



# Transportation Economic Development Fund Overview

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# Transportation Economic Development Fund (TEDF)



Enacted in 1987, the mission of the Transportation Economic Development Fund (TEDF) is to enhance the ability of the state to compete in an international economy, to serve as a catalyst for economic growth of the state, and to improve the quality of life in the state.

# TEDF Programs

- ▶ CATEGORY A - Economic Development, Targeted Industries \*
- ▶ CATEGORY B - Small Villages and Cities \*
- ▶ CATEGORY C - Congestion Mitigation
- ▶ CATEGORY D - Rural Counties, All Season Road Network
- ▶ CATEGORY E - Forest Roads
- ▶ CATEGORY F - Urban Areas of Rural Counties, All-Season Road Network \*

\* Administered by Office of Economic Development

# Category A Objectives

1. Improve the network of roadways essential to economic competitiveness.
2. Improve accessibility to target industries as a catalyst for economic growth.
3. Support developments that generate private investment and are anticipated to create or retain jobs.
4. Encourage economic developments that improve the health, safety, and welfare of Michigan citizens.



# Category A

- ▶ ~\$15M annual appropriation
- ▶ Eligible Applicants - Act 51 Agencies including MDOT
- ▶ Grant award based on cost of project, criticality, private/public investment ratio, and job creation
- ▶ 20% match required by statute; average is 45%
- ▶ Open application period w/ five calls per year



# Category A Program Parameters:

- ▶ Eight targeted industries
  - Agriculture or food processing
  - Tourism
  - Forestry
  - High Technology Research
  - Manufacturing
  - Mining
  - Medical Research and Medical Tourism
  - Office Centers greater than 50,000 s.f.
- ▶ Roadway improvements that are critical to a company's decision to locate/expand.
- ▶ Must be related to private investment and job creation/retention
- ▶ Immediate and non-speculative economic development opportunities

# Recent Project

Flajole Road / Salzburg Road;

Williams Township, Bay County

Falcon Road Maintenance Equipment, LLC

- Private Investment: \$4.7 M
- Job Creation: 50 jobs
- Total Cost: \$863,544
- Total TEDF Grant: \$518,127







# Category B

- \$3M annual appropriation, established as a five-year program ending in FY 2023
- Eligible Applicants - Cities or Villages with population of 10,000 or less
- The maximum grant is \$250,000 with 50% minimum cash match
- Any road construction work other than regular maintenance is eligible; encourage PM projects on local roads.
- Scores also weighted by geographical distribution and taxable value of a Village/City
- Competitive program, open application period in late winter of each year.



# Category F

- \$2.5M annual appropriation
- Eligible Applicants - Urban areas (5,000+ population in the 78 rural counties.
- The maximum grant is \$375,000 with 20% minimum match
- Purpose is to preserve and/or increase the all-season road network; projects must be on federal-aid eligible routes
- Best applications are for commercial routes that link to rural all-season network and trunkline
- Competitive program, open application period in late winter of each year.

- ▶ **Purpose:** To provide funding for transportation projects which:
  - ▶ Improve the operational level of service in heavily congested urban areas
  - ▶ Reduce the accident rate on heavily congested urban roadways
  - ▶ Improve the surface and base condition of heavily congested urban roadway
- ▶ **Eligible recipients:** are county and city road agencies in counties with a population greater than 400,000 (Wayne, Oakland, Macomb, Genesee and Kent).
- ▶ **Required Match:** 20% local, non-TEDF funding
- ▶ **Application Process:** None. Funds are distributed to eligible recipients based on the formula outlined in P.A. 231 of 1987.
- ▶ **Project Selection:** Eligible recipients present proposed transportation projects to Metropolitan Planning Organizations (MPO) for review and funding recommendation. Projects selected by the MPO are administered by the Michigan Department of Transportation.

## Category C

- ▶ **Purpose:** To provide funding for transportation projects which:
  - ▶ Complement the existing state trunkline system with improvements on connecting local routes that have high commercial traffic
  - ▶ Minimize disruptions that result from seasonal load restrictions
- ▶ **Eligible Recipients:** Eligible applicants are county, city, or village road agencies and transit agencies in counties with a population of less than 400,000.
- ▶ **Eligible Project Costs:** Category D funds must be used only for construction. Right-of-way acquisition and engineering are not eligible costs.
- ▶ **Required Match:** 20% local, non-TEDF match is required.
- ▶ **Application Process:** None. Funds are distributed to eligible recipients based on their eligible mileage.
- ▶ **Project Selection:** Eligible recipients present proposed transportation projects to Rural Task Forces (RTF) for review and funding recommendation. Projects selected by the RTF are administered by the Michigan Department of Transportation.

## Category D

- **Purpose:** To provide funding for transportation projects which. Increase access to forest resources harvestable over the next five years. Increase the safety and efficiency of forest raw material transport
- **Eligible Recipients:** Eligible recipients are county road commissions in each county in which a national lakeshore or national park is located or in which 34 percent or more is commercial forest land (47 qualified counties).
- **Eligible Project Costs:** Eligible costs include costs normally associated with highway construction projects.
- **Required Match:** None.
- **Application Process:** None. Funds are distributed on a formula basis by MDOT to the county road commission in each county in which a national lakeshore or national park is located or in which 34 percent or more is commercial forest land. Projects are selected and administered by local county road commissions.

## Category E

# Grant Implementation - Direct Grant

- For Category A, B, and F, preference is to allow qualified agencies the ability to bid and manage projects on their own roads through the direct grant process.
- Self-certify they are in compliance with State laws and regulations
- No MDOT plan review except at initial application submittal
- Payments are percentage based on lesser of low bid or grant amount
- Any scope changes/extras must be approved by MDOT;
- Exploring potential for additional use of the direct grant implementation process.





Safe Routes to School

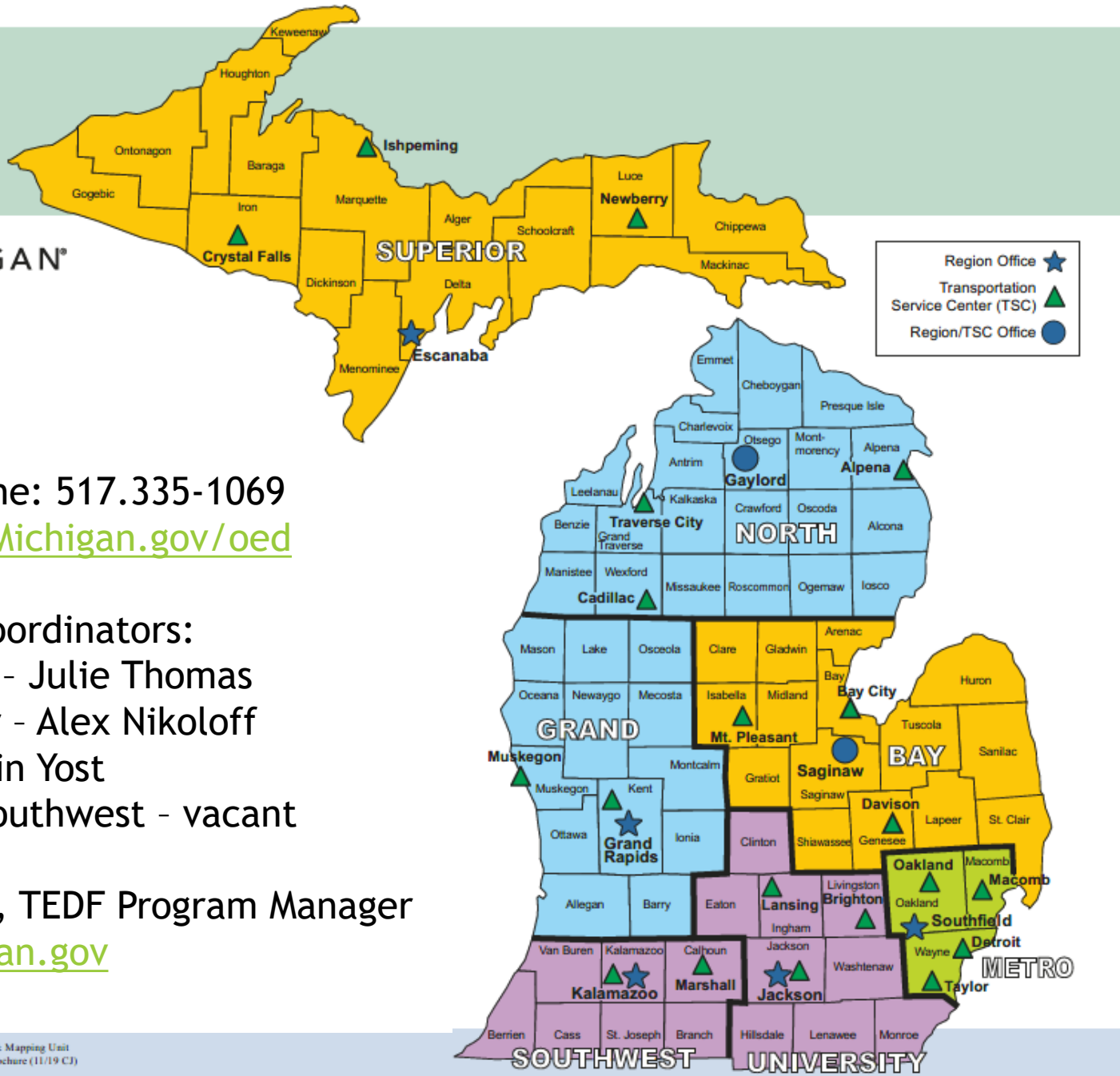


ALTERNATIVES



# Office of Economic Development

Transportation Solutions for Vibrant Communities



OED Office Phone: 517.335-1069  
Website: [www.Michigan.gov/oed](http://www.Michigan.gov/oed)

Region Grant Coordinators:

- Grant/North - Julie Thomas
- Bay/Superior - Alex Nikoloff
- Metro - Caitlin Yost
- University/Southwest - vacant

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