



Fork in the Road

Will Wisconsin Waste Money on
Unneeded Highway Expansion or Invest in
21st Century Transportation Priorities?

WISPIRG
Foundation

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Frontier Group

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Table of Contents

Executive Summary	1
Introduction	7
Wisconsin's Transportation Spending Priorities Are Backwards	9
More Money for New Highways, Less for Road Repair and Transportation Alternatives	9
Wisconsinites Are Driving Less and Using Other Modes of Transportation More	10
Wisconsin Faces a Choice about Future Transportation Spending	14
Four Unnecessary Highway Construction Projects	14
Investment in Road Repairs, Transit, Biking and Walking	17
Policy Recommendations	22
Reassess Demand for Highways	23
"Fix It First"	24
Invest in 21 st Century Transportation Infrastructure	25
Create Regional Transportation Authorities	26
Notes	27

Executive Summary

Wisconsin's transportation spending priorities are backwards. In recent years, despite ongoing fiscal challenges, the state has spent billions of dollars on highway expansion projects while slashing transit funding and curbing assistance for local road repair.

The decision to spend massive amounts of taxpayer resources on new and expanded highways appears especially out of step at a time when Wisconsinites are driving less than they did a decade ago—and when citizens and local leaders in communities across the state are clamoring for long-overdue investments in road repair, transit systems and infrastructure for bicycling and walking.

Wisconsin's municipalities are prevented by state law from exercising all their possible options to meet these needs, such as levying local fuel taxes or banding together to form regional transportation authorities. **Without state support for local priorities, Wisconsin's communities are stuck in a transportation funding bind.**

The \$2.8 billion Wisconsin intends to spend on four unnecessary highway expansion projects could instead provide more than half a billion extra

dollars in each of the next five state biennial budgets. This money could meet a series of unmet transportation needs, including key transit projects, local road repair, and bicycle and pedestrian projects. Wisconsin faces a choice: continue to shower money on unnecessary highway expansions, or invest in critical projects to repair our existing transportation infrastructure and provide more transport options to citizens around the state.

Wisconsin is spending heavily on highway expansion projects—despite stagnating driving—even as it underfunds a long list of pressing repair and investment needs across Wisconsin and cuts spending on transit and transportation alternatives.

- Wisconsin's previous two biennial state budgets spent a combined \$2.5 billion on major new highway construction.
- Wisconsin spends almost as much money—and sometimes even more money—on building new highways as on fixing existing roads and bridges,

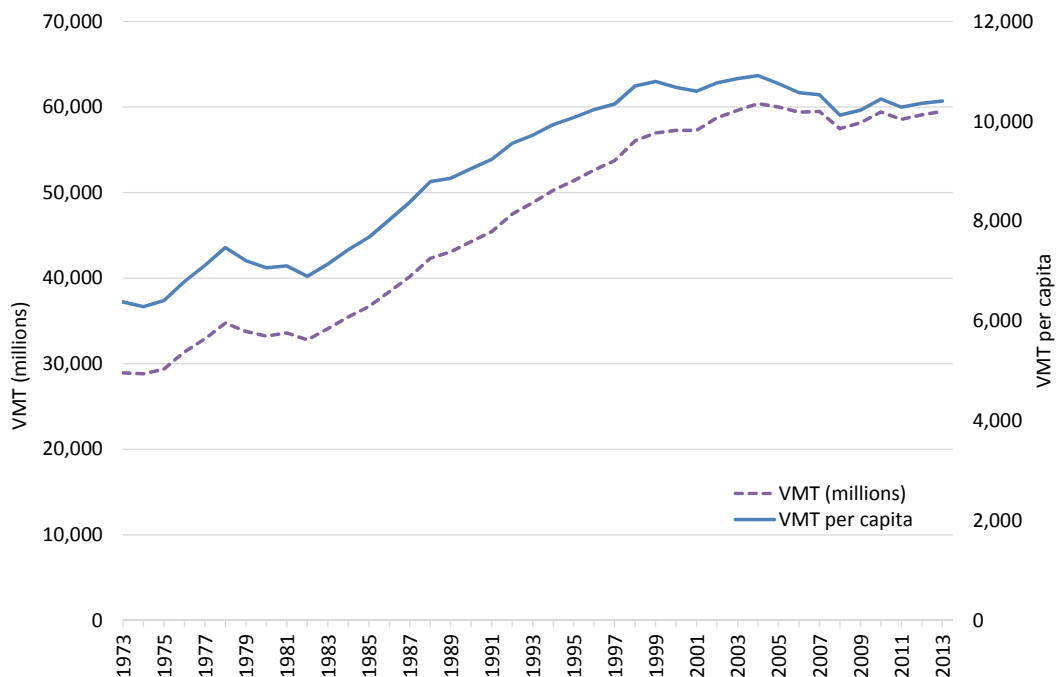
despite the fact that 71 percent of Wisconsin’s roads are of “mediocre” or “poor” quality and 1,157 bridges in Wisconsin are “structurally deficient.” In 2011, Wisconsin spent \$349 million on highway repairs compared to \$544 million on building new or wider highways.

- Between 1998 and 2013, total state transit funding decreased by 2 percent in constant 2011 dollars, while state spending on highway construction rose 50 percent.
- Wisconsin’s lavish spending on expanded highways has come even as the number of miles driven in the state has stagnated. Statewide vehicle-miles traveled peaked in 2004. Meanwhile, bicycle commuting has risen in Milwaukee and transit ridership has increased in a variety of communities, such as Madison and La Crosse.

Wisconsin plans to spend up to \$2.8 billion on four particularly wasteful highway expansion projects:

- **Expanding Interstate 94 in Milwaukee** – The state intends to spend as much as an additional \$800 million (above and beyond the cost of repairing the aging highway) to add capacity to Interstate 94, despite the opposition of nearby residents and dropping traffic levels on that stretch of highway.
- **Adding lanes to Interstate 90 south of Madison** – The plan to widen Interstate 90 from four to six lanes is expected to cost \$836 million. However, traffic is growing more slowly on the highway than predicted. Despite official projections of a 29 percent surge in traffic volumes between 2000 and 2010, by 2012, the most recent year for which data are available, traffic volumes had inched up just 1 percent in 12 years.

Figure ES-1. Total Vehicle-Miles Traveled and VMT Per Capita, in Wisconsin, 1973-2013



- **Widening State Highway 23 between Fond du Lac and Plymouth** – The state justifies this \$128 million project in part by citing future traffic volumes on this rural highway. But the number of vehicles on the highway barely changed between 2008 and 2012, the most recent year for which data are available, calling into question state officials’ predictions of relentless annual increases in traffic through 2035.
- **Expanding the Madison Beltline** – State officials are studying, and seriously considering, an expansion of Madison’s primary east-west freeway, a project likely to cost \$1 billion. While official documents predict that by 2015 traffic will increase all along the 19-mile route, data collected in 2012 show that traffic levels at several locations have not increased as quickly as WisDOT expected.

The money Wisconsin intends to spend on these four highway expansion projects, not to mention the hundreds of millions or more the Wisconsin DOT plans to spend on other highway expansion projects, could comfortably increase state funding for transit, local road repair, and bicycle and pedestrian infrastructure. Some of the projects around Wisconsin that require support include:

- **Road maintenance** – Like communities across Wisconsin, Ashland requires regular investment in local road maintenance to counter the effects of its harsh winters. Simply maintaining the existing conditions of the city’s streets would cost approximately \$350,000 annually, while upgrading pavement conditions would cost double that. But state reimbursement cutbacks have led the city of Ashland to reduce road-repair

Photo: Wisconsin Department of Transportation



U.S. 41 construction.

spending to just \$150,000—less than half what is required.

- **Bicycle and pedestrian infrastructure** – Eau Claire has an ambitious vision to become a more bicycle- and pedestrian-friendly city by adding on-street bike lanes to all of the city’s primary routes, constructing planned bicycle and pedestrian trails and paths, and building safe crossing structures for cyclists and pedestrians at eight major roadways. Making the vision into reality would cost approximately \$41 million.
- **Bridge repairs** – Four of Milwaukee’s iconic moving bridges require rehabilitation at a cost of \$8 million to \$13 million each. And less-famous bridges throughout the state are in similarly dire straits. While localities have been hard pressed to support critical bridge work in the face of other local cuts, additional funding would enable them to better address these problems.
- **Transit improvements** – Transit systems around the state are overdue for investment. For example:
 - The Milwaukee County Transit System wants to restore old routes, add new ones, provide more frequent service over a longer span of the day, and limit future fare increases to no more than the rate of inflation. Those goals could be achieved at the cost of \$114 million in capital investment and \$160 million in annual operating funds.
 - The city of Green Bay needs to invest in bus replacement as aging parts of its fleet reach the end of their service lives. The city aims to replace five buses annually at a cost of approximately \$2.6 million each year

through 2017. Green Bay also hopes to encourage ridership growth by avoiding fare hikes, and even reducing fares to encourage more people to use transit at certain times.

- Madison has a forward-thinking plan to embrace the growing ridership on its popular bus system. Not only does the city aim to grow its fleet of buses and continue to replace aging vehicles, but it is also studying a new bus rapid transit line that would enable faster and better service over a broader area. Together, these investments are projected to require approximately \$21 million in annual operating costs and as much as \$262 million in up-front capital.

For about 40 percent of what is being spent just on the four highway projects highlighted in this report, **Wisconsin could make major progress in other transportation funding areas** over the next decade, accomplishing all the proposals made in 2013 by the bipartisan Wisconsin Transportation Finance and Policy Commission. (See Tables ES-1 and ES-2, and Figure ES-2.)

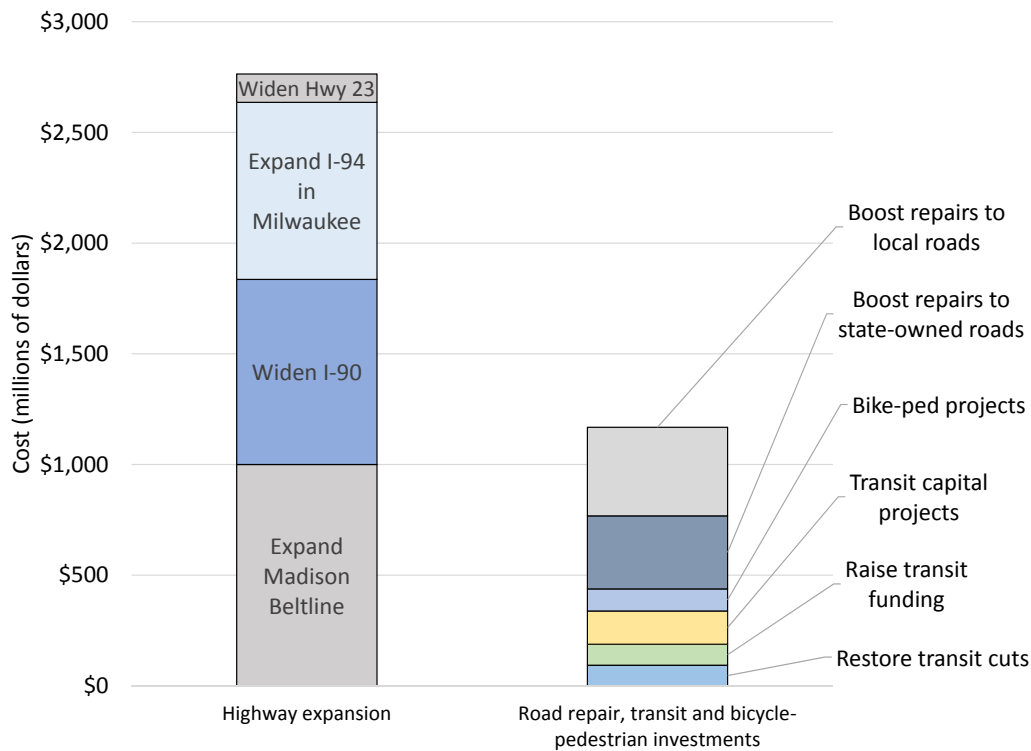
Table ES-1. Estimated Cost of Four Highway Expansion Projects

Project	Cost (millions of dollars)
Expand I-94 in Milwaukee	\$800 ¹
Widen I-90	\$836
Widen State Highway 23	\$128
Expand the Madison Beltline	\$1,000
Total	\$2,764

Table ES-2. Investments in Road Repair, Transit and Bicycle-Pedestrian Projects Proposed by Wisconsin Transportation Finance and Policy Commission

Proposal	Cost (millions of dollars)
Restore transit-funding cuts imposed in the 2011-2013 budget for the next 10 years	\$93
Increase annual transit support by \$9.5 million a year for the next 10 years	\$95
Invest \$15 million a year more in transit capital improvements for the next 10 years	\$150
Invest \$10 million a year more in bicycle and pedestrian infrastructure for the next 10 years	\$100
Increase funding for repairs to state-owned roads by \$33 million a year for the next 10 years	330
Increase funding for repairs to local roads by \$40 million a year for the next 10 years	\$400
Total	\$1,168

Figure ES-2. Comparing Wisconsin's Options: Highway Expansion or Investment in Road Repair, Transit and Bicycle-Pedestrian Projects



Wisconsin has its transportation priorities backwards. Rather than spend \$2.8 billion on a handful of unnecessary highway expansions, the state should invest in areas it has shortchanged in recent years and move toward the balanced 21st century transportation system Wisconsin needs. To ensure that Wisconsinites' tax dollars are spent wisely, decision makers should:

- Reassess demand for highway expansion projects, using up-to-date traffic growth projections for proposed projects. State officials should scale back or cancel projects that are no longer justified, as they did in the case of State Highway 38 in Caledonia.
- Adopt a “fix it first” approach to the state’s highway infrastructure by addressing pressing road maintenance needs across Wisconsin.
- Restore and increase state transportation fund spending on public transportation, local road repair, and bicycle and pedestrian infrastructure, addressing Wisconsin’s 21st century transportation needs.
- Empower municipalities to establish Regional Transportation Authorities with the ability to raise revenue to support local transit investments.

Introduction

In March 2010, the city of Eau Claire announced a plan² to make the city friendlier to the growing number of people interested in walking or biking in the city. The plan, which could cost an estimated \$41 million,³ calls for on-street bike lanes, better street marking to improve sharing of the pavements, and underpasses and bridges for cyclists and walkers to more easily cross major roads.

Eight months after Eau Claire released its vision of a future friendly to bicyclists and pedestrians, an 11-mile bypass opened south of Burlington, in the southeastern corner of Wisconsin, connecting State Highway 11 on the west side of town to State Highway 36 on the east. It was constructed as a rural four-lane divided roadway at the cost of \$118 million⁴—nearly three times the cost of Eau Claire’s ambitious bicycling and pedestrian plan and more than the total amount the state pays to support public transit throughout Wisconsin every year.⁵

The need for the Burlington bypass was justified by the state based on assumptions that traffic heading through the Racine County city of 10,000 would increase dramatically in the years to come. Even then,

state officials acknowledged that, by the state’s own design criteria, traffic volumes on the western portion of the bypass only justified a two-lane rural road. But the decision was made to construct the entire bypass as a more expensive four-lane highway anyway. By 2011, the year after the bypass opened, traffic on the highway failed to meet even the initial modest projections, with a third fewer drivers using the new road than originally forecast.⁶

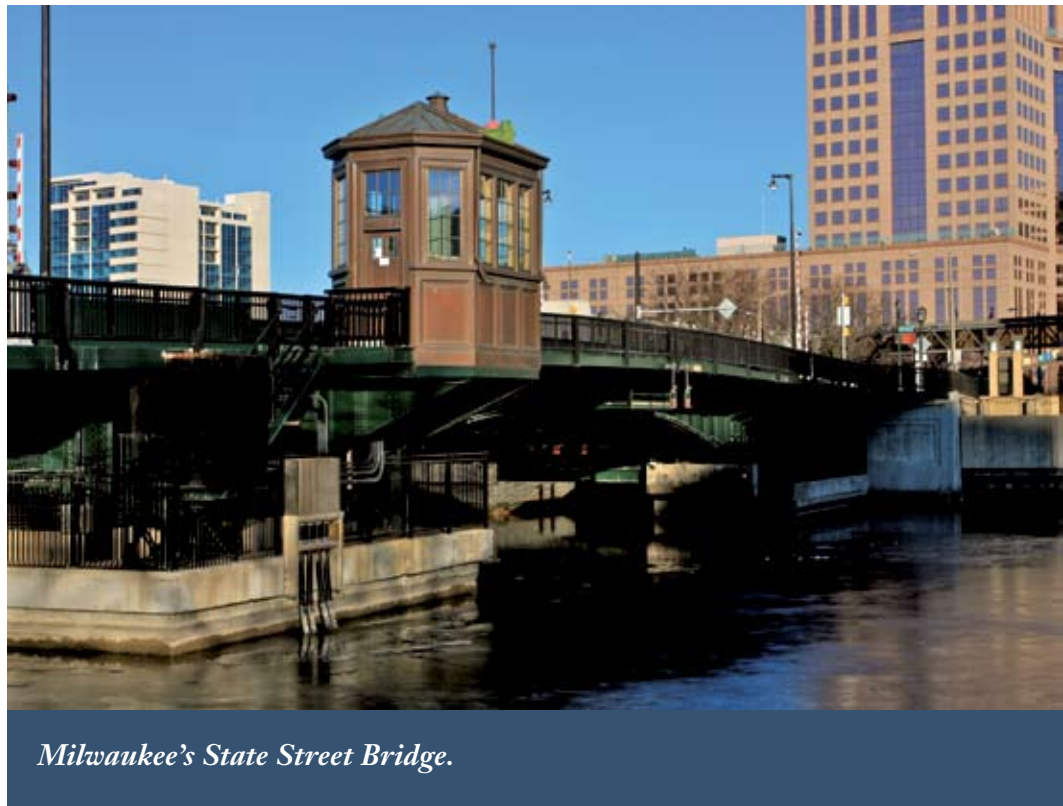
Across Wisconsin, money has often flowed freely to highway expansion projects of dubious merit, even as existing highways and bridges continue to crumble and local officials struggle to scratch together funding for local road repair, long-overdue improvements in public transportation, and infrastructure for bicycling and walking—transportation options that are increasingly in demand in Wisconsin and elsewhere across America.

Wisconsin faces a choice: it can either continue to plow billions of dollars into wasteful and unnecessary new highway expansion projects, or it can channel those resources into a more balanced set of transportation investments that preserve our existing infrastructure and

meet the growing demand for transportation choices. As this report demonstrates, the amount of money Wisconsin currently plans to spend on just a few major highway expansion projects would be more than sufficient to meet longstanding, critical, yet currently neglected transportation needs across the state.

With Wisconsin residents driving less per capita than they did a decade ago, and growing indications that the state's future economic welfare depends on building attractive, walkable communities with access to a variety of transportation options, the time has come for the state to reevaluate its transportation investment priorities.

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Milwaukee's State Street Bridge.

Wisconsin's Transportation Spending Priorities Are Backwards

Wisconsin's transportation spending priorities do not reflect current needs. The state is spending heavily on highway expansions but underfunding a long list of pressing repair and investment needs across Wisconsin, all at precisely the moment when decision makers should be reassessing the state's transportation infrastructure in the face of changing behaviors.

Wisconsin's municipalities are prevented by state law from exercising all their possible options to meet these needs. Levying local fuel taxes—which could be used for road repairs—is banned by state law,⁷ as is joining together to form regional transportation authorities that could raise revenue through other local-option taxes.⁸ But with state funding for road repair and transit investments curtailed, Wisconsin's communities are stuck in a funding bind.

More Money for New Highways, Less for Road Repair and Transportation Options

In recent years, Wisconsin has spent lavishly on new highways. Of the \$6.5 billion allocated to major highway development projects and road repairs in the two previous biennial state budgets, \$2.5 billion went to building big new highways⁹—an amount that could have given a major boost to the effort of fixing Wisconsin's existing roads.

And a mere fraction of that highway-construction money would have substantially increased funds available for transit and bicycle and pedestrian projects.¹⁰ Between 1998 and 2013, Wisconsin's spending on highway construction grew 50 percent in constant 2011 dollars, while total state transit funding decreased almost 2 percent over that period. And between 2010 and 2013, spending on bicycle and pedestrian facilities decreased approximately 30 percent in constant 2011 dollars. (See Figure 1.)



Madison cyclists “Ride the Drive” in 2012.

More than two-thirds of Wisconsin’s transportation money is raised from Wisconsinites. A full 55 percent comes from state gas taxes and vehicle registration fees.¹¹ Another four percent comes from allocations from the state’s General Purpose Fund.¹² Three percent are funds from local communities.¹³ Bonds supply 14 percent¹⁴—more than half of which is provided by state general obligation bonds, which must be repaid by taxpayers.¹⁵ The rest of the bonds borrow against future expected state income, which are called revenue bonds.¹⁶ Federal tax money pays for 24 percent of Wisconsin’s transportation budget.¹⁷

Road maintenance is also underfunded, and its funding has grown more slowly, compared to new highway construction. In some years, such as 2006 and 2011, Wisconsin spent more on new construction than on highway repairs.¹⁹ The American Society of Civil Engineers rates 71 percent of Wisconsin’s roads as “mediocre” or

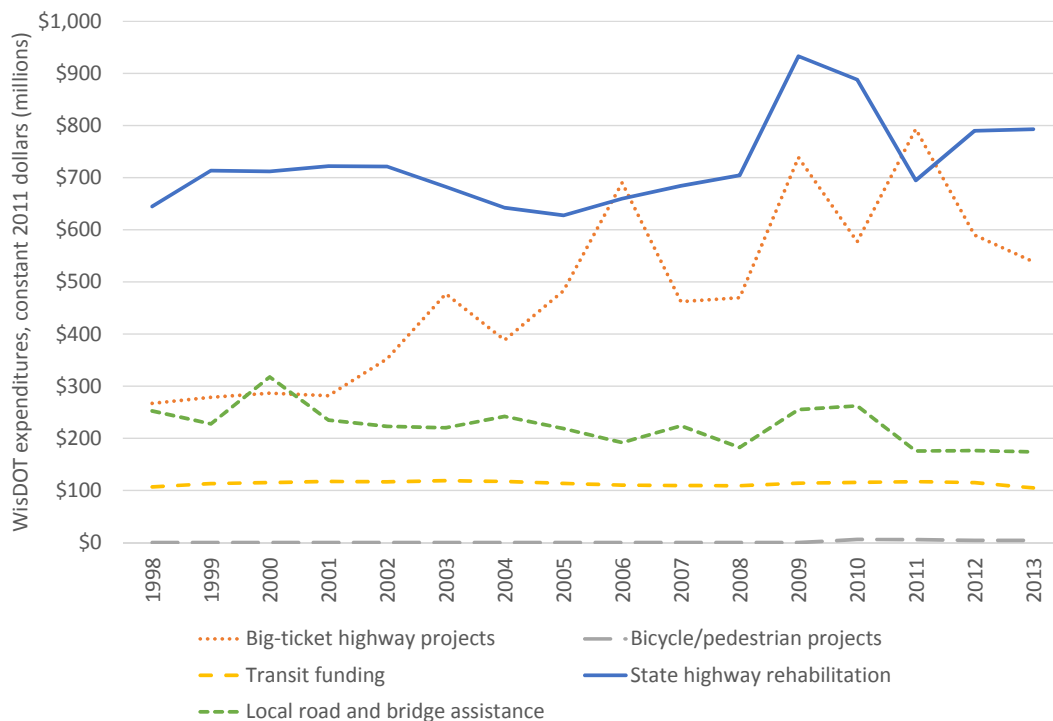
“poor” quality, a state of disrepair that leads to more than just a bumpy ride for drivers. Bad road conditions cost drivers money in accelerated depreciation, reduced fuel economy, and increased damage to tires and suspensions. Each year Wisconsinites pay \$281 in extra vehicle operating costs due to poorly maintained roads.²⁰

Additionally, 1,157 bridges in Wisconsin—approximately 8 percent of the total—are “structurally deficient.”²¹ Together, these bridges carry a daily average of 2.9 million vehicles.²²

Wisconsinites Are Driving Less and Using Other Modes of Transportation More

Wisconsin’s lavish spending on new highway capacity seems particularly short-sighted in light of recent changes

Figure 1. State Spending on Transportation by Category, 1998-2013, in Constant 2011 Dollars (millions)¹⁸



in transportation behavior. Wisconsinites are driving less and relying more on non-driving modes of transportation such as walking, biking and transit. After growing steadily year after year for decades, the number of vehicle-miles traveled (VMT) in Wisconsin peaked in 2004 before entering an unprecedented era of decline.²³ Indeed, the average Wisconsinite today drives no more than he or she did in 1998 and overall VMT in 2013—the most recent year for which data are available from WisDOT—were down approximately 1.5 percent from the peak level of eight years prior (see Figure 2).²⁴

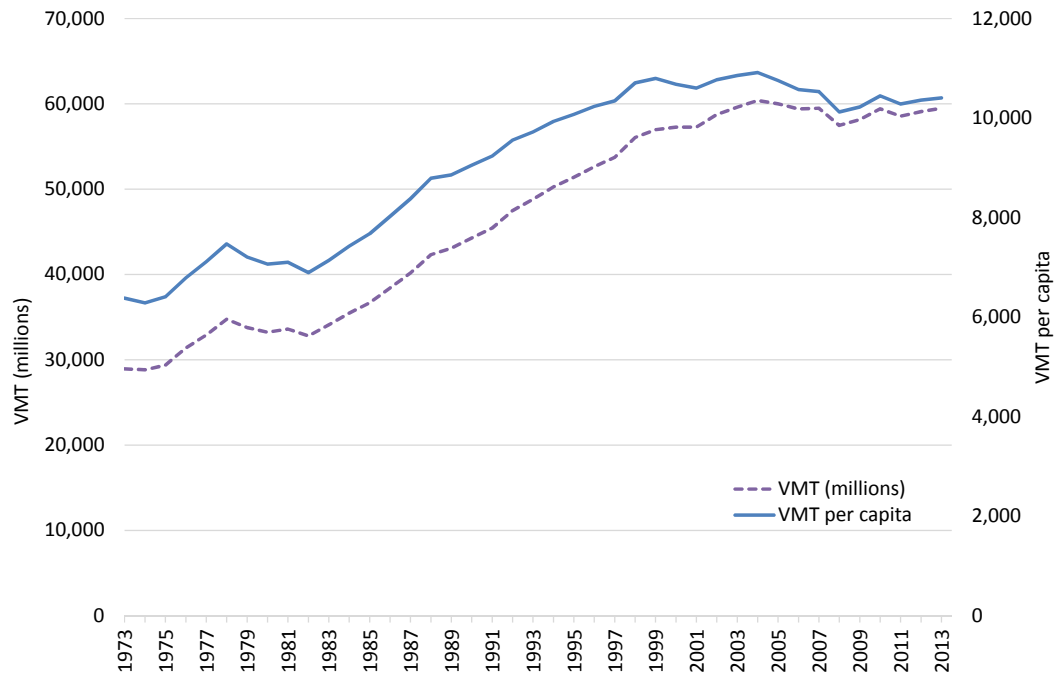
At the same time, demand for non-driving modes of transportation is growing in Wisconsin. Transit ridership in Madison has risen 52 percent since 1995 and the city’s 14.7 million bus riders in 2013 were the second largest number ever.²⁶ In La

Crosse, annual ridership of the bus system rose from approximately 710,000 in 1997 to almost 1.26 million in 2013.²⁷

Ridership gains have taken place in smaller areas as well. According to the state’s Transportation Finance and Policy Commission, between 2007 and 2011 statewide ridership on “Tier C” transit systems—those operating in areas with populations of less than 50,000—rose.²⁸ For example, at Bay Area Rural Transit on the shores of Lake Superior, ridership more than tripled from 2007 to 2012; year-on-year ridership was up 7.9 percent in 2011 and 13.4 percent in 2012.²⁹ Communities like Appleton, Janesville and Sheboygan have also seen transit ridership grow.³⁰

The one dark cloud in the statewide transit picture has been the state’s largest transit system: Milwaukee. Since 2000, the Milwaukee County Transit System

Figure 2. Total Vehicle-Miles Traveled and VMT Per Capita, in Wisconsin, 1973-2013²⁵



has undergone six major bus route restructurings, shedding 21 regular bus routes and numerous route segments, and curtailing both the frequency and hours of service on the routes that remain.³¹ MCTS’s state funding over that period declined nearly 8 percent.³² At the same time, the cost of a single bus fare in Milwaukee has risen 67 percent. According to testimony from the managing director of Milwaukee Transport Services (the company that operates the MCTS system) to the state’s Transportation Finance and Policy Commission, these changes in service and fares “have been major factors in reduced ridership.”³³

Bicycle commuting is also increasingly popular in the state’s two largest cities. Between 2000 and 2012, the most recent year for which data are available, the number of people bicycling to work in Milwaukee grew 179 percent to 0.9 percent of the total commuting population, an all-time high.³⁴

In Madison, 6.2 percent of all commuting in 2012 was done by bicycle, making the city one of the top bicycle commuting cities in America.³⁵

As in Wisconsin, VMT per capita in the United States peaked in 2004.³⁶ Nationally, transit ridership in 2013 increased by 1.1 percent over 2012 levels to reach its highest level since 1956.³⁷ The proportion of Americans commuting by bicycle has risen by 61.6 percent since 2000. In 2012, the most recent year for which data are available, 0.64 percent of all commutes nationwide were made by bicycle.³⁸

The recent stagnation in the number of miles driven could be long-lasting. While temporary factors, such as the Great Recession, have undoubtedly reduced the number of drivers on the roads, other factors—such as persistent high gas prices, the aging of the American population, saturation in demand for vehicles and

driving, and the renewed interest in living in walkable, urban areas—point to a future of slower growth in driving than was the case during the post-war Driving Boom.³⁹

Wisconsin's older residents are increasingly dependent on transit and pedestrian access, as they outlive their driving ability by six to 10 years.⁴⁰ One in five Wisconsinites aged 65 and older does not drive;⁴¹ 53 percent of them regularly stay home rather than asking friends or family members for rides.⁴²

Moreover, the biggest changes in behavior, both nationally and in Wisconsin, are occurring among the youngest Americans—those who will be the primary users of the transportation system 10 or 20 years from now.⁴³

Wisconsin transportation experts expect recent changes in transportation

behavior to persist. In light of the 2004 peak in statewide VMT and Wisconsin's aging and increasingly transit-dependent population, the state's Transportation Finance and Policy Commission predicts that statewide VMT will remain stagnant for the next decade.⁴⁴ Even WisDOT expects VMT to grow much more slowly in the future than it has in the past.⁴⁵

“As the population grows and shifts, transportation investment must adjust or the system will not adequately support [Wisconsinites'] changing needs.”

— Wisconsin Transportation Finance and Policy Commission

Wisconsin Faces a Choice about Future Transportation Spending

Even as Wisconsinites have been driving less and despite the fact that WisDOT has projected that the number of miles travelled by Wisconsinites is likely to stagnate for the next decade,⁴⁶ the state has been spending heavily on new highway capacity based on the expectation that residents will drive ever more miles on the state's highways in the future. Those assumptions are justified by data that are sometimes decades out of date. At times, WisDOT has indicated that highway expansion would proceed regardless of what the data say: in August 2013, WisDOT proclaimed that adding freeway lanes to two interstates in the Milwaukee area was “non-negotiable.”⁴⁷

Wisconsin is missing a tremendous opportunity to invest the billions it plans to spend on road building on other transportation priorities that could deliver greater value for Wisconsinites. This section of the report examines four recently proposed or planned highway expansion projects, set to cost as much as \$2.8 billion combined, and the long-overdue transportation investments the state could support instead.

Four Unnecessary Highway Construction Projects

Expansion of I-94 in Milwaukee

In 1963, Wisconsin built I-94, an east-west freeway, through downtown Milwaukee and into the western suburbs. Today, it skirts the Marquette University campus, runs through several neighborhoods and directly abuts three cemeteries.

Now more than 40 years old, the freeway is aging. Since the mid-1990s the state has eyed it for an overhaul. The state has a variety of options for how to address a 2.85-mile stretch of the freeway just to the west of downtown: it could simply rehabilitate the highway on its current footprint, an option that would cost approximately \$370 million, or it could choose to expand the highway at far greater cost.⁴⁸

In September 2013, the state dismissed the possibility of simply rebuilding the highway, keeping only the two most expensive and disruptive expansion options in consideration for the freeway's overhaul.⁴⁹

These proposals would expand the highway from six to eight lanes, either by narrowing lanes and the shoulder or creating a double-decked road.⁵⁰ The most expensive option would cost \$1.2 billion—as much as \$800 million more than the now-discarded rebuild option.

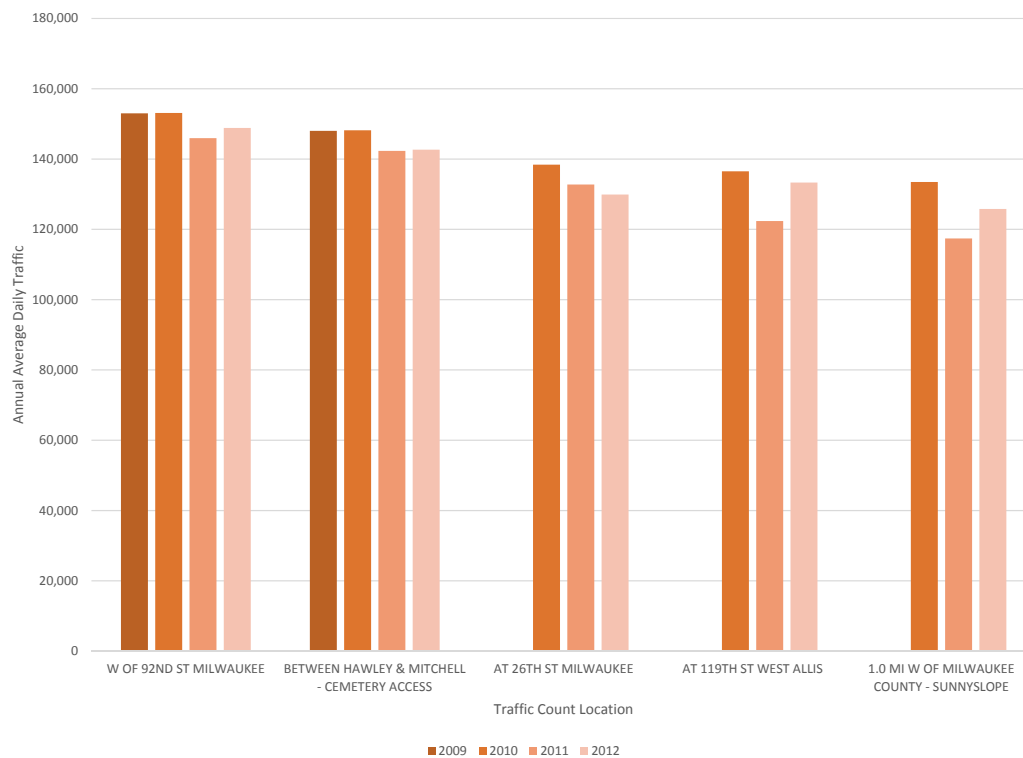
WisDOT’s latest description of the need for the project says, “This section of I-94 carries high traffic volumes, which currently vary between 138,000 and 156,000 AADT (Average Annual Daily Traffic). These traffic volumes are expected to grow to a range from 171,000 to 181,000 by 2030.”⁵¹

Those traffic count numbers are 2010 figures, however. WisDOT’s own data show more recent traffic not growing toward the 2030 projection but instead

dropping on that stretch of I-94 between 2010 and 2012, the latest year for which data are available.⁵² (See Figure 3.)

Expanding the highway would also impose costs on neighboring residents by displacing businesses and reducing quality of life.⁵⁴ Fearing neighborhood and business disruption, city leaders such as Alderman Bob Bauman have protested the plans.⁵⁵ Mayor Tom Barrett, though open to the addition of new lanes to the freeway, has called for a reduction to the freeway’s speed limit to allow for expansion within a smaller footprint, saving money and minimizing neighborhood disruption. Barrett has long expressed concern over WisDOT’s neglect of local roads in favor of large construction projects.⁵⁶

Figure 3. Annual Average Daily Traffic, I-94 in Milwaukee⁵³



Widening I-90 South of Madison

Interstate 90 carries interstate and local traffic from Chicago up to Wisconsin's capital and westward through Minnesota. State officials have been considering expansion of the 45-mile stretch between Madison and the Illinois state line for many years. The state Department of Transportation formally decided to widen the interstate from four to six lanes between 2015 and 2021 at an estimated cost of \$836 million,⁵⁷ a decision based on a proposal published back in the summer of 2008.⁵⁸

However, Wisconsin is relying on out-of-date traffic data and unrealistic projections of future growth in traffic volumes to justify this costly project. Writing in 2008, WisDOT expected the number of cars on the highway to almost double by 2030 relative to 2000. Traffic volumes were predicted to grow by 29 percent by 2010 compared with the year 2000 baseline.⁵⁹ But in reality, by 2012, the most recent year for which data are available, traffic on I-90 had remained essentially flat, having inched up just 1 percent in 12 years.⁶⁰

Adding New Lanes to State Highway 23 between Fond du Lac and Plymouth

Wisconsin State Highway 23 makes a quarter-circle around the southeast corner of the state, running through rural landscapes for much of its route from Sheboygan on the shore of Lake Michigan to Wisconsin Dells, before turning south to Darlington on the Illinois border. From Sheboygan to Plymouth, it is a four-lane highway; after Plymouth, it drops down to two lanes for the 20-mile run to Fond du Lac.⁶¹ The state legislature enumerated funds for expanding the highway in the 1999 state budget and plans were drawn up to double the number of lanes from two to four.⁶²

WisDOT explained that the \$128 million expansion of this portion of State Highway 23 is required to serve “forecasted

traffic volumes.”⁶³ But according to WisDOT's own data, growth in traffic volumes between Fond du Lac and Plymouth has slowed to a crawl. Between 2008 and 2012, the number of cars driving on this stretch of State Highway 23 inched up just 2.2 percent.⁶⁴ Official forecasts predict average increases in traffic of 1.4 percent *each year* until 2035 relative to a 2012 baseline.⁶⁵

The advocacy group 1000 Friends of Wisconsin has opposed the expansion as unjustified by the traffic data and filed a lawsuit to halt the project alleging that WisDOT failed to hold appropriate public hearings.⁶⁶ Though WisDOT agreed to postpone construction, allowing time for full, public reconsideration of the expansion plans, pressure from local legislators prompted a reversal. Widening of State Highway 23 is now due to begin in 2015.⁶⁷

Expansion of the Madison Beltline

The Madison Beltline, an east-west highway in the Madison area touching more than a dozen municipalities, was constructed in the 1950s as a two-lane road that has been expanded over time into a multi-lane urban freeway.

In late 2011, WisDOT began studying how to address congestion on the roadway.⁶⁸ News reports in 2013 indicated that WisDOT was preparing to solicit public input on rebuilding a 19-mile portion of the Beltline, including a proposal to add new lanes to the freeway to tackle projected traffic demands, which officials warn will exceed the road's current capacity. Expansion of the freeway could cost as much as \$1 billion.⁶⁹

Recent traffic counts lead to questions about whether the increase in traffic that WisDOT's forecasts for the highway will come to fruition. In a 2008 study, WisDOT relied on traffic data collected no later than 2005—the year after statewide

VMT peaked—to develop traffic forecasts predicting future increases in vehicle numbers all along the 19-mile stretch by 2015 and also by 2030.⁷⁰ Of 10 traffic count locations along the roadway where comparisons are possible, six saw traffic grow more slowly between 2005 and 2012 than WisDOT projected for the 2005-2015 period.⁷¹

Investment in Road Repairs, Transit, Biking and Walking

The four highway expansions mentioned above could cost the public as much as \$2.8 billion. This is a huge sum of money: more than enough, in fact, to support a significant surge in investment in transportation options that have faced spending cuts in

recent years. It is not, however, the sum total of Wisconsin's planned or proposed highway expansion projects.

The billions of dollars the state proposes to spend on those unnecessary projects could comfortably fund an increase in state spending on transit operating assistance, local road and bridge repairs, and infrastructure projects for the growing number of bicyclists and pedestrians across the state. In all, just to put this in perspective, Wisconsin could double spending on these categories of the transportation budget and it would only cost \$1.6 billion, relative to the \$2.8 billion that the state plans to spend on the aforementioned major highway projects alone.⁷³ This report highlights some of the specific transit plans, maintenance needs and bicycle and pedestrian projects such funding could support, and the benefits they would deliver for communities across Wisconsin.

Wisconsin Has a Track Record of Overestimating Traffic on New Highways

New highway projects are often justified based on projections of worsening traffic congestion or increased demand for travel. These projections—which guide the expenditure of hundreds of millions, or in some cases billions, of dollars of taxpayer money—have often proven to be overly optimistic, calling into question the accuracy of the forecasts used to support current highway expansion proposals.

A May 2013 WISPIRG Foundation report highlighted seven cases from across the state in which traffic volumes on recently expanded highways are not on pace to meet the projections used to justify their construction. For instance, in 2010 WisDOT christened a new, \$309 million six-lane freeway in Wausau shared by Interstate 39, U.S. Highway 51, and State Highway 29. In the year it opened, the highway served 3.8 percent fewer vehicles than WisDOT anticipated at the low end of its forecast range for the road's inaugural year. In another example, this time in Burlington, a \$118 million, four-lane bypass accommodates 29 to 33 percent less traffic than forecast. The four-lane bypass actually handles traffic numbers small enough that a two-lane road would be suitable.⁷²

Road Maintenance in Ashland

Like many communities across Wisconsin, the city of Ashland, on the southern shore of Lake Superior, experiences long, harsh winters typified by extreme cold and heavy snowfall. Consequently, each spring as the snow and ice melt away, in a scene that is common all over the state, the city of approximately 8,000 confronts local streets and roads pitted with potholes and in desperate need of repair.⁷⁴ As the city's planning specialist puts it, upkeep of city roads is a "major concern" in Ashland.⁷⁵

The city struggles to fund this necessary maintenance and regularly spends less than what would be optimal on road repair needs. According to Ashland's public works director, WisDOT has calculated the cost of simply maintaining the existing condition of the city's streets at approximately \$350,000 each year. If the city hoped to upgrade the pavement condition of these roads, the annual cost would be closer to \$700,000.⁷⁶

City spending on road work dropped significantly in 2011,⁷⁷ as Governor Scott Walker proposed a budget slashing state support for local road repairs and further limiting municipalities' power to raise their own taxes.⁷⁸ Those cuts to General Transportation Aids, the program that provides funding to help localities pay for maintenance and other costs,⁷⁹ arrived the following year, and GTA funding has yet to return to that pre-cutback level.⁸⁰

Ashland currently spends just \$150,000 annually on road repair, less than half what the city estimates its basic annual maintenance needs actually require.⁸¹

Ashland is far from the only community in need of significant assistance. In La Crosse, there are 50 miles of roads in serious need of repair, but at current funding levels it will take "about 25 years just to reconstruct those 50 miles. At the same time, other streets continue to age and deteriorate," the city's public works director reports.⁸²

Bicycle and Pedestrian Infrastructure in Eau Claire

Spurred on by a growing number of pedestrian and bicycle commuters, cycling enthusiasts and tourism promoters, the city of Eau Claire, a mid-sized city of approximately 66,000, has in recent years put an increasing emphasis on bicycle and pedestrian infrastructure.⁸³ In 2005, the city's newly adopted Comprehensive Plan called for the creation of a bicycle and pedestrian commission in order to spearhead the production of a formal bicycle and pedestrian plan, ultimately released in 2010.⁸⁴

Eau Claire now boasts an ambitious vision for a bicycle- and pedestrian-friendly future and hopes to invest in several kinds of bicycle and pedestrian infrastructure projects. The desired improvements include the construction of on-street bicycle lanes; use of street markings to create safer, shareable roadways for cars and bikes; construction of multi-use pathways alongside existing streets or running through parks or other open spaces; and the installation of underpasses or bridges where multi-use pedestrian and bike paths intersect with major roads. City officials expect a number of benefits for the community including reduced automobile use, increased mobility for residents without access to a car and improvements in safety for cyclists and pedestrians.⁸⁵

To construct all the multi-use trails and paths proposed in the city's Bicycle and Pedestrian Plan, add bike lanes to all primary on-street routes, and build safe crossing structures for cyclists and pedestrians at eight locations, the city would need to spend approximately \$41 million.⁸⁶ But state funding is far from sufficient to support Eau Claire's ambitious plan. Since the passage into law of the state's 2013-2015 budget, a new Transportation Alternatives Program (TAP) has replaced the former Transportation Enhancements, Bicycle and Pedestrian Facilities, and Safe Routes to School programs, which used to fund

bicycle and pedestrian projects. TAP's total funding pool for the 2013-2015 biennium is just \$19.9 million.⁸⁷ State-imposed limits on municipalities' ability to raise revenue locally make it even harder for cities like Eau Claire to make the investments necessary to realize their transportation plans.⁸⁸

Bridge Repairs and Transit Service in Milwaukee

Wisconsin's largest city faces a number of transportation challenges, including the need to support a vibrant transit system to adequately serve the city's residents while addressing pressing repair needs on the city's streets and bridges.

The city's infrastructure is crying out for reinvestment. Milwaukee has 21 movable bridges⁸⁹—landmarks of which the city is proud—with rehabilitation costs of between \$8 million and \$13 million each.⁹⁰ Based on their current state of repair, four of these movable bridges are in need of rehabilitation now.⁹¹ Traditionally, the state-administered Local Bridge Improvement Assistance Program, funded primarily by federal dollars, would have supported as much as 80 percent of the cost of the work, but in recent years the Program's average annual funding contribution to the city has fallen steeply, from approximately \$10 million per year between 2004 and 2010 to just \$3.6 million annually between 2011 and 2014.⁹² In response, the city has diverted funding from other municipal priorities to continue critical maintenance work and ensure the structural integrity of the city's bridges.⁹³

Milwaukee also needs to make forward-thinking investments in public transportation. The Milwaukee County Transit System (MCTS) carries commuters to work, provides a transportation lifeline for thousands who do not have another means of getting around, and expands the transportation options available to all Milwaukee residents. Fully 43 percent of riders use MCTS buses to get to work, 52 percent do not have a valid driver's license and 23

percent choose to ride the bus despite the availability of a car.⁹⁴

The MCTS aims to compete with car travel and increase ridership, delivering benefits for all Milwaukeeans, including reduced congestion for drivers.⁹⁵ In 2011, public transportation services spared commuters and other travelers 1.9 million hours of traffic delays in Milwaukee.⁹⁶ Expanding bus service could increase these savings, helping city residents get where they need to go faster and at less expense, while benefiting the local economy and individual well-being.

Yet funding challenges over recent years have led to route restructuring, curtailment of service and fare increases, all of which have made MCTS buses less convenient and less useful, and have pushed down ridership.⁹⁷ To reverse this trend, the MCTS has stated that it needs to add new local bus routes, extend service hours and frequency, and limit fare increases to no more than inflation over the course of the agency's planning period. Local planning documents estimate that these improvements would require approximately \$160 million in annual operating assistance and approximately \$114 million in capital investment.⁹⁸ Standing in the way of these improvements are the transit agency's financial difficulties. Writing in 2010 in the most recent development plan for the MCTS, the Southeastern Wisconsin Regional Planning Commission declared that current funding sources were "insufficient to maintain the current level of transit service, let alone make needed improvements."⁹⁹ The situation has only partially improved: though the 2013-2015 biennial state budget bumped up statewide transit aid, it failed to recover the full 10 percent cut that hit local agencies in the previous budget. Reliable state funding that keeps pace with increasing costs of fuel, para-transit services and replacement of aging buses would help prevent further cuts to service and fare hikes and allow the agency

to implement its improvement plan to better serve the Milwaukee area.

Transit Service in Green Bay

The Green Bay transit system, known as Green Bay Metro, operates full-service bus routes and a fleet of paratransit vehicles in the Green Bay area.¹⁰⁰ While local officials are not proposing major expansions of the transit system in the near future, they are hoping to replace aging equipment. The most recent Transit Development Plan for Green Bay proposes that the city replace five buses annually between 2014 and 2018, as well as six paratransit vehicles, as the top capital priority. This would cost \$2.6 million annually through 2017.¹⁰¹ Green Bay also aims to increase ridership on the existing bus network by expanding existing promotional-fare programs (such as Green Saturdays, where passengers ride free, and the U-Pass program, in which local universities pay discounted fares so their ID-holders can ride without paying at the farebox), as well as creating new partnerships with local employers, shopping destinations and potential owners of park-and-ride lots.¹⁰²

An uncertain funding landscape threatens to undermine the agency. Historically, Green Bay Metro has relied on state and federal funds to cover the majority of its operating costs. Until 2004, the transit agency was consistently covering slightly more than 60 percent of its operating budget using state and federal money. However, this figure began to decline in the second half of the last decade and Green Bay's most recent long-term transportation plan warned that the share of costs covered by these entities could continue to decline unless contributions began growing as fast as or faster than expenses.¹⁰³

At the federal level, a grant program provides operating assistance to transit agencies serving urban areas with a population of 200,000 or less.¹⁰⁴ (Transit agencies serving larger urban areas are prohibited

from using federal funds for operating expenses in most cases.) When the 2010 Census found that Green Bay outgrew this grant program, the city's transportation planners worried about losing up to \$1 million in annual support.¹⁰⁵ Federal legislation passed in late 2012 established an exception allowing Green Bay and similar cities to continue using up to 75 percent of their federal funds for operating costs, but the law—and the valuable exception it codifies—expires in September 2014. (As of late July 2014, Congress was only considering allocations of federal transportation dollars for a few months at a time, with no longer-term deal in sight.¹⁰⁵) Green Bay finds itself, once again, on the brink of losing its federal transit operating dollars.¹⁰⁷ The loss of this funding could force Green Bay Metro to cut service, increase fares or both, putting downward pressure on ridership. (Appleton's transit system, Valley Transit, suffers from a similar problem.¹⁰⁸)

Unless Wisconsin acts, state-level funding is unlikely to make up the difference. Wisconsin's 2011-2013 biennial state budget cut state aid to transit agencies by 10 percent, slashing the share of transit operating costs covered by the state to its lowest level in a 10-year period.¹⁰⁹ Though the 2013-2015 biennial state budget increases transit funding by 4 percent, effective in 2015, this both delays the restoration and does not recover all funding lost in the previous budget's cutback.¹¹⁰ In 2012, Green Bay Metro operated with \$100,000 less in state funding than it did prior to the cuts in 2011, a reduction of 6 percent.¹¹¹ In the absence of reform, Green Bay Metro expects that state funding is "not likely [to] increase substantially" in the coming years and that projected funding levels "are not nearly enough to improve service" in order to see higher ridership.¹¹²

Bus Infrastructure in Madison

Madison's bus network, known as Metro, is tremendously popular and drawing ever

more patrons. The city is trying to think ahead and capitalize on its growth opportunities, but at the moment is struggling just to keep enough buses on the road to handle all the people who want to use them.

Since 1995, ridership on the city's buses has risen 52 percent, outpacing the national increase in transit ridership by approximately 15 percentage points. In 2013, Madison's buses served 14.7 million riders, the second highest number in the city's history.¹¹³ Madison is now looking not just to improve service on its existing bus routes, but also to embrace the increase in ridership and expand Metro's reach and offerings with a new bus rapid transit line. To accommodate this growth, Madison's Metro needs to expand its fleet, replace old buses suffering from wear and tear, and expand its bus garage, already well past capacity, to house a growing number of vehicles.¹¹⁴

To meet future demand from a growing number of riders and improve service, recent studies have recommended increasing Metro's fleet size to 285 vehicles, of which 40 would be larger buses for use on the city's most popular routes.¹¹⁵ In addition, Metro needs to continue replacing older buses as they reach the end of their service lives. The transit authority seeks to replace 15 buses each year in order to maintain safe, reliable and attractive service.¹¹⁶ To house the expanded fleet, Madison also needs to construct a new bus garage.¹¹⁷

To meet other priorities, such as improving travel times and achieving

the goal of doubling Metro's ridership, Madison also seeks to invest in a new bus rapid transit system.¹¹⁸ The new 25-mile network would use more direct routing, fewer stops, dedicated travel lanes in some areas and traffic signal priority to improve travel times by up to 40 percent and provide additional capacity to the Metro network.¹¹⁹

An uncertain funding landscape undermines Madison's ability to invest in the bus infrastructure necessary to meet the city's needs and goals for the future, which requires about \$21 million in annual operating costs and as much as \$262 million in up-front capital:

- The proposed bus rapid transit system would require \$192 million in capital and a further \$9.8 million in annual operating funds.¹²⁰
- A new bus garage at the current location would cost approximately \$70 million; a smaller, satellite facility would require \$35 million.¹²¹
- The operating and annualized capital costs of acquiring 40 larger buses to address overcrowding could add as much as \$2 million to Metro's yearly expenses.¹²²
- Replacement of aging standard buses at the typical rate of 15 per year costs approximately \$9 million annually.¹²³

Policy Recommendations

Wisconsin needs to set priorities that are in keeping with shifting travel trends and the state's future needs. The state government has cut local transportation aid, meaning that across the state, pressing maintenance and repair needs are going unmet and critical new infrastructure investments are languishing on the drawing board. Transit spending is down, as is financial support for bicycle and pedestrian infrastructure. Yet Wisconsin continues to plan for major expansions of highway capacity that would command several billion dollars of public money—even though the number of miles driven on Wisconsin's highways hasn't increased in nearly a decade. And its local communities are cut out of the decision-making process, unable to secure state support for their priorities and prevented by law from raising the money more creatively.

Some state leaders have argued that we should increase transportation revenues to meet our transportation needs. To raise revenue, we have three options: raise taxes or fees, incur more debt and increase deficit spending, or take money away from general fund revenues, which would decrease funding for other public priorities

like public safety and education. These options should only be pursued if it is clear that the new spending is worth it.

Rather than increasing taxes or finding other ways to increase transportation revenues, Wisconsin policymakers should reassess highway expansion projects and get their priorities straight. Rather than focusing on highway expansion, they should concentrate on maintaining our existing infrastructure, making sure local roads and bridges are in good repair, and ensuring that local transit and bike infrastructure that more and more Wisconsinites, especially Millennials, are gravitating towards, is adequate to meet community needs. That shift will attract talent and advance economic prosperity. It's worth noting that these principles will serve Wisconsin well in both good and bad times; these priorities should guide Wisconsin's spending decisions regardless of whether we have a surplus of funding or funding is tight.

Wisconsin should rethink its transportation priorities and implement the following common sense measures to make better use of taxpayers' money and build the 21st century infrastructure that is vital to future prosperity. For about 40

percent of what may be spent just on the four highway projects highlighted in this report, Wisconsin could make major progress in other transportation funding areas over the next decade. (See Tables 1 and 2, and Figure 4.)

Table 1. Estimated Cost of Four Highway Expansion Projects

Project	Cost (millions of dollars)
Expand I-94 in Milwaukee	\$800 ¹²⁴
Widen I-90	\$836
Widen State Highway 23	\$128
Expand the Madison Beltline	\$1,000
Total	\$2,764

Reassess Demand for Highways

Time and again in recent years, Wisconsin has overestimated future traffic volumes, leading the state to the erroneous conclusion that it must dramatically expand highway capacity. With Wisconsinites driving fewer miles than a decade ago, now is the time for the state to reevaluate whether realistic expectations of future traffic growth really justify massive investments in highway expansion.

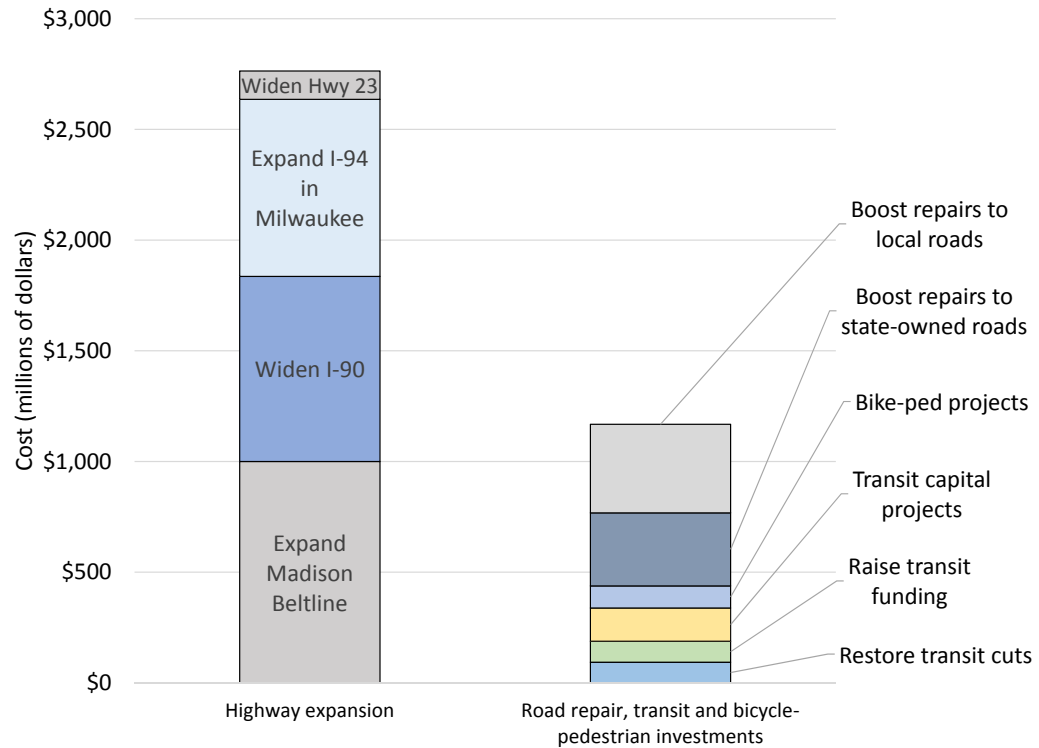
To ensure highway construction in Wisconsin serves the public interest, the state should:

- **Reexamine future traffic projections** and review the case for all highway construction projects currently in the pre-construction phase. In light of new information, highway projects may no longer warrant the full-scale expansion originally proposed. Wisconsin has already shown that it

Table 2. Investments in Road Repair, Transit and Bicycle-Pedestrian Projects Proposed by Wisconsin Transportation Finance and Policy Commission

Proposal	Cost (millions of dollars)
Restore transit-funding cuts imposed in the 2011-2013 budget for the next 10 years	\$93
Increase annual transit support by \$9.5 million a year for the next 10 years	\$95
Invest \$15 million a year more in transit capital improvements for the next 10 years	\$150
Invest \$10 million a year more in bicycle and pedestrian infrastructure for the next 10 years	\$100
Increase funding for repairs to state-owned roads by \$33 million a year for the next 10 years	330
Increase funding for repairs to local roads by \$40 million a year for the next 10 years	\$400
Total	\$1,168

Figure 4. Comparing Wisconsin's Choices: Highway Expansion or Investment in Road Repair, Transit and Bicycle-Pedestrian Projects



is willing and able to reassess planned highway projects in light of new data. After WisDOT proposed widening State Highway 38 in rural Caledonia from two to four lanes at a cost of \$125 million, Caledonia city officials criticized the project.¹²⁵ State documents showed that the expansion to a four-lane highway was justified only by unrealistic predictions of future demand.¹²⁶ Ultimately, the state took a second look and called off the project in the summer of 2013.¹²⁷ Wisconsin should actively reconsider other projects in a similar manner, taking steps to pare back or even abandon construction plans where the most recent evidence suggests those plans are unnecessary.

- **Investigate all alternatives to road widening.** In some cases the

installation of demand management strategies, expansion of carpooling, transit or other alternatives or technological improvements such as improved signal timing can save taxpayers money and may prove sufficient to mitigate problems on a roadway in a more cost-effective manner than the construction of additional capacity.¹²⁸

“Fix It First”

Wisconsin should adopt a “fix it first” policy that focuses on repairing existing roads and bridges before engaging in massive highway expansion projects that themselves increase the state’s long-term highway maintenance burden. Already,

fully 71 percent of Wisconsin's roads are rated "mediocre" or "poor" quality,¹²⁹ costing vehicle owners hundreds of extra dollars each year.¹³⁰

State bridges also need attention. All told, 1,157 bridges in Wisconsin—approximately 8 percent of the total—are classified as structurally deficient.¹³¹ Together, these bridges carry a daily average of 2.9 million vehicles.¹³²

Yet, Wisconsin continues to spend less on maintenance and repair work than on building new roads. According to Smart Growth America and Taxpayers for Common Sense, in 2011 Wisconsin spent \$349 million on highway repairs compared to \$544 million on construction of new or widened highways.¹³³

The sooner Wisconsin attends to its deteriorating roads, the better. According to the American Association of State Highway and Transportation Officials, the per-lane-mile cost of rebuilding a road after 25 years of neglect is three times as high as the financial commitment required for regular upkeep on a well-maintained highway.¹³⁴

The state should also recommit itself to helping local governments address the wear and tear on their infrastructure. Both in small places like Ashland and big cities like Milwaukee, officials are worried about how to pay for pressing maintenance needs, from routine pothole repairs to rehabilitation of large bridges.

Before spending increasing sums of public money on new highways and bigger roads, Governor Scott Walker and his administration should look again at the state's pressing repair needs and increase funding for General Transportation Aids. Since 1988, the share of local transportation costs that this program covers has declined from 24 percent to 13 percent.¹³⁵

The bipartisan Transportation Finance and Policy Commission called for increasing maintenance spending on state-owned roads by \$33 million a year,¹³⁶ and upping

assistance to local communities for road repair by \$40 million a year.¹³⁷

Invest in 21st Century Transportation Infrastructure

Though Wisconsin's 2013-2015 biennial budget increased transportation spending relative to the previous budget—reaching a total of more than \$7 billion—it failed to allocate the funding in forward-thinking or common-sense ways. By redirecting, where possible, the \$2.8 billion Wisconsin may spend on just four unnecessary highway expansion projects, the state could comfortably double spending on transit, local road and bridge maintenance, and bicycle and pedestrian projects to support the state's existing infrastructure.

As a down payment, the state should implement the recommendations of the state's bipartisan Transportation Finance and Policy Commission, published in 2013, by:

- **fully restoring the transit funding cuts** implemented as part of the 2011-2013 budget and **providing an additional \$9.5 million in annual support** to return transit funding to historic levels;¹³⁸
- **appropriating \$10 million annually** to create a competitive, state-funded program to fund bicycle and pedestrian projects;¹³⁹
- **investing \$15 million a year** in capital improvements for the state's transit systems.¹⁴⁰

The state should also heed the calls of the League of Wisconsin Municipalities to fully restore the cuts to the GTA program enacted in the 2011-2013 budget,

and ultimately shift more state money into the program to ensure that the share of local costs covered by GTA returns to its historic high.¹⁴¹

With Wisconsin's population of older, more transit-dependent residents growing and an increasing desire to use transportation alternatives among younger people, investing in the state's transit systems and bicycle and pedestrian facilities is crucial if the state's transportation infrastructure is to keep pace with the changing needs of Wisconsinites.

Create Regional Transportation Authorities

Investment in transportation alternatives requires significant investments that are often assembled from multiple sources at different government levels. Even if Wisconsin were to direct a greater share of state transportation funding to transit, the backlog of unmet needs and uncertainty of future federal transportation funding would result in the need for new transit funding options at the local level. Wisconsin municipalities, however, are hamstrung by their limited ability to raise local taxes. Wisconsin should allow

cities and towns to come together to form Regional Transportation Authorities (RTAs), public bodies with the authority to provide public transportation services, such as bus transit, and raise local revenue to support it.¹⁴²

RTAs can help communities and regions maintain optimal levels of service, plan for the future and make key investments in equipment and infrastructure. Officials in Madison point out that supporting the proposed bus rapid transit system the city needs will be more challenging without the reliable revenue generated by an RTA.¹⁴³ In addition, RTAs can foster cooperation among several neighboring communities, allowing more efficient and coordinated multi-community services.

The state has authorized and supported RTAs in the past. In 2009 the state legislature enabled local governments to create RTAs, but this was repealed in 2011 as part of state budget deliberations.¹⁴⁴ Wisconsin should reinstate the authority of cities and towns to come together to address and support regional transit needs.

By updating spending priorities to meet today's travel trends, Wisconsin can move confidently toward a transportation future that meets our most urgent local needs while conserving taxpayer money and better protecting the public purse.

Notes

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