

CITY COMMISSION AGENDA MEMO
February 25, 2020

FROM: Jared Wasinger, Assistant to the City Manager

MEETING: March 3, 2020

SUBJECT: Authorize Negotiation of Agreement with Zagster, Inc., to Access Public Rights-Of-Way for Micromobility Services

PRESENTERS: Jared Wasinger, Assistant to the City Manager
Adam Greenstein, Micro-Mobility Director at Zagster

BACKGROUND

Electronic Scooters (e-scooters) have become a popular alternative to transportation and mobility in cities throughout the United States and Kansas. Multiple e-scooter companies have launched over the last 2-3 years providing cities and universities ride-share services for residents and visitors, where users can rent an e-scooter for transportation through a smart device after downloading the mobile application and are charged set rates while in use until the ride is complete. Additionally, individuals across the country have purchased their e-scooters for transportation as a substitute for bicycles or other alternatives.

In 2019, the Kansas Legislature amended the state traffic act to allow use of e-scooters on streets in the same manner as bicycles, with the exception that it is unlawful to ride e-scooters on any interstate, federal or state highway. Such legislation was incorporated into the 2019 Standard Traffic Ordinance (STO) which the City adopts by incorporation and amends. The Legislature gave cities the authority to be stricter than the STO with respect to e-scooters, or to prohibit them completely.

On Friday June 21, 2019, the Bicycle and Pedestrian Advisory Committee (BPAC) had a discussion related to e-scooters with City Staff and voiced support for allowing e-scooters as an alternative mode of micro-mobility in the community.

On July 1, 2019, the Parks and Recreation Advisory Board (PRAB) voiced support for allowing e-scooters in City parks and trails.

The City Commission provided feedback to City Administration during discussion item on July 16, 2019. During the meeting, there was consensus from the Commission to move forward with ordinances allowing and regulation e-scooters in Manhattan.

On October 1, 2019, the City Commission approved the 2019 STO mirroring state law, which allows e-scooters to be ridden on public streets and must adhere to the same traffic regulations as bicycles set forth by state and local laws, with the exception that it is unlawful to ride e-scooters on any interstate, federal or state highway within the city (which include Tuttle Creek Boulevard, Fort Riley Boulevard, Seth Child Road, and East Poyntz Avenue).

On October 1, 2019, the City Commission also approved Ordinance No. 7449 related to uses not addressed in the STO, such as micromobility devices (such as e-bikes and e-scooters) on city property the regulation of micromobility network companies upon city property. The ordinance provides the following regulations related to micromobility devices on public property:

- City Ordinance prohibits a rider from operating or riding an e-scooter on the sidewalks and plaza areas located within the Aggieville and Downtown Business Districts. It also prohibits operating or riding the devices in City parking lots and garages.
 - If a person is operating any of these devices on city sidewalks or plazas elsewhere in the city, the person must yield to pedestrians and signal before passing a pedestrian. In addition, the rider can only travel at a speed that is “reasonable and prudent under existing conditions,” which in no case shall exceed 15 mph. These rider conduct provisions help protect the safety of the riders and pedestrians who are sharing the sidewalks.
- City Ordinance requires riders to park e-scooters in City-approved racks or locations while within the Aggieville or Downtown Districts. This maintains City control of parking locations in these busy districts.
 - In other parts of the city, a rider can only park on street side curbing, where not otherwise prohibited; in City-approved racks or locations; or on private property where parking is authorized by the owner. Parking on public sidewalks that are not within a City-approved rack or other location is prohibited, as well on private property where parking is not allowed.

On October 1, 2019, the City Commission also authorized City Administration work toward a selection process for a Micromobility Network Company (MNC) to provide e-scooter services to the community. Due to the complexities of conducting a joint RFP with Kansas State University, the City Commission provided feedback during a briefing session in November 2018 to have K-State move forward with the formal RFP process and allow a member of City Staff, the City Commission, and Riley County Police Department (RCPD) could serve as ex-officio members on the selection committee to provide input and feedback from a City perspective in the event the awarded MNC approached the City request access to the public ROW.

DISCUSSION

On December 10, 2019, Kansas State University issued a Request for Proposals to micromobility network companies (MNC) seeking E-Scooter services. The RFP closed on January 21, 2020. K-State received six submittals. A selection committee comprised of representatives from the KSU Division of Parking, Student Governing Association, Faculty Senate, K-State Athletics, Purchasing, President's Office, Riley County Police Department (RCPD), and the City narrowed the submittals down to three finalists (Lime, Bird and Zagster powered by LINK Scooters) and conducted interviews with the following MNC's through the weeks of February 10-21. On February 21, the K-State selection committee recommended awarding the e-scooter contract to Zagster, Inc., of Boston, Massachusetts. Zagsters has provided a written request to the City Commission (attached) to provide e-scooter services on city streets, sidewalks and rights-of-way.

Zagster powered by LINK Scooters in partnership with Green Apple Bikes

The Zagster/LINK/Green Apple Bikes partnership proposal is a unique model that the selection committee found many benefits for the university and community (see attached presentation to the KSU Selection Committee for full proposal understanding). Regarding other proposals we received, the e-scooter company provides both the scooters and management of the scooter fleet through very few "company" employees and rely heavily on "gig" workers (like the Uber model) where individuals choose to work and get paid at their discretion.

Zagster - fleet management and operations. Zagster has been managing micromobility fleets for cities and university since 2007. Zagster will use locally paid W2 employees with a local director to manage the fleet of LINK scooters, as well as the education program with the community.

LINK - Scooter and mobile app. Zagster has an agreement with LINK to provide residents, students and visitors will access LINK scooters and the LINK mobile app, a subsidiary of Superpedestrian. Superpedestrian is a transportation robotics company founded at Massachusetts Institute of Technology (MIT) in 2013. The selection committee found LINK scooters, geofencing technology, and advanced maintenance technologies, to be superior to other proposals. LINK Scooters will be managed, charged, rebalanced, and monitored by Zagster employees.

Green Apple Bikes - Community engagement and marketing. Zagster has an agreement with GAB to begin managing and rebalancing their fleet of GAB bikes will also managing LINK Scooters to relieve GAB's reliance on volunteers. GAB is also in agreement to assist Zagster with engagement, education and marketing events with the public and key stakeholders given their understanding of the community.

FINANCING

As this item only authorizes negotiation of agreement, there are no direct financial impacts at this time other than staff commitment. In the event Zagster enters into an agreement with the City and an agreement with the University to deploy LINK Scooters, they have proposed two revenue sharing options for consideration:

- **Option 1**
 - For each ride that is generated on campus, Zagster will pay the university \$0.25 per ride.
 - For each ride that is generated on city property, Zagster will pay the City \$0.25 per ride.
- **Option 2**
 - Alternatively, if the university and city would prefer a fixed licensing fee, then Zagster is happy to offer an annual license fee of \$180 per vehicle allowed on campus and in the City, as defined by vehicle caps set for campus and city property within the agreements. For example, assuming a vehicle cap of 250 vehicles on campus and 250 on city property, Zagster would pay the university \$45,000 per year, and the city \$45,000 per year.

These revenue sharing provisions are subject to negotiation. City and University officials have informally had discussions about allowing both revenue sources from revenue sharing with Zagster to be allocated to the City-University Fund.

ALTERNATIVES

It appears the Commission has the following alternatives concerning the issue at hand. The Commission may:

1. Accept the request from Zagster, Inc., to operate micromobility devices in the city of Manhattan based on the recommendation and intent to award from Kansas State University and authorize City Administration to negotiate an agreement with Zagster, Inc., of Boston, Massachusetts, for the operation as a micromobility network company on city streets, sidewalks and rights-of-way.
2. Deny the request.
3. Table the item and provide further direction to City Administration.

RECOMMENDATION

Accept the request from Zagster, Inc., to operate micromobility devices in the City of Manhattan based on the recommendation and intent to award from Kansas State University and authorize City Administration to negotiate an agreement with Zagster, Inc., of Boston, Massachusetts, for the operation as a micromobility network company on city streets, sidewalks and rights-of-way.

POSSIBLE MOTION

Authorize City Administration to negotiate an agreement with Zagster, Inc., of Boston, Massachusetts, for the operation as a micromobility network company on city streets, sidewalks and rights-of-way.

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Enclosures:

1. Request Letter from Zagster, Inc., with attached Intent to Award Letter from Kansas State University
2. Zagster Presentation to KSU Selection Committee