



METRO

Agenda

MEETING: METRO COUNCIL WORK SESSION
DATE: September 22, 2009
DAY: Tuesday
TIME: 2:00 p.m.
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | | |
|----------------|-----------|--|---|
| 2:00 PM | 1. | DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, SEPTEMBER 24, 2009/ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS | |
| 2:15 PM | 2. | IMPLEMENTATION OF HB 2001, OREGON JOBS AND TRANSPORTATION ACT | |
| | | <ul style="list-style-type: none">• EFFICIENT FEE STUDY• STIP CRITERIA• LEAST-COST PLANNING• EARMARKED PROJECTS• PRACTICAL DESIGN• CONNECT OREGON III• URBAN TRAIL FUND• COUNTY REGISTRATION FEES | Doug Anderson
Ted Leybold

Anthony Butzek
Deborah Redman
Lake McTighe
Andy Shaw |
| 3:00 PM | 3. | INTERIM STUDIES/HEARINGS | Randy Tucker |
| 3:20 PM | 4. | CONGESTION PRICING | Andy Cotugno |
| 3:50 PM | 5. | GHG PLANNING | Mike Hoglund |
| 4:30 PM | 6. | COUNCIL BRIEFINGS/COMMUNICATION | |

ADJOURN

METRO COUNCIL
Work Session Worksheet

Presentation Date: Sept. 22, 2009 Time: 2:15 pm Length: 2 hours plus

Presentation Title: Implementation of HB 2001, Oregon Jobs and Transportation Act

Service, Office, or Center:

- Strategy Center
- Planning and Development
- Finance and Administrative Services
- Research Center

Presenters (include phone number/extension and alternative contact information):

See below (Presentation coordinator: Randy Tucker, Strategy Center, x1512)

ISSUE & BACKGROUND

The 2009 Oregon Legislature passed House Bill 2001, the Jobs and Transportation Act. This bill was the result of several years of advocacy, a year of meetings by various committees established by the Governor, and months of negotiations during the session. The bill as passed is wide-ranging: it raises new revenues, limits local revenue-raising authority, allocates other state funds, earmarks specific projects, calls for studies and pilot projects, and addresses a number of policy areas.

This work session, requested by the Council during the 2009 legislative report at the August 6 Council meeting, will address the elements of HB 2001 that affect or are of interest to Metro in various ways. It is anticipated that in the future these issues will not all be considered at the same time since the main thing they have in common is that they all appear in the same bill. However, because the bill has launched several transportation-related processes at the same time, it makes sense to provide this update on the various elements.

Please note that HB 2001 has not yet officially gone into effect, and some of these items have not yet received a lot of attention at ODOT or elsewhere. Many of these presentations are primarily informational in nature, and only a few elements of HB 2001 have significant workload or political implications for Metro.

Order and schedule of work session:

Order	Maximum times	Section of bill	Topic	Presenter
1	45 minutes for items 1-8	30	Efficient fee study	Doug Anderson, x1788
2		17	STIP criteria	Ted Leybold, x1759
3		6	Least-cost planning	
4		64	Earmarked projects	
5		19	Practical design	
6		8	ConnectOregon III	Deborah Redman, x1641
7		31	Urban Trail Fund	Lake McTighe, x1660
8		41	County registration fees	Andy Shaw, x1746

9	20 minutes	1	Interim studies/hearings	Randy Tucker, x1512
10	30 minutes	3	Congestion Pricing	Andy Cotugno, x1763
11	40 minutes	37-39	GHG planning	Mike Hoglund, x1743

OPTIONS AVAILABLE

See attached sheets on individual elements of HB 2001.

IMPLICATIONS AND SUGGESTIONS

See attached sheets on individual elements of HB 2001.

QUESTION(S) PRESENTED FOR CONSIDERATION

See attached sheets on individual elements of HB 2001.

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes __No

Not at this time.

DRAFT IS ATTACHED __Yes __No

**Information on specific elements HB 2001
Metro Council Work Session – September 22, 2009**

TOPIC #1: “Efficient Fee” Highway Cost Allocation Study

PRESENTER: Douglas Anderson

BILL SECTION(S): House Bill 2001 Section 30

- Requires the Oregon Department of Administrative Services (DAS) to prepare a second highway cost allocation study known as the *efficient fee study*.
- Specifies that the efficient fee study must consider the actual costs users impose on the highway system, including but not limited to highway replacement costs, traffic congestion costs and the cost of greenhouse gas emissions.
- Directs DAS to report the results of both the highway cost allocation study and the efficient fee study to the next legislative assembly. The report must include recommendations for legislation to implement the efficient fee method of cost allocation.

BACKGROUND: The Highway Cost Allocation Study (“HCAS”) is a biennial analysis of highway expenditures and revenues. It is managed by the State Economist and serves two main purposes:

- To determine the amount that each class of vehicle should pay for state highway costs, consistent with the constitutional requirement that such payments are “fair and proportionate to the costs incurred” by each class of vehicle.
- To recommend adjustments to existing tax rates and fees to bring about a closer match between the payments by each vehicle class and the cost responsibility of each vehicle class.

The HCAS is the main instrument used during legislative sessions to inform changes in the gasoline tax, weight-mile taxes, and vehicle registration fees—and in particular, changes that are needed to meet the constitutional mandate.

The Efficient Fee Study will differ from the conventional HCAS in that fees and taxes (including, most likely, new types of fees and taxes) will be based on recovering the full and true costs of highway usage, rather than ODOT’s budgeted expenditures, which is the case with the conventional HCAS. The main challenges for the Efficient Fee Study will be in determining these true costs, and finding means of implementing the charges.

What is an “efficient fee”? *Economic efficiency* refers to the condition in which the use of resources is optimized. An efficient highway fee is therefore the price (or set of prices) which would motivate consumers to utilize the highway system optimally.

The Transportation Research Board defines efficient pricing as

... a system of setting prices for the use of highway facilities so that each vehicle pays the costs it imposes *at the time and place it is traveling*. It promotes the most efficient use of existing facilities and generates the right amount of revenue to build the most efficient system and perform the optimal amount of maintenance [*emphasis added*].

So, for example, congestion pricing can be a type of efficient fee if it captures all of the costs that each user imposes on the system—including external impacts on other drivers—and charges them back to

the user. If the price is set correctly, theoretically users would react by adjusting the level, time and/or location of their highway demand, leading to an improved if not optimal use of the system.

Are current fees and taxes “efficient”? Not in the sense defined above. As with most public goods, the fees and taxes that pay for the highway system rise and fall with public expenditures, and not (directly) with user demand. The current gasoline tax, for example, is highly correlated with average road usage and probably plays a role in the overall level of demand. But it is ineffective in sending price signals that would affect (for example) the time of day that a user chooses to travel. The fee for an efficiently-priced good, on the other hand, would rise and fall with demand and thereby play a role in allocating resources more efficiently, as the congestion pricing example above suggests.

Why haven’t “efficient” fees been implemented? There are many hurdles, and we offer only a sampling here. One barrier is information: the data to calculate the fees do not exist at present. Another is technology: the means of implementing most types of efficient prices is not readily available (toll roads notwithstanding).

A major issue is unpriced goods—externalities, *e.g.*, noise, congestion, greenhouse gas emissions. Unpriced goods are part of the true cost of highway usage. But which of these costs should be included and which excluded? And how should we measure them? For example, the cost of highway noise on neighbors. How should that cost be quantified? At what distance from the highway do those costs disappear? If we recognize negative externalities, should we recognize the positive as well, such as the value of economic development due to a new highway interchange?

Because the Efficient Fee Study must include legislative recommendations, the study will likely identify and comment extensively on implementation hurdles.

Other resources. The Oregon state Office of Economic Analysis maintains a HCAS website that includes previously-published studies and other information: www.oregon.gov/DAS/OEA/highway.shtml

The Transportation Research Board recently published a study of state HCASs with extensive references to the Oregon experience: http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_syn_378.pdf

QUESTIONS FOR CONSIDERATION: This study will be managed by the state economist and done for the state as a whole. Metro staff plan to monitor the progress of the study, from specification, through methodology, research and findings, to conclusions and recommendations.¹

1. How would councilors like to be updated? How frequently? For example, on a regular cycle such as bimonthly; or as project milestones are reached?
2. What types of information would councilors like to receive?
3. Would the council like to provide input to the process? If so, staff can recommend options.

¹ The author has served on the State Economist’s Study Review Team (“SRT”) for the last two HCASs. The SRT is an expert advisory panel to the State Economist on the HCAS. The author does not represent Metro on the SRT, but organizational affiliations are known and made public. The next SRT appointments will be announced this fall.

TOPICS #2, 3 and 4: Least-cost planning and project development tool, selection criteria for STIP projects and funding of specific projects

PRESENTER: Ted Leybold

BILL SECTION(S): House Bill 2001 Sections 6 & 7, 17, and 64

- Requires the Oregon Department Transportation to develop a least-cost planning model for use as a decision-making tool in the development of plans and projects at both the statewide and regional levels, and to submit a progress report, including any recommendations for legislation, on the development of a least-cost planning model by 2/1/11.
- Requires the Oregon Transportation Commission to work with stakeholders to review and update the criteria used to select projects within the Statewide Transportation Improvement Program (STIP).

When revising the criteria, the Commission shall consider congestion, safety, operational effectiveness, reduction in need for further highway capacity, freight, economic growth, cost/benefit, livable communities, environmental stewardship and community sensitivity, and reduction in green house gases and foreign oil.

- Requires ODOT to use \$840 million of revenue from the bill to fund a list of 37 specific projects.

BACKGROUND: The Oregon Department of Transportation (ODOT) develops a statewide Transportation Plan and modal components (highway, freight, public transit, etc.) of that plan and participates in the development of long-range transportation plans at the MPO level (including Metro’s Regional Transportation Plan). ODOT also develops the Statewide Transportation Improvement Program (STIP) as the means to prioritize projects and services for funding. In MPO areas, the department proposes these projects and services through participation in the development of the Metropolitan Transportation Improvement Program (MTIP).

What is least cost planning? *Least cost planning* is defined in the legislation as “a process of comparing direct and indirect costs of demand and supply options to meet transportation goals, policies or both, where the intent of the process is to identify the most cost-effective mix of options”.

ODOT intends to use the STIP Stakeholder committee to develop recommendations on the updated criteria for STIP project selection and for the implementation of a least-cost planning decision model for use in prioritizing projects as a part of the STIP process. I serve on the STIP stakeholder committee as a representative of JPACT.

The specific projects funded in the bill that are located within the Metro boundary will need to be amended into the Metropolitan Transportation Improvement Program (MITP) prior to being eligible for inclusion in the STIP. JPACT and the Metro Council will be asked to consider a Metro resolution in order to amend the MTIP. The projects and funding include:

- I-84 at 257th Avenue (Troutdale) interchange: \$24 million
- OR 212 (Sunrise Corridor) Phase I, Units 1, 2, 3 \$100 million
- US 26 at Shute Road interchange Phase I \$45 million
- US 26: 185th Avenue to Cornell Road widening \$20 million
- I-5 at I-205 interchange \$11 million
- OR 43 at Sellwood Bridge interchange \$30 million

- US 26 at Glencoe Road interchange (Not in MTIP): \$32 million

Other resources. ODOT maintains a website that summarizes current statewide transportation plans at: www.oregon.gov/ODOT/TD/TP/ortransplanupdate.shtml

The current STIP project prioritization process and decision making factors are located on the ODOT website at: www.oregon.gov/ODOT/HWY/STIP/index.shtml

QUESTIONS FOR CONSIDERATION

1. How should JPACT and the Metro Councilors be updated and provided opportunity for committee input?
2. Are there particular policies or concerns that should be identified to the committee at this time?

TOPIC #5: Practical Design

PRESENTER: Anthony Butzek

BILL SECTION(S): House Bill 2001 Section 19

This section requires ODOT to implement transportation design practices that follow the concept of “practical design”. Practical design standards should incorporate maximum flexibility in the application of standards that reduce project costs while enhancing safety and mobility. ODOT is to report in November 2010 as to how they will do this.

BACKGROUND:

Practical design can be interpreted several ways.

- In a Value Engineering (VE) approach, design features may be minimized to reduce total cost. This has been the approach of some other state DOTs. Features such as shoulder width, pavement depth, and sidewalk width may be reduced from standard to minimize costs.
- In a Context-Sensitive Solutions (CSS) approach, flexible design standards allow for flexible roadway geometrics so that a safe and efficient transportation facility can be constructed within the site context. *Metro’s Best Design Practices in Transportation* handbooks, including *Creating Livable Streets* and *Green Streets*, encourage such an approach, as does ITE’s *Context Sensitive Solutions* (CSS) manual. This can allow for projects which prioritize multimodal travel and fit better within the surrounding community, versus projects in which the auto capacity needs dictate most everything else.
- ODOT already has special standards for Special Transportation Areas (STAs) and Urban Business Areas (UBAs) that are more flexible – and more urban – than their general design standards. This is an example of a CSS approach that may be most appropriate in an urban setting.
- A VE approach may be appropriate for projects which target mitigation of a specific problem(s), in order to allow for minor improvements without having to upgrade to full standards. The benefits of this are controlling project costs and avoiding fixing what ain’t broke.

Metro’s role

- Metro may prefer that a CSS-focused approach be developed specifically for urban areas. While limiting costs is important in both urban and rural contexts, urban contexts provide the additional constraint of needing to support adjacent neighborhoods and communities. A CSS-focused approach could encourage ODOT staff to implement designs that prioritize multimodal travel and minimize community impacts in urban areas.
- Metro may prefer that separate practical design approaches are taken in urban and rural areas.
- It is unknown whether Metro will be invited to participate in the development of ODOT’s practical design approach. Metro staff is supportive of our participation, including the promotion of consistency with our regional guidelines.

QUESTIONS FOR CONSIDERATION:

- Should Metro be a participant in the development of ODOT’s approach?
- If yes, how should we participate?
- To what outcome should our participation be focused?

TOPIC #6: <i>ConnectOregon III</i>

PRESENTER: Deborah Redman

BILL SECTION(S): HB 2001 Sections 8, 9 and 10 provide for the following:

1. Section 8 provides authorization for the use of lottery bond proceeds based on the following findings excerpted verbatim from HB 2001:
 - a) There is an urgent need to improve and expand publicly owned and privately owned transportation infrastructure to support economic development in this state.
 - b) A safe, efficient and reliable transportation network supports the long-term economic development and livability of this state.
 - c) A multimodal network of air, rail, public transit, highway and marine transportation moves people and goods efficiently.
 - d) Local governments and private sector businesses often lack capital and the technical capacity to undertake multimodal transportation projects.
 - e) Public financial assistance can stimulate industrial growth and commercial enterprise and promote employment opportunities in this state.
 - f) Public investment in transportation infrastructure will create jobs and further economic development in this state.
2. Section 9 provides for the *ConnectOregon* fund to receive \$100 million of lottery bonds to finance grants and loans for transportation projects implemented through the program.
3. Section 10 allocates five percent of the net proceeds of the bonds to rural airports; this provision is intended to leverage federal dollars available for this purpose.
4. Section 10 also allocates 10 percent of the net proceeds (\$10 million) to each of five regions described in the bill; Metro is in "Region one," which includes Clackamas, Columbia, Hood River, Multnomah and Washington counties.

BACKGROUND: This is the third straight regular session in which the Oregon Legislature has authorized the use of lottery bonds to support the popular *ConnectOregon* funding program for non-highway freight-related projects that stimulate and support jobs and the economy in the state. Oregon Department of Transportation (ODOT) staff is developing guidance and application forms.

The application submission period begins October 1, and extends through November 20, 2009. Various levels of review extend from December 1, 2009 through mid-June 2010, when the Oregon Transportation Commission (OTC) will hear final recommendations. OTC approval of *ConnectOregon III* projects is scheduled for the Commission's August 2010 meeting.

Program funding:

1. *ConnectOregon III* will be funded at the \$100 million level, with \$94.5M directed to projects and \$0.5M allocated to administrative costs over the life of the projects.
2. Each *ConnectOregon* region is allocated a minimum of 10% (\$10M).

What's new or changed in *ConnectOregon III*:

1. HB 2001 (Section 10) made a new allocation for *ConnectOregon* III - 5% is allocated to rural airports in Oregon. The 5% does not come off the top of the \$100M. It can include rural airport projects from all five regions. Rural airports include airports that are non-towered, and airports that are not within a Standard Metro Statistical Area of 500,000 population.
2. There are new requirements for applicants to submit a more detailed budget than was required in *ConnectOregon* II. Each mode is preparing a budget template to be included in the *ConnectOregon* III Instructions to Applicants. A modal budget must be attached to each application.
3. Evaluation questions and better tiering instructions are being developed to assess the degree to which a project is an economic benefit to the state.
4. Based on good experience with ODOT modal staff's review of applications for feasibility during *ConnectOregon* II, ODOT will not use a consultant to complete the project Feasibility Review, but will complete that review in-house.

How proposed projects are reviewed:

1. There are five modal review teams: Rail Advisory Committee, Transit Advisory Committee, Board of Aviation, Oregon Freight Advisory Committee, and the Marine Advisory Committee housed within Oregon Business Development Department.
2. There are also five regional review committees: one committee from each *ConnectOregon* region. Regional review teams consist of either representatives from one ACT (if a region has only one) or two members from each ACT within the region.
3. Note that Region 1 review is set up differently because of its structure. Matt Garrett appoints the representatives for the Region 1 review committee.

Project parameters

The review teams, both modal and regional, are looking for projects that are well defined and that can improve the overall transportation system in Oregon. More guidance will be included in the instructions to the applicants, but is not now available.

QUESTIONS FOR CONSIDERATION: Informational presentation only.

TOPIC #7: Urban Trail Fund

PRESENTER: Lake McTighe

BILL SECTION(S): 31

BACKGROUND: HB 2001 created an “Urban Trail Fund”, to be administered by ODOT, “to develop and maintain within urban growth boundaries multi-use trails for nonmotorized vehicles and pedestrians that supplement or provide links to roads, highways, footpaths, bicycle trails, and public transit”. This is the first time that state transportation dollars have been allocated to trails.

The fund contains \$1 million in “seed money.” The funding comes from the snowmobile fund, which is constitutionally limited to recreational use. This should not prove to be an issue for biking trails used for commuting purposes as many trails can be used for other use in addition to recreational use. The language creating the fund also clearly specifies the direct links to other forms of transportation, emphasizing the transportation element. Other sources of funding can contribute to the fund, including private sources.

The funding will need to be programmed to specific projects. It is likely that ODOT’s “Bicycle Lane and Path Advisory Committee” (the group that programs the “1% for bikes”) will be involved in programming the money.

Issues for consideration and/discussion:

1. Metro and other stakeholders will need to work with ODOT to develop the process and criteria for distributing funding from the Urban Trail Fund.
2. The Urban Trail Fund provides a good platform to address the need for increased investment in active transportation at the 2011 legislative session. During the interim a strategy, including a fully developed funding package, for positioning active transportation could be developed.
3. Identify the role of the Active Transportation Project, the Executive Council for Active Transportation, the Intertwine Alliance (and other groups as identified) to help in identifying a “signature” project for the state, which can be used to demonstrate the need and advantages of more investment in the Urban Trail Fund.

TOPIC# 8: County Vehicle Registration Fee (VRF) Authority

PRESENTER: Andy Shaw

BILL SECTION(S): 40, 41, & 68

BACKGROUND: Prior to the passage of HB 2001, state law authorized counties to establish a local vehicle registration fee, up to the amount of the state fee, but required the county to obtain voter approval. On top of these requirements, in the Portland metropolitan region, state law created a so-called “spider web” that required a county to gain approval from the two other counties, the city of Portland, TriMet, and Metro prior to implementing a VRF. In addition, state law required that 40 percent of any VRF revenues be shared with the cities in the county.

In 2008, JPACT and the Metro Council adopted “Regional Legislative Priorities” for state transportation funding which included the following priority:

“**Remove Local Restrictions:** Remove the requirement that county-approved vehicle registration fees must be agreed to by neighboring counties in the region.”

Sections 40, 41, and 68 of HB 2001:

- Repeal general county authority to levy a VRF until 2013.
- Temporarily authorize Multnomah, Clackamas, and Washington counties (“population over 350,000”) to levy a VRF for the purpose of financing the design and replacement of the Sellwood Bridge, without obtaining voter approval, and without sharing county VRF revenues with cities.
- Restore general county VRF authority beginning in 2013, as follows:
 - Counties with a population under 350,000 may levy a VRF upon approval of the voters .
 - Counties with a population over 350,000 may levy a VRF without seeking voter approval.
 - Forty percent of any county VRF revenues must be shared with cities within the county.
- Eliminate the “spider web” that requires jurisdictional approval before a county enacts a VRF.

QUESTIONS FOR CONSIDERATION:

What follow-on actions are counties considering regarding this new VRF authority?

TOPIC #9: Studies ordered by the Legislature

PRESENTER: Randy Tucker

BILL SECTION(S): Section 1 of HB 2001 provides:

The House and Senate interim committees related to transportation shall, in consultation with the Oregon Transportation Commission, local governments, metropolitan planning organizations and other transportation stakeholders:

(1) Review the responsibilities given to the state, counties and cities for improvement, maintenance and management of the highway system and the resources available to each level of government and make recommendations to better align resources and responsibilities.

(2) Review best practices for stakeholder involvement in transportation decision-making.

(3) Identify opportunities to achieve greater program efficiency in the delivery of transportation services and programs through intergovernmental cooperation.

(4) Study national best practices for improving the delivery of metropolitan transportation services through enhanced regional decision-making.

(5) Prepare legislation to implement recommendations developed under this section for introduction in the Seventy-sixth Legislative Assembly.

BACKGROUND: This section of the bill is based on the report of the Governor's Vision Committee that worked during 2008 to develop the outlines of what became HB 2001, and before that from the work of the Governance Committee (another committee established by the Governor). Item 2 in particular originally arose in response to concerns raised by certain business interests about decision making at JPACT; the particular wording of this recommendation in the Vision Committee's report was the subject of some negotiation. The original bill called for the studies in this section to be conducted by ODOT, but the House Transportation Committee amended the bill to make these studies the responsibility of the Legislature.

QUESTIONS FOR CONSIDERATION:

- To which of these studies should Metro devote the most effort in monitoring and participation?
- What resources should Metro bring to bear on these studies and what information should be provided to whoever ends up actually conducting them?

TOPIC #10: Congestion Pricing Pilot Program
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PRESENTER: Andy Cotugno

BILL SECTION(S): HB 2001 Sections 3 and 4 provide for the following:

1. ODOT, in cooperation with the 3 counties, Portland and Metro shall develop one or more pilot programs and implement congestion pricing in the Portland metro area and study the effect on reducing congestion.
2. At least one pilot program shall be implemented by July 2012.
3. It shall not apply to vehicles over 10,001 pounds in weight.
4. All excess funds generated shall be expended consistent with the constitutional limitation on highway purposes.
5. Report progress on design and implementation to interim legislative committees no later than December each year.
6. This is repealed January 2, 2016.

BACKGROUND: The Metro region has studied congestion pricing extensively in the past:

1. In the early 1990's, the Legislature authorized the implementation of congestion pricing and explicitly granted the authority to implement it for the I-5/99W Connector, the Newberg-Dundee Bypass and one additional project in the Portland region to be determined.
2. In 1991, the US Congress adopted ISTEA which included a Congestion Pricing Pilot Program providing grants to develop and implement pilot projects. That program was used to fund Metro's Travel Relief Options study and ODOT's VMT fee pilot.
3. In 1999, Metro completed the Travel Relief Options Study which examined a wide range of congestion pricing applications, concluding with a provision in the RTP to consider pricing for any major new expansion of the regional highway system and calling for a pilot project.
4. In response to SB 772 in the 2003 Legislative Session, ODOT contracted with the Macquarie Corporation to examine the feasibility of implementing improvements to the Sunrise Corridor, I-205 and the Newberg-Dundee Bypass through a public-private partnership.
5. In 2008, ODOT contracted for a series of white papers to help frame methodological and policy issues to consider when evaluating whether to implement congestion pricing. The topics covered were as follows:
 - a. Air Quality/Greenhouse Gas Emissions
 - b. Geographic and Situational Limits
 - c. Demand Projection Sufficiency
 - d. Economic Evaluation of Improved Reliability
 - e. Assessing the Economic Effects of Congestion Pricing
 - f. Economic Comparison of Alternatives
 - g. Truck-Only Toll Lanes

6. The Columbia River Crossing Project is intended to be implemented in part with tolls and the rate structure is envisioned to implement a congestion pricing approach that varies peak and off-peak prices to serve as a traffic and growth management tool.
7. The Oregon Transportation Commission met on September 15, 2009 to receive the seven white papers and stakeholder feedback. ODOT staff has recommended the following follow-up actions:
 - a. Action #1: Explore national and worldwide experience in developing, implementing, and evaluating congestion pricing
 - b. Action #2: Develop enhanced methods of analyzing the economic effects of proposed congestion pricing programs
 - c. Action #3: Develop, vet and adopt a benefit/cost methodology for comparing tolled and non-tolled alternatives for single facility applications
 - d. Action #4: Determine needed model enhancements required for Metro in order for required analysis for HB 2001 - Section 3 pilot project

QUESTIONS FOR CONSIDERATION:

1. Involvement – HB 2001 assigns the responsibility to ODOT but mandates that the region be involved in the process
 - a. How involved should we be in the process? Are there different levels of involvement of Metro Council, JPACT, Metro Planning and Development Department staff, Metro Research Center staff?
 - b. Is there a different level of staff involvement that Metro should commit if there is or is not reimbursement available from ODOT?
 - c. What level of political investment is the Council willing to make?
2. Congestion Pricing purpose – Congestion pricing and tolling is implemented in different places for different objectives. Experience from other regions has indicated that it is very important that the objectives be clearly articulated to the public and that the evaluation clearly demonstrates that pricing is the best way to meet those objectives. Does the Metro Council have any priority about the following possible objectives:
 - a. Reduce peak period congestion of future highway facilities (planned capacity)
 - b. Reduce peak period congestion of existing highway facilities (existing capacity)
 - c. Increase travel time reliability
 - d. Increase transit ridership
 - e. Growth management
 - f. Access improvement for economic opportunity
 - g. Raise funding for construction
 - h. Raise funding for operations and maintenance
 - i. Reduce greenhouse gases, pollution and energy use
3. Congestion Pricing options – There are many different methods of congestion pricing. Should any of the following methods not be considered?
 - a. Conversion of a lane to a High-Occupancy Toll (HOT) Lane
 - b. Addition of a lane(or 2) as a HOT lane
 - c. Conversion of an HOV lane to a HOT lane
 - d. Construction of added highway capacity and pricing the full facility

- e. Pricing existing facility(s) without adding capacity
 - f. Creation of a cordon around a certain area and charging to cross the cordon 1) with peak period price variation, 2) without peak period price variation
 - g. Truck only tolled lanes
 - h. Peak period parking pricing
4. Congestion Pricing locations – There are many possible locations that could be considered for the pilot project.
- a. Are there any locations that should not be considered if they cannot be implemented within the 2012 deadline provided in HB 2001?
 - b. Should options only be considered if they serve as a trial project that can lead to a broader application?
 - c. Are there particular locations that should be considered by the evaluation process?

Note: Questions 2, 3 and 4 could be taken up when the study process begins.

TOPIC #11: Planning to Reduce Vehicle Miles of Travel and Greenhouse Gas Emissions

PRESENTER: Mike Hoglund

BILL SECTION(S): HB 2001 Sections 37 and 38 provide for the following:

1. Requires Metro by January 2012 to “develop two or more alternative land use and transportation scenarios” designed to reduce greenhouse gas emissions from light-duty vehicles (10,000 lbs. or less) while accommodating population and economic growth.
2. Requires Metro, after public review and comment, to adopt one scenario to meet state greenhouse gas targets for the transportation emissions sector as a part of its planning responsibilities under ORS 268.390 (Metro’s regional planning authority).
3. Requires local governments within the Metro boundaries to adopt comprehensive plan and land use regulations consistent with the adopted scenario.
4. Requires ODOT and DLCDC to provide financial assistance in order for Metro and local government to meet requirements of the legislation.
5. Metro and local governments are not required to comply if financial assistance is not provided.
6. Requires LCDC to adopt rules setting Metro-area 2035 light-duty vehicle emission reduction targets by June 2011 (with input from DEQ and ODOT).
7. Requires DEQ and DOE to estimate 1990 baseline and 2035 forecast GHG emissions for light-duty vehicles, while accounting for reasonable new technology and fleet replacement.
8. Requires DEQ and DOE to recommend to LCDC light-duty GHG reductions necessary to meet 2050 targets.
9. Requires ODOT, DEQ, and DOE to recommend modeling tools and methods to LCDC, and provide all other required information, by March 2011.
10. Requires LCDC, with ODOT consultation, to adopt rules by June 2011 for regional and local plans required to implement the scenario adopted by Metro.
11. By January 2013, requires Lane Council of Governments to develop two or more scenarios for Eugene-Springfield MPO area to meet GHG targets, *with assistance from ODOT and Metro*. Requires Metro to make modeling capabilities available to LCOG, with financial assistance from ODOT.
12. Requires periodic reporting to House and Senate transportation committees.

BACKGROUND: Metro resolutions 08-3931 and 08-3971 established clear direction for Metro’s sustainability and climate change activities. Resolution 08-3931, in part, called for Metro:

- To develop a regional climate action plan to meet state GHG reduction targets and coordinate a regional approach to meeting goals outlined in such plan; and
- Defines sustainability to be a guiding principle for all Metro policies and programs.

Resolution 09-3971 established the Metro Council Project “Climate Change Action Plan: Phase 1, Scoping and Convening,” designated Councilor Burkholder as Lead Councilor, designated the remainder of the full Council as liaisons, and established a work plan targeted at:

- A regional GHG inventory (scheduled for November 2009 completion)

- Program Lens/Calculator (Fall 2009 completion)
- Regional collaboration
- Project investment
- Communications
- Strategic Planning.

Since adoption of both ordinances, Metro has also joined a collaborative regional effort around Climate Prosperity. The purpose of the Climate Prosperity effort is to develop a regional economic development strategy that aligns with and leverages anticipated requirements around climate change, and includes the business sector in its development and implementation. Climate Prosperity focuses on climate-related markets, technologies, and talent, and works to ensure the region is able to respond to economic opportunities around climate change.

In addition, the Metro Council and staff worked to ensure the 2009 Oregon Legislative actions around climate change are aligned with our current climate-related activities.

The components of HB 2001 related to planning to reduce vehicle miles traveled are intended to ensure that statewide targets for greenhouse gas emission reductions, established by the 2007 Legislature, are being addressed in metropolitan transportation plans and regional and local land use plans. The first MPO required to do such planning is Metro. The required scenario planning includes the development of tools and practices that were anticipated in 2008 as Metro's resolutions were being drafted. For example:

- The GHG Inventory will provide a baseline of emissions from which further forecasting and modeling will be conducted to address the HB 2001 requirements.
- The Program Lens/Calculator work is developing modeling procedures to ensure consistent, best practices around GHG estimation and analysis for transportation and land use studies in the Metro area. The basics of those procedures will be transferable to the HB 2001 requirements.
- The GHG requirements of the HB 2001 will complete one piece of a regional climate action plan, as called out by Resolutions 08-3931 and 08-3971.

Finally, the majority of the work associated with HB 2001 will follow the current process of Making the Greatest Place, and precede the next round of Metro periodic review. That timeframe, along with financial assistance, was requested by Metro as the bill was being drafted during the 2009 session. The requirements of HB 2001 related to planning for VMT reduction will further define the climate change foundation consistent with Making the Greatest Place.

QUESTIONS FOR CONSIDERATION:

1. Does the Council have any questions on the background information or the general work program for addressing these requirements of HB 2001?
2. Significant work program and scoping activities are continuing to be developed to respond to these requirements. Staff will be returning to the Council as that work proceeds.

In particular, detailed resource estimates, agency partnerships, and advisory/outreach activities need further development and discussion. Does Council have any questions or comments on how that work should proceed?