

New York City Department of Transportation

Notice of Adoption

NOTICE OF ADOPTION relating to amendments of the New York City Department of Transportation's (DOT) "Traffic Rules" contained in Chapter 4 of Title 34 of the Rules of the City of New York regarding the establishment of a microhubs pilot program mandated by Local Law 166 of 2021 to aid in congestion reduction and increase freight sustainability.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN the Commissioner of the New York City Department of Transportation (DOT) by Sections 1043 and 2903(b) of the New York City Charter and in accordance with the requirements of Section 1043 of the New York City Charter that DOT hereby amends Chapter 4 of Title 34 of the Rules of the City of New York.

This rule was first published in the City Record on September 17, 2024, and a public hearing was held on October 17, 2024. DOT carefully reviewed the verbal and written comments that were submitted in response to the proposed rule and made the following changes to paragraph (7) of subdivision (o) of section 4-08 in the adopted rule:

- Clause (D) of subparagraph (viii) of such paragraph was amended, decreasing the minimum distance a permit holder may operate outside of their designated microhub zone, to accommodate handcarts. This change will make it easier for operators utilizing handcarts.
- Clause (D) of subparagraph (xiii) of such paragraph was amended, by replacing the measurement unit from truck trips to vehicle miles travelled (VMT), for data reporting purposes.
- The expiration date provided in section 7 has been updated to align with the final rule's effective date.

In addition, the microhub pilot ("the Pilot") will establish up to 36 microhubs sites, up from 20 that was previously noted in the Statement of Basis and Purpose of the proposed rule. The reason for the increase in the number of microhub sites is to align with the number analyzed in the Microhub Pilot Type II Determination as part of the environmental review of this rule. While the maximum number of microhub sites has increased, the length of the Pilot remains the same—it will conclude after three years. No amendments to the rule are required based on this change.

Statement of Basis and Purpose of Adopted Rule

The Commissioner of the New York City Department of Transportation (DOT) is authorized to issue rules regarding parking and traffic operations in the City pursuant to Section 2903(a) of the New York City Charter. The rule that DOT has adopted will be contained within Chapter 4 of Title 34 of the Rules of the City of New York, relating to the "Traffic Rules."

The purpose of this rule is to establish and implement a micro-distribution center (“microhub”) pilot program authorized by Local Law 166 of 2021. 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 the Pilot in New York City (“NYC”).

The pilot will establish up to 36 microhub sites in phases and will conclude after three years. 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 rule amends various provisions of Traffic Rules Section 4-08 to include regulations and permit requirements associated with microhub operations. Specifically, the amendments are as follows:

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

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

New material 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, or other legal mode 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 arising from the permit holder's participation in the microhub pilot program, including but not limited to the use of the assigned 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 ¼ mile of the assigned 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 may, at its sole cost and expense, 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 vehicle miles traveled (VMT) substituted by low or zero emission VMT (number);
 - (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 February 13, 2028.



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Hon. Ydanis Rodriguez
Commissioner of Transportation

Re: Pilot Program for Permitting of Microhubs

No. 2024 RG 007

Dear Commissioner Rodriguez:

Pursuant to New York City Charter § 1043 subd. c, the above-referenced rule has been reviewed and determined to be within the authority delegated by law to your agency.

Sincerely,

/s/ Steven L. Goulden

STEVEN GOULDEN
Senior Counsel
Division of Legal Counsel

cc: Naomi Silkowitz (DOT)
N. Patricia Browne (DOT)