



WE WANT TO HEAR FROM

You 

Thank you for coming today.

Transportation and the Nebraska economy are linked in many ways, and the Nebraska Department of Roads (NDOR) is updating its capital improvement project prioritization process to better reflect that connection. It's nearly time to select the next round of Build Nebraska Act (BNA) projects which presents a good opportunity to use a new prioritization process that better reflects the needs of our state and its citizens.



As I toured Nebraska last summer, I heard from many stakeholders who want to be more involved in the project prioritization process, and many who think transportation investments should be more closely linked to growing Nebraska's economy. Based on that feedback, we're holding regional meetings and providing materials online to give you an opportunity to provide input before decisions are made and projects are selected.

The updated prioritization process that we're sharing with you today will better consider economic impacts and include more stakeholder input. It's a process that will be used to prioritize capital improvement projects, like adding new lanes or building new expressways or viaducts. And while this new process won't be the only factor used when selecting the next round of projects, it will be a key factor.

We need your input, specifically on two key questions today:

1. What are your thoughts on project prioritization? We are introducing a draft updated project prioritization process and want your feedback.
2. Have we missed projects that are important to you? We are presenting the current list of candidate projects for funding under the BNA and want to know if we've missed any projects that ought to be considered.

Last year NDOR launched an Innovation Task Force made up of stakeholders from across the state. They are charged with exploring ways to innovate and improve business practices at NDOR and looking at national trends to examine how transportation investments can help grow Nebraska. We presented information on an updated prioritization process to them at their first meeting and are happy to report that they support our general approach to updating the prioritization process.

I appreciate you taking time to participate in our outreach efforts, and I look forward to hearing your input.

Kyle Schneweis

Director, Nebraska Department of Roads

BUILD NEBRASKA ACT

THE NEXT 10 YEARS

The Build Nebraska Act (BNA) is a 20-year transportation funding program. Approved in 2011 by the Nebraska legislature, it includes \$1.2 billion in funding for capital improvement projects across the state. Seventeen projects totaling \$600 million were selected for the first 10 years of the program. Today, four of those projects have been completed, five are under construction and the remaining eight are under development. NDOR is committed to having these projects open to traffic or under construction by the end of 2023.

Selecting the First BNA Projects

Engineering performance was the starting point for making project selections for the first 10 years of the BNA. Data related to the amount of car and truck traffic on a roadway, travel time savings, safety, and maintenance and operation costs were evaluated for proposed highway improvements. A benefit/cost analysis was conducted so that projects could be compared against one another. In addition to engineering performance, the selection process also took many other factors into account including the Legislative intent of the BNA, if a project would be ready to build within 10 years, the geographic distribution of projects across the state, and completing corridors that had been started but remained unfinished.

Updated Prioritization Process

To better reflect the link between transportation and the Nebraska economy and to increase stakeholder input, NDOR is updating its project prioritization process.

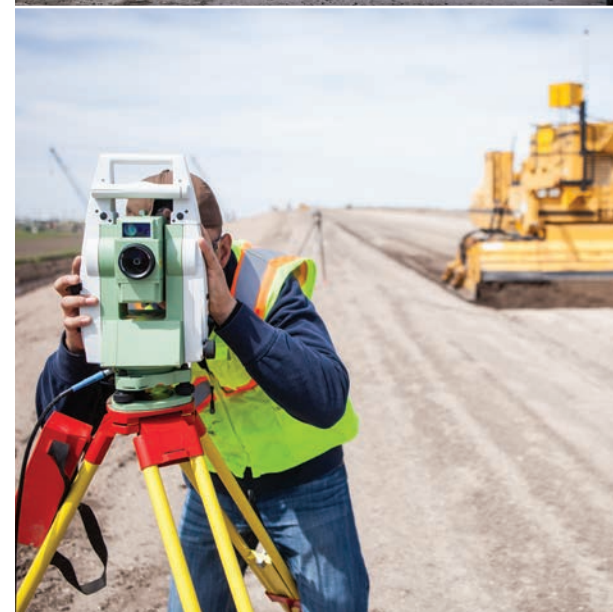
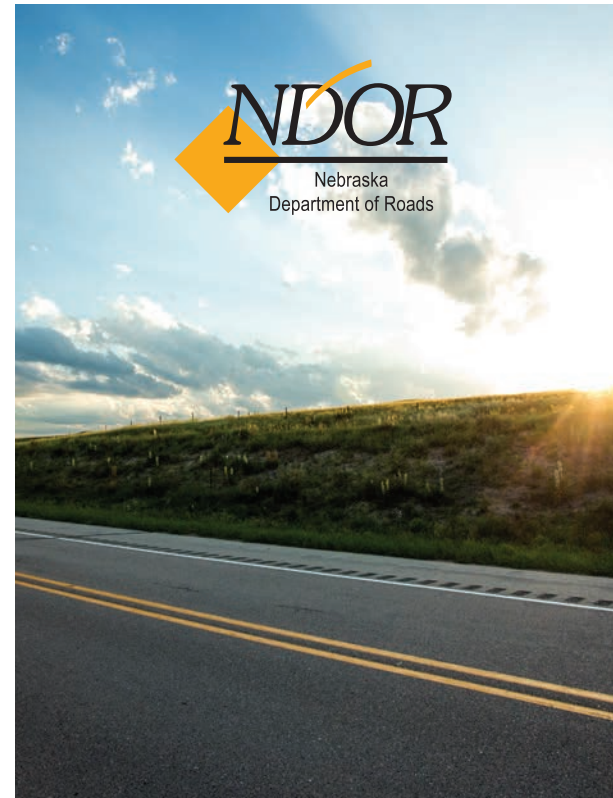
The updated process will have three primary components:

1. Engineering performance – The updated process continues to use the same foundation as the previous prioritization process



2. Economic performance - Analyzing the economic performance of proposed projects will help to make sure the state's transportation investments help grow the Nebraska economy.
3. Stakeholder Input – Involving stakeholders leads to better decisions, so the new process will include more opportunities for input.

The new prioritization process is an important first step in selecting the next round of BNA capital improvement projects. These are projects that often add new lanes or build new expressways or viaducts. While this project prioritization process will be important in helping the agency select projects, it isn't the deciding factor. In addition to looking at how a project scores based on engineering performance and economic performance, NDOR has to balance many other important considerations when making final project selections. These include stakeholder input, geographic inclusion, corridor completion, and the availability of supplemental funding.



Incorporating Economic Performance

NDOR is considering the use of the following to measure a project's economic performance:



FOR EXAMPLE

By adding passing lanes to a highway that leads to a food processing plant, businesses may be able to make same-day deliveries to markets further away at a lower cost.

Increasing access to markets and reducing delivery costs can result in increased revenues and job growth.

- **Job Growth and Income:** Estimating the growth of permanent jobs and income that result from the transportation project.
- **Growth in Gross State Product:** Estimates the net increase in overall business activity resulting in the state from the project.
- **Account for Economic Distress:** Consider how job and income growth may be valued differently in economically distressed counties.

Differences between rural and urban areas will be accounted for.



FOR EXAMPLE

Using the example above, the Gross State Product would also increase due to increased net revenue.

Looking at economic performance as part of the project prioritization process can help differentiate between seemingly similar projects. Sometimes projects look similar due to engineering performance. When you consider economic performance you can see the difference. The following is an example of how measuring a project's economic performance can help NDOR to better compare projects.

TWO PROJECTS. TWO DIFFERENT VALUES TO NEBRASKA.



EXAMPLE PROJECT A

Engineering Performance Analysis:

- Costs \$3 million
- Saves \$5.3 million in travel time
- 70% pass through traffic
- Serves mostly households & non-business locations
- Benefit/Cost = 1.76

Economic Performance Analysis:

- **100 Jobs for 25 years**
- **\$1.4 million business sales**
- **\$600,000 wage income**
- **\$830 million Gross State Product**



EXAMPLE PROJECT B

Engineering Performance Analysis:

- Costs \$3 million
- Saves \$5.3 million in travel time
- 30% pass through traffic
- 30% trucks
- Serves major industry locations
- Benefit/Cost = 1.76

Economic Performance Analysis:

- **200-300 Jobs for 25 years**
- **\$8.5 million business sales**
- **\$2.2 million wage income**
- **\$3.2 billion Gross State Product**

THE SELECTION PROCESS

PRIORITIZATION



Now: LISTENING



Public provides input at meetings or online on the proposed prioritization process and candidate project list.



PUBLIC MEETINGS

Alliance • January 12, 2016
Knight Museum & Sandhills Center
908 Yellowstone Alliance, NE

Lexington • January 14, 2016
Lexington Public Library
907 N Washington, Lexington, NE

Columbus • January 19, 2016
Holiday Inn Express & Suites Columbus
524 E 23rd Street, Columbus, NE

Ashland • January 21, 2016
ConAgra Theatre - Air & Space Museum
28210 W Park Hwy, Ashland, NE

SELECTION



Spring: PUBLIC REVIEW



The public reviews preliminary results and provides feedback.



LEAVE COMMENTS AND SUBSCRIBE FOR UPDATES ONLINE



FINAL SELECTION & ANNOUNCEMENT

NDOR considers the project analysis, feedback and many other important factors when making final project selections. Announcements are anticipated in summer 2016.



<http://roads.nebraska.gov/projects/bna/next10>