

Transit and Parking Commission (TPC) briefing related to information about car-sharing services (including car2go model) – August 13, 2014

Policy Issues:

1. Residential Permit Parking Program (RP3)
 - Impacts (at least initially) will be highest in the high density areas, identified by the handout. Although there may be perceived negative impacts to the RP3 program initially, over time this could benefit RP3 areas by taking little-used vehicles off the road, which is good public policy
2. Revenue Sharing
 - Collection routes in the CBD suggest our recommended compensation would be similar, and likely more (avg rev/space of \$1,742 which does not include a separate cost for parking in the RP3 areas), than the City of Minneapolis cost of \$1,689/stall (for the 1st 250 vehicles)
3. Operator(s)
 - Impacts and potential for other car sharing operators like Zip Car, Community Car
4. State Statutes currently don't allow for the permanent reserving of on-street public parking spaces going beyond time restrictions, which is the point-to-point, on-demand format which car2go uses
5. Home Area – include the entire City of Madison

History

Daimler pioneered the service in [Ulm, Germany](#) in October 2008, where it was developed by one of its internal business innovation units and was first tested exclusively by Daimler employees. As of May 2014, car2go operates over 10,000 vehicles, which serve eight countries and 26 cities worldwide with over 700,000 customers.



car2go member card reader that allows access to the vehicle



car2go cars in [Austin, Texas](#)

Cities

The following table details all cities where Car2go operates as of June 2014:

City	Country	Vehicles	Type	Start date
Birmingham	United Kingdom	Suspended	Gasoline	May 2013
London	United Kingdom	Suspended	Gasoline	Dec 2012
Austin	U.S.	300	Gasoline & Electric	May 2010
Columbus	U.S.	300	Gasoline	Oct 2013
Denver	U.S.	300	Gasoline	June 2013
Miami	U.S.	240	Gasoline	July 2012
Minneapolis	U.S.	300	Gasoline	Sept 2013
Portland, Oregon	U.S.	375	Gasoline & Electric	March 2012
Saint Paul, Minnesota	U.S.	185	Gasoline	July 2014
San Diego	U.S.	300	Electric	Nov 2011
Seattle	U.S.	500	Gasoline	Dec 2012
South Bay, Los Angeles	U.S.	150	Gasoline	June 2014
Washington, D.C.	U.S.	400	Gasoline	March 2012
Amsterdam	Netherlands	300	Electric	Nov 2011
Florence	Italy	200	Gasoline	May 2014
Milan	Italy	600	Gasoline	August 2013
Rome	Italy	500	Gasoline	March 2014
Berlin	Germany	1,200	Gasoline & Electric	April 2012
Cologne	Germany	350	Gasoline	Sept 2012
Düsseldorf	Germany	300	Gasoline	Feb 2011
Hamburg	Germany	700	Gasoline	April 2011
Munich	Germany	300	Gasoline	June 2013
Stuttgart	Germany	500	Electric	Nov 2012
Ulm	Germany	300	Gasoline & Electric	Oct 2008
Calgary	Canada	550	Gasoline	July 2012
Montreal	Canada	340	Gasoline	Nov 2013
Toronto	Canada	375	Gasoline	June 2012
Vancouver	Canada	700	Gasoline & Electric	June 2011
Vienna	Austria	600	Gasoline	Dec 2011

Business model

The car2go business model is similar in all markets, although rates vary by location. The company charges a per minute rate, with discounted fixed rates for hourly and daily usage also available and applied automatically. The rates are all-inclusive and cover rental, gas, insurance, parking (in authorized areas), and maintenance. A low fixed annual fee is sometimes also charged. In most markets, car2go vehicles can park in either specially designated parking spots, or in standard parking areas, with a special permit from the local municipality.

Vehicles



Two car2Go [Smart electric drive](#) cars charging at the [Herengracht](#) in Amsterdam.

Car2go offers exclusively two passenger vehicles. Their fleet operates two types of Smart Fortwo "car2go edition" vehicles: gasoline-powered; and electric-powered. The gasoline-powered cars can be found in three variants based on roof configuration: "original" with integrated solar panel roof; "upgraded" with a panoramic polycarbonate roof and power side mirrors; and "new" featuring a standard roof. Electric car2go models are currently available in several markets, have a range of 84 miles (135 km), and need to be recharged every two or three days.

Apps

First-party and third-party apps for mobile devices allow users to locate and reserve vehicles. When reserving a car online, the customers are able to see the car's fuel gauge (gasoline-powered cars) or the battery's state of charge (electric-powered cars), so if the customer wants to go for an extended drive, they can find the right car for that trip. Customers can choose to refuel a vehicle to gain free usage minutes.

Information from Josh Moskowitz, Business Development Manager at car2go N.A., LLC

Thanks for the email and for the opportunity to elaborate upon the benefits of car2go to a city and its residents.

Regarding vehicle ownership/transit usage:

- 37% of active/heavy users in our 13 North American cities have either forewent the purchase of a vehicle or sold a vehicle; 87 percent of these members said access to car2go played a significant role in this decision.
- 30% of all car2go trips are taken in conjunction with public transportation.
- 74% of car2go members are not members of another car sharing service, illustrating car2go's unique appeal to folks who would not otherwise use car sharing (i.e., traditional car sharing) .

Regarding additional benefits:

- car2go provides economic development benefits to each city that we operate in:
 - car2go compensates each municipality for foregone meter revenue and access to residential permit parking. This is a dedicated revenue source for each city that we operate in.
 - car2go hires local residents to oversee operations. For Madison, we will hire 1-2 full-time employees, as well as between 7-10 contract staff who will fuel, clean and maintain our fleet of vehicles.
 - car2go will have an office presence in Madison, Wisconsin.
 - Each individual trip transaction has an associated sales tax that is collected by the local jurisdiction.
- car2go provides a city with a new transportation option that does not require a single cent in public subsidies:
 - car2go provides a city and its residents with a new transportation option that does not require any dedicated public funding. Car2go pays for each vehicle, pays for the ongoing maintenance and covers parking, insurance and fuel for our members.
 - For Madison, car2go will provide city residents with between 100-150 vehicles to use for one-way trips. Residents can pick up a vehicle at any legal parking spot and drop it off at any legal parking spot; it's as easy as parking your own vehicle.

- car2go partners with existing transportation providers on marketing and outreach campaigns:
 - car2go has marketing partnerships with bike sharing providers in Minneapolis (Nice Ride), Miami (Decobike), Washington DC (Capital Bikeshare), Denver (Denver B cycle). Members of these services typically receive a free car2go membership, plus free drive time and we also work with these bike sharing programs on joint marketing efforts, including events. I have spoken with Claire Hurley, who manages Madison B Cycle, on joint partnership ideas and she is very supportive.
 - car2go works with transit providers on joint marketing efforts to educate members about how car2go is the perfect solution to “first-mile, last-mile” transit constraints, allowing members to combine trips and not rely exclusively on a private vehicle. We have worked with transit providers in Austin, San Diego, Minneapolis and Denver on these types of programs.

Simple Pricing

One time sign up fee	\$35 plus tax
Per minute	\$0.38 plus tax
Per hour	\$13.99 plus tax
Per day	\$72.99 plus tax
Per mi after 150 mi per trip	45 cents, plus tax

Follow up questions proposed to car2go via email request on Wed, Aug 6th:

- Can the Home Area include the entire City of Madison?
- Do you have any models which include social benefits to the community – e.g., free/reduced membership to low income residents
- What is the speed of the vehicles? How do they manage in inclement and subzero temperature conditions? How well do they get up hills?
- Would they consider a home area that did not include the core Residential Permit Parking (RP3) area identified on the map provided?