

LAPC RTA Feasibility Study

Technical Report #3:
Economic and Community Benefit



La Crosse Area Planning Committee

Prepared by:



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INTRODUCTION

As part of the La Crosse Area Planning Committee (LAPC) Regional Transit Authority (RTA) Feasibility Study, this technical report builds on previous work evaluating potential governance and funding scenarios for expanded public transit in the region. Work to date has included examining various RTA structures that vary in terms of geographic coverage, funding capacity, and the overall scale of service that could be supported. The four potential scenarios evaluated include:

1. Existing Municipal Partners
2. Metropolitan Planning Area (MPA) within Wisconsin
3. La Crosse County
4. Multi-County RTA (La Crosse, Vernon, Crawford, Monroe, and Trempealeau counties)

As discussions around RTA enabling legislation continue at the state level, there is a need to better understand how each of these scenarios may benefit the La Crosse region beyond transit service alone. In particular, it is important to understand how transit investments may translate into broader economic and community outcomes.

This Economic and Community Benefit analysis builds on work completed to date by estimating the potential benefits associated with each of the four defined scenarios, providing a clear assessment of economic and community impacts associated with potential RTA formation. This analysis aims to quantify benefits that are not typically expressed in dollar terms. To support comparison across each of the four governance and funding scenarios, benefits are translated into planning-level annual dollar estimates. This process allows for a clearer understanding of how the scope of potential benefits changes as geographic coverage and investment levels increase.

This analysis is intended as a high-level decision support tool. It is not a service plan or detailed economic impact study. Instead, it is intended to support communication with elected officials and the public by illustrating the types of benefits (and their relative magnitudes) that transit investment can enable in terms that are more directly applicable to community outcomes, informed by existing research and a variety of data sources.

METHODOLOGY

In discussions of specific benefit categories to track, the project management team emphasized the importance of capturing impacts across the following broad categories:

- Economic development
- Aging in place
- Health
- Household cost

These benefit categories reflect key ways in which transit investment can influence broader economic activity and quality of life within the region and are able to be quantified in accordance with existing industry

research and best practices. Each selected metric is intended to reflect benefits that are both meaningful to local stakeholders and supported by available data and research. Metrics are defined in Table 1.

Table 1. Benefit Metrics

Category	Metric	Description
Economic Development	Access to Economic Opportunity	Wages associated with jobs plausibly supported by transit access
Economic Development	Local and Visitor Spending Potential	Economic activity, in the form of taxable sales, plausibly supported by transit access
Aging in Place	Independent Mobility for Older Adults	Transportation cost savings for transit-supported adults age 65+
Aging in Place	Delayed Institutional Care	Avoided institutional care costs attributable to transit-supported adults age 65+
Health	Missed Medical Appointments	Value associated with forgone medical trips that would be supported by new transit access
Household Cost	Transportation Cost Burden	Transportation cost exposure avoided by zero-vehicle households due to transit access

Each metric is calculated using the formulas and data sources in Table 2 by applying **transit mode share**, or the percentage of all trips made using public transit, to make determinations on which of the trips relevant to each metric can be attributed to transit. In addition, relevant trip purpose shares (such as medical trips, shopping trips, and work trips) are also included as needed to further scale the total number of trips to those that are both taken using public transit *and* taken for each specific purpose noted. These shares may also be tied to a specific regional base count or measure associated with each metric, such as total jobs, total spending, or demographic information.

Taken together, applying these scaling factors (among others) across each scenario geography yields an estimate of each activity that is plausibly supported by transit access, and translates it into annualized dollar values for comparison across benefit types and scenarios.

Table 2. Metric Formulas and Data Sources

Metric	Calculation	Key Data Sources
Access to Economic Opportunity	Total jobs × average annual income × work-trip share × transit mode share	LEHD, Federal Reserve, Replica, ACS
Local and Visitor Spending Potential	Annual taxable sales × shopping-trip share × transit mode share	Sales tax revenue, Replica, ACS
Independent Mobility for Older Adults	65+ population × transit mode share × chauffeuring cost savings per trip	ACS, MnDOT
Delayed Institutional Care	65+ population × transit mode share × relocation share × annual care cost	ACS, MnDOT, CareScout Cost of Care Survey

Metric	Calculation	Key Data Sources
Missed Medical Appointments	Annual trips × medical trip share × transit mode share × medical trip transportation insecurity share × cost per forgone trip	Replica, National Household Travel Survey, ACS, MnDOT, American Journal of Epidemiology
Transportation Cost Burden	Households × transit mode share × share of transit trips by zero-vehicle households × annual vehicle cost	ACS, Replica, APTA

These measures do not assume that transit directly generates the underlying economic or community activity. However, the measures estimate the portion of activity that is credibly supported by transit access by applying transit mode share and trip purpose assumptions to existing regional conditions. As such, results of these calculations should be interpreted as order-of-magnitude estimates of benefits attributable to transit-supported trips under each scenario, rather than as forecasts of any new or induced activity.

RESULTS

The results of this analysis are outlined below in terms of total annual benefits, distribution of benefits by category, and comparisons to estimated investment levels. Table 3 shows the estimated annual economic and community benefits associated with each scenario. Total benefits range from approximately \$27.3 million under Scenario 1 to approximately \$63.9 million under Scenario 4.

Table 3. Results Summary

Metric	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Access to Economic Opportunity	\$6,062,278	\$6,822,027	\$6,955,596	\$11,525,200
Local and Visitor Spending Potential	\$5,392,510	\$6,132,698	\$6,279,056	\$10,195,846
Independent Mobility for Older Adults	\$6,733,631	\$8,414,728	\$8,701,246	\$16,697,951
Delayed Institutional Care	\$3,452,082	\$5,422,256	\$5,787,420	\$12,448,693
Missed Medical Appointments	\$4,772,641	\$5,559,215	\$5,727,322	\$10,375,913
Transportation Cost Burden	\$897,022	\$1,285,994	\$1,358,515	\$2,691,199
Total Annual Benefit	\$27,310,163	\$33,636,919	\$34,809,153	\$63,934,803

Across all scenarios, increases in total benefits are primarily driven by expansion in population, travel activity, and the scale of economic activity within each scenario geography. Scenario 4 captures a significantly larger share of regional activity, resulting in more than double the estimated benefits of Scenario 1 due to the larger share of regional population and activity captured.

While total benefits increase with scenario size, the relationship is not strictly linear. Differences between Scenarios 2 and 3 are relatively modest, reflecting the two scenarios' similar geographic boundaries and demographic characteristics, while Scenario 4 represents a large change in both scale and the anticipated resulting benefits.

Benefits by Category

As shown in Table 4, economic development impacts and aging-related benefits represent the largest shares of total estimated benefits across all scenarios, with each category accounting for approximately 37 to 45 percent of total benefits. This reflects the number of jobs available in the region that would be realistically accessible by transit, as well as increased sales tax-generating spending attributable to transit. Additionally, aging-related benefits reflect the high economic value of aging in place, independent mobility, and foregone institutional care costs, particularly in larger geographies which tend to have higher populations of older adults. Health benefits also have significant benefits, and household transportation cost impacts represent a relatively small but consistent portion of total benefits.

Table 4. Distribution of Benefits by Metric

Metric	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Access to economic opportunity	22.2%	20.3%	20.0%	18.0%
Local and visitor spending potential	19.7%	18.2%	18.0%	15.9%
Independent mobility for older adults	24.7%	25.0%	25.0%	26.1%
Delayed institutional care	12.6%	16.1%	16.6%	19.5%
Missed medical appointments	17.5%	16.5%	16.5%	16.2%
Transportation cost burden	3.3%	3.8%	3.9%	4.2%
Total Annual Benefit	100.0%	100.0%	100.0%	100.0%

Return on Investment

Table 5 compares total estimated benefits to the required annual investment for each scenario. Across all scenarios, estimated benefits substantially exceed the costs of service improvements. **Net annual benefits range from approximately \$21.8 million to \$50.1 million. Benefit-cost ratios range from 4.01 to 5.02, indicating that each scenario produces several dollars of estimated benefit for every dollar of investment.**

While Scenario 1 produces the highest benefit-cost ratio, all scenarios demonstrate strong returns under the assumptions used in this analysis. These results suggest that the scale of transit-supported activity remains high relative to investment levels across a range of governance and funding approaches.

Table 5. Return on Investment

ROI Metric	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Required Annual Investment	\$5,440,100	\$8,384,696	\$8,447,740	\$13,763,715
Total Annual Benefits	\$27,310,163	\$33,636,919	\$34,809,153	\$63,934,803
Net Benefit	\$21,870,063	\$25,252,223	\$26,361,413	\$50,171,088
Benefit-Cost Ratio	5.02	4.01	4.12	4.65
Benefit per Capita	\$353.58	\$297.45	\$289.46	\$261.82
Investment per Capita	\$70.43	\$74.15	\$70.25	\$56.36

On a per capita basis, estimated annual benefits range from approximately \$261 to \$354 per resident, while annual investment ranges from approximately \$56 to \$74 per resident. Per capita benefits are somewhat higher in smaller scenario geographies, reflecting higher relative concentrations of activity and population density when compared to the estimated costs of providing transit service. Larger scenarios distribute benefits across a broader population base, resulting in lower per capita values but higher total benefits.

Taken together, these results demonstrate that transit-supported activity represents a consistent component of regional economic and community outcomes across all scenarios.

CONCLUSIONS

This Economic and Community Benefit Analysis demonstrates that, across all scenarios considered, transit investment is associated with substantial economic and community benefits relative to the level of investment required. While total benefits increase with expanded geographic coverage and population, all scenarios evaluated produce strong returns.

Key findings include:

- Total annual benefits range from \$27.3 million to \$63.9 million in the categories explored
- Benefit-cost ratios range from 4.01 to 5.02 across all scenarios
- Aging-related benefits represent a 37 to 45 percent share of total impacts across scenarios
- Approximately 38 to 42 percent of total benefits are economic development-related
- Health and household cost impacts provide additional, consistent contributions

These findings highlight and quantify the scale and types of benefits that transit can support, illustrating that beyond providing day-to-day mobility benefits in the traditional sense, public transit investment is a contributor to broader community wellbeing and quality of life.