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DEPARTMENT OF TRANSPORTATION

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Pete Ricketts, Governor

FOR IMMEDIATE RELEASE

Nebraska Department of Transportation Examining Next Steps with Contractor on Lincoln South Beltway Project

March 23, 2020 (Lincoln, Neb.) — Today, the Nebraska Department of Transportation (NDOT) announced they are negotiating a way forward on the construction of the Lincoln South Beltway following notification from the contractor that they were unable to achieve financial close.

In 2019, NDOT announced the use of an innovative financing approach to accelerate construction and allow the project to be built over three years but financed over the original timeframe laid out in the phased construction approach. The South Beltway was unique in that the contract signed in December 2019 provided for a partnership between NDOT and Hawkins Construction to extend the payments for work completed beyond the project completion date.

The approach requires NDOT to pay a set amount quarterly and the contractor to obtain financing to cover costs throughout the duration of construction. Due to the instability in the financial markets from COVID-19, Hawkins Construction notified NDOT that they were unable to finalize their financial package within the scheduled timeframe. NDOT has been in discussions with Hawkins Construction and are working together to resolve challenges and move the project forward.

The NDOT and Hawkins Construction will continue to work through potential scenarios to minimize impact to the project schedule. Construction is anticipated to continue through the negotiations.

“Although this is a surprising development,” said NDOT Director Kyle Schneweis, “NDOT remains committed to the Lincoln South Beltway project. In some ways, for a project that has had so many hurdles, this is just one more. We could not have imagined the scenario that got us here today, but our team has been hard at work with the Hawkins team examining every possible option to minimize the potential impact on the project’s schedule. We’ll know more in the coming days and be able to communicate better what this means to Nebraskans.”

#MORE#



The Lincoln South Beltway is the largest and one of the most complex projects the NDOT has undertaken. The \$352,191,375 contract covers construction of an 11-mile east-west four-lane freeway that will reduce congestion on N-2 through Lincoln and improve regional mobility. Construction began in February 2020 with NDOT, Benesch and Hawkins Construction hosting a pre-construction meeting on March 11 to layout final project phasing and detour routes to the public.

NDOT will update the public as more information is available on potential impacts to the project schedule. The project was originally anticipated to be open to traffic in spring of 2023.

The NDOT has been working towards delivery of the South Beltway for decades and following passage of the Build Nebraska Act, the NDOT was able to partner with City of Lincoln, Lancaster County and the US Department of Transportation to secure funding and prioritize the project.

#NDOT#

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