

THE BOND BUYER

Transportation projects to benefit from \$1.5 billion of BUILD grants

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WASHINGTON - Federal grants totaling \$1.5 billion will augment existing financing including municipal bonds in projects nationwide, U.S. Transportation Secretary Elaine Chao announced this week.

That \$1.5 billion of Better Utilizing Investments to Leverage Development Transportation grants will support 91 road, rail, transit and port infrastructure projects in 49 states and the District of Columbia.

“BUILD transportation grants are major investments in road, rail, transit and port projects that serve as a down payment on this administration’s commitment to America’s infrastructure,” Chao said in a press release.

BUILD provides competitive grants to road, rail, transit and port projects that strive to achieve national objectives.

“BUILD grants are one of the few federal funding programs available to public port authorities to help them pay for critical infrastructure to move and handle freight more efficiently,” said Kurt Nagle, president and CEO of the American Association of Port Authorities. “We’re pleased that port-related projects garnered nearly a sixth of the total amount in this round of BUILD.”

Applications doubled from 2017, growing to 851 from all 50 states and also U.S. territories. In total, applicants requested more than \$10.9 billion in funding.

BUILD was previously known as Transportation Investment Generating Economic Recovery, or TIGER, established in 2009. The grants can be combined with other sources of financing, including muni bonds and public-private partnership structures. BUILD grants can be used for up to 80% of the costs of projects located in urban area and up to 100% of the costs of a rural project. For a project located in an urban area, total federal assistance for a project receiving a BUILD grant may not exceed 80%.

This year, 59% of applications were for rural projects, and 62 grants were awarded to rural projects.

“The Department prioritized rural projects that aligned with the criteria and addressed rural infrastructure needs,” DOT said. “The grant announcements made today will contribute to the construction or refurbishment of over 200 bridges nationwide, from North Carolina to the refurbishment of the Brooklyn Bridge.”

Grants received ranged up to \$25 million, and no more than \$150 million was awarded to a single state.

Minnesota received \$20 million in BUILD funds for its Twin Ports Interchange Reconstruction in Duluth. Currently, the project is expected to cost \$342 million, but Minnesota Department of Transportation Assistant District Engineer Patrick Huston said that estimate will go down.

With the grant funding, as well as bonds, there is \$297 million committed to the project. The state is using about \$64.9 million in trunk highway bonds, which are general obligation bonds backed by a trunk highway fund.

“We were very grateful, it’s a big project and we still have a little bit of a funding gap,” Huston said. “It’s going to be very helpful for a very important project for northeastern Minnesota.”

A number of projects were granted \$25 million.

Arkansas was awarded \$25 million to complete a 4.8 mile- four lane interstate for its I-49 Missouri-Arkansas Connector. Arizona was awarded the grant for its 1.7-mile, two-lane roadway and bridge across the Verde River on State Route 260 to Middle Verde Road. In Jacksonville, Fla., a \$25 million grant went to demolishing the Hart Bridge Expressway and building a ramp from the Hart Bridge to Bay Street and Gator Bowl Boulevard. In Kentucky, a grant will go towards replacing the Kentucky 80 and Kentucky 461 intersection in Pulaski County.

Missouri, Mississippi, Louisiana, New York, South Carolina, Tennessee and Texas also received grants topping \$25 million.