



CITY OF HUNTINGTON BEACH

City Council Interoffice Communication

To: Honorable Mayor and City Council Members
From: Patrick Brenden, City Council Member *PB*
Date: June 25, 2018
Subject: ***CITY COUNCIL MEMBER ITEM FOR THE JULY 2, 2018, CITY COUNCIL MEETING – SHARED MOBILITY DEVICES (BIKE & SCOOTER SHARING SERVICES)***

STATEMENT OF ISSUE:

The “share economy” has been a force of disruptive innovation throughout the world since 2009 when Uber first introduced their ride-sharing service. Today, such services have spread to many other industries and they have found their way into many aspects of our daily lives.

Recently, the concept of shared mobility has been applied to other systems of transportation, most notably to mobility devices such as bicycles and electric scooters.

The two largest and most prominent shared mobility service companies, Bird Ride, Inc. (Bird) and Lime E-Bikes (Lime), both originated in coastal California. Now popular throughout the United States as well as in Europe, shared mobility devices are especially prevalent in coastal California communities: Santa Monica, San Mateo, San Francisco, Venice Beach, San Diego, and Long Beach, among other cities.

The business model of shared mobility device companies are very similar to that of Uber and Lyft. To rent a scooter or bicycle, a user can locate and unlock a mobility device using the Lime or Bird smartphone app. Users pay a flat \$1 fee plus 15¢ per minute of use, or \$9 per hour. When the user is done with the bicycle or scooter, they park the device and relock it via the app.

As has been the case with other ride-sharing practices such as Uber, there are benefits and costs to shared mobility devices. They provide a green alternative to driving and present greater mobility to commuters and tourists, especially in traffic impacted areas. However, many cities with shared mobility devices, including Santa Monica and San Francisco, have experienced issues of public safety and public endangerment. Despite efforts by the shared mobility device industry, many mobility device users ignore local and state traffic regulation and ride on sidewalks or without a helmet. In addition, many users leave bicycles and scooters haphazardly in public pathways or on sidewalks, creating a tripping hazard.

In order to address these problems, San Francisco and Santa Monica have recently begun to take action to regulate shared mobility devices. San Francisco has just launched a pilot program, while the Santa Monica City Council approved a first-reading of a shared mobility device ordinance on June 10, 2018. Santa Monica’s shared mobility device ordinance creates an annually adjustable cap on the number of devices a company can operate in Santa Monica based on the demand for their devices. Bird and Lime will each initially receive a cap of 1,500 scooters. Santa Monica’s ordinance will also require Bird and Lime to apply for a vendor permit and pay a \$20,000 annual fee as well as \$130 per device, producing \$215,000 per company per year in revenue for the City of Santa Monica. In addition, Santa Monica will attribute fines to companies if their mobility devices are impounded by local authorities.

Currently, Huntington Beach does not have any regulation pertaining to mobility device sharing services. This means a shared mobility device company could place 1,500 scooters in the city tomorrow if they so wished. This is a definite possibility. Lime and Bird have started renting mobility devices in California coastal communities similar to Huntington Beach. In addition, Huntington Beach receives 11 million visitors per year and hosts many popular events including the annual Fourth of July Parade, the US Open of Surfing, and the annual Air Show.

The City of Huntington Beach has the opportunity to work proactively on this issue and create regulation that will promote local business and city revenue while protecting the quality of life and public safety Huntington Beach currently enjoys.

RECOMMENDED ACTION:

A) Direct the City Manager to work with the City Attorney to return to the July 16, 2018, City Council Meeting with a proposal for a moratorium on Shared Mobility Device Services operating in Huntington Beach.

B) Direct the City Manager and City Staff to hold a Study Session on Shared Mobility Devices within 60 days. Study session to include a survey of current regulations being applied in other cities.

xc: Fred Wilson, City Manager
Lori Ann Farrell Harrison, Assistant City Manager
Robin Estanislau, City Clerk
Patty Esparza, Assistant City Clerk
Michael Gates, City Attorney