

Chapter 8: Financial Analysis

As part of Beyond Coulee Vision 2040 implementation process, the LAPC has conducted a financial analysis to support the identification, evaluation, and prioritization of transportation projects that will be included in the fiscally constrained Metropolitan Transportation Plan (MTP). The MTP financial analysis demonstrates the balance between expected revenue sources and the estimated costs of projects, otherwise referred to as a fiscally constrained plan. These activities are federally required and are critical to developing a meaningful MTP.

Federal transportation laws require that cost and revenue estimates in an MTP must use an inflation rate (or rates) to reflect “year of expenditure dollars.” The inflation rate used in the plan must be based on reasonable financial principles and information, developed cooperatively by the State MPOs and public transportation operators. The Wisconsin Department of Transportation (WisDOT) annually provides inflation rates (expenditure and revenue) to MPOs to be utilized in TIP and MTP planning documents. The expenditure inflation rate of 1.56 percent and the revenue inflation rate of 2.00 percent were provided by WisDOT and are utilized for all estimates and projections in this chapter.

The intent of the financial analysis is to illustrate that it can be reasonably expected there is adequate funding to complete plan recommendations. This chapter identifies federal, state, and local funding sources for transportation projects. Local transportation expenses and revenue projections are based on historical spending/funding patterns. The WisDOT revenue estimates were used to project future funding for various highway funding programs. The current LAPC TIP (2020-2023 TIP) and past LAPC TIP plans were utilized for historical information and future project identification. Approximately 4 percent of the planning area is comprised of Minnesota jurisdictions and all expenses and revenue projections (federal, state, and local) are based on historical spending/funding patterns.

Local Roads and Highways

Funding Programs

There are many federal, state and local sources of funding utilized for past transportation projects and available for future transportation projects in the planning area. Table 24 summarizes funding sources typically utilized to implement the transportation projects identified in this plan.

Table 24: Local Roads and Highway Funding Programs

Program	Sponsor	Description	Local Match
Highway Safety Improvement Program	Federal	A federal reimbursement program that funds highway safety projects at locations with a high crash history.	10% local/state
Surface Transportation Block Grant (STBG) Rural Program	Federal	Funding may be used to complete projects on rural federal-aid-eligible highways outside of urban areas. Funding readily used on County highways.	20% local
STBG Urban Program	Federal	Funds a wide variety of transportation projects. Projects must be on roads classified as collectors or higher, transit capital and bicycle and pedestrian infrastructure projects are also eligible.	20%-50% local
State Trunk Highways Preservation	Federal, State	Includes “backbone” and “non-backbone” 3R funds. May be used on backbone routes (i.e. I 90) and the state highway system for preservation, reconstruction, resurfacing, and reconditioning.	No local; contract with WisDOT
STBG Local Bridge	Federal, State	Local governments are eligible for rehabilitation and replacement of bridges based on condition ratings.	20% local
State Trunk Highway Operations and Maintenance	State	Funding for state trunk highways for operations and maintenance. State contracts with local governments for maintenance of state trunk highways.	No local; contract with WisDOT
Local Roads Improvement Program (LRIP)	State	Assists local governments with improvements on deteriorating county highways, town roads, and city and village streets.	Minimum 50% local
Connecting Highway Aids Program	State	Provides local governments funding for connecting segments of state trunk highways to address costs associated with road maintenance and increased traffic.	No local; contract with WisDOT
General Transportation Aids	State	Returns a portion of state collected transportation revenues to local governments and can be used on any road project.	No local
Local Funds	Local	Local funding sources for highway projects may come from a variety of sources: General Fund; special assessments; bonding authority; Tax Incremental Financing; etc.	N/A

Sources: Wisconsin and Minnesota Departments of Transportation; local governments.

Historical Expenditures and Funding

Local Expenditures

To determine past local expenditures on local roads and highways as well as maintenance costs, staff reviewed the following reports: *County and Municipal Revenues and Expenditures* (2015 – 2018), Wisconsin Department of Revenue (WDR); *Minnesota County Finances Report*;

Minnesota City Finances Report; and, Minnesota Town Finances Report (2015-2018). Annually local governments report revenues and expenses to their respective state departments. The annual state reports break down local road and highway expenses into various categories accounting for maintenance, construction, engineering, administration, etc. Table 25 illustrates the annual local road and highway expenses (including operations and maintenance) for local governments in the planning area for the most recent years reported (2015-2018).

Table 25: Summary of Historical Local Road and Highway Expenses

Jurisdiction	2015		2016		2017		2018	
	O&M ¹	Total ²	O&M	Total	O&M	Total	O&M	Total
Planning Area-WI								
La Crosse County ³	\$3,773.6	\$3,809.2	\$4,535.3	\$4,567.1	\$4,372.8	\$4,420.4	\$3,889.8	\$3,910.9
C. La Crosse	8,473.4	18,441.2	14,025.7	23,535.1	26,008.7	35,672.6	8,074.4	20,867.1
C. Onalaska	1,253.5	3,632.3	1,203.3	4,430.2	1,416.3	3,751.0	1,330.0	5,169.6
V. Holmen	534.6	1,139.6	831.4	1,721.4	790.9	6,924.6	809.5	2,799.3
V. West Salem	315.3	443.0	307.1	343.7	430.6	671.8	346.2	588.7
T. Barre	98.3	98.3	180.4	180.4	98.7	98.7	111.6	111.6
T. Campbell	374.5	456.0	213.4	864.3	250.6	326.3	287.6	371.3
T. Greenfield	132.9	302.3	124.2	265.6	328.9	328.9	377.9	465.4
T. Hamilton	362.9	362.9	354.2	354.2	471.6	471.6	480.2	480.2
T. Holland	283.9	440.2	126.6	267.1	175.0	432.4	190.8	727.8
T. Medary	103.2	103.2	94.3	94.3	178.7	178.7	187.8	187.8
T. Onalaska	413.2	921.6	263.1	263.1	376.9	376.9	353.3	908.8
T. Shelby	889.0	902.2	1,304.3	1,306.6	785.0	890.2	1,100.9	1,103.9
Total	17,008.2	31,052.0	23,563.4	38,193.2	35,684.6	54,544.1	17,539.8	37,692.2
Planning Area-MN								
Houston County ³	191.0	474.8	183.1	430.8	146.4	299.1	196.7	410.2
C. La Crescent	549.2	720.2	612.3	2,501.5	569.6	695.6	722.3	2,114.6
T. La Crescent	130.4	130.4	158.7	158.7	257.1	257.1	182.0	182.0
Winona County ³	37.6	88.6	30.4	82.7	38.3	74.4	32.2	111.0
T. Dresbach	41.0	45.5	45.6	47.2	52.6	54.3	144.9	146.9
Total	949.2	1,459.5	1,030.0	3,220.9	1,063.9	1,380.5	1,278.1	2,964.7
Planning Area Total	17,957.4	32,511.5	24,593.4	41,414.1	36,748.5	55,924.6	18,817.9	40,656.9

¹ Operations and maintenance in 1,000\$.

² Includes construction, engineering, administration, etc. Value is in 1,000\$.

³ County expenditures in the planning area (based on percent of county highway miles).

Sources: County and Municipal Revenues and Expenditures Report, Wisconsin Department of Revenue (2015-2018); Minnesota County Finances Report; Minnesota City Finances Report; Minnesota Town Finances Report (2015-2018).

Federal and State Funding Obligations

To assist in gaining an understanding of historical state and federal funding allocations to the planning area, LAPC Transportation Improvement Program (TIP) plans were reviewed.

Table 26 illustrates state and federal funding of local road and highway projects programmed in the LAPC TIP documents from 2016-2019, 2017-2020, 2018-2020, 2019-2022 as amended. The historical data illustrate that state and federal expenses fluctuate year to year based on projects. Over the period reviewed expenses averaged over \$28 million per year from 2016-2019.

Table 26: Federal and State Local Road and Highway Funding Obligations, 2016-2019

Funding Source	2016	2017	2018	2019
Federal	\$39,610,500	\$11,522,354	\$5,726,528	\$23,456,200
State (MN & WI)	\$14,208,800	\$2,633,957	\$4,124,653	\$4,934,600
Local	\$1,404,800	\$593,800	\$2,215,137	\$2,930,900
Planning Area Total	\$55,224,100	\$14,750,111	\$12,066,318	\$31,321,700

Source: LAPC Transportation Improvement Program (TIP) Documents 2016-2019, 2017-2020, 2018-2020, 2019-2022 as amended.

Projected Future Revenues

Local Revenues

To project local government future revenues (2020-2040) for local road and highway funding (including operations and maintenance), the average of the expenditures from 2015-2018 from Table 25 were calculated and adjusted for inflation to current 2020 dollars. The four-year-average expenditures for each local government were inflated by 2.00 percent per year (2020-2040) and local revenues were projected to the 2040 plan horizon.

The reports, *County and Municipal Revenues and Expenditures (2015-2018)*, *Minnesota County Finances Report*, *Minnesota City Finances Report*, and *Minnesota Town Finances Report (2015-2018)* include state highway aids and/or grants as a line item revenue. For calculations in Table 30, the state highway aids and/or grants line item was separated from the transportation costs to more accurately reflect local governments' true costs and associated future revenues.

Table 27 reports the results of the analysis and shows the average annual local expenditure for transportation in the planning area is close to \$38 million (in 2020 dollars). Projected out to 2040 (plan horizon) and accounting for inflation (2.00 percent annually per WisDOT guidance) over the planning period approximately \$937 million in local revenue is anticipated to be available for transportation projects in the planning area. The city of La Crosse

accounts for over 61 percent of the total expenditures. Important to note, that a portion of the projected local revenues will be utilized for operations and maintenance (historically, approximately 56.7 percent of local expenses involved operations and maintenance).

Table 27: Average Annual Local Transportation Expenditures and Estimated Revenue, 2020-2040

Jurisdiction	Average Annual Transportation Expenditure*	Percent of Total Expenditure
<i>Wisconsin</i>		
La Crosse County	\$3,082,531	8.2%
C. La Crosse	\$23,160,922	61.3%
C. Onalaska	\$3,698,797	9.8%
V. Holmen	\$2,964,368	7.8%
V. West Salem	\$389,305	1.0%
T. Barre	\$85,766	0.2%
T. Campbell	\$445,117	1.2%
T. Greenfield	\$286,024	0.8%
T. Hamilton	\$314,892	0.8%
T. Holland	\$370,034	1.0%
T. Medary	\$108,025	0.3%
T. Onalaska	\$461,733	1.2%
T. Shelby	\$934,434	2.5%
<i>Total</i>	<i>\$36,301,948</i>	<i>96.0%</i>
<i>Minnesota</i>		
Houston County	\$135,740	0.4%
C. La Crescent	\$1,118,446	3.0%
T. La Crescent	\$161,210	0.4%
Winona County	\$31,649	0.1%
T. Dresbach	\$62,913	0.2%
<i>Total</i>	<i>\$1,509,958</i>	<i>4.0%</i>
Total Local Expenditure	\$37,811,906	100.0%
Projected Local Revenue¹	\$37,811,906 (over 20 Years)	\$937,104,460

¹ The average annual transportation expenditures were inflated at an annual rate of 2.0% to arrive at the projected local revenue over the 20-year plan horizon.

Sources: County and Municipal Revenues and Expenditures (2015-2018); Minnesota County Finances Report; Minnesota City Finances Report; Minnesota Town Finances Report (2015-2018).

Anticipated Federal and State Funding Revenues

Annual state and federal funding projections for the LAPC are provided annually from the WisDOT (received March 2020). Table 28 shows anticipated revenues for 2020 and the planning period by program. The table illustrates state and federal funding for state trunk highway preservation, operations, and maintenance along with local road expansion and preservation funds. Included in the table is funding for the cities of La Crosse and Onalaska for maintenance of connecting highways.

The table also includes anticipated federal and state funding revenues (estimated by LAPC staff) for the local governments in the Minnesota portion of the planning area. Minnesota state and federal funding projections are based on the average annual state and federal local road and highway funding received from 2016-2019. Anticipated federal and state funding for the planning area over the planning period is estimated to be more than \$746 million when adjusted for inflation.

Table 28: State and Federal Funding Projections for Local Roads and Highways

Funding Type	2020	2020-2040 ¹
State Trunk Highway (STH) Preservation, Maintenance and Operations		
Combined Backbone and Non-Backbone	\$8,925,068	\$230,117,859
STH Bridges	\$646,000	\$16,656,023
STH Large Bridges	\$4,166,667	\$107,430,497
STH Maintenance and Operations	\$6,034,390	\$155,586,591
Total	\$19,772,125	\$509,790,970
Local Road Expansion and Preservation		
STBG urban	\$911,261	\$23,495,331
General Transportation Aids	\$3,479,098	\$89,702,687
Connecting Highway Aids	\$499,651	\$12,882,660
LRIP	\$243,414	\$6,276,020
Federal Safety Program	\$377,462	\$9,732,222
Local Bridges	\$269,680	\$6,953,245
Total	\$5,780,566	\$149,042,165
Minnesota Projected Funding ²	\$3,383,696	\$87,242,907
Planning Area Total	\$28,936,387	\$746,076,042
¹ All funding projections are adjusted to reflect an annual inflation factor of 2.0 percent.		
² Minnesota state and federal funding projections are based on the average annual state and federal local road and highway funding from 2016-2019.		
Sources: Wisconsin Department of Transportation; LAPC.		

Table 29 summarizes projected revenues by source over the plan horizon 2020-2040. When adjusted for inflation, over \$1.68 billion is anticipated in transportation revenue. About \$84.1 million will be available annually for maintaining and improving local roads and highways.

Table 29: Summary of Projected Planning Area Revenues for Local Roads and Highways

Revenue Source	2040 Projection ¹
Federal and State Funding	\$413,543,857
General Transportation Aids (GTA)	\$89,702,687
Local Operation and Maintenance ² - Not paid by GTA funds	\$531,338,229
State Trunk Highway Operation and Maintenance	\$155,586,591
Local Funding	\$405,766,231
Minnesota State and Federal Funding ³	\$87,242,907
Total Funding	\$1,683,180,502
Annual Average	\$84,159,025

¹ Funding projections are adjusted to reflect an annual inflation factor of 2.0 percent.
² Based on the historical percentage of operating and maintenance expenses (56.7%) of total local road and highway expenses.
³ Minnesota state and federal funding projections are based on the average annual state and federal local road and highway funding from 2016-2019.
Sources: Wisconsin Department of Transportation, 2020; Wisconsin Department of Revenue 2015, 2016, 2017, 2018; LAPC Transportation Improvement Programs 2016-2019, 2017-2020, 2018-2020, 2019-2022 as amended.

Operations and Maintenance, Preservation, and Reconstruction Needs

Programmed and Illustrative Projects

Table 30 summarizes the projected anticipated costs for programmed roadway and bridge projects listed in the 2020-2023 TIP, illustrative projects identified in the 2020-2023 TIP document, and “significant future projects,” which are extracted from the current TIP for their dollar investment (over \$9 million) and out-of-TIP-year schedule.

Total cost estimates include a 2020-dollar amount and a year-of-expense value. The year-of-expense estimate is the 2020-dollar amount adjusted to anticipated-construction-year dollars. (Dollar values for projects scheduled to be completed in 2020 are unadjusted.)

The projects grouped under “2020-2023 TIP Projects” in Table 30 are projected to have a year-of-expense cost of over \$118 million. “Illustrative TIP Projects” are projects that do not have obligated funding but have been identified by the local government as being important. “Significant Future Projects” represent high-cost projects (over \$9 million)

scheduled outside the TIP window that are needed to improve the safety and performance of the transportation system. The total anticipated cost of programmed and illustrative projects is nearly \$354.4 million.

Table 30: Projected Cost of Programmed and Illustrative TIP Projects

Project	Description	Time Frame	Cost (2020\$)	Cost in Year of Expense ¹
2020-2023 TIP	Reconstruction, System Preservation, Br. Replacements, Etc.	2020-2023	\$115,124,500 ²	\$118,745,433
TIP Illustrative	Theatre Rd. from PH to STH 16, Reconstruction	2024-2029	\$800,000	\$864,377
TIP Illustrative	CTH OS from STH 16 to Marketplace--Widen to 7 lanes	2024-2029	\$100,000	\$108,047
TIP Illustrative	East Main St/Green Coulee Rd - Corridor Improvements	2024-2029	\$3,500,000	\$3,840,645
Significant Future	STH 16, Gillette St. to STH 157. Bridge and Approach Reconstruction.	2024-2029	\$27,500,000	\$29,256,574
Significant Future	STH 35, La Crosse – Trempealeau (Black River Bridges B-32-016 and B-32-018) Replacement.	2024-2029	\$9,854,000	\$10,646,970
Significant Future	USH 53 / 12th Avenue Extended from CTH SS - Gillette St. New Roadway.	2031-2040	\$131,804,000	\$156,270,933
Significant Future	IH-90, STH 16 to CTH C, Pavement & Bridge Replacements.	2031-2040	\$29,679,000	\$34,647,842
Total			\$318,361,500	\$354,380,821
¹ Year of expense equals 2020 cost times annual inflation of 1.56 percent to the year of anticipated construction. ² Includes \$93,940,800 Federal, \$21,479,100 State, and \$9,704,600 Local. Sources: Wisconsin Department of Transportation; LAPC 2020-2023 Transportation Improvement Program.				

Operations, Maintenance, and Preservation

Future local road and highway needs include costs of operations, maintenance, and highway preservation activities associated with the existing public highway infrastructure. To estimate these future needs the LAPC worked with and compiled information (data, budgets, etc.) from WisDOT, MnDOT, and the La Crosse County Highway Department to come up with an operations, maintenance, and preservation cost-per-mile estimate. The resulting value was applied to the mileage of local roads and highways in the planning area to estimate future costs of operations, maintenance, and preservation (Table 31).

The cost-per-mile estimates account for annual operation and maintenance costs as well as preservation costs. Preservation costs that do not occur on an annual basis (resurfacing, sealing, etc.) were annualized and are included in the cost-per-mile estimate. These estimates do not account for reconstruction costs.

Table 31 reports that the anticipated funding needed over the life of the plan for local road and highway operations, maintenance, and preservation when adjusted for inflation is nearly \$1.18 billion. Operations, maintenance, and preservation of local roads will make up the bulk of expenses.

Table 31: Local Road and Highway Operations, Maintenance, and Preservation Needs, 2020-2040

Facility Type	Total Miles (centerline)	Annual Cost per Mile (2020 Dollars) ¹	Anticipated Funding Needed 2020-2040 ²
Principal Arterials	83.3	\$54,550	\$111,890,223
Minor Arterials and Collectors	200.5	\$ 44,118	\$217,812,659
Local Roads	850.7	\$40,372	\$845,685,872
Total	1,134.5		\$1,175,388,754

¹ Derived from local highway budgets, La Crosse County Highway Department estimates, and WisDOT operation and maintenance estimated costs.

² Inflated by 1.56 percent each year to 2040.

Sources: Calculated from data from WisDOT, MnDOT, La Crosse County Highway Department.

Summary of Needs

Table 32 summarizes the estimated financial needs for local roads and highways in the planning area over the planning period 2020-2040 as derived from data in the previous tables. The total estimated need over all categories is nearly \$1.9 billion.

Table 32: Summary of Financial Needs for Local Roads and Highways for the Planning Period 2020-2040

Identified Needs	Estimated Costs ¹
Operation and Maintenance (local and state highways)	\$799,022,296
Anticipated Preservation Projects (not identified)	\$376,366,458
Future Projects	\$354,380,821
Local Road Reconstruction	\$365,263,032
Total Estimated Need	\$1,895,032,607

¹ Inflated annually at 1.56 percent.

Sources: LAPC Transportation Improvement Plan 2020-2023; WisDOT; MnDOT; La Crosse County Highway Department; Wisconsin Department of Revenue; Minnesota Office of State Auditor.

Transit Funding

Three public transit operations serve the LAPC planning area: La Crosse Municipal Transit Utility (MTU); Onalaska/Holmen/West Salem Public Transit (OHWSPT); and Scenic Mississippi Regional Transit (SMRT).

Transit Capital Expenses and Revenues

Transit capital revenues and needs discussed below are summarized in Table 33.

La Crosse Municipal Transit Utility (MTU)

As reported by MTU, 55 percent of its bus fleet exceeds the [useful life benchmark](#) (ULB) for buses. Capital expenses are projected to be over \$22 million over the planning period. WisDOT provided 2020 capital and revenue estimates that combined MTU and OHWSPT state and federal funding. In determining capital and operating revenue for MTU and OHWSPT, the combined revenue estimates from WisDOT were allocated based on past trends. Additional MTU capital revenue estimates (local match, farebox, etc.) were derived from historical trends identified in the National Transit Database (NTD). As the table reports MTU capital needs (\$22,050,476) greatly exceed projected revenue (\$10,233,141), resulting in a deficit of \$11,817,335 over the planning period.

Onalaska/Holmen/West Salem Public Transit (OHWSPT)

OHWSPT needs were derived from reviewing past capital expenditures and TIP documents. The transit system maintains twelve vehicles with up to nine being in service at peak hours.

The capital needs projections for OHWSPT are based on two vehicles being replaced annually, resulting in the in-service vehicles being a maximum of 4 to 5 years old. Currently, none of the vehicles are beyond the ULB and this schedule will ensure the same. The table shows approximately a \$298,817 deficit for capital needs for the OHWSPT over the life of the plan. The deficit could be made up through additional local match or capital grant opportunities.

Scenic Mississippi Regional Transit (SMRT)

SMRT capital needs were developed from reviewing past capital expenditures, TIP documents, and grant contracts. The capital needs projections for SMRT are based on one vehicle being replaced every year, resulting in the fleet having no in-service vehicle older than 4 years old. Currently, none of the vehicles are beyond the ULB and this schedule will ensure the same.

Table 33: Summary of Transit Capital Revenues and Needs

Funding	Annual Expenses (2020\$)	Projected Expenses (2020-2040) ¹
Projected Capital Needs		
MTU ²	\$895,500	\$ 22,050,476
OHWSPT	\$68,200	\$1,679,333
SMRT ³	\$100,000	\$2,462,365
<i>Total</i>	\$1,063,700	\$26,192,174
Projected Capital Funding Sources		
FTA 5339		
MTU	\$217,790	\$5,615,349
OHWSPT	\$32,543	\$839,066
SMRT	\$80,000	\$2,062,665
<i>Subtotal</i>	\$297,790	\$8,517,080
Local Capital Assistance		
MTU	\$179,100	\$4,617,792
OHWSPT	\$21,000	\$541,450
SMRT	\$25,000	\$644,583
<i>Subtotal</i>	\$225,100	\$5,803,825
Total Projected Capital Funding	\$522,890	\$14,320,905
¹ Adjusted at an annual inflation rate of 1.56 percent. ² Does not include MTU potentially transitioning to a mixed fleet (diesel/electric). ³ Based on past capital expenses. Does not include SMRT potentially transitioning to a mixed fleet (diesel/electric). Sources: Wisconsin Department of Transportation Revenue Estimates (March 2020); Transit Agency Profiles 2014-2018, National Transit Database, Federal Transit Administration. LAPC expense projections based on historical five-year averages unless otherwise noted.		

Both MTU and SMRT are working towards transitioning from diesel to electric buses. The assessments discussed above do not include this scenario but assume traditional vehicles.

Transit Operating Expenses and Revenues

Transit operating revenues and needs discussed below are summarized in Table 34.

La Crosse Municipal Transit Utility

Operating expenses were developed by analyzing NTD data. The 2020 annual operating cost was projected to 2040 (adjusted for inflation) and a total of \$145,172,407 is projected to be needed to operate MTU over the planning period. Revenues were projected utilizing

WisDOT program revenue estimates and past farebox/local funding trends (FTA NTD data). Anticipated MTU operating revenues (\$157,670,115) exceed operational costs over the planning period.

The MTU Transit Development Plan “*Grand River Transit Service Enhancement and Policy Plan 2015-2025*” developed in 2015 recommends service modifications that would increase operational and capital costs but would improve service. The relevant plan recommendations are included below:

- ⇒ Implement the modified Route 6 Northside to provide service to the Amtrak and Indian Hill Neighborhoods.
 - Need two additional buses at **\$690,000** and four additional drivers at **\$228,000** to meet hours of service.
 - Adds 8,996 service hours per year: **\$769,068**.
 - Creates 34 new stops and eliminates 14 existing stops.
- ⇒ Extend 30-minute service on weekdays by one hour until 6:42 pm on routes 1, 2, 4, 5, and 6. This will provide flexibility to employees who work into the evening. Connections are rushed and can be missed if workers stay past 5:00 pm: **\$111,137** for 1,300 hours of service.
- ⇒ Route 9 Onalaska
 - Reinstate midday service to eliminate gap: **\$82,680** for 780 hours of service.
 - Add Saturday service: **\$55,120** for 520 hours of service

The modifications/additions to service in 2020 dollars would equate to a capital investment of \$980,000 and an increase in annual operating expenditures of \$1,592,621 (2020 \$).

Onalaska/Holmen/West Salem Public Transit

Operating expenses were developed by analyzing NTD data. The 2020 annual operating cost was projected to 2040 (adjusted for inflation) and a total of \$21,660,191 is needed to operate OHWSPT over the planning period. Operational revenue comes from several different sources: state and federal grants, fare box, and local funds. Revenues projected over the planning period show operational revenues exceeding \$22,380,000.

Scenic Mississippi River Transit

Operating expenses were developed based on a review of SMRT operating contracts with the transportation provider. The 2020 contracted operating costs were projected to 2040 (adjusted for inflation) and a total of \$11,382,798 is projected to be needed to operate SMRT over the planning period. Projected revenues were derived from reviewing grant

contracts/awards, and historical local funding. Revenues projected over the planning period show operational revenues exceeding \$11,900,000.

Table 34: Summary of Transit Operations Revenues and Needs

Funding	Annual Expenses (2020\$)	Projected Expenses (2020-2040) ¹
Projected Operating Needs		
MTU	\$5,895,650	\$145,172,407
OHWS Transit	\$879,650	\$21,660,191
SMRT ²	\$462,271	\$11,382,798
<i>Total</i>	\$7,237,571	\$178,215,396
Projected Operating Funding Sources		
FTA 5307		
MTU	\$2,127,280	\$54,848,335
OHWS Transit	\$262,922	\$6,779,001
MTU MN 5307	\$112,000	\$2,887,732
<i>Subtotal</i>	\$2,502,202	\$64,515,068
FTA 5311		
SMRT	\$213,635	\$5,508,219
State Operating Assistance		
MTU	\$2,006,088	\$51,723,603
OHWS Transit	\$198,404	\$5,115,513
SMRT	\$42,217	\$1,088,494
<i>Subtotal</i>	\$2,246,709	\$57,927,610
Local (farebox, match, etc.)		
MTU ³	\$1,981,831	\$51,098,177
OHWSPT	\$406,783	\$10,488,215
SMRT	\$206,419	\$5,322,167
<i>Subtotal</i>	\$2,595,033	\$66,908,559
Total Projected Operating Revenues	\$7,343,944	\$189,351,237
¹ Adjusted at an annual inflation rate of 1.56 percent.		
² Actual need based on contract and grant application.		
³ Includes Minnesota local matching funds.		
Sources: Wisconsin Department of Transportation Revenue Estimates (March 2020); Transit Agency Profiles 2014-2018, National Transit Database, Federal Transit Administration.		

Summary of Transit Needs and Estimated Revenues

The public transit analysis illustrates a potential significant funding shortfall for MTU capital expenses over the planning period, while OHWSPT shows a minimal capital deficit. However, MTU and OHWSPT projected operational revenues exceeding operational costs over the same period. In the future, it may be possible to focus local funding from operational expenses to help off-set capital needs.

The assessment of current revenues and expenditures helps to plan for and prioritize future transit needs within the community. The projected long-term capital funding gap between 2020 and 2040 totals roughly \$12 million based on revenue and expense estimates.

Understanding this shortfall in funding is important to leverage existing transit assets and evaluate future community needs to identify priority areas for transit investment. Increased utilization of the transit system's assets will maximize funding capabilities and help to preserve service levels at the current levels. Better utilizing available revenue and limiting expenses will aid in long-term sustainability of each transit system.

Transit funding from federal, state, and local sources is anticipated to remain relatively constant in future years—emphasizing the importance of identifying additional funding sources to maintain current service levels and recommended service expansions. Currently, fare revenue accounts for about 35 percent of operating revenue. While increasing ridership and fare revenue is one way to increase funding, it is unrealistic to expect transit fares to cover future revenue needs.

The LAPC has supported the need to invest in transit and expand services to provide enhanced regional coverage. LAPC plans, including CV2040, have consistently recommended pursuing a Regional Transit (or Transportation) Authority (RTA). An RTA would provide a new funding mechanism for the region that would close the project funding gap and ultimately help maintain a state of good repair and expand service coverage.

Bicycle and Pedestrian Infrastructure Funding

Another component analyzed as part of the interim plan update are proposed bicycle and pedestrian infrastructure projects in the planning area. The projects identified are improvements for stand-alone (not part of an existing or proposed highway improvement) bike and pedestrian facilities/projects. Bike and pedestrian improvements that are part of highway construction/reconstruction projects are not detailed in this section.

Illustrative Projects

Table 35 describes illustrative bicycle and pedestrian projects in the planning area. The projects' estimated year-of-construction costs exceed \$41 million. The project accounting for

most of the funding is the Interstate 90 Corridor Shared-use Trail, which could potentially cost over \$35 million to complete. Maintenance costs are not accounted for in the total project costs. Maintenance costs for paved trails could cost around \$9,100 per mile annually (drainage maintenance, sweeping, trash removal, weed control, etc.) per *Guidelines for Analysis of Investments in Bicycle Facilities, 2006*. The maintenance estimate is adjusted for inflation.

The projects are considered illustrative because they have been identified as being desired but have not yet been funded. Completion of these projects would require local governments to pursue grant funding and commit to the local share. Projects within highway right-of-way may be completed as part of a larger highway or bridge reconstruction project.

Table 35: Illustrative Bicycle and Pedestrian Projects

Illustrative Projects	Description	Time Frame	Estimated Cost (2020\$)	Year of Expense ¹
La Crosse River Bike/Ped Bridge	Bridge over La Crosse River to connect existing STH 16 trail to CTH VP in Veteran's Park	2020-2025	\$831,000	\$897,872
State Highway 16 Trail Connection	10-foot-wide asphalt trail connecting existing STH 16 Trail near Dick's Sporting Goods to existing STH 16 Trail at Landfill Rd	2020-2025	\$680,400	\$723,861
Wagon Wheel Trail Extension to La Crosse	Shared trail connecting the Wagon Wheel Trail in La Crescent to La Crosse within USH 14 right-of-way	2020-2025	\$875,000	\$945,413
Wagon Wheel Trail Phase 4 (La Crescent)	Grade-separated crossing of USH 14/61 between the boat landing and the south sidewalk	2026-2040	\$1,160,000	\$1,292,757
Mormon Coulee Greenway Trail ²	Shared trail adjacent to Morman Coulee Creek from STH 35 to CTH YY in the town of Shelby	2026-2040	\$1,800,000	\$2,101,355
Interstate 90 Corridor Shared-use Trail	Shared trail suspended below Interstate-90 between TH 14 in Minnesota and Exit 3 in Wisconsin	2026-2040	\$28,425,600	\$35,855,024
Total Future Projects			\$33,772,000	\$41,816,282
¹ Inflation factor of 1.56% applied annually out to anticipated construction year.				
² Estimated construction cost only. Excludes land acquisition, easements, etc.				
Sources: LAPC in consultation with local governments; local planning documents.				

Grant Funding

Grant funding options available for bicycle and pedestrian projects are limited and traditionally involve very competitive grant processes. A commitment from local sources is critical to projects receiving funding from federal/state grant programs. Grant programs that may be applicable to several of the proposed projects include:

- ⇒ **Transportation Alternatives Program (TAP):** One of three programs under the federal Surface Transportation Block Grant (STBG) program. Projects are awarded from competitive statewide (Wisconsin) and District-wide (Minnesota) processes. Sponsors are required to commit to a 20 percent local match. The LAPC ranks projects within the Wisconsin portion of the planning area for consideration during the WisDOT ranking process.
- ⇒ **Knowles-Nelson Stewardship Program:** Purpose of this Wisconsin Department of Natural Resources (DNR) program is to preserve valuable natural areas and wildlife habitat, protect water quality and fisheries, and expand opportunities for outdoor recreation. The recreation goals of the program are achieved through the acquisition of land and easements, development of recreational facilities, and restoration of wildlife habitat. A 50% local match is required of grant awardees.
- ⇒ **Federal Recreational Trail Program:** This program encourages the maintenance and development of motorized, non-motorized, and diversified trails. A 25 percent cash or in-kind match is required.
- ⇒ **Minnesota Department of Natural Resources:** MnDNR offers the Local Trail Connections Program and the Regional Trail Grant Program to develop trail facilities in Minnesota. Grants are reimbursable up to 75 percent of the eligible project costs. Grant recipients must provide a non-state cash match of at least 25 percent.

Financial Analysis Summary

Table 36 summarizes the local road and highway and transit revenues and needs for the planning area over the planning period 2020-2040. A goal of the financial element of the plan is to determine if transportation plans and projects are fiscally constrained over the planning period. The revenue and cost estimates aid in determining the fiscal feasibility of the plan. The bike/pedestrian projects are considered illustrative and not included in the summary table.

Overall the table illustrates an annual shortfall in funding of \$11,027,042 and a planning period deficit of \$212,587,105. As discussed earlier, almost all the funding deficit can be attributed to local road and highway costs. Transit experiences a \$12 million deficit in capital funding and a surplus in operational funding that for the most part offsets the capital deficit.

If bicycle and pedestrian needs are factored in, the overall deficit increases by an additional \$41 million. Ultimately, the LAPC is committed to more efficient use of existing transportation assets and increased investment in transit and non-motorized facilities to address the areas regional mobility needs. It is anticipated that this commitment will reduce funding shortfalls attributed to local roads and highways in future years.

Table 36: Local Roads and Highways and Transit Revenues and Needs

Revenues and Needs	Annual 2020\$	Total 2020-2040 Adjusted for Inflation
Local Roads and Highways		
Projected Revenues	\$84,159,025	\$1,683,180,502
Projected Needs	\$94,751,630	\$1,895,032,607
<i>Sub-total</i>	<i>(\$10,592,605)</i>	<i>(\$211,852,105)</i>
Transit		
Projected Capital/Operation Revenues	\$7,866,834	\$203,672,142
Projected Capital/Operation Needs	\$8,301,271	\$204,407,570
<i>Sub-total</i>	<i>(\$434,437)</i>	<i>(\$735,428)</i>
Total Transportation		
Projected Revenues	\$92,025,859	\$1,886,852,644
Projected Needs	\$103,052,901	\$2,099,440,177
Planning Area Total (revenues minus needs)	(\$11,027,042)	(\$212,587,533)
<i>Sources: Tables 29, 32, 33, and 34.</i>		

This page intentionally left blank.