CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	November 5, 2018
Action Required:	Approval of Dockless Mobility Pilot Program
Presenter:	Jason Ness, Office of Economic Development Amanda Poncy, Neighborhood Development Services
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Title:	**Interim Bicycle & E-Scooter Sharing System (aka "Dockless Mobility") Permit Program Regulations**

Background:

In August, the city received an application for a business license to operate electric foot scooters in the city, a recently new form of urban transportation similar to Bike Share that is gaining momentum nationally in large urban areas and now being deployed in medium sized cities, especially those with colleges and universities. Electric scooters are similar to children's "Razor" scooters, but are battery powered and can reach speeds of 15 mph. Like Bike Share, these systems are GPS enabled and rented using a Smartphone application for an hourly fee. Unlike traditional bike share, the systems are "dockless," meaning they do not require the infrastructure of a docking station — scooters can be parked within a defined area or along the sidewalk. A number of communities are embracing this new technology as part of the transportation network, but many are also learning that it can become a burdensome if unprepared for their arrival.

This is an opportunity to be proactive in welcoming new models of transportation within the marketplace, while creating policies to limit their potentially negative impacts. In order to continue Charlottesville's responsible stewardship of the public right-of-way, as well as provide thoughtful response and adaptation to the transportation needs of community, staff would like to conduct a pilot program to evaluate dockless mobility devices such as "dockless" bikeshare bikes (both pedal and electric pedal-assist) and electric foot scooters. Charlottesville would use this pilot period to learn if and how the technologies and services help to advance the City's transportation goals, making the community better, safer, and more sustainable.

Discussion:

To date, city staff have talked with staff and elected officials, and reviewed permit applications and ordinances from more than 10 cities to include Richmond (VA), Arlington (VA), Memphis (TN), Santa Clara (CA), New Orleans (LA), San Francisco (CA), Dallas (TX), St. Louis (MO), Salt Lake City (UT), and Palo Alto (CA). The trends from their experiences are categorized below:

Standard Riding Process

Users download the company's application directly onto their smartphone. Users must create an account with a credit/debit card and ID (must be 18 to ride). Devices are located using the app's mapping/GPS technology and users unlock the scooter using a QR code. Most companies charge an unlocking fee of $1 and an average rate of .20 cents per minute. Once riders have completed their ride, they are required to take a photo to show the device is properly placed and then the device is deactivated.

Issues

Riding on sidewalks – As mentioned, they are battery powered (silent motor) and can go fast, especially for unsuspecting pedestrians. Under Virginia Code Sec. § 46.2-903, e-scooters are prohibited from riding on the sidewalk. In addition, City Code Sec. 15-246, prohibits scooters from riding on the Downtown Mall.

Safety – Users must acknowledge they will abide by all traffic laws and wear helmets. Of course this doesn't always happen. There is anecdotal evidence that head injuries are increasing in the communities where scooter systems are employed.

Scooters improperly parked – Since this is a dockless system, scooters are required to follow certain parking restrictions, prohibiting parking near fire hydrants, curb ramps, and building entrances. However, they can be knocked over, moved or just incorrectly parked by the rider.

Workload on local government employees – not surprisingly, the public addresses their concerns to local government officials. From our discussions with other localities, there is a flurry of complaints and questions within the first two weeks but as riders understand their responsibilities and residents understand how to contact the participating company directly, calls and complaints decline after the initial few weeks.

Technology

Many scooter companies have evolving technology that has been used to address problems identified by local governments. Recently, scooter users have been required to take a picture post-ride to show the scooter is left in an appropriate place. New technology is also being released to create 'no-go' zones using geo-fencing (a virtual "fence" created around designated areas). Once a scooter goes into one of these zones, the rider receives notifications to leave the zone. Also, companies have 'slow-go' zones that can lower the speed of the scooter, making them virtually useless. Riders are not allowed to sign out of their ride while in these zones.

The proposed pilot program would begin around November 13, 2018 (staff may begin receiving and processing applications at any point after Council approval and City Manager signature). The proposed program would require participating companies to complete and obtain approval of a Permit Application for the fleet of each mode (bicycles, e-bicycles, and electric scooters are considered different modes), including payment of fees. The documents would allow the companies to officially operate in the City, and would outline the parameters within which they must operate.

The draft Permit Application and Program Regulations are attached to this Memo. They are intended to address the issues highlighted from staff research and customized to fit within the Charlottesville context. Key features of the Permit Application and Program Regulations would include:

1. Up-front payment of a one-time pilot permit fee of $500 per mode per company, regardless of fleet size.
2. The total number of human-powered bicycles and electric scooters permitted under this pilot program shall be limited to a cumulative total of 200 vehicles between all permittees with an opportunity to expand the fleet by 25% based on performance standards. Electric-assist bicycles shall be exempt from this maximum.
3. Required safety features for all devices consistent with state regulations and standard practice.
4. Electric scooters and electric assist bikes to be held to a speed limit of 15 mph.
5. Minimum age of eighteen (18) for riders of electric scooters and electric-assist bikes.
6. Minimum required contact information and operations management from each company.
7. Requirement that companies conduct outreach to low-income communities and offer reduced cost payment plans.
8. Requirement that companies must convey Charlottesville device parking and use regulations to all users and require users to abide by those regulations.
9. Commitment to respond to customer and community complaints/issues in a timely fashion.
10. Provision of at minimum monthly data to the City for staff analysis.

The proposed pilot project would run for approximately nine months, from roughly November 13, 2018 until July 31, 2019. This proposal also requests the authorization for the City Manager to extend the pilot program and the associated permits administratively as necessary in order to accommodate staff time to finish evaluation and subsequent recommendations for the Council.

If establishment of an official program were to be recommended, it would be accompanied by recommendations for any necessary and appropriate code changes, fee structure, enforcement processes, data requirements, appropriations, and any other necessary features to appropriately regulate the program. Staff will likely require between one and three months from the official end of the pilot project before follow-up recommendations would be ready to be presented to Council.

Alignment with City Council's Vision and Strategic Plan:

The program supports City Council's Vision to be "A leader in innovation, environmental sustainability, and social and economic justice, and healthy race relations" through the following vision statements "Economic Sustainability," "Green City," "America's Healthiest City" and "Connected Community." It contributes to Goal 3 of the Strategic Plan, to be a beautiful and sustainable natural and built environment, and objective 3.3 to provide a variety of transportation and mobility options. This also aligns with the goals of the Bicycle and Pedestrian Master Plan

(to explore bike share) as well as on-going discussions with the 2018 Comprehensive Plan to evaluate emerging technologies in transportation.

Community Engagement:

Staff has met with representatives from fifteen city departments, city schools, as well as with representatives from UVA to coordinate an approach that would effectively manage this new technology. In addition, staff has sought input from the Bicycle and Pedestrian Advisory Committee in the development of this proposal.

Upon approval of the pilot program, staff intends to work with companies to undertake a community outreach plan that would inform the community of these new transportation options, as well as establish lines of communication that would allow the public to easily communicate directly with the vendors and provide feedback to the City for the purposes of documenting performance of the pilot project. This will include press releases, city website, frequently asked questions, phone numbers, email addresses, etc.

In addition to the City's commitment to a strong public outreach process, the pilot program would require vendors to commit to specific communication actions and standards to ensure their members are receiving necessary information about safety and good etiquette for sharing our streets.

Budgetary Impact:

One benefit of this program is that all capital equipment costs are covered by private funds, with no public funds required. In addition, the program provides a revenue stream via vendor permit fees to make improvements to bicycle and pedestrian infrastructure.

Staff anticipates that this pilot program will require approximately 20-25 hours a week of staff time for the duration of the program, with slightly more hours at the beginning of the demonstration, a dip during the middle, and an increase again during the evaluation period. This time is proposed to be accommodated with current full-time employees. This amount does not include the evaluation period that may include an additional one to three months of work to occur in Fiscal Year 2020. City staff will look to supplement additional workload with interns from the University of Virginia.

One of the fiscal impacts difficult to measure would be the potential for these services to shift rides from other modes. For instance, it is Charlottesville's preference and hope that trips taken by electric scooters could replace trips that would otherwise be taken by car. However, it is also possible that trips taken by an electric scooter may replace some trips taken on foot or by public transit. If Dockless Mobility trips displace transit trips, there is a possible loss of transit fare box revenue. However, if these devices encourage City residents or commuters to leave their cars at home by easing the first and last mile connection to our transit network, the overall change in commuter behavior may generate new walk, bike, and transit trips with concomitant new transit

fare box revenue.

Another fiscal impact difficult to measure but worth noting is the potential for these services, if successfully and safely integrated into our suite of transportation options, to help the City maintain a competitive edge for both businesses and residents. Attracting new businesses and residents has the potential to maintain or enhance the City's overall tax base, which is important for fiscal stability.

Recommendation:

Staff proposes the implementation of a pilot program targeting initial deployment in the University, West Main and Downtown Business Districts. The program would create "virtual parking corrals" in the business districts to ensure pedestrian access is adequately maintained, but permit floating vehicles in the residential neighborhoods surrounding those areas. This would allow bicycle and electric scooter sharing systems to operate in defined areas subject to conditions of a permit issued by the city.

Upon approval by the City Council, Staff will create an application process similar to the existing Valet Parking permit program. The *INTERIM BICYCLE & E-SCOOTER SHARING SYSTEM (aka "DOCKLESS MOBILITY") PERMIT PROGRAM REGULATIONS* (Attachment A) will establish rules and regulations governing the operation of bicycle or electric scooter sharing systems within the City and ensure that such systems are consistent with the safety and well-being of pedestrians, bicyclists, people with disabilities, motorists and other users of the public rights-of-way. Such a program would require little funding from the City (primarily staff time), be implemented more rapidly than an RFP or ordinance process, and allow the City to gain experience with a program that would then inform permanent guidelines (should they be desired). Seattle and South San Francisco have both launched such pilot programs with the intention of establishing permanent programs through ordinance or another means based on what they learn from the pilot. Arlington, and Richmond, VA, are both exploring pilot programs.

Alternatives:

In addition to the pilot program, there are two other models that have been used in recent years by cities for bike/e-scooter share programs. These include:

- **Solicitation of Vendor Proposals with Request for Proposals (RFP) Process**: This approach has been used by several cities to select a single operator who is given exclusive rights to operate. These include SoBi systems, the vendor selected for Ubikes at the University of Virginia. After the selection process, the jurisdiction and operator enter into a service contract for exclusive rights to system operations. Until recently, the government entity would bear some financial responsibility, usually for startup costs related to acquisition of equipment (bicycles, racks, signage, etc.). Recent contracts been able to eliminate public funding and vendors are typically maintaining ownership over the system which is funded by private capital. An RFP process typically requires staff time to select an operator, develop a contract and system framework. One benefit to a sole provider is that it may be easier for the public to learn

to use one type of vehicle, use of digital mobile application, with a uniform look and feel citywide. Another benefit is providing the ability of a city to mandate service to under-served areas, which are typically areas that are less profitable and therefore avoided in schemes left to private control.

- **City Council Ordinance Establishing a Permit Process:** This is a relatively new approach arising from the introduction of multiple dockless bicycle sharing system operators. San Francisco adopted such an ordinance. In this approach, the permits incorporate city requirements for the operation and city compliance and enforcement provisions. A cost recovery permit fee will likely be required. The permit could also include a limit on the number of bicycles for individual operators or collectively. A challenge with this approach is the limited experience of the new operators, which makes it difficult to fully define appropriate guidelines. There is also limited experience with administrative and enforcement costs for cities.

Staff's concern is that if the city council does not act, it is likely that vendors could appear in the City unannounced, which could turn into a logistical quagmire. From the conversations staff has had internally, there is not clear policy on how private property left on public right of way should be handled, but it is explicitly clear the City has authority on how the right of way is used by the private sector for the public. Without regulations, scooters could be deployed anywhere, unlike the policy we have drafted that would create parking corrals in certain areas throughout the commercial district (defined as the Corner, West Main Street and the Downtown Mall). There are other issues we want addressed in our policy including equity, access, and company expectations.

Attachments:

INTERIM BICYCLE & E-SCOOTER SHARING SYSTEM (aka "DOCKLESS MOBILITY") PERMIT PROGRAM REGULATIONS (Attachment A)

Resolution (Attachment B)