CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Ristow
Jim Shannon

SUBJECT: **Shared Micro-Mobility Device Fee Adjustment**

DATE: November 17, 2025

Approved

Date: 11/24/25

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution amending the 2025-2026 Schedule of Fees and Charges (Resolution No. 72737, as amended) to decrease the Shared Micro-Mobility Annual Permit and Program Monitoring Operating Fee from $139 per device to $100 per device, effective January 1, 2026.

SUMMARY AND OUTCOME

The City of San José (City), through the Department of Transportation, operates a Shared Micro-Mobility Device Permit Program (Program) which is codified in Title 11 of the San José Municipal Code. The Program allows the City to facilitate the use of shared micro-mobility devices offered to the public. The Program has historically operated on a yearly or bi-yearly basis. However, after the completion of the 2024-2025 Program permit cycle, which resulted in the termination of the operator's permit, the City opened a competitive solicitation process to select a new operator and received no applications. This most recent solicitation period was open from August 25 to September 12, 2025. To maintain the Program in San José, which advances the City's goal of supporting alternative transportation modes, staff recommends adjusting the City's fees to be more competitive. Specifically, staff recommends reducing the City's $139 per-device fee to $100 per device.

BACKGROUND

The Program was adopted in 2019 and subsequently codified as Section 11.92 of Title 11 of the San José Municipal Code. The Program permits shared scooter operators that abide by City regulations to provide devices to individuals on a short-term basis. Making shared scooters available to the public supports the City's environmental and transportation goals. *Envision San José 2040 General Plan,* which was adopted by the City Council on November 1, 2011, to set ambitious goals for the City to reduce the percentage of trips made by vehicle trips in favor of modes such as walking, biking, and using public transit to reduce traffic, decrease greenhouse gas emissions, and improve public health[1]. Shared scooters also help achieve those objectives by aligning with Goal TR-1.1, to accommodate and encourage use of non-automobile transportation modes to achieve San José's mobility goals and reduce vehicle trip generation and vehicle miles traveled. Additionally, the use of shared micro-mobility devices aligns with the goals and strategies memorialized within the *Climate Smart San José*'s plan to decrease greenhouse gas emissions and reduce vehicle miles traveled as described in Strategy 2.3: Create Clean, Personalized Mobility Choices[2].

Since the Program began in 2019, the City has continuously permitted e-scooter operators in the City. At its height, in 2020, the City permitted as many as five operators simultaneously. Shared scooters address transit's "first/last mile" challenges, boosting ridership and bringing people to the City's commercial corridors. Since June 2021, roughly 1.4 million rides have been taken on shared scooters, an average of nearly 28,000 rides monthly. Helping pedestrians travel a little farther in and around business districts encourages economic activity.

After the COVID-19 pandemic, the number of operators began to decrease as the shared scooter market began to consolidate. By 2023, the City had two operators. In 2024, the City changed from a two-operator market to a single-operator market. The per-device fee used to partially recover Program costs has also varied over the life of the program in relation to the number permitted devices and the City's fixed costs, from less than $100 per device with five operators pre-COVID-19 pandemic to as high as the current $139 per device in 2025-2026 (unchanged from the 2024-2025 level).

ANALYSIS

From September 1, 2024, through August 31, 2025, Spin, the City's sole operator, was permitted to operate 1,000 devices but no fewer than 500. Spin was unable to maintain that minimum throughout the permit term. It was also unable to commit to doing so if its permit was extended for another year. As a result, staff chose not to renew Spin's one-year permit in 2025 and re-opened the permit to a competitive process.

Staff opened the permit solicitation in August 2025 and there were no applicants. Staff solicited feedback from operators who had indicated they might apply but did not, and gathered permit data for similarly sized programs from cities in the region and elsewhere in the county. The City's research confirmed the feedback provided by the

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[1] https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/citywide-planning/envision-san-jos-2040-general-plan

[2] https://www.sanjoseca.gov/your-government/departments-offices/energy/climate-smart-san-jose

operators: the City's current per-device fee is higher than average and consequently a barrier to entry. The adopted fee is currently one of the highest per-device fees in the western United States. In comparison to other local jurisdictions, the City and County of San Francisco has a fee of $100 per permitted device and the City of Oakland has a fee of $90 per permitted device. These cities are multi-operator markets.

The 2025-2026 Adopted Budget estimated that the City would issue 1,000 permits at $139 per device for the Program. However, as the City has not received any applications, due to the high fee cost per device, it is anticipated that the City will not receive the budgeted revenue estimate in the amount of $139,000.

To better align with peer cities and enhance program viability, staff recommends lowering the per-device fee from $139 to $100. Staff is aiming to complete a new solicitation and issue permits by March 1, 2026, which is expected to yield a new operator with approximately 1,000 devices that could generate revenue of $100,000.

Racial Equity Impact Analysis

Shared micro-mobility programs can offer much needed solutions to common mobility issues and improve access to public transit for low-income communities. Many micro-mobility programs throughout the United States address low-income community transportation needs through income-based discounts.

The Program requires the permitted operator to maintain a one-year low-income program, subject to annual renewal, that waives scooter deposit fees and a) offers at minimum 50% off of rental discount, or b) unlimited trips under 30 minutes, for customers with incomes at or below 200% of the federal poverty guidelines. Program materials must be offered in English, Spanish, Vietnamese, and Mandarin at a minimum. Eligibility may be verified through enrollment in approved public assistance programs, such as Medi-Cal enrollment, or self-attestation via recent pay stubs or tax returns, with household size meeting PG&E California Alternate Rates for Energy (CARE) criteria.

Climate Smart San José Analysis

Reducing the Micro-Mobility Device fee will encourage more shared scooter operators to apply for a permit to operate in the City. Offering shared scooter services in the City expands mobility options for those who live, work, or visit San José beyond driving a vehicle, which reduces greenhouse gas emissions. This recommendation is consistent with Climate Smart's strategy to facilitate mobility choices other than single-occupancy, gas-powered vehicles.

EVALUATION AND FOLLOW-UP

The Department of Transportation will review the permit fees to ensure they are maintaining cost recovery and competitive, and will review operator performance on an annual basis.

COST SUMMARY/IMPLICATIONS

While lowering the Micro-Mobility Device fee from $139 to $100 per device would theoretically reduce the revenue generated from 1,000 devices from $139,000 to $100,000, and drop the cost recovery rate from 76% to 55%, there is currently no operator – without a fee change, no revenue will be received. Rightsizing the fee to respond to market conditions is expected to allow for a viable operator that will partially offset the $184,000 estimated cost of overseeing the Program. The change in estimated General Fund revenues will be addressed as part of a future budget process.

The Department of Transportation will continue to reevaluate the budgeted Program costs and monitor permit activity to inform future adjustments as part of the 2026-2027 budget development process.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, the City Manager’s Office of Economic Development and Cultural Affairs, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the December 9, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

These recommendations were presented to the Bicycle Pedestrian Advisory Committee on October 27, 2025. The Committee supported the recommendations as presented.

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
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The principal author of this memorandum is Sarah Dreitlein, Transportation Specialist, Department of Transportation. For questions, please contact sarah.dreitlein@sanjoseca.gov.