

CHAPTER 493—S. F. No. 969

An act to provide for the eradication of slum and blight areas and the rehabilitation and rebuilding thereof through the medium of neighborhood redevelopment corporations, with powers of eminent domain, and for regulation of such corporations, and for powers of cities of the first class with regard thereto and the use of tax forfeited real property therein.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Citation. This Act shall be known and may be cited as "The Neighborhood Redevelopment Corporation Law."

Sec. 2. Urban conditions; purpose of this act. There exist in certain urban areas of cities of the first class of the State these degenerative conditions, at once both characteristic and causative of Slum and Blight Areas, namely:

(1) Disproportionate tax delinquency and consequent inadequacy of tax payments in relation to the cost of State and municipal services rendered;

(2) Economic deterioration of properties and impaired investments;

(3) A constant exodus of the population of such areas resulting in the further deterioration of such areas and in added costs to the municipalities of this State for the creation of new public facilities and services elsewhere;

(4) Age, physical deterioration or obsolescence of improvements in such areas particularly those improvements affording family accommodations, to such a degree as to render such areas unfit and unsafe for human use and habitation; and

(5) Prevalence of the factors conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, crime and poverty.

Such Slum and Blight Areas are usually situated in the older and more centrally located portions of the cities involved and, once existing, spread unless eradicated. As a result of these degenerative conditions, the territories and properties embraced in Slum and Blight Areas fall into a state of non-productiveness, fail to share their due and proper portion of the taxes necessary for the support of the municipalities within whose boundaries they are situated, and ultimately become waste territories, economic and social, producing but a meager, while consuming a disproportionate, share of the public revenue raised by government to defray the cost of police and fire

protection, to preserve the public health and to promote the general welfare. The drain upon the public revenue necessitated by Slum and Blight Areas, if they are permitted to remain and spread, will impair these indispensable governmental functions not only as to such areas but as to the municipalities and the State as well.

The elimination of these degenerative conditions, and the rehabilitation and rebuilding of Slum and Blight Areas, is in the best interests of the health, morals, safety and general welfare of the citizens of the State. The accomplishment of these ends by private initiative, through Neighborhood Redevelopment Corporations, supervised and regulated by the public, should be fostered, encouraged and aided. Accordingly, such elimination and rehabilitation and rebuilding, through the activities of Neighborhood Redevelopment Corporations as provided by this Act, are hereby declared to be a public use, and Neighborhood Redevelopment Corporations, for these purposes, are hereby authorized to be created with the powers and subject to the public supervision and regulation as hereinafter set forth.

Sec. 3. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings and inclusions, unless a different intent clearly appears from the context.

“City” shall mean a city of the first class in this State.

“Development” shall mean a specific work, repair or improvement to put into effect a Development Plan. The term shall include the Real Property, buildings and improvements owned, constructed, managed or operated by a Neighborhood Redevelopment Corporation.

“Development Area” shall mean that portion of a Slum and Blight Area to which a Development Plan is applicable and for the Redevelopment of which portion a certificate of convenience and necessity is issued by the Redevelopment Commission.

“Development Cost” shall mean the amount determined, either prospectively or otherwise, by the Redevelopment Commission to be the actual cost of the Development and shall include, among other costs, the cost of planning the Development, including preliminary studies and surveys, neighborhood planning, and architectural, engineering and legal services, the costs of financing the Development, including carrying charges during construction, the cost of the Real Property included in the Development, the cost of demolition of

existing structures, the costs of landscaping and roadways, the cost of installation of water, sewer and other utility services, the costs of construction, equipment and furnishing of buildings and improvements, including architectural, engineering, builders' and legal fees, the costs of reconstruction, rehabilitation, remodeling or repair of existing buildings, improvements and of utility services, the cost of management and operation until the Development is ready for use, and the cost of improving that portion of the Development Area which is to be devoted for use as a park, playground or recreation center, together with such additions to Development cost as result from additions to the Development in accordance with the original Development Plan or amendments thereto.

"Development Plan" shall mean a plan for the Redevelopment of all or any part of a Slum and Blight Area, and shall include any amendments thereto approved by the Redevelopment Commission in accordance with the requirements of Section 20 of this Act.

"Mortgage" shall mean a mortgage, trust indenture, deed of trust or other instrument creating a lien on Real Property, and the indebtedness secured thereby.

"Neighborhood Redevelopment Corporation" shall mean a corporation organized pursuant to the provisions of this Act.

"Plan Commission" shall mean the planning commission of any city, or, if none now exists, the officer, committee or persons who shall be designated by the governing body of such city to act as such.

"Governing Body" shall mean the city council where such council exists.

"Real Property" shall mean lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and estates, and rights therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

"Redevelopment" shall mean the eradication, rehabilitation and rebuilding of a Slum and Blight Area, with residential facilities, together with such public structures or spaces and incidental commercial facilities as may be necessary or appropriate.

"Redevelopment Commission" shall mean the commission created and established pursuant to the provisions of Section 4 of this Act.

"Slum and Blight Areas" shall mean those urban districts in which the major portion of the housing is detrimental to the health, safety, morality or welfare of the occupants by reason of age, dilapidation, overcrowding, faulty arrangement, lack of ventilation, light or sanitation facilities, or any combination of these factors.

Sec. 4. Development commission; members; secretary; compensation. Any city of the first class shall have the power to provide for the creation of a Redevelopment Commission to supervise and regulate Neighborhood Redevelopment Corporations organized pursuant to the provisions of this Act to operate within the boundaries of such city. Such redevelopment Commission shall consist of not less than three nor more than five members, one of which members shall be designated as its chairman, to be appointed by the mayor of the city, by and with the advice and consent of the governing body of the city. Each member of the Redevelopment Commission shall hold office for a term of two years and until his successor shall be appointed and qualified. Any vacancy in the membership of the Redevelopment Commission occurring by reason of the death, resignation, disqualification, inability or refusal to act of any of the members thereof shall be filled by appointment by the mayor, by and with the advice and consent of the governing body of the city.

No person holding stocks or Mortgages in any Neighborhood Redevelopment Corporation, or who is in any other manner directly or indirectly pecuniarily interested in such Neighborhood Redevelopment Corporation, or in the Development undertaken by it, shall be appointed as a member of, or be employed by, that Redevelopment Commission to whose supervision and regulation such Neighborhood Redevelopment Corporation is subject. If any such member or employee shall voluntarily become so interested, his office or employment shall ipso facto become vacant. If any such member or employee becomes so interested otherwise than voluntarily he shall within ninety days divest himself of such interest and if he fails to do so his office or employment shall become vacant.

The Redevelopment Commission shall have power, subject to the approval of the governing body of the city, to appoint a secretary and from time to time to employ accountants, engineers, architects, experts, inspectors, clerks and other employees and fix their compensation

Each member of the Redevelopment Commission shall receive such salary as shall be fixed by the governing body of the city, as the case may be, and said governing body shall

have power to provide for the payment of the salaries of all members and the expenses of the Redevelopment Commission.

Sec. 5. Powers; quorum; documents. Consistent with the provisions of this Act, the Redevelopment Commission may adopt such rules and regulations and may alter, amend and repeal the same as it shall deem advisable relative to the calling, holding and conduct of its meetings, the transaction of its business, the regulation and control of its employees, the conduct of hearings, inquiries and investigations, and the performance in general of its duties and powers hereunder.

A majority of the members of the Redevelopment Commission shall constitute a quorum to transact business and no vacancy shall impair the right of the remaining members to exercise all its powers; and every order, rule or regulation of the Redevelopment Commission approved by a majority of the members thereof shall be deemed to be the order, rule or regulation of the Redevelopment Commission.

Any notice, instrument or document which the Redevelopment Commission may be authorized by law to issue shall be deemed sufficient if signed by its secretary. All orders, rules, regulations and records of the Redevelopment Commission and all instruments or documents filed with it may be proved in any court of this State by a copy thereof certified by the secretary.

Sec. 6. Neighborhood redevelopment corporations. Neighborhood Redevelopment Corporations may be organized in the manner provided by this Act to acquire Real Property, to alter, renovate, demolish or rebuild existing improvements thereon, and to construct, maintain and operate a Development therein, when authorized by and subject to the supervision of the Redevelopment Commission of the city, village or incorporated town wherein the Development Area is located, for the purpose of effecting the Redevelopment of Slum and Blight Areas in the manner provided by this Act; Provided, that the business and conduct of each Neighborhood Redevelopment Corporation, until the Redevelopment of its Development Area has been achieved, shall be subject, as hereinafter provided, to the supervision and regulation of the Redevelopment Commission of the city.

Sec. 7. Procedure. Whenever three or more adult persons, citizens of the United States of America, at least two of whom shall be citizens of this State, shall desire to form a corporation under this Act, they shall sign and verify articles of incorporation in duplicate setting forth the following:

- (1) The name of the corporation.
- (2) The name and address, including street and number, if any, of each incorporator.
- (3) A statement of the objects for which it is formed, among which shall be included the elimination of degenerative conditions and the rehabilitation and rebuilding of that Development Area whose Redevelopment it is authorized to undertake pursuant to a certificate of convenience and necessity issued by the Redevelopment Commission.
- (4) The period of duration, which shall not be more than sixty years, and which shall be without revivor.
- (5) The address, including street and number, if any, of its initial registered office in this State, and the name of its initial registered agent at such address.
- (6) The total amount of authorized capital stock.
- (7) The number of shares into which the capital stock is to be divided, and the par value thereof; if the shares are to be divided into classes of common and preferred shares, the number of shares of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class; Provided, that no shares be without par value.
- (8) The names and addresses (including street and number, if any) of the pre-incorporation subscribers to the common shares, and the amount subscribed and paid by each; Provided, that no pre-incorporation subscription shall be made for preferred shares.
- (9) The number of common shares which it is proposed to issue at once, and the amount of currency or legal tender to be received by the corporation therefor; Provided, that no consideration other than currency or legal tender of the United States of America shall be received by the corporation for those common shares which it is proposed to issue at once, and that such consideration shall be fully paid at the time of the filing of the articles of incorporation by the Secretary of State.
- (10) The number, names and addresses, including street and number, if any, of the directors, at least two of whom shall be residents of this State, and the terms for which elected.

(11) Any provision which the incorporators may choose to insert limiting or denying to shareholders the pre-emptive right to acquire additional shares of the corporation.

(12) Any other provision, not inconsistent with this Act or other law, which the incorporators may choose to insert for the regulation of the business and conduct of the affairs of the corporation.

Sec. 8. Filing; certificate. Duplicate originals of the articles prescribed by Section 7 of this Act shall be filed in the office of the Secretary of State.

If the Secretary of State finds that such statement is in conformity with the provisions of Section 7 of this Act, he shall, when all franchise taxes, fees, and charges have been paid:

(1) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(2) File one of such duplicate originals in his office.

(3) Issue to the incorporators a certificate of incorporation to which he shall affix the other duplicate original.

Sec. 9. Rights, powers, and privileges. Every corporation organized under this Act shall, subject to the conditions and limitations prescribed by this Act, have the following rights, powers and privileges:

(1) To have succession by its corporate name for the period limited in its certificate of incorporation.

(2) To sue and be sued in its corporate name.

(3) To have and use a common seal and alter it at pleasure.

(4) To have a capital stock of such an amount and divided into shares as may be provided in the certificate of incorporation, or any amendment thereof, subject to the conditions prescribed by Section 7 of this Act; Provided, that the issuance of the shares of stock of every corporation organized under this Act shall be subject to supervision and regulation of the Redevelopment Commission, as in this Act provided.

(5) To acquire, own, use, convey and otherwise dispose of and deal in Real Property, however acquired, subject to the conditions and restrictions of this Act; Provided, that no single sale, mortgage, lease or conveyance of two-thirds or more of the corporate assets shall be made, except within a

period of one year immediately preceding the expiration by lapse of time of the corporate charter, without the consent of the holders of two-thirds of all the outstanding capital stock of the corporation at any annual meeting or at any special meeting called for that purpose; Provided further, that no Real Property shall ever be acquired, owned or used by such corporation outside its Development Area.

(6) To borrow money for its corporate purposes at such rate of interest as the corporation may determine, subject to the approval of the Redevelopment Commission as in this Act provided; and to mortgage or pledge its property, both real and personal, to secure the payment thereof.

(7) To elect officers, appoint agents, define their duties and fix their compensation.

(8) Subject to the provisions of this Act, to acquire Real Property by exercise of the power of eminent domain in the manner provided by the general laws of the State relating thereto.

(9) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation; and to amend its articles of Incorporation.

(10) To conduct business in this State, subject to the provisions of this Act.

(11) To cease doing business and to surrender its charter.

(12) To have and exercise all the powers necessary and convenient to carry into effect the purposes for which the corporation is formed.

Sec. 10. Prohibitions. No Neighborhood Redevelopment Corporation shall:

(1) Acquire title to any Real Property, or any interest therein except by way of unexercised option, unless it shall first have obtained a certificate from the Redevelopment Commission, given after the hearing prescribed by Section 18 of this Act, that the acquisition of Real Property and its Development in the Development Area is necessary and convenient for the public purposes defined by this Act and is part of the public use declared by this Act.

(2) Sell, convey, lease or assign any Real Property without the imposition of those building and use restrictions which have been assumed by the Neighborhood Redevelopment Corporation, and which shall be included in all instruments of

sale, conveyance, transfer, lease or assignment; Provided, that there are excepted from this prohibition those building and use restrictions which shall have been abandoned or altered due to change in the predominant character of the locality as determined by judicial decision.

(3) Issue shares, whether common, preferred, or both, in an amount greater than the Development Cost, as determined by the Redevelopment Commission, less the amount of any Mortgage thereon; Provided, that nothing herein contained shall be construed to prohibit the issuance of common shares subscribed by pre-incorporation subscription preceding the termination of the Development Cost.

(4) Sell, convey, or mortgage any Real Property without the approval of the Redevelopment Commission.

(5) Lease an entire building or entire tract of land in the Development Area to any person or corporation without the approval of the Redevelopment Commission.

(6) Acquire any Real Property outside the Development Area allotted it by the Redevelopment Commission.

(7) Change, alter, amend, add to or depart from an approved Development Plan, except as otherwise provided by this Act.

(8) Make any guarantee without obtaining the approval of the Redevelopment Commission.

(9) Reorganize without obtaining the approval of the Redevelopment Commission.

(10) Merge or consolidate with any corporation.

(11) Voluntarily dissolve without first having obtained the certificate of the Redevelopment Commission as provided in Section 13 of this Act.

Sec. 11. Name requirements. The name of every Neighborhood Redevelopment Corporation organized pursuant to the provisions of this Act shall include the words "Neighborhood" and "Redevelopment," and no corporation, hereafter organized under the laws of this State, nor any foreign corporation, hereafter authorized to transact business in this State, shall after the date of enactment of this Act include both the words "Neighborhood" and "Redevelopment" as part of its corporate name.

Sec. 12. Taxation. Neighborhood Redevelopment Corporations organized under this Act, notwithstanding their func-

tion in the Redevelopment of Slum and Blight Areas, shall be subject to the same taxation, general and special, as to their assets, tangible and intangible, and as to their capital stock, as is imposed by law upon the assets and capital stock of private corporations for profit organized pursuant to the laws of this State.

Sec. 13. Subject to business corporation act. Neighborhood Redevelopment Corporations organized under this Act shall be subject to the provisions of the Business Corporation Act and all existing and future amendments and modifications thereof, so far as the same are not inconsistent with the provisions of this Act.

Sec. 14. Prerequisites to acquisition of real estate. No Neighborhood Redevelopment Corporation shall acquire title to any Real Property, or any interest therein except by way of unexercised option, or institute any Development without first making written application to the Redevelopment Commission for approval of the proposed Development Plan in the manner hereinafter prescribed, and without secondly securing the certificate of convenience and necessity to be issued by the Redevelopment Commission upon the conditions hereinafter mentioned.

(1) The application of a Neighborhood Redevelopment Corporation for approval of its proposed Development Plan shall contain:

(a) The legal description of the proposed Development Area and the description thereof by city blocks, street and number, if any.

(b) A statement of the character of the estates in Real Property to be acquired by the Neighborhood Redevelopment Corporation.

(c) A statement showing the present use of the Real Property in the proposed Development Area, the zoning restrictions, if any, thereon, the private restrictions, if any, of record, and the predominant primary racial group of the present inhabitants.

(d) A statement of the existing buildings or improvements in the Development Area, if any, which are to be demolished.

(e) A statement of the existing buildings or improvements, if any, in the Development Area which are not to be

immediately demolished and the approximate period of time within which the demolition, if any, of each such building or improvement is to take place.

(f) A statement of the proposed improvements, if any, of each building, if any, not to be demolished immediately, and any proposed repairs or alterations of such buildings.

(g) A statement of the type, number and character of each new industrial, commercial, residential, public or other building or improvement to be erected or made.

(h) A metes and bounds description of that portion of the proposed Development Area to be devoted to a park, playground or recreation center for the use of the Development, the specific use to which such portion is to be put and the manner in which it shall be improved.

(i) A statement of those portions, if any, of the proposed Development Area (other than the portions to be devoted for a park, playground or recreation center for the use of the Development) to be left as open land area and the manner in which such portions, if any, shall be maintained.

(j) A statement of recommended changes, if any, in the zoning ordinances, necessary or desirable for the Development and its protection against blighting influences.

(k) A statement of recommended changes, if any, in streets or street levels and of recommended vacations, if any, of streets, alleys, or other public spaces.

(l) A statement in detail of the estimated Development Cost and of the proposed method of financing the Development, sufficient to give assurance that the Neighborhood Redevelopment Corporation will be able to complete and operate the Development.

(m) An estimate of the periods of time within which, after the approval of the Development Plan, the Neighborhood Redevelopment Corporation will be able firstly to initiate its Development and secondly to complete its Development, excepting unexpected delays not caused by it.

(n) A statement of the character, approximate number of units, approximate rentals and approximate date of availability of the proposed dwelling accommodations, if any, to be furnished during construction and upon completion of the Development.

(o) Such other statements or material as the applicant Neighborhood Redevelopment Corporation deems relevant, in-

cluding recommendations for the Redevelopment of one or more areas contiguous to the proposed Development Area.

(2) No certificate of convenience and necessity shall be issued by the Redevelopment Commission upon application by a Neighborhood Redevelopment Corporation except upon the fulfillment of the following conditions:

(a) That the Neighborhood Redevelopment Corporation has filed with the Redevelopment Commission a bond, in form and with surety or sureties satisfactory to the Redevelopment Commission, in the penal sum of five per centum of the estimated Development Cost as set out in the application of the Neighborhood Redevelopment Corporation but in no event to exceed \$10,000 payable to the city, village or incorporated town creating the Redevelopment Commission, the payment to be deposited in the general corporate fund of such city, village or incorporated town, the bond to be conditioned upon the initiation and completion of the Development within the respective time limits, or authorized extensions thereof, prescribed by the Redevelopment Commission.

(b) That the Neighborhood Redevelopment Corporation has agreed in writing to incorporate in its instruments of sale, conveyance, transfer, lease or assignment such restrictions as the Redevelopment Commission may by rule impose as to the type of construction, use, landscape and architectural design of the Development.

(c) That the Neighborhood Redevelopment Corporation has agreed in writing to devote as a minimum ten per centum of the Development Area for a park, playground or recreation center for the use of the Development (the site or sites for which shall be determined by the Redevelopment Commission), to provide adequate financial arrangements for defraying the upkeep thereof during its corporate existence, and to place thereon, in the manner prescribed by subparagraph (b) of paragraph 2 of this Section, such use restrictions as the Development Commission may by rule impose; Provided, that in determining the proportion of open land area required by any zoning ordinance compared to the land area used for building purposes, the portion so devoted for park, playground or recreation center shall be counted as open land area.

(d) That the Redevelopment Commission shall, after the public hearing provided by paragraph 1 of Section 15 of this Act, have made the determinations provided in paragraph 3 of this Section either originally or after the application has been remanded upon judicial review.

(3) The Redevelopment Commission, before the issuance of the certificate of convenience and necessity to a Neighborhood Redevelopment Corporation, shall determine that:

(a) The Development Area is within an area which, under the conditions existing at the time, is a Slum and Blight Area as defined by this Act.

(b) The Redevelopment of the Development Area in accordance with the Development Plan is designed to effectuate the public purposes declared in Section 2 of this Act.

(c) The Development Plan conforms to the zoning ordinances, if any, applicable to the Development Area, and further conforms to the plan, if any, adopted by the Plan Commission, if any, of such city, as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission.

(d) Public facilities, including, but not limited to, fire and police protection, and recreation, are presently adequate, or will be adequate at the time that the Development is ready for use, to service the Development Area.

(e) The execution of the Development Plan will not cause undue hardship to the families, if any, occupying dwelling accommodations in the Development Area, to such a degree as to outweigh the public use defined in Section 2 of this Act to be achieved through the Redevelopment of such Development Area.

(f) The estimated Development Cost of the Development is sufficient for the proposed Redevelopment.

(g) The execution of the Development Plan will not displace the predominant primary racial group of the present inhabitants of the Development Area.

(h) No portion, greater than by ten per centum in area, of the Development Area is designed by the Development Plan for use other than residential except in those instances wherein the Plan Commission, if any, of the city, village or incorporated town concerned, has filed with the Redevelopment Commission, pursuant to paragraph 1 of Section 15 of this Act, an advisory report recommending a greater portion by area than ten per centum, in which instances, no portion, greater than that so recommended, of the Development Area is designed by the Development Plan for use other than residential.

(i) The conditions prescribed by paragraph 2 of this Section have been fulfilled.

Sec. 15. Procedure by redevelopment commission. (1) The Redevelopment Commission, after receipt of an application by a Neighborhood Redevelopment Corporation for approval of a proposed Development Plan, and after the conditions in subparagraphs (a), (b) and (c) of paragraph 2 of Section 14 of this Act have been fulfilled, before determining the several conditions prescribed by paragraph 3 of Section 14 of this Act, shall do the following: Firstly, it shall transmit a copy of the application to the Plan Commission, if any, of the city, wherein the Development Commission is acting, with the request that the Plan Commission file with it within thirty days' time such advisory report on the application as the Plan Commission may desire to make upon the appropriateness and desirability, from a municipal planning point of view, of the Development Plan proposed in the application, and upon the characterization of the proposed Development Area. Secondly, it shall after the expiration of said thirty days' time hold a public hearing upon the proposed Development Plan. Notice of the time, place and purpose of the hearing shall be published at least once each week for three consecutive weeks in a newspaper in general circulation in the city in which the proposed Development Area is located, the time of the hearing to be within ten days from the last publication of notice. The notice shall specify by legal description and by city blocks, and streets the proposed Development Area and shall further specify the place where copies of the application for the approval of the proposed Development Plan are available. The Redevelopment Commission shall require the Neighborhood Redevelopment Corporation to file with the application such number of copies thereof, to be available without charge to the public, as the Redevelopment Commission may by rule determine. At the time and place of such hearing, informal criticisms, suggestions and objections to the application for approval of the proposed Development Plan may be made by any party in attendance. Within ten days after the conclusion of the hearing the Redevelopment Commission shall determine whether the proposed Development Plan fulfills the conditions prescribed by paragraph 3 of Section 14 of this Act.

(2) In the event that the Redevelopment Commission shall determine, after the hearing prescribed by paragraph 1 of this Section, that the proposed Development Plan fulfills the conditions prescribed by paragraph 3 of Section 14 of this Act, the Redevelopment Commission shall make and enter upon its records an appropriate order approving the Development Plan, prescribing the respective time limits within which the Neighborhood Redevelopment Corporation shall firstly

initiate and shall secondly complete the Developments and reserving jurisdiction to extend the time limits upon application filed in the manner prescribed by Section 17 of this Act, and reciting as findings the determinative conditions and such additional findings as the Redevelopment Commission deems appropriate. Whenever a Development Plan, as approved, would be more adapted to effectuate the public use defined in Section 2 of this Act through the vacation of streets, alleys or other public spaces, or through the amendment to the zoning ordinance or ordinances applicable to the district wherein the Development Area is located, or through both such vacation and amendment, the Redevelopment Commission shall specify in its order the extent of the vacation or the desired amendment to the zoning ordinance or ordinances, or both as the case may be, and that the vacation or amendment is, or both the vacation and amendment are, appropriate to the Redevelopment sought to be achieved. A copy of the order approving the Development Plan shall immediately upon its entry be posted in the place where the hearing was held and, in order to initiate judicial review of the order, written objections thereto may be filed with the Redevelopment Commission within twenty days after its entry, but not thereafter, by any one or more of the owners or lienors of the Real Property which must be acquired; by purchase, condemnation or otherwise, in order to effectuate the Development Plan, or by any municipal corporation or agency thereof, or by any public corporation affected thereby. Concurrently with the entry of the order by the Redevelopment Commission, it shall issue to the Neighborhood Redevelopment Corporation a certificate that the acquisition of Real Property and its development in the Development Area is necessary and convenient for the public purposes to be served thereby and is part of the public use declared by this Act.

(3) In the event that the Redevelopment Commission shall determine, after the hearing prescribed by paragraph 1 of this Section, that the proposed Development Plan does not meet the conditions prescribed by paragraph 3 of Section 14 of this Act, the Redevelopment Commission shall make and enter upon its records an appropriate order rejecting the Development Plan, specifying in detail therein the determinative condition or conditions not fulfilled and for reason of which the rejection was ordered. Not earlier than forty days and not later than fifty days from the date of the entry of the order, the Redevelopment Commission, unless a judicial review of its order of rejection shall have been initiated pursuant to

Section 16 of this Act, shall return the bond and agreements specified in subparagraphs (a), (b) and (c) of paragraph 2 of Section 14 of this Act.

Sec. 16. Procedure in district court. (1) In all cases in which a Development Plan is approved by the Redevelopment Commission, to whose order written objections are filed by the persons or corporations and in the time and manner prescribed in paragraph 2 of Section 15 of this Act, the Neighborhood Redevelopment Corporation shall, within fifteen days after the expiration of the period of twenty days allowed for filing objections, file in the office of the Clerk of the District Court of the county wherein the Development Area is located, an application to the District Court for the confirmation of the approval of the Redevelopment Commission. In all cases in which a Development Plan is rejected by the Redevelopment Commission, the Neighborhood Redevelopment Corporation may within thirty-five days from the entry of the order of rejection, but not thereafter, file in the office of the Clerk of the District Court of the county wherein the Development Area is located an application to the District Court for the reversal of the rejection of the Redevelopment Commission and for remanding the application to the Redevelopment Commission with directions to approve the Development Plan and to issue a certificate of convenience and necessity. Each application shall be accompanied by a request to the Clerk of the District Court to issue summons. Forthwith upon the filing of each such application, the Neighborhood Redevelopment Corporation shall deposit with the Redevelopment Commission written notice of the filing of the application. The Redevelopment Commission, upon the deposit with it of the notice, shall within twenty days hereafter file with the Clerk of the District Court the bond and written agreements specified in subparagraphs (a), (b) and (c) of paragraph 2 of Section 14 of this Act, a copy of all papers and documents filed with it, a transcript of the testimony taken at the hearing, and a copy of the order of the Redevelopment Commission, all certified by the secretary under the seal of the Redevelopment Commission. In the instance of each such application, summons shall be issued directed to those persons or corporations who shall have filed written directions in the time and manner prescribed in paragraph 2 of Section 15 of this Act; in addition, in the instance of an application for reversal and remanding, summons shall be issued directed to the Redevelopment Commission. In each instance the process, practice and pleadings shall proceed in accordance with the procedure in civil cases.

(2) No new or additional evidence may be introduced upon such review by the District Court, but the review shall

be heard on the record of the Redevelopment Commission as certified by the secretary as in paragraph 1 of this Section provided. The order of the Redevelopment Commission shall be held prima facie to be reasonable and the burden of proof in all issues reviewed shall be upon the person or corporation objecting to such order.

(3) It shall be the duty of the District Court to examine the application and the answers, if any, thereto filed, and the record of the Redevelopment Commission. If, after such examination, it shall find that the several conditions set forth in paragraph 3 of Section 14 of this Act have been fulfilled, the Judge of such court shall mark the application "Approved" and shall enter an order of record confirming the approval of the Redevelopment Commission or, as the case may be, reversing the rejection of the Redevelopment Commission and remanding to it the application with directions to approve the Development Plan, to issue a certificate of convenience and necessity to the Neighborhood Redevelopment Corporation, and to make such other provisions as the case may require. The Clerk of the Circuit Court shall, when the application is "Approved", deliver the bond and written agreements to the Redevelopment Commission. If, after such examination, the District Court shall find that the several conditions set forth in paragraph 3 of Section 14 of this Act have not been fulfilled, the Judge of the court shall mark the application "Not Approved" and shall enter an order of record to that effect. The Clerk of the District Court shall, when the application is "Not Approved", return the bond and written agreements to the Neighborhood Redevelopment Corporation.

(4) Appeals from the orders of the District Court entered under the provisions of this Section may be taken directly to the Supreme Court by any party to the review in the District Court within sixty days after the entry of the order of the District Court, and shall be governed by the rules applicable to appeals to the Supreme Court:

(5) In the event that, after the judicial review as prescribed by paragraphs 1, 2, 3 and 4 of this Section, the application of the Neighborhood Redevelopment Corporation is "Not Approved", the Neighborhood Redevelopment Corporation, after the return to it of the bond and written agreements, shall forthwith proceed to dissolution.

(6) When no objections to the order of the Redevelopment Commission entered pursuant to paragraph 2 of Section 15 of this Act approving the Development Plan are filed by the persons or corporations and in the time and manner pre-

scribed by such paragraph 2 of Section 15, or when the Commission shall have entered an order pursuant to paragraph 3 of Section 15 of this Act rejecting the proposed Development Plan and no application for reversal of such order of rejection and remanding of the application is filed by the Neighborhood Redevelopment Corporation in the time and manner prescribed in paragraph 1 of this Section, those persons and corporations shall then be deemed to have waived the right to have the merits of the controversy reviewed by a court and there shall be no trial of the merits of such controversy by any court to which application may be made for a writ to enforce such order or in any other judicial proceeding.

Sec. 17. Petition for extension; hearing and order. Upon application in writing filed by a Neighborhood Redevelopment Corporation with the Redevelopment Commission for an extension of the time limit within which to initiate or to complete the Development, or both as the case may be, pursuant to the certificate of convenience and necessity possessed by the Neighborhood Redevelopment Corporation, the Redevelopment Commission shall hold a hearing and shall examine into the said application and the reasons for the failure to initiate or complete the Development, or both as the case may be, within the time limit originally allotted therefor, which reasons shall be stated in detail in the application, and the Redevelopment Commission, if satisfied that the failure was not occasioned by purposeful non-exercise, without excuse, of the authority contained in the certificate of convenience and necessity, shall grant such extension or extensions of the said time limits as the circumstances of the case may require. Nothing herein contained shall be construed to debar a Neighborhood Redevelopment Corporation from making applications for successive extensions of the time limits.

If the Redevelopment Commission shall grant an extension or extensions of the time limits, as in this Section provided, the secretary of said Redevelopment Commission shall notify in writing the surety or sureties upon the bond of the Neighborhood Redevelopment Corporation, filed pursuant to subparagraph (a) of paragraph 2 of Section 14 of this Act, of the fact and duration of the extension or extensions. Every such bond made by such surety or sureties shall be subject to the power and authority of the Redevelopment Commission to authorize the extension or extensions, and no surety shall be discharged by reason of failure of notice or knowledge of the extension or extensions.

Sec. 18. Statement; content; time; filing. (1) Not earlier than forty days and not later than sixty days from the

date of the entry of the order approving a Development Plan, entered by the Redevelopment Commission pursuant to paragraph 2 of Section 15 of this Act, unless a judicial review of the order shall have been initiated pursuant to Section 16 of this Act, the Redevelopment Commission shall prepare and authenticate under its seal a statement that a certificate of convenience and necessity has been issued, pursuant to Section 15 of this Act, to the Neighborhood Redevelopment Corporation, identifying it by name. The statement shall contain an identification of the Development Area of the corporation by legal description and by description by city blocks, street and number, if any, thereof. The Redevelopment Commission shall forthwith thereafter file the statement in the office of the Secretary of State.

(2) The provisions of paragraph 1 of this Section shall be applicable to the approval of an amendment to a Development Plan, made pursuant to Section 20 of this Act, when the amendment operates to extend the Development Area beyond its former limits.

Sec. 19. Preference shares. The Redevelopment Commission, in its issuance of certificates of convenience and necessity pursuant to Section 15 of this Act, shall give preference, other things being equal, to such Neighborhood Redevelopment Corporation (as opposed to any other Neighborhood Redevelopment Corporation), the pre-incorporation subscribers to the common shares of which have been for two or more years preceding incorporation the owners of not less than ten per centum in area of the Real Property located within the proposed Development Area.

Sec. 20. Amendment; conditions. At any time prior to the Redevelopment of the Development Area, the Redevelopment Commission may approve an amendment to a Development Plan, but no such amendment shall be approved unless and until: (1) an application therefor shall have been filed with the Redevelopment Commission by the Neighborhood Redevelopment Corporation to which a certificate of convenience and necessity has been issued in connection with the Development Plan sought to be amended, which application shall contain the portions of the matters required by paragraph 1 of Section 14 of this Act relevant to the proposed amendment; (2) The bond and written agreements required by paragraph 2 of Section 14 of this Act, if applicable to the proposed amendment, shall have been furnished the Redevelopment Commission; and (3) the Redevelopment Commission shall have determined that the proposed amendment fulfills such of the conditions prescribed by paragraph 3 of Section 14 of

this Act as are relevant to the proposed amendment. The procedure relating to the determination of the Redevelopment Commission made pursuant to this Section, and the judicial review thereof, shall be the same as are provided by Sections 15 and 16 of this Act for the determination of the Redevelopment Commission upon an initial application for approval of a Development Plan and the judicial review thereof.

Sec. 21. Charged with performance of: In addition to the duties elsewhere in this Act provided for it, the Redevelopment Commission shall be charged with the performance of the following duties:

(1) By rules, to provide for those restrictions enumerated in subparagraphs (b) and (c) of paragraph 2 of Section 14 of this Act. Such restrictions shall take into consideration: (a) the location of the Development Area with reference to transportation, educational and recreational facilities and business opportunities; (b) the use of neighboring properties; (c) the manner of Redevelopment, including the proposed use, of the Development Area; (d) zoning ordinances applicable to the district; and (e) the official plan of the city, village or incorporated town or, in the absence of such an official plan, the plan, if any, adopted by the Plan Commission, if any, of such city, village or incorporated town as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission. In the formulation of these restrictions and suggestions of the Neighborhood Redevelopment Corporation may be heard prior to the application for approval of its Development Plan.

(2) By rules, to prescribe the conditions, in instances where the Development Areas of two or more Neighborhood Redevelopment Corporations operating or to operate in the same locality shall not encompass an intervening area of less than two city blocks, under which contiguity, and the extent thereof, shall be mandatory of the two or more Development Areas. Those rules shall take into consideration: (a) the zoning ordinances applicable to the Development Areas; (b) the extent of similarity of use of the Development Areas and of the intervening area; and (c) the official plan of the city, village or incorporated town or, in the absence of such official plan, the plan, if any, adopted by the Plan Commission, if any, of such city, village or incorporated town as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission.

(3) By rules, to prescribe the form of the bond required by subparagraph (a) of paragraph 2 of Section 17 of this Act.

In prescribing that form, the Redevelopment Commission shall take into consideration the requirements and purposes of this Act.

(4) To determine the sufficiency in amount, in form and in the sureties thereof, of the bond or bonds specified in subparagraph (d) of paragraph 1 of Section 38 of this Act; and determine the sufficiency of the sureties of the bond required by subparagraph (a) of paragraph 2 of Section 14 of this Act. In determining sufficiency of the amount of the first type of bond or bonds, the Redevelopment Commission shall take into consideration (a) the Development Cost of the Development, as established by it; (b) the cost of the work, as fixed in the contract or contracts entered into by the contractor or contractors giving bond; (c) the period of time which the performance of the work will consume; all so as to satisfy the Redevelopment Commission that, in its opinion, the amount of such bond or bonds shall be sufficient to insure the expeditious performance of the contract or contracts. In determining the sufficiency of the form of the first type of bond or bonds, the Redevelopment Commission shall be guided by any form commonly used by contractors in operations of similar character in the city, village or incorporated town. In determining the sufficiency of the security of all bonds, the Redevelopment Commission shall investigate the financial responsibility of the sureties.

(5) At any time prior to the Redevelopment of the Development Area, and through its members or agents duly authorized by it, to enter the lands, property, equipment, buildings, plants and offices of a Neighborhood Redevelopment Corporation and make personal inspection thereof. Nothing in this Act shall be construed to alter the provisions of the laws of this State or of any governmental subdivision thereof prescribing the qualifications of persons authorized to plan and to supervise the construction, enlargement or alterations of buildings.

(6) From time to time, to determine the Redevelopment pursuant to the Development Plan of parcels of Real Property within the Development Area. Prior to that determination, no sale or conveyance, and no lease of an entire building or entire tract of land, shall be approved by the Redevelopment Commission. Upon that determination being made, sales or conveyances, and leases of entire buildings or entire tracts of land, if of Real Property so determined to be redeveloped, shall be approved (such approval being required by paragraphs 4 and 5 of Section 10 of this Act) by the Redevelop-

ment Commission, upon application by the Neighborhood Redevelopment Corporation, without more.

(7) To determine the Redevelopment of the entire Development Area.

(8) At any time prior to the Redevelopment of the Development Area, to order every Neighborhood Redevelopment Corporation: (a) to do such acts as may be required by the provisions of law or such administrative rules and regulations as may be adopted by the Redevelopment Commission in the carrying out of the provisions of this Act or of the terms of any application, contract or agreement herein provided to be approved by the Redevelopment Commission in the manner prescribed by this Act; and (b) to refrain from doing any acts in violation thereof.

(9) From time to time, to make, amend and repeal rules and regulations for carrying into effect the provisions of this Act.

Sec. 22. Cessation of supervision. (1) Anything in this Act to the contrary notwithstanding, the supervision and regulation of any parcel of the Development Area by the Redevelopment Commission shall cease and determine as to that parcel whenever the Redevelopment Commission shall have made the determination of the Redevelopment of that parcel, as required by paragraph 6 of Section 25 of this Act, and shall have approved a sale, conveyance or lease thereof, as required by paragraphs 4 and 5 of Section 10 of this Act.

(2) Anything in this Act to the contrary notwithstanding, the supervision and regulation of the Neighborhood Redevelopment Corporation by the Redevelopment Commission shall cease and determine whenever the Redevelopment Commission shall find that the Redevelopment of the Development Area of the Neighborhood Redevelopment Corporation has been achieved.

Sec. 23. Supervision by and duties of commission. In the discharge of its functions and duties set forth in this Act, the Redevelopment Commission shall have general supervision of all Neighborhood Redevelopment Corporations, the Development Areas of which are located within the city, which has created the Redevelopment Commission, and the Redevelopment Commission shall have power to hold investigations, inquiries and hearings concerning the affairs of those Neighborhood Redevelopment Corporations, concerning their dealings, transactions and relationships with third persons, and concerning any other matters covered by the provisions of this

Act. In the conduct of any investigation, inquiry or hearing the Redevelopment Commission shall not be bound by the technical rules of evidence and no informality in any proceeding or in the manner of taking testimony before the Redevelopment Commission shall invalidate any order, decision, rule or regulation there made. All hearings shall be open to the public.

The Redevelopment Commission shall have the power to administer oaths and affirmations, certify to all official acts, issue subpoenas, compel attendance and testimony of witnesses and the production of papers, books, accounts and documents.

Hearings shall be held by the Redevelopment Commission. All evidence presented at hearings shall become a part of the records of the Redevelopment Commission. In all cases in which the Redevelopment Commission bases any action on reports of investigations or inquiries not conducted as hearings, those reports shall be made a part of the records of the Redevelopment Commission.

All records of the Redevelopment Commission shall be open to the inspection of all persons without reward. The Redevelopment Commission shall have the power to examine all books, contracts, records, documents and papers of a Neighborhood Redevelopment Corporation and by subpoena duces tecum compel the production thereof.

The Redevelopment Commission shall have power to adopt reasonable and proper administrative rules and regulations relating to the exercise of its powers, and proper administrative rules to govern its proceedings and to regulate the mode and manner of all investigations, inquiries and hearings and to alter and amend the same.

Sec. 24. Investigation; testimonial immunity. No person shall be excused from testifying or from producing any papers, books, accounts or documents in any investigation or inquiry or upon any hearing ordered or held by the Redevelopment Commission, when ordered to do so, upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture. But no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may testify or produce evidence, documentary or otherwise, before the Redevelopment Commission; Provided, that such immunity shall extend only to a natural person who in obedience to a subpoena gives

testimony under oath or produces evidence, documentary or otherwise, under oath. No person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

Sec. 25. Hearings; subpoenas; service; fees. All subpoenas issued under the terms of this Act may be served by any person of full age. The fees of witnesses for attendance and travel shall be the same as fees of witnesses before the District Courts of this State. Whenever a subpoena is issued at the instance of a party to any proceeding before the Redevelopment Commission, that party may be required to bear the cost of service thereof and to pay the fee of the witness, and in such case the Redevelopment Commission shall have power, in its discretion, to require a deposit to cover the cost of the service and the payment of the legal witness fee and mileage to the witness when served with subpoena. A subpoena issued as aforesaid shall be served in the same manner as a subpoena issued out of a court of record.

Any District Court of this State, or any judge thereof, either in term time or vacation, upon application of the Redevelopment Commission, may, in his discretion, compel the attendance of witnesses, the production of books, papers, accounts and documents, and the giving of testimony before the Redevelopment Commission, by an attachment for contempt or otherwise, in the same manner as production of evidence may be compelled before said court.

The Redevelopment Commission or any party may in any such investigation or hearing cause the deposition of witnesses residing within or without the State to be taken in the manner prescribed by law for like depositions in civil actions in the courts of this State and to that end may compel the attendance of witnesses and the production of papers, books, accounts and documents.

The Redevelopment Commission may require the production within this State at such time and place as it may designate of any books, accounts, papers or documents kept by any Neighborhood Redevelopment Corporation in any office or place without this State, or at its option, verified copies in lieu thereof, so that an examination thereof may be made by the Redevelopment Commission or under its direction.

Sec. 26. Appeal to district court; procedure. Within thirty days after the entry of any order of the Redevelopment Commission, except such orders as are specified in paragraphs 2 and 3 of Section 15 of this Act and except such

orders as are specified in Section 20 of this Act (judicial reviews of which orders are to be had in the manner prescribed by Section 16 of this Act), any person or corporation affected by any order of the Redevelopment Commission may appeal to the District Court of the county in which is located the Development Area of the Neighborhood Redevelopment Corporation concerned, for the purpose of having the reasonableness or lawfulness of the order inquired into and determined. The party taking such an appeal shall file with the Redevelopment Commission written notice of the appeal. The Redevelopment Commission, upon the filing of the notice of appeal, shall within five days thereafter, file with the Clerk of the District Court to which the appeal is taken a certified copy of the order appealed from and within twenty days thereafter a transcript of the testimony taken at the hearing, together with all exhibits there introduced or copies thereof. Upon such an appeal the party appealing and the Redevelopment Commission may stipulate that a certain question or certain questions alone, and a specified portion only of the evidence, shall be certified to the court for its judgment and in such case the stipulation and the question or questions and the evidence therein specified shall constitute the record on appeal.

The party serving the notice of appeal shall within five days after service of notice upon the Redevelopment Commission file a copy of the notice with proof of service with the Clerk of the District Court to which the appeal is taken, and thereupon the said District Court shall have jurisdiction over the appeal and it shall be entered upon the records of the court and shall be tried without formal pleadings but otherwise according to the rules relating to the trial of other civil suits so far as the same are applicable.

No new or additional evidence may be introduced in any proceeding upon the appeal, but it shall be heard in the record of the Redevelopment Commission as certified by it. If it appears that the Redevelopment Commission failed to receive evidence properly offered upon a hearing or on application for a hearing the court shall remand the case with instructions to receive the testimony so offered and rejected and to enter a new order based upon the evidence taken and such new evidence directed to be received unless it shall appear that the new evidence would not be controlling, in which case the court shall so find in its order. An order of the Redevelopment Commission shall be held prima facie to be reasonable and the burden of proof in all issues raised by the appeal shall be upon the person or corporation appealing.

When no appeal is taken from the order as herein provided, parties affected by the order shall be deemed to have waived the right to have the merits of the controversy reviewed by a court and there shall be no trial of the merits of any controversy in which the order was made by any court to which application may be made for a writ to enforce the order or in any other judicial proceeding.

Sec. 27. Appeals to supreme court. Appeals shall lie to the Supreme Court, to review the final orders and judgments of the District Court entered pursuant to Section 26 of this Act.

Sec. 28. Duty of city attorney. It shall be the duty of the attorney for the city, to represent the Redevelopment Commission created by such city, village or incorporated town in all actions and proceedings instituted by it under the provisions of this Act and to defend the orders of the Redevelopment Commission in all appeals taken therefrom or on judicial review thereof.

Sec. 29. Stays; suspensions of process. (1) The pendency of an appeal, taken from an order of the Redevelopment Commission pursuant to the provisions of Section 26 of this Act, shall not of itself stay or suspend the operation of the order of the Redevelopment Commission, but during the pendency of such appeal the District or the Supreme Court, as the case may be, in its discretion may stay or suspend, in whole or in part, the operation of the order of the Redevelopment Commission.

(2) The order of the Redevelopment Commission made pursuant to paragraph 2 of Section 15 of this Act shall, however, be automatically suspended by the filing of a written objection thereto by the persons or corporations and in the time and manner prescribed by paragraph 2 of Section 15 of this Act until the final decision of the District Court or the Supreme Court, as the case may be, approving such order.

Sec. 30. Mandamus or injunction. Whenever in the judgment of the Redevelopment Commission a Neighborhood Redevelopment Corporation fails or omits, or is about to fail or omit, to do anything required of it by law or by order of the Redevelopment Commission as in this Act provided, or does or is about to do, or permits or is about to permit to be done, anything contrary to or in violation of law or any such order, the Redevelopment Commission shall commence an action or proceeding in the District Court of the county, wherein the Development Area of the Redevelopment Corpo-

ration concerned is located, for the purpose of enforcing or preventing such action or omission, either by a mandamus or injunction.

Sec. 31. Appeals to supreme court. Appeal shall lie to the Supreme Court, to review the final orders, judgments or decrees of the court in an action or proceeding brought pursuant to Section 30 of this Act.

Sec. 32. Zoning and planning to control. Nothing in this Act shall be construed to alter the provisions of the statutes of this State with reference to zoning and planning. The Redevelopment Commission shall not approve a Development Plan or the operation of a Development by a Neighborhood Redevelopment Corporation in contravention of any zoning ordinance or in contravention of the official plan of the city, village or incorporated town or, in the absence of an official plan, of the plan, if any, adopted by the Plan Commission, if any, of the city, as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission.

Sec. 33. Prospective determination of development cost. The Redevelopment Commission shall upon the issuance of a certificate of convenience and necessity pursuant to Section 15 of this Act (unless the order by virtue of which the certificate was issued has been suspended pursuant to paragraph 2 of Section 29 of this Act) proceed to a prospective determination of the Development Cost of the Development. In connection with such determination the Redevelopment Commission shall hold a hearing and may make such inquiry or investigation, and examine such witnesses, books, papers, accounts, documents and contracts and require the filing of such data, as it may deem of assistance. The Redevelopment Commission shall require the Neighborhood Redevelopment Corporation to disclose every interest of its directors in any transaction under investigation. The Redevelopment Commission shall have power to investigate all such transactions and inquire into the good faith thereof, to examine books, papers, accounts, documents and contracts of Neighborhood Redevelopment Corporations, construction companies or other companies or of firms and individuals with whom the Neighborhood Redevelopment Corporation shall have or shall have had financial transactions, for the purpose of enabling it to verify any statements furnished, and to examine into the cost of Real Property acquired or proposed to be acquired by such Neighborhood Redevelopment Corporation. Upon the conclusion of the hearing, the Redevelopment Commission shall determine of its own judgment the prospective Development

Cost and shall issue to the Neighborhood Redevelopment Corporation a certificate stating the amount thereof as so determined. The amount as so determined shall thereafter be conclusive upon the Redevelopment Commission.

(2) A Neighborhood Redevelopment Corporation may, at any time, whether prior or subsequent to the completion of its Development, whenever it appears that the actual Development Cost will be greater in amount than the prospective determination thereof made pursuant to paragraph 1 of this Section, apply to the Redevelopment Commission for a determination of additional Development Cost. The Redevelopment Commission shall, upon such application, proceed to the determination thereof, in the same manner and with the same authority as provided by paragraph 1 of this Section. Upon the conclusion of its hearing and the determination of the application, the Redevelopment Commission shall issue to the Neighborhood Redevelopment Corporation a certificate stating the amount of the additional Development Cost, if any. The additional amount as so determined shall thereafter be conclusive upon the Redevelopment Commission.

Sec. 34. Issuance of shares or execution of mortgage deemed a special privilege. The power of Neighborhood Redevelopment Corporations to issue shares of stock and mortgages is a special privilege and shall be exercised only under the supervision and regulation of the Redevelopment Commission, acting for the State, according to the provisions of this Act and under such administrative rules and regulations as may be adopted by the Redevelopment Commission in discharging the functions given it by this Act.

Sec. 35. Consent to issuance of shares or execution of mortgage. A Neighborhood Redevelopment Corporation may issue shares and certificates of shares, both common and preferred, and Mortgages, both senior and junior, in an amount, all securities in all, not to exceed the Development Cost of the Neighborhood Redevelopment Corporation, determined as provided by Section 34 of this Act. For the purpose of the enforcement of this provision, prior to the issuance of securities the Neighborhood Redevelopment Corporation shall make application to the Redevelopment Commission for an order approving the issuance and stating the amount thereof and the purpose or purposes to which the securities or the proceeds thereof are to be applied; provided, that the securities shall be issued for the following purposes and for no others, namely: for the defrayment of Development Cost, or for the discharge or refunding of securities originally issued to de-

fray such Development Cost. Upon the approval of the application, the Neighborhood Redevelopment Corporation may proceed to issue the securities described in the application in the amount and for the purpose or purposes so approved; Provided, that the prior approval of the Redevelopment Commission shall not be requisite to the issuance of the common shares of a Neighborhood Redevelopment Corporation issued upon pre-incorporation subscription as provided in paragraph 9 of Section 7 of this Act.

(2) The provisions of paragraph 1 of this Section shall apply, as far as pertinent, to any change in the capital structure of a Neighborhood Redevelopment Corporation, whether effected by increase or decrease of capital stock, by amendment to the articles of incorporation, or otherwise.

(3) No Neighborhood Redevelopment Corporation shall apply the securities, or any part thereof, or any of the proceeds thereof, to any purpose not specified in the order of the Redevelopment Commission or to any purpose specified in the order of the Redevelopment Commission in excess of the amount authorized for that purpose. No Neighborhood Redevelopment Corporation shall issue or dispose of the securities on any terms less favorable than those specified in the order of the Redevelopment Commission. The Redevelopment Commission shall have the power to require Neighborhood Redevelopment Corporations to account for the disposition of the proceeds of the securities in such form and detail as it may find to be advisable, and to establish such administrative rules and regulations as it may find to be reasonable and necessary to insure the disposition of those proceeds for the purpose or purposes specified in the Act.

(4) The fact that the Redevelopment Commission has approved the issuance of the securities shall not be held to mean that the Redevelopment Commission has in any way endorsed their merits, and it shall be unlawful for any person or corporation so to represent.

Sec. 36. Void issuance of shares or execution of mortgage. All shares and certification of shares and all Mortgages of a Neighborhood Redevelopment Corporation issued without an order of the Redevelopment Commission approving such issuance except the issuance of common shares upon pre-incorporation subscription shall be void; and likewise every share and certificate of share and every Mortgage issued with the approval of the Redevelopment Commission, but not conforming in its provisions to the provisions, if any, which it is required by the order of approval of the Redevelopment Com-

mission to contain, shall be void, but no failure in any other respect to comply with the terms or conditions of the order of approval of the Redevelopment Commission shall render void any such security except as to a corporation or person taking the same with notice of the failure to comply with the order of the Redevelopment Commission.

Sec. 37. Authorized investments. The State and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings, loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, money or other funds belonging to them or within their control in any Mortgage of a Neighborhood Redevelopment Corporation approved in its issuance as in Section 35 of this Act provided, which the Federal Housing Administrator has insured or has made a commitment to insure under the National Housing Act, it being the purpose of this Section to authorize the investment in such Mortgages of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; Provided, that nothing contained in this Section shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in the selection of securities.

Sec. 38. Condemnation proceedings; prerequisites; conditions. (1) Before a condemnation proceeding may be instituted by a Neighborhood Redevelopment Corporation, such Neighborhood Redevelopment Corporation shall present to the Redevelopment Commission an application requesting approval of the proposed condemnation proceeding, which shall contain, among other things:

(a) The legal description, and the description thereof by city blocks, street and number, if any, of the Real Property proposed to be condemned, and the character of the estates, in fee-simple or otherwise, thus to be acquired.

(b) Proof that such Real Property is within the Development Area of the applicant Neighborhood Redevelopment Corporation.

(c) Proof that the Neighborhood Redevelopment Corporation has acquired by purchase or has secured options to pur-

chase sixty per centum or more in area of the land within the Development Area.

(d) A copy of any proposed contract or contracts with contractors for the work proposed to be done in the Development of the Development Area, and a copy of any bond or bonds to be required by the Neighborhood Redevelopment Corporation from the contractors to insure the performance of the contract or contracts.

(2) The Redevelopment Commission shall determine within a reasonable time thereafter the sufficiency of the statements in the application and the verity of the copies of the contracts and bonds appended to the application. If the Redevelopment Commission finds:

(a) That the determination should be in the affirmative;

(b) That the bond or bonds are sufficient in form, amount and security; and

(c) That the Development Plan of the applicant Neighborhood Redevelopment Corporation has been approved by the Redevelopment Commission and the procedure for judicial review thereof has not been initiated within the time prescribed by this Act, or, if a judicial review has been so initiated, that a final order shall have been had, as specified in Section 16 of this Act, whereby the Development Plan was "Approved," then the Redevelopment Commission shall issue to the applicant Neighborhood Redevelopment Corporation a certificate of approval of the institution of the proposed condemnation proceeding, which certificate shall contain a legal description of the Real Property proposed to be condemned and the character of the estates, in fee-simple or otherwise, thus to be acquired, the facts so determined with respect thereto, and a statement that the Real Property proposed to be condemned is required for a public use and that its acquisition for such use is necessary and convenient.

(3) The acquisition by condemnation of Real Property by a Neighborhood Redevelopment Corporation shall be in the manner now provided by law for condemnation.

(4) The provisions of this section shall be applicable to any proceeding to condemn Real Property pursuant to a Development Plan amended in accordance with this Act; Provided, however, that in the instance of the increase of a Development Area pursuant to this Act, the provisions of sub-

paragraph (c) of paragraph 1 of this section shall not apply to the additional area forming the increase.

Sec. 39. City planning commission may be designated. The City Planning Commission, where any such Commission now exists, may be designated, by the governing body of the City, to be the Redevelopment Commission with all the powers and duties otherwise provided by this act.

Sec. 40. City of first class; determination of slum or blight area; procedure. Any City of the first class may acquire the title to any real property by gift or purchase or by exercise of the right of eminent domain of any area which, under the conditions existing at the time is a slum and blight area as defined by this act. In lieu of the application of a Neighborhood Redevelopment Corporation as provided in this act the governing body of such City may by resolution direct the Redevelopment Commission to determine whether any definitely described area is a slum and blight area as defined by this act. Such Redevelopment Commission shall then proceed, in all cases applicable under the terms of this act to determine such question which shall be determined with all rights of hearing review and appeal as provided by this act. If the City shall acquire title to any such slum and blight area such City may sell or lease the same to any Neighborhood Redevelopment Corporation for development as provided in this act.

Sec. 41. Gift; forfeited tax property. Any Neighborhood Redevelopment Corporation or any City may accept gifts of money or property for the purposes of use under this act. Any real property which has been or shall be forfeited to the State for non-payment of taxes shall be conveyed by the State to the City whenever it shall be desired for use under this act.

Sec. 42. Severable. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which the judgment shall have been rendered.

Approved April 23, 1945.