STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 21-5179, FOR THE PURPOSE OF ACCEPTING FINDINGS AND RECOMMENDATION IN THE REGIONAL CONGESTION PRICING STUDY REPORT

Date: July 1. 2021
Department: Planning and Development
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ISSUE STATEMENT

The 2018 Regional Transportation Plan (RTP) identified congestion pricing as a high priority, high impact strategy to manage transportation demand to help the region meet its four transportation priorities – climate, congestion, equity, and safety, and directed further study of this strategy prior to the next update to the RTP.

Congestion is a problem in the Greater Portland region that will be exacerbated by changing travel patterns and a growing population, causing serious economic, social and environmental impacts.

In 2019, the Portland metro area ranked as the 8th most congested region in the country, with people in spending an average of 89 hours stuck in traffic (Source: 2019 Inrix Global Scorecard). In addition to slowing down commuters, transit and freight, congestion worsens the transportation sector's already high contribution to regional greenhouse gas emissions, and has inequitable impacts. The lowest income households spend a higher proportion of their income on transportation than those with the highest incomes, and the longer a trips equate to the more expensive travel, and low income and minority neighborhoods experience more exposure to toxic air from emissions than the average neighborhood.

However, it is clear the region cannot build its way out of congestion because of induced demand. When capacity is added to the transportation facility to address congestion, travelers change their behavior by changing the frequency, route, travel mode, and time of their travel to take advantage of that increased capacity. With more people driving on the facility at the peak times, that facility becomes congested. Consequently, investments in capital projects must be paired with travel demand management tools like congestion pricing.

Congestion pricing is a travel demand tool that has been shown to reduce congestion, reduce emissions, improve equity, and sometimes even reduce crashes where it has been implemented. The Regional Congestion Pricing Study is an examination of how congestion pricing could perform in this region, with our land use and transportation system.

The Metro Regional Congestion Pricing Study (Exhibit A) explored whether congestion pricing can benefit the Portland metropolitan region. Staff assessed four different pricing tools to understand how pricing could support an equitable, safe and sustainable transportation system:

- VEHICLE MILES TRAVELED FEE: Drivers pay a fee for every mile they travel

- CORDON PRICING: Drivers pay to enter an area, like downtown Portland (and sometimes pay to drive within that area)
- ROADWAY PRICING: Drivers pay a fee to drive on a particular road, bridge or highway
- PARKING PRICING: Drivers pay to park in certain areas

In preparing the study, staff coordinated with existing committees (Transportation Policy Alternatives Committee, Joint Policy Advisory Committee on Transportation, and Metro Council) for guidance and worked with project funding partners at City of Portland and TriMet, as well as ODOT, which is working on separate, parallel pricing projects.

ACTION REQUESTED

Approve Resolution No. 21-5179 accepting the findings and recommendations in the Regional Congestion Pricing Study Report, as recommended by the Joint Policy Advisory Committee on Transportation (JPACT) on July 15, 2021.

IDENTIFIED POLICY OUTCOMES

This work fulfills the direction provided in Chapter 8 of the 2018 RTP (Moving Forward Together). Section 8.2.3.2 (Regional Congestion Pricing Technical Analysis) acknowledges that current transportation supply-focused strategies to address congestion in the region are insufficient, and that we must also manage demand. It calls for a comprehensive regional study to be undertaken before the next update to the RTP to evaluate potential mobility, climate and equity impacts and policy implications of various pricing programs, including cordon pricing, VMT-based pricing and network based pricing.

The study also supports the 2018 RTP's transportation equity goals and policies, and Metro's agency-wide racial equity goals and Strategic Plan to Advance Racial Equity Diversity and Inclusion.

Pending Council approval of Resolution No. 21-5179, this work will inform planning, policy and investment priorities in the 2023 RTP update and ongoing efforts to manage congestion in a way that advances equity, improves safety and reduces greenhouse gas emissions throughout the region.

STAFF RECOMMENDATIONS

Staff recommends approval of Resolution No. 21-5179.

ANALYSIS/INFORMATION

Coordination and Review

Metro staff worked with local and national consultants that have extensive experience in congestion pricing, specifically implementation of congestion pricing programs in other regions, equity considerations, and data analysis. The consultant team was led by Nelson\Nygaard and included Sam Schwartz Engineering, HNTB, Silicon Transportation Consultants, TransForm, Mariposa Planning Solutions and PKS International.

Staff solicited input from several regional committees and elected bodies, such as the Transportation Policy Alternatives Committee (TPAC), the Metro Technical Advisory Committee (MTAC), the Metro

Policy Advisory Committee (MPAC), Metro's Committee on Racial Equity (CORE), the City of Portland's Pricing Options for Equitable Mobility (POEM) Task Force, and ODOT's Equitable Mobility Advisory Committee (EMAC), County coordinating committees (staff and policymakers), and direction from JPACT and Metro Council. The project coordinated with the Portland Bureau of Transportation and the Oregon Department of Transportation as they conduct their own pricing studies.

Metro also hosted an expert review panel made up of congestion pricing experts with diverse expertise in North America and Europe, who endorsed the study's technical approach and findings related to potential benefits and impacts of the pricing tools addressed, and offered recommendations for further study and implementation.

Advancing Metro's Racial Equity Goals and Climate Goals

This study can help advance Metro's racial equity goals by creating a foundational understanding of how to build equity into the congestion pricing program. The RCPS relied on best practices, input from local and national equity experts, and technical analysis (including modeling and mapping) to reveal the methods that a pricing program should employ to understand where benefits and impacts can occur and how the design of a program can improve equity.

Metro found that today's transportation funding system relies on regressive taxes and reinforces inequity by targeting the vast majority of spending to automobile infrastructure, favoring those that can afford a car, resulting in high emissions that disproportionately impact low income and BIPOC neighborhoods, and leave little funding for transit and active transportation which are disproportionately relied on by women, BIPOC, and low income populations.

A congestion pricing program can be more equitable if it employs best practices that are tailored to the places and people effected. Program design has the greatest potential to improve equity outcomes if it does three things: (1) builds affordability into the program (this can be realized in multiple ways such as providing discounts and exemptions for key groups or geographies), (2) focuses revenues on equity outcomes (this can include investing in key neighborhoods or facilities; focusing on transit, sidewalks, and/or bike lanes; and/or investing in senior or disabled services); (3) targets pricing benefits to key locations (mobility benefits and air quality can be targeted to equity communities).

The report lays out best practices any program going forward needs to employ to improve equity. In addition, it demonstrated that tools such as modeling and mapping are important to employ to understand the impacts and benefits to equity populations, geographies, and different types of travelers.

The study can also help advance Metro's climate action goals by helping lay the groundwork for congestion pricing tools to be moved forward. Each congestion pricing tool modeled and analyzed was shown to reduce greenhouse gasses and other harmful emissions.

Known Opposition – No known opposition.

Legal Antecedents

- Ordinance No. 18-1421 (For the Purpose of Amending the 2014 Regional Transportation Plan to Comply with Federal and State Law and Amending the Regional Framework Plan), adopted on December 6, 2018.
- Resolution No. 20-5086 (For the Purpose of Adopting the Fiscal Year 2020-21 Unified Planning Work Program and Certifying that the Portland Metropolitan Area is in Compliance With Federal Transportation Planning Requirements), adopted on May 21, 2020.

Anticipated Effects

Congestion pricing projects are currently being planned in the metro area. Specifically, ODOT is proposing congestion pricing on I-5 and I-205 throughout the region, and the City of Portland is studying a variety of pricing strategies as part of their Pricing Options for Equitable Mobility (POEM) project. Approval of this resolution and acceptance of the Regional Congestion Pricing Study's findings and recommendations reaffirms the Metro's commitment to its four transportation priorities – climate, congestion, equity, and safety, and assures that Metro staff and committees will work with these and subsequent projects to ensure that those regional priorities are addressed as pricing projects are included in future updates of the RTP.

Attachments

Exhibit A – Regional Congestion Pricing Study Report