Date: June 17, 2021
To: Joint Policy Advisory Committee on Transportation and Interested Parties
From: Elizabeth Mros-O'Hara, RCPS Project Manager
Subject: Updates on the Regional Congestion Pricing Study

Purpose
Provide JPACT an update on the Regional Congestion Pricing Study (RCPS) key findings, provide a summary of key takeaways from the Congestion Pricing Expert Review Panel, and share draft recommendations for policy makers and future owners and operators to consider based on the study findings.

The study findings and recommended considerations will be included in the RCPS final report and will be presented in a resolution to JPACT and Metro Council for acceptance in July.

Request to JPACT
Provide input and comment on the congestion pricing updated findings and draft recommended considerations for policy makers and future owners/operators based on the findings.

Background

The RCPS evaluated the performance of different pricing concepts by testing a series of modeling scenarios and documenting research and feedback from experts in the field. The study evaluated congestion pricing as a tool to accomplish the four primary regional transportation priorities identified in the 2018 Regional Transportation Plan (RTP): addressing climate, managing congestion, getting to Vision Zero (safety), and reducing disparities (equity).

Project Goal**:** *To understand how our region could use congestion pricing to manage traffic demand to meet climate goals without adversely impacting safety or equity.*

The study evaluated four different pricing concepts:

- Cordon: charges drivers to enter and sometimes to drive within a defined boundary
- Vehicle Miles Traveled/Road User Charge: charges drivers based on how many miles are traveled by auto
- Roadway: charges drivers to use a specific roadway or specific roadways
- Parking: charges drivers to park in specific areas

This analysis is intended to provide a foundational understanding of how congestion pricing tools could perform within our region's land use and transportation system. Updated findings and draft recommended considerations are presented below for discussion. TPAC, JPACT, and Metro Council feedback will be used to update the findings and DRAFT recommendations.

New Information and Updated Key Findings

Expert Review Panel

Metro engaged congestion pricing experts with extensive experience in policy, project and program development, implementation, equity considerations, funding, legal considerations, and political and public acceptance to review the RCPS, culminating in an Expert Review Panel webinar held on April 22, 2021. Panelists included Clarrissa Cabansagan from TransForm, Daniel Firth from C40, Rachel Hiatt from San Francisco County Transportation Authority, Sam Schwartz from Sam Schwartz Engineering, and Chris Tomlinson from the Georgia Regional Transportation Authority and the Atlanta-Region Transit Link Authority.

The panel reviewed and commented on the study methodology and findings and shared lessons learned from their extensive work around the world: in San Francisco and the Bay Area, Vancouver, B.C., Atlanta, New York City, Stockholm, and London, among other locations. The webinar was moderated by Jennifer Wieland, Managing Director at Nelson\Nygaard, and attracted approximately 120 viewers. The recording of the webinar is available on the project webpage at www.oregonmetro.gov/regional-congestion-pricing-study

Expert Review Panel Key Takeaways

There were several highlights from the panel's independent review of Metro's work, and from the webinar discussion:

- **Sound methods:** The panel found the methods used in the RCPS study to be sound, logical, and consistent with other places that have implemented congestion pricing.
- **Consistent findings:** The panel found the findings from the study to be consistent with their experiences with congestion pricing projects' performance elsewhere.
- **Implementation based on project purpose:** The panel advised project implementers to take the time up front to confirm the project purpose, and then focus on fulfilling that purpose, with an understanding that the design of a congestion pricing program could vary depending on the purpose it is being designed for.
- **Importance of Equity:** The panel discussed the critical importance of centering equity, and the very real and unintended consequences that can arise from not doing so.
- **Need for diverse outreach:** The panel recommended reaching out broadly to all stakeholders – and recognizing the diversity of different stakeholder groups – understanding that not all groups will be supportive, and that public acceptance of the effort will change over time.
- **Place-based strategies needed:** The panel talked about the differences between congestion pricing and transit-oriented development in urban, suburban, and rural contexts. Every place is unique, and it is critically important to customize the pricing program to meet a region's unique needs. That said, pricing has been shown to be successful in all types of settings at improving mobility and addressing other priorities.

Updated Summary of Key Findings

Context

We have augmented the key findings that we shared with JPACT at the April meeting to include some additional findings based on research and analysis on implementation and equity considerations, as well as input from our experts in pricing and equity.

A proposed project would be expected to address issues around congestion, safety, climate, and equity—considering targeted discounts, project design, and/or funding investments that mitigate concerns. The RCPS findings are NOT iterative and do not address the concerns revealed. Rather, they point to areas for project owners/operators to keep in mind when developing a pricing project.

Updated Big Picture Findings from the Modeled Scenarios and Research

All four types of pricing would to help address congestion and climate priorities.

- All eight scenarios reduce the drive alone rate, vehicle miles traveled, and greenhouse gas emissions.
- All scenarios increase daily transit trips. (Roadway A has a small increase).

- The projected improvements are comparable to or exceed those of 2018 RTP model scenarios (even those RTP scenarios with much higher investments in transportation projects).

Overall regional transportation costs and individual traveler costs vary by scenario.

- All eight scenarios increase the overall cost for travel for the region, but some scenarios spread the costs widely while others concentrate them on fewer travelers. Those that spread the costs also have the highest overall cost for the region.

Geographic distribution of benefits and costs varies by scenario.

- Roadway scenarios reduce delay on freeways, but increase delay on arterials relative to the Base Scenario.
- Corridor scenarios create delay around the perimeter of the cordon boundaries with vehicles avoiding paying the charge.
- Distribution of benefits and costs have implications for where fee discounts and investments from revenues should be targeted.

There are tradeoffs for implementing pricing scenarios.

- Higher overall transportation costs equal higher transportation revenues. Revenues must be high enough to:
    - pay for implementation and operation of a program/project
    - address equity and safety impacts that may be introduced
- Vehicle miles traveled scenarios have positive results for all eight summary metrics for congestion, climate, and equity, but also have the highest overall travel costs for the region. However, the costs are spread widely as they are shared by all drivers and result in the highest revenues.
- While congestion pricing may introduce new complexities, our current transportation funding system will not achieve the region's urgent climate and equity goals. Current funding and spending structures are regressive and reinforce inequity. In addition, the gas tax does not generate enough money to pay for planned projects.

Implementation considerations vary by the type of congestion pricing.

- Implementing a pricing tool depends on technical tools available, need for enforcement, public acceptance, governance structures/policies/legal considerations, ease of use, equity considerations, and financial feasibility.
- Parking pricing is the easiest to implement based on today's technology and infrastructure.
- VMT, roadway pricing, and cordon pricing are complicated by the complexity of tolling authority and potentially multiple jurisdictions involved.
- Technology infrastructure costs are highest for roadway pricing.
- Implementing pricing to maximize performance and to address equity and safety requires detailed analysis to understand who/where the benefits and costs occur.
- As modeled, the revenue potential for the different congestion pricing types is by far the highest for vehicle miles traveled scenarios, then roadway scenarios at about half that amount, followed by Cordon and Parking scenarios at about half of the Roadway scenarios.

Equity can be built in Congestion Pricing Program

- The current transportation funding system results in inequity.
- How a congestion pricing program is designed is the number one determinant of whether it can improve equity. For example, the same project charging $1.00 per mile to drive on a roadway during rush hour can either improve or reduce equity depending on the project parameters.
- Pricing programs can improve equity in three ways:
    - Building affordability into the program
        - Provide discounts or exemptions for key groups

- Focusing revenue on equity outcomes
  - Invest in key neighborhoods or roadways
  - Focus on transit, sidewalks, bike lanes
  - Invest in senior and disabled services
- Targeting pricing benefits to key locations
  - Mobility improvements and air quality

Attachment 2: Updated Summary of Key Findings provides more detail on findings by modeled scenario and pricing type. It includes some additions to the findings shared in April with JPACT and a table comparing performance by RTP priorities.

Considerations for Policy Makers and Future Owners/Operators

The RCPS report will include recommended considerations based on the technical analysis, research, best practices, and feedback from congestion pricing and equity experts, as well as TPAC, JPACT, and Metro Council. The following recommended considerations are for JPACT discussion and comment at the June meeting.

DRAFT Summary of Recommended Considerations

For Policy Makers

- Congestion pricing has been used in multiple cities to improve mobility and reduce emissions. Our study demonstrated how these tools could work in the Greater Portland Region with our land use and transportation system.
- Congestion pricing has a strong potential to help the Greater Portland Region meet the priorities outlined in its 2018 Regional Transportation Plan, specifically addressing congestion and mobility; climate; equity; and safety.
  - Technical analysis showed that all four types of pricing analyzed improved performance in these categories
  - Best practices research and input from experts showed there are tools for maximizing performance and addressing unintended consequences.
- Further policy development and refinement of the findings and recommendations should be incorporated into the update of the Regional Transportation Plan in 2023.
- Clarity around the goals and outcomes desired by the region and implementing agencies is essential from the beginning of any congestion pricing effort.
  - Optimizing for one priority or another could lead to different outcomes. Meaning, optimizing for mobility, for revenues, for equity could lead to the selection of a different program design or even a different type of pricing strategy.
- Carefully consider the specifics of how the benefits and costs of congestion pricing impact different geographic and demographic groups.
- Congestion pricing can benefit communities that have been harmed in the past, providing meaningful equity benefits to the region. Similarly, if not done thoughtfully, congestion pricing could harm BIPOC and low-income communities, compounding past injustices.
- Conversations around congestion pricing costs, revenues, and reinvestment decisions should happen at a local and **regional scale** and address both local and regional priorities as pricing programs have benefits and impacts across the region.

For Future Project Owners/Operators

- Congestion pricing has been shown to address issues of mobility, greenhouse gas emissions, equity, and safety where it has been applied.
- Clarity around goals and outcomes desired at the beginning of a project is essential to the success of achieving them. Optimizing for one priority over another can lead to different outcomes.
- The success of a project or program is largely based on "how" it is developed and implemented.
- Methodology is important – analysis needs to be detailed to understand how to:
    - maximize benefits (mobility, shift to transit, less emissions, better access to jobs and community places, affordability, and safety) and
    - address unintended consequences (diversion and related congestion on nearby routes, slowing of buses; potential safety issues, and equity issues).
- Meaningful engagement and an extensive outreach campaign is required to develop a project that works and will gain public and political acceptance.
- A pricing project should build equity, safety, and affordability into the project definition so a holistic project that meets the need of the community is developed rather than adding "mitigations" later.
- Ongoing monitoring of performance is necessary to adjust and optimize a program once implemented.

Questions for JPACT

- What questions do JPACT members have regarding updated findings?
- What questions or comments do you have about the draft recommendations?
- Are there specific areas where you want more information?

Next Steps

Staff will incorporate feedback from the TPAC, JPACT, and Metro Council on the findings and Discussion Draft Recommendations for Consideration to complete the RCPS report. (A draft report will be sent to TPAC for comment in June.) In July, staff will ask JPACT and Metro Council to accept the report findings and recommendations with a resolution. A final report will be released following acceptance.

Table 1: Regional Congestion Pricing Study Schedule

Activity	Timeframe
Create draft findings memorandum- include feedback from TPAC Workshop, Equity Groups, and research from consultant team and staff	*April 2021 - Completed*
Share draft findings with regional leadership • *Metro Council Briefing* • *JPACT Briefing*	*April 15, 2021 - Completed*
Expert Review Panel Discussion • *Congestion pricing experts with experience on pricing projects in different parts of the world weigh in on our findings and provide insights from work done elsewhere*	*April 22, 2021 - Completed*
Revise/incorporate feedback and refine analysis with feedback from TPAC, JPACT, and Metro Council. Return to TPAC, JPACT, and Metro Council with DRAFT Report and DRAFT findings and Recommendations for discussion • *TPAC presentation --June 4, 2021* • JPACT presentation-- June 17 ,2021 • Metro Council presentation--June 22, 2021	May - June 2021

Activity	Timeframe
Staff revises/incorporates feedback and creates final report and resolution reflecting input from TPAC, JPACT, and Metro Council.	June 2021
Metro Council and JPACT accept the final report and adopt a resolution on the findings. • JPACT meeting--July 15 ,2021 • Metro Council meeting--July 22, 2021	July 2021
Release final regional congestion pricing report	July 2021

Attachments:

Attachment 1: Updated Summary of Key Findings