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# 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:**

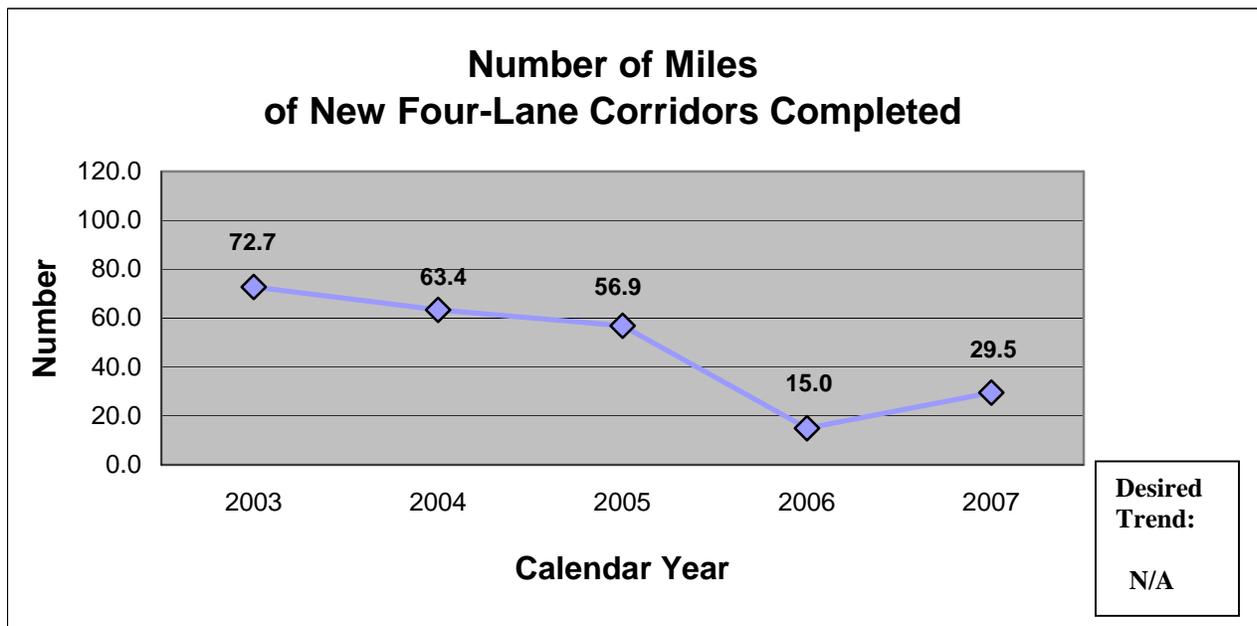
Projects that create or complete sections of dual-divided highways are identified and tracked. Completion is defined as the date the project is opened to traffic.

This is an annual measure updated each January.

**Improvement Status:**

More than 29 miles of new four-lane corridors were completed during calendar year 2007, primarily on U.S. Routes 13, 60 and 36. Progress in 2007 was nearly double that of 2006 as projects funded by Amendment 3 bonds approved by Missouri voters in November 2004 are completed. More than 180 miles of work to complete four-lane highways are included in the current five-year Statewide Transportation Improvement Program.

A recently completed MoDOT study looked at seven major economic indicators in non-urbanized counties. The indicators are county population, annual wages, household income, number of business firms, gross sales tax, real estate valuations and per capita income. Results showed that counties that have more than 15 miles of four-lane highway scored from 9 to 183 percent higher in these areas than counties with a lesser number of divided miles.



# Leverage Transportation To Advance Economic Development

## *Percent utilization of SIB & STAR loan programs*

**Result Driver:** Roberta Broeker, Chief Financial Officer  
**Measurement Driver:** Jay Moore, Financial Resource Administrator

**Purpose of Measure:**

This measure shows the percent utilization of MoDOT’s revolving loan programs, the Missouri State Infrastructure Bank and the State Transportation Assistance Revolving 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, 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:**

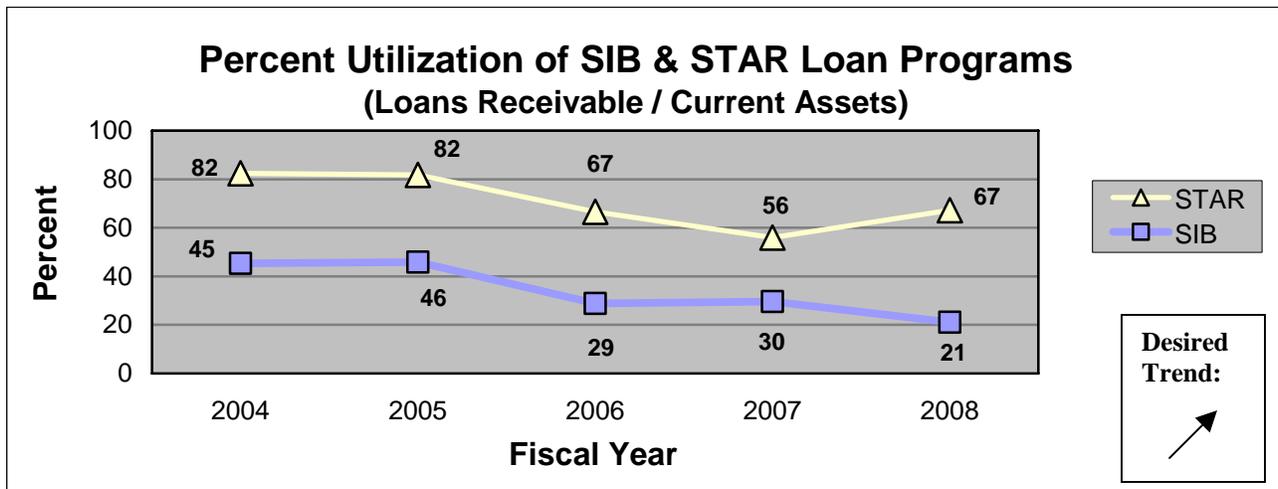
This is an annual measure. New information will be available in July 2009. The data used to calculate the amounts of funds currently on loan is collected through a database used to track the SIB and STAR loans. Amounts available to be loaned are obtained from financial reports.

**Improvement Status:**

Four SIB loans totaling \$8.10 million were disbursed during fiscal year 2008. A larger amount of loans were repaid to the SIB in FY 2008 than was disbursed. This resulted in a lower percentage of SIB funds being utilized. On June 30, 2008, the SIB had 10 loans totaling \$76.05 million approved but not disbursed, and nine loans in the discussion stage. On June 30, 2008, the SIB fund cash balance was approximately \$67.98 million with a projected low cash balance of approximately \$18.55 million for additional loans.

A STAR fund loan of \$895,100 was disbursed in FY 2008. Loan disbursements outpaced loan repayments and interest earnings on the STAR fund, resulting in a higher utilization in FY 2008. On June 30, 2008, the STAR fund had three loans totaling 1.08 million approved but not disbursed. The STAR fund cash balance on June 30, 2008 was \$1.12 million leaving only approximately \$40,000 available for additional loans.

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 FY 2008, MoDOT exhibited or presented at seven events.



## Leverage Transportation to Advance Economic Development

### *Economic return from transportation investment*

**Result Driver:** Roberta Broeker, Chief Financial Officer

**Measurement Driver:** Ben Reeser, Finance Manager

**Purpose of the Measure:**

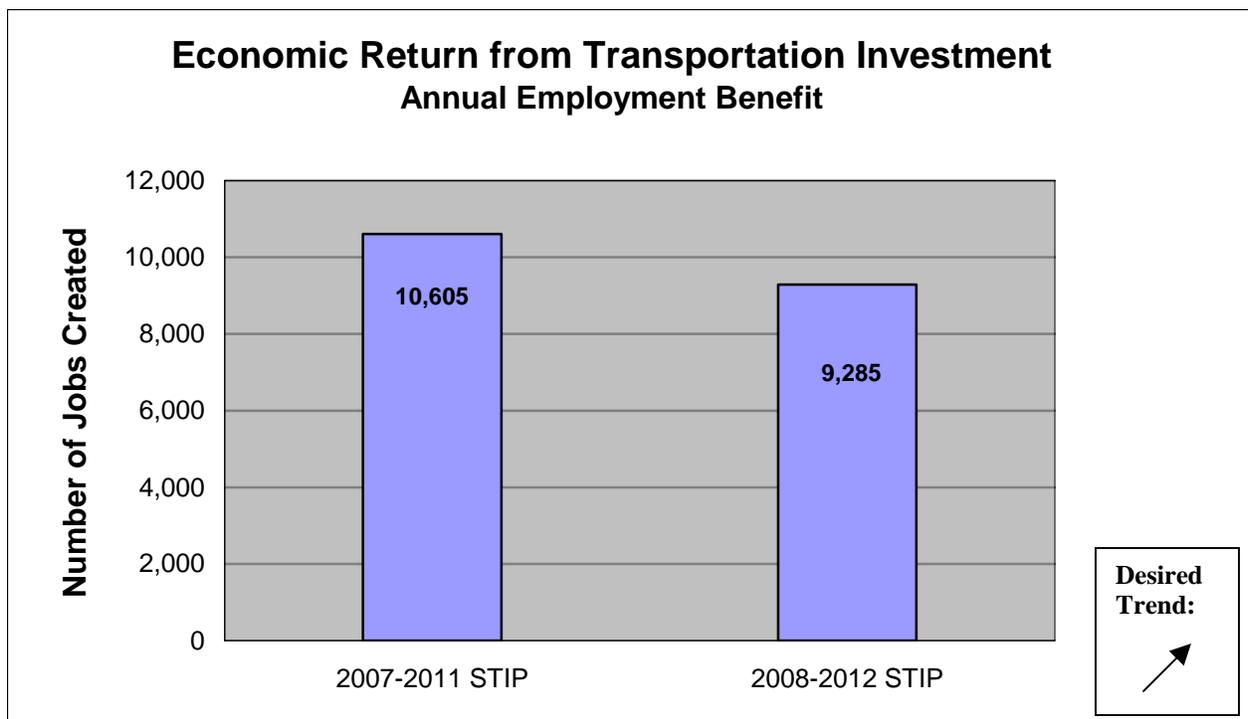
This measure tracks the economic impact resulting from the state's transportation investments. Economists have found that transportation investments affect employment, personal income and economic output.

**Measurement and Data Collection:**

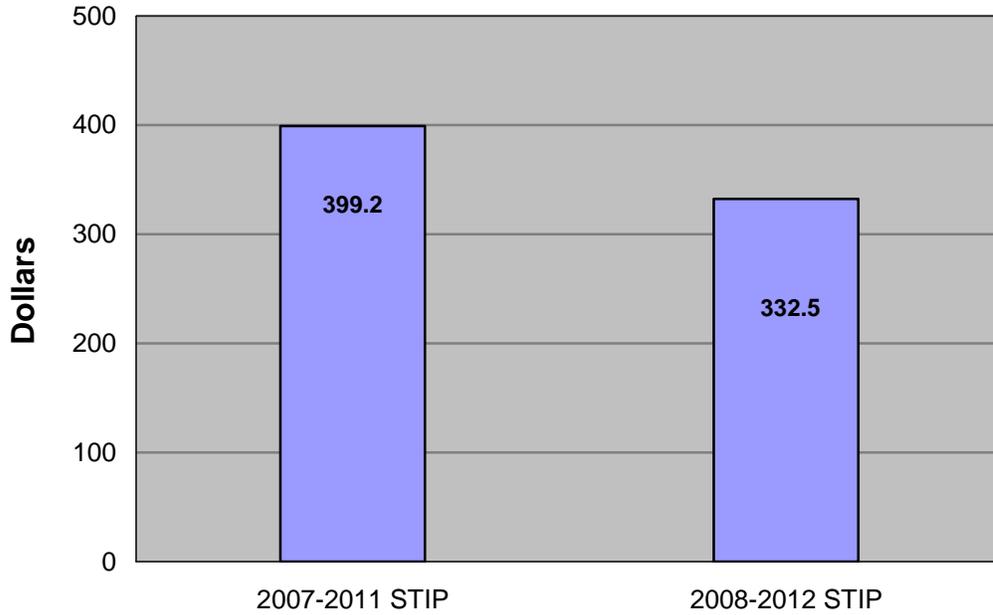
MoDOT works with the Department of Economic Development to perform economic impact analyses for the state's transportation investments. The analyses are performed using a model called the Regional Economic Modeling, Inc. (REMI). Through these efforts, the department can provide state and regional estimates to demonstrate employment, income and state benefits related to specific projects, corridors and program expenditures. This annual measure is updated each October.

**Improvement Status:**

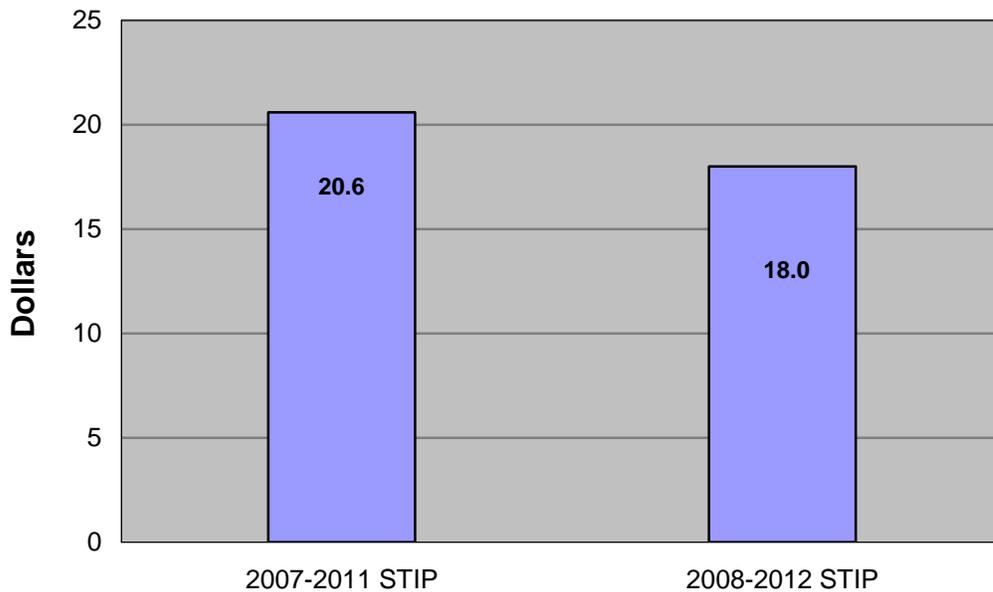
The REMI model results demonstrate the strong link between transportation investment and economic development. An analysis of the Statewide Transportation Improvement Program provides a summary of economic benefits related to transportation investments over the next 20 years. The fiscal year 2008 through 2012 STIP will invest over \$5 billion in 772 transportation projects across the state. On average, STIP investments will create approximately 9,285 new jobs with an average wage of \$27,080 per job. As a result, average personal income is expected to increase by \$332.5 million. The FY 2008 through 2012 STIP projects will contribute over \$901.1 million to economic output for the state per year totaling \$18 billion over the next 20 years. This equates to \$3.56 return on every \$1 invested in transportation. The economic return for transportation investment in the 2008 through 2012 STIP declined compared to the 2007 through 2011 STIP since total dollars invested decreased from \$5.7 billion to \$5 billion. MoDOT continues to work with DED to conduct economic impact analysis for transportation investments throughout the state.



### 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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