

EXHIBIT NO. 1

City of Alexandria, Virginia

23
2-13-01

MEMORANDUM

DATE: FEBRUARY 7, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *ps*

SUBJECT: SUBMISSION OF A GRANT APPLICATION AND RESOLUTION TO THE VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION FOR FY 2002 FUNDING FOR A CARSHARING DEMONSTRATION PROJECT IN ALEXANDRIA

ISSUE: City Council consideration of a grant application to the Virginia Department of Rail and Public Transportation for funding for promotional assistance for a carsharing demonstration project in Alexandria.

RECOMMENDATION: That City Council adopt the attached resolution (Attachment 1) and authorize the City Manager to:

- (1) submit a grant application and resolution to the Virginia Department of Rail and Public Transportation for funding, in the amount of \$16,500, for promotional assistance for a carsharing demonstration project; and
- (2) execute all necessary documents that may be required under this program.

DISCUSSION: The Virginia Department of Rail and Public Transportation has requested grant proposals for State aid for projects designed to decrease highway congestion and improve air quality. If accepted, the State aid will finance 95% of the costs associated with a carsharing demonstration project.

Carsharing allows people to use a car when needed, while not having to deal with the costs and headaches of car ownership. Simply defined, carsharing is sharing the use of a private vehicle with one's community. Carsharing is similar to car rental. The main differences are that an individual can use the carsharing vehicle for as short a time period as one hour and the cars are located in the community rather than at a central car rental location.

Carsharing began in Switzerland in the 1980's and has expanded throughout Europe to include 450 cities. The concept is relatively new to the U.S., however there are carsharing organizations in Seattle, Chicago, Portland and Boston. In these cities, a for-profit or non-profit organization maintains the carsharing fleet. To become a member of the organization and use the vehicles, one

must complete an application and usually pay an annual fee and security deposit. To reserve a vehicle, one may do so either on-line or by phone. One then pays for the vehicle's use based on per hour and per mile fees. One gains access to the vehicle with a smartcard.

Zipcar of Boston, MA, plans to have its first carsharing vehicles available in Alexandria in May 2001. They plan to operate regardless of whether the City can provide grant funding. They have been operating for about two years in greater Boston, have roughly 550 members (with 20-30 new members signing-up each week) and operate 35 cars. Basic Zipcar membership includes gas, maintenance, insurance and parking. The fees include a \$25 application fee, \$300 refundable security deposit, \$75 annual fee and \$0.40 per mile and \$4.50 - \$7.00 per hour based on the type and location of the vehicle.

Funding for this program would go towards promotion of carsharing to include reimbursement of the application and the first year's membership fees for both City residents and City employers. When applying to Zipcar for membership, those who mention they heard about Zipcar through ALEXANDRIA RIDESHARE would have their application and first year's membership fee reimbursed for a savings of \$100. The reimbursement would be available until the grant funds are depleted. New members will still be required to pay the \$300 security deposit to Zipcar. If a member leaves the carsharing program within the first year, the City would receive the pro-rated reimbursement back.

ALEXANDRIA RIDESHARE will be promoting carsharing's benefits as an additional alternative mode of transportation as we do for vanpool companies. We expect roughly 180 members of the carsharing program in Alexandria in the first year. We are working with Metro to provide one reserved parking space for a carsharing vehicle at the Braddock Road and King Street Metrorail Stations. Three additional reserved on-street parking spaces are being looked into for the Del Ray, Rosemont and South Old Town communities for a total of five cars in Alexandria. Exact locations will be decided with the help of the Traffic and Parking Board and business owners.

Carsharing Benefits:

There are many benefits from carsharing, including financial, environmental and social. The following statistics are from Zipcar.

- 1) Carsharing reduces car usage of individuals by as much as 50%. With carsharing, individuals pay for using the car each time they drive, so they tend to combine errands and drive less.
- 2) Each carsharing vehicle replaces four to eight privately owned cars. Zipcar has found that once people join their service, they sell their old car and/or avoid buying a new car. With fewer vehicles owned per capita, parking demand decreases.
- 3) Individuals who carshare tend to use transit and other alternative modes of transportation more often. This leads to less congested roadways and higher transit ridership.

4) Carsharing improves air quality. Fewer greenhouse gas emissions and particulates are emitted due to the fewer vehicle miles traveled and less congestion.

5) Car ownership is expensive and carsharing allows individuals to save money while meeting their transportation needs. The American Automobile Association states that individuals driving 5,000 miles per year pay about \$4,750 annually for their car. This amount includes car payments, gas, maintenance, parking and taxes. Zipcar states that using their car 15 hours per month will cost \$1,300 per year.

Carsharing is ideal for those who use transit or bike or walk for most of their transportation needs, but who need a private vehicle occasionally for short trips, such as going to the grocery store or other shopping, reaching a location that has poor transit accessibility, etc. The carsharing program will assist ALEXANDRIA RIDESHARE in removing single occupant vehicles from the road, increase transit use and improve our air quality. With grant funding to promote carsharing, the City would be making a small investment and would reap great benefits. Grant funding to provide the fee reimbursement would encourage more people to carshare than the number who would without the subsidy. Therefore, I recommend that the City provide matching funds for this grant application to make carsharing a strong transportation alternative in Alexandria.

FISCAL IMPACT: The total carsharing budget is equal to \$16,500. To apply for this grant, the City must identify a 5% City contribution in the amount of \$825 to match the City's request to the Virginia Department of Rail and Public Transportation for \$16,500 in State funds. The 5% match will come from the Office of Transit Services and Programs' budget.

ATTACHMENTS: Attachment 1 - Resolution. The grant application may be reviewed in the Office of Management and Budget, Room 3600, City Hall, during normal office hours.

STAFF:

Rich Baier, P.E., Director, T&ES

Doug McCobb, Deputy Director, Administration, T&ES

Betsy Massie, Division Chief/Transit Services, T&ES

Paul DeMaio, Rideshare Coordinator/Transit Services, T&ES

Carol Moore, Acting Deputy Director, OMB

RESOLUTION NO.

BE IT RESOLVED by the City Council that the City Manager is authorized, for and on behalf of the City of Alexandria, hereafter referred to as the PUBLIC BODY, to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the DEPARTMENT, for a grant of financial assistance in the amount of \$16,500 to defray the costs borne by the PUBLIC BODY for promotion of carsharing in Alexandria and to accept from the DEPARTMENT grants in such amounts as may be awarded, and to authorize the City Manager to furnish to the DEPARTMENT such documents and other information as may be required for processing the grant request.

The City Council certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the PUBLIC BODY will provide funds in the amount of \$825, which will be used to match the state funds in the ratio as required in such Act, that the records of receipts of expenditures of funds granted the PUBLIC BODY may be subject to audit by the DEPARTMENT and by the State Auditor of Public Accounts, and that funds granted to the PUBLIC BODY for defraying the expenses of the PUBLIC BODY shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting City Clerk of the PUBLIC BODY certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of the City Council held on the 13th day of February 2001.

ADOPTED: _____
DATE

KERRY J. DONLEY MAYOR

ATTEST:

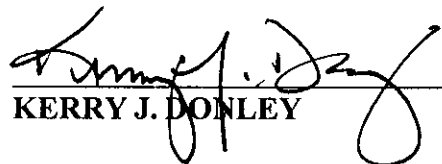
BEVERLY I. JETT, CMC CITY CLERK

RESOLUTION NO. 1993

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