

# City of Sacramento

## Legislation Text

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**File #:** 2019-00266, **Version:** 1

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**Title:**

**Ordinance Amendment: Chapter 5.18 and Chapter 10.76 of the Sacramento City Code Regulating Shared-Rideable Businesses and Operations (Noticed 03/01/2019 & 03/06/2019; Passed for Publication 03/05/2019; Published 03/08/2019) [Continued from 03/12/2019 & 03/26/2019]**

File ID: 2019-00266

**Location:** Citywide

**Recommendation:**

Conduct a public hearing and upon conclusion: 1) adopt an Ordinance amending Chapter 5.18 and Chapter 10.76 of the Sacramento City Code regulating Shared-Rideable Businesses; and 2) adopt a Resolution approving the revised Shared-Rideable Business and Operations Permit Fees.

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**Attachments:**

- 01-Description/Analysis
- 02-Geographic Distribution Area Map
- 03-Ordinance (Redline)
- 04-Ordinance (Clean)
- 05-Proposition 26
- 06-Anticipated Costs and Fees
- 07-Responses to Questions Posed to Law and Legislation Committee
- 08-Resolution
- 09-Correspondence
- 10-Presentation

**Description/Analysis**

**Issue Detail:** Shared-rideable businesses offer bicycles, e-bicycles, e-scooters and similar rideable devices on a self-service rental basis. Shared-rideable programs can help achieve the City's goals of encouraging active transportation; reducing vehicle miles traveled and single occupancy trips; providing first and last mile solutions for transit; and reducing greenhouse gas emissions. A desirable shared-rideable business program should also reduce the potential for shared-rideable devices to block or interfere with pedestrian and emergency service use and access to all streets, sidewalks, paths, driveways, doorways, and other avenues of vehicular and pedestrian traffic, and provide adequate parking to meet the needs of customers.

Without regulation, shared-rideable businesses can pose a threat to the public health, safety, and welfare. Some shared-rideable devices may be self-locked anywhere within the City, making it difficult for the City to ensure that these devices are placed safely, upright, and out of the way of pedestrian walkways, bicycle paths, and roadways. Shared-rideable devices will also increase demand for the City's limited bicycle parking.

The shared-rideables landscape continues to evolve and staff is learning lessons from the current regional bicycle share program. City staff also interviewed peer cities, local stakeholders, and shared-rideable business operators to understand potential issues and best practices in order to establish a regulatory framework that would not only help achieve the City's goals for encouraging active transportation, but also ensure public health and safety.

For these reasons, staff proposes the attached ordinance revisions and revised fees.

**Policy Considerations:** The recommended changes are consistent with Sacramento 2035 General Plan policies, including:

M 1.2.1 Multimodal Choices. The City shall develop an integrated, multimodal transportation system that improves the attractiveness of walking, bicycling, and riding transit over time to increase travel choices and aid in achieving a more balanced transportation system and reducing air pollution and greenhouse gas emissions.

M 1.2.4 Multimodal Access. The City shall facilitate the provision of multimodal access to activity centers such as commercial centers and corridors, employment centers, transit stops/stations, airports, schools, parks, recreation areas, medical centers, and tourist attractions.

M 1.3.3 Improve Transit Access. The City shall support the Sacramento Regional Transit District (RT) in addressing identified gaps in public transit networks by working with RT to appropriately locate passenger facilities and stations, pedestrian walkways and bicycle access to transit stations and stops, and public rights of way as necessary for transit- only lanes,

transit stops, and transit vehicle stations and layover.

M 1.3.5 Connections to Transit Stations. The City shall provide and improve connections to transit stations by identifying roadways, bikeways, and pedestrian improvements within walking distance (1/2 mile) of existing and planned transit stations. Such improvements shall emphasize the development of complete streets.

M 1.4.2 Automobile Commute Trip Reduction. The City shall encourage employers to reduce the number of single-occupant vehicle commute trips to their sites by enforcing the existing trip reduction ordinance in the City Code.

M 5.1 Integrated Bicycle System. Create and maintain a safe, comprehensive, and integrated bicycle system and set of support facilities throughout the City that encourage bicycling that is accessible to all. Provide bicycle facilities, programs, and services and implement other transportation and land use policies as necessary to achieve the City's bicycle mode share goal as documented in the Bicycle Master Plan.

The proposed fees are consistent with City Council's adopted Fees and Charges Policy and support the City's goals of budget sustainability and fiscal responsibility.

The proposed fees cover the administration of the City's shared-rideable permit program, which includes the permit review process, regulatory and compliance inspections, parking and other infrastructure needed as the result of shared-rideable devices operating, and program monitoring. Because the amounts charged to operators are no more than is necessary to cover the City's reasonable costs in administering the shared-rideable permit program and providing necessary infrastructure, these fees are not a tax under Proposition 26 (Attachments 5 and 6). And in the event the per trip fees collected will exceed the City's reasonable costs, City staff will request that Council reduce the fees.

**Economic Impacts:** None

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** These actions include administrative activities that are not considered a project under the CEQA Guidelines, and the future installation of bicycle racks are exempt under the CEQA Guidelines, as they will have no significant effect on the environment (Title 14 Cal. Code Reg. §§15378 (b)(5), 15311.)

**Sustainability:** The recommended action supports the Climate Action Plan goal to create a connected multi-modal transportation network that increases the use of sustainable modes of transportation (e.g., walking, biking, transit) and reduces dependence on automobiles.

**Commission/Committee Action:** On September 20, 2018, the Active Transportation Commission

heard staff recommendations, public comments and provided comments.

On November 27, 2018, the Law & Legislation Committee heard staff recommendations, public comments and discussed the item. At the conclusion of the discussion, the Committee directed staff to: take the item back to the Active Transportation Commission; provide a framework for greater geographic distribution of devices throughout the city; develop a framework for reduced fees for service in these geographic distribution areas; reduce the fee for obstructing the pedestrian path of travel; and provide a framework for phasing the introduction of the devices.

On December 20, 2018, staff presented revised recommendations to the Active Transportation Commission. The Commission heard public comments and discussed but did not recommend changes to the revised staff proposal.

On February 5, 2019, the Law & Legislation Committee passed a motion to approve and forward to City Council an ordinance amending Chapter 5.18 and Chapter 10.76 of the Sacramento City Code relating to Shared-Rideable Businesses.

**Rationale for Recommendation:** Ensuring public health and safety is the primary role of government and primary rationale for this recommendation. Regulation through a permitting process will help protect the public right-of-way from uncontrolled encroachment.

Permit fees are calculated based on the administrative effort required to review new, renewal, and expansion permit applications; verify shared-rideable distribution, maintenance and repair; and other administrative and enforcement efforts.

The permit fees are specified in the attached Resolution.

**Financial Considerations:** The revised permit and other fees create revenue sources that will cover the financial costs of administering and regulating the shared-rideable program and needed infrastructure.

**Local Business Enterprise (LBE):** Not applicable

**Background:** Shared-rideables are devices available to persons for rental on a self-service basis. They include bicycles, electric bicycles, scooters, motorized scooters, and other transportation devices, excluding transportation devices that must be registered with the California Department of Motor Vehicles.

On March 20, 2018, City Council adopted the current regulations in Chapter 5.18 and Chapter 10.76 for shared bicycles including electric bicycles, motorized scooters, and other transportation devices. Shared-rideables are an area of mobility experiencing great growth and change in recent years, particularly in the past 18 months.

Traditionally, bicycle-share programs used docks (also known as stations or hubs) to store the

bicycles when not in use. In this “docked” model, users checked out a bicycle from one dock and returned it to another dock. This model incorporated technology in the docks and kiosks.

Technology has continued to evolve, and by Summer 2017 it was more common to have the computer technology and the locking mechanism housed in the bicycle rather than the station. These are often called dockless bicycles. As a result, more bicycles are either locked to public bike racks or not locked to anything. Sacramento has experienced this issue with the existing regional bike-share program.

In the fall of 2018, shared motorized scooters were introduced in American cities. These shared motorized scooters operate like dockless bicycles but do not have a locking mechanism. Motorized scooters are regulated by the State of California differently than bicycles. Section 21235 of the California Vehicle Code states that motorized scooter users:

- Must have a valid driver’s license;
- Cannot travel at more than 15mph;
- Cannot travel on a sidewalk; and
- Cannot travel on a street with posted speed limit of greater than 25mph unless in a bike lane except that a local authority may, by ordinance or resolution, authorize the operation of a motorized scooter outside of a Class II or Class IV bikeway on a highway with a speed limit of up to 35 miles per hour.

With the ongoing changes to the shared-rideables landscape, and with lessons learned from the current bicycle-share program, City staff engaged in extensive outreach to understand potential issues and best practices to help balance the City’s goals for encouraging active transportation and ensuring public health and safety.

One regulatory challenge faced in cities is the parking of shared-rideables. Local stakeholder organizations expressed strong concern for ensuring sidewalks and curb ramps are kept clear. Interviews with peer cities with dockless shared-rideables revealed that devices are often left in places that obstruct paths of travel. Studies of Seattle’s dockless bike share pilot found that anywhere between 4-10% of the parked dockless bikes were obstructing paths of travel (Seattle Department of Transportation, 2017 Free-Floating Bike Share Pilot Evolution Report, p.34.). In Seattle’s new program, a fee is included for the City to provide parking. While the study is for dockless bicycles only, it is analogous to a system that includes bicycles and scooters.

Current Sacramento City Code requires shared-rideable businesses to provide and install 1.5 bike parking spaces for every shared-rideable operating in the City. In interviews with shared-rideable businesses, most requested this requirement be removed from City Code. However, interviews with peer cities revealed they have not yet found a solution for parking dockless shared-rideables that results in correctly parked devices and parking continues to be a challenge. More detail on the

continued need for bicycle rack parking and answers to other questions posed to the Law and Legislation Committee is provided in Attachment 7.

Staff have identified several challenges with Sacramento's current system including:

- As more shared-rideable businesses operate in Sacramento, there will be an increased demand for limited space in the right-of-way should each install its own parking, as required by current City Code.
- The City can install parking in the public right-of-way at a lower cost and with more expediency than shared-rideable businesses.
- The current code did not anticipate parking meter revenue loss from the installation of the shared-rideable parking.
- The current fee structure does not recover costs for staff time administering and monitoring shared-rideables. Interviews with other cities found it requires 1.5 to 3.5 full time equivalents to monitor shared-rideable activities.
- The current regulations do not include ability to cite devices for blocking paths of travel.

The proposed code changes include the following clarifications and additional requirements:

- Addition of a requirement for an equity plan.
- Enhanced descriptions of the permit application and required plans:
  - business;
  - maintenance and repair;
  - right-of-way protection and rebalancing;
  - user and community safety;
  - community outreach;
  - geographic distribution; and
  - equity plans.
- Clarification of grounds to deny a business permit.
- Addition of a requirement for geographic distribution: 20% of the fleet must be deployed to opportunity areas (see Attachment 1: Geographic Distribution Area Map) each morning.
- Phased implementation: Flexibility to phase the implementation of devices, at the discretion of the City manager, to limit the number of devices.
- Introduction of a new fee structure:
  - Shared-rideable business permit application fee
  - Shared-rideable business permit renewal or expansion application fee
  - Shared-rideable parking and infrastructure fee
  - Shared-rideable vehicle fee
  - Shared-rideable storage fee

- Addition of the requirement for workers' compensation insurance
- Addition of a \$15 fine for a share-rideable obstructing the pedestrian path of travel on a sidewalk or curb ramp
- Removal of the requirement to provide and install 1.5 bike parking spaces per device (parking is now provided through fees)
- Addition of the requirement to retrieve devices parked in the same location for more than 48 hours

In addition to the current shared-rideable operator, JUMP, the City of Sacramento has received inquiries from several shared-rideable operators seeking to apply for permits to operate.

Adopting the attached ordinance shown on the following page will update the rules and regulations governing the operation of shared-rideable businesses in the City, ensuring the regulatory framework is based on input from our community and best practices of our peer cities to encourage the safety and well-being of bicyclists, pedestrians, and other users of the public right-of-way.

Also attached is Attachment 6, which reflects the anticipated costs and fees, and the Resolution (Attachment 8), which reflects the recommended fee amounts. As shown, the amounts charged to operators are no more than is necessary to cover the City's reasonable costs in administering the shared-rideable permit program and provide necessary infrastructure. The fees include the City's cost for one full time equivalent Public Works Program Analyst to monitor shared-rideable activities, including but not limited to, coordinating with 3-1-1 operators, ensuring permit compliance, performing data and budget/fee analyses, and develop and manage a data monitoring program.

As you will note, staff is recommending that the shared-rideable parking and infrastructure fee be collected on a per-ride basis. This fee will cover the cost of purchasing and installing racks for parking shared-rideables. But to allow staff to install parking timely, the City will collect a deposit from shared-rideable businesses for each device based on the anticipated number of rides per day. As the business operates, the usage data provided by the shared-rideable business shall be used to calculate the actual shared-rideable parking and infrastructure fee on a periodic basis. Once the amount remaining on deposit is insufficient to pay the anticipated shared-rideable parking and infrastructure fee for the next 60 days, the shared-rideable business will be required to replenish the amount on deposit. In the final quarter of the permit year, staff will perform a final reconciliation. Any balance remaining will offset the shared-rideable parking and infrastructure fees due at permit renewal or will be refunded to the shared-rideable business. And in the event the per trip fees collected will exceed the City's reasonable costs, City staff will return to Council to request a reduction in fees.