



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of April 16, 2016

DATE: April 7, 2016

SUBJECT: Amendment to the Point-to-Point Carsharing Demonstration Study Agreement between Arlington County and car2go to allow for cross-jurisdictional service with the District of Columbia

C. M. RECOMMENDATION:

Authorize the County Manager or his designee to execute an Amendment to the Demonstration Study Agreement, with adjustments to allow cross-jurisdictional service for remainder of evaluation period, subject to review and approval of the Amendment by the County Attorney.

ISSUES: Coordination with the District of Columbia Department of Transportation is required to expand the service.

SUMMARY: The County Board approved a Point-to-Point Carsharing Demonstration Study with car2go on June 16, 2015 and service began on October 22, 2015. The point-to-point carsharing demonstration study has been operating in Arlington for approximately five months. There are almost 2,000 Arlington resident members, and over 6,600 trips have been taken on the Arlington system. However, membership and vehicle use in the first couple months (November-December) of the program was lower than anticipated and several complaints were received from residents reporting car2go vehicles that were idle/parked for longer-than-permitted durations. All of these relocation requests were resolved by car2go staff. In response to idle times and higher than expected operational costs, car2go reduced the fleet size in January 2016. With a much smaller fleet, relocation calls quickly tapered to near zero, and the per-vehicle efficiency of the system increased, but there is also less availability overall and reduced usefulness to members. Membership continues to grow, but the current fleet service level is not a good solution for a long-term program. Staff has discussed these challenges with car2go, and with the District of Columbia Department of Transportation (DDOT), since the point-to-point service has been operating there since 2012.

County Manager:

mga / cgm

County Attorney:

AM

JAM

41.

Staff: Melissa McMahon, DES; Lawrence Marcus, DES

Based on these conversations, staff proposes that the Arlington demonstration study be modified at this time to try cross-jurisdictional service for the remainder of the study period until December 1, 2016 (the date the agreement expires, which includes three months for evaluation). In its current form, the pilot does not indicate that an Arlington-only system is viable. This change is expected to provide a more useful service to members in Arlington and DC. Cross-jurisdictional service will also allow car2go to operate a fleet size sufficient for proper evaluation of operational viability in Arlington. The service is expected to reduce vehicle idle times and rebalancing costs that have been a barrier thus far.

BACKGROUND: Point-to-point carsharing refers to a service where members are provided with access to a fleet of vehicles for short-term use, priced by the hour or minute, located conveniently throughout the community, and with all costs (such as gas, maintenance, and insurance) bundled into the rate, and where trips can start and end in different locations. Arlington County entered into an Agreement with car2go on September 1, 2015 for a demonstration study. This study underway is the first time Arlington has tried a point-to-point carsharing service, although the service model has been available in the District of Columbia since 2012.

The current agreement allows up to 200 carsharing vehicles to park in on-street parking spaces within Arlington County, without members having to pay parking meter fees or have a residential parking permit. Members may pick up a program vehicle in one location within Arlington County and drop it off in another location within Arlington County at the end of the trip. Car2go maintains the vehicles, ensures the vehicles do not stay in one place for too long, and reports data on program operation to the County on a monthly basis. Car2go is required to pay fees in advance for members' access to metered areas and residential zones and to cover program administration and evaluation costs. In the current agreement, vehicles are registered in Virginia and Arlington County, and vehicles bear a "demonstration study decal" in the passenger-side window, identifying them as part of the project. The agreement stipulates that the program will be evaluated by staff after one full year of operation, looking at its performance at providing a useful and integrated transportation option that supports Arlingtonians, the transportation system and the Master Transportation Plan vision.

DISCUSSION: Preliminary operational data for the Arlington system suggest that, similar to the DC system and those of other communities, most of the trips with this point-to-point service are being made later in the evenings and on weekends, at times when fixed route public transportation options are fewer. This is a positive outcome, however, two key challenges have been identified at this time:

- New membership registrations and vehicle use in the first couple months (November-December) were lower than anticipated by car2go. The vendor responded in January by reducing the fleet from 95 vehicles to 25, in order to address operational cost issues. With a much smaller fleet, the per-vehicle efficiency of the system has increased, but there is reduced usefulness to members and, consequently, less overall use.
- In the initial months, some vehicles experienced longer-than-permitted idle times (24 hours in residential parking permit zones, 36 hours in all other locations). This issue was reported by residents, and car2go staff responded to move the vehicles when reported.

Car2go staff resolved 100% of requests received to relocate vehicles. With the fleet reduction in January, calls of this sort quickly tapered to near zero.

Staff consulted with car2go and DDOT on possible operational adjustments that would be implementable during this study period that would improve the performance of the service, from the member perspective, from the vendor perspective, and from the overall Arlington community perspective. Strategies discussed included increased communications and outreach efforts, changes to the fleet makeup to include four-door vehicles (requested by some residents interested in the service), and offering cross-jurisdictional service (requested by current members in Arlington and DC).

An update on demonstration study status and compliance was presented to the Transportation Commission on March 31, 2016 to obtain their feedback, and the status update and Transportation Commission presentation was posted to the program website on April 1, 2016. The summary memo is provided as an attachment to this Board Report. The Transportation Commission expressed interest in the success of the program, and strong support for all of the potential improvements under consideration by staff. The Commissioners recommended staff act as quickly as possible on each of these areas to gain the most from the demonstration period, and especially to bring the fleet back up to a useful service level.

Of the opportunities discussed, changing the fleet makeup was described to the Commission as not feasible within the timeframe of the demonstration study, although car2go is pursuing it as a longer-term strategy for tailoring their services in communities throughout the country. The Commission recommended staff and car2go reach out proactively to Civic Associations in order to get more exposure for the program, and that car2go try new marketing strategies. The Commission recommended that cross-jurisdictional service be pursued with DDOT as soon as possible.

To use the remainder of the study period to test cross-jurisdictional service between Arlington County and the District of Columbia requires Board approval. This change would allow car2go members to pick up a vehicle in one jurisdiction and drop it off in the other. Staff recommends this service adjustment because it has the potential to make point-to-point carsharing more useful for existing Arlington and DC members, to attract new members, and to keep each fleet vehicle in Arlington moving more often rather than sitting at the curb, thereby reducing conflicts with residents.

Execution of this Amendment is contingent on DDOT approval. DDOT is currently reviewing the concept proposed by car2go and, if approved, has committed to working with Arlington to design an acceptable trial period of cross-jurisdictional service, consistent with the remainder of Arlington's demonstration study period. There is existing precedent for car2go operating such cross-jurisdictional service between the cities of Minneapolis and St. Paul, MN, and the boroughs of Brooklyn and Queens, New York, NY.

Cross-jurisdictional service would change none of the fundamental performance requirements of the Arlington demonstration study:

- The duration of the demonstration study remains 12 months of operation, followed by up to three months for evaluation and recommendations to the Board
- The fleet in Arlington at any one time would continue to be capped at no more than 200 vehicles
- The maximum duration of stay in any one location in an RPP zone would remain 24 hours; it would remain 36 hours in metered zones
- Per-vehicle fees paid to the County by the vendor would remain the same
- Fleet type, emission standards and maintenance requirements would remain the same
- Existing data reporting requirements would remain the same
- Community presentations to civic associations and other community groups would continue as requested, and information on the demonstration will continue to be kept up-to-date on the County webpage for the project

The demonstration study agreement, however, would need to be modified slightly to implement cross-jurisdictional service:

- Arlington/VA vehicle registration would no longer be included in the agreement, because the vehicles will be operating in both Virginia and the District of Columbia, and the existing fleets will merge. The Commissioner of Revenue's Office has verified that carshare vehicles are considered rental vehicles and as such are not required to be registered in the Commonwealth and Arlington County.
- The Home Zone description will be updated to include the District of Columbia, so that trips may start or end in either jurisdiction.
- A fleet size minimum and maximum will be specified for cross-jurisdictional rebalancing, so that as vehicles flow back and forth, the Arlington fleet service level stays within the acceptable range intended by our original study design.
- Data on fleet size in Arlington will be required, in order to monitor the effectiveness of cross-jurisdictional rebalancing.
- The demonstration study decal will no longer be required, since fleet vehicles operating in Arlington may be from either original fleet. Since car2go vehicles are clearly marked, we do not anticipate any issues with the community or Parking Service Aids identifying fleet vehicles as a part of this project.

Staff recommends these changes to the Agreement and to the service in the interest of providing the best test of service compatibility with community needs during the remaining time of the demonstration period. Staff will continue to monitor performance and meet with car2go on a monthly basis to discuss the available operational data and community feedback. The evaluation at the close of the demonstration study will reflect all three phases of this demonstration – initial rollout, fleet reduction, and then fleet reestablishment with cross-jurisdictional service option.

FISCAL IMPACT: There is no fiscal impact to the County budget for the recommended modifications to the cross-jurisdictional service in the current point-to-point carsharing demonstration study.

**AMENDMENT NO. 1 TO THE
AGREEMENT WITH CAR2GO FOR DEMONSTRATION STUDY OF POINT-TO-POINT
CARSHARING SERVICES IN ARLINGTON COUNTY**

This Amendment No. 1 to the aforementioned Agreement, is entered into this ____ day of _____, 2016, by and between car2go, a limited liability company authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia (“Arlington County” or the “County”).

Whereas, the Parties entered into an Agreement to undertake a demonstration of point-to-point carsharing services in the County and to examine the potential impacts of this operational model, and

Whereas, car2go has paid the minimum required initial program management fees, which are sufficient for continued administration and monitoring of the program with no adverse fiscal impacts; and

Whereas, after five months of operational data and coordination, challenges have been identified associated with rates of membership growth and trip-making, such that some residents have experienced longer than intended vehicle idle times in their neighborhoods, and operational costs have forced the operator to reduce the fleet size below the intended levels for evaluation; and

Whereas, feedback from Arlington members has included requests for the provision of cross-jurisdictional service between Arlington and the District of Columbia, in order to facilitate economic activity between the jurisdictions, especially on evenings and weekends when fixed route transit is providing its lowest levels of service, and

Whereas, preliminary Arlington data indicates that evenings and weekends are the peak times of useage for the point-to-point carsharing service, consistent with member’s reported transportation needs; and

Whereas, the District of Columbia supports cross-jurisdictional service with Arlington County;

Now Therefore, in consideration of the foregoing premises, the Parties agree to amend the Agreement as follows:

Agreement Section 2. d., is deleted in its entirety.

Agreement Section 2. g., is revised as follows:

“Home Zone. For purposes of this demonstration study, the Arlington Program operational zone consists of ~~the borders of~~ Arlington County, Virginia and Washington, DC. Federal lands in Arlington shall not be included in this home area. ~~This fleet shall not be mixed with the car2go fleet operating within the District of Columbia.~~ Residents and workers that choose to join car2go may drive the ~~Arlington~~ fleet vehicles anywhere, but “trips” must start and end within the Arlington County, VA – Washington, DC home zone. ~~car2go members likewise have access to use the DC system, but DC fleet vehicles start and end trips in DC.”~~

Agreement Section 2. i., is revised as follows:

“System Management and Rebalancing. car2go shall be responsible for removing as soon as possible all vehicles that are parked and remain idle in a residential permit parking zone for greater than twenty-four (24) hours. When removing these vehicles, car2go shall be prohibited from moving an idle vehicle to another parking space located on that particular block. For vehicles in other zones, car2go shall be responsible for moving vehicles that are parked for longer than thirty-six (36) hours. Car2go shall operate in Arlington with no fewer than 80 fleet vehicles and no more than 200 fleet vehicles at any one time, to ensure that cross-jurisdictional vehicle flows do not adversely impact the level of service in the system in Arlington specifically.”

Agreement Section 2. j. a. System Data, is modified to add the following additional monthly data reporting requirement:

“xv. Fleet size within Arlington County each day.”

Agreement Section 4. a. ii., is revised as follows:

“Prior to and during Program rollout, car2go shall notify its contacts and its customers with the District of Columbia system about the initiation of the Arlington Demonstration Study, conveying clearly and correctly the specifics of the service. ~~difference between the two systems.”~~

Agreement Section 4. a. iv., is deleted in its entirety.

All other terms of the Agreement not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the day and year shown below.

car2go LLC

By: _____
Name:
Title:

Date: _____

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

By: _____

Date: _____

Name: Mark Schwartz

Title: County Manager

Approved as to Legal Form: _____

DRAFT



March 31, 2016

Subject: Update on the Point-to-Point Carsharing Demonstration Study: Five Months In

This is a status report on the progress of the point-to-point carsharing demonstration in Arlington. The Point –to-Point Carsharing Demonstration Study Agreement was executed September 1, 2015, and service began on October 22, 2015. At the County Board hearing last summer to authorize execution of the demonstration study agreement, staff made a verbal agreement with the Board to provide this mid-way update with available information on the reception and performance of the service, on the communications efforts, and in general the commitments made within the agreement.

As a reminder, point-to-point carsharing refers to a service where members are provided with access to a fleet of vehicles for short-term use, priced by the hour or minute, located conveniently throughout the community, and with all costs (such as gas, maintenance, and insurance) bundled into the rate, and where trips can start and end in different locations. This is the first time Arlington has tried a point-to-point carsharing service, although the service model has been available in the District of Columbia since 2012.

Status Summary

The program is operating largely within the parameters of the demonstration study agreement. There are almost 2,000 Arlington resident members of the program, and over 6,600 trips have been taken on the system. To-date, staff has received 45 pieces of public feedback directly, while car2go has received an additional 50 unique communications. All requests received for vehicle relocations were addressed by car2go. However, when membership uptake and vehicle use in the first months (November-December) was lower than anticipated, car2go responded in January by reducing the fleet size in order to address operational cost issues. With a much smaller fleet, relocation calls quickly tapered to near zero, and the per-vehicle efficiency of the system increased, but there is also overall less usefulness to members. Membership continues to grow, but the current fleet service level is not a good solution for a long-term program. Staff is working actively with car2go to identify operational adjustments to the demonstration that will allow them to increase the fleet level again, and in turn offer a more robust program for staff and community members to experience and evaluate.

car2go Areas of Compliance

Vehicle Identification	car2go provided a monthly update on the license plate list (total of four lists with 96/95/24/25 cars)
Vehicle Registration	All vehicles are registered and licensed in Arlington County.
Emission Standards	All vehicles are Daimler Smart ForTwo cars and meet the EPA SmartWay emission standards (rating: 36 mpg)
Maintenance	The service operator is providing the proper maintenance of their fleet vehicles. Vehicle battery issues in December due to cold weather were addressed.
Home Zone	car2go is operating their demonstration study fleet within Arlington County only. A few vehicles were driven to Washington, DC during the rollout of service, and were promptly relocated and members informed of the service's home zone area and its relationship with the DC home zone area.
Parking and Traffic Laws	car2go provides information on parking regulation to their members. Since the start of the program, car2go fleet vehicles have received a total of 21 parking tickets and one red light violation ticket.
Advertising	Car2go has not advertised or published Arlington County government's promotional materials without the County's consent.
Penalties and Fines	car2go has taken financial responsibility for all fines and enforcement actions.
Communications Plan (car2go Role)	<p>car2go deployed street teams at the start of the program as well as during events in the fall, such as farmers markets, to speak with community members about the service and operation procedures and to answer any questions about the program. Other outreach efforts included a digital campaign which involved Instagram, Facebook, Retail Me Not, Thrillest, Do stuff, and Twitter, a discount "Hop In" campaign, and an e-mail campaign and referral program.</p> <p>car2go has joined Arlington County staff in speaking at six Civic Association meetings upon the Civic Association's request, as well as reached out to Business Improvement Districts to seek partnerships. Presentations have been conducted at the following Civic Associations: Aurora Highlands, Donaldson Run, Ballston/Virginia Square, Barcroft, Clarendon-Courthouse, and Foxcroft Heights. car2go vehicles are displaying the required demonstration study decal.</p>
Program Status Update Meetings	County staff and car2go have been meeting on a monthly basis to discuss and assess the program, and communicate via email and phone on an as-needed basis to address residents' requests or organizational issues.
Data and Reporting (Survey Data):	car2go recently closed the first Arlington member survey and delivered preliminary data.

Program Key Challenges

Vehicle Fleet: car2go introduced 96 cars within the first four weeks of the demonstration study. However, instead of further increasing this number, car2go reduced the number to 24 in January, 2016, after informing Arlington County staff that this action would be taken due to lower than expected use and higher than expected operating costs. This fleet level is far short of the commitment made in the agreement, and makes it more difficult to evaluate usefulness and impacts.

System Management

and Rebalancing: car2go staff have resolved 100% of requests to move vehicles. These requests reported vehicles having longer-than-permitted idle times in one location (24 hours in RPP zones, 36 hours in metered locations). Staff and car2go received a total of 75 requests that had some element of relocation desired. In a minority of these cases, cars were not actually in-excess of their idle time limits, but they were moved nonetheless. Requests for relocations have all but disappeared since the fleet was reduced in January.

Data Highlights

Staff has documented 45 instances of public feedback regarding the car2go service, received from residents via phone, email, and the County website comment section. The data was combined with the car2go records of which the total amount of feedback amounts to 95 occurrences. Input thus far from the community can be grouped roughly into three categories: concerns about the vehicles being parked on neighborhood streets (mostly received via phone call or email), appreciation for the new transportation option (mostly received via email or web form), and general curiosity about how the service works, and whether it may be of use to them (mostly received as feedback in person at civic association presentations).

As of March 2016, 1,963 Arlington residents are members of the car2go service. To-date, 6,607 trips have been taken with the new service in Arlington, of which 68% are member trips. The other 32% of trips have been service trips. Most of these have been relocating cars, which staff attributes to membership growth and per-member vehicle utilization being lower than anticipated by car2go. However, this share also include routine maintenance trips which are part of the service model. Average member trips per vehicle per month doubled when the fleet size was reduced in January, making each car more active, and resulting in fewer relocation requests. However, this fleet reduction also resulted in lower member usage overall, as well as questions about service levels from existing members.

Overall, car2go has provided about two-thirds of the system data required by the agreement. The first member survey was completed in February, the results of which will be used in conjunction with follow up surveys in the final program evaluation. Parking duration data has been provided in an ongoing way as a part of resolving relocation requests, but more comprehensive parking duration data systemwide is forthcoming.

County Communications Tools

A demonstration study webpage is housed on the arlingtonva.us website: transportation.arlingtonva.us/parking/car2go/. The page includes a comment section which has been used by residents for feedback. A carsharing@arlingtonva.us email address was set up and is displayed on all communications relating to the demonstration study; it is also used by residents to provide feedback. All facts about the study have been included on the webpage as well as responses to frequently asked questions (FAQs). This information has been distributed at Civic Association meetings and upon request to residents. A press release about the study was published through the official County channels. The commuterpage.com and carfreediet.com websites provide crosslinks to the demonstration study page as well as to the car2go website. Social media promotion has taken place in the beginning through TE&O and ACCS Facebook, Twitter, and ACCS programs that interface with the community provide information about this service.

Next Steps

Staff is actively working with car2go to identify feasible operational adjustments to decrease idle times in some areas and to enhance the overall usefulness of the service to community members, particularly as an alternative to personal vehicle use, as a connection to economic and job opportunities, and as a connection to transit. Improvements being considered include enhanced outreach, education, and promotion about the service, and modifications to the fleet make-up to include four-door vehicles, which have been requested by some users and interested community members. Also being explored is the feasibility of providing cross-jurisdictional point-to-point service with the District of Columbia. Based on early feedback from members, there is the potential for this modification to make point-to-point carsharing more attractive to Arlington residents and workers, and a more useful program would help each vehicle operate more efficiently. Suggestions have noted that this service could supplement the low transit service levels seen during late evenings and weekends for cross-jurisdictional trips. Discussions about the feasibility of these operational improvements are ongoing with car2go and with the District.

Staff continues to monitor the program, and consistent with the original agreement, proposes to evaluate program performance after a full 12 months of operation.