SEATTLE CITY COUNCIL
CENTRAL STAFF

July 2, 2019

M E M O R A N D U M

To: Sustainability and Transportation Committee
From: Lise Kaye, Council Central Staff
Subject: Seattle Congestion Pricing Study

Executive staff will present findings from Phase 1 of the Seattle Department of Transportation (SDOT) Seattle Congestion Pricing Study to the Sustainability and Transportation Committee on July 2, 2019. This memo provides a brief background of the study, key Phase 1 findings and recommendations, and potential areas for additional clarification.

Background

In Fall 2017, Councilmember O'Brien proposed and the City Council appropriated $200,000 in its 2018 budget to explore local diversion due to tolling on the Highway 99 tunnel and to explore the broader equity implications of congestion pricing in Seattle.[1] In April 2018, Mayor Durkan announced that Seattle would develop a plan to toll city roadways by the end of 2021 as part of the City's efforts to reduce traffic congestion and greenhouse-gas emissions.[2]

SDOT retained a consultant in Fall 2018, funded by the $200,000 appropriation, to complete a report on the impacts and benefits of congestion pricing. SDOT released that report on May 23, 2019, including "White Papers" on Impacts and Benefits; Pricing and Equity; Pricing Tools; and, Engagement and Communications. The Council also appropriated $1 million in the 2019 budget[3] to fund a second phase of the study to include community engagement; financial and transportation modeling of scenarios; and evaluation of potential equity impacts and benefits, pricing tools and options, technology options and impacts to businesses and roadway users.

Phase 1 Findings and Recommendations

The Phase 1 study considered 11 potential congestion pricing tools and scored them against eight evenly weighted criteria housed under the following four categories:

- Equity: Equitable Cost Burden; Reinvestment Potential;
- Climate and Health: Climate-Friendliness; Health Benefits;
- Congestion: Within Seattle; Through Seattle; and
- Implementation: Ease; Cost

[1] Green sheet 39-1-A-1
[2] Gutman, David, "Tolls on downtown streets? Seattle mayor pushes for plan to cut traffic, greenhouse gases, " Seattle Times, April 4, 2018.
[3] City of Seattle 2019 Adopted and 2020 Endorsed Budget, page 458-59.

Table 1 below shows the composite scores for each pricing tool and identifies with an asterisk those recommended for further study.

Table 1. Composite Scores of 11 Congestion Pricing Tools[4]

Pricing Tool	Composite Score
Area Pricing (London) Charge vehicles crossing the boundary and those driving inside an area pricing zone	17*
Road Usage Charges (Oregon; Washington pilot) Charge all vehicles for roadway use or restrict access by zone to vehicles enrolled in a Road Usage Charge program	17*
Cordon Pricing (Singapore and Stockholm) Charge vehicles crossing the boundary into pricing zone	16*
Arterial Toll Roads (Not yet implemented apart from a cordon or area pricing program) Toll on all lanes of an arterial road	15
Off-Street Parking Pricing (Melbourne, San Francisco) Apply a variable fee/tax to off-street parking facilities	14
Fleet/Vehicle Class Pricing (NYC – taxis and ride-hailing services, pending litigation; parts of Europe have truck-specific tolls) Apply targeted pricing to specific vehicle types citywide or within a zone, such as ride-hailing or commercial vehicles	13*
License Plate-Based Restriction Zone (Latin American cities, including Mexico City; Beijing and Paris - temporary restrictions on severe air pollution days) Restrict access to a zone based on license plate numbers	12
Arterial Express Lanes (Tampa study of a Bus Toll Lane; Seattle bus-only lanes) Convert or add lanes on arterial roads as tolled facilities; some lanes remain unpriced	12
Fossil Fuel Free Zone (Milan) Allows only licensed non-fossil fuel vehicles; can also allow all types of vehicles and charge those that are not low-emissions vehicles (called a Low-Emissions Zone program)	10
On-Street Parking Pricing (San Francisco, Seattle) Vary street parking prices to control demand	10
Connected/Autonomous Vehicle Zone (not yet implemented) Allows only licensed connected and/or autonomous vehicles	8

The study recommends further study of the following four pricing tools,

- **Area Pricing Charge**: Charge vehicles both crossing the boundary and driving inside an area pricing zone;
- **Road Usage Charge (RUC):** Charge all vehicles for use of the roadway or restrict access to a zone to vehicles enrolled in an RUC program;
- **Cordon Pricing Charge:** Charge vehicles crossing the boundary into pricing zone; and,
- **Fleet/Vehicle Class Pricing Charge:** Apply targeted pricing to specific vehicle types citywide or within a zone, such as ride-hailing or commercial vehicles.

[4] Composite scores from Seattle Congestion Pricing Study Phase 1, Pricing Tools: Review and Preliminary Screening White Paper, Figure 34, page 36 of 38.

The study notes that while fleet pricing was not one of the top scoring tools, "its highly-targeted approach, relative ease, and low cost to implement merits evaluating it further as a possible complementary strategy."[5]

Other key findings/recommendations in Phase 1 of the Study include:

- The City needs additional data and a new transportation model to more accurately identify which pricing elements would best achieve desired outcomes;
- Implementation of any of the recommended tools would require a majority vote by the Seattle Transportation Benefit District and will require coordination with the Washington State Department of Transportation and the Washington State Transportation Commission[6];
- Public support for a congestion pricing program will be challenging, and perceptions of fairness will significantly impact public support;
- A pricing program in Seattle should focus on process equity and outcomes equity; and
- Revenue from a pricing program could be used to minimize disproportionate impacts, including those relating to racial and social justice.

Areas for Clarification – Study Phases 1 and 2

Councilmembers may want to seek further clarity on some of these Phase 1 topics:

- What are the implementation timelines for the various options?
- Why was fleet pricing prioritized "as a possible complementary strategy" to the recommended options?
- Did the existing congestion pricing programs achieve their initial objectives?
- Must revenue from all 11 studied pricing tools be used for transportation purposes?
- What are the Executive's primary equity concerns with congestion pricing?
- At what point in future phases of the study will the Mayor convene an advisory group, subject to Council confirmation?
- How does the Executive currently perceive public support for congestion pricing in Seattle?

[5] Ibid, page 35 of 38

[6] The report cites as applying to Cordon Pricing, Area Pricing, Fleet Pricing, Road Usage Charge, Arterial Toll Roads, and Arterial Express Lanes RCW 36.73.065, which states that "tolls may not be imposed by a district without approval of a majority of the votes in the district voting on a proposition…" The report notes that the RCW may apply to Connected/Autonomous Vehicle Zone, Fossil Free Fuel Zone, and License Plate-Based Restriction Zone.

Councilmembers may also wish to request that the SDOT explore some of the following questions pertaining to Phase 2 of the study:

- What is the anticipated scope, deliverables and timeline of Phase 2 of the study?
- When will the Mayor identify a clear statement of measurable program goals to enable prioritization of tools? (the four recommended tools vary in policy objectives and effectiveness)
- How will the transportation model incorporate equity considerations and identify equity impacts?
- Should the City implement a pilot project to test planning assumptions; would such a pilot require a public vote?
- Will the Mayor's outreach efforts be limited to the four recommended pricing tools?

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