



Legislation Text

File #: 19-0460, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution amending the Master Fee and Charges Schedule by adopting new fees relating to the shared micromobility program;

On February 19, 2019, the City Council received information and acted to initiate a shared micromobility program, which includes a request to the City Attorney to prepare an ordinance amending Section 10.51 of the Long Beach Municipal Code (LBMC) governing the use of services aimed at providing micromobility options for residents. The City Council requested the maximum number of units be limited to 4,000, going up to 6,000 units after a six-month review and compliance with program rules by the operators. During discussion, the City Council requested staff return with an updated fee schedule for the program.

Staff did a significant amount of research on similar sized e-scooter programs and interfaced directly with the cities of Santa Monica, Culver City, San Francisco, and Los Angeles to better understand how e-scooters are being regulated. Many of the issues found in Long Beach during the pilot program are also being experienced by our sister cities in the region. All cities with e-scooters require a commitment of resources to ensure safe operation and compliance with adopted rules. In turn, new fee structures are common to collect funds directly from vendors who are making a profit from their operations in the cities' public rights-of-way to help offset costs of enforcement and administration of micromobility programs.

To manage the large number of devices throughout the City and ensure full compliance with the permit rules, added resources will be needed. Additional work will include managing the deployment of scooters, enforcement of the Ordinance and program guidelines, interacting with vendors, compiling data, and addressing public inquiries and concerns.

At the February 19, 2019 City Council meeting, staff presented information on fees collected by other jurisdictions and a proposed fee structure for Long Beach (Attachment A). During discussion, the City Council conveyed information that other jurisdictions were lowering vendor fees and requested that staff review options for lowering the proposed Long Beach fees. Staff conducted additional outreach and further review of the vendor data. It is estimated, based on self-reporting by the various vendors operating during the 1,000 e-scooter pilot, that revenues generated over a seven-month period (August-February) exceeded \$1.6 million dollars. The vendors operate a for-profit enterprise in the City's public right-of-way and the reduction of Permit and Impound fees may not be necessary or advisable.

During the presentation, staff proposed initiating a Per Unit fee reduction for e-scooter

operation in disadvantaged communities. After further review, this will be challenging to implement and monitor. To streamline the fee collection process, staff now proposes one slightly lower Per Unit fee be charged for all units operating in the City. Further, staff recommends that vendors provide a rate discount for individuals that meet certain income limits. The following table provides an updated proposed fee schedule:

City of Long Beach Shared Micromobility Fee Structure		
	Previously Proposed Fee Structure	New Proposed Fee Structure
Permit Fee	\$25,000 annually	\$25,000 annually
Per Unit Fee	\$120 annually \$40 low income areas	\$100 annually
Impound Fee	\$100 per unit + \$25 per day	\$100 per unit + \$25 per day

This matter was reviewed by Deputy City Attorney Amy R. Webber on April 29, 2019 and by Budget Analysis Officer Julissa Jose-Murray on April 25, 2019.

City Council action is requested on May 14, 2019, to move forward with the micromobility program and allow for the timely collection of revenue to support needed resources.

Estimated micromobility program revenues are expected to range from \$100,000 to over \$600,000 annually and will be deposited in the General Fund Group in the Public Works Department (30). Actual revenues will be dependent upon the number of permitted operators and active units within the City. To ensure that implementation and administration of the micromobility program does not have an adverse impact on existing City Council priorities, additional staffing and resources are anticipated to be needed, offset by program fees. The necessary ongoing cost for this program, including offsetting fee revenues, will be included as part of the FY 20 Proposed Budget. However, staffing needs may arise prior to budget adoption and may need to add staff, as necessary, to implement the program using revenue generated from the fees. The local job impact is unknown until all vendors have completed the permit application and staff have been hired.

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APPROVED:

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