

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **363-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: September 1, 2016

SUBJECT: **CAR SHARING - UPDATE**



The purpose of this LTC (Letter to Commission) is to provide an update regarding the viability of providing car sharing services for the City.

On May 11, 2016, the Mayor and City Commission discussed Item No C7R regarding car sharing and the lack of its success despite two different car sharing business models (Hertz 24/7 and Car2Go) in recent years. The Mayor and Commission directed the Administration to research car sharing business models and if viable provide recommendations to deploy same.

On August 3, 2016, the Procurement and Parking Departments held an Industry Review meeting and invited all known car sharing providers to participate. Additionally, Procurement advertised the meeting through the City Clerk's Office and Daily Business Review. The goal was to solicit feedback from the industry on how to deploy a successful program and learn from successful deployments in other jurisdictions.

Although there was only one participant from the car sharing industry, Carma, a provider in the original car sharing city, San Francisco, the exercise proved to be fruitful. The following factors play a key role in the success of car sharing programs in other jurisdictions:

- Free parking provided by the jurisdiction resulting in lower operating costs (CMB assessed parking fees for on and off-street parking utilization by car share vehicles).
- Regulatory requirements for subsidies of car sharing services (California requires buildings have a car sharing program with the membership fee paid by property owner).
- State initiatives, including differentiation in taxation between car sharing services and car rental services.
- Larger deployments of car sharing vehicles enhance financial viability for small to medium size car sharing entities.

The aforementioned factors present local and state policy issues, ranging from a City subsidy for parking utilization to state legislative initiatives to incentivize car sharing. At this time, the Administration does not recommend the pursuit of a third procurement process for car sharing services.

If you should have any questions, please contact Saul Frances, Parking Department Director at 305.673.7000, extension 6483.

c: Kathie Brooks, Assistant City Manager
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