



Portland Metro Area Value Pricing Feasibility Analysis

June 20, 2018



Clackamas County Board of Commissioners

Presentation Overview

- Pursuing freeway pricing in Oregon
 - Legislative & regulatory context
 - OTC process
- Overview of pricing concepts
- Recommendation framework
- Next steps



Congestion Relief in HB 2017

Bottleneck relief



Transportation options



Freight rail



Value pricing



HB2017 Section 120 - Value Pricing

Directs the OTC to:

- Seek **FHWA approval** to implement Value Pricing on I-5 and I-205
- If approved, “the commission shall implement value pricing to reduce traffic congestion.”



What is Value Pricing?

- Also known as “congestion pricing”
- Uses variable toll pricing to manage traffic congestion, improve reliability
- Tolls change depending on traffic conditions: rates go up when congestion peaks
- Goal is to use pricing to encourage options in travel choices
 - Other travel modes
 - Off-peak periods
 - Alternate routes (must balance diversion effects)



HB 5045 Budget Note

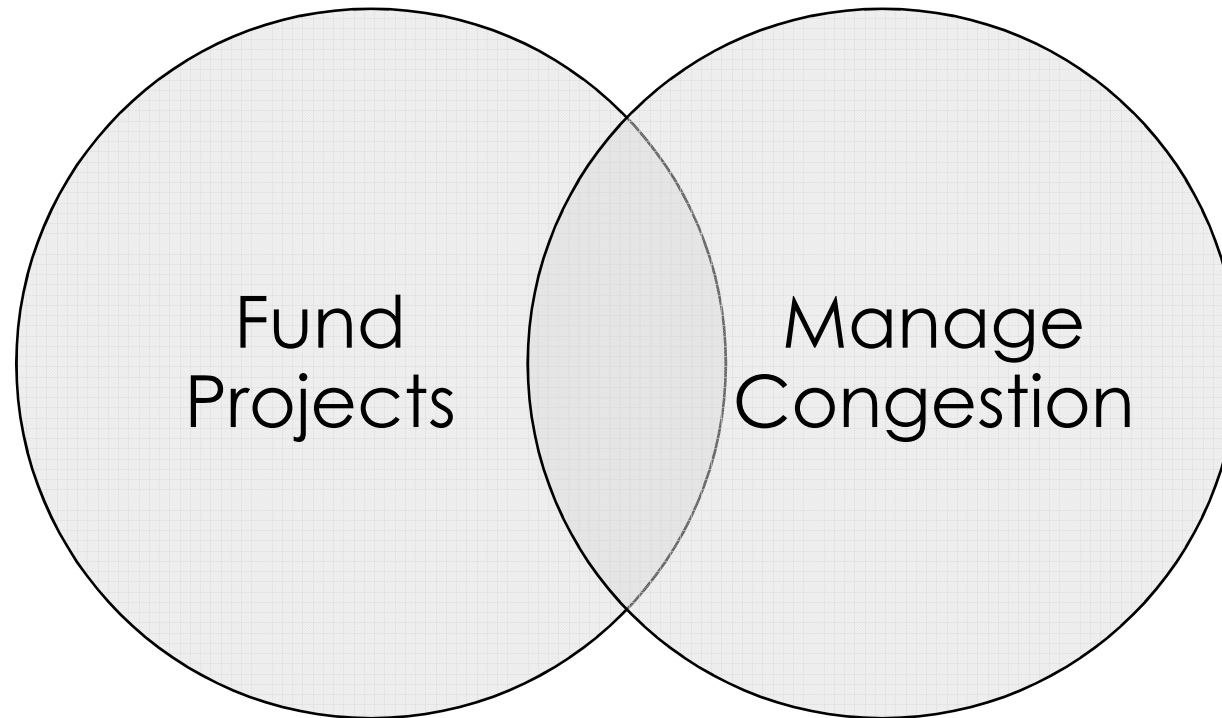
(ODOT) is directed to ensure an ongoing commitment to fully fund congestion relief on I-205, including but not

“...I-205 Stafford Road to Abernethy Bridge bottleneck...value pricing revenue shall be dedicated to I-205....”

“... (if) value pricing revenue is not sufficient, or should value pricing prove not to be a viable funding source,...Agency shall report to the Legislative Assembly...no later than the last legislative days in calendar year 2018.”

days in calendar year 2018.

Two Different Objectives



FHWA Tolling Policy

- FHWA has a “general prohibition” on tolling federal highways, with some exceptions
- Project Funding
 - Section 129 General Tolling Program
- Congestion management
 - Section 166 HOV/HOT program
 - Value Pricing Pilot Program (VPPP)



OTC process

Value Pricing Feasibility Analysis



Portland Metro Area Value Pricing

Policy Advisory Committee

Organizations Represented

Oregon Transportation Commission	Oregon Department of Transportation	Washington State Department of Transportation	Oregon Environmental Council
City of Portland	Port of Portland	Metro	City of Vancouver
Clark County	Clackamas County	Washington County	Multnomah County
TriMet	Ride Connection	AAA Oregon	Fred Meyer
Portland Business Alliance	Oregon Trucking Association	Westside Economic Alliance	OPAL Environmental Justice Oregon
Verde	The Street Trust	Community Alliance of Tenants	FHWA (ex officio)

Portland Metro Area Value Pricing

Policy Advisory Committee

PAC Charter – OTC Intent

Managing congestion: Value pricing used to manage (traffic) demand and encourage more efficient use of the transportation system....

Financing bottleneck relief projects: Value pricing used as a means to finance the construction of roadway improvements that address identified bottleneck Projects....



Portland Metro Area Value Pricing

Policy Advisory Committee

PAC Charter – factors to consider

- Traffic operations improvements
- Diversion of traffic
- Adequacy of transit service
- Equity impacts
- Impacts on the community, economy, and environment
- Revenue and cost
- Public input
- Consistency with state law/ policy and regional plans
- Feasibility under federal law
- Project delivery schedules



Portland Metro Area Value Pricing

Policy Advisory Committee

PAC Charter – priority recommendations

- **Where** and **what type** of concepts are the best fit?
- What mitigation strategies should be pursued to reduce the impact on **environmental justice** communities or **adjacent communities**?



PAC recommendation process

	PAC 4 April 11	PAC 5 May 14	PAC 6 June 25
Information/ Discussion	Strategies / current policies	<ul style="list-style-type: none"> • Mitigation report • Round 2 evaluation findings • Consultant Recommendation 	Draft: <ul style="list-style-type: none"> • Pricing concepts, • Mitigation priorities, • Other topics of PAC interest
Outcome	Identify benefits and strategies to address potential impacts	<ul style="list-style-type: none"> • Information • PAC discussion • Understanding 	Final PAC recommendations



Pricing Concepts



Types of Freeway Pricing



Bridge/highway
tolling



Managed
toll lanes



Key findings from Round 1

Priced Lanes

- Not operationally feasible in areas with only 2 lanes
- Freight is typically prohibited
- Limited revenue
- Equity trade off:
 - Maintains a “un-priced” lane
 - Highest toll amount per trip



Key findings from Round 1

Priced Roadway

- Highest level of congestion relief
- Highest revenue potential
- Equity trade-offs
 - No unpriced lane option
 - Can function with lower price, shared benefits



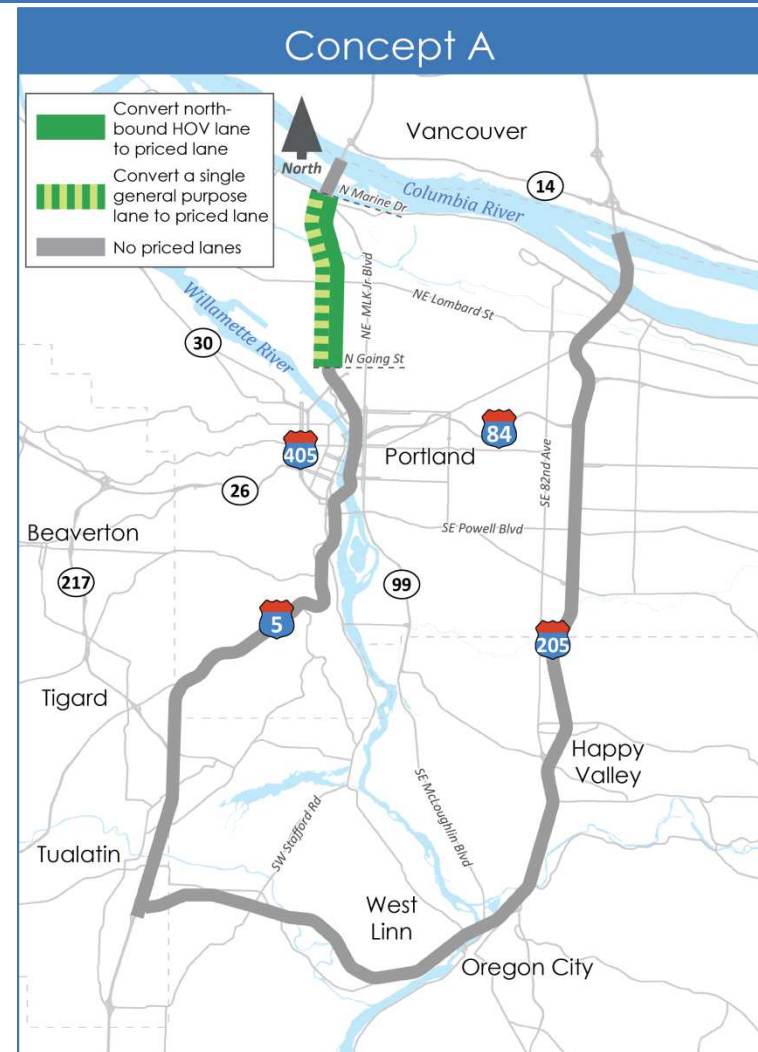
Pricing concepts under consideration



Concept A: Northern I-5 Priced Lanes

Key Findings

- Minimal congestion reduction
- Limited diversion
- Revenue and capital costs relatively low
- Maintains two unpriced lanes in each direction, but highest toll amount per user



Concept B: I-5 Priced Roadway

Key Findings

- Strong congestion reduction and time savings
- Modest diversion
- Dense network of transit and multi-modal facilities
- Significant revenue generation
- Lower per trip toll than single lane concepts



Concept C: I-5 & I-205 Priced Roadway

Key Findings

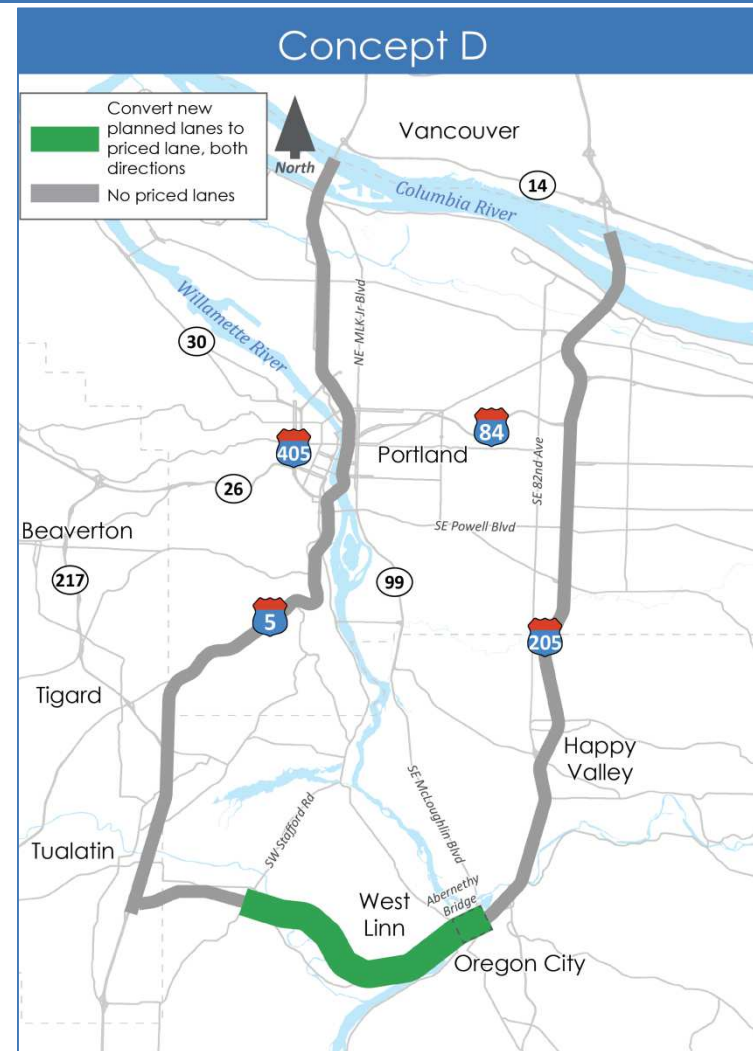
- Greatest potential for regional congestion reduction
- Higher probability of diversion
- Highly varied access to transit and multi-modal options
- Highest revenue potential
- Lower per trip toll than single lane concepts



Concept D: I-205 Priced Lane

Key Findings

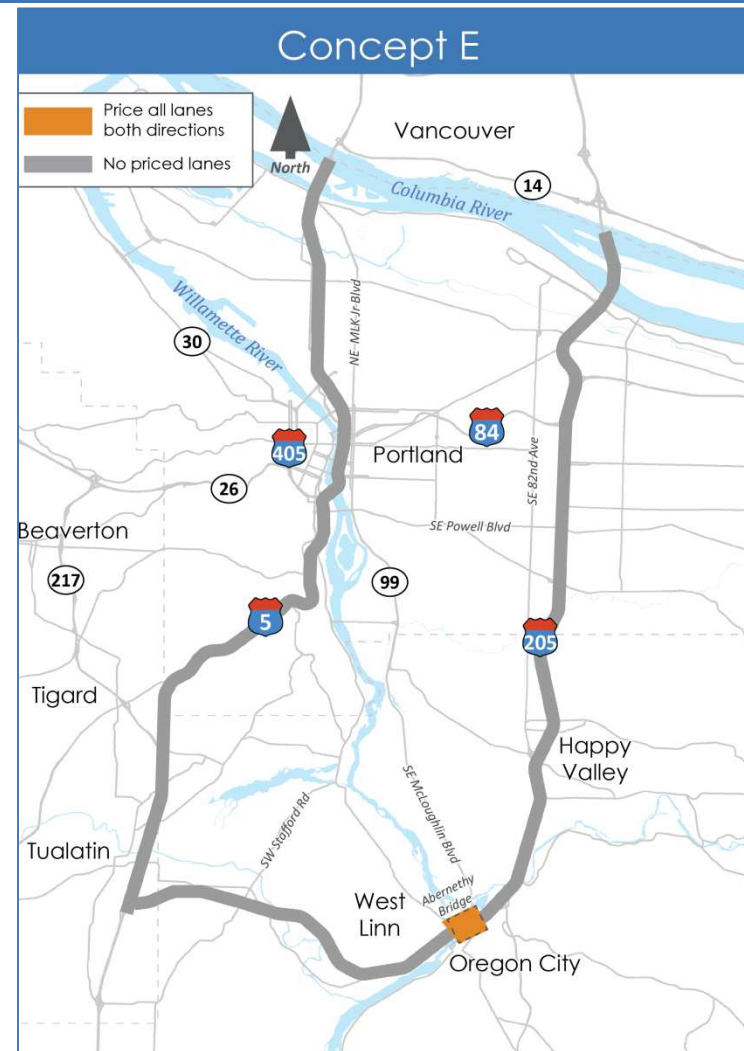
- Minimal congestion reduction
- Limited diversion
- Few transit and multimodal travel options
- Revenue and capital costs relatively low
- Maintains two unpriced lanes in each direction, but highest toll amount per user



Concept E: Abernethy Bridge Priced Roadway (tested for revenue potential)

Key Findings

- Can be implemented using variable toll rates
- Congestion reduction and travel time savings for drivers on I-205
- Some traffic diversion to I-5 and surface streets
- Mitigation strategies needed, such as increased transit service, low-income toll rates, others
- Potential funding for half or more of I-205 widening/bridge project



Recommendation Framework



Recommendation Framework

1	Recommendation context
2	Priority mitigation strategies
3	Pricing recommendation(s) (type and location)
4	Other topics important to the PAC
5	Individual PAC member comments



1. Recommendation Context

- ❑ The OTC is directed under HB2017 to submit a proposal to FHWA by the end of 2018
- ❑ PAC recommendation is advisory to the OTC
- ❑ This recommendation points is a first milestone in a longer term process
- ❑ More planning, analysis, mitigation development, and public engagement will be conducted

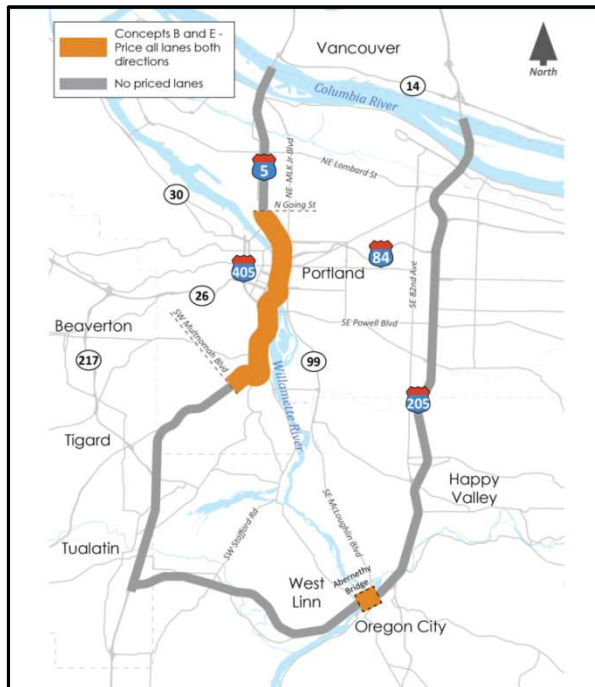


2. PAC Mitigation Priorities

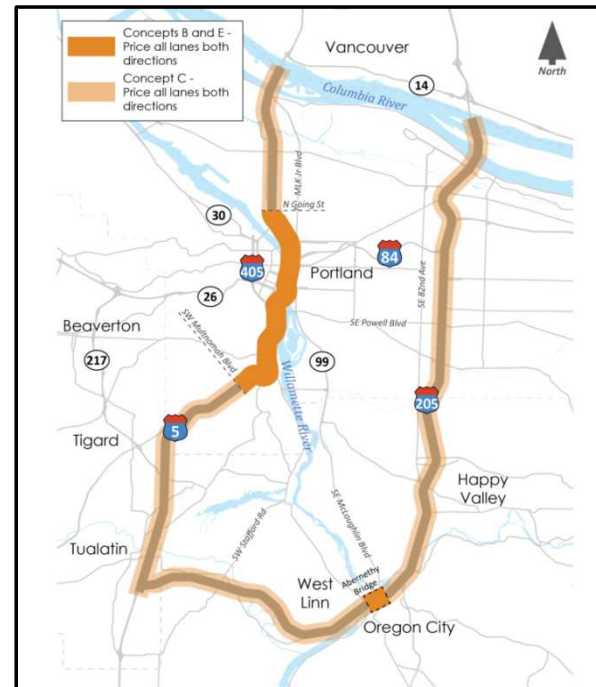
- ❑ **Improved transit** & other transportation options are essential strategies for equity & mobility
- ❑ Special provisions are needed for **low-income** populations
- ❑ **Diversion strategies** should be incorporated in design to minimize and mitigate negative impacts



3. Consultant recommendation



Initial implementation of **Concept B and Concept E**



Concept C in phases with **comprehensive** planning

Implement in conjunction with mitigation strategies

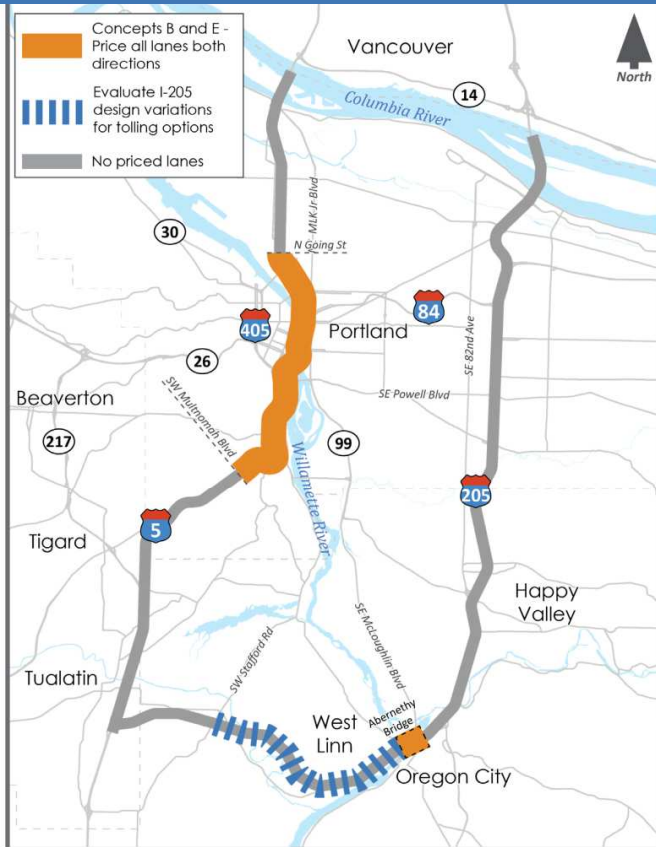


3. Comments on Recommendation

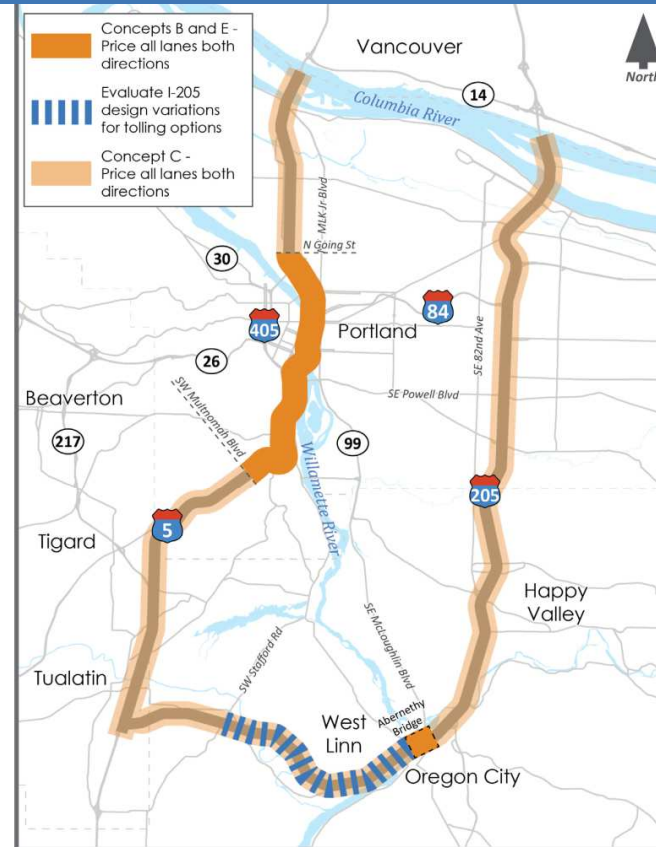
- “Pricing is a way to add capacity”
- “Pricing is a way to avoid adding capacity”
- “Support Concept C as a vision & identify B and/or E as first step”
- “Support for Concept C as an initial project”
- “Modify E to include I-205 lane widening (D)”



3. Modified recommendation



Initial implementation of **Concept B** and **Modified E**



Concept C in phases with comprehensive planning



4. Other key issues from the PAC

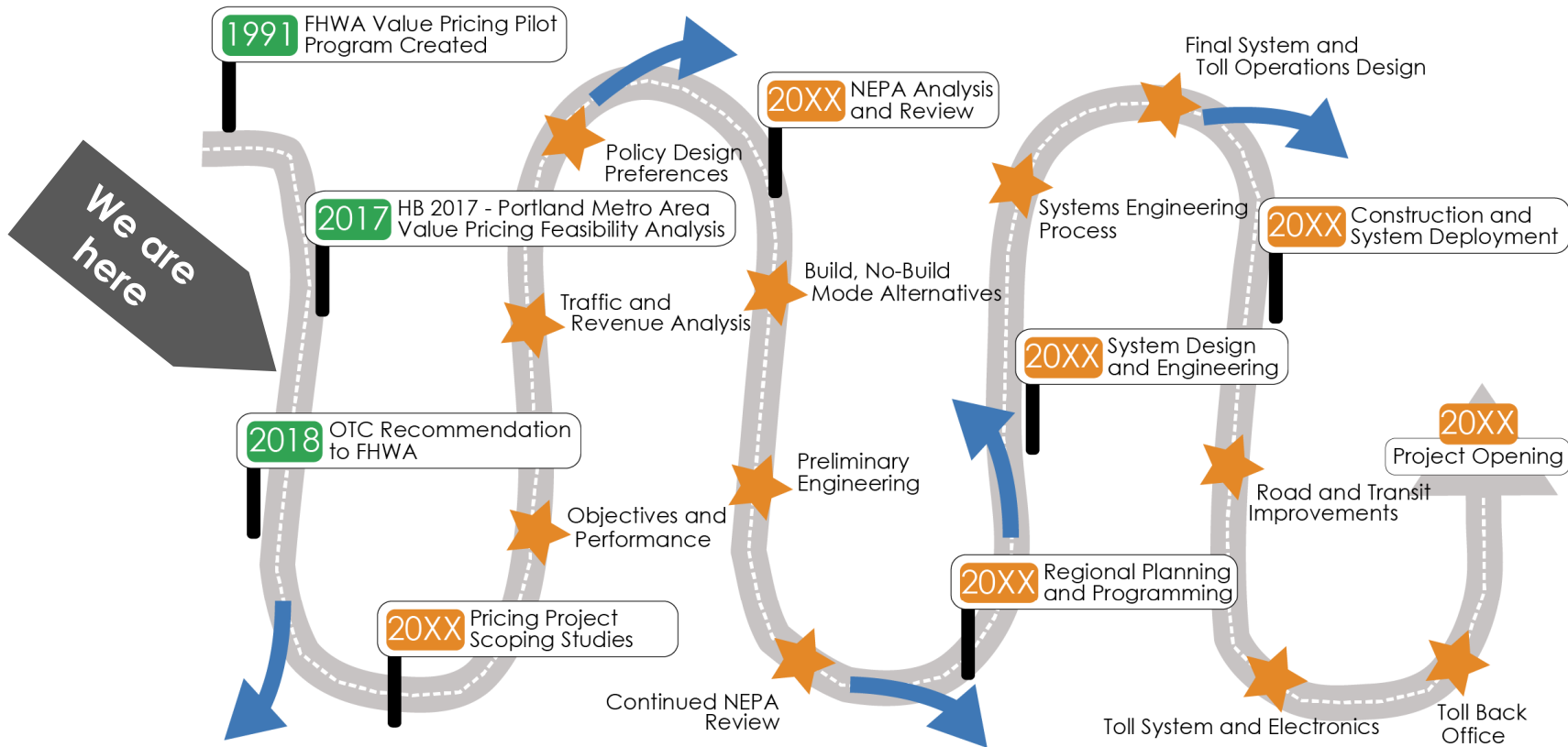
- ❑ Pricing analysis and planning are needed for the **regional freeway system**.
- ❑ As the region grows, we need to **plan for adding roadway & transit capacity** in pricing environment.
- ❑ Acceptance of pricing is tied to how the **revenue is used**. Revenue should be used for congestion relief in the region where tolls are collected.



June 25	Final PAC Meeting Finalize recommendation(s): location, type, mitigation strategies
July 12	Special OTC Meeting Present PAC recommendation(s) to OTC & host public comment
Aug 16/17	Regular OTC Meeting OTC decision/direction to ODOT on proposal to FHWA
Nov 16	Regular OTC Meeting Draft proposal to FHWA presented to OTC for approval
Dec 31	Application to FHWA Proposed plan for implementing value pricing due to FHWA



Roadmap



Legend

- "Off-ramps" from implementing pricing
- Start of major project phase
- Project milestones

