



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1457

Introduced 2/9/2007, by Sen. Mike Jacobs

SYNOPSIS AS INTRODUCED:

70 ILCS 510/4	from Ch. 85, par. 6204
70 ILCS 510/9	from Ch. 85, par. 6209
70 ILCS 515/4	from Ch. 85, par. 6504
70 ILCS 515/9	from Ch. 85, par. 6509

Amends both the Quad Cities Regional Economic Development Authority Acts. Provides that the territory of the Authority shall also include JoDaviess, Carroll, Whiteside, and Stephenson Counties. Provides for the appointment of additional members to the Board of the Authority. Provides that the additional members shall be appointed by the county board chairmen of JoDaviess, Carroll, Whiteside, and Stephenson Counties. Increases the bonding power of the Authority to \$250,000,000 (now, \$100,000,000).

LRB095 05522 HLH 25612 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 5. The Quad Cities Regional Economic Development
5 Authority Act, approved September 22, 1987, is amended by
6 changing Sections 4 and 9 as follows:

7 (70 ILCS 510/4) (from Ch. 85, par. 6204)

8 Sec. 4. (a) There is hereby created a political
9 subdivision, body politic and municipal corporation named the
10 Quad Cities Regional Economic Development Authority. The
11 territorial jurisdiction of the Authority is that geographic
12 area within the boundaries of JoDaviess, Carroll, Whiteside,
13 Stephenson, Rock Island, Henry, Knox, and Mercer counties in
14 the State of Illinois and any navigable waters and air space
15 located therein.

16 (b) The governing and administrative powers of the
17 Authority shall be vested in a body consisting of 15 ~~11~~ members
18 including, as an ex officio member, the Director of Commerce
19 and Economic Opportunity, or his or her designee. The other ~~10~~
20 members of the Authority shall be designated "public members",
21 6 of whom shall be appointed by the Governor with the advice
22 and consent of the Senate. Of the 6 members appointed by the
23 Governor, one shall be from a city within the Authority's

1 territory with a population of 25,000 or more and the remainder
2 shall be appointed at large. Of the 6 members appointed by the
3 Governor, 2 members shall have business or finance experience.
4 One member shall be appointed by each of the county board
5 chairmen of Rock Island, Henry, Knox, and Mercer Counties with
6 the advice and consent of the respective county board. Within
7 60 days of the effective date of this amendatory Act of the
8 95th General Assembly, one additional public member shall be
9 appointed by each of the county board chairmen of JoDavies,
10 Carroll, Whiteside, and Stephenson Counties with the advice and
11 consent of the respective county board. Of the public members
12 added by this amendatory Act of the 95th General Assembly, one
13 shall serve for a one-year term, one shall serve for a 2-year
14 term, and 2 shall serve for 3-year terms, to be determined by
15 lot. Their successors shall serve for 3-year terms. All public
16 members shall reside within the territorial jurisdiction of
17 this Act. Eight ~~Six~~ members shall constitute a quorum. The
18 public members shall be persons of recognized ability and
19 experience in one or more of the following areas: economic
20 development, finance, banking, industrial development, small
21 business management, real estate development, community
22 development, venture finance, organized labor or civic,
23 community or neighborhood organization. The Chairman of the
24 Authority shall be a public member elected by the affirmative
25 vote of not fewer than 6 members of the Authority, except that
26 any chairman elected on or after the effective date of this

1 amendatory Act of the 95th General Assembly shall be elected by
2 the affirmative vote of not fewer than 8 members. The term of
3 the Chairman shall be one year.

4 (c) The terms of the initial ~~all~~ members of the Authority
5 shall begin 30 days after the effective date of this Act,
6 except (i) the terms of those members added by this amendatory
7 Act of 1989 shall begin 30 days after the effective date of
8 this amendatory Act of 1989 and (ii) the terms of those members
9 added by this amendatory Act of the 92nd General Assembly shall
10 begin 30 days after the effective date of this amendatory Act
11 of the 92nd General Assembly. Of the 10 public members
12 appointed pursuant to this Act, 2 (one of whom shall be
13 appointed by the Governor) shall serve until the third Monday
14 in January, 1989, 2 (one of whom shall be appointed by the
15 Governor) shall serve until the third Monday in January, 1990,
16 2 (one of whom shall be appointed by the Governor) shall serve
17 until the third Monday in January, 1991, 2 (both of whom shall
18 be appointed by the Governor) shall serve until the third
19 Monday in January, 1992, and 2 (one of whom shall be appointed
20 by the Governor and one of whom shall be appointed by the
21 county board chairman of Knox County) shall serve until the
22 third Monday in January, 2004. The initial terms of the members
23 appointed by the county board chairmen (other than the county
24 board chairman of Knox County) shall be determined by lot. All
25 successors shall be appointed by the original appointing
26 authority and hold office for a term of 3 years commencing the

1 third Monday in January of the year in which their term
2 commences, except in case of an appointment to fill a vacancy.
3 Vacancies occurring among the public members shall be filled
4 for the remainder of the term. In case of vacancy in a
5 Governor-appointed membership when the Senate is not in
6 session, the Governor may make a temporary appointment until
7 the next meeting of the Senate when a person shall be nominated
8 to fill such office, and any person so nominated who is
9 confirmed by the Senate shall hold office during the remainder
10 of the term and until a successor shall be appointed and
11 qualified. Members of the Authority shall not be entitled to
12 compensation for their services as members but shall be
13 entitled to reimbursement for all necessary expenses incurred
14 in connection with the performance of their duties as members.

15 (d) The Governor may remove any public member of the
16 Authority appointed by the Governor in case of incompetency,
17 neglect of duty, or malfeasance in office. The Chairman of a
18 county board may remove any public member of the Authority
19 appointed by such Chairman in the case of incompetency, neglect
20 of duty, or malfeasance in office.

21 (e) The Board shall appoint an Executive Director who shall
22 have a background in finance, including familiarity with the
23 legal and procedural requirements of issuing bonds, real estate
24 or economic development and administration. The Executive
25 Director shall hold office at the discretion of the Board. The
26 Executive Director shall be the chief administrative and

1 operational officer of the Authority, shall direct and
2 supervise its administrative affairs and general management,
3 shall perform such other duties as may be prescribed from time
4 to time by the members and shall receive compensation fixed by
5 the Authority. The Authority may engage the services of such
6 other agents and employees, including attorneys, appraisers,
7 engineers, accountants, credit analysts and other consultants,
8 as it may deem advisable and may prescribe their duties and fix
9 their compensation.

10 (f) The Board shall create a task force to study and make
11 recommendations to the Board on the economic development of the
12 territory within the jurisdiction of this Act. The number of
13 members constituting the task force shall be set by the Board
14 and may vary from time to time. The Board may set a specific
15 date by which the task force is to submit its final report and
16 recommendations to the Board.

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

18 (70 ILCS 510/9) (from Ch. 85, par. 6209)

19 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the
20 written approval of the Governor, at any time and from time to
21 time, issue bonds and notes for any corporate purpose,
22 including the establishment of reserves and the payment of
23 interest. In this Act the term "bonds" includes notes of any
24 kind, interim certificates, refunding bonds or any other
25 evidence of obligation.

1 (2) The bonds of any issue shall be payable solely from the
2 property or receipts of the Authority, including, without
3 limitation:

4 (I) fees, charges or other revenues payable to the
5 Authority;

6 (II) payments by financial institutions, insurance
7 companies, or others pursuant to letters or lines of credit,
8 policies of insurance, or purchase agreements;

9 (III) investment earnings from funds or accounts
10 maintained pursuant to a bond resolution or trust agreement;
11 and

12 (IV) proceeds of refunding bonds.

13 (3) Bonds shall be authorized by a resolution of the
14 Authority and may be secured by a trust agreement by and
15 between the Authority and a corporate trustee or trustees,
16 which may be any trust company or bank having the powers of a
17 trust company within or without the State. Bonds shall:

18 (I) be issued at, above or below par value, for cash or
19 other valuable consideration, and mature at time or times,
20 whether as serial bonds or as term bonds or both, not exceeding
21 40 years from their respective date of issue; however, the
22 length of the term of the bond should bear a reasonable
23 relationship to the value life of the item financed;

24 (II) bear interest at the fixed or variable rate or rates
25 determined by the method provided in the resolution or trust
26 agreement;

1 (III) be payable at a time or times, in the denominations
2 and form, either coupon or registered or both, and carry the
3 registration and privileges as to conversion and for the
4 replacement of mutilated, lost or destroyed bonds as the
5 resolution or trust agreement may provide;

6 (IV) be payable in lawful money of the United States at a
7 designated place;

8 (V) be subject to the terms of purchase, payment,
9 redemption, refunding or refinancing that the resolution or
10 trust agreement provides;

11 (VI) be executed by the manual or facsimile signatures of
12 the officers of the Authority designated by the Authority,
13 which signatures shall be valid at delivery even for one who
14 has ceased to hold office; and

15 (VII) be sold in the manner and upon the terms determined
16 by the Authority.

17 (b) Any resolution or trust agreement may contain
18 provisions which shall be a part of the contract with the
19 holders of the bonds as to:

20 (1) pledging, assigning or directing the use, investment or
21 disposition of receipts of the Authority or proceeds or
22 benefits of any contract and conveying or otherwise securing
23 any property or property rights;

24 (2) the setting aside of loan funding deposits, debt
25 service reserves, capitalized interest accounts, cost of
26 issuance accounts and sinking funds, and the regulations,

1 investment and disposition thereof;

2 (3) limitations on the purpose to which or the investments
3 in which the proceeds of sale of any issue of bonds may be
4 applied and restrictions to investment of revenues or bond
5 proceeds in government obligations for which principal and
6 interest are unconditionally guaranteed by the United States of
7 America;

8 (4) limitations on the issue of additional bonds, the terms
9 upon which additional bonds may be issued and secured, the
10 terms upon which additional bonds may rank on a parity with, or
11 be subordinate or superior to, other bonds;

12 (5) the refunding or refinancing of outstanding bonds;

13 (6) the procedure, if any, by which the terms of any
14 contract with bondholders may be altered or amended and the
15 amount of bonds and holders of which must consent thereto, and
16 the manner in which consent shall be given;

17 (7) defining the acts or omissions which shall constitute a
18 default in the duties of the Authority to holders of bonds and
19 providing the rights or remedies of such holders in the event
20 of a default which may include provisions restricting
21 individual right of action by bondholders;

22 (8) providing for guarantees, pledges of property, letters
23 of credit, or other security, or insurance for the benefit of
24 bondholders; and

25 (9) any other matter relating to the bonds which the
26 Authority determines appropriate.

1 (c) No member of the Authority nor any person executing the
2 bonds shall be liable personally on the bonds or subject to any
3 personal liability by reason of the issuance of the bonds.

4 (d) The Authority may enter into agreements with agents,
5 banks, insurers or others for the purpose of enhancing the
6 marketability of or as security for its bonds.

7 (e) (1) A pledge by the Authority of revenues as security
8 for an issue of bonds shall be valid and binding from the time
9 when the pledge is made.

10 (2) The revenues pledged shall immediately be subject to
11 the lien of the pledge without any physical delivery or further
12 act, and the lien of any pledge shall be valid and binding
13 against any person having any claim of any kind in tort,
14 contract or otherwise against the Authority, irrespective of
15 whether the person has notice.

16 (3) No resolution, trust agreement or financing statement,
17 continuation statement, or other instrument adopted or entered
18 into by the Authority need be filed or recorded in any public
19 record other than the records of the authority in order to
20 perfect the lien against third persons, regardless of any
21 contrary provision of law.

22 (f) The Authority may issue bonds to refund any of its
23 bonds then outstanding, including the payment of any redemption
24 premium and any interest accrued or to accrue to the earliest
25 or any subsequent date of redemption, purchase or maturity of
26 the bonds. Refunding bonds may be issued for the public

1 purposes of realizing savings in the effective costs of debt
2 service, directly or through a debt restructuring, for
3 alleviating impending or actual default and may be issued in
4 one or more series in an amount in excess of that of the bonds
5 to be refunded.

6 (g) Bonds or notes of the Authority may be sold by the
7 Authority through the process of competitive bid or negotiated
8 sale.

9 (h) At no time shall the total outstanding bonds and notes
10 of the Authority exceed \$250,000,000 ~~\$100 million~~.

11 (i) The bonds and notes of the Authority shall not be debts
12 of the State.

13 (j) In no event may proceeds of bonds or notes issued by
14 the Authority be used to finance any structure which is not
15 constructed pursuant to an agreement between the Authority and
16 a party, which provides for the delivery by the party of a
17 completed structure constructed pursuant to a fixed price
18 contract, and which provides for the delivery of such structure
19 at such fixed price to be insured or guaranteed by a third
20 party determined by the Authority to be capable of completing
21 construction of such a structure.

22 (Source: P.A. 85-713.)

23 Section 10. The Quad Cities Regional Economic Development
24 Authority Act, certified December 30, 1987, is amended by
25 changing Sections 4 and 9 as follows:

1 (70 ILCS 515/4) (from Ch. 85, par. 6504)

2 Sec. 4. (a) There is hereby created a political
3 subdivision, body politic and municipal corporation named the
4 Quad Cities Regional Economic Development Authority. The
5 territorial jurisdiction of the Authority is that geographic
6 area within the boundaries of JoDaviess, Carroll, Whiteside,
7 Stephenson, Rock Island, Henry and Mercer counties in the State
8 of Illinois and any navigable waters and air space located
9 therein.

10 (b) The governing and administrative powers of the
11 Authority shall be vested in a body consisting of 11 ~~7~~ members
12 including, as an ex officio member, the Director of Commerce
13 and Economic Opportunity, or his or her designee. The other ~~8~~
14 members of the Authority shall be designated "public members",
15 3 of whom shall be appointed by the Governor with the advice
16 and consent of the Senate. Of the 3 members appointed by the
17 Governor, one shall be from a city within the Authority's
18 territory with a population of 25,000 or more and the remainder
19 shall be appointed at large. One member shall be appointed by
20 each of the county board chairmen of Rock Island, Henry and
21 Mercer counties with the advice and consent of the respective
22 county board. In addition, within 60 days after the effective
23 date of this amendatory Act of the 95th General Assembly, one
24 additional public member shall be appointed by each of the
25 county board chairmen of JoDaviess, Carroll, Whiteside, and

1 Stephenson Counties with the advice and consent of the
2 respective county board. Of the public members added by this
3 amendatory Act of the 95th General Assembly, one shall serve
4 for a one-year term, one shall serve for a 2-year term, and 2
5 shall serve for 3-year terms, to be determined by lot. Their
6 successors shall serve for 3-year terms. All public members
7 shall reside within the territorial jurisdiction of this Act.
8 ~~Six~~ ~~Four~~ members shall constitute a quorum. The public members
9 shall be persons of recognized ability and experience in one or
10 more of the following areas: economic development, finance,
11 banking, industrial development, small business management,
12 real estate development, community development, venture
13 finance, organized labor or civic, community or neighborhood
14 organization. The Chairman of the Authority shall be a public
15 member elected by the affirmative vote of not fewer than 4
16 members of the Authority, except that any chairman elected on
17 or after the effective date of this amendatory Act of the 95th
18 General Assembly shall be elected by the affirmative vote of
19 not fewer than 6 members. The term of the Chairman shall be one
20 year.

21 (c) The terms of all members of the Authority shall begin
22 30 days after the effective date of this Act. Of the 6 initial
23 public members appointed pursuant to this Act, 2 (one of whom
24 shall be appointed by the Governor) shall serve until the third
25 Monday in January, 1989, 2 (one of whom shall be appointed by
26 the Governor) shall serve until the third Monday in January,

1 1990, and 2 (one of whom shall be appointed by the Governor)
2 shall serve until the third Monday in January, 1991. The
3 initial terms of the members appointed by the county board
4 chairmen shall be determined by lot. All successors shall be
5 appointed by the original appointing authority and hold office
6 for a term of 3 years commencing the third Monday in January of
7 the year in which their term commences, except in case of an
8 appointment to fill a vacancy. Vacancies occurring among the
9 public members shall be filled for the remainder of the term.
10 In case of vacancy in a Governor-appointed membership when the
11 Senate is not in session, the Governor may make a temporary
12 appointment until the next meeting of the Senate when a person
13 shall be nominated to fill such office, and any person so
14 nominated who is confirmed by the Senate shall hold office
15 during the remainder of the term and until a successor shall be
16 appointed and qualified. Members of the Authority shall not be
17 entitled to compensation for their services as members but
18 shall be entitled to reimbursement for all necessary expenses
19 incurred in connection with the performance of their duties as
20 members.

21 (d) The Governor may remove any public member of the
22 Authority appointed by the Governor in case of incompetency,
23 neglect of duty, or malfeasance in office. The Chairman of a
24 county board may remove any public member of the Authority
25 appointed by such Chairman in the case of incompetency, neglect
26 of duty, or malfeasance in office.

1 (e) The Board shall appoint an Executive Director who shall
2 have a background in finance, including familiarity with the
3 legal and procedural requirements of issuing bonds, real estate
4 or economic development and administration. The Executive
5 Director shall hold office at the discretion of the Board. The
6 Executive Director shall be the chief administrative and
7 operational officer of the Authority, shall direct and
8 supervise its administrative affairs and general management,
9 shall perform such other duties as may be prescribed from time
10 to time by the members and shall receive compensation fixed by
11 the Authority. The Authority may engage the services of such
12 other agents and employees, including attorneys, appraisers,
13 engineers, accountants, credit analysts and other consultants,
14 as it may deem advisable and may prescribe their duties and fix
15 their compensation.

16 (f) The Board shall create a task force to study and make
17 recommendations to the Board on the economic development of the
18 territory within the jurisdiction of this Act. The number of
19 members constituting the task force shall be set by the Board
20 and may vary from time to time. The Board may set a specific
21 date by which the task force is to submit its final report and
22 recommendations to the Board.

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

24 (70 ILCS 515/9) (from Ch. 85, par. 6509)

25 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the

1 written approval of the Governor, at any time and from time to
2 time, issue bonds and notes for any corporate purpose,
3 including the establishment of reserves and the payment of
4 interest. In this Act the term "bonds" includes notes of any
5 kind, interim certificates, refunding bonds or any other
6 evidence of obligation.

7 (2) The bonds of any issue shall be payable solely from the
8 property or receipts of the Authority, including, without
9 limitation:

10 (I) fees, charges or other revenues payable to the
11 Authority;

12 (II) payments by financial institutions, insurance
13 companies, or others pursuant to letters or lines of credit,
14 policies of insurance, or purchase agreements;

15 (III) investment earnings from funds or accounts
16 maintained pursuant to a bond resolution or trust agreement;
17 and

18 (IV) proceeds of refunding bonds.

19 (3) Bonds shall be authorized by a resolution of the
20 Authority and may be secured by a trust agreement by and
21 between the Authority and a corporate trustee or trustees,
22 which may be any trust company or bank having the powers of a
23 trust company within or without the State. Bonds shall:

24 (I) be issued at, above or below par value, for cash or
25 other valuable consideration, and mature at time or times,
26 whether as serial bonds or as term bonds or both, not exceeding

1 40 years from their respective date of issue; however, the
2 length of the term of the bond should bear a reasonable
3 relationship to the value life of the item financed;

4 (II) bear interest at the fixed or variable rate or rates
5 determined by the method provided in the resolution or trust
6 agreement;

7 (III) be payable at a time or times, in the denominations
8 and form, either coupon or registered or both, and carry the
9 registration and privileges as to conversion and for the
10 replacement of mutilated, lost or destroyed bonds as the
11 resolution or trust agreement may provide;

12 (IV) be payable in lawful money of the United States at a
13 designated place;

14 (V) be subject to the terms of purchase, payment,
15 redemption, refunding or refinancing that the resolution or
16 trust agreement provides;

17 (VI) be executed by the manual or facsimile signatures of
18 the officers of the Authority designated by the Authority,
19 which signatures shall be valid at delivery even for one who
20 has ceased to hold office; and

21 (VII) be sold in the manner and upon the terms determined
22 by the Authority.

23 (b) Any resolution or trust agreement may contain
24 provisions which shall be a part of the contract with the
25 holders of the bonds as to:

26 (1) pledging, assigning or directing the use, investment or

1 disposition of receipts of the Authority or proceeds or
2 benefits of any contract and conveying or otherwise securing
3 any property or property rights;

4 (2) the setting aside of loan funding deposits, debt
5 service reserves, capitalized interest accounts, cost of
6 issuance accounts and sinking funds, and the regulations,
7 investment and disposition thereof;

8 (3) limitations on the purpose to which or the investments
9 in which the proceeds of sale of any issue of bonds may be
10 applied and restrictions to investment of revenues or bond
11 proceeds in government obligations for which principal and
12 interest are unconditionally guaranteed by the United States of
13 America;

14 (4) limitations on the issue of additional bonds, the terms
15 upon which additional bonds may be issued and secured, the
16 terms upon which additional bonds may rank on a parity with, or
17 be subordinate or superior to, other bonds;

18 (5) the refunding or refinancing of outstanding bonds;

19 (6) the procedure, if any, by which the terms of any
20 contract with bondholders may be altered or amended and the
21 amount of bonds and holders of which must consent thereto, and
22 the manner in which consent shall be given;

23 (7) defining the acts or omissions which shall constitute a
24 default in the duties of the Authority to holders of bonds and
25 providing the rights or remedies of such holders in the event
26 of a default which may include provisions restricting

1 individual right of action by bondholders;

2 (8) providing for guarantees, pledges of property, letters
3 of credit, or other security, or insurance for the benefit of
4 bondholders; and

5 (9) any other matter relating to the bonds which the
6 Authority determines appropriate.

7 (c) No member of the Authority nor any person executing the
8 bonds shall be liable personally on the bonds or subject to any
9 personal liability by reason of the issuance of the bonds.

10 (d) The Authority may enter into agreements with agents,
11 banks, insurers or others for the purpose of enhancing the
12 marketability of or as security for its bonds.

13 (e) (1) A pledge by the Authority of revenues as security
14 for an issue of bonds shall be valid and binding from the time
15 when the pledge is made.

16 (2) The revenues pledged shall immediately be subject to
17 the lien of the pledge without any physical delivery or further
18 act, and the lien of any pledge shall be valid and binding
19 against any person having any claim of any kind in tort,
20 contract or otherwise against the Authority, irrespective of
21 whether the person has notice.

22 (3) No resolution, trust agreement or financing statement,
23 continuation statement, or other instrument adopted or entered
24 into by the Authority need be filed or recorded in any public
25 record other than the records of the authority in order to
26 perfect the lien against third persons, regardless of any

1 contrary provision of law.

2 (f) The Authority may issue bonds to refund any of its
3 bonds then outstanding, including the payment of any redemption
4 premium and any interest accrued or to accrue to the earliest
5 or any subsequent date of redemption, purchase or maturity of
6 the bonds. Refunding bonds may be issued for the public
7 purposes of realizing savings in the effective costs of debt
8 service, directly or through a debt restructuring, for
9 alleviating impending or actual default and may be issued in
10 one or more series in an amount in excess of that of the bonds
11 to be refunded.

12 (g) Bonds or notes of the Authority may be sold by the
13 Authority through the process of competitive bid or negotiated
14 sale.

15 (h) At no time shall the total outstanding bonds and notes
16 of the Authority exceed \$250,000,000 ~~\$100 million~~.

17 (i) The bonds and notes of the Authority shall not be debts
18 of the State.

19 (j) In no event may proceeds of bonds or notes issued by
20 the Authority be used to finance any structure which is not
21 constructed pursuant to an agreement between the Authority and
22 a party, which provides for the delivery by the party of a
23 completed structure constructed pursuant to a fixed price
24 contract, and which provides for the delivery of such structure
25 at such fixed price to be insured or guaranteed by a third
26 party determined by the Authority to be capable of completing

1 construction of such a structure.

2 (Source: P.A. 85-988.)