



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5856

Introduced 11/14/06, by Rep. William Davis

SYNOPSIS AS INTRODUCED:

New Act

Creates the Riverdale Development Authority for the purpose of facilitating and promoting the redevelopment of certain property. Sets forth the territorial boundaries of the Authority. Provides that the Authority shall be governed by a 5-member Board of Directors. Sets forth the powers and responsibilities of the Authority, including the power to acquire, own, lease, sell, and dispose of real property and the power to issue revenue bonds. Contains other provisions. Effective immediately.

LRB094 21911 HLH 60356 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 "Revenue bond" or "bond" means any bond issued by the
35 Authority, the principal and interest of which are payable
36 solely from revenues or income derived from any project or

1 activity of the Authority.

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

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

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

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

18 (b) The jurisdiction of the Authority shall extend over the
19 approximately 1,200 acres (1.87 sq. miles), more or less, of
20 largely industrial, commercial and residential property
21 located between and adjacent to the CSX's Barr Yard and IHB's
22 Blue Island Yard, exclusive of those yards and other rail lines
23 and utility property, but including: the property generally
24 bounded by I-57 on the west; east along Jackson Street and
25 Indian Boundary Line to Halsted Avenue; south on Halsted to
26 Forestview Avenue continuing east to the Norfolk Southern
27 Railway; north along the Norfolk Southern Railway to the Little
28 Calumet River, east along the River to the northeastern tip of
29 the peninsula crossing the River at the height of 130th Street
30 to the Canadian National-Illinois Central Railroad property
31 line continuing south along the rail line and crossing the
32 River again; east along the river to Indiana Avenue; south to
33 136th Street; west on 136th Street to the Norfolk Southern
34 Railway then northwest to the northern boundary of Mohawk Park
35 at the height of Blue Island-Riverdale Road and thence west on

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

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

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

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

35 (f) The appointing authority may remove any member of the
36 Board in case of incompetency, neglect of duty, or malfeasance

1 in office.

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

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

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

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

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

35 (a) The Authority shall have the power to undertake

1 joint planning for property within its territorial
2 jurisdiction that identifies and addresses its
3 development, transportation, transit, zoning, workforce,
4 and environmental priorities and objectives.

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

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

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

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

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

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

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

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

4 (b) to sue and be sued;

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

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

8 (e) to adopt all needful ordinances, resolutions, by
9 laws, rules, and regulations for the conduct of its
10 business and affairs and for the management and use of the
11 projects developed, constructed, acquired, and improved in
12 furtherance of its purposes;

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

14 (g) to accept and expend appropriations;

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

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

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

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

34 (l) to acquire, own, construct, lease, operate, and
35 maintain within its corporate limits terminals and
36 terminal facilities and to fix and collect just,

1 reasonable, and nondiscriminatory charges for the use of
2 those facilities;

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

5 (n) to use the charges and fees collected as authorized
6 under paragraphs (13) and (14) of this Section to defray
7 the reasonable expenses of the Authority and to pay the
8 principal and interest of any revenue bonds issued by the
9 Authority;

10 (o) to borrow money and issue revenue bonds, notes, or
11 other evidences of indebtedness as if it were a
12 municipality so authorized in Divisions 12.1, 74, 74.1,
13 74.3, and 74.5 of Article 11 of the Illinois Municipal Code
14 and as provided in Section 35 of this Act to evidence the
15 obligation of the Authority to repay the borrowings;

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

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

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

32 (s) to petition any federal, State, municipal or local
33 authority, and any unit of local government having
34 jurisdiction in the premises for the adoption and execution
35 of any physical improvement, change in method or system of
36 handling freight, warehousing, docking, lightering, and

1 transfer of freight which, in the opinion of the Authority,
2 is designed to improve the handling of commerce in and
3 through its territorial jurisdiction or improve terminal
4 or transportation facilities therein;

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

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

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

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

28 Section 35. Revenue Bonds.

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

1 Authority, for entering into venture capital agreements with
2 businesses locating or expanding within the territorial
3 jurisdiction of the Authority, for acquiring and improving any
4 property necessary and useful in connection therewith, and for
5 the purposes of the Employee Ownership Assistance Act. For the
6 purpose of evidencing the obligations of the Authority to repay
7 any money borrowed, the Authority may, pursuant to resolution,
8 from time to time issue and dispose of its interest bearing
9 revenue bonds, notes, or other evidences of indebtedness and
10 may also from time to time issue and dispose of such bonds,
11 notes, or other evidences of indebtedness to refund, at
12 maturity, at a redemption date or in advance of either, any
13 revenue bonds, notes, or other evidences of indebtedness
14 pursuant to redemption provisions or at any time before
15 maturity. All such revenue bonds, notes, or other evidences of
16 indebtedness shall be payable solely from the revenues or
17 income to be derived from loans made with respect to projects,
18 from the leasing or sale of the projects, or from any other
19 funds available to the Authority for such purposes, including,
20 when so provided by ordinance of the Authority authorizing the
21 issuance of revenue bonds or notes. The revenue bonds, notes,
22 or other evidences of indebtedness may bear such date or dates,
23 may mature at such time or times not exceeding 40 years from
24 their respective dates, may bear interest at such rate or rates
25 not exceeding the maximum rate permitted by the Bond
26 Authorization Act, may be in such form, may carry such
27 registration privileges, may be executed in such manner, may be
28 payable at such place or places, may be made subject to
29 redemption in such manner and upon such terms, with or without
30 premium as is stated on the face thereof, may be authenticated
31 in such manner, and may contain such terms and covenants as may
32 be provided by an applicable resolution.

33 (b) The holder or holders of any revenue bonds, notes, or
34 other evidences of indebtedness issued by the Authority may
35 bring suits at law or proceedings in equity to compel the
36 performance and observance by any corporation or person or by

1 the Authority or any of its agents or employees of any contract
2 or covenant made with the holders of such revenue bonds, notes,
3 or other evidences of indebtedness, to compel such corporation,
4 person, the Authority, and any of its agents or employees to
5 perform any duties required to be performed for the benefit of
6 the holders of any such revenue bonds, notes, or other
7 evidences of indebtedness by the provision of the resolution
8 authorizing their issuance and to enjoin such corporation,
9 person, the Authority, and any of its agents or employees from
10 taking any action in conflict with any such contract or
11 covenant.

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

26 (d) Notwithstanding the form and tenor of any such revenue
27 bonds, notes, or other evidences of indebtedness and in the
28 absence of any express recital on the face of any such revenue
29 bond, note, or other evidence of indebtedness that it is non
30 negotiable, all such revenue bonds, notes, and other evidences
31 of indebtedness shall be negotiable instruments. Pending the
32 preparation and execution of any such revenue bonds, notes, or
33 other evidences of indebtedness, temporary revenue bonds,
34 notes, or evidences of indebtedness may be issued as provided
35 by ordinance.

36 (e) To secure the payment of any or all of such revenue

1 bonds, notes, or other evidences of indebtedness, the revenues
2 to be received by the Authority from a lease agreement or loan
3 agreement shall be pledged, and, for the purpose of setting
4 forth the covenants and undertakings of the Authority in
5 connection with the issuance thereof and the issuance of any
6 additional revenue bonds, notes, or other evidences of
7 indebtedness payable from such revenues, income, or other funds
8 to be derived from projects, the Authority may execute and
9 deliver a mortgage or trust agreement. A remedy for any breach
10 or default of the terms of any such mortgage or trust agreement
11 by the Authority may be by mandamus proceedings in the
12 appropriate circuit court to compel the performance and
13 compliance therewith, but the trust agreement may prescribe by
14 whom or on whose behalf the action may be instituted.

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

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

1 contract with the holders of revenue bonds or notes issued
2 pursuant to this Section.

3 (h) Under no circumstances shall any bonds issued by the
4 Authority or any other obligation of the Authority be or become
5 an indebtedness or obligation of the State of Illinois or of
6 any other political subdivision of or municipality within the
7 State, nor shall any such bond or obligation be or become an
8 indebtedness of the Authority within the purview of any
9 constitutional limitation or provision, and it shall be plainly
10 stated on the face of each bond that it does not constitute
11 such an indebtedness or obligation but is payable solely from
12 the revenues or income as aforesaid. (Source: Laws 1955, p.
13 1125.)

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

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

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

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

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

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