

# FINANCIAL IMPLICATIONS OF A REDUCTION IN SPEED LIMIT

## SAVINGS

**1) Costs savings to the Ashland Community estimated to be \$1,203,524 annually.**

**2) Death, Injury and Property damage savings would be approximately \$764,212 annually**

**a. SAVINGS PREDICTED TO BE APPROX \$764,212 ANNUALLY FROM DECREASED COLLISIONS:**

Fatalities would decrease from 2 every 5 years to 1.1 every 5 years saving \$298,620 annually.  
(Fatal injuries cost 3.3 million)

- i. Severe Class A injury collisions would decrease from 11 to 7.7 per five years saving \$63,493 annually
- ii. Moderate Class B injury collisions would decrease from 95 to 74 per five years saving \$105,640 annually
- iii. Minor injury collisions would decrease from 255 to 204 per five years saving \$232,560 annually
- iv. Property damage savings would be approximately \$63,900 annually.

**2) Decreased Vehicle Miles Traveled (VMT) savings would be approximately \$305,554 in fuel savings annually.**

**a. SAVINGS PREDICTED TO BE \$1.5 MILLION ANNUALLY FROM FUEL SAVINGS FROM DECREASED VEHICLE MILES DRIVEN**

- i. Oregon Dept of Energy estimates that Oregonians currently drive 58,987,174 miles per year.
- ii. A reduction in speed limits by 5 mph is predicted to decrease vehicle miles travelled (VMT) by 5%.
- iii. This is a savings of 2,949,359 miles.
- iv. U.S. fleet fuel economy is approx. 25 miles per gallon, and at a current average cost of \$2.59/gallon this leads to an annual economic savings of \$305,554.

**b.** Likely not a savings in costs per mile driven as cars may be less efficient at lower speeds.

**3) Decreased CO<sub>2</sub>, particulate, microplastic and noise pollution from decreased VMT and decreased speed will lead to additional savings which can be hard to quantify. Estimated social cost savings with decreased CO<sub>2</sub> emissions are approximately \$133,758 annually.**

- a. SAVINGS PREDICTED BY DECREASED CO2 EMISSIONS ARE \$133,758 ANNUALLY.
  - i. Gallons of fuel saved by a 5% reduction in VMT is 117,974 gallons.
  - ii. CO2 emissions are 20 lbs per gallon of gasoline. This would be 1,070 metric tons of CO2 reduction.
  - iii. Midpoint estimates of social cost of CO2 emissions per metric ton are approximately \$125 per metric ton.
  - iv. Estimated social benefit from reducing CO2 emissions is \$133,758

**4) Increased walking and cycling associated with a decrease in vehicular speeds will lead to health benefits such as decreases in obesity and diabetes, and benefits in cardiovascular health.**

## **COSTS**

**1) Costs of implementation of decreased speed estimated to be approximately \$100,000.**

- a. An extrapolation of Portland's cost of \$300,000 for signage would suggest Ashland's costs for signage would be approx. \$18,500. However, Portland is not Ashland and it is anticipated that Ashland's may be significantly more than this. Speed studies may be needed. And given the high percentage of road miles in Ashland that are residential more signage per area will be needed in Ashland. It is estimated the costs could approach \$100,000. This is however a mostly one-time installation fee with minimal upkeep costs.
- b. Enforcement costs would be additional
  - i. Increased radar, increased staffing, implementation of other enforcement strategies (speed camera)
  - ii. Infrastructure costs unknown. Many cities have improved and expanded protected sidewalks and bike lanes with implementation of reduced speed limits.