

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
FROM: Raul Aguila, City Attorney  
DATE: December 13, 2017

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE BUSINESS TERMS FOR THE ISSUANCE OF A PERMIT TO SKINNY LABS INC. D/B/A SPIN, IN CONNECTION WITH A SIX (6) MONTH CITYWIDE PILOT PROGRAM FOR STATIONLESS BIKE SHARING SERVICES; AUTHORIZING THE ADMINISTRATION TO NEGOTIATE A FINAL PERMIT AGREEMENT BASED UPON THE TERMS SET FORTH HEREIN; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE FINAL PERMIT AGREEMENT.

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### **RECOMMENDATION**

Pursuant to the request of Vice-Mayor Aleman, the above referenced Resolution is submitted for consideration by the Mayor and City Commission at the December 13, 2017 City Commission meeting.

### **ANALYSIS**

Skinny Labs Inc. d/b/a Spin (Spin) has approached the City with a proposal to provide stationless bike sharing services to the general public throughout the City of Miami Beach as a pilot program (the Program). The Program would operate with an initial fleet of 100 bikes at a time, subject to modification by the City Manager or his designee. Stationless bike-sharing services provide lower prices and the convenience of locating the bikes and returning them to any location which is not prohibited, instead of a fixed location. Spin would be responsible for ensuring that the bikes are not placed in any of the prohibited areas. Spin possesses GPS, 3G and self-locking technology in its bike fleets (Spin bikes), such that the Spin bikes may be locked and opened by users with an app and tracked to provide for operation and maintenance. The initial discussions have been held regarding the operation of the Program, so as to balance the public's right to use the public right of way without any obstruction, with the desired outcome of providing the public with easily accessible bicycles for a reasonable fee. The operation of the Program for six (6) months would serve as a tool to evaluate this service as a possible transit service for residents and tourists of Miami Beach. The Administration would target a launch date of February 1, 2017 in order to commence operations prior to the Spring Break season.

Should the City Commission wish to proceed with this Program, the Administration will negotiate a permit for a six (6) month pilot program, based upon the following business terms:

- A. **Term:** Six (6) months, unless terminated by the City Manager, with or without cause (upon fifteen (15) days prior written notice). Upon termination, Spin shall be responsible for removing all Spin bikes from the City's rights of way or be subject to \$1,000 per day

penalty;

B . License to use City Rights of Way: Spin will have a non-exclusive license to use certain City sidewalks, roads and other City rights of way, as shall be identified and approved by the City Manager to maintain and offer the pilot Program with Spin bikes;

C . Non-Permitted Uses: (1) Spin and its customers shall not be permitted to attach to personal property, fixtures or structures on the City's rights of way; and (2) operation of the pilot Program shall, at a minimum: (a) not adversely affect the City's rights of way; (b) not adversely affect the property of any third parties; (c) not inhibit pedestrian movement within the City's rights of way or along other property or rights of way owned or controlled by the City; and (d) not create conditions which are a threat to public health, safety and welfare;

D . Maintenance and Operation: (1) Spin shall be responsible for maintaining the Spin bikes pursuant to industry maintenance standards; (2) Spin shall be solely responsible for repair, replacement and restoration of any real or personal property damaged as a result of the operation of the Program; (3) Spin shall monitor and reposition bikes in order to ensure that the bikes do not obstruct the City's rights of way and to maximize the efficiency of the Program; (4) Any bikes improperly parked or blocking the City's rights of way which are not removed by Spin within two (2) hours shall be subject to a \$20.00 penalty;

E . Fares: Unless otherwise approved by the City Manager, the rental charges for the use of the Spin bikes shall not exceed the following approved rates: (1) \$1.00 per hour; (2) \$.50 per hour for anyone qualifying for low-income subsidies; (3) \$29.00 per month for unlimited half hour rides; and (4) \$99.00 per year for unlimited half hour rides;

F . Reports: The City shall have the right to access revenue and usage information in connection with its evaluation of the Program;

G . Insurance/Indemnification: Spin shall be required to maintain the following insurance coverages: (1) Workers' Compensation, as required by Florida Law; (2) Commercial General Liability and Rights of Way Damage Insurance (One Million Dollars (\$1,000,000) combined single limit per occurrence, with Two Million Dollars (\$2,000,000) annual aggregate for bodily injury, property damage, products, completed operations, and contractual liability coverage; and (3) Comprehensive automobile insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage, including coverage for owned and non-owned vehicles. All insurance coverages shall be subject to review and approval by the City's Risk Manager. Spin shall indemnify the City from all claims, including, without limitation court costs and reasonable attorneys' fees, resulting in loss of life, bodily injury or property damage arising directly or indirectly out of or from or account of Spin's use of the City's rights of way, use of the Spin bikes by anyone, or Spin's failure to comply with the terms of the permit; and

H . Performance Bond: Spin shall be required to secure and maintain a \$100,000 performance bond securing its performance under the permit.

### **CONCLUSION**

Should the City Commission wish to proceed with this Program, the Administration recommends that the Mayor and City Commission approve this Resolution.

### **KEY INTENDED OUTCOMES SUPPORTED**

Ensure Comprehensive Mobility Addressing All Modes Throughout The City

### **Legislative Tracking**

Office of the City Attorney

**Sponsor**

Vice-Mayor John Elizabeth Aleman

**ATTACHMENTS:**

**Description**

- Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE BUSINESS TERMS FOR THE ISSUANCE OF A PERMIT TO SKINNY LABS INC D/B/A SPIN, IN CONNECTION WITH A SIX (6) MONTH CITYWIDE PILOT PROGRAM FOR STATIONLESS BIKE SHARING SERVICES; AUTHORIZING THE ADMINISTRATION TO NEGOTIATE A FINAL PERMIT AGREEMENT BASED UPON THE TERMS SET FORTH HEREIN; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE FINAL PERMIT AGREEMENT.**

**WHEREAS**, Skinny Labs Inc. d/b/a Spin (Spin) has approached the City with a proposal to provide stationless bike sharing services to the general public throughout the City of Miami Beach as a pilot program (the Program); and

**WHEREAS**, Spin possesses GPS, 3G and self-locking technology in its bike fleets (Spin bikes), such that the Spin bikes may be locked and opened by users with an app and tracked to provide for operation and maintenance; and

**WHEREAS**, initial discussions have been held regarding the operation of the Program, so as to balance the public's right to use the public right of way without any obstruction, with the desired outcome of providing the public with easily accessible bicycles for a reasonable fee; and

**WHEREAS**, the operation of a Program for six (6) months would serve as a tool to evaluate the Program as a possible alternate transit service for residents and tourists of Miami Beach; and

**WHEREAS**, should the City Commission wish to proceed with this Program, the Administration will negotiate a permit for a six (6) month pilot program, based upon the following business terms:

- A. **Term**: Six (6) months, unless terminated by the City Manager, with or without cause (upon fifteen (15) days prior written notice). Upon termination, Spin shall be responsible for removing all Spin bikes from the City's rights of way or be subject to \$1,000 per day penalty;
- B. **License to use City Rights of Way**: Spin will have a non-exclusive license to use certain City sidewalks, roads and other City rights of way, as shall be identified and approved by the City Manager to maintain and offer the pilot Program with Spin bikes;
- C. **Non-Permitted Uses**: (1) Spin and its customers shall not be permitted to attach to personal property, fixtures or structures on the City's rights of way; and (2) operation of the pilot Program shall, at a minimum: (a) not adversely affect the City's rights of way; (b) not adversely affect the property of any third parties; (c) not inhibit pedestrian movement within the City's rights of way or along other property or rights of way owned or controlled by the City; and (d) not create conditions which are a threat to public health, safety and welfare;
- D. **Maintenance and Operation**: (1) Spin shall be responsible for maintaining the Spin bikes pursuant to industry maintenance standards; (2) Spin shall be solely responsible for repair, replacement and restoration of any real or personal property

damaged as a result of the operation of the Program; (3) Spin shall monitor and reposition bikes in order to ensure that the bikes do not obstruct the City's rights of way and to maximize the efficiency of the Program; (4) Any bikes improperly parked or blocking the City's rights of way which are not removed by Spin within two (2) hours shall be subject to a \$20.00 penalty;

- E. Fares: Unless otherwise approved by the City Manager, the rental charges for the use of the Spin bikes shall not exceed the following approved rates: (1) \$1.00 per hour; (2) \$.50 per hour for anyone qualifying for low-income subsidies; (3) \$29.00 per month for unlimited half hour rides; and (4) \$99.00 per year for unlimited half hour rides;
- F. Reports: The City shall have the right to access revenue and usage information in connection with its evaluation of the Program;
- G. Insurance/Indemnification: Spin shall be required to maintain the following insurance coverages: (1) Workers' Compensation, as required by Florida Law; (2) Commercial General Liability and Rights of Way Damage Insurance (One Million Dollars (\$1,000,000) combined single limit per occurrence, with Two Million Dollars (\$2,000,000) annual aggregate for bodily injury, property damage, products, completed operations, and contractual liability coverage; and (3) Comprehensive automobile insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage, including coverage for owned and non-owned vehicles. All insurance coverages shall be subject to review and approval by the City's Risk Manager. Spin shall indemnify the City from all claims, including, without limitation court costs and reasonable attorneys' fees, resulting in loss of life, bodily injury or property damage arising directly or indirectly out of or from or account of Spin's use of the City's rights of way, use of the Spin bikes by anyone, or Spin's failure to comply with the terms of the permit; and
- H. Performance Bond: Spin shall be required to secure and maintain a \$100,000 performance bond securing its performance under the permit.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA,** that the Mayor and City Commission hereby approve the business terms for the issuance of a permit to Skinny Labs Inc d/b/a Spin, in connection with a six (6) month Citywide pilot program for stationless bike sharing services; authorize the Administration to negotiate a final permit agreement based upon the terms set forth herein; and further authorize the City Manager to execute the final permit agreement.

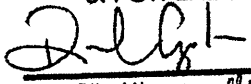
PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2017.

ATTEST:

\_\_\_\_\_  
RAFAEL E. GRANADO, CITY CLERK

\_\_\_\_\_  
DAN GELBER, MAYOR

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

12-4-17  
\_\_\_\_\_  
Date