



To: Public Works and Transportation Committee **Date:** May 28, 2014
From: Victor Wei, P. Eng.
 Director, Transportation **File:** 10-6455-00/Vol 01
Re: **Car2Go - City Centre Car-Share Pilot Program**

Staff Recommendation

That Council:

1. Approve the business terms (the “Business Terms”) specified in Attachment 2 of the report titled “Car2Go – City Centre Car-Share Pilot Program” dated May 28, 2014, from the Director, Transportation for the purpose of entering into an Agreement between Car2Go Canada Ltd. and the City of Richmond for the use of public parking spaces on a one-year trial basis.
2. Authorize the Chief Administrative Officer and the General Manager, Planning and Development to execute an Agreement based on the Business Terms.
3. Direct staff to monitor the outcomes of the pilot program and report back to Council after one year of implementation.

Victor Wei, P. Eng.
 Director, Transportation
 (604-276-4131)

Cecilia Achiam, BCSLA, MCIP
 Director, Administration and Compliance
 (604-276-4122)

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Sustainability	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Customer Service	<input checked="" type="checkbox"/>	
Parks & Community Services	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The City's Business Development Program was established in 2013 to provide support to businesses wishing to expand or locate in Richmond. In late 2013, the Vancouver-based company Car2Go Canada Ltd. accessed this program to seek support in expanding its car-share service into Richmond. With a view to welcome this new business to Richmond, while meeting the City's goal in expanding car-share opportunities for the community, staff have worked with Car2Go to adapt its proposal to identify suitable parking locations while adhering to applicable bylaws and regulations.

The availability of this car-share service in Richmond will provide additional alternative transportation for residents and employees, encourage visitation to local amenities and attractions by up to 50,000 regional Car2Go members, while reducing the number of private vehicles on the roads.

This initiative supports the following Council Term Goals #3 Economic Development and #8 Sustainability:

- 3.2 *Foster a collaborative economic development culture within the City where the City and businesses are working together to build on and seize opportunities in a faster, more efficient manner, with critical mass.*
- 8.1 *Continued implementation and significant progress towards achieving the City's Sustainability Framework, and associated targets.*

Additionally, Richmond's Community Energy and Emissions Plan (CEEP), adopted by Council in 2014, includes the following strategies to reduce greenhouse gas emissions and energy consumption:

Strategy #6 "Facilitate Changes in Transportation Behaviour and Mode Choice"; car-sharing has been shown to reduce the extent of peoples' reliance on vehicles and support greater walking, biking and transit use.

Strategy #7 "Promote Low Carbon Personal Vehicles"; car-share vehicles are typically lower-carbon, more fuel efficient models.

The terms presented in this report would allow Car2Go access to a number of City-owned on- and off-street parking locations within a specified area for a trial period of one year, subject to regular parking fees, rates and regulations. As the availability of car-share services in Richmond supports multiple Council goals related to sustainability, economic development and transportation, this report recommends that the City Centre Car-Share Pilot Program be endorsed

Analysis

Car-Sharing in Richmond

At its September 24, 2012 meeting, Council endorsed the introduction of car-share services in Richmond, including the provision of twelve reserved on-street car-share parking spaces near Canada Line stations. These spaces are available to car-share companies for a fee by entering into a licence agreement with the City. Two of these stalls are currently used by car-share company Modo. Ten on-street dedicated parking spaces remain available, four of which have been requested by Car2Go. A third car-share company operating in the region, Zip Car, has secured private parking at Richmond Centre Mall.

Different Car-Share Models

Benefits of car sharing are widely recognized and they help members by way of increased mobility and decreased private vehicle use and associated costs. Research indicates that communities also benefit by way of reduced road congestion, air pollution, and increased public transit use and access to employment locations not well served by public transportation.¹ Car-share services give members 24-hour access to private vehicles stationed conveniently around a city or region on a self-serve, pay-per-use basis.

Car2Go Canada Ltd., a wholly owned subsidiary of Daimler Auto Group, operates the only free floating car-share model in Metro Vancouver. Instead of returning a vehicle to a designated location as with the traditional model, members may start and end their trip in any approved parking location within a defined area, called the “Home Area”. These parking locations typically include a mix of public and private on- and off-street spaces in highly visible and frequented areas. When the trip has ended and the vehicle is parked at any approved location within the Home Area, the billing is stopped and the vehicle is made available for any other member’s use. Members may make stopovers or drive the vehicle outside of the Home Area, but continue to be billed for time used, even after parking.

Car2Go’s business model relies on having a large fleet of vehicles in areas with high population density, and gaining access to a large number of public and private parking locations.

The company employs advanced technology including a fleet of fuel-efficient Smart microcars, a mobile app for users to find vehicles near them, an in-car navigation display outlining the Home Area and approved parking locations, the capability to integrate into municipalities’ cellular payment systems, and a chip engrained access card which serves as a key to unlock and lock the vehicle.

Car2Go operates in 25 cities worldwide, including Calgary, Montreal and Toronto. Recently the company expanded its model to allow members international access to Car2Go vehicles in all cities where the company operates, not just their home city.

¹ Submitted to San Diego Association of Governments (SANDAG) by IBI Group: *On-Street Parking Carshare Demonstration Project* (June 2009).

Table 1: Key Differences between Traditional versus Car2Go Car-Share Models

Traditional Car-Share	Car2Go
<ul style="list-style-type: none"> • Reservation required 	<ul style="list-style-type: none"> • No reservation required
<ul style="list-style-type: none"> • Time limit on usage • Pay by minute, hour or day 	<ul style="list-style-type: none"> • No time limit on usage • Pay by minute, hour or day
<ul style="list-style-type: none"> • Return vehicle to starting location when trip completed • Billing continues until vehicle returned to starting location 	<ul style="list-style-type: none"> • No requirement to return vehicle to initial pickup point • Park in any approved location within Home Area • Billing stopped when vehicle is parked and trip has ended
<ul style="list-style-type: none"> • Typically used for longer, two-way trips 	<ul style="list-style-type: none"> • Typically used for shorter, one-way trips
<ul style="list-style-type: none"> • Member pays parking fees outside of designated parking space 	<ul style="list-style-type: none"> • Member pays parking fees outside of designated Home Area

Car2Go in Metro Vancouver

Car2Go launched its first Canadian service in Vancouver in 2011 with a fleet of 225 vehicles in a trial area. The company has recently grown to a fleet of over 500 vehicles, and a regional membership base of nearly 50,000. Car2Go has since expanded its Home Area in Metro Vancouver to include most of Vancouver, as well as the City of North Vancouver.

Information collected by Car2Go through a survey of its Vancouver members reveals that 34% are now using a private vehicle less often than they did prior to obtaining a membership, and that 23% have sold or are reconsidering the need for a private car. This is consistent with a study recently presented to the Metro Vancouver Regional Planning Advisory Committee meeting which noted the following:

- 51% of car-share households have no private vehicles. The regional average number of households with 2 or more vehicles is 47%; only 12% of car-share households have 2 or more vehicles.
- 39% of car-share households stated that their number of private vehicles owned decreased compared to the period 12 months prior to joining a car-share program.²

Similar to the twelve on-street dedicated car-share spaces along the Canada Line in Richmond mentioned above, North Vancouver and Vancouver have also designated on-street car-share parking locations in proximity to transit and near shopping, dining and entertainment. Car2Go has reserved use of these spaces for a fee based on their market value. Vehicles in those cities may also park in resident only zones with special permits, privately secured off-street locations, or any unregulated areas within their existing Home Area.

² Submitted to Metro Vancouver Regional Planning Advisory Committee: *Metro Vancouver Car Share Study – Preliminary Findings* (May 6, 2014).

Figure 1 below shows a Car2Go vehicle, and Figure 2 shows Car2Go's existing Home Area within Metro Vancouver.

Figure 1: A Sample Car2Go Vehicle



Figure 2: Car2Go's Current Home Area in Metro Vancouver



Car2Go in Richmond

Upon successful implementation of its service in Vancouver and North Vancouver, Car2Go conducted market research that identified Richmond as a desirable location in which to expand its Home Area. The company secured parking spaces at Kwantlen Polytechnic University's Richmond campus in 2011, and recently presented a proposal to the City of Richmond seeking access to publicly owned parking locations and advice on an appropriate trial area.

Due to its ongoing urban densification, Richmond's City Centre has been identified as an ideal trial area within which to pilot this program for area residents, businesses, workers and visitors.

The company proposes to launch this expanded service in summer or fall 2014 for a trial period of one year. All vehicles in the company’s fleet would then have the ability to move freely within the Home Area (Vancouver, North Vancouver and Richmond). Based on a demand study, Car2Go anticipates initially having up to 51 vehicles out of its total fleet in Richmond at any given time. Ultimately, Car2Go may elect to expand its Home Area to encompass all of Richmond, following an evaluation of the trial program in the City Centre.

The following suitable parking locations for use by Car2Go have been identified and are outlined in the section below.

Use of City On- and Off-Street Parking Spaces

The City owns a number of on- and off-street parking locations within the City Centre that would well serve residents wishing to use Car2Go. Under the one-year pilot program, Car2Go would be provided access to the public parking locations described and outlined in Table 2 below, and identified on the map in Attachment 1. The use of these parking spaces is subject to existing parking rates and regulations.

Table 2: Proposed Car2Go Use of City Centre Public Parking Areas

Area	Type of Parking	Location	Regulation	Facilitated By
1.	On-street permit parking	Within City Centre Parking Permit Zone	Traffic Control and Regulation Bylaw No. 5870	City assignment of parking permits
2.	On-street metered (pay station) parking	Within City Centre Parking Pay Station Zone	Traffic Control and Regulation Bylaw No. 5870	Legal agreement with Car2Go for automatic billing of existing public pay parking zones
3.	Off-street metered parking lots	<ul style="list-style-type: none"> • 7840 Granville Avenue (Brighthouse Park) • 6131 Bowling Green Road (Bowling Green) • 6500 Gilbert Road (Gateway Theatre) 	Parking (Off Street) Regulation Bylaw No. 7403	Legal agreement with Car2Go for automatic billing of existing public pay parking zones
4.	On-street reserved car-share parking spaces	<ul style="list-style-type: none"> • 6560 Buswell Street (near Richmond-Brighthouse Station) • 8888 River Road (near Bridgeport Station) • 7760 River Road (near Aberdeen Station) • 8120 Lansdowne Road (near Lansdowne Station) 	Traffic Control and Regulation Bylaw No. 5870	Licence agreement with Car2Go
5.	City surface parking general car share spaces	2 spaces at 6911 No. 3 Road (City Hall)	Parking (Off Street) Regulation Bylaw No. 7403	Customer Service to initiate signage changes to City Hall surface parking area

A description of each of the applicable parking spaces is found below.

1. On-Street Permit Parking

Car2Go has requested access to on-street permit parking spaces for the number of vehicles it anticipates will be in Richmond at any given time. Staff have determined that these permit zones have surplus capacity to accommodate the 51 permits requested by Car2Go.

The 51 permits will be assigned to Car2Go vehicles at current standard rates, recognizing that only a portion of the 51 vehicles will ever be parked in permit zones at any one time. Car2Go vehicles will be allowed to park interchangeably in the three different parking permit zones currently designated within the City Centre. The number of permits issued may increase or decrease after the first six months, based on actual Car2Go use of these permit zones, as identified by an electronic and field audit conducted by the City.

2. On Street Metered (Pay Station) Parking

The City will provide Car2Go users, on a first-come, first-served basis, access to the public metered parking spaces with the City Centre, as outlined in Table 2 above. Fees charged will be consistent with what is currently charged to any member of the public wishing to access these spaces, as per the posted regulatory signage.

The cellular payment system currently used by the City, *Verrus Pay by Phone*, will be integrated with the company's web-based open API system to automatically track all parking usage of these paid locations, for which the City will invoice Car2Go monthly. This will synchronize with the company's business model, whereby Car2Go pays for all ancillary fees (including parking fees within the Home Area) on behalf of its members.

3. Off-Street Metered Parking Lots

The three City-owned parking lots in the City Centre, referenced in Table 2 above, are available to the public by either purchasing a monthly parking permit or purchasing incremental time at a parking meter. Because these lots are frequently used by a variety of groups and operate near capacity during peak times, no permits are to be assigned to Car2Go for these lots.

Car2Go access to these locations (which provide users access to Gateway Theatre, Brighthouse Park and Minoru Park) will be granted on a first-come, first-served basis, similar to on-street metered locations. Through integration with the *Verrus Pay by Phone* system, all use of these lots by Car2Go members will be tracked automatically and billed monthly.

4. On-Street Reserved Car-Share Parking Spaces

On September 24, 2012, Council approved an amendment to Traffic Control & Regulation Bylaw No. 5870 to allow for the designation of up to 12 reserved on-street car-share parking spaces in proximity to the Canada Line stations. Under that authority, Car2Go would enter into a separate licence agreement with the City to access four of those spaces (one at each Canada Line station in Richmond) at a rate of \$300 per space per year.

These spaces are the only parking spaces in Richmond to be designated for Car2Go's exclusive use. As Modo currently has a license to use two of the 12 spaces, six spaces would remain available for any other car-share company on a first-come, first-served basis.

5. City Hall Surface Parking General Car Share Spaces

Two general car-share parking spaces will be designated in the City Hall parking lot, adjacent to the existing electric vehicle charging stations. These spaces will be reserved for use by Car2Go or any other car-share company, and subject to the established time limit.

6. Private Parking Spaces

Car2Go is also working to secure privately owned parking locations at strategic, high visibility areas of the City Centre such as shopping malls, universities and community attractions. In addition, the City has secured through the development application process nine car-share spaces within new developments in the City Centre; one has been completed for Maclean Homes (6600 Cooney Rd. / 6611 Eckersley Rd.), and eight have yet to be constructed (see Attachment 1). Staff will facilitate discussions between Car2Go and the developers towards pursuing any private agreements for the use of these spaces.

Consultation with Richmond Parking Advisory Committee

Staff discussed Car2Go's interest in expanding into Richmond with the Richmond Parking Advisory Committee (RPAC) at its March 5, 2014 meeting. At that meeting, members expressed support for car-share services and suggested that more education and awareness of the services are needed for the general public, which could also forestall any potential complaints associated with reserving parking spaces for car-share operators. To this end, Car2Go will commence a marketing program for launching the new service in Richmond. Staff will share any further comments from RPAC made at its next meeting to be held June 4, 2014 meeting and provide a verbal update when this report is presented to the Public Works & Transportation Committee.

Business Terms

Based on the above arrangement, a list of proposed material terms is found in Attachment 2. These proposed terms, if endorsed by Council, will be used to develop a legal agreement for establishing a trial period of one year for the program and facilitate automatic billing for City-owned pay parking locations within Richmond's City Centre. As with the general public, Car2Go and its members will be subject to all applicable fees, bylaws and regulations.

Monitoring and Follow-Up

Provided the proposed pilot program is endorsed and launched, staff will review the program upon completion of the one-year trial period. Outcomes will be reported back to Council with recommendations regarding its continuation, including a possible expansion of the Home Area to other parts of Richmond.

Financial Impact

Upon pilot launch Car2Go will pay the following fees to the City for access of City-owned parking locations:

- \$1,200 plus tax per year for exclusive use of four on-street reserved parking spaces near the Canada Line
- \$2.50 plus tax per vehicle, per hour, for use of on- and off-street metered parking
- \$50 plus tax per month, per vehicle, for use of on-street permit parking (subject to volume discounts as per Bylaw No. 5870)

Actual parking revenue received through this program will be realized monthly and total revenue reported back to Council after the completion of the one-year pilot period. Directly related to the car share program, any parking sign amendments, in the form of re-decaling will be financed through program permit fees, therefore resulting in no negative financial impacts to the City.

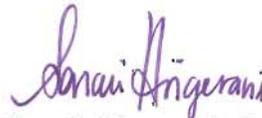
Conclusion

Car2Go has identified Richmond as a desirable growth market in which to expand its Metro Vancouver car sharing service, and has approached the City to facilitate access to publicly owned parking locations. Consistent with the 2041 Official Community Plan (OCP) adopted by Council, the use of more sustainable modes of transportation such as walking, transit and car sharing is encouraged. Recognizing that car-sharing supports several Council goals and policies related to public transportation, environmental sustainability and economic development, staff have identified a variety of suitable parking locations within the City Centre and have worked with Car2Go to develop business terms for a trial program.

All proposed fees are consistent with existing rates charged to the public for access to these locations, and all existing parking regulations would apply. This approach would support car-sharing by giving Car2Go access to high profile locations without negatively impacting the City's operating budget or amending existing parking bylaws. In order to further encourage car-sharing in Richmond, staff recommend the endorsement of this pilot program in the City Centre on a one-year basis, with a review of outcomes to occur upon its conclusion.



Katie Ferland
Business Development Liaison
(604) 247-4923

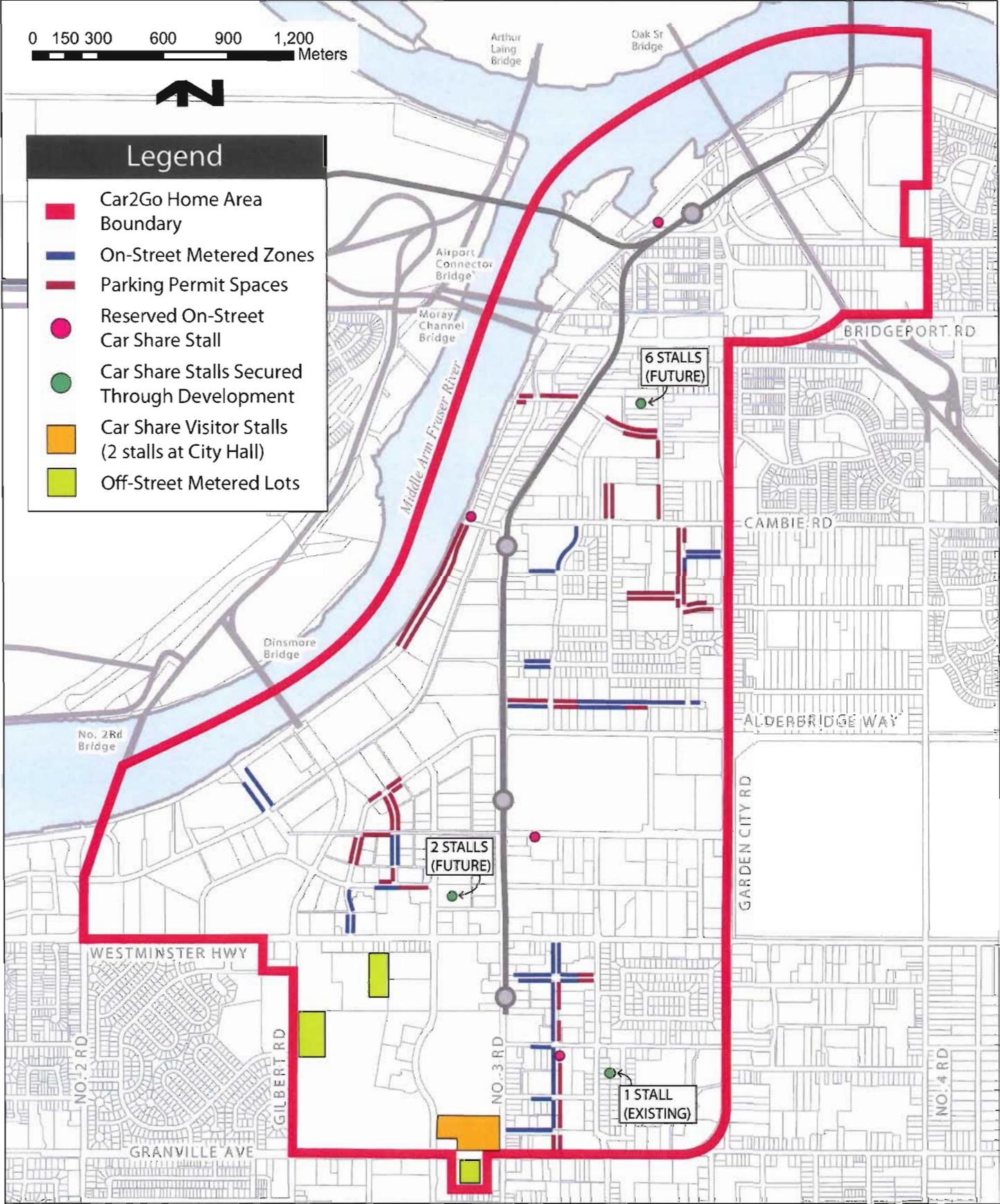


Sonali Hingorani, P. Eng.
Transportation Engineer
(604) 276-4049

KF/SH:kf/sh

- Att. 1: Map of Public Parking Spaces to be Used by Car2Go
2: City of Richmond-Car2Go Key Business Terms

Car2Go Richmond Home Area Map



**City of Richmond / Car2Go Agreement
Proposed Business Terms - May 28, 2014**

1. Home Area:

- (a) The Richmond Home Area is defined by the boundary of the map enclosed as Attachment 1.
- (b) The City will provide Car2Go access to City-owned parking locations within this Home Area, as described in Section 2 below.
- (c) It is Car2Go's responsibility to communicate the Home Area boundary to its members.

2. Access to City-owned Parking Locations:

Car2Go vehicles may be parked in the following City-owned locations, in accordance with respective regulatory signage and applicable bylaws:

- (a) On-street permit areas identified as "Zone 1", "Zone 2" and "Zone 3" in Schedule M to Bylaw No. 5870. A parking permit assigned by the City to Car2Go allows Car2Go vehicles to park interchangeably in all three zones.
- (b) On-street metered areas as per Schedule L to Traffic Control and Regulation Bylaw No. 5870.
- (c) Off-street metered parking lots identified as Items 1, 2 and 4 in the Parking (Off Street) Regulation Bylaw No. 7403 at the following locations:
 - (i) 7840 Granville Avenue (Brighthouse Park parking lot);
 - (ii) 6131 Bowling Green Road (Bowling Green parking lot);
 - (iii) 6500 Gilbert Road (Gateway Theatre parking lot).

3. Payment of Fees:

- (a) On-Street Permit Areas
 - (i) The City will invoice Car2Go monthly for each permit assigned, as per the fees and subject to applicable volume discounts set out in Section 12B.5 of Bylaw No. 5870.
 - (ii) The initial number of permits issued will be 51, based on Car2Go's projected maximum vehicle occupancy throughout Richmond permit zones at any given time.
 - (iii) At the end of six months, if more than 51 Car2Go vehicles have been found to occupy Richmond Permit Zones 1, 2 and 3 combined at any given time, the City may require Car2Go to purchase additional permits for the next six months. Likewise, if the maximum number of vehicles parked in these zones at any given time during the six-month period has been less than 51, the City may assign Car2Go fewer permits for the next period.

- (b) On-Street and Off-Street Metered Areas
 - (i) At the beginning of each month, the City will invoice Car2Go for the previous month's use of the following locations:
 - a. On-street metered parking as per the fees and pay periods designated in Bylaw No. 5870.
 - b. Off-street metered parking as per the fees and pay periods designated in Bylaw No. 7403.
 - (ii) Where the terms, including pay periods and rates, differ between the applicable bylaw and posted signage, the signage will be deemed correct and rates charged accordingly.
 - (iii) In any on-street or off-street metered area, the City retains the right to charge Car2Go for any stays beyond the maximum allowed time within the pay period, at the standard meter rates per hour or issue violation notices and/or tickets under existing regulations as per Section 4 below.

4. Parking Enforcement:

- (a) Car2Go and its users are required to comply with all City Bylaws including Traffic Control & Regulation Bylaw No. 5870 and Parking (Off-Street) Regulation Bylaw No. 7403, and are otherwise subject to enforcement through issuance of "Notice of Bylaw Violations" and in accordance with the fines and conditions as specified under City Bylaw No. 8122.
- (b) Parking fees within the Home Area and bylaw violation notices throughout Richmond incurred by any Car2Go vehicle will be directed to Car2Go for payment.
- (c) Car2Go vehicles found to be in breach of any time limits as stated in the above bylaws must be relocated within 24 hours of receipt of written notification from the City.
- (d) Car2Go vehicles not re-located beyond the above prescribed 24 hour period will be subject to ticketing and/or towing and all such costs will be charged to Car2Go.
- (e) Car2Go vehicles parked in such a way to pose a safety hazard, as deemed by a Bylaw Officer, will be subject to immediate towing, without notice and all such costs will be charged to Car2Go.

5. Pay by Phone Integration:

- (a) Car2Go will integrate into the Verrus Pay by Phone cellular payment system in order to track, compute and remit payment to the City for all metered area occupancy in Richmond.
- (b) Car2Go will provide the City with read-only access of their Verrus Pay by Phone cellular payment system account data for Richmond, for the purpose of validating &/or auditing metered area occupancy.

6. Vehicle Re-distribution:

To address any undesirable concentration of Car2Go vehicles in a particular area, Car2Go will manually re-distribute its vehicle(s) within 48 hours of receipt of notification by the City.

7. Term:

The initial pilot program shall be for one (1) year. Continuation of agreement will be subject to review of pilot program and subsequent Council approval.

8. Auditing:

Car2Go will provide detailed usage reports as requested by the City up to 4 times per year. Reports will include the number, location and duration of stay of vehicles in Richmond throughout the period.

9. Decals:

Car2Go owned vehicles will be recognized as authorized Richmond parking permit holders by way of their vehicle identification/branding. Therefore, any vehicles not publically displaying the prescribed identification will be excluded from this agreement.

10. Right to Terminate:

Subject to a six-week written notification period by either party.