



## Request for City Council Committee Action from the Department of Public Works

**Date:** August 6, 2013

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral:** Honorable Betsy Hodges, Chair Ways & Means/Budget Committee

**Subject:** **Car Sharing Pilot Contract**

### Recommendation:

- Authorize staff to enter into a two-year agreement with Car2Go N.A., LLC for a city-wide car sharing pilot program, pending passage of any ordinance amendments required to carry out the terms of the contract.
- Accept the City Engineer's recommendation to allow certain parking in established critical parking areas as outlined in the contract, and authorize the same as a special term under M.C.O. 478.710.

### Previous Directives:

May 10, 2013 – Authorize staff to negotiate terms for a two-year agreement with Car2Go N.A., LLC for a city-wide car sharing pilot program.

January 29, 2013 – Receive and file on the Car Sharing Pilot

### Department Information:

Prepared by: Atif Saeed, CAPP, Parking Systems Manager, 673-2159

Approved by: \_\_\_\_\_

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Atif Saeed, Parking Systems Manager

### Reviews:

- Permanent Review Committee (PRC): Approval \_Y\_ Date 11/8/12

### Financial Impact

- No Financial Impact

## Community Impact

- City Goals: A City that works

## Supporting Information:

### Background

The Public Works Department has been exploring the possibility of implementing a city-wide car sharing program in Minneapolis. Based on research conducted by staff, a pilot program was found to be the best first step towards determining the feasibility of such a program.

On February 6, 2013, Public Works issued a Request for Proposal (RFP) to identify a contractor to conduct the car sharing pilot. Car2Go was selected as one of the vendors to provide car sharing service in Minneapolis. Following are some of the reasons for selecting Car2Go:

- They offer the greatest flexibility through point-to-point rentals.
- No monthly fees; low joiners fee; best value for short trips around the city.
- Memberships are available for those aged 18 and older, which makes car sharing available to more people.
- They deploy a large number of cars to the curbside, not just off-street spaces.
- The size of the fleet will provide large amount of user data to track usage patterns.
- Distribution of vehicles throughout the city will be based on demand.
- There is flexibility in how the company pays the city for curb space and garage usage.

On May 10, 2013, the City Council authorized staff to negotiate terms for a two-year contract.

### Proposed Agreement

The following are key terms of the proposed agreement:

- Car2Go shall provide a city-wide, free-floating, point-to-point car sharing service utilizing a minimum of 350 vehicles.
- Car2Go may, upon City's approval, add up to 150 additional vehicles between six and twelve months after initial launch date based on member demand.
- Car2Go shall provide a quarterly report containing agreed upon transactional data.
- Car2Go shall pay the City \$1,689.29 per vehicle for the first 250 vehicles and \$1614.29 for each additional vehicle for parking privileges for the first year.

Following is the breakdown of how these fees are calculated:

Administrative Cost (First 250 vehicles)	\$75.00
Meter Revenue Recovery	\$1133.69
Event Revenue Recovery	\$80.60
Residential Permits	\$400.00

- Meter Revenue Recovery and Event Revenue Recovery fees will be adjusted at the end of the year based on actual usage. If the usage exceeds the above listed numbers, Car2Go will make a payment to cover the difference. On the other hand, if the parking charges are found to be less than the above listed amounts, the City will issue Car2Go credit towards the second year.
- Based on the actual usage during the first year, the City may adjust the annual rate per vehicle for the second year of the Pilot.

- City shall provide a permit to be displayed in each vehicle indicating that the vehicle is part of the Pilot program.
- Permitted vehicles shall be allowed to park at metered parking spaces without time limit or meter payment pursuant to City Council action.
- Permitted vehicles will be able to park in Critical Parking Areas (CPA) upon receiving approval pursuant to City Council action.
- Car2Go must comply with all applicable laws.
- Car2Go must maintain insurance as recommended by the City's Risk Management Department.
- Car2Go must indemnify the City against negligent acts and omissions.
- Car2Go must comply with the Minnesota Government Data Practices Act.

#### Ordinance Amendment

Certain amendments to Title 18, Chapter 478 of the Code relating to "*Traffic Code: Parking, Stopping and Standing*," modifying or deleting outdated language pertaining to the parking meter system," are currently pending. A relevant amendment included in the action would allow the Public Works Department to facilitate parking at metered spaces without payment or time limitations as proposed in the agreement. The agreement is contingent on the proposed ordinance amendment, and will not be executed until and unless the amendment is fully approved and finalized.

#### Critical Parking Areas

M.C.O. 478.710 allows the City Council to create special terms affecting critical parking areas after study and recommendation by the City Engineer. The City Engineer has studied the proposed agreement's potential impact on critical parking areas throughout the City, and has determined that granting Car2Go vehicles the ability to park in CPA's per the terms of the agreement will not adversely impact CPA's, or undermine the intent of their creation. The City Engineer recommends that the City affirmatively grant Car2Go the ability to utilize CPA's as outlined in the agreement, pending full execution.

#### Next Steps

Staff recommends entering into a contract with Car2go for a two-year city-wide car sharing pilot program.

Car2go is one of three vendors selected for this pilot. Staff anticipates returning to council in August to request authorization to enter into contract with the other two vendors.