

AGREEMENT FOR HOURCAR TO OPERATE ELECTRIC SHARED VEHICLE FLEET

This “Agreement for HOURCAR to Operate Electric Shared Vehicle Fleet” (“Agreement”) is made and entered into on this 27th day of April, 2021 (“Effective Date”) by and between HOURCAR, a Minnesota nonprofit car-sharing organization (“Contractor”), and the City of Saint Paul (“the City”), a home rule charter city (collectively “the Parties”).

WHEREAS, Contractor has agreed to operate a City fleet of electric vehicles (“EVs”) as a carshare service; and

WHEREAS, City controls parking within public rights of way located inside of its municipal boundaries (“City Right of Way”); and

WHEREAS, City operates and controls parking for Ramsey County streets and selected State of Minnesota Trunk Highways through other agreements; and

WHEREAS, Contractor and City desire to utilize City Right of Way for carshare parking purposes; and

WHEREAS, partnering with Contractor to operate a City fleet of electric vehicles as a carshare service in the City Right of Way promotes the public’s health, safety, and welfare by encouraging efficient and limited use of motor vehicles, thereby reducing traffic volumes, noise, and air pollution; and

WHEREAS, experience across the country shows that families of all kinds choose carshare when it is available, and that people who live in lower-income neighborhoods often have the greatest need for car-sharing; and

WHEREAS, through this Agreement, Contractor agrees to make substantial investments to increase access to the service in lower-income communities, for which the City – and the City of Minneapolis, independently, as governed by the Saint Paul/Minneapolis agreement and the Minneapolis carshare policy –will issue credits to offset parking and other fees; and

WHEREAS, the Council finds these credits necessary and appropriate to ensure vitality of the EV network; and

WHEREAS, the City-leased, HOURCAR-operated EV carshare fleet will also operate in the City of Minneapolis, and details of that arrangement can be found in the agreement between the City of Saint Paul and the City of Minneapolis governing the charging hub “EV Spot Network” and “Evie Carshare” service; and

WHEREAS, this Agreement is intended to outline the terms and conditions under which Contractor will operate the carshare service; now, therefore

BE IT RESOLVED that the Parties, in consideration of the mutual terms and conditions, set forth, below, agree as follows:

1. **Term.** This Agreement will remain in effect for five years from the Effective Date. The parties may agree in writing to extend the term of this agreement for up to five additional year(s).

2. **Project Management.** Contractor must assign specific individuals as principal project members ("Principal Project Members") and assure that the major work and coordination will remain the responsibility of these individuals during the term of the Agreement. Removal of any Principal Project Member without replacement by equally qualified individuals and without the prior written approval of the City is grounds for termination of the Agreement by the City.

The City has designated the individual in Section 28 (Notices) as the City Project Manager for this Agreement, and the individual to whom all communications pertaining to the Agreement shall be addressed. The City Project Manager shall have the authority to transmit instructions, receive information, and interpret and define the City's policy and decisions pertinent to the work covered by this Agreement.

3. **General Terms and Conditions.**

- a. **Exhibits Incorporated.** All exhibits attached to this Agreement (Exhibits A-C) are hereby incorporated by reference.
- b. **Service Area.** Contractor shall operate the car-share program within the service area described in Exhibit C and subject to Section 10 of this Agreement.
- c. **Authorization to Operate Fleet of Electric Vehicles.** The City authorizes Contractor to operate its fleet of leased vehicles (the "Fleet") pursuant to the terms of this Agreement, and to Sections 11, 12 and 13 of the City's Master Lease Agreement with NCL Government Capital ("NCL"), attached to this Agreement as Exhibit B.

4. **City Responsibilities.**

- a. **Fleet.** The City will provide a Fleet of electric vehicles to be operated by HOURCAR as the "Evie" carshare service, subject to the terms of this Agreement. The Fleet will be phased in beginning in 2021. Phase-out of the leased vehicles may take place by the end of 2028 or as funding permits.
- b. **EV Spots.** The City will own and operate the "EV Spot Network," consisting of electric vehicle charging hubs ("EV Spots") located within city limits, predominantly located in the public right-of-way.
- c. **Vehicle Permits.** Contractor will obtain a business license and vehicle permits to operate vehicles in the City of Minneapolis. The City of Saint Paul will not require permits.

5. **Contractor Responsibilities.**

- a. **Fleet Operation.**
 - i. At any time during the term of this Agreement, The City may require Contractor to relocate vehicles based on the goal of system balance; i.e., not having vehicles concentrated in one city or the other, or some neighborhoods over others. Contractor agrees to relocate vehicles at no cost to the City.
 - ii. Contractor shall be financially responsible for promptly paying, at no cost to the City, all penalties and fines, including parking tickets, towing charges and/or other enforcement actions.

- iii. Contractor must relocate vehicles that remain idle for more than 48 hours at a location other than an EV Spot.
- b. **Data Sharing and Reporting.** All Fleet vehicles operated by Contractor in the Service Area will be part of this Agreement for data collection and reporting purposes.
- i. All data identified in this section must be made available to the City at no cost.
 - ii. Contractor is responsible for maintaining a complete archive of the data identified in this section throughout the duration of this agreement. Contractor shall make this complete archive of data available to the City upon request.
 - iii. Contractor must publish a data feed with real-time location and status information regarding all Fleet vehicles. Contractor must provide an application program interface (API) to access data, at the time of full launch, or no later than the end of 2021.
 - iv. Any data provided to the City is public information and the City is permitted to store, display, analyze distribute or otherwise publish the data in accordance with the Minnesota Government Data Practices Act.
 - v. Beginning with the first full quarter of operation, by the end of the month immediately following that quarter (e.g. for quarter 3 2021, report due October 31, 2021), Contractor shall provide City staff a quarterly report (in PDF format) containing summary data (including charts, heat maps, and other visualizations) reported month-by-month as described below:
 - Trip start and end points;
 - Geographical distribution of membership;
 - Average daily utilization of vehicles, including hourly usage and miles driven;
 - Locations and durations of stationary vehicles (when not in use by carshare members);
 - Average number of vehicles located in each city each day at 12:00 AM CST, and percentage of fleet in ACP50 areas;
 - Any service area expansions or reductions as outlined in Section 11, or changes to carshare service rates outlined in Section 10.
 - vi. Beginning with the first full calendar year of operation, by the end of the month immediately following that year (i.e., January 31), Contractor will provide, annually and/or upon request, disaggregated data (in CSV format) underlying the summary data outlined in 5.b.v., with any personally identifiable information removed, including:
 - Vehicle movements that include vehicle license plate, GPS positions (latitude and longitude rounded to third decimal place) of trip start and end, trip duration, and distance driven;
 - Specific geographical distribution of membership by census tract.
 - vii. Pursuant to Paragraph 12 of Exhibit B, HOURCAR shall advise the City and NCL in writing within five (5) business days discovery or knowledge of any item of Equipment becoming lost, stolen or damaged and of the circumstances and extent of such damage.
 - viii. Contractor shall, to the extent applicable, abide by the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13 (MGDPA) and all other applicable state and federal laws, rules, regulations and orders relating to

data privacy or confidentiality, which may include the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor shall promptly notify the City if Contractor becomes aware of any potential claims, or facts giving rise to such claims, under the MGDPA or other data or privacy laws.

- c. **Vehicle maintenance and repair.** Pursuant to its obligations under Exhibit B, Contractor will be responsible for maintenance and repair of the Fleet, using only qualified ASE-certified technicians, and at no cost to the City. During the term of this Agreement, Contractor shall use all commercially reasonable efforts to maintain the Fleet in safe and sound operating condition, also at no cost to the City. Contractor may, in its sole discretion, elect not to repair ordinary wear and tear, such as minor dings, dents, and scratches. In the event that the City and NCL propose to modify Paragraphs 11, 12, or 13 of Exhibit B, the City shall promptly notify Contractor of such proposal.
- d. **Snow Clearance**
 - i. If Minneapolis-Saint Paul International Airport records a weather event that produces three or more inches of frozen precipitation (“a snow event”), Contractor must, within 24 hours, clear any existing snow, ice or sleet from around the chargers, sidewalks, boulevards, and curbs of the dedicated Evie carshare spaces and EV Spot spaces, and apply appropriate deicing materials (such as salt or sand) to the sidewalk around the chargers (collectively, when performed at a single charging hub site, “a clearance”).
 - ii. Contractor will perform clearances within 24 hours of each snow event as needed to accomplish unobstructed, safe and efficient access to charging equipment and vehicles.
 - iii. Contractor will perform clearances at no cost to the City. However, pursuant to Section 7.h below, should Contractor owe to the City annual parking meter revenue recovery costs after applying applicable Equity and Inclusion credits, the City will offset annual parking meter revenue recovery costs with the demonstrated costs of snow removal.
- e. **Street maintenance:** Contractor will coordinate with Public Works street operations to allow for scheduled street sweeping at EV Spot locations where such locations necessarily negate sanitation parking bans. Contractor will be responsible for monitoring roadway postings and public notices of street maintenance and snow emergencies.
- f. **Equity and Inclusion.** Contractor shall make substantial investments to increase access to the service in ACP50 (areas of concentrated poverty, >50% people of color) communities, as detailed in Exhibit A of this Agreement. The activities listed in Exhibit A may be modified on an annual basis pursuant to Section 26 of this Agreement. Among other activities, Contractor agrees to:
 - i. train dedicated community engagement staff in order to facilitate community engagement activities;
 - ii. create targeted marketing on transit and transit facilities serving ACP50 neighborhoods;
 - iii. implement a low-income pricing structure and/or reservation software platform modifications such as ride or cost-sharing elements for carshare members to

increase access for low-income and underbanked people (who may lack cell phone access and/or data plans); and

- iv. employ technological and logistical strategies for ensuring vehicle availability in ACP50 neighborhoods.

- g. **Education.** Contractor will provide information to its members as to the rules of the road specific to operating electric carshare vehicles safely around pedestrians and bicyclists, including explicit information about the reduced speed limits on city streets in Saint Paul and Minneapolis.

6. Regulations Governing Vehicles.

- a. Fleet vehicles must comply with all signed parking regulations, including but not limited to commercial loading zones, overnight street sweeping (except at designated EV Spot locations), no parking zones, rush hour no parking, hooded parking meters, temporary no parking signs, and ADA parking zones, with the following exceptions:
 - i. Fleet vehicles will be allowed to park at metered parking spaces without time limit or immediately making meter payment, except as outlined in this Agreement.
 - ii. Fleet vehicles will be allowed to park in Residential Permit Parking Areas (“RPPAs”) or Critical Parking Areas (“CPAs”) in Minneapolis.
- b. Fleet vehicles must comply with all state and local unsigned parking regulations, including no parking zone, snow emergency, and winter parking regulations.
- c. Fleet vehicles shall comply with limited time parking zones that have a time limit of two (2) hours or less.

7. Billings, Payments and Credits.

- a. Contractor shall receive no compensation from City under this Agreement, except in the form of credits for equity and inclusion activities and meter revenue recovery offsets for snow removal, if applicable.
- b. Contractor shall be responsible for promptly paying, at no cost to the City, all penalties and fines, including parking tickets, towing charges, impound costs, and/or other enforcement actions.
- c. Contractor shall be responsible for paying all costs of charging the Fleet.
- d. Contractor shall not pay for parking or dwell time at the dedicated Evie carshare spaces, and shall not owe meter revenue recovery fees for parking in these spaces.
- e. In 2021 and 2022, Contractor will report on community outreach activities and expenditures in ACP50 neighborhoods (as outlined in Exhibit A) instead of making meter revenue recovery payment to the City.
- f. Starting August 1, 2023, Contractor shall pay to the City an annual rate of \$200 per Fleet vehicle for meter revenue recovery. Meter revenue recovery payments shall be paid on January 31, with the first prorated payment for the period beginning August 1, 2023 and ending December 31, 2023 due on January 31, 2024. The \$200 amount may be reduced if Contractor provides, by the end of each applicable year, a detailed accounting showing that the actual amount of meter revenue recovery owed is less than what is due under the \$200 flat fee amount. If Contractor timely submits such an accounting, the City will, in its sole discretion, determine whether to reduce the fee, and such reduction shall not unreasonably be denied or delayed.

- g. In return for meeting equity and inclusion targets as described in Section 5.f, the City will issue credits to Contractor. A schedule of targets and associated credits is attached to this Agreement as Exhibit A. Contractor may use the credits to offset meter revenue recovery fees, and for no other purpose. The City will issue any credits owing to Contractor at the end of each calendar year starting in 2023.
- h. Starting in 2023, by the end of each calendar year, Contractor shall provide to the City a detailed accounting of the total annual cost of snow clearances required under Section 5.d. Should Contractor owe to the City annual parking meter revenue recovery costs after applying applicable Equity and Inclusion credits under Section 7.g, the City will offset any annual parking meter revenue recovery cost ordinarily due January 31 with the demonstrated costs of snow removal for the prior calendar year.

8. Contractor Use of City EV Spot Network.

- a. City will designate and sign spaces at each EV Spot for exclusive use by the Fleet.
- b. Contractor and its members may use the EV Spot Network to charge the Fleet vehicles.
- c. City may temporarily restrict use of EV Spots at any time (i.e., in the event of street closures, events, utility emergencies, etc.), and City is not responsible for compensation or credits for temporary loss of use at EV Spot.

9. Setting of Carshare Service Rates.

- a. City and Contractor shall agree on the initial rate structure with the goal of balancing a desire for rates to cover operating expenses of the service, including replacement of vehicles, with the desire to ensure the service is affordable and well used by residents spanning a range of incomes.
- b. Contractor may, at its sole discretion and upon notice to the City, adjust rates by a total of up to 25% during the first two year period of this Agreement. An adjustment or adjustments totaling more than 25% of the initial rate structure will require City approval.
- c. After the first two years of this Agreement, Contractor may, at its sole discretion and upon notice to the City, adjust rates by up to 10% each year. An adjustment or adjustments totaling more than 10% in one year will require City approval.
- d. In the case of a rate adjustment requiring City approval, Contractor must demonstrate that the proposed adjustment is necessary for the good operation and financial sustainability of the carshare service, and that it does not unduly burden low-income residents. The City shall either grant approval or provide an alternative solution if Contractor reasonably demonstrates the necessity of the proposed rate adjustment.
- e. In addition to providing any required notice, Contractor shall report on any carshare service rate changes as the time of its next quarterly report as described in Section 5.b of this Agreement.

10. Setting and Changing the Service Area

- a. Contractor and City, in cooperation with the City of Minneapolis, will agree upon an initial service area, which will be appended to this agreement as Exhibit C as soon as the full 150-car fleet is operational.
- b. Contractor may, in its sole discretion and upon notice to the City, expand the service area contiguously within the boundaries of Minneapolis and Saint Paul at any time, excepting

- service area expansions that extend one or more miles beyond the nearest EV Spot, which shall require approval by the City.
- c. Noncontiguous expansions of the service area (i.e., service “islands” unconnected to the main service area) must be approved by the City.
 - d. Contractor may reduce the size of the initial service area by a total of 5% during the contract term at its sole discretion and upon notice to the City, or greater than 5% with agreement from the City. Any reduced service area must still follow these guidelines:
 - i. All EV Spots shall always be included within the service area.
 - ii. The service area shall extend at least 0.25 miles beyond every EV Spot in all directions.
 - iii. If one or more EV Spots are separated from the nearest adjacent EV Spot by one or more miles, the EV Spot or EV Spots in question may be located on a service area “island” separate from the main contiguous service area.
 - e. In addition to providing any required notice, Contractor shall report on any service area expansions or reductions as the time of its next quarterly report as described in Section 5.b of this Agreement.

11. Expanding the Fleet and EV Spot Network

The City and Contractor may seek to jointly expand the Fleet and/or the number of EV Spots in the EV Spot Network. Such an expansion will not change the terms and obligations within this agreement, unless mutually-agreed upon by the parties and memorialized in a signed, written document.

- a. Contractor, in its sole discretion, may lease or purchase additional vehicles to expand the Fleet. Such vehicles shall match the characteristics of the Fleet in terms of make, model, color, and branding.
- b. The City, in its sole discretion, may add additional EV Spots to the EV Spot Network.
 - i. Prior to expanding the EV Spot Network, the City shall consult with Contractor to determine the number of additional vehicles necessary for adequate coverage of the expanded network, as well as any additional operational logistics required to maintain proper fleet balance.
 - ii. When expanding the EV Spot Network, the City shall make best efforts to add additional vehicles to the Fleet or shall otherwise ensure that the number of vehicles is proportionately increased to provide adequate coverage of the expanded network. The Cities reserve the right to add EV Spot Network locations that are for public charging purposes only.
 - iii. To the extent possible, the City shall seek to offset expenses incurred by Contractor for additional operational logistics resulting from EV Spot Network expansion with operational subsidies paid by interested third parties, including developers, cities, counties, and/or others.

12. Sponsorship

The City will make best efforts to adopt a sponsorship program to increase the visibility and viability of Evie carshare and the EV Spot Network.

- a. Should the City adopt a sponsorship program, sponsorship revenue will help to underwrite the marketing, operations, and maintenance of the network and carshare service. The proceeds from sponsorships located on or within City websites, software applications (i.e.,

apps), and City-owned or leased assets or infrastructure, including the carshare fleet, will be split between Contractor and the City equally. Distribution of the City proportion of sponsorship proceeds as between Saint Paul and Minneapolis will be governed by the agreement between Saint Paul and Minneapolis.

- b. Contractor will provide an annual accounting of all sponsorship proceeds, and document that the funds have been spent on, or restricted to, Contractor's obligations to operate the Evie carshare service, as outlined by this Agreement or any mutually-agreed upon amendments.
- c. Should the City adopt a sponsorship policy, HOURCAR will not be obligated to split with the City non-cash goods or services it receives in-kind. All sponsorship agreements, including HOURCAR's in-kind sponsorship agreements, would be subject to the City's sponsorship program restrictions.

13. **Naming rights.** The name "Evie" for the carshare service belongs to the City of Saint Paul through its relationship with the American Cities Climate Challenge. Contractor may use the name "Evie" for activities associated with the Evie carshare service as described in this agreement. Contractor may not use the name "Evie" for any other services without written permission.

14. **Insurance Requirements.** Pursuant to Paragraph 13 of Exhibit B, Contractor shall maintain insurance on all EVs, and that insurance shall be in full force and effect during the entire period of performance under this Agreement. Failure to do so shall be cause for termination of the Agreement. Contractor shall maintain insurance coverage as follows:

- a. Commercial general liability policy in an amount not less than Two Million and no/100 Dollars (\$2,000,000) per person per occurrence and Three Million and no/100 Dollars (\$3,000,000) in the aggregate for bodily injury, including death, and Two Million and no/100 Dollars (\$2,000,000) per person per occurrence and Three Million and no/100 Dollars (\$3,000,000) in the aggregate for property damage, such policy to include coverage for the liabilities assumed by Contractor under this Agreement;
- b. Commercial automobile liability insurance with a combined single limit of at least Two Million and no/100 Dollars (\$2,000,000) per accident.
- c. Worker's compensation insurance in conformity with applicable laws.
- d. Each vehicle must also be individually insured as required under Minnesota state law. The commercial general liability policies shall contain an endorsement naming City and NCL as an additional insured as to the actions and omissions committed by Contractor, its employees, agents, and customers for which City could be held responsible. Prior to entering Service Area, Contractor shall furnish certificates of insurance evidencing compliance with this Section, with coverage effective as of the date the operations are commenced, and a provision requiring Contractor's insurer to endeavor to provide written notice to City of cancellation or change in the policy.

15. **Human Rights/Affirmative Action/Economic Opportunity.** Contractor must comply with the City of Saint Paul's Human Rights Department's Affirmative Action Requirements in Employment pursuant to Section 183.04 of the Saint Paul Legislative Code, the Rules Governing Affirmative Requirements in Employment, and Chapter A-12 of the Saint Paul Administrative Code governing workplace conduct. Contractor agrees to comply with all federal, state and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, creed, religion, color, sex, sexual or affectional orientation, national origin, ancestry, familial status, age, disability, marital status, or status with regard to public assistance and will take affirmative steps to

ensure that applicants are employed and employees are treated during employment without regard to the same.

16. **Compliance with Applicable Law.** This Agreement shall not be construed so as to transfer ownership or control of the City Right of Way to Contractor or to any other party. Contractor agrees to comply with all federal, state and local laws or ordinances, and all applicable rules, regulations and standards established by any agency of such governmental units, insofar as they relate to Contractor's performance of the provisions of this Agreement. It shall be the obligation of Contractor to apply for, pay for and obtain all permits and/or licenses required.
17. **Conflict of Interest.** Contractor's acceptance of this agreement indicates compliance with Chapter 24.03, City of Saint Paul Administrative Code: "Except as permitted by law, no city official or employee shall be a party to or have a direct financial interest in any sale, lease, or contract with the City." Contractor also affirms that to the best of Contractor's knowledge, their involvement in this contract does not result in a conflict of interest with any part or entity which may be affected by the terms of this contract. Contractor agrees that should any conflict or potential conflict of interest become known to Contractor, they will immediately notify the Purchasing Systems Manager of the situation so that a determination can be made about Contractor's ability to continue performing services under this contract.
18. **Indemnification.** Contractor shall indemnify, defend, and hold the City, its employees, agents, and contractors harmless from and against any and all losses, damages, settlements, costs, charges professional fees, and other expenses and liabilities of every kind and character (including without limitation attorneys' fees) arising out of or related to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind and character in connection with Contractor's operation of the EV fleet, use of the public right of way, Contractor's members' operation of the EV fleet, Contractor's snow removal or de-icing obligations, or violation of the provisions set forth in this Agreement, including without limitation any of the foregoing that may arise or be claimed with respect to any death, personal injury, or loss of or damage to the EV fleet or property on or about the public right of way. Contractor shall assume the defense (with counsel acceptable to the City) and settlement of any and all such suits or other legal proceedings brought against the City and shall pay all judgments entered in such suits or other legal proceedings. The assumption of liability and indemnity obligations of Contractor shall survive the termination of this Agreement with respect to matters arising prior thereto.
19. **Waiver of Claims for Damage.** The City shall have no responsibility or liability for loss or damage to any EV fleet vehicle or theft of any EV fleet vehicle or any items of personal property, including, without limitation, damage caused by the general public, trespassers, graffiti, thrown objects, wind, hail, fire, or other casualty, no matter how such damage is caused.
20. **Assignment.** The City and Contractor each binds itself and its successors, legal representatives, and assigns of such other party, with respect to all covenants of this Agreement; and neither the City nor Contractor will assign or transfer their interest in this Agreement without the written consent of the other.
21. **Termination.** The City reserves the right to terminate this Agreement if Contractor violates any of the terms or does not fulfill, in a timely and proper manner, its obligations under this Agreement. In the event that the City exercises its right to terminate under this Section, it shall submit written

notice to Contractor, specifying the nature of the breach and the date by which such breach must be cured. The City shall allow a minimum of 30 days to cure any breach.

In the event of termination, the City will issue any credits due to Contractor for consideration received by the City up to the receipt of the notice of termination and thereafter until the date of termination. The City shall return to Contractor any of Contractor's property in its possession, including carsharing technology, all-weather floor mats, and other items installed or placed in Fleet vehicles, or shall purchase said items from Contractor at an agreed-upon price; Contractor shall be responsible for retrieving said property at Contractor's cost. Contractor will deliver all work products and supporting documentation developed up to the time of termination prior to the City rendering final credits or other consideration for service.

In the event City breaches any of its obligations under this Agreement, and fails to cure such breach within a reasonable time after written notice thereof from Contractor, Contractor may, upon written notice, terminate this Agreement.

22. **Interpretation of Agreement, Venue.** This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this agreement shall be venued in the District Court of the County of Ramsey, Second Judicial District, State of Minnesota.
23. **Independent Contractor.** It is agreed by the parties, that at all times and for all purposes, within the scope of the Agreement, the relationship of Contractor to the City is that of independent contractor and not that of employee. No statement contained in the specification or resulting Agreement shall be construed so as to find Contractor an employee of the City, and Contractor shall be entitled to none of the rights, privileges, or benefits of Saint Paul employees.
24. **Waiver.** The waiver by the City of any breach under the terms of this Agreement or the foregoing by the City of any of the rights or remedies arising under the terms of this Agreement shall not constitute a waiver of the City's right to any rights and/or remedies with respect to any subsequent breach or default of the terms of the contract. The rights and remedies of the City provided or referred to under the terms of the contract are cumulative and not mutually exclusive.
25. **Subcontracting.** Contractor agrees not to enter into any subcontracts for any of the work contemplated under this Agreement except snow clearance without obtaining prior written approval of the City.
26. **Amendment.** Except as otherwise noted in this Agreement, any amendment to the Agreement must be mutually-agreed upon by the parties and memorialized in a signed, written document.
27. **Force Majeure.** Neither the City nor Contractor shall be held responsible for performance if its performance is prevented by acts or events beyond the party's reasonable control, including, but not limited to: severe weather and storms, earthquake or other natural occurrences, strikes and other labor unrest, power failures, electrical power surges or current fluctuations, NHTSA safety recalls, nuclear or other civil military emergencies, or acts or orders of the legislative, judicial, executive branches of government.
28. **Notices.** All notices herein provide to be given, or that may be given by either party to the other, shall be deemed to have been fully given when served personally on City or Contractor or when

made in writing and deposited in the United States Mail, certified and postage prepaid, to one or more of the Principal Project Members at the address provided below.

If to Contractor:
Paul Schroeder, CEO
Jennifer Crandall, Human Resources Generalist and Office Manager
Riley Haberland, Senior Product Development Manager
c/o HOURCAR

755 Prior Ave. North
Suite 301 D
Saint Paul, MN 55104

If to City:
Samantha Henningson, Project Manager
Russ Stark, Chief Resilience Officer
Anne Weber, Public Works
15 W Kellogg Blvd
Saint Paul, MN 55102

The address to which the notice shall be mailed may be changed by written notice given by either party to the other.

29. **Counterparts.** The parties may sign this Agreement in counterparts, each of which constitutes an original, but all of which together constitute one instrument.

30. **Electronic Signatures.** The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

<<<Signatures on Following Page>>>

CITY OF SAINT PAUL, MINNESOTA

By: *Jaime Rae Tincher*
Jaime Rae Tincher (Apr 26, 2021 15:09 CDT)

Mayor

Date: Apr 26, 2021

By: *Sean Kershaw*

Director of Public Works

Date: Apr 26, 2021

By: *John McCarthy*
John McCarthy (Apr 26, 2021 14:00 CDT)

Office of Financial Services

Date: Apr 26, 2021

By: *[Signature]*
Ian Welsh (Apr 26, 2021 13:28 CDT)

City Attorney (as to form)

Date: Apr 26, 2021

CONTRACTOR

By: *Paul Schroeder*

Title: Chief Executive Officer

Date: April 27, 2021

By: *[Signature]*

Title: Board President

Date: April 27, 2021

EXHIBIT A – EQUITY AND INCLUSION ACTIVITY SCHEDULE

Preliminary Framework for Parking Credits for Investments, Activities, and Outcomes in ACP50 Communities. Note that this is a framework for discussion and a final framework will be submitted and approved by the Director of Public Works prior to the expiration of the two-year parking revenue compensation waiver.

Background: HOURCAR intends to make substantial investments to increase access to the service in ACP50 communities, above and beyond municipal requirements around equity and inclusion for other shared-mobility operators. These investments include:

1. Dedicated community engagement staff and community engagement activities
2. Targeted marketing on transit in ACP50 neighborhoods
3. A low-income pricing structure
4. Platform modifications to increase access for low-income and underbanked people (who may lack cell phone access and/or data plans)
5. Technological and logistical strategies for ensuring vehicle availability in ACP50 neighborhoods such as:
 - a. extending the service area beyond contract requirements in these areas
 - b. increasing incentives to return vehicles to hubs in these neighborhoods
 - c. increased fleet personnel to ensure vehicle balance in these areas

The cities of Minneapolis and Saint Paul will issue credits for parking fees in return for HOURCAR engaging in activities and meeting targets around equity and inclusion. Credits may equal up to 100% of total parking meter revenue recovery costs. Credits shall not exceed 100% of parking meter revenue recovery costs, and in no case shall the cities owe money to HOURCAR for credits accrued.

Proposed Credit Schedule

1. **Community Investments (up to 50% of total parking meter revenue recovery costs)**

Up to 50% of annual parking costs may be credited as a “dollar-for-dollar” match in return for HOURCAR investments in community engagement staff and activities. Qualified investments include but are not limited to the following:

 - a. Community engagement staff salary and benefits
 - b. Direct investments in community-based organizations (grants and subgrants)
 - c. Targeted marketing in ACP50 communities
 - d. Foregone revenue from low-income rate structure and incentives
 - e. Platform modifications to enhance access for low-income users
 - f. Staff costs for additional rebalancing personnel
2. **Community Activities (up to 20% of total parking meter revenue recovery costs)**

Up to 20% of annual parking costs may be credited in return for HOURCAR achieving agreed-upon goals for community activities in ACP50 neighborhoods. HOURCAR will develop and submit to the cities a plan for community engagement that includes measurable outputs, with credits issued for success in meeting these outputs. Examples of outputs include:

 - a. Number of community meetings organized/participated in
 - b. Number of ride-and-drive/signup events organized
 - c. Number of community members reached through community engagement activities

3. **Usage Outcomes (up to 30% of total parking meter revenue recovery costs)**

Up of 30% of annual parking meter revenue recovery costs may be credited in return for HOURCAR achieving set goals around usage of the service by low-income people and people of color. We selected usage of the service as the measure instead of signups because usage is a more robust indicator of the actual utility of the service to target communities. Each of the three subgoals listed below represents credits of up to 10%, for a total of 30% of annual parking costs. We will estimate these outcomes based on a weighted average of survey data, member rewards data, and data from a qualified low-income rate structure.

Indicators	Two Year Baseline + Waiver Period		Year 3 (mid 2024)	Year 4 (mid 2025)	Year 5+ (mid 2026 - onwards)
	Year 1 (mid 2022)	Year 2 (mid 2023)			
% total usage by BIPOC members	30% (HOURCAR current: <25%)	35%	40%	45%	50%
% total usage by very low-income members	5% (HOURCAR current: <3%)	13%	22%	31%	40%
% total usage by very low-income BIPOC members	3% (HOURCAR current: <1%)	7%	11%	15%	20%

a. **Definitions and current demographics:**

Very low-income is defined as household income at or below 50% of Area Median Income (AMI) or 180% of the Federal Poverty Level (FPL). 46% of Saint Paul households and 42% of Minneapolis households meet the definition of very low income.¹

b. **People of color**, defined as non-white households and Latinx households. 34% of Saint Paul households and 28% of Minneapolis households are people of color.

c. **People of color who are also very low income.** 20% of Saint Paul households and 18% of Minneapolis households are very low income and people of color.

Partial Credits: If one or more usage outcome falls below the agreed-upon targets, but above 50% of the proposed target(s), partial credit for that target will be issued proportionate to the percentage of target achieved.

Example: if HOURCAR achieves 30% of total usage from very low-income people (target 40%), HOURCAR would receive 75% of the possible credit value of 10% for that target, or 7.5% of total parking meter revenue recovery cost ($30 / 40 = .75$, $.75 \times .1 = .075$).

Adjustment of Outcomes: Studies suggest that low-income people and non-white communities have not historically been strong users of carsharing,² and that there may be significant economic, social, and practical barriers to use of the service for these communities. We therefore consider the usage outcome

¹ All demographics are taken from the U of M Center for Urban and Regional Affairs “2019 AMI Cheat Sheet for Minneapolis and Saint Paul,” <https://www.cura.umn.edu/research/2019-ami-cheat-sheet-minneapolis-and-st-paul>.

² Cf. “Car-less or car-free? Socioeconomic and mobility differences among zero-car households,” https://brownanne.files.wordpress.com/2017/08/brown_2017_transportpolicy.pdf.

targets above to be very aggressive. As an example, it is likely that 30% AMI (roughly \$30,000 a year for a household of 4), which demarcates the “extremely low income” bracket, is at or near the lower income bound for a household to use carsharing with any regularity. This means that the actual target demographic consists of households earning less than 50% AMI but above 30% AMI, which is only about 20% of all households in Saint Paul and Minneapolis (even though these households represent 40% of usage in the proposed outcomes). In view of the steep challenge these targets represent, we recommend revisiting the usage targets after the first two years of usage data have been reported and level-setting as needed to reflect appropriately aggressive but attainable goals.

Exhibit B – NATIONAL COOPERATIVE LEASING MASTER LEASE AGREEMENT

Exhibit C – SERVICE AREA

Starting service area map to be added when EV Spot Network is fully built out and all 150 Evie Carshare vehicles are line.




2021 04 13 HOURCAR Agreement

Final Audit Report

2021-04-26

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