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## PROPOSED INCREASE OF MUNICIPAL FEES

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In accordance with Arizona Revised Statutes (A.R.S.) 9-499.15, this report provides that the City of Phoenix may propose increased fees associated with the downtown shared electric scooter pilot program and explains the basis for those fees.

### Background

Throughout the United States and in the Phoenix region, micro-mobility sharing programs such as shared electric scooters and bicycles have seen growth in demand. Shared electric scooters are a shared micro-mobility service that is made available to the public via private vendors. These scooters are stored and used within the public right-of-way on a short-term basis. Users of the proposed shared electric scooter service typically use a smartphone app to locate and pay for them.

The Phase II pilot program is a six-month program which started on October 1, 2020 and is scheduled to conclude on March 31, 2021. Staff has been monitoring costs and determined that a fee increase is necessary to have the program become revenue neutral.

The Phoenix City Council is scheduled to consider an extension of the existing pilot program and ordinance and may consider an increase of related fees at its meeting on or after April 7, 2021.

### Proposed Fee Increases

Staff will be recommending to the City Council to extend the existing Phase II six-month pilot downtown shared electric scooter pilot program while continuing to monitor operator compliance, market demand, and City costs. The proposed program will require a renewal of the six-month permit to continue operating a shared electric scooter system in the public right-of-way.

The fee structure is intended to cover the administration costs of the program, including any contract costs associated with this program. Until the program is fully defined and ordinance language is finalized, the precise fees necessary to recover the costs of implementing the program will not be known. Therefore, staff has prepared preliminary estimates of the fees based off the data from the first three months of the pilot program.

The proposed rates and fees are intended to recover 100 percent of the costs of administering the program, and are shown below:

Type	Fee Will Not Exceed
Shared Electric Scooter Permit Application Fee	\$500
Shared Electric Scooter Permit Fee	\$7,500 per six-month term
Surcharge Fee	\$0.25 per ride
Relocation Parking Fee	\$100 per scooter