

Meeting Transportation Needs Through Partnership Debt-Financing Programs

MTFC Loans

Most highway and bridge projects, except for local or rural minor collectors and certain mass transportation capital projects, are eligible for MTFC funds. Projects are evaluated on transportation need, economic and public benefit, financial feasibility and timeliness of repayment. Projects must be endorsed by the local district engineer.

Program assistance includes loans, loan guarantees, grant anticipation notes, project acceleration or standby lines of credit. These options provide the borrower with flexible repayment terms and lower interest rates.

"Municipalities recognize the ever increasing demand for transportation system improvements and the continued emphasis on being good stewards of scarce financial resources. MoDOT's Partnership Development Program is one of the easiest options available to succeed with this challenge."

Rick Ziegenfuss, Hollister City Administrator



STAR Fund Loans

The State Transportation Assistance Revolving Fund assists in the planning, acquisition, development and construction of transportation facilities other than highways. STAR loans are available for air, water, rail or mass transit facility construction; mass transit vehicles; and vehicles for elderly or handicapped persons.

The local district engineer must endorse projects in cooperation with MoDOT's Multimodal team. The Innovative Finance Steering Committee evaluates STAR applications and provides a recommendation to the Missouri Highways and Transportation Commission, which is the deciding body.

Acceleration Program

A sponsoring group or agency provides project financing and an equity contribution to accelerate a MoDOT project. MoDOT is committed to repaying the remaining portion of project costs in the future.

Contact Us

To explore how we may be able to work as partners for transportation solutions, contact the Missouri Department of Transportation.

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Missouri Department of Transportation

Financing Successful Partnerships for Transportation Solutions

RM06.081

When Requirements Exceed Revenues

As traffic and travel increase and communities grow, so do demands for transportation improvements. On our own, governments, planning and economic development organizations, and transportation professionals simply don't have enough resources to keep up. But together, we can look at ways to pool our limited resources for effective transportation solutions.

We Want to be Your Partner

The Missouri Department of Transportation is eager to develop transportation partnerships.

MoDOT staff can help tailor financing to fit the scope of a community's transportation improvement needs. A variety of financing options makes money available for transportation projects that serve a public purpose including highway, bridge and rail projects; transit equipment; air and water transportation facilities; and elderly/handicapped vehicles.

Quicker Completion, Lower Costs

Innovative financing options provide funds quickly, which accelerates project completion. As a result, each project can provide public and economic benefits much sooner.



Innovative financing options also lower project costs. Several innovative finance programs can be used alone or in combination to address a community's transportation needs and impact the bottom line through inflation cost savings or a reduction in financing costs.



Meeting Transportation Needs Through Partnership Funding Programs

Cost Share and Economic Development Programs

For cost share funds, MoDOT provides up to 50 percent of participation costs* for a project that benefits the state highway system. For economic development funds, MoDOT may fund up to 100 percent of participation costs* for a project that creates jobs, with the exception of retail development.

Projects under these programs must receive prior approval from the district engineer and must be supported by either the local metropolitan planning organization or the regional planning commission. Participation costs are determined in an agreement between the Missouri Highways and Transportation Commission and the project sponsor.

"We consider MoDOT to be an extension of our local government. Its cooperation, competence and accessibility have enabled us to undertake projects that we could not otherwise."

Dan McMillan, Marshfield City Administrator

*Participation costs may include expenses for construction inspections, contracts or change orders. Other expenses that may be included are preliminary engineering, right of way acquisition or incidental costs, and utility relocations.

"Without question, we would not have been able to accomplish what we needed to accomplish on the state system through Springfield without partnering. Many hands make light work."

Marc Thornsberry, Springfield Public Works Director

Missouri Transportation Finance Corporation Partners in Progress

Created under federal law in 1995, the Missouri Transportation Finance Corporation is a non-profit lending corporation established to assist in financing local transportation projects. Funds provided by the organization are designed to complement traditional funding programs that benefit Missouri's transportation system.

The MTFC operates under the authority of an eight-member board of directors. Three of the directors are from the Missouri Highways and Transportation Commission, two are public members with financial expertise and three are from MoDOT senior management.

Financing terms for individual MTFC-approved projects are based on the joint consideration of the type of project being financed, project revenue, overall financial resources and the availability of MTFC funds. As funds are repaid, they are made available for additional transportation improvements.