



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a Personal Vehicle Sharing Non-Exclusive Pilot Program Agreement with Turo, Inc. for Operation of a Peer-To-Peer Car-Sharing Service at Oakland San Francisco Bay Airport for a Term of Nine Months, with Estimated Nine Month Revenue of \$180,000; Amending Section 8.01.020 of the Port of Oakland Administrative Code; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

Submitted By: Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

Parties Involved: Turo, Inc., San Francisco, CA

Amount: \$180,000 Estimated Nine Month Revenue

EXECUTIVE SUMMARY: Turo, Inc. (Turo) is a peer-to-peer vehicle sharing service that connects vehicle owners with travelers or locals seeking to rent a personal vehicle for a fee. Port of Oakland (Port) staff proposes executing a pilot program with Turo to operate at Oakland San Francisco Bay Airport (OAK or Airport). Turo exchanges will be confined to the Economy Parking Lot and will generate revenue while providing additional ground transportation options for travelers. The pilot program also requires an update to the definition in the Port of Oakland Administrative Code (POAC) to distinguish Turo's services from other modes.

BACKGROUND & ANALYSIS

Peer-to-peer vehicle sharing services have developed as another option in the transportation market. The peer-to-peer vehicle sharing platform connects vehicle owners with travelers or locals seeking to use someone's personal vehicle for a fee. Peer-to-peer sharing platforms have grown substantially in popularity. In 2023, the California Legislature enacted AB 893, authorizing Turo to operate as a personal vehicle sharing program and requiring Turo to enter into a permit to operate at airports in California.

Turo is the nation's largest peer-to-peer vehicle sharing platform and is currently facilitating vehicle exchanges at more than 150 U.S. airports, including San José Mineta International Airport (SJC) and San Francisco International Airport (SFO). The platform is accessed online or through the Turo app, where the vehicle owners (hosts) create a profile for the available vehicle(s), setting prices and mileage limits. The Turo platform is governed by rules and regulations, as well as eligibility and identity verification measures to optimize the vehicle sharing process.

Key provisions of the proposed pilot program include:

- Permitted Use: Non-exclusive permit to provide Turo users a vehicle exchange location at OAK's Economy Parking Lot for Turo's operations.
- Privilege Fee: 10% of gross revenue

- Term: Nine months

Currently, the Airport Rules and Regulations in Chapter 8.01 of the POAC only discusses the regulation of traditional rental car companies. AB 893 clarified and distinguished personal vehicle sharing programs, such as Turo, from traditional rental car companies. Accordingly, Port staff proposes the following amendment to the definition of “Off-Airport Rental Car Company” in POAC Section 8.01.020 to clarify the distinction between peer-to-peer vehicle sharing services and traditional rental car companies during this pilot program period:

"Off-Airport Rental Car Company" shall mean a rental car company that is not an On-Airport Rental Car Company ~~and shall include online or mobile device application supported or peer-to-peer services that facilitate the temporary use of Vehicles for monetary consideration.~~

This revision is necessary to distinguish personal vehicle sharing programs from traditional rental car companies, consistent with AB 893. During the pilot program Port staff will monitor the effectiveness of Turo’s operations at OAK, including evaluating administrative compliance, operational impacts, and to the extent feasible the vehicle types utilized in the peer-to-peer transactions conducted at the airport, and will return to the Board with proposed next steps with peer-to-peer vehicle sharing operations at OAK.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

☒ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

☐ Other/Notes:

BUDGET

☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☒ Operating

☐ Non-Operating

☐ Capital

Analysis: Approval of Turo's contract is estimated to increase Aviation division's FY 2026 operating revenues by \$180,000 as this represents incremental revenue previously not budgeted.

STAFFING

☒ No Anticipated Staffing Impact.

☐ Anticipated Change to Budgeted Headcount.

Reason:

☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<u>Reason:</u> Peer-to-peer sharing platforms have grown substantially in popularity since the pandemic and seek to provide an eco-friendly solution to put idle and underutilized vehicles, already in circulation, to better use	Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.
<u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan: ☒ Capture Our Market and Grow the Economic Base ☐ Modernize and Upgrade Infrastructure ☐ Transition to Zero-Emissions and Build Climate Resilience ☐ Maximize Land Use Value and Revenues ☐ Workforce Training and Jobs Development ☒ Create Opportunities for Local Businesses and Community Economic Development	