

Transportation Innovation Act and Build Nebraska Act

2019

Highway 30 East of Schuyler



NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF TRANSPORTATION

Pete Ricketts
Governor

Kyle Schneweis, P.E.
Director

EXECUTIVE SUMMARY

Together the Transportation Innovation Act and the Build Nebraska Act allow the Nebraska Department of Transportation (NDOT) to support the economic vitality of the State by maintaining and expanding our transportation network. These pieces of legislation enable the NDOT to strategically plan for the future while also expediting planning, development and construction for a 21st Century Infrastructure System.

The tools and funding that resulted from the Transportation Innovation Act and Build Nebraska Act are vital to maintaining Nebraska's quality of life and economic growth.

BUILD NEBRASKA ACT - FIRST 10 YEARS

Enacted in 2011, the Build Nebraska Act (BNA) dedicated one-quarter of 1 percent of sales tax receipts for expansion of the Expressway System, federally designated High Priority Corridors, and preservation of the existing transportation system.

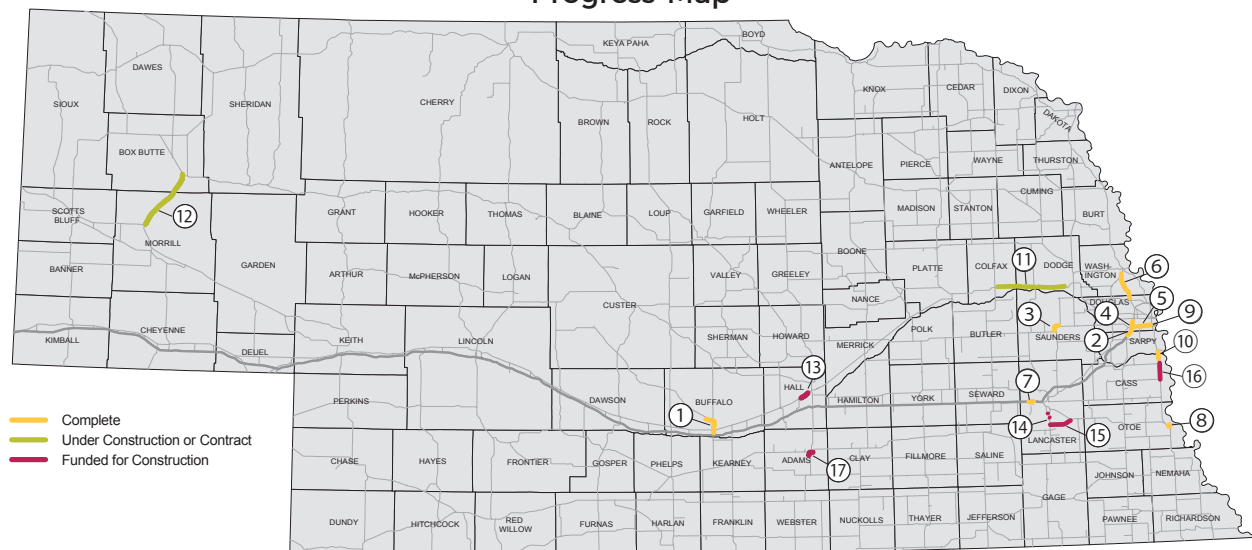
Revenue

BNA dedicated 85 percent of the revenue generated toward Nebraska Department of Transportation (NDOT) projects and 15 percent toward local roads and streets. Revenue became available in fall of 2013, and is on track to generate an estimated \$1.2 billion before its sunset in June 2033.

Programs and Progress

In November 2011, NDOT announced approximately \$600 million in investments to expand 17 expressway, interstate or national High Priority Corridors. To date, 8 portions of these 17 corridors are complete, the remaining are under construction or funded for construction and on track for completion. Project details are available at dot.nebraska.gov/projects/tia/cap-improve/.

Progress Map



Complete	Estimate (millions)	Complete (cont'd.)	Estimate (millions)	Funded for Construction	Estimate (millions)
① N-10 Kearney East Bypass 4-Lane Divided Highway	\$50	⑧ US-75 Nebraska City Southeast Interchange Reconstruction	\$30	⑬ US-30/281 West Grand Island 4-Lane Divided Expressway	\$29
② I-80 126th to 96th, Omaha Additional Lane, EB	\$12	⑨ I-80 24th to 13th, Omaha Additional Lane, EB & WB	\$21	⑭ US-77 Lincoln West Beltway Interchanges at Warlick Blvd. & Pioneers Blvd.	\$35
③ US-77 Wahoo Bypass 4-Lane Divided Highway	\$22	⑩ US-75 Plattsmouth to Bellevue (North of Platte River) 4-Lane Divided Expressway	\$44	⑮ N-2 Lincoln South Beltway 4-Lane Divided Expressway on New Alignment	\$328
④ I-680 Center to Pacific St., Omaha, Additional Lane, NB	\$5			⑯ US-34\US-75 Murray to Plattsmouth 4-Lane Divided Expressway	\$48
⑤ I-80 60th to 24th, Omaha Additional Lane, WB	\$9	Under Construction or Contract	Estimate (millions)	⑰ US-6 Hastings Southeast 5-Lane Urban Highway	\$35
⑥ N-133 Blair to Omaha 4-Lane Divided Highway	\$36	⑪ US-30 Schuyler to Fremont 4-Lane Divided Expressway	\$172		
⑦ I-80 NW 56th to US-77, Lincoln 6-Lane Reconstruction	\$43	⑫ US-385 L62A to Alliance 4-Lane Divided Highway	\$68		

TRANSPORTATION INNOVATION ACT

Enacted in April 2016, the Transportation Innovation Act (TIA) provided NDOT with new revenue, programs and tools to increase mobility, freight, economic growth and safety in Nebraska. The purpose of TIA is to accelerate highway capital improvement, promote innovative solutions for deficient county bridges, and help finance transportation improvements that support new and growing businesses.

Revenue

The TIA legislation resulted in a total allocation of \$450 million for targeted infrastructure investment. The TIA legislation created the Transportation Infrastructure Bank (TIB) that received a one-time transfer of \$50 million from the Cash Reserve Fund in 2016. The TIB receives annual revenue from fuel taxes generated by the TIA. The fuel-tax revenue is projected to generate \$400 million for infrastructure investment prior to 2033.

Programs and Progress

Three programs were created by TIA. Each program contains needed tools to better support the continued development of a robust statewide transportation system.

Accelerated State Highway Capital Improvement Program

Overview

The Accelerated State Highway Capital Improvement Program is focused on fast-tracking completion of Nebraska's 600-mile Expressway System by 2033. Investments from the TIA and BNA have allowed the state to make progress towards building a 21st century transportation system that improves mobility and supports economic development.

The legislation also authorized the use of alternative contracting methods to expedite the delivery process of the state's largest capital improvement projects. Design-Build and Construction Manager/General Contractor (CMGC) methods streamline processes to provide the earliest possible mobility, freight, safety and economic benefits to the public.

Progress

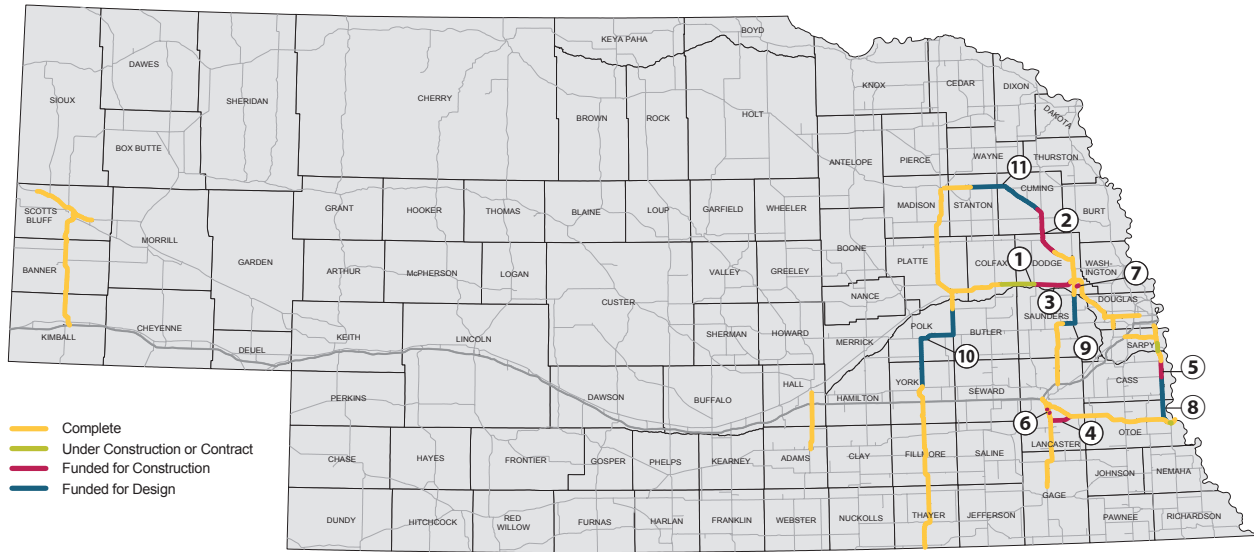
Expressway System

In 1988, the Legislature placed into law the creation of an Expressway System. The first needs analysis presented by NDOT in December 1988 identified the highways to be included. The Nebraska Expressway System was expanded to encompass 16 corridors of approximately 600 miles, based on:

- **Socioeconomic Data:** Employment data, population and demographic trends, economic activity as based on sales tax revenue agricultural production
- **Connecting Urban Centers to the Interstate:** Population over 15,000
- **Serve Commercial Traffic:** More than 500 trucks traveled on average daily
- **Continuity Between Expressway Segments**

NDOT has completed approximately 70 percent of the Expressway System expansion. The rest of the Expressway System is either currently under construction or is funded for construction, design or planning.

Original Nebraska Expressway System (1988) Progress Map



Under Construction or Contract

- ① US-30 Rogers to North Bend, 4-Lane Divided Expressway on new Alignment

Funded for Construction

- ② US-275 Scribner to West Point 4-Lane Divided Expressway
- ③ US-30 North Bend to Fremont 4-Lane Divided Expressway on New Alignment
- ④ N-2 Lincoln South Beltway 4-Lane Divided Expressway on New Alignment
- ⑤ US-34/US-75 Murray to Plattsmouth 4-Lane Divided Expressway
- ⑥ US-77 Lincoln West Beltway Interchanges at Warlick Blvd. & Pioneers Blvd.
- ⑦ US-77 Fremont Southeast Beltway 4-Lane Divided Expressway on New Alignment

Funded for Design

Construction Estimated to Start 2024-2033

- ⑧ US-75 Nebraska City to Murray 4-Lane Divided Expressway
- ⑨ US-77 Wahoo to Fremont 4-Lane Divided Expressway
- ⑩ US-81 York to Columbus 4-Lane Divided Expressway
- ⑪ US-275 West Point to West of Pilger 4-Lane Divided Expressway

2016 Selections

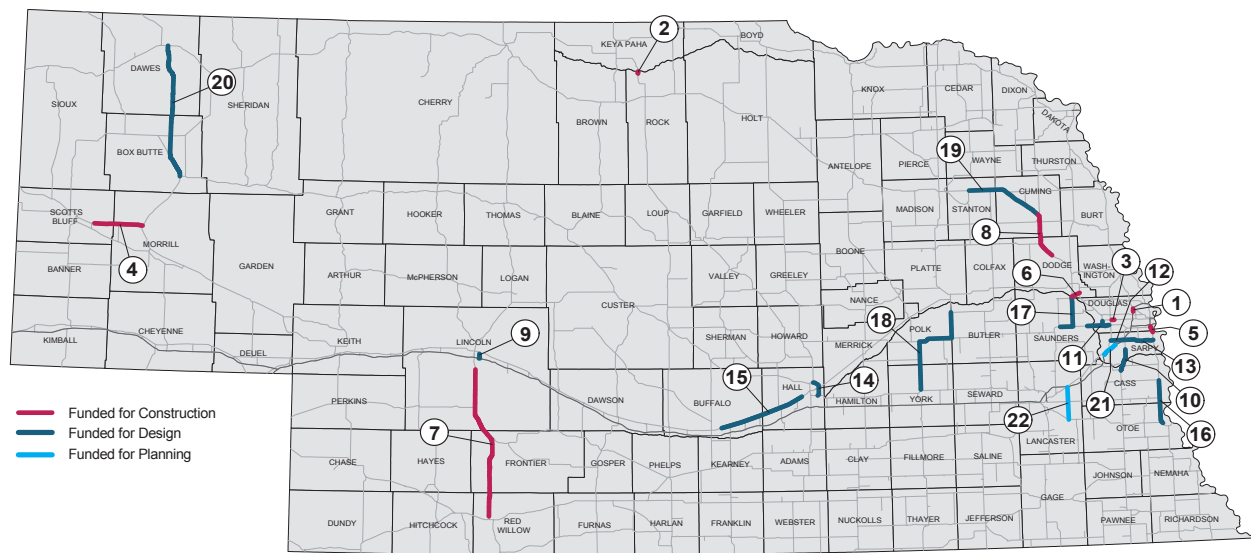
In the summer of 2016, NDOT rewrote the book on Capital Improvement selection. The new selection process, StEEP (Stakeholder.Engineering. Economics.Priorities.), incorporated a listening campaign that emphasized public input. StEEP was used to prioritize candidate projects that reflect the connection between transportation investments and the economy. More than 2,000 Nebraskans participated in the process that identified more than \$8 billion in potential transportation projects for funding consideration. Candidate projects were evaluated for their economic and engineering performance and given an overall performance score. Projects were selected based on performance scores and other important considerations, such as geographic inclusion, progress on Expressway and High Priority Corridors, Interstate and Expressway connectivity, and available supplemental funding.

The StEEP selection process resulted in a \$300 million investment in eight construction projects, 12 design projects and the planning of two more. These selections were funded by a combination of the BNA Next 10 Years and the TIA projected revenues anticipated by 2033. The investments will improve safety on our highways, promote economic growth throughout the state and fulfill the 1988 vision to expand Nebraska's Expressway System.

In September 2016, NDOT announced that 100 percent of the Expressway System was either complete, under construction or funded for construction or design.

2016 Selections

Locations Selected for Construction, Design and Planning in the Next 10 Years of the Build Nebraska Act and the Transportation Innovation Act



Funded for Construction

	Estimate (millions)
① I-680 Fort St. to Irvington St. 6-Lane Reconstruction	\$30
② N-7 Bassett to Springview Modernization	\$10
③ US-6 192nd & West Dodge Rd., Omaha Interchange Reconstruction	\$21
④ US-26 Minatare to US-385 4-Lane Divided Highway	\$60
⑤ US-75 Chandler Road, Northbound Additional Lane, NB	\$9
⑥ US-77 Fremont Southeast Beltway 4-Lane Divided Expressway	\$54
⑦ US-83 McCook to North Platte Super 2	\$60
⑧ US-275 Scribner to West Point 4-Lane Divided Expressway	\$120

Funded for Design

⑨ I-80 Newberry Interchange & L56G to US-30 Modified Interchange & 4-Lane Construction
⑩ N-50 Louisville to Springfield 4-Lane Divided Highway
⑪ N-92 Yutan East Corridor 4-Lane Divided Highway
⑫ N-370 Gretna East to I-80 6-Lane Reconstruction
⑬ N-370 I-80 to Bellevue 6-Lane Reconstruction
⑭ US-30 Grand Island East Bypass 4-Lane Divided Highway
⑮ US-30 Kearney to Grand Island Super 2
⑯ US-75 Nebraska City to Murray 4-Lane Divided Expressway

⑰ US-77 Wahoo to Fremont 4-Lane Divided Expressway
⑱ US-81 York North 4-Lane Divided Expressway
⑲ US-275 West Point to West of Pilger 4-Lane Divided Expressway
⑳ US-385 Alliance to Chadron Super 2

Funded for Planning

㉑ I-80 New Interchange(s), Omaha New Interchange(s)
㉒ New Lincoln East Beltway 4-Lane Divided Highway

Finance Innovation for Lincoln South Beltway

The Build Nebraska Act and the Transportation Innovation Act have been critical to jump-starting NDOT's ability to deliver important capital improvement projects that will improve our transportation system and grow our economy. An example is the Lincoln South Beltway project, a project that has been in the planning stages for decades but now slated to begin construction in 2020. The Lincoln South Beltway is the largest project for the NDOT at an estimated cost of over \$300 million. The project will construct a new freeway that will serve as the primary route between U.S. Highway 77 (US-77) and existing Nebraska Highway 2 (N-2). The Lincoln South Beltway will improve safety and east-west connectivity for regional and interstate travel.

However, as important as the Lincoln South Beltway project is, the sheer size of the project created challenges. Typically, NDOT would undertake a large project of this nature over multiple construction contracts as annual funding permitted, in this case likely over a period of eight years.



Fortunately, the NDOT has laid out a solution that gets the project built more quickly; expediting the safety and economic benefit, while keeping NDOT's statewide transportation program intact. The project will now be constructed in three years, but paid for over the same eight-year timeframe that would be expected under a phased approach. To do this, NDOT will use a traditional low-bid contract, but with an established project schedule. NDOT has established a maximum quarterly payment schedule of no more than \$7.5 million per calendar quarter, or \$30 million per year. As the contractor earns amounts for work accepted but not paid in cash during construction, NDOT will issue Deferred Contract Payment Certificates (DCPC.) The DCPCs are evidence of NDOT's obligation to make continued quarterly payments beyond the period of construction over whatever time period is necessary to pay the total contract price, subject to appropriations of legally available funds.

To complement the cash payments received from NDOT, the contractor will have the option of selecting a financing solution, such as self-financing, bank financing, bond financing, and the US Department of Transportation Build America Bureau's Transportation Infrastructure Financing and Innovation Act (TIFIA) loan program.

The DCPCs may be used by the contractor to draw from financing sources to pay their costs during construction. For each DCPC issued by NDOT, the contractor will identify the financing partner to whom they have assigned the DCPC amount and the DCPCs future payment due date, which will be scheduled to coincide with the maximum quarterly payment schedule. After construction has been completed, NDOT will continue to pay on the DCPCs pursuant to the maximum payment schedule and as specified by the DCPCs.

County Bridge Match Program

Overview

The County Bridge Match Program (CBMP) is an example of NDOT's commitment to working with local agencies and counties to address transportation concerns of the system statewide. CBMP allocates up to \$40 million from the TIB for the innovative replacement and repair of structurally deficient bridges on county roads. CBMP awards will fund 55 percent of the bridge construction costs, up to \$200,000 for each bridge. The program will sunset in 2023.

A working group of NDOT and county officials developed the selection criteria and program details, which are available at dot.nebraska.gov/projects/tia/bridge-match.

Eligible bridges are:

- Structurally deficient
- Greater than 20 feet long
- Located on a roadway classified as a local road or above (minimum maintenance roads are excluded)

Progress

Rounds 1 & 2

Proposals

- 148 proposals
(32 are multi-county)

Selections

- 44 Total Awards – \$8 million
- Replaced or removed 134 bridges in 47 counties
- Generated \$15.5 million in construction

Round 3

October 2018 Proposals

- 79 proposals from 54 counties
(21 were multi-county)

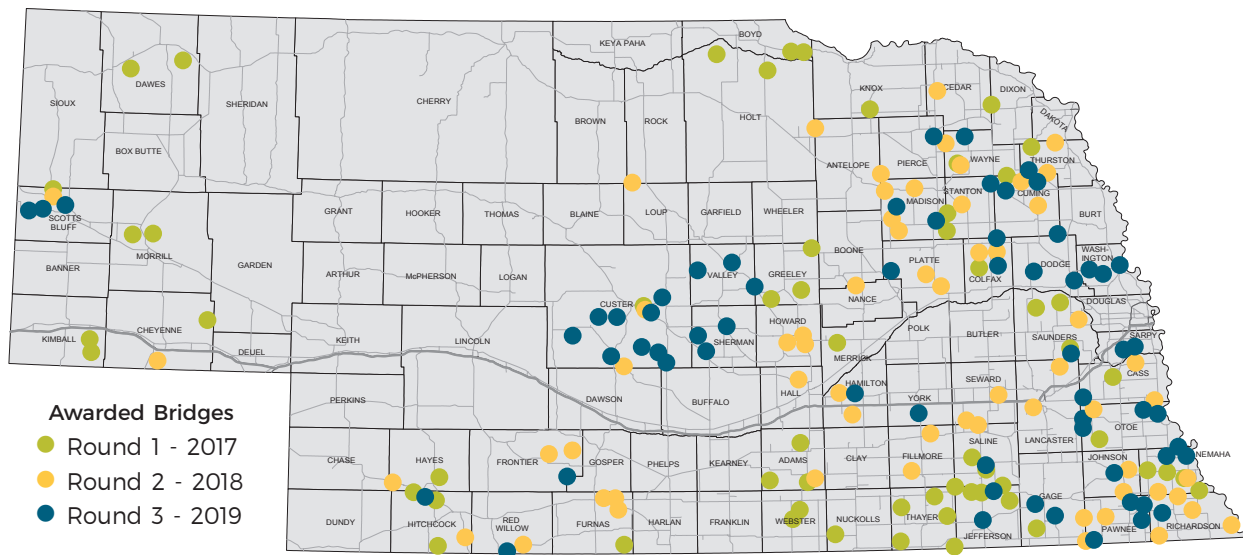
January 2019 Selections

- 21 Total Awards – \$4 million
- Will replace or remove 66 bridges in 29 counties
- Will generate \$10.1 million in construction

Types of Bridges to be Constructed – Round 3

- 29 culvert pipes (some non-bridge length)
- 10 concrete box culverts
- 7 bridge removals
- 9 rehabs or repairs
- 8 precast deck panels
- 3 pre-stressed concrete girder bridges

Bridges Funded for Construction



The list of selected bridges is available at: <https://dot.nebraska.gov/projects/tia/bridge-match>

The CBMP encourages innovative ideas and solutions that positively impact the design, construction and maintenance of bridge replacement and repair projects.

Program innovations implemented thus far include:

- **Bundling multiple bridges** awarded two or more similar bridge projects to a single contractor to reduce bid prices and save money.
- **Multi-county coordination** saw counties cooperate by combining similar projects.
- **Construction with county forces** focused on building bridges with county employees and equipment.
- **City, county and NRD coordination** developed a flood control project to reduce flows and require shorter, less expensive bridges.
- **Bridge removals** took down deficient bridge spans.
- **Rehabilitation/repair** updated still-viable spans.
- **Replacement with non-bridge length structures** allowed some counties to substitute culvert piping for bridge-length spans.
- **Construction with precast concrete deck panels** permitted on-site assemblage of components made elsewhere.
- **Multiple culvert pipes** replaced spans with roadway atop a series of culvert openings.



Multiple culvert pipe structures are an inexpensive way to quickly replace structurally deficient bridges.

Economic Opportunity Program

Overview

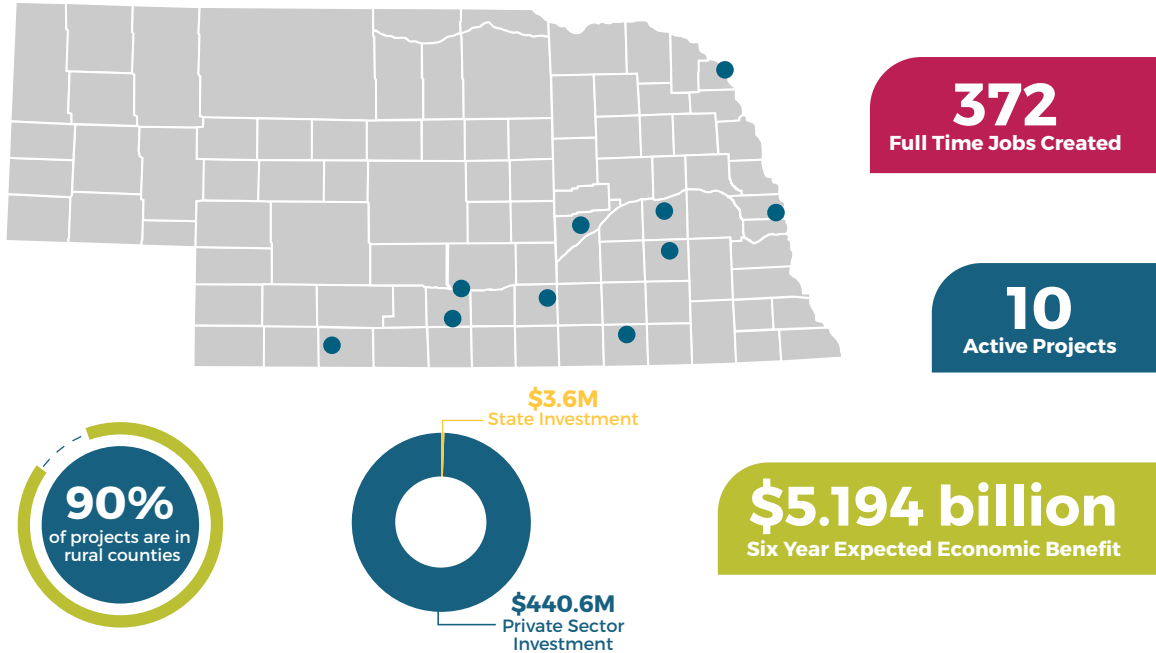
The Economic Opportunity Program (EOP) targets transportation projects that connect new or expanding businesses to Nebraska's multimodal transportation network, with the goal of creating jobs and private investment in Nebraska. This TIA Program is administered and ran as a partnership between NDOT and Nebraska Department of Economic Development (NDED).

Program criteria includes:

- Projects must show a clear need for transportation improvements that enhance economic prosperity within the State of Nebraska.
- Projects must lead either to immediate creation or to retention of permanent, high quality, private sector jobs, or to new private capital investment in Nebraska.
- Only local public entities (e.g. Nebraska cities, counties, or Metropolitan Planning Organizations) can apply for EOP funding, but NDOT encourages supporting participation by private sector beneficiaries.
- Recipients must provide matching funds equal to at least 25 percent of eligible project costs.
- Recipients are responsible for ensuring that funds are used only for projects that meet EOP Program goals. Funds used in projects that do not meet those goals will be subject to repayment to the NDOT.
- Complete program guidelines can be found at dot.nebraska.gov/projects/tia/eco-opp/. NDED performs an economic analysis to determine the impacts of each eligible project.



State and civic leaders joined Scoular executives in Seward, Nebraska, to celebrate the groundbreaking of a new state-of-the-art freeze-dried manufacturing facility. The project is expected to be completed in 2020.



Note: Project information is current as of November 2019. Economic analyses performed by NDED using IMPLAN. The number of jobs anticipated to be created are submitted by applicants and will be documented as a term of the executed agreements.

Progress

The third year of the EOP saw the approval of five EOP grants, four of which are from rural areas. Although two of these projects were shelved by the companies involved, three remain active and are progressing. 2019 also saw progression of the seven active projects approved in previous years. In total, the EOP has ten projects currently active in Nebraska, of which nine are located in rural counties.

The ten approved projects, if completed as anticipated and as agreed to, will create a total of 372 new jobs. These projects bring a total of approximately \$441 million in private capital investment to Nebraska. All of these new jobs are within industries that NDED has identified as a priority, such as manufacturing, research and development, or transportation logistics, to name a few. Each project has been analyzed and shown positive economic return on investment prior to the application being approved. It is anticipated that six years of operation of these companies, which would have otherwise not been located in Nebraska, will impact the state's economy by approximately \$5.194 billion. These jobs and this economic activity were made possible by a total investment by the state of Nebraska of approximately \$3.6 million.

Spotlight on the City of Seward

The City of Seward had been seeking opportunities to launch a business park west of Nebraska Highway 15 on the south end of town for some time, however, suitable access to the location had long been a hindrance. An approved EOP grant, along with collaboration by state and city officials, was hugely influential in overcoming the cost of improving the access from the highway, which allowed the City to secure a commitment from a manufacturing company to locate their new facility in this location. Scoular Inc. is anticipated to create approximately 100 new full-time positions in this location, generating an economic impact of over \$1 billion in six years of operation. This project is expected to be completed in 2020.

NDOT Mission Statement

We provide the best possible statewide transportation system for the movement of people and goods.



County Bridge Match Program Project North of Creighton (*Before*)



County Bridge Match Program Project North of Creighton (*After*)



County Bridge Construction Site West of Palmyra