

# Moving to Our Future:

## Pricing Options for **Equitable Mobility**



### Community Task Force Meeting #5 – Meeting Summary

May 11, 2020 | 6:00 – 8:00 p.m.

Virtual Meeting

#### Relevant Materials

Please find links to relevant materials below:

- [Meeting Agenda](#)
- [Meeting Recording](#)
- [Meeting Presentation Slides](#)
- [Follow-up on Parking Lot Questions](#)
- [Pricing for Equitable Mobility Website](#)

#### Attendance

Present:

| Task Force Members   | City Staff                | Bureau           |
|----------------------|---------------------------|------------------|
| Violeta Alvarez      | Justin Jackson            | Shoshana Cohen   |
| Andy Cotugno         | Tony Jordan               | Emma Sagor       |
| Baofeng Dong         | Ady Leverette             | Michael Espinoza |
| Taren Evans          | Elizabeth Liedel Turnbull | Marianna Lomanto |
| Stephanie Frederick  | Esme Miller               | Eric Hesse       |
| Monique Gaskins      | Richa Poudyal             | Mel Krnjaic      |
| Aaron Grimmer        | Sherifa Roach             | Noah Siegel      |
| Hau Hagedorn         | Vivian Satterfield        | Marty Stockton   |
| Nathan Hambley       | Ashton Simpson            | Ingrid Fish      |
| Shani Harris-Bagwell | Sara Wright               |                  |
| Jonathan Hutchison   |                           |                  |

Absent:

#### Task Force Members

|              |                  |           |                 |
|--------------|------------------|-----------|-----------------|
| Brian Cooley | Tammy Lundervold | PK Mandel | Nicole Phillips |
|--------------|------------------|-----------|-----------------|

## Agenda

| TIME      | AGENDA ITEM  |
|-----------|--|
| 6:00 p.m. | Welcome & Housekeeping   |
| 6:15 p.m. | Project Updates <ul style="list-style-type: none"><li>• What we've heard &amp; what we've learned</li><li>• Updated workplan</li><li>• Task Force questions &amp; comments</li></ul> |
| 6:45 p.m. | Staff Presentation <ul style="list-style-type: none"><li>• Snapshot- transportation funding</li><li>• Pricing to manage demand &amp; impact outcomes: typologies</li></ul>           |
| 7:15 p.m. | Task Force Discussion  |
| 7:50 p.m. | Wrap-up & Next Steps   |

## Welcome & Housekeeping

*Emma Sagor, Facilitator, welcomed Task Force members and informed attendees that the meeting will be recorded to ensure Task Force members and those unable to attend will have access.*

### Opening Remarks

*Shoshana Cohen, Project Manager, thanked Task Force members for attending the meeting and providing opening remarks. She noted:*

- This meeting marks the transition point from Phase 1 into Phase 2 of the Pricing Options for Equitable Mobility work. We will transition from discussing what equitable mobility means towards learning about various pricing strategies and applying our framework for equitable mobility to each of these pricing policies.

## Public Comment

The City will be collecting public comment throughout the entire 18-month Task Force process via email, regular mail, phone, and written and verbal comments at public events. At each meeting, Task Force members will be provided a written report of public comments received since the last meeting.

To share comments with the Pricing for Equitable Mobility Task Force, please email comments and questions to [POEMComments@portlandoregon.gov](mailto:POEMComments@portlandoregon.gov). All comments received via email by the Friday before a Task Force meeting (which occur the second Monday of each month) will be recorded and shared with the Task Force at the meeting.

While members of the public were in attendance, no public comments were presented during this meeting. [One public comment](#) was received via email and distributed to Task Force members prior to Meeting #5.

## Project Updates

- What we've heard & what we've learned
- Updated workplan
- Task Force questions & comments

### What We've Heard & What We've Learned

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*Shoshana Cohen discussed key themes that are emerging from ongoing conversations and discussions among Task Force members:*

- Questions about the intersection of pricing and other strategies and between this project and other PBOT work
- Interest in exploring the intersection of mobility with public health, safety, economic development & more
- Criticality of transit in mobility system; interest in free transit
- Desire to keep process moving while learning from COVID-19
- Key themes discussed in April Task Force Meeting #4:
  - Essential nature of public transit, now & moving forward
  - Connection between transportation demand, jobs and infrastructure
  - Public space is contested space, experienced differently by different people
  - Experience of harassment, erratic driver behavior
  - More people walking, biking, connections to health and use of right-of-way
  - Importance of quality mobility options (clean, connections to health)
  - Power of collective action and creative thinking
  - Need for inclusive and equitable crisis response
  - Prioritize needs of most vulnerable, language access/clear communication

### Task Force Charge

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*Shoshana Cohen gave a brief update and overview of the Task Force charge and how it intersects with other projects and processes.*

#### **Reminder of Task Force Charge**

"...inform PBOT and BPS as they consider **if** and **how** **new** pricing strategies could potentially be used more intentionally to improve mobility, address the climate crisis and advance equity..."

Key words in the Task Force Charge

- **"If"**: No decisions have been made yet! Research to date shows pricing has promise to help advance climate outcomes and equitable mobility, but it is an open question for this group.
- **"How"**: Bureau leadership is looking to this group for advisory recommendations on how the City should implement or further explore new pricing options, if they advance equitable mobility.
- **"New"**: This Task Force is charged with looking at new ideas. The [Bureau Budget Advisory Committee](#) (BBAC) is charged with advising on existing revenues and budget considerations.

## Wheel of Equitable Mobility

The Wheel of Equitable Mobility is a simplified illustration of how the pricing work of the community Task Force intersects with other PBOT initiatives.

In summary, there is no one single transportation strategy that the city can implement to create a more equitable and sustainable system. Instead, there are many intersecting strategies. They are visualized as connected gears, with the following overarching categories:

- **Right-of-Way Allocation** – refers to how street space is used and how much space is allocated for people driving, riding transit, cycling, walking rolling, etc.
- **Safe & Accessible Infrastructure** – The City must continue to build and maintain safe and accessible infrastructure such as: sidewalks, bike lanes, paved streets, etc.
- **Mobility Services & Options** – identify the role for various mobility services, from transit to new mobility services, such as bikeshare, e-scooters, TNCs, etc.
- **Incentives & Programs**- PBOT uses a variety of incentives and programs to encourage people to use non-vehicular modes. For example
  - [Safe Routes to School](#)- combines infrastructure improvements to ensure safe routes for students to use to get to school with educational programming to help students learn how to use the systems safely
  - [Sunday Parkways](#)-
  - Incentive Programs- such as the [Transportation Wallet](#) that offers discounts for streetcar, bikeshare, etc. to people as an affordable alternative to traveling by car.
- **Equitable Pricing & Reinvestment**- this community task force is primarily concerned with how the transportation system is priced and how the money is reinvested

The equitable mobility framework discussed and shaped by the Task Force is a tool that will be used to help design projects in ways that improve outcomes around climate, moving people and goods, health, safety, economic opportunity, etc.

## Reminder: Why the City of Portland initiated this project

The City of Portland initiated this project to explore if and how pricing strategies can be used more intentionally to advance City goals. Specifically, the reasons for initiating this work include:

- As a transportation agency responsible for paying for projects, PBOT must consider tradeoffs, complimentary strategies, and reinvestment opportunities.
- PBOT is already employing many of the intersecting strategies part of the Equitable Mobility Wheel and not seeing the desired results.
- The current system and status quo of the mobility system is inequitable, unsustainable, and trending worse (i.e. in the wrong direction)
- Price signals are not currently being used to drive outcomes
- Evaluating price signals to drive outcomes is one of the pieces that may be missing
- Advancing these mobility strategies requires investment, but **transportation funding is limited**. Pricing could open opportunities for reinvesting in complementary strategies.

## Pricing Spectrum

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*Emma Sagor & Shoshana Cohen gave a brief overview of the pricing typologies that the Task Force will explore, as well as types of reinvestment strategies they may discuss:*

### Pricing Strategies:

- Parking pricing
- Commercial vehicle fleets or Right of Way access
- Variable tolls
- Road Usage Charges (RUC)/Vehicle Miles Traveled (VMT) fees
- Cordons and congestion zones

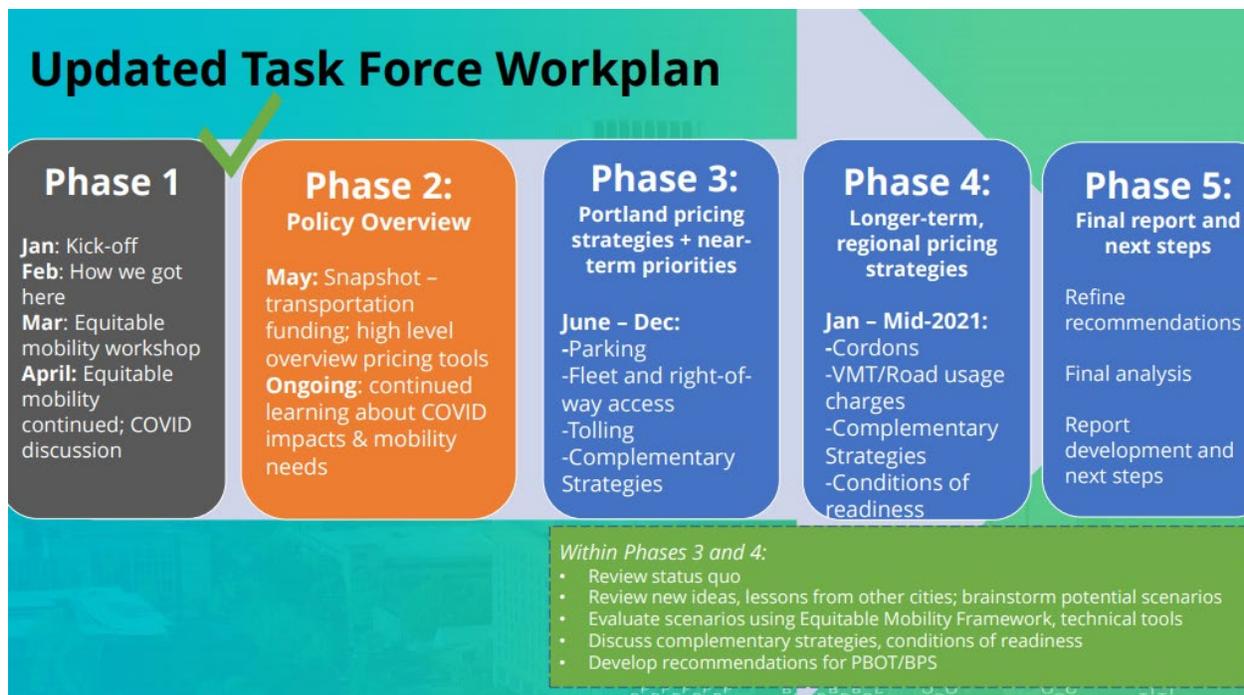
### Reinvestment Strategies:

- Transit & infrastructure investments
- Rebates, subsidies, and incentives to encourage mode shift and cleaner fuels
- Other ideas to emerge from the community Task Force

## Updated Workplan

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*Shoshana Cohen shared a revised workplan with the Task Force:*



The updated workplan reflects the general plan going forward, however there is also recognition that PBOT and the Task Force will need to remain flexible and sensitive to the ongoing situation.

- Impossible to predict what opportunities or challenges may arise
- Learning every day from the COVID-19 pandemic, community needs may shift
- Want to remain nimble to be responsive to near-term opportunities as they arise at the City, regional, and state levels

## Task Force Questions & Comments

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*Task Force questions and comments are summarized below:*

- Task Force members asked if there is summary of the inequities of the system status quo, how these current conditions are being measured and how they will be measured going forward to determine whether we're doing better/worse.
  - PBOT response: In the first meeting data was shared showing evidence of inequities such as longer commute times, fewer transportation options, and unequal investments that lead to inequitable outcomes. We already have data for some of the indicators identified in the Equitable Mobility Framework and those suggest there are many places where things are getting worse (e.g., traffic safety). As we build out the Equitable Mobility Framework and our City data monitoring systems, we hope to have a much more robust understanding of conditions, change over time, and how we can

continue to make the system better. Staff will share more information on this in future meetings.

- Task Force members asked about the impact of COVID-19 on City and state transportation budgets.
  - PBOT response: PBOT staff recognizes there are new funding challenges because of COVID-19, and that funding challenges PBOT was already facing are becoming much more pronounced in light of the pandemic. Staff will share some high-level information about transportation funding in this meeting and the group can continue to learn about and explore implications of COVID-19 on funding as the work continues.
- Task Force members discussed the changing nature of work and demand for trips (e.g. current telework patterns are evolving and may stay)
  - PBOT Response: PBOT is trying to understand the long-term outcomes of the pandemic. Many people are speculating that people are going to be teleworking and that for those who have the option when making trips, may be more likely to drive instead of taking transit. PBOT is thinking about the best complementary strategies to recommend based on the evolving situation. Teleworking was already growing prior to COVID-19, PBOT is exploring telework trends and evolving policy in different spheres

## Staff Presentation

*Shoshana Cohen & Emma Sagor gave a presentation on existing transportation pricing options.*

### Transportation Funding 101

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#### **Current Pricing Mechanisms & Sources of Revenue**

- **Taxes**
  - Local Gas Tax
  - Heavy Vehicle Use Tax
- **Fees**
  - Licenses, permits, development charges, charges for services (parking)
- **Intergovernmental Funding**
  - State Highway Fund (state gas tax & Vehicle Registration Fees)
  - Grants for specific projects
- **Miscellaneous sources**
  - Capital set-aside program- transfers money from the general fund for specific projects
  - Many smaller flows, vague
  - Revenue from other Bureaus for work that we do (e.g. sewers)

***\*Use restrictions on much of the revenue\****

## Challenges with the Current Funding System

- Many sources of revenue are regressive and tied to the things that are counter to PBOT goals (e.g., the city generates more revenue the more people drive and use gasoline)
- Without capturing the **true cost of negative impacts** and **managing demand**, the system perpetuates the carbon emissions and inequities we see today:
  - Inequitable access to transportation options
  - High household transportation costs
  - Worsening climate and air pollution and health impacts
- Car infrastructure is expensive to build & maintain
- Costs are increasing while revenues are decreasing

## The Reality: Decreasing Revenues, Increasing Competition

- The reality today is that revenues are decreasing while the demands on Portland streets and public right-of-way are increasing due to increasing population, and new services, such as: transportation network companies (TNCs, e.g., Lyft & Uber), new mobility options such as bike- and scootershare, and on-demand delivery
- Revenues are decreasing for numerous reasons, including
  - Gas taxes not keeping up with inflation
  - More fuel-efficient cars requiring less fuel to travel the same distance

## What do Transportation Fees, Prices, and Funds do?

- Cover costs of basic maintenance and operations of the system, fund specific projects, provide services
  - Much of our current transportation funding goes to this category (and we still face a significant shortfall)
- Capture true costs of negative externalities and impacts on the system
  - Today we don't consistently use pricing for this
- Manage demand and affect outcomes
  - Today we don't consistently use pricing for this
- The focus of the task force lies with addressing points 2 & 3 above. While the task of this group is not to consider how to raise prices to fund the transportation system, pricing strategies cannot be separated entirely from revenues and how those are used to pay for the transportation system.

## Tying Transportation Funding Back to the Task Force's Charge

- The Charge of the task force to advise on if/how new pricing strategies can improve the inequities of the status quo and climate outcomes
- AND**
- In looking forward at new strategies, we will need to acknowledge the many purposes of prices in our system, including covering costs of maintenance and operations, capturing true costs, and affecting outcomes

### **Task Force Questions & Comments**

- A Task Force member asked whether the Task Force will be considering parallel infrastructure projects and related urban planning goals as part of this work.
  - PBOT Response: Yes, with a big move as you're talking about in the central city, "readiness" means we want to take actions with the assurance that people have safe and quality alternatives. This group will need to think about complementary transportation & land use strategies. The question is not only *should* we implement a pricing strategy, but *how*.

### Pricing Typologies- Pricing to Manage Demand & Affect Outcomes

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*Emma Sagor gave an overview of five pricing typologies that will be covered in detail over the next 12 months and offered context of how each exists in Portland today.*

#### Pricing Typology 1: | **Parking**

##### **Parking pricing in Portland today:**

- City charges for on-street parking in 5-meter districts and 18 permit districts; outside of these districts, street parking is usually free
- City operates 5 off-street paid SmartPark garages (almost 4,000 spaces)
- City parking prices are currently fixed
- Meter rates last updated 2016; SmartPark daily rates updated in Nov. 2019
- Prices set to optimize occupancy (e.g. how many spaces available per block)
- City adopted Performance-Based Parking strategy in 2018;
  - When implemented, will make parking rate changes annually based on demand
  - Includes framework for how we'll use data to update parking rates
- Private parking is often free and/or subsidized
- Corporations get federal tax breaks for providing parking for customers (breaks for employee parking removed in 2018)
- A 2014 study estimated that there are around 177,000 free, non-residential parking spaces in the City

#### **What else could we consider going forward?**

Public parking strategies:

- Change on/off-street parking prices and/or parking schedules
- Create new parking districts/paid permit areas
- Move toward more dynamic, demand-based on-street parking pricing (requires significant technological investment)

Private parking strategies:

- Implement fees or taxes for private/corporate parking lots
- Unbundle parking from development: encourage or require decoupling the price of real estate from parking to allow price of parking to have a true price associated with it
- Require employee parking cash-out options

## Pricing Typology 2 | **Commercial Motor Vehicles Fleets & Right-of-Way Access**

**Commercial motor vehicle fleets and right-of-way access in Portland today:**

- City charges a \$0.50 surcharge on all Uber or Lyft rides originating within the City of Portland
- Taxis and other private-for-hire companies pay permit fees per vehicle to operate in Portland
- Parking fees for curb space for car share (e.g. Car2Go)
- Currently no charges for on-demand delivery/freight movement
- Currently no charges for freight pick-up/drop off zones, hotel zones, etc.

**What else could we consider?**

- Changes to the private-for-hire fee structure, including:
  - Changes to fees based on occupancy, fuel type or other (e.g. incentivize shared rides, electric and hybrid vehicles)
  - Vary charges based on time of day, geography, demand
- Implementing fees/permit requirements for delivery companies
  - Data is a challenge, other cities are considering (Paris, NYC)
- Other fees around curb access tied to demand and use

## Pricing Typology 3 | **Variable Tolls**

**What is it?**

- Fee/price charged for driving on a stretch of roadway
- Can be just one lane (express toll lanes, high-occupancy toll lanes) or the entire roadway
- Rates fluctuate based on demand
- Toll technology usually involves license plate recognition or transponders (rather than toll booths); cars do not need to slow down or stop

- Toll exemptions or rebates can be made for multi-passenger vehicles and other types of vehicles based on what you want to incentivize/disincentivize

## Pricing Typology 4 | **Cordons & Congestion Zones**

### **What is it?**

- Variable or fixed charge to drive within or into a congested area
- Implemented by placing tolls on multiple existing “entry” points- think of as a big ring, charged on roadways that enter into the ring
- Some systems charge just for crossing the boundary; others charge people for driving within the zone, even if the driver does not cross the boundary
- Many schemes provide discounts or exemptions for certain types of trips (low-emission vehicles, multi-passenger vehicles, etc.)

## Pricing Typology 5 | **Road Usage Charges (RUC), VMT Pricing, Pay-as-you-Drive**

### **What is it?**

- Also called “VMT pricing” or “pay as you drive”
- Involves using technology in vehicles to track miles traveled, charging the driver a fee based on use
- Imagined to replace the gas tax
  - As cars become more fuel efficient, a prime revenue source is increasing—so instead have a use-based charge and apply a cost directly tied to how much use roads
- Design to convert fixed costs of vehicle ownership into use-based costs
- Sends a price signal directly based on how much someone drives; can incentivize reduced driving
- Could be designed to fluctuate based on demand/fuel type/occupancy or to be a flat fee

## Discussion

*Following the staff presentation, Task Force engaged in a discussion around the following questions*

- *What’s grabbing your attention?*
- *What questions are coming up for you?*

*Task Force comments are grouped thematically and shared below.*

### **Topics of interest to Task Force**

- Making parking pricing more dynamic and flexible

- A Task Force member suggested making it easier for Bureau staff to change parking prices based on data, rather than requiring Council approval.
- Unbundling parking pricing due to its potential to reduce the cost of development and housing
- Implementing an “easier cordon” by pricing commuter travel through off-street parking taxes, demand-based parking prices, and TNC fleet surcharges
  - Task Force members also briefly discussed how the OreGo road usage charge system could be used as a platform to implement a congestion zone.

### Questions for further exploration

- Task Force members discussed the **political viability of pricing strategies** and urged the group to consider what political hurdles may be anticipated.
  - Some noted the information is presented in a neutral way and requested more information about the political will behind these strategies.
  - Some said they would like the group to discuss what the low hanging fruit is and consider what may be more implementable in the near-term. Task Force members said they would like to understand relative impact and cost to weigh practicality of implementing, barriers/roadblocks to implementation, and impacts.
- Task Force members asked **how the current TNC surcharge fee of \$0.50 was set.**
  - Staff noted the fee was set to fund a regulatory oversight program, but not set based on demand. The Task Force may consider tying this fee more to demand.
- Task Force members asked **for more information on equity implications of these strategies in other cities where they have been implemented.**
- Task Force members asked for more information on the **specific equity metrics that will be used to evaluate strategies.**
  - Staff noted they are working with their technical team to apply specific metrics to the Equitable Mobility Framework indicators.
- Task Force members discussed the importance of talking about **actual price values**, noting that fixed price feels different to different people. They also discussed wanting to know how much of a charge would go toward covering the cost of a system versus revenue that can be reinvested in other strategies.
  - Staff noted that the price points would likely differ across each strategy and that if the objective is to manage demand, the price may be different at different time.
- Task Force members discussed the **burden of having to disclose income levels for means-based exemptions and discounts.** While this may be considered a tool that can make a system more equitable, it also creates more disproportionate burdens for some.
  - Task Force members said it should be a priority to not place additional burdens on already disproportionately burdened communities. One idea

mentioned was linking income or disability reporting across programs so this information only needs to be disclosed once.

- Task Force members said they were not sure what **the priorities are for evaluating these strategies**: revenue generation, demand management, improved mobility, reducing congestion.
  - Staff noted the Equitable Mobility Framework captures the many interrelated priorities identified by the Task Force to date. The group has discussed that there may be different priorities that matter more at different times. The group's charter, however, calls out climate, demand management and equitable mobility as key priorities for this work. While these strategies would likely generate revenue, the Charge of the group is not to maximize revenue generation, but rather to consider recommendations around how any revenue generated might be reinvested.
  - Staff noted it may be helpful to think of pricing strategies as "dials" instead of switches, which can have more or less impact on different indicators depending on how you set the dial.
- Task Force members asked for more **research on the "tipping point" of prices that may get people to change behavior**.
  - Task Force members noted the importance of considering pricing in the context of transit pricing as well, in order to make transit price and time competitive.
- Task Force members asked if our **transit system is prepared** for absorbing trips that may be diverted from driving alone. The group discussed how transit is a critical piece to making large-scale pricing programs effective.
  - Task Force members discussed park and rides as a part of this conversation as well.
- Task Force members discussed the importance of **considering and monitoring potential unintended consequences** of pricing system design. For example, in London, TNCs were able to negotiate exemptions to congestion pricing.

## Wrap-up & Next Steps

*Emma Sagor thanked participants for their participation and gave an overview of the next phase of Task Force work.*

### **Next meeting:**

June 8, 6 – 8 p.m.

### Next meeting topics:

- Parking ideas: deeper dive
  - Background reading will be provided
- Begin using Equitable Mobility Framework to analyze potential strategies