, or vacant industrial buildings conservation area, or combination thereof, and thereby to enhance the tax bases of the taxing districts that extend into the redevelopment project area or redevelopment planning area. On and after the effective date of this amendatory Act of the 91st General Assembly, no redevelopment plan may be approved or amended to include the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves and used for that purpose within 5 years prior to the adoption of the redevelopment plan. For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting. Each redevelopment plan must set forth in writing the bases for the municipal findings required in this subsection, the program to be undertaken to accomplish the objectives, including but not limited to: (1) an itemized list of estimated redevelopment project costs, (2) evidence indicating that the redevelopment project area or the

redevelopment planning area, or both, on the whole has not been subject to growth and development through investment by private enterprise, (3) (i) in the case of an environmentally contaminated area, industrial park conservation area, or a vacant industrial buildings conservation area classified under either Standard One, or Standard Two of subsection (f) where the building is currently vacant, evidence that implementation of the redevelopment plan is reasonably expected to create a significant number of permanent full time jobs, (ii) in the case of a vacant industrial buildings conservation area classified under Standard Two (B)(i) or (ii) of subsection (f), evidence that implementation of the redevelopment plan is reasonably expected to retain a significant number of existing permanent full time jobs, and (iii) in the case of a combination of an environmentally contaminated area, industrial park conservation area, or vacant industrial buildings conservation area, evidence that the standards concerning the creation or retention of jobs for each area set forth in (i) or (ii) above are met, (4) an assessment of the financial impact of the redevelopment project area or the redevelopment planning area, or both, on the overlapping taxing bodies or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand, (5) the sources of funds to pay costs, (6) the nature and term of the obligations to be issued, (7) the most recent equalized assessed valuation of the

redevelopment project area or the redevelopment planning area, or both, (8) an estimate of the equalized assessed valuation after redevelopment and the general land uses that are applied in the redevelopment project area or the redevelopment planning area, or both, (9) a commitment to fair employment practices and an affirmative action plan, (10) if it includes an industrial park conservation area, the following: (i) a general description of any proposed developer, (ii) user and tenant of any property, (iii) a description of the type, structure and general character of the facilities to be developed, and (iv) a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed, (11) if it includes an environmentally contaminated area, the following: either (i) a determination of release or substantial threat of release of a hazardous substance or pesticide or of petroleum by the United States Environmental Protection Agency or the Illinois Environmental Protection Agency, or the Illinois Pollution Control Board or any court; or (ii) both an environmental audit report by a nationally recognized independent environmental auditor having a reputation for expertise in these matters and a copy of the signed Review and Evaluation Services Agreement indicating acceptance of the site by the Illinois Environmental Protection Agency into the Pre-Notice Site Cleanup Program, (12) if it includes a vacant industrial buildings conservation area, the following: (i) a general description of any proposed developer, (ii) user and

tenant of any building or buildings, (iii) a description of the type, structure and general character of the building or buildings to be developed, and (iv) a description of the type, class and number of new employees to be employed or existing employees to be retained in the operation of the building or buildings to be redeveloped, and (13) if property is to be annexed to the municipality, the terms of the annexation agreement.

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

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

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

municipality;

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

(4) the estimated date of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.6-35 is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted; a municipality may by municipal ordinance amend an existing redevelopment plan to conform to this paragraph (4) as amended by this amendatory Act of the 91st General Assembly concerning ordinances adopted on or after January 15, 1981, which municipal ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Law pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area;

(5) in the case of an industrial park conservation area, that the municipality is a labor surplus municipality or a substantial labor surplus municipality and that the

implementation of the redevelopment plan is reasonably expected to create a significant number of permanent full time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the redevelopment project area;

(6) in the case of an environmentally contaminated area, that the area is subject to a release or substantial threat of release of a hazardous substance, pesticide or petroleum which presents an imminent and substantial danger to public health or welfare or presents a significant threat to public health or environment, that such release or threat of release will have a significant impact on the cost of redeveloping the area, that the implementation of the redevelopment plan is reasonably expected to result in the area being redeveloped, the tax base of the affected taxing districts being significantly enhanced thereby, and the creation of a significant number of permanent full time jobs; and

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

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

(n) "Redevelopment project area" means a contiguous area designated by the municipality that is not less in the aggregate than 1 1/2 acres, and for which the municipality has made a finding that there exist conditions that cause the area to be classified as an industrial park conservation area, a vacant industrial building conservation area, an environmentally contaminated area or a combination of these types of areas.

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

- (1) Costs of studies, surveys, development of plans,

and specifications, implementation and administration of the redevelopment plan, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other services, but no charges for professional services may be based on a percentage of the tax increment collected; except that on and after the effective date of this amendatory Act of the 91st General Assembly, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or

advisor;

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

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

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

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

(4) Costs of renovation, rehabilitation,

reconstruction, relocation, repair or remodeling of any existing public or private buildings, improvements, and fixtures within a redevelopment project area; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

(5) Costs of construction within a redevelopment project area of public improvements, including but not limited to, buildings, structures, works, utilities or fixtures, except that on and after the effective date of this amendatory Act of the 91st General Assembly, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (4) unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by

information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.

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

(7) Costs of job training and retraining projects.

(8) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under this Act including interest accruing during the estimated period of construction of any redevelopment project for which the obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related to those costs.

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

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

(11) Payments in lieu of taxes.

(12) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, if those costs are: (i) related to the establishment and maintenance of additional job training, advanced vocational education or career

education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) are incurred by a taxing district or taxing districts other than the municipality and are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. These costs include, specifically, the payment by community college districts of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs under Sections 10-22.20a and 10-23.3a of the School Code.

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

(A) interest costs shall be paid or reimbursed by a municipality only pursuant to the prior official action of the municipality evidencing an intent to pay

or reimburse such interest costs;

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

(C) except as provided in subparagraph (E), the aggregate amount of such costs paid or reimbursed by a municipality shall not exceed 30% of the total (i) costs paid or incurred by the redeveloper or other nongovernmental person in that year plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act;

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

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

(14) The costs of construction of new privately owned

buildings shall not be an eligible redevelopment project cost.

If a special service area has been established under the Special Service Area Tax Act, then any tax increment revenues derived from the tax imposed thereunder to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by that Act as well as the purposes permitted by this Act.

(p) "Redevelopment Planning Area" means an area so designated by a municipality after the municipality has complied with all the findings and procedures required to establish a redevelopment project area, including the existence of conditions that qualify the area as an industrial park conservation area, or an environmentally contaminated area, or a vacant industrial buildings conservation area, or a combination of these types of areas, and adopted a redevelopment plan and project for the planning area and its included redevelopment project areas. The area shall not be designated as a redevelopment planning area for more than 5 years, or 10 years in the case of a redevelopment planning area in the City of Rockford. At any time in the 5 years, or 10 years in the case of the City of Rockford, following that designation of the redevelopment planning area, the municipality may designate the redevelopment planning area, or any portion of the redevelopment planning area, as a redevelopment project area without making additional findings or complying with

additional procedures required for the creation of a redevelopment project area. An amendment of a redevelopment plan and project in accordance with the findings and procedures of this Act after the designation of a redevelopment planning area at any time within the 5 years after the designation of the redevelopment planning area, or 10 years after the designation of the redevelopment planning area in the City of Rockford, shall not require new qualification of findings for the redevelopment project area to be designated within the redevelopment planning area.

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

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

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

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

(t) "Vacant area", as used in subsection (a) of this

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Section, means any parcel or combination of parcels of real property without industrial, commercial and residential buildings that has not been used for commercial agricultural purposes within 5 years before the designation of the redevelopment project area, unless that parcel is included in an industrial park conservation area.

(Source: P.A. 94-793, eff. 5-19-06.)

Section 99. Effective date. This Act takes effect upon becoming law.