

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 10, 2025

To: The Honorable City Council  
c/o City Clerk, Room 395  
Attention: Honorable Heather Hutt, Chair, Transportation Committee

From: Laura Rubio Cornejo, General Manager   
Department of Transportation

Subject: **ON-DEMAND MOBILITY PROGRAM TRIP FEE UPDATE**

**SUMMARY**

The Los Angeles Department of Transportation (LADOT) proposes an updated trip fee schedule for the On-Demand Mobility Program to continue driving equitable deployment while ensuring full program cost recovery. This update will replace the current trip fee schedule adopted in March 2021 and includes other improvements to streamline the program.

**RECOMMENDATIONS**

The City Council:

1. APPROVE the proposed trip fee update to the Rules and Guidelines of the Program related to the four On-Demand Mobility Program geographies;
2. APPROVE revisions to Ordinance No. 186955 REGULATION OF SHARED MOBILITY DEVICES per the trip fee update;
3. AUTHORIZE Designated LADOT employees as defined in Los Angeles Municipal Code (L.A.M.C) 71.01.1, through an ordinance, to impound, remove, and store dockless vehicles from the public right-of-way;
4. AUTHORIZE the LADOT through an ordinance to issue an administrative citation of \$20,000 per incident to any company operating unpermitted dockless scooters or bicycles on the public right-of-way, with those funds and any other dockless citations to be deposited into Fund 596 (Transportation Regulation and Enforcement Trust Fund) as established by L.A.M.C Section 71.26.
5. REQUEST City Attorney's Office to amend L.A.M.C 71.29 and any other necessary ordinances to update the trip fees and add an administrative penalty for unpermitted scooter activity in accordance with this report.

**BACKGROUND**

On September 4, 2018, the City Council authorized the One-Year Dockless On-Demand Personal Mobility Pilot Program. The pilot program enabled operators of shared dockless bikes and scooters to apply for permits for fleets of up to 10,500 vehicles each. Applicants submitted fees, insurance documentation, deployment information, parking, equity, and community engagement plans to receive a permit. LADOT required permitted operators to provide operational data in accordance with the Mobility Data

Specification (MDS), integrate with the City's MyLA311 system, take part in a shared mobility task force, and distribute surveys to riders. LADOT issued permits for the pilot program on March 15, 2019.

During the year-long pilot, LADOT permitted 36,170 vehicles among eight operators. The average Citywide deployment was 12,800 vehicles with the maximum deployment occurring in July 2019 at 17,700 vehicles. Revenue during the pilot year (FY 2019-2020) was \$1.2M. To allow for adequate pilot program evaluation, LADOT extended the pilot program for an additional six months, ending September 15, 2020.

In March 2021, City Council approved a permanent permit program, codified in LAMC Section 71.29, with Rules and Guidelines for the program set and approved by the LADOT General Manager. To drive more equitable deployment, the On-Demand Mobility Program converted from a "per vehicle fee" to a "per trip fee". In order to assess those trip fees, the permanent program defines four deployment geographies: Equity-Focus Mobility Development Districts (EFMDD), Mobility Development Districts (MDD), Standard Permitted Districts (SPD), and Special Operations Zones (SOZ). Each geography has an associated per-trip fee designed to incentivize trips in EFMDD's and MDD's (areas with lower deployment but some infrastructure for ridership) and to ensure that high-demand areas like SOZ's incur higher fees to account for their greater impact on program administration at LADOT as well as greater impact on the community.

Over time, as operators continue to increase deployment in the equity zones, trip fee revenue has become insufficient to cover program costs with many trips that started or ended in the lowest cost/free geographies which did not generate any trip fee revenue for the City. Ultimately, this means fee incentives have successfully driven trips into the highest-need areas of the City, but at the expense of full cost recovery. In April 2023, Council approved LADOT's updated fee structure to address cost recovery issues, and the City Attorney presented an ordinance to update LAMC 71.29 with the new fee amounts in January 2024. The new ordinance has not been adopted, and LADOT continues to operate the program below cost recovery, impacting General Fund revenue.

Based on findings from trip invoices and data analysis, LADOT recommends revisions to the trip fee cost structure that will continue equitable deployment while ensuring full cost recovery. Total revenue collection under the proposed per-trip pricing structure and new daily fee could reach approximately \$3.2 million dollars. To meet the equitable goals of the dockless on-demand program, it is important to note that this revision does not increase trip fees for the Equity-Focused Mobility Development District (EFMDD).

## **DISCUSSION**

Dockless devices are a crucial transportation option in Los Angeles offering first/last mile connections to transit hubs, and providing a convenient, affordable, and environmentally friendly alternative to short-distance vehicle trips. Their accessibility and ease of use make scooters an essential part of the city's evolving transportation network (see Attachments A, B, and C) with users relying on this form of transportation within all Council Districts.

LADOT anticipates a nearly 25% increase in ridership from 2024 levels. As the City continues to recover from the COVID-19 pandemic and prepare for upcoming major global events including the FIFA World Cup and the 2028 Olympics/Paralympics, ridership is expected to grow with dockless options being an important transportation option not just for daily use, but for special events and for connections

between mobility hubs and venues. Additionally, as the City continues to implement and expand the bike lane network, while closing critical gaps, scooter riders will have the needed infrastructure to complete their trips safely. By integrating scooters into the Los Angeles transportation network, the city can enhance mobility, cut emissions, and showcase a modern, sustainable urban experience for both residents and global visitors during any major event and beyond.

The City's On Demand Mobility Program allows LADOT to require equitable pricing options for scooter operators which is essential to ensuring accessibility for low-income users who rely on affordable transportation. By offering discounted fares, subsidies, or alternative payment structures such as cash payment options or community-based memberships, cities and operators can bridge the mobility gap and promote inclusivity. These initiatives can help individuals without access to credit cards or smartphones benefit from micromobility solutions, reducing transportation barriers to employment, education, and essential services.

LADOT enforces this, and other permit regulations using its digital regulatory tool the Mobility Data Specification (MDS), paid for through trip fees. MDS is essential not only for the programs LADOT administers today, but also for the future of mobility as it enables cities to effectively manage and integrate emerging transportation technologies, such as dockless scooters, delivery robots, ride-hailing services, autonomous vehicles, and other future modes. By providing a standardized framework for data sharing between cities and mobility providers, MDS helps improve transportation planning, enhance safety, and ensure equitable access to mobility options. It allows cities to monitor real-time usage patterns, optimize infrastructure, and enforce regulations that promote sustainability and efficiency. As urban transportation continues to evolve, MDS plays a critical role in creating smarter, more connected, and more livable cities by fostering collaboration between public agencies and private mobility operators.

The dockless scooter program has allowed LADOT to provide proof of concept analysis on the use of data and its integration into the city's transportation network. When integrated with ArcGIS Story Maps, MDS data can be visualized in an interactive and narrative-driven format, making communicating complex transportation challenges and solutions easier. By layering MDS data—such as micromobility usage, vehicle locations, and trip patterns—onto ArcGIS maps, planners and policymakers can illustrate trends, identify problem areas, and showcase potential improvements to urban mobility. This combination enhances public engagement, allows stakeholders to explore spatial data intuitively, and fosters informed decision-making for more efficient, equitable, and sustainable transportation systems. Without an increase in fees, the dockless program would be unable to sustain the costs of continuing the usage of the MDS platform which would negate work that has already been advanced, including real-time data on not just dockless vehicles, but also taxicabs, delivery robots, and in the near future car-share and bikeshare operations. Staff is also in continuing discussions to promote MDS usage on Autonomous Vehicles, making this software an important component of our transportation future.

A self-sustaining dockless scooter program with full cost recovery is essential for long-term viability, ensuring that the system remains operational without relying on General Fund subsidies. By covering operational expenses through application fees and trip fees, LADOT can ensure the viability of the program. As cities work to enhance mobility options, a well-designed dockless scooter program that pays for itself will remain a reliable, accessible, and sustainable alternative to car dependence.

### Proposed Fee Structure

The Dockless On-Demand Mobility Program costs approximately \$3,062,463 annually to operate as shown in Table 1. These operational costs include City staff, direct and indirect costs, contractual services, technical support, training, material supplies, as-needed temporary hiring, field enforcement activities, and infrastructure investment. Staff that performs work on the dockless program are also instrumental in managing other programs under the Commercial Rideshare and Mobility Bureau including, amongst other things, data analysis and management of programs related to taxicabs, non-emergency medical transportation, delivery robots, bikeshare and carshare.

Table 1: Program Costs

| Expense  | Cost                |
|--|---------------------|
| Salaries (Direct + Indirect Costs)               | \$ 1,680, 978       |
| Contractual Services and Technical Support       | \$ 655,000          |
| Field Enforcement                                | \$ 295,000          |
| Materials, Equipment, Training, Supplies (Admin) | \$ 64,500           |
| As Needed Hiring/Overtime                        | \$ 65,000           |
| Community Engagement and Outreach                | \$ 150,000          |
| Infrastructure                                   | \$ 151,985          |
| <b>Total Cost</b>                                | <b>\$ 3,062,463</b> |

The current trip fee schedule in Table 2 is broken into four geographies, and calculated based on where trips start and end.

The four geographies are:

- **Equity-Focus Mobility Development Districts (EFMDD)**, neighborhoods where many households experience economic hardship and transportation disadvantages, but generally, people have access to comfortable bicycle infrastructure, high-frequency transit, and see fewer crashes.
- **Mobility Development Districts (MDD)**, neighborhoods where people have access to comfortable bicycle infrastructure, high-frequency transit, and see fewer crashes but households do not experience economic hardship and transportation disadvantage.
- **Standard Permitted Districts (SPD)**, neighborhoods where people have less access to bicycle infrastructure, are not well-served by transit, and higher crash rates have been observed. It also includes other parts of the City that are not otherwise defined.
- **Special Operations Zones (SOZ)** are areas where place-specific rules are necessary due to high

on-demand mobility demands within finite boundaries, which supersede base Program Rules and Guidelines and apply to all permitted operations.

After a review of 2021-2024 data, LADOT determined that the collected revenue was not meeting the cost recovery requirements, and a revision to the trip fee structure is necessary.

*Table 2: Current Trip Fee Schedule*

| <b>Geography</b>  | <b>Applicability</b>  | <b>Per Trip Fee*</b> |
|---|---|----------------------|
| <b>Equity-Focused Mobility Development District (EFMDD)</b> | Trips that start or end in the Equity-Focus Mobility Development District | \$0.00 (No Cost)     |
| <b>Mobility Development District (MDD)</b>                  | Trips that start or end in a Mobility Development District                | \$0.06               |
| <b>Standard Permitted District (SPD)</b>                    | Trips that begin and end in a Standard Permitted District                 | \$0.20               |
| <b>Special Operation Zone (SOZ)</b>                         | Trips that start or end in Special Operations Zone                        | \$0.40               |

\*The lower per-trip fee applies for trips that begin in one geography and end in another.

To maintain funding for regulatory and enforcement operations, LADOT proposes increasing trip fees that end in MDD, SPD, and SOZ geographies. EFMDDs represent neighborhoods where many households experience economic hardship and transportation disadvantages, but generally, people have access to some bicycle infrastructure, high-frequency transit, and see fewer crashes. LADOT will not increase fees in these areas to continue to encourage deployment. Trips that end in these equity-focused geographies will remain free.

The new proposed fee structure shown in Table 3 includes an increase in some trip fees and a shift in how LADOT calculates fees. In the current trip fee model, pricing is based on the lowest priced zone where the trip started or ended. The new proposed fee structure amount will be based solely on the zone where the trip ends. This will support better vehicle distribution and reduce administrative burden. LADOT considered increasing the annual permit fee, which is currently \$20,000, but found that absent a significant increase in the annual permit fee, cost recovery still would not occur without a change in trip fees.

*Table 3: Proposed Fee Structure*

| Geography   | Applicability               | Proposed Per Trip Fee* |
|---|-----------------------------|------------------------|
| <b>Equity-Focused Mobility Development District (EFMDD)</b> | Trips that end in the EFMDD | \$0.00 (No Cost)       |
| <b>Mobility Development District (MDD)</b>                  | Trips that end in the MDD   | \$0.85 per trip        |
| <b>Standard Permitted District (SPD)</b>                    | Trips that end in the SPD   | \$0.95 per trip        |
| <b>Special Operation Zone (SOZ)</b>                         | Trips that end in the SOZ   | \$1.15 per trip        |

\*Trips that end outside the city boundaries shall incur the fee from their point of origin.

During FY 2023-2024, the program brought in \$571,018. (Attachment D).

Total revenue collection under the proposed per-trip pricing structure and new daily fee could reach approximately \$3.2 million dollars (Attachment E). This amount will adequately cover the approximately \$3 million in annual operational costs with any excess revenue used to cover infrastructure investments, costs of scooter removal and potential battery disposal. As noted previously, to meet the equitable goals of the dockless on-demand program, this revision does not increase trip fees for the Equity-Focused Mobility Development District. This fee adjustment will provide the City with the revenue necessary to manage this large-scale program. This fee adjustment is strictly based on the costs of managing the program and ensuring that LADOT is properly resourced to sustain the program this year and beyond. All calculations were based on an analysis of dockless trips while ensuring that trips that end in the EFMDD remain free, and without making any substantial adjustments to the annual permit fee.

### Penalty Fees and Enforcement

In addition to the updated trip fees, LADOT is proposing a fine of \$20,000 to discourage the activity of unpermitted dockless vehicle companies. The fine would be equivalent to the cost of applying for a permit, and is comparable to fines for unpermitted vehicles deployed by other regulated modes such as taxis and ambulances. If an unpermitted company is cited and determines that it would like to obtain a permit, the company would still have to pay the citation as well as the application fee for the permit. All fines issued for violations of the dockless program rules and guidelines would be deposited in Fund 596 with other enforcement fines.

LADOT is further requesting the authority for designated staff to impound and remove dockless scooters from the public right-of-way. Impounds are required to regulate unpermitted vehicles, abandoned vehicles, conduct emergency removals, and other instances that require the removal of a dockless scooter. Currently, LADOT enforcement staff have the authority to remove and impound motor vehicles operating without a permit, or failing to meet the guidelines established by the permitting body. As the enforcement team for dockless scooters, which are permitted and administered by LADOT, the authority of Transportation Investigators to remove and impound non-compliant devices should extend to dockless vehicles permitted by the LADOT. The increase in fees will be used to support the increase in operational costs. LADOT Transportation Investigators conduct routine enforcement by monitoring MyLA311 service requests, and conducting field operations on the right of way throughout the city to ensure companies follow policy guidelines, and ensure safe deployment and parking of the vehicles and this authority is a logical extension of that work.

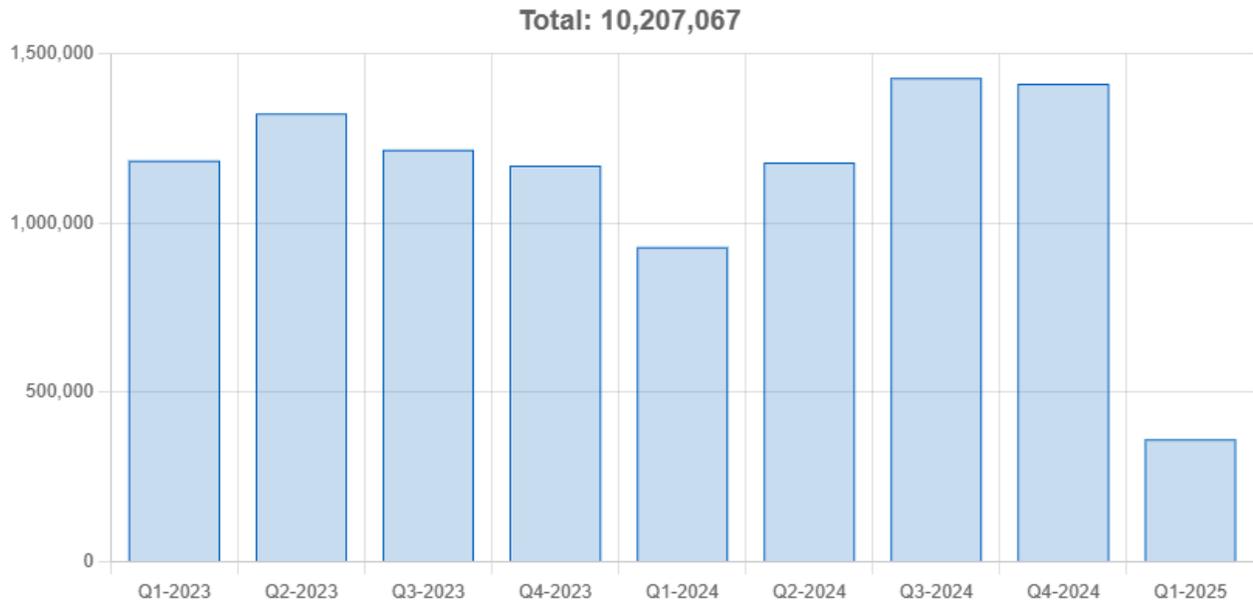
### **FISCAL IMPACT**

The current dockless program fees have not been full-cost recovery and for the last few years the program has had to rely on the General Fund to offset the shortfall. With the updated fee ordinance, the program will operate at full-cost recovery without needing any General Fund assistance. Additionally, as dockless mobility ridership increases, the revenue collected will continue to support the self-funded On-Demand Mobility Program and the digital tools needed to manage the program. The revised trip fee schedule will help staff maintain cost recovery requirements of the program and reduce the potential impact of budgetary expenses on the general fund.

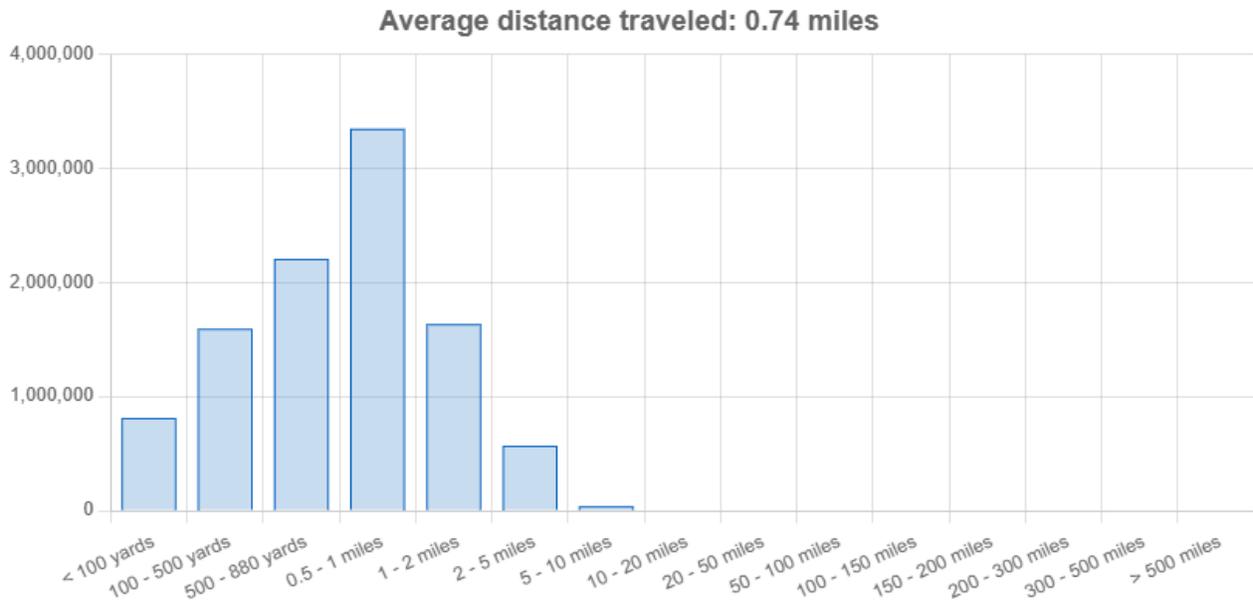
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Attachments

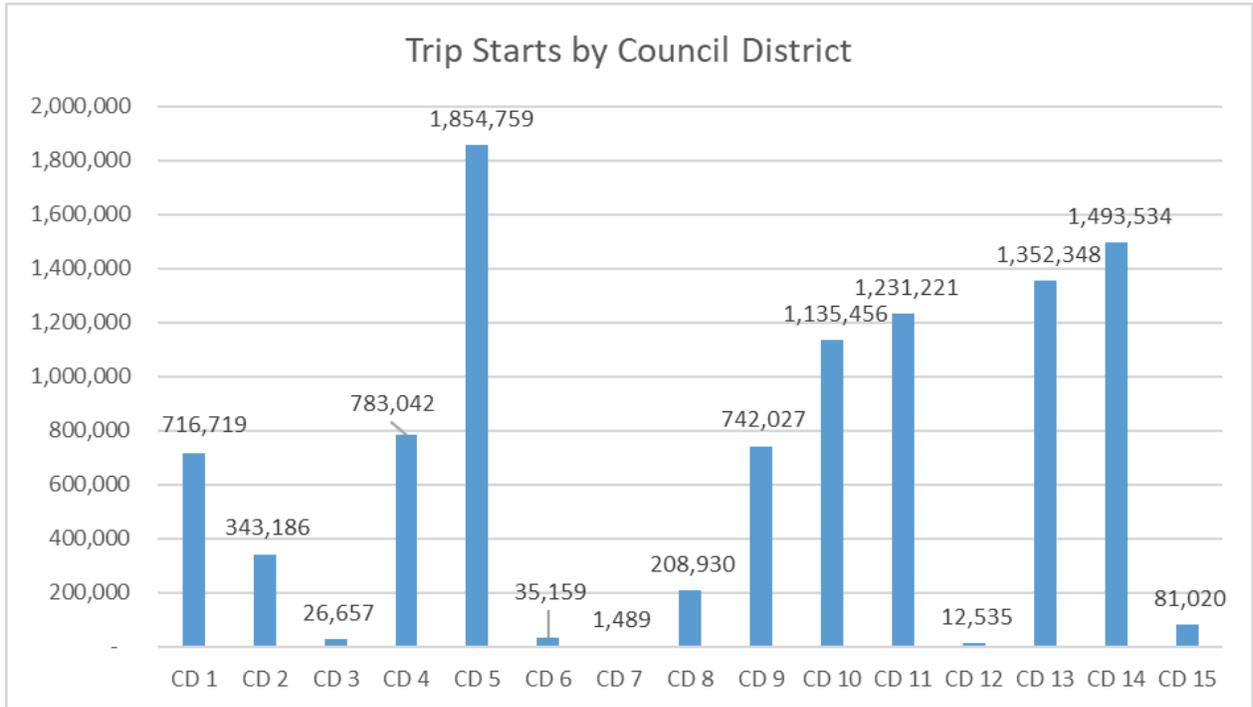
**ATTACHMENT A: Total Trips by Quarter (Jan. 2023- Jan. 2025)**



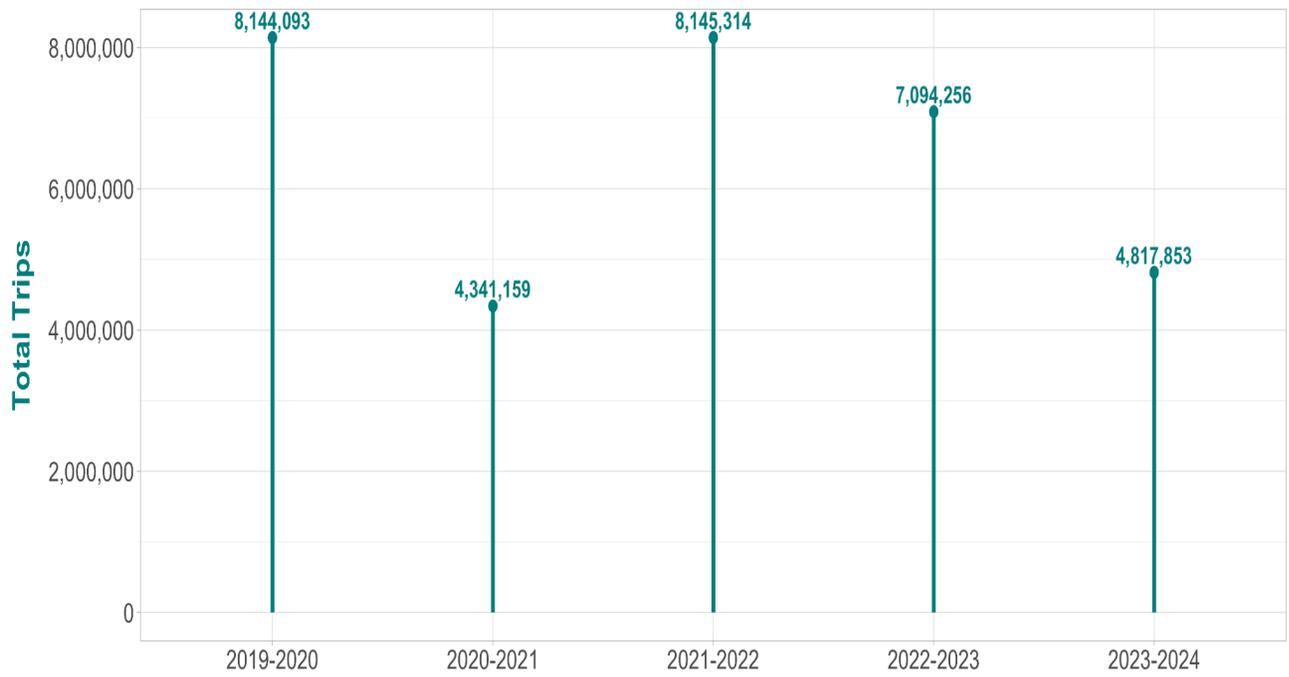
**ATTACHMENT B: Trips by Distance Traveled (Jan. 2023- Jan. 2025)**



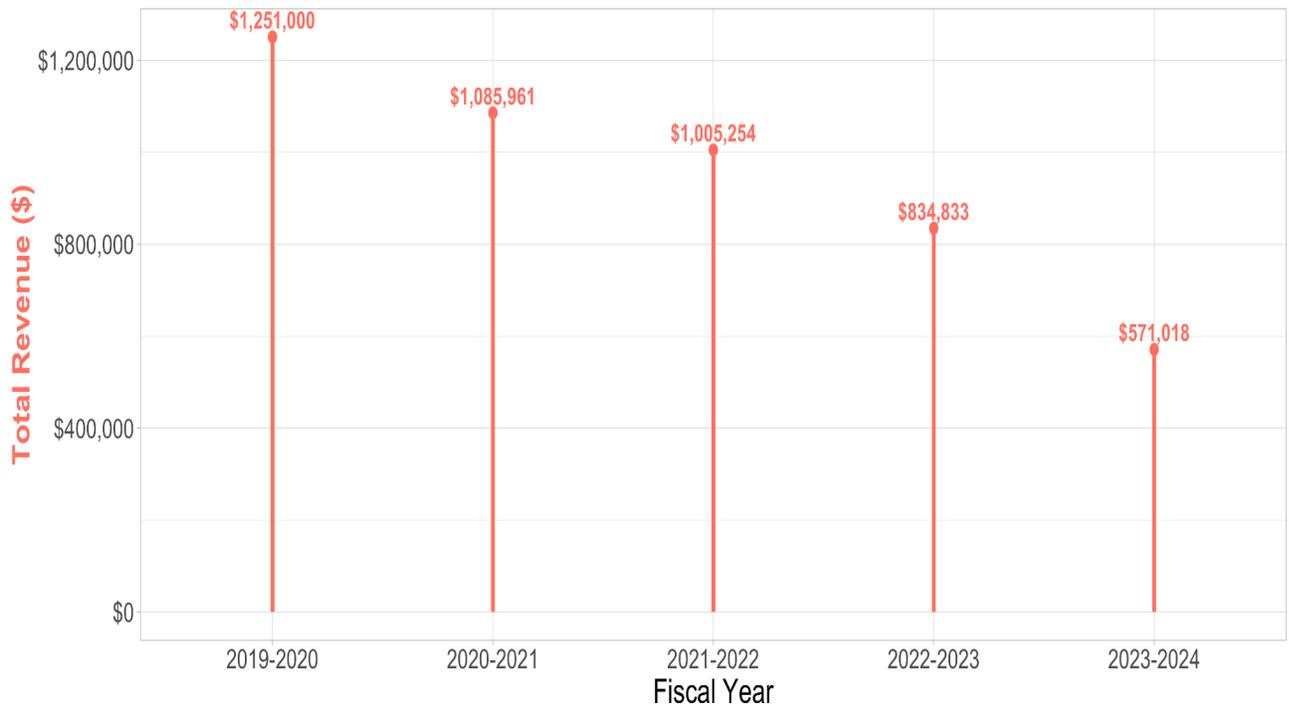
**ATTACHMENT C: Trip Starts by Council District (Jan. 2023- Jan. 2025)**



**ATTACHMENT D: Total Trips and Revenue by Year**



*Total revenue includes trip fees, application fees, and vehicle fees, where applicable.*



**ATTACHMENT E: Proposed Revenue**

| <b>Geography</b> | <b>Fee Type</b> | <b>Current Revenue (FY23-24)</b> | <b>Revenue Under New Fee Proposal (FY23-24)</b> | <b>Percent Change in Revenue</b> |
|------------------|-----------------|----------------------------------|---|----------------------------------|
| EFMDD            | Trip Fee        | \$0.00                           | \$0.00  | No change                        |
| MDD              | Trip Fee        | \$103,598.94                     | \$1,337,024.50                                  | 1,190.58%                        |
| SPD              | Trip Fee        | \$218,751.60                     | \$1,272,364.45                                  | 481.65%                          |
| SOZ              | Trip Fee        | \$148,667.60                     | \$565,082.40                                    | 280.10%                          |
| NA               | Application Fee | \$100,000                        | \$100,000                                       | No change                        |
|                  |                 | <b>TOTAL: \$571,018.14</b>       | <b>TOTAL: \$3,274,471.35</b>                    | <b>Overall increase: 473.44%</b> |

Summarizes the anticipated total revenue collection under the proposed per-trip pricing structure and new daily fee.

**ATTACHMENT F: Map of On-Demand Dockless Mobility Program Geographies Within Council Districts**

