

EXECUTIVE SUMMARY



To: Jim Scholl, City Manager
Through: Thaddeus Cohen, Planning Director
From: Chris Hamilton, Bicycle/Pedestrian/Transport Coordinator
Meeting Date: May 17, 2016
RE: License to Use Public Property for Zipcar, Inc.
Sponsor: Commissioner Jimmy Weekley

Action Statement:

The proposed Revocable License To Use Public Property grants a License for designated municipal parking spaces to the carshare company Zipcar, Inc. which enables its members to utilize vehicles on fractional rental terms.

Background and Analysis:

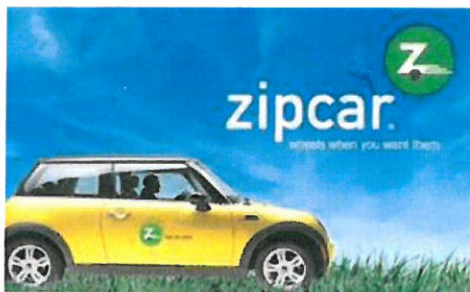
Why Carshare

Our City wants to get more people biking, walking and using public transit, instead of driving alone. Doing so helps alleviate traffic and parking congestion, which is bad for business and economic development, degrades our island's environment and is unhealthy for our citizens. Parking problems exacerbate tensions in our historic neighborhoods. Carsharing reduces dependence on privately owned autos and increases transit, bike and walk modes. Research over the last dozen years shows the benefits of carsharing for cities and their members include:

- Lowers the demand for parking. Surveys report that each carshare vehicle replaces between seven and fifteen private cars as members sell or scrap their cars or avoid buying new ones.
- Fewer miles driven and emissions produced. Carshare members only use cars when they have to rather than taking them out because it's already in the driveway. This results in less vehicles miles traveled (VMT).

- Lower transportation costs. Owning and maintaining a vehicle is the second most expensive item after one's home. AAA says it costs on average \$8,485 per year per vehicle. Carshare reduces transportation costs, thereby making housing more affordable.
- More transit, bike and walk. Research shows carshare increase the use of transit, bike and walk modes. As carshare members know they have access to a car when they need it, they get rid of private cars and use other modes more. Cities with robust carshare programs experience more people biking, walking and using transit and less driving.

About 13 percent of Key West households are car-free. This compares to 26% in Miami, 38% in Washington, D.C. and 9% in Jacksonville. For a compact, urban place the percentage of

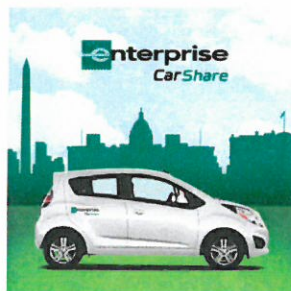


households without cars in Key West is low. Anecdotal evidence suggests that many people may consider giving up the expense of owning and parking a car if they had the opportunity to join a carshare program. This has happened elsewhere.

The bottom line is that research shows people want access to a car, not necessarily the burden and expense of owning a vehicle. This is in keeping with trends overall that show technology is enabling a sharing economy.

How Carshare Works

Carsharing refers to services that provide access to a vehicle or fleet of vehicles for short-term use, priced by the hour or minute, located conveniently through the community and with most, if not all, costs (such as gas, maintenance, and insurance) bundled into the rates. These services typically require membership, and usually have an annual membership fee.



Typically a person 1. Joins the system by filling out an application that includes making sure one's driver's license is in good standing. You receive a member card that then unlocks cars. 2. Members can reserve cars by going online or using a phone app. 3. Members use cars by simply tapping the member card to a reader, usually located beneath the

windshield. 4. You drive and return the car to the same parking space before your reservation is over.



Membership may cost \$25 to \$75 per year and often can be paid monthly instead of annually. Driving rates are usually charged at \$7 to \$12 an hour, depending upon vehicle type. Carshare companies typically have a range of small to large vehicles. Best practices show cars work best in dense neighborhoods. Cars are utilized to their maximum in mixed-use areas where people both live and work. Most carshare companies have a mix of cars in private spaces as well as on-street municipal spaces. In a program’s infancy, on-street municipal spaces in high traffic areas are ideal because they help market the program and show residents that the city is a partner. People initially feel safer with on-street spaces. Spaces are demarcated with signs and asphalt markings.

The Proposed Key West Pilot Project

Planning staff contacted the three major national carshare companies and asked if they would come to Key West. Enterprise Carshare’s Florida operation has two cars on the USF campus in St. Petersburg and 3 vehicles at the USF campus in Tampa. car2go has a fledgling operation in Miami. Zipcar has 170 cars in Florida, including 60 in Miami and are in Ft. Lauderdale, Jacksonville, Pensacola, West Palm Beach, Boca, Gainesville, Tallahassee, and Fort Myers. Zipcar has just launched with 12 cars in Orlando and 5 in Tampa. In both these cases the respective cities are providing Zipcar with free spaces. The number of cars in Florida are small



compared to the thousands of cars they have in cities like Washington, D.C and Boston each. Enterprise Carshare and car2go said no thanks at this time as they deemed the Key West market too small. Zipcar hadn’t thought about coming to Key West as their focus – like the others – is on big cities or college campuses. However they were intrigued by our compact, urban environment and our proximity to their operation in Miami. They also wondered if a successful Key West program could eventually provide point-to-point operations to other

Florida Keys islands. Based on this Zipcar agreed to a Pilot Project to see if carshare could work in Key West.

Planning staff researched how Florida municipalities made arrangements with Zipcar. In Miami the city's municipal parking authority provided a simple contract to Zipcar for spaces. In Orlando Zipcar has an agreement with FDOT because the parking spaces are on FDOT streets. FDOT's District Six Commuter Services unit requested the service. In Tampa, USF simply signed the standard Zipcar agreement. In West Palm Beach the city provided a License to Use parking spaces by City resolution. The License included a Certificate of Liability Insurance.

Given this research on other Florida municipalities, Planning staff is recommending following the City of West Palm Beach model. There is a Resolution approving a Revocable License To Use Public Property before the Commission. The License includes the insurance requirements.



At Zipcar's request, four parking spaces, two each in the Casa Marina (500 block of South Street) and Old Town North of Truman (400 block of Greene Street) neighborhoods are proposed to be provided. The Parking Director identified the specific locations based upon Zipcar's request to be in these areas. The identified locations are not directly in front of a retail business. For no more than the

duration of the Pilot Project, the parking spaces will be provided at a nominal (\$5.00 per month per space) fee. The nominal fee is proposed to help get the program started and has been used to good effect in other cities. Zipcar is investing in bringing down vehicles and providing signage and marketing, making this a true partnership.

Zipcar's Miami office will manage the program. They will provide signage and markings for the spaces, and as spelled out in the License will be responsible for their removal when the spaces are no longer in use. Zipcar's Miami marketing team will do outreach and sales in the neighborhoods targeting residents and business users as well as tourists. Zipcar will work with

the City to promote the program along with bike, walk and bus modes. Zipcar will outsource cleaning of the vehicles to a local company and will shuttle cars into their main operations for regular service and maintenance. Towards the end of the Pilot Project period Zipcar will work with City staff to do a survey of members to help ascertain satisfaction with Zipcar service and transportation and environmental impacts of the carshare program. If the program proves successful, Zipcar will work with the Parking Director to pay more for the initial spaces going forward and possibly seek additional parking and new neighborhoods.

Ultimately a successful carshare program in the City would see cars in every neighborhood at a mix of on-street and private parking spaces. This would enable people who live in, work in and visit Key West to live a car-free or bike-walk-transit-friendly life. And that's good for our City.

Options / Advantages / Disadvantages:

Option 1. Approve License To Use

Consistency with the City's Strategic Plan, Vision and Mission: Granting the license would be consistent with the goals of the Strategic Plan, the Vision or Mission.

Financial Impact: The four to eight parking spaces provided at \$5.00 per month during the initial one year of the Pilot Project are less than what an average metered parking space may yield, meaning that some parking revenue may be lost.

Option 2. Deny the License To Use

Consistency with the City's Strategic Plan, Vision and Mission: Denial of the License to Use would not be consistent with the Strategic Plan, the Vision or Mission.

Financial Impact: There would be no financial cost to the City for denying the request in terms of lost parking revenue.

RECOMMENDATION: Option 1. Approve the License To Use.