

AN ACT concerning local government.

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

Section 1. Short title. This Act may be cited as the Riverdale Development Authority Act.

Section 5. Purpose. The purpose of this Act is to facilitate and promote the redevelopment of vacant and underutilized brownfield property located adjacent to and between CSX's Barr Yard and IHB's Blue Island Yard, and to enhance the economic benefits generated by the former uses of the property with development that will attract new residences and businesses and create new and better housing and job opportunities within the area.

Section 10. Definitions. In this Act words and phrases have the meanings set forth in this Section.

"Authority" means the Riverdale Development Authority created by this Act.

"Board" means the Board of Directors of the Authority.

"Costs incurred in connection with the development, construction, acquisition, or improvement of a project" means: the cost of purchase and construction of all lands and related improvements, together with the equipment and other property, rights, easements, and franchises acquired that are deemed necessary for the construction; the costs of environmental suits, studies and analyses and subsequent clean-up activities necessary to qualify the area as needing no further remediation; financing charges; interest costs with respect to revenue bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 36 months thereafter; engineering and legal expenses; the costs of

plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the project in operation.

"Financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its revenue bonds, notes, or other evidences of indebtedness for the development, construction, acquisition, or improvement of a project.

"Governmental agency" means any federal, State, county or local governmental body, and any agency or instrumentality thereof, corporate or otherwise.

"Lease agreement" means an agreement under which a project acquired by the Authority by purchase, gift, or lease is leased to any person or governmental agency that will use or cause the project to be used as a project upon terms providing for lease rental payments at least sufficient to pay when due the lessee's pro rata share of all principal and interest and premium, if any, on any revenue bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority, and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with such other terms as may be deemed desirable by the Authority.

"Loan agreement" means any agreement by which the Authority agrees to loan the proceeds of its revenue bonds, notes, or other evidences of indebtedness issued with respect to a project to any person or governmental agency that will use or cause the project to be used as a project upon terms providing for loan repayment installments at

least sufficient to pay when due the borrower's pro rata share of all principal of and interest and premium, if any, on any revenue bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority, and providing for other matters as may be deemed advisable by the Authority.

"Person" includes without limitation an individual, corporation, partnership, unincorporated association, and any other legal entity, including a trustee, receiver, assignee, or personal representative of the entity.

"Project" means an industrial, commercial, freight-oriented or residential project or any combination thereof provided that all uses shall fall within one of those categories, including but not limited to one or more buildings and other structures, improvements, machinery and equipment whether or not on the same site or any land, buildings, machinery, or equipment comprising an addition to or renovation, rehabilitation, or improvement of any existing capital project. Any project shall automatically include all site improvements and new construction involving sidewalks, sewers, landscaping and all appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking, and similar facilities, parking facilities, railroad roadbed, track, trestle, depot, terminal, intermodal facilities, switching and signaling equipment, or related equipment and other improvements necessary or convenient thereto, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment, and disposal facilities, open spaces, streets, highways, and runways.

"Revenue bond" or "bond" means any bond issued by the Authority under the supervision of the Illinois Finance Authority, the principal and interest of which are payable

solely from revenues or income derived from any project or activity of the Authority.

"Terminal" means a public place, station, or depot for receiving and delivering passengers, baggage, mail, freight, or express matter and any combination thereof in connection with the transportation of persons and property on land.

"Terminal facilities" means all land, buildings, structures, improvements, equipment, and appliances useful in the operation of public warehouse, storage, and transportation facilities and industrial, manufacturing, or commercial activities for the accommodation of or in connection with commerce by land.

Section 15. Creation of Authority; Board members; officers.

(a) The Riverdale Development Authority is created as a political subdivision, body politic, and municipal corporation.

(b) The jurisdiction of the Authority shall extend over the approximately 1,200 acres (1.87 sq. miles), more or less, of largely industrial, commercial and residential property located between and adjacent to the CSX's Barr Yard and IHB's Blue Island Yard, exclusive of those yards and other rail lines and utility property, but including: the property generally bounded by I-57 on the west; east along Jackson Street and Indian Boundary Line to Halsted Avenue; south on Halsted to Forestview Avenue continuing east to the Norfolk Southern Railway; north along the Norfolk Southern Railway to the Little Calumet River, east along the River to the northeastern tip of the peninsula crossing the River at the height of 130th Street to the Canadian National-Illinois Central Railroad property line continuing south along the rail line and crossing the River again; east along the River to Indiana Avenue; south to 136th Street; west on 136th Street to the Norfolk Southern Railway then northwest to the northern boundary of Mohawk Park

at the height of Blue Island-Riverdale Road and thence west on Blue Island-Riverdale Road to the eastern edge of the Commonwealth Edison easement at the height of Stewart Avenue and then south on Stewart Avenue to 142nd Street; west on 142nd Street continuing along the southern boundary of the IHB Blue Island Yard following this boundary line west to I-57.

(c) The governing and administrative powers of the Authority shall be vested in its Board of Directors consisting of 5 members, 3 of whom shall be appointed by the Mayor of Riverdale and 2 of whom shall be appointed by the Governor. All persons appointed as members of the Board shall have recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, business management, real estate, community development, organized labor, or civic, community, or neighborhood organization.

(d) The terms of the 5 initial appointees to the Authority shall commence 30 days after the effective date of this Act. Of the 5 appointees initially appointed (i) one of Riverdale's appointees and one of the Governor's appointees shall be appointed to serve terms expiring on the third Monday in January, 2009; (ii) one of Riverdale's appointees shall be appointed to serve a term expiring on the third Monday in January, 2010; and (iii) one of Riverdale's appointees and 1 of the Governor's appointees shall be appointed to serve terms expiring on the third Monday in January, 2011. All successors shall be appointed by the original appointing authority and hold office for a term of 4 years commencing the third Monday in January of the year in which their term commences, except in case of an appointment to fill a vacancy. Vacancies shall be filled for the remainder of the term. Each member appointed to the Board shall serve until his or her successor is appointed and qualified.

(e) The Chairperson of the Board shall be elected by the Board annually from among its members.

(f) The appointing authority may remove any member of the

Board in case of incompetency, neglect of duty, or malfeasance in office.

(g) Members of the Board shall serve without compensation for their services as members but may be reimbursed for all necessary expenses incurred in connection with the performance of their duties as members.

(h) The Board may appoint an Executive Director who shall have a background in administration, planning, real estate, economic development, finance, or law. The Executive Director shall hold office at the discretion of the Board. The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, shall perform such other duties as may be prescribed from time to time by the Board, and shall receive compensation fixed by the Board. The Executive Director shall attend all meetings of the Board; however, no action of the Board or the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Board may engage the services of such other agents and employees, including planners, attorneys, appraisers, engineers, accountants, credit analysts and other consultants, and may prescribe their duties and fix their compensation.

(i) The Board shall meet on the call of its Chairperson or upon written notice of 3 members of the Board.

(j) All official acts of the Authority shall require the affirmative vote of at least 3 of the members of the Board present and voting at a meeting of the Board.

Section 20. Responsibilities of the Authority. It is the duty of the Authority to promote development within its territorial jurisdiction. The Authority shall use the powers conferred on it by this Act to assist in the planning, development, acquisition, construction and marketing of residential, industrial, commercial, or freight-oriented projects within its territorial jurisdiction.

(a) The Authority shall have the power to undertake joint planning for property within its territorial jurisdiction that identifies and addresses its development, transportation, transit, zoning, workforce, and environmental priorities and objectives.

(b) The Authority shall have the power to assemble and prepare parcels for development.

(c) The Authority shall have the power to oversee environmental studies and remediation necessary to identify and remove any hazards or toxins that impede development.

(d) The Authority shall have the power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire through purchase or otherwise any project, using for that purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants, and to hold title in the name of the Authority to those projects.

(e) The Authority shall have the power to market the Riverdale Development to prospective developers and businesses.

(f) The Authority shall make its best effort to annex parcels of unincorporated property that are subject to the jurisdiction of the Authority to a contiguous municipality named in subsection (c) of Section 15.

(g) The Authority shall maintain relations with local residents, industries, businesses, nonprofit organizations, elected and appointed officials, other government and private entities as well as any other interested parties in the course of achieving its objectives and exercising its powers.

Section 25. Powers. The Authority possesses all powers of a body corporate necessary and convenient to accomplish the purpose of this Act, including without limitation the

following:

(a) to enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds;

(b) to sue and be sued;

(c) to employ agents and employees necessary to carry out its purposes;

(d) to have, use, and alter a common seal;

(e) to adopt all needful ordinances, resolutions, bylaws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes;

(f) to designate the fiscal year for the Authority;

(g) to accept and expend appropriations;

(h) to have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations;

(i) to acquire, own, lease, sell, or otherwise dispose of interests in and to real property and improvements situated thereon and in personal property from any person, the State of Illinois, any municipal corporation, any unit of local government, the government of the United States, any agency or instrumentality of the United States, any body politic, or any county, whether the property is improved for the purposes of any prospective project or unimproved, useful and necessary to fulfill the purposes of the Authority;

(j) to acquire title to any project with respect to which it exercises its authority;

(k) to engage in any activity or operation, including brownfield remediation, that is incidental to and in furtherance of efficient operation to accomplish the Authority's primary purpose;

(l) to acquire, own, construct, lease, operate, and maintain, within its corporate limits, terminals and

terminal facilities and to fix and collect just, reasonable, and nondiscriminatory charges for the use of those facilities;

(m) to collect fees and charges in connection with its loans, commitments, and services;

(n) to use the charges and fees collected as authorized under paragraphs (l) and (m) of this Section to defray the reasonable expenses of the Authority and to pay the principal and interest of any revenue bonds issued by the Authority;

(o) to borrow money and issue revenue bonds, notes, or other evidences of indebtedness under the supervision of the Illinois Finance Authority, as set forth under Section 825-13 of the Illinois Finance Authority Act;

(p) to apply for and accept grants, loans or appropriations from the federal government; the State of Illinois, including the Illinois Environmental Protection Agency; and the Village of Riverdale;

(q) to accept donations, contributions, capital grants or gifts from individuals, associations and private corporations in aid of any purposes of this Act and to enter into agreements in connection therewith;

(r) to enter into intergovernmental agreements with the State of Illinois, the County of Cook, the Illinois Finance Authority, the United States government, any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act;

(s) to petition any federal, State, municipal or local authority, and any unit of local government having jurisdiction in the premises for the adoption and execution of any physical improvement, change in method or system of handling freight, warehousing, docking, lightering, and transfer of freight which, in the opinion of the Authority,

is designed to improve the handling of commerce in and through its territorial jurisdiction or improve terminal or transportation facilities therein;

(t) to enter into agreements with businesses, form public-private partnership entities and appropriate funds to such entities as needed to achieve the purpose of this Act; and

(u) to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

Section 30. Limitations. If any of the Authority's powers are exercised within the jurisdiction limits of any municipality, then all of the ordinances of that municipality remain in full force and effect and are controlling.

The Authority shall not issue any revenue bonds relating to the financing of a project located within the planning and subdivision control jurisdiction of any municipality or county unless: (1) notice, including a description of the proposed project and the financing therefor, is submitted to the corporate authorities of the municipality or, in the case of a proposed project in an unincorporated area, to the county board; and (2) the corporate authorities do not or, in the case of an unincorporated area, the county board does not, adopt a resolution disapproving the project within 45 days after receipt of the notice.

Section 35. Revenue Bonds.

(a) The Authority shall have the continuing power to issue revenue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$200,000,000 for the purpose of developing, constructing, acquiring, or improving projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with

businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith, and for the purposes of the Employee Ownership Assistance Act. The bonds must be issued under the supervision of the Illinois Finance Authority, as set forth under Section 825-13 of the Illinois Finance Authority Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any revenue bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such revenue bonds, notes, or other evidences of indebtedness shall be payable solely from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes, including, when so provided by ordinance of the Authority authorizing the issuance of revenue bonds or notes. The revenue bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner, and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any revenue bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the

performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such revenue bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such revenue bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin such corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any such contract or covenant.

(c) If the Authority fails to pay the principal of or interest on any of the revenue bonds or premium, if any, as the same become due, a civil action to compel payment may be instituted in the appropriate circuit court by the holder or holders of the revenue bonds on which such default of payment exists or by an indenture trustee acting on behalf of such holders. Delivery of a summons and a copy of the complaint to the Chairperson of the Board shall constitute sufficient service to give the circuit court jurisdiction of the subject matter of such a suit and jurisdiction over the Authority and its officers named as defendants for the purpose of compelling such payment. Any case, controversy, or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois.

(d) Notwithstanding the form and tenor of any such revenue bonds, notes, or other evidences of indebtedness and in the absence of any express recital on the face of any such revenue bond, note, or other evidence of indebtedness that it is nonnegotiable, all such revenue bonds, notes, and other evidences of indebtedness shall be negotiable instruments. Pending the preparation and execution of any such revenue bonds, notes, or other evidences of indebtedness, temporary revenue bonds, notes, or evidences of indebtedness may be issued as provided by ordinance.

(e) To secure the payment of any or all of such revenue bonds, notes, or other evidences of indebtedness, the revenues to be received by the Authority from a lease agreement or loan agreement shall be pledged, and, for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance thereof and the issuance of any additional revenue bonds, notes, or other evidences of indebtedness payable from such revenues, income, or other funds to be derived from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the terms of any such mortgage or trust agreement by the Authority may be by mandamus proceedings in the appropriate circuit court to compel the performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf the action may be instituted.

(f) The revenue bonds or notes shall be secured as provided in the authorizing ordinance which may, notwithstanding any other provision of this Act, include in addition to any other security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such revenue bonds or notes.

(g) The State of Illinois pledges to and agrees with the holders of the revenue bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such revenue bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. The Authority is authorized to

include these pledges and agreements of the State in any contract with the holders of revenue bonds or notes issued pursuant to this Section.

(h) Under no circumstances shall any bonds issued by the Authority or any other obligation of the Authority be or become an indebtedness or obligation of the State of Illinois or of any other political subdivision of or municipality within the State, nor shall any such bond or obligation be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the revenues or income as aforesaid.

(i) For the purpose of financing a project pursuant to this Act, the Authority shall be authorized to apply for an allocation of tax-exempt bond financing authorization provided by Section 11143 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, as well as financing available under any other federal law or program.

Section 40. Designation of depository. The Authority shall biennially designate a national or State bank or banks as depositories of its money. Those depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by the depositories to the Authority, those bonds to be conditioned for the safekeeping and prompt repayment of the deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to that extent, be exempt from liability for the loss of any of the deposited funds by reason of the failure, bankruptcy, or any other act or default of the depository. However, the Authority may accept assignments of collateral by

any depository of its funds to secure the deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 45. Reports. The Authority shall, annually, submit a report of its finances to the Auditor General. The Authority shall, annually, submit a report of its activities to the Governor and to the General Assembly.

Section 50. Abolition of the Authority. The Authority is abolished upon the last to occur of the following: (1) the expiration of the 15-year period that begins on the effective date of this Act; or (2) one year after the date that all revenue bonds, notes, and other evidences of indebtedness of the Authority have been fully paid and discharged or otherwise provided for. Upon the abolition of the Authority, all of its rights and property shall pass to and be vested in the municipal government in which it is located.

Section 900. The Illinois Finance Authority Act is amended by adding Section 825-13 as follows:

(20 ILCS 3501/825-13 new)

Sec. 825-13. Supervision of the Riverdale Development Authority bond issuances.

(a) All bond issuances of the Riverdale Development Authority are subject to supervision, management, control, and approval of the Authority.

(b) All bonds issued by the Riverdale Development Authority under the supervision of the Authority are subject to the terms and conditions that are set forth in the Riverdale Development Authority Act.

(c) The bonds issued by the Riverdale Development Authority under the supervision of the Authority are not debts of the Authority or of the State.

Public Act 094-1093

SB0821 Enrolled

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Section 999. Effective date. This Act takes effect upon becoming law.