MDOT's Transportation Economic Development Fund

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Transportation Economic Development Fund (TEDF)

PURPOSE OF PRESENTATION

- Brief overview of TEDF-backed programs.
- Summary of funding allocations and formulas.
- Answer committee member questions about the program.

TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Providing Access to Michigan Employers

www.michigan.gov/tedf

TEDF Funding Categories

- CATEGORY A – **Grants** for all **614** road agencies
- CATEGORY B – *expired*
- CATEGORY C – **Formula** distribution for **5** urban counties
- CATEGORY D –**Formula** distribution for **78** rural counties
- CATEGORY E – **Formula** distribution **47** northern counties
- CATEGORY F – Grants for about **150** road agencies with jurisdiction inside urban area boundaries in 78 rural counties

*Grant programs administered by Office of Economic Development;
Category C, D, and E formula programs administered by County Road Agencies

TEDF-A: Targeted Industry Grants

Purpose:

- Help road agencies be more responsive to important economic development opportunities

Eight Eligible Industries

- Manufacturing
- High Tech Research
- Agriculture/Food Processing
- Forestry
- Mining
- Office Centers/Corp. Head Quarters
- Medical Research/Tourism
- Tourism (yr-round + over night/out-of-state visitors)

TEDF-A: Target Industry Grants

Features:

- Economic model that assess the impact of the development, including the local tax benefits, private/public investment ratio, and job creation.
- Transportation experts assess the need for road improvements and their importance to the development's location decision.
- Take applications year round to be responsive to road agencies (construction) and companies (access).

TEDF-A: Target Industry Grants

Features:

- Grants are exclusive to public road agencies/public rights-of-way.
- No claw-back, but road projects must benefit the general public to be eligible.
- Private companies may even contribute to the required match and/or donate ROW for the road improvements.
- OED Grant Coordinators guide communities and ensure accurate applications.

TEDF-A: Target Industry Grants

Baldwin Road, Grand Blanc Twp., Genesee County

Category A Grant: $2.6M

Match: 50%

Jobs: 164

Private Investment: $10M

Private/Public Ratio: 4:1

TEDF-A: Target Industry Grants

Guard Street, Village of Carney, Menominee County

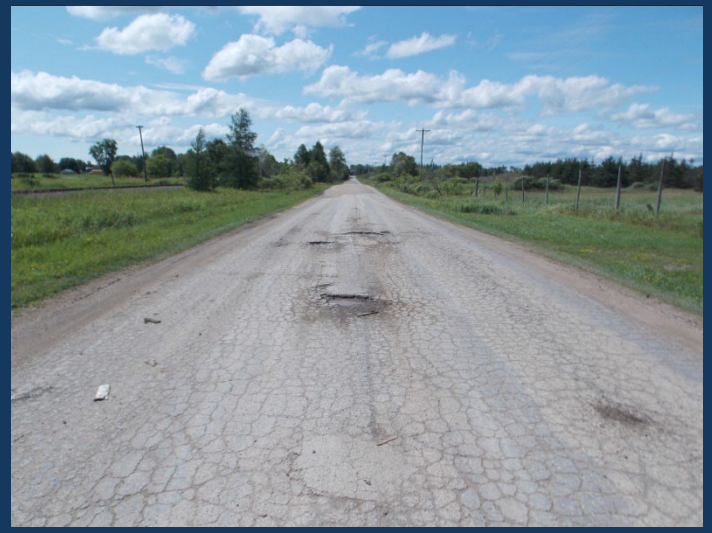
Category A Grant: $360K

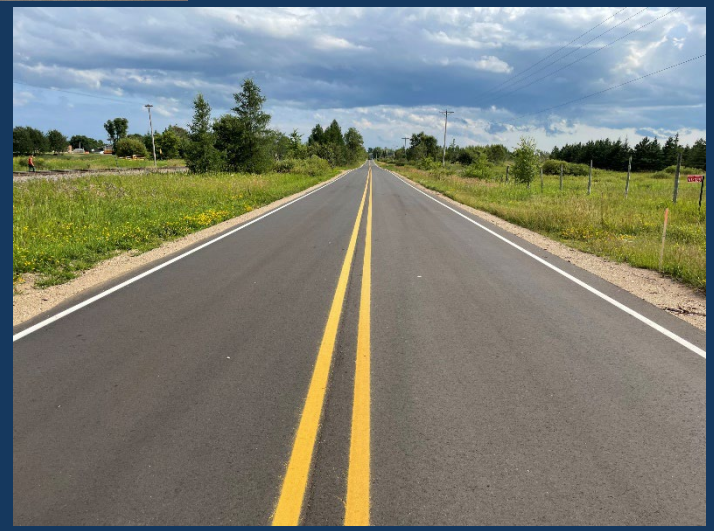
Match: 20%

Jobs: 168

Private Investment: $7.5M

Private/Public Ratio: 21:1





TEDF-B: CSIF / Villages and Small Cities

Fiscal Years 2019-2026 Grants (expired)

- Stop-gap funding to help communities with limited ability to raise additional funding for roads
- Eligible applicants were villages and small cities under 10,000 population
- Extra consideration was given for:
  - Roadways not eligible for state or federal funding
  - Preventative maintenance projects
  - Coordination with other infrastructure work

TEDF-B: CSIF / Villages and Small Cities

Hall Street, before and after
Village of Farwell, Clare County
Total Category B Grant: $30,106

TEDF-B: CSIF / Villages and Small Cities

Superior Street, before and after
City of Munising, Alger County
Total Category B Grant: $250,000

TEDF-C: Congestion Relief in Urban Counties

- Purpose:
  - Improve the operational level of service
  - Reduce the crash rate
  - Improve the surface and base condition
- Distributed by formula to counties with a population greater than 400,000 (Genesse, Kent, Macomb, Oakland, and Wayne)
- Projects are selected through the federal aid planning process and made part of 3-year programs.

TEDF-D: Secondary All-Season Roads

- Purpose:
  - Create a reliable network of roads for commercial traffic to minimize the disruptions that result from seasonal load restrictions
- Distributed by formula to counties with a population of less than 400,000 (i.e, NOT Genesse, Kent, Macomb, Oakland, or Wayne).
- Projects are selected through the federal aid planning process and made part of 3-year programs.

TEDF-E Forest Roads

- Purpose:
  - Increase access to forest resources harvestable over the next five years
  - Increase the safety and efficiency of forest raw material transport
- Eligible Recipients: County road agencies in counties in which a national lakeshore or national park is located or in which 34 percent or more area is commercial forest land.
- Eligible Projects: To be eligible for Category E funding:
  - The project must be for road construction or reconstruction
  - The project must be directly related to the collection and transport of forest raw products
- Required Match: None.
- Funds are distributed on a formula basis by MDOT to the county road agencies

TEDF-E Forest Roads

CATEGORY E REVENUE ALLOCATION BY COUNTY FOR FY 2024

No	County	Amount	No	County	Amount	No	County	Amount
1	Alcona	$100,019.77	27	Gogebic	$202,291.20	56	Midland	$48,133.49
2	Alger	$172,194.55	28	Grand Traverse	$49,667.24	57	Missaukee	$66,701.60
4	Alpena	$71,041.77	31	Houghton	$167,635.09	60	Montmorency	$98,551.29
5	Antrim	$51,103.08	35	Iosco	$73,293.44	61	Muskegon	$53,713.71
6	Arenac	$30,250.68	36	Iron	$213,419.01	62	Newaygo	$101,161.92
7	Baraga	$167,471.92	40	Kalkaska	$82,659.08	64	Oceana	$48,394.56
10	Benzie	$43,383.73	42	Keweenaw	$111,239.56	65	Ogemaw	$71,629.16
15	Charlevoix	$45,229.17	43	Lake	$97,833.36	66	Ontonagon	$220,174.02
16	Cheboygan	$119,632.12	45	Leelanau	$39,737.92	67	Osceola	$51,168.35
17	Chippewa	$230,355.48	48	Luce	$152,852.39	68	Oscoda	$100,248.20
18	Clare	$70,389.11	49	Mackinac	$171,094.17	69	Otsego	$85,106.54
20	Crawford	$89,055.12	51	Manistee	$73,587.14	71	Presque Isle	$87,097.15
21	Delta	$187,475.87	52	Marquette	$316,669.43	72	Roscommon	$80,505.31
22	Dickinson	$122,895.41	53	Mason	$48,296.66	75	Schoolcraft	$177,294.42
24	Emmet	$63,699.38	54	Mecosta	$40,040.54	83	Wexford	$81,680.09
26	Gladwin	$62,916.19	55	Menominee	$161,010.61			
							Annual Total:	**$5,000,000**

TEDF-F: All-Season, Cities in Rural Counties

- Purpose:
  - Connect the all-season commercial network in cities in rural counties
  - A companion to Category D
- Eligible Applicants: Act 51 agencies with jurisdiction in an urban area in one of the 78 rural counties
- Program is too small to be distributed by formula to the qualifying road agencies.
- Competitive Grant Process, one cycle per year
- Maximum grant = $375,000 (often used to match a federal-aid project).

TEDF-F: All-Season, Cities in Rural Counties

Paw Paw Avenue, before and after
City of Benton, Berrien County
Total Category F Grant: $346,500K

TRANSPORTATION ECONOMIC DEVELOPMENT FUND
FISCAL YEAR 2026 APPROPRIATED BUDGET

Millions of dollars

MI Transportation Fund
$36.8 All Categories
3.5 Category A MTF
3.4 Interest (all)
$43.7 Total

Revenues

License Fees
(All Categories)
$10.2

TRANSPORTATION ECONOMIC DEVELOPMENT FUND
$53.9

$3.5

Distributions

Administration
$ 0.5

Debt Service
$0.2

$49.7

$42.2

GRANT PROGRAMS

CITIES IN RURAL COUNTIES
Category F
$2.5

50%

TARGET INDUSTRIES
Category A
Formula +21.1
Direct MTF +$3.5
$24.6 Total

FORMULA PROGRAMS

25%

URBAN CONGESTION
Category C
$10.6

CATEGORY C BY COUNTY

County	Amount	Share
Oakland	$4.22	40%
Wayne	$1.69	16%
Macomb	$2.11	20%
Genesee	$1.27	12%
Kent	$1.27	12%

25%

RURAL COUNTIES
Category D
$10.6

CATEGORY D BY COUNTY
Proportional to each county's share of total rural primary miles.

FOREST ROADS
Category E
$5.0

CATEGORY E BY COUNTY
For the 47 eligible counties in which 34 percent or more is commercial forest land, distribution is based on the share of acres of eligible land relative to each qualified county in Michigan.

EDF2026 appropriated-v0.vsd

Summary of TEDF Funding Categories

- CATEGORY A – $24m **grants** for **614** road agencies to respond to important economic development opportunities
- CATEGORY B – *expired*
- CATEGORY C – $10m **formula** distribution to **5** urban counties for congestion relief
- CATEGORY D –$10m **formula** distribution to **78** rural counties for an all-season commercial network
- CATEGORY E – $5m **formula** distribution **47** northern counties to support collection and transport of forest raw materials
- CATEGORY F – $2.5m grants for about **150** road agencies for an all-season commercial network urban areas of rural counties

MICHIGAN DEPARTMENT OF TRANSPORTATION
Transportation Economic Development Fund