
Leverage Transportation to Advance Economic Development

*Tangible Result Driver – Roberta Broecker,
Chief Financial Officer*

Transportation is essential to Missouri's economic well-being. It plays a critical role in creating jobs and stimulating lasting growth for Missouri. In addition, focusing on ways to advance economic development helps MoDOT achieve its mission of promoting a prosperous Missouri.



Leverage Transportation to Advance Economic Development

Number of miles of new four-lane corridors completed

Result Driver: Roberta Broeker, Chief Financial Officer

Measurement Driver: Jay Bledsoe, Transportation System Analysis Engineer

Purpose of the Measure:

This measure tracks the miles of additional divided highways available to the public. Access to a divided highway system supports economic development in Missouri. One of MoDOT's recent priorities has been completion of four-lane corridors in order to connect segments of highway where gaps exist.

Measurement and Data Collection:

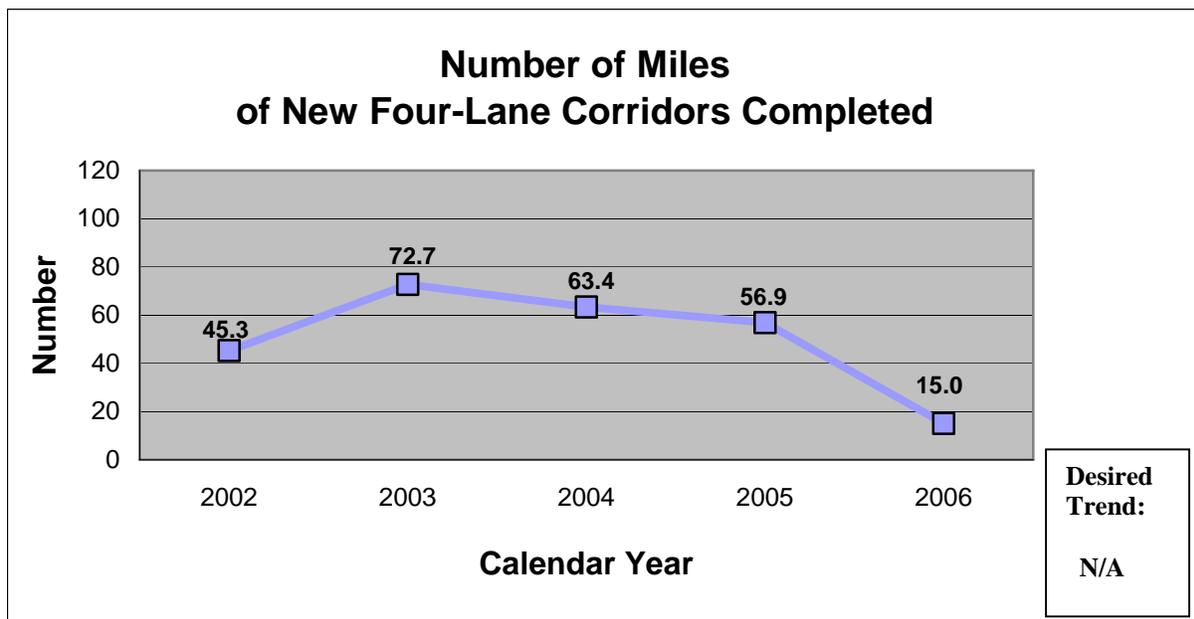
Projects that create or complete sections of dual-divided highways will be identified and tracked. Completion will be defined as the date the project is opened to traffic.

This is an annual measure updated each January.

Improvement Status:

Approximately 15 miles of new four-lane corridors were completed during calendar year 2006, primarily on U.S. Route 63. Because of the department's emphasis on Smooth Roads Initiative projects, progress in 2006 was significantly lower. However, the number of miles of new four-lane corridors constructed will begin to increase in 2007 due to Amendment 3 bond funds approved by Missouri voters in November 2004.

As part of a partnership with the Missouri Department of Economic Development, MoDOT is initiating a study to track the creation and location of businesses along newly established four-lane corridors. This information, along with data on business size and employment, will help determine the economic value of four-lane corridors.



Leverage Transportation To Advance Economic Development

Percent utilization of SIB & STAR loan programs

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Jay Moore, Special Projects Coordinator

Purpose of Measure:

This measure shows the percent utilization of MoDOT’s revolving loan programs, the Missouri State Infrastructure Bank (SIB) and the State Transportation Assistance Revolving (STAR) program. It demonstrates how well utilized these funds are by showing a ratio of how much is currently on loan versus the amount available for loan.

The Missouri Transportation Finance Corporation (MTFC), a not-for-profit corporation, is Missouri’s SIB. The SIB program was created by federal law in 1995 to finance both highway and non-highway projects. The STAR program finances non-highway projects such as air, water, rail, or mass transit facility construction, mass transit vehicles, and vehicles for elderly or handicapped persons. STAR funding is appropriated by the General Assembly.

Measurement and Data Collection:

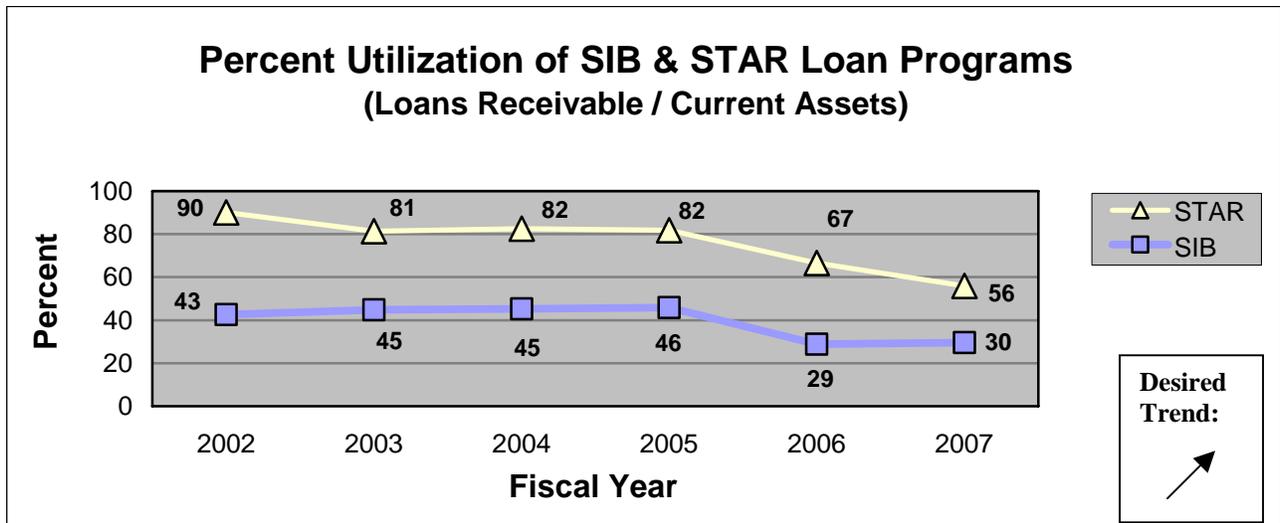
This is an annual measure. New information will be available in July 2008. The data used to calculate the amounts of funds currently on loan is collected through a database used to track the SIB and STAR loans. Amounts available to be loaned are obtained from financial reports.

Improvement Status:

A SIB loan for \$7.36 million was disbursed during fiscal year 2007. A smaller amount of loans was repaid to the SIB in fiscal year 2007 than was disbursed. This resulted in a slightly higher percentage of SIB funds being utilized. The SIB currently has fourteen loans totaling \$89.7 million approved but not disbursed, and seven loans in the discussion stage. On June 30, 2007, the SIB funds balance was approximately \$58 million.

A STAR fund loan of \$250,000 was disbursed in fiscal year 2007. Loan repayments and interest earnings on the STAR fund outpaced loan disbursements, resulting in a lower utilization in fiscal year 2007. On June 30, 2007, the STAR fund balance was approximately \$1.44 million.

To advance this measure and improve SIB utilization, the MTFC Board ratified a marketing plan prepared by the partnership development staff. Part of the plan adopted by the board featured marketing workshops for district staff and exhibiting at appropriate conferences. The marketing workshops have been completed throughout all areas of the state. In fiscal year 2007, MoDOT exhibited or presented at 39 events.



Leverage Transportation to Advance Economic Development

Economic return from transportation investment

Result Driver: Roberta Broeker, Chief Financial Officer

Measurement Driver: Jay Moore, Special Projects Coordinator

Purpose of the Measure:

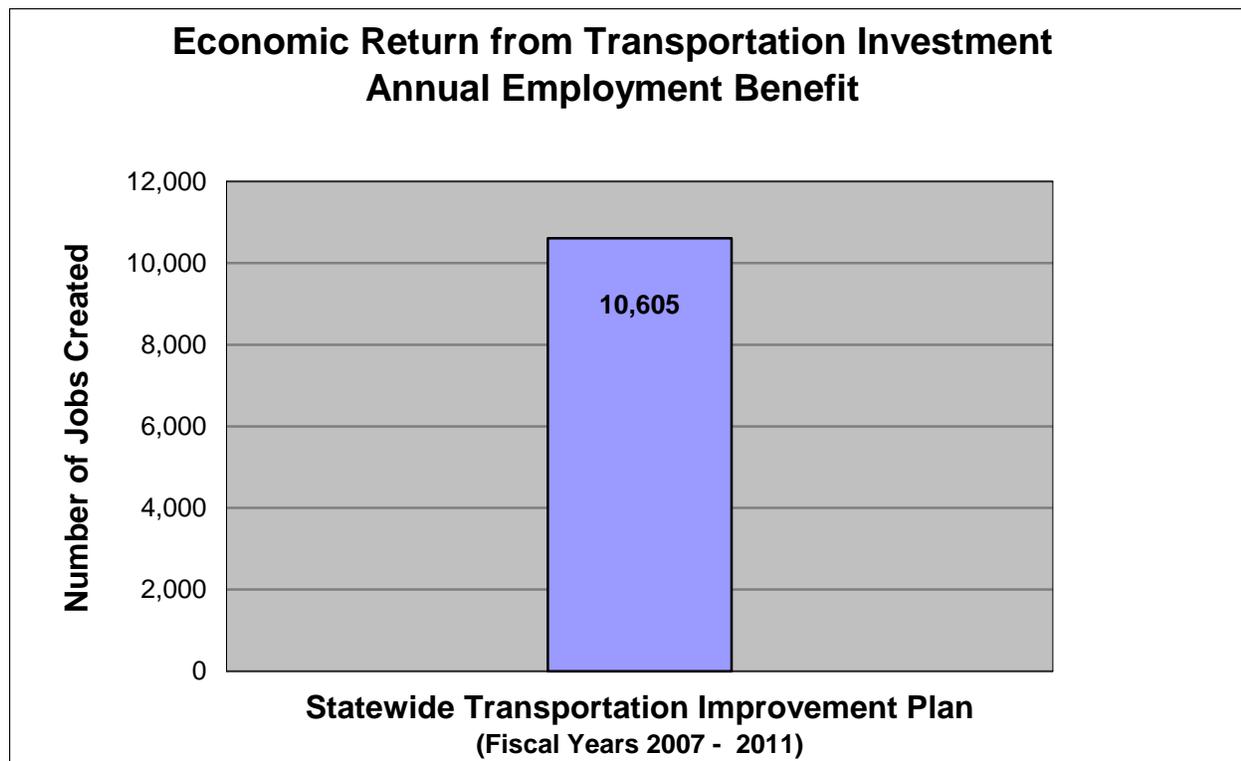
This measure monitors the economic return from the state's roadway transportation investment through the number of jobs created, changes in personal income, value-added Gross State Product (GSP) and economic output.

Measurement and Data Collection:

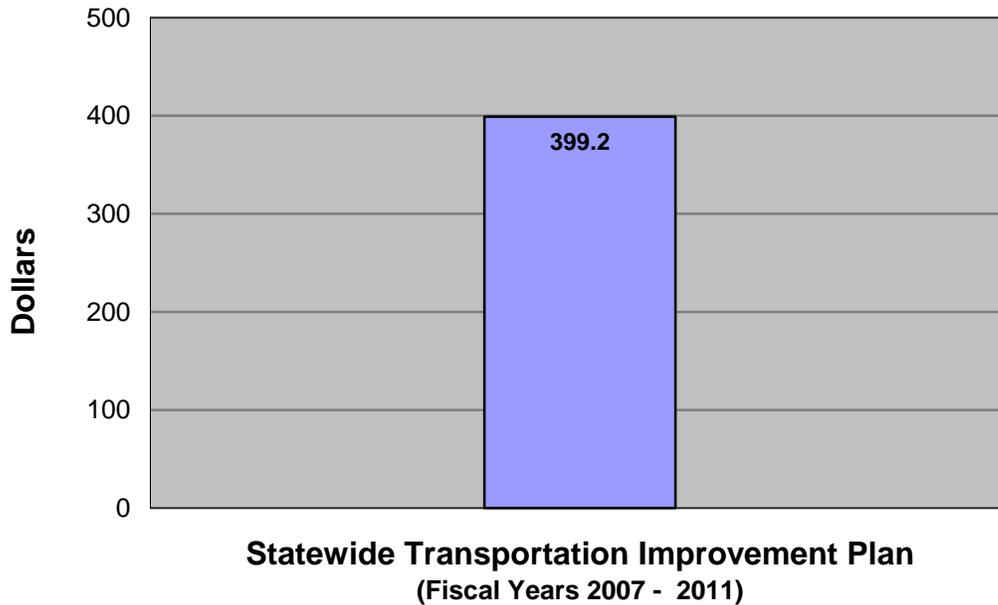
This is an annual measure. New information will be available in October 2007. MoDOT partners with the Department of Economic Development to complete economic modeling of the state's transportation investments. The Regional Economic Models, Inc. (REMI) is used for this analysis. Through these efforts, the department is able to provide state and regional estimates to demonstrate employment, income and state benefits related to specific projects, corridors and program expenditures.

Improvement Status:

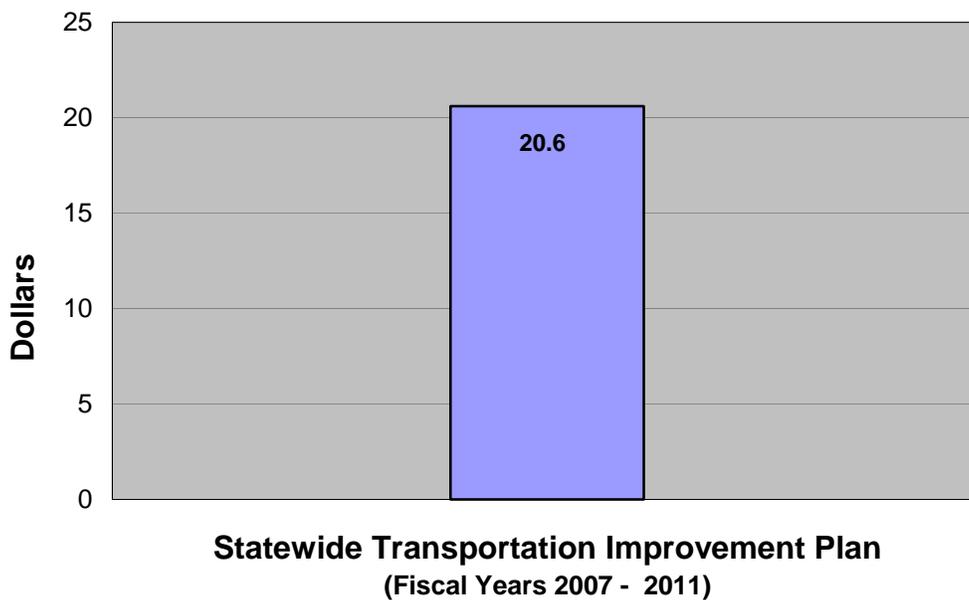
The REMI model demonstrates that there is a strong link between transportation investment and economic development. An analysis of the Statewide Transportation Improvement Program (STIP) provides a summary of economic benefits related to transportation investments. The fiscal year 2007 through 2011 STIP will invest over \$5.7 billion in 900 transportation projects across the state. For an average year, STIP investments create approximately 10,605 new jobs with an average wage of \$28,207 per job. There is an expected increase in annual average personal income of \$399.2 million and an expected increase in economic output of \$1 billion. The fiscal year 2007 through 2011 STIP projects contribute over \$594.7 million per year to the GSP and \$20.6 billion over the next 20 years in economic output. This equates to a \$3.61 return on every \$1 invested in transportation. MoDOT will continue to work to understand and maximize the benefits to the state and its citizens from transportation investments.



**Economic Return from Transportation Investment
Annual Personal Income
(in Millions of Dollars)**



**Economic Return from Transportation Investment
Cumulative Economic Output Through Next 20 Years
(in Billions of Dollars)**



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