

Transportation Economic Development Fund Category B: Frequently Asked Questions

Application/Grant Timing

Q: When do you anticipate grants to be awarded? Will grants be awarded for only FY 2019?

A: Dependent on the volume of applications (there are 440 eligible agencies), we anticipate awards by mid-May 2019. Awards will be made for both FY 2019 and FY 2020 projects.

Q: We would like to apply for a FY 2019 grant and a FY 2020 grant. Should we use separate applications for each year?

A: Yes. We will determine the grant year by the project start date on the application

Q: Our village has a project designed and ready to be let this spring, can we award the project, construct the project, and be reimbursed later, if our application is successful?

A: No. Any work started prior to a grant award, a state-local agency agreement in place, and a Notice to Proceed from the Office of Economic Development is issued, will not be eligible for funding.

Q: Your guidance states that applicants designate a Contact Person. Who is an appropriate person to designate?

A: The person listed on the application form should be the same person named in the Resolution of Support from the governing body. The person should be a municipal employee or official who is available for us to direct questions, discuss implementation, or address any other concern. If there is no such person available, you may designate a consultant or similar. Please note, this person will be our primary point of contact.

Q: In your guidance, you state that extra consideration will be given for projects that can be constructed this year. In order for us to build this year, we do not have time to go through the regular MDOT letting process. Will Direct Grants be available for Category B projects?

A: Yes. This is likely to be our preferred method of project implementation. Exceptions to this will be grants awarded to agencies that are using Federal-aid or other TEDF funding as match, or if there are any issues related to the agency's capacity to implement the proposed project without MDOT oversight. Implementation method will be determined at time of grant award.

Q: We would like to apply for a FY 2019 grant and are prepared to construct the project this year. What is the earliest we would be able to award a contract for grant related work?

A: If a grant is implemented through the Direct Grant process, the earliest possible that the contract can be officially awarded will be early July 2019. Based on the typical timeframes involved in processing a contract between the grantee and MDOT, it is more likely that early August 2019 will be the soonest a project can be awarded officially. Note: There is nothing that prevents a grantee from performing all the necessary steps up to official award, once the grant decision is made in May.

For grants that are implemented through the standard MDOT implementation process, it is likely that the project will not be constructed during the 2019 construction season.

Q: If the money is distributed as a Direct Grant, will we still need to comply with NEPA requirements, complete a program app, and have a Grade Inspection?

A: As with any Direct Grant, the agency is only required to follow state laws or rules. Except for the acquisition of ROW, Federal regulations do not apply. A four-page Direct Grant Program Application will be required to initiate a State-Local Agency Agreement. There is typically no MDOT involvement in a Grade Inspection, if held.

Q: If our application is successful, how long do we have to construct the project associated with the application?

A: For FY 2019 grants only. If your application is selected due to extra consideration based your agency's indication that the project will be constructed during 2019, construction must be started in a timeframe that will allow for completion in 2019. If the work is not started in that timeframe, the grant may be rescinded. For the rest of the FY 2019 grants and FY 2020 grants, we expect projects to be completed in 2020.

Competitiveness/Match Requirements

Q: MDOT prefers projects that are not Federal-aid or TEDF Category D eligible, correct?

A: We are giving extra consideration for applications for roads that are not eligible for Federal Highway Administration (FHWA) funding or Category D funding. This does not preclude applications for roadways that are eligible for those types of funding.

Q: May FHWA or TEDF funding be used as local match?

A: Yes. See the previous question.

Q: MDOT prefers projects that are multi-jurisdictional, correct?

A: Yes, the agency will receive extra consideration for multi-jurisdictional applications. This does not preclude applications that are not multi-jurisdictional in nature.

Q: MDOT prefers projects that involve utility improvements also, correct? I understand the utilities are not eligible, but would they count toward the 50% match?

A: Yes, the agency will receive extra consideration for applications for roadwork paired with other utility work. However, the other utility work cannot be counted toward the match.

Q: Our city is plans to submit a Category B application. The total construction cost of our proposed project is \$350,000. Can we submit an application requesting \$250,000 for a grant?

A: No. The maximum grant amount is \$250,000. The grant must be matched on a 1:1 basis. To receive the entire \$250,000, the eligible work would have to equal or exceed \$500,000. In this case, a project estimated at \$350,000, would only be eligible for \$175,000 in Category B funding.

Q: Can Preliminary Engineering, Right-of-Way or Construction Engineering costs be used toward the match?

A: No, only "cash" match toward the actual eligible construction costs are eligible to be used toward the match requirements.

Q: In conjunction with the proposed road reconstruction project, we would like to add streetlights and new sidewalk along the street. Are these costs eligible for funding or toward the match requirements?

A: No. The only utility work or non-motorized facilities that are eligible for funding or to meet match requirements, are those necessitated by the roadway construction project itself. If requested, eligibility will be determined by MDOT staff. As with all TEDF projects, addition of Americans with Disability Act facilities are eligible costs.

Projects/Other

Q: Our city interested to know if the Category B funds can be used to construct a new roadway to serve a new development in the city. The right of way is not yet secured, but the City would own the right of way and roadway/infrastructure when completed. Would this be eligible?

A: No. The catalyst for the development of the Category B program was a lack of funding available to maintain the existing system. Therefore, we will not be considering applications for projects that involve the construction of new roadways.

Q: If we are planning on applying ultra-thin HMA overlay to several small street segments throughout the City, do we have to group them as all individual projects or are we able to say ultra-thin mix the following street segments and use that as one of the five projects that we are able to apply for grant funding?

A: These types of city-wide projects may be counted as one of the five projects. Please be sure to list each street, with limits, and the Functional Classification in the description space provided. A map showing the locations of the individual streets and photographs of each individual street is required.

Q: The City will be replacing the watermain on a small court this summer. In conjunction with replacing the water main we would like to remove and replace the asphalt that is in dire need of repair. We put 4" of HMA on our roadways. Would this grant cover the 4" or would it just cover 2"?

A: The Office of Economic Development is not going to make the determination of what is a reasonable standard. If a project associated with a successful application is not implemented by the Direct Grant method, our Local Agency Programs staff may discuss specific details with the grantee.

Q: Our city has the available personnel and equipment to chip seal streets with our own forces. Can we use Category B funds to do so?

A: No, all Category B grant projects must be competitively bid.

Q: If our village applies for and receives funding for a specific project and the project costs less than anticipated, can we use the leftover funds to do additional work.

A: No. TEDF grants are awarded on a percentage of eligible costs basis, with a maximum amount, for a specific project(s). Any savings realized will be used for future grants.

