

## **New York City Department of Transportation**

### Notice of Public Hearing and Opportunity to Comment on Proposed Rules

**What are we proposing?** The New York City Department of Transportation (“DOT”) is proposing an amendment to Section 4-08 of the Traffic Rules to establish and implement a permit for the use of microhubs as part of a pilot program mandated by Local Law 166 of 2021 to aid in congestion reduction and increase freight sustainability.

**When and where is the hearing?** DOT will hold a public hearing on the proposed rule online. Members of the public may access and participate in this hearing online or by telephone. The public hearing will take place on Thursday, October 17, 2024 at 10:00am.

#### **Join through Internet:**

- To join the hearing via your browser, either click on the following URL link or copy and paste it into your browser’s address bar.

<https://zoom.us/j/91875402687?pwd=mNf2mPPvTRmzAEceGJfHAauWcgfnU6.1>

#### **Join Zoom Meeting:**

- Meeting ID: 918 7540 2687  
Password: 901055
- Then follow the prompts. If you have low bandwidth or inconsistent Internet connection, we suggest you use the phone option below for the hearing.

#### **Join via phone only:**

- To join the meeting only by phone, use the following information to connect:

Phone: 929-205-6099  
Meeting ID: 918 7540 2687  
Password: 901055

**How do I comment on the proposed rules?** Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to DOT through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to [rules@dot.nyc.gov](mailto:rules@dot.nyc.gov).
- **Mail.** You can mail comments to Diniece Mendes, Director of Freight Mobility, New York City Department of Transportation, 55 Water Street, 6<sup>th</sup> Floor, NY, NY 10041
- **Fax.** You can fax comments to **212-839-9685**
- **By Speaking at the Hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by emailing [rules@dot.nyc.gov](mailto:rules@dot.nyc.gov) by October 16, 2024 or calling 212-839-6500 and include your name and affiliation. While there will be an opportunity during the hearing to indicate that you would like to provide comments, we prefer that you sign up in advance. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

**Is there a deadline to submit written comments?** Yes, the deadline for written comments is October 17, 2024 by 5PM.

**Do you need assistance to participate in the Hearing?** You must tell the DOT Office of the General Counsel if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by e-mailing at [rules@dot.nyc.gov](mailto:rules@dot.nyc.gov) or calling 212-839-6500 by October 10, 2024.

**Can I review the comments made on the proposed rules?** You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. Copies of all comments submitted online, copies of all written comments, and a recording of the hearing may be requested by emailing [rules@dot.nyc.gov](mailto:rules@dot.nyc.gov).

**What authorizes DOT to make this rule?** Sections 1043(a) and 2903 of the New York City Charter (City Charter) and Local Law 166 of 2021 authorize DOT to make this proposed rule. This proposed rule was included in DOT’s regulatory agenda.

**Where can I find the Department of Transportation rules?** DOT’s rules are in Title 34 of the Rules of the City of New York.

**What laws govern the rulemaking process?** DOT must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043(b) of the City Charter.

### **Statement of Basis and Purpose of Proposed Rule**

The purpose of this proposed rule is to establish and implement a micro-distribution center (“microhub”) pilot program authorized by Local Law 166 of 2021. The proposed rules that the New York City Department of Transportation (“DOT”) is seeking to promulgate would amend Chapter 4 of Title 34 of the Rules of the City of New York (“Traffic Rules”).

In compliance with Local Law 166 of 2021, DOT published a “Microhubs Pilot” report in April 2023. The report included background information on microhubs, feedback from the freight industry, challenges and opportunities in creating a microhub program, and recommendations and methods to implement a microhub pilot (the “Pilot”) in New York City (“NYC”).

Today, one in every five New Yorkers receives packages on four or more days per week, leading to an increase in delivery vehicles on city streets. Nearly 90% of goods in New York City are delivered by trucks and, with the growth of e-commerce and demand for frequent home deliveries, the amount of goods that move through NYC is expected to grow by nearly 70% in the next 20 years. This reliance on trucks exacerbates traffic congestion, contributes to public safety challenges on roadways, pollutes the air, stresses the City’s aging infrastructure, and negatively impacts quality of life. As demand for the City’s limited curb space continues to grow, trucks, delivery vehicles, and cargo bikes need safe ways to access the curb without blocking traffic, including bus routes and bike lanes. Local delivery hubs, or microhubs, offer a promising potential to reduce the number of large trucks on local streets by providing safe spaces for truck operators to transfer deliveries onto more sustainable modes of transportation for the last leg of delivery.

The pilot program will include two location types for microhub operations:

- (1) On-street locations (or “microhub zones”) that will require a permit from DOT as proposed in these rules; and
- (2) Off-street locations (“off-street microhub zones”) that will not require a DOT permit and will be up to the microhub operator to separately arrange with the off-street property owner.

To ensure that the pilot program is meeting its objectives as required by the local law, the proposed rules would require all pilot program participants, permitted or not, to submit data to DOT at regular intervals.

The proposed pilot will establish 20 microhub sites in phases throughout the first year and will conclude after three years. The expiration date provided in section 7 of this proposed rule is an estimate and will be updated in the final rule based on the final rule's effective date. Due to the complexity of implementing this innovative measure pilot, ample time is needed to collect a robust dataset from each site and thoroughly evaluate the data as it relates to safety, delivery efficiency, and reductions in vehicle emissions and truck vehicle miles traveled. The three-year timeframe provides sufficient time for the pilot to equitably expand the number of participants and locations, which is needed for a comprehensive understanding of optimal siting, design, and operational conditions.

The proposed rule would amend various provisions of Traffic Rules Section 4-08 to include regulations and permit requirements associated with microhub operations. Specifically, the proposed amendments are as follows:

- Section 4-08(a)(3)(i) would be amended to include microhub zone as a dedicated use sign.
- Section 4-08(c) would be amended to include parking restrictions in microhub zones.
- Section 4-08(o)(1)(i) and (ii) would be amended to include microhub zones as a prohibited parking area for permits for people with disabilities.
- Section 4-08(o)(3)(ii) would be amended to include microhub zones as a prohibited area for agency-authorized parking.
- Section 4-08(o)(4)(iii) would be amended to include microhub zones as a prohibited area for single-use permits.
- Section 4-08(o) would be amended to add a new paragraph 7 to provide definitions and requirements for microhub operations.

DOT's authority for these proposed rules is found in section 2903(a) of the New York City Charter, Title 19 of the New York City Administrative Code, and Local Law 166 of 2021.

New material is underlined.

[Deleted material is in brackets.]

**Section 1. Subparagraph (i) of paragraph (3) of subdivision (a) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended to read as follows:**

- (i) **Dedicated use signs.** Standing is prohibited when a dedicated use is specified by a sign, including but not limited to the following curb regulations: Commercial Vehicles Only, Truck Loading Only, Taxi Stand, Taxi Relief Stand, Authorized Vehicles Only, NYP License Plates Only, Doctor License Plates Only, For-Hire Vehicles Only, Ambulance Only, Ambulette Only, Medical Facility Only, Bus Layover Only, NYS Road Test Only, Flea Market Loading Only, Farmers Market Only, Waiting Line, Carshare Parking Only, Electric Vehicle Charging Only, Loading Only, [or] Parking Permitted, or Microhub Zone.

**§ 2. Subdivision (c) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended by adding a new paragraph (11) to read as follows:**

(11) **Microhub zone.** During the time specified on the posted authorized sign, no person shall stand or park a vehicle or device in such zone, except for microhub operators, as defined in paragraph 7 of subdivision (o) of this section, that are permitted to use such zone for the purpose of actively engaging in the transfer of goods, parcels, and/or packages from commercial vehicles to sustainable modes of transportation that deliver such parcels and packages to the final point of delivery or receiver.

**§ 3. Subparagraphs (i) and (ii) of paragraph (1) of subdivision (o) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended to read as follows:**

(1) *Permits for people with disabilities.*

- (i) *Authorized parking areas.* An operator of a vehicle bearing a valid New York City Special Parking Identification permit may park:
  - (A) in any "No Parking" zone,
  - (B) in any authorized vehicle zone, except in carshare parking space(s), [and] electric vehicle charging station(s), and microhub zone(s),
  - (C) at parking meters without using an authorized payment method, and
  - (D) in "No Standing Except Trucks Loading and Unloading" or "Truck Loading Only" zones.

Such special parking permit shall be displayed so that it is visible through the windshield.

- (ii) *Prohibited parking areas.* Such special parking identification permits do not authorize parking:
  - (A) in a bus stop,
  - (B) in a taxi-stand,

- (C) within 15 feet of a fire hydrant,
- (D) in a fire zone,
- (E) in a driveway,
- (F) in a crosswalk,
- (G) in a no stopping zone,
- (H) in a no standing zone,
- (I) double parking,
- (J) in carshare parking space(s),
- (K) in any “Ambulette”, “Ambulance”, “Access-A-Ride”, “Medical Facility” zone or combination thereof,
- (L) in a For-Hire Vehicle stand, [or]
- (M) in electric vehicle charging station(s), or
- (N) in a microhub zone.

**§ 4. Subparagraph (ii) of paragraph (3) of subdivision (o) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended to read as follows:**

- (ii) *Parking not permitted.* Parking with and display of agency-authorized permits in the windshield of a vehicle or, where applicable, a permit affixed to the vehicle by the department or any agency authorized by the department is not permitted at:
  - (A) “No Standing” areas.
  - (B) “No Stopping” areas.
  - (C) Fire hydrants.
  - (D) Bus stops.
  - (E) Areas on the roadway side of a vehicle stopped, standing, or parked at the curb (i.e., Double parking).
  - (F) Driveways.
  - (G) Bridges and highways.
  - (H) Areas where a traffic hazard would be created.
  - (I) Carshare parking space(s).
  - (J) Loading Only zones.
  - (K) Microhub zones.

**§ 5. Subparagraph (iii) of paragraph (4) of subdivision (o) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended to read as follows:**

- (iii) *Parking not permitted.* Parking with single issue permits is not permitted at:

- (A) "No Standing" areas,
- (B) "No Stopping" areas,
- (C) Fire hydrants,
- (D) Bus stops,
- (E) Double parking,
- (F) Driveways,
- (G) On bridges and highways,
- (H) In carshare parking space(s),
- (I) Areas where a traffic hazard would be created, [and]
- (J) Loading Only zones, and
- (K) Microhub zones.

**§ 6. Subdivision (o) of section 4-08 of chapter 4 of Title 34 of the Rules of the City of New York is amended by adding a new paragraph (7), to read as follows:**

(7) Microhub Zone Permits.

- (i) Definitions. For the purposes of this section, the following terms have the following meanings:

**Microhub operator.** The term "microhub operator" means an individual, corporation, partnership, association, municipality, or other legal entity that, either on behalf of itself or others, utilizes a commercial vehicle to deliver goods, parcels, or packages and transfers such goods, parcels, or packages to a sustainable mode of transportation to a final point of delivery or receiver.

**Microhub pilot program.** The term "microhub pilot program" means a local delivery initiative operated by the Department that is designed to reduce emissions and alleviate vehicle congestion on city streets by providing designated areas on-street ("microhub zone") or off-street ("off-street microhub zone") for commercial vehicles to transfer goods, parcels, and packages onto sustainable modes of transportation to the final point of delivery or receiver.

**Microhub zone.** The term "microhub zone" means an on-street area along the curb designated by the Department for use by a microhub operator for the exclusive transfer of goods, parcels, and packages from commercial vehicles to modes of transportation designated as sustainable by the Department that deliver such goods, parcels, and packages to the final point of delivery or receiver.

**Off-street microhub zone.** The term "off-street microhub zone" means an off-

street area used by a microhub operator for the transfer of goods, parcels, and packages from commercial vehicles to modes of transportation designated as sustainable by the Department that deliver such goods, parcels, and packages to the final point of delivery or receiver.

**Sustainable mode of transportation.** The term “sustainable mode of transportation” means a low-emission or electric vehicle, bicycle, handcart, and other modes of transportation designated as sustainable by the Department. For the purposes of this rule, the term bicycle includes a pedal-assist commercial bicycle as defined in 34 RCNY § 4-01(b) and a bicycle with electric assist as defined in section 102-c of the vehicle and traffic law.

- (ii) Permit Required for On-Street Operation. A microhub operator seeking to operate on-street in a microhub zone must first obtain a permit from the Department.
- (iii) Permit term, renewal, and fees. Each microhub permit will be issued for a term of 1 year and may be renewed. Each microhub operator to which a permit is issued must pay an initial permit fee of \$2,350 at the time of permit issuance. If the microhub permit is renewed, the microhub operator must pay to the Department an annual microhub permit renewal fee of \$950.
- (iv) Application. An application for a permit must be submitted on a form prescribed by the Department, which will include, but not be limited to, the following information:
  - (A) Legal name of the applicant; its "Doing Business As" (DBA) certificate; certified copy of the Certificate of Incorporation and proof of registration with the New York State Department of State; company address; contact name; contact telephone number; contact e-mail address;
  - (B) Make and model of commercial vehicle(s) and sustainable mode(s) of transportation intended for use in the microhub pilot program;
  - (C) Proof of insurance for commercial vehicles;
  - (D) Applicant's preferred microhub zone locations from among those provided by the Department; and
  - (E) Any other information as specified by the Department.
- (v) Review of applications for and issuance of microhub zone permits. The Department may decline to issue a microhub zone permit to an applicant that:
  - (A) Submits an incomplete application;



- (B) Is in arrears to the City of New York for an amount totaling more than \$1,000 dollars;
- (C) Does not provide proof of insurance; or
- (D) Does not adhere to the conditions of any previously issued permit.

(vi) If the Department declines to issue a permit based on any of the grounds listed in subparagraph (v), the applicant may submit a written appeal to the Commissioner. Such appeal must be submitted within 15 calendar days from the applicant's receipt of the denial. The Department will make a final determination on the appeal within 30 calendar days of receipt of the appeal.

(vii) *Microhub zone permit assignments.* In assigning on-street curbside microhub zones to microhub operators issued a permit, the Department will ensure interagency coordination, including but not limited to the New York City Department of Sanitation and the Fire Department of the City of New York; consult with community stakeholders; and consider criteria including, but not limited to, the applicant's:

- (A) Preferred location(s) of microhub zone(s) from among those provided by the Department;
- (B) Company size and share of local employees;
- (C) Current and projected sustainable fleet share and sustainability goals;
- (D) Type(s) of sustainable mode(s) of transportation for use in the microhub; and
- (E) Compliance with the permit terms and conditions at the microhub zone in the previous year, in case of a renewal permit.

(viii) *Conditions of microhub zone permit.* The permit holder must:

- (A) Indemnify the City against legal liabilities associated with the microhub pilot program, including but not limited to the use of the designated microhub zone(s);
- (B) Share and regularly report to the Department the data specified in subparagraph (ix) of this paragraph.
- (C) Actively use the designated microhub zone(s) and maintain such zone(s) as specified in subparagraph (ix) of this paragraph;
- (D) Transfer goods from a commercial vehicle to low-emission or electric commercial vehicles, bicycles, handcarts, or other sustainable modes of transportation in the designated microhub zone(s). The permit holder must not conduct such activity within ½ mile of the microhub zone(s) or as otherwise specified on the permit except at the designated microhub zone(s);
- (E) Only deliver goods by a sustainable mode of transportation as defined in this section to final points of delivery or receivers located within the delivery

- radius around the microhub zone(s) as specified in the permit;
- (F) Comply with all applicable parking regulations and traffic rules, including but not limited to regulations relating to construction activities and street closures;
  - (G) Pay any fines issued to permit holder, including those due to parking and traffic violations;
  - (H) Provide the Department with a thirty-day notice if a permit holder decides to discontinue operations at a designated microhub zone;
  - (I) Display permit holder's name prominently on each commercial vehicle, low-emission or electric commercial vehicle, bicycle, handcart, or other sustainable mode of transportation utilizing a microhub zone;
  - (J) Promptly notify the Department of any changes to the information provided in its application; and
  - (K) Comply with all applicable laws, rules and regulations.

(ix) *Sign installation and microhub zone maintenance.*

- (A) The permit holder must provide to the Department a vector file graphic of its company logo to be incorporated into on-street signage no later than five days after receipt of the permit.
- (B) The Department will install signage for all designated microhub zones.
- (C) The permit holder will maintain the City's public streets within the designated microhub zones. Specifically, the permit holder must keep clean the area of the roadway within any microhub zone and extending one and one-half feet beyond each side of such microhub zone.
- (D) The permit holder must maintain their designated microhub zones, including but not limited to the following:
  - 1. Ensuring the microhub zone is kept clean, well-maintained, and clear of trash, debris, graffiti, vermin, food scraps, and unsanitary conditions at all times.
  - 2. A routine cleaning schedule of not less than once per week or pursuant to the frequency of street sweeping on the block face on which the microhub zone is located, whichever is greater.
  - 3. Removing snow and ice in a manner that does not block the street or adjoining sidewalk as specified in the permit.
  - 4. Maintaining the signs so that they are unobstructed and free of dirt, stickers, and graffiti.
  - 5. Keeping records of the maintenance of microhub zones, including date, time, and scope of maintenance.
- (E) Any additional maintenance responsibilities will be provided by the Department with a thirty-day notice to the permit holder. The permit holders' maintenance responsibilities extend through the length of the permit.

(x) Relocation or temporary suspension of microhub zone(s).

- (A) In the event of an emergency, unforeseen circumstances or for reasons attributable to public safety or other emergency or temporary needs as it deems appropriate, the Department has the right to relocate a microhub zone and will ensure interagency coordination, including but not limited to the New York City Department of Sanitation and the Fire Department of the City of New York and consultation with key community stakeholders. Wherever possible, the microhub zone will be relocated within the same general area and with feedback from the permit holder.
- (B) The use of a microhub zone may be temporarily suspended for up to thirty business days due to construction or street repaving, or special events including but not limited to film shoots, street fairs, parades, or block parties. When suspensions are expected to last longer than thirty business days, the Department may temporarily relocate the microhub zone to a new location.

(xi) Suspension or revocation of permits and enforcement of maintenance requirements.

- (A) The Department may suspend or revoke a permit for failure to comply with any of the terms and conditions of the microhub permit, these rules, or other applicable law or rule.
- (B) Prior to suspending or revoking a permit, the permit holder will be provided with an opportunity to be heard within five business days of the suspension or revocation.
- (C) In the event that the Department suspends or revokes a permit, the permit holder must cease using the microhub zone within 24 hours of the effective date and time of such suspension or revocation.
- (D) The Department of Sanitation may issue a notice to the permit holder, with a copy to the Department of Transportation, upon observation of any violation of the provisions of clause (C) and items 1, 2 and 3 of clause (D) of subparagraph (ix) of this paragraph in accordance with and pursuant to such Department's responsibility for cleanliness of the streets in section 753 of the New York City Charter. The Department of Transportation may take such notices into account when considering the suspension or revocation of a permit pursuant to this subparagraph and when reviewing applications for permit renewal pursuant to subparagraph (v) of this paragraph.

(xii) Relocation of impermissibly parked vehicle.

- (A) If a vehicle is impermissibly standing or parked in a microhub zone, the microhub permit holder has the option, at its sole cost and expense, to relocate the impermissibly parked vehicle to the nearest available lawful on-

street parking space using a towing company licensed by the Department of Consumer and Worker Protection.

- (B) For the purposes of this subparagraph, an “impermissibly parked vehicle” means a vehicle or device located in a microhub zone, where the logo and name indicated on the sign does not bear the same logo and name as the vehicle.
- (C) If a microhub permit holder chooses to relocate impermissibly parked vehicles, it must establish a Department-approved means of relocating such vehicles and notifying owners of such vehicles where their vehicles have been relocated.
- (D) The microhub permit holder must establish a website or other public notice system approved by the Department to communicate information about the relocation of impermissibly parked vehicles or devices. The website or other approved communication method must include the process by which an impermissibly parked vehicle or vehicles is relocated, the specific location of each relocated vehicle or device, and any other information deemed necessary by the Department.
- (E) If the Department determines that the microhub permit holder or its employees or agents have relocated vehicles in violation of the provisions of this paragraph, the Department may revoke the authority of the microhub permit holder to relocate impermissibly parked vehicles from microhub zones.

(xiii) Data sharing requirements. Microhub pilot program participants must deliver a quarterly report to the Department by the 15th day of the month following the end of the quarter or as otherwise specified by the Department. Datasets may include but not be limited to the following (units or other form of data in parentheses):

- (A) Make and model of sustainable mode(s) of transportation used in microhub zone(s) and/or off-street microhub zone(s) (make/model);
- (B) Average daily/weekly utilization rate of microhub zone(s) and/or off-street microhub zone(s) (hours);
- (C) Total number of trips from microhub zone(s) and/or off-street microhub zone(s) to final destination of delivery categorized by type of sustainable mode of transportation (trips);
- (D) Total number of daily truck trips substituted by low emission vehicles (trips);
- (E) Estimated catchment radius for deliveries from microhub zone(s) and/or off-street microhub zone(s) (miles);
- (F) Average distance and duration of deliveries made from microhub zone(s) and/or off-street microhub zone(s) to final destination (miles, minutes);

- (G) Estimated daily volume of deliveries made from microhub zone(s) and/or off-street microhub zone(s) to final destination of delivery (number of packages and/or total weight);
- (H) Total number of instances where microhub zone is blocked (incidents);
- (I) Total number of traffic violations received by microhub permit holder or by vehicles or employees of microhub permit holder within microhub zone and/or off-street microhub zone and delivery radius (violations);
- (J) Feedback on pilot experience, including feedback on the design, placement, operations, and safety (in qualitative/survey form) of the microhub zone and/or off-street microhub zone as requested by the Department; and
- (K) Any other dataset included in the terms and conditions of the permit or requested by the Department.

§ 7. This rule expires and is deemed repealed on October 30, 2027.

**NEW YORK CITY LAW DEPARTMENT  
DIVISION OF LEGAL COUNSEL  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE:** Pilot Program for Permitting of Microhubs

**REFERENCE NUMBER:** 2024 RG 007

**RULEMAKING AGENCY:** Department of Transportation

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Senior Counsel

Date: September 9, 2024

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Pilot Program for Permitting of Microhubs**

**REFERENCE NUMBER: DOT-77**

**RULEMAKING AGENCY: Department of Transportation**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro  
Mayor's Office of Operations

September 9, 2024  
Date