



## TEA Program Overview

### Program Overview

The Transportation Facilities Economic Assistance and Development (TEA) Program is administered by the Wisconsin Department of Transportation (WisDOT), and is governed by state statute [s.84.185](#) and administrative code [Chapter Trans 510](#). The intent of the grant program is to help support new business development in Wisconsin by funding transportation improvements that are needed to secure jobs in the state.

The process begins with a *governing body*, such as a town, village, city, or county, that is willing to serve as the applicant or sponsor (hereafter, applicant) of the grant, and a commitment from a *business* located within that *governing body* to create and/or retain jobs. The funding is intended to help the *business* with transportation improvements so they can achieve their job creation/retention goal. Program funding is provided to the *governing body* in which the transportation improvement is located through a reimbursement of cost process.

Before there is any ground disturbance within the project right-of-way or any other work commences on a TEA-funded project, the governing body needs to receive a WisDOT Secretary-signed TEA grant award and WisDOT staff need to approve engineering plans, environmental documents, and bid package materials.

### Eligibility Requirements

To be eligible for TEA grant funding, an applicant must meet these four eligibility requirements.

- Eligibility requirement #1 ([Trans 510.04\(1\)\(a\)](#)): The economic development project is unlikely to occur in Wisconsin unless the transportation facility improvement is built. An “economic development project” is defined in [s.84.185\(1\)\(am\)](#) as *a business development that directly retains jobs or increases the number of jobs in this state*.

A “transportation facility” is defined in [s.84.185\(1\)\(d\)](#) as any of the following:

- Roadway: Street, road, highway, intersection, and interchange improvements that are open to the public for travel and come under either the jurisdiction or ownership of a public authority. Private roads, driveways, parking lanes, or parking lots are not eligible for improvement grant assistance. Other non-eligible costs include utilities, sewer, water, and electric.
- Rail: Industrial lead, spur, team track or trackside intermodal transfer facility.
- Harbor: Dredging, dock walls, piers, intermodal connections, lighting, etc.
- Airport: Runway, taxiway, or apron of an airport. Airplane hangars are not eligible for improvement grant assistance.

[Trans 510.04\(2\)](#) further clarifies that the governing body retains the transportation facility improvement in public ownership. The law specifically excludes improvements that do not meet this requirement.

- Eligibility requirement #2 ([Trans 510.04\(1\)\(b\)](#)): The transportation facility improvement is not likely to occur without the grant.

The applicant must demonstrate why it is unable to provide 100% of the funding for the project by approving a resolution acknowledging the need for additional funding from the TEA grant and agree to abide to all conditions of the grant.

- Eligibility requirement #3 ([Trans 510.04\(1\)\(c\)](#)): The business development meets the definition of an “economic development project” set forth in [s.84.185\(1\)\(am\)](#).

Note that meeting this requirement can either be done through (1) creating new jobs OR (2) retaining jobs. The job creation and/or retention needs to take place at the location of which TEA funding will be used.

1. Creating new jobs: Requirement is met by creating new jobs that would otherwise not be created if the proposed improvement did not happen. Job creation needs to be within 3 years of signing the project agreement<sup>1</sup> with the intention of retaining those jobs for 4 more years beyond the 3-year snapshot with the assumption that existing jobs (those that are currently employed by the business) will be retained.
2. Retaining jobs: Requirement is met by retaining jobs that would otherwise be eliminated if the proposed improvement did not happen. The intention is that jobs retained will continue for 7 more years.

In other words, jobs created and jobs retained is based on a 7-year timeline with the clock starting at the point of which the project agreement is signed. Snapshots are taken at the 3-year and 7-year period for both new and retained jobs. It is the applicant’s responsibility to report job status to WisDOT at the 3-year and 7-year mark. For an example of how the timeline works, please see question 7 on the TEA Program Frequently Asked Questions document.

- Eligibility requirement #4 ([Trans 510.04 \(1\)\(d\)](#)): Construction of the transportation facility improvement would be scheduled to begin within 3 years of the date when a grant is awarded for the improvement.

## **Exclusions**

Per [Trans 510.04 \(2\)](#), the following business developments are excluded from participating in the TEA grant program even if they meet the four eligibility requirements.

- Airplane hangars and other airport facilities not listed under Eligibility Requirement #1 above.
- Transportation facility improvements needed for business developments that are likely to displace employment in the state rather than create net employment gains. Such business developments are likely to include, for example, retail stores, eating and drinking establishments, recreation and entertainment facilities, and hotels and motels.
- Transportation improvements for ethanol production facilities.

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<sup>1</sup> The scheduling of an approved transportation facility improvement and the obligation of state funds shall occur only after the eligible applicant, the department, and any applicable third parties execute a formal project agreement, setting forth specific terms, conditions and responsibilities of the parties. (Trans 510.08) This is different than the signed grant award.

## **Funding**

The amount of funding that the community receives will be determined by comparing the following criteria and selecting the lowest figure from among them:

- 50% of the project's actual TEA-eligible costs
- Total dollar amount for created and/or retained jobs based on \$5,000 per job rate multiplied by jobs created and/or retained

For a list of costs eligible for TEA funding, please see our [Costs Eligible for TEA Funding](#) document.

Match Requirement: The applicant must provide a 50% match with funding or in-kind services. The applicant may use private or federal funding to meet that match, but no state funding can be used. In-kind services may include, but are not limited to, engineering, land acquisition and construction.

## **Application Requirements**

To be eligible for consideration, an applicant must submit all of the items listed under the *TEA Project Application Submittal Package* section (steps 2-10) found in our [TEA Project - Key Steps and Documentation](#) checklist. These items must be reviewed before a TEA grant will be approved. For additional guidance completing the application package, please reference our [Additional TEA Application Guidance](#) document.

The applicant's ability to advertise the transportation project's construction work is contingent upon the completion of (and WisDOT's approval of) standardized engineering plans, environmental documents, bid packages, and other documents. The timeline for completing those activities depends partially on the complexity of the project and whether it will involve federal funding and/or require federal action. Considering the amount of time required to complete these steps, applicants are advised to have a design consultant working on the project at the time of application. WisDOT will notify the community when the TEA project may be advertised for bid, and when it can be awarded. In other words, if the plan is to use TEA funding for a project, the applicant should not advertise the transportation project's construction work or begin any ground disturbance within the right-of-way. Doing so will make the project ineligible for TEA funding.

## **How to Apply**

TEA applications are submitted via Box, a cloud-based service that will allow the applicant to securely share and manage their TEA application materials. The applicant must reach out to the TEA Program Manager to be invited to a Box folder to submit TEA application materials.

## **Questions**

Because of the complexity of this grant, we encourage communities to contact the TEA Program Manager at the beginning of the grant application process to ensure the community's proposed project meets the grant requirements and the community is "on track" for a successful TEA project.

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