

1 AN ACT concerning economic development.

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

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

7 (20 ILCS 605/605-523 new)

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

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

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

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

2 (1) facade improvements;

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

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

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

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

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

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

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

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

25 At no time shall the amount of a grant or loan exceed  
26 \$50,000 per project.

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

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

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

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

35 Section 10. The State Finance Act is amended by adding

1 Section 5.625 as follows:

2 (30 ILCS 105/5.625 new)

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

4 Section 99. Effective date. This Act takes effect January  
5 1, 2005.