



CITY OF SALEM

In City Council, May 23, 2019

Ordered:

The Salem City Council hereby authorizes and ratifies the execution by the Mayor of an agreement with Zagster, through May 2020, a copy of which is attached hereto, to allow the rental of e-scooters within the City.

Further, this Order is in accordance with Council Order # 643 dated October 18, 2018 requiring City Council ratification of any such agreement.



CITY OF SALEM, MASSACHUSETTS

**Kimberley Driscoll
Mayor**

Office of the Mayor

May 23, 2019

Salem City Council
City Hall
93 Washington Street
Salem, MA 01970

Ladies and Gentlemen of the City Council:

Enclosed please find an Order authorizing the City to retain Zagster for the management of a micro-mobility program through May 2020 that will include a pilot program for the use of electric scooters in Salem. The proposed program consists of e-scooters manufactured by Spin, a subsidiary of Ford Motor Company.

As you know, Zagster is our current provider for the City's bike sharing program. E-scooters are growing in popularity as a sweat-free way to travel, especially for "last mile" connections from transit to places of employment, study, or residence. This service can help reduce the number of private passenger vehicles on our roadways and improve the availability of parking, by encouraging non-car travel in a more expeditious and affordable manner. Because of a previous Council Order, the City Council must approve any agreement to allow an e-scooter program in Salem. We do not intend to request or permit more than one company to offer this service and, given our good experiences with Zagster, we are confident they are the right company with which we should work on this pilot program.

Specific details of their proposal are enclosed, along with the agreement. The proposal has already been reviewed, and reflects the feedback of, both the Bicycling Advisory Committee and the Traffic and Parking Commission. Our goal is to launch the program in mid-July. More information can be found in the enclosed proposal from Zagster, but a few highlights that I believe are worth noting are as follows:

- To help manage the system, Zagster will have a full-time employee dedicated just to Salem.
- The scooters are removed from designated parking locations overnight to charge for the next day. In addition, designated hours of operation can be established by the City.

- Riders must scan a valid driver license in order to ride and helmet use is strongly encouraged through the registration process and signage on the scooters.
- The top speed of the Spin scooter is 15 MPH, around the speed of a bike.
- The cost is \$1 per ride plus \$0.15 per minute of the ride. Zagster has offered a revenue sharing proposal of \$0.10 per ride back to the City.
- Unlike bikes, Spin scooters can be governed via GPS, so the City can specify areas where travel is prohibited and the scooters will not operate (for example, the Essex Street Pedestrian Mall), as well as areas where parking scooters is prohibited and the rider will incur additional charges for abandoning the scooter.
- Riders must supply a photo of the properly parked scooter in order to end their ride and stop being charged.

I know that some are concerned about e-scooters littering streets and sidewalks. However, with their geofencing feature and “off-limits” areas, scooters being collected and balanced every night, and a dedicated person on the ground full time here in Salem, I am confident that Zagster’s proposal for Spin e-scooters in Salem is the safest and most orderly way to offer this useful service in our city and to our constituents.

While I understand some may be wary about this new form of transit, I believe it provides another important step forward in our efforts to offer residents and visitors options to help them go car-free in Salem. If we are serious about addressing car congestion in Salem, we need to provide alternative options for getting around our city. In conjunction with our bike share, harbor shuttle, free Salem Trolley rides for residents, Ferry, and MBTA services, we continue to expand access to alternative methods of transportation in Salem.

Very truly yours,



Kimberley Driscoll
Mayor
City of Salem



Zagster

CITY OF SALEM
MICRO-MOBILITY OPERATIONS
PLATFORM

Bringing scooter share
to the community

Table of Contents

Table of Contents	1
Zagster's plan to expand Salem's mobility impact	2
Expanding our bike share's impact with e-scooters	2
Our proposed mobility mix for Salem	3
Our scooter approach for Salem	3
Spin Scooters	3
Overview of Spin	4
Operations Plan	5
Defined service area with the city	5
Controlling behavior	5
Local operations	6
Cohesive team for bikes and scooters	6
Daily routine	6
Stage scooters each morning at drop-zones	6
Recharge scooters that hit 20% charge	7
Respond to issues on-demand	7
Remove scooters nightly	7
Operations manager	7

Zagster's plan to expand Salem's mobility impact

Expanding our bike share's impact with e-scooters

Zagster has been working with the City of Salem to operate what we believe to be one of the best small-town bike share programs in America. Currently, we operate over 80 bikes at 16 locations. We have taken great pride in our relationship with the City, and have worked hard to tackle things like: filling transit gaps, providing connections between Salem State and the City, recreation for residents and visitors, and putting key destinations on the map.

To build on this success and to help Salem move mobility forward, we are proposing adding e-scooter share into our fleet to extend access to more types of riders. E-scooters are used primarily for transit, which makes them a great tool for plugging transit gaps for last mile distances. It is as common to see professionals in suits riding scooters as it is recreational riders! With e-scooters communities can truly move that one-step closer towards reducing car usage.



Our proposed mobility mix for Salem



Zagster Bikes



Spin Scooters

Our scooter approach for Salem

 **A single point of contact to operate bikes and scooters**

 **Work with City to study the impact of the program on transit**

 **Engage the community to guarantee equitable access**

 **Innovate with the City to offer the best public mobility in MA!**



Spin Scooters

Spin will be our scooter brand that we offer alongside Zagster, our bike share brand. Spin will provide the mobile app, as well as the actual scooter. The end user in Salem will interact with the Spin product, but Zagster, Inc. will be the one-company operating these devices, which will provide the City with one-collaborator to make sure both the bike share and scooter share compliment the community's needs.

Overview of Spin

Zagster chose Spin as our scooter partner because we believe Spin shares the same perspective that scooter share should exist to improve city transportation and not the other way around!

- As a division of Ford Mobility, Spin is dedicated to learning from cities to improve mobility
- Spin does not launch without permission!
- Zagster is the operations expert, Spin is the scooter hardware and mobile-app expert, combined we offer an amazing experience for riders in Salem
- Zagster will own the relationship with Salem and be the sole point of contact, which will dramatically simplify communication and mobility cohesion

The Spin scooter

Features

- Up to 15.5-mile range
- Built-in GPS
- Front-tire lock when parked
- Spin Charger network charges scooters daily without docking stations
- Standing position feels intuitive and secure
- Last-mile solution when sweat or creased clothes from a bike ride present a barrier



Affordable

- \$1 per ride + \$0.15 per minute

Safe

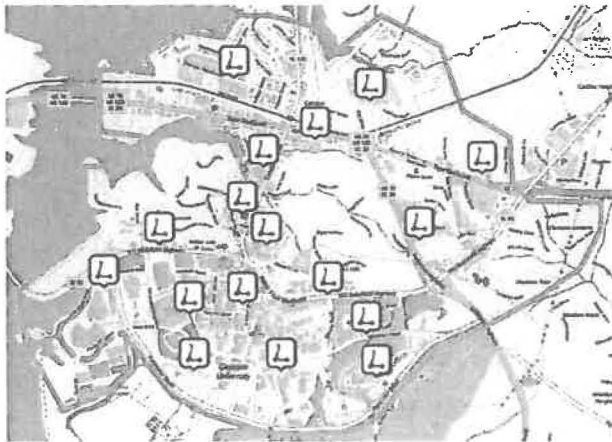
- Anti-lock brake system means fast stops with no skidding
- Aircraft grade aluminum construction
- Powerful LED front headlight
- Rear red reflector and light
- Puncture-resistant tires
- Large-diameter wheels handle road bumps
- Top speed limited to 12.4 mph

Operations Plan

Defined service area with the city

Zagster can define where the scooters can operate using geo-fencing. The GPS on each scooter will ping our satellite and operate based on the boundaries we define. We can work collaboratively with the City to set these boundaries.

Additionally, we can work with the City to identify pre-determined locations for staging and parking scooters. This will help riders park in ways that are unobstructive.



Controlling behavior

To further control how scooters operate, we can do the following things:

Notifications to riders

Once a rider enters an "off limits area," they will be sent a notification"

Can't end trip

If a rider tries to end their trip in an off-limits area, they will not be able to end their ride, and will be asked to return to a permitted usage area.

Slow scooter to a low speed

We also have the ability to slow the scooter to a low speed once a rider enters an off-limits area for safety purposes. However, we recommend against this option as it can cause safety issues in busy areas.

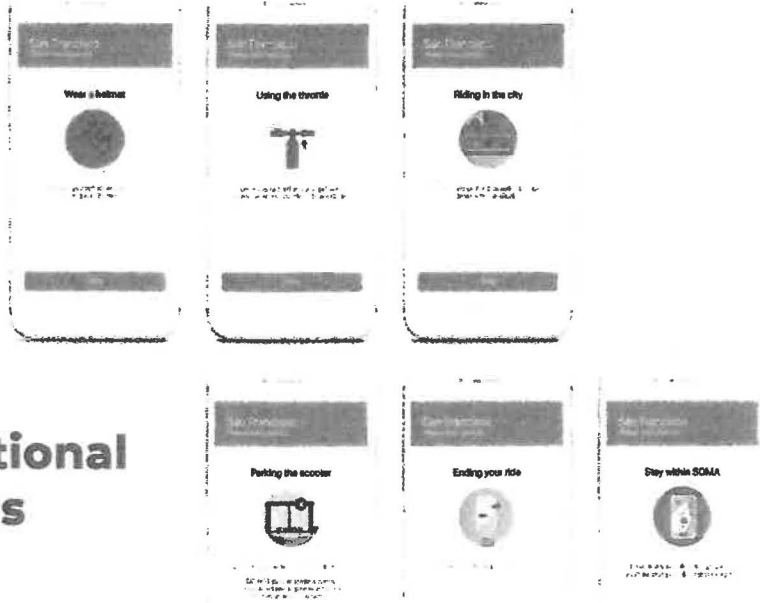
Proof of Parking Compliance

We believe the value of micro-mobility is the ability to get to unique places with precision. It's what separates scooter share from static bussing and unlocks the ability to truly bridge transit gaps. Riders are given strict guidelines for how they can park their scooter within the app if they choose to park outside of a designated zone (i.e. only park next to bike racks, in the furniture zone, or at a designated drop location). Before ending a trip, they must take a photo of their scooter to provide proof of compliance. Additionally, when a new rider checks out a scooter, they are prompted to rate the parking job of the last user. If a user incurs a poor rating, they may be suspended from using the program.



Local Educational Screen-flows

We can create custom educational screen-flows that appear in the mobile app before the rider uses the program to explain the local rules of the road.



Local operations

Zagster will hire local hourly-paid workers to manage the program. Unlike other companies that only hire through their app and pay workers by the piece, Zagster will establish a local organization with skin in the game that cares about responding to Salem's needs.

Cohesive team for bikes and scooters

Our team will provide cohesion for both bike share and scooter share operations and management, which will drastically improve Salem's ability to control outcomes for the community.

Daily routine

Zagster will work with the City of Salem to determine our daily operations routine. Our intent is to provide a scooter share that fits the needs of Salem and not the other way around.

Stage scooters each morning at drop-zones

Each morning, Zagster will stage scooters at pre-designated drop locations to foster cohesion and tidy operations as well as reliable pick-up locations for riders. As a note, while riders are encouraged to return scooters to designated areas, we cannot



enforce 100% compliance. Instead, we work to create designated areas in high functional areas to make it easy for riders to drop them in these locations.

Recharge scooters that hit 20% charge

Once a scooter hits 20% charge level, the Zagster operations team will collect the scooter from the field for recharging.

Respond to issues on-demand

If an issue with a scooter is reported, such as blockage of the right of way, or a damaged device, Zagster will deploy a team member to collect the scooter.

Remove scooters nightly

Zagster will establish hours of operation with the City. Typically it is from 7am to 9pm. At the end of each day, we will remove scooters completely from the field to be recharged and fixed overnight before being redeployed in the morning.

Operations manager

Zagster will hire a full-time local operations manager. The operations manager will be tasked with overseeing the local team, as well as serving as the boots-on-the-ground point person to respond to any City requests or emergencies.

SCOOTER SHARE PROGRAM AGREEMENT

This scooter share program agreement (the **Agreement**), effective as of the date set forth on the signature page hereto (the **Effective Date**), is entered into by the City of Salem, MA (**Customer**), and **Zagster, Inc.**, with a place of business at 109 Kingston Street, Suite 5, Boston, MA 02111 (**Zagster**). Capitalized terms used but not defined herein shall have the meaning ascribed to them in that certain Bike Share Agreement dated February 17th, 2017 and the Bike Share Program Expansion Agreement dated May 26th, 2017 between Zagster and Customer (the **Bike Share Agreement**). Fe-F

Whereas, pursuant to the Bike Share Agreement, Zagster provides Customer the Bike Share Service; and

Whereas, Zagster is in the business of operating an electric scooter sharing service (the **Service**) in partnership with one or more scooter providers, to be selected by Zagster in its sole discretion from time-to-time (each, a **Scooter Provider**); and

Whereas, the parties desire for Zagster to engage a Scooter Provider for the benefit of, and to provide the Service (collectively, the **Program**) on the terms and conditions set forth herein;

Now, Therefore, for the mutual premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer and Zagster agree as follows:

1. Services.

1.1. Inspection and Maintenance. During the Term (as hereinafter defined), Zagster will inspect each scooter as set forth on **Exhibit A**, attached hereto and made a part hereof (the **Service Details**) to perform general maintenance, inspection, cleaning and replacement thereof. Zagster will engage a Scooter Provider to provide at least the number of scooters identified as the Scooter Minimum in Service Details; provided, however, that (i) in the event that Zagster changes Scooter Providers during the term, the requirement to provide the Scooter Minimum will be suspended during the period of transition between Scooter Providers, (ii) Zagster may provide less than the Scooter Minimum through the Program during weather that is unfavorable for scooter use, in Zagster's sole discretion (including hibernation periods, if applicable), and (iii) Zagster may provide less than the Scooter Minimum through the Program if the Scooter Provider or Zagster determine in good faith that it is unsafe to deploy any scooters (e.g., defects with respect to a particular model or other condition outside of Zagster's control). The Service Details shall also set forth, at a minimum, the Scooter maximum, the hours of operation for the Service, the anticipated launch date for the Program, and any applicable service level agreements relating to pick up and recharge times.

1.2. Access. End users will access the scooters provided by the applicable Scooter Provider either through the applicable Scooter Provider's app, the Zagster app and/or the Pace app.

1.3. Additional Modes of Electronic Micro-Mobility. Zagster shall also have the exclusive right, but not the obligation, to launch additional modes of electronic micro-mobility, including, but not limited to, electronic bicycles and electronic tricycles, (each individually "Additional Mode," and collectively, "Additional Modes"), within the first twelve months of launching the Program with Customer. In the event that Zagster wants to launch an Additional Mode with Customer, Zagster shall present Additional Mode to Customer for the purposes of developing the Service Details that will apply to said Additional Mode. The Services Details agreed upon by the parties will be included in this Agreement as an Exhibit. All Additional Modes and Service Details shall be mutually agreed upon by the parties.

1.4. Parking Zone Decals. In the event that the parties desire for Zagster to place decals to denote for Scooter parking zones (each, a **Zone** and collectively, the **Zones**), the parties shall first mutually-agree upon the location of each such Zones and will work together on any necessary permitting or approval required for placement of such parking zone decals.

1.5. Advertisements. Zagster may promote Sponsors, Zagster, Pace or the Scooter Provider on advertisements located on the scooters and/or the Zones.

2. Fees. Fees for the Program and the Service shall be charged by Zagster or the Scooter Provider to the end users of the Program. Such fees shall be determined by Zagster from time-to-time, in its sole discretion, and Zagster or Scooter Provider will retain all such revenue. Neither Zagster nor Scooter Provider shall charge Customer for the Program or the Service. In the event that Zagster obtain third party sponsors for the Program or any advertisements for the Program, Zagster will retain all revenue derived therefrom.

3. Exclusivity. During the Term, Zagster shall be the only scooter sharing, scooter rental provider and/or electric bike share provider with the right to use any Customer-owned property or promoted by Customer.

4. Exclusive License to Customer Real Estate. Customer grants to Zagster and its users an exclusive, nontransferable (except pursuant to the Assignment provisions of the Bike Share Agreement), royalty-free, worldwide license to (i) secure, lock and/or park scooters on or to any legally-permissible scooter parking on Customer-owned property, including Zones, racks, corrals and sidewalks and (ii) to access Scooters parked or staged on Customer-owned property for the provision and utilization of the Program and the Services.

5. **License.** During the Term, Customer grants to Zagster a nonexclusive, nontransferable (except pursuant to the Assignment provisions of the Bike Share Agreement), royalty-free license to list Customer on Zagster's customer lists and website. In addition to the foregoing, Customer grants Zagster an unlimited, irrevocable, perpetual, transferable, royalty-free, worldwide license to use and/or incorporate into the Program any feedback, suggestions or recommendations related thereto that Customer or its agents or employees provide to Zagster.

6. **Press Release.** Zagster may issue a press release announcing the parties' relationship hereunder. Zagster will provide Customer with a copy of any proposed press release prior to issuance and Customer shall have the right to provide any comments or feedback related thereto.

7. **Term; Termination.** Unless earlier terminated in accordance with this Section, this Agreement is effective from the date hereof until the expiration of the Term set forth in the Bike Share Agreement (May __, 2020). Either party may terminate this Agreement (i) if the other party is adjudicated bankrupt or otherwise seeks to avoid its performance obligations under applicable bankruptcy or insolvency laws, (ii) upon the occurrence of a material breach of this Agreement by the other party if such breach is not cured within 10 days after written notice identifying the matter constituting the material breach or (iii) the Customer determines, with or without cause, to terminate this Agreement. Termination may be at the sole direction of the Salem Police Chief. In the event that the Bike Share Agreement is terminated prior to the expiration or termination of this Agreement, the terms referenced in the Bike Share Agreement and used herein shall remain effective until the expiration or earlier termination of this Agreement.

8. **Applicable Bike Share Agreement Terms; Amendment to Bike Share Agreement.** The terms set forth in the Bike Share Agreement pertaining to Confidentiality, Warranty Disclaimer, Limitation of Liability, Insurance, and the General Provisions (to the extent not otherwise set forth herein) shall apply to this Agreement as if restated herein in their entirety. As additional consideration for entering into this Agreement, the parties agree to amend the Bike Share Agreement as set forth on *Exhibit B*, attached hereto and made a part hereof.

9. **General Provisions.**

9.1. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which is an original, but taken together constituting one and the same instrument.

9.2. **Survival.** Sections 2, 3, 4 and 8 survive the termination or expiration of this Agreement.

9.3. **Entire Agreement.** This Agreement constitutes the entire agreement, and other than the Bike Share Agreement, supersedes all prior negotiations, understandings or agreements (oral or written), between the parties concerning the subject matter of this Agreement. If there are any conflicts between the terms and provisions of this Agreement and the terms and provisions of the Bike Share Agreement, the terms and provisions of this Agreement shall govern and prevail.

Signatures appear on the following page

In witness whereof, the parties have executed this Agreement as of the Effective Date set forth below

CUSTOMER:

By: _____
Name: _____
Title: _____
Address: _____

**ZAGSTER:
ZAGSTER, INC.**

By: _____
Name: _____
Title: _____

Effective Date: _____

Exhibit A
Services Details

Contractual launch date of the Scooter Program at such Proposed Location (the "Launch Date")	June 1st, 2019 (estimated)
Number of scooters at Launch Date, and subsequent expansion schedules	Initial launch of 150 scooters with the ability to scale to 250 to meet demand.
Additional obligations	<ul style="list-style-type: none"> ● Zagster will work with Salem to establish zones for scooter operation, and specific zones that will regulate speed automatically once a rider enters that zone, these zones will be reflected in the mobile app ● Zagster may choose to provide virtual parking decals at mutually agreed locations. ● Zagster will pick up or swap a battery, charge and perform a safety check on each scooter after it hits twenty (20%) percent battery charge, or a charge reflecting a single ride left on the scooter, as quickly as operationally and commercially feasible ● Zagster will collect, charge, perform a safety check on, and redeploy each scooter in the fleet at least once a week ● Zagster will require scooter riders to take a photo whenever they park the scooter at the end of the ride ● Zagster will respond to requests of improperly parked or unsafe/inoperable scooters within 6 hours of receiving notice. ● Zagster will maintain a 24-hour customer service phone number for customers to report safety concerns, complaints, or to ask questions. ● Zagster will provide notice to all users by means of signage and/or through a mobile web application that: riding responsibility is encouraged, parking must be done in designated areas, scooters are to be ridden on streets, and where available, in bike lanes and bike paths and scooters are to stay to the right of street lanes and to offer the right of way to bicycles on bike lanes and bike paths.
Initial hours of operation	7am to 9pm
Service area	City of Salem city limits as defined by both parties during the planning phase in advance of the launch date

Exhibit B

Amendments to Bike Share Agreement

Schedule C, Section 2: Zagster now maintains an Umbrella Liability Coverage insurance policy in the amount of \$5,000,000 each occurrence.