Legislation Text

File #: 25-0930, **Version:** 1

Resolution to Approve a Right-of-Way License Agreement with Pheenix USH LLC for the Operation of Dockless Electric Micromobility Devices in the City of Ann Arbor
Attached for your review and consideration for approval is a resolution to approve a Right-of-Way License Agreement with Pheenix USH LLC for the Operation of Dockless Electric Micromobility Devices in the City of Ann Arbor.

Skinny Labs. Inc. d/b/a Spin previously negotiated Right-of-Way License Agreements in good faith with the City of Ann Arbor to operate e-scooters and e-bikes in our community. Spin e-scooters have been in operation in Ann Arbor since April 2019 and e-bikes have been in operation since April 2023.

In September 2023, Spin was acquired by Bird Global, Inc. and became a wholly-owned subsidiary of Bird Rides, Inc., but it continued to operate as a separate entity under the Spin name and brand. In December 2023, Bird Global, Inc., and several of its related affiliates, including Skinny Labs, Inc. d/b/a Spin, filed voluntary petitions for Chapter 11 debtor-in-possession bankruptcy protection in the U.S. Bankruptcy Court for the Southern District of Florida to facilitate a comprehensive financial restructuring plan.

Pursuant to a March 8, 2024 Order entered by the Bankruptcy Court substantially all of Spin's assets were purchased by Bird Scooter Acquisition Corp., which in turn transferred them to Pheenix USH LLC under an Asset Purchase Agreement.

Thus, Pheenix USH LLC has acquired the Spin-branded e-scooters and e-bikes which Skinny Labs, Inc. d/b/a Spin had deployed in Ann Arbor, and it desires to continue to deploy these same devices and operate a dockless electric micromobility service in Ann Arbor.

This License Agreement is substantially similar to the agreements with Spin and would authorize Pheenix to continue a micromobility service in Ann Arbor for a sixth year with the opportunity to administratively extend the License for up to two additional one-year periods (not to exceed three years in total). The number of devices would remain unchanged from the current levels: 450 e-scooters and 100 e-bikes.

Budget/Fiscal Impact: This License Agreement, which is consistent with the past License Agreement with Spin, will charge Spin $0.20/e-scooter or e-bike/day to operate in Ann Arbor. Just over half of the vehicles are licensed by the City of Ann Arbor (300); the remainder are licensed by the University of Michigan (250). Therefore, this License Agreement would result in an anticipated payment of approximately $21,900/year to the Major Streets fund (300 vehicles x $0.20 fee x 365 days).
Prepared by: Cynthia Redinger, Interim Transportation Manager
Reviewed by: Jordan Roberts, Public Services Area Administrator
Approved by: Milton Dohoney, City Administrator
Whereas, Providing mobility options to Ann Arbor residents is an important and necessary function of

this government to help foster the continued adoption of active transportation opportunities;

Whereas, The A2Zero Carbon Neutrality Plan and the Moving Together Towards Vision Zero Transportation Plan both call for electric and shared mobility such as e-scooters and e-bikes to achieve our sustainability and mobility goals;

Whereas, E-scooter and e-bike share service gives people a healthy, affordable option for making short trips and can expand the reach of transit service;

Whereas, Encouraging multi-modal transportation through non-motorized options is a necessary and important tool for reducing vehicle miles traveled on our roads and increasing the viability of our City;

Whereas, While encouraging multi-modal transportation, it is critically important to make every reasonable effort to ensure the proper and safe operation of e-scooters and e-bikes on the public right-of-way;

Whereas, The City has entered into several agreements with Spin in the past five years, R-19-180, R -20-184, R-21-226, and R-23-099, and the proposed Right-of-Way License Agreement with Pheenix USH LLC is substantially similar to the previous Spin agreements; and

Whereas, It is also a necessary function of local government to permit use of the public right-of-way to ensure that all commercial uses are not obstructive and contribute positively to the public wellbeing;

RESOLVED, That City Council approve the Right-of-Way License Agreement with Pheenix USH LLC for the Operation of Dockless Electric Micromobility Devices in the City of Ann Arbor;

RESOLVED, That the Right-of-Way License Agreement payment be allocated to the Major Street Fund;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City Administrator be authorized to extend said agreement for up to two (2) additional one-year (1) periods at the City Administrator’s discretion; and

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to implement this resolution.

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