

Governor's Transportation Cost Share Program Guidelines

PURPOSE

The purpose of the Governor's Transportation Cost Share Program is to build partnerships with local communities to pool efforts and resources to deliver road and bridge projects. This program is funded with a \$50 million General Revenue appropriation from the General Assembly. Ten percent (10%) is set-aside for projects that demonstrate economic development. The Cost Share Committee works cooperatively with the Missouri Department of Economic Development (DED) to select projects with the greatest economic benefit to the State. The Committee consists of the Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and two members selected by the Director. The projects are then recommended for approval by the Missouri Highways and Transportation Commission (MHTC).

POLICY

1. Eligible Projects

The Governor's Transportation Cost Share Program provides financial assistance to public and private applicants for public road and bridge projects satisfying a transportation need.

Funds shall not supplant, and shall only supplement the current planned allocation of road and bridge expenditures under the most recently adopted STIP, including all amendments thereto, as of the date of passage of this program by the General Assembly.

Funds are for construction contract costs, only. Preliminary engineering, environmental services, right of way services and acquisitions, utilities, construction inspection and other costs are provided by other funding sources.

DED's Regional Engagement teams can provide feedback and support for projects.

Contact information is available online at

<https://ded.mo.gov/contact-us#mini-panel-contact-information2>.

2. Level of Participation

When project sponsors are willing to partner with MoDOT, the Governor's Transportation Cost Share Program matches their investment up to fifty percent (50%) of the construction contract costs. MoDOT works in cooperation with DED with project sponsors to determine when targeted investments can be made to generate economic development and may provide up to one-hundred percent (100%) of the project's construction contract costs from the ten percent (10%) set-aside funds. Retail development projects do not qualify as economic development projects.

Applicants are required to deposit their share of the construction contract costs with MoDOT as specified in the project agreement which is typically prior to the project being let.

If applicants provide federal funds (including earmarks) as part of their portion of the project costs, they must, if applicable, also provide the cash for matching the federal funds.

Applicants will be responsible for any cost overruns.

3. **Application Process**

The applicant works with the appropriate MoDOT district contact to determine the project scope and costs. The district assists the applicant in preparing the Request for Environmental Services (RES) and the Cost Share application. The application is available online at <http://www.modot.mo.gov/partnershipdevelopment/application.htm>. The district engineer must review the need and proposed solution and provide a letter of support for the application. The letter of support shall explain in detail the significance of the project and the impact it could have on the state transportation system. A letter of support from the metropolitan planning organization (MPO) or regional planning commission (RPC) is also required.

The items listed below must be submitted to Financial Services by the established deadline. Application deadlines are posted on the Partnership Development website at <http://www.modot.mo.gov/partnershipdevelopment/dates.htm>.

- Signed and completed application
- District Engineer's support letter
- MPO's or RPC's support letter
- Traffic models or traffic reports
- Project map

4. **Review Process**

Each application is reviewed for verification of the following criteria:

- The project is eligible per Section 1.
- The total project costs are in excess of \$200,000.
- The total project costs include preliminary engineering, right of way acquisition and incidentals, utilities, construction contract and construction inspection. Funding sources are identified for each.
- The applicant agrees to provide their share of the total project costs.

- Projects that significantly expand the state highway system or increase maintenance costs for MoDOT must have pre-approval by the Chief Engineer prior to submittal of the application to MoDOT. If a project significantly expands the state highway system or increases maintenance costs, the MHTC may seek an agreement for the project sponsor to either: (1) accept the transfer of ownership of a portion of the existing state highway system in an amount of miles as determined by the MHTC; or (2) payment of all increased maintenance costs.
- Economic Impact is measured by the cumulative inputs and outcomes anticipated from the project, while accounting for the investments made by the state and any increase in services. Factors considered in the partnership application will include: the industry or type of development opportunity, the new jobs to be created, payroll associated with the increase in employment, and total invested capital and sources of that investment.
- If debt financing is used to accelerate the project and complete it earlier than funding is available from MoDOT, the applicant must pay and not include the debt-financing costs in the total project costs. The debt-financing costs include items such as bond counsel, underwriter, financial advisor fees, application fees and interest.

After initial verification of the application, Financial Services forwards the application to the Cost Share Staff Review Team.

The Staff Review Team consists of staff from Financial Services, Transportation Planning, Highway Safety and Traffic, Design (including Right of Way staff), Chief Counsel's Office and DED. The team is responsible for submitting comments and a recommendation to Financial Services on or before the specified deadline. The Staff Review Team meets with district staff to discuss the application, resolve any outstanding issues and determine the team's recommendation to the Cost Share Committee. The Staff Review Team prioritizes each application based on the following criteria:

- Economic Impact
- Applicant's Share of Total Project Costs
- Transportation Need (including impacts to the state highway system)
- Public Benefit

Financial Services prepares the Cost Share documents, which include the meeting agenda, project review sheets, project maps and team recommendations. Documents are distributed to the Committee members one week prior to the meeting.

5. Approval Process

The District presents the team's recommendation for each application to the Committee. The Committee recommends, denies or requests additional information for each application. Recommended state projects are included in a subsequent STIP amendment

for MHTC approval.

Financial Services provides a letter for the district engineer to send the applicant informing them of the Cost Share Committee's decision and discussion points. If additional information is needed, Financial Services will compile the requested information and provide it to the Committee.

- Project Agreement and Programming Process

The district works with the approved applicant to draft the Cost Share agreement, using the form FS08 found on the eAgreements website at <http://sp/sites/eagreements/Agreements/Forms/My%20Agreements.aspx>. Agreements identify project costs, each party's financial responsibility, and the maximum amount of approved Cost Share funding. The district sends the agreement to the "Agreements Review Group" for review as outlined in the eAgreements review process. The district and applicant address all comments and make appropriate changes to the agreement. The agreement is sent to the Chief Counsel's Office for a final review before the applicant executes the agreement.

The applicant must execute the agreement within six months after the recommendation of the Committee to prevent the funds from expiring and being allocated to another project, unless an extension is approved by the Committee.

If the project is within an MPO, the district and applicant will coordinate with the MPO to amend the Transportation Improvement Program (TIP) at this time.

Once the applicant executes the agreement, the district coordinates with Transportation Planning to amend the state project to the STIP. Once the month is set for the project to be amended to the STIP, the district sends the agreement to the Chief Counsel's Office to sign as to form. Financial Services then forwards the agreement to the Commission Secretary's Office for approval and execution at the same time the project is amended to the STIP. The funds are contingent upon an executed agreement between the applicant and the MHTC. The execution and distribution of the agreement will follow the eAgreements process as outlined in the eAgreements Sharepoint Site Manual.

Project programming is complete after the MHTC and Federal Highway Administration approve the STIP and the MPO approves the TIP, for projects in an MPO area.

- Project Delivery Process

The district ensures the design, right of way, utility and construction activities comply with the Engineering Policy Guide (EPG).

Financial Services works with Transportation Planning to determine funds utilized on projects and returns any excess funds to the Program.