**Section 50.120 Standardized Definitions and Guidelines**

The following standardized definitions and guidelines enumerate the appropriate utilization of Capital Development, School Construction, General Obligation and Build Illinois Bond proceeds appropriated to the Board to finance bondable capital improvements as listed in Section 50.110(b) above.

a) Planning. Bondable planning costs include those expenditures that are related to architectural and engineering design required for planning the construction or installation of bondable capital improvement projects. Included are costs for schematic design development, which refers to preliminary studies developed from program statements that reflect the general functional characteristics and architectural requirements of a bondable capital improvement project; costs for definitive design development, which means the refinement of schematic design into final detailed design requirements; and costs incurred for the completion of construction documents and detailed working drawings required for bidding and construction, including any allowable reimbursables provided within an executed contract for professional and technical services.

b) Land. Land includes expenditures for the acquisition of real property (including easements of record with an extended term, but excluding any leasehold interests obtained through rental of real property), whether obtained by purchase or by condemnation under the applicable eminent domain laws of the State of Illinois, and for all expenses directly and necessarily related to such purchase or condemnation. All necessary and reasonable expenses incurred in the acquisition of real property qualify for bond financing. Such expenditures may include but are not limited to the following:

1) land costs

2) appraisal fees

3) title opinions

4) surveying fees

5) real estate fees

6) title transfer taxes

7) condemnation costs and related legal expenses.

c) Buildings, Additions, and/or Structures. Buildings, additions and/or structures shall mean and include those facilities with a roof and/or walls that have a foundation. This category also includes site developments necessarily required or related to the preparation of a site for construction purposes; and required built-in, special-purpose, or other fixed equipment, which is permanently affixed or connected to real property in such a manner that removal would cause consequent damage to the real property to which it is affixed. All expenditures that may be classified within the category defined shall be bondable.

d) Utilities. In general, the category utilities shall mean and include expenditures for the acquisition, construction, replacement, modernization, and/or extension of systems for distributing or disbursing utility services. Bondable utility costs may include but are not limited to the following items:

1) provisions for potable water, high-temperature water for sanitary or other related purposes, domestic hot or chilled water;

2) systems and associated components for disbursing or distributing electricity or providing telecommunications service, including underground or overhead distribution cables for television, computers, or other modes of communication;

3) steam and condensate returns;

4) storm and/or sanitary sewers;

5) fire hydrants and stand pipes;

6) central fire and security alert systems;

7) exterior lighting;

8) tap-ons or extensions related to existing utility systems;

9) automated temperature/environmental control systems, and air and water pollution control systems;

10) provisions for the disposal of scientific contaminated waste and surgical waste;

11) solar heating or other approved energy systems;

12) sewage and water treatment facilities, equipment and related distribution systems;

13) earth moving to create artificial lakes or reservoirs for utility or related conservation purposes;

14) restoration of natural and/or man-made features of the site of any utilities installation to its original condition;

15) trenches or ditches dug for the purpose of laying tile or providing ducts to remove excessive rainfall and prevent erosion.

e) Durable movable equipment

1) Durable movable equipment shall mean initial movable equipment, including all items of initial equipment, other than built-in equipment, that are necessary and appropriate for the functioning of a particular facility for its specific purpose, and that will be used solely or primarily in the rooms or areas covered in the subject project. Further, such equipment is defined as manufactured items that have an extended useful life, are not affixed to a building and are capable of being moved or relocated from room to room or building to building, are not consumed in use, and have an identity and function that will not be lost through incorporation into a more complex unit.

2) In applying the above definition, reference should be made to the State Finance Act [30 ILCS 105], and the distinction between commodities (Section 15b of that Act) and equipment (Section 20) as defined by that Act. Within the context of that Act, the following guidelines should be applied in defining durable movable equipment:

A) Bondable

i) Office/household equipment and furniture will be bondable.

ii) Machinery, implements and major tools will be bondable.

iii) Scientific instruments and apparatus will be bondable when they have a useful life similar to office equipment.

iv) Transportation and installation costs incurred with an outside source will be considered part of the equipment cost for items funded by the Board.

v) Equipment not otherwise classified will be considered bondable provided it meets all other guidelines.

vi) Significant useful life should be considered a minimum of 10 years.

B) Non-bondable

i) Scientific apparatus items that are subject to short useful life, such as glassware, tubing, crockery and light bulbs are not bondable. These items are more correctly defined as commodities.

ii) Library books, maps, and paintings other than those purchased in the Art in Architecture program [20 ILCS 3105/14] are not fundable from bond funds.

iii) Livestock, for any use, is not fundable from bond funds.

iv) Rolling stock, including boats, cars, trucks and related items, are not fundable from bond funds.

v) Spare and replacement parts should be considered commodities.

vi) No commodities shall be purchased from bond funds.

f) Site Improvements. Site Improvements means and includes expenditures for all improvements to real property that are not otherwise included within the category of buildings, additions and/or structures (subsection (c) of this Section). Bondable site improvement expenditures shall include all above costs incidental to demolition, rough and final grading of a site, and the construction or replacement of sidewalks, road and driveway pavement surfaces, bridges, ramps, curbs, overpasses, underpasses, pedestrian bridges and tunnels, surface parking areas, campground development, building terraces, retaining walls, exterior lighting, and seeding or sodding for erosion control only if related to a bondable capital improvement project.

g) Remodeling and Rehabilitation

1) Bondable remodeling and rehabilitation means and includes expenditures for all capital improvements that have the primary objective of altering the functional capabilities of a structure or facility.

2) Remodeling shall include all capital improvement projects that have the primary objective of changing the functional character of areas, modifying capacity for the number of persons who can be accommodated, and/or altering spatial relationships.

3) Rehabilitation shall include all non-recurring capital improvement expenditures having the primary purpose of restoring or upgrading an existing area to original operating condition. Recurring expenditures for repairs and/or maintenance that are predictable or reflect regular attention in preserving or keeping a facility in ordinarily efficient operating condition or arresting deterioration without appreciably upgrading, improving, or increasing the value of a facility, shall be considered non-bondable repair and maintenance expenditures.

h) Direct Costs Associated with the Issuance of State General Obligation Bonds. Costs of this nature shall include expenses associated with advertising, printing, bond rating, security, delivery, legal and financial services, and all other expenses necessary and incident to the issuance of State General Obligation Bonds.