



Due to the ongoing COVID-19 health emergency, scooter usage and deployments reduced significantly in spring 2020 into the summer and continued to remain significantly lower than 2019 (Attachment 2). Additionally, staff was not able to conduct community outreach events or meet with the Ad Hoc Scooter Task Force as planned for 2020 due to restrictions on gatherings. Public meetings were not held in the spring and summer, but a virtual meeting of the Task Force was held in September 2020.

If the attached resolution is not approved, the City's current Phase II Pilot Program would expire on December 31, 2020. After this date, City Code provisions regulating micro mobility devices would remain in effect and people would be allowed to ride the devices in Alexandria, but the City would not have permit system or program to manage companies in place. If City Council does not take any action on this proposed resolution prior to December 31, 2020, any company could bring their devices to the City without paying a permit fee or sharing data with the City. Additionally, the City would have no ability to require the companies to abide by any of the requirements outlined in the Phase II Pilot Program MOU after December 31, 2020.

**DISCUSSION:** The purpose of the Phase II Pilot Program was to evaluate the changes made from Phase I, engage with the community, and determine whether the City should have a permanent program and if so, identify the most appropriate permitting or procurement process. Unfortunately, it was not possible to gather the data necessary to make these determinations due to limitations stemming from COVID-19. In order to continue managing scooter companies and evaluate the merits of a city program, staff recommends extending the Phase II Pilot Program through December 31, 2021. If extended, the current Phase II Pilot Program requirements in the current MOUs between the City and the companies (Attachment 3) would continue. City Code amendments approved by City Council in December 2019 to address safety concerns will remain in effect regardless of the pilot program.

There are several reasons to extend the Pilot Program an additional year. The ongoing COVID-19 health emergency impacted staff's ability to assess program changes made with Phase II due to low scooter usage (Attachment 2). An extension would provide time for the scooter industry to regulate so staff can more effectively analyze trends, ridership, and deployment. Also, an extension would also allow time for staff to engage with both the community and the Task Force in 2021 and apply that input to draft recommendations. The Phase II MOU also included several key changes from Phase I, such as a requirement for operators to distribute scooters more equitably throughout the City and for operators to deploy in corrals. An extension would allow staff and the Task Force to review the impact of these changes and determine what changes should be made for a future program. Finally, because this new form of mobility, technology continues to rapidly change. Extending the pilot period through 2021 provides staff the opportunity to further research, compile data and watch where this new industry is heading.

Staff met with the Task Force on September 21, 2020 to discuss the status of the program. After discussion and considering public comment, the Task Force voted to recommend an extension to the program (Attachment 3). The Task Force members also indicated they were still interested in participating with this Task Force in 2021. The Resolution creating the Task Force allows the Task Force to remain in effect for 12 months, which is measured from the date of their first meeting. Unless further extended, the current Task Force will remain in effect until September 2021, at which time they will provide a recommendation that will be included for Council consideration of a path forward.

**FISCAL IMPACT:** During Phase II, companies were required to pay a permit fee of \$10,000 and a per device fee of \$75. Each of the five participating scooter companies applied for the maximum of 200 devices to operate in the City through December 31, 2020, for a total permit fee of \$25,000 per company. A total of \$125,000 in permit fees have been collected. Staff recommends maintaining the same permit structure for the 12-month extension (permit fee of \$10,000 and a per device fee of \$75).

Each of the scooter companies is also subject to the City's Short-Term Daily Rental Tax, which requires each company to pay a tax of 1% on the gross proceeds of their rentals. In 2019, the City collected approximately a total of \$11,000 from the scooter companies. Due to the COVID-19 health emergency, scooter ridership and therefore gross proceeds are lower for 2020, meaning that the City will likely collect less Short-Term Daily Rental Taxes from the scooter companies in 2020.

**ATTACHMENTS:**

Attachment 1: Resolution to Extend the Phase II Pilot Program

Attachment 2: Ridership Trends

Attachment 3: Letter from the Ad Hoc Scooter Task Force

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