
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:

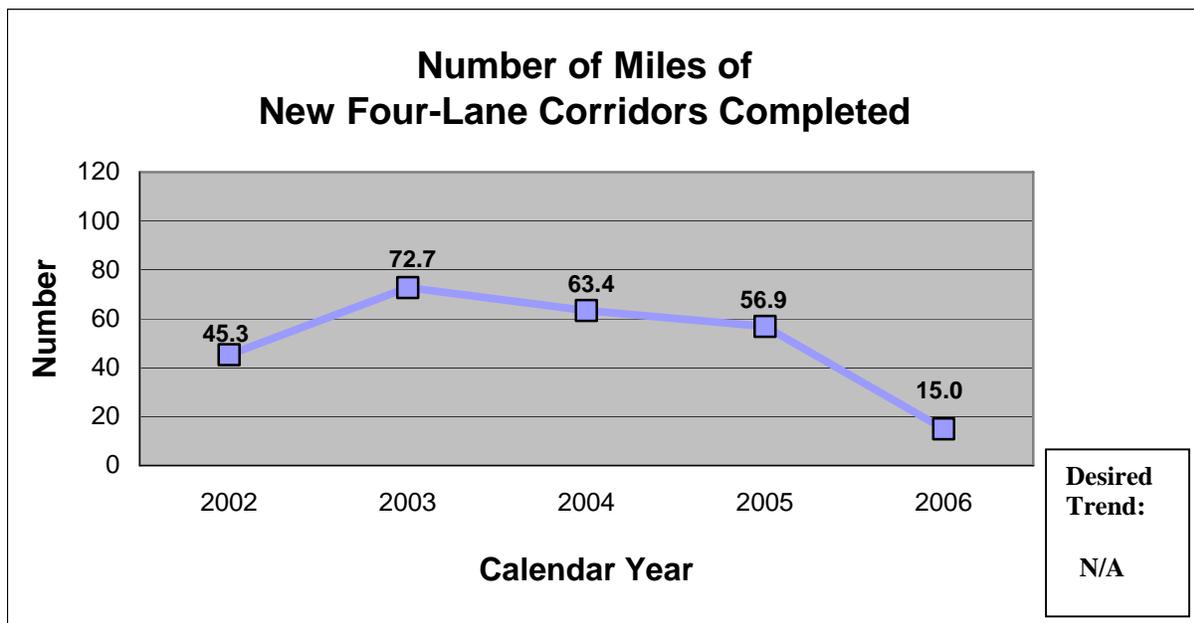
Projects that create or complete sections of dual-divided highways will be identified and tracked. Completion will be defined as the date the project is opened to traffic.

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 of the funds are currently on loan versus the amount available to be loaned.

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.

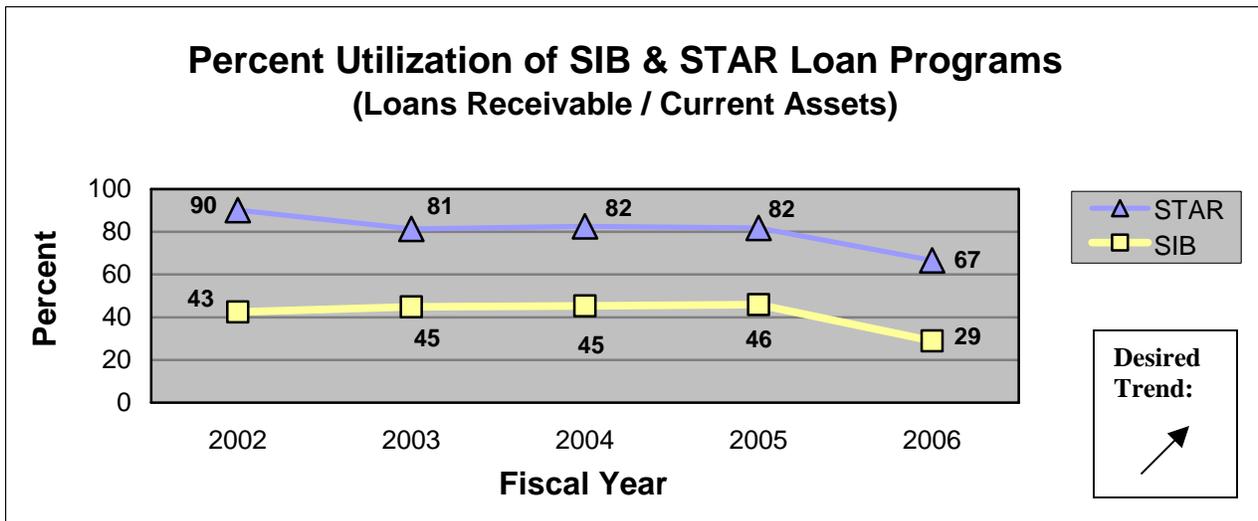
Measurement and Data Collection:

This is an annual measure. New information will be available in October 2007. 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 \$60,000 was disbursed during fiscal year 2006. A large amount of loans was repaid to the SIB in fiscal year 2006, but only a small loan was disbursed. This resulted in a lower percentage of SIB funds being utilized. The SIB currently has three formal loan applications pending, seven loans totaling \$67.5 million approved but not disbursed, and six loans in the discussion stage. On March 31, 2007, the SIB funds available for loan were approximately \$58 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. So far in fiscal year 2007, MoDOT has exhibited or presented at 34 events.



Leverage Transportation to Advance Economic Development

Rate of economic return from transportation investment

Result Driver: Roberta Broeker, Chief Financial Officer

Measurement Driver: Jay Moore, Special Projects Coordinator

Purpose of the Measure:

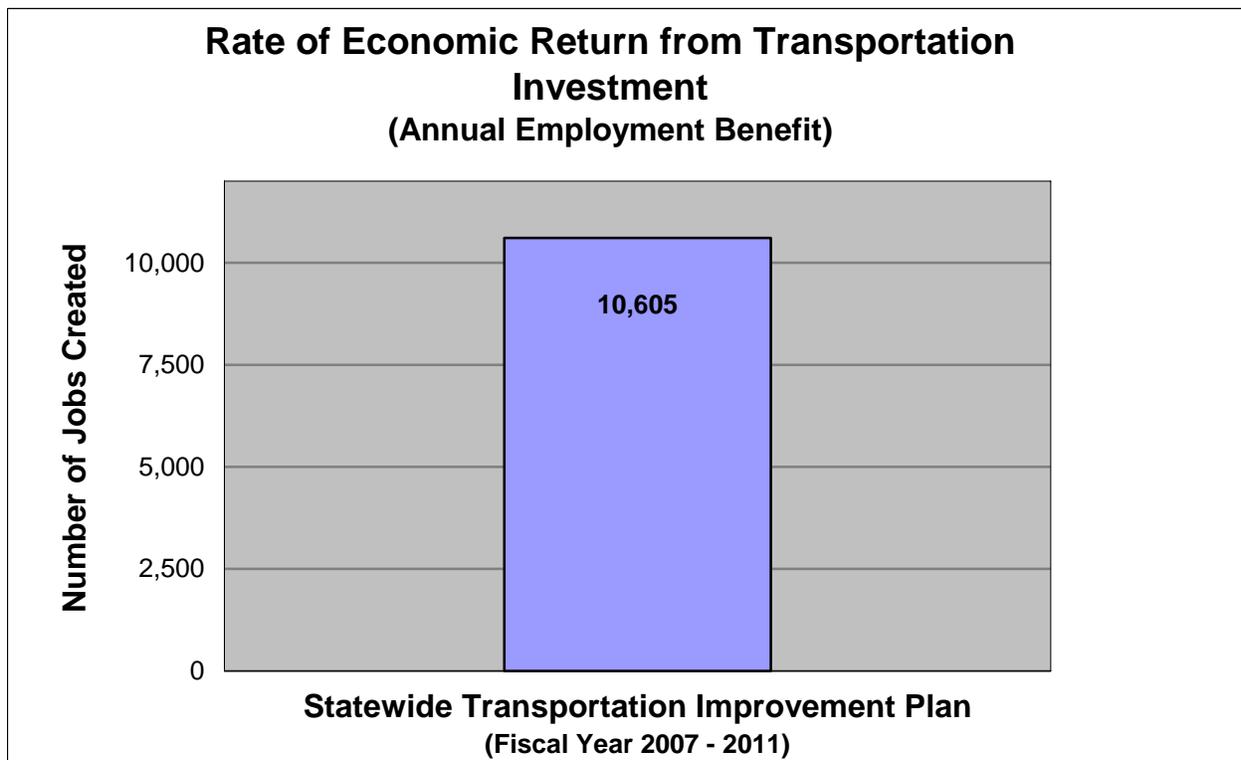
This measure monitors the economic return from the state's roadway transportation investment through the number of jobs created, changes in personal income, and value-added GSP (Gross State Product).

Measurement and Data Collection:

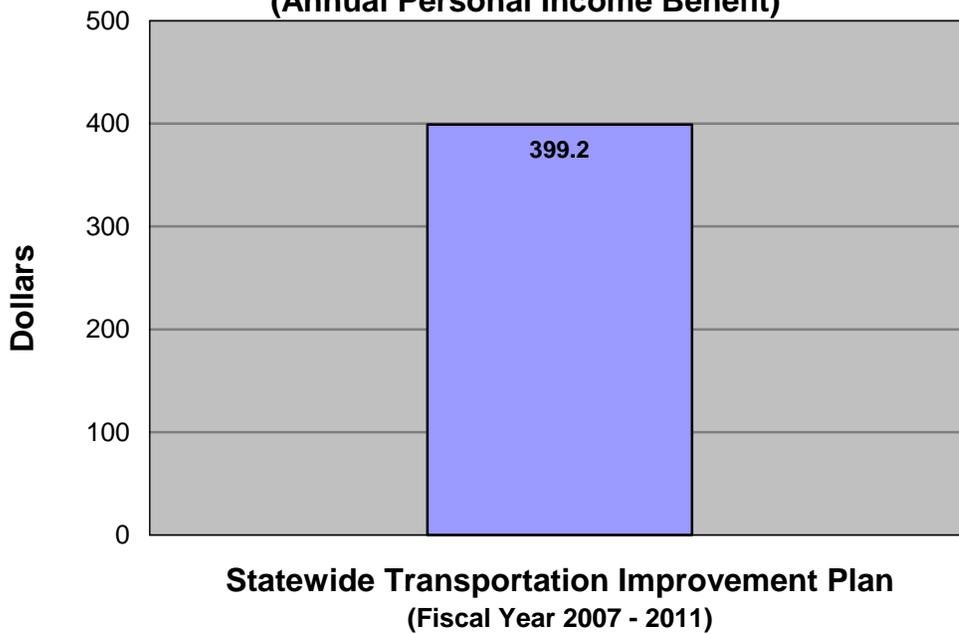
This is an annual measure. New information will be available in October 2007. MoDOT partners with the Department of Economic Development to complete economic modeling of the state's transportation investments. The Regional Economic Models, Inc. (REMI) is used for this analysis. Through these efforts, 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:

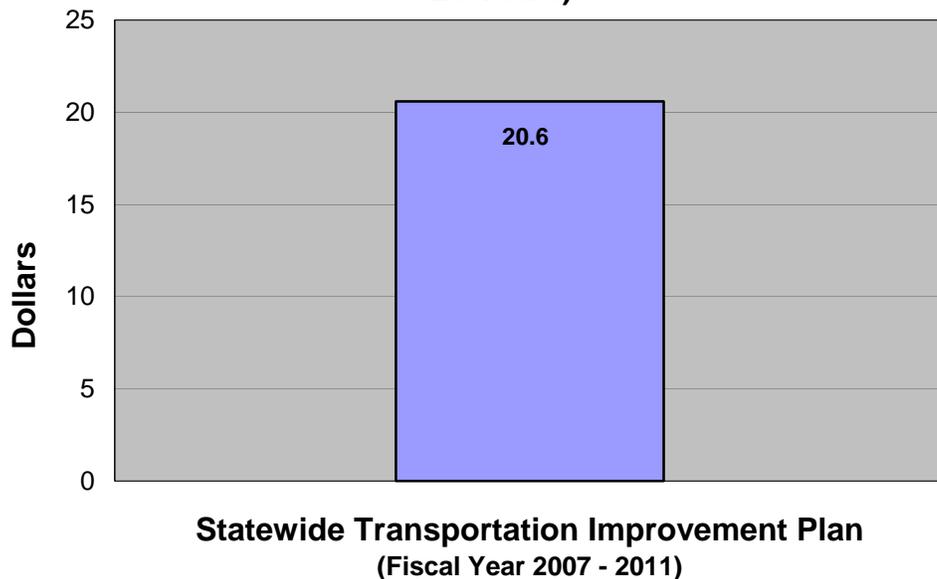
The information generated through the use of the REMI model demonstrates that there is a strong link between transportation investments and economic development. A year-by-year analysis of the Statewide Transportation Improvement Program is used to provide a summary of economic benefits related to transportation investments on a program basis. As a summary measure of transportation's contributions, the fiscal year 2007 through 2011 Statewide Transportation Improvement Plan (STIP) will invest over \$5.7 billion in 900 transportation projects across the state. In the average year, the STIP investments create approximately 10,605 new jobs paying 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 activity of \$1 billion. In terms of Gross State Product – value added, the fiscal year 2007 through 2011 STIP projects contribute over \$594.7 million per year and \$20.6 billion over the next 20 years. This equates to a 3.61:1 return on the transportation investment. MoDOT will continue to work to understand and maximize the benefits to the state and its citizens from transportation investments.



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



**Rate of Economic Return from Transportation
Investment in Billions of Dollars
(Cumulative Value-Added Gross State Product Through Next
20 Years)**



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