

**FY 2024-25 Council Proposals  
For Budget Note Discussion**

**Budget Note Title:**

Regional Values Tolling Prototype

**Budget Note Narrative:**

The recent approach to implementing tolling in Oregon did not meet the values and desired outcomes of stakeholders, especially in the Portland Metro region. While Governor Tina Kotek has paused the process, Metro and its partners should continue to move forward in creating a solution that addresses local needs and the funding gap for transportation in Oregon. With several large projects, including IBR, pending, we have a responsibility to provide a solution that supports regional prosperity.

<p style="text-align: center;"><b><u>Primary Sponsor</u></b></p> <p>Councilor Gerritt Rosenthal</p> <p style="text-align: center;"><b><u>Sponsoring Councilors</u></b></p> <p><input type="checkbox"/> President Peterson</p> <p><input type="checkbox"/> Councilor Simpson</p> <p><input type="checkbox"/> Councilor Lewis</p> <p><input type="checkbox"/> Councilor Rosenthal</p> <p><input type="checkbox"/> Councilor González</p> <p><input type="checkbox"/> Councilor Nolan</p> <p><input type="checkbox"/> Councilor Hwang</p>
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It is important to recognize that tolling has not been proposed for other parts of the state. A future program has regional implications for equity (both income and geographically), congestion, diversion, revenue raising, lifestyle, and the economy. Metro adopted values in 2023 that should guide any metro area tolling proposal. Metro also has the data and expertise to propose, at least, a preliminary proposal that reflects these values and helps us advance climate priorities (reducing trips, GHG).

Metro must be proactive in helping identify potential legislative changes that facilitate a regional system ahead of the upcoming legislative session. A prototype plan developed by Metro would act as a catalyst for in-depth discussion and evaluate a range of potential tolling locations that consider updated travel patterns, projections, freight, and high-capacity corridors. The proposal would also provide a concrete analysis of revenue, economic impacts to our communities, administrative costs, and ongoing responsibilities of stakeholders. A prototype plan would also inform the correct political approach for fostering support among constituents by studying cost elasticity.

The development of such plan is complex. Regional pinch points are well known. In 2021 Metro completed a study that demonstrated the negative impacts of developing a piecemeal tolling plan and that study could serve as a baseline for a more robust proposal.

A tolling prototype is also necessary for ultimate comparison with other proposals for highway project financing (such as a Vehicle Mile Tax). This would be a limited duration project though it may require continuance into the 25-26 biennium depending on legislative action and OTC response.

**Request:**

1 FTE from general fund dollars along with an allocation of \$200,000 for consultant support.

**Stakeholders:**

All Metro cities would be impacted either directly or indirectly; Outlying jurisdictions may also have an interest along with all economic sectors and constituencies.