



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 6, 2019

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: SHARED MOBILITY DEVICE OPERATOR PERMIT PILOT PROGRAM –
AMEND SCHEDULE OF FEES AND CHARGES AND REVISE VARIOUS
SECTIONS OF THE RIVERSIDE MUNICIPAL CODE

ISSUE:

Approve the implementation of the Shared Mobility Operator Permit Program by adding respective fees to the Master Fees and Charges Schedule and amending various sections of the Riverside Municipal Code.

RECOMMENDATIONS:

That the City Council:

1. Approve the implementation of the Shared Mobility Device Operator Permit Pilot Program;
2. Approve an update to the Fiscal Year 2019-20 fees and charges for the Public Works Department to include new shared mobility operator fees;
3. Introduce and subsequently adopt an ordinance amending Title 9 and Title 13 of the Riverside Municipal Code to adopt rules and regulations regarding shared mobility device use and operators within the City of Riverside;
4. Introduce and subsequently adopt an ordinance amending Chapter 3.30.030 of the Riverside Municipal Code to add an additional category to the schedule of regulation products and services for shared mobility device operators; and
5. Adopt a resolution amending the City’s fees and charges schedule to provide for shared mobility device permit and operating fees.

COMMITTEE RECOMMENDATION:

On November 8, 2018, the Transportation Committee met, with Chair Soubirous, Vice Chair Mac Arthur and Member Melendrez present, to consider the Deployment of a Shared Active Transportation Services and Permitting/Fee Program Update. After discussion, the Committee unanimously voted to authorize staff to negotiate an Interim Operating Agreement with Bird

Rides, Inc. and additional interested shared active transportation services, and direct staff to prepare a permitting and fee program for City Council consideration.

BACKGROUND:

On September 6, 2018, Bird Rides, Inc. (Bird) deployed approximately 40 electric, dockless scooters within the City of Riverside, primarily located in and around neighborhoods near the University of California, Riverside, and California Baptist University. Shortly thereafter, Neutron Holdings, Inc. dba Lime (Lime) deployed a small fleet of dockless scooters. Both companies expanded to various service areas across the City, with Bird deploying up to 500 scooters each day during peak service.

In response to community feedback and with Transportation Committee authorization, staff proposed to establish a Master Interim Operating Agreement to adequately regulate rental operations within the public right of way and provide companies with assurance of continuity of operations while a formal permitting program is developed. On February 12, 2019, City Council approved a Master Interim Operating Agreement and authorized the execution of individual Agreements with Shared Scooter companies requesting to operate within the City of Riverside.

Bird entered into an Interim Operating agreement with the City on April 17, 2019. Several other Shared Mobility Device Operators have expressed interest in deploying devices in the City, but have opted to wait for the implementation of a permit program.

DISCUSSION:

According to the National Association of City Transportation Officials (NACTO), over the past decade shared active transportation systems have rapidly grown in popularity throughout North American cities. Until roughly two years ago, most shared systems were created through public-private partnerships with local government oversight. With a variety of new shared transportation options including car and bike sharing, and more recently electric scooter sharing, local governments are working to develop solutions to better manage these transportation solutions.

During the February 12, 2019 City Council meeting, it was requested that staff conduct additional fact finding to inform the policies and requirements of the Permit Program. Staff has conferred with representatives from the Cities of: Austin, Long Beach, Los Angeles, St. Louis, Culver City, Portland, Santa Monica, San Francisco, and Kansas City. Staff has additionally reviewed the permit programs of said agencies. Staff has discussed scooter capabilities and policies with both shared mobility providers, and consultants providing shared mobility data aggregation services.

Shared Scooter Services

Various scooter rental companies, such as Bird, Spin, VeoRide and Lime have deployed fleets of stand-up electric scooters capable of reaching maximum speeds of 15 miles per hour. The scooters can be rented by the public via their mobile application (App) and users are able to see a map of the City with the location of all nearby scooters available for rent. The rental rate of a scooter typically costs \$1.00 plus \$0.15 cents per minute, and the scooter may be left appropriately parked at a location of the user's choosing once their ride is complete. Company employees, or those registered to recharge scooters for a fee, deploy scooters each morning to

high-use locations to best serve the public. Users of most e-scooters are currently notified within their respective App that they are required to be 18 years of age, are encouraged to ride in a bicycle lane and not on a sidewalk unless designated for bike use, and that they must follow all applicable rules of the road. California recently passed Assembly Bill 2989 allowing standup electric scooter users over 18 years of age to choose whether or not they wear a helmet while riding.

Although the City was prompted to develop a permit program upon the arrival of stand-up electric scooters, the proposed Permit program also considers other small shared mobility devices, such as sit-down models, with similar operations.

Initial Actions

Upon initial deployment of Bird and Lime scooters within the City of Riverside, the Public Works Department issued a letter to each company following consultation with Code Enforcement, the City Attorney's Office, Community Development, and the 311 Call Center. The letter detailed temporary operating requirements for shared mobility companies, and requested that their users be required to maintain compliance with Riverside Municipal Code sections regulating items left within the right of way and regulating bicycle parking.

During deployment of Bird and Lime devices, the City's 311 team logged scooter-related complaints and relayed such complaints to the respective company. Bird and Lime were allotted three hours to rectify scooters that were reported as obstructing the public right-of-way including roadway, sidewalk, or were improperly parked. Failure to correct a violation would have resulted in a citation. Both companies were responsive to reports and no citations have been issued.

Staff has been corresponding with Bird employees and has been granted access to an online portal that allows the City to view usage statistics, current deployment information, and trends in ridership usage. Bird additionally complied with staff's request to display Riverside Municipal Code sections within their applications to aid in the enforcement of violations.

The Interim Operating Agreement approved by City Council in the spring was the first step towards the full Permit Program presented alongside this report. The Interim Operating Agreement introduced some of the fundamental regulating policies that have been carried over to the permit program.

Shared Mobility Operator Permit Pilot Program

Staff is proposing the Shared Mobility Operator Permit Pilot Program to regulate current and future shared mobility services, including electric scooters. This program incorporates items outlined in the Interim Operating Agreement and draws significantly from the experience of jurisdictions such as Santa Monica, Denver, Kansas City, and San Francisco that have each implemented programs to match the services provided by companies such as Bird and Lime. The proposed Program introduces standard processes for permitting, fees, and regulation.

A pilot period of 18 months has been established to:

1. Assess Shared Mobility operations within the City under the rules and regulations set forth;

2. Based on the assessment, make recommendations for future permitting of Shared Mobility operations; and
3. Adopt, should City Council see fit, a permanent Shared Mobility Permit Program by the sunset of the pilot.

Permits

Through the proposed Program, shared mobility service companies may apply for a Shared Mobility Device Operator Permit which would be valid through the duration of the Program, unless otherwise surrendered or revoked. Applications would allow staff to vet prospective companies and ensure those permitted demonstrate the ability to meet the City’s operational requirements.

Permits will be granted to the four highest ranking applicants. Other qualified applicants may be placed on a waitlist in the event permits become available. If a permit is revoked or surrendered, the next highest ranking company would be permitted, so long as the total number of issued permits does not exceed four permits at any one time.

Fees

Shared mobility programs vary significantly and focus on the specific needs of their community. Many programs combine an annual permit fee in addition to a per vehicle (unit) fee. The Public Works Department recommends a permit fee of \$20,000/18 months and a daily, per-device-deployed fee of \$1.00 as consistent with comparable markets. The table below compares the City’s Permit Program fees to other programs in the country:

Fee Comparison					
Fee Type	City of Riverside	Kansas City	Santa Monica	Denver	Long Beach
Permit	\$20,000/ 18 Months	\$15,000/ 12 Months	\$20,000/ 16 Months	\$15,000/ 12 Months	\$25,000/ 12 Months
Per Vehicle	\$1 Per Day	\$1.00 Per Day	\$130/ 16 Months + \$1.00 Per Day	\$30.00/ 12 months	\$120/ 12 Months \$40(low-income)

Fees are intended to offset the City’s financial burden to manage violations as well as fund future infrastructure that facilitates the use of sustainable modes of transportation such as bicycles and scooters. In addition, the fees are commensurate with other large metropolitan areas to attract and retain shared mobility operators.

Safety and Regulation

The proposed Program includes various revisions to the Riverside Municipal Code to maximize safety and ensure order of shared mobility operations within the City. Key issues include:

1. Operating regulations
2. Parking guidelines
3. System operations

4. Speed control
5. Maximum fleet/deployment size

Electric scooters are considered motor vehicles under the California Vehicle Code. The City has identified portions of the Riverside Municipal Code (RMC) in need of revision to address appropriate use of such devices within designated areas of the City. Staff is proposing to provide explicit language within the RMC for the use or restrictions of electric scooters. Scooters will also be subject to specific speed limits in some zones, such as the Pedestrian Mall, and in high density special event footprints, like the Festival of Lights, to enhance safety.

Public Works has collaborated with the Parks, Recreation and Community Services Department to evaluate the use of scooters within City Parks as current regulations prohibit the use of electric scooters within parks. The Parks Department will present before the Park and Recreation Commission on September 16, 2019 a proposal to modify current regulations, allowing the use of scooters on paved surfaces within select parks at a reduced speed limit of 5 MPH.

Regulation Enforcement

Proposed regulations would require operators to respond to reports of improperly parked, staged, abandoned, or tipped over Devices as well as requests to relocate Devices within two hours of receipt of notice from the City or other third party.

Devices parked immediately adjacent to or within a transit stop, immediate waiting/loading/unloading zone, loading zone, accessible parking zone or other facilities specifically designated for handicap accessibility, fire hydrant, curb ramp, entryway, driveway, or parklet, can be considered an immediate hazard or obstruction and would be subject to impoundment.

Devices that have not been relocated within the time allotted shall be subject to relocation or impoundment and administrative remedies by the City. Should City staff be deployed to remedy the issue or impound a device, the Operator will incur a Device Relocation/Impound Fee in the amount \$149.14. This penalty amount has been established based on the blended hourly rate of a Code Enforcement Officer to recover the City's costs associated with the relocation/impound process, although violations in the field may also be documented and corrected by Public Works field staff.

Indemnification language and Insurance Requirements

Staying consistent with the Council approved Master Interim Operating Agreement, the City Attorney's Office recommended a carry-over of indemnification language which indemnifies the City against all claims and liability, except such loss or damage which was caused by the sole willful misconduct of the City.

Since the approval of the Interim Operating Agreement, the City's Risk Division continued its research and further assessed the City's needs to establish updated insurance requirements. Under the proposed Permit agreement, Operators will be required to provide Commercial General Liability insurance in the amount of \$5M per occurrence and \$10M aggregate, Auto Liability insurance in the amount of \$1M, and Workers Compensation insurance for a minimum of \$1M per accident for bodily injury and disease. To add an additional level of coverage, Operators will also be required to have a \$5,000,000 Umbrella Liability policy and maintain a

Performance Bond for the amount of \$15,000 throughout the duration of the pilot program. The Operator will also need to provide Additional Insured endorsements in favor of the City as to their General Liability and Auto Liability insurance policies and a Waivers of Subrogation as to their General Liability, Auto Liability, and Worker's Compensation insurance policies.

A Performance Bond is a guarantee against the failure of the Operator to meet the obligations stipulated in a contract. Performance Bonds are designed to protect the obligee (the City) while insurance policies are designed to protect the insured (the Operator). Payment from the performance bond is available only to the project owner (the City) and no one else can make claims against it while insurance policies can receive claims from any other party the Operator is doing business with. It is important to understand that companies do not purchase separate insurance policies for every contract they engage so the limits stated on the Certificate of Insurance that the City anticipates to receive from the Operator are not reserved or restricted for the City but for every organization they do business with including us. Thus, the Performance Bond will serve in the capacity of a credit line available exclusively for the City's use.

Other organizations such as The Los Angeles Department of Transportation, City of San Diego and the City of Chula Vista also require shared mobility Operators to carry performance bonds. Similar to performance bonds, the San Francisco Municipal Transportation Agency (SMFTA) requires Operators to provide a public property repair and maintenance endowment in effort to ensure that adequate funds are available to reimburse the City for future public property and maintenance costs that may be incurred.

The City's Risk Division is willing to reevaluate the need for a performance bond and any other additional protective measure applicable upon the pilot program's completion. Staff has thoroughly surveyed other agencies with these scooters and have made recommendations based on the successes and challenges those agencies have experienced to try and protect the City from potential costly claims.

Integration and accommodation of Shared Mobility Operations

Upon approval of the Program, the City plans to work with the Riverside Downtown Partnership to identify possible shared mobility hubs and parking facilities to better manage operations in the downtown.

The City is also looking to utilize revenue from the Program to make infrastructure improvements such as Class IV bike lanes and device parking facilities that would increase safety and connectivity citywide.

Moratorium

Should the City Council decide not to adopt a Shared Mobility Permit Program, a moratorium should be implemented to formally prohibit unregulated Shared Mobility Device operations within the City.

FISCAL IMPACT:

Upon approval of the Program, an anticipated annual revenue of approximately \$372,000 will be deposited into 4120000-342500 – Traffic Engineering/Shared Mobility Permit Fees and

0010141400-34250100 – Shared Mobility Fees/Shared Mobility Daily Vehicle Fee revenue accounts. This figure is based on four operators deploying 200 vehicles per day. However, anticipated revenue is speculative as the actual number of operators is yet to be determined, vehicle deployment is expected to fluctuate on a daily basis, and provisions for requiring monthly tabulated data will not go into place until implementation of the Program.

Prepared by: Kris Martinez, Public Works Director
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availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Concurs with;



Councilmember Soubrouse, Chair
Transportation Committee

Attachments:

1. Ordinance Chapter 13.22
2. Ordinance Chapter 3.30 Resolution
3. Administrative Manual
4. Permit Application
5. Permit Terms and Conditions
6. Presentation