

City Council Meeting: June 12, 2018
Agenda Item: 7.B

To: Mayor and City Council
From: David Martin, Director, Transportation Planning
Subject: Establish a Pilot Program for Shared Mobility Devices, by 1) introducing for First Reading an Ordinance setting forth the Pilot Program, defining the terms and conditions of the Pilot and repealing previously adopted emergency regulations, 2) adopting a Resolution setting fees and charges for the Pilot Program, and 3) adopting an Emergency Ordinance limiting the renewal period for Vendor Permits for Shared Mobility Devices for FY18-19.

Recommended Action

Staff recommends that the City Council:

- 1) Introduce for First Reading the attached proposed Ordinance establishing the Shared Mobility Pilot Program, defining the terms and conditions of the Pilot, and repealing previously adopted emergency regulations;
- 2) Adopt a Resolution establishing fees and charges in support of the Pilot program; and,
- 3) Adopt an emergency ordinance limiting the renewal period for Vendor Permits for Shared Mobility Devices for FY18-19.

Executive Summary

Shared mobility devices are proliferating in cities across the country, including the inaugural launch of Bird Ride, Inc. (Bird) scooters in Santa Monica in late 2017 and the introduction of Lime e-bikes in 2018. These small electric or human-powered devices are new and highly visible, drawing considerable attention and controversy when they arrive in any area. They have raised significant community concerns about safety and enforcement, including concerns about users riding on the sidewalk, doubling up on scooters, and riding without a helmet, all of which are prohibited under state and/or local laws; users failing to observe traffic controls in violation of the California Vehicle Code; and other unsafe or uncivil rider behaviors. The devices have also posed new challenges in managing the safe public use of the street, sidewalk, and beach.

Rules and procedures to manage this disruption effectively are nascent at best. The

City of Seattle has one of the “oldest” permitting systems, a pilot program less than one year old. Santa Monica focused first on implementing education strategies and on enforcing the laws concerning electric scooters. In response to actions by the City, Bird began helmet giveaways, applied safety information stickers to each device, and implemented driver’s license verification and photo-based parking confirmation. On March 6, 2018, Council adopted an emergency ordinance that established an impound fee for shared mobility devices that pose a hazard in the public right of way (PROW) and also directed staff to develop a pilot regulatory framework to work through the rules and procedures for effective management. Meanwhile, the Police Department has been actively enforcing laws, including conducting 623 stops and issuing 302 citations in the first three months of 2018, and over 809 stops and issuing 366 citations in the month of May.

Like the earlier arrival of ride-hailing (or transportation networking companies) like Uber and Lyft, these new mobility options are causing significant upheaval as well as shifts in travel behavior nationwide. Public agencies have struggled to get out ahead of venture-capital-funded disruptive technologies for which existing regulations are either inapplicable, inadequate or inappropriate. To respond effectively to new approaches to mobility we need new approaches to how companies and technologies are regulated to protect public safety and promote wellbeing, sustainability and equity.

Santa Monica is a desirable market for new shared mobility options because of the diversity of people and activities citywide, the high-quality street network, and the culture of active and outdoor living. Shared mobility devices provide an option to move without a car, reduce pressure on vehicle lanes and parking spaces, and increase overall access and mobility. Low emissions options also facilitate Sustainable City goals and improved local air quality. In addition to hearing from hundreds of community members raising support for and concern about the devices, staff interviewed twelve dockless scooter and bike sharing companies in May 2018 to assess capacity and willingness to work in partnership with City staff, and operational characteristics of their systems. All of the companies expressed interest in launching operations in Santa Monica.

The City has issued Bird Rides and Lime conditional vending permits to operate from private property. Vending permits are annual, with renewals based on the fiscal year calendar, so that the existing permits would expire or be renewed after June 30, 2018. Currently, Santa Monica has no regulatory or administrative system to manage dockless scooters and commercial bike shares operating in the PROW. Pursuant to Council direction, this report recommends that Santa Monica initiate a 16-month pilot program to forge a model way for regulating these new companies and technologies to protect public safety and promote community wellbeing, sustainability and equity.

A pilot would facilitate the development of tools in a quickly changing environment and provide flexibility to solve new challenges. It is anticipated that administrative rules of the program will remain fluid during the pilot program as the City works with operators to define effective solutions and where necessary, impose appropriate rules and restrictions. Participation in the pilot program would be through a request for application and selection process.

The proposed pilot program would:

- allow a limited number of devices run by up to three service providers, with staff recommending an initial cap of 1,500 devices with the potential to increase to a maximum of 2,250 devices during the program duration through the end of 2019.
- establish *minimum operating requirements* in the categories of maintenance, education, safety, customer service, data sharing and insurance/indemnification.
- identify a broader list of *recommended program components* through which partners could be evaluated during the pilot term.

A key to the program's success would be an open and productive partnership between the City and operators that facilitates the operator being highly responsive to real community concerns about safety and adverse impacts on members of the public who walk, bike or drive in Santa Monica. The pilot program would be established by

Ordinance, which would authorize staff to make adjustments to the program through Administrative Rules, and to evaluate performance of operators against the recommended program components.

Cities large and small are responding to the rapid appearance of shared mobility devices. Responses have varied significantly based on local context, policy and regulatory structures. San Francisco, Austin and Chicago have been developing management systems and extensive rules. In contrast, Dallas invited unlimited providers without a regulatory framework, and received a flood of bicycles. Santa Monica's approach seeks to balance the desire to welcome new technology and innovation with protecting public health, safety, wellbeing, and the value of the City's PROW.

The approach recommended by staff is to respond to disruption with neither heavy-handed efforts to stifle these new alternatives, nor a hands-off approach that ignores the very real problems their introduction has spawned. Rather, the pilot is designed to collaboratively and flexibly develop an effective model to adequately regulate these new transportation options to ensure effective compliance with applicable State and local laws and especially to promote the health, safety and wellbeing of everyone in the community. This does not deter the City from issuing citations to individual violators of the California Vehicle Code, nor preclude ongoing educational efforts to promote responsible behavior from all who share our city streets. Instead, the pilot proposal is designed to directly address the new and very real challenges posed by the introduction of large numbers of new mobility devices. Staff believes this approach is consistent with the Council's Strategic Goal of promoting a new model of mobility for Santa Monica and the Council's adoption of Vision Zero to eliminate deaths and serious injuries from roadway collisions.

While staff establishes the new pilot program, solicits applications, and selects the pilot program operators, staff proposes an emergency ordinance that would limit the term of any Fiscal Year 2018/19 Vendor Permits issued to companies to rent Shared Mobility

Devices on private property to September 16, 2018, with a possible extension of up to 90 days. This limited term renewal is necessary to facilitate the orderly and timely transition into the pilot.

Background

On February 27, 2018, Council received an update on the Mobility Strategic Goal and discussed efforts toward achieving the three targets of:

- 1) Increasing trips by walking, biking and transit;
- 2) Eliminating severe injuries and fatalities from traffic collisions; and
- 3) Creating a complete and connected network of transportation.

Facilitating ways to get around that are convenient, comfortable, and affordable is a component of the broad third target. This target incorporates shared mobility and customer-focused solutions that meet diverse users and use cases, among other topics. Technology-driven shared mobility solutions are posing new challenges and opportunities, and increasing the speed of transportation change substantially. The Council report presented areas of potential opportunity, and shorter-term actions that could optimize community benefit during changing conditions. The staff report included principles to guide decision-making in this time of rapid change, grounded in the values from adopted policy documents:

- *Put people and safety first.*
- *Give all people access to mobility choices.*
- *Pioneer a clean mobility future.*
- *Design great streets for health and wellbeing.*
- *Leverage private sector innovation in new mobility that serves community needs.*
- *Strengthen government services with data-driven decision-making.*

Council supported information from the report, and directed staff to proceed with identified short term physical projects, programs, and innovation exploration.

On July 6, 2010, Council adopted the Land Use and Circulation Element (LUCE), the heart of the State-mandated General Plan that sets the City's broad transportation policy foundation. It identified policies to create a safe street network that encourages all modes of transportation that are accessible to users regardless of their age or ability, and encouraged diverse modes of transportation and programs which get people to use them. Since the adoption of the LUCE, staff has pursued many elements that help people be more equipped, aware, and using transportation options:

- Installation of a 100+ mile bike facility network that connects to neighborhood destinations, schools, and commercial areas as outlined in the Bike Action Plan;
- Construction of improvements to make streets more “complete” (serving more types of users with greater levels of safety) like Ocean Park Boulevard, Samohi Safe Routes to School, Michigan Avenue Neighborhood Greenway, Berkeley Street traffic calming, and the Colorado Esplanade;
- Launching Breeze Bike Share in November 2015 with 500 GPS-enabled “smart bikes” and 86 stations. To date Breeze has enabled over 650,000 rides in a way that has produced approximately \$350,000 net revenue that has benefited the mobility goals of the City;
- Welcoming the Expo Light Rail in May 2016 with three Santa Monica stations, and first/last mile connections through Evolution of Blue rerouting, Blue at Night and many crossing and access improvements;
- Implementing the new Transportation Demand Management Ordinance (TDM) in January 2016 that required employers over 30 and development over 7,500 square feet or 16 residential units to do trip reduction strategies;
- Adopting the Downtown Community Plan in July 2017 that prioritized pedestrian safety, expanding transportation options, creating complete streets, and incorporating new technologies into our transportation system.

Breeze Bike Share riders recently pedaled past the 1.5 million mile mark, with over 40% of rides by Santa Monica residents. The Breeze system consists of clusters of bike

racks that are identified as “stations” in system software. Bikes are equipped with locks that can attach to any bike rack; bikes can be located using the mobile app. Breeze bikes were purchased with grant funds, are owned by the City, and operate under contract by CycleHop LLC. The Santa Monica Municipal Code was amended in August 2015 to enable Breeze Bike Share operations in the public right-of-way in SMMC Chapter 3.20. This code section prohibits the operation of non-public bike share in the PROW.

Around September 2017, Bird began offering shared electric scooters in Santa Monica, without a City business license. The Bird system places scooters out each morning, and collects them at night for charging. The scooters are seen regularly on City streets and sidewalks, including being parking in locations that often obstruct pedestrians and sidewalk access. Currently, Bird has a City-issued Business License and Vending Permit to offer its scooters on private property with conditions on its operations, particularly as they relate to scooters being placed in the PROW. Since Bird began operating, many companies have inquired about the potential to operate in Santa Monica, and some have begun operating including Lime.

On March 6, 2018, Council adopted an emergency ordinance that established an impound fee for shared mobility devices that pose a hazard in the public right of way, among other enforcement-related provisions. Council also directed staff to develop a pilot regulatory framework to facilitate the development of effective management tools for shared mobility devices to operate lawfully and safely in Santa Monica.

Discussion

The world has experienced an explosion of transportation change driven by global investment in new mobility approaches fueled by billions of dollars of venture capital financing. In addition to smaller app-based start-ups, large companies like Google/Alphabet are investing in transportation systems and software, and traditional equipment manufacturers like Ford are developing new vehicles and partnerships with other device operators. The worldwide introduction of rideshare/transportation network companies has decimated the taxi industry and launched tectonic shifts in consumer

travel behavior. Change in the marketplace is easily outpacing the development of regulatory structures at all levels of government.

Santa Monica is at the epicenter of these trends. With worsening traffic, the extension of the Expo Line to Santa Monica (in the context of an historic expansion of rail transit in Los Angeles County), the evolution of the Big Blue Bus system and the introduction of the first “bike sharing” system in the region, Santa Monica is at the cutting edge of creating a new model of mobility. In terms of private investment, Santa Monica is experiencing the sea change in travel modes most immediately in shared mobility such as “dockless” or “free-floating” bike share and scooter share. While many residents have eagerly embraced the new options, many others have expressed outrage and frustration about safety and enforcement following the arrival of Bird scooters, including reckless rider behavior and careless device parking. The systems have posed new challenges in managing the safe public use of the limited space on our streets, sidewalks, and beach paths. Additionally, the systems raised new issues regarding commercial use of the public right-of-way, responsibilities for complaint resolution, data sharing, liability, and the resources needed for program oversight.

Rules and procedures to effectively manage this disruption are nascent at best. This challenge is not unique to mobility options. In recent years, for example, Santa Monica has faced a number of such issues, including how to respond to the rise of home sharing companies as well as whether to allow uses of the public right of way for outdoor dining or public “parklets.” Experience has shown that pilot programs offer a framework to experiment to find the best ways to shape and fine tune a regulatory approach that addresses the dynamic impact of market forces and changing public attitudes and consumer choices.

Santa Monica staff are actively working on the issues, with a first focus on both education and enforcement. Following concerns raised by the City, Bird initiated helmet giveaways, posted safe operating rules on each device, and implemented driver’s license verification. Meanwhile, the Police Department has been actively enforcing laws, including conducting over 1,400 stops and issuing over 600 citations so far in 2018.

Pursuant to Council direction, staff is now bringing forward a proposal for a pilot program that would enable the development of long-term regulations to effectively manage these systems in the PROW. The proposal is informed by hundreds of community conversations, as well as review of best practices, and interviews with a dozen operators.

Creating a more diverse, convenient, comfortable, and affordable transportation system is a core component of the Mobility Strategic Goal, and creating a “new model of mobility.” New options can help to meet a wide range of user needs and situations, making it easier to get around with or without a car. Electric bikes and electric scooters are among these new options, and can reduce pressure on vehicle lanes and parking spaces, while increasing overall access and mobility. These low emissions options also facilitate Sustainable City goals and improved local air quality. The emergence of shared electric devices is more recent, enabled by GPS communications and lower-cost device manufacturing, and is creating a new mobility service model.

Santa Monica is a desirable market for new shared mobility options because of the diversity of people and activities citywide, the high-quality street network, and the culture of active and outdoor living. This creates the conditions for high device utilization on the City’s built network of streets and bike lanes by residents, employees and visitors. This high demand necessitates development of management tools that address community concerns and the need to reinforce orderly use of the PROW and safe, civil travel behavior.

Minimum system requirements would be established in the pilot, with recommended system elements used to evaluate operator performance and partnership. A set of supporting Administrative Regulations would remain fluid during the pilot program as the City works with operators on methods to reduce PROW blockage and sidewalk clutter, to educate users, to evaluate utilization data, and to reduce public enforcement burden. Participation in the pilot program would be through a request for application and selection process. Details of the pilot program are described in more detail below.

Engaging with Shared Mobility

The introduction and quick adoption of Bird scooters demonstrated that users are willing to try new mobility options. Enabling different services to be responsibly tested and operated in Santa Monica would create a diversity of options that would meet a wider range of user needs, and help the City meet goals of reducing congestion and emissions by limiting the number of short trips taken in cars and improving the first/last mile connections to transit. Further, the wave of private investment into the shared mobility industry would enable Santa Monica to expand mobility options without incurring the expense of operating its own service.

In recent months, Santa Monica has experienced many of the common issues associated with shared mobility devices. The City has received hundreds of community complaints regarding Bird, focused on both their parking/PROW issues (discarded Bird Scooters blocking sidewalks, curb ramps, ADA access, doorways, and the congested beach bike path) and user operation/safety issues (riding on the sidewalks, speed, lack of helmet use, near misses and collisions). Although Bird Scooters fit the definition of a “motorized scooter” as defined in Section 407.5 of the California Vehicle Code (which requires riders of motorized scooters to wear a helmet and be a licensed driver, and prohibits riding on the sidewalk), the rules and etiquette for how to operate and park some new devices are not clear to users.

To date over 30 cities across the country have launched dockless bike share or scooter pilots to engage with this rapidly changing environment. Although these pilot programs range greatly in scope, term, requirements, and resources, there are similarities such as:

- Safety requirements: front and rear lights, brakes, maximum operating speed, regular device maintenance, and clearly marked device identification number.
- System size: total device minimum and maximum, with variations in the ability to scale up or down.
- Community outreach: minimum safety education through events or digital resources, working with local groups.

- Operations: remove inoperable devices or safety hazards promptly, rebalance to provide equitable coverage and avoid over-concentration, and provide adequate staffing.
- Parking: defined local parking requirements, sometimes with “lock-to” requirement.
- Customer service: clearly posted customer support contact, available on-demand services, and prompt response to complaints.
- Data sharing: weekly or monthly data sharing, some require API access.
- Insurance/Liability: maintain insurance coverage to specified limits, and indemnify local agencies.

Attachment A provides more information about the emergence of shared mobility and select city approaches. Overall, cities are working to reorganize for new work demands, and develop the new tools need to deal with the myriad data, communications, regulation, operation and maintenance associated with citywide programs.

Why create a pilot program?

In light of the rapid changes going on in mobility right now, approaching shared mobility regulation as a pilot program would enable the City to:

- Develop a new area of policy, regulation, and enforcement through firsthand experience
- Move quickly to adapt to a rapidly changing industry, but leave room to learn and adjust as appropriate
- Test new device and service providers in a growing industry
- Explore partnership models with private companies
- Explore possibilities for data capture, structures, and utilization for the purpose of advancing the new model of mobility.
- Allow the City time to experiment with different management tools (e.g. “Geo-

fencing” and creation of shared mobility device drop zones)

After the launch of Bird, staff convened a working group of staff members from the departments of Planning and Community Development, Public Works, Police, Community and Cultural Services, Office of Sustainability and the Environment, City Manager, and City Attorney to understand how the introduction of shared mobility devices are impacting all aspects of the City operations and PROW. The group reviewed and discussed several of the current shared mobility pilot permit programs in other cities. Simultaneously, staff held meetings with twelve shared mobility operators to understand their capabilities, plans, and willingness to engage with the City. The shared mobility pilot program in Santa Monica would be based on feedback and information received through these processes and community input.

Desired Pilot Program Outcomes

In approaching this effort, the City would seek to:

- Diversify mobility options for residents, employees and visitors to Santa Monica.
- Protect public health and safety and reduce sidewalk, pathway and ADA blockages.
- Reduce emissions from short trips and connections to transit.
- Maximize user awareness of safe and legal behaviors for operating shared mobility devices.
- Create a legal and enforceable framework for managing shared mobility services.
- Ensure use of PROW benefits public mobility.
- Ensure private operators response to pervasive issues and service complaints.

Pilot Program Approach

Staff recommends the implementation of a pilot program with a structured review process in mid-2019, which would enable any subsequent shared mobility regulations to be considered and to take effect by the end of 2019. Staff recommends the following pilot program structure:

- **Pilot Term:** The pilot is proposed to last approximately 16 months, with amendments possible during the term of the pilot. Formal evaluation of the pilot

would begin at 9 months, ending with a report and recommendation to Council for a permit system or other next steps within the 16 months. The pilot phase could be extended or terminated during its duration.

- **New Device Options:** The pilot is for devices that are not currently available to the public through existing city programs or partnerships, as to widen the range of types of devices rather than creating duplicative services. To include E-bikes, Scooters, etc. Not regular human powered bikes, or combustion engine devices.
- **Operating Requirements and Recommendations:** The pilot defines Minimum System Requirements in seven performance areas that would be required for all operators. A more robust list of Recommended System Elements is included that would be used to evaluate operators and inform future regulations.
- **Scale of Program:** Staff recommends issuing permits for an initial launch of up to 1,500 devices total, operated by up to 3 companies. The program would cap the total number of devices citywide at 2,250, with expansion up to the cap allowed only after demonstrated sustained fleet utilization. Operators may be required to reduce fleet if minimum utilization criteria is not met to avoid unnecessary clutter in the PROW.
- **Partnership:** Operators in the program would be expected to actively engage with City staff to resolve issues and to develop solutions including, but not limited to, system, device and regulatory changes that facilitate safe use and public right-of-way management. Operators would be held responsible for community complaints and operational issues.
- **Phased Implementation and Adjustments:** The Director of Planning and Community Development or designee would have the authority to phase in or adjust elements of the program over time - such as adjustments to the number of devices within the total cap, or operational requirements for operators, through the Administrative Regulations.
- **Cost Recovery:** The full costs of the program should be recovered through permit fees.

The pilot program would be established by the proposed Pilot Program Ordinance (Attachment B) which would define basic program procedures including application and selection, and authorize staff to develop Administrative Regulations guiding the pilot program. The Ordinance would authorize staff to make adjustments to the program during its duration through the Administrative Regulations. The Administrative Regulations include, but are not limited to, criteria relating to lawful conduct, public safety, data sharing, data privacy, and/or the timely removal of hazards.

Operator Requirements:

Operators would need to meet *Minimum System Requirements* in seven performance areas designed to facilitate basic system operations, without precluding technology advancements or operational upgrades. Additionally, operators would be evaluated in the selection process and through the course of the pilot program on their ability to incorporate the *Recommended System Elements* into their operations.

Guiding Principles	Minimum System Requirements	Recommended System Elements
<p>1. Operators would be required to ensure devices are well maintained and safe to be ridden.</p>	<p>a. Devices have durable brakes, head and tail lights, and security hardware.</p> <p>b. No combustion engines, electric equipment has maximum speed of 15mph.</p>	<p>a. Devices equipped with GPS.</p>
<p>2. Operators would be required to educate their users about riding safety and roadway regulations.</p>	<p>a. Safety information is clearly posted on each device and in the system software.</p> <p>b. Education about riding rules and legally parking is provided at sign-up.</p>	<p>a. Software regularly educates users about riding etiquette and parking rules.</p> <p>b. Operator hosts monthly education and awareness events.</p> <p>c. Operator offers multi-lingual communications, and low-income options.</p>
<p>3. The operation's systems would be required to</p>	<p>a. Financial transactions are secure (PCI compliant).</p>	<p>a. Customer information is protected using industry</p>

<p>protect user's personal information</p>		<p>standard encryption, and customer permission is sought before sharing data with a third party.</p> <p>b. Membership auto-renewal meets state and federal standards.</p> <p>c. Customer information is protected using industry standard encryption, and customer permission is sought before sharing data with a third party.</p>
<p>4. Operators would be required to ensure that devices do not pose a hazard to others or obstruct others' use of the public right of way</p>	<p>a. Devices do not block ADA paths of travel, entrances, driveways, bus stops, traffic or bike lanes, etc.</p> <p>b. The operator does not distribute devices to prohibited areas (i.e. Ocean Front Walk, Beach Parking lots, Third Street Promenade, Pier or Pier Bridge, and Palisades Park).</p>	<p>a. Devices are parked appropriately in the public right-of-way (such as upright in the parkway, furniture zones, etc.).</p> <p>b. Devices do not end up on unauthorized private property.</p> <p>c. The system informs and incentivizes people to use correct parking locations.</p> <p>d. Device distribution is even across the city, and balanced regularly.</p> <p>e. If the City creates on-street device parking areas, the operator institutes designated parking hubs into the system.</p>
<p>5. Operators would be required to ensure operational issues are attended to promptly.</p>	<p>a. Devices are safe, clean and working; broken devices are removed promptly.</p> <p>b. Device clearly shows customer service number answered during operating hours, and a unique device identification number.</p> <p>c. Operator maintains direct 24-hour contact for emergency removals.</p>	<p>a. Customer-service is immediately available 7a-10p or more, and maximum response time is 24 hours.</p> <p>b. Remedy devices parked incorrectly within 2 hours from 7a-10p.</p> <p>c. Provide regular maintenance and cleaning.</p> <p>d. Provide adequate staff for</p>

		customer service, balancing and maintenance. e. Device alarms do not sound for longer than 5 minutes.
6. Operators would be required to share trip and device location data with the City.	a. Provide monthly data export on fleet utilization. b. Provide weekly summary report of ridership.	a. Provide real-time information on the entire fleet through an API. b. Customer service surveys each 6 months, with data provided to the City. c. Operators have the ability to implement geo-fenced parking zones.
7. General Operator Requirements	a. Operator maintains valid insurance and provides City indemnification. b. Comply with City Minimum Wage Requirements. c. Apply for a business license under the "Services" classification as defined in SMMC 6.08.150, pay all applicable taxes, fees and assessments and provide any additional documents required per the Administrative Regulations.	a. Provide affordable user fees, and submit a user fee plan to the City.

Selection Criteria

Partners in the pilot program would be selected through an open application process. The City is looking for operators with experience, a high-quality device and system, and a willingness to work collaboratively with the City during the pilot program. It is anticipated that an operator pre-application meeting would be held to answer questions and facilitate the process. A request for applications would be posted and submissions reviewed by an inter-departmental committee, with recommendation to the Director of Planning and Community Development. The Director would make a final selection

decision.

All applicants would be notified after the selection, and partners would be invited to begin operations on or after September 17, 2018. Unselected applicants, and operators with expired Vendor Permits, would be required to cease operations or be subject to enforcement actions consistent with local rules and regulations.

Anticipated Outcomes of the Pilot Program on Breeze Bike Share

At the same time as Bird's launch in September 2017, Breeze Bikes on average had been ridden 2,500 - 3,000 miles each and began to show considerable wear and tear, which meant that more bikes were out for repair often, and more parts like bike controllers (GPS computers) needed repair or replacements. With the launch of Bird Scooters, users had more and newer options. Because of both of these factors Breeze Bike Share has seen an average 10 percent decline in monthly ridership since September over the previous year, and staff anticipates that trend to continue in the near term with the introduction of more and different options. In spite of the decline, several agencies including LA Metro, are reinvesting in their publicly owned bike share systems because of the dynamic and unpredictable nature of commercial systems. Public agencies cannot guarantee any services when provided by permit and value the ability to provide consistent services to the public. Because Breeze has operated without public subsidy for over 2 years, funds exist for reinvestment in the program. Council may consider expanding and/or improving the Breeze fleet to ensure this stable and high-quality option continues to exist for users.

Possible Pilot Program Modifications

- **Use of Public Property Charge:** The pilot currently anticipates a cost recovery fee for staff time to administer the pilot program. To the extent these vehicles operate in the PROW, the public right of way land is a valuable asset, designed primarily for the movement of people, goods and related activities. The City implements charges for commercial use of the PROW such as outdoor dining, which is subject to a regulatory fee that recoups processing fees, and a Use of

Public Property charge. Since these companies generate considerable private income, a similar approach could be used for shared mobility devices, as they are made available for commercial transactions on the PROW. Bird has publicly floated support for a charge per vehicle per day that could support improvement of bike lanes, education and other beneficial public investments. Council could direct staff to return with the supporting legal research and documentation for a use of public property charge prior to the implementation of the pilot program in September.

- **Device Type and Quantity Limits:** Staff anticipates that the initial introduction of 1,500 devices, with the possibility to expand the program to 2,250 devices, will sufficiently serve mobility needs of the community for the term of the pilot while limiting the disruption of devices on the PROW. Council may consider broadening the scope of the pilot program to allow for more (or fewer) devices and to include regular human powered bikes as well. However, based on conversation with other cities, staff anticipates that a broadened scope would result in more community complaints and concerns. Additionally, the allowance of more devices would require more resources for program oversight, enforcement, and response to comments.
- **Operators Cap:** Council may consider opening the pilot program to more than three operators. Other cities have experienced the challenge of playing the role of “referee” between competing operators. This challenge has required more staff resources to appropriately administer their programs. Additionally, more options may not equate to more and better options, and having multiple companies operating on different platforms can lead to user confusion. For instance, after the introduction LimeBike, the Breeze Bike Share customer service team has begun to receive multiple calls from customers who mistook LimeBikes for Breeze Bikes. For these reasons, Staff recommends capping the number of operators permitted under the pilot program to three.
- **“Lock-to” Minimum Requirement:** Some shared mobility devices (like Jump e-bikes and Zagster Bikes) enable the user to lock the device to a stationary object

like a bike rack. Staff anticipates that this form of locking mechanism could help reduce the number of devices left precariously in the PROW, and help guide users to lock the devices in appropriate locations like the “furniture zone” on sidewalks. Council may consider requiring shared mobility operators to provide “lock-to” devices as part of the pilot program.

- **Education Minimum Requirements:** Staff recommends that shared mobility operators provide riding rules and etiquette information to users upon sign-up and on the individual devices. Council may consider requiring the operators to take a more active role in educating users about the rules and etiquette by providing regular education awareness events and campaigns, holding helmet giveaways, or establishing good/bad behavior incentives or penalties. Such programs could help in more quickly educating the public about the new options as well as reducing bad user behavior.

Staffing Requirements for Pilot Program

In order to allow shared mobility devices to operate in the PROW while ensuring public safety and access for all users, adequate staffing is needed. This is a brand new program similar to home-sharing that does not fit into existing city functions or resources. Staff anticipates that the introduction of three companies and up to 2,250 shared mobility devices will require significant oversight, education, data collection/analysis, and enforcement. Meeting Council direction to engage with operators through a partnership approach will require additional program coordination. Staff recommends a full time program coordinator and an enforcement officer liaison for the duration of the pilot program. For this limited term, resources were identified from an existing vacant position, and through contracting out a portion of development plan check functions of the Mobility Division.

Program coordinator would be responsible for:

- Oversight and coordination with selected operators identify and make necessary program adjustments
- Responding to community complaints and liaising with community members

- Coordinating with City communications team, enforcement, and the Police Department.
- Data collection, analysis and reporting
- Program review and reporting
- Coordinating with selected operators to initiate specific educational efforts to educate the broader public about shared mobility.

Enforcement Liaison would be responsible for:

- Coordinating with the shared mobility coordinator and the Police Department to respond to community complaints with detailed field information.
- Coordinating with Public Works and the Police Department to retrieve and impound devices that pose hazards in the PROW.
- Leading field tracking and documentation of operator and user behavior; identifying issues as they arise, and working with the program coordinator to issue warnings and citations to operators as needed.
- Attending citation appeal hearings, writing case reports for criminal prosecution referral, and testifying in court.

Fees for Pilot Program

As noted above, the pilot program approach includes cost recovery for program operations. Fees would pay for the additional administrative costs (ongoing oversight, engagement, data management, and communications) and enforcement costs. Each operator would be assessed an annual base operator fee and an annual per device fee in order for the program to be cost-neutral to the public. See Attachment C for the proposed Fee Resolution.

Permit	Fee
Annual Operator Fee	\$20,000 per operator
Annual Per Device Charge	\$130 per device

The Council may consider an additional Use of Public Property charge as outlined in the

program options above. Selected operators will be required to comply with all State Service and Use tax law. If the program becomes permanent, any fee changes would be included in the next master fee resolution with the FY 19-21 budget.

Emergency Ordinance to Limit Duration of FY18-19 Vendor Permits

On April 9, 2018 and April 23, 2018 the City respectively issued Bird Inc. and LimeBike Conditional Use Vendor Permits to operate Bird Scooter and Lime E-bikes under the following conditions:

1. Operator agreed to offer its shared mobility device from pre-approved private property locations.
2. Private property owners must authorize the operator's use of the proposed locations for this purpose.
3. Operators must not abandon their devices in the PROW and must take reasonable efforts to ensure that their devices are not parked or stored in the PROW.
4. Operator shall make all reasonable efforts to ensure that users operate its Shared Mobility Devices in a safe and legal manner.
5. Operator must maintain the insurance requirements.

Staff recommends a proposed emergency ordinance to limit the duration of any Fiscal Year 2018/19 Vendor Permits authorizing the rental of Shared Mobility Device on private property to September 16, 2018, with a possible extension of up to 90 days should staff need more time to implement the launch of the pilot (Attachment D). These Vendor Permits are subject to renewal on July 1, 2018. Without this Ordinance, such Permits would be renewed for an entire 12 months. However, these Permits were designed as a transition measure and their continuation would conflict with the proposed Pilot Program. Accordingly, it is important to terminate these transition Permits and transition to the Pilot program in a timely and orderly manner. Because July 1, 2018 is less than 30 days away from this Council meeting, it is necessary to adopt this Ordinance by Emergency to ensure that it is effective before July 1st.

Environmental Analysis

The proposed ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). This section provides that CEQA only applies to those projects that have the potential for causing a significant effect on the environment. The proposed ordinance does not have that possibility. The provision of shared mobility devices through private operators is anticipated to increase travel options with the result of reducing the use of automobiles for some shorter trips. Shared mobility devices available in the PROW may pose some nuisances, but this is not considered an environmental impact under CEQA. The proposed pilot program is temporary in nature, and provides additional guidance and enforcement tools to mitigate their presence in the City.

Next Steps

- Draft Administrative Regulations.
- Staff program coordination and enforcement roles.
- Advertise the Request for Applications, select and notify the Pilot Program operators.
- Establish enforcement and field protocols.
- Issue Vendor Permits for FY18-19 to applicable operators.
- Establish regular communications with partner operators, and systems for information sharing among Code Enforcement, Public Works and Mobility staff.
- Establish data evaluation system and timing.
- Evaluate the program and return to Council with recommendations for a program, or pilot program adjustments during 2019.

Alternatives

Staff has provided a number of possible modifications to the pilot program in the section above. Instead of a pilot program, Council could direct staff to draft an ordinance that

would establish a permanent regulatory structure permitting shared mobility devices, providing clarity on the scale, purpose, data-sharing and enforcement criteria for the program. Council could also direct staff to prohibit the operation of all shared device operations until a pilot or permanent regulatory structure is in effect, with the goal of removing all conflicting devices from the PROW.

Financial Impacts & Budget Actions

The Shared Mobility Pilot Program will require an appropriation of \$286,570 for nine months of staffing and program costs in FY 2018-19. The program will generate estimated annual revenues of \$350,000 in operator and per device fees to fund staff and program expenses. Additional revenue may also come from enforcement fines, however, fines are not easily predictable. Revenues, salary and position changes, as well as appropriations for program expenses related to the Shared Mobility Pilot Program are included in Item 9.B on the June 12, 2018 agenda, and are designed to be cost-neutral.

Prepared By: Francie Stefan, Mobility Division Manager

Approved

Forwarded to Council



David Martin, Director

6/5/2018



Rick Cole, City Manager

6/6/2018

Attachments:

- A. Brief History and Comparison
- B. Pilot Ordinance
- C. Fee Resolution
- D. Emergency Ordinance FY 18-19 Vendor
- E. Written Comments
- F. Powerpoint Presentation