



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: August 7, 2018

PREPARED BY: Oliver Chi, City Manager /
Brittany Mello, Assistant to the City Manager

AGENDA LOCATION: AR-1

TITLE: Amendment No. 1 to the Agreement with Lyft, Inc., and Amendment to Monrovia Municipal Code Chapter 12.42 Relating to Permit and License Requirements for the Use of City Streets and Public and Private Property by Bikeshare and Scooter-share Services, Introduction and First Reading of Ordinance No. 2018-07

OBJECTIVE: To institute GoMonrovia program modifications that would result in a new Lyft public transportation system pricing structure of \$0.50 for a shared ride and \$3 for a non-shared ride, while also extending the City's existing bike-share regulations to cover scooter-share services.

BACKGROUND: On February 20, 2018, the City Council approved the agreements and regulations needed to launch the GoMonrovia mobility program, which aimed to establish a faster and more efficient model of public transit services for Monrovia and our surrounding service area. As part of the overall program, the City instituted agreements with Lyft and LimeBike, whereby Lyft was engaged to provide on-demand public transportation services within our service area at a subsidized cost of \$0.50 / ride, and LimeBike worked to deploy a bike-share network throughout the City.

After launching on March 17, 2018, staff has closely monitored overall GoMonrovia program performance during the past few months. Those trends were analyzed and presented for City Council consideration in a Study Session held on July 17, 2018. At that review session, staff outlined overall GoMonrovia program results and identified possible program modifications for consideration. An overview of current operational GoMonrovia details includes the following:

- With limited start-up costs and no ongoing programmatic expenses, LimeBike has shown itself to be a terrific option for the deployment of an alternative active transportation mode in Monrovia. Between March 17, 2018 and June 30, 2018, the City's LimeBike operation has seen 3,052 individuals sign-up for the program, and users have logged 8,729 total rides completed, 3,115 hours of riding, and 6,925 miles traveled.
- The public response to the City's Lyft partnership has been wildly successful, so much so that GoMonrovia is now the largest and most utilized partnership program ever deployed by Lyft. From the time the program was launched through June 30, 2018, nearly 8,000 people have signed-up GoMonrovia Lyft initiative. In addition, ridership has also steadily risen, from 3,800 rides in the first two weeks of the program, to nearly 19,000 rides in the month of April 2018, and nearly 31,000 rides in the month of May 2018. For comparison, ridership on the City's dial-a-ride shuttle vans in 2017 was 38,000 for the entire year. Put another way, GoMonrovia is serving about as many passengers in one month with Lyft rides as the City served in an entire year on its dial-a-ride program.

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While the overall GoMonrovia program has been well received, staff also outlined identified challenges and opportunities associated with the program during the Study Session. The biggest identified challenge relates to budgetary constraints, given the immense popularity of the program. In general, the City has identified a total of \$1.2 million / year in restricted funding that is available for use in establishing transportation programs. However, given the current usage levels seen with Lyft, we are estimated to provide 372,000 rides / year (based on the current usage level of ~31,000 rides / month). At an average cost of ~\$6.00 / ride for the City, the projected annual costs for the Lyft program are approximately \$2.2 million. As such, if the City were to keep the Lyft program as-is without making any program modifications, we will exceed the \$1.2 million in available transportation funds.

To address this budgetary challenge, staff presented the City Council with several budget-conscious options that would allow for the continued provision of \$0.50 rides through the Lyft program. Currently, the City offers a \$0.50 ride through the standard Lyft option. The main adjustment reviewed by staff would involve shifting the \$0.50 ride to the "Shared Ride" option. As part of the proposed shift, the City could also continue offering standard Lyft rides at a discounted rate of \$3 / ride. Those two adjustments would decrease the City's overall operational costs to be in-line with available resources, as the proposed cost structure would result in annual costs of around \$1,116,000 at our current usage rate of ~31,000 rides / month.

ANALYSIS: Due to the overwhelming popularity of the GoMonrovia Lyft program, staff is recommending adjusting the Lyft program to reduce its budgetary impact and ensure the program is financially sustainable.

During the July 17, 2018 study session, City Council reviewed the following potential program modifications to address these budgetary concerns and directed staff to bring back amendments for approval:

1) Make the "Shared Ride" option the default for GoMonrovia Lyft rides.

The Shared Rides would continue costing passengers \$0.50 / trip, while reducing the City's average subsidy / ride from approximately \$6.00 / ride to \$3.00 / ride. Under the Shared Rides option, up to 2 people could take a GoMonrovia Lyft ride for \$0.50. In addition, by shifting to Shared Rides, the City will also see a reduction in overall vehicle miles traveled and greenhouse gas emissions.

2) Continue to offer the Regular Lyft (4-seat) option at the price of \$3.00 / ride.

Those individuals who would prefer the comfort of a private ride, or those who are traveling with up to 4 passengers, will have the option to continue taking a non-shared Lyft ride at a fixed cost of \$3.00 / ride within the GoMonrovia service area.

Under the proposed pricing model, the City's average subsidy would decrease to approximately \$3.00 / ride. Additionally, the proposed subsidies would mean that the City's costs will be approximately equal whether the trip is taken as a \$0.50 / shared ride or a \$3.00 / non-shared ride.

At the current ridership level of 31,000 / month, at \$3.00 / ride, the annual costs would decrease to just over \$1.1 million, bringing costs in line with available transportation revenues. The proposed pricing structure would alleviate the cost burden of the program, while allowing the GoMonrovia program to continue to serve the City's residents, businesses, and visitors. If approved, the new pricing model with Lyft would go into effect as of September 1, 2018. Staff will continue to carefully monitor ridership levels, and bring back additional program modifications in the coming months, as needed.

Finally, in the past few months, the ride-sharing model has rapidly evolved with scooter-share services becoming a popular mode of transportation in several major cities, while creating numerous regulatory and safety concerns that cities are working to address. The City originally adopted an ordinance to regulate the operation of bike-share companies in Monrovia with the GoMonrovia Mobility Plan in February 2018. To prevent the unauthorized addition of scooters in the community, staff is proposing to amend Monrovia Municipal Code 12.42 regarding bike-share services to also include scooter-share services.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with approving these actions.

FISCAL IMPACT: Based on an estimated 31,000 rides / month at a cost of \$3.00 / ride, the City would reduce current GoMonrovia Lyft costs by ~50%, which would bring total estimated costs in line with available restricted transportation revenues of \$1.2 million / year.

OPTIONS: The following options are presented for City Council consideration:

1. Approve the following program modifications to the City's GoMonrovia Mobility Plan:
 - a. Approve Amendment No. 1 to the City of Monrovia's General Services Agreement with Lyft, Inc., to adjust the City's subsidy to \$0.50 / shared ride and \$3.00 / regular ride, and make related adjustments to the pricing restrictions.
 - b. Adopt Ordinance No. 2018-07 to amend Monrovia Municipal Code Chapter 12.42 Relating to Permit and License Requirements for the Use of City Streets and Public and Private Property by bike-share Services to include scooter-share services.
2. Do not approve these program modifications, and provide staff with additional direction.

RECOMMENDATION: Staff recommends that the City Council select Option 1.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to approve Amendment No. 1 to the City's General Service Agreement with Lyft, Inc., and introduce, waive further reading, and read by title only Ordinance No. 2018-07.

AMENDMENT NO. 1 TO CONSULTANT SERVICES AGREEMENT

This Amendment No. 1 (“First Amendment”) to the February 20, 2018, Consultant Services Agreement (“Agreement”) executed by the City of Monrovia, a California municipal corporation (“City”) and Lyft, Inc., a Delaware corporation (“Consultant”), is dated August 7, 2018 (“Effective Date”), and is between City and Consultant.

RECITALS

A. City and Consultant executed the Agreement to provide for Consultant’s ridesharing platform (“**Lyft Platform**”) and mobile application (“**Lyft App**”), which allows users the opportunity to request a ride from one location to another (each, a “**Ride**”). The transportation services (“**Driving Services**”) are provided by authorized drivers using their own vehicles (“**Drivers**”). Lyft provides enterprise transportation solutions through its Concierge Service, and Lyft Codes programs (collectively, “**Programs**”) to business partners to administer, track and manage its transportation spend for its authorized users (each, a “**User**”). Partner desires to participate in the Programs, and Lyft and Partner agree to launch the Programs in accordance with the terms of this Agreement and as specified in Exhibit A.

B. City and Consultant desire to amend the Agreement to modify Exhibit A: (1) Overview, (2) Term, and (3) Partner Codes.

The parties therefore agree as follows:

1. **Amendment to Section 1. Overview**

Section 1. Overview of the Agreement is hereby amended to read as follows:

“The activities described herein shall take place in the GoMonrovia Service Area, as set forth in the map attached hereto as **Attachment 1 (“Program Map Area”)**. The GoMonrovia program will provide subsidized rides for all eligible residents and visitors who apply the coupon codes using Lyft within the boundaries of the Program Map Area. Starting September 1, 2018, Riders who have entered the coupon codes will pay Fifty Cents (\$0.50) per Lyft Shared ride and Three Dollars (\$3.00) per standard Lyft ride, so long as the ride has a starting and ending destination within the boundaries of the Program Map Area, with the remaining cost of the ride covered by the City, pursuant to the terms and conditions outlined in this Exhibit A, up to a maximum subsidy amount of Ten Dollars (\$10.00) per ride, and One Hundred and Twenty One (121) rides per passenger per month. The City has the opportunity to change the fare subsidy amounts at the beginning of each month with at least one week’s notice to Consultant.”

2. **Amendment to Section 2. Term**

Section 2. Term of the Agreement is hereby amended as follows:

This term of this Agreement shall commence on July 1, 2018, and shall remain in effect unless terminated by either party pursuant to the termination provision as outlined in Section 12 of this Agreement.

3. Amendment to Section 5. Partner Codes

Section 5. Partner Codes of the Agreement is hereby amended to read as follows:

- “Credit Value: Each Partner Code shall have a credit value of up to Ten Dollars (\$10.00) per ride per Partner Code redeemed. The partner can elect to increase the credit value per ride up to Thirty-five Dollars (\$35.00) per ride.”
- “Budget: During the term of this Agreement, in no event shall Partner incur or be liable for a payment obligation of more than \$1,200,000.00 per fiscal year period (identifiable as each annual period between July 1 – June 30) associated with Partner Codes (“Budget”), unless modified or amended in writing and duly approved and executed by Partner. Lyft shall provide Partner with notice when Partner has incurred payment obligations equivalent 70%, 80%, and 90% of the Budget. Lyft shall implement reasonable procedures to cancel or suspend Partner Codes within two (2) business days of reaching or surpassing the Budget.”

4. Preservation of Agreement

Except as expressly modified or supplemented by this First Amendment, all of the provisions of the Agreement shall remain unaltered and in full force and effect.

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives are signing this First Amendment on the date stated in the introductory clause.

City:

City of Monrovia,
a California municipal corporation

By: _____
Name: Oliver Chi
Title: City Manager

Consultant:

Lyft, Inc.,
a Delaware corporation

By: _____
Name: Gyre Renwick
Title: VP, Revenue

ATTEST:

By: _____
Name: Alice Atkins
Title: City Clerk

APPROVED AS TO FORM:

By: _____
Name: Craig A. Steele
Title: City Attorney

ORDINANCE NO. 2018-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, AMENDING CHAPTER 12.42 OF THE MONROVIA MUNICIPAL CODE RELATING TO PERMIT AND LICENSE REQUIREMENTS FOR THE USE OF CITY STREETS AND PUBLIC AND PRIVATE PROPERTY BY BIKESHARE AND SCOOTER-SHARE SERVICES

THE CITY COUNCIL OF THE CITY OF MONROVIA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 12.42 of the Monrovia Municipal Code is hereby amended as follows:

“Chapter 12.42 Bikeshare and Scooter-share Services

Sections:

- 12.42.010 Bikeshare and Scooter-share services permitted.
- 12.42.020 Permit required.
- 12.42.030 Placement, design and maintenance.
- 12.42.040 Removal of Bike/Scooter Racks.
- 12.42.050 Display of certain matter prohibited.
- 12.42.060 Compliance by present owners.
- 12.42.070 Location on private property.

§ 12.42.010 Bikeshare and Scooter-share Services Permitted

The renting, lending, or sharing of bicycles and scooters by and to members of the public from an unattended rack or other location (“Bikeshare and Scooter-share”), placed upon or near a public sidewalk or right-of-way, or in another publicly accessible location, shall be permitted only in accordance with the regulations of this chapter.

§ 12.42.020 License and Permit Required

(A) No person shall operate a Bikeshare and Scooter-share service or install or maintain a rack therefor without first obtaining a business license and permit from the business license officer and an approved agreement with the City authorizing the use of City property. The City may charge a fee to the Bikeshare and Scooter-share service for the use of City property, established by resolution of the City Council.

(B) An application for a permit shall be filed with the business license officer on an application form which shall contain:

- (1) The name, address and telephone number of the person or entity who owns the Bikeshare and Scooter-share business;

(2) The signature of the owner or authorized officer of the business agreeing to all terms and conditions of the permit and agreement with the City;

(3) The location of each bike/scooter rack or other facility proposed to be placed and maintained in the City, subject to the approval of the City Engineer;

(4) A precise plan or drawing depicting the exact proposed location of each rack or other facility.

(5) The contact name and 24-hour contact information for the person or persons in charge of maintenance, retrieval and relocation of the bicycle fleet;

(6) Any certificates of liability insurance required by the City agreement or this Chapter.

(C) A permit application shall be accompanied by an inspection fee of \$5 for each bike/scooter rack installed by the permittee.

(D) Issuance of a permit shall be contingent upon payment of the applicable business license tax set forth in Title 5 of this code. Failure to pay such tax will result in the revocation of existing permits.

(F) The permittee shall maintain general commercial liability insurance covering personal injury and property damage arising out of the use, operation, ownership and maintenance of the Bikeshare and Scooter-share service with limits of at least \$1 million per occurrence and \$2 million in the aggregate, with the city named as an additional insured. Evidence of such insurance shall be filed with the Business License Officer before issuance of a permit. The insurance shall provide that cancellation shall be effective only after 30 days written notice thereof delivered to the Business License Officer.

§ 12.42.030 PLACEMENT, DESIGN, AND MAINTENANCE

(A) Bikeshare and Scooter-share racks, bikes, scooters, and facilities shall be placed and maintained so they do not:

(1) Endanger the safety of persons or property;

(2) Interfere with any governmental or other permitted use of the sidewalk;

(3) Unreasonably interfere with pedestrians, including persons entering or leaving motor vehicles or businesses;

(4) Interfere with ingress or egress to private property;

(5) Interfere with the use of mail boxes or traffic signals;

(6) Inhibit any designated path of travel for persons with disabilities.

(B) Bikes/scooters shall not be parked and bike/scooter racks shall not be placed:

(1) Within three feet of any marked crosswalk;

(2) Within 15 feet of the curb return of any unmarked crosswalk;

(3) Within five feet of any fire hydrant, fire call box, police call box or other emergency facility;

(4) Within five feet of any driveway;

(5) Within five feet ahead of, or 25 feet to the rear of any sign marking a designated bus stop;

(6) Within six feet of any bus bench or bus shelter;

(7) At any location where the clear space for the passageway of pedestrians is reduced to less than six feet;

(8) So as to project onto or over any part of the roadway of any public street or alley open to vehicular traffic, or rest wholly or in part upon, along or over any portion of the roadway of any public street or alley open to vehicular traffic;

(9) Within three feet of any display window of any building abutting a sidewalk or parkway, or in such manner as to impede or interfere with the reasonable use of such window for display purposes.

(C) Any bike/scooter racks installed, used or maintained shall not exceed five feet in height, 30 inches in width or two feet in thickness. Mounting for bike/scooter racks shall be of a design and aesthetic approved by the City and bolted in place to the sidewalk. Equivalent designs shall be subject to the approval of the Development Review Committee.

(E) Each bike/scooter rack installed, used or maintained pursuant to this chapter shall be identified with the name, address, telephone number and permit of the owner in a manner so as to be clearly visible. No bike/scooter rack shall carry any advertising except the name of the Bikeshare and Scooter-share service or a public service message from the City of Monrovia.

(F) Bike/scooter racks shall be maintained in good working order at all times, and in a clean and neat condition. No bike/scooter rack shall be placed or maintained on a sidewalk opposite another bike/scooter rack or news rack.

§ 12.42.040 Removal of Bike/Scooter Racks

(A) Any bike/scooter rack or other Bikeshare and Scooter-share facility installed, used or maintained in violation of the provisions of this chapter may be removed or stored in any convenient place by any officer of the city. Ten (10) calendar days prior to removal, written notice of the violation shall be given by attaching a notice of violation to the bike/scooter rack or facility and mailing such notice to the permittee. At any time within said 10-day period, an informal administrative hearing to challenge the existence of the alleged violation may be requested by the permittee or a representative of the permittee. The hearing shall be held before the Development Review Committee, whose decision in the matter shall be final and not subject to the appeal provisions set forth in Title 2 of this code. If the permittee fails to correct the violation during the 10-day period, or within five days following an adverse decision by the Development Review Committee, whichever is later, the bike/scooter rack or other structure shall be removed, held as evidence or disposed of as unclaimed property by the Police Department.

(B) The cost of removal and/or storage by the city of any bike/scooter rack or other facility subject to this chapter shall be chargeable as a civil debt to the owner thereof and may be collected by the city in the same manner as it collects any other civil debt or obligation.”

Section 2. If any section, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance or any part hereof. The City Council of the City of Monrovia hereby declares that it would have passed each section, subsection, subdivision, paragraphs, sentences, clauses or phrases be declared invalid.

Section 3. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published as required by law and transmit the adopted Ordinance to the appropriate franchisees.

INTRODUCED this 7th day of August, 2018.

PASSED, APPROVED, AND ADOPTED this 4th day of September, 2018.

Tom Adams, Mayor
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

Alice D. Atkins, CMC, City Clerk
City of Monrovia

Craig A. Steele, City Attorney
City of Monrovia