



City of San Antonio

Agenda Memorandum

File Number:19-4301

Agenda Item Number: 4.

Agenda Date: 5/30/2019

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Allowing currently permitted dockless vehicle operators to apply for permit extensions through September 30th so that dockless vehicle services continue uninterrupted until the conclusion of a Request for Proposals.

SUMMARY:

An ordinance authorizing the modification of the Dockless Vehicle Pilot Program by (1) allowing currently permitted dockless vehicle operators to apply for permit extensions through September 30, 2019, (2) a 50% reduction in permitted vehicles for companies that currently have over 1,000 vehicles, and (3) the \$10 per vehicle permit fee will be prorated from the date the operators' permits expire until September 30, 2019. This extension will allow the City to complete a Request for Proposals (RFP) to select three vendors to operate a total of 5,000 dockless vehicles.

BACKGROUND INFORMATION:

In June of 2018, dockless vehicles were introduced in San Antonio. Companies launched service prior to the adoption of a regulatory structure and the development of rules for riding and parking vehicles. On October 11, 2018, City Council adopted the Dockless Vehicle Pilot Program, which established a six month permit for dockless vehicle operators and a light-handed regulatory approach under which there were no caps on the number of operators that could launch service or the number of vehicles they could seek permits for. Following the adoption of the pilot program, seven companies applied for and obtained permits to operate a total of 14,100 e-scooters and 2,000 e-bikes. The initial six month pilot program resulted in \$154,500 in revenue from application fees and per vehicle permit fees. These program fees are used to pay for program related costs, such as enforcement staff that monitor sensitive areas and correct vehicles in violation, SAPD overtime shifts to enforce the riding rules and correct dangerous riding, and rider education efforts.

On February 14, 2019, City Council imposed a moratorium on further permitting of dockless vehicles. At that time, the pilot program was amended to limit the hours of operation in order to reduce accidents occurring at night, staff were authorized to remove vehicles parked in prohibited areas without warning, and the Director of CCDO was granted the authority to require the temporary removal of vehicles to avoid conflicts with cleaning sidewalks, construction activity, and special events.

During the development of the pilot program, staff committed to monitoring the program for six months before returning to City Council with recommended program changes in late spring. Staff developed recommendations include limiting the number of operators to three companies to be selected through a Request for Proposals, prohibiting sidewalk riding, and maintaining the riding curfew that was implemented by City Council in February. The Transportation Committee was briefed on these recommendations at their April 29, 2019, meeting and recommended that the item be presented to the full City Council at B Session. The full Council was briefed at B Session on May 15, 2019, and the majority of the City Council was supportive of an RFP approach. Staff will issue the solicitation in June with the goal of identifying three vendors that will have exclusive right to operate dockless vehicles by October 2019.

This item allows for an extension of the companies' permits until the completion of an RFP process. During the extension, companies with over 1,000 permits will see a 50% reduction in the number of vehicles they are authorized to deploy. No new companies will be able to obtain permits under this extension period.

ISSUE:

Three operators will be selected through an RFP to operate a total of 5,000 vehicles. That process is expected to result in contracts for City Council consideration in early October 2019. This item authorizes the Director of Center City Development & Operations to prorate the permits of existing operators so that all permits expire on September 30, 2019. Should the RFP process incur delay, staff will have the ability to administratively extend permits, without collecting additional fees, until City Council grants exclusive rights to operate dockless vehicles in City right-of-way to the firms awarded contracts through the RFP.

Companies that are currently permitted for more than 1,000 vehicles will be limited to 50% of their current permit total. The \$500 application fee will be maintained and the \$10 per vehicle permit fee will be prorated from the date the operators permit expires until September 30, 2019. The maximum number of permits that could be obtained by the seven operators is 8,850, which is a significant decrease from the current total of 16,100.

In addition, other policy recommendations, such as prohibiting sidewalk riding, will be presented to City Council for consideration in October 2019.

ALTERNATIVES:

City Council could consider several alternatives to staff's recommendation. City Council could choose to not reduce the number of authorized vehicles, companies could be allowed to extend their permits for the full six month permit duration, or in the alternative, Council could decide that no firms are allowed to operate once their permits expire.

FISCAL IMPACT:

An ordinance authorizing the modification of the Dockless Vehicle Pilot Program by (1) allowing currently permitted dockless vehicle operators to apply for permit extensions through September 30, 2019, (2) reducing the number of permits for companies currently authorized to operate over 1,000 vehicles by 50% of their current permit total, and (3) the \$10 per vehicle permit fee will be prorated from the date the operators permit expires until September 30, 2019.

This extension will allow the City to complete a Request for Proposals (RFP) through which three operators will be selected to operate a total of 5,000 dockless vehicles. This ordinance will increase the FY 2019 General Fund Revenues Budget by \$53,955 to account for the revenues generated by this extension through September 30, 2019. Additionally, \$53,955 will be appropriated in the Center City Development and Operation's FY 2019 General Fund Budget. Funds will be allocated to continue temporary enforcement staff and educational outreach through FY 2019.

RECOMMENDATION:

Staff recommends that City Council authorize the prorated permit extension to allow for an orderly transition through the completion of the RFP process.