



## Missouri Highways and Transportation Commission Policies

**Category:** FINANCIAL  
**Subcategory:** Project Funding and Financing Alternatives

### PROJECT FUNDING AND FINANCING ALTERNATIVES

Innovative project funding and financing alternatives for transportation projects are techniques and mechanisms employed to achieve project benefits earlier than would be possible with traditional funding and financing methods. These alternatives can be used in conjunction with each other to develop a project-funding plan.

#### Funding Alternatives

- Cost-Share Program
- Transportation Corporations
- Transportation Development Districts

#### Financing Alternatives

- Missouri Transportation Finance Corporation (MTFC) Loan
- State Transportation Assistance Revolving (STAR) Fund Loan

See the individual policies for each of the funding and financing alternatives.

#### Conventional Debt

In addition to the innovative financing programs noted above, project sponsors can use conventional debt-financing methods such as bonds and bank loans to finance projects.

#### Executive Committee

For purposes of this policy the term Executive Committee includes the individuals who fill the positions of Director, Deputy Director/Chief Engineer, Assistant Chief Engineer, Chief Safety and Operations Officer, Chief Administrative Officer, and Chief Financial Officer.

#### General Policies

In addition to policies specific to each of the funding or financing alternatives, the following general policies apply.

#### Project Funding Plan

- All projects funded through these alternatives must have a written plan for funding type and source. This plan should be incorporated into the agreement between the project sponsor and MHTC.
- Concurrence from the department District Engineer in which the project is located is preferred for Cost Share projects to proceed.

## Acceleration

- **Provisions** - MoDOT will consider moving a construction project earlier in the Statewide Transportation Improvement Plan (STIP) schedule if:
  1. The project sponsor provides one-hundred percent (100%) of the project financing. The MHTC will repay all or an agreed upon portion of the construction cost when the project was initially scheduled for construction or at such future time as MHTC agrees to repayment.
  2. The terms of repayment comply with MHTC's debt management policy. This policy establishes a methodology for determining the Commission's debt capacity.
- **Project Scope** - MoDOT will also consider modifying projects under development if the project sponsor agrees to partially or completely pay for the new elements.
- **Project Design** - All projects on the state highway system must meet MoDOT's design standards and are subject to the same review and approval processes as projects fully funded by MoDOT.
- **Innovative Finance/Project Acceleration Agreements – Approval and Execution:** Agreements by which entities accelerate a project on the Commission-approved Statewide Transportation Improvement Plan (STIP) by providing the cost of financing and the Commission commits to future repayment of project costs, may be executed by any member of the Executive Committee provided the agreements are in compliance with all related Commission policies.

Related Commission Minutes for Innovative Finance/Project Acceleration Agreements: July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7b

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Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004; November 7, 2013 - combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy; January 8, 2014 – suspended cost share program; January 4, 2017 – reinstated cost share program. February 7, 2018 – separated Commission actions pertaining to the various funding and financing options. February 6, 2019 –revised authority to execute agreements to include the Executive Committee.