

CITY OF CHICAGO REQUIREMENTS FOR SCOOTER SHARING EMERGING BUSINESS  
PERMIT PILOT PROGRAM

**I. Definitions.**

For purposes of this scooter sharing emerging business permit application document, the following definitions shall apply:

“Business operations window” means the time period(s) within the term of the scooter sharing EBP in which vendors are allowed to conduct business operations, i.e., offering scooter rental services in accordance with the terms of the scooter sharing EBP.

“City” means the City of Chicago.

“Code” means the Municipal Code of Chicago.

“Commissioner” means the City’s Commissioner of Business Affairs and Consumer Protection.

“Pilot Area” means the geographic area in which a vendor’s scooters may be rented from and end a trip, subject to the terms of the pilot program, and all generally applicable parking rules and restrictions. The pilot area for the pilot program shall be the entire portion of the City bounded as follows, and as shown in the attached Pilot Area Map: beginning at the intersection of North California Avenue and West Irving Park Road; thence east on North California Avenue to the North Branch Chicago River; thence southeasterly along the North Branch Chicago River to North Halsted Street; thence south on North Halsted Street to the South Branch of Chicago River; hence southwesterly along the South Branch of Chicago River to South Cicero Avenue; thence north on South Cicero Avenue to West Pershing Road; thence east on West Pershing Road to the Chicago Belt Railroad; thence north along the Chicago Belt Railroad to Roosevelt Road; thence west on Roosevelt Road to South Austin Boulevard; thence north on South Austin Boulevard to West North Avenue; thence west on West North Avenue to Harlem Avenue; thence north on Harlem Avenue to West Irving Park Road; hence east on West Irving Park Road to the place of the beginning. The pilot area includes two sub-areas: Priority Sub-Area 1 and Priority Sub-Area 2.

“Pilot program” means the program created to allow a scooter sharing business on an experimental basis during a business operations window.

“Priority Sub-Area 1” means the area within the pilot area bounded as follows, and as shown in the attached Pilot Area Map, beginning at the intersection of North Pulaski Road and West Irving Park Road; thence south on North Pulaski Road to West Grand Avenue; thence southeast on West Grand Avenue to North Kedzie Avenue; thence south on North Kedzie Avenue to West Chicago Avenue; thence west on West Chicago

Avenue to North Austin Boulevard; thence north on North Austin Boulevard to West North Avenue; thence west on West North Avenue to Harlem Avenue; thence north on Harlem Avenue to West Irving Park Road; hence east on West Irving Park Road to the place of the beginning.

“Priority Sub-Area 2” means the area within the pilot area bounded as follows, and as shown in the attached Pilot Area Map, beginning at the intersection of West Chicago Avenue and North Austin Boulevard; thence east on West Chicago Avenue to North Kedzie Avenue; thence south on North Kedzie Avenue to the South Branch of Chicago River; hence southwesterly along the South Branch of Chicago River to South Cicero Avenue; thence north on South Cicero Avenue to West Pershing Road; thence east on West Pershing Road to the Chicago Belt Railroad; thence north along the Chicago Belt Railroad to Roosevelt Road; thence west on Roosevelt Road to South Austin Boulevard; hence north on South Austin Boulevard to the place of the beginning.

“Scooter sharing EBP” means a scooter sharing emerging business permit issued to an eligible applicant by the Commissioner to participate in the pilot program pursuant to Section 4-4-022 of the Code.

“Scooter” means a low-speed electric mobility device, as that term is defined in Section 9-4-010 of the Code. In Section 9-4-010 of the Code, the term “Low-speed electric mobility device” is defined as “a device which: (i) has no operable pedals (ii) is no more than 26 inches wide; and (iii) is powered by an electric motor that is capable of propelling the device with or without human propulsion at a speed no more than 15 miles per hour on a paved level surface.

“Vendor” means a business entity that has been issued a scooter sharing EBP to participate in the Pilot program.

## **II. Eligibility Criteria.**

Pursuant to Section 4-4-022 of the Code, the Commissioner considers eligible applicants to participate in the pilot program. To be eligible for participating in the pilot program, an applicant must meet all of the following requirements:

1. An applicant must demonstrate experience in managing in good standing (i.e. no license or permit revocation or suspension) a shared mobility program with at least 200 devices in a city of 500,000 or more population.
2. An applicant must be able to meet the equity requirements of the terms of the permit, including, but not limited to, providing scooter sharing access to individuals without a bank account (unbanked) or without a smart phone, and ability to re-balance the

applicant's scooters, as provided in the pilot terms, every day during the business operations window.

3. An applicant's scooters must meet all requirements to be legally operated in the City.
4. An applicant must be able to geo-fence so that its scooters cannot be operated outside of the pilot area, or other areas as the Commissioner may define at a later date, including the ability to decelerate and ultimately stop within a quarter of a mile a scooter that is being operated from inside the pilot area to outside of the pilot area.
5. An applicant must have educational and incentive programs regarding legal and safe scooter use and parking as provided in Paragraph V(14) of the terms of the scooter sharing EBP.
6. An applicant must have all of its scooters in the program allowed pursuant to Part IV of this document launched on June 15, 2019.
7. Prior to June 15, 2019, an applicant must demonstrate that it can integrate data with the City in the Mobility Data Specification (MDS) standard through an Application Programming Interface (API), as provided in Paragraph V(17).
8. An applicant shall pay a permit application fee of \$250.00 plus a \$120.00-per-scooter, which is the equivalent of \$1-per-day-per-scooter during the business operations window of the pilot program, administrative fee to address costs incurred by the City in relation to the pilot program. These may include costs related to administration, monitoring, and use of the public way.
9. An applicant shall produce proof with its application package that it has obtained commercial general liability insurance, with limits of not less than \$5,000,000 per occurrence, for bodily injury, personal injury and property damage. The insurance policy shall: (1) be issued by an insurer authorized to insure in Illinois; (2) name the City of Chicago as additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the vendor's operations; and (3) include a provision requiring 30 days' advanced notice to the Commissioner prior to cancellation or lapse of the policy. The applicant shall maintain the insurance required under this paragraph in full force and effect for the duration of the pilot period. In addition, the applicant shall: (i) indemnify, defend and hold harmless the City against any additional or uncovered third party claims arising out of or caused by the vendor's scooter operations; and (ii) cover the cost for any

damage to the public way or other city property arising out of or caused by the applicant's scooter operations.

10. An applicant must be responsive to concerns from the public and the City 24 hours a day, 7 days a week during the business operations window.

11. An applicant must submit a complete permit application packet no later than May 8, 2019. The permit application packet must contain a completed business information sheet, available [here](#). An applicant must also provide the information specified below as part of its application packet:

a. Illinois Secretary of State – an applicant must complete an application for authority to transact business in Illinois and obtain a file number.

b. Illinois Department of Revenue – an applicant must file with the Illinois Department of Revenue.

c. Internal Revenue Service – an applicant must provide a Federal Employer Identification Number (FEIN).

d. Controlling persons of an applicant must provide: (i) full name, residence address, business address, business, home and cellular telephone numbers, and e-mail address; the name and telephone number of an emergency contact person; (iii) date of birth and social security number.

e. The applicant's:

(i) private property use permission as provided in Paragraph (V)(1);

(ii) plan for compliance with the scooter maintenance requirement provided in Paragraph V(8);

(iii) plan for compliance with the hiring requirement provided in Paragraph V(11);

(iv) plan for compliance with the equity requirements provided in Paragraph V(10);

(v) accessibility plan to address the needs and interests of people with disabilities. An accessibility plan can include accessible technology (apps, websites, software), scooters with features to accommodate people with

varying disabilities, lock-to technology and scooters that emit audible sounds to indicate their presence;

(vi) local business engagement plan outlining the steps the applicant will take to engage with local business owners; and

(vii) designated contact person and the person's contact information.

Completed application packets or any application related question must be emailed directed to John Castaneda, Department of Business Affairs and Consumer Protection, at [john.castaneda@cityofchicago.org](mailto:john.castaneda@cityofchicago.org), telephone 312-744-5359.

### **III. Duration of the scooter sharing EBP; business operations window of the pilot program.**

1. Consistent with Section 4-4-022 of the Code, the scooter sharing EBP shall be non-renewable and shall be valid for a maximum of two years, from June 15, 2019 to June 14, 2021.
2. The business operations window of the pilot program shall be from June 15, 2019 to October 15, 2019. The City, in its sole discretion, reserves the right to add an additional business operations window for the pilot program within the two-year permit period provided in paragraph III(1).
3. The City has no obligation to add an additional business operations window for the pilot program, or to create a permanent business license category for the permitted business activity.

### **IV. Total Number of Scooters for the pilot program and for each vendor.**

1. The total number of scooters for the pilot program shall be a minimum of 2,500 and a maximum of 3,500, as the Commissioner determines based on the total number of eligible applicants.
2. Each eligible applicant's number of allowed scooters for the business operations window shall be: the total number of scooters for the pilot program divided by the total number of eligible applicants. To be considered approved for the pilot program, an otherwise eligible applicant must launch operations with all of its allowed scooters deployed and available to ride on June 15, 2019.
3. The Commissioner reserves the right to increase the total number of scooters initially allowed for the business operations window. If the Commissioner exercises that right, distribution of additional scooters to participating vendors shall be based on the performance of the participating vendor, including but not limited to: compliance with the terms of the pilot program, customer utilization rate of the vendor's scooters, accessibility of the vendor's scooter's for people with disabilities, and compliance with

equity and rebalancing, operations and maintenance, data-sharing and parking requirements.

## **V. Operational Requirements.**

1. *Launching from a private property.* Vendors must launch all scooters from a supporting private property on the first day of launch. In order to operate from a private property, vendors must be in compliance with all applicable requirements of the Chicago Zoning Ordinance and must have prior written permission from the owner or lessee of any private property to be used and provide such permission to the Commissioner at the time of permit application.
2. *Operation within the pilot area.* The permit authorizes vendors to operate only within the pilot area from 5 a.m. to 10 p.m. Scooters shall not be available for rent outside of the operating hours, and scooters shall be removed from the public right of way within 2 hours after the end of the operating hours. A vendor must retrieve any scooter parked outside of the pilot area within 2 hours of knowledge of the location of such scooter, and such scooter shall not be made available for rent until returned to the pilot area. A vendor shall use technology to make scooters parked outside of the pilot area to not be accessible to users, and the vendor shall not make such scooters visible for rent in the vendor's online application.
3. *Scooter requirements.* All scooters operating in the City must meet the requirements of a low-speed electric mobility device, as that term is defined in Section 9-4-010 of the Code. That means, that each scooter: (i) shall not have operable pedals; (ii) shall not be more than 26 inches wide; and (iii) shall be powered by an electric motor that is capable of propelling the device with or without human propulsion at a speed no more than 15 miles per hour on a paved level surface. In addition, each scooter must be equipped with the following features and abilities: warning bell, a front white light, and a rear red light visible from a distance of at least 500 feet and that stays illuminated for at least 90 seconds after coming to a full stop, hand and foot brakes, and a unique identifier.
4. *Non-functional scooters.* A vendor must retrieve any scooter that is non-functional due to a depleted battery or other damage within 2 hours of knowledge of the location of such scooter. A vendor shall use technology to make such scooters to not be accessible to users, and such scooters should not be visible for rent in the vendor's online application.
5. *Compliance with laws and rules and the terms of the pilot program.* Vendors shall comply with all applicable laws and rules, and the terms of the scooter sharing EBP. Specifically, vendors shall comply with all applicable tax laws, including the Chicago Personal Property Lease Transaction Tax Ordinance, codified at Chapter 3-32 of the Code, and the Chicago Use Tax for Nontitled Personal Property, codified at Chapter 3-27 of the Code. Vendors are also encouraged to consult with their own tax attorneys or accountants to determine tax obligations applicable to the business they are conducting under the scooter sharing EBP.

6. *Contact information on scooters.* A vendor shall have easily visible contact information on each of its scooters used in the pilot program to receive direct notice of any issues or incidents regarding operation of its scooters during the pilot program, including the vendor's name, website and email address, a toll-free phone number with 24 hours a day, 7 days a week customer support hotline in English, with translation services available in the following languages: Spanish, Polish, Korean, Arabic, Hindi and Mandarin. The vendor must also display contact information on its website and smartphone applications. A vendor must also have a designated contact person for communications with the City.
7. *No advertising on scooters.* No advertising shall be allowed on scooters used during the business operations window of the pilot program.
8. *Scooter maintenance.* Each vendor shall conduct maintenance on each of its scooters used in the pilot program at least once per a calendar month during the business operations window. A vendor must record, and shall make available to the City upon request, the following scooter maintenance information: (i) the frequency and extent of scooter maintenance and cleaning; (ii) employees, services, or contractors conducting scooter maintenance for the vendor; (iii) the average lifespan of main scooter parts, and (iv) the vendor's scooter disposal and recycling practice.
9. *Geo-fencing.* The Commissioner may require a vendor to use geo-fencing technology and capability to restrict operations in certain areas, including, but not limited to, during special events or emergencies, or during public safety, or operational needs as determined by the Commissioner, to exclude areas outside of the jurisdiction of the City, or based on data, complaints, or other information gathered during the pilot program. It is the responsibility of the vendor to implement and notify users of this restriction. Also, the vendor must use a geo-fencing technology, including technology to decelerate and ultimately stop scooters that are being operated from inside the pilot area to a quarter of a mile outside of the pilot area, so that its scooters cannot be operated outside of the permit area during the business operations window.
10. *Equity Requirements.* Vendors must be committed to addressing equity issues and utilizing their scooter service to expand mobility to people facing financial and technological barriers. These barriers must be addressed in vendors' operations and communications programming, including providing cash payment options for the unbanked community, and providing locating and locking capabilities without the use of smartphones for customers with limited technology access. To support public knowledge of these options, vendors must create and distribute print publications and a webpage explaining their cash payment options, phone access, program qualifications (if any), and how residents can access scooters via these methods.
11. *Hiring plans.*
  - (a) Vendors are encouraged to include in their hiring plan steps they will take to identify, train, and employ local residents that have been historically disadvantaged in participating in the local economy.

- (b) Vendors are also encouraged to have specific contracting goals for minority and women-owned businesses including, but is not limited to, the creation of local workforce development and training programs, and the establishment of partnerships with local workforce development and training programs or organizations.
- (c) Vendors must, to the extent practically possible, implement their hiring approaches immediately and uphold their commitments over the duration of the pilot program.
- (d) Vendors are encouraged to hire: (i) 75% of their staff from Chicago; and (ii) at least 30% of their staff from job training placement programs operating in Chicago.

*12. Rebalancing.*

- (a) Vendors must relocate any scooter parked outside of the pilot area, and any non-functional scooter, within 2 hours of notification by the City or a resident.
- (b) Vendors must rebalance scooters throughout the pilot area by 5 a.m. each day during the business operations window.
- (c) A vendor must have at least 25 percent (25%) of its scooters in Priority Sub-Area 1 and at least 25 percent (25%) of its scooters in Priority Sub-Area 2, at the beginning of each day.
- (d) Vendors must distribute scooters proportionally in all portions of Priority Sub-Area 1 and Priority Sub-Area 2.

*13. Parking.*

- (a) A vendor must be equipped with photo and geo-fencing technology to ensure parking compliance. A vendor must require its customers to properly park scooters they rented and must also require those customers who rent scooters with their smartphones to send pictures of such properly parked scooters to the vendor at the end of the trip.
- (b) Scooters must be parked in compliance with Section 9-52-070 of the Code, which states that: “No person shall park a bicycle upon a street other than upon the roadway against the curb or upon the sidewalk against a rack, parking meter or sign pole to support the bicycle or against a building or at the curb in such manner as to afford the least obstruction to pedestrian traffic.” Under the law scooters must be parked as a bike would be parked.
- (c) In addition to compliance with Section 9-52-070 of the Code: (i) scooters must be parked upright and with a minimum of 6 feet clearance between the scooter and all public way encumbrances; and (ii) scooters cannot be parked within 10 feet of street corners or intersections, or along building facades or block fire hydrants, bus stops, loading zones, or building access points.
- (d) Vendors are required to meet with the Mayor's Office of People with Disabilities (“MOPD”) and other City staff during the first and last months of the pilot program, and at such other time as the City may request, and provide reports and data on issues affecting members of the community with disabilities, including but not limited to: number of complaints of public right of way obstruction that affected an individual



with a disability, details about the complaint, and timeliness to resolve issues. Reports will be received and reviewed by MOPD or other City staff. Such meetings shall be arranged by the Commissioner in coordination with MOPD.

- (e) Vendors shall remedy any issues regarding the vendor's scooters that are not parked lawfully or in accordance with conditions attached to the issuance of the emerging business permit within 2 hours of the report, 24 hours a day, 7 days a week.
- (f) Vendors are encouraged to take proactive steps to prohibit the parking of excessive number of scooters in a single location.

*14. Outreach and education.*

- (a) Vendors must cooperate with the City in advancing a plan to publicize the pilot program, including by participating in the inaugural launch event and disseminating public messaging about the pilot program.
- (b) Vendors must educate scooter users to be courteous of public way use and encourage proper parking behavior. Vendors shall implement a marketing and targeted community outreach plan at their own cost by distributing education and outreach materials to communities in the pilot area. Materials must be distributed to alderman, police commanders, local chambers and community organizations. Vendors must host one community event in the pilot area for education and outreach, or present at a local Alderman's Ward Night.
- (c) Immediately prior to launch and in the first week of operations, vendors shall distribute City-created messaging content that describes scooter operating and parking etiquette and safety features. In addition, vendors may be required, as determined by the Commissioner, to implement an in-app education on Chicago-specific parking responsibilities prior to a first trip by a customer, and to affix educational brochures that educate customers regarding proper scooter parking and safety measures on the handlebars of each scooter for the first week of operations.

*15. Consumer agreements and privacy.*

- (a) Vendors must include a copy of their user agreements and privacy policies with their permits for review and approval by the Commissioner. Vendors must provide notice to the Commissioner regarding any changes to these terms of service, user agreements, or privacy policies for the duration of the business operations window of the pilot program.
- (b) Vendors shall not require users to share their private data with third parties in order to use the vendors' scooters. Vendor may allow users to opt-in (not to opt-out) to providing access to their contacts, photos, files, other private data and third party data sharing only with clear notice to the customer.

*16. Safety and regulations.*

- (a) Vendors shall not rent their scooters to any individual who is under the age of 18 years old as part of the pilot program. Provided, however, vendors may rent scooters

- to any individual who is 16 or 17 years old with the consent of the parent or guardian of such individual.
- (b) Vendors must have visible language on the vendors' website and smartphone application that informs operators about applicable laws and regulations requiring operators to agree to follow rules before allowing them to unlock a scooter. Vendors must also have visible language on vendors' website and smartphone application that informs riders about proper scooter parking practices.
  - (c) Vendors shall work with local businesses or other organizations to promote the use of helmets by scooter users through partnerships, promotional credits, and other incentives.
17. *Data Sharing requirements.* Each vendor shall integrate data with the City with GBFS and MDS standards. Before June 15, 2019, each conditionally approved vendor, as provided in Part VII, shall cooperate with the City's Department of Information Technology to ascertain whether such vendor has the technological capability to integrate data with the City with GBFS and MDS standards. The following requirements shall apply regarding data sharing:
- (a) The City may update these data requirements at any time during the term of the pilot program and require vendors to use the most current version of the requirements.
  - (b) Vendors shall establish and share API endpoints that adhere to the Mobility Data Specification Provider API ("MDS", available at <https://github.com/CityOfLosAngeles/mobility-data-specification>).
  - (c) Vendors shall provide a data sharing API that is compatible with the GBFS specification V1.1 that can be found here: <https://github.com/dsgermain/gbfs/tree/f76251ad4c754b62defc42562887724f287b73ea>
  - (d) Vendors shall ensure that the City is provided with authentication tokens for accessing the MDS data.
  - (e) At the City's request, vendors shall submit historical data that is no longer available on the MDS API, in CSV format. For example, the City may request historical hourly snapshots of data that is classified as "Realtime Data" by MDS.
  - (f) Vendors shall provide other data sets as detailed here: <https://chicago.github.io/dockless-bikeshare-reporting-manual/> For this subsection, vendors are responsible for providing only maintenance and customer reports data. Customer reports shall be categorized in an additional field using one of the following: Admin Issue, Sign Up Assistance, Maintenance, Feedback, General Question, Crash, Mechanical Issue, Missing or Stolen Scooter, Parking Complaint.
  - (g) A vendor shall accompany any data made available to the City by an attestation, made under penalty of perjury, that the data submitted is accurate and complete.
  - (h) Vendors shall assist the City in distributing an online survey to its customers upon request.

18. *Scooters thrown in the City's waters.* Vendors acknowledge that, except as otherwise provided in the section, Section 11-4-1410 of the Code prohibits throwing, discharging, dumping, disposing or depositing, or causing, suffering, allowing or procuring to be thrown, discharged, disposed or deposited any waste or material of any kind in Lake Michigan within three miles of the corporate limits of the City or in any other waters within the corporate limits of the City. If a vendor's scooter is thrown, discharged, disposed or deposited in the City's waters in violation of Section 11-4-1410 of the Code, in addition to any applicable penalty, the vendor shall, if practically possible, retrieve such scooter from the City's waters within 24 hours of knowledge of the incident. If the vendor does not retrieve such scooter from the City's waters within the specified time limit, the City, in its sole discretion, may retrieve such scooter from the City's waters, and the vendor shall, in addition to being subject to other applicable penalties, reimburse the City's reasonable retrieval cost.
19. *Reporting criminal activities and cooperation.* If a vendor knows or suspects that any criminal activity is taking place in relation to the pilot program, such vendor shall immediately notify and cooperate with the Chicago Police Department. Cooperation with the Chicago Police Department, includes, but is not limited to, sharing information and data pertinent to the criminal activity to the extent permitted by law.

## **VI. Enforcement.**

- (a) A vendor's failure to comply with applicable legal requirements or the conditions of the pilot program may result in the suspension or revocation or rescission of the vendor's emerging business permit, with or without prior notice, as provided in Section 4-4-022 of the Code. If a vendor's emerging business permit is suspended or revoked or rescinded, the City may direct the vendor to remove its scooters from the City's public right-of-way with a 24-hour notice.
- (b) The City may remove scooters that are not properly parked or that are left outside of the pilot area and are not remedied in accordance with the terms of the scooter sharing EBP. Nothing provided in this subparagraph VI(b) shall be construed to limit the City's ability to remove, without waiting for a vendor's remedial action, any scooter that encumbers or obstructs any public way in order to protect the safety of its residents. Vendors must reimburse all costs the City incurs to remove scooters at a rate of \$100 per scooter. No scooter shall be retrieved without paying the removal cost. A scooter which is not retrieved by the vendor within 5 business days of notification of removal shall be deemed abandoned.
- (c) As provided in Section 4-4-022(k), operation of a business under the scooter sharing EBP shall constitute acceptance of the terms and conditions of Section 4-4-022 of the Code, any applicable rules, and the special conditions of the scooter sharing EBP. In addition to other applicable penalties, unless a different fine is provided by law, any vendor who

violates Section 4-4-022 of the Code, any applicable rules, and the special conditions of the scooter sharing EBP shall be subject to the fine amount provided in 4-4-350 of the Code, which is not less than \$200.00 nor more than \$1,000.00 for each offense, and each day that a violation continues shall constitute a separate and distinct offense.

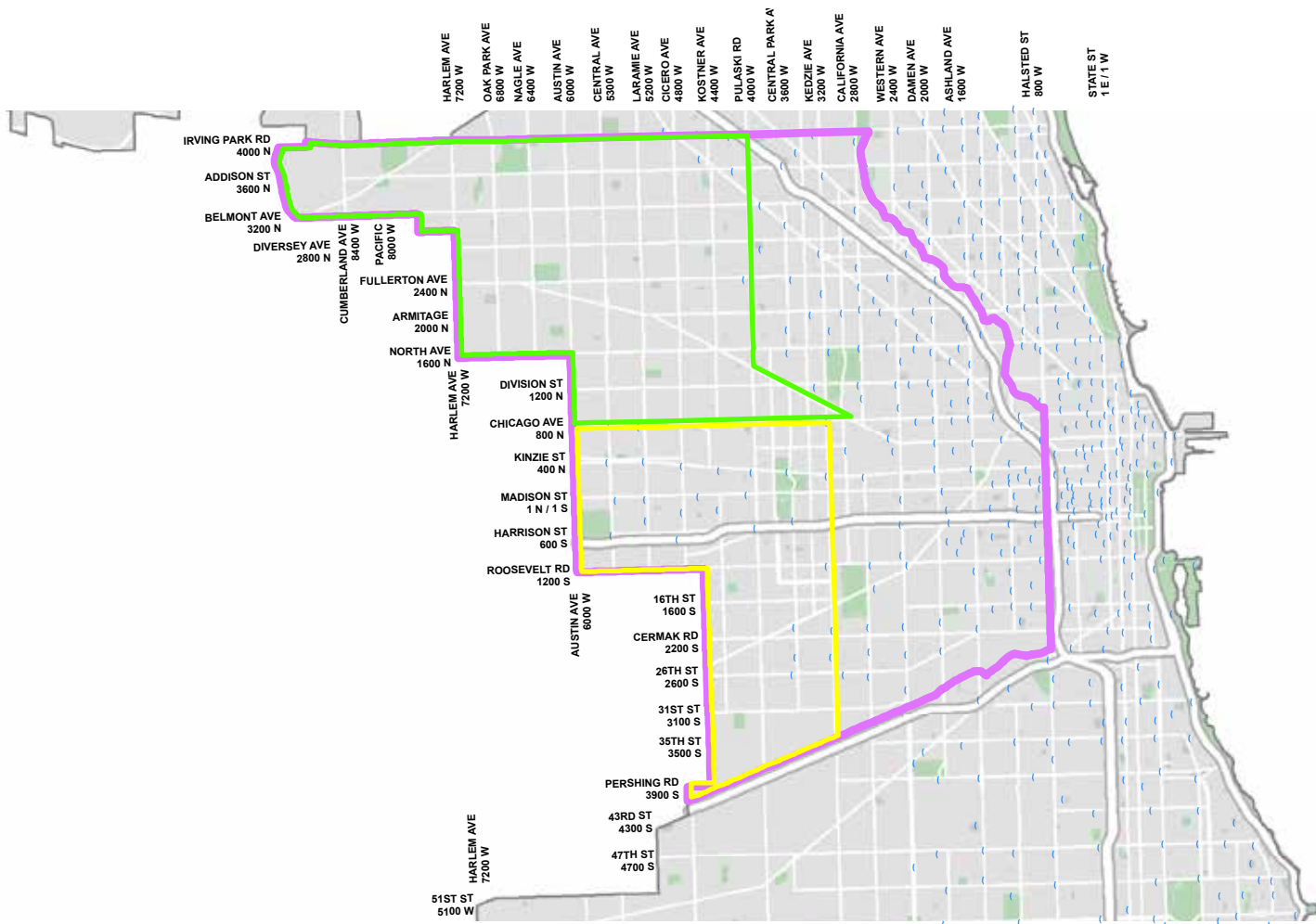
**VII. Conditional nature of permit approval.**

If an applicant meets the eligibility requirements for the scooter sharing EBP as provided in this document, other than Paragraphs II(6) and II(7), the Commissioner may conditionally approve the applicant's scooter sharing EBP application on May 15, 2019, or as soon as practically possible thereafter. An applicant whose scooter sharing EBP application is conditionally approved must implement the eligibility requirements provided in Paragraphs II(6) and II(7) of this document by or on June 15, 2019, as a condition precedent before the permit may be issued.

**VIII. Attachment.**

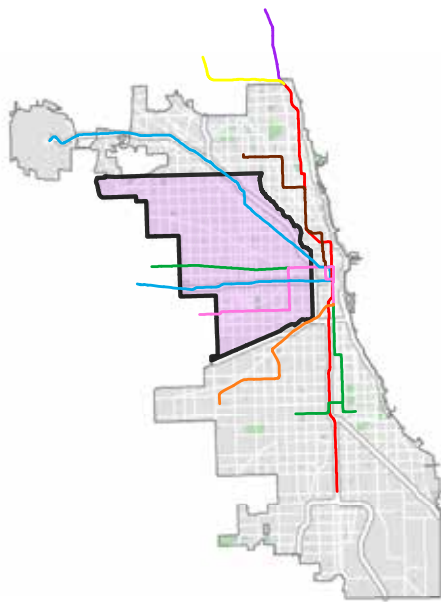
Pilot Area Map: Map showing the Pilot Area, Priority Sub-Area 1, Priority Sub-Area 2, and remainder of the Pilot Area.

# SCOOTER PILOT AREA



## Legend

-  Pilot Area
-  Priority Area 1
-  Priority Area 2
-  Divvy Station



**PILOT AREA WITH TRANSIT CONNECTIONS**