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## Memorandum

TO: Town Council

FROM: Ryan Kenney, Police Commander

DATE: July 12, 2022

SUBJECT: E- Delivery Program Full Implementation

### I. SUMMARY

The purpose of this memorandum is to continue to take steps to codify the Town's E-Vail Courier delivery pilot program and transition its full implementation, as recommended by the Loading and Delivery Work Group. This includes its funding, and updates to regulations related to dismount zones and the pedestrian mall.

### II. BACKGROUND

At the direction of Town Council, a Loading and Delivery Work Group was created in 2019. It includes the following members and departments: Town Manager, Deputy Town Manager, Town Clerk, Police, Fire, Finance, Public Works, Environmental, Transportation, Communications, Community Development, and Vail Resorts. It launched the E-Vail Courier delivery pilot program that has been in operation since November of 2021.

The program is now operating with 1 dockmaster, 4 delivery drivers and 2 low speed electric vehicles (LSEV's). The program is servicing 40 businesses which is a total of 18 trucks. The program has expanded to include deliveries to businesses on E. Meadow Dr. including La Bottega and La Nonna. Christmas week had the highest volume of goods when the program delivered 26,000 pounds of goods and 90 kegs in one day. Currently the program is averaging between 30,000 and 40,000 pounds a day with busy days topping 60,000. On Thursdays alone, the program delivers 20,000 pounds of kegs into the village. The pounds of goods translate into \$30,000 to \$50,000 worth of products with heavy days topping \$70,000. The staffing and infrastructure have proven sufficient to handle the current volume.

The E-delivery pilot program will end September 30<sup>th</sup>. With the data that has been collected and the success of the current operational plan, the Work Group feels confident that the full implementation of the pilot program will become a permanent success. Based on the current volume of goods coming into the Village, a budget of \$1.3 million per year is projected for full implementation. The budget includes additional manpower and infrastructure to process all deliveries to Vail Village.

### III. FUNDING

The annual budget includes start-up capital expenditures of \$100K for the purchase of equipment needed to expand the program to cover Vail Village. Removing those expenses along with expenses tied to infrastructure, bring an annual operational budget closer to \$1.2 million per year. To fund full implementation without overburdening any one sector of the business community or the Town's budget required identifying multiple funding sources for Town Council consideration, as follows:

#### 1. Loading Dock Fee

A proposed loading dock fee would be charged for delivery businesses that will access any loading dock in the Village or Lionshead. The loading dock fee would be charged on an annual basis through a permit process managed by the police department. The proposed fee is a tiered system based on several factors such as number of delivery days/week, number of delivery locations in Lionshead/Vail Village, time for delivery (at the dock), and size (per axle) of truck. The tier system ensures that businesses would not be overburdened, and the dock permit fees are representative of the business.

Assigning each tier would be based on the following point system:

- Number of days per week: 1 day = 1 point, 2 - 3 days = 2 points, and 3 or more days = 3 points.
- Number of delivery locations: 0 - 12 = 1 point, and 12+ = 2 points
- Amount of time spent making deliveries (at the dock): 0 - 1/2 hour = 1 point, and 1/2 hour or longer = 2 points.
- Size of trucks (per axel): Van = 1 point, less than 3 axles = 2 points, and 3 or more axles = 3 points.

Points earned	Tier	Annual Fee
9 or greater	1	\$27,000 (\$2,250/mo)
6-8	2	\$18,000 (\$1,500/mo)
5	3	\$12,000 (\$1,000/mo)
Less than 5	4	\$3,000 (\$250/mo)

Businesses wanting a dock permit would fill out an application determining the tier each business is in. The information would be verified by the police department and the Town-approved contractor or sent back to the business for more information. When the application is approved, the Town would send the business an invoice that can be paid directly to the Finance Department.

As proposed, the above fee schedule is estimated to generate approximately \$600,000/year.

## **2. Load and Delivery Fees**

During the month of June, the Work Group hosted two meetings with the business owners from Vail Village and Lionshead. A proposed loading and delivery fee was presented to them on the basis of a flat rate for each business classification. Those present at the meetings suggested charging restaurants in a more equitable manner. From the feedback received, staff has researched alternatives and developed a fee structure that creates more equity across categories of businesses. It would be an annual fee to be paid at the time of renewal of each business license and intended to cover a portion of the costs of loading and delivery facilities and programs. The annual fee would be paid according to the following schedule:

1. Commercial accommodation service establishments: \$13 per rental interest, with a minimum fee of \$200.00 per business.
2. Accommodations service businesses in residential buildings with 24/7 on-site management services: \$13 per rental interest, with a minimum fee of \$200.00 per business.
3. Restaurants, taverns, or any other business with the primary purpose of serving food and beverages: \$15 per seat, with a minimum fee of \$200.00 per business.
4. Retail establishments: \$775 per business.
5. All other businesses: \$200 per business.

As proposed, the annual fee would be paid to the Finance Department before January 31<sup>st</sup> each year and would generate approximately \$260,000 per year, or roughly 20% of the annual operating costs of the program.

## **3. Town Subsidy**

In addition to the \$100,000 start-up capital needs, the Town would also subsidize annual operations by approximately \$340,000 from the General Fund. This is in addition to the town's investment of \$620,000 to cover the full cost of the 12-month pilot program.

# **IV. LOAD AND DELIVERY CHANGES**

## **1. Vail Town Code Amendments**

The Work Group prepared updates to the Vail Town Code to amend Title 7, Chapter 4, and create new Chapters 11 and 12. The changes are summarized below.

- 7-4-4, prohibits EPAMDs (Electronic Personal Assistive Mobility Device) from certain areas.
- 7-11, codifies the Pedestrian Mall Act including defining the pedestrian malls and outlining exceptions to vehicular traffic.

- 7-12, codifies loading and delivery maps, operation, and funding of last mile delivery. This includes permitting of delivery companies and implementation of loading dock permit fee as well as an annual loading and delivery fee from businesses.

## **2. Maps**

The load and delivery maps have been changed to reflect proposed changes to the regulations identified by the Work Group. The changes are listed below.

- A vehicle direction of travel has been established.
- Additional parking for service vehicles has been identified.
- High volume commercial carrier zones are defined.
- No delivery vehicle access on Bridge St.
- Business owners or employees will have close-in vehicle access to designated areas from 10:00AM to 11:00AM when actively loading or unloading.
- Ski/snowboard tuning will have access twice daily 7:00AM to 8:00AM and again from 5:00PM to 6:00PM.

## **V. ACTION REQUESTED OF COUNCIL**

The Loading and Delivery Work Group is asking Council to give feedback and direction on the draft ordinance and maps and approve ordering the necessary infrastructure needed for full implementation in October.