

Council work session agenda

Tuesday, February 19, 2019

2:00 PM

Metro Regional Center, Council chamber

REVISED 2/15

2:00 Call to Order and Roll Call

2:05 Safety Briefing

2:10 2022-2024 Regional Flexible Funds Allocation Framework

[18-5161](#)

Presenter(s): Margi Bradway, Metro
Dan Kaempff, Metro
Ted Leybold, Metro

Attachments: [Work Session Worksheet](#)
[Memo: RFFA Policy Summary and Response](#)

2:40 Regional Investment Strategy: Parks and Nature Bond
Development

[18-5162](#)

Presenter(s): Jon Blasher, Metro

Attachments: [Work Session Worksheet](#)

3:40 Chief Operating Officer Communication

3:50 Councilor Communication

4:00 Adjourn

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬស្នើសុំទទួលបានកាតបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ www.oregonmetro.gov/civilrights។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក។

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**2022-2024 Regional Flexible Funds Allocation
Framework**
Work Session Topics

Metro Council Work Session
Tuesday, February 19, 2019
Metro Regional Center, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: February 19, 2019

LENGTH: 30 minutes

PRESENTATION TITLE: 2022-2024 Regional Flexible Funds Allocation Framework

DEPARTMENT: Planning & Development

PRESENTER(S): Margi Bradway, x. 1635, margi.bradway@oregonmetro.gov
Ted Leybold, x. 1759, ted.leybold@oregonmetro.gov
Dan Kaempff, x.7559, daniel.kaempff@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: Gather input from Council on policy options for the upcoming update of the Regional Flexible Funds Allocation (RFFA).
- Outcome: Understand Council intent regarding policy considerations to guide the regional funding allocation process.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

The Metro region is preparing to prioritize transportation projects and program activities to receive regional flexible funds available in the federal fiscal years 2022 through 2024. In January, Metro staff briefed Council on the RFFA existing policy and process, presented the previous Council's recommendations, and gathered their input to prepare a statement of Council policy intent for the 2022-2024 RFFA.

This work session is to discuss the Council policy statement and to gather any additional input Council may wish to provide staff regarding the RFFA.

QUESTIONS FOR COUNCIL CONSIDERATION

- Does the attached policy statement accurately reflect Council intent regarding the 2022-2024 RFFA?
- Is there further policy direction Council wishes to provide to staff?

PACKET MATERIALS

- Would legislation be required for Council action ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☐ No
- What other materials are you presenting today? Attachment A - Response to Council Work Session on 2022-24 Regional Flexible Funds Allocation

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: Friday, January 18, 2019
To: Metro Council
CC: Elissa Gertler, Margi Bradway, Ted Leybold
From: Dan Kaempff, Principal Transportation Planner
Subject: Response to Council Work Session on 2022-24 Regional Flexible Funds Allocation

At your January 8, 2019 work session, Metro Council discussed the upcoming Regional Flexible Funds Allocation (RFFA) process. In that discussion, Council outlined four policy principles to guide allocation of regional funds, and directed staff to provide additional detail on those principles. Council also directed staff to prepare potential funding initiatives for their further consideration in the policy development and funding process.

Council agreed on four main principles to be followed in development of their policy direction:

1. **The 2018 Regional Transportation Plan priorities are to serve as the RFFA policy framework.** An extensive public engagement process went into the creation of the RTP, as well as numerous meetings and interactive forums with the region's elected officials, business and community leaders. Metro's public outreach efforts resulted in over 19,000 individual communications during the RTP process. From these discussions, an agreement on the region's priorities relative to the transportation has emerged.
2. **The four primary RTP priorities are to be carried out through RFFA project selection.** The RTP contains a broad vision statement, and subsequent supporting goals and objectives that define a transportation system that aligns with the Council-adopted Six Desired Outcomes. Included in this policy direction are four priorities for transportation that JPACT and Metro Council said were the most critical and should be emphasized through our subsequent funding and policy-making activities.
 - a. **Equity** – reduce disparities and barriers faced by communities of color and other historically marginalized communities
 - b. **Safety** – reduce fatal and severe injury crashes, particularly focusing on the High Crash Corridor network
 - c. **Climate Change** – expand transit and active transportation networks, and leverage emerging technology to meet Climate Smart Strategy goals
 - d. **Congestion Relief** – manage congestion and travel demand through low-cost, high value solutions
3. **Maintain the existing two-step framework.** Using the regional dollars strategically has been an underlying goal of previous RFFA processes. Over the past three allocation cycles, the region has allocated funding in two steps. The first step continues our investments in building out the regional high-capacity transit network, and creating a pipeline of sufficiently developed capital projects that are ready for future funding opportunities. Step 1 also supports region-wide investments that make the entire system work more effectively and efficiently, and funds the region's planning efforts.

Step 2 targets project development and construction funding towards capital projects in local jurisdictions that advance RTP policy priorities and that have regional significance.

Council indicated they wished to continue this two-step process, and that the four RTP priorities should be applied to both steps.

4. **Better align Step 2 project outcomes with four RTP priorities.** Council wished to consider and discuss potential ways that Step 2 could be adjusted in order to ensure alignment with the RTP priorities described above. Step 2 projects must result in outcomes consistent with these priorities. As the RFFA financial forecast is finalized, consideration should be given to how any potential funding increase can be used to better enable the region to accomplish these four policy priorities.

Implementation and performance measures

To respond to and advance policy direction defined in the Six Desired Outcomes and the 2018 RTP, Council indicated their intent for the RFFA policy to advance diversity through contracting opportunities associated with these funds.

The 2018 RTP adopted new and updated performance measures to enable the region to better understand the extent to which investments in the transportation system will achieve desired outcomes and provide the best return on public investments. Council directed that projects funded through the RFFA should clearly demonstrate alignment and support of these updated RTP performance measures.

Next Steps

This spring, JPACT and Council are scheduled to consider and take action on the adoption of updated RFFA policy direction to direct investments through the 2022-2024 RFFA funding cycle. Council's principles set forth in this memo will be used as the foundation for discussions with stakeholders leading to development of the updated policy. Metro staff will develop updated RFFA policy and project selection criteria in consultation with TPAC. At their March 1, 2019 meeting, TPAC is scheduled to make a policy recommendation to JPACT. JPACT will consider the TPAC recommendation at their March 21 meeting, and Council is scheduled to consider JPACT's action at their March 28 Council meeting.

**Regional Investment Strategy: Parks and Nature Bond
Development**
Work Session Topics

Metro Council Work Session
Tuesday, February 19, 2019
Metro Regional Center, Council Chamber

REGIONAL INVESTMENT STRATEGY: PARKS AND NATURE BOND DEVELOPMENT

Date: Feb. 8, 2019

Prepared by: Heather Nelson Kent, x1739,
heathernelson.kent@oregonmetro.gov

Department: Parks and Nature

Presenter: Jon Blasher, Parks & Nature
Director, jon.blasher@oregonmetro.gov

Work session date: Feb. 19, 2019

Length: 60 min

ISSUE STATEMENT

The Metro Council is seeking regional funding to protect and connect nature and people throughout the greater Portland region. The Metro Council has directed staff to develop a potential bond for referral to voters in 2019. At a series of January 2019 work sessions, staff received direction from Council on potential bond outcomes. Staff will present options to explore and further refine through community engagement, local government input and technical work.

ACTIONS REQUESTED

Provide staff direction on questions and investment options to explore through further engagement and planning, prior to Council consideration of bond measure referral.

IDENTIFIED POLICY OUTCOMES

- Build on momentum of past Parks and Nature bond investments, while meeting new challenges, particularly population growth, racial disparity, and climate change
- Advance Parks and Nature System Plan and Metro's work with partners to connect people to nature, protect fish and wildlife habitat, improve water quality
- Advance racial equity, diversity and inclusion in bond development, programming and implementation
- Integrate with regional investments in affordable housing and transportation.

POLICY QUESTIONS

- What questions or options for a potential 2019 Parks and Nature bond should staff continue to explore through engagement and technical analysis?
- What additional information or input from stakeholders or local government partners does Council need in order to make a referral decision?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

In January staff received direction from the Metro Council on a set of draft outcomes, six priority investment area and key criteria for project selection, advancing racial equity and increasing the region's climate resiliency. Staff seeks further Metro Council direction on options and questions to explore further through engagement and analysis, including the

size range and relative level of investments in each program area in a potential bond measure.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

In late 2017, the Metro Council directed staff to work with partners and the community on a coordinated regional strategy for potential investments in housing, parks and nature, and transportation, to address the challenges of growth and keep greater Portland livable for everyone. The passage of the regional affordable housing bond in November demonstrates greater Portland voters' eagerness to work together to address these critical issues.

Residents of the region have repeatedly supported investments in parks and nature, an essential element of greater Portland's quality of life and our national reputation. Over two decades, the region's voters approved two bond measures (in 1995 and 2006) that allowed Metro to create a unique regional park system with nature at its heart. Voters have also passed two levies to care for this system, in 2013 and 2016 and the Metro Council approved additional capital investments in 2014 to increase the public's use and connection to the natural areas that have been protected and restored.

Metro has a strong track record of success delivering on commitments made to voters in these funding measures. With voters' continuing support, Metro has worked with partners to protect clean water, restore fish and wildlife habitat, and bring parks and nature closer to hundreds of thousands of people. Parks and nature investments have made our communities healthier and our economy stronger. Metro now manages 17,000 acres of parks, trails and natural areas across greater Portland, including beloved places like Oxbow and Blue Lake, as well as lesser-known but invaluable natural areas. Thousands more acres of parks and natural areas have are enjoyed by people every day thanks to local and community projects made possible by regional funding.

Although much has been accomplished, there is more to do. A growing population and changing climate threaten the streams and habitat Oregonians have worked so hard to protect. Treasured parks and trails need improvements to keep up with demand. And some communities – particularly communities of color and other historically marginalized communities – need a more equitable share of the benefits of public investments in parks and nature.

The Metro Council adopted a Parks and Nature System Plan in 2016, spelling out Metro's regional role in addressing these needs with partners and the community. The Metro Council has also directed staff to advance racial equity throughout the development and framework of a potential bond, incorporating actions from the Parks and Nature Department's 5-year Racial Equity, Diversity and Inclusion Action Plan. This means including in decision-making those communities that have been left out in the past, as well as looking at how future investments can provide benefits to communities of color and other historically marginalized populations.

BACKGROUND

In fall 2018, Metro engaged a wide range of partners and community members to explore options for a potential bond. Staff conducted focused discussions with members of the conservation community, fellow park providers, Indigenous community members, and farmers to discuss priorities for a potential bond measure, including how it could advance racial equity. Working with a cohort of culturally-specific organizations and conservation groups, Metro also co-hosted two community forums, hearing directly the voices of more than 100 community members who were not included in creating previous Metro parks and nature bond measures.

In September, Metro convened a Stakeholder Table to explore options and provide recommendations to the Metro chief operating officer. Members include roughly 30 people representing perspectives from the conservation community, culturally-specific organizations, business, working lands and local elected officials.

Through the rich insight of these community members and partners, staff identified potential priorities for a third parks and nature bond, as well as ideas that could help a bond meet community and conservation needs in the future. Staff presented a summary of engagement to date to the Metro Council at an Oct. 11 retreat and Nov. 13 work session and continue to share with Council feedback received from organizations and individuals about future capital investments in the region's system of parks, trails and natural areas.

Over three work sessions in January 2019, the Metro Council discussed and provided direction to staff on the key outcomes the potential bond measure should prioritize in order to serve the needs of people and nature in greater Portland. Staff and the Council also considered possible gaps between Council's desired outcomes and previous parks and nature bond investments and how a future bond could achieve the Council's desired outcomes by being more explicit and transparent about investment priorities as well as by adding new program areas for funding in the future.

Staff will return to Metro Council work sessions in the coming months to further explore key policy questions and receive Council direction. Staff will also conduct further engagement with the Stakeholder Table, partners and the community to develop potential bond investment priorities and project selection criteria. The Metro Council could consider referring a bond to voters in the late spring.

- Is legislation required for Council action? **Yes**
- If yes, is draft legislation attached? **No**

Materials following this page were distributed at the meeting.

Parks and Nature – Potential 2019 Bond Renewal Options

All figures are estimates for Metro Council work session discussion purposes only - 2/19/19 draft

	Focus: Regional Investments	Focus: Local Investments	Focus: Balanced Investments
\$250 - \$300 million Urban Transformation; Regional Trails acquisition and construction Local park projects and Nature in Neighborhood grants Metro capital projects and land acquisition and/or restoration			
	<ul style="list-style-type: none">Willamette Falls Phase II8-10 miles trail corridor acquisition, 3 miles new trail construction, 5 miles existing trail improvements	<ul style="list-style-type: none">Willamette Falls Phase II, additional Council-designated projects (4-5)8-10 miles regional trail acquisition, 3 miles new trail construction, 5 miles existing trail improvements	<ul style="list-style-type: none">Willamette Falls Phase II, additional Council-designated projects (1-2)8-10 miles regional trail corridor acquisition, 3 miles new trail construction, 5 miles existing trail improvements
	<ul style="list-style-type: none">100+ local projects50+ community-led projects	<ul style="list-style-type: none">200+ local projects and/or bigger projects75-100 community-led projects	<ul style="list-style-type: none">150-200 local projects and/or bigger projects75-100 community-led projects
	<ul style="list-style-type: none">Blue Lake/Oxbow infrastructure, ADA improvements3 “Phase II” Metro nature park access projectsLand acquisition: 2,000-3,000 acres2-3 major habitat or floodplain projects	<ul style="list-style-type: none">Blue Lake/Oxbow critical infrastructureLand acquisition: 500-1,000 acresNo major habitat restoration projects	<ul style="list-style-type: none">Blue Lake/Oxbow critical infrastructure, some ADA improvementsLand acquisition: 1,500-2,500 acres2-3 major habitat or floodplain projects
\$400 - \$450 million Urban Transformation and Regional Trails acquisition and construction Local park projects and Nature in Neighborhood grants Metro capital projects, land acquisition and restoration	<i>Additional Investments</i>	<i>Additional Investments</i>	<i>Additional Investments</i>
	<ul style="list-style-type: none">Additional Council-designated urban transformation projects (1-2)	<ul style="list-style-type: none">Additional Council-designated urban transformation projects (5-6; larger investments)Regional trail corridor acquisition, 6 miles new trail construction, 5 miles existing trail improvements, 2-4 bridge/pinch-point projects	<ul style="list-style-type: none">Additional Council-designated urban transformation projects (3-4; larger investments)Regional trail corridor acquisition, 3-4 miles new trail construction, 5 miles existing trail improvements, 1-2 bridge/pinch point projects
	<ul style="list-style-type: none">30-50+ more local projects10-20 more community-led projects	<ul style="list-style-type: none">50-100 more local projects; (and/or bigger projects)10-20 more community-led projects	<ul style="list-style-type: none">30-50+ more local projects (and/or bigger projects)10-20 more community-led projects
	<ul style="list-style-type: none">Additional “Phase II” Metro park access projects1-2 new Metro nature park access projectsLand acquisition – 1,000-1,500 additional acres1-2 additional major habitat projects	<ul style="list-style-type: none">Some ADA improvements at Metro parks1-2 “Phase II” Metro nature park access projectsLand acquisition – 500+ acresNo major habitat restoration projects	<ul style="list-style-type: none">Blue Lake/Oxbow upgrades, additional ADA improvements2-3 “Phase II” Metro nature park access projectsLand acquisition – 500-1,000 additional acresAdditional 2-3 major habitat restoration projects

Note: Figures are based on very rough cost estimates – real costs will vary with complexity and location of projects; land costs vary significantly depending on location of target areas.



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
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February 19, 2019

The Honorable Tammy Baney, Chair
Oregon Transportation Commission
355 Capitol Street, NE MS11
Salem, OR 97301-3871

Dear Chair Baney and the OTC Commission,

We appreciate the work that the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC) have taken to the current conversation around value pricing in the Portland metropolitan region. As an active member of the value pricing advisory committee, we recognize the many challenges and limitations the legislative mandated imposed on the scope and process for evaluating value pricing options. The task of getting to an agreed upon value pricing proposal which federal partners have moved forward on an expedited schedule is a significant accomplishment.

While the formal value pricing project will enter into the environmental review phase, many stakeholders, including Metro as well as many members of the advisory committee, identified a need for a comprehensive regional study in the application of value pricing. We also understand the OTC's interest in a comprehensive study of Region 1's freeway network. We believe a detailed study of pricing strategies in the region will help advance the conversation across the state and help policymaker better understand the different ways that pricing can be implemented in our region and the policy outcomes such a program could affect. We also believe that before any additional feasibility or implementation studies are conducted, our region needs to understand the policy impacts of different types of pricing, to consider how those different types of pricing may help us achieve regional and local goals.

As the regional pricing study gets underway and the legislative value pricing project moves forward the Metro Council looks forward to working cooperatively and collaboratively with the Oregon Transportation Commission and ODOT on both projects. The Metro Council has, for over a year, held off on a regional systemwide pricing study to help regional policymakers understand the different types of pricing that could be implemented in our region and the policy impacts of those pricing types. We intend to move forward with that policy and modelling study within the next six months, and welcome the opportunity to coordinate with ODOT staff and the OTC as you consider future pricing options.

In the meantime as the scope, schedule, and other project planning aspects are being developed for both projects, we want to make sure you have an overview of the regional policies related to pricing, in order to help advance your conversations with the Federal Highway Administration.



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
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We look forward to working with you to provide our region with better tools to help people get around our region safely, affordably, and efficiently.

Sincerely,

Lynn Peterson
Metro Council President

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: Thursday, February 14, 2019
To: Metro Council
From: Grace Cho, Senior Transportation Planner
Subject: Overview of Regional Policies Pertaining to Value Pricing

Purpose:

To provide senior Metro leadership an overview of the regional policies pertaining to value/congestion pricing and demand management.

Methodology for Review:

For the purposes of this review, a set of policy documents were examined for any policies or content pertaining to value or congestion pricing the transportation system for the purposes of demand management. These include:

- 2018 Regional Transportation Plan (RTP)
- 2014 Climate Smart Strategy
- Regional Framework Plan (last updated in 2011)
- Urban Growth Management Functional Plan (last updated in 2018)
- Regional Transportation Function Plan (last updated September 2012)
- Regional Transportation System Management and Operations (TSMO) Strategy, 2010-2020

The review took a conservative approach in that content or policies which implicate the planning or implementation of value or congestion pricing were drawn out for the policy summary. As a result, content drawn from these regional policy documents are organized under two categories: 1) policies or statement which explicitly address value or congestion pricing; and 2) policies or statements addressing demand or system management. For each statement, citation and the context and placement within the planning document is identified to facilitate ease of looking up the subject.

After review of the six policy documents, the main documents to speak most to pricing were the 2018 RTP and the TSMO strategy. Other policy documents speak more towards tangential demand management policies. The UGMFP functional plan does not speak to pricing and defers demand management implementation to the RTFP. The language in the two functional plans are important to note as they are Metro's enforcement mechanism to ensure that cities and counties align with statewide planning rules.

Regional Policies Directly Pertaining to Value or Congestion Pricing

Of the six regional policy documents reviewed, three regional policy documents explicitly speak to value or congestion pricing: the 2018 RTP, the TSMO strategy, 2010-2020, and the Regional Framework Plan. The Regional Transportation Functional Plan (RTFP) and the Urban Growth Management Functional Plan (UGMFP), and the Climate Smart Strategy do not explicitly speak to value or congestion pricing, but includes tangential related language to demand and system management.

The following section summarizes the statements specific to value or congestion pricing. Full text can be found as Attachment 1.

2018 Regional Transportation Plan

The Regional Transportation Plan is the foundation for all other regional plans in the Metro region, and it was recently updated and adopted by the Joint Transportation Advisory Committee on Transportation and Metro Council.

Chapter 2: Our Shared Vision for Transportation – Goal 4: Reliability and Efficiency

The transportation system is managed and optimized to ease congestion, and people and businesses are able to safely, reliably and efficiently reach their destinations by a variety of travel options.

- ***Objective 4.6 Pricing – Expand the use of pricing strategies to manage vehicle congestion and encourage shared trips and use of transit.***

Synthesis: Goal 4: Reliability and Efficiency, Objective 4.6. Pricing establishes a regional intent to utilize and implement pricing strategies as a means of managing the demand of existing transportation network while achieving other regional objectives such as increased transit use. Based on this pricing goal, a value pricing project implemented in the Portland region must be designed and deployed in a way so that it achieves other regional objectives.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.5 Regional Motor Vehicle Network Vision and Policies – Subsection 3.5.3 Regional Motor Vehicle Network Policies

- ***Policy 6 – In combination with increased transit service, consider use of value pricing to manage congestion and raise revenue when one or more lanes are being added to throughways.***

Synthesis: Regional Motor Vehicle Network Policy 6: Establishes partners must explore the use of pricing strategies (in conjunction with increased transit service) when looking to expand highways.

- ***Policy 12 – Prior to adding new motor vehicle capacity beyond the planned system of motor vehicle through lanes, demonstrate that system and demand management strategies, including access management, transit and freight priority and value pricing, transit service and multimodal connectivity improvements cannot adequately address arterial or throughway deficiencies and bottlenecks.***

Synthesis: Regional Motor Vehicle Network Policy 12: Establishes that partners must demonstrate the suite of demand/system management strategies have been assessed, including pricing, before adding new vehicle capacity to the roadway system, and that the analysis must determine that pricing will not address the transportation need. The last solution should be to expand and add new motor vehicle capacity. Based on this motor vehicle policy, a value pricing project implemented in the region must be thoroughly evaluated and monitored in terms of its performance in addressing the transportation deficiency prior to considering other capacity improvements.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.11 Transportation System Management and Operations Vision and Policies – Subsection 3.11.2 Transportation System Management and Operations Policies

- ***Policy 1 – Expand use of pricing strategies to manage travel demand on the transportation system.***

Synthesis: Establishes that the region should look for opportunities to utilize pricing strategies in order to manage demand on the transportation system. The policy further defines the suite of pricing strategies as involving “the application of market pricing (through variable tolls, variable priced lanes, area-wide charges or cordon charges) to the use of roadways at different times of day...this strategy manages peak use on limited roadway infrastructure by providing an incentive for drivers to select other modes, routes, destinations or times of day for their travels. Reducing

discretionary peak hour travel helps the system operate more efficiently improving mobility and reliability of the transportation system while limiting vehicle miles traveled and congestion-related auto emissions. In addition, value pricing may generate revenues to help with needed transportation improvements. More work is needed to gain public support for this tool.” Based on this policy, a value pricing program implemented in the region should comprehensively look across all the different available pricing strategies and determine the appropriate pricing strategy to execute.

Chapter 8: Moving Forward Together to Achieve Our Vision – Section 8.2.3 Region-wide Planning – Subsection 8.2.3.2 Regional Congestion Pricing Technical Analysis

Synthesis: Establishes and acknowledges that further analysis pertaining to value pricing and its implementation in the Portland metropolitan region is necessary to move forward with potential implementation. In identifying the regional congestion pricing technical analysis as a future work program item in the implementation chapter (chapter 8) of the RTP, it prioritizes this future work program item, says that it should be conducted in the near term, and that the region should conduct such a study collectively.

Chapter 8: Moving Forward Together to Achieve Our Vision – Section Region-wide Planning – Subsection 8.2.4 Corridor Refinement Planning

Synthesis: In addition to the Regional Congestion Pricing Technical Analysis, certain mobility corridor refinement studies have identified exploring and considering the use and implementation of value or congestion pricing as part of suite of mobility solutions for the corridor to address existing and future needs.

Appendix L – Federal Performance-Based Planning and Congestion Management Process – Regional Congestion Management Process (Process) – Subsection Overview of Federal Requirements and Regional CMP – Develop Congestion Management Goals, Objectives, and Policies: RTP Mobility Corridor Strategies

- **Table 3 – 2018 RTP Congestion Management Process Related Goals and Objectives – Identifies the 2018 RTP objective 4.6 Pricing as a regional CMP goal and objective for the purposes of implementing, monitoring, and measuring the performance of the transportation system.**
- **Table 5 – Toolbox of Strategies to Address Congestion in the Region – Identifies pricing as the emerging (4 of 7) strategy in the suite-hierarchy of strategies to management congestion and address mobility needs in the region.**

Synthesis: The Congestion Management Process (CMP) is a federal requirement for metropolitan planning organizations (MPOs), and guides how a performance-based and outcomes oriented approach is used to identify, measure, and diagnose causes of congestion on the transportation system, evaluate cost-effective strategies to manage congestion, and assess and continually monitor performance of implemented strategies to manage congestion. The regional CMP identifies pricing as part of the toolbox of strategies and one of the preferred tools within that toolbox, further emphasizing that the region will evaluate pricing as a strategy to address diagnosed congestions before exploring other potential strategies for implementation.

Other Related Regional Plans

Regional Transportation System Management and Operations Strategy, 2010-2020

Chapter 3: TSMO Policy Framework – Goal 3 Quality of Life – Objective 3.5

Enhance the environment and quality of life by supporting state and regional greenhouse gas and air quality goals.

- *Objective 3.5: Support systems that implement future pricing strategies (e.g., congestion, tolls, parking).*

Synthesis: As the Regional TSMO strategy is a focused and specific action plan pertaining to region-wide transportation system management and operations, the strategy examines further the system management and operational strategies to address congestion on the regional system. Using direction from the most recently adopted RTP, the TSMO strategy further prioritizes actions within its purview. In identifying an objective to support the systems to implement future pricing strategies, the Regional TSMO strategy establishes intent to take actions necessary to advance the implementation of pricing to manage the system.

Chapter 4: TSMO Action Plan – Functional Area/Regional Investment Area – Multimodal Traffic Management – Congestion Pricing/High Occupancy Toll Lanes Pilot project

- *Congestion pricing/high occupancy toll lanes pilot project*
Congestion pricing is one of the effective ways to reduce traffic congestion. It works by shifting rush hour highway travel to other transportation modes or to off-peak periods. High occupancy toll (HOT) lane is one form of congestion pricing, which carries additional benefits compared to traditional tolling methods. HOT lanes encourage carpooling and at the same time utilize unused capacity of carpool lanes. On top on that, implementing dynamic pricing would have the effect of diverting traffic across different modes, time and space. A pilot project will develop and implement congestion pricing and study the effect it may have on reducing traffic congestion.

Synthesis: The TSMO action plan is organized into two distinct action strategies: regional investments and corridor investments. Regional investments include strategies that cross agency boundaries, benefit multiple agencies and/or require a shared commitment to ongoing system management. Identified as one of the regional strategies is multimodal traffic management. The multimodal traffic management regional investment project bundle includes a congestion pricing and high occupancy toll lane pilot. In identifying a specific pricing project within the regional TSMO action plan, the action plan sets the groundwork for a project to be developed and implemented to test pricing in the region.

Regional Framework Plan

Chapter 2: Transportation – Goal 4 – Value Pricing

Consider a wide range of value pricing strategies and techniques as a management tool, including but not limited to parking management to encourage walking, biking, and transit ridership and selectively promote short-term and long-term strategies as appropriate.

Synthesis: As part of Metro's charter, Metro is responsible for developing and adopting a Regional Framework Plan which integrates land use, transportation, and other regional planning mandates. The Regional Framework Plan serve as an overarching policy framework for the transportation goals, objectives, and policies contained in the RTP and sets direction for future transportation planning and decision-making for the Metro Council and the implementing agencies, counties, and cities. In identifying and explicitly calling out pricing strategies in the Regional Framework Plan,

this establishes Metro direction to adhere to the policies set forth pertaining to pricing and demand management in the Regional Transportation Plan.

Multimodal Integrated Corridor Management (MICM) Interstate 84 Report

Chapter 6 – Recommended Multimodal ICM Operations Alternatives: Implement Dynamic Multimodal Travel Demand Management Solutions.

Synthesis: The multimodal integrated corridor management report advances the partnership and management strategies among corridor operators to address the needs of travelers and freight in the congested I-84 travelshed from downtown Portland to the region's eastern edge. Funded by U.S. DOT, the findings from the I-84 MICM report will inform the development of the 2020-2030 TSMO strategy update slated to take place in 2019. One of the key findings and implementation recommendations to emerge from the report is for operational partners to work collaboratively to implement Dynamic Multimodal Travel Demand Management Solutions. Dynamic Multimodal Travel Demand Management Solutions is the marriage of combining active demand management with multimodal integrated corridor management strategies to respond to a planned or unplanned event. These strategies include: sharing transit and park-and-ride capacities, dynamically changing parking pricing, incentivizing non-drive alone trips in real-time, partnering with employers, and congestion pricing. As part of the recommended actions and next steps of the report for Dynamic Multimodal Travel Demand Management Solutions, studying congestion and value pricing concepts for I-84 was identified as a tool to improve operations. The MICM study of I-84 also makes clear the necessity for studying and assessing the application of pricing across the region rather than being limited to certain facilities.

Regional Policies Related to Transportation Demand Management and Pricing

In addition to regional policies which directly speak to value or congestion pricing in the region, there are numerous tangential policies related to transportation demand management and system operations. These policies directs the region to examine and implement as appropriate demand management strategies, including value pricing, as well as connectivity, operational refinements, education and outreach to better utilize the existing system. In addition, these tangential policies speak to other regional objectives and outcomes demand management strategies aim to achieve.

The following is a summary of the key transportation demand management policies and a short synthesis as to how the policies could apply to the implementation of a pricing program.

2018 Regional Transportation Plan

Chapter 2: Our Shared Vision for Transportation – Goal 4: Reliability and Efficiency

The transportation system is managed and optimized to ease congestion, and people and businesses are able to safely, reliably and efficiently reach their destinations by a variety of travel options.

- *Objective 4.1 Regional Mobility – Maintain reasonable person-trip and freight mobility and reliable travel times for all modes in the region's mobility corridors, consistent with the designated modal functions of each facility and planned transit service within the corridor.*
- *Objective 4.5 Demand Management – Increase the number of households and businesses with access to outreach, education, incentives and other tools that increase shared trips and use of travel options.*

Synthesis: The combination of objectives related to regional mobility and demand management would support and help guide the implementation of value or congestion pricing in the region, but

also outline other outcomes which the implementation of demand management strategies should also accomplish. Based on these two objectives, a pricing program implemented in the region, should also aim to do the following:

- Support the mobility and reliability for all mode of travel and freight travel
- Implement concurrently the complimentary elements of demand management, such as outreach, education, incentives, and other tools, which increase the use of travel options to support the successful implementation of value or congestion pricing.

Chapter 2: Our Shared Vision for Transportation – Goal 8: Climate Leadership

The health and prosperity of people living in the greater Portland region are improved and the impacts of climate change are minimized as a result of reducing transportation-related greenhouse gas emissions.

- *Objective 8.1 Climate Smart Strategy Implementation – Implement policies, investments and actions identified in the adopted Climate Smart Strategy, including coordinating land use and transportation; making transit convenient, frequent, accessible and affordable; making biking and walking safe and convenient; and managing parking and travel demand.*

Synthesis: Similarly to the 2018 RTP Reliability and Efficiency goal, the climate leadership goal supports implementation of a suite of policies, investments, and strategies identified in the region's Climate Smart Strategy. These policies, investments, and actions are supportive of the implementation of value or congestion pricing in the region. Based on this climate smart objective, a pricing program implemented in the region should also aim **to implement or support one of more of the actions, policies, and investments identified in the region's Climate Smart Strategy, in order to help the region meet its' state mandated regional greenhouse gas reduction target.**

Chapter 2: Our Shared Vision for Transportation – Goal 10: Fiscal Stewardship

Regional transportation planning and investment decisions provide the best return on public investments.

- *Objective 10.1 Infrastructure Condition – Plan, build and maintain regional transportation assets to maximize their useful life, minimize project construction and maintenance costs and eliminate maintenance backlogs.*
- *Objective 10.2 Sustainable Funding – Develop new revenue sources to prepare for increased demand for travel on the transportation system as our region grows.*

Synthesis: The fiscal stewardship goal in the RTP brings a different perspective to the role of pricing can play for the system. The fiscal stewardship goal directs the region to maximize existing assets and develop new revenue sources to address future demand, needs, and deficiencies on the system. In directing the region to be fiscally prudent, the goal supports the implementation of strategies like value or congestion pricing. Based on the infrastructure condition and sustainable funding objectives, a pricing program implemented in the region should prioritize the costs and needs of maintenance and asset conditions of operating a pricing program prior to other expenditures of the new revenues and also look to apply new revenue to areas with increased demand for travel as the region grows, regardless of facility or mode.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.2.3.2 Climate Smart Strategy policies

The Climate Smart Strategy is built around nine policies to demonstrate climate leadership by reducing greenhouse gas emissions from cars and small trucks while making our transportation

system safe, reliable, healthy and affordable. The policies listed below complement other RTP policies related to transit, biking and walking, use of technology and system and demand management strategies.

- *Policy 5 Use technology to actively manage the transportation system and ensure that new and emerging technology affecting the region's transportation system supports shared trips and other Climate Smart Strategy policies and strategies.*

Synthesis: Policy 5 of the Climate Smart Strategy policies in the 2018 RTP continues to reinforce other adopted regional policies and action plans direct the region to utilize the different tools of demand management, including pricing mechanisms, in a complimentary manner and advances other regional goals and objectives. This means that any pricing program should support increasing shared trips, supporting other travel behaviors which reduces greenhouse gas emissions, and concurrently implementing or advancing other actions or strategies identified in Climate Smart. This is to support the region in its efforts to reach the state mandated greenhouse gas reduction target.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.5 Regional Motor Vehicle Network Vision and Policies – Subsection 3.5.3 Regional Motor Vehicle Network Policies *Rather than solely relying on levels of congestion to direct how and where to address bottlenecks and other motor vehicle capacity deficiencies, the concept calls for implementing a well-connected network design that is tailored to fit local geography, respect existing communities and future development and protect the natural environment. Increased connectivity improves travel reliability through reducing bottlenecks and congestion hotpots and increasing travel options.*

- *Policy 2 Use the Congestion Management Process, Regional Mobility Policy, safety and bike and pedestrian network completion data to identify motor vehicle network deficiencies.*
- *Policy 4 Actively manage and optimize arterials according to their planned functions to improve reliability and safety, and maintain mobility and accessibility for all modes of travel.*

Synthesis: In reinforcing the federal congestion management process and also identifying active management of arterials, these other regional motor vehicle network policies further direct the region to evaluate across the suite of demand management strategies and apply appropriate demand management strategies to a corridor first, before expanding capacity to address a mobility deficiency. These policies also identify other objectives demand management strategies are expected to achieve, such as the mobility of all modes. Based on these policies, a value pricing program implemented in the region should also look at being applied beyond just the interstate system and also address the other factors (such as safety, mode-split, and diversion) that complement or potentially hinder the success of an implemented program.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.5 Regional Motor Vehicle Network Vision and Policies – Subsection 3.5.4 Congestion Management Process

The RTP calls for implementing system and demand management strategies prior to building new motor vehicle capacity, consistent with the Federal Congestion Management Process (CMP), Oregon Transportation Plan policies and as described in the Regional Transportation Functional Plan (RTFP) Section 3.08.220. In some parts of the greater Portland region, the transportation system is generally complete, while in other parts of the region, especially those where new development is planned, significant amounts of infrastructure will be added. In both contexts, management strategies have great value. Where the system is already built out, such strategies may be the only ways to manage congestion and achieve other objectives. Where growth is occurring, system and demand management strategies can be integrated before and during development to efficiently balance capacity with demand. New technologies are reducing the cost

of demand management and new possibilities are emerging with autonomous and connected vehicles.

Synthesis: The policy description of the congestion management process in the 2018 RTP reinforces that demand management strategies be implemented to address transportation deficiencies prior to capital and capacity improvements on the motor vehicle network (unless they are to complete network gaps for alternative modes). The description also clarifies that the practice of undergoing the CMP to identify deficiencies and solutions is both a federal and state requirements. In addition, the language also directs the region and partners to assess the existing development and land use context in determining the appropriate demand management strategies or other solutions to address transportation deficiencies. Regardless, the language indicates the necessity of implementing demand management to support the efficient operation of the system. Based on the CMP policy, a value pricing project implemented in the region should be closely monitored and assessed for its performance in addressing a transportation deficiency prior to decisions to invest further in additional capacity improvements.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.7 Regional Freight Network Vision and Policies – Subsection 3.7.2 Regional Freight Network Policies

- *Policy 2 Manage the region's multimodal freight network to reduce delay, increase reliability and efficiency, improve safety and provide shipping choices.*

Synthesis: As the regional freight network policies identify system operations and demand management as key policy direction to the region, it emphasizes that the effective management and operation of the system is the first step to improved freight and goods movement operations. The policy encourages coordination and demand management approaches which use the existing system more effectively. Based on the freight policies, a pricing program implemented in the region should look to improve freight mobility across the existing system.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.11 Transportation System Management and Operations Vision and Policies – Subsection 3.11.2 Transportation System Management and Operations Policies

- *Policy 2 Expand use of access management, advanced technologies, and other tools to actively manage the transportation system.*

Synthesis: Policy 2 of the 2018 RTP TSMO policies further directs the region to utilize all the suite of tools available to actively manage the demand on the transportation system. This could include a pricing program, but is not exclusive to pricing. A suite active management tools are needed to manage and operate the transportation system, including travel options, incentives, regional coordination on real-time traveler data, and parallel completed bicycle, pedestrian, and transit networks.

Regional Transportation Functional Plan

Title 1: Transportation System Design – Section 3.08.160 Transportation System Management and Operations

- A. *City and county TSPs shall include transportation system management and operations (TSMO) plans to improve the performance of existing transportation infrastructure within or through the city or county. A TSMO plan shall include:*
 - a. *An inventory and evaluation of existing local and regional TSMO infrastructure, strategies and programs that identifies gaps and opportunities to expand infrastructure, strategies and programs;*

- b. A list of projects and strategies, consistent with the Regional TSMO Plan, based upon consideration of the following functional areas:*
- i. Multimodal traffic management investments, such as signal timing, access management, arterial performance monitoring and active traffic management;*
 - ii. Traveler information investments, such as forecasted traffic conditions and carpool matching;*
 - iii. Traffic incident management investments, such as incident response programs; and*
 - iv. Transportation demand management investments, such as individualized marketing programs, rideshare programs and employer transportation programs.*

Synthesis: The RTFP requires cities and counties to include system management and operations plan in their local transportation system plan as a means of addressing transportation deficiencies with the existing system. The TSMO plan is expected to be consistent with the regional TSMO strategies and include a list of implementable strategies. By including demand management language in the function plan, Metro is able to enforce that demand management be considered a reasonable strategy to addressing existing or future transportation deficiencies. While the TSMO plan in the TSP is still a planning document, it reinforces the necessity to look across a spectrum of solutions to address needs and deficiencies. While the regional transportation functional plan does not carry any form of authority over state agencies or special purpose districts, from a perspective of implementing value pricing in the region, it shows other partners have assessed other complimentary strategies which could be implemented in tandem to support the success of a value pricing project as long as the project is intentional about coordination and look to achieve multiple objectives.

Attachment 1 – Detailed Language of Region Policies Pertaining to Pricing and Demand Management

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.5 Regional Motor Vehicle Network Vision and Policies

Rather than solely relying on levels of congestion to direct how and where to address bottlenecks and other motor vehicle capacity deficiencies, the concept calls for implementing a well-connected network design that is tailored to fit local geography, respect existing communities and future development and protect the natural environment.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.7 Regional Freight Network Vision and Policies – Subsection 3.7.2 Regional Freight Network Policies

- *Policy 2 Manage the region's multimodal freight network to reduce delay, increase reliability and efficiency, improve safety and provide shipping choices.*

This policy is the first step to improved freight and goods movement operations on the existing system and includes preservation, maintenance and operations-focused projects and associated planning and coordinating activities. It focuses on using the system we have more effectively.

It is critical to maximize system operations and create first-rate multimodal freight networks that reduce delay, increase reliability, maintain and improve safety and provide cost-effective choices to shippers. In industrial and employment areas, the policy emphasizes providing critical freight access to the interstate highway system to help the region's businesses and industry in these areas remain competitive. Providing access and new street connections to support industrial area access and commercial delivery activities and upgrading main line and rail yard infrastructure in these areas are also emphasized.

Chapter 3: Transportation System Policies to Achieve Our Vision – Section 3.11 Transportation System Management and Operations Vision and Policies – Subsection 3.11.2 Transportation System Management and Operations Policies

- *Policy 1 – Expand use of pricing strategies to manage travel demand on the transportation system.*

Value pricing—sometimes called congestion pricing—involves the application of market pricing (through variable tolls, variable priced lanes, area-wide charges or cordon charges) to the use of roadways at different times of day. While this tool has been successfully applied in other parts of the U.S. and internationally, it has not been applied in the Portland metropolitan region to date.

As applied elsewhere, this strategy manages peak use on limited roadway infrastructure by providing an incentive for drivers to select other modes, routes, destinations or times of day for their travels. Reducing discretionary peak hour travel helps the system operate more efficiently improving mobility and reliability of the transportation system while limiting vehicle miles traveled and congestion-related auto emissions. In addition, those drivers who choose to pay tolls can benefit from significant savings in time. Similar variable charges have been utilized for pricing airline tickets, telephone rates and electricity rates to allocate resources during peak usage. In addition, value pricing may generate revenues to help with needed transportation improvements. More work is needed to gain public support for this tool.

Through the end of 2018, ODOT is conducting a feasibility analysis to explore the options available and determine how value pricing, also known as congestion pricing, could help ease congestion in the greater Portland area. Oregon's House Bill 2017, also known as Keep Oregon Moving, directs the Oregon Transportation Commission to develop a proposal for value pricing on I-5 and I-205 from the state line to the junction of the two freeways just south of Tualatin, to reduce congestion. The State Legislature directed the OTC to seek approval from the Federal Highway Administration no later than December 31, 2018. If FHWA approves the proposal, the OTC is required to implement value pricing. See Chapter 8 for more information about future planning and analysis of this strategy.

Chapter 8: Moving Forward Together to Achieve Our Vision – Section 8.2.3 Region-wide Planning – Subsection 8.2.3.2 Regional Congestion Pricing Technical Analysis

Growing congestion on the greater Portland area's throughways is increasing travel delays and unpredictability. This congestion affects quality of life as travelers sit in cars or on the bus, and impacts the economy through delayed movement of merchandise and lost productivity.

Ongoing efforts to address congestion in the region include investments in system and demand management strategies, improving transit service and reliability, increasing bicycle and pedestrian access and adding highway capacity in targeted ways. But it is clear that these strategies are not sufficient, and will result in continued congestion in our region. We cannot address congestion through supply alone; we must also manage demand.

Through the end of 2018, ODOT is conducting a feasibility analysis to explore the options available and determine how value pricing, also known as congestion pricing, could help ease congestion in the greater Portland area.

Oregon's House Bill 2017, also known as Keep Oregon Moving, directs the Oregon Transportation Commission to develop a proposal for value pricing on I-5 and I-205 from the state line to the junction of the two freeways just south of Tualatin, to reduce congestion. The State Legislature directed the OTC to seek approval from the Federal Highway Administration no later than December 31, 2018. If FHWA approves the proposal, the OTC is required to implement value pricing.

The OTC formed a policy advisory committee in fall 2017 to provide a recommendation after considering technical findings, likely effects (traffic operations, diversion, equity, environmental and air quality, and others), mitigation opportunities and public input. This work is focused on identifying potential strategies to manage demand on I-205 and I-5. In its early stages, it has focused attention on the need to price comprehensively, rather than High Occupancy Toll lanes and to identify key mitigation strategies, such as increased transit service.

The project's limited scope has raised larger questions about how demand management pricing strategies could be implemented throughout the region; further study is needed in this area and should be undertaken to better understand different ways that pricing could work regionally and the different policy outcomes each scenario would create. This should include an analysis of the potential importance and role of increased transit service and the mutual benefits congestion pricing and expanded transit service can bring depending on the type of pricing strategy and transit service implemented. A comprehensive, regional study should be undertaken before the next update to the RTP in order to provide policy guidance as to how to most effectively implement pricing to reduce congestion and improve the overall function of the transportation system.

Regional Transportation System Management and Operations Strategy, 2010-2020

Chapter 4: TSMO Action Plan – Section – Functional Area: Multimodal Traffic Management

- **Congestion pricing/high occupancy toll lanes**

pilot project

Congestion pricing is one of the effective ways to reduce traffic congestion. It works by shifting rush hour highway travel to other transportation modes or to off-peak periods. High occupancy toll (HOT) lane is one form of congestion pricing, which carries additional benefits compared to traditional tolling methods. HOT lanes encourage carpooling and at the same time utilize unused capacity of carpool lanes. On top on that, implementing dynamic pricing would have the effect of diverting traffic across different modes, time and space. A pilot project will develop and implement congestion pricing and study the effect it may have on reducing traffic congestion.

TSMO Project	Goal / Objective	Priority	Time-frame	Capital Cost	O&M Cost	Potential Lead Agency
Congestion Pricing/ High Occupancy Toll Lanes	Support systems that implement future pricing strategies (e.g., congestion, tolls, parking).	High	1-5 years	\$5 M	n/a	ODOT