

Net Meter Revenue Policy Review

FINAL REPORT + RECOMMENDATIONS



FINAL DRAFT SEPTEMBER 2021



PBOT
PORTLAND BUREAU OF TRANSPORTATION

Prepared for City of Portland
by Tiberius Solutions LLC and Communitas LLC

ACKNOWLEDGEMENTS

PORTLAND CITY COUNCIL

Ted Wheeler Mayor

Chloe Eudaly Commissioner in Charge

Amanda Fritz Commissioner

Jo Ann Hardesty Commissioner

PORTLAND BUREAU OF TRANSPORTATION (PBOT)

Chris Warner PBOT Director

Noah Siegel Interim Deputy Director

Dave Benson Parking Services Group Manager

Art Pearce Policy, Planning and Projects
Group Manager

PBOT PROJECT TEAM

Francesca Patricolo Project Manager

Chris Armes

Kristin Hull

Tyler Berry

Mauricio Leclerc

CONSULTANT TEAM

Nick Popenuk Tiberius Solutions

Ali Danko Tiberius Solutions

Deb Meihoff Communitas

STAKEHOLDER FOCUS GROUPS

Deane Funk Central Eastside Industrial Council

Ed Fischer Marquam Hill Parking /
Homestead Neighborhood

Evelyn Liu Asian Pacific American Chamber

Heather Hoell Venture Portland

Ian Stude Portland State University

Jerry Powell Goose Hollow Foothills League

Jon Isaacs Portland Business Alliance

Katy Wolf Boise Neighborhood Association

Laquida Lanford PAALF

Linda Bauer East Portland Action Plan

Lisa Frisch Downtown Clean and Safe

Marty Stockton Portland Bureau of Planning
and Sustainability

Maura White Hollywood Boosters
Business Association

Noah Brimhall Business for a Better Portland

Owen Ronchelli Lloyd District TMA / Go Lloyd

Pete Collins South Portland
Neighborhood Association

Reza Farhoodi Pearl District Neighborhood
Association

Rick Michaelson Northwest Parking Stakeholder
Committee

Roger Jones Hawthorne Boulevard
Business Association

Ryan Hashagen PBOT Bureau and Budget
Advisory Committee

Sara Wright Oregon Environmental Council

Tony Jordan Portlanders for Parking Reform

Tracy Prince Goose Hollow Foothills League

Trish Baker Northwest Portland Resident

PBOT also extends its appreciation to the organizations who hosted community conversations about the Net Meter Revenue policy: Boise Neighborhood Association, Central Eastside Industrial Council, Downtown Neighborhood Association, East Portland Community Office, GoLloyd, Hawthorne Boulevard Business Association, Northwest Parking Stakeholder Advisory Committee, Pearl District Neighborhood Association, and Portland Business Alliance.



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EXHIBIT A: NET METER REVENUE POLICY REVIEW REPORT



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SUMMARY

Parking management is an important responsibility of the Portland Bureau of Transportation (PBOT). For the City's most challenging commercial parking issues, there is perhaps no more powerful of a parking management tool as parking meter districts. Presently, the city has five parking meter districts. In time, as Portland's population grows, there will inevitably be more demand on parking and the city is likely to see more commercial areas requesting to take steps to establish new parking meter districts.

Parking meter districts are subject to the City's Net Meter Revenue Policy. Net Meter Revenue is the total amount people pay for parking at parking meters in a meter district area, minus the cost to operate and maintain the parking meters, minus the amount set aside to eventually replace them when they need to be replaced. The City's Net Meter Revenue Policy states that meter districts established after 1996 are eligible to receive a majority of the net meter revenue (interpreted as 51%) and have a stakeholder committee that helps determine how the funds are spent for transportation projects and programs in the district.

The purpose of this project was to review the Net Meter Revenue Policy and propose any necessary revisions to City Council. The recommended changes summarized in this report establish a comprehensive process for revenue allocation for all existing and future meter parking districts. These recommendations have been guided by advice from the public, existing policies and plans, and technical analysis.

Evaluation framework

Multiple issues related to the allocation of net meter revenue were considered as part of the policy evaluation in this report.

- Where should the policy apply?
- What amount of funding from net meter revenue should be allocated to parking meter districts?
- What types of projects and programs should be eligible to receive funding from net meter revenue?
- Should the benefits of net meter revenue to parking meter districts change over time?
- What process should be used for allocating net meter revenue to projects/programs?



What we heard

The project team engaged the public throughout the process of its work, resulting in the following key messages and opinions related to potential policies. Integrated with the technical analysis, these themes were directly translated into the proposed policy changes.

KEY THEMES FROM PUBLIC ENGAGEMENT

<p>Regarding Policy for Existing Meter Districts</p>	<ul style="list-style-type: none"> • Stakeholder committees are a key component of net meter revenue allocations in existing districts. • Timing varies for communities to realize the financial incentives provided by meter districts. • There is room for improving the effectiveness and transparency of the Net Meter Revenue Policy processes. • Districts need clarity on the City's approach to align policies.
<p>Regarding Policy for Future Meter Districts</p>	<ul style="list-style-type: none"> • Support for transportation demand management (TDM) tools is critical. • Financial incentives will likely be an important factor in community decisions to support the installation of parking meters. • City financing can enhance financial incentives. • Net meter revenue investments should directly tie to specific priorities. • Robust community involvement is needed to determine priorities. • Stakeholder committees are still needed in future meter districts.
<p>Regarding Policy for Downtown Meter District</p>	<ul style="list-style-type: none"> • More TDM tools are needed. • Local transportation needs are often superseded by regional service. • Needs vary throughout the downtown parking meter district. • Pedestrian safety is a top priority • Downtown serves a unique function in the region.
<p>Regarding Advancing Racial Equity Through Meter Districts</p>	<ul style="list-style-type: none"> • Diversity of stakeholder committee membership is critical. • The share of net meter revenue retained by the City can help address issues of racial equity. • To uphold the City's commitment to equity, decisions on net meter revenue expenditures should rely on City planning processes.



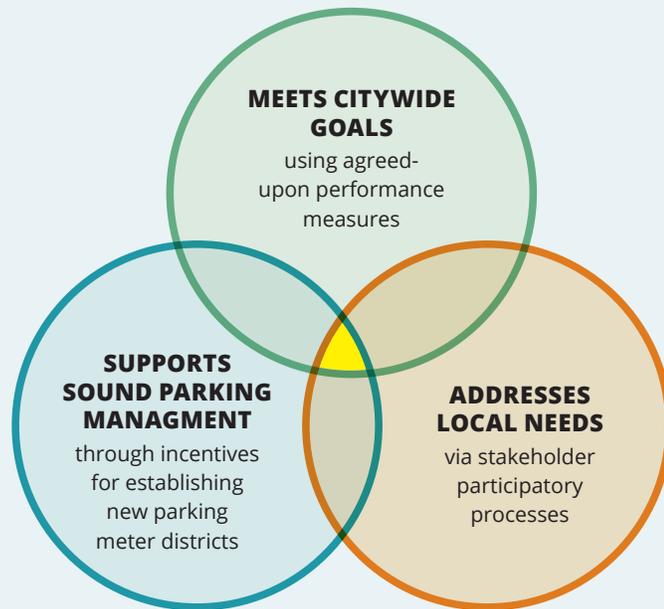
ONGOING COMMUNITY ENGAGEMENT

PBOT has frequent opportunities for stakeholders and community members to give feedback and share their input regarding important transportation projects, weigh in and help shape the annual budget, capital project design, long-term plans for the transportation network, and more. To search for upcoming PBOT events, visit portland.gov/events.

Above: Net Meter Revenue Policy Review focus group event #2, August 14, 2019

Evaluation of policy options also relied on three key factors.

EVALUATION CRITERIA FRAMEWORK →



Recommendations

Unique policies are recommended for each type of parking meter district: downtown, other existing meter districts, and potential future districts. Below is a summary of the key policy changes proposed for each type of district.

DOWNTOWN METER DISTRICT

- Downtown stakeholder involvement in project development and prioritization: Provide opportunities for downtown residents and stakeholders to give meaningful input to PBOT regarding the implementation of local-serving projects and programs in downtown.
- TDM programs: Explore options to implement TDM programs that benefit low-income residents and low-wage workers in downtown.
- Downtown marketing and safety programs: Investigate options to provide budget certainty for continued funding of downtown marketing and safety programs.

OTHER EXISTING METER DISTRICTS

- Local share of net meter revenue invested in districts: Maintain and clarify the current policy that 51% of net revenues should go to support transportation and parking services and programs within the meter district.
- Committees: Management of parking committees will seek to elevate diversity, equity and inclusion in composition and culture, as consistent with City Council action for advisory bodies. Implementation will continue to require staff planning, commitment and follow-through for effective results. Since overarching City policy for this already exists and any future actions on the part of City Council with regards to advisory bodies would be superseding, there is no recommended change to the current policy that designates parking committees.
- Decision-making process: Refine the decision-making process for committees to ensure consistency, transparency, and alignment with adopted City goals.
- List of eligible expenditures: Refine the list of eligible expenditures to ensure consistency, transparency, and alignment with adopted City goals.

FUTURE METER DISTRICTS

- Local area plans: Informed by broad community outreach, local area transportation plans will identify the infrastructure improvements, TDM programs, and placemaking projects and

programs that will be eligible to receive net meter revenue funding in each new parking meter district.

- **Local share of net meter revenue invested in districts:** The City will allocate 51% of annual net meter revenue generated within a district to fund projects and programs identified in the local area plan for that district.
- **Financing options:** The City will explore financing options to accelerate the implementation of high-priority projects and programs identified in local area plans.
- **Stakeholder committees:** Each district will form a committee for the purpose of advising PBOT on parking management decisions, including review and comment on the annual budget for each district.
- **Distinction between new and expanded districts:** No change in existing policy is recommended. The City's existing code establishes a process for PBOT to make decisions on the formation and expansion of parking meter districts. For areas considering implementation of parking meters, PBOT will be proactive in communicating whether the meters would be managed through the creation of a new parking meter district or through expansion of an existing district.

Conclusions and next steps

For the most part, the City's net meter revenue policies are working well towards achieving the City's goals, and no major policy shifts are recommended at this time. However, incremental improvements should be made to optimize clear and equitable processes and outcomes, provide greater public information and transparency, and support continued growth of sound parking management. To that end, this report includes recommendations for the City to improve the Net Meter Revenue Policy's allocation process.

Some of these recommendations are best implemented through revisions to City Administrative Rules, specifically TRN 3.112. As part of this project, PBOT has drafted proposed revisions to TRN 3.112 and circulated those revisions for public review and comment (see Attachment A). Other recommendations require additional refinement, beyond the scope of this project, before they can be implemented by PBOT.

As the City continues to refine these policies and programs related to net meter revenue and parking meter districts, the City may choose to update its Parking Management Manual and other transportation policy documents.

PROPOSED CHANGES

Recommendations include improvements designed to:

- Optimize clear and equitable processes and outcomes.
- Provide greater public information and transparency.
- Support continued growth of sound parking management.

EXHIBIT A: NET METER REVENUE POLICY REVIEW REPORT



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INTRODUCTION

Parking management is an important responsibility of the Portland Bureau of Transportation (PBOT). The 2035 Comprehensive Plan includes specific goals related to parking, including:

Policy 9.55: Parking Management. Reduce parking demand and manage supply to improve pedestrian, bicycle, and transit mode share, neighborhood livability, safety, business district vitality, vehicle miles traveled (VMT) reduction, and air quality. Implement strategies that reduce demand for new parking and private vehicle ownership, and that help maintain optimum parking occupancy and availability.

One powerful tool for managing parking is the use of parking meter districts, which helps the City achieve six key objectives (see sidebar). One of these objectives is to allocate parking revenue in accordance with the City's Net Meter Revenue Policy (TRN 3.112), originally established by City Council in 1996. The policy states that meter districts established after 1996 are eligible to receive a majority of the net meter revenue (interpreted as 51%) and have a stakeholder committee that helps determine how the funds are spent for transportation projects and programs in the district. The downtown meter district was established well before 1996 and therefore is not subject to this policy.

The purpose of this project was to review the Net Meter Revenue Policy and propose revisions, as necessary, to reconcile policy direction related to three primary topics:

1. Meter revenue allocation
2. Funding priorities
3. Distribution of resources between meter district and citywide transportation services

The outcome of this project is a recommendation to City Council to update the Net Meter Revenue Policy to establish a comprehensive process for revenue allocation for all existing and any future parking meter districts. These recommendations have been guided by advice from the public, existing policies and plans, as well as technical analysis.

PARKING METER DISTRICTS HELP THE CITY ACHIEVE 6 KEY OBJECTIVES



Contribute to economic vitality



Advance established transportation and parking district goals



Foster transportation options



Minimize parking impacts on adjacent areas



Support meter system maintenance and operational costs



Allocate parking revenue in accordance with the Revenue Allocation policy



TECHNICAL ANALYSIS

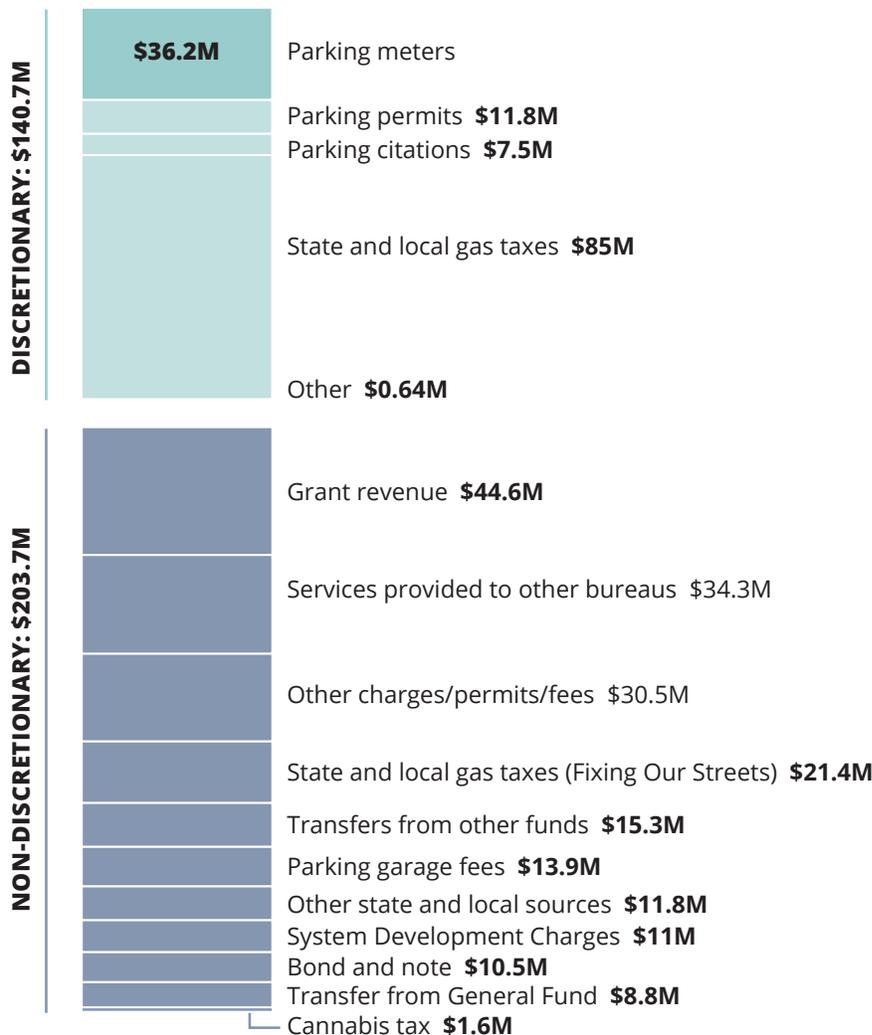
PBOT financial overview

PBOT REVENUE SOURCES

PBOT collects both non-discretionary and discretionary revenue. Non-discretionary revenue must be spent on specific expenditures guided by rules, regulations, and/or restrictions. Discretionary revenues do not have the same level of restrictions. PBOT's discretionary revenue is called general transportation revenue (GTR). Below shows an allocation of PBOT resources for the FY 2019-20 requested budget.

PBOT RESOURCES

FY 2019-20 REQUESTED BUDGET

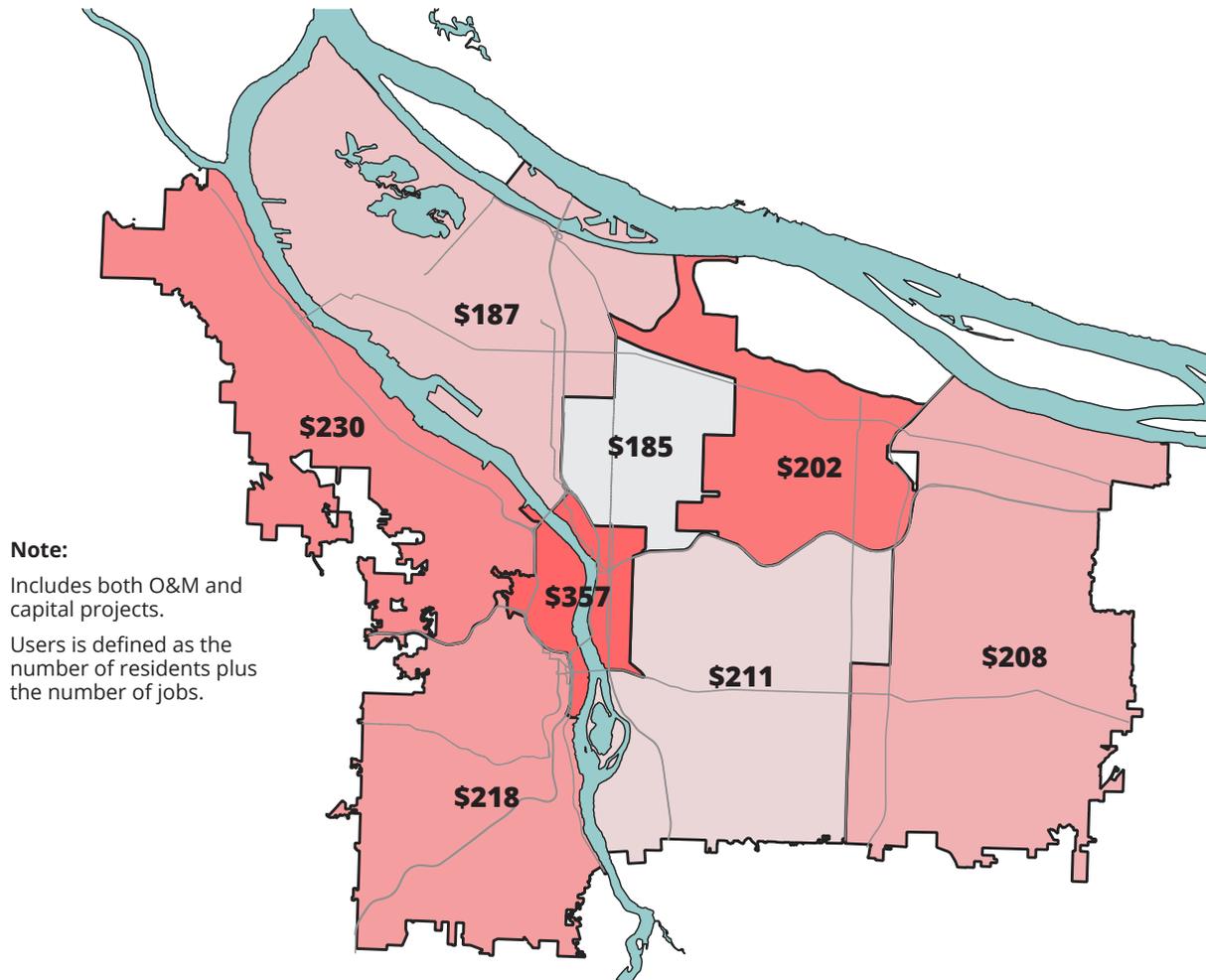


Source: PBOT Resources + Expenditures for FY19-20 Requested Budget

BUDGET ALLOCATIONS BY NEIGHBORHOOD COALITION

PBOT's expenditures are split roughly equally between operations and maintenance (O&M) and capital projects. Expenditures on O&M are spread evenly across the City. Expenditures on capital projects vary from year to year and across different neighborhood coalitions. Exhibit 3 shows average PBOT spending per user (defined as residents plus jobs) from FY 2014-15 to FY 2018-19. Over that time, the Central City received the largest share of total funding per user.

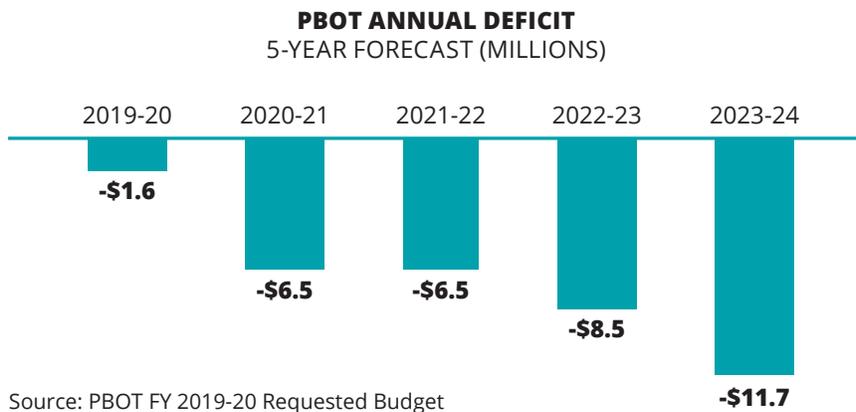
AVERAGE PBOT SPENDING PER USER FY 2014-15 TO FY 2018-19



Source: Tiberius Solutions with data from PBOT

BUDGET OUTLOOK

Parking meter revenue, like all sources of discretionary funding are vital for funding PBOT’s core operations and maintenance activities. PBOT’s 5-year forecast shows an increased funding deficit each year through FY 2023-24, shown in the chart below. Annual deficits are addressed using one-time resources. This forecast assumes a continuation of the bureau’s current level of service and does not fully address its known maintenance backlog. An additional \$268M each year for the next 10 years would be needed to improve asset conditions to meet PBOT’s target service levels.



Source: PBOT FY 2019-20 Requested Budget

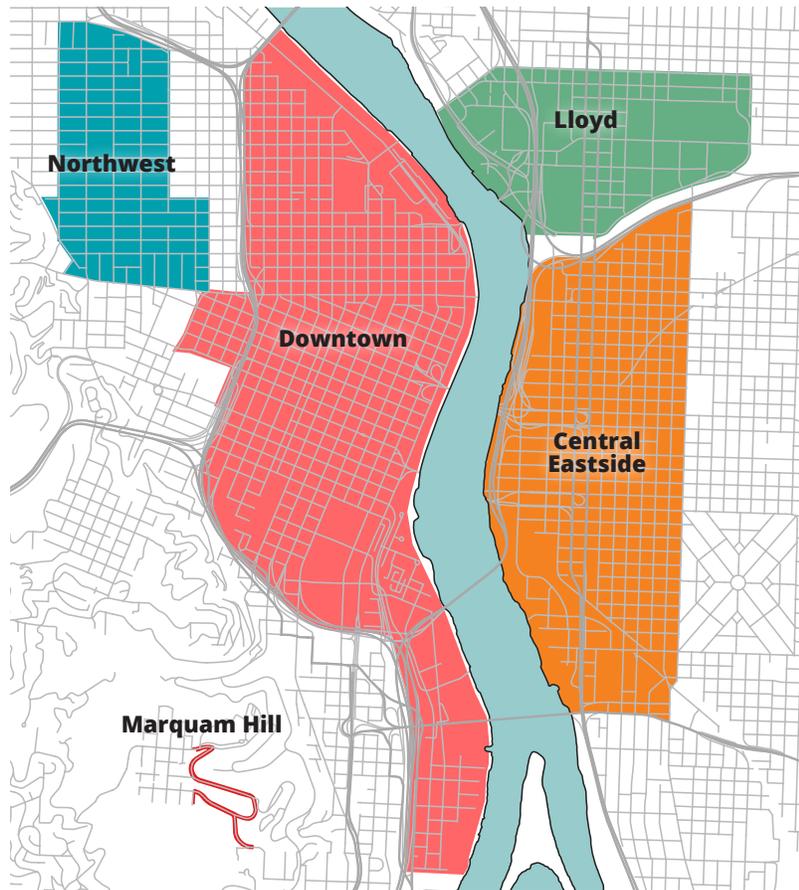


Parking meter revenue overview

WHERE ARE PARKING METERS?

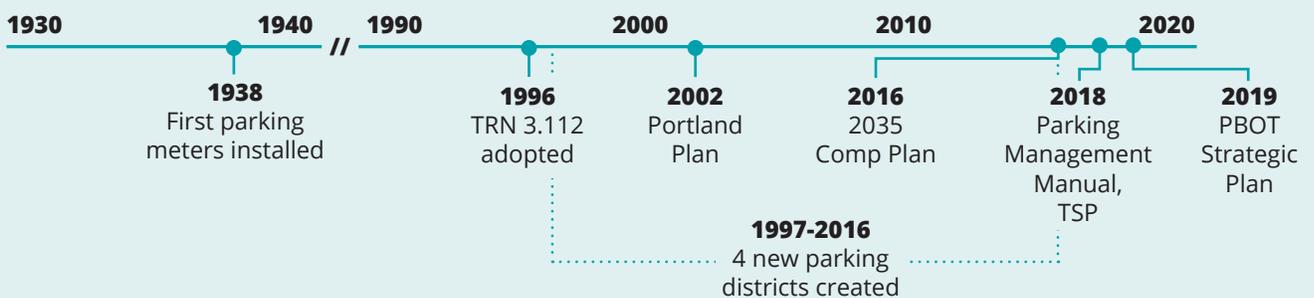
The City of Portland collects parking meter revenue as a parking management strategy in five districts: Downtown, Northwest, Marquam Hill, Central Eastside, and Lloyd. The five districts are shown below.

PARKING METER DISTRICTS



Source: Tiberius Solutions with data from PBOT

PARKING METER HISTORY



PARKING METER REVENUE

City policy allows the net parking meter revenue—what’s left after capital and operating costs are covered—to be allocated to support transportation services both within the meter district and citywide. Current policy also requires that for all meter districts, excluding downtown, a majority of net meter revenue (interpreted as 51%) should go to services and programs within the meter district in which they were generated. The remaining net meter revenue is available to spend on transportation projects and programs citywide, like any other GTR funds.

The chart below shows the portion of transportation projects and activities (including capital and operating costs) that are funded by parking meter revenue, as well as the share of net meter revenue allocated to specific parking meter districts. This chart distinguishes between the portion of parking meter revenues that are allocated to specific projects and programs in the Central City versus the portion allocated citywide.

TOTAL PARKING METER REVENUE EXPENDITURES (MILLIONS) FY 2017-2018

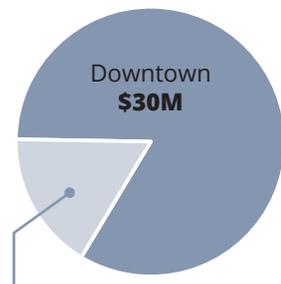
Central City	• Parking enforcement	\$6.30
	• Streetcar operations	\$3.29
	• Estimated net meter revenue allocation to districts	\$1.74
	• Portland-Milwaukie light rail debt service	\$0.67
Citywide	• Operations and maintenance	\$9.93
	• Debt service, citywide service charges, admin and support	\$7.79
	• Planning and engineering	\$2.30
	• Parking	\$1.86
	• Infrastructure improvements	\$1.71
	• Mobility	\$0.39
	• Regulatory and permitting	\$0.02
TOTAL		\$36.00

Source: PBOT

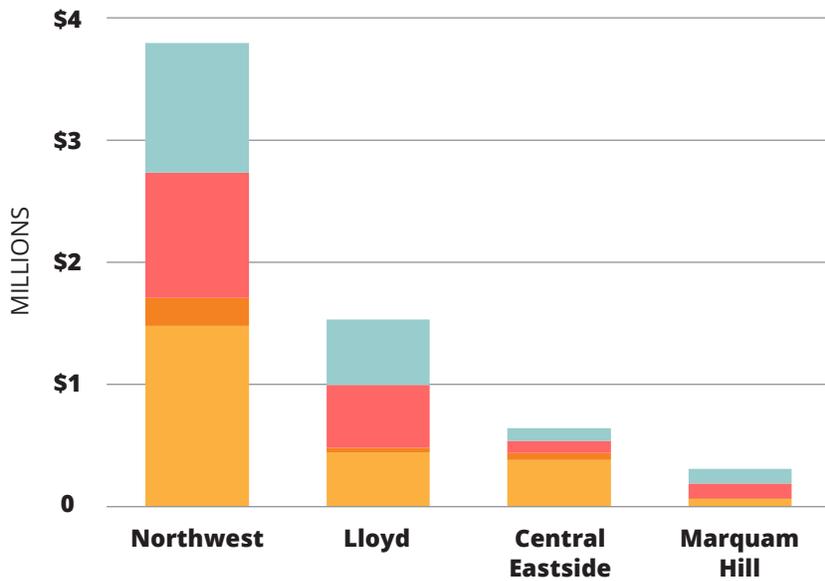
EXPENDITURE BY METER DISTRICT

The downtown meter district generates about \$30M of the \$36M in annual parking meter revenue, with all of the revenue generated downtown going into the GTR fund. Annual revenues and expenditures for the other four parking meter districts are shown below.

ANNUAL PARKING METER REVENUE FOR ALL DISTRICTS



ALLOCATION OF TOTAL METER REVENUES BY PARKING METER DISTRICT OTHER THAN DOWNTOWN, FY 2017-18



All other parking meter districts
\$6M

Capital and Operating Costs

- Meter O&M, equipment amortization
- Set-aside for capital replacement

Net Meter Revenue

- 49% to GTR Fund
- 51% to meter district

Source: Tiberius Solutions with data from PBOT

Case studies

The City conducted two rounds of case study analysis of how other peer cities allocate revenue from their parking meters. The first round yielded high-level results for twelve cities. Based on those results, the City selected four cities of interest to investigate in greater detail in the second round, including in-depth interviews with staff at the four selected cities or parking agencies.

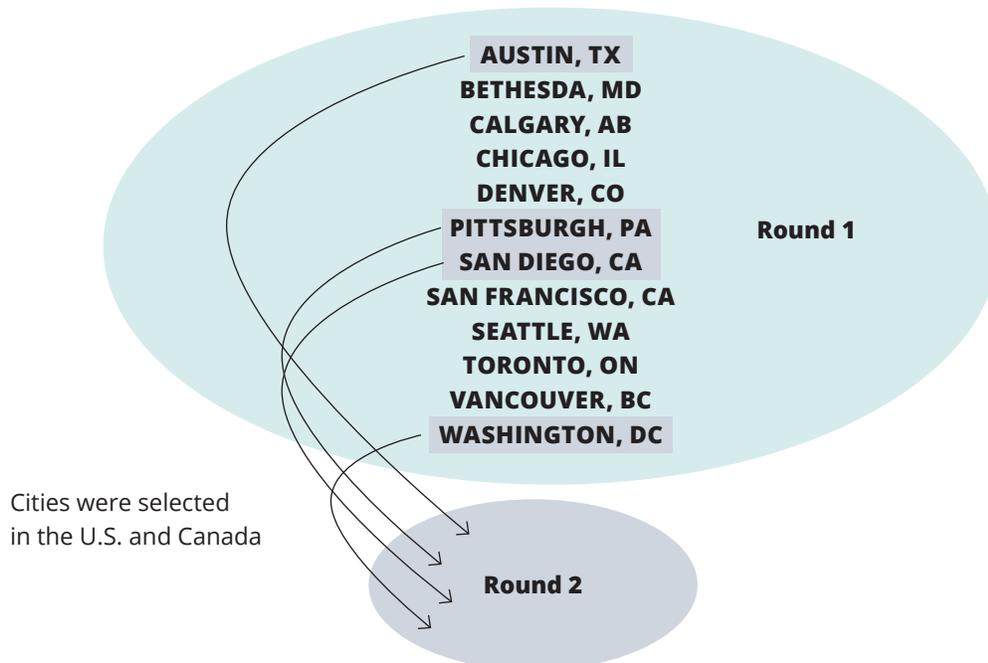
CASE STUDY CITIES, ROUND 1

Round 1 cities were chosen for one (or more) of several reasons. Either they are considered one of Portland’s peer cities, City staff had knowledge indicating their parking system was potentially innovative, and/or they were recommended to the project team by stakeholders during public outreach efforts.

CASE STUDY CITIES, ROUND 2

Based on the Round 1 results, the project team selected four cities of interest to investigate in greater detail in the second round. Specifically, the second round focused on the relatively small subset of cities that appeared to allocate a portion of their meter revenue to fund projects within the geographic areas where the revenue was raised, so as to be more similar and comparable to Portland’s context.

SELECTED CITIES FOR CASE STUDIES



KEY CONCLUSIONS

It is rare for other cities to have policies similar to Portland's TRN 3.112, which requires the majority of net meter revenue to be spent on projects within the meter district where the money is raised, with stakeholder committees charged with recommending which projects and programs should be funded.

Few cities have official policies that require a portion of meter revenue to be spent on projects and programs that benefit the areas where the revenue is generated. Only two of the cities (Austin and San Diego) included in the analysis have robust meter district programs.

Stakeholder involvement can be challenging and inconsistent. Only two out of the twelve case study cities (Austin and San Diego) have official stakeholder committees with influence or authority over expenditures of parking meter revenues. Both of those cities shared that there is not a universal model of stakeholder involvement that works well for all of their parking meter districts.

It is uncommon for other cities to use equity as an official factor in allocating parking meter revenue. Many of the case study cities either have an equity policy in place, or are working on implementing an equity policy. However, of the four cities interviewed in-depth during Round 2 of the case study analysis, none had clear guidance on how racial equity should be reflected in expenditures of transportation revenues in general, or parking meter revenue in particular.

It is unclear how effective it is for cities to commit parking meter revenues to local districts as a method of securing public support to install new parking meters. In Pittsburgh and Washington, DC, the cities add parking meters to new areas that need them for parking management without promising any new funding to those neighborhoods, and those cities have not experienced notable opposition to parking meters. At the other extreme, the City of San Diego commits 100% of net meter revenue to fund projects in the neighborhoods where meters are installed, and they still report significant opposition from community stakeholders to the installation of new meters.

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EXHIBIT A: NET METER REVENUE POLICY REVIEW REPORT



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PUBLIC INVOLVEMENT

The role of engagement

This section provides a summary of the process and activities PBOT used to communicate and collaborate with community members around parking meter revenue policy. As a result of the public's involvement, the proposed recommendations directly reflect community values, concerns, and priorities.

OVERARCHING GOALS FOR ENGAGEMENT

As part of this project, PBOT sought to include:

- Stakeholders who will be affected by the Net Meter Revenue Policy changes
- Community members interested in how the City manages its transportation and parking systems
- Those who are part of the annual net meter revenue allocation processes
- Those who are most likely to lead future efforts in deciding how and when to establish new meter districts

The primary goals for involving the community in the Net Meter Revenue Policy review were:

- Determine the level of interest in and priorities for the meter revenue and allocation methods
- Create a process by which underrepresented communities directly impact program development and decision-making
- Build understanding of the Net Meter Revenue Policy and impacts
- Test feasibility of the policy choices and recommendations

COMMUNITY INVOLVEMENT PROCESS

Spring 2019

May 2019

5 one-on-one interviews with stakeholders currently engaged in the policy review processes

July-September 2019

3 focus groups

October-December 2019

5 policy review discussion meetings with focus group participants

Dec 2019-Mar 2020

Community briefings (as invited), including 9 presentations and discussions with citywide community organizations

January 2020

Community open house

June 2019-March 2020

Email updates via 7 email newsletters

May 2019-March 2020

Project webpage, updated regularly

May 2019-March 2020

Communication with individuals who followed up with PBOT staff about the policy review

Spring 2020

Who participated?

Citywide community organizations

Asian Pacific American Chamber of Commerce	PBOT Bureau and Budget Advisory Committee	Portland Business Alliance
Business for a Better Portland	Portland African American Leadership Forum	Portlanders for Parking Reform
Oregon Environmental Council		Venture Portland

Existing parking committees and meter district stakeholders

Central Eastside Industrial Council	Homestead Neighborhood Association	Portland Downtown Neighborhood Association
Downtown Portland Clean and Safe District	Northwest District Association	Portland State University
Go Lloyd	Pearl District Neighborhood Association	South Portland Neighborhood Association
Goose Hollow Foothills League		

Other neighborhood and business groups

Boise Neighborhood Association	East Portland Community Office	Hollywood Boosters Business Association
East Portland Action Plan	Hawthorne Boulevard Business Association	

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FRAMEWORK FOR EVALUATION

Issues under consideration

The alternatives under consideration must address multiple issues related to the allocation of net meter revenue. For each of these issues, there are numerous, reasonable alternatives that the City could consider. Our analysis defined a limited set of options for each. They were not intended to be exhaustive, but rather to illustrate the full range of realistic alternatives.

FIVE KEY ISSUES INCLUDED IN THE POLICY EVALUATION

1. Where should the policy apply?
2. What amount of funding from net meter revenue should be allocated to parking meter districts?
3. What types of projects/programs should be eligible to receive funding from net meter revenue?
4. Should the benefits of net meter revenue to parking meter districts change over time?
5. What process should be used for allocating net meter revenue to projects and programs?



Determining measures of success

The evaluation of policy options relied on three key objectives. However, these objectives aren't always harmonious and can sometimes be at odds with each other. For example, certain policies may support sound parking management but perform worse at meeting citywide goals. Thus, the policy evaluation is really a balancing act—seeking to find policies that land in the center of the diagram below. Through this process, we identified policies that best achieve the City's desired performance measures, while supporting sound parking management, and addressing the needs of local stakeholders.

THREE KEY OBJECTIVES USED IN POLICY EVALUATION

- Meets citywide goals using agreed-upon performance measures.
- Supports sound parking management through incentives for establishing new parking meter districts.
- Addresses local needs via stakeholder participatory process.

EVALUATION CRITERIA FRAMEWORK



MEETS CITYWIDE GOALS

Since City Council adopted the 1996 Net Meter Revenue Policy, the City of Portland as a whole—and PBOT in particular—have adopted numerous plans and policy documents articulating the goals and objectives of the transportation system. Particularly, the 2035 Comprehensive Plan, 2035 Transportation System Plan, and the 2019 PBOT Strategic Plan are key planning documents establishing the goals and policy direction that guided this policy review project. We organized the related, overlapping goals and guiding principles into a more succinct framework that results in four performance measures used in our evaluation and summarized in the chart below.

	2035 Transportation System Plan	2019 Strategic Plan	Net Meter Revenue Performance Measures
Safety	Eliminate deaths and serious injuries for all who share Portland streets by 2025.	Take urgent action to make our transportation system safer.	Eliminate deaths and serious injuries.
Mobility, Congestion, and Climate	<ul style="list-style-type: none"> • Reduce the number of miles Portlanders travel by cars • Maintain or decrease the number of peak-period, non-freight motor vehicle trips • Establish mode split targets • Increase the mode share of daily non-drive alone trips • Reduce Portland’s transportation-related carbon emissions to 50% below 1990 levels 	<p>Provide transportation options for our growing city.</p> <p>Take actions to reduce transportation’s climate impact.</p>	Decrease vehicle miles traveled via single occupancy vehicles.
Equity	<p>For all Portlanders, the transportation system promotes:</p> <ul style="list-style-type: none"> • Equitable transportation to move about the city and meet their daily needs • Positive health outcomes • Great places that enhance the quality of life • Opportunities for prosperity 	Address equity and structural racism through our programs and investments.	Invest in historically marginalized people and areas, as measured by race and income.
Asset Management	The City analyzes and prioritizes capital and operating investments to cost effectively achieve the above goals while responsibly managing and protecting our past investments in existing assets.	Smart investments to maintain our transportation system.	Reduce the backlog of transportation maintenance projects while maintaining or enhancing PBOT’s asset quality.

SUPPORTS SOUND PARKING MANAGEMENT

In addition to achieving the City's higher level goals, PBOT's Parking Division has more specific objectives for parking within and around commercial districts (articulated in policy TRN 3.112):

"...the on-street parking system in commercial districts is managed to support the economic vitality of the district by encouraging parking turnover, improving circulation, encouraging use of off-street parking, maintaining air quality, and promoting the use of alternative modes by managing the supply and price of on-street commuter parking. In managing the on-street parking system, priority is given to short-term parking, followed by carpools, and the remaining supply is managed for long-term use."

Advancing and supporting sound parking management results in a better functioning transportation system. Because the City relies on local stakeholders to initiate and support the process of forming parking meter districts, policies that are more attractive to potential meter districts will achieve better outcomes than policies that discourage new meter districts.

ADDRESSES LOCAL NEEDS

Policy development that incorporates diverse, robust public engagement not only results in more equitable and supported outcomes, this approach greatly increases the likelihood of successful implementation. To that end, the ultimate intent of this project is to recommend policies that will achieve positive outcomes for the City (gauged by the performance measures) while also supporting sound parking management, and addressing the interests and concerns of a wide array of stakeholders. It's important to note that addressing local needs extends beyond listening to stakeholder comments during the evaluation of potential policies. The preferred policies also must establish an ongoing participatory process that empowers local stakeholders to continue to have a voice in net meter revenue decisions in future years.

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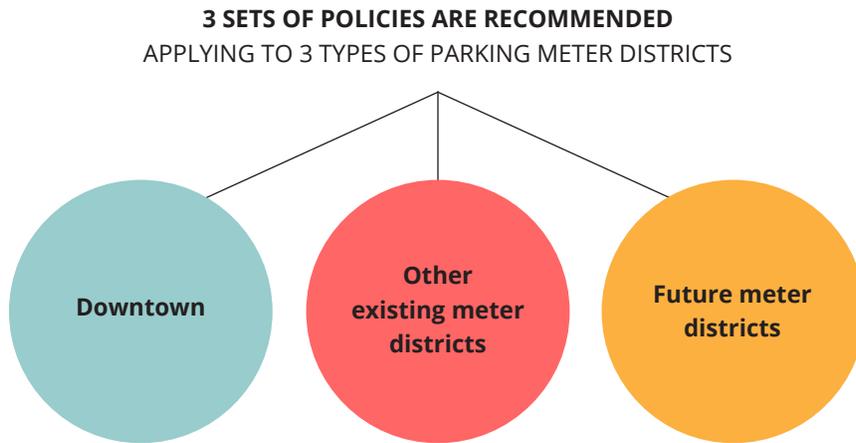
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RECOMMENDATIONS

Based on the evaluation framework in the preceding chapter, this section describes the recommended policy alternatives for the downtown meter district, other existing meter districts, and potential future meter districts. For each, we summarize the key policy elements, recap how it relates to stakeholder input, and explain other reasons for recommending the policy.



RECOMMENDATIONS INCLUDE

KEY POLICY ELEMENTS
RECAP OF HOW IT RELATES TO STAKEHOLDER INPUT
OTHER REASONS FOR RECOMMENDING THE POLICY

Downtown recommendations

The recommended approach for the downtown parking meter district includes the following key policy elements:

1. Downtown stakeholder involvement in project development and prioritization: Provide opportunities for downtown residents and stakeholders to give meaningful input to PBOT regarding the implementation of local-serving projects and programs in downtown.
2. TDM programs: Explore options to implement transportation demand management (TDM) programs that benefit low-income residents and low-wage workers in downtown.
3. Downtown marketing and safety programs: Investigate options to provide budget certainty for continued funding of downtown marketing and safety programs.

1. DOWNTOWN STAKEHOLDER INVOLVEMENT IN PROJECT DEVELOPMENT AND PRIORITIZATION

What we heard

- A significant issue for downtown is limited opportunity to surface and advocate for desired smaller-scale, neighborhood liability, placemaking, and locally serving transportation improvements.
- Downtown is not one unified area, but is a combination of multiple neighborhoods that each have unique needs and priorities.
- Existing opportunities for input downtown do not allow for discussion of the full range of projects/programs that can be funded with net meter revenue in other meter districts.
- Neighborhoods in downtown have real needs that they would like to see addressed without feeling like they are being pitted against the rest of the City for funding.



RECOMMENDATIONS

Provide opportunities for downtown residents and stakeholders to provide meaningful input to PBOT regarding the implementation of local-serving projects and programs in downtown.

- Include livability and locally serving transportation improvements.
- Allow for consideration of needs for individual neighborhoods within downtown: Central Business District, Goose Hollow, Old Town/Chinatown, Pearl District, South Waterfront, and University District.
- Allow for input into a full range of transportation needs.

Other reasons for recommendation

The downtown parking meter district is currently exempt from City policy regarding net meter revenue. The impetus for this project was a request from downtown stakeholders for the City to reconsider how net meter revenue policies might be applied in downtown. The result of this evaluation shows that the primary reason for dedication of net meter revenue to specific parking districts is to serve as an incentive for communities to implement sound parking management. The downtown area is already in a parking meter district and the transportation benefits provided by those meters are self-evident, therefore no additional financial incentive for accomplishing sound parking management is necessary.

Geographic analysis of PBOT expenditures shows that the Central City receives the largest share of total transportation funding and funding per user (defined as residents plus jobs). Between FYE 2015 and FYE 2019, transportation funding per user in the Central City was at least 1.5 times higher than any other neighborhood coalition area.

Conversations with downtown stakeholders supported this conclusion, that the primary shortcoming of downtown is not a lack of total investment, but rather is a lack of ability for local stakeholders to influence how resources are spent in downtown, specifically when it comes to TDM and streetscape issues.

This policy proposal maintains the status quo, in regards to allocation of net meter revenue. It is recommended the downtown parking meter district continue to be exempt from the Net Meter Revenue Policy. However, we recommend that PBOT conduct additional outreach to downtown stakeholders to inform them about processes and opportunities to voice their opinions on desired transportation projects and programs to be implemented in downtown neighborhoods, and benefit from increased government transparency and communication regarding how all transportation resources (not just parking meter revenue) are spent in downtown.

Moreover, this recommendation calls for each subarea within downtown to have their voice heard. These subareas include the Central Business District, Goose Hollow, Old Town/China Town, the Pearl District, South Waterfront, and the University District. Each of those subareas are part of the larger downtown parking meter district, and each have local concerns and priorities that are unique to their community.

2. TDM PROGRAMS

What we heard

- Downtown stakeholders would like to have more TDM programs available to them. Specifically, downtown stakeholders have seen the Transportation Wallet Program implemented in other parking districts (Northwest and Central Eastside). These types of TDM programs are an eligible use of net meter revenue.
- We need to find new tools for encouraging people to come downtown by walking, biking, and riding transit, and also for making transit more affordable to lower-income residents and employees of downtown.

Other reasons for recommendation

Exploring TDM programs or strategies that apply to downtown is consistent with all three of the key factors used in the evaluation—it advances City goals, contributes to sound parking management, and addresses local needs. Additionally, exploring TDM options in downtown helps to address issues of fairness, as other parking meter districts have the option of using net meter revenue to fund these programs, although no meter districts currently use net meter revenue to fund TDM programs.

However, additional work will be required to flesh out the details of a TDM program, like the Transportation Wallet, and establishing such a program is beyond the scope of this evaluation. In 2020, the City is convening two projects, Pricing Options for Equitable Mobility (POEM) and PBOT’s TDM Action Plan (“Ways to Go Plan”) presently underway, that will inform possible TDM strategies (including programs, incentives, policies and price signals) that could be deployed in downtown and citywide, with the potential for implementation in the coming years.



RECOMMENDATIONS

Explore options to implement transportation demand management (TDM) programs that benefit all users of downtown, with an emphasis on low-income residents and low-wage workers in downtown.

3. DOWNTOWN MARKETING AND SAFETY PROGRAMS

What we heard

- Downtown serves many different types of people—residents, workers, merchants, customers and visitors—that come with different needs from the transportation system.
- Wayfinding, streetscape furniture, placemaking and other types of improvements in the right-of-way are needed to support choices for people to walk, bike and use transit for trips to, through and within downtown.
- We heard from local stakeholders that some people feel unsafe walking in downtown.

Other reasons for recommendation

Funding for programs that provide marketing and safety services downtown could help alleviate negative perceptions about safety, encouraging more people to walk in downtown, which would help advance city goals and address local needs.

Additionally, providing funding for downtown marketing and safety programs addresses issues of fairness and disparities between downtown and other parking meter districts. Other districts are able to fund these types of programs with net meter revenue, which is not available to downtown. Providing budget certainty for these programs in downtown will help to alleviate this disparity.

When PBOT moves to a phase of recovery and reinvestment following Covid-19, these programs may become more important than ever as small businesses remove the boards from their windows and hope customers will come back.



RECOMMENDATIONS

Investigate options to provide budget certainty for continued funding of downtown marketing and safety programs.

Other existing meter districts policy recommendations

1. The recommended approach for other existing parking meter districts includes the following key policy elements:
2. Local share of net meter revenue invested in districts: Maintain and clarify the current policy that 51% of net revenues should go to support transportation and parking services and programs within the meter district.
3. Committees: Management of parking committees will seek to elevate diversity, equity and inclusion in composition and culture, as consistent with City Council action for advisory bodies. Implementation will continue to require staff planning, commitment and follow-through for effective results. Since overarching City policy for this already exists and any future actions on the part of City Council with regards to advisory bodies would be superseding, there is no recommended change to the current policy that designates parking committees.
4. Decision-making process: Refine the decision-making process of committees to ensure consistency, transparency, and alignment with adopted City goals.
5. Eligible expenditures: Refine the list of eligible expenditures to ensure consistency, transparency, and alignment with adopted City goals.

1. LOCAL SHARE OF NET METER REVENUE INVESTED IN DISTRICTS

What we heard

- This dedicated local share of net meter revenue financial incentive was an important factor in community decisions to support the installation of parking meters.
- The amount of net meter revenue generated in early years is relatively small, and some districts have only recently begun to realize significant financial benefits.

Other reasons for recommendation

The commitment of funding is closely tied to the establishment of new parking meter districts, as it provides an incentive for communities to support parking meter installation, and provides funding for transportation projects and programs necessary for sound parking management. Because existing meter districts have already been established, there is no compelling



RECOMMENDATIONS

Maintain and clarify the current policy that 51% of net revenues should go to support transportation and parking services and programs within the meter district.

Refer to Attachment A, for proposed revised language for TRN 3.112 to implement this recommendation.

argument to justify an increase in the amount of net meter revenue dedicated to them.

There is also no compelling argument to justify a decrease in the amount of net meter revenue dedicated to existing parking meter districts at this time. Each of these areas have adopted plans that identify multiple projects that meet City goals and address local needs. Additionally, many of these areas are just beginning to experience significant investments from net meter revenue, after paying for the initial costs of implementing parking meters.

Thus, we recommend that the City maintain the existing policy, established by previous City Council action.

2. NET METER REVENUE ADVISORY COMMITTEES

What we heard

- Existing committees are a key component of net meter revenue allocations in existing districts. Committees will comply with guidelines from the Office of Community and Civic Life and PBOT staff are working with committees to recruit members toward a broad diversity of perspectives and backgrounds.
- Some reflected that the committees should really be called “transportation demand management” committees (as opposed to “parking” committees) to better reflect the purpose and charge.

Other reasons for recommendation

There are some concerns regarding how well the existing committee structures advance citywide goals, particularly in regards to equity. However, the existing committee structures have recently been updated to ensure consistency with guidelines from the Office of Community and Civic Life. PBOT will adhere to these guidelines by implementing recruitment procedures to prioritize committee diversification and to clarify the roles, responsibilities, purpose, and influence committees have on funding decisions. In this context, we determined that no changes are needed to the current policy for composition and structure of the stakeholder committees.



RECOMMENDATION

Allow Advisory Boards + Commissions Policy (Resolution 37328) and/or other related or future City Council actions to continue to naturally supersede and govern Net Meter Revenue Advisory Committees.

3. REFINE THE DECISION-MAKING PROCESS

What we heard

- Parking committees need to navigate multiple goals, plans, processes, and priorities. It would be beneficial for the City to provide additional clarity on the process to ensure a more efficient and consistent implementation for all districts.
- Existing plans do a good job of identifying high-priority projects that are supported by the community.
- Local stakeholders and committee members should be included in the creation of plans and should feel a sense of ownership of the plans, goals, and projects that are funded with net meter revenue.
- An annual budget process can be time-consuming and not conducive to implementing long-term plans and overarching priorities.
- Each district operates differently, yet face many of the same issues. It can be mutually beneficial for committee members from different meter districts to share knowledge on what approaches they have used to address common issues.

Other reasons for recommendation

Local area plans are the City's best tool for simultaneously addressing the three key evaluation objectives. These plans identify local needs—including projects and programs to ensure sound parking management—and prioritize those needs based on how well they achieve the City's overall goals. By placing a greater focus on adopted plans, and ensuring that citywide goals are discussed and addressed during the budget process, existing meter districts should see improved outcomes from the investment of net meter revenue.

Additionally, PBOT should provide clear financial statements to the committees so that they have the information necessary to make well-informed recommendations on which investments they can afford each year.



RECOMMENDATIONS

Refine the decision-making process for committees to ensure consistency, transparency, and alignment with adopted City goals:

- Expenditures should focus on priority programs identified in adopted City plans and goals. Refer to Attachment A, for proposed revised language for TRN 3.112 to implement this recommendation.
- Annual budgets should describe how the allocation of net meter revenue achieves adopted City goals (recognizing not all districts make expenditures on an annual basis).
- PBOT should provide clear financial statements to committees on an annual basis.
- Foster collaboration and knowledge sharing between committees representing different parking districts.

4. REFINE THE LIST OF ELIGIBLE EXPENDITURES

What we heard

- The City should be consistent in defining eligible expenditures in TRN 3.112, the Parking Management Manual, and other adopted City plans.

Other reasons for recommendation

The current list of eligible expenditures in TRN 3.112 is broad, allowing significant flexibility on how net meter revenue is spent in parking meter districts. The recommended refinements to TRN 3.112 are intended to retain much of that flexibility, continuing to allow districts to address local needs, while at the same time providing more clarity and organization to the list, and ensuring that the purpose of expenditures are aligned with citywide goals.



RECOMMENDATIONS

Refine the list of eligible expenditures to ensure consistency, transparency and alignment with adopted City goals.

Refer to Attachment A, for proposed revised language for TRN 3.112 which includes the list of eligible expenditures of net meter revenue in meter districts.



Future/ new parking meter districts

The recommended approach for new parking meter districts includes the following key policy elements:

1. Local area plans: Informed by broad community outreach, local area transportation plans will identify the infrastructure improvements, TDM programs, and placemaking projects/programs that will be eligible to receive net meter revenue funding in each new parking meter district.
2. Local share of net meter revenue invested in districts: The City will allocate 51% of annual net meter revenue generated within a district to fund projects and programs identified in the local area plan for that district.
3. Financing options: The City will explore financing options to accelerate the implementation of high-priority projects/programs identified in local area plans.
4. Stakeholder committees: Each district will form a committee for the purpose of advising PBOT on parking management decisions, including review and comment on the annual budget for each district.
5. Communicate the distinction between new and expanded districts: No change in existing policy is recommended. Existing City code establishes a process for PBOT to make decisions on the formation and expansion of parking meter districts. For areas considering implementation of parking meters, PBOT will be proactive in communicating whether the meters would be managed through the creation of a new parking meter district or through expansion of an existing district.

1. LOCAL AREA PLANS

What we heard

- Community members prefer to have certainty about specific projects and programs that will be funded, rather than a generic commitment of future funding.
- Projects and programs should reflect the diverse priorities of the broader community, rather than just a small advisory committee.
- In addition to traditional infrastructure investments, community members also want to see investments in TDM programs like the Transportation Wallet Program, and placemaking projects in support of commercial main streets like signage and street beautification.

Other reasons for recommendation

As described above, local area plans are the City's best tool for simultaneously addressing the three key evaluation objectives. These plans identify local needs, including projects and programs to ensure sound parking management, and prioritize those needs, based on how well they achieve the City's overall goals. By placing a greater focus on adopted plans, and ensuring that citywide goals are discussed and addressed during the budget process, existing meter districts should see improved outcomes from the investment of net meter revenue.

Additionally, local area plans are a great way of involving the community in developing a list of projects and programs. Having a specific list of projects and programs may better help the community understand the benefits they will receive under the Net Meter Revenue Policy. In combination with the commitment of 51% of net meter revenue, a local plan may prove to be a more effective incentive for implementing parking meters than the status quo—which provides only a commitment of revenue without requiring that a community identify a clear list of projects and programs early on.



RECOMMENDATIONS

Informed by broad community outreach, local area transportation plans will identify the infrastructure improvements, TDM programs, and placemaking projects/programs that will be eligible to receive net meter revenue funding in each new parking meter district.

If a local area transportation plan does not already exist for an area, one will be created as part of the process of forming a new parking meter district.

Local area plans will be updated as needed to reflect changing priorities for transportation investments in the community.

Refer to Attachment A, for proposed revised language for TRN 3.112 to implement this recommendation.

2. LOCAL SHARE OF NET METER REVENUE INVESTED IN DISTRICTS

What we heard

- In existing meter districts, this financial incentive was an important factor in community decisions to support the installation of parking meters.

Other reasons for recommendation

This recommendation ensures consistency between existing parking districts and future districts, with one exception: that the dedication of net meter revenue in future districts is tied to a specific list of projects and programs in an adopted local area plan.

This approach ensures that the City continues to provide an incentive to encourage local stakeholders to establish parking meter districts, as well as ensure sound management of the parking system. However, by tying the duration of the receipt of net meter revenue to accomplishing a specific list of projects and programs, the City recognizes that at some point in the future, it will no longer be necessary to provide an ongoing commitment of net meter revenue. Meter revenues would then be allocated to GTR instead, improving the ability of PBOT to address citywide goals long term.

Note that given the relatively slow pace at which net meter revenue is accrued in most districts, the relatively high cost of transportation projects, and the recommendations that local area plans be updated over time to reflect changing needs within a district, it is our expectation that future districts would receive the 51% allocation of net meter revenue for many years, if not indefinitely.

3. FINANCING OPTIONS

What we heard

- The amount of net meter revenue generated in the early years of a district is relatively small. Financing options could allow PBOT to deliver more immediate tangible benefits to new meter districts without compromising the ability of the district to fund additional projects and programs in the long term.



RECOMMENDATIONS

The City will allocate 51% of annual net meter revenue generated within a district to fund projects and programs identified in the local area plan for that district.

Refer to Attachment A, for proposed revised language for TRN 3.112 to implement this recommendation.



RECOMMENDATIONS

The City will explore financing options to accelerate the implementation of high-priority projects and programs identified in local area plans.

Other reasons for recommendation

Allowing new parking meter districts the opportunity to use some City financing options can help deliver projects and programs on an accelerated timeline. This provides the opportunity for meter districts to see more immediate results, rather than waiting multiple years to save up sufficient funds to begin investing in the district. This approach may prove to be a better incentive than the status quo for local stakeholders to implement parking meters as a means of sound parking management, without compromising PBOT's ability to meet citywide goals.

4. STAKEHOLDER COMMITTEES

What we heard

- Stakeholder committees are a key component for overseeing the ongoing management of parking meter districts and parking permit districts. These committees review and discuss data on parking turnover and availability and make recommendations to PBOT on how to adjust the system to improve performance.

Other reasons for recommendation

Establishing a stakeholder committee for each new parking meter district ensures consistency with existing parking meter districts, as well as consistency with guidelines from the Office of Community and Civic Life. PBOT will adhere to these guidelines by implementing recruitment procedures to prioritize committee diversification and to clarify the roles, responsibilities, purpose, and influence committees have on funding decisions.

However, these committees for future districts are intended to function somewhat differently than the committees in existing meter districts. Committees for future meter districts would focus primarily on making recommendations regarding sound management of the parking system. These committees should have less of a direct role in making annual budgetary recommendations. This provides a clearer purpose for the committees and ensures that investment decisions are more closely tied to adopted local area plans, which identify projects and programs based on broad community input, rather than the input of a select few.



RECOMMENDATIONS

Each new parking meter district will form a committee for the purpose of advising PBOT on parking management decisions, including review and comment on the district's annual budget.

Composition of committees will be guided by the Parking Management Manual and consistent with City Council's Advisory Boards + Commissions Policy (Resolution 37328).

Refer to Attachment A, for proposed revised language for TRN 3.112 to implement this recommendation.

5. COMMUNICATE THE DISTINCTION BETWEEN NEW AND EXPANDED DISTRICTS

What we heard

Some downtown stakeholders voiced concerns that they believed their neighborhood should have been considered a new parking meter district, rather than an expansion of the existing downtown meter district. These stakeholders expressed that the City was not clear on this point when meters were installed in some neighborhoods, which led to public misconceptions about how the meters would be managed, and what policies applied to parking meter revenue generated in the area.

Other reasons for recommendation

Portland City Code (16.20.420) establishes the process and criteria for the determination of meter district boundaries. Existing code language provides a sufficient framework for PBOT to make decisions regarding meter district boundaries, and we did not identify any reason to revise this code language. However, we recognize that when this process was applied to past decisions, the City could have done a better job of communicating the thought process and implications to affected stakeholders and the general public. Thus, PBOT should do what is possible to address the lack of communication from past decisions and work to ensure improved communication on future decisions regarding parking meter district boundaries.



RECOMMENDATIONS

Existing City code establishes a process for PBOT to make decisions on the formation and expansion of parking meter districts. For areas considering installation of parking meters, PBOT will be proactive in communicating whether the meters would be managed through the creation of a new parking meter district or through expansion of an existing district.

Additionally, PBOT should reach out to stakeholders of existing parking meter districts who have questions on this subject, and explain historical decisions regarding the expansion of existing meter districts versus the creation of new districts.

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EXHIBIT A: NET METER REVENUE POLICY REVIEW REPORT



CONCLUSIONS AND NEXT STEPS

Conclusions

For the most part, the City's net meter revenue policies are working well towards achieving the City's goals. Therefore, no major policy shifts are recommended at this time. However, the incremental improvements included in this report should be made to:

- Optimize clear and equitable processes and outcomes,
- Provide greater public information and transparency, and
- Support continued growth of sound parking management.

Next Steps

Some of these recommendations are best implemented through revisions to City Administrative Rules, specifically TRN 3.112. As part of this project, PBOT has drafted the proposed revisions to TRN 3.112 (see Attachment A).

Other recommendations require additional refinement, beyond the scope of this project, before they can be implemented by PBOT. Some of these recommendations will be informed and influenced by other related City projects. For example, in 2020, the City is convening two projects—Pricing Options for Equitable Mobility (POEM) and PBOT's TDM Action Plan—that will inform possible TDM strategies (including programs, incentives, policies and price signals).

As the City continues to refine these policies and programs related to net meter revenue and parking meter districts, the City may choose to update the Parking Management Manual and other transportation policy documents. These policy documents exist subordinate to the policies established in City Code and Administrative Rule (such as TRN 3.112), but are helpful for providing additional clarity and detail on the exact implementation of City policies.

