

# Parking Climate and Equitable Mobility Transaction Fee Overview

## February 2022

PBOT is proposing to implement a new fee on parking transactions this summer. This fee has been designed in alignment with the recommendations from the Pricing Options for Equitable Mobility Task Force, a community advisory group convened in 2020-21 to consider if and how new transportation pricing strategies should be used in Portland. The parking climate and equitable mobility transaction fee will send a price signal about the costs of driving and support investments that advance our climate and equity goals. It is the first step toward implementing the POEM recommendations, with more pricing proposals expected later in 2022.

### AT A GLANCE:

- \$0.20 fee on parking meter transactions to send a price signal about the costs of driving
- Funds generated to be invested in expanding transportation affordability programs ahead of further parking rate increases, as well as other climate and equity work
- To be implemented in summer 2022

#### What did the POEM Task Force recommend?

In October 2021, City Council directed PBOT to develop policy proposals in alignment with the principles recommended by the POEM Task Force, including:

- Urgently advance pricing options for equitable mobility policies. Failure to act will only worsen the challenges we experience today and is not an option.
- Center climate and equity outcomes and prioritize the goal of reducing traffic demand.
- Provide exemptions for households living on low-incomes. When exemptions are not possible, cash rebates or payments to households living on low-incomes is preferred.
- Reinvest revenue generated from pricing in strategies that further expand equitable mobility.

The Task Force's full recommendations can be [viewed online here](#).

#### How does the new parking transaction fee address these recommendations?

- **URGENCY:** The Task Force specifically called out parking as a promising, near-term opportunity for sending stronger price signals. PBOT can also implement parking pricing more quickly because we already have the mechanisms and technology to do so. This transaction fee is a very near-term step we can take in response to the urgency raised by the Task Force, while we continue developing other policy proposals aligned with the POEM recommendations.
- **PRIORITIZE REDUCING TRAFFIC DEMAND:** While small, this \$0.20 fee sends a price signal about the costs of driving and can help drivers consider the impact of their transportation choices. We will evaluate the fee to help inform how to make future price signals as effective as possible.
- **PROTECT DRIVERS LIVING ON LOW INCOMES AND INVEST IN EXPANDED EQUITABLE MOBILITY:** PBOT is not currently able to put into place a parking meter discount or exemption program for low-income drivers. This will require better data, outreach, policy development and potentially technology changes. As an interim step in alignment with POEM recommendations, the transaction fee will allow PBOT to expand distribution of its affordable housing Transportation Wallet program, which provides households on lower incomes with passes and credits that can be used for transit, BIKETOWN, scooter-share, taxis, Uber and Lyft, and other options. It will also help support the BIKETOWN for All program that provides discounted bike-share memberships for Portlanders living on a low income. Finally, the fee will also fund greater research and policy development to inform more robust affordability protections in advance of any future rates increases, as well as outreach around existing affordability programs, such as the SmartPark swing shift reduced rates for people living on low incomes.

#### Why is the transaction fee being recommended along with other parking price changes?

In its FY 2022-23 Requested Budget, PBOT proposed this transaction fee to City Council alongside a proposal to stabilize its current revenue situation. Parking pricing is one of the Bureau's most important funding sources, supporting many critical activities that keep our transportation system working and advance our system goals—from mobility programs like Safe Routes to School and neighborhood greenways to critical infrastructure maintenance, like crossing and signal upkeep. The City has not raised parking rates since 2016, and rates are currently far below where they should be due to inflation. The pandemic also led to dramatic changes in parking revenue which has led to service cuts in the past two years, and cuts will likely continue unless revenues stabilize.

PBOT's revenue stabilization proposal includes implementing Performance-Based Parking in 2023, while also bringing base parking meter rates up on par with inflation. Performance-Based Parking is a previously adopted policy, which adjusts annual parking meter rates based on demand in different areas. Moving forward this will mean that rates are adjusted both for demand and inflation. This will allow for use of demand-based parking price signals, as well as inflationary adjustments, which help to stabilize and fund critical safety, climate, equity and asset programs.