

7.0 RISK ASSESSMENT

The Risk Assessment process considers factors that will or may affect project feasibility. For the Heartland Expressway Corridor Development and Management Plan (CDMP), four types of potential risks were evaluated:

1. Financial
2. Environmental
3. Social
4. Political

The evaluation was conducted using a variety of inputs, including applicability of potential and traditional funding sources (financial), inventories of environmental sensitivities (environmental), interactions with residents, business operators and other stakeholders (social/political), and research involving the political setting of the corridor (political). The results are meant to highlight any issues that could affect Corridor improvements either positively or negatively. Whenever possible, action is prescribed that can help maintain momentum and manage potential risks.

Risks exist in a variety of forms, some of which can be quantified more readily than others. The risk summary for this project is a qualitative assessment based on the evaluation of the significance of the risks identified.

7.1 FINANCIAL CONSIDERATIONS

The funding gap, explained in Chapter 6, identified to construct the improvement program for the Heartland Expressway is significant at \$490 million. With limited abilities to fund the magnitude of this funding gap substantively at the local and state levels, it is clear that the Heartland Expressway Corridor must continue the strong Corridor advocacy with the Ports to Plain Alliance Coalition to continue to have a legislative voice at both the state and federal level in order for development and implementation of the improvements identified along the corridor. The Heartland Expressway Corridor in many ways has created its own momentum by having active, local support and a strong political voice. This momentum must be strengthened, not neglected, if development of the corridor is to be realized. Therefore, a specific impediment to the Corridor development would be not taking advantage of the Heartland Expressway Group and Ports to Plains Alliance Coalition collective voice to maximizing funding opportunities.

The continued economic downturn and reduced Highway Trust Fund revenues threatens the ability to adequately fund infrastructure and represents a strong risk to the implementation of improvements along the Corridor. Nebraska's economy must be strong enough to support the programs that have been put in place to encourage Corridor development, balanced with an appropriate level of risk taken by state leadership to improve infrastructure.

Another financial challenge involves the Heartland Expressway Corridor roadway volumes relative to often far higher volumes and more congestion on other competing corridors. Congestion and associated safety risk frequently garner more attention and funding than rural projects with different core objectives. In response to this challenge, NDOR can emphasize the importance of improved network connections and benefit cost analysis generated for the corridor. More specifically, other kinds of projects cost far more and their results are often limited as urban demand surges to fill additional peak period capacity. The Heartland Expressway Corridor enhances the national network and provides long-lasting benefits within Nebraska while reducing dependence on congested links elsewhere.

To fully fund improvements along the Corridor, the state would need to implement one or more innovative funding options. Promising approaches might include a dedicated vehicle registration fee and severance tax on natural resource extraction, both of which have been successful in other states for funding transportation infrastructure. These types of new revenue for transportation infrastructure projects would need to be supported and advanced through the state legislative process.

Local stakeholders will need to take active roles in developing the Heartland Expressway Corridor, including a constant search for ways to not only advocate, but to also provide financial support for the development of the Corridor. As a corridor project, communities connected by the Heartland Expressway will need to define and act on the mutual benefits of working together. The ability to gain local and state financial contributions to maximize and leverage federal funding will enhance the likelihood of realizing Corridor improvements. In addition to financial contributions, the local communities can look for other opportunities to contribute to the development of the Heartland Expressway Corridor. These potential opportunities include right-of-way donation¹ from local governments or property owners along the corridor and continued strong local and political support at public meetings.

7.2 ENVIRONMENTAL CONSIDERATIONS

Environmental risk is the potential for project implementation delays due to the complexity cost and time associated with regulatory compliance, permitting and other processes and documentation. Much of this discussion is centered on the National Environmental Policy Act (NEPA), which involves specific processes and often extends the timeframes for environmentally “clearing” projects for construction.

The NEPA processes for proposed improvements can vary in terms of complexity and time depending on the type of environmental documentation FHWA feels should be completed. The three main categories for environmental documentation are Categorical Exclusions, Environmental Assessments and Environmental Impact Statements.

Categorical Exclusion (CE) is a straightforward process that can be typically completed in months.

Environmental Assessment (EA) process often takes one or more years to complete.

Environmental Impact Statement (EIS) process often takes two or more years to complete.

The risks associated with the NEPA process are familiar and understood for most project types. These risks include project design, scheduling, and cost uncertainties. The evaluation of alternatives can cause delay, and the development of mitigation requirements to address potential effects can be costly. Project mitigation requirements range from relatively simple and inexpensive actions like maintaining access to properties or construction timing to more complex or expensive requirements such as noise walls or the purchase of land to create habitat for impacted endangered species.

The relative risk is generally measured by the level of impact the project may have on the environment. In summarizing environmental risk, a lower risk is realized if a project requires a CE; a medium level of risk for an EA; and higher level of risk for an EIS. The length of environmental clearance time is considered when evaluating schedule risks. A lower risk is associated with projects that require a shorter environmental clearance time, and a higher risk level is associated with projects requiring a longer environmental clearance time. These levels of risk are based upon consideration of the time required to prepare and process the environmental documentation. As document preparation time increases, the risk to the project also increases.

With the Heartland Expressway Corridor, there are 24 improvement projects that have been identified in the implementation plan. Table 7.1 provides a summary of those improvement projects and an estimate of the anticipated environmental risks associated for each project based on FHWA and NEPA requirements within the State of Nebraska. Factors that influence the level of risk associated with each project include the location of the project in respect to known environmentally sensitive areas. The risk listed in Table 7.1 is based on a very preliminary overview of environmental resources that exist adjacent to the corridor and an estimate if

¹Any property acquisitions, including right-of-way donation, would need to be conducted in accordance with the Uniform Act. For example the owner must be provided an explanation of the acquisition process, including the right of having the agency (i.e. NDOR) appraise the property and to receive and offer of just compensation. Only after receiving such an explanation may the property owner waive these rights and the agency accept the donation (FHWA 2013c).

The document would be a CE, EA or an EIS. Prior to completing any environmental document, an extensive scoping process would be completed that involves the Federal Highway Administration and resource agencies applicable to each project. Based on the result of the project-specific scoping, a final determination would be made of the appropriate level of environmental documentation.

Table 7.1 – Environmental Risk Summary

	Improvement	Sensitivity of the Improvement Site/ Corridor (High, Moderate, Low)	Anticipated NEPA Documentation Requirements (CE, EA, EIS)	Overall Level of Environmental Risk
GROUP 1	US 385 (L62A to Alliance)	Moderate to High	EA	Moderate
	US 385 & US 20 Intersection Improvement	Low to Moderate	EA	Moderate
	US 385 (Super 2 – Alliance to Chadron)	Low to Moderate	EA	Moderate
	US 385 (4 Lane – Chadron to SD)	Moderate	EA	Moderate
	NE 71 (Super 2)	Low to Moderate	EA	Moderate
	Pedestrian Overpass (Scottsbluff)	Low	CE	Low
	I-80 & NE 71 East Interchange	Low	CE	Low
	NE 71 Intersection Improvements (Clean Harbors)	Low	CE	Low
	NE 71 South Kimball Bypass	Moderate	EIS	High
	L79E Intersection Improvement (Minatare)	Low	CE	Low
GROUP 2	L62A (US 26 to US 385)	Moderate	EA	Moderate
	US 385 (4 Lane – Alliance to L7E)	Moderate	EA	Moderate
	US 26 (4 Lane – WY to Morrill)	Moderate to High	EA	Moderate
	US 26 Safety and Traffic Operations Improvements (Morrill)	Moderate to High	EIS	High
	US 26 Safety and Traffic Operations Improvements(Mitchell)	Moderate to High	EA	Moderate
GROUP 3	US 385 (4 Lane – L7E to US 20)	High	EIS	High
	US 26 (4 Lane – Minatare to L62A)	Moderate	EA	Moderate
	US 26 Safety and Traffic Operations Improvements (Minatare)	Low	CE	Low
GROUP 4	US 385 (Chadron Relief Route)	High	EIS	High
	Visitor Center (Chadron)	Low	CE	Low
	NE 71 (4 Lane – CO to I-80)	Moderate	EA	Moderate
	US 26 Safety and Traffic Operations Improvements (Mitchell)	Moderate to High	EIS	High
	US 26 and NE 71 Interchange	Low to Moderate	CE/EA	Moderate

7.3 SOCIAL CONSIDERATIONS

Three primary social risk considerations are:

1. Impact to an individual's way of life or a community's viability
2. Importance in terms of providing transportation options
3. Importance to the economy

One indicator of social risk is derived from community input about the nature of the proposed improvements. Public information meetings were held during this study as a means of obtaining community input. Public input was analyzed as potential sources of social sensitivity, and therefore risk. In summary, there were concerns about possible adverse impacts on businesses and specific properties along the Corridor, but more general support for the overall program. The specific concerns were primarily expressed by property and business owners located near roadways that would be widened. This study did not provide the level of detailed design that would be required to show the exact impacts the widening of the roadway would have on adjacent properties. Therefore, as each project is developed in the planning and preliminary design phase, more detailed information should be provided at future public meeting to address property owner's specific questions regarding impacts.

As a result, the emphasis of public input was general support for the value and importance of the Heartland Expressway Corridor to local communities and the regional economy. Many of the local leaders who attended the public information meetings supported the proposed improvements and expressed comments that the improvements would strengthen the economic conditions in the panhandle region and would improve the transportation infrastructure within and across western Nebraska. Overall, the level of support was much higher than the opposition regarding the vision of the Corridor improvements.

More information on public meetings and comments can be found in the Public Involvement Appendix (Appendix E).

7.4 POLITICAL CONSIDERATIONS

Political risk addressed two basic issues. The first, "consensus," is defined by whether the affected communities generally agree to the overall vision for the program and the improvements set forth to address the purpose and associated set of needs. Consensus requires a deep understanding of the project benefits and a comparative assessment of the proposed benefits relative to the benefits of other investments. As described previously, projects addressing severe congestion are often favored when it comes to funding, so the Heartland Expressway Corridor supporters must work together to clarify short-term and long-term benefits in relation to the anticipated costs.

The second, "support," ascertains the level of action that could be expected from advocates of the program and proposed improvements. The idea is that simply agreeing to a program is different than actively supporting the program. Persons advocating for the program or the individual improvements include those who have appeared at meetings to show their support as well as those who have indicated they have taken steps to contact decision makers regarding the project.

Various local decision makers were present at public meetings and the economic workshop for this study. The level of attendance from local decision makers represents a strong and ongoing advocacy for corridor improvements. Community leaders working with their neighbors to establish a stronger coalition is a primary strategy in gaining political momentum. This local support combined with the Ports to Plains Alliance Coalition as an engine of this collective effort is a vital component in unifying all levels of support for the Heartland Expressway Corridor improvements.

State and Federal congressional representatives attended the public information meetings and provided positive response to the study and vision for the Corridor. Regionally, the Ports to Plains Alliance Coalition was a driving influence in promoting public involvement for the study.