



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Ryan Russo
Director, Department of
Transportation

SUBJECT: Dockless Vehicle Sharing Permit Fees

DATE: May 20, 2021

City Administrator
Approval

Date
May 20, 2021

INFORMATION

This informational memorandum is provided as an update on the City of Oakland's Permit And Parking Fees Assessed Through The Dockless Vehicle Sharing Permit Program.

Executive Summary

In July 2019 the Department of Transportation (DOT) launched the dockless scooter share permit program with four permitted electric scooter sharing operators (Operators). Total staff expenses associated with the dockless vehicle program were estimated at \$287,521 per year. This cost estimate included 1.25 full time equivalent (FTE) staff, including an Inspector charged with scooter parking enforcement, a Program Analyst I to provide administrative support and a Program Analyst II to manage the program. The actual cost of administering the program for the Fiscal Year 2019-2020 was \$159,587, while revenues totaled \$355,150. The larger-than-anticipated revenues were generated through the sale of more permits than expected. Smaller-than-anticipated staff costs resulted from hiring delays and labor streamlining achieved through the use of dockless mobility management software. For Fiscal Year 2020-2021, revenues are estimated to be approximately \$191,000 and staff costs (including materials) are estimated to be approximately \$180,000. The current staffing level has proven sufficient to effectively manage the program.

Revenues-to-date from the ten-cent parking fee total \$37,091.60. Approximately 33 bike racks have been installed using these funds, with 30 more pending installation. An additional 100 racks are expected to be funded and installed in the coming year.

Given the results of the program to date, the permit fees are sufficient to recover staff costs associated with the program and the parking fees are sufficient to fund the scooter parking

infrastructure that has been identified by staff and the public. As such, staff does not recommend changes to the Master Fee Schedule for the dockless e-vehicle program at this time.

Background

In July 2019, the Department of Transportation (DOT) launched the dockless scooter permit program with four permitted electric scooter sharing operators (Operators): Lime, Bird, Lyft and Gruv. Lime, Bird and Lyft were each granted annual permits for 1,000 vehicles and Gruv was granted annual permits for 250 vehicles. Oaklanders took 1.9 million trips on shared scooters in 2019. According to a DOT survey of 897 Oakland-based scooter users, an estimated 41 percent of those trips would have been taken by car if shared scooters did not exist. This and other surveys show that the availability of E-scooters, and other shared mobility services, helps a significant number of Oaklanders to live without a car. This reduction in car ownership and elimination of approximately 800,000 car trips helps the City to achieve its ambitious transportation and greenhouse gas reduction goals.

After the COVID-19 pandemic and related shelter-in-place orders began in Oakland in March 2020, scooter demand dropped by approximately 60 to 80 percent. All four Operators responded to this drop in demand by reducing their vehicle fleets significantly. As the pandemic and associated drop in ridership stretched on, all four Operators chose to leave Oakland entirely.

For Fiscal Year 2020-2021, three Operators applied for permits and were approved: LINK, SPIN and VeoRide. VeoRide was approved for 625 vehicles, LINK for 600 and SPIN for 250. LINK launched service in December 2020. SPIN and VeoRide launched in February 2021. Electric bicycles (e-bikes) and tricycles became eligible for dockless vehicle permits in December 2020. So far no Operators have purchased permits to deploy e-bikes in Oakland. Several interested Operators have indicated that the current fees for E-bikes present a financial barrier to shared e-bike deployment.

Fees and Fines

In 2018 staff completed a fee study to determine the appropriate fees for the dockless electric scooter sharing permits. The recommended fees included both one-time and annual charges that aimed to recover the City's estimated costs associated with the program. A per-ride scooter parking fee was also recommended to help fund the City's ongoing efforts to create safe infrastructure for scooter users, including designated parking areas and racks. To maintain parity with automobile parking, this fee is charged when a scooter is parked within a city-designated meter area during hours when meters are active.

Total staff expenses associated with the dockless vehicle program were estimated at \$287,521 per year. This cost estimate included 1.25 full time equivalent (FTE) staff, including an Inspector charged with scooter parking enforcement, a Program Analyst I to provide administrative support and a Program Analyst II to manage the program. To recover these estimated costs, the permit fees include a \$2,500 permit application fee, a \$30,000 Operator fee and a \$64 per-vehicle

fee. It was estimated that three Operators would be approved with 1,000 vehicles each, yielding annual revenues of \$289,500.

The actual cost of staff for administering the program for the Fiscal Year 2019-2020 was \$159,587, while revenues totaled \$355,150. The larger-than-anticipated revenues were generated through the sale of more permits than expected. A total of five Operator permits and 3,500 vehicle permits were issued. Smaller-than-anticipated staff costs resulted from hiring delays and labor streamlining achieved through the use of dockless mobility management software. The City's privacy commission approved the use of this software in August 2019. Staff costs are expected to remain consistent in the upcoming fiscal year, as the current staffing level has proven sufficient to effectively manage the program.

Revenues-to-date from the ten-cent parking fee total \$37,091.60. Dockless vehicle parking fee revenues are intended to be used towards the installation of scooter-supportive infrastructure. Staff have identified locations to install in-street scooter parking corrals using these funds. Approximately 33 bike racks have been installed to serve demand from scooter users, with 30 more pending installation. Those bike racks will cost \$9,057 to install and will be available to the general public. An additional 100 racks are expected to be funded and installed in Fiscal Year 2020-2021.

Dockless shared vehicle Operators are liable for parking citations if their vehicles are found to be parked in violation of the City's parking rules. Operators have three hours to move the vehicle from the time when improper parking is reported through Oak311, the City's combined 311 call center and web-based public service request system. If the vehicle is not moved, the Operator is liable for a \$50 fine. In FY 2020-2021 a total of 181 service requests for improper parking were received through Oak311. Scooter enforcement staff created 144 of these requests while 36 were submitted by the public. One-hundred eighteen requests (65% of the total) were determined to be legitimate and were addressed by the Operator within three hours. Twenty-six requests were not addressed within three hours. A total of 18 citations were issued, resulting in \$900 of parking fines. All 18 citations were issued to Lime.

Conclusion

Staff does not recommend changing the dockless vehicle permit fees for the Fiscal Year 21-22 permit term. The fees, as currently set, are sufficient to recover staff costs associated with the program. Staff also does not recommend changes to the parking fees or fines. The parking fee account currently has a positive fund balance and will continue to be replenished through quarterly billing of parking fees. At this time, the parking fees are sufficient to fund the scooter parking infrastructure that has been identified by staff and the public.

If parking fees are raised, the total fee burden on the Operators may become too great for them to sustain service in Oakland, leading to a reduction or elimination of permit revenues. Four Operators have already ceased operations due to financial hardship. During the COVID-19 shelter-in-place order and shut-down of businesses and schools, many fewer scooter trips are being taken. This lack of trips means that the business model for Operators is highly sensitive to

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even small increases in regulatory costs. Therefore, staff recommends that all fees associated with the dockless vehicle program remain unchanged.

Respectfully submitted,



RYAN RUSSO

Director, Department of Transportation

For questions, please contact Kerby Olsen, New Mobility Supervisor, at 510-238-2173.