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# 191255

Ordinance

## Authorize Intergovernmental Agreement for the Regional Mobility Pricing Program between State of Oregon Department of Transportation and the City for Planning and Preliminary Design services

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. On June 30, 2020, Portland City Council declared a climate emergency and called for an immediate mobilization effort to restore a safe climate and reduce carbon emissions 50 percent below 1990 levels by 2030 and to net zero by 2050 (Resolution No. 37494).
2. Portland and Oregon are already experiencing the impacts of climate change with record setting heat, flooding, wildfires, and other extreme weather events.
3. Individuals living on low-incomes and BIPOC communities are more likely to be impacted by extreme weather events, are more likely to live in areas with less greenspace and are more vulnerable to heat-related and respiratory illnesses.
4. Transportation accounts for 43 percent of carbon emissions in our region, the largest single source, and transportation emissions are rising.
5. The Portland region population continues to grow, with 600,000 new residents projected to live in the area by 2040.
6. Even with existing policies and investments, additional car trips are expected to significantly increase congestion rates within ten years.
7. We cannot build our way out of congestion; and increasing road space is proven to induce more driving and exacerbate mobility inequities.
8. Meeting our climate goals will require reducing vehicle miles driven, shifting trips that remain on the roads to electric vehicles or cleaner fuels, and planning and building connected communities.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Transportation](#)

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

April 26, 2023

9. Car trips also cause traffic violence and increasing congestion costs both individuals and businesses time and money.
10. The inequities in our current transportation system—including longer travel times, less safe road conditions, and climate change effects that disproportionately impact Black, indigenous and people of color (BIPOC), Portlanders living on low incomes and persons with disabilities — will worsen if we do not more effectively manage demand for our road space, reduce miles driven and transition the vehicles that remain on the road to low and zero carbon fuels.
11. There is an urgent need to improve our transportation system to address these challenges, and existing strategies are not making enough progress on improving equity, mobility, climate, safety, and economic outcomes.
12. Evidence from cities around the world that have implemented pricing show that it can be an effective demand management tool and help support more multimodal options, leading to a safer, healthier, equitable, and more climate-friendly system.
13. PBOT's evaluation of transportation demand management strategies through the Way to Go Plan also concluded pricing is an effective strategy for reducing vehicle miles traveled and improving mobility
14. On July 10, 2019, the Portland City Council directed the Portland Bureau of Transportation and the Bureau of Planning and Sustainability to form a task force to study and recommend strategies for Pricing for Equitable Mobility (POEM) (Resolution No. 37442).
15. The POEM project suggests that pricing is a promising and currently under-utilized tool that could help make our transportation system more efficient, address the inequities we see today, and help reduce carbon emissions.
16. On March 9, 2021, the Task Force made a recommendation to Portland City Council related to ODOT's Toll Program. This recommendation concludes that if highway tolling is implemented intentionally to manage demand (i.e., congestion pricing), it has the potential to contribute to more climate-friendly and equitable outcomes. The full recommendation is included as Exhibit B.
17. By the authority granted in Oregon Revised Statute (ORS) 190.110, the State may enter into agreements with units of local government for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform.
18. ODOT initiated planning work for congestion pricing in 2017 with a Value Pricing Feasibility Analysis and continued developing the project concept over the past several years, resulting in the Regional Mobility Pricing Project (RMPP).

19. Now, ODOT is proposing to implement and operate congestion pricing on all lanes of approximately 55 miles of Interstate 5 (I-5) and Instate 205 (I-205) in the Portland metropolitan area.
20. The purpose of the RMPP is to use congestion pricing on I-5 and I-205 to manage traffic congestion on these facilities in a manner that will generate revenue for transportation system investments.
21. In December 2022, ODOT completed a planning phase and began the National Environmental Policy Act (NEPA) phase in late 2022.
22. The RMPP is part of ODOT's Urban Mobility Office working to deliver several major projects of local and regional significance within the I-5 and I-205 corridors, including the Interstate Bridge Replacement Project (IBRP) and the I-5 Rose Quarter Improvement Project (I5RQ).
23. On July 13, 2022, Portland City Council authorized an Intergovernmental Agreement with ODOT for planning and preliminary design services for I5RQ (Ordinance No. 190924) based on a Governor's Letter of Agreement (January 2022). Whereby regional partners recognized that congestion pricing is an important tool for managing traffic and greenhouse gas (GHG) emissions and support all reasonable measures taken to manage demand, reduce impacts to low-income people, and make revenue available to create and support a multimodal system.
24. On July 13, 2022, Portland City Council endorsed a Modified Locally Preferred Alternative for the IBRP, with Conditions of Approval that include implementation of an equitably designed variable-priced tolling system that is developed and implemented in coordination with the RMPP and has the primary goal of managing traffic demand and using the existing system as efficiently as possible to move people and goods in a more sustainable way.
25. The RMPP is an extremely large and important transportation project. The City of Portland's participation is crucial to ensure a successful project and that the interests of the City of Portland are represented.
26. The State desires to engage the City's services to perform certain environmental planning and engineering services in support of the Project's NEPA and preliminary design phase.
27. The City will provide services to the State regarding State's work on City facilities and any modifications to the State's system that impact City facilities. Specific State and City tasks and obligations and terms of the collaboration are laid out in an Intergovernmental Agreement, attached as Exhibit A. The City Attorney has reviewed this agreement and approved as to form.
28. The Bureau's level of confidence in the cost estimates for this project in this phase is high. It is typical of major transportation projects to require amendments to staff services agreements between the parties.

The State and City will enter into separate agreements or an amendment to this agreement in the future to engage City services regarding City review of and permitting approvals for subsequent design phases, as well as future construction support, right of way, public utilities, and maintenance and operation of the constructed Project facilities.

29. The PBOT project number is T01313. The grant number will be TR000358.

NOW, THEREFORE, the Council directs:

- A. The Commissioner-in-Charge is hereby authorized to enter into an Intergovernmental Agreement with ODOT in the amount of \$2,037,800 to reimburse the City for its costs in performing tasks as outlined in a form substantially similar to that attached as Exhibit A and, by reference, made a part hereof.
- B. The Commissioner-in-Charge is authorized to execute amendments, approved as to form by the City Attorney, to the scope of services or the terms and conditions of this Agreement, provided the changes do not increase the City's financial risk by twenty percent (20%) or greater.
- C. City Bureaus shall continue to work to advance the recommendations for Equitable Mobility as created by the POEM Task Force, including: prioritizing the goal of managing traffic demand, providing exemptions for drivers living on low incomes, designing technology and payment systems to reduce barriers for individuals with limited access to bank accounts, committing toll revenue to support multimodal travel alternatives as well as potential traffic diversion impacts, and involving local and regional stakeholders in revenue allocation decisions.
- D. Concurrent to City engagement on environmental planning and preliminary engineering, City Bureaus shall continue to advocate for toll revenue to be allocated to support congestion and VMT reduction, and provide robust, safe travel options. In the absence of revenue information, Council directs ongoing collaboration with regional partners to reach a commitment from the Oregon Transportation Commission on a toll revenue allocation formula to support local system and multimodal investments.
- E. City Bureaus shall continue to advocate for the RMPP to be developed in alignment with the city's Transportation System Plan elements of the Comprehensive Plan (Policy 9.49) that establishes regional congestion management to more efficiently manage the regional system.
- F. The City of Portland asserts its right to continue to comment on and participate in all major decisions in furtherance of the policies and objectives outlined in Exhibit A.
- G. The Office of Management and Finance Grants Office is authorized to perform all administrative matters in relation to the grant application,

grant agreement or amendments, requests for reimbursement from the grantor, and to submit required online grant documents on the Commissioner-in-Charge's behalf.

## Documents and Exhibits

 [Amended Ordinance - Strikethrough / Underline Version](#) 92.31 KB

 [Exhibit A](#) 1.15 MB

 [Exhibit B](#) 721.99 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council  
April 26, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

The State desires to engage the City's services to perform certain environmental planning and engineering services in support of the Regional Mobility Pricing Project (RMPP) National Environmental Policy Act (NEPA) and preliminary design phase. The RMPP will use congestion pricing to reduce traffic congestion on I-5 and I-205 in the Portland metropolitan area in a manner that will generate revenue for transportation investments. The City will provide services to the State regarding State's work on City facilities and any modifications to the State's system that impact City facilities and the Intergovernmental Agreement (IGA) lays out the terms of the collaboration.

This IGA will facilitate reimbursement for the City's involvement as of the effective date of the agreement. The total amount authorized is not to exceed \$2,037,800 from the execution date to January 31, 2026.

Congestion pricing all lanes of an existing interstate system has not been implemented in the U.S. and has the potential to generate significant impact to the way people travel and mobility options available to them through subsequent multimodal transportation investments. Pending the methodology and approach, the RMPP has the potential to create positive climate and equity outcomes for the community. The City of Portland's participation is crucial to ensure that the RMPP is implemented in a way that is aligned with the City's values and interests.

### Financial and Budgetary Impacts

- The IGA authorizes the State of Oregon, Department of Transportation to reimburse the City of Portland up to \$2,037,800.
- Costs for this project will be posted to PBOT Capital Project T01313.
- The grant number for this project is TR000358.
- There is no additional funding requested.
- A match is not requested.

The FY 2022 / 2023 budget is hereby amended as follows:

GRANTS FUND

Fund: 217

Business Area – TR00

Bureau Program Expenses – \$75,000

### Community Impacts and Community Involvement

Our current highway system contributes to climate change, air pollution, serious and fatal traffic crashes, burdensome transportation costs, and a host of other problems, many of which disproportionately burden Black and Indigenous communities, other people of color, low-income people and persons with disabilities. Rising congestion on our regional highways also poses significant costs to our economy and quality of life.

Tolling has the potential to contribute to more climate-friendly and equitable outcomes for the region. It is essential to design the RMPP so that it both manages highway demand and provides people with robust multimodal travel alternatives. Toll revenue must be available to ensure that traffic diversion from the highways does not make local streets less safe, adversely impact transit, and address impacts disproportionately felt by local community members (e.g., congestion, poor air quality, and safety impacts). The Low-Income Toll Program must prioritize making low-income discounts or exemptions available people experience low-income.

### 100% Renewable Goal

- It has not been assessed or determined how the RMPP will contribute to the City’s goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

### Budgetary Impact Worksheet

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
217006	TRED000009	441100	TPCIAM00000000GT	T01313	TR000358	T01313	75,000
217006	TRED000009	511300	TPCIAM00000000GT	T01313	TR000358	T01313	45,000

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
217006	TRED000009	529000	TPCIAM00000000GT	T01313	TR000358	T01313	30,000

## Budget Office Financial Impact Analysis

This action authorizes an intergovernmental agreement (IGA) between the Oregon Department of Transportation (ODOT) and the Portland Bureau of Transportation (PBOT) for planning and design services to support congestion pricing on I-5 and I-205. The IGA authorizes PBOT to be reimbursed up to \$2,037,800 for services rendered from execution through January 2026. There is no local match required for this agreement and \$75,000 in grant funds are to be appropriated in the current FY2022-23 budget.

## Agenda Items

### 310 Regular Agenda in [April 19, 2023 Council Agenda](#)

Rescheduled

Rescheduled to April 19, 2023 at 2:15 p.m.

### 315 Regular Agenda in [April 19, 2023 Council Agenda](#)

Passed to second reading as amended

Motion to amend Ordinance to add new Directive D: Moved by Mapps and seconded by Wheeler. (Y-4; Gonzalez absent)

Passed to second reading April 26, 2023 at 9:30 a.m. as amended

### 332 Regular Agenda in [April 26, 2023 Council Agenda](#)

Passed As Amended

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Absent

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea