

1 AN ACT concerning regional development.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 5.488 as follows:

6 (30 ILCS 105/5.488)

7 Sec. 5.488. The Port and Regional Development Revolving
8 Loan Fund.

9 (Source: P.A. 90-785, eff. 1-1-99; 91-357, eff. 7-29-99.)

10 Section 10. The Build Illinois Act is amended by
11 changing Section 9-11 as follows:

12 (30 ILCS 750/9-11)

13 Sec. 9-11. Port and Regional Development Revolving Loan
14 Program.

15 (1) There is created in the State Treasury the Port and
16 Regional Development Revolving Loan Fund, referred to in this
17 Section as the Fund. Moneys in the Fund may be appropriated
18 for the purposes of the Port and Regional Development
19 Revolving Loan Program created by this Section to be
20 administered by the Department of Commerce and Community
21 Affairs in order to facilitate and enhance (i) the
22 utilization of Illinois' navigable waterways, (ii) or the
23 development of inland intermodal freight facilities, (iii)
24 the development of regionally significant commercial or
25 industrial projects that integrate existing infrastructure
26 and transportation networks, or (iv) any combination of (i),
27 (ii), and (iii) or both. The Department may adopt rules for
28 the administration of the Program.

29 The General Assembly may make appropriations for the

1 purposes of the Program. Repayment of loans made under the
2 Program ~~to individual port districts~~ shall be paid back into
3 the Fund to establish an ongoing revolving loan fund to
4 facilitate continuing ~~port~~ development activities in the
5 State.

6 (2) Loan funds from the Program shall be made available
7 to Illinois port districts or regional development groups on
8 a competitive basis. In order to obtain assistance under the
9 Program, an applicant ~~a port district~~ must submit a
10 comprehensive application to the Department for
11 consideration.

12 Projects by a port district eligible for funding under
13 the Program must be intermodal facilities and within the
14 scope of powers and responsibilities as granted in each port
15 district's enabling legislation.

16 Loan funds shall not be used for working capital or
17 administrative purposes by a loan recipient ~~the port~~
18 ~~district~~.

19 (3) The maximum amount which may be loaned from the
20 Program to fund any one project is \$3,000,000. Program funds
21 may be used for up to 50% of an individual project financing.
22 The balance of financing for an individual project must be
23 secured by the respective loan recipient ~~district~~.

24 The maximum loan term shall be for 20 years with an
25 interest rate of 5% per annum. Principal and interest
26 payments shall be made on a semi-annual basis.

27 (4) In order to receive a loan from the Program, an
28 applicant ~~a port district~~ must:

29 (a) demonstrate that the proposed project shall
30 generate sufficient revenue to support amortization of
31 the loan and be willing to pledge revenues from the
32 project to loan repayment or

33 (b) demonstrate that the applicant ~~port district~~
34 can financially support debt service payments through its

1 general revenue sources ~~of-the-port-district~~ and pledge
2 its the full faith and credit ~~of-the-port-district~~ to
3 loan repayment.

4 In order to achieve the requirement of paragraph (a) of
5 this subsection (4), the applicant ~~port-district~~ may use
6 guarantees provided under facility operating agreements or
7 guaranteed facility use agreements from private concerns to
8 demonstrate loan repayment ability.

9 Certain infrastructure facilities developed under the
10 Program may be general use public facilities where there is
11 not a definitive and guaranteed revenue stream to support the
12 project, nevertheless the facilities are important to
13 facilitate overall long term ~~port~~ development objectives. In
14 such cases, the full faith and credit of the applicant ~~port~~
15 district may be used as loan collateral.

16 (5) A loan agreement shall be executed between the loan
17 recipient ~~port-district~~ and the State stipulating all of the
18 terms and conditions of the loan. The Department shall
19 release funds on a reimbursement basis for eligible costs of
20 the project as incurred. The loan recipient ~~port--district~~
21 shall certify to the Department that expenses incurred during
22 construction are in accordance with plans and specifications
23 as approved by the Department. Funds may be drawn once per
24 month during construction of the project.

25 (6) The loan agreement shall contain customary and usual
26 loan default provisions in the event the loan recipient ~~port~~
27 district fails to make the required payments. The loan
28 agreement shall stipulate the State's recourse in curing any
29 default.

30 In the event a loan recipient ~~port--district~~ becomes
31 delinquent in payments to the State, that recipient ~~port~~
32 district shall not be eligible for any future loans until the
33 delinquency is remedied.

34 (7) Individual ~~port-district~~ project applications shall

1 include the following:

2 (a) Statement of purpose. A description of the
3 project shall be submitted along with the project's
4 anticipated overall effect on meeting the applicant's
5 ~~per~~-~~district~~ objectives.

6 (b) Project impact. The anticipated net effects of
7 the project shall be enumerated. These impacts may
8 include the economic impact to the State or region,
9 employment impact, intermodal freight impacts, and
10 environmental impacts.

11 (c) Cost estimates and preliminary project layout.
12 The overall project development cost estimate and general
13 site and or facility drawings.

14 (d) Proposed loan amount. A statement as to the
15 amount proposed from the Program and the applicant's ~~per~~
16 ~~district's~~ intentions as to the source of other financing
17 for the project.

18 (e) Business Proforma. A detailed business
19 proforma must be supplied which estimates
20 facility/project revenues as well as operating costs and
21 debt service.

22 (f) Loan collateral and guarantees. The
23 applicant's ~~per~~--~~district's~~ intentions as to how it
24 intends to collateralize the loan amount, including third
25 party guarantees, pledging of project and facility
26 revenue, or pledging its general revenues ~~of~~---the
27 ~~district~~.

28 (8) The Department shall annually invite submission of
29 ~~Illinois-per~~-~~districts~~-~~to~~-~~submit~~ projects for consideration
30 under the Program. The Department shall perform a
31 cost/benefit analysis of each project to determine if a
32 project meets minimum requirements for eligibility. Those
33 applications which meet minimum criteria shall then be ranked
34 by the overall net positive impact on the State.

- 1 (a) Minimum criteria shall include:
- 2 (i) positive cost/benefit ratio;
- 3 (ii) demonstrated economic feasibility of the
- 4 project; and
- 5 (iii) the ability of the applicant port
- 6 district to repay the loan.
- 7 (b) Ranking criteria may include:
- 8 (i) a cost/benefit ratio of project in
- 9 relation to other projects;
- 10 (ii) product tonnage to be handled for port
- 11 district projects;
- 12 (iii) product value to be handled for port
- 13 district projects;
- 14 (iv) soundness of business proposition;
- 15 (v) positive intermodal impacts of Illinois
- 16 transportation system for port district projects;
- 17 (vi) meets overall State transportation
- 18 objectives;
- 19 (vii) economic impact to the State or region;
- 20 or
- 21 (viii) environmental benefits of the project.

22 Projects shall be selected according to their ranking up
 23 to the limit of available funds. Selected projects shall be
 24 invited to submit detailed plans, specifications, operating
 25 agreements, environmental clearances, evidence of property
 26 title, and other documentation as necessitated by the
 27 project. When the Department determines all necessary
 28 requirements are met and the remainder of the project
 29 financing is available, a loan agreement shall be executed
 30 and project development may commence.

31 (Source: P.A. 90-785, eff. 1-1-99.)