

# City of Sacramento

## Legislation Text

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**File #:** 2018-01552, **Version:** 1

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**Title:**  
**Regulating Shared Rideable Businesses and Operations**

File ID: 2018-01552

**Location:** Citywide

**Recommendation:**

1) Review an Ordinance amending Chapter 5.18 and Chapter 10.76 of the Sacramento City Code relating to Shared-Rideable Businesses; and 2) pass a Motion forwarding the ordinance to City Council for consideration.

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**Presenter:** Jennifer Donlon Wyant, Program Specialist (916) 808-5913, Department of Public Works

**Attachments:**

- 1-Description/Analysis
- 2-Ordinance (Redline)
- 3-Ordinance (Clean)
- 4-Draft Fee Resolution

**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 vehicle trips; providing first and last mile solutions for transit; and providing adequate parking to meet the needs of customers. 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.

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 we are learning lessons from the current regional bicycle share program. City staff 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 to 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.

**Economic Impacts:** None

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** These actions are administrative activities and are not considered a project under CEQA Guidelines (Title 14 Cal. Code Reg. §15000 et seq.) § 15378 (b)(4).

**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:** None.

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

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

**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 check out a bicycle from one dock and return

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 its existing bike share effort.

In 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 from bicycles. Section 21235 of the California Vehicle Code states that motorized scooter users:

- Must have a valid driver's license;
- Must wear a helmet (revised by AB2989 to remove this requirement effective January 1, 2019);
- 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 (revised by AB2989 to streets greater than 35mph, effective January 1, 2019).

A regulatory challenge faced in cities is parking of the 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 parked 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, 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.

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, in 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.

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 if each were to 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 Regional Bike Share program will install 1.5 bike parking spaces for 570 devices at a cost of \$467 per device (not including labor) while City staff can install at a cost of \$355 per device.

- 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 proposed code changes include clarifying language as well as:

- Addition of a requirement for an equity plan.
- Enhanced descriptions of the required plans to be included in the permit application, including: business; maintenance and repair; rebalancing and relocation; community outreach; and equity plans.
- Clarification of grounds to deny a business permit.
- Introduction of a new fee structure:
  - Shared-rideable business permit application fee
  - Shared-rideable business permit renewal or expansion application fee
  - Shared-rideable monitoring fee (for staff time cost recovery)
  - Shared-rideable parking fee
  - Shared-rideable meter revenue loss fee
  - Shared-rideable storage fee
- Addition of the requirement for workers' compensation insurance
- 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 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 ensure the safety and well-being of bicyclists, pedestrians, and other users of the public right-of-way.

Also attached for reference is the Draft Fee Resolution.