



# Urban Core Access Fee Overview

September 2024

# CMAP/RTA Funding Recommendations

**Federal:** Provide operating funding for transit

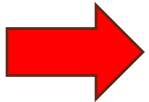
**State:**

- Fund paratransit
- Increase State's 30% match
- Corporate taxes—e.g., headcount, payroll
- Increase utility tax rate
- Cap-and-Invest carbon market

Roadway fees are one of RTA/CMAP transit funding options

**Regional:**

- Sales tax increase/expansion to services
- Roadway generated revenue—e.g., tolls, MFT



# CMAP's Roadway-Generated Revenue Recommendations

1. Motor Fuel Tax Surcharge (or road usage charge)
2. Vehicle registration fee surcharge
3. Increase commercial parking taxes
4. Increase Illinois Tollway tolls
5. Add tolls to non-tolled expressways (e.g., Kennedy)
6. Implement cordon tolling around Chicago CBD

CMAP's PART Report advances roadway charging as a transit funding solution.

# Cordon Pricing: A Form of Congestion Pricing

Congestion pricing programs are intended to ease traffic, reduce harmful vehicle emissions, encourage sustainable modes of transportation, reduce crashes, and generate funding for public transit systems that provide affordable mobility for residents and visitors. Cordon pricing requires drivers to pay a fee to enter a designated section or zone within a city.

Cordon pricing programs can do more than just address congestion. They can be used to encourage EV and high-occupancy vehicle use through pricing incentives.

Source: The Chicago Council on Global Affairs, [Cities around the world charge to drive in certain downtown areas. Could Chicago follow?](#)  
See also Civic Federation, [Exploring a Downtown Congestion Fee for Chicago](#)

# Examples of Cordon Pricing

**Singapore (1975):** Rates fluctuate based on time of day, location, and vehicle type.

**London (2003):** Per day congestion fee to enter central London. Vehicles that fail to meet emissions standards incur an additional fee if traveling within the Greater London Low Emission Zone.

**Stockholm (2006):** Central area cordon; public support grew once system in place

**New York City (2024):** Fee for entering lower Manhattan

## Indicative pricing (auto):

-Singapore: \$0.50 - \$6.00  
(per gantry)

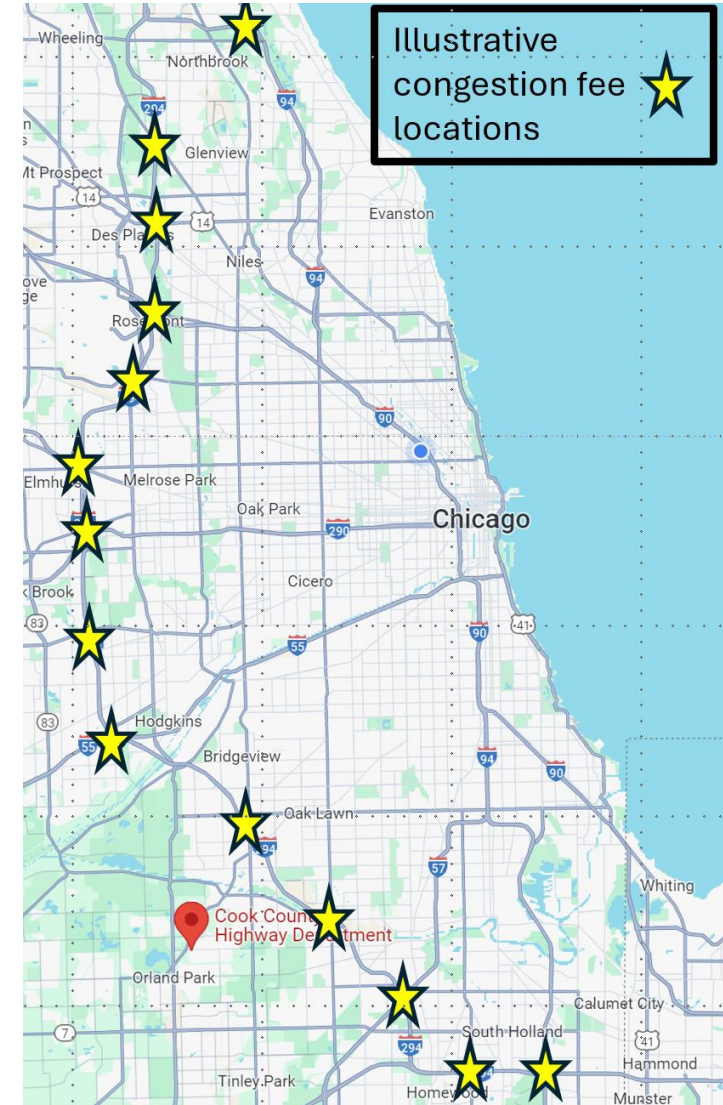
-London: \$18 (daytime)

-Stockholm: \$12 (peak);  
\$10 (off-peak)

-New York: \$15 (peak);  
\$3.75 (off-peak)

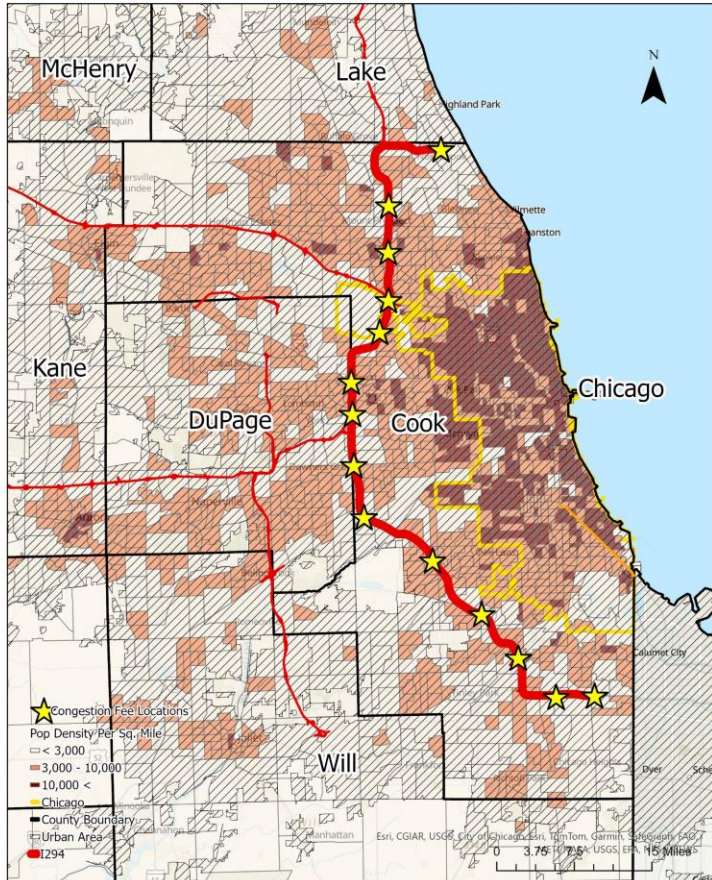
# Chicago Region Urban Access Fee Program

- Fee on vehicles entering Urban Core (inside Tollway's I-294 Tri-State loop)
- Tollway collects fees and remits to MMA
- MMA would use revenue to fund improved transit both inside and into the Urban Core



# Urban Core Access Program Demographics Rationale

Population Density and Cordon Tolling Location



Source:  
American Community Survey, 5-Year Estimates, 2023  
TIGER/Line Shapefiles, Census Bureau, 2020

Metropolitan Planning Council

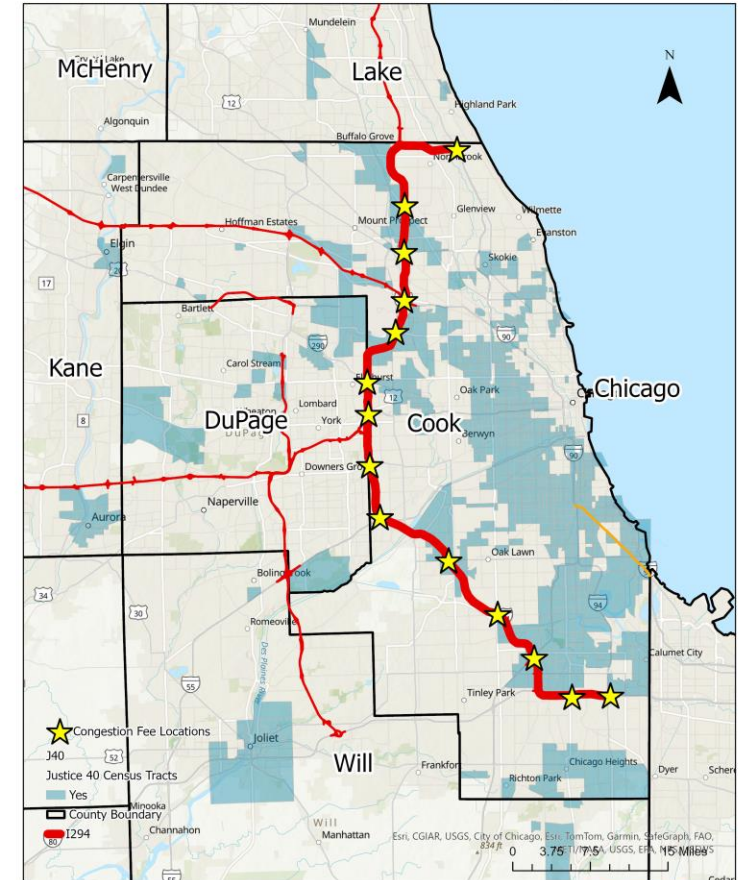
Regional Bus Service and Cordon Tolling Location



Source:  
Climate and Economic Justice Screening Tool, 2023  
Regional Transportation Authority and Statistics, RTA, 2023

Metropolitan Planning Council

Justice 40 Census Tracts and Cordon Tolling Location



Source:  
Climate and Economic Justice Screening Tool, 2023  
IDOT Data Portal, District 1, 2023

Metropolitan Planning Council

# Leverages Existing Illinois Tollway Assets



**Roadway and Software Infrastructure**



**Equity**

**STICK  
WITH  
I-PASS**



**Tolling Expertise**



# Builds on PART Recommendations

## CMAP Recommendations

- Toll surcharge: Easy implementation, but requires 50%+ toll increase to match urban core revenue, eating into Tollway's coming capital plan; too broad
- Chicago CBD cordon pricing: Not regional enough; cordon infrastructure lacking
- Toll existing expressways: Legal obstacles to tolling existing free expressways
- Road usage charge: Tech and regulations not ready

## Urban Core Access Fee

- Tollway's ability to fund its next capital plan protected—Tollway is collection agent only; no toll increase on Tollway system
- Cordon area, area of need, and revenue usage area better aligned
- Easier regulatory path
- Leverages existing physical infrastructure and mature toll collection technology that can be ready relatively soon

# Potential Pricing Options

- Time of day—higher fee in peak travel periods
- Vehicle emissions—low emissions vehicles pay less
- Vehicle occupancy—HOVs pay less; SOVs more
- Per trip and day pass options
- Fee capping—e.g., daily or monthly cap
- I-PASS Assist--helps low-income drivers

# Urban Core Access Fee: Potential Annual Yield

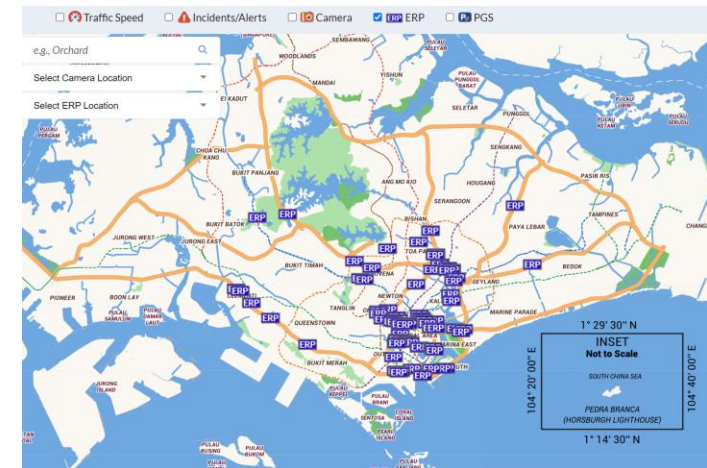
Type	Yield @ \$3 fee	Yield @ \$5 fee
Tollway feeds into expressway	\$178,923,000	\$298,205,000
IDOT road crosses I-294	\$333,880,000	\$554,800,000
Local road crosses I-294	\$337,424,250	\$562,373,750
<b>Total</b>	<b>\$849,227,250</b>	<b>\$1,415,378,750</b>

# Addressing Challenges

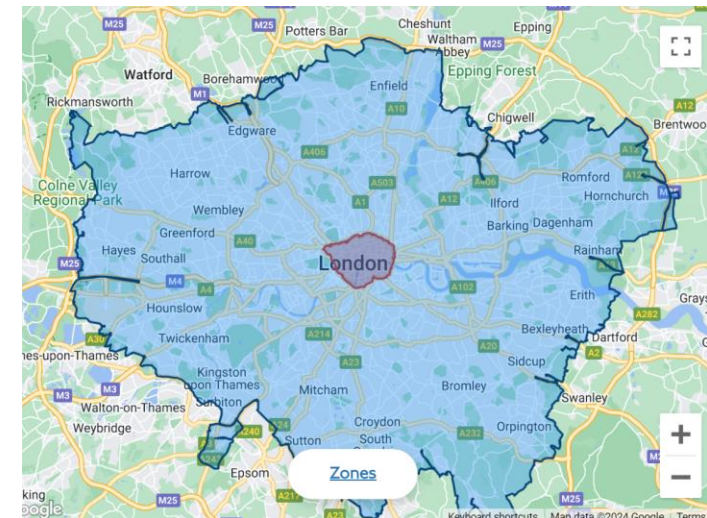
# Challenge: Cordon Size

Response:

1. No mandated cordon size—local conditions drive location
2. Current cordon sizes vary worldwide
3. Larger cordon = potential for lower fees



Singapore: Wide Coverage



London: Congestion (small); ULEZ (large) cordons

# Challenge: Residents Near Cordon Punished

## Response:

1. People living near cordon and who pass through a tolled portal multiple times a day can be accommodated-examples:
  - Fee discounts—lower rate for nearby residents
  - Fee capping—daily, weekly, or monthly fee caps
  - Free trip bundles—e.g., 30 free trips per month
  - I-Pass Assist for low-income drivers
2. Some existing cordon pricing programs have such accommodations for nearby residents

# Challenge: Urban Core Fee is Inequitable

## Response:

1. Improving transit has strong positive equity impact
2. Reduced traffic congestion in urban core helps auto-dependent households
3. Urban core environmental/public health co-benefits cover many disadvantaged areas
4. I-Pass Assist can help low-income drivers

“Tolls are not a substantial share of the cost of driving and are less regressive than other existing transportation revenue sources that rely on motor vehicle fuel efficiency and flat fees (e.g., motor fuel taxes and vehicle registration fees).”

CMAP, [Regional roadway-generated transportation funding for transit](#) (pg. 15)

# Roadway Pricing: The Equity Case

“Congestion prices could harm some low-income drivers, and dedicating toll revenue to offset that burden would be essential. But it is not only priced roads that could harm the poor while helping the rich. Free roads do the same. Free urban highways primarily subsidize richer people, and the resulting congestion creates pollution that disproportionately burdens poorer people.”

“People who worry about harms to the poor when roads are priced, and not when roads are free, may be worried more about the prices than the poor.”

**Michael Manville and Emily Goldman, “Would Congestion Pricing Harm the Poor? Do Free Roads Help the Poor?”**



# Challenge: Transit Alternatives are Inadequate

## Response:

1. Top program goal is improving transit
  - Transit within urban core—e.g., BRT on Western Avenue; Pace PULSE
  - Transit into the urban core as driving alternative—e.g., more frequent Metra and express bus service
2. With traffic congestion already high and transit capacity underutilized, incentives encouraging transit use make good policy and fiscal sense
3. Roll out transit improvements in conjunction with urban core fee start
4. Fee is low enough that driving into urban core remains a viable choice

# Challenge: Tollway Bond Indenture

## Response:

1. Tollway would be the urban core fee service provider
2. Urban core fees the Tollway collects would be the MMA's revenue, not the Tollway's revenue
3. Thus, the Tollway's bond indenture and its restrictions on use of Tollway revenue would not apply to urban core fee
4. The Tollway would be compensated for its fee collection work
5. The urban core fee would not change the Tollway's toll rates
6. This approach protects the Tollway's ability to fund its future capital plans

# Challenge: Political Obstacles are High

## Response:

1. Tax alternatives are regressive and don't raise enough on their own
2. Build support by devoting some revenue for transit-friendly roadway improvements in communities around the portals—e.g., bus stop shelters, queue jumps, transit signal priority
3. Big cordon spreads political pain widely
4. Other roadway-generated revenue options—e.g., Tollway rate increase—are politically challenging too
5. Good policy fit between urban core fee and improved transit that provides affordable mobility options for the region

# Conclusion

An urban core access fee program-

- Provides a reliable and substantial funding source for transit
- Addresses congestion and environmental harms from single occupancy vehicles crowding into urban core
- Leverages existing Tollway infrastructure, technology and talent
- Is equitable by expanding affordable mobility options, improving air quality and travel times, and through I-PASS Assist program
- Protects the Tollway's bonding capacity
- Helps shift SOV travelers to our underutilized transit system

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