



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

May 1, 2020

CIRCULAR LETTER 2020-11

REBUILD ILLINOIS BOND FUNDS TO LOCAL PUBLIC AGENCIES

COUNTY ENGINEERS / SUPERINTENDENTS OF HIGHWAYS / MUNICIPAL ENGINEERS / DIRECTORS OF PUBLIC WORKS / MAYORS / METROPOLITAN PLANNING ORGANIZATIONS – DIRECTORS / TOWNSHIP HIGHWAY COMMISSIONERS / CONSULTING ENGINEERS

The Illinois Department of Transportation (IDOT) has been authorized to implement a \$1.5 billion grant program using proceeds from general obligation (transportation, series A) bonds authorized in the REBUILD Illinois capital program to provide Local Public Agencies (LPAs) with the funds for capital projects. The first REBUILD Illinois grants, which will be awarded and disbursed in the week of May 4th, 2020 will total \$250 Million. Grants will be allotted among LPAs based on the regular Motor Fuel tax (MFT) formula. However, keep in mind that these are **not** MFT disbursements. Rather, they are grants made from bond proceeds that must be used for capital projects and for which separate accounting will be required.

The money for REBUILD Illinois grants comes from proceeds of general obligation bonds authorized pursuant to subsection (a) of Section 4 of the General Obligation Bond Act (30 ILCS 330/4). IDOT is authorized to use these funds to make grants “for planning, engineering, acquisition, construction, reconstruction, development, improvement, extension, and all construction-related expenses of the public infrastructure and other transportation improvement projects.” Thus, the grants may be used by LPAs only for those purposes.

At this time IDOT intends to award and disburse REBUILD Illinois grants twice each year over a period of 3 years. We expect to award \$1.5 billion in six (6) disbursements of \$250 million each over the 3 years. The exact dates of the distributions will vary depending on the timing of the bond sales and identifiable needs of the LPAs.

LPA's may view their estimated total allotments online at <http://www.idot.illinois.gov/transportation-system/local-transportation-partners/county-engineers-and-local-public-agencies/mft-distribution/index#rib>

Funds received from these REBUILD Illinois grants must be deposited into the LPA's MFT account. However, grant funds must be separately accounted for, and expenditures must be in accordance with purposes authorized in subsection (a) of Section 4 of the General Obligation Bond Act. To qualify to be funded with REBUILD Illinois grant proceeds, a project will need to be a bondable capital improvement. In general, transportation improvement projects with an average

useful life of greater than or equal to 13 years will be considered bondable capital improvements.

Examples of bondable projects may include, but are not limited to: project development, design, land acquisition, demolition when done in preparation for additional bondable construction, construction engineering, reconstruction of roadway, designed overlay extension or new construction of roads, bridges, ramps, overpasses and underpasses, bridge replacement and/or major bridge rehabilitation. Permanent ADA sidewalk/ramp improvements and seeding/sodding are eligible expenditures if part of a larger bondable project.

Design Standards shall meet the minimum requirements established in the Bureau of Local Roads Manual. Federal projects using bondable matching funds shall meet the minimum Federal requirements established in the Bureau of Local Roads Manual.

Examples of non-bondable expenditures may include, but are not limited to: administrative expenses, paying off existing bond debt, Long Range Development plans, feasibility studies, archeological research and exploration, preservation activities, repairs to existing roads and bridges such as sandblasting, painting, sealing or resurfacing, seeding or sodding for erosion control, normally anticipated repairs such as patching concrete, filling or sealing cracks and painting.

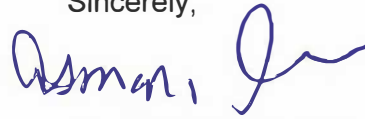
An LPA that receives a grant award of less than \$45,000 out of the \$250,000,000 disbursement may use the grant award for typically non-bondable, but MFT eligible, expenditures for repairs to existing roadways and bridges such as sandblasting, painting, sealing or resurfacing, seeding or sodding for erosion control, normally anticipated repairs such as patching concrete, filling or sealing cracks and painting, but are strongly encouraged to use these grant awards for transportation capital improvements. Design or Maintenance Standards shall meet the minimum requirements established in the Bureau of Local Roads Manual.

All REBUILD Illinois grants shall be associated with an identified project(s) within one year of receipt. LPA's may accumulate funds, if necessary, during the program period, but all grant funds shall be expended by July 1, 2025, which coincides with the expected end date of the REBUILD Illinois Capital Program.

If you have questions regarding the use of the REBUILD Illinois grants for specific projects, please contact your IDOT District Bureau of Local Roads and Streets office.

If you have any questions regarding this circular letter, please contact Stephane B. Seck-Birhame, Local Program Development Engineer at (217) 782-3972 or Babilbile.Seck@illinois.gov

Sincerely,



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Acting Secretary

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