

# Accelerating to Deliver: An innovative approach to funding the Lincoln South Beltway

## OVERVIEW OF INNOVATION

After decades of planning, construction on the Lincoln South Beltway, one of the largest capital improvement projects ever undertaken by NDOT, began in May 2020. It will cost over \$350 million and will serve as the primary route between US Highway 77, west of Lincoln, and Nebraska Highway 2 east of Lincoln.

Typically, as a pay-as-you-go state, NDOT would undertake a project this large using multiple construction contracts as annual funding permitted, likely over a period of eight years, much too long if innovative funding approaches can be applied to accelerate completion. For the Lincoln South Beltway, the department is using an innovative approach, the issuance of Deferred Contract Payment Certificates (DCPC), to allow completion of the project in only three years.

As the contractor earns amounts for work completed, NDOT will issue the contractor Deferred Contract Payment Certificates, obligating the Department to pay for the completed work. NDOT will provide a maximum quarterly payment of up to \$7.5 million or \$30 million per year. The quarterly payments to the contractor will continue until payment of all obligations is complete. For each DCPC issued, the contractor will identify the financing partner to whom the DCPC amount has been assigned. Payment of the quarterly amounts is dependent upon the Nebraska Legislature appropriating the needed funds.



Source: NE Dept. of Transportation

## BENEFITS

The Lincoln South Beltway will improve safety and east-west connectivity for regional and interstate travel through Nebraska, reduce conflicts along existing urban streets in Lincoln between local and through traffic, especially heavy truck traffic which could bypass Lincoln, and facilitate travel across the southern boundary of the City of Lincoln. The accelerated project delivery will bring the traveling public these benefits much faster, rather than an unconnected beltway for eight years, and at a lower cost due to construction inflation savings.

## FIND OUT MORE . . .

- [Lincoln South Beltway Website:](https://dot.nebraska.gov/lincoln-south-beltway/)  
<https://dot.nebraska.gov/lincoln-south-beltway/>
- [Lincoln South Beltway on Twitter:](https://twitter.com/LNKSouthBeltway)  
<https://twitter.com/LNKSouthBeltway>
- [Lincoln South Beltway Celebration Video:](https://www.facebook.com/watch/live/?v=2697456123803524&ref=watch_permalink)  
[https://www.facebook.com/watch/live/?v=2697456123803524&ref=watch\\_permalink](https://www.facebook.com/watch/live/?v=2697456123803524&ref=watch_permalink)

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