
ORDINARY MEETING

OF

CITY STRATEGY COMMITTEE

SUPPLEMENTARY AGENDA

Time: 9:30am
Date: Thursday, 21 March 2019
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

Business	Page No.
5. Operational	3
5.4 Arlington Redevelopment Update Presented by Councillor Dawson	3
5.5 Public electric scooter share proposed change of condition Presented by Councillor Calvi-Freeman	11

5. Policy

ARLINGTON REDEVELOPMENT UPDATE

Purpose

1. This report provides the City Strategy Committee (CSC) with an update regarding the proposed consultation and engagement approach to support and progress the Arlington Redevelopment Project.

Summary

2. Arlington Apartments consists of three sites that are being developed in a phased approach. Site Two (now named Te Māra) was completed in 2018, doubling the previous capacity to 105 good quality social housing apartments. These homes are now leased to Housing New Zealand Corporation (HNZC).
3. This report relates to the redevelopment of Arlington Sites One and Three, now known as the Arlington Redevelopment Project. The 193 units on Site One are currently vacant and the aging buildings are ready to be demolished so the site can be redeveloped. The tenants housed in the 20 units on Site Three have been advised that Site Three will be part of the redevelopment of the wider Arlington site.
4. A proposed masterplan to inform the redevelopment was completed on 25 May 2018. It considered how the site could be optimised and how it could integrate with the wider community, particularly Arlington Site Two. It did not focus on more detailed design elements or specific costings as this could vary depending on further value engineering, specific delivery options, and any design guidelines developed as part of the next phases of work.
5. On 23 August 2018 CSC agreed that the proposed masterplan should be used to set the baseline and direction for future development decisions regarding Arlington. CSC were also provided advice regarding delivery options and advised that HNZC had contacted Wellington City Council (the Council) to indicate their interest in acquiring the Arlington site, noting they have First Right of Refusal under the terms of the Deed of Grant. Delivery options considered included that Council funds and delivers the site; a market delivery option; a partnership with one or more Community Housing Providers; and a partnership with central government.
6. CSC directed officers to enter into formal discussions with central government to scope and progress terms for a partnership that would enable the redevelopment of the site.
7. Key terms of a proposed partnership deal with Central Government have now been negotiated. High level terms include that (if approved) the deal would involve the long-term ground lease (125 years) and partial sale of up to 30% of Arlington Sites One and Three to the Crown to enable the development of new social and affordable homes for the city. The Crown, through HNZC, would be responsible for the redevelopment (including detailed design), social housing service management, funding and maintenance of the site.
8. The proposed deal has been negotiated on the basis that it is consistent with the Long Term Plan, the Council's Housing Strategy, and the Strategic Housing Investment Plan.

9. Negotiations regarding the deal are ongoing and the proposed terms will not receive final approval from Council until the Council has undertaken appropriate consultation and considered findings.
10. Officers consider that the proposed partnership deal is likely to trigger Section 97 of the Local Government Act 2002. This means that before a final decision is made, a consultation document for the amendment of the Long Term Plan must be prepared which meets the requirements of Section 93D and 93E. This must be reviewed by Audit New Zealand and publicly consulted on.
11. To meet these requirements, and in line with the Council's Significance and Engagement Policy, officers recommend the use of the Special Consultative Procedure (SCP). This will include the release of a public consultation document from late April 2019.
12. Subject to any feedback from CSC, officers will now progress the SCP and report findings back to CSC. It is anticipated that a final decision regarding the proposed deal and the amendment of the Long Term Plan will be sought from committee in June 2019. The final decision will be subject to the consultation findings being considered by CSC.

Recommendation/s

That the City Strategy Committee:

1. Receives the information.
2. Notes that officers have negotiated key terms of a proposed partnership deal with Central Government and negotiations are continuing. If approved, the deal would involve the long-term ground lease (125 years) with the option of up to 30% of the site being sold to the Crown to enable the development of new social and affordable homes for the city. The Crown, through the Housing New Zealand Corporation, would be responsible for the redevelopment (including detailed design), social housing service management, funding and maintenance of the site.
3. Note that officers will prepare a Statement of Proposal that includes an amendment to the Long Term Plan. This will be reviewed by Audit New Zealand before approval is sought from Committee for it to be released for public consultation from late April 2019.
4. Note that the Special Consultative Procedure will be used to seek public feedback on the proposed partnership deal with central government. Feedback will be reported back to Committee for consideration before final decisions regarding the proposed deal are made later in the year.
5. Note that a final decision regarding the proposed deal is likely to be sought from Council in June 2019.

Background

13. Arlington Apartments is the largest of the social housing sites owned by the Council. It consists of three sites that are being developed in a phased approach.
14. The redevelopment of Site Two (now named Te Māra) was completed in 2018, doubling the previous capacity to 105 good quality social housing apartments. These homes are now leased to HNZA for a maximum of seven years and provide social housing to some of the city's most vulnerable people, and enable the redevelopment of older stock within the HNZA Wellington City portfolio.

15. This report relates to the redevelopment of Arlington Sites One and Three, now known as the Arlington Redevelopment Project. The 193 units on Site One are currently vacant and the aging buildings are ready to be demolished so the site can be redeveloped. City Housing tenants are currently still housed in the 20 units on Site Three, however they have been advised that Site Three will be part of the redevelopment of the wider Arlington site.
16. A previous market process for the redevelopment of Arlington was undertaken. This included a market procurement process which culminated in a Request for Proposals (RFP) stage being issued to the market in June 2017. Two responses to the RFP were received but neither were progressed due to risk areas of non-compliance and financial feasibility for Council.
17. After being informed of the RFP outcome CSC directed officers to scope the option of delivering the redevelopment of the site through an Urban Development Authority (UDA) or a Housing Delivery Vehicle (HDV) approach. Next steps were also to include the development of a masterplan for the site.

Masterplan for Site One and Three

18. Following an RFP process in February 2018, Isthmus Group was commissioned to undertake a masterplanning investigation for Sites One and Three with the purpose of informing the business case for the redevelopment of Arlington Sites One and Three under a mixed tenure model.
19. The proposed masterplan was completed on 25 May 2018. The overarching aim was to establish an optimum capacity and layout for the site. The masterplan also considered how the site could integrate with the wider community, particularly Arlington Site Two. It did not focus on detailed design elements or specific costings as this could vary depending on further value engineering, specific delivery options, and any design guidelines developed as part of the next phases of work.
20. On 23 August 2018 CSC agreed that the proposed masterplan should be used to set the baseline and direction for future development decisions regarding Arlington.
21. During the final development stages of the masterplanning process HNZA contacted the Council to indicate their interest in acquiring the Arlington site, noting they have First Right of Refusal under the terms of the Deed of Grant.

Assessment of delivery options

22. On 23 August 2018 CSC were also provided advice regarding delivery options for the redevelopment of Arlington Sites One and Three. A number of options were assessed, taking into account:
 - **Key objectives for the site** including optimising density and urban design outcomes on the site, increasing social and affordable housing in the city, and creating a mixed tenure community that integrates with the wider community (particularly Site Two).
 - **Local Government Act 2002 obligations** that require Council to meet community needs in a cost-effective and financially prudent way.
 - **Affordability for tenants and the Council**, for example taking into account social housing rent settings and provisions, and the sustainability of the Council's social housing portfolio.
 - **The Council's obligations under the Deed of Grant and the Public Works Act 1981.**

23. Options considered included:

- **OPTION ONE: Council funds and delivers the site.**

This option was not recommended on the basis that it would require significant additional rates funding not currently provided for in the Long Term Plan and/or require a large proportion of the site to be sold as private market homes to fund the redevelopment of the site and therefore limiting the amount of social and affordable houses that could be delivered.

- **OPTION TWO: A market delivery option.**

This option was not recommended on the basis that an attempt has previously been tested to some extent and did not result in a successful outcome for Council. This option would also trigger HNZC's First Right of Refusal under the Deed of Grant, which HNZC would seek to progress and therefore make this option unfeasible.

- **OPTION THREE: Partnership with one or more Community Housing Providers**

This option would involve a long term lease to one or more Community Housing Providers (CHPs). It would support the growth of the CHP sector, which has been identified by Council as being a desirable outcome for the social housing sector in general. However, this option was not recommended on the basis that it is unlikely to be the most affordable option for Council, and the current funding constraints and the current capacity of the sector in Wellington could potentially be problematic for a redevelopment of this size. As with Option Two, this option would also trigger HNZC's First Right of Refusal, likely making it unfeasible.

- **OPTION FOUR: Partnership with central government**

In 2018 HNZC approached Council and indicated their interest in acquiring the Arlington site to provide more social and affordable housing supply for the city.

It was proposed that this option would involve the long-term ground lease (125 years) with the option of up to 30% of the site being sold to the Crown at some point during the term for the purpose of delivering affordable housing. The Crown, through HNZC, would be responsible for the redevelopment (including detailed design), management, funding and maintenance of the site. HNZC indicated a strong preference and readiness to progress this option and advised that they would seek to fund and develop the site primarily as social housing, but would work in conjunction with the Ministry of Business Innovation and Employment (MBIE) to deliver a proportion of the site as affordable homes for sale.

This option was recommended for further investigation/development by officers as it would increase social and affordable housing significantly more than other options without significant (if any) cost implications for Wellington ratepayers. Furthermore, HNZC has stated a willingness to progress development using the proposed masterplan which was completed in May 2018. This will help to ensure good urban design and community outcomes and appropriate density

optimisation. HNZC has also confirmed an intent that all new houses meet a Homestar 6 rating.

The New Zealand Green Building Council states that a Homestar 6 rating or higher provides assurance that a house is better quality – warmer, drier, healthier and costs less to run – than a typical new house built to the building code.

24. CSC directed officers to enter into formal discussions with Central Government to progress Option Four.

Discussion

25. Negotiations between Council and HNZC have since taken place to establish the specific parameters and terms of a proposed partnership deal for Arlington.
26. Key aspects of the proposed terms include that:
- HNZC expect to build between 230 and 300 modern, warm, dry homes which will be a mix of social and affordable housing. Up to 40 of these homes are expected to be supported living units where tenants experiencing complex issues can receive the support and help they need.
 - The site would be leased to the Crown on a long-term basis of 125 years.
 - HNZC will retain an option to purchase up to 30% of Arlington Sites One and Three at some point during the term to enable a proportion of the site to be developed as affordable homes.
 - The Crown, through HNZC, would be responsible for the redevelopment (including detailed design), social housing service management, funding and maintenance of the site.
 - The Council's masterplan will be used to inform the detailed design and development of the site to help ensure good urban design and community outcomes, and appropriate density optimisation.
27. Officers have negotiated these terms on the basis that they are consistent with the Long Term Plan, the Council's Housing Strategy and the Strategic Housing Investment Plan (SHIP), which have signalled that:
- The Council will work with other housing stakeholders to support all parts of the housing market, including temporary housing, short and long-term rental, and home ownership.
 - The Council will seek to leverage a proportion of Council-owned sites – either through lease arrangements or divestments – to attract investment from other housing providers, central government and developers to deliver affordable housing on those sites (in conjunction with the Council's social housing).
 - The Council will work in partnership with HNZC and the Ministry of Social Development to establish supported living options for our most vulnerable homeless population.

28. Both parties to the deal have indicated a preference for the deal to be progressed and finalised by mid-2019 so the largely vacant site can be redeveloped as soon as possible to create new homes that will help address a shortage of social and affordable homes in the city.

Consultation and engagement

29. Negotiations between HNZC and the Council are ongoing and the proposed terms of the deal will not receive final approval from Council until the Council has undertaken appropriate public consultation and considered findings.
30. To finalise the proposed deal, the Council must meet any consultation requirements as prescribed in the Local Government Act 2002 and the Council's Significance and Engagement Policy.
31. Officers consider that the proposed partnership deal is likely to trigger Section 97 of the Local Government Act 2002 (that certain decisions can only be taken if provided for in a Long Term Plan). This means that before a final decision is made, a consultation document for the amendment of the Long Term Plan must be prepared which meets the requirements of Section 93D and 93E. This must be reviewed by Audit New Zealand and publicly consulted on before a final decision is made.
32. To meet these requirements next steps include:
- Development of a draft Statement of Proposal (including Long Term Plan amendment). It will provide details on the proposed partnership agreement with Government and provide a description of the proposed amendment, the reasons for the proposed amendment, the implications (including financial implications) of the proposed amendment, and outline any alternatives to the proposed amendment that the local authority may wish to discuss with its communities.
 - Committee consideration of the draft Statement of Proposal by mid-April 2019.
 - The release of the Statement of Proposal for public consultation from late April. Consultation will be undertaken for a period of one month and will include oral hearings and targeted stakeholder engagement. Feedback will be sought on the extent to which the public agree that the proposed deal aligns with the Housing Strategy, which was adopted by Council in 2018 following public consultation as part of the Long Term Plan process.
 - Collation and analysis of consultation feedback, with key findings provided to CSC prior to final decision making regarding the proposal in late June 2019.

Next Actions

33. Officers will progress consultation as outlined above. Officers expect that a final decision regarding the proposed deal and the amendment of the Long Term Plan will subsequently be sought from Committee in June 2019. The final decision will be subject to the consultation findings being considered by CSC.

Attachments

Nil

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	John McDonald, Housing Development Manager
Authoriser	David Chick, Chief City Planner

SUPPORTING INFORMATION

Engagement and Consultation

Officers recommend the use of the Special Consultative Procedure to seek public feedback on the proposed partnership deal with central government, before any final decisions are made in June 2019.

Treaty of Waitangi considerations

Arlington Sites One and Three have been identified by Taranaki Whānui ki te Upoko o te Ika iwi mana whenua entities as within the wider Te Aro Pā environs and cultivations. As such, iwi have been identified as a key stakeholder to be engaged with during consultation on any matter regarding the site.

Financial implications

The proposed option of partnering with Central Government to deliver Sites 1 and 3 would transfer the financial risk of funding the development to HNZC, and is expected to have a favourable impact on the forecast cash position of the City Housing business unit.

Policy and legislative implications

Legal advice was sought in relation to the options to deliver Site 1 and 3. This included consideration of any implications relating to the Public Works Act 1981, the Local Government Act 2002, the Deed of Grant, and the Council's Significance and Engagement Policy. All options have also been assessed to identify the extent to which they are able to contribute to the Council's Housing Strategy and Action Plan.

Risks / legal

Legal advice was sought and considered in relation to consultation requirements for the proposed deal to be progressed. This has informed the view of officers that the proposed partnership deal would likely trigger Section 97 of the Local Government Act 2002 (that certain decisions can only be taken only if provided for in a Long-Term Plan). This means that before a final decision is made, a consultation document for the amendment of the Long Term Plan must be prepared which meets the requirements of Section 93D and 93E. This must be reviewed by Audit New Zealand and publicly consulted on before a final decision is made.

Climate Change impact and considerations

The development of sites within the existing urban footprint and/or on sites zoned for residential development supports the Council's policy of urban containment. Promoting a compact urban form reduces the consumption of fossil fuels and harmful greenhouse gas emissions which result in negative climate change impacts.

Communications Plan

A detailed Communications and Engagement Plan has been prepared to support the proposed next steps.

Health and Safety Impact considered

N/A

5. Operational

PUBLIC ELECTRIC SCOOTER SHARE PROPOSED CHANGE OF CONDITION

Purpose

1. This report recommends the City Strategy Committee amend resolution 12 adopted at the 14 February meeting.

Summary

2. Officers have commissioned an independent review of the Public Hire Electric Scooter Code of Practice which raises health and safety concerns regarding the Council direction that users of public electric scooters ride on the road at all times in the CBD and suburban shopping centres.
3. All other resolved items reviewed in the same health and safety process were deemed appropriate and will be reflected in the code of practice.
4. Pedestrian safety and comfort remains the Council's top priority throughout any operation of public electric scooter share schemes.

Recommendation/s

That the City Strategy Committee:

1. Receives the information.
2. Amends resolution 12 from the 14 February meeting as follows:

Agrees that the code of practice require provider/s to ensure that electric scooters are not ridden on the CBD footpaths or suburban centre footpaths unless it is unsafe to do otherwise.

Background

5. Following the City Strategy Committee on 14 February officers began to develop the public electric scooter share code of practice to reflect the direction set by Councillors.
6. Part of this process was to commission an independent health and safety review (Attachment 1) of the proposed code of practice.
7. Clause 3.13.4 of the Standing Orders details the process under which the City Strategy Committee can alter previous resolutions.

Discussion

8. After receiving independent advice officers believe that implementing a code of practice that compels electric scooter riders to only use the carriageway in large parts of the city, including the CBD, is not safe.

9. Officers agree with the committee that footpaths need to remain an area of priority for pedestrians. This amendment is to clarify that the intention of the original instruction was not to encourage electric scooter users on to the carriageway when it is not safe to do so, but rather to reinforce that footpaths are first and foremost for pedestrians and any electric scooter use on the footpath must be done in a way that reflects that the safety and comfort of people on foot is paramount.
10. Officers will continue to work with operators to encourage electric scooter riders to use the carriageway when it is safe to do so.
11. In addition officers will investigate the feasibility of retrospectively changing all existing approved "Bike Lanes" to enable the legal use of e-scooters.


Options

12. The Council can agree to leave the standing resolution, or amend the resolution. The proposal outlined above recommends amending the resolution.
13. If the Council agrees to maintain the status quo officers are unlikely to issue trading in public places licences for public electric scooter share operators.
14. If the Council agrees to the recommended approach officers will work through the process set out below.

Next Actions

15. Subject to approval of officer's recommendations, officers will finalise the electric scooter share code of practice, encompassing all the initial committee resolutions with the amendment discussed above.
16. Officers expect that, if approval of the amendment is agreed to, the Council could issue permits to trade in public places within a week.
17. Once operators have a permit to operate officers will be able to confirm a start date for public electric scooter share in Wellington.

Attachments

Attachment 1. Review of public hire electric scooter code of practice [↓](#) 

Page 14

Authors	Hugh Wilson, Transport Choice Coordinator Paul Barker, Manager, Network Improvements Moana Mackey, Chief Advisor to the Chief City Planner
Authoriser	David Chick, Chief City Planner

SUPPORTING INFORMATION

Engagement and Consultation

Consultation and engagement will take place as part of the evaluation period. Part of the cost to operate covers an extensive monitoring programme. Officers will also utilise the Council survey panel and social media channels.

Treaty of Waitangi considerations

There are no Treaty of Waitangi implications for this paper.

Financial implications

The costs to operate resolved in the minutes from the 14 February City Strategy Committee cover any financial risks to the Council.

Policy and legislative implications

Any policy and legislative implications will come as a result of the evaluation period.

Risks / legal

Key risks revolve around pedestrian and scooter riders safety. These issues are central to the considerations for the Council.

Climate Change impact and considerations

There is likely to be a positive impact on the Council's climate change goals.

Communications Plan

Will be developed in consultation with communications and engagement officers at the Council.

Health and Safety Impact considered

Health and safety implications have been taken in to account and are deemed to be at a tolerable and reasonable level of management.



1 March 2019

Review of Public Hire Electric Scooter Code of Practice

Wellington City Council

RDC Group Ltd



This report considers the practicality, risks and safety implications of the draft Wellington City Council Electric Scooter Code of Practice

Executive Summary

Riding on a wave of technology advances and strong customer demand, micro-mobility devices (including e-scooters) are increasingly becoming part of the personal transport options people can access in modern cities. They have the potential to form an important part of a modern and integrated wider transport system. It is also clear that these new devices raise a number of challenges including safety, user behaviour, operational management and road-space allocation with other transport modes.

Wellington City Council (WCC) is considering the implementation of public hire electric scooter (e-scooter) schemes on a trial basis for 18 months. Five other cities in New Zealand are currently conducting trials (or 12-month license periods), of public e-scooter schemes.

WCC has sought requests for service from potential operators. A number of proposals have been received and WCC is currently assessing these. WCC plans to license up to two operators for a maximum total of 800 e-scooters. The license would be issued under the Consolidated Bylaw (Part 5 Public Places).

In setting the conditions for this trial, WCC is primarily concerned with safeguarding personal safety – of people that hire the e-scooters, pedestrians and all other roads users.

To guide the safe and practical implementation of the trial, WCC has developed the 'Electric Scooter Share Code of Practice' (the Code). This has drawn upon best practice nationally, including from Auckland City Council experiences.

The Code includes provisions to guide safe and orderly operations. It also includes provisions that would seek to restrict where and how these e-scooters can be used.

Through the Code, WCC is trying to set an appropriate balance between enabling the trial and public demand for e-scooters, while not unduly impacting on other users of the transport system. Particular concerns are for the range of other people using footpaths, which e-scooters are legally able to do¹. This is potentially a greater challenge in parts of Wellington than for other cities in New Zealand due to the very high number of pedestrians on narrow footpaths such as along Lambton Quay and Willis Street.

WCC has commissioned this review to consider the feasibility, practicality, challenges and risks of implementing aspects of the Code that would restrict where and how the e-scooters can be used.

This review focused on these matters as well as commenting on relevant other matters in the Code.

In summary, our view is that the Code of Practice requirements are for the most part pragmatic and in line with practice that has been adopted elsewhere to guide trials. This includes restricting the use of e-scooters in locations that have a very high people and place value, such as the Botanic Gardens and Cuba Mall.

However, the provisions in the Code that would impose broader restrictions on e-scooter

¹ E-scooters are able to use the footpath provided that they comply with the NZTA definition of a 'low powered vehicle' - in particular that the wheels must not exceed 355mm and the motor must have a maximum power output not exceeding 300W. see: <https://www.nzta.govt.nz/vehicles/vehicle-types/low-powered-vehicles/>

Review of WCC E-Scooter Code of Practice

1.03.2019

RDC Group Ltd

use such as requiring users to ride on the carriageway in the CBD and all suburban centres, is likely to raise significant feasibility issues for implementation and enforcement.

Of more concern is that the restrictions are likely to result in unintended consequences by forcing e-scooter riders (including first time and inexperienced riders) to share traffic lanes with cars, trucks, buses and bikes in corridors and on road surfaces which are unsuitable and unsafe for e-scooter riders.

No other city in NZ has imposed similar location bans or sought to restrict riding on footpaths. Informal feedback from other cities is that they consider this would be impractical, result in safety issues for users and would raise significant and unachievable public expectations of the WCC to enforce such restrictions.

We therefore recommend that the WCC review these proposed controls, consider whether alternative options are feasible to achieve the same outcomes including discussions with potential operators on how safe sharing can be made possible in locations with high foot traffic.

A more practical approach, which is being developed internationally as well as in both Auckland and Christchurch is to use geo-fencing to enforce areas for lower speeds. This would seem a more practical way to achieve the balance of safety and sharing of space.

Report author: Dougal List, Senior Associate, RDC Group

Peer review: Doug Craig, Director, RDC Group

1. Purpose of this report and our approach

WCC commissioned this review to consider the feasibility, practicality, challenges and risks of implementing aspects of the draft Electric Scooter Code of Practice that would restrict where and how the e-scooters can be used.

This report focuses on these matters as well as commenting on other relevant matters in the Code. To inform this report we undertook the following tasks:

- Reviewed of the draft Code of Practice, officer report and discussions from the City Strategy Committee 14 February 2019
- Discussed the proposed approach with representatives from other local authorities undertaking e-scooter trials and with the NZ Transport Agency (NZTA)
- Briefly scanned international practice

Following this we considered our advice on what we see as the key challenges and risks, including the feasibility and practicality of implementing the Code. Our advice is outlined below.

2. Limitations

While this report has been undertaken with best endeavours to meet the tight deadlines WCC is working to, it is necessarily based upon the information provided to us, supplemented by the discussions and research we have been able to undertake within the available time.

This report does not consider the legalities of bylaw licensing controls or the requirements of current NZ rules and regulations. Nor does this report consider any relevant health and safety regulations or consumer legal rights. We have focused on practice and issues in NZ and not investigated the wider range of practice and issues internationally in any depth.

We cannot therefore warrant against any errors or factually incorrect information in this report. It has been developed for the sole benefit of WCC to inform its consideration of the practical implications of the implementation of a public e-scooter trial in Wellington.

3. Context

Technology and customer demand are enabling a range of new transport and micro-mobility choices. These include e-scooters and other similar mobility devices, which are becoming increasingly popular and affordable.

Supported by significant investor interest, mobile phone-based software and the demand for new transport choices, large scale public hire e-scooter schemes have sprung up in cities across the globe.

These new micro-mobility devices and public hire schemes have raced ahead of traditional standards, regulations and controls. This often means that cities have few levers to manage user behaviour, operational issues and safety concerns.

Clearly these new micro-mobility devices are increasingly becoming part of the personal transport options people can access in modern cities. There is strong customer demand for their use, and they have the potential to form an important part of a modern integrated multi-modal urban transport system.

What is also clear is that these new devices raise a number of challenges in integrating with existing transport and urban design infrastructure as well as existing users. Issues include:

- The behaviour of users, including control (especially novice or first-time users), speed, recklessness²
- Space allocation on footpaths, including for users that have particular mobility needs or challenges
- Operational challenges for public hire schemes, such as hours and area of operations, maintenance and redistribution
- Integration with the wider transport system, including public transport
- Location specific challenges such as parts of cities that are less suited to e-scooters due to topography, numbers of other road users or amenity values
- Reliability and safety issues arising from faults with the devices and their operating systems.

Safety is a common thread across all of these challenges – particularly in relation to other users of footpaths and for riders of e-scooters.

The implementation of large public hire mobility device schemes (e-scooter and bikes) is a contentious issue that has been the subject of intense media scrutiny in NZ and internationally. In NZ, media attention has focused on the safety of e-scooter share schemes and has resulted in some calls for mandatory helmets, speed controls and restrictions on footpath use.

The Government is considering options to help manage devices, particularly on footpaths through the 'Accessible Streets' rules package. No policy decisions have been made on this with consultation likely in late 2019 and any rule changes unlikely to be enacted until at least 2020.

4. Public hire e-scooter trials in NZ - lessons learned

In 2018, Lime scooters were launched in Auckland³, Christchurch and Dunedin on a trial basis. In Hutt City and Upper Hutt, they have been launched under a 12-month license period. A range of other cities across the country are also considering opportunities or offers to establish public hire e-scooter schemes.

The trials have generally occurred through a license or permit under Public Places Trading bylaws, whereby the local authority grants rights to trade in public places in exchange for an operational agreement on how, when and where the scooters can be operated and how they are managed. The exception to this is in Dunedin, where the Council has entered a MoU with Lime.

This approach recognizes that local authorities have limited controls on e-scooter operations and that they potentially have legitimate alternatives such as setting up off-street hire locations.

A summary of the e-scooter schemes in each city is set out in Appendix 1. Conditions or Terms generally require operators to ensure orderly operations, communicate and work with the council, share data and ensure that e-scooters meet NZ standards and are well maintained. Licenses also include clauses requiring operators to encourage safe, courteous and legal riding.

Through these agreements and operational experience, lessons from other NZ cities include:

² <https://www.stuff.co.nz/auckland/auckland-top-stories/109384064/man-caught-illegally-riding-a-lime-scooter-across-auckland-harbour-bridge>

³ Auckland Council granted 12-month trial licenses to three operators – Lime, Onzo and Wave. Onzo and Wave have to date chosen not to implement schemes

- Having lines of communication and effective working relationships with local operations staff is important to help manage operational issues, including public complaints. Local operations staff have been responsive to requests for relocation or locking of scooters to avoid safety issues. It is therefore better to have some form of licensed arrangement than no controls
- Where customer service support is based overseas there can be issues with responsiveness levels of support to users
- Councils have experienced increased demand for service (e.g. inquiries and complaints about e-scooters, parking, behaviour, riding without helmets, etc.), which have had a significant impact on staff time. To date, the costs associated with this have not been recouped through fees and charges
- No other city in NZ has imposed widespread location bans or sought to restrict riding on footpaths, although some, such as Upper Hutt and Christchurch City have banned use from quiet public places such as parks and cemeteries
- Auckland and Christchurch are considering implementation of slower speed areas through geo-fencing controls. This would potentially be at 15 km/hr and focus on highly pedestrianised areas of the cities (e.g. Queen St in Auckland. See below for detail on Christchurch)
- It is important that any large mobility scheme is designed to complement the wider transport system including walking and cycling, public transport, ride share and private vehicles
- Operators have made some minor attempts to encourage good user behaviour, and most license conditions require that operators encourage safe, courteous and legal riding. These include information displayed when users log into e-scooters and safe riding workshop sessions. These are however fairly weak measures relative to levels of complaints about rider behaviour
- After an initial high level of activity, rider numbers have balanced out but have remained high. Rides tend to be for a mixture of purposes, including connections to public transport, recreation and late evening use as an alternative to taxis or public transport
- Generally, schemes seem to be positively received by communities and are proceeding well, but there are nuisance issues around parking, some user behaviour, potential safety (such as the Lime brake locking issue) and operations management/customer support
- While councils have very limited ability to enforce bad behaviour, incidences seem limited to a small number of riders given the total volume of trips undertaken
- Parking nuisance issues may be possible to better manage through designated parking clusters.

At the time of writing, two e-scooter trials are on hold in Dunedin and Auckland following safety concerns and several accidents linked to a firmware malfunction. This issue has apparently been resolved, but for now these trials remain on hold.

5. E-scooter trial in Christchurch

Christchurch City Council have just completed a 3-month trial of Lime e-scooters with the

results of this presented to the full Council on 28 February 2019⁴.

In response to this report, the Council resolved to issue a new 12-month permit to Lime scooters with an increase from 700 to 1000 scooters.

This was supported by an increase in the rental fee equating to \$86.25 per scooter and a city-wide cap of 1600 scooters until there is sufficient demand to increase this. This will allow for new operators to enter the market.

Discussion on the papers included concerns that speeds of up to 30 km/hr were not appropriate in some parts of the City. As a result, Christchurch City advise that they plan to work with Lime to implement speed controls of 15 km/hr through geo-fencing in some parts of the city as this technology becomes available. Christchurch City also plan to update their operational policy working with NZTA and other local authorities.

The Council report was supported by the results of a public survey and data on the trial. This included:

- 75% of the respondents to the survey (some 7000 submissions) think that the e-scooter trial has had a positive or very positive effect on the city
- A similar number (74%) of respondents felt that e-scooter share companies should probably or definitely be allowed to operate in Christchurch after the trial
- People that had used the e-scooters were much more likely to view them positively and feel more comfortable sharing space with the scooters on the footpath and other public spaces
- A random, but representative survey sample of Christchurch and Auckland residents was also undertaken. Auckland residents have a more mixed reaction towards the impact of shared e-scooters on the city, while Christchurch residents are more positive overall. This may reflect differences in implementation and/or supportive infrastructure provision in the two cities. In considering the feasibility and usability of e-scooters, WCC needs to take account of these differences as well as differences in pedestrian density, footpath and roading infrastructure, urban design, and the geographical underpinnings of the city
- Over 400,000 trips were made during the trial by more than 100,000 people
- Utilisation of scooters has remained high with each scooter being used approximately seven times per day on average
- The Council's contact centre has received a number of complaints about users' behaviour on Lime e-scooters. However, most complaints were about riders violating Lime's customer rules (helmet use, riders under 18 etc.) or transport rules (which are enforced by Police) rather than breaches of their trading permit.

Full results of the survey, including usage and uptake data as well as an informative discussion paper can be found in the Council report.

6. E-scooter trial in Wellington⁵

WCC has determined that there are three high-level options in relation to e-scooters.

⁴ Refer: <http://christchurch.infocouncil.biz/>

⁵ Background to the issues, potential operators and approaches in other cities in NZ (including national approaches by NZTA and MoT) is set out in detail in the WCC officer report to the City Strategy Committee 14 February and is therefore not repeated here.

1. Doing nothing = status quo and dealing with a potentially larger challenge of uncontrolled private e-scooters
2. Allow all interested operators to implement hire schemes without any controls; or
3. Implement a carefully managed trial process.

WCC has identified that option 3 is the best option to manage operations and behaviour so that the public can access e-scooters without having to purchase them privately. For example, in Auckland, there are more privately-owned e-scooters than public hire e-scooters.

The intent is to undertake an 18-month trial which will enable evaluation of the impacts of the scheme after six months, followed by public consultation before a permanent solution is implemented. This allows the WCC to work directly with selected operators under agreed conditions to evaluate impacts and, where necessary, impose additional requirements or revoke a license.

This would be implemented through a license under the Consolidated Bylaw (Part 5 Public Places), supported by a Code of Practice. This is a similar approach to that implemented by Auckland City. Key issues WCC is trying to manage through the trial include safety for all road users, restricted or banned areas of use and how the trial will be evaluated.

Through the City Strategy Committee decision on 14 February 2019, WCC confirmed this approach of working with operators and managing effects. Through the debate of the recommendations, the Committee also added a number of additional conditions which have been reflected in the draft Code of Practice.

To establish operators, WCC has sought requests for service from potential providers. A number of proposals have been received and WCC is currently assessing these with the intent to issue a license to two operators and a maximum of 800 scooters. The license would be issued under the Consolidated Bylaw (Part 5 Public Places).

7. WCC Electric Scooter Share Code of Practice

With a focus on safety and based upon the experiences of other cities in NZ and globally, WCC has identified operational conditions to manage e-scooter hire schemes. These are set out in the draft WCC Code of Practice to be applied during the proposed 18-month trial period.

The Code of Practice draws on the Auckland Council's Dockless Cycle and E-scooter Share Code of Practice. WCC also has an existing Dockless Bike Share Code of Practice.

Provisions in the Code of Practice include requirements that appear sensible, in line with practice elsewhere and would provide a robust platform for evaluation of the trial. These include⁶:

- Requiring the operators to work with and communicate with WCC
- Compliance with NZ health and safety regulations as well as holding public liability insurance of at least NZ\$1 million
- Front and rear lights, that scooters comply with the NZTA definition of a low powered vehicle, are sufficient quality to withstand exposure and regular use; and are regularly serviced
- Connection to GPS technology and the ability to restrict access to control access to

⁶ Refer to the WCC Electric Scooter Share Code of Practice. Version Draft 2.0 21/02/2019 First version sent to operators

Review of WCC E-Scooter Code of Practice

1.03.2019

RDC Group Ltd

certain areas of the city through geo-fencing

- Operational systems to encourage good parking behaviour and redistribute bunching of scooters
- 24/7 customer communication channels
- Displaying identification numbers on e-scooters to aid in the identification of poor user behaviour
- Sharing geo-referenced ride, faults, complaints and response time data with the Council
- Ability to integrate with NZTA's MaaS platform

These requirements are planned to be supported by a range of licensing controls, including:

- Only granting a licence to two operators
- Setting a maximum of 800 scooters
- Requiring funding towards a public safety education campaign

However, unlike the Auckland Council Code of Practice or license agreements in other cities, the WCC Code also includes the identification of extensive public areas of the city where riding and parking of electric scooters is either not permitted or restricted (refer clause 5.15). Some of these appear pragmatic and would be self-evident to most users. Some are already covered by existing bylaws and relate to all scooters. These areas are:

- Botanic Gardens
- Bolton St Cemetery
- Otari - Wilton's Bush
- Truby King Park
- Cuba St Mall – existing bylaw
- Waterfront area – 10 km/hr speed limit applies via existing bylaw

Other areas appear more challenging and raise a range of feasibility, customer expectation and safety issues. It is also unclear whether these requirements only apply to public hire e-scooters or also to private e-scooters.

Location	Riding ban	Parking ban	Restriction
Waterfront side of Oriental Parade from Herd St to Freyberg Pool	✓	✓	No parking or riding in any area, with the exception of riding in the Oriental Parade cycle path
Lambton Quay footpath between Whitmore St and Willis St	✓	✓	No parking or riding on the footpath. Riding on the carriageway allowed
Willis St footpath between Lambton Quay and Manners St	✓	✓	No parking or riding on the footpath. Riding on the carriageway allowed
Manners St footpath	✓	✓	No parking or riding on the footpath. Riding on the carriageway allowed

Review of WCC E-Scooter Code of Practice	1.03.2019		RDC Group Ltd
Courtenay Place footpath	✓	✓	No parking or riding on the footpath. Riding on the carriageway allowed
All CBD streets outlined in Appendix 2 except Waterloo Quay north of Bunny St and Aotea Quay	✓	X	No riding on footpaths adjacent to property zoned CBD. Parking and riding on carriageway allowed
All town centre streets outlined in Appendix 3	✓	X	No riding on footpaths adjacent to property zoned town centre. Parking and riding on carriageway allowed

In addition, the Code would require that operators use geo-fencing to ensure no scooters are hired in the Courtenay Precinct for specific time periods such as 9pm – 6am on Friday, Saturday and Sunday nights.

8. Assessment of the WCC Electric Scooter Code of Practice

Like other centres, in setting the conditions for a trial of e-scooters, WCC is primarily concerned for the safety of all road users, including people that hire the e-scooters.

WCC is therefore trying to set an appropriate balance between enabling the trial and use of e-scooters, while not unduly impacting on other users of the transport system – in particular, people using footpaths. This is an evolving and challenging issue to manage, particularly in a city like Wellington which already has high demands in relation to road space allocation and balancing the needs of people, places and movement.

Our view is that the Code of Practice requirements are for the most part pragmatic and in line with best practice that has been adopted elsewhere to guide trials. This includes restricting the use of e-scooters in locations that have a very high people and place value, such as the Botanic Gardens and Cuba Mall.

However, the provisions in the Code that would impose broader restrictions on e-scooter use such as requiring users to ride on the carriageway in the CBD and all suburban centres, is likely to raise significant feasibility issues for implementation, enforcement and safety.

Of more concern is that the restrictions are likely to result in unintended consequences by forcing new or inexperienced e-scooter riders to share traffic lanes with cars, trucks, buses and bikes in corridors that are simply unsuitable and unsafe for e-scooters.

While it is recognized that Wellington perhaps has some of the busiest footpaths in New Zealand, no other city in the country has imposed similar location bans or sought to restrict riding on footpaths. We consider that the provisions in the Code, as currently drafted, impose restrictions on e-scooter use, such as requiring users to ride on the carriageway in the CBD and all suburban centres, which if implemented, would likely raise significant safety, feasibility and enforcement issues. In turn, these are likely to impact the uptake, use and perceived acceptability of the introduction of e-scooters into Wellington City.

Key issues and impacts are summarised in the table below.

Review of WCC E-Scooter Code of Practice

1.03.2019

RDC Group Ltd

Issue	Impacts
Safety	<p>Of primary concern is that the restrictions are likely to result in unintended consequences and be at odds with a safe system approach.</p> <p>E-scooter riders, who will often be inexperienced or unaccustomed to the scooters will be required (or strongly encouraged) to share traffic lanes with cars, trucks, buses and bikes. Some riders may be unaccustomed to NZ road conditions, laws or behaviours.</p> <p>The small wheels of scooters, uneven surfaces of roadways, volumes and speeds of traffic and lack of space for e-scooters (or bikes) on many of Wellington's roads mean that these would present a dangerous environment and is likely to lead to increased and unacceptable injuries or possibly deaths.</p>
Practicality and enforcement	<p>Informal feedback from council staff in other NZ cities is that it would be impractical to require users to use the carriageway and would raise significant public expectations of the WCC to enforce such provisions.</p> <p>Expectations of enforcement would fall on the WCC, operators and the Police. It would be challenging and time consuming to try and enforce location controls and the legality of any enforcement action may be challenged leading to lengthy and expensive proceedings.</p>
User conflicts	<p>Compliance in relation to riding on the carriageway is likely to be low for many users in busy street areas who will instead choose to either not use e-scooters, or ride on the footpath. Conversely many users will intuitively want to ride on the footpath, particularly if they have observed others doing this, such as private e-scooter riders.</p> <p>This will potentially lead to conflicts between riders and other footpath users about rights to use the footpath, particularly when private e-scooter riders will potentially face no restrictions.</p>
Reputation and relationships	<p>An inability to meet public expectations for enforcement of the Code is likely to result in significant reputational challenges for WCC and operators as well as consuming staff time and resources.</p> <p>It could undermine the ability for WCC to maintain effective and positive working relationships with operators and lead to a more compliance / control-based relationship with few levers for WCC to use to drive positive operations.</p>
Commercial feasibility and customer expectations	<p>If adhered to, the location controls may render a public e-scooter scheme unworkable as customers are unable or feel unsafe to complete the trips they want to make. This will undermine the commercial model of operators and provide an incentive for people to simply purchase a private e-scooter.</p>

It is therefore recommended that WCC review these proposed location controls to assess whether there are other feasible options to achieve the same outcomes. This should include discussions with potential operators and other cities in NZ on how safe sharing can be made possible in areas with high foot traffic or potential conflict.

9. Possible Alternatives

What appears to be a more practical approach to the issue of safe sharing of footpaths is to use geo-fencing to enforce areas for lower speeds.

This approach is being investigated in both Auckland and Christchurch and is reported to be operational internationally with some operators promoting geofencing controls to restrict both access to specific areas and speeds within areas.

It would seem that some operators already have this technology, while for others it is under development and this could be one of the requirements that WCC considers in relation to licensing of operators.

This may also be a more effective control than existing bylaws in locations such as Cuba Mall and the Wellington Waterfront.

Another alternative is to consider initiating the trial with a lower total number of e-scooters, maintaining the total number to meet minimum numbers to achieve operational availability whilst managing spot density at the lower end of the scale. We note however, that providers would normally require a minimum number to maintain a critical mass that justifies operational costs and support.

10. Other Considerations

This is clearly a challenging and complex issue. Many other cities in New Zealand and internationally are also grappling with the same challenges. WCC should adopt an ongoing learning policy which includes evolution of its operating policy, working closely with other NZ cities, drawing upon international best practice and sharing its own experiences as this evolves.

Practically, this might include:

- Working with other cities and NZTA to develop national guidelines and develop a shared evidence base of accident data for e-scooters and other mobility devices that can provide comparable data on a rate of exposure basis (such as km travelled or hours/number of accidents)
- Developing a clear evaluation process based upon data collection and surveys of public perceptions and experiences. There would seem to be opportunities for benchmarking and consistency of approaches with other cities. This could also be developed and delivered by an independent organisation to ensure transparency
- Engaging with the operators to:
 - actively investigate options for geo-fencing and speed management
 - develop an implementation of education / communication campaigns to address issues of user behaviour
 - investigate the feasibility of rider alerts and penalties for unacceptable rider behaviour
 - develop parking clusters or designated areas to reduce nuisance and clutter on streets
 - Identify minimum viable numbers for trial and for roll-out options
- Considering and testing whether signage can help educate in relation to controlled areas or speed limits
- Using communication methodologies to help manage public expectations around the role of the Council, including limitations on enforcement and regulation and how to

contact providers to express concerns or make complaints. This might include links on WCC's website to providers numbers or other contact points

- Providing insights to NZTA and MoT to help guide the development of the Accessible Streets rules package
- If an on-road requirement is pursued, then consider timing of this to be linked to the implementation of area wide speed restrictions for all vehicles and any other inner city road design changes.

APPENDIX 1: PUBLIC HIRE E-SCOOTER SCHEMES BY CITY IN NEW ZEALAND

City	Method of control	Trial length	No. Scooters	Operators	Redistribution and operations	Hours of operation	Location and restrictions	Other
Auckland	License under Trading and Events in Public Places bylaw Code of practice for dockless cycles and e-scooters	12 months	n/a	Lime (suspended) Onzo (not implemented) Wave (not implemented)	Even redistribution Parking, maintenance, encourage safe use	24 hrs/7 days	No restrictions	Reserves the right to use geo-fencing to control location in the future 24/7 support Data collection MaaS integration capability
Christchurch	Permit to trade under Public Places bylaw	Initially 3 months To be extended for 12 months	700 (to increase to a total of 1600)	Lime	Redistributed each night Parking, maintenance, encourage safe use*	24 hrs/7 days	Most of public area of urban Christchurch except Botanic Gardens and airport area.	Education on safety and laws / regulations Bells / lights Contact number Data collection
Upper Hutt City	Permit to trade under Public Places bylaw	12 months to 30 November 2019 – not as a trial	500	Lime	Even redistribution Parking, maintenance, encourage safe use*	24 hrs/7 days.	Most of public urban area of Upper Hutt City excluding the Cemetery	Education on safety and laws / regulations Bells / lights Contact number KPIs on safety and maintenance, data on usage
Hutt City	Permit to trade under Public Places bylaw	12 months to 30 November 2019 – not as a trial	600	Lime	Even redistribution Parking, maintenance, encourage safe use*	24 hrs/7 days.	Most of public urban area of Hutt City	Education on safety and laws / regulations Bells / lights Contact number KPIs on safety and maintenance, data on usage
Dunedin	MoU only, no applicable bylaw	12-month review clause	730	Lime (suspended)	Remove from streets by gpm each evening	Removed from streets at gpm each evening to 6am each morning	Remove from streets by gpm each evening	N/a (copy of MoU not available at time of writing)

*** Permits for Hutt City, Upper Hutt City and CCC contain the following clauses:**

**The Operator will educate customers about safety checks, responsible riding and correct parking, including the impacts of poor placement to the general public.*

The Operator will also make best efforts to inform riders that they can incur penalties for breaching any law, regulation, standard or applicable rule including, by way of example, unauthorised use of special vehicle lanes, or operating a vehicle inconsiderately.

E-scooters must not be used or ridden in a manner that is or might be dangerous to the public or any person.

The Operator will use its best endeavours to ensure that E-Scooter users ride safely and carefully and be considerate of all other road and footpath users, ensuring that:

- a) *When on the road, users must keep as close as possible to the edge of the roadway, where it is safe to do so; and*
- b) *When on the footpath, users must:*
 - i. *Not ride at speeds that put other footpath users at risk; and*
 - ii. *Always give way to pedestrians and drivers of mobility vehicles.**