



# MISSOURI TRANSPORTATION FINANCE CORPORATION

*STATE INFRASTRUCTURE BANK*

Value Capture Strategies and Infrastructure Bank Programs

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- Missouri's SIB
- History and Structure
- Loan Application Process
- Success Stories
- Helpful Links and Contact Information

# OVERVIEW & OBJECTIVES

- Provide direct loans for transportation projects with the state of Missouri.
- Loans must help to achieve continued economic, social and commercial growth of Missouri.
- For projects that are in the public interest or promote the health, safety and general welfare of Missouri citizens.



# HISTORY & STRUCTURE OF THE MTFC

- Established in 1996
  - Articles of Incorporation, Bylaws and Cooperative Agreement
- Capitalized in 1997
  - \$7,410,000 federal earmark for program
  - \$42,000,000 Missouri federal funds
  - \$10,250,000 state funds



# HISTORY & STRUCTURE OF THE MTFC

- Administered by an 8-member Board of Directors
  - Three members of the Missouri Highways and Transportation Commission
  - Three members of MoDOT staff – Director, Chief Financial Officer and Multimodal Director
  - Two non-MoDOT members
- Six officers
  - President, Vice President, Secretary, Treasurer, Assistant Treasurer, Executive Director



# LOAN APPLICATION PROCESS

- Eligibility

- Include any highway project eligible for Federal assistance under Title 23 of the U.S. Code and any transit capital project eligible for Federal assistance as defined in section 5302 of title 49 of the U.S. Code.
- The MTFC can provide financial support to both public and private sponsors of eligible transportation projects and can assist in financing any stage of the project's development.



# LOAN APPLICATION PROCESS

- Loan Amount
  - Minimum \$50,000
  - Requests greater than \$10 million require pre-approval
- Terms of Loans
  - Maximum 15 years
  - Requests greater than 10 years require pre-approval
- Interest Rate
  - Typically, equal to municipal borrowing rates
  - Rated vs non-rated entities





# INTEREST RATE ANALYSIS

<u>Rating</u>	<u>X's Coverage</u>	<u>Additional Dedicated Revenue</u>	<u>Term of Loan</u>
AAA	4 - 5	2 additional funding sources	1 - 3 years
AA	2 - 3	1 additional funding sources	4 - 6 years
A	1.2 - 1.9	no additional funding sources	7 - 10 years





Row #	Revenue or Outlay	Amount
1	<b>Annual Loan Payment</b>	<b>\$150,973</b>
2	Repayment Sources	
3	Economic Development Sales (EDS) Tax (0.5 cents)	
4	November-December 2018	\$79,847
5	2019	\$1,143,818
6	January to June 2020	\$561,555
7	EDS Tax, annualized average monthly revenue	\$1,071,131.84
8	CART	
9	2016	\$367,425.00
10	2017	\$366,520.00
11	2018	\$373,660.00
12	CART, average annual revenue	\$369,201.67
13	<b>Total, average annual revenue from repayment sources</b>	<b>\$1,440,333.51</b>
14	Outstanding Debt, Annual Payments:	
15	EDS Tax: Bond principal and interest payments	\$295,144
16	EDS Tax: Disbursement to 5 cities	\$500,000
17	<b>Total, outstanding debt annual payments</b>	<b>\$795,144</b>
18	<b>Net Revenues Available for Coverage (row 13 - row 17)</b>	<b>\$645,190</b>
19	<b>Coverage ratio (row 18 / row 1)</b>	<b>4.27</b>

Amount Requested	\$1,406,067
Loan Term	10 years
Interest Rate	1.45%
Rating	A



Tenor	I493 Bid YTM BVAL Muni AAA Yield Curve 06/23/20 Yield	BS1212 Bid Yld US General Obligation AA Muni BVAL Yield Curve New 06/23/20 Yield	BS1213 Bid Yld US General Obligation A Muni BVAL Yield Curve New 06/23/20 Yield
3M	0.197	0.38	0.687
6M	0.199	0.379	0.689
1Y	0.208	0.382	0.698
2Y	0.257	0.416	0.77
3Y	0.285	0.431	0.824
4Y	0.366	0.517	0.926
5Y	0.457	0.626	1.032
6Y	0.544	0.738	1.128
7Y	0.601	0.819	1.189
8Y	0.676	0.916	1.269
9Y	0.774	1.029	1.37
10Y	0.847	1.115	1.447





# LOAN APPLICATION PROCESS

- Loan Security/Dedicated Revenue Source
  - Voter approved tax dedicated to secure payment of debt
  - Entity issued bonds
  - Entity designated federal monies administered by MoDOT
  - Annual certification
- Loan Fees
  - .15 percent of loan request
  - Maximum \$75,000
  - Minimum \$500



# LOAN APPLICATION PROCESS

- Application Requirements
  - Current Budget
  - Project Plan
  - Timing of loan disbursements
  - Dedicated revenue stream to repay the loan
  - Forms of collateral, if required by Board
  - Potential legal claims and/or liabilities pending



# LOAN APPLICATION PROCESS

- Approval Process
  - Staff draft loan terms and conditions
  - Staff will determine from a credit and security point of view, if they are adequate or inadequate
  - Staff review for overall compliance
  - Staff recommendation to the MTFC Board
  - Each Board member has one vote, quorum is any 5 votes
  - Loan agreement

# LOAN STATISTICS

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- 74 approved loans
- \$350.4 million
- \$19.6 million loan receivable
- \$75.0 million loans pending disbursements





# MoDOT's COST SHARE PROGRAM

- Purpose is to build partnerships with local entities to pool efforts and resources to deliver state highway and bridge projects.
- Funds are allocated to this program based on the Missouri Highways and Transportation Commission's approved funding distribution
- Application process with projects selected by a committee.



City of Wentzville  
I-70 Interchange

Total Project Cost - \$12.7 million  
MTFC Loan - \$5.0 million

**MTFC**





**St. Charles County**  
**I-70/Mid Rivers Mall Interchange**  
**Total Project Cost - \$15.1 million**  
**MTFC Loan - \$3.3 million**



City of Republic  
US 60 and N. Oakwood Ave. Improvements  
Total Project Cost – \$0.9 million  
MTFC Loan - \$0.2 million





Highway 179 Transportation Corporation  
Route 179 Extension  
Total Project Cost - \$46.7 million  
MTFC Loan - \$6.0 million



# HELPFUL LINKS & CONTACT INFORMATION

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- [Missouri Transportation Finance Corporation](#)
- [MoDOT Partnership Development](#)
- [Partnership Development Contact Information](#)

