Moving to Our Future:
Pricing Options for Equitable Mobility

Task Force Meeting #5

May 11, 2020

Zoom orientation

General guidelines for Task Force members:

- Mute when you're not speaking
- Hold questions and comments for designated discussion times
- "Raise your hand" when you'd like to speak

If you are joining by computer:

- Mute button at bottom of screen (TF members/staff only)
- Hand raise button at bottom of screen

If you are calling in by phone:

- *6 to unmute/mute (TF members/staff only)
- *9 to raise your hand

Agenda

Time	Agenda item
6:00 p.m.	Welcome and housekeeping
6:15 p.m.	Project updates • What we've heard and what we've learned • Updated workplan • Task Force questions and comments
6:45 p.m.	Staff presentation: • Snapshot – transportation funding • Pricing to manage demand and impact outcomes: Typologies
7:15 p.m.	Task Force discussion
7:50 p.m.	Wrap up and next steps

Meeting #4 Summary

Any questions or edits before finalizing?

Public Comment

(POEMcomments@portlandoregon.gov)

Project updates

What we've heard and what we've learned…

- Questions about the intersection of pricing and other strategies and between this project and other PBOT work
- Intersection of mobility w/ public health, safety, econ. development & more
- Criticality of transit; interest in free transit
- Desire to keep process moving while learning from COVID-19
  - Key themes discussed in April:
    - 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

Reminder of Task Force Charge

(Page 2 of [Task Force Charter](#))

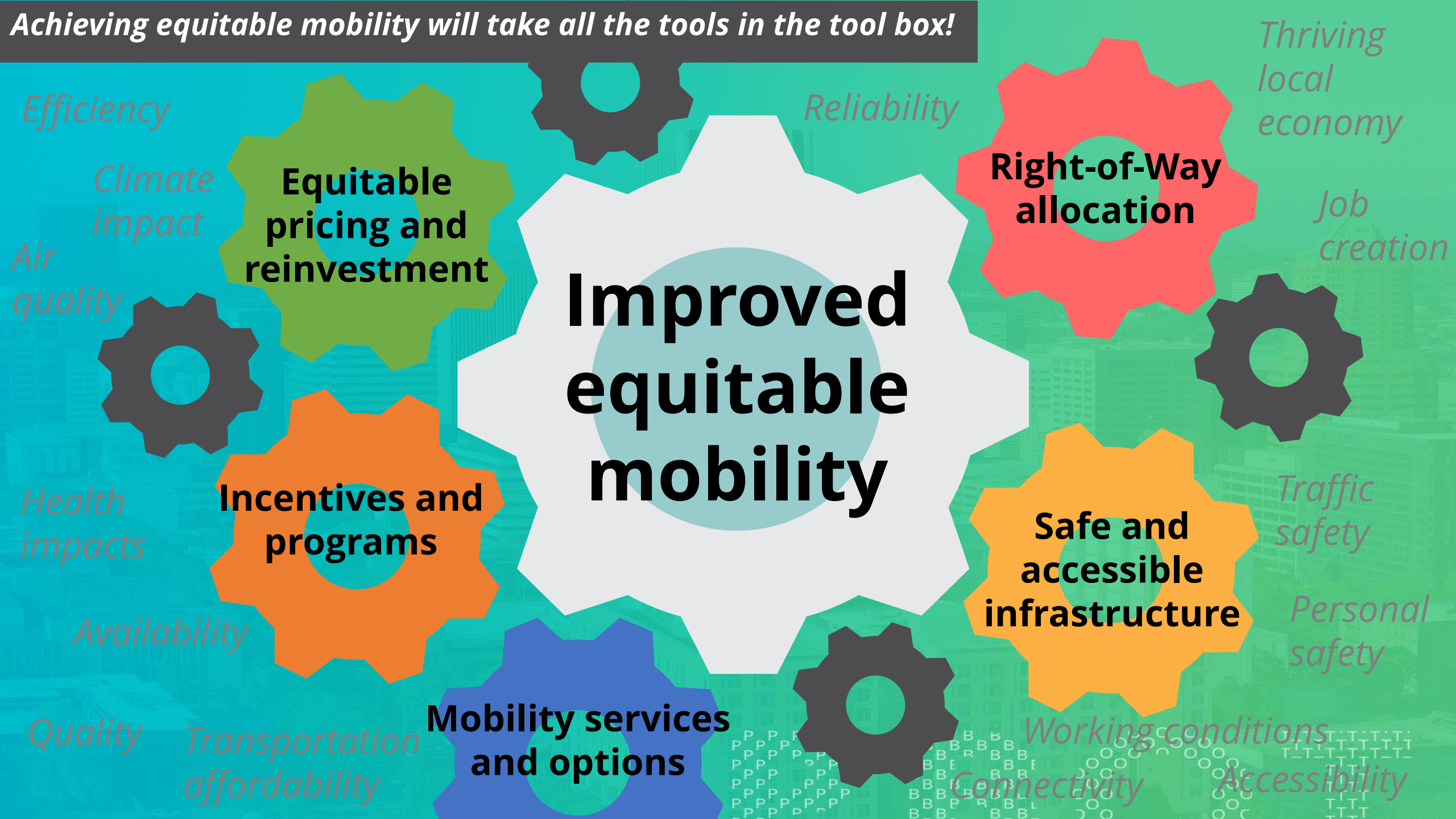
...inform PBOT and BPS as they consider **if and how new pricing strategies could potentially be used more intentionally** to improve mobility, address the climate crisis and advance equity...

Highlights

- *"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.


Achieving equitable mobility will take all the tools in the tool box!
Improved equitable mobility
Equitable pricing and reinvestment
Right-of-Way allocation
Incentives and programs
Safe and accessible infrastructure
Mobility services and options
Efficiency
Climate impact
Air quality
Reliability
Thriving local economy
Job creation
Health impacts
Availability
Quality
Transportation affordability
Traffic safety
Personal safety
Working conditions
Connectivity
Accessibility

Reminder: Why the City of Portland initiated this project

- Our mobility “status quo” is inequitable and trending worse
- We are using many of the strategies in the last slide already and not seeing the results we want. Evaluating price signals to drive outcomes is one of the pieces we think 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

City implementation opportunities

Longer-term, regional opportunities

Parking prices

Variable tolls

Road usage/VMT-based charges

Commercial motor vehicle fleets or right-of-way access

Cordons and congestion zones

Types of investments and complementary strategies

Transit and infrastructure investments

Rebates, subsidies and incentives to encourage mode shift and cleaner fuels

Other ideas to emerge from the Task Force members

Updated Task Force Workplan

Phase 1

Jan: Kick-off
Feb: How we got here
Mar: Equitable mobility workshop
April: Equitable mobility continued; COVID discussion

Phase 2:
Policy Overview

May: Snapshot – transportation funding; high level overview pricing tools
Ongoing: continued learning about COVID impacts & mobility needs

Phase 3:
Portland pricing strategies + near-term priorities

June – Dec:
-Parking
-Fleet and right-of-way access
-Tolling
-Complementary Strategies

Phase 4:
Longer-term, regional pricing strategies

Jan – Mid-2021:
-Cordons
-VMT/Road usage charges
-Complementary Strategies
-Conditions of readiness

Phase 5:
Final report and next steps

Refine recommendations

Final analysis

Report development and next steps

Within Phases 3 and 4:

- Review status quo
- Review new ideas, lessons from other cities; brainstorm potential scenarios
- Evaluate scenarios using Equitable Mobility Framework, technical tools
- Discuss complementary strategies, conditions of readiness
- Develop recommendations for PBOT/BPS

We have to remain flexible!

Impossible to predict what opportunities or challenges may arise

We're learning every day from the COVID-19 pandemic, and 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

Questions or Comments?

Snapshot: Transportation Funding

Transportation funding 101

Funding sources

- **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 & VRF)
  - Grants
- **Miscellaneous sources**

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

Problems with our current funding system:

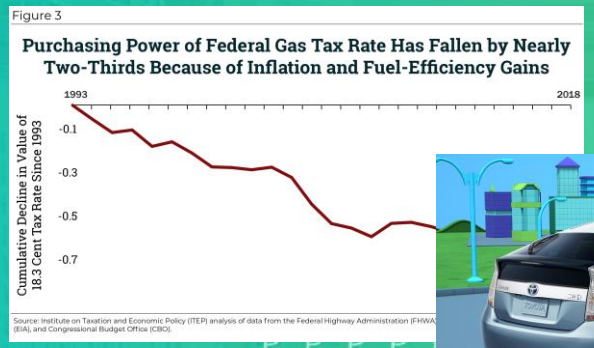
- Many sources of revenue are regressive and tied to the things that are counter to our goals (gasoline, driving more)
- Without capturing the **true cost of negative impacts** and **managing demand**, the system perpetuates the carbon emissions and inequities we see today:
  - Inequitable access to transportation options
  - High household transportation costs
  - Worsening climate and air pollution and health impacts
- Car infrastructure is expensive
- Costs increasing, revenues decreasing

The reality: Decreasing revenues, increasing competition

While transportation funding streams decline, not keeping up with inflation, & vehicles become more fuel efficient…

…more and more demands are being placed on our right-of-way…

…which increases the true costs on our system, while reducing our ability to cover those costs!



What do transportation fees, prices and funds “do”?

Cover costs of basic maintenance and operations of the system, fund specific projects, provide services

Capture true costs of negative externalities and impacts on the system

Manage demand and affect outcomes

Much of our current transportation funding goes to this category
(and we still face a significant shortfall)

Today, we don't consistently use pricing for this

Tying it back to this group's charge

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

Pricing to manage demand and affect outcomes: **Typologies**

Disclaimer!

We're going to be going really fast over a lot of information!

We'll hold time for discussion at the end. As we go, please write down your thoughts on these questions:

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

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
  - City adopted Performance Based Parking strategy in 2018; will make parking rate changes annually based on demand
- 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)
  - Estimate around 177,000 free, non-residential parking spaces in the City (based on 2014 PSU study)

Pricing typology 1: Parking

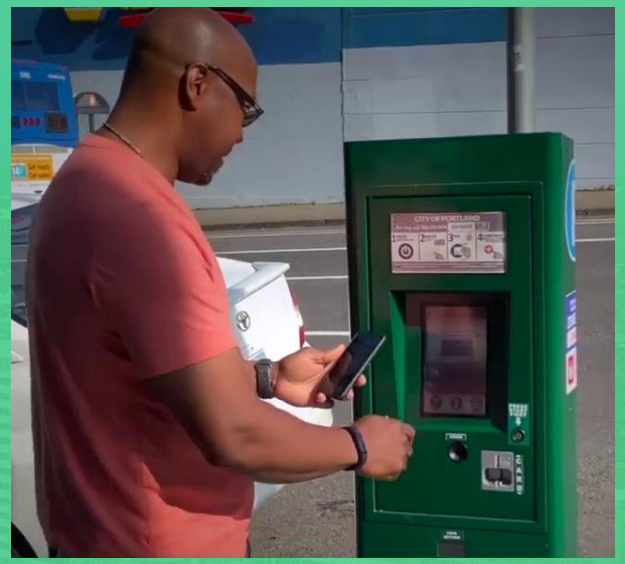
What else could we consider?

Public parking strategies:

- Change on/off-street parking prices and/or parking schedules (e.g. SmartPark rates beyond 4 hours)
- 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
- Require employee parking cash out options



Pricing typology 2: Commercial motor vehicles fleets and right-of-way access

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

- $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
- Currently no charges for on-demand delivery/freight movement
- Currently no charges for freight pick-up/drop off zones, hotel zones, etc.

Pricing typology 2: Commercial motor vehicle fleets and right-of-way access

What else could we consider?

- Changes to the private-for-hire fee structure, including:
  - Changes to fees based on occupancy, fuel type or other
  - Vary charges based on time of day, geography, demand
- Implementing fees/permit requirements for delivery companies
- Other fees around curb access tied to demand and use

An Amazon shop opens in Paris in 2018. // Charles Platiau/Reuters

Paris to Amazon: No Free Delivery for You

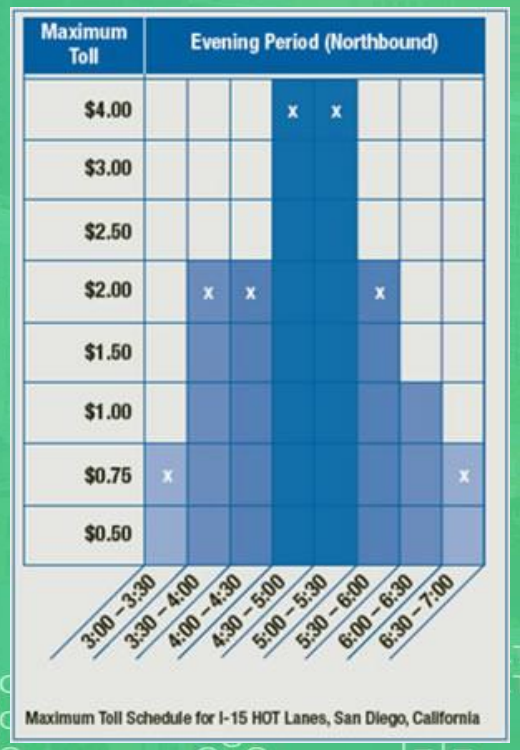
FEARGUS O'SULLIVAN NOVEMBER 27, 2019

Mayor Anne Hidalgo wants the e-commerce company to pay for the carbon emissions and traffic congestion that online shopping generates in the French capital.

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; 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

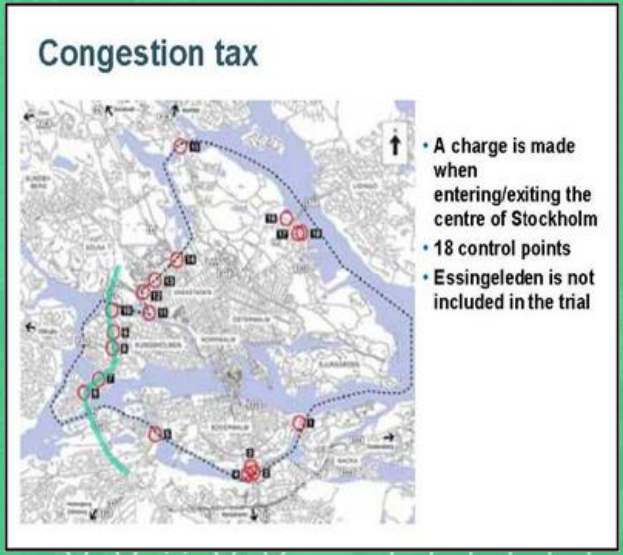


Maximum Toll Schedule for I-15 HOT Lanes, San Diego, California

Pricing typology 4: Cordons and 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
- 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

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
- 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

ORegGO

WA RUC
Test Drive the Road Ahead

UDOT
Keeping Utah Moving
ROAD USAGE CHARGE

Discussion

This was a lightning round and very high-level! We'll dive much deeper in future meetings.

For now, we want to know:

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

Next meeting:
June 8th, 6 – 8 p.m.

Next meeting topics:

- Parking ideas: deeper dive
- Begin using Equitable Mobility Framework to analyze potential strategies

Thank you!