



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: FEBRUARY 12, 2019**

**FROM: PUBLIC WORKS DEPARTMENT      WARDS: ALL**

**SUBJECT: MASTER INTERIM OPERATING AGREEMENT FOR SHARED SCOOTER SERVICES**

## **ISSUE:**

Approve the Master Interim Operating Agreement for the authorization and regulation of Shared Scooter Services operating within the City of Riverside.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Master Interim Operating Agreement to authorize and regulate the operation of Shared Scooter Services in the City; and
2. Authorize the City Manager, or his designee, to execute individual Interim Operating Agreements for operation of Shared Scooter Services under the terms set forth in the Master Interim Operating Agreement.

## **COMMITTEE RECOMMENDATION:**

The Transportation Committee met on November 8, 2018, with Chair Soubrou, Vice Chair Mac Arthur and Member Melendrez present, to consider the Shared Active Transportation 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.

## **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 have since expanded to various service areas across the City, with Bird deploying up to 500 scooters each day.

In response to community feedback and with Transportation Committee authorization, staff is proposing to enter into Interim Operating Agreements with Bird, Lime and any similar company wishing to do business within the City of Riverside, to adequately regulate rental operations within the public right of way while a formal permitting program is developed. Staff has met with Bird, Lime, and other shared mobility services companies to discuss their operation, establish preliminary guidelines, and negotiate terms set forth in the proposed Agreement.

## **DISCUSSION:**

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

### **Shared Scooter Services**

Various companies, such as Bird, are deploying fleets of stand-up electric two wheeled scooters capable of a maximum speed of 15 miles per hour for rental to the public through use of their mobile application (App). Company employees, or those who register to charge scooters for a fee at their home, deploy scooters each morning to high-use locations. The App allows users to see a map of the City with the location of all nearby scooters within their fleet that are available for rent. Use 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. Users of the Bird system are currently notified within the Bird 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 otherwise signed or striped, and that they must follow all applicable rules of the road. The State of California has passed Assembly Bill 2989, which became effective on January 1, 2019, and allows standup electric scooter users over 18 years of age to choose whether or not they wish to wear a helmet.

### **Current Actions**

Upon the initial deployment of Bird scooters within the City of Riverside, the Public Works Department issued a letter to Bird following consultation with Code Enforcement, the City Attorney's Office, Planning, and 311 Call Center. This letter (Attachment 3) detailed temporary operating requirements for Bird, 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. The same letter was also sent to Lime upon deployment of their scooters within the City.

The City's 311 team currently logs Bird and Lime-related complaints and relays such complaints to the respective Company. Bird and Lime are provided three hours to rectify scooters that are reported as left obstructing the right of way or are improperly parked. Failure to correct a violation will result in a first-time citation of \$100, second-time citation of \$200, and \$500 for each violation thereafter. Citations will be issued directly to the company, and it is at their discretion to resolve disputes with their users.

Staff has been corresponding with Bird employees and has been granted access to an online portal that will allow the City to view usage statistics, current deployment information, and trends

in ridership usage. Bird is working to comply with staff's request to display Riverside Municipal Code sections within their applications to aid in the enforcement of violations.

### Interim Operating Agreement

Various companies, including Bird and Lime, have requested to enter into an Interim Operating Agreement (Agreement) with the City of Riverside. This Agreement would allow the City to begin regulating scooter companies, and provide them with some assurance of continuity in operations during the term of the Agreement. The Agreement is for an initial term of 180 days, and shall automatically renew for successive one month terms until the City adopts a regulatory program. The Agreement is intended to be a stepping stone towards a full permitting program being presented to the City Council in the near future. Staff has joined community feedback and best practices to draft an Agreement that promotes order and safety for the public. Key issues include:

1. Operating regulations
2. Parking guidelines
3. System operations
4. Speed control
5. Maximum fleet size
6. Indemnity language
7. Decals on the Scooters to discourage use on sidewalks

### Shared Mobility Permitting and Fee Program

In the near future, staff will bring to the City Council a proposed Shared Mobility Permitting and Fee Program to regulate shared mobility services such as scooters. This program will draw significantly from the experience of jurisdictions such as Los Angeles, Santa Monica, Seattle, and San Francisco that have each implemented programs to match the services provided by companies such as Bird and Lime. These programs include annual permit fees in amounts ranging from \$150 to \$12,200. Some agencies choose to require an annual per-vehicle fee of approximately \$10-\$50, a permit review fee, performance bonds, and even hourly rates for the removal of bicycles or scooters. Both the National Association of City Transportation Officials (Attachment 4) and the Orange County Transportation Authority have assembled comprehensive sets of best practices that will guide the City of Riverside in the development of its own program.

### Anticipated Timeline

1. February 2019: City and scooter companies enter into Interim Operating Agreement
2. Late February 2019: City Council presented with draft fee & permit program for shared mobility services
3. March 2019: City adopts a shared mobility fee & permit program and begins to accept permit applications
4. April 2019: City begins to issue shared mobility permits.

### **FISCAL IMPACT:**

There is no negative fiscal impact associated with this report. However, there is a potential for new General fund revenue from impound fees to off-set the cost of Code Enforcement efforts.

Prepared by: Kris Martinez, Public Works Director  
Certified as to  
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;

A handwritten signature in black ink, appearing to read 'Paul Chat', is written over a horizontal line.

Councilmember Soubirous, Chair  
Transportation Committee

Attachments:

1. Master Interim Operating Agreement
2. Presentation
3. Bird Letter
4. NACTO Best Practices