

Transportation Innovation Act and Build Nebraska Act

NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF TRANSPORTATION

2018



Nebraska City Southeast, east junction of U.S. Highway 75 (US-75) and Nebraska Highway 2 (N-2).

Pete Ricketts
Governor

Kyle Schneweis, P.E.
Director

EXECUTIVE SUMMARY

Together the Transportation Innovation Act and the Build Nebraska Act have allowed the Nebraska Department of Transportation to plan for the future, while preserving the state's transportation network. These strategic investments help expedite planning, development and construction for a 21st Century Infrastructure. The tools and funding that resulted from the Transportation Innovation Act and Build Nebraska Act are vital to Nebraska's continued 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.

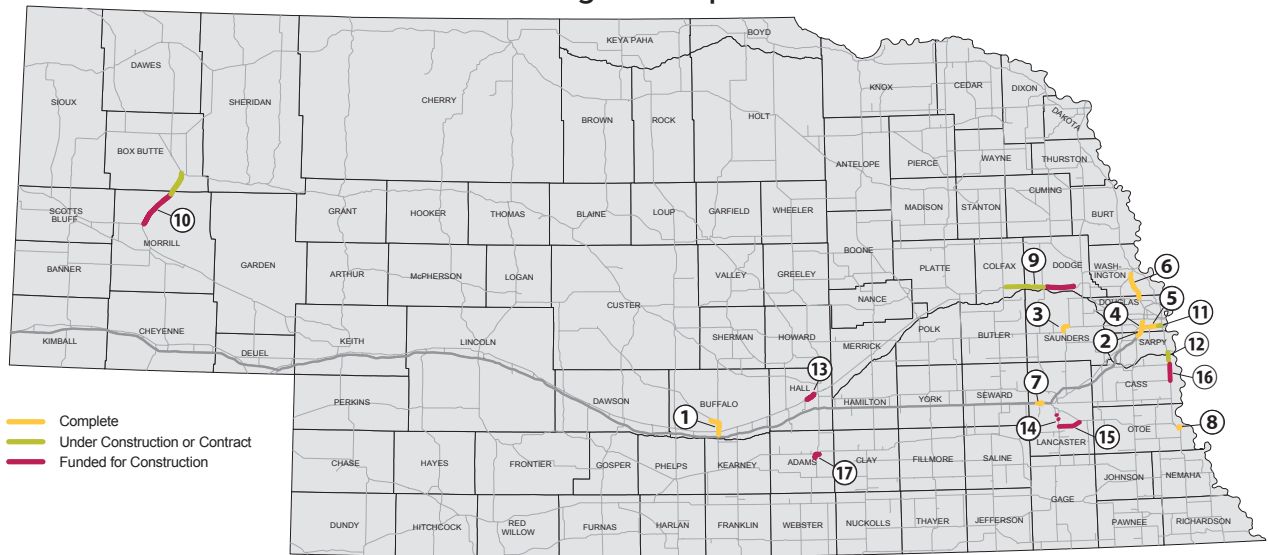
Revenue

This Act 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 for NDOT 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)	Under Construction or Contract	Estimate (millions)	Funded for Construction	Estimate (millions)
① N-10 Kearney East Bypass 4-Lane Divided Highway	\$50	⑨ US-30 Schuyler to Fremont 4-Lane Divided Expressway	\$172	⑬ US-30/281 West Grand Island 4-Lane Divided Expressway	\$29
② I-80 126th to 96th, Omaha Additional Lane, EB	\$12	⑩ US-385 L62A to Alliance 4-Lane Divided Highway	\$68	⑭ US-77 Lincoln West Beltway Interchanges at Warlick Blvd. & Pioneers Blvd.	\$35
③ US-77 Wahoo Bypass 4-Lane Divided Highway	\$22	⑪ I-80 24th to 13th, Omaha Additional Lane, EB & WB	\$21	⑮ N-2 Lincoln South Beltway 4-Lane Divided Expressway on New Alignment	\$300
④ I-680 Center to Pacific St., Omaha Additional Lane, NB	\$5	⑫ US-75 Plattsmouth to Bellevue (North of Platte River) 4-Lane Divided Expressway	\$41	⑯ US-34\US-75 Murray to Plattsmouth 4-Lane Divided Expressway	\$44
⑤ I-80 60th to 24th, Omaha Additional Lane, WB	\$9			⑰ US-6 Hastings Southeast 5-Lane Urban Highway	\$35
⑥ N-133 Blair to Omaha 4-Lane Divided Highway	\$36				
⑦ I-80 NW 56th to US-77, Lincoln 6-Lane Reconstruction	\$43				
⑧ US-75 Nebraska City Southeast Interchange Reconstruction	\$30				

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 LB 610 (2015). The fuel-tax revenue is projected to generate \$400 million for infrastructure investment prior to the 2033 sunset of the TIB.

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

This 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.

This 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

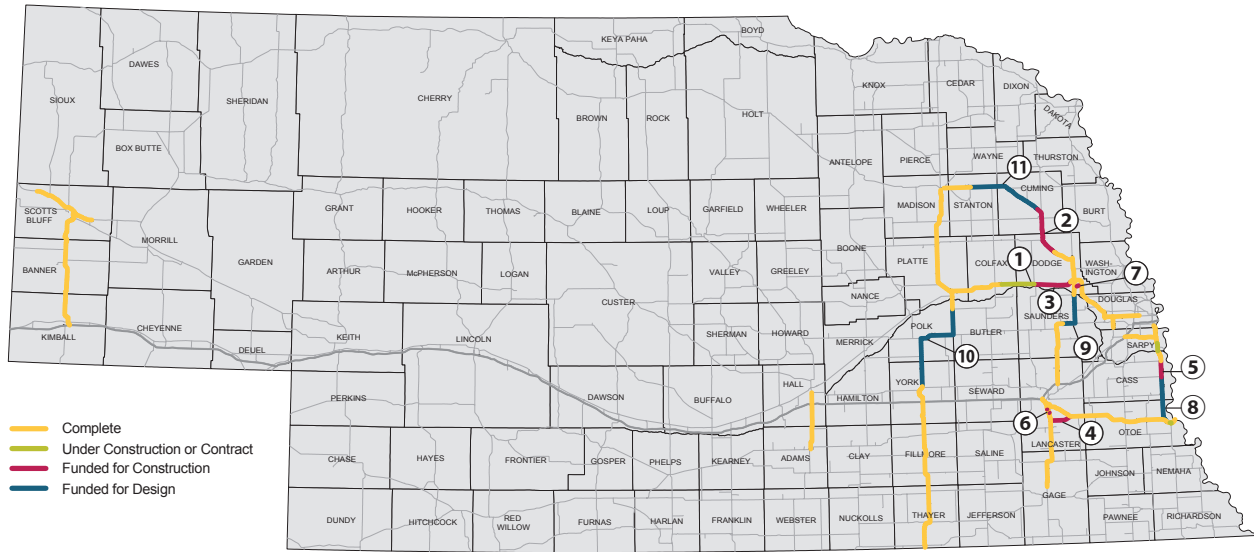
Expressway System

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

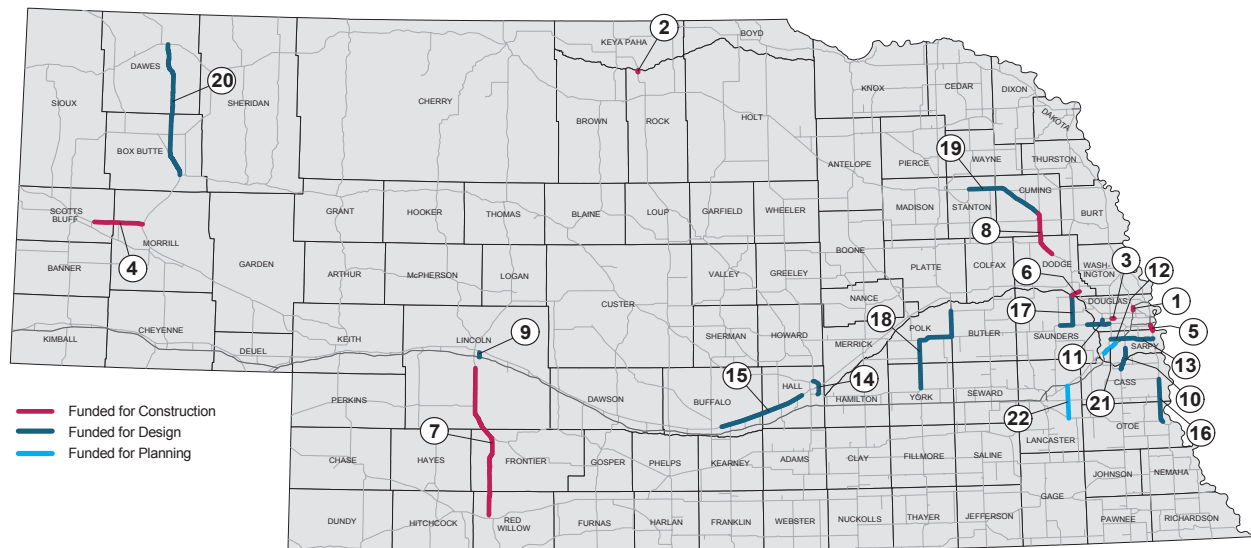
2016 Selections

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.

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

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

Number	Description	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	\$43
7	US-83 McCook to North Platte Super 2	\$60
8	US-275 Scribner to West Point 4-Lane Divided Expressway	\$109

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

Right Sizing Innovation

Selection – The StEEP (Stakeholders. Engineering. Economics. Priorities) process used in the next 10 years project selection process introduced the Super 2 concept to Nebraska. Through the StEEP process communities learned how Super 2's can provide an alternative solution to addressing transportation challenges. In many cases, constructing a Super 2 can provide substantial improvements for a community or region at a reduced cost. The innovative approach maximizes transportation investments to meet the needs of the traveling public in a fiscally responsible manner.

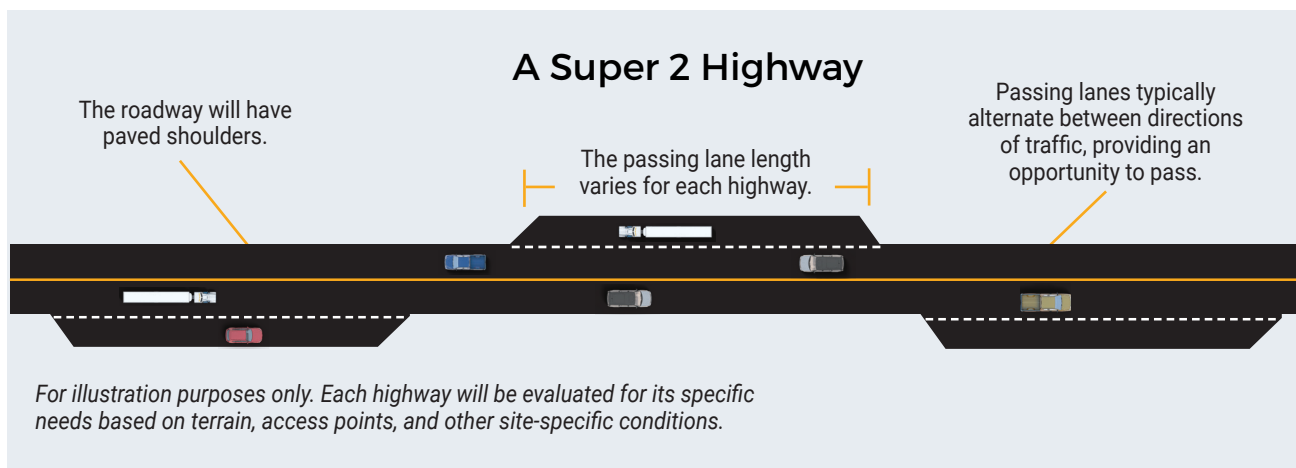
What is a Super 2? A Super 2 is a two-lane highway that has paved shoulders and passing lanes based on the specific conditions of the highway. The Super 2 concept provides improved traffic operations and cost effectiveness. Super 2s are most often found in more rural areas and have some level of access control, which means there are a limited number of driveways and roads directly connected to the highway.

Future Super 2s – NDOT (through the StEEP process) has identified three corridors at this time to be pursued as a Super 2.

- McCook to North Platte on US-83 selected for construction
- Kearney – Grand Island on US-30 selected for design
- Alliance – Chadron on US-385 selected for design

The McCook to North Platte corridor will be the first Super 2 constructed in the state. The first segment of the corridor is currently being designed and is scheduled for construction in the 5-year program. While the preference of stakeholders in McCook and North Platte was to upgrade the corridor to a 4-lane facility, stakeholders recognized that a Super 2 concept was a viable option that would likely address the transportation issues. Furthermore, the project performed in the top 25% of all projects analyzed in both the engineering and economic categories.

Guidelines – Standardized Super 2 Guidelines are used in the design of Super 2 projects throughout the state. The guidelines provide direction on all aspects of designing a passing lane, including how to locate a passing lane, recommended average spacing, geometric design, effective signage and pavement markings, and the traffic and safety benefits of passing lanes. The guidelines were designed to be flexible as a Super 2 is not a one size fits all solution to all corridors.



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 \$150,000 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

Round 1

October 2016 Proposals

- 80 proposals from 61 counties (12 are multi-county)

January 2017 Selections*

- 22 Total Awards – \$4 million
- Replaced or removed 68 bridges in 32 counties
- Generated \$7 million in construction

**All CBMP proposals selected in January 2017 are required to have construction completed by the end of 2018.*

Round 2

October 2017 Proposals

- 68 proposals from 59 counties (20 were multi-county)

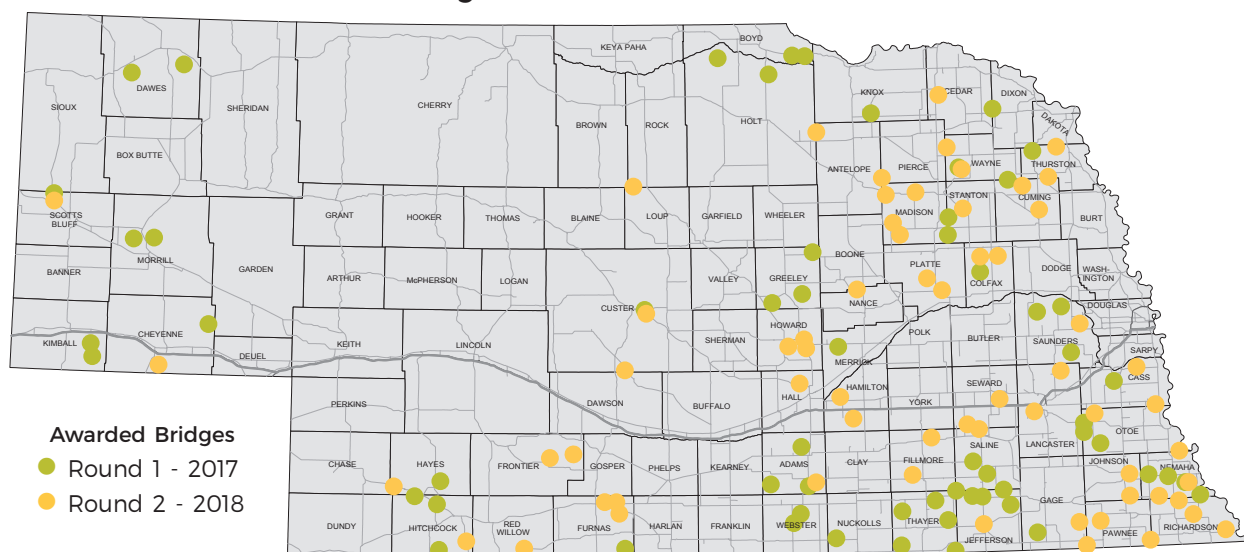
January 2018 Selections

- 22 Total Awards – \$4 million
- Will replace or remove 66 bridges in 35 counties
- Will generate \$8.5 million in construction

Types of Bridges to be Constructed – Round 2

- 34 culvert pipes (some non-bridge length)
- 15 concrete box culverts
- 6 bridge removals
- 5 rehabs or repairs
- 3 precast deck panels
- 3 steel 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.



Culvert piping has been or will be used to replace 73, or 54%, of the 134 bridges selected during the County Bridge Match Program's first two rounds. 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.



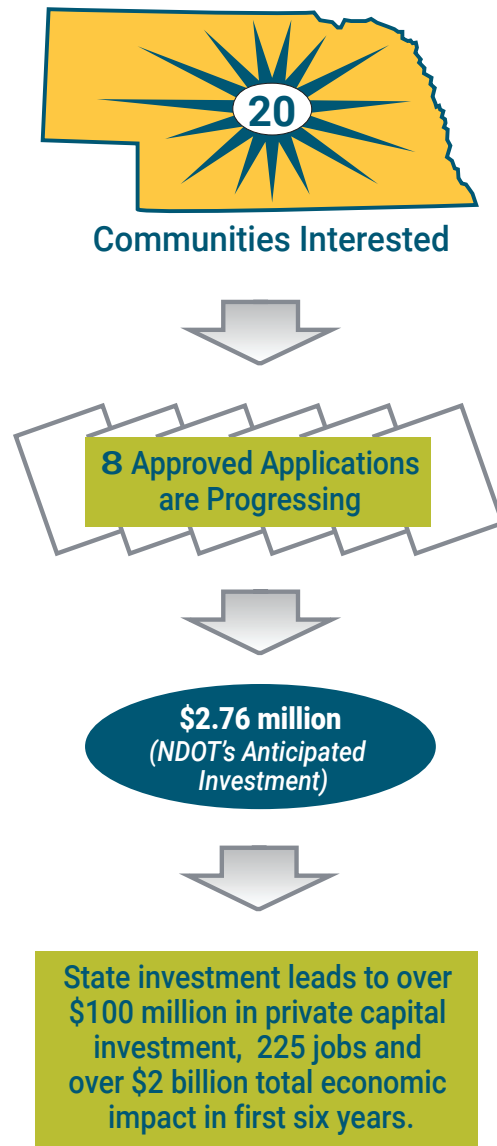
Governor Pete Ricketts spoke at the Preferred Popcorn facility's groundbreaking ceremony.

Progress

The second year of the EOP saw increased statewide interest in the program. NDOT has received inquiries from 20 communities as their economic development recruiters seek to bring jobs and investment into their area. In 2018, the EOP panel approved seven applications, up from four in 2017, with all seven recipients actively progressing towards project completion. This shows a substantial improvement in the quality of projects applying for the EOP, and a higher likelihood that the program will lead to greater business expansion in Nebraska. There is one project from 2017 which is actively progressing.

The eight approved projects, if completed as anticipated, would create a total of more than 200 new jobs and approximately \$100 million in private capital investment into Nebraska's economy. All 225 of these newly created positions are anticipated to be within an industry that NDED has identified as a priority, such as manufacturing, research and development, or transportation logistics. Each project has been analyzed and has shown positive economic return on investment prior to the application being approved.

The employment and investment gains anticipated from this year are in addition to the first EOP project in Merrick County, where Preferred Popcorn LLC is making progress towards a nearly \$6 million expansion of its business activities. Merrick County and NDOT are dividing the cost of paving 1.25 miles of gravel on Merrick County Road 9 between US-30 and the Preferred Popcorn facility. Approximately \$13 million of economic output is projected in Nebraska during the first year of expanded operation. The expansion will create at least 10 new full-time jobs, paying an anticipated \$290,000 in wages in their first year.



Note: Applicant information is current as of November 2018. 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.

NDOT Mission Statement

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



County Bridge Construction Site West of Palmyra



County Bridge Match Program site in Thayer County



Construction on Nebraska City Project