




CITY OF SOMERVILLE, MASSACHUSETTS
OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT
JOSEPH A. CURTATONE
MAYOR

OFFICE OF THE EXECUTIVE DIRECTOR

MEMORANDUM

TO: Mayor Joseph A. Curtatone

FROM: Monica R. Lamboy, Executive Director 

DATE: December 9, 2010

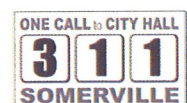
SUBJECT: Authorization to enter into a lease agreement with Zipcar, Inc. for fourteen (14) City of Somerville parking spaces for a lease term of three years with two one-year options to renew

The Mayor's Office of Strategic Planning and Community Development (OSPCD) respectfully requests that you forward to the Board of Aldermen a request to enter into a lease agreement with Zipcar, Inc. for fourteen (14) municipal parking spaces for a lease term of three years with two one-year options to renew, exercisable at the discretion of the City, for a maximum term of five (5) years. On November 12, 2009, the Board of Aldermen approved a request to declare fourteen (14) City-owned parking spaces available for disposition by lease and authorized the Administration to solicit proposals for a car-sharing program (Order #188325). A publicly advertised request for lease proposals was issued in conformance with the provisions of Massachusetts General Laws Chapter 30B, s 16, governing real property acquisitions and dispositions.

Background

On April 8, 2004, the Board of Aldermen approved a five-year lease agreement for the current car-sharing program operating in the City of Somerville with the car-sharing company, Zipcar, Inc. Zipcar is the world's largest car-sharing company. Conceived nine years ago in Cambridge, Massachusetts, Zipcar now has 300,000 members. The service is available in 28 U.S. states and Canadian provinces, as well as in London, England.

The Zipcar lease agreement expired April 30, 2009 and is currently operating on a month-to-



month arrangement. Currently, the City leases to Zipcar eight (8) parking spaces located on City-owned property, specifically:

- Two parking spaces at the Buena Vista lot on Holland Street;
- Two parking spaces at the intersection of Highland Avenue and Grove Street;
- Two parking spaces at the CVS lot in Magoun Square on Broadway at Medford Street;
- One parking space in the Mount Vernon lot on Broadway at Mount Vernon Street; and,
- One parking space in the Conway Park lot on Somerville Avenue.

Allowing residents to rent vehicles placed throughout the city for short-term hourly use, through a car-sharing membership based program, is an increasingly popular mode of transportation that fits within the framework of a multi-modal transportation system. In well-connected, transit-served communities, car-sharing provides an alternative to car ownership since people are able to walk, bike, or use transit for their daily transportation needs. Car-sharing is generally used for specific errands or short trips that require a private vehicle.

Car-sharing memberships in Somerville have been growing steadily since the early part of the decade. As of July 2009, there were 3,700 Zipcar members within Somerville, an over three-fold increase from 1,100 members in 2005. Based on a report on car-sharing published by the Transit Cooperative Research Program, 30% of car-sharing members say that if it were not for car-sharing they would otherwise own a car. When applying that proportion to Somerville's overall Zipcar membership, it appears that the program has potentially resulted in 1,000+ fewer cars being parked in Somerville.

Proposed Lease

Car-Sharing Revenue

Under the terms of its current lease, Zipcar pays \$1,300 per month (\$162.50 per space per month), for a total of \$15,600 per year for the eight spaces. This lease payment is approximately 104% of parking meter revenue generated under the City's previous parking meter regulations. With the revised parking meter regulations effective August 2009, City staff anticipate parking meter revenues (including fines) to be approximately \$2,500–\$3,000 per meter per month, which translates into approximately \$208–\$250 per metered space per month.

From a revenue standpoint, compared to neighboring communities, the existing City of Somerville car-sharing program is superior. Zipcar provides car-sharing services to the City of Cambridge and the Town of Brookline, but the City of Cambridge averages approximately \$145 per space per month and the Town of Brookline only averages approximately \$59 per space per month.

Based on the information above, staff developed a request for proposals for a car-sharing program on municipal parking spaces identifying the spaces will be made available for \$180 per space per month. Based on fourteen (14) available spaces, this would result \$30,240 per year, which translates into a 10.7% increase over the existing revenue per space. The Zipcar proposal committed to the specified rent and offered a rent increase in Year 4 (the first option



CITY HALL • 93 HIGHLAND AVENUE • SOMERVILLE, MASSACHUSETTS 02143
(617) 625-6600 EXT. 2500 • TTY: (617) 666-0001 • FAX: (617) 625-0722

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year) of \$31,080 per year (\$185/space/month) and Year 5 (the second option year) of \$31,920 per year (\$190/space/month).

Additional Parking Spaces

Additional demand for car share spaces was identified in Winter Hill, East Somerville, Union Square, and along Somerville Avenue. The additional six (6) spaces will be located as follows:

- One additional space at the Mount Vernon lot for a total of two spaces;
- One additional space at Conway Park for a total of two spaces;
- Two new spaces for car share at the underutilized city-owned lot at the intersection of Prospect Street and Somerville Avenue; and
- Two new spaces for car share on Broadway between Fellsway West and Grant Street (these two spaces are located on-street; the maintenance, signage and enforcement provisions will be detailed in the lease agreement.)

Lease Term

The proposed lease term is three years with two one-year options to renew, exercisable at the discretion of the City, for a maximum term of five (5) years. The lease term will begin on the date of the Board action. The proposed term of the lease is identical to Zipcar's current lease with the City (expired April 30, 2009), three years with two one-year options. The length of the lease term provides not only the City with some stability for ensuring a successful car share program is available to residents and workers, but also to Zipcar, allowing predictability in providing their car share services.

Recommendation

It is recommended that the Board of Aldermen authorize a lease agreement with Zipcar, Inc. for fourteen (14) city-owned parking spaces as identified below; that the term of the lease will be for three years with two one-year options to renew; and that the rent will be \$180 per month per space, for a total annual rent of \$30,240 per year; the rent for Year 4 (the first option year) will be \$31,080 per year; and the rent for Year 5 (the second option year) will be \$31,920 per year:

- Two parking spaces at the Buena Vista lot on Holland Street;
- Two parking spaces at the intersection of Highland Avenue and Grove Street;
- Two parking spaces at the CVS lot in Magoun Square on Broadway at Medford Street;
- Two parking spaces in the Mount Vernon lot on Broadway at Mount Vernon Street;
- Two parking spaces in the Conway Park lot on Somerville Avenue;
- Two parking spaces at the Prospect Street lot; and,
- Two parking spaces on Broadway between Fellsway West and Grant Street.

Attachments:

1. Map of current and proposed car-share locations on City-owned lots.

