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METRO

Agenda

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Meeting: JOINT POLICY ADVISORY COMMITTEE ON TRANSPORTATION
Date: December 10, 1992
Day: Thursday
Time: 7:30 a.m.
Place: Metro, Conference Room 440

- *1. MEETING REPORT OF NOVEMBER 12, 1992 - APPROVAL REQUESTED.
- *2. RESOLUTION NO. 92-1706 - ENDORSING ALTERNATIVES FOR EVALUATION IN THE DEIS PHASE OF THE WESTERN BYPASS STUDY - RECONSIDERATION OF CONGESTION PRICING RECOMMENDATION - APPROVAL REQUESTED - Andy Cotugno.
- *3. RESOLUTION NO. 92-1718 - ENDORSING THE RECOMMENDATIONS OF THE GOVERNOR'S TASK FORCE ON MOTOR VEHICLE EMISSION REDUCTIONS IN THE PORTLAND METROPOLITAN AREA - APPROVAL REQUESTED - Richard Brandman.
- *4. RESOLUTION NO. 92-1719 - ENDORSING THE OREGON TRANSPORTATION FINANCE PLAN - APPROVAL REQUESTED - Andy Cotugno.
- *5. RESOLUTION NO. 92-1712 - DESIGNATING THE REGIONAL GROWTH CONCEPTS TO BE EVALUATED IN PHASE II OF THE REGION 2040 PROJECT - APPROVAL - Andy Cotugno.

*Material enclosed.

PLEASE NOTE: Overflow parking is available at the City Center parking locations on the attached map and may be validated at the meeting. Parking on Metro premises in any space other than those marked "Visitors" will result in towing of vehicles.

MEETING REPORT

DATE OF MEETING: November 12, 1992

GROUP/SUBJECT: Joint Policy Advisory Committee on Transportation (JPACT)

PERSONS ATTENDING: Members: Chair Richard Devlin, Jim Gardner and Susan McLain, Metro Council; Earl Blumenauer, City of Portland; Larry Cole, Cities of Washington County; Marge Schmunk, Cities of Multnomah County; David Lohman, Port of Portland; Gerry Smith, WSDOT; Don Adams, ODOT; Steve Greenwood (alt.), DEQ; Tom Walsh, Tri-Met; Pauline Anderson, Multnomah County; Roy Rogers, Washington County; Ed Lindquist, Clackamas County; and Bob Liddell, Cities of Clackamas County

Guests: Craig Lomnicki (JPACT alt.), Cities of Clackamas County; Molly O'Reilly, citizen; Tim Rutten, Office of Senator Hatfield; Steve Dotterer, City of Portland; Susie Lahsene, Port of Portland; Dean Lookingbill, Southwest Washington RTC; Kim Chin, C-TRAN; Ted Spence, Dave Williams, Mike Wert and Bill Ciz, ODOT; Keith Bartholomew, 1000 Friends of Oregon; Rod Sandoz, Clackamas County; G.B. Arrington, Tri-Met; John Rosenberger, Washington County; Meeky Blizzard, STOP; Jim Beard and John Charles, OEC; Eric Stachon, Policy Initiatives Group; and Bob Brannan, PBQ&D

Staff: Andrew Cotugno, Richard Brandman, Cathy Thomas, Mark Turpel, Keith Lawton, Ken Gervais and Lois Kaplan, Secretary

MEDIA: Jim Mayer, The Oregonian

SUMMARY:

The JPACT meeting was called to order and a quorum declared by Chair Richard Devlin.

MEETING REPORT

Mayor Lomnicki asked that the second paragraph on page 2 of the October 8, 1992 JPACT Meeting Report be amended for clarification purposes as follows: "Under the heading of LRT Corridors, Andy noted that seed money has been established for the next corridor in Milwaukie/I-205. The issue of whether the Clark County project should be included as part of the Milwaukie/I-205 budget is being discussed." The Meeting Report was approved as amended.

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RESOLUTION NO. 92-1706 - ENDORSING ALTERNATIVES FOR EVALUATION IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS) PHASE OF THE WESTERN BYPASS STUDY

Andy Cotugno explained that this step in the Western Bypass study process is to approve alternatives that are to proceed into the Draft Environmental Impact Statement (DEIS) phase. He highlighted the resolution and emphasized that light rail transit is not precluded as part of the long-range solution and could be selected as one component of the Preferred Alternative. He cited concerns raised in the past: that we shouldn't drop LRT as an alternative (noting that it is included in the LUTRAQ alternative) and that the OTC should clarify its financing responsibilities for elements of the Preferred Alternative.

Mike Wert, ODOT, reviewed the Intergovernmental Agreement (IGA) process that involves the policymakers. She pointed out that, as decisions are reached, every effort is being made to ensure regional consensus and that the issues and concerns should be addressed in a timely manner. She noted that none of the proposed alternatives require any amendments to the Regional Transportation Plan. She spoke of involvement at the citizen, technical, advisory and steering committee levels. Mike reviewed the alternatives selected by ODOT for forwarding through the DEIS process.

Mike indicated concerns raised by Tualatin regarding expansion of the study area at the southern end of the Bypass and Tigard's request to make recommendations prior to conclusion of the study. The City of Sherwood has expressed concern about the LUTRAQ alternative in terms of transit-oriented developments. Mike indicated that TPAC/JPACT/Metro Council approvals are needed to proceed to the DEIS. Following approval of this resolution, the cities and counties must respond to Metro's action within 90 days or it will be considered a rejection of the proposed alternatives. Mike noted that it will take a year's effort to publish the DEIS. Committee recommendations and TPAC/JPACT/Metro Council actions will be forwarded to the OTC regarding financing issues. She pointed out that ODOT may elect to stop the IGA process if there are major jurisdictional problems.

A request from the Oregon Environmental Council (OEC) was distributed asking that the Western Bypass alternatives be modified to include language for discussion and modeling of a marginal cost-pricing system (i.e., congestion/road pricing) and a mileage-based smog fee.

Andy Cotugno pointed out that this step in the study process has all the jurisdictions participating. Once the resolution is passed by Metro, a letter of recommendation will go forward to

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the other jurisdictions. Andy asked whether a full presentation of the alternatives is needed. With respect to the OEC request, he indicated that, after close study of the five alternatives, there is no intention of looking at marginal cost pricing issues. At the policy level, it was found to be inadequate.

During further discussion, OEC representatives (John Charles and James Beard) pointed out that the OTP, the Oregon Roads Finance Committee, and DEQ and the Governor's Task Force on Motor Vehicle Emissions Reductions suggest that congestion pricing should be considered and evaluated as to its impact on the region. Because it will have an impact on long-term regional transportation issues and because it may be the least-cost method to meet mobility needs, OEC representatives feel the concept should also be examined.

Bob Brannan, consultant from Parsons Brinckerhoff Quade & Douglas, reported that the congestion pricing concept was considered as a first step in the study process in line with other TDM implementing strategies. Parking charges and transit subsidies were also examined in relation to work trips. Mike Wert pointed out that this is not a systems study but a regional corridor-level study and did not feel the Western Bypass study is the forum to discuss these TDM strategies. She didn't feel this issue should be debated at a project level. If a Build alternative is adopted, each one of the Build components (such as widening of Highway 217 and TDM components) will have to be defined further. She felt the issue would be taken up at the design level.

Don Adams reported that ODOT is interested in making application for two congestion pricing pilot projects. He questioned whether a limited study could be done in the metro area that doesn't impact the downtown and still come up with any significant conclusions. He felt that a congestion pricing study would need to include the entire metropolitan area and further questioned how it would be implemented. Molly O'Reilly pointed out that, while the Western Bypass study is a corridor level study, the study area includes most of the urbanized area of Washington County. She felt it is an appropriate component to be studied.

Mike Wert noted that the alternatives have been developing over the last three years. If they are to be revised, ODOT would need to go back through all committees. There is a formal process for making major changes.

Meeky Blizzard, STOP and Sierra Club, noted that throughout the Bypass study, these broader policy issues have been raised. STOP and the Sierra Club support OEC's argument that these things should be addressed now. Councilor Gardner felt the argument

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would be more persuasive if parking fees were included as well. He was uneasy that both congestion pricing and the smog fee were together and indicated that all these factors, including environmental and highway interests, were considered by the Governor's Task Force on Vehicle Emissions Reductions.

Bob Brannan enlightened the Committee on how the TDM strategies were developed. They first reviewed the comprehensive plans and researched nationally what types of TDM programs have been developed. A consensus was then developed on the contribution of the TDM measures. 1000 Friends's LUTRAQ study analyzed the same situations and came to the same conclusions. Mike Wert stated that parking charges are not as widely accepted in the suburban areas as they are in the downtown area.

Questions were raised on whether the congestion pricing issue would have to go back to the Steering Committee if the OEC recommendation was passed.

Commissioner Rogers noted that the Western Bypass effort has gone on for three years and cited the need to go forward in the process.

Keith Lawton, Metro's Technical Manager, felt that it is important to realize that congestion pricing is highly speculative and is different from road pricing. He noted that we do not completely understand it and that one of the dangers about doing a serious analysis without more research is that we will come up with a lot of results we don't have confidence in.

Steve Greenwood wasn't completely convinced that this concept shouldn't be addressed as a policy issue. It is clear that the OEC deals with ways to affect the demand side of travel behavior but it was unclear to Mr. Greenwood as to what different kinds of analysis should be done.

Action Taken: Mayor Cole moved, seconded by Commissioner Rogers, to recommend approval of Resolution No. 92-1706, endorsing alternatives for evaluation in the Draft Environmental Impact Statement (DEIS) phase of the Western Bypass study.

In discussion on the motion, Steve Greenwood wanted clarification about potential effects of each alternative on reducing demand for single-occupant vehicles. John Charles indicated that the effects are all indirect. He noted that parking does not cause congestion; driving does. The most direct method to combat congestion is pricing. Steve Greenwood asked what the assumptions of the TDM measures are, noting that he didn't have a good understanding of what the relative impacts might be. Bob Brannan spoke of parking charges for single-occupant vehicle drivers. He

indicated that they modeled one of the alternatives with and without the TDM component to see what effect it would have on vehicle hours of travel and vehicle hours of delay which are used to indicate a decrease in congestion and an increase in mode split.

Commissioner Blumenauer stated that he has a great deal of sympathy in making the infrastructure work but felt there is a great difference between congestion pricing and some of the other elements mentioned. He felt more information was needed in order to make the right policy choices and was supportive of developing information on the various characteristics of these concepts and impacts in order to guide the policies. He felt that each of these initiatives would carry controversy.

Motion to amend: Commissioner Blumenauer moved, seconded by Commissioner Anderson, to amend the resolution to also consider the congestion pricing component as an added suboption as proposed by the Oregon Environmental Council.

In discussion on the proposed amendment, Councilor McLain supported the amendment, did not feel we should overlook any technique that might reduce traffic congestion, did not feel it would slow the process down, and felt the strategy should be looked at.

Don Adams noted that the OTC has proposed some short-range targets. Pilot project studies are proposed, and he questioned adding the congestion pricing component into a broader study before the modeling and results are known on the pilot studies. He also expressed concern about the progress of the Western Bypass study. He viewed congestion pricing as dealing with greater issues than a corridor would involve.

Councilor Gardner spoke of a mileage-based motor fee as a specific recommendation of the Governor's Task Force. He felt that was more doable than congestion pricing.

Andy Cotugno clarified that, if a smog tax is adopted by the Legislature, all new requirements must be complied with and included.

Councilor Devlin questioned how much a reduction would be realized if congestion pricing were implemented based on the assumptions. He spoke of the importance of the end result, whether it would affect the cost of travel, and of the 2010 horizon, hoping to make it something understandable. He felt that we can bring into the DEIS a focus of how the TDM program can be implemented. He spoke of the potential to model the congestion pricing concept and the fact that the numbers won't

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mean much. He did not feel that we should focus on the technical side of the project.

Steve Greenwood felt he came out of the discussion less clear about the relative impact of congestion pricing and other demand management measures. He felt it was unclear whether there is a potential for modeling the range of demand management strategies or the impacts of whatever group of strategies are adopted. He wondered about the impact of parking fees on this area. Bob Brannan noted that the parking fee recommendation was considered when it was first modeled as to what you get incrementally. He pointed out this was not a TDM study. It represented a reasonable component of demand reduction. The potential was there but the decision was otherwise. Mike Wert noted that this concept was discussed and debated.

In calling for the question on the proposed amendment, the motion PASSED by a vote of 7-6. Those voting for included: Commissioner Blumenauer, Councilor McLain, Steve Greenwood, Councilor Gardner, Commissioner Anderson, Councilor Schmunk and Councilor Devlin. Those voting against: Mayor Cole, Mayor Liddell, Commissioner Rogers, Don Adams, Commissioner Lindquist and Tom Walsh.

Andy Cotugno clarified that the amendment added congestion pricing in lieu of parking pricing as a suboption for the "Planned Projects/TSM" alternative.

The amended motion PASSED unanimously.

ANNOUNCEMENTS

Chair Devlin announced that Metro will host a Congestion Pricing Symposium in the Vanport Room of Smith Memorial Center at Portland State University on Monday, November 23, 1992, at 1:00 p.m.

On Wednesday, November 25, at noon at the Convention Center, Metro will provide an overview on Metro Charter Impacts for elected officials. An introduction on the Metro Charter and its implications was distributed for informational purposes. Three counties, 24 cities and special districts will comprise the Metro Policy Advisory Committee (MPAC).

Andy Cotugno announced that nominations are in order for new JPACT representatives from the cities of each county. He asked that the largest city in each county convene a forum to develop a slate of nominees.

DRAFT RESOLUTION NO. 92-1712 - DESIGNATING THE REGIONAL GROWTH CONCEPTS TO BE EVALUATED IN PHASE II OF THE REGION 2040 PROJECT

Andy Cotugno reported that staff has been meeting with a number of groups in the 2040 process. The recommendations to conclude Phase I of the 2040 project will be considered at JPACT'S December 10 meeting. Andy noted that staff is still soliciting input into the process.

Andy pointed out that this has been reviewed by TPAC, RTAC and RPAC as to which alternatives should be studied further in Phase II of Region 2040. He indicated there is a large range of alternatives, there could be more variations of these alternatives, and that other possibilities shouldn't be excluded.

Andy reviewed the resolution and elaborated on Concepts A through C. Concept A was described as a continuation of current policies with implementation through adopted comprehensive plans and expansion of the Urban Growth Boundary; Concept B limited growth within the UGB with an emphasis on transit; and Concept C described satellite communities for growth occurring outside the UGB. Andy indicated that a Concept D has been suggested that would hold the growth in the metropolitan area to the UGB, would allow no new growth or densities, and would accommodate further growth outside that area and in the satellite areas outside our jurisdiction. Another option that has been discussed (Concept E) is to focus on the no-growth/slow-growth issue. He reviewed the three approaches relating to the no-growth/slow-growth option (described on Attachment 2). Andy noted that we need a base case that deals with current trends. He indicated that the Port favors Option 2 regarding the slow/no-growth concerns.

Tom Walsh commended Andy Cotugno on this effort and felt that the 2040 process is seriously underfunded, encouraging Metro to have JPACT review use of flexible funds for this purpose. He spoke of benefits to be realized in the future and the fact that the project is eligible for flexible funds.

Andy Cotugno responded that the TIP Subcommittee has considered recommendations for allocation of two years of the region's STP funds. Staff has held up the process while discussions are ongoing on a variety of recommendations for allocation of STP funds. He indicated there are more detailed discussions on this subject at RPAC meetings. Andy asked whether an RPAC/JPACT meeting should be scheduled and Committee members indicated it would be very useful. The next RPAC meeting is scheduled for Wednesday, December 9; JPACT members will be invited.

Andy pointed out that the 2040 process is compatible with the new Metro Charter, citing the charter's "future vision."

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JPACT MEETING TIME

Chair Devlin noted there have been some requests to move the JPACT meeting time back to 7:30 a.m. (from 7:15 a.m.).

Action Taken: It was moved and seconded to move the JPACT meeting time to 7:30 a.m. effective December 10. Motion PASSED by a vote of 5-4.

ADJOURNMENT

There being no further business, the meeting was adjourned.

REPORT WRITTEN BY: Lois Kaplan

COPIES TO: Rena Cusma
Dick Engstrom
JPACT Members



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: November 30, 1992

To: JPACT

From: Andrew C. Cotugno, Planning Director

Re: Inclusion of Congestion Pricing as an Element of the
Western Bypass DEIS

TPAC has reviewed the action taken by JPACT to include congestion pricing as an element of the Western Bypass DEIS. As recommended by JPACT at the November 12 meeting, "congestion pricing will be evaluated as a substitute for the parking charge element" of the Planned Projects/TSM Alternative in the DEIS.

TPAC recommends reconsideration of this action. They feel that there are too many variations on the method of implementing congestion pricing, too many uncertainties on its feasibility and the lack of research to adequately quantify the effects of congestion pricing. For these reasons, they felt that consideration of congestion pricing should be through a regionwide research effort such as that recently reviewed for a pilot project. In the event regional policy is adopted to pursue congestion pricing, the Western Bypass and all other regional projects will be required to comply.

However, if JPACT remains interested in addressing congestion pricing as it relates to the Western Bypass, the following approach is recommended in lieu of the previous action:

Resolve No. 5:

"5. That ODOT undertake and fund a modest evaluation of the relative magnitude of demand reduction possible from congestion pricing as compared to parking pricing. This should be done separate from the DEIS and be completed when the DEIS is completed and should be coordinated with regional consideration of congestion pricing."

This alternative approach more clearly defines the scope of analysis to be one of measuring the relative magnitude of demand reduction compared to parking pricing rather than a full-scale feasibility study. This will rely on existing travel behavior research and involve extrapolating the effect of pricing on behavior derived from existing parking pricing. In addition, it more appropriately handles the issue outside the DEIS since there

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will be uncertainty as to the reliability of the information. In addition, this approach would allow the approval process for the DEIS alternatives to proceed since the alternatives would remain unchanged from that recommended by the Western Bypass Committees.

ACC:lmk



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

TO: TPAC

FROM: Keith Lawton, Technical Manager, Metro

DATE: Tuesday, November 24, 1992

SUBJECT: MODELING CONGESTION PRICING

I have grave doubts about our ability to measure the effects of congestion pricing at present and in a timely manner within the context of a corridor Alternatives Analysis. The current model structure (both ours and others) was not designed to answer such questions, nor were the data from which the models were built, collected with that in mind. We currently deal with travel choices in isolation, assuming that the trade-offs in time and cost as exhibited in travel behavior are independent of the rest of the daily personal and household activity budgets. This fallacy could well lead to a gross over-estimation of the benefits from an action that will have high monetary, social and political cost. It means, in effect, a limitation on the freedom to conduct other daily activities (either through the availability of time or money) for all those who operate on a limited time or money budget. This includes two wage-earner and single parent wage-earning households as well as the working poor. While increasing the so-called "efficiency of the transportation system," we may well be decreasing the efficiency with which people conduct their daily activities. Until we consider these trade-offs (and understand them), we will have some difficulty evaluating both the costs and benefits.

The current tool that can be used is either an assumed time value of money, or one that is imputed from existing time-cost trade of travel models (i.e., the mode choice models in the current four-step modeling process). This can be used as follows:

1. Assume a value of travel time (1 cent = x minutes) and apply this cost as add-on time to the links being charged for in the time period chosen. The only source of a measure for this value is the implied elasticity measured by the ratios of the coefficients for time and cost in the mode choice models. This value could be borrowed from models elsewhere (usually older and more aggregate than ours) or from our models estimated here in Portland. The value for non-work travel is not very significant in our current model, probably because the majority of non-work travelers on transit are captive. The values

from other cities are not well established due to very poor model performance on choice for this trip purpose.

(The primary input for this trade-off relationship is in fact the parking cost for the CBD implicit in our 1985 data, per journey out-of-pocket cost in Portland in 1985 is very similar for auto and transit when parking cost is excluded).

2. This value of added travel time for all O-D pairs that would be required to use these links would then be input (for the time period(s) required) to the models estimating destination choice, mode choice and route choice. There is no entry into the auto ownership, trip generation or the time of day models to reflect possible impacts on these choices. There will be some practical problems dealing with bus speeds/times in the model as these are driven by road speeds/times in the network model.

Heroic assumption No. 1 is that this implied relationship in mode choice is extensible to destination choice. This could shorten trip lengths and possibly result in destination choice changes to attractions not affected by the congestion pricing strategy.

Heroic assumption No. 2 is that change in time-of-day choice in response to added time from congestion or cost will occur. This is not explicitly modeled at present and current research on travel time effects suggests that extra congestion time has more effect on trip chaining than time of day shifts. We do not understand this phenomenon yet and hence cannot model it. It could well be that added time has different effects from added cost.

Heroic assumption No. 3 is that route choice can be accurately modeled with added cost (trip diversion with added cost/time). This is more believable, but the value of time is almost certainly different for the wealthy, and those with time budget constraints (multi-worker households with children, single parent households etc.), than for "traditional" households (1 worker married with children) or elderly households who have a money budget rather than a time budget constraint. If the household mix changes, the aggregate elasticity changes.

Heroic assumption No. 4 is the probable effect on trip generation of an increasing cost (effectively decreasing mobility) leading to a decision not to make a trip. This is currently not modeled, here or anywhere else and is anybody's guess.

The area chosen for congestion pricing would have to extend beyond the study area, as applying drive costs in the study area alone would result in diversion of

TPAC

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trips away from the area and the creation of problems elsewhere. Congestion pricing also implies congestion of sufficient duration and extent as to cost enough to change behavior. Congestion in Washington County is limited to a few locations.

The only examples of congestion pricing at present are for central areas in southeast Asia and toll roads which are located where there is little real competition in alternate routes.

CONCLUSION:

The quantification of congestion pricing involves many uncertainties as the decision involves a consideration of the **household structure and its daily activity budget** (both time and cost). While it is fine to have a policy advocating congestion pricing, it cannot be reliably quantified as to effect. It is probable that the lack of inclusion of the overall effects on the household and the traveler is the reason for the trivialization of the implications and difficulty of implementation of such a policy. It should be noted that governments in Europe and Scandinavia, which are more accustomed to making decisions based on the economic measures of the common good, have been considering such a policy for many years, but have not yet overcome the intrinsic hostility to such a policy.

cc Andy Cotugno
Dick Walker



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

THE OREGON DIVISION
The Equitable Center, Suite 100
530 Center Street N.E.
Salem, Oregon 97301

TRANSPORTATION DEPT.

DEC 2 1992

*cc Mike
Richard
Rich*

December 1, 1992
IN REPLY REFER TO
HPR-OR/722.7

Mr. Donald E. Forbes, Director
Oregon Department of Transportation
135 Transportation Building
Salem, Oregon 97310

Dear Mr. Forbes:

Congestion Pricing Pilot Program

Enclosed is a copy of the November 24 Federal Register Notice on the Congestion Pricing Pilot Program. An earlier notice issued on May 29, 1992 provided general information about the program and asked for public comment on several implementation issues. This Notice is the formal request for applications. It also includes a discussion of comments received in response to the first Notice, a general statement of priorities which will be used in selecting participants, a list of items to be included in the applications and descriptions of eligible costs and eligible uses of project revenues.

Proposals must be submitted to our office through the appropriate MPO and ODOT. (Please note that ten copies plus an unbound reproducible copy are required.) FHWA will review the applications and make preliminary selections 60 days after publication, therefore proposals should reach our office by Friday **January 23, 1993**.

Because response time is limited, copies of this letter and the Notice are being sent directly to each of the Oregon MPO's. Please call Fred Patron if you need further information.

Sincerely yours,

Fred P. Patron
Division Transportation Planner

Enclosure
11/24/92 Federal Register
cc:
METRO, SKATS, LCOG, RVCOG w/encl

Federal Highway Administration

[FHWA Docket No. 92-24]

Participation in the Congestion Pricing Pilot Program

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice: request for participation.

SUMMARY: This notice invites State or local governments or other public authorities to make applications for participation in the Congestion Pricing Pilot Program established by Section 1012(b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 (Pub. L. No. 102-240, 105 Stat. 1914) and presents initial guidelines for program applications. The initial solicitation period is 60 days. If fewer than 5 participants are selected for program participation during this initial solicitation period, the solicitation will remain open for other applications. This document also contains a summary and discussion of comments received in response to a May 29, 1992, notice which describes the legislative mandate for the Pilot Program and procedures which will be used to implement the program.

FOR FURTHER INFORMATION CONTACT: Mr. James R. Link or Mr. John T. Berg, Highway Revenue Analysis Branch, HPP-13, (202) 366-0570; or Mr. Wilbert Baccus, Office of the Chief Counsel, HCC-32, (202) 366-0780; Federal Highway Administration, 400 Seventh Street SW., Washington, DC 20590.

SUPPLEMENTARY INFORMATION: Section 1012(b) of the ISTEA of 1991 authorizes the Secretary of Transportation (the Secretary) to create a Congestion Pricing Pilot Program by entering into cooperative agreements with up to five State or local governments or other public authorities, to establish, maintain, and monitor congestion pricing pilot projects. Three of these agreements may involve the use of tolls on the Interstate System notwithstanding 23 U.S.C. 129, as amended, and 301. A maximum of \$25 million is authorized for each of the Fiscal Years 1992 through 1997 to be made available to carry out program requirements. Not more than \$15 million can be made available each fiscal year to fund any single cooperative agreement. In advance of completing its plan for implementing this program, FHWA published a Federal Register notice on May 29, 1992 (57 FR 22857) which presented general information about the Pilot Program and solicited public comment (Docket No. 92-24) on a number of implementation issues. The comment period closed on June 29, 1992.

Discussion of Comments

General

A total of 108 comments were received from 17 commenters, including 4 State or city Departments of Transportation, 1 State highway patrol agency, 1 multi-State transportation agency, 3 Metropolitan Planning Organizations (MPOs), 1 private technology company, 2 transportation interest groups, 2 academic institutions, 2 public environmental agencies, and 1 transportation consultant. The following is a discussion of major issues raised in the comments submitted to Docket 92-24 arranged by topics of main concern to the commenters. Also included are FHWA responses to the comments. In addition, remarks made at a June 10-12 Congestion Pricing Symposium sponsored by FHWA and the Federal Transit Administration (FTA) were considered during the development of this notice. The proceedings of the symposium are available from the Federal Highway Administration by request to John T. Berg at the address provided under the heading **FOR FURTHER INFORMATION CONTACT**, above.

What Types of Projects Should Be Included in the Pilot Program?

The May 29 Federal Register notice states that a pilot project may encompass parking pricing in coordination with highway pricing. Some commenters recommended broadening the definition of congestion pricing pilot project to include the pricing of parking only. The FHWA recognizes that parking pricing innovations may be effective in reducing congestion and such innovations may be the first step toward a more comprehensive pricing proposal which includes road pricing. For this reason, there is interest in parking pricing proposal. However, because the unique feature of section 1012(b) is to allow pricing on Federal-aid highways and because the application of section 1012(b) is not necessary for a local jurisdiction to impose congestion fees for parking, proposals for stand-alone parking pricing projects which do not include road pricing will be given low priority. To receive high priority consideration, interested applicants are encouraged to consider parking fees designed to reduce congestion, along with a road pricing proposal as part of a comprehensive pricing package.

One comment suggested that projects that control vehicle entries into a central business district by means other than a direct fee, such as entry based on the digits of a license plate, should be eligible for inclusion in the Pilot

Program. Another commenter suggested that a project which eliminated or reduced existing tolls during off-peak periods, or reduced tolls for high-occupancy vehicles during peak periods, should be eligible for inclusion in the Pilot Program. Another commenter suggested that the program should include projects which provide credits for low-emission vehicles.

The FHWA believes that for purposes of the Pilot Program the term congestion pricing must involve increasing the price for the use of congested facilities. Proposals designed solely to reduce the price of road use for high occupancy vehicles or at certain times of the day, or to promote the use of low-emission vehicles, may have merit on their own grounds, but they are not eligible to have revenue losses made up with Pilot Program funds. Such programs do not raise highway fees to compensate for the costs of congestion and are, therefore, not considered to be applications of congestion pricing. Further, the Congress, in asking for a review of the effects of pilot projects on funds available for transportation programs and in specifying the purposes for which project revenues are to be used, clearly anticipated that pilot projects would produce revenues that could be used for other title 23 purposes. For these reasons, proposals which would establish price differentials for the use of congested roads, but do not involve increasing the price of such use, will be given low priority consideration. However, they could be given higher priority if combined with a comprehensive congestion pricing proposal that includes increasing the peak-period price for the use of other congested roads.

What criteria should be used to rank and select program participants?

Most commenters addressed criteria they felt should be used to select program participants. These comments were carefully considered by FHWA and many are incorporated in the selection criteria contained later in this notice. Several comments suggested that preference be given to projects located in areas designated as nonattainment areas under provisions of the Clean Air Act, that the severity of an area's air quality problems be used as a ranking criteria in project selection, or that only such nonattainment areas be included in the Pilot Program. While FHWA recognizes that congestion pricing may be used to help attain compliance with air quality standards, and evaluation of the effects of congestion pricing on air quality is one of the important goals of the Pilot Program, we do not believe that

the existence of a severe air quality problem should be a strict requirement for program participation. We do not wish to exclude proposals from attainment areas which are otherwise valid and useful tests of congestion pricing. Factors related to the pricing proposal itself will be given primary consideration in the selection of program participants. It is expected, however, that congestion pricing will promote air quality goals, and FHWA would like to include congestion pricing projects in the pilot program which will allow an examination of the relationship between congestion pricing and air quality. Proposals should include a description of any air quality problems (including measurements of criteria pollutants) to be addressed by congestion pricing, an explanation of how proposed congestion pricing projects are expected to improve air quality conditions, and a plan for evaluating the effects of congestion pricing on air quality.

The severity of an area's congestion problem was also proposed as a selection criterion in several comments. This view was also expressed by many at the June 10-12, 1992, Congestion Pricing Symposium. One comment suggested, however, that an objective of the program should be to demonstrate whether fast growing areas can prevent, through pricing, the congestion problems that some cities have. The FHWA believes that, since the effect of pricing on traffic congestion is a primary focus of the Pilot Program, the existence of a serious congestion problem should be a necessary requirement for program participation. However, this does not mean that every participant must have the severe congestion conditions found in some large cities. We hope to have some diversity in the 5 program participants finally selected for the program, and believe that a rapidly growing area that is experiencing serious congestion that promises to grow worse should also be considered for program participation if its proposal otherwise describes a valid and useful test of congestion pricing.

What types of pilot project expenses should be eligible for reimbursement under the Pilot Program?

Commenters also suggested expenses that they felt should be reimbursable under the Pilot Program. Several comments suggested that the costs of public relations campaigns undertaken to promote congestion pricing pilot projects should be eligible for funding. Other suggested expense items included capital and operating costs for transit services tied to the pilot program, and

costs for planning studies undertaken prior to selection for program participation. The FHWA carefully considered these comments and has concluded that section 1012(b)(2) made specific provision to allow funding of the development and start up costs of pilot pricing projects, including salaries and expenses. Because the success of a congestion pricing pilot project may depend on the provision of reasonable travel alternatives for highway users subject to the congestion charges, and in some cases the alternatives may be provided by transit, FHWA has determined that the costs of transit services specifically tied to the Pilot Program will be eligible for reimbursement with Section 1012(b) funds if those costs are for new or expanded services that are provided as part of the development and start up of a congestion pricing pilot project, and the costs related to the new or expanded transit service are included as part of the operating cost of the Pilot Program. Pilot Program funds cannot be used to replace existing funding sources for transit operations and cannot be used to further subsidize existing operations. Transit capital costs may also be funded with section 1012(b) funds if they are for new or expanded services provided as part of the development and start up of a congestion pricing pilot project. Because there is limited funding available for the Pilot Program, however, program candidates are urged to look to other sources to fund any transit-related development and start-up costs of the Pilot Program. Federal Transit Administration programs provide transit capital grant assistance (Discretionary Grant or Loan Program and Block Grants Program) and transit operating assistance (Block Grants Program). In addition, FTA's Planning and Research Programs provide planning and research funds. Section 1007 of the ISTEA of 1991 provides that transit projects eligible for assistance under the Federal Transit Act are eligible projects under the Surface Transportation Program (STP).

Costs of public relations programs designed to support the implementation and continued operation of approved pilot projects are eligible for funding under this section if those costs are incurred after a program candidate is selected as a participant in the Pilot Program. Even though a potential participant in the program may have to incur costs to examine the feasibility of congestion pricing prior to submitting a program application, reimbursement of these up-front planning costs are not eligible cost items under this program.

The fact that such costs have been incurred may be used by applicants to show an indication of local commitment to the test of congestion pricing.

What should be eligible uses of congestion pricing revenues?

Several comments addressed the question of eligible uses of revenue generated by congestion pricing pilot projects. Some suggested that program participants should be allowed to use congestion pricing revenues to pay transit capital and operating costs or other costs of non-single occupant vehicle alternatives if those costs are incurred to provide transportation alternatives for those who are subject to the higher congestion charge. Since section 1012(b)(3) states that revenues from pilot projects must be used for title 23 projects, transit operating costs are not an allowable use of pilot project revenues, except when they have been included as part of the operating cost of congestion pricing projects included in the Pilot Program. Since section 1012(b)(2) anticipates that congestion pricing revenues will be used to replace Federal assistance being used for project operating costs, such revenues can be used to fund those transit costs included as part of the operating cost of pilot project. Revenues in excess of the amount necessary to fund project operating costs must be used for Title 23 projects in accord with section 1012(b)(3). Transit capital costs are an eligible title 23 purpose, and, therefore, are an allowable use of pilot project revenues.

Priorities for Selecting Program Participants

The FHWA is seeking proposals which reflect a clear intent to use congestion charges (direct point/time-of-travel charges varying by location and/or time) to encourage driver behavior in a manner that will promote the use of alternative times, routes, modes or trip patterns to reduce congestion. In practice pilot projects may only approximate or move toward an optimal congestion toll. However, charges that are anticipated for pilot projects should have the key characteristic that they are targeted at vehicles causing congestion, and they are set at levels high enough to encourage drivers to use alternative times, routes, modes or trip patterns during congested periods. Additional discussion of congestion tolls is contained in appendix A.

Proposals are sought which anticipate the application of congestion pricing over a time period long enough to ensure that a test of congestion pricing will be successfully completed, and which

indicate a commitment to monitor, evaluate and report on the effects of congestion pricing. Pricing proposals which are not large enough to influence demand, such as minor increases in fees during peak periods, or moderate toll increases instituted primarily for financing purposes, will be given low priority. Since significant peak-period pricing increases and comprehensive applications of congestion pricing (e.g., areawide pricing, multi-facility or multi-corridor applications, and combination of road pricing and parking pricing) are expected to provide the most valuable information about the effects of congestion pricing, proposal which include such applications of congestion pricing will be given high priority. The FHWA recognizes, however, that comprehensive applications of pricing may evolve incrementally over a period of years and may not be developed during the period of the Pilot Program, and narrower implementations, such as pricing of key traffic bottlenecks, traffic corridors, or single facilities, may be a starting point for future expansions to more comprehensive pricing programs. Thus, such narrower implementations will be considered for inclusion in the Pilot Program, but on a lower priority basis than proposals for more comprehensive pricing programs.

In order to promote successful demonstrations of congestion pricing, FHWA, in reviewing applications for participation in the Congestion Pricing Pilot Program, will give priority to proposals which

1. Indicate a clear intent to use congestion charges to modify driver behavior in a manner that will promote the use of alternative times, routes, modes, or trip patterns;
2. Include comprehensive applications of congestion pricing, including the use of road pricing;
3. Include congestion pricing as part of the clearly articulated program for addressing congestion, mobility, and related air quality and energy conservation goals. Because of current Clean Air Act and ISTEA provisions requiring joint transportation planning and air quality planning, comprehensive pricing proposals that mutually address congestion and air quality are encouraged;
4. Demonstrate extensive public and private involvement in the development of the proposed pricing program;
5. Demonstrate the likelihood of early implementation of pricing projects;
6. Indicate that the pricing project will not have major adverse effects on alternative routes or modes, which indicate that there has been analysis of

the expected social and economic impacts of proposed projects, and which propose measures to ameliorate any major adverse impacts;

7. Include well designed plans for monitoring and evaluating proposed projects, including plans of data collection and analysis (see appendix A for additional guidelines on monitoring and evaluation);

8. Incorporate the use of advanced electronic toll and traffic management (ETTM) technologies;

9. Include sound financial and management plans for pilot projects. Priority will be given to proposals which indicate that revenues will be used to support the goals of the congestion pricing project and mitigate any adverse impacts of the project;

10. Are likely to add to the base of knowledge about the various design, implementation, effectiveness, operational, and acceptability dimensions of congestion pricing applications. The FHWA is seeking information related to the impacts of congestion pricing on travel behavior (mode use, time of travel, trip destinations, trip generation, etc., by private and commercial trips); on traffic conditions (trip lengths, speeds, level of service); on implementation issues (technology, public acceptance, administration, operation, enforcement, legality, institutional issues, etc.); on revenues, their uses and financial plans; on different types of users and businesses; and on measures designed to mitigate possible adverse impacts and their effectiveness. These diverse information needs mean that FHWA may fund different types of congestion pricing applications in different local contexts to maximize the learning potential of the pilot program.

Pilot Project Applications

Applications should contain, as a minimum, the following types of information:

- (1) A description of the goals of the proposed project(s), including a characterization of the congestion problem to be addressed through the application of pricing and description of the expected effects of the proposed pricing plan. Project goals should include comprehensive evaluation of the effects of congestion pricing. The proposal should also explain the role of section 1012(b) in accomplishing the objectives of the proposed pricing program.
- (2) A listing of the State, local, and private sector participants in the proposed pricing program, including a listing of those participants who will

sign the proposed cooperative agreement with the Federal government, a description of their commitment to the project, and a description of efforts taken to promote local involvement in the project (such as public hearings, board actions, inclusion in long-range plans, etc.). Endorsement by proposed signatories should be provided at the proposal stage if possible, but as a minimum, the proposal must include the endorsement of the local MPO and the owner of any highway facility covered by the pilot project. Proposals indicating additional support, such as might be reflected through attitudinal surveys, public hearings, or other public relations activities will be given priority. Endorsement of the proposal by local transportation, environmental, business, or other interested groups will be viewed as strong indications of local support. Proposals should also provide an indication of plans for future public involvement activities. If such activities have not been initiated, proposals should describe proposed plans to promote public involvement.

(3) A statement that the legal authority for implementing the proposed congestion pricing project(s) exists, or a report on the status of efforts to obtain such authority. Note that the attainment of such authority will generally be required prior to the signing of a cooperative agreement. However, if a proposal provides a strong indication that the prospects are good for obtaining such authority in a relatively short time, and the proposal presents what would otherwise be a strong congestion pricing application, FHWA may temporarily hold open one or more of the potential five cooperative agreements until such time that a determination of legal authority is made.

(4) A detailed description of the congestion problem being addressed. Proposals should show that there is a serious congestion problem to be addressed by congestion pricing; whether that congestion problem is the extreme congestion found in some large cities, or an existing serious congestion problem which is likely to grow worse as a result of anticipated rapid growth in travel demand.

(5) A description of the planned design of the congestion pricing project(s) to be included under the cooperative agreement, including the nature and level and location of road pricing anticipated and any other pricing projects to be incorporated in coordination with the road pricing proposal (including supporting maps or drawings), the expected time schedule of proposed projects, the technology to

be employed and plans for implementation of the technology, plans for traffic enforcement, security, and safety, availability of transportation alternatives, plans for accommodating spillover traffic and any associated environmental impacts, and any other factors necessary to adequately describe the pricing proposal.

(6) A description of the proposed financial plan for projects to be covered under the cooperative agreement, including a detailed list of expected project capital and operating costs, anticipated level of section 1012(b) funding required, an identification of other funding sources, both Federal and non-Federal, to be committed to the projects, including the source of matching funds to be contributed to the project, and a plan for use of revenues derived from pilot projects. The plan for use of revenues should include a description of how revenues will be used to mitigate any adverse effects of the pricing project. The plan should estimate high/low revenue ranges and indicate a financing plan under best and worst case assumptions.

(7) A description of the program plans for monitoring, evaluating, and reporting on the effects of proposed pilot projects on driver behavior, traffic volume, ridesharing, transit ridership, air quality, availability of funds for transportation programs, and other factors necessary to measure the effectiveness of pilot projects. Such other factors should include assessment of the distributional impacts of pricing projects (analysis of affected parties bearing costs and benefits), assessment of the relationship between the pilot project and the use of revenues generated by the project, and measurement of the effects of pilot projects on traffic flow characteristics. More specific guidance on monitoring and evaluating congestion pricing pilot projects is being developed under an FHWA research contract. The FHWA will make the results of this research available at a later date to program participants or to those who might be interested in participating in any future solicitations for the Pilot Program. Interim guidance is provided in appendix B to this notice.

Eligible Costs

Costs eligible for reimbursement under section 1012(b) include costs of setting up, managing, operating, monitoring, evaluating, and reporting on a congestion pricing pilot project. Specific costs eligible for reimbursement under this section include the following:

(1) Capital costs for installing pricing instruments (e.g., toll booths, electronic monitoring and billing systems and

equipment, transponders, enforcement systems, etc.) or providing transportation alternatives in the area being priced. Funds may not be used to construct new highway through lanes, bridges, etc., even if those facilities were to be priced, but toll ramps or added pavement to facilities toll collection are eligible;

(2) Operating costs, including salaries and expenses, related to the operation of the congestion pricing experiment (operation of tolling, monitoring, traffic management equipment, enforcement costs, incident management costs, operation of new or expanded transit service provided as an integral part of the congestion pricing project, etc.);

(3) Costs related to the implementation and operation of a parking pricing project (e.g., costs of setting up employer-based parking/demand management programs), so long as the project is a part of an overall congestion pricing plan, costs of card readers, debit cards, etc.; and

(4) Study costs for planning, designing, monitoring and evaluating congestion pricing pilot projects, including costs for data collection and synthesis. Only those study costs incurred after a participant has been selected by FHWA to be a Pilot Program participant are eligible for Federal-aid reimbursement under this section. Planning studies undertaken prior to selection as a Pilot Program participant, such as those undertaken to examine congestion pricing as an alternative solution to areawide transportation problems, are not eligible for funding under this section, and should be funded with normal Federal-aid highway planning funds, or with planning funds available through Federal Transit Administration programs.

(5) Costs related to public relations activities designed to promote and provide continuing support to congestion pricing pilot projects if such costs are incurred after a participant has been selected by FHWA to be a Pilot Program participant.

Complementary actions, such as construction of HOV lanes, implementation of traffic control systems, or transit projects can be funded through other programs eligible under the ISTEA of 1991, including the National Highway System program, the Surface Transportation Program, the Congestion Mitigation and Air Quality Improvement Program, the Bridge Replacement and Rehabilitation Program and FTA's Formula Grants programs, Discretionary Grants programs and Transit Planning and Research program. The Intelligent

Vehicle Highway Act of 1991, Title VI, sections 6051 through 6059 of the ISTEA of 1991, provides \$660 million over six years to support feasibility and operational testing of Intelligent Vehicle Highway System (IVHS) technologies and related activities. Those interested in participating in the Congestion Pricing Pilot Program are encouraged to explore opportunities for combining funds from these other ISTEA programs with Pilot Program funds.

Eligible Uses of Revenue

Revenues generated by a pilot project must be applied first to pilot project expenses on the facility being priced. Once sufficient revenues are being earned to cover pilot project expenses, such as those described under "Eligible Costs," above, revenues above the amount required for pricing project expenses are available for any projects eligible under title 23, U.S.C. Uses of revenue are encouraged which will support the goals of the congestion pricing project, particularly uses designed to mitigate any adverse effects in the corridor where the pricing project is being implemented.

Submission of Applications

Proposals for participation in the Congestion Pricing Pilot Program shall be submitted through the MPO and State Department of Transportation to the appropriate Federal Highway Administration Division Administrator, who will forward the application to FHWA's Associate Administrator for Policy. To facilitate review, applicants should submit ten copies, plus an unbound reproducible copy, of the proposal. At the end of 60 days after the date of this notice, FHWA will review applications received and make an initial selection of program participants. If fewer than 5 participants are selected during this initial solicitation, the solicitation will remain open for other applications.

Review Process

A review process has been established to evaluate proposals submitted in response to this notice soliciting participation in the Congestion Pricing Pilot Program. An interagency review group composed of members from several concerned offices in FHWA, FTA, the Office of the Secretary of Transportation, the Environmental Protection Agency, and the U.S. Department of Energy has been formed to evaluate proposals submitted in response to this notice. Since section 1012(b) provides for only 5 participants in the Pilot Program, the interagency review group will play an important role

in assessing the likelihood that proposed congestion pricing pilot projects will provide valid and useful tests of congestion pricing and will contribute to the understanding of the effects of congestion pricing on driver behavior, traffic volume, ridesharing, transit ridership, air quality, and availability of funds for transportation programs, and other measures of the effects of congestion pricing. Evaluation criteria described in this notice will be used to judge the degree to which an offer addresses the areas of priority interest of the Pilot Program.

Cooperative Agreement

Based on the recommendations of the interagency review group, FHWA will identify those Pilot Program applications which have the greatest potential for successful participation in the Congestion Pricing Pilot Program. Those program candidates will then be invited to enter into negotiations with FHWA to develop a cooperative agreement under which the pilot demonstration of congestion pricing will be carried out. The agreement will be governed by the Federal statutes and regulations cited in the agreement and 49 CFR part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as they relate to the acceptance and use of Federal funds for this project.

Prior to the signing of a cooperative agreement, projects outside of metropolitan planning areas must be included in the approved statewide transportation improvement program and be selected in accordance with the requirements in 23 U.S.C. 135(f)(3).

Prior to the signing of a cooperative agreement, projects in metropolitan areas must be:

(a) Included in/consistent with the approved metropolitan transportation plan (if the metropolitan area is in nonattainment for a transportation-related pollutant, the metropolitan plan must be in conformance with the state air quality implementation plan);

(b) Included in the approved metropolitan and statewide transportation improvement programs (if the metropolitan area is in nonattainment for a transportation-related pollutant, the metropolitan transportation improvement program must be in conformance with the state air quality implementation plan);

(c) Selected in accordance with the requirements in 23 U.S.C. 134 (h)(3) or (i)(4); and

(d) Consistent with any existing congestion management system in transportation management areas,

developed pursuant to 23 U.S.C. 134(i)(3).

Appendix A—What Is Congestion Pricing?

The full cost of a trip on a congested road includes not just a traveler's own time and vehicle operating costs but also the costs that traveler imposes on all other travelers by adding to the level of congestion. A congestion price can thus be viewed as a user charge that is based on the difference between the cost perceived by the user when entering the traffic stream and the cost actually imposed on all users as a result of the additional delay caused by that user's entry and movement through the traffic stream. In practice, pilot projects may only approximate or move toward an optimal congestion toll. However, charges that are anticipated for pilot projects should have the key characteristic that they are targeted at vehicles causing congestion, and are set at levels high enough to encourage drivers to use alternative times, routes, modes, or trip patterns during congested periods. Congestion pricing can rationalize the use of limited road capacity by encouraging some peak period road users to shift to off-peak periods, to high occupancy vehicle modes, including transit, to less congested routes, and/or to make more efficient trip decisions. Congestion tolls may be applied in a number of ways, including charging for the use of certain congested points on a network of roads, charging for the use of certain congested links on the network, charging for crossing certain cordon points on the network, either in one or both directions, charging to travel within a congested area, charging based on the distance traveled within a congested area, charging based on the time spent traveling, or charging based on congestion experienced.

While exact determination of the optimal congestion price is not easy, estimates can be derived based on traffic flow literature from volume/delay relationships. Analysts have derived estimates of "optimal" congestion prices which are on the order of \$0.15 to \$0.25 per vehicle mile of travel on congested expressways and about twice that amount on congested arterials. It should be recognized that these are only average approximations and actual prices in any given situation must be estimated for each local context. Applicants are encouraged to derive estimates of the "optimal" price based on marginal delay costs as a starting point, or benchmark, for setting the road prices to actually be charged.

Appendix B—Initial Guidance on Monitoring and Evaluation of Pilot Projects

A central objective of the Congestion Pricing Pilot Program is to monitor, evaluate and report on the effects of pilot projects on travel and traffic, congestion and pollution, land use and economic activities, revenues and financing, and so on. The effects of congestion pricing on different income groups, and the economic/distributional effects of the use of revenues generated by

congestion pricing are also of concern. The FHWA expects that program participants will give considerable attention to evaluation design and data collection. Applicants are expected to spell out immediate and long-term monitoring and evaluation plans. Applicants are also expected to discuss appropriate data collection procedures (including, but not limited to traffic counts; speed measurements; traveler and business surveys, trip diaries; and air quality measurements) and synthesis methods. Monitoring and evaluation plans, schedules and expected budget should be included in the application. The following is a preliminary list of principal impacts of interest. It is intended to be suggestive, rather than definitive, since FHWA anticipates that each applicant may wish to address additional impact issues that are relevant to particular local situations and projects types. Additional guidance on monitoring and evaluation will be developed by FHWA and provided to program participants at a later date.

(1) Travel Behavior and Traffic—

- (a) Trip making (trip lengths, trip generation rates, trip destinations);
- (b) Travel behavior (mode, time, route, destination, frequency);
- (c) Traffic on priced facility (vehicle miles of travel, volume/capacity ratios, speed, level of service, effects on bottlenecks); and
- (d) Traffic spillover impacts and speed changes on unpriced facilities in the vicinity, on neighborhoods.

(2) Emissions and Air Quality—Reductions in criteria pollutants, change in concentrations, effects on "hot spots."

(3) Economic Activities—

- (a) Commercial traffic speeds and reliability, changes in delay for commercial vehicles;
- (b) Transit system productivity, reliability and operating costs; and
- (c) Measures of commercial activities, business sales, changes in business productivity.

(4) Administration and Enforcement—Costs of implementing and operating enforcement programs, nature and amount of equipment problems, nature and frequency of violations, etc.

(5) Revenues and Financing—Revenues from congestion charges, change in transit revenues, parking revenues, etc.

(6) Distributional Impacts—

- (a) Cost burdens/time savings by income group, by jurisdiction;
- (b) Differential impacts on business in the vicinity and outside the vicinity of the pricing project.

In the planning phase, travel and traffic models may provide some of the impact estimates, although it should be recognized that existing travel demand models are not well designed to predict impacts of relatively large user cost changes implied by many congestion pricing applications. Moreover, existing models do not adequately address the impacts of price changes on shift in time of travel. Thus, during the preliminary assessments it would be desirable to develop low- and high-end estimates of impacts to provide a range of possibilities.

While standard surveys and counts can provide objective measures of the impacts of

pricing programs, subjective assessments are also likely to be essential to judging their success. For example, it may be desirable to supplement the impact measures derived from field data with "pre-test/post-test" focus group surveys to compare outcomes with a priori expectations (e.g., with respect to door-to-door times, average travel speeds and driving conditions, effects on business activities and overall perceptions of mobility).

(23 U.S.C. 315; 49 CFR 1.48)

Issued on: November 19, 1992.

T.D. Larson,

Administrator.

[FR Doc. 92-28486 Filed 11-23-92; 8:45 am]

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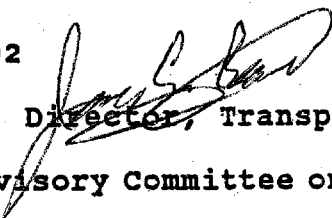
OREGON ENVIRONMENTAL COUNCIL

027 S.W. Arthur Street, Portland, Oregon 97201

Phone: 503/222-1963 • Fax: 503/241-4260

MEMORANDUM

Date: December 7, 1992

From: James E. Beard,  Director, Transportation Project

Attn: Joint Policy Advisory Committee on Transportation (JPACT)

Subj: Inclusion of Congestion Pricing as an Element of the Western Bypass DEIS

The Oregon Environmental Council strongly agrees with the Transportation Policy Alternatives Committee (TPAC) that the Portland metropolitan area would benefit from a regional study of the effects of congestion pricing. However, the fact that the Western Bypass Study is a "narrowly defined" corridor study is not sufficient reason to exclude an examination of congestion pricing from the Western Bypass Draft Environmental Impact Statement (DEIS).

Congestion pricing, based on the theory of marginal cost pricing, is essentially the transportation version of the "least-cost planning" models used in the electric utility sector. TPAC's argument that congestion pricing should only be studied on a region-wide basis is analogous to saying that Portland General Electric should not do least-cost planning unless every utility in the region were doing so. PGE's ratepayers and shareholders benefit from least-cost planning regardless of what other utilities are doing. Likewise, congestion pricing can bring benefits whether implemented in a single transportation corridor or over a whole region.

In the opinion of many nationally-known experts,¹ congestion pricing is the only policy with any hope of permanently reducing traffic congestion such as that found in the Western Bypass Study Area. And traffic congestion, after all, is the primary reason the

¹See, e.g., Anthony Downs, Stuck In Traffic: Coping With Peak Hour Traffic Congestion, Brookings Institution, Washington, DC, 1992; Michael Cameron, Transportation Efficiency: Tackling Southern California's Air Pollution and Congestion, Environmental Defense Fund, Oakland, CA, March 1991; and Kenneth Small, et. al., Road Work: A New Highway Pricing and Investment Policy, Brookings Institution, Washington, DC, 1989.

Western Bypass is being considered.

The proposed Western Bypass Study alternatives do not include an examination of congestion pricing, even though marginal cost pricing has been adopted as policy by the Oregon Transportation Commission, and is advocated by the Portland Future Focus Strategic Plan, Portland City Council, the Governor's Task Force on Motor Vehicle Emissions Reductions, the Transportation '93 Committee, and, perhaps most importantly, the Oregon Roads Finance Study.

These factors, combined with the fact that congestion pricing is likely the least-cost alternative to construction of the Western Bypass, make a strong case, under the requirements of the National Environmental Policy Act, for inclusion of congestion pricing in the Western Bypass Study.

Congestion pricing should be modeled separately from the parking fees proposed in the Transportation Demand Management (TDM) component of the Western Bypass Study Alternatives. Congestion pricing will have different effects than parking pricing. For example, parking pricing has a built-in bias favoring long commutes, since people who live close to work pay the same fee as those who live farther out. Congestion pricing, on the other hand, is biased against long commutes, encouraging compliance with preferred land-use patterns.

METRO's technical staff have recently argued that congestion pricing probably cannot be effectively modeled. This is not the case. Modeling of the effects of congestion pricing has been done in the San Francisco Bay Area and in the Los Angeles metropolitan region. Much of the modeling experience gained in these efforts is transferable to the Portland metropolitan region in general, and to the Western Bypass Study Area specifically.

Experience with congestion pricing overseas, and the sophisticated congestion pricing modeling effort performed for the Los Angeles metropolitan region mentioned above, together indicate that a user fee-based system such as OEC proposes would have a beneficial effect on traffic congestion in the Western Bypass Study Area.

Congestion Pricing: Questions and Answers

Question #1:

Is it fair to penalize people for rush-hour driving when past land-use practices discouraged homes, jobs and stores from being near each other?

Answer:

Congestion pricing is not punitive; it is not a system that is designed to punish people. Congestion pricing is a system for raising the funds necessary to operate and pay for the road system, but raising them by an alternate means. The tolls collected by congestion pricing would be set at a level which covered the costs of operating that road (e.g., road wear, congestion delays, pollution, etc.), and no more.

Although it may be true that past land use policies and lax enforcement have encouraged congestion-inducing sprawl, that is not a reason to reject policies which will reverse that trend. The sooner we make changes, the better. Drivers will still have many options for meeting their mobility needs, including changing commuting times and trip modes, or changing housing location.

Question #2:

How would congestion pricing tolls affect low-income commuters?

Answer:

The current transportation financing system is unfair in many ways. For example, excise taxes such as the motor vehicle fuel tax take a much greater percentage of poor people's incomes than those who are well-off. Low-income communities are also harder hit by traffic-caused air pollution, since they are often located near freeways and congested urban arterials.

Congestion pricing can make the system much more equitable. Those who use the system a lot pay a lot. Those who use the system less, pay less. Each pays according to their level of use. Each person gets the financial information they need to make the choice that is appropriate for them.

Additionally, part of the revenue stream from congestion pricing tolls would be diverted into transit funding, making the transit system more reliable and convenient. This benefits everyone, but it especially benefits those who are,

or choose to become, transit-dependent.

Question #3:

How do you keep people from driving on neighborhood streets to avoid congestion pricing tolls?

Answer:

Congestion itself is causing people to use neighborhood streets for long-distance commuting. This is a very serious problem, for instance, in parts of Los Angeles, and in the Seattle area.

Whether drivers are tempted to divert to residential streets because of congestion or to avoid tolls, they can be easily thwarted. A group of techniques known collectively as traffic calming can be used to enhance residential streets, at the same time making them completely useless for long-distance commuting. Traffic calming techniques include planting islands at intersections and along straightaways to slow down traffic, making streets intermittent (e.g., cul-de-sacs, dividing 4-way intersections into two right (or left) turns, narrowing streets, etc.).

Question #4:

Should the congestion pricing fees be imposed only on certain roads, or throughout the system?

Answer:

Congestion pricing, like other programs implementing marginal cost pricing (e.g., electric rates, telephone rates, etc.) probably works best when done over the entire region. However, it could also be implemented on a corridor-by-corridor basis. In either case, the funds collected should be spent in the same corridor in which they were raised.

Question #5:

Would congestion pricing hurt central city businesses to the benefit of the suburbs?

Answer:

Effective traffic demand management measures, including the extreme of banning cars from streets or entire city centers, have helped rather than hurt central city businesses (e.g., Bordeaux, France; Toronto and Vancouver, Canada, etc.), especially when combined with a safe, convenient transit

system. Fewer cars can often mean a healthier, safer, more accessible walking environment, something appreciated by those who shop and work downtown.

Question #6:

Would congestion pricing cause businesses and residents to move outside the region?

Answer:

Smog and jobs don't necessarily have to go together. In fact, for the Portland metropolitan region to see any significant job growth, especially in manufacturing, the Clean Air Act will require that we substantially reduce air pollution, especially from the transportation sector. Congestion pricing is a system for reducing traffic congestion, reducing air pollution, and building a sustainable transportation system. These are things which both businesses and residents require in order to remain healthy.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1718 FOR THE PURPOSE OF ENDORSING THE RECOMMENDATIONS OF THE GOVERNOR'S TASK FORCE ON MOTOR VEHICLE EMISSIONS REDUCTION IN THE PORTLAND METROPOLITAN AREA.

Date: November 17, 1992

Presented by: Andrew Cotugno

PROPOSED ACTION

Endorsement of the seven Base Strategies for meeting the target emission reduction goals for Hydrocarbons (-36%) and Nitrogen Oxide (-20%) by the year 2007; endorsement of the two contingency plan strategies that would be implemented if any of the base strategies fail to meet their air quality goals; endorsement of the four safety factor strategies which would be included in the maintenance plan to insure the desired safety margin for vehicle emission reductions would be achieved; and endorsement of the use of revenues generated from strategy-related fees for transportation-related emission reduction programs, including transit.

The recommendation of the Transportation '93 Committee on these recommendations is included as Attachment A to this Staff Report. This committee is comprised of city, county, regional, transit, legislative, industry and other interest group representatives to recommend action by the '93 Legislature.

TPAC has reviewed this endorsement and recommends approval of Resolution No. 92-1718.

FACTUAL BACKGROUND AND ANALYSIS

Formation of Task Force

As a result of HB 2175 passed by the 1991 Oregon Legislature, the Governor appointed a Task Force on Motor Vehicle emission Reductions in the Portland metropolitan area on March 11, 1992 to develop a list of recommendations for the state lawmakers, the Department of Environmental Quality, and the Metropolitan Service District on how to reduce vehicle emissions over the next 20 years in order to ensure attainment of federal health-based air quality standards. These standards call for attainment in emissions in 1993 for ozone (HC) and 1995 for Carbon Monoxide (CO).

The Task Force met seven times between April 1992 and September 1992 to discuss the level of reductions needed in the Portland metropolitan area and the potential means for achieving the targets. A list of Task Force members are included in Attachment A.

Base Regional Growth Projections/Decisions

In formulating its recommendations, the Task Force adopted the following growth parameters that were incorporated into the analysis of vehicle emission reduction strategies.

- The Task Force agreed to use a 2.2 percent annual growth rate in regional VMT. This rate is slightly higher than the 1.7 percent contained in Metro's Regional Model and reflects a consensus of the direction of the growth trend being experienced in the region. Metro concurred with the recommendation.
- The Task Force agreed on the historical 1 percent industrial growth rate per year for industrial expansion in the future to ensure that expected industrial growth would not need to provide costly emission offsets.
- Although individual vehicle emission reduction strategies were considered revenue neutral, several pricing strategies generated revenues that could be used to pay for transportation emission reduction incentive programs. These programs could include incentives to use alternate modes such as free or reduced price transit passes, improved transit service, subsidies for private shuttle services, employer vanpool programs, employee travel allowances, and improved bicycle access. The revenues could also be used to offset the impact of the emission-related fees on low-income persons.
- The Task Force agreed to evaluate a safety margin of 2.9 percent growth in VMT per year. This was done to address unknown problems such as global warming which can exacerbate ozone problems in the region.
- The Task Force also agreed that a 95 percent confidence limit should be allowed in the computation of the ozone emission reduction target to reflect normal weather fluctuations expected in a 10-20 year period.

Task Force Recommendations

The Governor's Task Force finalized its recommendations at its September 22, 1992 meeting. Exhibit A to the Resolution shows each individual strategy selected for the base plan, contingency plan and safety margin including their potential for reducing vehicle emissions. The base strategy recommendations included: (1) California 1994 emission standards for lawn and garden equipment; (2) an enhanced inspection and maintenance program; (3) an expansion of the inspection boundary to the Tri-Country area; (4) a base inspection year of 1974; (5) a vehicle emission fee collected every two years at the time of registration; (6) transit-supportive land use; (7) mandatory employer trip-reduction program; and (8) a congestion pricing demonstration project. Direct costs to the individual, in order to gain the

air quality and ancillary benefits, include: the emission fee, which will be phased in and range from \$5.00 to \$125.00 in 1994 and from \$20.00 to \$500.00 in 2000; and the enhanced inspection/maintenance program which will increase the cost per visit from the current \$10.00 to \$35.00 to \$50.00.

The recommendations form the foundation for the Portland area air quality maintenance plan required by the 1990 Clean Air Act. The recommendations are complementary with the Oregon Benchmarks for Air Quality and Transportation, the Oregon Transportation Plan, State Transportation Goal 12, and the Legislature's global warming goal. Upon adoption of the individual emission reduction strategies, Metro and DEQ will develop the full detailed Maintenance Plan for submission to EPA. If any of the recommended measures are dropped or only partially implemented, other measures must be incorporated to meet the established reduction targets for 2007 of 36 percent for Hydrocarbons and 20 percent for Nitrogen Oxides. The two contingency measures recommended by the Task Force are available for consideration but other measures could also be substituted. Since measures must be implemented for inclusion in the final Maintenance Plan, the option of including congestion pricing is not available without further research. At the time the Maintenance Plan is adopted, contingency measures must be included in the event the adopted measures fail to maintain the standard. No further legislative or administrative hurdles can hinder implementation of those contingencies if future air quality violations reappear.

Issues

The Governor's Task Force based their selection of strategies on attaining the agreed-upon goals for hydrocarbon and NOx reduction by 2007. The rigid legislative deadline did not allow the Task Force to complete a full discussion of specific issues related to each individual strategy. Of consequence, a number of issues including the assumptions used in modeling fee-based strategies, the collection and use of revenues, the impact of land use strategies on individual jurisdictions, the impact of fees on low-income people, and the type and location of a congestion pricing demonstration project need further review and discussion by TPAC and JPACT prior to regional implementation.

A number of forums to resolve these issues are in place or have been proposed. Metro, through a comprehensive Transportation Demand Management (TDM) study, will further analyze the technical merits of the travel-related recommendations; the congestion pricing proposal will be examined through FHWA's Grant Solicitation process, requiring regional consensus; and the use of revenues will be addressed by groups such as Transportation 93 and those involved in Road Finance issues. For example, the Transportation '93 group is recommending the Legislature refer a measure to amend the constitution to allow emission fee revenue to be used for non-highway reduction strategies, including transit.

At the request of TPAC, a subcommittee was formed to look at the assumptions used to model the use of revenues for transit.

The strategies which generate revenue were modeled in two ways. First, they were modeled to estimate emission reductions from the fee itself, ignoring the use of the revenue. Second, they were modeled to estimate emission reductions from the use of the fee in incentive programs. Any specific incentive program would be selected to provide the most air quality benefit and would need to be identified through an extensive analysis considering the economic, ridership, and other effects on the region as a whole. This was beyond the scope of the Task Force. As such, the emission reductions from a "generic" incentive program were modeled.

The generic incentive program modeled was a program to subsidize alternate transportation to those affected by the fee. In order to allow for revenues to be modeled, it was assumed that free alternate transportation would be provided to existing users of transit who could be affected by the fee, and only additional excess revenue would be used for new rides. To estimate the increase in non-auto trips from the use of revenues, Tri-Met's projected cost per boarding ride for its 2010 Strategic Plan level of ridership was used along with a factor to account for the elasticity of demand for targeted free transit. This cost (\$5.83) was assumed to be sufficient to cover conventional Tri-Met transit service as well as other alternative incentive programs such as employer travel allowance subsidies, privately operated shuttle service and vanpool purchases if these types of programs are ultimately found to be desirable to include in an incentive program.

Final strategies as included in the maintenance plan will likely be a combination of TDM and transit strategies, which will include service improvements and may, or may not, include a reduced fare structure. In any event, the maintenance plan strategy will be required to meet the HC and NOx reduction targets.

Legislation

Metro and DEQ are working to put together a specific legislative package for review and approval by JPACT as appropriate and necessary. JPACT review may occur prior to and/or during the 1993 legislative session.

It is known that the implementation of the base strategies and the contingent strategies will require legislation in order to implement. At a minimum, legislation is needed to: (1) revise DEQ's Vehicle Inspection Program; (2) authorize the use of vehicle emission fees; (3) fund public education; and (4) authorize implementation of a congestion pricing program.

Costs and Benefits

The cost and benefits of Task Force recommendations are summarized below:

Costs: \$421 million/year for lawn and garden equipment, and vehicle inspection and new vehicle emission fee.

Benefits: \$540 million /year which reflects the savings in fuel and other costs of reduced operation of motor vehicles caused by emission fees, employer trip reduction programs and land use changes.

Net Cost: \$119 million/year savings

Net Cost/
Ton for
HC/NOx
emission
reduction: \$9302/ton savings

Next Steps

Metro plans to follow up with the necessary administrative actions to: (1) make modifications to the Regional Transportation Plan (RTP) to reflect Task Force recommendations on emissions and VMT reductions; (2) administer available federal ISTEA funds to help implement Task Force recommendations; (3) support the development of an incident management strategy; (4) pursue development of a congestion pricing strategy; (5) participate in the public education program; and (6) pursue implementation of the base and contingency strategies through JPACT, and DEQ.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 92-1718.

RL:lmk
92-1718.RES
11-18-92

TRANSPORTATION '93 COMMITTEE
CLEAN AIR SUBCOMMITTEE REPORT, AS AMENDED
NOVEMBER 12, 1992

The following summarizes the findings and recommendations of the Clean Air Subcommittee for consideration by the Transportation '93 Committee.

FINDINGS:

1. The Clean Air Act, adopted by Congress in 1990, as well as Environmental Protection Agency's (EPA) interpretive guidance for this Act, impose significant restrictions on growth in communities not attaining compliance with federal air quality standards.
 - a. Nonattainment means the community either fails to meet national air quality standards for a specific pollutant or does not have an approved air quality maintenance plan in place.
 - b. Restrictions on growth generally impact industry. Among the many restrictions for new industrial sources of air pollutants in a nonattainment area is the requirement for obtaining emission offsets for planned new air emissions before construction can begin. The offset must, for most pollutants, be greater than the new emissions.
 - c. The new offset rule could prevent industrial and economic growth in these communities with industries emitting the specified pollutants.
 - d. Continuation of nonattainment could result in withholding of federal highway funds.
2. Oregon has several nonattainment areas for major air pollutants. Portland, Salem, Eugene/Springfield, Medford, Klamath Falls and Grants Pass are in nonattainment for carbon monoxide; Portland for ozone pollution; and, Eugene/Springfield, Medford, Klamath Falls, Grants Pass, Oakridge, Lakeview and La Grande for small particulate.
3. The Portland Metropolitan area will need to accommodate up to 31 percent increase in population and associated 47 percent in vehicle miles travelled during the next 15 years.
4. Automobiles and wood stoves are the primary source of air pollution, not industry. Notwithstanding this fact, the Federal Clean Air Act severely restricts industrial and economic growth in a community where air pollution exceeds or is likely to exceed federal air quality standards.

5. Oregon's nonattainment areas can avoid the limiting effects of offset requirements. An area having achieved national air quality standards can provide EPA with a maintenance plan for staying in compliance. Upon approval by EPA of such a plan for a community, the offset rules will no longer restrict industrial and economic growth.

RECOMMENDATIONS:

- A. Adopt the Base Strategy of the State's Motor Vehicle Emissions Task Force to maintain compliance with federal Air Quality Standards in the Portland Area through 2007.
 - (1) Total emission reduction needed by 2007 is 35.6 percent VOC and 20.2 percent NOx.
 - (2) Base strategy will provide total emission reduction of 37.1 percent VOC and 20.6 percent NOx.
- B. Environmental Quality Commission as soon as possible should file with Environmental Protection Agency a maintenance plan for compliance with federal Air Quality Standards.
- C. In the event the Task Force's base strategy fails to achieve expected results in the Portland area, or if other unexpected factors threaten compliance with air quality standards, a program will be implemented to require the use of reformulated fuels. Anticipated emission reduction is 20.6 percent VOC and 5.6 percent NOx.
- D. Continue statutory authority for the State's Motor Vehicle Emissions Task Force. This body needs to be available to evaluate the impact and determine appropriate policy as circumstances and technology impact the ability of the state to maintain and/or improve compliance with federal Air Quality Standards.
- E. Propose adoption of constitutional amendment dedicating for non-highway related transportation a source of revenue based on a survey of voter attitudes for such dedication.
- F. Supports public policy that promotes and encourages the use of clean transportation fuels. "Clean Transportation Fuels" means any fuel determined by the Department of Environmental Quality to be less polluting than conventional gasoline, including but not necessarily limited to reformulated gasoline, low sulphur diesel fuel, natural gas, liquified petroleum gas, methanol, ethanol, any fuel mixture containing at least 85 percent methanol or ethanol and electricity.
- G. Support the Portland area application for a congestion pricing pilot project.

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4/23/91

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BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ENDORSING THE) RESOLUTION NO. 92-1718
RECOMMENDATIONS OF THE GOVERNOR'S)
TASK FORCE ON MOTOR VEHICLE EMIS-) Introduced by
SIONS REDUCTION IN THE PORTLAND) Councilor Richard Devlin
METROPOLITAN AREA)

WHEREAS, The Clean Air Act Amendments (CAAA) of 1990 designate the Portland metropolitan area as moderate non-attainment for Carbon Monoxide (CO) and marginal non-attainment for Ozone (HC); and

WHEREAS, The CAAA of 1990 requires the Portland metropolitan area to demonstrate attainment with Ozone by 1993 and Carbon Monoxide by 1995; and

WHEREAS, Failure to meet attainment will result in the Portland metropolitan area being designated a higher non-attainment category and subject to stricter federal air quality regulations; and

WHEREAS, In order to stay in attainment the Governor appointed a Task Force in March 1992 to examine vehicle emission reduction strategies in the Portland metropolitan area; and

WHEREAS, The Task Force determined that to stay in attainment through 2007 reductions of 36 percent in Hydrocarbons and 20 percent in Nitrous Oxide were needed; and

WHEREAS, To meet the emission reduction targets, the Task Force reviewed a number of market-based and regulatory emission reduction strategies and recommended seven strategies for the base strategy plan, two for the contingency strategy plan and four for the safety strategy as identified in Exhibit A; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District:

1. Endorses the Task Force recommendations for the base, contingent and safety factor strategies as contained in Exhibit A.
2. Endorses using any revenues generated from the strategies for transportation emission reduction strategies including transit which may require referral of a constitutional amendment to the statewide voters.
3. Directs Metro staff through TPAC and JPACT to continue to review key issues and develop implementation strategies.
4. Directs Metro staff through TPAC and JPACT to participate in the development and review of legislation needed to implement Task Force recommendations as appropriate and necessary.

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____, 1992.

Jim Gardner, Presiding Officer

RBL:lmk
92-1718.RES
11-18-92

RECOMMENDATIONS OF THE STATE'S MOTOR VEHICLE EMISSIONS TASK FORCE*
(As adopted by TPAC on 11-24-92)

**Strategy to Maintain Compliance with federal Air Quality Standards
in the Portland area through 2007**

Objective: Maintain healthful air quality and remove Clean Air Act impediments to industrial growth while accommodating up to a 31% increase in population and associated 47% in vehicle miles travelled over the next 15 years.

Base Strategy

| | Date Implemented | Emission Reduction (%VOC / % NO _x) |
|---|------------------|---|
| 1. California 1994 Emission Standards for sale of new gasoline powered lawn and garden equipment. | 1994 | 6.1 / 0 |
| 2. High Option (Enhanced) Vehicle Emission Inspection. | TBD** | 17.5 / 9.0 |
| 3. Expansion of Vehicle Inspection Boundaries from Metro to Tri-County area. (Subject to further examination of exact boundary.) | TBD** | 1.0 / 0.5 |
| 4. Require 1974 and later vehicle models to be permanently subject to Vehicle Inspection. | TBD** | 2.4 / 0.8 |
| Phased in Vehicle Emission Fee*** based on actual emissions and mileage driven. -Starting 1994 at \$50 average (\$5 to \$125 range). -Reaching a \$200 average (\$20 to \$500 range) by 2000. | 1994 - 2000 | 5.0 / 5.5 |
| 6. Pedestrian, Bike, Transit friendly Land Use for new construction. | 1995 - 1996 | 5.2 / 4.4 |
| 7. Mandatory Employer Trip Reduction Program (50 or more employees). | TBD** | 1.2 / 1.1 |
| TOTAL EMISSION REDUCTION**** (Need 35.6% VOC / 20.2% NO_x by 2007) | | 37.1 / 20.6 |
| NET COST/BENEFITS: \$119 million/year savings, 8% traffic reduction, 11% energy savings | | |

Safety Factor Strategy

| | |
|---|-------|
| 1. Adequately Funded Public Education Program (\$1/vehicle/year). | 1994 |
| 2. Continue and improve public request for voluntary reductions in emissions on bad ventilation days. | 1993 |
| 3. Incident Management Program (rapid removal of accidents to minimize congestion) | TBD** |
| 4. Emission Standards for new outboard motors if and when California or EPA adopts such standards. | -- |

Contingency Plan Strategy

In the event the base strategy is insufficient to maintain air quality standards, the following strategies will be considered for adoption (as appropriate other strategies can also be adopted):

| | | |
|----|---|------------|
| | Reformulated gasoline (to be implemented no sooner than 2005). | 20.6 / 5.6 |
| 2. | Congestion Pricing. (Regional full scale application, subject to further research)***** | 8.6 / 7.8 |

* Established by the 1991 Oregon Legislature and appointed by the Governor.

** TBD - To Be Determined, but expected sometime in 1995-2000 period.

*** Revenue dedicated to provide better private/public transit service, selective free transit, mitigation of fee impact on low income households, and other incentive measures to provide lower polluting and less costly transportation. Will need constitutional amendment.

**** Total adjusted for strategy overlaps.

***** The Task Force also recommended immediate pursuit of a congestion pricing demonstration program.

RECOMMENDATIONS OF THE STATE'S MOTOR VEHICLE EMISSIONS TASK FORCE*

(As adopted by TPAC on 11-24-92)
(Revised and adopted by JPACT on 12/10/92)

Updated

**Strategy to Maintain Compliance with federal Air Quality Sta
in the Portland area through 2007**

Objective: Maintain healthful air quality and remove Clean Air Act Impediments growth while accommodating up to a 31% Increase in population and in vehicle miles travelled over the next 15 years.

Base Strategy

| | Date Implemented | Emission Reduction (%VOC / % NO _x) |
|--|------------------|---|
| 1. California 1994 Emission Standards for sale of new gasoline powered lawn and garden equipment. | 1994 | 6.1 / 0 |
| 2. High Option (Enhanced) Vehicle Emission Inspection. | TBD** | 17.5 / 9.0 |
| 3. Expansion of Vehicle Inspection Boundaries from Metro to Tri-County area. (Subject to further examination of exact boundary.) | TBD** | 1.0 / 0.5 |
| 4. Require 1974 and later vehicle models to be permanently subject to Vehicle Inspection. | TBD** | 2.4 / 0.8 |
| 5. Phased In Vehicle Emission Fee*** based on actual emissions and mileage driven. -Starting 1994 at \$50 average (\$5 to \$125 range). -Reaching a \$200 average (\$20 to \$500 range) by 2000. | 1994 - 2000 | 5.0 / 5.5 |
| 6. Pedestrian, Bike, Transit friendly Land Use for new construction. | 1995 - 1996 | 5.2 / 4.4 |
| 7. Mandatory Employer Trip Reduction Program (50 or more employees for a 5% reduction target.) | TBD** | 1.2 / 1.1 |
| TOTAL EMISSION REDUCTION**** (Need 35.6% VOC / 20.2% NO_x by 2007) | | 37.1 / 20.6 |

NET COST/BENEFITS: \$119 million/year savings, 8% traffic reduction, 11% energy savings

Safety Factor Strategy

| | |
|---|-------|
| 1. Adequately Funded Public Education Program (\$1/vehicle/year). | 1994 |
| 2. Continue and improve public request for voluntary reductions in emissions on bad ventilation days. | 1993 |
| 3. Incident Management Program (rapid removal of accidents to minimize congestion). | TBD** |
| 4. Emission Standards for new outboard motors if and when California or EPA adopts such standards. | -- |

Contingency Plan Strategy

In the event the base strategy is insufficient to maintain air quality standards, the following strategies will be considered for adoption (as appropriate other strategies can also be adopted):

| | |
|---|------------|
| 1. Reformulated gasoline (to be implemented no sooner than 2005). | 20.6 / 5.6 |
| 2. Congestion Pricing. (Regional full scale application, subject to further research.)***** | 8.6 / 7.8 |

* Established by the 1991 Oregon Legislature and appointed by the Governor.
 ** TBD - To Be Determined, but expected sometime in 1995-2000 period.
 *** Revenue dedicated to provide better private/public transit service, selective free transit, mitigation of fee impact on low income households, and other incentive measures to provide lower polluting and less costly transportation. Will need constitutional amendment.
 **** Total adjusted for strategy overlaps.
 ***** The Task Force also recommended immediate pursuit of a congestion pricing demonstration program.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1719 FOR THE PURPOSE OF ENDORING THE OREGON TRANSPORTATION FINANCING PLAN

Date: November 30, 1992

Presented by: Andrew Cotugno

PROPOSED ACTION

Endorsement of the Oregon Transportation Finance Plan, establishing a comprehensive, multi-modal statewide funding strategy with an immediate action plan for consideration by the '93 Legislature and a long-term action plan for future consideration.

FACTUAL BACKGROUND AND ANALYSIS

Three statewide planning efforts have formed the basis of the Oregon Transportation Finance Plan: the Oregon Roads Finance Study, the Oregon Rail Passenger Plan and the Oregon Transportation Plan. These efforts also encompass the Portland metropolitan area. The recommended financing plan is comprehensive in nature, with funding proposals to meet urban, rural and intercity needs statewide by all of the responsible service providers. ODOT, cities, counties, transit districts, ports, airports and metropolitan planning organizations are all affected. The recommendations are consistent with Metro Resolution No. 89-1035 which addressed the strategies for a comprehensive multi-modal approach in the Portland region.

Most of the recommendations are focused on statewide proposals for funding, including:

- . An increase of 4¢ on the gas tax plus associated truck weight-mile taxes for the next four years; a portion of this will allow traditional federal highway funds to be transferred to transit.
- . A \$15.00 vehicle registration fee increased in 1995.
- . Dedication of flexible federal highway funds (through the Surface Transportation Program (STP) funds) to transit capital.
- . Imposition of a tire and battery tax for transit capital and operating.
- . Implementation of an emission fee in the Portland region.
- . Referral of a constitutional amendment to allow at least the emission fee and tire and battery tax to be used for transit.

In addition, the proposals for funding the Highway trust Fund must also include legislative action to establish the split

between state, city and county jurisdictions. The current split is 60 percent state, 24 percent county; and 16 percent city. The new split will be based upon projected six-year "unmet" needs and will be approximately 50/30/20 (the exact split is still being determined). However, the split proposed for adoption by the Legislature will be approximately 58 percent to provide an added increment of 8 percent to ODOT to allow them to administer two "local" programs:

1. An STP Replacement Program. In FY 92, MPOs, cities and counties received \$19.8 million in federal STP funds for use on local projects. The share for the Metro area was \$9 million. In order to transfer the full amount of statewide STP funds to transit, the amount previously allocated to local areas will be replaced with increases from the Highway Trust Fund. These funds will be allocated to jurisdictions equivalent to the level of STP funds they "give up." Accordingly, in the future, Metro will be administering a State Highway Trust Fund program rather than a federal program. As such, these funds will be for constitutionally restricted purposes. In addition, any use of STP funds by Tri-Met must be approved in Metro's TIP.
2. A Local "Highway Bridge Repair and Replacement Program." The "unmet needs" for cities and counties include bridge needs. However, the allocation on the basis of population and registered vehicles is not reflective of where the needs are. By shifting this component of the local revenues and all of the federal bridge revenues to ODOT, it will be possible to administer a local bridge program based upon prioritized needs statewide. This should correct a deficiency in the past administration of the federal bridge program which was inadequate to meet bridge needs statewide. Under this program:
 - A share of the new State Highway Trust Fund revenues would be dedicated to local bridge repair and replacement;
 - A share of the federal bridge funds would also be dedicated to local bridge repair and replacement;
 - These would be suballocated into two accounts based upon the cost of unmet needs:
 - a) Large Willamette River bridges; and
 - b) All other bridges.
 - Projects would be selected from these two accounts based upon prioritization criteria reflecting the severity of need.

New bridges would not be handled in this manner since they are comparable to all other new highway needs.

Intergovernmental agreements between ODOT, the Association of Counties (AOC), the League of Cities (LOC) and Metro will be needed to define administrative procedures for these programs.

Finally, the splits are based upon an assumption that local revenue-raising measures are at least partially successful. The Financing Plan recommends local action as follows:

- Local option vehicle registration fees and gas taxes in the eight largest Metro areas and counties; and
- Use of traffic impact fees to properly assess growth.

Multnomah and Washington Counties already collect a gas tax (3¢ and 1¢, respectively) and Metro is considering referral of a local option vehicle registration fee to the voters.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1719.

ACC:lmk
11-30-92
92-1719.RES

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ENDORSING) Resolution no. 92-1719
THE OREGON TRANSPORTATION)
FINANCING PLAN) Introduced by
Councilor Richard Devlin

WHEREAS, Metro adopted the Regional Transportation Plan by Ordinance No. 92-433 identifying a comprehensive system of transportation improvements; and

WHEREAS, Metro adopted Resolution No. 89-1035 establishing a comprehensive financing strategy; and

WHEREAS, Metro has participated with the Oregon Roads Financing Study and the Oregon Transportation Financing Plan; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District:

1. Endorses the Oregon Transportation Plan.
2. Endorses the recommendations of the Roads Finance Study and Oregon Transportation Financing Plan as reflected in Exhibit A.
3. That it is recognized that some form of constitutional amendment will be required for transit finance.
4. That it is essential that a multi-modal financing package be implemented to address road, transit, bike, pedestrian, freight and air modes.
5. That it is understood that the split between state, city and county jurisdictions of new Highway Trust Fund revenues will be based upon a finalized forecast of six-year unmet needs

assuming partial success in implementing recommended local funding measures.

6. That the split of Highway Trust Fund revenues to the state will include an amount to allow the state to administer a "local" bridge repair and replacement program and a "local" replacement fund to allow federal Surface Transportation Program (STP) funds to be transferred to transit. The current STP Program includes a share for Portland metropolitan area jurisdictions administered by Metro. Intergovernmental agreements between ODOT, the Association of Counties, the League of Cities and Metro will be required to establish how these "local" funds will be administered.

7. That a phase-in strategy be designed to ensure funding for alternate modes is sufficient.

8. That continued consideration should be given to the effect of proposed revenue sources on economic competitiveness and to ensure that they reinforce modal objectives.

9. That further clarity is requested from ODOT on their schedule for updating or developing modal plans to be funded through these revenue sources.

Jim Gardner, Presiding Officer

ACC:lmk
92-1719.RES
11-30-92

Note: This paper summarizes a funding plan alternative prepared by Public Financial Management, Inc. (PFM) for consideration by the Oregon Department of Transportation (ODOT), League of Oregon Cities, Association of Oregon Counties, Oregon Transit Association, Oregon Roads Finance Study Policy Committee, Oregon Public Ports Association, Transportation 93, JPACT, and other interested parties. PFM serves as financial consultant to ODOT for the Oregon Transportation Plan (OTP).

While this funding alternative reflects input from numerous transportation interest groups, and is the result of deliberations by the 1993 Oregon Roads Finance Study, the Oregon Transportation Plan Financing Systems Policy Committee, and the Transportation 93 Group, it has not been adopted, nor is it being recommended by any of those groups. PFM, acting for ODOT, is seeking feedback from interested parties to this funding alternative prior to preparation of a recommended OTP Funding Plan for adoption by the OTC at its December 15, 1992 meeting.

Questions regarding this paper should be directed to Mark Gardiner or Gerda Newbold at PFM (Phone 223-3383), or to Mark Ford at ODOT (Phone 1-378-8273)

**OREGON TRANSPORTATION PLAN
DRAFT FINANCING PLAN ALTERNATIVE
November 1992**

I. OTP - The Multi-modal Oregon Transportation Plan and Intermodal Funding Plan

The Oregon Transportation Plan (OTP) is a multi-modal plan, incorporating all of the major modes of transporting people and goods in the state. The OTP is designed with the intention of using the public investments in the transportation to promote the accomplishment of State economic development, quality of life, environmental, and land use objectives. The plan is not only multi-modal because it incorporates more than one mode of transportation. The meaningful multi-modal nature of the plan results from the interdependence of the modes -- particularly as it relates to the ability to reduce road needs by making appropriate transit and transportation demand management investments.

For financial planning purposes, OTP investments are broken into five categories:

- Roads (State, Counties, Cities - includes bicycle & pedestrian investments)
- Transit (Tri-Met and "Downstate")
- Intercity Passenger Transportation
- Marine Rail Access
- Aviation

As noted above, these investments are inter-related. More than \$11 billion in road investments can be avoided by achieving the State's land use transportation goals for reducing vehicle miles traveled (VMT). This reducing in VMT is achieved through investment in transit operations and capital as well as changed land use patterns and transportation demand management. The funding plan is also multi-modal, and takes

advantage of the increased resources and flexibility offered by the federal Intermodal Surface Transportation Efficiency Act (ISTEA). This act for the first time allows certain portions of the federal transportation funding received by Oregon jurisdictions to be used for transportation solutions regardless of mode.

The funding alternative incorporates two elements which reflect this flexibility. The most significant is the use of Surface Transportation Program (STP) funds to fund transit capital. This program, which previously had been the Federal Aid Urban (FAU) and Federal Aid System (FAS) funding categories, now is almost totally flexible in use between transit and roads. The other major non-road portion of the ISTEA (other than dedicated transit funding) is the "Enhancement" program, which also is expected to be used for non-road purposes.

Flexibility, however is, in itself, enough to meet the investment needs of the Oregon transportation system. Significant additional funding is also required. In fact, PFM estimates that more than \$3.2 billion of additional funding (beyond current levels) will be required to meet the projected transportation needs in the first six years of the program, and that more than \$27.5 billion will be needed for the twenty years from 1993 to 2012. This additional revenue need is on top of the estimated \$40 billion to be received from the revenue system currently in place. (Note, these numbers reflect inflated -- as opposed to 1992 -- dollars, and therefore will not match the uninflated numbers used for initial purposes of the OTP).

II. Short Term (Six Year) OTP Funding Plan

To meet the investment needs of the Oregon transportation system, the funding alternative suggests a series of actions by ODOT and the Legislature to increase rates on existing revenue sources, enact new revenue sources, enable local governments to enact local revenues, and provide legislative authority for other, future funding actions. The funding alternative assumes that all of the current transportation funding mechanisms are left in place, with rates, base of calculation, and other factors undisturbed. Thus the Short Term Package concentrates creating the funding for unmet needs.

The package is broken into two parts:

A. Funding for the Initial OTP Program

Road - Preservation & Maintenance & Construction:

The largest dollar amount of the program, and the greatest need for additional revenues is in the preservation, maintenance, and construction of Oregon's roads, highways and bridges. The package dedicated for that purpose includes the following:

- o 4 cent gas tax and weight mile increases for 4 years (1994 through 1997).
A portion of this increase provides substitute funding in lieu of federal funding which would be dedicated to transit.
- o A \$15 Vehicle Registration Fee increase in 1995

Transit: -- Consistent, adequate operating support, capital funding needed to meet VMT Targets

The second largest dollar amount of transportation investment in the OTP is for transit capital and operating expansion. The Short Term plan would include the following actions related to transit funding:

- o Dedication of STP (federal flexible funding) to transit capital. The funding alternative assumes that this funding is phased in with a significant portion of STP funding in the first three to four years dedicated to roads.
- o Impose a tire and battery tax for purposes of increased transit operating and capital funding with a goal of providing \$4 to \$5 million annually for the initial period.
- o Provide statutory authority for payroll tax to replace lost property tax for transit operations in several large districts (excluding Tri-Met).
- o Referral of a constitutional amendment to allow creation of one or more major transportation-related revenue sources for transit and transportation demand management.

The Oregon Constitution prohibits the use of existing road funding mechanisms (gas tax, vehicle registration fee, etc.) for transit purposes. Additionally, the Oregon Supreme Court recently ruled that potential major new revenue sources, including proposed emissions fees on automobiles, would be subject to the constitutional constraints. The funding analysis indicates that some form of constitutional amendment will be necessary to meet the increased transit investment expected in the next six years.

- o State appropriation of approximately \$4 to \$5 million for increased operating support

Marine / Rail Access

The funding alternative suggests that those portions of port-related access projects which are not funded through road funding be prioritized for lottery funding as economic development projects.

- o Lottery funding for marine/rail access economic development projects

Aviation

The OTP anticipates investment in both commercial and general aviation airports to ensure appropriate air access throughout the state. The funding alternative suggest two sources for the aviation investment:

- o A 1/2 cent increase in the jet fuel tax for commercial airport projects
- o A 2 cent increase in the aviation gasoline fuel tax for general aviation airports

B. Initial Implementation for Future Funding Priorities

The OTP Short Term funding alternative also incorporates numerous activities and funding options implementation of which would begin in 1993. These include:

- o Creation of a Rail Fund and bonding authority for High Speed Rail and Light Rail Transit.
- o Authorization of a pilot project for congestion pricing.
- o Allocation of lottery funding for economic-development-related LRT and road projects.
- o Creation of a studded tire fee to offset increased maintenance costs.
- o Creation of an excise tax on bicycles and related accessories for non-road bike needs.
- o Imposition of local option vehicle registration fees and gas taxes in the largest metro areas and counties to meet urban road and highway needs.
- o Creation of a First Time Licensing Transportation Access Fee to contribute to growth-related road needs.
- o Repeal of the gasohol exemption to restore road funding capacity.
- o Authorize expansion of state in-lieu payroll payments for transit operations.

III. Long Term Program

The Long Term OTP funding program requires continued increases in funding sources to meet growth in needs, including:

- o Continued 4 cent increases in gas tax/weight mile (each year)
- o \$5 increase in VRF every 5 years
- o \$2 Increases in local option VRF every 5 years
- o Inflationary increases in excise taxes
- o Inflationary increases in Transportation Access Fees

The table on the following page shows the new revenues required for each transportation mode to meet the total projected investment in the OTP.

**Summary of New Revenues By Mode
In (\$000's)**

| New Road Revenues | 20 Years | 6 Years |
|--|---------------------|--------------------|
| First Time Transportation Access Fee | \$410,388 | \$103,848 |
| Local Option Gas Taxes (8 counties) | 1,545,239 | 160,515 |
| Local Option VRF - Tri-County | 415,190 | 85,008 |
| Local Option VRF - Other Metros | 283,084 | 57,960 |
| Gas Tax for Ethanol Blended Fuel | 67,600 | 67,600 |
| Excise tax - bikes and accessories | 32,066 | 5,802 |
| Lottery funding for trans eco-devo | 174,981 | 28,537 |
| Local Transportation Access Fees | 65,170 | 14,700 |
| Studded snowtire fee - statewide | 14,626 | 2,694 |
| Increased gas tax revenues | 11,276,000 | 719,000 |
| Increased weight/mile revenues | 5,388,000 | 265,000 |
| Increased VRF revenues | 1,184,395 | 161,539 |
| Total | \$20,856,739 | \$1,672,204 |
| New Tri-Met Revenues | | |
| Emission Fee - Portland Metro | \$3,485,950 | \$342,566 |
| Tire fee - statewide | 7,567 | 1,283 |
| Battery fee - statewide | 2,788 | 473 |
| Lottery funding for trans eco-devo | 1,224,865 | 199,760 |
| Local Transportation Access Fees | 13,965 | 3,150 |
| Total | \$4,735,134 | \$547,232 |
| New Downstate Transit Revenues | | |
| Tire fee - statewide | \$49,184 | \$8,336 |
| Battery fee - statewide | 13,939 | 2,363 |
| Lottery funding for trans eco-devo | 52,494 | 8,561 |
| Payroll tax - top six metros | 561,173 | 109,843 |
| Local Transportation Access Fees | 13,965 | 3,150 |
| Total | \$690,754 | \$132,253 |
| New Intercity Bus & Rail Revenues | | |
| Tire fee - statewide | \$18,917 | \$3,206 |
| Battery fee - statewide | 11,151 | 1,890 |
| Lottery funding for trans eco-devo | 297,467 | 48,513 |
| Total | \$327,535 | \$53,609 |
| New Marine/Rail Access Revenues | | |
| Lottery funding for trans eco-devo | \$239,205 | \$83,078 |
| Total | \$239,205 | \$83,078 |
| New Aviation Revenues | | |
| Increased Jet Fuel Tax | \$232,848 | \$42,251 |
| Total | \$232,848 | \$42,251 |

ERRATA SHEET
TO RESOLUTION NO. 92-1719

FOR CORRECTION TO PAGE 4 OF EXHIBIT A (DRAFT OTP FUNDING ALTERNATIVE) UNDER "B. INITIAL IMPLEMENTATION FOR FUTURE FUNDING PRIORITIES." ADD A BULLET TO READ AS FOLLOWS:

- . Requires further work to specify bike and pedestrian needs in order to meet the VMT reduction goal implied in this recommendation as a high priority.

92-1719.RES
ACC:lmk
12-8-92

STAFF REPORT

RESOLUTION 92-1712, FOR THE PURPOSE OF DESIGNATING THE REGIONAL GROWTH CONCEPTS TO BE EVALUATED IN PHASE II OF THE REGION 2040 PROJECT

November 17, 1992

By: Andrew Cotugno

BACKGROUND

The Region 2040 project includes three regional growth concepts. These are the result of public involvement efforts and initial technical analysis of possible choices for the region. Concept "A" accommodates expected regional growth by assuming the continuation of current trends through the implementation of currently adopted comprehensive plans and continued expansion of the urban growth boundary, tempered by the application of the Transportation Rule and the Regional Urban Growth Goals and Objectives. Concept "B", growing inside the existing urban growth boundary, accommodates expected growth by holding the urban growth boundary at its present location and encouraging more compact development patterns and a greater emphasis on transit. Concept "C", communities growing at the edge, accommodates forecasted growth to the year 2040 through some increases in development intensities inside the current urban growth boundary and the balance of growth accommodated in areas of concentrated urban development outside and not contiguous to the current urban growth boundary.

With the adoption of this resolution, the Metro Council will give direction to staff as to whether a reasonable range of regional growth concepts has been prepared and to proceed with further definition and evaluation. It also acknowledges directives from the newly adopted Metro Charter concerning growth management. Assuming approval, the more detailed variations of the regional growth concepts will be developed using the guidelines described in Exhibit "A", with the participation of technical staff from the region, advisory committee members and the Metro Council. When these detailed growth alternatives are completed and the cost and consequence data gathered, the citizens of the region can make known their preferences and the Metro Council can select a preferred alternative. This decision will guide further decisions of the Metro Council including a Federally mandated update to the Regional Transportation Plan and State mandated urban reserves and urban growth boundary policies.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution 92-1712, which provides a base for initiating the project's next work effort.

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

(revised 11/30/92)

| | |
|--------------------------------------|---------------------------|
| FOR THE PURPOSE OF DESIGNATING THE) | RESOLUTION NO. 92-1712 |
| REGIONAL GROWTH CONCEPTS TO BE) | |
| EVALUATED IN PHASE II OF THE) | Introduced by Rena Cusma, |
| REGION 2040 PROJECT) | Executive Officer |

WHEREAS, The Metro Council adopted the Regional Urban Growth Goals and Objectives ~~in order to ensure the region's livability is protected as growth occurs;~~ and

WHEREAS, ~~it is necessary to consider~~ ~~the region has called for the development~~ of alternative urban forms ~~for evaluation in considering ways~~ to implement the Regional Urban Growth Goals and Objectives; and

~~WHEREAS, The citizens of the region approved on November 3, 1992, Measure Number 26-3, granting a Charter to Metro which made growth management a primary function;~~ and

WHEREAS, The Region 2040 project has been undertaken to guide Metro in the management of the Portland metropolitan area urban growth boundary, ~~future amendment to~~ the Regional Transportation plan and to help ensure that transportation and land use are coordinated; and

WHEREAS, The Region 2040 project is intended to address the concerns of the region about the long-term aspects of growth in the region; and

WHEREAS, The approved work program for Region 2040 Phase I calls for Metro to determine a reasonable range of alternatives for accommodating growth to be evaluated in Phase II; and

WHEREAS, The Region 2040 project has completed a telephone survey of over 400 randomly selected citizens of the region about their concerns and values about growth; and

WHEREAS, Two series of workshops with the elected and appointed officials of the cities and counties of the region have been conducted in the spring and fall of this year concerning growth in the region; and

WHEREAS, Interviews with 52 representatives of public and private agencies and organizations from throughout the region have been conducted gathering their thoughts about growth in the region; and

WHEREAS, Two series of public workshops and open houses were advertised in the newspaper of general circulation as well as community newspapers, and were held during the spring and fall of this year and gathering public values and concerns about growth in the region; and

WHEREAS, 20,000 copies of a 12-page publication were prepared and distributed this fall which provided a background on possible growth choices and provided the opportunity for citizens of the region to add or amend growth concepts; and

WHEREAS, RTAC and TPAC, RPAC and JPACT have reviewed, revised and recommend the evaluation of these regional growth concepts; and

WHEREAS, growth choices depicted in the publication intend to show broad policy options and not to specify land use designations, transportation facilities or employment centers; now, therefore

BE IT RESOLVED,

1. That the Metro Council directs staff to begin evaluation of basic growth concepts as follows:

- Concept "A" continuing with current policies ~~accommodating~~ ; ~~which~~ accommodates forecasted growth to the year 2040 through ~~implementation of~~ currently adopted comprehensive plans and continued expansion of the urban growth boundary;
- Concept "B" growing inside the urban growth boundary ~~accommodating~~ ; ~~which~~ accommodates forecasted growth to the year 2040 by not enlarging the present urban growth boundary and increasing development intensities focused on transit inside the current boundary; and
- Concept "C" ~~satellite~~ communities growing at the edge ~~accommodating~~ ; ~~which~~ accommodates forecasted growth to the year 2040 through some increases in intensities of use inside the current urban growth boundary and by some growth occurring ~~in~~ areas of concentrated urban development outside the current urban growth boundary; ~~and Concept "D"/"E"/"F" (to be added as necessary in response to public comment).~~

~~2. That all of the above concepts will strive to be workable models and will endeavor to meet the intent of newly adopted policies and requirements including Metro's Regional Urban Growth Goals and Objectives and the State of Oregon's Transportation Rule and Urban Reserve Rule and the Clean Air Act of 1990.~~

~~3. 2-~~ That a base case for comparison purposes will be developed to provide an examination of the implications of implementing existing plans and policies not including new provisions of the State's Transportation Rule and Urban Reserve Rule, the Regional Urban Growth

Goals and Objectives of the Federal Clean Air Act of 1990 as recently amended. That detailed base data and assumptions will be provided for timely review to all TPAC and RPAC jurisdictions.

4. 3- That Examination of each growth concept will include the full tri-county area and take into consideration its effect on growth in Clark, Columbia, Yamhill and Marion Counties surrounding communities.

5. 4. That the concepts described above in 1, constitute a reasonable range of choice for regional growth alternatives. That a study of growth pressures will be completed in two parts. The first part will identify and analyze factors, both internal and external which influence growth and which describes how the growth options respond. The second part of the study will identify possible actions which may be taken to discourage or encourage growth and the feasibility of application.

6. 5. That the concepts described above in 1, could be designed in a myriad of ways and are subject to further technical definition, but that Exhibit "A" attachment "1" outlines the minimum set examples of variations for each concept basic elements of each alternative that will be examined further. The variations described in attachment "1" shall be evaluated. However, during Phase II of the project, other variations may be developed or proposed and Exhibit "A" attachment "1" is not intended to limit the possibility of other variations being evaluated tested.

6. That all concepts will strive to be workable models and will endeavor to meet the intent of newly adopted policies and requirements including Metro's Regional Urban Growth Goals and Objectives and the State of Oregon's Transportation Rule and Urban Reserve Rule as well as the Federal Clean Air Act as recently amended. (see #2, above)

7. That each concept will ~~incorporate an element related~~ ~~be evaluated in~~ relationship to the Greenspaces Master Plan.

8. That for each of the regional growth concepts, Region 2040 shall develop a further level of detail which facilitates evaluation in terms of livability, economic, governmental and social costs, benefits and impacts, ~~including the evaluation of public and private costs.~~ ~~That for each concept, Region 2040 shall develop a comparative analysis of public infrastructure and services.~~ Several variations to each concept may be considered. It is Metro's intention for the process of refinement and evaluation to be as inclusive as possible to encourage participation and ultimate consensus on alternatives.

9. ~~That the Region 2040 project shall be amended to 2045 to ensure requirements of the Metro Charter related to development of a "Future Vision" are addressed including establishment of a "Future Vision Commission."~~

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____ 1992.

Jim Gardner, Presiding Officer

Possible Refinements to Designated Regional Growth Concepts

For each concept there will be developed a further definition of detail sufficient to allow evaluation of impacts on liveability and economic vitality. Numerous variations of each concept are possible. The following are a minimum set that will be developed. During the development and further definition of the variations, it may be concluded that additional variations should be added. The following list is therefore a minimum that will be pursued, but is not intended to be an exclusive list which cannot be amended as deemed appropriate.

Concept "A" Continuing with Current Policies

The basic framework for Concept "A" is existing comprehensive land use plans and current urban growth boundary policies.

1. Concept "A" will be refined to determine the location for expansion of the urban growth boundary considering the following factors: a) contiguity with the existing boundary; b) a balanced consideration of factors 3 through 7 of Goal 14 and RUGGO, including accessibility of expansion areas to the jobs of the region, the ease of providing sanitary sewers and avoidance, where possible, of rural resource lands; and c) no expansion into floodplains or the Columbia Gorge Scenic area.
2. Two variations of the highway system would include: a) the Sunrise Corridor, Mt. Hood Parkway and Western Bypass as freeway/expressway level facilities; and b) the Sunrise Corridor, Mt. Hood and the Western Bypass as arterial, non-freeway improvements.
3. The Transit assumptions will include a basic radial transit system in which: a) the east-west light rail line from Gresham to Hillsboro will exist; b) there will be north-south light rail service connecting Milwaukie, Clackamas Town Center, Vancouver and Portland International Airport; c) there will be an additional radial light rail line to the southwest quadrant of the region; and d) the light rail and bus transit service level will be that described in the existing Regional Transportation Plan. A basic level of bicycle and pedestrian improvements would be included in this option.

Concept "B" Growing Inside the Urban Growth Boundary

A basic assumption of Concept "B" is that the current urban growth boundary would not be expanded.

1. Concept "B" will include accommodating the forecast growth for population and employment to the year 2040 inside the current urban growth boundary by a more intensive use of land

focused on transit. LUTRAQ and the Livable City projects would provide more specific local models for how land use intensification could occur in this concept focused on high capacity transit line intersections and transit "Main Streets."

2. Transit would be assumed to: a) have the most extensive transit level of service of any concept; b) consist of a radial high capacity transit system with an east-west component from Forest Grove to Gresham and north-south lines which connect areas north of Vancouver, Washington, Portland International Airport, Clackamas Town Center, Milwaukie and Oregon City; c) include an additional radial light rail line to the southwest quadrant of the region; d) include a circumferential high capacity transit system on the southern end of the region; and e) have a level of transit service consistent with that described in Tri-Met's proposed Strategic Plan. The highest level of bicycle and pedestrian improvements would be reflected in this option.
3. ~~The Highway system would: a) continue with the radial system currently in use, with expansions as necessary; b) include the arterial alternatives for the Western Bypass, Sunrise Corridor or Mt. Hood Parkway. Two variations of the highway system would include: a) the Sunrise Corridor, Mt. Hood Parkway and Western Bypass as freeway/expressway level facilities; and b) the Sunrise Corridor, Mt. Hood and the Western Bypass as arterial, non-freeway improvements.~~

Concept "C" Communities Growing at the Edge

A basic assumption of Concept "C" is that the current urban growth boundary would not be expanded in a contiguous manner. Rather, three satellite centers would be added as places to accommodate growth. An initial definition of satellite centers includes centers sized to accommodate 40-60,000 people, with alternative locations considered primarily on flatter, non-rural resource lands.

1. Approximately two-thirds of the forecast growth would be accommodated within the current urban growth boundary and the balance in satellite centers outside the current urban growth boundary as guided by forecasts of demand.
2. High capacity transit would be assumed to include both radial and circumferential lines, with service including: a) east-west from Forest Grove to Gresham, north-south from areas north of Vancouver Washington, to Portland International Airport, Clackamas Town Center, Milwaukie and Oregon City; b) a southern circumferential line; and c) an additional radial light rail line to the southwest quadrant of the region. Satellite centers would be provided high capacity transit service. The level of transit service would be less than that recommended in the Tri-Met proposed Strategic Plan, but higher than the current Regional Transportation Plan. A moderate level of bicycle and pedestrian improvements would be included in this concept.

3. Two variations of the highway system would include: a) the Sunrise Corridor, Mt. Hood Parkway and Western Bypass as freeway/expressway level facilities; and b) the Sunrise Corridor, Mt. Hood and the Western Bypass as arterial, non-freeway improvements.

Base Case

This base case will reflect past practices. Recently adopted but not yet implemented policies such as the Transportation Rule, Clean Air Act or the Regional Urban Growth Goals and Objectives will not be included. The light rail system will be limited to an east-west line from Gresham to Hillsboro with a modest level of transit service. Highway investment in transportation expansion will continue to lag behind growth. The base case will also assume that underbuilding, or development at less than the maximum densities allowed by existing comprehensive plans, will occur consistent with historical experience. In addition, the base case will assume that infill and redevelopment will continue to occur at existing rates.

~~Attachment "2"~~

~~Options for Addressing Slow or No Growth Concerns~~

~~There are three options¹ to choose how to address the Slow or No Growth Concerns. They are:~~

- ~~1. Include as a growth concept "D", a slow growth option.~~
- ~~2. Complete a study of growth pressures, describing the benefits and costs of growth, no growth and negative growth; identifying present actions that encourage growth and possible actions which could discourage growth; and evaluating urban form options in terms of their adaptability to different growth rates. Analysis of the top 4 or 5 forces that affect growth and would be affected by a change in growth policies should be emphasized.~~
- ~~3. Develop a policy process which provides a method of making policy choices including a range of concepts from encouraging growth to no growth to negative growth.~~

MT:lmk
92-1712.RES
12-1-92

~~¹All options should include consideration of the economic and environmental quality of life issues that would be affected by a slow growth approach.~~

Planning and Development
2000 S.W. First Avenue
Portland, OR 97201-5398
(503) 221-1646

DATE: December 2, 1992
TO: RPAC, JPACT
FROM: Andrew Cotugno
RE: Region 2040 Public Involvement Findings

Attached you will find a summary list of comments from the public regarding the draft growth concepts. Metro has sought the opinions of citizens, elected officials, local government staff, special interest and neighborhood groups, and stakeholders in the region about the range of growth concepts. Each group was asked; "Is this the right range of concepts to be considering or have we missed one? and, "Would you modify the concepts in any way?"

The following summary reflects responses we received from:

- sixteen briefings for special interest groups;
- thirty local government meetings;
- sixteen neighborhood coalition meetings;
- three open houses (Clackamas, Multnomah & Washington Counties);
- cable TV call-in program; and
- various other public written comments.

Our task is to decide what changes, if any, need to be made to the draft Resolution 92-1712 and its Exhibit "A" to address the comments received from the public about additions to the range of growth concepts. The attached comments listed in the category, **Fundamental Changes**, requires review and decisions on the part of the technical and policy committees of Metro and the resulting recommendations must be integrated into Resolution 92-1712 for adoption by Metro Council.

A summary of public comments relating to suggested modifications of the range of alternatives is also attached for your information. The suggested modifications can be addressed within the existing language of the draft Resolution 92-1712 and staff recommends their inclusion in Phase II as part of the concept refinement process. No action need be taken regarding the suggested modifications.

Public Comments on Region 2040 Draft Growth Concepts

11/30/92

The public comments on the regional growth concepts submitted during the Region 2040 Phase I planning process are summarized below. These comments represent the responses to the question asked; "Is this the right range of concepts to be considering or have we missed one?". Other comments offered, including likes and dislikes, or speculation as to the effectiveness of a specific concept are not included, as they will be part of the evaluation work to be completed in Phase II.

The comments that specifically address additions to the draft growth concepts are listed below for your review and consideration.

Fundamental Changes

Additional Urban Form Concepts

This category refers to the urban forms suggested by the public that are in addition to concepts A, B, and C that were presented in the tabloid. The suggested urban forms are:

Slow Growth Principle

- include a slow growth concept that accommodates less than the forecasted population growth
- promote growth in communities outside of our metropolitan area as a way to accommodate some the region's growth
- use a statewide approach - our metropolitan area has achieved its optimum size - state needs to encourage growth elsewhere

No Governance Principle

- reduce or eliminate government intervention

Radial Pattern

- use a spoke pattern of transportation improvements to serve small cities with access to green spaces between and around the communities

Contract UGB

- reduce the size of the existing UGB and concentration growth along rail lines inside

other

- use high speed rail as the guiding principle
- use greenspaces as the organizing principle for the regional form

Suggested Modifications

11/30/92

The public comments on the regional growth concepts submitted during the Region 2040 Phase I planning process are summarized below. These comments represent the responses to the question asked; "Would you modify the concepts in any way?". Other comments offered, including likes and dislikes, or speculation as to the effectiveness of a specific concept are not included, as they will be part of the evaluation work to be completed in Phase II.

The comments that are specific modifications to the draft urban form concepts are listed below for your information.

Suggested Modifications to Concept A

- Amend the first resolve to describe Concept "A" as "a continuation of current trends, as modified by the Transportation Rule and RUGGO and which accommodates forecasted growth to the year 2040 primarily through implementation of currently adopted local and regional policies..."; .
- allocate higher densities to new urban land concentrated at the edges of UGB
- urbanized area between Forest Grove and Hillsboro
- third bridge across the Columbia
- expand UGB only to the south (not east or west)
- use existing transportation corridors to the south I-205/Stafford Rd. to accommodate growth
- future expansion of the UGB should be considered in areas with large parcel patterns so that they can be master planned with high densities
- water transit
- connect Western Bypass to I-5 and create a beltline
- decentralized transit
- hybrid between A & B
- urbanize underdeveloped agricultural land between Hillsboro and Beaverton before moving the UGB

- LRT from Clackamas Town Center to Oregon City
- I205 LRT
- need additional transit if only two LRTs are built
- Hillsboro should be an employment center
- Gresham should be an employment center

Suggested Modifications to *Concept B*

- Amend Concept "B", so that it is clear whether or not the Barbur LRT is included as part of the southern "circumferential high capacity transit system...".
- water transit
- hybrid between B & C
- LRT along Beaverton Hillsdale Hwy and TV Highway to Hillsboro
- LRT to Northwest Portland
- LRT along I-5 through N/NE Portland
- LRT on Foster/Powell to I-205
- nodal centers as an option for accommodating higher densities
- co-housing
- Hillsboro should be an employment center
- Gresham should be an employment center

Suggested Modifications to *Concept C*

- Amend the attachment, so that it is clear that neo traditional development is a part of at least one variation of all concepts.
- move jobs out of Portland CBD to smaller communities
- make satellite communities conform to watershed boundaries
- future expansion of the UGB should be considered in areas with large parcel patterns so

that they can be master planned with high densities

- higher densities at the edge of the UGB around highway improvements
- water transit
- larger satellite communities
- decentralized transit
- North Plains as a satellite community
- greater distance between UGB and the satellite communities
- a satellite community east of I205/Powell the Johnson Creek area
- north/south transit in east Washington County
- edge cities should be special development areas, for example retirement communities
- Hillsboro should be an employment center
- Gresham should be an employment center

COMMITTEE MEETING TITLE JPACT

DATE 12-10-92

| NAME | AFFILIATION |
|-----------------------------|------------------------------------|
| M- <u>Earl Blumenauer</u> | <u>PORTLAND</u> |
| M- <u>Ed Weisgerber</u> | <u>Clackamas Co.</u> |
| M- <u>Mike Thorne</u> | <u>P.O.P.</u> |
| MA- <u>Steve Greenwood</u> | <u>DEQ</u> |
| MA- <u>Don Adams</u> | <u>ODOT</u> |
| MA- <u>Craig J. Tomneck</u> | <u>Cities of Clack Co.</u> |
| M- <u>LARRY COLE</u> | <u>CITIES OF WASHINGTON COUNTY</u> |
| M- <u>Roy Rogers</u> | <u>WASHINGTON County</u> |
| M- <u>Tom Walsh</u> | <u>Tri-Met</u> |
| M- <u>Jim Gardner</u> | <u>Metro</u> |
| M- <u>Pauline Caderson</u> | <u>Multnomah County</u> |
| M- <u>RICHARD DEVLIN</u> | <u>METRO</u> |
| <u>Andy Cooper</u> | <u>Metro</u> |
| <u>Keith Bartholomew</u> | <u>1000 Friends</u> |
| <u>Barbara MacCall</u> | <u>LUV</u> |
| <u>Howard Harris</u> | <u>DEQ</u> |
| <u>Lavinia Wihl</u> | <u>PORTLAND</u> |
| <u>DAVE Williams</u> | <u>ODOT</u> |
| <u>Bob Brannan</u> | <u>Parsons Brinckerhoff</u> |
| <u>Bill Ciz</u> | <u>ODOT</u> |
| <u>Michel West</u> | <u>ODOT</u> |
| <u>RICHARD ROSS</u> | <u>CITIES OF MULT. CO.</u> |
| <u>Jim Beard</u> | <u>DEC</u> |

COMMITTEE MEETING TITLE SPACT

DATE 12-10-92

NAME

AFFILIATION

Molly O'Reilly

citizen

ERIC HERST

OREGON TRUCKING ASSOC

John Hill

EDOT

RICK ROOT

C.O.B.

GEORGE LARKIN

THE LARKIN GROUP, INC.

STEVE DOTTERER

CITY OF PORTLAND STAFF

JIM MAYER

Oregonian

BRIE WARNER

WASH. Co.

JOHN FREGONESE

Metro

GB ARRINGTON

TRI-MET

Bob East

TRI-MET

Richard Brundage

Metro

JIM HOWELL

OREARP

KIM CHIN

C-TRAN

Bob Hart

RTC

Daryl Steffers

City of Beaverton

David Lohman

Part of Portland

Suzie Leesele

Part of Portland

Kathy Brown

Multi-County

ROD SANDER

Clackamas County

Susan McClain

Metro

M-Beenie Gussod

City of Gresham