

Building Boondoggles?

Is Governor Walker Spending Billions on Four Roads to Nowhere?

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A c k n o w l e d g m e n t s

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WISPIRG Foundation also wishes to thank Phineas Baxandall, Ph.D. at U.S. PIRG for providing analysis, editorial assistance and review and Tony Dutzik at Frontier Group for editorial assistance.

This report is made possible through the generous support of The Brico Fund, Helen Bader Foundation, Rockefeller Foundation and the RE-AMP Global Warming Strategic Action Fund.

The authors bear any responsibility for factual errors. The recommendations are those of WISPIRG Foundation. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

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EXECUTIVE SUMMARY

At a time when the State of Wisconsin is wielding an axe with many public programs and vital transportation services, it appears to be shoveling tax dollars toward four highly questionable highway expansion programs that could cost over \$2 billion. The new construction largess is particularly troubling given that these tax dollars will be diverted from improving the state of repair on Wisconsin's existing roads or transit systems, or from public structures such as schools and public safety in our local communities.

Wisconsin faces a \$3.6 billion budget deficit. In response, Governor Walker has proposed cuts in most areas of the state budget, including education, health care and state assistance for local cities, towns and counties. State funding for local road repair and transit have also been put on the chopping block. Transit in particular has been put at risk by receiving a 10% across the board cut and by a proposal to stop supporting transit through the state's transportation fund.

At the same time, Governor Walker has proposed a 13 percent increase in state funding for highway capital projects. This spending on new construction at a time of tight budgets stands out like a sore thumb, especially when considering the poor state of Wisconsin's existing infrastructure and transit service.

A significant portion of Governor Walker's Highway Improvement budget would be devoted to four new major highway projects, projected to cost Wisconsin taxpayers between \$1.2 and \$2.1 billion. This paper examines those four projects and questions whether they are needed at all, much less to be prioritized over other urgent needs. Our analysis finds troubling unanswered questions, outdated data used as justification, and a lack of thorough review. We found the following:

- The traffic count and crash data used for the I-90 widening project south of Madison is both nearly 10 years old and does not support widening lanes as a mitigation measure. Additionally, WisDOT has inexplicably chosen the most expensive option for construction in every case on this project. Predictions for the cost of this project range from \$715 million to \$1.5 billion.
- The official internal statement for the \$125 million Highway 15 widening project in Outagamie County states that an intersection improvement might be a lower-cost and viable alternative to a major highway construction project. It also states that without additional spending the Level of Service on the road likely won't deteriorate until 2040!
- Little justification is provided for the nine-mile, \$125 million Highway 38 project through rural Caledonia between Milwaukee and Racine. This four-lane project will parallel the already existing I-94 corridor, less than 4 miles to its west. The only apparent immediate beneficiary is the Caledonia Business Park.
- The supporting documents do not support the case for the \$390 million proposal to widen the Tri-County Freeway in Winnebago and Calumet Counties.

WISPIRG recommends that state leaders delay these four projects until further review can determine whether they are needed. We should not waste taxpayer money on projects that have not been thoroughly reviewed and justified, especially when other vital transportation services, such as local road repair and transit, are being cut. Instead, state leaders should restore funding for local transportation assistance and transit in the short term and reform the transportation planning and review process to ensure that transportation expenditures are justified, thoroughly reviewed, and best advance the public interest.

I. Intro – The State of Wisconsin’s Transportation System

Wisconsin’s transportation system is in trouble. Potholes and cracks line thousands of local streets and roads across the state. Drivers in Wisconsin pay an average of an extra \$281 per year on car repairs due to the poor conditions of our roads and bridges.¹ In the face of rising gas prices, shrinking transit systems leave Wisconsinites with fewer options for travel.

According to a 2008 report, 43 percent of Wisconsin’s roads were rated as being in “less than good” condition². The number of structurally deficient bridges in Wisconsin in 2010 stood at a disconcerting 1,142. Local governments clamor for dwindling state aid to assist with the repair of local roads and bridges that are too often in poor condition.

Faltering public transit systems provide less access and fewer options than they once did. A University of Wisconsin-Milwaukee study in the fall of 2008 showed that service reductions in Milwaukee have hurt the ability of residents to access jobs via public transportation. As bus service miles have been reduced by nearly 20 percent since 2001, tens of thousands of jobs have become inaccessible to Milwaukee residents, making recovery more difficult for both the city and the state.³

The bottom line is, funding for repair and maintenance of roads and transit services is inadequate in Wisconsin. Meanwhile, state and federal policies continue to support construction of new and wider highways rather than repairing existing roads and bridges or maintaining transit services. According to the U.S. Census Bureau, Wisconsin ranked 12th in per-capita state and local spending on highways, which is 24 percent above the national average.⁴

Transportation spending must better reflect the public interest. To get there, we must reform the transportation planning and review process. Most immediately, state leaders should adopt a budget that prioritizes maintenance and repair of existing infrastructure and maintaining transit services rather than diverting scarce dollars to questionable highway expansions the state cannot afford.

II. Governor Walker’s Transportation Budget Proposal

Governor Walker’s transportation budget proposal further skews these misplaced priorities. While the overall transportation proposal for the biennium, totaling \$5.65 billion, remains virtually flat compared to the 2010-

¹ American Association of State Highway and Transportation Officials, *Rough Roads Ahead: Fix them Now or Pay for It Later*, May 2009.

² A mile of road in good condition has an International Roughness Index (IRI) of less than 95, meaning that over that mile, a standardized meter travels up and down less than 95 inches. A mile of Interstate in fair condition has an IRI of 95 to 120, and a mile of Interstate in mediocre condition has an IRI of 120 to 170, and a mile of Interstate in poor condition has an IRI of 170 or more. For roadways that are not part of the Interstate Highway System, fair = IRI of 95 to 144, mediocre = 171-220, and poor = greater than 220. Data: Federal Highway Administration, *Highway Statistics 2008*, Table HM-64, October 2009; Definitions: Federal Highway Administration, *1999 Status of the Nation’s Highways, Bridges and Transit: Conditions and Performance*, May 2000. The entire Interstate Highway System approved by the Federal-Aid Highway Act of 1956 was 41,000 miles. See Federal Highway Administration, *Dwight D. Eisenhower National System of Interstate and Defense Highways*, 10 May 2009, available at www.fhwa.dot.gov.

³ Center for Economic Development, University of Wisconsin-Milwaukee, *Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee*, October 2008.

⁴ National Journal Daily, “Rough Road Ahead,” May 22, 2011, available at <http://www.nationaljournal.com/member/daily/rough-roads-ahead-20110522>.

2011 adjusted base year, Governor Walker has proposed significant shifts in transportation funding and reorganized priorities, diverting funding away from local road repair and transit services and toward major new highway expansion projects⁵. Most notably, Governor Walker proposes a 13% increase in funding for the Highway Improvement Program, the capital program for state highways, totaling \$2.79 billion and consuming nearly half of the total transportation budget. At the same time, the proposal cuts funding for transit and local assistance for local road repair and maintenance by 10%.

Aside from property taxes, local transportation assistance is the single largest source of funding for the repair and maintenance of local roads and bridges. In fact, state assistance is second only to property taxes for the funding of local road repair and maintenance. With less state assistance for local road repair, localities will find themselves raising property taxes or devoting fewer dollars to repair of local roads and bridges across Wisconsin before they deteriorate more seriously.

As already noted, funding for transit systems in Wisconsin has been deteriorating, a trend that seems likely to continue under the proposal submitted by Governor Walker. In fact, Governor Walker's budget proposes major – and potentially devastating – 10 percent cuts to public transportation programs beginning in calendar year 2012 despite higher fuel costs. Reduced public investments in recent years left many systems a skeleton of what they used to be, reducing accessibility to commuters. Additionally, the proposal would transfer appropriations for mass transit operating assistance from the transportation fund to the general fund, beginning in 2012-2013, forcing yet more programs to divide a smaller pie. With fluctuating gas prices and our nation's dependence on oil, transportation options such as transit are needed now more than ever.

The 13 percent increase in funding for the Highway Improvement Program in Governor Walker's budget proposal totals \$328 million. The cuts to transit total \$10 million, and the cuts to local transportation assistance total \$48 million. Therefore, state leaders could restore cuts to transit and local transportation assistance without increasing the overall size of the budget; in fact, they could increase transit service and local transportation assistance, nearly five-fold without increasing the overall transportation budget.

Lastly, Governor Walker proposes a major reorganization for how major highway projects are funded. He has proposed statutory revisions to the process by which the Transportation Projects Commission (TPC) reviews projects which are candidates for funding as major highway projects. The TPC was created in 1983 by the Legislature to serve as an independent watchdog and to review and recommend major highway projects using explicit criteria for congestion, safety, economic development, among other criteria. While the track record of the TPC to serve as an independent watchdog has been mixed at best, Governor Walker proposes to construct a loophole around the public process, which would lead to less public and legislative oversight for the largest highway projects. Specifically, he has proposed creating a new class of major highway projects, costing more than \$75 million, which would be eligible to skip TPC review and to start construction without legislative approval. While the intent and effect of these provisions is unclear, they could open the door to many more costly highway projects and divert more resources from more pressing transportation needs.

⁵ This report analyzes only the surface transportation budget proposal for the State Highway Program, local roads, transit, biking and pedestrian modes. We do not analyze air travel, maritime, freight rail or other aspects of the state transportation budget proposal.

III. Four Boondoggles or Public-Interest Priorities?

Governor Walker has proposed four major highway projects in his 2012-2013 transportation budget proposal.⁶ These four projects total at least \$1.2 billion and would consume a significant percentage of Wisconsin's future state transportation spending. Taxpayers deserve to know that these projects are necessary and wise expenditures of taxpayer money. WISPIRG Foundation's initial analysis suggests, however, many unanswered questions about the validity, necessity and efficacy of these projects. State leaders should review and assess major transportation projects carefully before queuing up billions in projects for taxpayer dollars. We look at each of the projects below:

a. I-90 Widening South of Madison to Illinois Border for up to \$1.5 billion

By far the largest and most expensive of the four major highways projects in the governor's budget is the widening of I-90 South of Madison to the Illinois border. The 45-mile long widening of Interstate I-90 from 4 lanes to 6 lanes, from Madison south to the Illinois state line, is estimated to cost \$715 million. Press reports have suggested that the actual cost could be in the \$1.0 to \$1.5 billion range.⁷ In either case, it would be a massive highway expansion with unclear justification.

We have major concerns with how WisDOT has evaluated this project and how they have chosen to build it:

1. While departments of transportation must justify their project choices through such data as counts of traffic and crashes, the support for this project is suspect. The traffic counts shown are from 2002 and therefore are outdated and potentially unreliable.⁸ This data is particularly important since one of the major ostensible reasons for moving forward with this project would be satisfying traffic demand and alleviating future congestion. Also, the crash data is from 2000-2005 and do not justify a need for new spending because the averages are not significantly different from statewide averages. The data also indicates that most crashes were occurring at interchange ramps, which does not support widening the number of mainline lanes as a mitigation measure.
2. In developing a scope for the project, WisDOT has chosen the most expensive option in every case.⁹ For a project of such high cost, WisDOT should consider undertaking a rigorous "value engineering" process to eliminate needless expenses and find the most economical solutions.

For a project costing state taxpayers potentially \$1.0 to \$1.5 billion, these questions should be addressed and answered. Taxpayers first deserve to know whether the project is necessary; at the very least, the state should ensure that we are moving forward with the most cost-efficient option while meeting our needs.

b. Widening Highway 15 for 11 miles for \$125 million

The \$125 million project in Outagamie County would widen State Highway 15 for about 11 miles between New London and Greenville, northwest of Appleton. Although there is some congestion on the route, the main

⁶ While Governor Walker has proposed that these projects be enumerated in the state budget, they were initially proposed under the Doyle administration and approved by the Transportation Planning Commission in October 2010.

⁷ <http://www.jsonline.com/news/statepolitics/89813777.html>

⁸ IH 39/90 EA, 7.

⁹ IH 39/90, Illinois State Line to USH 12/18 Environmental Assessment, July 2008, 16.

impetus for the project appears to be the construction of a bypass around the village of Hortonville (population 2,711). The main intersection in the village currently has a Level of Service rated between B and C, which are both acceptable. The Environmental Impact Statement states that the Level of Service may deteriorate to Level D, which is congested, only by 2040.¹⁰ It is not clear why this project should receive such high priority at a time when Wisconsin is cutting so many other public structures.

The project appears to be very expensive in relation to the small benefits that would accrue to the limited long-distance traffic on the road and the small problem in downtown Hortonville. Most concerning is that the Environmental Impact Statement states that an intersection improvement at the main intersection in Hortonville would be a viable alternative,¹¹ potentially a lower-cost option that could save taxpayers while still addressing potential issues of safety and capacity in the future.

c. Widening State Highway 38 for \$125 million

The State Highway 38 project appears to be the least meritorious of the four projects recommended for major highway enumeration in the governor's budget. Indeed, it is difficult to find any merit in the project at all.

The 9-mile, \$125 million project would take a two-lane road which wanders through rural Caledonia, between Milwaukee and Racine, and upgrade it to a four-lane, divided, high-speed highway. There is no obvious rationale for this project. Even the environmental assessment document does not try to argue that there is an existing traffic problem, citing "future traffic demand generated by existing and planned development within the STH 38 corridor and the surrounding region."¹² This is peculiar in that the assessment states that the area is currently largely agricultural – characterized by its cabbage farms¹³ - and the Village of Caledonia has adopted a plan to preserve its rural character.¹⁴ This may not literally be a "road to nowhere," but it is baffling why a major expansion should be a spending priority.

In fact, the only immediate beneficiary of this new highway would appear to be the Caledonia Business Park, a 440-acre industrial park that would have direct access to a segment of the highway built on a new alignment abutting the property.

It is not clear why taxpayers should prioritize creating a high-volume and high-speed highway design for this roadway. Significant portions would be newly constructed roadway through open land. The standard "cross-section" of the highway would have two 12-foot lanes in each direction, 10-foot shoulders (8 feet paved), and grass medians ranging from 30 feet to 60 feet in width. The sharp turns on existing STH 38 would be replaced with gradual curves, permitting high speeds throughout. And this new major north-south route would be built only two to four miles east of, and parallel to the existing Interstate I-94!

¹⁰ Environmental Impact Statement, STH 15, 2009, 1-5.

¹¹ EIS, ES-9.

¹² Environmental assessment, STH 38 Corridor Study, 2. Note: the document available on the WisDOT website is undated and unsigned.

¹³ EA, 26.

¹⁴ EA, 28.

d. *Tri-County Freeway widening for \$390 million*

Another project enumerated in Governor Walker’s budget is the USH 10/STH 441, Winnebago CTH CB to Oneida Street project in Calumet and Winnebago counties. The project consists of the widening and reconstruction of 5 miles of the Tri-County Freeway in Menasha at an estimated cost of \$390 million.¹⁵

A number of unanswered questions arise regarding this project:

1. One of the primary justifications for this project is to reduce traffic demand; however, the case for reducing traffic demand is weak and raises the question whether this project is worth a \$390 million taxpayer expenditure. In fact, although the Environmental Assessment cites traffic demand as a justification for the project, it concedes that the freeway currently experiences “minimal congestion.” The project is presumably intended to mitigate future congestion, based on projections done several years ago.¹⁶ However, even after the very expensive proposed improvements are made, the result would be only a “slight decrease in travel time for through traffic” and “the travel time savings would likely be less than 5 minutes.”¹⁷
2. The official assessment states that “the primary purpose of the project is to improve safety” and details specific safety concerns along the freeway.¹⁸ However, no justification is provided for the notion that adding lanes and supporting higher speeds at great expense is an effective – let alone cost-effective – means of addressing safety concerns. Indeed, WisDOT conducted a safety study of the freeway in 2007 and produced a list of recommended short-term and long-term improvements that would be specifically targeted at crash locations. The short-term improvements were already included in a 2010 improvement project.¹⁹ It would be more prudent to evaluate the success of these safety measures before undertaking a larger project.
3. This evaluation of system linkage, traffic demand, and safety issues suggests that the case has not been made for a \$390 million project to widen the Tri-County Freeway.
4. Another justification for this project, although not included in the project’s Environmental Assessment, is economic development. However, the official Environmental Assessment pours cold water on this idea. The document baldly states: “Planned economic development along the Tri-County Freeway corridor will continue to occur with or without improvements to the Tri-County Freeway and its interchanges.”²⁰

Table 1: The Cost of Four Highway Expansion Projects

| Project | Cost |
|---------------------|--|
| Interstate I-90 | \$715 million to \$1.5 billion |
| Highway 15 | \$125 million |
| Widening Highway 38 | \$125 million |
| Tri-County Freeway | \$390 million |
| TOTAL | \$1.255 billion to \$2.14 billion |

¹⁵ Summary, 441.

¹⁶ US 10/WIS 441 EA, 4.

¹⁷ US 10/WIS 441 EA, 29.

¹⁸ US 10/WIS 441 EA, 28.

¹⁹ <http://www.dot.wisconsin.gov/projects/d3/wis441/index.htm>.

²⁰ US 10/WIS 441 EA, 34.

IV. Conclusion – Getting to a Public-Interest Transportation Agenda

Since the beginning, Wisconsin's growth and development has been tied to investments in transportation. We must continue to maintain, build and invest in a transportation system that facilitates commerce, grows our economy and enables the efficient and safe movement of goods and people. Most importantly, we must ensure that transportation spending decisions are made in the public interest, since transportation networks are supported and maintained with public money. That means having a transportation system that meets our needs and solves, rather than worsens, our biggest transportation problems.

Without big changes, Wisconsin's transportation problems on the roads and elsewhere will severely worsen. Our roads and bridges must be maintained and we must build and expand roads and transportation only when necessary. Light rail, clean bus systems, and other public transit should play a greater part in Wisconsin's transportation future. Efficient public transportation systems reduce the number of cars on the road and increase our options for getting around.

State leaders must resist the urge to invest in new and wider highways while decreasing funding for road repair, transit, and other urgent needs. Most importantly, state leaders should reject funding projects that have not been thoroughly vetted and reviewed. Unnecessary projects increase Wisconsin's long-term maintenance costs, divert resources from more urgent priorities, and most importantly, squander taxpayer dollars. Wisconsin cannot afford to waste precious transportation dollars on highway boondoggles.

Ultimately, Governor Walker has proposed to fund potentially unnecessary and unjustified projects while cutting funding for urgent transportation needs. We must reprioritize to ensure that urgent and important transportation needs are met first, rather than wasting taxpayer dollars on potentially unnecessary major highway projects that consume enormous resources and take away from urgent needs.

V. Recommendations

We recommend that state leaders delay the funding of the four major projects analyzed in this project, until they are more thoroughly vetted and reviewed, and most importantly justified as taxpayer expenditures. State leaders should reassess short-term priorities in order to ensure that vital transportation services and needs are met, including the repair and maintenance of existing infrastructure, transit, and bike and pedestrian services. In addition, we recommend reform of transportation planning and review in order to ensure that the public interest is protected and that transportation decisions are made to meet immediate needs. We recommend the following specific recommendations:

- **State leaders should spend taxpayers' money more wisely by focusing transportation dollars on solving our nation's biggest problems.** Both state and federal transportation money should be spent only on projects that produce real results over the long haul - for example, by reducing our dependence on oil, alleviating congestion, improving safety, curbing global warming pollution, and supporting healthy, sustainable communities.
- In light of the unanswered questions raised in this report regarding four major highway projects approved by the TPC in October 2010, **we recommend a review of the TPC and of our state's transportation planning and review project.** The Governor's proposal to reduce public and legislative oversight moves us in the wrong direction. Before any changes are made, we must ensure that the

TPC operates in an effective manner, enhancing public and legislative oversight, increasing the chances that unnecessary projects are rejected, and ensuring needed projects are approved, all projects are well justified and the public interest is served. Wisconsin taxpayers deserve a thorough and unbiased review process.

- We recommend that state leaders **delay the approval of funding for the four major highway projects proposed by Governor Walker** until further review can assess whether they are needed and if so, they should be constructed in the most cost-efficient way for Wisconsin taxpayers.
- Strapped local governments are already struggling to maintain and repair local roads and bridges. With property levy limits being capped by the Governor in his budget proposal, local leaders will have fewer tools and resources to repair roads and bridges. We recommend that state leaders **restore funding for local transportation assistance, increasing the resources available to towns, counties and municipalities to repair and maintain local roads and bridges.**
- Lastly, we recommend that state leaders **maintain or increase existing transit funding levels, keep transit in the transportation fund, and prioritize repair and maintenance of existing transportation infrastructure.**