

**City of Fayetteville Staff Review Form**

**2020-1184**

**Legistar File ID**

**1/19/2021**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Peter Nierengarten

12/30/2020

SUSTAINABILITY/RESILIENCE (631)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Approval of the amendment of ordinance 75.10 Operation of Scooter Share Programs to update operator permit requirements and approval of a budget adjustment.

**Budget Impact:**

1010.090.6600-5814.05 - Trail Improvements		General Fund	
Account Number		Fund	
21012.1 – Mobility / Trail Improvements		Scooter License	
Project Number		Project Title	
<b>Budgeted Item?</b>	<u>No</u>	Current Budget	\$ -
		Funds Obligated	\$ -
		Current Balance	<b>\$ -</b>
<b>Does item have a cost?</b>	<u>No</u>	Item Cost	\$ -
<b>Budget Adjustment Attached?</b>	<u>Yes</u>	Budget Adjustment	\$ 15,000.00
		Remaining Budget	<b>\$ 15,000.00</b>

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** 6205

**Change Order Number:** \_\_\_\_\_

**Approval Date:** 7/16/2019

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF JANUARY 19, 2021**

**TO:** Mayor and City Council

**THRU:** Susan Norton, Chief of Staff  
Peter Nierengarten, Environmental Director

**FROM:** Dane Eifling, Mobility Coordinator

**DATE:** December 30, 2020

**SUBJECT: Electric Scooter Share Programs Ordinance Amendment**

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**RECOMMENDATION:**

City staff recommends approval of the amendment of ordinance 75.10 Operation of Scooter Share Programs to update operator permit requirements and approval of a budget adjustment.

**BACKGROUND:**

Arkansas State law requires municipalities to provide reasonable accommodations for shared micromobility companies to legally operate. The City of Fayetteville has permitted shared electric scooters to operate since November of 2019.

E-scooters have been very popular in Fayetteville and on the UA campus. Typically, there are between one thousand and three thousand trips taken each day. Since issuing the original permit to the micromobility company Spin for 250 e-scooters the program has added a second vendor VeoRide and expanded to 1,000 total e-scooters.

E-scooters provide several economic benefits to the City of Fayetteville. The Operating permit fees are \$20 per scooter every six months which results in \$40,000 in revenue for the City annually. The University of Arkansas has a similar fee structure and charges \$25 per scooter every 6 months, generating \$50,000 in annual revenue. Scooter rides also generate sales tax revenue, and as employers, VeoRide and Spin have created approximately 25 full-time jobs in Fayetteville. Additionally, e-scooters help support trailside economic development.

E-scooters also offer several environmental benefits by providing low-carbon, convenient and economical transportation options for residents and visitors. When e-scooters replace car trips, they help reduce vehicle miles traveled, vehicular congestion and competition for parking. E-scooters can also help provide last mile connectivity to/from transit stops.

**DISCUSSION:**

The attached amendment would do the following:

1. Increase the permit fees from \$20 to \$30 to better align with peer markets. This will generate an additional \$20,000 per year in revenue
2. Clarify that vendors may request to increase their fleet size during any permit renewal, not just the initial permit renewal (increasing the fleet size will be at the discretion of the Mayor and will require equitable distribution of e-scooters across the City)
3. Remove restrictions on pricing to allow companies to introduce more innovative pricing and promotions for customers.
4. Give the City final approval authority of all customer pricing options.
5. Lower the required rides per scooter per day from 2 to 1 to allow greater flexibility during seasonal periods of lower ridership.

New revenue would be used to pay for safety and infrastructure improvements for e-scooters and bicycles. These expenses include parking areas, signage, bike lane painting and other infrastructure improvements.

Local operators Spin and VeoRide have expressed their support of this amendment and intend to renew operating permits under the amended ordinance in February 2021. University of Arkansas staff has also reviewed the changes and indicated that University permit fees may also be raise from \$25 to \$30.

Below is an analysis of peer markets scooter fees.

Peer Market Fee Comparison		
Market	Fees	Annual revenue per-scooter (adjusted for Fayetteville's average ridership)
Norman, OK	\$1 per scooter per day	\$365.00
Tallahassee, FL	20 cents per ride + 60 cents per scooter per day	\$339.45
<b>Fayetteville &amp; University of Ark. (with amendment)</b>	<b>\$60 per scooter semiannually (City&amp;UA)</b>	<b>\$120.00</b>
Lincoln Nebraska	15 cents per ride	\$91.25
Wichita KS	15 cents per ride	\$91.25
<b>Fayetteville &amp; University of Ark. (current)</b>	<b>\$45 per scooter semiannually (City&amp;UA)</b>	<b>\$90.00</b>
Omaha Nebraska	11 cents per ride	\$65.70
Arkansas State University	10 cents per ride	\$62.05

**BUDGET/STAFF IMPACT:**

\$20,000.00 in new revenue to the general fund; \$15,000.00 to be made available for Mobility Programs support.

**ATTACHMENTS:**

- Highlight and Strikeout of changes to Ordinance 75.11 Operation of Scooter Share Programs
- Budget Adjustment

## 75.10 - Permit Required

- (A) A person commits an offense if, within the city, he or she operates, or causes or permits the operation of, a scooter-share program without a valid operating authority permit issued under this chapter.
- (B) Issuance of a permit does not authorize the operation of a shared scooter on the University of Arkansas campus or private property without the approval of the property owner.
- (C) The total number of initial permits issued by the city for shared scooters shall not exceed five hundred (500).
- (D) Application for operating authority permit.
  - (1) To obtain an operating authority permit, a person shall make application in the manner and on the form prescribed by the city. The applicant must be the person who will own, control, or operate the proposed shared scooter program.
  - (2) An application shall be accompanied by the non-refundable application fee and shall contain at least the following information:
    - (a) The form of business of the applicant and, if the business is a corporation or association, a copy of the documents establishing the business and the name and address of each person with a 20% or greater ownership interest in the business;
    - (b) The signature of the applicant;
    - (c) The address of the fixed facilities to be used in the operation, if any, and the address of the applicant's corporate headquarters, if different from the address of the fixed facilities;
    - (d) The name of the person designated by the applicant to receive on behalf of the applicant any future notices sent by the city to the operator, and that person's contact information, including a mailing address, telephone number, and email address;
    - (e) Documentary evidence from an insurance company indicating that such insurance company has bound itself to provide the applicant with the liability insurance required by this chapter;
    - (f) Documentary evidence of payment of ad valorem taxes on property within the city, if any, to be used in connection with the operation of the proposed shared scooter program;
    - (g) The number and types of shared scooters to be operated; and
    - (h) An agreement to indemnify the city.
  - (3) An operating authority permit may be renewed following the process in this section.
  - (4) Application and fleet fees.
    - (a) The initial application for an operating authority permit must be accompanied by the non-refundable application fee of \$150.00. A fee of ~~\$20.00~~ **\$30.00** per shared scooter in the operator's fleet shall be paid prior to the issuance of any permits. Applications to renew an operating authority permit must be accompanied by a non-refundable application fee of \$100.00. A fee of ~~\$20.00~~ **\$30.00** per shared scooter in the operator's fleet shall be paid prior to the issuance of renewal permits.
    - (b) Fees collected pursuant to this subsection shall first be applied to the costs incurred by the city for administering the scooter share permit program and then to infrastructure improvements and maintenance related to the operation of electric motorized scooters.
- (E) Changes to information in operating authority application.
  - (1) Any changes to the information provided in the operating authority permit application must be reported to the city, in the manner prescribed by the city, within ten (10) days of the change.

- (2) If the information reported to the city under this section includes an increase in the number of shared scooters, any additional vehicle fees due shall be submitted to the city simultaneously with the change in information.
- (F) An operating authority permit expires six (6) months from the date it is issued.
- (G) Operator Fleets.
- (1) An Operator's initial fleet must be a minimum of one hundred (100) shared scooters and shall not exceed two hundred fifty (250) shared scooters. Operators may request an increase to their ~~initial~~ **existing** fleet of up to two hundred fifty (250) additional shared scooters as part of any permit renewal. A request for an increase in fleet size shall include a rationale and analysis to justify the additional fleet size. Authorization of additional units is at the sole discretion of the city.
- (2) The total number of deployed scooters in an operator's fleet must maintain a minimum average of ~~two (2)~~ **one (1) trip** per scooter per day, determined by monthly usage. Should this demand not be met, the city may require a portion of the scooters to be relocated or removed.
- (3) The city may establish zones to limit or require the deployment of scooters in certain areas to ensure that scooters are accessible to the public across the city.
- (H) ~~A scooter share operator or scooter share program shall not charge a per minute fee to users exceeding one fifth (1/5<sup>th</sup>) the cost to unlock a shared scooter.~~ **All customer pricing including promotional options must be approved by the city and shall be specified on the operators permit.**
- (I) Refusal to issue or renew operating authority permit.
- (1) The city shall refuse to issue or renew an operating authority permit if the applicant:
- (a) Intentionally or knowingly makes a false statement as to a material matter in an application for a permit or permit renewal;
- (b) Has been convicted twice within a twelve (12) month period for a violation of this article regarding the deployment of a shared scooter or the rebalancing or removal of a dockless vehicle, or a rule or regulation adopted under this article regarding the deployment of a shared scooter or the rebalancing or removal of a shared scooter, or has had an operating authority permit revoked within two (2) years of the date of application; or
- (c) Has deployed unpermitted electric scooters within the City of Fayetteville in violation of this chapter.
- (2) If the city determines that a permit should be denied, the city shall notify the applicant or operator in writing that the application is denied and include in the notice the specific reason or reasons for denial and a statement informing the applicant or operator of the right to, and the process for, appeal of the decision.
- (J) Suspension or revocation of operating authority permit.
- (1) The city may suspend an operating authority permit if the city determines that the operator failed to comply with a request to remove a shared scooter, a request to rebalance shared scooters issued by the city within the time specified in the order, or for failure to comply with any other requirement in this chapter. Suspension of an operating authority permit does not affect the expiration date of the permit.
- (2) The city may revoke an operating authority permit if the city determines that the operator has:
- (a) Made a false statement as to a material matter in the application concerning the operating authority permit;
- (b) Failed to maintain the insurance required by this article;
- (c) Operated shared scooters that were not authorized by the operating authority permit;
- (d) Failed to pay a fee required by this article; or

- (e) Failed to comply with the provisions of this chapter.
- (3) After revocation of an operating authority permit, an operator is not eligible for another permit for a period of up to two (2) years, depending on the severity of the violation resulting in the revocation.
- (K) Appeals. Any person whose application for an operating authority permit, or renewal of an operating authority permit, is denied by the city, or an operator whose operating authority permit has been revoked or suspended by the city, may appeal the decision to the city council by filing a written notice in the City Clerk's office within ten (10) business days of the decision.

(Ord. No. [6205](#), §1(Exh. A), 7-16-19)