



Legislation Text

File #: K-1819-98, **Version:** 1

CONTRACT K-1819-98: A DOCKLESS SCOOTER REVOCABLE LICENSE AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NEUTRON HOLDINGS, INC. D/B/A LIME, IN THE AMOUNT OF \$300 PER YEAR ALLOWING DEPLOYMENT OF NO MORE THAN ONE HUNDRED FIFTY (150) DOCKLESS SCOOTERS WITHIN THE PUBLIC RIGHTS-OF-WAY, PROVIDING FOR ADMINISTRATIVE FLEET SIZE INCREASES AND DECREASES, AND PROVIDING FOR PENALTIES IN THE EVENT OF DEFAULT OR VIOLATION OF PARKING PARAMETERS.

BACKGROUND: On August 17, 2018, a number of dockless electric (rechargeable battery-powered) scooters were placed in small groups at varying locations throughout the City of Norman by Bird Rides, Inc. ("Bird"). Bird refers to drop off location as "nests" and to its personnel as "Chargers," which: (1) collect the dockless scooters in need of charging, generally before 10:00 p.m. each day; (2) charge and otherwise perform light servicing of the units; and (3) place them at designated locations around 7:00 a.m. the following morning. Within Norman, these drop off locations appear to be located both on public rights-of-way (such as on sidewalks) and private property (such as storefront or business parking lots). Dockless scooters placed on private property are subject to private property rights, as those are already addressed by City Code. Thus, Revocable License Agreements such as this one concern only placement of units within the public rights-of-way.

Nationwide, municipalities have had mixed reactions to dockless scooters, some immediately impounding, and others moving to enact emergency administrative rules or enter into interim agreements regulating the activity. Norman's approach has been to seek cooperation from scooter companies to avoid the expense and unnecessary use of resources impounding the vehicles, and to implement measures designed to complement a long-term shared vehicle strategy for Norman. Oklahoma City took a similar short-term approach as Norman by requiring a right-of-way license agreement prior to enactment of an ordinance addressing the shared vehicle industry. Lime and Bird entered into revocable license agreements with Oklahoma City by September of this year.

The amount of dockless scooters initially placed in Norman has increased over time. As a result of a failure to comply with City Code, as well as a refusal to voluntarily and cooperatively withdraw deployment of dockless scooters until revocable license agreements were obtained from City Council, over 175 Bird scooters have been impounded (and not yet redeemed by Bird).

Similar products are offered by Lime, Slidr, LLC, and Spin (with Bird, collectively referred to as "Dockless Scooter Group"), all of which have been in touch with City staff regarding potential operation within Norman. During discussions with City staff, the Dockless Scooter Group presented considerable new information with some request for inclusion at the Revocable License Agreement stage, and prior to the adoption by Norman of any permanent ordinances addressing the shared vehicle industry. City staff, with guidance from the City Council Oversight Committee, finalized a Revocable License Agreement addressing a substantial amount of identified issues. The final agreement was provided to the Dockless Scooter Group on October 18, 2018. Since that time, Lime has also deployed dockless scooters without first obtaining approval of a Revocable License Agreement.

Companies deploying dockless scooters before seeking an approved Revocable License Agreement are subject to impoundment and responsible for payment of associated fees. The City seeks to achieve cooperation of the Dockless Scooter Group as a whole, so that efforts may be directed to developing a shared vehicle ordinance, addressing items such as business licensing, vehicle operation and stationing, for City Council consideration.

DISCUSSION: Important features of the Dockless Scooter Revocable License Agreement are:

- A fleet size limitation, in place of mandatory locations for stationing, etc., allowing vendors flexibility and ready response to market demands;
- The addition of language allowing for administrative increase(s) or reduction(s) of fleet size, to allow vendors to

more immediately respond to demand and the City the ability to respond to problematic placement or congestion of the rights-of-way;

- Parking guidelines and penalty/impoundment/termination provisions relating to default or violation;
- For situations where public right-of-way is owned by easement, a mechanism whereby a private fee owner may object and request removal of dockless scooters from the identified parcel.

The Agreement also requires:

- Payment of a yearly base rental fee of \$300 (based on a fleet size of 150);
- Payment of \$1/day/scooter (payable quarterly) for the “construction for shared mobility infrastructure, promotion of safe riding, or maintenance of shared infrastructure”;
- The vendor’s provision of fleet and ridership data to the City;
- Indemnification of the City and certain levels of insurance; and
- Identification of local contact personnel able to respond to requests or inquiries as anticipated by the Agreement.

Lime has identified local contact personnel and provided proof of necessary insurance in compliance with the Agreement. Lime generally outsources the charging, storage, and maintenance of its fleet to contract personnel called “chargers” and will not have corporate storage facilities located within the City of Norman.

STAFF RECOMMENDATION: Based on the above information, staff recommends approval of K-1819-98, a Dockless Scooter Revocable License Agreement with Neutron Holdings, Inc. d/b/a Lime, allowing placement of as many as one hundred fifty (150) dockless scooters within, the public rights-of-way.