

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to the Traffic Code of the Seattle Municipal Code, amending sections 11.23.150 and 11.23.160 to expand the free-floating car sharing pilot program to allow a greater number of free-floating car sharing operators and vehicles and modifying standards and requirements of the program.

Summary of the Legislation:

This legislation expands the free-floating car sharing pilot program established by Ordinance 124063 and amended in Ordinance 124143. It establishes a maximum number of annual vehicle permits and free-floating car sharing operators. In 2015, the ordinance authorizes no more than four potential operators and that each operator is eligible to receive up to 500 permits, or 750 if providing citywide service. For subsequent years, SDOT will determine by Director's Rule the number of permitted operators and vehicles.

Background:

This legislation allows for the expansion of the free-floating car sharing pilot program. The free-floating car sharing pilot program began operations in 2013 with a total of 350 permits and expanded to 500 permits within the first year. To date, one operator has applied for and received all 500 free-floating car sharing permits. Several other operators have expressed interest in coming to Seattle, which presents significant administrative challenges in allocating a limited number of permits to multiple operators. Further, dividing 500 permits across multiple operators reduces the number of permits available to the existing operator, and could significantly impede availability of vehicles for members and the operator's business model. The City recognizes that free-floating car share has been generally well received and sees a need to encourage operators to expand to include citywide service areas, which also likely requires a larger number of vehicles per operator to ensure reasonable availability.

Vehicles in a free-floating car sharing program with valid permits may be parked in on-street spaces without being subject to time limits, payment receipt display, or Restricted Parking Zone (RPZ) permit restrictions. Free-floating car sharing vehicles are not exempt from other restrictions (i.e., they may not park in taxi zones, transit zones, commercial loading zones, or other special zones.)

Free-floating car sharing operators are charged a permit fee commensurate with the cost of administering, monitoring, evaluating, and policing the permit program and the use and

occupation of the rights-of-way by the free-floating car-sharing program, to ensure effective regulation of the public right-of-way which includes in part the estimated cost of the time spent parked in paid on-street parking areas without direct payment.

As a condition of the permits, SDOT requires applicants to provide data during the term of the permit, such as 1) the difference between the initial paid parking area fee required in Seattle Municipal Code Section 11.23.150.C and actual meter use in paid parking areas per vendor per year; 2) descriptive data about how free-floating car sharing vehicles are used; and 3) any other information deemed pertinent by the Seattle City Council Transportation Committee. Among other things, SDOT will use this data to determine whether the proposed permit fee reflects the cost for the use and occupancy of the right-of-way for the free-floating car sharing businesses.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2015 Revenue	2016 Revenue
General Fund - 00100		Free Floating Car Sharing Permit Fee	\$1,209,000	\$1,860,000
Transportation Operating Fund - 10310	SDOT	Free Floating Car Sharing Permit Fee	\$1,040,000	\$1,600,000
TOTAL			\$2,249,000	\$3,460,000

Revenue/Reimbursement Notes:

These are annual per-vehicle permits operating under a 12-month cycle. The estimates above are based on a permit issuance date of January 1, 2015.

For the purposes of the fiscal note, the projected revenues are based on 1,300 vehicles permitted in 2015 and 2,000 vehicles permitted in 2016.

The total proposed free-floating car sharing permit amount is \$1,730 per vehicle per permit cycle, a \$400 total increase from the previous ordinance. This proposed fee is comprised of an initial paid parking fee of \$930 (reduced from \$1,030) per year, to be adjusted annually based on actual meter use in paid parking areas; an RPZ fee of \$700 (increased from \$200) per year; and an administrative fee of \$100 per year.

Because there will be more free-floating car sharing vehicles in an expanded services area, vehicles are more likely to be spread throughout the City, and parked in locations without paid parking. The legislation accordingly reduces the portion of the free-floating car sharing permit fee applied to paid parking costs from \$1,030 to \$930. The legislation establishes a higher cost for the RPZ portion of the permit fee, raising that from \$200 to \$700 per vehicle. This fee

increase more accurately accounts for the costs of administration of RPZ program, given the increase in vehicles eligible to park in any of the 33 Restricted Parking Zones (RPZs). The increase also includes the cost of a free-float car share vehicle to use and occupy any of the RPZ zones without additional payment. There are 33 RPZs throughout Seattle and the RPZ permits are currently priced at \$65 per pass per zone for two years. The cost for use and occupation of all RPZ zones is in excess of \$1000 annually. The legislation increases the permit fee to account for a portion of use and occupation anticipated by the free-float car share vehicles. The \$100 administrative fee remains unchanged from the original ordinance.

The estimated \$1,209,000 for 2015 and \$1,860,000 for 2016 (\$930 per vehicle) is to be deposited in the City's General Fund to account for the cost of regulating the public right of way in paid parking areas associated with the estimated on-street paid parking revenue otherwise foregone as a result of free-floating car sharing vehicles being exempt from payment requirements. This encourages the use of free-floating car sharing as an alternative to vehicle ownership through exemption of payment requirements at the pay stations. There is a requirement for annual accounting of actual meter use following each permit period, at which time, free-floating car share companies must reimburse the City for any difference over and above the per vehicle permit fee of \$930.

The estimated \$1,040,000 for 2015 and \$1,600,000 for 2016 (\$100 per vehicle for general SDOT administration and \$700 per vehicle RPZ permit) is to be deposited to the SDOT Transportation Operating Fund for administration of the RPZ component of the permit, as well as general development and administration of the permitting system, including staff time, materials, information technology support, program evaluation, and operating expenses.

SDOT is also amending the annual permit fee for designated on-street car sharing spaces from \$2,500 to \$3,000. The updated fee for designated spaces in paid parking areas is calculated based on the citywide average annual revenue for an on-street paid parking space, and the associated cost of regulating the public right-of-way. Because there are currently so few designated on-street car sharing spaces (about 18), and only four of those are in paid parking areas, this fee is expected to yield an increase of \$2000, raising the total permit fee for these spaces from \$10,000 to \$12,000.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?
None

b) What is the financial cost of not implementing the legislation?
Without this legislation, the revenue from the additional permits for the expansion of free-floating car sharing might not be collected. Additionally, SDOT would be tasked with administering 500 permits among numerous operators. This could be administratively difficult and could require significant additional staff time and costs.

c) Does this legislation affect any departments besides the originating department?
SDOT has worked with Seattle Police Department Parking Enforcement to ensure that the proposed legislation is operable.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None. Legislative action is needed to implement the changes desired.

e) Is a public hearing required for this legislation?

No

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

g) Does this legislation affect a piece of property?

No

h) Other Issues:

None