



February 11, 2019

City of Tempe  
31 E 5th St  
Tempe, AZ 85281

RE: Shared Active Transportation Vehicle License (SATV)

Dear Mayor Mitchell and Councilmembers:

Thank you for embracing the benefits of micro-mobility over the past several months in Tempe. Shared active transportation vehicles provide an affordable and accessible alternative to short car trips, reducing associated carbon emissions and congestion. In our time serving Tempe:

- Over 80,000 Tempe residents, visitors and students have ridden Lime's bikes and scooters.
- Based on national averages, we estimate that approximately 24,000, or one out of three riders, have consistently made the decision to choose a scooter over a car trip, resulting in real and sustained modeshift in the City.
- Lime has created local jobs, and thousands of residents have earned extra income charging scooters.
- We have held local safety education events and handed out helmets as part of our \$3 million *Respect the Ride* campaign, geofenced areas of the city to discourage riding, and provided in-app safety tutorials for all new riders.

Lime strongly supports regulation and has been working with the City over the past several months to adopt the Shared Active Transportation Vehicle license conditions that creates strong operational, data-sharing and safety standards, while ensuring companies can sustain service. We have also communicated our support for a performance-based system, a fee structure that takes into account the dynamic movement of scooters on the public right-of-way and across city boundaries, and liability requirements that are consistent with industry standards.

**Given our strong relationship with the Tempe community and growing rider demand in the city, it is with great disappointment that we have made the difficult decision to pull scooters out of the City at this time.**

While policymaking is never perfect, two critical issues remain unresolved in the existing license. Together, they create a uniquely risky and unsustainable business environment:

- 1) Unprecedented Liability Burden: All of Lime's agreements with cities provide some form of protection for the City when it relates to liability for Lime's business operations and conduct. It has become an industry standard that we helped establish. While we appreciate the City's minor amendments to the originally drafted liability requirements, the existing standards continue to remain an unprecedented overreach.

The Tempe liability requirements go beyond those in other cities by forcing operators to take on risk well beyond their control and outside the scope of its business operations, such as indemnifying the City's own conduct in maintaining roads or sidewalks in safe condition. In

addition, by signing the form, operators must agree that scooters are “inherently hazardous,” a standard usually reserved for activities such as those involving operating major public fireworks, radioactive materials, etc. This required endorsement is unprecedented among the over 100+ markets in which we operate.

- 2) Cost of Doing Business: The SATV license requires each company to pay \$1.06 per scooter per day. At \$386.90 per vehicle per year, the cost of doing business in Tempe would become one of the highest in the country. It eclipses the per vehicle fees in cities of all sizes, including Los Angeles, Tacoma, Austin, Lubbock, Boise, etc. Scottsdale’s ordinance, as you know, requires no fee to operate. At this cost, and given Tempe’s demand, we remain concerned that it will require Lime to raise our affordable rates and undermine our low-income [Lime Access](#) program which provides 50% off for anyone who qualifies for federally- or state-run assistance program, including Pell grants.

We understand that the original fee justification was based largely on occupation of the public right of way, using existing fee comparisons that do not have the same unique and dynamic characteristics as scooter-share (e.g. constant movement, ridership across city boundaries), and benefits of shared vehicle systems. The current fee is approximately **20 times more costly**<sup>1</sup> per mile than cars are taxed, minimizing the social, economic and environmental benefits of shared vehicles. Discussion at Council also stressed the interest in using these funds for education. The license already requires operators to prepare a parking and education plan that we individually fund, and the City must approve, which is standard among many city agreements.

We have openly supported a flat permit fee and per-ride fee to offset costs the City would incur to ensure compliance with the license. We remain interested in continuing to work with the City on this or similar alternative.

**While Lime is leaving the City at this time, we remain deeply committed to continuing to serve Tempe customers. We look forward to working with the City to bring scooter requirements more in line with industry standards.**

Sincerely,

Lime

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<sup>1</sup> Based on federal gas tax rate at \$0.184/gallon, state gas tax \$0.18/gallon, and the average fuel economy at 24.7. On a per mile basis, the average car owner is paying less than one cent/mile.