



PROPOSED NEW MUNICIPAL FEES

In accordance with Arizona Revised Statutes (A.R.S.) 9-499.15, this report provides that the City of Phoenix may propose new fees associated with permitting dockless bikes and explains the basis for those fees.

Background

Bikesharing is experiencing another breakthrough in the form of dockless systems which are emerging throughout the United States. Dockless bikeshare is a service in which bikes are made available in public right-of-way for shared use on a short-term basis. Users of the dockless bikeshare service typically use a smartphone app to locate and pay to rent a bike. A dockless bike may be located in designated areas, or at an appropriate spot left by the previous user. This bikeshare system is different from a docked bikeshare system in that there are no stations for docking the bikes. The bikes can be left anywhere because they are secured with a wheel locking mechanism that is unlocked via the bikeshare operator's app.

A draft ordinance and permit detailing the specific components of a dockless bike program is being developed and will be available for public review and comment in May 2018.

The Phoenix City Council is scheduled to consider the final ordinance and related fees at its meeting on June 27, 2018.

Proposed Fees

Staff will be recommending to the City Council a 12-month pilot dockless bikeshare program to monitor operator compliance and market demand to better refine permit requirements. The proposed program will require a permit to operate a dockless bikeshare system in the public right of way, identify associated rates and fees and establish parking regulations for bikes in public right of way. The permit will also include requirements that address safety, parking, operations and data sharing. Permits will include standard terms and conditions such as indemnification, insurance and performance bond requirements.

This program is intended to recover the costs to the City. After public and stakeholder input has been considered, a final version of the ordinance and proposed permit will be presented to the City Council in June 2018.

Until the program is fully defined and ordinance language is finalized, the precise fee necessary to recover the costs of implementing that ordinance will not be known. Therefore, staff has prepared preliminary estimates of the potential fees based on the framework presented to Council.

Once the ordinance is finalized, staff will adjust the fees to reflect any cost reductions identified. The fees will be targeted to recover 100 percent of the City's estimated costs, but will not exceed the amounts noted below.

The proposed rates and fees are intended to recover costs of administering the program, will be evaluated as part of the pilot, and are shown below:

Type	Fee Will Not Exceed
Dockless Bikeshare Permit Application Fee	\$500
Bike Permit Fee	\$20 per bike annually
Relocation-Re-Parking Fee	\$80 per bike relocated/re-parked