

STAFF REPORT

Date: January 9, 2019

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **D.7. Staff Report (For Possible Action): Presentation from Li.me, and discussion and potential approval to amend and extend the Dockless Bikeshare Franchise Agreement for the period of one year to January 31, 2020. Amendments include, but not limited to, implementation plan for deploying electric bicycles and scooters, communications, low-income access, and juicer program to support homeless and low-income housing programs.**

From: Lynne Barker, Sustainability Manager

Summary: Li.me (formerly Limebike) has provided dockless bikeshare services to the community since May 14, 2018 through a pilot program. The City of Reno entered into the Dockless Bikeshare Franchise Agreement with Limebike during the period of the pilot program.

Article 1, Definitions: The agreement define “Bicycle” or “Bike” as standard dockless bicycles, electric assisted dockless bicycles, electric scooters, and related dockless mobility products provided by the Contractor. All equipment was required to meet federal standards, and the contract is required to comply with applicable laws in the Nevada Revised Statutes for all bikeshare mobility products.

Article 3.1.A and B, Initial Term and Extension: The term of the agreement was through January 31, 2019 for the “Pilot Period,” with an option to extend the term by one year.

Staff recommends Council extend the pilot by one year, or through January 31, 2020. The extension will allow the city to:

1. Collaborate with stakeholders and the Nevada Legislature to establish a safe regulatory framework for electric scooters. The NRS does have a definition for electric scooters. Under current definitions, electric scooters are classified as “mopeds.” However, electric scooters do not meet the specifications of mopeds.
2. Develop an ordinance for the safe operation of electric scooters in the city that protects riders and pedestrians.
3. Pilot dockless electric bicycles and electric scooters under the control of the franchise

agreement.

Proposed Changes to NRS

To prepare for piloting electric scooters in Reno, city staff, including members of the City Manager's Office, City Attorney's Office, Reno Police Department, Public Works, and Office of Communications and Community Engagement, evaluated state and city regulations to assess how they apply to electric scooters. It was determined that amendments to the NRS are needed to provide a safe regulatory framework for electric scooters. (See attachment, Mayor and City Council memo dated August 21, 2018.)

The City Attorney's Office recommended amendments to the NRS to define electric scooters and safe operations for electric scooters. Staff will work with stakeholders to propose amendments to the State Legislature during the 2019 legislative session.

If passed and the NRS is amended, staff will introduce an ordinance for electric scooter operations in Reno. The ordinance will be presented to Council for adoption. If adopted, the city will pilot electric scooters to evaluate their use within the City of Reno.

Draft Amendment to NRS:

NRS _____ "Electric scooter" defined. "Electric scooter" means a two-wheeled device that has handlebars, a floorboard designed to be stood upon when riding, no seat, having two tandem wheels either of which is not over 8 inches in diameter, and can be propelled by human power and by an electric motor which produces not more than 1 gross brake horsepower and which produces not more than 250 watts final output, and;

1. Is designed to travel on not more than two wheels in contact with the ground but is not a tractor; and
2. Powered solely by such a small electric engine, is capable of a maximum speed of not more than 15 miles per hour on a flat surface while carrying an operator who weighs 170 pounds; and
3. ~~Is subject to the bicycles laws and regulations of the state.~~
4. The term does not include a moped.

Proposed Amendments to the Dockless Bikeshare Franchise Agreement

In addition to extending the franchise agreement, there is an opportunity to address specific provisions within the agreement to incorporate lessons learned during the initial term of the agreement. Recommended amendments would address the following issues:

- Include a provision that Li.me maintain a fleet of no fewer than 250 pedal bikes throughout the term of the franchise agreement.

- Require Li.me to submit an implementation plan for deploying electric assisted dockless bicycles in first and second quarter 2019, and deploy a minimum of 250 electric bicycles as soon as the weather permits.
- Require Li.me to submit an implementation plan for deploying electric scooters following the successful efforts to amend the NRS and adopt local ordinances. The plan to require the first phase of deployment to include no more than 250 electric scooters.
- Establish performance metrics that will determine fleet expansion for electric bikes and electric scooters.
- Develop an education and outreach communications plan to prepare for the launch of electric bicycles and electric scooters in collaboration with the Participating Entities to ensure a regional approach. The communications plan shall focus on informing the general public about bicycle and electric bicycle laws and safety, electric scooter laws and safety, responsible parking, and areas where the use of electric bicycles and electric scooters are prohibited. In addition, the communications plan must also address informing the general public about student discounts, senior discounts, and Lime Access discount for low-income residents and visitors.
- Require Li.me to collaborate with Participating Entities and other stakeholders to expand use of pedal bicycles, electric bicycles and electric scooters by low-income residents through the Lime Access program, and to provide monthly reports on membership in Lime Access.
- Collaborate with Participating Entities and other stakeholders to develop a Lime Scooter Juicer partnership with the Community Assistance Center and Village on Sage Street. This juicer program will work with homeless and low-income residents to generate revenues in support of human and health services, and / or transitional housing and costs.
- Revise the franchise fee to assess new fees on pedal bicycles, electric bicycles and electric scooters to reflect industry best practices.

Lime-S Juicer Program

Li.me launched a program in which individuals can earn money by charging electric scooters. The individuals sign up to serve as a Lime-S Juicer. They are provided an app that helps them locate electric scooters that need to be charged. Lime-S Juicers pick up electric scooters at night, charge the scooters, and deploy the electric scooters the next morning.

Li.me pays Juicers from \$5.00 to \$20.00 per charge depending on electric rates, the number of juicers in a community, and other criteria. The Community Assistance Center and Village on Sage Street can earn revenues to help support programs, services and costs for the homeless and low-income residents served.

Below is a table of possible revenues that can be earned using the lower range of juicer fees for illustration purposes:

Number Lime-S Charged Nightly	Fee / Night	Annual Revenues	Fee / Lime-S	Annual Revenues	Fee / Lime-S	Annual Revenues
Fee per Scooter	\$5		\$7		\$9	
20	\$100	\$36,500	\$140	\$51,100	\$180	\$65,700
50	\$250	\$91,250	\$350	\$127,750	\$450	\$164,250
100	\$500	\$182,500	\$700	\$255,500	\$900	\$328,500

Previous Council Action:

- September 12, 2018 - Lime provided a quarterly update to Council on how bikeshare has been utilized in the City of Reno.
- August 22, 2018 - Council provided comment and accepted the Draft Sustainability and Climate Action Plan that outlined a strategy for reducing greenhouse gas emissions generated by the transportation sector that included a strategy to “Expand Mobility Options through Bikeshare and Provide Equitable Access to Bikeshare Services.”
- April 11, 2018 - the City of Reno executed the Exclusive Agreement for Dockless Bike Share between the City of Reno and LimeBike. The agreement granted LimeBike the exclusive right and obligation to install, operate, manage, and maintain a dockless bike share system within the geographic limits of the City of Reno for the purpose of a pilot program.
- December 13, 2017 - Council provided direction to staff to launch a dockless bikeshare pilot program and approved support from the Regional Transportation Commission (RTC) Transportation Alternatives grant application for support of the regional bikeshare program.

Background: Approximately 25 percent of Reno’s community-wide emissions are from passenger vehicle use. The City of Reno piloted bikeshare as an emerging form of transportation that can help to reduce climate pollution by offering a transportation alternative to passenger vehicle use for short trips taken by residents and visitors, and first and last mile transportation options that augment public transportation. Bikeshare systems also contribute to the local economy by providing residents and visitors with a unique user experience that encourages greater spending at local retailers and restaurants.

Dockless bikeshare has been providing mobility choices in U.S. since May 2017. As of December 2018, Li.me had grown to providing shared mobility services in more than 120 cities in the U.S and Europe. The past 18 months has also seen the industry evolve rapidly. Bikeshare companies incorporated electric shared mobility options to their fleets, including electric bicycles and electric scooters, and new electric scooter companies have emerged.

Li.me's data shows that people prefer to ride electric bicycles and electric scooters to pedal bikes. Li.me's pedal bikes are ridden on average 1 – 1.5 times per day. Whereas, electric bicycles are ridden 4 – 8 times per day, and electric scooters are ridden 8 – 20 times per day depending upon the market. With the city's goals to increase transportation choices and reduce passenger vehicle use, adding electric bicycles and electric scooters to the local fleet will have a greater impact.

Li.me has also found that the dockless bikeshare model with pedal bikes is not financially sustainable. For this reason, Li.me is transitioning away from pedal bikes to electric bicycle and electric scooter fleets.

Financial Implications: None at this time.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends Council approve extending the term of the Dockless Bikeshare Franchise Agreement for one year.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- 22-Bikeshare Franchise Agreement & Electric Scooters (PDF)
- Franchise Agreement - Limebike (PDF)